

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

General Information

Council

Executive Mayor
Deputy Executive Mayor
Speaker
Executive Councillors

CJ Sidego
MG Smuts
C Jooste
PW Biscombe

V Fernandez

N Jindela

SJ Louw

PJ Retief

JP Serdyn

Q Smit

P Venter

Councillors

F Adams

DS Arends

NM August

HC Bergstedt

DC Botha

A Crombie

J Davids

L De Villiers

R Du Toit

AR Frazenburg

JSA Fourie

N Gcaza

NM Gugushe

DA Hendrickse

JK Hendricks

S Jooste

DD Joubert

MC Johnson

LX Mdemka

C Moses

EL Maree

NE Mcombring

MM Ngcofe

RS Nalumango

N Ntsunguzi

WJ Pretorius

KE Qotywa

L Ronoti

LN Siwakamisa

P Sitshoti

J Williams

M Wanana

Grading of local authority

Councillors Grade 4
Personnel Grade 10

Accounting Officer

DP Daniels
Tel: (021) 808 8025
Fax: (021) 808 8200

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

General Information

Chief Finance Officer (CFO)

MAC Bolton
Tel: (021) 808 8528
Fax: (021) 808 8574

Registered office

Plein Street
Stellenbosch
7600

Business address

Plein Street
Stellenbosch
7600

Postal address

P O Box 17
Stellenbosch
7599

Bankers

ABSA Bank

Auditors

Auditor General of South Africa

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Index

The reports and statements set out below comprise the annual financial statements presented to the Auditor General of South Africa:

Index	Page
Accounting Officer's Responsibilities and Approval	5
Statement from the desk of the Chief Financial Officer	6 - 10
Statement of Financial Position	11
Statement of Financial Performance	12
Statement of Changes in Net Assets	13
Cash Flow Statement	14
Accounting Policies	15 - 33
Notes to the Annual Financial Statements	34 - 81
Appendixes:	
Appendix A: Schedule of External Loans	82
Appendix B: Analysis of Property, Plant and Equipment	83
Appendix C: Segmental Analysis of Property, Plant and Equipment	86
Appendix D: Segmental Statement of Financial Performance	89
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	93
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	94
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	95
Appendix G: Supply Chain Management Deviations	96

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Index

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I am responsible for the preparation of these financial statements in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and signed the Annual Financial Statements on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 32 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on page 11 to 81 which have been prepared on the going concern basis, is hereby certified.

Accounting Officer
DP Daniels

Date: 31 August 2011

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Statement from the desk of the Chief Financial Officer

1. Introduction

It is my pleasure to give a brief summary of the financial results of our Council for the financial year ending 30 June 2011.

The municipality, being classified as high capacity, is required to implement Generally Recognised Accounting Practices (GRAP). Accordingly the financial statements for the year ending 30 June 2011 have been prepared in the GRAP format.

The financial activities of the year are reviewed in the various sections of this report.

2. Key financial indicators

Ratio Description	2010/2011	2009/2010
<p>Current Ratio</p> <p><i>The generally accepted norm in this regard is a ratio of 2:1. The ratio for 2010/2011 shows an improvement and illustrates the municipality's ability to meet its short term obligations.</i></p>	2.48	2.05
<p>Revenue Management</p> <p>Actual income vs Budgeted income</p> <p><i>It should be noted that the income displayed in the Statement of Financial Performance includes billed income based on prescribed accrual accounting. Further detail on the income performance can be found under point 3 below.</i></p>	112.52%	124.22%
<p>Level of reliance on government grants</p> <p><i>This ratio illustrates the level of reliance a municipality has on government grant funding and it therefore follows from the results that the municipality is able to fund its operations from own sources.</i></p>	11.91%	12.19%
<p>Expenditure Management</p> <p>Actual expenditure vs Budgeted expenditure</p> <p><i>It should be noted that the expenditure displayed in the Statement of Financial Performance includes billed expenditure and various other financial transactions as allowed for by GRAP.</i></p>	97.69%	98.91%
<p>Personnel costs to total expenditure</p> <p><i>The ratio as calculated is based on actual expenditure whereas the budgeted personnel costs to total expenditure budget is calculated as 29.42% (2009/2010: 27.80%)</i></p>	29.45%	28.82%
<p>Interest paid as percentage of total expenditure</p> <p><i>The generally accepted norm in this regard is 15%. The ability to fund our capital programmes to some extent from own sources, and not external finance, is the main reason that Stellenbosch Municipality is exemplary in the performance of this ratio.</i></p>	0.51%	0.41%
<p>Repairs and maintenance/Total expenditure</p> <p><i>This ratio is calculated to benchmark compliance to National Treasury's Circular 55 issued on 7 March 2011 urging municipalities to prioritise allocations to repairs and maintenance and the renewal of existing infrastructure. Budgeted repairs and maintenance against total budgeted expenditure is 7.31% compared to 2009/2010 of 4.24%.</i></p>	5.21%	5.92%
<p>Asset Management</p> <p>Acquisition of PPE – Actual vs Budgeted</p> <p><i>This ratio illustrates the year-on-year improvement in capital spending performance (capacity to spend).</i></p>	78.14%	66.52%

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Statement from the desk of the Chief Financial Officer

	2010/2011	2009/2010
Consumer debtors collection period <i>Notwithstanding management's efforts to continuously improve and re-engineer credit control processes/procedures, it's clear that the deterioration of the payment period compared to the previous year is indicative of conditions in the macro and micro economic environment that contributed to some extent to the ability of our consumers to honor debt within industry norms.</i>	51 days	46 days
Debt Management Total liabilities/Total assets <i>Using this ratio to analyse the solvency of the organisation, it is clear that the municipality's assets exceeds it's recorded liabilities by far and gives assurance of the municipality's ability to maintain a sound/healthy level of solvency over the long term.</i>	10.94%	10.09%

3. Operating Results

The overall summarised operating results for the municipality in comparison to the approved budget are shown below. The Statement of Financial Performance reflects a summary of income and expenditure, whilst the segmental operating results per service are shown in Appendix D of the annual financial statements.

	2010/2011		2009/2010	Growth
	Actual	Budget	Actual	
Revenue				
Property Rates	183 291 413	169 414 900	179 193 657	2.29%
Service Charges	454 860 873	403 590 305	375 070 311	21.27%
Grants and subsidies	96 788 177	61 821 058	94 922 309	1.97%
Other	77 722 299	87 381 105	129 477 249	-39.97%
	812 662 762	722 207 368	778 663 526	4.37%

	2010/2011		2009/2010	Growth
	Actual	Budget	Actual	
Expenditure				
Employee related costs	215 064 560	214 769 015	200 556 865	7.23%
Bulk purchases	173 670 985	164 480 517	137 872 956	25.96%
Depreciation	90 603 459	109 493 480	119 482 204	-24.17%
Finance cost	3 752 322	4 202 701	2 824 714	32.84%
Repairs and Maintenance	38 030 103	54 666 466	41 179 941	-7.65%
Other	209 081 462	199 894 725	194 051 061	7.75%
	730 202 891	747 506 904	695 967 741	4.92%
Net Operating Surplus/(Deficit)	82 459 871	-25 299 536	82 695 785	

Revenue has increased by 4.37%, whilst expenditure increased with 4.92% between the respective financial years. A comparison of actual results to the approved budget and explanations for material differences are set out in Appendix E(1) of the financial statements.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

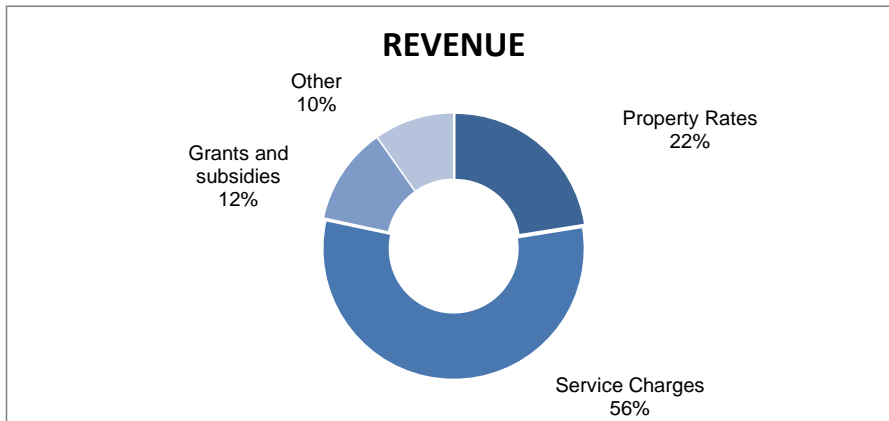
Statement from the desk of the Chief Financial Officer

3.1 Operating revenue

The major revenue streams that supported the programmes and activities of the municipality were:

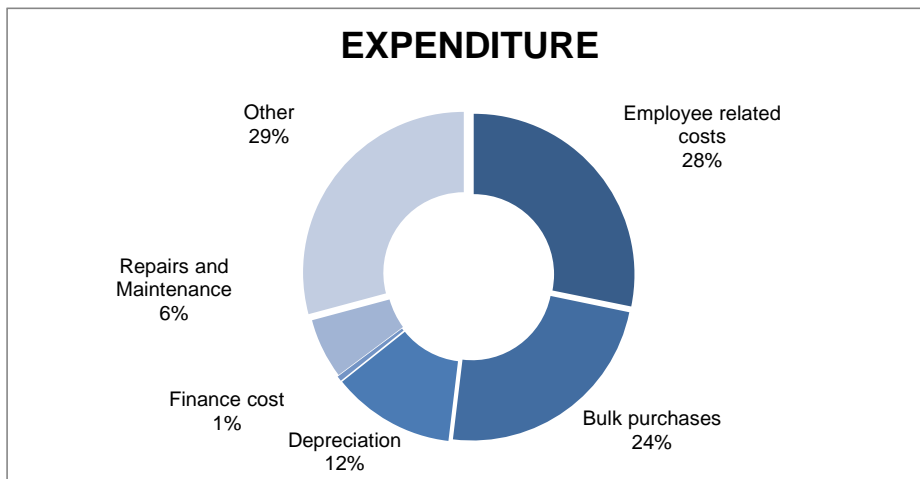
- property rates
- service charges, which consist of the following:
 - ~ electricity sales
 - ~ water sales
 - ~ waste water management (sewerage and sanitation); and
 - ~ waste management (refuse)
- government grants and subsidies
- other

The municipality experienced total revenue growth of only 4.37% on the amounts realised in the previous financial year, made possible by means of cost saving measures which included amongst other strategies, minimisation of wastage, etc. The following graph indicates the main categories of income



3.2 Operating expenditure

The following graph indicates the main categories of expenditure for the year under review. The proactive management and containment of the increasing cost of delivering services are key priorities in the municipality whilst also trying to comply with National Treasury's Circular No. 55 requiring increased investment in the maintenance of our asset base. The increase in bulk services was due to the above average electricity supply tariff increases. Further detail is contained in notes 28 to 42 of the annual financial statements.



Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Statement from the desk of the Chief Financial Officer

4. Capital expenditure and financing

Capital expenditure incurred during the year amounted to R113 060 489 which represents 78.14% of the approved capital budget.

Capital expenditure per function	2010/2011			2009/2010
	Actual	Budget	Variance	Actual
Executive & Council	49 854	50 000	-146	374 005
Budget and Treasury Office	509 716	525 000	-15 284	271 528
Corporate Services	4 580 247	4 801 020	-220 773	7 136 031
Community & Social Services	753 396	802 627	-49 231	1 900 721
Sport & Recreation	6 010 131	6 472 617	-462 486	39 830 545
Public Safety	863 447	931 467	-68 020	3 240 257
Housing	1 684 564	3 242 000	-1 557 436	9 658 948
Planning and Development	1 813 304	2 570 196	-756 892	4 800 552
Road Transport	34 307 583	38 069 365	-3 761 782	25 400 495
Electricity	4 604 819	23 756 220	-19 151 401	27 613 203
Water	17 152 393	19 226 600	-2 074 207	5 923 215
Waste Water Management	26 328 582	28 562 004	-2 233 422	15 120 583
Waste management	14 402 452	15 679 996	-1 277 544	7 270 140
Total expenditure	113 060 489	144 689 112	-31 628 623	148 540 223

Source of finance	2010/2011			2009/2010
	Actual	Budget	Variance	Actual
Capital Replacement Reserve	51 570 807	54 063 539	-2 492 732	86 068 157
Grants - National Treasury	18 536 966	18 536 966	-	31 225 470
Grants - Provincial Treasury	10 097 752	16 079 202	-5 981 450	8 955 553
External Borrowings	25 006 098	47 652 220	-22 646 122	11 123 576
Public Contributions	4 136 368	4 368 000	-231 632	11 023 522
Other	3 712 498	3 989 185	-276 687	143 945
Total funding	113 060 489	144 689 112	-31 628 623	148 540 223

5. Consumer Debtors

Outstanding consumer debtors at 30 June 2011 were R130 million. The amounts included in the consumer debtor balances considered to be doubtful are covered by a provision for impairment of R 32 million. In this regard, R11 million was written off (impaired) during the year under review. The below-mentioned results are indicative of an improvement in management's efforts to manage debt.

	2010/2011	2009/2010
Consumer Debtors	98 367 941	78 819 636
Debt Impairment	32 433 986	34 455 674
Gross Consumer Debtors	130 801 927	113 275 310
Billed Revenue	656 191 847	570 602 440
Percentage debt to Service Revenue	19.93%	19.85%
Consumer Debtors less Current Portion	95 026 931	91 653 272
Billed Revenue	656 191 847	570 602 440
Percentage debt to Service Revenue	14.48%	16.06%

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Statement from the desk of the Chief Financial Officer

6. Borrowings, Investments and Cash

Interest-bearing debt increased to R 41 million in the financial year ended 30 June 2011 to finance specific infrastructure projects approved by Council. Cash and cash equivalents (cash investments) increased by R 78 million to close off the financial year with R 325 million. The municipality's improved position resulted from amongst other factors from more effective debt management, cost saving strategies and savings on external loan repayments.

7. Cash Flow Analysis

	2010/2011	2009/2010
Cash and cash equivalents - 30 June 2010	246 306 056	214 846 490
Net increase/(decrease) in cash and cash eq.	78 722 477	31 459 562
Cash and cash equivalents - 30 June 2011	325 028 533	246 306 052

8. General

The overall financial results are generally considered to be acceptable and the positive trends are evident in the abovementioned ratios. In order to sustain and improve this situation, the maintenance of sound financial management practices and doing more with less is required as well as the timeous mitigation of risks that impact on financial sustainability by instituting appropriate measures to address such risks. The municipality will have to employ proactive strategies to ensure that services are delivered in the most cost effective manner. The Financial Statements reflects the financial position of Stellenbosch Municipality as at 30 June 2011 and its financial performance and its cash flows for the year ended in accordance with the SA standards of GRAP and in the manner required by the MFMA and DORA.

9. Appreciation

I acknowledge the contribution, loyalty and passion with which staff of the Directorate: Financial Services performed there tasks during the year under review and in particular the staff of the Budget Office for their unselfish efforts in ensuring that the preparation and compilation of these financial statements are of a high standard, notwithstanding the challenges experienced as a result of the extent of capital spending during quarter four.

Chief Financial Officer
MAC Bolton

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Statement of Financial Position

Figures in Rand	Note(s)	2011	Restated 2010
Assets			
Current Assets			
Inventories	4	5,153,149	3,175,251
Long term receivables	9	153,400	306,779
Trade and other receivables from exchange transactions	5	11,463,892	7,868,125
VAT receivable	6	-	1,607,774
Consumer debtors	3	98,367,941	78,819,636
Cash and cash equivalents	2	325,028,533	246,306,056
		440,166,915	338,083,621
Non-Current Assets			
Biological assets	7	15,787,529	13,529,438
Investment property	8	523,325,000	522,611,500
Property, plant and equipment	10	2,649,707,978	2,604,720,888
Intangible assets	11	192,417	199,071
Long term receivables	9	804,977	504,575
		3,189,817,901	3,141,565,472
Non-current assets held for sale and assets of disposal groups	54	65,000	555,000
Total Assets		3,630,049,816	3,480,204,093
Liabilities			
Current Liabilities			
Other financial liabilities	15	3,782,995	4,601,776
Operating lease liability	14	145,649	8,717
Trade and other payables from exchange transactions	17	95,616,516	86,330,827
VAT payable	38	307,295	-
Consumer deposits	12	9,374,720	8,211,609
Employee benefit obligations	13	4,483,008	4,578,048
Unspent conditional grants and receipts	18	57,096,341	58,610,146
Provisions	16	6,985,482	2,320,094
		177,792,006	164,661,217
Non-Current Liabilities			
Other financial liabilities	15	37,758,914	35,199,023
Employee benefit obligations	13	131,602,659	105,861,695
Provisions	16	49,930,677	45,437,461
		219,292,250	186,498,179
Total Liabilities		397,084,256	351,159,396
Net Assets		3,232,965,560	3,129,044,697
Net Assets			
Reserves			
Revaluation reserve	21	840,248,897	809,655,611
Housing development fund	20	2,473,721	8,673,735
Accumulated surplus		2,390,242,942	2,310,715,351
Total Net Assets		3,232,965,560	3,129,044,697

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Statement of Financial Performance

Figures in Rand	Note(s)	2011	Restated 2010
Revenue			
Property rates	22	183,291,413	179,193,657
Service charges	27	454,860,873	375,070,311
Property rates - penalties imposed and collection charges	22	2,372,716	2,132,469
Rental of facilities and equipment	26	11,595,026	9,980,472
Interest Earned - Outstanding Debtors	24	4,071,819	4,225,531
Income from agency services		1,128,131	1,012,783
Fines		14,061,397	16,519,358
Licences and permits		4,462,400	4,063,364
Government grants & subsidies	23	96,788,177	94,922,309
Other income	25	15,213,482	11,593,994
Interest received - investment	24	19,756,636	19,752,254
Total Revenue		807,602,070	718,466,502
Expenditure			
Employee related costs	31	(215,063,926)	(200,556,865)
Remuneration of councillors	33	(9,681,174)	(9,338,257)
Contribution to/from provisions	40	(35,237,052)	(37,448,487)
Depreciation and amortisation	29	(90,603,459)	(119,482,204)
Impairment loss/ Reversal of impairments		(7,970,285)	-
Finance costs		(3,752,322)	(2,824,714)
Debt impairment	30	(11,316,077)	(12,700,929)
Collection costs		(94,121)	(90,207)
Repairs and maintenance		(38,030,103)	(34,551,665)
Bulk purchases	28	(173,670,985)	(137,872,956)
Contracted services	42	(8,164,511)	(6,558,462)
Grants and subsidies paid	43	(564,867)	(867,068)
General Expenses	32	(135,929,211)	(133,329,291)
Total Expenditure		(730,078,093)	(695,621,105)
Loss on disposal of assets and liabilities		(3,317)	(93,614)
Fair value adjustments	41	4,795,074	60,197,024
Gain (loss) on biological assets and agricultural produce		265,618	(233,321)
Inventories: (Write-down)/reversal of write-down to net realisable value		(121,481)	(19,701)
Surplus for the year		82,459,871	82,695,785

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Housing Development Fund	Total reserves	Accumulated surplus	Total net assets
Balance at July 01, 2009 as previously reported	674,721,222	6,898,299	681,619,521	2,230,146,816	2,911,766,337
Changes in net assets					
Prior year adjustments	-	-	-	(14,460,879)	(14,460,879)
Total prior period adjustments	-	-	-	(14,460,879)	(14,460,879)
Surplus for the year	-	-	-	106,729,715	106,729,715
Total recognised income and expenses for the year	-	-	-	92,268,836	92,268,836
Land and buildings revaluations	124,579,200	-	124,579,200	62,867,300	187,446,500
Offset of depreciation	(5,238)	-	(5,238)	-	(5,238)
Transfer to housing development fund	-	1,775,436	1,775,436	(2,478,328)	(702,892)
Movement on surplus	10,360,427	-	10,360,427	(72,089,276)	(61,728,849)
Total changes	134,934,389	1,775,436	136,709,825	80,568,532	217,278,357
Balance at July 01, 2010 as restated	809,655,617	8,673,735	818,329,352	2,310,715,351	3,129,044,703
Changes in net assets					
Surplus for the year	-	-	-	82,459,871	82,459,871
Land and buildings revaluation	30,593,286	-	30,593,286	1,277,963	31,871,249
Transfer to housing development fund	-	3,350,837	3,350,837	(3,350,837)	-
Movement on Surplus	-	(9,550,851)	(9,550,851)	(859,408)	(10,410,259)
Total changes	30,593,286	(6,200,014)	24,393,272	79,527,589	103,920,861
Balance at June 30, 2011	840,248,897	2,473,721	842,722,618	2,390,242,942	3,232,965,560
Note(s)	21	20			

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Cash Flow Statement

Figures in Rand	Note(s)	2011	Restated 2010
Cash flows from operating activities			
Receipts			
Sale of goods and services		667,840,953	605,730,530
Grants		95,274,372	94,922,309
Interest income		23,828,455	19,752,254
		<u>786,943,780</u>	<u>720,405,093</u>
Payments			
Employee costs		(224,398,873)	(201,766,579)
Suppliers		(369,770,544)	(346,409,856)
Finance costs		(3,752,322)	(2,824,714)
		<u>(597,921,739)</u>	<u>(551,001,149)</u>
Net cash flows from operating activities	34	<u>189,022,041</u>	<u>169,403,944</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(113,060,489)	(148,341,153)
Proceeds from sale of property, plant and equipment	10	-	1,046,205
Increase/Decrease in long term receivables		(147,023)	417,402
Proceeds from sale of other assets		3,728	-
		<u>(113,203,784)</u>	<u>(147,076,617)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(3,153,551)	(2,565,125)
Increase in loan Recieved		4,894,660	11,123,576
Consumer Deposits		1,163,111	573,788
		<u>2,904,220</u>	<u>9,132,239</u>
Net increase/(decrease) in cash and cash equivalents		78,722,477	31,459,566
Cash and cash equivalents at the beginning of the year		246,306,056	214,846,490
Cash and cash equivalents at the end of the year	2	<u>325,028,533</u>	<u>246,306,056</u>

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1. Basis of Preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated financial statements and accounting for controlled entities
GRAP 7	Accounting for Investments in Associates
GRAP 8	Financial Reporting of Interest in Joint Ventures
GRAP 9	Revenue
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

GRAP 6, 7, and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

These accounting policies and the applicable disclosures have been based on the International Public Sector Accounting Standards (IPSAS) and the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non Cash-Generating Assets
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 4	Determining whether an arrangement contains a lease

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.

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

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Revenue Recognition

Accounting Policy 1.14 on Revenue from Exchange Transactions and Accounting Policy 1.15 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Financial assets and liabilities

The classification of financial assets and liabilities is based on judgement by management.

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of Financial Assets - Accounting Policy 1.12: Financial Instruments, referring to paragraph on Impairment of Financial Assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the Annual Financial Statements.

Useful lives of Property, Plant and Equipment - As described in Accounting Policy 1.7, the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge and are revalued annually.

Defined Benefit Plan Liabilities - The municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the Annual Financial Statements.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

1.2 Presentation of currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality, and amounts are rounded off to the nearest R1.

1.3 Going Concern Assumption

The annual financial statements have been prepared on the assumption that the municipality is a going concern and will continue in operation for the foreseeable future.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.4 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.5 Internal reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Capitalisation reserve

On the implementation of GAMAP/GRAP, the balance of certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment, were transferred to a Capitalisation Reserve rather than the accumulated surplus/deficit, as in prior years, in terms of a directive (Circular No. 18) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation charge that will be incurred over the useful lives of these items of property, plant and equipment is offset by transfers from this reserve to the accumulated surplus/deficit.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/deficit.

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.5 Internal reserves (continued)

Self insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

1.6 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment in particular land and buildings 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.

1.7 Property, plant and equipment

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.

Measurement

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 necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

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.

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.

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.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.7 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Subsequent to initial recognition, items of property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses, where applicable.

Subsequent to initial recognition, buildings are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

An increase in the carrying amount of land and buildings 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 an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Where items of property, plant and equipment 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 except where the impairment reverses a previous revaluation.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended is examples of subsequent expenditure which should be capitalised.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.7 Property, plant and equipment (continued)

Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets and after taking into account the residual value of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following originally estimated useful lives (unless a technical assessment of an individual asset concludes that a material variation is necessary):

	Years		Years
Infrastructure		Other	
Roads and Paving	10-100	Buildings	30
Electricity	10-50	Specialist vehicles	10
Water	10-100	Other vehicles	5
Sewerage	10-100	Office equipment	1-7
Housing	30	Furniture and fittings	1-10
		Watercraft	15
Community		Bins and containers	5
Improvements	30	Specialized plant and	
Recreational Facilities	20-30	Equipment	10-15
Security	5	Other plant and	
		Equipment	2-5

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 Statements of Financial Performance.

Heritage assets

These are assets that are defined as culturally significant resources which are not depreciated owing to the uncertainty regarding their estimated useful lives.

Land

Land is not depreciated as it is deemed to have an indefinite useful life.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

Disposal of property, plant and equipment

The book values of assets are written off on disposal. The difference between the carrying value of assets and the sales proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

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 net disposal proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.8 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, 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 of 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 and are charged against income as incurred, 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.

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, where applicable.

In terms of GRAP 102, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives. Intangible assets with finite useful lives are amortised over its useful life. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised but is subject to an annual impairment test.

Where an intangible 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 intangible asset is acquired in exchange for a non-monetary asset or monetary asset, 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.

Intangible assets are annually tested for impairment.

Where items of intangible assets 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 except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

The intangible assets under the control of the municipality are amortised according to the straight line method as follows:

Item	Useful life
Computer software, other	3 years

1.9 Investment property

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods and services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.9 Investment property (continued)

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. The valuations are performed annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recorded in the Statement of Financial Performance as part of the surplus and deficit.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property and from property held for sale in the ordinary course of business:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- land held for a currently undetermined future use.
- a building owned and leased out under one or more operating leases
- leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- a building that is vacant but is held to be leased out under one or more operating leases.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

1.10 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally 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.

Non-current assets held for sale (or disposal group) are measured at the lower of its 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.

The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the disposal group.

1.11 Biological assets

Biological assets, which are defined as living animals or plants are recognised on the Statement of Financial Position of the municipality, if the municipality:

- Controls the asset as a result of a past event.
- Regards the inflow of future economic benefits from the use of the asset to be probable.
- Is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Biological assets are measured at fair value at each financial year end, less estimated point-of-sale costs. Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. Point-of-sale costs include commissions to brokers, levies by regulatory agencies and as well as transfer taxes and duties.

