

**UBUNTU LOCAL MUNICIPALITY**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 JUNE 2009**

**UBUNTU LOCAL MUNICIPALITY**  
**INDEX**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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**UBUNTU LOCAL MUNICIPALITY  
GENERAL INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2009**

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**GENERAL INFORMATION**

Grading of the Municipality	Medium Capacity
Registered address	Church Street 78 Victoria - West 7070
Postal address	Private Bag X 329 Victoria - West 7070
Auditors	The Auditor - General
Bankers	First National Bank Victoria - West

**APPROVAL OF FINANCIAL STATEMENTS**

I am responsible for the preparation of these financial statements, which are set out on page 3 to 37, 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 14 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  
M.F.FILLIS

\_\_\_\_\_  
Date

**UBUNTU LOCAL MUNICIPALITY  
GENERAL INFORMATION (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2009**

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**MAYOR**

Mr K.Arends

**SPEAKER**

Mr K.Arends

**MEMBERS OF THE COUNCIL**

L.Adams  
B.Fatyelwa  
E.Le Fleur  
S.Jordaan  
K.Riegert  
W.Schutz  
A.Verwey





**UBUNTU LOCAL MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2009**

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	Notes	2009 R	2008 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		<b>115 584 992</b>	96 552 667
Capital Replacement Reserve	1	1 170 094	2 731 344
Capitalisation Reserve		74 926 630	75 304 352
Government Grant Reserve	1	34 416 376	19 784 686
Public Contributions and Donations		-	-
Accumulated Surplus/(Deficit)		5 071 892	(1 267 715)
<b>Non-current liabilities</b>			
Long - term liabilities	2	1 435 791	1 314 770
<b>Current liabilities</b>			
Current provisions	4	453 211	448 382
Creditors	3	1 301 197	726 102
Consumer Deposits		121 117	101 730
Unspent conditional grants and receipts	5	1 390 173	4 219 601
Bank overdraft	12	1 795 043	1 485 657
Current portion of long-term liabilities	2	99 382	271 560
<b>Total net assets and liabilities</b>		<b>122 180 907</b>	105 120 469
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	109 342 999	95 089 037
Long - term receivables	8	68 209	54 982
<b>Current assets</b>			
Inventory	9	-	-
Consumer debtors	10	5 620 735	1 989 154
VAT	11	589 493	927 784
Other debtors	11	4 023 037	313 300
Current portion of long-term debtors	8	-	7 011
Cash and cash equivalents	7	2 536 434	6 739 201
<b>Total assets</b>		<b>122 180 907</b>	105 120 469



**UBUNTU LOCAL MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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	Notes	2009 R	2008 R
<b>Revenue</b>			
Property rates	19.1	2 889 952	2 640 136
Property rates - penalties imposed and collection char	19.1	-	437 278
Service charges	19.2	12 274 178	10 097 559
Rental of facilities and equipment		335 165	266 909
Interest earned - external investments		238 276	227 905
Interest earned - outstanding debtors		1 520 977	898 237
Fines		5 554 197	3 872 606
Licences and permits		235 340	208 151
Income: Agency Services		40 785	
Government grants and subsidies	13	9 466 128	7 437 817
Other income	19.3	11 886 330	558 588
Public contributions and donations		13 070	-
Gains on disposal of assets		9 466	-
Interdepartmental Charges		-	-
<b>Total Revenue</b>		<b>44 463 864</b>	<b>26 645 186</b>
<b>EXPENDITURE</b>			
Employee related costs	14	11 426 657	10 132 440
Remuneration of Councillors	15	1 583 007	1 423 440
Bad debts		260 000	-
Collection costs		-	-
Depreciation	6	2 380 280	-
Repairs and maintenance		1 155 995	1 047 772
Interest paid		491 959	558 016
Bulk purchases	19.4	4 344 689	3 160 155
Contracted services		1 332 018	-
Grants and subsidies paid		3 404 608	-
General expenses	19.5	15 098 489	9 955 210
Loss on disposal of property, plant and equipment		-	-
<b>Total Expenditure</b>		<b>41 477 702</b>	<b>26 277 033</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>2 986 162</b>	<b>368 153</b>

Refer to Appendix E(1) for the comparison with the approved budget

**UBUNTU LOCAL MUNICIPALITY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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	Pre-GAMAP/GRAP Reserves and Funds	Capitalisation Reserve	Capital Replacement Reserve	Government Grant Reserve	Accumulated Surplus/(Deficit)	TOTAL
<b>2008</b>						
Balance at 1 July 2008	8 639 287	-	-	-	3 308 050	11 947 337
Implementation of GRAP note 25	(8 639 287)	77 473 274	2 957 476	15 065 114	(7 650 914)	(16 290 201)
<b>Restated Balance at 1 July 2008</b>	<b>-</b>	<b>77 473 274</b>	<b>2 957 476</b>	<b>15 065 114</b>	<b>(4 342 864)</b>	<b>91 153 000</b>
Surplus/(deficit) for the year					368 153	368 153
Capital grants used to purchase PPE			(226 132)	5 031 514	226 132	5 031 514
Donated/contributed PPE			-			-
Asset disposals		-		-		-
Offsetting of depreciation		(2 168 922)		(311 942)	2 480 864	-
<b>Balance at 30 June 2008</b>		<b>75 304 352</b>	<b>2 731 344</b>	<b>19 784 686</b>	<b>(1 267 715)</b>	<b>96 552 667</b>
<b>2009</b>						
Correction of error		1 561 250	-	-	(294 043)	1 267 207
<b>Restated balance at 1 July 2008</b>	<b>-</b>	<b>76 865 602</b>	<b>2 731 344</b>	<b>19 784 686</b>	<b>(1 561 758)</b>	<b>194 372 541</b>
Surplus/(deficit) for the year					2 986 162	2 986 162
Capital grants used to purchase PPE			(1 561 250)	15 073 000	1 561 250	15 073 000
Donated/contributed PPE						-
Asset disposals						-
Offsetting of depreciation		(1 938 972)		(441 309)	2 380 281	-
<b>Balance at 30 June 2009</b>	<b>-</b>	<b>74 926 630</b>	<b>1 170 094</b>	<b>34 416 377</b>	<b>5 071 892</b>	<b>115 584 993</b>

**UBUNTU LOCAL MUNICIPALITY**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

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	Notes	2009 R	2008 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and others		<b>44 463 864</b>	26 645 186
Cash paid to suppliers and employees		<b>35 880 259</b>	28 236 787
Cash generated from / (required by) operating activities	23	<b>8 583 605</b>	(1 591 601)
Interest received		<b>1 520 977</b>	( 8 380)
Interest paid		<b>( 491 959)</b>	( 224 773)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>9 612 623</b>	(1 824 754)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds on disposal of property, plant and equipment		-	-
Proceeds from rental of facilities and equipment		335 165	266 909
Purchase of property, plant and equipment		(16 634 242)	(5 366 646)
Increase in non current investments		-	-
Decrease in long term receivables		( 13 227)	( 63 007)
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(16 312 304)</b>	(5 162 744)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of capital element of interest bearing borrowings		( 51 157)	( 224 773)
New loans raised/(repaid)		-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>( 51 157)</b>	( 224 773)
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(4 202 767)</b>	407 355
Balance at the beginning of the year		6 739 201	6 331 846
Balance at the end of the year		2 536 434	6 739 201
		<b>(12 160 694)</b>	(5 794 872)

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1 **PRINCIPAL ACCOUNTING POLICIES**

1.1 **BASIS OF PREPARATION**

The annual financial statements have prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

In accordance with section 122(3) of the Municipal Finance Management Act (Act No. 56 of 2003), the Municipality has adopted Standards of GAMAP and GRAP issued by the Accounting Standards Board during the financial year.

