

BLUE CRANE ROUTE MUNICIPALITY

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BLUE CRANE ROUTE MUNICIPALITY
GENERAL INFORMATION FOR THE YEAR ENDED AT 30 JUNE 2009

MEMBERS OF THE COUNCIL

Councillors

NM Scott (Mayor)
JF Froelich
KC Brown
K Olivier
M Nontyi
NR Sibaca
L Simmons
VS Jonas
NP Yantolo
BA Manxoweni

GRADING OF LOCAL AUTHORITY

Blue Crane Route Municipality is a Grade 2 Local Authority

AUDITORS

Auditor General

BANKER

ABSA Bank

REGISTERED OFFICE

PO Box 21
67 Nojoli Street
Somerset East
5850

Telephone: 042 - 2431333
Facsimile: 042 - 2431548

MUNICIPAL MANAGER & ACCOUNTING OFFICER

M A Mene
Telephone: 042 - 2431333

CHIEF FINANCIAL OFFICER

DR Sauls
Telephone: 042 - 2431333

APPROVAL OF FINANCIAL STATEMENTS

This **Annual Financial Statements** were approved by the Municipal Manager and Chief Financial Officer on 12 August 2009.

.....
MUNICIPAL MANAGER: BLUE CRANE ROUTE MUNICIPALITY: - M. Mene

.....
CHIEF FINANCIAL OFFICER: BLUE CRANE ROUTE MUNICIPALITY: - D Sauls

BLUE CRANE ROUTE MUNICIPALITY
ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED AT 30 JUNE 2009

1. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The overall operating results for the year ended 30/06/09 are as follows:

| | Actual 2008 R | Actual 2009 R | Variance 2008/2009 % | Budget 2009 R | Variance Actual Budget % |
|------------------------------------|---------------------|---------------------|----------------------------|---------------------|-----------------------------------|
| Income | | | | | |
| Opening deficit | (14 524 085) | (10 035 734) | | | |
| Appropriations for the year | 4 468 628 | 984 002 | | | |
| Operating income for the year | 81 844 877 | 114 778 158 | 40% | 117 180 228 | -2% |
| | 71 789 418 | 105 726 426 | | 117 180 228 | |
| Expenditure | | | | | |
| Operating expenditure for the year | 81 825 352 | 110 560 578 | 35% | 117 180 228 | -4% |
| Appropriations for the year | (10 035 734) | (4 234 152) | | | |
| Closing deficit | 71 789 418 | 105 726 426 | | 117 180 228 | |

Significant variances:
The main reason for the increase in the expenditure and income since the previous year, are the exemptions of Rates that is shown as expenditure and the gross rates shown as income. In the previous years, only the net rates were shown as income. This practise is according to National Treasury guidelines.

1.1 Rates and General Services

| | Actual 2008 R | Actual 2009 R | Variance 2008/2009 % | Budget 2009 R | Variance Actual Budget % |
|------------------------------|---------------------|---------------------|----------------------------|---------------------|-----------------------------------|
| Income | | | | | |
| Income | 46 668 684 | 70 401 175 | 51% | 74 787 001 | -6% |
| Expenditure | 58 793 358 | 77 593 186 | 37% | 92 705 678 | -6% |
| Deficit | (19 130 715) | (7 589 021) | 25% | (7 918 676) | -4% |
| Deficit as % of total income | -22% | -11% | | -11% | |

Significant variances:
The reason for the variances under income and expenditure, is the same as above.

1.2 Summary of the operating results of the local authority's Trading Service:

| | Actual 2008 R | Actual 2009 R | Variance 2008/2009 % | Budget 2009 R | Variance Actual Budget % |
|-------------------------------------|---------------------|---------------------|----------------------------|---------------------|-----------------------------------|
| Water Service | | | | | |
| Income | 7 903 837 | 8 390 529 | 13% | 8 390 750 | 0% |
| Expenditure | 5 453 323 | 6 081 839 | 12% | 5 461 955 | 11% |
| Deficit/Surplus | 1 950 514 | 2 278 690 | 17% | 2 928 795 | -22% |
| Surplus/(Deficit) as % total income | 25% | 27% | | 35% | |

Significant variances:

| | Actual 2008 R | Actual 2009 R | Variance 2008/2009 % | Budget 2009 R | Variance Actual Budget % |
|-------------------------------------|---------------------|---------------------|----------------------------|---------------------|-----------------------------------|
| Electricity Service | | | | | |
| Income | 27 772 359 | 36 016 454 | 30% | 34 002 477 | 6% |
| Expenditure | 19 572 650 | 26 488 543 | 35% | 29 012 694 | -9% |
| Deficit/Surplus | 8 199 709 | 9 527 911 | 15% | 4 989 883 | 91% |
| Surplus/(Deficit) as % total income | 30% | 26% | | 15% | |

Significant variances:
High increases in Eskom tariffs lead to the increase in Income and Expenditure for 2008/09.

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets during the year amounted to R12,018,633 (2007/08 - R12,326,664). The Municipality's properties were valuated during the year with the new valuations. The valuations for land and buildings were separate valued to be ready for the GAMAP/GRAP conversion for the 2009/10 financial year.

| | Actual 2008 R | Budget 2009 R | Actual 2009 R |
|---|---------------------|---------------------|---------------------|
| Airfield | 3 105 668 | 2 646 586 | 128 791 |
| Clinics | - | - | - |
| Commonage and Pound | 332 434 | 210 800 | - |
| Council's General Expenses | 12 122 | 22 200 | 16 502 |
| Estates and Properties | 12 397 | 29 677 | 21 453 |
| Public Works | 1 228 504 | 4 786 503 | 3 059 330 |
| Town Planning | - | - | - |
| Bestershok | 5 486 | 21 000 | 4 649 |
| Environmental Health | - | - | - |
| Municipal Manager,Corporate and Finance | 288 525 | 1 068 536 | 386 119 |
| MG Administration | 14 115 | 25 520 | 28 977 |
| Traffic | 2 279 | 119 200 | 64 176 |
| Cemeteries | - | 83 000 | - |
| Fire Brigades | - | - | 1 200 000 |
| Parks and Recreation | - | 98 200 | 94 378 |
| Refuse Removal Services | 55 427 | 436 600 | - |
| Sewerage Services | 6 626 671 | 433 143 | 566 743 |
| Electricity Services | 205 066 | 1 378 436 | 2 491 954 |
| Libraries | 410 772 | - | 191 061 |
| Water Services | 28 288 | 150 000 | 3 764 500 |
| | 12 326 664 | 11 490 861 | 12 018 633 |

Resources used to finance the fixed assets were as follows:-

| | 2008 R | 2009 R | 2009 R |
|--------------------|-------------------|-------------------|-------------------|
| - Internal Sources | 815 624 | 3 816 211 | 1 158 260 |
| - External Sources | 11 511 040 | 7 674 650 | 10 860 373 |
| Other Sources | - | - | - |
| External Loans | 11 511 040 | 7 674 650 | 10 860 373 |
| Government Grants | - | - | - |
| | 12 326 664 | 11 490 861 | 12 018 633 |

A complete analysis of capital expenditure (budgeted and actual) per department, classification or service is included in appendix C. More details regarding external loans and internal advances used to finance fixed assets are shown in appendix B.