The changes in fair value less point-of-sale costs from one financial year end to the next are recognised as revenue in the Statement of Financial Performance

Item	Useful life
Trees in a plantation forest	Indefinite

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.12 Financial Instruments

Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial Assets

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality classifies its investments in the following categories:

- Financial assets at fair value through profit or loss.
- Loans and Receivables,
- Held to maturity investments and
- Financial assets available for sale.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

They are subsequently measured at fair value at the statement of financial position date with the profit or loss being recognised in the Statement of Financial Performance.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the municipality provides money, goods or services directly to a debtor without any intention of trading such debtors. Loans and debtors are included in the trade and other receivables in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current and current assets in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated on initial recognition as available-for-sale and comprises of cash and equity instruments held in shares. They are included under current assets in the statement of financial position and are initially and subsequently measured at fair value at the statement of financial position date, except for investments in equity instruments that do not have quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Impairment of financial assets

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exist that a financial asset is impaired, such as the probability of insolvency or significant financial difficulties of the debtor. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in surplus or deficit.

An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.12 Financial Instruments (continued)

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Consumer debtors are recognised initially at cost and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The provision is made so that the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable.

Other debtors consist among other of various debtors and/or suspense accounts with debit balances. These other debtors are assessed individually for impairment to ensure that no objective evidence exists that these debtors are irrecoverable. Should an individual debtor or group of debtors and or suspense account be regarded as irrecoverable, a provision for impairment is made.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account and the amount of loss is recognised in the Statement of Financial Performance. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment, at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

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.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. There are two main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Other financial liabilities at amortised cost

The municipality measures all financial liabilities including trade and other payables, at amortised cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

Trade Payables and Other

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, which is the initial carrying amount, less repayments, plus interest.

Derecognition of financial assets and liabilities

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.12 Financial Instruments (continued)

amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.13 Inventories

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. In general, the basis of determining cost is the weighted average cost of commodities.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs, if the costs occur frequently and are separately identifiable.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, 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.

When inventories are sold, distributed, written off or consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised, unless that cost qualifies for capitalisation to the cost of another asset. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. 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.

1.14 Revenue from exchange transactions

Revenue is derived from a variety of sources that include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where revenue and the underlying asset (receivable) has already been recognised based on the information available at the time of the transaction and subsequently arises as to the recoverability of the receivable, an impairment loss, also known as a bad debt provision, is created and the provision is set-off against the receivables, as a provision for impairment.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.14 Revenue from exchange transactions (continued)

Revenue is recognised as follows:

Service Charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Pre-paid electricity

Revenue from the sale of electricity prepaid cards is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Royalties

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.14 Revenue from exchange transactions (continued)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Public contributions

Revenue from public contributions 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 is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

1.15 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a non-exchange transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable.

Fines

Fines constitute both spot fines and summonses. Fines are economic benefits or service potential received or receivable by the municipality as a consequence of the individual or entity breaching the requirements of laws or regulations. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

When an estimate can be made for the revenue amount that is expected to be collected from spot fines based on past experience of amounts collected, this is recognized as revenue. Where a reliable estimate cannot be made, revenue from spot fines is recognized when paid by the offender. Revenue from the issuing of summonses is only recognized when notified by the public prosecutor of the amount actually collected.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Donations and Contributions

Gifts and donations are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognised as assets when the goods are received, or there is a binding arrangement to receive the goods. Conditions on a transferred asset give rise to a present obligation on initial recognition.

On initial recognition, gifts and donations (including goods in-kind) are measured at their fair value as at the date of the acquisition, which may be ascertained by reference to an active market, or by appraisal.

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

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. Such revenue is based on legislated procedures.

Unallocated deposits

Unallocated deposits in the municipality's bank account are temporarily posted to a separate suspense account. The balance in this account at year-end is disclosed as a creditor in the annual financial statements.

Amounts not allocated within three years are transferred to revenue under 'other income'. In the unlikely event of an amount subsequently (after three years) identified as a payment on a consumer debtor account, any re-allocation will be treated as a correction of a prior period error in terms of GRAP 3.

1.16 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

1.17 Employee benefits

Short-term employee benefits

The costs of all short-term employee benefits those payable within 12 months after service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) such as leave pay, are recognised during the period in which the employee renders the related service and are not discounted. The liability for leave pay is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.17 Employee benefits (continued)

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Municipality provides retirement benefits for its employees and councillors that includes post retirement medical aid benefits and long service awards.

Medical Aid: Continued Members

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate.

Past-service costs are recognised immediately in income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Actuarial Gains and Losses

Actuarial gains or losses are accounted for using the "corridor method". Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed bi-annually.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to applicable note of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

1.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.18 Provisions and contingencies (continued)

Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total accrued leave days owing to employees and is reviewed annually.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

Provision for removal of alien vegetation

At year end a provision is raised for the removal of alien vegetation. The provision is the net present value of the future cash flows of removing existing alien vegetation at year end.

Provision for constructive obligations (Grant-in-aid contributions)

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.19 Leases

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 subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities are raised as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense on a straight-line basis (where applicable) over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. Any contingent rents are expensed in the period they are incurred.

The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental income from operating leases is recognised and recorded on a straight-line basis (where applicable) over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income from leases is disclosed under revenue in the Statement of Financial Performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.20 Borrowing costs

The municipality capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Financial Performance.

1.21 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at fair value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.22 Value Added Tax

The Municipality accounts for Value Added Tax on the cash (receipt) basis.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.23 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

1.24 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 No.56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expense was incurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. 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.

1.26 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 in the year that the expenditure was recorded. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27 Foreign currencies

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used.

1.28 Comparative figures

Current year comparatives:

Budgeted amounts have, in accordance with GRAP 1, been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

Prior year comparatives:

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.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Accounting Policies

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note of the Annual Financial Statements for details of changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

1.30 Related parties

Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.31 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

1.32 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:

GRAP 18 Segment Reporting - issued March 2005

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007

GRAP 103 Heritage Assets - issued July 2008

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date has not been determined yet.

Management has considered all the GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5,710	5,710
Bank balances	23,796,130	21,327,751
Short-term deposits	301,226,693	224,972,595
	325,028,533	246,306,056
Current investment deposits		
Call deposits	301,226,693	224,972,595

Call Deposits are investments with a maturity period between 3 and 12 months and earn interest rates varying from 7 % to 15 % per annum.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	2011	2010	2009	2011	2010	2009
ABSA Bank - Stellenbosch Branch - Primary Bank Account - 410 188 031	14,581,609	15,123,125	21,254,118	23,796,130	21,327,751	16,344,448
ABSA Bank - Stellenbosch Branch - Municipal Services Account - 407 007 5635	-	-	-	-	-	-
ABSA Bank - Stellenbosch Branch - Traffic Account - 407 157 9787	-	-	-	-	-	-
ABSA BANK - Stellenbosch Branch - Cheque account - 406 816 5969	-	-	-	-	-	-
ABSA BANK - Stellenbosch Branch - Call account - 905 7799 790	-	-	-	-	-	-
Total	14,581,609	15,123,125	21,254,118	23,796,130	21,327,751	16,344,448

Cash and cash equivalents

Included in Cash and Cash equivalents, an amount of R100 000 is held as a guarantee at the Post Office.

Cash Floats and Advances	5,710	5,710
Other Cash Equivalents	23,796,130	21,327,751
Cash on hand in Cash Floats, Advances and Equivalents	23,801,840	21,333,461

The management of the municipality is of the opinion that the carrying value of Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The Comparative figures were restated, Refer to the Prior Period Error note 55

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
3. Consumer debtors		
Gross balances		
Rates	32,099,204	34,372,469
Electricity	24,073,898	16,699,798
Water	28,144,936	22,741,315
Sewerage	8,402,652	6,206,290
Refuse	9,027,638	7,179,862
Housing rental	21,183,547	19,536,319
Sundry	7,870,051	6,539,257
	130,801,926	113,275,310
Less: Provision for debt impairment		
Rates	(7,046,038)	(4,726,777)
Electricity	(2,415,411)	(2,441,052)
Water	(4,479,266)	(7,599,341)
Sewerage	(1,408,377)	(2,197,922)
Refuse	(1,521,857)	(2,844,579)
Housing rental	(14,177,885)	(13,327,863)
Sundry	(1,385,151)	(1,318,140)
	(32,433,985)	(34,455,674)
Net balance		
Rates	25,053,166	29,645,692
Electricity	21,658,487	14,258,746
Water	23,665,670	15,141,974
Sewerage	6,994,275	4,008,368
Refuse	7,505,781	4,335,283
Housing rental	7,005,662	6,208,456
Sundry	6,484,900	5,221,117
Total Consumer Debtors	98,367,941	78,819,636
Total Consumer Debtors excluding VAT	98,367,941	78,819,636
Rates		
Current (0 -30 days)	5,290,869	41,690
31 - 60 days	1,130,982	5,954,317
61 - 90 days	958,430	1,557,897
91 - 120 days	646,096	1,264,836
121 - 365 days	9,359,088	2,050,703
> 365 days	14,713,739	23,503,026
	32,099,204	34,372,469
Electricity		
Current (0 -30 days)	17,983,774	(5,788)
31 - 60 days	901,395	7,426,934
61 - 90 days	639,806	444,836
91 - 120 days	405,211	275,022
121 - 365 days	1,143,343	245,620
> 365 days	3,000,369	4,037,333
	24,073,898	12,423,957

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
3. Consumer debtors (continued)		
Water		
Current (0 -30 days)	7,313,434	(11,396)
31 - 60 days	1,429,590	3,875,149
61 - 90 days	1,767,583	1,429,584
91 - 120 days	1,241,167	1,205,460
121 - 365 days	5,391,409	893,450
> 365 days	11,001,753	11,431,908
	28,144,936	18,824,155
Sewerage		
Current (0 -30 days)	996,380	(8,636)
31 - 60 days	369,414	797,517
61 - 90 days	325,695	185,804
91 - 120 days	292,457	136,160
121 - 365 days	2,391,053	4,984,824
> 365 days	4,027,653	110,621
	8,402,652	6,206,290
Refuse		
Current (0 -30 days)	895,461	(8,488)
31 - 60 days	341,123	796,940
61 - 90 days	302,242	248,538
91 - 120 days	297,043	214,294
121 - 365 days	2,366,895	160,081
> 365 days	4,824,874	5,768,497
	9,027,638	7,179,862
Housing rental		
Current (0 -30 days)	519,802	(60,346)
31 - 60 days	397,361	559,848
61 - 90 days	391,325	438,937
91 - 120 days	285,703	427,454
121 - 365 days	4,456,845	368,497
> 365 days	15,132,511	17,801,930
	21,183,547	19,536,320
Sundry		
Current (0 -30 days)	2,775,275	2,305,987
31 - 60 days	161,704	134,361
61 - 90 days	139,505	115,915
91 - 120 days	322,747	268,172
121 - 365 days	845,772	702,756
> 365 days	3,625,048	3,012,065
	7,870,051	6,539,256
Reconciliation of debt impairment provision		
Balance at beginning of the year	(34,455,674)	(41,722,513)
Contributions to provision	2,021,688	7,266,839
Debt impairment written off against provision	11,316,077	12,520,166
Reversal of provision	(11,316,077)	(12,520,166)
	(32,433,986)	(34,455,674)

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand

3. Consumer debtors (continued)

Fair value of Consumer Debtors: Government Debt Rates	Electricit	Refuse Removal	Sewerage	Water	Sundries	Total
Consumer debtors						
State Properties	33,551	3,451	-	316	-	37,318
State Property Annual	382,106	931	3,728	3,091	1,055	395,069
State Property Monthly	1,247	176,503	6,939	17,550	124,871	924,271
Property State Tenant	1,345	29,945	11,674	12,075	537,274	597,695
Schools	80,130	36,166	6,165	16,640	20,108	163,526
Educational Facilities	-	-	8,743	22,294	52,768	83,805

Consumer Debtors are billed monthly, latest end of month. No interest is charged on trade receivables until the 7th of the following month. Thereafter interest is charged at a rate determined by council on the outstanding balance. The municipality strictly enforces its approved Credit Control and Debt Collection Policy to ensure the recovery of Outstanding Consumer Debtors.

Deposits are required to be paid for all services accounts opened. There are no consumers who represent more than 5% of the total balance of Consumer Debtors.

The management of the municipality is of the opinion that the carrying value of Consumer Debtors approximate their fair values.

The fair value of Consumer Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and Consumer Debtors as well as the current payment ratio's of the municipality's Consumer Debtors.

In determining the recoverability of debtors, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Consumer Debtors has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

In determining the recoverability of a Consumer Debtor, the municipality considers any change in the credit quality of the Consumer Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
3. Consumer debtors (continued)		
The Comparative figures were restated, Refer to the Prior Period Error note 55		
4. Inventories		
Consumable stores	5,067,135	3,088,583
Water	86,014	86,668
	5,153,149	3,175,251

The Statement of Financial Performance include R121 481 (2010: R19 701) in respect of write-downs of inventory to net realisable value.

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost or net realisable value. The total carrying amount relating to inventories amount to R5 153 149. The amount of the inventory written down is R121 481 and is recognised as an expense and a reduction in the carrying value of inventories. The circumstances relating to the write down is as a result of fuel shortages, damaged stock and shortages on general stock items as reported and approved accordingly. No inventories were pledged as security for liabilities.

5. Trade and other receivables from exchange transactions

Insurance debtor	335,120	98,554
Capital debtors	4,184,780	4,184,781
Other	6,321,061	3,171,684
Sundry	622,931	413,106
	11,463,892	7,868,125

Capital debtors represent funding that Council is awaiting from external institutions for capital expenditure incurred and claimed, but not yet received at year-end.

The average credit period for Government Grants and Subsidies is dependent on the Government Department involved and the nature of the claim. No interest is charged on outstanding Government Grants and Subsidies. The subsidies are payable to the municipality resulting from allocations made in the DORA or based on agreements between the municipality and the relevant departments.

The average credit period for Other Debtors is 30 days. The municipality strictly enforces its approved credit control policy to ensure the recovery of Other Debtors.

No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate, charged by the municipality's banker, plus one percent per annum on the outstanding balance.

The management of the municipality is of the opinion that the carrying value of Other Debtors approximate their fair values.

The Comparative figures were restated, Refer to the Prior Period Error note 55

6. VAT receivable

South African Revenue Services	-	1,607,774
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The Comparative figures were restated, Refer to the Prior Period Error note 55

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011			Restated 2010		
7. Biological assets						
	2011			Restated 2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Trees in a plantation forest	15,787,529	-	15,787,529	13,529,438	-	13,529,438

Reconciliation of biological assets - 2011

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Total
Trees in a plantation forest	13,529,438	(1,823,483)	4,081,574	15,787,529

Reconciliation of biological assets - 2010

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Other changes, movements	Total
Trees in a plantation forest	18,345,630	(2,171,916)	(2,744,151)	99,875	13,529,438

Non - Financial information

Nature and Quantities of each biological asset	Opening Balance	Less: Decrease due to Harvest	Fair Value Decrease (-)/Increase for the year	Closing balance
Idasvalley Plantation	18,063	-	7,365	25,428
Botmanskop Plantation	3,859,625	-	672,427	4,532,052
Paradyskloof Plantation	6,355,450	-	4,196,518	10,551,968
Louwsbos Plantation	3,296,300	(1,823,483)	(794,737)	678,080
	13,529,438	(1,823,483)	4,081,573	15,787,528

The determination of fair value was as follow:

Principle:

Price determination: was done on the basis of current sale value of the tender for the current year i.e. R652/m3 excluding 14% VAT. This value was given to all trees, irrespective of age as it is difficult to determine a value for different aged trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m3/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. For example, compartment G17 in Paradyskloof Plantation is envisaged to produce a lower yield than anticipated due to the above factors. Refer to the Forestry Handbook p204.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
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7. Biological assets (continued)

Description of the Biological Assets

- | | |
|--|--|
| 1. Idas Valley Plantation (Block A, B, C, D) | Some compartments remain which can be harvested at a later stage due to the age of the trees. |
| 2. Botmanskop plantation (Block E) | Some compartments remain which can be harvested at a later stage due to the age of the trees |
| 3. Papegaaiberg (Block F) | Permanently excised. In process of applying for nature reserve status. |
| 4. Paradyskloof plantation (Block G) | Decision to harvest subject to the outcome of a court case with Paradyskloof Gof Estate development. |
| 5. Louwsbos (Block H) | Some compartments remain which can be harvested. |

Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

8. Investment property

	2011			Restated 2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	523,325,000	-	523,325,000	522,611,500	-	522,611,500

Reconciliation of investment property - 2011

	Opening balance	Fair Value Adjustments	Total
Investment property	522,611,500	713,500	523,325,000

Reconciliation of investment property - 2010

	Opening balance	Other changes, movements	Fair value adjustments	Total
Investment property	474,872,200	(15,102,000)	62,841,300	522,611,500

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
8. Investment property (continued)		
Method of Asset Valuation 2011		
1. The date of valuation was 30 June 2011		
2. Method:		
2.1 Each property has been identified and inspected and the revalued amount apportioned between land and buildings.		
2.2 Each of the three main methods (investment approach, direct comparison and cost) of valuing property has been adopted depending on the specific property.		
2.3 The following differing regions were identified, namely Franschhoek, Le Roux, Mooiwater, Pniel, Kylemore, Idasvalley, Stellenbosch town, Cloetesville, Kayamandi, Stellenbosch Farms and Paarl farms.		
3. Significant assumptions made was that where a property was considered to have developmental potential that planning consent will be forthcoming for a change of use and that there is no particularly restrictive conditions in the title deeds which adversely affect the value.		
A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Revaluation of all Investment Property was performed by an accredited registered valuator, David White.		
9. Long term receivables		
Loans and receivables		
Land sales	42,275	131,133
Officials: Car loans	-	144
Officials: Erven loans	63,434	69,238
Farmers: Water scheme	351,415	361,430
Housing selling scheme loans	2,133,081	2,308,550
Impairment - Land sales	(26,633)	(150,776)
Impairment - Officials: Car loans	-	(20,197)
Impairment - Officials: Erven loans	(39,963)	(46,786)
Impairment - Farmers: Water scheme	(221,391)	(266,142)
Impairment - Housing selling scheme loans	(1,343,841)	(1,575,240)
Transfer to Current Portion	(153,400)	(306,779)
	804,977	504,575
Non-current assets		
Loans and receivables	804,977	504,575
Current assets		
Loans and receivables	153,400	306,779
	958,377	811,354

Car Loans

Senior staff were entitled to car loans which attract interest at 8% per annum.

Sale of Erven

As from 01 January 2006 no loan agreements were entered into for the sale of erven. The outstanding loans will be recovered over the remaining period of the individual loan agreements entered into.

Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest at 7% per annum and are repayable over 10 years.

The Comparative figures were restated, Refer to the Prior Period Error note 50

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand

9. Long term receivables (continued)

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

Provision for impairment of Long Term Debtors has been made for all Long Term Debtor balances outstanding based on the payment ratio over 12 months.

10. Property, plant and equipment

	2011			Restated 2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	841,544,361	(8,882,062)	832,662,299	810,461,075	(544,905)	809,916,170
Infrastructure	2,044,796,408	(389,443,018)	1,655,353,390	1,983,913,433	(314,954,613)	1,668,958,820
Community	78,406,086	(4,554,488)	73,851,598	67,352,882	(2,142,030)	65,210,852
Other property, plant and equipment	145,619,034	(57,778,343)	87,840,691	105,085,236	(44,450,190)	60,635,046
Total	3,110,365,889	(460,657,911)	2,649,707,978	2,966,812,626	(362,091,738)	2,604,720,888

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Total
Land and buildings	809,916,170	-	-	490,000	30,593,286	(366,872)	(7,970,285)	832,662,299
Infrastructure	1,668,958,820	61,622,766	-	(739,790)	-	(74,488,406)	-	1,655,353,390
Community	65,210,852	11,053,203	-	-	-	(2,412,457)	-	73,851,598
Other property, plant and equipment	60,635,046	40,541,758	(7,045)	-	-	(13,329,068)	-	87,840,691
	2,604,720,888	113,217,727	(7,045)	(249,790)	30,593,286	(90,596,803)	(7,970,285)	2,649,707,978

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2010 Restated

	Opening balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation	Prior Period Error	Total
Land and buildings	660,987,947	-	-	13,802,000	124,579,200	1,300,000	(456,977)	9,704,000	809,916,170
Infrastructure	1,727,500,506	56,607,113	-	-	-	1,017,947	(116,166,746)	-	1,668,958,820
Community	4,075,231	61,510,659	-	-	-	16,284	(391,322)	-	65,210,852
Other property, plant and equipment	33,081,034	30,223,381	(202,212)	-	-	-	(2,467,157)	-	60,635,046
	2,425,644,718	148,341,153	(202,212)	13,802,000	124,579,200	2,334,231	(119,482,202)	9,704,000	2,604,720,888

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Method of Asset Valuation 2011

1. The date of valuation was 30 June 2011

2. Method:

2.1 Each property has been identified and inspected and the revalued amount apportioned between land and buildings.

2.2 Each of the three main methods (investment approach, direct comparison and cost) of valuing property has been adopted depending on the specific property.

2.3 The following differing regions were identified, namely Franschoek, Le Roux, Mooiwater, Pniel, Kylemore, Idasvalley, Stellenbosch town, Cloetesville, Kayamandi, Stellenbosch Farms and Paarl farms.

3. Significant assumptions made was that where a property was considered to have developmental potential that planning consent will be forthcoming for a change of use and that there is no particularly restrictive conditions in the title deeds which adversely affect the value.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
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10. Property, plant and equipment (continued)

4. Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets and after taking into account the residual value of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately

5. The residual value of an asset is reviewed annually and any changes are recognised as a change in accounting estimate in the Statements of Financial Performance. The residual value is only calculated on vehicles.

The Comparative figures were restated, Refer to the Prior Period Error note 55

11. Intangible assets

	2011			Restated 2010		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Housing Database	199,071	(6,654)	192,417	199,071	-	199,071

12. Consumer deposits

Rates	2,938,460	2,643,236
Electricity	6,048,585	5,190,970
Housing rental	387,675	377,403
	9,374,720	8,211,609

13. Employee benefit obligations

Post-retirement health care benefits liability

Non-current post-retirement health care benefits liability

Non-current post-retirement health care benefits liability	(131,602,659)	(105,861,695)
Current post-retirement health care benefits liability	(4,483,008)	(4,578,048)

Net liability	(136,085,667)	(110,439,743)
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Non-current liabilities	(131,602,659)	(105,861,695)
Current liabilities	(4,483,008)	(4,578,048)
	(136,085,667)	(110,439,743)

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
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13. Employee benefit obligations (continued)

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under IAS 19. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at June 30, 2011 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The transitional Defined Benefit Liabilities for Post-retirement Medical Aid Benefits have been recognised in the Annual Financial Statements of the municipality as at 30 June 2007 in terms of IAS 19, Employee Benefits, paragraph 155(b).

The municipality has elected to recognise the transitional liability as an expense on a straightline basis over 5 years from the date of adoption of which the transitional liability period ended on 30 June 2011.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

The members of the post-employment health care benefit plan are made up as follows:

In-service members (Employees)	533	537
Continuation members (Retirees, widow(ers) and orphans)	170	180
Total members	703	717

The liability in respect of past service has been estimated as follows:

In-service Members	59,737,048	49,430,516
Continuation Members	67,563,862	68,926,989
Total liability	127,300,910	118,357,505

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Keyhealth
- LA Health
- Prosano
- Samwumed

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
13. Employee benefit obligations (continued)		
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
i) Rates of Interest		
Discount Rate	8.64 %	9.22 %
Health Care Cost Inflation Rate	7.28 %	7.22 %
Net Effective Discount Rate	1.27 %	1.87 %
ii) Normal retirement age		
Expected Retirement Age - Females	60	60
Expected Retirement Age - Males	65	65
The PA 90-2 ultimate mortality table was used by the actuaries		
Pre-retirement: The SA85-90 ultimate table, adjusted for female lives, was used.	-	-
Movements in the present value of the Defined Benefit Obligation were as follows:		
Balance at the beginning of the year	(118,357,505)	(102,938,843)
Current service costs	(5,220,979)	(3,956,296)
Interest cost	(10,702,833)	(9,303,427)
Expected employer Benefits payments	4,578,048	4,118,820
Actuarial (losses) / gains unrecognised	2,402,359	(6,277,759)
Present Value of Fund Obligation at the end of the Year	(127,300,910)	(118,357,505)
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	(127,300,910)	(118,357,505)
The amounts recognised in the Statement of Financial Position are as follows:		
Unrecognised transitional liability	-	14,300,160
Unrecognised Actuarial Gains/ Losses	(8,784,757)	(6,382,398)
Total Benefit Liability	(136,085,667)	(110,439,743)
The amounts recognised in the Statement of Financial Performance are as follows:		
Current service cost	(5,220,979)	(3,956,296)
Interest cost	(10,702,833)	(9,303,427)
Transitional Liability recognised	(14,300,160)	(14,300,160)
Total Post-retirement Benefit included in Employee Related Costs	(30,223,972)	(27,559,883)
The history of experienced adjustments is as follows:		
Fair Value of Plan Assets		
2011	(136,085,667)	-
2010	(118,358,505)	(118,358,505)
2009	(102,939,800)	(102,939,800)
2008	(104,075,000)	(104,075,000)
2007	(96,326,000)	(96,326,000)
Deficit	(557,784,972)	(421,699,305)

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
13. Employee benefit obligations (continued)		
Mortality Rates		
Post retirement: PA 90-2 ultimate Mortality table was used.		
Post retirement: The SA85-90 ultimate table adjusted for female lives, was used.		
Continuation of Membership		
Its assumed that 40% of current eligible in-service non-members will be on medical aid scheme at retirement (should they not exit employment)		
Information for the three annual periods prior to the comparative year regarding the history of experienced adjustments was not available from the actuarial report obtained.		
The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:		
Increase:		
Effect on the aggregate of the current service cost and the interest cost	3,380,000	2,752,500
Effect on the defined benefit obligation	139,465,667	121,111,005
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	(2,629,500)	(2,137,400)
Effect on the defined benefit obligation	133,456,167	116,221,105
The municipality expects to make a contribution of R4 483 008 (2010: R4 578 048) to the Defined Benefit Plans during the next financial year.		
14. Operating lease		
Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following liabilities have been recognised:		
Balance at beginning of year	8,717	157,405
Operating lease expenses recorded	3,439,580	2,138,821
Operating lease payments effected	(3,302,648)	(2,130,104)
Prior Period Error	-	(157,405)
	145,649	8,717
Leasing Arrangements		
The Municipality as Lessee:		
Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.		
Amounts Payable under Operating Leases		
At the Reporting Date the municipality had outstanding commitments under Operating Leases for Property, Plant and Equipment, which fall due as follows:		
Buildings:		
Up to 1 year	3,325,400	319,047
2 to 5 years	372,136	716,707
	3,697,536	1,035,754
Vehicles and Other Equipment		
Up to 1 year	446,273	-
2 to 5 years	455,005	-
	901,278	-

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
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14. Operating lease (continued)

The following payments have been recognised as an expense in the Statement of Financial Performance:

Total Operating Lease Expenses

Minimum lease payments	3,302,649	2,130,104
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The municipality has operating lease agreements for the following classes of assets:

Buildings	3,697,537	1,035,754
Vehicles and other Equipment	901,277	-
	4,598,814	1,035,754

No restrictions have been imposed on the municipality in terms of the operating lease agreements.

