

MUNICIPALITY OF TSOLWANA

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2008

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MUNICIPALITY OF TSOLWANA

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2008

GENERAL INFORMATION

GRADING OF LOCAL AUTHORITY

Grade 1

AUDITORS

Office of the Auditor General

BANKERS

First National Bank ,Tarkastad
Account No. 53852257262

REGISTERED OFFICE

12 Murray Street
Tarkastad
5370

POSTAL ADDRESS

P.O.Box 21
Tarkastad
5370

TELEPHONE NUMBER

(045) - 846 0033

MUNICIPAL MANAGER

Mr S.J. Dayi

CHIEF FINANCIAL OFFICER

Mr. G.P. De Jager

MAYOR (SPEAKER)

Mrs M Bennett

COUNCILLORS WARD

Mr K. Nqiqhi	5	W
Mrs M Bennett	4	PR
Mr R A Sparrow	4	PR
Mrs N Temo	4	W
Mr S.J.Nozitho	3	W
Ms F Tshambu	3	PR
Mr T M Baleng	2	W
Mr N S Shumani	1	PR
Ms N F P Meje	1	PR
Mr M Mangcotywa	1	W

MUNICIPALITY OF TSOLWANA

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2008

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 9 to 22 were approved by the
Municipal Manager on2008 and presented to and approved by the
Council on2008

S DAYI
MUNICIPAL MANAGER

G P DE JAGER
CHIEF FINANCIAL OFFICER

.....
X.C.MTATI
MAYOR: TSOLWANA MUNICIPALITY

MUNICIPALITY OF TSOLWANA

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2008

Chief Financial Officer's Report

Review of operating results

Details of the operating results per department, classification and object of expenditure are disclosed in the detailed income statement. The overall operating results for the year ended 30 June 2008 are as follows:

1. OPERATING RESULTS

	Actual 2007	Actual 2008	Variance 2007 X 2008	Budget 2008	Variance Actual/ Budget
INCOME					
	R	R	%	R	%
Opening surplus	2 649 932	(1 570 441)			
Operating income for the year	14 704 602	19 724 608	34.14%	26 075 163	-32.20%
	17 354 534	18 154 167		26 075 163	
EXPENDITURE					
	R	R	%	R	%
Operating expenditure for the year	15 142 699	18 835 496	24.39%	24 106 019	-27.98%
Sundry transfers	3 782 276	1 030 946			
Closing surplus (deficit)	(1 570 441)	(1 712 276)			
	17 354 534	18 154 167		24 106 019	

1.1 Rates and General Services

	Actual 2007	Actual 2008	Variance 2007 X 2008	Budget 2008	Variance Actual/ Budget
	R	R	%	R	%
Income	8 663 155	12 338 869	42.43%	17 363 082	-40.72%
Expenditure	(11 976 564)	(15 325 344)	27.96%	(15 393 938)	-0.45%
Surplus / (deficit)	(3 313 409)	(2 986 475)		1 969 144	
Surplus / (deficit) as % of total income	-38.25%	-24.20%		11.34%	

Reasons for significant variances

Increase in income due to improvement in debt collection and government subsidies.

Increase in expenditure due to increases in salaries and government subsidies.

1.2 Trading Services

Electricity

	Actual 2007	Actual 2008	Variance 2007 X 2008	Budget 2008	Variance Actual/ Budget
Income	2 753 142	3 141 330	14.10%	3 351 331	-6.69%
Expenditure	(2 508 458)	(2 598 658)	3.60%	(3 351 331)	-28.96%
Surplus / (deficit)	244 684	542 672		-	
Surplus / (deficit) as % of total income	8.89%	17.28%		0.00%	

Reasons for significant variances

Increase in Income largely due to increase in consumer connections

Variance in expenditure is insignificant

Water Service

	Actual 2007	Actual 2008	Variance 2007 X 2008	Budget 2008	Variance Actual/ Budget
Income	3 288 305	4 244 409	29.08%	5 360 750	-26.30%
Expenditure	(657 677)	(911 494)	38.59%	(5 360 750)	-488.13%
Surplus	2 630 628	3 332 915		-	
Surplus as % of total income	80.00%	78.52%		0.00%	

Reasons for significant variances

Water income increased due to additional households.

