

2011-10-13

MNQUMA MUNICIPALITY



FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 30 JUNE 2004


MNQUMA MUNICIPALITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

The reports and statements set out below comprise the financial statements presented to the council

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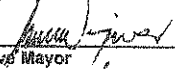
Approval of the financial statements

The financial statements set out on pages 3 to 27 were approved by the Municipality Manager on 22/04/05 and presented and approved by the Council on



Municipal Manager

22/04/05
Date



Executive Mayor

22/04/05
Date

**MQUMBA MUNICIPALITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

GENERAL INFORMATION

Members of the Mqumba Council

- | | | |
|-----------------------------------------------------------------------------------------------------------|-------------------------|------------------------|
| 1. Cllr M W Ntenjwa (Executive Mayor) from 24 July 2003 | 24. Cllr M N Magobiane | 48. Cllr S N Qikani |
| 2. Cllr N Ndindwa (Executive Mayor) up to 24 July 2003 | 25. Cllr Y Ntshangeni | 50. Cllr Z Sayo |
| 3. Cllr N H Skelenge (Deputy Executive Mayor) | 26. Cllr B W Mampofu | 51. Cllr A L Sijadu |
| 4. Cllr T G Mtshungwana (Council Speaker) | 27. Cllr M N Matiwane | 52. Cllr R Z Somana |
| 5. Cllr W M Duna - Mayoral Committee | 28. Cllr S N Mavaleliso | 53. Cllr M Stemela |
| 6. Cllr G M Faniso - Mayoral Committee | 29. Cllr C M Mbandazayo | 54. Cllr W Toboti |
| 7. Cllr Z Mtshokoti - Mayoral Committee | 30. Cllr Z Mdutla | 55. Cllr H Tshoko |
| 8. Cllr S D Mlonyeni - Mayoral Committee | 31. Cllr Z B Mhlauli | 56. Cllr S Wana |
| 9. Cllr S W Nongqala - Mayoral Committee (deceased and replaced by Cllr. M. Mbese -an ordinary councillor | 32. Cllr F S Mkalali | 57. Cllr T Z Xhongwana |
| 10. Cllr N Thandela - Mayoral Committee | 33. Cllr N A Mngwazi | 58. Cllr P L Zamxaka |
| 11. Cllr P P Mapasa - Mayoral Committee | 34. Cllr Q A Mpande | 59. Cllr P Jabe |
| 12. Cllr N Mashiyi - Mayoral Committee | 35. Cllr K L Mpeluza | 60. Cllr M Mbutho |
| 13. Cllr G M Mvalo | 36. Cllr A Z Mqolo | 61. Cllr N Sizani |
| 14. Cllr P X Bikitsha | 37. Cllr S H Mswetyana | |
| 15. Cllr S Doko | 38. Cllr E L McGowan | |
| 16. Cllr S Dokoda | 39. Cllr D F Napakade | |
| 17. Cllr C N Dondolo | 40. Cllr N Ndzoloyana | |
| 18. Cllr J N Dyan | 41. Cllr L M Ngalo | |
| 19. Cllr H T Gwampi | 42. Cllr M Ngcukana | |
| 20. Cllr M Sondamase | 43. Cllr G Q Ngqongolo | |
| 21. Cllr E Komanisi | 44. Cllr W M Ntongana | |
| 22. Cllr Z Lavisa | 45. Cllr C Ntshwanti | |
| 23. Cllr C N Lufondo-Magadla | 46. Cllr S C S Nxusani | |
| | 47. Cllr A Nyokana | |
| | 48. Cllr N G Pikela | |

Category of Municipality

Category B

Grading of Municipality

Grade 3

Business Address

52 King Street
Butterworth
4,960
Tel: (047) 4012400
Fax: (047) 4910195

Postal Address

P.O. Box 36
Butterworth
4,960

Bankers

Meeg Bank & First National Bank

Auditors

Office of the Auditor General

Municipal Manager

Mr. N. Pakade

Planning & Development Director

Mr. S. Menzezela

Administration Director

Ms. N. Zim

Finance Director

Mr. K. Xalisa

Human Resources Director

Mr. M. Mtafo

Community Services Director

Mr. B. Ganjana

Technical Services Director

Mr. B. Rosi

MNUQUA MUNICIPALITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

REPORT BY THE FINANCE DIRECTOR

1 Introduction

I present my report for the year ended 30 June 2004. This report forms part of the annual financial statements. I am responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The external auditors are responsible for the independent audit and reporting on the fair presentation of the financial statements in conformity with South African Auditing Standards and Generally Accepted Government Auditing Standards. The financial statements have been prepared in accordance with Generally Accepted Municipal Accounting Principles.

I am also responsible for the municipality's system of internal financial control. These are designed to provide reasonable but not absolute assurance as to the reliability of financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement of loss.

The financial statements have been prepared on a going concern basis as there were no doubts on the ability of the municipality to continue operating in the foreseeable future.

As part of a broader transformation of municipalities, National Government initiated a programme of far reaching municipal fiscal reforms. The reforms, such as the introduction of Local Government Systems Act, Municipal Finance Management Bill which was signed into an Act on 14 February 2004, new budgeting formats, new borrowing framework and new investment regulations, have significantly impacted on municipalities.

2 General review of the state of financial affairs

In an era when the financial position of many local municipalities is declining, it is imperative that our municipality keeps its expenditure within its budget and at the same time endeavour to increase its sources of income so as to improve on service delivery.

The municipality's business and operations and results thereof are clearly reflected in the attached financial statements and are summarised below.

