

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
27. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
<u>27.1 Contributions to organised local government</u>		
(SALGA & WECPRO)		
Opening balance	-	-
Council subscriptions	198,606	160,294
Amount paid - current year	198,606	160,294
Amount paid - previous years	-	-
Balance unpaid	-	-
<u>27.2 Audit fees</u>		
Opening balance	-	-
Current year audit fee	700,061	670,011
Amount paid - current year	700,061	670,011
Amount paid - previous years	-	-
Balance unpaid	-	-
<u>27.3 Taxes</u>		
<u>27.3.1 VAT</u>		
Opening balance	146,899	183,674
Input receivables	11,622,651	10,896,985
Output receivables	13,920,715	12,397,581
Amount paid - current year	3,021,659	1,353,697
Amount paid - previous years	146,899	183,674
Balance unpaid	(723,595)	146,899
(All VAT returns have been submitted)		
<u>27.3.2 PAYE and UIF</u>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	5,673,776	4,913,687
Amount paid - current year	5,673,776	4,913,687
Amount paid - previous years	-	-
Balance unpaid	-	-
<u>27.4 Levies</u>		
<u>27.4.1 Skills development</u>		
Opening balance	-	-
Current year levy	431,293	411,733
Amount paid - current year	431,293	411,733
Amount paid - previous years	-	-
Balance unpaid	-	-
<u>27.4.2 Water levies & research levy</u>		
Opening balance	580,125	-
Current year levy	260,002	123,726
Amount paid - current year	195,850	123,726
Amount paid - previous years	580,125	-
Balance unpaid	64,152	-

(See note 29)

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
27. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Cont.)		
<u>27.5 Pension and Medical Aid Deductions</u>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	13,408,000	13,362,168
Amount paid - current year	13,408,000	13,362,168
Amount paid - previous years	-	-
Balance unpaid	-	-

27.6 Councilor's arrear consumer accounts

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

<u>30th June 2008</u>	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding 90 days and more</u>
	R	R	R
None	-		
Total Councilors Outstanding Consumer Accounts	-	-	-
<u>30th June 2007</u>	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding 90 days and more</u>
	R	R	R
Adams, D&KWS	700	288	412
Geldenhuys, MM	244	-	244
Klazen, JNED	1,147	133	1,014
Louw, S&EV	698	683	15
Mdala, ZG	2,248	-	2,248
Swangaza, PX	3,772	496	3,276
Total Councilors Outstanding Consumer Accounts	8,809	1,600	7,209

27.7 Non-compliance with Chapter 11 of the Municipal Finance Management Act

The Municipality has only adopted a supply chain management policy that complies with chapter 11 of the MFMA in 29 April 2008. All transactions, as far as possible, were handled within the legislative framework provided by the act and the regulations as from that date.

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
<u>27.8 Unauthorised, irregular, fruitless and wasteful expenditure disallowed</u>		
<u>27.8.1 Unauthorised expenditure</u>		
Reconciliation of unauthorised expenditure		
Opening balance	1,777,459	2,399,435
Unauthorised expenditure current year	4,179,376	1,777,459
Approved by Council or condoned	-	2,399,435
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorization	<u>5,956,835</u>	<u>1,777,459</u>

Incident	Steps taken
Overspending of Votes 2006/2007	Report compiled - (Trim ref. 05/14/1/3/004/)
Overspending of Votes 2007/2008	Report compiled - (Trim ref. 05/14/1/4/002/)

27.8.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	64,190	34,767
Fruitless and wasteful expenditure current year	-	29,423
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>64,190</u>	<u>64,190</u>

Incident	Steps taken
Interest due to late payment of VAT Sept '05	Corporate & strategic committee Resolution 7.1 dated 14 March 2007.
Interest due to late payment - R 12,290	Report compiled (Trim ref. 05/10/1/0964/ - dated 23 May 2007)
Incorrect payment of claim - R 17,132.50	Report compiled (Trim ref. 05/10/1/1037/ - dated 28 August 2007)

