



INKWANCA LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

INKWANCA LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

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GENERAL INFORMATION

MEMBERS OF THE COUNCIL

M E YEKANI	Mayor
K. P. KIDO	Councillor
N.S. NOYI	Councillor
P. PARKER	Councillor
J.G STETTON	Councillor
N. T. FOLOSE	Councillor

MANAGEMENT

N.A NCUBE	Accounting Officer
Z FOLOSE	Chief Financial Officer
A KOOS	Technical Services

GRADING OF LOCAL AUTHORITY

Grade 2

AUDITORS

Auditor General

BANKERS

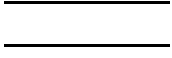
Standard Bank
P. O. Box 14
Molteno
5500

REGISTERED OFFICE

39 Smith Street
Molteno
5500

P. O. Box 1
Molteno
5500

Telephone : 045 967 0021
Fax: 045 967 0467



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I am responsible for the preparation of these annual financial statements which are set out on page 1 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 12 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 accordance with this Act.

EXPRESSION OF APPRECIATION

I am grateful to the Mayor, Councillors and to the municipal staff for their assistance and support during the year.

.....
MUNICIPAL MANAGER: NA NCUBE

Dip. Advanced Public Administration (Univ. of Stellenbosch)

STD (Univ of Transkei)

AWS (Univ. of Stellenbosch)

(Accounting Officer)

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ACCOUNTING POLICIES

1. Basis of preparation

- 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 and its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition - January 1996). And the disclosure requirements of the MFMA
- 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 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 balance sheet includes Rates and General Services, 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 and water 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 useful 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 financial statements 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:

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ACCOUNTING POLICIES (continued)

- * Appropriations from operating income, where the full cost of the asset 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.
- 3.5 A detailed GAMAP compliant assets register has been prepared.

4. Funds and reserves

4.1 Revolving fund

The fund requires a minimum contribution of 7.5 % of the product of the assessment rates that were levied for the immediately preceding financial year. It is not required from Council to contribute an amount that is 20% more than the amount required to be contributed in the immediately preceding financial year.

Subject to the availability of funds

Net proceeds from the sale of fixed property are invested in the Revolving Fund. Funds accumulated in the Revolving Fund are utilised for the purpose of providing advances to borrowing services and to finance the acquisition or upgrading of land or fixed property.

4.2 Other funds and reserves

Other funds and reserves, which are disclosed in the notes (1 - 3) and appendix A to the financial statements, are built up either by appropriations made on an annual basis from the operating account to the relevant funds and reserves or from contributions received from

the public and the State with the objective of providing community facilities and funds to finance bad debts.

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ACCOUNTING POLICIES (continued)

5. Provisions

Provisions are created for liabilities or contingencies that are known at the date of the balance sheet but for which the amounts involved cannot be determined with substantial accuracy.

6. Retirement benefits

The Council and its employees contribute to various pension, provident and retirement funds. The larger funds include the SAMWU National Provident Fund, the Cape Joint Retirement Fund and the SALA Pension Fund.

The retirement benefits are calculated in accordance with the rules of the respective funds. Current contributions by the Council are charged against operating income at the rate of a fixed percentage of the basic salary paid to employees.

Full actuarial valuations are performed at least every three years.

7. Surpluses and deficits

Any surpluses and deficits arising from the operation of the Electricity and Water Services are transferred to Rates and General Services.

8. Treatment of administration and other overhead expenses

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

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ACCOUNTING POLICIES (continued)

9. Investments

Investments are disclosed at the lower of cost or market value if a permanent decline in value has occurred and are invested on such conditions as the Minister may approve.

10. Income recognition

10.1 Electricity and water billings

All meters are read and billed monthly. Income is recognised when meters are read and the monthly levies debited to the respective consumer account. Where meters cannot be read during a particular month, they are provisionally billed with the necessary adjustments made in the month they are indeed read. With regard to prepayment electricity purchases, income is recognised at the date of purchase.

10.2 Assessment rates

The local authority applies a uniform system of rating. In terms of this system the assessment rates are levied on the land value of property and improvements of different categories of properties, at the rate and Rebates are granted

as approved in the budget.

