

INXUBA YETHEMBA MUNICIPALITY



FINANCIAL STATEMENTS

30-Jun-09

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GENERAL INFORMATION

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MEMBERS OF THE INXUBA YETHEMBA MUNICIPALITY

W M Zenzile	(Executive Mayor)
N P Zonke	(Speaker)
N A Sindelo	(Chairperson - Community & Protection Services)
N C Geveza	(Community & Protection Services)
C E B Miles	(Community & Protection Services)
MO Henge	(Community & Protection Services)
P Fose	(Chairperson - Corporate Services)
L Davids	(Corporate Services)
C A Sammy	(Corporate Services)
N R Swartz	(Corporate Services)
T D A Nabo	(Chairperson - Finance)
L A Perring	(Finance)
R H Schulze	(Finance)
J Taljaard	(Finance)
S W Njobo	(Chairperson - Technical Services & Local Economic Development)
T E Miners	(Technical Services & Local Economic Development)
M V Mtila	(Technical Services & Local Economic Development)
N J Smit	(Technical Services & Local Economic Development)

Mayoral Committee : W M Zenzile
 N P Zonke
 N A Sindelo
 P. Fose
 T D A Nabo
 S W Njobo
 MV Mtila

AUDITORS

Office of the Auditor General

BANKERS

First National Bank, ABSA and Old Mutual

REGISTERED OFFICE

Civic Center P O Box 24
J.A. Calata Street Cradock
Cradock 5880

Tel: (048) 8015000
Fax: (048) 8811421
E-Mail cdkctlc@intekom.co.za

MUNICIPAL MANAGER

MS TANTSI
BSC Honours

CHIEF FINANCE OFFICER

J. KRAPOHL
B.COMM

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 5 to 26 were approved by the Municipal Manager on 27 August 2009.

.....
M S TANTSI
MUNICIPAL MANAGER

.....
J. KRAPOHL
CHIEF FINANCE OFFICER

FOREWORD

The 2008/2009 financial year has been one of the most difficult and complex financial periods to collate in the past eight years.

We continued to be daunted by the perennial challenge of cash flow, which has been made worse by the endless rise in inflation and the very unfortunate steep ESKOM increases. All of these factors combined have had a very negative impact on our ability to ensure a sustainable delivery of services to the communities that we serve.

The Greater Inxuba Yethemba Municipality spans a vast area and holds a number of technical challenges. Key amongst the challenges that confront us, is a fragile infrastructure which needs immediate and serious intervention in order for this municipality to be able to tap on its economic development potential.

Unfortunately IYM is not in a position to borrow money to address our infrastructure development challenges. We only hope that our constant engagements with the Provincial government and other spheres of government will ultimately result to a real and meaningful contribution to the sustainability of Local government. IYM like many other small and rural local authorities is just not in a position to maintain even the essential infrastructure. Without adequate and reasonable support from the other spheres of government, our reason for existence is in serious doubt and the possibility of financial viability almost non-existent.

From a financial perspective, IYM is weak, in the sense that it is heavily geared and heavily dependant upon its domestic sector. IYM comprises of towns with very little scope for cross-subsidisation from the business sector. Thus any increase in tariffs impacts directly upon domestic consumers and almost immediately upon the municipality's cash flow. Increased taxation means increased non-payment. The 2008 ESKOM increases had caused an almost irreversible damage to IYM's cash flow, and this year we face the same situation.

However, as indicated during the past financial year, IYM refused to allow itself to be overwhelmed by these daunting challenges and decided to focus on what needed to be done with limited resources of cause. And despite the challenges outlined above, we are however encouraged by the fact that IYM was able to honour its statutory obligations and other related commitments.

In conclusion, we trust that the statements we duly submit will reflect all the material facts regarding our financial management during the course of the financial year.

Once again we wish to express our gratitude to the Office of the Auditor General for the support and guidance given during the audit. It is our wish that this productive relationship would continue for many years to come. We are also humbled by the knowledge that your Office is at all times willing and available to assist in whatever way it can.