3. EXTERNAL LOANS, INVESTMENTS AND CASH

The only external loans outstanding on 30 June 2009, were the vehicle loans from ABSA Bank, which were in total an amount of R13,137 and will be fully redeemed in 2009/10.

Cash resources and short term deposits were at 30 June 2009 a total amount of R10,767,542 (2008 - R8,845,299). Cash resources and short term deposits are directly influence by the grants/subsidies received from Provincial and National Government.

More information regarding loans and investments are disclosed in the notes (4 and 7) and appendix B in the financial statements.

4. FUNDS AND RESERVES

The total balance of the Statutory Funds at 30 June 2009 were R7 463,700 (2008 - R7,290,540) while the reserves were unchanged at R12 000.

The Trust Funds decreased from R8,899,327 in 2008 to R7,207,624 at 30 June 2009, due the spending of grants from the previous year.

5. GENERAL

The Blue Crane Route Municipality hereby discloses the existence of a municipality entity, The Blue Crane Development Agency was originally established during the 2005 financial year as a Section 21 Company and subsequently converted. The municipal entity is classified as a service utility as per provincial government Gazette no. 1841 vol. 15 dated 13 March 2008. The main objective of the Agency is to act as an agent on behalf of the Municipality for all tourism, agriculture and business development issues in the demarcated development zone. There were no transactions between the municipality and the agency during the current financial year.

6. POST BALANCE SHEET EVENTS

No post balance events occurred after 30 June 2009

7. 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: BLUE CRANE ROUTE MUNICIPALITY: - M Mene

BLUE CRANE ROUTE MUNICIPALITY
ACCOUNTING POLICIES FOR THE YEAR ENDED 30/06/09

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 in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition - January 1996).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year, except 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 and when an official order is issued.

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 the end of their estimated useful life as determined by the Treasurer. In the year 2007/08, the valuation of all properties that are registered in the name of the Municipality is taken up in the asset register at the Valuation as determined by the Valuer appointed by the Municipality. The Ledger accounts for these assets were adjusted accordingly. The valuation of these properties are done annually and the assets adjusted accordingly.
- 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 aquired through:

 - * Appropriations from operating income, where the full cost of the asset forms an immediate and direct charge against the operating income, and therefor it is unnecessary to make any further provision for depreciation.
 - * Grant or donation, where the amount representing the value of such grant or donatation 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 the ruling interest rate applicable at the time that the advance is made.

4. Funds and reserves

4.1 Revolving Fund

If the Municipality's cashflow does allow it, a contribution will be made to this fund of 7.5% 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.

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.

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.

Provision for bad debts are calculated at all outstanding debtors for 90 days and older, VAT excluded.

6. Inventory

Inventory is reflected in the Balance Sheet at the weighted average cost.

7. 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.

8. Surpluses and deficits

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

9. 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 (1997).

10. 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.

11. Income recognition

11.1 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.

11.2 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, at the same rate. Rebates of 20% are granted on state-owned properties.

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

11.3 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.

12. Leased assets

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement. Vehicles bought on behalf of Councillors and also financed under leases, are not capitalised but only shown as a longterm debtor and a corresponding long term liability (leases).

BLUE CRANE ROUTE MUNICIPALITY

BALANCE SHEET FOR THE YEAR ENDED AT 30/06/09

| | | 2009 R | 2008 R |
|---|----|-------------------|------------------|
| CAPITAL EMPLOYED | | | |
| Funds and Reserves | | 7 475 700 | 7 302 540 |
| - Statutory funds | 1 | 7 463 700 | 7 290 540 |
| - Reserves | 2 | 12 000 | 12 000 |
| Accumulated Deficit | | (4 834 152) | (10 035 734) |
| | | 2 641 548 | (2 733 194) |
| Trust funds | 3 | 7 207 924 | 8 899 327 |
| Long-term liabilities | 4 | 103 142 | 194 429 |
| Consumer deposits: Services | 5 | 1 105 422 | 944 022 |
| | | 11 058 036 | 7 304 584 |
| EMPLOYMENT OF CAPITAL | | | |
| Fixed assets | 6 | 13 137 | 48 796 |
| Investments | 7 | - | - |
| Longterm debtors | 8 | 203 169 | 297 165 |
| Net current assets/(liabilities) | | 10 841 730 | 6 958 623 |
| Current assets | | 22 496 793 | 19 413 804 |
| - Inventory | 9 | 909 909 | 366 782 |
| - Debtors | 10 | 10 317 703 | 10 018 157 |
| - Bank and Cash | 11 | 1 139 858 | 727 604 |
| - Short-term portion of Long-term debtors | | 95 281 | 83 566 |
| - Short-term investments | | 10 034 042 | 8 217 695 |
| Current liabilities | | (11 655 063) | (12 455 181) |
| - Provisions | 12 | 3 925 431 | 4 554 421 |
| - Creditors | 13 | 7 252 475 | 7 801 260 |
| - Bankoverdraft | 14 | 386 358 | - |
| - Short-term portion of long-term liabilities | | 90 799 | 99 500 |
| | | 11 058 036 | 7 304 584 |

**BLUE CRANE ROUTE MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED 30/06/09**

| Actual Income 2008 R | Actual expenditure 2008 R | Surplus/ (deficit) 2008 R | | Actual Income 2009 R | Actual expenditure 2009 R | Surplus/ (deficit) 2009 R | Budget Surplus/(deficit) 2009 R |
|-------------------------------|------------------------------------|------------------------------------|---|-------------------------------|------------------------------------|------------------------------------|--|
| 46 668 684 | 56 799 399 | (10 130 715) | RATES AND GENERAL SERVICES | 70 401 175 | 77 990 196 | (7 589 021) | (7 918 678) |
| 31 165 667 | 43 344 234 | (12 178 567) | Community services | 59 772 327 | 62 699 836 | (2 927 509) | (2 892 705) |
| 4 162 | 2 201 589 | (2 197 427) | Subsidised services | 185 628 | 3 058 776 | (2 873 148) | (3 455 571) |
| 15 498 855 | 11 253 576 | 4 245 279 | Economic services | 10 443 220 | 12 231 584 | (1 788 364) | (1 570 402) |
| 35 176 193 | 25 025 953 | 10 150 240 | TRADING SERVICES | 44 376 983 | 32 570 382 | 11 806 601 | 7 918 678 |
| <u>81 844 877</u> | <u>81 825 352</u> | <u>19 525</u> | TOTAL | <u>114 778 158</u> | <u>110 560 578</u> | <u>4 217 580</u> | <u>-</u> |
| | <u>4 468 826</u> | | Appropriations for the year (refer to note 15) | | | <u>984 002</u> | |
| | 4 488 351 | | Nett surplus/(deficit) for the year (refer to note 15) | | | 5 201 582 | |
| | (14 524 085) | | Accumulated deficit at the beginning of the year (Refer to note 15) | | | (10 035 734) | |
| | <u>(10 035 734)</u> | | ACCUMULATED DEFICIT AT THE END OF THE YEAR (Refer to note 15) | | | <u>(4 834 152)</u> | |

