

18 015.87	610853	District Audit Committee	18 015.87		
1 278 381.62	618121-1	Farming Communities	1 278 381.62		
557 515.97	618121-2	HIV AIDS	557 515.97		
8 557 193.67	618121-4	Mayoral Special Intervention	8 557 193.67		
264 579.44	618121-5	Bursary Fund	264 579.44		
23 446.00	618126-1	Youth Advisory Centre	23 446.00		
522 945.00	618126-2	Sport Development Program	522 945.00		
277 759.47	618126-6	Youth Participation	277 759.47		
244 401.70	618129-5	Tourism Development	244 401.70		
17 813.86	618129-8	SMME Development	17 813.86		
142 708.68	618160	ITC Infrastructure	142 708.68		
925 000.00	618172-10	Sector Plans & SDF	925 000.00		
323 618.14	618172-11	Implementation of SCM	323 618.14		
10 000.00	618172-14	Marketing - District Vision	10 000.00		
234 500.00	618172-15	Development of By-Laws	234 500.00		
524 715.16	618172-18	T - PIMSS Operational Costs	524 715.16		
234 299.10	618172-7	Recording Device Intallation	234 299.10		
1 463 238.32	618229-1	Ezenzeleni Roads Paving (MIG)	1 463 238.32		
3 011 072.27	618229-11	Warden District Fire station	3 011 072.27		
2 560 564.85	618229-2	Marquard Roads Paving (MIG)	2 560 564.85		
168 175.26	618229-3	Warden Encatchment Weir (MIG)	168 175.26		
1 673 705.30	618229-5	Phulelela YAC Point (MIG)	1 673 705.30		
1 908 043.64	618229-6	MAP YAC Point (MIG)	1 908 043.64		
1 968 681.57	618229-7	Setso YAC Point (MIG)	1 968 681.57		
2 191 866.85	618229-8	Dihlabeng YAC Point (MIG)	2 191 866.85		
1 967 979.82	618229-9	Nketoana YAC Point (MIG)	1 967 979.82		
141 595.00	618235-1	Gender & Disability	141 595.00		
1 701.35	618235-2	Schools Programme	1 701.35		
920 380.00	618235-3	Porverty Alleviation	920 380.00		
2 517 364.90	618235-4	Churches Programme	2 517 364.90		
413 110.53	618236-1	Political & Trade Relations	413 110.53		
131 578.94	618236-18	Public Facilities-Petrus Steyn	131 578.94		
131 578.95	618236-19	Public Facilities-Paul Roux	131 578.95		
131 578.95	618236-20	Public Facilities-Reitz	131 578.95		
131 578.95	618236-21	Public Facilities-Warden	131 578.95		
131 578.95	618236-22	Public Facilities-Marquard	131 578.95		
2 521 937.77	618236-24	Lindley Multi Facet Stadium	2 521 937.77	78 290 356.87	Admin
661 200.00	618236-25	Memel Hall	661 200.00	45 486 095.44	Regional
75 000.00	618237	Capacity Building For Clrs	75 000.00	123 776 452.31	
5 833 378.60	618239	Setso High Mast Lights (NEP)	5 833 378.60	123 776 452.31	Expenses
					(0.50)
(40 514 648.00)	718163	Grants : Equitable share	(40 514 648.00)		
(29 893 544.33)	718232	Local government Fin. Mangt.	(29 893 544.33)		(4 974 146.85) Admin
(5 545.55)	750000	levy interest	(5 545.55)		(70 408 192.33) Regional
(17 700.00)	750250	Tenders	(17 700.00)		(75 382 339.18)
(4 950 901.30)	750220	Investments	(4 950 901.30)	(75 382 339.18)	Income
2 267 037.22	231000	Office Equipment @ cost	(2 267 037.22)	-	
2 584 893.94	240000	Furniture & Fittings @ cost	(2 584 893.94)	-	
1 849 661.20	241000	Motor vehicles @ cost	(1 849 661.20)	-	
13 427.60	230000	Plant & Equipment @ cost	(13 427.60)	-	
(1 660 446.71)	231009	Acc dep - Office equipment	1 660 446.71	-	
(1 549 817.36)	240009	Acc dep - Furniture & Fittings	1 549 817.36	-	
(665 941.41)	241009	Acc dep - Motor vehicles	665 941.41	-	
(4 130.75)	230009	Acc dep - Plant & equipment	4 130.75	-	
0.00			0.00	0.00	-

