

Naledi Local Municipality

Financial Statements

for the year ended 30 June 2009

Naledi Local Municipality

Financial statements

for the year ended 30 June 2009

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Naledi Local Municipality

General information

for the year ended 30 June 2009

Members of the Naledi Municipal Council

Mr. MP Motloi	Mayor/Speaker
Ms. NE Moroe	Member
Mr.MP Filda	Member
Mr. B Van Heerden	Member
N A Lebeko	Member
Mr. J B Thomas	Member
Mr MA Motaung	Member
Mr KJ Mojoea	Member

Municipal Manager

Mr M Seoke (Acting until April 2009)
Mr M T Lerata (Appointed 7 May 2009)

Chief Financial Officer

L Mofokeng (Acting until September 2008)
Mr M Mokgoke (Appointed 1 June 2009)

Grading of Local Authority

Grade B

Auditors

Auditor-General

Bankers

ABSA

Naledi Local Municipality

General information (continued)

for the year ended 30 June 2009

Registered office

Physical address:

Municipal Building
Brand Street
Dewetsdorp
9940

Postal address:

Private Bag x1
Dewetsdorp
9940

Telephone number:

051 - 541 0012

Fax number:

051 - 541 0556

E-mail address:

martinl@naledimun.co.za

Map of Naledi Municipal Area

A map of the Municipal area is available at the Council's offices.

FOREWORD

The Constitution of the Republic of South Africa, 1996 outlines the following objects for local municipalities:

- to provide democratic and accountable government for local communities
- to ensure the provision of services to communities in a sustainable manner
- to promote social and economic development
- to promote a safe and healthy environment
- to encourage the involvement of communities and community organizations in the matters of the municipality

Local Government is seen as a starting point wherein growth and development should take place. Naledi Municipality with the limited resources it possesses seeks to explore the existing potential and transcend the barriers by delivering a service that is sustainable. We have shown the commitment through establishing a developmental budget that seeks to address the disparities and inequities that exists.

Now is the time to measure the performance of Naledi Municipality for the year ending 30 June 2009 against the above objectives.

I can say unequivocally that:

The municipality has provided a democratic and accountable government to the communities of Naledi; Council takes pride in the high standard and affordability of services;

The dedication of the welfare department shows Council's commitment and care to the poor; Council has laid down the infrastructure necessary to enhance an environment in which economic growth can take place;

Council joined hands with the Provincial Government to promote a safe and healthy environment; Basic services, i.e. potable water, refuse removal and sewerage disposal, were delivered without interruption;

Council is determined to give practical meaning to the broad objectives of the Constitution, within its available resources.

I am grateful to the Councillors, the Municipal Manager, Heads of Department and all personnel for their support, friendly co-operation and hard work during the past year.

M P Motloi
Mayor
28 August 2009

Naledi Local Municipality

Approval of financial statements

for the year ended 30 June 2009

The annual financial statements set out on pages 15 to 24 were approved.

Municipal Manager (M T Lerata)

Report of Ramathe Chartered Accountants to the Members of Naledi Local Municipality
for the year ended 30 June 2009

We have compiled the financial statements of the Naledi Municipality for the year ended 30 June 2009 as set out on pages 15 to 24 in accordance with International Auditing Standards applicable to compilation engagements.

Management is responsible for these financial statements. We have not audited nor reviewed these financial statements and accordingly express no opinion thereon.

Ramathe Chartered Accountants
Registered Auditors & Accountants
31 August 2009

Report of the Auditor-General to the Naledi Local Municipality
for the year ended 30 June 2009

The Auditor-General will issue his report upon finalisation of the audit.

Naledi Local Municipality

Report of the Chief Financial Officer

for the year ended 30 June 2009

Introduction

It is a pleasure to present the report for the 2008/2009 financial year.

1 OPERATING RESULTS

Details of the operating results per classification, department and object of expenditure are included in Appendices D and E. The applicable statistics are shown in Appendix F.

The overall operating results for the year ended 30 June 2009 are as follows:

Income	Actual	Actual	Variance	Budget	Variance
	2008	2009	2008/2009	2009 Actual/Budget	
	R	R	%	R	%
Operating income for the year	45 679 709	52 688 666	15.34	39 788 238	32.42
Opening surplus / (deficit)	5 088 221	9 068 149	78.22	-	-
Total	50 767 930	61 756 815	94	39 788 238	32.42
Expenditure					
Operating expenditure for the year	40 605 638	43 620 517	(7.42)	39 898 126	(9.33)
Total	40 605 638	43 620 517	(7.42)	39 898 126	(9.33)

1.1 Rates and general services

Income	Actual	Actual	Variance	Budget	Variance
	2008	2009	2008/2009	2009 Actual/Budget	
	R	R	%	R	%
Income	26 186 644	26 721 742	2.04	36 428 473	(26.65)
Expenditure	(26 749 374)	(36 757 720)	(37.42)	(33 611 995)	(9.36)
Surplus/(deficit)	(562 730)	(10 035 977)	(10 598 707)	2 816 478	-20%
Surplus/(deficit) as a % of total Income	(1.23)	(19.05)		7.08	

Naledi Local Municipality

Report of the Chief Financial Officer (continued)

for the year ended 30 June 2009

1.2 Trading services

1.2.1 Water

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %	Budget 2009 R	Variance Actual/Budget %
Income	12 310 083	25 363 199	106.04	3 359 765	654.91
Expenditure	(6 600 041)	(6 519 054)	(1.23)	(6 246 673)	4.36
Surplus	5 710 042	18 844 145	(13 134 103)	(2 886 908)	(752.74)
Surplus as a % of total Income	-	-	-	-	-

1.2.2 Electricity

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %	Budget 2009 R	Variance Actual/Budget %
Income	7 107 746	491 353	(93.09)	-	-
Expenditure	(7 251 343)	(227 705)	(96.86)	(107 707)	111.41
Surplus	(143 597)	263 648	120 051	(107 707)	(344.78)
Surplus as a % of total Income	-	-	-	-	-

1.2.3 Housing

	Actual 2008 R	Actual 2009 R	Variance 2008/2009 %	Budget 2009 R	Variance Actual/Budget %
Income	85 236	112 371	31.83	115 373	(2.60)
Expenditure	(4 880)	(116 038)	2 277.82	47 124	(346.24)
(Deficit)/surplus	80 356	(3 667)	76 689	68 249	(105.37)
Surplus as a % of total Income	-	-	-	-	-

Naledi Local Municipality

Report of the Chief Financial Officer (continued)
for the year ended 30 June 2009

2 CAPITAL EXPENDITURE AND FINANCING

During the year fixed assets amounting to R 877 983 were acquired and consists of the following:

	Actual 2008 R	Budget 2009 R	Actual 2009 R
Upgrade of admin offices and Equipment	1 621 459	100 000	796 124
Stores and Workshop	-	200 000	-
Town Hall	-	100 000	-
Properties	-	500 000	-
Refuse	-	80 000	-
Grounds and Measure	-	-	73 059
Vehicle Equipment	-	550 000	8 800
Recreations (Parks and Sports field)	873 396	300 000	-
Training and IT Equipment	-	-	-
Sewerage	9 921 339	3 171 781	-
Planning and Development	-	1 500 000	-
Water Management	1 724 655	2 318 219	-
Centlec(Non cash movement)	332 947	-	-
	<u>14 473 796</u>	<u>8 820 000</u>	<u>877 983</u>

The following resources were utilised to finance the fixed assets:

	2007 R	2008 R	2009 R
Contributions from operating income	2 110 000	1 419 076	818 755
Contributions from Government and Province	9 600 000	13 054 720	59 237
	<u>11 710 000</u>	<u>14 473 796</u>	<u>877 992</u>

Details of capital expenditure and financing are shown in Appendices B and C.

