

GERT SIBANDE DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30th JUNE 2008

		Actual 2008	Actual 2007
	NOTE	R	R
<u>REVENUE</u>			
Regional Services Levies - remuneration		68 344	2 785 021
Regional Services Levies - turnover		289 285	13 254 558
Interest earned - external investments		21 621 274	15 802 585
Interest earned - outstanding debtors		602 506	407 013
Government grants and subsidies	12	179 508 732	166 208 681
Other income	13	1 139 593	128 874
Gains on disposal of property, plant and equipment		13 892	0
TOTAL REVENUE		203 243 624	198 586 733
<u>EXPENDITURE</u>			
Employee related cost	14	23 801 942	19 764 413
Remuneration of Councillors	15	5 052 321	4 930 907
Collection cost		45 370	118 617
Depreciation		1 501 287	1 829 956
Repairs and maintenance		665 058	476 903
Contracted services		708 842	236 224
Grants and subsidies paid	16	108 738 723	116 837 858
Grants and subsidies paid: Depreciation	16	1 658 077	537 202
General expenses - other		8 452 176	5 788 346
Loss on disposal of assets		0	42 783
TOTAL EXPENDITURE		150 623 796	150 563 209
NET SURPLUS FOR THE YEAR		52 619 829	48 023 524

GERT SIBANDE DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	NOTE	ACCUMULATED SURPLUS	TOTAL
		R	R
Balance at 1 July 2006		127 204 066	127 204 066
Net Surplus for the year		48 023 524	48 023 524
Balance at 30 June 2007		<u>175 227 589</u>	<u>175 227 589</u>
Balance at 1 July 2007		175 227 589	175 227 589
Net Surplus for the year		52 619 829	52 619 829
Prior year adjustment	22	3 088 045	3 088 045
Balance at 30 June 2008		<u>230 935 464</u>	<u>230 935 464</u>

GERT SIBANDE DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
NET ASSETS		230 935 464	175 227 589
Accumulated Surplus		230 935 464	175 227 589
NON - CURRENT LIABILITIES			
Long - term liabilities	1	0	0
Retirement Benefit	3	64 149	69 684
CURRENT LIABILITIES			
Creditors	4	36 034 274	40 354 099
Provisions	2	6 805 149	0
Unspent conditional grant and receipts	5	3 511 911	9 621 991
Current portion of long term liabilities	1	0	5 661 962
TOTAL NET ASSETS AND LIABILITIES		<u>277 350 947</u>	<u>230 935 325</u>
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	7	53 892 236	34 801 720
Long term receivables	8	228 365	303 722
CURRENT ASSETS			
Debtors	9	13 218 050	12 975 641
Investment Deposits	10	0	12 000 000
Irregular Expenditure - Recoupment	21	940 057	940 057
VAT	6	13 266 300	16 064 442
Bank balance, cash and matured investments	18	195 587 311	153 664 024
Current portion of long term receivables	8	218 627	185 719
TOTAL ASSETS		<u>277 350 946</u>	<u>230 935 325</u>

GERT SIBANDE DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from levy payers, government and other		506 171 975	779 710 086
Cash paid to suppliers and employees		<u>-468 807 740</u>	<u>-776 344 272</u>
Cash generated from operating activities	17	37 364 235	3 365 814
Interest received		21 621 274	15 802 585
Interest paid		-389 815	-1 571 830
NET CASH FROM OPERATING ACTIVITIES		<u><u>58 595 694</u></u>	<u><u>17 596 571</u></u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-23 217 495	-25 179 201
Proceeds on disposal of fixed assets		164 600	519 395
Decrease in non current receivables		42 450	811 297
NET CASH FROM INVESTING ACTIVITIES		<u><u>-23 010 445</u></u>	<u><u>-23 848 509</u></u>
CASH FLOW FROM FINANCING ACTIVITIES			
New loans repaid		-5 661 962	-4 858 365
Other Capital receipts			
NET CASH FROM FINANCING ACTIVITIES		<u><u>-5 661 962</u></u>	<u><u>-4 858 365</u></u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u><u>29 923 286</u></u>	<u><u>-11 110 304</u></u>
Cash and cash equivalent at the beginning of the year		165 664 024	176 774 329
Cash and cash equivalent at the end of the year	18	195 587 311	165 664 024

GERT SIBANDE DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
1 LONG TERM LIABILITIES		
Annuity loans	0	5 661 962
Less : Short-term portion transferred to Current Liabilities Annuity loans	<u>0</u>	<u>5 661 962</u>
Total External Loans	<u>0</u>	<u>0</u>

Refer to Appendix A for more detail on long-term liabilities

The loans are not secured by any assets

2 PROVISIONS		
Provision for construction	6 805 149	0
	<u>6 805 149</u>	<u>0</u>

Provision has been made for construction of projects which the total project has been committed in this financial year.

