



INTSIKA YETHU LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2008

INTSIKA YETHU MUNICIPALITY

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APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on page 1 - 24 were approved by the
Municipal Manager and presented to and approved by Council on

Mr Z SHASHA
Municipal Manager

DATE : _____

Mr MS DINGA

DATE : _____

Chief Financial Officer

**INTSIKA YETHU LOCAL MUNICIPALITY
GENERAL INFORMATION**

MEMBERS OF THE EXECUTIVE COMMITTEE

MAYOR : **SD Plata**

Councillor : **WN Mdwayingana** *Local Economic Development and Tourism - Chairperson*

Councillor : **Z Mbotoloshi** *Infrastructure Development - Chairperson*

Councillor : **Y Gasa** *Corporate services - Chairperson*

Councillor : **K Makapela** *Finance - Chairperson*

Councillor : **N Nkota** *Special Programmes - Chairperson*

Councillor : **N Boyana** *Social Needs - Chairperson*

Councillor : **K Vimbayo**

GRADING OF THE LOCAL AUTHORITY

Grade 3

AUDITORS

Auditor General - Eastern Cape

BANKERS

First National Bank

REGISTERED OFFICE

*P/ BAG X 1251
COFIMVABA
5380*

*Telephone : 047 874 5211
Fascimile : 047 874 0385*

MUNICIPAL MANAGER

Mr Z SHASHA

CHIEF FINANCIAL OFFICER

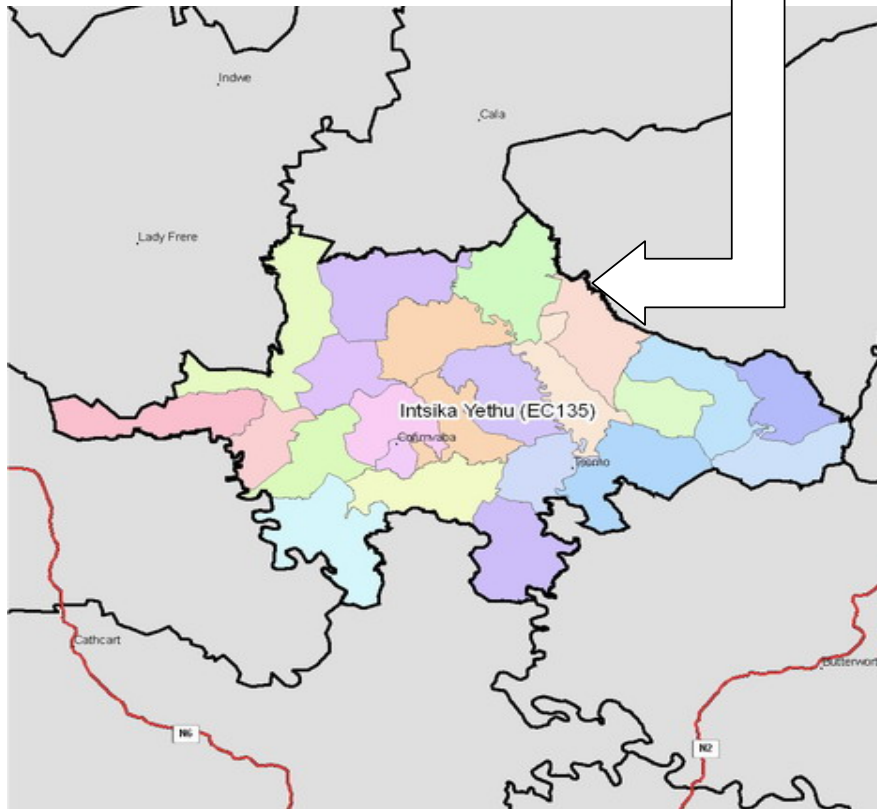
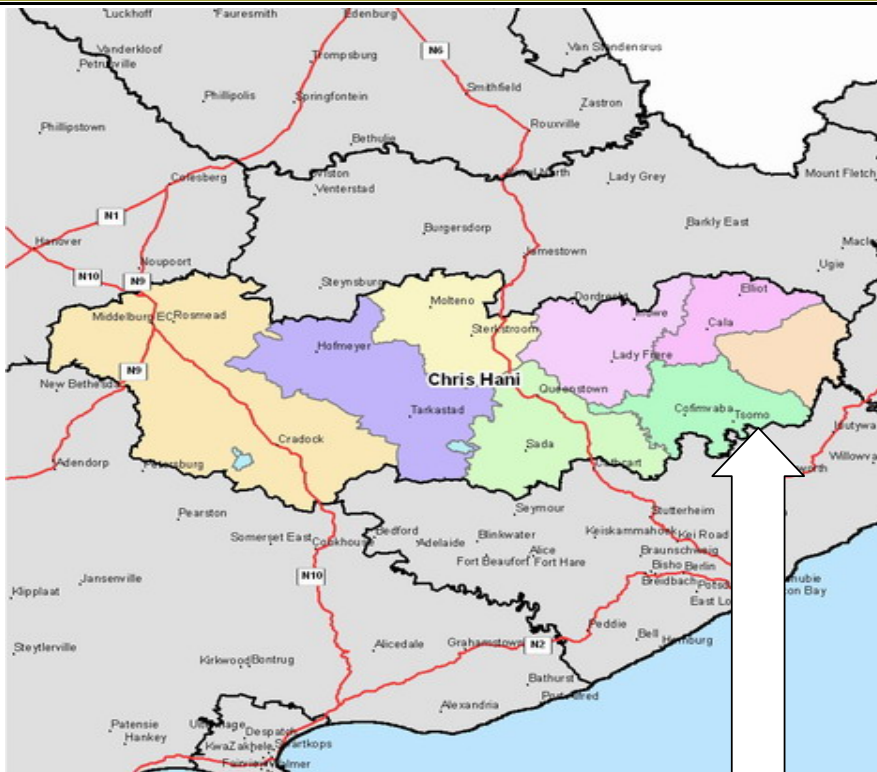
Mr MS DINGA