3 EXTERNAL LOANS, INVESTMENTS AND CASH

The current and comparative figures for external loans, investments and cash are as follows:

	2008 R	2009 R
External investments	103 996	112 585
Cash on hand and in bank	4 643 027	1 186 511
Bank balance/(overdraft)	-	(1 616 420)
	<u>4 747 023</u>	<u>(317 324)</u>

Naledi Local Municipality

Report of the Chief Financial Officer (continued)

for the year ended 30 June 2009

4 FUNDS, RESERVES AND PROVISIONS

The current and comparative figures for the statutory and other funds are as follows:

	2008	2009
	R	R
Statutory Funds	2 765 749	2 934 986
Trust Funds	2 051 930	2 057 021
Provisions	1 102 062	1 284 594
	<u>5 919 741</u>	<u>6 276 601</u>

More information regarding funds and provisions are disclosed in notes 1, 11 and Appendix A to the Financial Statements

6 POST BALANCE SHEET EVENTS

No events have taken place between the date of the financial statements and the date of this report which could have had an effect on the financial statements as disclosed.

7 APPRECIATION

I would like to thank the Mayor, Councillors, the Municipal Manager, Departmental Heads and all officials for the support given to me during the year.

Chief Financial Officer

31-Aug-09
Date

Naledi Local Municipality

Accounting policies

for the year ended 30 June 2009

1 Basis of presentation

- 1.1 The financial statements have been prepared to conform to standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (second edition 1996, as amended).
- 1.2 The financial statements are prepared on the historical cost basis adjusted for fixed assets, as more fully described in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous years, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis:
 - Income is accrued when collectable and measurable.
 - Certain direct income is accrued when received, i.e. traffic fines and Certain licences.
 - Expenditure is accrued in the year in which it is incurred.

2 Consolidation

The financial statements include the rates- and general services, trading services and different funds and provisions. All inter-departmental charges are set-off against each other with the exception of assessment rates, refuse removal, sewerage, electricity and water.

3 Fixed assets

- 3.1 Fixed assets are stated:
 - at historical cost; or
 - at valuation (based on the market price at the date of acquisition), where assets have been acquired by certain grants or donations. 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 CFO and approved by the council.

3.2 Depreciation

The balance shown under 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 do exist. By way of this "Provision" assets are written down immediately or over the period of the long term loan being the source of finance of the particular asset or group of assets.

Naledi Local Municipality

Accounting policies (continued)

for the year ended 30 June 2009

3.2 Depreciation (continued)

Apart from advances from the various Council funds, assets may also be acquired through:

- Appropriation from income, where the full cost of the asset forms an immediate and direct charge against operating income. Provision for additional depreciation is deemed unnecessary.
- Grants and donations where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

3.3 The net proceeds from the sale of immovable property are credited to the Erven trust fund. The net proceeds from the sale of other assets are credited to income.

3.4 Fixed assets are financed from different sources, i.e. internal loans, operating income, endowments and internal advances. These loans and advances are redeemed over a period equal to the expected lives of the assets. Interest is charged to the service concerned at the ruling interest rate applicable at the time of the approval of loans or advances.

4 Inventory

Inventory is valued at the lower of cost, determined on the weighted average basis and net realisable value after due provision for obsolescence has been made.

5 Funds and reserves

5.1 Capital development fund

The capital development fund ordinance of 1962, requires a minimum contribution of 1,0% of the defined income for the immediately preceding financial year.

5.2 Erven trust fund

The Erven Fund is utilised for financing the acquisition of land for housing development projects. When land owned by the council is sold, all proceeds there from are credited to the Erven Trust Fund. This fund is utilised for a financing projects of a lasting non-productive nature as prescribed in Sec.85(1)(b) of the Local Government Ordinance, 1962 (Ordinance no. 8 of 1962).

Naledi Local Municipality

Accounting policies (continued)

for the year ended 30 June 2009

6 Provisions

Provision was made for liabilities or contingencies which are known at the date of the balance sheet but for which the amounts involved cannot be determined with substantial accuracy.

The provision for bad debts refers to current assets and is therefore disclosed as a deduction from debtors.

This fund will be utilised when council approval is given for writing off bad debts.

7 Retirement benefits

- 7.1 The retirement benefit plan is subject to the Pension Fund Act of 1956, with pensions being calculated either on the fixed contribution or the fixed benefit method. Current contributions by the Municipality are charged against operating income on the basis of current service cost. Unfavourable experience adjustments and the cost of insurance of the increased benefits are written off over the smallest of the remaining service period or over five years. Favourable experience adjustments are retained in the retirement plan.

- 7.2 Naledi Municipality and its employees contribute to the SALA pension Fund, Free State Pension Fund, the Free State Municipal Provident Fund.

8 Surplus and deficits

Any surplus or deficit originating from the electricity or water services are transferred to rates and general services.

9 Treatment of administrative and other overhead costs

The cost of internal auxiliary services are debited against the different services and are in accordance with IMTA's Report on Accounting for Support Services (1990).

10 Leased assets

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

Finance charges are allocated to the accounting period over the duration of the leases by the effective interest rate method which reflects the extent and cost of lease finance, utilised in each accounting period.

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

Lease of farms income is recognised on a straight line basis over the lease contract

Naledi Local Municipality

Accounting policies (continued)

for the year ended 30 June 2009

11 Investments

Investments are made in accordance with the requirements of Section 84 of the Local Government Ordinance, 1962 (Ordinance no. 8 of 1962) and policy prescribed by the Municipal Finance Management Act, (Act no. 56 of 2003). Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested according to the provisions contained in the Circular issued by Provincial Legislature.

12 Income recognition

12.1 Water charges

All meters are read and billed monthly. Where meters cannot be read during a particular month a provisional bill is issued with the necessary adjustments made in the month when the meters are indeed read.