BLUE CRANE ROUTE MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30/06/09

| | NOTES | 2009 R | 2008 R |
|--|-------|--------------------|---------------------|
| CASH (UTILISED)/ RETAINED FROM OPERATING ACTIVITIES | | | |
| | | 13 960 864 | 26 963 341 |
| Cash generated by operations | 16 | (26 672 940) | (13 599 732) |
| Interest earned | | 1 045 365 | 701 379 |
| (Increase)/decrease in working capital | 17 | (2 443 384) | (7 082 394) |
| Less: Interest paid: External Loans | | (5 096) | (9 514) |
| Cash (utilised in)/available from operations | | (28 076 055) | (19 990 261) |
| Cash contributions from the public and the state | | 42 006 785 | 46 921 013 |
| Nett proceeds on disposal of fixed assets | | 30 134 | 32 589 |
| CASH RECEIVED IN INVESTING ACTIVITIES | | | |
| Capital expenditure during the year | | (12 018 633) | (12 326 664) |
| NET CASH FLOW | | | |
| | | 1 942 231 | 14 636 677 |
| CASH EFFECTS OF FINANCING ACTIVITIES | | | |
| Increase/(decrease) in long-term loans (external) | 18 | (99 988) | (8 080 035) |
| (Increase)/decrease in cash investments | 19 | (1 816 347) | (6 594 033) |
| (Increase)/decrease in cash on hand | 20 | (25 896) | 37 391 |
| | | (1 942 231) | (14 636 677) |

BLUE CRANE ROUTE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09

| | 2009 R | 2008 R |
|---|------------------|------------------|
| 1 STATUTORY FUNDS | | |
| Revolving fund | 6 949 646 | 6 919 512 |
| Housing Development Fund | 514 054 | 371 028 |
| | <u>7 463 700</u> | <u>7 290 540</u> |
| <i>(Refer to Appendix A for more details)</i> | | |
| 2 RESERVES | | |
| Game Reserve | 12 000 | 12 000 |
| | <u>12 000</u> | <u>12 000</u> |
| <i>(Refer to Appendix A for more details)</i> | | |
| 3 TRUST FUNDS | | |
| Dr. WH Craib Fund | 15 015 | 17 015 |
| LED Zama Fund | 63 158 | 63 158 |
| Integrated Development Plan | 151 426 | 17 657 |
| Zoning Map Fund | 30 843 | 30 843 |
| Pearston Small Farmers Association | 1 763 | 1 763 |
| Cookhouse 313 Houses | 71 679 | 71 679 |
| Perimeter Fence - Lake Bertie | 379 175 | - |
| Environmental Impact Study Fund | 63 000 | 63 000 |
| Spatial Development Framework | 174 090 | 345 450 |
| MIG - Revolving Fund | 4 458 145 | 3 449 108 |
| Project Consolidate - IT Project | 26 310 | 11 671 |
| MSIG Funds | 88 627 | 448 741 |
| Fire Management | - | 30 000 |
| Library Grant - Cacadu | 28 233 | 20 081 |
| Project Consolidate - Mentoring | 66 071 | 15 548 |
| Water Services Fund | 100 000 | 100 000 |
| NER Trust Fund | 103 706 | 2 394 261 |
| FMG Grant | - | 76 332 |
| CMIP - Trust Funds | 151 861 | 151 861 |
| Pearston 300 Houses | 86 784 | 86 972 |
| Free Basic Services Grant | 41 779 | 110 026 |
| LED Trust Fund | - | 17 670 |
| Housing Funds 1 | 83 732 | 83 732 |
| Housing Funds 2 | 436 166 | |
| CIP Funds | 169 487 | - |
| Skills Dev Fund | 33 451 | - |
| Computer Project - Cacadu | - | 10 752 |
| HIV Drugs | 60 000 | - |
| CBP Ward Implementation Plan | 4 543 | 238 211 |
| DWAF | 224 455 | 1 043 796 |
| Aeroville Cemetery Grant | 94 425 | |
| | <u>7 207 924</u> | <u>8 899 327</u> |
| 4 LONG-TERM LIABILITIES | | |
| ABSA - Vehicle and Asset Finance | 13 137 | 48 796 |
| Lease Commitments | 180 804 | 245 133 |
| | <u>193 941</u> | <u>293 929</u> |
| Less: Short Term portion transferred to Current Liabilities | (90 799) | (99 500) |
| External Loans | (13 137) | (35 348) |
| Leases | (77 662) | (64 152) |
| | <u>103 142</u> | <u>194 429</u> |

The Lease commitment represents a vehicle lease on behalf of the Mayor of Blue Crane Municipality. The Mayor will be the owner of the vehicle at the end of the lease in 2011.

(Refer to Appendix B for more details)

BLUE CRANE ROUTE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09

| | 2009 R | 2008 R |
|--|--------------------|--------------------|
| 5 CONSUMER DEPOSITS: SERVICES | | |
| Service Deposits | 1 105 422 | 944 022 |
| | <u>1 105 422</u> | <u>944 022</u> |
| 6 FIXED ASSETS | | |
| Fixed assets at the beginning of the year | 151 655 105 | 119 924 828 |
| Capital expenditure during the year | 12 018 633 | 12 326 664 |
| Assets written off, transferred or disposed of during the year | 2 059 118 | (19 403 613) |
| Total fixed assets | <u>161 614 620</u> | <u>151 655 105</u> |
| Less: Loans redeemed and other capital receipts | <u>161 601 483</u> | <u>151 606 309</u> |
| Nett fixed assets | <u>13 137</u> | <u>48 796</u> |

(Refer to Appendix C for more details)

7 INVESTMENTS

| <i>Name of Bank</i> | <i>Acc Nr</i> | <i>Type</i> | | |
|---------------------|---------------|---------------|-------------------|------------------|
| ABSA Bank | 9062642914 | Call Acc | - | 881 |
| ABSA Bank | 2053825035 | Fixed Deposit | 7 500 | 7 500 |
| ABSA Bank | 2055844786 | Fixed Deposit | 17 648 | 15 997 |
| ABSA Bank | 2064372621 | 32 Days | 278 | 261 |
| ABSA Bank | 2084303510 | 32 Days | 11 730 | 10 836 |
| ABSA Bank | 9067623600 | Call Acc | 4 581 931 | 4 131 098 |
| ABSA Bank | 3064335048 | 32 Days | 21 183 | 19 590 |
| ABSA Bank | 4064313202 | 32 Days | 12 451 | 11 649 |
| ABSA Bank | 5024312404 | 32 Days | 27 912 | 25 734 |
| ABSA Bank | 9064335011 | 32 Days | 12 212 | 11 288 |
| ABSA Bank | 9073206933 | 32 Days | 27 596 | 25 482 |
| ABSA Bank | 9216529966 | Call Acc | 388 233 | |
| ABSA Bank | 9186985404 | Money Market | 4 834 793 | 1 582 092 |
| ABSA Bank | 9186985878 | Money Market | 21 742 | 51 803 |
| ABSA Bank | 9191350545 | Money Market | | 2 259 389 |
| Nedbank | 1263036023 | Money Market | 6 712 | 6 844 |
| Nedbank | 18312491 | Fixed Deposit | 4 600 | 4 600 |
| Nedbank | 1263034756 | Money Market | 57 521 | 52 651 |
| | | | <u>10 034 042</u> | <u>8 217 695</u> |

Circular no 19 of 1984 issued by the Provincial Administration Community Development Branch, requires Local Authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a plenary rate to meet commitments.