**INTSIKA YETHU LOCAL MUNICIPALITY
GENERAL INFORMATION (Continued)**

OTHER COUNCILLORS

Speaker :	M Sokujika	<i>Speaker of the Council</i>	
Councillor :	L N Ntshanka		Councillor : M Mkhumbuzi
Councillor :	S N Bizana		Councillor : B Mboniswa
Councillor :	F N Dangazela		Councillor : M S Mfanyana
Councillor :	V G Matomela		Councillor : L Mbabiso
Councillor :	J Mdekazi		Councillor : N Tayitile
Councillor :	D Wakeni		Councillor : M Yamile
Councillor :	N Mteli		Councillor : N E Stata
Councillor :	M Yotsi		Councillor : N Tukwayo
Councillor :	J Peter		Councillor : N Berana
Councillor :	M G Ntshinka		Councillor : M Mahali
Councillor :	N M Rigala		Councillor : G Kuse
Councillor :	C S Voloki		Councillor : S Tame
Councillor :	N Tsomo		Councillor : M Shugu
Councillor :	N Mbebe		Councillor : P Nqandela
Councillor :	M H Hewu		Councillor : M Kolofane
Councillor :	N Magaga		Councillor : S Myataza
Councillor :	M Papiyana		Councillor : D Kaspile
Councillor :	Z Qayiya		Councillor : Z Jabanga
Councillor :	F N Dyushu		

INTSIKA YETHU LOCAL MUNICIPALITY AREA OF INTSIKA YETHU MUNICIPALITY



INTSIKA YETHU LOCAL MUNICIPALITY FOREWORD

The functions of the Council centre around promoting the interests of its ratepayers, employees, residents and customers by striving to render the highest quality of services, advancing the interest of its employees by providing safe, secure and satisfying working environments,

The elected Council has faced significant challenges since taking up office. From an organisational perspective, some senior management posts are currently occupied by acting managers. One of our immediate goals is to transform our local municipality into a service oriented organisation which will make a positive impact on the quality of life of our citizens by having a permanent management team who are committed to the realisation of the Council's goals.

A further important challenge facing Council is to improve the financial position of Intsika Yethu Municipality. In particular an improvement in the collection of long outstanding debtors balances is critical if the council is to achieve its goals. The unfortunate part is that the unemployment rate in the area has worsened causing many residents not to be able to pay for services. Our ability to render services will be threatened if our cash position does not improve. This is a major problem facing the Local and Provincial Government in South Africa and we hope that workable solutions will be found soon to this challenge.

Council remains committed to meeting the challenges it faces and hopefully in future years, I will be able to report positively on the progress we have made in this regard.

