

# **MOPANI DISTRICT MUNICIPALITY**



**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

# Annual Financial Statements

for

## **MOPANI DISTRICT MUNICIPALITY**

for the year ended 30 June 2011

Province:

Limpopo

AFS rounding:

**R (i.e. only cents)**

### **Contact Information:**

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<b>Name of Chief Financial Officer:</b>	K B Lebopa (Acting)
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**MOPANI DISTRICT MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
**30 JUNE 2011**

**General information**

**Members of the Council**

L J Matlou

**Executive Mayor**

N V Mathonsi

**Speaker**

O J Mushwana

**Chief Whip**

M Lewele

**Members of the Mayoral Committee**

L N Machethe

H G Manganyi

C Nkuna

T P Ramaremela

S H Moshobane

C Hlatswayo

A Ngobeni

M L Maloko

R P Nkanyani

**Members**

M H Mabasa

M P Raganya

K J Monyela

S G Mokoete

P W Cronje

M A Mabunda

P P Makhubele

B M Makhubele

H I Baloyi

T A Makhubele

T J Moshwana

A Rikhotso

M Q Rikhotso

M L Ncha

D G Mushwana

N L Mohale

D L Ndove

HJ H S Mbhalati

N M Risaba

M Sibiya

M L Mokgobi

M E Mafona

G Selowa

M P Matlou

T Senyolo

C Mamogale

L Perkins

G J Flemming

O Makwala

G Mashele

M R Mamejja  
M C Magoro

**Municipal Manager**

M T Maake

**Chief Financial Officer**

K B Lebopa (Acting)

**Grading of Local Authority**

4

**Auditors**

Auditor-General

**Bankers**

ABSA

**MOPANI DISTRICT MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
**30 JUNE 2011**

**General information (continued)**

<b>Registered Office:</b>	Municipal Offices
<b>Physical address:</b>	Government Building Main Road Giyani 0826
<b>Postal address:</b>	Private Bag X9687 Giyani 0826
<b>Telephone number:</b>	015 811 6300
<b>Fax number:</b>	015 812 4301
<b>E-mail address:</b>	tim@mopani.gov.za

**MOPANI DISTRICT MUNICIPALITY  
ANNUAL FINANCIAL STATEMENTS**

**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 38, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Cooperative Governance and Traditional Affairs determination in accordance with this Act.

**M T MAAKE  
MUNICIPAL MANAGER**

**DATE**

**MOPANI DISTRICT MUNICIPALITY  
ANNUAL FINANCIAL STATEMENTS**

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**MOPANI DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	Note	2011 R	2010 R
<b>ASSETS</b>			
<b>Current assets</b>			
Inventories	2	4 923 667	1 883 456
Consumer debtors	3	120 573 211	111 765 076
Other receivables	4	330 109 467	197 968 359
VAT receivable	5	37 986 486	-
Cash and cash equivalents	6	22 806 976	143 320 753
<b>Non-current assets</b>			
Property, plant & equipment	7	1 806 537 163	1 559 014 505
Intangible assets	8	136 962	210 228
<b>Total assets</b>		<b><u>2 323 073 932</u></b>	<b><u>2 014 162 378</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank overdraft	6	125 599 606	-
VAT payable	5	-	77 369
Trade and other payables	9	390 757 127	288 826 562
Unspent conditional grants and receipts	10	4 842 623	19 574 048
Consumer deposits	11	3 867 501	3 246 807
Provisions	12	429 522	55 144
Current portion of borrowings	13	-	386 142
Current portion of finance lease obligation	14	650 867	202 901
<b>Non-current liabilities</b>			
Provisions	12	9 221 622	6 034 318
Borrowings	13	8 400 000	8 383 071
Finance lease liability	14	1 096 677	898 235
<b>Total liabilities</b>		<b><u>544 865 545</u></b>	<b><u>327 607 228</u></b>
		<b><u>1 778 208 387</u></b>	<b><u>1 686 555 149</u></b>
<b>Net Assets</b>			
Accumulated surplus/(deficit)		1 778 208 387	1 686 555 149
		<b><u>1 778 208 387</u></b>	<b><u>1 686 555 149</u></b>



**MOPANI DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 R	2010 R
<b>REVENUE</b>			
Service charges	15	135 074 177	126 108 178
Interest earned - external investments	16	7 994 089	4 039 165
Interest earned - outstanding receivables		17 668 169	-
Government grants and subsidies received - operating	17	461 585 195	363 593 001
Government grants and subsidies received - capital	17	246 416 048	234 466 952
Other revenue	18	1 212 851	2 582 643
Rental of facilities		1 709	2 140
Public contribution and donations	19	6 168 418	-
<b>Total Revenue</b>		<b><u>876 120 655</u></b>	<b><u>730 792 079</u></b>
<b>EXPENDITURE</b>			
Employee related costs	20	197 295 266	93 819 133
Remuneration of councillors	21	6 255 346	5 805 254
Bad debts		52 722 380	-
Depreciation and amortisation expense	22	115 444 920	104 586 556
Finance costs	23	312 098	611 339
Repairs and maintenance		94 848 079	113 743 897
Bulk purchases	24	64 106 981	51 061 779
General expenses	25	155 016 447	108 648 804
Contracted services	26	18 875 185	11 025 983
Contribution to projects	27	48 289 065	68 010 241
Grants and subsidies paid	28	31 613 130	2 801 547
<b>Total Expenditure</b>		<b><u>784 778 896</u></b>	<b><u>560 114 534</u></b>
Gain/(Loss) on disposal of assets	29	388 847	( 45 786)
<b>NET SURPLUS FOR THE YEAR</b>		<b><u>91 730 606</u></b>	<b><u>170 631 759</u></b>

**MOPANI DISTRICT MUNICIPALITY**  
**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2011**

	<b>Accumulated Surplus/ (Deficit)</b>	<b>Total: Net Assets</b>
	<b>R</b>	<b>R</b>
<b>Balance at 1 July 2009</b>	190 410 014	190 410 014
Restated surplus/(deficit) for the period (note 30)	170 631 759	170 631 759
Prior period adjustments (note 30)	1 325 513 376	1 325 513 376
<b>Restated balance at 30 June 2010</b>	<b>1 686 555 149</b>	<b>1 686 555 149</b>
<b>Changes in equity for 2011</b>		
Prior period adjustment (note 30)	( 77 368)	
Surplus/(deficit) for the period	91 730 606	91 730 606
<b>Balance at 30 June 2011</b>	<b>1 778 208 387</b>	<b>1 778 285 755</b>

**MOPANI DISTRICT MUNICIPALITY**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 R	2010 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and others		679 175 546	708 336 884
Cash paid to suppliers and employees		<u>( 570 131 525)</u>	<u>(426 594 496)</u>
<b>Cash generated from / (utilised in) operations</b>	<b>31</b>	<b><u>109 044 021</u></b>	<b><u>278 725 879</u></b>
Finance income		7 994 089	4 039 165
Finance costs		<u>( 312 098)</u>	<u>( 611 339)</u>
<b>Net cash from operating activities</b>		<b><u>116 726 012</u></b>	<b><u>282 153 706</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and other assets		(363 485 803)	(177 853 250)
<b>Net cash used in investing activities</b>		<b><u>(363 485 803)</u></b>	<b><u>(177 853 250)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in long term loans		( 369 213)	( 336 377)
Raising/(Payment) of finance lease liabilities		646 408	345 143
<b>Net cash used in financing activities</b>		<b><u>646 408</u></b>	<b><u>345 143</u></b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b><u>(246 113 383)</u></b>	<b><u>104 645 599</u></b>
Cash and cash equivalents at beginning of the year		143 320 753	179 598 078
Cash and cash equivalents at end of the year		<u>(102 792 631)</u>	<u>143 320 753</u>

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS**

**1.1 BASIS OF PRESENTATION**

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated.

These annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

**1.2 PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

**1.3 GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

**1.4 COMPARATIVE INFORMATION**

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

**1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

<b>ISSUED BUT NOT YET EFFECTIVE</b>	<b>STANDARD APPLIED</b>
GRAP 18 Segment Reporting	Not applicable
GRAP 21 Impairment of non-cash-generating assets	IAS 36
GRAP 23 Revenue from Non-Exchange Transactions	GAMAP 9
GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007	Not applicable
GRAP 25 Employee Benefits	IAS 19
GRAP 26 Impairment of cash generating assets	IAS 36
GRAP 103 Heritage Assets	Not applicable

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1.6 RESERVES**

**1.6.1 Revaluation Reserve**

**(Realised through use)**

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

**(If Realised on disposal)**

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

**1.7 PROPERTY, PLANT & EQUIPMENT**

**1.7.1 Initial recognition**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located. Including import duties and non-refundable taxes.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

**1.7.2 Subsequent measurement - revaluation model (land and buildings)**

Subsequently land and buildings are stated at revalued amounts, being the fair value of the land and buildings at the date of revaluation less subsequent accumulated depreciation and impairment losses in respect of buildings only.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of land and buildings as a result of a revaluation is recognised as an expense unless there is a revaluation surplus in the reserve account. Any amount in excess of the revaluation surplus is recognised as an expense.

**1.7.3 Subsequent measurement - cost model**

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1.7 PROPERTY, PLANT & EQUIPMENT (cont)**

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

**1.7.4 Depreciation and impairment**

Depreciation is calculated on the asset's depreciable amount, using the straight-line method over the useful lives of the asset. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

<b>Infrastructure Assets</b>	<b>Years</b>
Water reservoirs and reticulation	15-100
Sewerage purification and reticulation	15-100
<b>Community Assets</b>	
Buildings	30
<b>Other Assets</b>	
Furniture	7 -10
Motor vehicles	7 - 10
Plant and equipment	5
IT equipment	3
Office equipment	3 - 5
Specialised vehicles	20
<b>Finance lease assets</b>	
Office equipment	5

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance. (Impairment loss of a revalued asset is treated as a revaluation decrease).

