

# Annual Financial Statements

for

*the financial year ended 30 June 2010*

**CAMDEBOO MUNICIPALITY**

**CAMDEBOO MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2010

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# **CAMDEBOO MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2010

## **General information**

### **Members of the Council:**

D JAPHTA - **Mayor**  
VG JACOBS  
AR KNOTT-CRAIG  
K HOFFMAN  
C ABELS  
I REID  
A BOOYSEN  
TJC EKSTEEN  
M JACOBS  
M BLOK  
C HORN

### **Municipal Manager:**

MG LANGBOOI  
[langbooi@camdeboo.gov.za](mailto:langbooi@camdeboo.gov.za)

### **Chief Financial Officer:**

J JOUBERT  
[joubertj@camdeboo.gov.za](mailto:joubertj@camdeboo.gov.za)

### **Local Council Bargaining Council Grading of Local Authority:**

GRADE 3

### **Province:**

EASTERN CAPE

### **AFS Rounding:**

R (to nearest R1)

### **Auditors:**

AUDITOR-GENERAL  
[carynb@agsa.co.za](mailto:carynb@agsa.co.za)

### **Bankers:**

FIRST NATIONAL BANK

### **Registered Office:**

GRAAFF-REINET

### **Physical address:**

TOWN HALL SQUARE  
GRAAFF-REINET

### **Postal address:**

PO BOX 71  
GRAAFF-REINET  
6280

### **Telephone number:**

049 807 5700

### **Fax number:**

049 892 6137

**ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2010**  
**CAMDEBOO MUNICIPALITY**

**Approval of annual financial statements**

I am responsible for the preparation of these annual financial statements, which are set out on pages 11 to 81, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 26 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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Municipal Manager:  
MG LANGBOOI

2010/08/31

**CAMDEBOO MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2010  
**REPORT OF THE CHIEF FINANCIAL OFFICER**

**1. INTRODUCTION**

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003). The standards and pronouncements that form the GRAP Reporting Framework for the 2009/10 financial period is set out in Directive 4 and Directive 5 Issued by the Accounting Standards Board (ASB) on 11 March 2009.

Despite having instituted various control measures in order to improve the overall financial results of the municipality, the collection of arrear debt remains a challenge. The increase in the debtors book together with the increased number of indigent customers is indicative of the poverty that exists within the municipal area. However, the ongoing reviewing and monitoring of debt collection performance is expected to result in an improvement in the collection of arrears.

**2. KEY FINANCIAL INDICATORS**

The following indicators give some insight into the financial results of the year under review.

**Financial Statement Ratios:**

INDICATOR	2010	2009
Surplus / (Deficit) before Appropriations	21 012 015	13 077 857
Surplus / (Deficit) at the end of the Year	1 020 442 241	997 334 482
Expenditure Categories as a percentage of Total Expenses:		
Employee Related Costs	40.06%	40.82%
Remuneration of Councillors	1.94%	2.48%
Collection Costs	0.20%	3.48%
Depreciation and Amortisation	0.00%	0.00%
Impairment Losses	0.00%	0.00%
Repairs and Maintenance	3.41%	3.60%
Interest Paid	0.00%	0.00%
Bulk Purchases	22.69%	20.70%
Contracted Services	0.81%	0.90%
Grants and Subsidies Paid	0.09%	4.90%
General Expenses	30.80%	23.12%
Current Ratio:		
Creditors Days	24	37
Debtors Days	44	19

**3. OPERATING RESULTS**

Details of the operating results per segmental classification of expenditure are included in Appendix "D".

The overall operating results for the year ended 30 June 2010 are as follows:

DETAILS	Actual 2009/2010 R	Actual 2008/2009 R	Percentage Variance %	Budgeted 2009/2010 R	Variance actual/ budgeted %
<b>Income:</b>					
Opening surplus / (deficit)	986 757 447	6 653 066	14731.62%	986 757 447	-
Operating income for the year	119 925 577	93 637 364	28.07%	102 935 940	16.51%
Appropriations for the year	1 972 409	(10 767 193)	(118.32)%	-	-
	1 108 655 434	89 523 237	1138.40%	1 089 693 387	1.74%
<b>Expenditure:</b>					
Operating expenditure for the year	98 913 562	80 559 507	22.78%	117 001 864	(15.46)%
Sundry transfers	-	(980 758 671)	(100.00)%	-	-
Closing surplus / (deficit)	1 009 741 872	986 757 447	2.33%	(14 065 924)	-
	1 108 655 434	86 558 284	1180.82%	102 935 940	977.03%

### 3.1 Rates and General Services:

Rates and General Services are all types of services rendered by the municipality, excluding those listed below. The main income sources are Assessment Rates and Sundry Fees levied.

DETAILS	Actual 2009/2010 R	Actual 2008/2009 R	Percentage Variance %	Budgeted 2009/2010 R	Variance actual/ budgeted %
Income	58 994 014	46 804 369	26.04%	41 113 187	43.49%
Expenditure	52 804 754	44 833 623	17.78%	59 140 520	(10.71)%
Surplus / (Deficit)	6 189 260	1 970 746	214.06%	(18 027 333)	-
Surplus / (Deficit) as % of total income	10.49%	4.21%		(43.85)%	

### 3.2 Housing Services:

Housing Services are services rendered by the municipality to supply housing to the community and includes the rental of units owned by the municipality to public and staff. The main income source is the levying of Housing Rentals.

DETAILS	Actual 2009/2010 R	Actual 2008/2009 R	Percentage Variance %	Budgeted 2009/2010 R	Variance actual/ budgeted %
Income	1 385	168 866	(99.18)%	1 538	(9.98)%
Expenditure	-	167 481	-	-	-
Surplus / (Deficit)	1 385	1 385	0.00%	1 538	-
Surplus / (Deficit) as % of total income	100.00%	0.82%		100.00%	

### 3.3 Waste Management Services:

Waste Management Services are services rendered by the municipality for the collection, disposal and purifying of waste (refuse and sewerage). Income is mainly generated from the levying of fees and tariffs determined by the council.

DETAILS	Actual 2009/2010 R	Actual 2008/2009 R	Percentage Variance %	Budgeted 2009/2010 R	Variance actual/ budgeted %
Income	7 714 716	7 253 996	6.35%	9 054 828	(14.80)%
Expenditure	6 667 381	4 384 212	52.08%	9 935 420	(32.89)%
Surplus / (Deficit)	1 047 335	2 869 783	(63.50)%	(880 592)	-
Surplus / (Deficit) as % of total income	13.58%	39.56%		(9.73)%	

### 3.4 Electricity Services:

Electricity is bought in bulk from Eskom and distributed to the consumers by the municipality. The cost of bulk purchases to the municipality was R22 439 179 (2008/2009: R 16 675 022). Tariffs levied for electricity are subject to administered adjustments.

The envisaged introduction of REDS (Regional Electricity Distribution Suppliers), where electricity will be distributed a regional supplier, will impact materially on the Annual Financial Statements of the municipality.

DETAILS	Actual 2009/2010 R	Actual 2008/2009 R	Percentage Variance %	Budgeted 2009/2010 R	Variance actual/ budgeted %
Income	42 855 835	29 060 988	47.47%	41 518 203	3.22%
Expenditure	33 120 428	25 874 044	28.01%	37 766 728	(12.30)%
Surplus / (Deficit)	9 735 407	3 186 945	205.48%	3 751 475	-
Surplus / (Deficit) as % of total income	22.72%	10.97%		9.04%	

### 3.5 Water Services:

DETAILS	Actual 2009/2010 R	Actual 2008/2009 R	Percentage Variance %	Budgeted 2009/2010 R	Variance actual/ budgeted %
Income	10 359 627	10 349 145	0.10%	11 248 184	(7.90)%
Expenditure	6 320 999	5 300 147	19.26%	10 159 196	(37.78)%
Surplus / (Deficit)	4 038 628	5 048 998	(20.01)%	1 088 988	-
Surplus / (Deficit) as % of total income	38.98%	48.79%		9.68%	

### 4. FINANCING OF CAPITAL EXPENDITURE

The expenditure on Property, Plant and Equipment during the year amounted to R 16 390 329 (2008/2009: R 12 287 633). Full details of Property, Plant and Equipment are disclosed in Note 6 and appendices "B, C and E (2)" to the Annual Financial Statements.

The capital expenditure of R 16 390 329 was financed as follows:

DETAILS	Actual 2009/2010 R	Actual 2008/2009 R	Percentage Variance %	Budgeted 2009/2010 R	Variance actual/ budgeted %
Grants and Subsidies	10 434 157	6 466 150	61.37%	10 434 157	-
Public Contributions	3 307	-	-	-	-
Own Funds (Accumulated Surplus)	5 952 865	5 821 483	2.26%	5 956 172	(0.06)%
	16 390 329	12 287 633	33.39%	16 390 329	-

Source of funding as a percentage of Total Capital Expenditure:

DETAILS	2008	2007
Grants and Subsidies	63.66%	52.62%
Public Contributions	0.02%	-
Own Funds (Accumulated Surplus)	36.32%	47.38%

Property, Plant and Equipment is funded to such a great extent from grants and subsidies because the municipality does not have the financial resources to finance capital from its own funds.

### 5. RECONCILIATION OF BUDGET TO ACTUAL

#### 5.1 Operating Budget:

DETAILS	2010	2009
<i>Variance per Category:</i>		
Budgeted surplus before appropriations	(14 065 924)	(14 774 100)
Revenue variances	16 989 637	17 525 131
Expenditure variances:		
Employee Related Costs	5 239 618	4 908 085
Remuneration of Councillors	431 043	4 829
Collection Costs	2 797 879	4 281 078
Depreciation and Amortisation	-	-
Impairment Losses	-	-
Repairs and Maintenance	551 324	876 370
Interest Paid	-	-
Bulk Purchases	2 608 966	1 844 705
Contracted Services	341 003	35 119
Grants and Subsidies Paid	36 039	(3 833 612)
General Expenses	6 082 430	2 210 253
Loss on disposal of Property, Plant and Equipment	-	-
Actual surplus before appropriations	21 012 015	13 077 857

DETAILS	2010	2009
<i>Variance per Service Segment:</i>		
Budgeted surplus before appropriations	(14 065 924)	(14 774 100)
Executive and Council	843 118	1 325 603
Finance and Administration	19 837 392	5 166 313
Planning and Development	(244)	-
Health	1 672 895	3 223 036
Community and Social Services	180 474	192 432
Housing	(153)	(0)
Public Safety	250 537	520 440
Sport and Recreation	864 078	1 675 109
Environmental Protection	(29 738)	107 241
Waste Management	1 927 927	1 463 857
Roads and Transport	449 515	5 863 804
Water	2 949 640	3 067 614
Electricity	5 983 932	4 804 781
Other	148 568	441 726
Actual surplus before appropriations	<u>21 012 015</u>	<u>13 077 857</u>

Details of the operating results per segmental classification of expenditure are included in Appendix "D", whilst operational results per category of expenditure, together with a criptic explanation of significant variances of more than 10% from budget, are included in Appendix "E (1)".

## 5.2 Capital Budget:

DETAILS	Actual 2009/2010 R	Actual 2008/2009 R	Variance actual 2009/10 / 2008/09 R	Budgeted 2009/2010 R	Variance actual/ budgeted R
Executive and Council	416 373	534 117	(117 744)	140 694	275 679
Finance and Administration	126 386	963 457	(837 070)	505 795	(379 409)
Planning and Development	-	710 011	(710 011)	365 101	(365 101)
Health	140 654	42 534	98 121	460 387	(319 733)
Community and Social Services	-	47 501	(47 501)	460 387	(460 387)
Housing	-	468	(468)	13 322 140	(13 322 140)
Public Safety	7 671	794 591	(786 920)	208 552	(200 881)
Sport and Recreation	-	346 036	(346 036)	-	-
Waste Management	-	35 233 923	(35 233 923)	281 747	(281 747)
Roads and Transport	-	7 330 597	(7 330 597)	676 371	(676 371)
Water	8 255 792	15 567 971	(7 312 179)	10 322 662	(2 066 870)
Electricity	7 668 205	6 372 543	1 295 662	7 347 821	320 384
Other	-	3 596 189	(3 596 189)	-	-
	<u>16 615 081</u>	<u>71 539 938</u>	<u>(54 924 857)</u>	<u>34 091 657</u>	<u>(17 476 576)</u>

Details of the results per segmental classification of capital expenditure are included in Appendix "C", together with a criptic explanation of significant variances of more than 5% from budget, are included in Appendix "E (2)".

## 6. ACCUMULATED SURPLUS

The balance of the Accumulated Surplus as at 30 June 2010 amounted to R 1 020 442 241 (30 June 2009: R 997 334 482) and is made up as follows:

Capital Replacement Reserve	5 000 000
Self Insurance Fund	5 700 369
Accumulated Surplus	<u>1 009 741 872</u>
	<u>1 020 442 241</u>

The Capital Replacement Reserve replaces the previous statutory funds, like the Capital Development Fund, and is a cash-backed reserve established to enable the municipality to finance future capital expenditure. Cash contributions, depending on the availability of cash, is made annually to the reserve.

The municipality, in conjunction with its own capital requirements and external funds (external loans and grants) is able to finance its annual infrastructure capital programme.

Refer to Note 18 and the Statement of Change in Net Assets for more detail.



## 8. LONG-TERM LOANS

The municipality does not currently have any long-term loans.

## 9. RETIREMENT BENEFIT LIABILITIES

The outstanding amount of Retirement Benefit Liabilities as at 30 June 2010 was R 13 256 504 (30 June 2009: R 12 580 321).

This liability is in respect of continued Health Care Benefits for employees of the municipality after retirement being members of schemes providing for such benefits. This liability is unfunded.

Refer to Note 15 for more detail.

## 10. NON-CURRENT PROVISIONS

Non-current Provisions amounted R 7 571 481 as at 30 June 2010 (30 June 2009: R 5 895 941) and is made up as follows:

Provision for Long-term Service	1 884 409
Provision for Rehabilitation of Land-fill Sites	5 687 072
	<u>7 571 481</u>

These provisions are made in order to enable the municipality to be in a position to fulfil its known legal obligations when they become due and payable.

Refer to Note 16 for more detail.

## 11. CURRENT LIABILITIES

Current Liabilities amounted R 26 953 099 as at 30 June 2010 (30 June 2009: R 27 458 255) and is made up as follows:

Consumer Deposits	Note 9	1 256 701
Provisions	Note 10	2 352 196
Creditors	Note 11	6 531 608
Unspent Conditional Grants and Receipts	Note 12	14 386 707
VAT	Note 13	2 425 887
		<u>26 953 099</u>

Non-current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). There is no known reason as to why the municipality will not be able to meet its obligations.

Refer to the indicated Notes for more detail.

## 12. PROPERTY, PLANT AND EQUIPMENT

The net value of Property, Plant and Equipment was R 1 008 324 699 as at 30 June 2010 (30 June 2009: R 991 934 371).

Refer to Note 6 and Appendices "B, C and E (2)" for more detail.

## 13. INVESTMENTS

The municipality held Investments to the value of R 44 625 016 as at 30 June 2010 (30 June 2009: R 34 397 813).

Refer to Note 7 for more detail.

## 14. CURRENT ASSETS

Current Assets amounted R62 281 678 as at 30 June 2008 (30 June 2007: R53 799 063) and is made up as follows:

Inventory	Note 2	2 791 916
Consumer Debtors	Note 3	8 362 086
Other Debtors	Note 4	4 367 508
Call Investment Deposits	Note 21	-
Bank Balances and Cash	Note 5	46 760 169
		<u>62 281 678</u>

The substantial increase in consumer debtors are due to the provision for consumption of metered services from the last reading date to 30 June 2010. Council's Credit Control Policy will have to be applied strictly and adhered to in all circumstances in order to recover monies due to the municipality.

Refer to the indicated Notes for more detail.

## 15. INTER-GOVERNMENTAL GRANTS

The municipality is dependent on financial aid from other government spheres to finance its annual capital programme. Operating grants are utilised to finance indigent assistance and provision of free basic services.

Refer to Notes 12 and 42, and Appendix "F" for more detail.

#### **16 EVENTS AFTER THE REPORTING DATE**

Full details of all known events, if any, after the reporting date are disclosed in Note 45.

#### **17 GENERAL RECOGNISED ACCOUNTING PRACTICE (GRAP)**

In order to adhere to principles and procedures prescribed by law and the directions of National Treasury, the Annual Financial Statements have been converted to the new reporting GRAP-format and is now presented as such on continuous basis.

#### **18 EXPRESSION OF APPRECIATION**

We are grateful to the Mayor, Councillors, the Municipal Manager and Heads of Departments for the support extended during the financial year. A special word of thanks to all staff in the Finance Department, for without their assistance these Annual Financial Statements would not have been possible.

