



Jozini Local Municipality  
Annual Financial Statements  
for the year ended June 30, 2012

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## General Information

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<b>Legal form of entity</b>	Local Municipality
<b>Nature of business and principal activities</b>	Service Delivery
<b>Grading of local authority</b>	3
<b>Accounting Officer</b>	Bongumusa Ntuli
<b>Acting Chief Finance Officer (CFO)</b>	Theoreen Norah Sphindile Ngiba
<b>Registered office</b>	Circle street Bottom town Jozini 3969
<b>Postal address</b>	Private Bag X 028 Jozini 3969
<b>Bankers</b>	ABSA BANK
<b>Auditors</b>	Auditor General of South Africa
<b>Attorneys</b>	Weich n' Kriel Inc.

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## General Information

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### Members of the Executive of the Council

B.N Mthethwa	Mayor
T.S Mdluli	Deputy Mayor
M.Z Nyawo	Speaker
J Siyaya	Member of Executive Committee
D.P Mabika	Member of Executive Committee
R.H Gumede	Member of Executive Committee
N.G Fakude	Member of Executive Committee
M.Z Tembe	Member of Executive Committee
P.J Mabuyakhulu	Member of Executive Committee

### Ordinary Councillors

J.E Buthelezi  
M.Nxumalo  
N.S Myeni  
M. Mathe  
T.L Mathenjwa  
T.J Ndlazi  
J.M Mpontshane  
T.Z Nyawo  
D.M Mthembu  
S.S Mkhize  
B.Q Gumede  
Z.B Ngobe  
B.I Msweli  
G.E Ngcamphalala  
M.E Ndlela  
B.S Mathenjwa  
M.L Mavundla  
G.P Moodley  
B.N Khumalo  
T.P Mbamali  
R.N Ndlovu  
D.J Mthembu  
S.M Mathenjwa  
I.O Young  
K.B Madonsela  
N.L Mathenjwa  
S.M Mthembu  
B.Z Mngomezulu  
K.N.C Dlamini  
K.P Mbatha  
S.S Macwele

# Jozini Local Municipality

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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# **Jozini Local Municipality**

Annual Financial Statements for the year ended June 30, 2012

## **Approval of Annual Financial Statements**

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I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 25 , in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 17 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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**Acting Municipal Manager**  
**Date**

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Statement of Financial Position

Figures in Rand	Note(s)	2012	2011
<b>ASSETS</b>			
<b>Current Assets</b>			
Other receivables	2	97,745	102,682
VAT receivable	3	1,356,237	3,375,416
Consumer debtors	4	12,131,707	3,077,579
Cash and cash equivalents	5	37,025,385	25,936,611
		<b>50,611,074</b>	<b>32,492,288</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6	129,105,456	45,761,419
Intangible assets	7	135,283	47,078
		<b>129,240,739</b>	<b>45,808,497</b>
<b>Total Assets</b>		<b>179,851,813</b>	<b>78,300,785</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	8	7,747,759	4,307,435
Unspent conditional grants	9	21,368,658	23,868,140
Provisions	10	2,483,903	2,213,574
		<b>31,600,320</b>	<b>30,389,149</b>
<b>Total Liabilities</b>		<b>31,600,320</b>	<b>30,389,149</b>
<b>NET ASSETS</b>		<b>148,251,493</b>	<b>47,911,636</b>
<b>NET ASSETS</b>			
Reserves			
Revaluation surplus	26	36,954,011	-
Accumulated surplus		111,296,945	47,911,636
<b>Total Net Assets</b>		<b>148,250,956</b>	<b>47,911,636</b>

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Statement of Financial Performance

Figures in Rand	Note(s)	2012	2011
<b>Revenue</b>			
Property rates	11	10,117,060	8,581,421
Refuse Removal	12	2,021,871	1,962,260
Rental of facilities and equipment		245,936	95,120
Fines		166,747	94,592
Government grants & subsidies	13	115,916,792	86,140,428
Interest earned -outstanding receivables		3,331,824	2,080,956
Provisions adjustment		521,457	-
Other income	14	454,057	298,130
Interest earned- external investments		1,980,366	1,947,931
<b>Total Revenue</b>		<b>134,756,110</b>	<b>101,200,838</b>
<b>Expenditure</b>			
Employee related costs	16	(26,666,179)	(21,610,122)
Remuneration of councillors	17	(5,789,357)	(5,002,799)
Depreciation and amortisation		(5,827,490)	(2,984,960)
Debt impairment		-	(5,014,831)
Repairs and maintenance		(1,461,080)	(951,564)
Contracted services		(5,802,684)	(3,548,328)
Grants and subsidies paid		(3,097,214)	(3,910,416)
Loss on disposal of property plant and equipment		(587,594)	(41,173)
General expenses	15	(22,180,175)	(21,860,761)
<b>Total Expenditure</b>		<b>(71,411,773)</b>	<b>(64,924,954)</b>
<b>Surplus for the year</b>		<b>63,344,337</b>	<b>36,275,884</b>

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Statement of Changes in Net Assets

