

GARIEP MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2004

	Notes	2004 R	2003 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES	1	7,633,172	6,823,642
Funds		6,458,386	5,949,028
Reserves		1,174,786	874,614
RETAINED INCOME/(ACCUMULATED DEFICIT)		3,341,168	1,904,354
		<u>10,974,340</u>	<u>8,727,996</u>
TRUST FUNDS	2	2,007	1,914
PROJECT FUNDS	3	-	-
LONG TERM LIABILITIES	4	1,451,676	782,502
CONSUMER DEPOSITS : SERVICES	5	43,228	-
		<u>12,471,250</u>	<u>9,512,412</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	2,119,650	2,507,588
INVESTMENTS	7	999,451	998,744
LONG TERM DEBTORS	9	-	-
		<u>3,119,101</u>	<u>3,506,332</u>
NET CURRENT ASSETS		<u>9,352,148</u>	<u>6,006,080</u>
CURRENT ASSETS		27,617,181	25,672,337
Inventory		206,610	223,908
Debtors	10	27,410,571	25,446,771
Cash on hand and at bank		-	-
Short term investments	7	-	-
Short term portion of long term debtors		-	1,658
CURRENT LIABILITIES		18,265,033	19,666,257
Provisions	11	1,581,571	1,352,927
Creditors	12	14,291,867	13,600,955
Short term portion of long term liabilities	4	96,442	32,588
Bank overdraft		2,295,153	4,679,787
		<u>12,471,250</u>	<u>9,512,412</u>

CERTIFIED CORRECT

MUNICIPAL MANAGER
Adv. M. C. Nkohla

CHIEF FINANCIAL OFFICER
Mr. J. Heunis

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

2003 Actual income R	2003 Actual expenditure R	2003 Surplus/ deficit R	2004 Actual income R	2004 Actual expenditure R	2004 Surplus/ deficit R	2004 Budget Surplus/deficit R
12,820,205	15,530,775	(2,710,570)	18,137,277	16,090,020	2,047,257	(2,047,257)
6,104,318	9,994,929	(3,890,611)	14,501,774	12,393,395	2,108,379	(2,108,379)
234,901	1,966,412	(1,731,511)	312,615	1,984,768	(1,672,153)	1,672,153
6,480,986	3,569,434	2,911,552	3,322,888	1,711,857	1,611,031	(1,611,031)
-	-	-	-	-	-	-
-	500,781	(500,781)	-	689,587	(689,587)	689,587
10,584,418	7,941,579	2,642,839	6,564,169	6,485,025	79,144	(79,144)
23,404,623	23,973,135	(568,512)	24,701,446	23,264,632	1,436,814	(1,436,814)

207,720	-
<u>(360,792)</u>	<u>1,436,814</u>
2,265,146	1,904,354
<u><u>1,904,354</u></u>	<u><u>3,341,168</u></u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 R	2003 R
CASH RETAINED FROM OPERATING ACTIVITIES			
Cash generated by operations	20	2,279,420	(106,049)
External Investment Income (interest received)		-	-
(Increase)/decrease in working capital	21	<u>(1,025,288)</u>	<u>(940,810)</u>
		<u>1,254,132</u>	<u>(1,046,859)</u>
Less : External interest paid	18	(116,558)	(150,616)
Cash available from operations		<u>1,137,574</u>	<u>(1,197,475)</u>
Grants from the Government		-	-
Net proceeds on disposal of fixed assets		-	-
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets	6	387,938	363,175
NET CASH FLOW		<u>1,525,512</u>	<u>(834,300)</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase/(decrease) in long term loans	22	636,586	(188,811)
Increase/(decrease) in non-recoverable advances		-	-
Increase/(decrease) in short term loans		-	-
(Increase)/decrease in cash investments	24	(707)	(239)
(Increase)/decrease in cash	25	(2,384,634)	1,023,350
Increase/(decrease) in funds		126,801	
Net cash (generated)/utilised		<u>(1,621,954)</u>	<u>834,300</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004