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**CHIEF FINANCIAL OFFICER**

**J Joubert**

31 August 2010

**CAMDEBOO MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 June 2010**

	Note	2010 R	2009 R
<b>ASSETS</b>			
<b>Current Assets</b>		<b>62 281 678</b>	<b>53 799 063</b>
Inventory	2	2 791 916	2 596 355
Trade Receivables from Exchange Transactions	3	8 362 086	2 715 980
Trade Receivables from Non-Exchange Transactions	4	4 367 508	4 445 533
Cash and Cash Equivalents	5	46 760 169	44 041 195
		-	-
<b>Non-Current Assets</b>		<b>1 008 324 699</b>	<b>991 934 371</b>
Property, Plant and Equipment	6	997 317 199	980 926 871
Investment Property	7	11 007 500	11 007 500
Long-term Receivables	8	-	-
<b>Total Assets</b>		<b>1 070 606 377</b>	<b>1 045 733 433</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>26 953 099</b>	<b>27 458 255</b>
Consumer Deposits	9	1 256 701	1 144 709
Provisions	10	2 352 196	1 923 557
Creditors	11	6 531 608	8 267 978
Unspent Conditional Grants and Receipts	12	14 386 707	14 224 535
VAT Payable	13	2 425 887	1 897 476
		-	-
<b>Non-Current Liabilities</b>		<b>20 827 985</b>	<b>18 647 400</b>
Long-term Liabilities	14	-	171 139
Retirement Benefit Liabilities	15	13 256 504	12 580 321
Non-current Provisions	16	7 571 481	5 895 941
<b>Total Assets and Liabilities</b>		<b>1 022 825 294</b>	<b>999 627 778</b>
Statutory Funds	17	2 383 053	2 293 296
Accumulated Surplus / (Deficit)	18	1 020 442 241	997 334 482
<b>Total Net Assets</b>		<b>1 022 825 294</b>	<b>999 627 778</b>

**CAMDEBOO MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 June 2010**

Budget				Actual	
2009	2010		Note	2010	2009
R	R			R	R
<b>REVENUE</b>					
10 175 515	10 086 023	Property Rates	<b>19</b>	12 471 048	8 535 300
807 730	836 772	Property Rates - Penalties imposed and collection charges	<b>20</b>	766 293	990 068
42 684 954	61 767 902	Service Charges	<b>21</b>	57 220 908	44 523 676
338 477	317 836	Rental of Facilities and Equipment	<b>22</b>	302 550	316 868
1 258 800	938 205	Interest Earned - External Investments	<b>20</b>	3 169 179	4 218 758
739 536	669 640	Interest Earned - Outstanding Debtors	<b>20</b>	919 692	828 818
-	-	Dividends Received			
495 715	522 985	Fines		372 730	625 378
1 364 497	1 256 712	Licences and Permits		1 269 816	1 214 318
71 185	75 029	Income for Agency Services		136 941	94 584
17 323 000	25 916 367	Government Grants and Subsidies Received	<b>23</b>	42 675 212	31 048 304
152 912	168 940	Internal Charges		187 379	193 722
699 912	379 529	Other Income	<b>24</b>	433 830	1 047 569
-	-	Other Gains on Continued Operations	<b>47</b>	-	-
<b>76 112 233</b>	<b>102 935 940</b>	<b>Total Revenue</b>		<b>119 925 577</b>	<b>93 637 364</b>
<b>EXPENDITURE</b>					
37 793 626	44 866 904	Employee Related Costs	<b>25</b>	39 627 286	32 885 541
2 005 050	2 346 735	Remuneration of Councillors	<b>26</b>	1 915 692	2 000 221
7 083 283	3 000 000	Provision for Impairment of Debtors/Bad Debts		202 121	2 802 205
-	-	Depreciation and Amortisation	<b>40</b>	-	-
-	-	Impairment Losses	<b>41</b>	-	-
3 777 745	3 922 163	Repairs and Maintenance		3 370 839	2 901 375
-	-	Finance Costs	<b>42</b>		
18 519 727	25 048 144	Bulk Purchases	<b>27</b>	22 439 178	16 675 022
757 705	1 138 486	Contracted Services		797 483	722 586
115 000	129 500	Grants and Subsidies Paid	<b>28</b>	93 461	3 948 612
-	-	Research and Development Costs	<b>45</b>		
20 834 197	36 549 932	General Expenses	<b>29</b>	30 467 502	18 623 944
-	-	Other Losses on Continued Operations	<b>47</b>	-	-
<b>90 886 333</b>	<b>117 001 864</b>	<b>Total Expenditure</b>		<b>98 913 562</b>	<b>80 559 507</b>
<b>OTHER REVENUE / EXPENDITURE INCURRED</b>					
<b>(14 774 100)</b>	<b>(14 065 924)</b>	<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>21 012 015</b>	<b>13 077 857</b>
Refer to Appendix E(1) for explanation of budget variances					

**CAMDEBOO MUNICIPALITY**  
**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 June 2010**

Description	Housing Development Fund	Accumulated Surplus / (Deficit) Account					Accumulated Surplus / (Deficit)	Total for Accumulated Surplus/(Deficit) Account	Total
		Revolving Fund	Other Statutory Funds	Reserve	Capital Replacement Reserve	Self Insurance Reserve			
	R	R	R	R	R	R	R	R	
<b>2009</b>									
Balance at 30 June 2008	4 515 761	50 147 420	829 379	3 261 874	-	1 666 146	6 653 066	67 073 646	
Change in Accounting Policy (Note 31)		(50 147 420)	(829 379)	(3 261 874)	5 000 000		981 071 577	931 832 904	
Correction of Error (Note 32)					-		(312 906)	(312 906)	
<b>Restated Balance</b>	<b>4 515 761</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 000 000</b>	<b>1 666 146</b>	<b>987 411 737</b>	<b>998 593 644</b>	
Surplus / (Deficit) for the year							13 077 857	13 077 857	
Correction of Previous Years							(2 964 953)	(2 964 953)	
Transfer to Housing Development Fund	-						-	-	
Expenditure	(2 749 871)					(292 747)	-	(3 042 618)	
Insurance claims processed	-					-	-	-	
Interest received	524 520	-				184 420	(708 940)	-	
Other Income	2 886					4 019 216	4 019 216	4 022 102	
Asset disposals							2 229 380	2 229 380	
<b>Balance at 30 June 2009</b>	<b>2 293 296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 000 000</b>	<b>5 577 035</b>	<b>986 757 447</b>	<b>999 627 778</b>	
<b>2010</b>									
Change in Accounting Policy (Note 31)							-	-	
<b>Restated Balance</b>	<b>2 293 296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 000 000</b>	<b>5 577 035</b>	<b>986 757 447</b>	<b>999 627 778</b>	
Surplus / (Deficit) for the year	89 757						21 012 015	21 101 772	
Correction of Previous Years	-						1 752 343	1 752 343	
Differences in Accumulated Surplus Transferred	-						343 400	343 400	
Contribution to Insurance Reserve						123 334	(123 334)	-	
Insurance claims processed							-	-	
<b>Balance at 30 June 2010</b>	<b>2 383 053</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 000 000</b>	<b>5 700 369</b>	<b>1 009 741 872</b>	<b>1 022 825 294</b>	
							(0.00)	-	

**CAMDEBOO MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 June 2010**

	Note	2010 R	2009 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from Ratepayers, Government and Other		114 519 669	120 539 078
Cash paid to Suppliers and Employees		(98 408 407)	830 901 064
<b>Cash generated from / (utilised in) Operations</b>	<b>32</b>	<b>16 111 262</b>	<b>951 440 142</b>
Interest received	20	3 169 179	4 218 758
<b>NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		<b>19 280 441</b>	<b>955 658 899</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	6	(16 390 329)	(12 287 633)
Increase in Assets (GRAP)	6	-	(946 053 674)
<b>NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		<b>(16 390 329)</b>	<b>(958 341 307)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loans repaid	14	(171 139)	-
<b>NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		<b>(171 139)</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5</b>	<b>2 718 974</b>	<b>(2 682 407)</b>
		0	0
Cash and Cash Equivalents at the beginning of the year		44 041 195	46 723 602
Cash and Cash Equivalents at the end of the year		46 760 169	44 041 195

**CAMDEBOO MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**1. BASIS OF PREPARATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

These annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

**1.1 Changes in accounting policy and comparability**

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The municipality changes an accounting policy only if the change:

- a) is required by a Standard of GRAP; or
- b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions. on the performance or cash flow.

The details of any changes in accounting policies and comparative restatements are explained in the relevant policy.

**1.2 Significant judgements**

The following are the critical judgements that the management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

**1.2.1 Revenue recognition**

Accounting Policy 9.1 on Revenue from Exchange Transactions and Accounting Policy 9.2 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

**1.2.2 Financial assets and liabilities**

The classification of financial assets and liabilities is based on judgement by management.

**1.2.3 Provisions and contingent liabilities**

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities as set out in notes 10 and 41 respectively. Provisions are discounted where the effect of discounting is material.

**1.3 Sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

### **1.3.1 Impairment of Financial Assets**

Accounting Policy 5.4 on Impairment of Financial Assets describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement.

### **1.3.3 Impairment: Write down of Inventories**

Significant estimates and judgements are made relating to the write down of Inventories to Net Realisable Values.

### **1.3.4 Defined Benefit Plan Liabilities**

As described in Accounting Policy 15, the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Notes XX and XX to the Annual Financial Statements.

### **1.3.5 Operating Lease Commitments – as Lessor**

The municipality has entered into commercial property leases on its investment property portfolio. The municipality has determined that it retains all the significant risks and rewards of ownership of these properties and so accounts for them as operating leases.

## **1.4 PRESENTATION CURRENCY**

The annual financial statements are presented in South African Rand, which is the functional currency of the municipality, and amounts are rounded off to the nearest R1.

## **1.5 GOING CONCERN ASSUMPTION**

The annual financial statements have been prepared on the assumption that the municipality is a going concern and will continue in operation for the foreseeable future.

## **1.6 OFFSETTING**

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

## **1.7 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 - Segment Reporting - issued March 2005

GRAP 21 - Impairment of Non-cash-generating Assets - issued March 2009

GRAP 23 - Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 - Presentation of Budget Information in Financial Statements - issued November 2007

GRAP 25 - Employee Benefits - issued December 2009

GRAP 26 - Impairment of Cash-generating Assets - issued March 2009

GRAP 103 - Heritage Assets - issued July 2008

GRAP 104 - Financial Instruments – issued October 2009

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date is not currently available.



The ASB Directive 5 paragraph 29 allows for the Municipality to select applying the principles established in a Standard of GRAP that has been issued, but is not yet in effect, in developing an appropriate accounting policy dealing with a particular transaction or event before applying paragraph .12 of the GRAP 19 on Accounting Policies, Changes in Accounting Estimates and Errors.

The Municipality applied the principles established in the following Standards of GRAP that have been issued, but is not yet in effect, in developing appropriate accounting policies dealing with the following transactions, but have not early adopted these Standards:

Impairment of Non-cash-generating Assets (GRAP 21 - issued March 2009)

Revenue from Non-Exchange Transactions (GRAP 23 - issued February 2008)

Impairment of Cash-generating Assets (GRAP 26 - issued March 2009)

The following other standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IAS 36 Impairment of assets - amended version effective 1 January 2010

IAS 39 Financial Instruments: Recognition and Measurement - amended version effective 1 January 2010

Management has considered all the above standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

## **2. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

### **2.1 Initial recognition**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

## 2.2 Subsequent measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent to initial recognition, items of property, plant and equipment is stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses, where applicable. Infrastructure assets are stated at the depreciated replacement cost.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Subsequent to initial recognition, land and buildings are not revalued.

### 2.2.1 Depreciation

Land is not depreciated as it is regarded as having an infinite life. Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year-end:

	Years		Years
<b>Infrastructure</b>		<b>Other</b>	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	15
Landfill sites	30	Bins and containers	5
Community		Specialized plant and	10-15
Improvements	30	Equipment	
Recreational Facilities	20-30	Other plant and	
Security	5	Equipment	2-5

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate. These were not reviewed in the previous and current financial years as required by GRAP 17. The municipality applied ASB directive 4 which states that the municipality need not comply with the measurement requirements of GRAP 17 for the year ending 30 June 2010 but must comply with the measurement requirements for the year ending 30 June 2012. It must however identify and correctly classify all PPE on an assets register during the 2010.

## 2.3 Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available into use.

## **2.4 Finance leases**

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as PPE controlled by the entity or where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

## **2.5 Heritage assets**

These are assets that are defined as culturally significant resources which are not depreciated owing to the uncertainty regarding their estimated useful lives. The municipality applied ASB directive 4 relating to Heritage assets.

## **2.6 Infrastructure assets**

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at depreciated replacement cost. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

## **2.7 Derecognition**

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not included in revenue.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the sales proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

## **2.8 Impairment of Cash and Non-Cash generating assets**

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the individual

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

For the previous and current year under review, the municipality did not perform impairment testing on its assets as required by GRAP 17. The municipality applied ASB directive 4 which states that the municipality need not comply with the measurement requirements of GRAP 17 for the years ending 30 June 2010 but must comply with the measurement requirements for the year ending 30 June 2012. It must however identify and correctly classify all PPE on an assets register during the 2010.

## **2.9 Landfill sites**

The Municipality has an obligation to rehabilitate its landfill sites in terms of its licence stipulations. Provision is made for this obligation in accordance with the Municipality's accounting policy on non-current provisions – see Accounting Policy 11 on Provisions. Rehabilitation costs capitalised to the cost of the landfill site, are written off on a straight-line basis over the estimated useful lives of the site.

## **2.10 Transitional Provisions**

The estimated useful lives and the depreciation methods were not reviewed in the previous financial year as required by GRAP 17. The municipality applied ASB directive 4 which states that the municipality need not comply with the measurement requirements of GRAP 17 for the years ending 30 June 2010 but must comply with the measurement requirements for the year ending 30 June 2012. The estimated useful lives and depreciation methods will be reviewed for the year ended 30 June 2012 (and retrospectively where practicable), and any changes therein will be implemented in accordance with the requirements of GRAP 17, GRAP 3 and ASB Directive 4.

The municipality did not perform impairment testing on its cash generating assets and non-cash generating assets in the previous financial year. The municipality applied ASB directive 4 which states that the municipality need not comply with the measurement requirements of GRAP 17 for the years ending 30 June 2010 but must comply with the measurement requirements for the year ending 30 June 2012. The testing for impairment of cash generating assets and non-cash generating assets will be performed for the year ended 30 June 2012 in accordance with the requirements of GRAP 21, GRAP 26 and ASB Directive 4.

### **3. INTANGIBLE ASSETS**

#### **3.1 Initial recognition**

Identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised and are charged against income as incurred, while development expenditure is only capitalised to the extent that:

- ♦ the municipality intends to complete the intangible asset for use or sale;
- ♦ it is technically feasible to complete the intangible asset;
- ♦ the municipality has the resources to complete the project; and
- ♦ it is probable that the municipality will receive future economic benefits or service potential.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years.

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, where applicable.

Intangible assets are initially recognised at cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. Where an intangible asset is acquired at no cost or for a nominal consideration, its cost is its fair value as at the date it is acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given

#### **3.2 Subsequent measurement, amortisation and impairment**

Amortisation is charged on a straight-line basis over the intangible assets' useful lives, which are estimated to be between 3 to 5 years. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, for example servitudes obtained by the municipality give the municipality access to land for specific purposes for an unlimited period - however, such intangible assets are subject to an annual impairment test.

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

The estimated useful lives and the amortisation methods were not reviewed in the current financial year as required by GRAP 102. The municipality also did not perform impairment testing on its intangible assets during the year under review. The estimated useful lives and amortisation methods will be reviewed and impairment testing will be done for the year ended 30 June 2012 (and retrospectively where practicable), and any changes therein will be implemented in accordance with the requirements of GRAP 102, GRAP 3 and ASB

### 3.3 Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## 4. INVESTMENT PROPERTY

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

### 4.1 Initial recognition

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is the cost at date of completion.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property or property held for

- ◆ All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- ◆ land held for a currently undetermined future use (If the municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation);
- ◆ a building owned and leased out under one or more operating leases (this will include the property portfolio rented out by the Housing Board on a commercial basis on behalf of the municipality); and
- ◆ a building that is vacant but is held to be leased out under one or more operating leases.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment, Inventory or Non-Current Assets Held for Sale, as appropriate:

- ◆ property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- ◆ property being constructed or developed on behalf of third parties;
- ◆ owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;
- ◆ property that is being constructed or developed for future use as investment property;
- ◆ property that is leased to another entity under a finance lease;
- ◆ property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income families, etc; and
- ◆ property held for strategic purposes or service delivery.

### 4.2 Subsequent measurement -

Investment property is measured using the cost model. Investment Property is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 20 - 30 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### 4.3 Transitional provisions

In terms of ASB Directive 4, the municipality is not required to measure investment properties for reporting periods beginning on or after a date within 3 years following the date of initial adoption of GRAP 16. The municipality elects to apply ASB Directive 4 for its investment properties and does not measure its investment properties for the above-mentioned period. However, provisional amounts for investment properties are disclosed in the Annual Financial Statements in accordance with ASB Directive 4.

## 5. FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

### 5.1 Financial Assets - classification

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Investments in Fixed Deposits (Banking Institutions, etc)
- Long-term Receivables
- Consumer Debtors
- Certain Other Debtors
- Short-term Investment Deposits
- Bank Balances and Cash

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows into the four categories allowed by this standard:

<b>Financial instrument</b>	<b>Classification</b>
Short-term Investment Deposits - Call	Loans and Receivables
Short-term Investment Deposits - Notice	Loans and Receivables
Bank Balances and Cash	Loans and Receivables
Long-term Receivables	Loans and Receivables
Other Debtors	Loans and Receivables
Investments in Fixed Deposits	Held to maturity investments

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

The classification is dependent on the purpose for which the financial asset is acquired and is as follows:

#### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the statement of financial performance.

#### **Available-for-sale Financial Assets**

- Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as *Financial assets at fair value through the statement of financial performance*, *Loans and Receivables*, or *Held to maturity investments*.

## **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

## **Held-to-maturity Investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity.

## **5.2 Financial Liabilities - classification**

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Long-term Liabilities
- Creditors
- Bank Overdraft
- Short-term loans
- Current Portion of Long-term
- Liabilities
- Consumer Deposits

There are two main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Other financial liabilities at amortised cost

Financial liabilities that are measured at fair value through profit or loss are financial liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial instruments where there is recent actual evidence of short-term profiteering or are derivatives). Financial liabilities that are measured at fair value through profit or loss are stated at fair value, with any resulted gain or loss recognised in the Statement of

Any other financial liabilities are classified as "Other financial liabilities" and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

## **5.3 Initial and subsequent measurement**

### **Financial assets**

Held-to-maturity Investments and Loans and Receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with revenue recognised on an effective yield basis.

Financial Assets at Fair Value and Available-for-Sale are initially and subsequently, at the end of each financial year, measured at fair value with the profit or loss being recognised in the Statement of Financial Performance.

### **Financial liabilities**

Financial liabilities at fair value are initially and subsequently measured at fair value. Other financial liabilities are measured at amortised cost using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected lifespan of the financial instrument, or when appropriate a shorter period, to the net carrying amount of the financial asset or liability.

#### **5.4 Impairment of financial assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Consumer Debtors are stated at cost less a provision for bad debts. The provision is made so that the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment, at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

#### **5.5 Derecognition of financial assets**

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **5.6 Derecognition of financial liabilities**

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.



## 6. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

It is the policy of the municipality to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the municipality is exposed on the reporting date.