530 666.87	610160	Stationery Costs						-	530 666.87				
592 600.43	610600	Security						-	592 600.43				
600 440.38	610330	Programming						-	600 440.38				
601 913.87	610430-18	Vehicles						-	601 913.87				
635 425.01	610220	Entertainment						-	635 425.01				
721 998.21	610360	Subsistence allowance						-	721 998.21				
857 026.07	621120	Medical fund			#####		153 298.00	-	1 010 324.07				
803 148.00	610450	Audit fees						-	803 148.00				
	610460	Leave prov fund						-	-				
921 750.00	610530	Marketing and promotions						-	921 750.00				
935 869.53	610350	Telephone						-	935 869.53				
1 349 327.92	621130	Pension fund			#####		267 473.01	-	1 616 800.93				
1 258 227.85	610440	Equipment rent				(48 589.00)	(48 589.00)	-	1 209 638.85				
1 307 534.90	610280	Traveling						-	1 307 534.90				
1 740 154.52	623150	Travel allowance						-	1 740 154.52				
1 665 078.40	610420	Inspection services						-	1 665 078.40				
4 518 174.40	610270	Legal expenses			##		17 318.80	-	4 535 493.20				
9 659 589.02	620110	Salaries	###	#			3 809 596.51	-	13 469 185.53				
753.20	618172-15	Development of By-Laws						-	753.20				
17 750.00	618121-2	HIV AIDS						-	17 750.00				
25 905.00	618172-14	Marketing - District Vision						-	25 905.00				
66 628.00	618235-1	Gender & Disability						-	66 628.00				
88 389.53	618172-16	SLAs' with Sector Departments						-	88 389.53				
120 000.00	618172-11	Implementation of SCM						-	120 000.00				
152 817.54	618160	ITC Infrastructure			##		72 864.21	-	225 681.75				
316 119.77	618129-8	SMME Development						-	316 119.77				
334 558.17	618126-6	Youth Participation						-	334 558.17				
373 816.00		Tourism Sector Plan						-	373 816.00				
377 948.67	618235-2	Schools Programme						-	377 948.67				
390 000.00	618330	Phumelela Multicultural Villag						-	390 000.00				
394 312.46	618229-5	Phulelela YAC Point (MIG)						-	394 312.46				
438 416.91	618172-10	Sector Plans & SDF						-	438 416.91				
478 602.81	618270	Public Participation						-	478 602.81				
478 706.58	618310	GG Phahameng Stand Pipes & Con						-	478 706.58				
507 264.11	618235-4	Churches Programme						-	507 264.11				
552 866.33	618122	Furniture and equipment						-	552 866.33				
729 776.12	618121-5	Bursary Fund						-	729 776.12				
911 347.92	618235-9	Twinning and Fundraising						-	911 347.92				
1 127 886.45	618229-12	Bulk Water Supply/Sanitation						-	1 127 886.45				
1 481 387.83	618129-5	Tourism Development						-	1 481 387.83				
1 972 947.72	618126-1	Youth Advisory Centre						-	1 972 947.72				
1 977 049.72	618126-2	Sport Development Program						-	1 977 049.72				
2 508 234.89	618350	Road and Stormwoter						-	2 508 234.89				
2 850 019.24	618229-11	Warden District Fire station						-	2 850 019.24				
2 992 832.00	618121-1	Farming Communities						-	2 992 832.00				
3 676 705.77	618235-3	Porverty Alleviation						-	3 676 705.77				
3 825 542.09	618229-2	Marquard Roads Paving (MIG)						-	3 825 542.09				
7 997 799.64	618229-20	Tshiamé Sport Facility						-	7 997 799.64				
13 347 052.96	618121-4	Mayoral Special Intervention						-	13 347 052.96				
(13 930 000.00)	718163	Grants : Equitable share						-	(13 930 000.00)				
(16 585 559.88)	718166	MIG GRANT						-	(16 585 559.88)				
(33 372 537.00)	718200	RSC Replacement Fund						-	(33 372 537.00)				
(2 000 000.00)	718204	DoT grant (Rural transp progra						-	(2 000 000.00)				
(135 000.00)	718226	LGseta						-	(135 000.00)				
(500 000.00)	718232	Local government Fin. Mangt.						-	(500 000.00)				
(735 000.00)	718234	Management Support Programme						-	(735 000.00)				
(1 125.00)	718235	Other Sources						-	(1 125.00)				
(23 400.00)	750250	Tenders						-	(23 400.00)				
(3 358 600.97)	750220	Investments	###				(2 108.38)	-	(3 360 709.35)				
(266 140.01)	760490	Proceeds from Sale of Assets						-	(266 140.01)				
13427.6	230000	Plant & Equipment			#####		(13 427.60)	-	-				
2649719.45	231000	Office Equipment @ cost			#####		(2 649 719.45)	-	-				
2869818.06	240000	Furniture & Fittings @ cost			#####		(2 869 818.06)	-	-				
1087741.2	241000	Motor vehicles @ cost			#####		(1 087 741.20)	-	-				
-1636978.51	231000	Acc dep - Office equipment			#####		1 636 978.51	-	-				
-1736267.51	240009	Acc dep - Furniture & Fittings			#####		1 736 267.51	-	-				
-335100.84	241009	Acc dep - Motor vehicles			#####		335 100.84	-	-				
-6554.7	230009	Acc dep - Plant & equipment			#####		6 554.70	-	-				
0.00			#	-	#	-	#	#	-	(0.00)	(0.00)	(0.00)	0.00