12.2 Electricity charges

The municipality has outsourced the electricity function to Centlec. The results from Centlec are consolidated on a line by line basis

13 Assessment rates

Dewetsdorp/ Morojaneng and Wepener Levy assessment rates based on the value of the property. The value of the property consists of land, buildings and their value of improvements. Rebates are granted to state properties according to the percentage council agrees on. Van Standesrus does not levy assessment rates bases on the value of the property. Assessment rates are levied at a fixed basic site levy.

14 Irregular, fruitless and wasteful and unauthorised expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation including the MFMA or any provincial legislation providing for procurement procedures in the Provincial Government

Fruitless and wasteful expenditure means expenditure that was made in vain and could have been avoided had reasonable care been exercised.

Unauthorised expenditure means expenditure not in accordance with the purpose of a vote or, in case of a main division not in accordance with the purpose of the main division.

Naledi Local Municipality

Balance sheet

as at 30 June 2009

	Note	2009 R	2008 R
Capital employed			
Funds and reserves			
Statutory funds	1	2 934 986	2 765 749
Accumulated surplus		25 198 708	37 273 676
Trust funds	2	2 057 022	2 051 930
Long term liabilities	3	764 971	879 177
Consumer deposits	4	349 732	335 332
Total capital employed		31 305 419	43 305 864
Employment of capital			
Fixed assets	5	34 320 411	34 915 086
Prepayments	6	276 296	281 660
Investments	7	112 585	103 996
		34 709 292	35 300 742
Net current assets		(3 403 873)	8 005 122
Current assets			
Inventory	9	1 013 934	1 077 225
Debtors	10	24 674 972	29 336 881
Cash and bank	13	-	4 643 027
Current liabilities			
Provisions	11	(1 284 594)	(1 102 062)
Creditors	12	(10 692 021)	(12 185 212)
Bank overdraft	13	(429 909)	-
Grants not utilised	12	2 412 176	(8 407 399)
Other liabilities	12	(18 984 586)	(5 243 853)
Short term portion of long term liabilities	3	(113 845)	(113 485)
Total employment of capital		31 305 419	43 305 864

Naledi Local Municipality

Income statement

for the year ended 30 June 2009

Actual Income	Actual Expenditure	Surplus/ (Deficit)	Budget Surplus/ (Deficit)		Actual Income	Actual Expenditure	Surplus/ (Deficit)	Budget Surplus/ (Deficit)
2008	2008	2008	2008		2009	2009	2009	2009
R	R	R	R		R	R	R	R
				Rates and				
26 176 643	26 749 374	(572 731)	(1 722 930)	General services	26 721 742	36 757 720	(10 035 978)	2 816 478
14 228 656	21 737 078	(7 508 422)	(3 192 522)	Community services	14 630 382	31 301 879	(16 671 497)	5 994 888
1 642 046	2 427 554	(785 508)	(462 390)	Subsidised services	2 088 356	2 963 743	(875 387)	1 606 165
10 305 941	2 584 742	7 721 199	1 931 982	Economic services	10 003 004	2 492 098	7 510 907	(4 784 575)
85 236	4 880	80 356	27 840	Housing	112 371	116 038	(3 667)	68 249
12 703 624	6 607 699	6 095 925	1 695 090	Trade services	25 854 553	6 746 759.19	19 107 793.65	(2 994 615)
6 714 206	7 243 685	(529 479)	-	Centlec	-	-	-	-
<u>45 679 709</u>	<u>40 605 638</u>	<u>5 088 221</u>	<u>-</u>	Total	<u>52 688 666</u>	<u>43 620 517</u>	<u>9 068 149</u>	<u>(109 888)</u>
		<u>1 245 767</u>		Appropriations for the year (See note 18)			<u>(21 143 118)</u>	
		6 333 988		Net surplus/(deficit) for the year			(12 074 968)	
		<u>30 939 688</u>		Beginning of the year - Accumulated (deficit)/surplus			<u>37 273 676</u>	
		<u>37 273 676</u>		End of the year			<u>25 198 708</u>	

Naledi Local Municipality

Cash flow statement

for the year ended 30 June 2009

	Note	2009	2008
		R	R
Cash retained from operating activities		(4 020 991)	11 800 485
Cash generated by operations	19	8 598 383	12 909 593
Interest received	17	86 423	8 888
Increase/(decrease) in working capital	20	(12 705 797)	(1 117 996)
		(4 020 991)	11 800 485
Less: external interest paid		(37 127)	(110 615)
Cash available from/(utilised in) operations		(4 058 118)	11 689 870
Cash utilised in investing activities			
Increase in investments	22	(8 589)	(11 429)
Investment in fixed assets	5	(877 983)	(14 140 849)
Net Proceeds on sale of fixed assets		-	494 045
Net cash flow		(4 944 690)	(1 968 363)
Cash effects of financing activities			
Increase/(decrease) in long term liabilities	17	(113 845)	(113 845)
(Increase)/decrease in consumer deposit	4	(14 401)	18 632
(Increase)/decrease in cash and bank	23	5 072 936	2 063 576
Net cash utilised		4 944 690	1 968 363

Naledi Local Municipality

Notes to the financial statements

for the year ended 30 June 2009

	2009	2008
	R	R
1 Statutory funds		
Capital development fund - Electricity	287 603	287 603
Capital development fund - General	1 885 932	1 819 688
Capital development fund - Sewerage	347 978	297 370
Capital development fund - Water	413 473	361 088
	<u>2 934 986</u>	<u>2 765 749</u>
See appendix A		
2 Trust Fund		
Erven Trust Fund	<u>2 057 021.90</u>	<u>2 051 930.00</u>
3 Long term liabilities		
External Loans : Centlec	992 661	1 106 146
Redeemed in the current year	(113 845)	(113 485)
	<u>878 816</u>	<u>992 661</u>
Less: current portion transferred to current liabilities	(113 845)	(113 485)
	<u>764 971</u>	<u>879 176</u>
See appendix B		
4 Consumer deposits		
Electricity & Water	349 732	335 331
	<u>349 732</u>	<u>335 331</u>
No guarantees are kept in lieu of electricity deposits.		
5 Fixed assets		
Fixed assets at the beginning of the year	166 230 507	146 470 777
Correction through appropriation account (non cash movement)	(594 675)	11 259 908
Capital expenditure	877 983	14 140 849
Less: assets written-off, transferred or disposed off	-	(5 641 027)
Total fixed assets	<u>166 513 815</u>	<u>166 230 507</u>
Less: loans redeemed and other capital receipts	(132 193 404)	(131 315 421)
Net fixed assets	<u>34 320 411</u>	<u>34 915 086</u>
****Exclude cost of clinics that belong to provincial government		
See appendix C and section 2 of the report of the Chief Financial Officer.		
6 Prepayments		
Prepayments relating to S57 of MFMA settling contracts		
Manager C Mgwadleka	34 064	34 064
Manager TB Khoase	98 425	98 425
CV Mokgothu Telkom	-	5 364
Marang Solutions (debt collections)	11 112	11 112
Friday Management Solution (overpayments)	132 695	132 695
	<u>276 296</u>	<u>281 660</u>
7 Investments		
Unlisted		
ABSA Bank (Money Market Fund)	22 081	19 785
ABSA Bank (Money Market Fund)	44 786	40 128
Senwes	17 514	16 981
OVK	24 289	23 187
Total	<u>108 670</u>	<u>100 081</u>
Market value of listed investments and management's valuation of unlisted investments	3 915	3 915
Listed investments	<u>108 670</u>	<u>100 081</u>
Unlisted investments	<u>112 585</u>	<u>103 996</u>
No investments had been ceded to secure any loans		