In conclusion I would like to express my appreciation to my fellow Council members, the Acting Municipal Manager, the Chief Financial Officer, and all other staff for their support, co-operation and hard work during the year under review.

SD Plata

**MAYOR AND CHAIRMAN OF THE
EXECUTIVE COMMITTEE**

**INTSIKA YETHU LOCAL MUNICIPALITY
TREASURER'S REPORT**

1) INTRODUCTION

Appropriate legislation was complied with in order to provide statements for the year ending 30 June 2008. To the best of my knowledge, these financial statements are a fair presentation of the Council at the above mentioned date and the results of its operation for the year then ended.

2) OPERATING RESULTS

Details of the results per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2008 are as follows :

INCOME	Actual 2006/07 R	Actual 2007/08 R	Variance Actual 06/07 VS Actual 07/08 %	Budget 2007/08 R	Variance Actual/ Budget %
Accumulated deficit brought forward	76 119 011	53 934 934	-29.14%	-	100.00%
Operating Income for the Year	58 487 494	58 990 297	0.86%	100 584 580	-70.51%
	134 606 505	112 925 231	-16.11%	-	-
EXPENDITURE					
Appropriation for the year	(1 785 881)	(1 805 642)	1.11%	-	100.00%
Operating Expenditure	82 457 452	77 623 592	-5.86%	100 584 580	-29.58%
	80 671 571	75 817 950	-6.02%	-	-
(Deficit)/ Surplus at year end	53 934 934	37 107 281	-4.76%	-	-100.00%

**INTSIKA YETHU LOCAL MUNICIPALITY
TREASURER'S REPORT**

2.1) RATE AND GENERAL SERVICES

	Actual 2006/07 R	Actual 2007/08 R	Variance Actual Increase/ Decrease %	Budget 2007/08 R	Variance Actual/ Budget %
Income	58 487 494	58 990 297	0.86%	100 584 580	70.51
Expenditure	82 457 452	77 623 592	-5.86%	100 584 580	29.58
(Deficit) / Surplus	(23 969 958)	(18 633 296)	-22.26%	0	-100.00
Surplus (Deficit) as % of Total Income	-40.98%	-31.59%	-22.93%	0.00%	

3) CAPITAL EXPENDITURE AND FINANCING

	Actual 2007/2008 R	Budget 2007/2008 R	Actual 2006/2007
<u>Capital Expenditure</u>			
Land and buildings	1 703 953	0	12 873 389
Infrastructure Assets	6 798 062	13 756 427	38 119 358
Community Assets	4 727 341	4 428 978	210 277
Other Assets	5 923 400	10 000 000	3 978 796
	19 152 756	28 185 405	55 181 820
<u>Financing of Fixed Assets</u>			
Contribution from Current Income	5 923 400	10 000 000	3 978 796
Contribution from Other Sources	-	-	-
Grants and Subsidies	13 229 356	18 185 405	51 203 024
	19 152 756	28 185 405	55 181 820

The significant increase in expenditure on capital projects during the year results from our objectives to accelerate the delivery of basic services and construction of infrastructure.

**INTSIKA YETHU LOCAL MUNICIPALITY
TREASURER'S REPORT**

4) INVESTMENTS AND CASH

Investments and cash amounted to R 28 471 647 at 30 June 2008 (30 June 2007: R 47 389 766).

	2008	2007
	R	R
Δ Bank and Cash	1 833 599	27 176 326
Δ Short term investments	26 488 048	20 063 440
Δ Long term investments	150 000	150 000
	<u>28 471 647</u>	<u>47 389 766</u>

The unfavourable bank balances at 30 June 2008 amounted to R 28 365 being credit card facility. The municipality did not utilise a bank overdraft in the year under review.

More information regarding investments is disclosed in notes 5 to the Annual Financial Statements.

5) FUNDS AND RESERVES

The Revolving Fund has increased by R 106 819 to R 580 105 .

More information regarding funds and reserves is disclosed in notes 1, 5 and appendix A to the annual financial statements.

EXPRESSION OF APPRECIATION

I am grateful to the Mayor, Councillors, the Municipal Manager and Heads of Departments for their support during the past year.

