



THABO MOFUTSANYANA DISTRICT MUNICIPALITY  
Annual Financial Statements  
for the year ended 30 June 2011

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## General Information

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<b>Legal form of entity</b>	District Municipality (DC19)
<b>Mayoral committee</b>	
Executive Mayor	Her Majesty Queen Mathokoana (Term ended 31 May 2011) Dr. BE Mzangwa - (Elected 1 June 2011)
Councillors	Mr. D Lengoabala - (Term ended 31 May 2011) Mr. WR Ndlebe - (Term ended 31 May 2011) Mr. LJ Lemako - (Term ended 31 May 2011) Mr. N Mopeli - (Term ended 31 May 2011) Mr. CJ Makhoba - (Term ended 31 May 2011) Ms. NM Mosupa - (Term ended 31 May 2011) Mr. MJ Tshabalala - (Term ended 31 May 2011) Ms. SM Moleleki - (Term ended 31 May 2011) Ms. AM Nthedi (Speaker) - (Term ended 31 May 2011) Mr. PH Motsoeneng (Chief Whip) - (Term ended 31 May 2011) Newly elected councillors 1 June 2011 Ms. SM Moleleki (Chief Whip) Mr. M Maduna (Speaker) Mr. CJ Makhoba Mr. M Mamba Mr. P Mavundla Ms. M Majara Ms. M Vilakazi Ms. J Komako Mr. MA Nhlapo Ms. M Motloug
<b>Grading of local authority</b>	Grade 11
<b>Accounting Officer</b>	Matiro Rebecca Ellen Mogopodi
<b>Chief Finance Officer (CFO)</b>	Hopolang Lebusa Appointed - 1 October 2010
<b>Registered office</b>	1 Mampoi Street Old Parliament Building Witsieshoek 9870
<b>Postal address</b>	Private Bag X810 Witsieshoek 9870
<b>Auditors</b>	The Auditor General

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

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

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### Abbreviations

COGTA	Department of Cooperative Governance and Traditional Affairs (Free State)
CDF	Capital Development Fund
MEC	Member of Executive Council
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
IT	Information Technology
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
LED	Local Economic Development

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PIMSS	Planning Implementation Management Support Structures
MMC	Member of Mayoral Committee
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
PT	Provincial Treasury (Free State)
RSC	Regional Service Council Levies
IFRS	International Financial Reporting Standards

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

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## Accounting Officer's Responsibilities and Approval

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

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP).

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2012 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the Government Grants for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the Government of the Republic has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The annual financial statements set out on pages 5 to 64, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2011 and were signed on its behalf by:

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**Matiro Rebecca Ellen Mogopodi**  
**Accounting Officer**

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from non- exchange transactions	6	1 967 533	2 302 310
Receivables from non-exchange transactions - RSC Levies	7	7 212	7 212
VAT receivable	8	4 009 390	11 121 321
Cash and cash equivalents	9	17 248 509	10 930 290
		<b>23 232 644</b>	<b>24 361 133</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	3	7 949 009	7 269 863
Intangible assets	4	132 596	120 811
		<b>8 081 605</b>	<b>7 390 674</b>
Non-Current Assets		8 081 605	7 390 674
Current Assets		23 232 644	24 361 133
<b>Total Assets</b>		<b>31 314 249</b>	<b>31 751 807</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Current portion of finance lease obligation	10	581 586	674 578
Operating lease liability		12 700	9 300
Payables from exchange transactions	12	27 685 854	35 855 931
Unspent conditional grants and receipts	11	1 354 671	3 993 705
		<b>29 634 811</b>	<b>40 533 514</b>
<b>Non-Current Liabilities</b>			
Current portion of finance lease obligation	10	790 425	1 366 126
Non-Current Liabilities		790 425	1 366 126
Current Liabilities		29 634 811	40 533 514
Liabilities of disposal groups		-	-
<b>Total Liabilities</b>		<b>30 425 236</b>	<b>41 899 640</b>
Assets		31 314 249	31 751 807
Liabilities		(30 425 236)	(41 899 640)
<b>Net Assets</b>		<b>889 013</b>	<b>(10 147 833)</b>
<b>Net Assets</b>			
Accumulated surplus/(deficit)		889 013	(10 147 833)

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

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## Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
<b>Revenue from non-exchange transactions</b>			
Government grants & subsidies	14	64 886 178	72 070 854
Sundry income		10 916	800
Interest received - investment	19	978 091	1 316 562
<b>Total income</b>		<b>65 875 185</b>	<b>73 388 216</b>
<b>Expenditure</b>			
Remuneration related cost	17	(29 388 867)	(28 116 862)
Finance costs	20	(155 196)	(962 513)
Debt impairment		(221 586)	(327 646)
Repairs and maintenance		(999 551)	(1 293 586)
General Expenses	15	(24 049 510)	(45 674 609)
<b>Total Expenditure</b>		<b>(54 814 710)</b>	<b>(76 375 216)</b>
Loss on disposal of movable assets		(23 628)	(19 603)
Revenue		65 875 185	73 388 216
Expenditure		(54 814 710)	(76 375 216)
Other		(23 628)	(19 603)
<b>Surplus (deficit) for the year</b>		<b>11 036 847</b>	<b>(3 006 603)</b>

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus/(deficit )	Total net assets
<b>Balance at 01 July 2009</b>	<b>(7 755 843)</b>	<b>(7 755 843)</b>
Changes in net assets		
Correction of prior period error	614 613	614 613
Net income (losses) recognised directly in net assets	614 613	614 613
Surplus/(deficit) for the period	(3 006 603)	(3 006 603)
Total recognised income and expenses for the period	(2 391 990)	(2 391 990)
Total changes	(2 391 990)	(2 391 990)
<b>Balance at 01 July 2010</b>	<b>(10 147 834)</b>	<b>(10 147 834)</b>
Changes in net assets		
Surplus/(deficit) for the period	11 036 847	11 036 847
Total changes	11 036 847	11 036 847
<b>Balance at 30 June 2011</b>	<b>889 013</b>	<b>889 013</b>

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Cash flow statement

Figures in Rand	Note(s)	2011	2010
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants		64 886 178	57 340 564
Interest income received		978 091	1 316 562
Other receipts		10 916	800
		<u>65 875 185</u>	<u>58 657 926</u>
<b>Payments</b>			
Employee costs		(30 773 963)	(21 759 543)
Finance costs		(155 196)	(721 182)
Other payments		(27 089 364)	(41 288 573)
		<u>(58 018 523)</u>	<u>(63 769 298)</u>
Total receipts		65 875 185	58 657 926
Total payments		(58 018 523)	(63 769 298)
<b>Net cash flows from operating activities</b>	22	<b><u>7 856 662</u></b>	<b><u>(5 111 372)</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(702 773)	(574 739)
Proceeds from sale of property, plant and equipment		-	35 087
Purchase of other intangible assets	4	(11 785)	(87 350)
<b>Net cash flows from investing activities</b>		<b><u>(714 558)</u></b>	<b><u>(627 002)</u></b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(823 885)	(893 765)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6 318 219</b>	<b>(6 632 139)</b>
Cash and cash equivalents at the beginning of the year		10 930 290	17 562 429
<b>Cash and cash equivalents at the end of the year</b>	9	<b><u>17 248 509</u></b>	<b><u>10 930 290</u></b>

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

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

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

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, in conformity with GRAP requires management to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying the accounting policies that have the most significant effect on the amount recognised in the annual financial statements as well as assumptions and estimations uncertainties that have a significant risk of resulting in a material adjustments within the next financial year.

#### Receivables from non-exchange transactions

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus 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 trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

#### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.1 Significant judgements and sources of estimation uncertainty (continued)

#### Contingent provisions

Contingencies recognised in the current year required estimates and judgments, refer to note on contingencies.

#### Impairment of receivables

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

### 1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured 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 management. Trade discounts and rebates are deducted in arriving at the cost.

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

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

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

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which

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## Accounting Policies

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### 1.2 Property, plant and equipment (continued)

meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Property, plant and equipment	
• Plant and machinery	3 years
• Furniture and fixtures	7 years
• Motor vehicles	5 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### Transitional provision

The municipality changed its accounting policy for property, plant and equipment in 2010. The change in accounting policy was made in accordance with its transitional provision as per Directive 4 of the GRAP Reporting Framework.

According to the transitional provision, the municipality is not required to measure property, plant and equipment for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Property, plant and equipment. Property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in 3. The transitional provision expires on 30 June 2012.

In accordance with the transitional provision as per Directive 4 of the GRAP Reporting Framework, where property, plant and equipment was acquired through a transfer of functions, the municipality is not required to measure that

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.2 Property, plant and equipment (continued)

property, plant and equipment for a period of three years from the effective date of the transfer of functions or the effective date of the Standard, whichever is later. The municipality acquired a transfer(s) of function in 2011 and property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in 3.

Until such time as the measurement period expires and property, plant and equipment is recognised and measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment, the municipality need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),

The exemption from applying the measurement requirements of the Standard of GRAP on Property, plant and equipment implies that any associated presentation and disclosure requirements need not be complied with for property, plant and equipment not measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment.

### 1.3 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

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Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.3 Intangible assets (continued)

Item	Useful life
Computer software	3 years

intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

#### Transitional provision

The municipality changed its accounting policy for intangible assets in 2010. The change in accounting policy was made in accordance with its transitional provision as per Directive 4 of the GRAP Reporting Framework.

According to the transitional provision, the municipality is not required to measure intangible assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Intangible assets. Intangible Assets has accordingly been recognised at provisional amounts, as disclosed in 4. The transitional provision expires on 30 June 2012.

In accordance with the transitional provision as per Directive 4 of the GRAP Reporting Framework, where intangible assets was acquired through a transfer of functions, the municipality is not required to measure that intangible assets for a period of three years from the effective date of the transfer of functions or the effective date of the Standard, whichever is later. The municipality acquired a transfer(s) of function in 2011 and intangible assets has accordingly been recognised at provisional amounts, as disclosed in 4.

Until such time as the measurement period expires and intangible assets are recognised and measured in accordance with the requirements of the Standard of GRAP on Intangible assets, the municipality need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),

The exemption from applying the measurement requirements of the Standard of GRAP on Intangible assets implies that any associated presentation and disclosure requirements need not be complied with for intangible assets not measured in accordance with the requirements of the Standard of GRAP on Intangible assets.

### 1.4 Financial instruments

#### Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Cash and cash equivalents
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

#### Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.4 Financial instruments (continued)

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at settlement date.

#### Subsequent measurement

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

#### Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

#### Impairment of financial assets

At each end of the reporting period the municipality assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.4 Financial instruments (continued)

#### Trade and other payables

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

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

#### Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- A gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit; and
- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

#### Derecognition

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the municipality has transferred its rights to receive cash flows from the asset and either
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the municipality could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the municipality's continuing involvement is the amount of the transferred asset that the municipality may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

##### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.4 Financial instruments (continued)

recognised in surplus or deficit.

### 1.5 Leases

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

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessee

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

### 1.6 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.6 Impairment of cash-generating assets (continued)

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

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

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

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## Accounting Policies

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### 1.6 Impairment of cash-generating assets (continued)

recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

### 1.7 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

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## Accounting Policies

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### 1.7 Share based payments (continued)

- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

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

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.8 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

### 1.9 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised

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# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.9 Provisions and contingencies (continued)

and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- 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.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding agreement.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

#### Transitional provision

The municipality changed its accounting policy for provisions, contingent liabilities and contingent assets in 2010. The change in accounting policy was made in accordance with its transitional provision as per Directive 4 of the GRAP Reporting Framework.

In accordance with the transitional provision as per Directive 4 of the GRAP Reporting Framework, where provisions, contingent liabilities and contingent assets was acquired through a transfer of functions, the municipality is not required to measure that provisions, contingent liabilities and contingent assets for a period of three years from the effective date of the transfer of functions or the effective date of the Standard, whichever is later. The municipality acquired a transfer(s) of function in 2010 and provisions, contingent liabilities and contingent assets has accordingly been recognised at provisional amounts, as disclosed in .

Until such time as the measurement period expires and provisions, contingent liabilities and contingent assets is recognised and measured in accordance with the requirements of the Standard of GRAP on Provisions, contingent liabilities and contingent assets, the municipality need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),

The exemption from applying the measurement requirements of the Standard of GRAP on Provisions, contingent liabilities and contingent assets implies that any associated presentation and disclosure requirements need not be complied with for provisions, contingent liabilities and contingent assets not measured in accordance with the requirements of the Standard of GRAP on Provisions, contingent liabilities and contingent assets.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.10 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

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

#### Sale of goods

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

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

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

#### Interest received

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.10 Revenue from exchange transactions (continued)

municipality, and

- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends, or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

### 1.11 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.11 Cost of sales (continued)

breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

### 1.12 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.13 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.14 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1.15 Irregular expenditure

Irregular expenditure as defined in the MFMA (Act No 56 of 2003), the Municipal System Act (Act No 32 of 2000) and the Public Office Bearers Act (Act 20 of 1998) or the municipality's supply chain management policies is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

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

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

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

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

### 1.16 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

### 1.17 Presentation of currency

These annual financial statements are presented in South African Rand.

### 1.18 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

### 1.19 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## 2. New standards and interpretations

### **GRAP 23: Revenue from Non-exchange Transactions (Taxes and Transfers)**

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the municipality.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability and recognise an amount equal to that reduction as revenue.

The impact of the standard is not material.

### **GRAP 21: Impairment of non-cash-generating assets**

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

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

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

The impact of the standard is set out in note Changes in Accounting Policy.

### **2.1 Standards issued and not yet effective**

The following standards expected to be applicable to the municipality have been issued, but are not yet effective:

The GRAP standards below will be applied by the municipality from the effective date determined by the Minister of Finance. The effective dates are currently unknown. International Financial Reporting Standards will be applied from the effective date of the Standard as indicated below.

#### **IFRS 7: Financial Instruments: Disclosures - Amendments to disclosures**

IFRS 7 is amended to add an explicit statement that the qualitative disclosure should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments.

The existing disclosure requirements of IFRS 7 are amended as follows:

- IFRS 7 is amended to state that clarification that disclosure of the amount that best represents an entity's maximum exposure to credit risk is required only if the carrying amount of a financial asset does not reflect

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

such exposure already.

- Additional requirement to disclose the financial effect of collateral held as security and other credit enhancements in respect of a financial instrument. An example of such disclosure is quantification of the extent to which credit risk is mitigated by the collateral and other credit enhancements obtained. This disclosure is in addition to the existing requirement to describe the existence and nature of such collateral.
- IFRS 7 is amended to state that clarification that disclosure in respect of collateral taken possession off by the entity is required only in respect of such collateral held at the end of the reporting period.

The following requirements have been removed from IFRS 7:

- Disclosure of the carrying amount of financial assets that would have been past due or impaired if their terms had not been renegotiated.
- Disclosure of a the description and fair value of collateral held as security and other credit enhancements in respect of financial assets that are past due but not impaired and in respect of financial assets that are individually determined to be impaired.

Additionally, the clause stating that quantitative disclosures are not required when a risk is not material has been removed from IFRS 7. The general materiality considerations continue to apply to all disclosures required by IFRS 7 in the same way as they apply to other IFRSs.

The amended is effective for annual periods beginning on or after 1 January 2011.

The amendments will be adopted by the municipality for the first time for its financial reporting period ending 30 June 2012.

The municipality is unable to reliably estimate the impact of the amendment on the annual financial statements.

### **GRAP 4: The Effects of Changes in Foreign Exchange Rates**

The initial application of GRAP 4 will have no impact on the annual financial statements.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, requires retrospective application on the initial adoption of the Standard except for the acquisition of foreign operations.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard.

The effective date of the standard is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

### **GRAP 6: Consolidated and Separate Financial Statements**

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

GRAP 6 includes specific guidance on whether control exists and on power conditions to determine whether control exists in a public sector context – public sector entities need to consider impact of this guidance to determine whether an investment should be accounted for in accordance with GRAP 6.

GRAP 6 includes specific guidance and explanatory material on the accounting of special purpose entities adopted from SIC 12 – SA specific public sector amendment. Public sector entities need to consider impact of this guidance to determine whether an investment should be accounted for in accordance with GRAP 6.

The initial application of GRAP 6 will have no impact on the annual financial statements.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, requires retrospective application of the Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard for separate annual financial statements. For consolidated annual financial statements the result of initially adopting the Standard shall be recognised in the economic entity as an adjustment to the opening balance of accumulated surplus or deficit and comparative information need not be restated for the economic entity.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard for separate annual financial statements. For consolidated annual financial statements the result of initially adopting the Standard shall be recognised in the economic entity as an adjustment to the opening balance of accumulated surplus or deficit and comparative information need not be restated for the economic entity.

The effective date of the standard is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

### **GRAP 7: Investments in Associates**

An associate is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The investor must exercise judgement in the context of all available information to determine if it has significant influence over an investee.

An investor accounts for investments in associates in the consolidated annual financial statements using the equity method.

The initial application of GRAP 7 will have no impact on the annual financial statements.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, requires retrospective application of the Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

Standard for separate annual financial statements. Any adjustments required to annual financial statements as a result of initially applying the equity method shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted. Comparative information need not be restated in these annual financial statements.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard for separate annual financial statements. Any adjustments required to annual financial statements as a result of initially applying the equity method shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted. Comparative information need not be restated in these annual financial statements.

The effective date of the standard is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

### GRAP 8: Interests in Joint Ventures

GRAP 8 uses a different definition for joint venture and joint control – contractual arrangement has been replaced by binding arrangement (public sector amendment) – public entities need to review current arrangements to determine whether they fall within the scope of GRAP 8 as a result of the public sector amendment.

Applying the definition of joint control as defined in this Standard may result in the identification of other entities that are also jointly controlled ventures in addition to those identified by complying with applicable legislation.

GRAP 8 incorporates guidance adopted from SIC13 on Non-monetary Contributions by ventures issued by the IASB i.e. provisions for accounting for non-monetary contributions to a jointly controlled entity in exchange for an equity interest in the jointly controlled entity that is accounted for using either the equity method or proportionate consolidation. (Par.57-62).

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, requires retrospective application of the Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard for separate annual financial statements. Any adjustments required to annual financial statements as a result of initially applying the equity or proportionate consolidation method shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted. Comparative information need not be restated in these annual financial statements.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard for separate annual financial statements. Any adjustments required to annual financial statements as a result of initially applying the equity or proportionate consolidation method shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit of the period in which the Standard is adopted. Comparative information need not be restated in these annual financial statements.

The effective date of the standard is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 10: Financial Reporting in Hyperinflationary Economies**

GRAP 10 includes additional guidance as adopted from Financial Reporting in Hyperinflationary Economies (IFRIC 7) on Applying the Restatement Approach.

The initial application of GRAP 4 will have no impact on the annual financial statements.

The effective date of the standard is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 11: Construction Contracts**

The definition for "construction contract" was expanded by including a binding arrangement that do not take the form of a legal contract within the scope of the Standard.

Definition for "cost plus or cost based contract" has been expanded to include commercially-based contract.

The scope has been expanded to include cost based and non-commercial contracts.

Public entities need to review contracts to determine whether they fall within the scope of the Standard based on the above changes.

GRAP 11 incorporates the concept of service potential in the condition to determine whether the outcome of a construction contract can be estimated reliably. The requirement to recognise an expected deficit on a contract immediately when it becomes probable that contract costs will exceed total contract revenue applies only to contracts in which it is intended at the inception of the contract that contract costs are to be fully recovered from the parties to that contract (par.47).

Other than the above requirements, there is no other affect on initial adoption of GRAP 11.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard.

The effective date of the standard is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

## **Notes to the Annual Financial Statements**

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### **2. New standards and interpretations (continued)**

#### **GRAP 12: Inventories**

GRAP 12 includes the definition of current replacement costs as the cost the municipality would incur to acquire the asset on the reporting date. GRAP 12 also includes the principle of service potential associated with the item that will flow to the municipality as part of recognition criteria for inventories as well as the concept of goods purchased or produced for distribution at no charge or for a nominal consideration, which is specific to the public sector.

Initial measurement is required at cost (an exchange transaction) and where inventories are acquired at no cost or nominal consideration (non-exchange transaction), their cost shall be their fair value at acquisition date.

Subsequent measurement shall be at lower of cost and net realisable value except if inventories are held for:

- distribution at no charge or for a nominal charge, or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

If the above applies then subsequent measurement shall be at the lower of cost or current replacement cost.

The retail method of measurement of cost is excluded from GRAP 12.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard. However, entities are not required to measure inventories in accordance with the requirements of the Standard for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard.

The effective date of the standard is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 16: Investment Property**

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of an entity's operations.

GRAP 16 states that the use of property to provide housing as a social service does not qualify as investment property even though rentals are earned.

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

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

After initial recognition, entities can carry investment property at either the fair value (fair value model) or cost less

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

accumulated depreciation and accumulated impairment (cost model).

An entity is required to disclose the fair value of investment property if the cost model is used. When an entity carries investment properties at fair value, the fair value needs to be determined at every reporting date. Gains or losses arising from changes in fair value are included in surplus or deficit for the period in which they arise.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard. However, entities are not required to measure investment properties in accordance with the requirements of the Standard for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard.

The effective date of the standard is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

### **GRAP 18: Segment Reporting**

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

### **GRAP 100: Non-current Assets Held for Sale and Discontinued Operations**

GRAP 100 includes in its scope the reference to non-cash generating assets. It further includes definitions relevant to the understanding of the Standard e.g. "Non-cash-generating assets" are assets other than cash-generating assets and "value in use of a non-cash-generating asset" is the present value of the asset's remaining service potential.

GRAP 100 excludes from the description of a discontinued operation reference to a controlled entity acquired exclusively with a view to resale.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

prospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires prospective application of the Standard. However, the Standard would not apply to those items that have not been recognised as a result of the transitional provisions under the Standard of Property, Plant and Equipment until the transitional provision in that Standard expires.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires prospective application of the Standard. However, the Standard would not apply to those items that have not been recognised as a result of the transitional provisions under the Standards of GRAP on Inventories, Investment Property, Property, Plant and Equipment, Agriculture and Intangible Assets until the transitional provision in that Standard expires.

The effective date of the standard is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 101: Agriculture**

GRAP 101 excludes guidance on accounting for non-exchange revenue from government grants related to a biological asset as GRAP 23 on Revenue from Non-Exchange Transactions will provide such guidance.

Recognition requirement includes the concept of the probable flow of service potential.

Biological assets acquired at no or for a nominal value shall be measured on initial recognition and at each reporting date at its fair value less estimated point-of-sale costs.

Additional disclosure is required of biological assets for which the municipality's use or capacity to sell is subject to restrictions imposed by regulations that have a significant impact on their total fair value less estimated point-of-sale costs.

In the reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period it is also required to disclose increases or decreases due to transfers.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires any adjustments required to the previous carrying amounts of assets and net assets shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit in the period that the Standard initially adopted. Comparative information is not required to be restated on initial adoption of this Standard.

Directive 4 - Transitional provisions for medium and low capacity requires any adjustments required to the previous carrying amounts of assets and net assets shall be recognised as an adjustment to the opening balance of accumulated surplus or deficit in the period that the Standard is initially adopted. Comparative information is not required to be restated. Entities are not required to recognise biological assets and/or agricultural produce for reporting periods beginning on or after a date within three years following the date of initial adoption of this Standard.

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

The effective date of the standard is for years beginning on or after 01 April 2009.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 103: Heritage Assets**

Heritage assets are assets which have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Certain heritage assets are described as inalienable items means that they are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

A heritage asset is recognised as an asset only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Heritage assets are recognised at cost unless they are acquired through a non-exchange transaction, in which case they are recognised at their fair value as at the date of acquisition.

The municipality has a choice between the cost and revaluation model as an accounting policy for subsequent measurement and is required to apply the chosen policy to an entire class of heritage assets.

Heritage assets are subsequently carried at their cost or revalued amount less accumulated impairment. These assets are not depreciated.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### **GRAP 26: Impairment of cash-generating assets**

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset. When estimating the value in use of an asset, a municipality should estimate the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and a municipality should apply the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand

2011

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### 3. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation and impairment losses	Carrying value	Cost / Valuation	Accumulated depreciation and impairment losses	Carrying value
Plant and machinery	3 494 200	(288 443)	3 205 757	3 787 705	(649 443)	3 138 262
Furniture and fixtures	3 270 474	(1 512 041)	1 758 433	2 992 156	(1 512 041)	1 480 115
Motor vehicles	1 577 526	(189 836)	1 387 690	1 577 526	(189 836)	1 387 690
IT equipment	2 266 856	(669 727)	1 597 129	1 942 637	(678 841)	1 263 796
<b>Total</b>	<b>10 609 056</b>	<b>(2 660 047)</b>	<b>7 949 009</b>	<b>10 300 024</b>	<b>(3 030 161)</b>	<b>7 269 863</b>

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

	Opening balance	Additions	Disposals	Total
Plant and machinery	3 138 262	86 495	(19 000)	3 205 757
Furniture and fixtures	1 480 115	278 318	-	1 758 433
Motor vehicles	1 387 690	-	-	1 387 690
IT equipment	1 263 796	337 960	(4 627)	1 597 129
	<b>7 269 863</b>	<b>702 773</b>	<b>(23 627)</b>	<b>7 949 009</b>

#### Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Disposals	Total
Plant and machinery	3 114 619	23 643	-	3 138 262
Furniture and fixtures	1 357 777	122 338	-	1 480 115
Motor vehicles	1 442 380	-	(54 690)	1 387 690
IT equipment	835 038	428 758	-	1 263 796
	<b>6 749 814</b>	<b>574 739</b>	<b>(54 690)</b>	<b>7 269 863</b>

#### Assets subject to finance lease (Net carrying amount)

Plant and machinery	2 652 452	2 652 452
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#### Transitional provisions

#### Property, plant and equipment recognised at provisional amounts

In accordance with the transitional provisions as per Directive 4 of the GRAP Reporting Framework, as disclosed in note , property, plant and equipment with a carrying value of R 7 949 009 (2010: R 7 269 863) is recognised at provisional amounts. Carrying amounts of property, plant and equipment carried at provisional amounts are as follows:

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand 2011 2010

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

#### Due to initial adoption of GRAP 17

Plant and machinery	3 224 757	3 138 262
Furniture and fixtures	1 758 433	1 480 115
Motor vehicles	1 387 690	1 387 690
IT equipment	1 597 129	1 263 796

The date at which full compliance with GRAP 17 is expected, is 30 June 2012

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

Steps taken to establish the values of property, plant and equipment recognised at provisional amounts due to the initial adoption of GRAP 17, is as follows:

Management in the process of commencing with the valuation exercise of all assets. The expected completion of the asset valuation exercise, updating of the asset values and the asset register expected date is 30 June 2012

### 4. Intangible assets

	2011			2010		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	294 648	(162 052)	132 596	282 863	(162 052)	120 811

#### Reconciliation of intangible assets - 2011

	Opening balance	Additions	Total
Computer software, other	120 811	11 785	132 596

#### Reconciliation of intangible assets - 2010

	Opening balance	Additions	Total
Computer software, other	33 461	87 350	120 811

#### Transitional provisions

#### Intangible assets recognised at provisional amounts

In accordance with the transitional provisions as per Directive 4 of the GRAP Reporting Framework, as disclosed in note , certain intangible assets with a carrying value of R 132 596 (2010: R 120 811) is recognised at provisional amounts. Carrying amounts of intangible assets carried at provisional amounts are as follows:

#### Due to initial adoption of GRAP 102

Computer Software	132 596	120 811
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# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand

2011

2010

### 4. Intangible assets (continued)

Steps taken to establish the values of intangible assets recognised at provisional amounts due to the initial adoption of GRAP 102, are as follows:

Management in the process of commencing with the valuation exercise of all assets. The expected completion of the valuation exercise, updating of asset valuations and the updating of the asset register expected date is 30 June 2012.