Income is recognised when such levies are raised and debited to the respective ratepayer account.

10.3 Other income

Income from services such as refuse removal and sewerage, recovered by way of debtors, is recognised when such levies are raised and debited against the respective consumer account. Income from other sources is recognised when paid.

INKWANCA LOCAL MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual income	2007 Actual expenditure	2007 surplus/ (deficit)		2008 Actual income	2008 Actual expenditure	2008 surplus/ (deficit)	2008 Budgeted surplus/ (deficit)
R	R	R		R	R	R	R
14 852 075	10 165 435	4 686 640	RATES AND GENERAL SERVICES	16 091 378	21 009 021	(4 917 643)	(305 509)
7 969 479	4 786 196	3 183 283	Rates & Corporate services	9 874 341	15 318 320	(5 443 979)	3 728 689
2 802 659	3 277 186	(474 527)	Community/Subsidised services	2 428 673	3 944 210	(1 515 537)	(3 287 996)
4 079 937	2 102 053	1 977 884	Development /Economic services	3 788 364	1 746 491	2 041 872	(746 202)
29 693	277 913	(248 220)	HOUSING SERVICES	9 906	593 477	(583 571)	(1 233 752)
8 216 544	4 205 894	4 010 650	TRADING SERVICES	7 944 692	3 902 692	4 042 000	1 341 860
23 098 312	14 649 243	8 449 070	TOTAL	24 045 976	25 505 190	(1 459 214)	(197 401)
		(6 670 627)	Appropriations for the year (refer note 16)			1 696 280	
		1 778 442	NET SURPLUS (DEFICIT) FOR THE YEAR			237 067	
		(1 342 421)	Accumulated surplus/(deficit) beginning of the year			436 022	
		436 022	ACCUMULATED SURPLUS END OF THE YEAR			673 089	

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BALANCE SHEET AT 30 JUNE 2008

	Note	2008 R	2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES			
		2 938 331	2 904 777
Statutory funds	1	2 936 505	2 902 853
Reserves	2	1 825	1 924
ACCUMULATED SURPLUS			
		673 089	436 022
		3 611 419	3 340 800
CONDITIONAL GRANTS	3	-983	497 107
LONG TERM LIABILITIES	4	1 803 745	429 327
CONSUMER DEPOSITS: SERVICES	5	178 687	139 174
		5 592 869	4 406 408
EMPLOYMENT OF CAPITAL			
CONDITIONAL GRANTS INVESTMENTS	3	0	31 228
FIXED ASSETS	6	4 292 611	3 544 052
		4 292 611	3 575 279
NET CURRENT ASSETS		1 269 713	831 129
CURRENT ASSETS		7 177 554	4 405 797
Accounts receivable	7	6 901 965	4 364 799
Cash resources		275 589	38 002
Short-term deposits		0	2 997
CURRENT LIABILITIES		5 907 841	3 574 668
Accounts payable	8	4 566 398	1 783 219
Bank overdraft		435 418	1 183 779
Short-term portion of long-term liabilities	4	297 984	188 855
Provisions	9	608 041	418 814
		5 562 324	4 406 408

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 R	2007 R
CASH RETAINED FROM OPERATING ACTIVITIES		(313 559)	17 341 948
Cash generated by operations	15	(5 674 808)	3 055 978
(Increase)/Decrease in working capital	16	(435 239)	2 223 153
		(6 110 047)	5 279 131
Less: External interest paid		164 863	(82 232)
Cash available from operations		(5 945 184)	5 196 899
Cash contributions from the public and the State		4 891 053	12 145 049
CASH UTILISED IN INVESTING ACTIVITIES		(748 559)	(134 293)
Investment in fixed assets		(748 559)	(134 293)
Disposal of fixed assets		-	-
NET CASH FLOW		(1 062 117)	(336 758)
CASH EFFECTS OF FINANCING ACTIVITIES		1 183 361	(224 659)
(Decrease)/increase in long-term liabilities	17	1 374 418	(59 549)
Decrease / (increase) in cash on hand	19	(159 829)	(167 587)
Decrease /(increase) in external cash investments	18	(31 228)	2 477
NET CASH UTILISED		748 361	(165 111)

