

**ANNUAL FINANCIAL STATEMENTS**  
**OF THE MASILONYANA LOCAL MUNICIPALITY**  
**FOR THE YEAR**  
**ENDED 30 JUNE 2008**

to

**MASILONYANA LOCAL MUNICIPALITY**

On the basis of information provided by the treasurer, I have compiled, in accordance with the Related Service Statement on Compilation Engagements, the balance sheet of the Municipality at 30 June 2008 and the related statements of income, cash flow, notes and schedules for the year then ended as set out on pages 3 to 34. The Council is responsible for this financial information.

Please note that several accounting issues relating to the Municipalities records, could not be resolved due to lack of information. If I were able to obtain this information, the financial statements would have changed substantially.

August 31,2008

**MASILONYANA LOCAL MUNICIPALITY**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

**GENERAL INFORMATION**

**Members of the executive committee:**

Councillor K S Koalane  
Councillor N G Bosman  
Councillor G A Makekema  
Councillor J Schmidt

**Grading of local authority**

Grade 3

**Auditor:**

The Auditor - General

**Bankers**

ABSA Bank  
Account no: 405 351 7822  
Cheque account

**Registered office:**

P O Box 8  
Theunissen  
9410

Telephone: 057 - 733 0106  
Fax : 057 - 733 1942

**Municipal Manager**

Mrs MS Maboe-Phike

**Chief Finance Officer**

Mr. I Tlatsi

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

**MEMBERS**

<b>No</b>	<b>Councillors</b>
1	K S Koalane
2	M M Lekaota
3	G A Makekema
4	LL Leshosi
5	I W Martens
6	T Mjuleni
7	J A S van Straaten
8	M G Maphobole
9	Z T Ntjwabule
10	X J Toki
11	S J Mabitle
12	M R Chalale
13	P T Botha
14	H E Duma (Deceased)
15	T D Chakache
16	S L Kgoe
17	M S Sekele
18	I P Senokoane (Deceased)
19	J Schmidt
20	NG Bosman
21	KE Moremedi
22	MM Mothekhe

**MAYOR**

K S Koalane

**APPROVAL OF THE FINANCIAL STATEMENTS**

The annual financial statements, as set out on pages 6 to 34, were approved by the Municipal Manager on \_\_\_\_\_ and will be presented to Council for approval.

\_\_\_\_\_  
**MUNICIPAL MANAGER**

\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

**FOREWORD**

The foreword by the Mayor was still outstanding at completion of statements

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

**REPORT OF THE AUDITOR-GENERAL TO THE COUNCIL OF MASILONYANA LOCAL MUNICIPALITY  
FOR THE FINANCIAL YEAR ENDED ON 30 JUNE 2007**

.  
The Auditor-General did table his report.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

## CHIEF FINANCIAL OFFICER'S REPORT

## 1. Operating results

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2008 are as follows:

<b>INCOME</b>	<i>Actual</i> 2007	<i>Actual</i> 2008	<i>Variance</i> 2007/8	<i>Budget</i> 2008	<i>Variance</i> <i>Actual/</i> <i>budget</i>
	R	R	%	R	%
Opening Surplus/(Deficit)	(21 817 492)	(20 233 890)	-7.26%		
Income for the year	63 255 312	81 784 751	29.29%	84 935 859	-3.71%
	41 437 820	61 550 861		84 935 859	
<b>EXPENDITURE</b>					
Expenditure	72 661 038	106 418 118	46.46%	84 849 438	25.42%
Sundry transfers	(1 248 580)	(14 235 524)	1040.14%		
Closing Surplus/(Deficit)	(20 233 889)	(30 631 733)	51.39%	( 86 421)	
	51 178 569	61 550 861		84 935 859	

## 1.1 Rates and General Services

	<i>Actual</i> 2007	<i>Actual</i> 2008	<i>Variance</i> 2007/8	<i>Budget</i> 2008	<i>Variance</i> <i>Actual/</i> <i>Budget</i>
	R	R	%	R	%
Income	46 159 078	59 372 178	28.63%	65 015 989	-8.68%
Expenditure	72 696 019	86 578 782	19.10%	67 495 498	28.27%
Surplus / (Deficit)	(26 536 941)	(27 206 604)		(2 922 728)	
Surplus / (Deficit) as % of total Income	-57.49%	-45.82%			



**MASILONYANA LOCAL MUNICIPALITY**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

**CHIEF FINANCIAL OFFICER'S REPORT (CONTINUED)**

**1.2 Housing Services**

	<i>Actual</i> 2007	<i>Actual</i> 2008	<i>Variance</i> 2007/8	<i>Budget</i> 2008	<i>Variance</i> <i>Actual/</i> <i>Budget</i>
	R	R	%	R	%
Income	-	-	0.00%	-	0.00%
Expenditure	563 106	650 456	15.51%	498 613	30.45%
Surplus / (Deficit)	( 563 106)	( 650 456)		498 613	

In accordance with the stipulation of the Housing Act ( Act 107 of 1997), the net proceeds of the housing scheme must be transferred to operating account of the Housing Fund. The deficit represents the administration cost to be allocated to the Rate and General Services.

**1.3 Trading Services**

The price of a unit of electricity purchased and fuel as well as postal and telecommunication charges are subject to administered adjustments and as a result therefore expenditure and income are expected to increase or

The following is a summary of the operating results of the Municipality's Trading Services:

**Electricity Services**

	<i>Actual</i> 2007	<i>Actual</i> 2008	<i>Variance</i> 2007/8	<i>Budget</i> 2008	<i>Variance</i> <i>Actual/</i> <i>Budget</i>
	R	R	%	R	%
Income	9 406 251	13 275 900	41.14%	9 305 296	42.67%
Expenditure	14 379 295	12 902 758	-10.27%	8 399 522	53.61%
Surplus / (Deficit)	(4 973 044)	373 142		905 774	
Surplus / (Deficit) as % of total Income	-52.87%	2.81%			

