

# AMATHOLE DISTRICT MUNICIPALITY

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## GENERAL INFORMATION

### MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE

#### ALDERMEN/COUNCILLORS

Somyo, S	<i>Executive Mayor</i>	
Jongolo, M.W.	<i>Roads and Infrastructure</i>	
Memani, M.M.	<i>Economic Development</i>	PR
Mkebe, S.E.	<i>Finance</i>	PR
Mlondleni, N	<i>Administration and Assets Management</i>	PR
Mtongana, M	<i>Land and Housing : Development and Planning SC Chairperson</i>	PR
Mzozoyana, W	<i>Water and Sanitation</i>	PR
Ncitha, Z.V.	<i>Community Liaison and Participation</i>	PR
Neale-May, H.E.	<i>Health</i>	PR
Pango, M.M.	<i>Community Safety : Community Services SC Chairperson</i>	PR

### GRADING OF THE DISTRICT MUNICIPALITY

*Grade 5*

### AUDITORS

*Auditor - General*

### BANKERS

*Standard Bank - East London*

### REGISTERED OFFICE

*40 Cambridge St  
East London*

*PO Box 320  
East London  
5200*

*Telephone : 043 - 701 4000*

### ACTING MUNICIPAL MANAGER

*A. Naidoo*

### DIRECTOR : FINANCE

*KT Jacoby : Registered Municipal Accountant (Associate)*

## MEMBERS OF THE AMATHOLE DISTRICT MUNICIPALITY

COUNCILLOR/ ALDERMAN	WARD	COUNCILLOR/ ALDERMAN	WARD	COUNCILLOR/ ALDERMAN	WARD
Badenhorst, J	<i>Buffalo City</i>	Mafanya, S	<i>PR</i>	Ncedani, NP	<i>Buffalo City</i>
Bevu, M	<i>Buffalo City</i>	Magadla, N	<i>Mnquma</i>	Ncitha, ZV	<i>PR</i>
Botha, JPJ	<i>Amahlathi</i>	Magwaxaza, NR	<i>Amahlathi</i>	Ncume, M	<i>Nkonkobe</i>
Dawson, R	<i>Buffalo City</i>	Mahlangeni, Y	<i>Mnquma</i>	Ndikinda, N	<i>Mbashe</i>
Dikimolo, SR	<i>Buffalo City</i>	Majiki, B	<i>PR</i>	Neale-May, HE	<i>PR</i>
Dinginto, T	<i>Ngqushwa</i>	Malghas, EEK	<i>PR</i>	Ngcukana, M	<i>Mnquma</i>
Dondolo, C	<i>Mnquma</i>	Manyika, DT	<i>Amahlathi</i>	Nhantsi, V	<i>Mbashe</i>
Dwakasa, N	<i>Mbashe</i>	Maqaqa, L	<i>Buffalo City</i>	Ntshebe, LK	<i>PR</i>
Dyani, N	<i>Ngqushwa</i>	Maqidlana, L	<i>Buffalo City</i>	Pango, MM	<i>PR</i>
Fusa, VN	<i>PR</i>	Matika, MD	<i>Buffalo City</i>	Rens, A	<i>Buffalo City</i>
Gantolo, SR	<i>PR</i>	Mayekiso, B	<i>Buffalo City</i>	Shone, MJ	<i>PR</i>
Gazi, C	<i>Buffalo City</i>	Mbinda, LR	<i>PR</i>	Simon, LE	<i>Buffalo City</i>
Gomba, S	<i>Buffalo City</i>	Mbovane, W	<i>Buffalo City</i>	Sinuka, NE	<i>PR</i>
Gqokro, NV	<i>Nkonkobe</i>	Mciteka, M	<i>Buffalo City</i>	Sityebi, SV	<i>PR</i>
Halley, D	<i>Buffalo City</i>	Memani, MM	<i>PR</i>	Somyo, S	<i>PR</i>
Hlobo, VW	<i>Nxuba</i>	Mkebe, SE	<i>PR</i>	Toboti, W	<i>Mnquma</i>
Jakavula, N	<i>Buffalo City</i>	Mlamla, NP	<i>PR</i>	Tokwe, MO	<i>PR</i>
Janda, S	<i>PR</i>	Mlondleni, N	<i>PR</i>	Tyilo, S	<i>Buffalo City</i>
Jonas, TC	<i>Amahlathi</i>	Mnyateli, N	<i>Mbashe</i>	Venkile, S	<i>PR</i>
Jongolo, MW	<i>PR</i>	Monani, MP	<i>PR</i>	Viljoen, V	<i>Buffalo City</i>
Jordan, NE	<i>PR</i>	Mtongana, M	<i>PR</i>	Woodhall, AS	<i>PR</i>
Kema, MM	<i>Great Kei</i>	Mqolo, Z	<i>Mnquma</i>	Xotyeni, M	<i>Ngqushwa</i>
Kganedi, RA	<i>Nkonkobe</i>	Mzozoyana, W	<i>PR</i>	Zweni, NC	<i>Nkonkobe</i>
Kruger, WJ	<i>Buffalo City</i>	Ncapai, H	<i>PR</i>		

**MAYOR**

*S Somyo*

**SPEAKER**

*S Janda*

**MAP OF DISTRICT MUNICIPALITY**

*Not provided*

**APPROVAL OF THE FINANCIAL STATEMENTS**

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

\_\_\_\_\_  
**ACTING MUNICIPAL MANAGER**

A. Naidoo

\_\_\_\_\_  
**DIRECTOR : FINANCE**

K.T. Jacoby

## FOREWORD

As the Amathole District Municipality, we stand to celebrate with the people of our country the decade of our democracy, by remaining focused on our task and to account for our decisions as reflected in these financial statements for 2003/2004. As always, the Amathole District Municipality seeks to ensure compliance with all legislation and we are happy to report that our financial statements for the year 2003/2004 are reflected in the new GAMAP format.

This report reflects the mid term achievements of the Amathole District Municipality since the local government elections in December 2000. The municipality still remains challenged to ensure higher outcomes for a better quality of life for all our citizens. As local government we have had to adapt to transformation changes in terms of roles and functions whilst also ensuring that we deliver services to our communities.

Although our financial statements still reflect significant roll over of funds, our actual expenditure on projects over the past year increased by 40% from the previous year. This shows that the steps we have taken to address the problems of project expenditure are starting to bear fruit. We still remain challenged in ensuring that our local municipalities spend the project funds that have been allocated to them from our levy funding and that they remain accountable for such expenditure. Our heads of departments have also been challenged to meet their key performance areas and in so doing to implement all their projects. A projects database is currently being drawn up which will give anyone in the municipality an update on the status quo of any project at any given time. This database should become operational in 2004/2005. This will assist with regular monitoring and evaluation of our service delivery programmes throughout the course of the year.

In 2002/2003 R50 million was allocated for new projects, whereas in the past financial year R85 million was allocated. Expenditure of externally funded projects in 2003/2004 amounted to R225,785,390 compared to R171,216,120 in 2002/2003. This represents a significant increase and has implications on our capacity to handle the additional service delivery demands.

The income from our levies shows a 13% increase from R92,871,045 in the previous year to R105,775,771 in 2003/2004. Our levy rates have remained unchanged for the past eight years. This levy increase reflects a resounding confidence in our business sector and leadership, as well as the stability, and growth of infrastructure within the district. It is also attributable to revenue raising strategies and credit control policies of the municipality.

I am happy to say that we have taken on board all our communities in the fulfillment of a better life for all as we have consulted with them and involved them in our Integrated Development Plan and Budget reviewal processes before these documents were approved by Council. Together, we are indeed actively building a people's contract for a better life for all.