Mr MS Dinga
Chief Financial Officer

DATE : _____

INTSIKA YETHU LOCAL MUNICIPALITY 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 Practice (1997) and Report on the Standardisation of the Financial Statements of Local Authorities (2nd Edition, January 1996).
- 1.2 The Financial Statements are prepared on the Historical Cost Basis, adjusted for Capital Expenditure.
The Accounting Policies are consistent with those applied in the previous year, except if otherwise indicated.
Fundamental errors identified have been adjusted for and prior year restated where applicable
- 1.3 The Financial Statements are prepared on the accrual basis as stated :
 - Income is accrued when collectable and measurable. Certain direct income is accrued when received, such as Traffic Fines and business Licenses.
 - Expenditure is accrued in the year that it is incurred.

2) CONSOLIDATION

The Balance Sheet includes Rate and General Services, different funds, Reserves and Provisions. All inter departmental charges if any, are set-off against each other, with the exception of Assessment Rates and Refuse Removal 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 market price at date of acquisition), where assets have been acquired by Grant or Donation, while they are in existence and fit for use.

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 various Council funds, assets may also be acquired through:

- 3.2.1 Appropriations from income, where the full cost of the asset forms an immediate and direct charge against operating income and it is therefore unnecessary to make any further provision for depreciation.
- 3.2.2 External contributions, grants and subsidies, where the amount representing the value received is immediately credited to the "loans redeemed and other capital receipts" account.
- 3.3 All proceeds from the sale of fixed property are credited to the Public Improvement Fund. Net proceeds from the sale of all other assets are credited either to the relevant department in which the asset was purchased or to the Capital Development Fund.
- 3.4 Capital assets are financed from different sources, including external loans and contributions, operating income and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest is charged to the services concerned at the ruling rate applicable at the time the advance is made.

ACCOUNTING POLICIES

4) FUNDS AND RESERVES

4.1 STATUTORY FUNDS

The Revolving Fund Ordinance No. 20 of 1974 requires a minimum contribution of seven and a half percent of the product of assessment rates in respect of the Financial Year immediately preceding the Financial Year for which such contribution is required to be made.

4.2 RESERVES

Reserve Funds are utilised for purposes for which the reserve is formulated by council. Contributions are made from the operating account and in certain instances according to the policy of the Department of Local Government and Housing.

4.3 TRUST FUNDS

Funds are paid to the Council for specific purposes and consists of Grants and Subsidies from the public or higher Authorities.

4.4 PROJECT FUNDS

Project funds are representative of external funding received in the past and set aside for pre- identified individual projects or a pre-defined general nature of intervention.

5) RETIREMENT BENEFITS

It is the policy of the municipality to provide retirement benefits for its personnel. Current contributions are charged against the operating account at the rate of a fixed rate of the basic salary paid to employees.

6) SURPLUSES AND DEFICITS

Accumulated surpluses reflect the residual of revenue against the sum of operating and capital expenditure reduced by any appropriations.

7) INVESTMENTS

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

8) INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first-in, first-out method. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

ACCOUNTING POLICIES**9) INCOME RECOGNITION****9.1 Assessment Rates**

Assessment Rates are levied at the same tariff for the land and improvements. Rebates are granted to state bodies. Income is recognised when the annual and monthly levies are done at the beginning of the month.

9.2 Refuse and other income

Refuse is levied at an approved monthly flat rate. Sundry income is accounted for on a cash receipt basis.

9.3 Government and other related grants

Government and other related grants are recognised as revenue on an accrual basis and in accordance with the funding institution's annual disbursement plan as they relate to municipal statutory annual reporting period.

10) PROVISIONS

Provisions are recognised when the municipality has a present legal or constructive obligation as a result of past events and is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

11) LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

**INTSIKA YETHU LOCAL MUNICIPALITY
BALANCE SHEET AS AT 30 JUNE 2008**

		2008	2007
		R	Restated R
CAPITAL EMPLOYED			
<i>FUNDS AND RESERVES</i>		580 105	549 374
Statutory Funds	1	580 105	549 374
		-	-
<i>ACCUMULATED SURPLUS/(DEFICIT)</i>		37 107 280	53 934 934
<i>LONG-TERM LIABILITIES</i>		-	-
Loan DBSA	3	-	-
		37 687 385	54 484 308
EMPLOYMENT OF CAPITAL			
<i>FIXED ASSETS</i>		26 638 048	27 329 045
INVESTMENTS	4	-	-
	5	26 638 048	27 329 045
<i>NET CURRENT ASSETS/(LIABILITIES)</i>		11 049 337	27 155 263
<i>CURRENT ASSETS</i>		12 964 198	30 680 339
Inventory	6	46 262	16 173
Debtors	7	11 084 338	10 782 217
Bank and Cash	8	1 833 599	19 881 949
<i>CURRENT LIABILITIES</i>		(1 914 861)	(3 525 076)
Provisions	9	(1 032 641)	(1 208 463)
Creditors	10	(882 220)	(2 316 613)
		37 687 385	54 484 308