Increase in expenditure due to correct placing of staff.

2. CAPITAL EXPENDITURE AND FINANCING

	2008 Actual	2008 Budget	2007 Actual
	R	R	R
Community Services	300 466	2 143 000	2 360 271
Economic Services	1 000 507	16 261 361	-
Housing Infrastructure	1 440	1 500 000	1 777 794
Trading Services	2 289 055	6 354 879	2 059 197
	3 591 468	26 259 240	6 197 262

Resources used to finance the fixed assets were as follows:

	2008 Actual	2008 Budget	2007 Actual
	R	R	R
CMIP			
District municipality			9 733
Grants and subsidies	3 591 468	26 259 240	4 866 539
Revolving fund			1 320 990
	3 591 468	26 259 240	6 197 262

3. INVESTMENTS AND CASH RESOURCES

Investments and cash resources at 30 June 2008 amounted to R 12 393 283 (2007 : R 13 555 858).

More information regarding investments are disclosed in note 7 to the financial statements.

4. FUNDS AND RESERVES

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

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G P DE JAGER
Chief Financial Officer

MUNICIPALITY OF TSOLWANA

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2008

ACCOUNTING POLICIES

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 have been prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 6. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
 - Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as traffic fines and certain licences.
 - Expenditure is accrued in the year it is incurred.

2. Consolidation

The financial statements include the Rate and General services, Housing service, Trading services and the different funds and reserves. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity, water and premiums charged by the insurance fund, which are treated as income and expenditure in the respective departments.

3. Fixed Assets

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

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:

 - Appropriations from income, where the full cost of the assets forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.
 - Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.
- 3.3 All net proceeds from the sale of fixed property are credited to the Revolving Fund.
- 3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

4. Funds and Reserves

4.1 Loan Redemption Fund

Internal loans are repaid in relation to the life of an asset. Redemption on government loans is paid half yearly on an annuity basis.

4.2 Revolving Fund

In order to finance the provision of infrastructure and other items of property, plant and equipment amounts are set aside from unappropriated surpluses to the Revolving Fund.

4.3 Trust Funds

Transactions relating to funds held by the Council for the benefit of third parties are accounted for only in the balance sheet with no recognition of income or expenditure in the income statement.

4.6 Project Funds

From time to time, the National and Provincial Government provide funds to Municipalities for the undertaking of certain prescribed projects. The funds so provided are not treated as operational grants upon receipt, but revenue is recognised only upon spending of the funds for the designated purpose, to the extent of the expenditure.

4.7 Employee Leave Reserve

This reserve was created to finance the sale of leave by employees' and is required to be fully cash backed.

4.8 Working Capital reserve

The working capital reserve was created as a cash backed investment from surplus amounts emanating from the amalgamation of the erstwhile units and is classified as part of the operating account funds to be utilised as and when required to offset arrear balances of indigent and deceased consumers.

5. Retirement Benefits

Tsolwana Municipality and its employees and councilors contribute to the Cape Joint Pension Fund and the SALA Pension Fund which provides retirement benefits to those contributors.

The retirement benefit plan is subject to the Pensions Funds Act, 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current services costs. Unfavourable experience adjustments and the cost of securing increased benefits are written off over the lesser of the remaining period of service of employees or five years. Favourable experience adjustments are retained in the retirement benefit plan.

6. Surpluses and Deficits

Any surplus or deficit arising from the operation of the Electricity, Transport and Water services are transferred to Rate and General services.

7. Treatment of administration and other overhead expenses

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

8. Investments

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred.

9. Deferred charges

The balance outstanding of the costs incurred in raising loans on the capital market, are recovered from operating income over the periods of the various loans involved.

