

O.R. TAMBO DISTRICT MUNICIPALITY MUNICIPALITY



**O.R. TAMBO  
DISTRICT MUNICIPALITY**

CONSOLIDATED FINANCIAL STATEMENTS

for the period ended

30 June 2011

**O. R. TAMBO DISTRICT MUNICIPALITY  
CONSOLIDATED FINANCIAL STATEMENTS  
for the period ended 30 June 2011**

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Consolidated Financial Statements

for

**O.R. TAMBO DISTRICT MUNICIPALITY**

for the period ended 30 June: **2011**

Province: Eastern Cape

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

**Contact Information:**

**Name of acting Municipal Manager:** Mr M.M.E. Ncube

**Name of Chief Financial Officer:** Moabi Escort Moleko

Contact telephone number: (047) 501 7000

Contact e-mail address: [ayanda@ortambodm.org.za](mailto:ayanda@ortambodm.org.za)

**Name of contact at provincial treasury:** Ms. W. Majeke

Contact telephone number: (047) 532 7400

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**Name of relevant Auditor:** Office of the Auditor General

Contact telephone number: (047) 531 0409

Contact e-mail address: [sandileh@agsa.co.za](mailto:sandileh@agsa.co.za)

**Name of contact at National Treasury:** Keitumetse Malebye

Contact telephone number: 012 315 5989

Contact e-mail address:

**O.R. TAMBO DISTRICT MUNICIPALITY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 30 June 2011

**General information**  
**Outgoing Councillors**

<u>Members of the Council</u>		<b>Date of commencement</b>	<b>Date of resignation</b>	
Mrs. R.Z. Capa	<b>Executive Mayor</b>	22-Mar-06	07-Jun-11	
Ms. N. Madalane	<b>Speaker</b>	22-Mar-06	07-Jun-11	
Mr. Z. Mzamane	<b>Council Chief Whip</b>	22-Mar-06	07-Jun-11	
MMC L.S. Nduku	Member of the Mayoral Committee	22-Mar-06	07-Jun-11	
MMC E.N. Diko	Member of the Mayoral Committee	22-Mar-06	07-Jun-11	
MMC Z. Ndlumbini	Member of the Mayoral Committee	22-Mar-06	07-Jun-11	
MMC N.B. Tobo	Member of the Mayoral Committee	22-Mar-06	07-Jun-11	
MMC N. Meth	Member of the Mayoral Committee	10-Sep-08	07-Jun-11	
MMC M. Makhedama	Member of the Mayoral Committee	22-Mar-06	07-Jun-11	
MMC N. Malunga	Member of the Mayoral Committee	22-Mar-06	07-Jun-11	
MMC J.P. Mdingi	Member of the Mayoral Committee	22-Mar-06	07-Jun-11	
MMC D.J. Myolwa	Member of the Mayoral Committee	22-Mar-06	07-Jun-11	
<b>The Municipal Council (outside Mayoral Committee)</b>				
Betele S.		22-Mar-06	07-Jun-11	
Dambuza M.B.		22-Mar-06	07-Jun-11	
Diniso M.		22-Mar-06	07-Jun-11	
Dudumayo B.		22-Mar-06	07-Jun-11	
Gexu N.		22-Mar-06	07-Jun-11	
Gwadiso J.P.		22-Mar-06	31-Jul-10	
Hlabiso L.		22-Mar-06	07-Jun-11	
Jwacu N.		22-Mar-06	07-Jun-11	
Khonza N.		29-May-09	07-Jun-11	
Luvela T.		22-Mar-06	07-Jun-11	
Madubedube G.N.		05-May-09	07-Jun-11	
Mamve N.		22-Mar-06	07-Jun-11	
Mandita K.		22-Mar-06	07-Jun-11	
Mantanga P.N.		22-Mar-06	07-Jun-11	
Marini K.		22-Mar-06	07-Jun-11	
Matomane R.N.		22-Mar-06	07-Jun-11	
Mbelu N.		31-Mar-09	07-Jun-11	
Mngoma N.		22-Mar-06	07-Jun-11	
Moyakhe N.S.		22-Mar-06	07-Jun-11	
Mpatane X.		29-May-09	07-Jun-11	
Mtshengu A.		22-Mar-06	07-Jun-11	
Mvanyashe M.N.		22-Mar-06	07-Jun-11	
Ndabeni M.		22-Mar-06	07-Jun-11	
Ndabeni S.		22-Mar-06	07-Jun-11	
Ndamase P.		22-Mar-06	31-Jan-11	
Ndlobongela B.		22-Mar-06	07-Jun-11	
Ndude L.M.		22-Mar-06	07-Jun-11	
Nkosiyane N.L.		05-May-09	07-Jun-11	
Nyengane S.		05-May-09	07-Jun-11	
Qhoshu B.		22-Mar-06	25-Jan-11	(Deceased)
Qhuba W.S.		22-Mar-06	07-Jun-11	
Sigcau N.E.		22-Mar-06	07-Jun-11	
Sigcau T.T.		22-Mar-06	07-Jun-11	
Soldati N.		05-May-09	07-Jun-11	
Sotshangane S.M.		22-Mar-06	07-Jun-11	
Tayi H.S.		22-Mar-06	07-Jun-11	
Thiyeka N.		22-Mar-06	07-Jun-11	
Tshiceka N.		22-Mar-06	07-Jun-11	
Tshobonga N.		22-Mar-06	07-Jun-11	
Tshota L.M.		30-Apr-10	07-Jun-11	
Tshotsho M.		22-Mar-06	07-Jun-11	
Tsipa K.W.		22-Mar-06	07-Jun-11	
Wade B.J.		22-Mar-06	07-Jun-11	
Yalo Z.		22-Mar-06	07-Jun-11	

**O.R. TAMBO DISTRICT MUNICIPALITY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 30 June 2011

**General information (continued)**

**Incoming Councillors**

**Members of the Council**

**Date of Appointment**

Meth N.	<b>Speaker</b>	07-Jun-11	Re-appointed
Myolwa D.J	<b>Executive Mayor</b>	07-Jun-11	Re-appointed
Ntobongwana N.	<b>Chief Whip</b>	07-Jun-11	
Soguntuza N.	Member of the Mayoral Committee	07-Jun-11	
Mambila L.N	Member of the Mayoral Committee	07-Jun-11	
Nogumla R.Z	Member of the Mayoral Committee	07-Jun-11	
Hlazo H.T	Member of the Mayoral Committee	07-Jun-11	
Mbede B	Member of the Mayoral Committee	07-Jun-11	
Nkani B.J	Member of the Mayoral Committee	07-Jun-11	
Mlamli S	Member of the Mayoral Committee	07-Jun-11	
Ngozi W	Member of the Mayoral Committee	07-Jun-11	
Dyule N.W	Member of the Mayoral Committee	07-Jun-11	
Socikwa M	Member of the Mayoral Committee	07-Jun-11	

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

Betel S.		07-Jun-11	Re-appointed
Bunzana M		07-Jun-11	
Capa N.		07-Jun-11	
Dambuza M.B.		07-Jun-11	Re-appointed
Dangala V.		07-Jun-11	
Dawedi A.M.		07-Jun-11	
Dudumayo B.		07-Jun-11	Re-appointed
Dyule N.W.		07-Jun-11	
Gogo M.		07-Jun-11	
Gwadiso V.O.		07-Jun-11	
Hibhane Z.		07-Jun-11	
Hlazo H.T.		07-Jun-11	
Khotsholo B.		07-Jun-11	
Kotana M.		07-Jun-11	
Khupelo T.E.		07-Jun-11	
Magaya H.		07-Jun-11	
Mandita K.		07-Jun-11	
Mamve N.N.		07-Jun-11	Re-appointed
Makhedama M.		07-Jun-11	Re-appointed
Malangeni L.M.		07-Jun-11	
Mambila L.N.		07-Jun-11	
Maqabuka Z.V.		07-Jun-11	
Mathe M.S.		07-Jun-11	
Matomane N.R.		07-Jun-11	Re-appointed
Mazuza C.S.		07-Jun-11	
Mbede B.		07-Jun-11	
Mbotshwa N.		07-Jun-11	
Meth N.		07-Jun-11	
Mpemnyama N.		07-Jun-11	
Mlamli S.		07-Jun-11	
Mqingwana N.E.		07-Jun-11	
Mtwa M.		07-Jun-11	
Mvanyashe M.N.		07-Jun-11	Re-appointed
Mnyanda V.		07-Jun-11	

**Members of the Council**

**Date of Appointment**

Myolwa D.J.		07-Jun-11	
Mziba L.		07-Jun-11	
Mvamveki N.		07-Jun-11	
Ngozi W.		07-Jun-11	
Ndlobongela B.		07-Jun-11	Re-appointed
Ndlela		07-Jun-11	
Ndude L.M.		07-Jun-11	Re-appointed
Ndzwayiba W.M.		07-Jun-11	
Nkani B.J.		07-Jun-11	
Nkungu M.		07-Jun-11	
Njemla N.S.		07-Jun-11	Re-appointed
Ngabayena M.		07-Jun-11	
Nogumla R.Z.		07-Jun-11	
Ntshoyi N.		07-Jun-11	
Ntshuba V.W.		07-Jun-11	
Ntobongwana N.		07-Jun-11	
Pepping P.N.		07-Jun-11	
Ruleni S.		07-Jun-11	
Sigcau M.		07-Jun-11	
Sikhonkothelo N.		07-Jun-11	
Socikwa M.C.		07-Jun-11	
Soguntuza N.		07-Jun-11	
Thwatshuka D.		07-Jun-11	
Thiyeka N.		07-Jun-11	Re-appointed
Xangayi C.T.		07-Jun-11	
Zweni R.M.		07-Jun-11	

**O.R. TAMBO DISTRICT MUNICIPALITY  
CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 30 June 2011

**General information (continued)**

**Acting Municipal Manager**

T.T.Nogaga

**Chief Financial Officer**

M. E. Moleko

**Grading of Local Authority**

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**Auditors**

Auditor-General

**Bankers**

First National Bank

**Registered Office:**

O. R. Tambo House

**Physical address:**

Nelson Mandela Drive  
Myezo Park  
Mthatha  
5099

**Postal address:**

**P/Bag X 6043**  
Mthatha  
5099

**Telephone number:**

(047) 501 6400

**Fax number:**

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[mm@ortambodm.org.za](mailto:mm@ortambodm.org.za)

**O.R. TAMBO DISTRICT MUNICIPALITY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 30 June 2011

**Approval of annual financial statements**

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 74, 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 22 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  
T.T.Nogaga  
DATE:

O. R. TAMBO DISTRICT MUNICIPALITY  
CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended 30 June 2011  
STATEMENT OF FINANCIAL POSITION

Note	Group		Municipality	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	R	R	R	R
<b>ASSETS</b>				
<b>Current Assets</b>				
	<b>229 273 449</b>	<b>127 725 222</b>	<b>213 424 909</b>	<b>109 917 421</b>
Cash and cash equivalents	5 158 646 854	79 146 575	146 955 781	64 979 050
Trade receivables from exchange transactions	6 16 718 130	11 904 667	16 710 240	11 903 678
Obligations under transfer arrangements	16 -	7 485 104	-	7 485 104
Inventories	7 13 165 574	11 840 313	13 080 243	11 774 893
Operating lease asset	-	65 733	-	-
Other receivables from exchange transactions	8 1 387 799	1 686 354	1 128 772	1 333 130
VAT receivable	15 39 355 092	15 596 476	35 549 873	12 441 566
	<b>3 882 319 309</b>	<b>3 568 991 569</b>	<b>3 874 163 116</b>	<b>3 557 297 290</b>
<b>Non-Current Assets</b>				
Intangible assets	9 1 655 501	3 956 081	1 571 952	3 784 461
Investment property	12 2 200 000	2 200 000	2 200 000	2 200 000
Infrastructure, property, plant and equipment	10 3 867 059 331	3 551 564 841	3 860 343 087	3 541 519 583
Biological assets	11 11 404 477	11 270 646	10 048 077	9 793 246
<b>Total Assets</b>	<b>4 111 592 759</b>	<b>3 696 716 791</b>	<b>4 087 588 025</b>	<b>3 667 214 711</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
	<b>206 887 681</b>	<b>251 798 289</b>	<b>195 029 193</b>	<b>237 171 243</b>
Trade and other payables from exchange transactions	13 139 450 873	251 214 013	135 276 711	236 701 065
Consumer deposits	14 678 997	184 297	678 997	184 297
Bank overdraft	5 -	39	-	-
Obligations under transfer arrangements	16 66 530 370	-	58 882 190	-
Operating lease liability	45 36 146	-	-	-
Finance lease liability	17 191 295	399 939	191 295	285 881
<b>Non-current Liabilities</b>	<b>548 922</b>	<b>991 512</b>	<b>548 922</b>	<b>991 512</b>
Finance lease liability	17 548 922	991 512	548 922	991 512
<b>Total liabilities</b>	<b>207 436 603</b>	<b>252 789 800</b>	<b>195 578 115</b>	<b>238 162 755</b>
<b>NET ASSETS</b>				
	<b>3 904 156 155</b>	<b>3 443 926 990</b>	<b>3 892 009 911</b>	<b>3 429 051 956</b>
Reserves	102 621 815	102 621 524	102 621 815	102 621 524
Accumulated surplus	3 801 534 341	3 341 305 466	3 789 388 097	3 326 430 432
<b>Total net assets</b>	<b>3 904 156 155</b>	<b>3 443 926 990</b>	<b>3 892 009 911</b>	<b>3 429 051 956</b>



**O. R. TAMBO DISTRICT MUNICIPALITY  
CONSOLIDATED FINANCIAL STATEMENTS  
for the period ended 30 June 2011  
STATEMENT OF FINANCIAL PERFORMANCE**