The Comparative figures were restated, Refer to the Prior Period Error note 55

15. Other financial liabilities

At fair value

Loans from DBSA	41,541,909	39,800,799
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Loans are repaid over periods varying from 2 to 15 (2010: 2 to 15) years and at interest rates varying from 9.25 % to 11.55 % (2010: 9.25 % to 11.55%) per annum.

Refer to Appendix "A" for more detail on Long-term Liabilities.

The Comparative figures were restated, Refer to the Prior Period Error note 55

Non-current liabilities

Fair value	37,758,914	35,199,023
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Current liabilities

Fair value	3,782,995	4,601,776
	41,541,909	39,800,799

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand			2011	Restated 2010	
16. Provisions					
Reconciliation of provisions - 2011					
	Opening Balance	Additions	Utilised during the year	Transfer to Current Liabilities	Total
Rehabilitation of Land - fill Sites	31,915,832	1,595,791	-	-	33,511,623
Cape Joint Pension and SALA	-	-	-	(5,104,718)	5,104,718
Long Service Awards	14,802,253	4,637,742	(1,971,551)	(1,049,390)	17,468,444
Constructive obligations	269,701	-	(269,701)	(264,685)	264,685
Clearing of Alien Vegetation	769,769	567,750	(770,930)	(566,689)	566,689
	47,757,555	6,801,283	(3,012,182)	(6,985,482)	56,916,159
Non-current liabilities				49,930,677	45,437,461
Current liabilities				6,985,482	2,320,094
				56,916,159	47,757,555

Clearing of Alien Vegetation

The provision for Clearing of Alien Vegetation relates to the estimated cost for the clearing of alien vegetation from the areas under the jurisdiction of the municipality.

Rehabilitation of Land-fill Sites

In terms of the licencing of the landfill refuse sites, the municipality will incur licencing and rehabilitation costs of R33,511,623 (2010: R31,915,832) to restore the site at the end of its useful life, estimated to be in 2012. Provision has been made for the net present value of this cost, using the the average cost of borrowing interest rate.

Constructive obligations

Constructive obligations related to Grants in Aid: Rental exist due to expectations created on the part of other parties that the municipality will discharge certain responsibilities.

Long Service Awards

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. Furthermore a Retirement Gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations was carried out at 30 June 2011 by Mr C. Weiss, Fellow of the Actuarial Society of South Africa. The present value of the obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The Comparative figures were restated, Refer to the Prior Period Error note 55

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	7.97 %	9.11 %
Cost Inflation Rate	6.31 %	6.44 %
Net Effective Discount Rate	1.56 %	2.51 %

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
16. Provisions (continued)		
Movements in the present value of the provision for Long Service Awards were as follows:		
Balance at the beginning of the year	14,802,253	12,746,956
Current service costs	1,761,588	1,612,342
Interest cost	1,314,073	1,141,288
Benefits paid	(780,892)	(731,489)
Actuarial loss/(gain)	371,422	33,156
Present value of fund obligation at the end of the year and total recognised benefit liability	17,468,444	14,802,253
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	17,468,444	14,802,253
The amounts recognised in the Statement of Financial Performance are as follows:		
Current service costs	1,761,588	1,612,342
Interest cost	1,314,073	1,141,288
Benefits paid	(780,892)	(731,489)
Actuarial loss/(gain)	371,422	33,156
Total expense included in Employee Related Costs	2,666,191	2,055,297
The effect of a 1% movement in the assumed general salary rate is as follows:		
17. Trade and other payables from exchange transactions		
Trade payables	4,342,879	1,112,395
Payments received in advance	9,371,589	7,923,270
Retention	9,981,872	4,181,284
Bonus Accrual	6,498,221	6,151,993
Salary Control	4,587,315	7,157,509
Leave Gratuity	12,376,349	10,954,699
Other Creditors	16,779,029	20,853,473
Sundry Deposits	632,394	499,544
Impounded Vehicles	-	61,725
Accruals at Year End	31,046,868	27,434,935
	95,616,516	86,330,827

The Comparative figures were restated, Refer to the Prior Period Error note 55

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
18. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
National Government Grants	8,377,450	16,816,416
Provincial Government Grants	22,145,168	13,993,150
Other Sources	2,523,378	5,335,876
Developers Contribution - Sewerage	2,542,473	2,976,273
Developers Contribution - Roads	2,950,161	3,503,881
Developers Contribution - Electricity	4,768,840	1,172,107
Developers Contribution - Water	3,737,470	2,609,705
Developers Contribution - Open Areas	165,928	165,928
Developers Contribution - Parking	1,440,348	1,440,348
Developers Contribution - General	117,753	117,753
Developers Contribution - La Clemence	2,297,588	2,108,337
Fransdevco: Development Rights	3,347,553	3,347,553
Franschhoek: Low Cost Housing (Phase 2)	301,300	301,300
LGWSETA Training	1,220,427	885,403
Financial Management Grant	37,285	50,588
Cemetery Donation	2,200	2,200
Marais Park Bequest	20,000	20,000
Don & Pat Bilton Clinic	231,084	211,441
Franschhoek Belgium Development	7,100	7,100
Dilbeeck	55,925	141,251
Growth Management Strategy	-	41,749
Western Cape Water Quality	304,517	304,517
Leuven Study Grant	13,256	13,256
Library Services Support Grant	174,590	157,489
Housing Consumer Education	68,010	85,161
CDW Support Grant	47,241	114,145
Municipal Systems Improvement Grant	26,352	31,008
Equitable share	-	2,512,006
ID Campaign	-	140,005
Festival of Light	5,831	4,200
Cleanest Town	40,000	-
Top Structure	127,113	-
	57,096,341	58,610,146

Movement of Capital Grants during the year

Balance at the beginning of the year	58,441,983	70,241,798
Income	38,766,495	39,404,730
Capital Expenditure	(36,770,746)	(51,204,545)
	60,437,732	58,441,983

The receipt and spending of Government Grants are monitored by National and Provincial Government and reports in this regard are submitted quarterly. See also Note 23 for Grants received from National/Provincial Government. These amounts are invested in a ring-fenced investment until utilized. Refer to Appendix "F" for more detail on Conditional Grants.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand

19. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2011

	Capital replacement reserve	Capitalisation reserve	Government grant reserve	Donations and public contributions	Insurance reserve	Total
Opening balance	112,471,747	475,252,370	103,678,687	80,253,616	8,822,012	780,478,432
Offsetting of depreciation	-	(4,292,752)	(4,064,357)	(4,310,959)	-	(12,668,068)
Transfer to capital replacement reserve	51,864,304	-	-	-	-	51,864,304
Property, plant and equipment purchases	(51,570,806)	-	28,634,718	8,006,105	-	(14,929,983)
Contribution to insurance reserve	-	-	-	-	1,063,480	1,063,480
Asset disposal	-	7,045	-	-	-	7,045
Impairment of assets	-	(8,541,794)	-	-	-	(8,541,794)
	112,765,245	462,424,869	128,249,048	83,948,762	9,885,492	797,273,416

Ring-fenced internal funds and reserves within accumulated surplus - 2010 Restated

	Capital replacement reserve	Capitalisation reserve	Government grant reserve	Donations and public contributions	Insurance reserve	Total
Opening balance	129,238,804	479,379,366	66,244,171	72,210,750	7,727,742	754,800,833
Offsetting of depreciation	-	(4,386,821)	(1,934,753)	(2,924,892)	-	(9,246,466)
Transfer to capital replacement reserve	67,657,900	-	-	-	-	67,657,900
Property, plant and equipment purchases	(86,068,157)	-	40,181,023	11,167,467	-	(34,719,667)
Contribution to insurance reserve	-	-	-	-	1,094,270	1,094,270
Prior period error	-	9,704,000	-	-	-	9,704,000
Residual values	-	57,707	-	25,919	-	83,626
Income earned	1,643,200	-	-	-	-	1,643,200
Revaluation Reversal	-	(9,501,882)	(811,754)	(225,628)	-	(10,539,264)
	112,471,747	475,252,370	103,678,687	80,253,616	8,822,012	780,478,432

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand

19. Accumulated surplus (continued) Total Accumulated Surplus

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The **Capitalisation Reserve** equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation Reserve ensures consumer equity and is not backed by cash.

The **Donations and Public Contributions Reserve** equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Donations and Public Contributions Reserve ensures consumer equity and is not backed by cash.

The **Government Grants Reserve** equals the carrying value of the items of property, plant and equipment financed from government grants. The Government Grants Reserve ensures consumer equity and is not backed by cash.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

The Comparative figures were restated, Refer to the Prior Period Error note 55

20. Housing development fund

Opening Balance	8,673,735	6,898,299
Transfer to/from Housing Development Fund	(6,200,014)	1,775,436
	2,473,721	8,673,735

The Housing Development Fund is represented by the following

Assets and Liabilities:

Instalment Sales Debtors	2,133,081	2,308,550
Consumer Debtors	19,041,119	13,023,401
Provision for Bad Debts	(16,219,979)	(7,883,318)
Cash and Cash Equivalents	(2,480,499)	1,225,102
Total Housing Development Fund Assets and Liabilities	2,473,722	8,673,735

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
21. Revaluation reserve		
Opening balance	809,655,611	674,721,222
Change during the year	(60,910,751)	10,355,189
Increase in Revaluation of Land and Buildings	91,504,037	124,579,200
	840,248,897	809,655,611
Revaluation surplus relating to property, plant and equipment		
Revaluation surplus beginning of period	809,655,611	674,721,222
Movements in the reserve for the year	30,593,286	134,934,389
	840,248,897	809,655,611

The Revaluation Reserve arises on the revaluation of Land and Buildings. Where revalued Land or Buildings are sold, the portion of the Revaluation Reserve that relates to that asset, and is effectively realised, is transferred directly to the Accumulated Surplus.

Distributions from the Revaluation Reserve can be made where they are in accordance with the requirements of the Municipality's Accounting Policy and relevant case law. The payment of cash distributions out of the reserve is restricted by the terms of the Municipality's Accounting Policy. These restrictions do not apply to any amounts transferred to Accumulated Surplus. The Council does not currently intend to make any distribution from the Revaluation Reserve.

22. Property rates

Rates received

Residential	106,424,906	102,785,692
Commercial	88,170,156	85,203,927
Small holdings and farms	10,473,230	11,956,555
Less: Income forgone	(21,776,879)	(20,752,517)
	183,291,413	179,193,657
Property rates - penalties imposed and collection charges	2,372,716	2,132,469
	185,664,129	181,326,126

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The last valuation came into effect on 1 July 2009. Three interim valuations were performed during the financial year and implemented accordingly.

An average general rate for 2011 is R 0.009541 (2010: R 0.009541) is applied to property valuations to determine assessment rates.

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 30 September. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
23. Government grants and subsidies		
CDW Support	191,904	116,136
Equitable share	36,783,660	25,255,167
Financial Management Grant	1,013,303	918,710
Donated Assets	157,238	-
Grants - Capital Projects	36,483,584	51,204,545
Growth Management Strategy	41,749	374,860
Housing Consumers Education	-	5,700
LGWSETA Training	258,166	761,453
Library Services Support	953,899	692,370
Magazine Subsidy	1,906	2,135
Municipal Systems Improvement Grant	679,656	425,704
Other Grants & Subsidies Operating	278,181	1,611,739
Provincial Government PHP Top Structures	19,944,931	13,553,790
	96,788,177	94,922,309

Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents received a monthly subsidy of R182.81, which was funded from this grant. Bulk services are also provided free of charge to informal settlements.

Financial Management Grant

The Municipality received Financial Management Grants for the implementation of National Treasury's Local Government Financial Reform Project. The largest portion of these funds is used for the implementation of GAMAP/GRAP.

LGWSETA Training

According to the Skills Development Act and the Skills Development Levies Act, an organisation can claim back some of the levies paid to be used on training of its employees.

National and Provincial Government - Capital Projects

Both National and Provincial Government fund a large portion of the Municipality's annual capital expenditure. The funds received for these purposes are from the National Housing Board, Municipal Infrastructure Grant, Department of Mineral and Energy and Department of Transport.

See Appendix F for a reconciliation of grants received and expensed.

24. Investment revenue

Interest revenue

Bank	19,756,636	19,752,254
Interest Earned - Outstanding Debtors	4,071,819	4,225,531
	23,828,455	23,977,785

The Comparative figures were restated, Refer to the Prior Period Error note 55

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
25. Other income		
Building Plan Fees	3,477,041	2,405,435
Contributions from Reserves and Operational Grants	845,530	793,531
Sundry	10,890,911	8,395,028
	15,213,482	11,593,994

The amounts disclosed above for Other Income are in respect of services, other than described in Notes 26 to 27, rendered which are billed to or paid for by the users as the services are required according to approved tariffs or offers received in terms of supply chain procedures, i.e. wood sales. Inter-departmental recoveries are received from other trading and economic services.

The Comparative figures were restated, Refer to the Prior Period Error note 55

26. Rental of facilities and equipment

Premises		
Rental Revenue from other facilities	8,782,861	8,177,487
Rental Revenue from Building	17,363	15,576
	8,800,224	8,193,063
Facilities and equipment		
Rental Revenue from Land	2,396,755	1,787,409
Rental of equipment	398,047	-
	2,794,802	1,787,409
	11,595,026	9,980,472

The Comparative figures were restated, Refer to the Prior Period Error note 55

27. Service charges

Sale of electricity	302,889,831	237,390,554
Sale of water	82,233,026	70,172,044
Sewerage and sanitation charges	42,709,377	42,223,447
Refuse removal	26,949,127	25,240,304
Other service charges	79,512	43,962
	454,860,873	375,070,311

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

28. Bulk purchases

Electricity	161,022,630	126,685,074
Water	12,648,355	11,187,882
	173,670,985	137,872,956

Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom whilst water is purchased from City of Cape Town and Department of Water and Forestry.

29. Depreciation and amortisation

Property, plant and equipment	90,603,459	119,482,204
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Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
30. Debt impairment		
Capital Debtors	-	180,765
Electricity	299,343	990,491
Refuse	866,460	1,418,453
Sewerage	734,396	1,186,326
Water	3,546,496	3,201,134
Rates	813,257	1,264,364
Housing Rental	5,007,617	3,219,785
Sundries	48,508	1,239,611
	11,316,077	12,700,929
31. Employee related costs		
Basic	143,007,757	136,746,866
Pension Fund Contribution	24,868,713	21,142,997
Bonus	10,455,212	9,618,515
Medical aid - company contributions	10,134,808	9,168,554
UIF	1,270,781	558,707
Cashiers Allowances	7,477	2,285
Sundry Allowances	1,403,205	1,232,545
Cellphone Allowances	519,680	478,877
Severance Packages	1,670,298	3,231,094
Travel Claims	246,746	251,109
Overtime payments	8,367,097	6,723,977
Uniforms	397,102	370,237
Group Insurance	2,629,039	2,404,674
Car allowance	7,136,984	6,650,514
Housing benefits and allowances	1,355,813	1,967,328
Stanby Allowances	1,974,774	1,734,879
Night Shift Allowance	962,178	686,065
Less: Employee costs included in other expenses	(1,747,325)	(4,935,360)
Long-term benefits - incentive scheme	-	1,832,584
Bargaining Council	57,360	54,649
	214,717,699	199,921,096
Remuneration of Municipal Manager		
Annual Remuneration	1,096,786	426,470
Car Allowance	800	53,000
Contributions to UIF, Medical and Pension Funds	225,604	79,870
Housing Allowance	-	66,410
Leave	-	54,222
Severance Package	-	494,375
	1,323,190	1,174,347
Acting Allowance paid to Acting Municipal Manager	-	211,495

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
31. Employee related costs (continued)		
Remuneration of Chief Finance Officer		
Annual Remuneration	834,617	650,522
Car Allowance	90,000	90,000
Contributions to UIF, Medical and Pension Funds	172,977	125,088
Housing Allowance	18,000	72,000
Leave	-	68,208
Telephone Allowance	5,940	5,940
Other	-	415
	1,121,534	1,012,173
Remuneration of Director Public Safety		
Annual Remuneration	522,367	405,502
Car Allowance	56,112	68,419
Contributions to UIF, Medical and Pension Funds	113,536	108,583
Housing Allowance	-	83,253
Leave	-	63,573
Telephone Allowance	9,000	-
Other	-	11,200
	701,015	740,530
Acting Allowances paid to Acting Director Community Services	-	65,490
Remuneration of the Director Community Services		
Annual Remuneration	726,071	601,822
Car Allowance	54,851	54,000
Contributions to UIF, Medical and Pension Funds	178,329	143,945
	959,251	799,767
Remuneration of the Director Strategic and Corporate Services		
Annual Remuneration	481,099	250,417
Car Allowance	95,586	50,323
Contributions to UIF, Medical and Pension Funds	127,894	57,547
Housing Allowances	-	54,101
Leave	-	28,393
Telephone Allowances	7,025	-
	711,604	440,781
Acting Allowances paid to the Acting Director(s) Corporate Services	-	291,068

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
31. Employee related costs (continued)		
Remuneration of the Director Engineering Services		
Annual Remuneration	735,059	746,082
Car Allowance	48,000	44,141
Contributions to UIF, Medical and Pension Funds	151,379	16,588
Leave	-	53,792
Telephone Allowances	9,000	-
	943,438	860,603
Acting Allowances paid to Acting Director(s) Engineering Services	-	200,104
Remuneration of the Director Planning and Development Services		
Annual Remuneration	930,754	524,712
Car Allowance	-	89,268
Contributions to UIF, Medical and Pension Funds	10,945	137,890
Leave	-	77,919
Telephone Allowances	9,000	-
	950,699	829,789
Acting Allowances paid to Acting Director(s) Planning and Development	-	90,966

The Comparative figures were restated, Refer to the Prior Period Error note 55

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
32. General expenses		
3 G Fixed cost	71,749	65,252
Accounting fees external	2,925,277	2,883,585
Advertising	763,642	873,042
Agency Services	11,913,800	11,301,428
Ammunition	18,316	19,755
Assessment rates & municipal charges	29,600	34,800
Bank charges	3,030,341	2,664,534
Busaries	318,108	305,459
Cellphone Cost	455,868	538,403
Claims: Global	3,089,015	4,363,084
Corporate Expenses	322,765	487,569
Electricity consumption expenses	17,606,904	13,256,979
Entertainment	183,773	111,723
Free Basic services	9,993,737	10,908,432
Fuel and oil	6,973,113	6,466,067
Fumegating of Buildings	58,425	45,258
Hosting of Events	370,491	867,411
Insurance	2,722,944	2,528,004
Interest Allocated	29,110	236,263
Internal Audit Fees	1,662,595	1,627,920
Internal Investigations	194,891	-
Investment Administration	888,234	700,951
Legal cost	8,329,026	10,216,750
Licenses Fees	1,298,332	1,921,975
Actaurial loss	371,422	33,156
Magazines, books and periodicals	1,222,857	1,220,120
Office Refreshments	460,807	456,550
Other expenses	32,715,743	26,545,198
Outdated Stock	86,391	76,130
Pauper Burials	22,400	17,000
Postage and courier	1,183,052	847,472
Printing and stationery	2,314,788	2,352,198
Property only	1,397,665	4,278,637
Protective clothing	1,290,721	1,253,147
Radio Operational cost	641,764	1,011,812
Recoverable Cost	1,418,702	1,495,889
Recruiting & Selecting	74,237	49,960
Registration fees	154,669	193,813
Security	2,878,598	2,003,599
Souvenirs	20,382	28,292
Staff wellness	1,141,214	1,194,488
Stores & Material	1,905,073	2,399,934
Sundry	59,153	15,366
Telephone Cost	3,820,626	5,088,451
Training	2,960,299	3,389,587
Transfer & Survey Cost	60,277	46,955
Ward Expenses	5,885,780	6,031,446
Workmans Compensation	1,441,027	1,483,977
Workshops, Functions & Capacity	337,694	515,311
General Expenses	137,115,397	150,703,708
Administration Costs	(1,186,186)	(1,123,841)
	135,929,211	133,329,291

The Comparative figures were restated, Refer to the Prior Period Error note 55

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
33. Remuneration of Councillors		
Executive Mayor	544,067	593,375
Councillors	9,137,107	8,744,882
	9,681,174	9,338,257

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

Executive Mayor	602,054	594,837
Deputy Mayor	47,998	448,424
Speaker	486,258	479,241
Mayoral Committee	3,227,894	2,736,767
Councillors	3,282,131	3,160,006
Medical Aid Contributions	90,758	67,319
Pension fund contributions	372,189	407,795
Travelling Allowances	1,258,876	1,152,137
Telephone Allowances	313,016	291,731
	9,681,174	9,338,257

34. Cash generated from operations

Surplus	82,806,098	83,331,554
Adjustments for:		
Depreciation and amortisation	90,603,459	119,482,204
Gain on sale of assets and liabilities	3,317	93,614
Inventories: (Write-down) / reversal of write-down	121,481	19,701
Fair value adjustments	(4,795,074)	(60,197,024)
Impairment deficit	7,970,285	-
Debt impairment	11,316,077	12,700,929
Movements in operating lease assets and accruals	136,932	(138,946)
Movements in retirement benefit assets and liabilities	25,645,924	23,440,943
Movements in provisions	9,158,604	10,647,047
Proir year adjustments	(13,430,585)	(12,033,527)
Adjustments between revaluation and fair value adjustment	(3,644,749)	-
Adjustments on PPE	(1,453,925)	-
Changes in working capital:		
Inventories	(1,977,898)	1,465,204
Trade and other receivables from exchange transactions	(3,595,767)	5,294,252
Consumer debtors	(19,548,305)	(29,291,198)
Trade and other payables from exchange transactions	9,304,899	9,790,732
VAT	1,915,073	4,457,605
Unspent conditional grants and receipts	(1,513,805)	(19,001,255)
Contribution to provision	-	19,342,105
	189,022,041	169,403,940

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand 2011 Restated
2010

35. Financial assets by category

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows:

2011

	Loans and receivables	Held to maturity investments	Available-for- sale	Total
Long-term Receivables	-	-	-	-
Sale of Erven	12,682	-	-	12,682
Officials: Erven loans	57,281	-	-	57,281
Farmers: Water scheme	340,398	-	-	340,398
Housing Selling Scheme Loans	2,026,443	-	-	2,026,443
Consumer Debtors	86,325,448	-	-	86,325,448
Assessment Rates	23,825,439	-	-	23,825,439
Electricity	11,206,115	-	-	11,206,115
Water	17,611,758	-	-	17,611,758
Sewerage	5,557,980	-	-	5,557,980
Refuse	5,997,270	-	-	5,997,270
Housing rental	22,126,886	-	-	22,126,886
Other Debtors	-	-	-	-
Sundry	369,322	-	-	369,322
Closing of financial year	18,180,282	-	-	18,180,282
Other Debtors	874,502	-	-	874,502
Capital Debtors	24,457,528	-	-	24,457,528
Bank, Cash and Cash Equivalents	-	-	-	-
Call Deposits	-	301,226,693	-	301,226,693
Bank balances and cash	-	-	14,743,358	14,743,358
Current Portion of Long-term Receivables	-	-	-	-
Sale of Erven	29,592	-	-	29,592
Officials: Erven loans	6,153	-	-	6,153
Farmers: Water Scheme	11,017	-	-	11,017
Housing Selling Scheme	106,638	-	-	106,638
	219,122,734	301,226,693	14,743,358	535,092,785

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010		
35. Financial assets by category (continued)				
2010				
	Loans and receivables	Held to maturity investments	Available-for- sale	Total
Loan-term Receivables	-	-	-	-
Sale of Erven	20,911	-	-	20,911
Farmers: Water Scheme	361,430	-	-	361,430
Officials: Erven Loans	63,439	-	-	63,439
Housing Selling Scheme Loans	2,120,328	-	-	2,120,328
Consumer Debtors	-	-	-	-
Assessment Rates	29,645,692	-	-	29,645,692
Electricity	9,982,905	-	-	9,982,905
Refuse	4,335,283	-	-	4,335,283
Sewerage	4,008,368	-	-	4,008,368
Water	11,224,814	-	-	11,224,814
Housing	11,429,573	-	-	11,429,573
Other Debtors	-	-	-	-
Sundry	413,106	-	-	413,106
Closing of financial year	11,389,889	-	-	11,389,889
Other Debtors	98,554	-	-	98,554
Capital Debtors	4,184,781	-	-	4,184,781
Bank, Cash and Cash Equivalents	-	-	-	-
Call Deposits	-	224,972,595	-	224,972,595
Bank balances and cash	-	-	15,306,694	15,306,694
Current Portion of Long-term Receivables	-	-	-	-
Official Car Loans	2,536	-	-	2,536
Sale of Erven	110,222	-	-	110,222
Officials: Erven Loans	5,799	-	-	5,799
Housing Selling Scheme Loans	188,222	-	-	188,222
	89,585,852	224,972,595	15,306,694	329,865,141

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
36. Financial liabilities by category		
In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows:		
2011		
	Financial liabilities at amortised cost	Total
Long-term Liabilities		
Annuity Loans	58,031,661	58,031,661
Consumer Deposits Electricity and Water	9,374,720	9,374,720
Creditors		
Trade Creditors	1,152,441	1,152,441
Payments received in advance	12,562,038	12,562,038
Sundry Deposits	632,394	632,394
Other Creditors	3,386,610	3,386,610
Leave Gratuity	11,642,850	11,642,850
Retentions	9,565,995	9,565,995
Salary Control	4,802,913	4,802,913
Unspent Conditional Grants and Receipts		
National Government Grants	8,377,450	8,377,450
Provincial Government Grants	22,145,168	22,145,168
Other Sources	2,523,378	2,523,378
Developers Contributions	27,391,737	27,391,737
Operating Lease Liabilities		
Operating Lease Liabilities/ Payable	145,649	145,649
Current Portion of Long-term Liabilities		
Annuity Loans	3,782,995	3,782,995
	175,517,999	175,517,999

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
36. Financial liabilities by category (continued)		
2010 - Restated		
	Financial liabilities at amortised cost	Total
Long-term Liabilities		
Annuity Loans	35,199,023	35,199,023
Consumer Deposits Electricity and Water	8,211,609	8,211,609
Housing	377,403	377,403
Creditors		
Trade Creditors	1,112,395	1,112,395
Payments received in advance	7,923,270	7,923,270
Sundry Deposits	499,544	499,544
Other Creditors	11,373,750	11,373,750
Leave Gratuity	10,954,699	10,954,699
Retentions	4,181,284	4,181,284
Salary Control	7,157,509	7,157,509
Unspent Conditional Grants and Receipts		
National Government Grants	16,816,416	16,816,416
Provincial Government Grants	13,993,150	13,993,150
Other Sources	5,335,876	5,335,876
Developers Contributions	22,512,288	22,512,288
Operating Lease Liabilities / Payable	8,717	8,717
Current Portion of Long-term Liabilities		
Annuity Loans	4,601,776	4,601,776
	150,258,709	150,258,709

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

37. Risk management

Capital risk management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2008.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 15, Bank, Cash and Cash Equivalents and Equity in Note 2, comprising Funds, Reserves and Accumulated Surplus as disclosed in the Statement of Changes in Net Assets.