10. Revenue Recognition

10.1 Electricity and Water Billings

Revenue from the sale of water and electricity is recognised when the monthly meter reading has been performed. Availability charges are billed at a flat rate approved by council.

10.2 Assessment Rates

Assessment rates income is recognised once a rates assessment has been issued to ratepayers. All rateable properties are charged assessment rates based on the Municipal valuation of properties.

11 Assessment Rates

The Municipality of Tsolwana applies a differential site rating system. In terms of this system the assessment rates are levied on the value of the property, and rebates are granted according to the use to which a particular property is put. Rebates of 100% were granted to Churches and rebates of 20% were granted to government and educational institutions.

MUNICIPALITY OF TSOLWANA

BALANCE SHEET

as at 30 June 2008

	Note	2008 R	2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		4 658 990	5 630 620
Revolving Fund	1	2 579 194	2 454 355
Working Capital Reserve	2	1 197 157	2 463 196
Employee Leave Reserve	2	882 639	713 069
ACCUMULATED DEFICIT		(1 712 276)	(1 570 441)
		<u>2 946 714</u>	<u>4 060 179</u>
TRUST FUNDS	3	9 628 954	9 854 767
LONG TERM LIABILITIES	4	226 566	268 249
CONSUMER DEPOSITS	5	147 443	142 572
		<u>12 949 677</u>	<u>14 325 767</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	1 828 297	2 007 313
INVESTMENTS	7	<u>12 393 283</u>	<u>13 555 858</u>
		14 221 580	15 563 171
NET CURRENT ASSETS		(1 271 903)	(1 237 404)
CURRENT ASSETS		1 577 007	1 273 987
Debtors	8	1 137 259	1 191 257
Bank		434 748	77 730
Cash		5 000	5 000
CURRENT LIABILITIES		2 848 910	2 511 391
Provisions	9	0	0
Creditors	10	2 810 790	2 483 919
Bank overdraft		0	0
Short-term portion of long term liabilities	4	38 120	27 472
		<u>12 949 677</u>	<u>14 325 767</u>

MUNICIPALITY OF TSOLWANA

INCOME STATEMENT

for the year ended 30 June 2008

2007	2007	2007		2008	2008	2008	2008
Actual Income R	Actual Expenditure R	Actual Surplus/ (Deficit) R		Actual Income R	Actual Expenditure R	Actual Surplus/ (Deficit) R	Budgeted Surplus/ (Deficit) R
8 663 155	11 976 564	(3 313 409)	RATES AND GENERAL SERVICES	12 338 869	15 325 344	(2 986 475)	1 969 144
5 723 731	9 110 626	(3 386 895)	Community services	9 038 086	10 845 531	(1 807 445)	1 969 144
155 489	406 743	(251 254)	Subsidised services	371 747	1 397 182	(1 025 435)	0
2 783 935	2 459 195	324 740	Economic services	2 929 036	3 082 631	(153 595)	0
6 041 447	3 166 135	2 875 312	TRADING SERVICES	7 385 739	3 510 152	3 875 587	0
<u>14 704 602</u>	<u>15 142 699</u>	(438 097)	TOTAL	<u>19 724 608</u>	<u>18 835 496</u>	889 112	<u>1 969 144</u>
		(3 782 276)	Appropriations for the year (Note 11)			(1 708 623)	
		(4 220 373)	Net deficit for the year			(819 511)	
		2 649 932	Accumulated surplus (deficit) at the beginning of the year			(1 570 441)	
			Overstated accumulated deficit prior year financial statements			677 676	
		<u>(1 570 441)</u>	ACCUMULATED SURPLUS (DEFICIT) AT THE END OF THE YEAR			<u>(1 712 276)</u>	

(Refer to appendices D and E for more detail)