**INTSIKA YETHU LOCAL MUNICIPALITY
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

2006/2007	2006/2007	2006/2007 Restated		2007/2008	2007/2008	2007/2008	2007/2008
Actual Income	Actual Expenditure	Actual Surplus/ (Deficit)		Actual Income	Actual Expenditure	Actual Surplus/ (Deficit)	Budgeted Surplus/ (Deficit)
R	R	R		R	R	R	R
58 487 494	82 457 452	(23 969 958)	RATE AND GENERAL SERVICES	58 990 297	77 623 592	(18 633 296)	0
58 275 366	82 457 452	(24 182 086)	<i>Community Services</i>	57 905 005	77 623 592	(19 718 588)	1 858 604
212 128	-	212 128	<i>Economic Services</i>	1 085 292	-	1 085 292	(1 858 604)
58 487 494	82 457 452	(23 969 958)	TOTAL	58 990 297	77 623 592	(18 633 296)	0
		-	Appropriation for this Year (Refer working papers)			-	
		(23 969 958)	Net (deficit)/ Surplus for the Year			(18 633 296)	
		76 119 011	Accumulated Surplus beginning of the year			52 149 053	
		52 149 053	ACCUMULATED SURPLUS AT END OF THE YEAR			33 515 757	

INTSIKA YETHU LOCAL MUNICIPALITY
CASH FLOW STATEMENT
for the year ended 30 June 2008

<i>Note/</i>	2008	2007
	R	Restated R
CASH RETAINED FROM OPERATING ACTIVITIES	(18 632 530)	(27 710 702)
Cash generated by operations	(22 824 606)	(24 664 716)
Investment income	4 129 641	2 480 673
Decrease in working capital	62 435	(5 526 625)
	(18 632 530)	(27 710 668)
Less: External interest paid	-	(34)
CASH AVAILABLE FROM OPERATIONS	(18 632 530)	(27 710 702)
CASH EFFECTS FROM FINANCING ACTIVITIES		
(Increase)decrease in cash investments	(690 997)	1 655 178
(Increase)decrease in cash	(18 048 350)	25 960 289
Increase(decrease) in funds	106 819	95 235
Net Cash (Utilised)/ Generated	(18 632 529)	27 710 702

	2008	2007
4.) Fixed Assets		
Fixed Assets at the beginning of the year	80 220 689	53 755 036
Capital Expenditure during the year	19 152 756	3 317 889
Restatement per Prior year Adjustment	-	23 147 764
Less: Written-off Assets	(257 427)	-
Total Fixed Assets	99 116 018	80 220 689
Less : Loans Redeemed and Other Capital Receipts	(99 116 018)	(80 220 689)
NET FIXED ASSETS	-	-
<i>(Refer to appendix B for more details)</i>		
5.) Investments		
5.1 Short term investment:		
- CMIP - Investment - 62022329438	1 179 485	1 105 338
- Equitable Share - 74045339170	-	13 223 473
- IDP Call Account - 62026742404	693 754	641 351
- Municipal Rank - Investment - 62026740549	1 159 840	1 059 836
- Peoples Housing Account - 62023535795	196 047	196 047
- Registry Investment - 620270934	39 245	39 245
- Registry Investment - 62027101245	100 281	92 489
- Standard Bank - Notice Deposit - 088795101	26 131	26 131
- Testing Station Investment Account - 74026742946	42 596	42 596
- Meeg Bank: Revolving Fund - 9061149096	512 761	473 286
- MIG Funds - 62027179127	1 545 591	317 037
- Survey - 62027179127	20 782	20 782
- Trust Account - 62090678320	5 904 171	9 938 715
- Intsika Yethu Secondary - 62132786338	-	-
- DBSA Loan - Money Markets - 62160167500	32 268	-
- Nedbank Investments - 03/7881052066/002	15 035 096	-
AMOUNT TO THE BALANCE SHEET	26 488 048	27 176 326
<i>No investments were written off during the year.</i>		
5.2 Long term investment:		
FNB Insurance Brokers	150 000	150 000
AMOUNT TO THE BALANCE SHEET	150 000	150 000
TOTAL INVESTMENTS	26 638 048	27 326 326
6.) Inventory		
Consumables	-	-
Stationery	46 262	16 173
AMOUNT TO THE BALANCE SHEET	46 262	16 173
7.) Debtors		
Consumer debtors	14 838 090	13 813 078
VAT	8 129 285	4 023 442
Other debtors	6 708 805	6 706 409
	-	3 083 227
Less : Provision for Bad Debts	(3 753 753)	(3 030 861)
AMOUNT TO THE BALANCE SHEET	11 084 338	10 782 217
8.) Bank and Cash		
Main Bank Account - FNB	1 861 964	19 881 949
Other Bank Accounts - Favourable	1 642 895	17 177 142
Petty cash	219 069	2 704 290
	-	517.00
Other Bank Accounts - Unfavourable	(28 365)	-
AMOUNT TO THE BALANCE SHEET	1 833 599	19 881 949
9.) Provisions		
Audit fees	-	-
Leave Pay	(1 032 641)	(1 208 463)
AMOUNT TO THE BALANCE SHEET	(1 032 641)	(1 208 463)