**1.7.5 Derogation**

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

**1.8 INTANGIBLE ASSETS**

**1.8.1 Initial recognition**

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licenses, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1.8 INTANGIBLE ASSETS (cont)**

Intangible assets are initially recognised at cost.

Where an intangible asset has been acquired at no or for a nominal cost, its cost is its fair value on the date of acquisition.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

**1.8.2 Subsequent measurement - cost model**

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test and the useful life is reviewed at each reporting date, and if the useful life has changed from indefinite and definite, it is treated as a change in accounting estimate in Statement of Financial Performance.

**1.8.3 Amortisation and impairment**

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

	Years
Licences	3
Computer software	3

Each item of intangible asset is amortised separately.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised prospectively as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

**1.8.4 Derecognition**

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

**1.9 NON-CURRENT ASSETS HELD FOR SALE**

**1.9.1 Initial recognition**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

**1.9.2 SUBSEQUENT MEASUREMENT**

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1.10 INVENTORIES**

**1.10.1 Initial recognition**

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labor, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

**1.10.2. Subsequent measurement**

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

Unsold properties are valued at the lower of cost and net realisable value on a specific identification cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

In general, the basis of allocating cost to inventory items is the first-in, first-out method.

**1.11 FINANCIAL INSTRUMENTS**

**1.11.1 Initial recognition**

Financial instruments are initially measured at fair value, plus, (in the case of financial instruments not at fair value through profit or loss), transaction costs. The fair value of a financial instrument that is initially recognised is normally the transaction price, unless the fair value is evident from the observable market data. The municipality uses a discounted cash flow model which incorporates entity-specific variables to determine the fair value of financial instruments that are not traded in an active market. Differences may arise between the fair value initially recognised in (which in accordance with IAS 39, is generally the transaction price) and the amount initially determined using the valuation technique. Any such differences are subsequently recognised in profit or loss only to the extent that they relate to a change in the factors (including time) that market participants would consider in setting the price.

**1.11.2. Subsequent measurement**

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

The Entity classifies its financial assets into the following categories:

- held-to-maturity;
- loans and receivables;
- available-for-sale; and
- fair value through profit and loss.



**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1.11 FINANCIAL INSTRUMENTS (cont)**

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

- Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where the Entity has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.
- Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.
- Available-for-sale financial assets are financial assets that are designated as available for sale, and are subsequently measured at fair value at Statement of Financial Position date, except for investments in equity instruments that do not have quoted market prices in an active market, and whose fair value cannot be reliably measured, which shall be measured at cost. Any adjustment is recorded in the Statement of Changes in Net Assets in the period in which it arises. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. The fair value of financial instruments classified as available-for-sale is their quoted bid price at the Statement of Financial Position date.
- Fair value through profit and loss financial assets include derivative financial instruments used by the Entity to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a non-current asset or liability, and is subsequently measured at fair value at Statement of Financial Position date.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discount) through the expected life of the financial asset, or, where appropriate a shorter period.

**1.11.2.1 Trade and other receivables**

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

**1.11.2.2 Trade payables and borrowings**

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

**1.11.2.3 Cash and cash equivalents**

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1.11 FINANCIAL INSTRUMENTS (cont)**

**1.11.3 Impairment**

• An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

**1.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised when the municipality has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1.13 LEASES**

**1.13.1 The Municipality as Lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. The aggregate benefit of incentives of Operating lease are recognised as a reduction of rental expense on a straight-line basis over the term of the relevant lease.

**1.13.2 The Municipality as Lessor**

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

**1.14 REVENUE RECOGNITION**

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances.

**1.14.1 Revenue from exchange transactions**

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for goods sold, the value of which approximates the consideration received or receivable.

**Service charges**

Consumption based service charges relating to water which is based on consumption is metered and an estimate of consumption between the latest meter reading and the reporting date shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made then recognised in the statement of financial performance in the invoicing period in which meters have been read.

**Interest, royalties and dividends**

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset.

Royalties are recognised as they are earned on a time basis is recognised on a straight-line basis over the period of the agreement. Royalty revenue that is based on production, sales and other measures is recognised in accordance with the substance of the relevant agreement.

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1.14 REVENUE RECOGNITION (cont)**

**1.14.2 Revenue from non-exchange transactions**

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

**Public donations and contributions**

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Deferred income relating to government grants are recognised on the following bases:

- Capital contributions to property, plant and equipment: Credited on a systematic basis to the Statement of Financial Performance based on the estimated useful life of the plant and equipment.
- Income-related grants subsidising expenses: Credited to the Statement of Financial Performance as revenue when the related expense is recognised

Contributed property, plant and equipment is recognised at fair value, when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

**Other**

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

**Government grants, transfers and donations**

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Conditional grants, donations and funding were recognised as revenue in the Statement of Financial Performance to the extent that the Municipality has complied with any criteria, conditions or obligations embodied in the agreement/arrangement. To the extent that the criteria, conditions and obligations have not been met a liability is raised in the Statement of Financial Position. Unconditional grants, donations and funding are recognised as revenue in the Statement of Financial Position at the earlier of the date of receipt or when the amount is receivable.

Contributed assets are recognised at fair value when the risks and rewards associated with such asset transfer to the Municipality.

**1.15 BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established.

Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1.16 EMPLOYEE BENEFITS**

**1.16.1 Short-term employee benefits**

The cost of short-term employee benefits, which include salaries and wages, short-term compensated absences, non-monetary benefits such as medical aid and performance plans, are expensed in the Statement of Financial Performance in the financial year during which the payment is made.

Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the municipality expected to pay in exchange for that service that had accumulated at the reporting date.

**1.16.2 Termination Benefits**

Termination benefits are recognised when actions have been taken to indicate that the municipality is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

**1.16.3 Retirement benefits**

The municipality provides retirement benefits for its employees and councillors.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees and councillors have rendered the employment service or served office entitling them to the contributions.

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of financial performance when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**Defined benefit plans**

Defined benefit plans are post-employment benefit plans other than Defined Contribution plans. The defined benefit plans are valued triennially by means of the projected unit credit method. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year in which they become payable.

Past service costs are recognised immediately where the benefit is vested or are amortised on a straight-line basis over the average period that it will take for such benefits to become vested.

The retirement benefit obligations recognised in the Statement of Financial Position represents the present value of the defined benefit obligation, adjusted for unrecognised actuarial gains and losses, unrecognised service cost and the fair value of plan assets. Where an asset results, such asset is limited to unrecognised actuarial losses, past service costs and the present value of available refunds and reductions in future contributions to the plan.

**Post employment medical care benefits**

The municipality provides post employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost, of these benefits is accrued over the period of employment.

**1.17 UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**1.18 IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.19 FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.20 VALUE ADDED TAX (VAT)**

The municipality accounts for Value Added Tax on the invoice basis.

**1.21 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS**

The following areas involve a significant degree of estimation uncertainty:

- Useful lives and residual values of property, plant, and equipment
- Recoverable amounts of property, plant and equipment
- Impairment of assets
- Provision for long-term service award
- Other

The following areas involved judgments, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Impairment of assets
- Provisions
- Other

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

	2011 R	2010 R
<b>2. INVENTORIES</b>		
Consumable stores - at cost	4 887 160	1 852 705
Water inventory	36 507	30 751
	<b>4 923 667</b>	<b>1 883 456</b>

	Gross Balances	Provision for Doubtful Debts	Net Balance
<b>3. CONSUMER DEBTORS</b>			
<b>30 June 2011</b>			
Service debtors			
Water	235 735 271	(135 524 121)	100 211 149
Sewerage	57 095 647	(36 733 585)	20 362 062
<b>Total</b>	<b>292 830 918</b>	<b>(172 257 707)</b>	<b>120 573 211</b>
<b>30 June 2010</b>			
Service debtors			
Water	179 663 808	(84 282 632)	95 381 176
Sewerage	44 501 524	(28 117 624)	16 383 900
<b>Total</b>	<b>224 165 332</b>	<b>(112 400 256)</b>	<b>111 765 076</b>

<b>Water</b>		
Current (0 - 30 days)	3 062 512	8 939 498
31 - 60 days	2 081 367	2 112 086
61 - 90 days	1 864 156	1 065 443
90 days +	112 887 977	41 568 877
<b>Total</b>	<b>119 896 012</b>	<b>53 685 904</b>

<b>Sewerage</b>		
Current (0 - 30 days)	834 115	1 091 143
31 - 60 days	691 432	454 102
61 - 90 days	568 114	310 817
90 days +	19 623 628	12 715 512
<b>Total</b>	<b>21 717 288</b>	<b>14 571 575</b>

The debtors ageing for Ba-Phalaborwa Municipality is not included in the above.

