



**FINANCIAL
STATEMENTS
2007**

BAVIAANS MUNICIPALITY

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1. INTRODUCTION

1.1 BAVIAANS MUNICIPALITY PROFILE

The Baviaans Municipality covers an area of 7727.01 square kilometers with two urban nodes, namely Willowmore and Steytlerville. Willowmore serves as the administrative hub of the area where the local municipality offices, the district offices of national government departments and provincial government departments are situated. The area is scarcely populated. (0 – 100 people per km.)

The local municipality is situated between 23 and 25 degree of longitude and 33 and 34 degree of southern latitude and is at 1000 to 1500 meters above sea-level.

The well known Baviaanskloof Nature Reserve is situated to the south. The Mega-Reserve covers ±60% of the local municipality area.

Agriculture, tourism and service industries form the basis of the area's economy.

The Baviaans Municipality is a category B municipality, which together with another 8 municipalities forms the Cacadu District Municipality.

1.2. MUNICIPAL SERVICES

Baviaans Municipality provides the following services:

- Water
- Electricity Reticulation
- Sanitation / Sewerage
- Refuse Removal and Waste Management
- Housing Development
- Motor Vehicle Registrations (Agency)
- Motor Vehicle Licensing and permits (Agency)
- Primary Health Care (Agency)
- Municipal Planning
- Libraries
- Tourism
- Airfield
- Storm water Management
- Trading Regulations
- Building regulations

1.3. MEMBERS OF THE MUNICIPAL COUNCIL

E Loock	DA	Mayor
D Bezuidenhout	DA	Councillor
H Booysen	DA	Councillor
P Daniels	ANC	Councillor
N Miggels	ANC	Councillor

1.4. GRADING OF MUNICIPALITY

Grade 1

1.5. EXTERNAL AUDITORS

Auditor-General
P.O. Box 210917
The Fig Tree
Port Elizabeth
6033

1.6. INTERNAL AUDITORS

Pricewaterhousecoopers
P.O. Box 27013
Greenacres
6075
Tel. 041 – 391 4540
Fax 041 – 391 4500

1.7. BANKERS

a: ABSA Bank – Willowmore
Knysna Street
Willowmore
6445

b: Standard Bank
Piet Retief Street
Steytlerville

1.8. REGISTERED OFFICE

Baviaans Municipality
42 Wehmeyer Street
Willowmore
6445

1.9. MUNICIPAL MANAGER

Zola Mvandaba
Tel Nr. 044 – 923 1004
Cell Nr. 084 510 3201

1.10. CHIEF FINANCIAL OFFICER

Johann Doyle
Tel Nr. 044 – 923 1004
Cell Nr. 082 894 9810

1.11. APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 10 to 24 were approved by the Municipal Manager on 30 August 2007.



ZOLA MVANDABA
MUNICIPAL MANAGER



JOHANN DOYLE
CHIEF FINANCIAL OFFICER

2. MAYORAL FOREWORD

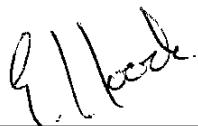
During the book year 2006/2007 management succeeded in:

- a. Maintaining a positive cash flow through out the year.
- b. Increasing the payment rate from 35% to 69.7%
- c. Improving the administration and water supply to a point where the water account showed a surplus of R 181 048 (2005/2006 – Deficit R 172 316).
- d. Showing a surplus of R 512 322 without raising the tariff of electricity.
- e. Keeping the salaries, wages and allowances near the level of 40% of total expenditure.
- f. Bringing down the deficit on sanitation from R 116 150 in 2005/2006 to R 6 109 in 2006/2007.

However there are areas of concern:

- a. Consumer debt increased by 24%. The Baviaans Municipality will face serious financial problems if consumer debt gets out of hand.
- b. The year ended with a surplus of R 784 112 which could have been spent to better service delivery.
- c. Statutory funds and reserves are not backed by cash as required.

