

BERGRIVIER MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

11 PROPERTY, PLANT AND EQUIPMENT

30 June 2008

Reconciliation of Carrying Value						
	Land and Buildings	Infra- structure	Community	Other	Leased Assets	Total
	R	R	R	R	R	R
Carrying values at 1 July 2007	25,497,643	67,106,636	10,082,922	6,112,745	526,627	109,326,573
Cost	32,241,413	88,802,130	15,894,088	15,538,758	1,140,000	153,616,389
Accumulated depreciation	-5,743,770	-21,695,494	-5,811,166	-9,426,013	-613,373	-44,289,816
- Cost	-8,743,770	-21,695,494	-5,811,166	-9,426,013	-613,373	-44,289,816
Acquisitions	495,012	8,355,043	170,881	3,452,092	-	12,473,029
Capital under Construction	-	6,977,486	-	-	-	6,977,486
Depreciation	-558,622	-4,804,105	-532,588	-1,390,569	-	-7,285,884
based on cost	-558,622	-4,804,105	-532,588	-1,390,569	-	-7,285,884
Carrying value of disposals	-	-	-	-851,390	-	-851,390
Cost/revaluation	-	-	-	-2,639,404	-	-2,639,404
Accumulated depreciation	-	-	-	1,758,013	-	1,758,013
Transfer of Cost	-	-	-	-	-	-
Transfer of Accumulated Depreciation	-	-	-	-	-	-
	25,434,033	77,635,062	9,721,216	7,292,878	526,627	120,609,817
Carrying values at 30 June 2008	25,434,033	77,635,062	9,721,216	7,292,878	526,627	120,609,817
Cost	32,738,425	#####	16,054,989	16,381,448	1,140,000	120,427,502
Accumulated depreciation	-7,302,392	-26,499,999	-6,343,762	-9,058,568	-613,373	-49,817,684
- Cost	-7,302,392	-26,499,999	-6,343,762	-9,058,568	-613,373	-49,817,684

BERGRIVIER MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

11 PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2007

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Other	Leased Assets	Total
	R	R	R	R	R	R
Carrying values at 1 July 2006	25,980,117	59,460,071	6,999,866	6,237,945	765,452	99,433,451
Cost	32,146,036	77,007,300	12,434,786	12,194,693	1,140,000	134,922,714
Accumulated depreciation	-6,165,919	-17,547,129	-5,434,920	-5,956,748	-384,548	-35,489,263
- Cost	-6,165,919	-17,547,129	-5,434,920	-5,956,748	-384,548	-35,489,263
Acquisitions	95,376	11,794,930	3,459,301	1,422,496	-	16,772,103
Depreciation	-577,852	-4,148,365	-376,245	-1,547,699	-228,825	-6,878,983
- based on cost	-577,852	-4,148,365	-376,245	-1,547,699	-228,825	-6,878,983
Carrying value of disposals	-	-	-	-	-	-
Cost/valuation	-	-	-	-	-	-
Residual Value	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Small asset listing transferred from Accumulated Surplus (Not included in PPE during 2007) - Note 29.5	-	-	-	1,921,569	-	1,921,569
Small asset listing (Accumulated Depreciation) transferred from Accumulated Surplus (Not included in PPE during 2007) - Note 29.6	-	-	-	-1,921,569	-	-1,921,569
	25,497,643	67,106,636	10,082,922	6,112,745	526,627	109,326,573
Carrying values at 30 June 2007	25,497,643	67,106,636	10,082,922	6,112,745	526,627	109,326,573
Cost	32,247,413	88,802,130	15,894,089	15,638,758	1,140,000	153,616,389
Accumulated depreciation	-6,749,770	-21,695,494	-5,811,166	-9,426,013	-613,373	-44,289,816
- Cost	-6,749,770	-21,695,494	-5,811,166	-9,426,013	-613,373	-44,289,816

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice.