3 RETIREMENT BENEFIT		
Contribution: Medical aid	64 149	69 684
	<u>64 149</u>	<u>69 684</u>

Provision has been made for contribution for the medical aid for one person after retirement. This was previously prescribed by the medical aid to contribute after retirement.

4 CREDITORS		
Trade creditors	19 613 970	22 012 910
Retention	13 011 139	15 465 501
Other	2 371 881	1 948 691
Staff leave pay	1 037 284	926 997
Total	<u>36 034 274</u>	<u>40 354 099</u>

5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
MIG Grant	375 221	5 101 968
MSIG Grant	155 501	1 219 766
FMG Grant	1 757	348 157
CBPWP	2 979 432	2 952 100
Total	<u>3 511 911</u>	<u>9 621 991</u>

6 VAT		
VAT receivable	13 266 300	16 064 442
VAT is payable on the receipt basis. Only once payment is received from debtors, VAT is paid over to SARS.	<u>13 266 300</u>	<u>16 064 442</u>

7 PROPERTY, PLANT AND EQUIPMENT			
	Cost	Accumulated Depreciation	Nett Book Value
30 June 2008			
OWNED PROPERTY, PLANT AND EQUIPMENT			
Buildings	26 802 397	2 161 359	24 641 038
Other	36 050 558	6 799 360	29 251 198
Total	<u>62 852 955</u>	<u>8 960 719</u>	<u>53 892 236</u>

Total fixed assets

	Cost	Accumulated Depreciation	Nett Book Value
30 June 2007			
OWNED PROPERTY, PLANT AND EQUIPMENT			
Buildings	11 808 754	1 712 380	10 096 374
Other	29 509 086	4 803 740	24 705 346
Total	<u>41 317 840</u>	<u>6 516 120</u>	<u>34 801 720</u>

Refer Appendix C for more detail on property, plant and equipment

8 LONG TERM RECEIVABLES

Study Loans	152 166	144 959
Motor Loans	294 825	344 483
Total	446 992	489 441
Less : Short Term Portion	-218 627	-185 719
Total: Long Term Portion	228 365	303 722

MOTOR LOANS

Senior staff are entitled to motor loans which attract interest at 8.5% per annum and which are repayable over a maximum period of 6 years. As from 1 July 2004 no new loans were approved as it is not allowed with the MFMA.

9 DEBTORS

Current debtors	6 658 754	7 134 568
Other Debtors	302 743	171 293
Local authorities	12 915 307	12 867 991
	19 876 804	20 173 851
Less: Provision for bad debts	6 658 754	7 198 210
Total	13 218 050	12 975 641

Regional Services Levies: Ageing

Current (0-30 days)	-20 760	27 670
31-60 Days	7 140	40 277
61-90 Days	1 984	294
91-120 Days	54 923	1 215
+365 Days	6 615 467	7 065 112
Total	6 658 754	7 134 568

Reconciliation of the bad debt provision

Balance at beginning of the year	7 198 210	0
Contribution to provision	0	8 218 075
Bad Debts written off against provision	0	0
Reversal of provision	539 456	1 019 865
Balance at end of year	6 658 754	7 198 210

10 INVESTMENT DEPOSITS

Other Deposits	0	12 000 000
Total	0	12 000 000

11 BANK, CASH AND MATURED INVESTMENTS

The Municipality has the following bank account:

Current account(Primary Bank Account)**ABSA BANK- Secunda
Account no 01053971462**

Cashbook balance at the beginning of the year	153 659 924	171 670 944
Cashbook balance at the end of the year	195 583 211	153 659 924
Bank statement balance at the beginning of the year	153 714 212	171 777 512
Bank statement balance at the end of the year	181 500 434	153 714 212

12 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	3 457 041	2 641 995
Revenue Replacemnet Grant	168 181 318	147 158 654
MIG Grant	3 987 040	14 525 668
CBPWV	972 668	
MSIG Grant	2 064 265	705 668
FMG Grant	846 401	1 176 696
Total	179 508 732	166 208 681

12.1 Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. Due to the fact that the District Municipality do not render services this grant form part of the income.

