



MOHOKARE
LOCAL MUNICIPALITY

MOHOKARE LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

I am responsible for the preparation of these financial statements, which are set out on page 3 to 38, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 19 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager
K. S Motsoeneng

Date

MOHOKARE LOCAL MUNICIPALITY
GENERAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2010

MEMBERS OF COUNCIL

Speaker and mayor	:	M J Sehanka	
Councilor		M J Sehanka	Chairperson: Finance
Councilor		M A Mpako	Finance
Councilor	:	B S Majenge	Finance
Councilor	:	N Shiya	Finance
Councilor	:	N Motsetse	Chairperson: Human Resources and Corporate Services
Councilor	:	T Mohapi	Human resources and Corporate Services
Councilor	:	M A Letele	Human resources and Corporate Services
Councilor	:	M D Mathibedi	Human resources and Corporate Services
Councilor	:	M A Mpako	Chairperson: Technical & Infrastructure
Councilor	:	J J Gertenbacht	Technical & Infrastructure
Councilor	:	T G Mbangula	Technical & Infrastructure
Councilor	:	B S Majenge	Technical & Infrastructure
Councilor	:	M S Majenge	Chairperson : Social Development and Community Service
Councilor	:	T G Mbangula	Social Development
Councilor	:	N Shiya	Social Development

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of operations and principal activities	Providing municipal services and maintain the best interest of the local community mainly in the Mohokare area
Grading of the municipality	The Mohokare Local Municipality is a Grade Two Local Authority in terms of Government Notice R999 of 2 October 2001, Published in terms of IV terms Remunerations of Public Office Bearers Act, 1998.
Registered address	Hoofd Street Zastron 9950
Postal address	P O Box 20 Zastron 9950
Auditors	The Auditor - General: Free State
Bankers	ABSA
Attorneys	Maalherbe, Saayman and Smith Attorneys

nunity

f
of the

**MOHOKARE LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

INDEX	Page
General information	1
Statement of Financial Position	2
Statement of Financial Performance	3
Statement of Changes in Net Assets	4
Cash Flow Statement	5
Accounting Policies to the Annual Financial Statements	6 - 19
Notes to the Annual Financial Statements	20 - 31
Appendix A: Schedule of External Loans	32
Appendix B: Analysis of Property, Plant and Equipment	33
Appendix C: Segmental Analysis of Property, Plant and Equipment	34
Appendix D: Segmental Statement of Financial Performance	35
Appendix E1: Actual versus Budget (Revenue and Expenditure)	36
Appendix E2: Actual versus Budget(Capital)	37
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	38

**MOHOKARE LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2010**

	Note	2010 R	2009 R
ASSETS			
Current assets		19 656 132	11 414 073
Consumer receivables	2	13 843 842	4 075 313
Other receivables	3	4 444 994	5 804 042
Cash and cash equivalents	34	802 396	1 534 719
Inventory	11	564 900	492 999
Non-current assets		2 887 961	3 313 866
Property, plant and equipment	5	2 599 360	789 694
Investments	6	288 601	2 524 172
Total assets		22 544 093	14 727 939
LIABILITIES			
Current liabilities		27 001 632	30 846 591
Consumer deposits	7	141 708	72 934
Payables	8	6 405 924	3 537 096
Other Payables	9	7 925 216	9 430 617
Unspent conditional grants and receipts	10	8 583 409	13 397 280
Provisions	12	2 064 771	2 685 148
Current portion of long-term liabilities	13	385 949	238 016
Bank overdraft	34	1 494 654	1 485 500
Non-current liabilities		3 196 177	3 566 661
Long - term liabilities	13	3 196 177	3 566 661
Total liabilities		30 197 809	34 413 252
Net assets		(7 653 715)	(19 685 313)
NET ASSETS			
Statutory Funds		(7 653 715)	(19 685 313)
Accumulated surplus/(deficit)		-	5 672 077
Total net assets and liabilities		22 544 093	14 727 939

MOHOKARE LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2010

	Pre GAMAP/GRAP Reserves and Funds	Accumulated Surplus	TOTAL
Balance at 30 June 2008	5 737 266	(20 359 556)	(14 622 290)
Surplus/(deficit) for the year		(6 423 354)	(6 423 354)
Prior year error (Refer to note 24)		1 425 520	1 425 520
Implementation of GRAP (Refer to note 24.4)	(5 737 266)		(5 737 266)
Balance at 30 June 2009	-	(25 357 390)	(25 357 390)
Surplus/(deficit) for the year		6 447 399	6 447 399
Prior year error (Refer to note 24)		11 072 909	11 072 909
Centlec surplus		183 367	183 367
Balance at 30 June 2010		(7 653 715)	(7 653 715)

**MOHOKARE LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	Actual 2010 R	Actual 2009 R
Revenue			
Property rates	14	6 068 129	4 180 942
Services charges	15	25 294 143	10 015 263
Rental of building		397 613	421 957
Interest on debtors		225 318	-
Interest on Investment		45 186	66 611
Dividends received		5 204	3 158
Government grants and subsidies	16	29 465 781	26 453 200
Other income	17	3 173 603	1 681 952
Total Revenue		64 674 977	42 823 084
EXPENDITURE			
Employee related costs	18	23 375 356	20 262 098
Remuneration of councillors	19	1 914 471	1 714 438
Bad debts	2	-	
Repairs and maintenance		1 481 896	2 254 546
Interest paid	20	357 294	476 944
Bulk purchases	21	11 891 849	437 766
General expenses	29	19 206 711	24 100 647
Total Expenditure		58 227 578	49 246 438
DEFICIT FOR THE YEAR		6 447 399	(6 423 354)

Refer to Appendix E for the comparison with the approved budget.

MOHOKARE LOCAL MUNICIPALITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 R	2009 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and government	31	60 445 520	38 532 841
Cash paid to suppliers and employees	32	(62 013 005)	(31 353 493)
Cash generated by operations	33	(1 567 485)	7 179 348
Interest received		270 504	66 611
Interest paid		(357 294)	(659 759)
Dividends received		5 204	-
NET CASH FLOW FROM OPERATING ACTIVITIES		(1 649 071)	6 586 200
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(215 530)	(5 885 268)
Decrease in investments		2 235 571	(2 231 444)
NET CASH FLOW FROM INVESTING ACTIVITIES		2 451 101	(8 116 712)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans repaid		(140 553)	324 081
Increase in consumer deposits		68 774	-
NET CASH FLOW FROM FINANCING ACTIVITIES		(71 779)	324 081
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		730 250	(1 206 431)
Cash and cash equivalents at the beginning of the year		49 219	1 249 831
Cash and cash equivalents at the end of the year	34	(692 258)	49 219