Figures in Rand	Fair Value Adjustment	Accumulated surplus	Total net assets
<b>Balance at July 01, 2010</b>	-	<b>11,635,752</b>	<b>11,635,752</b>
Changes in net assets			
Surplus for the year	-	36,275,884	36,275,884
Total changes	-	36,275,884	36,275,884
<b>Balance at July 01, 2011</b>	-	<b>47,952,608</b>	<b>47,952,608</b>
Changes in net assets			
Surplus for the year	-	63,344,337	63,344,337
Fair value adjustment arising from changes in asset values	36,954,011	-	36,954,011
Total changes	36,954,011	63,344,337	100,298,348
<b>Balance at June 30, 2012</b>	-	<b>111,296,945</b>	<b>148,250,956</b>



# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Cash Flow Statement

Figures in Rand	Note(s)	2012	2011
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services		12,138,931	6,968,752
Grants		115,917,092	86,140,428
Interest received		1,980,366	1,947,931
Other receipts		4,719,721	185,749
		<u>134,756,110</u>	<u>95,242,860</u>
<b>Payments</b>			
Employee costs		(32,455,536)	(26,414,248)
Other payments		(6,993,536)	(18,656,361)
Grants and subsidies		(3,097,214)	(4,614,819)
Suppliers		(29,528,772)	(1,060,315)
		<u>(72,075,058)</u>	<u>(50,745,743)</u>
<b>Net cash flows from operating activities</b>	18	<b><u>62,681,052</u></b>	<b><u>44,497,117</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	6	(52,089,172)	(36,937,517)
Proceeds from sale of property, plant and equipment	6	587,594	921,248
Purchase of intangible assets	7	(90,700)	(52,868)
Proceeds from sale of intangible assets	7	-	2,495
<b>Net cash flows from investing activities</b>		<b><u>(51,592,278)</u></b>	<b><u>(36,066,642)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>11,088,774</b>	<b>8,430,475</b>
Cash and cash equivalents at the beginning of the year		25,936,611	17,506,136
<b>Cash and cash equivalents at the end of the year</b>	5	<b><u>37,025,385</u></b>	<b><u>25,936,611</u></b>

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Accounting Policies

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### 1. Basis of presentation

The annual financial statements have been prepared in accordance with the 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. .

These accounting policies are consistent with the previous period.

#### 1.1 Presentation of currency

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

#### 1.2 Going concern assumption

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

#### 1.3 Comparative information

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

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.

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Accounting Policies

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### 1.4 Property, plant and equipment

#### 1.4.1 Initial recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

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

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

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

#### 1.4.2 Subsequent measurement -Cost Model

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

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

#### 1.4.3 Depreciation and impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure Assets			Other Assets		
Roads and Paving	30	years	Buildings	30	years
Stormwater Drainage	20	years	Specialist vehicles	10	years
Community Assets			Other vehicles	5	years
Buildings	30	years	Office equipment	3 -7	years
Recreational Facility	20 - 30	years	Furniture and fittings	7-10	years
Security	5	years	Bins and containers	5	years
Community Halls	30	years	Specialised plant and equipment	10-15	years
Libraries	30	years	Landfill sites	15	years
Parks and gardens	10	years	Computer equipment	3	years
Office equipment	4	years			

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

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

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

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Accounting Policies

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retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### 1.4.4 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 sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## 1.5 Intangible Assets

### 1.5.1 Initial recognition

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

Intangible assets are initially recognised at cost.

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

### 1.5.2 Subsequent measurement - cost model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

### 1.5.3 Amortisation and impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method.

The annual amortisation rates are based on the following estimated average asset lives:  
Computer software 5 years

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

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date.

Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

## 1.6 Financial instruments

### Initial recognition and measurement

#### 1.6.1 Initial recognition

Financial instruments are initially recognised at fair value.

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Accounting Policies

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### Financial instruments (continued)

#### Subsequent measurement

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation as per GRAP standard 104.

#### Investments

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

#### Receivables from exchange transactions

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments.

An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

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

#### Payables from exchange transactions

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

#### Cash and cash equivalents

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

### 1.7 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 and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.8 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Accounting Policies

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### **Irregular expenditure (continued)**

(c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

### **1.9 Fruitless and wasteful expenditure**

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

### **1.10 Provisions and contingencies**

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

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

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

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

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

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

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

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Accounting Policies

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### 1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Municipality as a lessee

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

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

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

#### 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.

### 1.12 Revenue

#### 1.12.1 Revenue from exchange activities

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

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 recorded number of refuse containers per property.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest revenue is recognised on a time proportion basis.

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

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

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Accounting Policies

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### Revenue (continued)

#### 1.12.2 Revenue from non exchange activities

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

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 proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

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

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

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.

#### 1.13 Retirement benefits

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

#### 1.14 Impairment of assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.



# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Accounting Policies

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### Impairment of assets (continued)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.15 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Accounting Policies

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### Employee benefits (continued)

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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 entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Accounting Policies

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### Employee benefits (continued)

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

#### 1.16 Revaluation reserve

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

#### 1.17 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements.

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Notes to the Annual Financial Statements