The date at which full compliance with GRAP 102 is expected, is 30 June 2012.

### 5. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

#### 2011

	Loans and receivables	Available-for-sale	Total
Receivable from non-exchange transactions	1 967 533	-	1 967 533
Cash and cash equivalents	-	17 248 509	17 248 509
Vat receivables	4 009 390	-	4 009 390
Receivable from non-exchange transaction - RSC levies	7 212	-	7 212
	<b>5 984 135</b>	<b>17 248 509</b>	<b>23 232 644</b>

#### 2010

	Loans and receivables	Available-for-sale	Total
Receivables from non-exchange transactions	2 302 310	-	2 302 310
Cash and cash equivalents	-	10 930 290	10 930 290
VAT receivable	11 121 321	-	11 121 321
Receivable from non-exchange transaction - RSC levies	7 212	-	7 212
	<b>13 430 843</b>	<b>10 930 290</b>	<b>24 361 133</b>

### 6. Receivables from non- exchange transactions

Operating lease prepayment	13 427	13 427
Sundry debtors	284 986	430 344
Suspense account - unidentified payment	304 143	304 143
Seconded councillor's salaries overpayment	1 784 288	1 611 620
Councillors over payments	126 818	267 320
Impairment provision	(546 129)	(324 544)
	<b>1 967 533</b>	<b>2 302 310</b>

#### Suspense account - unidentified payment

Payment relates to a transaction against the bank account and cashbook on the 14 May 2009. No supporting documentation can be traced to identify the nature and the depositors of this batch payment processed.

#### Credit quality of receivables from non-exchange transactions

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand 2011 2010

### 6. Receivables from non- exchange transactions (continued)

The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

#### Receivables from non-exchange transactions impaired

As of 30 June 2011, R 546 129 (2010: R 324 544) sundry receivables with a carrying amount of R2 513 662 (2010: R2 626 854) were impaired and provided for.

The ageing of these receivables are as follows:

3 to 6 months	19 200	1 977 766
Over 6 months	1 948 333	324 544

#### Reconciliation of impairment of receivables from non-exchange transactions

Opening balance	324 544	-
Impairment - current year	221 585	324 544
	<u>546 129</u>	<u>324 544</u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The municipality does not hold any collateral as security.

### 7. Receivables from non-exchange transactions - RSC Levies

RSC levies	49 087 074	49 087 074
Impairment	(49 079 862)	(49 079 862)
	<u>7 212</u>	<u>7 212</u>

#### Receivables from non-exchange transactions - RSC Levies impaired

As of 30 June 2011, receivables from non-exchange transactions - RSC levies with a carrying amount of R 49 087 074 (2010: R 49 087 074) were impaired and provided for.

The amount of the provision was R 49 079 862 as of 30 June 2011 (2010: R 49 079 862).

The ageing of these loans is as follows:

Over 12 months	49 087 074	49 087 074
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#### Reconciliation of provision for impairment of receivables from non-exchange transactions - rsc levies

Opening balance	49 079 862	49 076 760
Provision for impairment	-	3 102
	<u>49 079 862</u>	<u>49 079 862</u>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The municipality does not hold any collateral as security.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand 2011 2010

### 8. VAT receivable

VAT receivable	4 009 390	11 121 321
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The municipality accounts for VAT on the payments basis.

### 9. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1 747 403	6 164 983
Short-term deposits	15 501 106	4 765 307
	<b>17 248 509</b>	<b>10 930 290</b>

#### The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2011	30 June 2010	30 June 2009	30 June 2011	30 June 2010	30 June 2009
ABSA Bank - Cheque Account - 770-150-841	1 747 403	6 129 983	1 229 548	1 747 403	6 164 983	1 230 539
ABSA Bank - Call Account - 921-300-0832	613 131	610 492	600 440	613 131	610 492	600 440
ABSA Bank - Fixed Deposit Account - 206-206-4985	11 748 844	1 177 950	9 423 557	11 748 844	1 177 950	9 423 557
FNB Bank - Fixed Deposit Account - 712-773-340- 226	3 139 131	2 976 864	6 307 893	3 139 131	2 976 864	6 307 893
<b>Total</b>	<b>17 248 509</b>	<b>10 895 289</b>	<b>17 561 438</b>	<b>17 248 509</b>	<b>10 930 289</b>	<b>17 562 429</b>

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>10. Current portion of finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	680 969	847 369
- in second to fifth year inclusive	838 677	1 531 234
	<u>1 519 646</u>	<u>2 378 603</u>
less: future finance charges	(147 635)	(337 899)
<b>Present value of minimum lease payments</b>	<u><b>1 372 011</b></u>	<u><b>2 040 704</b></u>
<b>Present value of minimum lease payments due</b>		
- within one year	581 586	674 578
- in second to fifth year inclusive	790 425	1 366 126
	<u><b>1 372 011</b></u>	<u><b>2 040 704</b></u>
Non-current liabilities	790 425	1 366 126
Current liabilities	581 586	674 578
	<u><b>1 372 011</b></u>	<u><b>2 040 704</b></u>

It is the municipality's policy to lease certain office equipment under finance leases.

The average lease term is between 3-5 years and the average effective borrowing rate was between 9% and 15.5% (2010: 10 to 15%).

Interest rates are linked to prime at the contract date. All leases escalate at 15% p.a and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 3.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>11. Unspent conditional grants and receipts</b>		
<b>Unspent conditional grants and receipts comprises of:</b>		
COGTA - Finance support grant	566 855	1 000 000
COGTA - Operation Hlasela	-	1 000 000
Department of Transport - Rural Development	6 904	343 455
Municipal System Improvement Grant (MSIG)	-	128 415
Municipal Infrastructure Grant (MIG)	780 912	1 521 835
	<b>1 354 671</b>	<b>3 993 705</b>
<b>Movement during the year</b>		
Balance at the beginning of the year	3 993 705	18 723 994
Received during the year	2 113 599	2 735 000
Income recognition during the year	(3 752 633)	(17 465 289)
Transfer back to donor	(1 000 00)	
	<b>1 354 671</b>	<b>3 993 705</b>

The nature and extent of government grants and their conditions, restrictions and other contingencies attached to these government grants have not been fulfilled and hence recognised in the annual financial statements as unspent conditional grants.

Significant decreases in the level of government grants received is as a result of the municipality no longer receiving Municipal Infrastructure Grants (MIG)

See note 14 for the reconciliation of other grants from National/Provincial Government.

## 12. Payables from exchange transactions

Trade payables	4 743 425	6 985 722
Employee cost	-	903 031
Accrued leave pay	2 415 442	2 927 454
Accrued bonus	1 107 594	1 031 950
South African Revenue Services - employees taxes	600 373	5 640 769
Unallocated deposits - RSC levies	1 516 161	1 507 676
Councillors pension funds	224 069	460 530
Councillors salaries under payments	5 535	12 370
Legal fees - RSC levies	17 073 255	16 386 429
	<b>27 685 854</b>	<b>35 855 931</b>

Unallocated deposits relates to RSC levies receipts received from unidentified levy payers. These amounts are to be transferred to the municipal attorney to be held in trust until all legal matters pending between the RSC levy payers association and the municipality are resolved.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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Figures in Rand	2011	2010
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### 13. Financial liabilities by category

The accounting policies for financial instruments have been applied to the column items below:

#### 2011

	Financial liabilities at amortised cost	Total
Finance lease - non current	790 425	790 425
Finance lease - current	581 586	581 586
Other financial liabilities - current	1 367 371	1 367 371
Payables from exchange transactions	28 141 627	28 141 627
	<b>30 881 009</b>	<b>30 881 009</b>

#### 2010

	Financial liabilities at amortised cost	Total
Finance lease - non current	1 366 126	1 366 126
Finance lease - current	674 578	674 578
Other financial liabilities - current	4 003 005	4 003 005
Payables from exchange transactions	36 717 321	36 717 321
	<b>42 761 030</b>	<b>42 761 030</b>

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>14. Government grants and subsidies</b>		
Equitable share	59 867 545	53 417 390
MIG Grant	740 923	15 649 543
Other government grants and subsidies	190 000	-
Department of Public Works Programme	266 000	438 173
Department of Transport	336 551	1 209 163
LG Seta skills development grant	173 599	-
Finance Management Grant	1 000 000	750 000
Municipal Systems Improvement Grant	878 415	606 585
COGTA Grant - Legal fees assistance	1 000 000	-
COGTA - Finance support grant	433 145	-
	<b>64 886 178</b>	<b>72 070 854</b>
<b>MIG Grant</b>		
Balance unspent at beginning of year	1 521 834	17 171 377
Conditions met - transferred to revenue	(740 923)	(15 649 543)
	<b>780 911</b>	<b>1 521 834</b>
Conditions still to be met - remain liabilities (see note 11)		
<b>COGTA - Finance support grant</b>		
Balance unspent at beginning of year	1 000 000	-
Current-year receipts	-	1 000 000
Conditions met - transferred to revenue	(433 145)	-
	<b>566 855</b>	<b>1 000 000</b>
Conditions still to be met - remain liabilities (see note 11)		
<b>Equitable shares</b>		
Current-year receipts	59 867 545	53 417 390
Transferred to revenue	(59 867 545)	(53 417 390)
	-	-
<b>Department of Public Works Programme</b>		
Current-year receipts	266 000	438 173
Conditions met - transferred to revenue	(266 000)	(438 173)
	-	-
<b>Department of Transport</b>		
Balance unspent at beginning of year	343 455	1 552 617
Conditions met - transferred to revenue	(336 551)	(1 209 162)

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>14. Government grants and subsidies (continued)</b>	<b>6 904</b>	<b>343 455</b>
Conditions still to be met - remain liabilities (see note 11)		
<b>Financial Management Grant</b>		
Current-year receipts	1 000 000	750 000
Conditions met - transferred to revenue	(1 000 000)	(750 000)
	-	-
<b>Municipal Systems Improvement Grant (MSIG)</b>		
Balance unspent at beginning of year	128 415	-
Current-year receipts	750 000	735 000
Conditions met - transferred to revenue	(878 415)	(606 585)
	-	<b>128 415</b>
<b>COGTA - Legal support grant</b>		
Current-year receipts	1 000 000	-
Conditions met - transferred to revenue	(1 000 000)	-
	-	-
<b>LG Seta - skills development grant</b>		
Current-year receipts	173 599	-
Conditions met - transferred to revenue	(173 599)	-
	-	-
<b>Industrial Development Corporation grant</b>		
Current-year receipts	190 000	-
Conditions met - transferred to revenue	(190 000)	-
	-	-

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>15. General expenses</b>		
Advertising	218 912	308 563
Auditors remuneration	1 403 715	1 669 585
Bank charges	31 546	24 714
Cleaning	330 708	295 430
Capacity building councillors	237 085	-
Community development and training	654 614	1 195 995
Computer expenses	531 152	1 909 332
Conferences and delegations	10 000	-
Team building	190 680	-
Consulting and professional fees	5 875 700	13 246 477
Consumables	-	36 802
Debt collection commission	-	614 035
Infrastructure project expenditure	1 077 364	16 691 420
Entertainment	251 989	146 622
District audit committee	48 056	-
Public participation	1 078 555	525
Fuel and oil	-	22 546
Insurance	117 239	117 417
Lease rentals on operating lease	132 400	99 300
Magazines, books and periodicals	109 760	5 387
Marketing and promotions	352 889	381 140
Mayoral special projects	5 292 052	3 624 822
Motor vehicle expenses	1 021 534	594 553
Policy development	1 352 355	-
Placement fees	108 549	11 061
Postage and courier	-	1 471
Printing and stationery	192 056	248 874
Finalisation of creditable IDP	181 700	271 135
Security (Guarding of municipal property)	500 000	500 000
Implementation of SCM	-	1 800
Subscriptions and membership fees	240 959	254 501
Telephone and fax	446 246	837 609
Tourism development	41 360	805 198
Training	48 538	251 825
Travel and subsistence	1 971 797	1 506 470
	<b>24 049 510</b>	<b>45 674 609</b>

## 16. General expenses

General expenses for the year is stated after accounting for the following:

### Mayoral special projects

HIV/AIDS awareness and programmes	-	175 025
Mayoral special intervention programmes	825 322	2 179 168
Bursary funds	519 667	303 814
Youth advisory centres	-	152 632
Arts and Culture programme	23 235	-
Sport development programme	219 442	150 345
Youth participation	-	230 189

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>16. General expenses (continued)</b>		
Poverty alleviation	276 838	367 544
General and Disability programme	166 893	-
SMME development	197 563	23 145
Development Agency	35 261	-
Churches programme	-	42 960
Infrastructure support - Setsoto Local Municipality	868 626	-
Infrastructure support - Phumelela Local Municipality	321 024	-
Infrastructure support - MAP Local Municipality	1 838 181	-
	<b>5 292 052</b>	<b>3 624 822</b>
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	132 400	99 300
<b>Infrastructure projects expenditure</b>		
Zamani Sewer Reticulation	-	4 241 531
Zamani Oxidation Ponds	740 923	5 020 084
Marquard Road Paving	-	101 883
Warden District Fire Station	-	1 107 605
Tshame Sport Facility	-	1 331 845
Maken Foot Bridge	336 441	1 209 164
Arlington Road Paving	-	3 679 208
	<b>1 077 364</b>	<b>16 691 320</b>
<b>Community development projects</b>		
Stand pipes and connection	-	63 916
Road and storm water	-	515 374
Golden Gate interventions	-	362 114
Water and sanitation	-	254 592
Expanded public work projects	654 614	-
	<b>654 614</b>	<b>1 195 996</b>
<b>Consulting and professional fees</b>		
Legal fees	4 875 149	12 407 924
Consulting - accounting and internal audit services	555 470	510 125
Consulting - asset management	127 841	126 219
Consulting - payroll	189 240	202 209
Consulting - performance management	128 000	-
	<b>5 875 700</b>	<b>13 246 477</b>

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>17. Remuneration related costs</b>		
Basic	21 132 911	22 232 963
Bonus	1 117 136	1 031 951
Medical aid - company contributions	1 964 006	162 594
UIF contributions	257 946	134 103
SDL	233 008	180 607
Other payroll levies	271 189	12 117
Leave pay provision charge	(512 012)	110 000
Travel, motor car, accommodation, subsistence and other allowances	284 245	-
Long-service awards	25 108	-
Car allowance	3 528 717	2 932 316
Housing benefits and allowances	951 974	965 690
Cellphone allowance	134 639	354 521
	<b>29 388 867</b>	<b>28 116 862</b>

The above total remuneration cost includes the cost to company of officials and councillors for the period ended 30 June 2011.

The details of remuneration paid to councillors are disclosed in note 19.

Remuneration paid to key personnel are disclosed below.

### Remuneration of municipal manager - Mr. MP Moloi

Annual Remuneration	-	203 443
Car Allowance	-	56 000
Contributions to UIF, Medical and Pension Funds	-	10 571
Cellphone	-	8 000
Other	155 323	1 338
	<b>155 323</b>	<b>279 352</b>

Mr. MP Moloi terminated his services with the municipality on the 30 September 2009.

Outstanding leave balance was paid to Mr. MP Moloi during the current financial period in accordance to the Main Collective Agreement .

### Remuneration of Chief Finance Officer - Mr. MR Mpakane

Annual Remuneration	-	30 000
Car Allowance	-	20 000
Contributions to UIF, Medical and Pension Funds	-	1 777
Leave payout	-	110 765
	-	<b>162 542</b>

Mr MR Mpakane terminated his service with the municipality on 31 October 2009

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand 2011 2010

### 17. Remuneration related costs (continued)

#### Remuneration of executive director Community Service - Ms. TPM Lebenya

Annual Remuneration	520 616	440 000
Car Allowance	177 964	160 000
Contributions to UIF, Medical and Pension Funds	-	5 435
Travel, motor car, accommodation, subsistence and other allowances	20 594	-
Cellphone allowance	7 200	-
	<b>726 374</b>	<b>605 435</b>

#### Remuneration of manager Corporate Services - Ms. NF Malatjie

Annual Remuneration	355 370	225 036
Non pensionable allowance	-	4 704
Car allowance	97 249	-
Annual bonuses	20 969	17 107
Contributions to UIF, Medical and Pension Funds	-	69 952
Back pay	-	2 224
Travel, motor car, accommodation, subsistence and other allowances	37 079	-
Overpayment	-	(2 694)
Acting allowance	67 092	284 903
	<b>577 759</b>	<b>601 232</b>

Ms. NF Malatjie employed as the Corporate Support Manager was appointed as the Acting Corporate Services Manager from 1 August 2009 to 30 September 2010

#### Remuneration of Acting Chief Financial Officer- Ms. EN Mtimkulu

Annual Remuneration	454 351	319 415
Car allowance	21 611	-
Non pensionable allowance	-	6 612
Annual bonuses	33 992	26 568
Contributions to UIF, Medical and Pension Funds	-	124 145
Cellphone	2 400	7 200
Overpayment	-	(6 137)
Acting allowance	48 248	140 261
Other	3 514	-
	<b>564 116</b>	<b>618 064</b>

Ms. EN Mtimkulu employed as the Supply Chain Manager at the municipality was appointed as the Acting Chief Financial Officer from 1 November 2009 to 30 September 2010.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand 2011 2010

### 17. Remuneration related costs (continued)

#### Manager infrastructure - Mr. B Mphahlele

Annual Remuneration	408 589	364 793
Car Allowance	125 693	109 438
Housing allowance	-	1 200
Contributions to UIF, Medical and Pension Funds	-	104 425
Cellphone	12 000	12 000
Annual bonuses	33 992	30 642
Travel, motor car, accommodation, subsistence and other allowances	90 148	-
Other	3 600	4 460
	<u>674 022</u>	<u>626 958</u>

Mr. B Mphahlele appointed as the manager of infrastructure was appointed as the Acting executive manager LED & Tourism on 1 May 2010 to 30 November 2010. No acting allowance is paid to him as he falls into the remuneration bracket of a full time executive manager.

#### Remuneration of Acting executive manager Governance - Mr. T Motaung

Annual Remuneration	412 618	316 289
Car Allowance	128 978	94 887
Annual bonuses	29 472	26 568
Contributions to UIF, Medical and Pension Funds	-	6 572
Back pay	9 466	3 126
Non pensionable allowance	-	6 612
Travel, motor car, accommodation, subsistence and other allowances	108 675	-
Acting allowance	65 555	85 985
	<u>754 764</u>	<u>540 039</u>

Mr. T Motaung was appointed as the Acting executive manager Governance on 1 April 2010.

#### Municipal manager - Ms. MRE Mogopodi

Annual Remuneration	620 214	27 000
Car Allowance	186 453	11 250
Housing allowance	46 573	3 150
Contributions to UIF, Medical and Pension Funds	30 000	516
Travel, motor car, accommodation, subsistence and other allowances	63 786	-
Other	-	3 599
Cellphone	19 500	-
	<u>966 526</u>	<u>45 515</u>

Ms. MRE Mogopodi was appointed as the Municipal Manager and commenced her term of employment on the 14 June 2010

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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Figures in Rand	2011	2010
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### 17. Remuneration related costs (continued)

#### Remuneration of Chief Financial Officer - Mr. HI Lebusa

Annual Remuneration	402 408	-
Car Allowance	135 000	-
Housing allowance	35 925	-
Travel, motor car, accommodation, subsistence and other allowances	14 775	-
Cellphone	10 800	-
	<hr/>	<hr/>
	<b>598 908</b>	<b>-</b>

Mr HI Lebusa was appointed as the Chief Financial Officer and commenced his term of office from 1 October 2010.

#### Remuneration of executive manager Corporate Service - Ms P Moloi

Annual Remuneration	339 666	-
Car Allowance	117 000	-
Contributions to UIF, Medical and Pension Funds	60 001	-
Travel, motor car, accommodation, subsistence and other allowances	8 301	-
Cellphone	10 800	-
	<hr/>	<hr/>
	<b>535 768</b>	<b>-</b>

Ms. P Moloi was appointed as the Executive manager Corporate Service and commenced her term of office from 1 October 2010.

#### Acting executive manager LED & Tourism - S Lengoabala

Annual Remuneration	286 590	-
Car Allowance	68 797	-
Performance and other bonuses	23 887	-
Acting allowance	115 335	-
Travel, motor car, accommodation, subsistence and other allowances	30 956	-
Cellphone	7 200	-
Other	17 514	-
	<hr/>	<hr/>
	<b>550 279</b>	<b>-</b>

Mr. S Lengoabala manager in the Executive Mayor's office was appointed as the Acting executive manager LED & Tourism on 1 December 2010.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>18. Remuneration of councillors</b>		
Executive Major - Her Majesty Queen Mathokoana	606 570	619 936
Mayoral Committee Members	4 037 649	3 621 728
Speaker - Ms. AM Nethedi	452 177	479 858
Councillors	1 578 055	1 409 519
Chief Whip - Mr. PH Motsoeneng	46 984	447 937
Seconded councillors overpayments - to be recovered	(196 668)	(540 886)
Councillors overpayments - Government Gazette	-	(55 247)
Third parties adjustment	-	(629 125)
	<b>6 524 767</b>	<b>5 353 720</b>

### In-kind benefits

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

The Executive Mayor has the use of separate Council owned vehicles for official duties.

### 19. Investment revenue

#### Finance income

Bank	978 091	1 316 562
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The amount included in Investment revenue arising from non-exchange transactions amounted to R 978 091.

### 20. Finance costs

Finance leases	155 196	241 331
Interest and penalties - South African Revenue Services	-	721 182
	<b>155 196</b>	<b>962 513</b>

### 21. Operating lease

Operating lease payments represents rentals payable by the municipality for the premises at 154 Cambridge Street, Bethlehem, Free State.

The lease was negotiated for a period of three years. The rentals escalate at 10% on an annual basis. Currently monthly rentals repayments are R12 540 including VAT.

The municipality has the option of renewing the lease for a further period of 3 years at the end of the current lease period on the same terms and conditions as the original lease agreement, at a rental to be agreed upon amongst the parties on termination of the current lease agreement. Should the lessee not give the lessor notice of his intention not to exercise the said option by registered post, not later than 6 months before expiry of the first period of the lease, the option will be deemed to have been automatically renewed on a month to month basis.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>22. Cash generated from (used in) operations</b>		
Surplus (deficit)	11 036 847	(3 006 603)
<b>Adjustments for:</b>		
Loss of assets due to theft/disposal	23 628	19 603
Finance costs - Finance leases	155 196	241 331
Debt impairment	221 586	327 646
Movements in operating lease assets and accruals	3 400	9 300
<b>Changes in working capital:</b>		
Receivables from non- exchange transactions	334 777	(871 232)
Other receivables from non-exchange transactions	-	4 733
Sundry debtors	(221 586)	(327 646)
Payables from exchange transactions	(8 170 083)	18 627 257
VAT receivable / payable	7 111 931	(5 405 472)
Unspent conditional grants and receipts	(2 639 034)	(14 730 289)
	<b>7 856 662</b>	<b>(5 111 372)</b>

## 23. Commitments

### 23.1 Commitments in respect of operating expenditure

#### Approved and contracted for- Budget rolled forward

• Infrastructure Support - MAP Local Municipality	787 057	-
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This committed expenditure relates to Infrastructure support - MAP Local Municipality and will be financed by available bank facilities. The project is expected to be completed by the 2nd quarter of the 2011/2012 financial period.

### 23.2 Operating leases - as lessee (expense)

#### Minimum lease payments due

- within one year	141 900	-
- in second to fifth year inclusive	36 300	-
	<b>178 200</b>	<b>-</b>

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand

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### 24. Contingencies

RSC levy payers association vs Municipality

The municipality has a contingent liability of R50 million as a result of a legal dispute between the municipality and levy rate payers. The background and details of this contingent liability are provided below.

According to the now abolished RSC Levies Act all entities doing business within the jurisdiction of the District Municipality must pay levies to that municipality. This legislation was terminated on 30 June 2006, and the 13 555 levy payers had until 30 June 2008 to settle their outstanding levies.

During 2007/08, the municipality appointed Podbielski Mhlambi Inc attorneys to assist with the levies debt collection of the amount owed by rate payers. The RSC legislation stipulated that the amount to be recovered should be calculated as a percentage of the levy payer's revenue and salaries cost.

The total value of these levy debtors (both registered and unregistered) was originally estimated at R49 million before impairment (refer note 7).

Some of the levy rate payers opposed the method of calculation of the levies in court and the municipality lost the first case. The municipality is currently preparing its case for application for leave to appeal the previous Court judgment, which commenced in August 2010 and is still currently proceeding. Should the municipality be unsuccessful in their appeal, it is estimated that legal costs of R50 million will be payable to the attorneys acting for the levy payers. An accurate valuation and possible outcome cannot be determined due to the unique nature of the case.

Additional details on the legal fees incurred and paid to date as well as levy debtors recovered are provided below.

To date only R4,5 million was recovered from levy rate payers by Podbielski Mhlambi Inc and an additional R1.5 million was paid directly to the municipality. The total levy debtors amount recovered to date is therefore R6 million. The legal fee billed to date is R40 million of which R23,5 million has been paid to Podbielski Mhlambi Inc attorneys.

The reconciliation below shows the legal fees billed and paid and debt collection to date per financial year.

Financial year	Legal fees billed	Legal fees paid	Legal fees outstanding	Debt collection to date**
Prior 2009	21 976 004	(13 043 932)	8 932 073	3 178 053
2010	13 951 488	(6 500 000)	7 454 357	1 195 207
2011	<u>4 870 718</u>	<u>(3 961 961)</u>	<u>686 825</u>	<u>221 930</u>
Total	<u>40 798 210</u>	<u>(23 505 893)</u>	<u>17 073 255</u>	<u>4 595 190</u>

\*\*Debt collection to date excludes the additional amount of R1.5 million paid directly to the municipality (Refer note 12).