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NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
1. STATUTORY FUNDS		
Revolving Fund	(2 936 505)	2 902 853
The revolving fund is represented by an investment at standard bank of R3,746.68 and internal loans of R 895,610 resulting in an underfunding of R2,003,496 at 30 June 2007		
2. RESERVES		
Leave Reserve Fund	(1 825)	1 924
The leave reserve fund is represented by an investment at standard bank of R 1,924 at 30 June 2007.		
3. Conditional Grants		
Spatial Development	-	6 892
Resort Development	-	4 227
Land Ownership	-	1 605
Structure Plan	-	2 733
Survey of Masakhe	-	1 795
Sterkstroom Zoning Map	-	3 299
CDF: LEAVE RESERVE F	-	-
CDF: REVOLVING FUND	-	-
Valuations	-	3 320
Community Gardens	-	578
CMIP	-	2 447
MSP	-	1 527
Disaster Fund	-	1 487
Cemetery Investigation	-	1 319
Total Trust Funds	-	31 228
- Advances to Operating Account	(983)	465 879
Total Trust Funds	(983)	497 107
Invested as follows:		
- Standard Bank short-term investments	-	31 228
- Standard Bank current accounts		
- Advances to Operating Account	(983)	465 879
	(983)	497 107
4. LONG-TERM LIABILITIES		
a) Wesbank DDL3689A	32 898	-
b) Wesbank DDL36725K	32 899	-
c) Wesbank D45519X	100 134	-
d) Toyota T54306H	70 067	-
e) Toyota T54306B	55 694	-
f) Wesbank DDL55350J	(13 922)	-
g) Wesbank DDL55644G	(13 056)	-
H) Wesbank DDL52169B	70 592.70	-
Less Deferred Finance Charges	(206 030)	(183 217)
	129 276	(183 217)
Short Term Portion	(297 984)	(188 855)
	(168 708)	(372 072)
Internal Loans	(96 558)	
Loan from Chris Hani District Municipality	2 069 011	
Total Value of Long Term Liabilities	2 101 729	

INKWANCA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

	2008 R	2007 R
5. CONSUMER DEPOSITS:SERVICES		
Electricity and Water	<u>178 687</u>	<u>142 097</u>
6. FIXED ASSETS		
Fixed assets at the beginning of the year	64 376 217	64 241 925
Write off during the year		
Cap[ital expenditure during the year	<u>748 560</u>	<u>134 293</u>
Total fixed assets	65 124 777	64 376 217
Less: Loans redeemed and other capital receipts	<u>60 832 167</u>	<u>60 832 167</u>
	<u>4 292 611</u>	<u>3 544 052</u>
7. ACCOUNTS RECEIVABLE		
Current debtors (consumers)	31 622 165	24 204 312
Less: Provision for bad debts	<u>24 763 700</u>	<u>19 002 473</u>
	6 858 465	5 201 839
Other debtors:	43 499	(837 041)
Sundry debtors	43 500	(2 513)
SARS VAT	(1)	(834 528)
Community services		
	<u>6 901 965</u>	<u>4 364 799</u>
Consumer debtors are aged as follows:		
Current	1 000 384	
30 days	903 352	1 034 379
60 days	865 240	902 783
90 days	978 031	711 639
120 days	<u>17 384 411</u>	<u>21 555 512</u>
	<u>21 131 417</u>	<u>24 204 312</u>
8. ACCOUNTS PAYABLE		
Trade Creditors	<u>4 566 398</u>	<u>1 783 219</u>