Yours sincerely,



M. Zenzite

Executive Mayor

The majority of local Municipalities are experiencing major changes in the local government environment. This put a challenge towards service delivery and the honoring of historical arrear financial commitments as well as current commitments. It is essential to keep on prioritizing the available limited resources to critical key areas. However, all our reserve funds are not fully invested and it will be addressed in the near future in terms of the proposed provision of GAMAP/GRAP. For long term stability it is crucial that the income base be broadened with the emphasize on debtors collection, asset management and budget control.

BUSINESS RESULTS

Details of the business results per department, classification and purpose of expenses are given in Appendices D and E on page 25 and 26. The general business results for the year ended 30 June 2009 are as follows:

INCOME	ACTUAL 2008	ACTUAL 2009	DIFFERENCE %	BUDGET 2009	DIFFERENCE ACTUAL BUDGET %
Opening Surplus/Deficit	R 29 174 622	R -25 722 310			
Business income for the year	R 80 220 500	R 135 789 645	40.92%	R 125 014 789	-8.62%
Sundry Transfers					
	R 109 395 122	R 110 067 335		R 125 014 789	
EXPENSES					
Business Expenses for the year	R 73 777 366	R 119 554 076	38.29%	R 119 648 813	0.08%
Appropriation movement for the year	R 22 786 026	R 2 175 664			
End Surplus	R 12 831 730	R -11 662 405		R 5 365 976	
	R 109 395 122	R 110 067 335		R 125 014 789	

	ACTUAL 2008	ACTUAL 2009	DIFFERENCE %	BUDGET 2009	DIFFERENCE ACTUAL BUDGET %
Income	R 43 487 830	R 88 603 041	50.92%	R 71 137 262	24.55%
Expences	R 45 896 387	R 72 767 031	36.93%	R 71 304 798	-2.05%
Surplus (loss)	-R 2 408 557	R 15 836 010		-R 167 536	
Surplus (loss) as % of total income	-5.54%	17.87%		-0.24%	

Rates and general services is a section where only the economic services are having a greater income than expences, with the result that shortages is subsidized by the trading services.

HOUSING SERVICES

	ACTUAL 2008	ACTUAL 2009	DIFFERENCE %	BUDGET 2009	DIFFERENCE ACTUAL BUDGET %
Income	R 410 905	R 456 698	10.03%	R 414 932	10.07%
Expences	R 795 041	R 858 040	7.34%	R 857 261	-0.09%
Surplus (loss)	R -384 136	R -401 342		R -442 329	
Surplus (loss) as % of total income	-93.49%	-87.90%		-106.60%	

TRADING SERVICES

ELECTRICITY SERVICES

	ACTUAL 2008	ACTUAL 2009	DIFFERENCE %	BUDGET 2009	DIFFERENCE ACTUAL BUDGET %
Income	R 24 603 159	R 32 561 964	24.44%	R 41 254 725	21.07%
Expences	R 21 728 221	R 32 761 063	33.68%	R 35 925 151	8.80%
Surplus (loss)	R 2 874 938	-R 199 099		R 5 329 574	
Surplus (loss) as % of total income	11.69%	-0.61%		12.92%	

	ACTUAL 2008	ACTUAL 2009	DIFFERENCE %	BUDGET 2009	DIFFERENCE ACTUAL BUDGET %
Income	R 11 718 606	R 13 167 942	11.00%	R 12 207 870	7.86%
Expenses	R 5 357 717	R 13 167 942	59.31%	R 11 561 603	-13.89%
Surplus (loss)	R 6 360 889	R 0		R 646 267	
Surplus (loss) as % of total Income	54.28%	0.00%		5.29%	

