

***MANTSOPA LOCAL MUNICIPALITY***



***ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED***

***30 JUNE 2011***

# ***MANTSOPA LOCAL MUNICIPALITY***

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

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# **MANTSOPA LOCAL MUNICIPALITY**

## **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

### **GENERAL INFORMATION**

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<b>POSTAL ADDRESS</b>	:	Private Bag X11 LADYBRAND 9745
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<b>WEBSITE</b>	:	<a href="http://www.mantsopa.co.za">www.mantsopa.co.za</a>
<b>GRADING</b>	:	3
<b>DISTRICT MUNICIPALITY</b>	:	Motheo District Municipality
<b>MEMBERS OF COUNCIL -</b>		Clr S D Ntsepe (Mayor) Clr S M Visagie (Speaker) Clr J Machakela (Exco Member) Clr M A Malakane (Exco Member) Clr M C Chomane Clr D Dewey Clr D Holmes Clr Y J Jacobs Clr P B Matsunyane Clr D T Molefe Clr M P Nakalebe Clr M E Ncwada Clr P P Raboko Clr M B Sani Clr G M Seoe Clr M C Sebotsa Clr K I Tigeli
<b>ACTING MUNICIPAL MANAGER</b>	:	M S Selepe
<b>CHIEF FINANCIAL OFFICER</b>	:	J Mazinyo
<b>AUDITORS</b>	:	The Auditor-General
<b>BANKERS</b>	:	Current Accounts: ABSA - 2020 FNB - 6205

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**MANTSOPA LOCAL MUNICIPALITY**

**APPROVAL OF ANNUAL FINANCIAL STATEMENTS ENDED 30 JUNE 2011**

The annual financial statements set out on pages 3 to 39 were approved by the Municipal Manager in terms of Section 126(1) of the Municipal Finance Management Act 2003 and was presented to Council for approval on 25 August 2011.

I certify that the salaries, allowances and benefits of Councillors as disclosed in notes 20 and 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

.....  
**MUNICIPAL MANAGER**

.....  
**DATE**

.....  
**CHIEF FINANCIAL OFFICER**

.....  
**DATE**







## MANTSOPA LOCAL MUNICIPALITY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2 011 R	2 010 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Reserves</b>		<b>414 886 723</b>	424 443 029
Accumulated Surplus/(Deficit)		<b>414 886 723</b>	424 443 029
<b>Non-current liabilities</b>		<b>8 564 185</b>	3 360 925
Long - term liabilities	2	<b>8 564 185</b>	3 360 925
<b>Current liabilities</b>		<b>22 992 251</b>	25 191 363
Consumer deposits	3	<b>1 062 312</b>	1 138 314
Accrual leave	15	<b>4 192 417</b>	3 420 424
Trade Payables	4	<b>12 920 911</b>	10 035 808
Unspent conditional grants and receipts	5	-	5 796 969
Current portion of long-term liabilities	2	<b>2 005 665</b>	1 010 508
Bank overdraft	14	<b>2 810 946</b>	3 789 340
<b>Total net assets and liabilities</b>		<b>446 443 158</b>	452 995 317
<b>Assets</b>			
<b>Non-current assets</b>		<b>431 989 114</b>	436 896 103
Property, plant and equipment	7.1	<b>405 864 498</b>	417 736 014
Investment property	7.2	<b>23 566 988</b>	1 446 000
Work in progress	7.3	<b>2 300 397</b>	17 476 799
Intangible assets	7.4	<b>36 960</b>	-
Long term receivables	12	<b>220 270</b>	237 290
<b>Current assets</b>		<b>14 454 044</b>	16 099 214
Inventory	9	<b>1 011 499</b>	436 424
Consumer receivables	10	<b>11 777 002</b>	9 154 091
Other receivables	11	<b>1 083 012</b>	4 248 332
Current portion of longterm receivables	12	<b>5 774</b>	5 722
Investments	8	<b>496 395</b>	2 009 783
Bank and cash	13,14	<b>80 363</b>	244 861
<b>Total assets</b>		<b>446 443 158</b>	452 995 317

## MANTSOPA LOCAL MUNICIPALITY STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2 011 R	2 010 R
<b>Revenue</b>			
Property rates	16	12 646 505	10 091 863
Services charges	17	56 899 794	51 854 486
Investment Income		869 315	848 707
Interest earned - external investments		496 853	731 756
Interest earned - outstanding debtors		9 458 009	8 658 935
Fines		164 883	148 956
Dividends received		19 822	433
Licenses and permits		2 216	2 716
Government grants and subsidies	18	82 206 850	63 866 424
Sale of Assets		239 399	-
Other income	37.2	1 023 356	3 568 073
<b>Total Revenue</b>		<b>164 027 002</b>	<b>139 772 349</b>
<b>EXPENDITURE</b>			
Employee related costs	20	42 270 189	38 564 467
Remuneration of Councillors	21	3 666 655	3 638 457
Bad debts Provision	10	29 333 431	6 516 855
Repairs and maintenance		12 050 991	7 987 632
Interest paid	22	732 086	718 643
Operating Lease		1 153 997	1 314 689
Bulk purchases		19 680 689	14 228 130
Indigent support		15 891 017	16 959 453
General expenses	37.1	22 840 100	19 150 732
Depreciation		13 345 487	11 845 705
Leave Accrual		957 118	1 136 644
<b>Total Expenditure</b>		<b>161 921 760</b>	<b>122 061 407</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>2 105 243</b>	<b>17 710 942</b>

**MANTSOPA LOCAL MUNICIPALITY STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2011**

	<b>Revaluation reserve</b>	<b>Capital Replacement Reserves</b>	<b>Total reserves</b>	<b>Accumalated surplus</b>	<b>Total net assets</b>
<b>Balance at 01 July 2009</b>		239 652 517	239 652 517	81 464 201	321 116 718
Reserve realised			0		0
Correction prior year period				87 809 499	87 809 499
Surplus for the year		-2 194 130	-2 194 130	17 710 942	15 516 812
<b>Balance at 01 July 2010</b>	<b>0</b>	<b>237 458 387</b>	<b>237 458 387</b>	<b>186 984 642</b>	<b>424 443 029</b>
Correction prior year period			0	-11 661 549	-11 661 549
Surplus for the year		0	0	2 105 243	2 105 243
<b>Balance at 30 June 2011</b>	<b>0</b>	<b>237 458 387</b>	<b>237 458 387</b>	<b>177 428 336</b>	<b>414 886 723</b>

## MANTSOPA LOCAL MUNICIPALITY CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2 011 R	2 010 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and others	33	167 198 353	130 433 893
Cash paid to suppliers and employees	34	(153 826 039)	(115 583 333)
Cash generated from / (required by) operating activities	35	13 372 314	26 696 264
Interest received		496 853	731 756
Interest paid		(732 086)	(718 642)
Dividends received		19 822	433
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>13 156 904</b>	<b>26 709 811</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(20 071 781)	(29 377 997)
Proceeds or loss with sale of assets	37.2	-	1 119 217
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(20 071 781)</b>	<b>(28 258 780)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Increase) / Decrease in Investments		1 513 388	3 576 994
Increase / (Decrease) in Loans external	2	6 198 417	(890 827)
(Increase) / Decrease in Loans to longterm debtors		16 969	
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>7 728 774</b>	<b>2 686 167</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>813 896</b>	<b>1 137 198</b>
Cash and cash equivalents at the beginning of the year		(3 544 479)	(4 681 677)
Cash and cash equivalents at the end of the year	36	(2 730 583)	(3 544 479)
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>813 896</b>	<b>1 137 198</b>

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**1 PRINCIPAL ACCOUNTING POLICIES****1.1 BASIS OF PREPARATION**

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

**1.2 PRESENTATION CURRENCY**

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

**1.3 GOING CONCERN ASSUMPTION**

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

**1.4 COMPARATIVE INFORMATION**

Budget information in accordance with GRAP 1, 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 are amended, prior period comparative amounts are restated where possible to give a fair comparative. 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 adjustments is made retrospectively as far back as is practicable possible, and the prior year comparatives are restated accordingly.