Naledi Local Municipality

Notes to the financial statements

for the year ended 30 June 2009

	2009	2008
	R	R
8 Leases		
Leases rentals receivables: Municipal Camps		
Receivable within 12 months	82 664	73 480
Receivable between 1 and no later than 5 years	<u>-</u>	<u>169 739</u>
Later than 5 years	<u><u>82 664</u></u>	<u><u>243 219</u></u>
<p>The municipality entered into 3 year contract during 07/08with individuals in which they rent municipal camps/ farms over a period of 3 year. The rental amounts escalate with 10% p/a.</p>		
Lease of office equipment		
Receivable within 12 months	233 367	168 432
Receivable between 1 and no later than 5 years	700 101	336 864
Later than 5 years	<u>-</u>	<u>-</u>
	<u><u>933 468</u></u>	<u><u>505 296</u></u>
9 Inventory		
Inventory represents consumables, raw material, water stock, work-in-progress and finished goods. Where necessary specific provision has been made for obsolete inventory	<u><u>1 013 934</u></u>	<u><u>1 077 225</u></u>
10 Debtors		
Current Debtors (Consumers)	48 517 205	38 510 492
Current Debtors (Others)	<u>10 216 883</u>	<u>5 849 371</u>
	58 734 088	44 359 863
Less: Provision for bad debts	<u>(34 059 116)</u>	<u>(15 022 982)</u>
	<u><u>24 674 972</u></u>	<u><u>29 336 881</u></u>
<p>Bad debts : R 34 059 116 (2008: R 15 022 982). Days outstanding in debtors are in excess of 120 days (2008 : 120 + days).</p>		
11 Provisions		
Leave reserve	1 014 562	803 550
Bonuses	270 031	298 512
Bad debts - current year	<u>34 059 116</u>	<u>15 022 982</u>
	35 343 710	16 125 044
Less: provision transferred to debtors - note 10	<u>(34 059 116)</u>	<u>(15 022 982)</u>
	<u><u>1 284 594</u></u>	<u><u>1 102 062</u></u>
See appendix A		
12 Creditors		
Town Hall Deposits	350	500
Trade creditors	10 692 021	12 184 711
Grants not utilised	<u>(2 412 176)</u>	<u>8 407 399</u>
Sundry Creditors	18 984 236	5 243 852
	<u><u>27 264 431</u></u>	<u><u>25 836 462</u></u>
13 Bank, cash and overdraft balances		
The Municipality has the following bank accounts and cash on hand:		
Primary Account no 1860 270 184	(1 616 419.83)	4 179 495.00
Secondary Account no 406 6531 831	<u>1 186 510.89</u>	<u>463 532.00</u>
Bank statement balance - end of the year	<u><u>(429 908.94)</u></u>	<u><u>4 643 027.00</u></u>
14 Assessment rates		
	Valuation date	Actual Income
	value 2009	2009
	R	R
Assessable - Land	6 610 025	4 310 072
Assessable-improvements	55 620 200	-
Non Assessable - Land	5 374 650	-
Non Assessable-improvements	<u>46 933 350</u>	<u>-</u>
	<u><u>114 538 225</u></u>	<u><u>4 310 072</u></u>
<p>The valuation of land and improvements is done every 5 years. The 2008 valuation role has not as yet been approved by the council.</p>		

Naledi Local Municipality

Notes to the financial statements

for the year ended 30 June 2009

	2009	2008
	R	R
15 Councillors' remuneration		
Mayor's allowance	450 456	481 315
Speaker's allowance	-	-
Councillors' allowances	675 272	892 915
Executive Committee Members' allowances	-	-
Pension fund contributions	-	-
	<u>1 125 728</u>	<u>1 374 230</u>
15.1 Benefits in kind		
The Mayor is a full-time councillor. They are entitled to offices and secretarial support by the Council.		
15.2		
The salaries and allowances of the councillors are within the limits as prescribed by the Remuneration of Public Office Bearers Act, 1998 (No. 20 of 1998).		
15.3 Related party transactions		
The total amount of goods and services bought from related parties are as follows:		
Mr MP Mifi (councillor until January 2009)	6 350	10 450
16 Auditor's fees		
Opening balance	241 137	764 181
Current year	239 965	1 395 403
(Over) / under provision previous year	<u>(1 742 452)</u>	<u>(1 918 447)</u>
	<u>(1 261 350)</u>	<u>241 137</u>
17 Finance transactions		
Total external interest received or paid:		
Interest received	86 423	(8 888)
Interest paid	<u>37 127</u>	<u>110 615</u>
	<u>123 550</u>	<u>101 727</u>
Capital expenses debited against operating account:		
Interest : internal	-	110 615
- External	<u>-</u>	<u>110 615</u>
Redemption:	991 828	113 845
- External	<u>991 828</u>	<u>113 845</u>

Naledi Local Municipality

Notes to the financial statements

for the year ended 30 June 2009

	2009 R	2008 R
18 Appropriations		
Appropriation account:		
Retained (deficit)/surplus at the beginning of the year	37 273 676	30 939 688
Adjustment to the opening figures due to incorrect additions		-
Operating (deficit)/surplus for the year	9 068 149	5 088 221
Appropriations for the year:	-	
Adjustments previous years	(21 143 118)	1 245 767
Retained (deficit)/surplus at the end of the year	25 198 708	37 273 676
Operating Account		
Movement in Capital Development Fund-General	66 243	31 503
Movement in Capital Development Fund-Sewerage	50 608	31 265
Movement in Capital Development Fund-Water	52 385	36 878
Movement in Land Reserve	-	240 049
Movement in Provision for bad debts	19 036 134	5 254 404
Movement in Provision for bonuses	-28 481	-66 605
Movement in Provision for leave	211 012	32 999
19 Cash generated by operations		
(Deficit)/surplus for the year	9 068 149	5 088 221
Adjustments in respect of:		
Previous years' operating transactions	(21 143 118)	1 245 767
Appropriations charged against income:	19 681 524	6 360 033
Statutory Funds and Erven Trust funds	174 328	170 140
Provisions and reserves	19 218 666	5 220 798
Capital expenditure	877 983	1 419 076
Fixed Assets written off	(594 675)	-
Unreconciled adjustments/expenditure	5 222	44 063
Fixed assets sold	-	(494 045)
Capital charges:	991 828	215 572
Interest paid:	-	101 727
- External loans	-	101 727
Redemption:	991 828	113 845
- External loans	991 828	113 845
	8 598 383	12 909 593
20 (Increase)/decrease in working capital		
(Increase)/decrease in inventory	63 291	589 847
(Increase)/decrease in debtors	(14 379 589)	(17 310 098)
Increase/(decrease) in creditors	1 610 501	15 602 254
	(12 705 797)	(1 117 997)
21 Increase/(decrease) in long term liabilities		
Loans repaid	113 845	113 845
22 (Increase)/decrease in cash investments		
Investments at the beginning of the year	103 996	92 567
Less: investments at the end of the year	112 585	103 996
	(8 589)	(11 429)
23 (Increase)/decrease in cash and bank		
Cash and bank balance at the beginning of the year	4 643 027	2 579 451
Less: cash and bank balance at the end of the year	(429 909)	4 643 027
	5 072 936	(2 063 576)
24 Retirement benefits - pension fund Fund		
Naledi Municipality and its employees contribute to the Free State Municipal Pension Fund and SALA Pension Fund. Both these funds are financially sound.		

