

FINANCIAL STATEMENTS  
THABO MOFUTSANYANA  
DISTRICT MUNICIPALITY  
FOR THE YEAR ENDED 30 JUNE 2009



## THABO MOFUTSANYANA DISTRICT MUNICIPALITY

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**GENERAL INFORMATION**

**EXECUTIVE MAYOR** Her Majesty Queen Mathokoana Mopeli

**SPEAKER:** Councillor M Ntheli

**CHIEF WHIP:** Councillor P Motsoeneng

**MEMBERS OF THE MAYORAL COMMITTEE:**

MMC L Lemako  
MMC N Mosupa  
MMC M Tshabalala  
MMC S Moleleki  
MMC D Lengoabala  
MMC M Ndlebe  
MMC C Makhoba  
MMC N Mopeli

**COUNCILLORS:**

Councillor	WH Coetser	Councillor	AM Nhlapo
Councillor	NA Taylor	Councillor	MV Norman
Councillor	AC Msibi	Councillor	MN Sefuthi
Councillor	EZ Radebe	Councillor	MK Mofokeng
Councillor	KM Sehlako	Councillor	M J Lebesa
Councillor	TJ Tsotetsi	Councillor	BDL Venter
Councillor	KS Sehloho	Councillor	C H E Badenhorst
Councillor	B E Mzangwa	Councillor	A Ramochela
Councillor	PZ Moshoadiba	Councillor	LA Moloi
Councillor	LM Kleynhans	Councillor	A Fume
Councillor	KS Mokhuoame	Councillor	BT Madonsela
Councillor	LM Mohlabi	Councillor	SE Tshabalala

**GENERAL INFORMATION**

**GRADING OF THE DISTRICT MUNICIPALITY**

Grade 11

**AUDITORS**

The Auditor - General

**BANKERS**

ABSA Bank

**REGISTERED OFFICE**

Private Bag X 810  
WITSIESHOEK  
9870

1 Mampoi Street  
Old Parliament Building  
WITSIESHOEK  
9870

Telephone

058 - 718 1000

Fax

058 - 718 1034

**MAP OF THE DISTRICT MUNICIPALITY:**

See attached map of the district on page 5

**MUNICIPAL MANAGER:**

Mr MP Moloji

**CHIEF FINANCIAL OFFICER:**

Mr M Mpakane

**APPROVAL OF FINANCIAL STATEMENTS:**

The annual financial statements set out on pages 7 to 35 were approved by the Municipal Manager on

\_\_\_\_\_ and presented to and approved by Council on \_\_\_\_\_.

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**CHIEF FINANCIAL OFFICER**

Mr M Mpakane  
NDA (TWR), B Tech, CMA  
Certificate in Advanced Project Management

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**MUNICIPAL MANAGER**

Mr. M.P. Moloji  
ACCOUNTING OFFICER  
National Diploma Public Administration  
Project Management Certificate  
Certificate in Personnel Management



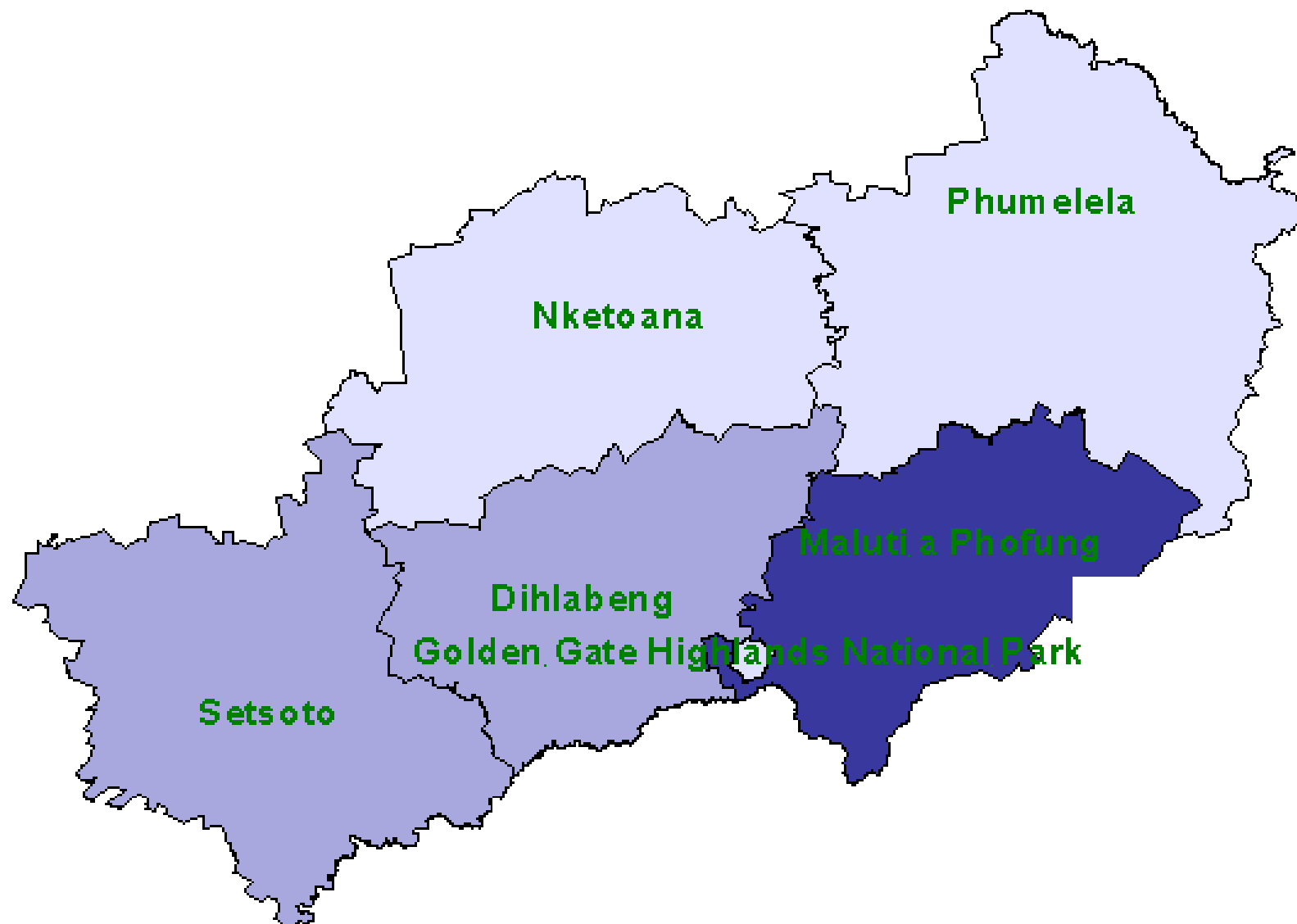
**THABO MOFUTSANYANA** *District Municipality*