	Note	Group		Municipality	
		30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>REVENUE</b>					
<b>Revenue from exchange transactions</b>		<b>106 045 935</b>	<b>88 971 927</b>	<b>106 045 935</b>	<b>88 971 927</b>
Service charges	18	106 045 935	88 971 927	106 045 935	88 971 927
<b>Revenue from non-exchange transaction</b>		<b>1 015 154 324</b>	<b>910 934 977</b>	<b>1 008 949 690</b>	<b>910 934 977</b>
Public contributions and donations	21	-	200 000	-	200 000
Government grants & subsidies	20	1 015 154 324	910 734 977	1 008 949 690	910 734 977
Rental income		156 182	249 941	36 420	20 866
Other income	21	71 403 726	74 190 494	68 689 338	63 518 091
Interest received- Investment	19	18 939 288	8 373 488	18 669 408	8 373 488
Interest received- Other	19	17 846 655	14 151 968	17 846 655	13 554 135
<b>Total income</b>		<b>1 229 546 110</b>	<b>1 096 872 796</b>	<b>1 220 237 446</b>	<b>1 085 373 485</b>
<b>EXPENDITURE</b>					
Employee Related Costs	22	200 315 653	157 826 664	179 201 544	136 061 258
Remuneration of councillors	22	8 358 781	7 387 193	8 358 781	7 647 044
Debt impairment	6	58 112 922	37 335 458	58 112 922	37 335 458
Depreciation and amortisation	23	140 333 897	139 371 648	138 498 691	137 973 864
Impairment loss	30	401 622	4 996 352	214 622	4 667 081
Repairs and maintenance		24 483 382	8 757 704	24 356 442	8 290 086
Finance costs	24	311 547	8 979 479	91 301	8 727 605
Bulk purchases	25	16 406 149	40 625 668	16 406 149	40 625 668
Contracted services	26	5 678 151	6 020 301	5 678 151	6 020 301
Grants and subsidies paid	27	6 170 854	8 839 803	43 071 724	81 029 342
General expenses	28	397 961 332	564 288 023	374 826 811	505 045 864
<b>Total expenses</b>		<b>858 534 289</b>	<b>984 872 316</b>	<b>848 817 138</b>	<b>973 423 571</b>
Gain on sale of assets	29	2 213 805	581 234	2 213 805	508 411
Transfer from revaluation reserve		-	5 056 362	-	-
Increase in fair value of biological assets	31	2 054 637	181 246	1 846 537	1 288 185
<b>SURPLUS FOR THE YEAR</b>		<b>375 280 263</b>	<b>117 819 321</b>	<b>375 480 650</b>	<b>113 746 509</b>

**O. R. TAMBO DISTRICT MUNICIPALITY  
CONSOLIDATED FINANCIAL STATEMENTS  
for the period ended 30 June 2011  
STATEMENT OF CHANGES IN NET ASSETS**

	Asset Financing Fund	Revaluation Reserve	Other reserves	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
GROUP		R	R	R	R	R
Balance as at 30 June 2010	-	68 329 926	34 291 598	102 621 524	3 341 305 466	3 443 926 990
Prior year adjustments	-	-	-	-	84 948 612	84 948 612
<b>Restated amount as at 30 June 2010</b>	-	<b>68 329 926</b>	<b>34 291 598</b>	<b>102 621 524</b>	<b>3 426 254 078</b>	<b>3 528 875 602</b>
Other movements in reserves	291	-	-	291	-	291
Surplus for the year		-	-	-	375 280 263	375 280 263
<b>Balance at 30 June 2011</b>	<b>291</b>	<b>68 329 926</b>	<b>34 291 598</b>	<b>102 621 815</b>	<b>3 801 534 341</b>	<b>3 904 156 155</b>

**O. R. TAMBO DISTRICT MUNICIPALITY  
CONSOLIDATED FINANCIAL STATEMENTS  
for the period ended 30 June 2011  
STATEMENT OF CHANGES IN NET ASSETS**

**MUNICIPALITY**

	<b>Asset Financing Fund</b>	<b>Revaluation Reserve</b>	<b>Government Grant Reserve</b>	<b>Total: Reserves</b>	<b>Accumulated Surplus/(Deficit)</b>	<b>Total: Net Assets</b>
		R	R	R	R	R
<b>Balance at 30 June 2010</b>	-	68 329 926	34 291 598	102 621 524	3 326 430 432	3 429 051 956
Prior year adjustments	-	-	-	-	87 477 015	87 477 015
<b>Restated amount as at 30 June 2010</b>	-	68 329 926	34 291 598	102 621 524	3 413 907 447	3 516 528 971
Other movements in reserves	291	-	-	291	-	291
Surplus for the year		-	-	-	375 480 650	375 480 650
<b>Balance at 30 June 2011</b>	<b>291</b>	<b>68 329 926</b>	<b>34 291 598</b>	<b>102 621 815</b>	<b>3 789 388 097</b>	<b>3 892 009 911</b>

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**O. R. TAMBO DISTRICT MUNICIPALITY  
CONSOLIDATED FINANCIAL STATEMENTS  
for the period ended 30 June 2011  
CASH FLOW STATEMENT**

	Note	Group		Municipality	
		30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts:		1 193 792 495	1 004 942 674	1 133 136 182	914 970 639
Sales of goods and services		44 693 960	65 014 951	43 126 490	56 938 497
Grants		1 063 005 658	866 471 747	1 005 453 375	785 931 446
Interest received		36 785 943	8 971 321	36 516 063	8 373 488
Other receipts		49 306 934	64 484 655	48 040 254	63 727 207
Payments:		(818 299 149)	(846 634 873)	(754 629 055)	(753 481 809)
Employee costs		(204 311 931)	(161 627 071)	(183 197 822)	(122 410 721)
Suppliers		(613 987 217)	(685 007 802)	(571 431 232)	(631 071 088)
<b>Cash generated by / (utilised in) operations</b>	<b>32</b>	<b>375 493 346</b>	<b>158 307 801</b>	<b>378 507 127</b>	<b>161 488 830</b>
Interest earned		269 880	880 945	-	-
Finance costs		(190 561)	(251 874)	(91 301)	-
Financial discounting		178 056	-	-	-
Impairment loss		120 986	-	-	-
<b>Net cash flows from operating activities</b>		<b>375 871 707</b>	<b>158 936 872</b>	<b>378 415 826</b>	<b>161 488 830</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of fixed assets		(300 081 846)	(171 282 381)	(299 959 683)	(170 399 290)
Purchase of intangible assets		(27 826)	(369 837)	(27 826)	(275 549)
Purchase of biological assets		-	(690 725)	-	(168 325)
Proceeds on disposal of fixed assets		38 303	225 621	-	-
Proceeds on disposal of biological assets		3 590 889	1 474 758	3 590 889	1 474 758
Transfer from calves (weaned)		142 100	-	-	-
Produce from insurance		-	11 750	-	11 750
Produce from bursary		-	90 434	-	90 434
<b>Net cash flows from investing activities</b>		<b>(296 338 381)</b>	<b>(170 540 380)</b>	<b>(296 396 620)</b>	<b>(169 266 222)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of finance lease liability		(537 177)	(64 522)	(537 177)	(55 093)
Advance on consumer deposits and grants		494 700	1 674 176	494 700	182 197
New loans raised		-	(114 506)	-	-
<b>Net cash flows from financing activities</b>		<b>(42 476)</b>	<b>1 495 148</b>	<b>(42 476)</b>	<b>127 104</b>
<b>Net decrease in net cash and cash equivalents</b>		<b>79 490 850</b>	<b>(10 108 360)</b>	<b>81 976 731</b>	<b>(7 650 288)</b>
<b>Net cash and cash equivalents at beginning of period</b>		<b>79 156 004</b>	<b>89 254 935</b>	<b>64 979 050</b>	<b>72 629 338</b>
<b>Net cash and cash equivalents at end of period</b>	<b>33</b>	<b>158 646 854</b>	<b>79 146 575</b>	<b>146 955 781</b>	<b>64 979 050</b>

O.R. TAMBO DISTRICT MUNICIPALITY  
CONSOLIDATED FINANCIAL STATEMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 30 June 2011

	Group		Municipi
	30 June 2011 R	30 June 2010 R	30 June 2011 R
<b>5 CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents consist of the following:			
<b>Bank balances</b>			
Cash on hand	13 545 961	1 621 690	13 545 961
Call deposits	145 100 893	77 524 885	133 409 820
	<u>158 646 854</u>	<u>79 146 575</u>	<u>146 955 781</u>
Bank overdraft	-	(39)	-
	<u><u>158 646 854</u></u>	<u><u>79 146 536</u></u>	<u><u>146 955 781</u></u>
The Group 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	1 608 228	33 367 570	1 608 228
Cash book balance at end of year	<u>13 539 721</u>	<u>1 608 228</u>	<u>13 539 721</u>
Bank statement balance at beginning of year	49 260 977	33 339 219	49 260 977
Bank statement balance at end of the year	<u>25 983 037</u>	<u>49 260 977</u>	<u>25 983 037</u>
<b><u>(Other Account - credit card)</u></b>			
First National Bank, York Road: Account Number 881271004736000			
Cash book balance at beginning of year	5 344	13 271	5 344
Cash book balance at end of year	<u>5 344</u>	<u>5 344</u>	<u>5 344</u>
Bank statement balance at beginning of year	3 088	8 465	3 088
Bank statement balance at end of year	<u>2 169</u>	<u>3 088</u>	<u>2 169</u>
<b><u>Current Account - petty cash</u></b>			
First National Bank, York Road: Account Number 621428618881			
Cash book balance at beginning of year	1 656	(222)	1 656
Cash book balance at end of year	<u>896</u>	<u>1 656</u>	<u>896</u>
Bank statement balance at beginning of year	-	(222)	-
Bank statement balance at end of year	<u>829</u>	<u>-</u>	<u>829</u>
<b><u>Account Number 62166804742 (Primary Bank Account):</u></b>			
Cash book balance at beginning of year	869 373	(435 571)	
Cash book balance at end of year	<u>877 366</u>	<u>869 373</u>	
Bank statement balance at beginning of year	956 942	231 132	
Bank statement balance at end of year	<u>907 629</u>	<u>956 942</u>	
<b><u>Account Number 62183286890 (Salaries Account):</u></b>			
Cash book balance at beginning of year	6 037	976	
Cash book balance at end of year	<u>3 299</u>	<u>6 037</u>	
Bank statement balance at beginning of year	6 037	976	
Bank statement balance at end of year	<u>3 299</u>	<u>6 037</u>	
<b><u>Account Number 62068052762 (Old maize account)</u></b>			
Cash book balance at beginning of year	-	766 998	
Cash book balance at end of year	<u>-</u>	<u>-</u>	
Bank statement balance at beginning of year	-	766 998	
Bank statement balance at end of year	<u>-</u>	<u>-</u>	
<b><u>Account Number 62174957301 (DEAT - Road Signage)</u></b>			
Cash book balance at beginning of year	164	490	
Cash book balance at end of year	<u>651</u>	<u>164</u>	
Bank statement balance at beginning of year	164	490	
Bank statement balance at end of year	<u>651</u>	<u>164</u>	

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	30 June 2011 R	30 June 2010 R	30 June 2011 R
<b>Account Number 62174956543 (DEAT - Beekeeping)</b>			
Cash book balance at beginning of year	(37)	1 953	
Cash book balance at end of year	-	(37)	
Bank statement balance at beginning of year	(37)	1 953	
Bank statement balance at end of year	-	(37)	
<b>Account Number (Deat Noqhekwanwa Cheque)</b>			
Cash book balance at beginning of year	-	-	
Cash book balance at end of year	25 643	-	
Bank statement balance at beginning of year	-	-	
Bank statement balance at end of year	25 643	-	
<b>Account Number (Deat Noqhekwanwa Cheque):</b>			
Cash book balance at beginning of year	-	-	
Cash book balance at end of year	980	-	
Bank statement balance at beginning of year	-	-	
Bank statement balance at end of year	980	-	
<b>Deat Ndabankulu Call Account</b>			
Cash book balance at beginning of year	-	-	
Cash book balance at end of year	2 376 330	-	
Bank statement balance at beginning of year	-	-	
Bank statement balance at end of year	2 376 330	-	
<b>Deat Noqhekwanwa Call Account</b>			
Cash book balance at beginning of year	-	-	
Cash book balance at end of year	1 777 032	-	
Bank statement balance at beginning of year	-	-	
Bank statement balance at end of year	1 777 032	-	
<b>Maize Call Account</b>			
Cash book balance at beginning of year	-	-	
Cash book balance at end of year	1 807 374	-	
Bank statement balance at beginning of year	-	-	
Bank statement balance at end of year	1 807 374	-	
<b>First National Bank - call account</b>			
<b>Account Number 62182223257 (Integrated Energy Centre)</b>			
Cash book balance at beginning of year	2 949 589	2 758 408	
Cash book balance at end of year	769 471	2 949 589	
Bank statement balance at beginning of year	2 949 589	2 758 408	
Bank statement balance at end of year	769 471	2 949 589	
<b>Account Number 62181670540 (Ntinga call account)</b>			
Cash book balance at beginning of year	3 691 133	6 048 219	
Cash book balance at end of year	1 761 155	2 691 133	
Bank statement balance at beginning of year	3 691 133	6 048 219	
Bank statement balance at end of year	1 761 155	3 691 133	
<b>Account Number 62174955553(Maize new account)</b>			
Cash book balance at beginning of year	-	3 570 571	
Cash book balance at end of year	-	-	
Bank statement balance at beginning of year	-	3 570 571	
Bank statement balance at end of year	-	-	