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

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

GRAP 8 Interest in Joint Ventures - issued August 2006

GRAP 18 Segment Reporting - issued March 2005

GRAP 23 Revenue from Non-Exchange Transactions - issued February 2008

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

GRAP 103 Heritage Assets - issued July 2008

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

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IAS 19 Employee Benefits - effective 1 January 2009

IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

## 2 **PROPERTY, PLANT AND EQUIPMENT**

### 2.1 **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, except if it is a project that is not finished yet. In such cases it will be shown as work in progress. Assets 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.

### 2.2 **SUBSEQUENT MEASUREMENT - REVALUATION MODEL (LAND AND BUILDINGS)**

Buildings and land are used at values according to the last valuation roll of 2008.

### 2.3 **SUBSEQUENT MEASUREMENT - COST MODEL**

Subsequent to initial recognition, items of property, plant and equipment are measured at cost.

### 2.4 **DEPRECIATION AND IMPAIRMENT**

Accumulated depreciation was calculated before 01 July 2010 and debitted against accumulated surplus. Depreciation for the 2010/2011 financial year was calculated and debitted against the statement of financial performance. This was done for the first time during this financial year.

### 2.5 **DERECOGNITION**

Items of Property, plant and equipment are derecognised when the asset is disposed. The revenue arising on the disposal of an item of property, plant and equipment is recognised in the Statement of Financial Performance. In the statement of Financial position, Property, plant and Equipment is reduced with the original cost, while the Capital Replacement Reserve is equily reduced.

### 2.6 **INVESTMENT PROPERTY**

Investment property consist of Municipal flats, houses and farms held to earn rentals for the municipality. Investment property is stated at 2008 valuation role values in the statement of financial position.

### **3 INVENTORIES**

#### **3 INITIAL RECOGNITION**

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

### **4 FINANCIAL INSTRUMENTS**

#### **4.1 INITIAL RECOGNITION**

Financial instruments are intially recognised at cost value.

##### **4.1.1 SUBSEQUENT MEASUREMENT**

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

##### **4.1.2 INVESTMENTS**

Investments, which include listed bonds, unlisted bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at cost.

##### **4.1.3 TRADE AND OTHER RECEIVABLES**

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

##### **4.1.4 TRADE PAYABLES AND BORROWINGS**

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

#### 4.1.5 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets.

#### 4.2. SUBSEQUENT MEASUREMENT

##### 4.2.1 CASH AND CASH EQUIVALENTS (continued)

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

##### 4.2.2 AVAILABLE FOR SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivatives that are either designated in this category or do not meet the classification criteria of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months after financial year end.

Available-for-sale financial assets are subsequently carried at costvalue.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

##### 4.2.3 UNSPENT CONDITIONAL GRANTS

Unspent conditional are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the general public.

#### 5 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.

#### 6 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 7 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.

## 8 PROVISIONS

Provisions are recognised when the municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate 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.

## 9 LEASES

### 10.1 MUNICIPALITY AS LESSEE

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

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

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

## 10 REVENUE

### 10.1. REVENUE FROM EXCHANGE TRANSACTIONS

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 electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

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.

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

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on an actual levied basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

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.

### 10.2. REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

## REVENUE

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.

Revenue from public contributions and donations is recognised when the amount is received.

Contributed property, plant and equipment is recognised as such items of property, plant and equipment qualifies for recognition and become available for use by the municipality, otherwise it will be shown as work in progress.

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.

### 10.3. GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

## 11 BORROWING COSTS

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

## 12 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.

**13 IMPAIRMENT****Significant judgements and sources of estimate uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Consumer receivables and loan and other receivables

reporting date. In determining whether an impairment loss should be recorded in the Statement of Financial Performance, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment for consumer

**Financial Instrument**

Consumer receivable and other receivables

Consumer receivables and other receivable are classified as loans and receivables and are measured at initial recognition at fair value plus direct transaction costs. and are subsequently measured at amortised cost, using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and defaults or delinquency in payments (more than 90 days overdue) are considered indicators that the consumer receivable is impaired. The allowance recognised is measured as the difference between the asset's carry amount and the present value of estimated future cash flows discounted at the effective interest rates computed at initial recognition.

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2 011 R	2 010 R
<b>1 RESERVES</b>		
Capital Replacement Reserve	-	237 458 388
<b>Total Reserves</b>	<u>-</u>	<u>237 458 388</u>
<b>2 LONG TERM LIABILITIES</b>		
External loans	<b>10 569 850</b>	4 371 433
Less: Current portion transferred to current liabilities	<b>(2 005 665)</b>	(1 010 508)
<b>Total External Loans</b>	<u><b>8 564 185</b></u>	<u>3 360 925</u>
Refer to Appendix F for more detail on long-term liabilities.		
<b>3 CONSUMER DEPOSITS</b>		
Electricity	<b>1 062 312</b>	1 138 314
	<u><b>1 062 312</b></u>	<u>1 138 314</u>
No guarantees are kept in lieu of electricity deposits.		
<b>4 PAYABLES</b>		
Trade Payables	<b>223 993</b>	85 318
Capital Payables	-	4 118 379
Sundry Payables	<b>256 812</b>	579 717
Hall Deposits	<b>5 506</b>	-
Payments received in advance	<b>2 608 345</b>	2 416 743
Provision creditors not yet received	<b>12 544</b>	970 750
VAT Payable	<b>9 813 710</b>	1 864 901
<b>Total Creditors</b>	<u><b>12 920 911</b></u>	<u>10 035 808</u>
<b>5 UNSPENT CONDITIONAL GRANTS AND SUBSIDIES</b>	-	5 796 969
<b>Total Conditional Grants and Receipts</b>	<u>-</u>	<u>5 796 969</u>
All the conditional grants, were fully spent at the end of the financial year. See note 18.2.		
<b>6 VAT</b>		
<b>VAT payable/(receivable)</b>	<u><b>( 193 664)</b></u>	<u>1 864 901</u>
VAT is payable on the payment basis. Once payment is received from debtors, VAT is paid over to SARS.		

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	R	R
<b>7.1 PROPERTY, PLANT AND EQUIPMENT</b>		
	<b>Land and Buildings</b>	<b>Other Assets</b>
	<b>R</b>	<b>R</b>
<b>30 June 2009</b>		
Cost	122 000 800	345 542 603
Accumulated depreciation	(3 975 130)	(39 602 605)
<b>Carrying value</b>	<b>118 025 670</b>	<b>305 939 998</b>
Additions	54 500	5 561 550
Depreciation	( 468 765)	(11 376 940)
Disposals	-	-
<b>Carrying value 30 June 2010</b>	<b>117 611 405</b>	<b>300 124 608</b>
<b>30 June 2010</b>		
Cost	122 055 300	351 104 153
Accumulated depreciation	(4 443 895)	(50 979 544)
<b>Carrying value</b>	<b>117 611 405</b>	<b>300 124 608</b>
Additions	-	23 574 568
Transfers to investment property	(22 120 988)	(22 120 988)
Depreciation	( 468 765)	(12 856 329)
Disposals	-	-
<b>Carrying value 30 June 2011</b>	<b>95 021 652</b>	<b>310 842 847</b>
	<b>2011</b>	<b>2 010</b>
<b>7.2 INVESTMENT PROPERTY.</b>		
The closing balance at cost:	<u>23 566 988</u>	<u>1 446 000</u>
The surplus for the year has been calculated after taking into account the following.		
a) Rental income received from investment property:	869 064	777 329
b) Repairs and maintenance investment property:	1 481 891	244 605
<b>7.3 WORK IN PROGRESS</b>		
Bucket eradication projects in Tweespruit and Hobhouse is still in progress.	<u>2 300 397</u>	<u>17 476 799</u>
All projects until 30 June 2009 was capitalised under PPE and the comparative figure is 0.		
<b>7.4 Intangible assets</b>	<u>57 352</u>	-
Depreciation	( 20 392)	-
Carrying amount	<u>36 960</u>	-
<b>8 INVESTMENTS</b>		
Listed		
Old Mutual Shares	<u>50 625</u>	50 625
Total Listed	<u>50 625</u>	50 625
Unlisted		
Cost	<u>424 940</u>	731 530
<b>Total Unlisted</b>	<u>424 940</u>	731 530
<b>Financial Instruments</b>		
Short- term Investments	<u>20 829</u>	1 227 627
<b>Total Cash Investments</b>	<u>20 829</u>	1 227 627
<b>Total Investments</b>	<u>496 395</u>	2 009 783
Fixed deposits are for periods which are less than 12 months but greater than three months.		
<b>Council's Valuation of Unlisted Investments</b>		
Cost	<u>424 940</u>	731 530
<b>9 INVENTORY</b>		
Consumable stores – at cost	<u>861 762</u>	379 838
Water	<u>149 737</u>	56 586
<b>Total Inventory</b>	<u>1 011 499</u>	436 424