A special word of thanks to the Municipal Manager and Administration for their commitment in making the Baviaans Municipality a better place for the people of the Baviaans



**MAYOR FOR BAVIAANS MUNICIPALITY
COUNCILOR E. LOOCK**

ACCOUNTING POLICIES:

1. Basis of presentation

- 1.1. These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Report on Standardisation of Financial Statements of Local Authorities. (second edition – 1996)
- 1.2. The financial statements are prepared on the historical cost basis. The accounting policies are consistent with those applied in the previous year, except when indicated otherwise.
- 1.3. The financial statements are prepared on the accrual basis:
 - income is accrued when collectable and measurable,
 - expenditure is accrued in the year it is incurred.

2. Consolidation

The balance sheet includes Rates and General Services, Housing Services, Trading Services and different funds, reserves and provisions. All inter-departmental charges are set-off against each other, with the exception of assessment rates, sanitation, electricity and water, which are treated as income and expenditure in the respective departments.

3. Property, Plant and Equipment

- 3.1. Property, plant and equipment are stated at historical cost while they are in existence and fit for use, except in the case of bulk assets, which are written off at the end of their estimated life as determined by the Chief Financial Officer.
- 3.2. Depreciation: The balance shown against the heading “Loans Redeemed and other Capital Receipts” in the notes to the balance sheet is tantamount to a provision for depreciation; however, certain structural differences do exist. By way of this “provisions” assets are written down over their estimated useful life. Apart from advances from various council funds, assets may also be required through:
 - Appropriations from operating income. Where the full cost of the assets forms an immediate and direct charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.
 - Grants of donation, where the amount representing the value of such grant or donation is immediately credited to the “Loans Redeemed and other Capital Receipts” account.
- 3.3. All nett proceeds from the sale of property and proceeds from the sale of all assets are credited to the Revolving Fund.

3.4. Capital assets are financed from different sources, including external loans, operating income and Government Grants. These loans are repaid within the estimated lives of the assets acquired from such loans. Interest is charged to the service concerned at the ruling interest rate applicable at the time the advance is made.

4. Funds and Reserves

4.1. Revolving Fund

The Municipal Ordinance, No. 20 of 1974 section 74(1)(a) requires a minimum contribution equal to 20% more than the previous year's contribution.

5. Provisions

Provisions are created for liabilities or contingencies which are known at the date of the balance sheet but for which the amounts involved cannot be determined with substantial accuracy.

6. Retirement Benefits

Baviaans Municipality and its employees contribute to the Cape Joint Pension Fund, South African Local Authority Pension Fund and SAMWU National Provident Fund.

7. Surplus and Deficits

Any surplus or deficit arising from the operating of electricity and water services are transferred to Rates and General Services to alleviate the tax burden of rate payers.

8. Investments

Investments are shown at market value and are invested according to the provisions contained in Circular 43 of 1993 issued by the Provincial Administration.

9. Income Recognition

9.1. Electricity and Water Billings

Electricity and water meters are read and billed monthly. Where meters cannot be read during a particular month, they are provisionally billed with the necessary adjustments made in the month they are indeed read.

9.2. Assessment Rates

Assessment Rates are levied at the same rate on the value of land and buildings.

REPORT OF THE CHIEF FINANCIAL OFFICER ON THE FINANCIAL STATEMENTS FOR THE YEAR 2006/2007

I have the pleasure in presenting my annual report together with the financial statements for the year ended 30 June 2007.

The primary objective of the Financial Department is to assist the Head of Departments to control their budgets and to ensure effective application of financial resources.

1. OPERATING BUDGET

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The overall operating results are as follows: (Please note the Budget figures represents the Amended Budget).

INCOME	Actual 2007 R	Actual 2006 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/Budget %
Operating income	13,182,562	12,194,461	7.50	15,451,807	14.69
Appropriations					
Closing Deficit	2,155,477	2,843,310	-31.91		
Total	15,338,039	15,037,771	1.96	15,451,807	

EXPENDITURE	Actual 2007 R	Actual 2006 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/Budget %
Opening Deficit	2,843,310	2,909,734	-2.34		
Operating expenditure	12,398,450	11,594,111	6.49	15,440,520	19.70
Appropriations	96,279	533,926	-454.56		
Total	15,338,039	15,037,771	1.96	15,440,520	

The net operating surplus for the year was R 784 112. The surplus was generated after a contribution towards a provision for bad debts of R 411 538. The accumulated deficit at year end was R 2 155 447 (2005/2006 - R 2 843 310) and the total provision for bad debts stands at R 7 261 199 which is equal to the total debtors outstanding at 30 June 2007 for 120 days and longer.