On behalf of Council, I am proud to present the financial statements for the year 2003/2004 which reflects our achievements over the past year. I would also like to take this opportunity to thank our officials for the sterling work that they have done in ensuring an unqualified audit report for four successive years. This is an incredible achievement and ensures that our municipality is rated up there with the best in the country.



.....  
 CLLR SAKHUMZI SOMYO  
 EXECUTIVE MAYOR

## TREASURER'S REPORT

### 1) INTRODUCTION

Appropriate legislation was complied with in order to provide statements for the period ending 30 June 2004. To my best knowledge these financial statements are a fair presentation of the Council as at the above mentioned date and the results of its operations for the year then ended.

The continued application of strict budget control measures resulted in the application of Council's resources more effectively, and keeping expenditure within the parameters set by the budget. Council's operations for the year have resulted in a surplus of R 35,832,829. Adjustments relating to prior year figures amounted to R 586,719. together with current year appropriations R 6,517,196 have resulted in an accumulated surplus of R 276,206,847.

### 2) OPERATING RESULTS

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

<b>INCOME</b>	<b>Actual 2003 R</b>	<b>Actual 2004 R</b>	<b>Variance 2003/04 %</b>	<b>Budget 2004 R</b>	<b>Variance Actual/ Budget %</b>
Opening Surplus	204,939,830	247,523,538		247,523,538	
Less: Prior Year Adjustments		(586,719)	100%	-	-
Operating Income for the Year	193,002,965	236,914,945	23%	227,871,098	<b>4%</b>
Appropriations	6,271,411		-	-	-
Closing Deficit					
	<b>404,214,206</b>	<b>483,851,764</b>		<b>475,394,636</b>	
<b>EXPENDITURE</b>					
Opening Deficit					
Operating Expenditure	156,690,668	201,082,114	28%	325,627,916	<b>-38%</b>
Appropriations		6,562,802	100%	5,377,377	<b>22%</b>
Closing Surplus	247,523,538	276,206,847	12%	144,389,344	<b>91%</b>
	<b>404,214,206</b>	<b>483,851,764</b>		<b>475,394,636</b>	

The increase in expenditure is due to an intensive project implementation drive by the Council.

**2.1) LEVIES AND GENERAL SERVICES**

	Actual 2003 R	Actual 2004 R	Variance 2003/04 %	Budget 2004 R	Variance Actual/ Budget %
Income	150,758,251	182,864,348	21%	174,366,954	<b>5%</b>
Expenditure	103,883,359	158,822,229	53%	273,700,242	<b>-42%</b>
<i>(Deficit) / Surplus</i>	46,874,892	24,042,119		(99,333,288)	
Surplus (Deficit) as % Total Income	<b>31%</b>	<b>13%</b>		<b>-57%</b>	

The positive results is the outcome of the application of strict budget control measures and a sound financial management. The increase in income from the 2003 to the 2004 financial year is mainly due to the implementation of a credit control policy and interest received from investing surplus funds. The yearly salary adjustment contributed to the increase in Salaries/wages and allowances component of expenditure.

**2.2) COMMUNITY SERVICES : WATER AND SANITATION**

	Actual 2003 R	Actual 2004 R	Variance 2003/04 %	Budget 2004 R	Variance Actual/ Budget %
Income	226,265	54,050,597	23788%	53,504,145	<b>1%</b>
Expenditure	2,026,310	42,259,884	1986%	51,927,674	<b>-19%</b>
<i>(Deficit) / Surplus</i>	(1,800,045)	11,790,713	-755%	1,576,471	
Surplus (Deficit) as % of Total Income	<b>-796%</b>	<b>22%</b>		<b>3%</b>	

The major increase in both the income and expenditure from the 2003 to the 2004 financial year is due to the change of the function from the provision of emergency water to providing services as a Water Service Authority/ Water Service Provider. The Equitable share allocation is the main source of revenue, while the expenditure relates to the provision of water to Council's entire area of jurisdiction (excluding Buffalo City municipality).

**3) FINANCIAL VIABILITY AND POVERTY ALLEVIATION**

Key Performance Indicators		2002/03	2003/04	Variance 2003/04
4.1	<b>Liquidity</b> Current assets : Current liabilities	R 1 : 37 cents	R 1 : 45 cents	-17%
4.2	<b>Financial Leverage</b>			
4.2.1	External Debt versus total Debt	0%	0%	0%
4.2.2	External Debt versus Capital Outlay	0%	0%	0%
4.3	<b>Performance Measures</b>			
4.3.1	Debt coverage ratio	12 days	11 days	1 day
4.3.2	Outstanding service debtors to revenue	3%	3%	0%
4.3.3	Cost coverage	16%	13%	3%
4.4	<b>% of staff cost to total expenditure</b>	43%	29%	-14%

**EXPRESSION OF APPRECIATION**

I am grateful to the Mayor, Councillor's, the Municipal Manager and Heads of Departments for their support during the past year. A special word of thanks to the staff of the Finance Department for their support and loyalty.

**KT Jacoby**

DIRECTOR : FINANCE

**DATE** :.....

# ACCOUNTING POLICIES

## 1. BASIS OF PRESENTATION

- 1.1 These financial statements have been prepared so as to conform with the Generally Accepted Municipal Accounting Principles as prescribed by National Treasury relating to Budget Reform pilot sites.
- 1.2 The financial statements have been prepared on the historical cost basis.
- 1.3 The Financial Statements are prepared on the accrual basis as stated :
  - Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received.
  - Expenditure is accrued in the year it is incurred.
- 1.4 Audit fees are expended on delivery of service, and as such a provision has not been created.
- 1.5.1 Leave encashed is recorded as salary related expense, and offset through an appropriation from the Leave Provision
- 1.5.2 Provision has been made of the total leave liability existing as at 30 June 2004.

## 2. INVESTMENTS

- 2.1 Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested per Circular No. C/46/1994 issued by the Provincial Administration, Community Services Branch.

## 3. PROPERTY, PLANT AND EQUIPMENT

- 3.1 Property, which includes investment properties, plant and equipment is stated at cost, less accumulated depreciation.
- 3.2 Major improvements to buildings, plant and equipment are capitalised. Maintenance and repairs are expensed when incurred.
- 3.3 Heritage assets, defined as culturally significant resources, are not depreciated.
- 3.4 Item purchased less than R1000 in value, are considered to be non capital in nature and are therefore expensed.
- 3.5 Assets are capitalised on date of payment.
- 3.6 Proceeds from the disposal of assets are recognised as revenue/ expenditure and recorded in the relevant departments income statement, based on actual proceeds less carrying value.
- 3.7 The value of assets written off or disposed of reflected in the relevant NDR, is appropriated to the income statement of the relevant department.
- 3.8 Depreciation is appropriated to the relevant department (Refer to 3.7.3)
- 3.8.1 The loans redeemed and other capital receipts has been transferred to a Non Distributable Reserve (NDR) and is reflective of the net asset value.



- 3.8.2 The value of assets have been reinstated at historical costs, accumulated depreciation is provided for in council's records.
- 3.8.3. Depreciation is calculated on cost, using the straight line method over the estimated useful lives of the assets. The depreciation rates are based on the following estimated asset lives:-

	<u>Years</u>		<u>Years</u>
<b>Infrastructure</b>	10-15	Other	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	15
		Bins and containers	5
<b>Community</b>		Specialised plant and equipment	10-15
Improvements	30	Other items of plant and equipment	2-5
Recreational Facilities	20-30		
Security	5		
<b>Investment Properties</b>	30		

- 3.9 The Strategic Framework for water services, being the approved Government policy framework, prescribes the processes and details KPI's, and associated timeframes for the transfer of all infrastructure and functions relating to water services. In accordance, the transfer of all relevant water related infrastructure is to be finalised by 30 June 2005. The ADM conforms to that which has been prescribed in terms of due process as contained in the Strategic framework.