- Property, Plant and Equipment (GAMAP 17) Review of useful life of item of PPE recognised in the annual financial statements. [Paragraphs 59-61 and 77]
 - Property, Plant and Equipment (GAMAP 17) Review of the depreciation method applied to PPE recognised in the annual financial statements. [Paragraphs 62 and 77]
 - Property, Plant and Equipment (GAMAP 17) Impairment of non-cash generating assets. [Paragraphs 64-69 and 75(e)(v) – (vi)]
 - Property, Plant and Equipment (GAMAP 17) Impairment of cash generating assets. [Paragraphs 63 and 75(e)(v) – (vi)]
 - Impairments of Assets (AC 128) Entire Standard
 - Investment Property (AC 135) The entire standard to the extent that property is accounted for in terms of GAMAP 17
 - Investment Property (AC 135) Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised investment property in terms of this standard. [Paragraphs 79(e)(i) – (iii)]
 - Intangible Assets (AC 129) The entire standards except for the recognition, measurement and disclosure of the computer software and website costs (AC 432) and all other costs were expensed.
 - Non-current Assets Held for Sale and Discontinued Operations (AC142) Classification, measurement and disclosure of non-current assets held for sale. [paragraphs 6-14, 15-29 (in so far as it relates to non-current assets held for sale), 38-42]
- The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2009. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

BERGRIVIER MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
12	LONG-TERM RECEIVABLES		
	Staff Car Loans - At amortised cost	220,998	231,894
	Sport Organisation Loans - At amortised cost	246,221	270,374
	Housing selling scheme Loans - At amortised cost	593,674	592,874
		1,060,893	1,194,142
	Less : Current portion transferred to current receivables	162,418	171,447
	Staff Car Loans	120,298	111,157
	Sport Organisation Loans	42,120	41,046
	Housing selling scheme Loans	-	19,244
	Total Long-term receivables	898,475	1,022,895
	VEHICLE LOANS		
	Senior staff are entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 5 years. These loans are redeemed July 2010		
	<i>Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-</i>		
	• Financial Instruments: Recognition and Measurement (AC 133) Initially measuring financial assets and liabilities at fair value. [SAICA Circular 09/06 paragraphs 43, AG 79, AG 84 and AG 85 of AC 133]		
	• Financial Instruments: Disclosure (AC 144) Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998		
13	INVENTORY		
	Fuel - at cost	209,999	134,852
	Water - at cost	55,389	50,040
	Total Inventory	265,388	184,892
	<i>Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2)b of the notice</i>		
	• Inventories: The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17. The entire standard to the extent that it relates to water stock that was not purchased by the municipality.		
14	TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS		
	Rates	-	6,291,958
	Electricity	4,436,068	3,733,373
	Water	2,724,237	2,200,174
	Sewerage	1,988,231	1,388,863
	Refuse	1,807,104	1,031,191
	Others	4,872,403	5,718,629
		16,838,043	20,382,188
	Rates transferred to Other Receivables from non-exchange transactions - Note 16	-	(6,291,958)
	Total : Trade receivables from exchange transactions	16,838,043	14,090,230
	Less : Provision for bad debts	(2,297,666)	(4,509,039)
	exchange transactions - Note 16	-	1,276,811
	Total	14,540,377	10,837,402

BERGRIVIER MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
15	OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
	Other Debtors	728,208	1,297,434
	Unpaid conditional grants and subsidies	4 823,328	2 187,058
		5 551,536	3 484,492
	Unpaid conditional grants and subsidies transferred to Conditional Grants and Receipts - Note 9	-	(2 187,058)
		5 551,536	1 297,434
	Rates transferred from Trade Receivables from exchange transactions - Note 14	-	5 291,958
	Taxes - Rates	8 626,738	-
	Other Receivables from non-exchange transactions	14 188,273	7 989,392
	Provision for bad debts on Rates transferred from Trade Receivables from exchange transactions - Note 14	-	(1 276 811)
	Less: Provision for bad debts	(1 773,142)	-
	Total	12 409,124	6 312,681
	Rates: Ageing		
	Current (0 - 30 days)	1 310,870	1 052,353
	31 - 60 Days	241,012	161,499
	61 - 90 Days	207,537	142,053
	+ 90 Days	6 667,319	4 936,053
	Total	8 626,738	6 291,958
	Other Debtors: Ageing (Sundry Debtors)		
	Current (0 - 30 days)	-	-
	31 - 60 Days	-	-
	61 - 90 Days	-	-
	+ 90 Days	-	-
	Total	-	-
	Concentrations of credit risk with respect to other receivables from non-exchange transactions are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.		
	The fair value of other receivables from non-exchange transactions approximate their carrying value.		
	The provision for doubtful debts on other receivables from non-exchange transactions exists due to the possibility that not all debts will be recovered. Receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.		
16	CASH AND CASH EQUIVALENTS		
	Assets		
	Call Investment Deposits	35 788 480	30 038 880
	Primary Bank Account (Cashbook balance)	-	8 698 057
	Total Cash and Cash Equivalents - Assets	35 788 480	38 737 947
	Liabilities		
	Primary Bank Account (Overdraft cashbook balance)	2 984 269	-
	Total Cash and Cash Equivalents - Liabilities	2 984 269	-
	The deposits are ring fenced in order to finance the Capital Replacement Reserve, the Housing Development Fund and Unspent Conditional Grants and Receipts.		
	(See notes 2, 3 and 9) The effective interest rate for call investment deposits were 8,1% (2007: 8,5%)		
	The Municipality has the following bank account -		
	Current Account (Primary Bank Account)		
	Piketberg ABSA - Account Number 11 6056 0153 (Primary Bank Account)		
	Cashbook balance at beginning of year	8 698 057	5 791 022
	Cashbook balance at end of year	2 984 269	6 698 057
	Bank statement balance at beginning of year	12 393 056	11 441 221
	Bank statement balance at end of year	1 612 483	12 393 056