The outstanding legal fees of R17 073 254.63 has being raised as a liability (refer note 12). The municipality estimates that a further R7 million in legal fees to its attorneys, Podbielski Mhlambu will be incurred to bring all the matters to completion.

It is estimated by Podbielski Mhlambu that the recovery process will be finalised by the end of 2012 pending the decision of the Supreme Court of Appeal.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand

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### 24. Contingencies (continued)

#### MSMM Attorneys vs Municipality

The municipality has a contingent liability of R3 223 112 as a result of a legal dispute between the municipality and MSMM Attorneys. The background and details of this contingent liability are provided below.

MSMM attorneys have issued summons for an amount of R3 223 112 against the municipality. According to MSMM Attorneys this amount is for legal services they rendered for collecting outstanding levy debt for the municipality based on their arrangement with Thakangoaga Investment CC. The municipality has appointed Podbielki Mhlambi Inc attorneys to defend the matter.

When the legislation on RSC levies was terminated on 30 June 2006, the municipality appointed Thakangoaha Investments CC in November 2007 to identify the outstanding levy payers and recover the outstanding levies due to the municipality. For this purpose, Thakangoaha appointed MSMM Attorneys to take the necessary legal action against these outstanding levy payers. Thakangoaha was to receive R150 for each of the then 13 000 outstanding cases, and also 20% of the total amount to be recovered from the levy payers.

As at February 2008, in an attempt to recover outstanding levies, MSMM issued 6 000 summons to levy payers. The municipality received numerous counter claims from levy payers. According to levy payers, summons issued did not comply with legal requirements. The municipality then sought legal opinion, which confirmed that summons issued did not comply with legal requirements.

MSMM Attorneys are now suing the municipality for not paying fees for legal services rendered by them based on instruction from Thakangoaha Investment CC. The municipality will defend this R3 223 112 claim by MSMM Attorneys based on legal advice received. It is expected that the court hearing for this matter will take place in 2012.

The municipality estimates to incur legal cost of R150 000 to defend the above matter.

#### Warden resident vs Municipality

The municipality has a contingent liability of R300 000 as a result of a legal dispute between the municipality and a Warden resident. The background and details of this contingent liability are provided below.

A Warden resident is suing the municipality for an amount of R300 000. The resident's house burnt down and he had no household insurance. There is no fire station in Warden, and therefore the resident had to phone the fire station in Harrismith. Warden is +/- 80km from Harrismith, the fire truck did not arrive in time to extinguish the fire and the house burned down. The damage to his house and household content is estimated to be R300 000. There are no details available about the cause of this fire.

The Warden resident is holding the municipality accountable for the loss of his house and the household content due to non existence of a fire station in Warden. According to the Warden resident, the municipality is responsible for providing disaster recovery services and they have failed to provide such a service to Warden residents. This matter will be proceeding to trial on the 31 July 2012.

The municipality estimates to incur R150 000 in legal cost to defend the above matter.

#### Infrastructure Finance Corporation vs Municipality

The municipality has a contingent liability of R1.8 million as a result of a legal dispute between the municipality and Infrastructure Finance Corporation. The background and details of this contingent liability are provided below.

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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### 24. Contingencies (continued)

The municipality purchased copiers from Nashua Bethlehem. Nashua Bethlehem erroneously made use of two financing houses to finance the purchase of these office machines. Subsequently the municipality paid both financing houses for these copiers. It was only after a year that they realised payments were being made in duplicate. The municipality stopped all payments (to both financing houses) after the fraudulent nature of the transaction was discovered.

Podbielski Mhlambi Inc was appointed by the municipality and identified that the one financing house produced falsified documentation. The copiers delivered to the municipality also differed from the goods purchased as per the supporting documentation. It was later determined that the goods delivered were stolen goods.

The Municipality instructed its attorney to recover the overpayment from the financing house and it was established that they have been liquidated. The Municipality's attorney advised the municipality not to attempt recovering the over payments as there were no sufficient funds available in the estate.

Infrastructure Finance Corporation is suing the municipality for the outstanding payments, which amount to R2 million.

The Municipality is currently defending the matter in the Free State High Court. It's expected that it will probably proceed to trial towards the end of 2012. It is expected that a further R200 000 legal costs will be incurred to bring this matter to completion.

#### Thakangoaha Investments vs Municipality

Thakangoaha Investments was originally awarded the tender relating to the collection of outstanding RSC levies in 2006/2007. Due to the unsuccessful attempts at collection of levies, incorrect legal practices followed and the legal nature of the RSC levies matter, the municipality had to terminate their contract and appoint Phodbielski Mhlambi Law Firm to correct the unlawful and unsuccessful attempts at collection made by Thakangoaha Investments and to proceed to defend the RSC levies matter in court.

Thakangoaha issued summon against the Municipality for an amount of R2 715 000 including interest and cost. The Municipality at that time failed to defend the matter. When the Deputy Sheriff attached the Municipality's property as a result of the judgement, the Municipality instructed Podbielski Mhlamni to apply for a Rescission of Judgement.

This application was processed and the matter placed on the court role.

The municipality has also filed a counter claim of R2 000 000 against Thakangoaha investments.

The expected legal cost to be incurred to finalise this matter which is expected to be towards the end of 2012 is R150 000.

#### Housing guarantees

A contingent liability exists for the municipality to pay the guarantee amount in the event of the employee not being able to settle their bond / default on payment.

The Municipality has provided housing guarantee's to the employees listed below. The maximum amount each qualifying employee may receive is R85 000.

Name of employee	Effective date	Guarantee amount
Mazibuko Mwelase	25/05/2005	17 000
Mollo Ngobese	22/03/2006	17 000

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>24. Contingencies (continued)</b>		
Motloung Mohoabadi 04/10/2006	17 000	
Moloi Khesa 25/05/2005	17 000	
Motloung Sylvia 30/01/2007	17 000	
Moloi Materonko 08/10/2002	13 000	
Mthombeni Sthembiso 01/10/2004	14 000	
Dusse Ronald 01/07/2006	17 000	
Majoro Matsiliso 01/07/2006	17 000	
Swart Pierre 01/07/2006	17 000	
Viljoen Johannes 01/07/2006	17 000	
Du toit Pieter 01/07/2006	17 000	
Malan M.P 01/07/2006	17 000	
Oosthuizen Corrie 01/07/2006	17 000	
Mani Koahela 01/07/2009	17 000	
Tankiso Talane 01/07/2009	<u>17 000</u>	
Total guarantees issued	<u><u>265 000</u></u>	
<b>25. Related parties</b>		
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.		
Relationships		
Member of Close Corporation		Mol Procon cc
The former Municipal Manager Mr. MP Moloi was appointed as a member to Mol Procon CC on 17 September 2009 as per CIPRO database. He had resigned from the municipality employ on 31 October 2009. All contract awarded to Molprocon CC were concluded prior to 17 Spetember 2009.		
<b>Related party balances</b>		
<b>Amounts included in Trade receivables (Trade Payables) relating to related parties</b>		
Mol Procon CC	-	777 537
<b>Related party transactions</b>		
<b>Consulting and Construction fees paid to related party</b>		
Mol Procon CC	-	7 377 668

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand 2011 2010

### 26. Prior period errors

Employer contributions remuneration benefits was erroneously duplicated during the interface of the VIP payroll files into the accounting financial system (Hercules). These transactions were traced to payments and hence should not have been recognised as a liability at year end. The effect of this error resulted in an overstatement of Payables from non exchange transactions (Statement of Financial Position) and overstatement of Remuneration cost (Statement of Financial Performance).

Salary control account overstated as a result of errors during the VIP interface files into Hercules. All salary creditors outstanding have subsequently been identified as paid hence this liability was incorrectly stated. The effect of the error resulted in an overstatement of Payables from non exchange transactions - Salary control account (Statement of Financial Position) and and over statement of Accumulated deficit (Statement of Financial Performance).

Councillors salary over/under payments were recognised at the incorrect balances due to journals erroneously been processed. The effect of this error resulted in the Payables from non exchange transactions (Statement of Financial Position) been understated, the Receivables from non-exchange transactions (Statement of Financial Position) overstated and the Accumulated Deficit (Statement of Financial Position) overstated.

Councillors pension fund payments were deducted but not paid across to the Pension fund administrators during the periods 2000 to 2002. The administration of the municipality agreed to pay the effected councillors directly the amounts deducted and not paid to their Pension Fund accounts. The correction of this findings resulted in an increase in Payables from non exchange transaction (Statement of Financial Position) and an increase in the Accumulated Deficit (Statement of financial Position).

Trade Creditors balances reflected on the creditors listing were incorrectly stated. The error was due to creditors confirmation and statements not received timeously. The effect of this error resulted in Payables from exchange transaction (Statement Financial position) been overstated, Vat receivables (Statement of Financial Position) been overstated and Accumulated Deficit (Statement of Financial Position) been overstated.

UIF deductions were not recovered and paid to SARS on full time councillors. The errors identified relates from the 2006 period. The effect of this error resulted in an understatement of Payables from exchange transactions 9Statement of financial position and and understatement of Accumulated Deficit (Statement of Financial Position).

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

#### Statement of financial position

Correction of councillors overpayment understated	-	176 272
Correction of councillors underpayments overstated	-	(7 353)
Vat receivables overstated due to creditors overstatement	-	(3 638)
Correction of councillors pension fund payments	-	(460 530)
Trade creditors overstated in error	-	40 347
Overstatement of salary control account	-	4 713 827
SARS UIF understated liability	-	(111 781)
<b>Total changes to Accumulated Surplus or Deficit</b>	<b>-</b>	<b>4 347 144</b>

#### Statement of financial performance

Net loss for the year as previously stated	-	6 724 074
Correction of general expenses overstated	-	(36 709)
Correction of remuneration related cost	-	(3 710 710)
Correction to UIF deductions	-	29 948
<b>Restated net deficit for the year</b>	<b>-</b>	<b>3 006 603</b>

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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### 27. Comparative figures

Certain comparative figures have been reclassified due to correction of prior period errors identified and corrected.

The effects of the reclassification are as follows:

<b>Statement of financial position</b>	<b>Restated 30 June 2010</b>	<b>30 June 2010</b>
Receivables from non-exchange transactions	2 302 310	2 126 038
Vat receivables	11 121 321	11 124 959
Payables from exchange transactions	35 855 931	40 015 382
Accumulated deficit	10 147 833	14 479 918
<b>Statement of financial performance</b>		
Remuneration related cost	28 116 862	31 797 624
General expenses	45 674 609	45 711 318

### 28. Risk management

#### Financial risk management

The municipality's activities expose it to a variety of financial risk, market risk, credit risk and liquidity risk.

#### Credit risk

Credit risk consist mainly of cash deposits, cash equivalent, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets which expose the economic entity to credit risk at year end were as follows:

Financial instrument	2011	2010
ABSA Bank - Cheque account	1 747 403	6 129 983
ABSA Bank - Call account	613 131	610 492
ABSA Bank - Fixed deposit	11 748 844	1 177 950
First National Bank - Fixed deposit	3 139 131	2 976 864

These balances represent the maximum exposure to credit risk.

#### Liquidity risk

Liquidity risk is the risk that the economic entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

At 30 June 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	28 141 627	-	-	-
Gross finance lease obligations	581 586	625 175	165 250	-
Other current liabilities	1 367 371	-	-	-
At 30 June 2010	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchanges transactions	36 717 320	-	-	-

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand 2011 2010

### 28. Risk management (continued)

Gross finance lease obligations	674 578	569 572	796 554	-
Other current liabilities	4 003 005	-	-	-

#### Interest rate risk

The municipality's interest rate risk arises from finance lease liabilities. Finance leases issued at variable rates expose the municipality to cash flow interest rate risk. During 2011 and 2010, the municipality's borrowings at variable rates were denominated in the Rand.

#### Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Finance leases	9.00 %	581 586	625 175	165 250	-	-

### 29. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 30. Events after the reporting date

There were no material events to report after balance sheet date.

### 31. Unauthorised expenditure

#### Reconciliation of unauthorised expenditure

Opening balance	31 919 235	8 086 166
Unauthorised expenditure - current year	-	23 833 069
Unauthorised expenditure awaiting approval of council	(31 919 235)	-
	<u>-</u>	<u>31 919 235</u>

Management performed a review of transactions and identified the above to be unauthorised expenditure in accordance to the guidelines set per Chapter 1 of the MFMA.

Upon the recommendation of an appointed council committee, council had condoned the unauthorised expenditure awaiting council's approval reflected above on 29 September 2011.

### 32. Fruitless and wasteful expenditure

#### Reconciliation of fruitless and wasteful expenditure

Opening balance	4 865 799	3 632 545
Fruitless and wasteful expenditure - current year	29 947	1 121 473
Fruitless and wasteful expenditure - prior year	-	111 781
Fruitless and wasteful expenditure awaiting condonement	(3 632 545)	-
	<u>1 263 201</u>	<u>4 865 799</u>

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand 2011 2010

### 32. Fruitless and wasteful expenditure (continued)

Management performed a review of transactions and identified the above to be fruitless and wasteful expenditure.

A special Council Committee was elected to address the fruitless and wasteful expenditure identified by management. Upon the recommendation of the council committee, council condoned the above fruitless and wasteful expenditure on 29 September 2011.

### 33. Irregular expenditure

Opening balance	188 224 154	100 235 499
Irregular Expenditure - current year	8 233 930	86 109 715
Transfer to receivables for recovery - current period not condoned	196 668	1 878 940
Irregular expenditure waiting to be condoned	(103 446 583)	-
Incorrect classification of irregular expenditure - prior periods	(52 852 076)	-
	<u>40 356 093</u>	<u>188 224 154</u>

During managements analysis of the prior years irregular expenditure disclosed, it was identified that expenditure totalling R52 852 076 was erroneously disclosed as irregular expenditure. The expenditure identified do not meet the definitions of irregular expenditure as prescribed by the MFMA.

A council committee was established to analyse irregular expenditure incurred, upon the recommendations provided by the committee to council, a council resolution was passed on 29 September 2011 condoning irregular expenditure stated above as waiting to be condoned.

#### Details of irregular expenditure – current year

	Details	
Transactions with less than three quotations	Non compliance to supply chain management policy	1 682 230
Procurement of accommodation without the required three quotations	Non compliance to supply chain management policy	451 585
Procurement of advertising with one quotation	Non compliance to supply chain management policy	290 725
Procurement of contracted services without signed contracts	Non compliance to supply chain management policy	747 076
Suppliers without valid tax clearance certificates	Deviation from procurement guidelines	414 700
Goods and services procured not advertised	Non compliance to supply chain management policy	1 071 960
Procurement of legal services	Deviation from procurement process	3 575 654
Overpayment of councilors salaries	Deviation from Treasury guidelines	196 668
		<u>8 430 598</u>

#### Details of irregular expenditure - prior period

	Details	
Procurement of professional services - Valuation rolls	Procurement process not followed according to supply chain management policy	1 650 000
Procurement of legal services	Deviation from procurement process	30 046 555
Overpayment of councilors salaries	Deviation from Treasury guidelines	1 878 940

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand		2011	2010
<b>33. Irregular expenditure (continued)</b>			
Unauthorised payments	Non compliance to MFMA relating to authorisation of payments and procurements		54 413 160
Procurement of Mayoral vehicle	Deviation from supply chain management policy		620 000
Installation of vegetable tunnels	Amount paid in excess to signed agreement with out adequate authorisation		620 778
Asset management services	Deviation from supply chain management policy		122 950
Transactions with no quotations	Non compliance to supply chain management policy		11 972 976
Transactions with less than three quotations	Non compliance to supply chain management policy		16 942 193
Payment vouchers not correctly authorised	Non compliance to MFMA		25 277 665
No tax clearance obtained	Non compliance to supply chain management policy		10 608 527
Quotations not obtained	Non compliance to supply chain management policy		5 008 983
Tender process not followed	Deviation from supply chain management policy		12 005 212
Payment vouchers not authorised	Non compliance to supply chain management policy		5 019 474
Payments to supplier not authorised or approved	Non compliance to MFMA		1 869 025
Payment vouchers not authorised	Non compliance to MFMA		10 155 856
No support documentation to payments	Non compliance to supply chain management policy		11 860
			<b>188 224 154</b>

### Details of irregular expenditure not condoned

Transactions with less then three quotations	1 682 230
Procurement of accommodation without the required three quotations	451 585
Procurement of legal fees - RSC levies	33 622 209
Procurement of advertising with one quotation	290 725
Procurement of contracted services without signed contracts	747 076
Goods and services procured not advertised	1 071 960
Non submission of tax clearance certificate by supplier	414 700
	<b>38 280 485</b>

### Details of irregular expenditure recoverable not condoned

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>33. Irregular expenditure (continued)</b>		
Overpayment of councilors salaries 2011	196 668	
Overpayment of councilors salaries 2010	<u>1 878 940</u>	
	<b><u>2 075 608</u></b>	
<b>34. Presentation of budget information</b>		
<b>34.1 Reconciliation between budget and statement of financial performance</b>		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:		
Net surplus (deficit) per the statement of financial performance	11 036 847	(3 006 603)
<b>Adjusted for:</b>		
Loss on disposal of assets	<u>23 628</u>	<u>19 603</u>
<b>Net surplus (deficit) per approved budget</b>	<b><u>11 060 475</u></b>	<b><u>(2 987 000)</u></b>
<b>35. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to organised local government</b>		
Opening balance	212 984	83 592
Current year subscription / fee	213 319	212 984
Amount paid - previous years	<u>(212 984)</u>	<u>(83 592)</u>
	<b><u>213 319</u></b>	<b><u>212 984</u></b>
<b>Material losses through criminal conduct</b>		
The municipality incurred no material losses through criminal conduct during the reporting period.		
<b>Audit fees</b>		
Opening balance	69 205	-
Current year fee	-	69 205
Prior year fees	1 403 714	2 119 552
Amount paid - previous years	<u>(1 469 118)</u>	<u>(2 119 552)</u>
	<b><u>3 801</u></b>	<b><u>69 205</u></b>
<b>PAYE and UIF</b>		
Opening balance	4 307 217	333 760
Current year subscription / fee	5 306 031	3 973 457
Amount paid - current year	<u>(5 306 031)</u>	<u>-</u>
Amount paid - previous years	<u>(4 070 083)</u>	<u>-</u>
	<b><u>237 134</u></b>	<b><u>4 307 217</u></b>
Additional text		
<b>Pension and Medical Aid Deductions</b>		

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	2010
<b>35. Additional disclosure in terms of Municipal Finance Management Act (continued)</b>		
Opening balance	142 507	134 079
Current year subscription / fee	5 674 917	1 698 502
Amount paid - current year	(5 674 917)	(1 555 995)
Amount paid - previous years	(142 507)	(134 079)
	<u>-</u>	<u>142 507</u>

### VAT

VAT receivable	<u>4 009 390</u>	<u>11 121 321</u>
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### Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been submitted to council to be condoned.

#### Incident

Rental of Executive Mayoral vehicle	630 107	-
Procurement of Water Tanker Truck - Setsoto Local Municipality support	787 287	-
	<u>1 417 394</u>	<u>-</u>

### 36. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix A for the comparison of actual operating expenditure versus budgeted expenditure.

### 37. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix B for the comparison of actual capital expenditure versus budgeted expenditure.

### 38. Municipal office occupation

The Municipal head office situated at 1 Mampoi Street, Old Parliament Building, Wistsieshoek is leased from the Free State Department of Public Works for no rental consideration.

### 39. Provincial Government Intervention

In terms of a Provincial Executive Council Cabinet minute 7.4 of 4 November 2009, the Free State Legislature appointed Mr. SC Polelo to act on behalf of the Provincial Executive Council as the administrator for the Municipality with effect 9 November 2009. The Executive further agreed that the administrator be assisted by:

Mr. B Molotsi

Ms. N Mthimkulu

On 6 November 2009, the MEC for COGTA at a Municipality Special Council Sitting presented a Memorandum indicating that the Municipality be placed under administration in terms of Section 139(1)(b) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)

As all of the issues raised by the Provincial Executive Council during the intervention at the Municipality have been solved and reported as such to the Free State Executive Council, the National Council of Provinces and the Minister for

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

## Notes to the Annual Financial Statements

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Figures in Rand	2011	2010
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**39. Provincial Government Intervention (continued)**

Cooperative Governance, the Free State Executive Council resolved to terminate the, Section 139 (1)(b) of the Constitution of the Republic intervention with effect from 1 September 2010.

# **THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2011

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Final trial balance

Planning by	Reviewed
CDN	
2011/08/08	

01.30

Account	Prelim	Adj's	Reclass	RepAnnotation	Rep 06/10 %Chg	L/S
131010 Leave reserves	-2 927 454.04	512 012.23	0.00	<b>-2 415 441.81</b>	-2 927 454.04	-17 51.20.00.007
131020 Appropriation account	11 009 219.82	-861 385.60	0.00	<b>10 147 834.22</b>	7 755 842.83	31 40.24
131021 Reserve - Prior Period Errors	0.00	0.00	0.00	<b>0.00</b>	-614 613.56	-100 40.24
131040 Doubtful debt provision	-49 079 862.15	0.00	0.00	<b>-49 079 862.15</b>	-49 079 862.15	0 33.20.10.004
230000 Plant,machinery and equipment	1 293 510.52	-380 000.00	0.00	<b>913 510.52</b>	1 207 015.52	-24 20.20.10.001
230009 Plant,machinery and equipment depreciation	-525 864.21	361 000.00	0.00	<b>-164 864.21</b>	-525 864.21	-69 20.20.10.005
231000 Computers	2 280 596.63	-13 741.00	0.00	<b>2 266 855.63</b>	1 942 637.15	17 20.20.10.001
231009 Computers depreciation	-678 840.96	9 113.49	0.00	<b>-669 727.47</b>	-678 840.96	-1 20.20.10.005
240000 Furniture	3 270 473.51	0.00	0.00	<b>3 270 473.51</b>	2 992 155.69	9 20.20.10.001
240009 Furniture depreciation	-1 512 041.00	0.00	0.00	<b>-1 512 041.00</b>	-1 512 041.00	0 20.20.10.005
241000 Vehicles	1 577 526.20	0.00	0.00	<b>1 577 526.20</b>	1 577 526.20	0 20.20.10.001
241009 Vehicles depreciation	-189 836.44	0.00	0.00	<b>-189 836.44</b>	-189 836.44	0 20.20.10.005
250000 Intangible - Software	294 647.73	0.00	0.00	<b>294 647.73</b>	282 862.83	4 23.22.10.001
250009 Intangible - Accumulated Amortisation - Softwa	-162 052.26	0.00	0.00	<b>-162 052.26</b>	-162 052.26	0 23.22.10.005
260000 Plant and Machinery - Leased assets	2 580 688.68	0.00	0.00	<b>2 580 688.68</b>	2 580 688.68	0 20.20.10.011
260009 Plant and Machinery - Leased Accum Deprecial	-123 578.85	0.00	0.00	<b>-123 578.85</b>	-123 578.85	0 20.20.10.015
400002 Debtors Establishment	49 087 073.66	0.00	0.00	<b>49 087 073.66</b>	49 087 073.66	0 33.20.10.003
400006 Unallocated funds	-1 516 160.88	0.00	0.00	<b>-1 516 160.88</b>	-1 507 676.32	1 51.20.00.008
400030 City Lodge - Overpayment	40.00	-40.00	0.00	<b>0.00</b>	0.00	0 31.20.10.009
400045 Credit card control acc	168 378.61	-168 378.61	0.00	<b>0.00</b>	0.00	0 51.20.00.008
400055 Lengoabala MS Wrong Payment	6 067.60	0.00	0.00	<b>6 067.60</b>	6 067.60	0 31.20.10.009
400060 COGTA Personnel Cost	146 292.91	0.00	0.00	<b>146 292.91</b>	140 851.11	4 31.20.10.009
400065 Expenses NCOP Meetings	69 225.00	0.00	0.00	<b>69 225.00</b>	69 225.00	0 31.20.10.009
400070 Sundry Debtor - Cllr Lengoaba Garnish	15 000.00	-15 000.00	0.00	<b>0.00</b>	0.00	0 31.20.10.009
405000 Operating Lease payments Control	13 426.60	0.00	0.00	<b>13 426.60</b>	13 426.60	0 31.20.10.009
406500 Councillors under payments - upper limits	-12 369.63	6 834.96	0.00	<b>-5 534.67</b>	-12 369.63	-55 51.20.00.008
407000 Seconded councillors overpayment	1 587 619.93	196 668.08	0.00	<b>1 784 288.01</b>	1 611 619.93	11 31.20.10.009
408000 Councillors Overpayment Upper limits	264 164.88	-137 347.00	0.00	<b>126 817.88</b>	267 320.24	-53 31.20.10.009
408010 Councillors Pension Fund creditors	-460 530.15	236 461.37	0.00	<b>-224 068.78</b>	-460 530.15	-51 51.20.00.008
410830 Sundry Debtors - Group Two	23 800.00	0.00	0.00	<b>23 800.00</b>	193 800.00	-88 31.20.10.009
410831 Sundry Debtors - Mazibuko Transport	7 000.00	0.00	0.00	<b>7 000.00</b>	0.00	0 31.20.10.009
410832 Sundry Debtor - Mngqayana Transport	12 200.00	0.00	0.00	<b>12 200.00</b>	0.00	0 31.20.10.009
410840 Motsoeneng PH (Councillor) Double payment	3 256.63	0.00	0.00	<b>3 256.63</b>	3 256.63	0 31.20.10.009
410850 Elegant Gospel Choir Double payment	10 960.00	0.00	0.00	<b>10 960.00</b>	10 960.00	0 31.20.10.009
410860 Your Own World Guest House Double payment	1 250.00	0.00	0.00	<b>1 250.00</b>	1 250.00	0 31.20.10.009
410875 Damage to motor vehicle Martin Kubeka	4 933.53	0.00	0.00	<b>4 933.53</b>	4 933.53	0 31.20.10.009
410890 Sundry Debtors - Provision for bad Debts	-324 543.53	-221 585.51	0.00	<b>-546 129.04</b>	-324 543.53	68 31.20.10.009
415002 Interest on motorloan	-13 718.65	0.00	0.00	<b>-13 718.65</b>	-13 718.65	0 31.20.10.009
415005 Salary overpayments Employers	13 718.65	0.00	0.00	<b>13 718.65</b>	13 718.65	0 31.20.10.009
416100 Internal bank account	-51 586 558.39	0.00	0.00	<b>-51 586 558.39</b>	-44 265 142.87	17 32.20.15.005
416110 Internal bank account	391 968.96	0.00	0.00	<b>391 968.96</b>	63 621.11	516 32.20.15.005
416120 Internal bank account	13 068 298.59	0.00	0.00	<b>13 068 298.59</b>	10 117 644.70	29 32.20.15.005
416150 Internal bank account	15 021 772.18	0.00	0.00	<b>15 021 772.18</b>	8 259 154.84	82 32.20.15.005
416180 Internal bank account	5 472 694.04	0.00	0.00	<b>5 472 694.04</b>	2 335 093.28	134 32.20.15.005
416300 Internal bank account	-51 736 881.60	0.00	0.00	<b>-51 736 881.60</b>	-31 617 260.63	64 32.20.15.005
416400 Internal bank account	2 451 224.78	0.00	0.00	<b>2 451 224.78</b>	1 775 295.61	38 32.20.15.005
416500 Internal bank account	4 053 723.37	0.00	0.00	<b>4 053 723.37</b>	2 851 136.84	42 32.20.15.005
416600 Internal bank account	19 068 477.49	0.00	0.00	<b>19 068 477.49</b>	12 122 692.26	57 32.20.15.005
416700 Internal bank account	5 140 089.22	0.00	0.00	<b>5 140 089.22</b>	3 103 351.16	66 32.20.15.005
416800 Internal bank account	9 903 586.20	0.00	0.00	<b>9 903 586.20</b>	8 815 862.18	12 32.20.15.005
416900 Internal bank account	28 751 605.16	0.00	0.00	<b>28 751 605.16</b>	26 438 551.52	9 32.20.15.005
440000 Creditors-Payments Creditors	-3 753 947.41	-323 051.58	0.00	<b>-4 076 998.99</b>	-5 973 094.22	-32 51.20.00.001
440001 Salary control account	30 096 657.64	-30 096 657.50	0.00	<b>0.14</b>	531 981.62	-100 51.20.00.006
440002 Sundry Creditors	-6 903.97	0.00	0.00	<b>-6 903.97</b>	-343 454.52	-98 43.20.25
440003 Sundry Creditors - Retentions	-666 419.53	0.00	0.00	<b>-666 419.53</b>	-1 012 628.26	-34 51.20.00.001
440005 Unspent Grants MSIG	0.00	0.00	0.00	<b>0.00</b>	-128 415.00	-100 43.20.25
440212 Sundry Creditors third party salary correction	-1 435 012.38	1 435 012.38	0.00	<b>0.00</b>	-1 435 012.38	-100 51.20.00.006
440215 Sundry Creditor-SARS EMP Creditors	-237 134.47	-171 675.60	0.00	<b>-408 810.07</b>	-5 449 206.58	-92 51.20.00.008
440220 UIF Refund Creditors	-191 562.74	0.00	0.00	<b>-191 562.74</b>	-191 562.74	0 51.20.00.008
440225 Leases payments control account	33 260.52	-33 260.52	0.00	<b>0.00</b>	0.00	0 51.20.00.008
440231 Unallocated Funds - Operation Hlasela	0.00	0.00	0.00	<b>0.00</b>	-1 000 000.00	-100 43.20.25
440253 Clean Audit - Capacity Building	-566 855.45	0.00	0.00	<b>-566 855.45</b>	-1 000 000.00	-43 43.20.25
440255 Creditor-Podbielskie Attorney Creditors	-17 073 254.63	0.00	0.00	<b>-17 073 254.63</b>	-16 386 428.76	4 51.20.00.008
440260 MIG - Unspent Grants	-780 911.53	0.00	0.00	<b>-780 911.53</b>	-1 521 834.65	-49 43.20.25
452000 VAT Creditors	3 954 250.82	55 139.41	0.00	<b>4 009 390.23</b>	11 121 321.19	-64 51.20.15.001
460000 Finance Lease Liability contracts in progress	-790 424.92	0.00	0.00	<b>-790 424.92</b>	-1 366 125.54	-42 25.29.20
460010 Accrual-Int Finance Leases	-10 027.42	0.00	0.00	<b>-10 027.42</b>	-16 679.39	-40 25.29.25
460050 Current Portion - Finance Lease	-571 558.51	0.00	0.00	<b>-571 558.51</b>	-657 898.62	-13 25.29.25
460060 Bonus Provisions	-1 031 949.72	-75 644.13	0.00	<b>-1 107 593.85</b>	-1 031 949.72	7 51.20.00.007
470000 Other amounts payable	304 143.37	0.00	0.00	<b>304 143.37</b>	304 143.37	0 31.20.10.009
480000 Operating Lease liability	-12 700.00	0.00	0.00	<b>-12 700.00</b>	-9 300.00	37 25.29.25