## 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 REVENUE RECOGNITION

### 5.1 Levies

- 5.1.1 Enterprises are assessed on a monthly basis and charged an Establishment and Service charge levy using Turnover and Human Resource costs, respectively. The tariffs for levies on Turnover and Human Resources differ in accordance with the operating budget approval.
- 5.1.2 Levy income is recognised on the receipt of actual assessments. Payments received regarding undeclared figures are considered creditors in Council's records.
- 5.2 Amounts received from government and donors for specific purposes are classified as "conditional grants and receipts" and is recognised as a liability until the conditions of the grant has been met. Grants utilised to fund operating activities are recognised and released to the income statement in accordance with expenditure incurred. These amounts are invested in interest bearing accounts until utilised.

## **6 PROVISIONS AND RESERVES**

### ***Leave Provision***

The Leave Provision is utilized for the payment of leave sold during the year. An amount equivalent to the expected value of the leave accrual for the financial year is allocated to the leave provision during the year.

## **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.

## **8 INTERNAL FINANCING OF PROPERTY, PLANT AND EQUIPMENT**

Amounts equivalent to the value of infrastructure, property, plant and equipment acquired and financed from revenue are allocated to the Asset Financing Fund (AFF), and then recognised in the AFF NDR.

## **9 RETIREMENT BENEFITS**

The employees of the Amathole DM contribute to the Cape Joint Pension Fund, the Cape Joint Retirement Fund or the SAMWU Provident Fund.

Current contributions are charged against the operating account at the rate of a fixed percentage of the basic salary paid to employees.

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**AMATHOLE DISTRICT MUNICIPALITY**  
**BALANCE SHEET AS AT 30 JUNE 2004**

	Note	2003/04 R	2002/03 R
<b>CAPITAL EMPLOYED</b>			
STATUTORY FUNDS	1	0	0
NON- DISTRIBUTABLE RESERVES	2	11 774 909	5 982 299
DISTRIBUTABLE RESERVES		276 206 847	247 523 538
Unappropriated Surplus/Accumulated Deficit		276 206 847	247 523 538
		287 981 756	253 505 837
TRUST FUNDS		0	0
LONG-TERM LIABILITIES	3	0	0
CONSUMER DEPOSITS	4	0	0
<b>TOTAL</b>		<b>287 981 756</b>	<b>253 505 837</b>
<b>EMPLOYMENT OF CAPITAL</b>			
PROPERTY, PLANT AND EQUIPMENT INVESTMENTS	5	11 774 909	5,982,299
LONG-TERM DEBTORS	7	2,147,390	1,951,431
NET CURRENT ASSETS		274,059,457	245,572,107
CURRENT ASSETS		494,446,882	390,207,463
Inventory	8	177,221	557,103
Consumer debtors	9	2,517,445	1,590,264
Other debtors	10	11,708,020	6,657,812
Short-term portion of long-term loans debtors		595,993	561,575
Short Term investments	6	424,867,807	351,361,249
Cash resources		54,580,396	29,479,460
CURRENT LIABILITIES		220,387,425	144,635,356
Provisions	11	1,766,136	983,046
Creditors	12	218,621,289	143,652,310
Short-term portion of long-term liabilities		-	-
<b>TOTAL</b>		<b>287,981,756</b>	<b>253,505,837</b>

.....  
A. Naidoo  
ACTING MUNICIPAL MANAGER

DATE .....

.....  
CERTIFIED AS CORRECT  
K.T. Jacoby  
DIRECTOR : FINANCE

## INCOME STATEMENT

### FOR THE YEAR ENDED 30 JUNE 2004

	Note	2003/04 R	2002/03 R
<b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>			
Rate and General Services		35,832,829	37 962 779
Subsidised Services		0	( 501 352)
Economic Services		0	(1 149 130)
<b>NET SURPLUS FOR THE YEAR</b>	19	<b>35 832 829</b>	<b>36 312 297</b>
Extraordinary items		0	0
<b>NET SURPLUS BEFORE APPROPRIATIONS</b>		<b>35 832 829</b>	<b>36,312,297</b>
<b>UNAPPROPRIATED SURPLUS AT BEGINNING OF THE YEAR</b>		<b>247 523 538</b>	<b>204,939,830</b>
Minus: Provision Audit Fees		( 501 840)	
Minus: Quarry Maintenance Grant		( 84 879)	
		<b>246 936 819</b>	
<b>APPROPRIATIONS:</b>		<b>(6 562 801)</b>	<b>6,271,411</b>
Transfer to Asset Financing Fund	18	(7,016,213)	(1,455,899)
Transfer to NDR: Utilised Capital Receipts	18	(758,039)	(1,500,239)
Transfer to Leave Reserve	15	(1,694,735)	(777,349)
Transfer from NDR- Depreciation		1,852,155	1,546,118
Transfer from NDR- AFF: Assets Disposed		129,487	7,710,936
Transfer from Leave Reserve: Leave Sold	15	924,544	747,844
<b>UNAPPROPRIATED SURPLUS AT END OF THE YEAR</b>		<b>276 206 847</b>	<b>247,523,538</b>

( Note : The income statement has been prepared in accordance with GAMAP 100 and GAMAP 101)

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED 30 JUNE 2004

	Note	2003/04 R	2002/03 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash utilised in operations	19	75,655,706	
Investment Income	15	29,990,474	
Interest paid			
Trust Fund expenditure			
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>105,646,180</b>	<b>0</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in fixed assets	18	(7,774,252)	
Proceeds on disposal of fixed assets		173,488	
Receipts from long-term debtors		(195,960)	
(Increase)/decrease in short term investments	22	(73,506,558)	
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(81,303,282)</b>	<b>0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in long-term loans		-	
Other capital receipts	21	758,038	
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>758,038</b>	<b>0</b>
<b>NET CASH FLOW</b>		<b>25,100,936</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	20	<b>25,100,936</b>	<b>0</b>

*( Note : The 2002/03 cashflow was presented and audited. Due to the presentation of Council's 2003/04 financial statements in GAMAP format realistic comparative values could not be reflected)*

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004

	2003/04 R	2002/03 R
<b>1. STATUTORY FUNDS</b>		
Asset Financing Fund	0	0
<b>Total statutory funds</b>	<u>0</u>	<u>0</u>

*Movements in funds is reconciled as follows:*

**Asset Financing Fund**

<b>Balance at the beginning of the year</b>	-	0
Contributions received	7,016,213	1 455 899
Cash utilised to finance property, plant and equipment	(7,016,213)	(1 455 899)
<b>Balance at the end of the year</b>	<u>0</u>	<u>0</u>

*The purpose of the Asset Financing Fund is to set aside cash to finance fixed asset additions from internal sources. The contribution to the AFF is based on the Integrated Development Fund financing requirements. When cash is used to finance property, plant and equipment, a corresponding amount is transferred to a non-distributable reserve. (See note 2). Unutilised cash is invested as set out in note 6.*

**2. NON-DISTRIBUTABLE RESERVES**

Capital Receipts	4,859,189	4,656,737
- Used to finance property, plant and equipment	4,859,189	4,656,737
- Unutilised	-	-
Transfers from Asset Financing Fund used to finance property, plant and equipment	6,915,720	1,325,562
<b>Total non-distributable reserves</b>	<u>11,774,909</u>	<u>5,982,299</u>

