

**Complete only the yellow cells**

Name of the Municipality:

MBIZANA LOCAL MUNICIPALITY

for the year ended (insert year end in words)

30 June 2004

Please repeat year end (in figures, i.e.30/6/00)

30 June 2004

Please insert previous year end in words

30 June 2003

as at

2004

Current year :

2003

Balance at

30 June 2004

Balance at

30 June 2003

MBIZANA LOCAL MUNICIPALITY

Trial balance  
as at 30 June 2004

Cost centre	Eq Description	Opening balance	Debits	Credits	Closing balance
	Accum surplus/ deficit	(10,326,617.93)		1,567,415.27	(11,894,033.20)
	Revolving Fund	(416,296.42)		58,820.00	(475,116.42)
	Capital Project Fund	(34,097,998.21)	5,131,085.29		(28,966,912.92)
	Ext 2 Res Trust Fund	(32,470.79)		1,278.44	(33,749.23)
	ICG Trust Fund	(74,477.85)	74,477.85		-
	Pilot Housing Project Fund	(80,133.50)	2,043.46		(78,090.04)
	Vehicle Testing Ground	(8,461.49)		171.32	(8,632.81)
	Elec Infrastructure Fund	1,230,141.21		52,452.19	1,177,689.02
	Ext. 3 & 4 Housing Dev	(68,853.90)	285.34		(68,568.56)
	NPI Fund	(1,085.24)		19.98	(1,105.22)
	Elec Deposit Fund	(206,676.77)		39,147.75	(245,824.52)
	TRC Equitable Share Fund	(7,072,621.20)	7,072,621.20		-
	Pre-School Fund	(57,587.80)	57,587.80		-
	Admin : Land & Buildings	2,591,943.27	2,012,204.74		4,604,148.01
	Admin: Furniture & Fittings	151,006.85	592,038.94		743,045.79
	Comm: Plant & Equipment	217,257.17			217,257.17
	Admin: Vehicles	1,278,121.63	478,165.46		1,756,287.09
	Admin: Township Develop.	126,041.77			126,041.77
	Admin: General Improvement	27,477.50			27,477.50
	Admin: Bus Rank Dev. ground	2,146.00			2,146.00
		99,131.50			99,131.50
	Sanit: Plant & Equipment	8,552.00			8,552.00
	Water: Infrastructure	3,371,665.64			3,371,665.64
	Admin: Office Equipment	221,460.95	1,148.14		222,609.09
	Electr: Infrastructure	3,354,019.46			3,354,019.46
	Mayoral Chain	1,850.00			1,850.00
	Burglar Doors	2,508.77			2,508.77
	Computer Software	620.00	2,736.00		3,356.00
	Computer Equipment	138,233.70	324,422.49		462,656.19
	Lawnmower	6,491.23			6,491.23
	Registration: Partition	3,100.00			3,100.00
	Community Halls	1,285,803.63	499,005.72		1,784,809.35
	Bizana Water Project	554,946.55	1,142,813.63		1,697,760.18
	Sport Fields	2,124,924.98	3,742,612.58		5,867,537.56
	Streets: Tools & Equipment	94,177.48	45,547.81		139,725.29
	Fittings	157,963.24			157,963.24
	Refuse: Equipment	174.56			174.56
	Water: Water Tanker	438,065.52			438,065.52
	Life Savers Equipment		68,319.35		68,319.35
	loans				-
	Loans Redeemed	(136,042.98)			(136,042.98)
	Capital	(851,520.36)			(851,520.36)
	Capital	(15,270,120.06)		8,909,015.35	(24,179,135.41)
	Inv: Car Loans		1,500,671.20		1,500,671.20
	Inv: 74002924914	118,404.14	8,541.81		126,945.95
	Inv: 61170003374 Pilot Hsng ResFnd	80,133.50		2,043.46	78,090.04
		32,470.79	1,278.44		33,749.23
	Inv:62003246693 Veh. Test. G	8,461.49	171.32		8,632.81
	NPI A/C 6202224555	1,085.24	19.98		1,105.22
	Inv:62022692439 Elect. Dep.	206,676.71	39,147.75		245,824.46
	TRC Investment A/C	788,055.82		788,056.00	(0.18)
	TRC Equitable Share Account	4,763,288.00		4,763,288.00	-
	Inv: Capital Projects	34,097,998.21		5,131,085.29	28,966,912.92