2.1. Overall operating results

Details of the operating results per department, classification and object of expenditure are included in Appendix D and E, and are reflected hereunder:

Details	Actual 2004	Actual 2003	Variance
Overall			
Income	65,727,395	75,177,183	(9,449,789)
Expenditure	188,975,771	73,513,985	115,461,786
Surplus / (Deficit)	(123,248,376)	1,663,198	(124,911,574)
Surplus / (Deficit) as % of income	-188%	2%	1322%
Administration			
Income	50,341,116	61,808,107	(11,466,991)
Expenditure	168,888,680	48,971,568	119,917,112
Surplus / (Deficit)	(118,547,564)	12,834,539	(131,382,103)
Surplus / (Deficit) as % of income	-235%	21%	1146%
Economic Services			
Income	5,590,435	5,395,671	190,764
Expenditure	11,131,300	2,690,146	8,441,154
Surplus / (Deficit)	(5,540,865)	2,706,525	(8,250,390)
Surplus / (Deficit) as % of income	-99%	50%	-4325%
General Services			
Income	9,795,844	7,971,406	1,824,438
Expenditure	8,955,791	21,852,271	(12,896,480)
Surplus / (Deficit)	840,053	(13,880,865)	14,720,919
Surplus / (Deficit) as % of income	9%	-174%	837%

MNUQUA MUNICIPALITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

REPORT BY THE FINANCE DIRECTOR (continued)

2.1. Overall operating results (continued)

The overall operating income decreased by 12.6% which translates to R 9 449 788 in monetary terms. This could be attributable to equitable share from the National Treasury in terms of the Division of Revenue Act which remained the same as in the previous year. An amount of R 6 431 660 of the total amount allocated is for free basic electricity and free basic services and as such has been accounted for as trust monies even though no special bank account is opened for these funds. In essence that means the operating account owes the free basic services account and the free basic electricity account. This will be addressed in the future years. The municipality also undertook an analysis of water services department operating budget so as to ensure that all the associated costs are recovered from Amatole District Municipality as this function is a District Municipality competency. This subsidy increased by 88% during the current year. Another R 2 937 047 was received from the Provincial Department to intervene in the process of settling long outstanding staff debts. A health subsidy increased by 27% in the current year.

This subsidy is obtained from the Department of Health to compensate the municipality for providing primary health care, patient fees on the other hand decreased by 67% due to stopping of the coupon system in the provision of health care. Over and above these increases, there was a significant increase in car registration, licencing, drivers cards and temporary permits issued as a result of the closure of some of the neighbouring provincial licencing centres and renewal of drivers cards most of which were expiring in the current year. However, it is concerning that billing and collection of revenue has declined so drastically and efforts are in place to establish the debt collection centre so as to implement the credit control policy of the municipality. Consumer charges decreased by R3 972 510 in total which is 76% decline compared to previous year. The only increase is 20% on refuse removal charges, an indication that cleanliness campaigns are bearing fruit.

Operating expenses have increased significantly due to increases in salaries as a result of filling of vacancies late in 2003 as well as due to the provision for leave pay amounting to R6 751 832.08. Bad debt provision amounting to R113 879 561 has been raised for doubtful debts out of the R148 295 060 of the total consumer debtors book. The municipality needs to review the results of its data cleansing exercise to ensure that debtors information updated into the new billing system is accurate. There was significant decrease in the purchase of raw water in the current year as R 18 911 427 was spent for this purpose in 2003 and only R2 048 542 in the current year. Repairs and maintenance increased due to extensive repair program especially for pipelines and roads. Contribution to capital outlay is summarised hereunder and details of payroll expenditure are summarised in paragraph 2.3 below.

Details	2004 Actual	2003 Actual
Buildings	R 807,577	R 300,334
Streets & Roads	R 1,953,131	R 2,570,659
Street lighting	R 437,116	R 70,238
Plant & equipment	R 229,192	R 2,000,575
Office equipment	R 216,588	R 309,096
Furniture & fittings	R 228,662	R 82,906
Motor vehicles	R 644,501	R 1,728,285
	<u>R 4,516,766</u>	<u>R 7,062,093</u>

Without the grant funding, it does not look like the municipality would have been able to meet its obligations as revenue collection has not improved during the current year under review.

2.2. Projected revenue and expenditure

An overall surplus of R 36 256 was budgeted for in the current year. However, a budget deficit of R 123 248 376 was incurred. This is attributed to lack of accurate financial information from the previous year which was used as a basis of determining the budget as well as R113 879 561 bad debt provision and R6 751 832 leave pay provision. The reasonableness of our projections could therefore not be ascertained.

2.3. Payroll expenditure

The total payroll expenditure for the year is R 50 940 106 (2003: R 33 366 191). Of this amount R 4 482 056 councillor's remuneration with the balance being salaries for management and staff.

2.4. Grants-in-aid

There was no policy regarding this type of expenditure and no grants of this nature were paid out during the year under review.

2.5. Variance analysis and explanations

Overall operating results and variances are reflected in paragraph 2.1 above. Due to lack of reliable financial information from the current financial systems, it becomes impossible to analyse the variances at a departmental level and to properly monitor the budget so as to ensure accurate monthly reporting.

MNUJIMA MUNICIPALITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

REPORT BY THE FINANCE DIRECTOR (continued)

2.6. Unauthorised, irregular, fruitless and wasteful expenditure

Unauthorised expenditure means the overspending of a vote or a main division within a vote, or expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division. Irregular expenditure is, on the other hand, expenditure incurred in contravention of a specific legislation whilst fruitless expenditure is expenditure that would have been avoided had reasonable care been exercised. Due to lack of proper adequate internal control systems it is difficult to identify such expenditure and to ensure that identified amounts are recovered from relevant officials should they exist. However, our limited review procedures prior to making any payment has not picked up any expenditure of this nature.

2.7. Financial misconduct and actions taken

No disciplinary actions were taken as a result of financial misconduct during the year under review.

2.8. Important policy decisions and strategic issues taken by the department

During the year under review, as part of the general re-organisation of the municipality, the finance complex was boosted by two interns whose expenses were funded by National Treasury. The monies received only have to be used for these interns. Finance policies were adopted by the council and finance procedures were put in place. However, monitoring of the implementation of these policies and procedures is a challenge as at this stage the municipality constantly has to focus on clearing the backlog on financial management.

3 Services rendered by the department

3.1. Tariff policy

The department offers financial support to all the other departments of the institution. No inter-departmental charges are made for this function. Over and above that the department also charges consumers for services rendered in line with the approved tariff structure of the municipality. However, the tariff policy has not yet been developed and approved.

3.2. Free basic services

The free basic services policy has not been developed. However a process of identifying indigent households has been initiated. An amount of R 6 431 660 was allocated for free basic services but was deposited in the operating account and therefore not used for the intended purpose. This is contrary to the conditions attached to the free basic services grant and as a result the amount withdrawn has been accounted for as internal loan and should be repaid.