MOHOKARE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

2 CONSUMER RECEIVABLES

	Gross balance	Provision for bad debts	Net Balance
2.1 Revenue from non exchange transaction			
As at 30 June 2009			
Rates	3 922 652	2 120 999	1 801 653
Total	3 922 652	2 120 999	1 801 653
As at 30 June 2010			
Rates	4 676 433	2 120 999	2 555 434
Total	4 676 433	2 120 999	2 555 434
2.2 Revenue from exchange transaction			
As at 30 June 2009			
Service receivables	21 646 511	19 547 812	2 098 699
Electricity	243 138	243 138	-
Water	14 166 240	13 140 634	1 025 605
Sewerage	3 896 616	3 347 098	549 518
Refuse	3 340 517	2 816 941	523 576
Rentals	258 368	235 232	23 136
Sundries	23 884 059	23 732 236	151 824
Total	45 788 938	43 515 279	2 273 659
As at 30 June 2010			
Service receivables	30 439 600	19 572 607	10 866 993
Electricity	475 706	267 933	207 773
Water	19 033 762	13 140 634	5 893 127
Sewerage	6 054 186	3 347 098	2 707 089
Refuse	4 875 946	2 816 941	2 059 005
Rentals	345 722	235 232	110 490
Sundries	24 043 160	23 732 236	310 925
Total	54 828 482	43 540 074	11 288 408

The provision for bad debts could not be completed due to the fact that sufficient supporting documentation was not available.

	2010 R	2009 R
Receivables Age Analysis		
Property Rates		
Current (0 – 30 days)	52 870	
31 - 60 Days	149 134	
61 - 90 Days	127 108	
120 - 150 Days	4 347 321	
Total	4 676 433	3 922 652
Electricity		
Current (0 – 30 days)	-	
31 - 60 Days	-	
61 - 90 Days	100	
120 - 150 Days	475 606	
Total	475 706	243 138
Water		
Current (0 – 30 days)	495 653	
31 - 60 Days	476 909	
61 - 90 Days	474 164	
120 - 150 Days	17 587 036	
Total	19 033 762	14 166 240
Sewerage		
Current (0 – 30 days)	290 002	
31 - 60 Days	247 376	
61 - 90 Days	223 360	
120 - 150 Days	5 293 448	
Total	6 054 186	3 896 616
Refuse		
Current (0 – 30 days)	172 757	
31 - 60 Days	149 702	
61 - 90 Days	142 890	
120 - 150 Days	4 410 597	
Total	4 875 946	3 340 517
Rentals		
Current (0 – 30 days)		
31 - 60 Days		
61 - 90 Days		
120 - 150 Days		
Total	345 722	258 368
Reconciliation of the bad debt provision		
Balance at beginning of the year	45 636 278	-
Contributions to provision	-	45 636 278
Bad debts written off against provision	-	-
Balance at end of year	45 636 278	45 636 278

The detailed age analysis for 2008/2009 consumer debtors as well as current year Rentals is not available. Consequently, only the total balances have been disclosed for the comparatives.

MOHOKARE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 R	2009 R
3 OTHER RECEIVABLES		
Sundry Debtors;	1 682 163	1 682 163
Prov Hosp Refund;	94 437	94 437
Fuel Deposit - Excel;	20 000	20 000
Elec Deposit - Escom;	31 122	31 122
PAYE Owing - Personnel;	158 563	158 563
UIF Debtors;	4 798	4 798
Salary Debtors;	46 424	46 424
RD Cheques Mohokare	11 413	10 107
Input VAT;	-4 713 987	264 392
VAT Control Account;	7 086 882	3 443 416
Interns - Xhariep	23 180	48 620
Total other Receivables	4 444 994	5 804 042
4 CURRENT ACCOUNT		
ABSA Bank Limited- Zastron Branch Account Number-4052654487		
Cash book balance at beginning of year - (credit)	(1 485 500)	1 970 146
Cash book balance at end of year - (credit)	(1 494 654)	(1 485 500)
Bank statement balance at beginning of year	578 025	2 230 461
Bank statement balance at end of year	358 584	578 025
STANDARD BANK Account Number-041952766		
Cash book balance at beginning of year	585 463	515 642
Cash book balance at end of year	70 926	585 463
Bank statement balance at beginning of year	585 463	515 642
Bank statement balance at end of year	69 518	585 463
First National Bank Limited-Rouxville Account Number-53593549308		
Cash book balance at beginning of year	431 448	431 448
Cash book balance at end of year	69 809	431 448
Bank statement balance at beginning of year	431 448	431 448
Bank statement balance at end of year	69 809	431 448
ABSA Bank Limited- Zastron Branch Account Number-2810000018		
Cash book balance at beginning of year	516 628	516 628
Cash book balance at end of year	91 780	516 628
Bank statement balance at beginning of year	516 628	516 628
Bank statement balance at end of year	69 518	516 628
Petty cash	569 881	1 180

MOHOKARE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

5 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Rates and General services	Housing services	Trading Services	Total
30 June 2010				
Carrying values at 30 June 2009	2 192 382	-	(1 402 688)	789 694
Cost	91 302 437	1 442 692	44 783 328	137 528 457
Accumulated depreciation	(89 110 055)	(1 442 692)	(46 186 016)	(136 738 763)
Additions	205 819	-	5 789 025	5 994 844
Written off	(9 010)	-	-	(9 010)
Under construction 2010	-	-	-	-
Depreciation	-	-	(4 176 163)	(4 176 163)
Carrying values at 30 June 2010	2 389 191	-	210 174	2 599 365
Cost	91 499 246	1 442 692	50 572 353	143 514 291
Accumulated depreciation	(89 110 055)	(1 442 692)	(50 362 179)	(140 914 926)
30 June 2009				
Carrying values at 30 June 2008	-	-	2 539 212	2 539 212
Cost	87 213 489	1 442 692	48 725 228	137 381 409
Accumulated depreciation	(87 213 489)	(1 442 692)	(46 186 016)	(134 842 197)
Additions	4 088 948	-	1 796 320	5 885 268
Under construction 2009	-	-	-	-
Written off	-	-	(5 738 220)	(5 738 220)
Depreciation	(1 896 566)	-	-	(1 896 566)
Carrying values at 30 June 2009	2 192 382	-	(1 402 688)	789 694
Cost	91 302 437	1 442 692	44 783 328	137 528 457
Accumulated depreciation	(89 110 055)	(1 442 692)	(46 186 016)	(136 738 763)

Refer to Appendix B and C for details.

The Municipality has applied the measurement transitional provisions for Property, Plant and Equipment in Directive 4 of the Accounting Standards Board. As a result no depreciation and impairment losses (including accumulated depreciation and impairments) were recognised on the financial statements. The municipality has adopted processes and procedures which will assist the municipality in the measurement of these amounts. Refer to Appendix B and C for detailed information on Property, Plant and Equipment.