CAPITAL EXPENSES

The total capital expenses for the year was R3 274 701

	2009 Expense	2009 Budget	2008 Expense
Furniture, Fittings, ect.	R 44 423	R 0	R 0
Vehicles, Implements, ect	R 171 995	R 2 139 500	R 2
Land and Buildings	R 0	R 0	R 0
Other	R 0	R 0	R 136 272
Infrastructure and other constructions	R 3 058 283	R 28 350 300	R 241 889
TOTAL	R 3 274 701	R 30 489 800	R 378 163

The capital expenses were financed as follows:

	2009 Expense	2009 Budget	2008 Expense
Internal loans Revolving Fund	R 0	R 0	
External Loans	R 0	R 0	R 0
Contribution out of income	R 3 158	R 0	R 51 812
Contribution out of grants/other	R 3 271 543	R 30 489 800	R 326 351
CMIP	R 0	R 0	R 0
TOTAL	R 3 274 701	R 30 489 800	R 378 163

The total external loans outstanding are R2 897 397.39 and the internal loans from Revolving Fund R630 800.88. An amount of R183 138.56 is paid for redemption of internal loans. For a complete summary of the capital expenses see appendices B on page 23.

My thanks to the Mayor, Chairperson of Finance, Councillors, Municipal Manager and other Managers for their loyalty and cooperation given to me and my staff during the year.

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J. KRAPOHL
CHIEF FINANCE OFFICER

1 Basis of presentation

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the IMFO in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended).
- 1.2 The financial statements are prepared on the accrual basis:
- Income is accrued when collectable and measurable. Certain direct income is accrued when received, such as traffic fines and certain licences.
 - Expenditure is accrued in the year it incurred.

2 Consolidation

The balance sheet includes the rates and general services, trading services, housing services, and the different funds, reserves and provisions. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, 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 for the Middelburg unit
Fixed assets are stated at market as well as replacement value for the Cradock unit.
An acceptable value will be put in place with the implementation of GAMAP.
- 3.2 Depreciation of assets are not applicable but will change with the implementation of GAMAP/GRAP
- 3.3 All nett proceeds from the sale of fixed property are credited to the Revolving Fund.
- 3.4 Capital assets are financed from different sources, including external loans, subsidies, operating income and internal advances.
- 3.5 Only assets with a cost of R10 000-00 and above are capitalized. The other are part of an inventory list.

4 Depreciation

- 4 The balance against the heading Loans Redeemed and Other Capital receipts is actually provision for depreciation. Assets may be acquired from :
- a) From income - credited immediately to the loans redeemed fund.
 - b) Grants and donation - where the amount representing the value of such grant or donation is immediately credited to the Loans redeemed and other capital receipts account.
 - c) External loans - where the amount representing the value of such external loan is credited to the loans redeemed fund as soon as it has been paid in full.
 - d) Advances - where the amount representing the value of such internal loan is credited to the loans redeemed fund as soon as it has been paid in full.

5 Stock

The value of stocks and materials is stated at weighted average.

6 Funds and Reserves

- 6.1 Capital Development fund
The Ordinance no 20 of 1974 requires that a certain contribution should be credited to the Revolving Fund. An amount of R852 101 was contributed.

Provisions

Leave gratuity

This provision is being built up with contributions from the appropriation account to provide for the payment of accumulated leave of persons resigning from service in Council and to make provision to adhere to new legislation around standard employment service contracts.

Bad Debts

This provision is being built up with contributions from the appropriation account to provide for bad debts occurring from debtors driven by the affordability of increased tariffs.

Surpluses and Deficits

Any surpluses or deficits arising from the operating of the electricity, water and housing services are transferred to Rates and General services.

The council applies a differential site rating system.

Treatment of administration and other overhead expenses

The cost of internal support services are transferred to the different services that are making use of such services.

INVESTMENTS

Investments are shown at original cost and are invested in securities prescribed in section 2(i) of Ordinance 23 of 1935. In some cases the interest on investments are capitalized. These investments are shown at original cost plus accumulated interest.