4 Capacity constraints

To assist with capacitating the finance department as well as other departments the mentors continued with their exercise for another year to ensure continuance of the institutional stability. Finance management system, management information system, human resources management system and electronic document management system were in the process of being acquired as at the end of the financial year. Funding was made possible by the Eastern Cape Department of Housing and Local Government Management Support Programme. It is hoped that the implementation of the finance management system would improve the monthly management reporting and financial reporting within the deadlines.

5 Utilisation of donor funding

No donor funding was obtained during the year under review.

6 Revenue management

There is a significant decrease in accounts receivable due to the provision raised as a result of the culture of non-payment for services. The financial controls, which could also ensure proper revenue management are not yet in place but this is treated as a matter of urgency and the systems to be implemented will be assessed based on their ability to assist in improving revenue management. In fact certain processes were undertaken during the year to recover monies owed by businesses and government institutions and long outstanding debtors were handed over to TKA financial services. However, revenue from accounts handed over did not come in at the required levels and other revenue improvement strategies will be tried in the foreseeable future. The credit control and customer care policy, tariff policy and indigent policy were still being discussed for adoption by the council as at the end of the financial year. Certain councillors had consumer arrear debts amounting to R218 457 as at 30 June 2004 which was more than 3 months in arrear.

MNQUMA MUNICIPALITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

REPORT BY THE FINANCE DIRECTOR (continued)

7 Creditors' management

It is this departments desire to ensure that creditors are paid within 30 days of obtaining an invoice and to implement proper creditors reconciliation procedures. Included in accounts payable are arrears payovers which were deducted from employees and not paid over to relevant institutions. Verification of insurance deductions was completed during the year and paid over with the current year focus being repayment of loans and other deductions. An amount owing to Department of Water Affairs and Forestry totalling R 19 359 968 is included in accounts payable.

8 Long term liability management

Development bank of South Africa loan which was unserviced for an extended period resulting in accumulation of interest. This loan had a balance of R 4 976 498 at year end after repayment of R 2 729 549 during the year under review. Endeavours are made to ensure that this loan is paid on a monthly basis. Over and above this loan, instalment sale agreements were entered into previously with Meag Bank to acquire municipal vehicles for administration purposes. The loans are paid monthly through the debit orders and the balance of R 199 480 was outstanding at year end. Details of long term loans are reflected in Appendix A.

9 Investment and cash management

The municipality has instituted measures to ensure that investment and operating accounts are reconciled on a monthly basis. This is presently being done outside the system as the bank reconciliation module of our financial management software was never utilised. The balance of cash and cash equivalents at 30 June 2004 amounted to R 14 482 437 after writing off R 352 884 in respect of old TRC's that could not be traced and verified.

These investments include R 9 032 573 held in respect of special funds. Information relating to these funds is reflected in notes 1 and 2 of the financial statements.

10 Asset management

Numerous errors were noted when the fixed assets registers for the previous years were reviewed. The asset management section is intending to seek the services of an appraiser to verify and value all the property, plant and equipment of the municipality to ensure that recording thereof complies with GAMAP.

11 Corporate governance arrangement and risk management

The need to ensure compliance with laws and regulations could never be over-emphasised. All our efforts are intended to clear the backlog so as to ensure proper compliance, hence, the development of policies and procedures. Xolani Phumeza & Associates was engaged to assist with risk assessment and the internal auditor was appointed during the year under review.

12 Discontinued activities and activities to be discontinued

There has been no activities that were discontinued during the year under review or proposed to be discontinued in future.

13 New or proposed activities

There were no new or proposed activities during the year under review. The disaster section was established and budgeted for under protection services.

WINGUIMA MUNICIPALITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

REPORT BY THE FINANCE DIRECTOR (continued)

14 Progress with financial management improvement

All the issues highlighted above are endeavours by this department to improve on financial management. During 2003, the financial statements for 2001 and 2002 were completed, VAT returns up to 30 June 2002 were compiled, the asset register was updated, the IT infrastructure was improved to ensure that the municipality is running on a network, data cleansing project was completed and will be integrated with the existing or proposed financial management system database, the procurement policy has been adopted and in force and the annual budget was compiled and submitted. These efforts were sustained in 2004 to ensure that the backlog is managed

15 Performance information

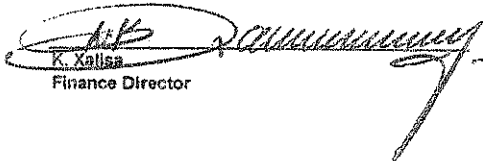
The IDP of the institution is broken down into the institution scorecard, departmental scorecards, and individual scorecards. This is intended to monitor our performance. Quarterly reports are reviewed by the different clusters.

16 Events after the reporting date

There were no major events that occurred after the balance sheet date which will have the impact on the financial statements.

17 Expression of appreciation

I wish to express my appreciation to the Executive Mayor, the members of the finance committee, councillors, municipal manager and my colleagues for their invaluable assistance and support during the past trying year


K. Xalisa
Finance Director

MINQUA MUNICIPALITY
BALANCE SHEET AS AT 30 JUNE 2004

	Notes	2004 R	2003 R
CAPITAL EMPLOYED			
STATUTORY FUNDS	1	3,208	3,146
ACCUMULATED SURPLUS / (DEFICIT)		(24,870,732)	113,729,709
TRUST FUNDS	2	26,973,267	13,883,827
LONG-TERM LIABILITIES	3	4,993,538	7,099,279
CONSUMER DEPOSITS	4	1,019,922	993,622
TOTAL		8,119,204	135,709,583
EMPLOYMENT OF CAPITAL			
PROPERTY, PLANT AND EQUIPMENT	5	199,480	384,301
INVESTMENTS	6	15,284,762	11,644,429
NET CURRENT ASSETS		(7,365,038)	123,680,853
CURRENT ASSETS			
		48,810,318	158,950,449
Inventory	7	352,033	165,474
Consumer debtors	8	35,247,367	140,911,949
Other debtors	9	14,013,242	10,526,887
Cash resources		(862,325)	7,346,139
CURRENT LIABILITIES			
		56,175,356	35,269,596
Provisions	10	7,314,744	562,912
Creditors	11	48,678,173	34,519,145
Short-term Portion of Long-Term Liabilities	3	182,440	187,540
TOTAL		8,119,204	135,709,583