Consumers: Ass Rates	3,105,143.67	20,062.56		3,125,206.23
Consumers: Refuse	220,842.87	338,451.80		559,294.67
Consumers: Water	583,996.28		583,996.28	-
Consumers: Electricity	1,199,148.91	438,275.76		1,637,424.67
Debtors: Unpaid Item	35,384.41		35,384.41	-
Debtors Land Sales	210,030.00			210,030.00
Car Loans- Councillors	729,634.96	37,799.26		767,434.22
Car Loans- V. Mhlembana	85,758.31	14,476.32		100,234.63
Car Loans- M. Ngonyama	85,758.31	24,676.93		110,435.24
Dlangamandla	84,583.31	28,348.56		112,931.87
Car Loans- F. Mlomo	95,590.66	49,727.29		145,317.95
Car Loans- Other	-	533,644.32		533,644.32
Lease Rentals	77,861.49	179,049.52		256,911.01
Cellphones Councillors	15,673.35		15,673.35	-
Advance	29,249.66		29,249.66	-
Study Loans		18,313.10		18,313.10
Loans	646,557.56	128,165.34		774,722.90
Municipality	-	1,499,294.34		1,499,294.34
VSG	-	87,497.28		87,497.28
Mbingoco	-	61,360.00		61,360.00
Ntinga OR Tambo	-	22,400.00		22,400.00
Debtors: WCDC	88,938.12		88,938.12	-
Debtors: Mt Fletcher	122,882.72		122,882.72	-
Debtors: Flagstaff	42,939.81		42,939.81	-
Umzimkulu TRC	42,570.18		42,570.18	-
Provision for bad debts	(3,850,194.00)		578,134.04	(4,428,328.04)
suspence	1,867,304.42	2,317,388.77		4,184,693.19
Main Store	24,696.10		24,696.10	-
Cash in Transit	31,434.88		31,434.88	-
Provision for Audit Fees	(300,332.92)	150,332.92		(150,000.00)
Short term Potion Car Loans			774,722.90	(774,722.90)
Clearing: Provident Fund	(89,187.44)	221,772.38		132,584.94
Short term portion- Wesbank				-
Registration Authority- Prov.	(25,378.83)			(25,378.83)
Bargaining Council	(1,590.99)	1,238.49		(352.50)
Legal Wise	(2,225.07)	2,225.07		-
UDM	(870.17)	870.17		-
Funeral Scheme	(5,374.57)	3,119.07		(2,255.50)
Clearing: SAMWU	(5,722.62)	5,722.62		-
Clearing: PAYE	(177,313.92)	100,061.28		(77,252.64)
Clearing: UIF	(9,556.87)	6,020.68		(3,536.19)
LIMA	(88,598.34)	88,598.34		-
Clearing: Skills Levy	18,213.93		18,213.93	-
Clearing: Staff Loans	(8,277.28)	8,277.28		-
Clearing DC Levies	(12,511.17)		30,825.89	(43,337.06)

Workmens Compensation	(25,665.69)		16,131.56	(41,797.25)
Financial management System				-
Medical Aid	(174,182.57)	166,934.57		(7,248.00)
Avbob	(8,908.63)	6,501.45		(2,407.18)
Unibank	3,925.52		3,925.52	-
Garnishee	(550.00)		998.19	(1,548.19)
Insurance	(284.50)	191.05		(93.45)
Gratuity	7,494.44		7,494.44	-
FNB Micro Loan	(5,667.46)	5,667.46		-
MTN Deposits	(12,117.55)	12,117.55		-
ANC Levy	(2,058.00)	2,058.00		-
Leave Provision	(448,866.00)		90,511.63	(539,377.63)
Constituency Allow. contr.a/c	49,656.20		49,656.20	-
Accruals	(279,503.58)		370,191.76	(649,695.34)
Unknown Deposits	(38,518.89)	38,518.89		-
Dept. of Transport	(15.97)	15.97		-
Creditors-Flagstaff TRC	(27,800.00)	27,800.00		-
Vat Due	1,219,612.04	165,911.47		1,385,523.51
VAT Output Suspence	(332,433.58)		42,506.77	(374,940.35)
Bank: Main Account	7,331,575.08	6,151,063.49		13,482,638.57
Bank Current a/c 2001039997	186,989.49	113,948.71		300,938.20
Inv:61170003788 Elec.Net	(1,230,141.21)	52,452.19		(1,177,689.02)
Ext 3 & 4 62019665530	68,853.90		285.34	68,568.56
TRC Current A/C	(55,253.94)	55,253.94		-
Suspence Account- Salaries	23,367.17		23,367.17	-
	0.00	35,982,550.49	24,337,523.90	11,645,026.59