6 INVESTMENTS

Unlisted

ABSA (6074357138);	273	268
OVK Holding Shares;	10 354	20 330
OVK Operation Shares;	9 948	3 616
ABSA (1014355924);	85 842	81 975
Old Mutual Flexi Save	120 653	120 653
FNB (72359004546);	54 461	52 111
ABSA (9074133593);	1 696	1 754
ABSA (9086343532);	5 375	2 243 465
Total Unlisted	288 601	2 524 172

7 CONSUMER DEPOSITS

Electricity and wate	141 708	72 934
----------------------	---------	--------

8 PAYABLES

Creditors-Centlec;	309 535	-
Creditors Control Account;	6 096 389	3 537 096
Total Payables	6 405 924	3 537 096

MOHOKARE LOCAL MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2010

	2010 R	2009 R
9 OTHER PAYABLES		
Unknown Deposits;	215 550	1 053 142
Deposits Hall & Crockery;	4 788	3 583
Medical Pensioners(Charges);	15 156	-
Consbill Adjusting Journals;	-3 009	-
Creditors - DM;	47 591	47 591
Creditors - WCC;	1 260 568	1 260 568
Creditors - UIF;	1 309	1 309
Surplus - Mohokare	7 084	7 064
SARS - PAYE Personnel;	120 358	120 358
Creditors - SARS;	19 494	22 288
Charcoal Project;	11 058	11 058
Sundry Creditors;	330 736	330 736
UIF Creditors;	3 490	3 490
Salary Creditors;	59 636	59 636
C/Debtors' acc in credit;	437 123	238 577
Salary Control Account;	(17 329)	-
VIP Clearing Account;	39 526	-
Suspense Account;	(22 734)	-
Direct Deposits		877 284
Output VAT Raised;	259 694	258 805
VAT Differences;	5 135 150	5 135 150
Total Accruals	7 925 216	9 430 617

10 UNSPENT CONDITIONAL GRANTS AND SUBSIDIES

Conditional grants from other spheres of Government

Opening Balance not yet cleared on the system

MSIG;	31 813	616 674
MIG ;	1 323 698	1 622 789
FMG;	-1 841 711	75 220
DWAF;	-111 680	656 173
Prov Grant;	176 085	176 085
Draught Relief;	1 352 069	1 990 152
Prov Grant Rouxville Water;	92 818	92 818
Prov Grant - Salary Managers	2 208 424	2 210 008
Prov Grant - Sal Temp Worker	527 275	980 650
INEPG - Elec - Plong & Sodim	-152 093	-
Spatial Development;	2 220 000	2 220 000
PHP Housing	1 846 795	1 846 795
Provincial Grant - Elec;	909 915	909 915
Total Unspent Conditional Grants and Subsidies	8 583 409	13 397 280

Municipality is in the process to clear the capital projects, therefore the unspent conditional grants will be cleared as soon as the project are finished.

11 INVENTORY

Livestock;	564 900	492 999
	564 900	492 999

12 Provisions

Provision for Bonus	(569 243)	(511 453)
Provision for Leave	(1 495 528)	(2 173 695)
	-	-
	(2 064 771)	(2 685 148)

Reconciliation of provisions

12.1 Provision for Bonuses

Opening balance	511 453	-
Contribution for the year	57 627	511 453
Bonuses paid	-	-
Closing balance	569 080	511 453

12.2 Provision for Leave

Opening balance	2 173 695	-
Contribution for the year	(678 327)	2 173 695
Leave paid	-	-
Closing balance	1 495 368	2 173 695

MOHOKARE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
13 LONG TERM LIABILITIES		
External loans	3 154 068	3 804 676
Less: Current portion transferred to current liabilities	(385 949)	(238 016)
Centlec	428 058	-
Long Term Liability	3 196 177	3 566 660

Refer to Appendix A for more details on long-term liabilities.

14 PROPERTY RATES

Actual

Residential and Commercial	4 276 209	3 686 487
State	1 791 921	494 455
Total Assessment Rates	6 068 129	4 180 942

Property Valuations

Residential	107 911 258	115 059 219
Commercial	53 069 973	47 797 103
State	20 449 440	19 621 240
Municipal	643 090	-
Farmers	467 739 505	467 739 505
Total Property Valuations	649 813 266	650 217 067

Valuation on land and buildings is performed every five years. Property valuations were done during the 2009/2010 financial year. Various rates are applied to property valuations to determine assessment rates. Rebate of 2% is applied to residential, 30% is applied to state property owners, 0% on commercial property and 100% on municipal property. Rates are levied on a monthly basis on property owners.

15 SERVICE CHARGES

Sale of electricity	12 001 430	-
Sale of water	5 463 228	3 529 338
Refuse removal	3 126 957	3 014 546
Sewerage and sanitation charges	4 702 528	3 471 379
Total Service Charges	25 294 143	10 015 263

16 GOVERNMENT GRANTS AND SUBSIDIES

Equitable Share	29 465 781	26 159 239
Municipal Systems Improvement Grant	-	-
Financial Management Grant	-	-
Municipality Infrastructure Grant	-	-
Provincial Grant	-	275 962
Total Government Grant and Subsidies	29 465 781	26 435 201

As result of compliance with GAMAP 29-35:39-54:61 (b)(iii), (vi), (vii), (ix) and 62(a) and (b) Government Grants, the amount of the grants recognised in the Income Statement is only those related to operating expenditure recognised as income. The balances disclosed on the note are the amount per Division of Revenue Act.

16.1 Equitable Share

Balance unspent at beginning of year	-	-
Current year receipts	(32 087 491)	(24 832 097)
Conditions met - transferred to revenue	32 087 491	24 832 097
	-	-

In terms of the Constitution of the Republic of South Africa, No. 108 of 1996, this grant is used to subsidize the provision of basic and administrative services to indigent community members and to subsidize income. No significant decrease is expected in the level of this grant.

16.2 Municipal Infrastructure Grant

Balance unspent at beginning of year	(1 423 339)	(2 940 820)
Current year receipts	(15 587 283)	(3 500 000)
Conditions met - transferred to revenue	2 818 889	382 177
Expenses incurred but assets not yet ready for use - transferred to unspent grants (note 10)	9 847 311	4 635 304
Conditions still to be met - transferred to current liabilities	(4 344 422)	(1 423 339)

The grant is used to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure utilised in providing basic services for the benefit of poor households. The grant was used to construct roads and sewerage infrastructure as part of the upgrading of informal settlement area.

16.3 Financial Management Grant

Balance unspent at beginning of year	(75 221)	(169 518)
Current year receipts	(1 000 000)	(500 000)
Conditions met - transferred to revenue	2 916 930	594 297
Conditions still to be met - transferred to unspent grants	1 841 709	(75 221)

The purpose of the grant is to promote and support reforms to financial management and the implementation of the Municipal Finance Management Act.