INKWANCA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

	2008	2007
	R	R
9. PROVISIONS		
Leave	608 041	418 814
10. ASSESSMENT RATES		
Site valuations at 1 July 2005		
- Residential	34 799 700	34 799 700
- Commercial	6 258 250	6 258 250
- Government	10 848 000	10 848 000
- Municipal	888 800	888 800
- Churches Exempt	1 292 200	1 292 200
	<u>54 086 950</u>	<u>54 086 950</u>
Income from rates	<u>3 169 076</u>	<u>2 157 011</u>
Assessment rates:		
11. COUNCILLOR'S REMUNERATION		
Mayor's allowance:	341 847	293 968
Salary	207 085	201 532
Travelling allowance	79 032	79 032
Telephone allowance	13 404	6 000
Personal allowance	42 326	7 404
Councillor's allowances:	681 787	685 363
Salaries	399 255	398 152
Pensions	88 911	88 911
Travelling allowances	148 200	148 200
Telephone allowances	41 820	26 220
Personal allowances	3 601	15 600
	<u>1 023 634</u>	<u>979 330</u>
Municipal Manager:	423 599	430 002
Salaries	277 875	252 504
Travelling allowance	127 544	132 216
Substance allowance	6 060	12 120
Telephone Allowance	12 120	12 120
Bonus	-	21 042
Chief Financial Officer:	130 678	344 000
Salaries	77 060	178 523
Travelling allowance	50 619	63 508
Substance allowance	-	63 508
Telephone Allowance	3 000	38 462
Manager :Technical services	237 730	344 000
Salaries	102 746	190 523
Travelling allowance	67 492	60 508
Substance allowance	-	66 508
Telephone Allowance	67 492	26 462
Manager : Community Services	220 983	344 000
Salaries	94 720	190 523
Travelling allowance	94 720	60 508
Substance allowance	25 212	60 508
Telephone Allowance	6 332	6 000
Bonus	-	26 462
	<u>882 312</u>	<u>1 118 002</u>

INKWANCA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

12. FINANCE TRANSACTIONS	2008	2007
	R	R
Total external interest earned or paid:		
- Interest earned	-	
- Interest paid	164 863	46 915
	<u>164 863</u>	<u>46 915</u>
Capital charges debited to operating account:		
- Interest paid on external loans	120 316	82 232
- Interest paid on internal loans	44 547	32 798
- Redemption of external loans	148 992	165 612
- Redemption of internal loans	52 011	94 833
	<u>365 866</u>	<u>375 474</u>
13. APPROPRIATIONS		
Appropriation account		
Accumulated surplus at the beginning of the year	436 022	(1 342 422)
Operating surplus / (Deficit) for the year	(1 459 214)	8 449 069
	<u>(1 023 192)</u>	<u>7 106 647</u>
Less: Appropriations for the year:	1 696 280	6 670 627
- Contribution to leave reserve		
- Contribution to Revolving Fund		
- Prior year adjustments	7 457 507	2 670 627
- Provision for bad debts	(5 761 227)	4 000 000
	<u>673 089</u>	<u>436 020</u>
Accumulated surplus (deficit): end of year	673 089	436 020
14. APPROPRIATIONS (continued)		
Operating account		
Capital expenditure	-	-
Contributions to:		
- Revolving Fund	33 653	35 130
	<u>33 653</u>	<u>35 130</u>
15. CASH GENERATED BY OPERATIONS		
Surplus / (Deficit) for the year	-1 459 214	8 449 069
Appropriations charged against income:	33 653	35 130
- Fixed assets		-
- Revolving Fund	33 653	35 130
Capital charges:		375 474
Interest paid:		
- to internal funds	44 547	32 798
- on external loans	120 316	82 232
Redemption:		
- of internal advances	52 011	94 833
- of external loans	148 992	165 612
Grants and subsidies received from the state	(4 249 247)	(5 803 696)
	<u>(5 674 808)</u>	<u>3 055 978</u>
16. (INCREASE) / DECREASE IN WORKING CAPITAL		
(Increase) / decrease in debtors	2 537 166	(253 589)
Increase / (decrease) in creditors	(2 972 405)	2 476 743
	<u>(435 239)</u>	<u>2 223 153</u>