The reason for the surplus is that in three sections the income generated was more than what was budgeted for.

Section	Income Surplus R	Budget Surplus R	Surplus R
Electricity	512,322	101,514	410,808
Water	181,048	60,970	120,078
Traffic	356,867	55,033	301,834
Total	1,050,237	217,517	832,720

Furthermore there was a saving on personnel expenditure of R 104 796 and the actual cost on repair and maintenance increased from R 556 198 (2005/2006) to R 858 380 (2006/2007).

1.1 RATES AND GENERAL SERVICES

DETAILS	Actual 2007 R	Actual 2006 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/Budget %
Income	8,297,052	7,576,130	8.69	10,851,598	23.54
Expenditure	8,206,311	7,542,164	8.09	11,005,849	25.44
Surplus/(Deficit)	90,741	33,966		-154,251	

1.2 TRADING SERVICES

ELECTRICITY	Actual 2007 R	Actual 2006 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/Budget %
Income	3,582,181	3,466,793	3.22	3,268,932	-9.58
Expenditure	3,069,858	2,728,093	11.13	3,167,418	3.08
Surplus/(Deficit)	512,323	738,700		101,514	

WATER	Actual 2007 R	Actual 2006 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/Budget %
Income	1,303,330	1,151,538	11.65	1,331,277	2.10
Expenditure	1,122,281	1,323,854	-17.96	1,267,253	11.44
Surplus/(Deficit)	181,049	-172,316		64,024	

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets during the year amounted to R 19 101 618 (2005/2006 - R 4 959 729)
Hereunder is a summary of the capital expenditure for the year 2006/2007.

DETAILS	Actual 2007 R	Budget 2007 R	Actual 2006 R
Capital Expenditure			
Land			120,000
Buildings	367,513	963,000	52,558
Municipal Building		80,000	52,558
Community Halls		300,000	
Upgrading Libraries	367,513	583,000	
Infrastructure	18,572,289	23,631,045	4,291,587
Sewerage and Sanitation	4,591,536	4,668,300	1,650,774
Water	3,314,039	2,954,745	1,935,885
Electricity	1,012,511	850,000	11,017
Housing	9,572,913	14,858,000	693,911
Streets	81,290	300,000	
Other fixed assets	161,816	624,000	495,584
Vehicles			413,118
Furniture and Equipment		54,000	82,466
Administration	161,816	270,000	
Finance		200,000	
Water		100,000	
TOTAL	19,101,618	25,218,045	4,959,729

Resources used to finance the fixed assets were as follows:

Resources	Actual 2007	Budget 2007	Actual 2006
TOTAL	19,101,618	25,218,045	4,959,729
Grants and Subsidies	18,946,899	24,964,045	4,531,505
Bankfin Loans			376,585
Operating Income	154,719	254,000	51,639

A complete analysis of capital expenditure per department and a classification of service are included in appendix C. More detail regarding external loans used to finance fixed assets is shown in appendix B.

3. EXTERNAL LOANS . INVESTMENTS AND CASH

External loans outstanding on 30 June 2007 amounted to R 337 435 (2006 - R 443 456) as set out in appendix B.

Investments and cash amount to R 11 313 162 (2006 - R 4 902 485)

It must be noted that the cash amount above represent Trust funds of R 11 325 686. No money was therefore available for special funds.

4. EXPRESSION OF APPRECIATION

I am grateful to the Mayor, members of the Council, Heads of Departments for the support they have given me by controlling their budget in such away that savings were generated that contributed towards the net surplus for the year..

I would also like to express my appreciation to the staff of the Auditor-General for their co-operation and assistance during the audit of the Council's financial statements.