16.4 Municipal Systems Improvement Grant

Balance unspent at beginning of year	(616 674)	(570 544)
Current year receipts	(735 000)	(735 000)
Conditions met - transferred to revenue	1 319 861	688 870
Conditions still to be met - transferred to unspent grant	(31 813)	(616 674)

The fund is used to assist the local municipalities to perform their functions and stabilise institutional and governance systems as required by the Municipal Systems Act of 2000.

16.5 Department of Water Affairs and Forestry

Balance unspent at beginning of year	(656 173)	-
Current year receipts	(160 000)	(700 000)
Conditions met - transferred to revenue	927 853	43 827
Conditions still to be met - transferred to unspent grants (note 11)	111 680	(656 173)

MOHOKARE LOCAL MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2010

	2010 R	2009 R
16 GOVERNMENT GRANTS AND SUBSIDIES (continue)		
16.7 Department: Mineral & Energy Affairs: INEP GRANT - Elec- Plong & Sodimo		
Balance unspent at beginning of year	2 949 000	-
Current year receipts	(2 539 994)	-
Conditions met - transferred to revenue	-	-
Expenses incurred but assets not yet ready for use	-	-
Conditions still to be met - transferred to unspent grants (note 1)	409 006	-
16.6 Draught Relief		
Balance unspent at beginning of year	(1 990 151)	(2 093 221)
Current year receipts	-	103 070
Conditions met - transferred to revenue	567 910	-
Conditions still to be met - transferred to unspent grants (note 1)	(1 422 241)	(1 990 151)
16.8 Integrated Spatial Development Grant		
Balance unspent at beginning of year	(2 220 000)	-
Current year receipts	-	(2 220 000)
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to unspent grants (note 1)	(2 220 000)	(2 220 000)
16.9 Provincial Grant -Water Purification - Rouxville		
Balance unspent at beginning of year	(92 818)	(92 818)
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to unspent grant	(92 818)	(92 818)
Provincial grant for site establishment.		
16.10 Provincial Grant -Maintenance Electricity Network		
Balance unspent at beginning of year	(909 915)	(909 915)
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to unspent grants (note 1)	(909 915)	(909 915)
Grant received for the feasibility study for the wine and diamond routes and bottling plant in Jacobsdal.		
16.11 Provincial Grant -Managers and Temporary workers Salary		
Balance unspent at beginning of year	(3 190 658)	-
Current year receipts	-	(3 380 000)
Conditions met - transferred to revenue	-	189 342
Receivables due from Dwarf. Refer to note :	(3 190 658)	(3 190 658)
16.13 Changes in levels of government grants		
Based on the allocations set out in the Division of Revenue Act, (2006), no significant changes in the level of government grant funding are expected over the forthcoming two financial years.		
17 OTHER INCOME		
Rates Certificates;	15 188.92	12 070.03
Discount Received;	50 214.57	53 175.97
Sundry Income;	72 436.16	411 559.46
Telephone Charges;	309.41	-
Photostats;	49.30	-
Rent - Crockery;	682.00	-
Cemetery Fees;	45 921.44	40 933.66
Permits;	100.00	-
Traffic Fines;	576 152.33	1 033 948.73
Pound Fees;	6 906.50	-
Redemption - DBSA;	570 000.00	-
Written Off - DBSA;	1 798 437.89	-
Connection Fees;	1 982.45	12 811.31
Sewerage Blockages;	6 066.11	4 422.08
Gravel Sales;	1 800.04	4 537.72
Connection Fees;	149.38	-
Drum Sales;	500.00	12 280.70
Sale of cattle;	26 500.00	88 645.00
Other	206.14	7 567.23
Total Other Income	3 173 603	1 681 952
18 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	15 553 302	14 608 663
Employee related costs - Contributions to UIF, pensions , medical aids.	3 999 461	3 340 426
Housing Subsidies	116 225	83 062
Industrial Council Levies	9 134	8 818
Other Allowances	1 090 671	217 853
Overtime	1 006 078	831 443
Protective Clothing	-	194 450
Travel, Subsistence and Car Allowances	1 600 486	977 383
Total Employee Related Costs	23 375 356	20 262 098
There were no advances to employees.		

MOHOKARE LOCAL MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2010

	2010 R	2009 R
18 EMPLOYEE RELATED COSTS (continued)		
Remuneration of the Municipal Manager		
Annual Remuneration	384 653	168 032
Bonus	26 545	-
Car Allowance and Telephone Allowances	19 638	24 963
Contributions to Medical and Provident Funds, non Pensionable allowance	108 602	-
Other allowances	216 006	11 270
Total	755 445	204 265
The current Municipal Manager was appointed in 01 April 2009.		
Remuneration of the Chief Finance Officer		
Annual Remuneration	331 624	81 445
Bonus	18 460	-
Car Allowance	24 383	11 422
Other allowances	213 331	10 075
Contributions to Medical and Provident Funds, non Pensionable allowance	86 436	-
Total	674 234	102 942
The Chief Financial Officer was appointed in 01 May 2009.		
Remuneration of the individual Executive Directors:		
Remuneration of the Head: Technical Services		
Annual Remuneration	151 296	-
Bonus	12 709	-
Car Allowance	37 897	-
Contributions to UIF, Medical and Provident Funds	9 718	-
Other Allowances	-	-
Total	211 620	-
The current Technical services manager was appointed for the full duration of the financial period to act in position.		
Remuneration of the Head: Corporate Services		
Annual Remuneration	260 940	155 471
Bonus	21 919	14 026
Car Allowance and Travel allowance	30 785	90 691
Other allowances	13 176	-
Contributions to Medical and Provident Funds	-	-
Total	326 820	260 188
The current Corporate Manager was acting during the financial year under review.		
No performance bonuses were paid or provided for, for the current and comparative year.		
19 REMUNERATION OF COUNCILLORS		
Mayor / Speaker	417 404	404 534
Councillors allowances	1 497 068	1 309 904
Total Councillors' Remuneration	1 914 471	1 714 438
In kind benefits		
The Speaker is a full-time employee of the entity. The Speaker is provided with an office and admin support at the cost of the Council.		
20 INTEREST PAID		
Long term liabilities	61	-
Bank overdraft	357 233	476 944
Total Interest on External Borrowings	357 294	476 944
21 BULK PURCHASES		
Electricity	11 871 957	44 064
Water	19 892	393 701
Total bulk purchases	11 891 849	437 766
22 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure		
Approved and contracted for:	26 649 008	15 715 523
Infrastructure	26 649 008	15 715 523
Community	-	-
Approved but not yet contracted for:	12 460 000	-
Infrastructure	12 460 000	-
Community	-	-
Total	39 109 008	15 715 523