Financial risk management objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

37. Risk management (continued)

Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

37. Risk management (continued)

Credit risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, except for Sasol who has large investments in the municipal area and does not pose any risk. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

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

Consumer Debtors	87,957,276	70,626,635
Other Debtors	43,852,234	16,061,126
Bank, Cash and Cash Equivalents	313,423,120	240,380,916
	445,232,630	327,068,677

Foreign currency risk management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

The municipality reviews its foreign currency exposure, including commitments on an ongoing basis. The municipality expects its foreign exchange contracts to hedge foreign exchange exposure.

Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

38. VAT payable

Tax refunds payables	307,295	-
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Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
39. Public contributions and donations		
Developers Contribution - Sewerage	2,542,473	2,976,273
Developers Contribution - Roads	2,950,161	3,503,881
Developers Contribution - Electricity	4,768,840	1,172,107
Developers Contribution - Water	3,737,470	2,609,705
Developers Contribution - Open Areas	165,928	165,928
Developers Contribution - Parking	1,440,348	1,440,348
Developers Contribution - General	117,753	117,753
Developers Contribution - La Clemence	2,297,588	2,108,337
Franschhoek: Low Cost Housing	301,300	301,300
Frantevco Development	3,347,553	3,347,553
	21,669,414	17,743,185
Reconciliation of conditional public contributions and donations		
Balance unspent at beginning of year	17,743,185	15,723,948
Current year receipts	9,518,724	13,522,311
Conditions met - transferred to revenue: Capital Expenses	(4,423,530)	(6,949,717)
Other transfers	(1,168,965)	(4,553,357)
	21,669,414	17,743,185
The Comparative figures were restated, Refer to the Prior Period Error note 55		
40. Contribution to/from provision		
Contribution to/from provisions	35,237,052	37,448,487
The Comparative figures were restated, Refer to the Prior Period Error note 55		
41. Fair value adjustments		
Investment property (Fair value model)	713,500	62,841,300
Biological assets - (Fair value model)	4,081,574	(2,644,276)
	4,795,074	60,197,024
42. Contracted services		
Operating Leases: Buildings and Equipment	8,164,511	6,558,462
The Comparative figures were restated, Refer to the Prior Period Error note 55		
43. Grants and subsidies paid		
Other subsidies		
Marketing	185,447	852,659
Festivals	379,420	14,409
	564,867	867,068

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
44. Commitments		
Authorised capital expenditure		
Approved and Contracted for:		
• Infrastructure	19,649,585	17,894,501
• Other financial assets	-	2,312,296
	19,649,585	20,206,797
Approved but Not Yet Contracted for:		
• Infrastructure	122,252,588	141,406,499
• Community	39,551,067	42,534,000
• Other	17,612,800	11,416,704
•	179,416,455	195,357,203
	199,066,040	215,564,000
This expenditure will be financed from:		
External Loans	47,047,780	94,700,000
Capital Replacement Reserve	94,470,400	54,841,000
Government Grants	49,955,167	59,105,000
Public Contributions	7,592,693	6,918,000
	199,066,040	215,564,000

Finance Lease Liabilities and Non-cancellable Operating Lease Commitments are disclosed above.

Other Commitments

The municipality has entered into a co-sourcing agreement with PricewaterhouseCoopers Inc. for the provision of internal audit services for 3 years, which gives rise to an annual charge of approximately R 2 700 378.28

45. Contingencies

The previous mayor, Mr Patrick Swartz obtained legal opinion/s from Herold Gie Attorneys and Nongogo Nuku Incorporated without following the prescribed supply chain management procedures. An amount of R100 000 represents legal costs and disbursements.

Mr Abdullhi's stall at the Stellmark centre was raided on or about 13 May 2011 by the South African Police Services during which goods were confiscated from him. This is an application for interdictory relief against the Municipality and reviewing the decision of the Municipality not to grant him a trading permit. An amount of R80 000 represents legal costs and disbursements

An application from Cinmark (Pty) Ltd was served on the Municipality on or about 31 May 2010 in terms of which the Registrar of Deeds, Cape Town is ordered to remove the caveat on Erf 15730 Stellenbosch. Transactions concerning the property are in contravention with the title deed conditions. A cost of R650 000 represents legal costs and disbursements.

Blue Stars Netbalklub made an application to the High Court for a declaratory order; that the Special Meeting of the Klapmuts Sport Forum held on 27 May 2009 at Lanner's Lading, Klapmuts was properly held and that the new management of the Klapmuts Sport Forum was properly elected. A cost of R350 000 represents legal costs and disbursements.

Shelfline 104 Pty (Ltd) submitted an application against the municipality disputing the tariff applicable on developers liable for payment of bulk infrastructure contribution levies. An appeal was lodged with the Supreme Court of Appeals. This cost of R500 000 represents legal costs and disbursements.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

45. Contingencies (continued)

This matter involves a counter application on behalf of the municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. This matter does not involve any amounts claimed

This is an application for an interdictory and declaratory relief against the Municipality and the Cape Winelands District Municipality for alleged non-compliance with statutory and constitutional obligations in respect of its duty to progressively realise the rights of access to adequate housing in particular to persons that are evicted and left without any alternative accommodation. A cost of R250 000 represents legal costs and disbursements.

Cape Nature is taking the municipality to court for a fire in the District Municipal Area. Although the fire started within the municipal area, the necessary safety precautions were in place and the District Municipality was the responsible legal authority to extinguish the fire. An amount of R800 000 represents legal costs with a possible claim of R10,706,557.

This matter involves a review by ATC (Pty) Ltd against the Municipality and Consolidated Power Projects (Pty) Ltd for the review and setting aside of a decision by the Municipality to award a tender to Consolidated Power Projects (Pty) Ltd. A cost of R300 000 represents legal costs and disbursements.

This is a claim for the reviewing and setting aside of a decision of the Municipality to approve the building plans of Oldenburg Vineyards (Pty) Ltd. The parties are attempting to settle the matter. A cost of R250 000 represents legal costs and disbursements.

This is an application by the Municipality for the rectification of errors that occurred in the registration of various erven in Kayamandi. These errors were inter alia due to the amendments of the general plans of Kayamandi not being taken into account in respect of subsequent transfers resulting in incorrect property descriptions and extents, the municipality holding title of certain properties together with third parties as well as incorrect properties being transferred to third parties. A cost of R200 000 represents legal costs and disbursements.

A neighbouring farm alleged pollution and other forms of degradation as a result of activities at the squatter camp. They requested the court to issue an order directing the municipality to clean up and add additional facilities like toilets. This matter was settled and it was agreed that the municipality would pay 50% of costs incurred. A cost of R200 000 represents legal costs and disbursements.

Mrs Baadjies obtained an Ex Parte Court Order ordering the Municipality to immediately re-erect her wendy house at the graveyard, Jamestown. The Municipality is in the process of obtaining an eviction order against Mrs Baadjies and the other illegal occupiers. A cost of R58 284.19 represents legal costs and disbursements.

Mr Mfeketo referred a dispute to the SALGBC and Fairbridges was appointed to assist the Municipal Manager in this regard. A cost of R45 266.28 represents legal costs and disbursements.

Members of the public are occupying staff quarters and public rental units illegally and refuse to vacate same notwithstanding notices to that effect. In light of the aforesaid the Municipality is not generating any rental income from the units and is not in a position to provide staff accommodation to current and new staff of the Municipality. The Municipality cannot tolerate the current position and instituted eviction proceedings against the illegal occupiers. A cost of R50 000 represents legal costs and disbursements.

Three former contract employees of the municipality instituted legal proceedings of unfair termination.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

46. Related parties

Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in a note to the Annual Financial Statements.

Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 30 and 32 respectively, to the Annual Financial Statements.

Awards to close family members of persons in the service of the state:

Vela VKE Consulting Engineers

The appointment of consulting engineers for professional services for various projects, to the value of R4,112,941.39

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms Pinky Phosa	MEC for Finance: Mpumalanga

Aurecon South Africa (Pty) Ltd

The Appointment of Consulting Engineers For Professional Civil Engineering Services For Various Projects , to the value of R4,116,886.09

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms Theron	PG Gauteng: Department of Education; Educator
K Nadasen	National Department of Public Wors: Key Account Manager
AF Keyser	Hessequa Local Municipality: Caravan Park Manager
T Keyser	Hessequa Local Municipality: Secretary
MJ Fullard	PG North West: Department of Education: Educator
A Nel	National Department of Health, Senior Administration Officer
JM Robertson	Ekurhuleni Municipality; Engineer
Dr JC Lombard	PG Gauteng: Department of Education; Deputy Head
E Van der Linde	PG Free State: Department of Education: Educator
M De Vries	University of Pretoria, Educator
J Scheepers	Council of medical Schemes
U Van Wijk	SITA
K West	PG Western Cape: Department of Health
EM Schon	Department of Cooperative Governance, Senior Admin Officer
SM O'Connell	Sol Plaatjie Municipality; Librarian
JJ Tselane	PG North West, Department of Public Works, Roads and Transport
AP Louw	Gauteng Dept of Heath, Pharmacist Intern

Ithuba Industries

The supply and delivery of goods and material under Annual Tenders, to the value of R704,482.53

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms De Morney	Western Cape Department of Education

Mannel Consulting CC

The supply and delivery of goods and material to the Value of R12,180.00

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Josephine Mannel	Western Cape: Education

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
46. Related parties (continued)		
ARB Electrical Wholesalers (Pty) Ltd		
The supply and delivery of goods and material under the Annual Tender: Electrical, to the value of R122,566.41		
Spouses, Child or Parent	State Department	
Jacob Modise	ESKOM Holdings: Non Executive Director and Road Accident Fund (RAF): CEO	
Kaizen Chemicals		
The supply and delivery of goods (White hydrated lime and Calcium hypochlorite granular)		
Spouses, Child or Parent	State Department	
E R Bowers	Stikland Hospital: Social Worker	
GVG Buildings		
The rendering of civil works: Annual Tender, to the value of R140,097.19		
Spouses, Child or Parent	State Department	
MM Gertse	Department: Rural Development and Land Reform	
47. Events after the reporting date		
No events having financial implications requiring disclosure occurred subsequent to 30 June 2011		
48. Unauthorised expenditure		
There were no material unauthorised expenditure for the year under review.		
49. Fruitless and wasteful expenditure		
There were no material fruitless and wasteful expenditure for the year under review.		
50. Irregular expenditure		
Irregular Expenditure	25,359,405	8,550,114
51. Reconciliation between budget and statement of financial performance		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:		
Net surplus per the statement of financial performance	82,806,098	83,331,554
Adjusted for:		
Fair value adjustments	(4,795,074)	(60,197,024)
Impairments recognised / reversed	7,970,285	-
Gain on the sale of assets	3,317	93,614
Increases / decreases in provisions	9,769,184	(10,422,342)
Revenue Adjustment	(50,735,234)	(43,408,144)
Expenditure Adjustment	(33,683,090)	81,573,742
Inventories write down	114,181	(176)
Government Grants and Subsidies - Capital	(36,483,585)	(51,204,545)
Gain (Loss) on biological assets and agricultural produce	(265,618)	233,321
Net deficit per approved budget	(25,299,536)	-

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010	
52. Additional disclosure in terms of Municipal Finance Management Act			
Contributions to organised local government - SALGA			
Council subscriptions	1,116,185	1,086,615	
Amount paid - current year	(1,116,185)	(1,086,615)	
Balance Unpaid (included in Creditors)	-	-	
Audit fees			
Opening balance	13,299	-	
Current year Audit Fee	3,305,507	2,869,243	
Amount paid - current year	(3,303,852)	(2,855,944)	
Amount paid - previous years	(13,299)	-	
Balance Unpaid (included in Creditors)	1,655	13,299	
PAYE and UIF			
Opening balance	(1,973,848)	(1,724,727)	
Current year Payroll Deductions	(30,830,916)	(26,184,584)	
Amount paid - current year	28,206,275	24,210,735	
Amount paid - previous years	1,973,848	1,724,727	
Balance Unpaid (included in Creditors)	(2,624,641)	(1,973,849)	
Pension and Medical Aid Deductions			
Current year Payroll Deductions and Council Contributions	(60,856,556)	(55,130,522)	
Amount paid - current year	60,856,556	55,130,522	
Balance Unpaid (included in Creditors)	-	-	
Councillors' arrear consumer accounts			
June 30, 2011	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Frazenburg AR	552	259	811
Johnson MC	740	7,904	8,644
Jindela N	2,035	97,126	99,161
Bergstedt HC	564	20,025	20,589
Joubert DD	1,307	2,981	4,288
Davids JA	3,656	13	3,669
Louw PJ	2,123	7,197	9,320
Mdemka LX	101	1,468	1,569
Gugushe K	642	29,421	30,063
Ngcofe MM	56	1,446	1,502
Du Toit	-	960	960
	11,776	168,800	180,576

Deviation from, and ratification of, minor breaches of the Procurement Processes

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

52. Additional disclosure in terms of Municipal Finance Management Act (continued)

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation approved in terms of subregulation (1)(a) and (b) must be included in a note to the AFS. Please consult Appendix G for the detail.

Severance Package

The severance packages amount consists of the following two transactions :

(i) A settlement agreement was reached with Mr. MJ Doralingo (Chief Legal Executive of the Stellenbosch Municipality). The employment of Mr. MJ Doralingo was terminated based on operational reasons. The Municipality paid an amount of R 1,070, 298 as full and final settlement to Mr. MJ Doralingo.

(ii) A severance package of R 600,000.00 was paid to an employee for early retirement by mutual agreement.

Water Losses

In terms of section 125(2)(d)(i) of the Municipal Finance Management Act, the municipality experienced the following water losses for the year under review;

Water (kl)		
Purchases	12,506,771	11,383,429
Sales	10,448,963	9,774,315
Distribution loss	2,057,808	1,609,114

The last few years Stellenbosch Municipality experienced abnormal incidences of pipe failures which contributed a lot to our water losses. Most of these failures is as a result of ageing infrastructure. (Asbestos cement pipes which deteriorate over time). This was identified as a big risk and over the last two years we started a comprehensive pipe replacement program whereby all the problem areas were identified and the old pipes replaced. Replacing these old pipes will definitely reduce and minimise our water losses.

Through our Water Demand Management Program we also embarked on a program whereby bulk water meters are installed on main supply lines. Implementation of this program will ensure that areas with abnormal water losses are identified and remedial actions will be taken timeously.

53. Multi-employer retirement benefit information

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Municipal Councillors Pension Fund and the South African Municipal Workers Union National Provident Fund are defined contribution plans, whereas the other funds are defined benefit plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.

(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

53. Multi-employer retirement benefit information (continued)

(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R19,7 million (2009: R19,7 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

DEFINED BENEFIT SCHEMES

SALA Pension Fund:

The funding level has increased from 106% in 2006 to 110,0% on 1 July 2007. The Solvency Reserve has been calculated at R1 589.3 million for active members and R346.1 million in respect of pensioners. It should be noted that the previous valuation was done by Old Mutual Actuaries and Consultants whereas the latest valuation was done by Genesis Actuarial Solutions. There were restatements of certain published figures but the conclusion was drawn that the fund is financially sound at the valuation date.

Cape Joint Pension Fund

The Cape Joint Pension Fund is a multi employer plan and the contribution rate payable is 27%, 9% by the members and 18% by Council. The valuation disclosed an actuarial surplus of R182 million and was funded at 106,5%. The fund was certified as being in a sound financial condition as at 30 June 2008 by an actuary.

Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

53. Multi-employer retirement benefit information (continued)

DEFINED CONTRIBUTION SCHEMES

Cape Joint Pension Fund

This scheme was established to accommodate the unique characteristics of contract employees and "cost to company" employees. All existing members were given the option to transfer to the defined contribution plan before 1 July 2003. The actuary report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed bonus philosophy, and given normal circumstances.

The fund was certified as being in a sound financial condition as at 30 June 2008 by the actuary. The valuation disclosed a funding level of 103.3%

Cape Joint Retirement Fund

The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. The valuation disclosed an actuarial surplus of R 42,9 million for the Pensioners Account and was funded at 112,2%, while the Share Account has an investment reserve of R68,5 million and was funded at 101,1%. The actuary is satisfied the fund in a sound financial position as at 30 June 2008.

Municipal Councillors Pension Fund:

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2006 and reported a funding ratio of 147.3%.

No further details could be provided for after the last valuation, being 30 June 2006.

South African Municipal Workers Union National Provident Fund:

The last actuarial valuation of the fund was performed at 30 June 2005 and certified as being in a financially sound position. The next statutory valuation was due on 30 June 2008, but still in process.

54. Non Current Assets Held for Sale

Erven SBP 119/7 (Asset id 2524930) was approved for sale by council. Property is held at fair value. Sale is expected to be concluded in the next 12 months.

Stellenbosch Municipality

Annual Financial statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand

	Restated 2010
55. Prior period errors	
Corrections of Errors and Changes in Accounting Policy	30_06_2010 Restated
Trade and other receivables from exchange transactions	133 069
Trade and other receivables from exchange transactions were restated to account for transactions that should have been recorded in the 2009_2010 financial year. Interest earned on Eskom deposits must be capitalised against deposits.	
VAT receivable	-4 726 440
The vat receivable was restated to account for vat on hall rentals. VAT was restated to account for the reclassification from other creditors to VAT receivable. The apportionment of VAT was applied and decreased the receivable.	
Cash and cash equivalents	6 477 712
Cash and cash equivalents were restated to account for deposits that was unidentified previously.	
Property, plant and equipment	9 504 929
A complete audit of all land and buildings was done and it revealed that 18 public open spaces did not reflect on the fixed asset register and was subsequently recognised in terms of GRAP 17.	
Intangible Assets	199 071
Reclassification from property, plant and equipment.	
Long term receivables	33 594
Housing selling scheme loans were restated to account for transactions that should have been recorded in the 2009_2010 financial year.	
Reimbursed asset	-19 342 105
The reimbursed asset was removed due to a communication of audit finding.	
Other financial liabilities	1 615 859
The amount of R1 615 859 was erroneously included in 2009_2010 financial statements under trade and other payables from exchange transactions, this is a correction of classification.	
Operating lease liability	8 717
Operating lease liability accounted for which existed at 30 June 2010 that was erroneously omitted.	
Trade and other payables from exchange transactions	11 629 108
Trade and other payables from exchange transactions were restated to account for transactions that should have reflected in the 2009_2010 financial year. VAT receivable was reclassified.	
Finance lease obligation	-56 032
Finance lease obligation was incorrectly disclosed and the lease contracts terminated on 30 June 2010.	
Unspent Conditional Grants and Receipts	-4 553 357
Due to the outcome of the VAT review performed, output vat had to be adjusted for prior periods.	

Stellenbosch Municipality

Annual Financial statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand

	Restated 2010
55. Prior period errors (continued)	
Other financial liabilities	-281 801
Other financial liabilities were restated to account for finance liability in terms of GRAP 13 and the reversal of journals incorrectly captured in the 2009_2010 financial year.	
Provisions	-1 621 785
Certain provisions that were previously treated as constructive obligations did not meet the definition criteria of provisions and was corrected retrospectively.	
Accumulated Surplus	48 406 421
Accumulated Surplus was restated to account for the corrections on assets and liabilities, including the apportionment application of VAT.	
Rental of facilities and equipment	61 715
Rental of facilities and equipment was restated to account for income that should have been accounted for in the 2009_2010 financial year.	
Other income	-16 285 330
Other Income was restated to correct income that should have been accounted for in the 2009_2010 financial year and the correction of income duplicated.	
Interest received - investment	48 209
Interest received - investment was restated to account for interest that should have been accounted for in the 2009_2010 financial year.	
Employee related costs	-8 146 293
Employee related costs was restated to account for a payment to a previous employee that was due as at 30 June 2010. Salaries erroneously included in general expenditure were reclassified to employee related costs. Increase with Accrual for Bonusses	
Contribution to/from provisions	-22 576 240
Certain provisions that was previously treated as constructive obligations did not meet the definition criteria of provisions and was corrected retrospectively which affected the contribution to and from provisions. The Reimbursed asset recognised in prior year was	
Collection Costs	-332
Collection cost were restated to account for the prior year vat apportionment calculation.	
Repairs and maintenance	6 547 725
Repairs and maintenance was restated to correct expenditure that should have been accounted for in the 2009_2010 financial year.	
Contracted services	-6 558 462
Contracted services was previously disclosed under General Expenses and is now disclosed separately.	
Grants and subsidies paid	-2 712
The vat apportionment effected the prior period adjustment.	
General Expenses	23 111 111
General Expenses was restated to correct expenditure that should have been accounted for in the 2009_2010 financial year and the correction of expenditure duplicated.	

Stellenbosch Municipality

Annual Financial statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand

Restated
2010

55. Prior period errors (continued)

The correction of the errors results in adjustments as follows:

	30_06_2010 Audited	Prior Period Error Amount of Correction	30_06_2010 Restated
Assets			
Current Assets			
Inventories	3 175 251	-	3 175 251
Current Portion of Long Term Receivables	306 779	-	306 779
Trade and other receivables from exchange transactions	7 735 054	133 069	7 868 123
VAT receivable	6 334 214	-4 726 440	1 607 774
Consumer debtors	78 819 638		78 819 638
Cash and cash Equivalents	239 828 344	6 477 712	246 306 056
	336 199 280	1 884 340	338 083 620
Non-Current Assets			
Biological assets	13 529 438	-	13 529 438
Investment Property	522 611 500	-	522 611 500
Property, plant and equipment	2 595 215 959	9 504 929	2 604 720 888
Intangible Assets		199 071	199 071
Other financial assets	470 981	33 594	504 575
Reimbursed asset	19 342 105	-19 342 105	-
	3 151 169 983	-9 604 511	3 141 565 472
Non-current assets held for sale and assets of disposal groups	555 000	-	555 000
Total Assets	3 487 924 263	-7 720 171	3 480 204 092
Liabilities			
Current Liabilities			
Other financial liabilities	2 985 917	1 615 859	4 601 776
Operating lease liability	-	8 717	8 717
Trade and other payables from exchange transactions	74 701 719	11 629 108	86 330 827
Vat payable	-	-	-
Consumer deposits	8 211 609	-	8 211 609
Employee benefit obligations	4 578 048	-	4 578 048
Finance lease obligation	56 032	-56 032	-
Unspent conditional grants and receipts	63 163 503	-4 553 357	58 610 146
Provisions	2 320 094	-	2 320 094
	156 016 922	8 644 295	164 661 217
Non-Current Liabilities			
Other financial liabilities	35 480 824	-281 801	35 199 023
Employee benefit obligations	105 861 695	-	105 861 695
Provisions	47 059 246	-1 621 785	45 437 461
	188 401 765	-1 903 586	186 498 179
Total Liabilities	344 418 687	6 740 709	351 159 396
Net Assets	3 143 505 576	-14 460 879	3 129 044 697
Net Assets			
Accumulated Surplus	2 262 308 930	48 406 421	2 310 715 351
Housing Development Fund	8 673 735	-	8 673 735
Revaluation reserve	872 522 911	-62 867 300	809 655 611
Total Net Assets	3 143 505 576	-14 460 879	3 129 044 697

Stellenbosch Municipality

Annual Financial statements for the year ended June 30, 2011

Notes to the Annual Financial Statements

Figures in Rand

Restated
2010

55. Prior period errors (continued)

	30_06_2010 Audited	Prior Period Error Amount of Correction	30_06_2010 Restated
Revenue			
Property rates	179 193 657	-	179 193 657
Service charges	375 070 311	-	375 070 311
Property rates - penalties imposed and collection charges	2 132 469	-	2 132 469
Rental of facilities and equipment	9 918 757	61 715	9 980 472
Interest earned - outstanding Debtors	4 225 531	-	4 225 531
Income from agency services	1 012 783	-	1 012 783
Fines	16 519 358	-	16 519 358
Licences and permits	4 063 364	-	4 063 364
Government grants and subsidies	94 922 309	-	94 922 309
Other income	27 879 324	-16 285 330	11 593 994
Interest received - investment	19 704 045	48 209	19 752 254
Total Revenue	734 641 908	-16 175 406	718 466 502
Expenses			
Employee related costs	-192 410 572	-8 146 293	-200 556 865
Remuneration of councillors	-9 338 257	-	-9 338 257
Contribution to/from provisions	-14 872 247	-22 576 240	-37 448 487
Depreciation and amortisation	-119 482 204	-	-119 482 204
Impairment loss/Reversal of impairments	-	-	-
Finance costs	-2 824 714	-	-2 824 714
Debt impairment	-12 700 929	-	-12 700 929
Collection costs	-89 875	-332	-90 207
Repairs and maintenance	-41 099 390	6 547 725	-34 551 665
Bulk purchases	-137 872 956	-	-137 872 956
Contracted services	-	-6 558 462	-6 558 462
Grants and subsidies paid	-864 356	-2 712 000	-867 068
General Expenses	-156 440 402	23 111 111	-133 329 291
	-687 995 902	-7 625 203	-695 621 105
Loss on disposal of assets and liabilities	-93 614	-	-93 614
Fair value adjustments	60 197 024	-	60 197 024
Gain/(loss) on biological assets and agricultural produce	-	-	-233 321
Inventories : (Write-down)/reversal of write down to net realisable value	-19 701	-	-19 701
Surplus for the year	106 729 715	-23 800 609	82 695 785