<b>Consumer debtors per Local Municipality</b>		
Ba-Phalaborwa Municipality	151 217 617	105 457 749
Greater Giyani Municipality	53 397 044	49 698 665
Greater Letaba Municipality	18 616 841	12 002 804
Greater Tzaneen Municipality	68 875 028	56 254 675
Maruleng Municipality	724 387	751 438
	<b>292 830 918</b>	<b>224 165 331</b>

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

	R	R	R
<b>4. OTHER RECEIVABLES</b>	<b>Gross Balances</b>	<b>Provision for Doubtful Debts</b>	<b>Net Balance</b>
<b>30 June 2011</b>			
Blyderiver Water	12 417 327	(12 417 327)	-
Officials	42 378		42 378
Councillors	326 591	( 43 676)	282 915
Service Providers	62 739 892	(2 184 887)	60 555 005
Accrued interest	43 241		43 241
DWA (Greater Letaba)	399 243		399 243
Bursaries (Greater Tzaneen)	1 046		1 046
Ba-Phalaborwa Municipality (Water & Sanitation)	206 027 009		206 027 009
Greater Giyani Municipality (Water & Sanitation)	38 411 243		38 411 243
Greater Letaba Municipality (Water & Sanitation)	24 347 386		24 347 386
	<b><u>344 755 357</u></b>	<b><u>(14 645 890)</u></b>	<b><u>330 109 467</u></b>
<b>30 June 2010</b>			
Blyderiver Water	12 417 327	(12 417 327)	-
Officials	73 365		73 365
Councillors	326 591	( 43 676)	282 915
Service Providers	2 212 997	(2 212 997)	0
Accrued interest	122 014		122 014
Sundry	227 830		227 830
DWA (Greater Letaba)	399 243		399 243
Bursaries (Greater Tzaneen)	8 571		8 571
Ba-Phalaborwa Municipality (Water & Sanitation)	144 547 561		144 547 561
Greater Giyani Municipality (Water & Sanitation)	34 659 780		34 659 780
Greater Letaba Municipality (Water & Sanitation)	17 647 081		17 647 081
	<b><u>212 642 359</u></b>	<b><u>(14 674 000)</u></b>	<b><u>197 968 359</u></b>
		<b>2011</b>	<b>2010</b>
<b>5. VAT RECEIVABLE</b>			
VAT receivable		42 626 699	4 562 844
VAT receivable (Greater Tzaneen Municipality)		(4 640 213)	(4 640 213)
		<b><u>37 986 486</u></b>	<b><u>( 77 369)</u></b>
<b>6. CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents consist of the following:			
Cash at bank		-	19 035 072
Call deposits		22 806 976	124 285 681
		<b><u>22 806 976</u></b>	<b><u>143 320 753</u></b>
Bank overdraft		<b><u>125 599 606</u></b>	<b><u>-</u></b>
The municipality has the following bank accounts:			
<b>Current account (primary bank account)</b>			
Bank: ABSA			
Account number: 405 277 1364			
Bank statement balance at beginning of year		27 333 724	16 340 979
Bank statement balance at end of year		<b><u>989 449</u></b>	<b><u>27 333 724</u></b>
Cash book balance at beginning of year		19 035 087	15 574 214
<b>Cash book balance at end of year</b>		<b><u>(125 599 606)</u></b>	<b><u>19 035 087</u></b>



**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

**7. PROPERTY, PLANT & EQUIPMENT**

**7.1 Reconciliation of Carrying Value**

	Land	Buildings	Infrastructure	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R
<b>30 June 2010</b>						
<b>as at 1 July 2010</b>	<b>11 229 500</b>	<b>52 429 077</b>	<b>1 483 545 988</b>	<b>10 724 359</b>	<b>1 085 582</b>	<b>1 557 928 923</b>
Cost	11 229 500	55 549 867	1 686 326 889	20 763 251	1 390 801	1 775 260 308
Accumulated depreciation	-	(3 120 790)	(202 780 901)	(10 038 892)	( 305 219)	(216 245 802)
Acquisitions	238 937	7 015 563	147 538 345	16 421 139	1 055 914	172 269 898
Capital under construction		3 502 155	187 713 750			191 215 905
Depreciation		(1 054 644)	(111 070 290)	(2 786 397)	( 460 322)	(115 371 653)
Carrying value of disposals	-	-	-	<b>( 591 492)</b>		<b>( 591 492)</b>
Cost				(3 310 491)		(3 310 491)
Accumulated depreciation				2 718 999		2 718 999
<b>as at 30 June 2011</b>	<b>11 468 437</b>	<b>61 892 151</b>	<b>1 707 727 793</b>	<b>23 767 609</b>	<b>1 681 174</b>	<b>1 806 537 163</b>
Cost	11 468 437	66 067 585	2 021 578 984	33 873 899	2 446 715	2 135 435 620
Accumulated depreciation	-	(4 175 434)	(313 851 191)	(10 106 290)	( 765 541)	(328 898 456)

	Land	Buildings	Infrastructure	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R
<b>Reconciliation of Carrying Value</b>						
<b>as at 1 July 2009</b>	<b>11 229 500</b>	<b>47 589 514</b>	<b>1 419 466 309</b>	<b>7 332 461</b>	<b>606 680</b>	<b>1 486 224 464</b>
Cost	11 229 500	49 674 150	119 528 662	16 185 521	2 478 982	199 096 815
Accumulated depreciation		(2 084 636)	(34 611 723)	(8 853 060)	(1 872 302)	(47 421 721)
Fair value adjustment - Cost			1 401 334 740			1 401 334 740
Fair value adjustment - Accumulated depreciation			(66 785 370)			(66 785 370)
Acquisitions	-	-	89 344 324	5 152 740	1 134 864	95 631 928
Capital under construction		5 875 717	76 125 806	-		82 001 523
Depreciation		(1 036 154)	(101 390 451)	(1 666 703)	( 483 676)	(104 576 984)
Carrying value of disposals	-	-	-	<b>( 94 139)</b>	<b>( 172 286)</b>	<b>( 94 139)</b>
Cost			( 6 643)	( 575 010)	(2 223 045)	(2 804 698)
Accumulated depreciation			6 643	480 871	2 050 759	2 538 273
<b>as at 30 June 2010</b>	<b>11 229 500</b>	<b>52 429 077</b>	<b>1 483 545 988</b>	<b>10 724 359</b>	<b>1 085 582</b>	<b>1 559 014 505</b>
Cost	11 229 500	55 549 867	1 686 326 889	20 763 251	1 390 801	1 775 260 308
Accumulated depreciation – cost	-	(3 120 790)	(202 780 901)	(10 038 892)	( 305 219)	(216 245 802)

**7.2 Unbundling of Infrastructure assets**

The Municipality has unbundled its infrastructure assets. The values were restated from implementation of GRAP which was 1 July 2008.

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL FOR THE YEAR ENDED 30 JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>R</b>	<b>R</b>
<b>8. INTANGIBLE ASSETS</b>		
<b>Computer software</b>		
<b>Reconciliation of Carrying Value</b>		
<b>Carrying values at beginning of the year</b>	210 228	-
Cost	219 799	-
Accumulated amortisation	(9 571)	-
Acquisitions	-	219 799
Amortisation	(73 266)	(9 571)
<b>Carrying value at end of the year</b>	<b>136 962</b>	<b>210 228</b>
<b>9. TRADE AND OTHER PAYABLES</b>		
Trade creditors	213 302 982	135 640 857
Staff leave	20 673 212	11 337 157
Retentions	35 603 075	25 201 161
Sundry	16 158	19 034
Bonus provision	4 519 614	4 204 473
Maruleng Municipality (Water and Sanitation)	7 687 725	9 365 231
Greater Tzaneen Municipality (Water and Sanitation)	108 954 362	103 058 649
<b>Total Trade and Other Payables</b>	<b>390 757 127</b>	<b>288 826 562</b>
<b>10. UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
<b>Conditional Grants from other spheres of Government</b>		
Municipal Infrastructure Grant	-	19 574 048
DWA Refurbishment	4 842 623	-
	<b>4 842 623</b>	<b>19 574 048</b>
See note 17 for the reconciliation of grants from other spheres of government.		
<b>11. CONSUMER DEPOSITS</b>		
Water	<b>3 867 501</b>	<b>3 246 807</b>
<b>12. PROVISIONS</b>		
<b>12.1 NON CURRENT PROVISIONS</b>		
Post retirement medical aid benefits	6 374 274	4 029 684
Long service awards	2 847 348	2 004 634
	<b>9 221 622</b>	<b>6 034 318</b>
<b>Post retirement medical aid benefits</b>		

An actuarial valuation has been performed in respect of benefits to eligible retirees and current retirees.

**Long service awards**

An actuarial valuation has been performed in respect of long service benefits which employees may become entitled to upon completion of a certain numbers of years service.

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL FOR THE YEAR ENDED 30 JUNE 2011**

	2011 R	2010 R	
<b>12. PROVISIONS (cont)</b>			
<b>12.2 CURRENT PROVISIONS</b>			
Provision for performance bonuses	<u>429 522</u>	<u>55 144</u>	
<p>The Provision relates to employees for the District and water and sanitation function at Greater Tzaneen Municipality.</p>			
<b>13. BORROWINGS</b>			
Annuity loans	-	369 213	
ABSA Sinking Fund	<u>8 400 000</u>	<u>8 400 000</u>	
	8 400 000	8 769 213	
Less: Current portion transferred to current liabilities	-	( 386 142)	
	<u>8 400 000</u>	<u>8 383 071</u>	
<p>Refer to Appendix A for more detail on borrowings.</p>			
<b>14. FINANCE LEASE LIABILITY</b>			
	<b>Minimum lease payment</b>	<b>Future finance charges</b>	<b>Present value of lease payments</b>
<b>30 June 2011</b>			
<b>Amounts payable under finance leases</b>			
Within one year	989 468	338 601	650 867
Within two to five years	<u>1 352 425</u>	<u>255 748</u>	<u>1 096 677</u>
	<u>2 341 893</u>	<u>594 349</u>	<u>1 747 544</u>
Less: Amount due for settlement within 12 months (current portion)			<u>( 650 867)</u>
			<u>1 096 677</u>
<b>30 June 2010</b>			
<b>Amounts payable under finance leases</b>			
Within one year	467 885	103 944	363 941
Within two to five years	<u>817 388</u>	<u>80 193</u>	<u>737 195</u>
	<u>1 285 273</u>	<u>184 137</u>	<u>1 101 136</u>
Less: Amount due for settlement within 12 months (current portion)			<u>( 202 901)</u>
			<u>898 235</u>
<p>The liability is secured by office equipment under deemed finance leases with a carrying value of R1 681 174 (2010: R1 085 582). The effective interest rate is 11% and is repayable in 36 equal instalments of which the first was paid in May 2005. The last instalment is payable during April 2014.</p>			
<b>15. SERVICE CHARGES</b>			
Sale of water	118 454 472	103 252 878	
Sewer and sanitation charges	16 619 705	22 855 300	
	<u>135 074 177</u>	<u>126 108 178</u>	