Naledi Local Municipality

Notes to the financial statements

for the year ended 30 June 2009

	2009	2008
	R	R
25 Contingent liabilities and contractual obligations		
25.1 Contingent liabilities		
The council has a case pending which was instituted by the former Municipal Manager to the amount of R100 000		
Contractual Obligations		
Dewetsdorp: Waterborne Sanitation	-	389 537
Wepener: Construction of 1.5ml Reservoir	1 299 161	1 299 161
	<u>1 299 161</u>	<u>1 688 698</u>
This expenditure will be financed from:		
- Internal sources	-	-
- External sources	1 299 161	-
	<u>1 299 161</u>	<u>-</u>
26 Contingent Assets		
The council has a pending legal case against the former Chief financial officer to recover an amount of R560 000.		
27 Government grants and subsidies		
Equitable share	18 127 505	14 443 925
Central government grants	9 026 163	-
Provincial government grants	349 826	2 972 922
Grants from the District Municipality	-	6 788 002
	<u>27 503 494</u>	<u>24 204 849</u>
27.1 Equitable share		
In terms of the Constitution, this grant is utilised to subsidise the provision of basic services to indigent community members and free basic water and electricity to the remainder of the community. All consumers receive a monthly subsidy which is credited to their accounts.		
	<u>18 127 505</u>	<u>14 443 925</u>
27.2 Central government grants		
27.2.1 Drought relieve grant		
Opening balance	2 230 843	500 000
Transferred to Fixed Assets	59 237	-
Current year receipts	-	1 200 000
Transferred to income statement	(2 439 879)	530 843
Closing balance	<u>(149 799)</u>	<u>2 230 843</u>
27.2.2 MIG Grant		
Opening balance	5 687 088	552 500
Current year receipts	9 928 000	14 099 169
Transferred to income/expenditure	(11 598 848)	7 863 667
Transferred to fixed assets	-	-
Closing balance	<u>4 016 240</u>	<u>6 788 002</u>
27.2.3 Financial Management Grant		
Opening balance	599 398	295 699
Current year receipts	500 000	500 000
Transferred to income/expenditure	(700 348)	546 127
Closing balance	<u>399 050</u>	<u>249 572</u>

Naledi Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2009

	2009	2008
	R	R
27.2.4 MSIG Grant		
Opening balance	(1 014 332)	1 286 500
Current year receipts	2 359 992	734 000
Transferred to income/expenditure	(2 529 317)	(166 277)
Transferred to fixed assets	-	-
Closing balance	<u>(1 183 657)</u>	<u>1 362 637</u>
27.3 Provincial Government Grants		
27.3.1 Free State Treasury Grant		
Opening balance	588 485	588 485
Current year receipts	-	-
Transferred to income/expenditure	(476 735)	-
Closing balance	<u>111 749</u>	<u>588 485</u>
27.3.2 Free State Treasury Grant		
Opening balance	(781 406)	(781 406)
Current year receipts	-	-
Transferred to income/expenditure	-	-
Closing balance	<u>(781 406)</u>	<u>(781 406)</u>
28 Employee Related Costs		
Salaries	8 198 072	14 414 536
Housing Subsidies	70 436	-
PAYE	652 734	-
UIF	260 329	-
Medical Aid	1 414 406	-
Provident	733 656	-
Overtime	205 024	-
Travel, Subsistence and Car Allowances	633 196	-
Protective clothing	2 400	-
	<u>12 170 253</u>	<u>14 414 536</u>
28.1	No advances were made to employees.	
28.2 Remuneration - Municipal Manager		
Annual Remuneration	60 833	492 619
Car Allowance	32 521	-
Contributions - UIF, Medical and Pension Funds	-	-
	<u>93 354</u>	<u>492 619</u>
	The Acting Municipal Manager who acted between 1 July '08 to 7 May '09 was paid by the Department of Local Government and Housing. The current Municipal Manager was only appointed 7 May 2009.	
28.3 Remuneration - Chief Financial Officer		
Annual Remuneration	35 820	142 759
Allowances	11 600	-
	<u>47 420</u>	<u>142 759</u>
	The Acting Chief Financial Officer only acted until September 2008. The current Chief Financial Officer was appointed 1 June '09	
28.4 Remuneration - Manager Corporate Services		
Annual Remuneration	54 088	246 602
Allowances	20 635	-
	<u>74 723</u>	<u>246 602</u>
	The current Corporate Services Manager was appointed 12 May 2009.	

Naledi Local Municipality

Notes to the financial statements

for the year ended 30 June 2009

	2009	2008
	R	R
28.5 Remuneration - Manager Technical		
Annual Remuneration	48 571	295 448
Allowance	26 956	-
	<u>75 527</u>	<u>295 448</u>
The current Technical Manager was appointed 12 May 2009.		
29 Unauthorised, irregular, fruitless and wasteful expenditure		
29.1 Irregular expenditure		
Reconciliation of irregular expenditure		
Opening balance	294 000	-
Irregular expenditure current year	-	294 000
Approved or condoned by council	-	-
	<u>294 000</u>	<u>294 000</u>
29.2 Fruitless and wasteful expenditure		
Opening balance	10 954 554	-
Fruitless and wasteful expenditure current year	-	10 954 554
Approved or condoned by Council	-	-
	<u>10 954 554</u>	<u>10 954 554</u>
30 Additional Disclosures in terms of the Municipal Finance Management Act		
30.1 Councillors' arrear consumer accounts		
Arrear consumer accounts	nil	nil
30.2 Non-compliance with the Municipal Finance Management Act		
30.2.1 Chapter 8, Section 69(3)		
The accounting officer did not submit a draft service delivery and budget implementation plan to the mayor.		
30.2.2 Chapter 8, Section 75		
The accounting officer did not display the documents required in terms of this section on the website of the municipality		
30.2.3 Chapter 12, Section 127(2)		
The mayor did not table the annual report of the municipality timeously		
30.2.4 Chapter 12, Section 127(3)(a) and (b)		
The mayor did not submit a written explanation setting out the reasons for failure to submit the annual report timeously		