**FOREWORD BY THE EXECUTIVE MAYOR OF THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

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Her Majesty Queen Mathokoana Mopeli

Executive Mayor



**Setsoto**

**Dihlabeng**

**Golden Gate Highlands National Park**

**Nketoana**

**Maluti a Phofung**

**Phumelela**

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

**REPORT OF THE AUDITOR-GENERAL TO THE DISTRICT MUNICIPALITY OF  
THABO MOFUTSANYANA FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009**

The Auditor-General will table his report.



## FINANCIAL REPORTING / TREASURER'S REPORT

**1 Operating results**

Details of the operating results, classification and purpose of expenditure are included in Appendice C and D. The overall operating results for the year ended 30 June 2009 are as follows:

	<i>Actual</i> 2007/2008	<i>Actual</i> 2008/2009	<i>Variance</i>	<i>Budget</i> 2008/2009	<i>Variance</i> Actual / Budget
	R	R	%	R	%
<b>INCOME</b>					
Administration	4 974 147	3 360 709	-32.4%	2 500 000	34.4%
Regional	70 408 192	67 548 762	-4.1%	77 122 000	-12.4%
Closing deficit	48 394 113	20 011 138	-	20 214 444.00	100.0%
	<u>123 776 452</u>	<u>90 920 609</u>	-26.5%	<u>99 836 444</u>	-8.9%
<b>EXPENDITURE</b>					
Administration	81 450 517	40 407 172	-50.4%	52 941 656	-23.7%
Regional	42 325 935	50 513 437	19.3%	46 894 788	7.7%
	<u>123 776 452</u>	<u>90 920 609</u>	-26.5%	<u>99 836 444</u>	-8.9%

The actual administration expenditure versus previous year's actual administration expenses increased due to increased number in staff compliment and increments in general.

**2 Fixed Assets**

The expenditure on fixed assets during the year amounts to R 552,866 (2008: 653,754) (App B) that were financed from income. The budget for capital expenditure for the current year was R 400,000. Thus the budget was exceeded by R 152,866.

**3 Income and allocations****3.1 Income**

The bulk of the money we used to finance our operations comes from the RSC levy replacement fund as well as the equitable share

**3.2 Capital Projects**

The bulk of the Infrastructural Projects have been financed from MIG allocation. In certain instances the municipality counter funded using its own resources where there was a shortfall. Refer to App "E"

**4 External Loans, Investments and Cash****4.1 Investments (see note 3)**

Investments on hand on 30 June 2009 amounted to R 16,271,774 due to interest capitalised and investments made. Refer Note 3

**4.2 Bank (see note 5)**

The bank balance on hand at 30 June 2009 amounted to R 1,230,539

**5 Funds and Reserves**

More information regarding funds and reserves are disclosed in App A.

**6 Post Balance Sheet Events**

None

**TREASURER'S REPORT (continued)**

**7 Guarantees**

The municipality provided the housing guarantees to the following staff members

**Housing Statistics**

<b>Names</b>	<b>Effective date</b>	<b>Guarantee amount</b>
1 Mazibuko Mwelase	2005/05/25	85 000.00
2 Mollo Ngobese	2006/03/22	85 000.00
3 Motloug Mohoabadi	2006/10/04	85 000.00
4 Moloji Khesa	2005/12/01	85 000.00
5 Motloug Sylvia	2007/01/30	85 000.00
6 Moloji Materonko	2002/10/08	65 000.00
7 Mthombeni Sthembiso	2004/10/01	70 000.00
8 Thamaha Simon	2004/10/08	54 000.00
9 Dusse Ronald	2006/07/01	85 000.00
10 Mkula Mogezi	2006/07/01	85 000.00
11 Majoro Matsiliso	2006/07/01	85 000.00
12 Maringa Robert	2006/07/01	85 000.00
13 Swart Pierre	2006/07/01	85 000.00
14 Viljoen Johannes	2006/07/01	85 000.00
15 Du toit Pieter	2006/07/01	85 000.00
16 Malan M.P	2006/07/01	85 000.00
17 Oosthuizen Corrie	2006/07/01	85 000.00
18 Molefe Nkgaudise	2008/07/01	85 000.00

It is worth noting that the maximum guarantee the municipality can provide is R85 000 only.

**Appreciation**

I wish to thank the Executive Mayor, Councillors and the staff for the support they have given me.