GRAP standards are fundamentally different to the fund accounting policies adopted in previous financial years.

Comparative amounts have been restated retrospectively to the extent possible. The effect of the change in accounting policy arising from the implementation of GRAP is set out in Note 25.

The Municipality may have transactions, events or balances that are outside the ambit of GAMAP and GRAP but which are included in Standards of International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants – Public Sector Committee, International Accounting Standards (IAS) issued by the International Accounting Standards Board or Generally Accepted Accounting Practice issued by the South African Accounting Practices Board and the South African Institute of Chartered Accountants. The Municipality has not complied with the measurement, recognition and disclosure requirements of those accounting standards.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

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

These standards are summarised as follows:

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GRAP 4	Effects of changes in foreign exchange rates
GRAP 7	Accounting for investments in associates
GRAP 8	Financial reporting of interests in joint ventures
GRAP 9	Revenue
GRAP 12	Inventories
GRAP 17	Property, plant and equipment
GRAP 19	Provisions, contingent liabilities and contingent assets

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

Asset, liabilities, revenue and expenses have not been offset except when offsetting is required by a Standard of GRAP.

1.2 **PRESENTATION CURRENCY**

The annual financial statements are presented in South African Rand.

1.3 **GOING CONCERN ASSUMPTION**

These financial statements have been prepared on a going concern basis.

1.4 **RESERVES**

1.4.1 Capital Replacement Reserve

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can be utilised only to finance items of property, plant and equipment. The CRR is reduced by a corresponding amount when amounts in the CRR are utilised.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Intergrated Development Plan.

1.4.2 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from accumulated surplus/(deficit) to the Government Grant Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment are offset by transfers from this Reserve to the accumulated surplus/(deficit).

1.4.3 Capitalisation Reserve

The balance of the capitalisation reserve equals the carrying value of the property, plant and equipment purchased from the former legislative funds. When items of property, plant and equipment is depreciated a similar amount is transferred from the capitalisation reserve.

1 **PRINCIPAL ACCOUNTING POLICIES**

1.5 **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment, is stated at cost, less accumulated depreciation, except land and buildings, which are revalued as indicated below. Heritage assets, defined as culturally significant resources, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life

Depreciation is calculated on cost, using the straight-line method over the estimated useful life of the assets. The annual depreciation rates are based on the following estimated asset lives.

	<b>Years</b>
<b>Community Assets</b>	
Recreational Facilities	30
<b>Other assets</b>	
Office equipment	3-10
Furniture & fittings	3-10
Plant & equipment	3-10
Motore vehicles	5

1 **PRINCIPAL ACCOUNTING POLICIES**

1.6 **INVESTMENTS**

1.6.1 **Financial Instruments**

Financial Instruments which include fixed deposits and short term deposits invested in registered commercial banks, are stated at cost.

1.6.2 **Investment in Municipal Entities**

No investment in municipal entities exist

1.7 **LEASES**

Leases are classified as finance leases where substantially all risks and rewards associated with the ownership of an asset are transferred to the municipality.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriated rates on the straight line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred

1.8 **INVENTORIES**

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first-in, first-out method.

1.9 **ACCOUNTS RECEIVABLE**

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

1.10 **TRADE CREDITORS**

Trade creditors are stated at their nominal value.

1 **PRINCIPAL ACCOUNTING POLICIES**

1.11 **REVENUE RECOGNITION**

- 1.11.1 Revenue from rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time proportion basis.
- 1.11.2 Revenue from the sale of goods is recognised when the risk is passed to the consumer.
- 1.11.3 Revenue arising from the application of the approved tariff of charges is generally recognised when the relevant service is rendered.
- 1.11.4 Interest and rental are recognised on a time proportion basis.
- 1.11.5 Government grants are recognised as revenue when all conditions associated with the grant have been met. Where grants have been received but the municipality has not met the condition, a liability is raised.
- 1.11.6 Amounts received from government and donors for the purpose of acquiring item of property, plant and equipment are also recognised as revenue in terms of paragraph 1.2.3 above.

1.12 **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.

1.13 **PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing Council.

1.14 **CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

1.15 **UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of Municipal Finance Management Act(No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.



**1 PRINCIPAL ACCOUNTING POLICIES**

**1.16 IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act(No 56 of 2003), the Municipal Systems Act(No. 32 of 2000), the Public Office Bearers Act(No 30 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.17 FRUITLESS AND WASTEFULL EXPENDITURE**

Fruitless and wastefull expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wastefull expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance

**1.18 RETIREMENT BENEFITS**

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. The defined benefits funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

**UBUNTU LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

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	2009 R	2008 R
<b>1 RESERVES</b>		
Capital Replacement Reserve	1 170 094	2 731 344
Capital Reserve	74 926 630	75 304 352
Government Grant Reserve	34 416 376	19 784 686
Trust fund		
<b>Total Reserves</b>	<b>110 513 100</b>	<b>97 820 382</b>
<b>2 LONG TERM LIABILITIES</b>		
External loans	<b>1 535 173</b>	1 586 330
Less: Current portion transferred to current liabilities	<b>( 99 382)</b>	( 271 560)
<b>Total External Loans</b>	<b>1 435 791</b>	<b>1 314 770</b>
Refer to Appendix A for more detail on long-term liabilities.		
<b>3 CREDITORS</b>		
Trade Creditors	<b>331 675</b>	373 779
Suspence Creditors	<b>487 370</b>	173 431
Salary Control	<b>4 318</b>	6 197
Debtors Payment in Advance	<b>477 835</b>	172 695
<b>Total Creditors</b>	<b>1 301 197</b>	<b>726 102</b>
<b>4 CURRENT PROVISIONS</b>	<b>453 211</b>	448 382
Provision for leave pay	<b>453 211</b>	448 382
At the beginning of the year	<b>448 382</b>	387 782
Contribution during the year	<b>( 467)</b>	60 600
Leave paid out during the year	<b>5 296</b>	-
<b>5 UNSPENT CONDITIONAL GRANTS AND SUBSIDIES</b>		
Project Access Road Victoria West	-	( 623 325)
Project Library	<b>11 154</b>	211 618
Project Water Victoria West	<b>8 155</b>	8 155
Project Survey of Land	<b>1 551</b>	3 546
Project Electricity Richmond	<b>22 042</b>	22 042
Project Electricity Victoria West	<b>6 589</b>	6 589
Project Water Loxton	<b>200 539</b>	613 128
Project Sanitation Mandela Square	<b>51 221</b>	52 521
Project Housing Victoria West	-	1 411 504
Project Housing Richmond	<b>( 0)</b>	870 506
Renovations and Repair of Sport	<b>26 596</b>	
Project Environmental	<b>523</b>	523
MIG Fund	<b>114 998</b>	
Project Ubuntu Waterservice Plan	<b>111 188</b>	95 606
Project Sanitation Pumpstation	-	38 998
Project Highmass Lightning	-	398 372
Electricity Project Richmond	<b>611 736</b>	-
Drought Relief Fund	<b>51 357</b>	515 388
Eradication of Buckets	-	84 340
Sport Development	<b>685</b>	42 251
O & M Sewerage Pipe	<b>( 0)</b>	( 86 563)
Project Road Loxton	<b>( 0)</b>	78 112
Solid Waste Site Victoria West	<b>106 344</b>	100 000
MSIG Grant	<b>65 498</b>	376 290
<b>Total (Transferred to Creditors)</b>	<b>1 390 173</b>	<b>4 219 601</b>