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	Group		Municipi
	30 June 2011 R	30 June 2010 R	30 June 2011 R
<b>Account Number 62217068750 (Adam Kok Farms)</b>			
Cash book balance at beginning of year	2 402 230	186 574	
Cash book balance at end of year	<u>162 985</u>	<u>2 402 230</u>	
Bank statement balance at beginning of year	2 402 230	186 574	
Bank statement balance at end of year	<u>162 985</u>	<u>2 402 230</u>	
<b>Account Number 62193282531 (Lambasi)</b>			
Cash book balance at beginning of year	12 239	11 453	
Cash book balance at end of year	<u>8 719</u>	<u>12 239</u>	
Bank statement balance at beginning of year	12 239	11 453	
Bank statement balance at end of year	<u>8 719</u>	<u>12 239</u>	
<b>Account Number 62189189585 (DEAT Road Signage)</b>			
Cash book balance at beginning of year	382 381	1 150 424	
Cash book balance at end of year	<u>195 825</u>	<u>382 381</u>	
Bank statement balance at beginning of year	382 381	1 150 424	
Bank statement balance at end of year	<u>195 825</u>	<u>382 381</u>	
<b>Account Number 62189188553 (DEAT Beekeeping)</b>			
Cash book balance at beginning of year	156 290	539 776	
Cash book balance at end of year	<u>-</u>	<u>156 290</u>	
Bank statement balance at beginning of year	156 290	539 776	
Bank statement balance at end of year	<u>-</u>	<u>156 290</u>	
<b>Account Number 62185095281 (Ikhwezi Farm)</b>			
Cash book balance at beginning of year	9 240	433 269	
Cash book balance at end of year	<u>255 309</u>	<u>9 240</u>	
Bank statement balance at beginning of year	9 240	433 269	
Bank statement balance at end of year	<u>255 309</u>	<u>9 240</u>	
<b>Account Number 62185096122 (Umzikantu Red Meat Abattoir)</b>			
Cash book balance at beginning of year	15 004	39 369	
Cash book balance at end of year	<u>186 902</u>	<u>15 004</u>	
Bank statement balance at beginning of year	15 004	39 369	
Bank statement balance at end of year	<u>186 902</u>	<u>15 004</u>	
<b>Livestock project</b>			
Cash book balance at beginning of year	190 534	-	
Cash book balance at end of year	<u>144 890</u>	<u>190 534</u>	
Bank statement balance at beginning of year	190 534	-	
Bank statement balance at end of year	<u>144 890</u>	<u>190 534</u>	
<b>IDT School Greening</b>			
Cash book balance at beginning of year	2 604	-	
Cash book balance at end of year	<u>2 746</u>	<u>2 604</u>	
Bank statement balance at beginning of year	2 604	-	
Bank statement balance at end of year	<u>2 746</u>	<u>2 604</u>	
<b>Standard Bank - call account</b>			
<b>Account Number 548663572-001</b>			
Cash book balance at beginning of year	578 887	546 175	
Cash book balance at end of year	<u>608 439</u>	<u>578 887</u>	
Bank statement balance at beginning of year	578 887	546 175	
Bank statement balance at end of year	<u>608 439</u>	<u>578 887</u>	
<b>Liberty Life Investment (Restated)</b>			
<b>Account Number 548663572-001</b>			
Cash book balance at beginning of year	-	989 243	
Cash book balance at end of year	<u>-</u>	<u>-</u>	
Bank statement balance at beginning of year	-	989 243	
Bank statement balance at end of year	<u>-</u>	<u>-</u>	

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	Group		Municip
	30 June 2011 R	30 June 2010 R	30 June 2011 R
<b>Baziya Sustainable Villages -Surudec Call Account</b>			
<i>Account Number</i>			
Cash book balance at beginning of year	2 910 626	-	
Cash book balance at end of year	<u>711 171</u>	<u>2 910 626</u>	
Bank statement balance at beginning of year	2 910 626	-	
Bank statement balance at end of year	<u>711 171</u>	<u>2 910 626</u>	
<b>Baziya Sustainable Villages-Surudec Cheque Account</b>			
<i>Account Number</i>			
Cash book balance at beginning of year	700	-	
Cash book balance at end of year	<u>14 783</u>	<u>700</u>	
Bank statement balance at beginning of year	700	-	
Bank statement balance at end of year	<u>14 783</u>	<u>700</u>	

The bank overdraft emanates from bank charges at year end, this is backed by cash held in the call account.

**6 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**  
**6.1 Trade receivables**

<b>30-Jun-11</b>			
<b>Gross Balances</b>			
Service debtors			
Water	172 747 064	111 055 096	172 747 064
Sewerage	39 177 871	64 022 918	39 177 871
Discounting	(149 387)	-	(149 300)
Projects	7 977	-	-
<b>Total</b>	<u><b>211 783 525</b></u>	<u><b>175 078 014</b></u>	<u><b>211 775 635</b></u>
<b>Allowance for impairment losses</b>			
Service debtors			
Water	(168 712 057)	(103 507 824)	(168 712 057)
Sewerage	(26 353 338)	(59 665 523)	(26 353 338)
Projects	-	-	-
<b>Total</b>	<u><b>(195 065 395)</b></u>	<u><b>(163 173 347)</b></u>	<u><b>(195 065 395)</b></u>
<b>Net Balance</b>			
Service debtors			
Water	4 035 007	7 547 272	4 035 007
Sewerage	12 824 533	4 357 395	12 824 533
Discounting	(149 387)	-	(149 300)
Projects	7 977	-	-
<b>Total</b>	<u><b>16 718 130</b></u>	<u><b>11 904 667</b></u>	<u><b>16 710 240</b></u>
<b>Service Debtors: Ageing</b>			
Current (0 – 30 days)	20 260 396	18 468 905	20 260 406
31 - 60 Days	11 805 119	8 172 163	11 800 915
61 - 90 Days	8 616 650	5 730 106	8 612 868
91 - 120 Days	8 215 855	5 637 735	8 215 855
121 - 365 Days	88 564 412	68 173 756	88 564 412
+ 365 Days	74 466 975	68 932 133	74 466 975
Payments received in advance	(2 933 841)	-	(2 933 841)
<b>Total</b>	<u><b>208 995 566</b></u>	<u><b>175 114 797</b></u>	<u><b>208 987 590</b></u>

Service debtors contain an amount of R2 933 841 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.



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	Group		Municip
	30 June 2011 R	30 June 2010 R	30 June 2011 R
<b><u>Summary of Debtors by Customer Classification</u></b>			
<b>Consumers</b>			
Current (0 – 30 days)	10 233 879	9 177 496	10 233 889
31 - 60 Days	7 386 544	4 117 613	7 382 340
61 - 90 Days	4 899 962	3 392 968	4 896 180
91 - 120 Days	4 835 518	3 399 797	4 835 518
121 - 365 Days	67 538 993	50 627 265	67 538 993
+ 365 Days	64 443 665	54 121 565	64 443 665
Payments received in advance	(1 574 623)	-	(1 574 623)
Sub-total	<b>157 763 939</b>	<b>124 836 704</b>	<b>157 755 963</b>
Less: Provision for doubtful debts	(142 651 765)	(116 317 234)	(142 473 640)
<b>Total debtors by customer classification</b>	<b>15 112 174</b>	<b>8 519 470</b>	<b>15 282 323</b>
<b>Industrial / Commercial</b>			
Current (0 – 30 days)	3 093 655	3 304 752	3 093 655
31 - 60 Days	1 548 953	1 630 682	1 548 953
61 - 90 Days	1 142 777	1 013 117	1 142 777
91 - 120 Days	977 825	1 085 927	977 825
121 - 365 Days	10 804 066	10 399 940	10 804 066
+ 365 Days	4 030 850	3 978 917	4 030 850
Payments received in advance	(795 785)	-	(795 785)
Sub-total	<b>20 802 340</b>	<b>21 413 333</b>	<b>20 802 340</b>
Less: Provision for doubtful debts	(20 802 340)	(19 955 842)	-20 802 340
<b>Total debtors by customer classification</b>	<b>-</b>	<b>1 457 491</b>	<b>-</b>
<b>National and Provincial Government</b>			
Current (0 – 30 days)	6 932 862	5 986 657	6 932 862
31 - 60 Days	2 869 622	2 423 868	2 869 622
61 - 90 Days	2 573 911	1 324 022	2 573 911
91 - 120 Days	2 402 511	1 152 011	2 402 511
121 - 365 Days	10 221 262	7 146 551	10 221 262
+ 365 Days	4 417 838	10 831 651	4 417 838
Payments received in advance	(563 434)	-	(563 434)
Sub-total	<b>28 854 573</b>	<b>28 864 760</b>	<b>28 854 573</b>
Less: Provision for doubtful debts	(28 854 573)	(26 900 232)	(28 854 573)
<b>Total debtors by customer classification</b>	<b>-</b>	<b>1 964 528</b>	<b>-</b>
<b>Statutory Debtors: Ageing</b>			
+ 365 Days	<b>8 448 688</b>	<b>14 810 568</b>	<b>8 448 688</b>

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

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	Group		Municipi
	30 June 2011 R	30 June 2010 R	30 June 2011 R
<b>Summary of Debtors by Customer Classification</b>			
<b>Industrial / Commercial</b> + 365 Days	4 030 850	3 978 917	4 030 850
<b>National and Provincial Government</b> + 365 Days	4 417 838	10 831 651	4 417 838

6.2 **Reconciliation of the doubtful debt provision**

Balance at beginning of the year	163 173 347	128 603 635	162 995 291
Reversal of incorrect entry	-	(2 207 575)	-
Total contribution to provision	32 070 104	36 777 286	32 070 104
Contributions to provision: trade debtors	58 112 922	37 335 458	58 112 922
Contributions to provision: other debtors	-	-	-
Doubtful debts written off against provision	(26 042 818)	-	(26 042 818)
Reversal of provision	-	(558 172)	-
<b>Balance at end of year</b>	<b>195 243 451</b>	<b>163 173 346</b>	<b>195 065 395</b>

**Trade receivables impaired**

As of 30 June 2011, trade and other receivables of R 195 065 395 - (2010: R163 173 346) were impaired and provided for.

The net increase of the provision was R31 892 048 as at 30 June 2011 (2010: net increase of R36 777 286). This was after an amount of R26 220 874 was written off as irrecoverable.

The fair value of trade receivables approximates their carrying amounts.

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	Group		Municip
	30 June 2011 R	30 June 2010 R	30 June 2011 R
<b>7 INVENTORIES</b>			
<b>Opening balance of inventories:</b>	<b>11 840 313</b>	<b>17 532 672</b>	<b>11 774 893</b>
Consumable stores and Maintenance materials -at cost	9 427 146	7 537 841	9 375 202
Milk and maas; fertilizer and feed	10 686	708	-
Merchandise	2 790	113	-
Water	2 399 691	9 994 010	2 399 691
<b>Additions:</b>	<b>18 396 704</b>	<b>23 774 868</b>	<b>16 703 036</b>
Consumable stores and Maintenance materials	16 778 694	22 990 617	16 703 036
Milk and maas; fertilizer and feed	477 610	195 012	-
Merchandise	1 140 400	589 239	-
<b>Adjustments</b>			
Water	(2 083 626)	(7 594 319)	(2 083 626)
<b>Issued (expensed):</b>	<b>(14 987 818)</b>	<b>(21 872 677)</b>	<b>(13 314 060)</b>
Consumable stores and Maintenance materials	(13 427 412)	(21 101 081)	(13 314 060)
Milk and maas; fertilizer and feed	(488 156)	(185 034)	-
Merchandise	(1 072 250)	(586 562)	-
<b>Closing balance of inventories:</b>	<b>13 165 574</b>	<b>11 840 313</b>	<b>13 080 243</b>
Consumable stores and Maintenance materials	12 778 429	9 427 146	12 764 178
Milk and maas; fertilizer and feed	140	10 686	-
Merchandise	70 941	2 790	-
Water	316 065	2 399 690	316 065
<b>8 OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>			
<b>CURRENT</b>			
Car loans	51 445	51 445	51 445
Staff loans	-	67 105	-
Other receivables	3 219 338	3 287 112	3 103 603
Prepayments	203 292	203 292	-
Less: Provision for doubtful debts	(2 026 276)	(1 922 601)	(2 026 276)
Allowance for impairment losses	(60 000)	-	-
<b>Total</b>	<b>1 387 799</b>	<b>1 686 354</b>	<b>1 128 772</b>
<b>CAR LOANS</b>			
Car loans relate to loans that were originally given to employees in 2006, payable within three years at no interest. The related employees are no longer working for the Municipality. Efforts are being made through the legal department to collect the amount owed.			
<b>STAFF LOANS</b>			
Staff loans comprised of interest-free study loans which were 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 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.			

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	30 June 2011 R	30 June 2010 R	30 June 2011 R
<b>9 INTANGIBLE ASSETS</b>			
<b>Reconciliation of carrying value</b>			
<b>Computer Software</b>			
<b>As at 1 July</b>	<b>717 857</b>	<b>1 059 044</b>	<b>549 672</b>
Cost	3 156 880	2 784 904	2 640 631
Correction of error: cost	3 956	(4 824)	-
Correction of error: accumulated amortisation	(7 391)	3 216	-
Accumulated amortisation and impairment losses	(2 435 588)	(1 724 252)	(2 090 959)
Acquisitions	27 826	369 836	27 826
Amortisation	(552 618)	(775 962)	(552 618)
Other adjustments:			
Reversal of revaluation	(72 329)		-
Reversal of amortisation	71 906		-
Revaluation		72 329	
<b>Licenses Expired</b>			
Cost	(170 503)		-
Accumulated impairment	150 481		-
Amortisation	(64 191)		-
<b>As at 30 June</b>	<b>108 428</b>	<b>721 291</b>	<b>24 879</b>
Cost	3 017 735	3 160 833	2 668 456
Accumulated amortisation and impairment losses	(2 909 307)	(2 439 542)	(2 643 577)
<b>Ward based database</b>			
<b>As at 1 July</b>	<b>3 234 790</b>	<b>4 922 507</b>	<b>3 234 790</b>
Cost	5 063 150	5 063 150	5 063 150
Accumulated amortisation and impairment losses	(1 828 360)	(140 643)	(1 828 360)
Acquisitions	-	-	-
Amortisation	(1 687 717)	(1 687 717)	(1 687 717)
Impairment loss	-		-
<b>As at 30 June</b>	<b>1 547 073</b>	<b>3 234 790</b>	<b>1 547 073</b>
Cost	5 063 150	5 063 150	5 063 150
Accumulated amortisation and impairment losses	(3 516 077)	(1 828 360)	(3 516 077)
<b>Total as at 30 June 2011</b>	<b>1 655 501</b>	<b>3 956 081</b>	<b>1 571 952</b>

ality

30 June 2010  
R

1 621 690  
63 357 360  
64 979 050  
-  
64 979 050

33 367 570  
1 608 228  
33 339 219  
49 260 977

13 271  
5 344  
8 465  
3 088

(222)  
1 656  
(222)  
-

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ality

**30 June 2010**  
R

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ality

30 June 2010  
R

ality

30 June 2010  
R

110 876 051  
64 022 918  
-

**174 898 969**

(103 329 768)  
(59 665 523)