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**CHIEF FINANCIAL OFFICER**  
MR M.R Mpakane

**ACCOUNTING POLICIES****1 Basis of presentation**

- 1.1** The financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Accounting Practice (1996) and Report on Published Annual Financial Statements (2nd edition - January 1996).
- 1.2** The financial statements are prepared on the historical cost basis, adjusted for fixed assets as fully detailed in note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3** The financial statements are prepared on the accrual basis as stated:
- Income is accrued when measurable and available to finance operations.
  - Expenditure is accrued in the year it is incurred.

**2 Fixed assets****2.1** Fixed assets are stated:

- at historical cost; or
- at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the treasurer.

**2.2** Depreciation:

The balance shown against the heading "Loans redeemed and other capital receipts" in the notes to the balance sheet is tantamount to a provision for depreciation. However, certain structural differences exist. By way of this "provision" assets are written down over their estimated useful life. Apart from advances from the various Council funds, assets may also be acquired through:

- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income, and it is therefore unnecessary to make any further provision for depreciation, or
- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans redeemed and other capital receipts" account.

**2.3** All net proceeds from the sale of fixed assets are credited to the income statement.**3 Funds, reserves and provisions**

## Capital Development Fund

The Capital Development Fund per Ordinance 8 of 1962 requires a minimum contribution of 1,0% of the defined income of a local authority.

**ACCOUNTING POLICY (CONTINUED)****4 Retirement benefits**

The Council and the employees contribute to the Free State Municipal Pension Fund, the Free State Municipal Provident Fund and the SAMWU Provident Fund. These funds supply retirement benefits to the relevant employees.

The Free State Municipal Pension Fund is subject to the Pension Fund Act of 1956. Pensions are calculated on the average annual pensionable emolument of the two years immediately prior to retirement. Current contributions are charged against income. Beneficial adjustments are retained in the retirement benefit plan and applied to the improvement of benefits to employees. Full actuarial valuations are performed at intervals of three years. In respect of the Free State Municipal Provident Fund no valuations of the funds were done. An actuarial valuation is also not compulsory in terms of legislation.

**5 Provisions**

Provisions are created for liabilities or contingencies which are known at year end and the amounts cannot be determined with substantial accuracy.

Provision for bad debt is provided for trade debtors outstanding for more than 120 days.

**6 Investments**

Investments are disclosed at the lower of cost or market value where there is a permanent decrease in value and are invested in accordance with financial regulation 6 of the District Councils Act, 1985 (Act No 109 of 1985).

**7 Long-term debtors**

Long-term debtors constitutes motor loans granted to employees. Such loans are amortised over the period not exceeding employment contracts of related employees.

**8 Leased assets**

Fixed assets held under finance lease are capitalised. Such assets are effectively amortised over the term of the lease agreement.

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest method, which reflects the extend and cost of lease finance utilised in each accounting

All other leases are treated as operating leases and the relevant rentals are charged to operating account in a systematic manner related to the period on use of the asset concerned.

**9 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and are subject to an insignificant risk of changes in value.

**10 Trade and other receivables**

Trade receivables classified as loans and receivables and are measured at initial recognition at fair value plus direct transaction costs. After initial recognition these receivables are measured at amortised cost, using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

**11 Trade and other payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

**BALANCE SHEET AT 30 JUNE 2009**

	Note	2009 R	2008 R
<b>CAPITAL EMPLOYED</b>			
Funds and Reserves		<b>-4 066 968</b>	14 868 266
Accumulated surplus	1.1	<b>-10 146 279</b>	9 464 442
Capital Development Fund	1.2	<b>6 079 311</b>	5 403 824
		<b>-4 066 968</b>	14 868 266
<b>EMPLOYMENT OF CAPITAL</b>			
<b>Non-current assets</b>			
Fixed assets	2	-	-
		<b>-4 066 968</b>	14 868 266
<b>Net current assets</b>			
<b>Current assets</b>			
Short Term Investments	3	<b>16 271 774</b>	33 852 718
Debtors	4	<b>13 816 160</b>	5 352 431
Cash and Bank	5	<b>1 230 539</b>	15 585 811
		<b>35 385 441</b>	39 922 694
<b>Current liabilities</b>			
Provisions	6	<b>2 790 741</b>	3 090 361
Creditors	7	<b>32 594 699</b>	36 832 333
		<b>-4 066 968</b>	14 868 266

Her Majesty Queen Mathokoana Mopeli  
EXECUTIVE MAYOR

**Mr. MP Moloi**  
MUNICIPAL MANAGER

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009**

<b>2007 / 2008</b>	<b>2007 / 2008</b>	<b>2007 / 2008</b>		<b>2008 / 2009</b>	<b>2008 / 2009</b>	<b>2008 / 2009</b>	<b>2008 / 2009</b>
<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>
<b>income</b>	<b>expenditure</b>	<b>surplus/</b>		<b>income</b>	<b>expenditure</b>	<b>surplus/</b>	<b>surplus/</b>
<b>R</b>	<b>R</b>	<b>(deficit)</b>	<b>General Services</b>	<b>R</b>	<b>R</b>	<b>(deficit)</b>	<b>(deficit)</b>
<b>R</b>	<b>R</b>	<b>R</b>		<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
4 974 147	81 450 517	-76 476 370	Administration	3 360 709	40 407 172	-37 046 463	-50 441 656
70 408 192	42 325 935	28 082 257	Regional Services	67 548 762	50 513 437	17 035 325	17 707 212
<u>75 382 339</u>	<u>123 776 452</u>	<u>-48 394 113</u>	<b>TOTAL</b>	<u>70 909 471</u>	<u>90 920 609</u>	<u>-20 011 138</u>	<u>-32 734 444</u>
		-58 431 763	Accumulated Funds (refer to note 1.1)			-19 610 721	
		<u>67 896 205</u>	Accumulated surplus beginning of the year			<u>9 464 442</u>	
		<u>9 464 442</u>	<b>ACCUMULATED SURPLUS END OF THE YEAR</b>			<u>-10 146 279</u>	