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2011

Details	Loan Number	Redeemable Date	Balance at 30 June 2010	Received during the Period	Redeemed/ Written Off during Period	Balance at 30 June 2011
			R	R	R	R
DEVELOPMENT BANK OF SOUTH AFRICA						
DBSA @ 9,25%	101878	31 Dec 2020	25 606 815		1 531 368	24 075 447
DBSA @ 11,55%	103081	30 June 2025	11 123 576	-	-	11 123 576
DBSA @ 10.25%	103905	30 June 2026	-	4 733 350	6 324	4 727 026
Trans-Caledon Tunnel Authority	TCTA	30 June 2012	3 231 717	-	1 615 859	1 615 859
Total External Loans			39 962 108	4 733 350	3 153 551	41 541 908

Stellenbosch Municipality

Appendix B for the year ended 30 June 2011

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	
LAND & BUILDINGS										
PPE Buildings	309,186,000	28,237,523	-	-	337,423,523	(18,930)	(4,207,023)	-	(4,225,953)	333,197,570
Land and Buildings	483,998,500	(52,237)	-	490,000	484,436,263	-	(3,763,263)	-	(3,763,263)	480,673,000
Landfill Sites	6,272,575	-	-	-	6,272,575	(525,974)	(366,872)	-	(892,846)	5,379,729
Vacant land	11,004,000	2,408,000	-	-	13,412,000	-	-	-	-	13,412,000
	810,461,075	30,593,286	-	490,000	841,544,361	(544,904)	(8,337,158)	-	(8,882,062)	832,662,299
INFRASTRUCTURE ASSETS										
Access control	875,107	597,727	-	-	1,472,834	(21,368)	(226,660)	-	(248,028)	1,224,806
Aprons	111,614	-	-	-	111,614	(5,672)	(5,581)	-	(11,253)	100,361
Bridges, subways & culverts	14,137,162	-	-	-	14,137,162	(381,311)	(369,631)	-	(750,942)	13,386,221
Bus terminals	4,112,126	-	-	-	4,112,126	(492,795)	(241,189)	-	(733,983)	3,378,143
Car parks	24,389	-	-	-	24,389	(8,543)	(1,219)	-	(9,762)	14,627
Fencing	6,890,656	1,010,462	-	-	7,901,118	(1,620,184)	(1,226,050)	-	(2,846,234)	5,054,884
Footways	36,002,852	1,719,252	-	-	37,722,104	(3,353,476)	(2,261,016)	-	(5,614,492)	32,107,612
Mains electrical	28,055,639	1,807,622	563,363	-	30,426,624	(6,164,796)	(3,106,443)	-	(9,271,239)	21,155,385
Mains water	44,409,430	6,827,913	6,739,316	-	57,976,659	(2,754,764)	(2,430,963)	-	(5,185,726)	52,790,932
Meters electrical	701,947	270,660	-	(739,790)	232,817	(165)	(37,691)	-	(37,856)	194,961
Meters water	54,653,114	-	-	-	54,653,114	(5,093,194)	(2,612,400)	-	(7,705,594)	46,947,520
Motorways	662,564,267	-	-	-	662,564,267	(74,961,359)	(24,504,785)	-	(99,466,144)	563,098,124
Outfall sewers	12,179,572	-	-	-	12,179,572	-	(608,979)	-	(608,979)	11,570,594
Paving	699,566	1,554,391	-	-	2,253,957	(4,539)	(39,439)	-	(43,978)	2,209,979
Pump stations	2,667,956	-	-	-	2,667,956	(1,157)	(133,398)	-	(134,555)	2,533,401
Purification works	158,891,044	497,550	-	-	159,388,594	(33,623,696)	(6,965,702)	-	(40,589,398)	118,799,196
Rights	27,652	-	-	-	27,652	(9,686)	(1,383)	-	(11,068)	16,584
Other roads	21,226,418	16,200,518	7,595,478	-	45,022,414	(1,620,054)	(2,762,055)	-	(4,382,109)	40,640,306
Security systems	21,409,441	689,189	-	-	22,098,630	(3,074,196)	(1,040,566)	-	(4,114,762)	17,983,868
Sewers	-	3,332,922	4,317,961	-	7,650,883	-	(46,804)	-	(46,804)	7,604,078
Sewerage pumps	33,094	-	-	-	33,094	(85)	(2,206)	-	(2,291)	30,803
Street lighting	211,287,914	-	-	-	211,287,914	(9,049,805)	(6,487,626)	-	(15,537,431)	195,750,483
Supply/reticulation electrical	726,780	318,676	-	-	1,045,456	-	(145,909)	-	(145,909)	899,547
Supply/reticulation water	314,776,912	-	-	-	314,776,912	(94,734,972)	(6,818,529)	-	(101,553,502)	213,223,411
Stormwater drains	12,543,116	358,601	-	-	12,901,717	(1,917,344)	(634,563)	-	(2,551,907)	10,349,810
Switchgear equipment	137,050,918	-	-	-	137,050,918	(5,626,991)	(5,364,920)	-	(10,991,911)	126,059,007
Reservoirs & tanks	116,508,823	-	168,407	-	116,677,229	(52,574,472)	(2,751,169)	-	(55,325,641)	61,351,588
Taxiways	2,391,973	6,252,579	-	-	8,644,552	-	(120,626)	-	(120,626)	8,523,926
Transformer kiosks	116,184,636	-	-	-	116,184,636	(16,848,525)	(3,072,625)	-	(19,921,150)	96,263,485
Traffic lights	205,344	454,741	-	-	660,085	(1,266)	(15,121)	-	(16,387)	643,698
Street names & traffic signs	2,563,969	345,439	-	-	2,909,408	(1,010,203)	(453,154)	-	(1,463,356)	1,446,051
	1,983,913,433	42,238,241	19,384,525	(739,790)	2,044,796,408	(314,954,616)	(74,488,402)	-	(389,443,018)	1,655,353,390

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	
COMMUNITY ASSETS										
Buildings	5,373,048	166,761	-	-	5,539,809	(5,353)	(179,745)	-	(185,098)	5,354,711
Cemeteries	216,429	358,217	-	-	574,646	(235)	(7,672)	-	(7,907)	566,739
Community centre	-	72,921	-	-	72,921	-	(198)	-	(198)	72,722
Game reserves	-	154,100	-	-	154,100	-	(2,786)	-	(2,786)	151,314
Informal housin	5,825,939	-	-	-	5,825,939	(2,042,005)	(291,297)	-	(2,333,302)	3,492,638
Lakes and dams	-	466,280	-	-	466,280	-	(511)	-	(511)	465,769
Libraries	-	163,417	-	-	163,417	-	(123)	-	(123)	163,294
Municipal buildings	6,503,074	1,176,772	299,800	-	7,979,646	(27,351)	(243,419)	-	(270,770)	7,708,877
Outdoor sports	445,089	1,163,449	-	-	1,608,538	(8,545)	(31,317)	-	(39,862)	1,568,676
Parks	1,495,546	1,010,665	-	-	2,506,211	(5,480)	(85,748)	-	(91,228)	2,414,983
Public conveniences/ bathhouses	12,581,967	122,895	-	-	12,704,861	(2,712)	(374,592)	-	(377,304)	12,327,557
Recreation cent	291,735	-	-	-	291,735	(191)	(9,725)	-	(9,916)	281,819
Stadiums	34,589,721	1,540,918	4,357,008	-	40,487,648	(49,080)	(1,183,809)	-	(1,232,890)	39,254,759
Swimming pools	30,335	-	-	-	30,335	(1,076)	(1,517)	-	(2,593)	27,742
	67,352,882	6,396,395	4,656,808	-	78,406,086	(2,142,030)	(2,412,458)	-	(4,554,487)	73,851,598
OTHER ASSETS										
Air conditioner	106,632	171,064	-	-	277,696	(63,549)	(19,948)	-	(83,497)	194,198
Library Books	607,562	35,330	-	-	642,892	(107,882)	(123,961)	-	(231,843)	411,049
Bulk containers	183,022	-	-	-	183,022	(11,134)	(17,255)	-	(28,389)	154,633
Cabinets/cupboard	1,561,486	87,362	-	-	1,648,848	(809,884)	(222,365)	-	(1,032,249)	616,599
Canopy	33,825	34,881	-	-	68,706	(3,032)	(9,766)	-	(12,798)	55,907
Chairs	1,833,019	50,812	-	-	1,883,830	(735,387)	(446,417)	-	(1,181,804)	702,026
Cleaner - steam	72,477	-	-	-	72,477	(57,992)	(11,120)	-	(69,112)	3,365
Computer hardware	4,757,981	1,495,251	-	(7,961)	6,245,270	(3,347,179)	(390,411)	916	(3,736,674)	2,508,596
Compactor	17,500	-	-	-	17,500	(17,500)	-	-	(17,500)	-
Compactor - plate	25,271	-	-	-	25,271	(20,703)	(2,515)	-	(23,218)	2,053
Computer software	2,271,671	224,253	-	-	2,495,924	(543,923)	(639,673)	-	(1,183,596)	1,312,328
Drill - concret	9,939	-	-	-	9,939	(6,562)	(1,988)	-	(8,550)	1,389
Equipment/apparatus	16,473	-	-	-	16,473	(9)	(3,295)	-	(3,304)	13,169
Equipment/apparatus	204,807	770,707	-	-	975,514	(100,431)	(51,345)	-	(151,777)	823,738
Electrical equipment	13,081,631	1,751,159	-	-	14,832,790	(888,096)	(2,561,885)	-	(3,449,981)	11,382,809
Laboratory equipment	19,822	22,099	-	-	41,921	(14,312)	(6,819)	-	(21,131)	20,790
Radio equipment	18,385	156,361	-	-	174,746	(89)	(26,253)	-	(26,342)	148,405
Telecommunications	690,515	5,677	-	-	696,192	(567,832)	(26,723)	-	(594,555)	101,638
Fire equipment	502,389	-	-	-	502,389	(280,376)	(31,955)	-	(312,331)	190,058
Firearms	173,684	-	-	-	173,684	(10,114)	(34,737)	-	(44,851)	128,833
Generator	694,970	-	-	-	694,970	(275,596)	(120,439)	-	(396,035)	298,934
General plant	14,200	-	-	-	14,200	(14,200)	-	-	(14,200)	-
Household refuse	2,106,319	1,377,313	-	-	3,483,632	(1,054,518)	(467,903)	-	(1,522,421)	1,961,211
Housing schemes	-	941,501	-	-	941,501	-	(86)	-	(86)	941,415

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	
Hoist - refuse	3,079,906	22,470	-	-	3,102,376	(226,105)	(607,494)	-	(833,598)	2,268,778
Irrigation system	17,209	53,000	-	-	70,209	(10,189)	(2,444)	-	(12,634)	57,575
Emergency light	82,235	4,030	-	-	86,265	(82,235)	(83)	-	(82,318)	3,947
Miscellaneous furniture	2,206,080	745,574	-	-	2,951,654	(907,847)	(333,541)	-	(1,241,388)	1,710,266
Office building	893	186,727	-	-	187,620	(417)	(362)	-	(779)	186,841
Office machines	14,448,815	43,975	-	-	14,492,790	(5,776,402)	(2,191,545)	-	(7,967,947)	6,524,843
Pipelines	1,091,263	1,345,308	14,355,090	-	16,791,661	(1,047)	(55,311)	-	(56,357)	16,735,304
Plant and Equipment	5,513,157	400,758	-	-	5,913,915	(5,263,910)	(406,645)	-	(5,670,555)	243,360
Pumps	-	106,908	-	-	106,908	-	(3,977)	-	(3,977)	102,931
Roller - pavement	1,635,494	-	-	-	1,635,494	(770,520)	(309,317)	-	(1,079,837)	555,657
Tables/desks	2,519,664	1,860	-	-	2,521,524	(1,097,617)	(539,875)	-	(1,637,492)	884,032
Telecommunication	3,110,596	211,354	-	-	3,321,950	(2,499,439)	(256,724)	-	(2,756,163)	565,787
Tipplers	130,347	-	-	-	130,347	(95,659)	(8,690)	-	(104,349)	25,998
Tip sites	2,595,871	7,584,637	-	-	10,180,508	(263)	(102,971)	-	(103,233)	10,077,275
Tools	204,428	88,318	-	-	292,746	(96,506)	(35,858)	-	(132,364)	160,382
Trailers	66,277	140,875	-	-	207,152	(54,848)	(8,313)	-	(63,161)	143,991
Vehicles	8,552,271	116,600	-	-	8,668,871	(5,017,297)	(506,807)	-	(5,524,103)	3,144,768
Compressors	9,970	-	-	-	9,970	(7,987)	(1,983)	-	(9,970)	-
Compactor truck	1,419,561	3,596,052	-	-	5,015,613	(764,692)	(452,903)	-	(1,217,595)	3,798,019
Lawnmowers	69,374	105,525	-	-	174,899	(69,374)	(32,857)	-	(102,231)	72,668
Roller - mechanical	91,200	160,480	-	-	251,680	(91,200)	(20,401)	-	(111,601)	140,079
Street sweeper	-	1,401,700	-	-	1,401,700	-	(156,682)	-	(156,682)	1,245,018
Trucks/bakkies	29,074,046	2,572,748	-	-	31,646,794	(12,537,596)	(2,203,338)	-	(14,740,934)	16,905,860
Tractors	163,000	174,000	-	-	337,000	(2,813)	(20,018)	-	(22,832)	314,168
Workshop/Depots	-	-	-	-	-	-	-	-	-	-
	105,085,237	26,186,668	14,355,090	(7,961)	145,619,034	(44,304,262)	(13,474,997)	916	(57,778,343)	87,840,691
	2,967,011,698	105,414,589	38,396,424	(257,751)	3,110,564,960	(361,952,466)	(98,713,015)	916	(460,664,565)	2,649,707,978
INTANGIBLE ASSETS										
Housing Database	199,071	-	-	-	199,071	(6,654)	-	-	(6,654)	192,417
	199,071	-	-	-	199,071	(6,654)	-	-	(6,654)	192,417

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
INVESTMENT PROPERTY										
Investment Buildings	36,115,000	2,204,997	-	-	38,319,997	-	(69,997)	-	(69,997)	38,250,000
Investment Property	486,506,500	1,847,968	-	-	488,354,468	(10,000)	(3,269,468)	-	(3,279,468)	485,075,000
	522,621,500	4,052,965	-	-	526,674,465	(10,000)	(3,339,465)	-	(3,349,465)	523,325,000
NON CURRENT ASSETS HELD FOR SALE										
Non current assets held for sale	555,000	-	-	(490,000)	65,000	-	-	-	-	65,000
	555,000	-	-	(490,000)	65,000	-	-	-	-	65,000
	3,490,188,198	109,467,554	38,396,424	(747,751)	3,637,304,424	(361,962,466)	(102,052,479)	916	(464,014,029)	3,173,290,395

* Note - Additions as per Appendix B

Additions	109,467,554
Under Construction	38,396,424
	147,863,977

* Note - Additions consist of the following

Capital Expenditure	113,060,489
Revaluation	34,646,249
Donated Assets	157,238
	147,863,977

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Opening Balance R	Additions R	Cost / Revaluation			Closing Balance R	Accumulated Depreciation / Impairment				Carrying Value R	
			Under Construction R	Transfers R	Movements R		Opening Balance R	Movements R	Revaluation Reversal R	Movements R		Closing Balance R
Executive and Council	15 984 130	49 854	-	-	-	16 033 984	(6 710 461)	(751 172)	-	-	(7 461 633)	8 572 351
Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Manager	1 159 067	49 854	-	-	-	1 208 921	(332 133)	(157 573)	-	-	(489 706)	719 215
Council General	11 849 335	-	-	-	-	11 849 335	(5 804 754)	(400 177)	-	-	(6 204 932)	5 644 404
Integrated Development Plan	1 048 960	-	-	-	-	1 048 960	(157 058)	(37 328)	-	-	(194 386)	854 574
Strategic Services General	1 926 767	-	-	-	-	1 926 767	(416 515)	(156 093)	-	-	(572 609)	1 354 159
Finance and Administration	23 530 324	1 652 392	349 544	-	(7 961)	25 524 299	(9 567 460)	(2 861 899)	-	916	(12 428 443)	13 095 857
Finance & Administration	5 969 927	160 172	349 544	-	-	6 479 643	(4 953 467)	(311 614)	-	-	(5 265 080)	1 214 563
Stores	201 702	-	-	-	-	201 702	(108 494)	(23 293)	-	-	(131 787)	69 915
IT Section	2 386 209	1 123 525	-	-	(7 961)	3 501 773	(135 253)	(696 546)	-	916	(830 882)	2 670 891
Personnel Services	671 930	347 219	-	-	-	1 019 149	(173 167)	(162 442)	-	-	(335 609)	683 540
Liaison Services	7 805 796	21 476	-	-	-	7 827 272	(2 465 610)	(1 265 829)	-	-	(3 731 439)	4 095 833
Printing Section	217 763	-	-	-	-	217 763	(72 066)	(40 398)	-	-	(112 464)	105 299
Adminstration Stellenbosch	5 153 277	-	-	-	-	5 153 277	(1 329 856)	(292 358)	-	-	(1 622 215)	3 531 062
Administration Franschhoek	1 123 720	-	-	-	-	1 123 720	(329 547)	(69 419)	-	-	(398 966)	724 754
Planning and Development	61 993 882	149 957	7 071 208	-	-	69 215 047	(13 887 860)	(1 425 810)	(72 168)	-	(15 385 838)	53 829 209
Planning & Development	1 808 599	126 806	6 325 360	-	-	8 260 765	(422 156)	(533 891)	-	-	(956 047)	7 304 718
Town Planning	2 289 021	-	-	-	-	2 289 021	(958 980)	(318 199)	-	-	(1 277 179)	1 011 842
Town Development	57 266 341	-	-	-	-	57 266 341	(11 984 366)	(512 626)	(72 168)	-	(12 569 160)	44 697 181
Building Control	629 921	-	-	-	-	629 921	(522 358)	(50 314)	-	-	(572 672)	57 250
Property Management	-	23 151	745 847	-	-	768 998	-	(10 780)	-	-	(10 780)	758 218
Health	15 909 253	9 677	390 282	-	-	16 309 212	(4 861 924)	(200 348)	(13 376)	-	(5 075 649)	11 233 563
Health General	8 135 368	-	-	-	-	8 135 368	(3 298 649)	-	-	-	(3 298 649)	4 836 720
Aan-het-pad Clinic	139 595	-	-	-	-	139 595	(30 000)	-	-	-	(30 000)	109 594
Poli Clinic	-	-	-	-	-	-	-	-	-	-	-	-
Kayamandi Clinic	1 048 598	-	-	-	-	1 048 598	(194 682)	(19 237)	-	-	(213 918)	834 680
Victoria Street Clinic	233 484	-	-	-	-	233 484	(84 963)	-	-	-	(84 963)	148 520
Klapmuts Clinic	709 527	-	-	-	-	709 527	(185 459)	-	(13 376)	-	(198 835)	510 692
Don & Pat Bilton Clinic	923 384	-	-	-	-	923 384	(319 599)	-	-	-	(319 599)	603 785
Stellenbosch Cemetery	4 702 702	9 677	390 282	-	-	5 102 660	(734 519)	(179 366)	-	-	(913 884)	4 188 776
Franschhoek Cemetery	16 595	-	-	-	-	16 595	(14 054)	(1 746)	-	-	(15 799)	796
Community and Social Services	2 858 700	871 017	49 033	-	-	3 778 750	(982 380)	(475 907)	-	-	(1 458 287)	2 320 463
Director Community	585 059	736 042	-	-	-	1 321 101	(14 813)	(173 394)	-	-	(188 207)	1 132 894
Director Social Services	83 050	-	-	-	-	83 050	(31 043)	(14 477)	-	-	(45 519)	37 531
Rhenish Complex	118 499	-	-	-	-	118 499	(27 575)	-	-	-	(27 575)	90 924
Plein Street Library	1 259 065	99 645	49 033	-	-	1 407 743	(552 662)	(153 160)	-	-	(705 822)	701 920
Idas Valley Library	203 914	-	-	-	-	203 914	(67 571)	(23 270)	-	-	(90 841)	113 072
Cloetesville Library	145 226	4 515	-	-	-	149 741	(50 036)	(29 898)	-	-	(79 934)	69 807
Kayamandi Library	120 232	-	-	-	-	120 232	(56 418)	(27 086)	-	-	(83 504)	36 728
Pniel Library	80 525	1 429	-	-	-	81 954	(36 374)	(17 729)	-	-	(54 103)	27 851
Franschhoek Library	263 130	29 387	-	-	-	292 516	(145 889)	(36 893)	-	-	(182 783)	109 734

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Cost / Revaluation					Accumulated Depreciation / Impairment					Carrying Value	
	Opening Balance	Additions	Under Construction	Transfers	Movements	Closing Balance	Opening Balance	Movements	Revaluation Reversal	Movements		Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	
Housing	38 661 084	68 706	-	-	-	38 729 790	(13 428 414)	(768 429)	-	-	(14 196 843)	24 532 947
Flats	113 834	-	-	-	-	113 834	(20 501)	(13 333)	-	-	(33 834)	80 000
Housing General	31 176 136	68 706	-	-	-	31 244 841	(13 014 285)	(264 958)	-	-	(13 279 243)	17 965 598
Housing Special Projects	7 371 115	-	-	-	-	7 371 115	(393 628)	(490 138)	-	-	(883 766)	6 487 349
Public Safety	50 519 235	1 043 369	647 187	-	-	52 209 791	(15 276 768)	(2 950 616)	-	-	(18 227 384)	33 982 407
Director Public Safety	1 358 061	362 292	11 910	-	-	1 732 264	(27 449)	(242 101)	-	-	(269 550)	1 462 713
Fire Services	8 936 094	416 487	-	-	-	9 352 581	(5 582 220)	(508 446)	-	-	(6 090 666)	3 261 915
Disaster Management	3 190 855	-	-	-	-	3 190 855	(1 629 895)	(291 671)	-	-	(1 921 567)	1 269 289
Security	22 703 596	191 832	635 277	-	-	23 530 706	(3 551 786)	(1 141 659)	-	-	(4 693 444)	18 837 261
Town Hall Plein Street	674 964	-	-	-	-	674 964	(530 061)	(41 721)	-	-	(571 781)	103 183
Eikestad Hall	90 242	-	-	-	-	90 242	(35 926)	(30 502)	-	-	(66 427)	23 815
Community Hall Pniel	23 175	-	-	-	-	23 175	(12 965)	(5 192)	-	-	(18 157)	5 018
Community Centre Groendal	77 801	-	-	-	-	77 801	(43 466)	(14 107)	-	-	(57 573)	20 228
Town Hall Franschoek	336 621	-	-	-	-	336 621	(107 418)	(14 159)	-	-	(121 576)	215 044
Licencing	791 606	-	-	-	-	791 606	(554 618)	(89 868)	-	-	(644 487)	147 120
Traffic Control	11 688 762	72 758	-	-	-	11 761 520	(3 199 797)	(570 702)	-	-	(3 770 499)	7 991 020
Parking Areas	647 456	-	-	-	-	647 456	(1 167)	(489)	-	-	(1 656)	645 800
Sport and Recreation	48 713 797	24 757 882	253 461	-	-	73 725 139	(13 105 526)	(2 739 804)	(131 969)	-	(15 977 299)	57 747 841
Environment & Recreation	248 878	-	-	-	-	248 878	(170 409)	(22 550)	-	-	(192 959)	55 919
Workshop	270 177	-	-	-	-	270 177	(255 863)	(5 659)	-	-	(261 523)	8 655
Parks Stellenbosch	12 625 714	1 083 953	-	-	-	13 709 667	(6 003 122)	(674 530)	-	-	(6 677 652)	7 032 015
Parks Franschoek	2 128 693	-	-	-	-	2 128 693	(537 093)	(40 033)	-	-	(577 126)	1 551 567
Street Trees	401 829	-	-	-	-	401 829	(66 516)	(33 531)	-	-	(100 047)	301 782
Street Beautification	586 709	723 266	-	-	-	1 309 975	(52 609)	(25 620)	-	-	(78 228)	1 231 747
Nursery	1 110 135	-	-	-	-	1 110 135	(482 528)	(29 991)	-	-	(512 519)	597 616
Jan Marias Nature Reserve	336 445	203 695	-	-	-	540 140	(119 823)	(35 198)	-	-	(155 022)	385 118
Jonkershoek Picnic Site	332 723	-	-	-	-	332 723	(22 110)	(42 560)	-	-	(64 670)	268 053
Van der Stel Sport	21 507 804	22 332 913	-	-	-	43 840 716	(2 535 842)	(1 548 492)	-	-	(4 084 334)	39 756 382
Idas Valley Sport	134 062	103 250	223 340	-	-	460 652	(105 370)	(25 410)	-	-	(130 780)	329 872
Cloetesville Sport	603 954	-	-	-	-	603 954	(482 409)	(11 959)	-	-	(494 367)	109 587
Swimming Pool Cloetesville	271 732	-	-	-	-	271 732	(96 547)	(4 412)	-	-	(100 959)	170 773
Kayamandi Sport	1 716 810	206 859	-	-	-	1 923 669	(237 815)	(9 458)	-	-	(247 273)	1 676 396
Kylemore Sport	1 603 439	103 946	-	-	-	1 707 385	(124 209)	(118 710)	-	-	(242 919)	1 464 465
Klapmuts Sport	1 336 522	-	-	-	-	1 336 522	(616 330)	(1 412)	-	-	(617 741)	718 781
Jamestown Sport	1 206 964	-	-	-	-	1 206 964	(481 322)	(33 867)	-	-	(515 189)	691 775
Pniel Sport	692 551	-	-	-	-	692 551	(270 490)	(61 301)	-	-	(331 791)	360 760
Groendal Sport	10 978	-	-	-	-	10 978	(5 847)	(4 371)	-	-	(10 218)	760
Raithby Sport	1 587 677	-	30 121	-	-	1 617 798	(439 269)	(10 741)	(131 969)	-	(581 980)	1 035 818