Naledi Local Municipality

Financial statements

for the year ended 30 June 2009

Appendix A

Statutory funds and provisions

	Balance	Contributions	Interest	Other Income & Adjustments	Expenditure	Balance
	01.07.2008	2009	2009	2009	2009	30.06.2009
	R	R	R	R	R	R
Statutory funds						
Capital development fund - General	1 819 688	62 793	3 450	-	-	1 885 931
Capital development fund - Sewerage	297 370	50 044	564	-	-	347 978
Capital development fund - Electricity	287 603	-	-	-	-	287 603
Capital development fund - Water	361 088	51 700	685	-	-	413 473
Erven trust fund	2 051 930	1 200	3 891	-	-	2 057 021
	<u>4 817 679</u>	<u>165 738</u>	<u>8 590</u>	<u>-</u>	<u>-</u>	<u>4 992 007</u>
Provisions						
Bonuses	298 512	-	-	-	(28 481)	270 031
Leave provision	803 550	-	-	211 012	-	1 014 562
Sub total	<u>1 102 062</u>	<u>-</u>	<u>-</u>	<u>211 012</u>	<u>(28 481)</u>	<u>1 284 594</u>
Provision for bad debts	15 022 982	-	-	19 036 134	-	34 059 116
Less: Provision for bad debts	<u>(15 022 982)</u>	<u>-</u>	<u>-</u>	<u>(19 036 134)</u>	<u>-</u>	<u>(34 059 116)</u>
	<u>1 102 062</u>	<u>-</u>	<u>-</u>	<u>211 013</u>	<u>(28 481)</u>	<u>1 284 594</u>

Naledi Local Municipality

Financial statements for the year ended 30 June 2009

Appendix B

External loans

	Interest Rate	Loan No	Year of Settlement	Balance 01.07.2008 R	Received 2009 R	Adjustment 2009 R	Redeemed/ Written Off 9 R	Balance 30.06.2009 R
Centlec	10.00%	12 years	30-Jun-15	992 661	-	-	(113 845)	878 816
				992 661	-	-	(113 845)	878 816
				992 661	-	-	(113 845)	878 816

Naledi Local Municipality

Financial statements
for the year ended 30 June 2008

Appendix C

Analysis of fixed assets

Expenditure 2008	Service	Balance at 01.07.2008	Expenditure 2009	Redeemed, Transferred or Written-off 2009	Balance at 30.06.2009
R		R	R	R	R
12 512 448	Rates and general services	62 951 089	877 983	(594 675)	63 234 396
9 277 334	Community services	53 943 109	869 183	(594 675)	54 217 616
283 000	Community halls and centres	1 145 061	168 772	-	1 313 833
-	Admin Offices	330 000	627 352	-	957 352
138 625	Health Services	934 568	-	-	934 568
-	Public Works 1	3 216 630	-	-	3 216 630
-	Public Works 2	744 771	-	-	744 771
25 788	Sundry Assets	233 219	-	(594 675)	(361 456)
-	Ground and Measure	751 426	73 059	-	824 485
1 536 971	Equipment and Vehicles	2 304 711	-	-	2 304 711
6 828 275	Wepener building	15 348 755	-	-	15 348 755
212 425	Council Property	1 141 666	-	-	1 141 666
-	Town Commonage	197 153	-	-	197 153
-	Unsold Sites	411 430	-	-	411 430
252 250	Civil Works	27 183 719	-	-	27 183 719
3 235 114	Subsidised services	9 007 980	8 800	-	9 016 780
-	Ambulance	2 277	-	-	2 277
-	Sorghum beer depots	3 001	-	-	3 001
-	Sport Facilities	-	-	-	-
-	Vehicles/ Equipment	71 750	8 800	-	80 550
-	Civil Defence	4 620	-	-	4 620
-	Camp	2 693	-	-	2 693
-	Fire Services	16 471	-	-	16 471
-	Health	161 691	-	-	161 691
-	Park and trees	370 290	-	-	370 290
3 235 114	Recreation	7 597 644	-	-	7 597 644
-	Town hall and offices	777 543	-	-	777 543
-	Technical Stores	-	-	-	-
-	Offset points	-	-	-	-
-	Cemeteries	-	-	-	-
10 018 996	Economic services	61 371 439	-	-	61 371 439
9 502 175	Sewerage	57 753 001	-	-	57 753 001
516 821	Refuse	3 611 938	-	-	3 611 938
-	Farming	6 500	-	-	6 500
200 800	Housing Service	1 195 068	-	-	1 195 068
200 800	Sub Economic Services	1 195 068	-	-	1 195 068
2 335 567	Trading Services	35 415 500	-	-	35 415 500
2 335 567	Electricity	7 115 525	-	-	7 115 525
-	Water	28 299 975	-	-	28 299 975
332 947	Other	5 297 411	-	-	5 297 411
332 947	Centlec	5 297 411	-	-	5 297 411
25 400 758	Total fixed assets	166 230 507	877 983	(594 675)	166 513 814
	Balance cf				

Naledi Local Municipality

Financial statements

for the year ended 30 June 2009

Analysis of fixed assets (continued)