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009</b>			<b>2009</b>	<b>2008</b>
	Notes		<b>R</b>	<b>R</b>
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>			<b>-29 544 479</b>	12 459 050
Cash generated by activities	12		<b>-23 419 848</b>	-56 179 698
Interest received	10		<b>3 358 601</b>	4 956 447
(Increase) / decrease in working capital	13		<b>-10 129 401</b>	63 682 301
			<b>-30 190 648</b>	12 459 050
<b>Cash available for operations</b>			<b>-30 190 648</b>	12 459 050
Net proceeds on disposal of fixed assets			<b>646 169</b>	-
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>				
Investment in fixed assets	2		<b>-1 082 566</b>	-2 834 684
<b>NET CASH FLOW</b>			<b>-30 627 045</b>	9 624 366
<b>CASH EFFECT OF FINANCING ACTIVITIES</b>				
Increase / (decrease) in long-term loans	14		-	
(Increase) / decrease in cash investments	15		<b>16 271 774</b>	-2 227 584
(Increase) / decrease in cash	16		<b>14 355 271</b>	-7 396 782
<b>Net cash (generated) / utilised</b>			<b>30 627 045</b>	-9 624 366



	Notes	2009 R	2008 R
<b>1 Accumulated funds</b>			
<b>1.1 Accumulated surplus</b>		<b>-10 146 279</b>	9 464 442
Accumulated surplus at beginning of the year		<b>9 464 442</b>	67 896 205
Net operating surplus for the year	11	<b>-19 610 721</b>	-58 431 763
<b>1.2 Capital Development Fund</b>		<b>6 079 311</b>	5 403 824
Provisions up to beginning of year		<b>5 403 824</b>	4 618 868
Provision for the year		<b>675 487</b>	784 956
(See Appendix A for more details)			
<b>2 Fixed assets</b>			
Fixed assets beginning of the year		-	-
Capital expenditure during the year		<b>552 866</b>	653 754
Less: Assets written off, transferred or disposed of during the year		<b>552 866</b>	653 754
<b>Total fixed assets</b>	<i>App B</i>	-	-
Less: Loans redeemed and other capital receipts		-	-
<b>Net fixed assets</b>		-	-
<b>3 Investments</b>			
<b>Unlisted investments</b>			
<b>ABSA Investment</b>			
Opening balance		22 350 213	21 283 510
Plus: Interest received		2 573 345	2 545 422
Plus: Capital invested		12 000 000	12 521 282
Less: Capital withdrawn		-27 500 000	-14 000 000
Plus / (Less): Adjustment		540 323	-
Closing balance		<b>9 963 881</b>	<b>22 350 214</b>
<b>FNB Investment</b>			
Opening balance		11 502 503	10 341 623
Plus: Interest received		805 390	1 160 880
Less: Capital withdrawn		-6 000 000	-
		<b>6 307 893</b>	<b>11 502 503</b>
Total Short Term Investments		<b>16 271 774</b>	<b>33 852 717</b>

Average rate of interest earned 6.58%.

Local authorities should invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a plenary rate to meet

No investments have been written off during the year.

No investments have been pledged as security for any funding facilities of the Council.

The current year opening balance of investment was adjusted as per confirmations from both ABSA and FNB.

The investment carrying value of the investment equals the amount of cash available.

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009 (continued)

	2009	2008
	R	R
<b>4 Debtors</b>		
Trade receivables	47 632 243	40 383 620
Provision for bad debts	-33 816 083	-35 031 188
	<i>App FI</i> <b>13 816 160</b>	<b>5 352 431</b>
<b>5 Cash and Bank</b>		
Main Account	1 230 539	15 585 811
	<b>1 230 539</b>	<b>15 585 811</b>
<b>6 Provisions</b>		
Leave pay	1 721 128	2 020 748
Audit fees	1 069 613	1 069 613
	<b>2 790 741</b>	<b>3 090 361</b>
<b>7 Creditors</b>		
Creditors	31 811 259	36 832 333
MIG grant received in advance	783 440	-
	<b>32 594 699</b>	<b>36 832 333</b>
<b>8 Councillors' remuneration</b>		
Executive Mayor's Allowance		513 966
Speaker's Allowance	402 766	270 714
Chief Whip's Allowance	386 589	378 476
Mayoral Committee Members Allowance	2 661 143	3 036 266
Council Members' Allowance		1 327 935
	<b>3 450 498</b>	<b>5 527 358</b>
<b>9 Auditors' remuneration</b>		
Audit fees	803 148	1 377 373
<b>10 Finance transactions</b>		
Total external interest earned:		
Interest earned on investments	3 360 709	4 950 901
Other interest earned	2 108	
	<b>3 362 817</b>	<b>4 950 901</b>
<b>11 Appropriations</b>		
Appropriation account		
Operating surplus(deficit) for the year	<b>-20 011 138</b>	-48 394 113
Adjustment relating to previous years	<b>9 864 859</b>	<b>57 858 555</b>
Opening balances	<b>9 464 442</b>	67 896 205
Adjustments	<b>400 417</b>	-10 037 650
Net operating deficit for the year	-19 610 721	-58 431 763