Figures in Rand	2012	2011
<b>2. Other receivables</b>		
Other debtors	9,000	9,000
Former Councillors	88,745	93,682
	<b>97,745</b>	<b>102,682</b>
<b>3. VAT receivable</b>		
VAT	1,356,237	3,375,416
<b>4. Consumer debtors</b>		
<b>Gross balances</b>		
Property rates	17,070,722	10,809,885
Refuse removal	7,593,311	4,884,356
	<b>24,664,033</b>	<b>15,694,241</b>
<b>Less: Provision for debt impairment</b>		
Rates	(9,702,735)	(9,210,163)
Refuse	(2,829,591)	(3,406,499)
	<b>(12,532,326)</b>	<b>(12,616,662)</b>
<b>Net balance</b>		
Rates	7,367,987	1,599,722
Refuse	4,763,720	1,477,857
	<b>12,131,707</b>	<b>3,077,579</b>
<b>Rates</b>		
Current (0 -30 days)	775,073	6,085,965
31-60 days	611,242	194,578
61 - 90 days	605,747	216,198
91 - 120 days	696,728	162,148
121 - 365+ days	14,381,932	4,150,996
	<b>17,070,722</b>	<b>10,809,885</b>
<b>Refuse</b>		
Current (0 -30 days)	348,221	2,854,288
31 - 60 days	274,616	89,915
61 - 90 days	272,147	101,134
91 - 120 days	313,023	74,408
121 - 365+ days	6,385,304	1,764,611
	<b>7,593,311</b>	<b>4,884,356</b>
<b>Reconciliation of debt impairment provision</b>		
Balance at beginning of the year	(12,616,662)	(7,601,759)
Contributions to provision	-	(5,014,903)
Reduction on provision as calculated in the current year	84,336	-
	<b>(12,532,326)</b>	<b>(12,616,662)</b>

## 5. Cash and cash equivalents

Cash and cash equivalents consist of:

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Notes to the Annual Financial Statements

Figures in Rand	2012	2011
<b>5. Cash and cash equivalents (continued)</b>		
Cash on hand	46	1,920
Bank balances	21,696,711	5,366,161
Short-term deposits	15,328,628	20,568,530
	<b>37,025,385</b>	<b>25,936,611</b>

The municipality had the following bank accounts

Description	Account number	Bank statement balances		Cash book balances	
		June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
First National Bank - Mkuze Branch	62024185432	14,246,978	1,307,975	14,246,978	1,307,975
PETTY CASH		-	-	46	-
ABSA Bank	4069-6249-54	2,548,827	4,205,868	2,517,058	4,205,868
Cancelled Cheques		(158,142)	(158,142)	(158,142)	(158,142)
Call Account Property rates		-	3,124	-	3,124
Investec Bank		-	2,152,782	-	2,152,782
Investment FNB	6205-4059-516	-	27,862	-	27,862
Investment FNB	6206-4733-746	-	4,542,041	-	4,542,041
Investment FNB	74274189205	5,069,666	11,308,411	5,069,666	11,308,411
Investment FNB	74306527662	5,094,919	15,163	5,094,919	15,163
Marriot Marchant Bank	16520	72,489	2,519,147	72,489	2,519,147
Marriot Marchant Bank	164419	91,555	-	91,555	-
Investment Standard Bank	268741042	5,070,027	-	5,070,027	-
Cashiers collection accounts		-	-	20,789	-
Investment ABSA	2072232091	5,000,000	-	5,000,000	-
<b>Total</b>	<b>Total</b>	<b>37,036,319</b>	<b>25,924,231</b>	<b>37,025,385</b>	<b>25,924,231</b>

## 6. Property, plant and equipment

	2012			2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	25,579,431	(4,051,807)	21,527,623	25,223,626	(2,033,684)	23,189,942
Motor vehicles	4,518,098	(3,816,875)	701,223	3,481,011	(3,285,857)	195,154
Office equipment	4,904,323	(2,728,893)	2,175,430	5,021,711	(1,937,787)	3,083,924
Infrastructure	174,978,620	(70,277,440)	104,701,180	87,213,935	(67,921,536)	19,292,399
<b>Total</b>	<b>209,980,472</b>	<b>(80,875,015)</b>	<b>129,105,456</b>	<b>120,940,283</b>	<b>(75,178,864)</b>	<b>45,761,419</b>

### Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Transfers	Fair value adjustments	Depreciation	Total
Buildings	23,189,942	-	-	-	355,804	(2,018,123)	21,527,623
Motor vehicles	195,154	1,171,487	-	-	230,000	(895,418)	701,223
Equipment	3,083,924	376,479	-	-	2,400	(974,584)	2,488,219
Infrastructure	18,251,803	38,055,105	(587,594)	1,619,588	36,365,807	(1,802,419)	91,902,299
Work-in-Progress(WIP)	1,040,596	12,486,101	-	(1,040,596)	-	-	12,486,101
	<b>45,761,419</b>	<b>52,089,172</b>	<b>(587,594)</b>	<b>578,992</b>	<b>36,954,011</b>	<b>(5,690,544)</b>	<b>129,105,456</b>

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Notes to the Annual Financial Statements

Figures in Rand 2012 2011

### 6. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	22,555,836	1,518,874	-	-	(884,768)	23,189,942
Motor vehicles	1,329,893	214,803	(859,388)	-	(490,154)	195,154
Office equipment	1,880,277	1,857,379	(61,860)	-	(591,872)	3,083,924
Infrastructure	47,809,705	12,139,697	-	(24,390,384)	(17,307,215)	18,251,803
Work-in-Progress (WIP)	2,595,100	21,206,764	-	(22,761,268)	-	1,040,596
	-	-	-	-	-	-
	<b>76,170,811</b>	<b>36,937,517</b>	<b>(921,248)</b>	<b>(47,151,652)</b>	<b>(19,274,009)</b>	<b>45,761,419</b>

### 7. Intangible assets

	2012			2011		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Intangible assets	258,292	(123,009)	135,283	167,592	(120,514)	47,078