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Final trial balance

Planning by	Reviewed
CDN 2011/08/08	

01.30-1

Account	Prelim	Adj's	Reclass	RepAnnotation	Rep 06/10	%Chg	L/S
520000 ABSA 205664 1361 Assets invest	0.00	0.00	0.00	<b>0.00</b>	1 177 950.16	-100	32.20.15.003
520002 ABSA Call account 9213000832	613 131.44	0.00	0.00	<b>613 131.44</b>	610 492.34	0	32.20.15.003
520003 FNB Investment	3 139 130.90	0.00	0.00	<b>3 139 130.90</b>	2 976 864.07	5	32.20.15.003
550001 Main Account Bank	1 747 402.51	0.00	0.00	<b>1 747 402.51</b>	6 164 983.34	-72	32.20.15.002
550008 ABSA bank 20-6206-4985 Investment bank acc	11 748 843.68	0.00	0.00	<b>11 748 843.68</b>	0.00	0	32.20.15.003
610120 Advertising General expenses	218 912.24	0.00	0.00	<b>218 912.24</b>	308 563.39	-29	66.30.00.000
610130 Affiliation General expenses	21 208.44	5 703.77	0.00	<b>26 912.21</b>	219 252.42	-88	66.30.00.000
610140 Bank charges General expenses	31 173.03	372.60	0.00	<b>31 545.63</b>	24 713.67	28	66.30.00.000
610160 Stationery Cost General expenses	192 056.05	0.00	0.00	<b>192 056.05</b>	248 874.48	-23	66.30.00.000
610180 Office rent General expenses	132 400.00	0.00	0.00	<b>132 400.00</b>	99 300.00	33	66.30.00.000
610220 Entertainment General expenses	251 988.51	0.00	0.00	<b>251 988.51</b>	146 621.65	72	66.30.00.000
610250 Skills development General expenses	25 294.87	0.00	0.00	<b>25 294.87</b>	166 712.28	-85	66.30.00.000
610260 Postage General expenses	0.00	0.00	0.00	<b>0.00</b>	1 470.93	-100	66.30.00.000
610270 Legal expenses General expenses	4 875 148.77	0.00	0.00	<b>4 875 148.77</b>	12 407 924.01	-61	66.30.00.000
610280 Travelling General expenses	1 077 502.38	0.00	0.00	<b>1 077 502.38</b>	1 120 518.87	-4	66.30.00.000
610325 Travelling accomodation & subsistence	203 505.61	62 791.04	0.00	<b>266 296.65</b>	0.00	0	66.30.00.000
610330 Programming General expenses	531 152.06	0.00	0.00	<b>531 152.06</b>	1 733 119.52	-69	66.30.00.000
610350 Telephone General expenses	973 897.25	-527 651.38	0.00	<b>446 245.87</b>	837 609.19	-47	66.30.00.000
610360 Subsistence allowance General expenses	448 489.94	179 508.51	0.00	<b>627 998.45</b>	385 951.25	63	66.30.00.000
610380 Insurance General expenses	117 238.59	0.00	0.00	<b>117 238.59</b>	117 416.73	0	66.30.00.000
610420 Inspection services General expenses	0.00	0.00	0.00	<b>0.00</b>	614 035.09	-100	66.30.00.000
610430 Maintenance/Reppairs General expenses	543 958.41	-46 587.11	0.00	<b>497 371.30</b>	417 730.57	19	66.30.00.000
610440 Equipment rent General expenses	287 950.09	48 016.66	0.00	<b>335 966.75</b>	674 932.00	-50	66.30.00.000
610450 Audit fees General expenses	1 400 763.68	2 950.90	0.00	<b>1 403 714.58</b>	1 669 585.01	-16	66.30.00.000
610460 Leave Prov Fund General expenses	0.00	-512 012.23	0.00	<b>-512 012.23</b>	110 000.48	-565	65.30.10.000
610475 Loss on Disposal of assets	0.00	19 000.00	0.00	<b>19 000.00</b>	19 602.58	-3	20.36
610476 Loss of asset due to theft	0.00	4 627.51	0.00	<b>4 627.51</b>	0.00	0	20.36
610480 Workshops General expenses	5 403.51	0.00	0.00	<b>5 403.51</b>	1 894.96	185	66.30.00.000
610495 General office expenses	0.00	0.00	0.00	<b>0.00</b>	36 802.14	-100	66.30.00.000
610500 Doudful Debt	0.00	221 585.51	0.00	<b>221 585.51</b>	327 645.92	-32	66.30.00.000
610530 Marketing and promotions General expenses	352 888.50	0.00	0.00	<b>352 888.50</b>	381 140.00	-7	66.30.00.000
610540 Recruitmentcosts General expenses	108 549.27	0.00	0.00	<b>108 549.27</b>	11 061.11	881	66.30.00.000
610550 Teambuilding General expenses	190 680.15	0.00	0.00	<b>190 680.15</b>	0.00	0	66.30.00.000
610560 Subcription General expenses	728.07	0.00	0.00	<b>728.07</b>	26 648.69	-97	66.30.00.000
610570 Conferences General expenses	10 000.00	0.00	0.00	<b>10 000.00</b>	0.00	0	66.30.00.000
610600 Security General expenses	499 999.92	0.00	0.00	<b>499 999.92</b>	499 999.92	0	66.30.00.000
610640 Gardening andd cleaning General expenses-Ne	330 707.77	0.00	0.00	<b>330 707.77</b>	295 430.20	12	66.30.00.000
610645 Contracted Financial Support	379 951.36	0.00	0.00	<b>379 951.36</b>	0.00	0	66.30.00.000
610646 Contracted services - PMS	0.00	128 000.00	0.00	<b>128 000.00</b>	0.00	0	66.30.00.000
610830 Financial management capacity improvement-N	0.00	0.00	0.00	<b>0.00</b>	19 698.07	-100	66.30.00.000
610851 Newsletters	109 760.00	0.00	0.00	<b>109 760.00</b>	5 386.50	1938	66.30.00.000
610853 District Audit Committee	48 056.33	0.00	0.00	<b>48 056.33</b>	0.00	0	66.30.00.000
610860 Contracted Internal Audit	175 519.10	0.00	0.00	<b>175 519.10</b>	0.00	0	66.30.00.000
618122 Furniture and equipment Capital	0.00	0.00	0.00	<b>0.00</b>	2 758.37	-100	66.30.00.000
618160 ITC Infrastructure Capital-New	0.00	0.00	0.00	<b>0.00</b>	176 212.10	-100	66.30.00.000
618237 Capacity building councillors	237 084.69	0.00	0.00	<b>237 084.69</b>	0.00	0	66.30.00.000
618270 Public Participation	1 078 555.00	0.00	0.00	<b>1 078 555.00</b>	525.00205339		66.30.00.000
618275 Zamani Sewer Reticulation	0.00	0.00	0.00	<b>0.00</b>	4 241 631.10	-100	66.30.00.000
618280 Zamani Oxidation Ponds	740 923.12	0.00	0.00	<b>740 923.12</b>	5 020 084.14	-85	66.30.00.000
618300 Tourism Sector Plan	0.00	0.00	0.00	<b>0.00</b>	175 000.00	-100	66.30.00.000
618310 GG Phahameng Stand Pipes & Con House Cor	0.00	0.00	0.00	<b>0.00</b>	63 915.97	-100	66.30.00.000
618350 Road and Stormwoter	0.00	0.00	0.00	<b>0.00</b>	515 373.89	-100	66.30.00.000
618360 Expanded Public works project	654 613.50	0.00	0.00	<b>654 613.50</b>	0.00	0	66.30.00.000
620105 Refund Salaries	0.00	0.00	0.00	<b>0.00</b>	-4 212.90	-100	65.30.10.000
620110 Salaries Salaries etc	0.00	11 007 842.37	0.00	<b>11 007 842.37</b>	17 728 006.09	-38	65.30.10.000
620111 Non Pension all	0.00	0.00	0.00	<b>0.00</b>	69 647.16	-100	65.30.10.000
620113 Bonus Salaries etc-New	-0.03	1 117 136.38	0.00	<b>1 117 136.35</b>	1 031 950.64	8	65.30.10.000
620114 Cell Phone Allowance Salaries etc-New	0.00	134 638.85	0.00	<b>134 638.85</b>	354 521.44	-62	65.30.10.000
620116 UIF Salaries etc-New	0.00	257 945.95	0.00	<b>257 945.95</b>	40 507.03	537	65.30.10.000
620118 Miscellaneous deductions salaries	0.00	496 872.87	0.00	<b>496 872.87</b>	17 951.08	2668	65.30.10.000
620119 Rental housing	0.00	37 200.00	0.00	<b>37 200.00</b>	0.00	0	65.30.10.000
620120 Long Service	0.00	25 108.13	0.00	<b>25 108.13</b>	0.00	0	65.30.10.000
620121 SAMWU SACCO	0.00	4 800.00	0.00	<b>4 800.00</b>	0.00	0	65.30.10.000
620122 SAMWU strike levies	0.00	2 835.00	0.00	<b>2 835.00</b>	0.00	0	65.30.10.000
620123 IMATU Salaries	0.00	4 278.00	0.00	<b>4 278.00</b>	0.00	0	65.30.10.000
620240 Skills	0.00	233 008.31	0.00	<b>233 008.31</b>	180 607.18	29	65.30.10.000
621120 Medical fund Salaries etc	-9 291.00	1 736 482.75	0.00	<b>1 727 191.75</b>	162 594.29	962	65.30.10.000
621130 Pension fund Salaries etc	-0.05	2 596 279.88	0.00	<b>2 596 279.83</b>	-89 253.79	-3009	65.30.10.000
621131 Party levies	0.00	22 300.00	0.00	<b>22 300.00</b>	0.00	0	65.30.10.000
622140 Group Insurance	0.00	39 863.96	0.00	<b>39 863.96</b>	0.00	0	65.30.10.000
623150 Travel allowance Salaries etc	0.02	3 528 717.42	0.00	<b>3 528 717.44</b>	2 932 315.62	20	65.30.10.000

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Final trial balance

Planning by	Reviewed
CDN	
2011/08/08	

01.30-2

Account	Prelim	Adj's	Reclass	RepAnnotation	Rep 06/10	%Chg	L/S
623160 Housing allowance Salaries etc	3 214.01	911 559.68	0.00	<b>914 773.69</b>	965 690.17	-5	65.30.10.000
623180 Fines - SDL	0.00	0.00	0.00	<b>0.00</b>	27 907.91	-100	67.30
623210 SARS - PAYE	0.00	4 952 733.30	0.00	<b>4 952 733.30</b>	4 459 024.98	11	65.30.10.000
623220 SAMWU	0.00	28 000.00	0.00	<b>28 000.00</b>	0.00	0	65.30.10.000
623230 SALGBC Levy	0.00	10 360.50	0.00	<b>10 360.50</b>	392.85	2537	65.30.10.000
624110 Salaries	47 254.00	901 852.94	0.00	<b>949 106.94</b>	51 800.00	1732	65.30.10.000
624111 Sitting allowance	12 636.00	2 808.00	0.00	<b>15 444.00</b>	0.00	0	65.30.10.000
624114 Cellphone allowance -clrs	0.00	284 245.00	0.00	<b>284 245.00</b>	0.00	0	65.30.10.000
624120 Medical fund	0.00	236 813.98	0.00	<b>236 813.98</b>	0.00	0	65.30.10.000
624130 Pension fund	0.00	1 114 631.96	0.00	<b>1 114 631.96</b>	0.00	0	65.30.10.000
624145 NFMW	0.00	120 067.25	0.00	<b>120 067.25</b>	11 723.75	924	65.30.10.000
624150 Interest - SARS PAYE	0.00	0.00	0.00	<b>0.00</b>	249 416.03	-100	67.30
624160 Fines - PAYE	0.00	0.00	0.00	<b>0.00</b>	428 605.31	-100	67.30
624170 Interest - SARS SDL	0.00	0.00	0.00	<b>0.00</b>	15 253.15	-100	67.30
625000 Finance Cost	155 196.25	0.00	0.00	<b>155 196.25</b>	241 331.36	-36	67.30
630000 UIF Contribution write off	0.00	0.00	0.00	<b>0.00</b>	93 596.19	-100	65.30.10.000
718163 Equitable Share Grant	-59 867 545.00	0.00	0.00	<b>-59 867 545.00</b>	-53 417 390.00	12	60.30.36.000
718166 MIG grant	-740 923.12	0.00	0.00	<b>-740 923.12</b>	-15 649 542.84	-95	60.30.36.000
718168 MSIG Grant	-878 415.00	0.00	0.00	<b>-878 415.00</b>	0.00	0	60.30.36.000
718169 EPWP- Incentive Bonus	-266 000.00	0.00	0.00	<b>-266 000.00</b>	-437 400.00	-39	60.30.36.000
718172 IDC Grant	-190 000.00	0.00	0.00	<b>-190 000.00</b>	0.00	0	60.30.36.000
718180 COGTA - Legal assistance grant	-1 000 000.00	0.00	0.00	<b>-1 000 000.00</b>	0.00	0	60.30.36.000
718182 COGTA - finance department assistance grant	-433 144.55	0.00	0.00	<b>-433 144.55</b>	0.00	0	60.30.36.000
718183 LG Seta Skills Grant	-173 599.15	0.00	0.00	<b>-173 599.15</b>	0.00	0	60.30.36.000
718204 DoT grant (Rural transp progr)	-336 550.55	0.00	0.00	<b>-336 550.55</b>	-1 209 162.75	-72	60.30.36.000
718232 LocalGovernment Financial Man	-1 000 000.00	0.00	0.00	<b>-1 000 000.00</b>	-750 000.00	33	60.30.36.000
718234 Management Suport Programme	0.00	0.00	0.00	<b>0.00</b>	-606 585.00	-100	60.30.36.000
718235 Other Sources	-1 500.00	0.00	0.00	<b>-1 500.00</b>	0.00	0	64.30.55.000
718239 Free Basic Electricity	0.00	0.00	0.00	<b>0.00</b>	-773.00	-100	60.30.36.000
750220 Investments Interest	-978 091.11	0.00	0.00	<b>-978 091.11</b>	-1 316 561.89	-26	61.30.20
750250 TMDM-Sale of Tender documents	-3 800.00	0.00	0.00	<b>-3 800.00</b>	-800.00	375	64.30.55.000
760490 Proceeds from Sale of Assets	-58 106.11	52 490.11	0.00	<b>-5 616.00</b>	0.00	0	64.30.55.000
610130-1 Membership Fee-SALGA	213 318.97	0.00	0.00	<b>213 318.97</b>	8 600.00	2380	66.30.00.000
610650-1 Consulting -Accounting Services	0.00	0.00	0.00	<b>0.00</b>	510 125.10	-100	66.30.00.000
610650-2 Consulting-Payroll	189 240.00	0.00	0.00	<b>189 240.00</b>	202 208.70	-6	66.30.00.000
610650-3 Consulting-Asset Management	127 841.32	0.00	0.00	<b>127 841.32</b>	126 219.11	1	66.30.00.000
618121-2 HIV AIDS	0.00	0.00	0.00	<b>0.00</b>	175 025.00	-100	66.30.00.000
618121-4 Mayoral Special Intervation	824 321.83	0.00	0.00	<b>824 321.83</b>	2 179 169.15	-62	66.30.00.000
618121-5 Bursary Fund	519 666.52	0.00	0.00	<b>519 666.52</b>	303 814.08	71	66.30.00.000
618125-1 Arts and Culture Programme	24 236.00	0.00	0.00	<b>24 236.00</b>	0.00	0	66.30.00.000
618125-3 Infrastructure Support - Setsoto Local Munic	868 626.00	0.00	0.00	<b>868 626.00</b>	0.00	0	66.30.00.000
618125-5 Infrastructure Support - Phumelela Local Mun	321 024.00	0.00	0.00	<b>321 024.00</b>	0.00	0	66.30.00.000
618125-6 Infrastructure Support - MAP Local Municipal	1 838 180.55	0.00	0.00	<b>1 838 180.55</b>	0.00	0	66.30.00.000
618126-1 Youth Advisory Centre	0.00	0.00	0.00	<b>0.00</b>	152 631.56	-100	66.30.00.000
618126-2 Sport Development program	219 441.50	0.00	0.00	<b>219 441.50</b>	150 345.00	46	66.30.00.000
618126-6 Youth Participation	0.00	0.00	0.00	<b>0.00</b>	230 189.14	-100	66.30.00.000
618129-5 Tourism Development Capital New	41 360.24	0.00	0.00	<b>41 360.24</b>	630 197.93	-93	66.30.00.000
618129-8 SMME Development Capital New	197 563.41	0.00	0.00	<b>197 563.41</b>	23 145.10	754	66.30.00.000
618172-1 Finalisation of Creditable IDP	181 700.00	0.00	0.00	<b>181 700.00</b>	261 261.07	-30	66.30.00.000
618229-2 Marquard Roads Paving (MIG)	0.00	0.00	0.00	<b>0.00</b>	101 883.23	-100	66.30.00.000
618234-3 Intervention - Golden Gate	0.00	0.00	0.00	<b>0.00</b>	362 113.63	-100	66.30.00.000
618235-1 General & Disability Capital-New	166 893.60	0.00	0.00	<b>166 893.60</b>	0.00	0	66.30.00.000
618235-3 Poverty Allivation Capital-New	276 837.63	0.00	0.00	<b>276 837.63</b>	367 543.25	-25	66.30.00.000
618235-4 Churches Programme Capital-New	0.00	0.00	0.00	<b>0.00</b>	42 960.00	-100	66.30.00.000
623180-1 Party levies - salaries	0.00	38 684.78	0.00	<b>38 684.78</b>	0.00	0	65.30.10.000
610430-17 General Maintenance	166 212.93	0.00	0.00	<b>166 212.93</b>	198 165.17	-16	66.30.00.000
610430-18 Vehicle	932 089.09	89 444.98	0.00	<b>1 021 534.07</b>	594 553.38	72	66.30.00.000
610430-19 Fuel	0.00	0.00	0.00	<b>0.00</b>	22 546.13	-100	66.30.00.000
618129-11 TMDM Development Agency	35 260.53	0.00	0.00	<b>35 260.53</b>	0.00	0	66.30.00.000
618172-10 Sector Plan & SDF Social Survey/Capicity B	0.00	0.00	0.00	<b>0.00</b>	43 600.00	-100	66.30.00.000
618172-11 Implementation of SCM	0.00	0.00	0.00	<b>0.00</b>	1 800.00	-100	66.30.00.000
618172-15 Development of By-Laws	0.00	0.00	0.00	<b>0.00</b>	9 874.13	-100	66.30.00.000
618172-16 SLA's with Sector Departments	17 839.23	0.00	0.00	<b>17 839.23</b>	19 919.36	-10	66.30.00.000
618172-30 Policy Development	1 242 134.74	110 220.00	0.00	<b>1 352 354.74</b>	0.00	0	66.30.00.000
618229-11 Warden District Fire station	0.00	0.00	0.00	<b>0.00</b>	1 107 604.82	-100	66.30.00.000
618229-12 Bulk Water Supply/Sanitation	0.00	0.00	0.00	<b>0.00</b>	254 591.87	-100	66.30.00.000
618229-20 Tshiame Sport Facility	0.00	0.00	0.00	<b>0.00</b>	1 331 845.41	-100	66.30.00.000
618236-48 Maken/Sekete/Thabong Footbridg Capital-N	336 440.55	0.00	0.00	<b>336 440.55</b>	1 209 163.20	-72	66.30.00.000
618236-52 Arlington/Leratsw Road Paving Capital-New	0.00	0.00	0.00	<b>0.00</b>	3 679 208.41	-100	66.30.00.000
	<b>0.00</b>	<b>3.00</b>	<b>0.00</b>	<b>3.00</b>	<b>3 679 208.41</b>	<b>1.00</b>	<b>200</b>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Final trial balance

Planning by	Reviewed
CDN 2011/08/08	

01.30-3

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Account	Prelim	Adj's	Reclass	RepAnnotation	Rep 06/10 %Chg	L/S
Net Income (Loss)	40 722 376.54			11 036 848.41	-3 006 605.19 -467	

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**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

01.30.10

Year End: 30 June 2011

Trial balance by lead schedule

L/S	Prelim	Adj's	Reclass	Rep	Rep 06/10	%Chg	Annotation
20.36 G&L - PPE	0.00	23 627.51	0.00	23 627.51	19 602.58	20.53	
60.30.36.000 Government grants & subsidies	-64 886 177.37	0.00	0.00	-64 886 177.37	-72 070 853.59	-9.97	
61.30.20 Interest received - investment	-978 091.11	0.00	0.00	-978 091.11	-1 316 561.89	-25.71	
64.30.55.000 Other income 3	-63 406.11	52 490.11	0.00	-10 916.00	-800.00	1264.50	
65.30.10.000 Employee costs - Salaried staff - Gen	53 812.95	29 335 055.03	0.00	29 388 867.98	28 116 862.26	4.52	
66.30.00.000 General expenses - General and tradi	24 996 288.85	274 355.48	0.00	25 270 644.33	47 295 842.07	-46.57	
67.30 Finance costs	155 196.25	0.00	0.00	155 196.25	962 513.76	-83.88	
20.20.10.001 Property, plant and equipment - Cost	8 422 106.86	-393 741.00	0.00	8 028 365.86	7 719 334.56	4.00	
20.20.10.011 Property, plant and equipment - Cost	2 580 688.68	0.00	0.00	2 580 688.68	2 580 688.68	0.00	
20.20.10.005 Property, plant and equipment - Acc d	-2 906 582.61	370 113.49	0.00	-2 536 469.12	-2 906 582.61	-12.73	
20.20.10.015 Property, plant and equipment - Acc d	-123 578.85	0.00	0.00	-123 578.85	-123 578.85	0.00	
23.22.10.001 Intangible assets - Cost - Finite	294 647.73	0.00	0.00	294 647.73	282 862.83	4.17	
23.22.10.005 Intangible assets - Acc amort and imp	-162 052.26	0.00	0.00	-162 052.26	-162 052.26	0.00	
25.29.20 Finance leases - Non-current liability	-790 424.92	0.00	0.00	-790 424.92	-1 366 125.54	-42.14	
25.29.25 Finance leases - Current liability	-594 285.93	0.00	0.00	-594 285.93	-683 878.01	-13.10	
32.20.15.002 Bank balances	1 747 402.51	0.00	0.00	1 747 402.51	6 164 983.34	-71.66	
32.20.15.003 Short-term deposits	15 501 106.02	0.00	0.00	15 501 106.02	4 765 306.57	225.29	
33.20.10.003 Levies	49 087 073.66	0.00	0.00	49 087 073.66	49 087 073.66	0.00	
33.20.10.004 Other taxes	-49 079 862.15	0.00	0.00	-49 079 862.15	-49 079 862.15	0.00	
31.20.10.009 Other receivables	2 144 836.92	-177 304.43	0.00	1 967 532.49	2 302 310.48	-14.54	
40.24 Distributable reserve	11 009 219.82	-861 385.60	0.00	10 147 834.22	7 141 229.27	42.10	
43.20.25 Unspent conditional grants and receipts -	-1 354 670.95	0.00	0.00	-1 354 670.95	-3 993 704.17	-66.08	
51.20.00.001 Trade payables	-4 420 366.94	-323 051.58	0.00	-4 743 418.52	-6 985 722.48	-32.10	
51.20.15.001 VAT (payable)	3 954 250.82	55 139.41	0.00	4 009 390.23	11 121 321.19	-63.95	
51.20.00.006 Other payables 2	28 661 645.26	-28 661 645.12	0.00	0.14	-903 030.76	-100.00	
51.20.00.007 Accrued expenses	-3 959 403.76	436 368.10	0.00	-3 523 035.66	-3 959 403.76	-11.02	
51.20.00.008 Other payables	-19 289 373.37	-130 018.40	0.00	-19 419 391.77	-24 007 774.18	-19.11	
	<u>0.00</u>	<u>3.00</u>	<u>0.00</u>	<u>3.00</u>	<u>1.00</u>	<u>200.00</u>	
<b>Net Income (Loss)</b>	<b>40 722 376.54</b>			<b>11 036 848.41</b>	<b>-3 006 605.19</b>	<b>-467.09</b>	