	2009	2008
	R	R
<b>12 Cash generated by operations</b>		
Surplus/(deficit) for the year	-20 011 138	-48 394 113
Appropriations charged against income:	-853 582	-2 834 684
- Provisions	-782 461	35 031 188
- Fixed Assets	-71 121	-2 834 684
	<i>App B</i>	
Capital Charges:		
- Interest received	-3 358 601	-4 950 901
- Proceeds on sale of fixed assets	-266 140	-
	<b>-24 489 461</b>	<b>-56 179 698</b>
<b>13 (Increase) / Decrease in working capital</b>		
(Increase)/decrease in debtors	-8 463 728	2 434 720
Increase/(decrease) in creditors, consumer deposits	3 879 326	18 134 612
	<b>-4 550 913</b>	<b>20 569 332</b>
<b>14 Increase/(decrease) in long-term loans - external</b>		
Loans repaid/written off	-	3 808 799
	-	3 808 799
<b>15 Increase/(decrease) in investments</b>		
Balance: beginning of the year	33 852 717	31 625 133
Investments made	-17 580 943	2 227 584
	<b>16 271 774</b>	<b>33 852 717</b>
<b>16 (Increase)/decrease in cash</b>		
Cash balance: beginning of the year	15 585 811	8 190 019
Less: Cash balance: end of the year	1 230 539	15 585 811
	<b>14 355 271</b>	<b>-7 395 792</b>

**17 Retirement benefits**

After the last valuation the actuaries reported that the Free State Municipal Pension Fund was in a sound financial position. As there was no deficit on 30 June 1999 it had no financial liability for the employer. In respect of SAMWU Provident Fund no valuations were done. An actuarial valuation is also not compulsory in terms of the legislation. In respect of the Free State Municipal Provident Fund, the actuaries reported that the Fund was in a sound financial position. As there was no deficit on 30 June 2001 it had no financial liability for the employer.

**18 Contingent liabilities**

**18.1**

**Guarantees**

The municipality provided the housing guarantees to the following staff members

**Housing Statistics**

Names	Effective date	Guarantee amount
Mazibuko Mwelase	2005/05/25	85 000.00
Mollo Ngobese	2006/03/22	85 000.00
Motloung Mohobadi	2006/10/04	85 000.00
Moloi Khesa	2005/05/25	85 000.00
Moloi Khesa	2005/12/01	85 000.00
Motloung Sylvia	2007/01/30	85 000.00
Moloi Materonko	2002/10/08	65 000.00
Mthombeni Sthembiso	2004/10/01	70 000.00
Thamaha Simon	2004/10/08	54 000.00
Dusse Ronald	2006/07/01	85 000.00
Mkula Mogezi	2006/07/01	85 000.00
Majoro Matsiliso	2006/07/01	85 000.00
Maringa Robert	2006/07/01	85 000.00
Swart Pierre	2006/07/01	85 000.00
Viljoen Johannes	2006/07/01	85 000.00
Du toit Pieter	2006/07/01	85 000.00
Malan M.P	2006/07/01	85 000.00
Malan M.P	2006/07/01	85 000.00
Oosthuizen Corrie	2006/07/01	85 000.00
Molefe Nkgaudise	2008/07/01	85 000.00

18.2 Office rental for the 2008/9 financial year is not yet billed by the Department of Public Works. No provision is made with regard to the year under review.

18.3 The following litigations are pending against the municipality.

- M.S.M.M Attorneys R 973,112  
 - F.J. Beyleveld & S.M. Garieb R 209,196

**19 Municipal Infrastructure Grant Income**

MIG income received in advance amounting to R 783,440.00 (see note 7).

**20 Remuneration of section 57 appointments**

**Municipal Manager**

Annual Remuneration	636 390	575 819
Car Allowance	168 000	168 000
Other	29 752	120 729
	<u>834 142</u>	<u>864 548</u>

**Chief Financial Officer**

Annual Remuneration	360 000	340 000
Car Allowance	240 000	210 000
Other	-	1 499
	<u>600 000</u>	<u>551 499</u>

**Strategic Manager: Corporate Services**

Annual Remuneration	171 065	457 471
Car Allowance	-	57 333
Medical and Pension Funds	16 590	-
Other	293 180	326 935
	<u>480 835</u>	<u>841 739</u>

**Strategic Manager: Local Economic Development**

Annual Remuneration	187 148	275 770
Car Allowance	48 000	49 108
Medical and Pension Funds	27 090	-
Other	165 194	250 906
	<u>427 432</u>	<u>575 784</u>

**Strategic Manager: Community Services**

Annual Remuneration	400 000	472 133
Car Allowance	160 000	95 000
Medical and Pension Funds	-	10 523
Other	6 667	234 228
	<u>566 667</u>	<u>811 884</u>

**21 GOVERNMENT GRANTS AND SUBSIDIES / REGERINGSKENKINGS EN SUBSIDIES**

RSC Replacement Grant	33 662 077.00	28 835 736.00
Equitable share	13 930 000.00	9 611 912.00
Municipal Infrastructure Grant	17 369 000.00	22 391 656.72
Municipal Systems Improvement Grant	-	500 000.00
Finance Management Grant	500 000.00	500 000.00
Grants in Kind	-	894 000.00
Umsobomvu grant	-	750 000.00
Other Grants	786 255.00	4 357 887.70
DoT grant (Rural transp program)	2 000 000	-
LG Seta	135 000	-

**Equitable share**

Balance at the beginning of the year	-	-
Current year receipts	13 930 000.00	9 611 912.00
Conditions met - Transferred to revenue		
Transferred to revenue	(13 930 000.00)	(9 611 912.00)
Conditions still to be met - Transferred to liabilities /		
	<u>-</u>	<u>-</u>

**RSC Replacement Grant**

Balance at the beginning of the year	-	-
Current year receipts	33 662 077.00	28 835 736.00
Conditions met - Transferred to revenue		
Transferred to revenue	(33 662 077.00)	(28 835 736.00)
Conditions still to be met - Transferred to liabilities		
	<u>-</u>	<u>-</u>

**Municipal Infrastructure Grant**

Balance at the beginning of the year	-	-
Current year receipts	17 369 000.00	22 391 656.72
Conditions met - Transferred to revenue	(16 585 559.88)	(22 391 656.72)
Conditions still to be met - Transferred to liabilities		
	<u>783 440.12</u>	<u>-</u>

**Municipal Systems Improvement Grant**

The purpose of this grant is to assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems.