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BERGRIVIER MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008 R	2007 R
17	PROPERTY RATES		
	<i>Actual</i>		
	Residential, Commercial, State	21,145,965	19,313,801
	Total Assessment Rates	21,145,965	19,313,801
	<i>Valuations</i>		
		<i>July 2007</i>	<i>July 2008</i>
	RATEABLE	1,858,124,100	#####
	Land	916,349,410	971,220,310
	Buildings	938,734,690	888,601,560
	EXEMPTION	244,278,000	282,323,990
	Land	274,500	21,148,200
	Buildings	244,703,500	271,175,790
	Total Property Valuations	3,103,102,100	#####
	<p>Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2000. Interim valuations are processed on a yearly basis to take into account changes in individual property values due to alterations and subdivisions. A general rate of R0.0170 is applied to property valuations to determine assessment rates. Rebates as set out below are granted to some residential and state property owners. Rates are levied on an annual basis with the final date of payment being 30 September. Interest at Prime + 1% per annum is levied on outstanding rates. Special Rate of R0.00400 is levied on land in Port-Durban area.</p>		
	<p>Rebates Rural Areas = 76% State Property = 20% Moravian Church Property = 50% Welfare Organisation = 100% Pensioners = 50%</p>		
18	SERVICE CHARGES		
	Electricity	28,307,900	27,791,704
	Service charges	29,826,778	27,791,704
	Less: Rebates	(250,878)	-
	Water	9,009,819	9,611,576
	Service charges	9,174,454	9,611,576
	Less: Rebates	(165,635)	-
	Refuse removal	4,889,618	3,552,143
	Service charges	5,360,220	3,552,143
	Less: Rebates	(730,601)	-
	Sewerage and Sanitation Charges	3,307,938	3,370,383
	Service charges	4,030,148	3,370,383
	Less: Rebates	(722,209)	-
	Total Service Charges	48,284,275	43,326,806
	<p><i>Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the notice</i></p> <ul style="list-style-type: none"> • Revenue (GAMAP 9) initial measurement of fair value discounting all future receipts using an imputed rate of interest. (SIACA Circular 09/06 and paragraph 12) 		
19	GOVERNMENT GRANTS AND SUBSIDIES		
	Equitable share	8,063,513	7,789,858
	Subsidy: Other	15,753,047	-
	Subsidy: Provincial	-	500,000
	Capital Expenditure on Grants and Subsidies	-	5,420,081
	Operating Expenditure on Grants and Subsidies	-	2,819,439
	Total Government Grant and Subsidies	24,716,560	16,329,379

19.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 60l water, 50kwh electricity, refuse removal and street services free per month, which is funded from this grant.
(See Appendix "F" for a reconciliation of all grants)