Johann H Doyle
Chief Financial Officer
Baviaans Municipality
29 August 2007

BAVIAANS MUNICIPALITY**BALANCE SHEET AS AT 30 JUNE 2007**

	Notes	2007	2006
		R	R
<u>Capital Employed</u>			
Funds and Reserves			
Statutory Funds	1	3,496,577	3,396,443
Reserves	2	597,396	562,205
(Accumulated deficit)/ Retained Income	19	-2,155,477	-2,843,310
		<u>1,938,496</u>	<u>1,115,338</u>
Trust Funds	3	13,424,246	4,453,728
Long term liabilities	4	173,576	279,597
Consumer's Deposits	6	106,662	102,029
		<u>15,642,980</u>	<u>5,950,692</u>
<u>Employment of Capital</u>			
Fixed Assets	7	337,435	443,456
<u>Net current assets/(liabilities)</u>		15,305,545	5,507,236
<u>Current Assets</u>			
Inventory	9	-	20,885
Debtors	10	5,730,269	2,511,188
Bank and Cash	5	2,682,283	2,586,516
Short-term investments	11	8,630,879	2,315,969
		<u>17,043,431</u>	<u>7,434,558</u>
<u>Current liabilities</u>			
Provisions	13	357,500	357,500
Creditors	14	1,216,527	1,405,963
Short-term of long-term liabilities	4	163,859	163,859
		<u>15,642,980</u>	<u>5,950,692</u>

BAVIAANS MUNICIPALITY**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	NOTES	2007	2006
<u>Cash retained from operating activities</u>		24,305,117	6,278,844
Cash generated by operation	20	-5,902,287	-4,402,592
Investment income	18	129,542	222,739
(Increase)/decrease in working capital	21	-3,383,000	-692,318
Less: External interest paid	18	-	-58,453
Cash available from operations		-9,155,745	-4,930,624
Cash contributions from public and the State		33,459,362	11,207,161
Nett proceeds on disposal of fixed assets		1,500	2,307
Cash utilised in investing activities			
Investment in fixed assets	7	-17,788,419	-4,959,729
Net cash flow		6,516,698	1,319,115
<u>Cash effects of Financing activities</u>			
Increase/(decrease) in long-term loans	22	-106,021	159,765
(Increase)/decrease in cash investments	23	-6,314,910	200,233
(Increase)/decrease in cash	24	-95,767	-1,679,233
		-6,516,698	-1,319,235

BAVIAANS MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS

Note Number	2007 R	2006 R
1 Statutory Funds	3,496,577	3,396,443
Capital development fund	9,342	9,342
Revolving fund	2,821,038	2,720,904
Dog tax fund	134,246	134,246
Housing development fund	531,951	531,951
(Refer to Appendix A for more details)		
2 Reserves	597,396	562,205
Leave reserve fund	597,396	562,205
Television relay fund		
Electrical maintenance fund		
(Refer to Appendix A for more details)		
3 Trust funds	13,424,246	4,453,728
MSP Projects	-27,566	232,469
Fire Fighting Trust (Cacadu)	5,738,929	50,000
Project Consolidated	834,273	
Spatial Development Framework	73,192	73,192
Land Sales	1,500	
Housing Project 460	97,032	
LED Paper project (Steytlerville)	716,890	691,038
Electricity donation fund	8,325	8,325
FMG Grant	664,445	94,071
HIV Luanch	9,429	7,531
Willowmore Housing Repairs (Cacadu)	21,087	24,837
Drought Relief fund	392,104	408,732
CMIP Steytlerville sewerage project	156,425	374,802
CMIP Steytlerville reservoir	-12,105	35,000
Steytlerville Housing Project	4,700,286	2,147,268
Steytlerville Sewer treatment works	-	256,463
PMS/IDP	50,000	50,000
(Refer to Appendix A for more details)		
4 Long-term Liabilities	173,576	279,597
Long term loans	337,435	443,456
Less: Short term portion	163,859	163,859
(Refer to Appendix B for more details)		

These loans bears interest at a rate that vary between 11.00% and 18.75%. These loans are redeemable in bi-annual payments. Vehicle loans are redeemable in monthly payments