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

**10 CONSUMER RECEIVABLES**

	Gross balances	Provision for bad debts	Balance
<b>As at 30 June 2010</b>			
Service receivables			
Electricity	7 575 954	7 094 168	481 786
Water	27 084 661	25 362 238	1 722 423
Sewerage	32 235 211	30 185 244	2 049 967
Refuse	15 302 332	14 329 195	973 137
Rates	11 442 451	10 714 779	727 672
Other Income	12 302 482	11 520 117	782 365
<b>Total</b>	<b>105 943 090</b>	<b>99 205 741</b>	<b>6 737 349</b>
<b>As at 30 June 2011</b>			
Service receivables			
Electricity	7 181 495	6 703 347	478 148
Water	39 452 660	36 825 882	2 626 778
Sewerage	43 218 290	40 340 795	2 877 495
Refuse	22 117 283	20 644 703	1 472 580
Rates	13 490 501	12 592 296	898 205
Other Income	12 247 600	11 432 149	815 451
<b>Total</b>	<b>137 707 829</b>	<b>128 539 172</b>	<b>9 168 657</b>
<b>Plus: accounts with credit balances</b>			2 608 345
<b>Total consumer receivables</b>			<b>11 777 002</b>
<b>Provisions for bad debts</b>			<b>29 333 431</b>
<b>Debtors Age Analysis</b>		<b>2 011</b>	<b>2 010</b>
<b>Property Rates</b>			
Current (0 – 30 days)		<b>682 767</b>	632 402
31 - 60 Days		<b>474 503</b>	394 041
61 - 90 Days		<b>419 338</b>	343 333
91 - 120 Days		<b>387 662</b>	305 153
121 - 365 Days		<b>2 601 905</b>	4 529 273
+ 365 Days		<b>8 924 326</b>	5 238 249
<b>Total</b>		<b>13 490 501</b>	<b>11 442 451</b>
<b>Electricity</b>			
Current (0 – 30 days)		<b>363 462</b>	1 149 708
31 - 60 Days		<b>252 596</b>	440 081
61 - 90 Days		<b>223 229</b>	333 323
91 - 120 Days		<b>206 367</b>	296 256
121 - 365 Days		<b>1 385 091</b>	1 551 129
+ 365 Days		<b>4 750 750</b>	3 805 457
<b>Total</b>		<b>7 181 495</b>	<b>7 575 954</b>
<b>Water</b>			
Current (0 – 30 days)		<b>1 996 737</b>	1 466 228
31 - 60 Days		<b>1 387 674</b>	960 522
61 - 90 Days		<b>1 226 344</b>	1 005 532
91 - 120 Days		<b>1 133 708</b>	893 712
121 - 365 Days		<b>7 609 214</b>	5 347 369
+ 365 Days		<b>26 098 983</b>	17 411 298
<b>Total</b>		<b>39 452 660</b>	<b>27 084 661</b>

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	R	R
<b>Debtors Age Analysis</b> <b>continued</b>		
<b>Sewerage</b>		
Current (0 – 30 days)	2 187 318	1 101 288
31 - 60 Days	1 520 123	967 696
61 - 90 Days	1 343 395	953 645
91 - 120 Days	1 241 917	847 596
121 - 365 Days	8 335 489	6 401 736
+ 365 Days	28 590 048	21 963 249
<b>Total</b>	<u>43 218 290</u>	<u>32 235 210</u>
<b>Refuse</b>		
Current (0 – 30 days)	119 376	613 859
31 - 60 Days	777 934	490 321
61 - 90 Days	687 492	520 798
91 - 120 Days	635 560	462 798
121 - 365 Days	4 265 749	1 170 583
+ 365 Days	15 631 171	12 044 068
<b>Total</b>	<u>22 117 282</u>	<u>15 302 427</u>
<b>Other</b>		
Current (0 – 30 days)	619 863	100 104
31 - 60 Days	430 787	133 816
61 - 90 Days	380 704	117 825
91 - 120 Days	351 946	104 723
121 - 365 Days	2 362 188	857 372
+ 365 Days	8 102 113	10 988 642
<b>Total</b>	<u>12 247 601</u>	<u>12 302 482</u>

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 R	2010 R
<b>11 OTHER RECEIVABLES</b>		
Sundry debtors	1 083 012	4 248 332
<b>Total Other Debtors</b>	<u>1 083 012</u>	<u>4 248 332</u>
<b>12 LONG TERM RECEIVABLES</b>		
Long Term Receivables	226 043	243 012
Less: Short term portion of long term receivables	5 774	5 722
<b>Total Long Term Receivables</b>	<u>220 270</u>	<u>237 290</u>
<b>13 PETTY CASH</b>		
Pettycash	1 500	1 500
Cash floats for cashiers	1 255	755
	<u>2 755</u>	<u>2 255</u>
<b>14 Current Account (Primary Bank Account)</b>		
<b>ABSA Bank - Ladybrand branch</b>		
<b>Account number 2020000050</b>		
Cash book balance at beginning of year - (overdrawn)	(3 789 340)	(5 387 524)
Cash book balance at end of year - (overdrawn)	<u>(2 810 946)</u>	<u>(3 789 340)</u>
Bank statement balance at beginning of year - (overdrawn)	862 572	7 481 572
Bank statement balance at end of year - (overdrawn)	<u>2 538 529</u>	<u>862 572</u>
<b>FNB Bank Day cash - Ladybrand branch</b>		
<b>Account number 62054009751</b>		
Cash book balance at beginning of year	242 606	703 622
Cash book balance at end of year	<u>77 608</u>	<u>242 606</u>
Bank statement balance at beginning of year - (overdrawn)	195 126	703 622
Bank statement balance at end of year - (overdrawn)	<u>77 608</u>	<u>195 126</u>
<b>Total Bank</b>	<u>(2 733 338)</u>	<u>(3 546 734)</u>
<b>15 LEAVE ACCRUAL</b>		
Leave Accrual	4 192 417	3 420 424
<b>Total of Leave Accrual</b>	<u>4 192 417</u>	<u>3 420 424</u>
<b>16 PROPERTY RATES</b>		
<b>Actual</b>		
Levies	12 646 505	10 091 863
<b>Total Assessment Rates</b>	<u>12 646 505</u>	<u>10 091 863</u>
<b>Property Valuations</b>		
Total Property Valuations	2769 795 256	2764 203 516
<b>Total Property Valuations</b>	<u>2769 795 256</u>	<u>2764 203 516</u>

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2 011 R	2010 R
<b>17 SERVICE CHARGES</b>		
Sale of electricity	19 908 092	21 848 608
Sale of water	18 007 335	14 283 320
Other charges	18 984 367	15 722 558
<b>Total Service Charges</b>	<b>56 899 794</b>	<b>51 854 486</b>
<b>18 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable share	53 912 974	41 065 377
Central government grants	22 684 000	18 572 228
Motheo District Municipality	5 609 877	4 228 819
<b>Total Government Grant and Subsidies</b>	<b>82 206 850</b>	<b>63 866 424</b>
<b>18.1 Equitable Share</b>		
Balance unspent at beginning of year	-	-
Current year receipts	53 912 974	41 065 377
Conditions met - transferred to revenue	(53 912 974)	(41 065 377)
	-	-
The Equitable Share is an unconditional grant and is utilised to assist the local municipalities undertake service delivery		
<b>18.2 MIG</b>		
Balance unspent at beginning of year	5 796 969	10 042 197
Current year receipts	18 934 000	10 842 000
Conditions met - transferred to revenue	(24 730 969)	(15 087 228)
Conditions still to be met - transferred to current liabilities (see note 5)	-	5 796 969
This grant was used for Bucket Eradication. No funds have been withheld.		
<b>18.3 FMG</b>		
Balance unspent at beginning of year	-	-
Current year receipts	3 000 000	2 750 000
Conditions met - transferred to revenue	(3 000 000)	(2 750 000)
Conditions still to be met - transferred to liabilities (see note 4 )	-	-
The grant was used to promote and support reforms to financial management practices, including the modernisation of budgeting, financial management, accounting, monitoring systems and implementation of the Municipal Finance Management Act. Interns were also paid with this fund.		