Income recognition

Electricity and Water billing

Meters are read and billed monthly.

If readings cannot be taken, a provision levy based on the average consumption, is calculated.

Assessment Rates

The council applies a differential site rating system.

Leases

The leases held by Inxuba Yethemba Municipality are operating leases. The leases are for photocopiers.

	NOTE	2009	2008
CAPITAL EMPLOYED			
FUNDS AND RESERVES			
Statutory funds	1	26 055 862	25 048 005
RETAINED INCOME/(ACCUMULATED DEFICIT)		-11 662 405	-25 722 310
TRUST FUNDS	2	9 423 454	11 256 647
LONG-TERM LIABILITIES	3	2 269 543	2 887 516
CONSUMER DEPOSITS: SERVICES	3	1 781 040	1 659 345
		27 867 494	15 129 203
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	4	3 528 199	4 194 205
INVESTMENTS	5	3 987 139	6 066 558
LONG-TERM DEBTORS	6	617	1 791
DEFERRED CHARGES	7	0	0
NET CURRENT ASSETS/(LIABILITIES)		20 351 539	4 866 649
CURRENT ASSETS		66 913 106	55 683 627
Inventory	8	759 434	788 513
Debtors	9	66 146 878	54 888 398
Short term portion of long term debtors	6	1 174	1 096
Cash (advances Petty Cash)		5 620	5 620
CURRENT LIABILITIES		46 561 567	50 816 978
Provisions	10	2 327 921	2 296 737
Creditors	11	34 525 265	38 819 524
Short-term portion of Long-Term liabilities	3	627 855	492 750
Bank overdraft		9 080 526	9 207 967
		27 867 494	15 129 203

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

2008 Actual Income	2008 Actual Expenses	2008 Actual Surplus (Deficit)		2009 Actual Income	2009 Actual Expenses	2009 Actual Surplus (Deficit)	2009 Budget Surplus/ (deficit)
R	R	R		R	R	R	R
R 43 487 830	R 45 896 387	R -2 408 557	RATES & GENERAL SERVICES	R 89 603 041	R 72 767 031	R 16 836 010	R 1 123 476
R 21 300 364	R 29 588 945	R -8 288 581	Community Services	R 61 897 694	R 45 406 512	R 16 491 182	R 6 107 654
R 3 050 164	R 4 644 285	R -1 594 121	Subsidised Services	R 4 476 885	R 4 132 057	R 344 828	R -2 136 211
R 19 137 302	R 11 663 157	R 7 474 145	Economic Services	R 23 228 462	R 23 228 462	R 0	R -2 847 967
R 410 905	R 795 041	R -384 136	HOUSING SERVICES	R 456 698	R 858 040	R -401 342	R -442 329
R 36 321 765	R 27 085 938	R 9 235 827	TRADING SERVICES	R 45 729 906	R 45 929 005	R -199 099	R 4 683 306
<u>R 80 220 500</u>	<u>R 73 777 366</u>	<u>R 6 443 134</u>		<u>R 135 789 645</u>	<u>R 119 554 076</u>	<u>R 16 235 569</u>	<u>R 5 364 453</u>
		<u>R -61 340 066</u>	Appropriations for the year			<u>R -2 175 664</u>	
		R -54 896 932	Nett Surplus(deficit) for the year			R 14 059 905	
			Accumulated surplus (deficit)				
		<u>R 29 174 622</u>	beginning of the year			<u>R -25 722 310</u>	
		<u>R -25 722 310</u>	ACCUMULATED SURPLUS/ (DEFICIT) END OF YEAR			<u>R -11 662 405</u>	