MOHOKARE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 R	2009 R
24 CHANGE IN ACCOUNTING POLICY – IMPLEMENTATION OF GRAP		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP: -:		
24.1		
24.1 Statutory Funds		
Balance previously reported:	<u>5 737 266</u>	
Capital Development Fund	4 080 712	
Land Trust Fund	1 656 554	
Total	<u>5 737 266</u>	
Implementation of GRAP		
Transferred to Accumulated Surplus/(Deficit) (see 24.4 below)	5 737 266	
Total	<u>5 737 266</u>	
24.2 Loans Redeemed and Other Capital Receipts		
Balance previously reported	<u>140 914 925</u>	
Implementation of GRAP		
Transferred to Accumulated Surplus/(Deficit) (see 24.4 below)	140 914 925	
Total	<u>140 914 925</u>	
24.3 Accumulated Depreciation		
Balance previously reported -	<u>-</u>	
Implementation of GRAP		
Backlog depreciation: Land and buildings	-1 442 692	
Backlog depreciation: Infrastructure	-117 023 002	
Backlog depreciation: Community	-16 335 707	
Backlog depreciation: Other	-6 113 524	
Total (debited to Accumulated Surplus/(Deficit)) (see 24.4 below)	<u>-140 914 925</u>	
24.4 Accumulated Surplus/(Deficit)		
Implementation of GRAP		
Transferred from statutory funds (see 24.1 above)	5 737 266	
Transferred from Loans Redeemed and Other Capital Receipts (see 24.2 above)	140 914 925	
Backlog depreciation (see 24.3 above)	-140 914 925	
Total	<u>5 737 266</u>	
Prior year errors		
24.5 Consolidation of Centlec prior year and current year:		
Decrease accumulated surplus	50 411	-
Centlec movement for the year	(50 411)	-
24.6 Correction of prior year figures		
Correction of prior year error	(1 929 455)	-
Correction of prior year error - debtors	(106 840)	-
Correction of prior year error - Salaries and others	8 754 503	-
Net effect on surplus/(deficit) for the year	<u>6 718 209</u>	-
25 RETIREMENT BENEFIT INFORMATION		
Mohokare Local Municipality and its employees contribute to the SALA Pension Fund and other employees of Mohokare Local Municipality contribute to the SAMWU, Free State Provident Funds, which provides retirement benefits to such employees. The retirement benefit plan is subject to the Pension Funds Act of 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income. No actuarial information was available for the SALA Pension Fund when the financial statements were prepared.		
26 CONTINGENT LIABILITY		
The municipality has the following labor related cases pending: Mr. Makhuba and Me Nzula - Matter has been referred to South African Local Government Bargaining Council. P Mckhanya - Matter has been referred to Labor Court	-	-
The amount involved in the claims is unknown.		

MOHOKARE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 R	2009 R
27 CONTINGENT ASSET		
No contingent assets are expected.	-	-
28 IN - KIND DONATION AND ASSISTANCE		
No in-kind donations and assistance were received by the municipality during the year.	-	-
29 GENERAL EXPENSES		
General expenses include the following significant items:		
Administration	2 229.52	-
Advertisement	200 814.11	214 966.55
Audit costs	2 159 013.49	1 045 961.19
Bank charges	169 087.49	135 002.12
Chemicals	1 655 266	1 249 995.57
Consultants	5 131 388	-
Entertainment general	65 398	80 152
Fuel	1 235 288	1 069 671
Funeral costs	17 565	-
Legal expenses	203 546	211 904
Licenses	7 816	161 941
Material and inventory	75 499	83 584
Postage and private bag	250 662	131 852
Printing and stationery	104 777	156 072
Rent equipment	2 249 755	171 689
S.M.M.E. Projects	109 767	-
Telephone	1 092 966	895 787
Training	-	61 012
Uniforms	265 868	178 157
Valuations	373 603	-
Consumables	-	24 991
Other	3 836 404	18 227 910
	19 206 711	24 100 647
30 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT:		
Contributions to South African Local Government Organisation and other affiliations		
Current year's contribution	-	17 843
Amount paid - current year	-	(17 843)
Balance unpaid	-	-
Audit fees		
Opening balance	(969 721)	(617 385)
Current year's contributor	-	(1 635 720)
Amount paid - current year	(1 181 140)	892 972
Amount paid - previous year	-	390 412
Balance unpaid (included in Receivables)	(2 150 861)	(969 721)
VAT		
VAT payable (Refundable)	-	(3 443 415)
	-	(3 443 415)
UIF and PAYE		
Opening balance	1 208 884	1 902 912
Current year payroll deductions	2 075 736	1 419 740
Amount paid - current year	(2 075 736)	(2 113 768)
Amount paid - previous years	-	-
Balance unpaid (included in payables)	1 208 884	1 208 884
Pension Fund Deductions		
Opening balance	-	-
Current year payroll deductions and council contributions	2 054 732	3 240 058
Amount paid - current year	(2 023 691)	(4 067 268)
Amount paid - previous years	-	-
Balance unpaid	31 041	-
Medical Aid Deductions		
Opening balance	-	-
Current year payroll deductions and council contributions	1 626 558	1 216 479
Amount paid - current year	(1 626 558)	(1 216 479)
Amount paid - previous years	-	-
Balance unpaid	-	-