BERGRIVIER MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

20	OTHER INCOME	2008 R	2007 R
	Other income	4,919,939	2,765,271
	Total Other Income	4,919,939	2,765,271
	Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice		
	- Revenue (GAMAP 2) Initial measurement of fair value discounting all future receipts using an imputed rate of interest. (SIACA Circular 09/06 and paragraph 12)		
21	EMPLOYEE RELATED COSTS	2008 R	2007 R
	Employee related costs - Salaries and Wages	29,712,484	26,847,904
	Standby Allowances	482,360	447,570
	Housing Subsidy	395,506	320,533
	Bonus	1,723,811	1,932,062
	Overtime	1,462,857	1,281,081
	Salaries	22,058,753	18,934,717
	Temporary Workers	864,830	1,017,653
	Sundry Allowance	657,833	664,501
	Leave Reserve Fund	-	449,970
	Transport Allowance	2,078,745	1,883,817
	Employee related costs - Social contributions	6,837,326	6,916,209
	Group Insurance	350,250	354,693
	Medical Aid Contribution	2,287,748	2,048,915
	Bargaining Council	11,776	10,989
	Pension Fund Contributions	3,511,404	3,299,383
	Unemployment Fund	227,146	202,559
		36,249,619	32,764,413
	Less: Employee Costs Capitalised	38,249,619	32,764,413
	Total Employee Related Costs	38,249,619	32,764,413
	The Municipality pays 80% of the medical aid of retired officials. There are currently twenty four retired officials who qualify for this benefit. The contribution for the month of June were R38 311 and the monthly 2008 financial will be R45 000 per month		
	EMPLOYEE RELATED COSTS - Continued		
	KEY MANAGEMENT PERSONNEL		
	Municipal Manager is appointed on a 5-year fixed contract. There are no post-employment or termination benefits payable to him at the end of the contract period		
	REMUNERATION OF KEY MANAGEMENT PERSONNEL		
	<i>Remuneration of the Municipal Manager</i>		
	Annual Remuneration	531,350	78,053
	Rental allowance & Settling in allowance	-	48,028
	Car Allowance	166,612	16,928
	Medical and pension funds, group life & UIF	11,102	1,472
	Total	709,055	144,477
	<i>Remuneration of the Deputy Municipal Manager (5 Months)</i>		
	Annual Remuneration	127,857	363,016
	Performance Bonuses	88,012	39,481
	Leave Pay	26,437	-
	Acting allowance	-	89,514
	Telephone allowance	-	11,478
	Car Allowance	46,236	130,734
	Severance Package	688,680	-
	Medical and pension funds, group life & UIF	14,837	54,103
	Total	972,588	704,326
	<i>Remuneration of Chief Financial Officer</i>		
	Annual Remuneration	322,951	306,977
	Performance Bonuses	83,121	55,640
	Car Allowance	128,053	118,515
	Medical and pension funds, group life & UIF	64,658	78,860
	Total	606,780	560,002

BERGRIVIER MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Remuneration of Individual Directors
30 June 2008

Annual Remuneration
 Performance Bonuses
 Car Allowance
 Medical and pension funds, group life & UIF

Total

30 June 2007

Annual Remuneration
 Performance Bonuses
 Car Allowance
 Medical and pension funds, group life & UIF

Total

Technical Services	Administration Services	Community Services
R	R	R
322,951	322,951	322,951
63,121	63,121	63,121
125,255	124,924	127,656
84,855	84,530	84,658
596,982	595,526	599,377

Technical Services	Administration Services	Community Services
R	R	R
320,697	300,367	311,901
55,640	10,547	55,640
116,475	118,982	118,771
78,800	77,738	78,650
671,612	515,634	564,962

22 REMUNERATION OF COUNCILLORS

Mayor
 Councillors
 Councillors' Cell phones
 Mayoral Committee Member
 Councillors
 Councillors' pension contribution
 Councillors' medical aid
 Councillors' car allowance
 Speaker
 Deputy Mayor
 Telephone Allowance

Total Councillors' Remuneration

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and one other councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council.

23 BAD DEBT PROVISION

Reconciliation of Provision for Bad Debts

Balance at beginning of year
 Contribution / (Reversal) to provision

Balance at end of year

Trade Receivables from exchange transactions - Note 14
 Other Receivables from non-exchange transactions - Note 15

Total Bad Debt Provision

24 INTEREST PAID

Long-term liabilities
 Finance leases

Total Interest on External Borrowings

25 BULK PURCHASES

Electricity
 Water

Total Bulk Purchases

26 GRANTS AND SUBSIDIES PAID

Total Grants and Subsidies

27 GENERAL EXPENSES

General Expenses

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial Performance. This includes items such as telecommunications, traveling, legal fees and audit fees.