12.2 MIG Grant

Balance unspent at the beginning of the year	5 101 968	3 616 007
Correction from previous year	739 707	0
Current year receipts		16 011 629
Conditions met - transfer to revenue	3 987 040	14 525 668
Conditions still to be met - transfer to liabilities (see note 5)	375 221	5 101 968

This grant is being used for several project with-in the Category B Municipalities in the Gert Sibande region. This project is being implemented by the District Municipality.

12.3 MSIG Grant

Balance unspent at the beginning of the year	1 219 766	264 081
Correction from previous year	0	661 353
Current year receipts	1 000 000	1 000 000
Conditions met - transfer to revenue	2 064 265	705 668
Conditions still to be met - transfer to liabilities (see note 5)	<u>155 501</u>	<u>1 219 766</u>

12.4 FMG Grant

Balance unspent at the beginning of the year	348 157	1 024 853
Current year receipts	500 000	500 000
Conditions met - transfer to revenue	846 401	1 176 696
Conditions still to be met - transfer to liabilities (see note 5)	<u>1 756</u>	<u>348 157</u>

12.5 CBPWP

Balance unspent at the beginning of the year	2 952 100	2 952 100
Correction during the year	1 000 000	0
Conditions met - transfer to revenue	972 668	0
Conditions still to be met - transfer to liabilities (see note 5)	<u>2 979 432</u>	<u>2 952 100</u>

13 OTHER INCOME

Tender Deposits	117 050	81 365
LGSeta allocations	353 519	
Dwaf allocation	539 994	
Other income	129 030	47 509
Total other income	<u>1 139 593</u>	<u>128 874</u>

14 EMPLOYEE RELATED COST

Employee related cost - Salaries and wages	17 277 378	13 780 841
Employee related cost - Contributions for UIF, pensions and medical aids	3 769 501	3 749 908
Travel and other allowances	2 067 640	1 741 145
Housing benefits and allowances	191 692	168 353
Overtime payment	211 542	324 166
Annual bonus	284 189	0
Total Employee related cost	<u>23 801 942</u>	<u>19 764 413</u>

There were no advances to employees. No new loans was approved. Current loans are set out in note 9.

Remuneration of the Municipal Manager

Annual Remuneration	627 030	779 835
Annual bonus	69 167	129 358
Car allowances	132 652	151 866
Contributions to UIF, Medical and pension funds.	151 004	109 686
Total	<u>979 853</u>	<u>1 170 746</u>

Remuneration of the Chief Financial Officer

Annual Remuneration	466 472	542 170
Annual bonus	48 217	162 182
Car allowances	102 870	99 562
Contributions to UIF, Medical and pension funds.	10 401	43 996
Total	<u>627 960</u>	<u>847 909</u>

**Remuneration of Individual Executive Directors
30 June 2008**

	Corporate Services	MIS
	R	R
Annual Remuneration	496 467	460 333
Annual bonus	54 167	54 167
Car allowances	91 574	102 880
Contributions to UIF, Medical and pension funds.	103 784	119 246
Total	<u>745 992</u>	<u>736 625</u>

30 June 2008

	IGR	Mayor's Office
	R	R
Annual Remuneration	273 810	459 946
Annual bonus	4 306	54 167
Car allowances	68 812	55 895
Contributions to UIF, Medical and pension funds.	4 589	126 657
Total	<u>351 517</u>	<u>696 666</u>

30 June 2007

	Corporate Services	MIS
	R	R
Annual Remuneration	486 179	310 336
Annual bonus	97 189	0
Car allowances	101 746	76 293
Contributions to UIF, Medical and pension funds.	132 741	73 799
Total	<u>817 855</u>	<u>460 429</u>

An amount of R432 305 is provided for annual bonuses for management, and included as a creditor in note 4.

15 COUNCILLORS REMUNERATION		
Executive Mayor	438 816	408 804
Speaker	351 268	329 176
Mayoral Committee's allowance	1 546 744	1 947 753
Councillor's	2 124 239	1 678 192
Councillor's pension fund	438 905	426 335
Medical aid contribution	140 334	130 788
UIF Contribution	12 016	9 859
Total Councillors Remuneration	5 052 321	4 930 907

IN-KIND BENEFITS

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Mayor is staying in a house of Council.