05-05-1	Council General Expenses	3,886,652.89		3,886,652.89
05-10-1	Office of the Mayor	1,549,090.97		1,549,090.97
05-15-1	Manager	571,442.67		571,442.67
05-20-1	Administration	74,422.01		74,422.01
05-25-1	Office of the Speaker	80,248.04		80,248.04
10-05-1	Finance	5,709,182.52	13,549,867.04	(7,840,684.52)
10-05-1	Assessment Rates		543,532.70	(543,532.70)
10-05-1	Grant and Subsidies		32,456,597.00	(32,456,597.00)
10-05-1	Grant: Provincial Govt		3,500,000.00	(3,500,000.00)
10-10-1	Human Resources	4,489,518.63	165,197.46	4,324,321.17
10-15-2	Information Technology		3,020,171.29	(3,020,171.29)
15-05-1	Local Economic Development	14,695,878.05		14,695,878.05
25-05-1	Community Services	5,241,513.25		5,241,513.25
30-05-1	Land and Housing	430,692.94		430,692.94
50-20-1	Resuse Collection	1,423,038.30	471,526.04	951,512.26
55-05-1	Roads and Streets	3,373,454.41		3,373,454.41
65-05-1	Electricity	2,333,733.71	1,797,003.45	536,730.26
		-	43,858,868.39	55,503,894.98
		0.00	79,841,418.88	79,841,418.88
				(11,645,026.59)

Long term loans	Yellow
Statutory funds	Green
Trust funds	Red
Project funds	Magenta
Fixed assets	Blue
Accum surplus/deficit	Dark Purple
Investments	Olive Green
Trade debtors	Dark Teal
Other debtors	Cyan
Bank and cash	Grey
Accounts payable	Light Blue

**MBIZANA LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2004

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## MBIZANA LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2004

### GENERAL INFORMATION

#### MEMBERS OF THE MBIZANA MUNICIPALITY

1. M M Twabu	- Mayor	22. D Malahlwa	- Councillor
2. N Tobo	- Speaker	23. N Mfana	- Councillor
3. T Mlomo	- Exco Member	24. C S Ntetha	- Councillor
4. S Bhani	- Exco Member	25. N O Nofemela	- Councillor
5. M Mahlamvu	- Exco Member	26. A Nofemela	- Councillor
6. L A Njomi	- Exco Member	27. S Dyarvane	- Councillor
7. S Mayaba	- Exco Member	28. N P Busuku	- Councillor
8. N Mhlelebana	- Exco Member	29. N Meth	- Councillor
9. N P Mfingwana	- Exco Member	30. A Maquthu	- Councillor
10. N Gwala	- Councillor	31. N Vellem	- Councillor
11. M J Dimane	- Councillor	32. N Pohlo	- Councillor
12. Z A Yalo	- Councillor	33. M Molefe	- Councillor
13. R S Zindela	- Councillor	34. D Mkhohlwa	- Councillor
14. M Zoleka	- Councillor	35. K Gavu	- Councillor
15. J N Madikizela	- Councillor	36. E B Mazingisa	- Councillor
16. D Mnisi	- Councillor	37. Z Busuku	- Councillor
17. A Banjwa	- Councillor	38. P Mthi	- Councillor
18. S H Mbodiya	- Councillor	39. Z Mdunge	- Councillor
19. Z Mavana	- Councillor	40. N Msokana	- Councillor
20. TR Maquthu	- Councillor	41. A Madikizela	- Councillor
21. E D Mngqongwa	- Councillor	42. D D Magawai	- Councillor

**MBIZANA LOCAL MUNICIPALITY**

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2004

GRADING OF THE MUNICIPALITY

Grade 3

AUDITORS  
Auditor General

BANKERS  
First National Bank

REGISTERED OFFICE  
51 Main Street  
Bizana  
Tel: 039 - 251 0230  
Fax: 039 - 251 0040

Municipal Manager  
P.B Mase

Finance Manager  
M.M Khuzwayo

APPROVAL OF THE FINANCIAL STATEMENTS

The annual financial statements set out on pages 3 to 20 were approved by the Municipal Manager  
on \_\_\_\_\_ and presented to and approved by Council on \_\_\_\_\_

\_\_\_\_\_  
MUNICIPAL MANAGER  
Date : \_\_\_\_\_

\_\_\_\_\_  
MAYOR  
Date : \_\_\_\_\_

**MBIZANA LOCAL MUNICIPALITY**

ANNUAL FINANCIAL STATEMENTS -  
for the year ended 30 June 2004

**FINANCE MANAGER'S REPORT**

**OPERATING RESULTS**

1. Details of the operating results per department, classification and object of the expenditure are included in appendices D and E. The operating results for the year ended 30 June 2004 are as follows:

	VARIANCE %	ACTUAL 2004 R	ACTUAL 2003 R	BUDGET 2004 R
<u>INCOME</u>				
Rates and general services	66	53 706 892	32 389 327	56 740 384
Trading services	(45)	1 797 003	3 259 230	2 291 696
Total income	56	<u>55 503 895</u>	<u>35 648 557</u>	<u>59 032 080</u>
Less:				
<u>EXPENDITURE</u>				
Rates and general services	63	41 525 135	25 542 164	63 501 111
Trading services	(62)	2 333 734	6 098 357	5 163 904
Total expenses	39	<u>43 858 868</u>	<u>31 640 521</u>	<u>68 665 015</u>
Surplus/(deficit) for the year		<u>11 645 027</u>	<u>4 008 036</u>	