	2008	2007
10.) Creditors		
Trade Creditors and Accruals	(882 220)	2 315 633
Deposits	-	980
AMOUNT TO THE BALANCE SHEET	(882 220)	2 316 613

	2008	2007
11.) Assessment Rates		
Valuations as at 30 June 2008	62 947 257	
Actual Income of 2008	2 693 764	1 458 615
Actual Income of 2007		1 458 615
Total		

Valuations on land and improvements are performed every four years and the last general valuation came into effect during 2004/2005, per interim valuation. The basic rate was 0.00175c per Rand on Land and improvements. A 20% rebate was granted to government departments.

	2008	2007
12.) Finance Transactions		
Total external interest earned or paid:	(4 129 641)	(2 485 539)
- Interest earned	(4 129 641)	(2 485 539)
- Interest paid	-	-

	2008	2007
13.) Prior Year Adjustments		
Correction of the following errors:	(22 966 141)	1 785 881
- Property, Plant and Equipment	(23 147 764)	-
- Bank and Cash Balances	178 772	-
- Creditors & Stores	2 851	1 785 881

The prior year adjustment relates to adjustments relating to accounting errors in the previous years and reinstatement of Assets.

	2008	2007
14.) Capital commitments		
Commitments in respect of capital expenditure:		
- Approved and contracted for;	8 865 025	-
This expenditure will be financed from;		
- Internal sources and Government Grants	8 865 025	-

	2008	2007
15.) Cash generated from operations		
Surplus/(Deficit) for the year	(18 633 296)	(23 969 958)
Adjustments for:		
Previous year's operating transactions	(61 669)	1 785 881
Investment Income credited to Operations account	(4 129 641)	(2 480 673)
Interest expense	-	34
AMOUNT TO CASHFLOW STATEMENT	(22 824 606)	(24 664 716)

	2008	2007
16.) Decrease in working capital		
- (Increase) decrease in inventory	(62 435)	22 557
- (Increase) decrease in accounts receivable	302 121	(4 345 249)
- Increase (decrease) in accounts payable and provisions	(302 121)	(1 203 933)
AMOUNT TO CASHFLOW STATEMENT	(62 435)	(5 526 625)

17.) Cash flow from financing activities		
- Increase in funds and reserves	30 731	549 374
AMOUNT TO CASHFLOW STATEMENT	30 731	549 374

18.) Decrease in cash investments comprises :		
- Investments realised	(690 997)	27 329 045
AMOUNT TO CASHFLOW STATEMENT	(690 997)	27 329 045

19.) Increase in Cash and Cash Equivalents:		
- Increase in cash balances	(18 048 350)	19 881 949
AMOUNT TO CASHFLOW STATEMENT	(18 048 350)	19 881 949

20.) CONTINGENT LIABILITY

The Municipality is being sued by a Akani Pension Fund due to damages arising from certain contractual dispute. Council is contesting the claim based on legal advice. A court date has not yet been set or issue finalised. The contingent liability includes legal costs of R 2 121 174. Should Council be unsuccessful in defending the claim, there is a possibility that the claim will be settled from

21.) ADDITIONAL DISCLOSURES IN TERMS OF MFMA

21.1 Audit Fees	824 185	-
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21.2 Councillor's arrear consumer accounts