UBUNTU LOCAL MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2009

14

	2009 R	2008 R
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>		
	<b>Community Assets R</b>	<b>Other Assets R</b>
		<b>Total R</b>
<b>Reconciliation of carrying value</b>		
<b>1 July 2007</b>		
Cost	474 397	92 145 586
Accumulated depreciation	( 5 039)	(2 474 093)
<b>Carrying value 30 June 2008</b>	<b>469 358</b>	<b>94 619 679</b>
Acquisitions	-	<b>16 634 242</b>
Depreciation	<b>5 600</b>	<b>2 374 680</b>
Disposal	-	-
Write-offs	-	-
<b>Carrying value 30 June 2009</b>	<b>463 758</b>	<b>108 879 241</b>
	<b>109 342 999</b>	
<b>7 CASH AND CASH EQUIVELANTS</b>		
*		
Short term deposits	2 322 990	6 699 091
Cash on Hand	213 444	40 110
Total Cash Investments	<b>2 536 434</b>	<b>6 739 201</b>
FNB - Acc.no.71 08814 7792 - Subsidie Kerkstraat Investment	798 159	727 564
FNB - Acc.no.71 08730 6258 - CRR Investment	1 170 094	1 066 603
FNB - Acc.no.62 05698 7088 - Projek Nasionale Tesourie Investment	1 056	2 170
FNB - Acc.no.62 04611 0920 - Projek Biblioteek Investment	30 786	234 768
FNB - Acc.no.62 05001 7021 - Equitable Share Investment	1 017	15 500
FNB - Acc.no.62 07015 8574 - Survey of plot Investment	1 552	2 476
FNB - Acc.no.62 07521 0973 - Water Loxton Investment	1 135	613 124
FNB - Acc.no.62 08647 7760 - Own Funds Investment	1 089	1 301
FNB - Acc.no.62 08984 3744 - Project Consolidate MSIG Investment	10 369	333 684
FNB - Acc.no.62 10962 1583 - Sanitation Pumpstation Investment	-	38 700
FNB - Acc.no.62 10289 8519 - Housing Project Victoria West Investment	1 155	1 407 971
FNB - Acc.no.62 11957 3477 - Housing Project Richmond Investment	11 387	871 418
FNB - Acc.no.62 12481 9262 - Water Meters Investment	2 346	94 903
FNB - Acc.no.62 14251 4894 - High Mast Lighting Investment	10 435	98 241
FNB - Acc.no.62 07696 300 - Leave Reserve Fund Investment	58 506	53 301
FNB - Acc.no.62 17213 8797 - Sport Development Investment	1 035	40 734
FNB - Acc.no.62 17405 7680 - Drought Relief Funds Investment	51 357	1 014 558
FNB - Acc.no.62 18164 4462 - Road Project Loxton Investment	2 126	82 075
FNB - Acc.no.62 18831 8333 - Skills Development Fund	93 870	-
FNB - Acc.no.62 18925 8372 - EIA Solid Waste	6 344	-
FNB - Acc.no.62 16385 3883 - Eradication of Buckets	1 467	-
FNB - Acc.no.62 08897 7065 - Electricity Project Richmond	17 133	-
FNB - Acc.no.62 2039 8235 - Renovation & Repair Sport	48 749	-
FNB - Acc.no.62 20922 9831 - MIG Fund	1 823	-
Cash on Hand	213 444	40 110
<i>(Revolvingfund Investment held for surety for bankoverdraft.)</i>	<b>2 322 990</b>	<b>6 699 091</b>

**UBUNTU LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

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<b>8 LONG TERM RECEIVABLES</b>		
Housing loan : P.Minies	<b>10 600</b>	54 193
Councillor Allowances	<b>121 259</b>	71 450
Less: Current portion transferred to current receivables	-	(7 011)
	<b>131 859</b>	118 632
Less: Provision for bad debts Councillors	<b>(63 650)</b>	(63 650)
	<b>68 209</b>	<b>54 982</b>

UBUNTU LOCAL MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2009

16

	2009 R	2008 R
9 INVENTORY		
Consumable stores	-	-

10 CONSUMER DEBTORS

As at 30 June 2009	Gross Balances	Provision for Bad Debts	Net Balance
<b>Service Debtors</b>			
Rates	5 459 180	3 964 800	1 494 380
Electricity	1 373 632	806 400	567 232
Water	5 221 318	3 476 200	1 745 118
Other	7 566 606	5 752 600	1 814 006
<b>TOTAL</b>	<b>19 620 735</b>	<b>14 000 000</b>	<b>5 620 735</b>

As at 30 June 2008	Gross Balances	Provision for Bad Debts	Net Balance
<b>Service Debtors</b>			
Rates	4 454 847	3 891 168	563 679
Electricity	905 317	791 424	113 893
Water	3 905 237	3 411 642	493 595
Other	6 463 753	5 645 766	817 987
<b>TOTAL</b>	<b>15 729 154</b>	<b>13 740 000</b>	<b>1 989 154</b>

	2009 R	2008 R
<b>Rates: Ageing</b>		
Current (0 – 30 days)	169 541	151 638
31 - 60 Days	123 841	111 431
61 - 90 Days	112 304	105 757
+ 90 Days	5 053 494	4 086 021
<b>TOTAL</b>	<b>5 459 180</b>	<b>4 454 847</b>

	2009 R	2008 R
<b>Electricity, Water and Sewerage &amp; Other: Ageing</b>		
Current (0 – 30 days)	888 326	646 400
31 - 60 Days	396 827	459 490
61 - 90 Days	371 993	376 425
+ 90 Days	12 503 896	9 791 992
<b>TOTAL</b>	<b>14 161 042</b>	<b>11 274 307</b>

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Summary of Debtors by Customer Classification 30 June 2009	Consumers	Industrial/ Commercial	National and Provincial Government
	R	R	R
Current (0 – 30 days)	951 346	45 748	9 698
31 - 60 Days	870 294	44 742	10 170
61 - 90 Days	575 995	17 121	8 700
+ 90 Days	16 185 947	747 873	257 133
Sub-total	<u>18 583 582</u>	<u>855 484</u>	<u>285 701</u>
Less: Provision for bad debts	13 900 000	100 000	-
<b>Total debtors by customer classification</b>	<u><b>4 683 582</b></u>	<u><b>755 484</b></u>	<u><b>285 701</b></u>
Summary of Debtors by Customer Classification 30 June 2008	Consumers	Industrial/ Commercial	National and Provincial Government
	R	R	R
Current (0 – 30 days)	899 054	33 195	8 586
31 - 60 Days	481 944	8 393	7 384
61 - 90 Days	446 634	9 283	7 264
+ 90 Days	13 051 162	615 681	160 574
Sub-total	<u>14 878 794</u>	<u>666 552</u>	<u>183 808</u>
Less: Provision for bad debts	13 053 000	549 600	137 400
<b>Total debtors by customer classification</b>	<u><b>1 825 794</b></u>	<u><b>116 952</b></u>	<u><b>46 408</b></u>
		2009	2008
<b>Reconciliation of the bad debt provision</b>		R	R
Balance at beginning of the year		(13 740 000)	(7 873 891)
Contributions to provision		(260 000)	(5 866 109)
Bad debts written off against provision		-	-
Reversal of provision		-	-
<b>Balance at end of year</b>		<u>(14 000 000)</u>	<u>(13 740 000)</u>
11 <b>OTHER DEBTORS</b>			
Vat Repayable		589 493	927 784
Fuel Deposits		51 000	51 000
Electricity Deposit Richmond		16 300	7 800
Suspense Debtors		11 600	242 123
Cash Controle		0	2 693
Medical Contributions		0	9 684
Recoverable from Grants (Bridging funding form the National Housing Fund to be recovered)		3 944 137	
<b>TOTAL</b>		<u><b>4 023 037</b></u>	<u><b>313 300</b></u>
12 <b>Current Account (Primary Bank Account)</b>			
First National Bank - Church Street - Victoria West Account number: 54 06233 8032			
Cash book balance at beginning of year - (overdrawn)		1 485 657	1 484 997
Cash book balance at end of year - (overdrawn)		<u>1 795 043</u>	<u>1 485 657</u>
Bank statement balance at beginning of year - (overdrawn)		209 430	1 046 195
Bank statement balance at end of year - (overdrawn)		<u>593 316</u>	<u>209 430</u>