Risks and exposure are disclosed as follows:

### Credit Risk

- Each class of financial instrument is disclosed separately.
- Maximum exposure to credit risk not covered by collateral is specified.
- Financial instruments covered by collateral are specified.

### Liquidity Risk

- A maturity analysis for financial assets and liabilities that shows the remaining contractual maturities.
- Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.
- A maturity analysis for financial liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in note 38 to the Annual Financial Statements.

## 7. INVENTORIES

### 7.1 Initial recognition

Inventories comprise current assets held for sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

### 7.2 Subsequent measurement

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

## **8. NON-CURRENT ASSETS HELD FOR SALE**

### **8.1 Initial recognition**

Non-current Assets and Disposal Groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

### **8.2 Subsequent measurement**

Non-current Assets (and Disposal Groups) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell. A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets, and is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the disposal group.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

## **9. REVENUE RECOGNITION**

Revenue comprises the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

### **9.1 Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

#### **9.1.1 Service Charges**

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

### **9.1.2 Pre-paid electricity**

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. At year-end the recognition is based on an estimate of the prepaid electricity consumed as at the reporting date.

### **9.1.3 Finance income**

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

### **9.1.4 Royalties**

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

### **9.1.5 Tariff Charges**

Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

### **9.1.6 Income from agency services**

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

### **9.1.7 Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- ◆ The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- ◆ The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- ◆ The amount of revenue can be measured reliably.
- ◆ It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- ◆ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **9.1.8 Rentals**

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

## **9.2 Revenue from non-exchange transactions**

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

### **9.2.1 Rates and taxes**

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

### **9.2.2 Fines**

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from the issuing of summonses is only recognised when collected by the courts. Due to the various legal processes that can apply to summonses and the inadequate information received from the courts, it is not possible to measure this revenue when the summons is issued.

### **9.2.3 Public contributions**

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

### **9.2.4 Other donations and contributions**

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

### **9.2.5 Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure**

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

## **10. GOVERNMENT GRANTS AND RECEIPTS**

Government grants and conditional receipts are recognised as revenue when:

- a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- b) the amount of the revenue can be measured reliably, and
- c) to the extent that there has been compliance with any restrictions associated with the grant.

Revenue received from conditional grants, donations and funding is therefore recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

## **11. PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

## **12. EMPLOYEE BENEFITS**

### **12.1 Short-term Employee Benefits**

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The municipality has opted to treat its provision for leave pay as a current provision.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a provision in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

### **12.2 Long-service Allowance**

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial

### **12.3 Post Retirement Benefits**

The Municipality provides post retirement benefits for its employees and councillors.

#### **Defined Contribution Plans**

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

## **Defined Benefit Plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

### **12.3.1 Post-retirement Health Care Benefits**

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. The other Medical Aid Funds, with which the Municipality is associated, do not provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Past-service costs are recognised immediately in income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Actuarial gains or losses are accounted for using the "corridor method". Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme.

### **12.3.2 Multi-employer Defined Benefit Plans and Defined Contribution Plans**

The municipality contributes to various National- and Provincial-administered Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to Note 39 of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued tri-annually on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

## **13. LEASES**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the lessee.

Operating leases are those leases that do not fall within the scope of the above definition.

### The Municipality as Lessee

Property, plant and equipment or Intangible assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The leased asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating lease rentals are recognised as an expense on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental income is recognised and recorded on a straight-line basis over the term of the relevant lease.

### **14. BORROWING COSTS**

The municipality capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Financial Performance.

It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established - the municipality expenses borrowing costs when it is inappropriate to capitalise it. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete.

### **15. GRANTS-IN-AID**

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

### **16. VALUE ADDED TAX**

The Municipality accounts for Value Added Tax on the cash basis.

### **17. CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

## **18. UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expense was incurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **19. IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **20. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was recorded and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **21. FOREIGN CURRENCIES**

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

## **22. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS**

Changes in accounting policies that are affected by management are applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

## **23. RELATED PARTIES**

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.



## **24. EVENTS AFTER THE REPORTING DATE**

Events after the reporting date that are classified as adjusting events are accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the Annual Financial Statements.

## **25. COMPARATIVE INFORMATION**

### **25.1 Current year comparatives:**

Budgeted amounts have, in accordance with GRAP 1, been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

### **25.2 Prior year comparatives:**

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the amendment. The nature and reason for the restatement is disclosed.

## **26. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

## **27. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES**

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**2010**                      **2009**  
**R**                                      **R**

**1. GENERAL INFORMATION**

Camdeboo Municipality is a local government institution in the Eastern Cape. The addresses of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction and overview of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by The Constitution.

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a low capacity municipality and must comply with GRAP by 30 June 2010. The municipality, however, took advantage of the transitional provisions in Directive 4 from the Accounting Standards Board and aims to comply fully with GRAP by 30 June 2011.

**2. INVENTORY**

Consumable Stores - at cost	2 791 916	2 596 355
<b>Total Inventory</b>	<b>2 791 916</b>	<b>2 596 355</b>

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not measure the following inventories:

Unpurified Water;  
Water in pipelines  
Land held for sale

The municipality is currently in a process of identifying all inventory which must be measured in terms of GRAP 12 and it is expected that this process will be completed for inclusion in the 2011 financial statements.

Inventories are held for own use with the result that no write downs of Inventory to Net Realisable Value were required.

**3 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**

	<b>Gross Balances</b>	<b>Provision for Impairment</b>	<b>Net Balances</b>
<b>As at 30 June 2010</b>			
Service Debtors:	14 897 424	8 635 033	6 262 390
Electricity	8 187 969	5 015 569	3 172 400
Refuse	602 340	409 267	193 073
Sewerage	1 292 483	878 192	414 291
Meter Readings not Billed	2 163 479		2 163 479
Water	2 651 153	2 332 005	319 148
Loan Instalments	5 588 225	3 797 733	1 790 493
Other Debtors	764 857	455 654	309 203
	-	-	-
<b>Total Consumer Debtors</b>	<b>21 250 506</b>	<b>12 888 420</b>	<b>8 362 086</b>
<b>As at 30 June 2009</b>			
Service Debtors:	8 373 252	6 831 992	1 541 260
Electricity and Water	8 373 252	6 831 992	1 541 260
Loan Instalments	5 616 108	4 582 354	1 033 754
Other Debtors	751 129	612 869	138 260
	14 696	11 991	2 705
<b>Total Consumer Debtors</b>	<b>14 755 186</b>	<b>12 039 206</b>	<b>2 715 980</b>

The municipality receives applications that it processes. Deposits are required to be paid for all water and electricity accounts opened. There are no consumers who represent more than 1 % of the total balance of Consumer Debtors.

The management of the municipality is of the opinion that the carrying value of Consumer Debtors approximate their fair values.

The fair value of Consumer Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and Consumer Debtors as well as the current payment ratio's of the municipality's Consumer Debtors.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

	2010 R	2009 R
<b>3.1 Ageing of Consumer Debtors</b>		
<b>Rates: Ageing</b>		
<u>Current:</u>		
0 - 30 days	233 195	278 990
<u>Past Due:</u>		
31 - 60 Days	186 008	85 396
61 - 90 Days	150 755	32 566
91 - 120 Days	153 692	13 301
+ 120 Days	8 964 094	8 108 607
<b>Total</b>	<b>9 687 744</b>	<b>8 518 860</b>
<b>Electricity: Ageing</b>		
<u>Current:</u>		
0 - 30 days	2 291 802	-
<u>Past Due:</u>		
31 - 60 Days	210 462	-
61 - 90 Days	140 913	-
91 - 120 Days	106 399	-
+ 120 Days	216 847	-
<b>Total</b>	<b>2 966 423</b>	<b>-</b>
<b>Refuse: Ageing</b>		
<u>Current:</u>		
0 - 30 days	90 687	-
<u>Past Due:</u>		
31 - 60 Days	66 139	-
61 - 90 Days	56 992	-
91 - 120 Days	52 809	-
+ 120 Days	335 712	-
<b>Total</b>	<b>602 340</b>	<b>-</b>
<b>Sewerage: Ageing</b>		
<u>Current:</u>		
0 - 30 days	222 797	-
<u>Past Due:</u>		
31 - 60 Days	149 162	-
61 - 90 Days	132 551	-
91 - 120 Days	118 879	-
+ 120 Days	669 093	-
<b>Total</b>	<b>1 292 483</b>	<b>-</b>
<b>Water: Ageing</b>		
<u>Current:</u>		
0 - 30 days	308 900	2 197 837
<u>Past Due:</u>		
31 - 60 Days	296 522	513 659
61 - 90 Days	304 802	400 020
91 - 120 Days	262 206	302 117
+ 120 Days	6 700 269	4 959 619
<b>Total</b>	<b>7 872 699</b>	<b>8 373 252</b>
<b>Loan Instalments: Ageing</b>		
<u>Current:</u>		
0 - 30 days	-20 897	113 071
<u>Past Due:</u>		
31 - 60 Days	2 449	89 240
61 - 90 Days	2 485	21 902
91 - 120 Days	2 321	11 818
+ 120 Days	5 603 566	5 380 076
<b>Total</b>	<b>5 589 924</b>	<b>5 616 108</b>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

	2010 R	2009 R
	1 698	
<b>Other Debtors: Ageing</b>		
<u>Current:</u>		
0 - 30 days	-217 574	-119 937
<u>Past Due:</u>		
31 - 60 Days	21 202	30 139
61 - 90 Days	11 954	39 573
91 - 120 Days	11 827	63 726
+ 120 Days	843 553	738 308
<b>Total</b>	<b>670 962</b>	<b>751 810</b>
	-93 895	681
<b>All Debtors: Ageing</b>		
<u>Current:</u>		
0 - 30 days	2 908 910	2 469 962
<u>Past Due:</u>		
31 - 60 Days	931 943	718 435
61 - 90 Days	800 453	494 061
91 - 120 Days	708 134	390 962
+ 120 Days	23 333 134	19 186 611
<b>Total</b>	<b>28 682 574</b>	<b>23 260 031</b>

As at 30 June 2010 Consumer Debtors of R (2009: R) were past due but not impaired. The age analysis of these Consumer Debtors are as follows:

**3.2 Summary of Debtors by Customer Classification**

	Household R	Industrial/ Commercial R	National and Provincial Government R	Other R
<b>As at 30 June 2010</b>				
<u>Current:</u>				
0 - 30 days	1 599 289.57	876 658.65	340 932	92 030
<u>Past Due:</u>				
31 - 60 Days	659 428.65	100 873.42	143 006	28 635
61 - 90 Days	594 733.45	51 104.34	142 087	12 528
+ 90 Days	537 626.63	42 136.75	122 581	5 789
+ 120 Days	21 295 963.12	828 317.46	1 170 821	38 033
Sub-total	24 687 041	1 899 091	1 919 426	177 016
Less: Provision for Impairment	-	-	-	-
<b>Total Debtors by Customer Classification</b>	<b>24 687 041</b>	<b>1 899 091</b>	<b>1 919 426</b>	<b>177 016</b>

**As at 30 June 2009**

<u>Current:</u>				
0 - 30 days	1 439 918.95	710 727.95	244 862	74 453
<u>Past Due:</u>				
31 - 60 Days	483 112.47	56 281.29	178 168	874
61 - 90 Days	325 216.89	8 150.13	160 694	0
+ 90 Days	311 994.22	5 020.73	73 947	-
+ 120 Days	18 151 877.23	619 335.47	412 317	3 081
Sub-total	20 712 120	1 399 516	1 069 988	78 408
Less: Provision for Impairment	-	-	-	-
<b>Total Debtors by Customer Classification</b>	<b>20 712 120</b>	<b>1 399 516</b>	<b>1 069 988</b>	<b>78 408</b>

**3.3 Reconciliation of the Provision for Impairment**

Balance at beginning of year	19 267 977	18 112 349
Impairment Losses recognised	202 121	1 155 628
<b>Balance at end of year</b>	<b>19 470 098</b>	<b>19 267 977</b>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**2010**                      **2009**  
**R**                                      **R**

In determining the recoverability of a Consumer Debtor, the municipality considers any change in the credit quality of the Consumer Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

Included in the Provision for Impairment are individually impaired Consumer Debtors with a balance of R63 000 (2007: R52 000) which have been placed under liquidation. The impairment recognised represents the difference between the carrying amount of these Consumer Debtors and the present value of the expected liquidation proceeds. The municipality holds collateral over these balances in the form of Consumer Deposits to the amount of R1 000 (2007: R750).

**4 TRADE RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

Assessment Rates debtors	9 687 744	8 518 860
Government Subsidy Claims	234 536	2 531 446
VAT Receivable		268 316
Sundry Deposits	15 000	15 000
Sundry Debtors	1 011 906	340 682
	10 949 186	11 674 304
Less: Provision for Impairment	6 581 678	7 228 771
<b>Total Other Debtors</b>	<b>4 367 508</b>	<b>4 445 533</b>

**Sundry Deposits** are in respect of cash deposits made to INXS Investments (Pty) Ltd for the supply of petrol.

**Sundry Debtors** are in respect of debits outstanding at year-end on normal business transactions entered into by the municipality. Included in the total is an amount of R 1 011 906 (2009: R 340 682) in respect of uncleared bank reconciliation items.

The management of the municipality is of the opinion that the carrying value of Other Debtors approximate their fair values.

The fair value of Other Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and Other Debtors.

**4.1 Reconciliation of Provision for Impairment**

Balance at beginning of year	7 228 771	-
Impairment Losses recognised	-	7 228 771
Impairment Losses reversed	-647 093	-
Amounts written off as uncollectable	-	-
Amounts recovered	-	-
<b>Balance at end of year</b>	<b>6 581 678</b>	<b>7 228 771</b>

The Provision for Bad Debts was calculated after grouping all the financial assets of similar nature and risk ratings and by calculating the historical payment ratios for the groupings and by assuming that the future payment ratios would be similar to the historical payment ratios.

The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and by calculating the historical payment ratios for the groupings and by assuming that the future payment ratios would be similar to the historical payment ratios.

The Provision for Impairment on other debtors (loans and receivables) exists predominantly due to the possibility that these debts will not be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment. The provision has now been transferred to Provision for Impairment on Long-term Receivables (see Note 16).

In determining the recoverability of a Debtor, the municipality considers any change in the credit quality of the Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

Included in the Provision for Impairment are individually impaired Debtors with a balance of R63 000 (2007: R52 000) which have been placed under liquidation. The impairment recognised represents the difference between the carrying amount of these Debtors and the present value of the expected liquidation proceeds. The municipality does not hold collateral over these balances.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
<b>5 CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents	46 760 169	44 041 195
<b>Total Cash and Cash Equivalents</b>	<b><u>46 760 169</u></b>	<b><u>44 041 195</u></b>

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

**5.1 Current Investment Deposits**

Call Deposits	44 625 016	34 397 813
Notice Deposits	-	-
<b>Total Current Investment Deposits</b>	<b><u>44 625 016</u></b>	<b><u>34 397 813</u></b>

Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 5 % to 6 % per annum.

Notice Deposits are investments with a maturity period of less than 12 months and earn interest rates varying from 6,5 % to 7,5 % per annum.

The Municipality has the following bank accounts:

**5.2 Bank Accounts**

**Primary Bank Account**

Cash in Bank	2 133 113	9 639 180
<b>Total Bank Accounts</b>	<b><u>2 133 113</u></b>	<b><u>9 639 180</u></b>
<b>Current Bank Account</b>		
Cash book balance at beginning of year	9 639 180	5 536 090
Cash book balance at end of year	<u>2 133 113</u>	<u>9 639 180</u>

The Municipality has the following bank accounts:

**First National Bank - (Acc. 52300007898)**

Bank statement balance at beginning of year	10 403 460	5 502 515
Bank statement balance at end of year	<u>2 349 691</u>	<u>10 403 460</u>

**ABSA (Acc. 4053048940)**

Bank statement balance at beginning of year	16 211	33 575
Bank statement balance at end of year	<u>18 183</u>	<u>16 211</u>

The secondary bank account balance was included in the Cash Book as an uncleared deposit at year end.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**5.3 Cash and Cash equivalents**

Cash Floats and Advances	2 040	4 202
Other Cash Equivalents	-	-
Cash on hand in Cash Floats, Advances and Equivalents	2 040	4 202

The management of the municipality is of the opinion that the carrying value of Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Bank Balances, Cash and Cash Equivalents was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

**6 PROPERTY, PLANT AND EQUIPMENT**

**30 June 2010**

**Reconciliation of Carrying Value**

Description	Land and Buildings	Infra-structure	Other	Total
	R	R	R	R
<b>Carrying values at 01 July 2009</b>	<b>46 408 550</b>	<b>910 046 245</b>	<b>24 472 076</b>	<b>980 926 871</b>
Cost	46 408 550	910 046 245	24 472 076	980 926 871
- Completed Assets	46 408 550	910 046 245	24 472 076	980 926 871
Acquisitions	-	15 894 748	495 581	16 390 329
Borrowing Costs Capitalised	-	-	-	-
<b>Carrying values at 30 June 2010</b>	<b>46 408 550</b>	<b>925 940 993</b>	<b>24 967 657</b>	<b>997 317 199</b>
Cost	46 408 550	925 940 993	24 967 657	997 317 199
- Completed Assets	46 408 550	925 940 993	24 967 657	997 317 199

**30 June 2009**

**Reconciliation of Carrying Value**

Description	Land and Buildings	Infra-structure	Other	Total
	R	R	R	R
<b>Carrying values at 01 July 2008</b>	<b>46 408 550</b>	<b>901 487 758</b>	<b>20 742 930</b>	<b>968 639 238</b>
Cost	46 408 550	901 487 758	20 742 930	968 639 238
- Completed Assets	46 408 550	901 487 758	20 742 930	968 639 238
- Under Construction	-	-	-	-
Acquisitions	-	8 558 487	3 729 146	12 287 633
<b>Carrying values at 30 June 2009</b>	<b>46 408 550</b>	<b>910 046 245</b>	<b>24 472 076</b>	<b>980 926 871</b>
Cost	46 408 550	910 046 245	24 472 076	980 926 871
- Completed Assets	46 408 550	910 046 245	24 472 076	980 926 871
- Under Construction	-	-	-	-

**9. PROPERTY, PLANT AND EQUIPMENT (Continued)**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not measure all the Property, Plant and Equipment in accordance with the standard, including the following:

- Land; and
- Componentised infrastructure assets.