	NOTE	2009	2008
CASH UTILIZED FROM OPERATING ACTIVITIES		8 197 049	-10 204 723
Cash generated by operations	17	23 719 535	-1 784 499
Investment income		0	0
(Increase)/decrease in working capital	18	-15 522 486	8 420 224
Less: External interest paid		8 197 049	-10 204 723
CASH UTILIZED/AVAILABLE FROM OPERATIONS		-806 450	-692 710
Cash contributions from the public and the State		7 390 599	-10 897 433
Net proceeds on disposal of fixed assets		0	0
		0	0
CASH UTILIZED IN INVESTMENT ACTIVITIES			
Investment in fixed assets		-3 158	-139 584
NET CASH FLOW		7 387 441	-11 037 017
CASH EFFECTS OF FINANCING ACTIVITIES			
(Decrease)/increase in Long-Term loans	19	-361 653	-528 759
(Increase)/decrease in cash		0	0
(Increase)/decrease in cash investments	20	-6 898 347	7 875 207
(Decrease)/Increase in bank overdraft	21	-127 441	3 690 569
Net cash inflow/(outflow)		-7 387 441	11 037 017

	2009	2008
1. STATUTORY FUNDS		
Revolving Fund (Refer to appendix A for more details)	R 26 055 862	R 25 048 005
2. TRUST FUNDS		
Squatters Development Grant	R 163 380	R 163 282
Survey in Michausdal	R 70 532	R 70 490
Life Project	R 0	R 13 707
Services Informal Housing	R 33 252	R 33 232
Structure Plan Middelburg	R 51 493	R 51 462
Vusubuntu DSRAC	R 40 962	R 41 078
Csk Recycling Project	R 18 502	R 17 698
Watermeters	R 0	R 229 540
Drought Relief	R 4 679 781	R 5 306 331
IDP	R 63 590	R 82 439
IT Ph3	R 0	R 22 635
Establishment of Ward Committees	R 4 226	R 4 226
Finance Management Grant	R 383 486	R 477 939
NER Electricity	R 112 991	R 112 991
Spatial Development	R 228 166	R 327 985
DME Bulk Infrastructure	R 286 657	R 259 010
Bulk Supply Industrial Area	R 479 215	R 992 533
MSIG	R 111 062	R 152 128
Valuations Property	R 1 034 407	R 2 673 829
Performance Agreements	R 102 288	R 205 721
MMP Capacity	R 10 320	R 18 391
MIG FUNDING	R 566 057	R 0
Performance Management	R 49 371	R 0
LED	R 400 056	R 0
Property Rates DPLG	R 124 726	R 0
NER Bulk Elec Middelburg (Refer to appendix A for more details)	R 408 934	R 0
	R 9 423 454	R 11 256 647
3. LONG-TERM LIABILITIES		
External Loans	R 2 897 398	R 3 380 266
Less: Current portion transferred to Current Liabilities	R 627 855	R 492 750
(Refer to appendix B for more detail)	R 2 269 543	R 2 887 516
DEPOSITS		
Deposits - Consumers	R 1 781 040	R 1 659 345
- Tenders	R 2 900	R 2 600
- Services C P A	R 8 097	R 8 097
	R 1 792 037	R 1 670 042

EXTERNAL LOANS

Carry interest at rates varying between 7% and 19% per annum and are repayable over periods of between 7 years and 30 years.

4. FIXED ASSETS

Fixed assets at the beginning of the year
Capital expenditure during the year

Less: Assets written off, transferred or disposed of during
the year

Total Fixed Assets

Less: Loans redeemed and other capital receipts

Nett Fixed Assets

2009	2008
R 179 950 805	R 179 642 401
R 3 274 701	R 378 163
R 183 225 506	R 180 020 564
R 0	R 69 759
R 183 225 506	R 179 950 805
R 183 225 506	R 179 950 805
R 179 697 307	R 175 756 600
R 3 528 199	R 4 194 205

5. INVESTMENTS
UNLISTED

Deposits - Banks

R 3 987 139	R 6 066 558
R 3 987 139	R 6 066 558

(Average rate of return on investments)

6 LONG TERM DEBTORS

S P C A

Cradock Golf Club

Less: Short term portion of long term debtors transferred to
Current Assets

R 1 791	R 2 887
R 0	R 0
R 1 791	R 2 887
R 1 174	R 1 096
R 617	R 1 791

8 INVENTORY

Inventory represents consumable stores.