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL FOR THE YEAR ENDED 30 JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>R</b>	<b>R</b>
<b>16. INTEREST EARNED - EXTERNAL INVESTMENT</b>		
Cash and cash equivalents	197 595	109 437
External investments	7 690 369	3 929 728
Interest other	106 124	-
	<u><u>7 994 089</u></u>	<u><u>4 039 165</u></u>
<b>17. GOVERNMENT SUBSIDIES &amp; GRANTS</b>		
<b>Operating Grants</b>	<b>461 585 195</b>	<b>363 593 001</b>
Equitable share	363 482 880	292 113 070
Equitable share (Tzaneen Municipality)	13 087 683	-
Finance management Grant	1 000 000	750 000
Municipal Systems Improvement Grant	750 000	735 000
DWAF	77 909 377	69 354 000
Other	5 355 255	640 931
<b>Capital Grants</b>	<b>246 416 048</b>	<b>234 466 952</b>
Municipal Infrastructural Grant	156 416 048	234 466 952
Department of Local Government & Housing	90 000 000	-
<b>Total Government Grants &amp; Subsidies</b>	<u><u>708 001 243</u></u>	<u><u>598 059 953</u></u>
<b>17.1 Equitable Share</b>		
In terms of the Constitution, this is an unconditional grant used to subsidise the provision of basic services to indigent community members.		
<b>17.2 Finance Management Grant</b>		
Balance unspent at beginning of year	-	-
Current year receipts	1 000 000	750 000
Conditions met – transferred to revenue	(1 000 000)	(750 000)
	<u><u>-</u></u>	<u><u>-</u></u>
This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. The conditions of the grant were met. No funds have been withheld.		
<b>17.3 Municipal Systems Improvement Grant</b>		
Balance unspent at beginning of year	-	-
Current year receipts	750 000	735 000
Conditions met – transferred to revenue	(750 000)	(735 000)
	<u><u>-</u></u>	<u><u>-</u></u>
The purpose of the grant is for institutional systems. No funds were withheld or delayed.		
<b>17.4 Municipal Infrastructure Grant (MIG)</b>		
Balance unspent at beginning of year	19 574 048	-
Current year receipts	136 842 000	254 041 000
Conditions met – transferred to revenue	(156 416 048)	(234 466 952)
<b>Unspent amount transferred to liabilities</b>	<u><u>-</u></u>	<u><u>19 574 048</u></u>
This grant was used to construct municipal infrastructure to provide basic services for the benefit of poor households. The conditions of the grant were met. No funds have been withheld		

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL FOR THE YEAR ENDED 30 JUNE 2011**

	2011 R	2010 R
<b>17. GOVERNMENT SUBSIDIES &amp; GRANTS (cont)</b>		
<b>17.5 DWA</b>		
Balance unspent at beginning of year	-	-
Current year receipts	77 909 377	69 354 000
Conditions met – transferred to revenue	<u>(77 909 377)</u>	<u>(69 354 000)</u>
	<u>-</u>	<u>-</u>
The grant was utilised to fund the transfer of water schemes from DWA.		
<b>17.6 DPLHG</b>		
Balance unspent at beginning of year	-	-
Current year receipts	90 000 000	-
Conditions met – transferred to revenue	<u>(90 000 000)</u>	<u>-</u>
	<u>-</u>	<u>-</u>
The grant was utilised for the construction of a water pipeline from Nandoni to Nsami Dam.		
<b>17.7 Other</b>		
Drought Relief grant	556 000	-
LGSETA	302 101	304 331
Commonwealth Grant	23 804	-
Extended Public Works program	4 473 350	336 600
	<u>5 355 255</u>	<u>640 931</u>
<b>17.8 Changes in levels of government grants</b>		
Based on the allocations set out in the Division of Revenue Act, (Act 12 of 2009), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.		
<b>18. OTHER REVENUE</b>		
Mayor's charity cup	1 167 309	343 787
Tender documents	273 070	724 308
Penalties on projects	-	389 089
Connection and reconnection fees	( 304 154)	942 012
Sundry	76 626	183 446
<b>Total Other Income</b>	<u>1 212 851</u>	<u>2 582 643</u>
<b>19. PUBLIC CONTRIBUTIONS AND DONATIONS</b>		
DWA - property, plant and equipment	<u>6 168 418</u>	<u>-</u>
<b>20. EMPLOYEE RELATED COSTS</b>		
Employee related cost - Salaries and wages	150 432 789	57 592 765
Employee related cost - Social contributions	15 908 606	12 705 858
Travel, motor car, accommodation & other allowances	5 383 163	4 241 023
Housing benefits and allowances	3 774 688	3 367 601
Overtime benefits	7 377 117	5 312 613
Leave provision	14 067 507	7 770 012
Contribution to performance bonus	351 397	2 829 261
	<u>197 295 266</u>	<u>93 819 133</u>
There were no advances paid to employees.		

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL FOR THE YEAR ENDED 30 JUNE 2011**

	2011 R	2010 R
<b>20. EMPLOYEE RELATED COSTS (cont)</b>		
<b>Municipal Manager</b>		
Annual remuneration	614 570	583 866
Allowances	780 524	522 951
Leave payout	219 502	-
Council Contributions	1 123	1 501
	<u><u>1 615 719</u></u>	<u><u>1 108 318</u></u>
The Municipal Manager's contract ended in March and he was reappointed in May 2011.		
<b>Chief Financial Officer</b>		
Annual remuneration	383 901	443 360
Allowances	387 722	326 579
Leave payout	267 434	-
Council Contributions	69 700	148 816
	<u><u>1 108 757</u></u>	<u><u>918 755</u></u>
The position is vacant as from April 2011.		
<b>Director Community Services</b>		
Annual remuneration	366 760	423 800
Allowances	452 770	400 221
Leave payout	175 756	-
Council Contributions	1 123	1 501
	<u><u>996 409</u></u>	<u><u>825 522</u></u>
The position is vacant as from April 2011.		
<b>Director Corporate Services</b>		
Annual remuneration	524 188	459 117
Allowances	337 163	255 678
Leave payout	58 700	-
Council Contributions	111 432	111 689
	<u><u>1 031 483</u></u>	<u><u>826 484</u></u>
<b>Director Planning &amp; Development</b>		
Annual remuneration	366 760	451 967
Allowances	440 725	353 814
Leave payout	187 095	-
Council Contributions	15 175	1 501
	<u><u>1 009 755</u></u>	<u><u>807 282</u></u>
The position is vacant as from April 2011.		
<b>Director Technical</b>		
Annual remuneration	366 760	423 827
Allowances	436 655	370 034
Leave payout	224 930	-
Council Contributions	1 123	1 501
	<u><u>1 029 468</u></u>	<u><u>795 362</u></u>
The position is vacant as from April 2011.		

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL FOR THE YEAR ENDED 30 JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>R</b>	<b>R</b>
<b>21. REMUNERATION OF COUNCILLORS</b>		
Executive Mayor	637 517	604 328
Speaker	483 608	570 727
Mayoral Committee members	2 234 650	2 952 295
Councillors	2 899 571	1 677 904
	<b><u>6 255 346</u></b>	<b><u>5 805 254</u></b>
<p>The Executive Mayor, Speaker, Chief Whip and members of the Mayoral Committee are full time. Each is provided with an office and secretarial support at the cost of Council.</p> <p>The Mayor has use of a Council owned vehicle for official duties and has a bodyguard.</p>		
<b>22. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Property, plant and equipment	115 371 654	104 576 985
Intangible assets	73 266	9 571
	<b><u>115 444 920</u></b>	<b><u>104 586 556</u></b>
<b>23. FINANCE COSTS</b>		
Finance leases	164 734	611 339
Interest on borrowings	147 364	-
	<b><u>312 098</u></b>	<b><u>611 339</u></b>
<b>24. BULK PURCHASES</b>		
Water	<b><u>64 106 981</u></b>	<b><u>51 061 779</u></b>
<b>25. GENERAL EXPENSES</b>		
<p>Included in general expenses is the following:-</p>		
Advertising	2 910 181	1 885 403
Audit fees	1 924 621	2 035 139
Catering	684 253	697 793
Conference and congresses	158 850	155 316
Fuel	1 494 213	1 409 168
Insurance	2 223 633	870 052
Legal expenses	25 494 454	5 108 735
Turnaround strategies	336 704	7 448 482
Publicity	122 150	134 404
Printing and stationery	719 894	861 679
Rental	2 242 916	824 174
Commission VAT recovery	14 250 737	15 846 141
Subsistence and travel	2 082 776	793 165
Telephone	1 732 227	1 540 197
Training	5 914	1 110
Performance management	3 042 768	4 839 485
SALGA membership fees	41 538	644 927
Mopani household sanitation	59 565 321	40 898 270
Other	35 983 298	22 655 166
	<b><u>155 016 447</u></b>	<b><u>108 648 804</u></b>