#### Reconciliation of intangible assets -30 June 2012

	Opening balance	Additions	Amortisation	Total
Intangible assets	47,078	90,700	(2,495)	135,283

#### Reconciliation of intangible assets - 2011

	Opening balance	Additions	Disposals	Other changes, movements	Amortisation	Total
Intangible assets	87,221	52,868	(2,495)	(6,416)	(39,484)	47,078

### 8. Payables from exchange transactions

Trade creditors	1,941,479	2,009,286
Retention held	5,806,280	2,298,149
	<b>7,747,759</b>	<b>4,307,435</b>

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Notes to the Annual Financial Statements

Figures in Rand	2012	2011
<b>9. Unspent conditional grants</b>		
<b>Unspent conditional grants and receipts comprises of:</b>		
Housing Grant	83,492	83,492
MIG	3,254,718	1,664,103
Area 17 Water Scheme	521,807	521,807
Ndumo Sports Complex	385,510	385,510
Establishment of Internal Control Unit	150,000	150,000
Ward Committee Induction training	23,355	23,355
Municipal Housing Sector Plan	11,775	11,775
Jozini Upgrading Projects	107,606	107,606
Fresh Produce Market	647,210	7,120,816
Bhambanana Town Formalization	69,365	69,365
Synergistic Program	10,882	49,595
Ubuhle Besiko Cultural Village	69,700	69,700
MPRA Transfers	(10,057)	(614,712)
Bhanjana Road	624,412	1,895,549
Corridor Development	1,184,150	1,334,150
Library Grant	731,104	634,021
Implication for Pound	850,552	1,000,000
MSIG	139,364	20,972
LGSETA	185,444	40,348
Finance Management Grant	136,785	30,396
Sports & Recreation	150,000	-
School Crossing	4,680	1,080
National Electrification Grant	8,057,139	3,441,407
Development of recycling	10,730	35,000
LG Expert	22,384	22,384
Jozini Town formalization	1,270,987	5,686,023
DBSA Contribution	10,365	84,398
Supply of Solar, Water, Geyser	2,665,199	-
	<b>21,368,658</b>	<b>23,868,140</b>

## 10. Provisions

### Reconciliation of provisions -30 June 2012

	Opening Balance	Additions	Utilised during the year	Total
Leave Pay Provision	1,373,648	525,249	(254,303)	1,644,594
Provision for Landfill Site	255,451	72,608	(182,843)	145,216
Provision for Performance Bonus	148,985	27,217	(61,359)	114,843
Provision for Annual bonus	435,490	336,679	(192,919)	579,250
	<b>2,213,574</b>	<b>961,753</b>	<b>(691,424)</b>	<b>2,483,903</b>

### Reconciliation of provisions - 2011

	Opening Balance	Additions	Utilised during the year	Total
Leave Pay Provision	1,201,917	206,458	(34,727)	1,373,648
Provision for Landfill Site	557,225	-	(301,774)	255,451
Provision for Performance Bonus	115,512	33,473	-	148,985
Provision for annual bonus	-	435,490	-	435,490
	<b>1,874,654</b>	<b>675,421</b>	<b>(336,501)</b>	<b>2,213,574</b>

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Notes to the Annual Financial Statements

Figures in Rand	2012	2011
<b>11. Property rates</b>		
Commercial	10,117,060	8,581,421
Agriculture	2,193,862	2,322,803
Residential	966,478	743,357
Rural Communal Land (RCL)	601,862	201,001
Place of Worship (POW)	3,009,309	3,126,852
Specialised Properties (SPL)	425	3,144
Public Service Infrastructure (PSI)	3,337,635	2,180,265
	7,490	4,000
	<b>10,117,060</b>	<b>8,581,421</b>
	<b>10,117,060</b>	<b>8,581,422</b>
<b>12. Service charges-Refuse Removal</b>		
Commercial	300,001	301,000
Rural Communal Land	548,085	548,510
Residential	893,786	812,550
Specialized Properties	279,999	300,200
Refuse removal	2,021,871	1,962,260
	<b>2,021,871</b>	<b>1,962,260</b>
<b>13. Government grants and subsidies</b>		
Equitable share	62,001,000	48,546,475
Recognised conditional grants revenue	53,915,792	37,593,953
	<b>115,916,792</b>	<b>86,140,428</b>
<b>14. Other income</b>		
Miscellaneous	245,271	42,910
Hall hire	84,067	76,485
Refunds	8,088	-
Commision received	4,172	2,315
Library	7,444	5,513
Sale of Tender Documents	89,343	102,827
Clearance certificates issued	1,104	2,004
Penalties	2,810	66,076
Ashbin Waste Management Fund	11,758	-
	<b>454,057</b>	<b>298,130</b>



# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Notes to the Annual Financial Statements