## MASILONYANA LOCAL MUNICIPALITY

## FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

## CHIEF FINANCIAL OFFICER'S REPORT (CONTINUED)

**Water Services**

	<i>Actual 2007</i>	<i>Actual 2008</i>	<i>Variance 2007/8</i>	<i>Budget 2008</i>	<i>Variance Actual/ Budget</i>
	R	R	%	R	%
Income	7 689 982	9 136 673	18.81%	10 614 574	-13.92%
Expenditure	21 248 896	6 286 123	-70.42%	8 012 585	-21.55%
Surplus / (Deficit)	(13 558 914)	2 850 550		2 601 989	
Surplus / (Deficit) as % of total Income	-176.32%	31.20%			

**2. Capital expenditure and financing**

The expenditure on fixed assets during the year amounted to R 87 585 024. The actual expenditure consists of the following:

	<i>2008 Actual</i>	<i>2008 Budget</i>	<i>2007 Actual</i>
	R	R	R
Office of the Mayor	-	-	-
Municipal Manager	-	-	-
Properties	2 420 851	-	-
Directorate- Community services	-	700 000	-
Roads and Streets	1 880 379	0	544 785
Directorate Financial Services	-	-	-
Public Safety	-	300 000	-
Municipal Offices	-	-	0
Building and Estates	-	-	-
Sanitation and Refuse	78 745 120	75 963 000	28 061 174
Water	3 101 353	300 000	-
Electricity	306 396	-	8 288
	86 454 098	77 263 000	28 614 247

**MASILONYANA LOCAL MUNICIPALITY**

**FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

**CHIEF FINANCIAL OFFICER'S REPORT (CONTINUED)**

Resources used to finance the fixed assets were as follows:

	2008 <i>Actual</i>	2008 <i>Budget</i>	2007 <i>Actual</i>
	<b>R</b>	<b>R</b>	<b>R</b>
Contributions ex operating income	3 453 185	1 300 000	2 951 247
Grants and Subsidies	83 000 913	75 963 000	25 663 000
	86 454 098	77 263 000	28 614 247

**3. External loans, investments and cash**

External loans outstanding on 30 June 2008 amounted to R4 595 673 as set out in appendix B. During the year loans to the amount of R1 073 501 were repaid.

Investments and cash were as follows:

	<b>R</b>
Current bank account	0
Cash on hand	(5 403 055)
Investments	1 368 739
	(4 034 316)

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

**4. Funds and reserves**

The total of all funds and reserves of the Council amounted to R18 419 288 at 30 June 2008. More information regarding funds and reserves are disclosed in the notes (1 to 3) and appendix A to the financial statements.

Fund	<b>R</b>
Statutory Funds	17 604 781
Trust Funds	0
Reserves	814 509
Total	18 419 288

**5. Post balance sheet events**

After the Balance Sheet was finalised no additional information was received that could have had an effect on the affairs reflected.

**FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

**CHIEF FINANCIAL OFFICER'S REPORT (CONTINUED)**

**6. Expression of appreciation**

I am grateful to the Mayor, the Chairman of the Executive committee, Councillors, the Municipal Manager, and all office staff for the support they have given me and to the staff of my own office and in particular to the local representatives of the Auditor-General and the auditors appointed by the Auditor-General for their assistance and support during the year.

Chief Financial Officer  
August 31,2008

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008****ACCOUNTING POLICIES****1 Basis of presentation**

- 1.1 The financial statements have been prepared so as to conform to the standard laid down by the Institute of Municipal Finance Officers in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (2nd edition - January 1996)
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as fully detailed in accounting policy note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
- Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as certain licenses.
  - Expenditure is accrued in the year it is incurred.

**2 Consolidation**

The financial statements include the Rate and General Services, Trading Services and the different funds and reserves. All interdepartmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity, water and premium charged to the fund, which are treated as income and expenditure in the respective departments

**3 Fixed assets****3.1 Fixed assets are stated:**

- at historical cost; or
- at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the treasurer.

**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 exist. By way of this "provision" assets are written down over their estimated useful life. Apart from advances from the various Council funds, assets may also be acquired through:

Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income, and it is therefore unnecessary to make any further provision for

Grant or 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 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated life of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008****ACCOUNTING POLICIES (CONTINUED)****4 Inventory**

No Inventories. Inventories is included in the amount as disclosed as assets

**5 Funds and reserves****5.1 Capital Development Fund**

The Capital Development Fund per Ordinance 8 of 1962 requires a minimum contribution of 1,0% of the defined income of a local authority.

**5.2 Erven trust Fund**

Contributions are in terms of section 85 of Ordinance 8 of 1962.

**5.3 Renewal Fund**

Contributions are in terms of budget.

**5.4 Community and infrastructure**

The fund originated from the merger with previous black local authorities.

**5.5 Leave- pay provision**

A leave provision is built up to finance accumulated leave payments when employees leave the service of the municipality.

**6 Retirement benefits**

Masilonyana Municipality and its councillors and its employees contribute to the SALA Pension Fund, Free State Municipal Provident Fund, SAMWU National Provident Fund, Municipal Pension Fund for Councillors and the Free State Municipal Pension Fund which provides retirement benefits to such employees. The retirement benefit plan is subject to the Pensions Funds Act, 1956, with pensions being calculated on the final pensionable remuneration paid. Current contribution are charged against operating income on the basis of current service costs.

Unfavourable experience adjustments and the cost of securing increased benefits are written off over the lesser of the remaining period of service of employees or five years. Favourable experience adjustments are retained in the retirement benefit plan. Full actuarial valuations are performed at least every three years.

**7 Surpluses and deficits**

Any surpluses or deficits arising from the operation of the Electricity and Water services are transferred to Rate and General services. There are no closed accounts and therefore no surplus or deficit is retained in that service for its own use.

**FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2008****ACCOUNTING POLICIES (CONTINUED)****8 Treatment of administration and other overhead expenses**

The costs of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

**9 Leased assets**

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement.

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilized in each

All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

**10 Investments**

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested in the securities prescribed in section 84 of Ordinance 8 of 1962 and section 10 G(9)(a) of Local Government Transition Act of 1993, as amended.