	2009 R	2008 R
<b>13 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable share	8 588 695	6 825 717
Financial Management Grant	500 000	500 000
Health Subsidie	-	112 100
<b>Total Government Grant and Subsidies</b>	<b>9 088 695</b>	<b>7 437 817</b>
<b>13.1 Equitable Share</b>		
Balance unspent at beginning of year	-	-
Current year receipts	8 588 695	6 825 717
Conditions met - transferred to revenue	(8 588 695)	(6 825 717)
Conditions still to be met - transferred to current liabilities (see note 5)	-	-
The Equitable Share is an unconditional grant and is utilised to assist the municipality undertake service delivery.		
<b>13.2 MSIG</b>		
Balance unspent at beginning of year	376 290	1 056 525
Current year receipts	750 000	734 000
Interest on Investment	50 943	119 096
Conditions met	(1 111 735)	(1 533 331)
Conditions still to be met - transferred to liabilities (see note 5)	65 498	376 290
The fund is used to assist the municipality in building capacity of the personnel to perform their functions and stabilise institutional and governance systems as required by the Municipal Systems Act of 2000 .		
<b>13.3 Financial Management Grant</b>		
Balance unspent at beginning of year	-	-
Current year receipts	500 000	500 000
Conditions met	( 500 000)	( 500 000)
Conditions still to be met - transferred to liabilities (see note 5)	-	-
The grant was allocated by National Treasury to assist with training of personnel and the implementation of GRAP and to compile a GRAP fixed asset register.		
<b>13.4 Project Access Road Victoria West</b>		
Balance overspent at beginning of year	( 623 325)	( 518 364)
Current year receipts	-	-
Conditions met	-	( 180 896)
Written Off/Transfer /Adjustment	623 325	75 935
Conditions still to be met - transferred to liabilities (see note 5)	-	( 623 325)
<b>13.5 Project Library</b>		
Balance unspent at beginning of year	211 618	15 619
Current year receipts	240 200	338 000
Conditions met	( 457 946)	( 153 186)
Interest on Investment	17 282	11 184
Conditions still to be met - transferred to liabilities (see note 5)	11 154	211 618

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	2009 R	2008 R
<b>13.6 Project Water Victoria West</b>		
Balance unspent at beginning of year	8 155	8 155
Current year receipts	-	-
Conditions met	-	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>8 155</u>	<u>8 155</u>
<b>13.7 Project Survey of Land</b>		
Balance unspent at beginning of year	3 546	2 390
Current year receipts	-	-
Conditions met	( 2 063)	-
Interest on Investment	68	1 156
Conditions still to be met - transferred to liabilities (see note 5)	<u>1 551</u>	<u>3 546</u>
<b>13.8 Project Electricity Richmond</b>		
Balance unspent at beginning of year	22 042	22 042
Current year receipts	-	-
Conditions met	-	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>22 042</u>	<u>22 042</u>
<b>13.9 Project Electricity Victoria West</b>		
Balance unspent at beginning of year	6 589	6 067
Current year receipts	-	-
Conditions met	-	-
Written Off/Transfer /Adjustment	-	522
Conditions still to be met - transferred to liabilities (see note 5)	<u>6 589</u>	<u>6 589</u>
<b>13.10 Project Water Loxton</b>		
Balance unspent at beginning of year	613 128	920 347
Current year receipts	-	-
Conditions met	( 450 538)	( 362 713)
Interest on Investment	37 949	55 490
Written Off/Transfer /Adjustment	-	4
Conditions still to be met - transferred to liabilities (see note 5)	<u>200 539</u>	<u>613 128</u>
<b>13.11 Project Sanitation Pumpstation</b>		
Balance unspent at beginning of year	38 998	472 788
Current year receipts	-	-
Conditions met	( 41 602)	( 448 868)
Interest on Investment	2 604	15 078
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>38 998</u>
<b>13.12 Project Sanitation Mandela Square</b>		
Balance unspent at beginning of year	52 521	125 400
Current year receipts	-	400 000
Conditions met	( 1 300)	( 482 457)
Interest on Investment	-	164
Written Off/Transfer /Adjustment	-	9 414
Conditions still to be met - transferred to liabilities (see note 5)	<u>51 221</u>	<u>52 521</u>



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	2009	2008
	R	R
<b>13.13 Project Housing Victoria West</b>		
Balance overspent at beginning of year	1 411 504	( 29 061)
Current year receipts	6 201 390	2 769 446
Conditions met	(8 363 155)	(1 397 366)
Interest on Investment	141 434	59 522
Written Off/Transfer /Adjustment	608 827	8 963
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>1 411 504</u>
<b>13.14 Project Housing Richmond</b>		
Balance unspent at beginning of year	870 506	239 828
Current year receipts	4 788 227	2 421 107
Conditions met	(7 061 545)	(1 815 887)
Interest on Investment	34 081	25 458
Written Off/Transfer /Adjustment	1 368 731	
Conditions still to be met - transferred to liabilities (see note 5)	<u>( 0)</u>	<u>870 506</u>
<b>13.15 Project Enviornmental</b>		
Balance unspent at beginning of year	523	523
Current year receipts	-	-
Conditions met	-	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>523</u>	<u>523</u>
<b>13.16 Project Ubuntu Waterservice Plan</b>		
Balance unspent at beginning of year	95 605	322 315
Current year receipts	903 232	814 916
Conditions met	( 896 558)	(1 072 177)
Interest on Investment	8 909	30 551
Conditions still to be met - transferred to liabilities (see note 5)	<u>111 188</u>	<u>95 605</u>
<b>13.17 MIG Fund</b>		
Balance unspent at beginning of year	-	-
Current year receipts	1 000 000	-
Conditions met	( 893 405)	-
Interest on Investment	8 403	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>114 998</u>	<u>-</u>
<b>13.18 Project Highmass Lighting</b>		
Balance unspent at beginning of year	398 372	29 329
Current year receipts	100 000	777 641
Conditions met	(1 732 015)	( 419 145)
Interest on Investment	16 962	10 547
Written Off/Transfer /Adjustment	1 216 681	
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>398 372</u>
<b>13.19 Drought Relief Fund</b>		
Balance unspent at beginning of year	515 388	-
Current year receipts	-	500 000
Conditions met	( 495 671)	-
Interest on Investment	31 640	15 388
Conditions still to be met - transferred to liabilities (see note 5)	<u>51 357</u>	<u>515 388</u>
<b>13.20 Eradication of Buckets</b>		
Balance unspent at beginning of year	84 340	-
Current year receipts	307 560	1 777 032
Conditions met	( 465 340)	(1 692 766)
Interest on Investment	4 172	74
Written Off/Transfer /Adjustment	69 268	
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>84 340</u>