Figures in Rand	2012	2011
<b>15. General expenses</b>		
Advertising	312,488	144,961
Internal Audit Fees	804,764	-
External Audit fees	1,316,431	1,024,031
Bank charges	87,020	80,672
Cleaning & Teas	15,096	63,627
Consultant fees	2,329,642	1,575,399
Provision for annual bonus expense	363,896	435,490
Provision for landfill site expense	-	435,000
Entertainment	166,106	138,405
Community development and training	278,375	967,149
Accommodation expenses	860,151	598,775
SARS:PAYE/UIF/SDL Expense	1,587,293	-
Medical expenses	-	16,839
Licences	52,482	46,799
Fuel and oil	728,034	702,923
Printing and stationery	344,575	279,197
Publicity	513,503	660,937
Security	1,503,608	667,888
Subscriptions and membership fees	25,916	17,027
Telephone and postage	309,375	378,242
Staff training & bursaries	754,329	304,003
Other expenses	9,827,091	13,323,397
	<b>22,180,175</b>	<b>21,860,761</b>
<b>16. Employee related costs</b>		
Salaries & wages	15,771,087	13,483,543
Bonus	866,665	930,017
Medical aid - company contributions	828,915	718,008
UIF	121,856	109,842
SDL	232,076	206,518
Defined contribution plan	1,832,419	1,375,402
Travel, motor car, accommodation, subsistence and other allowances	5,621,169	4,128,070
Overtime payments	156,861	202,731
Acting allowances	133,249	93,713
Housing benefits and allowances	454,629	58,245
Cellphone allowance	647,253	294,033
Clothing allowance	-	10,000
	<b>26,666,179</b>	<b>21,610,122</b>
<b>Remuneration of Municipal Manager</b>		
Annual Remuneration	578,968	456,872
Car Allowance	363,532	295,390
Performance Bonuses	27,695	31,730
UIF	1,490	1,497
Other (S&T & Backpay)	116,924	283,639
	<b>1,088,609</b>	<b>1,069,128</b>

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Notes to the Annual Financial Statements

Figures in Rand 2012      2011

### 16. Employee related costs (continued)

#### Remuneration of Chief Finance Officer

Annual Remuneration	548,618	456,689
Car Allowance	302,637	245,910
Performance Bonuses	48,907	57,359
UIF	1,497	1,497
Other (S&T & Backpay)	72,229	207,977
	<b>973,888</b>	<b>969,432</b>

#### Remuneration of Director Planning & Development Services

Annual Remuneration	548,618	411,348
Travel Allowances	285,342	231,856
Performance Bonuses	800	28,679
UIF	1,497	1,497
Other (S&T & Backpay)	237,224	313,221
	<b>1,073,481</b>	<b>986,601</b>

#### Remuneration of Director of Corporate Services

Annual Remuneration	548,618	411,348
Car Allowance	285,342	231,856
Performance Bonuses	24,454	57,358
UIF	1,497	1,497
Other(S&T & Backpay)	178,088	281,793
	<b>1,037,999</b>	<b>983,852</b>

### 17. Remuneration of councillors

Mayor's allowance	289,558	129,066
Executive Committee	940,654	505,167
Ordinary Councillors	4,559,145	4,368,566
	<b>5,789,357</b>	<b>5,002,799</b>

#### In-kind benefits

The Mayor and Deputy Mayor are part time.

The Speaker is full-time. The Mayor and Speaker are provided with an office and secretarial support at the cost of the Council.

The Mayor has use of a Council owned vehicle for official duties

The Mayor has one full-time bodyguards and the driver .

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Notes to the Annual Financial Statements

Figures in Rand	2012	2011
<b>18. Cash generated from operations</b>		
Surplus	63,344,337	36,275,884
<b>Adjustments for:</b>		
Depreciation and amortisation	5,827,490	2,984,960
Debt impairment	-	5,014,831
Movements in provisions	185,993	-
Contribution to provisions-current	-	412,038
Loss on assets written off	(587,594)	338,920
<b>Changes in working capital:</b>		
Other receivables	4,937	(93,682)
Consumer debtors	(9,054,128)	(6,391,370)
Payables from exchange transactions	3,440,320	1,774,344
(Increase)/Decrease in VAT	2,019,179	(1,893,234)
Unspent conditional grants	(2,499,482)	6,074,426
	<b>62,681,052</b>	<b>44,497,117</b>

### 19. Unauthorised expenditure

Forensic findings: Alleged overpayment for internal audit services	1,285,023	-
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### 20. Irregular expenditure

Opening balance-SCM deviations	1,654,156	1,654,156
Add: Forensic audit findings	40,922,652	-
Add: SCM deviations during the current year	469,507	-
Add: SCM findings by Auditor-General: Suppliers in the service of the state	3,494,691	-
	<b>46,541,006</b>	<b>1,654,156</b>

### 21. Additional disclosure in terms of Municipal Finance Management Act

#### Audit fees

Amount paid - current year	2,121,195	1,024,031
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#### VAT

VAT receivable	1,356,237	3,375,416
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All VAT returns have been submitted by the due date throughout the year.

#### Councillors' arrear consumer accounts

The municipality had no Councillors with arrear accounts outstanding as at 30 June 2012

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Notes to the Annual Financial Statements

Figures in Rand	2012	2011
<b>22. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Commitments in respect of expenditure</b>		
• Approved but not yet contracted for	689,620	1,000,000
• Approved and contracted for	15,969,108	13,156,988
	<b>16,658,728</b>	<b>14,156,988</b>
<b>This expenditure will be financed from</b>		
• External sources	16,658,728	14,156,988
<b>Operating leases - as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	537,472	614,547
- in second to fifth year inclusive	398,357	486,457
	<b>935,829</b>	<b>1,101,004</b>

## 23. Employee benefit obligations

### Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

The amount recognised as an expense for defined contribution plans is 1,832,419 1,375,402

The municipality accounted for this plan as a defined contribution plan:

## 24. Contingencies

### Contingent liabilities

1. Mr Mthembu and Mr Ngcamphalala plaintiff sued the Jozini Municipality for unlawful arrest and assault, for R 75 000.00 excluding legal costs amounting to estimated R 15 000.00.