BLUE CRANE ROUTE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09

| | 2009 R | 2008 R |
|--|-------------------|-------------------|
| 8 LONG-TERM DEBTORS | | |
| Sportclub Loans | 30 580 | 32 486 |
| Lease - Mayor's vehicle | 180 804 | 245 133 |
| Housing Loans | 87 066 | 103 112 |
| | <u>298 450</u> | <u>380 731</u> |
| Less: Short-term portion transferred to current assets | 95 281 | 83 566 |
| | <u>203 169</u> | <u>297 165</u> |
| 9 INVENTORY | | |
| Inventory represents consumable stores, raw materials, work in progress and finished goods. Where necessary specific provision is made for obsolete stock. | 909 909 | 366 782 |
| | <u>909 909</u> | <u>366 782</u> |
| 10 DEBTORS | | |
| Current Debtors (Consumers) | 21 149 498 | 19 018 731 |
| Less: Provision for bad debts | (14 493 004) | (13 197 397) |
| | <u>6 656 494</u> | <u>5 821 334</u> |
| Cacadu District Municipality capital claims | | 367 039 |
| Biltong Festival exp paid in advance | 527 907 | 393 587 |
| Exp on grants not yet received | 92 011 | 221 815 |
| VAT on Debtor Consumers | 2 174 279 | 1 910 462 |
| Work in Progress | | 221 815 |
| VAT suspense & Creditors | 482 041 | 661 056 |
| VAT Claim for June 2009 | 349 238 | 110 338 |
| SARS: Refund for PAYE/UIF & SDL | | 410 141 |
| Sundry Debtors | 35 733 | 122 385 |
| | <u>10 317 703</u> | <u>10 018 157</u> |
| 11 BANK AND CASH | | |
| Current Bank Account: Absa Bank (Acc 2200000008) | | |
| Bankstatement balance at the end of the year | 1 622 710 | 377 515 |
| Current Bank Account: Absa Bank (Acc 4064779134) | | |
| Bankstatement balance at the end of the year | | 418 774 |
| | <u>1 622 710</u> | <u>796 289</u> |
| Current Bank Account: Absa Bank (Acc 2200000008) | | |
| Cashbook balance at the end of the year | 1 139 078 | 322 964 |
| Current Bank Account: Absa Bank (Acc 4064779134) | | |
| Cashbook balance at the end of the year | | 393 216 |
| Current Bank Account: Absa Bank (Acc 4049180033) | | |
| Bankstatement and Cashbook balance at the end of the year | | 6 591 |
| Current Bank Account: Absa Bank (Acc 4055469366) | | |
| Bankstatement and Cashbook balance at the end of the year | | 215 |
| Current Bank Account: Absa Bank (Acc 4053048314) | | |
| Bankstatement and Cashbook balance at the end of the year | | 2 910 |
| Current Bank Account: Absa Bank (Acc 4051973385) | | |
| Bankstatement and Cashbook balance at the end of the year | | 243 |
| | <u>1 139 078</u> | <u>726 139</u> |
| Cash Floats | 780 | 1 465 |
| | <u>1 139 858</u> | <u>727 604</u> |

BLUE CRANE ROUTE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09

| | 2009 R | 2008 R |
|---|--------------------|---------------------|
| 12 PROVISIONS | | |
| Leave Pay Provision | 2 575 431 | 2 254 421 |
| Audit Fee Provision | 1 350 000 | 900 000 |
| D Crous Package | | 1 400 000 |
| | <u>3 925 431</u> | <u>4 554 421</u> |
| <p>a Report from Kv3 Engineers recommended the rehabilitation of the refuse landfill sites at a current value cost of R8,016,870. No financial resources is available, but an application was lodged to National Treasury to finance this cost.</p> | | |
| 13 CREDITORS | | |
| Trade creditors | 4 214 335 | 4 454 514 |
| VAT Levied on consumers but not yet Paid | 2 174 279 | 1 910 462 |
| Consumers paid in advance | 242 668 | 327 935 |
| Insurance claims paid - not yet utilised | 511 076 | 273 828 |
| Health surplus | | 531 427 |
| VAT suspense account | | 275 022 |
| Biltong Festival income in advance | 76 183 | |
| Sundry Creditors | 33 934 | 28 072 |
| | <u>7 252 475</u> | <u>7 801 260</u> |
| 14 BANK OVERDRAFT | | |
| Current Bank Account: Absa Bank (Acc 4064779134) | | |
| Positive bankstatement balance at the end of the year | 130 401 | - |
| Overdraft cashbook balance at the end of the year | 386 358 | - |
| | <u>386 358</u> | <u>-</u> |
| 15 APPROPRIATIONS | | |
| Appropriation account: | | |
| Accumulated deficit at the beginning of the year | (10 035 734) | (14 524 085) |
| Operating (deficit)/surplus for the year | 4 217 580 | 19 525 |
| | <u>(5 818 154)</u> | <u>(14 504 560)</u> |
| Appropriations for the year: | 984 002 | 4 468 826 |
| Payment received from Pinnolta | 22 738 | |
| Sars incorretly provided in previous year | 14 420 | |
| Legal Fees previous year - Burmeisters | (22 879) | |
| D O Claassen leave pay | (38 480) | |
| Hall Deposit refunds - Mboya, ACS van Wyk | (3 193) | |
| Incentives Biltong Festival previous year - S Simonse and S Miggels | (8 506) | |
| Backpay to employees - 2008 | (260 895) | |
| Maxprof over provided - settled for less | 165 858 | |
| Backpay M Lidell - no provision made | (197 431) | |
| Unclaimed Hall Deposits - before 01/07/2008 | 9 143 | |
| Unknown direct deposit | 6 146 | |
| Correction of Vat to Funds | (217 634) | |
| Incorrect provision for Astrapak and Bencro | 29 476 | |
| Vat incorrectly received from SARS - VAT | 3 240 | |
| Cellphone backpay | (1 000) | |
| Subsistence and Travelling Cllr Yantolo | (3 200) | |
| Electricity Masterplan previously paid to Bigen Africa | 183 408 | |
| Re-allocate deposit to Noltesmit Attorneys | (15 000) | |
| Write-off Blue Crane Dev Forum cost - not recoverable | (40 397) | |
| Overspending of Add Settling Tank - year 2005/06 | (221 815) | |
| Audit Fees - Over-provision in 2007/08 - Paid by Province | 316 204 | |
| General Valuation cost - previous year | (27 115) | |
| Re-allocate VAT on MIG projects to income - prev years | 1 260 060 | |
| Audit cost for 2006/07 - under provision | | (268 172) |
| Bigen Africa Professional fees - under provision 2006/07 | | (266 850) |
| SALA Pension Fund arrear increased contribution | | (209 271) |
| Write-Off arrear Interest - DBSA | | 4 976 821 |
| Other adjustments | 30 853 | 236 298 |
| Accumulated deficit at the end of the year | <u>(4 834 152)</u> | <u>(10 035 734)</u> |