MINQUA MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 Actual	2004 Budget	2003 Actual
		R		R
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES				
Executive Services		(1,636,784)	(10,961,891)	(1,085,023)
Administration Services		(10,527,882)	(11,588,659)	(3,714,084)
Technical Services		(12,362,854)	(15,350,923)	(12,936,910)
Financial Services		(77,647,690)	55,029,988	49,296,287
Health Services		(4,527,760)	1,324,336	(5,108,939)
Protection Services		(6,939,253)	(8,885,253)	(5,705,708)
Council's General Expenses		(4,905,341)	(10,725,018)	(7,911,084)
Sewerage Services		(6,098,947)	(2,767,314)	170,146
Sanitation Services		558,081	(2,541,462)	2,539,379
Water Services		840,053	6,502,452	(13,880,866)
Sub-total (Refer Annexure)		<u>(123,248,376)</u>	<u>36,256</u>	<u>1,663,198</u>
Extraordinary Items		-	-	-
NET SURPLUS BEFORE APPROPRIATIONS		(123,248,376)	36,256	1,663,198
UNAPPROPRIATED SURPLUS/(DEFICIT) AT BEGINNING OF THE YEAR		113,729,709		(54,499,006)
APPROPRIATIONS		(15,352,065)	-	166,565,517
Fundamental error	12	(15,352,065)	-	166,565,517
UNAPPROPRIATED SURPLUS AT END OF THE YEAR		<u>(24,870,732)</u>	<u>36,256</u>	<u>113,729,709</u>

MINQUA MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR 30 JUNE 2004

	Notes	2004 R	2003 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in operations		(19,742,679)	48,729,577
Interest received		375,375	437,063
Interest paid		(852,476)	(745,228)
Decrease / (increase) in funds and reserves		13,089,502	(60,181,290)
NET CASH FROM OPERATING ACTIVITIES		<u>(7,130,278)</u>	<u>(11,759,878)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		4,516,767	7,062,202
NET CASH FROM INVESTING ACTIVITIES		<u>4,516,767</u>	<u>7,062,202</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (decrease) in external loans		(2,105,741)	(10,337,445)
Increase / (decrease) in consumer deposits		26,300	16,300
Other capital receipts		184,820	(384,301)
NET CASH FROM FINANCING ACTIVITIES		<u>(1,894,621)</u>	<u>(10,705,446)</u>
NET CASH FLOW		(4,508,132)	(15,403,121)
INCREASE IN CASH AND CASH EQUIVALENTS		4,508,132	15,403,121
Cash and cash equivalents at beginning of the year		18,990,569	34,393,690
Cash and cash equivalents at end of the year		14,482,437	18,990,569

MNQUMA MUNICIPALITY
ACCOUNTING POLICIES

1 BASIS OF PRESENTATION

- 1.1 These financial statements have been prepared so as to conform with Generally Accepted Municipal Accounting Principles laid down by the Institute of Municipal Finance Officers
- 1.2 The financial statements have been prepared on the historical cost basis

2 INVESTMENTS

- 2.1 Investments are stated at cost, less amounts written off.
- 2.2 Investments are written down to give recognition to a permanent decline in value

3 PROPERTY, PLANT AND EQUIPMENT

- 3.1 Property, plant and equipment is stated at cost.
- 3.2 Major improvements to buildings, plant and equipment are capitalised. Maintenance and repairs are expensed when incurred.
- 3.3 The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the financial statements is tantamount to a provision for depreciation. However, certain structural differences do exist. By way of this "Provision" property, plant and equipment are written down over their estimated useful life. Property, plant, and equipment acquired and paid for during the year form part of a direct charge against council's revenue and it is therefore unnecessary to provide for depreciation. Property, plant and equipment financed through grants and donations are recognised and costs and such grants or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account. Property, plant and equipment financed by means of external loans result in such loans being repaid within the estimated useful life of assets.

4 INVENTORIES

- 4.1 Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first-in, first-out method.
- 4.2 Redundant and slow-moving inventories are identified and written down with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility

5 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. The defined benefit funds, which are administered on a national basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating local municipalities.

6 REVENUE RECOGNITION

- 6.1 Assessment rates income is recognised once a rates assessment has been issued to ratepayers. Adjustment or interim rates are recognised once the Municipal Valuator has valued the change to properties. Rates collection charges on unpaid rates are recognised once the due date for payment has elapsed. Rates penalty charges are recognised after each payment interval has elapsed
- 6.2 Revenue from the sale of goods is recognised when the risk is passed to the consumer.
- 6.3 Revenue from the sale of water is recognised when either a meter reading has been performed or an estimate of consumption is raised on a proportional basis.
- 6.4 Revenue arising from the application of the approved tariff of charges is generally when the relevant service is rendered.
- 6.5 Interest and rentals are recognised on a time proportion basis that takes into account the effective yields on assets.
- 6.6 Revenue from fines is recognised when payment is received, and the revenue from the issuing of summonses is recognised when collected.

MINQUA MUNICIPALITY
ACCOUNTING POLICIES (continued)

6 REVENUE RECOGNITION (continued)

6.7 Amounts received from government and donors that are considered to be of a revenue nature are recognised on receipt. Amounts received from government and donors for the purpose of acquiring items of property, plant and equipment are classified as capital receipts and credited directly to non-distributable reserves. These amounts are released to the income statement over the estimated life of the item of property, plant and equipment acquired.

7 SEGMENTAL INFORMATION

The principle segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditures. The primary basis is representative of the internal structure for both budgeting and management purposes. The secondary basis classifies all operations based on the classification of income and expenditure.