## 25. Correction of errors

1. The PPE as disclosed in 2010/2011 Annual Financial Statements is mistated as a result of duplicate supplier raised on Pastel Evolution for R662 813.36, on the same note there was also R333 238.62 that should have been raised in 2010/2011 financial year. The net effect is R329 775 as shown below. Accumulate depreciation had been understated in the past as a result journal entry raising backlog depreciation against assets overstated, R63 180 408.13.

The correction of the error(s) results in adjustments as follows:

### Statement of financial position

Property, Plant & Equipment_accumulated depreciation	- (63,510,183)
Accumulated Surplus	- 63,510,183

# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

## Notes to the Annual Financial Statements

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Figures in Rand	2012	2011
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### 26. Fair value adjustment relating to Property, Plant & Equipment

The management is using the Cost Model and in the current year Property, Plant & Equipment have been verified and were adjusted at fair value, after necessary condition assessment had been completed by independant valuer Pradeep Ramlall, the Director of AB Projects. This was performed to fully comply with GRAP 17 as previously Directive 4 was being used.

Change during the year	36,954,011	-
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### 27. 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	63,344,337	36,275,884
<b>Adjusted for:</b>		
Loss on the sale of assets	(772,990)	(41,173)
Increases / decreases in provisions	1,014,029	(1,077,039)
Increase in revenue	34,047,844	19,530,448
Increase in expenditure	(7,164,787)	(3,932,016)
<b>Net surplus per approved budget</b>	<b>90,468,433</b>	<b>50,756,104</b>

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# Jozini Local Municipality

Annual Financial Statements for the year ended June 30, 2012

# Appendix B

June 2012

## Analysis of property, plant and equipment as at 30 June 2012

### Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	WIP Rand	Revaluations Rand	Depreciation Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	WIP Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Land and buildings</b>														
Buildings	23,189,942	-	-	-	355,804	(2,018,123)	21,527,623	-	-	-	-	-	-	21,527,623
Motor Vehicles	195,154	1,171,487	-	-	230,000	(895,418)	701,223	-	-	-	-	-	-	701,223
Office Equipment	2,771,135	190,543	-	-	2,400	(974,584)	1,989,494	-	-	-	-	-	-	1,989,494
Roads Infrastructure	83,115,371	16,698,445	(587,594)	4,953,526	553,400	(31,968)	104,701,180	-	-	-	-	-	-	104,701,180
	<b>109,271,602</b>	<b>18,060,475</b>	<b>(587,594)</b>	<b>4,953,526</b>	<b>1,141,604</b>	<b>(3,920,093)</b>	<b>128,919,520</b>	-	-	-	-	-	-	<b>128,919,520</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastrucur)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	85,752	4,369	-	-	-	-	90,121	(80,070)	-	-	-	-	(80,070)	10,051
	<b>85,752</b>	<b>4,369</b>	-	-	-	-	<b>90,121</b>	<b>(80,070)</b>	-	-	-	-	<b>(80,070)</b>	<b>10,051</b>
<b>Community Assets</b>														
Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## Appendix B

June 2012

### Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation	Accumulated depreciation
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	Opening Balance	Additions	Disposals	WIP	Revaluations	Depreciation	Closing Balance	Opening Balance	Disposals	WIP	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Heritage assets</b>														
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Specialised vehicles</b>														
Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>														
General vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total property plant and equipment</b>														
Land and buildings	109,271,602	18,060,475	(587,594)	4,953,526	1,141,604	(3,920,093)	128,919,520	-	-	-	-	-	-	128,919,520
Infrastructure	85,752	4,369	-	-	-	-	90,121	(80,070)	-	-	-	-	(80,070)	10,051
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-



# Appendix B

June 2012

## Analysis of property, plant and equipment as at 30 June 2012

**Cost/Revaluation** **Accumulated depreciation**

	<b>Opening Balance Rand</b>	<b>Additions Rand</b>	<b>Disposals Rand</b>	<b>WIP Rand</b>	<b>Revaluations Rand</b>	<b>Depreciation Rand</b>	<b>Closing Balance Rand</b>	<b>Opening Balance Rand</b>	<b>Disposals Rand</b>	<b>WIP Rand</b>	<b>Depreciation Rand</b>	<b>Impairment loss Rand</b>	<b>Closing Balance Rand</b>	<b>Carrying value Rand</b>
	<b>109,357,354</b>	<b>18,064,844</b>	<b>(587,594)</b>	<b>4,953,526</b>	<b>1,141,604</b>	<b>(3,920,093)</b>	<b>129,009,641</b>	<b>(80,070)</b>	-	-	-	-	<b>(80,070)</b>	<b>128,929,571</b>
<b>Agricultural/Biological assets</b>														
Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Intangible assets</b>														
Computers - software & programming	168	140	-	-	-	-	<b>308</b>	(170)	-	-	-	-	(170)	138
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>168</b>	<b>140</b>	-	-	-	-	<b>308</b>	<b>(170)</b>	-	-	-	-	<b>(170)</b>	<b>138</b>
<b>Investment properties</b>														
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>														
Land and buildings	109,271,602	18,060,475	(587,594)	4,953,526	1,141,604	(3,920,093)	<b>128,919,520</b>	-	-	-	-	-	-	128,919,520
Infrastructure	85,752	4,369	-	-	-	-	<b>90,121</b>	(80,070)	-	-	-	-	(80,070)	10,051
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	168	140	-	-	-	-	<b>308</b>	(170)	-	-	-	-	(170)	138
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>109,357,522</b>	<b>18,064,984</b>	<b>(587,594)</b>	<b>4,953,526</b>	<b>1,141,604</b>	<b>(3,920,093)</b>	<b>129,009,949</b>	<b>(80,240)</b>	-	-	-	-	-	<b>(80,240)</b>	<b>128,929,709</b>