The municipality did not measure the following, in terms of the transitional provisions:

- Review of useful life of item of PPE recognised in the Annual Financial Statements;
- Review of the depreciation method applied to PPE recognised in the Annual Financial Statements;
- Review of residual values of item of PPE recognised in the Annual Financial Statements;
- Impairment of non-cash generating assets; and
- Impairment of cash generating assets.

The municipality is currently in a process of identifying all Property, Plant and Equipment and have it valued in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2012 Financial Statements. The municipality is in the process of itemising all infrastructure and community assets and will calculate accumulated depreciation once this exercise has been completed by 30 June 2012.

Total Property, Plant and Equipment held by the municipality at 30 June 2010 amounted to R 1 008 million (2009: R 991 million), comprising the amounts analysed above.

Refer to Appendices "B, C and E (2)" for more detail on Property, Plant and Equipment, including those in the course of construction.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**7 INVESTMENT PROPERTY**

At Cost less Accumulated Depreciation 11 007 500    11 007 500

The movement in Investment Property is reconciled as follows:

	<b>11 007 500</b>	<b>11 007 500</b>
<b>Carrying values at 1 July 2010</b>		
Cost	11 007 500	11 007 500
Accumulated Impairment Losses	-	-
<b>Estimated Carrying values at 30 June 2009</b>	<b>11 007 500</b>	<b>11 007 500</b>
Cost	11 007 500	11 007 500
Fair Value	-	-
Accumulated Depreciation	-	-
<b>Estimated Fair Value of Investment Property at 30 June</b>	<b>11 007 500</b>	<b>11 007 500</b>

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not measure all the Investment Properties.

The municipality is currently in a process of valueing all Investment Properties in terms of GRAP 16 and it is expected that this process will be completed for inclusion in the 2011 financial statements.

All of the municipality's Investment Property is held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations on Investment Property.

Refer to Appendix "B" for more detail on Investment Property.

**8 LONG-TERM RECEIVABLES**

	<b>Gross Balances R</b>	<b>Provision for Impairment R</b>	<b>Net Balances R</b>
<b>As at 30 June 2009</b>			
Housing Loans	327 736	327 736	-
	327 736	327 736	-
Less: Provision Bad Debt:-	-	-	-
<b>TOTAL</b>	<b>327 736</b>	<b>327 736</b>	-
Less: Current Portion transferred to Current Receivables:-			-
<b>Total Long-term Receivables</b>			-

**9 CONSUMER DEPOSITS**

Electricity and Water	1 256 701	1 144 709
<b>Total Consumer Deposits</b>	<b>1 256 701</b>	<b>1 144 709</b>

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer Deposits held.

The management of the municipality is of the opinion that the carrying value of Consumer Deposits approximate their fair values.

The fair value of Consumer Deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

**10 PROVISIONS**



**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

Bonuses	1 431 713	997 783
Current Portion of Post-retirement Medical Aid Benefits Liability (See Note 25 below)	-	
Current Portion of Non-Current Provisions (See Note 26 below):	920 483	925 774
Cleaning of Illegal Dumping	-	-
Health Care Benefits	635 364	568 368
Long-term Service	285 119	357 406
<b>Total Provisions</b>	<b><u>2 352 196</u></b>	<b><u>1 923 557</u></b>

**11 CREDITORS**

Trade Creditors	2 382 568	2 290 229
Payments received in Advance	94 576	97 204
Retentions	505 785	-
Other Creditors	1 036 933	2 166 861
Accrued leave	2 511 746	3 713 683
<b>Total Creditors</b>	<b><u>6 531 608</u></b>	<b><u>8 267 978</u></b>

The average credit period on purchases is 30 days from the receipt of the invoice or statement, as determined by the MFMA.

The management of the municipality is of the opinion that the carrying value of Creditors approximate their fair values.

The fair value of Creditors was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

**Staff Leave** accrue to the staff of the municipality on an annual basis, subject to certain conditions. The accrual is an estimate of the amount due at the reporting date.

The management of the municipality is of the opinion that the carrying value of Creditors approximate their fair values.

The fair value of Creditors was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

**12 UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

**12.1 Conditional Grants from Government**

	<b>14 386 707</b>	<b>14 224 535</b>
National Government Grants	14 386 707	14 224 535
Provincial Government Grants	-	-
<b>Total Conditional Grants and Receipts</b>	<b><u>14 386 707</u></b>	<b><u>14 224 535</u></b>

Unspent Conditional Grants have been restated to correctly classify amounts now included in Creditors. Refer to Note 39.1 on "Correction of Error" for details of the restatement.

See Note 23 for the reconciliation of Grants from Other Spheres of Government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

Refer to Appendix "F" for more detail on Conditional Grants.

**13 VAT PAYABLE**

Vat Payable	<b><u>2 425 887</u></b>	<b><u>1 897 476</u></b>
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Vat is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has procedures in place to ensure that payments are affected before the due date.

**14 LONG TERM LIABILITIES**

Loan from Housing Fund	-	171 139
Annuity Loans	-	-

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

Sub-total	-	171 139
<b>Total Long-term Liabilities</b> (Neither past due, nor impaired)	-	<b>171 139</b>

The management obtained evidence during the 2010 financial year that the long term liability was extinguished by the promulgation of the Housing Act 107 of 1997.

**15 RETIREMENT BENEFIT LIABILITIES**

**25.1 Post-retirement Health Care Benefits Liability**

Balance at beginning of Year	12 580 321	12 928 028
Contributions to Provision	(568 368)	(525 216)
Increase due to Discounting	-	-
Expenditure incurred	1 547 258	1 708 741
Reduction due to Re-measurement	332 657	(962 864)
Balance at end of Year	13 891 868	13 148 689
Transfer to Current Provisions	(635 364)	(568 368)
<b>Total Post-retirement Health Care Benefits Liability</b>	<b>13 256 504</b>	<b>12 580 321</b>

Retirement Benefit Liabilities have been restated to adhere to the disclosure provisions of IAS 19. Refer to Note 39.1 on "Correction of Error" for details of the restatement.

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2009 by Mr R Hardy, Arch Actuarial Services. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service employee members	160	175
In-service employee non-members	148	-
Continuation Members (retirees, widowers and orphans)	28	27
<b>Total Members</b>	<b>336</b>	<b>202</b>

The liability in respect of past service has been estimated as follows:

In-service Members	5 797 716	4 706 018
Continuation Members	8 662 520	8 442 671
<b>Total Liability</b>	<b>14 460 236</b>	<b>13 148 689</b>

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Key Health
- LA Health
- Samwumed

The Current-service cost for the year ending 30 June 2010 is estimated to be R361,212, whereas interest-cost for the year is estimated to be R1,186,046 the cost for the ensuing year is estimated to be R394,498 and R1,274,287 respectively (2009: R330,559 and R1,378,182 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	9.20%	9.22%
Health Care Cost Inflation Rate	7.21%	7.67%
Net Effective Discount Rate	1.86%	1.43%
Expected Retirement Age - Females	63	63
<b>Expected Retirement Age - Males</b>	<b>63</b>	<b>63</b>

Movements in the present value of the Defined Benefit Obligation were as follows:

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

Balance at the beginning of the year	13 148 689	12 928 028
Current service costs	361 212	330 559
Interest cost	1 186 046	1 378 182
Contributions from plan participants	-	-
Past-service costs	-	-
Benefits paid	(568 368)	(525 216)
Actuarial losses / (gains)	332 657	(962 864)
<b>Losses / (gains) on curtailments</b>	-	-
Liabilities extinguished on settlements	-	-
Present Value of Fund Obligation at the end of the Year	14 460 236	13 148 689
Actuarial losses / (gains) unrecognised	-	-
Total Recognised Benefit Liability	14 460 236	13 148 689
	-	-
Balance at the end of the year	-	-
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	14 460 236	13 148 689
Present value of unfunded obligations	14 460 236	13 148 689
Deficit	14 460 236	13 148 689
<b>Unrecognised Past-service Cost</b>	-	-
Unrecognised Actuarial Gains / (Losses)	-	-
Restrictions on asset recognised	-	-
Fair value of reimbursement rights recognised	-	-
	-	-
Total Benefit Liability	14 460 236	13 148 689
	-	-
The amounts recognised in the Statement of Financial Performance are as follows:		
Current service cost	361 212	330 559
Interest cost	1 186 046	1 378 182
Actuarial losses / (gains)	-	-
<b>Vested past service costs</b>	-	-
Losses / (Gains) arising from curtailments or settlements	-	-
<b>Adjustments for restrictions on the defined benefit asset</b>	-	-
Total Post-retirement Benefit included in Employee Related Costs (Note 38)	1 547 258	1 708 741
<b>Weighted average expected return</b>	-	-

The history of experienced adjustments is as follows:

	2009	2008	2007	2006
	R	R	R	R
Present Value of Defined Benefit Obligation	13 148 689	12 928 028	-	-
<b>Fair Value of Plan Assets</b>	-	-	-	-

In accordance with the transitional provisions for the amendments to IAS 19 Employee Benefits in December 2004, the disclosures above are determined prospectively from the 2008 reporting period.

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

Increase:				
<b>Effect on the aggregate of the current service cost and the interest cost</b>			<b>1 819 000</b>	<b>2 002 500</b>
Effect on the defined benefit obligation			16 621 000	15 154 000
Effect on the aggregate of the current service cost and the interest cost			1 328 800	1 471 300
Effect on the defined benefit obligation				

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**16 NON-CURRENT PROVISIONS**

Provision for Cleaning of Illegal Dumping	-	-
Provision for Long Service Awards	1 884 409	1 730 669
Provision for Rehabilitation of Land-fill Sites	5 687 072	4 165 272
<b>Total Non-current Provisions</b>	<b>7 571 481</b>	<b>5 895 941</b>

Non-current Provisions have been restated to adhere to the disclosure provisions of IAS 19. Refer to Note 39.1 on "Correction of Error" for details of the restatement.

**The movement in Non-current Provisions are reconciled as follows:**

	<b>Long Service Awards</b>	<b>Land-fill Sites</b>
	<b>R</b>	<b>R</b>
<b>30 June 2010</b>		
Balance at beginning of year	1 730 669	4 165 272
Contributions to provision	297 396	1 521 800
Increase due to discounting	175 170	-
Expenditure incurred	(357 406)	-
Reduction due to re-measurement	(33 707)	-
	<u>2 169 528</u>	<u>5 687 072</u>
Transfer to current provisions	(285 119)	-
<b>Balance at end of year</b>	<b>1 884 409</b>	<b>5 687 072</b>
<b>30 June 2009</b>		
Balance at beginning of year	1 992 975	-
Contributions to provision	242 028	5 116 000
Increase due to discounting	204 853	-
Expenditure incurred	(257 658)	(950 728)
Reduction due to re-measurement	(94 123)	-
	<u>2 088 075.00</u>	<u>4 165 271.52</u>
Transfer to current provisions	(357 406)	-
<b>Balance at end of year</b>	<b>1 730 669</b>	<b>4 165 272</b>

**16.13 Long Service Awards**

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality. The provision represents an estimation of the awards to which employees in the service of the Municipality may become entitled to in future, based on an actuarial valuation performed.

At year end there, 314 employees were eligible for Long-service Awards.

The current service cost for the year is estimated to be R297,396 (2009: R242,028), whereas the interest-costs for the current year is estimated to be R175,170 (2009: R204,853)

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Discount Rate	9.08%	9.16%
Cost Inflation Rate	5.41%	5.57%
Net Effective Discount Rate	2.51%	2.42%
Expected Rate of Salary Increase	6.41%	6.57%
Expected Retirement Age - Females	63	63
Expected Retirement Age - Males	63	63

Movements in the present value of the Defined Benefit Obligation were as follows:

Balance at the beginning of the year	2 088 075	1 992 975
<b>Current service costs</b>	297 396	242 028
Interest cost	175 170	204 853
Contributions from plan participants	-	-
Past-service costs	-	-
Benefits paid	(357 406)	(257 658)
Actuarial losses / (gains)	-	-

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

Losses / (gains) on curtailments	(33 707)	(94 123)
Liabilities extinguished on settlements	-	-
Present Value of Fund Obligation at the end of the Year	<u>2 169 528</u>	<u>2 088 075</u>
<b>Actuarial losses / (gains) unrecognised</b>	-	-
Total Recognised Benefit Liability	<u>2 169 528</u>	<u>2 088 075</u>
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	<u>2 169 528</u>	<u>2 088 075</u>
<b>Fair value of plan assets</b>	-	-
Present value of unfunded obligations	2 169 528	2 088 075
Deficit	2 169 528	2 088 075
Past-service cost not recognised	-	-
Actuarial gains / (losses) not recognised	-	-
Restrictions on asset recognised	-	-
Total Benefit Liability	<u>2 169 528</u>	<u>2 088 075</u>

**The amounts recognised in the Statement of Financial Performance are as follows:**

Current service cost	297 396	242 028
Interest cost	175 170	204 853
Expected return on plan assets	-	-
Benefits paid	(357 406)	(257 658)
Actuarial losses / (gains)	(94 123)	-
Total Post-retirement Benefit included in Employee Related Costs	21 037	189 223

The history of experienced adjustments is as follows:

	2009	2008	2007	2006
	R	R	R	R
Present Value of Defined Benefit Obligation	<b>2 088 075</b>	<b>1 992 975</b>	-	-
Deficit	2 088 075	1 992 975	-	-
Experienced adjustments on Plan Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

In accordance with the transitional provisions for the amendments to IAS 19 Employee Benefits in December 2004, the disclosures above are determined prospectively from the 2008 reporting period.

The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	495 703	468 761
Effect on the defined benefit obligation	2 299 000	2 206 000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	451 685	426 980
Effect on the defined benefit obligation	2 051 000	1 980 000

**16.20 Rehabilitation of Land-fill Sites**

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R 6,6 million (2009: R 5,1 million) to restore the site at the end of its useful lifes.

**17 STATUTORY FUNDS**

Housing Development Fund:	2 383 053	2 293 296
Unappropriated Surplus	<u>2 383 053</u>	<u>2 293 296</u>
Loans extinguished by Government on 1 April 1998	-	-
<b>Total Statutory Funds</b>	<u>2 383 053</u>	<u>2 293 296</u>

**17.1 Housing Development Fund**

The Housing Development Fund has its origin from Loans extinguished by Government on 1 April 1998 and the net of housing transactions appropriated to the fund thereafter. No separate Unappropriated Surplus Account for housing transactions was kept.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**Reconciliation of the Housing Development Fund:**

**The Housing Development Fund is represented by the following Assets and Liabilities:**

Instalment Sales Debtors (See note 3)	5 588 225	5 616 108
Cash and Cash Equivalents	<u>(3 205 172)</u>	<u>(3 322 812)</u>
<b>Total Housing Development Fund Assets and Liabilities</b>	<b><u>2 383 053</u></b>	<b><u>2 293 296</u></b>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**18 ACCUMULATED SURPLUS**

The Accumulated Surplus consists of the following Internal Funds and Reserves:

Capital Replacement Reserve (CRR)	5 000 000	5 000 000
Self-insurance Reserve	5 700 369	5 577 035
Accumulated Surplus / (Deficit) due to the results of Operations	<u>1 009 741 872</u>	<u>986 757 447</u>
<b>Total Accumulated Surplus</b>	<b><u>1 020 442 241</u></b>	<b><u>997 334 482</u></b>

Accumulated Surplus has been restated to correctly classify amounts to be included in Creditors. Refer to Note 32.3 on "Correction of Error" for details of the restatement.

Furthermore, Accumulated Surplus has been restated to adhere to the provisions of GAMAP 9 (paragraphs 42 - 46), GRAP 13 and IAS 19 (*Revenue, Leases and Employee Benefits*). Refer to Note 31 on "Change in Accounting Policy" for details of the restatement.

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

**19 PROPERTY RATES**

	<b>Property Valuations July 2010 R000's</b>	<b>Actual Levies</b>
Residential	1 197 865 300	4 711 598
Commercial	441 920 600	4 145 684
Agricultural	977 334 500	1 041 721
State	367 434 800	2 572 044
Municipal	175 115 000	-
Exempted Properties	<u>106 634 400</u>	<u>-</u>
<b>Total Assessment Rates</b>	<b><u>3 266 304 600</u></b>	<b><u>12 471 047</u></b>
Attributable to:		
Continuing Operations		<u>12 471 047</u>
		<b><u>12 471 047</u></b>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The last valuation came into effect on 1 July 2009.

An average general rate of c/R 0.005 is applied to property valuations to determine assessment rates.

Rebates were allowed in line with the Rates Policy of the Council.

Rates are levied monthly on property owners and are payable the 16 th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 30 September. Interest is levied at a rate determined by council on outstanding rates amounts. No interest on the 2009/2010 rates assessment was raised in line with the Rates Policy of Council.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**20 INTEREST EARNED**

**Property Rates:**

Penalties imposed and Collection Charges	766 293	990 068
	<u>766 293</u>	<u>990 068</u>

**External Investments:**

Bank Account	239 432	371 909
Investments	2 929 747	3 846 849
Other Interest	-	-
	<u>3 169 179</u>	<u>4 218 758</u>

**Outstanding Debtors:**

Outstanding Billing Debtors	919 692	828 818
	<u>919 692</u>	<u>828 818</u>

**Total Interest Earned**

	<u>4 855 165</u>	<u>6 037 644</u>
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Interest Earned on Financial Assets, analysed by category of asset, is as follows:

Available-for-Sale Financial Assets	3 169 179	4 218 758
Loans and Receivables	1 685 985	1 818 887
Held-to-Maturity Investments	-	-
	<u>4 855 165</u>	<u>6 037 644</u>

**21 SERVICE CHARGES**

Sale of Electricity	37 804 311	24 242 013
Sale of Water	8 272 206	7 224 507
Refuse Removal	2 488 431	2 302 949
Sewerage and Sanitation Charges	4 403 601	4 803 073
Other	4 252 358	5 951 134
<b>Total Service Charges</b>	<u>57 220 908</u>	<u>44 523 676</u>
Attributable to:		
Continuing Operations	<u>57 220 908</u>	<u>44 523 676</u>
	<u>57 220 908</u>	<u>44 523 676</u>

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

**22 RENTAL OF FACILITIES AND EQUIPMENT**

Rental Revenue from Buildings	75 840	130 329
Rental Revenue from Halls	60 591	94 336
Rental Revenue from Land	-	-
Rental Revenue from Other Facilities	166 119	92 202
<b>Total Rental of Facilities and Equipment</b>	<u>302 550</u>	<u>316 868</u>
Attributable to:		
Continuing Operations	<u>302 550</u>	<u>316 868</u>
	<u>302 550</u>	<u>316 868</u>

Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.