**(162 995 291)**

7 546 283  
4 357 395

**11 903 678**

18 458 793  
8 165 112  
5 730 106  
5 637 735  
67 975 051  
68 932 133

**174 898 929**



ality

30 June 2010  
R

9 167 385  
4 110 561  
3 392 968  
3 399 797  
50 428 560  
54 121 565

-  
**124 620 836**  
**(116 139 178)**  
**8 481 658**

3 304 752  
1 630 682  
1 013 117  
1 085 927  
10 399 940  
3 978 917

-  
**21 413 333**  
**(19 955 842)**  
**1 457 492**

5 986 657  
2 423 868  
1 324 022  
1 152 011  
7 146 551  
10 831 651

-  
**28 864 760**  
**(26 900 232)**  
**1 964 528**

**14 810 568**

ality

30 June 2010  
R

3 978 917

10 831 651

127 867 409  
(2 207 575)  
37 335 458

37 335 458

-

-

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162 995 291

ality

30 June 2010  
R

**10 525 311**

531 301
-
-
9 994 010

**22 580 666**

22 580 666
-
-

**(7 594 319)**

**(20 671 572)**

(20 671 572)
-
-

**11 774 893**

9 375 202
-
-
2 399 691

51 445  
67 105  
3 137 181  
-  
(1 922 601)

**1 333 130**

ality

30 June 2010  
R

983 027

2 369 906
(4 824)
3 216
(1 385 271)

275 548  
(708 904)

-  
-  
-

549 671

2 640 630
(2 090 959)

4 922 507

5 063 150
(140 643)

-  
(1 687 717)

3 234 790

5 063 150
(1 828 360)

3 784 461

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**10 INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT**

**GROUP**

10.1 Reconciliation of Carrying Value	Land	Buildings	Infrastructure	Heritage	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R
<b>01 July 2010</b>							
Cost/Revaluation	39 770 387	75 439 001	5 074 508 857	90 000	88 771 753	2 450 311	5 281 030 309
Accumulated depreciation and impairment losses	<b>(3 654 386)</b>	<b>(10 595 628)</b>	<b>(1 583 254 994)</b>	-	<b>(52 746 990)</b>	<b>(1 797 009)</b>	<b>(1 652 049 007)</b>
Acquisitions- Group	-	8 100 459	37 187 506	-	7 328 723	-	52 616 688
Revaluations	-	-	-	-	-	-	-
Capital under Construction-Group	-	-	247 465 161	-	-	-	247 465 161
Capital under Construction-DWAF donated	-	-	69 863 610	-	-	-	69 863 610
Depreciation	-	(3 901 059)	(122 373 720)	-	(11 149 347)	(605 245)	(138 029 371)
Carrying value of disposals	-	-	-	-	<b>(17 857)</b>	-	<b>(17 857)</b>
Cost/Revaluation	-	-	-	-	(42 023)	-	(42 023)
Accumulated depreciation and impairment losses	-	-	-	-	24 166	-	24 166
<b>30 June 2011</b>							
	<b>36 116 001</b>	<b>69 042 773</b>	<b>3 723 396 420</b>	<b>90 000</b>	<b>37 244 132</b>	<b>1 170 005</b>	<b>3 867 059 331</b>
Cost/Revaluation	39 770 387	83 539 460	5 429 025 134	90 000	101 116 302	3 572 259	5 657 113 542
Accumulated depreciation and impairment losses	<b>(3 654 386)</b>	<b>(14 496 687)</b>	<b>(1 705 628 714)</b>	-	<b>(63 872 170)</b>	<b>(2 402 254)</b>	<b>(1 790 054 211)</b>

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<b>GROUP</b>	<b>Land</b>	<b>Buildings</b>	<b>Infrastructure</b>	<b>Heritage</b>	<b>Other Assets</b>	<b>Finance lease assets</b>	<b>Total</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>10.2 Reconciliation of Carrying Value</b>							
<b>01 July 2009</b>	<b>35 750 001</b>	<b>86 843 611</b>	<b>3 218 854 952</b>	<b>90 000</b>	<b>39 659 638</b>	<b>706 611</b>	<b>3 381 904 813</b>
Cost/Revaluation	<b>39 404 387</b>	<b>94 567 699</b>	<b>4 678 886 621</b>	<b>90 000</b>	<b>83 987 638</b>	<b>2 690 469</b>	<b>4 899 626 814</b>
Opening balance	48 195 554	94 567 699	4 570 855 037	90 000	83 401 385	2 664 309	4 799 773 984
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)	(7 724 088)	(1 460 031 669)	-	(44 328 000)	(1 983 858)	(1 517 722 000)
Opening balance	(10 345 553)	(7 724 088)	(1 460 031 669)	-	(44 404 996)	(1 972 389)	(1 524 478 695)
Reclassification of Assets	6 691 167						6 691 167
Correction of error			-		76 996	(11 469)	65 527
Acquisitions- Group	-	294 162	26 071 196	-	10 017 267	881 790	37 264 415
Acquisitions- Dwaf donated	-	-	32 271 223	-	-	-	32 271 223
Revaluations	406 000	8 055 995	-	-	2 287 440	701 033	11 450 468
Capital under Construction-Group	-	12 478 719	121 486 028	-	-	-	133 964 748
Capital under Construction-DWAF donated	-	-	92 532 307	-	-	-	92 532 307
Depreciation	-	(3 084 163)	(123 223 325)	-	(10 104 351)	(496 132)	(136 907 970)
Carrying value of disposals	-	(1)	-	-	-	-	(1)
Cost/Revaluation	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	(1)	-	-	-	-	(1)
(Impairment loss)/Reversal of impairment loss	-	(353 335)	-	-	(561 828)	-	(915 163)
<b>30 June 2010</b>	<b>36 156 001</b>	<b>104 234 989</b>	<b>3 367 992 383</b>	<b>90 000</b>	<b>41 298 167</b>	<b>1 793 302</b>	<b>3 551 564 841</b>
Cost/Revaluation	39 810 387	115 396 575	4 951 247 376	90 000	96 292 345	4 273 292	5 207 109 976
Accumulated depreciation and impairment losses	(3 654 386)	(11 161 587)	(1 583 254 994)	-	(54 994 178)	(2 479 990)	(1 655 545 134)

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<b>MUNICIPALITY</b>	<b>Land</b>	<b>Buildings</b>	<b>Infrastructure</b>	<b>Heritage</b>	<b>Other Assets</b>	<b>Finance lease assets</b>	<b>Total</b>
<b>10.3 Reconciliation of Carrying Value</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>01 July 2010</b>							
Cost/Revaluation	<b>39 404 387</b>	<b>73 337 294</b>	<b>5 074 508 857</b>	<b>90 000</b>	<b>83 215 972</b>	<b>1 575 266</b>	<b>5 272 131 776</b>
Opening Balance	39 404 387	111 340 206	4 951 247 376	90 000	83 215 972	1 575 266	5 186 873 207
Correction of error	-	(38 002 912)	123 261 481	-	-	-	85 258 569
Accumulated depreciation and impairment losses	(3 654 386)	(10 595 628)	(1 583 254 994)	-	(47 173 554)	(675 062)	(1 645 353 624)
Acquisitions- Municipality	-	8 100 459	37 187 506	-	7 206 555	-	52 494 520
Revaluations	-	-	-	-	-	-	-
Capital under Construction-Municipality	-	-	247 465 161	-	-	-	247 465 161
Capital under Construction-DWAF donated	-	-	69 863 610	-	-	-	69 863 610
Depreciation	-	(3 901 059)	(122 373 720)	-	(9 737 791)	(245 786)	(136 258 356)
<b>30 June 2011</b>							
Cost/Revaluation	<b>39 404 387</b>	<b>66 941 066</b>	<b>3 723 396 420</b>	<b>90 000</b>	<b>33 511 182</b>	<b>654 418</b>	<b>3 860 343 087</b>
Opening Balance	39 404 387	81 437 753	5 429 025 134	90 000	90 422 527	1 575 266	5 641 955 067
Accumulated depreciation and impairment losses	(3 654 386)	(14 496 687)	(1 705 628 714)	-	(56 911 345)	(920 848)	(1 781 611 980)

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<b>MUNICIPALITY</b>	<b>Land</b>	<b>Buildings</b>	<b>Infrastructure</b>	<b>Heritage</b>	<b>Other Assets</b>	<b>Finance lease assets</b>	<b>Total</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>10.4 Reconciliation of Carrying Value</b>							
<b>01 July 2009</b>	<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>
Cost/Revaluation	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)
Cost/Revaluation	-	-	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)
Acquisitions	-	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	-	-	-	133 964 747
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)
(Impairment loss)/Reversal of impairment loss	-	(353 335)	-	-	(236 513)	-	(589 848)
<b>30 June 2010</b>	<b>35 750 001</b>	<b>100 744 578</b>	<b>3 367 992 381</b>	<b>90 000</b>	<b>36 042 418</b>	<b>900 204</b>	<b>3 541 519 582</b>
Cost/Revaluation	39 404 387	110 986 871	4 951 247 375	90 000	82 979 459	1 575 266	5 186 283 358
Accumulated depreciation and impairment losses	(3 654 386)	(10 242 293)	(1 583 254 994)	-	(46 937 041)	(675 062)	(1 644 763 776)

**Details of valuation**

The effective date of the revaluations was 30 June 2010. 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 from 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

	Group		Municipality	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	R	R	R	R
Trees	6 336 000	5 940 000	6 336 000	5 940 000
Cows	2 772 587	2 071 777	1 488 537	1 561 187
Bulls	407 740	617 624	407 740	88 792
Calves	415 200	328 450	415 200	257 450
Heifers	1 251 640	1 584 359	1 251 640	1 349 759
Steers	148 960	675 558	148 960	596 058
Sheep	72 350	52 878	-	-
<b>Total</b>	<b>11 404 477</b>	<b>11 270 646</b>	<b>10 048 077</b>	<b>9 793 246</b>

GROUP	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Sheep	Total
	R	R	R	R	R	R	R	
11.1 Reconciliation of Carrying Value - Group								
as at 1 July 2010	5 940 000	2 680 755	191 424	257 450	1 349 759	596 058	255 200	11 270 646
Cost/Valuation	5 940 000	2 680 755	191 424	257 450	1 349 759	596 058	255 200	11 270 646
Newborn calves during the year	-	81 460	-	142 500	-	-	3 600	227 560
Decrease due to harvest/sales	-	(543 120)	(235 584)	(1 900)	(4 560)	(591 920)	-	(1 377 084)
Decrease due to deaths	-	(255 440)	(36 810)	(2 850)	(36 480)	(3 920)	(54 200)	(389 700)
Decrease due to loss	-	-	(7 362)	-	(4 560)	-	-	(11 922)
Carrying value of disposals	-	(142 100)	-	-	-	-	-	-
Gains from changes in fair value	396 000	837 152	127 972	232 800	-	-	-	1 593 924
Losses from changes in fair value	-	-	-	-	(262 279)	(211 898)	(132 250)	(606 427)
Transfers of calves to steers and heifers	-	223 380	368 100	45 600	501 600	556 640	-	1 695 320
Transfers from calves (weaned)	-	(109 500)	-	(258 400)	(291 840)	(196 000)	-	(855 740)
<b>as at 30 June 2011</b>	<b>6 336 000</b>	<b>2 772 587</b>	<b>407 740</b>	<b>415 200</b>	<b>1 251 640</b>	<b>148 960</b>	<b>72 350</b>	<b>11 404 477</b>
Cost/Valuation	6 336 000	2 772 587	407 740	415 200	1 251 640	148 960	72 350	11 404 477
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-

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11 Biological assets

MUNICIPALITY	Group				Municipality		
	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Total
11.2 Reconciliation of Carrying Value- Municipality	R	R	R	R	R	R	R
<b>as at 1 July 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	-	-	-	-	-	-	-
Newborn calves during the year	-	-	-	142 500	-	-	142 500
Decrease due to harvest/sales	-	(543 120)	(235 584)	(1 900)	(4 560)	(591 920)	(1 377 084)
Decrease due to deaths	-	(122 640)	(36 810)	(2 850)	(36 480)	(3 920)	(202 700)
Decrease due to loss	-	-	(7 362)	-	(4 560)	-	(11 922)
Gains from changes in fair value	396 000	581 862	127 972	232 800	-	-	1 338 634
Losses from changes in fair value	-	-	-	-	(262 279)	(211 898)	(474 177)
Transfers of calves to steers and heifers	-	223 380	368 100	45 600	501 600	556 640	1 695 320
Transfers from calves (weaned)	-	(109 500)	-	(258 400)	(291 840)	(196 000)	(855 740)
<b>as at 30 June 2011</b>	<b>6 336 000</b>	<b>1 488 537</b>	<b>407 740</b>	<b>415 200</b>	<b>1 251 640</b>	<b>148 960</b>	<b>10 048 077</b>
Cost/Valuation	6 336 000	1 488 537	407 740	415 200	1 251 640	148 960	10 048 077
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-

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11 Biological assets

Group	Municipality
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MUNICIPALITY	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Total
11.3 Reconciliation of Carrying Value	R	R	R	R	R	R	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	-	-	-	-	-	-	-
Newborn calves during the year	-	-	-	96 000	-	-	96 000
Purchases	-	-	168 325	-	-	-	168 325
Decrease due to harvest/sales	-	(358 935)	-	-	-	(607 413)	(966 348)
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	226 862	2 128 126
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)
<b>as at 30 June 2010</b>	<b>5 940 000</b>	<b>1 458 554</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	1 458 554	191 424	257 450	1 349 759	596 058	9 793 246
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-

11.4 Non-financial information - Group

Quantities of each biological asset

GROUP - 2011	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Sheep	Total
	R	R	R	R	R	R		R
<b>as at 1 July 2010</b>	<b>19 800</b>	<b>562</b>	<b>26</b>	<b>271</b>	<b>296</b>	<b>98</b>	<b>108</b>	<b>21 161</b>
Trees	19 800	-	-	-	-	-	-	19 800
Livestock	-	562	26	271	296	98	108	1 361
Newborn calves during the year	-	27	-	150	-	-	9	186
Decrease due to harvest/sale	-	(136)	(32)	(2)	(1)	(151)	-	(322)
Decrease due to death	-	(61)	(5)	(3)	(8)	(1)	(30)	(108)
Decrease due to donations	-	-	(1)	-	(1)	-	-	(2)
Transfers of calves to steers and heifers	-	51	50	48	110	142	-	401
Transfers from calves (weaned)	-	(35)	-	(272)	(64)	(50)	-	(421)
<b>as at 30 June 2011</b>	<b>19 800</b>	<b>408</b>	<b>38</b>	<b>192</b>	<b>332</b>	<b>38</b>	<b>87</b>	<b>20 895</b>
Trees	19 800	-	-	-	-	-	-	19 800
Livestock	-	408	38	192	332	38	87	1 095