**Appendix D**  
June 2012

**Segmental Statement of Financial Performance for the year ended**  
**Prior Year** **Current Year**

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
<b>Municipality</b>						
11,212,924	6,456,954	4,755,970	Executive & Council/Mayor and Council	11,596,945	8,637,600	2,959,345
11,220,011	18,095,741	(6,875,730)	Finance & Admin/Finance	18,914,666	16,465,960	2,448,706
16,016,057	6,689,888	9,326,169	Planning and Development/Economic Development/Plan	4,214,186	6,200,791	(1,986,605)
7,930,276	7,833,189	97,087	Health/Clinics	3,359,500	11,501,022	(8,141,522)
3,634,432	13,120,529	(9,486,097)	Comm. & Social/Libraries and archives	7,835,712	10,282,599	(2,446,887)
7,224,696	7,326,435	(101,739)	Housing	7,580,232	8,511,083	(930,851)
3,736,168	1,701,930	2,034,238	Public Safety/Police	4,327,083	2,404,043	1,923,040
24,672,000	-	24,672,000	Sport and Recreation	60,018,940	1,428,709	58,590,231
-	-	-	Environmental Protection/Pollution Control	-	-	-
5,758,880	3,515,291	2,243,589	Waste Water Management/Sewerage	5,102,892	4,980,886	122,006
-	-	-	Road Transport/Roads	-	-	-
-	-	-	Water/Water Distribution	-	-	-
-	-	-	Electricity /Electricity Distribution	-	-	-
-	-	-	Other/Air Transport	-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
<b>91,405,444</b>	<b>64,739,957</b>	<b>26,665,487</b>		<b>122,950,156</b>	<b>70,412,693</b>	<b>52,537,463</b>
<b>Municipal Owned Entities</b>						
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
<b>Other charges</b>						
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
<b>91,405,444</b>	<b>64,739,957</b>	<b>26,665,487</b>	<b>Municipality</b>	<b>122,950,156</b>	<b>70,412,693</b>	<b>52,537,463</b>
-	-	-	Municipal Owned Entities	-	-	-
-	-	-	Other charges	-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-

**Appendix D**

June 2012

**Segmental Statement of Financial Performance for the year ended**  
**Prior Year** **Current Year**

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
<b>91,405,444</b>	<b>64,739,957</b>	<b>26,665,487</b>	<b>Total</b>	<b>122,950,156</b>	<b>70,412,693</b>	<b>52,537,463</b>

## Appendix E(1)

June 2012

### Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2010

	Current year 2012 Act. Bal.	Current year 2012 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
Revenue					
Sale of goods	-	-	-	-	(Explanations to be recorded)
Sale of goods in agricultural activities	-	-	-	-	
Rendering of services	-	-	-	-	
Rendering of services in agricultural activities	-	-	-	-	
Property rates	6,879,579	-	6,879,579	-	
Service charges	546,706	-	546,706	-	
Levies	-	-	-	-	
Property rates - penalties imposed and collection charges	-	-	-	-	
Sales of housing	-	-	-	-	
Construction contracts	-	-	-	-	
Royalty income	-	-	-	-	
Rental of facilities and equipment	245,936	-	245,936	-	
Interest received (trading)	-	-	-	-	
Dividends received	-	-	-	-	
Income from agency services	-	-	-	-	
Public contributions and donations	-	-	-	-	
Fines	243,406	-	243,406	-	
Licences and permits	-	-	-	-	
Government grants & subsidies	112,802,599	-	112,802,599	-	
Municipal Revenue UD1	-	-	-	-	
Municipal Revenue UD2	-	-	-	-	
Revenue 1	-	-	-	-	
Revenue 2	-	-	-	-	
Miscellaneous other revenue	-	-	-	-	
Administration and management fees received	-	-	-	-	
Fees earned	-	-	-	-	
Commissions received	-	-	-	-	
Royalties received	-	-	-	-	
Rental income	-	-	-	-	
Discount received	-	-	-	-	
Recoveries	-	-	-	-	
Other income 1	3,331,824	-	3,331,824	-	
Provisions adjustment	521,457	-	521,457	-	
Other income 3	-	-	-	-	
Other income	263,321	-	263,321	-	
Other farming income 1	-	-	-	-	
Other farming income 2	-	-	-	-	
Other farming income 3	-	-	-	-	
Other farming income 4	-	-	-	-	
Other farming income	-	-	-	-	
Government grants	-	-	-	-	
Interest received - investment	-	-	-	-	