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

01.30.20

Year End: 30 June 2011

Trial balance by map number

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 06/10	%Chg
230000 Plant,machinery and equipment	<u>1 293 510.52</u>	<u>-380 000.00</u>	<u>0.00</u>	<u>913 510.52</u>		<u>1 207 015.52</u>	<u>-24</u>
<b>1.1.1.100.100.100.200.100.00000.000 Opening balance - Owned</b>	<b>1 293 510.52</b>	<b>-380 000.00</b>	<b>0.00</b>	<b>913 510.52</b>		<b>1 207 015.52</b>	<b>-24</b>
260000 Plant and Machinery - Leased assets	<u>2 580 688.68</u>	<u>0.00</u>	<u>0.00</u>	<u>2 580 688.68</u>		<u>2 580 688.68</u>	<u>0</u>
<b>1.1.1.100.100.100.200.100.01000.000 Opening balance - Leased</b>	<b>2 580 688.68</b>	<b>0.00</b>	<b>0.00</b>	<b>2 580 688.68</b>		<b>2 580 688.68</b>	<b>0</b>
240000 Furniture	<u>3 270 473.51</u>	<u>0.00</u>	<u>0.00</u>	<u>3 270 473.51</u>		<u>2 992 155.69</u>	<u>9</u>
<b>1.1.1.100.100.100.250.100.00000.000 Opening balance - Owned</b>	<b>3 270 473.51</b>	<b>0.00</b>	<b>0.00</b>	<b>3 270 473.51</b>		<b>2 992 155.69</b>	<b>9</b>
241000 Vehicles	<u>1 577 526.20</u>	<u>0.00</u>	<u>0.00</u>	<u>1 577 526.20</u>		<u>1 577 526.20</u>	<u>0</u>
<b>1.1.1.100.100.100.300.100.00000.000 Opening balance - Owned</b>	<b>1 577 526.20</b>	<b>0.00</b>	<b>0.00</b>	<b>1 577 526.20</b>		<b>1 577 526.20</b>	<b>0</b>
231000 Computers	<u>2 280 596.63</u>	<u>-13 741.00</u>	<u>0.00</u>	<u>2 266 855.63</u>		<u>1 942 637.15</u>	<u>17</u>
<b>1.1.1.100.100.100.400.100.00000.000 Opening balance - Owned</b>	<b>2 280 596.63</b>	<b>-13 741.00</b>	<b>0.00</b>	<b>2 266 855.63</b>		<b>1 942 637.15</b>	<b>17</b>
230009 Plant,machinery and equipment depreciation	<u>-525 864.21</u>	<u>361 000.00</u>	<u>0.00</u>	<u>-164 864.21</u>		<u>-525 864.21</u>	<u>-69</u>
<b>1.1.1.100.100.150.200.100.00000.000 Opening balance - Owned</b>	<b>-525 864.21</b>	<b>361 000.00</b>	<b>0.00</b>	<b>-164 864.21</b>		<b>-525 864.21</b>	<b>-69</b>
260009 Plant and Machinery - Leased Accum Depreciation	<u>-123 578.85</u>	<u>0.00</u>	<u>0.00</u>	<u>-123 578.85</u>		<u>-123 578.85</u>	<u>0</u>
<b>1.1.1.100.100.150.200.100.01000.000 Opening balance - Leased</b>	<b>-123 578.85</b>	<b>0.00</b>	<b>0.00</b>	<b>-123 578.85</b>		<b>-123 578.85</b>	<b>0</b>
240009 Furniture depreciation	<u>-1 512 041.00</u>	<u>0.00</u>	<u>0.00</u>	<u>-1 512 041.00</u>		<u>-1 512 041.00</u>	<u>0</u>
<b>1.1.1.100.100.150.250.100.00000.000 Opening balance - Owned</b>	<b>-1 512 041.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1 512 041.00</b>		<b>-1 512 041.00</b>	<b>0</b>
241009 Vehicles depreciation	<u>-189 836.44</u>	<u>0.00</u>	<u>0.00</u>	<u>-189 836.44</u>		<u>-189 836.44</u>	<u>0</u>
<b>1.1.1.100.100.150.300.100.00000.000 Opening balance - Owned</b>	<b>-189 836.44</b>	<b>0.00</b>	<b>0.00</b>	<b>-189 836.44</b>		<b>-189 836.44</b>	<b>0</b>
231009 Computers depreciation	<u>-678 840.96</u>	<u>9 113.49</u>	<u>0.00</u>	<u>-669 727.47</u>		<u>-678 840.96</u>	<u>-1</u>
<b>1.1.1.100.100.150.400.100.00000.000 Opening balance - Owned</b>	<b>-678 840.96</b>	<b>9 113.49</b>	<b>0.00</b>	<b>-669 727.47</b>		<b>-678 840.96</b>	<b>-1</b>
250000 Intangible - Software	<u>294 647.73</u>	<u>0.00</u>	<u>0.00</u>	<u>294 647.73</u>		<u>282 862.83</u>	<u>4</u>
<b>1.1.1.115.100.100.300.100.00000.000 Opening balance</b>	<b>294 647.73</b>	<b>0.00</b>	<b>0.00</b>	<b>294 647.73</b>		<b>282 862.83</b>	<b>4</b>
250009 Intangible - Accumulated Amortisation - Software	<u>-162 052.26</u>	<u>0.00</u>	<u>0.00</u>	<u>-162 052.26</u>		<u>-162 052.26</u>	<u>0</u>
<b>1.1.1.115.100.150.300.100.00000.000 Opening balance</b>	<b>-162 052.26</b>	<b>0.00</b>	<b>0.00</b>	<b>-162 052.26</b>		<b>-162 052.26</b>	<b>0</b>
452000 VAT Creditors	<u>3 954 250.82</u>	<u>55 139.41</u>	<u>0.00</u>	<u>4 009 390.23</u>		<u>11 121 321.19</u>	<u>-64</u>
<b>1.1.2.205.100.100.300.000.00000.000 VAT</b>	<b>3 954 250.82</b>	<b>55 139.41</b>	<b>0.00</b>	<b>4 009 390.23</b>		<b>11 121 321.19</b>	<b>-64</b>
405000 Operating Lease payments Control	<u>13 426.60</u>	<u>0.00</u>	<u>0.00</u>	<u>13 426.60</u>		<u>13 426.60</u>	<u>0</u>
<b>1.1.2.205.100.100.800.000.00000.000 Other receivables 1</b>	<b>13 426.60</b>	<b>0.00</b>	<b>0.00</b>	<b>13 426.60</b>		<b>13 426.60</b>	<b>0</b>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

01.30.20-1

Year End: 30 June 2011

Trial balance by map number

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 06/10	%Chg
400055 Lengoabala MS Wrong Payment	6 067.60	0.00	0.00	<b>6 067.60</b>		6 067.60	0
400060 COGTA Personnel Cost	146 292.91	0.00	0.00	<b>146 292.91</b>		140 851.11	4
400065 Expenses NCOP Meetings	69 225.00	0.00	0.00	<b>69 225.00</b>		69 225.00	0
400070 Sundry Debtor - Cllr Lengoalba Garnish	15 000.00	-15 000.00	0.00	<b>0.00</b>		0.00	0
410830 Sundry Debtors - Group Two	23 800.00	0.00	0.00	<b>23 800.00</b>		193 800.00	-88
410831 Sundry Debtors - Mazibuko Transport	7 000.00	0.00	0.00	<b>7 000.00</b>		0.00	0
410832 Sundry Debtor - Mngayana Transport	12 200.00	0.00	0.00	<b>12 200.00</b>		0.00	0
410840 Motsoeneng PH (Councillor) Double payment	3 256.63	0.00	0.00	<b>3 256.63</b>		3 256.63	0
410850 Elegant Gospel Choir Double payment	10 960.00	0.00	0.00	<b>10 960.00</b>		10 960.00	0
410860 Your Own World Guest House Double payment	1 250.00	0.00	0.00	<b>1 250.00</b>		1 250.00	0
410875 Damage to motor vehicle Martin Kubeka	4 933.53	0.00	0.00	<b>4 933.53</b>		4 933.53	0
<b>1.1.2.205.100.100.900.000.00000.000 Other receivables 3</b>	<b>299 985.67</b>	<b>-15 000.00</b>	<b>0.00</b>	<b>284 985.67</b>		<b>430 343.87</b>	<b>-34</b>
470000 Other amounts payable	304 143.37	0.00	0.00	<b>304 143.37</b>		304 143.37	0
<b>1.1.2.205.100.100.900.000.00000.008 Unauthorised expenditure</b>	<b>304 143.37</b>	<b>0.00</b>	<b>0.00</b>	<b>304 143.37</b>		<b>304 143.37</b>	<b>0</b>
400030 City Lodge - Overpayment	40.00	-40.00	0.00	<b>0.00</b>		0.00	0
<b>1.1.2.205.100.100.900.000.00000.011 Other debtors #1</b>	<b>40.00</b>	<b>-40.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0</b>
407000 Seconded councillors overpayment	1 587 619.93	196 668.08	0.00	<b>1 784 288.01</b>		1 611 619.93	11
<b>1.1.2.205.100.100.900.000.00000.012 Other debtors #2</b>	<b>1 587 619.93</b>	<b>196 668.08</b>	<b>0.00</b>	<b>1 784 288.01</b>		<b>1 611 619.93</b>	<b>11</b>
415002 Interest on motorloan	-13 718.65	0.00	0.00	<b>-13 718.65</b>		-13 718.65	0
415005 Salary overpayments Employers	13 718.65	0.00	0.00	<b>13 718.65</b>		13 718.65	0
<b>1.1.2.205.100.100.900.000.00000.013 Other debtors #3</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0</b>
408000 Councillors Overpayment Upper limits	264 164.88	-137 347.00	0.00	<b>126 817.88</b>		267 320.24	-53
<b>1.1.2.205.100.100.900.000.00000.014 Other debtors #4</b>	<b>264 164.88</b>	<b>-137 347.00</b>	<b>0.00</b>	<b>126 817.88</b>		<b>267 320.24</b>	<b>-53</b>
410890 Sundry Debtors - Provision for bad Debts	-324 543.53	-221 585.51	0.00	<b>-546 129.04</b>		-324 543.53	68
<b>1.1.2.205.100.100.900.000.00000.020 Other debtors #10</b>	<b>-324 543.53</b>	<b>-221 585.51</b>	<b>0.00</b>	<b>-546 129.04</b>		<b>-324 543.53</b>	<b>68</b>
400002 Debtors Establishment	49 087 073.66	0.00	0.00	<b>49 087 073.66</b>		49 087 073.66	0
<b>1.1.2.207.100.100.150.000.00000.000 Levies</b>	<b>49 087 073.66</b>	<b>0.00</b>	<b>0.00</b>	<b>49 087 073.66</b>		<b>49 087 073.66</b>	<b>0</b>
131040 Doubtful debt provision	-49 079 862.15	0.00	0.00	<b>-49 079 862.15</b>		-49 079 862.15	0
<b>1.1.2.207.100.100.200.000.00000.000 Other taxes</b>	<b>-49 079 862.15</b>	<b>0.00</b>	<b>0.00</b>	<b>-49 079 862.15</b>		<b>-49 079 862.15</b>	<b>0</b>
550001 Main Account Bank	1 747 402.51	0.00	0.00	<b>1 747 402.51</b>		6 164 983.34	-72
<b>1.1.2.230.100.000.100.000.00000.000 Bank balances</b>	<b>1 747 402.51</b>	<b>0.00</b>	<b>0.00</b>	<b>1 747 402.51</b>		<b>6 164 983.34</b>	<b>-72</b>
520000 ABSA 205664 1361 Assets invest	0.00	0.00	0.00	<b>0.00</b>		1 177 950.16	-100

## THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Year End: 30 June 2011

Trial balance by map number

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 06/10	%Chg
520002 ABSA Call account 9213000832	613 131.44	0.00	0.00	<b>613 131.44</b>		610 492.34	0
520003 FNB Investment	3 139 130.90	0.00	0.00	<b>3 139 130.90</b>		2 976 864.07	5
550008 ABSA bank 20-6206-4985 Investment bank account	11 748 843.68	0.00	0.00	<b>11 748 843.68</b>		0.00	0
<b>1.1.2.230.100.000.150.000.00000.000 Short-term deposits</b>	<b>15 501 106.02</b>	<b>0.00</b>	<b>0.00</b>	<b>15 501 106.02</b>		<b>4 765 306.57</b>	<b>225</b>
416100 Internal bank account	-51 586 558.39	0.00	0.00	<b>-51 586 558.39</b>		-44 265 142.87	17
416110 Internal bank account	391 968.96	0.00	0.00	<b>391 968.96</b>		63 621.11	516
416120 Internal bank account	13 068 298.59	0.00	0.00	<b>13 068 298.59</b>		10 117 644.70	29
416150 Internal bank account	15 021 772.18	0.00	0.00	<b>15 021 772.18</b>		8 259 154.84	82
416180 Internal bank account	5 472 694.04	0.00	0.00	<b>5 472 694.04</b>		2 335 093.28	134
416300 Internal bank account	-51 736 881.60	0.00	0.00	<b>-51 736 881.60</b>		-31 617 260.63	64
416400 Internal bank account	2 451 224.78	0.00	0.00	<b>2 451 224.78</b>		1 775 295.61	38
416500 Internal bank account	4 053 723.37	0.00	0.00	<b>4 053 723.37</b>		2 851 136.84	42
416600 Internal bank account	19 068 477.49	0.00	0.00	<b>19 068 477.49</b>		12 122 692.26	57
416700 Internal bank account	5 140 089.22	0.00	0.00	<b>5 140 089.22</b>		3 103 351.16	66
416800 Internal bank account	9 903 586.20	0.00	0.00	<b>9 903 586.20</b>		8 815 862.18	12
416900 Internal bank account	28 751 605.16	0.00	0.00	<b>28 751 605.16</b>		26 438 551.52	9
<b>1.1.2.230.100.000.900.000.00000.000 Other cash and cash equivalents</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0</b>
131020 Appropriation account	11 009 219.82	-861 385.60	0.00	<b>10 147 834.22</b>		7 755 842.83	31
<b>1.5.0.340.100.000.000.100.00000.000 Opening balance</b>	<b>11 009 219.82</b>	<b>-861 385.60</b>	<b>0.00</b>	<b>10 147 834.22</b>		<b>7 755 842.83</b>	<b>31</b>
131021 Reserve - Prior Period Errors	0.00	0.00	0.00	<b>0.00</b>		-614 613.56	-100
<b>1.5.0.340.100.000.000.400.00000.000 Transfers in</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>-614 613.56</b>	<b>-100</b>
460000 Finance Lease Liability contracts in progress	-790 424.92	0.00	0.00	<b>-790 424.92</b>		-1 366 125.54	-42
<b>1.5.1.420.100.000.000.000.00000.000 Finance lease obligation</b>	<b>-790 424.92</b>	<b>0.00</b>	<b>0.00</b>	<b>-790 424.92</b>		<b>-1 366 125.54</b>	<b>-42</b>
460010 Accrual-Int Finance Leases	-10 027.42	0.00	0.00	<b>-10 027.42</b>		-16 679.39	-40
460050 Current Portion - Finance Lease	-571 558.51	0.00	0.00	<b>-571 558.51</b>		-657 898.62	-13
<b>1.5.2.420.100.000.000.000.00000.000 Finance lease obligation</b>	<b>-581 585.93</b>	<b>0.00</b>	<b>0.00</b>	<b>-581 585.93</b>		<b>-674 578.01</b>	<b>-14</b>
480000 Operating Lease liability	-12 700.00	0.00	0.00	<b>-12 700.00</b>		-9 300.00	37
<b>1.5.2.422.100.000.000.000.00000.000 Operating lease accrual</b>	<b>-12 700.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-12 700.00</b>		<b>-9 300.00</b>	<b>37</b>
440253 Clean Audit - Capacity Building	-566 855.45	0.00	0.00	<b>-566 855.45</b>		-1 000 000.00	-43
<b>1.5.2.440.100.000.100.000.00000.000 Unspent grants 2</b>	<b>-566 855.45</b>	<b>0.00</b>	<b>0.00</b>	<b>-566 855.45</b>		<b>-1 000 000.00</b>	<b>-43</b>
440231 Unallocated Funds - Operation Hlasela	0.00	0.00	0.00	<b>0.00</b>		-1 000 000.00	-100
<b>1.5.2.440.100.000.150.000.00000.000 Unspent grants 3</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>-1 000 000.00</b>	<b>-100</b>
440002 Sundry Creditors	-6 903.97	0.00	0.00	<b>-6 903.97</b>		-343 454.52	-98

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1.5.2.440.100.000.200.000.00000.000 Unspent grants 4	-6 903.97	0.00	0.00	-6 903.97		-343 454.52	-98
440005 Unspent Grants MSIG	0.00	0.00	0.00	0.00		-128 415.00	-100
1.5.2.440.100.000.450.000.00000.000 Unspent grants 9	0.00	0.00	0.00	0.00		-128 415.00	-100
440260 MIG - Unspent Grants	-780 911.53	0.00	0.00	-780 911.53		-1 521 834.65	-49
1.5.2.440.100.000.500.000.00000.000 Unspent grants 10	-780 911.53	0.00	0.00	-780 911.53		-1 521 834.65	-49
440000 Creditors-Payments Creditors	-3 753 947.41	-323 051.58	0.00	-4 076 998.99		-5 973 094.22	-32
440003 Sundry Creditors - Retentions	-666 419.53	0.00	0.00	-666 419.53		-1 012 628.26	-34
1.5.2.500.100.000.050.000.00000.000 Trade payables	-4 420 366.94	-323 051.58	0.00	-4 743 418.52		-6 985 722.48	-32
131010 Leave reserves	-2 927 454.04	512 012.23	0.00	-2 415 441.81		-2 927 454.04	-17
1.5.2.500.100.000.450.000.00000.001 Accrued leave pay	-2 927 454.04	512 012.23	0.00	-2 415 441.81		-2 927 454.04	-17
460060 Bonus Provisions	-1 031 949.72	-75 644.13	0.00	-1 107 593.85		-1 031 949.72	7
1.5.2.500.100.000.450.000.00000.002 Accrued bonus	-1 031 949.72	-75 644.13	0.00	-1 107 593.85		-1 031 949.72	7
440001 Salary control account	30 096 657.64	-30 096 657.50	0.00	0.14		531 981.62	-100
440212 Sundry Creditors third party salary corrections	-1 435 012.38	1 435 012.38	0.00	0.00		-1 435 012.38	-100
1.5.2.500.100.000.810.000.00000.000 Other payables 2	28 661 645.26	-28 661 645.12	0.00	0.14		-903 030.76	-100
440215 Sundry Creditor-SARS EMP Creditors	-237 134.47	-171 675.60	0.00	-408 810.07		-5 449 206.58	-92
440220 UIF Refund Creditors	-191 562.74	0.00	0.00	-191 562.74		-191 562.74	0
1.5.2.500.100.000.900.000.00000.000 Other payables	-428 697.21	-171 675.60	0.00	-600 372.81		-5 640 769.32	-89
400006 Unallocated funds	-1 516 160.88	0.00	0.00	-1 516 160.88		-1 507 676.32	1
1.5.2.500.100.000.900.000.00000.001 Other creditors #1	-1 516 160.88	0.00	0.00	-1 516 160.88		-1 507 676.32	1
400045 Credit card control acc	168 378.61	-168 378.61	0.00	0.00		0.00	0
408010 Councillors Pension Fund creditors	-460 530.15	236 461.37	0.00	-224 068.78		-460 530.15	-51
440225 Leases payments control account	33 260.52	-33 260.52	0.00	0.00		0.00	0
1.5.2.500.100.000.900.000.00000.002 Other creditors #2	-258 891.02	34 822.24	0.00	-224 068.78		-460 530.15	-51
406500 Councillors under payments - upper limits	-12 369.63	6 834.96	0.00	-5 534.67		-12 369.63	-55
1.5.2.500.100.000.900.000.00000.004 Other Creditors #4	-12 369.63	6 834.96	0.00	-5 534.67		-12 369.63	-55
440255 Creditor-Podbielskie Attorney Creditors	-17 073 254.63	0.00	0.00	-17 073 254.63		-16 386 428.76	4
1.5.2.500.100.000.900.000.00000.005 Other Creditors #5	-17 073 254.63	0.00	0.00	-17 073 254.63		-16 386 428.76	4
718163 Equitable Share Grant	-59 867 545.00	0.00	0.00	-59 867 545.00		-53 417 390.00	12
2.1.1.174.300.000.000.000.00000.000 Equitable share	-59 867 545.00	0.00	0.00	-59 867 545.00		-53 417 390.00	12

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718166 MIG grant	-740 923.12	0.00	0.00	-740 923.12		-15 649 542.84	-95
<b>2.1.1.174.300.000.000.0000.001 Government grant (operating) 1</b>	<b>-740 923.12</b>	<b>0.00</b>	<b>0.00</b>	<b>-740 923.12</b>		<b>-15 649 542.84</b>	<b>-95</b>
718172 IDC Grant	-190 000.00	0.00	0.00	-190 000.00		0.00	0
<b>2.1.1.174.300.000.000.0000.002 Government grant (operating) 2</b>	<b>-190 000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-190 000.00</b>		<b>0.00</b>	<b>0</b>
718169 EPWP- Incentive Bonus	-266 000.00	0.00	0.00	-266 000.00		-437 400.00	-39
718239 Free Basic Electricity	0.00	0.00	0.00	0.00		-773.00	-100
<b>2.1.1.174.300.000.000.0000.003 Government grant (operating) 3</b>	<b>-266 000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-266 000.00</b>		<b>-438 173.00</b>	<b>-39</b>
718204 DoT grant (Rural transp progr)	-336 550.55	0.00	0.00	-336 550.55		-1 209 162.75	-72
<b>2.1.1.174.300.000.000.0000.004 Government grant (operating) 4</b>	<b>-336 550.55</b>	<b>0.00</b>	<b>0.00</b>	<b>-336 550.55</b>		<b>-1 209 162.75</b>	<b>-72</b>
718183 LG Seta Skills Grant	-173 599.15	0.00	0.00	-173 599.15		0.00	0
<b>2.1.1.174.300.000.000.0000.005 Government grant (operating) 5</b>	<b>-173 599.15</b>	<b>0.00</b>	<b>0.00</b>	<b>-173 599.15</b>		<b>0.00</b>	<b>0</b>
718232 LocalGovernment Financial Man	-1 000 000.00	0.00	0.00	-1 000 000.00		-750 000.00	33
<b>2.1.1.174.300.000.000.0000.006 Government grant (operating) 6</b>	<b>-1 000 000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1 000 000.00</b>		<b>-750 000.00</b>	<b>33</b>
718168 MSIG Grant	-878 415.00	0.00	0.00	-878 415.00		0.00	0
718234 Management Suport Programe	0.00	0.00	0.00	0.00		-606 585.00	-100
<b>2.1.1.174.300.000.000.0000.007 Government grant (operating) 7</b>	<b>-878 415.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-878 415.00</b>		<b>-606 585.00</b>	<b>45</b>
718180 COGTA - Legal assistance grant	-1 000 000.00	0.00	0.00	-1 000 000.00		0.00	0
<b>2.1.1.174.300.000.000.0000.008 Government grant (operating) 8</b>	<b>-1 000 000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1 000 000.00</b>		<b>0.00</b>	<b>0</b>
718182 COGTA - finance department assistance grant	-433 144.55	0.00	0.00	-433 144.55		0.00	0
<b>2.1.1.174.300.000.000.0000.009 Government grant (operating) 9</b>	<b>-433 144.55</b>	<b>0.00</b>	<b>0.00</b>	<b>-433 144.55</b>		<b>0.00</b>	<b>0</b>
750220 Investments Interest	-978 091.11	0.00	0.00	-978 091.11		-1 316 561.89	-26
<b>2.1.2.150.100.000.600.000.0000.000 Bank</b>	<b>-978 091.11</b>	<b>0.00</b>	<b>0.00</b>	<b>-978 091.11</b>		<b>-1 316 561.89</b>	<b>-26</b>
718235 Other Sources	-1 500.00	0.00	0.00	-1 500.00		0.00	0
750250 TMDM-Sale of Tender documents	-3 800.00	0.00	0.00	-3 800.00		-800.00	375
760490 Proceeds from Sale of Assets	-58 106.11	52 490.11	0.00	-5 616.00		0.00	0
<b>2.1.3.345.100.000.000.0000.001 Other income 3_1</b>	<b>-63 406.11</b>	<b>52 490.11</b>	<b>0.00</b>	<b>-10 916.00</b>		<b>-800.00</b>	<b>1265</b>
610120 Advertising General expenses	218 912.24	0.00	0.00	218 912.24		308 563.39	-29
<b>2.5.6.500.100.000.020.000.0000.000 Advertising</b>	<b>218 912.24</b>	<b>0.00</b>	<b>0.00</b>	<b>218 912.24</b>		<b>308 563.39</b>	<b>-29</b>
610450 Audit fees General expenses	1 400 763.68	2 950.90	0.00	1 403 714.58		1 669 585.01	-16