**11 Income recognition****11.1 Electricity and Water billings**

Meters in industrial areas, premises with high tension supplies, high density residential areas and all other properties are read and billed monthly.

**11.2 Assessment Rates**

The income from assessment rates is recognised when levied annually and calculated to bill respective tax payers monthly. A rebate of 20% is granted on state property.

## BALANCE SHEET AT 30 JUNE 2008

	Notes	2 008 R	2 007 R
<b>CAPITAL EMPLOYED</b>			
<b>Funds and Reserves</b>		<b>18 419 289</b>	17 242 119
Accumulated funds	1	<b>17 604 781</b>	16 443 096
Reserves	2	<b>814 508</b>	799 023
Unappropriated surplus	17	<b>(30 631 733)</b>	(20 233 890)
		<b>(12 212 444)</b>	(2 991 771)
Trust funds	3	<b>0</b>	780 809
Long-term liabilities	4	<b>4 249 093</b>	733 709
Consumer deposits: services	5	<b>837 524</b>	764 301
		<b>(7 125 827)</b>	(712 952)
<b>EMPLOYMENT OF CAPITAL</b>			
<b>Non-Current Assets</b>		<b>1 089 749</b>	1 801 430
Fixed assets	6	<b>1 033 053</b>	1 756 748
Investments	7	<b>56 696</b>	44 682
<b>Net Current Assets/ Liabilities</b>		<b>(8 215 576)</b>	(2 514 382)
<b>Current Assets</b>		<b>41 137 984</b>	54 702 566
Debtors	10	<b>45 022 317</b>	53 869 309
Short-term portion of long-term debtors	8	<b>87 900</b>	87 900
Inventory	9	<b>118 781</b>	0
Cash on hand and bank		<b>(5 403 055)</b>	79 280
Short term investments	7	<b>1 312 043</b>	666 077
<b>Current Liabilities</b>		<b>49 353 560</b>	57 216 947
Provisions	11	<b>3 114 242</b>	2 574 972
Creditors	12	<b>45 892 737</b>	54 295 395
Short-term portion of long-term liability	4	<b>346 580</b>	346 580
		<b>(7 125 827)</b>	(712 952)



**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 R	2007 R
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>		<b>78 171 789</b>	14 375 271
Cash generated by operations	18	(8 898 176)	2 610 717
Investment income		309 715	287 025
(Increase) / decrease in working capital	19	398 777	(17 133 002)
		<b>(8 189 684)</b>	(14 235 260)
External interest paid	16	( 658 088)	( 186 505)
<b>Cash available from operations</b>		<b>(8 847 772)</b>	(14 421 765)
Cash contributions from the public and state		<b>87 019 561</b>	28 797 036
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>			
Investment in fixed assets		<b>(87 585 024)</b>	(28 614 147)
<b>NET CASH FLOW</b>		<b>(9 413 236)</b>	(14 238 876)
<b>CASH EFFECT OF FINANCING ACTIVITIES</b>			
Increase / (decrease) in long-term loans	20	<b>4 588 884</b>	( 182 789)
(Increase) / decrease in cash investments	21	( 657 981)	10 839 666
(Increase) / decrease in cash on hand	22	<b>5 482 334</b>	3 582 000
<b>Net cash generated / (utilised)</b>		<b>9 413 236</b>	14 238 876

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

<b>2007</b>	<b>2007</b>	<b>2007</b>		<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>
<b>Actual</b>	<b>Actual</b>	<b>Actual</b>		<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>
<b>income</b>	<b>expenditure</b>	<b>surplus/ (deficit)</b>		<b>income</b>	<b>expenditure</b>	<b>surplus/ (deficit)</b>	<b>surplus/ (deficit)</b>
<b>R</b>	<b>R</b>	<b>R</b>		<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
53 149 261	54 997 693	(1 848 432)	<b>Rates &amp; General Services</b>	59 372 178	86 578 782	(27 206 604)	(2 922 728)
37 969 773	45 499 194	(7 529 421)	Community services	43 046 395	60 320 570	(17 274 176)	(9 087 596)
303	929 355	( 929 052)	Subsidised services	417	942 665	( 942 248)	(1 295 971)
15 179 185	8 569 144	6 610 041	Economic services	16 325 366	25 315 546	(8 990 181)	7 460 839
-	563 106	( 563 106)	<b>Housing Services</b>	-	650 456	( 650 456)	(498 613)
18 904 894	17 100 239	1 804 654	<b>Trading Services</b>	22 412 573	19 188 880	3 223 693	3 507 763
72 054 154	72 661 038	( 606 884)	<b>TOTAL</b>	81 784 751	106 418 118	(24 633 367)	86 421
			Appropriations for the year-				
		2 190 488	Note 17			14 235 524	
		1 583 603	<b>Net surplus / (deficit) for the</b>			(10 397 843)	
		(21 817 493)	<b>year</b>			(20 233 890)	
			Accumulated surplus / (deficit)				
			beginning of the year				
			<b>ACCUMULATED</b>				
			<b>SURPLUS / DEFICIT AT</b>				
		(20 233 890)	<b>THE END OF THE YEAR</b>			(30 631 733)	

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008	2007
	R	R
<b>1. ACCUMULATED FUNDS</b>		
Capital Development Fund	10 394 085	9 370 645
Erven Trust Fund	2 747 074	2 683 161
Community Fund	3 737	3 737
Renewal	4 433 625	4 359 293
Infrastructure	26 260	26 260
<i>(Refer to appendix A for more detail)</i>	<u>17 604 781</u>	<u>16 443 096</u>
<b>2. RESERVES</b>		
Loss of Rental Fund	54 809	51 712
Capital Reserve	755 419	743 030
Water Reserve Fund	160	160
Housing	4 121	4 121
<i>(Refer to appendix A for more detail)</i>	<u>814 509</u>	<u>799 023</u>
<b>3. TRUST FUNDS</b>		
Building Maintenance Fund	0	211 316
Community Facilities Fund	0	9 825
Infant School Fund	0	10 376
Civil Defence Fund	0	20 354
Library Fund	0	1 234
Health Fund	0	0
Leasehold Measurement Fund	0	1 452
Sale Commission Fund	0	8 544
Infrastructure Development Fund	0	487 006
Loan Redemption Fund	0	29 702
Schnehage	0	1 001
<i>(Refer to appendix A for more detail)</i>	<u>0</u>	<u>780 809</u>
<b>4. LONG-TERM LIABILITIES</b>		
State and other loans	4 595 673	1 080 289
Current portion of long term liability	( 346 580)	( 346 580)
<i>(Refer to appendix B for more detail)</i>	<u>4 249 093</u>	<u>733 709</u>