	2004 R	2003 R
1 FUNDS		
<u>Statutory funds</u>		
Revolving fund	5,480,730	4,985,053
Capital Development Fund	690,357	690,357
Housing Development Fund	287,299	273,618
(Refer to appendix A for more details)	<u>6,458,386</u>	<u>5,949,028</u>
 <u>Reserves</u>		
Maintenance Fund	198,435	153,039
Renewal Fund	216,930	151,651
Working Capital	759,420	569,924
(Refer to appendix A for more details)	<u>1,174,786</u>	<u>874,614</u>
 2 TRUST FUNDS		
C.I. Hughes Fund	2,007	1,914
(Refer to appendix A for more details)	<u>2,007</u>	<u>1,914</u>
 3 PROJECT FUNDS		
Election fund	-	-
Intergrated Development Plan	-	-
Sanitation grant	-	-
Motor Vechile Testing Ground	-	-
	<u>-</u>	<u>-</u>
 4 LONG TERM LIABILITIES		
External loans	1,451,676	815,090
Internal advances		
Less : Current portion transferred to current lia	-	32,588
	<u>1,451,676</u>	<u>782,502</u>
 5 CONSUMER DEPOSITS : SERVICES		
Services	43,228	-
	<u>43,228</u>	<u>-</u>
Guarantees in lieu of electricity and water deposit	<u>-</u>	<u>-</u>
 6 FIXED ASSETS		
Fixed assets at beginning of year	45,225,942	45,082,259
Capital expenditure during the year	165,708	0
Less : Assets written off, transferred or disposed of during the year	163,287	-135,607
Total fixed assets	<u>45,228,363</u>	<u>45,217,866</u>
Less : Loans redeemed and other capital receij	43,108,713	42,710,278
Revenue Contribtion and other capital r	-	-
Net fixed assets	<u>2,119,650</u>	<u>2,507,588</u>
 7 INVESTMENTS		
Total	<u>999,451</u>	<u>998,744</u>
 <u>Listed:</u>		
Shares - Old Mutual	-	-
 <u>Unlisted:</u>		
Short Term Deposits	999,451	998,744
Long Term Deposits	983,696	983,696
	15,755	15,048

8 SHORT TERM INVESTMENTS

Election fund	-	-
Arrears Write Off Grant	-	-
IDP	-	-
Pilot Housing	-	-
Motor Vechile Testing Centre	-	-
Katlehong Survey	-	-
Mt Fletcher investment	-	-
Katlehong Planning	-	-
Other account	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

9 LONG TERM DEBTORS

Housing Loans	-	-
Personnel Loans	-	-
Motor Vehicle Loans	-	-
Other	-	1,658
	<u>-</u>	<u>1,658</u>
Less : Short term portion transferred to Current	-	1,658
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

INVENTORY206,610.00223,908

Stock represents consumable stores, raw materials, work in progress and finished goods. Where necessary specific provision is made for obsolete stock.

10 DEBTORS

Debtors:Water	-	-
Debtors:Electricity	-	-
Debtors: Health Rates	-	-
Debtors: Sanitation	-	-
Debtors: Refuse	-	-
Debtors: Rates	-	-
Commonage Rent	-	-
Subsidy	-	-
Debtors: Television	-	-
Current debtors - Rates & General services	-	-
Current debtors - consumer and other	27,410,571	25,446,771
Current debtors -(other)	-	-
Amounts paid in advance (deposits & prepaid expenses)	-	-
	<u>27,410,571</u>	<u>25,446,771</u>
Less : Provision for bad debts	-	-
	<u>27,410,571</u>	<u>25,446,771</u>
Transfer to creditors	-	-
	<u>27,410,571</u>	<u>25,446,771</u>

DEFERRED CHARGES

Commission	-	-
Issue expenses	-	-
Commission	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

11 PROVISIONS1,581,5711,352,927

(Refer to appendix A for more details)

12 CREDITORS

Trade creditors	13,983,300	13,317,897
VAT	-	-
Deposits :	308,567	283,058
Electricity and water	296,750	273,485
Town Hall	6,667	5,023
Petrol	-	-
Other	5,150	4,550
Other	-	-
	<u>14,291,867</u>	<u>13,600,955</u>
Transfer from the debtors disclosure note	-	-
(Refer to Treasurer's Report for more details)	<u>14,291,867</u>	<u>13,600,955</u>

ASSESSMENT RATES

	Improvements valuations at 01-Jul-04 R 000's	Actual income 2004 R	Actual income 2003 R
Residential & Commercial	62,104	2,814,971	2,256,599
Government	17,150	-	-
Municipal	11,822	-	-
State	-	-	-
Other	4,962	-	-
	<u>96,038</u>	<u>2,814,971</u>	<u>2,256,599</u>

COUNCILLORS' REMUNERATION

Mayor's allowance	213,944	168,600
Deputy mayor's allowance		
Councillor allowances	348,127	264,600
Subsistence&travelling		
Pension fund contributions	-	-
	<u>562,071</u>	<u>433,200</u>