MUNICIPALITY OF TSOLWANA

CASH FLOW STATEMENT

for the year ended 30 June 2008

	Note	2008 R	2007 R
CASH RETAINED FROM OPERATING ACTIVITIES		2 816 946	2 902 137
Cash generated by operations	12	(22 100 929)	(7 070 378)
Investment income	14	1 183 840	328 851
(Increase)/Decrease in working capital	13	385 740	2 750 213
		(20 531 349)	(3 991 314)
Less: External interest paid		(42 620)	45 346
Cash available from operations		(20 573 969)	(3 945 968)
Cash contribution from the public and the State		23 390 915	6 848 105
CASH UTILISED IN INVESTING ACTIVITIES			
Investments in Fixed Assets		(3 591 468)	(6 197 261)
NET CASH FLOW		<u>(774 522)</u>	<u>(3 295 124)</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
(Decrease) / increase in long-term loans	15	(31 035)	(27 471)
(Increase) / decrease in cash on hand	16	(357 018)	191 807
(Increase) / decrease in cash investments	17	1 162 575	3 130 788
		<u>774 522</u>	<u>3 295 124</u>

MUNICIPALITY OF TSOLWANA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

1) STATUTORY FUNDS

Revolving Fund

(Refer to Appendix A for more detail)

2) RESERVES

Working Capital Reserve (Invested per Note 7)

Employee Leave (Invested per Note 7)

(Refer to Appendix A for more detail)

3) TRUST FUNDS

Invested per Note 7

(Refer to Appendix A for more detail)

4) LONG TERM LIABILITIES

Annuities

Less: Short term portion

(Refer to Appendix B for more detail)

5) CONSUMER DEPOSITS

Electricity & Water Deposits

(Invested per Note 7)

6) FIXED ASSETS

Fixed assets at the beginning of the year

Capital expenditure during year

Less : Loans Redeemed and Other Capital Receipts

Less : Disposals

(Refer to appendix C for more details)

Prior year balances have been rectified as follows :

Capital receipts from Income

Less : Capital receipts from MSP Grants

Capital receipts from grants and subsidies

Plus : Capital receipts from MSP Grants

	2008 R	2007 R
	2 579 194	2 454 355
	1 197 157	2 463 196
	882 639	713 069
	2 079 796	3 176 265
	9 628 954	9 854 767
	264 686	295 721
	(38 120)	(27 472)
	226 566	268 249
	147 443	142 572
	65 033 860	58 836 599
	3 591 468	6 197 261
	68 625 328	65 033 860
	(66 797 031)	(63 026 547)
	1 828 297	2 007 313
		4 746 381
		642 323
		4 104 058
		56 315 375
		642 323
		56 957 698

12) CASH GENERATED IN OPERATIONS

Surplus (deficit) for the year
 Appropriations previous years
 Appropriations charged against income:
 Reserves
 Assets
 - Revolving fund
 Capital charges:
 Interest paid:
 - to internal funds
 - on external loans
 Redemption:
 - of internal advances
 - of external loans
 Investment Income
 Grants and subsidies received from the State
 Non-operating expenditure:
 Expenditure charged against Funds
 Expenditure charged against Reserves

2008 R	2007 R
889 112	(438 097)
(1 030 947)	
169 692	
0	0
236 055	117 710
88 458	15 878
42 620	45 346
73 942	29 015
31 035	27 471
(153 389)	(328 851)
(10 250 199)	(6 421 140)
(10 533 703)	
(1 427 550)	
(22 100 929)	(7 070 378)
2008 R	2007 R
53 998	2 415 590
331 742	334 623
385 740	2 750 213
1 183 840	328 851
(31 035)	(27 471)
82 730	274 537
439 748	82 730
(357 018)	191 807
1 162 575	3 130 788
16 911 587	16 911 587
7 343 712	7 343 712
24 255 299	24 255 299
1 233 547	1 068 937

13) (INCREASE)/DECREASE IN WORKING CAPITAL

(Increase)/Decrease in Debtors
 (Increase)/Decrease in Current Liabilities

14) INVESTMENT INCOME

15) (DECREASE)/INCREASE IN LONG TERM LOANS

Loans Repaid

16) DECREASE/(INCREASE) IN CASH ON HAND

Cash and Cash Equivalents at start of year
 Cash and Cash Equivalents at end of year