MNQUMA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004

	2004 R	2003 R
1 STATUTORY FUNDS		
Revolving fund	3,208	
	<u>3,208</u>	<u>3,146</u>
Movement is reconciled as follows:		<u>3,146</u>
Balance at beginning of the year		11,487,682
Interest on investments	3,146	
Unsubstantiated funds written off	63	
Balance at end of year	<u>0</u>	<u>0</u>
	<u>3,208</u>	<u>(11,484,536)</u>
		<u>3,146</u>

2 TRUST & PROJECTS FUNDS

282 houses fund	249,873	
312 houses fund	1,328,125	1,019,909
Centane planning fund	165,485	1,092,976
Centane survey fund	108,969	0
Finance management grant fund	924,935	0
Free basic services fund	15,579,763	0
General valuation fund	806,934	9,147,641
IDP fund	201,138	0
Intervention fund	4,959,353	187,861
Municipal Mentoring fund	210,372	0
Nqamakwe planning fund	32,157	212,593
Nqamakwe survey fund	121,722	0
Pilot housing fund	333,612	0
Siyanda planning fund	175,647	601,668
Siyanda survey fund	354,792	0
Transitional grant fund	1,622,390	0
	<u>26,973,267</u>	<u>1,621,160</u>
		<u>13,883,827</u>

Movement is reconciled as follows:

Balance at beginning of the year	13,883,827	
Interest on investments	126,636	62,580,581
Contribution during the year	20,270,235	292,741
Unsubstantiated funds written off	0	3,753,724
Expenditure during the year	(7,307,436)	(51,951,232)
Balance at end of year	<u>26,973,267</u>	<u>(791,987)</u>
		<u>13,883,827</u>

These represent funds provided by the government to provide a specified service. Trust Funds are invested separately as indicated in note 8.

3 LONG-TERM LOANS

Development Bank of SA	4,976,498	
Meeg Bank instalment sale agreement	199,480	6,902,518
	<u>5,175,978</u>	<u>384,301</u>
Less: Current portion transferred to current liabilities		7,286,819
Meeg Bank instalment sale agreement	(182,440)	
	<u>4,993,538</u>	<u>(187,540)</u>
		<u>7,099,279</u>

Refer to Appendix A for more detail

MNGQUMA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (continued)

	2004 R	2003 R
4 CONSUMER DEPOSITS	1,019,922	993,622

All consumers are required to pay a deposit for services. Deposits are considered a long-term liability as the deposit is only refunded once the service is terminated. Interest is not paid on deposits.

5 PROPERTY, PLANT AND EQUIPMENT

	30 JUNE 2004 <u>Historical Cost</u>	<u>Loans Redeemed & Other Capital Receipts</u>	<u>Carrying Value</u>
	R	R	R
Land	6,640,460	6,640,460	0
Buildings	3,969,163	3,969,163	0
Infrastructure	34,220,281	34,220,281	0
Other	7,770,897	7,571,216	199,480
TOTAL	52,600,601	52,401,121	199,480
	R	R	R
	R	R	R
Land	6,640,460	6,640,460	0
Buildings	3,161,586	3,161,586	(0)
Infrastructure	31,830,034	31,830,034	0
Other	6,451,754	6,067,453	384,301
TOTAL	48,083,834	47,699,533	384,301

Refer to Appendices B and C for more details

6 INVESTMENTS

	2004 R	2003 R
<u>Unlisted</u>		
Local Term Deposits	0	352,884
Short-term Deposits	15,284,762	11,291,545
TOTAL	15,284,762	11,644,429
Allocated as follows: -		
: Pilot Housing Fund	35,716	301,667
: Operating Accounts	1,692,525	2,870,098
: CMIP Fund	2,090,676	5,190,585
: Siyanda Planning Fund	246,327	0
: Nqamakwe Survey Fund	195,034	0
: Nqamakwe Planning Fund	165,485	0
: Centane Planning Fund	165,485	0
: Siyanda Survey Fund	354,792	0
: Centane Survey Fund	195,034	0
: General Valuation Fund	606,934	0
: Finance Management Grant Fund	937,085	0
: Intervention Fund	4,996,427	0
: TRC Fund	0	352,884
: MMP Fund	10,372	12,593
: MSP Fund	0	(165)
: 282 Houses Fund	211,665	1,573,873
: 312 Houses Fund	1,264,487	1,244,014
: 863 Houses Fund	0	(161)
: IDP Fund	428,398	17,753
: Free Basic Services Fund	8,746	8,244
: Transitional Grant Fund	5,180	68,450
: Primary Health Care Fund	1,670,576	839
: Revolving Fund	3,818	3,756
TOTAL	15,284,762	11,644,429

MNGUMA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (continued)

	2004 R	2003 R
7 INVENTORY		
Consumable stores		
TOTAL	<u>352,033</u>	<u>165,474</u>
Inventory is net of specific provisions for obsolescence.	<u>352,033</u>	<u>165,474</u>
 8 CONSUMER DEBTORS		
Water		
Sanitation/Sewerage	18,601,191	16,683,488
Refuse	9,886,156	8,885,856
Assessment Rates	13,390,903	11,762,035
Rentals	55,841,654	59,499,161
Other debtors	10,095,702	9,119,334
	<u>40,479,454</u>	<u>44,380,499</u>
	148,295,060	150,330,374
Less: Provision for bad debts	113,047,693	9,418,425
TOTAL	<u>35,247,367</u>	<u>140,911,949</u>
The ageing of debtors is as follows: -		
<u>WATER</u>		
Current		
30-60 days	1,034,655	385,485
60-90 days	482,935	318,805
90-120 days	118,761	431,152
120-365 days	355,270	1,317,454
TOTAL	<u>16,609,571</u>	<u>14,230,593</u>
	18,601,191	16,683,488
The ageing of debtors is as follows: -		
<u>SANITATION/SEWERAGE</u>		
Current		
30-60 days	611,608	405,311
60-90 days	220,626	219,141
90-120 days	71,456	243,822
120-365 days	171,896	594,965
TOTAL	<u>8,810,570</u>	<u>7,422,586</u>
	9,886,156	8,885,856
The ageing of debtors is as follows: -		
<u>REFUSE</u>		
Current		
30-60 days	848,856	497,798
60-90 days	312,247	304,505
90-120 days	106,582	318,335
120-365 days	235,558	860,012
TOTAL	<u>11,887,662</u>	<u>9,781,386</u>
	13,390,903	11,762,035
<u>ASSESSMENT RATES</u>		
Current		
30-60 days	(2,128,355)	(1,402,781)
60-90 days	358	140
90-120 days	0	9,669,717
120-365 days	77	19,115,062
TOTAL	<u>57,969,573</u>	<u>32,117,023</u>
	55,841,654	59,499,161

MNQUMA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (continued)