INKWANCA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

17. (DECREASE)/ INCREASE IN LONG-TERM LIABILITIES			
Loans raised	2 069 011		106 062
Loans repaid	694 593		(165 612)
	<u>1 374 418</u>		<u>(59 549)</u>
18. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS		<u>(31 228)</u>	<u>2 477</u>
19. DECREASE / (INCREASE) IN CASH ON HAND			
Other cash balances for the year	275 589		55 776
Add: Bank overdraft at end of year	(435 418)		(38 002)
	<u>(159 829)</u>		<u>17 774</u>
	2008		2007
20. RETIREMENT BENEFITS			R
<p>Inkwanca Municipality and its employees contribute to various pension, provident and retirement funds. The larger funds include the SAMWU National Provident Fund, the Cape Joint Retirement Fund and the SALA Pension Fund.</p> <p>The retirement benefits are calculated in accordance with the rules of the respective funds. Current contributions by the Council are charged against operating income at the rate of a fixed percentage of the basic salary paid to employees.</p> <p>Full actuarial valuations are performed at least every three years.</p>			
21. OUTSTANDING ADVANCES TO BORROWING SERVICES			
Internal advances	<u>895 610</u>		<u>895 610</u>
(Refer to Appendix B for more detail)			
22. CAPITAL COMMITMENTS			
Commitments in respect of capital expenditure:			
- Approved and contracted for	0		0
- Approved but not yet contracted for	0		0
	<u>0</u>		<u>0</u>
This expenditure will be financed from:			
- Internal sources	0		0
- External sources	0		0
	<u>0</u>		<u>0</u>
23.a LEASE COMMITMENTS			
Commitments in respect of rental agreements:		<1 Year	2-5 Years
(a)	Axial -Plessey Vending Machine for 7 years started 22 Oct 99 to 30 Oct 2006,Monthly rental of R3489 subject to inflation	0	0
(b)	Fintech- Xerox Photocopier for 5 years started 31 Oct 2003 to 1Oct 2008,Monthly rental of R620 escalate by 10%	2 997	8 991
©	Gestetner-Photocopier for 5 years started 03 Nov 2003 to 31 October 2008,Monthly rental of R1446.56 escalate by 0%	5 786	17 359
(d)	Office World -Telephone mainntence and Management system commenced 11Nov 2003 to 31 Oct 2006 Monthly rental of R 1559.24		0
		<u>8 783</u>	<u>26 350</u>

24. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS

A fire caused damage to property. A contingent liability of R407 000 was raised to cater for the amount due to likelihood of an obligation that may be due.

25. POST BALANCE SHEET EVENTS

None

26. UNAUTHORISED,FRUITLESS AND WASTEFUL EXPENDITURE

None

27. GOING CONCERN

Inkwanca Municipality will continue with it operations

INKWANCA LOCAL MUNICIPALITY

EXTERNAL LOANS AND INTERNAL ADVANCES

	Instalment	Rate	Termination	Balance at 30 June 2007 R	Received during the year R	Redeemed/ written off during year R	Balance at 30 June 2008 R
EXTERNAL LOANS							
				-			
Wesbank DDL3689A	5 401	12% linked	17/11/2008	97 562		64 665	32 898
Wesbank DDL3675K	5 563	12% linked	17/11/2008	98 503		65 604	32 899
Toyota T54306H	2 595	10.85%	01/07/2010	98 603		28 536	70 067
Toyota T54306B	2 595	10.85%	01/07/2010	86 095		30 401	55 694
Wesbank D45519X	3 708	11.38%	01/07/2010	141 961		41 826	100 135
Wesbank DDL55350J					126 387	13 922	112 465
Wesbank DDL55644G					122 173	13 057	109 116
Wesbank DDL5216B	1 816	14.14%	2011/07/07	89 819		19 226	70 593
				612 544	248 560	277 238	583 866
INTERNAL LOANS							
Revolving Fund				895 610			895 610
INTERNAL ADVANCES							
Farm - Schoeman	57 197.73	4%	01/06/2021	608 624		33 182	575 442
Electrical Transformer	11 820.40	4%	30/06/2008	11 366		11 366	-
Sewerage Scheme 1	16 667	0%	31/12/2011	275 620		52 011	223 609
				895 610		96 558	799 052