17) (INCREASE)/DECREASE IN INVESTMENTS

Investments (made)/withdrawn during year

18) ASSESSMENT RATES

Site valuations as at 1 July 2002: Residential, commercial,
 state and municipal:

Rateable
 Exempt

Actual income

A general valuation was undertaken in 2004 but values were not adjusted for the years ended 2005, 2006, 2007 and 2008. The above values are those which came into effect in 1989 for Hofmeyr and 1995 for Tarkastad

(Refer to Appendix F for more detail)

MUNICIPALITY OF TSOLWANA

for the year ended 30 June 2008

APPENDIX A

ACCUMULATED FUNDS, TRUST FUNDS, PROVISIONS AND RESERVES

	Vote	Balance at 2007-06-30	Income during the Year	Interest on Investments	Expenditure during the Year	Balance at 2008-06-30
STATUTORY FUNDS						
Revolving Fund	61501	2 454 355	88 458	36 381		2 579 194
		2 454 355	88 458	36 381	0	2 579 194
RESERVES						
Working Capital Reserve	64801	2 463 196		134 173	1 400 212	1 197 157
Employee Leave Reserve	64901/91590	713 069	169 692	27 216	27 338	882 639
		3 176 265	169 692	161 389	1 427 550	2 079 796
TRUST FUNDS						
Housing Development Fund	62001	43 247		2 530		45 777
671 Housing Scheme	62201	96 744		7 369		104 113
Bulk Sewer	62901	199 092		15 805		214 897
Water Supply Fund	63001	2 405 453	15 471	157 316	1 250 510	1 327 730
671 Housing Fund CMIP	63101	1 475		56		1 531
Housing Site Fund	63201	40 955		2 491		43 446
671 Housing Estab Grant	63301	2 156		81		2 237
Councillor Allowances	63401	74 697		1 134	74 000	1 831
Unidentified Funds	63501	11 521		302	7 200	4 623
Transition Operation Costs	63601	2 924		108		3 032
Free Basic Services	63701	31 764		1 843		33 607
Systems Improvement	63801	30 466	734 000	45 931	90 056	720 341
CH E/Share Refunds	63901	208 612		9 038	165 865	51 785
Spatial Devel. Framework	64001	22 949	586	1 009	1 641	22 903
Luxolweni Plan Fund	64101	40 686	100 000	9 908		150 594
HR Related Projects	64201	82 457	80 000	17 404	472	179 389
Valuations Tarkastad	64301	194 195		14 467	47 208	161 454
1004 Housing Fund	64401	3 809		71	2 175	1 705
1400 Houses	64501	115 634		9 265		124 899
1400 Housing Estab Fund	64601	1 320		48		1 368
1004 Houses	64701	9 352		295	1 595	8 052
Hofmeyr 1000 Top Structure	65101	1 281 067		123 898		1 404 965
Hofmeyr 1000 Infrastructure	65201	180 308		14 676		194 984
1400 Thornhill Housing	65301	186 356		14 549		200 905
671 Tarka housing No2	65401	653 976		53 477	8 151	699 302
1000 Tarka housing No2	65501	247 140		19 361	8 333	258 168
1000 Tarka housing No2	65601	838 381		68 798		907 179
Mapping Tsolwana	65701		583 650	8 648		592 298
Tourism Sector Plan	65801		108 000	1 530		109 530
E/Share	65901		9 068 250	73 781	9 139 856	2 175
Development Plan	66001	123 902	113 230	9 412	198 790	47 754
Rightsizing	66101	290 788		23 579		314 367
Transitional Grant	66201	23 792	117 270	5 481		146 543
Management Support Prog.	66301	679 611	1 044 537	82 574	925 757	880 965
Municipal Finance Manage.	66401	700 800	250 000	35 728	926 677	59 851
Financial Statements	66501	7 035		254		7 289
Dawn Park Plan Fees	66601	5 546		210		5 756
Other Property Refund Bhisio	510		13 012			13 012
Full Ownership Houses	610	5 557	7 200	255	13 012	
Rudimentary Infrastructure	50001	639				639
New Hall SDR	56601	1 371	2 360			3 731
New Hall Ivanlew	57101	3 694	11 354		15 048	
Water Meters Zola	77901	10 939				10 939
Service Site Pilot Scheme	78101	11 709				11 709
Electricity Zola/Ivanlew	78909	85 269	60 479		135 436	10 312
Schaapkraal	79004	75 133				75 133
Library Extension	79401	17				17
671 Housing	79601	149 787				149 787
Sports Facilities	79801	250				250
1004 Housing	80601	19 207	1 750		1 595	19 362
National Electricity Escom	80701	183 107	106 211		230 793	58 525
Water Scheme Ntabathemba	80801	37 565				37 565
Mitford Comm. Hall	80901		1 124			1 124
Tendergate Hall	81501	179			179	
Road Machinery	81601					
Stormwater Hofmeyr	81701	23 908				23 908
Tarka Upgrade	82101	1 953	46 262		45 716	2 499
Ekwezi Comm. Hall	82201		990			990
LED Brickmakers Programme	82901	15 588			12 609	2 979
Thornhill Comm. Hall	83001		0			0
Emerging Water	84801	374 788	660 566		896 409	138 945
Water Dawn Park	85001	15 897	16		129	15 784
Twinsville Elec. Hofmeyr	85101		14 398			14 398
		9 854 767	13 140 716	832 681	14 199 210	9 628 954