	2004 R	2003 R
8 CONSUMER DEBTORS (continued)		
RENTALS		
Current	380,079	232,633
30-60 days	169,059	180,598
60-90 days	98,502	181,742
90-120 days	133,217	444,637
120-365 days	9,314,845	8,079,725
TOTAL	10,095,702	9,119,334
OTHER CONSUMER DEBTORS		
Current	(2,053,418)	1,329,023
30-60 days	1,267	590
60-90 days	0	202,180
90-120 days	1,314	75,028
120-365 days	42,530,292	42,773,679
TOTAL	40,479,454	44,380,499
BAD DEBT PROVISION		
The bad debt provision is kept at the same amount as in the previous year.		
9 OTHER DEBTORS		
Internal loans and advances	11,021,018	10,526,399
Unpaid cheques & unknown deposits	153,743	488
Vat refundable	2,838,482	-
	14,013,242	10,526,887
10 PROVISIONS		
Accounting and audit fees	562,912	562,912
Staff leave	6,751,832	-
	7,314,744	562,912
11 CREDITORS		
Internal loans and advances	11,148,396	10,526,399
Other accounts payable	1,497,301	1,541,512
Salary deductions payable	16,672,507	2,647,337
Trade creditors	19,359,968	18,511,427
VAT payable	0	1,292,469
	48,678,173	34,519,145
12 CORRECTION OF FUNDAMENTAL ERROR	(15,352,065)	166,565,517

The correction of fundamental error relates to clearance of unsubstantiated balance sheet accounts as well as restatement of misallocated accounts in the previous year as well as the debit balance on the salary liability account. The prior year comparative amounts in the current year's financial statements have not been restated and all the adjustments were made as appropriations against the accumulated surplus / (deficit).

MNQUMA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (continued)

	2004 R	2003 R
13 NET SURPLUS FOR THE YEAR		
The net surplus for the year has been determined after taking the following into account:		
<u>COUNCILLORS' REMUNERATION</u>		
Mayor, Members of EXCO and Councillors	4,482,056	6,485,153
	<u>4,482,056</u>	<u>6,485,153</u>
<u>AUDITORS REMUNERATION</u>		
Audit fees - Auditor-General	106,813	51,292
	<u>106,813</u>	<u>51,292</u>
<u>INTEREST PAID</u>		
Long-term liabilities - DBSA and Meeq Bank	852,264	745,066
Interest on bank overdraft	212	162
	<u>852,476</u>	<u>745,228</u>
<u>INTEREST RECEIVED</u>		
Local Term and Short Term Investments	375,375	437,063
	<u>375,375</u>	<u>437,063</u>
<u>GOVERNMENT SUBSIDIES</u>		
Central Government - Equitable share	35,776,591	41,685,701
Amatola District Municipality - Water Services	5,066,447	2,700,003
Amatola District Municipality - Transformation	2,937,075	5,939,110
Other grants and subsidies	48,698	0
Provincial Government - Health Subsidies	2,188,825	1,717,596
	<u>46,017,636</u>	<u>52,042,409.79</u>
<u>OPERATING LEASES CHARGES</u>		
Lease of premises and office equipment	922,511	577,718
	<u>922,511</u>	<u>577,718</u>
14 REVENUE		
Assessment Rates	4,934,516	7,694,212
Rental Income	1,743,419	2,613,180
Water Sales	4,720,181	5,268,520
Sewerage and Sanitation	2,185,235	2,549,619
Refuse Removal	3,405,200	2,844,009
Interest on Investments	375,375	437,063
Equitable Share	35,776,591	41,685,701
Water Services Subsidy	5,066,447	2,700,003
Health Subsidy	2,188,825	1,717,596
Transformation Grant & Other Subsidies	2,965,772	5,939,110
Car Registration & Licensing Income	1,699,946	956,026
Patient Fees	57,264	175,567
Other Income	437,544	486,458
Traffic Fines	151,080	110,120
Total	<u>65,727,395</u>	<u>75,177,183</u>

MNQUMA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (continued)

	2004 R	2003 R
15 CASH GENERATED BY OPERATIONS		
Net surplus for the year	(123 248 376)	1 863 198
Adjustments:		
Contribution to fixed assets	(4 516 767)	(7 062 202)
Investment income	(375 375)	(437 063)
Interest paid	852 476	745 228
Correction of fundamental error	(15 352 065)	166 565 517
Operating surplus before working capital	<u>(142 640 107)</u>	<u>161 474 678</u>
Decrease / (increase) in inventory	(186 559)	50 594
Decrease / (increase) in debtors	105 664 582	(73 854 134)
Decrease / (increase) in sundry debtors	(3 486 356)	(7 279 019)
Increase / (decrease) in provisions	6 751 832	(511 330)
Decrease / (Increase) in creditors	14 159 029	(31 338 752)
Increase in short-term portion of long-term liabilities		
	<u>(5 100)</u>	<u>187 540</u>
Cash utilised in operations	<u><u>(19 742 679)</u></u>	<u><u>48 729 577</u></u>
16 CASH AND CASH EQUIVALENTS		
Cash resources	(802 325)	7 346 139
Short term investments	<u>15 284 762</u>	<u>11 644 429</u>
	<u><u>14 482 437</u></u>	<u><u>18 990 568</u></u>

17 RETIREMENT BENEFITS

An interim actuarial valuation of the Pension Funds (a defined benefit fund) was done as at 30 June 2003 in which the actuaries reported the estimated values of the pensions as follows:

Name of pension fund

Cape Joint Pension Fund	246 650 000	246 650 000
SAMWU National Provident Fund	969 082 000	969 082 000
Total Valuation	<u><u>1 215 732 000</u></u>	<u><u>1 215 732 000</u></u>

The valuation of the National Fund for Municipal Workers was not done as at 30 June 2003 and as such no values could be obtained.

The Council also contributes to gratuity fund in respect of certain staff who, when they commenced employment with the council were over the age of 55 years and hence not eligible to join the pension funds. Furthermore, the council also made contributions in respect of employees who joined the Cape Joint Retirement Fund and the Cape Town Municipal Pension Fund.

18 CAPITAL AND OTHER COMMITMENTS

Commitments in respect of approved orders - Approved and contracted for

	227 319	122 039
	<u>227 319</u>	<u>122 039</u>

This expenditure will be financed from internal sources.