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL FOR THE YEAR ENDED 30 JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>R</b>	<b>R</b>
<b>26. CONTRACTED SERVICES</b>		
Contracted services for:		
Computer services	671 565	1 220 334
GTM	12 978 147	
Security services	1 501 973	3 390 521
Water supply	3 723 500	6 415 128
	<u><b>18 875 185</b></u>	<u><b>11 025 983</b></u>
<b>27. CONTRIBUTIONS TO PROJECTS</b>		
Project expenditure	<u><b>48 289 065</b></u>	<u><b>68 010 241</b></u>
The District implements various projects which are transferred to the local municipalities upon completion.		
<b>28. GRANTS AND SUBSIDIES PAID</b>		
Grants paid to local municipalities	<u><b>31 613 130</b></u>	<u><b>2 801 547</b></u>
<b>29. GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		
Gain on disposal - Property, plant and equipment	396 074	135 124
Loss on disposal - Property, plant and equipment	( 7 227)	( 180 911)
	<u><b>388 847</b></u>	<u><b>( 45 786)</b></u>
<b>30. PRIOR PERIOD ADJUSTMENTS</b>		
<b>Property, plant and equipment</b>		
The municipality unbundled its infrastructure assets to comply with GRAP 17.		
<b>Staff leave</b>		
The agreement for DWA personnel was finalised during the current year and as such leave carried over from DWA was provided.		
<b>Retention and projects</b>		
Retention was incorrectly accounted for in the previous years and was adjusted.		
<b>VAT</b>		
The municipality appointed a service provider to carry out a VAT review. VAT adjustments were not processed and were corrected		
The adjustments resulted in the comparative amount been restated as follows:		
<b>Statement of Financial Position</b>		
Increase in Property, plant and equipment		1 401 333 458
Increase in Accumulated Depreciation		(161 630 481)
Increase in Staff leave		(1 598 004)
Provison for Long Service Awards		(1 418 505)
Decrease in Retention		4 003 543
Decrease in VAT debtor		(13 116 905)
		<u><b>1 227 573 106</b></u>
<b>Statement of Financial Performance</b>		
Increase in depreciation		94 846 395
Increase in employee related costs		3 016 509
		<u><b>97 862 904</b></u>



**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL FOR THE YEAR ENDED 30 JUNE 2011**

	2011 R	2010 R
<b>31. CASH GENERATED FROM/(UTILISED IN) OPERATIONS</b>		
<b>Net surplus/(deficit) for the year</b>	91 730 606	170 631 759
Adjustment for:		
Prior year adjustments		
Depreciation and amortisation charges	115 444 920	104 586 556
Gain on disposal of assets	( 388 847)	45 786
Transfers from local municipalities	4 095 439	4 491 655
Finance income	(7 994 089)	(4 039 165)
Finance costs	312 098	611 339
<b>Operating surplus before working capital changes</b>	<b>203 200 126</b>	<b>276 327 930</b>
(Increase)/decrease in inventories	(3 040 211)	828 161
(Increase)/decrease in consumer debtors	(8 808 135)	(17 443 063)
(Increase)/decrease in other receivables	(132 141 107)	(74 776 302)
(Increase)/decrease in VAT receivable	(37 986 486)	37 885 539
Increase/(decrease) in trade payables and other payables	101 930 565	35 970 697
Increase in unspent conditional grants	(14 731 425)	19 574 048
Increase/(decrease) in consumer deposits	620 694	358 869
<b>Net cash from operating activities</b>	<b>109 044 021</b>	<b>278 725 879</b>
<b>32. ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003</b>		
<b>32.1 Contribution to SALGA</b>		
Council membership fees payable	41 538	644 927
Amount paid current year	( 721 079)	( 644 927)
<b>Amount paid in advance</b>	<b>( 679 541)</b>	<b>-</b>
<b>32.2 Audit Fees</b>		
Current year audit fee	1 997 191	2 035 139
Amount paid current year	(1 997 191)	(2 035 139)
	-	-
<b>32.3 VAT</b>		
VAT is payable on the cash basis. VAT input receivables and VAT output receivable is shown in note 5. All VAT returns have been submitted by the due date throughout the year.		
<b>32.4 PAYE &amp; UIF</b>		
Current payroll deductions	21 418 311	9 732 443
Amount paid current year	(21 418 311)	(9 732 443)
	-	-
<b>32.5 Pension and Medical Aid Deductions</b>		
Current payroll deductions	32 544 016	11 831 793
Amount paid current year	(32 544 016)	(11 831 793)
	-	-
<b>33. COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
Approved and contracted for	<b>207 229 212</b>	<b>77 270 946</b>
The expenditure will be financed from:		
- Government Grants	<b>207 229 212</b>	<b>77 270 946</b>

**MOPANI DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL FOR THE YEAR ENDED 30 JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>R</b>	<b>R</b>
<b>34. DEVIATIONS FROM SUPPLY CHAIN</b>		
Refer to Appendix F for details relating to deviation from supply chain processes.		
<b>35. CONTINGENT LIABILITIES</b>		
There are various litigation and contractual cases against the municipality.		
<b>36. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>		
<b>36.1 Unauthorised expenditure</b>		
Reconciliation of unauthorised expenditure		
Opening balance	1 046 047	-
Unauthorised expenditure current year	-	1 046 047
Recovered from official - trf to Other Receivables	-	-
Condoned by Council	-	-
Unauthorised expenditure awaiting condonement	<b>1 046 047</b>	<b>1 046 047</b>

The municipality spent R6 546 046.62 on the Sekgosese Ground Water Development project, which was contracted for R5 500 000.00, thus resulting in an unauthorised expenditure of R1 046 046.62.

**37. COMPARISON WITH THE BUDGET**

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexure E.

**38. RELATED PARTY DISCLOSURES**

**38.1 Transactions during the year with key management personnel**

<b>Remuneration</b>		
Section 57 Managers	<b>6 791 591</b>	<b>5 281 723</b>

**Details of loans and advances**  
The MFMA prohibits the granting of loans and advances to officials.

**38.2 List of related parties**

**Name of related party**

Ba-Phalaborwa Local Municipality  
Greater Giyani Local Municipality  
Greater Letaba Local Municipality  
Greater Tzaneen Municipality  
Maruleng Local Municipality

**Relationship**

Rendering of water and sanitation function  
Rendering of water and sanitation function  
Rendering of water and sanitation function  
Rendering of water and sanitation function  
Rendering of water and sanitation function

The water and sanitation transactions have been removed from the financial records of each of the local municipalities.

**MOPANI DISTRICT MUNICIPALITY**

**APPENDIX A**

**SCHEDULE OF INTEREST BEARING BORROWINGS AS AT 30 JUNE 2011**

External Loans	Loan No.	Redeemable	Balance at 30 June 2010	Interest paid during the period	Received during the period	Redeemed or written off during the period	Balance at 30 June 2011
			R	R	R	R	R
<b>LONG TERM LOANS</b>							
Development Bank of Southern Africa			8 400 000		-		8 400 000
Development Bank of Southern Africa			( 16 911)		-		-
<b>Total External Loans</b>			<b>8 383 089</b>	-	-	-	<b>8 400 000</b>

These loans were taken up by Greater Tzaneen Municipality for the water and sanitation functions.

MOPANI DISTRICT MUNICIPALITY

APPENDIX B  
ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2011

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	
<b>INFRASTRUCTURE</b>	<b>1 686 326 889</b>	<b>147 538 345</b>	<b>187 713 750</b>	<b>-</b>	<b>2 021 578 984</b>	<b>202 780 903</b>	<b>111 070 290</b>	<b>-</b>	<b>313 851 193</b>	<b>1 707 727 791</b>
Water reservoirs & reticulation	1 485 318 415	147 538 345	187 713 750		1 820 570 510	175 979 773	97 669 725		273 649 498	1 546 921 012
Roads	48 255 625				48 255 625	6 434 084	3 217 042		9 651 126	38 604 499
Sewerage purification & reticulation	152 752 849				152 752 849	20 367 046	10 183 523		30 550 569	122 202 280
<b>COMMUNITY ASSETS</b>	<b>66 779 367</b>	<b>7 254 500</b>	<b>3 502 155</b>	<b>-</b>	<b>77 536 022</b>	<b>3 120 790</b>	<b>1 054 644</b>	<b>-</b>	<b>4 175 434</b>	<b>73 360 588</b>
Land	11 229 500	238 937			11 468 437					11 468 437
Buildings	55 549 867	7 015 563	3 502 155		66 067 585	3 120 790	1 054 644		4 175 434	61 892 151
<b>OTHER ASSETS</b>	<b>20 763 253</b>	<b>16 421 137</b>	<b>-</b>	<b>3 310 491</b>	<b>33 873 899</b>	<b>10 038 890</b>	<b>2 786 398</b>	<b>2 718 998</b>	<b>10 106 290</b>	<b>23 767 609</b>
Computer equipment	2 094 705	453 500		592 527	1 955 678	1 263 589	255 021	574 658	943 952	1 011 726
Furniture	919 472	835 117		54 744	1 699 845	479 653	142 432	48 137	573 948	1 125 897
Motor vehicles	9 284 637	3 587 250		2 550 147	10 321 740	6 533 249	1 004 855	1 985 292	5 552 812	4 768 928
Fencing	97 569				97 569	20 001			20 001	77 568
Office equipment	599 769	211 472		109 140	702 101	418 641	49 030	109 140	358 531	343 570
Health equipment	184 536				184 536	113 275			113 275	71 261
Specialised vehicles	2 459 791	4 387 397			6 847 188	989 272	204 796		1 194 068	5 653 120
Plant & equipment	5 122 774	6 946 401		3 933	12 065 242	221 210	1 130 264	1 771	1 349 703	10 715 539
<b>FINANCE LEASE ASSETS</b>	<b>1 390 801</b>	<b>1 055 914</b>		<b>0</b>	<b>2 446 715</b>	<b>305 219</b>	<b>460 322</b>		<b>765 541</b>	<b>1 681 174</b>
<b>TOTAL</b>	<b>1 775 260 310</b>	<b>172 269 896</b>	<b>191 215 905</b>	<b>3 310 491</b>	<b>2 135 435 620</b>	<b>216 245 802</b>	<b>115 371 654</b>	<b>2 718 998</b>	<b>328 898 458</b>	<b>1 806 537 162</b>

**ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2010**

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R
<b>INFRASTRUCTURE</b>	<b>1 520 863 402</b>	<b>89 344 324</b>	<b>76 125 806</b>	<b>6 643</b>	<b>1 686 326 889</b>	<b>101 397 095</b>	<b>101 390 451</b>	<b>6 643</b>	<b>202 780 903</b>	<b>1 483 545 986</b>
Water reservoirs & reticulation	1 319 854 928	89 344 324	76 125 806	6 643	1 485 318 415	87 996 530	87 989 886	6 643	175 979 773	1 309 338 642
Roads	48 255 625				48 255 625	3 217 042	3 217 042		6 434 084	41 821 541
Sewerage purification & reticulation	152 752 849				152 752 849	10 183 523	10 183 523		20 367 046	132 385 803
<b>LAND AND BUILDINGS</b>	<b>60 903 650</b>	<b>-</b>	<b>5 875 717</b>	<b>-</b>	<b>66 779 367</b>	<b>2 084 636</b>	<b>1 036 154</b>	<b>-</b>	<b>3 120 790</b>	<b>63 658 577</b>
Land	11 229 500				11 229 500				-	11 229 500
Buildings	49 674 150		5 875 717		55 549 867	2 084 636	1 036 154		3 120 790	52 429 077
<b>OTHER ASSETS</b>	<b>16 185 523</b>	<b>5 152 740</b>	<b>-</b>	<b>575 010</b>	<b>20 763 253</b>	<b>8 853 060</b>	<b>1 666 701</b>	<b>480 871</b>	<b>10 038 890</b>	<b>10 724 363</b>
Computer equipment	1 659 541	447 303		12 139	2 094 705	1 092 980	184 342	13 733	1 263 589	831 116
Furniture	923 509	-		4 037	919 472	378 295	105 395	4 037	479 653	439 819
Motor vehicles	9 474 177	176 400		365 940	9 284 637	5 749 396	1 071 030	287 177	6 533 249	2 751 388
Fencing	100 000	8 005		10 436	97 569	13 346	6 655		20 001	77 568
Office equipment	560 842	43 334		4 407	599 769	377 226	45 822	4 407	418 641	181 128
Health equipment	176 440	12 246		4 150	184 536	79 697	37 728	4 150	113 275	71 261
Specialised vehicles	2 459 791	-			2 459 791	828 821	160 451		989 272	1 470 519
Plant & equipment	831 223	4 465 452		173 901	5 122 774	333 299	55 278	167 367	221 210	4 901 564
<b>FINANCE LEASE ASSETS</b>	<b>2 478 982</b>	<b>1 134 864</b>			<b>2 223 045</b>	<b>1 872 302</b>	<b>483 676</b>	<b>2 050 759</b>	<b>305 219</b>	<b>1 085 582</b>
<b>TOTAL</b>	<b>1 600 431 557</b>	<b>95 631 928</b>	<b>82 001 523</b>	<b>2 804 698</b>	<b>1 775 260 310</b>	<b>114 207 093</b>	<b>104 576 982</b>	<b>2 538 273</b>	<b>216 245 802</b>	<b>1 560 695 682</b>

MOPANI DISTRICT MUNICIPALITY

APPENDIX C  
SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2011

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R		R	R	R	R	R	R	
<b>EXECUTIVE COUNCIL</b>	<b>1 397 479</b>	<b>1 498 863</b>	<b>-</b>	<b>882 731</b>	<b>2 013 611</b>	<b>651 052</b>	<b>300 010</b>	<b>32 318</b>	<b>918 744</b>	<b>1 094 867</b>
General Council	531 090	37 693		37 693	531 090	294 968	65 030	32 318	327 680	203 410
Executive Mayor	866 389	1 461 170		845 038	1 482 521	356 084	234 980		591 064	891 457
<b>FINANCE &amp; ADMINISTRATION</b>	<b>26 519 890</b>	<b>3 400 924</b>	<b>-</b>	<b>2 028 937</b>	<b>27 891 877</b>	<b>7 232 689</b>	<b>1 400 940</b>	<b>2 269 024</b>	<b>6 364 605</b>	<b>21 527 272</b>
Municipal Manager	22 467 095	18 544		18 544	22 467 095	4 542 218	813 428	18 251	5 337 395	17 129 700
Budget & Treasury	3 338 218	1 987 727		1 987 727	3 338 218	2 311 317	392 523	1 792 969	910 871	2 427 347
Corporate Services	714 577	1 394 653		22 666	2 086 564	379 154	194 989	457 804	116 339	1 970 225
<b>PLANNING &amp; DEVELOPMENT</b>	<b>3 414 155</b>	<b>53 021</b>		<b>17 873</b>	<b>3 449 303</b>	<b>205 113</b>	<b>55 681</b>	<b>15 712</b>	<b>245 082</b>	<b>3 204 221</b>
<b>ENGINEERING SERVICES</b>	<b>1 718 755 740</b>	<b>162 945 614</b>	<b>187 713 750</b>	<b>16 229</b>	<b>2 069 398 875</b>	<b>204 043 123</b>	<b>112 450 101</b>	<b>15 948</b>	<b>316 477 276</b>	<b>1 752 921 599</b>
<b>COMMUNITY SERVICES</b>	<b>24 498 795</b>	<b>7 873 631</b>		<b>364 721</b>	<b>32 007 705</b>	<b>3 825 424</b>	<b>1 164 921</b>	<b>385 998</b>	<b>4 604 347</b>	<b>27 403 358</b>
<b>LOCAL MUNICIPALITIES</b>	<b>674 249</b>	<b>-</b>	<b>-</b>		<b>674 249</b>	<b>288 401</b>	<b>-</b>		<b>288 401</b>	<b>385 848</b>
	<b>1 775 260 308</b>	<b>175 772 053</b>	<b>187 713 750</b>	<b>3 310 491</b>	<b>2 135 435 620</b>	<b>216 245 802</b>	<b>115 371 653</b>	<b>2 719 000</b>	<b>328 898 455</b>	<b>1 806 537 165</b>

**MOPANI DISTRICT MUNICIPALITY  
APPENDIX D  
DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011**

2010 Actual Income	2010 Actual Expenditure	2010 Actual Surplus/ (Deficit)		2011 Actual Income	2011 Actual Expenditure	2011 Actual Surplus/ (Deficit)
R	R	R		R	R	R
-	<b>16 860 361</b>	<b>(16 860 361)</b>	<b>EXECUTIVE COUNCIL/MAYOR &amp; COUNCIL</b>	-	<b>26 397 276</b>	<b>(26 397 276)</b>
	9 522 397	(9 522 397)	Council General		14 724 243	(14 724 243)
	3 884 808	(3 884 808)	Office of the Mayor		5 906 605	(5 906 605)
	1 316 942	(1 316 942)	Office of the Speaker		3 103 276	(3 103 276)
	321 761	(321 761)	Office of the Chief Whip		293 973	(293 973)
	425 744	(425 744)	Disability Desk		538 442	(538 442)
	680 341	(680 341)	Gender Desk		1 030 801	(1 030 801)
	708 368	(708 368)	Youth Desk		799 936	(799 936)
-	<b>6 817 717</b>	<b>(6 817 717)</b>	<b>EXECUTIVE COUNCIL/MUNICIPAL MANAGER</b>	-	<b>7 446 649</b>	<b>(7 446 649)</b>
	1 702 132	(1 702 132)	Internal Audit		2 189 776	(2 189 776)
	3 843 041	(3 843 041)	Municipal Manager		3 942 307	(3 942 307)
	1 272 544	(1 272 544)	IDP		1 314 566	(1 314 566)
-	<b>15 699 398</b>	<b>(15 699 398)</b>	<b>CORPORATE SERVICES OTHER ADMIN</b>	-	<b>39 623 111</b>	<b>(39 623 111)</b>
	3 122 290	(3 122 290)	Communication & Marketing		5 047 011	(5 047 011)
	1 829 447	(1 829 447)	Corporate Services		1 465 578	(1 465 578)
	5 638 926	(5 638 926)	Admin		7 071 141	(7 071 141)
	5 108 735	(5 108 735)	Legal Services		26 039 381	(26 039 381)
<b>623 386 973</b>	<b>41 762 923</b>	<b>581 624 050</b>	Budget & Treasury	<b>710 990 855</b>	<b>80 427 437</b>	<b>630 563 418</b>
-	<b>6 227 637</b>	<b>(6 227 637)</b>	<b>PLANNING &amp; ECONOMIC DEVELOPMENT</b>	-	<b>7 138 630</b>	<b>(7 138 630)</b>
	3 836 124	(3 836 124)	LED		3 134 846	(3 134 846)
	2 391 513	(2 391 513)	Planning & Development		4 003 784	(4 003 784)
	<b>2 889 105</b>	<b>(2 889 105)</b>	<b>HEALTH/OTHER</b>		<b>5 743 430</b>	<b>(5 743 430)</b>
	<b>8 526 418</b>	<b>(8 526 418)</b>	Health & environment		<b>8 532 217</b>	<b>(8 532 217)</b>
	<b>43 913 329</b>	<b>(43 913 329)</b>	<b>CORPORATE SERVICES/HUMAN RESOURCES</b>		<b>150 522 458</b>	<b>(150 522 458)</b>
	10 503 959	(10 503 959)	Human Resources		119 878 773	(119 878 773)
	33 409 370	(33 409 370)	<b>ROAD TRANSPORT</b>		30 643 685	(30 643 685)
	<b>3 669 182</b>	<b>(3 669 182)</b>	Technical Services		<b>3 681 670</b>	<b>(3 681 670)</b>
	3 669 182	(3 669 182)	Roads, transport		-	-
	<b>22 074 840</b>	<b>(22 074 840)</b>	<b>COMMUNITY &amp; SOCIAL SERVICES</b>		<b>30 741 669</b>	<b>(30 741 669)</b>
	16 137 055	(16 137 055)	Community Services		19 499 382	(19 499 382)
	5 937 785	(5 937 785)	<b>PUBLIC SAFETY</b>		11 242 287	(11 242 287)
	<b>178 942 383</b>	<b>(178 942 383)</b>	Fire Services		<b>232 857 818</b>	<b>(232 857 818)</b>
	178 942 383	(178 942 383)	Disaster Management		232 857 818	(232 857 818)
	<b>2 588 726</b>	<b>(2 588 726)</b>	<b>WATER</b>		<b>6 658 668</b>	<b>(6 658 668)</b>
	2 588 726	(2 588 726)	Water Services		6 658 668	(6 658 668)
	<b>127 114 278</b>	<b>14 653 758</b>	<b>ELECTRICITY</b>		<b>185 007 863</b>	<b>(19 489 216)</b>
	127 114 278	14 653 758	Electricity distribution		<b>165 518 647</b>	<b>185 007 863</b>
	<b>750 501 251</b>	<b>288 068 712</b>	<b>LOCAL MUNICIPALITIES</b>		<b>876 509 502</b>	<b>91 730 606</b>
	750 501 251	288 068 712	LOCAL MUNICIPALITIES		<b>784 778 896</b>	<b>91 730 606</b>
	<b>462 432 539</b>	<b>288 068 712</b>	<b>LOCAL MUNICIPALITIES</b>		<b>876 509 502</b>	<b>91 730 606</b>
	462 432 539	288 068 712	Water and Sanitation functions		<b>784 778 896</b>	<b>91 730 606</b>
	<b>750 501 251</b>	<b>288 068 712</b>	<b>Total</b>		<b>876 509 502</b>	<b>91 730 606</b>
	750 501 251	288 068 712	<b>Total</b>		<b>876 509 502</b>	<b>91 730 606</b>