**UBUNTU LOCAL MUNICIPALITY  
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	2009 R	2008 R
<b>13.21 Sport Development</b>		
Balance unspent at beginning of year	42 251	-
Current year receipts	193 618	100 000
Conditions met	( 236 207)	( 60 246)
Interest on Investment	1 023	2 497
Conditions still to be met - transferred to liabilities (see note 5)	<u>685</u>	<u>42 251</u>
<b>13.22 O &amp; M Sewerage Pipe</b>		
Balance unspent at beginning of year	( 86 563)	-
Current year receipts	161 479	669 490
Conditions met	( 153 003)	( 759 399)
Interest on Investment	-	3 346
Written Off/Transfer /Adjustment	78 086	
Overspend on Project - transferred to liabilities (see note 5)	<u>( 0)</u>	<u>( 86 563)</u>
<b>13.23 Project Road Loxton</b>		
Balance unspent at beginning of year	78 112	-
Current year receipts	301 281	600 000
Conditions met	( 988 032)	( 526 968)
Interest on Investment	6 094	5 079
Written Off/Transfer /Adjustment	602 545	
Conditions still to be met - transferred to liabilities (see note 5)	<u>( 0)</u>	<u>78 112</u>
<b>13.24 Solid Waste Site Victoria West</b>		
Balance unspent at beginning of year	100 000	-
Current year receipts	7 211	100 000
Conditions met	( 867)	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>106 344</u>	<u>100 000</u>
<b>13.25 Electricity Project Richmond</b>		
Balance unspent at beginning of year	-	-
Current year receipts	3 915 995	-
Conditions met	(3 304 259)	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>611 736</u>	<u>-</u>
<b>13.26 Renovations and Repairs of Sports Facilities</b>		
Balance unspent at beginning of year	-	-
Current year receipts	451 991	-
Conditions met	( 425 396)	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>26 596</u>	<u>-</u>
<b>13.27 Changes in levels of government grants</b>		

Based on the allocations set out in the Division of Revenue Act, (Act of 2006), no significant changes in the level of government grant funding are expected over the forthcoming two financial years.

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	2009 R	2008 R
<b>14 EMPLOYEE RELATED COSTS</b>		
Employee related costs - Salaries and Wages	8 302 318	6 961 829
Employee related costs - Contributions for UIF, pensions and medical aids	1 463 219	1 389 711
Travel, motor car, telephone, assistance and other allowances	653 125	727 794
Housing benefits and allowances	46 878	48 878
Overtime payments	532 322	341 624
Bonusses	428 795	401 381
Redemption of leave	-	261 223
<b>Total Employee Related Costs</b>	<b>11 426 657</b>	<b>10 132 440</b>
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	454 816	340 661
Housing Subsidy	-	7 200
Travelling Allowance	129 960	104 000
Telephone Allowance	4 620	4 200
Performance Bonuses	76 565	-
Contributions to UIF, Medical and Provident Funds	96 008	43 849
<b>Total</b>	<b>761 970</b>	<b>499 909</b>
<b>Remuneration of the Chief Financial Officer</b>		
Annual Remuneration	344 633	188 391
Travelling Allowance	81 683	75 423
Telephone Allowance	3 780	3 780
Performance Bonuses	46 099	-
Contributions to UIF, Medical and Provident Funds	-	25 292
<b>Total</b>	<b>476 195</b>	<b>292 886</b>
<b>Remuneration of Head: Corporate Services</b>		
Annual Remuneration	267 175	246 695
Travelling Allowance	81 683	75 423
Telephone Allowance	4 099	3 780
Performance Bonuses	39 108	-
Contributions to UIF, Medical and Provident Funds	57 016	22 682
<b>Total</b>	<b>449 081</b>	<b>348 580</b>
<b>Remuneration of Head: Infrastructure and Technical Services</b>		
Annual Remuneration	275 981	254 825
Housing Subsidy	12 346	11 400
Travelling Allowance	90 972	84 000
Telephone Allowance	4 098	3 780
Performance Bonuses	50 709	-
Contributions to UIF, Medical and Provident Funds	-	24 400
<b>Total</b>	<b>434 106</b>	<b>378 405</b>

**UBUNTU LOCAL MUNICIPALITY  
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	2009 R	2008 R
<b>15 REMUNERATION OF COUNCILLORS</b>		
Mayor	294 281	262 652
Mayor pension contribution	51 932	44 861
Mayor Cell phone allowance	15 984	13 399
Mayor Travel allowance	121 420	90 483
Mayor Back Pay	15 342	36 194
Councillors	617 988	554 811
Councillors' pension contribution	109 056	94 208
Councillors' Travel allowance	69 804	213 587
Councillors' Back Pay	254 982	54 690
Councillors' Cell phone allowance	32 218	58 555
<b>Total Councillors' Remuneration</b>	<b>1 583 007</b>	<b>1 423 440</b>
<b>16 INTEREST PAID ON EXTERNAL BORROWINGS</b>		
External loans	491 959	224 773
<b>Total Interest on External Borrowings</b>	<b>491 959</b>	<b>224 773</b>
<b>17 GRANTS AND SUBSIDIES PAID</b>		
<b>Total Grants and Subsidies</b>	<b>-</b>	<b>-</b>

The Municipality identifies projects which are funded through grants and subsidies . Projects are identified through the Integrated Development Plan. The operation and control of items of property, plant and equipment funded through these grants and subsidies vests in the local municipality.

UBUNTU LOCAL MUNICIPALITY  
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	2009 R	2008 R
<b>18 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b><u>Contributions to Local Government Organisation</u></b>		
Opening balance	-	
Current year's contribution	207 056	
Amount paid - current year	( 207 056)	-
Amount paid - previous years		-
<b>Balance unpaid</b>	<b>-</b>	<b>-</b>
<b><u>Audit fees</u></b>		
Opening balance	-	
Current year's contribution	855 242	577 539
Amount paid - current year	( 855 242)	( 577 539)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
<b><u>VAT</u></b>		
Opening balance	761 169	-
Current year input VAT	6 899 832	3 072 402
Current year output VAT	1 133 583	886 272
Amount paid (received) - previous year and corrections	(5 176 756)	(1 424 961)
<b>Balance</b>	<b>3 617 828</b>	<b>761 169</b>
<b><u>PAYE and UIF</u></b>		
Opening balance	-	
Current year payroll deductions	1 257 916	1 125 854
Amount paid - current year	(1 257 916)	(1 125 854)
Amount paid - previous years		-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
<b><u>Pension and Medical Aid Deductions</u></b>		
Opening balance	-	
Current year payroll deductions and council contributions	2 606 941	2 184 295
Amount paid - current year	(2 606 941)	(2 184 295)
Amount paid - previous years		-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