	Total as at 30 June 2008	Outstanding less than 90 days	Outstanding more than 90 days
Councillor : SD PLATA	58 474	-	58 474

21.3 Remuneration of councillors and managers

	2008	2007
Mayor	350 471	-
Executive councillor's remuneration	8 168 648	8 473 660
Total of Council Remuneration	8 519 119	8 473 660
Municipality Manager	550 485	-
Senior mananagers	3 011 818	-
Total of Managers Remuneration	3 562 303	-

INTSIKA YETHU LOCAL MUNICIPALITY
ACCUMULATED FUNDS, TRUST FUNDS, PROVISIONS AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2008

	Balance at 2007-06-30	Contributions during the Year	Interest on Investments	Other Income	Expenditure during the year		Balance at 2008-06-30
					Operational	Capital	
STATUTORY FUNDS							
Meeg Bank: Revolving Fund - 9061149096	473 286	67 344	39 475				580 105
Total	473 286	67 344	39 475	-		-	580 105
TRUST FUNDS							
Trust Account - 62090678320	9 938 715	558 400	671 872	-	3 097 170	2 167 646	5 904 171
Total	9 938 715	558 400	671 872	-	3 097 170	2 167 646	5 904 171
PROJECT FUNDS							
CMIP - Investment - 62022329438	1 105 338	2 384	102 745	-	30 982	-	1 179 485
IDP Call Account - 62026742404	641 351	-	52 403	-	-	-	693 754
Municipal Rank - Investment - 62026740549	1 059 836	-	100 343	-	339	-	1 159 840
Peoples Housing Account - 62023535795	196 047	-	-	-	-	-	196 047
Registry Investment - 62027099234	39 245	-	-	-	-	-	39 245
Registry Investment - 62027101245	92 489	-	8 108	-	316	-	100 281
Testing Station Investment Account - 74026742946	42 596	-	-	-	-	-	42 596
MIG Funds - 62101651398	317 037	10 152 515	3 013	-	2 247	8 924 727	1 545 591
Survey - 62027179127	20 782	-	-	-	-	-	20 782
DBSA Loan - Money Markets - 62160167500	-	30 632	1 816	-	180	-	32 268
Total	3 514 721	10 185 531	268 428	-	34 064	8 924 727	5 009 889
TOTAL FUNDS	13 926 722	10 811 275	979 775	-	25 049 621	11 092 373	11 494 165
RESERVES							
Equitable Share - 74045339170	13 223 473	10 833 655	992 493	-	25 049 621	-	-
Standard Bank - Notice Deposit - 088795101	26 131	-	-	-	-	-	26 131
Intsika Yethu Secondary - 62132786338	-	-	-	-	-	-	-
Nedbank Investments - 03/7881052066/002	-	15 000 000	35 096	-	-	-	15 035 096
Total	13 249 604	25 833 655	1 027 589	-	25 049 621	-	15 061 227

**INTSIKA YETHU LOCAL MUNICIPALITY
EXTERNAL LOANS AND INTERNAL SOURCES
FOR THE YEAR ENDED 30 JUNE 2008**

Actual 2007

R

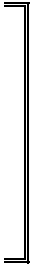
Actual 2008

R

Budget 2008

R

Municipality has no External loans at end of the current financial year.



INTSIKA YETHU LOCAL MUNICIPALITY
ANALYSIS OF FIXED ASSETS
FOR THE YEAR ENDED 30 JUNE 2008

Expended 2007	SERVICE	Budget 2007	Balance at 2007-07-01	Expended 2008	Written off, transferred, redeemed or disposed of during the Year	Balance at 2008-06-30
<i>R</i>		<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>	<i>R</i>
80 220 691	RATE AND GENERAL SERVICES	28 185 405	80 220 691	19 152 756	257 427	99 116 021
80 220 691	Community Services	28 185 405	80 220 691	19 152 756	257 427	99 116 020
27 799 002	Land and buildings	-	27 799 002	1 703 953	-	29 502 955
25 639 958	Infrastructural Assets	13 756 427	25 639 958	6 798 062	-	32 438 020
9 804 931	Community Assets	4 428 978	9 804 931	4 727 341	-	14 532 272
16 976 800	Other Assets	10 000 000	16 976 800	5 923 400	257 427	22 642 773
-		-	-	-	-	-
-	Economic Services	-	-	-	-	0
-	Sanitation	-	-	0	-	0
80 220 691	TOTAL ASSETS	28 185 405	80 220 691	19 152 756	257 427	99 116 021
80 220 691	LESS : LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		80 220 691	19 152 756	257 427	99 116 020
30 000	Loans redeemed		30 000		-	30 000
956 677	Contributions from own revenue		956 677	5 923 400	257 427	6 622 650
79 234 014	Grants and Subsidies		79 234 014	13 229 356	-	92 463 370
-	NET FIXED ASSETS		-	-	(0)	-