*Movements can be reconciled as follows:*

**Unutilised Capital Receipts**

<b>Balance at beginning of year</b>	-	0
Current year receipts	758,038	1 500 239
Used to finance current year additions	(758,038)	(1 500 239)
<b>Balance at end of year</b>	<u>-</u>	<u>0</u>

*These capital receipts represents government grants, subsidies and contributions from the public and can only be used for the purpose of acquiring specified property, plant and equipment. These amounts are invested until utilised for the purpose intended (See note 6)*

## NOTES TO THE FINANCIAL STATEMENTS (continued)

	2003/04 R	2002/03 R
<b><u>Capital Receipts (used to finance property, plant and equipment)</u></b>		
Balance at beginning of year	4,656,737	3,402,160
Correction Previous year	(9,612)	
Correction: Previous years depreciation		(102,616)
	<u>4,647,125</u>	<u>3,299,544</u>
Transferred from AFF: Previously incorrectly allocated		7,444
Used to finance current year additions	758,039	1,500,239
Transfer to income statement - fixed asset disposals	(5,565)	-
Transfer to income statement to offset depreciation charge	(540,410)	(150,489)
<b>Balance at end of year</b>	<u><b>4,859,189</b></u>	<u><b>4,656,737</b></u>

*These amounts represent property, plant and equipment financed by government grants, subsidies and contributions from the public. The intention of the benefactor of these amounts is to subsidise the cost of acquiring property, plant and equipment. Accordingly, these amounts are released to the income statement over the estimated useful lives of the property, plant and equipment so financed to offset the relevant depreciation charge. The balance of the reserve is transferred to the income statement when the fixed asset so financed is disposed.*

**Transfers from Asset Financing Fund**

Balance at beginning of year	1,325,562	9,903,090
Correction Previous year	9,612	
Correction: Previous years depreciation		(919,416)
	<u>1,335,174</u>	<u>8,983,674</u>
Transferred to Capital Receipts : Used: Previously incorrectly allocated		(7,444)
Used to finance current year additions	7,016,213	1,455,899
Transfer to income statement to offset disposal of assets	(123,923)	(7,710,936)
Transfer to income statement to offset depreciation charge	(1,311,744)	(1,395,631)
<b>Balance at end of year</b>	<u><b>6,915,720</b></u>	<u><b>1,325,562</b></u>

*These amounts represent property, plant and equipment financed by the AFF. These amounts are released to the income statement over the estimated useful lives of the property, plant and equipment financed from this source to offset the depreciation charge and prevent duplication in expenses. Proceeds on the sale of assets is allocated to the income statement.*

**3 LONG-TERM LIABILITIES**

Local Registered Stock Loans	-	0
Annuity Loans	-	0
Capitalised Lease Liability	-	0
Loans : Other	-	0
Sub-total	<u>-</u>	<u>0</u>
Less : Short-term portion transferred to current liabilities	-	0
<b>Total External Loans</b>	<u><b>-</b></u>	<u><b>0</b></u>

Refer to Appendix A for more detail on long-term liabilities.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

		2003/04 R	2002/03 R
<b>4 DEPOSITS</b>			
Electricity and Water		-	0
Total Electricity and Water		-	0
Guarantees in lieu of Eskom and the Post Office		30,000	317 283
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Carrying Value</b>
<b>30th June 2004</b>			
<b>OWNED PROPERTY, PLANT AND EQUIPMENT</b>			
Infrastructure	9 562	2,686	6,877
Community	293 738	39,608	254,130
Heritage	0	-	-
Other	16 223 151	4,709,248	11,513,902
Investment properties	0	-	-
<b>Totals</b>	<b>16 526 451</b>	<b>4,751,542</b>	<b>11,774,909</b>
<b>30th June 2003</b>			
<b>OWNED PROPERTY, PLANT AND EQUIPMENT</b>			
Infrastructure	9 562	2,445	7 117
Community	293 738	29,932	263 806
Heritage	0	-	0
Other	8 803 833	3,092,457	5 711 376
Investment properties	0	-	0
<b>Totals</b>	<b>9 107 133</b>	<b>3,124,834</b>	<b>5 982 299</b>
<i>A correction of the accumulated depreciation amounting to R 1 022 032 was made in Council's records.</i>			
Refer Appendix B and C for more detail on property, plant and equipment.			
<b>6 INVESTMENTS</b>			
<b>Listed</b>		-	0
<b>Unlisted</b>			
Short Term Fixed Deposits		424,867,807	351,361,249
Other Deposits		-	-
<b>Total</b>		<b>424,867,807</b>	<b>351,361,249</b>
<b>Council's valuation of unlisted investments</b>			
Short Term Fixed Deposits		424,867,807	351 361 249
Other Deposits		-	0
		<b>424,867,807</b>	<b>351 361 249</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

	2003/04 R	2002/03 R
<b>Allocation of external investments</b>		
<i>In terms of legislation, surplus cash is invested until used for specific purposes in accordance with circular No C/46/1994 issued by PACSB with approved banking institutions- Investments are allocated on the following basis:-</i>		
Conditional Grants and Receipts	144,951,991	95,764,595
Asset Financing Fund	-	-
Unutilised Capital Receipts	-	-
Operating Accounts	279,915,816	255,596,653
<b>Total</b>	<b>424,867,807</b>	<b>351,361,248</b>
<b>7 LONG-TERM DEBTORS</b>		
Car loans	2,603,968	2,346,395
Deposits	54,500	55,791
Loans to Local Municipalities	84,915	110,820
	2,743,383	2,513,006
Less : Short-term portion transferred to current assets	595,993	561,575
Car loans	595,993	510,050
Loans to Local Municipalities	-	51,525
<b>Total</b>	<b>2,147,390</b>	<b>1,951,431</b>
<b>CAR LOANS</b>		
<i>Senior staff are entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are expected to be redeemed in full by 30 June 2010.</i>		
<b>8 INVENTORY</b>		
Consumables	223,376	705,575
Less: Written Off	(46,155)	(148,472)
<b>Total</b>	<b>177,221</b>	<b>557,103</b>
Stock is net of specific provisions for obsolescence		
<b>9 CONSUMER DEBTORS</b>		
Service debtors	3,640,852	3,170,008
Levies	3,640,852	3,170,008
Water	-	-
Sewerage	-	-
Less : Provision for bad debts	(1,123,407)	(1,579,744)
<b>Total</b>	<b>2,517,445</b>	<b>1,590,264</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

	2003/04 R	2002/03 R
The ageing of debtors is as follows:-		
<b>Levies</b>		
Current	423	829
30 - 60 Days	213,713	358 740
60 - 90 Days	168,322	169 656
90 - 120 Days	128,056	162 510
120 - 365 Days	573,138	451 539
+ 365 Days	2,246,796	1 593 798
<b>Total</b>	<b>3,330,448</b>	<b>2 737 072</b>

*Days outstanding in debtors amount to 11 days. (2002/03 : 12 days)*

**Bad Debt Provision**

*The bad debt provision is calculated on the ageing of debtors.  
Council's policy is to provide 50% on all debtors' balances which  
have been outstanding for more than 12 months.*

**10 OTHER DEBTORS**

Other Debtors	37,326,006	23,525,605
Current Debtors	11,708,019	6,657,812
Department of Public Works	15,469,232	6,719,038
Department of Health	10,148,755	10,148,755
Less : Provision for bad debts	(25,617,986)	(16,867,793)
<b>Total</b>	<b>11,708,020</b>	<b>6,657,812</b>

**Department of Public Works**

*The debtor originated as a result of lack of funding received for the operations of the Roads division.*

*A provision for bad debt has been created in the event of the Department of Public Works  
not honoring the debt.*

