

PREFACE BY THE MAYOR

The purpose of financial statement is to provide information about the financial position, performance and changes in the financial position of the local authority in a manner which demonstrates accountability and which is useful to the local community, government departments, investors, employees, trade creditors, the media and economic and financial analysis in making economic, financial or political decisions. It is thus essential that the financial statements be drawn up in time. Unfortunately, because of the vacancy of the Chief Finance Officer post, our financial statements were not drawn up in time, but still in three months after year end.

It is therefore an honour and privilege to introduce the financial statements of the 2007/2008 financial year.

Thank you very much for every staff member, every community member and every councillor who contributed to these achievements.

SUMMARY OF FINANCIAL RESULTS 2007/2008

The financial results of the year under review can be summarised as follows:

		Income	Expenditure	Surplus(deficit)
Budget				
2007/2008	R	66 403 912	R 65 543 732	R 860 180
Actual				
2007/2008	R	69 698 339	R 64 551 110	R 5 147 229

The result achieved on the capital budget is as follows:

Budget expenditure	R 20 877 000
Actual expenditure	R 16 277 540
Nett Result	<u>R 4 599 460</u>

Comprehensive comments will be included in the annual report.

I would like to express my appreciation to the Councillors, Municipal Manager, Chief Financial Officer, Managers and Personnel for their support and hard work during the past financial year.

DAANTJIE JAPHTA
MAYOR

**CAMDEBOO MUNICIPALITY
FINANCIAL STATEMENTS
2007/08**

INDEX

	Page
1. PREFACE BY THE MAYOR	1
1. GENERAL INFORMATION	2 - 3
3. REPORT OF THE ACCOUNTING OFFICER	4 - 7
4. ACCOUNTING POLICIES	8 - 9
5. BALANCE SHEET	10
6. INCOME STATEMENT	11
7. CASH FLOW STATEMENT	12
8. NOTES TO THE FINANCIAL STATEMENTS	13 - 20
9. APPENDICES	
A. STATUTORY FUNDS, RESERVES AND TRUST FUNDS	21
B. EXTERNAL LOANS AND INTERNAL ADVANCES	22
C. ANALYSIS OF FIXED ASSETS	23
D. ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008	24
E. DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008	25
F. STATISTICAL INFORMATION	26

**CAMDEBOO MUNICIPALITY
GENERAL INFORMATION FOR THE YEAR ENDED 30/06/2008**

Vision

Camdeboo Municipality strives to ensure the development and participation of all its inhabitants within an economically viable and sustainable environment, where equal opportunities are promoted. Poverty is uprooted and services provided at an affordable cost within a crime free, healthy, environmentally friendly and well managed administration.

GRADING OF LOCAL AUTHORITY

Grade 7

AUDITORS

Auditor General

BANKERS

First National Bank

REGISTERED OFFICE

Church Square	PO Box 71	Tel. (049) 8922121
Graaff-Reinet	Graaff-Reinet	Fax (049) 8924319
6280	6280	

MUNICIPAL MANAGER

M G Langbooi

CHIEF FINANCIAL OFFICER

Vacant

MEMBERS OF THE COUNCIL

Mayor and Speaker	Councillor	D Japhta
Ward 1	Councillor	V G Jacobs
Ward 2	Councillor	A R Knott-Craig
Ward 3	Councillor	K Hoffman
Ward 4	Councillor	C R E Abels

Ward 5	Councillor	I Reid
Ward 6	Councillor	A Booyesen
Proportional Councillors		
ANC	Councillor	D Japhta
ANC	Councillor	M Jacobs
Democratic Alliance	Councillor	M Block
ANC	Councillor	S J Mbotya
Democratic Alliance	Councillor	T J Eksteen

**CAMDEBOO MUNICIPALITY
GENERAL INFORMATION FOR THE YEAR ENDED 30/06/2008**

APPROVAL OF THE FINANCIAL STATEMENTS	
The Annual financial statements set out on pages to were approved by the Municipal Manager/ Accounting Officer on 29 September 2008.	
<hr style="width: 20%; margin: 0 auto;"/> MUNICIPAL MANAGER (MG LANGBOOI) (Accounting Officer) 29 Sept 2008	<hr style="width: 20%; margin: 0 auto;"/> CHIEF FINANCE OFFICER (Vacant) 29 Sept 2008

REPORT OF THE ACCOUNTING OFFICER AS AT 30 JUNE 2008

1 OPERATING RESULTS

The Camdeboo Municipality represents the towns of Graaff-Reinet, Aberdeen, and Nieu-Bethesda. This set of Financial Statements includes the figures of all three units. Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The overall operating results for the year ended 30 June 2008 are as follows:

INCOME	Actual 2007 R	Actual 2008 R	Variance 2007/2008 %
Opening Surplus	4 803 672	5 715 150	19%
Operating income for the year	62 280 210	69 698 339	12%
	67 083 882	75 413 489	
EXPENDITURE			
Operating expenditure for the year	56 876 011	64 551 110	13%
Appropriations	4 492 721	4 437 278	-1%
Closing surplus	5 715 150	6 425 101	12%
	67 083 882	75 413 489	

1.1 Rate and General Services

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 %
Income	34 806 081	39 811 453	14%
Expenditure	31 143 806	36 808 400	18%
Surplus (deficit)	3 662 275	3 003 053	-18%
Surplus (deficit) as % of total income	11%	8%	

1.2 Trading Services

The following is a summary of the operating results of the Municipality's Trading services:

Electricity Service

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 %
Income	20 272 402	22 127 048	9%
Expenditure	21 287 850	23 026 794	8%
Surplus (deficit)	-1 015 448	-899 746	-11%
Surplus (deficit) as % of total income	-5%	-4%	

Water service

The "Free basic service" policy of Government is in place and all consumers received the first six kiloliters free of charge. This policy is funded out of the council's Equitable share Fund. In Aberdeen and Nieu-Bethesda all consumers are receiving the first ten kiloliters free of charge. This is done in conjunction with Council policy of the previous Municipalities.