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<b>2.5.6.500.100.000.060.001.00000.000 Fees</b>	<b>1 400 763.68</b>	<b>2 950.90</b>	<b>0.00</b>	<b>1 403 714.58</b>		<b>1 669 585.01</b>	<b>-16</b>
610500 Doubtful Debt	0.00	221 585.51	0.00	<b>221 585.51</b>		327 645.92	<b>-32</b>
<b>2.5.6.500.100.000.070.000.00000.001 Contributions to bad-debt provision</b>	<b>0.00</b>	<b>221 585.51</b>	<b>0.00</b>	<b>221 585.51</b>		<b>327 645.92</b>	<b>-32</b>
610140 Bank charges General expenses	31 173.03	372.60	0.00	<b>31 545.63</b>		24 713.67	<b>28</b>
<b>2.5.6.500.100.000.080.000.00000.000 Bank charges</b>	<b>31 173.03</b>	<b>372.60</b>	<b>0.00</b>	<b>31 545.63</b>		<b>24 713.67</b>	<b>28</b>
610640 Gardening and cleaning General expenses-New	330 707.77	0.00	0.00	<b>330 707.77</b>		295 430.20	<b>12</b>
<b>2.5.6.500.100.000.090.000.00000.000 Cleaning</b>	<b>330 707.77</b>	<b>0.00</b>	<b>0.00</b>	<b>330 707.77</b>		<b>295 430.20</b>	<b>12</b>
618237 Capacity building councillors	237 084.69	0.00	0.00	<b>237 084.69</b>		0.00	<b>0</b>
<b>2.5.6.500.100.000.100.000.00000.000 Capacity building councillors</b>	<b>237 084.69</b>	<b>0.00</b>	<b>0.00</b>	<b>237 084.69</b>		<b>0.00</b>	<b>0</b>
610330 Programming General expenses	531 152.06	0.00	0.00	<b>531 152.06</b>		1 733 119.52	<b>-69</b>
618160 ITC Infrastructure Capital-New	0.00	0.00	0.00	<b>0.00</b>		176 212.10	<b>-100</b>
<b>2.5.6.500.100.000.110.000.00000.000 Computer expenses</b>	<b>531 152.06</b>	<b>0.00</b>	<b>0.00</b>	<b>531 152.06</b>		<b>1 909 331.62</b>	<b>-72</b>
610270 Legal expenses General expenses	4 875 148.77	0.00	0.00	<b>4 875 148.77</b>		12 407 924.01	<b>-61</b>
<b>2.5.6.500.100.000.120.001.00000.000 Legal expenses - deductible</b>	<b>4 875 148.77</b>	<b>0.00</b>	<b>0.00</b>	<b>4 875 148.77</b>		<b>12 407 924.01</b>	<b>-61</b>
610645 Contracted Financial Support	379 951.36	0.00	0.00	<b>379 951.36</b>		0.00	<b>0</b>
610860 Contracted Internal Audit	175 519.10	0.00	0.00	<b>175 519.10</b>		0.00	<b>0</b>
610650-1 Consulting -Accounting Services	0.00	0.00	0.00	<b>0.00</b>		510 125.10	<b>-100</b>
<b>2.5.6.500.100.000.120.002.00000.000 Consulting and professional fees 1 - deductible</b>	<b>555 470.46</b>	<b>0.00</b>	<b>0.00</b>	<b>555 470.46</b>		<b>510 125.10</b>	<b>9</b>
610650-3 Consulting-Asset Management	127 841.32	0.00	0.00	<b>127 841.32</b>		126 219.11	<b>1</b>
<b>2.5.6.500.100.000.120.003.00000.000 Consulting and professional fees 2 - deductible</b>	<b>127 841.32</b>	<b>0.00</b>	<b>0.00</b>	<b>127 841.32</b>		<b>126 219.11</b>	<b>1</b>
610650-2 Consulting-Payroll	189 240.00	0.00	0.00	<b>189 240.00</b>		202 208.70	<b>-6</b>
<b>2.5.6.500.100.000.120.004.00000.000 Consulting and professional fees 3 - deductible</b>	<b>189 240.00</b>	<b>0.00</b>	<b>0.00</b>	<b>189 240.00</b>		<b>202 208.70</b>	<b>-6</b>
610646 Contracted services - PMS	0.00	128 000.00	0.00	<b>128 000.00</b>		0.00	<b>0</b>
<b>2.5.6.500.100.000.120.006.00000.000 Other consulting and professional fees - deductal</b>	<b>0.00</b>	<b>128 000.00</b>	<b>0.00</b>	<b>128 000.00</b>		<b>0.00</b>	<b>0</b>
610495 General office expenses	0.00	0.00	0.00	<b>0.00</b>		36 802.14	<b>-100</b>
<b>2.5.6.500.100.000.130.000.00000.002 Consumables - Other</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>36 802.14</b>	<b>-100</b>
610420 Inspection services General expenses	0.00	0.00	0.00	<b>0.00</b>		614 035.09	<b>-100</b>
<b>2.5.6.500.100.000.140.000.00000.000 Debt collection</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>614 035.09</b>	<b>-100</b>
610220 Entertainment General expenses	251 988.51	0.00	0.00	<b>251 988.51</b>		146 621.65	<b>72</b>

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<b>2.5.6.500.100.000.210.000.00000.000 Entertainment</b>	<b>251 988.51</b>	<b>0.00</b>	<b>0.00</b>	<b>251 988.51</b>		<b>146 621.65</b>	<b>72</b>
610380 Insurance General expenses	117 238.59	0.00	0.00	117 238.59		117 416.73	0
<b>2.5.6.500.100.000.290.000.00000.000 Insurance - Third party</b>	<b>117 238.59</b>	<b>0.00</b>	<b>0.00</b>	<b>117 238.59</b>		<b>117 416.73</b>	<b>0</b>
618310 GG Phahameng Stand Pipes & Con House Connection	0.00	0.00	0.00	0.00		63 915.97	-100
618350 Road and Stormwater	0.00	0.00	0.00	0.00		515 373.89	-100
618360 Expanded Public works project	654 613.50	0.00	0.00	654 613.50		0.00	0
618234-3 Intervention - Golden Gate	0.00	0.00	0.00	0.00		362 113.63	-100
618229-12 Bulk Water Supply/Sanitation	0.00	0.00	0.00	0.00		254 591.87	-100
<b>2.5.6.500.100.000.310.000.00000.000 Community development and training</b>	<b>654 613.50</b>	<b>0.00</b>	<b>0.00</b>	<b>654 613.50</b>		<b>1 195 995.36</b>	<b>-45</b>
610570 Conferences General expenses	10 000.00	0.00	0.00	10 000.00		0.00	0
<b>2.5.6.500.100.000.320.000.00000.000 Conferences and seminars</b>	<b>10 000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10 000.00</b>		<b>0.00</b>	<b>0</b>
610180 Office rent General expenses	132 400.00	0.00	0.00	132 400.00		99 300.00	33
<b>2.5.6.500.100.000.360.001.00000.001 Premises - Contractual amounts</b>	<b>132 400.00</b>	<b>0.00</b>	<b>0.00</b>	<b>132 400.00</b>		<b>99 300.00</b>	<b>33</b>
610530 Marketing and promotions General expenses	352 888.50	0.00	0.00	352 888.50		381 140.00	-7
<b>2.5.6.500.100.000.380.000.00000.000 Marketing</b>	<b>352 888.50</b>	<b>0.00</b>	<b>0.00</b>	<b>352 888.50</b>		<b>381 140.00</b>	<b>-7</b>
610851 Newsletters	109 760.00	0.00	0.00	109 760.00		5 386.50	1938
<b>2.5.6.500.100.000.450.000.00000.000 Magazines, books and periodicals</b>	<b>109 760.00</b>	<b>0.00</b>	<b>0.00</b>	<b>109 760.00</b>		<b>5 386.50</b>	<b>1938</b>
610430-18 Vehicle	932 089.09	89 444.98	0.00	1 021 534.07		594 553.38	72
<b>2.5.6.500.100.000.470.000.00000.000 Motor vehicle expenses</b>	<b>932 089.09</b>	<b>89 444.98</b>	<b>0.00</b>	<b>1 021 534.07</b>		<b>594 553.38</b>	<b>72</b>
610430-19 Fuel	0.00	0.00	0.00	0.00		22 546.13	-100
<b>2.5.6.500.100.000.500.000.00000.000 Fuel and oil</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>22 546.13</b>	<b>-100</b>
610540 Recruitmentcosts General expenses	108 549.27	0.00	0.00	108 549.27		11 061.11	881
<b>2.5.6.500.100.000.510.000.00000.000 Placement fees</b>	<b>108 549.27</b>	<b>0.00</b>	<b>0.00</b>	<b>108 549.27</b>		<b>11 061.11</b>	<b>881</b>
610260 Postage General expenses	0.00	0.00	0.00	0.00		1 470.93	-100
<b>2.5.6.500.100.000.530.000.00000.000 Postage and courier</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>1 470.93</b>	<b>-100</b>
610160 Stationery Cost General expenses	192 056.05	0.00	0.00	192 056.05		248 874.48	-23
<b>2.5.6.500.100.000.540.000.00000.000 Printing and stationery</b>	<b>192 056.05</b>	<b>0.00</b>	<b>0.00</b>	<b>192 056.05</b>		<b>248 874.48</b>	<b>-23</b>
610430 Maintenance/Reppairs General expenses	543 958.41	-46 587.11	0.00	497 371.30		417 730.57	19
610440 Equipment rent General expenses	287 950.09	48 016.66	0.00	335 966.75		674 932.00	-50
618122 Furniture and equipment Capital	0.00	0.00	0.00	0.00		2 758.37	-100

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

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Trial balance by map number

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 06/10	%Chg
610430-17 General Maintenance	166 212.93	0.00	0.00	166 212.93		198 165.17	-16
<b>2.5.6.500.100.000.580.000.00000.000 Repairs and maintenance - deductible</b>	<b>998 121.43</b>	<b>1 429.55</b>	<b>0.00</b>	<b>999 550.98</b>		<b>1 293 586.11</b>	<b>-23</b>
618172-1 Finalisation of Creditable IDP	181 700.00	0.00	0.00	181 700.00		261 261.07	-30
618172-15 Development of By-Laws	0.00	0.00	0.00	0.00		9 874.13	-100
<b>2.5.6.500.100.000.600.000.00000.000 Research and development costs - Third party</b>	<b>181 700.00</b>	<b>0.00</b>	<b>0.00</b>	<b>181 700.00</b>		<b>271 135.20</b>	<b>-33</b>
610600 Security General expenses	499 999.92	0.00	0.00	499 999.92		499 999.92	0
<b>2.5.6.500.100.000.640.000.00000.000 Security (Guarding of municipal property)</b>	<b>499 999.92</b>	<b>0.00</b>	<b>0.00</b>	<b>499 999.92</b>		<b>499 999.92</b>	<b>0</b>
618172-11 Implementation of SCM	0.00	0.00	0.00	0.00		1 800.00	-100
<b>2.5.6.500.100.000.650.000.00000.000 Software expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>1 800.00</b>	<b>-100</b>
610130 Affiliation General expenses	21 208.44	5 703.77	0.00	26 912.21		219 252.42	-88
610560 Subscription General expenses	728.07	0.00	0.00	728.07		26 648.69	-97
610130-1 Membership Fee-SALGA	213 318.97	0.00	0.00	213 318.97		8 600.00	2380
<b>2.5.6.500.100.000.670.000.00000.000 Subscriptions and membership fees</b>	<b>235 255.48</b>	<b>5 703.77</b>	<b>0.00</b>	<b>240 959.25</b>		<b>254 501.11</b>	<b>-5</b>
610350 Telephone General expenses	973 897.25	-527 651.38	0.00	446 245.87		837 609.19	-47
<b>2.5.6.500.100.000.690.000.00000.000 Telephone and fax</b>	<b>973 897.25</b>	<b>-527 651.38</b>	<b>0.00</b>	<b>446 245.87</b>		<b>837 609.19</b>	<b>-47</b>
610250 Skills development General expenses	25 294.87	0.00	0.00	25 294.87		166 712.28	-85
610480 Workshops General expenses	5 403.51	0.00	0.00	5 403.51		1 894.96	185
610830 Financial management capacity improvement-New	0.00	0.00	0.00	0.00		19 698.07	-100
618172-10 Sector Plan & SDF Social Survey/Capicity Building	0.00	0.00	0.00	0.00		43 600.00	-100
618172-16 SLA's with Sector Departments	17 839.23	0.00	0.00	17 839.23		19 919.36	-10
<b>2.5.6.500.100.000.710.000.00000.000 Training</b>	<b>48 537.61</b>	<b>0.00</b>	<b>0.00</b>	<b>48 537.61</b>		<b>251 824.67</b>	<b>-81</b>
610280 Travelling General expenses	1 077 502.38	0.00	0.00	1 077 502.38		1 120 518.87	-4
610325 Travelling accomodation & subsistence	203 505.61	62 791.04	0.00	266 296.65		0.00	0
610360 Subsistance allowance General expenses	448 489.94	179 508.51	0.00	627 998.45		385 951.25	63
<b>2.5.6.500.100.000.720.000.00000.000 Travel - local</b>	<b>1 729 497.93</b>	<b>242 299.55</b>	<b>0.00</b>	<b>1 971 797.48</b>		<b>1 506 470.12</b>	<b>31</b>
618300 Tourism Sector Plan	0.00	0.00	0.00	0.00		175 000.00	-100
618129-5 Tourism Development Capital New	41 360.24	0.00	0.00	41 360.24		630 197.93	-93
<b>2.5.6.500.100.000.790.000.00000.000 Tourism development</b>	<b>41 360.24</b>	<b>0.00</b>	<b>0.00</b>	<b>41 360.24</b>		<b>805 197.93</b>	<b>-95</b>
610550 Teambuilding General expenses	190 680.15	0.00	0.00	190 680.15		0.00	0
<b>2.5.6.500.100.000.800.000.00000.000 Team building</b>	<b>190 680.15</b>	<b>0.00</b>	<b>0.00</b>	<b>190 680.15</b>		<b>0.00</b>	<b>0</b>
618121-2 HIV AIDS	0.00	0.00	0.00	0.00		175 025.00	-100
618121-4 Mayoral Special Intervation	824 321.83	0.00	0.00	824 321.83		2 179 169.15	-62

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Trial balance by map number

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 06/10	%Chg
618121-5 Bursary Fund	519 666.52	0.00	0.00	<b>519 666.52</b>		303 814.08	<b>71</b>
618125-1 Arts and Culture Programme	24 236.00	0.00	0.00	<b>24 236.00</b>		0.00	<b>0</b>
618125-3 Infrastructure Support - Setsoto Local Municipalit	868 626.00	0.00	0.00	<b>868 626.00</b>		0.00	<b>0</b>
618125-5 Infrastructure Support - Phumelela Local Municipal	321 024.00	0.00	0.00	<b>321 024.00</b>		0.00	<b>0</b>
618125-6 Infrastructure Support - MAP Local Municipality	1 838 180.55	0.00	0.00	<b>1 838 180.55</b>		0.00	<b>0</b>
618126-1 Youth Advisory Centre	0.00	0.00	0.00	<b>0.00</b>		152 631.56	<b>-100</b>
618126-2 Sport Development program	219 441.50	0.00	0.00	<b>219 441.50</b>		150 345.00	<b>46</b>
618126-6 Youth Participation	0.00	0.00	0.00	<b>0.00</b>		230 189.14	<b>-100</b>
618129-8 SMME Development Capital New	197 563.41	0.00	0.00	<b>197 563.41</b>		23 145.10	<b>754</b>
618235-1 General & Disability Capital-New	166 893.60	0.00	0.00	<b>166 893.60</b>		0.00	<b>0</b>
618235-3 Poverty Allivation Capital-New	276 837.63	0.00	0.00	<b>276 837.63</b>		367 543.25	<b>-25</b>
618235-4 Churches Programme Capital-New	0.00	0.00	0.00	<b>0.00</b>		42 960.00	<b>-100</b>
618129-11 TMDM Development Agency	35 260.53	0.00	0.00	<b>35 260.53</b>		0.00	<b>0</b>
<b>2.5.6.500.100.000.810.000.00000.000 Expense 2</b>	<b>5 292 051.57</b>	<b>0.00</b>	<b>0.00</b>	<b>5 292 051.57</b>		<b>3 624 822.28</b>	<b>46</b>
618275 Zamani Sewer Reticulation	0.00	0.00	0.00	<b>0.00</b>		4 241 631.10	<b>-100</b>
618280 Zamani Oxidation Ponds	740 923.12	0.00	0.00	<b>740 923.12</b>		5 020 084.14	<b>-85</b>
618229-2 Marquard Roads Paving (MIG)	0.00	0.00	0.00	<b>0.00</b>		101 883.23	<b>-100</b>
618229-11 Warden District Fire station	0.00	0.00	0.00	<b>0.00</b>		1 107 604.82	<b>-100</b>
618229-20 Tshame Sport Facility	0.00	0.00	0.00	<b>0.00</b>		1 331 845.41	<b>-100</b>
618236-48 Maken/Sekete/Thabong Footbridg Capital-New	336 440.55	0.00	0.00	<b>336 440.55</b>		1 209 163.20	<b>-72</b>
618236-52 Arlington/Leratsw Road Paving Capital-New	0.00	0.00	0.00	<b>0.00</b>		3 679 208.41	<b>-100</b>
<b>2.5.6.500.100.000.820.000.00000.000 Expense 3</b>	<b>1 077 363.67</b>	<b>0.00</b>	<b>0.00</b>	<b>1 077 363.67</b>		<b>16 691 420.31</b>	<b>-94</b>
618270 Public Participation	1 078 555.00	0.00	0.00	<b>1 078 555.00</b>		525.00	<b>205339</b>
<b>2.5.6.500.100.000.850.000.00000.000 Expense 6</b>	<b>1 078 555.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1 078 555.00</b>		<b>525.00</b>	<b>205339</b>
610853 District Audit Committee	48 056.33	0.00	0.00	<b>48 056.33</b>		0.00	<b>0</b>
<b>2.5.6.500.100.000.880.000.00000.000 District audit committee</b>	<b>48 056.33</b>	<b>0.00</b>	<b>0.00</b>	<b>48 056.33</b>		<b>0.00</b>	<b>0</b>
618172-30 Policy Development	1 242 134.74	110 220.00	0.00	<b>1 352 354.74</b>		0.00	<b>0</b>
<b>2.5.6.500.100.000.990.000.00100.000 Policy development</b>	<b>1 242 134.74</b>	<b>110 220.00</b>	<b>0.00</b>	<b>1 352 354.74</b>		<b>0.00</b>	<b>0</b>
620105 Refund Salaries	0.00	0.00	0.00	<b>0.00</b>		-4 212.90	<b>-100</b>
620110 Salaries Salaries etc	0.00	11 007 842.37	0.00	<b>11 007 842.37</b>		17 728 006.09	<b>-38</b>
620111 Non Pension all	0.00	0.00	0.00	<b>0.00</b>		69 647.16	<b>-100</b>
620118 Miscellaneous deductions salaries	0.00	496 872.87	0.00	<b>496 872.87</b>		17 951.08	<b>2668</b>
621130 Pension fund Salaries etc	-0.05	2 596 279.88	0.00	<b>2 596 279.83</b>		-89 253.79	<b>-3009</b>
623210 SARS - PAYE	0.00	4 952 733.30	0.00	<b>4 952 733.30</b>		4 459 024.98	<b>11</b>
624110 Salaries	47 254.00	901 852.94	0.00	<b>949 106.94</b>		51 800.00	<b>1732</b>
624111 Sitting allowance	12 636.00	2 808.00	0.00	<b>15 444.00</b>		0.00	<b>0</b>
624130 Pension fund	0.00	1 114 631.96	0.00	<b>1 114 631.96</b>		0.00	<b>0</b>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

01.30.20-9

Year End: 30 June 2011

Trial balance by map number

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 06/10	%Chg
<b>2.5.6.510.100.000.100.100.00000.000 Basic</b>	<b>59 889.95</b>	<b>21 073 021.32</b>	<b>0.00</b>	<b>21 132 911.27</b>		<b>22 232 962.62</b>	<b>-5</b>
620113 Bonus Salaries etc-New	-0.03	1 117 136.38	0.00	1 117 136.35		1 031 950.64	8
<b>2.5.6.510.100.000.100.120.00000.000 Bonus</b>	<b>-0.03</b>	<b>1 117 136.38</b>	<b>0.00</b>	<b>1 117 136.35</b>		<b>1 031 950.64</b>	<b>8</b>
621120 Medical fund Salaries etc	-9 291.00	1 736 482.75	0.00	1 727 191.75		162 594.29	962
624120 Medical fund	0.00	236 813.98	0.00	236 813.98		0.00	0
<b>2.5.6.510.100.000.100.130.00000.000 Medical aid - company contributions</b>	<b>-9 291.00</b>	<b>1 973 296.73</b>	<b>0.00</b>	<b>1 964 005.73</b>		<b>162 594.29</b>	<b>1108</b>
620116 UIF Salaries etc-New	0.00	257 945.95	0.00	257 945.95		40 507.03	537
630000 UIF Contribution write off	0.00	0.00	0.00	0.00		93 596.19	-100
<b>2.5.6.510.100.000.100.140.00000.000 UIF</b>	<b>0.00</b>	<b>257 945.95</b>	<b>0.00</b>	<b>257 945.95</b>		<b>134 103.22</b>	<b>92</b>
620240 Skills	0.00	233 008.31	0.00	233 008.31		180 607.18	29
<b>2.5.6.510.100.000.100.142.00000.000 SDL</b>	<b>0.00</b>	<b>233 008.31</b>	<b>0.00</b>	<b>233 008.31</b>		<b>180 607.18</b>	<b>29</b>
620121 SAMWU SACCO	0.00	4 800.00	0.00	4 800.00		0.00	0
620122 SAMWU strike levies	0.00	2 835.00	0.00	2 835.00		0.00	0
620123 IMATU Salaries	0.00	4 278.00	0.00	4 278.00		0.00	0
621131 Party levies	0.00	22 300.00	0.00	22 300.00		0.00	0
622140 Group Insurance	0.00	39 863.96	0.00	39 863.96		0.00	0
623220 SAMWU	0.00	28 000.00	0.00	28 000.00		0.00	0
623230 SALGBC Levy	0.00	10 360.50	0.00	10 360.50		392.85	2537
624145 NFMW	0.00	120 067.25	0.00	120 067.25		11 723.75	924
623180-1 Party levies - salaries	0.00	38 684.78	0.00	38 684.78		0.00	0
<b>2.5.6.510.100.000.100.143.00000.000 Other payroll levies</b>	<b>0.00</b>	<b>271 189.49</b>	<b>0.00</b>	<b>271 189.49</b>		<b>12 116.60</b>	<b>2138</b>
610460 Leave Prov Fund General expenses	0.00	-512 012.23	0.00	-512 012.23		110 000.48	-565
<b>2.5.6.510.100.000.100.150.00000.000 Leave pay provision charge</b>	<b>0.00</b>	<b>-512 012.23</b>	<b>0.00</b>	<b>-512 012.23</b>		<b>110 000.48</b>	<b>-565</b>
624114 Cellphone allowance -cllrs	0.00	284 245.00	0.00	284 245.00		0.00	0
<b>2.5.6.510.100.000.100.210.00000.000 Travel, motor car, accommodation, subsistence a</b>	<b>0.00</b>	<b>284 245.00</b>	<b>0.00</b>	<b>284 245.00</b>		<b>0.00</b>	<b>0</b>
620120 Long Service	0.00	25 108.13	0.00	25 108.13		0.00	0
<b>2.5.6.510.100.000.100.230.00000.000 Long-service awards</b>	<b>0.00</b>	<b>25 108.13</b>	<b>0.00</b>	<b>25 108.13</b>		<b>0.00</b>	<b>0</b>
623150 Travel allowance Salaries etc	0.02	3 528 717.42	0.00	3 528 717.44		2 932 315.62	20
<b>2.5.6.510.100.000.100.270.00000.000 Car allowance</b>	<b>0.02</b>	<b>3 528 717.42</b>	<b>0.00</b>	<b>3 528 717.44</b>		<b>2 932 315.62</b>	<b>20</b>
620119 Rental housing	0.00	37 200.00	0.00	37 200.00		0.00	0
623160 Housing allowance Salaries etc	3 214.01	911 559.68	0.00	914 773.69		965 690.17	-5
<b>2.5.6.510.100.000.100.271.00000.000 Housing benefits and allowances</b>	<b>3 214.01</b>	<b>948 759.68</b>	<b>0.00</b>	<b>951 973.69</b>		<b>965 690.17</b>	<b>-1</b>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Trial balance by map number

01.30.20-10

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 06/10	%Chg
620114 Cell Phone Allowance Salaries etc-New	0.00	134 638.85	0.00	134 638.85		354 521.44	-62
<b>2.5.6.510.100.000.100.273.00000.000 Other # 4</b>	<b>0.00</b>	<b>134 638.85</b>	<b>0.00</b>	<b>134 638.85</b>		<b>354 521.44</b>	<b>-62</b>
625000 Finance Cost	155 196.25	0.00	0.00	155 196.25		241 331.36	-36
<b>2.5.6.530.100.000.180.000.00100.000 Finance leases</b>	<b>155 196.25</b>	<b>0.00</b>	<b>0.00</b>	<b>155 196.25</b>		<b>241 331.36</b>	<b>-36</b>
623180 Fines - SDL	0.00	0.00	0.00	0.00		27 907.91	-100
624150 Interest - SARS PAYE	0.00	0.00	0.00	0.00		249 416.03	-100
624160 Fines - PAYE	0.00	0.00	0.00	0.00		428 605.31	-100
624170 Interest - SARS SDL	0.00	0.00	0.00	0.00		15 253.15	-100
<b>2.5.6.530.100.000.230.000.00000.000 Late payment of tax</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>721 182.40</b>	<b>-100</b>
610475 Loss on Disposal of assets	0.00	19 000.00	0.00	19 000.00		19 602.58	-3
610476 Loss of asset due to theft	0.00	4 627.51	0.00	4 627.51		0.00	0
<b>2.9.0.800.100.100.000.000.00100.000 Property, plant and equipment</b>	<b>0.00</b>	<b>23 627.51</b>	<b>0.00</b>	<b>23 627.51</b>		<b>19 602.58</b>	<b>21</b>
	<u>0.00</u>	<u>3.00</u>	<u>0.00</u>	<u>3.00</u>		<u>1.00</u>	<u>200</u>
<b>Net Income (Loss)</b>	<b>40 722 376.54</b>			<b>11 036 848.41</b>		<b>-3 006 605.19</b>	<b>-467</b>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Adjusting journal entries