## Appendix E(1)

June 2012

### Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2010

	Current year 2012 Act. Bal.	Current year 2012 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Interest received - other	1,980,366	-	1,980,366	-
Dividends received	-	-	-	-
	<b>126,815,194</b>	<b>-</b>	<b>126,815,194</b>	<b>-</b>
<b>Expenses</b>				
Personnel	(26,666,181)	-	(26,666,181)	-
Manufacturing - Employee costs	-	-	-	-
Remuneration of councillors	(5,789,357)	-	(5,789,357)	-
Administration	-	-	-	-
Transfer payments	-	-	-	-
Depreciation	(5,827,490)	-	(5,827,490)	-
Impairment	-	-	-	-
Amortisation	-	-	-	-
Impairments	-	-	-	-
Reversal of impairments	-	-	-	-
Finance costs	-	-	-	-
Debt impairment	-	-	-	-
Collection costs	-	-	-	-
Repairs and maintenance - Manufacturing expenses	-	-	-	-
Repairs and maintenance - General	(1,461,080)	-	(1,461,080)	-
Repairs and maintenance - General	-	-	-	-
Bulk purchases	-	-	-	-
Contracted Services	(5,802,684)	-	(5,802,684)	-
Grants and subsidies paid	(3,097,215)	-	(3,097,215)	-
Cost of housing sold	(587,594)	-	(587,594)	-
General Expenses	(22,180,175)	-	(22,180,175)	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
	<b>(71,411,776)</b>	<b>-</b>	<b>(71,411,776)</b>	<b>-</b>
<b>Other revenue and costs</b>				
Gain or loss on disposal of assets and liabilities	-	-	-	-
Gain or loss on exchange differences	-	-	-	-
Fair value adjustments	-	-	-	-
Gains or losses on biological assets and agricultural produce	-	-	-	-
Income from equity accounted investments	-	-	-	-

**Appendix E(1)**

June 2012

**Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2010**

	<b>Current year 2012 Act. Bal.</b>	<b>Current year 2012 Adjusted budget</b>	<b>Variance</b>	<b>Explanation of Significant Variances greater than 10% versus Budget</b>
Gain or loss on disposal of non-current assets held for sale or disposal groups	-	-	-	-
Taxation	-	-	-	-
Discontinued operations	-	-	-	-
	-	-	-	-
Net surplus/ (deficit) for the year	55,403,418	-	55,403,418	-

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
Supply of Solar,Water,gyser	Jozini Municipality	-	00,000	00,000	00,000	00,000	-	83,700	83,700	83,700	83,700	34,802	-	-	-	-	-	Yes	N/A
IDP GRANT	Jozini Municipality	-	-	-	55,200	55,200	13,740	13,740	13,740	13,740	13,740	54,960	-	-	-	-	-	Yes	N/A
Sport And Recreation	Jozini Municipality	-	-	-	50,000	50,000	-	-	-	-	-	-	-	-	-	-	-	Yes	N/A
Synergistic Participation	Jozini Municipality	-	-	-	-	-	9,678	9,678	9,678	9,678	9,678	38,713	-	-	-	-	-	Yes	N/A
School Crossing	Jozini Municipality	3,440	5,160	-	3,600	24,320	5,180	5,180	5,180	5,180	5,180	20,720	-	-	-	-	-	Yes	N/A
Bhanjana Road	Jozini Municipality	-	-	-	-	-	17,784	17,784	17,784	17,784	17,784	71,137	-	-	-	-	-	Yes	N/A
Implication of Pound Development of Recycling	jozini Municipality	-	-	-	-	-	37,422	37,422	37,422	37,422	37,422	49,688	-	-	-	-	-	Yes	N/A
DBSA Contribution	jozini Municipality	-	-	-	-	-	6,008	6,008	6,008	6,008	6,008	24,270	-	-	-	-	-	Yes	N/A
National Electricity MSIG	Jozini Municipality	-	00,000	00,000	-	00,000	46,067	46,067	46,067	46,067	46,067	84,267	-	-	-	-	-	Yes	N/A
MPRA	Jozini Municipality	-	90,000	-	-	90,000	67,902	67,902	67,902	67,902	67,608	71,608	-	-	-	-	-	Yes	N/A
MIG	Jozini Municipality	-	-	19,183	-	19,183	7,310	7,310	7,310	7,310	7,310	29,240	-	-	-	-	-	Yes	N/A
Library Grant	Jozini Municipality	17,000	-	55,000	-	72,000	45,346	45,346	45,346	45,346	45,346	81,385	-	-	-	-	-	Yes	N/A
LGSETA	Jozini Municipality	-	95,800	-	-	95,800	24,679	24,679	24,679	24,679	24,679	98,717	-	-	-	-	-	Yes	N/A
		79,480	-	53,253	12,363	45,096	-	-	-	-	-	-	-	-	-	-	-	Yes	N/A

Jozini Town Formalisation Corridor	Jozini Municipality	-	-	-	-	-	03,759	03,759	03,759	03,759	15,035	-	-	-	-	-	Yes	N/A
Development	Jozini Municipality	-	-	-	-	-	37,500	37,500	37,500	37,500	50,000	-	-	-	-	-	Yes	N/A
Fresh Produce Market	Jozini Municipality	-	-	-	-	-	18,402	18,402	18,402	18,402	73,606	-	-	-	-	-	Yes	N/A
FMG	Jozini Municipality	50,000	-	-	-	50,000	35,903	35,903	35,903	35,903	43,611	-	-	-	-	-	Yes	N/A
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		49,920	90,960	27,436	21,163	101,599	78,888	78,888	78,888	78,594	115,792	-	-	-	-	-		

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.