27.8.3 Irregular expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Irregular expenditure current year	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Irregular expenditure awaiting condonement	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
28 BANK, CASH AND OVERDRAFT BALANCES		
The municipality has the following bank accounts:		
<u>28.1 Current Accounts</u>		
<u>(a) Primary Bank Account</u>		
Institution: ABSA		
Type of Account: Cheque		
Account Number: 03-5000-0011		
Cash book balance at beginning of year - overdrawn	<u>3,445,551</u>	<u>212,590</u>
Cash book balance at end of year - overdrawn	<u>R 4,245,236.00</u>	<u>3,445,551</u>
Bank statement balance at beginning of year - (overdrawn)	<u>-1,801,979</u>	<u>2,330,825</u>
Bank statement balance at end of year - (overdrawn)	<u>-2,479,573</u>	<u>-1,801,979</u>
<u>(b) Housing Account</u>		
Institution: ABSA		
Type of Account: Cheque		
Account Number: 3-5014-8523		
Cash book balance at beginning of year - overdrawn	<u>967,887</u>	<u>979,285</u>
Cash book balance at end of year - overdrawn	<u>968,944</u>	<u>967,887</u>
Bank statement balance at beginning of year - (overdrawn)	<u>-967,887</u>	<u>-979,285</u>
Bank statement balance at end of year - (overdrawn)	<u>-968,944</u>	<u>-967,887</u>
<u>(c) Un-utilized Project Funds Account</u>		
Institution: ABSA		
Type of Account: Cheque		
Account Number: 40-5816-3202		
Cash book balance at beginning of year - overdrawn	<u>-</u>	<u>-22,114,145</u>
Cash book balance at end of year - overdrawn	<u>-</u>	<u>-</u>
Bank statement balance at beginning of year - (overdrawn)	<u>-</u>	<u>22,114,145</u>
Bank statement balance at end of year - (overdrawn)	<u>-</u>	<u>-</u>
<u>28.2 Petty Cash on Hand</u>		
Petty cash on hand	<u>12,035</u>	<u>6,955</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
28. BANK, CASH AND OVERDRAFT BALANCES (Cont.)		
<u>28.3 Savings Accounts</u>		
(a) Institution: ABSA		
Type of Account: 32 days Call		
Account Number: 90-6631-3406		
Cash book balance at beginning of year	20,576	19,502
Cash book balance at end of year	-	20,576
Bank statement balance at beginning of year	-20,576	-19,502
Bank statement balance at end of year	-	-20,576
(b) Institution: Nedbank		
Type of Account: Fixed deposit		
Account Number: 123 210 192 3		
Cash book balance at beginning of year	8,483,390	11,023,856
Cash book balance at end of year	3,464,532	8,483,390
Bank statement balance at beginning of year	-8,483,390	-11,023,856
Bank statement balance at end of year	-3,464,532	-8,483,390
(c) Institution: ABSA		
Type of Account: Fixed deposit		
Account Number: 20-5650-6236		
Cash book balance at beginning of year	13,530	12,700
Cash book balance at end of year	-	13,530
Bank statement balance at beginning of year	-13,530	-12,700
Bank statement balance at end of year	-	-13,530
(d) Institution: Nedbank		
Type of Account: Fixed deposit		
Account Number: 03/7881032766/07		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	1,449,393	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-1,449,393	-
(e) Institution: Nedbank		
Type of Account: 03/7881032766/09		
Account Number: Call		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	1,339,989	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-1,339,989	-

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
28. BANK, CASH AND OVERDRAFT BALANCES (Cont.)		
<u>28.3 Savings Accounts (cont.)</u>		
<i>(f) Institution: Nedbank</i>		
Type of Account: 03/7881032766/10		
Account Number: Call		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	<u>1,593,946</u>	<u>-</u>
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	<u>-1,593,946</u>	<u>-</u>
<i>(g) Institution: Ned bank</i>		
Type of Account: 32 days Call		
Account Number: 03/7881032766		
Cash book balance at beginning of year	1,383,890	-
Cash book balance at end of year	<u>-</u>	<u>1,383,890</u>
Bank statement balance at beginning of year	<u>-1,383,890</u>	-
Bank statement balance at end of year	<u>-</u>	<u>-1,383,890</u>
<i>(h) Institution: ABSA</i>		
Type of Account: Call		
Account Number: 91-8448-3785		
Cash book balance at beginning of year	7,000,000	-
Cash book balance at end of year	<u>5,670,952</u>	<u>7,000,000</u>
Bank statement balance at beginning of year	<u>-7,000,000</u>	-
Bank statement balance at end of year	<u>-5,670,952</u>	<u>-7,000,000</u>
<i>(i) Institution: Standard bank</i>		
Type of Account: Fixed deposit (12 months)		
Account Number: 88779831-001		
Cash book balance at beginning of year	10,000,000	-
Cash book balance at end of year	<u>-</u>	<u>10,000,000</u>
Bank statement balance at beginning of year	<u>-10,000,000</u>	-
Bank statement balance at end of year	<u>-</u>	<u>-10,000,000</u>
<i>(j) Institution: Nedbank</i>		
Type of Account: Call		
Account Number: 03/7881032766/11		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	<u>4,731,871</u>	<u>-</u>
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	<u>-4,731,871</u>	<u>-</u>
<i>(k) Institution: Standard bank</i>		
Type of Account: Fixed deposit (12 months)		
Account Number: 88779831-002		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	<u>10,000,000</u>	<u>-</u>
Bank statement balance at beginning of year	-	-

Bank statement balance at end of year

<u><u>-10,000,000</u></u>	<u><u>-</u></u>
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NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
29. CONTINGENT LIABILITY		
Claim for:		
Damages	0	0
Water levies	0	1,062,517
	<u>0</u>	<u>1,062,517</u>
	<u>0</u>	<u>1,062,517</u>
30. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	80,000	5,048,650
- Approved but not yet contracted for	292,936	486,169
	<u>372,936</u>	<u>5,534,819</u>
	<u>372,936</u>	<u>5,534,819</u>
This expenditure will be financed from:		
- Internal sources	194,417	48,490
- External sources	178,519	5,486,329
	<u>372,936</u>	<u>5,534,819</u>
	<u>372,936</u>	<u>5,534,819</u>