R 759 434	R 788 513
R 759 434	R 788 513

9 DEBTORS

Consumer Debtors
 Plus: Amounts paid in advance

Sundry Debtors

Provision for bad debts

	2009	2008
	102 260 247	113 199 070
	943 509	593 839
	103 203 756	113 792 909
	680 081	1 167 570
	103 883 837	114 960 479
	37 736 959	60 072 081
	66 146 878	54 888 398
	2 327 921	2 296 737
	2 327 921	2 296 737
	400 000	400 000
	943 509	593 839
	7 278 258	8 776 020
	37 355	48 434
	25 866 143	29 001 231
	34 525 265	38 819 524

10 PROVISIONS

Leave gratuity reserve

11 CREDITORS

Audit fees
 Debtors in advance
 VAT
 Capital Projects and unspent grants
 Trade Creditors

12 RATES AND TAXES

Residential
 Commercial
 State

	2009	2008
VALUATION AS AT 01/07/2008	ACTUAL INCOME	ACTUAL INCOME
	7 987 296	7 214 455
496 241 575	1 885 802	1 704 202
117 838 700	2 707 301	2 442 690
614 080 275	12 580 399	11 361 347

13 COUNCILLORS' REMUNERATION

Councillor's allowances (All Councillors)

	2009	2008
	3 508 199	3 304 767

	2009	2008
14 AUDITORS' REMUNERATION		
Audit fees	400 000	400 000
15 FINANCIAL TRANSACTIONS		
Total external interest earned or paid		
- Interest earned	626 381	797 252
- Interest paid	794 091	692 710
Capital charges debited to operating account	501 180	548 496
Interest - External	439 950	472 565
- Internal	61 230	75 931
	666 487	858 087
Redemption - External	483 348	675 526
- Internal	183 139	182 561
	1 167 667	1 406 583
16 APPROPRIATIONS		
Accumulated surplus at the beginning of the year	-25 722 311	29 174 622
Operating (deficit)/surplus for the year	16 235 569	6 443 134
Prior year adjustments	-2 175 664	-61 340 067
Accumulated (deficit)/surplus at the end of the year	-11 662 406	-25 722 311
OPERATING ACCOUNT		
Capital expenditure		
Contributions to :	0	0
- Leave gratuity fund	0	0
- Provision for Bad Debts	0	0
- Revolving fund	0	0
	0	0
17 CASH UTILIZED/GENERATED BY OPERATIONS		
(Deficit)/Surplus for the year	16 235 569	6 443 134
Adjustments in respect of previous years' operating transactions	-2 175 664	-61 340 067
Appropriations charged against income	5 835 258	47 650 565
Revolving fund	832 100	852 101
Provisions and reserves	5 000 000	46 658 880
Assets	3 158	139 584
Capital charges : Interest paid : Internal funds	61 230	75 931
: External funds	439 950	472 565
: Redemption : Internal advances	183 139	182 561
: External loans	483 348	675 526
Other interest paid	292 842	312 064
Investment income	626 381	738 186
Non-operating income: Net income funds & Grants	20 662 957	9 949 691
Non-operating expenditure: Expenditure against special funds	-18 925 475	-6 944 655
	23 719 535	-1 784 499