16 GRANTS AND SUBSIDIES PAID

Grants paid to local Municipalities	108 639 183	116 830 858
Grants paid to charities	99 540	7 000
	<u>108 738 723</u>	<u>116 837 858</u>
Grants paid to local Municipalities: Depreciation	1 658 077	537 202
Total Grants and Subsidies	110 396 800	117 375 060

17 CASH GENERATED BY OPERATIONS

Net surplus for the year	52 619 828	48 023 524
Adjustments for:-		
Depreciation	3 159 365	2 371 469
Contribution to provisions	6 805 149	
Gain on disposal of property, plant and equipment	-13 892	
Loss on disposal of property, plant and equipment		42 783
Assets adjustment	816 906	
Prior year adjustment	3 088 045	
Investment income	-21 621 274	-15 802 585
Interest paid	389 815	1 571 830
Operating surplus before working capital charges	<u>45 243 943</u>	<u>36 207 020</u>
(Increase)/decrease in Debtors	-242 409	-6 011 987
Increase/ (decrease) in conditional grant and receipts	-6 110 080	4 717 050
Increase/ (decrease) on VAT receivable	2 798 142	1 049 145
Increase/(decrease) in Creditors	<u>-4 325 361</u>	<u>-32 595 414</u>
Cash generated by operations	37 364 235	3 365 814

18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:

Bank balances	195 583 211	153 659 924
Petty cash	4 100	4 100
Investments	0	12 000 000
Total	<u>195 587 311</u>	<u>165 664 024</u>

19 GENERAL EXPENSES

Included in general expenses are the following:-

Operating leases

Operating leases for automated office machines - minimum payments	<u>265 764</u>	<u>482 423</u>
-------------------------------------------------------------------	----------------	----------------

The municipality leases office automation machines from various service providers over a lease period of a maximum of 3 years.

	<u>Up to 1 year</u>	<u>1 - 5 years</u>
	R	R
Future minimum lease payments at 30 June 2008:	265 764	503 224

20 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

20.1 Contributions to organized local government

Opening balance	0	0
Council subscriptions	158 459	113 609
Amount paid - current year	<u>158 459</u>	<u>113 609</u>
Balance unpaid	<u>0</u>	<u>0</u>

20.2 Audit fees

Opening balance	0	0
Current year audit fees	882 277	848 867
Amount paid - current year	<u>882 277</u>	<u>848 867</u>
Balance unpaid	<u>0</u>	<u>0</u>

20.3 VAT

All VAT returns have been submitted by the due date throughout the year.
The VAT receivables are shown in note 6.

20.4 Payee and UIF

Opening balance	0	0
Current year payroll deduction and Council Contributions	4 378 955	4 104 223
Amount paid - current year	<u>4 378 955</u>	<u>4 104 223</u>
Balance unpaid	<u>0</u>	<u>0</u>

20.5 Pension and Medical Aid Deductions

Opening balance	0	0
Current year payroll deduction and Council Contributions	6 342 583	5 709 651
Amount paid - current year	6 342 583	5 709 651
Amount paid - previous year	<u>0</u>	<u>0</u>
Balance unpaid	<u>0</u>	<u>0</u>

21 IRREGULAR EXPENDITURE - RECOUPMENT

Forged cheque	<u>940 057</u>	<u>940 057</u>
---------------	----------------	----------------

A cheque to the amount of R 1 942 718.50 was forged during the previous year. Absa was able to recover the amount of R 1 002 661.40 and re-imbursed the Council accordingly. Currently the insurance company is awaiting a final comprehensive report with a view to compensating the Council with a material portion of the outstanding loss incurred.