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 %
Income	7 118 389	7 654 878	8%
Expenditure	4 318 236	4 555 830	6%
Surplus (deficit)	2 800 153	3 099 048	11%
Surplus (deficit) as % of total income	39%	40%	

Concrete works

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 %
Income	81 954	103 575	26%
Expenditure	126 119	160 086	27%
Surplus (deficit)	-44 165	-56 511	28%
Surplus (deficit) as % of total income	-54%	-55%	

2 CAPITAL EXPENDITURE AND FINANCING

The expenditure on capital items during the year amounted to R16,277,540.
The Capital expenditure is 22% less than budgeted for and consists of the following:

	Actual 2008 R	Budget 2008 R	Actual 2007 R
Land and Buildings	2 808 800	5 281 000	365 163
Sport & Recreation facilities			96 051
Traffic & Fire			194 791
Streets and bridges	4 261 466	4 378 000	316 743
Furniture & Fittings	564 472	988 000	195 821
sewerage	539 104	125 000	1 645 416
Refuse			1 229 296
Vehicles & Machinery	1 301 638	1 350 000	2 288 965
Tools		100 000	37 535
Electricity Services	3 509 222	5 160 000	1 584 093
Water Services	3 292 838	3 495 000	300 057
	16 277 540	20 877 000	8 253 931

Resources used to finance the capital expenditure were as follows:

	Actual 2008 R	Budget 2008 R	Actual 2007 R
Internal loans	9 690 102	11 030 000	7 941 576
Operating Income	55 358	68 000	39 782
Reserve funds		1 000 000	272 573
Other	6 532 080	8 779 000	
	16 277 540	20 877 000	8 253 931

Capital items, which represent mainly upgrading and maintenance were financed against the surplus account and not against loans.

This will result in savings to the loan charges in the coming years.

3 EXTERNAL LOANS AND INVESTMENTS

External loans outstanding on 30 June 2008 amounted to R171 139 (R229 315 in 2007) as set out in appendix B.

Investments and cash on hand at 30 June 2008 amounted to R46,723,602 (R42,019,139 in 2007)

More information regarding loans cash on hand and investments are disclosed in the notes 4,10 and 11 and appendix B to the financial statements.

4 FUNDS AND RESERVES

During the year under review the following contributions were made:

Contributions from Operating Account to:

Revolving Fund	563 328
Leave Reserve	6 330

569 658

Contributions from Reserve funds to Operating Account:

Reserve funds	900 000
<u>Contribution from Accumulated Surplus to :</u>	
Working Capital Debtors	2 156 837
Working Capital Stores	653 523
Leave Fund	304 744
Operating	2 000 000
	5 115 104

More information regarding funds and reserves are disclosed in the notes (1 to 3) and appendix A to the financial statements.

5 POST BALANCE SHEET EVENTS

No material post balance sheet events took place during the year under review.

6 INTER AUTHORITY GRANT

An amount of R14,101,505 was received from Government during the 2007/2008 financial year.

An amount of R5,599,438 was used to assist the poor for the 2007/2008 financial year. This scheme will continue for the next financial year.

7 WORKING CAPITAL

Working capital for arrear debtors were provided equal to 90 days and longer.

Particulars of the funds are as follows:

<u>Working Capital - Debtors</u>	
Balance as at 01/07/2007	14 308 935
Contribution from Accumulated Surplus	2 156 837
Balance at 30/06/2008	16 465 772

Provision is made for inventory to the extent of the year-end inventory value.

<u>Working Capital - Inventory</u>	
Balance as at 01/07/2007	1 966 218
Contribution from Accumulated Surplus	653 523
Balance at 30/06/2008	2 619 741

EXPRESSION OF APPRECIATION

I am grateful to the staff of the Finance Department for their loyalty and hard work during the past financial year.

Acknowledgement is given to the Finance staff for a job well done under extremely difficult circumstances.

MUNICIPAL MANAGER (MG LANGBOOI)
(Accounting Officer)
Camdeboo Municipality

Date

CAMDEBOO MUNICIPALITY

ACCOUNTING POLICIES FOR THE YEAR ENDED 30/06/2008

- 1 **Basis of presentation**
 - 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition - January 1996)
 - 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year, except as otherwise indicated.
 - 1.3 The financial statements are prepared on the accrual basis:
 - * Income is accrued when measurable and available through finance operations. Certain direct income is accrued when received, such as traffic fines and certain entrance fees.
 - * Expenditure is accrued in the year it is incurred.
- 2 **Consolidation**