5 Bank and Cash	2,682,283	2,586,516
Baviaans General Account (ABSA and Standard Bank)	583,724	487,957
Vuyolwethu Housing Account (ABSA Bank)	2,098,560	2,098,559
6 Consumer Deposits	106,662	102,029
Water and Electricity	106,662	102,029
7 Fixed Assets		
Fixed assets at the beginning of the year	43,511,319	38,551,590
Capital Expenditure during the year	19,101,618	4,959,729
Less: Assets written off, transferred or disposal of during the year		
Total fixed assets	62,612,937	43,511,319
Less: Loans redeemed and other capital receipts	62,275,502	43,067,863
Nett fixed assets	337,435	443,456
8 Long-term Debtors	-	-
Housing loans	-	707,296
Less: Provision for bad debts	-	707,296
9 Inventory	-	20,885
Inventory represents only fuel		20,885
10 Debtors	5,730,269	2,511,188
	1,589,740	980,374
Consumers	8,850,939	7,122,739
Less: Provision for bad debts	7,261,199	6,142,365
Other debtors	4,140,529	1,530,814
Sundry debtors	1,249,385	31,351
Cacadu claims	576,725	73,149
Suspence account	32,125	42,477
VAT - Nett SARS claims at year end	1,680,227	281,914
VAT - after year end adjustments & creditors payments		
VAT - Consumer debtors		493,499
IGG to be received from Bisho	400,000	400,000
Salary advances - Steytlerville	168,267	168,267
Pre-paid sales - outstanding deposit (Lucky 7)	33,800	35,673
Fuel paid in advance		4,484

11 Short term investments	8,630,879	2,315,969
Unlisted		
ABSA Bank	7,921,191	1,657,522
Standard Bank	709,688	658,447
Market value of unlisted investments	8,630,879	2,315,969
Average rate of return on investments	7.90%	5.00%
Investments consists of savings accounts and 32 days notice deposits. All funds are invested in terms of Ordinance 23 of 1935		
No investment were pledged as security for any funding activities of the Council		
Although no investments have been written off, an investment account of R 7 744 was closed by Standard Bank and transfer to their unclaimed funds account. A claim is submitted for this funds and is shown under debtors.		
12 Deferred charges		
No deferred charges were applicable as at 30 June 2007.		
13 Provisions	357,500	357,500
Audit Fees 2004/2005	157,500	157,500
Audit Fees 2005/2006	200,000	200,000
14 Creditors	1,216,526	1,405,963
Trade Creditors	362,893	380,217
Motor vehicle registration fees	338,798	411,106
Auditor-General	-	
Gaurantee Electricity project	62,434	62,434
Deposit's Halls		917
VAT - Nett SARS claim		493,499
VAT - Income not yet paid by debtors		
Suspence account	155,499	48,135
Other creditors	296,901	9,655
15 Assessment rates	922,811	834,252
All properties	922,811	834,252
16 Councillor's Remuneration	705,688	174,169
Councillor's allowances	705,688	174,169

17 Auditor's Remuneration	281,728	357,500
Audit fees		
Current year	281,728	200,000
Prior year	-	157,500
18 Finance Transaction	129,542	281,192
Total external interest earned or paid		
Interest earned	129,542	222,739
Interest paid		58,453
Capital charges debited to operating account		
Interest:	91,688	58,452
External	91,688	58,452
Internal		
Redemption:	115,411	216,820
External	115,411	216,820
Internal		
19 Appropriations		
Appropriation Account:		
Accumulated deficit at the beginning of the year	-2,843,310	-2,909,734
Operating (deficit)/surplus for the year	784,112	600,350
Appropriation for the year	-96,279	-533,926
Adjustment - Steytlerville duplicate receipts		-117,095
Re-create sewerage pond Trust fund Steytlerville		-259,915
Adjust leave reserve fund		54,557
Adjust audit cost provision for previous years		-45,624
Fees for VAT recovery audit		-88,511
Nett other adjustments		-77,338
Audit Cost 02/03	-22,656	
Audit Cost 02/03 & 03/04	-35,181	
Audit Cost 02/03 & 03/04	-84,474	
VAT Sanitation truck	46,032	-
Accumulated deficit at the end of the year	-2,155,477	-2,843,310
Operating account:	74,565	51,639
Capital expenditure	74,565	51,639
Contributions to:	561,672	912,990
Revolving fund	100,134	83,445
Leave reserve fund	50,000	
Provision for bad debts	411,538	829,545