AUDITORS' REMUNERATION

Audit fees	<u>102,895</u>	<u>100,900</u>
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18 FINANCE TRANSACTIONS*Total external interest earned or paid :*

Interest earned	-	-
Interest paid	-	-
	<u>-</u>	<u>-</u>

Capital charges debited to operating account :

Interest :		
External	116,558	136,869
Internal	454,569	312,123
Redemption :		
External	96,442	96,753
Internal	-	8,153,762
	<u>667,569</u>	<u>8,699,508</u>

19 APPROPRIATIONS**Appropriation account**

Accumulated surplus/(deficit) at beginning of year	1,904,354	2,265,146
Operating surplus/(deficit) for the year	1,436,814	(568,512)
Appropriations for the year	-	207,720
- Contribution to Revolving Fund	-	-
- Prior year adjustments	-	207,720
Accumulated surplus/(deficit) at end of year	<u>3,341,168</u>	<u>1,904,354</u>

Operating account

Fixed assets	-	-
Contributions to	-	-
- Revolving fund	-	-
- Renewal fund	-	-
- Working Capital Fund	-	-
- Accumulated Funds	-	-
- Trust Funds	-	-
- Revolving Fund	-	-
- Leave provision	-	-
- Maintenance reserve	-	-
- Housing Development Fund	-	-
- Audit Provision Fund	-	-
	<u>-</u>	<u>-</u>

20 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	1,436,814	(568,512)
Prior year adjustments	-	207,720
Appropriations charged against income	414,589	415,897
- Capital development fund	-	-
- Provisions and reserves	-	-
Community Facilities Fund	-	-
- Statutory Funds	169,245	170,657
- Reserves	245,344	245,240
- Project Funds	-	-
- Trust Funds	-	-
Capital charges	432,323	419,517
- Interest paid :		
to internal funds	315,765	282,647
to external loans	116,558	136,869
- Redemption :		
of internal advances	-	-
of external loans	-	-
Less :		
Grants and subsidies received from the State	-	-
Investment income (operating)	-	-
Non-operating income	-	-
Non-operating expenditure:		
- Debited to funds	(4,306)	(50)
- Debited to provisions and reserves	-	-
Net expenditure (income) ex Funds, Provisions and Reserve	<u>-</u>	<u>-</u>
	<u>2,279,420</u>	<u>474,572</u>

21 (INCREASE)/DECREASE IN WORKING CAPITAL

(Increase)/decrease in stock	17,298	-
(Increase)/decrease in debtors, long term debtors	(1,962,142)	-
Increase/(decrease) in creditors & provisions	919,556	-
	<u>(1,025,288)</u>	<u>-</u>

22 (INCREASE)/DECREASE IN LONG TERM LOANS (EXTERNAL)

Loans raised	-	-
Loans repaid	636,586	-
Increase/(Decrease) in consumer deposit	-	-
	<u>636,586</u>	<u>-</u>

23 (INCREASE)/DECREASE IN SHORT TERM LOANS (EXTERNAL)		
Loans raised	-	-
Loans repaid	-	-
	<u>-</u>	<u>-</u>
24 (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS		
Investments made	(707)	-
Investments realised	-	-
	<u>(707)</u>	<u>-</u>
25 (INCREASE)/DECREASE IN CASH ON HAND		
Cash on hand at beginning of year	(4,679,787)	(3,245,939)
Less :		
Cash on hand at end of year	(2,295,153)	(4,679,787)
Operating Current Account Balance & Revolving Fund Current Account Balance	(2,295,153)	(4,679,787)
	-	-
	<u>(2,384,634)</u>	<u>1,433,848</u>
26 BANK AND CASH ON HAND		
Bank and cash	-	-
Bank overdraft (disclosed as a current liability)	(2,295,153)	(4,679,787)
	<u>(2,295,153)</u>	<u>(4,679,787)</u>
28 CONTINGENT LIABILITIES & CONTRACTUAL OBLIGATIONS		
Guarantees by Council in respect of Building Society and Co	-	-
Overdraft and facilities Commercial Bank	-	-
	-	-
Capital Commitments:		
Approved and contracted for	-	-
Approved and not contracted for	-	-
	<u>-</u>	<u>-</u>