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11 Biological assets

	Group		Municipality
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11.5 Operations and Principal Activities - Municipality

The Adam Kok farms are utilised both for livestock production and for the production of fruit. On 30 June 2011, the farm held 207 Cows, 38 Bulls, 192 Calves being raised to be Steers and Heifers being respectively 332 Heifers and 38 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

11.6 Non-financial information

Quantities of each biological asset

MUNICIPALITY - 2011	Trees in plantation	Cows	Bulls	Calves	Heifers	Steers	Total
	R	R	R	R	R	R	R
<b>as at 1 July 2010</b>	<b>19 800</b>	<b>333</b>	<b>26</b>	<b>271</b>	<b>296</b>	<b>98</b>	<b>20 824</b>
Trees	19 800	-	-	-	-	-	19 800
Livestock	-	333	26	271	296	98	1 024
Newborn calves during the year	-	-	-	150	-	-	150
Decrease due to harvest/sale	-	(124)	(32)	(2)	(1)	(151)	(310)
Decrease due to death	-	(28)	(5)	(3)	(8)	(1)	(45)
Decrease due to donations	-	-	(1)	-	(1)	-	(2)
Transfers of calves to steers and heifers	-	51	50	48	110	142	401
Transfers from calves (weaned)	-	(25)	-	(272)	(64)	(50)	(411)
<b>as at 30 June 2011</b>	<b>19 800</b>	<b>207</b>	<b>38</b>	<b>192</b>	<b>332</b>	<b>38</b>	<b>20 607</b>
Trees	19 800	-	-	-	-	-	19 800
Livestock	-	207	38	192	332	38	807

11.7 Biological assets pledged as security

No biological assets were pledged as security.

11.8 Assets carried at cost and accumulated depreciation and impairment losses

Biological assets are carried at fair value.

11.9 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 an arms length transaction that would have been applied / prevailing in replacing the existing fruit trees with fruit trees

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11 Biological assets

	<b>Group</b>	<b>Municipality</b>
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12 Output of agricultural produce

There was no output of agricultural produce for the year

12.1 Biological assets that died during the year

MUNICIPALITY - 2011	Cows	Bulls	Calves	Heifers	Steers	Sheep	Total
Rand value	(122 640)	(36 810)	(2 850)	(36 480)	(3 920)	-	(202 700)
Quantities	(28)	(5)	(3)	(8)	(1)	-	(45)

  

GROUP - 2011	Cows	Bulls	Calves	Heifers	Steers	Sheep	Total
Rand value	(255 440)	(36 810)	(2 850)	(36 480)	(3 920)	(54 200)	(389 700)
Quantities	(61)	(5)	(3)	(8)	(1)	(30)	(108)

Most of the biological assets died due to ill-health ranging from pneumonia, liver flu, wire worm, redwater and dystonia.

11.10 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

Group	2011			2010		
	Opening fair value	Fair value adjustment	Carrying value	Opening fair value	Fair value adjustment	Carrying value
Investment property	2 200 000	-	2 200 000	2 200 000	-	2 200 000

  

Municipality	2011			2010		
	Opening fair value	Fair value adjustment	Closing fair value	Opening fair value	Fair value adjustment	Closing fair value
Investment property	2 200 000	-	2 200 000	2 200 000	-	2 200 000

Reconciliation of investment property - Group and Municipality - 2010

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

Reconciliation of investment property - Group and Municipality - 2011

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

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 2011. 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.

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	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>13 TRADE AND OTHER PAYABLES</b>				
Financial liabilities measured at cost	109 914 708	226 820 424	108 917 939	214 391 245
Trade payables	106 980 866	218 229 662	105 984 097	211 484 734
Payments received in advance	2 933 841	8 590 762	2 933 841	2 906 511
Provisions	28 369 388	21 996 270	26 358 772	21 996 270
Accrual for Bonus	4 474 461	4 011 110	4 474 461	4 011 110
Accrual for Leave	23 894 927	17 985 160	21 884 311	17 985 160
Other accounts payable	1 166 777	2 397 319	-	313 551
<b>Total creditors</b>	<b>139 450 873</b>	<b>251 214 013</b>	<b>135 276 711</b>	<b>236 701 065</b>

The fair value of trade and other payables approximates their carrying amounts.

<b>14 CONSUMER DEPOSITS</b>				
Consumer deposits	<b>678 997</b>	<b>184 297</b>	<b>678 997</b>	<b>184 297</b>

<b>15 VAT RECEIVABLE</b>				
VAT receivable	<b>39 355 092</b>	<b>15 596 476</b>	<b>35 549 873</b>	<b>12 441 566</b>

OR Tambo Municipality-VAT is payable on a payment basis. VAT is paid over to SARS only when payment is received from debtors  
Ntinga Municipality - Vat is payable on the invoice basis.

<b>16 OBLIGATIONS UNDER TRANSFER ARRANGEMENTS</b>				
<b>16.1 Unspent Conditional Grants from other spheres of Government</b>				
MIG Grants	(101 563 234)	30 530 575	(101 563 234)	30 530 575
Other	35 032 864	(23 045 471)	42 681 044	(23 045 471)
<b>Total Unspent Conditional Grants and Receipts</b>	<b>(66 530 370)</b>	<b>7 485 104</b>	<b>(58 882 190)</b>	<b>7 485 104</b>

**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.

	Group 2011		Municipality 2011	
	Up to 1 Year	2 to 5 Years	Up to 1 Year	2 to 5 Years
<b>17 FINANCE LEASE LIABILITY</b>				
<b>Group 2011</b>				
<b>Amounts payable under finance leases</b>		R		R
Minimum Lease Payments	262 272	629 614	262 272	629 614
Finance Costs	(70 977)	(80 692)	(70 977)	(80 692)
Present Value	191 295	548 922	191 295	548 922
Less: Amount due for settlement within 12 months (current portion)				191 295
				<b>548 922</b>
<b>Municipality 2011</b>				
<b>Amounts payable under finance leases</b>		R		R
Minimum Lease Payments	262 272	629 614	262 272	629 614
Finance Costs	(70 977)	(80 692)	(70 977)	(80 692)
Present Value	191 295	548 922	191 295	548 922
Less: Amount due for settlement within 12 months (current portion)				191 295
				<b>548 922</b>

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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Group 2010	Up to 1 Year	1 to 5 Years	Total
	R	R	R
Minimum Lease Payments	517 274	1 157 716	1 674 990
Finance Costs	(117 335)	(166 204)	(283 539)
Present Value	<u>399 939</u>	<u>991 512</u>	<u>1 391 451</u>
Less: Amount due for settlement within 12 months (current portion)			<u>399 939</u>
			<u><u>991 512</u></u>

The average lease term is 5 years. The majority of these leases have fixed repayment terms. The agreements do not provide for contingent rental payments.

Municipality 2010	Up to 1 Year	1 to 5 Years	Total
	R	R	R
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.

	Group		Municipality	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	R	R	R	R
<b>18 SERVICE CHARGES</b>				
Sale of water	94 636 460	74 437 544	94 636 460	74 437 544
Sewerage and sanitation charges	11 558 775	15 424 100	11 558 775	15 424 100
Less: Interest on discounting	(149 300)	(889 717)	(149 300)	(889 717)
<b>Total Service Charges</b>	<u><u>106 045 935</u></u>	<u><u>88 971 927</u></u>	<u><u>106 045 935</u></u>	<u><u>88 971 927</u></u>
<b>19 FINANCE INCOME</b>				
Interest income on external investment	18 939 288	8 373 488	18 669 408	8 373 488
Interest on outstanding receivables	17 846 655	14 151 968	17 846 655	13 554 135
Interest income on available for sale investments	269 880	-	-	-
<b>Total interest</b>	<u><u>37 055 823</u></u>	<u><u>22 525 456</u></u>	<u><u>36 516 063</u></u>	<u><u>21 927 623</u></u>



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	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>20 GOVERNMENT GRANTS AND SUBSIDIES</b>				
Equitable share	406 208 524	324 579 554	406 208 524	324 579 554
MIG Grant	492 705 750	458 036 544	492 705 750	458 036 544
Other Government Grants and Subsidies	98 623 273	74 743 730	92 418 639	74 743 730
Grant in aid income	17 616 777	53 375 149	17 616 777	53 375 149
<b>Total Government Grants and Subsidies</b>	<b>1 015 154 324</b>	<b>910 734 977</b>	<b>1 008 949 690</b>	<b>910 734 977</b>
<b>20.1 Equitable Share</b>				
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 (2010: 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.				
<b>20.2 MIG Grant</b>				
<b>Balance unspent at beginning of year</b>	(30 530 576)	28 612 719	(30 530 576)	28 612 719
Current year receipts	570 955 000	400 000 000	570 955 000	400 000 000
Conditions met - transferred to revenue	(438 861 191)	(459 143 294)	(438 861 191)	(459 143 294)
<b>Conditions still to be met - remain liabilities</b>	<b>101 563 233</b>	<b>(30 530 576)</b>	<b>101 563 233</b>	<b>(30 530 576)</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.				
<b>20.3 Other Government Grants and Subsidies</b>				
<b>Balance unspent at beginning of year</b>	23 045 471	30 567 035	23 045 471	30 567 035
Prior year error	(2 589 612)	95 974	(2 589 612)	95 974
Current year receipts	36 449 300	186 482 288	36 449 300	105 941 987
Conditions met - transferred to revenue	(99 499 373)	(130 038 547)	(99 499 373)	(113 574 063)
<b>Conditions still to be met - remain liabilities</b>	<b>(42 594 214)</b>	<b>87 106 750</b>	<b>(42 594 214)</b>	<b>23 030 933</b>
<b>20.4 Grant in aid income</b>				
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.				
	<b>17 616 777</b>	<b>14 748 311</b>	<b>17 616 777</b>	<b>14 748 311</b>

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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 1 of 2010), the following significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

	2012 R	2013 R	2014 R
Financial management grant	1 250 000	1 250 000	1 500 000
Municipal systems improvement grant	790 000	800 000	850 000
Equitable share	416 223 000	445 252 250	475 317 670
Municipal infrastructure grant	562 773 000	684 281 000	721 916 000
Water services operating and transfer subsidy	15 569 000	17 268 000	5 000 000
	<b>996 605 000</b>	<b>1 148 851 250</b>	<b>1 204 583 670</b>

	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>21 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS</b>				
<b>21.1 OTHER INCOME</b>				
Sundry revenue	502 451	1 093 025	348 607	920 561
Tender documents	507 006	716 161	507 006	716 161
Commission received	60 224	76 184	60 224	76 184
Overpayments	396 000	-	396 000	-
Insurance proceeds	-	11 750	-	11 750
VAT refund (MFMA Circular No.48 Implementation)	67 377 502	61 793 435	67 377 502	61 793 435
Project income	2 560 544	10 499 940	-	-
<b>Total</b>	<b>71 403 726</b>	<b>74 190 494</b>	<b>68 689 338</b>	<b>63 518 091</b>
<b>21.2 Public contributions and donations</b>				
Public contributions - Unconditional	-	200 000	-	200 000
<b>Total public contributions and donations</b>	<b>-</b>	<b>200 000</b>	<b>-</b>	<b>200 000</b>
<b>21.3 Total Other Income</b>	<b>71 403 726</b>	<b>74 390 494</b>	<b>68 689 338</b>	<b>63 718 091</b>
<b>Reconciliation of conditional contributions</b>				
Balance unspent at beginning of year				
Current year receipts	-	200 000	-	200 000
Conditions met - transferred to revenue	-	(200 000)	-	(200 000)
<b>Conditions still to be met - remain liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

No public contribution was received during the 2011 financial year (2010 : R 200 000 )

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22 EMPLOYEE BENEFITS	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
22.1 EMPLOYEE RELATED COSTS				
Salaries and wages	129 031 719	100 026 747	111 787 436	84 138 430
Contributions for UIF, pensions and medical aids	24 515 591	18 991 262	21 914 184	16 631 625
Travel, motor car and other allowances	18 777 048	18 318 285	18 723 518	17 405 855
Housing benefits	6 926 912	4 836 509	6 926 912	4 836 509
Overtime	3 957 330	3 309 133	3 957 330	3 309 133
Bonus (13th cheque)	7 943 594	6 359 923	7 943 594	6 359 923
Performance bonuses	(220)	1 160 074	(220)	-
Provision for leave pay	7 738 740	3 379 783	7 738 740	3 379 783
Other employee related costs	1 424 939	1 444 949	210 050	-
<b>Total employee costs excluding councillors</b>	<b>200 315 653</b>	<b>157 826 664</b>	<b>179 201 544</b>	<b>136 061 258</b>
<b>Remuneration of the Municipal Manager</b>				
Annual Remuneration	817 559	948 674	817 559	948 674
Car Allowance	314 603	75 600	314 603	75 600
Leave pay	64 429	-	64 429	-
Contributions to UIF, Medical and Pension Funds	1 497	1 497	1 497	1 497
<b>Total</b>	<b>1 198 088</b>	<b>1 025 771</b>	<b>1 198 088</b>	<b>1 025 771</b>
<b>Remuneration of the Chief executive officer</b>				
Annual Remuneration	809 450	763 631	-	-
Car Allowance	76 025	71 722	-	-
Cellphone Allowance	29 900	28 207	-	-
Contributions to UIF, Medical and Pension Funds	104 190	98 293	-	-
Annual Bonus	66 788	63 008	-	-
Performance Bonus	-	-	-	-
<b>Total</b>	<b>1 086 353</b>	<b>1 024 861</b>	<b>-</b>	<b>-</b>
<b>Remuneration of the Chief Financial Officer</b>				
Annual Remuneration	1 269 151	1 179 502	683 098	626 622
Car Allowance	384 561	380 603	314 601	314 603
Cellphone Allowance	19 726	18 610	-	-
Contributions to UIF, Medical and Pension Funds	62 794	59 325	1 497	1 497
Annual Bonus	39 293	37 069	-	-
Performance Bonus	-	-	-	-
Leave pay	228 458	33 831	228 458	33 831
<b>Total</b>	<b>2 003 982</b>	<b>1 708 939</b>	<b>1 227 653</b>	<b>976 553</b>
<b>Remuneration of the Strategic Director - Corporate Services</b>				
Annual Remuneration	1 303 013	867 591	781 517	867 591
Car Allowance	189 960	120 000	120 000	120 000
Contributions to UIF, Medical and Pension Funds	246 072	1 497	185 715	1 497
<b>Total</b>	<b>1 739 045</b>	<b>989 088</b>	<b>1 087 232</b>	<b>989 088</b>
<b>Remuneration of the Strategic Director - Planning and Socio-Economic Affairs</b>				
Annual Remuneration	924 591	924 591	1 013 731	924 591
Car Allowance	72 000	72 000	72 000	72 000
UIF	1 497	1 497	1 497	1 497
<b>Total</b>	<b>998 088</b>	<b>998 088</b>	<b>1 087 228</b>	<b>998 088</b>