**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23 GOVERNMENT GRANTS AND SUBSIDIES**

<b>Conditional Grants</b>	42 675 182	31 048 304
National: Equitable Share	23 458 633	18 024 839
Other Spheres of Government: Various Grants	8 093 582	6 557 315
Capital Spending	11 122 966	6 466 150
<b>Total Government Grants and Subsidies</b>	<b>42 675 182</b>	<b>31 048 304</b>
Attributable to:		
Continuing Operations	42 675 182	31 048 304
	<b>42 675 182</b>	<b>31 048 304</b>

The comparative figures for Government Grants and Subsidies have been restated to adhere to the provisions of GRAP 23, *Revenue from Non-exchange Transactions*. Refer to Note 38.2 on "Change in Accounting Policy" for details of the restatement.

**Operational Grants:**

<b>23.1 National: Equitable Share</b>	23 458 633	18 024 839
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In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy up to R130, based on the monthly billing, towards the consumer account, which subsidy is determined annually by council. All residential households receive 6 kl water free every month.

**23.2 Information Technology Special Funds**

Balance unspent at beginning of year	10 496	300 000
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	(289 504)
Other Transfers	(10 496)	-
Conditions still to be met - transferred to Current Assets (see Note 12)	10 496	10 496

**Conditional Grants:**

**23.3 Nieu Bethesda Land Survey Special Fund**

Balance unspent at beginning of year	55 000	55 000
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(55 000)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	-	55 000

**23.4 Nieu Bethesda Spatial Planning Special Funds**

Balance unspent at beginning of year	45 000	45 000
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(45 000)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	-	45 000

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.5 WSBP Implementation Special Funds**

Balance unspent at beginning of year	93 770	785 356
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	(691 587)
Other Transfers	(93 770)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>93 770</u>

**23.6 Upgrade Main Substation GRT Special Funds**

Balance unspent at beginning of year	4 202 746	
Current year receipts	6 000 000	4 700 000
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	(3 577 451)	(497 254)
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>6 625 295</u>	<u>4 202 746</u>

**23.7 Provision of Illegal Squatting**

Balance unspent at beginning of year	33 846	30 098
Current year receipts	-	-
Interest allocated	-	3 748
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>33 846</u>	<u>33 846</u>

This grant was used to construct roads, sewerage and water infrastructure as part of the upgrading of informal settlement areas. No funds have been withheld.

**23.8 Town Planning Projects Special Funds**

Balance unspent at beginning of year	362 705	84 923
Current year receipts	-	254 850
Interest allocated	-	33 600
Conditions met - transferred to Revenue: Operating Expenses	(196 250)	(10 668)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>166 455</u>	<u>362 705</u>

**23.9 Township Registers**

Balance unspent at beginning of year	23 209	20 639
Current year receipts	-	-
Interest allocated	-	2 570
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(23 209)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>23 209</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.10 Preparation Framework Plan Special Funds**

Balance unspent at beginning of year	89 601	79 679
Current year receipts	-	-
Interest allocated		9 922
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(89 601)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>89 601</u>

**23.11 Prep Zoning Scheme Grt**

Balance unspent at beginning of year	4 011	3 567
Current year receipts	-	-
Interest allocated		444
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(4 011)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>4 011</u>

**23.12 Geotechnical Survey Special Funds**

Balance unspent at beginning of year	7 435	6 612
Current year receipts	-	-
Interest allocated		823
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(7 435)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>7 435</u>

**23.13 Integrated Development**

Balance unspent at beginning of year	348 956	322 307
Current year receipts	71 700	57 000
Interest allocated		41 359
Conditions met - transferred to Revenue: Operating Expenses	(47 694)	(71 710)
Conditions met - transferred to Revenue: Capital Expenses		-
Other Transfers		-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>372 962</u>	<u>348 956</u>

**23.14 Graaff-Reinet Zoning Scheme Special Funds**

Balance unspent at beginning of year	218 755	250 331
Current year receipts	-	-
Interest allocated		24 224
Conditions met - transferred to Revenue: Operating Expenses	-	(55 800)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(218 755)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>218 755</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.15 Survey 177 sites Kroonvale**

Balance unspent at beginning of year	127 477	113 361
Current year receipts	-	-
Interest allocated		14 116
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>127 477</u>	<u>127 477</u>

**23.16 Mandela Park Settlement Plan Special Fund**

Balance unspent at beginning of year	224 761	199 873
Current year receipts	-	-
Interest allocated		24 889
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(224 761)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>224 761</u>

**23.17 MIG Aberdeen**

Balance unspent at beginning of year		
Current year receipts		
Interest allocated		
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	(221 542)	-
Other Transfers		-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>-</u>
Conditions met balance due by government transferred to current assets (see Note 4)	(221 542)	

**23.18 Implementation of Free Basic Services**

Balance unspent at beginning of year	2 915	2 592
Current year receipts	-	-
Interest allocated		323
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(2 915)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>2 915</u>

**23.19 Spatial Development Framework**

Balance unspent at beginning of year	(2 998)	(2 998)
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	2 998	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>-</u>
Conditions met balance due by government transferred to current assets (see Note 4)		<u>(2 998)</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.20 Aberdeen Cemetary Special Funds**

Balance unspent at beginning of year	76 183	67 747
Current year receipts	-	-
Interest allocated	-	8 436
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(76 183)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>76 183</u>

**23.21 Capacity Building Grant Special Funds**

Balance unspent at beginning of year	-	31 968
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(31 968)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>-</u>

**23.22 National Treasury Financial Management Grant**

Balance unspent at beginning of year	1 690 459	1 143 216
Current year receipts	2 000 000	1 750 000
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(3 126 125)	(484 575)
Conditions met - transferred to Revenue: Capital Expenses	(81 053)	(718 183)
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>483 281</u>	<u>1 690 459</u>

The Financial Management Grant is paid by National Treasury to high capacity municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

**23.23 Brick Making LED Project**

Balance unspent at beginning of year	11 194	9 955
Current year receipts	-	-
Interest allocated	-	1 240
Conditions met - transferred to Revenue: Operating Expenses	(11 194)	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>11 194</u>

**23.24 Drought Relief Special Funds**

Balance unspent at beginning of year	300 476	273 261
Current year receipts	-	-
Interest allocated	-	33 273
Conditions met - transferred to Revenue: Operating Expenses	-	(6 058)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(300 476)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>300 476</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.25 Asses Water Serv Authority**

Balance unspent at beginning of year	128 108	113 922
Current year receipts	-	-
Interest allocated	-	14 186
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(128 108)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>128 108</u>

**23.26 LED EU Thina Si Special Funds**

Balance unspent at beginning of year	67 315	609 279
Current year receipts	37 776	414 442
Interest allocated	-	38 018
Conditions met - transferred to Revenue: Operating Expenses	(97 185)	(994 424)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>7 906</u>	<u>67 315</u>

**23.27 Valuations Receipts Special Funds**

Balance unspent at beginning of year	192 866	742 169
Current year receipts	410 000	445 000
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(602 866)	(994 303)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>192 866</u>

**23.28 Vuna Awards Special Funds**

Balance unspent at beginning of year	300 372	592 828
Current year receipts	-	-
Interest allocated	-	108 395
Conditions met - transferred to Revenue: Operating Expenses	(214 855)	(281 517)
Conditions met - transferred to Revenue: Capital Expenses	(83 097)	(119 334)
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>2 420</u>	<u>300 372</u>

**23.29 Cleanest Town Award Special Funds**

Balance unspent at beginning of year	2 562	69 951
Current year receipts	-	-
Interest allocated	-	1 754
Conditions met - transferred to Revenue: Operating Expenses	-	(69 143)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(2 562)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>2 562</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.29 Comprehensive Infrastructure Special Funds**

Balance unspent at beginning of year	189 756	-
Current year receipts	-	200 000
Interest allocated	-	22 337
Conditions met - transferred to Revenue: Operating Expenses	-	(32 581)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(189 756)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>189 756</u>

**23.30 Fixed Assets Register Special Funds**

Balance unspent at beginning of year		-
Current year receipts	154 444	200 000
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(154 444)	(45 556)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>154 444</u>

**23.31 Ward Participation System Receipts**

Balance unspent at beginning of year	9 188	
Current year receipts	90 000	90 000
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(58 618)	(80 812)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>40 570</u>	<u>9 188</u>

**23.32 Aids Project 2000**

Balance unspent at beginning of year	5 935	7 635
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(1 700)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>5 935</u>	<u>5 935</u>

**23.33 Mandela Park Electrification**

Balance unspent at beginning of year	(72 288)	(72 288)
Current year receipts	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	72 288	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>-</u>
Conditions met balance due by government transferred to current assets (see Note 4)		<u>(72 288)</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.34 Asherville Housing Phase 2**

Balance unspent at beginning of year	241 029	-
Current year receipts	-	241 029
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>241 029</u>	<u>241 029</u>

**23.35 Geluksdal Housing Phase 2**

Balance unspent at beginning of year	(12 994)	(12 994)
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>-</u>
Conditions met balance due by government transferred to current assets (see Note 4)	<u>(12 994)</u>	<u>(12 994)</u>

**23.36 Receipts Farm Klipfontein 8Con**

Balance unspent at beginning of year	24 800	24 800
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(24 800)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>24 800</u>

**23.37 Mimosadale Farm**

Balance unspent at beginning of year	1 964	1 964
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(1 964)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>1 964</u>

**23.38 Abd Themba 145 con**

Balance unspent at beginning of year	59 100	59 100
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>59 100</u>	<u>59 100</u>



**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.39 Kroonvale Bulk Inf**

Balance unspent at beginning of year	119 732	119 732
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(119 732)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>119 732</u>

**23.40 Electricfc 40 infix Aber erve LOAN SUSPENCE 2007/2008**

Balance unspent at beginning of year	54 204	114 390
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(9 037)
Conditions met - transferred to Revenue: Capital Expenses	-	(51 149)
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>54 204</u>	<u>54 204</u>

**23.41 Refurb/Upgr Power Lines Aberd LOAN SUSPENCE 2007/2008**

Balance unspent at beginning of year	75 420	133 710
Current year receipts	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(6 055)
Conditions met - transferred to Revenue: Capital Expenses	(49 988)	(52 235)
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>25 432</u>	<u>75 420</u>

**23.42 Electrification Mandela Park E**

Balance unspent at beginning of year	5 383	5 383
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(5 383)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>5 383</u>
Conditions met balance due by government transferred to current assets (see Note 4)		

**23.43 Electrification Kendrew**

Balance unspent at beginning of year	30 000	30 000
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(30 000)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>30 000</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.44 Nieu B Waterborne San**

Balance unspent at beginning of year	46 440	46 440
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>46 440</u>	<u>46 440</u>

**23.45 Rehab Highmast Themba Aberdeen**

Balance unspent at beginning of year	14 233	14 233
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(14 233)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>14 233</u>

**23.46 Transitional Local Grant**

Balance unspent at beginning of year	464 779	464 779
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(464 779)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>464 779</u>

**23.47 Mandela Park Loan Suspens 2003/04 730**

Balance unspent at beginning of year	84 741	88 495
Current year receipts	-	-
Interest allocated	-	6 161
Conditions met - transferred to Revenue: Operating Expenses	-	(9 915)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>84 741</u>	<u>84 741</u>

**23.48 Aberdeen Themba Loan Suspens 2003/04 730**

Balance unspent at beginning of year	23 344	16 444
Current year receipts	-	-
Interest allocated	-	6 900
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>23 344</u>	<u>23 344</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.49 Eunice Kekana      Loan Suspens 2003/04 730**

Balance unspent at beginning of year	20 500	-
Current year receipts	-	20 500
Conditions met - transferred to Revenue: Operating Expenses	1 263	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>21 763</u>	<u>20 500</u>

**23.50 Ext Filter Works**

Balance unspent at beginning of year	(1 052 808)	(997 256)
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(55 553)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	1 052 808	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>-</u>
Conditions met balance due by government transferred to current assets (see Note 4)		<b>(1 052 808)</b>

**23.51 Abrd Settle Sewerage**

Balance unspent at beginning of year	(259 077)	(259 077)
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	259 077	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>-</u>
Conditions met balance due by government transferred to current assets (see Note 4)		<b>(259 077)</b>

**23.52 Nieu B Waterborn Sanit**

Balance unspent at beginning of year	898 876	898 876
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(50 897)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>847 979</u>	<u>898 876</u>

**23.53 Project Management Unit**

Balance unspent at beginning of year	108 810	108 810
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(108 810)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>108 810</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.54 Water**

Balance unspent at beginning of year	-	-
Current year receipts	2 425 000	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(887 670)	-
Conditions met - transferred to Revenue: Capital Expenses	(8 845)	-
Other Transfers	8 845	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>1 537 330</u>	<u>-</u>
Conditions met balance due by government transferred to current assets (see Note 4)		

**23.55 Road & SW Umazizake**

Balance unspent at beginning of year	282 210	282 210
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	(97 682)	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>184 528</u>	<u>282 210</u>

**23.56 PMU Roads & SW Umazisake    Loan Suspens 2003/04 730**

Balance unspent at beginning of year	48 588	55 073
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(6 485)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(48 588)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>48 588</u>

**23.57 Roads & Stormwater Kroonvale - Loan Suspens 2003/04 730**

Balance unspent at beginning of year	1 243 444	2 161 932
Current year receipts	5 860 523	4 348 079
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(62 442)	-
Conditions met - transferred to Revenue: Capital Expenses	(6 445 467)	(4 046 904)
Other Transfers	(62 250)	(1 219 664)
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>533 808</u>	<u>1 243 444</u>

**23.58 PMU 2009/2010 Expenditure    Loan Suspens 2003/04 730**

Balance unspent at beginning of year	63 715	800
Current year receipts	408 439	289 259
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(359 848)	(226 344)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(112 306)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>63 715</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.59 MIG**

Balance unspent at beginning of year	-	-
Current year receipts	2 280 200	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(16 464)	-
Conditions met - transferred to Revenue: Capital Expenses	(119 197)	-
Other Transfers	(1 047 184)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>1 097 355</u>	<u>-</u>
Conditions met balance due by government transferred to current assets (see Note 4)		

**23.60 Houses -Aberdeen 600 Subsidised Projects 719**

Balance unspent at beginning of year	86 284	146 149
Current year receipts	-	97 700
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	(157 566)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>86 284</u>	<u>86 284</u>

**23.61 Electrification 374 Erven**

Balance unspent at beginning of year	53 661	53 661
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(53 661)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>53 661</u>

**23.62 Rehabilitation Street Lights**

Balance unspent at beginning of year	31 595	31 595
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(31 595)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>31 595</u>

**23.63 Housing**

Balance unspent at beginning of year	2 200	-
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(2 200)	-
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>-</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**23.64 Upgr Bulk Reticulat Kvale 11kv LOAN SUSPENCE 2007/2008**

Balance unspent at beginning of year	30 862	219 973
Current year receipts	-	-
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	(29 742)	(189 112)
Conditions met - transferred to Revenue: Capital Expenses	-	-
Other Transfers	(1 120)	-
Conditions still to be met - transferred to Liabilities (see Note 12)	<u>-</u>	<u>30 862</u>

**24 OTHER INCOME**

Grants	-	425 983
Other Income	93 639	181 189
PVT Work Done	340 191	440 398
<b>Total Other Income</b>	<u>433 830</u>	<u>1 047 569</u>

Attributable to:

Continuing Operations	433 830	1 047 569
Discontinued Operations	-	-
	<u>433 830</u>	<u>1 047 569</u>

The amounts disclosed above for Other Income are in respect of services, other than described in Notes 19 and 21, rendered which are billed to or paid for by the users as the services are required according to approved tariffs. Inter-departmental Recoveries are received from other trading and economic services.

**25 EMPLOYEE RELATED COSTS**

Employee Related Costs - Salaries and Wages	28 343 038	23 776 234
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	7 116 576	6 345 380
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	730 851	632 545
Housing Benefits and Allowances	103 621	101 627
Overtime Payments	1 371 831	1 188 778
Defined Benefit Plan Expense:	1 961 368	840 977
Net Actuarial (gains)/losses recognised	603 982	-
<b>Total Employee Related Costs</b>	<u>39 627 286</u>	<u>32 885 541</u>

Attributable to:

Continuing Operations	39 627 286	32 885 541
Discontinued Operations	-	-
	<u>39 627 286</u>	<u>32 885 541</u>

The comparative figures for Employee Related Costs have been restated to correct an error contained in the 2008/2009 Annual Financial Statements. Refer to note 39.3 on Correction of Errors for details of the restatement.

No advances were made to employees.

**Remuneration of the Municipal Manager**

Annual Remuneration	670 376	571 861
Performance Bonus	-	-
Company Contributions to UIF, Medical and Pension Funds	112 612	105 570
<b>Total</b>	<u>782 988</u>	<u>677 431</u>

**Remuneration of the Director: Finance**

Annual Remuneration	618 126	401 228
Company Contributions to UIF, Medical and Pension Funds	9 942	7 454
<b>Total</b>	<u>628 068</u>	<u>408 682</u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**Remuneration of the Director: Corporate Services**

Annual Remuneration	357 771	551 201
Company Contributions to UIF, Medical and Pension Funds	50 911	76 867
<b>Total</b>	<b>408 682</b>	<b>628 068</b>

**Remuneration of the Director: Infrastructure**

Annual Remuneration	331 447	517 263
Performance Bonus	-	-
Company Contributions to UIF, Medical and Pension Funds	77 235	110 805
<b>Total</b>	<b>408 682</b>	<b>628 068</b>

No compensation was payable to key management personnel in terms of IAS 19 as at 30 June 2010

**26 REMUNERATION OF COUNCILLORS**

Mayor	276 475	267 125
Councillors	1 614 449	1 699 878
Sundry Allowances (Cellular Phones, etc)	116 468	109 692
Less Medical	(91 700)	(76 474)
<b>Total Councillors' Remuneration</b>	<b>1 915 692</b>	<b>2 000 221</b>

**In-kind Benefits**

The Councillor occupying the position of Mayor is provided with office accommodation and secretarial services.