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)

	2008	2007
	R	R
<b>5. CONSUMER DEPOSITS</b>		
Electricity and water	<b>837 524</b>	764 301
No guarantees in lieu of Electricity and Water deposits were held		
<b>6. FIXED ASSETS</b>		
Fixed assets beginning of the year	<b>168 474 992</b>	139 860 745
Capital expenditure during the year	<b>87 585 024</b>	28 614 247
Assets written of and prior years adjustments	<b>(1 289 163)</b>	0
<b>Total fixed assets</b>	<b>254 770 854</b>	168 474 992
Less: Loans redeemed and other capital receipts	<b>(253 737 805)</b>	(166 718 244)
<b>Net fixed assets</b>	<b>1 033 049</b>	1 756 748
<i>(Refer to appendix C for more information)</i>		
<b>7. INVESTMENTS</b>		
<i>Unlisted</i>	<b>1 368 739</b>	710 760
Long Term deposits	<b>1 312 043</b>	666 077
Other Deposits	<b>56 696</b>	44 683
Short - term investments	<b>1 312 043</b>	666 077
Long - term investments	<b>56 696</b>	44 683
	<b>1 368 739</b>	710 760
Avarage rate of the investment	<b>1.1%</b>	1.1%

Section 84 of the Local Government Ordinance (8 of 1962) requires local authorities to invest funds which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment.

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)

	2008	2007
	R	R
<b>8. LONG - TERM DEBTORS</b>		
Car loans	87 900	87 900
Current portion transferred to Current Assets.	<u>( 87 900)</u>	<u>( 87 900)</u>
	<u><u>0</u></u>	<u><u>0</u></u>
<b>9. INVENTORY</b>		
Consumable stock	<u>118 781</u>	<u>0</u>
Diesel and petrol stock as at year-end.		
<b>10. DEBTORS</b>		
Current debtors (consumers)	159 162 349	129 771 102
Suspence Debtors	426 848	8 416 871
Sundry Debtors	2 253 095	2 253 095
	<u>161 842 292</u>	<u>140 441 068</u>
Amounts paid in advance	776 754	374 879
Provision for bad debts	<u>(117 596 729)</u>	<u>(86 946 638)</u>
	<u><u>45 022 317</u></u>	<u><u>53 869 309</u></u>
<b>11. PROVISIONS</b>		
Provision for annual bonuses	385 344	0
Provision for leave	2 728 898	2 574 971
	<u>3 114 242</u>	<u>2 574 971</u>
<b>12. CREDITORS</b>		
Trade creditors	887 887	12 430 500
Suspence Creditors	137 256	8 406 897
Other Creditors	44 090 841	30 976 482
Sundry/other creditors	776 754	2 481 517
	<u>45 892 737</u>	<u>54 295 395</u>

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)

	2008	2007
	R	R
<b>13. ASSESSMENT RATES</b>		
	<b>Actual income</b>	Actual income
	<b>R</b>	R
Residential and Commercial	<b>11 259 388</b>	9 250 948
The last general valuation came into effect on 1 July 1996. The basic rate was 6.41c and 1.63c in the Rand on the valuation of land and improvements respectively. The rebate of 20% is granted for state property.		
<b>14. COUNCILOR'S AND MANAGER'S REMUNERATION</b>	<b>R</b>	R
Mayor's allowance	<b>499 330</b>	299 799
Speaker's allowance	<b>424 904</b>	
Councilors' allowances	<b>2 812 275</b>	1 334 687
	<b>3 736 509</b>	1 634 486
Municipal Manager	<b>526 164</b>	388 100
Director: Technical Services	<b>235 357</b>	405 206
Chief Financial Officer	<b>300 000</b>	419 910
Chief of Operations	<b>480 509</b>	396 142
Director: Social & Community Services	<b>392 501</b>	167 833
Director: Corporate Services	<b>420 058</b>	427 877
<i>(Also refer to note 33 for more detail)</i>	<b>2 354 589</b>	<b>2 205 067</b>
<b>15. AUDITOR'S REMUNERATION</b>		
Audit fees	<b>893 015</b>	362 697
<b>16. FINANCING TRANSACTIONS</b>		
Total interest earned or paid:		
Interest earned	<b>309 715</b>	287 025
Interest paid	<b>658 088</b>	186 505
Capital charges debited to operating account:		
Interest: External	<b>658 088</b>	186 505
Internal	<b>0</b>	0
Redemption: External	<b>0</b>	182 789
Internal	<b>0</b>	0
	<b>658 088</b>	369 294

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)

	2008	2007
	R	R
<b>17. APPROPRIATIONS</b>		
Appropriation account		
Accumulated surplus / (deficit): beginning of the year	(20 233 890)	(21 817 493)
Operating surplus / (deficit) for the year	(24 633 367)	( 606 884)
Appropriations for the year:		
- Prior year adjustments	14 235 524	2 190 488
Adjustments against bank and cash		55 256
Adjustments against expenditure		( 311 721)
Adjustments against income		3 695 371
Adjustments against creditors and funds	13 211 309	0
Adjustments against loans	552 589	( 589 940)
Adjustments assets	123 753	0
Adjustments previous years( Debtors & stale cheques)	347 874	( 658 479)
Accumulated surplus / (deficit): end of the year	<u>(30 631 733)</u>	<u>(20 233 890)</u>
<b>OPERATING ACCOUNT</b>		
Capital expenditure		
Contributions to:		
Capital Development Fund	850 000	720 000
Audit fees	0	0
Bad debts	30 650 091	4 338 439
Leave Encashment	0	0
	<u>31 500 091</u>	<u>5 058 439</u>
<b>18. CASH GENERATED BY OPERATIONS</b>		
Surplus/(deficit) for the year	(24 633 367)	( 606 884)
Adjustments in respect of previous years'	14 235 524	2 190 488
Appropriation charged against income	2 224 794	1 127 634
Capital development fund	850 000	720 000
Interest received	309 715	287 026
Other Funds and Reserves	( 763 353)	120 608
Provisions and reserves	539 270	0
Assets written of and prior years adjustments	1 289 163	
Interest paid		
External loans	658 088	186 505
Redemption		
Internal Advances	0	0
External loans	(1 073 501)	0
Investment income:		
Expenditure against Funds and Reserves	0	0
Interest on investments received	<u>( 309 715)</u>	<u>( 287 025)</u>





## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)

	2008	2007
	R	R
<b>19. (INCREASE)/DECREASE IN WORKING CAPITAL</b>		
(Increase)/decrease in debtors	8 846 993	(17 190 214)
(Increase)/decrease in stock	( 118 781)	653 812
(Increase)/decrease in creditors	(8 329 434)	( 596 601)
	<u>398 777</u>	<u>(17 133 002)</u>
<b>20. INCREASE/(DECREASE) IN LONG - TERM LOANS - EXTERNAL</b>		
Loans raised	4 588 885	0
Loans repaid/written off		( 182 789)
	<u>4 588 885</u>	<u>( 182 789)</u>
<b>21. (INCREASE)/DECREASE IN INVESTMENTS</b>		
Investment made		0
Investment realised	( 657 979)	10 839 664
	<u>( 657 979)</u>	<u>10 839 664</u>
<b>22. (INCREASE)/DECREASE IN CASH ON HAND</b>		
Cash balance: beginning of the year	79 280	3 661 280
Cash balance: end of the year	(5 403 055)	79 280
	<u>5 482 335</u>	<u>3 582 000</u>
<b>23. RETIREMENT BENEFITS</b>		
The personnel and councillors are members of the SALA Pension Fund, Free State Municipal Provident Fund, SAMWU National Provident Fund, Municipal Pension Fund for Councillors and the Free State Municipal Pension Fund.		
<b>24. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</b>		
Repo wild 1001 CC T/A Makhulu construction vs Masilonyana Municipality Case number	48 205	48 205
Guarantees to banks for loans to employees	57 000	57 000
	<u>105 205</u>	<u>105 205</u>
<b>25. CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
Approved	13 540 000	87 127 646
	<u>13 540 000</u>	<u>87 127 646</u>
This expenditure will be financed from :		
MIG		

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)

	2008	2007	
	R	R	
<b>26. CAPITAL DEVELOPMENT FUND</b>			
Outstanding advances to borrowing services			
Accumulated funds	10 394 085	9 370 645	
Less: Internal investments	0	0	
(Refer to appendix A and B for more detail)	<u>10 394 085</u>	<u>9 370 645</u>	
<b>27. ERVEN TRUST FUND</b>			
Outstanding advances to borrowing services			
Accumulated fund	2 747 074	2 683 161	
Less: External investment	1 368 739	710 760	
Less: Internal investments	0	0	
(Refer to appendix A and B for more detail)	<u>1 378 335</u>	<u>1 972 401</u>	
<b>28. RENEWAL FUND</b>			
Outstanding advances to borrowing services			
Accumulated fund	4 433 625	4 359 293	
Less: Internal investments	0	0	
(Refer to appendix A and B for more detail)	<u>4 433 625</u>	<u>4 359 293</u>	
<b>29. BANK OVERDRAFT</b>			
The bank overdraft is secured for R1 500 000. A portion of Winburg townlands serves as security for the bank overdraft			
<b>30. COUNCILLOR'S CONSUMER ACCOUNTS</b>			
No councillors account was in arrears for more than 90 days in the applicable financial year. (Section 124(1)(b) of the MFMA No. 56 of 2003)			
<b>31. INVESTMENTS</b>			
(Also refer to note 7)			
<b>BANK</b>	<b>TYPE</b>		
		R	
		R	
FNB	Fixed Deposit	94 047	85 875
FNB	Fixed Deposit	48 147	43 964
FNB	Fixed Deposit	192 661	175 921
ABSA	Savings Account	474 834	8 323
ABSA	Savings Account	102 987	97 459
ABSA	Fixed Deposit	200 000	200 000
ABSA	Fixed Deposit	11 002	11 002
ABSA	Fixed Deposit	8 695	8 072
ABSA	Fixed Deposit	14 705	13 667
ABSA	Call Account	10 619	9 945
ABSA	Savings Account	154 345	11 849



## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)

<b>BANK</b>	<b>TYPE</b>	<b>2 008</b>	<b>2 007</b>
		<b>R</b>	<b>R</b>
Senwes Shares	Shares	29 142	21 225
Senwesbel Shares	Shares	27 554	23 458
		<b>56 696</b>	<b>44 683</b>

**32. DEBTORS**

Debtors outstanding in days	<b>1 260</b>	1 078
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**33. COUNCILOR'S AND MANAGER'S REMUNERATION ( DETAIL**

(Section 124(2)(b) of the MFMA No. 56 of 2003)

*( Also refer to note 14)*

## Mayor's remuneration

Travel allowance	<b>109 191</b>
Public office bearers allowance	<b>325 419</b>
Cellphone allowance	<b>13 708</b>
Pension contributions from Employer	<b>49 571</b>
Medical contributions from Employer	<b>1 440</b>
Total remuneration	<b>499 329</b>

## Speaker's allowance

Travel allowance	<b>88 883</b>
Public office bearers allowance	<b>271 464</b>
Cellphone allowance	<b>13 708</b>
Pension contributions from Employer	<b>38 286</b>
Medical contributions from Employer	<b>12 562</b>
Total remuneration	<b>424 903</b>

## Councilors' allowances

Travel allowance	<b>609 319</b>
Public office bearers allowance	<b>1 820 648</b>
Cellphone allowance	<b>146 923</b>
Pension contributions from Employer	<b>212 543</b>
Medical contributions from Employer	<b>22 841</b>
Total remuneration	<b>2 812 274</b>