**INTSIKA YETHU LOCAL MUNICIPALITY
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2008**

<i>Actual 2007</i>		<i>Actual 2008</i>	<i>Budget 2008</i>
R		R	R
(58 487 494)	INCOME	(58 990 297)	(100 584 580)
(1 458 615)	- Assessment Rates	(2 693 764)	(1 000 000)
(53 266 725)	- Government and Provincial Grants and Subsidies	(48 768 566)	(48 319 542)
(931 442)	- Income from Tariffs, Services Charges etc.	(1 213 098)	(2 228 410)
(2 485 539)	- Interest Received	(4 129 641)	(3 047 980)
(345 173)	- Other Income	(2 185 228)	(45 988 648)
82 457 452	GROSS EXPENDITURE	77 623 592	100 584 580
29 246 052	- Salaries, Wages and Allowances	29 937 983	29 060 535
34 788 394	- General Expenses	28 227 080	43 172 640
14 963 218	- Repairs and Maintenance	305 772	166 000
3 459 788	- Capital Charges	19 152 758	28 185 405
23 969 958	DEFICIT FOR THE YEAR	18 633 295	(0)

**INTSIKA YETHU LOCAL MUNICIPALITY
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

2006/2007	2006/2007	2006/2007 Restated		2007/2008	2007/2008	2007/2008	2007/2008
Actual Income	Actual Expenditure	Actual Surplus/ (Deficit)		Actual Income	Actual Expenditure	Actual Surplus/ (Deficit)	Budgeted Surplus/ (Deficit)
R	R	R		R	R	R	R
58 487 494	82 457 452	(23 969 958)	RATE AND GENERAL SERVICES	58 990 297	77 623 592	(18 633 296)	0
58 275 366	82 457 452	(24 182 086)	Community Services	57 905 005	77 623 592	(19 718 588)	1 858 604
-	-	-	Assessment rates	1 610 856	-	1 610 856	1 000 000
-	5 194 017	(5 194 017)	Administration	350 000	3 018 125	(2 668 125)	7 331 875
-	4 708 272	(4 708 272)	Corporate services	200 000	4 170 075	(3 970 075)	(3 970 075)
186 100	10 596 101	(10 410 001)	Community services	6 171 155	12 880 256	(6 709 101)	(6 709 101)
8 536 359	10 486 586	(1 950 227)	Technical	6 026 994	20 079 308	(14 052 314)	(14 452 314)
6 373 271	2 903 101	3 470 170	Local Economic Development	500 000	2 422 137	(1 922 137)	(1 922 137)
318 664	3 862 367	(3 543 703)	Traffic	846 754	181 259	665 495	544 618
1 525 198	17 193 223	(15 668 025)	Exco and Council	100 000	9 942 266	(9 842 266)	(9 842 266)
41 335 774	27 513 785	13 821 989	Finance	42 099 246	24 930 166	17 169 080	29 878 005
212 128	-	212 128	Economic Services	1 085 292	-	1 085 292	(1 858 604)
212 128	-	212 128	Refuse Removal	231 674	-	231 674	(1 858 604)
-	-	-	Sanitation	853 618	-	853 618	
58 487 494	82 457 452	(23 969 958)	TOTAL	58 990 297	77 623 592	(18 633 296)	0
		-	Appropriation for this Year (Refer working papers)			-	
		(23 969 958)	Net (Deficit)/Surplus for the Year			(18 633 296)	
		76 119 011	Accumulated Surplus beginning of the year			53 934 934	
		1 785 881	Prior year adjustments:			(22 966 141)	
		-	- Fixed Assets			(23 147 764)	
		-	- Bank and Cash Balances			178 772	
		1 785 881	- Creditors & Stores			2 851	
		53 934 934	ACCUMULATED SURPLUS/(DEFICIT) END OF THE YEAR			12 335 497	