**Department of Health**

*The debtor originated as a result of lack of funding received dating back as far as the 1998/99  
financial year. Council is currently instituting legal action against the Department. In the event of  
Council not being successful in this legal action, a provision equivalent to the outstanding debt has  
been created.*

**11 PROVISIONS**

Staff leave pay	<b>1,766,136</b>	<b>983 046</b>
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**12 CREDITORS**

Trade creditors	67,065,158	38,534,908
Conditional Grants and Receipts	144,951,991	95,764,595
Audit Fees	-	
Equitable Share Projects	6,604,140	7,963,246
Information Technology Strategy		1,336,788
Local Municipalities		52,773
<b>Total</b>	<b>218,621,289</b>	<b>143,652,310</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

	2003/04 R	2002/03 R
<b>Conditional Grants and Receipts</b>		
<i>See Annexure 1 for the reconciliation of all conditional grants and receipts. These amounts are invested and accrues interest (refer to Note 6)</i>		
<b>13 NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		
The following has been taken into account in determining the net surplus/ (deficit) for the year:-		
<b><u>Profit/(loss) on the disposal of property, plant and equipment</u></b>	<b>44,001</b>	<b>93 334</b>
<b><u>Bad debts written off</u></b>	<b>32,004</b>	<b>63 972</b>
<b>14 Depreciation</b>		
<i>: Owned property, plant and equipment</i>		
Infrastructure	241	95 820
Community	9,676	202 799
Heritage	-	0
Other	1,842,238	1 247 499
Investment Properties	-	0
<i>: Leased property, plant and equipment</i>		
Infrastructure	-	0
<b>Total Depreciation</b>	<b>1,852,155</b>	<b>1 546 118</b>
<b><u>Interest paid</u></b>		
External loans	-	0
Bank overdrafts	-	0
<b>Total Interest Paid</b>	<b>-</b>	<b>0</b>
<b>15 Councillors' Remuneration</b>		
Executive Mayor	408,397	341,011
Speaker	346,702	282,270
Full time Councillors	2,970,041	2,639,830
PR Councillors	1,788,196	1,032,006
Local Council Representatives :		
EC 121	107,221	398,040
EC 122	241,643	398,040
EC 123	-	547,308
EC 124	111,505	398,040
EC 126	149,141	547,308
EC 127	109,956	398,040
EC 128	49,714	547,308
Sitting Allowance	100,590	61,632
Municipal Manager	649,922	698,970
Level 1 Managers	3,671,211	558,161
<b>Total</b>	<b>10,704,237</b>	<b>8,847,964</b>
<i>Sect 57 Managers appointed with effect from July 2002. Stated remuneration packages are inclusive of pension, housing, medical aid and traveling allowances</i>		

## NOTES TO THE FINANCIAL STATEMENTS (continued)

	2003/04 R	2002/03 R
<b><u>Investment Income</u></b>		
Interest received	29,990,474	37 468 535
<b>Total Investment Income</b>	<b>29,990,474</b>	<b>37 468 535</b>
<b><u>Contribution to Provisions</u></b>		
Staff leave	1,694,735	777 349
<b>Leave Sold</b>	<b>924,544</b>	<b>747,844</b>
<b><u>Auditors' Remuneration</u></b>		
Fees for audit	366,354	389 255
<b><u>Foreign Exchange Gains/(Losses)</u></b>		
Realised	-	0
Unrealised	-	0
<b>Total Foreign Exchange Gains/(Losses)</b>	<b>-</b>	<b>0</b>
<b><u>Abnormal Expenses</u></b>		
Additional bad debts provision	8,295,516	849 382
<b>Total Abnormal Expenses</b>	<b>8,295,516</b>	<b>849 382</b>
<b><u>Provincial and Central Government Subsidies</u></b>		
Health Subsidies	2,262,431	2 145 098
Inter-governmental Grants	-	186 681
<b>Total Provincial and Central Government Subsidies</b>	<b>2,262,431</b>	<b>2 331 779</b>
<b>16 REVENUE</b>		
Levies	110,569,097	108 260 278
Government Grants and Subsidies	96,355,374	47 274 152
Interest	29,990,474	37 468 535
Other Income		
<b>Total</b>	<b>236,914,945</b>	<b>193 002 965</b>
<b>17 TRANSFERS TO ASSET FINANCING FUND</b>		
Contribution	7,016,213	1 455 899
<b>Total</b>	<b>7,016,213</b>	<b>1 455 899</b>
<b>18 TRANSFERS FROM NON-DISTRIBUTABLE RESERVES</b>		
Transfers from capital receipts utilised to finance fixed asset additions (See note 2)	758,038	1 500 239
Transfers from Asset Financing Fund utilised to finance fixed asset additions (See note 2)	7,016,213	1 455 899
<b>Net transfer</b>	<b>7,774,251</b>	<b>2 956 138</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

	2003/04 R	2002/03 R
<b>19 CASH GENERATED BY OPERATIONS</b>		
Net surplus for the year	35,832,829	
<b>Prior year corrections:</b>		
Provision Audit Fees	(501,840)	
Quarry Maintenance Grant	(84,879)	
<b>Adjustment for:-</b>		
Provision for Bad Debt	8,293,855	
Transfer from NDR- AFF Depreciation	1,852,155	
Cash receipts utilised	(6,048)	
Investment income	(29,990,474)	
Interest paid	-	
Operating surplus before working capital changes:	<u>15,395,598</u>	<u>0</u>
(Increase)/decrease in inventories	379,882	
(Increase)/decrease in debtors	(13,800,401)	
(Increase)/decrease in other debtors	(470,844)	
(Increase)/decrease in short term debtors	(34,418)	
(Increase)/decrease in provisions	(783,090)	
Increase/(decrease) in creditors	74,968,979	
Cash utilised in operations	<u>75,655,706</u>	<u>0</u>
<b>20 CASH AND CASH EQUIVALENTS</b>		
Balance at the end of the year	54,580,396	
Balance at the beginning of the year	29,479,460	
<b>Net increase in cash and cash equivalents</b>	<u>25,100,936</u>	<u>0</u>
<b>21 INCREASE/DECREASE IN SHORT TERM INVESTMENTS</b>		
Investments made	(73,506,558)	
Investments realised		
<b>Net increase in short term investments</b>	<u>(73,506,558)</u>	<u>0</u>
<b>22 EXTERNAL FINANCING FUND</b>		
External loans received	-	0
Used to finance property, plant and equipment	-	0
Sub- total	-	0
Cash set aside for the repayment of loans	-	0
<b>Cash invested</b>	<u>-</u>	<u>0</u>
<b>23 CONTINGENT LIABILITIES</b>		
A claim has been lodged against Amathole District Municipality pertaining to a possible refund of levies paid by ESKOM.	<u>1,364,389</u>	<u>1,550,000</u>

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## APPENDIX A

**SCHEDULE OF EXTERNAL LOANS****30 JUNE 2004**

<b>EXTERNAL LOANS</b>	<b>Loan Number</b>	<b>Redeemable</b>	<b>Balance at 01/07/2003</b>	<b>Received during the period</b>	<b>Redeemed written off during the period</b>	<b>Balance at 30/06/2004</b>
<b>LONG-TERM LOANS</b>			R	R	R	R
<b>Total long-term loans</b>			0	0	0	0
<b>SHORT-TERM LOANS:- ANNUITY LOAN</b>						
<b>GOVERNMENT LOANS</b>						
<b>Total Government Loans</b>			0	0	0	0
<b>LEASE LIABILITY</b>						
<b>TOTAL EXTERNAL LOANS</b>			0	0	0	0