APPENDIX A - ACCUMULATED FUNDS, PROVISIONS AND TRUST FUNDS

	Balance at 30 June 2003	Interest on investments	Other income	Expenditure during the year	Balance at 30 June 2004
STATUTORY FUNDS					
Revolving Fund	4,985,053	330,738		4,306	5,480,730
Capital Development Fund	690,357				690,357
Housing Development Fund	273,618	13,681			287,299
TOTAL	5,949,028	344,419	-	4,306	6,458,386
RESERVES					
Maintenance Fund	153,039	7,652	-	-	198,435
Renewal Fund	151,651	18,680	-	-	216,930
Working Capital	569,924	28,496	-	-	759,420
TOTAL	874,614	54,828	-	-	1,174,786
PROJECT FUNDS					
Election fund	-				-
Intergrated Development Plan					-
Sanitation grant	-				-
Motor Vechile Testing Ground	-				-
TOTAL	-	-	-	-	-
TRUST FUNDS					
C.I. Hughes Fund	1,911	96	-	-	2,007
TOTAL	1,914	96	-	-	2,007
PROVISIONS					
Leave	373,595	7,583			483,137
Town Register	16,291				16,291
IDP	(4,094)			44	(4,138)
Audit	952,880	47,644		250,547	1,072,026
Town Planning	14,255				14,255
TOTAL	1,352,927	55,227	-	250,591	1,581,571
GRAND TOTAL	8,178,483	454,569	-	254,897	9,216,749

APPENDIX B - EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	Received during the year	Interest	Redeemed or written off during the year	Balance at 30 June 2004
Annuity loans	822,172		96,442	1,548,118
(Refer to Note 3)	<u>822,172</u>	<u>-</u>	<u>96,442</u>	<u>1,548,118</u>
 INTERNAL ADVANCES	Received during the year	Interest	Redeemed or written off during the year	Balance at 30 June 2004
Revolving Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

APPENDIX C - ANALYSIS OF FIXED ASSETS

Expenditure 2003 R	Service	Balance at 30 June 2003 R	Expenditure during year R	Redeemed, transferred or written off R	Balance at 30 June 2004 R
	- Rates and General Services	21,558,340	162,397	163,217	21,560,033
	- Community services	5,661,710	156,336	157,156	5,660,890
	- Council's general expenditure	225,139	134,856	-	359,995
	- Land & Buildings	-	-	-	-
	- Streets & Stormwater	-	-	-	-
	- Plant and Equipment	-	-	-	-
	- Civil defence	105,348	-	72,269	33,079
	- Health Services	912,681	-	84,887	827,794
	- Stores	1,969	-	-	1,969
	- Nature Reserve	26,100	-	-	26,100
	- Public Works	3,515,218	21,480	-	3,536,698
	- Streetlighting	65,687	-	-	65,687
	- Town Clerk	370,284	-	-	370,284
	- Town Treasurer	265,514	-	-	265,514
	- Traffic Services	136,335	-	-	136,335
	- Office equipment	-	-	-	-
	- Workshop	37,435	-	-	37,435
	- Motor vehicles	-	-	-	-
	- Fencing equipment	-	-	-	-
	- Computer equipment	-	-	-	-
	- Streets & Stormwater	-	-	-	-
	- Plant and Equipment	-	-	-	-
	- Town Planning	-	-	-	-
		-	-	-	-
	- Subsidised services	8,510,110	-	-	8,510,110
	- Cemeteries	51,772	-	-	51,772
	- Libraries	713,546	-	-	713,546
	- Municipal Properties	6,150,909	-	-	6,150,909
	- Parks & Recreation	1,593,883	-	-	1,593,883
	- Economic services	7,389,033	6,061	6,061	7,389,033
	- Cleansing	92,164	-	6,061	98,225
	- Sewerage & Sanitation	7,296,869	6,061	-	7,290,808
	- Housing	3,405,501	-	70	3,405,571
	- Housing services	3,405,501	-	70	3,405,571
	-	-	-	-	-
	-	-	-	-	-
	- Coloured Scheme	-	-	-	-
	- Nozizwe	-	-	-	-
	- Trade services	20,262,101	660	-	20,262,761
	- Electricity	4,882,186	-	-	4,882,186
	- Water	15,371,839	660	-	15,372,499
	- Abattoir	8,076	-	-	8,076
	- TOTAL FIXED ASSETS	45,225,942	163,057	163,287	45,228,365

		LESS : LOANS REDEEMED AND OTHER			
543,840	CAPITAL RECEIPTS	42,710,278	398,435	-	43,108,713
325,869	Loans redeemed and advances repaid	6,403,871	53,230	-	6,457,101
217,971	Contributions from operating income	6,069,631	345,205	-	6,414,836
-	Grants and subsidies	30,236,776	-	-	30,236,776
(627,166) NET FIXED ASSETS		2,507,588	(235,378)	163,287	2,119,652