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22.1 EMPLOYEE RELATED COSTS(continued)	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>Remuneration of the Internal Audit Manager</b>				
Annual Remuneration	853 698	797 225	853 698	797 225
Car Allowance	144 000	35 657	144 000	144 000
Leave Pay	112 302	144 000	112 302	35 657
UIF	1 497	1 497	1 497	1 497
<b>Total</b>	<b>1 111 498</b>	<b>978 379</b>	<b>1 111 498</b>	<b>978 379</b>
<b>Remuneration of Director - Municipal Operations &amp; Reporting</b>				
Annual Remuneration	804 494	69 254	804 494	69 254
Car Allowance	193 204		193 204	193 204
Leave Pay	308 405	193 204	308 405	-
UIF	1 497	1 497	1 497	1 497
<b>Total</b>	<b>1 307 600</b>	<b>263 955</b>	<b>1 307 600</b>	<b>263 955</b>
<b>Remuneration of Council Secretary</b>				
Annual Remuneration	773 298	765 859	773 298	765 859
Car Allowance	120 000	33 560	120 000	120 000
Leave Pay	-	120 000	-	33 560
Contributions to UIF, Medical and Pension Funds	105 897	1 497	105 897	1 497
<b>Total</b>	<b>999 195</b>	<b>920 916</b>	<b>999 195</b>	<b>920 916</b>
<b>Remuneration of Political Advisor</b>				
Annual Remuneration	1 100 608	948 674	1 100 608	948 674
Car Allowance	75 600	75 600	75 600	75 600
Leave Pay	142 173	1 497	142 173	-
UIF	1 497	1 497	1 497	1 497
<b>Total</b>	<b>1 319 878</b>	<b>1 025 772</b>	<b>1 319 878</b>	<b>1 025 772</b>
<b>Remuneration of Director - Office of the Executive Mayor</b>				
Annual Remuneration	453 817	626 622	453 817	626 622
Car Allowance	151 272	35 657	151 272	314 603
Cell phone allowance	35 964	314 603	35 964	-
Leave Pay	-	0	-	35 657
UIF	1 497	1 497	1 497	1 497
<b>Total</b>	<b>642 550</b>	<b>978 379</b>	<b>642 550</b>	<b>978 379</b>
<b>Remuneration of Senior Manager - Agricultural Development</b>				
Annual Remuneration	563 861	528 073		
Car Allowance	66 245	67 182		
Cellphone Allowance	13 896	13 110		
Annual Bonus	46 525	43 572		
Provident Fund	72 579	67 973		
Performance Bonus	-	-		
<b>Total</b>	<b>763 105</b>	<b>719 910</b>		
<b>Remuneration of Senior Manager - Municipal Support</b>				
Annual Remuneration	507 091	479 172		
Car Allowance	72 221	67 182		
Cellphone Allowance	14 093	13 110		
Annual Bonus	41 841	39 537		
Provident Fund	65 271	61 678		
Performance Bonus	-	-		
<b>Total</b>	<b>700 516</b>	<b>660 679</b>		
<b>Remuneration of Company Secretary</b>				
Annual Remuneration	481 558	455 071		
Car Allowance	70 950	66 000		
Cellphone Allowance	16 670	15 726		
Annual Bonus	31 652	29 924		
Provident Fund	49 378	46 682		
Performance Bonus	-	-		
<b>Total</b>	<b>650 207</b>	<b>613 403</b>		
<b>Remuneration of Senior Manager : Community Development</b>				
Annual Remuneration	565 058	533 074		
Car Allowance	62 020	58 510		
Cellphone Allowance	16 670	15 726		
Annual Bonus	46 624	43 984		
Provident Fund	72 733	68 616		
Performance Bonus	-	-		
<b>Total</b>	<b>763 105</b>	<b>719 910</b>		
<b>Remuneration of Senior Manager : Corporate Services</b>				
Annual Remuneration	468 909	442 367		
Car Allowance	69 960	66 000		
Cellphone Allowance	13 896	13 100		
Annual Bonus	38 690	36 500		
Provident Fund	60 357	56 940		
Performance Bonus	-	-		
<b>Total</b>	<b>651 812</b>	<b>614 908</b>		

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Remuneration of Individual Executive Directors	Technical Services R	Corporate Services R	Community Services R
<b>2011</b>			
Annual Remuneration	869 861	383 305	758 679
Leave pay	124 257	56 048	37 792
Travel, motor car, accommodation, subsistence and other allowances	134 149	121 442	241 177
Contributions to UIF, Medical and Pension Funds	1 497	873	1 497
<b>Total</b>	<b>1 129 763</b>	<b>561 668</b>	<b>1 039 145</b>

REMUNERATION OF COUNCILLORS				
Executive Mayor	605 089	538 575	605 089	574 004
Speaker	305 826	236 972	305 826	270 231
Mayoral Committee members	4 155 671	3 778 310	4 155 671	3 948 128
Councillors	3 281 232	2 833 336	3 281 232	2 854 681
Councillors - other	10 963	-	10 963	-
<b>Total Councillors' Remuneration</b>	<b>8 358 781</b>	<b>7 387 193</b>	<b>8 358 781</b>	<b>7 647 044</b>

**22.1 EMPLOYEE RELATED COSTS(continued)**

**In-kind Benefits**

The Executive Mayor and Executive Committee Members are full-time. The new Speaker which was elected on the 18 May 2011 is also full-time, the previous Speaker was 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.

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.

	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>23 DEPRECIATION AND AMORTISATION EXPENSE</b>				
Property, plant and equipment	138 029 371	136 907 970	136 258 356	135 577 243
Intangible assets	2 304 526	2 463 679	2 240 335	2 396 621
<b>Total Depreciation and Amortisation</b>	<b>140 333 897</b>	<b>139 371 648</b>	<b>138 498 691</b>	<b>137 973 864</b>
<b>24 FINANCE COSTS</b>				
Finance lease	119 696	699 872	91 301	447 998
Interest on Bulk Water Purchases/discounting	191 851	8 279 607	-	8 279 607
	<b>311 547</b>	<b>8 979 479</b>	<b>91 301</b>	<b>8 727 605</b>
<b>25 BULK PURCHASES</b>				
Water	<b>16 406 149</b>	<b>40 625 668</b>	<b>16 406 149</b>	<b>40 625 668</b>
<b>26 CONTRACTED SERVICES</b>				
Contracted services for:				
Cleaning services	-	249 807	-	249 807
Security services	5 678 151	5 770 494	5 678 151	5 770 494
<b>Total contracted services</b>	<b>5 678 151</b>	<b>6 020 301</b>	<b>5 678 151</b>	<b>6 020 301</b>
<b>27 GRANTS AND SUBSIDIES PAID</b>				
Ntinga O.R. Tambo Development Agency *	-	-	43 029 203	80 205 211
Municipal support **	8 520	305 277	8 520	305 277
Expectra 758 trading as Emfundisweni SDRC	3 319 084	7 245 444	-	-
Kei Fresh Produce Market	2 809 249	770 227	-	-
Support to Traditional Authorities	34 000	518 854	34 000	518 854
	<b>6 170 854</b>	<b>8 839 803</b>	<b>43 071 724</b>	<b>81 029 342</b>

\* 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 fulfil 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, Ingqauza Hill Local Municipality and Port St Johns Local Municipality.

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28	GENERAL EXPENSES	Group		Municipality	
		30 June 2011	30 June 2010	30 June 2011	30 June 2010
	Included in general expenses are the following:-	R	R	R	R
	Conditional grant expenditure	199 769 724	366 798 623	208 170 627	355 274 179
	2010 Sports development programme	-	681 221	-	681 221
	Advertising	527 295	469 580	518 377	424 899
	Assessment rates	1 308 665	734 011	1 308 665	734 011
	Audit committee allowances	239 022	731 832	75 166	97 430
	Audit fees	4 589 101	4 721 852	2 618 025	2 582 703
	Assets write off	22 614	-	-	-
	Bank charges	821 168	1 144 631	783 212	1 144 631
	Ceremonial function	329 000	11 809	329 000	11 809
	Child protection services	74 448	54 939	74 448	54 939
	Cleaning	803 172	299 101	753 606	299 101
	Communication	714 510	1 638 404	714 510	1 638 404
	Community participation and road shows	708 054	455 042	708 054	455 042
	Conferences and delegations	289 060	886 121	289 060	864 622
	Consulting fees	5 426 724	6 133 853	5 366 414	5 877 137
	Corporate expenditure	86 291	313 412	86 291	313 412
	Corporate gifts	45 813	84 055	45 813	41 890
	Council receptions	550 449	410 417	550 449	410 417
	District sports council	68 954	251 179	68 954	251 179
	Donation	-	14 360	-	-
	Employee assistance programme	119 877	26 981	119 877	25 300
	Entertainment	76 736	125 682	65 467	-
	Farm operations	3 806 333	266 007	3 806 333	266 007
	Financial academic assistance	1 842 178	1 093 726	1 842 178	971 521
	Free basic services	529 982	30 541 322	529 982	30 541 322
	Group life assurance scheme	999 308	1 601 212	999 308	1 601 212
	Hire - equipment and machinery	2 280 400	2 487 273	2 280 400	1 942 431
	Hiv and Aids (Inkiyo Practice)	516 934	1 647 054	516 934	1 647 054
	Hiv and Aids awareness	1 084 061	-	1 084 061	-
	Housing projects - launches	13 842	102 938	13 842	102 938
	Insurance	1 562 817	1 457 532	1 156 902	1 058 708
	Interest and penalties	123	-	123	-
	Inter-governmental relations	165 968	2 735 769	165 968	2 735 769
	International relations	-	11 400	-	11 400
	Internship programme	1 034 151	1 436 646	1 034 151	1 436 646
	Investment conference	-	3 825	-	3 825
	Community training	1 102 250	-	1 102 250	-
	Legal expenses	551 550	467 666	551 550	424 189
	License fees	2 651 940	2 222 650	2 576 842	2 222 650
	Loss on sale of assets	46 473	-	-	-
	Mandela month	-	41 699	-	41 699
	Mayoral reception fund	32 211	-	32 211	-
	Mayor's IMBIZO	1 609 598	1 399 287	1 609 598	1 399 287
	Mayor's sectoral engagement	1 514 391	117 216	1 514 391	117 216
	Membership fees	102 567	13 452	12 503	13 452
	Moral regeneration programmes	49 904	108 596	49 904	108 596
	Sub-total carried forward	238 067 657	433 742 377	243 525 445	417 828 249

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28 GENERAL EXPENSES (continued)	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
Sub-total brought forward	238 067 657	433 742 377	243 525 445	417 828 249
Municipal health services	1 100 816	-	1 100 816	-
Ntinga project expenditure	25 718 890	52 209 495	-	-
Office rental	1 587 734	131 590	214 366	131 590
O.R. Tambo month	1 331 779	3 439 836	1 331 779	3 439 836
Other operational expenditure	68 693 428	782 038	68 677 404	10 062 102
Postage	143 385	177 508	140 792	177 508
Poverty relief programme	2 655 014	4 933 644	2 655 014	4 933 644
Primary health care	115 943	159 924	115 943	159 924
Printing and stationery	2 999 141	2 026 700	2 886 937	1 968 716
Protective clothing	613 485	54 279	613 485	54 279
Public transport	243 189	104 200	243 189	104 200
Relocation costs	66 833	5 250	61 618	5 250
Revenue generation and enhancement	-	8 000	-	8 000
Safety and security program	136 576	511 865	110 357	511 865
Salga fees	1 303 136	1 261 314	1 303 136	1 261 314
Scientific disaster management	212 247	-	212 247	-
Skills development and capacity building	231 713	1 154 606	231 713	813 990
SMME Development programme	553 309	-	553 309	-
Social relief programme	491 156	349 615	491 156	349 615
Sports, arts, culture and heritage	565 871	241 979	565 871	241 979
Spus - children	1 079 491	2 105 671	1 079 491	2 105 671
Spus - old age	90 048	350 236	90 048	350 236
Spus - physically challenged	104 379	243 685	104 379	243 685
Spus - women	348 732	258 012	348 732	258 012
Spus - youth	669 269	598 253	669 269	598 253
Stocks and material	-	6 363 713	-	6 363 713
Travel and subsistence	4 951 137	5 662 395	4 780 537	5 662 395
Taxi programme assistance	-	25 000	-	25 000
Telephone cost	4 399 686	4 486 123	4 126 193	4 486 123
Tourism marketing	37 114	346 737	37 114	346 737
Tourism education and awareness	1 121 438	366 923	1 121 438	366 923
Transfer of sports facilities	666 922	208 628	666 922	208 628
Vehicle fuel and oil	8 201 319	6 021 681	7 307 616	6 021 681
Village water committees	14 998 191	13 184 161	14 998 191	13 184 161
VIP Protection unit	550 254	3 295 308	550 254	3 295 308
Waste management	3 127 569	3 109 917	3 127 569	3 109 917
Water purification chemicals	8 505 247	12 009 941	8 505 247	12 009 941
Water quality monitoring	101 680	2 892 650	101 680	2 892 650
Whippery support	1 039 229	269 062	1 039 229	269 063
Workmen's Compensation Fund	798 794	-	798 794	-
Workplace training	258 110	676 854	258 110	676 854
Ward based planning	81 422	-	81 422	-
	<b>397 961 332</b>	<b>563 769 168</b>	<b>374 826 811</b>	<b>504 527 010</b>

No extraordinary expenses were included in general expenses

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	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>29 GAIN ON SALE OF ASSETS</b>				
Biological assets	3 732 989	1 547 581	3 590 889	1 474 758
Cost of sale	(1 519 184)	(966 347)	(1 377 084)	(966 347)
<b>Total Gain on Sale of Assets</b>	<b>2 213 805</b>	<b>581 234</b>	<b>2 213 805</b>	<b>508 411</b>
<b>30 IMPAIRMENT LOSS</b>				
<b>Property, plant and equipment</b>				
These assets fair values were less than the carrying value, thus indicating that such assets had been impaired.	-	4 996 352	-	4 667 081
Loss of biological assets due to natural death and losses	401 622	-	214 622	-
	<b>401 622</b>	<b>4 996 352</b>	<b>214 622</b>	<b>4 667 081</b>
<b>31 INCREASE IN FAIR VALUE OF BIOLOGICAL ASSETS</b>				
Gains from changes in fair value	3 384 554	1 021 186	3 176 454	2 128 125
Losses from changes in fair value	(1 329 917)	(839 940)	(1 329 917)	(839 940)
	<b>2 054 637</b>	<b>181 246</b>	<b>1 846 537</b>	<b>1 288 185</b>
<b>32 CASH GENERATED FROM / (UTILISED IN) OPERATIONS</b>				
Surplus for the year	375 379 709	117 819 320	375 480 649	113 746 509
Adjustment for:-				
Prior year adjustment	2 218 446	(1 488 042)	2 218 446	-
Depreciation and amortization	140 333 897	139 371 649	138 498 691	137 973 864
Gain on disposal of biological assets	(2 213 805)	(581 234)	(2 213 805)	(508 411)
Finance costs	190 561	251 874	91 301	-
Fair value adjustments	(1 969 577)	(181 246)	(1 846 537)	(1 288 185)
Impairment loss	36 566	4 996 352	214 622	4 667 081
Debt Impairment	58 112 922	37 335 458	58 112 922	37 335 458
Bad debt write off	(26 042 780)	0	(26 042 780)	-
Interest earned	(269 880)	(597 833)	-	-
Loss due to natural death of livestock	101 937	116 000	-	-
Provision for leave pay	-	3 379 783	-	3 379 783
Transfer from revaluation surplus	-	(5 056 362)	-	-
Discounting of financial instruments	28 314	(283 112)	149 300	-
Movements in reserve	291	-	291	-
Proceeds on insurance	-	(11 750)	-	(11 750)
Other non-cash item	(69 863 610)	(124 803 531)	(69 863 610)	(124 803 531)
<b>Operating surplus before working capital changes:</b>	<b>476 042 992</b>	<b>170 267 327</b>	<b>474 799 491</b>	<b>170 490 818</b>
(Increase)/Decrease in inventories	(1 325 299)	5 692 359	(1 305 388)	5 685 455
(Increase)/Decrease in trade receivables from exchange transactions	(36 938 670)	(45 505 736)	(37 025 966)	(45 587 565)
(increase) in other receivables from other-exchange transactions	204 358	(30 806)	204 358	(30 806)
(Increase)/decrease in VAT receivable	(24 137 541)	(11 635 563)	(23 108 308)	(9 309 240)
Increase/(decrease) in trade and other payables from exchange transactions	(108 683 599)	103 779 218	(105 473 306)	104 387 878
Decrease in other payables	(313 551)	-	(313 551)	-
Increase/(decrease) in accruals	-	-	-	-
Increase in advances	-	758 969	-	758 969
Increase in provisions	4 391 420	1 758 180	4 362 503	1 758 180
Decrease in current portion of finance lease liability	(114 058)	(111 289)	-	-
Increase/(decrease) in unspent conditional grants and receipts	66 367 294	(66 664 858)	66 367 294	(66 664 858)
<b>Cash generated from / (utilised in) operations</b>	<b>375 493 346</b>	<b>158 307 801</b>	<b>378 507 127</b>	<b>161 488 830</b>



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	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 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	158 646 854	79 146 614	146 955 781	64 979 050
Bank overdraft	-	(39)	-	-
<b>Net cash and cash equivalents (net of bank overdrafts)</b>	<b>158 646 854</b>	<b>79 146 575</b>	<b>146 955 781</b>	<b>64 979 050</b>
<b>34 CORRECTION OF ERRORS</b>				
Infrastructure assets duplicated in prior year	(38 002 912)	-	(38 002 912)	-
Reversal of an expense incorrectly accrued	668 132	(5 000)	668 132	(5 000)
Infrastructure assets previously omitted from financial statements	123 261 481	-	123 261 481	-
Journal summarised	-	61 220	-	61 220
Expenditure not accrued for in prior year	(464 029)	(1 027 270)	(464 029)	(1 027 270)
Accruing for cheques	-	1 688 913	-	1 688 913
Correction of opening balances for grant funds	2 593 843	847 629	2 593 843	847 629
Correcting of error	(2 528 403)	108 031 584	-	108 031 584
Adjustment of Mbizana Consumption	(619 821)	3 286	(619 821)	3 286
Ntinga opening retained earnings adjustments	-	-	-	-
Recognition of assets not transferred to funds	-	62 091	-	62 091
Accounting for withdrawals not accounted for	-	1 019 688	-	1 019 688
Accounting for call account not accounted for previously	40 320	-	40 320	-
<b>Net effect on Statement of Financial Position and net effect on Accumulated Surplus Opening Balance</b>	<b>84 948 612</b>	<b>110 682 140</b>	<b>87 477 015</b>	<b>110 682 140</b>
<b>35 CHANGE IN ESTIMATE</b>				
There was no change in estimate for the period ended 30 June 2011				
<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	1 303 136	1 090 314	1 303 136	1 090 314
Amount paid - current	(1 303 136)	(1 090 314)	(1 303 136)	(1 090 314)
Amount paid - previous years	-	-	-	-
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>36.2 Audit fees</b>				
Opening balance	16 279	1 843	14 090	1 843
Current year audit fee	4 655 701	4 402 619	2 645 416	2 580 860
Amount paid - current year	(4 610 572)	(4 386 341)	(2 639 496)	(2 566 770)
Amount paid - previous years	(16 279)	(1 843)	(14 090)	(1 843)
<b>Balance unpaid (included in payables)</b>	<b>45 129</b>	<b>16 279</b>	<b>5 920</b>	<b>14 090</b>
<b>36.3 PAYE and UIF</b>				
Opening balance	341 838	(910)	(910)	(910)
Current year payroll deductions	37 532 878	26 075 729	33 767 733	21 807 798
Amount paid - current year	(37 532 085)	(25 732 981)	(33 766 940)	(21 807 798)
Amount paid - previous years	(342 748)	-	-	-
<b>Balance unpaid (included in payables)</b>	<b>(117)</b>	<b>341 838</b>	<b>(117)</b>	<b>(910)</b>

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36.4 Pension and Medical Aid Deductions	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
Opening balance	4 394	166 563	4 394	-
Current year payroll deductions and Council Contributions	31 482 497	29 982 061	29 843 768	28 042 835
Amount paid - current year	(31 482 497)	(29 977 667)	(29 843 768)	(28 038 441)
Amount paid - previous years	(4 394)	(166 563)	(4 394)	-
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>4 394</b>	<b>-</b>	<b>4 394</b>

**36.5 Councillor's arrear consumer accounts**

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

	Total	Outstanding less than 90 days	Outstanding more than 90 days
	R	R	R
<b>As at 30 June 2011</b>			
Councillor M.N. Mvanyashe	3 320	125	3 195
Councillor H.N Wellem	323	323	-
Councillor H.S. Tayi	373	373	-
Councillor S. Ndabeni	7 184	385	6 799
Councillor M.J. Ndamase	5 563	813	4 750
Councillor F.N. Soldati	11 684	944	10 741
Councillor J.P Gwadiso	12 735	1 083	11 652
Councillor N.Madalane	3 192	622	2 570
Councillor T. Luvela	4 736	197	4 538
<b>Total Councillor Arrear Consumer Accounts</b>	<b>49 111</b>	<b>4 866</b>	<b>44 245</b>

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

	Total	Outstanding less than 90 days	Outstanding more than 90 days
	R	R	R
<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. Soldati	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>	<b>40 531</b>	<b>35 726</b>	<b>4 805</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.

	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
Expenditure in emergency situations	1 776 243	5 256 529	1 776 243	5 256 529
Expenditure in respect of single service providers	8 489 482	27 581 883	7 233 045	25 496 000
<b>Total value of expenditure</b>	<b>10 265 724</b>	<b>32 838 412</b>	<b>9 009 287</b>	<b>30 752 529</b>

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37 CAPITAL COMMITMENTS	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>37.1 Commitments in respect of capital expenditure</b>				
- <b>Approved and contracted for</b>	<b>46 849 048</b>	<b>270 151 455</b>	<b>46 141 425</b>	<b>266 727 056</b>
Infrastructure	46 141 425	251 287 212	46 141 425	251 287 212
Community	-	-	-	-
Other	707 623	18 864 243	-	15 439 844
- <b>Approved but not yet contracted for</b>	<b>534 421 049</b>	<b>458 973 070</b>	<b>534 421 049</b>	<b>458 973 070</b>
Infrastructure	534 421 049	458 973 070	534 421 049	458 973 070
Other	-	-	-	-
<b>Total</b>	<b>581 270 097</b>	<b>729 124 525</b>	<b>580 562 474</b>	<b>725 700 126</b>
This expenditure will be financed from:				
- Government Grants	581 270 097	713 684 681	580 562 474	710 260 282
- Own resources	-	15 439 844	-	15 439 844
	<b>581 270 097</b>	<b>729 124 525</b>	<b>580 562 474</b>	<b>725 700 126</b>

**38 CONTINGENT LIABILITY**

<b>38.1</b> Claim for damages	<b>17 728 919</b>	<b>10 328 804</b>	<b>14 999 554</b>	<b>10 328 804</b>
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**38.2 SCHEDULE OF CURRENT YEAR LISTING OF CONTINGENT LIABILITIES AS AT 30 JUNE 2011**

NATURE OF CLAIM & COMMENCEMENT OF CLAIM	AMOUNT CLAIMED	AMOUNT CLAIMED
Two claims have been lodged for failure to honour a cession agreement. Council is contesting the claim based on legal advice.	521 039	521 039
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.	8 315 654	8 315 654
Three claims have been lodged against the municipality. They are in lieu of services rendered. On the basis of legal opinion, the municipality is contesting the claims.	2 970 680	2 970 680
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	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	200 000
The municipality is being sued for damages on the claimant's property. The municipality is contesting the claim	100 000	100 000
Six separate claims have been lodged for damage to telephone infrastructure. The municipality is contesting the claim.	433 633	433 633
Two separate claims have been lodged for the damage to motor vehicles. The municipality is contesting the claim	50 923	50 923
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	407 626	407 626
Umzikantu Red Meat Abattoir has a pending legal claim in respect on an unknown invoice dating back to previous periods. This is still under investigation as no contractual obligation could be obtained at the time of reporting.	9 365	-
There is a pending litigation against the entity by Sondluluntu Trade Investments . As per Ntinga's legal representatives, there is no decision taken by the courts yet. The case is still in progress.	2 720 000	-
<b>Claim for damages</b>	<b>17 728 919</b>	<b>14 999 554</b>

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

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**39 RELATED PARTIES**

**GROUP MEMBERS OF MANAGEMENT**

<b>39.1 Municipality</b>	
Nogaga TT (Mr)	<i>Acting 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>
<b>Ntinga Development Agency</b>	
Zungula M.H.Y (Mr)	<i>Chief Executive officer</i>
Capa N (Mr)	<i>Senior Manager: Agricultural Development</i>
Ngqeleni R (Mr)	<i>Senior Manager: Community Development</i>
Ncume N (Ms)	<i>Senior Manager: PMMS</i>
Kumi J (Ms)	<i>Chief Finance Officer</i>
Tyali K (Ms)	<i>Corporate Services Manager</i>
Galada L (Mr)	<i>Internal Audit</i>
Mningiswa N (Ms)	<i>Company 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.

	<b>Group</b>		<b>Municipality</b>	
	<b>30 June 2011</b>	<b>30 June 2010</b>	<b>30 June 2011</b>	<b>30 June 2010</b>
	<b>R</b>	<b>R</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	-	108 367	-	-
<b>Related party transactions</b>				
O R Tambo Ntinga Development Agency: Grant Paid	-	-	43 029 203	80 225 879
Expenditure of farm operations	161 365	12 451 308	8 562 268	926 864

These transactions are concluded at arms length.

**40 EVENTS AFTER THE REPORTING DATE**

The provision of financial support by O.R Tambo District Municipality to Port St Johns Municipality by paying salaries of workers and councillors for the months of November 2011 (R 3 346 142), December 2011 (R 2 946 142) , January 2012 (R 2 946 142) was approved by Council on 22 November 2011.

No additional material facts or circumstances have occurred between the accounting date and the date of this report, other than the event mentioned above.

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**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 counter-party.

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.

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

Cash and cash equivalents	158 646 854	79 146 574	146 955 781	64 979 050
Trade receivables from exchange transactions	20 782 376	11 904 667	16 710 240	11 903 678
Other receivables from exchange transactions	1 387 799	1 686 354	1 128 772	1 333 130
	<b>180 817 029</b>	<b>92 737 595</b>	<b>164 794 793</b>	<b>78 215 858</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.

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:

	30 June 2011		
	Gross	Net	Impairment losses
Trade receivables	211 783 525	16 718 130	(195 065 395)
	<b>211 783 525</b>	<b>16 718 130</b>	<b>(195 065 395)</b>

  

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

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43 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>43.1 Fruitless and wasteful expenditure</b>				
Reconciliation of fruitless and wasteful expenditure				
Opening balance -	202 318	202 318	-	-
Fruitless and wasteful expenditure current year	419 050	8 627 712	419 050	8 627 217
Condoned or written off by Council	-	(495)	-	-
To be recovered – contingent asset	-	-	-	-
Fruitless and wasteful expenditure awaiting condonment	(419 050)	(8 627 217)	(419 050)	(8 627 217)
	<u>202 318</u>	<u>202 318</u>	<u>-</u>	<u>-</u>

Incident			Disciplinary steps / Criminal proceedings
Payments made for goods and services that were not received, this occurred due to the forgery of signatures.			The payments resulted in criminal proceedings being instituted against the employee involved.

**43.2 Irregular expenditure**

Reconciliation of irregular expenditure				
Irregular expenditure current year	4 392 407	-	-	-
Condoned or written off by Council	(4 392 407)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Expenses	Amount
<b>Ntinga</b>	
Fertiliser was purchased from a manufacturer who did not take part in the tendering process due to the appointed supplier failing to supply and the fact that the maize season was fast approaching its end.	
Local farmers with ploughing equipment utilised in the tilling of the land for the maize project were not properly allocated hectares to be ploughed. Hectares were allocated based on how fast the farmer was able to complete the task at hand.	4 392 407
<b>Total</b>	<u>4 392 407</u>

Incident			Disciplinary steps / Criminal proceedings
None			N/A

**43.3 Unauthorised Expenditure**

Expenditure	Actual	Budgeted	Excess
Housing projects	7 233 044	-	7 233 044
<b>Total</b>			<u>7 233 044</u>

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	Group		Municipality	
	30 June 2011 R	30 June 2010 R	30 June 2011 R	30 June 2010 R
<b>44 DISCLOSURE OF MATERIAL LOSSES</b>				
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 tap water services and water cartage services.				
Water distribution losses	13 025 785	15 040 320	13 025 785	15 040 320
Water supplied and not billed	31 878 120	-	31 878 120	-
<b>Total value of material losses in respect of water supply</b>	<b>44 903 905</b>	<b>15 040 320</b>	<b>44 903 905</b>	<b>15 040 320</b>
<b>45 OPERATING LEASE ARRANGEMENTS</b>				
<b>The Entity as Lessee:</b>				
At the Statement of Financial Position date the Entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:				
Up to 1 year	36 146	(28 917)	-	-
2 to 5 years	-	36 146	-	-
More than 5 years	-	-	-	-
<b>Total Operating Lease Arrangements</b>	<b>36 146</b>	<b>7 229</b>	<b>-</b>	<b>-</b>

**OR TAMBO DISTRICT MUNICIPALITY**  
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**46 STATEMENT OF BUDGET VERSUS ACTUAL INFORMATION**

**Municipality**

R thousands or R	Original Budget	Budget Adjustments <i>(i.t.o. s28 and s31 of the MFMA)</i>	Virement <i>(i.t.o. Council approved by-law)</i>	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	95 348 419	0		95 348 419	106 045 935		(10 697 515)	111%	111%
Investment revenue	7 942 877	7 720 372		15 663 249	18 669 408				
Transfers recognised - operational	727 602 286	21 432 514		749 034 800	639 126 400		109 908 400	85%	88%
Other own revenue	92 478 007	(11 194 308)		81 283 699	89 157 996		(7 874 297)	110%	96%
<b>Total Revenue (excluding capital transfers)</b>	<b>923 371 589</b>	<b>17 958 578</b>		<b>941 330 167</b>	<b>852 999 739</b>		<b>91 336 588</b>	<b>91%</b>	<b>92%</b>
Employee costs	222 381 848	(13 622 468)		208 759 380	179 201 544		29 557 836	86%	81%
Remuneration of councillors	8 848 000	(418 098)		8 429 902	8 358 781		71 121	99%	94%
Debt impairment	140 000 000	-		140 000 000	58 112 922		(29 112 922)	42%	42%
Depreciation & asset impairment	-	-		-	138 498 691		1 501 309	0%	0%
Finance charges	-	-		-	91 301		(91 301)	0%	0%
* Materials and bulk purchases	62 251 000	(1 804 855)		60 446 145	40 762 591		19 683 554	67%	65%
Transfers and grants	50 104 006	-		50 104 006	43 071 724		7 032 282	86%	86%
Other expenditure	579 786 735	33 804 000		613 590 735	379 244 827		205 345 908	62%	65%
<b>Total Expenditure</b>	<b>1 063 371 589</b>	<b>17 958 579</b>		<b>1 081 330 167</b>	<b>847 342 381</b>	-	<b>233 987 787</b>	<b>78%</b>	<b>80%</b>
<b>Surplus/(Deficit)</b>	<b>(140 000 000)</b>	<b>(0)</b>		<b>(140 000 000)</b>	<b>5 657 358</b>		<b>(142 651 199)</b>	<b>-4%</b>	<b>-4%</b>
Transfers recognised - capital	350 689 000	46 679 096		397 368 096	369 823 291		27 544 805	93%	105%
Contributions recognised - capital &	-	-		-	-		-		
<b>Surplus/(Deficit) after capital transfers &amp;</b>	<b>210 689 000</b>	<b>46 679 096</b>		<b>257 368 096</b>	<b>375 480 649</b>		<b>(118 112 553)</b>	<b>146%</b>	<b>178%</b>
Share of surplus/ (deficit) of associate	-	-		-	-		-		
<b>Surplus/(Deficit) for the year</b>	<b>210 689 000</b>	<b>46 679 096</b>		<b>257 368 096</b>	<b>375 480 649</b>	-	<b>(118 112 553)</b>	<b>146%</b>	<b>178%</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>350 688 726</b>	<b>46 679 370</b>		<b>-</b>	<b>369 823 291</b>		<b>27 544 805</b>	<b>0%</b>	<b>105%</b>
Transfers recognised - capital	345 057 000	52 311 096		-	369 823 291		27 544 805	0%	107%
Public contributions & donations	-	-		-	-		-	0%	0%
Borrowing	-	-		-	-		-	0%	0%
Internally generated funds	5 632 113	(5 632 113)		-	-		-	0%	0%
<b>Total sources of capital funds</b>	<b>350 689 113</b>	<b>46 678 983</b>		<b>-</b>	<b>369 823 291</b>		<b>27 544 805</b>	<b>0%</b>	<b>105%</b>
<b>Cash flows</b>									
Net cash from (used) operating	416 726 244	(26 631 044)		390 095 200	308 399 163		9 696 037	79%	74%
Net cash from (used) investing	(398 199 113)	153 603 526		(244 595 587)	(298 379 957)		53 784 370	122%	75%
Net cash from (used) financing	-	-		-	(42 476)		42 476	0%	0%
<b>Cash/cash equivalents at the year end</b>	<b>18 527 131</b>	<b>126 972 482</b>		<b>145 499 613</b>	<b>81 976 731</b>		<b>63 522 883</b>	<b>56%</b>	<b>442%</b>



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**NOTE 47 DETAILED SCHEDULE OF CONDITIONAL GRANTS AND RECEIPTS**

Grant name	Opening opening balance 01 July 2010	Current year receipts	Revenue Expenditure	Capital Expenditure	Prior Year Adjustment	Closing balance (Unutilised funds) 30 June 2011
<b>NATIONAL GRANTS</b>						
Aids Training Information and Counsel Fund	(838 556)	(3 092 760)	2 038 265	-	-	(1 893 051)
BSRP Projects	(693 934)	-	-	-	-	(693 934)
CBPWP	(43 251)	-	-	-	-	(43 251)
Community Development Workers' Fund	(359 216)	-	588 025	-	-	228 809
KDC Disaster Management	(294 099)	0	-	-	-	(294 099)
DWAF Projects	(1 953 697)	(19 027 000)	71 246 304	-	-	50 265 607
Establishment Fund (Grants Received)	(2 284 779)	(2 128 432)	-	-	-	(4 413 212)
Financial Management Grant	14 536	(1 000 000)	985 464	-	-	0
Fire and Emergency	(432 419)	-	-	-	-	(432 419)
HIV / AIDS Programme	(65 732)	-	-	-	-	(65 732)
IFESH	(51 095)	-	-	-	-	(51 095)
Income Generating Projects	(505 668)	-	-	-	-	(505 668)
Integrated Development Fund	(499 599)	-	270 378	-	-	(229 221)
Integrated Transport Fund	(6 761)	-	842 806	-	-	836 045
IRDP Project Fund	(959 230)	-	-	-	-	(959 230)
Job Evaluation Fund	4 664	-	-	-	-	4 664
LGWSETA	(89 262)	-	-	-	-	(89 262)
LG SETA	(955 744)	-	-	-	-	(955 744)
Libraries and Information Fund	(2 821 722)	(4 100 000)	3 098 450	736 528	-	(3 086 744)
Mbizana Drought Relief Fund	(13 212)	-	-	-	-	(13 212)
MIG Fund	30 530 576	(570 955 000)	295 326 847	143 534 344	-	(101 563 234)
MSIG Projects	(63 650)	(1 000 000)	1 063 650	-	-	(0)
Rural anti-poverty	59 805	-	-	-	(59 805)	-
SIP Fund	(385 599)	-	-	-	385 599	-
SPU Youth Development Project Fund	(168 270)	-	-	-	-	(168 270)
Survey and Planning Project	(20 561)	-	-	-	-	(20 561)
Training Funds	-	-	3 197	-	-	3 197
Transport Infrastructure	(1 324 300)	-	-	-	1 324 300	-
Water Services Business Plan Implementation	50 830	-	-	-	(50 830)	-
REFURBISHMENT OF SEWERAGE PUM	(2 256 546)	-	9 195 167	-	-	6 938 621
Umzintlava / Qhinqolo Fund	(2 585 037)	-	-	-	-	(2 585 037)
Assessment For River Health	(916 355)	-	-	-	-	(916 355)
District Aids Council	(150 000)	-	-	-	-	(150 000)
Capacity Building Training Grant	(148 330)	-	-	-	-	(148 330)
Capacity Building	-	-173 661.00	-	-	-	(173 661)
Cape Town Disaster Fund	(27 102)	-	-	-	-	(27 102)
Disaster Relief Fund	(25 558)	-	-	-	25 558	-
Emfundisweni Bed and Breakfast	(118 861)	-	-	-	118 861	-
First Call Account Fund	(4 016)	-	-	-	4 016	-
Information and Energy Centre	(2 115)	-	-	-	(2 115)	(4 230)
Institutional Training	(724 998)	-	-	-	-	(724 998)
Investment Site Profiling Mapping	(103 283)	-	-	-	103 283	-
ISRDP Beef Project	(13 206)	-	-	-	13 206	-
ISRDP Development Fund	(301 062)	-	-	-	301 062	-
Land Survey Projects Fund	(86 960)	-	-	-	-	(86 960)
Langeni Development (Singisi Forest)	(79 555)	-	-	-	79 555	-
LED DEAET	(2 510 252)	-	273 774	-	-	(2 236 478)
LED Strategy Fund	(212 798)	-	-	-	-	(212 798)
Masimanyane Fund	(117 398)	-	-	-	117 398	-
Ntabankulu Dam, Hotel and Recreation	(1 120 455)	-	-	-	-	(1 120 455)
ORTDM Sugar Association	(1 354)	-	-	-	-	(1 354)
Siyaphambili Woodworkers Cooperative	(49 954)	-	-	-	49 954	-
Spatial Development	8 618	-	-	-	-	8 618
Spatial Planning Fund	(9 862)	-	-	-	-	(9 862)
Valuations Projects Fund	(179 570)	-	-	-	179 570	-
Vulindlela DBSA	(472 707)	-	-	-	-	(472 707)
	<b>3 621 338</b>	<b>(601 476 853)</b>	<b>384 932 326</b>	<b>144 270 872</b>	<b>2 589 612</b>	<b>(66 062 706)</b>
<b>PROVINCIAL GRANTS</b>						
Coffee Bay Grant	-	(107 528)	175 771	-	-	68 243
Eagerton Housing Fund	(602 098)	(1 536 381)	1 833 180	-	-	(305 299)
Hadini Housing Fund	2 568 517	(617 430)	1 747 563	-	-	3 698 650
Kwam Womens Movement	(135 023)	-	513 060	-	-	378 037
Kwenxurha Rural Housing Fund	517 363	-	-	-	-	517 363
Lindle Housing Fund	(1 318 860)	-	-	-	-	(1 318 860)
Mantlaneni Rural Housing Fund	(510 447)	(1 167 639)	1 734 348	-	-	56 262
Mpeko Rural Housing Fund	(435 664)	-	-	-	-	(435 664)
Ncambele Rural Housing Fund	(31 216)	-	-	-	-	(31 216)
Ndlunkulu Rural Housing Fund	(514 146)	(342 159)	-	-	-	(856 305)
New Payne Rural Housing Fund	234 224	-	665 345	-	-	899 569
Ngqwala Rural Housing Fund	489 128	-	16 550	-	-	505 678
Nkonzo Rural Housing Fund	278 340	(213 996)	581 887	-	-	646 231
Nqabeni Housing Projects Grant	-	(1 467 739)	1 248 176	-	-	(219 563)
Ntshabeni Rural Housing Fund	(804 309)	-	-	-	-	(804 309)
Payne Rural Fund	(463 233)	(474 575)	-	-	-	(937 808)
Preston Housing Fund	(765 163)	-	-	-	-	(765 163)
Upper Centuli Fund	187 979	-	-	-	-	187 979
Upper Tabase Fund	51 661	-	-	-	-	51 661
Wild Coast Fishing Fund	(194 916)	-	118 300	-	-	(76 616)
Zidindi Rural Fund	819 868	-	-	-	-	819 868
	<b>(627 996)</b>	<b>(5 927 446)</b>	<b>8 634 180</b>	<b>-</b>	<b>-</b>	<b>2 078 738</b>
<b>Public Contributions</b>						
Mbizana Extension 4 Fund	4 628 500	-	-	-	-	4 628 500
Umtata Community Arts Fund	(49 907)	-	523 185	-	-	473 278
	<b>4 578 593</b>	<b>-</b>	<b>523 185</b>	<b>-</b>	<b>-</b>	<b>5 101 778</b>
<b>Total conditional grants</b>	<b>7 571 934</b>	<b>(607 404 300)</b>	<b>394 089 691</b>	<b>144 270 872</b>	<b>2 589 612</b>	<b>(58 882 190)</b>