**MBIZANA LOCAL MUNICIPALITY**

ANNUAL FINANCIAL STATEMENTS -  
for the year ended 30 June 2004

**FINANCE MANAGER'S REPORT (Continued)**

The operating results of Mbizana Municipality has a surplus of R11 645 027. An amount of R5 321 926 is owed in trade debtors. All the debtors that are more than 120 days old were treated as irrecoverable debts and are amounting to R4 428 328.

This shows unwillingness of debtors to service their accounts, especially property rates

The increase in trading services income is due to grants received from the Equitable Share, Provincial Government and District Municipality.

**CAPITAL EXPENDITURE AND FINANCING**

2. The expenditure on fixed assets during the year amounted to R 8 909 015. The actual expenditure consists of the following: -

	ACTUAL 2004 R
Land & Buildings	2 012 205
Tools and Equipment	45 548
Office Equipment and Furniture	1 148
Computer Equipment	327 158
Motor Vehicles	478 165
Sports Fields	3 742 613
Furniture & Fittings	592 039
Community Halls	499 006
Life Savers Equipment	68 319
Water Works Infrastructure	1 142 814
	<b>8 909 015</b>

**MBIZANA LOCAL MUNICIPALITY**

ANNUAL FINANCIAL STATEMENTS -  
for the year ended 30 June 2004

**FINANCE MANAGER'S REPORT (Continued)**

Resources used to finance the fixed assets were as follows: -

	ACTUAL 2004 R
Operating account	-
Grants and subsidies	8 909 015
	<b>8 909 015</b>

A detailed analysis of fixed assets can be examined on Appendix C.

**EXTERNAL LOANS, INVESTMENTS AND CASH**

3. The Municipality does not have any external loan at the moment

Investments and cash on hand at 30 June 2004 amounted to R30 961 932( 2003: R40 097 853)

More information regarding loans and investments are disclosed in the notes and Appendix B

**FUNDS AND RESERVES**

4. More information regarding Funds and Reserves can be viewed on Appendix A.

**POST BALANCE SHEET EVENTS**

5. No material events has occurred since the balance sheet date.

**EXPRESSION OF APPRECIATION**

6. I am grateful to the Mayor and the Council, the Municipal Manager and to the staff at large for their support and in particular, the representatives of the Auditor General for their assistance and support during the year.

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M.M Khuzwayo  
FINANCE MANAGER

**MBIZANA LOCAL MUNICIPALITY**

**INCOME STATEMENT  
for the year ended 30 June 2004**

2003	2003	2003		2004	2004	2004
R	R	R		R	R	R
Actual	Actual	Surplus /		Actual	Actual	Surplus /
Income	Expenditure	(deficit)		Income	Expenditure	(deficit)
<b>32 389 327</b>	<b>25 542 164</b>	<b>6 847 163</b>	<b>RATES AND GENERAL SERVICES</b>	<b>53 706 892</b>	<b>41 525 135</b>	<b>12 181 757</b>
32 124 713	23 941 285	8 183 428	Community services	53 235 365	40 102 096	13 133 269
261 416	1 524 236	(1 262 820)	Economic services	471 526	1 423 038	( 951 512)
<b>3 198</b>	<b>76 643</b>	<b>( 73 445)</b>	<b>SUBSIDISED SERVICES</b>	-	-	-
<b>3 259 230</b>	<b>6 098 357</b>	<b>(2 839 127)</b>	<b>TRADING SERVICES</b>	<b>1 797 003</b>	<b>2 333 734</b>	<b>( 536 730)</b>
<b>35 648 557</b>	<b>31 640 521</b>	<b>4 008 036</b>	<b>TOTAL</b>	<b>55 503 895</b>	<b>43 858 868</b>	<b>11 645 027</b>
		83 832	Appropriations for the year			1 567 415
		4 091 868	Surplus/(Deficit) for the year			13 212 442
		6 235 115	Accumulated surplus at the beginning			10 326 983
		<b>10 326 983</b>	<b>Accumulated surplus at the end</b>			<b>23 539 425</b>

MBIZANA LOCAL MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT  
for the year ended 30 June 2004