BLUE CRANE ROUTE MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09

| | 2009 R | 2008 R |
|---|---------------------|---------------------|
| Operating account: | | |
| Capital expenditure - Fixed assets | 1 158 260 | 815 624 |
| Contributions to: | | |
| - Revolving Fund | | |
| - Provision for bad debts | 6 045 384 | 6 895 821 |
| - Leave Provision | 451 689 | 565 752 |
| | <u>7 655 333</u> | <u>8 277 197</u> |
| 16 CASH GENERATED BY OPERATIONS | | |
| Surplus for the year | 4 217 580 | 19 525 |
| Adjustments in respect of: | | |
| - Prior Year Adjustments | 984 002 | 4 468 826 |
| Appropriations charged against income | 9 005 333 | 10 577 197 |
| Revolving fund | | |
| Provisions | 7 847 073 | 9 761 573 |
| Fixed assets | 1 158 260 | 815 624 |
| Investment income | (929 278) | (365 656) |
| Less: Operating contr from Central and Prov. Govmnt | (22 639 008) | (27 433 786) |
| Capital charges: | 40 755 | 8 334 682 |
| Interest Paid on External Loans | 5 096 | 9 514 |
| Redemption on External Loans | 35 659 | 8 325 168 |
| Non Operating Expenditure | (17 495 350) | (9 344 852) |
| - Expenditure charged against funds | (10 314 894) | (2 116 440) |
| - Expenditure charged against provisions | (7 180 456) | (7 228 412) |
| Non Operating Income | 143 026 | 144 332 |
| - Income Credited to Statutory Funds | 143 026 | 144 332 |
| | <u>(26 672 940)</u> | <u>(13 599 732)</u> |
| 17 (INCREASE)/DECREASE IN WORKING CAPITAL | | |
| (Increase)/Decrease in inventory | (543 127) | 54 532 |
| (Increase)/Decrease in Debtors, Long term Debtors | (1 512 872) | 1 458 754 |
| Increase/(Decrease) in Creditors, Consumers deposits | (387 385) | (8 595 680) |
| | <u>(2 443 384)</u> | <u>(7 082 394)</u> |
| 18 INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL) | | |
| Loans raised | | 245 133 |
| Loans repaid | (99 988) | (8 325 168) |
| | <u>(99 988)</u> | <u>(8 080 035)</u> |
| 19 (INCREASE)/DECREASE IN CASH INVESTMENTS | | |
| Investments realised | | 1 288 614 |
| Investments made | (1 816 347) | (7 882 647) |
| | <u>(1 816 347)</u> | <u>(6 594 033)</u> |

BLUE CRANE ROUTE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09

| | 2009 R | 2008 R |
|---|----------------------|----------------------|
| 20 (INCREASE)/DECREASE IN CASH ON HAND | | |
| Cash balance at the beginning of the year | 727 604 | 764 995 |
| Less: Cash balance at the end of the year | 753 500 | 727 604 |
| | <u>(25 896)</u> | <u>37 391</u> |
| 21 ASSESSMENT RATES | | |
| Valuation of land and improvements : | | |
| All properties | 2 245 425 580 | 2 241 987 320 |
| The Rateable valuation was R2,133,549,166 | | |
| The Valuation was done in 2006 and implemented on 1 July 2007 | <u>2 245 425 580</u> | <u>2 241 987 320</u> |
| Actual Rateable Income | <u>4 803 503</u> | <u>4 830 137</u> |
| 22 REMUNERATIONS | | |
| 22.1 Council | | |
| Mayor's allowance | 404 479 | 364 441 |
| Salary | 291 360 | 262 531 |
| Travelling allowance | 97 135 | 87 510 |
| Telephone allowance | 15 984 | 14 400 |
| Councillor's allowance | 1 619 637 | 1 262 279 |
| Salaries | 1 147 419 | 886 041 |
| Travelling allowance | 382 470 | 295 346 |
| Telephone allowance | 89 748 | 80 892 |
| Councillor's Total Allowances | <u>2 024 116</u> | <u>1 626 720</u> |
| 22.2 Municipal Manager | | |
| Annual Remuneration | 438 170 | 164 401 |
| Travel Allowance | 120 000 | 50 000 |
| Municipal Contributions | 80 409 | 30 232 |
| Annual Bonus | 32 880 | |
| | <u>671 459</u> | <u>244 633</u> |
| 22.3 Chief Finance Officer | | |
| Annual Remuneration | 401 229 | 271 917 |
| Travel Allowance | 120 000 | 108 000 |
| Municipal Contributions | 3 335 | 19 475 |
| Leave Paid Out (new contract) | | 63 653 |
| Acting Allowance | | 116 178 |
| | <u>524 564</u> | <u>579 223</u> |
| 22.4 Manager: Corporate Services | | |
| Annual Remuneration | 371 914 | 327 919 |
| Travel Allowance | 191 691 | 191 691 |
| Municipal Contributions | 23 452 | 21 196 |
| Acting Allowance | | 19 243 |
| | <u>587 057</u> | <u>560 049</u> |
| 22.5 Manager: Health Services | | |
| Annual Remuneration | 428 553 | 401 563 |
| Travel Allowance | 96 000 | 96 000 |
| Municipal Contributions | 13 098 | 10 551 |
| | <u>537 651</u> | <u>508 114</u> |
| 22.6 Manager: Electricity Services | | |
| Annual Remuneration | 332 293 | 47 600 |
| Travel Allowance | 120 000 | 20 000 |
| Municipal Contributions | 61 352 | 8 825 |
| | <u>513 645</u> | <u>76 425</u> |

BLUE CRANE ROUTE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09

| | 2009 R | 2008 R |
|---|------------------|------------------|
| 23 AUDITOR'S REMUNERATIONS | | |
| Audit Fee: Previous year | 1 179 568 | 868 172 |
| Audit Fee: Previous year paid | (1 179 568) | (868 172) |
| Audit fees: Provision for Current year | 1 350 000 | 900 000 |
| Total Audit fees outstanding (included in provisions - Note 12) | <u>1 350 000</u> | <u>900 000</u> |
| 24 FINANCE TRANSACTIONS | | |
| <i>Total external interest earned or paid</i> | | |
| - Interest earned | 1 045 365 | 701 379 |
| - Interest paid: External loans | 5 096 | 9 514 |
| - Interest paid: Overdraft Bank account | | <u>144 136</u> |
| <i>Capital charges debited to operating account:</i> | | |
| Interest: | | |
| - External | 5 096 | 9 514 |
| - Internal | | |
| Redemption: | | |
| - External | 35 659 | 8 325 168 |
| - Internal | | |
| | <u>40 755</u> | <u>8 334 682</u> |
| 25 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS | | |
| Claim from Standard Bank: Termination of Agreement | <u>350 646</u> | - |
| The Municipality currently has unresolved labour disputes. No financial value can be assigned to the disputes. | | |
| 26 RETIREMENT BENEFITS | | |
| The employees of the municipality and the municipality contribute to various Pensions, Provident and Retirement Funds. The main funds being SAMWU, SALA and the Cape Joint Retirement Fund. | | |
| | Employee | Employee |
| SAMWU Provident Fund | 5.00% | 5.00% |
| SALA Pension Fund | 8.60% | 8.60% |
| Cape Joint Retirement Fund. | 9.00% | 9.00% |
| 27 CAPITAL COMMITMENTS | | |
| Commitments in respect of capital expenditure | 6 091 282 | 1 306 666 |
| This expenditure will be funded financed from:- | | |
| - Internal Sources | | |
| - External Sources | 6 091 282 | 1 306 666 |
| Other sources | | |
| Government Grants | <u>6 091 282</u> | <u>1 306 666</u> |
| | <u>6 091 282</u> | <u>1 306 666</u> |
| 28 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE | | |
| Reconciliation of unauthorised expenditure | | |
| Opening balance | | |
| Unauthorised expenditure current year | | |
| Approved by Council or condoned | | |
| Unauthorised expenditure awaiting authorising | <u>-</u> | <u>-</u> |
| Reconciliation of wasteful expenditure | | |
| Opening balance | | |
| Fruitless and wasteful expenditure current year | 88 800 | 152 936 |
| Approved by Council or condoned | <u>88 800</u> | <u>152 936</u> |
| Fruitless and wasteful expenditure awaiting condonement | <u>-</u> | <u>-</u> |
| Reconciliation of irregular expenditure | | |
| Opening balance | | |
| Irregular expenditure current year | | |
| Approved by Council or condoned | | |
| Irregular expenditure awaiting condonement | <u>-</u> | <u>-</u> |