MUNICIPALITY OF TSOLWANA
for the year ended 30 June 2008

Appendix B

EXTERNAL LOANS AND INTERNAL ADVANCES						
	Rate	Redeemable	Balance 2007-06-30	Received during the Year	Redeemed, written off during the Year	Balance 2008-06-30
EXTERNAL LOANS						
LALAF - Sewerage Reticulation	10.75%	2011	82 337		15 815	66 522
LALAF - Water Augmentation Scheme	15.34%	2015	213 384		15 220	198 164
			295 721		31 035	264 686
INTERNAL LOANS EX REVOLVING FUND						
Water Augmentation Scheme	Interest free	2025	213 210		12 542	200 668
Islands van Reenen Street	12.0%	2014	22 771		2 806	19 965
Earth dams	16.0%	2012	67 033		13 230	53 803
Road Machinery (Repayments start 06/2008)	5.0%	2027	1 500 000		45 364	1 454 636
			1 803 014		73 942	1 729 072

MUNICIPALITY OF TSOLWANA
for the year ended 30 June 2008

APPENDIX C

ANALYSIS OF FIXED ASSETS

Expended 2007 R	SERVICE	Budget 2008 R	Balance at 2007-07-01 R	Expended 2008 R	Written off, transferred, redeemed or disposed of during the Year R	Balance at 2008-06-30 R
2 360 272	RATES AND GENERAL SERVICES	18 404 361	25 283 800	1 300 973		26 584 773
2 360 272	Community services	2 143 000	20 676 717	300 466		20 977 183
377 343	Land & buildings	1 743 000	11 421 762	112 865		11 534 627
9 733	Streets & stormwater		5 239 284	123 380		5 362 664
1 320 990	Plant & equipment		1 868 109	0		1 868 109
504 400	Office Equipment		828 789	62 873		891 662
0	Parks, recreation and cemetery		546 140	0		546 140
128 806	Town planning	400 000	220 845	1 348		222 193
19 000	Motor vehicles		551 788	0		551 788
0	Economic services	16 261 361	4 607 083	1 000 507		5 607 590
0	Sewerage / sanitation	11 633 524	3 904 694	0		3 904 694
	Civil services	4 627 837	702 389	1 000 507		1 702 896
1 777 794	HOUSING SERVICES	1 500 000	17 623 017	1 440		17 624 457
2 059 196	TRADING SERVICES	6 354 879	22 127 043	2 289 055		24 416 098
776 827	Electricity	5 012 000	6 300 317	1 509 912		7 810 229
1 282 369	Water	1 342 879	15 826 726	779 143		16 605 869
6 197 262	TOTAL FIXED ASSETS	26 259 240	65 033 860	3 591 468		68 625 328
	LESS : LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		63 026 547		3 770 484	66 797 031
	Loans redeemed		1 964 791		104 977	2 069 768
	Contributions from current income		4 104 058		0	4 104 058
	Grants and subsidies	26 259 240	56 957 698		3 665 507	60 623 205
6 197 262	NET FIXED ASSETS		2 007 313	3 591 468	(3 770 484)	1 828 297