20 Cash generated by operations

(Deficit)/Surplus for the year	784,112	600,350
Adjustments in respect of:		
Previous years operating transactions	-96,279	-533,926
Appropriations charged against income	808,562	1,324,419
Revolving fund	100,134	83,445
Leave Reserve Fund	50,000	
Provisions	658,428	1,029,545
Fixed assets	-	51,639
Interest to internal funds		159,790
Less: Operating contr. From Central and Prov. Govern.	-5,534,205	-5,426,216
Capital Charges	207,099	275,273
Interest paid to internal funds		
on external funds	91,688	58,453
Redemption of internal advances		
of external loans	115,411	216,820
Investment income (operating account)	-129,542	-80,946
Non-operating income:		
Loans received	-101,078	
Net income from provisions and reserves		14,770
Non - Operating expenditure		
Expenditure charged against provisions and Reserves	-1,840,958	-576,316
	<u>-5,902,289</u>	<u>-4,402,592</u>

21 (Increase)/decrease in working capital

(Increase)/decrease in inventory	20,885	-5,912
(Increase)/decrease in debtors, long-term debtors	-3,219,081	-435,106
Increase/(decrease) in creditors, consumers deposit	-184,804	-298,111
Less: Outstanding grant for Steytlerville Library		46,811

22 Increase/(decrease) in long-term loans (external)

Loans raised	337,435	376,585
Loans repaid	443,456	216,820

23 (Increase)/decrease in external cash investments

Investments realised	2,315,969	3,703,480
Investments made	8,630,879	3,503,127

24 (Increase)/decrease in cash on hand

Cash balance at the beginning of the year	2,586,516	907,283
Less: Cash balance at the end of the year	2,682,283	2,586,516

25 Retirement benefits

The employees of the former Willowmore Municipality are members of the Cape Joint pension fund as well as SAMWU Provident fund. Employees of the former Steytlerville Municipality are members of the SALA pension fund

26 Revolving fund

Outstanding advances to borrowing services		
Accumulated fund		
Less: Internal investment in the Rates and General Account	2,821,038	2,720,904
External investments	<u>-2,821,038</u>	<u>-2,720,904</u>
	<u>-</u>	<u>-</u>

(See Appendices A and B for more details)

BAVIAANS MUNICIPALITY

APPENDIX A
STATUTORY FUNDS, RESERVES AND TRUST FUNDS

	Balance at 30/06/2006 R	Contributions during the year R	Interest on investments R	Other income R	Operating expenditure during the year R	Capital expenditure during the year R	Balance at 30/06/2007 R
Statutory Funds							
Capital development fund	9,342						9,342
Revolving fund	2,720,904	100,134					2,821,038
Dog tax fund	134,246						134,246
Housing development fund	531,951						531,951
Sub Total	3,396,443	100,134	-	-	-	-	3,496,577
Reserves							
Leave reserve fund	562,205	50,000			14,809		597,396
Television relay fund							-
Electrical maintenance fund							-
Sub Total	562,205	50,000	-	-	14,809	-	597,396
Trust funds							
MSP Projects	232,469	-		462,537	722,572		-27,566
Fire Fighting Trust (Cacadu) (MIG)	50,000	169,587	56,546	13,296,988	175,798	7,777,646	5,738,929
Project Consolidated				953,525			834,273
Spatial Development Framework	73,192						73,192
Land Sales				1,500			1,500
Housing Project 460				784,613		687,581	97,032
LED Paper project Steytleville	691,038		61,201		35,349		716,890
Electricity donations fund	8,325						8,325
FMG Grant	94,071		150,051	1,010,895	590,572		664,445
HIV Launch	7,531			11,442	9,544		9,429
Willowmore Housing Repairs (Cacadu)	24,837				3,750		21,087
Drought Relief	408,732		15,472	256,463	32,100		392,104
CMIP - Steytleville sewer project	374,802					474,840	156,425
CMIP - Steytleville sewer reservoir	35,000					47,105	-12,105
Steytleville Housing project	2,147,268		205,570	11,148,694		8,801,247	4,700,286
Steytleville Sewer treatment works	256,463				256,463		-0
PMS/IDP	50,000						50,000
Sub Total	4,453,728	169,587	488,841	27,926,657	1,826,149	17,788,419	13,424,245
TOTAL FUNDS	8,412,376	319,721	488,841	27,926,657	1,840,958	17,788,419	17,518,218