## Municipal Manager

Travel allowance	<b>84 000</b>
Salary	<b>354 638</b>
Cellphone allowance	<b>12 000</b>
Pension contributions from Employer	<b>59 297</b>
Medical contributions from Employer	<b>10 781</b>
Housing	<b>5 448</b>
Total remuneration	<b>526 164</b>

Chief Financial Officer ( 4 months vacant)

Travel allowance	<b>80 000</b>
Salary	<b>220 000</b>
Total remuneration	<b><u>300 000</u></b>

**MASILONYANA LOCAL MUNICIPALITY**

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**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)**

2 008                      2 007

Director: Tehnical Services ( 6 months vacant)

Travel allowance	<b>60 000</b>
Salary	<b>170 833</b>
Cellphone allowance	<b>1 800</b>
Housing	<b>2 724</b>
Total remuneration	<b><u>235 357</u></b>

Chief of Operations

Travel allowance	<b>84 000</b>
Salary	<b>381 572</b>
Cellphone allowance	<b>3 600</b>
Medical contributions from Employer	<b>5 889</b>
Housing	<b>5 448</b>
Total remuneration	<b><u>480 509</u></b>

Director: Corporate Services ( 5 months vacant)

Travel allowance	<b>107 000</b>
Salary	<b>308 698</b>
Cellphone allowance	<b>300</b>
Pension contributions from Employer	<b>2 302</b>
Medical contributions from Employer	<b>1 758</b>
Total remuneration	<b><u>420 058</u></b>

Director: Community and Social Services

Travel allowance	<b>67 947</b>
Salary	<b>320 954</b>
Cellphone allowance	<b>3 600</b>
Total remuneration	<b><u>392 501</u></b>

**34. GRANTS RECEIVED FOR THE YEAR 2007/8**

2 008                      2 007

	<b>Received</b>	<b>Expend</b>	<b>Purpose</b>	<b>Balance</b>	
Equitable share	31 887 299	31 887 299	( Subsidies indigents)	<b>0</b>	Not disclosed
MIG	80 127 646	80 127 646	(Infrastructure development)	<b>0</b>	Not disclosed
MSIG	734 000	734 000	(Payments to service provid	<b>0</b>	Not disclosed
FMG	500 000	500 000	(Payment of interns)	<b>0</b>	Not disclosed

**35. UNAUTHORISED EXPENDITURE**

Budget	<b>84 849 438</b>	Not disclosed
Actual	<b><u>106 418 118</u></b>	Not disclosed
Unauthorised (mainly due to provision for bad debts)	<b><u><u>(21 568 680)</u></u></b>	Not disclosed

APPENDIX A: STATUTORY FUNDS, RESERVES AND TRUST FUNDS FOR THE YEAR ENDED 30 JUNE 2008

	Balance on 01-07-07	Adjust	Contributions during the year	Interest on invest- ment	Other income	Operating expend during the year	Capital expenditure for the year	Balance on 30-06-08
	R	R	R	R	R	R	R	R
<b>ACCUMULATED FUNDS</b>								
Capital Development Fund	9 370 645		850 000	173 440				10 394 085
Renewal Fund	4 359 293			74 331				4 433 625
Erven Fund	2 683 161		17 456	46 457				2 747 074
Community Infrastructure	3 737 26 260							3 737 26 260
	<u>16 443 096</u>	<u>0</u>	<u>867 456</u>	<u>294 229</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17 604 781</u>
<b>RESERVES</b>								
Loss of rental	51 712			3 097				54 809
Capital Reserve	743 030			12 389				755 419
Water Reserve	160							160
Housing	4 121							4 121
	<u>799 023</u>	<u>0</u>	<u>0</u>	<u>15 486</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>814 509</u>
<b>TRUST FUNDS</b>								
Building Mantainance Fund	211 316	(211 316)						0
Community Facilities Fund	9 825	(9 825)						0
Infant School Fund	10 376	(10 376)						0
Cevil Defence Fund	20 354	(20 354)						0
Library Fund	1 234	(1 234)						0
Leasehold Measurement Fund	1 452	(1 452)						0
Sales Commission Fund	8 544	(8 544)						0
Infrastructure Development Fund	487 006	(487 006)						0
Loan Redemption Fund	29 702	(29 702)						0
Schnehage	1 001	(1 001)						0
	<u>780 810</u>	<u>(780 810)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<u>18 022 930</u>	<u>(780 810)</u>	<u>867 456</u>	<u>309 715</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18 419 289</u>

## APPENDIX B: EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 30 JUNE 2008

EXTERNAL LOANS	Interest Rate in	Redeemable Dates	Balance on 01-07-07	Received during the year	Arrears Capitilised	Redeemed or written off during the year	Balance on 30-06-08
			R	R	R	R	R
Loan 41 99990	16.0%	2014	13 922			( 1 067)	12 855
Loan 41 99991	16.0%	2014	17 502			( 1 341)	16 161
Loan 4199992	16.0%	2014	16 920			( 1 296)	15 624
Loan 41 99994	16.0%	2014	7 502			( 575)	6 927
L11 100003	14.0%	2015	42 169			( 42 169)	0
L6 100008	9.3%	2015	40 681			( 40 681)	0
L7 100009	9.7%	2015	8 989			( 8 989)	0
CGE 6 100029	17.0%	2007	24 437			( 24 437)	0
CGE 10 100030	16.4%	2012	89 761			( 89 761)	0
Loan 41 99989	16.0%	2014	34 903			( 2 674)	32 229
CGE 7 100032	17.0%	2008	4 150			( 4 150)	0
CGE 5 100034	17.0%	2007	2 036			( 2 036)	0
Loan 41 99988	16.0%	2014	38 393			( 2 941)	35 452
CGE 8 100035	17.0%	2008	7 270			( 7 270)	0
CGE 9 100036	17.0%	2007	3 666			( 3 666)	0
CGE 14 100012	9.5%	2010	27 688			( 27 688)	0
Loan 19 99995	11.7%	2008	1 367			( 1 367)	0
Loan 40 99997	13.3%	2014	226 214		4 588 184	-538 027	4 276 372
Loan 41 99998	16.0%	2014	43 853			( 4 153)	40 401
L8 100010	10.0%	2015	18 342			( 18 342)	0
L28 100015	16.0%	2015	172 896			( 13 245)	159 651
L29 100016	19.0%	2015	0			0	0
L31 100017	15.1%	2005	10 475			( 10 475)	0
E3 100022	8.0%	2006	4 652			( 4 652)	0
E5 100024	12.5%	2006	2 114			( 2 114)	0
E6 100025	13.0%	2006	1 877			( 1 877)	0
E7 100026	17.0%	2007	0			0	0
E8 100027	17.1%	2008	26 222			( 26 222)	0
L1 100021	16.5%	2005	192 285			( 192 285)	0
			<u>1 080 289</u>	<u>-</u>	<u>#####</u>	<u>(1 073 501)</u>	<u>4 595 673</u>
TOTAL			<u>1 080 289</u>	<u>-</u>	<u>#####</u>	<u>(1 073 501)</u>	<u>4 595 673</u>