MOPANI DISTRICT MUNICIPALITY

APPENDIX E

STATEMENT OF COMPARATIVE AND ACTUAL INFORMATION  
as at 30 June 2011

Description	Original Budget	Budget Adjustments (i.t.o. s28 & s31 Of The MFMA)	Virement (i.t.o. Council Approved By- law)	Final Budget	Actual Income	Unauthorised Expenditure	Variance	Actual Income As % Of Final Budget	Actual Outcome As % Of Original Budget
	1	2	3	4	5	6	7	8	9
	R	R	R	R	R	R	R	R	R
<b>Financial Performance</b>									
Property Rates									
Service Charges	12 000	-5 455		6 545	135 074 177				
Interest earned - external investments	5 400 000	1 130 976		6 530 976	7 994 089				
Interest earned - outstanding debtors					17 668 169				
Transfers recognised - operating	479 734 000	83 114 735		562 848 735	461 585 195				
Other Own Revenue	2 132 000	575 725		2 707 725	1 212 851				
<b>Total Revenue (Excluding Capital Transfers &amp; Contributions)</b>	<b>487 278 000</b>	<b>84 815 981</b>	<b>-</b>	<b>572 093 981</b>	<b>623 534 480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee Costs	91 759 326	24 191 583		115 950 909	197 295 266				
Remuneration Of Councillors	6 048 725	337 396		6 386 121	6 255 346				
Debt Impairment									
Depreciation & Asset Impairment					115 444 920				
Finance Charges					312 098				
Materials & Bulk Purchases	81 868 400	-10 165 500		71 702 900	64 106 981				
Contracted services	1 200 000			1 200 000	18 875 185				
Transfers & Grants	60 000 000			60 000 000	31 613 130				
Other Expenditures	231 601 982	-10 165 500		221 436 482					
<b>Total Expenditure</b>	<b>472 478 433</b>	<b>4 197 979</b>	<b>-</b>	<b>476 676 412</b>	<b>433 902 925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit)</b>	<b>14 799 567</b>	<b>80 618 002</b>	<b>-</b>	<b>95 417 569</b>	<b>189 631 555</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers Recognised - Capital	218 855 000	90 000 000		308 855 000	246 416 048				
Contributions Recognised - Capital & Contributed Assets									
<b>Surplus/(Deficit) After Capital Transfers &amp; Contributions</b>	<b>233 654 567</b>	<b>170 618 002</b>	<b>-</b>	<b>404 272 569</b>	<b>436 047 603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Share Of Surplus/(Deficit) Of Associate									
<b>Surplus/(Deficit For The Year)</b>	<b>233 654 567</b>	<b>170 618 002</b>	<b>-</b>	<b>404 272 569</b>	<b>436 047 603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditure &amp; Funds Sources</b>									
<b>Capital Expenditure</b>									
Transfers Recognised - Capital	218 855 000	90 000 000		308 855 000					
Public Contributions & Donations									
Borrowing									
Internally Generated Funds									
<b>Total Sources Of Capital Funds</b>	<b>218 855 000</b>	<b>90 000 000</b>	<b>-</b>	<b>308 855 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows</b>									
Net Cash From (Used) Operating	548 280 005	148 922 735		697 202 740					
Net Cash From (Used) Investing	(314 978 000)	(156 078 337)		(471 056 337)					
Net Cash From (Used) Financing									
<b>Cash/Cash Equivalents At The Year End</b>	<b>233 302 005</b>	<b>-7 155 602</b>	<b>-</b>	<b>226 146 403</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

RECONCILIATION IN THE NOTES TO THE FINANCIAL STATEMENTS

Reconciliation Of Budget Surplus/Deficit With The Surplus/Deficit In The Statement Of Financial Performance

Net Surplus/Deficit Per The Statement Of Financial Performance	91730605.65
Adjusted For:	
Fair Value Adjustments	0
Impairments Recognised/Reversed	0
Surplus/Deficit On The Sale Of Assets	(388 847)
Increases/Decreases In Provisions	
List other relevant adjustments here	
<b>Net Surplus/Deficit Per Approved Budget</b>	



**MOPANI DISTRICT MUNICIPALITY**

**APPENDIX F**

**DEVIATION FROM SUPPLY CHAIN PROCESSES**

**SUPPLY CHAIN MANAGEMENT REGULATION 36(2) FOR THE YEAR ENDED 30 JUNE 2011**

<b>NO</b>	<b>DATE</b>	<b>DEPARTMENT</b>	<b>SUPPLIER</b>	<b>AMOUNT</b>	<b>REASON FOR DEVIATION</b>
1.	15/07/2009	Corporate Directorate	Mosedi Records	12 500.00	The Service provider is preferred based on the fact that she is a local artist.
2.	09/07/2009	Office of the Executive Mayor	Birchwood Hotel	2 430.00	Other accommodation facilities within the area are fully booked hence only two quotes were received.
3.	09/07/2009	General Council	Garden Court Polokwane	1 160.99	Accommodation facilities within the area are fully booked hence only one quotation is attached.
4.	03/07/2009	General Council	Garden Court Polokwane	4 663.96	Accommodation facilities within the area are fully booked hence only one quotation is attached.
5.	27/07/2009	Fire Services	Galitos Giyani	1 730.75	The supplier assisted in catering fire fighting personnel during fire extinguishing at Mopani Spar in Giyani.
6.	22/07/2009	Water Services	Boschenhof Guesthouse	605.00	Accommodation facilities within the area are fully booked hence only one quotation is attached.
7.	15/07/2009	Office of the Executive Mayor	SAFA Mopani Region	8 000.00	Sole Supplier.
8.	15/07/2009	Corporate Services	Giyani Friendly Supermarket	4 100.00	Given short notice to arrange the madiba cake, other service providers were unable to quote due to the time frame.
9.	24/07/2009	Water Services	Oceansite Trading	553 407.30	The matter was urgent as the people of Gravelotte had no water.
10.	24/07/2009	Water Services	Oceansite Trading	796 227.30	The matter was urgent as the people of Gravelotte had no water.
11.	14/07/2009	Office of the Executive Mayor	Busisani Trading	1 379.70	Several attempts to obtain quotation from other service providers were made and only two quotations were received.
12.	17/07/2009	Budget & Treasury	Karibu Leisure Resort	3 898.03	The gala dinner for Mayor's Inauguration was held at Karibu Leisure Resort and beverages were
13.	15/07/2009	Corporate Services		5 000.00	The Service provider is preferred based on the fact that they are a locally based Choir.
14.	10/06/2009	Fire Services	Motolek	2 177.56	The Service provider specialises in electrical and wiring services and is locally based hence there is only quotation attached.
15.	06/07/2009	Office of the Executive Mayor	Maloa Botshiba Entertainment an	8 000.00	The Service provider is preferred based on the fact that he is a local artist.
16.	16/07/2009	Office of the Executive Mayor	Garden Court Hatfield	1 444.50	Accommodation facilities within the area are fully booked hence only one quotation is attached.
17.	07/05/2009	Planning & Development	Triple K Travel Services	10 370.00	Due to the urgency of the matter and the nature of the event only one quotation has been acquired.
18.	10/07/2009	Office of the Executive Mayor	Gift & Jewellery	17 363.00	The service provider is a Sole Supplier.
19.	06/07/2009	Community Services	Vaendzi Travelling Agency	32 895.00	Only two quotations are attached due to the fact that other service providers could not secure flights for the required date.
20.	21/07/2009				
21.	17/07/2009	Corporate Services	A.K Mobile Fridges	2 192.22	Several attempts with other services were made and only one quotation was received.