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Opening Balance R	Additions R	Cost / Revaluation			Closing Balance R	Accumulated Depreciation / Impairment					Carrying Value R
			Under Construction R	Transfers R	Movements R		Opening Balance R	Movements R	Revaluation Reversal R	Movements R	Closing Balance R	
Environmental Protection	275 518 103	14 100 267	14 523 172	-	-	304 141 542	(75 852 970)	(11 133 079)	(548 307)	-	(87 534 356)	216 607 186
Market	46 862 994	-	-	-	-	46 862 994	(6 702 321)	-	-	-	(6 702 321)	40 160 674
Refuse Removal	25 769 146	12 191 114	-	-	-	37 960 260	(7 532 376)	(3 023 203)	-	-	(10 555 578)	27 404 682
Dumping Site	1 093 983	-	-	-	-	1 093 983	(218 072)	(41 254)	-	-	(259 326)	834 657
Klapmuts Transfer Station	-	-	-	-	-	-	-	-	-	-	-	-
Cleaning of Streets	1 835 962	333 181	1 878 157	-	-	4 047 300	(165 064)	(508 363)	-	-	(673 427)	3 373 873
Public Facilities	14 566 695	-	-	-	-	14 566 695	(6 447 208)	-	-	-	(6 447 208)	8 119 487
Sewerage Purification Stellenbosch	78 620 865	548 307	-	-	-	79 169 172	(22 214 683)	(4 007 125)	(548 307)	-	(26 770 115)	52 399 057
Sewer Network	98 569 836	1 027 665	12 645 015	-	-	112 242 516	(30 379 489)	(3 303 271)	-	-	(33 682 760)	78 559 756
Composting	3 116 550	-	-	-	-	3 116 550	(1 648 667)	(104 718)	-	-	(1 753 385)	1 363 165
Sewerage Purification Franschoek	4 938 867	-	-	-	-	4 938 867	(433 571)	(138 136)	-	-	(571 707)	4 367 160
Sewerage Purification Pniel	143 205	-	-	-	-	143 205	(111 520)	(7 009)	-	-	(118 529)	24 676
Roads and Transport	1 963 965 723	43 800 434	7 595 478	-	-	2 015 361 635	(91 589 724)	(31 238 216)	(10 543 929)	-	(133 371 869)	1 881 989 767
Municipal Buildings	1 220 969 072	1 874 708	-	-	-	1 222 843 780	(2 775 264)	(197 464)	(10 543 929)	-	(13 516 657)	1 209 327 123
Engineering Services General	1 235 357	128 664	-	-	-	1 364 021	(201 128)	(164 182)	-	-	(365 310)	998 711
Workshop	1 650	-	-	-	-	1 650	(948)	(536)	-	-	(1 483)	167
Roads	659 226 420	40 723 764	7 595 478	-	-	707 545 662	(78 524 623)	(26 717 650)	-	-	(105 242 272)	602 303 390
Sidewalks	39 747 740	218 532	-	-	-	39 966 272	(4 196 971)	(2 769 575)	-	-	(6 966 545)	32 999 726
Stormwater	42 785 485	854 766	-	-	-	43 640 251	(5 890 791)	(1 388 810)	-	-	(7 279 601)	36 360 650
Water	377 897 065	11 919 716	6 597 951	-	-	396 414 732	(50 782 456)	(12 859 931)	-	-	(63 642 387)	332 772 344
Water Network	286 671 840	10 554 442	6 383 659	-	-	303 609 941	(24 551 663)	(8 977 978)	-	-	(33 529 641)	270 080 300
Reservoirs & Supply Lines	72 911 867	-	168 407	-	-	73 080 274	(10 536 755)	(3 600 902)	-	-	(14 137 658)	58 942 616
Purification Idas Valley	15 078 746	-	-	-	-	15 078 746	(14 412 354)	(13 733)	-	-	(14 426 088)	652 659
Purification Paradyskloof	2 275 096	-	45 885	-	-	2 320 981	(1 142 444)	(229 972)	-	-	(1 372 416)	948 564
Purification Franschoek	959 517	1 365 274	-	-	-	2 324 790	(139 239)	(37 346)	-	-	(176 585)	2 148 205
Electricity	614 636 900	11 400 029	563 363	-	(739 790)	625 860 502	(66 055 797)	(23 198 245)	-	-	(89 254 042)	536 606 461
Electricity	614 636 900	11 400 029	563 363	-	(739 790)	625 860 502	(66 055 797)	(23 198 245)	-	-	(89 254 042)	536 606 461
Electrical Administration	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 490 188 198	109 823 300	38 040 677	-	(747 751)	3 637 304 423	(362 101 739)	(90 603 456)	(11 309 749)	916	(464 014 029)	3 173 290 395

* Note - Additions as per Appendix C

Additions	109 823 300
Under Construction	38 040 677
	147 863 977

* Note - Additions consist of the following

Capital Expenditure	113 060 489
Revaluation	34 646 249
Donated Assets	157 238
	147 863 977

Stellenbosch Municipality

Appendix D for the year ended 30 June 2011

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

2010 Actual Income R	2010 Budgeted Income R	2010 Actual Expenditure R	2010 Budgeted Expenditure R	2010 Surplus/ (Deficit) R	Description	Vote Number	2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R
-	-	4 392 431	9 114 811	(4 392 431)	Municipal Manager	1100	-	-	2 027 177	3 914 100	(2 027 177)
-	-	1 239 142	3 276 518	(1 239 142)	Internal Audit	1105	-	-	1 765 151	3 116 271	(1 765 151)
-	-	-	-	-	Liaison Executive	1111	-	-	1 661 597	3 188 251	(1 661 597)
-	-	-	-	-	Policy and Research	1115	-	-	-	-	-
-	-	3 766	52 322	(3 766)	Soccer World Cup 2010	1110	-	-	-	-	-
-	-	2 772 063	2 534 792	(2 772 063)	Secretariate and Administration	7710	-	-	2 356 822	2 371 969	(2 356 822)
247 368	-	6 318 335	5 681 864	(6 070 967)	Legal Services	7720	694	-	10 013 170	5 439 738	(10 012 476)
247 368	-	14 725 737	20 660 307	(14 478 369)	MUNICIPAL MANAGER		694	-	17 823 916	18 030 329	(17 823 222)
4 563 440	191	3 649 026	2 798 719	914 414	Planning and Development	2200	1 686 498	-	5 161 123	2 957 687	(3 474 625)
2 811 776	3 480 453	5 270 112	5 078 422	(2 458 336)	Building Control	2205	3 828 423	2 799 251	6 058 471	5 778 915	(2 230 048)
163 013	154 008	4 693 551	4 658 781	(4 530 538)	Town Planning	2210	152 121	161 310	4 504 307	4 999 276	(4 352 186)
20 000	-	5 211 886	(601 810)	(501 186)	Town Development	2230	-	-	584 794	2 581 960	(584 794)
-	-	-	-	-	Property Management	2235	23 151	-	471 923	1 231 356	(448 772)
18 353 836	50 552	14 977 055	(147 993)	3 376 781	Integrated Human Settlements	3780	20 388 194	20 586 885	21 161 003	23 091 495	(772 809)
-	-	2 117 746	1 567 495	(2 117 746)	New Housing	3783	-	-	3 080 530	3 957 372	(3 080 530)
1 836 456	-	2 977 480	2 136 098	(1 141 024)	Housing Special Projects	3784	-	-	1 927 087	500 310	(1 927 087)
3 252 919	6 413 217	6 825 045	6 184 544	(3 572 126)	Housing Administration	3781	3 607 773	3 360 776	7 268 838	6 763 854	(3 661 065)
751 047	759 660	756 788	759 660	(5 741)	Maintenance: Scheme Houses	3577	801 088	805 240	804 636	805 240	(3 548)
62 655 300	-	8 144 532	5 832 980	54 510 768	Municipal Buildings	6220	713 500	-	13 574 477	13 489 288	(12 860 977)
-	21 158	277 210	138 676	(277 210)	Administration Stellenbosch	7805	-	-	919 803	678 690	(919 803)
-	-	91 993	131 858	(91 993)	Administration Franschhoek	7806	-	-	216 811	115 471	(216 811)
4 391 784	5 763 082	2 018 177	5 761 952	2 373 606	Housing Schemes	Various	4 587 899	5 042 107	1 302 038	5 329 680	3 285 862
374 860	-	374 860	-	-	Growth Management Strategy	9914	41 749	-	41 749	-	-
5 700	54 243	5 700	54 243	-	Special Fund Housing Consumers	9922	-	55 161	-	55 161	-
-	-	-	-	-	Project Management Unit	9917	-	-	-	-	-
99 180 131	16 696 564	52 700 461	34 353 625	46 479 670	PLANNING & DEVELOPMENT SERVICES		35 830 396	32 810 730	67 077 590	72 335 755	(31 247 194)
-	191	95 189	32 196	(95 189)	Community Services General	3111	74 240	-	323 795	422 660	(249 555)
-	-	2 555 166	2 362 831	(2 555 166)	Community Services Director	3112	-	-	2 299 992	2 063 124	(2 299 992)
-	-	676 600	736 077	(676 600)	Social and Human Development	3113	-	-	1 632 799	2 122 206	(1 632 799)
-	-	18 970	40 300	(18 970)	Stellenbosch Youth Council	3114	-	-	35 867	42 740	(35 867)
-	-	2 049 382	1 859 958	(2 049 382)	Forestry, Parks & Recreation	3300	-	-	1 797 306	1 893 335	(1 797 306)
-	-	301 001	268 035	(301 001)	Workshop	3301	-	-	401 369	360 686	(401 369)
15 832	1 528 973	6 967 947	7 029 820	(6 952 115)	Parks & Sidewalks Stellenbosch	3305	55 880	16 283	8 404 999	6 851 269	(8 349 119)
-	354 549	1 625 929	1 671 773	(1 625 929)	Parks & Sidewalks Franschhoek	3306	-	375 830	2 237 293	2 210 033	(2 237 293)
-	-	1 415 596	1 217 998	(1 415 596)	Street Trees	3310	-	-	1 625 747	1 505 981	(1 625 747)
45 000	-	1 861 046	1 844 161	(1 816 046)	Street Beautification	3311	-	-	2 039 837	1 798 883	(2 039 837)
-	-	654 979	452 802	(654 979)	Nursery	3315	-	-	770 907	836 851	(770 907)
684 611	4 494 495	3 963 210	1 787 617	(3 278 599)	Commonage & Plantations	3320	3 768 264	3 375 715	(164 222)	1 660 524	3 932 486
15 413	1 526	469 499	430 996	(454 086)	Jan Marais Nature Reserve	3325	11 244	1 620	616 509	448 555	(605 265)
132 211	39 294	116 457	249 076	15 754	Jonkershoek Picnic Site	3330	217 328	30 716	209 906	145 564	7 422
-	-	570	570	(570)	Dwarsrivier Picnic Site	3331	-	-	2 239	2 990	(2 239)
687 781	-	1 964 138	1 929 779	(1 276 357)	Van der Stel Sport	3340	894 433	-	3 190 677	3 329 098	(2 296 244)
(587)	-	510 831	470 923	(511 418)	Idas Valley Sport	3341	193 445	-	875 314	253 093	(681 869)
17 788	10 020	955 065	361 630	(937 277)	Cloetesville Sport	3342	91 041	10 630	723 261	306 746	(632 220)
-	-	12 507	19 190	(12 507)	Golf Club	3343	-	-	13 345	20 350	(13 345)
32 433	21 169	631 704	647 666	(599 271)	Swimming Pool Cloetesville	3344	38 226	37 349	801 575	770 685	(763 349)
349 413	-	273 963	(219 464)	75 450	Kayamandi Sport	3345	195	-	316 707	164 292	(316 512)
(618)	-	396 695	124 133	(397 313)	Kylemore Sport	3346	104 141	-	499 401	348 779	(395 260)
949	-	263 398	161 946	(262 449)	Klapmuts Sport	3347	195	-	205 260	160 338	(205 065)
227 924	-	204 803	176 016	23 121	Jamestown Sport	3348	195	-	263 908	225 850	(263 713)
140 954	-	886 167	514 170	(745 213)	Pniel Sport	3349	195	-	1 159 763	765 682	(1 159 568)
(587)	-	135 088	187 774	(135 675)	Groendal Sport	3350	370	-	73 972	51 388	(73 602)
(587)	-	327 647	275 116	(328 234)	Raithby Sport	3351	30 316	-	355 144	220 173	(324 828)
1 064	-	(982)	(6 325)	2 046	Health General	3500	14 293	-	14 177	20 000	116

Stellenbosch Municipality

Appendix D for the year ended 30 June 2011

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

2010 Actual Income R	2010 Budgeted Income R	2010 Actual Expenditure R	2010 Budgeted Expenditure R	2010 Surplus/ (Deficit) R	Description	Vote Number	2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R
-	-	46 278	3 630	(46 278)	Aan-het-pad Clinic	3505	-	-	29 513	40 319	(29 513)
-	-	(1)	(4 604)	1	Poli Clinic	3506	-	-	49 137	-	(49 137)
-	-	35 752	(2 830)	(35 752)	Kayamandi Clinic	3507	-	-	19 237	60 258	(19 237)
-	-	-	(7 920)	-	Victoria Street Clinic	3508	-	-	-	10 690	-
-	-	-	-	-	Family Planning	3509	-	-	-	-	-
-	-	-	(19 801)	-	Kylemore Clinic	3510	-	-	-	-	-
-	-	85 936	-	(85 936)	Klapmuts Clinic	3511	-	-	27 534	125 692	(27 534)
-	-	-	(1 587)	-	Don & Pat Bilton Clinic	3512	-	-	-	46 170	-
-	-	-	-	-	Aids Clinic	3516	-	-	-	-	-
-	-	-	-	-	TB Clinic	3517	-	-	-	-	-
-	-	75 053	13 671	(75 053)	Groendal Clinic	3518	-	-	126 493	86 448	(126 493)
-	-	2 516	7 877	(2 516)	Pest Control	3520	-	-	3 183	10 520	(3 183)
541 793	612 965	1 318 779	1 545 885	(776 986)	Stellenbosch Cemetery	3545	653 340	506 054	1 440 512	1 193 410	(787 172)
-	3 020	85 804	123 758	(85 804)	Pniel Cemetery	3546	-	-	95 504	95 394	(95 504)
72 214	63 039	411 373	350 752	(339 159)	Franschoek Cemetery	3547	53 960	85 030	462 769	493 816	(408 809)
-	159	231 339	216 308	(231 339)	Rhenish Complex	3742	-	-	193 408	290 516	(193 408)
15 576	1 124 194	51 725	100 726	(36 149)	Voorgelegen	3743	17 451	16 358	97 406	11 326	(79 955)
16 671	31 228	2 902 849	2 577 740	(2 886 178)	Plein Street Library	3750	113 831	14 395	3 464 328	3 656 119	(3 350 497)
21 185	23 107	543 092	747 639	(521 907)	Idas Valley Library	3751	21 946	16 985	737 249	737 615	(715 303)
22 330	19 885	765 570	719 010	(743 240)	Cloetesville Library	3752	20 902	20 992	801 902	766 957	(781 000)
9 414	17 278	409 765	662 350	(400 351)	Kayamandi Library	3753	7 387	2 447	489 193	475 080	(481 806)
4 668	6 233	543 068	543 320	(538 400)	Pniel Library	3754	7 884	4 466	603 473	591 739	(595 589)
18 595	18 476	644 241	631 550	(625 646)	Franschoek Library	3755	18 434	18 635	737 769	710 469	(719 335)
-	-	555	155	(555)	Groendal Library	3756	-	-	4 528	810	(4 528)
253 059	424 000	1 347 632	983 827	(1 094 573)	Town Hall Plein Street	5740	272 659	253 574	1 681 482	1 366 353	(1 408 823)
21 807	25 228	278 627	280 479	(256 820)	Eikestad Hall	5741	35 596	25 089	353 170	282 015	(317 574)
-	1 897	131 064	119 234	(131 064)	Community Centre Kayamandi	5744	2 285	2 020	35 675	101 606	(33 390)
-	10 600	(10 870)	-	10 870	Administration Hall Kayamandi	5745	-	11 240	-	-	-
15 179	12 635	36 454	(23 214)	(21 274)	Admin Buildings & Hall Pniel	5746	14 220	15 788	31 735	23 481	(17 515)
25 833	15 900	296 993	166 131	(271 160)	Community Centre Groendal	5747	28 327	33 753	314 561	286 009	(286 234)
-	-	350	(620)	(350)	Community Hall Groendal	5748	-	-	14 107	-	(14 107)
55 395	31 567	9 838	45 760	45 557	Town Hall Franschoek	5749	40 621	67 505	14 829	48 430	25 792
(627)	15 900	1 372	24 960	(1 999)	Community Hall : Kylemore	5750	3 046	16 860	3 422	18 060	(376)
13 004	15 900	8 490	25 060	4 514	Community Hall: LA Motte	5751	10 605	18 689	4 937	21 948	5 668
9 079	15 900	7 096	32 930	1 983	Community Hall: Wemmershoek	5752	10 202	16 860	3 580	21 982	6 622
-	-	5 229 613	5 139 128	(5 229 613)	Cleaning of Streets	6540	-	-	3 825 339	5 532 779	(3 825 339)
-	-	1 945 926	3 315 589	(1 945 926)	Public Participation	8116	-	-	2 123 261	2 864 554	(2 123 261)
692 370	750 000	692 370	750 000	-	Special Fund: Library Services	9913	953 899	1 128 489	953 899	1 128 489	-
-	-	-	-	-	Clean-up Operations	-	-	-	-	-	-
119 837	163 110	182 594	163 110	(62 757)	Special Fund Dilbeek	9912	85 326	141 250	85 326	141 260	-
116 136	120 000	116 136	120 000	-	Special Fund CDW Support Grant	9919	191 904	239 145	191 904	239 145	-
4 392 512	9 972 438	47 759 943	43 976 767	(43 367 431)	COMMUNITY SERVICES		8 057 826	6 503 767	49 747 212	50 481 334	(41 689 386)
252 661 425	234 728 555	164 098 738	152 199 196	88 562 686	Electrical Engineering Services	4400	306 712 280	277 700 432	203 196 902	200 279 181	103 515 378
-	-	3 065 629	3 107 992	(3 065 629)	Electrical Engineering Client Services	4410	-	-	4 811 750	4 547 900	(4 811 750)
-	-	75 860 529	40 886 431	(75 860 529)	Electrical Engineering System Operations	4420	-	-	47 905 668	45 018 725	(47 905 668)
-	-	1 106 396	1 268 201	(1 106 396)	Public Facilities	6515	-	-	1 472 470	2 110 530	(1 472 470)
178 846	132 500	-	(298 730)	178 846	Market	6525	236 504	178 602	-	2 344 500	2 36 504
-	191	4 239 556	5 613 478	(4 239 556)	Civil Engineers General Services	6600	-	-	5 900 168	6 079 118	(5 900 168)
19 770 132	409 986	31 743 262	7 975 844	(11 973 130)	Roads	6620	20 233 339	434 590	35 971 780	37 863 761	(15 738 441)
-	-	5 344 938	1 480 132	(5 344 938)	Sidewalks & Cycle Paths	6621	-	-	4 090 777	3 981 057	(4 090 777)
-	-	7 249 858	5 610 910	(7 249 858)	Stormwater	6625	-	-	7 477 474	6 966 224	(7 477 474)
-	-	185 683	184 631	(185 683)	Workshop	6640	-	-	205 621	200 399	(205 621)
76 164 472	56 509 763	67 435 363	47 911 040	8 729 109	Water Network	6650	89 021 887	62 119 951	49 017 045	50 305 363	40 004 842
586 489	-	10 302 895	5 171 217	(9 716 406)	Reservoirs & Supply Lines	6651	-	-	9 564 797	10 544 703	(9 564 797)
-	-	16 482 467	1 017 946	(16 482 467)	Water Filtration Idas Valley	6652	-	-	3 519 248	3 464 141	(3 519 248)
-	-	4 603 897	3 700 239	(4 603 897)	Water Filtration Paradyskloof	6653	-	-	2 588 866	3 987 446	(2 588 866)
-	-	50 778	33 850	(50 778)	Reservoir & Filtration Franschoek	6654	54 273	-	(24 763)	72 440	79 036

Stellenbosch Municipality

Appendix D for the year ended 30 June 2011

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

2010 Actual Income R	2010 Budgeted Income R	2010 Actual Expenditure R	2010 Budgeted Expenditure R	2010 Surplus/ (Deficit) R	Description	Vote Number	2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R
29 943 345	29 005 943	21 090 068	25 067 946	8 853 277	Refuse Removal	6530	37 472 545	33 085 410	21 548 768	22 163 843	15 923 777
590 404	530 000	17 050 939	2 827 930	(16 460 535)	Dumping Site	6535	586 111	691 953	5 692 792	2 820 815	(5 106 681)
2 247	265	1 722 058	1 583 059	(1 719 811)	Klapmuts Transfer Station	6536	-	4 082	1 702 588	1 738 770	(1 702 588)
49 814 255	44 705 609	27 371 886	29 191 760	22 442 369	Sewerage Purification Stellenbosch	6605	54 195 854	52 382 700	18 373 686	24 589 373	35 822 168
4 324 902	183 236	25 893 176	9 129 006	(21 568 274)	Sewerage Network	6606	6 401 157	57 359	15 443 193	16 242 375	(9 042 036)
25 968	76 541	2 360 552	1 036 470	(2 334 584)	Composting	6607	58 490	20 426	1 298 069	1 605 546	(1 239 579)
-	-	244 907	271 160	(244 907)	Sewerage Purification Klapmuts	6608	-	-	249 420	269 903	(249 420)
-	-	829 983	812 899	(829 983)	Sewerage Purification Franschoek	6609	-	-	1 121 243	1 302 878	(1 121 243)
-	-	886 607	1 314 174	(886 607)	Sewerage Purification Pniel	6610	-	-	855 078	1 013 336	(855 078)
-	-	516 160	368 527	(516 160)	Sewerage Purification Rural	6611	-	-	596 735	835 995	(596 735)
-	-	-	-	-	Special Fund Asset Val (Red)	-	-	-	-	-	-
434 062 485	366 282 589	489 736 325	347 465 308	(55 673 840)	ENGINEERING SERVICES		514 972 440	426 675 505	442 579 376	450 348 322	72 393 064
-	191	3 063 099	3 161 433	(3 063 099)	Public Safety General	5111	-	-	3 749 805	4 362 523	(3 749 805)
44 650	-	15 555 948	14 453 050	(15 511 298)	Fire Services	5120	48 401	13 970	16 634 428	16 192 996	(16 586 027)
5 471 759	6 331 556	3 921 742	5 596 732	1 550 017	Traffic Services Licencing	5140	6 073 532	5 054 103	4 024 161	4 729 863	2 049 371
15 526 214	16 915 384	24 911 153	22 557 459	(9 384 939)	Traffic Control	5141	14 037 868	12 911 353	25 617 164	26 796 414	(11 579 296)
1 774 913	1 695 696	869 733	835 820	905 180	Parking Areas	5142	1 087 501	4 365 851	1 006 442	1 495 995	81 059
-	-	330 954	944 472	(330 954)	Disaster Management	5705	-	-	984 176	153 621	(984 176)
-	996	69 186	3 091 056	(69 186)	Security	5710	1 228	-	4 014 913	5 414 605	(4 013 685)
-	10 000	1 629	1 152	(1 629)	Occupational Safety	5715	-	-	340 296	456 787	(340 296)
880 000	-	880 000	-	-	Community Safety Projects: Contract Law	9923	181 886	-	181 886	-	-
23 697 536	24 953 823	49 603 443	50 641 174	(25 905 907)	PUBLIC SAFETY		21 430 416	22 345 277	56 553 270	59 602 804	(35 122 854)
-	-	2 817	676 260	(2 817)	Client Services and Innovations	5739	-	-	534	12 840	(534)
-	-	5 130 405	4 310 766	(5 130 405)	Corporate Services General	7111	(844)	-	4 674 966	2 789 960	(4 675 810)
-	-	1 733 635	3 412 265	(1 733 635)	Human Resources Services	7180	-	-	3 534 491	4 161 191	(3 534 491)
-	339	622 227	1 479 150	(622 227)	Documentation and Land Management	7700	-	-	2 061 367	667 755	(2 061 367)
-	-	1 945 684	202 908	(1 945 684)	Liaison Services	7770	-	-	691 642	512 400	(691 642)
-	-	275 598	(9 772)	(275 598)	Printing Section	7790	-	-	231 419	24 446	(231 419)
665 690	912 829	4 630 926	11 541 475	(3 965 236)	Council General Expenses	7800	1 250 115	1 109 676	8 649 573	7 820 724	(7 399 458)
-	-	299 514	295 996	(299 514)	Council Deputy Mayor's office	7801	-	-	145 604	22 990	(145 604)
-	-	3 258 648	4 817 260	(3 258 648)	Council Donations	7802	10 969	-	3 950 241	4 852 060	(3 939 272)
-	-	24 077	305 849	(24 077)	Council Speaker's Office	7803	-	-	38 889	87 530	(38 889)
-	-	1 570 472	1 575 192	(1 570 472)	Council Mayor's Office	7804	-	-	1 115 117	1 167 309	(1 115 117)
-	-	320 835	261 171	(320 835)	IDP & Strategic Programs	8110	-	-	23 358	247 374	(23 358)
-	191	610 443	254 480	(610 443)	Strategic Services: General	8115	-	-	956 219	623 672	(956 219)
-	-	-	1 239 961	-	Communication Services	8117	-	-	-	235 760	-
-	-	1 948 080	2 669 035	(1 948 080)	Local Economic Development	8120	-	6 660	2 046 162	2 213 104	(2 046 162)
223 104	-	1 015 364	964 461	(792 260)	Kayamandi Economic Tourism Corridor	8125	69 995	-	848 167	1 052 709	(778 172)
(0)	2 120 000	62 496	2 120 000	(62 496)	Special Fund Leave Gratification	9902	-	2 247 200	-	2 247 200	-
761 453	1 056 790	761 453	1 056 790	-	Special Fund LWGETA Training	9909	258 166	1 120 200	269 749	1 120 200	(11 583)
-	-	-	-	-	Special Fund Leuven Study Grant	9915	-	-	-	-	-
611 902	-	611 902	-	-	NLDTF Bergzicht	9916	-	-	-	-	-
-	-	-	-	-	Council Unallocated	9803	-	-	-	-	-
2 262 149	4 090 149	24 824 575	37 173 247	(22 562 426)	CORPORATE SERVICES		1 588 401	4 483 736	29 237 497	29 859 224	(27 649 096)
204 392 807	176 704 259	4 557 119	60 904 481	199 835 688	Financial Services General	9900	210 171 732	190 706 300	50 844 938	23 060 149	159 326 794
-	-	999 955	2 980 964	(999 955)	Information Technology	9910	-	-	2 744 321	3 418 237	(2 744 321)
1 059 019	10 328	1 072 391	470 557	(13 372)	Stores	9920	1 782 850	6 710	1 117 146	352 519	665 704
104 270	-	82 950	83 720	21 320	Supply Chain Management Unit	9921	162 090	134 741	60 172	67 550	101 918
10 908 432	25 651 000	10 908 432	25 651 000	-	Special Fund Masakhane	3782	16 495 661	36 784 006	9 995 463	36 784 006	6 500 198
-	1 330 260	639 593	1 330 260	(639 593)	Special Fund Self-Insurance	9905	-	-	251 733	1 410 080	(251 733)
425 704	400 000	425 704	400 000	-	Special Fund Municipal Systems Improvements	9906	679 656	706 008	679 656	706 008	-
918 710	750 000	918 710	750 000	-	Special Fund Financial Management Grant	9911	1 013 303	1 050 588	1 013 303	1 050 588	-
217 808 942	204 845 847	19 604 854	92 570 982	198 204 088	FINANCIAL SERVICES		230 305 292	229 388 353	66 706 732	66 849 137	163 598 560
781 651 123	626 841 410	698 955 338	626 841 410	82 695 784	Total		812 185 465	722 207 368	729 725 594	747 506 905	-