The balance sheet includes the Rate and General Services, Housing service, Trading services and the different funds, reserves and provisions. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, electricity and water, which are treated as income and expenditure in the respective departments.
- 3 **Fixed Assets**
 - 3.1 Fixed assets are stated as historical cost while they are in existence and fit for use and are written off at the end of their estimated life as determined by the CFO.
 - 3.2 All net proceeds from the sale of fixed property are credited to the Revolving Fund.
 - 3.3 Capital assets are financed from different sources, including external loans, operating income and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest on internal advances is charged to the service concerned at the ruling interest rate determined by the Treasurer.
- 4 **Inventory**

Inventory is valued at cost, determined on the weighted average basis, and reflected in the Balance sheet at historical cost.
- 5 **Funds and reserves**
 - 5.1 **Revolving Fund**

The municipal ordinance No. 20 of 1974, Section 75(1), requires a contribution to the fund of not less than seven and one-half per cent of the Rates income, which was levied in respect of the financial year immediately preceding the financial year for which such contributions is required to be made.
 - 5.2 **Loan Redemption Fund**

The half-yearly redemption is paid into the Loan Redemption Fund and invested at a financial institution to enable full repayment of capital at the maturity date of the loan.
 - 5.3 **Housing Development Fund**

This fund is maintained in terms of the Housing Bill No.107 of 1997 and all income from housing operations is paid into this account.
 - 5.4 **Dog Tax Account**

This fund is maintained in terms of Ordinance No. 19 of 1978 and all income from Dog licences are paid into this account. A monthly contribution is made out of this fund to the local S.P.C.A. to assist in their operating costs.
 - 5.5 **Parking Area Development Fund**

This fund was established to provide parking area facilities in town to businesses, where needed.
 - 5.6 **Insurance Fund**

A General Insurance fund is maintained to cover unforeseen claims and excess

payments that may occur. Once the fund is large enough, contributions could be made to the operating insurance account to soften tariff increases.

5.7 Reserves

The Sewerage and Sanitation-, Electricity- and Water Tariff Stabilization reserves are maintained to soften future tariff increases.

Some special funds are held on behalf of the Provincial Department and contains special conditions to the use thereof.

All other reserves as set out in Appendix A are maintained to provide capital in future for replacement of capital charges when new assets are to be purchased. Contribution to these funds are made at the end of the year out of income if the year close off with a sufficient surplus.

6 Surpluses and deficits

Any surpluses or deficits arising from the operation of the Electricity and Water services are transferred to Rate and General services.

7 Treatment of administration charges

The cost of internal support services are transferred to the different services on a percentage basis by expenditure of department over total expenditure.

8 Investments

Investments are shown at cost and are invested in terms of the Code of Investment Practice. Investments are also made at registered banking institutions.

9 Income recognition

9.1 Electricity and Water billings

All meters in Council's juridical area are read and billed monthly.

9.2 Assessment Rates

Assessment rates are levied on the total value of land and improvements.

Rebates were granted on State properties in terms of the Rating of State Property Act, (Act 79 of 1984).

Rebates were also granted to owners of property used for agricultural purposes.

CAMDEBOO MUNICIPALITY

BALANCE SHEET FOR THE YEAR ENDED AT 30/06/08

	NOTES	2008 R	2007 R
CAPITAL EMPLOYED			
Funds and Reserves		84 440 863	74 743 808
- Statutory funds	1	57 083 073	52 615 970
- Reserves	2	27 357 790	22 127 838
RETAINED INCOME			
		6 425 101	5 715 150
		90 865 964	80 458 958
Trust funds	3	1 261 266	1 418 719
Long-term liabilities	4	169 217	179 165
Consumer deposits: Services	5	1 098 410	1 044 857
		93 394 857	83 101 698
EMPLOYMENT OF CAPITAL			
Fixed assets	6	34 906 232	29 100 639
Longterm debtors	7	169 217	225 700
Net current assets/(liabilities)		58 319 408	53 775 359
Current assets		67 767 204	61 751 912
- Inventory	8	2 187 787	1 867 743
- Debtors	9	18 853 893	17 772 151
- Bank and Cash	10	5 540 204	1 463 220
- Short-term portion of Long-term debtors		1 922	92 879
- Short-term investments	11	41 183 398	40 555 919
Current liabilities		(9 447 796)	(7 976 554)
- Provisions	12	1 515 680	584 907
- Creditors	13	7 930 194	7 341 497
- Short-term portion of long-term liabilities		1 922	50 150
		93 394 857	83 101 698

CAMDEBOO MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED 30/06/08

Actual Income 2007 R	Actual expenditure 2007 R	Surplus/ (deficit) 2007 R		Actual Income 2008 R	Actual expenditure 2008 R	Surplus/ (deficit) 2008 R	Budget Surplus/(deficit) 2008 R
34 806 081	31 143 806	3 662 275	RATES AND GENERAL SERVICES	39 811 453	36 808 400	3 003 053	(234 966)
28 278 140	21 221 918	7 056 222	Community services	32 814 678	26 577 168	6 237 510	4 158 607
166 385	3 441 579	(3 275 194)	Subsidised services	203 475	3 534 199	(3 330 724)	(4 259 903)
6 361 556	6 480 309	(118 753)	Economic services	6 793 300	6 697 033	96 267	(133 670)
1 385		1 385	HOUSING SERVICES	1 385		1 385	
27 472 744	25 732 205	1 740 539	TRADING SERVICES	29 885 501	27 742 710	2 142 791	1 095 146
62 280 210	56 876 011	5 404 199	TOTAL	69 698 339	64 551 110	5 147 229	860 180
		(4 492 721)	Appropriations for the year			(4 437 278)	
		911 478	Nett surplus for the year			709 951	
		4 803 672	Accumulated surplus at the beginning of the year			5 715 150	
		5 715 150	ACCUMULATED DEFICIT AT THE END OF THE YEAR (Refer to note 14)			6 425 101	