MANQUMA MUNICIPALITY
FINANCIAL STATEMENTS - 30 JUNE 2004
APPENDIX B
ANALYSIS OF FIXED ASSETS

HISTORICAL COST

	Opening Balance	Addition	Disposal	Closing Balance
LAND	6,648,460	-	-	6,648,460
Bawa Falls	66,055	-	-	66,055
Cemetery	23,604	-	-	23,604
Estates	147,924	-	-	147,924
Parks & Gardens	53,715	-	-	53,715
Township Development	105,144	-	-	105,144
Various Properties	6,244,018	-	-	6,244,018
BUILDINGS	3,161,586	807,577	-	3,969,163
Abattoirs	36,997	-	-	36,997
Administration & Civic	2,044,348	346,412	-	2,390,760
Chinics	124,057	-	-	124,057
Library buildings	39,135	-	-	39,135
Pound building	700	-	-	700
Staff housing	720,538	424,865	-	1,145,403
Traffic buildings	138,910	-	-	138,910
Workshop building	56,901	36,300	-	93,201
ELECTRICITY	1,327,185	-	-	1,327,185
Supply/reticulation	1,327,185	-	-	1,327,185
ROADS	16,780,953	1,953,131	-	18,734,084
Streets	15,767,178	1,953,131	-	17,720,309
Street lighting	721,630	-	-	721,630
Testing grounds	292,145	-	-	292,145
WASTE WATER	4,847,612	-	-	4,847,612
Sewers & Sludge Machines	4,847,612	-	-	4,847,612

LOANS REDEEMED AND OTHER CAPITAL RECEIPTS

	Opening Balance	Addition	Disposal	Closing Balance	Carrying Value
	6,640,460	-	-	6,640,460	
Bawa Falls	66,055	-	-	66,055	
Cemetery	23,604	-	-	23,604	
Estates	147,924	-	-	147,924	
Parks & Gardens	53,715	-	-	53,715	
Township Development	105,144	-	-	105,144	
Various Properties	6,244,018	-	-	6,244,018	
BUILDINGS	3,161,586	807,577	-	3,969,163	
Abattoirs	36,997	-	-	36,997	
Administration & Civic	2,044,348	346,412	-	2,390,760	
Chinics	124,057	-	-	124,057	
Library buildings	39,135	-	-	39,135	
Pound building	700	-	-	700	
Staff housing	720,538	424,865	-	1,145,403	
Traffic buildings	138,910	-	-	138,910	
Workshop building	56,901	36,300	-	93,201	
ELECTRICITY	1,327,185	-	-	1,327,185	
Supply/reticulation	1,327,185	-	-	1,327,185	
ROADS	16,780,953	1,953,131	-	18,734,084	
Streets	15,767,178	1,953,131	-	17,720,309	
Street lighting	721,630	-	-	721,630	
Testing grounds	292,145	-	-	292,145	
WASTE WATER	4,847,612	-	-	4,847,612	
Sewers & Sludge Machines	4,847,612	-	-	4,847,612	

TOTAL FIXED ASSETS

MINQUAMA MUNICIPALITY
FINANCIAL STATEMENTS - 30 JUNE 2004
APPENDIX B
ANALYSIS OF FIXED ASSETS

	HISTORICAL COST			LOANS REDEEMED AND OTHER CAPITAL RECEIPTS			Carrying Value
	Opening Balance	Additions	Disposal	Opening Balance	Additions	Disposal	
BULK WATER	8,500,809	-	-	8,500,809	-	-	-
Boreholes	356,198	-	-	356,198	-	-	-
Reservoirs and tanks	575,696	-	-	575,696	-	-	-
Supply/reticulation	7,568,915	-	-	7,568,915	-	-	-
RECREATIONAL FACILITIES	373,475	437,116	-	373,475	437,116	-	810,591
Floodlighting	300,000	437,116	-	300,000	437,116	-	737,116
Swimming pools	73,475	-	-	73,475	-	-	73,475
PLANT & EQUIPMENT	3,060,688	229,192	-	3,060,688	229,192	-	3,289,880
Clinic equipment	11,860	-	-	11,860	-	-	11,860
Firearms	9,480	-	-	9,480	-	-	9,480
Graders, earthmovers and loaders	2,209,823	-	-	2,209,823	-	-	2,209,823
Lawnmowers	32,055	147,316	-	32,055	147,316	-	179,371
Radio equipment	1,600	-	-	1,600	-	-	1,600
Refuse removal equipment	18,130	20,614	-	18,130	20,614	-	38,744
Road marking machine	36,000	-	-	36,000	-	-	36,000
Speed tapping machine and breatheriser	2,800	-	-	2,800	-	-	2,800
Swimming pool equipment	75,610	-	-	75,610	-	-	75,610
Telecommunication equipment	1,200	-	-	1,200	-	-	1,200
Tipper	165,000	-	-	165,000	-	-	165,000
Tractors	461,000	-	-	461,000	-	-	461,000
Water purification equipment	3,500	-	-	3,500	-	-	3,500
Workshop equipment	32,630	61,262	-	32,630	61,262	-	93,892
GAS	4,980	-	-	4,980	-	-	4,980
Gas masks	180	-	-	180	-	-	180
Storage tanks	4,800	-	-	4,800	-	-	4,800

MNOUMA MUNICIPALITY
 FINANCIAL STATEMENTS - 30 JUNE 2004
 APPENDIX B
 ANALYSIS OF FIXED ASSETS

HISTORICAL COST

	Original Historical Balance	Accumulated Depreciation	Original Historical Balance
OFFICE EQUIPMENT	473,979	216,588	690,566
Air conditioners	86,844	21,886	108,730
Cleaning & Kitchen equipment	20,935	8,171	29,106
Computer equipment	128,601	110,575	239,176
Miscellaneous equipment	170,070	67,457	237,527
Office fans	4,950	-	4,950
Office faxes, photocopiers and calculators	14,100	-	14,100
Office heaters	1,700	4,729	6,429
Office refrigeration equipment	8,088	3,769	11,857
Office safes and cable locks	38,690	-	38,690
FURNITURE & FITTINGS	543,837	228,662	772,499
Cabinets and cupboards	136,600	42,816	179,416
Chairs	213,841	48,525	262,366
Chinic beds	10,311	-	10,311
Miscellaneous	46,707	83,980	130,686
Tables & Desks	136,378	53,342	189,720
MOTOR VEHICLES	2,368,271	644,501	3,012,771
Motor vehicles	323,967	344,472	668,439
Trucks, bakkies and trailers	2,044,304	300,029	2,344,332
TOTAL	48,083,834	4,516,767	52,600,601