**MOPANI DISTRICT MUNICIPALITY**

<b>NO</b>	<b>DATE</b>	<b>DEPARTMENT</b>	<b>SUPPLIER</b>	<b>AMOUNT</b>	<b>REASON FOR DEVIATION</b>
23.	02/06/2009	Office of the Municipal Manager	Madoris All Trade	2 450.00	Only one quotation was acquired due to the urgency of the matter.
24.	28/07/2009	Fire Services	Jv Hidrolies BK	3 150.71	The service provider is recommended based on the fact that they are the only dealer that has capacity to repair fire fighting machine locally
25.	15/07/2009	Office of the Executive Mayor	Mamaila Cultural Group	2 000.00	The Service provider is preferred based on the fact that they are locally based traditional dance performers.
26.	15/07/2009	Office of the Executive Mayor	Tipfuxeni Group	2 000.00	The Service provider is preferred based on the fact that they are locally based traditional dance group.
27.	15/07/2009	Office of the Executive Mayor	Kopanong Fighters Club	2 000.00	The Service provider is preferred based on the fact that they are locally based traditional dance group.
28.	17/07/2009	Corporate Services	Tzaneen Country Lodge	4 500.00	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.
29.	02/09/2009	Water Services	Oceansite Trading	224 032.80	Due to the urgency of the matter and the nature of the event only one quotation has been acquired.
30.	21/10/2009	Office of the Executive Mayor	Kopanong Hotel & Conference C	4 180.20	Only two quotations are attached due to the fact that other accommodation facilities within the area are fully booked.
31.	05/08/2009	Office of the Municipal Manager	Oasis Lodge	5 450.00	Given short notice to arrange lunch for the presidential visit, Oasis is recommended to render the service.
32.	04/08/2009	Office of the Municipal Manager	Oasis Lodge	3 875.00	Due to the urgency of the matter only one quotation was acquired from Oasis.
33.	14/08/2009	Office of the Municipal Manager	Col John Hotel	2 295.00	The office telephones were not working and the officer did not have enough airtime to call other service providers.
34.	19/08/2009	Water Services	Oasis Lodge	665	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.
35.	13/07/2009	Budget & Treasury	Metal Art	1 174.20	Due to the urgency of the matter only one quotation was acquired from Metal Art.
36.	15/07/2009	Corporate Services	Volthan Electrical and Instrument	8 658.30	Sole Service Provider.
37.	13/07/2009	Office of the Executive Mayor	Blue Rain Drops	36 000.00	Several attempts with other services were made and only two quotations were received for Mobile Billboards advertising Mayors Charity Cup.
38.	06/07/2009	Office of the Executive Mayor	Tzaneen Country Lodge	3 415.00	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.
39.	16/07/2009	Corporate Services	Karibu Leisure Resort	117 820.00	Only one quotation is attached due to the fact that other facilities are fully booked.
40.	15/07/2009	Corporate Services	Harmonie Abattoir BK	20 000.00	The service provider is only abattoir within the district that accepts government orders.
41.	17/07/2009	Corporate Services	Maloa Botshiba Entertainment	15 000.00	The Service provider is preferred based on the fact that they are locally based band.
42.	09/07/2009	Water Services	Spondo Trading	359 738.46	Due to the urgency of the matter and the nature of the event only one quotation has been acquired.
43.	15/07/2009	Corporate Services	PIB	52 950.00	The only service provider on our database that supply tents that are approved by the South African Berua of Standards (SABS).
44.	15/07/2009	Corporate Services	In House Lifestyle Centre	8 029.00	Several attempts with other services were made. Geen & Richard & Nictus sited that the couch still needs to be manufactured hence only one quotation was received from In House Lifestyle Centre as the matter was urgent.
45.	15/07/2009	Corporate Services	Nghungunyani Traditional Dance	5 000.00	The Service provider is preferred based on the fact that they are locally based traditional dance group.

**MOPANI DISTRICT MUNICIPALITY**

NO	DATE	DEPARTMENT	SUPPLIER	AMOUNT	REASON FOR DEVIATION
46.	09/07/2009	Office of the Executive Mayor	Baobab Promotions	6 788.70	The only service provider around Tzaneen who was available to assist us to get the required balls and vase as the stores who are selling them do not accept government orders. (Mayors Charity Cup Soccer balls)
47.	05/08/2009	Internal Audit	Park Slaghuis	365	Given short notice to arrange lunch, Park Slaghuis is recommended to provide a meat platter for the District IA Forum.
48.	19/08/2009	General Council	Garden Court Polokwane	5 904.95	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.
49.	27/07/2009	Fire Services	Giyani Friendly	1 032.40	The supplier assisted in providing water & energy drinks to fire fighting personnel during the fire extinguishing at Mopani Spar.
50.	20/07/2009	Water Services	Cemo Pumps/ Amanzi Pumps	166 288.80	Emergency purchasing of spares for boreholes in Greater Giyani Municipality and the service provider is a sole manufacturer of cemo products.
51.	24/07/2009	Office of the Municipal Manager	Forever Resort Blyde Canon	5 370.00	Other accommodation facilities are 60km from the venue where the workshop will be held.
52.	12/08/2009	Water Services	Sizabantu Piping Systems	25 137.00	Though Petzetekis has quoted low, they do not have the required stock and as this matter is urgent Sizabantu who quoted the second lowest are recommended.
53.	20/07/2009	Fire Services	Mariti Diesel Shop	79 244.93	They are the only local service provider having the specialist personnel to render the required service.
54.	06/08/2009	Fire Services	Mariti Diesel Shop	10 769.58	They are the only local service provider having the specialist personnel to render the required service.
55.	23/07/2009	General Council	Tzaneen Country Lodge	665	Only two quotations are attached due to the fact that other accommodation facilities within the area are fully booked.
56.	04/08/2009	Budget & Treasury	Mr Mixer	1 500.00	Due to the agency of the matter only two quotations are attached.
57.	02/09/2009	Water Services	Jubecca Trading	229 960.80	Due to the urgency of the matter and the nature of the event only one quotation has been acquired as the community was without water.
58.	02/10/2009	General Council	Garden Court Milpark	3 730.00	Only two quotations are attached due to the fact that other accommodation facilities within the area are fully booked.
59.	11/09/2009	Office of the Municipal Manager	Hans Merensky	1 126.00	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.
60.	14/08/2009	Water Services	Molatlle Trading & Projects	96 500.00	Due to the urgency of the matter and the nature of the event only one quotation has been acquired as the community was without water.
61.	30/09/2009	General Council	Garden Court – OR Tambo	29 427.50	Only two quotations are attached due to the fact that other accommodation facilities within the area are fully booked.
62.	23/09/2009	Community Services	Europrime	1 035.00	Only two quotations are attached due to the fact that other accommodation facilities within the area are fully booked.
63.	23/09/2009	Budget & Treasury	Protea Hotel landmark	15 795.00	Only one quotation is acquired from Protea Hotel as the venue of the workshop will be held there.
64.	17/08/2009	Office of the Speaker	Malo A Botshiba	30 000.00	The matter was urgent and emergency work had to be done hence there is only one quotation.
65.	26/08/2009	Community Services	M J Gateway Lodge	639.99	Only two quotations are attached due to the fact that other accommodation facilities within the area are fully booked.
66.	24/08/2010	Planning & Development	Thandabantu Guesthouse	9 210.00	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.

**MOPANI DISTRICT MUNICIPALITY**

<b>NO</b>	<b>DATE</b>	<b>DEPARTMENT</b>	<b>SUPPLIER</b>	<b>AMOUNT</b>	<b>REASON FOR DEVIATION</b>
67.	10/02/2010	Water Services	Garafawo Trading Enterprise	46 979.40	Due to the urgency of the matter and workers exposed to dangerous chemicals when purifying water only one quotation was acquired.
68.	25/02/2010	Planning & Development	Masorini Lodge	3 440.00	Due to the urgency of the matter and that other accommodation facilities within the area are fully booked only one quotation is attached.
69.	19/03/2010	Office of the Executive Mayor	Fairview River Lodge	695	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.
70.	05/03/2010	Water Services	Tumishi Electrical	108 435.90	Due to the urgency of the matter tumishi Electrical was requested to repair the vandalized cable at Giyani water works.
71.	02/02/2010	Budget & Treasury	Fairview River Lodge	2 290.00	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.
72.	08/02/2010	Corporate Services	Themzoo Trading	1 400.00	Due to the urgency of the matter only one quotation has been received.
73.	27/10/2009	Office of the Executive Mayor	Maruleng Lodge	490	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.
74.	04/09/2009	Office of the Executive Mayor	Hans Merensky Hotel	2 110.00	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.
75.	07/10/2009	Office of the Municipal Manager	Moshate Lodge	1 670.00	Only one quotation is attached due to the fact that other accommodation facilities within the area are fully booked.
76.	25/11/2009	Office of the Executive Mayor	Bakhutlama Mobile Production	2 900.00	After several attempts with other service providers were made and only two quotations were received for the service.
77.	19/08/2009	Office of the Municipal Manager	Arbor Park Lodge	450	The office telephones were not working and the officer did not have enough airtime to call other service providers.
78.	15/07/2009	Office of the Executive Mayor	Harmonie Abattoir BK	10 000.00	The service provider is only abattoir within the district that accepts government orders.