CAMDEBOO MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30/06/08

	NOTES	2008 R	2007 R
CASH (UTILISED)/ RETAINED FROM OPERATING ACTIVITIES			
		21 040 178	12 424 566
Cash generated by operations	15	(10 473 095)	(10 975 258)
Interest earned		5 786 055	3 086 318
(Increase)/decrease in working capital	16	(1 201 968)	(3 156 754)
Less: Interest paid: External Loans		(3 632)	(18 698)
Cash (utilised in)/available from operations		(5 892 640)	(11 064 392)
Cash contributions from the public and the state		26 932 818	23 473 957
Nett proceeds on disposal of fixed assets			15 000
CASH RECEIVED IN INVESTING ACTIVITIES			
Capital expenditure during the year		(16 277 540)	(16 522 596)
NET CASH FLOW		4 762 638	(4 098 030)
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase/(decrease) in long-term loans (external)	17	(58 176)	(49 748)
(Increase)/decrease in cash investments	18	(627 478)	5 521 437
(Increase)/decrease in cash on hand	19	(4 076 984)	(1 373 659)
		(4 762 638)	4 098 030

CAMDEBOO MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/08**

	2008 R	2007 R
1 STATUTORY FUNDS	57 083 073	52 615 970
	57 083 073	52 615 970
<i>(Refer to Appendix A for more details)</i>		
2 RESERVES	30 152 001	24 201 404
Less: Transferred to Provisions	2 794 211	2 073 565
	27 357 790	22 127 838
<i>(Refer to Appendix A for more details)</i>		
3 TRUST FUNDS	1 261 266	1 418 719
	1 261 266	1 418 719
<i>(Refer to Appendix A for more details)</i>		
4 LONG-TERM LIABILITIES		
Annuity Loans	171 139	229 315
	171 139	229 315
Less: Short Term portion transferred to Current Liabilities	1 922	50 150
	169 217	179 165
<i>(Refer to Appendix B for more details)</i>		
5 CONSUMER DEPOSITS: SERVICES		
Electricity and Water	1 098 410	1 044 857
	1 098 410	1 044 857
6 FIXED ASSETS		
Fixed assets at the beginning of the year	131 212 566	115 352 816
Capital expenditure during the year	16 277 540	16 522 596
Less: Assets written off, transferred or disposed of during the year	-	662 846
Total fixed assets	147 490 106	131 212 566
Less: Loans redeemed and other capital receipts	112 583 874	102 111 927
Nett fixed assets	34 906 232	29 100 639
<i>(Refer to Appendix C for more details)</i>		

CAMDEBOO MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/08**

	2008 R	2007 R
7 LONG-TERM DEBTORS		

Housing Loans	171 139	181 738
Motor Loans	-	136 203
Loans to institutions	-	638
	<u>171 139</u>	<u>318 579</u>
Less: Short-term portion transferred to current assets	1 922	92 879
	<u>169 217</u>	<u>225 700</u>
8 INVENTORY		
General	385 596	317 620
Electrical	2 013 420	1 414 540
Water	205 139	177 199
Mechanical Workshop	15 586	16 149
	<u>2 619 741</u>	<u>1 925 508</u>
Less: Obsolete stock transferred to reserves (Appendix A)	431 954	57 765
	<u>2 187 787</u>	<u>1 867 743</u>
9 DEBTORS		
Assesment Rates	7 699 339	7 686 284
Electricity & Water	6 447 307	6 111 730
Housing	4 764 493	4 373 357
Miscellaneous Debtors	752 141	784 340
Other	837 190	247 334
	<u>20 500 470</u>	<u>19 203 045</u>
Less: Provision for bad debts (Appendix A)	1 646 577	1 430 894
	<u>18 853 893</u>	<u>17 772 151</u>
10 BANK AND CASH		
<i>Current Bank Account: First National Bank (Acc 52300007898)</i>		
Cash book balance at beginning of the year	1 459 106	85 447
Cash book balance at the end of the year	5 536 090	1 459 106
<i>Plus: Cashfloats</i>	4 114	4 114
	<u>5 540 204</u>	<u>1 463 220</u>
<i>Bankstatement Balance at beginning of the year</i>	1 363 279	1 935 056
<i>Bankstatement Balance at the end of the year</i>	7 762 607	1 363 279
11 INVESTMENTS		
Short term deposits	38 518 370	36 542 020
Call deposits	2 665 028	4 013 900
	<u>41 183 398</u>	<u>40 555 919</u>
Management's valuation of unlisted investments	41 183 398	40 555 919
No investments have been written off during the year		
No investment have been pledged as security for any funding facilities of the Council		
<u>CAMDEBOO MUNICIPALITY</u>		
<u>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/06</u>		
	2008	2007
	R	R
12 PROVISIONS		
Leave Pay Provision	715 680	584 907
Audit Fee Provision (Previous year shown as creditor)	800 000	

1 515 680	584 907
------------------	----------------

13 CREDITORS

Trade Creditors	4 323 257	2 280 314
VAT	1 515 200	1 113 782
Audit Cost (currently shown as provision)	-	1 054 103
Housing	344 325	325 399
Other	1 747 412	2 567 899
	7 930 194	7 341 497