MOHOKARE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 R	2009 R
ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT: (continued)		
Councillor's arrear consumer accounts		
Accounts for the following councillors were outstanding at year end:		
	Total	Outstanding more than 90 days
		Outstanding less than 90 days
Councillor MP Sikhosana	2 769	2 355
Councillor TG Mbangula	5 709	5 583
Councillor TJ Mohapi	1 021	726
		414
		126
		295
31 CASH RECEIVED FROM CUSTOMERS AND GOVERNMENT		
Total revenue	64 674 977	42 823 084
Adjusted for items presented separately:		
Interest received on Debtors	(225 318)	-
Interest on Investment	(45 186)	(66 611)
Fixed assets	-	130 833
Statutory funds	-	553 594
Dividends received	(5 204)	-
Adjustments in respect of previous years' operating transactions	4 455 734	1 921 313
Adjusted for changes in working capital:	(8 409 482)	(6 829 372)
(Increase)/decrease in consumer receivables	(9 768 529)	(6 829 372)
Increase/(decrease) in other receivables	1 359 047	-
Decrease/(Increase) in VAT debtors	-	-
	60 445 520	38 532 841
32 CASH PAID TO SUPPLIERS AND EMPLOYEES		
Total expenditure	58 227 578	49 246 438
Adjusted for non-cash items:		
Adjusted for items presented separately:		
Interest paid	(357 294)	(653 940)
Contribution to bad debt provision	-	(7 200 279)
Adjusted for changes in working capital:	4 142 721	(10 038 726)
Increase/(decrease) in payables	(2 868 829)	(5 291 533)
Increase/(decrease) in accruals	1 505 400	-
(Increase)/decrease in inventory	71 901	88 645
(Decrease)/Increase in unspent conditional grants	4 813 871	(5 754 435)
Increase/(decrease) in provisions	620 377	918 597
	62 013 005	31 353 493
33 CASH GENERATED BY OPERATIONS		
Reconciliation of net operating profit/(loss) to cash generated from operations		
Net operating profit/(loss)	6 447 399	(6 423 354)
Adjusted for:		
Statutory funds	-	553 594
Fixed assets	-	130 833
Interest received	(270 504)	(66 611)
Dividends received	(5 204)	-
Contribution to bad debt provision	-	7 200 279
Interest - other	-	-
Interest paid	357 294	653 940
Adjustments in respect of previous years' operating transactions	4 455 734	1 921 313
Changes in working capital:	(12 552 203)	3 209 354
Decrease/(Increase) in other receivables	1 359 047	-
(Increase)/decrease in consumer receivables	(9 768 529)	(6 829 372)
Increase in inventory	(71 901)	(88 645)
Increase/(Decrease) in other payables	(1 505 400)	5 291 533
(Decrease)/Increase in conditional grants	(4 813 871)	5 754 435
Increase/(decrease) in provisions	(620 377)	(918 597)
Increase/(Decrease) in payables	2 868 829	-
	(1 567 485)	7 179 348
34 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following amounts:		
Positive bank balances	232 515	1 533 539
Outstanding Items	-	-
Petty cash	569 881	1 180
Cash and cash equivalents	802 396	1 534 719
Bank overdraft	(1 494 654)	(1 485 500)
Cash Control Acc (Daily)	-	-
Total Bank overdraft	(1 494 654)	(1 485 500)
Total cash and cash equivalents	(692 258)	49 219
Refer to note 4 for a breakdown of cash book balances and balances per bank statements.		

MOHOKARE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 R	2009 R
35 OPERATING LEASES		
The council leases various assets under a non-cancellable operating lease. There is no escalation per year and the lease expires during November 2010.		
The future minimum lease payments under non-cancellable operating leases are as follows:		
Payable within 1 year	167 040	167 040
Payable within 1 - 5 years	501 120	668 160
Payable later than 5 years	-	-
	<u>668 160</u>	<u>835 200</u>
36 COMPARISON WITH THE BUDGET		
The comparison of the Municipality's actual financial performance with the budget is set out in Annexure E.		
37 EVENTS AFTER THE REPORTING DATE		
No events after the reporting date identified.		
38 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE		
38.1 Fruitless and wasteful expenditure		
Fruitless and wasteful expenditure at the beginning of the year	-	-
Fruitless and wasteful expenditure incurred during the year	207 430	582 442
Approved or condoned by the council	(207 430)	(582 442)
Total	<u>-</u>	<u>-</u>
38.2 Irregular expenditure		
No irregular expenditure has been incurred during the year.		
38.2 Unauthorised expenditure		
No unauthorised expenditure has been incurred during the year.		
39 RELATED PARTIES		
No related party transactions occurred during the year.		
40 SUPPLY CHAIN MANAGEMENT		
Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process. Letsemeng Local Municipality did comply with this requirement.		
42 FINANCIAL RISK MANAGEMENT		
41.1 Equity risk management		
The Municipality manages its capital to ensure that it will be able to continue as a going concern through the optimization of the debt and equity balance. The Municipality's overall strategy remains unchanged from 2006.		
The equity structure of the Municipality consists of debt, which includes the borrowings disclosed in note 14, cash and cash equivalents and accumulated funds.		
41.1.1 Gearing ratio		
The Municipality manages its risk by ensuring that risky borrowings are maintained at a minimum. The gearing ratio at the year end was as follows:		
Debt	3 154 068	3 804 676
Cash and cash equivalents	1 494 654	1 485 500
Net debt	3 154 068	3 804 676
Equity	(7 653 715)	(19 685 313)
Debt is defined as long- and short-term borrowings, as detailed in note 13.		
Equity includes all accumulated surplus/deficit and reserves of the Municipality.		
41.2 Significant accounting policies		
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income		
41.3 Categories of financial instruments		
Fair value through profit or loss (FVTPL)	288 601	2 524 172
Loans and receivables (including cash and cash equivalents)	802 396	1 534 719
Financial liabilities		
Amortised cost	3 154 068	3 804 676
At the reporting date there are no significant concentrations of credit risk for loans and receivables designated at FVTPL. The carrying amount reflected above represents the Municipality's maximum exposure to credit risk for such loans and receivable		
The fair value of cumulative shares was estimated by obtaining investee's quotes for the shares at the reporting date		
41.4 Financial risk management objectives		
The Municipality through its finance committee assesses and monitors the financial risks relating to its operations by analysing the degree and magnitude of exposure to risks. These risks include market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Municipality seeks to minimise the effects of these risks by making short term investments which are used to withdraw when there are indicators of fragility in the market factors and as when cash is required to fund the Municipality's operations. The Municipality does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The finance committee monitors risks and policies implemented to mitigate risk exposures.		
41.5 Market risk		
The Municipality's activities expose it primarily to the financial risks of changes in interest rates. The Municipality enters into a variety of derivative financial instruments to manage its exposure to interest rate. There is no exposure to foreign currency risk as all the investments are made with South Africa's local financial institution. Market risk exposures are measured using value-at-risk (VaR) and are supplemented by sensitivity analysis. There has been no change to the Municipality's exposure to market risks or the manner in which it manages and measures the risk.		
41.6 Interest rate risk management		
The Municipality is exposed to interest rate risk as it make investment in interest yielding investments with fixed interest rates. The risk is managed by the Municipality maintaining a balanced portfolio of investments with different financial institutions. Hedging activities are not implemented as most of the investments are short term and with limited exposure to interest rate risk		
41.7 Other price risks		
The Municipality is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Municipality does not actively trade these investments. The only shares held are the OVK shares.		

MOHOKARE LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
41.8 Credit risk management		
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Municipality has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Municipality only invests with entities that are rated the equivalent of investment grade and above. This information is supplied by requesting for quotations prior to entering an investment deals well as using other publicly available financial information and its		
41.9 Liquidity risk management		
Ultimate responsibility for liquidity risk management rests with the Council and the finance committee which has built an appropriate liquidity risk management framework for the management of the Municipality's short, medium and long-term funding and liquidity management requirements. The Municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Municipality also gets funding from the National and provincial governments which help to ease the pressure of any liquidity crisis.		
42 Going Concern		
The municipality is currently experiencing financial difficulties:		
The number of days debtors has been outstanding on year-end is 692 days. Unspent unconditional grants amount to R8 583 409. However the municipality's short term available investments only amounts to R288 601. This is an indication that project funds has been utilised for operating activities. Mohokare Municipality depends on Grants, it will however continue to operate as a going concern due to allocations by Division of Revenue Act (DoRA).		