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	2009 R	2008 R
<b>19 DISCLOSURES IN RESPECT OF SERVICES</b>		
19.1. Property Rates	2 889 952	2 640 136
Penalties Property Rates	-	437 278
19.2. Service Charges	12 274 128	10 097 559
19.3. Other Income	11 804 702	558 588
19.4. Bulk Purchases		
Electricit	3 920 740	2 804 715
Water	423 949	355 440
	<u>4 344 689</u>	<u>3 160 155</u>
19.5. General Expenses	<u>15 098 489</u>	<u>9 955 210</u>
<b>20 RETIREMENT BENEFIT INFORMATION</b>		
<p>The personnel are members of the Cape Joint Retirement Fund or the SAMWU Provident Fund or the National Fund for Municipal Workers or SALA. According to recent actuarial valuations all funds reflected an actuarial surplus. The council's and members contribution to the abovementioned funds for the financial year amounted to R 1,600,993.06.</p> <p>The councillors are members of the Municipal Councillors Pension Fund. The council's and members contribution to the fund for the financial year amounted to R 301,357.00.</p>		
<b>21 CONTINGENT LIABILITY</b>	<b>75 884</b>	<b>-</b>
<p>A claim in respect of SALA (a recognised pension fund ) regarding shortfall of contributions may arise</p>		
<b>22 COMPARISON WITH THE BUDGET</b>		
<p>The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures D (1) and D (2).</p>		

	2009 R	2008 R
<b>23 Cash generated by operations</b>		
Reconciliation of net operating profit to cash generated in operations		
Net operating profit/(loss)	2 986 162	368 153
Adjusted for:		
Depreciation	2 380 280	-
Non operating income - rental received	( 335 165)	( 266 909)
Interest earned	(1 520 977)	8 380
Interest paid	491 959	224 773
Adjustments in respect of previous years' operating transactions	-	-
Decrease in capital replacement reserve	-	-
Prior year adjustments to reserves	-	-
Changes in working capital:		
(Decrease)/Increase in inventory	-	-
(Decrease)/Increase in accounts receivable	7 003 028	(1 261 369)
(Decrease)/Increase in accounts payable	(2 421 682)	( 664 629)
	<b>8 583 605</b>	<b>(1 591 601)</b>
<b>24 CASH AND CASH EQUIVALENTS</b>		
Balance at the beginning of the year	6 739 201	6 331 846
Balance at the end of the year	2 536 434	6 739 201
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(4 202 767)</b>	<b>407 355</b>

	2009 R	2008 R
<b>25 CHANGE IN ACCOUNTING POLICY- IMPLEMENTATION OF GRAP</b>		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP: -		
<b>25.1 Statutory Funds</b>		
<b>Balance previously reported: -</b>		
Revolving Fund		4 795 976
Trust Fund		3 843 311
<b>Total</b>		<u>8 639 287</u>
<b>Implementation of GRAP</b>		
Transferred to the Capital Replacement Reserve		2 731 344
Transferred to Accumulated Surplus/(Deficit) (see 25.8 below)		5 907 943
Transferred to the Housing Development fund	-	-
Transferred to the Government Reserves	-	-
Transferred to the Donations and Public contribution reserves	-	-
<b>Total</b>	<u>-</u>	<u>8 639 287</u>
<b>25.2 Loans Redeemed and Other Capital Receipts</b>		
<b>Balance previously reported</b>		<b>104 155 253</b>
<b>Implementation of GRAP</b>		
Transferred to Government Grant Reserve	-	(33 270 082)
Transferred to Donations and Public Contribution Reserve	-	(66 736 931)
Transferred to Accumulated Depreciation	-	(2 479 132)
Transferred to the Capitalisation Reserve	-	( 105 847)
Transferred to Accumulated Surplus/(Deficit) (see 25.8 below)	-	(1 563 261)
<b>Total</b>	<u>-</u>	<u>(104 155 253)</u>
<b>25.3 Provisions and Reserves</b>		
<b>Balance previously reported</b>		
Infrastructure Replacement Reserve	-	-
Tariff Equalization Reserve	N/A	N/A
Valuation Roll Reserve	-	-
Staff Bursary Reserve	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>Implementation of GRAP</b>		
Transferred to Accumulated Surplus/(Deficit) (see 25.8 below)	<u>-</u>	<u>-</u>
<b>25.4 Inventory</b>		
<b>Balance previously reported</b>	NIL	NIL
<b>Implementation of GRAP</b>		
Transferred to Accumulated Surplus/(Deficit) (see 25.8 below)	-	-
Water previously expensed now shown as inventory	-	-
Write-down of spare parts to unauthoriz value	-	-
Write-down of unsold properties to unauthoriz value	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>25.5 Non-current provisions</b>		
<b>Balance previously reported</b>	-	-



## NOTES TO THE FINANCIAL STATEMENTS

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<b>Implementation of GRAP</b>	N/A	N/A
Transferred from Accumulated Surplus/(Deficit) (see 25.8 below)	-	-
Landfill	-	-
Long-service	-	-
<b>Total</b>	<u>-</u>	<u>-</u>



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	<b>2009</b>	2008
	<b>R</b>	R
<b>28. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term liabilities (see Note 2)	1 535 173	1 586 330
Used to finance property, plant and equipment – at cost	-	-
Sub- total	<u>1 535 173</u>	<u>1 586 330</u>
Cash set aside for the repayment of long-term liabilities (see note 17)	-	-
<b>Cash invested for repayment of long-term liabilities</b>	<u><u>1 535 173</u></u>	<u><u>1 586 330</u></u>

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

**29. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**

**29.1 Unauthorised expenditure**

Reconciliation of unauthorised expenditure

Opening balance

Unauthorised expenditure current year

Approved by Council or condoned

Transfer to receivables for recovery (note 16)

**Unauthorised expenditure awaiting authorisation**

N/A

N/A

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UBUNTU LOCAL MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2009

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	2009 R	2008 R
<b><u>29.2 Fruitless and wasteful expenditure</u></b>		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	0	0
Fruitless and wasteful expenditure current year	15 250	80 605
Condoned or written off by Council	-15 250	-80 605
To be recovered – contingent asset (see note 40)	-	-
<b>Fruitless and wasteful expenditure awaiting condonement</b>	<b>0</b>	<b>0</b>

**Incident**

Interest paid on late payment of Creditors.

**29.3 Irregular expenditure**

Reconciliation of irregular expenditure		
Opening balance	N/A	N/A
Irregular expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
<b>Irregular expenditure awaiting condonement</b>	<b>-</b>	<b>-</b>

**Incident**

Non

**30. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

**30.1 Councillor's arrear consumer accounts**

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

30th June 2008	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
	<u>R</u>	<u>R</u>	<u>R</u>
Councillors	-	-	-
<b>Total Councillor Arrear Consumer Accounts</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>30th June 2009</b>	<b><u>Total</u></b>	<b><u>Outstanding less than 90 days</u></b>	<b><u>Outstanding more than 90 days</u></b>
	<b><u>R</u></b>	<b><u>R</u></b>	<b><u>R</u></b>
Councillor LL Adams	965	787	178
Councillor SC Jordaan	6 633	603	6 030
Councillor K Riegert	6 239	1 665	4 574
<b>Total Councillor Arrear Consumer Accounts</b>	<b><u>13 837</u></b>	<b><u>3 055</u></b>	<b><u>10 782</u></b>

**30.2 Non-Compliance with Chapter 11 of the Municipal Finance Management Act**

The Municipality has developed a supply chain management policy and it was implemented on 1 July 2006.