INKWANCA LOCAL MUNICIPALITY

STATUTORY FUNDS, RESERVES AND CONDITIONAL GRANTS

	Balance at 30 June 2007 R	Contributions during year R	Capital expenditure during year R	Balance at 30 June 2008 R
STATUTORY FUNDS				
Revolving Fund	2 902 853	33 653		2 936 505
Loan Redemption Fund				
	<u>2 902 853</u>	<u>33 653</u>	<u>-</u>	<u>2 936 505</u>
RESERVES				
Leave Reserve Fund	1 924	(99)		1 825
	<u>1 924</u>	<u>(99)</u>		<u>1 825</u>
CONDITIONAL GRANTS				
Spatial Development	6 892	332		7 224
Resort Development	4 227	(4 227)		-
Land Ownership	1 605	(1 605)		-
Structure Plan	2 733	(2 733)		-
Survey of Masakhe	1 795	(1 795)		-
Sterkstroom Zoning Map	3 299	(3 299)		-
Valuations	3 320	(3 320)		-
Community Gardens	578	(578)		-
CMIP	2 447	(2 447)		-
MSP	1 527	(1 527)		-
Disaster Fund	1 487	(1 487)		-
Cemetery Investigation	1 319	(1 319)		-
	<u>31 228</u>	<u>(24 004)</u>	<u>-</u>	<u>7 224</u>

APPENDIX A

INKWANCA LOCAL MUNICIPALITY

ANALYSIS OF FIXED ASSETS

2007 Expenditure		Balance at 30 June 2007	Expenditure during year	Redeemed, trans- ferred or written off during year	Balance at 20-Jun-08
R		R	R	R	R
134 293	RATES AND GENERAL SERVICES	64 376 218	1 497 120	-	65 124 778
-	Community Assets	2 355 102			2 355 102
	Land and Buildings	2 090 001			2 090 001
	Resort Development	213 288			213 288
	Koos Ras Game Reserve	51 813			51 813
-	Infrastructure Assets	47 841 644			47 841 644
	Sewerage	11 629 636			11 629 636
-	Water	17 456 787			17 456 787
-	Electricity	8 693 229			8 693 229
	Streets and Stormwater	10 061 993			10 061 993
134 292	Other Assets	3 155 087			3 903 647
38 239	Furniture and Fittings	235 687			235 687
	Land and Buildings	886 944	500 000		1 386 944
	Tractors	208 286			208 286
96 054	Motor Vehicles	1 115 642	248 560		1 364 202
	Graders	319 241			319 241
-	Computers	389 287			389 287
	Housing Services	11 024 385			11 024 385
134 294	TOTAL FIXED ASSETS	64 376 218	748 560	-	65 124 778
	LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS	60 832 167	-	-	60 832 167
	Loans redeemed and advances repaid	5 869 985			5 869 985
	Contributions from operating income	3 709 216			3 709 216
	Grants and subsidies	51 252 966			51 252 966
	Public contributions				
	NET FIXED ASSETS	3 544 051	-	-	4 292 611

APPENDIX C

INKWANCA LOCAL MUNICIPALITY

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

2007 Actual R		2008 Actual R	2008 Budget R Revised
INCOME			
5 803 696	Grants and subsidies	8 710 123	9 029 995
17 294 616	Operating income	17 605 325	6 194 735
2 595 816	Refuse Removal	2 269 472	266 919
2 157 011	Assessment Rates	3 169 076	2 338 599
4 079 937	Sanitation/ Sewerage	3 788 364	589 159
2 379 915	Electricity Sales	2 621 721	2 027 566
5 836 628	Water Sales	3 092 533	550 000
102 183	Income from other Sources	2 664 159	422 492
23 098 312	Total income	24 045 976	15 224 730
EXPENDITURE			
9 213 939	Salaries, wages and allowances	10 219 875	9 921 238
3 599 466	General expenditure	14 078 076	4 046 718
1 835 837	Repairs and maintenance	1 207 239	1 145 285
-	Capital charges	-	308 889
14 649 243	Total expenditure	25 505 190	15 422 131
8 449 069	Net Surplus / (Deficit)		(197 401)