Stellenbosch Municipality

Appendix E (1) for the year ended 30 June 2011

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2011

Description	2010/2011 Actual R	2010/2011 Budget R	2010/2011 Variance R	2010/2011 Variance %	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property Rates	183 291 413	169 414 900	13 876 513	8%	
Service Charges	454 860 873	403 590 305	51 270 568	13%	Increased customer base and implementation of block tariffs for water resulted in Service Charges being more than projected.
Property Rates - Penalties imposed and collection charges	2 372 716	2 195 058	177 658	8%	
Rental of Facilities and Equipment	11 595 026	11 209 085	385 941	3%	
Interest Earned - Outstanding debtors	4 071 819	4 466 774	(394 955)	-9%	Actual interest earned on Debtors is less than anticipated due to the stringent application of the Credit Control and Debt Collection Bylaw.
Income for Agency Services	1 128 131	516 278	611 853	119%	Budget was adjusted downwards during 2010/2011 in terms of historic trends
Fines	14 061 397	14 035 620	25 777	0%	
Licences and Permits	4 462 400	3 974 983	487 417	12%	Budget was adjusted downwards during 2010/2011 in terms of historic trends
Government Grants and Subsidies	96 788 177	61 821 058	34 967 119	57%	All capital grants and subsidies expensed was disclosed in the Statement of Financial Performance.
Other Income	15 213 482	33 443 869	(18 230 387)	-55%	Sundry income more than anticipated due to the recognition of unallocated deposits in terms of the Accounting Policy.
Interest Received - Investments	19 756 636	17 539 438	2 217 198	13%	Investment portfolio grew more than anticipated due to rigorous cashflow management, therefore interest received was also more than anticipated.
Total Revenue	807 602 070	722 207 368	106 179 525	1694%	
EXPENDITURE					
Employee Related Costs	(215 063 926)	(214 769 015)	294 911	0%	
Remuneration of Councillors	(9 681 174)	(7 195 221)	2 485 953	-35%	Budget for benefits included with the category Employee Related Costs
Contributions to/(transfers from) Provisions	(35 237 052)	(25 467 868)	9 769 184	-38%	Contributions to provisions in accordance with accounting standards
Depreciation and Amortisation	(90 603 459)	(109 493 480)	(18 890 021)	17%	Underspending as a result of the underspending on the capital budget
Impairment Loss/ Reversal of Impairments	(7 970 285)	-	7 970 285	100%	Financial entries in accordance with accounting standards
Finance Cost	(3 752 322)	(4 202 701)	(450 379)	11%	Underspending as a result of the underspending on the capital budget.
Debt Impairment	(11 316 077)	-	11 316 077	100%	Financial entries in accordance with accounting standards
Collection Costs	(94 121)	(107 870)	(13 749)	13%	Underspending due to the switch over to a new service provider
Repairs and Maintenance	(38 030 103)	(54 666 466)	(16 636 363)	30%	
Bulk Purchases	(173 670 985)	(164 480 517)	9 190 468	-6%	
Contracted Services	(8 164 511)	(8 786 576)	(622 065)	7%	
Grants and Subsidies Paid	(564 867)	(679 860)	(114 993)	17%	Grants in Aid: Sundry allocations are done in terms of the approved policy and there were only a few cases approved during the financial year.
General Expenses	(135 929 211)	(157 657 330)	(21 728 119)	14%	
Total Expenditure	(730 078 093)	(747 506 904)	(22 931 819)	-326%	
Loss on disposal of assets and liabilities	(3 317)				
Profit / (loss) on fair value adjustment	4 795 074				
Gain (loss) on biological assets and agriculture produce	265 618				
Inventories: (Write-down) / reversal of write-down to net realisable value	(121 481)				
NET SURPLUS FOR THE YEAR ENDING 30 JUNE 2011	82 459 871				

Stellenbosch Municipality

Appendix E (2) for the year ended 30 June 2011

APPENDIX E(2)
STELLENBOSCH MUNICIPALITY
ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2011

Description	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	Explanation of Significant Variances greater than 5% versus Budget
	Actual	Under Construction	Total Additions	Budget	Variance	Variance	
	R	R	R	R	R	%	
Executive & Council	49 854	-	49 854	50 000	(146)	-	
Budget and Treasury Office	509 716	-	509 716	525 000	(15 284)	-3%	
Corporate Services	4 580 247	-	4 580 247	4 801 020	(220 773)	-5%	
Community & Social Services	753 396	-	753 396	802 627	(49 231)	-6%	Spending less than anticipated on various ward specific projects due to needs not being clearly identified and prioritised.
Sport & Recreation	6 010 131	-	6 010 131	6 472 617	(462 486)	-7%	Underspending on pj 09-0207 Paving at van der Stel Sportsgrounds due to weather conditions. Pj 09-0210 Upgrading Sportsgrounds was finalised with costs being less than anticipated. Spending less than anticipated on various ward specific projects due to needs not being clearly identified and prioritised.
Public Safety	863 447	-	863 447	931 467	(68 020)	-7%	Pj 07-0046 Satellite fire station at Klappmuts did not commence in 2010/2011 due to planning issues and compliance to legislation.
Housing	1 384 764	299 800	1 684 564	3 242 000	(1 557 436)	-48%	Underspending on pj 09-0215 Digteby, due to late approval of project by Provincial Housing Board.
Planning and Development	1 813 304	-	1 813 304	2 570 196	(756 892)	-29%	Underspending on Pj 09-0072 Upgrading of Services: Langrug due to some residents (15 families) not wanting to relocate, therefore the project could not be finalised.
Road Transport	26 702 413	7 595 478	34 307 891	38 069 365	(3 761 474)	-10%	Underspending on Pj 06-0101 Public Transport Projects due to a delay in the roll-out of the project.
Electricity	4 041 456	563 363	4 604 819	23 756 220	(19 151 401)	-81%	Underspending on this function is due to 2 projects: Pj 07-014466kV cable and Pj 09-0163 Suidwal Mainsub Switchgear replacement. Equipment will only be delivered in the new financial year.
Water	2 273 149	14 879 244	17 152 393	19 226 600	(2 074 207)	-11%	Underspending on Pj 09-0165 Reservoir, project was rolled over in new financial year.
Waste Water Management	11 270 044	15 058 538	26 328 582	28 562 004	(2 233 422)	-8%	Unspending due to delay in implementation of multi-year projects that will continue in the new financial year.
Waste management	14 402 452	-	14 402 452	15 679 996	(1 277 544)	-8%	Unspending due to delay in implementation of multi-year projects that will continue in the new financial year.
Total	74 654 374	38 396 424	113 060 489	144 689 112	(31 628 623)	-22%	

Stellenbosch Municipality
Appendix F for the period 30 June 2011

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Name of Grant	Name of Organ of State or Municipal Entity	Opening Balance	Quarterly Receipts				Quarterly Expenditure				Total	Compliance to Revenue Act	Grants and Subsidies Delayed / Withheld
			Sept	Dec	March	June	Sept	Dec	March	June			
CONDITIONAL GRANTS & SUBSIDIES													
Municipal Infrastructure Grant	National Treasury	7 791 358	8 092 000	3 431 000			4 785 062	8 251 206	496 047	3 890 685	1 891 358	Yes	N/A
Financial Management Grant	National Treasury	50 588	1 000 000				124 012	346 627	236 145	306 520	37 284	Yes	N/A
Municipal Systems Improvement Grant	National Treasury	31 008	750 000					64 509	103 767	586 380	26 352	Yes	N/A
Equitable Share	National Treasury	2 512 006	14 279 808	11 423 847	8 568 000		21 180 483		4 523 172	11 080 006	-	Yes	N/A
Library Services	Dept Cultural Affairs and Sport	157 489	453 700	311 700	311 600		298 313	299 901	215 853	237 312	183 110	N/A	N/A
Integrated Transport Plan	Dept of Transport and Public Works	1 500 000				396 000		308 421	147 858	670 044	769 676	N/A	N/A
Maintenance of Proclaimed Roads	Dept of Transport and Public Works	1 210 000			1 522 405				1 403 689	53 413	1 275 303	N/A	N/A
Integrated Housing and Human Settlement Development Grant	Dept of Human Settlements	4 099 024	8 580 171	1 993 225	21 418 400	2 782 462	5 963 711	2 525 265	3 189 243	10 396 472	16 798 590	N/A	N/A
Community Development Worker (CDW) Operational Support Grant	Dept of Local Government	114 145		125 000			4 964	69 567	63 443	53 930	47 241	N/A	N/A
Cleanest Town Competition	Dept of Environmental Affairs and Development Planning	3 684			40 000						43 684	N/A	N/A
LGWSETA Skills Development	SETA	885 403	123 964		469 226		38 086	159 956	16 413	52 490	1 211 647	N/A	N/A
Magazine Subsidy	Dept Cultural Affairs and Sport	-	115	66	40	1 685	115	66	40	1 685	-	N/A	N/A
Reconstruction of Roads	Cape Winelands District Municipality	2 000 000			900 000					2 900 000	-	N/A	N/A
Total Grants and Subsidies Received		20 354 705	33 279 758	17 284 838	33 229 671	3 180 147	32 394 746	12 025 519	10 395 670	30 228 938	22 284 245		

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
Certificate of Emergency Expenditure						
02	07	2010	Chesmar Trading	19 000.00	Remove debris from stormwater structures at Kayamandi.	4.36.4 Certificate of Emergency
02	07	2010	Ernie & Toerien Trading & Main	2 682.00	Repair of mainline sewer manhole & cover - Dorp Street Stellenbosch.	4.36.4 Certificate of Emergency
05	07	2010	Leading Edge 70 CC	2 565.00	Emergency repair on leaking water line at the corner of Bergzicht and Alexander Street, Stellenbosch.	4.36.4 Certificate of Emergency
05	07	2010	RRR Civils CC	20 719.50	Emergency repairs to civil services. (Watermain, Fire Hydrants and house connection)	4.36.4 Certificate of Emergency
08	07	2010	Imba Plant Hire (Pty) Ltd	100 000.00	Hire of dozer - D6 : 20 days.	4.36.4 Certificate of Emergency
08	07	2010	GM Waste	28 000.00	Operation at landfill site 1 month.	4.36.4 Certificate of Emergency
14	07	2010	D & D Fabrications CC	3 396.06	Emergency repair on burst water feeding pipe behind Paul Roos School, Stellenbosch.	4.36.4 Certificate of Emergency
20	07	2010	Go2 Plant Hire CC t/a Checker	5 130.00	Hire of refuse compactor 14 July 2010.	4.36.4 Certificate of Emergency
20	07	2010	Surevac Logistics CC	20 500.00	Emergency cleaning of fifty five (55) sewage buckets in Jamestown (Kreefgat)	4.36.4 Certificate of Emergency
22	07	2010	W.Krohn	23 883.00	Emergency work on a stormwater channel at Raithby.	4.36.4 Certificate of Emergency
27	07	2010	RRR Civils CC	9 652.38	Emergency repairs to sidewalk at Endler Street, Stellenbosch.	4.36.4 Certificate of Emergency
22	07	2010	D P Truckhire	8 755.20	Hire of refuse compactor	4.36.4 Certificate of Emergency
27	07	2010	Williams Edgar John	10 260.00	Emergency water pipe repair at Dahlia Street.	4.36.4 Certificate of Emergency
27	07	2010	North Star Fisheries	202.50	Emergency Meals (21 July 2010)	4.36.4 Certificate of Emergency
27	07	2010	Go2 Plant Hire CC t/a Checker	10 260.00	Hiring of a refuse compactor (20 -21 July 2010)	4.36.4 Certificate of Emergency
27	07	2010	Leading Edge CC	2 502.30	Emergency repair on leaking water line at Bosman Street, Stellenbosch.	4.36.4 Certificate of Emergency
27	07	2010	Williams Edgar John	6 270.00	Emergency water pipe repair at Sirega Street, Dalsig.	4.36.4 Certificate of Emergency
28	07	2010	Loliwe CC	12 996.00	Hire refuse compactor 22-23 July 2010	4.36.4 Certificate of Emergency
29	07	2010	Chesmar Trading	19 000.00	Emergency extension of B/SM 251/09: Removal of debris from the five storm water run-off structures in the Kayamandi area.	4.36.4 Certificate of Emergency
30	07	2010	D P Truckhire	8 755.20	Hiring of refuse compactor (26-27 July 2010)	4.36.4 Certificate of Emergency
03	08	2010	Go2 Plant Hire CC T/A Checker	15 390.00	Hiring of refuse compactor (28-30 July 2010)	4.36.4 Certificate of Emergency
03	08	2010	Bazamile Trading CC	7 800.00	Various repairs on the water network and associated reinstatement of the following streets: Sering, Berg, Nooitgedacht, Bird, Weidenhof and in Kayamandi.	4.36.4 Certificate of Emergency
03	08	2010	Gearbox Repair Centre CC	36 964.85	Strip & Quote: Gearbox + PTO-INPUT SHAFT,GEAR 3RD,TO 32-CL17481	4.36.4 Certificate of Emergency

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
05	08	2010	RRR Civils CC	11 080.80	Emergency repair on a water pipe at Rheezicht Street.	4.36.4 Certificate of Emergency
06	08	2010	W.P Hydraulics t/a Hydratech	99 642.87	Emergency repairs and overhaul of the hydraulic system and wiring of cat digger loader.	4.36.4 Certificate of Emergency
11	08	2010	Imba Plant Hire (Pty) Ltd	100 000.00	Hiring of dozer at Stellenbosch landfill site.	4.36.4 Certificate of Emergency
12	08	2010	Maxal Projects (Sa) (Pty) Ltd	5 107.20	Emergency supply & install pressure valve at Lanquedoc chlorine station.	4.36.4 Certificate of Emergency
12	08	2010	D P Truckhire	13 132.80	Hiring of refuse compactor (09 Aug.-11 Aug 2010)	4.36.4 Certificate of Emergency
12	08	2010	1001 Solutions	9 624.56	Emergency water pipe repair at Sering Street and Brandwacht Street, Stellenbosch.	4.36.4 Certificate of Emergency
12	08	2010	Wasteman Western Cape A Division Of Wasteman Holdings (Pty) Ltd	7 410.00	Hiring of refuse compactor (6 Aug 2010)	4.36.4 Certificate of Emergency
12	08	2010	Meyer Edward (Meyer Contractor	3 980.00	Emergency water pipe repair at Jooste Street and Brooke Street, Kylemore.	4.36.4 Certificate of Emergency
17	08	2010	D P Truckhire	8 755.20	Hiring of refuse compactor (12 and 13 August 2010)	4.36.4 Certificate of Emergency
19	08	2010	Xtantis (Pty) Ltd	6 221.32	Hiring of a Generator at Geluksoord old age home.	4.36.4 Certificate of Emergency
19	08	2010	Consolidated Power Projects (Pty) Ltd	9 120.00	Detect and repair gas leak.	4.36.4 Certificate of Emergency
07	09	2010	Gearbox Repair Centre Cc	47 418.30	Strip, Quote & Repair Gearbox: CL 22460	4.36.4 Certificate of Emergency
15	09	2010	Trees Unlimited	5 130.00	Emergency tree pruning, between NRS 3 and %, Ryneveld Street, Stellenbosch.	4.36.4 Certificate of Emergency
16	09	2010	Go2 Plant Hire Cc T/A Checker	15 390.00	Hire Refuse Compactor (01/09/2010-03/09/2010)	4.36.4 Certificate of Emergency
20	09	2010	Pholo-Ka-Hola Trading & General	8 000.00	Operation & Maintenance Of 7 Communal Abl.Fac.@Langrug -August 2010	4.36.4 Certificate of Emergency
20	09	2010	Wasteman Western Cape A Division Of Wasteman Holdings (Pty) Ltd	37 050.00	Hire of refuse compactor (30/08/2010-3/09/2010)	4.36.4 Certificate of Emergency
20	09	2010	RRR CIVILS CC	56 675.10	Emergency work on a 150mm water main in Piet Retief Street.	4.36.4 Certificate of Emergency
27	10	2010	Wasteman Western Cape A Division Of Wasteman Holdings (Pty) Ltd	37 050.00	Hire of refuse compactor (30/08/2010-3/09/2010)	4.36.4 Certificate of Emergency
07	10	2010	Conchem - Saligna Cc	36 480.00	Spraying Of Firebreaks With Herbicide.	4.36.4 Certificate of Emergency
08	10	2010	Leading Edge 70 Cc	7 723.50	Emergency Burglar Proofing in Klein Vallei pumpstation.	4.36.4 Certificate of Emergency
12	10	2010	Bazamile Trading cc	35 000.00	Operation & maintenance of ablution facilities in Kayamandi Informal Settlement.	4.36.4 Certificate of Emergency
14	10	2010	Williams Edgar John	5 130.00	Burst pipes emergency work: 23/09/2010 - Flamingo Street	4.36.4 Certificate of Emergency
14	10	2010	Williams Edgar John	7 410.00	Burst pipes emergency work: 24/09/2010 - Marina Street.	4.36.4 Certificate of Emergency

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
14	10	2010	Williams Edgar John	5 130.00	Burst pipes emergency work: 25/09/2010 - Jean Street.	4.36.4 Certificate of Emergency
19	10	2010	Go2 Plant Hire CC t/a Checker	5 130.00	Hire of a refuse compactor (11/10/2010).	4.36.4 Certificate of Emergency
27	10	2010	Leading Edge 70 CC	19 900.00	Repairs to De Boord pumpstation.	4.36.4 Certificate of Emergency
29	10	2010	Grace Construction	8 045.00	Electrical connection to Pniel Graveyard.	4.36.4 Certificate of Emergency
05	11	2010	Wasteman Western Cape A Division Of Wasteman Holdings (Pty) Ltd	7 752.00	Hire refuse compactor (29-10-2010).	4.36.4 Certificate of Emergency
05	11	2010	Go2 Plant Hire CC t/a Checker	5 130.00	Hire refuse compactor - (01-11-2010).	4.36.4 Certificate of Emergency
25	11	2010	D P Truckhire	29 640.00	Hiring of refuse compactor from trenchless road crossing.	4.36.4 Certificate of Emergency
22	11	2010	World Focus 1933 CC t/a Bantam Plumbig	21 960.00	Repair of burst water pipe at Bergzicht Taxi Rank.	4.36.4 Certificate of Emergency
06	12	2010	CBI Electric: African Cables	13 789.82	66KV oil filled cable.	4.36.4 Certificate of Emergency
08	12	2010	ATC Air Conditioning	1 012.32	Emergency repair of aircon server room.	4.36.4 Certificate of Emergency
14	12	2010	Absolute Ablutions	34 821.30	Repair work on vandalized Kayloo at Langrug Informal settlement in Franschoek.	4.36.4 Certificate of Emergency
14	12	2010	Stellenbosch Premier Manufacturer (Pty) Ltd t/a Naco	53 516.03	Installation of security steel mesh at Papagaaiberg and Klein Vallei pump stations, Stellenbosch.	4.36.4 Certificate of Emergency
17	12	2010	K. Groenewald	21 318.00	Repair of fence at Kayamandi Corridor.	4.36.4 Certificate of Emergency
07	01	2011	CBI Electric: African Cables	34 171.11	Pump up & freeze 66kV cable main/Markotter.	4.36.4 Certificate of Emergency
10	01	2011	Barlows Equipment Co	5 050.64	Attend to faulty engine (CL 50544)	4.36.4 Certificate of Emergency
10	01	2011	Hydreco cc	32 562.21	Strip & quote - Repair on refuse compactor - CL 22542	4.36.4 Certificate of Emergency
10	01	2011	W.P Hydraulics t/a Hydratech	35 818.80	Repairs on refuse compactor -CL 37160	4.36.4 Certificate of Emergency
10	01	2011	Hydreco cc	32 186.50	Strip & quote - Repair on refuse compactor - CL 54 363	4.36.4 Certificate of Emergency
18	01	2011	Protocor Twenty Two cc	36 647.81	Supply and install cabling for the electrical motors at entrance gates to Stellenbosch Wastewater Treatment Works (SB WWTW)	4.36.4 Certificate of Emergency
21	01	2011	Country Building Supplies	35 540.23	Fire kits for 36 structures, informal housing fire,Nkanini, Kayamandi.	4.36.4 Certificate of Emergency
21	01	2011	Reticulation & General Supplies.	10 259.37	Urgent supply L20Y 600A triple pole breaker.	4.36.4 Certificate of Emergency
28	01	2011	Inenzo Water (PTY) LTD	22 087.50	Repair and install mechanical screen at Franschoek WWTW.	4.36.4 Certificate of Emergency
01	02	2011	RRR Civils CC	28 039.44	Burst pipe and paving repair work in Nootgedaght 13 and 19 Stellenbosch.	4.36.4 Certificate of Emergency

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
02	02	2011	Loxton Irrigation	6 077.10	Purchase of equipment (HDPE-Pipe) for pumping of borehole water to the Franschoek water treatmentworks (Filter - FH WWTW) and reservoir.	4.36.4 Certificate of Emergency
08	02	2011	Kevbelt SA cc	7 909.32	Supply and install bid feeder belt at Stellenbosch WWTW composting plant.	4.36.4 Certificate of Emergency
08	02	2011	Leading Edge 70 cc	8 094.00	Manufacture and install solid screens for Franschoek WWTW.	4.36.4 Certificate of Emergency
10	02	2011	D P Truckhire	19 585.20	Door to Door collections in Franschoek.	4.36.4 Certificate of Emergency
10	02	2011	Loliwe CC	15 868.80	Hire of compactor 20/01/2011- 21/01/2011	4.36.4 Certificate of Emergency
14	03	2011	LDK Industrial CC	7 968.60	Supply and Install new 24V battery charger.	4.36.4 Certificate of Emergency
16	03	2011	CEM Construction	8 137.00	Cleaning of sand filters at Idas Valley water treatment works.	4.36.4 Certificate of Emergency
24	03	2011	Alfonso Stephen Leendertz	8 400.00	Repairs of burst water pipe	4.36.4 Certificate of Emergency
29	03	2011	FP Verwers	2 900.00	Emergency removal and reinstatement of concrete wall and securing the carport at Cloetesville, Stellenbosch.	4.36.4 Certificate of Emergency
31	03	2011	I Gideons	15 000.00	Transport containerised waste from Klampmuts and Franschoek 22-28/03/2011	4.36.4 Certificate of Emergency
31	03	2011	CVR Welding	12 768.00	Manufacture and install steel bridge railings: Adam Tas Bridge	4.36.4 Certificate of Emergency
31	03	2011	Tricom Africa	95 777.20	Repairs to waste water pumpstation	4.36.4 Certificate of Emergency
31	03	2011	Tricom Africa	21 759.52	Emergency repairs to Klampmuts sewage pump station.	4.36.4 Certificate of Emergency
01	04	2011	G & A Labour Services	20 777.77	Door to door Franschoek area 28/03/2011 - 01/04/2011	4.36.4 Certificate of Emergency
04	04	2011	Ian Dickie	11 822.94	Repairs to diesel driven mobile pumps at Stellenbosch WWTW.	4.36.4 Certificate of Emergency
06	04	2011	Ian Dickie	27 360.00	Hire of mobile electrical pump for Ras pump station at Stellenbosch WWTW.	4.36.4 Certificate of Emergency
07	04	2011	I Gideons	16 950.00	Transport containerised waste from Klampmuts and Franschoek 29/03/2011 to 4/4/2011.	4.36.4 Certificate of Emergency
14	04	2011	Willscreens	895.00	Water pollution in Patryfontein	4.36.4 Certificate of Emergency
19	04	2011	Xtantis (PTY)LTD	49 878.92	Emergency hire of generator from 14 January 2011 to 22 March 2011	4.36.4 Certificate of Emergency
20	04	2011	I Gideons	17 050.00	Transport of containers from Klampmuts and Franschoek 12-18 April 2011.	4.36.4 Certificate of Emergency
23	05	2011	AR Wrecker Services CC t/a AR Truck Tow	2 844.30	Emergency Towing of water tanker - CL 65256	4.36.4 Certificate of Emergency
26	05	2011	Hydro-Tech Systems (PTY) LTD	41 815.20	Strip and quote - KSB pump type WKL 65-4 Kayamandi.	4.36.4 Certificate of Emergency
26	05	2011	Hydro-Tech Systems (PTY) LTD	45 132.60	Strip and quote - KSB 150/3 - La Motte pump station.	4.36.4 Certificate of Emergency

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
26	05	2011	Xtantis (PTY)LTD	21 293.40	Emergency to hire a generator from 1 April 2011 - 19 May 2011	4.36.4 Certificate of Emergency
30	05	2011	Gordian Fence SA (PTY) LTD	27 632.46	Repairs to perimeter fence at Stellenbosch WWTW.	4.36.4 Certificate of Emergency
30	05	2011	Inter-Waste (PTY) LTD	16 855.58	Removal of waste bins of sewerage sludge from Stellenbosch and Pniel WWTW.	4.36.4 Certificate of Emergency
01	06	2011	Aborcare	29 070.00	Felling of gum trees (9) and pruning of gum trees (4).	4.36.4 Certificate of Emergency
02	06	2011	Wenn John David	5 800.00	Repairs to water line at Stellenbosch administration building.	4.36.4 Certificate of Emergency
09	06	2011	I Gideons	34 700.00	Removal of containerised waste from Klapmuts and Franschoek.	4.36.4 Certificate of Emergency
09	06	2011	D P Truckhire	38 030.40	Collection of Municipal Waste From Franschoek area	4.36.4 Certificate of Emergency
26	05	2011	Sandown Motors T/A Paarl Motor	22 924.80	Repairs to water pump shaft (Fire)	4.36.4 Certificate of Emergency
14	06	2011	CBI Electric: African Cables	216 525.69	Locating and repairing of oil leaks on 66Kv feeder substation Main and substation Markotter.	4.36.4 Certificate of Emergency
17	06	2011	A & M Power Steering	10 607.70	Repairs to power steering	4.36.4 Certificate of Emergency
20	06	2011	Associated Automotive Distribution Pty Ltd	3 712.46	Repairs to vehicle - water pump - CL37160.	4.36.4 Certificate of Emergency
20	06	2011	W.P Hydraulics T/A Hydratech	9 378.50	Service and repairs to vehicle - CL63523.	4.36.4 Certificate of Emergency
20	06	2011	RRR CIVILS CC	15 135.78	Water pipe repair work in pelikan str and Mazot Str, Stellenbosch.	4.36.4 Certificate of Emergency
23	06	2011	Gordian Fence Sa (Pty) Ltd	2 757.66	Repairs To Perimeter Fence At Lanquedoc Sewerage Pump Station	4.36.4 Certificate of Emergency
23	06	2011	A & F General Trading cc	4 000.00	Repairs To Roof & Ceilings At Paradyskloof WWTW	4.36.4 Certificate of Emergency
29	06	2011	Go2 Plant Hire Cc T/A Checker	16 929.00	Hire refuse compactor.	4.36.4 Certificate of Emergency
30	06	2011	Camel Rock Trading 539cc	21 600.00	Security service needed from Camel Rock Security.	4.36.4 Certificate of Emergency
Deviations						
05	07	2010	Fairbridges Attorneys	*Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
09	07	2010	Martinette Smit	28 160.00	Deviation to Audit the organogram of Stellenbosch Municipality.	4.36(1)(a)(i)- In an emergency.
27	07	2010	Henri Badenhorst Eiendomsaardeerder & Associates	103 768.50	Appointment of Henri Badenhorst Eiendomsaardeerder & Associates, for the valuation of 993 erven.	4.36(1)(a)(i)- In an emergency.
28	07	2010	IMQS	54 720.00	Maintenance of the IMQS Software.	4.36 (1)(a)(ii) Service available from a single provider only

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
28	07	2010	Bazamile Trading CC	35 000.00	Clean 28 public facilities in Kayamandi for period of two months starting from 01 July to 31 August 2010.	4.36(1)(a)(i)- In an emergency.
28	07	2010	Phola-Ka-Hola CC	18 000.00	Clean 7 ablution facilities and 18 single toilets in Langrug and Mooiwater for period of two months starting from 01 July 2010 to 31 August 2010.	4.36(1)(a)(i)- In an emergency.