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 R	2010 R
<b>18.4 MSIG</b>		
Balance unspent at beginning of year	-	2 000
Current year receipts	<b>750 000</b>	735 000
Conditions met - transferred to revenue	<b>( 750 000)</b>	( 737 000)
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>-</u>
<p>The fund is used to assist the local municipalities to perform the function and stabilise institutional and governance systems as required by the Municipal Systems Act of 2000.</p>		
<b>18.5 Motheo Subsidy</b>		
Balance unspent at beginning of year	<b>0</b>	-
Current year receipts	<b>5 609 877</b>	4 228 819
Conditions met - transferred to revenue	<b>(5 609 877)</b>	(4 228 819)
Conditions still to be met - transferred to liabilities (see note 4)	<u>( 0)</u>	<u>0</u>
<p>The Municipality renders Environmental Health services on behalf of Motheo District Council.</p>		
<b>18.6 Changes in levels of government grants</b>		
<p>Based on the allocations set out in the Division of Revenue Act, (Act of 2006), no significant changes in the level of government grant funding are expected over the forthcoming two financial years.</p>		
<b>UNSPENT CONDITIONAL GRANTS AND SUBSIDIES</b>	<b>( 0)</b>	5 796 969
<b>Total Conditional Grants and Receipts unspent</b>	<b>( 0)</b>	5 796 969
<b>19 Bad Debt recovery</b>		
Bad Debt recovery	<b>23</b>	-
<b>Total</b>	<b>23</b>	-

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2 011	2 010
	R	R
<b>20 EMPLOYEE RELATED COSTS</b>		
Salaries	24 182 141	27 418 897
Contributions - UIF, Pension and Medical Aid Fund,	7 130 804	4 464 707
Housing Subsidies	139 230	88 807
Industrial Council Levies	13 769	8 171
Other Allowances	1 205 707	860 761
Overtime	3 734 817	3 338 385
Travel, Subsistence and Car Allowances	597 415	972 370
Long Service / Bonus awards	2 327 556	1 412 369
<b>Total Employee Related Costs</b>	<b>39 331 439</b>	<b>38 564 467</b>
The above includes the following:		
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	456 704	520 248
Performance and other Bonuses	42 240	35 437
Car Allowance	110 000	120 000
Contributions to UIF, Medical and Provident Funds	218 635	110 333
<b>Total</b>	<b>827 579</b>	<b>786 018</b>
<b>Remuneration of the Manager Technical services</b>		
Annual Remuneration	357 243	327 443
Performance and other Bonuses	-	27 287
Car Allowance	-	129 613
Contributions to UIF, Medical and Provident Funds	-	82 411
<b>Total</b>	<b>357 243</b>	<b>566 754</b>
<b>Remuneration of the Chief Financial Officer</b>		
Annual Remuneration	450 321	411 078
Performance and other Bonuses	71 812	34 256
Car Allowance	155 041	155 040
Contributions to UIF, Medical and Provident Funds	210 377	100 980
<b>Total</b>	<b>887 552</b>	<b>701 354</b>
<b>Remuneration of the Head: Corporate Services</b>		
Annual Remuneration	430 073	392 109
Performance and other Bonuses	32 931	32 676
Car Allowance	155 040	155 040
Contributions to UIF, Medical and Provident Funds	248 333	100 734
<b>Total</b>	<b>866 377</b>	<b>680 559</b>

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2 011 R	2 010 R
<b>21 REMUNERATION OF COUNCILLORS</b>		
Mayor's allowance	503 680	572 108
Speaker's allowance	484 981	461 105
Councillors' allowances	2 068 483	2 126 028
Executive Committee Members' allowances	609 511	479 216
<b>Total Councillors' Remuneration</b>	<u>3 666 655</u>	<u>3 638 457</u>
<b>In kind benefits</b>		
The Mayor and the Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Mayor has the use of a Council owned vehicle for official duties. The Mayor has one (1) full-time bodyguard, and one (1) driver.		
<b>22 FINANCE COSTS</b>		
Redemption Longterm liabilities	1 010 498	890 828
Interest Long term liabilities	732 086	718 643
<b>Total Interest and Redemption on External Borrowings</b>	<u>1 742 584</u>	<u>1 609 471</u>
<b>23 CHANGE IN ACCOUNTING POLICY</b>		
<b>Implementation of GAMAP/GRAP</b>		
Refer to note 38 for corrections done.	-	-
	<u>-</u>	<u>-</u>
<b>24 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT:</b>		
<b><u>Contributions to Local Government Organisation</u></b>		
Opening balance	-	-
Current year's contribution	264 960	190 000
Amount paid - current year	( 264 960)	-
Amount paid - previous years	-	( 190 000)
<b>Balance unpaid (included in creditors)</b>	<u>-</u>	<u>-</u>
<b><u>Audit fees</u></b>		
Opening balance	-	-
Current year's contribution	3 121 145	2 703 922
Amount paid - current year	(3 121 145)	(2 703 922)
<b>Balance unpaid (included in creditors)</b>	<u>-</u>	<u>0</u>

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2 011 R	2 010 R
<b>25 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT: (continued)</b>		
<b><u>VAT</u></b>		
Opening balance	(1 543 966)	(3 299 622)
Current year input VAT	(9 164 532)	(7 885 294)
Current year output VAT	5 298 976	4 472 491
Amount paid (received)	4 977 297	5 265 992
	<u>(432 225)</u>	<u>(1 446 431)</u>
<b><u>UIF</u></b>		
Opening balance	-	-
Current year payroll deductions	631 672	286 002
Amount paid - current year	(631 672)	(286 002)
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<u>0</u>	<u>-</u>
<b><u>PAYE</u></b>		
Opening balance	-	-
Current year payroll deductions	3 739 244	3 344 777
Amount paid - current year	(3 739 244)	(3 344 777)
<b>Balance unpaid (included in creditors)</b>	<u>-</u>	<u>-</u>
<b>Skills Development Levy</b>		
Opening balance	-	-
Current year payroll deductions	347 431	303 939
Amount paid - current year	(347 431)	(303 939)
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<u>0</u>	<u>0</u>
<b><u>Pension and Medical Aid Deductions</u></b>		
Opening balance	-	-
Current year payroll deductions and council contributions	-	4 190 113
Amount paid - current year	-	(4 190 113)
<b>Balance unpaid (included in creditors)</b>	<u>-</u>	<u>0</u>
<b>26 CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure		
Approved and contracted for:	<b>30 395 860</b>	<b>7 285 251</b>
<i>Infrastructure</i>	<b>26 853 653</b>	<b>5 283 751</b>
<i>Community</i>	<b>607 762</b>	<b>-</b>
<i>Other</i>	<b>2 934 445</b>	<b>2 001 500</b>
Approved but not yet contracted for:	-	-
<i>Infrastructure</i>	-	-
<i>Community</i>	-	-
Operating leases contracted (see note 39)	1 327 097	2 481 094
<b>Total</b>	<u><b>31 722 957</b></u>	<u><b>9 766 345</b></u>
This expenditure will be financed from:		
- Government Grants	<b>22 772 000</b>	<b>4 691 569</b>
- External resources	-	<b>2 281 710</b>
- Internal resources	<b>8 950 957</b>	<b>2 793 066</b>
	<u><b>31 722 957</b></u>	<u><b>9 766 345</b></u>

**27 RETIREMENT BENEFIT INFORMATION**

Employees of council belongs to different pension fund schemes. They are the Freestate Pension Fund, Freestate Providend Fund, Samwu Provident Fund, Councillors Pension Fund, Municipal employee's Pension Fund, Old Mutual Pension Fund, Sanlam group scheme, Orion and Federal Life.