BLUE CRANE ROUTE MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/09

| 2009 R | 2008 R |
|-----------|-----------|
|-----------|-----------|

29 ADDITIONAL DISCLOSURES IN TERMS OF MFMA

29.1 Employee related costs

| | |
|---|------------|
| Salaries and wages - employees | 21 500 272 |
| Salaries - Councillors | 1 438 779 |
| Council's contributions to pension, medical aids and Group Life | 4 288 120 |
| Travel allowances | 479 605 |
| Housing, standby, SDL, UIF and other allowances | 1 799 010 |
| Overtime payments | 984 501 |
| Bonuses | 1 763 734 |
| WCA | 480 873 |
| | <hr/> |
| | 32 734 894 |
| | <hr/> |

29.2 Contribution to Organized Local Governemnt

| | |
|---------------------------------------|-----------|
| Opening balance | - |
| Council subscriptions - current yrear | 112 284 |
| Amount paid - current year | (112 284) |
| | <hr/> |
| Balance unpaid | - |
| | <hr/> |

29.3 Taxes paid to SARS

| | |
|-------------------------|-----------|
| PAYE | 2 940 508 |
| UIF | 518 783 |
| Skills development Levy | 243 397 |
| | <hr/> |
| | 3 702 688 |
| | <hr/> |

Only an amount of R262 is owed to SARS for UIF and is included in note 13 under "Sundry creditors"

29.4 Councillors arrear rates and service charges

There were no arrear rates and service charges by Councillors for more than 90 days.

BLUE CRANE ROUTE MUNICIPALITY

APPENDIX A

STATUTORY FUNDS, RESERVES AND TRUST FUNDS FOR THE YEAR ENDED 30/06/09

| | Balance at 30/06/2008 R | Contr. For the year R | Interest received R | Other income R | Operating expenditure during the year R | Capital expenditure during the year R | Balance at 30/06/2009 R |
|------------------------------------|-------------------------------|-----------------------------|---------------------------|----------------------|--|--|-------------------------------|
| STATUTORY FUNDS | | | | | | | |
| Revolving fund | 6 919 512 | | | 30 134 | | | 6 949 646 |
| Housing development fund | 371 028 | | | 143 026 | | | 514 054 |
| | 7 290 540 | | | 173 160 | | | 7 463 700 |
| RESERVES | | | | | | | |
| Game Reserve | 12 000 | | | | | | 12 000 |
| | 12 000 | | | | | | 12 000 |
| TRUST FUNDS | | | | | | | |
| Dr. WH Craib Fund | 17 015 | | | | 2 000 | | 15 015 |
| LED Zama Fund | 63 158 | | | | | | 63 158 |
| Integrated Development Plan | 17 657 | | | 158 167 | 24 398 | | 151 426 |
| Zoning Map Fund | 30 843 | | | | | | 30 843 |
| Pearston Small Farmers Association | 1 763 | | | | | | 1 763 |
| Cookhouse 313 Houses | 71 679 | | | | | | 71 679 |
| Perimeter Fence - Lake Bertie | 0 | | | 839 928 | 460 753 | | 379 175 |
| Environmental Impact Study Fund | 63 000 | | | | | | 63 000 |
| Spatial Development Framework | 345 450 | | | | 171 360 | | 174 090 |
| MIG - Revolving Fund | 3 449 108 | | 116 080 | 10 311 894 | 2 262 028 | 7 156 909 | 4 458 145 |
| Project Consolidate - IT Project | 11 671 | | | 36 531 | 21 892 | | 26 310 |
| MSIG Funds | 448 741 | | | 735 000 | 1 067 409 | 27 705 | 88 627 |
| Fire Management | 30 000 | | | | 9 997 | 20 003 | 0 |
| Library Grant - Cacadu | 20 081 | | | 7 734 | (418) | | 28 233 |
| Project Consolidate - Mentoring | 15 548 | | | 82 501 | 31 978 | | 66 071 |
| Water Services Fund | 100 000 | | | | | | 100 000 |
| NER Trust Fund | 2 394 261 | | | | 273 764 | 2 016 791 | 103 706 |
| FMG Grant | 76 332 | | | 250 000 | 326 332 | | 0 |
| CMIP - Trust Funds | 151 861 | | | | | | 151 861 |
| Pearston 300 Houses | 86 972 | | 7 | | 195 | | 86 784 |
| Free Basic Services Grant | 110 026 | | | | 68 247 | | 41 779 |
| LED Trust Fund | 17 670 | | | | 17 670 | | 0 |
| Housing Funds 1 | 83 732 | | | | | | 83 732 |
| Housing Funds 2 | | | | 3 981 398 | 3 545 232 | | 436 166 |
| CIP Funds | 0 | | | 200 057 | 30 570 | | 169 487 |
| Skills Dev Fund | 0 | | | 83 405 | 49 954 | | 33 451 |
| Computer Project - Cacadu | 10 752 | | | | 10 752 | | 0 |
| HIV Drugs | 0 | | | 60 000 | | | 60 000 |
| CBP Ward Implementation Plan | 238 211 | | | | 233 668 | | 4 543 |
| DWAF | 1 043 796 | | | 262 000 | 1 081 341 | | 224 455 |
| Aeroville Cemetery Grant | | | | 94 425 | | | 94 425 |
| Elections: 2009/10 | | | | 30 000 | 30 000 | | 0 |
| Prov Grant: Audit Fees | | | | 595 772 | 595 772 | | 0 |
| | 8 899 327 | | 116 087 | 17 728 812 | 10 314 894 | 9 221 408 | 7 207 924 |

BLUE CRANE ROUTE MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 30/06/09

| | Balance at 30/06/2008 R | Received during the year R | Redeemed or written off during the year R | Balance at 30/06/2009 R |
|--|----------------------------------|-------------------------------------|--|----------------------------------|
| EXTERNAL LOANS | | | | |
| Issued | | | | |
| Redeemable | | | | |
| Development bank: | 0 | 0 | 0 | 0 |
| DBSA @ 17.00% - Bi Annually 30-09-2016 | 0 | | | 0 |
| DBSA @ 11.00% - (Shown as creditor in 2006/07) | 0 | | | 0 |
| ABSA Vehicle % Asset Finance 30-10-2009 | 48 796 | | 35 659 | 13 137 |
| TOTAL EXTERNAL LOANS | 48 796 | 0 | 35 659 | 13 137 |
| INTERNAL LOANS | | | | |
| Internal advances to borrowing services | 0 | | | 0 |