**APPENDIX D: ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2008**

<b>2 007</b>		<b>2 008</b>	<b>2 008</b>
<b>Actual</b>		<b>Actual</b>	<b>Budget</b>
<b>R</b>		<b>R</b>	<b>R</b>
<b>INCOME</b>			
22 324 566	<b>Grants and subsidies</b>	26 864 947	33 243 000
22 324 566	- Central and Provincial Government	26 864 947	33 243 000
49 729 587	<b>Operating income</b>	54 919 804	51 692 859
9 250 948	- Assesment rates	11 259 388	11 399 229
10 615 714	- Sale of electricity	12 580 729	9 305 296
5 371 362	- Sale of water	6 737 195	10 614 574
24 491 564	- Other income and service charges	24 342 492	20 373 760
<u>72 054 153</u>		<u>81 784 751</u>	<u>84 935 859</u>
<b>EXPENDITURE</b>			
31 970 624	Salaries, wages and allowances	35 084 522	34 784 387
33 724 505	General expenses	61 340 029	43 835 498
7 775 863	- Purchasing of electricity	7 939 220	7 019 644
286 588	- Purchasing of water	0	448 795
25 662 054	- Other expenses	53 400 809	36 367 059
3 027 819	Repairs and maintenance	4 557 593	2 288 203
266 843	Capital charges	1 132 789	1 449 999
2 951 247	Contributions to fixed assets	3 453 185	1 300 000
720 000	Contributions to Funds and Reserves	850 000	1 191 352
72 661 038	<b>Gross expenditure</b>	106 418 118	84 849 438
0	Amounts charged out	0	0
<u>72 661 038</u>	<b>Net expenditure</b>	<u>106 418 118</u>	<u>84 849 438</u>

APPENDIX C: ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2008

Expenditure 2007	Services	Budget 2008	Balance on 01-07-07	Expenditure during the year	Corrections or written off	Balance on 30-06-08
R		R	R	R	R	R
<b>RATES AND</b>						
28 605 959	<b>GENERAL SERVICES</b>	76 963 000	112 770 398	84 177 276	(1 043 705)	195 903 969
544 785	<b>Community services</b>	1 000 000	42 384 869	5 402 156	(938 220)	46 848 805
0	Health Service	0	282 755	0	0	282 755
0	Disaster Management	0	48 200	0	0	48 200
0	Properties	0	13 259 722	2 390 851	0	15 650 573
0	Nursery School	0	380 550	0	0	380 550
0	Camps	0	9 064	0	0	9 064
0	Traffic services	0	353 912	0	0	353 912
0	Public safety	300 000	239 437	0	(15 436)	224 001
544 785	Streets and Roads	0	24 854 505	3 011 305	(922 784)	26 943 026
0	Cemetries and parks	700 000	2 351 094	0	0	2 351 094
0	Low cost housing	0	605 631	0	0	605 631
0	<b>Subsidised services</b>	0	7 065 574	0	(105 485)	6 960 090
0	Public Health	0	0	0	0	0
0	Ambulance	0	7 915	0	0	7 915
0	Swimming Pool	0	1 812 503	0	0	1 812 503
0	Libraries	0	1 256 560	0	0	1 256 560
0	Fire Brigade	0	218 621	0	0	218 621
0	Clinics	0	1 521 695	0	(105 485)	1 416 210
0	Municipal Offices	0	2 248 280	0	0	2 248 280
28 061 174	<b>Economic services</b>	75 963 000	63 319 955	78 775 120	0	142 095 074
0	Dumping Site	0	0	0	0	0
28 061 174	Sanitation and Refuse	75 963 000	62 924 625	78 745 120	0	141 669 745
0	Available Stands	0	395 330	30 000	0	425 330

## APPENDIX C: ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2008 (Continued...)

Expenditure 2007	Service	Budget 2008	Balance on 01-07-07	Expenditure during the year	Corrections or written off	Balance on 30-06-08
R		R	R	R	R	R
8 288	<b>TRADING SERVICES</b>	300 000	55 500 148	3 407 749	( 245 458)	58 667 239
8 288	Electricity	0	8 718 804	306 396	0	9 025 199
0	Water	300 000	46 781 345	3 101 353	( 240 658)	49 642 040
0	<b>HOUSING SERVICES</b>	0	204 446	0	( 4 800)	199 646
28 614 247	<b>TOTAL FIXED ASSETS</b>	77 263 000	168 474 992	87 585 024	(1 289 163)	254 770 854
	<b>LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>		166 718 244	87 019 561	0	253 737 805
28 797 036	<b>General Expenditure</b>					
182 789	Loans redeemed and advances repaid		19 158 641	565 463	0	19 724 104
2 951 247	Contributions ex operating income		4 951 939	3 453 185	0	8 405 124
25 663 000	Grants and Subsidies		128 593 302	83 000 913	0	211 594 215
0	Public Contributions		5 011 459	0	0	5 011 459
0	Provision and Reserves		8 409 714	0	0	8 409 714
0	Erven Fund		593 189	0	0	593 189
( 182 789)	<b>NET FIXED ASSETS</b>		1 756 748	565 464	(1 289 163)	1 033 049
0	<b>Plus Cash and Bank</b>		0	0	0	0
( 182 789)			1 756 748	565 464	(1 289 163)	1 033 049