Expenditure 2008	Service	Balance at 01.07.2008	Expenditure 2009	Redeemed, Transferred or Written-off 2009	Balance at 30.06.2009
R		R	R	R	R
25 400 758	Total fixed assets	166 230 507	877 983	(594 675)	166 513 814
	Balance b/f				
14 473 796	Less: Loans redeemed and other capital receipts	131 315 421	877 983	-	132 193 404
14 140 849	General Expenditure	101 734 574	877 983	-	102 612 557
-	Contributions Subsidies	547 335	-	-	547 335
12 721 773	Grants and Subsidies	20 611 227	59 237	-	20 670 464
-	Loans redeemed and advances paid	65 782 420	-	-	65 782 420
-	Sale of surplus	6 500	-	-	6 500
-	Contributions RSC	-	-	-	-
-	Contributions Erven Trust	7 615	-	-	7 615
-	Contributions Ex Operating income	1 422 766	-	-	1 422 766
-	Contributions Income Provision	2 000	-	-	2 000
1 419 076	Contributions Income	1 431 127	818 746	-	2 249 873
-	Contributions Capital	24 439	-	-	24 439
-	Contributions Government	8 708 836	-	-	8 708 836
-	Contributions Other	3 167 071	-	-	3 167 071
-	Contributions Renewal	23 238	-	-	23 238
-	Housing Services	1 821 711	-	-	1 821 711
-	Loans redeemed and advances paid	1 629 358	-	-	1 629 358
-	Contributions Ex Operating Income	31 593	-	-	31 593
-	Contributions Funds	10 524	-	-	10 524
-	Contributions RSC	-	-	-	-
-	Contributions Funds	-	-	-	-
-	Contributions Other	138 565	-	-	138 565
-	Contributions Reserves	11 671	-	-	11 671
-	Contributions RSC Housing	-	-	-	-
332 947	Electricity	2 055 615	-	-	2 055 615
-	Contributions Government	162 769	-	-	162 769
-	Loans redeemed and advances paid	-	-	-	-
-	Loans redeemed	1 407 254	-	-	1 407 254
332 947	Contributions Other	332 947	-	-	332 947
-	Contributions RSC	-	-	-	-
-	Contributions Ex Operating Income	111 884	-	-	111 884
-	Contributions Public	40 761	-	-	40 761
-	Electricity	3 971 803	-	-	3 971 803
-	Grants and Subsidies	3 971 803	-	-	3 971 803
-	Water	21 731 718	-	-	21 731 718
-	Loans redeemed and advances paid	17 802 714	-	-	17 802 714
-	Sale of surpluses	63 738	-	-	63 738
-	Contributions RSC	-	-	-	-
-	Contributions Other	145 753	-	-	145 753
-	Contributions Government	2 915 303	-	-	2 915 303
-	Contributions Other	804 210	-	-	804 210
10 926 962	Net fixed assets	34 915 086	-	(594 675)	34 320 411

Naledi Local Municipality

Financial statements

for the year ended 30 June 2009

Appendix D

Analysis of operating income and expenditure

Actual 2008 R		Actual 2009 R	Budget 2009 R
Income			
20 787 381	Grants and subsidies	27 503 494	26 997 374
10 970 752	- Central government	18 127 505	17 741 000
9 816 629	- Regional government	9 375 989	9 256 374
-	- Other	-	-
24 883 441	Operating income	25 098 749	12 788 864
3 562 543	- Assessment rates	4 310 072	4 047 275
393 540	- Sale of electricity	-	-
3 598 382	- Centlec	491 353	-
6 714 206	- Sale of water	11 799 601	3 359 765
10 614 770	- Other services and charges	8 497 722	5 381 824
8 888	- Interest Received	86 423	2 000
<u>45 679 710</u>		<u>52 688 666</u>	<u>39 788 238</u>
Expenditure			
12 041 816	Salaries, wages and allowances	12 170 253	14 414 536
13 832 242	General expenses:	10 912 687	21 765 429
7 251 343	- Purchase of electricity	190 962	-
4 988 946	- Purchase of water	6 440 009	3 600 000
1 591 953	- Other general expenses	4 281 716	18 165 429
751 002	Repairs, maintenance & fuel	654 939	1 561 550
1 419 076	Contributions to fixed assets	877 983	-
-	Capital charges	-	-
5 317 816	Contributions	19 004 654	2 156 611
33 361 952	Gross Expenditure	<u>20 537 576</u>	<u>3 718 161</u>
7 243 685	Centlec	-	-
<u>40 605 637</u>		<u>43 620 517</u>	<u>39 898 126</u>

Naledi Local Municipality

Financial statements
for the year ended 30 June 2009

Appendix E

Detailed income statement

Actual Income	Actual Expenditure	Surplus/ (Deficit)		Actual Income	Actual Expenditure	Surplus/ (Deficit)	Budgeted Surplus/
2008	2008	2008		2009	2009	2009	2009
R	R	R		R	R	R	R
26 176 643	26 749 374	(558 581)	Rates and general services	26 721 742	36 757 720	(10 035 977)	2 816 478
14 228 657	21 737 078	(7 494 271)	Community services	14 630 382	31 301 879	(16 671 497)	5 994 888
3 562 543	-	3 562 543	Assessment rates	4 310 072	-	4 310 072	-
3 733 094	10 130 830	(6 397 736)	Administration - General Expenses of the council	4 016 114	20 042 363	(16 026 249)	(1 598 003)
42 237	7 075	49 312	Health services/Clinic	2 228 732	832 903	1 395 829	-
-	-	-	Fixed assets & Camps - Public Works	1 470 570	2 030 311	(559 741)	975 468
1 465 099	2 174 909	(709 810)	Civil works	-	1 109 921	(1 109 921)	3 174 026
5 425 684	9 424 264	(3 998 580)	Treasury	2 604 894	7 286 381	(4 681 487)	3 443 397
1 642 045	2 427 554	(785 509)	Subsidised services	2 088 356	2 963 743	(875 387)	1 606 165
-	1 301	(1 301)	Workshop and Stores	-	124 894	(124 894)	1 041 542
447 968	480 537	(32 569)	Library	851 020	335 478	515 541	(199 595)
9 629	71 705	(62 076)	Fire protection	36 255	34 553	1 702	39 518
624 858	1 609 742	(984 884)	Parks & cemetery	506 575	1 485 221	(978 646)	1 231 296
559 590	264 269	295 321	Town hall & offices - Properties	694 506	983 596	(289 090)	(506 596)
10 305 941	2 584 742	7 721 199	Economic Services	10 003 004	2 492 098	7 510 907	(4 784 575)
6 532 152	1 527 704	5 004 448	Sewerage	5 912 987	1 627 927	4 285 060	(2 687 726)
3 773 789	1 057 038	2 716 751	Refuse Removing	4 090 017	864 171	3 225 846	(2 096 849)
85 236	4 880	80 356	Housing services	112 371	116 038	(3 667)	68 249
85 236	4 880	80 356	Sub Economic Housing	112 371	116 038	(3 667)	68 249
19 417 829	13 851 384	5 566 445	Trading services	25 854 553	6 746 759	19 107 794	(2 994 615)
7 107 746	7 251 343	(143 597)	Electricity	491 353	227 705	263 648	(107 707)
12 310 083	6 600 041	5 710 042	Water	25 363 199	6 519 054	18 844 145	(2 886 908)
45 679 708	40 605 638	5 088 220	Total	52 688 666	43 620 517	9 068 150	(109 888)
		1 245 767	Appropriations for the year (see note 18)			(21 143 118)	
		6 333 987	Net surplus/(deficit) for the year			(12 074 968)	
		30 939 688	Accumulated surplus: beginning of the year			37 273 676	
		37 273 675	Accumulated surplus (deficit): end of the year			25 198 708	