**28 CONTINGENT LIABILITY****COURT CASES ( EMPLOYEE CLAIMS)**

0081-CONTRACT EXPIRED( 09 DECEMBER 2009)  
DATE LODGED (09 SEPTEMBER 2009)  
HIGH COURT RULING AGAINST THE EMPLOYEE

In terms of the definition, Possible obligation arise from past event (contract expired) and the existence of the obligation will only be confirmed at the occurrence of uncertain future events ( judgment against or in favour of Mantsopa Municipality.  
Disclose in the notes of financial statements

0415- SUSPENSION ( 26 APRIL 2010)  
DATE LODGED (26 APRIL 2010)  
CASE AT CCMA

In terms of the definition, Possible obligation arise from past event (Suspension) and the existence of the obligation will only be confirmed at the occurrence of uncertain future events (judgment against or in favour of Mantsopa Municipality.

**COURT CASES (CIVIL CLAIMS)**

F CANEI  
DAMAGE TO CAR  
DATE LOGDED( 10 JULY 2009)  
COURT DATE 20 AUGUST 2011

In terms of the definition, Possible obligation arise from past event (Damage Car-Bumbed roaming cow) the existence of the obligation will only be confirmed at the occurrence of uncertain future events and (judgment against or in favour of Mantsopa Municipality.)

SHAWU LOGDE  
ACCOMODATION  
DATE LOGDED( 02 OCTOBER 2009)  
NO RESONSE RECEIVED FROM LAWERS - DEEMED FINALISED

In terms of the definition, Possible obligation arise from past event (Accomodation) and the existence of the obligation will only be confirmed at the occurrence of uncertain future events (judgment against or in favour of Mantsopa Municipality.)

Total amount R1 147 635.30

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2 011	2 010
<b>29 CONTINGENT ASSET</b>		
No contingent assets are expected.	-	-
<b>30 IN - KIND DONATION AND ASSISTANCE</b>		
The following donations was received by Mantsopa Local Municipality during the year under review.		
Macufe tickets	9 800	-
Drinks for Gala dinner Civil Engineering	5 000	-
Drinks for Municipal Farewell Seqhobong JV	5 000	-
Drinks for Municipal Farewell Engineering Solutions	2 000	-
<b>31 COMPARISON WITH THE BUDGET</b>		
The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures D (1) and D (2).		
<b>32 EVENTS AFTER BALANCE SHEET DATE</b>		
There were no events after balance sheet date.		
<b>33 CASH RECEIVED FROM CUSTOMERS AND GOVERNMENT</b>		
Total revenue	164 027 002	139 772 349
Adjusted for items presented separately:		
Interest received on investments	( 496 853)	( 731 756)
Dividends received	( 19 822)	( 433)
Proceeds on selling of assets	-	(1 119 217)
Previous year adjustments	3 221 619	-
(Increase)/decrease in Sundry Debtors	3 165 320	8 365 768
Increase/(Decrease) in Consumer deposits	( 76 002)	101 069
(Increase)/decrease in other debtors	(2 622 911)	(15 953 888)
	<u>167 198 353</u>	<u>130 433 892</u>
<b>Sundry debtors and deposit changes included in Increase of other debtors for 2011</b>		

## MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2 011 R	2 010 R
<b>34 CASH PAID TO SUPPLIERS AND EMPLOYEES</b>		
Total expenditure	(161 921 760)	(122 061 407)
Adjustment for Non cash items		
Depreciation	13 345 487	-
Bad Debts	-	6 516 855
Indigent support	-	(1 628 483)
Leave Accrual	771 993	1 136 644
Financing activities		
Interest paid	732 086	718 643
Previous year adjustments	(3 266 904)	-
Increase/(decrease) in creditors	2 885 103	4 081 839
Increase/(decrease) in unspent conditional grants	(5 796 969)	(4 243 228)
Increase / (Decrease) in Inventory	(575 075)	(104 197)
	<u>(153 826 039)</u>	<u>(115 583 334)</u>
<b>35 CASH GENERATED BY OPERATIONS</b>		
Reconciliation of net operating profit to cash generated in operations		
Net operating profit/(loss)	2 105 243	17 710 942
Adjusted for:		
Depreciation	13 345 487	11 845 705
Investment income	(496 853)	(731 756)
Dividends received	(19 822)	(433)
Bad Debts	-	6 516 855
Leave Accrual	771 993	1 136 644
Interest paid	732 086	718 643
Gain on the disposal of assets	-	(1 119 217)
Indigent support	-	(1 628 483)
Previous year corrections	(45 285)	-
Changes in working capital:		
(Increase)/ Decrease in Inventory	(575 075)	(104 197)
(Increase)/decrease in other debtors	(2 622 911)	(15 953 888)
(Decrease)/Increase in conditional grants	(5 796 969)	(4 243 228)
Increase/(decrease) in creditors	2 885 103	4 081 839
(Increase)/decrease in Sundry Debtors	3 165 320	8 365 768
Increase/(Decrease) in Consumer deposits	(76 002)	101 069
	<u>13 372 314</u>	<u>26 696 263</u>
<b>Deposit changes included in Increase of other debtors for 2011</b>		
<b>36 CASH AND CASH EQUIVALENTS</b>		
Bank and cash	(2 730 583)	(3 544 479)
Investments	496 395	2 009 783
	<u>(2 234 189)</u>	<u>(1 534 696)</u>

**MANTSOPA LOCAL MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011****37.1 GENERAL EXPENSES**

General expenses include the following significant figures:

Advertising	186 434	197 540
Audit costs External	3 121 145	2 703 922
Audit costs Internal	60 306	-
Annual Report	162 600	-
Awareness Campaigns	13 158	-
Bad Debts	216 929	-
Bank charges	226 152	214 463
Bank and Creditors Interest	30 987	-
Books and Reference books	1 504	-
Centlec Expenses	2 170 342	-
Civil Protection	950	-
Cleaning Materials	10 363	-
Chemicals, Chloorgas	1 543 260	1 093 539
Communication Strategy	185 500	-
Connections	414 882	-
Donations	2 211	-
Electricity, Water and other services	-	724 877
Entertainment	336 977	345 469
Employee Wellness	4 039	-
Grap & Other Financial costs	156 447	-
Finance management Grant	623 753	1 172 112
Filing System	172 000	-
Fuel	2 145 824	1 916 955
Inventory shortage	126 736	-
IDP & Budget Conference	191 557	-
LED Strategy	133 106	-
Insurance	743 987	604 701
Lisences	307 693	-
Legal expenses	970 371	394 445
Medical assistance	34 766	-
Plants and Trees	2 676	-
Postage	286 118	274 850
Printing & Stationery	273 321	425 045
Policy revival	48 100	-
Programs	329 674	99 581
Protective clothing	126 813	-
Public consultation	589 788	310 124
Rental equipment	158 804	-
Training	737 956	947 397
Travelling and Subsistance	1 193 158	981 133
Town Planning	24 000	-
Sanitation, water and electricity	823 500	-
Surveys	10 000	-
Strategig planning	453 852	640 380
Spatial Dev elopment	180 000	-
Special Days	749 550	-
Skills development	347 434	302 893
Security Services	148 345	-
Subscriptions	23 957	-
Sympathy	1 288	-
Auction Costs	-	184 851
Telephone	1 323 614	1 314 734
Tourism / Year end	169 369	-
Valuation and other costs	39 600	-
Youth Commission	29 435	-
Ward Plan review	80 162	-
Water Samples and Research	389 102	-
Weed control	6 500	-
Other	-	4 301 721
	<b>22 840 100</b>	<b>19 150 732</b>