LOANS REDEEMED AND OTHER CAPITAL RECEIPTS

	Original Balance	Additional Receipts	Original Balance
	473,979	216,588	690,566
Air conditioners	86,844	21,886	108,730
Cleaning & Kitchen equipment	20,935	8,171	29,106
Computer equipment	128,601	110,575	239,176
Miscellaneous equipment	170,070	67,457	237,527
Office fans	4,950	-	4,950
Office faxes, photocopiers and calculators	14,100	-	14,100
Office heaters	1,700	4,729	6,429
Office refrigeration equipment	8,088	3,769	11,857
Office safes and cable locks	38,690	-	38,690
FURNITURE & FITTINGS	543,837	228,662	772,499
Cabinets and cupboards	136,600	42,816	179,416
Chairs	213,841	48,525	262,366
Chinic beds	10,311	-	10,311
Miscellaneous	46,707	83,980	130,686
Tables & Desks	136,378	53,342	189,720
MOTOR VEHICLES	1,983,976	829,321	2,813,291
Motor vehicles	199,878	432,546	632,424
Trucks, bakkies and trailers	1,784,092	396,775	2,180,867
TOTAL	47,699,533	4,701,588	52,401,121

TOTAL FIXED
ASSETS

	Original Value
	199,480
	36,015
	163,466
	199,480

MNOUMA MUNICIPALITY
FINANCIAL STATEMENTS - 30 JUNE 2004
APPENDIX C

SUMMARY OF FIXED ASSETS BY DEPARTMENTAL AND SERVICE CLASSIFICATION

	HISTORICAL COST				LOANS REDEEMED AND OTHER CAPITAL RECEIPTS				TOTAL FIXED ASSETS
	Opening Balance	Additions	Disposal	Closing Balance	Opening Balance	Additions	Disposal	Closing Balance	
GENERAL SERVICES	33,945,515	3,471,196	-	37,416,711	33,561,214	3,656,017	-	37,217,231	199,480
Executive Services	2,060,453	62,037	-	2,122,490	2,060,453	62,037	-	2,122,490	-
Administration Services	10,621,805	195,952	-	10,817,757	10,237,504	380,773	-	10,618,277	199,480.48
Engineering Services	20,382,670	2,939,206	-	23,321,876	20,382,670	2,939,206	-	23,321,876	-
Financial Services	93,927	94,810	-	188,737	93,927	94,810	-	188,737	-
Health Services	56,312	46,443	-	102,754	56,312	46,443	-	102,754	-
Protection Services	703,931	62,483	-	766,414	703,931	62,483	-	766,414	-
Council's General Expenses	26,417	70,266	-	96,682	26,417	70,266	-	96,682	-
ECONOMIC SERVICES	5,564,900	791,816.47	-	6,356,716	5,564,900	791,816.47	-	6,356,716	
Sewerage Services	4,847,612	-	-	4,847,612	4,847,612	-	-	4,847,612	-
Sanitation Services	717,288	791,816.47	-	1,509,104	717,288	791,816.47	-	1,509,104	-
TRADING SERVICES	8,573,419	253,754	-	8,827,173	8,573,419	253,754	-	8,827,173	
Bulk Water	8,573,419	253,754	-	8,827,173	8,573,419	253,754	-	8,827,173	-
TOTAL	48,083,834	4,516,767	-	52,600,601	47,699,533	4,701,588	-	52,401,121	199,480

MUNICIPALITY
FINANCIAL STATEMENTS

APPENDIX F
STATISTICAL INFORMATION

	2003/2004	2002/2003
Ambulance Services		
Number of stations	N/A	N/A
Number of employees	N/A	N/A
Number of patients conveyed	N/A	N/A
Kilometres travelled	N/A	N/A
Bulk Water		
Water purified	4,200,000 kl	594692 kl
Water sold	1,289,784kl	5,266,736
Water unaccounted	N/A	N/A
% Water losses	30	48
Waste Management		
Waste disposed		
Abattoir		
Fresh meat slaughtered	N/A	N/A
Cattle slaughtered	N/A	N/A
Calves slaughtered	N/A	N/A
Sheep slaughtered	N/A	N/A
Pigs slaughtered	N/A	N/A
Cemeteries and Crematoria		
Burials	131	196
Cremations	N/A	N/A
Market		
Consignments fresh produce received	N/A	N/A
Sales Transactions	N/A	N/A
Economic and Social Development		
1. Breakdown of formal employment in Mquma Municipality		
Agriculture	4.00%	4.00%
Construction	2.00%	2.00%
Electricity and Water	0.30%	0.30%
Finance	3.00%	3.00%
Manufacturing	18.00%	18.00%
Community	53.90%	53.90%
Household	11.00%	11.00%
Trade & Catering	9.00%	9.00%
Transport & Communication	3.00%	3.00%
Mining & Quarrying	0.10%	0.10%

MINQUIMA MUNICIPALITY
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APPENDIX F
STATISTICAL INFORMATION

	2003/2004	2002/2003
2. Sectorial composition of Minquima Municipality		
Education	33.80%	33.80%
Retail Trade & Repair of goods	9.40%	9.40%
Health & Social Work	8.60%	8.60%
Food, Beverages & Tobacco Products	8.10%	8.10%
Wholesale & Commission Trade	7.00%	7.00%
Financial Intermediation & Other Ancillary Activities	5.40%	5.40%
Textile, Clothing & Leather Goods	3.00%	3.00%
Public Administration & Defence Activities	2.90%	2.90%
Land Transport	2.50%	2.50%
Post & Telecommunication	2.00%	2.00%
Insurance & Pension Funding	1.90%	1.90%
Construction	1.90%	1.90%
Agriculture	1.30%	1.30%
Furniture & Other Items	1.60%	1.60%
Transport Equipment	1.50%	1.50%
Fuel, Petroleum, Chemical & Rubber Products	1.40%	1.40%
Metal Products, Machinery & Household Appliances	1.00%	1.00%
Hotels & Restaurants	0.80%	0.80%
Forestry & Lodging	0.80%	0.80%
	<u>100.00%</u>	<u>100.00%</u>