See note 6 for restatement of opening balances of loans redeemed and other capital receipts

MUNICIPALITY OF TSOLWANA
for the year ended 30 June 2008

APPENDIX D

**ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 June 2008**

Actual 2007 R	INCOME	Actual 2008 R	Budget 2008 R
6 421 140	Grants and subsidies	10 250 199	19 526 562
6 421 140	- Provincial government	10 250 199	19 526 562
8 283 462	Operating Income	9 474 409	6 548 601
1 068 937	- Assessment rates	1 233 547	751 898
2 290 415	- Sale of electricity	2 563 696	1 800 000
1 411 575	- Sale of water	1 962 290	1 511 980
328 851	- Interest on Investment	153 389	110 974
3 183 684	- Other income	3 561 487	2 373 749
14 704 602	Total Income	19 724 608	26 075 163
EXPENDITURE			
7 220 089	Salaries, wages and allowance	8 436 797	10 775 688
5 370 648	General expenses	7 180 228	8 441 670
530 144	Repairs and maintenance	894 341	812 756
72 817	Capital charges	236 055	201 730
	Contribution to capital		29 953
	Contribution to employee leave reserve	169 692	2 270 120
1 949 001	Electricity purchases	1 918 383	1 574 102
15 142 699	Gross expenditure	18 835 496	24 106 019

APPENDIX E

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 June 2008**

2007	2007	2007		2008	2008	2008	2008
Actual Income R	Actual Expenditure R	Actual Surplus / (Deficit) R		Actual Income R	Actual Expenditure R	Actual Surplus / (Deficit) R	Budgeted Surplus / (Deficit) R
RATES AND GENERAL SERVICES							
5 723 731	9 110 626	(3 386 895)	Community services	9 038 086	10 845 531	(1 807 445)	1 969 144
1 068 937		1 068 937	Assessment rates	1 233 547		1 233 547	0
1 154 657	4 372 928	(3 218 271)	Council's general expenses	4 414 737	6 354 179	(1 939 442)	1
799 632	795 421	4 211	Admin	602 928	2 194 338	(1 591 410)	0
2 026 091	2 803 166	(777 075)	Town treasurer	2 010 295	1 599 443	410 852	1 969 143
585 710	1 049 128	(463 418)	Public works	618 741	697 453	(78 712)	0
88 704	89 983	(1 279)	Traffic services	157 838	118	157 720	0
155 489	406 743	(251 254)	Subsidised services	371 747	1 397 182	(1 025 435)	0
149 425	124 937	24 488	Civil buildings	355 453	1 138 858	(783 405)	0
	28 051	(28 051)	Fire protection			0	0
	191 036	(191 036)	Library	5 465	202 577	(197 112)	0
6 064	62 719	(56 655)	Parks, recreation & cemeteries	10 829	55 747	(44 918)	0
2 783 935	2 459 195	324 740	Economic services	2 929 036	3 082 631	(153 595)	0
1 390 843	946 706	444 137	Cleansing	1 558 676	1 220 408	338 268	0
1 393 092	1 512 489	(119 397)	Sewerage	1 370 360	1 862 223	(491 863)	0
			Housing services				
			Trading services				
6 041 447	3 166 135	2 875 312	Electricity	7 385 739	3 510 152	3 875 587	0
2 753 142	2 508 458	244 684	Water	3 141 330	2 598 658	542 672	0
3 288 305	657 677	2 630 628		4 244 409	911 494	3 332 915	0
14 704 602	15 142 699	(438 097)	TOTAL	19 724 608	18 835 496	889 112	1 969 144
		(3 782 276)	Appropriations for the year (Note 11)			(1 708 623)	
		(4 220 373)	Net Deficit for the Year			(819 511)	
		2 649 932	Accumulated Surplus at the beginning of the Year			(1 570 441)	
			Overstated accumulated deficit prior year financial statements			677 676	
			ACCUMULATED SURPLUS AT THE END OF THE YEAR			(1 712 276)	
		(1 570 441)					