## APPENDIX B

## ANALYSIS OF PROPERTY PLANT AND EQUIPMENT

30 JUNE 2004

Classification	Historical Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
<b>INFRASTRUCTURE</b>	9,562	-	-	9,562	2,445	241	-	2,686	6,876
<b>Roads:</b>									
Bridges, Subways & Culverts	5,269			5,269	1,748			1,748	3,521
<b>Water</b>	-			-	-			-	-
Reservoirs & Tanks	4,293			4,293	697	241		938	3,355
	-			-	-			-	-
<b>COMMUNITY</b>	293,738	-	-	293,738	29,932	9,676	-	39,608	254,130
Clinics & Hospitals	30,001			30,001	2,661	1,003		3,664	26,337
Fire Stations	3,392			3,392	300	113		414	2,978
Museum & Art Galleries	256,080			256,080	22,706	8,559		31,265	224,815
Security System	4,265			4,265	4,265			4,265	0
	-			-	-			-	-
<b>INVESTMENT PROPERTIES</b>									
<b>OTHER</b>	8,803,833	7,774,252	354,934	16,223,151	3,092,457	1,842,238	225,447	4,709,248	11,513,903
<b>Buildings</b>	1,400,388	-	1	1,400,387	73,010	27,037	1	100,044	1,300,344
Administration	541,040		1	541,039	49,264	18,085	1	67,348	473,692
Housing Schemes	25,062			25,062	2,222	838		3,059	22,003
Workshops & Depots	242,735			242,735	21,524	8,114		29,637	213,098
<b>Land</b>	591,551			591,551	-			-	591,551
<b>Office Equipment</b>	4,348,677	1,343,688	104,642	5,587,723	1,614,010	852,481	76,355	2,390,137	3,197,586
Air Conditioners	45,949	7,070		53,019	25,677	8,018		33,695	19,323
Computer Hardware	3,288,644	1,039,407	103,126	4,224,926	917,917	664,706	75,737	1,506,885	2,718,041
Computer Software	713,967	114,821		828,788	603,559	67,967		671,527	157,262
Office Machines	300,117	182,390	1,516	480,990	66,857	111,791	618	178,030	302,960
<b>Furniture and Fittings</b>	667,643	219,495	12,841	874,297	151,342	102,737	4,759	249,320	624,977
Cabinets & Cupboards	262,480	88,519		350,999	42,856	43,206		86,062	264,937
Chairs	67,414	22,954	809	89,560	15,419	9,704	440	24,682	64,877
Furniture and Fittings : Other	90,010	57,064	11,539	135,534	40,526	11,827	3,826	48,528	87,007
Tables & Desks	247,739	50,959	493	298,204	52,541	38,000	493	90,048	208,156
<b>Plant and Equipment</b>	203,969	3,714,169	19,481	3,898,657	119,940	135,177	13,887	241,230	3,657,426
Ambulance Equipment	4,011			4,011	1,604			1,604	2,407
Medical Equipment	15,133		3,885	11,248	13,661	1,692	3,885	11,468	(221)
Fire Arms	1,775			1,775	1,775			1,775	(0)
Laboratory Equipment	12,160	1,800	539	13,421	6,567	2,368	540	8,396	5,025
Lawnmowers	3,026	38,671		41,698	3,027	6,811		9,838	31,860
Plant & Equipment : General	126,786	6,767	7,450	126,103	59,107	18,330	3,363	74,074	52,030
Tractors		3,666,930		3,666,930		103,583		103,583	3,563,347
Radio Equipment	38,859		6,267	32,592	32,286	2,087	4,759	29,613	2,978
Telecommunication Equipment	2,219		1,340	879	1,913	306	1,340	879	(0)
<b>Motor Vehicles</b>	2,183,156	2,496,900	217,969	4,462,087	1,134,155	724,806	130,445	1,728,517	2,733,570
Motor Vehicles	401,532	613,422	23,062	991,891	163,876	178,213	12,976	329,113	662,778
Trucks & Bakkies	1,781,624	1,883,478	194,907	3,470,196	970,279	546,593	117,469	1,399,404	2,070,792
<b>TOTAL</b>	<b>9,107,133</b>	<b>7,774,252</b>	<b>354,934</b>	<b>16 526 451</b>	<b>3,124,834</b>	<b>1,852,155</b>	<b>225,447</b>	<b>4,751,542</b>	<b>11,774,909</b>

## APPENDIX C

## SUMMARY OF FIXED ASSETS PER DEPARTMENT

### 30 JUNE 2004

Department	Historical Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
<b>RATES AND GENERAL SERVICES</b>	<b>9,107,133</b>	<b>7,774,252</b>	<b>354,934</b>	<b>16,526,451</b>	<b>3,124,834</b>	<b>1,852,155</b>	<b>225,447</b>	<b>4,751,542</b>	<b>11,774,909</b>
<b>Council General</b>									
<b>Mayoral Committee</b>	489,816	737,877		1,227,693	127,143	199,143		326,286	901,407
<b>Municipal Manager</b>	328,646	22,096		350,742	58,368	74,666		133,034	217,708
Internal Audit	46,302	18,753		65,055	8,866	12,241		21,107	43,948
Local Economic Development	42,259	3,666,815		3,709,074	3,312	106,401		109,713	3,599,361
Municipal Support Manager	-	-		-	-	-		-	-
Strategic Manager	30,747	1,389,829		1,420,576	259,435	138,794		398,229	1,022,347
Information Com Technology	-	-		-	-	-		-	-
<b>Administration</b>	1,889,804	774,562	1,255	2,663,111	206,332	218,187	1,255	423,264	2,239,847
Land and Housing	113,015	(12,149)		100,866	27,264	18,213		45,477	55,388
Buildings	17,150	12,964	1,547	28,567	10,088	1,546		8,542	20,026
Calgary Museum	273,771	-	1,449	272,322	34,367	8,817	277	42,907	229,415
<b>Financial Services</b>	2,379,553	(334,413)	109,532	1,935,608	894,452	301,556	77,517	1,118,491	817,117
<b>Human Resources</b>	411,532	8,720	6,618	413,634	90,074	70,450	4,578	155,946	257,689
<b>Engineering Services</b>	1,712,378	740,686	110,752	2,342,312	714,397	424,277	78,743	1,059,931	1,282,381
Building and Services Planning	255,912	172,969		428,881	99,474	55,050		154,524	274,356
Water Services	53,750	21,148		74,898	23,828	11,084		34,912	39,986
<b>Health and Protection Services</b>	309,151	352,596	8,580	653,167	288,190	111,140	3,595	395,735	257,432
Disaster Management	325,397	170,815	115,201	381,011	103,955	57,509	57,936	103,528	277,482
Environmental Health	427,950	30,984		458,934	175,289	44,627		219,916	239,019
Nature Conservation	-	-		-	-	-		-	-
<b>SUBSIDISED SERVICES</b>	-	-	-	-	-	-	-	-	-
	0	-	-	-	-	-	-	-	-
<b>ECONOMIC SERVICES</b>	-	-	-	-	-	-	-	-	-
	0	-	-	-	-	-	-	-	-
<b>HOUSING SERVICES</b>	-	-	-	-	-	-	-	-	-
	0	-	-	-	-	-	-	-	-
<b>TRADING SERVICES</b>	-	-	-	-	-	-	-	-	-
	0	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>9,107,133</b>	<b>7,774,252</b>	<b>354,934</b>	<b>16,526,451</b>	<b>3,124,834</b>	<b>1,852,155</b>	<b>225,447</b>	<b>4,751,542</b>	<b>11,774,909</b>