APPENDIX D - ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR

Actual 2003 R	INCOME	Actual 2004 R	Budget 2004 R
1,543,529	Grants and subsidies:	1,879,441	2,681,750
1,543,529	- Central government	1,879,441	2,681,750
21,861,094	- Provisional government		-
	Income from tariffs, service charges	22,822,005	19,406,905
<u>23,404,623</u>	TOTAL INCOME	<u>24,701,446</u>	<u>22,088,655</u>
Actual 2004 R	EXPENDITURE	Actual 2004 R	Budget 2004 R
12,686,621	Salaries, wages and allowances	11,781,232	12,096,850
8,299,408	General expenses	8,567,428	7,526,201
1,156,018	Repairs and maintenance	1,421,923	589,900
300,779	Vehicles and implements	285,016	445,722
739,428	Capital charges	489,559	473,713
225	Contributions to Capital Outlay	1,499	19,500
790,656	Contributions to Funds and Reserves	717,975	732,230
<u>23,973,135</u>	GROSS EXPENDITURE	<u>23,264,632</u>	<u>21,884,116</u>
-	Less : amounts charged out	-	-
<u>23,973,135</u>	NET EXPENDITURE	<u>23,264,632</u>	<u>21,884,116</u>
(568,512)	NET PROFIT	1,436,815	204,539

APPENDIX E - DETAILED INCOME STATEMENT FOR THE YEAR

2003 Actual income R	2003 Actual expenditure R	2003 Surplus/ (deficit) R	2004 Actual income R	2004 Actual expenditure R	2004 Surplus/ (deficit) R	2004 Budget surplus /(deficit) R
12,820,205	15,530,775	(2,710,570)	18,137,277	16,090,020	2,047,257	(2,047,257)
6,104,318	9,994,929	(3,890,611)	14,501,774	12,393,395	2,108,379	(2,108,379)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,442,895	1,826,252	(383,357)	7,869,975	2,118,913	5,751,062	(5,751,062)
2,256,599	46,407	2,210,192	2,814,971	423	2,814,548	(2,814,548)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
533,948	466,649	67,299	588,649	637,033	(48,384)	48,384
156,963	80,921	76,042	143,442	300,939	(157,497)	157,497
-	1,332,814	(1,332,814)	224,981	2,077,507	(1,852,526)	1,852,526
2,748	1,733,870	(1,731,122)	79	2,158,201	(2,158,122)	2,158,122
-	-	-	-	-	-	-
64,189	1,364,116	(1,299,927)	144,917	885,543	(740,626)	740,626
73,873	395,012	(321,139)	171,655	476,118	(304,463)	304,463
-	524,823	(524,823)	59,819	1,076,109	(1,016,290)	1,016,290
1,573,103	2,142,107	(569,004)	2,483,286	2,612,146	(128,860)	128,860
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	81,958	(81,958)	-	50,463	(50,463)	50,463
234,901	1,966,412	(1,731,511)	312,615	1,984,768	(1,672,153)	1,672,153
53,827	14,498	39,329	68,787	54,164	14,623	(14,623)
-	-	-	-	-	-	-
-	7,360	(7,360)	-	11,821	(11,821)	11,821
5,353	481,870	(476,517)	5,104	463,817	(458,713)	458,713
129,408	651,823	(522,415)	188,142	575,910	(387,768)	387,768
46,313	810,861	(764,548)	50,582	879,056	(828,474)	828,474
-	-	-	-	-	-	-
6,480,986	3,569,434	2,911,552	3,322,888	1,711,857	1,611,031	(1,611,031)
3,036,785	1,449,821	1,586,964	3,322,888	1,711,857	1,611,031	(1,611,031)
3,444,201	2,119,613	1,324,588	-	-	-	-
-	500,781	(500,781)	-	689,587	(689,587)	689,587
-	500,781	(500,781)	-	689,587	(689,587)	689,587
10,584,418	7,941,579	2,642,839	6,564,169	6,485,025	79,144	(79,144)
5,913,585	5,751,861	161,724	6,564,169	6,485,025	79,144	(79,144)
4,670,833	2,189,718	2,481,115	-	-	-	-
23,404,623	23,973,135	(568,512)	24,701,446	23,264,632	1,436,814	(1,436,814)
		207,720			-	
		<u>(360,792)</u>			<u>1,436,814</u>	
		2,265,146			1,904,354	
		<u><u>1,904,354</u></u>			<u><u>3,341,168</u></u>	