**31. COMMITMENTS**

	<b>2009 R</b>	<b>2008 R</b>
Commitments in respect of capital expenditure:		
- Approved and contracted for		
Infrastructure	0	1 644 532
Community	0	220 363
Heritage	0	0
Other	0	84 340
Housing Development Fund	0	2 273 047
Investment Properties	0	0
<b>Total</b>	<u>0</u>	<u>4 222 282</u>
- Approved but not yet contracted for		
Infrastructure	0	0
Community	0	0
Heritage	0	0
Other	0	0
Housing Development	0	0
Investment Properties	0	0
<b>Total</b>	<u>0</u>	<u>0</u>
Commitments in respect of current expenditure:		
- Approved and contracted	<u>0</u>	<u>0</u>
This expenditure will be financed from:		
- External Loans	0	0
- Capital Replacement Reserve	0	0
- Government Grants	0	4 222 282
- Own resources	0	0
- District Council Grants	0	0
<b>Total</b>	<u>0</u>	<u>4 222 282</u>

**32. RETIREMENT BENEFIT INFORMATION**

N/A N/A

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

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<b>33. CONTINGENT ASSET</b>	<b>N/A</b>	<b>N/A</b>
<b>34. IN-KIND DONATIONS AND ASSISTANCE</b>		
The Municipality received the following in-kind donations and assistance Description	<b>N/A</b>	<b>N/A</b>
<b>Non</b>		
<b>35. PRIVATE PUBLIC PARTNERSHIPS</b>		
(Record the following information to the extent possible) Ubuntu Municipality has no private public partnerships		
<b>36. EVENTS AFTER THE REPORTING DATE</b>	<b>N/A</b>	<b>N/A</b>

APPENDIX A

SCHEDULE OF EXTERNAL LOANS  
AS AT 30 JUNE 2009

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 01/07/08	Received during the period	Redeemed written off during the period	Balance at 30/06/09	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
			R	R	R	R	R	R
<b>LONG-TERM LOANS</b>								
Loan @ 13.45%- DBSA-Sewerage Richmond	12692/101	30/06/2015	1 130 484	-	51 157	<b>1 079 327</b>	1 079 327	-
Loan @ 18%- DBSA-Sewerage Richmond(Arrears)	12692/101	30/06/2015	455 846	-	-	<b>455 846</b>	-	-
				-		-	-	-
<b>Total long-term loans</b>			1 586 330	0	51 157	<b>1 535 173</b>	1 079 327	-

UBUNTU LOCAL MUNICIPALITY

APPENDIX B

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED 30 JUNE 2009

	COST				Accumulated Depreciation				Carrying
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation	Disposals	Closing balance	Value
<b>Land and Buildings</b>									
Land	15 946 000	9 100 000	-	<b>25 046 000</b>	-	-	-	-	<b>25 046 000</b>
Buildings	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>15 946 000</b>	<b>9 100 000</b>	-	<b>25 046 000</b>	-	-	-	-	<b>25 046 000</b>
<b>Infrastructure</b>									
Stormwater	6 078 920	-	-	<b>6 078 920</b>	135 705	135 705	-	271 410	5 807 510
Roads	7 598 030	983 966	-	<b>8 581 996</b>	555 252	514 426	-	1 069 678	7 512 318
Sewerage Mains & Purif	23 668 087	664 470	-	<b>24 332 557</b>	426 824	434 167	-	860 991	23 471 566
Cleansing	-	-	-	-	-	-	-	-	-
Electricity	8 494 731	3 731 593	-	<b>12 226 324</b>	300 126	296 213	-	596 339	11 629 985
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-
Water Mains & Purification	28 835 913	592 967	-	<b>29 428 880</b>	772 596	640 391	-	1 412 987	28 015 893
Reservoirs – Water	-	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>74 675 681</b>	<b>5 972 996</b>	-	<b>80 648 677</b>	<b>2 190 503</b>	<b>2 020 902</b>	-	<b>4 211 405</b>	<b>76 437 272</b>





**UBUNTU LOCAL MUNICIPALITY**

**APPENDIX B - CONTINUE**

**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	<b>COST</b>				<b>Accumulated Depreciation</b>				<b>Carrying</b>
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation	Disposals	Closing balance	Value
<b>Other Assets</b>									
	-	-	-	-	-	-	-	-	-
Office Equipment	310 271	-	-	310 271	44 381	48 214	-	92 595	217 676
Furniture & Fittings	428 205	19 306	-	447 511	62 475	65 343	-	127 818	319 693
Fire Brigade	-	-	-	-	-	-	-	-	-
Electical Equipment	104 910	-	-	104 910	14 480	15 161	-	29 641	75 269
Motor vehicles	916 112	1 535 447	-	2 451 559	113 354	164 937	-	278 291	2 173 268
Traffic	-	-	-	-	-	-	-	-	-
Mechanical Equipment	6 604	6 493	-	13 097	-	1 486	-	1 486	11 611
Computer equipment	325 990	-	-	325 990	48 897	58 637	-	107 534	218 456
Councillors Regalia	-	-	-	-	-	-	-	-	-
Conservancy tankers	-	-	-	-	-	-	-	-	-
Abattoir	4 380 000	-	-	4 380 000	-	-	-	-	4 380 000
<b>Subtotal</b>	<b>6 472 092</b>	<b>1 561 246</b>	-	<b>8 033 338</b>	<b>283 587</b>	<b>353 778</b>	-	<b>637 365</b>	<b>7 395 973</b>
<b>Total</b>	<b>97 568 170</b>	<b>16 634 242</b>	-	<b>114 202 412</b>	<b>2 479 128</b>	<b>2 380 280</b>	-	<b>4 859 408</b>	<b>109 343 004</b>

**UBUNTU LOCAL MUNICIPALITY**

**APPENDIX C**

**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**

**FOR THE YEAR ENDED 30 JUNE 2009**

	<b>COST</b>				<b>Accumulated Depreciation</b>				<b>Carrying</b>
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation	Disposals	Closing balance	Value
Executive & Council	-	-	-	-	-	-	-	-	-
Finance & Admin	939 635	-	-	939 635	135 969	150 011	-	285 980	653 655
Planning & Development	21 068 000	9 119 307	-	30 187 307	-	1 608	-	1 608	30 185 699
Environmental Protection	-	-	-	-	-	-	-	-	-
Community & Social Services	366 718	-	-	366 718	40 209	41 681	-	81 890	284 828
Public Safety	44 000	-	-	44 000	4 400	4 400	-	8 800	35 200
Sport & Recreation	-	-	-	-	-	-	-	-	-
Health	7 978	-	-	7 978	1 411	1 411	-	2 822	5 156
Waste Management	23 966 358	1 610 058	-	25 576 416	451 595	494 044	-	945 639	24 630 777
Road Transport	13 761 656	983 967	-	14 745 623	714 175	674 670	-	1 388 845	13 356 778
Water	28 943 773	1 183 870	-	30 127 643	793 637	683 963	-	1 477 600	28 650 043
Electricity	8 470 052	3 737 040	-	12 207 092	337 734	328 492	-	666 226	11 540 866
Other - Housing	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>97 568 170</b>	<b>16 634 242</b>	<b>-</b>	<b>114 202 412</b>	<b>2 479 130</b>	<b>2 380 280</b>	<b>-</b>	<b>4 859 410</b>	<b>109 343 003</b>