Balance at the beginning of the year	-	-
Current year receipts	500 000.00	500 000.00
Transferred to revenue	<u>(500 000.00)</u>	<u>(500 000.00)</u>
	<u>-</u>	<u>-</u>

**Grants in kind**

Balance at the beginning of the year	-	-
Current year receipts	-	894 000.00
Conditions met - Transferred to revenue	-	(894 000.00)
Conditions still to be met - Transferred to liabilities		
	<u>-</u>	<u>-</u>

**Umsobomvu grant**

Balance at the beginning of the year	-	-
Current year receipts	-	750 000.00
Conditions met - Transferred to revenue	-	(750 000.00)
Conditions still to be met - Transferred to liabilities	-	-
	<u>-</u>	<u>-</u>

**Other Grants**

Balance at the beginning of the year	-	-
Current year receipts	2 871 255.00	4 357 887.70
Conditions met - Transferred to revenue	(2 871 255.00)	(4 357 887.70)
	<u>-</u>	<u>-</u>

**22 PAYE and UIF**

Opening Balance		
Current year fee		
Amount paid in current year		
Balance unpaid in creditors	<u></u>	<u></u>

**23 Pension and medical aid deductions**

Opening Balance		
Current year fee		
Amount paid in current year		
Balance unpaid in creditors	<u></u>	<u></u>

**23 Non-compliance with Municipal Finance Management Act**

During the financial year the municipality did not comply with the following sections of the MFMA act :

- |                                  |                    |
|----------------------------------|--------------------|
| - Section 21(1) (a) and (b)(iii) | - Section 132(1-2) |
| - Section 11(4)                  | - Section 127      |
| - Section 52(d)                  | - Section 69(3)    |
| - Section 54(1) and 54(2)        | - Section 121(1)   |
| - Section 59(1)                  | - Section 75       |
| - Section 66                     | - Section 17(3)    |
| - Section 70(1)                  | - Section 125(1)©  |
| - Section 71(1 - 5)              | - Section 16       |
| - Section 72                     | - Section 21       |
| - Section 74                     | - Section 22       |
| - Section 79                     | - Section 27(1&3)  |
| - Section 82                     | - Section 28       |

**24 Comparative figures**

Some comparative figures have been restated to be comparable with the current year.

**APPENDIX A: ACCUMULATED FUNDS AND CAPITAL RESERVES, AND STATUTORY FUNDS  
FOR YEAR ENDED 30 JUNE 2009**

	<b>Balance on 01/07/08</b>	<b>Contributions during the year</b>	<b>Net Surplus during the year</b>	<b>Adjustments relating to previous years</b>	<b>Expenditure / transfers during the year</b>	<b>Balance on 30/06/09</b>
	<b>R</b>	<b>R</b>	<b>R</b>		<b>R</b>	<b>R</b>
<b>STATUTORY FUNDS</b>						
<b>Capital Development Fund</b>	<u>5 403 824</u>	<u>675 487</u>	<u></u>	<u>-</u>	<u>675 487</u>	<u>6 079 311</u>

APPENDIX B: ANALYSIS OF FIXED ASSETS

Expenditure 2007 / 2008	Service	Budget 2008 / 2009	Balance on 01/07/08	Expenditure during the year	Redeemed, transferred or written off	Balance on 30/06/09
R		R	R	R	R	R
653 754	General Service	-	-	552 866		552 866
	Capital projects	-			-	-
<u>653 754</u>	<b>TOTAL FIXED ASSETS</b>	<u>-</u>	<u>-</u>	<u>552 866</u>	<u>-</u>	<u>552 866</u>
	<b>LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>		-	552 866	-	552 866
	Contributions ex operating income		-	552 866	-	552 866
	Grants received		-		-	-
	<b>NET FIXED ASSETS</b>		<u>-</u>	<u>552 866</u>	<u>-</u>	<u>552 866</u>



APPENDIX C: ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual		2009 Actual	2009 Budget
R		R	R
	<b>INCOME - ADMINISTRATION</b>		
17 700	Service Levy	-	-
4 956 447	Interest	3 360 709	2 500 000
	Debtors VAT		-
<u>4 974 147</u>		<u>3 360 709</u>	<u>2 500 000</u>
70 408 192	<b>REGIONAL SERVICES</b>	67 548 762	77 122 000
22 391 657	Municipal Infrastructure Grant	16 585 560	29 320 000
38 447 648	Equitable Share	47 592 077	47 302 000
1 000 000	MSIG		-
500 000	Local Govt Financial Management Gran	500 000	500 000
8 068 888	Other	2 871 125	-
<u>75 382 339</u>		<u>70 909 471</u>	<u>79 622 000</u>
81 450 517	<b>EXPENDITURE - ADMINISTRATION</b>	40 407 172	52 941 656
23 323 083	Salaries	21 173 657	25 945 875
53 578 034	General expenses	14 713 860	20 886 916
3 895 646	Allowance Councillors	3 966 788	6 108 865
653 754	Contribution to Fixed Assets	552 866	-
42 325 935	<b>REGIONAL SERVICES</b>	50 513 437	46 894 788
16 913 328	Municipal Infrastructure Grant <i>AppE-1</i>	16 585 560	10 293 473
24 706 478	Special Projects <i>AppE-2</i>	27 464 727	15 327 375
443 914	District Funded Projects <i>AppE-3</i>	4 665 642	16 173 940
262 216	Local Economic Development <i>AppE-4</i>	1 797 508	4 100 000
-	Municipal Systems Improvement Gra <i>AppE-5</i>	-	1 000 000
<u>-48 394 113</u>	<b>Surplus (Deficit) for the year</b>	<u>-20 011 138</u>	<u>-20 214 444</u>
<u>75 382 339</u>	<b>TOTAL</b>	<u>70 909 471</u>	<u>79 622 000</u>