2003 R	2003 R	2003 R		2004 R	2004 R	2004 R	2003 R
Actual Income	Actual Expenditure	Surplus / (deficit)		Actual Income	Actual Expenditure	Surplus / (deficit)	Budget
<b>32 389 327</b>	<b>25 542 164</b>	<b>6 847 163</b>	<b>RATES AND GENERAL SERVICES</b>	<b>53 706 892</b>	<b>41 525 135</b>	<b>12 181 757</b>	<b>79 615 193</b>
<b>32 124 713</b>	<b>23 941 285</b>	<b>8 183 428</b>	<b>Community services</b>	<b>53 235 365</b>	<b>40 102 096</b>	<b>13 133 269</b>	<b>77 520 543</b>
784 260	-	784 260	Assessment rates	543 533	-	543 533	774 474
74 367	4 098 466	(4 024 099)	Council General Expenses	-	5 435 744	(5 435 744)	5 407 749
157 929	269 577	(111 648)	Commonage	-	-	-	-
5 464	1 996 995	(1 991 531)	Community Services	-	5 241 513	(5 241 513)	10 879 712
-	913 821	(913 821)	Local Economic Development	-	15 126 571	(15 126 571)	17 834 657
8 494	7 320 610	(7 312 116)	Roads/stormwater and pavements	-	3 373 454	(3 373 454)	19 348 878
8 494	795 992	(787 498)	Human Resources	165 197	4 489 519	(4 324 321)	3 154 584
14 682	2 927 232	(2 912 550)	Municipal Manager	-	651 691	(651 691)	3 094 326
36 603	3 801 155	(3 764 552)	Administration	-	74 422	(74 422)	-
30 905 109	1 683 238	29 221 871	Finance	52 526 635	5 709 183	46 817 453	17 026 163
129 311	134 199	(4 888)	Licencing and Rgistration	-	-	-	-
<b>261 416</b>	<b>1 524 236</b>	<b>(1 262 820)</b>	<b>Economic services</b>	<b>471 526</b>	<b>1 423 038</b>	<b>(951 512)</b>	<b>2 094 650</b>
261 416	1 524 236	(1 262 820)	Refuse removal	471 526	1 423 038	(951 512)	2 094 650
<b>3 198</b>	<b>76 643</b>	<b>(73 445)</b>	<b>Subsidised services</b>	-	-	-	-
3 198	76 643	(73 445)	Cemetery	-	-	-	-
<b>3 259 230</b>	<b>6 098 357</b>	<b>(2 839 127)</b>	<b>Trading services</b>	<b>1 797 003</b>	<b>2 333 734</b>	<b>(536 730)</b>	<b>3 069 254</b>
520 696	3 953 762	(3 433 066)	Water distribution	-	-	-	-
2 738 534	2 144 595	593 939	Electricity supply	1 797 003	2 333 734	(536 730)	3 069 254
<b>35 648 557</b>	<b>31 640 521</b>	<b>4 008 036</b>		<b>55 503 895</b>	<b>43 858 868</b>	<b>11 645 027</b>	<b>82 684 448</b>
		83 832	Appropriation for the year			1 567 415	
		4 091 868	Surplus/(Deficit) for the year			13 212 442	
			Accumulated surplus/(deficit):				
		6 235 115	beginning of the year			10 326 983	
			Accumulated surplus/(deficit):				
		10 326 983	end of the year			23 539 425	

**MBIZANA LOCAL MUNICIPALITY**

**BALANCE SHEET**  
as at 30 June 2004

	Notes	2004 R	2003 R
<b>CAPITAL EMPLOYED</b>			
FUNDS AND RESERVES		475 116	416 296
Statutory funds	1	475 116	416 296
ACCUMULATED SURPLUS	15	23 539 425	10 326 983
		24 014 541	10 743 279
Trust funds	3	427 338	7 536 320
Project funds	4	27 797 857	32 933 906
		<u>52 239 736</u>	<u>51 213 505</u>
<b>EMPLOYMENT OF CAPITAL</b>			
Long term debtors	9	1 205 305	1 081 325
<b>CURRENT ASSETS</b>			
		53 756 399	53 501 984
Short term investments	7	30 961 932	40 097 853
Accounts receivable	8.2	8 167 235	5 144 183
Inventory	8.1	-	24 696
Short term debtors	8.3	774 723	646 558
Bank and cash	17	13 852 510	7 588 694
<b>CURRENT LIABILITIES</b>			
		2 721 969	3 369 802
Bank Overdraft	17	1 177 689	1 285 395
Accounts payable	9	1 544 280	2 084 407
<b>NET CURRENT ASSETS</b>			
		<u>51 034 431</u>	<u>50 132 182</u>
		<u>52 239 736</u>	<u>51 213 507</u>