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
28	07	2010	Q & P	16 045.00	Extension of security services at Beltana Working area.	4.36(1)(v) - Impractical or impossible to follow the official procurement processes.
				5 500.00	Extension of security services at traffic service.	
				11 000.00	Extension of security services at Cloetesville complex.	
				5 500.00	Extension of security services at Cloetesville swimming pool.	
				11 000.00	Extension of security services at Paradyskloof purification	
28	07	2010	Future Security	22 000.00	Extension of security services at Idas Valley Dam.	4.36(1)(v) - Impractical or impossible to follow the official procurement processes.
				5 502.00	Extension of security services at Pniel Sewerage.	
				22 000.00	Extension of security services at Stellenbosch Sewerage.	
28	07	2010	Franschhoek Estate	3 800.00	Extension of security services at Groendal Hall.	4.36(1)(v) - Impractical or impossible to follow the official procurement processes.
				3 705.00	Extension of security services at Franschhoek Administration complex.	
28	07	2010	Roman Protection Service	15 746.76	Extension of security services at Jamestown sports ground.	4.36(1)(v) - Impractical or impossible to follow the official procurement processes.
				5 248.92	Extension of security services at Raithby sports ground.	
				5 248.92	Extension of security services at Kylemore sports ground.	
28	07	2010	African Trading	12 904.00	Extension of security services at Klapmuts loading station.	4.36(1)(v) - Impractical or impossible to follow the official procurement processes.
				5 462.00	Extension of security services at Groendal sports ground.	
				5 750.00	Extension of security services at Klapmuts sports ground.	
				7 043.84	Extension of security services at Wemmershoek Sewerage.	
28	07	2010	PAG	16 275.00	Extension of security services at Cloetesville sports ground.	4.36(1)(v) - Impractical or impossible to follow the official procurement processes.
				16 275.00	Extension of security services at Idas Valley sports ground.	
10	08	2010	ABB	9 000 000.00	Suidwal Substation: purchase of a medium voltage switch gear.	4.36(1)(a)(i)- In an emergency. and 4.32 Procurement of goods and services on contracts secured by other organs of state.
10	08	2010	Lite-Line Electrical	271 245.00	Appointment of Lite-Line Electrical for the installation of electricity at the Mandela City Informal Settlement.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
12	08	2010	Supreme Upholstery	9 118.70	Refurbishment of the Municipal Manager's office.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;
			Meyer & Ferreira Furniture CC	11 200.00		
			Persian Rugs Gallery	19 950.00		
17	08	2010	Avis Fleet Rental	31 943.46	Resubmittal of extending monthly lease agreement: rental of vehicles.	4.36(1)(a)(i)- In an emergency.
30	08	2010	Eskom	166 071.98	Revised quotation: "Mandela City" Klapmuts	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
30	08	2010	Organisation Development Africa (ODA)	29 950.99	Appointment of facilitator at strategic session 19-20 August 2010.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
13	09	2010	Avis Fleet Rental	31 943.46	Resubmittal of extending monthly lease agreement: rental of vehicles.	4.36(1)(a)(i)- In an emergency.
03	09	2010	Ricoh	3 483.00	Photo copier rental for supply chain management offices.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
09	09	2010	Landis and Gyr (Pty) Ltd	57 960.00	Purchasing of bases and meters: "Mandela City".	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
13	09	2010	Meyer and Ferreira Furniture cc	4 880.00	Refurbishment of the municipal manager's office.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
20	09	2010	Altech Alcom	181 188.59	Purchasing of two way radios (Tetra trunking radios).	4.36.1(a)(ii) service available from single provider and 4.32 procurement of goods and services under contracts secured by other organs of state.
23	09	2010	Kantor Legal Services cc	*Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
27	09	2010	RJM Civils	448 373.98	Farm 1073, Langrug, Franschhoek.	4.36.1(a)(i) in an emergency.
			Kwezi V3	44 837.39		
28	09	2010	University of Stellenbosch	7 410.00	Appointment of University of Stellenbosch Business Unit the Institute of Thermodynamics and Mechanics.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
30	09	2010	ABB	212 158.40	Installation of medium voltage switchgear.	4.36.1(a)(ii) service available from single provider.
01	10	2010	Cliffe Dekker Hofmeyr Inc.	Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
11	10	2010	Exeo Khokhela	203 279.10	Replacement of sewer line in Smuts Street, Stellenbosch.	4.36(1)(a)(i)- In an emergency.
11	10	2010	H Linde	1 300.00	Payment made to Associated Management Services for Training in Customer Care.	4.36(1)(b)- Ratify any minor breaches.
13	10	2010	Cliffe Dekker Hofmeyr Inc	*Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
14	10	2010	Margot Ladouce Environmental Consulting	17 690.00	To facilitate the public participation process of the Integrated Waste Management Plan for Stellenbosch Municipality.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
20	10	2010	Avalon Systems	230 400.00	Appointment of Avalon Systems to maintain the wired and wireless network.	4.36.1(a)(ii) service available from single provider.
20	10	2010	AAD Truck and Bus	40 405.25	Repair of Nissan CW290 CL13082 vacuum tanker.	4.36.1(a)(vi) repairs to motor vehicles, machinery and equipment that need to be stripped to quote.
20	10	2010	Isuzu Truck Centre	29 460.78	Repair of Isuzu, F-series CL 17481 vacuum tanker.	4.36.1(a)(vi) repairs to motor vehicles, machinery and equipment that need to be stripped to quote.

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)				
Date of Adjudication	Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
25 10 2010	Kirfane Investment (Pty) Ltd	8 475.90	Leasing of additional office space at Ecclesia Building.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
25 10 2010	Cluver Markotter	*Final amount determined after completion	Appointment of external legal services to attend to the compilation and implementation of a settlement agreement.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
27 10 2010	ABC Services	120 000.00	Appointment of ABC Services to assist Stellenbosch Municipality in the valuation processes.	4.36.1(a)(ii) service available from single provider.
29 10 2010	Tosaco Commercial (Pty) Ltd	*Final amount determined after completion	Approval of Tosaco Commercial (Pty) Ltd for the supply and delivery of petrol and diesel for the 2010/2011 financial year.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
01 11 2010	Aurecon South Africa Pty Ltd	395 561.00	Appointment of Aurecon as consulting civil engineer on the outstanding civil works on all 9 stadiums.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
09 11 2010	Webber Wentzel	*Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
10 11 2010	Friedlaender, Burger & Volkmann	19 966.76	Appointment of Friedlaender, Burger & Volkmann to attend to the consolidation and application for a sub-division for erf 383 and 411, Pniel.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
17 11 2010	Consolidated African Technology (Pty) Ltd	436 984.00	Upgrading of CAT meter reading system.	4.36.1(a)(ii) service available from single provider.
23 11 2010	Actom	76 380.00	Appointment of a specialist to perform tests and install the new switching contacts on the relevant switchgear.	4.36.1(a)(ii) service available from single provider.
24 11 2010	Eskom	45 144.00	Purchasing of transformer oil from Eskom for the maintenance of a large number of transformers on an ongoing basis.	4.36(1)(a)(i)- In an emergency.
01 12 2010	Redhills Electronics	231 724.40	Redhills Electronics for the supply, delivery and installation of cameras a Ward 18 (M12) and supply, delivery and installation of UPS in the equipment room at Law Enforcement.	4.36.1(a)(ii) service available from single provider.
	Broadband Solutions Techno	188 346.24	Broadband Solutions Technology to re-programme, move, re-install and re-direct of the network equipment and install the network at Ward 18 (M12).	
01 12 2010	Cliffe Dekker Hofmeyr Inc	*Final amount dependent on court proceedings Legal fees managed by legal department.	Appointment of External Legal Services to advise and assist the Municipal Manager in the arbitration proceedings Paradyskloof	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
01 12 2010	Jonathan Bradshaw	2 320.00	Valuation of the Africana selection library books.	4.36 (1)(a)(iii) - special works of art.
02 12 2010	Datacentrix	2 852.85	Disaster recovery backup service on the network.	4.36(1)(a)(i)- In an emergency.
02 12 2010	Schindler Lifts (Pty) Ltd	28 184.22	Appointment of Schindler lifts (Pty) Ltd for structural maintenance work at the Lavanda and Phyllaria flats.	4.36.1(a)(ii) service available from single provider.

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
03	12	2010	ODS Consultants	140 000.00	Appointment of an organizational specialist for the recruitment and selection of technical staff.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	12	2010	Fairbridges Attorneys	*Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
07	12	2010	De Volkskombuis Pty Ltd	93 700.00	Appointment of events coordinator for the Mayoral reception NACCW on 7 December 2010	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
08	12	2010	SKCMasakhizwe Engineers	285 000.00	Extension of Cemeteries Infrastructure.	4.36.1(a)(ii) service available from single provider.
08	12	2010	CONCO - Consolidated Power Projects (Pty) Ltd	622 218.45	Supply, installation and commissioning of additional 66Kv feeder panels. (Markotter 66Kv substation)	4.36.1(a)(ii) service available from single provider.
10	12	2010	Arcus Gibb	142 500.00	Appointment of a specialist professional to compile a storm water master plan for Mooiwater, Franschhoek.	4.36(1)(a)(i)- In an emergency.
13	12	2010	KweziV3	220 451.21	Appointment of specialist professionals for the completion of the outstanding studies required in terms of the three directives issued by the Department of Environmental Affairs and Development Planning and the permanent upgrade of the Langrug informal settlement	4.36(1)(a)(i)- In an emergency.
			RJM Civils	1 468 384.98		
			Roger Parsons	497 411.64		
13	12	2010	Exeo Khokela Civil Engineering Construction (Pty) Ltd	263 574.84	Replacement of 225mm water rising main and associated reinstatements on R44, Cloeteville.	4.36(1)(a)(i)- In an emergency.
23	12	2010	Employer's Workplace Law cc & Advocate Linda Potgieter	*Final amount determined after completion	External services: Employer's Workplace Law CC & Advocate Linda Potgieter for disciplinary proceedings.	4.36(1)(a)(i)- In an emergency.
06	01	2011	Thysonic Systems	12 348.64	The appointment of Thysonic systems to install biometric readers and the CCTV camera at the Plein Street offices.	4.36(1)(a)(i)- In an emergency.
10	01	2011	Elzabé Esterhuysen	*Final amount determined after completion	Appointment of Elzabé Esterhuysen as investigator to investigate alleged misconduct of two Councillors and/or initiate disciplinary steps.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
10	01	2011	Webber Wentzel	*Final amount determined after completion	Appointment of legal service to advise and assist the Municipal Manager with regard to the payment of performance bonuses to managers directly accountable to the Municipal Manager.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
13	01	2011	Sea Kay Engineering Services Western Cape (Pty) Ltd	405 026.95	Watergang: Housing project. Construct and complete the sewer line connection and install electrical house connections for the remaining 130 units.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
13	01	2011	Livewire Engineering & Consulting	119 665.80	The appointment of Livewire Engineering and Consulting to analyze the electricity department's tariffs and formulate the new 2011 tariff regime.	4.36.1(a)(ii) service available from single provider.
19	01	2011	De Villiers and Moore Consulting Engineers	57 000.00	Appointment of De Villiers and Moore Consulting Engineers: revise and update electricity bulk levy contributions.	4.36.1(a)(ii) service available from single provider.

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
19	01	2011	The Fransche Hoek Estate Boerdery Company	*Final amount will be determined after completion	Purchasing of water from the Fransche Hoek Estate Boerdery Company to the FWTW.	4.36(1)(a)(i)- In an emergency.
24	01	2011	Cape Concrete Works (Pty) Ltd	499 854.32	Purchasing of pre-cast buildings from a single supplier.	4.36.1(a)(ii) service available from single provider.
24	01	2011	Sham D Halaal Catering	7 800.00	Catering for council meeting - 27 January 2011.	4.36(1)(a)(i)- In an emergency.
28	01	2011	Elzabé Esterhuysen	*Final amount will be determined after completion	Appointment of Elzabé Esterhuysen as investigator to investigate alleged misconduct of two Councillors and/or initiate disciplinary steps.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
28	01	2011	McKeith Sound and Entertainment	1 800.00	Ratification of payment for services rendered by McKeith Sound and Entertainment.	4.36(1)(b)- Ratify any minor breaches.
01	02	2011	Isuzu Truck Centre	56 842.85	Repair of Isuzu, F-series, CL39408 vacuum tanker.	4.36(1)(a)(vi)- Repairs to vehicle that need to be stripped to quote.
01	02	2011	KV3 Engineers	27 914.42	Ratification of payment for professional services rendered by KV3 Engineers.	4.36(1)(b)- Ratify any minor breaches.
01	02	2011	Masibambane Marimba Band	2 000.00	Ratification of payment for services rendered by Masibambane Marimba Band at the 62nd Convention of the AMEU (Association of Municipal Electricity Undertakings).	4.36(1)(b)- Ratify any minor breaches.
01	02	2011	Hilton Andries	2 000.00	Ratification of payment for services rendered by Hilton Andries at the 62nd Convention of the AMEU (Association of Municipal Electricity Undertakings).	4.36(1)(b)- Ratify any minor breaches.
01	02	2011	ODS Consultant	4 940.00	Ratification of payment for professional services rendered by ODS Consultant.	4.36(1)(b)- Ratify any minor breaches.
02	02	2011	Nolands Forensics (Pty) Ltd	*Final amount determined after completion	Appointment of Nolands Forensics (Pty) Ltd.	4.36(1)(a)(i)- In an emergency.
09	02	2011	Ambutek cc	60 000.00	Ratification of payment for fire services training.	4.36(1)(b)- Ratify any minor breaches.
16	02	2011	Adenco Construction	62 141.40	Appointment of specialist cable jointers for the installation & commissioning of new 11Kv feeder panels at Kromrivier, Dalsig Oos and Blakes Estate substations.	4.36.1(a)(ii) service available from single provider.
16	02	2011	Fairbridges	*Final amount determined after completion	Appointment of External Legal Services to advise and apply for an eviction order on Municipal property at Jamestown.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
22	02	2011	Fairbridges	*Final amount determined after completion	Appointment of External Legal Services to determine and advise the Municipality whether sufficient grounds exist to institute appropriate legal action in terms of the preliminary report of the SIU.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
24	02	2011	At Planning Town and Regional Planning Services cc	40 000.00	Appointment of At Planning Town and Regional Planning Services cc to monitor the updating of this GIS data done by Urban Dynamics for the Stellenbosch Integrated Zoning Scheme.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
25	02	2011	University of Stellenbosch	277 500.00	Appointment of the University of Stellenbosch to facilitate the minimum competency levels programme.	4.32 (1) Contract secured by another organ of state.
03	03	2011	Van Heerden Van Der Walt Attorneys	*Final amount determined after completion	Appointment of external legal services to apply for certified copies of lost certificates of registered/consolidated title and title deeds in terms of Regulation 68(1) of the Registration of Deeds Act, 47 of 1937.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
03	03	2011	Malan Laäs and Rall Attorneys	*Final amount determined after completion	Appointment of external legal services to attend to the transfer of 65 erven in Weltevrede Klapmuts.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
04	03	2011	Webber Wentzel	*Final amount determined after completion	Appointment of external legal services to advice and/or defend any applications/ summons issued by the Cape Joint pension fund.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
07	03	2011	Tony Barbour	55 062.00	Appointment of an environmental consultant and researcher, for a social impact assessment (SIA) for Stellenbosch landfill site.	4.36(1)(a)(i)- In an emergency.
07	03	2011	Laser Shot SA cc	184 000.00	Appointment of Laser Shot SA cc for the delivery and installation of the law enforcement pro system.	4.36.1(a)(ii) service available from single provider.
07	03	2011	University of Stellenbosch	*Final amount determined after completion	Appointment of University of Stellenbosch Business Unit the Institute of Thermodynamics and Mechanics.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
09	03	2011	Inside Outdoor Construction cc	228 000.00	Appointment of inside outdoor construction for the supply and installation of public transport shelters.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
09	03	2011	Visser Kapperer de Bruin Architects	300 000.00	Appointment of Visser Kapperer de Bruin Architects as consultant to do the preliminary and final design/planning of the new office accommodation.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
10	03	2011	Webber Wentzel	*Final amount determined after completion	Appointment of external legal services to advice and/or defend any applications/ summons issued by ATC (Pty) Ltd and/or any ancillary relief with regard to this matter.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
11	03	2011	Meyer and Ferreira Furniture cc	23 060.00	Additional furniture for the council chamber.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
23	03	2011	Ian Dickie (Pty) Ltd	54 720.00	Hire of a mobile electrical pump for RAS pump station at Stellenbosch Wastewater Treatment Works.	4.36(1)(a)(i)- In an emergency.
25	03	2011	Purple Moss 1311 cc t/a E-Toi-Loo Toilet Rentals	31 701.12	Additional provision, service and maintenance of chemical toilets at Jamestown and Devon Valley WWTW, Stellenbosch.	4.36(1)(a)(i)- In an emergency.
25	03	2011	De Villiers & Moore Consulting Engineers	34 200.00	Additional work and Cost for the appointment of De Villiers and Moore Consulting Engineers: revise and update electricity bulk levy contributions.	4.36.1(a)(ii) service available from single provider.

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
29	03	2011	ABB South Africa (Pty) Ltd	321 444.66	Appointment of ABB South Africa (Pty) Ltd for the supply of two 66kV circuit breakers.	4.36.1(a)(ii) service available from single provider.
30	03	2011	Lite-Line Electrical	79 033.68	Appointment of Lite-Line Electrical for the installation of electricity at the Mandela City Informal Settlement.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
30	03	2011	Sampsongs	22 800.00	Stellenbosch Municipality is hosting an event from 4-8 April 2011 for the youth development in Stellenbosch.	4.36(1)(a)(i)- In an emergency.
30	03	2011	D Van Kerwel Taxis	8 750.00		
06	04	2011	Element Consulting	877 052.02	Appointment of Element Consulting Engineers for the remainder of substation refurbishment.	4.36.1(a)(ii) service available from single provider.
07	04	2011	CONCO - Consolidated Power Projects (Pty) Ltd	297 875.07	Emergency purchase of circuit breakers for substation Curry and substation Paradyskloof.	4.36(1)(a)(i)- In an emergency.
06	04	2011	Webber Wentzel	*Final amount determined after completion	Appointment of external legal services for leave to appeal against the judgement delivered on 15 March 2011 in the matter between Cinmark (Pty) Ltd/The Registrar of Deeds and others.	4.36(1)(a)(i)- In an emergency and 4.36 (1)(b) - Ratify breaches.
11	04	2011	Schindler Lifts (Pty) Ltd	36 424.23	Appointment of Schindler Lifts (Pty) Ltd for structural maintenance work at the Lavanda flats: Lift CTE 72.	4.36.1(a)(ii) service available from single provider.
13	04	2011	PWC - PriceWaterHouseCoopers	1 668 450.00	Appointment of Internal Audit service provider in capacitating in the internal Audit function of the Municipality.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
13	04	2011	PDFH Construction	841 350.00	Emergency structural repairs to the existing roofs at the 79 units at Steps/Orlean Lounge, Cloetesville, Stellenbosch.	4.36(1)(a)(i)- In an emergency.
13	04	2011	SBI Properties	24 174.80	Appointment of SBI as the structural engineers for the monitoring of the rectification work.	
19	04	2011	Webber Wenzel	*Final amount determined after completion	Appointment of external legal services to advice and defend the summons issued and served by Seven Rivers Farms (Proprietary) Limited and Others against the Municipality.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
20	04	2011	Mr. D. Louw	51 000.00	Appointment of Mr. D Louw for the provision of professional services for a period of three months; as responsible person for council in terms of the Occupational Health and Safety Act, 1993.	4.36.1(a)(ii) service available from single provider.
20	04	2011	Polymer Pavements	186 105.00	Appointment of Polymer Pavements for the procurement of a polymer stabilizer, soiltech to stabilize the base and the surface layers of gravel road in order to curb maintenance costs.	4.36.1(a)(ii) service available from single provider.
20	04	2011	HMS Amanzi	205 506.00	Supply and fit two robot submersible pumps plus duckfoots and other accessories and repair sump floor for the RAS pump station at Stellenbosch Wastewater Treatment Works (SWWTW).	4.36.1(a)(ii) service available from single provider.

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
21	04	2011	Faithful Computers cc	5 400.00	Purchasing of headphones for council chamber.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
04	05	2011	Red hills Electronics	28 887.60	Supply, delivery and installation of CCTV camera at tender box, main voyer.	4.36.1(a)(ii) service available from single provider.
04	05	2011	Geosense	199 999.00	Appointment of Geosense to provide aerial photography to the Municipality.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	05	2011	GLS Consulting (Pty) Ltd	614 460.00	Appointment of GLS Consulting Pty Ltd for the master planning of water and sewer distribution networks in Stellenbosch.	4.36.1(a)(ii) service available from single provider.
06	05	2011	Syntell	120 000.00	Extension of the appointment of service provider Syntell for the serving of summonses.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	05	2011	BKS Pty Ltd	219 648.93	Approval of additional professional fees over and above 2008 tender amount, to undertake the Environmental Impact Assessment for the extension of the Wemmershoek WWTW.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	05	2011	Jan Palm Consulting Engineers cc (JPCE)	1 231 261.00	Appointment of Jan Palm Consulting Engineers cc for the continuation and implementation of greater Stellenbosch integrated waste management projects.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
10	05	2011	Vela VKE Consulting Engineers Pty Ltd	142 500.00	Appointment of Vela VKE Consulting Engineers Pty Ltd to perform the additional work for the operating license process.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
11	05	2011	JC Solutions	25 601.41	Extension of renovation and upgrading of toilets at Stellenbosch town hall.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
11	05	2011	Exeo Khokhela Civil Engineering	125 058.22	Replacement of sewer line in Smuts Street, Stellenbosch.	4.36(1)(a)(i)- In an emergency
20	05	2011	Glamour	5 000.00	Goods and services for the wellness programme.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
			Breerivier Groothandelaars	26 134.61		
			Agathos Consultancy	173 280.00		
			Mfana Design	1 900.00		
			Dr Gail Blake	154 402.00		
20	05	2011	Fairbridges	*Final amount determined after completion	Appointment of external legal services to provide legal representation and advice in the pending arbitration hearing scheduled for 26 May 2011.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
21	05	2011	Faithful Computers cc	5 400.00	Purchasing of headphones for council chamber.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
23	05	2011	Thermax Equipment	199 600.00	Building of netball courts: Lanquedoc and La Motte sports fields.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process (Paragraph 36 of Supply Chain Management Policy)						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
23	05	2011	Oscar W Meyer	8 940.00	Extension of the appointment of Oscar W Meyer for the additional paving at the Franschoek town hall.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
24	05	2011	AJ Langenberg	4 290.00	Appointment of AJ Langenberg for printing of photos.	4.36.1(a)(ii) service available from single provider.
26	05	2011	Nolands Forensics (Pty) Ltd	*Final amount subject to finalisation of investigations - linked to budget.	Appointment of Nolands Forensics (Pty) Ltd.	4.36(1)(a)(i)- In an emergency.
27	05	2011	Fairbridges	*Final amount determined after completion	Appointment of external legal services to provide legal representation and advice in the condonation hearing scheduled for 14 April 2011.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
03	06	2011	D. C Meyer	37 200.00	Installation of paving in Franschoek Main Road (parking area).	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	06	2011	ODS Consultants	19 200.02	Appointment of an organizational specialist for facilitating an extended recruitment and selection process for technical staff.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	06	2011	Franschoek Country House	46 834.00	Conference facilities for Strategic session - Mayco and Directors - 8-9 June 2011.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
07	06	2011	HMS Amanzi	55 267.20	Repair of Robot submersible standby pump for the Ras Pump Station at Stellenbosch Wastewater Treatment Works.	4.36.1(a)(ii) service available from single provider.
13	06	2011	Cape Armature Winderz Pty Ltd	46 138.08	Repairs to aerator number 6 at Stellenbosch Wastewater Treatment Works (SM WWTW)	4.36(1)(a)(vi)- Repairs to vehicle that need to be stripped to quote.
13	06	2011	Aurecon Consulting Engineers	69 997.43	Appointment of Aurecon Consulting Engineers for the execution of routine and major dam safety inspections and report to DWAF	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
14	06	2011	Cliffe Dekker Hofmeyr Inc.	*Final amount determined after completion	Appointment of external legal services to oppose the matter on the Municipality's behalf - Stall at Stellmark centre .	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
23	06	2011	Gene Louw Traffic College	2 044.58	Ratification of payment for services rendered by Gene Louw Traffic College.	4.36(1)(b)- Ratify any minor breaches.
23	06	2011	Friedlander, Burger & Volkman	31 920.00	Appointment of Friedlander, Burger & Volkman for the Topographical survey for the Municipal office extension.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

* Due to the nature of court cases it is impossible to determine estimates and therefore appointments are managed by the Legal Section.