	2009	2008
18 (INCREASE)/DECREASE IN WORKING CAPITAL		
(Increase)/Decrease in inventory	29 079	-52 605
(Increase)/Decrease in long term debtors	1 174	1 096
(Increase)/Decrease in debtors	-11 258 480	-9 194 103
Increase/(Decrease) in creditors	-4 294 259	17 665 836
	-15 522 486	8 420 224
19 INCREASE/(DECREASE) IN LONG-TERM LIABILITIES		
External loans repaid	-483 348	-675 526
Increase/(Decrease) in consumer deposits	121 695	146 767
	-361 653	-528 759
20 (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS		
Investments made	-10 286 522	-13 204 365
Interest on investments invested	-598 964	-737 430
Investments at year end	3 987 139	6 066 588
	-6 898 347	-7 875 207
21 INCREASE/(DECREASE) IN BANK OVERDRAFT		
Cashbook balance at the beginning of the year	-9 207 967	-5 517 398
Less: Cashbook balance at the end of the year	9 080 526	9 207 967
	-127 441	3 690 569
22 REVOLVING FUND		
Internal Investments in the Consolidated Loans Fund	25 425 062	24 234 067
Outstanding advances to borrowing services	630 801	813 939
	26 055 863	25 048 006
Outstanding creditors	0	0
Accumulated funds	26 055 863	25 048 006
23 CONSOLIDATED LOANS FUND		
External loans (Appendix B)	233 912	233 772
24 CONTINGENT LIABILITIES		
R5 300 at FNB for Eskom		

25 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE
MANAGEMENT ACT

2009 2008

Contributions to SALGA

Opening Balance
Council Subscriptions - 2006/2007 & 2007/2008
Amount Paid - current year
Balance

180 860	169 681
180 860	169 681
0	0

Audit Fees

Provision was made in note 14

400 000 400 000

VAT

All VAT returns have been submitted by the due date throughout the year.

PAYE and UIF

Opening Balance
Current year payroll deductions not paid over
Interest and Penalty
Amount paid - Chris Hani District Municipality
Balance unpaid - our records

0	0
353 088	549 599
0	0
0	0
353 088	549 599

Unpaid salary deductions on 30 June 2009

1 455 949 1 315 412

Total Outstanding

1 809 037 1 865 011

The unpaid salary deduction for June 2009 have been paid in July 2009

26 OBSOLETE STOCK/ASSETS

No auction was held during 2008/2009

27 SURPLUS ON ECONOMIC SERVICES

In terms of the accounting practice by IMFO it is a requirement that economic services be fixed in such a way that the service do not incur a surplus or deficit. At this stage it is difficult to comply because of Council's strife to uniform tariffs and would have a significant negative impact on Council.

28 INTEREST ON OUTSTANDING LIABILITIES

Provision for Interest have been made on :

a) DBSA

0 72 785

29 INTERGOVERNMENTAL & OTHER GRANTS	2008/2009	2007/2008
PROVINCIAL GOVERNMENT	20 491 393	15 872 199
Equitable Share	19 991 393	15 372 199
Financial Reform	500 000	500 000
LOCAL GOVERNMENT	8 183 067	8 183 067
Mig Funding	7 494 233	2 662 215
IDP	125 000	50 000
ICT	0	500 000
Spatial Development	0	300 000
Bulk Supply Industrial Area	0	1 122 000
MSIG	200 000	150 000
Valuations Property	0	3 200 000
Performance Agreements	0	198 852
LED	1 000 000	0
Property Rates DPLG	115 000	0
NER Bulk Elec Middelburg	4 000 000	0

30 DISCLOSURES CONCERNING COUNCILLORS, MANAGERS AND OFFICIALS

Councillors

The remuneration of Councillors have been done according to the framework of the published Government Notice concerning the upperlimits of the salaries, allowances and benefit of the different members of Council (Government notice R1477 of 22 December 2004).