**37.2 OTHER INCOME**

Donation year end function	4 386	-
Dog tax	2 750	-
Grave sales	54 782	90 322
Environmental health	-	1 670 321
Proceeds on sale of assets	-	1 119 217
Training Cost recover	-	26 851
Administration fees	145 303	138 263
Commission Received	36 306	29 781
Discount Received	1 098	1 225
Insurance recover	13 168	-
Private Telephone recovery	103 707	105 844
Legal Costs	-	2 017
Sundry	1 950	22
Suplus Cash	159	1 700
Tender Doc	15 088	39 649
Valuation Lists	120	88
Valuation Roll	22 556	60 349
Bad debts recover	23	-
Business Lisence	-	595
Subdivisoning	5 000	4 550
Mantsopa Monitoring	-	88
Rental Equipment	12 345	2 095
Advertisements	618	2 001
Building Plans	89 462	52 262
Lost Books	4	8
Photo Copies	9 698	9 623
Subscriptions	300	1 200
Housing subsidies	150 000	-
Housing Transports	984	-
Connections	329 250	186 008
Testmeters	600	1 650
Private Work	333	-
Cleaning of Erven	-	166
Garden Refuse	23 366	22 177
<b>Total</b>	<b>1 023 356</b>	<b>3 568 073</b>

**38 CORRECTIONS**

The following corrections were done after recons were done.

VAT Debtors account corrected against accumulated surplus	(1 121 873)
Unspent conditional grants previous years	(5 796 969)

During the process to correct the asset register according to GRAP standards, the following corrections had to be done.

Assets written off according new asset register	315 455 517
Assets allocated to assets according to new asset register	(445 114 331)

The following fund was transferred to accumulated surplus due to the assets that became grap compliant.

Capital Replacement Reserve	237 458 388
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<b>39 OPERATING LEASES</b>		
At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:	<b>2 011</b>	2 010
Operating leases - lessee		
Within one year	<b>1 327 097</b>	1 327 097
In the second to fifth year inclusive	-	-
After five years	-	-
<b>Total</b>	<b><u>1 327 097</u></b>	<b><u>1 327 097</u></b>
Total future minimum sublease payment expected to be received under non cancellable sublease		
Operating Leases consist of the following;		
Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for three years. No contingent rent is payable based on a % of the municipality's sales.		
<b>40 WASTEFULL EXPENDITURE</b>		
	<b>2 011</b>	2 010
Opening Balance 01 July 2010	<b>29 986</b>	-
Interest on creditors	<b>25 898</b>	<b>29 986</b>
<b>Closing Balance 30 June 2011</b>	<b><u>55 884</u></b>	<b><u>29 986</u></b>
<b>41 IRREGULAR</b>		
Opening Balance	<b>2 618 868</b>	140 000
Non compliance to SCM Policies	<b>1 095 066</b>	2 478 868
<b>Closing Balance</b>	<b><u>3 713 934</u></b>	<b><u>2 618 868</u></b>
<b>42 UNAUTHORISED EXPENDITURE</b>		
<b>Total spending more than budget</b>		
Environmental Health	<b>( 1 642)</b>	( 250 823)
Electricity	-	(2 080 099)
Water	<b>(14 259 641)</b>	-
Housing	<b>( 229 876)</b>	-
PMU	-	( 30 506)
Council	-	( 891 388)
Parks	<b>(1 210 778)</b>	-
IDP	-	( 49 880)
<b>Total</b>	<b><u>(15 701 937)</u></b>	<b><u>(3 302 696)</u></b>
During the raining season floods were experience at the water purification works, and urgent repairs had to be done. Deviation from the normal procurement procedures were unavoidable and an amount of R1 262 570.34 had to be spent by deviating from the normal procedure. Condonation was given by council.		

**APPENDIX A**  
**MANTSOPA LOCAL MUNICIPALITY**  
**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010**

Description	Cost / Revaluation						Accumulated Depreciation / Impairment					Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Additions	Transfers	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
<b>Land and Buildings</b>												
<i>Land:</i>												
Land	83 244 700	-	-	-	-	83 244 700	-	-	-	-	-	83 244 700
Flats	289 200	-	-	-	-	289 200	-	-	-	-	-	289 200
Farms	21 596 500	-	-	-	-	21 596 500	-	-	-	-	-	21 596 500
Business	738 760	-	-	-	-	738 760	-	-	-	-	-	738 760
Office Buildings	1 020 640	-	-	-	-	1 020 640	-	-	-	-	-	1 020 640
<i>Buildings-Dwellings:</i>												
Flats	1 156 800	-	-	-	-	1 156 800	300 768	46 272	-	-	347 040	809 760
Mobile Offices	54 500	-	-	-	-	54 500	5 450	5 450	-	-	10 900	43 600
<i>Buildings-Non Residentiele Structures:</i>												
Business	2 955 040	-	-	-	-	2 955 040	1 507 070	118 202	-	-	1 625 272	1 329 768
Office Buildings	4 082 560	-	-	-	-	4 082 560	1 111 186	163 302	-	-	1 274 488	2 808 072
	<b>115 138 700</b>	-	-	-	-	<b>115 138 700</b>	<b>2 924 474</b>	<b>333 226</b>	-	-	<b>3 257 700</b>	<b>111 881 000</b>
<b>Infrastructure</b>												
<i>Electricity:</i>												
<i>MV-NETWORK:</i>												
CABLES	9 821 986	-	-	-	-	9 821 986	785 759	196 440	-	-	982 199	8 839 787
INDOOR TRANSFORMERS	1 819 360	-	-	-	-	1 819 360	554 893	45 484	-	-	600 377	1 218 983
LINES	3 019 247	-	-	-	-	3 019 247	241 540	60 385	-	-	301 925	2 717 322
LINK	669 505	-	-	-	-	669 505	52 073	14 878	-	-	66 951	602 554
MINI SUBSTATION	5 250 658	-	-	-	-	5 250 658	746 943	131 266	-	-	878 209	4 372 449
PROTECTION	2 281 278	-	-	-	-	2 281 278	177 433	50 695	-	-	228 128	2 053 150
SUB STATION EQUIPMENT	18 976 552	-	-	-	-	18 976 552	1 993 770	340 035	-	-	2 333 805	16 642 747
TRANSFORMER	1 940 461	-	-	-	-	1 940 461	671 427	48 512	-	-	719 938	1 220 523
<i>LV-NETWORK:</i>												
BOXES	847 911	-	-	-	-	847 911	67 833	16 958	-	-	84 791	763 120
CABLES	2 349 427	-	-	-	-	2 349 427	182 836	52 107	-	-	234 943	2 114 484
LINES	3 502 195	-	-	-	-	3 502 195	275 036	75 183	-	-	350 220	3 151 975
METERS	1 500 705	-	-	-	-	1 500 705	75 602	74 469	-	-	150 070	1 350 635
SERVICE CONNECTORS	47 428	-	-	-	-	47 428	3 794	949	-	-	4 743	42 685
<i>Road Network:</i>												
KERBING	584 525	-	-	-	-	584 525	120 962	9 098	-	-	130 060	454 465
ROADS	62 515 565	-	-	-	-	62 515 565	20 580 193	1 032 146	-	-	21 612 339	40 903 226
<i>Sewerage:</i>												
<i>BULK DISTRIBUTION:</i>												
PIPE LINE	1 850 131	-	-	-	-	1 850 131	148 010	37 003	-	-	185 013	1 665 118
<i>RETICULATION NETWORK:</i>												
PIPE LINE	21 907 510	-	-	-	-	21 907 510	1 752 601	438 150	-	-	2 190 751	19 716 759
CONNECTIONS	6 206 100	-	-	-	-	6 206 100	496 488	124 122	-	-	620 610	5 585 490
MANHOLES	12 104 760	-	-	-	-	12 104 760	806 984	403 492	-	-	1 210 476	10 894 284