22 PRIOR YEAR ADJUSTMENT

The contingencies of the prior year have been provided as creditors for short term projects which did not realised, and therefore be written back against the appropriation account.	<u>3 088 045</u>	<u>0</u>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------	----------

23 CHANGES OF ACCOUNTING POLICIES

The current year accounting policy (in accordance with the exemptions in Gazette no. 30013 of 29 June'07) differ from that applied in the prior year. The changes in accounting policy will be applied prospectively and refers to the following notes:

- 2 - Creditors
- 5 - Property, Plant and equipment

24 CAPITAL AND OTHER COMMITMENTS

Commitment in respect of capital and other expenditure		
- Approved and contracted for		
Other assest: Vehicles	0	601 340
Projects for municipalities	42 418 726	
Total	<u>42 418 726</u>	<u>601 340</u>

This expenditure will be financed from:

-Own Resources	42 418 726	601 340
Total	<u>42 418 726</u>	<u>601 340</u>

GERT SIBANDE DISTRICT MUNICIPALITY

APPENDIX A

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008

					Balance at 01/07/2007	Received during the year	Redeemed or written off during the year	Balance at 30/06/2008
					R	R	R	R
EXTERNAL LOANS								
Issued	Type	Rate	Loan description	Redeemable				
Jan 1999	Annuity Loan	18.4%	EAST-00-0001	April 2008	2 749 441	0	2 749 441	0
Jan 1999	Annuity Loan	18.6%	EAST-00-0002	April 2008	2 912 521	0	2 912 521	0
TOTAL EXTERNAL LOANS					5 661 962	0	5 661 962	0

GERT SIBANDE DISTRICT MUNICIPALITY

APPENDIX B

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	COST					ACCUMULATED DEPRECIATION				CARRYING VALUE	BUDGET 2008
	OPENING BALANCE	ADDITIONS	WORK IN PROGRESS	DISPOSALS / TRANSFERS	CLOSING BALANCE	OPENING BALANCE	ADDITIONS	DISPOSALS / TRANSFERS	CLOSING BALANCE		
	R	R	R	R	R	R	R	R	R		
LAND AND BUILDINGS											
Building	11 808 754	123 939	14 873 172	3 468	26 802 397	1 712 380	449 008	29	2 161 359	24 641 038	15 000 000
	11 808 754	123 939	14 873 172	3 468	26 802 397	1 712 380	449 008	29	2 161 359	24 641 038	15 000 000
OTHER ASSETS											
Equipment	4 555 605	473 873	0	331 075	4 698 403	3 038 211	487 648	193 519	3 332 340	1 366 063	216 500
Furniture	1 535 509	33 500	0	1 176 194	392 815	614 581	37 327	494 654	157 254	235 561	33 500
Vehicles	23 417 972	7 713 011	0	171 643	30 959 340	1 150 948	2 185 382	26 564	3 309 766	27 649 574	8 000 000
	29 509 086	8 220 384	0	1 678 912	36 050 558	4 803 740	2 710 357	714 737	6 799 360	29 251 198	8 250 000
TOTAL	41 317 840	8 344 323	14 873 172	1 682 380	62 852 955	6 516 120	3 159 365	714 766	8 960 719	53 892 236	23 250 000

GERT SIBANDE DISTRICT MUNICIPALITY

APPENDIX C

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2008

	COST					ACCUMULATED DEPRECIATION				CARRYING VALUE
	OPENING BALANCE 1/7/2007	ADDITIONS	WORK IN PROGRESS	DISPOSALS / TRANSFERS	CLOSING BALANCE 30/6/2008	OPENING BALANCE 1/7/2007	ADDITIONS	DISPOSALS / TRANSFERS	CLOSING BALANCE 30/6/2008	
	R	R		R	R	R	R	R	R	
Executive and Council	2 657 202	2 055 732	14 873 172	672 756	18 913 350	439 260	248 688	186 377	501 571	18 411 779
Finance and admin	17 931 713	169 696	0	769 156	17 332 253	5 308 806	1 193 178	411 697	6 090 287	11 241 966
Planning and development	516 161	273 395	0	240 468	549 088	226 541	59 421	116 692	169 270	379 818
Local Authorities	20 212 764	5 845 500	0	0	26 058 264	541 513	1 658 078	0	2 199 591	23 858 673
TOTAL	41 317 840	8 344 323	14 873 172	1 682 380	62 852 955	6 516 120	3 159 365	714 766	8 960 719	53 892 236