14 APPROPRIATIONS

Appropriation account:

Accumulated surplus at the beginning of the year	5 715 150	4 803 672
Operating (deficit)/surplus for the year	5 147 229	5 404 199
	10 862 379	10 207 871
Less: Appropriations for the year:	(4 437 278)	(4 492 721)
Working capital Debtors	(2 156 837)	(2 000 000)
Working Capital Stores	(653 523)	(360 007)
Additional Provision for Audit Fees	(17 451)	(513 179)
Provision for Performance Bonusses		(64 435)
Leave Fund	(304 744)	(556 338)
Closing of IGG Account		505 350
Contr to operating account	(2 000 000)	
VAT recovered i.r.o. previous years	1 356 028	
Adjustments i.r.o. previous year	(660 751)	(1 504 112)
Accumulated surplus at the end of the year	6 425 101	5 715 150

Operating account:

Capital expenditure - Fixed assets	55 358	51 562
Contributions to:		
- Equitable share		3 000 000
- Leave reserve	6 330	6 000
- Provision Performance Bonus		69 668
- Revolving Fund	563 328	527 273
Contributions from:		
- Transport Fund	(500 000)	(500 000)
- Water stab Fund	(300 000)	(300 000)
- Sewerage	(100 000)	(100 000)
- Accumulated Surplus	(2 000 000)	(1 300 000)
	(2 274 984)	1 454 503

CAMDEBOO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/08

2008	2007
R	R

15 CASH GENERATED BY OPERATIONS

Surplus for the year	5 147 229	5 404 199
- Prior Year Adjustments and other appropriations (note 14)	(4 437 278)	(1 504 112)
Appropriations charged against income	3 640 120	1 454 503
Surplus acc		(1 300 000)
Leave reserve	311 074	6 000
Revolving fund	563 328	527 273
Provision for Audit Cost	800 000	
Fixed assets	55 358	51 562
Transfers from reserves	(900 000)	(900 000)
Working capital transfers	2 810 360	
Equitable share		3 000 000
Performance Bonus		69 668

Capital Charges:	4 958 840	4 479 079
Interest paid to: Internal Funds	1 313 321	1 142 292
External loans	3 632	18 698
Redemption of: Internal loans	3 594 309	3 214 881
External loans	47 578	103 208
Investment income	(1 369 038)	(1 483 215)
Operating contr from Central and Prov. Govmnt	(16 906 313)	(14 810 023)
Non Operating Expenditure		
- Expenditure charged against funds	(2 195 478)	(9 995 994)
Non Operating Income		
- Income Credited to Funds	688 823	5 480 306
	(10 473 095)	(10 975 258)
16 (INCREASE)/DECREASE IN WORKING CAPITAL		
(Increase)/Decrease in inventory	(694 233)	(225 501)
(Increase)/Decrease in Long-term debtors	147 440	(1 277 483)
(Increase)/Decrease in Debtors	(1 297 425)	117 556
Increase/(Decrease) in Creditors, Consumers deposits	642 250	(1 771 327)
	(1 201 968)	(3 156 754)
17 INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)		
Loans raised		
Loans repaid	(58 176)	(49 748)
	(58 176)	(49 748)
18 (INCREASE)/DECREASE IN CASH INVESTMENTS		
Investments realised		5 521 437
Investments made	(627 478)	
	(627 478)	5 521 437
<u>CAMDEBOO MUNICIPALITY</u>		
<u>NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/08</u>		
	2008	2007
	R	R
19 (INCREASE)/DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	1 459 106	85 447
Less: Cash balance at the end of the year	5 536 090	1 459 106
	(4 076 984)	(1 373 659)
20 PROPERTY RATES		
Rateable valuation of land and improvements :		
Land: R 71 243 139		
Improvements: R 583 195 331		
Date of last General Valuation: 1 Nov 2003		
Actual Rateable Income	7 972 614	7 511 046
21 REMUNERATIONS		
21.1 Council		
Mayor's allowance	249 629	232 227

Councillor's allowance	1 402 410	1 304 710
Councillor's Total Allowances	1 652 039	1 536 937
21.2 Municipal Manager	587 508	546 602
21.3 Chief Finance Officer	529 625	492 749
	1 117 133	1 039 351
22 FINANCE TRANSACTIONS		
<i>Total external interest earned or paid</i>		
- Interest earned	5 786 055	3 086 318
- Interest paid: External loans	3 632	18 698
<i>Capital charges debited to operating account:</i>		
Interest:		
- External	3 632	18 698
- Internal	1 313 321	1 142 292
Redemption:		
- External	47 578	103 208
- Internal	3 594 309	3 214 881
	4 958 840	4 479 079

CAMDEBOO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/08

2008 R	2007 R
-----------	-----------

23 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS

Building Society - bond quarentees

24 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure - 20 877 000

This expenditure will be funded financed from:-

- Internal Sources	11 098 000
- External Sources	9 779 000
Other sources	
Government Grants	9 779 000

-	20 877 000
---	-------------------

25 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of unauthorised expenditure

Opening balance	
Unauthorised expenditure current year	
Approved by Council or condoned	
Unauthorised expenditure awaiting authorising	-