**APPENDIX A**  
**MANTSOPA LOCAL MUNICIPALITY**  
**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010**

Description	Cost / Revaluation						Accumulated Depreciation / Impairment					Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Additions	Transfers	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	
<b>PUMP STATION:</b>												
Civils	32 437 228	-	1 380 342	-	-	33 817 570	2 594 978	648 745	-	-	3 243 723	30 573 847
Electrical	6 486 223	-	276 016	-	-	6 762 239	324 311	-	-	-	648 622	6 113 617
Mechanical	9 729 337	-	414 025	-	-	10 143 362	486 467	486 467	-	-	972 934	9 170 428
Pipework	5 405 187	-	230 014	-	-	5 635 201	270 259	270 259	-	-	540 519	5 094 682
<i>Water:</i>												
<b>BULK DISTRIBUTION:</b>												
WATER PIPES	39 293 668	-	-	-	-	39 293 668	2 833 398	1 328 906	-	-	4 162 304	35 131 364
<b>WATER SUPPLY / RETICULATION:</b>												
CONNECTIONS	464 640	-	-	-	-	464 640	30 976	15 488	-	-	46 464	418 176
WATER PIPES	35 186 649	-	-	-	-	35 186 649	2 345 777	1 172 888	-	-	3 518 665	31 667 984
<b>WATER METERS:</b>												
WATER METERS	7 400 145	2 420	-	-	-	7 402 565	426 599	370 908	-	-	797 507	6 605 058
<b>PUMP STATION:</b>												
CIVIL	6 230 665	1 094 615	-	-	-	7 325 280	1 358 118	236 073	-	-	1 594 191	5 731 089
ELECTRICAL	9 495 981	388 949	-	-	-	9 884 930	1 830 467	777 739	-	-	2 608 207	7 276 723
EQUIPMENT	284 676	1 433 924	-	-	-	1 718 600	12 647	3 852	-	-	16 499	1 702 101
MECHANICAL	9 813 229	2 011 339	-	-	-	11 824 568	1 671 061	493 582	-	-	2 164 643	9 659 925
<b>RESERVOIR:</b>												
STRUCTURE	29 597 476	-	-	-	-	29 597 476	4 307 149	819 987	-	-	5 127 136	24 470 340
	<b>349 020 408</b>	<b>4 931 247</b>	<b>2 300 397</b>			<b>356 252 052</b>	<b>48 226 381</b>	<b>10 100 578</b>			<b>58 326 959</b>	<b>297 925 093</b>
<b>Community Assets</b>												
Land	4 974 120	-	-	-	-	4 974 120	-	-	-	-	-	4 974 120
Buildings	3 388 480	-	-	-	-	3 388 480	1 519 421	135 539	-	-	1 654 960	1 733 520
	<b>8 362 600</b>					<b>8 362 600</b>	<b>1 519 421</b>	<b>135 539</b>			<b>1 654 960</b>	<b>6 707 640</b>
<b>Other Assets</b>												
<b>FURNITURE AND OFFICE EQUIPMENT</b>												
OFFICE FURNITURE	3 800 823	502 737	-	-	-	4 303 559	628 609	735 043	-	-	1 363 652	2 939 908
OFFICE EQUIPMENT INCLUDING FAX MACHINES	455 319	4 650	-	-	-	459 969	86 624	82 040	-	-	168 664	291 305
AIR CONDITIONERS INDIVIDUAL FIXED AND MOVABLE	168 581	-	-	-	-	168 581	6 595	43 923	-	-	50 518	118 063
<b>TRANSPORT ASSETS</b>												
TRUCKS	5 855 842	-	-	-	-	5 855 842	546 441	562 161	-	-	1 108 602	4 747 241
BAKKIES	1 851 950	-	-	-	-	1 851 950	203 526	177 787	-	-	381 314	1 470 637
TRAILERS AND ACCESSORIES	1 600 030	24 049	-	-	-	1 624 079	133 632	155 912	-	-	289 543	1 334 535
BICYCLES	5 920	-	-	-	-	5 920	497	710	-	-	1 208	4 712
MOTOR VEHICLES	1 304 298	-	-	-	-	1 304 298	50 801	135 736	-	-	186 537	1 117 761
<b>COMPUTER EQUIPMENT</b>												
COMPUTER HARDWARE INCLUDING OPERATING SYSTEMS	222 143	20 447	-	-	-	242 590	37 186	69 355	-	-	106 542	136 048
COMPUTER NETWORKS	51 014	486 507	-	-	-	537 521	5 249	98 904	-	-	104 152	433 369
<b>MACHINERY AND EQUIPMENT</b>												
KITCHEN APPLIANCES	114 828	5 193	-	-	-	120 021	24 826	20 882	-	-	45 708	74 313
DOMESTIC EQUIPMENT (NON KITCHEN APPLIANCES)	40 147	-	-	-	-	40 147	5 886	11 347	-	-	17 233	22 914
MUSIC INSTRUMENTS	179 040	-	-	-	-	179 040	62 440	16 114	-	-	78 554	100 486
MEDICAL AND ALLIED EQUIPMENT	2 607	-	-	-	-	2 607	437	469	-	-	907	1 700
AUDIOVISUAL EQUIPMENT	51 473	121 140	-	-	-	172 613	5 346	31 070	-	-	36 416	136 197
WORKSHOP EQUIPMENT AND LOOSE TOOLS MOVABLE	553 610	1 800	-	-	-	555 410	94 897	154 848	-	-	249 745	305 665
ELECTRIC WIRE AND POWER DISTRIBUTION EQUIPMENT (COMPRE	148 618	-	-	-	-	148 618	40 931	26 751	-	-	67 682	80 936
TRACTORS	1 048 173	-	-	-	-	1 048 173	366 522	188 671	-	-	555 193	492 980
FIRE FIGHTING EQUIPMENT	293 249	-	-	-	-	293 249	15 345	80 870	-	-	96 216	197 033
ROAD CONSTRUCTION AND MAINTENANCE EQUIPMENT	1 812 880	-	-	-	-	1 812 880	437 372	163 159	-	-	600 531	1 212 349
	<b>19 560 544</b>	<b>1 166 523</b>				<b>20 727 067</b>	<b>2 753 163</b>	<b>2 755 752</b>			<b>5 508 914</b>	<b>15 218 152</b>
<b>Total</b>	<b>492 082 252</b>	<b>6 097 770</b>	<b>2 300 397</b>			<b>500 480 419</b>	<b>55 423 439</b>	<b>13 325 095</b>			<b>68 748 534</b>	<b>431 731 885</b>

**APPENDIX A**  
**MANTSOPA LOCAL MUNICIPALITY**  
**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010**

Description	Cost / Revaluation						Accumulated Depreciation / Impairment					Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Additions	Transfers	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
<b>Intangible Assets</b>												
Computer Software	-	57 352	-	-	-	57 352	-	20 392	-	-	20 392	36 960
	-	57 352	-	-	-	57 352	-	20 392	-	-	20 392	36 960
<b>Total Fixed Asset Register</b>	<b>492 082 252</b>	<b>6 155 122</b>	<b>2 300 397</b>	<b>-</b>	<b>-</b>	<b>500 537 771</b>	<b>55 423 439</b>	<b>13 345 487</b>	<b>-</b>	<b>-</b>	<b>68 768 926</b>	<b>431 768 846</b>