	2008 R	2007 R
Mayor	454,417	372,782
Councillors	-	211,444
Councillors' Cell phones	-	208,424
Mayoral Committee Member	380,939	209,877
Councillors	1,273,390	1,122,597
Councillors' pension contribution	-	98,192
Councillors' medical aid	-	20,866
Councillors' car allowance	-	379,309
Speaker	375,428	-
Deputy Mayor	377,478	-
Telephone Allowance	-	11,445
Total Councillors' Remuneration	2,881,642	2,634,796
In-kind Benefits		
23 BAD DEBT PROVISION		
Balance at beginning of year	4,509,639	3,904,751
Contribution / (Reversal) to provision	1,363,400	604,888
Balance at end of year	5,873,039	4,509,639
Trade Receivables from exchange transactions - Note 14	3,297,898	4,509,639
Other Receivables from non-exchange transactions - Note 15	1,779,149	-
Total Bad Debt Provision	5,076,615	4,509,639
24 INTEREST PAID		
Long-term liabilities	1,972,553	1,750,021
Finance leases	1,875,683	1,788,021
Total Interest on External Borrowings	3,848,236	3,538,042
25 BULK PURCHASES		
Electricity	15,953,479	14,605,761
Water	2,814,814	2,478,385
Total Bulk Purchases	18,487,993	17,084,146
26 GRANTS AND SUBSIDIES PAID		
Total Grants and Subsidies	-	2,619,439
27 GENERAL EXPENSES		
General Expenses	17,842,363	14,688,168



BERGRIVIER MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
28 SURPLUS OF ASSOCIATE		
The municipality has got no shares in associates	-	-
29 CORRECTION OF ERROR IN TERMS OF GRAP 3		
29.1 Trade Receivables from exchange transaction		
Balance previously reported	-	17,129,360
Rates transferred to Other Receivables from non-exchange transactions - Note	-	(8,291,958)
Provision for bad debts on Rates transferred to Other Receivables from non-	-	(1,276,811)
Total	-	9,560,591
29.2 Other Receivables from non-exchange transactions		
Balance previously reported	-	3,464,492
Rates transferred from Trade Receivables from exchange transactions - Note 29.1	-	6,291,958
exchange transactions - Note 29.1	-	1,276,811
Unpaid Conditional Grants and Receipts transferred to Conditional Grants and	-	-
Receipts - Note 29.3	-	(2,167,058)
Total	-	8,866,203
29.3 Conditional Grants and Receipts		
Balance previously reported	-	5,314,611
Unpaid Conditional Grants and Receipts transferred from Other Receivables	-	-
from non-exchange transactions - Note 29.2	-	(2,167,058)
Total	-	3,147,553
29.4 Accumulated Surplus		
Balance previously reported	-	49,254,150
Small asset listing transferred to Property, Plant & Equipment - Note 29.5	-	1,921,569
Small asset listing transferred to Accumulated Depreciation - Note 29.6	-	(1,921,569)
Total	-	49,254,150
29.5 Property, Plant & Equipment (Cost)		
Balance previously reported	-	151,094,819
Small asset listing transferred from Accumulated Surplus (Not included in PPE	-	-
during 2007) - Note 29.4	-	1,921,569
Total	-	153,016,388
29.6 Accumulated Depreciation		
Balance previously reported	-	(42,368,248)
Small asset listing (Accumulated Depreciation) transferred from Accumulated	-	-
Surplus (Not included in PPE during 2007) - Note 29.4	-	(1,921,569)
Total	-	(44,289,817)
30 CASH GENERATED BY OPERATIONS		
Surplus for the year	8,578,023	10,274,603
Adjustment for:-		
Depreciation	7,614,182	8,878,983
Amortisation of Intangible Assets	-	-
Loss/(Gain) on disposal of property, plant and equipment	-	(1,453,934)
Investment income	(4,162,348)	(4,414,149)
Interest paid	1,973,883	1,750,021
Operating surplus before working capital changes:	13,904,413	13,035,526
(Increase)/decrease in inventories	(80,497)	(9,351)
(Increase)/decrease in trade receivables from exchange transactions	(1,702,975)	(2,519,345)
(Increase)/decrease in other receivables from non-exchange transactions	(9,096,543)	(148,841)
(Decrease)/increase in unpaid conditional grants and receipts	(1,980,777)	757,734
Decrease/(increase) in unpaid conditional grants and receipts	(150,619)	148,530
(Decrease)/increase in trade payables	(1,232,193)	6,161,408
Increase/(decrease) in provisions	(22,454)	1,258,026
(Decrease)/increase in taxes	(180,818)	78,956
Cash generated by/(utilised in) operations	2,606,635	18,760,643
31 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Call Investments/Deposits	35,756,490	30,038,890
Primary Bank Account (Overdraft cashbook balance)	2,964,269	6,690,057
Total cash and cash equivalents	38,720,759	36,728,947