APPENDIX D: DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

2007 / 2008 Actual income R	2007 / 2008 Actual expenditure R	2007 / 2008 Actual surplus/ (deficit) R		2008 / 2009 Actual income R	2008 / 2009 Actual expenditure R	2008 / 2009 Actual surplus/ (deficit) R	2008 / 2009 Budget surplus/ (deficit) R
			<b>GENERAL SERVICES</b>	<b>70 909 471</b>	<b>89 850 996</b>	<b>-18 941 525</b>	<b>-32 734 444</b>
			<b>REGIONAL FUNCTIONS</b>				
			Municipal Infrastructure Grant (App F1)	16 585 560	16 585 560	-	11 526 527
			Equitable share	47 592 077	33 927 878	13 664 199	5 680 685
			Local Government Financial Management Grant	500 000	-	500 000	500 000
			MSIG (App F5)		-	-	-
			Other Capital Projects	2 871 125		2 871 125	
			<b>PAYMENT OF COSTS LOCAL AUTHORITIES</b>	<b>3 360 709</b>	<b>-</b>	<b>3 360 709</b>	<b>2 500 000</b>
			Interests	3 360 709		3 360 709	2 500 000
			<b>ADMINISTRATION</b>				
			Salaries and allowances	-	39 337 558	-39 337 558	-52 941 656
			Other	-	25 140 445	-25 140 445	-32 054 740
					14 197 113	-14 197 113	-20 886 916
			<b>TOTAL</b>	<b>70 909 471</b>	<b>89 850 996</b>	<b>-18 941 525</b>	<b>-32 734 444</b>
			Appropriations for the year (refer to note 1.1)			400 417	
			Net surplus for the year			<b>-18 541 108</b>	
70 408 192	42 325 936	28 082 257		67 548 762	50 513 437	17 035 324	17 707 212
22 391 657	16 913 328	5 478 329		16 585 560	16 585 560	-	11 526 527
38 447 648	24 706 478	13 741 170		47 592 077	33 927 878	13 664 199	5 680 685
500 000	262 216	237 784		500 000	-	500 000	500 000
1 000 000	443 914	556 086			-	-	-
8 068 888		8 068 888		2 871 125		2 871 125	
4 956 447	-	4 956 447		3 360 709	-	3 360 709	2 500 000
4 956 447		4 956 447		3 360 709		3 360 709	2 500 000
17 700	81 450 517	-81 432 817		-	39 337 558	-39 337 558	-52 941 656
-	27 218 729	-27 218 729		-	25 140 445	-25 140 445	-32 054 740
17 700	54 231 788	-54 214 088			14 197 113	-14 197 113	-20 886 916
<b>75 382 339</b>	<b>123 776 453</b>	<b>-48 394 114</b>		<b>70 909 471</b>	<b>89 850 996</b>	<b>-18 941 525</b>	<b>-32 734 444</b>
		<b>-10 037 650</b>				400 417	
		<b>-58 431 764</b>				<b>-18 541 108</b>	

Ref

AppE1

AppE5

AppE2-5

THABO MOFUTSANYANA DISTRICT MUNICIPALITY

**APPENDIX E: Summary of allocations for the year ended 30 June 2009**

<b>Description</b>	<b>Ref</b>	<b>Budget 2008/2009</b>	<b>Expenditure 2008/2009</b>	<b>Variance 30/06/2009</b>
Municipal Infrastructure Grant	E1	10 293 473.00	16 585 559.88	(6 292 086.88)
Special projects	E2	15 327 375.00	27 464 727.49	(12 137 352.49)
District Funded Projects	E3	16 173 940.00	4 665 642.46	11 508 297.54
Local Economic Development Projects	E4	4 100 000.00	1 797 507.60	2 302 492.40
Municipal Systems Improvement Grant	E5	1 000 000.00	-	1 000 000.00
<b>Total</b>			<b>50 513 437.43</b>	<b>(3 618 649.43)</b>
<b>Actual Expenditure including VAT</b>				
Municipal Infrastructure Grant	E1	10 293 473.00	16 585 559.88	(6 292 086.88)
Special projects	E2	15 327 375.00	27 464 727.49	(12 137 352.49)
District Funded Projects	E3	16 173 940.00	4 665 642.46	11 508 297.54
Local Economic Development Projects	E4	4 100 000.00	1 797 507.60	2 302 492.40
Municipal Systems Improvement Grant	E5	1 000 000.00	-	1 000 000.00
<b>Total</b>		<b>46 894 788.00</b>	<b>50 513 437.43</b>	<b>(3 618 649.43)</b>

**APPENDIX E1 : Municipal Infrastructure Grant (MIG) for the year ended 30 June 2009**

<b>Description</b>	<b>Budget 2008/2009</b>	<b>Expenditure 2008/2009</b>	<b>Variance 30/06/2009</b>
Warden District Fire Station	500 000	2 850 019	-2 350 019
Marquard Roads Paving	1 177 625	3 825 542	-2 647 917
Bulk Water Supply/Sanitation	3 000 000	1 127 886	1 872 114
Phumelela YAC	-	784 312	-784 312
Tshiame Sport Facility	5 615 848	7 997 800	-2 381 952
<b>Total</b>	<b>10 293 473</b>	<b>16 585 560</b>	<b>-6 292 087</b>