APPENDIX D

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R
-	2 256 779	(2 256 779)	Executive & Council	13 070	2 727 859	(2 714 789)
15 950 491	7 394 557	8 555 934	Finance & Admin	20 156 140	6 268 765	13 887 375
31 125	3 452 181	(3 421 056)	Planning & Development	12 214	4 206 500	(4 194 286)
120 900	126 811	( 5 911)	Health	137 600	139 844	(2 244)
66 100	416 309	( 350 209)	Community & Social Servic	38 408	428 190	(389 782)
-	-	-	Housing	-	-	-
-	49 511	( 49 511)	Public Safety	-	28 630	(28 630)
5 515	45 894	( 40 379)	Sport & Recreation	5 172	45 686	(40 514)
-	-	-	Environmental Protection	-	-	-
4 138 003	5 301 470	(1 163 467)	Waste Management	4 269 602	6 536 054	(2 266 452)
-	-	-	Road Transport	-	-	-
2 511 231	2 587 906	( 76 675)	Water	3 024 390	3 665 752	(641 362)
3 821 821	4 645 615	( 823 794)	Electricity	5 128 332	5 751 486	(623 154)
-	-	-	Other	-	-	-
<b>26 645 186</b>	<b>26 277 033</b>	<b>368 153</b>	Sub Total	<b>32 784 928</b>	<b>29 798 766</b>	<b>2 986 162</b>
-	-	-	Less Inter-Dep Charges	-	-	-
<b>26 645 186</b>	<b>26 277 033</b>	<b>368 153</b>	<b>Total</b>	<b>32 784 928</b>	<b>29 798 766</b>	<b>2 986 162</b>

UBUNTU LOCAL MUNICIPALITY

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APPENDIX E (1)

ACTUAL VERSUS BUDGET: REVENUE AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u>	<u>2009</u>	<u>2009</u>	<u>2009</u>
	Actual ( R )	Budget ( R )	Variance ( R )	Variance (%)
<b>REVENUE</b>				
Property rates	2 889 952	2 877 570	12 382	0.00
Property rates - penalties imposed and collection charges	-	-	-	-
Service charges	12 274 178	11 868 493	405 685	0.03
Rental of facilities and equipment	335 165	313 993	21 172	0.07
Interest earned - external investments	238 276	284 000	( 45 724)	-0.16
Interest earned - outstanding debtors	1 520 977	1 432 000	88 977	0.06
Fines	5 554 197	8 738 500	(3 184 303)	-0.36
Licences and permits	235 340	243 700	( 8 360)	-0.03
Income: Agency Services	40 785	43 800	( 3 015)	-0.07
Government grants and subsidies	9 466 128	10 213 224	( 747 096)	-0.07
Other income	11 804 702	1 193 750	10 610 952	8.89
Public contributions, donated/contributed PPE	13 070	13 065	5	0.00
Gains on disposal of assets	9 466	4 250 061	(4 240 595)	-1.00
Interdepartmental Charges	-	-	-	0.00
<b>Total Revenue</b>	<b>44 382 236</b>	<b>41 472 156</b>	<b>2 910 080</b>	<b>0.07</b>
<b>EXPENDITURE</b>				
Employee related cost	11 426 657	12 112 099	( 685 442)	-0.06
Remuneration of Councilors	1 583 007	1 812 700	( 229 693)	-0.13
Bad debts	260 000	260 000	-	0.00
Collection cost	-	3 500	( 3 500)	-1.00
Depreciation	2 380 281	5 323 130	(2 942 849)	-0.55
Repairs & Maintenance	1 155 996	1 513 159	( 357 163)	-0.24
Interest paid	491 959	464 615	27 344	0.06
Bulk Purchases	4 344 688	5 189 665	( 844 977)	-0.16
Contracted services	1 332 018	5 597 935	(4 265 917)	-0.76
Grants & Subsidies paid	3 404 608	3 824 575	( 419 967)	-0.11
General expenses	15 098 489	5 349 068	9 749 421	1.82
Loss on disposal of property, plant and equipment	-	22 000	( 22 000)	-1.00
<b>Total Expenditure</b>	<b>41 477 703</b>	<b>41 472 446</b>	<b>5 257</b>	<b>0.00</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>2 904 533</b>	<b>( 290)</b>	<b>2 915 337</b>	<b>-10052.89</b>

## APPENDIX E (2)

ACTUAL VERSUS BUDGET: ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u> <u>Actual</u>	<u>2009</u> <u>Under</u> <u>Construction</u>	<u>2009</u> <u>Total</u> <u>Additions</u>	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Variance</u>	<u>2009</u> <u>Variance</u>
	R	R	R	R	R	%
Executive & Council	-	-	-	-	-	0.00
Finance & Admin	-	-	-	-	-	0.00
Planning & Development	9 119 307	-	9 119 307	-	-	0.00
Health	-	-	-	-	-	0.00
Community & Social Servi	-	-	-	-	-	0.00
Public Safety	-	-	-	-	-	0.00
Sport & Recreation	-	-	-	-	-	0.00
Environmental Protection	-	-	-	-	-	0.00
Waste Management	1 610 058	-	1 610 058	-	1 610 058	0.00
Road Transport	983 967	-	983 967	-	983 967	0.00
Water	1 183 870	-	1 183 870	-	1 183 870	0.00
Electricity	3 737 040	-	3 737 040	-	3 737 040	0.00
Other	-	-	-	-	-	0.00
<b>TOTAL</b>	<b>16 634 242</b>	<b>-</b>	<b>16 634 242</b>	<b>-</b>	<b>7 514 935</b>	<b>0.00</b>

## AANHANGSEL F/APPENDIX F

## FOR THE YEAR ENDED 30 JUNE 2009

	2008/2009	2007/2008	2006/2007
<b>Algemene Statistiek/General Statistics</b>			
Bevolking/Population			
Geregistreeerde Kiesers/Registered Voters			
Oppervlakte (Km)/Area (Km)			
Total Waardasies/Total Valuations:			
- Belasbaar/Taxable (R'000)			
- Nie-belasbaar/Non-taxable (R'000)			
- Residensieel/Residential (R'000)			
- Kommersieel/Commercial (R'000)			
Waarderingsdatum/Valuation date: 1 Julie 2008	2008/07/01	2008/07/01	2008/07/01
Aantal persele/Number of erven:			
- Residensieel/Residential			
- Kommersieel/Commercial			
Belastingkoers/Assessment Rate			
- Basies/Basic (per rand)			
- Korting: Residensieel (Slegs Staat)/Discount: Residential (Only Govt)	20%	20%	20%
Aantal Werknemers/Number of Employees			
<b>Elektrisiteit Statistiek/Electricity Statistics</b>			
Eenhede (kWh) aangekoop ('000)/Units (kWh) purchased			
Eenhede (kWh) verkoop ('000)/Units (kWh) sold ('000)			
Eenhede (kWh) verlore gegaan met verspreiding/ Units (kWh) lost with distribution			
Persentasie verlies met verspreiding/Persentation loss			
Koste per eenheid verkoop/Cost per unit sold-Basic Convensional			
Koste per eenheid verkoop/Cost per unit sold-Basic Bussiness			
Koste per eenheid verkoop/Cost per unit sold in cent-Prepaid			
Koste per eenheid verkoop/Cost per unit sold in cent-Convensional			
Koste per eenheid verkoop/Cost per unit sold in cent-Bussiness			
<b>Water Statistiek/Water Statistics</b>			
Kl gepomp/Kl pumped			
Kl verkoop/Kl sold			
Kl verlore gegaan met verspreiding/Kl distribution loss			
Persentasie verlies met verspreiding/Persentation loss			
Koste per Kl verkoop/Cost per Kl sold-Basic			
Koste per Kl verkoop/Cost per Kl sold-0-6kl			
Koste per Kl verkoop/Cost per Kl sold-7-12kl			
Koste per Kl verkoop/Cost per Kl sold-13-50kl			
Koste per Kl verkoop/Cost per Kl sold-50-150kl			
Koste per Kl verkoop/Cost per Kl sold-150+kl			