APPENDIX D

INKWANCA LOCAL MUNICIPALITY

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual income	2007 Actual expenditure	2007 Surplus/ (deficit)		2008 Actual income	2008 Actual expenditure	2008 Surplus/ (deficit)	2008 Budgeted surplus/ (deficit)
R	R	R		R	R	R	R
14 852 075	10 165 435	4 686 640	RATES AND GENERAL SERVICES	16 091 378	21 009 021	(4 917 643)	(305 509)
7 969 479	4 786 196	3 183 283	Rates & Corporate services	9 874 341	15 318 320	-5 443 979	3 728 689
7 969 479	1 497 424	6 472 055	Assessment Rates & Estates	9 872 141	8 351 280	1 520 861	7 463 758
0	1 854 156	(1 854 156)	Executive & Council	2 200	4 037 894	(4 035 694)	(1 181 124)
0	1 434 616	(1 434 616)	Administration	0	2 929 146	(2 929 146)	(2 553 944)
2 802 659	3 277 186	(474 527)	Community/Subsidised services	2 428 673	3 944 210	-1 515 537	-3 287 996
28 911	6 413	22 498	Cemetery	58 663	84 396	(25 733)	(12 674)
0	21 936	(21 936)	Clinic,Creche,Aged centre	0	0	-	-
351	317 328	(316 977)	Library Service	0	304 575	(304 575)	(298 935)
34 456	991 917	(957 461)	Parks , Recreation and Halls	41 363	834 342	(792 980)	(720 255)
2 595 816	1 853 585	742 231	Cleansing	2 269 472	2 508 886	(239 414)	(2 123 880)
143 125	86 008	57 117	Traffic Services	59 176	212 011	(152 835)	(132 252)
4 079 937	2 102 053	1 977 884	Development /Economic services	3 788 364	1 746 491	2 041 872	-746 202
4 079 937	1 047 464	3 032 473	Sewerage	3 788 364	1 013 762	2 774 602	(363 655)
0	1 054 589	(1 054 589)	Public works, Roads	0	732 729	(732 729)	(382 547)
29 693	277 913	(248 220)	HOUSING SERVICES	9 906	593 477	-583 571	-1 233 752
29 693	277 913	(248 220)	Selling and letting schemes	9 906	593 477	(583 571)	(1 233 752)
8 216 544	4 205 894	4 010 650	TRADING SERVICES	7 944 692	3 902 692	4 042 000	1 341 860
2 379 915	2 743 439	(363 524)	Electricity supply	2 621 721	2 876 731	(255 010)	(781 581)
5 836 628	1 462 455	4 374 173	Water supply	5 322 971	1 025 961	4 297 010	2 123 441
23 098 312	14 649 243	8 449 069	TOTAL	24 045 976	25 505 190	-1 459 214	-197 401
		(6 670 627)	Appropriations for the year (refer to note 16)			(1 696 280)	
		1 778 442	NET SURPLUS FOR THE YEAR			237 067	
		(1 342 421)	Accumulated surplus / (deficit) beginning of the year			436 022	
		436 022	ACCUMULATED SURPLUS END OF THE YEAR			673 089	

INKWANCA LOCAL MUNICIPALITY

APPENDIX F

STATISTICAL INFORMATION

GENERAL STATISTICS

Population	34 697
Site valuations at 1 July 2008	
- Residential	34 799 700
- Commercial	6 258 250
- Government	10 848 000
- Municipal	888 800
- Churches Exempt	1 292 200
	<hr/>
	54 086 950
	<hr/>

Assessment rates:

- Residential properties 2 cents in a rand
 - Commercial properties 3.5 cents in a rand
 - Government 5.3 cents in a rand
- Rebates of 20% are granted on state-owned properties.

Number of residential properties	3 059
Number of industrial, agricultural & other properties	1 267
Number of employees of local authority	104

ELECTRICITY STATISTICS

Number of users	1 108
Units bought/generated	5 123 688
Units sold	3 777 149
Units lost in distribution	1 346 539
Units lost in distribution as a percentage	26.28
Cost per unit sold	0.413
Income per unit sold	0.303

WATER STATISTICS

No of users (metered)	2 792
No of users (unmetered)	2 829
Units bought/purified	480 628
Units sold (metered users)	260 769
Units lost in distribution	unknown
Units lost in distribution as a percentage	unknown
Cost per unit sold	1.47
Income per unit sold	2.43