Reconciliation of wastefull expenditure

Opening balance	
Fruitless and wastefull expenditure current year	

Approved by Council or condoned		
Fruitless and wasteful expenditure awaiting condonement	-	-

Reconciliation of irregular expenditure

Opening balance		
Irregular expenditure current year		
Approved by Council or condoned		
Irregular expenditure awaiting condonement	-	-

26 EMPLOYEE RELATED COST

Salaries	12 637 641	11 502 707
Wages	7 629 312	7 297 232
Overtime	1 307 361	1 017 791
Group Insurance	439 262	419 178
Housing subsidy	76 638	77 241
Medical Aid Fund	1 377 608	1 222 524
Pension Fund	3 098 526	2 942 407
Travelling allowance	275 779	306 970
Unemployment Insurance Fund	199 068	183 862
Uniforms & Overalls	104 987	92 855
Total	27 146 182	25 062 767

CAMDEBOO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/08

	2008 R	2007 R
27 REVOLVING FUND		
Accumulated Funds	50 147 420	45 619 796
Creditors	22 908	19 559
	<u>50 170 328</u>	<u>45 639 355</u>
Less: External Investments	19 524 731	19 324 913
External loans to institutions		638
Staff vehicle loans		136 203
Advances to borrowing Services	36 877 439	30 852 945
Temporary advance from(to) Rate Fund	<u>(6 231 842)</u>	<u>(4 694 903)</u>

28 ADDITIONAL DISCLOSURES IN TERMS OF MFMA

28.1 Contribution to SALGA

Opening Balance		
Council subscription	109 774	92 410
Amount paid current year	(109 774)	(92 410)
Amount paid previous year		
Balance unpaid (included in Creditors)	-	-

28.2 Audit Fees

Opening Balance	1 071 554	
Current year audit fee (2007/08)	800 000	611 313
Amount paid current year	-	(611 313)
Amount paid i.r.o. previous year (2006/07)	(1 071 554)	
Total Audit fees outstanding (included in provisions)	<u>800 000</u>	<u>-</u>

28.3 PAYE and UIF

Opening Balance		
Current year payroll deductions	2 288 677	2 169 220
Amount paid current year	(2 288 677)	(2 169 220)

Amount paid i.r.o. previous year		
Balance unpaid (included in Creditors)	-	-

28.4 Pension and Medical aid

Opening Balance		
Current year payroll deductions	6 483 858	7 983 953
Amount paid current year	(6 483 858)	(7 983 953)
Amount paid i.r.o. previous year		
Balance unpaid (included in Creditors)	-	-

CAMDEBOO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/08

2008 R	2007 R
-----------	-----------

28.5 Councillors arrear consumer accounts

The following Councillors had arrear accounts for more than 90 days

Rates & services

Clr K Hoffman	1 221	2 217
Clr I Reid	564	929
	1 785	3 146

Overpayment of allowances

Clr T Eksteen	14 535	20 901
Clr J Jacobs	19 920	23 472
Clr D Japtha	25 471	37 052
Clr A Knott-Craig	18 135	24 279
	78 061	105 704

CAMDEBOO MUNICIPALITY

APPENDIX A

STATUTORY FUNDS, RESERVES AND TRUST FUNDS FOR THE YEAR ENDED 30/06/08

	Balance at 30/06/2007 R	Contr for the year R	Interest received R	Other income & transfers R	Operating expenditure during year R	Capital expenditure during year R	Balance at 30/06/2008 R
STATUTORY FUNDS							
Dog Tax Account	568 585		62 491		18 000		613 076
Housing Development fund	4 811 423		624 107	8 144	1 003 546		4 440 128
Insurance Fund	1 441 054		192 790	82 211	49 909		1 666 146
Parking Area Dev. Fund	194 671		21 632				216 303
Revolving Fund	45 600 237	563 328	2 380 503	1 603 352			50 147 420
	52 615 969	563 328	3 281 523	1 693 707	1 071 455	0	57 083 073
RESERVES							
Accumulated Leave	1 462 266	311 074	160 509		144 650		1 789 199
Fire Brigade	1 508 353		195 084				1 703 437
Machinery & Office	333 776		52 963				386 739
Municipal Buildings	165 972		22 594				188 566
Special Fund Eastern Cape	2 297 286		353 225	3 408 492	508 367		5 550 636
Tarriff Stab Sew & San	340 497		34 577		100 000		275 074
Tarriff Stabilization Electricity	193 005		21 440				214 445
Tarriff Stabilization Water	535 014		50 179		300 000		285 193
Traffic Control	57 524		6 332				63 856
Transitional Local Grant	464 779						464 779
Transport	567 776		76 788		500 000		144 564
Working Capital - Debtors	14 308 935	2 156 837					16 465 772
Working Capital - Stores	1 966 218	653 523					2 619 741
	24 201 404	3 121 434	973 691	3 408 492	1 553 017	0	30 152 001
Less transferred to provisions							
Leave Pay (Note 12)	584 907						715 680
Absolute Stock (Note 8)	57 765						431 954
Bad debts (Note 9)	1 430 894						1 646 577
Grandtotal	22 127 838	3 121 434	973 691	3 408 492	1 553 017	0	27 357 790
TRUST FUNDS							
Aloe Project	1 049 342		120 714		319 257		850 799
Alex Laing Play grounds	278 987		30 992				309 979
Graaff-Reinet Cemetry	14 421		1 602				16 023
Laing Hall Furnisher	18 422		2 045				20 467
Mary Lane Park	45 013		5 059				50 072
R Church Cemetry	12 534		1 392				13 926
	1 418 719	0	161 804	0	319 257	0	1 261 266