**APPENDIX B**  
**MUNICIPALITY**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 June 2011**

Description	Cost / Revaluation						Accumulated Depreciation / Impairment					Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Additions	Transfers	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	
Executive and Council	405 281	375 615	-	-	-	780 896	37 746	112 791	-	-	150 537	630 359
Finance and Administration	2 733 018	761 480	-	-	-	3 494 498	410 894	645 993	-	-	1 056 887	2 437 611
Planning and Development	252 103	4 258	-	-	-	256 360	46 115	47 654	-	-	93 769	162 592
Technical	380 000	-	-	-	-	380 000	-	-	-	-	-	380 000
Community and Social Services	197 450	-	-	-	-	197 450	33 149	32 320	-	-	65 470	131 980
Housing	84 625 809	1 130	-	-	-	84 626 939	335 425	87 014	-	-	422 440	84 204 499
Public Safety	1 060 497	-	-	-	-	1 060 497	242 723	107 515	-	-	350 238	710 259
Sport and Recreation	10 142 702	10 156	-	-	-	10 152 858	1 111 997	1 130 377	-	-	2 242 374	7 910 484
Environmental Health	104 584	-	-	-	-	104 584	17 732	19 979	-	-	37 711	66 873
Waste Management	96 414 372	-	2 300 397	-	-	98 714 769	6 907 214	2 783 619	-	-	9 690 833	89 023 936
Roads and Transport	65 117 002	4 628	-	-	-	65 121 630	21 097 008	1 244 261	-	-	22 341 269	42 780 361
Water	139 996 087	4 940 502	-	-	-	144 936 589	15 251 866	5 476 080	-	-	20 727 947	124 208 642
Electricity	52 249 068	-	-	-	-	52 249 068	5 848 606	1 142 337	-	-	6 990 943	45 258 125
Properties	38 404 279	-	-	-	-	38 404 279	4 082 962	495 155	-	-	4 578 117	33 826 162
<b>Total</b>	<b>492 082 252</b>	<b>6 097 769</b>	<b>2 300 397</b>	-	-	<b>500 480 418</b>	<b>55 423 439</b>	<b>13 325 095</b>	-	-	<b>68 748 534</b>	<b>431 731 884</b>

## MANTSOPA LOCAL MUNICIPALITY APPENDIX C SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R		2011 Actual Income R	2011 Actual Expenditure R	2011 Surplus/ (Deficit) R
6 962 735	10 998 874	(4 036 139)	Executive and Council	8 254 048	12 042 647	(3 788 599)
40 263 130	13 266 014	26 997 116	Finance and Admin	59 726 207	40 777 262	18 948 944
1 200 760	2 124 409	( 923 649)	Planning and Development	1 574 214	2 669 623	(1 095 410)
2 471 050	3 490 395	(1 019 345)	Community and Social Services	2 902 749	5 158 314	(2 255 564)
270	937 037	( 936 767)	Housing	150 984	1 113 897	( 962 913)
1 658 002	2 077 801	( 419 799)	Public Safety	1 713 580	2 185 370	( 471 790)
18	2 206 723	(2 206 705)	Sport and Recreation	-	3 619 860	(3 619 860)
1 670 321	1 555 770	114 551	Environmental Protection	1 682 562	1 749 588	( 67 026)
43 498 013	32 259 609	11 238 404	Waste Management	44 781 717	30 247 727	14 533 991
4 726 577	5 489 865	( 763 288)	Road Transport	5 000 000	7 692 377	(2 692 377)
22 022 765	23 841 752	(1 818 987)	Electricity	20 215 473	24 797 462	(4 581 989)
15 298 707	11 967 452	3 331 255	Water	18 025 468	29 867 632	(11 842 164)
			Other			
139 772 348	110 215 701	29 556 647	Sub-total	164 027 002	161 921 760	2 105 243

## MANTSOPA LOCAL MUNICIPALITY APPENDIX D(1) ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2011

	2011 Actual ( R )	2011 Budget ( R )	2011 Variance ( R )	2011 Variance (%)
<b>REVENUE</b>				
Property rates	12 646 505	11 329 263	1 317 242	11.63%
Services charges	56 899 794	67 504 655	(10 604 861)	-15.71%
Investment Income	869 315	987 500	( 118 185)	-11.97%
Interest earned - external investments	496 853	400 000	96 853	24.21%
Interest earned - outstanding debtors	9 458 009	820 600	8 637 409	1052.57%
Dividends	19 822	2 000	17 822	891.10%
Fines	164 883	140 000	24 883	17.77%
Licenses and permits	2 216	200	2 016	1008.00%
Government Grants and subsidies	82 206 850	88 074 901	(5 868 051)	-6.66%
Other income	1 023 356	9 136 851	(8 113 495)	-88.80%
Gains on disposal of Property ,plant & equipment	239 399	-	239 399	0.00%
<b>Total Revenue</b>	<b>164 027 002</b>	<b>#####</b>	<b>(14 368 968)</b>	<b>-8.05%</b>
<b>EXPENDITURE</b>				
Employee related costs	42 270 189	52 276 836	(10 006 647)	-19.14%
Remuneration of Councillors	3 666 655	905 201	2 761 454	305.07%
Bad debts	29 333 431	4 286 562	25 046 869	584.31%
Depreciation	13 345 487	2 756 854	10 588 633	384.08%
Repairs and maintenance	12 050 991	11 465 168	585 823	5.11%
Interest paid	732 086	2 798 317	(2 066 231)	-73.84%
Operating Lease	1 153 997	1 153 997	-	0.00%
Bulk purchases	19 680 689	20 757 509	(1 076 820)	-5.19%
Indigent Support	15 891 017	19 328 802	(3 437 785)	-17.79%
General expenses	22 840 100	62 566 429	(39 726 329)	-63.49%
Leave Accrual	957 118	100 000	857 118	0.00%
<b>Total Expenditure</b>	<b>161 921 760</b>	<b>#####</b>	<b>(16 473 915)</b>	<b>-9.2%</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>2 105 242</b>	<b>295</b>	<b>2 104 948</b>	

## MANTSOPA LOCAL MUNICIPALITY APPENDIX D(2) ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2011

<b>DEPARTMENT</b>	<b>2010/11 Actual</b>	<b>2010/11 Under Construction</b>	<b>2010/11 Total Additions</b>	<b>2010/11 Budget</b>	<b>2010/11 Variance Amount</b>	<b>2010/11 Variance %</b>
Executive & Council	375 615	-	375 615	-	375 615	0.00%
Finance & Admin	761 480	-	761 480	-	761 480	0.00%
Planning & Development	4 258	-	4 258	300 000	( 295 742)	-98.58%
Health	-	-	-	-	-	0.00%
Property	-	-	-	1 700 000	(1 700 000)	-100.00%
Community & Social Services	-	-	-	-	-	0.00%
Housing	1 130	-	1 130	-	1 130	0.00%
Public Safety	-	-	-	-	-	0.00%
Sport & Recreation	10 156	-	10 156	-	10 156	0.00%
Environmental Protection	-	-	-	-	-	0.00%
Waste Water Management	-	2 300 397	2 300 397	24 084 614	(21 784 217)	-90.45%
Waste Management	-	-	-	2 800 000	(2 800 000)	-100.00%
Road Transport	4 628	-	4 628	9 723 186	(9 718 558)	-99.95%
Water	4 940 502	-	4 940 502	924 450	4 016 052	434.43%
Electricity	-	-	-	-	-	0.00%
<b>TOTAL</b>	<b>6 097 769</b>	<b>2 300 397</b>	<b>8 398 166</b>	<b>39 532 250</b>	<b>(31 134 084)</b>	<b>-78.76%</b>



## MANTSOPA LOCAL MUNICIPALITY APPENDIX F SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDED 30 JUNE 2011

<b>EXTERNAL LOANS</b>	Loan Number	Redeemable	Balance at 01/07/10	Received during the period	Redeemed written off during the period	Adjustments	Balance at 30/06/11
			R	R	R	R	R
<b>Development Bank of South Africa</b>							
Water	13 776/101	2013	1 335 968	-	( 319 798)	-	<b>1 016 171</b>
Water	LALF15125	2013	18 387	-	( 5 287)	-	<b>13 100</b>
Water	LALF15125	2017	267 048	-	( 22 733)	-	<b>244 315</b>
Water	1/00216-15241	2012	69 585	-	( 31 945)	-	<b>37 640</b>
Electricity	13 776/101	2013	1 598 975	-	( 382 755)	-	<b>1 216 220</b>
Roads	13 776/101	2013	931 816	-	( 223 054)	-	<b>708 762</b>
Roads	103384/1	2021	-	4 789 084	-	-	<b>4 789 084</b>
Roads	103384/2	2015	-	2 419 830	-	-	<b>2 419 830</b>
<b>ABSA (Inka, Sanlam)</b>							
Properties	100048/52	2 014	149 655	-	( 24 927)	-	<b>124 728</b>
<b>Total long-term loans</b>			<b>4 371 434</b>	<b>7 208 914</b>	<b>(1 010 498)</b>	<b>-</b>	<b>10 569 850</b>