The Mayor have use of a Council owned vehicle for official duties.

**27 BULK PURCHASES**

Electricity	22 439 178	16 675 022
<b>Total Bulk Purchases</b>	<b>22 439 178</b>	<b>16 675 022</b>

Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Escom .

**28 GRANTS AND SUBSIDIES PAID**

Bursaries - Students	5 075	12 622
Grants, Donations and Special Functions	70 386	97 109
SPCA	18 000	18 004
Tourism Grant	120 000	97 907
<b>Total Grants and Subsidies</b>	<b>213 461</b>	<b>225 642</b>

The **Tourism Grant** is paid annually in the municipality's aim to promote the Camdeboo area as a tourist destination.

**29 GENERAL EXPENSES**

Advertising	373 423	363 930
Assets purchased from Revenue	-	-
Affiliations & Subscription	282 960	215 358
Audit Fees	1 124 287	1 045 521
Bank Charges	190 492	146 149
Contribution IGG Rec's	6 081 335	6 257 501
Insurance	637 954	506 481
Inventory Assets	-	-
Legal Costs	420 072	3 447
Levies: SALGA	293 008	248 037
Levy - Water Research	216 423	96 389
Materials, Stock Req	1 062 690	974 112
Office Tea	27	126
Postage	245 115	277 743
Provisions	10 241 746	-
Electricity	3 073 401	1 977 153

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

Refuse Removal	13 350	12 361
Sanitation and Sewerage	94 584	103 233
Street Lights	1 810 687	1 455 029
Water	802 749	1 000 816
Travelling and Subsistence	382 392	318 373
Service Connections	-	3 988
Entertainment - Public Visitors	123 390	73 129
Telephone Cost	826 566	752 730
Testing Biological Samples	11 719	19 828
Training Courses	129 298	270 000
Other	130 407	266 247
Work Done For Private Persons - Associated Expenditure	1 792 403	2 111 889
<b>Total General Expenses</b>	<b><u>30 360 477</u></b>	<b><u>18 499 571</u></b>

The comparative figures for General Expenses have been restated to correct an error contained in the 2008/2009 Annual Financial Statements. Refer to note 39.3 on Correction of Errors for details of the restatement.

The amounts disclosed above for Other General Expenses are in respect of costs incurred in the general management of the municipality and not direct attributable to a specific service or class of expense.

**30 DISCONTINUED OPERATIONS**

No operations have been discontinued.

**31 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP**

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

**31.1 Statutory Funds**

**Balance previously reported: -**

Revolving Fund	50 147 420
Housing Development fund	4 515 761
Insurance Fund	1 666 146
Dog Tax Fund	613 076
Parking Area Dev. Fund	216 303
<b>Total</b>	<b><u>57 158 706</u></b>

**Implementation of GAMAP**

Transferred to the Capital Replacement Reserve	5 000 000
Transferred to Housing Development Fund	4 515 761
Insurance Fund	1 666 146
Health Care Benefits	12 928 028
Long Serves Awards	1 992 975
Transferred to Accumulated Surplus/(Deficit) (see 31.4 below)	31 055 796
<b>Total</b>	<b><u>57 158 706</u></b>



**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**31.2 Loans Redeemed and Other Capital Receipts**

<b>Balance previously reported</b>	
<b>Implementation of GAMAP</b>	<b>112 968 145</b>
Transferred to Accumulated Surplus/(Deficit) (see 31.4 below)	<u>112 968 145</u>
<b>Total</b>	<u><u>-</u></u>

**31.3 Provisions and Reserves**

<b>Balance previously reported</b>	
Fire Brigade	1 703 437
Machinery & Office	386 739
Municipal Buildings	188 566
Tarrif Stabilization Electricity	214 445
Tarrif Stabilization Water	285 193
Tarrif Stabilization Sew & San	275 074
Traffic Control	63 856
Transport	144 564
<b>Implementation of GAMAP</b>	<b>3 261 874</b>
Transferred to Capital Replacement Reserve	3 261 874
Transferred to Accumulated Surplus/(Deficit) (see 38.9 below)	<u>3 261 874</u>
	<u><b>3 261 874</b></u>

**31.4 Assets**

<b>Balance previously reported</b>	
<b>Balance now reported</b>	145 860 974
<b>Transfer to</b>	(979 646 736)
Accumulated Surplus/(Deficit) (see 31.4 below)	<u>833 785 762</u>
<b>Total</b>	<u><u>-</u></u>

**31.5 Accumulated Surplus/(Deficit)**

<b>Implementation of GAMAP</b>	
Adjustments to Statutory Funds (see 38.1 above)	31 055 796
Excessive provisions and reserves no longer permitted (see 38.3 above)	3 261 874
Transferred from internal loans (see 38.4 above)	-
Transferred from Loans Redeemed and Other Capital Receipts (see 38.2 above)	112 968 145
Assets (see 38.4 above)	<u>833 785 762</u>
<b>Total : Transferred to Accumulated Surplus/(Deficit)</b>	<u><b>981 071 577</b></u>

**32 CORRECTION OF ERROR**

Corrections were made on the Statement of Financial Position during the financial years ended 30 June 2010

The following changes were made.

Balance previously reported:

Debtors	4 463 241
Creditors	(5 345 877)
Provisions	(8 144 486)
Trust Funds	(939 067)
Reserves	<u>(16 985 887)</u>
	<u><b>(26 952 076)</b></u>

Reclassified as follows:

Trade Receivables from Exchange Transactions	2 715 980
Trade Receivables from Non-Exchange Transactions	4 445 533
VAT Payable	(1 897 476)
Provisions	(1 923 557)
Creditors	(8 267 978)
Unspend Conditional Grants	(14 224 535)
GRAP	(3 261 874)
GRAP	925 774
GRAP	2 681 397
Non Current Provisions	(5 895 941)
Housing Fund	<u>(2 293 296)</u>
	<u><b>(26 995 972)</b></u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

<u>Balance previously reported:</u>		
Investments		34 397 813
Bank		9 643 382
		<u><b>44 041 195</b></u>

<u>Reclassified as follows:</u>		
Bank, Cash and Cash Equivalents		<u><b>44 041 195</b></u>

**33 CASH GENERATED BY OPERATIONS**

Surplus / (Deficit) for the Year	21 012 015	13 077 857
Adjustment for:		
Correction of prior year Error	2 095 743	(3 277 859)
Changes in surplus fund (GRAP)		903 389 020
Income received Statutory Funds	89 757	-
Change in Retirement Benefit Liabilities	676 183	12 580 321
Contribution to Provisions - Current	428 639	407 877
Contribution to Provisions - Non-current	1 675 540	5 895 941
Decrease in Provision	-	(6 220 929)
Investment Income	(3 169 179)	(4 218 758)
Finance Costs	-	-
<b>Operating surplus before working capital changes</b>	<u><b>22 808 697</b></u>	<u><b>921 633 470</b></u>
(Increase)/Decrease in Inventories	(195 561)	(408 568)
(Increase)/Decrease in Consumer Debtors	(5 646 106)	13 808 459
(Increase)/Decrease in Other Debtors	78 025	-
Increase/(Decrease) in Consumer Deposits	111 993	46 299
Increase/(Decrease) in Creditors	(1 736 371)	1 369 751
Increase/(Decrease) in Conditional Grants and Receipts	162 172	13 093 255
Increase/(Decrease) in VAT Payable	528 411	1 897 476
<b>Cash generated by / (utilised in) Operations</b>	<u><b>16 111 262</b></u>	<u><b>951 440 142</b></u>

**34 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**

Long-term Liabilities (See Note14)	-	171 139
Used to finance Property, Plant and Equipment - at cost	-	-
<b>Cash invested for Repayment of Long-term Liabilities</b>	<u><b>-</b></u>	<u><b>171 139</b></u>

**35 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**

**35.1 Unauthorised Expenditure**

To management's best of knowledge no Unauthorised Expenditure was incurred during the year under review.

**35.2 Fruitless and Wasteful Expenditure**

To management's best of knowledge instances of note indicating that Fruitless and Wasteful Expenditure was incurred during the year under review were not revealed.

**35.3 Irregular Expenditure**

To management's best of knowledge instances of note indicating that Irregular Expenditure was incurred during the year under review were

**36 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

**36.1 Contributions to organised local government - SALGA**

Opening Balance	-	-
Council Subscriptions	230 745	146 275
Amount Paid - current year	<u>(230 745)</u>	<u>(146 275)</u>
<b>Balance Unpaid (included in Creditors)</b>	<u><b>-</b></u>	<u><b>-</b></u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**36.2 Audit Fees**

Opening Balance	-	-
Current year Audit Fee	11 242 287	699 172
Amount Paid - current year	(11 242 287)	-
Amount Paid - previous years	-	(699 172)
<b>Balance Unpaid (included in Creditors)</b>	<u>-</u>	<u>-</u>

**36.3 VAT**

VAT inputs receivables and VAT outputs receivables are shown in Note 13. All VAT returns have been submitted by the due date

**36.4 PAYE and UIF**

Opening Balance	-	-
Current year Payroll Deductions	3 238 395	2 736 539
Amount Paid - current year	(3 238 395)	(2 736 539)
Amount Paid - previous years	-	-
<b>Balance Unpaid (included in Creditors)</b>	<u>-</u>	<u>-</u>

**36.5 Pension and Medical Aid Deductions**

Opening Balance	-	-
Current year Payroll Deductions and Council Contributions	10 749 681	8 197 310
Amount Paid - current year	(10 749 681)	(8 197 310)
Amount Paid - previous years	-	-
<b>Balance Unpaid (included in Creditors)</b>	<u>-</u>	<u>-</u>

**36.6 Councillor's arrear Consumer Accounts**

The following Councillors had arrear accounts outstanding for more than 90 days as at:

<b>30 June 2010</b>	<b>Total</b>	<b>Outstanding up to 90 days</b>	<b>Outstanding more than 90 days</b>
Councillor T Eksteen	1 462	-	1 462
Councillor A R Knott-Craig	3 965	-	3 965
Councillor J P Reid	115	115	-
Councillor V G Jacobs	1 559	-	1 559
<b>Total Councillor Arrear Consumer Accounts</b>	<u><u>7 101</u></u>	<u><u>115</u></u>	<u><u>6 986</u></u>

**36.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act**

No known matters existed at reporting date.

**37 COMMITMENTS FOR EXPENDITURE**

**37.1 Capital Commitments**

Commitments in respect of Capital Expenditure:

- **Approved and Contracted for:-**

	<b>1 209 351</b>	<b>700 235</b>
<i>Infrastructure</i>	1 183 454	-
<i>Community</i>	-	-
<i>Other</i>	25 897	700 235
<i>Investment Properties</i>	-	-
<b>Total Capital Commitments</b>	<u><u>1 209 351</u></u>	<u><u>700 235</u></u>

This expenditure will be financed from:

Own Resources	1 209 351	700 235
	<u><u>1 209 351</u></u>	<u><u>700 235</u></u>

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**38 FINANCIAL INSTRUMENTS**

**38.1 Classification**

**FINANCIAL ASSETS:**

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss):

<u>Financial Assets</u>	<u>Classification</u>		
<b>Long-term Receivables</b>			
Car Loans	Loans and receivables	-	-
Housing Loans	Loans and receivables	-	327 736
<b>Consumer Debtors</b>			
Electricity	Loans and receivables	8 187 969	8 373 252
Refuse	Loans and receivables	602 340	-
Sewerage	Loans and receivables	1 292 483	-
Meter Readings not Billed	Loans and receivables	2 163 479	-
Water	Loans and receivables	2 651 153	-
Loan Instalments	Loans and receivables	5 588 225	5 616 108
Other Debtors	Loans and receivables	764 857	751 129
<b>Other Debtors</b>			
Assessment Rates	Loans and receivables	9 687 744	8 518 860
Government Subsidy Claims	Loans and receivables	234 536	2 531 446
Projects	Loans and receivables	-	268 316
Sundry Debtors	Loans and receivables	15 000	15 000
Fruitless and Wasteful Expenditure	Loans and receivables	1 011 906	340 682
Irregular Expenditure	Loans and receivables	-	-
<b>Bank, Cash and Cash Equivalents</b>			
Call Deposits	Held to maturity	44 625 016	34 397 813
Bank Balances	Available for sale	2 133 113	9 639 180
Cash Floats and Advances	Available for sale	2 040	4 202
		78 959 860	70 783 725

**SUMMARY OF FINANCIAL ASSETS**

<b>Loans and Receivables</b>			
Long-term Receivables	Housing Loans	-	327 736
Consumer Debtors	Electricity	8 187 969	8 373 252
Consumer Debtors	Refuse	602 340	-
Consumer Debtors	Sewerage	1 292 483	-
Meter Readings not Billed		2 163 479	-
Consumer Debtors	Water	2 651 153	-
Consumer Debtors	Loan Instalments	5 588 225	5 616 108
Consumer Debtors	Other Debtors	764 857	751 129
Other Debtors	Assessment Rates	9 687 744	8 518 860
Other Debtors	Government Subsidy Claims	234 536	2 531 446
Other Debtors	Projects	-	268 316
Other Debtors	Sundry Deposits	15 000	15 000
Other Debtors	Sundry Debtors	1 011 906	340 682
VAT receivable	VAT Control Accounts	-	268 316
		<u>32 199 692</u>	<u>27 010 845</u>

Held to maturity:

Bank Balances and Cash	Call deposits	44 625 016	34 397 813
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**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**Available for Sale:**

Bank Balances and Cash	Bank Balances	2 133 113	9 639 180
Bank Balances and Cash	Cash Floats and Advances	2 040	4 202
Bank Balances and Cash	Other Cash Equivalents	-	-
Bank Balances and Cash	Call Deposits	44 625 016	34 397 813
		<u>46 760 168</u>	<u>44 041 195</u>

**Total Financial Assets**

**78 959 860**      **71 052 040**

**FINANCIAL LIABILITIES:**

In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss):

<u>Financial Liabilities</u>	<u>Classification</u>		
<b>Long-term Liabilities</b>			
Local Registered Stock	Financial liabilities at amortised cost	-	171 139
<b>Consumer Deposits</b>			
Electricity and Water	Financial liabilities at amortised cost	1 256 701	1 144 709
<b>Creditors</b>			
Trade Creditors	Financial liabilities at amortised cost	2 382 568	2 290 229
Payments received in Advance	Financial liabilities at amortised cost	94 576	97 204
Retentions	Financial liabilities at amortised cost	505 785	-
Leave Pay	Financial liabilities at amortised cost	2 511 746	3 713 683
Sundry Deposits	Financial liabilities at amortised cost	-	-
Other Creditors	Financial liabilities at amortised cost	1 036 933	2 166 861
<b>Unspent Conditional Grants and Receipts</b>			
National Government Grants	Financial liabilities at amortised cost	14 386 707	14 224 535
<b>VAT Payable</b>			
VAT Control Accounts	Financial liabilities at amortised cost	2 425 887	1 897 476

**SUMMARY OF FINANCIAL LIABILITIES**

**Financial Liabilities at Amortised Cost:**

Long-term Liabilities	Local Registered Stock	-	171 139
Consumer Deposits	Electricity and Water	1 256 701	1 144 709
Creditors	Trade Creditors	2 382 568	2 290 229
Creditors	Payments received in Advance	94 576	97 204
Creditors	Retentions	505 785	-
Creditors	Leave Pay	2 511 746	3 713 683
Creditors	Staff Bonuses	-	-
Creditors	Other Creditors	1 036 933	2 166 861
Unspent Conditional Grants and Receipts	National Government Grants	14 386 707	14 224 535
VAT Payable	VAT Control Accounts	2 425 887	1 897 476
		<u>24 600 903</u>	<u>25 705 836</u>
<b>Total Financial Liabilities</b>		<u><b>24 600 903</b></u>	<u><b>25 705 836</b></u>

**38.2 Fair Value**

The Fair Values of Financial Assets and Financial Liabilities are determined as follows:

- the Fair Value of Financial Assets and Financial Liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;
- The Fair Value of other Financial Assets and Financial Liabilities is determined in accordance with generally accepted valuation techniques based on discounted cash flow analysis using interest rates currently charged or paid by other parties and the remaining term to repayment of the interest;

The fair value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the the current payment ratio's of the municipality's debtors.

	30 June 2010		30 June 2009	
	Carrying Amount R	Fair Value R	Carrying Amount R	Fair Value R
<b>FINANCIAL ASSETS</b>				
Held to maturity:				
Held to maturity:	44 625 016	44 625 016	34 397 813	34 397 813
Call Deposits	44 625 016	44 625 016	34 397 813	34 397 813
Call Deposits	9 643 382	9 643 382	9 643 382	9 643 382
Notice Deposits	-	-	-	-
Loans and Receivables	32 199 692	32 199 692	26 742 530	26 742 530
Finance Lease Receivables	-	-	-	-
Long-term Receivables	-	-	-	-
Consumer Debtors	21 250 506	21 250 506	14 740 490	14 740 490
Housing Loans	-	-	327 736	327 736
Other Debtors	10 949 186	10 949 186	11 405 988	11 405 988
VAT Receivable	-	-	268 316	268 316
Available for Sale	2 135 153	2 135 153	9 643 382	9 643 382
Bank Balances and Cash	2 135 153	2 135 153	9 643 382	9 643 382
<b>Total Financial Assets</b>	<b>78 959 860</b>	<b>78 959 860</b>	<b>70 783 725</b>	<b>70 783 725</b>

	30 June 2010		30 June 2009	
	Carrying Amount R	Fair Value R	Carrying Amount R	Fair Value R
<b>FINANCIAL LIABILITIES</b>				
Designated as FVTPL:	24 600 903	24 600 903	25 705 836	25 705 836
Long Term Liabilities:	-	-	171 139	171 139
- Local Registered Stock	-	-	171 139	171 139
- Government Loans	-	-	-	-
Trade and Other Payables:	24 600 903	24 600 903	25 534 698	25 534 698
- Consumer Deposits	1 256 701	1 256 701	1 144 709	1 144 709
- Creditors	6 531 608	6 531 608	8 267 978	8 267 978
- Unspent Conditional Grants	14 386 707	14 386 707	14 224 535	14 224 535
- VAT Payable	2 425 887	2 425 887	1 897 476	1 897 476
<b>Total Financial Liabilities</b>	<b>24 600 903</b>	<b>24 600 903</b>	<b>25 705 836</b>	<b>25 705 836</b>
<b>Total Financial Instruments</b>	<b>54 358 957</b>	<b>54 358 957</b>	<b>45 077 888</b>	<b>45 077 888</b>

### 38.3 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2009.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 14 and 15, Bank, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 18 and the Statement of Changes in Net Assets.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

Gearing Ratio

The gearing ratio at the year-end was as follows:

Debt	-	171 139
Bank, Cash and Cash Equivalents	2 135 153	9 643 382
Net Debt	2 135 153	9 814 521
Equity	1 022 818 593	999 621 078
Net debt to equity ratio	0.21%	0.98%

Debt is defined as Long- and Short-term Liabilities, as detailed in Note 14.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance.