**MBIZANA LOCAL MUNICIPALITY**

**CASH FLOW STATEMENT**  
for the year ended 30 June 2004

	Notes	2004 R	2003 R
<b>CASH (UTILISED)/GENERATED FROM OPERATING ACTIVITIES</b>			
		6 144 252	14 256 953
Cash generated by operations	15	20 891 441	10 878 880
Investment income	12	242 887	235 199
Increase/ (decrease) in working capital	16	(2 710 374)	(3 557 277)
		18 423 955	7 556 802
Less : interest paid	12	( 2 152)	( 1 465)
Cash generated from operations		18 421 803	7 555 337
Increase/(Decrease) in funds and reserves		(12 277 551)	6 701 616
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>			
Investment in fixed assets		(8 909 016)	(6 241 991)
		<u>(2 764 764)</u>	<u>8 014 962</u>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
(Decrease) Increase in short term loans		-	( 22 507)
(Decrease/ increase in investments		9 135 921	(6 707 859)
(Increase)/decrease in cash	17	(6 371 157)	(1 284 595)
		<u>2 764 764</u>	<u>(8 014 961)</u>

ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
for the year ended 30 June 2004

INCOME			
Actual 2003 R		Actual 2004 R	Budget 2004 R
30 455 513	Grants and subsidies	37 868 986	36 223 649
2 127 933	Provincial Government	3 500 000	1 000 000
28 327 580	Central Government	32 456 597	31 063 649
-	O.R Tambo District Municipality	1 912 389	4,160,000
5 193 044	Operating income	17 634 909	18 607 725
784 260	Assessment rates	543 533	774 474
516 456	Sale of water	-	-
2 709 855	Sale of Electricity	1 797 003	2 291 696
422 543	Other service charges	471 526	310 560
759 930	Other income	14 822 847	15 230 995
35 648 557	TOTAL INCOME	55 503 895	54 831 374
EXPENDITURE			
8 725 109	Salaries, wages and allowances	10 577 627	17 158 527
16 458 812	General expenditure	22 087 858	24 169 791
840 082	Bad debts	578 134	-
1 370 584	Purchase of electricity	1 578 736	1,578,736
14 248 146	Other general expenses	19 930 988	22 591 055
155 665	Repairs and maintenance	2 225 549	5 333 761
1 465	Capital charges	-	-
6 241 991	Contributions to fixed assets	8 909 015	15 876 601
57 480	Contribution to revolving fund	58 820	-
31 640 522	Gross expenditure	43 858 868	62 538 680
31 640 522	Net expenditure	43 858 868	62 538 680
4 008 035	<b>(Deficit)/Surplus for the year</b>	<b>11 645 027</b>	
83 832	Appropriations for the year	1 567 415	
6 235 115	Surplus at the beginning of the year	10 326 983	
10 326 982	Surplus at the end of the year	23 539 425	

**MBIZANA LOCAL MUNICIPALITY**

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2004

	2004	2003
	R	R
<b>1. STATUTORY FUNDS</b>		
Revolving fund	475 116	416 296
	<u>475 116</u>	<u>416 296</u>
<b>3. TRUST FUNDS</b>		
IGG Trust Fund	-	74 478
Pilot Housing Trust Fund	78 090	80 134
Ext 3 & 4 Housing Dev	68 569	68 854
NPI Fund	1 105	1 085
Electricity Deposits	245 825	206 677
Equitable Share	-	7 072 621
Extention 2 Residents Trust Fund	33 749	32 471
	<u>427 338</u>	<u>7 536 320</u>
<b>4. PROJECT FUNDS</b>		
Electricity Infrastructure Project	(1 177 689)	(1 230 141)
Bizana Pre-school	-	57 588
Motor Vehicle Testing Ground	8 633	8 461
Capital Project	28 966 913	34 097 998
	<u>27 797 857</u>	<u>32 933 906</u>

**MBIZANA LOCAL MUNICIPALITY**

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2004

	2004 R	2003 R
6. <u>FIXED ASSETS</u>		
Fixed assets at the beginning of the year	16 257 683	10 015 692
Capital expenditure during the year	8 909 016	6 241 991
Less: Assets written off during the year	<u>-</u>	<u>-</u>
TOTAL FIXED ASSETS	<u>25 166 699</u>	<u>16 257 683</u>
Loans Redeemed and other capital receipts	<u>25 166 699</u>	<u>16 257 683</u>
NET FIXED ASSETS	<u><u>-</u></u>	<u><u>-</u></u>
7. <u>SHORT TERM INVESTMENTS</u>		
<b>Unlisted</b>		
Short term Investments	<u>30 961 932</u>	<u>40 097 853</u>
Management's valuation of unlisted investments	<u>30 961 932</u>	<u>40 097 853</u>
8.1 INVENTORY		
Inventory represent Diesel	<u>-</u>	<u>24 696</u>
8.2 <u>ACCOUNTS RECEIVABLE</u>		
Rates and General Services	5 321 926	5 109 132
Provision for bad debts	<u>4 428 328</u>	<u>3 850 194</u>
	893 598	1 258 938
Cash in Transit	-	30 148
Other debtors	<u>7 273 637</u>	<u>3 855 097</u>
	<u>8 167 235</u>	<u>5 144 183</u>
8.3 LONG -TERM DEBTORS		
Car Loan debtors	1 769 998	1 727 883
Land Sales	210 030	-
Less: Short term Portion	<u>774 723</u>	<u>646 558</u>
	<u>1 205 305</u>	<u>1 081 325</u>
9. <u>ACCOUNTS PAYABLE</u>		
Creditors	854 902	1 784 074
Provisions	<u>689 378</u>	<u>300 333</u>
	<u>1 544 280</u>	<u>2 084 407</u>
10. <u>ASSESSMENT RATES</u> General valuation 1992		
Interim valuation 1996		
Valued properties	<u>49 016 015</u>	18 381 006
Rate tariff	1.6c/R	18 381 006