Only one councillor are in arrears for more than 90 days	NA Sindelo	R 1 383.09
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Managers - Remuneration Packages

	2008/2009	2007/2008
Municipal Manager		
Salary Package	590 808	545 520
Performance Bonus *		
Chief Financial Officer		
Salary Package	501 636	463 188
Performance Bonus *		
Manager Human Resources		
Salary Package	501 636	463 188
Performance Bonus *		
LED Manager		
Salary Package	501 636	463 188
Performance Bonus *		

Managers - Remuneration Packages Continue

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	2008/2009	2007/2008
Manager : Community Services		
Salary Package	501 636	463 188
Performance Bonus *		
Manager - Technical Services		
Salary Package	501 636	463 188
Performance Bonus *		
Manager - Civil Protection Services		
Salary Package	501 636	463 188
Performance Bonus *		

* Performance Bonus - No % was available when compiling the Financial Statements

31 ENTITIES

Mmotlie Investments (Pty)(Ltd) - Only Entity

For more details, see the attached addendum

32 CONSOLIDATION OF FINANCIAL STATEMENTS

Inxuba Yethemba - Mmotlie Investments

Due to no guidelines given on how to combine these Financial Statements, the Financial Statements of Mmotlie Investments is attached as an addendum.

33 BANK OVERDRAFT

The overdraft facility (R3 500 000) for the 2008/2009 calender year was approved by Council in in August 2008. Council resolution 08/103

34 ASSETS HELD AS COLLATERAL

The following erven are held by FNB as collateral for the overdraft facility:

Erven 566, 567, 577, 578, 1171 and 5073

35 FRUITLESS AND WASTEFULL EXPENDITURE

SARS- Late payment	R 37 615	R 24 012
Commensation Commissioner - Late payment	R 62 581	R 28 654

36 IRREGULAR EXPENDITURE

Exceeding of overdraft Limit	R 0	R 400 649
Overspending of Grants	R 197 072	R 79 461

37 BANKING DETAILS

NAME OF BANK	TYPE/NAME OF ACCOUNT	BALANCE 30-Jun-08	BALANCE 30-Jun-09
FNB	CHEQUE - MAIN	-3 900 649.08	-966 325.71
FNB	CHEQUE - ESKOM	197 993.79	67 539.88

38 INVESTMENT DETAILS

NAME OF BANK	NAME OF ACCOUNT	BALANCE 30-Jun-08	BALANCE 30-Jun-09
ABSA	Vusubuntu Cultural	1 124.42	0.00
	Life Project	17 752.81	0.00
FNB	Transformation	0.00	0.00
	Sewerage	0.00	0.00
	IDP	79 082.51	76 647.80
	CMIP	0.00	0.00
	Project Viability Disaster	66 020.92	15 128.63
	Watermeters	231 755.05	0.00
	Independent Farmers	1 065.79	0.00
	Recycling Project	17 698.40	18 502.23
	MSP (Human Resources)	16 962.27	17 765.75
	Vusubuntu DSRAC	38 712.38	41 900.35
	Financial Reform	473 806.61	293 092.29
	Youth Centre	1 468.68	0.00
	NER Fase 2	2 304.02	0.00
	Drought Relief	106 330.71	647 481.19
	Masimanyane Bakeries	1 366.22	0.00
	Vehicle repair fund	1 865.42	0.00
	Spatial Development	327 984.54	228 465.03
	Lotto Fondse	1 463.61	1 608.59
	Bulk Infrastructure	256 370.38	282 517.51
	Umsomvubo Project	1 229.12	0.00
	IT Phase 3	20 224.45	0.00
	MIG Funding	2 932.13	2 343.17
	Streetlights Lingelihle	28 668.33	31 566.44
	Streetlights Lusaka	9 490.44	10 449.84
	MSIG	152 128.06	372 220.47
	Cradock Spa	8 550.65	0.00
	Performance Agreements	123 682.82	133 878.41
	PMS - CHDM	82 663.83	4 297.79
	Property rates	2 859 536.73	64 287.31
	Electricity Upgrade Bulk	1 127 483.52	445 956.48
	CHDM Valuations	0.00	44 810.87
Property rates DPLG	0.00	124 825.50	
Ward Partisipation	0.00	127 989.76	
DME Substation Middelburg	0.00	408 934.41	
Standard Bank	LED Fund	0.00	585 156.48
Nedbank	Collateral	6 361.91	7 412.82