**38.4 Financial Risk Management Objectives**

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

**38.5 Significant Accounting Policies**

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the Annual Financial Statements.

**38.6 Market Risk**

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 38.8 below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

**38.6.1 Foreign Currency Risk Management**

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

**38.6.2 Interest Rate Risk Management**

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

**38.7 Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.



**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**38.8 Effective Interest Rates and Repricing Analysis**

In accordance with IFRS 7 .40 the following tables indicate the average effective interest rates of Income-earning Financial Assets and Interest-bearing Financial Liabilities at the reporting date and the periods in which they mature or, if earlier, reprice:

**30 June 2010**

Description	Note ref in AFS	Average effective interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
<b>FIXED RATE INSTRUMENTS</b>								
Held-to-maturity Investments			<b>44 625 016</b>	<b>44 625 016</b>	-	-	-	-
Call Deposits	5	5% - 7.5%	44 625 016	44 625 016	-	-	-	-
<b>Secured Bank Facilities</b>	4		-	-	-	-	-	-
INCA		0.00%	-	-	-	-	-	-
INCA		0.00%	-	-	-	-	-	-
<b>Unsecured Bank Facilities</b>	4		-	-	-	-	-	-
ABSA		0.00%	-	-	-	-	-	-
DBSA		0.00%	-	-	-	-	-	-
<b>Total Fixed Rate Instruments</b>			<b>44 625 016</b>	<b>44 625 016</b>	-	-	-	-
<b>VARIABLE RATE INSTRUMENTS</b>								
Bank Balances and Cash	5		2 135 153	2 135 153	-	-	-	-
<b>Total Fixed Rate Instruments</b>			<b>2 135 153</b>	<b>2 135 153</b>	-	-	-	-

**30 June 2009**

Description	Note ref in AFS	Average effective interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
<b>FIXED RATE INSTRUMENTS</b>								
Held-to-maturity Investments			<b>34 397 813</b>	<b>34 397 813</b>	-	-	-	-
Call Deposits	5		34 397 813	34 397 813	-	-	-	-
<b>Secured Bank Facilities</b>	4		-	-	-	-	-	-
INCA		0.00%	-	-	-	-	-	-
INCA		0.00%	-	-	-	-	-	-
<b>Unsecured Bank Facilities</b>	4		-	-	-	-	-	-
ABSA		0.00%	-	-	-	-	-	-
DBSA		0.00%	-	-	-	-	-	-
<b>Total Fixed Rate Instruments</b>			<b>34 397 813</b>	<b>34 397 813</b>	-	-	-	-
<b>VARIABLE RATE INSTRUMENTS</b>								
Bank Balances and Cash	5		9 643 382	9 643 382	-	-	-	-
<b>Total Fixed Rate Instruments</b>			<b>9 643 382</b>	<b>9 643 382</b>	-	-	-	-

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**38.9 Other Price Risks**

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

The municipality is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The municipality does not actively trade these investments.

**38.8 Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Liquidity and Interest Risk Tables**

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts. A credit line overdraft facility of RXX million is available and is unsecured. Interest payable is linked to the prime interest rate.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

Description	Note ref in AFS	Average effective interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
<b>30 June 2010</b>								
Non-interest Bearing		0.00%	-	-	-	-	-	-
- Consumer Deposits			-	-	-	-	-	-
- Creditors			-	-	-	-	-	-
Variable Interest Rate Instruments		8.18%	-	-	-	-	-	-
Fixed Interest Rate Instruments		7.56%	-	-	-	-	-	-
- DBSA		5.00%	-	-	-	-	-	-
- Short-term Loans			-	-	-	-	-	-
Financial Guarantee Contracts			-	-	-	-	-	-
			-	-	-	-	-	-
<b>30 June 2009</b>								
Non-interest Bearing		0.00%	-	-	-	-	-	-
- Consumer Deposits			-	-	-	-	-	-
- Creditors			-	-	-	-	-	-
Variable Interest Rate Instruments		8.08%	-	-	-	-	-	-
Fixed Interest Rate Instruments		8.03%	-	-	-	-	-	-
- DBSA		5.00%	-	-	-	-	-	-
- Short-term Loans			-	-	-	-	-	-
Financial Guarantee Contracts			-	-	-	-	-	-
			-	-	-	-	-	-

At the year-end it was not probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the amount included above is nil.

The following table details the municipality's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the municipality anticipates that the cash flow will occur in a different period.

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

Description	Note ref in AFS	Average effective interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
<b>30 June 2010</b>								
Non-interest Bearing		0.00%	-	-	-	-	-	-
Variable Interest Rate Instruments		5.75%	-	-	-	-	-	-
Fixed Interest Rate Instruments		7.38%	-	-	-	-	-	-
			-	-	-	-	-	-
<b>30 June 2009</b>								
Non-interest Bearing		0.00%	-	-	-	-	-	-
Variable Interest Rate Instruments		4.83%	-	-	-	-	-	-
Fixed Interest Rate Instruments		7.00%	-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-

The municipality has access to financing facilities, the total unused amount which is R9,268 million, at the reporting date. The municipality expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain current debt to equity ratio. This will be achieved through increased service tariff charges and the

The following table details the municipality's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at

Description	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	R	R	R	R		R
<b>30 June 2010</b>						
Net Settled:						
Interest Rate Swaps	-	-	-	-	-	-
Foreign Exchange Forward Contracts	-	-	-	-	-	-
Gross Settled:						
Foreign Exchange Forward Contracts	-	-	-	-	-	-
Currency Swaps	-	-	-	-	-	-
	-	-	-	-	-	-
<b>30 June 2009</b>						
Net Settled:						
Interest Rate Swaps	-	-	-	-	-	-
Foreign Exchange Forward Contracts	-	-	-	-	-	-
Gross Settled:						
Foreign Exchange Forward Contracts	-	-	-	-	-	-
Currency Swaps	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

**CAMDEBOO MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010**

**38.10 Credit Risk Management**

*Credit Risk* refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Trade Receivables consist of a large number of customers, spread across diverse industries in the geographical area of the municipality. Periodic credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee is increased accordingly.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, except for Sasol who has large investments in the municipal area and does not pose any risk. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

Except as detailed in the following table, the carrying amount of financial assets recorded in the Annual Financial Statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Long-term Receivables	-	327 736
Consumer Debtors	8 362 086	2 715 980
Other Debtors	4 367 508	4 445 533
Bank, Cash and Cash Equivalents	46 760 169	44 041 195
<b>Maximum Credit and Interest Risk Exposure</b>	<b>59 489 762</b>	<b>51 530 444</b>

**Credit quality of Financial Assets:**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

<b>Total Finance Lease Receivables</b>	-	-
<b>Long-term Receivables</b>		
Housing loans                      Group 2	-	327 736
<b>Total Long-term Receivables</b>	-	<b>327 736</b>

**Consumer Debtors**

Counterparties with external credit rating:-

None

-	-
-	-

Counterparties without external credit rating:-

All consumer debtors

21 250 506      14 740 490

21 250 506	14 740 490
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**Total Consumer Debtors**

<b>21 250 506</b>	<b>14 740 490</b>
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**Other Debtors**

Investments                      Group 1

44 625 016      34 397 813

**Total Other Debtors**

<b>44 625 016</b>	<b>34 397 813</b>
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**Bank Balances**

ABSA Bank                      Group 1

-                      22 103

First National Bank              Group 1

2 133 113              9 617 077

**Total Bank Balances**

<b>2 133 113</b>	<b>9 639 180</b>
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**Credit quality of groupings**

Group 1 - High certainty of timely payment. Liquidity factors are strong and the risk of non-payment is small.

Group 2 - Reasonable certainty of timely payment. Liquidity factors are sound, although ongoing funding needs may

Group 3 - Satisfactory liquidity factors and other factors which qualify the entity as investment grade. However, the risk

None of the financial assets that are fully performing have been renegotiated in the last year.

**39. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION**

Camdeboo Municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

- (i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- (iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R6,2 million (2009: R5,6 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

Defined benefit plan accounting as required by IAS 19 / AC 116 have been exempted in terms of General Notice 522 of 2007 and had not been applied for the previous or current financial year.

#### **DEFINED BENEFIT SCHEMES**

##### **Cape Joint Pension Fund:**

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009.

The statutory valuation performed as at 30 June 2009 revealed that the fund had a surplus of R0,0 (30 June 2008: R182,7) million, with a funding level of 100,0% (30 June 2008: 106,5%) and a solvency reserve with a closing balance of R200,6 (30 June 2008: R0,0) million. The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is less than the recommended contribution rate of 32,1%.

The last valuation performed for the period ended 31 March 2006 revealed that the fund had a shortfall of R205 million, with a funding level of 83%. This will be taken into account in determining future surcharges, to be met by increased employer contributions. These surcharges are as follows:

- From 1 July 2006 14%
- From 1 July 2007 17%

The above-mentioned surcharge is payable until 1 July 2010. This position will be monitored on an annual basis.

##### **Government Employees Pension Fund (GEPF):**

The scheme is subject to an tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2006.

The statutory valuation performed as at 30 June 2006 revealed that the fund had a surplus of R0,0 (30 June 2004: R-12,78) million, with a funding level of 100,0% (30 June 2004: 96,5%). The contribution rate paid by the members (7,00%) and the municipalities (13,00%) is sufficient to fund the benefits accruing from the fund in the future.

##### **South African Local Authorities Pension Fund (SALA):**

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 1 July 2007.

The statutory valuation performed as at 1 July 2007 revealed that the fund had a surplus of 558,4 (1 July 2006: R286,0) million, with a funding level of 110% (1 July 2006: 106%). The contribution rate paid by the members (7,50% to 9,00%) and the municipalities (15,00% to 20,80%) is sufficient to fund the benefits accruing from the fund in the future.

##### **Local Government Pension Fund:**

No details could be provided for the fund and of any valuation performed.

A contribution rate is paid by the members (7,50%) and municipalities (between 15% and 22%).

#### **DEFINED CONTRIBUTION SCHEMES**

##### **Cape Joint Pension Fund:**

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009.

The statutory valuation performed as at 30 June 2009 revealed that the investment reserve of the fund amounted to R1 171 (30 June 2008: R12 033) million, with a funding level of 100,3% (30 June 2008: 103,3%). The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is sufficient to fund the benefits accruing from the fund in the future.

##### **Cape Joint Retirement Fund:**

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009.

The statutory valuation performed as at 30 June 2009 revealed that the assets of the fund amounted to R6 842 (30 June 2008: R6 675) million, with funding levels of 100,8% and 131,9% (30 June 2008: 101,1% and 112,2%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is sufficient to fund the benefits accruing from the fund in the future.

**Municipal Councillors Pension Fund:**

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2006.

The statutory valuation performed as at 30 June 2006 revealed that the fund had a funding ratio of 106.5%. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2005 and reported a funding ratio of 147.3%.

**Municipal Gratuity Fund:**

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009.

The valuation performed as at 30 June 2009 revealed that the market value of the fund was R8 248,8 (30 June 2008: R8 104,4) billion. The contribution rate payable is 7,50% by the member and 22,00% by the employer. The fund was certified to be in sound financial condition as at 30 June 2007.

**National Fund for Municipal Workers:**

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 1 July 2008.

The statutory valuation performed as at 1 July 2008 revealed that the fund had a deficit of R6,3 (1 July 2007: surplus R9,5) million, with a funding level of 99,8% (1 July 2007: 100,3%). The contribution rate paid by the members (2,00% to 7,00%) and the municipalities (2,00% to 7,00%) is sufficient to fund the benefits accruing from the fund in the future, and the actuary was satisfied that the fund will continue to be able meet its liabilities.

**South African Municipal Workers Union National Provident Fund:**

The scheme is subject to an tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2005.

The statutory valuation performed as at 30 June 2005 revealed that the fund had a funding ratio of 100,0% (30 June 2002: 100,0%). The contribution rate paid by the members (not less than 5,00%) and Council (not less than 12,00%) is sufficient to fund the benefits accruing from the fund in the future.

**Liberty Life Pension Fund:**

No details could be provided for the fund and of any valuation performed.

**SANLAM Annuity Fund:**

No details could be provided for the fund and of any valuation performed.

**SANLAM Retirement Fund:**

No details could be provided for the fund and of any valuation performed.

None of the above mentioned plans are State Plans.

**40 RELATED PARTY TRANSACTIONS****40.1 Interest of Related Parties**

Councillors and/or management of the municipality have no relationships with businesses.

#### 40.2 Services rendered to Related Parties

The municipality did not render any services during the year to anyone that can be considered as a related party.

During the year the municipality rendered services to the following related parties that are related to the municipality as indicated:

	<b>Rates Charges</b>	<b>Service Charges</b>	<b>Sundry Charges</b>	<b>Outstanding Balances</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>For the Year ended 30 June 2010</b>				
Councillors	10 741	31 208	4 964	7 999
Municipal Manager and Section 57 Personnel	4 158	13 231	-	2 951
<b>Total Services</b>	<b>14 899</b>	<b>44 439</b>	<b>4 964</b>	<b>10 950</b>

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public. No Bad Debts were written off or recognised in respect of amounts owed by Related Parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Councillors, the Municipal Manager and Section 57 Personnel not on the salary deduction list. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

#### 40.3 Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in Note 8 to the Annual Financial Statements.

#### 40.4 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 22 and 23 respectively, to the Annual Financial Statements.

#### 40.5 Purchases from Related Parties

The municipality did not buy goods from any companies which can be considered to be Related Parties.

The municipality bought goods from the following companies, which are considered to be Related Parties:

<b>Company Name</b>	<b>Related Person</b>	<b>Company Capacity</b>	<b>Municipal Capacity</b>	<b>Purchases for the Year</b>	<b>Purchases for the Year</b>
None declared by Councillors				-	-
None declared by Municipal Manager or Section 57 Managers				-	-
<b>Total Purchases</b>				<b>-</b>	<b>-</b>

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

### 41 CONTINGENT LIABILITIES

#### 41.1 Guarantees:

The Camdeboo municipality has a R60 000 guarantee vir First National Bank seeded to the Department of Mineral and Energy for the rehabilitation of the quarry.

**60 000**

**60 000**



(i) C.B. Wilemse instituted a claim against the Municipality in the amount of R 25 567 relating to training provided. The Municipality did not contract the services of C.B. Wilemse for the training. The outcome of the case is still uncertain.

**42 IN-KIND DONATIONS AND ASSISTANCE**

The municipality did not receive any In-kind Donations and Assistance during the year under review.

**43 COMPARISON WITH THE BUDGET**

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".

**44 PRIVATE PUBLIC PARTNERSHIPS**

The municipality was not a party to any Private Public Partnerships during the financial year 2009/2010.

**45 EVENTS AFTER THE REPORTING DATE**

No events having financial implications requiring disclosure occurred subsequent to 30 June 2010.

**46 COMPARATIVE FIGURES**

The comparative figures were restated as a result of the effect of Changes in Accounting Policies (Note 31) and Prior Period

**47 STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED**

At the date of authorisation of these Annual Financial Statements the municipality has not applied the following GRAP

- GRAP 18 Segment Reporting - issued March 2005
- GRAP 21 Impairment of Non-cash-generating Assets - issued March 2009
- GRAP 23 Revenue from Non-exchange Transactions (Taxes and Transfers) - issued February 2008
- GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007
- GRAP 25 Employee Benefits - issued December 2009
- GRAP 26 Impairment of Cash-generating Assets - issued March 2009
- GRAP 103 Heritage Assets - issued July 2008
- GRAP 104 Financial Instruments - issued October 2009

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date is not currently available.