**MBIZANA LOCAL MUNICIPALITY**

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2004

	2004	2003
	R	R
<b>11. <u>AUDITORS REMUNERATION</u></b>		
Audit fees: Current year	150 000	170 000
	<u>150 000</u>	<u>170 000</u>
<b>12. <u>FINANCE TRANSACTIONS</u></b>		
Interest earned	190 325	123 698
Interest on Car loans	52 562	111 501
	<u>242 887</u>	<u>235 199</u>
Capital charges debited to operating account:		
Interest	( 2 152)	( 1 465)
Redemption	<u>-</u>	<u>-</u>
TOTAL	<u>( 2 152)</u>	<u>( 1 465)</u>
<b>13. <u>COUNCILOR'S REMUNERATION</u></b>		
Mayor's allowance	285 621	86 987
Speaker's allowance	237 666	57 819
Executive's Allowances	2 388 008	185 334
Councillors' allowances	1 346 989	635 596
	<u>4 258 284</u>	<u>965 736</u>

**MBIZANA LOCAL MUNICIPALITY**

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2004

	2004	2003
	R	R
<b>14. APPROPRIATIONS</b>		
Accumulated surplus/(deficit) at the beginning of the year	10 326 983	6 235 115
Operating surplus/(deficit) for the year	11 645 027	4 008 036
Appropriations for the year	1 567 415	83 832
External loan reversed	-	2 035
Sappi loan reversed	-	81 797
IGG Fund Written Off	74 478	-
TRC Equitable share Fund Written Off	7 072 621	-
Pre-school Fund Written Off	57 588	-
TRC Investment Written Off	( 788 056)	-
TRC Equitable share Investment Written Off	(4 763 288)	-
TRC Current A/C Written Off	55 254	-
Wild Coast District Council Debt Written Off	( 88 932)	-
Mt Fletcher Debt Written Off	( 122 883)	-
Flagstaff Debt Written Off	( 42 940)	-
Umzimkhulu Debt Written Off	( 42 570)	-
Constituancy Control A/c Written Off	( 49 656)	-
Flagstaff Credit Written Off	27 800	-
ANC Levy Written Off	2 058	-
Other Creditors	175 941	-
	<u>23 539 425</u>	<u>10 326 983</u>
<b>15. CASH GENERATED BY OPERATIONS</b>		
Accumulated Surplus/ deficit for the year	11 645 027	4 008 036
Adjustments in respect of :		
Prior year transactions		-
External loan written off		2 035
Provision for bad debts	578 134	840 082
Contribution to fixed assets	8 909 016	6 262 461
Interest received	( 242 887)	( 235 199)
Interest paid	2,152	1 465
	<u>20 891 441</u>	<u>10 878 880</u>
<b>16. INCREASE/(DECREASE) IN WORKING CAPITAL</b>		
Increase/ decrease in stock	24 696	( 17 597)
(Increase)/ decrease in debtors and long term debtors	(3 275 197)	(4 327 862)
Increase/(decrease) in accounts payable	540 127	788 182
	<u>(2 710 374)</u>	<u>(3 557 277)</u>
<b>17. (INCREASE)/DECREASE IN BANK AND CASH</b>		
Cash balance at the beginning of the year	6 303 299	5 018 704
Cash balance at the end of the year	<u>(13 852 145)</u>	<u>(7 588 694)</u>
	(7 548 846)	(2 569 990)
Less: Bank Overdraft	1 177 689	1 285 395
	<u>(6 371 157)</u>	<u>(1 284 595)</u>