BERGRIVIER MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
32 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term liabilities - Note 4	17,651,154	15,400,153
Used to finance property, plant and equipment - at cost	17,651,154	15,400,153
Sub-total	-	-
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-
	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. The Annuity Loans carry interest of between 9.75 % and 17.50 % and will be repaid by 2020		
<i>Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice</i>		
• Financial Instruments: Recognition and Measurement (AC 133) Initially measuring financial assets and liabilities at fair value. (SARCA Circular 05/06 paragraphs 43, AG 79, AG 64 and AG 65 of AC 133)		
• Financial Instruments: Disclosure (AC144) Entire standard to be replaced by IAS 32 (AG 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998		
33 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
There were no unauthorised, fruitless, or wasteful expenditure during the year		
33.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure		
Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	-	-
	-	-
Incident	Disciplinary steps/criminal proceedings	
None	None	
33.2 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
To be recovered - contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-
	-	-
Incident	Disciplinary steps/criminal proceedings	
None	None	
33.3 Irregular expenditure		
Reconciliation of irregular expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting condonement	-	-
	-	-
Incident	Disciplinary steps/criminal proceedings	
None	None	
34 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
34.4 Contributions to organized local government - (MFMA 123 (1)(b))		
Opening balance	-	-
Council subscriptions	-	-
Amount paid - current year	-	-
Amount paid - previous years	-	-
Balance unpaid (included in trade payables)	-	-
	-	-
34.5 Audit fees - (MFMA 125 (1)(b))		
Opening balance	-	-
Current year audit fee	877,281	626,399
Amount paid - current year	(877,281)	(626,399)
Amount paid - previous years	-	-
Balance unpaid (included in trade payables)	-	-
	-	-

BERGRIVIER MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
35.6 VAT - [MFMA 125 (1)(b)]		
Vat inputs receivables and Vat outputs payables are shown in Note 10 All VAT returns have been submitted by the due date throughout the year.	-	-1 901,990
35.7 PAYE, SDL and UIF - [MFMA 125 (1)(b)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	-	3 433,051
Amount paid - current year	-	(3 433,051)
Amount paid - previous years	-	-
Balance unpaid (included in trade payables)	-	-
35.8 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	-	8 732,749
Amount paid - current year	-	(8 732,749)
Amount paid - previous years	-	-
Balance unpaid (included in trade payables)	-	-

34 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT - Continued

35.9 Councilor's arrear consumer accounts - [MFMA 124 (1)(b)]

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

	30 June 2008		
	Total	Outstanding less than 90 days	Outstanding more than 90 days
All Services	5,781	5,781	-
Total Councilor Arrear Consumer Accounts	5,781	5,781	-

Key Management and Councilors receive and pay for services on the same terms and conditions as other ratepayers / residents.

No councilor had an arrear account outstanding for more than 90 days during the year ended 30 June 2007 or as at year end 30 June 2008.

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

Bergrivier Municipality complied to Chapter 11 of the Municipal Finance Management Act.

35.11 Quotations awarded - Section 45 - Supply Chain Management

Refer Appendix I for the Supply Chain Management Report.

	2008 R	2007 R
35 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved but not yet contracted for:		
Infrastructure	44 277,400	33 648,800
Community	10 313,000	27 691,500
Other	16 171,200	1 146,900
	17 758,200	4 810,400
Total	44 277,400	33 648,800
This expenditure will be financed from:		
- External Loans	11 400,000	5 076,000
- Capital Replacement Reserve	12 090,000	-
- Government Grants	19 907,400	19 862,000
- Own resources	-	8 716,800
- District Council Grants	-	-
Total	44 277,400	33 648,800