Date: 2011/06/01 To 2011/06/30

Planning by	Reviewed
CDN 2011/08/24	

01.40

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
9	2011/06/30	Creditors-Payments Creditors	440000				145 920.00	
9	2011/06/30	VAT Creditors	452000			17 920.00		
9	2011/06/30	Contracted services - PMS	610646			128 000.00		
		Being creditor at year end MKS management services - cost accounted on Hercules						
10	2011/06/30	Creditors-Payments Creditors	440000				189.02	
10	2011/06/30	VAT Creditors	452000			23.23		
10	2011/06/30	Telephone General expenses	610350			165.79		
		Being creditors at year end Nashua Mobile - Cost accounted on Hercules						
11	2011/06/30	Sundry Debtors - Provision for bad Debts	410890				221 585.51	
11	2011/06/30	Doudful Debt	610500			221 585.51		
		KPMG118- Being impairment provision on sundry debtors outstanding at year end						
12	2011/06/30	City Lodge - Overpayment	400030				40.00	
12	2011/06/30	Travelling accomodation & subsistence	610325			40.00		
		KPMG 119-Being write off of overpayment						
13	2011/06/30	Sundry Debtor - Cllr Lengoalba Garnish	400070				5 500.00	
13	2011/06/30	Councillors under payments - upper limits	406500			5 500.00		
		KOMG120- being off setting of amount owing to councillor against Garnish order						
14	2011/06/30	Leases payments control account	440225				33 260.52	
14	2011/06/30	Equipment rent General expenses	610440			33 260.52		
		KPMG121- Being transfer of service charges of lease rentals						
15	2011/06/30	Creditors-Payments Creditors	440000				21 794.03	
15	2011/06/30	VAT Creditors	452000			2 676.46		
15	2011/06/30	Telephone General expenses	610350			19 117.57		
		KPMG122-Being updating of creditors balance Telkom						
16	2011/06/30	Creditors-Payments Creditors	440000				6 502.30	
16	2011/06/30	VAT Creditors	452000			798.53		
16	2011/06/30	Affiliation General expenses	610130			5 703.77		
		KPMG123- being updating creditors balance per statement- NHL services						
17	2011/06/30	Telephone General expenses	610350				5 903.00	
17	2011/06/30	Maintenance/Reppairs General expenses	610430				26 837.00	
17	2011/06/30	Maintenance/Reppairs General expenses	610430				19 750.11	
17	2011/06/30	Proceeds from Sale of Assets	760490			52 490.11		
		KPMG124- being realloc of insurance recovery against expense incurred						
18	2011/06/30	Creditors-Payments Creditors	440000				3 364.03	
18	2011/06/30	VAT Creditors	452000			413.13		
18	2011/06/30	Audit fees General expenses	610450			2 950.90		
		KPMG125- Creditors at year end Auditor General						
19	2011/06/30	Creditors-Payments Creditors	440000				16 826.20	
19	2011/06/30	VAT Creditors	452000			2 070.06		
19	2011/06/30	Equipment rent General expenses	610440			14 756.14		

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01.40-1

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
KPMG126- being creditors at year end - Karobo office								
20	2011/06/30	Creditors-Payments Creditors	440000				125 648.00	
20	2011/06/30	VAT Creditors	452000			15 428.00		
20	2011/06/30	Policy Development	618172-30			110 220.00		
KPMG127- creditors at year end - MKS service								
21	2011/06/30	Computers	231000				13 741.00	
21	2011/06/30	Computers depreciation	231009			9 113.49		
21	2011/06/30	Loss of asset due to theft	610476			4 627.51		
KPMG128- processing of computer loss due to theft								
22	2011/06/30	Creditors-Payments Creditors	440000				2 808.00	
22	2011/06/30	Sitting allowance	624111			2 808.00		
Being creditors at year end - councillors sitting allowance outstanding - Cost accounted on Hercules								
23	2011/06/30	Credit card control acc	400045				493.16	
23	2011/06/30	Credit card control acc	400045				11.45	
23	2011/06/30	Credit card control acc	400045				2 038.09	
23	2011/06/30	Credit card control acc	400045				21 778.71	
23	2011/06/30	Credit card control acc	400045				22.90	
23	2011/06/30	Credit card control acc	400045				206.40	
23	2011/06/30	Credit card control acc	400045				2 269.51	
23	2011/06/30	Credit card control acc	400045				23.93	
23	2011/06/30	Credit card control acc	400045				2 895.80	
23	2011/06/30	Credit card control acc	400045				22.90	
23	2011/06/30	Credit card control acc	400045				9 234.10	
23	2011/06/30	Credit card control acc	400045				108.00	
23	2011/06/30	Credit card control acc	400045				11.45	
23	2011/06/30	Credit card control acc	400045				554.19	
23	2011/06/30	Credit card control acc	400045				6 874.24	
23	2011/06/30	Credit card control acc	400045				28.73	
23	2011/06/30	Credit card control acc	400045				849.10	
23	2011/06/30	Credit card control acc	400045				22.90	
23	2011/06/30	Credit card control acc	400045				4 812.00	
23	2011/06/30	Credit card control acc	400045				300.75	
23	2011/06/30	Credit card control acc	400045				11.45	
23	2011/06/30	Credit card control acc	400045				7 648.38	
23	2011/06/30	Credit card control acc	400045				10 935.46	
23	2011/06/30	Credit card control acc	400045				27.29	
23	2011/06/30	Credit card control acc	400045				937.15	
23	2011/06/30	Credit card control acc	400045				22.90	
23	2011/06/30	Credit card control acc	400045				6 375.27	
23	2011/06/30	Credit card control acc	400045				285.95	
23	2011/06/30	Credit card control acc	400045				11.45	
23	2011/06/30	Credit card control acc	400045				5 514.45	
23	2011/06/30	Credit card control acc	400045				9 636.20	
23	2011/06/30	Credit card control acc	400045				23.45	
23	2011/06/30	Credit card control acc	400045				1 046.40	
23	2011/06/30	Credit card control acc	400045				35 461.24	
23	2011/06/30	Credit card control acc	400045				20.40	
23	2011/06/30	Credit card control acc	400045				32.40	
23	2011/06/30	Credit card control acc	400045				2 351.60	
23	2011/06/30	Credit card control acc	400045				21.61	
23	2011/06/30	Credit card control acc	400045				1 621.70	
23	2011/06/30	Credit card control acc	400045			26.16		
23	2011/06/30	Credit card control acc	400045				7 333.02	
23	2011/06/30	Credit card control acc	400045				21.60	
23	2011/06/30	Credit card control acc	400045				1 930.65	
23	2011/06/30	Credit card control acc	400045				10.80	
23	2011/06/30	Credit card control acc	400045				1 116.55	
23	2011/06/30	Credit card control acc	400045				10.80	
23	2011/06/30	Credit card control acc	400045				12 825.49	

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01.40-2

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
23	2011/06/30	Credit card control acc	400045				8 228.13	
23	2011/06/30	Credit card control acc	400045				28.08	
23	2011/06/30	Credit card control acc	400045				2 356.59	
23	2011/06/30	VAT Creditors	452000			16.21		
23	2011/06/30	VAT Creditors	452000			1.41		
23	2011/06/30	VAT Creditors	452000			250.29		
23	2011/06/30	VAT Creditors	452000			2 674.58		
23	2011/06/30	VAT Creditors	452000			2.82		
23	2011/06/30	VAT Creditors	452000			25.35		
23	2011/06/30	VAT Creditors	452000			2.94		
23	2011/06/30	VAT Creditors	452000			355.62		
23	2011/06/30	VAT Creditors	452000			2.82		
23	2011/06/30	VAT Creditors	452000			1 134.01		
23	2011/06/30	VAT Creditors	452000			13.26		
23	2011/06/30	VAT Creditors	452000			1.41		
23	2011/06/30	VAT Creditors	452000			68.05		
23	2011/06/30	VAT Creditors	452000			1.41		
23	2011/06/30	VAT Creditors	452000			104.98		
23	2011/06/30	VAT Creditors	452000			2.82		
23	2011/06/30	VAT Creditors	452000			590.95		
23	2011/06/30	VAT Creditors	452000			26.76		
23	2011/06/30	VAT Creditors	452000			1.41		
23	2011/06/30	VAT Creditors	452000			939.27		
23	2011/06/30	VAT Creditors	452000			17.81		
23	2011/06/30	VAT Creditors	452000			1.41		
23	2011/06/30	VAT Creditors	452000			115.10		
23	2011/06/30	VAT Creditors	452000			2.82		
23	2011/06/30	VAT Creditors	452000			782.93		
23	2011/06/30	VAT Creditors	452000			22.11		
23	2011/06/30	VAT Creditors	452000			1.41		
23	2011/06/30	VAT Creditors	452000			677.21		
23	2011/06/30	VAT Creditors	452000			29.97		
23	2011/06/30	VAT Creditors	452000			1.41		
23	2011/06/30	VAT Creditors	452000			179.06		
23	2011/06/30	VAT Creditors	452000			4 125.67		
23	2011/06/30	VAT Creditors	452000			1.33		
23	2011/06/30	VAT Creditors	452000			3.99		
23	2011/06/30	VAT Creditors	452000			288.79		
23	2011/06/30	VAT Creditors	452000			2.66		
23	2011/06/30	VAT Creditors	452000			199.16		
23	2011/06/30	VAT Creditors	452000			1.33		
23	2011/06/30	VAT Creditors	452000			894.12		
23	2011/06/30	VAT Creditors	452000			2.66		
23	2011/06/30	VAT Creditors	452000			237.10		
23	2011/06/30	VAT Creditors	452000			1.33		
23	2011/06/30	VAT Creditors	452000			137.12		
23	2011/06/30	VAT Creditors	452000			1.33		
23	2011/06/30	VAT Creditors	452000			1 575.06		
23	2011/06/30	VAT Creditors	452000			1.33		
23	2011/06/30	VAT Creditors	452000			289.41		
23	2011/06/30	Bank charges General expenses	610140			10.04		
23	2011/06/30	Bank charges General expenses	610140			20.08		
23	2011/06/30	Bank charges General expenses	610140			20.99		
23	2011/06/30	Bank charges General expenses	610140			20.08		
23	2011/06/30	Bank charges General expenses	610140			10.04		
23	2011/06/30	Bank charges General expenses	610140			27.32		
23	2011/06/30	Bank charges General expenses	610140			20.08		
23	2011/06/30	Bank charges General expenses	610140			10.04		
23	2011/06/30	Bank charges General expenses	610140			25.88		
23	2011/06/30	Bank charges General expenses	610140			20.08		
23	2011/06/30	Bank charges General expenses	610140			10.04		
23	2011/06/30	Bank charges General expenses	610140			22.04		
23	2011/06/30	Bank charges General expenses	610140			19.07		
23	2011/06/30	Bank charges General expenses	610140			28.41		
23	2011/06/30	Bank charges General expenses	610140			18.95		
23	2011/06/30	Bank charges General expenses	610140			24.83		
23	2011/06/30	Bank charges General expenses	610140			18.94		
23	2011/06/30	Bank charges General expenses	610140			9.47		
23	2011/06/30	Bank charges General expenses	610140			9.47		
23	2011/06/30	Bank charges General expenses	610140			26.75		
23	2011/06/30	Travelling accomodation & subsistence	610325			1 787.80		

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Number	Date	Name	Account No	Reference Annotation	Debit	Credit	Recurrence	
23	2011/06/30	Travelling accomodation & subsistence	610325		181.05			
23	2011/06/30	Travelling accomodation & subsistence	610325		2 540.18			
23	2011/06/30	Travelling accomodation & subsistence	610325		8 100.09			
23	2011/06/30	Travelling accomodation & subsistence	610325		486.14			
23	2011/06/30	Travelling accomodation & subsistence	610325		744.12			
23	2011/06/30	Travelling accomodation & subsistence	610325		4 221.05			
23	2011/06/30	Travelling accomodation & subsistence	610325		6 709.11			
23	2011/06/30	Travelling accomodation & subsistence	610325		822.05			
23	2011/06/30	Travelling accomodation & subsistence	610325		5 592.34			
23	2011/06/30	Travelling accomodation & subsistence	610325		4 837.24			
23	2011/06/30	Travelling accomodation & subsistence	610325		867.34			
23	2011/06/30	Travelling accomodation & subsistence	610325		2 062.81			
23	2011/06/30	Travelling accomodation & subsistence	610325		1 422.54			
23	2011/06/30	Travelling accomodation & subsistence	610325		6 386.58			
23	2011/06/30	Travelling accomodation & subsistence	610325		1 693.55			
23	2011/06/30	Travelling accomodation & subsistence	610325		979.43			
23	2011/06/30	Travelling accomodation & subsistence	610325		11 250.43			
23	2011/06/30	Travelling accomodation & subsistence	610325		2 067.18			
23	2011/06/30	Vehicle	610430-18		476.95			
23	2011/06/30	Vehicle	610430-18		19 104.13			
23	2011/06/30	Vehicle	610430-18		2 269.51			
23	2011/06/30	Vehicle	610430-18		94.74			
23	2011/06/30	Vehicle	610430-18		6 874.24			
23	2011/06/30	Vehicle	610430-18		273.99			
23	2011/06/30	Vehicle	610430-18		10 917.65			
23	2011/06/30	Vehicle	610430-18		263.84			
23	2011/06/30	Vehicle	610430-18		9 606.23			
23	2011/06/30	Vehicle	610430-18		31 335.57			
23	2011/06/30	Vehicle	610430-18		8 228.13			
		Being processing of Credit card movement per analysis performed - Hercules JNIs 10000583 to 10000596						
24	2011/06/30	Bonus Provisions	460060			75 644.13		
24	2011/06/30	Bonus Salaries etc-New	620113		75 644.13			
		KPMG129- provision for bonus 2011						
25	2011/06/30	Leave reserves	131010		887 680.98			
25	2011/06/30	Salaries Salaries etc	620110			887 680.98		
		KPMG130- provision of leave accrual 2011						
26	2011/06/30	Salary control account	440001		541 031.74			
26	2011/06/30	Telephone General expenses	610350			541 031.74		
		KPMG131- correction to salaries telephone deduction process error						
27	2011/06/30	Counillors Pension Fund creditors	408010		146 234.37			
27	2011/06/30	Salaries	624110			146 234.37		
		KPMG 132 - Being reralloc of councillors arrear pension fund payments						
28	2011/06/30	Salary control account	440001			1 435 012.38		
28	2011/06/30	Sundry Creditors third party salary corrections	440212		1 435 012.38			
		KPMG133- realloc of third party opening balance						
29	2011/06/30	Salary control account	440001			29 764 373.86		
29	2011/06/30	Travelling accomodation & subsistence	610325		498 040.32			
29	2011/06/30	Subsistance allowance General expenses	610360		179 508.51			
29	2011/06/30	Salaries Salaries etc	620110		10 011 762.06			
29	2011/06/30	Bonus Salaries etc-New	620113		1 041 492.25			
29	2011/06/30	Cell Phone Allowance Salaries etc-New	620114		134 638.85			
29	2011/06/30	UIF Salaries etc-New	620116		257 945.95			

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Number	Date	Name	Account No	Reference Annotation	Debit	Credit	Recurrence	
29	2011/06/30	Miscellaneous deductions salaries	620118		496 872.87			
29	2011/06/30	Rental housing	620119		37 200.00			
29	2011/06/30	Long Service	620120		25 108.13			
29	2011/06/30	SAMWU SACCO	620121		4 800.00			
29	2011/06/30	SAMWU strike levies	620122		2 835.00			
29	2011/06/30	IMATU Salaries	620123		4 278.00			
29	2011/06/30	Skills	620240		233 008.31			
29	2011/06/30	Medical fund Salaries etc	621120		1 736 482.75			
29	2011/06/30	Pension fund Salaries etc	621130		2 596 279.88			
29	2011/06/30	Party levies	621131		22 300.00			
29	2011/06/30	Group Insurance	622140		39 863.96			
29	2011/06/30	Travel allowance Salaries etc	623150		2 230 538.03			
29	2011/06/30	Housing allowance Salaries etc	623160		911 559.68			
29	2011/06/30	SARS - PAYE	623210		4 750 965.66			
29	2011/06/30	SAMWU	623220		28 000.00			
29	2011/06/30	SALGBC Levy	623230		10 360.50			
29	2011/06/30	Salaries	624110		1 246 090.35			
29	2011/06/30	Cellphone allowance -cllrs	624114		284 245.00			
29	2011/06/30	Medical fund	624120		236 813.98			
29	2011/06/30	Pension fund	624130		1 114 631.96			
29	2011/06/30	NFMW	624145		120 067.25			
29	2011/06/30	Interest - SARS PAYE	624150		1 298 179.39			
29	2011/06/30	Party levies - salaries	623180-1		210 505.22			
		Being jnl entry of payroll cost as result of payroll JNL processes						
30	2011/06/30	SARS - PAYE	623210		171 820.44			
30	2011/06/30	Party levies - salaries	623180-1			171 820.44		
		KPMG134- correction to deduction correction jnl allocation July 2010 incorrectly allocated to 623180						
31	2011/06/30	Salary control account	440001		498 040.31			
31	2011/06/30	Travelling accomodation & subsistence	610325			498 040.31		
		KPMG135- reversal of travel reimbursive claims added to payroll for tax prupose, these claims are paid as and when incurred and hence jnl was incorrectly posted and duplcted travel payment						
32	2011/06/30	Councillors Overpayment Upper limits	408000			47 120.00		
32	2011/06/30	Salary control account	440001		47 120.00			
		KPMG136- transfer of PAYS releif per on councillors overpayment during the current period						
33	2011/06/30	Councillors Overpayment Upper limits	408000			90 227.00		
33	2011/06/30	Counillors Pension Fund creditors	408010		90 227.00			
		KPMG137- being off set of overpayment councillors against the pension fund owing to councillors						
34	2011/06/30	Sundry Debtor - Cllr Lengoalba Garnish	400070			9 500.00		
34	2011/06/30	Salary control account	440001		9 500.00			
		KPMG138- being garnish order deducted from salary settle debt						
35	2011/06/30	Seconded councillors overpayment	407000		196 668.08			
35	2011/06/30	Salaries	624110			196 668.08		
		KPMG139- being transfer of seconded councillors salaries overpayments						
36	2011/06/30	Councillors under payments - upper limits	406500		1 334.96			
36	2011/06/30	Salaries	624110			1 334.96		
		KPMG140- realooc of back pay against underpayment						

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01.40-5

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
37	2011/06/30	Travel allowance Salaries etc	623150			1 298 179.39		
37	2011/06/30	Interest - SARS PAYE	624150				1 298 179.39	
KPMG141- correction of car allowance councillors incorrectly JNL to SARS interest								
38	2011/06/30	Leave Prov Fund General expenses	610460				887 680.98	
38	2011/06/30	Salaries Salaries etc	620110			887 680.98		
Being realloc of Leave provision acc to 610460 - correcting allocation of JNL KPMG130								
39	2011/06/30	Salary control account	440001				498 040.00	
39	2011/06/30	Salaries Salaries etc	620110			498 040.00		
reversal of incorrect allocation to salary control account realloc of salary travel per JNL KPMG135								
40	2011/06/30	Salary control account	440001				498 040.31	
40	2011/06/30	Salaries Salaries etc	620110			498 040.31		
Being correction to deduction reversal as travel reimburse included incorrectly in reversal								
41	2011/06/30	Appropriation account	131020			3.00		
43	2011/06/30	Leave reserves	131010				375 668.75	
43	2011/06/30	Leave Prov Fund General expenses	610460			375 668.75		
KPMG142- being updating of leave accurar as per AG exception raised EX38								
45	2011/06/30	Appropriation account	131020			141 728.40		
45	2011/06/30	Sundry Creditor-SARS EMP Creditors	440215				141 728.40	
Being opening balance adjustment per EX8								
46	2011/06/30	Sundry Creditor-SARS EMP Creditors	440215				29 947.20	
46	2011/06/30	SARS - PAYE	623210			29 947.20		
Being UIF 2011 per AG EX8								
47	2011/06/30	Plant,machinery and equipment	230000				380 000.00	
47	2011/06/30	Plant,machinery and equipment depreciation	230009			361 000.00		
47	2011/06/30	Loss on Disposal of assets	610475			19 000.00		
Being adjustment of PPE leased asset disposed - Per AG EX60								
49	2011/06/30	Appropriation account	131020				1 003 117.00	
49	2011/06/30	Salary control account	440001			1 003 117.00		
Being adjustment of opening balance per AG EX62								
						<b>39 795 166.77</b>	<b>39 795 163.77</b>	

**Net Income (Loss) 11 036 848.41**

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Property, plant and equipment

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Account	Prelim	Adj's	Rep	Annotation	Rep 06/10	%Chg
<b>20.20.10.001 Property, plant and equipmer</b>	<b>8 422 106.86</b>	<b>-393 741.00</b>	<b>8 028 365.86</b>		<b>7 719 334.56</b>	<b>4.00</b>
230000 Plant,machinery and equipment	1 293 510.52	-380 000.00	913 510.52		1 207 015.52	-24.32
231000 Computers	2 280 596.63	-13 741.00	2 266 855.63		1 942 637.15	16.69
240000 Furniture	3 270 473.51	0.00	3 270 473.51		2 992 155.69	9.30
241000 Vehicles	1 577 526.20	0.00	1 577 526.20		1 577 526.20	0.00
<b>20.20.10.011 Property, plant and equipmer</b>	<b>2 580 688.68</b>	<b>0.00</b>	<b>2 580 688.68</b>		<b>2 580 688.68</b>	<b>0.00</b>
260000 Plant and Machinery - Leased asset	2 580 688.68	0.00	2 580 688.68		2 580 688.68	0.00
<b>20.20.10.005 Property, plant and equipmer</b>	<b>-2 906 582.61</b>	<b>370 113.49</b>	<b>-2 536 469.12</b>		<b>-2 906 582.61</b>	<b>-12.73</b>
230009 Plant,machinery and equipment dep	-525 864.21	361 000.00	-164 864.21		-525 864.21	-68.65
231009 Computers depreciation	-678 840.96	9 113.49	-669 727.47		-678 840.96	-1.34
240009 Furniture depreciation	-1 512 041.00	0.00	-1 512 041.00		-1 512 041.00	0.00
241009 Vehicles depreciation	-189 836.44	0.00	-189 836.44		-189 836.44	0.00
<b>20.20.10.015 Property, plant and equipmer</b>	<b>-123 578.85</b>	<b>0.00</b>	<b>-123 578.85</b>		<b>-123 578.85</b>	<b>0.00</b>
260009 Plant and Machinery - Leased Accur	-123 578.85	0.00	-123 578.85		-123 578.85	0.00
	<u><b>7 972 634.08</b></u>	<u><b>-23 627.51</b></u>	<u><b>7 949 006.57</b></u>		<u><b>7 269 861.78</b></u>	<u><b>9.34</b></u>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Intangible assets

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/12	

**23.22**

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
<b>23.22.10.001 Intangible assets - Cost - Fin</b>	<b>294 647.73</b>	<b>0.00</b>	<b>294 647.73</b>		<b>282 862.83</b>	<b>4.17</b>
250000 Intangible - Software	294 647.73	0.00	294 647.73		282 862.83	4.17
<b>23.22.10.005 Intangible assets - Acc amort</b>	<b>-162 052.26</b>	<b>0.00</b>	<b>-162 052.26</b>		<b>-162 052.26</b>	<b>0.00</b>
250009 Intangible - Accumulated Amortisatic	-162 052.26	0.00	-162 052.26		-162 052.26	0.00
	<u><b>132 595.47</b></u>	<u><b>0.00</b></u>	<u><b>132 595.47</b></u>		<u><b>120 810.57</b></u>	<u><b>9.75</b></u>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Lease assets and liabilities

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/12	

**25.29**

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
<b>25.29.20 Finance leases - Non-current liab</b>	<b>-790 424.92</b>	<b>0.00</b>	<b>-790 424.92</b>		<b>-1 366 125.54</b>	<b>-42.14</b>
460000 Finance Lease Liability contracts in	-790 424.92	0.00	-790 424.92		-1 366 125.54	-42.14
<b>25.29.25 Finance leases - Current liability</b>	<b>-594 285.93</b>	<b>0.00</b>	<b>-594 285.93</b>		<b>-683 878.01</b>	<b>-13.10</b>
460010 Accrual-Int Finance Leases	-10 027.42	0.00	-10 027.42		-16 679.39	-39.88
460050 Current Portion - Finance Lease	-571 558.51	0.00	-571 558.51		-657 898.62	-13.12
480000 Operaring Lease liability	-12 700.00	0.00	-12 700.00		-9 300.00	36.56
	<u><b>-1 384 710.85</b></u>	<u><b>0.00</b></u>	<u><b>-1 384 710.85</b></u>		<u><b>-2 050 003.55</b></u>	<u><b>-32.45</b></u>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Trade and other receivables

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/18	

**31.20**

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
<b>31.20.10.009 Other receivables</b>	<b>2 144 836.92</b>	<b>-177 304.43</b>	<b>1 967 532.49</b>		<b>2 302 310.48</b>	<b>-14.54</b>
400030 City Lodge - Overpayment	40.00	-40.00	0.00		0.00	0.00
400055 Lengoabala MS Wrong Payment	6 067.60	0.00	6 067.60		6 067.60	0.00
400060 COGTA Personnel Cost	146 292.91	0.00	146 292.91		140 851.11	3.86
400065 Expenses NCOP Meetings	69 225.00	0.00	69 225.00		69 225.00	0.00
400070 Sundry Debtor - Cllr Lengoalba Garr	15 000.00	-15 000.00	0.00		0.00	0.00
405000 Operating Lease payments Control	13 426.60	0.00	13 426.60		13 426.60	0.00
407000 Seconded councillors overpayment	1 587 619.93	196 668.08	1 784 288.01		1 611 619.93	10.71
408000 Councillors Overpayment Upper limi	264 164.88	-137 347.00	126 817.88		267 320.24	-52.56
410830 Sundry Debtors - Group Two	23 800.00	0.00	23 800.00		193 800.00	-87.72
410831 Sundry Debtors - Mazibuko Transpo	7 000.00	0.00	7 000.00		0.00	0.00
410832 Sundry Debtor - Mngayana Transpo	12 200.00	0.00	12 200.00		0.00	0.00
410840 Motsoeneng PH (Councillor) Double	3 256.63	0.00	3 256.63		3 256.63	0.00
410850 Elegant Gospel Choir Double payme	10 960.00	0.00	10 960.00		10 960.00	0.00
410860 Your Own World Guest House Doub	1 250.00	0.00	1 250.00		1 250.00	0.00
410875 Damage to motor vehicle Martin Kut	4 933.53	0.00	4 933.53		4 933.53	0.00
410890 Sundry Debtors - Provision for bad L	-324 543.53	-221 585.51	-546 129.04		-324 543.53	68.28
415002 Interest on motorloan	-13 718.65	0.00	-13 718.65		-13 718.65	0.00
415005 Salary overpayments Employers	13 718.65	0.00	13 718.65		13 718.65	0.00
470000 Other amounts payable	304 143.37	0.00	304 143.37		304 143.37	0.00
	<b><u>2 144 836.92</u></b>	<b><u>-177 304.43</u></b>	<b><u>1 967 532.49</u></b>		<b><u>2 302 310.48</u></b>	<b><u>-14.54</u></b>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Cash and cash equivalents