CAMDEBOO MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 30/06/08

EXTERNAL LOANS	Balance at 30/06/2007 R	Received during the year R	Redeemed or written off during the year R	Balance at 30/06/2008 R
Annuity Loans	229 315		58 176	171 139
	229 315	0	58 176	171 139

INTERNAL ADVANCES TO BORROWING SERVICES	Balance at 30/06/2007 R	Received during the year R	Redeemed or written off during the year R	Balance at 30/06/2008 R
Revolving Fund	30 852 945	9 690 102	3 665 608	36 877 439
Housing Development Fund	77 517		7 485	70 032
	30 930 462	9 690 102	3 673 093	36 947 471

**CAMDEBOO MUNICIPALITY
APPENDIX C
ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30/06/08**

Expenditure 2007 R		Budget 2008 R	Balance at 30/06/2007 R	Expenditure during the year R	Written off transferred redeemed or disposed R	Balance at 30/06/2008 R
12 037 251	RATES AND GENERAL SERVICES	12 222 000	79 482 670	9 475 480	-	88 958 149
631 129	Land and buildings	5 281 000	13 698 047	2 808 800		16 506 847
316 742	Street and Bridges	4 378 000	15 335 227	4 261 466		19 596 693
273 446	Furniture & equipment	988 000	3 962 458	564 472		4 526 930
8 436 927	Sewerage	125 000	31 028 836	539 104		31 567 940
2 288 965	Motor Vehicles	1 350 000	14 735 786	1 301 638		16 037 424
90 042	Tools	100 000	722 315			722 315
-	HOUSING	-	4 078 979	-	-	4 078 979
4 485 345	TRADING SERVICES	8 655 000	47 650 918	6 802 060	-	54 452 978
-	Concrete Works		1 794			1 794
1 747 780	Electricity	5 160 000	19 807 598	3 509 222		23 316 820
2 737 565	Waterworks	3 495 000	27 841 526	3 292 838		31 134 364
16 522 596	TOTAL FIXED ASSETS	20 877 000	131 212 566	16 277 540	-	147 490 106
12 593 558	LESS: CAPITAL REDEEMED AND OTHER CAPITAL RECEIPTS		102 111 928	10 394 041	-77 906	112 583 874
3 387 157	Loans redeemed and advances paid		12 996 362	3 720 670	2 476 320	14 240 712
500 022	Contribution ex operating income		26 088 504	55 358	-2 476 320	28 620 182
8 706 378	Grants and subsidies		63 027 061	6 618 013	-77 906	69 722 980
3 929 039	NET FIXED ASSETS	20 877 000	29 100 638	5 883 499	77 906	34 906 232

CAMDEBOO MUNICIPALITY**APPENDIX D****ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30/06/08**

Actual 2007 R		Actual 2008 R	Budget 2008 R
INCOME			
14 810 023	Government - Grants & Subsidies	16 906 313	17 687 841
45 986 972	Operating income	51 422 988	48 716 071
7 511 046	- Assessment Rates	7 972 614	7 755 133
20 105 584	- Sale of Electricity	21 517 362	20 705 878
7 057 089	- Sale of Water	7 583 427	6 949 307
11 313 253	- Other service charges	14 349 585	13 305 753
1 483 215	- Interest Received	1 369 038	560 726
62 280 210		69 698 339	66 403 912
EXPENDITURE			
25 062 773	Salaries,wages and allowances	27 146 182	30 344 755
28 452 030	General expenses	35 269 705	32 855 923
10 947 295	-Purchase of electricity	11 801 478	11 550 671
17 504 735	- Other General Expenditure	23 468 227	21 305 252
1 531 314	Repairs and maintenance	2 029 046	2 428 645
4 479 079	Capital charges	4 958 840	4 935 905
51 562	Contributions to fixed assets	55 358	68 000
3 533 273	Contributions to other funds	569 658	539 932
63 110 031	Gross Expenditure	70 028 789	71 173 160
6 234 020	Less: Amounts charged out	5 477 679	5 629 428
56 876 011	Net Expenditure	64 551 110	65 543 732

APPENDIX E
CAMDEBOO MUNICIPALITY
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30/06/08