BLUE CRANE ROUTE MUNICIPALITY
APPENDIX C
ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30/06/09

| Expenditure 2008 R | | Budget 2009 R | Balance at 30/06/2008 R | Expenditure during the year R | Written off transferred redeemed or disposed R | Balance at 30/06/2009 R |
|--------------------------|--|---------------------|----------------------------------|--|--|----------------------------------|
| 12 092 400 | RATES AND GENERAL SERVICES | 9 962 425 | 112 382 968 | 5 762 179 | 1 624 918 | 116 520 229 |
| 1 893 862 | Community services | 6 264 896 | 85 076 073 | 3 581 206 | 1 239 170 | 87 418 109 |
| | Community Services ex Old Pearston TLC | | - | | | - |
| | IDP | 22 100 | - | 9 121 | | 9 121 |
| | Town Planning | | | | | - |
| 5 486 | Bestershok and Nature Reserve | 21 000 | 458 014 | 4 649 | | 462 663 |
| | Environmental Health | | | | | |
| 332 434 | Clinics | | 599 068 | | 185 680 | 413 388 |
| | Commonage and Pound | 210 800 | - | | | - |
| 12 122 | Council's General Expenses | 23 200 | 17 502 | 16 502 | | 34 004 |
| 12 397 | Estates and Properties | 29 677 | 42 977 306 | 21 453 | (2 234 155) | 45 232 914 |
| 1 226 504 | Public Works | 4 766 503 | 38 948 346 | 3 059 330 | 2 613 013 | 39 394 663 |
| 35 180 | Municipal Manager | 29 800 | 62 880 | 32 112 | 14 000 | 80 992 |
| 218 922 | Financial Services | 925 036 | 910 390 | 311 888 | 100 500 | 1 121 778 |
| 34 423 | Human Resources | 85 000 | 633 087 | 32 998 | 247 800 | 418 285 |
| 14 115 | MIG Administration | 25 920 | 14 115 | 28 977 | | 43 092 |
| 2 279 | Traffic | 119 260 | 444 102 | 64 176 | 326 332 | 181 946 |
| | LED Other | 6 600 | - | | (14 000) | 14 000 |
| | Workshop | | 11 263 | | | 11 263 |
| 3 516 440 | Subsidised services | 2 827 786 | 5 823 652 | 1 614 230 | 385 748 | 7 052 134 |
| | Subsidised services ex old Pearston TLC | | - | | | - |
| 3 105 668 | Airfield | 2 646 586 | 5 244 253 | 128 791 | | 5 373 044 |
| | Cemeteries | 83 000 | - | | | - |
| | Fire Brigade | | | 1 200 000 | | 1 200 000 |
| 410 772 | Libraries | | 579 399 | 191 061 | 385 748 | 384 712 |
| | Parks and Recreation | 98 200 | - | 94 378 | | 94 378 |
| 6 682 098 | Economic services | 869 743 | 21 483 243 | 566 743 | - | 22 049 986 |
| | Economic Services Ex Old Pearston TLC | | - | | | - |
| 55 427 | Refuse Removal Services | 436 600 | 362 427 | | | 362 427 |
| | Sanitation and Vacuum Tank Services | | - | | | - |
| 6 626 671 | Sewerage Services | 433 143 | 21 120 816 | 566 743 | | 21 687 559 |
| - | HOUSING SERVICES | - | - | - | - | - |
| | Township administration | | - | | | - |
| | Housing administration | | - | | | - |
| 234 264 | TRADING SERVICES | 1 528 436 | 39 272 137 | 6 256 454 | 434 200 | 45 094 391 |
| | Abattoir | | - | | | - |
| 205 056 | Electricity Services | 1 378 436 | 15 533 803 | 2 491 954 | 434 200 | 17 591 557 |
| 29 208 | Water Services | 150 000 | 23 738 334 | 3 764 500 | | 27 502 834 |
| 12 326 664 | TOTAL | 11 490 861 | 151 655 105 | 12 018 633 | 2 059 118 | 161 614 620 |
| | Less: Loans redeemed and other Capital receipts | | 151 606 309 | 12 054 292 | 2 059 118 | 161 601 483 |
| | Loans redeemed and advances repaid | | 99 368 | 35 659 | | 135 027 |
| | Contributions from operating income | | 16 529 127 | 1 158 260 | 14 722 377 | 2 965 010 |
| | Grants and subsidies | | 134 862 414 | 10 860 373 | (12 663 259) | 158 386 046 |
| | Public contributions | | 115 400 | | | 115 400 |
| | NET FIXED ASSETS | | 48 796 | (35 659) | - | 13 137 |

BLUE CRANE ROUTE MUNICIPALITY**APPENDIX D****ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30/06/09**

| Actual 2008 R | Actual 2009 R | Budget 2009 R |
|---|------------------------------|------------------------------|
| INCOME | | |
| 27 433 786 | 22 639 008 | 22 642 717 |
| Government - Grants & Subsidies | | |
| 54 045 435 | 91 209 872 | 94 537 511 |
| Operating income | | |
| 4 830 137 | 31 377 801 | 32 045 189 |
| - Assessment Rates | | |
| 25 371 254 | 32 426 074 | 33 558 507 |
| - Sale of Electricity | | |
| 6 184 016 | 7 283 135 | 7 300 000 |
| - Sale of Water | | |
| 4 033 287 | 4 498 072 | 4 299 251 |
| - Refuse | | |
| 3 566 692 | 3 974 636 | 3 960 000 |
| - Sewerage and Sanitation | | |
| 10 060 049 | 11 650 154 | 13 374 564 |
| - Tariffs, Other Service charges and Sundries | | |
| 365 656 | 929 278 | 730 000 |
| - Interest Received | | |
| 81 844 877 | 114 778 158 | 117 180 228 |
| Total Income | | |
| EXPENDITURE | | |
| 29 156 595 | 32 734 894 | 35 629 938 |
| Salaries,wages and allowances | | |
| 33 525 754 | 67 568 689 | 70 698 336 |
| General expenses | | |
| 13 856 516 | 20 477 057 | 20 803 956 |
| - Bulk Purchases - Electricity | | |
| 19 669 238 | 428 063 | 850 000 |
| - Bulk Purchases - Water | | |
| | 46 663 569 | 49 044 380 |
| - Other General Expenditure | | |
| 2 817 721 | 3 000 107 | 3 653 177 |
| Repairs and maintenance | | |
| 8 334 682 | 40 755 | |
| Capital charges | | |
| 815 624 | 1 158 260 | 3 816 211 |
| Contributions to fixed assets | | |
| 7 461 573 | 6 497 073 | 3 896 196 |
| Contributions to funds | | |
| 286 597 | 439 200 | 513 630 |
| Less: Charged out | | |
| 81 825 352 | 110 560 578 | 117 180 228 * |
| Total Expenditure | | |

* MIG, FMG, MSIG Exp/Income is deducted from these figures and is shown in Appendix "A" under Trust Funds