MOHOKARE LOCAL MUNICIPALITY

APPENDIX A

SCHEDULE OF EXTERNAL LOANS
AS AT 30 JUNE 2009

EXTERNAL LOANS	Loan Number	Interest rate	Redeemable	Balance at 1 July 2009	Received during the period	Redeemed/written off during the period	Balance at 30 June 2010
LONG-TERM LOANS				R	R	R	R
Development Bank of South Africa	1	12.60%	2015	1 691 471	-	-	1 691 471
Prepaid meters: mohokare area (replace rotating)	40021201	10.00%	2021	32 791	-	24 251	8 540
Highmast lighting	40023225	10.00%	2022	76 042	-	5 557	70 485
Upgrading of low voltage network	40023267	10.00%	2022	311 440	-	22 246	289 194
23 highmast lights mohokare	40025472	10.00%	2023	301 335	-	20 089	281 246
Mohokare ext. Upgr.& impr. Of low voltage network	40025485	10.00%	2023	81 356	-	5 424	75 932
Improvement of low voltage network	40027467	10.00%	2024	377 627	-	23 602	354 025
High mast lighting	40027470	10.00%	2024	297 999	-	18 625	279 374
Replacement of domestic/commercial meters	40027483	10.00%	2024	124 561	-	20 760	103 801
Total long-term loans				3 294 622	-	140 553	3 154 068

MOHOKARE LOCAL MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED 30 JUNE 2010

APPENDIX B MOHOKARE LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2010										
	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Rates and General Services	91 302 437	-	-	-	91 499 246	-	(90 512 743)	-	(90 512 743)	986 503
Community Services	16 628 323	205 819	-	-	16 834 142	-	(16 628 323)	-	(16 628 323)	205 819
Commonage	486 179	-	-	-	486 179	-	(486 179)	-	(486 179)	-
Public Works	10 168 678	-	-	-	10 168 678	-	(10 168 678)	-	(10 168 678)	-
Public Works (Mofulatshepe)	67 247	-	-	-	67 247	-	(67 247)	-	(67 247)	-
Administration Offices (Rietpoort)	222 130	-	-	-	222 130	-	(222 130)	-	(222 130)	-
Civil Buildings	273 323	-	-	-	273 323	-	(273 323)	-	(273 323)	-
Community Hall	246 185	-	-	-	246 185	-	(246 185)	-	(246 185)	-
Administration Offices	1 559 512	-	-	-	1 559 512	-	(1 559 512)	-	(1 559 512)	-
Traffic	117 785	-	-	-	117 785	-	(117 785)	-	(117 785)	-
Vehicles and Equipment	959 602	-	-	-	959 602	-	(959 602)	-	(959 602)	-
Sundry Assets	256 780	205 819	-	-	462 599	-	(256 780)	-	(256 780)	205 819
Rietpoort	325 080	-	-	-	325 080	-	(325 080)	-	(325 080)	-
Land Survey	56 786	-	-	-	56 786	-	(56 786)	-	(56 786)	-
Unsold Erven	1 851 252	-	-	-	1 851 252	-	(1 851 252)	-	(1 851 252)	-
Vacant Houses	37 784	-	-	-	37 784	-	(37 784)	-	(37 784)	-
Subsidised Services	4 907 013	-	-	-	4 907 013	-	(4 907 013)	-	(4 907 013)	-
Disaster Management	42 553	-	-	-	42 553	-	(42 553)	-	(42 553)	-
Public Health	717 320	-	-	-	717 320	-	(717 320)	-	(717 320)	-
Library	16 868	-	-	-	16 868	-	(16 868)	-	(16 868)	-
Museum	65	-	-	-	-	-	(65)	-	(65)	-
Parks and Cemeteries	1 001 588	-	-	-	1 001 588	-	(1 001 588)	-	(1 001 588)	-
Sport Facilities	1 190 327	-	-	-	1 190 327	-	(1 190 327)	-	(1 190 327)	-
Tavern	9 832	-	-	-	9 832	-	(9 832)	-	(9 832)	-
Town Hall and Offices	1 928 460	-	-	-	1 928 460	-	(1 928 460)	-	(1 928 460)	-
Economic Services	69 767 101	-	-	9 010	69 758 091	-	(68 977 407)	-	(68 977 407)	780 684
Camps and Pound	33 043	-	-	-	33 043	-	(33 043)	-	(33 043)	-
Properties	880 853	-	-	-	880 853	-	(880 853)	-	(880 853)	-
Refuse	700 447	-	-	-	700 447	-	(700 447)	-	(700 447)	-
Sewerage	68 152 758	-	-	9 010	68 143 748	-	(67 363 064)	-	(67 363 064)	780 684
Housing	1 442 692	-	-	-	1 442 692	-	(1 442 692)	-	(1 442 692)	-
Personnel Housing	117 675	-	-	-	117 675	-	(117 675)	-	(117 675)	-
Rouxville Housing	38 033	-	-	-	38 033	-	(38 033)	-	(38 033)	-
Uitkoms Housing	342 447	-	-	-	342 447	-	(342 447)	-	(342 447)	-
Roleleathunya Housing	113 795	-	-	-	113 795	-	(113 795)	-	(113 795)	-
Sub-economical Housing	830 742	-	-	-	830 742	-	(830 742)	-	(830 742)	-
Trading Services	44 783 328	5 789 025	-	-	50 572 353	-	(48 959 491)	-	(48 959 491)	1 612 862
Electricity	2 685 456	-	-	-	2 685 456	-	(2 685 456)	-	(2 685 456)	-
Electricity - Centlec	-	5 779 314	-	-	5 779 314	-	(4 176 163)	-	(4 176 163)	1 603 151
Water	42 097 872	9 711	-	-	42 107 583	-	(42 097 872)	-	(42 097 872)	9 711
Total fixed assets	137 528 457	5 994 844	-	9 010	143 514 291	-	(140 914 926)	-	-	2 599 365

MOHOKARE LOCAL MUNICIPALITY

APPENDIX C

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED 30 JUNE 2010

DETAILS	COST					Accumulated Depreciation					CARRYING VALUE
	OPENING BALANCE	ADDITIONS	CONSTRUCTIONS	DISPOSALS	CLOSING BALANCE	OPENING BALANCE	DEPRECIATION	DISPOSALS	CLOSING BALANCE		
Planing and Development Executive & Council		-	-	-	-			-	-	-	-
Finance and Administration	913 896	205 819	-	-	1 119 715	-	913 896	-	913 896		205 819
Health	1 442 692	-	-	-	1 442 692	-	1 442 692	-	1 442 692		-
Community & Social Services	16 628 323	-	-	-	16 628 323	-	16 628 323	-	16 628 323		-
Sports & Recreation	4 907 013	-	-	-	4 907 013	-	4 907 013	-	4 907 013		-
Waste Management	700 447	-	-	-	700 447	-	700 447	-	700 447		-
Waste Water Management	68 152 758	-	(9 010)	-	68 143 748	-	67 363 064	-	67 363 064		780 684
Road Transport		-	-	-	-			-	-		-
Water	42 097 872	9 711	-	-	42 107 583	-	42 097 872	-	42 097 872		9 711
Electricity	2 685 462	5 779 314	-	-	8 464 776	-	6 861 625	-	6 861 625		1 603 151
	137 528 463	5 994 844	(9 010)	-	143 514 297	-	140 914 932	-	140 914 932		2 599 365