APPENDIX E: DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual income	2007 Actual expenditure	2007 Actual surplus / (deficit)		2008 Actual income	2008 Actual expenditure	2008 Actual surplus / (deficit)	2008 Budget surplus / (deficit)
R	R	R		R	R	R	R
<b>RATES AND GENERAL SERVICES</b>							
53 149 261	54 997 693	(1 848 432)		59 372 178	86 578 782	(27 206 604)	(2 922 728)
37 969 773	45 499 194	(7 529 422)	<b>Community services</b>	43 046 395	60 320 570	(17 274 176)	(9 087 596)
0	2 563 970	(2 563 970)	Office of the Mayor	1 144	3 814 349	(3 813 205)	(3 415 436)
2 683	1 470 094	(1 467 411)	Municipal Manager	4 166	1 855 408	(1 851 242)	(3 139 875)
108 168	13 680 285	(13 572 117)	Public Works	64 132	19 582 658	(19 518 526)	(12 393 453)
22 633 656	9 866 426	12 767 231	Council General Expenses: Full Time	27 862 104	13 251 557	14 610 547	12 826 864
0	4 101 706	(4 101 706)	Directorate Corporate Services	0	4 015 760	(4 015 760)	(3 592 280)
45	5 418 225	(5 418 180)	Health Services (Community)	0	1 217 666	(1 217 666)	277 648
62 685	387 289	( 324 604)	Traffic services	147 920	443 903	( 295 983)	( 341 978)
99 238	220 019	( 120 781)	Properties	146 323	119 833	26 490	( 553 128)
46 262	679 306	( 633 044)	Townhall and Offices	40 876	398 349	( 357 474)	( 824 919)
0	593 764	( 593 764)	Parks and Recreation	0	524 892	( 524 892)	( 702 865)
0	0	0	Administration and provisions	0	0	0	0
4 224 156	5 862 036	(1 637 880)	Directorate Financial Services	3 412 374	14 936 457	(11 524 083)	(4 187 726)
10 687 531	482 080	10 205 451	Assessment Rates	11 259 388	0	11 259 388	7 670 806
105 349	173 996	( 68 647)	Cemetries	107 969	159 738	( 51 770)	( 711 254)
303	929 355	( 929 052)	<b>Subsidised Services</b>	417	942 665	( 942 248)	(1 295 971)
0	369	( 369)	Disaster Management	0	0	0	( 300 451)
303	928 985	( 928 682)	Libraries	417	942 665	( 942 248)	( 995 520)

APPENDIX E: DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008 (Continued...)

2007 Actual income	2007 Actual expenditure	2007 Actual surplus / (deficit)		2 008 Actual income	2 008 Actual expenditure	2 008 Actual surplus / (deficit)	2 008 Budget surplus / (deficit)
R	R	R		R	R	R	R
15 179 185	8 569 144	6 610 041	<b>Economical Services</b>	16 325 366	25 315 546	(8 990 181)	7 460 839
5 753 394	3 131 000	2 622 394	Refuse Removal	6 189 861	10 807 661	(4 617 800)	1 560 015
9 425 791	5 438 143	3 987 648	Cleaning services and Sewerage	10 135 505	14 507 885	(4 372 380)	5 900 824
0	563 106	( 563 106)	<b>Housing Services</b>	0	650 456	( 650 456)	( 498 613)
0	563 106	( 563 106)	Housing Services	0	650 456	( 650 456)	( 498 613)
18 904 894	17 100 239	1 804 654	<b>TRADING SERVICES</b>	22 412 573	19 188 880	3 223 693	3 507 763
11 278 392	11 309 847	( 31 454)	Electricity	13 275 900	12 902 758	373 142	905 774
7 626 501	5 790 392	1 836 109	Water Services	9 136 673	6 286 123	2 850 550	2 601 989
72 054 154	72 661 038	( 606 884)	<b>TOTAL</b>	81 784 751	106 418 118	(24 633 367)	86 421
		2 190 488	Appropriation for the year- Note 17			14 235 524	
		1 583 603	<b>Net surplus/(deficit) for the year</b>			(10 397 843)	
		(21 817 493)	Accumulated surplus/ (deficit) at the beginning of the year			(20 233 890)	
		<u>(20 233 890)</u>	<b>ACCUMULATED SURPLUS/ (DEFICIT) AT THE END OF THE YEAR</b>			<u>(30 631 733)</u>	

**APPENDIX F: STATISTICAL INFORMATION**

	<b>2008</b>	2007
	R	R
<b><u>MASILONYANA</u></b>		
<b>General Statistics</b>		
Population Approximately	160 000	160 000
Registered votes	32 417	32 417
Votes polled	24 938	24 938
Number of employees	419	419
Number of properties	15 269	15 269
<b>Total valuations op properties</b>		
<b>Theunissen</b>		
Land	6 332 646	6 332 646
Improvements	4 722 931	4 722 931
<b>Verkeerdevlei</b>		
Land	1 528 870	1 528 870
Improvements	20 368 500	20 368 500
<b>Soutpan</b>		
Land	345 256	345 256
Improvements	1 377 353	1 377 353
<b>Winburg</b>		
Land	4 121 300	4 121 300
Improvements	53 429 200	53 429 200
<b>Brandfort</b>		
Land	3 435 425	3 435 425
Improvements	61 226 600	61 226 600
	<u>156 888 081</u>	<u>156 888 081</u>

**PROPERTY RATES**

**WINBURG**

Property rates: cent per Rand	0.3290	0.3000
Improvement rates: cent per Rand	0.0113	0.0106
Minimum charge per site	R 28.99	R 27.35
<i>State</i>		
Property rates: cent per Rand	0.3290	0.3000
Improvement rates: cent per Rand	0.0567	0.0500