## APPENDIX D

## ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2004

2002/03 Actual R		2003/04 Actual R	2003/04 Budget R
<b>INCOME</b>			
47,274,152	Government and Provincial Grants and Subsidies	96 355 374	84 376 290
108,260,278	Income from rates, tariffs, service charges, etc	110 569 097	135 994 808
37,468,535	Interest Earned	29 990 474	7 500 000
<u>193,002,965</u>		<u>236 914 945</u>	<u>227 871 098</u>
<b>EXPENSES</b>			
67,229,305	Salaries, wages and allowances	57 449 999	66 120 961
94,171,514	General expenses	131 795 264	253 417 398
1,581,146	Repairs and maintenance	3 512 884	5 299 388
6,102,940	Capital charges		758 718
5,723,481	Contributions	<u>8 323 967</u>	<u>31 451</u>
<b>174,808,386</b>	<b>Gross Expenditure</b>	<b>201 082 114</b>	<b>325 627 916</b>
18,117,718	Less: Amounts charged out		
<u>156 690 668</u>	<b>Net expenditure</b>	<u>201 082 114</u>	<u>325 627 916</u>

**APPENDIX E**  
**SEGMENTAL INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2004**

2002/03 Actual Income	2002/03 Actual Expenditure	2002/03 Surplus/ (Deficit)		2003/04 Actual Income	2003/04 Actual Expenditure	2003/04 Actual Surplus/ (Deficit)	2003/04 Budgeted Surplus/ (Deficit)
R	R	R		R	R	R	R
193 002 965	156 690 668	36 312 297	<b>RATE AND GENERAL SERVICES</b>	236 914 945	201 082 114	35 832 829	(97 756 818)
155 962 556	117 999 777	37 962 779	<b>Community Services</b>	217 709 904	181,877,073	35 832 829	(97 756 818)
92 871 045	0	92 871 045	<b>Levies</b>	105 775 771		105 775 771	74 160 000
43 308	16 211 557	(16 168 250)	<b>Council General</b>	11 750	14,644,610	(14 632 860)	(6 559 179)
0	0	0	<b>Mayoral Committee</b>	2 971	6,769,294	(6 766 323)	(8 430 657)
0	324 204	( 324 204)	Grants-in-aid		359,991	( 359 991)	( 360 000)
55 869 424	10 093 797	45 775 627	<b>Municipal Manager</b>	38 033 016	2,064,718	35 968 297	6 623 665
0	0	0	Internal Audit		713,427	( 713 427)	( 986 803)
0	445 385	( 445 385)	Local Economic Development		1,908,894	(1 908 894)	(1 988 927)
873 342	871 575	1 767	Municipal Support Manager	944 290	2,463,642	(1 519 351)	(1 599 484)
0	619 249	( 619 249)	Strategic Manager	258 570	1,981,173	(1 722 603)	(2 173 868)
0	0	0	Information Com Technology	751 044	712,005	39 039	18 825
0	51 093 546	(51 093 546)	Projects		72,016,492	(72 016 492)	(134 218 025)
707 955	4 040 834	(3 332 879)	<b>Administration</b>	48 768	5,602,262	(5 553 495)	(5 659 617)
0	1 596 445	(1 596 445)	Land and Housing	3 541 715	2,257,865	1 283 850	50 000
62 364	258 582	( 196 218)	Buildings	73 367	691,779	( 618 412)	( 803 944)
6 442	118 221	( 111 779)	Calgary Museum	6 445	192,117	( 185 672)	( 206 848)
3 278 399	10 058 299	(6 779 900)	<b>Financial Services</b>	3 236 307	11,143,317	(7 907 010)	(8 198 898)
142 400	107 386	35 014	Rockclyffe-onSea Holiday Resort	0	-	0	0
152 056	4 832 513	(4 680 457)	<b>Human Resources</b>	10 752	6,121,853	(6 111 101)	(6 876 742)
808 938	3 552 460	(2 743 522)	<b>Engineering Services</b>	910 440	3,028,345	(2 117 905)	(2 086 918)
54 153	1 547 091	(1 492 938)	Building and Services Planning	3 079 228	2,408,326	670 902	396 849
226 266	2 036 948	(1 810 682)	Water Services	54 050 597	42,259,884	11 790 712	1 576 471
0	6 297 127	(6 297 127)	Gompo	0	-	0	0
3 486	878 944	( 875 458)	<b>Health and Protection Services</b>	219 335	1,215,234	( 995 899)	( 938 669)
22 931	572 749	( 549 818)	Disaster Management	1 049 810	687,777	362 033	110 524
437 719	2 063 318	(1 625 599)	Environmental Health	5 705 728	2,634,068	3 071 659	395 427
402 330	185 389	216 941	Traffic	0	-	0	0
0	194 158	( 194 158)	Nature Conservation	0	-	0	0
35 990 822	36 492 174	( 501 352)	<b>Subsidised Services</b>	19 205 041	19 205 041	0	0
23 649 015	23 649 014	0	Ambulance and Rescue Services	3 857 082	3 857 082	0	0
1 006 420	1 006 420	0	Roadworks and Vehicles	1 717 879	1 717 879	0	0
5 750 487	5 750 487	0	Roads - Overheads	7 146 068	7 146 068	0	0
5 584 900	6 086 253	( 501 352)	Health Nursing Services	6 484 012	6 484 012	0	0
1 049 587	2 198 717	(1 149 130)	<b>Economic Services</b>	0	0	0	0
1 049 587	2 198 717	(1 149 130)	Bus Service			0	
0	0	0	<b>HOUSING SERVICE</b>	0	0	0	0
0	0	0				0	
0	0	0	<b>TRADING SERVICES</b>	0	0	0	0
0	0	0				0	
193 002 965	156 690 668	36 312 297	<b>TOTAL</b>	236 914 945	201 082 114	35 832 829	(97 756 818)

APPENDIX F  
**STATISTICAL INFORMATION**  
**30 JUNE 2004**

		<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>A. GENERAL STATISTICS</b>				
1. Population (approximate)				
2. Value of rateable property :	Land			
	Improvements	0	0	0
Value of non-rateable property :				
	Land			
	Improvements	0	0	0
Total value of rateable and non-rateable property				
		0	0	0
Value of rateable property subject to water rate :				
	Land			
Date of valuation				
3. No. of residential properties				
No. of commercial properties				
4. Assessment rates : cents/rand				
	Land			
	Less : Rebate			
	Improvements			
	Water			
5. No of employees at South African Local Authority				
<b>B. ELECTRICITY STATISTICS</b>				
1. No. of consumers :				
	Domestic			
	Small power users			
	Large power users	0	0	0
2. Units bought (kW.h)				
3. Units sold (kW.h)				
4. Units lost in distribution (kW.h)				
5. Units lost in distribution as % of units bought				
6. Cost per unit sold (cents)				
<b>C. WATER STATISTICS</b>				
1. Units bought and purified (kL)				
2. Units sold (kL)				
3. Units lost in distribution (kL)				
4. Percentage lost in distribution				