MOHOKARE LOCAL MUNICIPALITY

APPENDIX E (1)

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)

FOR THE YEAR ENDED 30 JUNE 2010

	2010 Actual (R)	2010 Budget (R)	2010 Variance (R)	2010 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property rates	6 068 129	7 337 506	(1 269 377)	(0)	Not material
Service charges	25 294 143	17 491 473	7 802 670	0	Good collection
Rental of building	397 613	332 268	65 345	0	Good collection
Interest on debtors	225 318	170 100	55 218	0	Good collection
Interest on Investment	45 186	36 100	9 086	0	Good collection
Dividends received	5 204	4 211	993	0	Good collection
Government grants and subsidies	29 465 781	52 759 690	(23 293 909)	(0)	Increase in allocation from the National treasury and other subsidies
Other income	3 173 603	1 550 085	1 623 518	1	Good collection
Total Revenue	64 674 977	79 681 433	(15 006 456)	(0)	
EXPENDITURE					
Employee related costs	23 375 356	22 934 289	441 067	0	Not material
Remuneration of Councillors	1 914 471	2 006 037	(91 566)	(0)	Not material
Bad debts	-	-	-	-	
Repairs and maintenance	1 481 896	4 127 108	(2 645 212)	(1)	Good saving
Interest paid	357 294	-	357 294	-	Not Budgeted for
Bulk purchases	11 891 849	1 069 120	10 822 729	10	Centlec was not included in the budget.
General expenses	19 206 711	23 707 178	(4 500 467)	(0)	Good saving
Total Expenditure	58 227 578	53 843 732	4 383 846	0	
NET SURPLUS/(DEFICIT) FOR THE YEAR	6 447 399	25 837 701	(19 390 302)		

MOHOKARE LOCAL MUNICIPALITY

APPENDIX E (2)

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT)

FOR THE YEAR ENDED 30 JUNE 2010

	<u>2010</u> <u>Actual</u>	<u>2010</u> <u>Under</u> <u>Construction</u>	<u>2010</u> <u>Total</u> <u>Additions</u>	<u>2010</u> <u>Budget</u>	<u>2010</u> <u>Variance</u>	<u>2010</u> <u>Variance</u>	<u>Explanation of Significant Variances</u> <u>greater than 5% versus Budget</u>
	R	R	R	R	R	%	
Executive & Council	-	-	-	2 093 221	(2 093 221)	-100.00%	No movement due to budget constrains.
Finance and Administration	205 819	-	205 819	4 220 000	(4 014 181)	-95.12%	No movement due to budget constrains.
Health	-	-	-	-	-	0.00%	
Community & Social Services	-	-	-	-	-	0.00%	
Sports & Recreation	-	-	-	-	-	0.00%	
Waste Management	-	-	-	-	-	0.00%	
Waste Water Management	-	(9 010)	(9 010)	3 301 271	(3 310 281)	-100.27%	No movement due to budget constrains.
Road Transport	-	-	-	797 884	(797 884)	-100.00%	No movement due to budget constrains.
Water	5 779 314	-	5 779 314	14 505 468	(8 726 154)	-60.16%	The projects are still in progress.
Electricity	-	-	-	3 859 915	(3 859 915)	-100.00%	No movement due to budget constrains.
TOTAL	5 985 133	(9 010)	5 976 123	24 917 844	(18 941 721)	-76.02%	

MOHOKARE LOCAL MUNICIPALITY

APPENDIX D

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2010

2009 ACTUAL INCOME R	2009 ACTUAL EXPENSES R	2009 SURPLUS/ (DEFICIT) R		2010 ACTUAL INCOME	2010 ACTUAL EXPENSES	2010 SURPLUS/ (DEFICIT)
735 242	4 528 368	(3 793 126)	Executive & Council	142 906	5 481 128	(5 338 222)
18 636 352	15 435 762	3 200 590	Finance and Administration	29 879 534	11 122 861	18 756 673
		-	Planning & Development	-	-	-
1 566 396	4 870 806	(3 304 410)	Community & Social Services	372 299	4 211 564	(3 839 265)
		-	Housing	-	-	-
1 033 949	2 690 415	(1 656 466)	Public Safety	576 213	3 329 220	(2 753 007)
62 114	1 208 506	(1 146 392)	Sports & Recreation	4 414	411 692	(407 279)
0	0	-	Environmental Protection	-	101 766	(101 766)
7 493 568	7 493 568	-	Waste Management	3 126 957	2 648 069	478 889
5 178 612	5 178 612	-	Waste Water Management	7 079 049	5 058 379	2 020 670
		-	Road Transport	7 699	3 169 735	(3 162 037)
7 394 139	7 117 689	276 450	Water	5 463 916	4 867 344	596 572
722 712	722 712	-	Electricity	12 001 430	11 847 538	153 892
42 823 084	49 246 438	(6 423 354)	TOTAL	58 654 416	52 249 296	6 405 120
		-				

MOHOKARE LOCAL MUNICIPALITY

APPENDIX F

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, ACT 56 OF 2003

FOR THE YEAR ENDED 30 JUNE 2010

Name of Grants	Name Organ of State or Municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reasons for delay / withholding of funds	Compliance with conditions (Y/N)	Reasons for non-compliance
		September	December	March	June	September	December	March	June	September	December	March	June			
		R	R	R	R	R	R	R	R							
Equitable Share Financial Management Grant	Equitable Share Financial Management Grant	13 297 818	10 638 678	7 978 691	-	7 978 797	7 978 797	7 978 797	7 978 797	-	-	-	-	-	Y	-
		1 000 000	-	-	-	211 000	417 000	211 000	161 000	-	-	-	-	-	Y	-
Training Municipality Infrastructure Grant	Municipal Systems Improvement Grant	750 000	-	-	-	200 000	200 000	200 000	150 000	-	-	-	-	-	Y	-
	Municipality Infrastructure Grant	-	-	12 587 283	-	3 146 821	3 146 821	3 146 821	3 146 821	-	-	-	-	-	Y	-
Urban Planning	Department of Local Government and Housing	-	-	3 000 000	-	-	-	3 000 000	-	-	-	-	-	-	Y	-

There is no anticipated significant decrease in the level of government grants.