MUNICIPALITY OF TSOLWANA

for the year ended 30 June 2008

APPENDIX F

STATISTICAL INFORMATION 2007/08 FINANCIAL YEAR

a) General Statistics

i)	Population		35 876
ii)	Date of valuation:	Hofmeyer	2004
		Tarkastad	2004
		Ntabethemba	n/a
	Valuation properties:	Taxable	R 16 911 587
		Non-taxable	R 7 343 712
iii)	Valuation of residential and commercial property		R 24 255 299
iv)	Number of residential and commercial properties		R 11 504.00
v)	Valuation of industrial, agricultural and other properties		n/a
vi)	Number of industrial, agricultural and other properties		n/a
vii)	Assessment rate:	Hofmeyer	4.50c/R1
		Tarkastad	3.11c/R1
viii)	Number of employees of the local authority		77

b) Electrical Statistics

i)	Number of users (Residential and Commercial)		3 947
ii)	Units bought/generated		7 131 535
iii)	Units sold		6 310 092
iv)	Units lost in distribution ((ii) - (iii))		821 443
v)	Units lost in distribution, as a % of (ii)		R 0.12
vi)	Cost per unit bought/generated		R 0.31
vii)	Loss in distribution (iv x vi)		R 251 525.85
viii)	Cost per unit sold (operating expenditure divided by (iii))		R 0.41
	R2 598 658/6 310 092		
ix)	Income per unit sold (operating income divided by (iii))		R 0.48
	R3 038 571/6 310 092		

c) Water Statistics

i)	Number of users		10 704
ii)	Units pumped: Own boreholes		965 498
iii)	Units sold		727 055
iv)	Units lost in distribution (Units pumped: (ii) - (iii))		238 443
v)	Units lost in distribution, as % of (ii)		24.70%
vi)	Cost per unit bought/purified	Own borehole	
vii)	Loss in distribution ((iv) x (vi))	n/a	
viii)	Cost per unit sold (operating expenditure divided by (iii))		R 1.25
	R911 494/727 055		
ix)	Income per unit sold (operating income divided by (iii))		R 4.45
	R3 238 235/727 055		

d) Transport Statistics	Private taxi's
e) Sundry Statistics	
i) Area in square kilometers	6,024 km ²
ii) Previous election number of registered voters	16 346
Previous election % poll	58%
iii) Fire Service	
Units (stations)	1
Number of employees (excluding administrative personnel)	Public volunteers
iv) Parks and recreation	
Number of developed parks/arewa (square kilometers)	nil
Number of swimming pools	nil
Number of tennis courts	2
Number of rugby fields	2
Number of soccer fields	24
v) Licenses issued	2 176
Vehicle registrations	
Other	
vi) Total personnel in the service of the Municipality	77
vii) Library books issued	20 125
viii) Cleansing- Refuse removed and dumped: Tonnage/year	218
ix) Roads and works - Kilometer roads constructed/repared	76
x) Housing	
Number of houses	13 265
Number of people on waiting list	1 695
Number of people accomodated	34 998
f) Any other statistics that may be in public interest	
i) Community halls	10
ii) Farm of grazing/water supply	1