(2 790 741.42) Provision

(15 944 169.69) Reserves

13 816 159.78 Debtors

1 230 539.30 Cash

(32 594 699.44) Creditors

16 271 773.93 Investments

Salaries

21 173 656.93

Expenses	90 920 608.78	Regional	50 586 301.64
		Admin	40 334 307.14
			90 920 608.78

Income	(70 909 471.24)	Regional	(67 258 096.88)
		Admin	(3 651 374.36)
			(70 909 471.24)

- **(20 011 137.54)**

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



THABO MOFUTSANYANA DISTRICT MUNICIPALITY

CONTENTS	Page
1. General Information	1-2
2. Foreword by the executive mayor of Thabo Mofutsanya District Municipality	3-4
3. Map	5
4. Report of the Auditor - General	6
5. Financial Reporting / Treasurers' Report	7
6. Accounting Policies	8-10
7. Balance Sheet	11
8. Income Statement	12
9. Cash Flow Statement	13
10. Notes to the Financial Statements	14-19
11. Appendices	
A Accumulated Funds, Capital Reserves and Statutory Funds Statutory Funds Reserves and Trust Funds for the year ended 30 June 2009	20
B Analysis of Fixed Assets	21
C Analysis of Operating Income and Expenditure for the year ended 30 June 2009	22
D Detailed Income Statement for the year ended 30 June 2009	23
E Summary of allocations for the year ended 30 June 2009	24-29
F Debtors for the year G - G1	30-31
G Statistical information	32

GENERAL INFORMATION

EXECUTIVE MAYOR Her Majesty Queen Mathokoana Mopeli

SPEAKER: Councillor M Ntheli

CHIEF WHIP: Councillor P Motsoeneng

MEMBERS OF THE MAYORAL COMMITTEE:

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

COUNCILLORS:

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

GENERAL INFORMATION

GRADING OF THE DISTRICT MUNICIPALITY

Grade 11

AUDITORS

The Auditor - General

BANKERS

ABSA Bank

REGISTERED OFFICE

Private Bag X 810
WITSIESHOEK
9870

1 Mampoi Street
Old Parliament Building
WITSIESHOEK
9870

Telephone

058 - 718 1000

Fax

058 - 718 1034

MAP OF THE DISTRICT MUNICIPALITY:

See attached map of the district on page 5

MUNICIPAL MANAGER:

Mr MP Moloji

CHIEF FINANCIAL OFFICER:

Mr M Mpakane

APPROVAL OF FINANCIAL STATEMENTS:

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

_____ and presented to and approved by Council on _____.

CHIEF FINANCIAL OFFICER

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

MUNICIPAL MANAGER

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

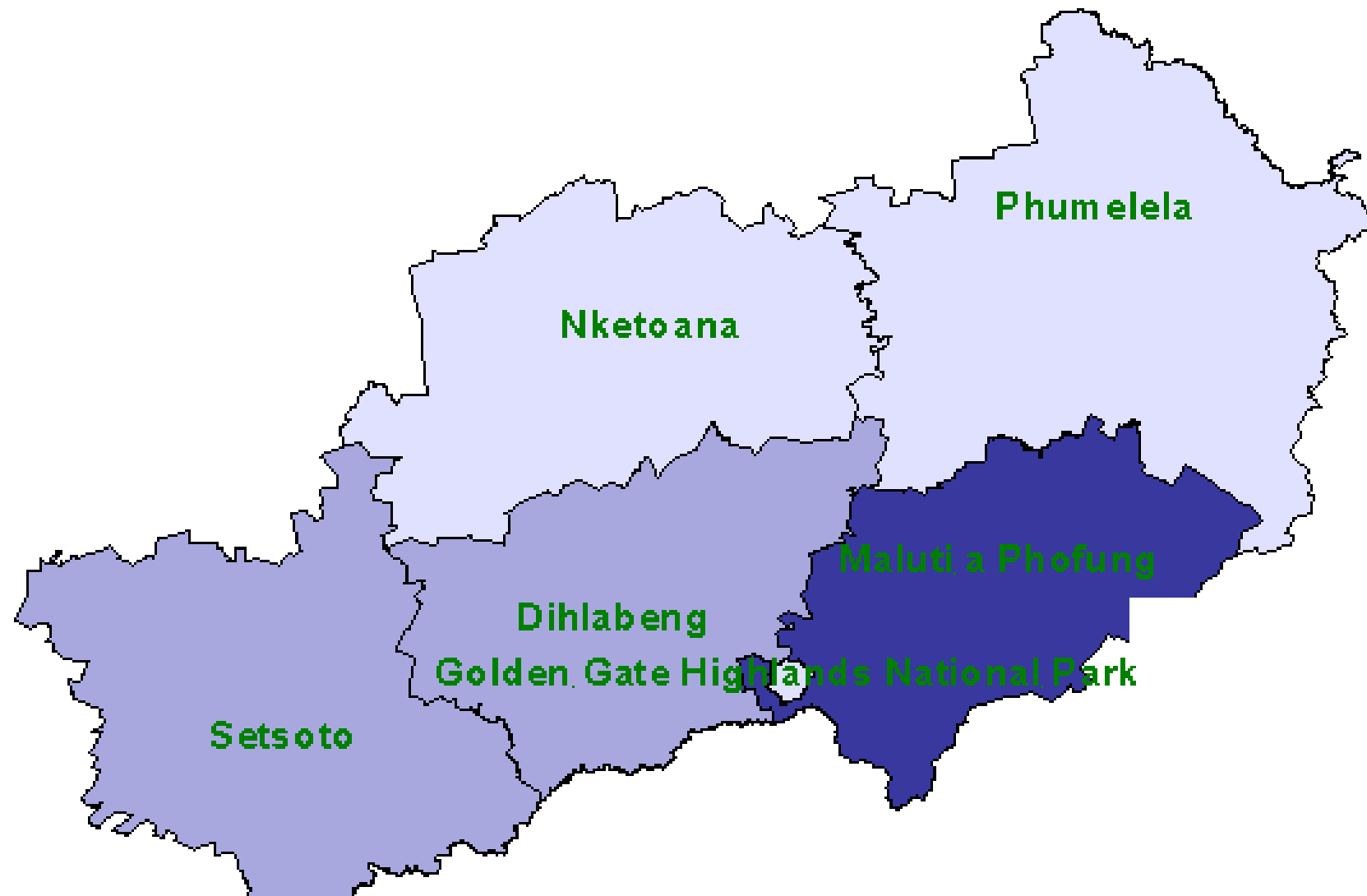


THABO MOFUTSANYANA *District Municipality*

FOREWORD BY THE EXECUTIVE MAYOR OF THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Her Majesty Queen Mathokoana Mopeli

Executive Mayor



Phumelela

Nketoana

Maluti a Phofung

Dihlabeng

Golden Gate Highlands National Park

Setsoto

THABO MOFUTSANYANA DISTRICT MUNICIPALITY

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

The Auditor-General will table his report.