## APPENDIX E2 : Special Projects for the year ended 30 June 2009

Description	Budget	Expenditure	Variance
	2008/2009	2008/2009	30/06/2009
Farming Communities	1 500 000	2 992 832	-1 492 832
HIV AIDS	116 375	17 750	98 625
Mayoral Discretionary Fund	3 500 000	13 347 053	-9 847 053
Furniture and equipment	400 000	552 866	-152 866
Youth Advisory Centre	2 000 000	1 972 948	27 052
Youth Partisipation	600 000	334 558	265 442
Twinning and Fundraising	1 500 000	911 348	588 652
Sport Development Program	-	1 977 050	-1 977 050
Poverty Alliviation	3 000 000	3 676 706	-676 706
Bursary Fund	650 000	729 776	-79 776
Gender and Disability	800 000	66 628	733 372
Schools Programmes	372 057	377 949	-5 892
Churches Programmes	888 943	507 264	381 679
<b>Total</b>	<b>15 327 375</b>	<b>27 464 727</b>	<b>-12 137 352</b>

**APPENDIX E3 : District Funded Projects for the year ended 30 June 2009**

<b>Description</b>	<b>Budget 2008/2009</b>	<b>Expenditure 2008/2009</b>	<b>Variance 30/06/2009</b>
Tourism Sector Plan	100 000	373 816	-308 126
Development of By-Laws	200 000	753	199 247
Marketing - District Vision	150 000	25 905	124 095
SLAs' with Sector Departments	20 000	88 390	-68 390
Implementation of SCM	325 500	120 000	205 500
ITC Infrastructure	65 690	152 818	-87 128
Sector Plans & SDF	500 000	438 417	61 583
Public Participation	4 250 000	478 603	3 771 397
GG Phahameng Stand Pipes & Construction	1 000 000	478 707	521 293
Infrastructure Prof Fees	9 500 000	2 508 235	6 991 765
Audit Unit	62 750	-	62 750
<b>Total</b>	<b>16 173 940</b>	<b>4 665 642</b>	<b>11 473 988</b>

**APPENDIX E4 : Local Economic Development Projects for the year ended 30 June 2009**

<b>Description</b>	<b>Budget 2008/2009</b>	<b>Expenditure 2008/2009</b>	<b>Variance 30/06/2009</b>
Tourism Development	2 100 000	1 481 388	618 612
SMME Development	2 000 000	316 120	1 683 880
<b>Total</b>	<b>4 100 000</b>	<b>1 797 508</b>	<b>2 302 492</b>

**APPENDIX E5 : Municipal Systems Improvements Grants (MSIG) projects for the year ended 30 June 2009**

<b>Description</b>	<b>Budget 2008/2009</b>	<b>Expenditure 2008/2009</b>	<b>Variance 30/06/2009</b>
MSIG/ PIMSS	1 000 000	-	1 000 000
		-	-
Total	<u>1 000 000</u>	<u>-</u>	<u>1 000 000</u>



**APPENDIX F: DEBTORS - SUMMARY**

<b>Debtors: Summary</b>	<b>Balance 01/07/2008</b>	<b>Movement 2008/2009</b>	<b>Balance 30/06/2009</b>
<b>Debtors: Summary</b>			~
Other receivables	5 352 431	8 463 728	13 816 160
<b>Total</b>	<b>5 352 431</b>	<b>8 463 728</b>	<b>13 816 160</b>

## APPENDIX F1: DEBTORS - OTHER RECEIVABLES

Other Receivables	Notes	Balance 01/07/2008	Movement 2008/2009	Balance 30/06/2009
<b>Other Receivables</b>				
Levy Debtors		258 899	-258 899	-
Salary control account		3 756 614	6 449 010	10 205 623
VAT Receivable		1 319 184	2 276 862	3 596 047
Motor Loan		16 218	-16 218	-
Other debtors		-	11 574	11 574
Adept e-mails		1 516	1 400	2 916
<b>Total</b>		<b>5 352 431</b>	<b>8 463 728</b>	<b>13 816 160</b>

**APPENDIX G: STATISTICAL INFORMATION****General Statistics**

Thabo Mofutsanyana District Municipality (DC19) was established in terms of the Municipal Structures Act (Act 117 of 1998) and proclaimed in the Provincial Gazette, Notice 184 on 28 September 2000. The following local Municipalities, established under the act falls under Thabo Mofutsanyana District Municipality:

FS 191 - Setsoto Local Municipality	FS192 - Dihlabeng Local Municipality
FS193 - Nketoana Local Municipality	FS194 - Maluti-a-Phofung Local Municipality
FS195 - Phumelela Local Municipality	FSDMA19 - Golden Gate Highlands National Park

The number of people residing in Thabo Mofutsanyana District is approximately

<b>Area</b>	<b>Total</b>	<b>Percentage</b>	<b>Density (km2)</b>
FS 191 - Setsoto Local Municipality	123 193	17.0%	21.14
FS192 - Dihlabeng Local Municipality	128 923	17.8%	24.36
FS193 - Nketoana Local Municipality	61 952	8.5%	87.97
FS194 - Maluti-a-Phofung Local Municipality	360 787	49.7%	9.40
FS195 - Phumelela Local Municipality	50 903	7.0%	5.54
FSDMA19 - Golden Gate Highlands National Park	170	0.02%	
<b>Total / Average</b>	<b>725 928</b>	<b>100%</b>	<b>148.41</b>