Naledi Local Municipality

Financial statements
for the year ended 30 June 2009

Appendix E

Detailed income statement

Actual Income	Actual Expenditure	Surplus/ (Deficit)
2008	2008	2008
R	R	R
26 176 643	26 749 374	(558 581)
14 228 657	21 737 078	(7 494 271)
3 562 543	-	3 562 543
3 733 094	10 130 830	(6 397 736)
42 237	7 075	49 312
-	-	-
1 465 099	2 174 909	(709 810)
5 425 684	9 424 264	(3 998 580)
1 642 045	2 427 554	(785 509)
-	1 301	(1 301)
447 968	480 537	(32 569)
9 629	71 705	(62 076)
624 858	1 609 742	(984 884)
559 590	264 269	295 321
10 305 941	2 584 742	7 721 199
6 532 152	1 527 704	5 004 448
3 773 789	1 057 038	2 716 751
85 236	4 880	80 356
85 236	4 880	80 356
19 417 829	13 851 384	5 566 445
7 107 746	7 251 343	(143 597)
12 310 083	6 600 041	5 710 042
45 679 708	40 605 638	5 088 220
		1 245 767
		6 333 987
		30 939 688
		<u>37 273 675</u>

Rates and general services	26 721 742	36 757 720	(10 035 977)	2 816 478
Community services	14 630 382	31 301 879	(16 671 497)	5 994 888
Assessment rates	4 310 072	-	4 310 072	-
Administration - General Expenses of the council	4 016 114	20 042 363	(16 026 249)	(1 598 003)
Health services/Clinic	2 228 732	832 903	1 395 829	-
Fixed assets & Camps - Public Works	1 470 570	2 030 311	(559 741)	975 468
Civil works	-	1 109 921	(1 109 921)	3 174 026
Treasury	2 604 894	7 286 381	(4 681 487)	3 443 397
2 088 356	2 963 743	(875 387)	1 606 165	
Subsidised services	-	124 894	(124 894)	1 041 542
Workshop and Stores	851 020	335 478	515 541	(199 595)
Library	36 255	34 553	1 702	39 518
Fire protection	506 575	1 485 221	(978 646)	1 231 296
Parks & cemetery	694 506	983 596	(289 090)	(506 596)
Town hall & offices - Properties	10 003 004	2 492 098	7 510 907	(4 784 575)
Economic Services	5 912 987	1 627 927	4 285 060	(2 687 726)
Sewerage	4 090 017	864 171	3 225 846	(2 096 849)
Refuse Removing	112 371	116 038	(3 667)	68 249
Housing services	112 371	116 038	(3 667)	68 249
Sub Economic Housing	25 854 553	6 746 759	19 107 794	(2 994 615)
Trading services	491 353	227 705	263 648	(107 707)
Electricity	25 363 199	6 519 054	18 844 145	(2 886 908)
Water	52 688 666	43 620 517	9 068 150	(109 888)
Total				
Appropriations for the year (see note 18)			(21 143 118)	
Net surplus/(deficit) for the year			(12 074 968)	
Accumulated surplus: beginning of the year			37 273 676	
Accumulated surplus (deficit): end of the year			<u>25 198 708</u>	

Actual Income	Actual Expenditure	Surplus/ (Deficit)	Budgeted Surplus/ (Deficit)
2009	2009	2009	2009
R	R	R	R
26 721 742	36 757 720	(10 035 977)	2 816 478
14 630 382	31 301 879	(16 671 497)	5 994 888
4 310 072	-	4 310 072	-
4 016 114	20 042 363	(16 026 249)	(1 598 003)
2 228 732	832 903	1 395 829	-
1 470 570	2 030 311	(559 741)	975 468
-	1 109 921	(1 109 921)	3 174 026
2 604 894	7 286 381	(4 681 487)	3 443 397
2 088 356	2 963 743	(875 387)	1 606 165
-	124 894	(124 894)	1 041 542
851 020	335 478	515 541	(199 595)
36 255	34 553	1 702	39 518
506 575	1 485 221	(978 646)	1 231 296
694 506	983 596	(289 090)	(506 596)
10 003 004	2 492 098	7 510 907	(4 784 575)
5 912 987	1 627 927	4 285 060	(2 687 726)
4 090 017	864 171	3 225 846	(2 096 849)
112 371	116 038	(3 667)	68 249
112 371	116 038	(3 667)	68 249
25 854 553	6 746 759	19 107 794	(2 994 615)
491 353	227 705	263 648	(107 707)
25 363 199	6 519 054	18 844 145	(2 886 908)
52 688 666	43 620 517	9 068 150	(109 888)
		(21 143 118)	
		(12 074 968)	
		37 273 676	
		<u>25 198 708</u>	

Naledi Local Municipality

Statistics

for the year ended 30 June 2009

Appendix F

General statistics		2009	2008
i)	Population	20 466	20 466
ii)	Valuation of Property : Rateable	R6 610 025	R6 610 025
	Land Improvements	R55 621 200	R55 620 200
	Valuation of Property : Non Rateable	R5 374 650	R5 374 650
	Land Improvements	R46 933 350	R46 933 350
iii)	Date of Valuation	2008 financial year but not yet approved	2008 financial year but not yet approved
iv)	Number of residential properties	5 402	5 402
	Number of commercial properties	78	78
v)	Assessment Rates - Land	11.54c	10c
	Assessment Rates - Improvements	R 2.08	R 1.90
vi)	Income from assessment rates	4 310 072	3 562 543
Electricity Statistics			
i)	Number of users	-	3 373
ii)	Units bought	-	17 411 220
iii)	Units sold	-	14 895 755
iv)	Units lost in distribution (ii) and (iii)	-	2 515 465
v)	Units lost in distribution as a percentage of (ii)	-	14.45%
vi)	Cost per unit bought (cents)	-	558 433
vii)	Cost per unit sold operating expenditure - (iii)(cents)	-	47.46
ix)	Income per unit sold operating income - (iii) (cents)		
	Domestic Marginal	-	48.21 cents
	Commercial Marginal	-	47.5 cents
x)	Number of street lights	41 high mast 460 Street lights	41 high mast 460 Street lights

**** Electricity in the current year outsourced to Centlec

Naledi Local Municipality

Statistics

for the year ended 30 June 2009

Appendix F

Water Statistics

i) Number of users	7 619	7 576
ii) Units bought	1 743 559	1 647 250
iii) Units Sold	1 485 575	1 034 539
iv) Units lost in distribution (ii) and (iii)	257 984	612 711
v) Units lost in distribution as a percentage of (ii)	R 0.15	37.20%
vi) Cost per unit bought (cents)	324	306
vii) Loss in distribution (iv) and (vi)	835 868	1 874 896
viii) Cost per unit sold operating expenditure - (iii) (cents)	6.6	6.00
ix) Income per unit sold (operating income - (iii) cents)	794	1 190

Sundry Statistics

i) Area (Hectares)	11933.24km2	11933.24km2
ii) Previous election number of votes	12,961	11 400
iii) Licenses issues	2	2
iv) Total personnel in service of local council	146	158

**Report of the Auditor-General on Performance Measurement to the Naledi
Local Municipality**
for the year ended 30 June 2009

The Auditor-General will issue his report upon finalisation of the audit.