## MBIZANA LOCAL MUNICIPALITY

## APPENDIX A

## STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES

	Balance at 30 June 2003	Contr during the period	Interest on investment	Other income	Operating expenditure during the year	Capital expenditure during the year	Balance at 30 June 2004
<b>STATUTORY FUNDS</b>							
Revolving fund	416 296	58 820	-	-	-	-	475 116
	416 296	58 820	-	-	-	-	475 116
<b>TRUST FUNDS</b>							
Pilot housing	80 134	-	-	-	(2 043)	-	78 090
ICG fund	74 478	-	-	-	(74 478)	-	-
Ext.3 & 4 Housing Dev.	68 854	-	175	-	-460	-	68 569
NPI Fund	1 085	-	20	-	-	-	1 105
Electricity Deposits	206 677	28 190	14 283	-	(3 325)	-	245 825
Equitable Share	7 072 621	-	-	-	(7 072 621)	-	-
Extention 2 Residents Fund	32 471	-	1 278	-	-	-	33 749
	7 536 319	28 190	15 756	-	(7 152 928)	-	427 338
<b>PROJECT FUNDS</b>							
Electricity Infrastructure	(1 230 141)	-	-	52,452	-	-	(1 177 689)
Bizana Pre-school	57 588	-	-	-	(57 588)	-	-
Capital Project Fund	34 097 998	-	2 769 999	35 220 788	(706)	(43 121 167)	28 966 913
Motor Vehicle Testing ground	8 461	-	171	-	-	-	8 633
	32 933 906	-	2 770 170	35 273 241	(58 293)	(43 121 167)	27 797 857

MBIZANA LOCAL MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS

	Balance at 30 June 2003	Received during the year	Interest capitalised	Redeemed or written off during the year	Balance at 30 June 2004
LIMA	88 598			(88 598)	-
	88 598	-	-	(88 598)	-
INTERNAL ADVANCES					
	-	-	-	-	-

MBIZANA LOCAL MUNICIPALITY

APPENDIX C

ANALYSIS OF FIXED ASSETS

	Balance at 30 June 2003	Expenditure	Written off / transferred	Balance at 30 June 2004
<b>Rates and General Services</b>	<b>8 538 986</b>	<b>7 766 202</b>	<b>-</b>	<b>16 305 188</b>
<b>Community Services</b>	<b>8 538 986</b>	<b>7 766 202</b>	<b>-</b>	<b>16 305 188</b>
Land and building	2 591 943	2 012 205	-	4 604 148
Township Development	126 042	-	-	126 042
Plant and equipment	225 809	-	-	225 809
General Improvements	33 086	-	-	33 086
Office equipment and furniture	221 461	1 148	-	222 609
Bus Rank Development	2 146	-	-	2 146
Vehicle Testing Ground	99 132	-	-	99 132
Tools and Equipment	94 352	45 548	-	139 900
Lawnmower	6 491	-	-	6 491
Computer Equipment	138 854	327 158	-	466 012
Motor Vehicles	1 278 122	478 165	-	1 756 287
Mayoral Chain	1 850	-	-	1 850
Life Savers Equipment	-	68 319	-	68 319
Community Halls	1 285 804	499 006	-	1 784 809
Sports Fields	2 124 925	3 742 613	-	5 867 538
Furniture and Fittings	308 970	592 039	-	901 010
<b>Trading Services</b>	<b>7 718 697</b>	<b>1 142 814</b>	<b>-</b>	<b>8 861 511</b>
Water Works Infrastructure	4 364 678	1 142 814	-	5 507 491
Electricity Infrastructure	3 354 019	-	-	3 354 019
	<b>16 257 683</b>	<b>8 909 015</b>	<b>-</b>	<b>25 166 699</b>
<b>Less: Loans redeemed and other capital receipts</b>	<b>16 257 683</b>	<b>8 909 015</b>	<b>-</b>	<b>25 166 699</b>
Loans Redeemed	136 043	-	-	136 043
Revenue Contribution	851 520	-	-	851 520
Grants and Subsidies	15 270 120	8 909 015	-	24 179 135
<b>NET FIXED ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**MBIZANA LOCAL MUNICIPALITY**

**APPENDIX F**

**STATICAL INFORMATION**  
for the year ended 30 June 2004

**GENERAL STATISTICS**

2004

Population		245 421
Valuation of "taxable and non taxable properties and date of valuation	1996	49 016 015
Valuation of residential and commercial properties		761
Valuation of industrial, agricultural and othe properties		761
Number of residential and commercial properties		761
Number of industrial, agricultural and other properties		761
Assessment rate: Cents in rand		1.5 c/R
Number of employees of the Local Municipality		100

**ELECTRICITY STATISTICS**

Number of users (Residential and Commercial)	11 245
Units bought/ Generated	10 095 701
Units Sold	9 651 501
Units lost in the distribution(ii-iii)	444 200
Units lost in the distribution as a % of (ii)	( 4)
Cost per unit bought or generated	2 255 831
Loss in the distribution(iv-vi)	1 811 631
Cost per units sold (operating expenditure / iii)	1 245 400
Income per units sold (operating income/iii)	2 118 473