Management has considered all the GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

**APPENDIX B**  
**CAMDEBOO MUNICIPALITY**  
**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 June 2010**

Description	Asset Code	Historical Cost				Closing Balance
		Opening Balance	Additions	Transfers	Disposals	
		R	R	R	R	R
<b>Land and Buildings</b>						
Land		41 494 850	-	-	-	41 494 850
Office Buildings		4 913 700	-	-	-	4 913 700
		<b>46 408 550</b>	<b>0</b>	-	-	<b>46 408 550</b>
<b>Infrastructure</b>						
<i>Electricity:</i>						
Meters		6 499 000	-	-	-	6 499 000
Supply and Reticulation		76 190 732	-	-	-	76 190 732
Switchgear Equipment		32 938 000	-	-	-	32 938 000
Transformer Kiosks		17 650 000	7 653 298	-	-	25 303 298
<i>Pedestrian Malls:</i>						
Kerbing		25 032 400	-	-	-	25 032 400
<i>Roads:</i>						
Overhead Bridges		20 284 275	-	-	-	20 284 275
Roads		350 067 268	-	-	-	350 067 268
Stormwater		85 972 123	-	-	-	85 972 123
Street Lighting		24 144 000	-	-	-	24 144 000
Streetname Signs		330 500	-	-	-	330 500
<i>Sanitation:</i>						
Tip Sites		2 420 994	-	-	-	2 420 994
<i>Security Measures:</i>						
Fencing		71 455	-	-	-	71 455
<i>Sewerage:</i>						
Outfall Sewers		107 965 304	-	-	-	107 965 304
Pumping Stations		15 566 153	-	-	-	15 566 153
Pumps		-	73 711	-	-	73 711
Sewers		12 409 279	-	-	-	12 409 279
<i>Water:</i>						
Bulk Supply		31 738 463	-	-	-	31 738 463
Pumping Stations		4 005 235	-	-	-	4 005 235
Purification Plant		12 203 817	8 120 448	-	-	20 324 265
Reservoirs and Tanks		46 974 264	-	-	-	46 974 264
Supply and Reticulation		37 582 984	47 290	-	-	37 630 274
		<b>910 046 245</b>	<b>15 894 748</b>	-	-	<b>925 940 993</b>
<b>Other Assets</b>						
<i>Emergency Equipment:</i>						
Ambulance Equipment		9 462	-	-	-	9 462
Emergency Lights		365	-	-	-	365
Fire Equipment		39 842	-	-	-	39 842
<i>Furniture and Fittings:</i>						
Cabinets and Cupboards		345 253	-	-	-	345 253
Chairs		2 727 808	59 220	-	-	2 787 028
Other Furniture		284 289	21 371	-	-	305 660
Tables and Desks		330 688	11 696	-	-	342 384
<i>Motor Vehicles:</i>						
Fire Engines		819 406	-	-	-	819 406
Motor Cars		929 501	-	-	-	929 501
Motor Cycles		124 081	-	-	-	124 081
Trucks and Bakkies		6 619 994	109 667	-	-	6 729 660
<i>Office Equipment:</i>						
Air Conditioners		658 670	-	-	-	658 670
Computer Hardware		1 291 366	122 054	-	-	1 413 419
Office Machines		538 426	14 259	-	-	552 685
<i>Plant and Equipment:</i>						
Compressors		229 924	-	-	-	229 924
Graders		3 691 067	-	-	-	3 691 067
Lawnmowers		71 561	19 684	-	-	91 245
Other Plant and Equipment		2 010 259	125 570	-	-	2 135 829
Telecommunication Equipment		48 676	12 060	-	-	60 736
Tipplers		924 932	-	-	-	924 932
Tractors		2 738 069	-	-	-	2 738 069
<i>Watercraft:</i>						
Watercraft		38 436	-	-	-	38 436
		<b>24 472 076</b>	<b>495 581</b>	-	-	<b>24 967 657</b>
<b>Total</b>		<b>980 926 871</b>	<b>16 390 329</b>	-	-	<b>997 317 199</b>

**CAMDEBOO MUNICIPALITY**  
**INVESTMENT PROPERTIES AS AT 30 June 2010**

Description	Asset Code	Historical Cost				Closing Balance
		Opening Balance	Additions	Transfers	Disposals	
		R	R	R	R	R
<b>Investment Properties</b>						
Land and Buildings		11 007 500	-	-	-	11 007 500
		<b>11 007 500</b>	-	-	-	<b>11 007 500</b>
<b>Total Fixed Asset Register</b>		<b>991 934 371</b>	<b>16 390 329</b>	-	-	<b>1 008 324 699</b>

**APPENDIX C**  
**CAMDEBOO MUNICIPALITY**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 June 2010**

Description	Cost / Revaluation					
	Opening Balance	Additions	Under Construction	Transfers	Disposals	Closing Balance
	R	R	R	R	R	R
Executive and Council	18 998 868	416 373	-	-	-	19 415 240
Finance and Administration	117 786	126 386	-	-	-	244 173
Planning and Development	57 416 050	-	-	-	-	57 416 050
Health	1 061 793	140 654	-	-	-	1 202 447
Community and Social Services	-	-	-	-	-	-
Housing	19 751	-	-	-	-	19 751
Public Safety	341 926	7 671	-	-	-	349 597
Sport and Recreation	29 139	-	-	-	-	29 139
Environmental Protection	-	-	-	-	-	-
Waste Management	137 414 464	-	-	-	-	137 414 464
Roads and Transport	507 509 495	-	-	-	-	507 509 495
Water	133 918 364	8 255 792	-	-	-	142 174 156
Electricity	133 722 965	7 668 205	-	-	-	141 391 170
Other	-	-	-	-	-	-
<b>Total</b>	<b>990 550 601</b>	<b>16 615 081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 007 165 682</b>

**APPENDIX D  
CAMDEBOO MUNICIPALITY**

**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 June 2010**

2009 Actual Income	2009 Budgeted Income	2009 Actual Expenditure	2009 Budgeted Expenditure	2009 Surplus/ (Deficit)	Description	2010 Actual Income	2010 Budgeted Income	2010 Actual Expenditure	2010 Budgeted Expenditure	2010 Surplus/ (Deficit)
R	R	R	R	R		R	R	R	R	R
2 062 193	-	4 113 688	3 377 098	(2 051 495)	Executive and Council	28 502	-	2 977 901	3 792 517	(2 949 399)
2 062 193	-	4 113 688	3 377 098	(2 051 495)	Council General Expenses	28 502	-	2 977 901	3 792 517	(2 949 399)
36 465 198	30 728 915	22 345 810	21 775 840	14 119 388	Finance and Administration	56 791 351	38 858 977	30 355 359	32 260 377	26 435 992
101 111	-	101 111	-	-	Municipal Manager	-	-	-	-	-
240 540	14 760	5 085 566	5 494 346	(4 845 026)	Corporate Services	922 328	23 328	6 563 998	11 826 549	(5 641 670)
160 228	172 699	854 162	1 374 995	(693 934)	Municipal Buildings	159 831	148 362	1 004 477	1 131 468	(844 646)
27 385 142	20 314 361	13 969 652	11 708 687	13 415 491	Budget & Treasury Office	32 486 163	25 652 899	18 968 919	14 843 325	13 517 244
-	-	-	-	-	Budget Control	-	-	-	1 000 000	-
8 535 300	10 175 515	-	-	8 535 300	Rates	12 471 048	10 086 023	-	-	12 471 048
-	-	1 133 993	1 404 504	(1 133 993)	Municipal Health Services	3 020 416	2 902 000	1 374 437	1 458 359	1 645 979
42 878	51 580	1 201 326	1 793 308	(1 158 449)	Technical Services Administration	7 731 564	46 365	2 443 528	2 000 676	5 288 037
138 178	-	138 178	-	-	Planning and Development	-	-	244	-	(244)
138 178	-	-	-	138 178	Integrated Planning & Economic Development	-	-	-	-	-
-	-	138 178	-	(138 178)	Local Economic Development	-	-	244	-	(244)
2 644 760	11 216	2 566 339	3 155 831	78 421	Health	5 372	7 884	1 959 716	3 635 122	(1 954 343)
2 641 660	9 209	573 570	905 736	2 068 089	Health Graaf Reinet	4 709	6 234	317 200	935 557	(312 491)
1 400	2 007	680 159	724 147	(678 759)	Health Aberdeen	663	1 650	516 686	797 209	(516 023)
1 700	-	361 758	525 379	(360 058)	Health Kroonvale	-	-	171 303	592 559	(171 303)
-	-	13 608	23 939	(13 608)	Health Bethesda	-	-	15 737	287 088	(15 737)
-	-	937 243	976 630	(937 243)	Health Umazakhe	-	-	938 789	1 022 709	(938 789)
18 162	15 624	1 238 977	1 428 871	(1 220 815)	Community and Social Services	19 133	16 028	1 364 707	1 542 076	(1 345 574)
-	-	-	-	-	Community & Social Services	-	-	-	-	-
11 514	9 752	777 330	904 800	(765 816)	Library Services Graaf Reinet	12 090	10 279	903 792	982 691	(891 702)
6 648	5 872	461 647	524 071	(454 999)	Library Services Kroonvale	7 042	5 749	460 915	559 385	(453 872)
168 866	1 385	167 481	-	1 385	Housing	1 385	1 538	-	-	1 385
168 866	1 385	167 481	-	1 385	Housing Association	1 385	1 538	-	-	1 385
1 945 911	1 943 566	2 006 686	2 524 781	(60 775)	Public Safety	1 834 677	1 865 337	2 464 505	2 745 702	(629 828)
-	-	111 265	111 741	(111 265)	Civil Defence	-	-	130 948	115 463	(130 948)
3 381	766	492 359	555 803	(488 977)	Fire Brigade	-	2 142	628 757	625 312	(628 757)
1 933 530	1 931 458	1 293 390	1 746 859	640 141	Traffic Control	1 824 646	1 854 289	1 574 994	1 889 116	249 652
8 990	11 342	109 673	110 378	(100 673)	Parking Meters	10 030	8 909	129 807	115 811	(119 776)
63 792	67 185	5 361 422	7 039 924	(5 297 630)	Sport and Recreation	63 548	70 622	6 503 265	7 374 417	(6 439 717)
3 792	4 245	5 266 842	6 877 626	(5 263 050)	Parks	3 548	4 283	6 385 073	7 219 766	(6 381 525)
60 000	62 940	4 324	36 516	55 676	Urquart Park	60 000	66 339	4 274	6 184	55 726
-	-	15 072	45 524	(15 072)	Swimming Baths	-	-	26 084	22 157	(26 084)
-	-	75 184	80 258	(75 184)	Art Museum Hester Rupert	-	-	87 833	126 310	(87 833)
119 618	104 010	43 581	135 214	76 037	Environmental Protection	82 479	122 171	66 191	76 145	16 288
-	-	-	-	-	Environmental Management	-	-	-	-	-
119 618	104 010	43 581	135 214	76 037	Commonage and Pound	82 479	122 171	66 191	76 145	16 288
7 253 996	7 823 384	4 384 212	6 417 458	2 869 783	Waste Management	7 714 716	9 054 828	6 667 381	9 935 420	1 047 335
2 302 949	2 471 206	2 527 605	3 219 239	(224 656)	Cleansing Services	2 494 981	2 970 045	4 280 946	7 498 044	(1 785 964)
4 197 396	4 551 407	1 856 358	3 198 219	2 341 038	Sewerage Services	4 413 778	5 381 687	2 384 632	2 346 396	2 029 145
753 651	800 771	249	-	753 401	Sanitation	805 957	703 096	1 803	90 980	804 154
3 301 424	157 034	6 022 396	8 741 811	(2 720 973)	Roads and Transport	143 683	96 150	5 949 181	6 351 163	(5 805 498)
3 243 408	47 332	5 829 373	8 545 659	(2 585 966)	Streets	48 433	49 888	5 728 928	6 110 410	(5 680 495)
58 016	109 702	193 023	196 152	(135 007)	Concrete Works	95 250	46 262	220 253	240 753	(125 003)
10 349 145	8 202 074	5 300 147	6 220 690	5 048 998	Water	10 359 627	11 248 184	6 320 999	10 159 196	4 038 628
10 349 145	8 202 074	5 300 147	6 220 690	5 048 998	Water Services Authority	10 359 627	11 248 184	6 320 999	10 159 196	4 038 628
29 060 988	26 947 912	25 874 044	28 565 748	3 186 945	Electricity	42 855 835	41 518 203	33 120 428	37 766 728	9 735 407
29 060 988	26 947 912	25 874 044	28 565 748	3 186 945	Electrical Services	42 855 835	41 518 203	33 120 428	37 766 728	9 735 407
45 133	109 928	996 546	1 503 067	(951 413)	Other	25 269	76 018	1 163 685	1 363 001	(1 138 415)
-	-	109 731	115 000	(109 731)	Grants & Donations	-	-	93 461	108 000	(93 461)
45 133	109 928	274 437	615 281	(229 304)	Air Port	25 269	76 018	328 321	373 122	(303 052)
-	-	429 143	223 222	(429 143)	Carpenter Workshop	-	-	275 483	296 144	(275 483)
-	-	183 234	549 564	(183 234)	Mechanical Workshop	-	-	466 419	585 735	(466 419)
<b>93 637 364</b>	<b>76 112 233</b>	<b>80 559 507</b>	<b>90 886 333</b>	<b>13 077 857</b>	Sub-Total	<b>119 925 577</b>	<b>102 935 940</b>	<b>98 913 562</b>	<b>117 001 864</b>	<b>21 012 015</b>
-	-	-	-	-	Less: Inter-departmental Charges	-	-	-	-	-
<b>93 637 364</b>	<b>76 112 233</b>	<b>80 559 507</b>	<b>90 886 333</b>	<b>13 077 857</b>	<b>Total</b>	<b>119 925 577</b>	<b>102 935 940</b>	<b>98 913 562</b>	<b>117 001 864</b>	<b>21 012 015</b>

**APPENDIX E(1)**  
**CAMDEBOO MUNICIPALITY**  
**ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 June 2010**

Description	2009/2010 Actual	2009/2010 Budget	2009/2010 Variance	2009/2010 Variance	Explanation of Significant Variances greater than 10% versus Budget
	R	R	R	%	
<b>REVENUE</b>					
Property Rates	12 471 048	10 086 023	2 385 025	19.12	The budget was prepared before the general valuation was completed
Property Rates - Penalties imposed and collection charges	766 293	836 772	(70 479)	(9.20)	Council determined in the Rates Policy that no interest will be raised on the 2009/2010 rates raised
Service Charges	57 220 908	61 767 902	(4 546 994)	(7.95)	
Rental of Facilities and Equipment	302 550	317 836	(15 286)	(5.05)	
Interest Earned - External investments	3 169 179	938 205	2 230 974	70.40	Change in accounting due to change in policy of National Treasury.
Interest Earned - Outstanding debtors	919 692	669 640	250 052	27.19	Increase due to increased outstanding amounts for debtors
Fines	372 730	522 985	(150 255)	(40.31)	National Prosecution Authority withdrew large amount of summonses
Licences and Permits	1 269 816	1 256 712	13 104	1.03	
Income for Agency Services	136 941	75 029	61 912	45.21	Improvements made to Traffic Centre
Government Grants and Subsidies	42 675 212	25 916 367	16 758 845	39.27	Capital grant receipts now excluded in performance statement in terms of IAS 20
Other Income	433 830	379 529	54 301	12.52	greater accuracy
Internal Charges	187 379	168 940	18 439	9.84	
Other Gains on Continued Operations	-	-	-	-	
<b>EXPENDITURE</b>					
Employee Related Costs	39 627 286	44 866 904	(5 239 618)	(13.22)	Variance as result of unfilled posts
Remuneration of Councillors	1 915 692	2 346 735	(431 043)	(22.50)	Increases allowed per legislation less than budgeted amounts
Provision for Bad Debts/Impairment of Debtors	202 121	3 000 000	(2 797 879)	(1 384.26)	Recovery rate of debtors higher than expected
Depreciation	-	-	-	-	Budgeted for capital redemption - not aligned to GRAP-format
Repairs and Maintenance	3 370 839	3 922 163	(551 324)	(16.36)	Breakage rate lower than anticipated
Interest Paid	-	-	-	-	
Bulk Purchases	22 439 178	25 048 144	(2 608 966)	(11.63)	Increased tariffs resulted in decrease in demand
Grants and Subsidies Paid	93 461	129 500	(36 039)	(38.56)	Subsidies not claimed as budgeted
General Expenses	30 467 502	36 549 932	(6 082 430)	(19.96)	
<b>Total Expenditure</b>	<b>98 913 562</b>	<b>117 001 864</b>	<b>(18 088 302)</b>	<b>(15.46)</b>	
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>21 012 015</b>	<b>(14 065 924)</b>	<b>35 077 939</b>	<b>249.38</b>	

**APPENDIX E(2)  
CAMDEBOO MUNICIPALITY**

**ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 June 2010**

Description	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	Explanation of Significant Variances greater than 5% versus Budget
	Actual	Total Additions	Budget	Variance	Variance	
	R	R	R	R	%	
Executive and Council	416 373	416 373	-	416 373	100.00	Unexpected financing received (Vuna Awards)
Finance and Administration	126 386	126 386	505 795	(379 409)	(75.01)	Additional capital expenditure incurred under FMG
Health	140 654	140 654	460 387	(319 733)	(69.45)	Projects could not be completed due to insufficient funding
Housing	-	-	13 322 140	(13 322 140)	(100.00)	Change in policy by Department Housing Eastern Cape
Public Safety	7 671	7 671	208 552	(200 881)	(96.32)	Project carried over to 2010/2011
Waste Management	-	-	245 104	(245 104)	(100.00)	Project carried over to 2010/2011
Roads and Transport	-	-	754 485	(754 485)	(100.00)	Project carried over to 2010/2011
Water	8 255 792	8 255 792	10 359 305	(2 103 513)	(20.31)	Project carried over to 2010/2011
Electricity	7 668 205	7 668 205	7 347 821	320 384	4.36	Project carried over to 2010/2011
<b>Total</b>	<b>16 615 081</b>	<b>16 615 081</b>	<b>33 203 589</b>	<b>(16 588 508)</b>	<b>(49.96)</b>	

**APPENDIX F**  
**CAMDEBOO MUNICIPALITY**  
**DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

**Grants and Subsidies Received**

Name of Grant	Name of Organ of State or Municipal Entity									Grants and Subsidies Delayed / Withheld					for Delay / Withholding of Funds	ce to Revenue Act (*) See below	Reason for Non-compliance
		Sept	Dec	March	June	Sept	Dec	March	June	June	Sept	Dec	March	June			
FMG	Nat Treasury	-	2 000 000	-	-	100 752	815 163	196 236	1 068 037	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
MIG Projects	MIG	1 152 000	3 283 000	190 000	3 544 000	2 149 090	1 391 496	718 410	3 011 298	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Health - Clinics	Province	183 031	507 588	1 620 876	718 921	183 031	507 588	1 620 876	718 921	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Equitable Share	Nat Treasury	9 589 320	7 629 344	6 205 769	34 200	9 589 320	7 629 344	6 205 769	34 200	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
DLGH	Province	-	500 000	-	-	-	500 000	-	-	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
Electrification Project	DME	3 000 000	2 000 000	1 000 000	-	1 491 762	1 491 762	667 436	7 444 755	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
MSP & MSIG	Province	-	-	500 000	-	-	-	189 720	310 280	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A
<b>Total Grants and Subsidies Received</b>		<b>13 924 351</b>	<b>15 919 932</b>	<b>9 516 645</b>	<b>4 297 121</b>	<b>13 513 955</b>	<b>12 335 353</b>	<b>9 598 447</b>	<b>12 587 491</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			