BAVIAANS MUNICIPALITY

APPENDIX B
EXTERNAL LOANS AND INTERNAL ADVANCES

	Redeemable	Balance at 30/06/2006	Received during the year	Redeemed or written off during the year	Balance at 30/06/2007
<u>External loans</u>					
Issued					
Development Bank:					
1990 - R 35 000 @ 16.52%	2007	7,858	10	5,034	2,833
1990 - R 52 000 @ 13.75%	2007	10,338	10	6,667	3,681
Sub Total		18,196	20	11,701	6,514
ABSA Bank					
2002 - R 341 695 @ 14.87%	2007	103,182	6,633	92,182	17,633
2005 - R 376 585 @ 11.00%	2010	322,078	75,385	84,176	313,287
Sub Total		425,260	82,018	176,358	330,920
TOTAL		443,456	82,038	188,059	337,435

BAVIAANS MUNICIPALITY

**APPENDIX C
ANALYSIS OF FIXED ASSETS**

Expenditure 2006		Budget 2007	Balance at 30/06/2006	Expenditure during the year	Written off, transferred or disposed	Balance at 30/06/2007
R		R	R	R	R	R
	Rates and General Services	6,155,300	9,630,125	5,202,154	-	14,832,279
201,216	Community Services	524,000	5,202,251	243,106	-	5,445,357
81,216	Administration	524,000	819,572	152,668		972,240
120,000	Public Works	-	2,285,325	81,290		2,366,615
	Swimming Pool		54,110			54,110
	Civil Defence		1,304			1,304
	Traffic Services		221,976			221,976
	Television relay station		98,545			98,545
	Council General Expenses		1,556,889	9,147		1,566,036
	Health Services		164,530			164,530
52,558	Subsidies Services	963,000	1,636,634	367,513	-	2,004,147
	Fire Protection		16,625			16,625
52,558	Civil Buildings	963,000	494,662	367,513		862,175
	Sport Complex		550,351			550,351
	Parks & Recreation		318,017			318,017
	Cemetery		61,687			61,687
	Properties		195,292			195,292
2,063,893	Economic Services	4,668,300	2,791,240	4,591,536	-	7,382,776
2,063,893	Sanitation	4,668,300	2,791,240	4,591,536		7,382,776
693,911	Housing Services	14,858,000	7,305,864	9,572,913	-	16,878,777
693,911	Housing Schemes	14,858,000	7,305,864	9,572,913		16,878,777
1,948,151	Trading Services	4,204,745	26,575,330	4,326,551	-	30,901,881
11,017	Electricity	850,000	6,446,565	1,012,511		7,459,076
1,937,134	Water	3,354,745	20,127,959	3,314,039		23,441,998
	Abattoir		806			806
4,959,729	TOTAL	25,218,045	43,511,319	19,101,618	-	62,612,937
	Less: Loans redeemed and other capital receipts	25,218,045	43,067,863	19,289,678	82,038	62,275,502
	Loans redeemed and advances paid		3,981,276	188,059	82,038	4,087,297
	Contributions from operating income	254,000	2,003,149	154,719		2,157,868
	Grants	24,964,045	37,083,438	18,946,899		56,030,337
	NET FIXED ASSETS	-	443,456	-188,059	-82,038	337,435

BAVIAANS MUNICIPALITY

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

Actual 2006		Actual 2007	Budget 2007
R		R	R
	Income		
5,426,216	Government - Grants and Subsidies	5,534,205	5,706,998
6,768,245	Operating Income	7,648,357	9,744,809
834,252	Assessment Rates	922,811	922,478
3,430,819	Sale of Electricity	3,582,181	3,268,932
946,755	Sale of Water	1,303,330	1,331,277
1,100,463	Sanitation and refuse services	1,236,137	1,583,756
455,956	Other Services	603,899	2,638,366
12,194,461	TOTAL INCOME	13,182,562	15,451,807
	Expenditure		
4,920,097	Salaries, wages and allowances	5,406,336	5,511,132
5,078,833	General Expenditure	5,550,370	8,495,947
1,898,398	Purchase of Electricity	1,680,033	2,082,471
3,180,435	Other	3,870,337	6,413,476
556,198	Repair and Maintenance	858,380	929,288
275,273	Capital Charges	207,099	330,375
51,639	Contribution to fixed assets	74,565	64,500
912,990	Contribution to funds	561,672	531,518
-200,919	Less: Charged out	-259,973	-422,240
11,594,111	TOTAL EXPENDITURE	12,398,450	15,440,520