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/10	

**32.20**

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
<b>32.20.15 Current asset</b>	<b>17 248 508.53</b>	<b>0.00</b>	<b>17 248 508.53</b>		<b>10 930 289.91</b>	<b>57.80</b>
<b>32.20.15.002 Bank balances</b>	<b>1 747 402.51</b>	<b>0.00</b>	<b>1 747 402.51</b>		<b>6 164 983.34</b>	<b>-71.66</b>
550001 Main Account Bank	1 747 402.51	0.00	1 747 402.51		6 164 983.34	-71.66
<b>32.20.15.003 Short-term deposits</b>	<b>15 501 106.02</b>	<b>0.00</b>	<b>15 501 106.02</b>		<b>4 765 306.57</b>	<b>225.29</b>
520000 ABSA 205664 1361 Assets invest	0.00	0.00	0.00		1 177 950.16	-100.00
520002 ABSA Call account 9213000832	613 131.44	0.00	613 131.44		610 492.34	0.43
520003 FNB Investment	3 139 130.90	0.00	3 139 130.90		2 976 864.07	5.45
550008 ABSA bank 20-6206-4985 Investmei	11 748 843.68	0.00	11 748 843.68		0.00	0.00
<b>32.20.15.005 Other cash and cash equival</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>
416100 Internal bank account	-51 586 558.39	0.00	-51 586 558.39		-44 265 142.87	16.54
416110 Internal bank account	391 968.96	0.00	391 968.96		63 621.11	516.10
416120 Internal bank account	13 068 298.59	0.00	13 068 298.59		10 117 644.70	29.16
416150 Internal bank account	15 021 772.18	0.00	15 021 772.18		8 259 154.84	81.88
416180 Internal bank account	5 472 694.04	0.00	5 472 694.04		2 335 093.28	134.37
416300 Internal bank account	-51 736 881.60	0.00	-51 736 881.60		-31 617 260.63	63.63
416400 Internal bank account	2 451 224.78	0.00	2 451 224.78		1 775 295.61	38.07
416500 Internal bank account	4 053 723.37	0.00	4 053 723.37		2 851 136.84	42.18
416600 Internal bank account	19 068 477.49	0.00	19 068 477.49		12 122 692.26	57.30
416700 Internal bank account	5 140 089.22	0.00	5 140 089.22		3 103 351.16	65.63
416800 Internal bank account	9 903 586.20	0.00	9 903 586.20		8 815 862.18	12.34
416900 Internal bank account	28 751 605.16	0.00	28 751 605.16		26 438 551.52	8.75
	<b><u>17 248 508.53</u></b>	<b><u>0.00</u></b>	<b><u>17 248 508.53</u></b>		<b><u>10 930 289.91</u></b>	<b><u>57.80</u></b>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Other receivables (non-exchange)

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/10	

**33.20**

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
<b>33.20.10.003 Levies</b>	<b>49 087 073.66</b>	<b>0.00</b>	<b>49 087 073.66</b>		<b>49 087 073.66</b>	<b>0.00</b>
400002 Debtors Establishment	49 087 073.66	0.00	49 087 073.66		49 087 073.66	0.00
<b>33.20.10.004 Other taxes</b>	<b>-49 079 862.15</b>	<b>0.00</b>	<b>-49 079 862.15</b>		<b>-49 079 862.15</b>	<b>0.00</b>
131040 Doubtful debt provision	-49 079 862.15	0.00	-49 079 862.15		-49 079 862.15	0.00
	<u><b>7 211.51</b></u>	<u><b>0.00</b></u>	<u><b>7 211.51</b></u>		<u><b>7 211.51</b></u>	<u><b>0.00</b></u>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Accumulated Deficit

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/20	

40.24

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
<b>40.24 Distributable reserve</b>	<b>-29 713 156.72</b>	<b>28 824 142.53</b>	<b>-889 014.19</b>		<b>10 147 834.46</b>	<b>-108.76</b>
131020 Appropriation account	11 009 219.82	-861 385.60	10 147 834.22		7 755 842.83	30.84
131021 Reserve - Prior Period Errors	0.00	0.00	0.00		-614 613.56	-100.00
NETINC Net Income (Loss)	-40 722 376.54	29 685 528.13	-11 036 848.41		3 006 605.19	-467.09
	<u><b>-29 713 156.72</b></u>	<u><b>28 824 142.53</b></u>	<u><b>-889 014.19</b></u>		<u><b>10 147 834.46</b></u>	<u><b>-108.76</b></u>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Unspent conditional grant and receipts

Planning by	Reviewed
CDN 2011/08/10	

43.20

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 06/10 %Chg
<b>43.20.25 Unspent conditional grants :</b>	<b>-1 354 670.95</b>	<b>0.00</b>	<b>0.00</b>	<b>-1 354 670.95</b>		<b>-3 993 704.17 -66</b>
440002 Sundry Creditors	-6 903.97	0.00	0.00	-6 903.97		-343 454.52 -98
440005 Unspent Grants MSIG	0.00	0.00	0.00	0.00		-128 415.00 -100
440231 Unallocated Funds - Operation I	0.00	0.00	0.00	0.00		-1 000 000.00 -100
440253 Clean Audit - Capacity Building	-566 855.45	0.00	0.00	-566 855.45		-1 000 000.00 -43
440260 MIG - Unspent Grants	-780 911.53	0.00	0.00	-780 911.53		-1 521 834.65 -49
	<u><b>-1 354 670.95</b></u>	<u><b>0.00</b></u>	<u><b>0.00</b></u>	<u><b>-1 354 670.95</b></u>		<u><b>-3 993 704.17</b></u> <u><b>-66</b></u>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Trade and other payables

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/10	

**51.20**

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
<b>51.20.00.001 Trade payables</b>	<b>-4 420 366.94</b>	<b>-323 051.58</b>	<b>-4 743 418.52</b>		<b>-6 985 722.48</b>	<b>-32.10</b>
440000 Creditors-Payments Creditors	-3 753 947.41	-323 051.58	-4 076 998.99		-5 973 094.22	-31.74
440003 Sundry Creditors - Retentions	-666 419.53	0.00	-666 419.53		-1 012 628.26	-34.19
<b>51.20.15.001 VAT (payable)</b>	<b>3 954 250.82</b>	<b>55 139.41</b>	<b>4 009 390.23</b>		<b>11 121 321.19</b>	<b>-63.95</b>
452000 VAT Creditors	3 954 250.82	55 139.41	4 009 390.23		11 121 321.19	-63.95
<b>51.20.00.006 Other payables 2</b>	<b>28 661 645.26</b>	<b>-28 661 645.12</b>	<b>0.14</b>		<b>-903 030.76</b>	<b>-100.00</b>
440001 Salary control account	30 096 657.64	-30 096 657.50	0.14		531 981.62	-100.00
440212 Sundry Creditors third party salary	-1 435 012.38	1 435 012.38	0.00		-1 435 012.38	-100.00
<b>51.20.00.007 Accrued expenses</b>	<b>-3 959 403.76</b>	<b>436 368.10</b>	<b>-3 523 035.66</b>		<b>-3 959 403.76</b>	<b>-11.02</b>
131010 Leave reserves	-2 927 454.04	512 012.23	-2 415 441.81		-2 927 454.04	-17.49
460060 Bonus Provisions	-1 031 949.72	-75 644.13	-1 107 593.85		-1 031 949.72	7.33
<b>51.20.00.008 Other payables</b>	<b>-19 289 373.37</b>	<b>-130 018.40</b>	<b>-19 419 391.77</b>		<b>-24 007 774.18</b>	<b>-19.11</b>
400006 Unallocated funds	-1 516 160.88	0.00	-1 516 160.88		-1 507 676.32	0.56
400045 Credit card control acc	168 378.61	-168 378.61	0.00		0.00	0.00
406500 Councillors under payments - upper	-12 369.63	6 834.96	-5 534.67		-12 369.63	-55.26
408010 Councillors Pension Fund creditors	-460 530.15	236 461.37	-224 068.78		-460 530.15	-51.35
440215 Sundry Creditor-SARS EMP Creditor	-237 134.47	-171 675.60	-408 810.07		-5 449 206.58	-92.50
440220 UIF Refund Creditors	-191 562.74	0.00	-191 562.74		-191 562.74	0.00
440225 Leases payments control account	33 260.52	-33 260.52	0.00		0.00	0.00
440255 Creditor-Podbielskie Attorney Credit	-17 073 254.63	0.00	-17 073 254.63		-16 386 428.76	4.19
	<b><u>4 946 752.01</u></b>	<b><u>-28 623 207.59</u></b>	<b><u>-23 676 455.58</u></b>		<b><u>-24 734 609.99</u></b>	<b><u>-4.28</u></b>

**THABO MOFUTSANYANA DISTRICT MUI**

Year End: 30 June 2011

Revenue from trading - General

Planning by	Reviewed
CDN 2011/08/10	

**60.30.00.000**

Account	Prelim	Adj's	Rep	Annotation	Rep 06/10	%Chg
718163 Equitable Share Grant	-59 867 545.00	0.00	-59 867 545.00		-53 417 390.00	<b>12.08</b>
718166 MIG grant	-740 923.12	0.00	-740 923.12		-15 649 542.84	<b>-95.27</b>
718168 MSIG Grant	-878 415.00	0.00	-878 415.00		0.00	<b>0.00</b>
718169 EPWP- Incentive Bonus	-266 000.00	0.00	-266 000.00		-437 400.00	<b>-39.19</b>
718172 IDC Grant	-190 000.00	0.00	-190 000.00		0.00	<b>0.00</b>
718180 COGTA - Legal assistance grant	-1 000 000.00	0.00	-1 000 000.00		0.00	<b>0.00</b>
718182 COGTA - finance department assistar	-433 144.55	0.00	-433 144.55		0.00	<b>0.00</b>
718183 LG Seta Skills Grant	-173 599.15	0.00	-173 599.15		0.00	<b>0.00</b>
718204 DoT grant (Rural transp progr)	-336 550.55	0.00	-336 550.55		-1 209 162.75	<b>-72.17</b>
718232 LocalGovernment Financial Man	-1 000 000.00	0.00	-1 000 000.00		-750 000.00	<b>33.33</b>
718234 Management Suport Programe	0.00	0.00	0.00		-606 585.00	<b>-100.00</b>
718239 Free Basic Electricity	0.00	0.00	0.00		-773.00	<b>-100.00</b>
<b>60.30.36.000 Government grants &amp; subsid</b>	<b>-64 886 177.37</b>	<b>0.00</b>	<b>-64 886 177.37</b>		<b>-72 070 853.59</b>	<b>-9.97</b>
	<u><b>-64 886 177.37</b></u>	<u><b>0.00</b></u>	<u><b>-64 886 177.37</b></u>		<u><b>-72 070 853.59</b></u>	<u><b>-9.97</b></u>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Revenue from investments (Investment income)

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/12	

**61.30**

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
<b>61.30.20 Interest received - investment</b>	<b>-978 091.11</b>	<b>0.00</b>	<b>-978 091.11</b>		<b>-1 316 561.89</b>	<b>-25.71</b>
750220 Investments Interest	-978 091.11	0.00	-978 091.11		-1 316 561.89	-25.71
	<u><b>-978 091.11</b></u>	<u><b>0.00</b></u>	<u><b>-978 091.11</b></u>		<u><b>-1 316 561.89</b></u>	<u><b>-25.71</b></u>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Other income

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/12	

**64.30**

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
<b>64.30.55.000 Other income 3</b>	<b>-63 406.11</b>	<b>52 490.11</b>	<b>-10 916.00</b>		<b>-800.00</b>	<b>1264.50</b>
718235 Other Sources	-1 500.00	0.00	-1 500.00		0.00	0.00
750250 TMDM-Sale of Tender documents	-3 800.00	0.00	-3 800.00		-800.00	375.00
760490 Proceeds from Sale of Assets	-58 106.11	52 490.11	-5 616.00		0.00	0.00
	<u><b>-63 406.11</b></u>	<u><b>52 490.11</b></u>	<u><b>-10 916.00</b></u>		<u><b>-800.00</b></u>	<u><b>1264.50</b></u>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Employee costs

Planning by	Reviewed
CDN 2011/08/18	

65.30

Account	Prelim	Adj's	Rep	Annotation	Rep 06/10	%Chg
<b>65.30 Employee costs</b>	<b>53 812.95</b>	<b>29 335 055.03</b>	<b>29 388 867.98</b>		<b>28 116 862.26</b>	<b>4.52</b>
<b>65.30.10 Employee costs - Salaried staff</b>	<b>53 812.95</b>	<b>29 335 055.03</b>	<b>29 388 867.98</b>		<b>28 116 862.26</b>	<b>4.52</b>
<b>65.30.10.000 Employee costs - Salaried staff</b>	<b>53 812.95</b>	<b>29 335 055.03</b>	<b>29 388 867.98</b>		<b>28 116 862.26</b>	<b>4.52</b>
610460 Leave Prov Fund General expenses	0.00	-512 012.23	-512 012.23		110 000.48	-565.46
620105 Refund Salaries	0.00	0.00	0.00		-4 212.90	-100.00
620110 Salaries Salaries etc	0.00	11 007 842.37	11 007 842.37		17 728 006.09	-37.91
620111 Non Pension all	0.00	0.00	0.00		69 647.16	-100.00
620113 Bonus Salaries etc-New	-0.03	1 117 136.38	1 117 136.35		1 031 950.64	8.25
620114 Cell Phone Allowance Salaries etc-N	0.00	134 638.85	134 638.85		354 521.44	-62.02
620116 UIF Salaries etc-New	0.00	257 945.95	257 945.95		40 507.03	536.79
620118 Miscellaneous deductions salaries	0.00	496 872.87	496 872.87		17 951.08	2667.93
620119 Rental housing	0.00	37 200.00	37 200.00		0.00	0.00
620120 Long Service	0.00	25 108.13	25 108.13		0.00	0.00
620121 SAMWU SACCO	0.00	4 800.00	4 800.00		0.00	0.00
620122 SAMWU strike levies	0.00	2 835.00	2 835.00		0.00	0.00
620123 IMATU Salaries	0.00	4 278.00	4 278.00		0.00	0.00
620240 Skills	0.00	233 008.31	233 008.31		180 607.18	29.01
621120 Medical fund Salaries etc	-9 291.00	1 736 482.75	1 727 191.75		162 594.29	962.27
621130 Pension fund Salaries etc	-0.05	2 596 279.88	2 596 279.83		-89 253.79	-3008.87
621131 Party levies	0.00	22 300.00	22 300.00		0.00	0.00
622140 Group Insurance	0.00	39 863.96	39 863.96		0.00	0.00
623150 Travel allowance Salaries etc	0.02	3 528 717.42	3 528 717.44		2 932 315.62	20.34
623160 Housing allowance Salaries etc	3 214.01	911 559.68	914 773.69		965 690.17	-5.27
623210 SARS - PAYE	0.00	4 952 733.30	4 952 733.30		4 459 024.98	11.07
623220 SAMWU	0.00	28 000.00	28 000.00		0.00	0.00
623230 SALGBC Levy	0.00	10 360.50	10 360.50		392.85	2537.27
624110 Salaries	47 254.00	901 852.94	949 106.94		51 800.00	1732.25
624111 Sitting allowance	12 636.00	2 808.00	15 444.00		0.00	0.00
624114 Cellphone allowance -cllrs	0.00	284 245.00	284 245.00		0.00	0.00
624120 Medical fund	0.00	236 813.98	236 813.98		0.00	0.00
624130 Pension fund	0.00	1 114 631.96	1 114 631.96		0.00	0.00
624145 NFMW	0.00	120 067.25	120 067.25		11 723.75	924.14
630000 UIF Contribution write off	0.00	0.00	0.00		93 596.19	-100.00
623180-1 Party levies - salaries	0.00	38 684.78	38 684.78		0.00	0.00
	<b>53 812.95</b>	<b>29 335 055.03</b>	<b>29 388 867.98</b>		<b>28 116 862.26</b>	<b>4.52</b>

# THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Year End: 30 June 2011

## General expenses

Planning by	Reviewed
CDN 2011/08/20	

66.30

Account	Prelim	Adj's	Rep	Annotation	Rep 06/10	%Chg
<b>66.30 General expenses</b>	<b>24 996 288.85</b>	<b>274 355.48</b>	<b>25 270 644.33</b>		<b>47 295 842.07</b>	<b>-46.57</b>
<b>66.30.00.000 General expenses - General</b>	<b>24 996 288.85</b>	<b>274 355.48</b>	<b>25 270 644.33</b>		<b>47 295 842.07</b>	<b>-46.57</b>
610120 Advertising General exopenses	218 912.24	0.00	218 912.24		308 563.39	-29.05
610130 Affiliation General expenses	21 208.44	5 703.77	26 912.21		219 252.42	-87.73
610140 Bank charges General expenses	31 173.03	372.60	31 545.63		24 713.67	27.64
610160 Stationery Cost General expenses	192 056.05	0.00	192 056.05		248 874.48	-22.83
610180 Office rent General expenses	132 400.00	0.00	132 400.00		99 300.00	33.33
610220 Entertainment General expenses	251 988.51	0.00	251 988.51		146 621.65	71.86
610250 Skills development General expense	25 294.87	0.00	25 294.87		166 712.28	-84.83
610260 Postage General expenses	0.00	0.00	0.00		1 470.93	-100.00
610270 Legal expenses General expenses	4 875 148.77	0.00	4 875 148.77		12 407 924.01	-60.71
610280 Travelling General expenses	1 077 502.38	0.00	1 077 502.38		1 120 518.87	-3.84
610325 Travelling accomodation & subsister	203 505.61	62 791.04	266 296.65		0.00	0.00
610330 Programming General expenses	531 152.06	0.00	531 152.06		1 733 119.52	-69.35
610350 Telephone General expenses	973 897.25	-527 651.38	446 245.87		837 609.19	-46.72
610360 Subsistance allowance General exp	448 489.94	179 508.51	627 998.45		385 951.25	62.71
610380 Insurance General expenses	117 238.59	0.00	117 238.59		117 416.73	-0.15
610420 Inspection services General expens	0.00	0.00	0.00		614 035.09	-100.00
610430 Maintenance/Reppairs General exp	543 958.41	-46 587.11	497 371.30		417 730.57	19.07
610440 Equipment rent General expenses	287 950.09	48 016.66	335 966.75		674 932.00	-50.22
610450 Audit fees General expenses	1 400 763.68	2 950.90	1 403 714.58		1 669 585.01	-15.92
610480 Workshops General expenses	5 403.51	0.00	5 403.51		1 894.96	185.15
610495 General office expenses	0.00	0.00	0.00		36 802.14	-100.00
610500 Doudful Debt	0.00	221 585.51	221 585.51		327 645.92	-32.37
610530 Marketing and promotions General e	352 888.50	0.00	352 888.50		381 140.00	-7.41
610540 Recruitmentcosts General expenses	108 549.27	0.00	108 549.27		11 061.11	881.36
610550 Teambuilding General expenses	190 680.15	0.00	190 680.15		0.00	0.00
610560 Subcription General expenses	728.07	0.00	728.07		26 648.69	-97.27
610570 Conferences General expenses	10 000.00	0.00	10 000.00		0.00	0.00
610600 Security General expenses	499 999.92	0.00	499 999.92		499 999.92	0.00
610640 Gardening andd cleaning General e)	330 707.77	0.00	330 707.77		295 430.20	11.94
610645 Contracted Financial Support	379 951.36	0.00	379 951.36		0.00	0.00
610646 Contracted services - PMS	0.00	128 000.00	128 000.00		0.00	0.00
610830 Financial management capacity imp	0.00	0.00	0.00		19 698.07	-100.00
610851 Newsletters	109 760.00	0.00	109 760.00		5 386.50	1937.69
610853 District Audit Committee	48 056.33	0.00	48 056.33		0.00	0.00
610860 Contracted Internal Audit	175 519.10	0.00	175 519.10		0.00	0.00
618122 Furniture and equipment Capital	0.00	0.00	0.00		2 758.37	-100.00
618160 ITC Infrastructure Capital-New	0.00	0.00	0.00		176 212.10	-100.00
618237 Capacity building councillors	237 084.69	0.00	237 084.69		0.00	0.00
618270 Public Participation	1 078 555.00	0.00	1 078 555.00		525.00	*****
618275 Zamani Sewer Reticulation	0.00	0.00	0.00		4 241 631.10	-100.00
618280 Zamani Oxidation Ponds	740 923.12	0.00	740 923.12		5 020 084.14	-85.24
618300 Tourism Sector Plan	0.00	0.00	0.00		175 000.00	-100.00
618310 GG Phahameng Stand Pipes & Con	0.00	0.00	0.00		63 915.97	-100.00
618350 Road and Stormwoter	0.00	0.00	0.00		515 373.89	-100.00
618360 Expanded Public works project	654 613.50	0.00	654 613.50		0.00	0.00
610130-1 Membership Fee-SALGA	213 318.97	0.00	213 318.97		8 600.00	2380.45
610650-1 Consulting -Accounting Services	0.00	0.00	0.00		510 125.10	-100.00

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

**General expenses**

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/20	

**66.30-1**

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
610650-2 Consulting-Payroll	189 240.00	0.00	189 240.00		202 208.70	-6.41
610650-3 Consulting-Asset Management	127 841.32	0.00	127 841.32		126 219.11	1.29
618121-2 HIV AIDS	0.00	0.00	0.00		175 025.00	-100.00
618121-4 Mayoral Special Intervation	824 321.83	0.00	824 321.83		2 179 169.15	-62.17
618121-5 Bursary Fund	519 666.52	0.00	519 666.52		303 814.08	71.05
618125-1 Arts and Culture Programme	24 236.00	0.00	24 236.00		0.00	0.00
618125-3 Infrastructure Support - Setsoto L	868 626.00	0.00	868 626.00		0.00	0.00
618125-5 Infrastructure Support - Phumelela	321 024.00	0.00	321 024.00		0.00	0.00
618125-6 Infrastructure Support - MAP Loca	1 838 180.55	0.00	1 838 180.55		0.00	0.00
618126-1 Youth Advisory Centre	0.00	0.00	0.00		152 631.56	-100.00
618126-2 Sport Development program	219 441.50	0.00	219 441.50		150 345.00	45.96
618126-6 Youth Participation	0.00	0.00	0.00		230 189.14	-100.00
618129-5 Tourism Development Capital Nev	41 360.24	0.00	41 360.24		630 197.93	-93.44
618129-8 SMME Development Capital New	197 563.41	0.00	197 563.41		23 145.10	753.59
618172-1 Finalisation of Creditable IDP	181 700.00	0.00	181 700.00		261 261.07	-30.45
618229-2 Marquard Roads Paving (MIG)	0.00	0.00	0.00		101 883.23	-100.00
618234-3 Intervention - Golden Gate	0.00	0.00	0.00		362 113.63	-100.00
618235-1 General & Disability Capital-New	166 893.60	0.00	166 893.60		0.00	0.00
618235-3 Poverty Alliviation Capital-New	276 837.63	0.00	276 837.63		367 543.25	-24.68
618235-4 Churches Programme Capital-Nev	0.00	0.00	0.00		42 960.00	-100.00
610430-17 General Maintenance	166 212.93	0.00	166 212.93		198 165.17	-16.12
610430-18 Vehicle	932 089.09	89 444.98	1 021 534.07		594 553.38	71.82
610430-19 Fuel	0.00	0.00	0.00		22 546.13	-100.00
618129-11 TMDM Development Agency	35 260.53	0.00	35 260.53		0.00	0.00
618172-10 Sector Plan & SDF Social Survey	0.00	0.00	0.00		43 600.00	-100.00
618172-11 Implementation of SCM	0.00	0.00	0.00		1 800.00	-100.00
618172-15 Development of By-Laws	0.00	0.00	0.00		9 874.13	-100.00
618172-16 SLA's with Sector Departments	17 839.23	0.00	17 839.23		19 919.36	-10.44
618172-30 Policy Development	1 242 134.74	110 220.00	1 352 354.74		0.00	0.00
618229-11 Warden District Fire station	0.00	0.00	0.00		1 107 604.82	-100.00
618229-12 Bulk Water Supply/Sanitation	0.00	0.00	0.00		254 591.87	-100.00
618229-20 Tshame Sport Facility	0.00	0.00	0.00		1 331 845.41	-100.00
618236-48 Maken/Sekete/Thabong Footbrid	336 440.55	0.00	336 440.55		1 209 163.20	-72.18
618236-52 Arlington/Leratsw Road Paving C	0.00	0.00	0.00		3 679 208.41	-100.00
	<b><u>24 996 288.85</u></b>	<b><u>274 355.48</u></b>	<b><u>25 270 644.33</u></b>		<b><u>47 295 842.07</u></b>	<b><u>-46.57</u></b>

**THABO MOFUTSANYANA DISTRICT MUNICIPALITY**

Year End: 30 June 2011

Finance costs

<b>Planning by</b>	<b>Reviewed</b>
CDN 2011/08/12	

**67.30**

<b>Account</b>	<b>Prelim</b>	<b>Adj's</b>	<b>Rep</b>	<b>Annotation</b>	<b>Rep 06/10</b>	<b>%Chg</b>
<b>67.30 Finance costs</b>	<b>155 196.25</b>	<b>0.00</b>	<b>155 196.25</b>		<b>962 513.76</b>	<b>-83.88</b>
623180 Fines - SDL	0.00	0.00	0.00		27 907.91	-100.00
624150 Interest - SARS PAYE	0.00	0.00	0.00		249 416.03	-100.00
624160 Fines - PAYE	0.00	0.00	0.00		428 605.31	-100.00
624170 Interest - SARS SDL	0.00	0.00	0.00		15 253.15	-100.00
625000 Finance Cost	155 196.25	0.00	155 196.25		241 331.36	-35.69
	<u><b>155 196.25</b></u>	<u><b>0.00</b></u>	<u><b>155 196.25</b></u>		<u><b>962 513.76</b></u>	<u><b>-83.88</b></u>