## GRANT FUNDING

<b>CONDITIONAL GRANTS AND RECEIPTS</b>	<b>Balance at 01/07/03</b>	<b>Contributions during the Year</b>	<b>Other Income</b>	<b>Interest on Investments</b>	<b>Expenditure during the Year</b>	<b>Balance at 30/6/04</b>
Investigate Institutional options ADM	15,592.81	-	-	3,705	19,298	-
Performance Management	174,808.03	-	330,000	2,926	255,186	252,547
Contract Management Course	10,729.36	10,000	-	181	20,910	-
Reviewed IDP	57,836.95	-	50,000	968	51,781	57,024
Capacity Development Plan	-	-	-	12,594	12,594	-
MSIG Interest	-	105,154	-	108,183	123,052	90,286
Local Labour Training	-	-	125,000	-	125,000	-
Dev Guide LM's	-	-	80,000	-	-	80,000
Internal Audit LM's	-	-	280,000	-	-	280,000
Feasibility study : LM's F/sys	-	-	185,000	-	-	185,000
Training LM's on LED	-	-	85,000	-	-	85,000
Awareness LM's: WSP	-	-	60,000	-	60,000	-
By-Law Implementation LM's	-	-	126,500	-	59,577	66,923
Rule of Order Dev LM's	-	-	45,000	-	6,925	38,075
LABOUR FORUM TRAINING	-	-	25,000	-	-	25,000
IND TARRIF POLICY LM'S	-	-	225,000	-	-	225,000
Mnquma Team Build & Div	-	127,620	-	-	-	127,620
PIMMS	219,069.90	-	1,083,500	2,104	975,697	328,977
MSIG : Mbhashe	3,087.67	-	50,000	52	53,139	(0)
MSIG : Mnquma	2,417.06	-	50,000	40	49,167	3,290
MSIG : Great Kei	2,881.67	-	50,000	48	52,930	-
MSIG :Amahlati	77,187.67	-	50,000	1,292	128,479	-
MSIG :Buffalo City	77,187.67	-	50,000	1,292	114,101	14,379
MSIG :Ngqushwa	77,187.67	-	50,000	665	127,852	0
MSIG :Nkonkobe	77,187.67	-	50,000	1,292	63,853	64,626
MSIG :Nxuba	23,946.67	-	50,000	401	61,835	12,513
Skills Development Centre	2,312,235.27	-	-	172,918	-	2,485,153
Rightsizing of Personnel	2,868,220.65	-	-	68,854	2,937,074	-
MSP Mnquma	1,974,637.29	2,100,000	1,000,000	-	2,645,735	2,428,902
Financial Assistance Mnquma	5,375,108.04	(2,100,000)	-	280,893	419,970	3,136,031
MSP: Project Management	1,537,673.93	-	8,943,000	-	4,712,513	5,768,161
MSP: Community EducationProject Management	1,316,857.86	-	-	50,649	939,239	428,268
IDP ADM	218,735.92	-	-	13,400	232,136	-
Budget Reform	2,901,345.86	-	2,500,000	227,109	3,318,120	2,310,335
Training	162,480.46	-	-	9,247	92,931	78,796
Management Support (2)	369,331.68	-	-	19,455	388,786	-
SETA: Implementation	223,553.75	-	413,945	21,860	208,055	451,304
Inter Gov relations Framew	60,879.14	-	-	4,128	48,982	16,025
Dev Inter-Gov Framework	-	-	131,789	4,875	10,709	125,955
Skilling Retrenched Staff	-	100,000	-	5,709	-	105,709
By-Laws	-	550,000	-	19,739	-	569,739
ADM Performance Award	750,000.00	-	-	28,089	649,736	128,353
Assistance with Voter Reg	-	30,000	-	659	23,535	7,124
Establishment Costs	2,855.53	-	-	119	2,975	0
Capacity Build initial LM's	1,009,050.00	-	-	75,461	-	1,084,511
Review Delegation Policy	-	98,000	-	2,225	100,225	-
Vuna Awards	-	-	250,000	2,611	252,611	-
Training Mun Officials	-	-	1,500,000	7,813	-	1,507,813
Special Investigation H&LG	-	-	1,526,911	7,953	-	1,534,864
Identify M/Com Respons	-	100,000	-	-	-	100,000
COM AWARE PROC	-	-	160,000	8,098	108,801	59,297
Disaster Management	128,779.61	-	-	7,374	46,200	89,954
Provision or Firebrigade	-	-	1,600,000	91,273	4,296	1,686,978
Effective D/M Framework	-	-	240,000	13,702	-	253,702
Disaster Management Plans	-	-	240,000	13,702	-	253,702
Disaster: Management Centre	125,574.84	-	960,000	63,615	131,400	1,017,790
Disaster : Ring fence	136,255.92	-	320,000	16,344	456,302	16,298
Disaster : Rebuild Fund	4,604,829.25	-	2,080,000	408,619	1,470,239	5,623,209
HIV/AIDS NGO's	411,046.56	-	-	16,194	212,756	214,485
HIV/AIDS Laboratory Services	945,274.04	-	-	72,646	116,726	901,194
Vol Stipend-Aids : Nkonkobe	493,875.51	-	495,000	20,637	960,440	49,072
Vol Stipend-Aids :Amathlali	416,707.47	-	405,000	17,883	750,000	89,590
Vol Stipends-Aids : Mnquma	385,840.25	-	375,000	21,618	369,000	413,459
Vol Stipends-Aids :B/City	1,481,626.52	-	1,440,000	78,847	2,658,000	342,474
Vol Stipends-Aids : Mbhashe	339,539.41	-	390,000	17,655	704,712	42,482
District Aids Council	-	-	80,000	2,773	9,768	73,006
Traditional Leaders	-	-	898,000	-	898,000	-
Tertiary Institute Train	-	-	1,135,000	-	1,135,000	-
Relocation of Squatters	23.12	-	-	1	24	(0)
Duncan Village : Youth Proj	160,252.31	-	-	11,984	-	172,237
LTO : BUFFALO CITY	30,271.50	-	-	2,264	-	32,535
LTO: MBHASHE	30,271.50	-	-	2,264	-	32,535

<b>CONDITIONAL GRANTS AND RECEIPTS</b>	<b>Balance at 1/7/2003</b>	<b>Contributions during the Year</b>	<b>Other Income</b>	<b>Interest on Investments</b>	<b>Expenditure during the Year</b>	<b>Balance at 30/6/04</b>
LTO: GREAT KEI	30,271.50	-	-	2,264	30,000	2,535
LTO: MNQUMA	30,271.50	-	-	2,264	-	32,535
LTO: NGQUSHWA	30,271.50	-	-	2,264	-	32,535
LTO: NKONKOBE	30,271.50	-	-	2,264	-	32,535
LTO: AMAHLATI	30,271.50	-	-	2,264	-	32,535
LTO: NXUBA	30,271.50	-	-	2,264	-	32,535
Regional Tourism	205,763.74	-	-	15,150	45,600	175,314
Great Kei Lto	3,571.68	-	-	459	-	4,031
Memorial Quilt Project	136,295.72	-	-	10,193	-	146,489
Nzabisa Village : Craft Centre	-	-	300,000	4,713	-	304,713
Monitor LED Projects	-	-	600,000	3,125	-	603,125
Siyazama Agric Project	1,906,971.07	-	-	68,429	1,873,940	101,460
Healdtown/Lamyeni Spring Wate	985,546.87	-	-	46,921	678,060	354,408
Gcaleka Cultural Village	-	-	1,040,000	44,382	45,600	1,038,782
Youth Fund	-	-	250,000	1,302	-	251,302
Dept Agric: Assist & upgrade Farms	2,430,645.62	-	-	116,040	1,074,157	1,472,528
Keiskammahoek Irrigation Scheme	1,278,964.08	-	-	71,131	1,058,627	291,468
Zanyoke Irrigation Scheme	472,548.39	-	-	25,750	412,239	86,059
Bawa Falls LED Project	81,788.35	-	300,000	10,456	51,557	340,688
Rock Climbing: Dept Env Affairs	38,448.28	-	-	2,455	9,923	30,980
Poverty alleviation: Nqadu	50,000.00	-	-	3,739	39,266	14,473
Poverty Alleviation: Mngqesha	50,000.00	-	-	3,739	39,915	13,824
Establish LED forum	50,000.00	-	-	3,739	-	53,739
LED Fund	162,429.74	-	-	8,952	124,443	46,939
District Economic Forum	-	-	100,000	1,044	-	101,044
Development Plan : