

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

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

Contact telephone number: (047) 532 7400

Contact e-mail address: wongie.majeke.ecprov@treasury.gov.za

Name of relevant Auditor: Office of the Auditor General

Contact telephone number: (047) 531 0409

Contact e-mail address: 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> | | Date of commencement | Date of resignation | |
|-------------------------------|---------------------------------|-----------------------------|----------------------------|--|
| Mrs. R.Z. Capa | Executive Mayor | 22-Mar-06 | 07-Jun-11 | |
| Ms. N. Madalane | Speaker | 22-Mar-06 | 07-Jun-11 | |
| Mr. Z. Mzamane | Council Chief Whip | 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 | |

The Municipal Council (outside Mayoral Committee)

| | | | | |
|------------------|--|-----------|-----------|------------|
| 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. | Speaker | 07-Jun-11 | Re-appointed |
| Myolwa D.J | Executive Mayor | 07-Jun-11 | Re-appointed |
| Ntobongwana N. | Chief Whip | 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

4

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:

(047) 532 4166

E-mail address:

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.

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 |
| ASSETS | | | | | |
| Current Assets | | | | | |
| | | 230 665 948 | 127 725 222 | 214 873 783 | 109 917 421 |
| Cash and cash equivalents | 5 | 155 540 988 | 79 146 575 | 143 857 420 | 64 979 050 |
| Trade receivables from exchange transactions | 6 | 19 797 766 | 11 904 667 | 19 789 876 | 11 903 678 |
| Obligations under transfer arrangements | 16 | - | 7 485 104 | - | 7 485 104 |
| Inventories | 7 | 13 165 573 | 11 840 313 | 13 080 243 | 11 774 893 |
| Operating lease asset | | - | 65 733 | - | - |
| Other receivables from exchange transactions | 8 | 2 912 873 | 1 686 354 | 2 593 846 | 1 333 130 |
| VAT receivable | 15 | 39 248 748 | 15 596 476 | 35 552 398 | 12 441 566 |
| | | 3 825 498 599 | 3 568 991 569 | 3 817 342 407 | 3 557 297 290 |
| Non-Current Assets | | | | | |
| Intangible assets | 9 | 1 655 500 | 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 | 3 810 238 622 | 3 551 564 841 | 3 803 522 378 | 3 541 519 583 |
| Biological assets | 11 | 11 404 477 | 11 270 646 | 10 048 077 | 9 793 246 |
| Total Assets | | 4 056 164 547 | 3 696 716 791 | 4 032 216 190 | 3 667 214 711 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| | | 237 520 888 | 251 798 289 | 225 595 132 | 237 171 243 |
| Trade and other payables from exchange transactions | 13 | 153 558 640 | 251 214 013 | 141 669 030 | 236 701 065 |
| Consumer deposits | 14 | 678 997 | 184 297 | 678 997 | 184 297 |
| Bank overdraft | 5 | - | 39 | - | - |
| Obligations under transfer arrangements | 16 | 83 055 810 | - | 83 055 810 | - |
| Operating lease liability | | 36 146 | - | - | - |
| Finance lease liability | 17 | 191 295 | 399 939 | 191 295 | 285 881 |
| Non-current Liabilities | | | | | |
| Finance lease liability | 17 | 548 922 | 991 512 | 548 922 | 991 512 |
| Total liabilities | | 238 069 810 | 252 789 800 | 226 144 054 | 238 162 755 |
| NET ASSETS | | | | | |
| | | 3 818 094 737 | 3 443 926 990 | 3 806 072 137 | 3 429 051 956 |
| Reserves | | 102 621 815 | 102 621 524 | 102 621 815 | 102 621 524 |
| Accumulated surplus | | 3 715 472 922 | 3 341 305 466 | 3 703 450 322 | 3 326 430 432 |
| Total net assets | | 3 818 094 737 | 3 443 926 990 | 3 806 072 137 | 3 429 051 956 |

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

| | | Group | | Municipality | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | Note | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R | 30 June 2010 R |
| REVENUE | | | | | |
| Revenue from exchange transactions | | 106 165 977 | 88 971 927 | 106 045 935 | 88 971 927 |
| Service charges | 18 | 106 165 977 | 88 971 927 | 106 045 935 | 88 971 927 |
| Revenue from non-exchange transaction | | 1 016 118 568 | 910 934 977 | 1 007 800 122 | 910 934 977 |
| Public contributions and donations | 21 | - | 200 000 | - | 200 000 |
| Government grants & subsidies | 20 | 1 016 118 568 | 910 734 977 | 1 007 800 122 | 910 734 977 |
| Rental income | | 156 182 | 249 941 | 36 420 | 20 866 |
| Other income | 21 | 77 396 574 | 74 190 494 | 68 689 338 | 63 518 091 |
| Interest received- Investment | 19 | 18 907 935 | 8 373 488 | 18 638 055 | 8 373 488 |
| Interest received- Other | 19 | 17 846 655 | 14 151 968 | 17 846 655 | 13 554 135 |
| Total income | | 1 236 591 891 | 1 096 872 796 | 1 219 056 525 | 1 085 373 485 |
| EXPENDITURE | | | | | |
| 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 | 55 179 200 | 37 335 458 | 55 179 130 | 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 | | 27 866 402 | 8 757 704 | 27 739 462 | 8 290 086 |
| Finance costs | 24 | 188 032 | 8 979 479 | 91 301 | 8 727 605 |
| Bulk purchases | 25 | 24 907 983 | 40 625 668 | 24 907 983 | 40 625 668 |
| Contracted services | 26 | 5 678 151 | 6 020 301 | 5 678 151 | 6 020 301 |
| Grants and subsidies paid | 27 | 6 170 853 | 8 839 803 | 43 071 723 | 81 029 342 |
| General expenses | 28 | 394 885 802 | 564 288 023 | 363 350 378 | 505 045 864 |
| Total expenses | | 864 286 376 | 984 872 316 | 846 291 766 | 973 423 571 |
| Gain on sale of assets | 29 | 230 468 | 581 234 | 230 468 | 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 |
| SURPLUS FOR THE YEAR | | 374 590 620 | 117 819 321 | 374 841 764 | 113 746 509 |

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

| GROUP | Note | Asset Financing | Revaluation Reserve | Other reserves | Total: | Accumulated | Total: Net Assets |
|------------------------------------|------|-----------------|---------------------|----------------|-------------|-------------------|-------------------|
| | | Fund | R | R | Reserves | Surplus/(Deficit) | 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 | | - | - | - | - | (423 164) | (423 164) |
| Restated amount as at 30 June 2010 | | - | 68 329 926 | 34 291 598 | 102 621 524 | 3 340 882 302 | 3 443 503 826 |
| Other movements in reserves | | 291 | - | - | 291 | - | 291 |
| Surplus for the year | | - | - | - | - | 374 590 620 | 374 590 620 |
| Balance at 30 June 2011 | | 291 | 68 329 926 | 34 291 598 | 102 621 815 | 3 715 472 922 | 3 818 094 737 |

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

MUNICIPALITY

| Asset Financing Fund | Revaluation Reserve | Government Grant Reserve | Total: Reserves | Accumulated Surplus/(Deficit) | Total: Net Assets | |
|------------------------------------|---------------------|--------------------------|-------------------|-------------------------------|----------------------|----------------------|
| | R | R | R | R | R | |
| Balance at 30 June 2010 | - | 68 329 926 | 34 291 598 | 102 621 524 | 3 326 430 433 | 3 429 051 956 |
| Prior year adjustments | - | - | - | - | 2 178 125 | 2 178 125 |
| Restated amount as at 30 June 2010 | - | 68 329 926 | 34 291 598 | 102 621 524 | 3 328 608 557 | 3 431 230 081 |
| Other movements in reserves | 291 | - | - | 291 | - | 291 |
| Surplus for the year | - | - | - | - | 374 841 764 | 374 841 764 |
| Balance at 30 June 2011 | 291 | 68 329 926 | 34 291 598 | 102 621 815 | 3 703 450 322 | 3 806 072 136 |

**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 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts: | | 1 210 060 565 | 1 004 942 674 | 1 154 475 118 | 914 970 639 |
| Sales of goods and services | | 44 541 533 | 65 014 951 | 42 980 646 | 56 938 497 |
| Grants | | 1 079 825 076 | 866 471 747 | 1 028 477 427 | 785 931 446 |
| Interest received | | 36 754 590 | 8 971 321 | 36 484 710 | 8 373 488 |
| Other receipts | | 48 939 366 | 64 484 655 | 46 532 335 | 63 727 207 |
| Payments: | | (807 253 472) | (846 634 873) | (748 645 156) | (753 481 809) |
| Employee costs | | (204 311 932) | (161 627 071) | (183 197 823) | (122 410 721) |
| Suppliers | | (602 941 539) | (685 007 802) | (565 447 332) | (631 071 088) |
| Cash generated by / (utilised in) operations | 32 | 402 807 093 | 158 307 801 | 405 829 962 | 161 488 830 |
| Interest earned | | 269 880 | 880 945 | - | - |
| Finance costs | | (188 032) | (251 874) | (91 301) | - |
| Financial discounting | | 178 056 | - | - | - |
| Impairment loss | | 120 042 | - | - | - |
| Net cash flows from operating activities | | 403 187 039 | 158 936 872 | 405 738 661 | 161 488 830 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchase of fixed assets | | (328 519 705) | (171 282 381) | (328 397 541) | (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 | | 38 301 | 225 621 | - | - |
| Proceeds on disposal of biological assets | | 1 607 552 | 1 474 758 | 1 607 552 | 1 474 758 |
| Transfer from calves (weaned) | | 142 100 | - | - | - |
| Produce from insurance | | - | 11 750 | - | 11 750 |
| Produce from bursary | | - | 90 434 | - | 90 434 |
| Net cash flows from investing activities | | (326 759 579) | (170 540 380) | (326 817 815) | (169 266 222) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Repayment of finance lease liability | | (537 176) | (64 522) | (537 176) | (55 093) |
| Advance on consumer deposits and grants | | 494 700 | 1 674 176 | 494 700 | 182 197 |
| New loans raised | | - | (114 506) | - | - |
| Net cash flows from financing activities | | (42 476) | 1 495 148 | (42 476) | 127 104 |
| Net decrease in net cash and cash equivalents | | 76 384 984 | (10 108 360) | 78 878 370 | (7 650 288) |
| Net cash and cash equivalents at beginning of period | | 79 156 004 | 89 254 935 | 64 979 050 | 72 629 338 |
| Net cash and cash equivalents at end of period | 33 | 155 540 988 | 79 146 575 | 143 857 420 | 64 979 050 |

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

| | Group | | Municip |
|--|---------------------------|--------------------------|---------------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R |
| 5 CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents consist of the following: | | | |
| Bank balances | | | |
| Cash on hand | 13 549 377 | 1 621 690 | 13 549 377 |
| Call deposits | 141 991 611 | 77 524 885 | 130 308 043 |
| | <u>155 540 988</u> | <u>79 146 575</u> | <u>143 857 420</u> |
| Bank overdraft | - | (39) | - |
| | <u><u>155 540 988</u></u> | <u><u>79 146 536</u></u> | <u><u>143 857 420</u></u> |
| The Group has the following bank accounts: - | | | |
| <u>Current Account (Primary Bank Account)</u> | | | |
| 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> |
| <u>(Other Account - credit card)</u> | | | |
| 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> |
| <u>Current Account - petty cash</u> | | | |
| 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>4 312</u> | <u>1 656</u> | <u>4 312</u> |
| Bank statement balance at beginning of year | - | (222) | - |
| Bank statement balance at end of year | <u>829</u> | <u>-</u> | <u>829</u> |
| <u>Account Number 62166804742 (Primary Bank Account):</u> | | | |
| 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> | |
| <u>Account Number 62183286890 (Salaries Account):</u> | | | |
| 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> | |
| <u>Account Number 62068052762 (Old maize account)</u> | | | |
| 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> | |
| <u>Account Number 62174957301 (DEAT - Road Signage)</u> | | | |
| 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> | |

O.R. TAMBO DISTRICT MUNICIPALITY
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
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| | Group | | Municip |
|--|-------------------|-------------------|-------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R |
| Account Number 62174956543 (DEAT - Beekeeping) | | | |
| 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) | |
| Account Number (Deat Noqhekwanwa Cheque) | | | |
| 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 | - | |
| Account Number (Deat Noqhekwanwa Cheque): | | | |
| 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 | - | |
| Deat Ndabankulu Call Account | | | |
| 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 | - | |
| Deat Noqhekwanwa Call Account | | | |
| 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 | - | |
| Maize Call Account | | | |
| 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 | - | |
| First National Bank - call account | | | |
| Account Number 62182223257 (Integrated Energy Centre) | | | |
| 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 | |
| Account Number 62181670540 (Ntinga call account) | | | |
| 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 | |
| Account Number 62174955553 (Maize new account) | | | |
| 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 | - | - | |

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 |
| Account Number 62217068750 (Adam Kok Farms) | | | |
| 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> | |
| Account Number 62193282531 (Lambasi) | | | |
| 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> | |
| Account Number 62189189585 (DEAT Road Signage) | | | |
| 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> | |
| Account Number 62189188553 (DEAT Beekeeping) | | | |
| 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> | |
| Account Number 62185095281 (Ikhwezi Farm) | | | |
| 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> | |
| Account Number 62185096122 (Umzikantu Red Meat Abattoir) | | | |
| Cash book balance at beginning of year | 15 004 | 39 369 | |
| Cash book balance at end of year | <u>179 398</u> | <u>15 004</u> | |
| Bank statement balance at beginning of year | 15 004 | 39 369 | |
| Bank statement balance at end of year | <u>179 398</u> | <u>15 004</u> | |
| Livestock project | | | |
| 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> | |
| IDT School Greening | | | |
| 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> | |
| Standard Bank - call account | | | |
| Account Number 548663572-001 | | | |
| 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> | |
| Liberty Life Investment (Restated) | | | |
| Account Number 548663572-001 | | | |
| 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> | |

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

| | Group | | Municip |
|---|-------------------|-------------------|-------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R |
| Baziya Sustainable Villages -Surudec Call Account | | | |
| Account Number | | | |
| 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> | |
| Baziya Sustainable Villages-Surudec Cheque Account | | | |
| Account Number | | | |
| 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

| | 30-Jun-11 | 30-Jun-10 | 30-Jun-11 |
|--|-----------------------------|-----------------------------|-----------------------------|
| Gross Balances | | | |
| Service debtors | | | |
| Water | 172 989 757 | 111 055 096 | 172 989 757 |
| Sewerage | 38 931 673 | 64 022 918 | 38 931 673 |
| Projects | 7 890 | - | - |
| Total | <u>211 929 320</u> | <u>175 078 014</u> | <u>211 921 430</u> |
| Allowance for impairment losses | | | |
| Service debtors | | | |
| Water | (165 778 216) | (103 507 824) | (165 778 216) |
| Sewerage | (26 353 338) | (59 665 523) | (26 353 338) |
| Projects | - | - | - |
| Total | <u>(192 131 554)</u> | <u>(163 173 347)</u> | <u>(192 131 554)</u> |
| Net Balance | | | |
| Service debtors | | | |
| Water | 7 211 541 | 7 547 272 | 7 211 541 |
| Sewerage | 12 578 335 | 4 357 395 | 12 578 335 |
| Projects | 7 890 | - | - |
| Total | <u>19 797 766</u> | <u>11 904 667</u> | <u>19 789 876</u> |
| Service Debtors: Ageing | | | |
| 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) |
| Total | <u>208 995 566</u> | <u>175 114 797</u> | <u>208 987 590</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.

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

| | Group | | Municip |
|---|--------------------|--------------------|--------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R |
| <u>Summary of Debtors by Customer Classification</u> | | | |
| Consumers | | | |
| 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 | 157 763 938 | 124 836 704 | 157 755 962 |
| Less: Provision for doubtful debts | (142 651 765) | (116 317 234) | (142 473 640) |
| Total debtors by customer classification | 15 112 173 | 8 519 470 | 15 282 322 |
| Industrial / Commercial | | | |
| 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 | 20 802 341 | 21 413 333 | 20 802 341 |
| Less: Provision for doubtful debts | (20 802 341) | (19 955 842) | (20 802 341) |
| Total debtors by customer classification | - | 1 457 491 | - |
| National and Provincial Government | | | |
| 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 | 28 854 572 | 28 864 760 | 28 854 572 |
| Less: Provision for doubtful debts | (28 854 572) | (26 900 232) | (28 854 572) |
| Total debtors by customer classification | - | 1 964 528 | - |
| Statutory Debtors: Ageing | | | |
| + 365 Days | 8 448 688 | 14 810 568 | 8 448 688 |

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

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 |
| Summary of Debtors by Customer Classification | | | |
| Industrial / Commercial + 365 Days | 4 030 850 | 3 978 917 | 4 030 850 |
| National and Provincial Government + 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 | 163 173 346 | 128 603 635 | 162 995 291 |
| Reversal of incorrect entry | - | (2 207 575) | - |
| Total contribution to provision | 28 957 277 | 36 777 286 | 29 135 262 |
| Contributions to provision: trade debtors | 55 179 200 | 37 335 458 | 55 179 130 |
| Contributions to provision: other debtors | - | - | - |
| Doubtful debts written off against provision | (26 221 923) | - | (26 043 868) |
| Reversal of provision | - | (558 172) | - |
| Balance at end of year | 192 130 623 | 163 173 346 | 192 130 553 |

Trade receivables impaired

As of 30 June 2011, trade and other receivables of R 192 130 553 - (2010: R163 173 346) were impaired and provided for.

The net increase of the provision was R28 957 207 as at 30 June 2011 (2010: net increase of R36 777 286). This was after an amount of R26 221 923 was written off as irrecoverable.

The fair value of trade receivables approximates their carrying amounts.

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

| | Group | | Municip |
|---|--------------------|---------------------|-------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R |
| 7 INVENTORIES | | | |
| Opening balance of inventories: | 11 840 313 | 17 532 672 | 11 774 893 |
| 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 |
| Additions: | 5 082 644 | 23 774 868 | 3 388 976 |
| Consumable stores and Maintenance materials | 3 464 634 | 22 990 617 | 3 388 976 |
| Milk and maas; fertilizer and feed | 477 610 | 195 012 | - |
| Merchandise | 1 140 400 | 589 239 | - |
| Adjustments | | | |
| Water | (2 083 626) | (7 594 319) | (2 083 626) |
| Issued (expensed): | (1 673 758) | (21 872 677) | - |
| Consumable stores and Maintenance materials | (113 352) | (21 101 081) | - |
| Milk and maas; fertilizer and feed | (488 156) | (185 034) | - |
| Merchandise | (1 072 250) | (586 562) | - |
| Closing balance of inventories: | 13 165 573 | 11 840 313 | 13 080 243 |
| Consumable stores and Maintenance materials | 12 778 428 | 9 427 146 | 12 764 178 |
| Milk and maas; fertilizer and feed | 140 | 10 686 | - |
| Merchandise | 70 940 | 2 790 | - |
| Water | 316 065 | 2 399 690 | 316 065 |
| 8 OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS | | | |
| CURRENT | | | |
| Car loans | 51 445 | 51 445 | 51 445 |
| Staff loans | - | 67 105 | - |
| Other receivables | 4 826 890 | 3 287 112 | 4 711 155 |
| Prepayments | 203 292 | 203 292 | - |
| Less: Provision for doubtful debts | (2 168 754) | (1 922 601) | (2 168 754) |
| Total | 2 912 873 | 1 686 354 | 2 593 846 |

CAR LOANS

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.

STAFF LOANS

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

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

| | Group | | Municip |
|--|-------------------|-------------------|-------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R |
| 9 INTANGIBLE ASSETS | | | |
| Reconciliation of carrying value | | | |
| Computer Software | | | |
| As at 1 July | 717 856 | 1 059 044 | 549 671 |
| Cost | 3 156 879 | 2 784 904 | 2 640 630 |
| 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 | |
| Licenses Expired | | | |
| Cost | (170 503) | | - |
| Accumulated impairment | 150 481 | | - |
| Amortisation | (64 191) | | - |
| As at 30 June | 108 427 | 721 291 | 24 879 |
| Cost | 3 017 734 | 3 160 833 | 2 668 456 |
| Accumulated amortisation and impairment losses | (2 909 307) | (2 439 542) | (2 643 577) |
| Ward based database | | | |
| As at 1 July | 3 234 790 | 4 922 507 | 3 234 790 |
| 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 | - | | - |
| As at 30 June | 1 547 073 | 3 234 790 | 1 547 073 |
| Cost | 5 063 150 | 5 063 150 | 5 063 150 |
| Accumulated amortisation and impairment losses | (3 516 077) | (1 828 360) | (3 516 077) |
| Total as at 30 June 2011 | 1 655 500 | 3 956 081 | 1 571 952 |

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)
-

ality

30 June 2010
R

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

4 417 838

10 831 651

127 867 409
(2 207 575)
37 335 458

37 335 458

-

-

-

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

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

10 INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

| GROUP | Land | Buildings | Infrastructure | Heritage | Other Assets | Finance lease assets | Total |
|--|-------------------|--------------------|-----------------------|-----------------|---------------------|-----------------------------|----------------------|
| 10.1 Reconciliation of Carrying Value | R | R | R | R | R | R | R |
| 01 July 2010 | | | | | | | |
| Cost/Revaluation | 39 770 387 | 113 441 913 | 4 951 247 376 | 90 000 | 93 829 600 | 3 572 260 | 5 201 951 536 |
| Accumulated depreciation and impairment losses | (3 654 386) | (10 595 628) | (1 583 254 994) | - | (52 746 988) | (1 797 009) | (1 652 049 005) |
| Acquisitions- Group | - | 8 100 459 | 28 845 116 | - | 7 328 723 | - | 44 274 298 |
| Revaluations | - | - | - | - | - | - | - |
| Capital under Construction-Group | - | - | 284 245 411 | - | - | - | 284 245 411 |
| 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 | - | - | - | - | (17 857) | - | (17 857) |
| Cost/Revaluation | - | - | - | - | (42 023) | - | (42 023) |
| Accumulated depreciation and impairment losses | - | - | - | - | 24 166 | - | 24 166 |
| 30 June 2011 | 36 116 001 | 107 045 685 | 3 628 572 799 | 90 000 | 37 244 131 | 1 170 006 | 3 810 238 622 |
| Cost/Revaluation | 39 770 387 | 121 542 372 | 5 334 201 513 | 90 000 | 101 116 300 | 3 572 260 | 5 600 292 832 |
| Accumulated depreciation and impairment losses | (3 654 386) | (14 496 687) | (1 705 628 714) | - | (63 872 169) | (2 402 254) | (1 790 054 210) |

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| GROUP | Land | Buildings | Infrastructure | Heritage | Other Assets | Finance lease assets | Total |
|--|-------------------|--------------------|-----------------------|-----------------|---------------------|---------------------------------|----------------------|
| | R | R | R | R | R | R | R |
| 10.2 Reconciliation of Carrying Value | | | | | | | |
| 01 July 2009 | 35 750 001 | 86 843 611 | 3 218 854 952 | 90 000 | 39 659 638 | 706 611 | 3 381 904 813 |
| Cost/Revaluation | 39 404 387 | 94 567 699 | 4 678 886 621 | 90 000 | 83 987 638 | 2 690 469 | 4 899 626 814 |
| 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) |
| 30 June 2010 | 36 156 001 | 104 234 989 | 3 367 992 383 | 90 000 | 41 298 167 | 1 793 302 | 3 551 564 841 |
| 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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| MUNICIPALITY | | Land | Buildings | Infrastructure | Heritage | Other Assets | Finance lease assets | Total |
|---------------------|--|-------------------|--------------------|-----------------------|-----------------|---------------------|---------------------------------|----------------------|
| | | R | R | R | R | R | R | R |
| 10.3 | Reconciliation of Carrying Value | | | | | | | |
| | 01 July 2010 | | | | | | | |
| | Cost/Revaluation | 39 404 387 | 111 340 206 | 4 951 247 376 | 90 000 | 83 215 972 | 1 575 266 | 5 186 873 207 |
| | Accumulated depreciation and impairment losses | (3 654 386) | (10 595 628) | (1 583 254 994) | - | (47 173 554) | (675 062) | (1 645 353 624) |
| | Acquisitions- Municipality | - | 8 100 459 | 28 845 116 | - | 7 206 555 | - | 44 152 130 |
| | Revaluations | - | - | - | - | - | - | - |
| | Capital under Construction-Municipality | - | - | 284 245 411 | - | - | - | 284 245 411 |
| | 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) |
| | 30 June 2011 | 35 750 001 | 104 943 978 | 3 628 572 799 | 90 000 | 33 511 182 | 654 418 | 3 803 522 378 |
| | Cost/Revaluation | 39 404 387 | 119 440 665 | 5 334 201 513 | 90 000 | 90 422 527 | 1 575 266 | 5 585 134 358 |
| | 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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| MUNICIPALITY | Land | Buildings | Infrastructure | Heritage | Other Assets | Finance lease assets | Total |
|--|-------------------|--------------------|-----------------------|-----------------|---------------------|---------------------------------|----------------------|
| | R | R | R | R | R | R | R |
| 10.4 Reconciliation of Carrying Value | | | | | | | |
| 01 July 2009 | 39 154 387 | 92 349 992 | 4 678 886 621 | 90 000 | 74 028 578 | 693 476 | 4 885 203 054 |
| 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) |
| 30 June 2010 | 35 750 001 | 100 744 578 | 3 367 992 381 | 90 000 | 36 042 418 | 900 204 | 3 541 519 582 |
| 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) |

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

Details of valuation

The effective date of the revaluations was 30 June 2010. Revaluations were performed by independent professional valuers, Mr Chari 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 R | 30 June 2010 R | 30 June 2011 R | 30 June 2010 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 | - | - |
| Total | 11 404 477 | 11 270 646 | 10 048 077 | 9 793 246 |

| 11.1 Reconciliation of Carrying Value - Group | Trees in plantation | Cows | Bulls | Calves | Heifers | Steers | Sheep | Total |
|--|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| | R | R | R | R | R | R | R | |
| 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 | - | (685 220) | (235 584) | (1 900) | (4 560) | (591 920) | - | (1 519 184) |
| 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) |
| 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) |
| as at 30 June 2011 | 6 336 000 | 2 772 587 | 407 740 | 415 200 | 1 251 640 | 148 960 | 72 350 | 11 404 477 |
| 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

11.2 Reconciliation of Carrying Value- Municipality

| | Group | | | Calves | Municipality | | Total |
|--|---------------------|------------------|----------------|----------------|------------------|----------------|-------------------|
| | Trees in plantation | Cows | Bulls | | Heifers | Steers | |
| | R | R | R | R | R | R | R |
| as at 1 July 2010 | 5 940 000 | 1 458 555 | 191 424 | 257 450 | 1 349 759 | 596 058 | 9 793 246 |
| 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) |
| as at 30 June 2011 | 6 336 000 | 1 488 537 | 407 740 | 415 200 | 1 251 640 | 148 960 | 10 048 077 |
| 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 | | |
|--|-------|--|--|--|--------------|--|--|
|--|-------|--|--|--|--------------|--|--|

| | Trees in plantation | Cows | Bulls | Calves | Heifers | Steers | Total |
|--|---------------------|------------------|----------------|----------------|------------------|----------------|------------------|
| | R | R | R | R | R | R | R |
| 11.3 Reconciliation of Carrying Value -Municipality | | | | | | | |
| as at 1 July 2009 | 4 950 000 | 2 677 091 | 189 985 | 111 500 | 1 036 464 | 617 692 | 9 582 732 |
| 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) |
| as at 30 June 2010 | 5 940 000 | 1 458 554 | 191 424 | 257 450 | 1 349 759 | 596 058 | 9 793 246 |
| 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

| | Trees in plantation | Cows | Bulls | Calves | Heifers | Steers | Sheep | Total |
|---|---------------------|------------|-----------|------------|------------|-----------|------------|---------------|
| | R | R | R | R | R | R | | R |
| as at 1 July 2010 | 19 800 | 562 | 26 | 271 | 296 | 98 | 108 | 21 161 |
| 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) |
| as at 30 June 2011 | 19 800 | 408 | 38 | 192 | 332 | 38 | 87 | 20 895 |
| Trees | 19 800 | - | - | - | - | - | - | 19 800 |
| Livestock | - | 408 | 38 | 192 | 332 | 38 | 87 | 1 095 |

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11 Biological assets

11.5 Operations and Principal Activities - Municipality

| Group | 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

| | Trees in plantation | Cows | Bulls | Calves | Heifers | Steers | Total |
|---|---------------------|------------|-----------|------------|------------|-----------|---------------|
| | R | R | R | R | R | R | R |
| as at 1 July 2010 | 19 800 | 333 | 26 | 271 | 296 | 98 | 20 824 |
| 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) |
| as at 30 June 2011 | 19 800 | 207 | 38 | 192 | 332 | 38 | 20 607 |
| 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 | Group | Municipality |
|-----------|--------------------------|-------|--------------|

12 Output of agricultural produce
There was no output of agricultural produce for the year

| | | | | | | | | |
|-------------|--|-------------|--------------|---------------|----------------|---------------|--------------|--------------|
| 12.1 | Biological assets that died during the year | | | | | | | |
| | | Cows | Bulls | Calves | Heifers | Steers | Sheep | Total |
| | MUNICIPALITY - 2011 | | | | | | | |
| | Rand value | (122 640) | (36 810) | (2 850) | (36 480) | (3 920) | - | (202 700) |
| | Quantities | (28) | (5) | (3) | (8) | (1) | - | (45) |
| | GROUP - 2011 | | | | | | | |
| | 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 |
| 13 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS | | | | |
| Financial liabilities measured at cost | 117 362 066 | 226 820 424 | 115 310 258 | 214 391 245 |
| Trade payables | 114 428 225 | 218 229 662 | 112 376 417 | 211 484 734 |
| Payments received in advance | 2 933 841 | 8 590 762 | 2 933 841 | 2 906 511 |
| Provisions | 28 442 638 | 21 996 270 | 26 358 772 | 21 996 270 |
| Provision for Bonus | 4 474 461 | 4 011 110 | 4 474 461 | 4 011 110 |
| Provision for Leave | 21 884 311 | 17 985 160 | 21 884 311 | 17 985 160 |
| Other provisions | 2 083 866 | - | - | - |
| Other accounts payable | 7 753 936 | 2 397 319 | - | 313 551 |
| Total creditors | 153 558 640 | 251 214 013 | 141 669 030 | 236 701 065 |

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

14 CONSUMER DEPOSITS

| | | | | |
|-------------------|----------------|----------------|----------------|----------------|
| Consumer deposits | 678 997 | 184 297 | 678 997 | 184 297 |
|-------------------|----------------|----------------|----------------|----------------|

15 VAT RECEIVABLE

| | | | | |
|----------------|-------------------|-------------------|-------------------|-------------------|
| VAT receivable | 39 248 748 | 15 596 476 | 35 552 398 | 12 441 566 |
|----------------|-------------------|-------------------|-------------------|-------------------|

VAT is payable on a payment basis. VAT is paid over to SARS only when payment is received from debtors.

16 OBLIGATIONS UNDER TRANSFER ARRANGEMENTS

16.1 Unspent Conditional Grants from other spheres of Government

| | | | | |
|--|---------------------|------------------|---------------------|------------------|
| MIG Grants | (72 329 231) | 30 530 575 | (72 329 231) | 30 530 575 |
| Other | (10 726 579) | (23 045 471) | (10 726 579) | (23 045 471) |
| Total Unspent Conditional Grants and Receipts | (83 055 810) | 7 485 104 | (83 055 810) | 7 485 104 |

16.2 Conditions and restrictions

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

17 FINANCE LEASE LIABILITY

| Group 2011 | Up to 1 Year | 2 to 5 Years | Total |
|--|---------------------|---------------------|----------------|
| Amounts payable under finance leases | R | | R |
| Minimum Lease Payments | 262 272 | 629 614 | 891 886 |
| Finance Costs | (70 977) | (80 692) | (151 669) |
| Present Value | 191 295 | 548 922 | 740 217 |
| Less: Amount due for settlement within 12 months (current portion) | | | 191 295 |
| | | | 548 922 |
| Municipality 2011 | Up to 1 Year | 2 to 5 Years | Total |
| Amounts payable under finance leases | R | | R |
| Minimum Lease Payments | 262 272 | 629 614 | 891 886 |
| Finance Costs | (70 977) | (80 692) | (151 669) |
| Present Value | 191 295 | 548 922 | 740 217 |
| Less: Amount due for settlement within 12 months (current portion) | | | 191 295 |
| | | | 548 922 |

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 |
| Amounts payable under finance leases | | | |
| 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 |
| 18 SERVICE CHARGES | | | | |
| 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 | (29 258) | (889 717) | (149 300) | (889 717) |
| Total Service Charges | <u><u>106 165 977</u></u> | <u><u>88 971 927</u></u> | <u><u>106 045 935</u></u> | <u><u>88 971 927</u></u> |
| 19 FINANCE INCOME | | | | |
| Interest income on external investment | 18 907 935 | 8 373 488 | 18 638 055 | 8 373 488 |
| Interest on outstanding receivables | 17 846 655 | 14 151 968 | 17 846 655 | 13 554 135 |
| Total Interest | <u><u>36 754 590</u></u> | <u><u>22 525 456</u></u> | <u><u>36 484 710</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 |
| 20 GOVERNMENT GRANTS AND SUBSIDIES | | | | |
| Equitable share | 406 208 524 | 324 579 554 | 406 208 524 | 324 579 554 |
| MIG Grant | 491 556 182 | 458 036 544 | 491 556 182 | 458 036 544 |
| Other Government Grants and Subsidies | 100 737 085 | 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 |
| Total Government Grants and Subsidies | 1 016 118 568 | 910 734 977 | 1 007 800 122 | 910 734 977 |
| 20.1 Equitable Share | | | | |
| 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. | | | | |
| 20.2 MIG Grant | | | | |
| Balance unspent at beginning of year | (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 | (471 346 912) | (459 143 294) | (471 346 912) | (459 143 294) |
| Conditions still to be met - remain liabilities | 69 077 512 | (30 530 576) | 69 077 512 | (30 530 576) |
| 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. | | | | |
| 20.3 Other Government Grants and Subsidies | | | | |
| Balance unspent at beginning of year | 6 566 449 | 30 567 035 | 6 566 449 | 30 567 035 |
| Prior year error | (2 589 612) | 95 974 | (2 589 612) | 95 974 |
| Current year receipts | 60 535 507 | 186 482 288 | 60 535 507 | 105 941 987 |
| Conditions met - transferred to revenue | (75 238 924) | (130 038 547) | (75 238 924) | (130 038 547) |
| Conditions still to be met - remain liabilities | (10 726 580) | 87 106 750 | (10 726 580) | 6 566 449 |
| 20.4 Grant in aid income | | | | |
| Grant in aid income represents the value of Water Infrastructure constructed by the Department of Water Affairs & Forestry during the current year for the Municipality. | | | | |
| | 17 616 777 | 53 375 149 | 17 616 777 | 53 375 149 |

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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 |
| | <u>996 605 000</u> | <u>1 148 851 250</u> | <u>1 204 583 670</u> |

| | Group | | Municipality | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R | 30 June 2010 R |
| 21 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS | | | | |
| 21.1 OTHER INCOME | | | | |
| Sundry revenue | 7 494 955 | 1 093 025 | 348 606 | 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 | 1 560 887 | 10 499 940 | - | - |
| Total | <u>77 396 574</u> | <u>74 190 494</u> | <u>68 689 338</u> | <u>63 518 091</u> |
| 21.2 Public contributions and donations | | | | |
| Public contributions - Unconditional | - | 200 000 | - | 200 000 |
| Total public contributions and donations | <u>-</u> | <u>200 000</u> | <u>-</u> | <u>200 000</u> |
| 21.3 Total Other Income | <u>77 396 574</u> | <u>74 390 494</u> | <u>68 689 338</u> | <u>63 718 091</u> |
| Reconciliation of conditional contributions | | | | |
| Balance unspent at beginning of year | | | | |
| Current year receipts | - | 200 000 | - | 200 000 |
| Conditions met - transferred to revenue | - | (200 000) | - | (200 000) |
| Conditions still to be met - remain liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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

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| | Group | | Municipality | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R | 30 June 2010 R |
| 22 EMPLOYEE BENEFITS | | | | |
| 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 | - |
| Total employee costs excluding councillors | 200 315 653 | 157 826 664 | 179 201 544 | 136 061 258 |
| Remuneration of the Municipal Manager | | | | |
| 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 |
| Total | 1 198 088 | 1 025 771 | 1 198 088 | 1 025 771 |
| Remuneration of the Chief executive officer | | | | |
| 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 | - | - | - | - |
| Total | 1 086 353 | 1 024 861 | - | - |
| Remuneration of the Chief Financial Officer | | | | |
| 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 |
| Total | 2 003 983 | 1 708 939 | 1 227 654 | 976 553 |
| Remuneration of the Strategic Director - Corporate Services | | | | |
| 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 |
| Total | 1 739 045 | 989 088 | 1 087 232 | 989 088 |
| Remuneration of the Strategic Director - Planning and Socio-Economic Affairs | | | | |
| 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 |
| Total | 998 088 | 998 088 | 1 087 228 | 998 088 |

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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 |
| Remuneration of the Internal Audit Manager | | | | |
| 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 |
| Total | 1 111 498 | 978 379 | 1 111 498 | 978 379 |
| Remuneration of Director - Municipal Operations & Reporting | | | | |
| 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 |
| Total | 1 307 600 | 263 955 | 1 307 600 | 263 955 |
| Remuneration of Council Secretary | | | | |
| 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 |
| Total | 999 195 | 920 916 | 999 195 | 920 916 |
| Remuneration of Political Advisor | | | | |
| 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 |
| Total | 1 319 878 | 1 025 772 | 1 319 878 | 1 025 772 |
| Remuneration of Director - Office of the Executive Mayor | | | | |
| 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 |
| Total | 642 550 | 978 379 | 642 550 | 978 379 |
| Remuneration of Senior Manager - Agricultural Development | | | | |
| 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 | - | - | | |
| Total | 763 106 | 719 910 | | |
| Remuneration of Senior Manager - Municipal Support | | | | |
| 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 | - | - | | |
| Total | 700 517 | 660 679 | | |
| Remuneration of Company Secretary | | | | |
| 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 | - | - | | |
| Total | 650 208 | 613 403 | | |
| Remuneration of Senior Manager : Community Development | | | | |
| 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 | - | - | | |
| Total | 763 105 | 719 910 | | |
| Remuneration of Senior Manager : Corporate Services | | | | |
| 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 | - | - | | |
| Total | 651 812 | 614 908 | | |

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| Remuneration of Individual Executive Directors | Technical Services R | Corporate Services R | Community Services R |
|--|-------------------------|-------------------------|-------------------------|
| 2011 | | | |
| 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 |
| Total | 1 129 764 | 561 668 | 1 039 145 |

| REMUNERATION OF COUNCILLORS | Technical Services R | Corporate Services R | Community Services R |
|--|-------------------------|-------------------------|-------------------------|
| Executive Mayor | 605 089 | 538 575 | 605 089 |
| Speaker | 305 826 | 236 972 | 305 826 |
| Mayoral Committee members | 4 155 671 | 3 778 310 | 4 155 671 |
| Councillors | 3 281 232 | 2 833 336 | 3 281 232 |
| Councillors - other | 10 963 | - | 10 963 |
| Total Councillors' Remuneration | 8 358 781 | 7 387 193 | 8 358 781 |

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 |
| 23 DEPRECIATION AND AMORTISATION EXPENSE | | | | |
| 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 |
| Total Depreciation and Amortisation | 140 333 897 | 139 371 648 | 138 498 691 | 137 973 864 |
| 24 FINANCE COSTS | | | | |
| Finance lease | 119 695 | 699 872 | 91 301 | 447 998 |
| Interest on Bulk Water Purchases/discounting | 68 337 | 8 279 607 | - | 8 279 607 |
| | 188 032 | 8 979 479 | 91 301 | 8 727 605 |
| 25 BULK PURCHASES | | | | |
| Water | 24 907 983 | 40 625 668 | 24 907 983 | 40 625 668 |
| 26 CONTRACTED SERVICES | | | | |
| Contracted services for: | | | | |
| Cleaning services | - | 249 807 | - | 249 807 |
| Security services | 5 678 151 | 5 770 494 | 5 678 151 | 5 770 494 |
| Total contracted services | 5 678 151 | 6 020 301 | 5 678 151 | 6 020 301 |
| 27 GRANTS AND SUBSIDIES PAID | | | | |
| 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 |
| | 6 170 853 | 8 839 803 | 43 071 723 | 81 029 342 |

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

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

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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 | 202 605 083 | 366 798 623 | 202 605 083 | 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 |
| | 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 | 3 245 549 | 266 007 | 3 245 549 | 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 (Inkciyo 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 | 69 087 | - | - | - |
| | Mandela month | - | 41 699 | - | 41 699 |
| | Mayor's 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 | 240 342 232 | 433 742 377 | 237 399 117 | 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 | 240 342 232 | 433 742 377 | 237 399 117 | 417 828 249 |
| | Municipal health services | 2 474 183 | - | 1 100 816 | - |
| | Ntinga project expenditure | 25 718 890 | 52 209 495 | - | - |
| | Office rental | 214 366 | 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 | 63 200 844 | 782 038 | 63 184 819 | 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 herita | 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 | 5 093 615 | 5 662 395 | 4 923 015 | 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 | - |
| | | 394 885 802 | 563 769 168 | 363 350 378 | 504 527 010 |

No extraordinary expenses were included in general expenses

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| | Group | | Municipality | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R | 30 June 2010 R |
| 29 GAIN ON SALE OF ASSETS | | | | |
| Biological assets | 1 749 652 | 1 547 581 | 1 607 552 | 1 474 758 |
| Cost of sale | (1 519 184) | (966 347) | (1 377 084) | (966 347) |
| Total Gain on Sale of Assets | 230 468 | 581 234 | 230 468 | 508 411 |
| 30 IMPAIRMENT LOSS | | | | |
| Property, plant and equipment | | | | |
| 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 | - |
| | 401 622 | 4 996 352 | 214 622 | 4 667 081 |
| 31 INCREASE IN FAIR VALUE OF BIOLOGICAL ASSETS | | | | |
| Gains from changes in fair value | 3 516 804 | 1 021 186 | 3 176 454 | 2 128 125 |
| Losses from changes in fair value | (1 462 167) | (839 940) | (1 329 917) | (839 940) |
| | 2 054 637 | 181 246 | 1 846 537 | 1 288 185 |
| 32 CASH GENERATED FROM / (UTILISED IN) OPERATIONS | | | | |
| Surplus for the year | 374 590 620 | 117 819 320 | 374 841 764 | 113 746 509 |
| Adjustment for:- | | | | |
| Prior year adjustment | 2 178 125 | (1 488 042) | 2 178 125 | - |
| Depreciation and amortization | 140 333 897 | 139 371 649 | 138 498 691 | 137 973 864 |
| Gain on disposal of biological assets | (230 468) | (581 234) | (230 468) | (508 411) |
| Finance costs | 188 032 | 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 | 55 179 130 | 37 335 458 | 55 179 130 | 37 335 458 |
| Bad debt write off | (26 042 829) | 0 | (26 042 829) | - |
| Interest earned | (269 880) | (597 833) | - | - |
| Loss due to natural death of livestock | 101 940 | 116 000 | - | - |
| Provision for leave pay | - | 3 379 783 | - | 3 379 783 |
| Transfer from revaluation surplus | - | (5 056 362) | - | - |
| Discounting of financial instruments | 29 258 | (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) |
| Operating surplus before working capital changes: | 474 261 496 | 170 267 327 | 473 169 781 | 170 490 818 |
| (Increase)/Decrease in inventories | (1 325 299) | 5 692 359 | (1 305 388) | 5 685 455 |
| (Increase)/Decrease in trade receivables from exchange transactions | (37 144 465) | (45 505 736) | (37 171 761) | (45 587 565) |
| (increase) in other receivables from other-exchange transactions | (1 260 716) | (30 806) | (1 260 716) | (30 806) |
| (Increase)/decrease in VAT receivable | (24 031 196) | (11 635 563) | (23 110 832) | (9 309 240) |
| Increase/(decrease) in trade and other payables from exchange transactions | (102 197 450) | 103 779 218 | (99 080 986) | 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 | 4 391 419 | 1 758 180 | 4 362 502 | 1 758 180 |
| Decrease in current portion of finance lease liability | (114 058) | (111 289) | - | - |
| Increase/(decrease) in unspent conditional grants and receipts | 90 540 914 | (66 664 858) | 90 540 914 | (66 664 858) |
| Cash generated from / (utilised in) operations | 402 807 094 | 158 307 801 | 405 829 962 | 161 488 829 |

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| | Group | | Municipality | |
|--|--------------------|-------------------|--------------------|-------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R | 30 June 2010 R |
| 33 CASH AND CASH EQUIVALENTS | | | | |
| Cash and cash equivalents included in the cash flow statement comprise the following: | | | | |
| Bank balances and cash | 155 540 988 | 79 146 614 | 143 857 420 | 64 979 050 |
| Bank overdraft | - | (39) | - | - |
| Net cash and cash equivalents (net of bank overdrafts) | 155 540 988 | 79 146 575 | 143 857 420 | 64 979 050 |
| 34 CORRECTION OF ERRORS | | | | |
| Reversal of an expense incorrectly accrued | 668 132 | | 668 132 | |
| Expenditure not accrued for in prior year | (464 029) | | (464 029) | |
| Correction of opening balances for grant funds | 2 593 843 | | 2 593 843 | |
| Adjustment of Mbizana Consumption | (619 821) | | (619 821) | |
| Ntinga opening retained earnings adjustments | (2 601 289) | | - | |
| Net effect on Statement of Financial Position and net effect on Accumulated Surplus Opening Balance | (423 164) | | 2 178 125 | |
| 35 CHANGE IN ESTIMATE | | | | |
| There was no change in estimate for the period ended 30 June 2011 | | | | |
| 36 ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT | | | | |
| 36.1 Contributions to organised local government | | | | |
| 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 | - | - | - | - |
| Balance unpaid (included in payables) | - | - | - | - |
| 36.2 Audit fees | | | | |
| 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) |
| Balance unpaid (included in payables) | 45 129 | 16 279 | 5 920 | 14 090 |
| 36.3 PAYE and UIF | | | | |
| 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) | - | - | - |
| Balance unpaid (included in payables) | (117) | 341 838 | (117) | (910) |

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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) | - |
| Balance unpaid (included in payables) | - | 4 394 | - | 4 394 |

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 |
| As at 30 June 2011 | | | |
| 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 |
| Total Councillor Arrear Consumer Accounts | 49 111 | 4 866 | 44 245 |

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 |
| As at 30 June 2010 | | | |
| 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 |
| Total Councillor Arrear Consumer Accounts | 40 531 | 35 726 | 4 805 |

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 |
| Total value of expenditure | 10 265 725 | 32 838 412 | 9 009 288 | 30 752 529 |

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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 |
| 37.1 Commitments in respect of capital expenditure | | | | |
| - Approved and contracted for | 46 849 048 | 270 151 455 | 46 141 425 | 266 727 056 |
| Infrastructure | 46 141 425 | 251 287 212 | 46 141 425 | 251 287 212 |
| Community | - | - | - | - |
| Other | 707 623 | 18 864 243 | - | 15 439 844 |
| - Approved but not yet contracted for | 534 421 049 | 458 973 070 | 534 421 049 | 458 973 070 |
| Infrastructure | 534 421 049 | 458 973 070 | 534 421 049 | 458 973 070 |
| Other | - | - | - | - |
| Total | 581 270 097 | 729 124 525 | 580 562 474 | 725 700 126 |
| 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 |
| | 581 270 097 | 729 124 525 | 580 562 474 | 725 700 126 |

38 CONTINGENT LIABILITY

| | | | | |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| 38.1 Claim for damages | 13 058 169 | 10 328 804 | 14 999 554 | 10 328 804 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|

38.2 SCHEDULE OF CURRENT YEAR LISTING OF CONTINGENT LIABILITIES AS AT 30 JUNE 2009

| 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. | 187 981 | 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. | 6 856 966 | 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. | 71 336 | 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 | 404 895 | 433 633 |
| Two separate claims have been lodged for the damage to motor vehicles. The municipality is contesting the claim | 100 000 | 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 | - |
| Claim for damages | 13 058 169 | 14 999 554 |

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

39.1 Municipality

| | |
|-------------------|--|
| 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> |

Ntinga Development Agency

| | |
|--------------------|---|
| 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.

| | Group | | Municipality | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R | 30 June 2010 R |
| Related party balances | | | | |
| Amount owing to O R Tambo Ntinga Development Agency at period end included in trade payables | - | 108 367 | - | - |
| Related party transactions | | | | |
| O R Tambo Ntinga Development Agency: Grant Paid | - | - | 43 029 203 | 80 225 879 |
| Expenditure of farm operations | 14 690 601 | 12 451 308 | 8 562 268 | 926 864 |

These transactions are concluded at arms length.

40 EVENTS AFTER THE REPORTING DATE

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

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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 | 155 540 988 | 79 146 574 | 143 857 420 | 64 979 050 |
| Trade receivables from exchange transactions | 19 797 766 | 11 904 667 | 16 710 240 | 11 903 678 |
| Other receivables from exchange transactions | 2 912 873 | 1 686 354 | 2 736 324 | 1 333 130 |
| | <u>178 251 627</u> | <u>92 737 595</u> | <u>163 303 984</u> | <u>78 215 858</u> |

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 | 211 929 320 | 19 797 766 | (192 131 554) |
| | <u>211 929 320</u> | <u>19 797 766</u> | <u>(192 131 554)</u> |

| | 30 June 2010 | | |
|--|--------------------|-------------------|----------------------|
| | Gross | Net | Impairment losses |
| | 175 078 014 | 11 904 667 | (163 173 347) |
| | <u>175 078 014</u> | <u>11 904 667</u> | <u>(163 173 347)</u> |

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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UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL
43 EXPENDITURE DISALLOWED

| | Group | | Municipality | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30 June 2011 R | 30 June 2010 R | 30 June 2011 R | 30 June 2010 R |
| 43.1 Fruitless and wasteful expenditure | | | | |
| Reconciliation of fruitless and wasteful expenditure | | | | |
| Opening balance - | - | 202 318 | - | - |
| Fruitless and wasteful expenditure current year | - | 8 627 712 | - | - |
| Condoned or written off by Council | - | (495) | - | - |
| To be recovered – contingent asset | - | - | - | - |
| Fruitless and wasteful expenditure awaiting condonement | - | (8 627 217) | - | - |
| | - | 202 318 | - | - |

| Incident | | | | Disciplinary steps / Criminal proceedings |
|----------|--|--|--|--|
| None | | | | N/A |

43.2 Irregular expenditure

Reconciliation of irregular expenditure

| Expences | Amount |
|--------------|--------|
| None | N/A |
| Total | |

| Incident | | | | Disciplinary steps / Criminal proceedings |
|----------|--|--|--|--|
| None | | | | N/A |

43.3 Unauthorised Expenditure

| Expenditure | Actual | | | Budgeted | Excess |
|------------------|-----------|--|--|----------|------------------|
| Housing projects | 7 233 044 | | | - | 7 233 044 |
| Total | | | | | 7 233 044 |

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44 DISCLOSURE OF MATERIAL LOSSES

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

Total value of material losses in respect of water supply

| Group | | Municipality | |
|--------------|--------------|--------------|--------------|
| 30 June 2011 | 30 June 2010 | 30 June 2011 | 30 June 2010 |
| R | R | R | R |
| 13 025 785 | 15 040 320 | 13 025 785 | 15 040 320 |

OR TAMBO DISTRICT MUNICIPALITY
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45 STATEMENT OF BUDGET VERSUS ACTUAL INFORMATION

| R thousands or R | 2010/11 | | | | | | | | |
|--|----------------------|---|---|----------------------|----------------------|--------------------------|----------------------|-------------------------------------|--|
| | 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 |
| Financial Performance | | | | | | | | | |
| Property rates | | | | | | | | | |
| Service charges | 95 348 419 | 0 | | 95 348 419 | 106 045 935 | | (10 697 516) | 111% | 111% |
| Investment revenue | 7 942 877 | 7 720 372 | | 15 663 249 | 18 638 056 | | | | |
| Transfers recognised - operational | 727 602 286 | 21 432 514 | | 749 034 800 | 864 265 779 | | (115 230 979) | 115% | 119% |
| Other own revenue | 92 478 007 | (11 194 308) | | 81 283 699 | 88 434 796 | | (7 151 097) | 109% | 96% |
| Total Revenue (excluding capital transfers) | 923 371 589 | 17 958 578 | | 941 330 167 | 1 077 384 566 | | (133 079 591) | 114% | 117% |
| 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 | 55 179 130 | | 84 820 870 | 39% | 39% |
| Depreciation & asset impairment | - | - | | - | 134 590 019 | | (134 590 019) | 0% | 0% |
| Finance charges | - | - | | - | 91 301 | | (91 301) | 0% | 0% |
| * Materials and bulk purchases | 62 251 000 | (1 804 855) | | 60 446 145 | 24 907 983 | | 35 538 162 | 41% | 40% |
| Transfers and grants | 50 104 006 | - | | 50 104 006 | 43 071 724 | | 7 032 282 | 0% | 0% |
| Other expenditure | 579 786 735 | 33 804 000 | | 613 590 735 | 396 767 991 | | 216 822 744 | 65% | 68% |
| Total Expenditure | 1 063 371 589 | 17 958 579 | | 1 081 330 167 | 842 168 472 | - | 239 161 695 | 78% | 79% |
| Surplus/(Deficit) | (140 000 000) | (0) | | (140 000 000) | 235 216 093 | | (372 241 286) | -168% | -168% |
| Transfers recognised - capital | 350 689 000 | 46 679 096 | | 397 368 096 | 143 534 343 | | 253 833 753 | 36% | 41% |
| Contributions recognised - capital & | | - | | - | | | | | |
| Surplus/(Deficit) after capital transfers & | 210 689 000 | 46 679 096 | | 257 368 096 | 378 750 436 | | (121 382 340) | 147% | 180% |
| Share of surplus/ (deficit) of associate | | | | | | | | | |
| Surplus/(Deficit) for the year | 210 689 000 | 46 679 096 | | 257 368 096 | 378 750 436 | - | (121 382 340) | 147% | 180% |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 350 688 726 | 46 679 370 | | - | 391 651 809 | | (391 651 809) | 0% | 112% |
| Transfers recognised - capital | 345 057 000 | 52 311 096 | | | 143 534 343 | | (143 534 343) | 0% | 42% |
| Public contributions & donations | - | - | | | - | | - | 0% | 0% |
| Borrowing | - | - | | | - | | - | 0% | 0% |
| Internally generated funds | 5 632 113 | (5 632 113) | | | 248 117 466 | | (248 117 466) | 0% | 4405% |
| Total sources of capital funds | 350 689 113 | 46 678 983 | | - | 391 651 809 | | (391 651 809) | 0% | 112% |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 416 726 244 | (26 631 044) | | 390 095 200 | 405 275 801 | | (15 180 601) | 104% | 97% |
| Net cash from (used) investing | (398 199 113) | 153 603 526 | | (244 595 587) | (326 628 374) | | 82 032 787 | 134% | 82% |
| Net cash from (used) financing | - | - | | - | 230 943 | | (230 943) | 0% | 0% |
| Cash/cash equivalents at the year end | 18 527 131 | 126 972 482 | | 145 499 613 | 78 878 370 | | 66 621 243 | 54% | 426% |

O R TAMBO DISTRICT MUNICIPALITY
APPENDIX B: GROUP
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
As at 30 June 2011

| 30-Jun-11 | Cost / Revaluation | | | | | | | | | Accumulated Depreciation | | | | | | | Transfers | Other movements | Carrying Value |
|------------------------------|----------------------|---------------------|--------------|-------------------|------------------|-----------------|--------------------|-------------------|----------------------|--------------------------|-----------------------|----------------------|---------------|---------------------------------------|-------------------|------------------------|-----------|-----------------|----------------------|
| | | | | Additions | | | Under construction | | | | | | | | | | | | |
| | Opening Balance | Prior period errors | Revaluations | Municipality | DWAF Donations | Disposals | Municipality | DWAF Donations | Closing Balance | Opening Balance | Prior year adjustment | Depreciation | Disposals | Impairment loss/ revaluation reversal | Other Adjustments | Closing Balance | | | |
| R | | | R | | R | R | | R | R | | R | R | R | | R | R | R | | |
| Land | 39 810 387 | (40 000) | - | - | - | - | - | - | 39 770 387 | (3 654 386) | - | - | - | - | - | (3 654 386) | - | - | 36 116 001 |
| Buildings | 115 396 575 | (1 954 662) | - | 8 100 459 | - | - | - | - | 121 542 372 | (11 161 586) | 565 958 | (3 901 059) | - | - | - | (14 496 687) | - | - | 107 045 685 |
| Infrastructure | | | | | | | | | | | | | | | | | | | |
| Road Transport | 372 542 094 | - | - | 15 187 896 | - | - | 3 686 029 | - | 391 416 019 | (245 297 298) | - | (21 143 490) | - | - | - | (266 440 788) | - | - | 124 975 231 |
| Sanitation | 363 640 311 | - | - | - | - | - | - | - | 363 640 311 | (192 786 456) | - | (7 959 130) | - | - | - | (200 745 586) | - | - | 162 894 725 |
| Water Supply | 4 215 064 972 | - | - | 13 657 220 | - | - | 280 559 382 | 69 863 610 | 4 579 145 184 | (1 145 171 241) | - | (93 271 099) | - | - | - | (1 238 442 340) | - | - | 3 340 702 843 |
| | 4 951 247 377 | - | - | 28 845 116 | - | - | 284 245 411 | 69 863 610 | 5 334 201 514 | (1 583 254 995) | - | (122 373 720) | - | - | - | (1 705 628 715) | - | - | 3 628 572 799 |
| Other Assets | | | | | | | | | | | | | | | | | | | |
| Parking area | 3 754 467 | - | - | - | - | - | - | - | 3 754 467 | (3 629 979) | - | - | - | - | - | (3 629 979) | - | - | 124 488 |
| Park homes | 477 338 | - | - | - | - | - | - | - | 477 338 | (35 996) | - | - | - | - | - | (35 996) | - | - | 441 342 |
| Fencing | 1 045 391 | - | - | - | - | - | - | - | 1 045 391 | (1 045 391) | - | - | - | - | - | (1 045 391) | - | - | 10 |
| Security Systems | 530 395 | - | - | 49 300 | - | - | - | - | 579 695 | (251 585) | - | (74 560) | - | - | - | (326 144) | - | - | 253 549 |
| Plant & Equipment | 41 013 232 | (553 167) | - | 4 836 246 | (553 167) | - | - | - | 44 743 144 | (26 138 325) | 522 989 | (3 199 837) | - | - | - | (28 735 173) | - | - | 16 007 971 |
| Emergency Equipment | 3 284 247 | - | - | - | - | - | - | - | 3 284 247 | (787 696) | - | (218 950) | - | - | - | (1 006 645) | - | - | 2 277 602 |
| Tools & Equipment | 5 969 060 | (180 992) | - | 265 714 | - | - | - | - | 6 053 782 | (1 587 619) | 71 205 | (693 102) | - | - | - | (2 209 516) | - | - | 3 844 266 |
| Motor vehicles | 14 342 557 | (757 845) | - | 335 622 | - | - | - | - | 13 920 334 | (7 945 896) | 699 182 | (2 639 205) | - | - | - | (9 885 919) | - | - | 4 034 415 |
| Furniture & Fittings | 9 755 854 | -173752 | - | 530 266 | - | - | - | - | 10 112 368 | (4 319 001) | 83 084 | (1 122 145) | - | - | - | (5 358 062) | - | - | 4 754 307 |
| Office Equipment | 5 942 740 | (92 439) | - | 404 854 | - | (34 962) | - | - | 6 220 193 | (3 300 625) | 83 084 | (1 200 584) | 24 044 | - | - | (4 394 081) | - | - | 1 826 112 |
| Computer Equipment | 10 493 213 | (195 457) | - | 906 721 | - | (7 061) | - | - | 11 197 416 | (5 462 984) | 191 030 | (2 245 515) | 122 | - | - | (7 517 347) | - | - | 3 680 069 |
| | 96 608 494 | (1 953 652) | - | 7 338 724 | (553 167) | (42 023) | - | - | 101 388 376 | (64 485 087) | 1 650 574 | (11 333 897) | 24 166 | - | - | (64 144 244) | - | - | 37 244 131 |
| Total carried forward | 5 203 062 833 | (3 948 314) | - | 44 274 299 | (553 167) | (42 023) | 284 245 411 | 69 863 610 | 5 596 902 648 | (1 652 556 054) | 2 216 532 | (137 608 676) | 24 166 | - | - | (1 787 924 032) | - | - | 3 808 978 616 |

O R TAMBO DISTRICT MUNICIPALITY
 APPENDIX 8: GROUP
 ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
 as at 30 June 2011

| 30-Jun-11 | Cost / Revaluation | | | | | | | | | Accumulated Depreciation | | | | | | Transfers | Other movements | Carrying Value | | |
|-----------------------|----------------------|------------------------|--------------|-------------------|------------------|-----------------|--------------------|-------------------|----------------------|--------------------------|-----------------------|----------------------|---------------|-----------------|-------------------|------------------------|-----------------|----------------|----------------------|--|
| | Opening Balance | Prior year adjustments | Revaluations | Municipality | DWAF Donations | Disposals | Under Construction | Other Adjustment | Closing Balance | Opening Balance | Prior year adjustment | Depreciation | Disposals | Impairment loss | Other Adjustments | | | | Closing Balance | |
| | R | | | R | R | R | R | R | R | R | R | R | R | R | R | R | | | | |
| Total brought forward | 5 203 062 833 | (3 948 314) | - | 44 274 299 | (553 167) | (42 023) | 284 245 411 | 69 863 610 | 5 596 902 648 | (1 652 556 054) | 2 216 532 | (137 608 676) | 24 166 | - | - | (1 787 924 032) | - | - | 3 808 978 616 | |
| Heritage Assets | | | | | | | | | | | | | | | | | | | | |
| Paintings & Artifacts | 90 000 | - | - | - | - | - | - | - | 90 000 | - | - | - | - | - | - | - | - | - | 90 000 | |
| Finance Lease Assets | | | | | | | | | | | | | | | | | | | | |
| Office Equipment | 4 273 292 | (701 033) | - | - | - | - | - | - | 3 572 259 | (2 479 988) | 682 980 | (605 245) | - | - | - | (2 402 254) | - | - | 1 170 005 | |
| Total | 5 207 426 125 | (4 649 347) | - | 44 274 299 | (553 167) | (42 023) | 284 245 411 | 69 863 610 | 5 600 564 907 | (1 655 036 043) | 2 899 512 | (138 213 921) | 24 166 | - | - | (1 790 326 287) | - | - | 3 810 238 621 | |

O R TAMBO DISTRICT MUNICIPALITY
APPENDIX B: GROUP
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2011

| 30-Jun-10 | Cost / Revaluation | | | | | | | | | | Accumulated Depreciation | | | | | | Transfers | Other movements | Carrying Value |
|------------------------------|----------------------|---------------------|-------------------|--------------------|-------------------|------------------|--------------------|--------------------------|----------------------|----------------------|--------------------------|--------------------|-----------------|--------------------------------------|-------------------|----------------------|------------------|-----------------|----------------------|
| | Additions | | | Under construction | | | | Accumulated Depreciation | | | | | | | | | | | |
| | Opening Balance | Prior period errors | Revaluations | Municipality | DWAF Donations | Disposals | Municipality | DWAF Donations | Closing Balance | Opening Balance | Prior year adjustment | Depreciation | Disposals | Impairment loss/revaluation reversal | Other Adjustments | Closing Balance | | | |
| R | | | R | R | R | R | R | R | R | | R | R | R | | R | R | R | R | |
| Land | 48 195 554 | - | 406 000 | - | - | - | - | - | 48 601 554 | 10 345 553 | - | - | - | - | - | 10 345 553 | - | - | 38 256 001 |
| Buildings | 94 567 699 | - | 8 055 995 | 294 162 | - | - | 12 478 719 | - | 115 396 575 | 7 724 088 | - | 3 084 163 | - | 353 335 | - | 11 161 586 | 2 100 000 | - | 102 134 989 |
| Infrastructure | | | | | | | | | | | | | | | | | | | |
| Road Transport | 303 780 450 | 30 015 909 | - | 8 099 295 | - | - | 30 646 440 | - | 372 542 094 | 122 073 973 | - | 123 223 325 | - | - | - | 245 297 298 | - | - | 127 244 796 |
| Sanitation | 363 640 311 | - | - | - | - | - | - | - | 363 640 311 | 192 786 456 | - | - | - | - | - | 192 786 456 | - | - | 170 853 855 |
| Water Supply | 3 903 434 276 | 78 015 675 | - | 17 971 902 | 32 271 223 | - | 90 839 588 | 92 532 308 | 4 215 064 972 | 1 145 171 241 | - | - | - | - | - | 1 145 171 241 | - | - | 3 069 893 731 |
| | 4 570 855 037 | 108 031 584 | - | 26 071 196 | 32 271 223 | - | 121 486 028 | 92 532 308 | 4 951 247 377 | 1 460 031 670 | - | 123 223 325 | - | - | - | 1 583 254 995 | - | - | 3 367 992 382 |
| Other Assets | | | | | | | | | | | | | | | | | | | |
| Parking area | 3 754 467 | - | - | - | - | - | - | - | 3 754 467 | 3 332 860 | - | 297 119 | - | - | - | 3 629 979 | - | - | 124 488 |
| Park homes | 477 338 | - | - | - | - | - | - | - | 477 338 | 4 173 | - | 31 823 | - | - | - | 35 996 | - | - | 441 342 |
| Fencing | 1 045 391 | - | - | - | - | - | - | - | 1 045 391 | 1 045 381 | - | - | - | - | - | 1 045 381 | - | - | 10 |
| Security Systems | 510 542 | - | - | 19 853 | - | - | - | - | 530 395 | 180 169 | - | 71 416 | - | - | - | 251 585 | - | - | 278 810 |
| Plant & Equipment | 35 089 982 | 1 903 000 | 573 080 | 2 641 843 | - | - | - | - | 40 207 905 | 23 251 681 | 214 088 | 2 483 565 | - | 188 904 | - | 26 138 237 | - | - | 14 069 668 |
| Emergency Equipment | 2 475 971 | - | - | 808 276 | - | - | - | - | 3 284 247 | 612 408 | - | 175 288 | - | - | - | 787 696 | - | - | 2 496 552 |
| Tools & Equipment | 3 699 936 | - | 360 630 | 2 088 131 | - | - | - | - | 6 148 697 | 1 148 550 | - | 430 059 | - | 179 637 | - | 1 787 256 | - | - | 4 381 441 |
| Motor vehicles | 13 951 447 | (1 321 570) | 757 844 | 1 067 508 | - | - | - | - | 14 455 229 | 5 951 222 | (294 300) | 2 339 190 | - | 62 456 | - | 8 058 568 | - | - | 6 396 661 |
| Furniture & Fittings | 8 666 967 | 4 823 | 270 139 | 931 291 | (29 393) | - | - | - | 9 843 827 | 3 207 743 | 3 216 | 1 129 845 | (21 802) | 87 973 | - | 4 406 975 | - | - | 5 436 852 |
| Office Equipment | 5 616 931 | - | 111 995 | 237 917 | (4 545) | - | - | - | 5 962 298 | 2 059 339 | - | 1 242 166 | (680) | 19 558 | - | 3 320 183 | - | - | 2 642 115 |
| Computer Equipment | 8 112 413 | - | 213 752 | 2 267 867 | (82 584) | - | - | - | 10 511 448 | 3 611 669 | - | 1 894 872 | (48 622) | 23 300 | - | 5 481 219 | - | - | 5 030 229 |
| | 83 401 385 | 586 253 | 2 287 440 | 10 062 685 | - | (116 522) | - | - | 96 221 242 | 44 404 995 | (76 996) | 10 104 353 | (71 104) | 561 828 | - | 54 923 075 | - | - | 41 298 166 |
| Total carried forward | 4 797 019 675 | 108 617 837 | 10 749 435 | 36 428 044 | 32 271 223 | (116 522) | 133 964 748 | 92 532 308 | 5 211 466 748 | 1 522 506 306 | (76 996) | 136 411 840 | (71 104) | 915 163 | - | 1 659 685 209 | 2 100 000 | - | 3 549 681 539 |

O R TAMBO DISTRICT MUNICIPALITY
APPENDIX 8: GROUP
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2011

| 30-Jun-10 | Cost / Revaluation | | | | | | | | | | Accumulated Depreciation | | | | | | Transfers | Other movements | Carrying Value |
|------------------------------|----------------------|------------------------|--------------------|-------------------|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|--------------------------|--------------------|----------------------|-----------------|-------------------|----------------------|------------------|-----------------|----------------------|
| | Opening Balance | Prior year adjustments | Revaluations | Municipality | DWAF Donations | Disposals | Under Construction | Other Adjustment | Closing Balance | Opening Balance | Prior year adjustment | Depreciation | Disposals | Impairment loss | Other Adjustments | Closing Balance | | | |
| | R | R | R | R | R | R | R | R | R | R | R | R | R | R | R | R | R | | |
| Total brought forward | 4 797 019 675 | 108 617 837 | 10 749 435 | 36 428 044 | 32 271 223 | (116 522) | 133 964 748 | 92 532 308 | 5 211 466 748 | 1 522 506 306 | (76 996) | 136 411 840 | (71 104) | 915 163 | - | 1 659 685 209 | 2 100 000 | - | 3 549 681 539 |
| Heritage Assets | | | | | | | | | | | | | | | | | | | |
| Paintings & Artifacts | 90 000 | - | - | - | - | - | - | - | 90 000 | - | - | - | - | - | - | - | - | - | 90 000 |
| Finance Lease Assets | | | | | | | | | | | | | | | | | | | |
| Office Equipment | 2 664 309 | 26 160 | 701 033 | 881 790 | - | - | - | - | 4 273 292 | 1 972 389 | 11 469 | 496 131 | - | - | - | 2 479 989 | - | - | 1 793 302 |
| Total | 4 799 772 984 | 108 643 997 | 11 450 468 | 37 309 834 | 32 271 223 | (116 522) | 133 964 748 | 92 532 308 | 5 215 830 040 | 1 524 478 695 | (65 527) | 136 907 972 | (71 104) | 915 163 | - | 1 662 165 199 | 2 100 000 | - | 3 551 564 841 |
| Motor Vehicles | 1 996 993 | - | - | - | - | - | 1 996 993 | 1 180 253 | 319 516 | - | - | 1 499 769 | - | - | - | 497 224 | - | - | 497 224 |
| | 2 637 660 | - | 26 649 | - | - | - | 2 664 309 | 1 507 385 | 465 004 | - | - | 1 972 389 | - | - | - | 691 920 | - | - | 691 920 |
| Total | 4 381 574 973 | 61 862 593 | 250 333 568 | (398 314) | 112 221 439 | (5 806 803) | 4 799 787 456 | 1 382 892 511 | 131 343 111 | (245 545) | 16 420 038 | (5 806 803) | 1 524 603 312 | - | - | 3 275 184 144 | - | - | 3 275 184 144 |

O R TAMBO DISTRICT MUNICIPALITY
APPENDIX B: MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2011

| | Cost / Revaluation | | | | | | | | | Accumulated Depreciation | | | | | | | Transfers | Other movements | Carrying Value |
|------------------------------|--------------------|---------------------|--------------|--------------------|----------------|-----------|-----------------|-----------------|-----------------------|--------------------------|-----------|---------------------------------------|-------------------|-----------------|---------------|----------------|-----------|-----------------|----------------|
| | Additions | | | Under construction | | | Closing Balance | Opening Balance | Prior year adjustment | Depreciation | Disposals | Impairment loss/ revaluation reversal | Other Adjustments | Closing Balance | | | | | |
| | Opening Balance | Prior period errors | Revaluations | Municipality | DWAF Donations | Disposals | | | | | | | | | Municipality | DWAF Donations | | | |
| R | | | R | | R | R | | R | R | R | R | R | R | R | R | R | | | |
| Land | 48 195 554 | - | - | - | - | - | - | 48 195 554 | 12 445 553 | - | - | - | - | - | 12 445 553 | - | - | 35 750 001 | |
| Buildings | 111 340 206 | - | - | 8 100 459 | - | - | - | 119 440 665 | 10 595 628 | - | - | 3 901 059 | - | - | 10 595 628 | - | - | 108 845 037 | |
| Infrastructure | | | | | | | | | | | | | | | | | | | |
| Road Transport | 372 543 094 | - | - | 15 187 896 | - | - | 3 686 029 | 391 416 019 | 245 297 298 | - | - | 21 143 490 | - | - | 266 440 788 | - | - | 124 975 231 | |
| Sanitation | 363 640 311 | - | - | - | - | - | - | 363 640 311 | 192 786 456 | - | - | 7 959 130 | - | - | 200 745 586 | - | - | 162 894 725 | |
| Water Supply | 4 215 064 972 | - | - | 13 657 220 | - | - | 280 559 382 | 4 579 145 184 | 1 145 171 241 | - | - | 93 271 099 | - | - | 1 238 442 340 | - | - | 3 340 702 843 | |
| | 4 951 247 377 | - | - | 28 845 116 | - | - | 284 245 411 | 5 334 201 514 | 1 583 254 995 | - | - | 122 373 720 | - | - | 1 705 628 715 | - | - | 3 628 572 799 | |
| Other Assets | | | | | | | | | | | | | | | | | | | |
| Parking area | 3 754 467 | - | - | - | - | - | - | 3 754 467 | 3 629 979 | - | - | - | - | - | 3 629 979 | - | - | 124 488 | |
| Park homes | 477 338 | - | - | - | - | - | - | 477 338 | 35 996 | - | - | - | - | - | 35 996 | - | - | 441 342 | |
| Fencing | 1 045 391 | - | - | - | - | - | - | 1 045 391 | 1 045 381 | - | - | - | - | - | 1 045 381 | - | - | 10 | |
| Security Systems | 530 395 | - | - | 49 300 | - | - | - | 579 695 | 251 585 | - | - | 74 560 | - | - | 326 146 | - | - | 253 549 | |
| Plant & Equipment | 37 176 389 | - | - | 4 832 123 | - | - | - | 42 008 512 | 23 861 990 | - | - | 2 845 254 | - | - | 26 707 244 | - | - | 15 301 268 | |
| Emergency Equipment | 3 284 247 | - | - | - | - | - | - | 3 284 247 | 787 696 | - | - | 2 188 950 | - | - | 1 006 645 | - | - | 2 277 602 | |
| Tools & Equipment | 3 052 677 | - | - | 265 714 | - | - | - | 3 318 391 | 527 040 | - | - | 314 349 | - | - | 832 308 | - | - | 2 486 083 | |
| Motor vehicles | 11 054 345 | - | - | 335 022 | - | - | - | 11 389 367 | 6 127 186 | - | - | 2 265 137 | - | - | 8 392 323 | - | - | 2 997 644 | |
| Furniture & Fittings | 8 677 196 | - | - | 474 295 | - | - | - | 9 151 491 | 3 641 986 | - | - | 1 037 198 | - | - | 4 677 704 | - | - | 4 473 787 | |
| Office Equipment | 5 190 808 | - | - | 399 442 | - | - | - | 5 590 250 | 2 866 123 | - | - | 1 110 897 | - | - | 3 977 020 | - | - | 1 613 230 | |
| Computer Equipment | 8 972 720 | - | - | 850 059 | - | - | - | 9 822 779 | 4 398 693 | - | - | 1 871 447 | - | - | 6 270 040 | - | - | 3 552 739 | |
| | 83 215 973 | - | - | 7 206 556 | - | - | - | 90 422 529 | 47 173 555 | - | - | 9 727 230 | - | - | 56 900 785 | - | - | 33 521 741 | |
| Total carried forward | 5 193 999 110 | - | - | 44 152 131 | - | - | 284 245 411 | 5 592 260 261 | 1 653 469 731 | - | - | 132 100 950 | - | - | 1 785 570 681 | - | - | 3 806 689 580 | |

O R TAMBO DISTRICT MUNICIPALITY
APPENDIX B: MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2011

| | Cost / Revaluation | | | | | | | | Accumulated Depreciation | | | | | | | Transfers | Other movements | Carrying Value | |
|------------------------------|----------------------|------------------------|--------------|-------------------|----------------|-----------|--------------------|-------------------|--------------------------|----------------------|-----------------------|--------------------|-----------|-----------------|-------------------|----------------------|-----------------|----------------|----------------------|
| | Opening Balance | Prior year adjustments | Revaluations | Municipality | DWAF Donations | Disposals | Under Construction | Other Adjustment | Closing Balance | Opening Balance | Prior year adjustment | Depreciation | Disposals | Impairment loss | Other Adjustments | | | | Closing Balance |
| | R | | | R | | R | | R | R | R | | R | R | R | R | R | R | R | R |
| Total brought forward | 5 193 999 110 | - | - | 44 152 131 | - | - | 284 245 411 | 69 863 610 | 5 592 260 261 | 1 653 469 731 | - | 132 100 950 | - | - | - | 1 785 570 681 | - | - | 3 806 689 580 |
| Heritage Assets | | | | | | | | | | | | | | | | | | | |
| Paintings & Artifacts | 90 000 | - | - | - | - | - | - | - | 90 000 | - | - | - | - | - | - | - | - | - | 90 000 |
| Finance Lease Assets | | | | | | | | | | | | | | | | | | | |
| Office Equipment | 1 575 266 | - | - | - | - | - | - | - | 1 575 266 | 675 062 | - | 245 786 | - | - | - | 920 848 | - | - | 654 418 |
| Total | 5 195 664 376 | - | - | 44 152 131 | - | - | 284 245 411 | 69 863 610 | 5 593 925 527 | 1 654 144 793 | - | 132 346 736 | - | - | - | 1 786 491 530 | - | - | 3 807 433 998 |

O R TAMBO DISTRICT MUNICIPALITY
APPENDIX B: MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2011

| | Cost / Revaluation | | | | | | | | Accumulated Depreciation | | | | | | | Transfers | Other movements | Carrying Value |
|------------------------------|--------------------|---------------------|--------------|--------------------|----------------|-----------|--------------|----------------|--------------------------|-----------------------|--------------|-----------|---------------------------------------|-------------------|-----------------|-----------|-----------------|----------------|
| | Additions | | | Under construction | | | | | Opening Balance | Prior year adjustment | Depreciation | Disposals | Impairment loss/ revaluation reversal | Other Adjustments | Closing Balance | | | |
| | Opening Balance | Prior period errors | Revaluations | Municipality | DWAF Donations | Disposals | Municipality | DWAF Donations | | | | | | | | | | |
| R | | | R | | R | R | | R | R | R | R | R | R | R | R | R | | |
| Land | 47 945 554 | - | 250 000 | - | - | - | - | 48 195 554 | 10 345 553 | - | - | - | - | 2 100 000 | 12 445 553 | - | - | 35 750 001 |
| Buildings | 92 349 992 | - | 6 217 333 | 294 162 | - | - | 12 478 719 | 111 340 206 | 7 235 567 | - | - | - | - | - | 10 595 628 | - | - | 100 744 578 |
| Infrastructure | | | | | | | | | | | | | | | | | | |
| Road Transport | 303 780 450 | 30 015 909 | - | 8 099 295 | - | - | 30 646 440 | 372 542 094 | 122 073 973 | - | - | - | - | - | 245 297 298 | - | - | 127 244 796 |
| Sanitation | 363 640 311 | - | - | - | - | - | - | 363 640 311 | 192 786 456 | - | - | - | - | - | 192 786 456 | - | - | 170 853 855 |
| Water Supply | 3 903 434 276 | 78 015 675 | - | 17 971 902 | 32 271 223 | - | 90 839 588 | 4 215 064 972 | 1 145 171 241 | - | - | - | - | - | 1 145 171 241 | - | - | 3 069 893 731 |
| | 4 570 855 037 | 108 031 584 | - | 26 365 358 | 32 271 223 | - | 121 486 028 | 4 951 247 377 | 1 460 031 670 | - | - | - | - | - | 1 583 254 995 | - | - | 3 367 992 382 |
| Other Assets | | | | | | | | | | | | | | | | | | |
| Parking area | 3 754 467 | - | - | - | - | - | - | 3 754 467 | 3 332 860 | - | 297 119 | - | - | - | 3 629 979 | - | - | 124 488 |
| Park homes | 477 338 | - | - | - | - | - | - | 477 338 | 4 173 | - | 31 823 | - | - | - | 35 996 | - | - | 441 342 |
| Fencing | 1 045 391 | - | - | - | - | - | - | 1 045 391 | 1 045 381 | - | - | - | - | - | 1 045 381 | - | - | 10 |
| Security Systems | 510 542 | - | - | 19 853 | - | - | - | 530 395 | 180 169 | - | 71 416 | - | - | - | 251 585 | - | - | 278 810 |
| Plant & Equipment | 32 707 219 | 1 903 000 | - | 2 566 170 | - | - | - | 37 176 389 | 21 056 323 | 214 088 | 2 422 588 | - | 168 992 | - | 23 861 990 | - | - | 13 314 399 |
| Emergency Equipment | 2 475 971 | - | - | 808 276 | - | - | - | 3 284 247 | 612 408 | - | 175 288 | - | - | - | 787 696 | - | - | 2 496 552 |
| Tools & Equipment | 1 531 446 | - | - | 1 521 231 | - | - | - | 3 052 677 | 291 992 | - | 235 048 | - | - | - | 527 040 | - | - | 2 525 637 |
| Motor vehicles | 11 308 407 | (1 321 570) | - | 1 067 508 | - | - | - | 11 054 345 | 4 299 322 | (294 300) | 2 059 708 | - | 62 456 | - | 6 127 186 | - | - | 4 927 159 |
| Furniture & Fittings | 7 804 001 | 4 823 | - | 868 372 | - | - | - | 8 677 196 | 2 637 558 | 3 216 | 1 021 212 | - | - | - | 3 641 986 | - | - | 5 035 210 |
| Office Equipment | 5 050 847 | - | - | 139 961 | - | - | - | 5 190 808 | 1 681 219 | - | 1 184 904 | - | - | - | 2 866 123 | - | - | 2 324 685 |
| Computer Equipment | 6 776 696 | - | - | 2 196 024 | - | - | - | 8 972 720 | 2 736 413 | - | 1 657 115 | - | 5 065 | - | 4 398 593 | - | - | 4 574 127 |
| | 73 442 325 | 586 253 | - | 9 187 394 | - | - | - | 83 215 973 | 37 857 818 | (76 996) | 9 156 221 | - | 236 513 | - | 47 173 555 | - | - | 36 042 417 |
| Total carried forward | 4 784 592 908 | 99 826 670 | 6 497 333 | 35 258 591 | 32 271 223 | - | 131 964 748 | 5 193 999 110 | 1 515 470 608 | (76 996) | 135 386 271 | - | 589 848 | 2 100 000 | 163 469 731 | - | - | 3 540 529 379 |

APPENDIX B: MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2011

| | Cost / Revaluation | | | | | | | | | Accumulated Depreciation | | | | | | | Transfers | Other movements | Carrying Value | |
|------------------------------|----------------------|------------------------|------------------|-------------------|-------------------|-----------|--------------------|-------------------|----------------------|--------------------------|------------------------|--------------------|-----------|-----------------|-------------------|----------------------|-----------|-----------------|----------------------|---------|
| | Opening Balance | Prior year adjustments | Revaluations | Municipality | DWAF Donations | Disposals | Under Construction | Other Adjustment | Closing Balance | Opening Balance | Prior year adjustments | Depreciation | Disposals | Impairment loss | Other Adjustments | Closing Balance | | | | |
| Total brought forward | R 4 784 592 908 | 108 617 837 | 6 467 333 | R 35 846 915 | 32 271 223 | R - | R 133 964 748 | 92 532 308 | R 5 793 999 110 | R 1 515 470 608 | (76 996) | R 135 386 271 | R - | R 589 948 | 2 100 000 | R 1 653 469 731 | R - | R - | R 3 540 529 379 | |
| Heritage Assets | | | | | | | | | | | | | | | | | | | | |
| Paintings & Artifacts | 90 000 | - | - | - | - | - | - | - | 90 000 | - | - | - | - | - | - | - | - | - | - | 90 000 |
| Finance Lease Assets | | | | | | | | | | | | | | | | | | | | |
| Office Equipment | 667 316 | 26 160 | - | 881 790 | - | - | - | - | 1 575 266 | 472 620 | 11 469 | 190 973 | - | - | - | 675 062 | - | - | - | 900 204 |
| Total | 4 785 950 224 | 108 643 997 | 6 467 333 | 36 728 705 | 32 271 223 | - | 133 964 748 | 92 532 308 | 5 795 664 376 | 1 515 943 228 | (65 527) | 135 577 244 | - | 589 948 | 2 100 000 | 1 654 144 793 | - | - | 3 541 519 583 | |

O R TAMBO DISTRICT MUNICIPALITY
APPENDIX C: Group
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2011

| | Cost / Revaluation | | | Additions | | | | | Under construction | | | | Accumulated Depreciation | | | | |
|-----------------------------|----------------------|-----------------------|--------------------|-------------------|----------------|--------------------|----------------|-------------------|----------------------|----------------------|--------------------|-------------------------|--------------------------|-------------------|----------------------|----------------------|--|
| | Opening balance | Prior year adjustment | Revaluation Amount | Municipality | DWAF donations | Municipality | DWAF donations | Other Adjustments | Closing Balance | Opening Balance | Depreciation | Reversal of revaluation | Impairment | Other Adjustments | Closing Balance | Carrying value | |
| | R | | R | R | | R | | | R | R | R | R | R | R | R | | |
| Executive & Council | 15 513 284 | - | - | 278 955 | - | - | - | - | 15 792 240 | 7 148 967 | 2 104 460 | - | - | - | 9 253 427 | 6 538 812 | |
| Finance & Admin | 105 625 597 | - | - | 10 966 836 | - | - | - | - | 116 592 433 | 19 751 948 | 3 165 695 | - | - | - | 22 917 643 | 93 674 790 | |
| Planning & Development | 43 328 944 | - | - | - | - | - | - | - | 43 328 944 | 8 341 116 | 877 077 | - | - | - | 9 218 193 | 34 110 751 | |
| Health | 1 585 010 | - | - | - | - | - | - | - | 1 585 010 | 1 037 842 | 145 118 | - | - | - | 1 182 960 | 402 050 | |
| Community & Social Services | 3 384 577 | - | - | - | - | - | - | - | 3 384 577 | 2 584 717 | 446 313 | - | - | - | 3 031 030 | 353 547 | |
| Public Safety | 4 967 997 | - | - | 738 982 | - | - | - | - | 5 706 979 | 2 383 577 | 393 701 | - | - | - | 2 777 278 | 2 929 700 | |
| Road Transport | 1 770 702 | - | - | - | - | - | - | - | 1 770 702 | 1 305 614 | 261 243 | - | - | - | 1 566 857 | 203 845 | |
| Water & Sanitation | 30 388 429 | - | - | 3 322 241 | - | - | - | - | 33 710 670 | 3 960 339 | 2 015 220 | - | - | - | 5 975 559 | 27 735 111 | |
| Infrastructure | 4 970 769 982 | - | - | 28 845 116 | - | 354 109 021 | - | - | 5 353 724 119 | 1 597 255 653 | 122 373 720 | - | - | - | 1 719 629 373 | 3 634 094 746 | |
| Housing | 92 784 | - | - | - | - | - | - | - | 92 784 | 9 804 | 17 940 | - | - | - | 27 744 | 65 040 | |
| Public Works | 13 329 932 | - | - | - | - | - | - | - | 13 329 932 | 130 045 | 160 126 | - | - | - | 290 171 | 13 039 761 | |
| Other Functions | 2 031 950 | - | - | - | - | - | - | - | 2 031 950 | 1 622 135 | 140 337 | - | - | - | 1 762 472 | 269 478 | |
| Leased assets | 1 575 266 | - | - | - | - | - | - | - | 1 575 266 | 675 062 | 245 786 | - | - | - | 920 848 | 654 418 | |
| Total | 5 194 364 453 | - | - | 44 152 130 | - | 354 109 021 | - | - | 5 592 625 605 | 1 646 206 819 | 132 346 736 | - | - | - | 1 778 553 555 | 3 814 072 049 | |

O R TAMBO DISTRICT MUNICIPALITY
APPENDIX C: MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2011

| | Cost / Revaluation | | | | | | | | | Accumulated Depreciation | | | | | | | |
|-----------------------------|----------------------|-----------------------|--------------------|--------------------|----------------|--------------------|----------------|-------------|----------------------|--------------------------|--------------------|--------------|-------------------------|------------|----------------------|----------------------|----------------|
| | Additions | | | Under construction | | | Other | | | Closing Balance | Opening Balance | Depreciation | Reversal of revaluation | Impairment | Other Adjustments | Closing Balance | Carrying value |
| | Opening balance | Prior year adjustment | Revaluation Amount | Municipality | DWAF donations | Municipality | DWAF donations | Adjustments | | | | | | | | | |
| | R | | R | R | R | R | R | R | R | R | R | R | R | R | R | R | |
| Executive & Council | 15 513 284 | - | - | 278 955 | - | - | - | - | 15 792 240 | 7 148 967 | 2 104 460 | - | - | - | 9 253 427 | 6 538 812 | |
| Finance & Admin | 105 625 597 | - | - | 10 966 836 | - | - | - | - | 116 592 433 | 19 751 948 | 3 165 695 | - | - | - | 22 917 643 | 93 674 790 | |
| Planning & Development | 43 328 944 | - | - | - | - | - | - | - | 43 328 944 | 8 341 116 | 877 077 | - | - | - | 9 218 193 | 34 110 751 | |
| Health | 1 585 010 | - | - | - | - | - | - | - | 1 585 010 | 1 037 842 | 145 118 | - | - | - | 1 182 960 | 402 050 | |
| Community & Social Services | 3 384 577 | - | - | - | - | - | - | - | 3 384 577 | 2 584 717 | 446 313 | - | - | - | 3 031 030 | 353 547 | |
| Public Safety | 4 967 997 | - | - | 738 982 | - | - | - | - | 5 706 979 | 2 383 577 | 393 701 | - | - | - | 2 777 278 | 2 929 700 | |
| Road Transport | 1 770 702 | - | - | - | - | - | - | - | 1 770 702 | 1 305 614 | 261 243 | - | - | - | 1 566 857 | 203 845 | |
| Water & Sanitation | 30 388 429 | - | - | 3 322 241 | - | - | - | - | 33 710 670 | 3 960 339 | 2 035 220 | - | - | - | 5 975 559 | 27 735 111 | |
| Infrastructure | 4 970 769 982 | - | - | 28 845 116 | - | 354 109 021 | - | - | 5 353 724 119 | 1 597 255 653 | 122 373 720 | - | - | - | 1 719 629 373 | 3 634 094 746 | |
| Housing | 92 784 | - | - | - | - | - | - | - | 92 784 | 9 804 | 17 940 | - | - | - | 27 744 | 65 040 | |
| Public Works | 13 329 932 | - | - | - | - | - | - | - | 13 329 932 | 130 045 | 160 126 | - | - | - | 290 171 | 13 039 761 | |
| Other Functions | 2 031 950 | - | - | - | - | - | - | - | 2 031 950 | 1 622 135 | 140 337 | - | - | - | 1 762 472 | 269 478 | |
| Leased assets | 1 575 266 | - | - | - | - | - | - | - | 1 575 266 | 675 062 | 245 786 | - | - | - | 920 848 | 654 418 | |
| Total | 5 194 364 453 | - | - | 44 152 130 | - | 354 109 021 | - | - | 5 592 625 605 | 1 646 206 819 | 132 346 736 | - | - | - | 1 778 553 555 | 3 814 072 049 | |

OR TAMBO DISTRICT MUNICIPALITY
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2011

| 2010 | | | 2011 | | |
|----------------------|--------------------|---------------------|----------------------|--------------------|---------------------|
| Actual Income | Actual Expenditure | Surplus / (Deficit) | Actual Income | Actual Expenditure | Surplus / (Deficit) |
| R | R | R | R | R | R |
| 3 786 278 | 68 811 517 | (65 025 239) | 3 265 724 | 61 674 856 | (58 409 132) |
| 500 661 704 | 160 274 681 | 340 387 023 | 620 202 187 | 276 535 486 | 343 666 701 |
| 3 752 861 | 103 298 852 | (99 545 991) | 1 556 795 | 67 275 174 | (65 718 379) |
| 3 381 662 | 2 399 547 | 982 115 | 2 000 | 2 971 688 | (2 969 688) |
| - | 6 179 091 | (6 179 091) | 7 946 869 | 8 051 263 | (104 393) |
| 8 823 286 | 18 236 900 | (9 413 614) | 1 258 447 | 16 565 793 | (15 307 347) |
| - | 2 782 010 | (2 782 010) | 563 | 2 303 935 | (2 303 373) |
| - | 2 742 717 | (2 742 717) | - | 7 839 826 | (7 839 826) |
| 34 941 728 | 32 596 441 | 2 345 287 | 1 066 525 | 1 233 106 | (166 581) |
| 523 098 815 | 558 958 225 | (35 859 410) | 589 938 542 | 391 531 351 | 198 407 191 |
| 8 723 746 | 17 143 590 | (8 419 844) | 6 583 289 | 17 088 026 | (10 504 737) |
| 1 087 170 081 | 973 423 572 | 113 746 509 | 1 231 820 941 | 853 070 504 | 378 750 436 |
| 1 087 170 081 | 973 423 572 | 113 746 509 | 1 231 820 941 | 853 070 504 | 378 750 436 |
| Total | | | | | |

O.R. TAMBO DISTRICT MUNICIPALITY
APPENDIX G
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 |
|--|---|--------------------------------------|--------------------------------|--------------------------------|----------------------------------|--|
| NATIONAL GRANTS | | | | | | |
| 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 | 628 473 | - | - | 334 375 |
| DWAF Projects | (1 953 697) | (19 027 000) | 12 778 298 | - | - | (8 202 399) |
| Establishment Fund (Grants Received) | (2 284 779) | (2 128 432) | - | - | - | (4 413 212) |
| Financial Management Grant | 14 536 | (1 000 000) | 918 706 | - | - | (66 758) |
| 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) |
| Intergrated Development Fund | (499 599) | - | 270 378 | - | - | (229 221) |
| Intergrated Transport Fund | (6 761) | - | 1 648 675 | - | - | 1 641 914 |
| 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) | 6 933 429 | 736 528 | - | 748 235 |
| Mbizana Drought Relief Fund | (13 212) | - | - | - | - | (13 212) |
| MIG Fund | 30 530 576 | (570 955 000) | 327 812 568 | 143 534 344 | - | (69 077 513) |
| MSIG Projects | (63 650) | (1 000 000) | 834 640 | - | - | (229 010) |
| 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 Implimentation | 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 | - | -86 832.05 | - | - | - | (86 832) |
| 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) |
| | 3 621 338 | (601 390 024) | 363 923 595 | 144 270 872 | 2 589 612 | (86 984 607) |
| PROVINCIAL GRANTS | | | | | | |
| 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 |

| | | | | | | |
|---------------------------------|------------------|----------------------|--------------------|--------------------|------------------|---------------------|
| Lindile 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 |
| | (627 996) | (5 927 446) | 8 634 180 | - | - | 2 078 738 |
| Public Contributions | | | | | | |
| Mbizana Extension 4 Fund | 4 628 500 | - | - | - | - | 4 628 500 |
| Umtata Community Arts Fund | (49 907) | - | 523 185 | - | - | 473 278 |
| | 4 578 593 | - | 523 185 | - | - | 5 101 778 |
| Total conditional grants | 7 571 934 | (607 317 471) | 373 080 961 | 144 270 872 | 2 589 612 | (79 804 092) |