FINANCIAL REPORTING / TREASURER'S REPORT

1 Operating results

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

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

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

2 Fixed Assets

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

3 Income and allocations**3.1 Income**

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

3.2 Capital Projects

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

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

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

4.2 Bank (see note 5)

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

5 Funds and Reserves

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

6 Post Balance Sheet Events

None

TREASURER'S REPORT (continued)

7 Guarantees

The municipality provided the housing guarantees to the following staff members

Housing Statistics

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

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

Appreciation

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

CHIEF FINANCIAL OFFICER
MR M.R Mpakane

ACCOUNTING POLICIES**1 Basis of presentation**

1.1 The financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Accounting Practice (1996) and Report on Published Annual Financial Statements (2nd edition - January 1996).

1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as fully detailed in note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.

1.3 The financial statements are prepared on the accrual basis as stated:

- Income is accrued when measurable and available to finance operations.
- Expenditure is accrued in the year it is incurred.

2 Fixed assets

2.1 Fixed assets are stated:

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

2.2 Depreciation:

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

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

2.3 All net proceeds from the sale of fixed assets are credited to the income statement.

3 Funds, reserves and provisions

Capital Development Fund

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

ACCOUNTING POLICY (CONTINUED)

4 Retirement benefits

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

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

5 Provisions

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

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

6 Investments

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

7 Long-term debtors

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

8 Leased assets

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

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

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

9 Cash and cash equivalents

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

10 Trade and other receivables

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

11 Trade and other payables

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

BALANCE SHEET AT 30 JUNE 2009

	Note	2009 R	2008 R
CAPITAL EMPLOYED			
Funds and Reserves		-4 066 968	14 868 266
Accumulated surplus	1.1	-10 146 279	9 464 442
Capital Development Fund	1.2	6 079 311	5 403 824
		-4 066 968	14 868 266
EMPLOYMENT OF CAPITAL			
Non-current assets		-	-
Fixed assets	2	-	-
Net current assets		-4 066 968	14 868 266
Current assets		31 318 473	54 790 960
Short Term Investments	3	16 271 774	33 852 718
Debtors	4	13 816 160	5 352 431
Cash and Bank	5	1 230 539	15 585 811
Current liabilities		35 385 441	39 922 694
Provisions	6	2 790 741	3 090 361
Creditors	7	32 594 699	36 832 333
		-4 066 968	14 868 266

Her Majesty Queen Mathokoana Mopeli
EXECUTIVE MAYOR

Mr. MP Moloji
MUNICIPAL MANAGER

|

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

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

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

Average rate of interest earned 6.58%.

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

No investments have been written off during the year.

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

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

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

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

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

17 Retirement benefits

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

18 Contingent liabilities

18.1

Guarantees

The municipality provided the housing guarantees to the following staff members

Housing Statistics

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

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

18.3 The following litigations are pending against the municipality.

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

19 Municipal Infrastructure Grant Income

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

20 Remuneration of section 57 appointments

Municipal Manager

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

Chief Financial Officer

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

Strategic Manager: Corporate Services

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

Strategic Manager: Local Economic Development

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

Strategic Manager: Community Services

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

21 GOVERNMENT GRANTS AND SUBSIDIES / REGERINGSKENKINGS EN SUBSIDIES

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

Equitable share

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

RSC Replacement Grant

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

Municipal Infrastructure Grant

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

Municipal Systems Improvement Grant

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

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

Grants in kind

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

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

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

APPENDIX B: ANALYSIS OF FIXED ASSETS

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

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

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

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

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

Ref

AppE1

AppE5

AppE2-5

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

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

#REF!

#REF!

#REF!

#REF!

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

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

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

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

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

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

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

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

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

Description	Budget 2008/2009	Expenditure 2008/2009	Variance 30/06/2009
MSIG/ PIMSS	1 000 000	-	1 000 000
		-	-
Total	1 000 000	-	1 000 000

APPENDIX F: DEBTORS - SUMMARY

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

APPENDIX F1: DEBTORS - OTHER RECEIVABLES

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

APPENDIX G: STATISTICAL INFORMATION**General Statistics**

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

FS 191 - Setsoto Local Municipality

FS192 - Dihlabeng Local Municipality

FS193 - Nketoana Local Municipality

FS194 - Maluti-a-Phofung Local Municipality

FS195 - Phumelela Local Municipality

FSDMA19 - Golden Gate Highlands National Park

The number of people residing in Thabo Mofutsanyana District is approximately:

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