APPENDIX E
BLUE CRANE ROUTE MUNICIPALITY
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30/06/09

| Actual Income 2008 R | Actual expenditure 2008 R | Surplus/(deficit) 2008 R | | Actual Income 2009 R | Actual expenditure 2009 R | Surplus/(deficit) 2009 R | Budget Surplus/(deficit) 2009 R |
|----------------------|---------------------------|--------------------------|---|----------------------|---------------------------|--------------------------|---------------------------------|
| 46 668 684 | 56 799 399 | (10 130 715) | RATES AND GENERAL SERVICES | 70 401 175 | 77 990 196 | (7 589 021) | (7 918 678) |
| 31 165 667 | 43 344 234 | (12 178 567) | Community services | 59 772 327 | 62 699 836 | (2 927 509) | (2 892 705) |
| 4 830 137 | | 4 830 137 | Assessment rates | 31 377 801 | 26 574 298 | 4 803 503 | 5 282 221 |
| | | | Mayoral Executive | | 191 727 | (191 727) | (210 048) |
| | | | Integrated Dev Plan | | 158 772 | (158 772) | (177 875) |
| | | | Internal Audit | | 116 305 | (116 305) | (162 000) |
| | | | Local Economical Dev | | 387 281 | (387 281) | (331 491) |
| 564 172 | 597 137 | (32 965) | Biltong Festival | 514 257 | 1 076 690 | (562 433) | (570 832) |
| 3 049 154 | 3 051 249 | (2 095) | Clinics | 3 115 051 | 2 666 733 | 448 318 | (158 794) |
| 224 670 | 1 168 064 | (943 394) | Commonage and Pound | 73 617 | 514 448 | (440 831) | (763 967) |
| | 5 610 950 | (5 610 950) | Coporate Services | 4 600 | 3 980 156 | (3 975 556) | (3 876 689) |
| 434 000 | 2 148 233 | (1 714 233) | Municipal Council | 493 000 | 2 321 408 | (1 828 408) | (2 131 709) |
| 526 359 | 466 230 | 60 129 | Environmental Health | 434 225 | 411 380 | 22 845 | (29 727) |
| 17 918 772 | 18 296 856 | (378 084) | Financial Services | 19 252 710 | 10 730 518 | 8 522 192 | 8 182 515 |
| | | | Housing Administration | | | - | - |
| 158 007 | 2 323 708 | (2 165 701) | Properties and Leasing | 216 145 | 2 900 721 | (2 684 576) | (3 045 275) |
| 592 124 | 4 475 832 | (3 883 708) | Public Works | 688 732 | 4 938 607 | (4 249 875) | (3 873 267) |
| | 1 897 907 | (1 897 907) | Accounting Officer | | 1 740 519 | (1 740 519) | (1 834 465) |
| 276 275 | 258 473 | 17 802 | MIG Administration | 380 350 | 380 350 | - | 180 001 |
| 2 392 551 | 2 540 480 | (147 929) | Traffic | 2 949 827 | 3 010 214 | (60 387) | 1 386 863 |
| | | | Stores | | | - | - |
| 199 446 | 509 115 | (309 669) | Workshop | 272 012 | 599 709 | (327 697) | (758 166) |
| 4 162 | 2 201 589 | (2 197 427) | Subsidised services | 185 628 | 3 058 776 | (2 873 148) | (3 455 571) |
| | | | Cemtries & Open Spaces | 50 971 | 1 058 933 | (1 007 962) | (1 406 515) |
| 4 162 | 101 375 | (101 375) | Disaster Man and Firebrigade | 564 | 216 495 | (215 931) | (242 673) |
| | 1 025 037 | (1 020 875) | Libraries | 21 821 | 1 315 477 | (1 293 656) | (1 263 235) |
| | 1 075 177 | (1 075 177) | Parks and Recreation | 112 272 | 467 871 | (355 599) | (543 148) |
| 15 498 855 | 11 253 576 | 4 245 279 | Economic services | 10 443 220 | 12 231 584 | (1 788 364) | (1 570 402) |
| 9 096 510 | 7 435 543 | 1 660 967 | Refuse | 5 601 012 | 8 321 757 | (2 720 745) | (2 962 425) |
| 6 402 345 | 3 818 033 | 2 584 312 | Sewerage and Sanitation | 4 842 208 | 3 909 827 | 932 381 | 1 392 023 |
| 35 176 193 | 25 025 953 | 10 150 240 | TRADING SERVICES | 44 376 983 | 32 570 382 | 11 806 601 | 7 918 678 |
| 27 772 356 | 19 572 630 | 8 199 726 | Electricity | 36 016 454 | 26 488 543 | 9 527 911 | 4 989 883 |
| 7 403 837 | 5 453 323 | 1 950 514 | Water | 8 360 529 | 6 081 839 | 2 278 690 | 2 928 795 |
| 81 844 877 | 81 825 352 | 19 525 | TOTAL | 114 778 158 | 110 560 578 | 4 217 580 | - |
| | | 4 468 826 | Appropriations for the year (refer to note 15) | | | 984 002 | |
| | | 4 488 351 | Nett surplus/(deficit) for the year | | | 5 201 582 | |
| | | (14 524 085) | Accumulated deficit at the beginning of the year | | | (10 035 734) | |
| | | (10 035 734) | ACCUMULATED DEFICIT AT THE END OF THE YEAR | | | (4 834 152) | |

BLUE CRANE ROUTE MUNICIPALITY
APPENDIX F
STATISTICAL INFORMATION FOR THE YEAR ENDED 30/06/09

| | | <u>2009</u> | <u>2008</u> |
|---|------|--------------------|--------------------|
| <u>a) General statistics</u> | | | |
| - Population | | 34 357 | 34 357 |
| - Total Valuation of property | | | |
| - Residential and Commercial | Rand | 2 245 425 580 | 2 241 987 320 |
| - Assessment rates: | | | |
| Somerset East properties | Rand | | See below |
| Pearston properties | Rand | | See below |
| Cookhouse properties | Rand | | See below |
| Clevedon properties | Rand | | See below |
| Unvalued properties | Rand | | See below |
| <u>Farmers:</u> | | | |
| Up to R100 000 valuation - Tariff less 90% rebate | | 0.01550 | 0.01409 |
| From R100 001 valuation - Tariff less 60% rebate less 90% | | 0.01550 | 0.01409 |
| <u>Business:</u> | | | |
| Up to R100 000 valuation - Tariff | | 0.01550 | 0.01409 |
| From R100 001 valuation - Tariff less 60% rebate | | 0.01550 | 0.01409 |
| <u>Residential:</u> | | | |
| R15 000 exemption on total valuation | | 0.01550 | 0.01409 |
| From R15 001 to R100 000 valuation - Tariff | | 0.01550 | 0.01409 |
| From R15 001 with a valuation more than R100 001 - Tariff less 60% rebate | | 0.01550 | 0.01409 |
| <u>State/Government:</u> | | | |
| On the full valuation - Tariff less 20% rebate | | 0.01550 | 0.01409 |
| <u>Infrastructure:</u> | | | |
| On the full valuation - Tariff less 70% rebate | | 0.01550 | 0.01409 |
| - Number of erven | | 11 701 | 8 996 |
| - Number of employees | | 294 | 293 |
| <u>b) Electricity statistics</u> | | | |
| - Units bought | Kwh | 77 352 819 | 70 016 449 |
| - Units sold | Kwh | 67 199 633 | 62 840 486 |
| - Units lost in distribution | Kwh | 10 153 186 | 7 175 963 |
| - Units lost as a percentage | Perc | 13.13% | 10.25% |
| <u>c) Water statistics</u> | | | |
| - Units purified | Kl | N/A | N/A |
| - Units sold | Kl | N/A | N/A |
| - Units lost in distribution | Kl | N/A | N/A |
| - Units lost as a percentage | Perc | N/A | N/A |