BAVIAANS MUNICIPALITY

**APPENDIX E
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

Actual 2006 R	Actual Expenditure 2006 R	Surplus/(deficit) 2006 R	Actual 2007 R	Actual Expenditure 2007 R	Surplus/(deficit) 2007 R	Budget 2007 R
7,576,130	7,542,164	33,966	8,297,052	8,206,311	90,741	-152,764
6,414,866	6,017,369	397,497	7,018,788	6,631,283	387,505	-91,800
834,252	83,445	750,807	922,811	100,134	822,677	852,498
4,696,328	4,125,424	570,904	16,367	1,943,834	-1,927,467	-1,905,705
583,111	460,164	122,947	4,952,020	1,759,340	3,192,679	2,907,290
12,000	350,324	-338,324	342,122	505,456	-163,334	-609,702
139,963	987,761	-847,798	418,032	831,862	-413,830	-1,391,214
149,212	10,251	138,961	367,437	1,480,087	-1,480,087	55,033
60,801	308,182	-247,381	42,127	332,781	-290,654	-282,368
55,352	25,678	29,674	39,291	54,459	-15,167	-13,291
5,425	21,720	-21,720	2,815	21,885	-21,885	-23,245
24	46,936	-41,511	20	46,950	-44,135	-45,613
	213,848	-213,824		209,487	-209,467	-200,219
1,100,463	1,216,613	-116,150	1,236,137	1,242,246	-6,109	221,404
1,100,463	1,216,613	-116,150	1,236,137	1,242,246	-6,109	221,404
4,618,331	4,051,947	566,384	4,885,510	4,192,140	693,370	162,484
3,466,793	2,728,093	738,700	3,582,181	3,069,858	512,322	101,514
1,151,538	1,323,854	-172,316	1,303,330	1,122,281	181,048	60,970
12,194,461	11,594,111	600,350	13,182,562	12,398,450	784,112	9,720
		-533,926			-96,279	
		66,424			687,833	9,720
		-2,909,734			-2,843,310	
		-2,843,310			-2,155,477	9,720

Appropriations for the year (refer to note 19)
66,424 **Nett surplus/(deficit) for the year**
 -2,909,734 Accumulated deficit at the beginning of the year
-2,843,310 **Accumulated deficit at the end of the year**

BAVIAANS MUNICIPALITY

APPENDIX F
STATISTICAL INFORMATION

General statistics

	2007	2006	2005	2004	2003
Population	16,805	15,336	15,336	10,026	10,026
Registered Voters	7,802	7,802	7,802	7,734	7,218
Valuation of taxable property					
Land	2,244,820	2,244,820	2,244,820	2,244,820	3,588,975
Improvements	80,789,301	80,789,301	80,789,301	80,789,301	70,315,241
Valuation of non taxable property					
Land	2,191,170	2,191,170	2,191,170	2,191,170	1,226,270
Improvements	8,527,900	8,527,900	8,527,900	8,527,900	7,613,300
Assessment rates					
Willowmore Residential	0.01128	0.01025	0.00847	0.0077	0.0077
Willowmore Commercial	0.01499	0.01363	0.01059	0.00963	0.00963
Steylerville Residential	0.01128	0.01025	0.00847	0.0077	0.0209
Steylerville Commercial	0.01499	0.01363	0.01059	0.00963	0.0261
Number of plots	3854	3854	3851	3544	3467
Number of employees	81	74	67	76	76

Electricity Statistics

Units bought		8,074,219	8,520,263	7,833,602	5,984,567
Units sold		6,443,848	6,012,625	5,843,167	5,188,135
Units lost in distribution		1,630,371	2,507,638	1,990,435	796,452
Units lost as a percentage		20.19%	29.43%	25.41%	13.31%
Cost per unit sold		R 0.42	R 0.45	R 0.47	R 0.53

Water Statistics

Units purified	Kl	429,280	531,260	398,687	328,000
Units sold	Kl	362,962	442,717	332,239	230,650
Units lost in distribution	Kl	66,318	88,543	66,448	97,350
Units lost as a percentage	Perc	15.45%	16.67%	16.67%	29.68%
Cost per unit sold	Rand	R 3.65	R 2.35	R 3.31	R 5.06