GERT SIBANDE DISTRICT MUNICIPALITY

APPENDIX D

SEGMENTAL STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

2007			2008		
Actual Income	Actual Expenditure	Surplus	Actual Income	Actual Expenditure	Surplus
R	R	R	R	R	R
14 525 668	117 368 060	-102 842 392			
14 525 668	117 368 060	-102 842 392	4 959 707	110 297 260	-105 337 553
			4 959 707	110 297 260	-105 337 553
184 061 066	33 188 148	150 872 916			
10 984	16 814 884	-16 803 901	198 283 917	40 226 996	158 056 921
183 331 895	6 645 818	176 686 076	404 673	22 301 073	-21 896 400
1 427	670 355	-668 928	195 254 501	6 309 547	188 944 954
716 182	6 326 554	-5 610 372	2 608	1 868 647	-1 866 038
528	1 684 398	-1 683 870	2 620 695	9 746 289	-7 125 595
50	1 046 139	-1 046 089	847	847	0
			593	593	0
0	7 000	-7 000			
0	7 000	-7 000	0	99 540	-99 540
			0	99 540	-99 540
198 586 734	150 563 209	48 023 524	203 243 624	150 623 797	52 619 828

GERT SIBANDE DISTRICT MUNICIPALITY

APPENDIX E(2)

ACTUAL CAPITAL EXPENDITURE VERSUS BUDGET FOR THE YEAR 30JUNE 2008

	2008 ACTUAL	2008 WORK IN PROGRESS	2008 TOTAL ADDITIONS	2008 BUDGET	2008 VARIANCE	2008 VARIANCE	EXPLANATION OF SIGNIFICANT VARIANCES GREATER THAN 5% VERSUS BUDGET
	R	R	R	R	R	%	
LAND AND BUILDINGS							
Building	123 939	14 873 172	14 997 111	15 000 000	2 889	0	
	123 939	14 873 172	14 997 111	15 000 000	2 889	0	
OTHER ASSETS							
Equipment	473 873	-	473 873	216 500	(257 373)	(118)	Notebooks and laptops were procured for new appointments and mayoral committee "Virement" done to offset shortfall on budget from vehicles vote.
Furniture	33 500	-	33 500	33 500	0	0	
Vehicles	7 713 011	-	7 713 011	8 000 000	286 989	4	
	8 220 384	-	8 220 384	8 250 000	29 616	0	
TOTAL	8 344 323	14 873 172	23 217 495	23 250 000	32 505	0	

GERT SIBANDE DISTRICT MUNICIPALITY

APPENDIX E (1)

ACTUAL OPERATING REVENUE AND EXPENDITURE VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008

	Actual 2008	Budget 2008	Variance 2008	Variance 2008	Explanation of variances greater than 10%
	R	R	R	%	
REVENUE					
Regional Services Levies - remuneration	68 344	187 000	-118 656	-63%	Fair Value for Debtor
Regional Services Levies - turnover	289 285	430 000	-140 715	-33%	Fair Value for Debtor
Interest earned - external investments	21 621 274	16 900 000	4 721 274	28%	Due to projects not finalised as budgeted, more funds were available for investment. The increase in the interest rate also had a positive influence on the income from investments
Interest earned - outstanding debtors	602 506	4 400	598 106	13593%	Fair Value for Debtor
Government grants and subsidies	179 508 732	184 159 164	-4 650 432	-3%	
Other income	1 139 593	5 140 150	-4 000 557	-78%	The donation from the Canadian International Development agency(CIDA) will from a timing point only be received in the 2008/2009 year.
Gains on disposal of property, plant and equipment	13 892	0	13 892	100%	No provision was made for nett gains from the insurance of assets stolen.
TOTAL REVENUE	203 243 624	206 820 714	-3 577 090	-2%	
EXPENDITURE					
Employee related cost	23 801 942	35 583 661	-11 781 719	-33%	Not all positions were filled on the organigram, resulting in less expenditure than budgeted for
Remuneration of Councillors	5 052 321	5 416 390	-364 069	-7%	
Collection cost	45 370	50 000	-4 630	-9%	
Depreciation	1 501 287	1 415 770	85 517	6%	
Repairs and maintenance	665 058	856 579	-191 521	-22%	Less was spent on repairs and maintenance than budgeted
Contracted services	708 842	947 800	-238 958	-25%	Less was spent on contracted services than anticipated
Grants and subsidies paid	110 396 800	157 993 902	-47 597 102	-30%	Due to projects not completed as anticipated, saving on grants paid arose
General expenses - other	8 452 176	13 559 720	-5 107 544	-38%	Less was spent on general expenditure than budgeted for
TOTAL EXPENDITURE	150 623 797	215 823 822	-65 200 025	-30%	
NET SURPLUS FOR THE YEAR	52 619 828	-9 003 108	61 622 936		