Actual Income	Actual expenditure	Surplus/(deficit)		Actual Income	Actual expenditure	Surplus/(deficit)	Budget Surplus/(Deficit)
2007 R	2007 R	2007 R		2008 R	2008 R	2008 R	2008 R
34 806 081	31 143 806	3 662 275	RATES AND GENERAL SERVICES	39 811 453	36 808 400	3 003 053	(234 966)
28 278 140	21 221 918	7 056 222	Community services	32 814 678	26 577 168	6 237 510	4 158 607
7 511 046	527 273	6 983 773	Assessment rates	7 972 614	563 328	7 409 286	7 229 971
20 957	2 340 725	(2 319 768)	Admin Town Clerk	20 928	2 531 871	(2 510 943)	(2 697 767)
-	78 084	(78 084)	Civil Defence	-	100 221	(100 221)	(99 165)
12 315	1 671 457	(1 659 142)	Council's General Expenses	7 207	1 981 802	(1 974 595)	(1 795 056)
-	24 723	(24 723)	Grants and Donations	-	17 364	(17 364)	(35 000)
2 943 922	2 941 958	1 964	Health Services	2 812 747	3 538 693	(725 946)	(365 636)
-	63 581	(63 581)	Hester Rupert Art Mus.	-	78 130	(78 130)	(67 070)
14 869	1 063 739	(1 048 870)	Libraries	15 923	1 146 749	(1 130 826)	(1 275 713)
105 718	6 965 897	(6 860 179)	Public Works	39 311	8 038 707	(7 999 396)	(7 855 794)
-	157 282	(157 282)	Swimming Baths	-	42 974	(42 974)	(147 294)
50 749	430 329	(379 580)	Town Engineer	47 731	698 001	(650 270)	(1 049 318)
16 303 415	3 929 174	12 374 241	Town Treasurer	20 081 897	6 768 357	13 313 540	12 256 827
1 315 148	1 027 695	287 453	Traffic Control	1 816 320	1 070 971	745 349	59 622
166 385	3 441 579	(3 275 194)	Subsidised services	203 475	3 534 199	(3 330 724)	(4 259 903)
5 413	365 304	(359 891)	Fire Protection	1 110	452 692	(451 582)	(481 869)
23 051	374 767	(351 715)	Air Port	59 842	400 866	(341 024)	(440 329)
134 036	492 423	(358 387)	Municipal buildings	138 548	532 089	(393 541)	(476 954)
3 860	1 902 716	(1 898 856)	Parks and Recreation grounds	3 975	1 829 225	(1 825 250)	(2 448 910)
25	-	25	Proclaimed Roads	-	-	-	-
-	306 369	(306 369)	Workshops	-	319 327	(319 327)	(411 841)
6 361 556	6 480 309	(118 753)	Economic services	6 793 300	6 697 033	96 267	(133 670)
2 048 314	2 551 025	(502 711)	Cleansing Services	2 166 163	2 630 634	(464 471)	(288 961)
137 898	109 389	28 508	Commonage & Pound	96 318	87 893	8 425	(39 465)
11 234	11 234	-	Parking Meters	10 698	99 113	(88 415)	(84 468)
593 544	1 260 542	(666 998)	Sanitation	737 428	1 077 379	(339 951)	(641 782)
3 512 044	2 508 393	1 003 651	Sewerage Scheme	3 722 693	2 770 299	952 394	910 016
58 523	39 727	18 796	Urquhart Park	60 000	31 715	28 285	10 990
1 385	-	1 385	HOUSING SERVICES	1 385	-	1 385	-
-	-	-	Sub Econ. Houses	-	-	-	-
27 472 744	25 732 205	1 740 539	TRADING SERVICES	29 885 501	27 742 710	2 142 791	1 095 146
81 954	126 119	(44 165)	Concrete Works	103 575	160 086	(56 511)	(117 027)
20 272 402	21 287 850	(1 015 448)	Electricity	22 127 048	23 026 794	(899 746)	(1 227 916)
7 118 389	4 318 236	2 800 153	Water	7 654 878	4 555 830	3 099 048	2 440 089
62 280 210	56 876 011	5 404 199	TOTAL	69 698 339	64 551 110	5 147 229	860 180
		(4 492 721)	Appropriations for the year (refer to note 14)			(4 437 278)	
		911 478	Nett surplus for the year			709 951	
		4 803 672	Accumulated surplus at the beginning of the year			5 715 150	
		5 715 150	ACCUMULATED SURPLUS AT THE END OF THE YEAR			6 425 101	

CAMDEBOO MUNICIPALITY
APPENDIX F
STATISTICAL INFORMATION FOR THE YEAR ENDED 30/06/08

	<u>2008</u>	<u>2007</u>
a) General statistics		
- Population	45000	45000
- Number of registered Voters	29000	29000
- Area km 2	100	100
Building Survey		
- number of building plans passed	102	113
- total value of building plans passed	R 10 083 333	R 20 566 583
Parks and recreation		
- number of developed parks	10	10
- number of swimming pools	3	3
- number of sportfields and tennis courts	24	24
Total valuations		
- taxable (R million)	654	644
- non taxable (R million)	56	57
Valuation date	01.11.03	01.11.03
Assessment rate		
- basic (cent in the Rand)	1.34	1.28
- discount Government	20%	20%
- discount Agricultural	30%	30%
Lisences issued - vehichle registrations	8683	9950
Libraries - books issued	85367	93905
Number of employees of Local authority	286	302
Electricity Statistics		
kWh		
i. Number of users (residential and commercial)	6857	6771
ii. Units bought ('000)	61475	60656
iii. Units sold (' 000)	54007	52369
iv. Units lost in distribution (ii – iii)	7468	8287
v. Percentage lost in distribution	12.15	13.66
vi. Cost per unit bought (cent)	19.37	18.05
vii. Loss in distribution (iv x vi) (Rand)	1 446 551	1 495 640
viii. Cost per unit sold (cent)	42.64	40.65
ix. Income per unit sold (cent)	40.97	38.71
Water Statistics		
Number of users (residential and commercial)	9122	9091
KI sold (' 000)	2148	2326
KI lost in distribution (' 000)	379	476
Percentage lost in Distribution	15	17
Refuse Removals		
Kilometres travelled	41750	40200
Refuse removed (cubic metre)	72614	62820
Sewerage		
Sewerage water purified (Megalitres)	1152	720
Sanitation removal (litres)	11370	11370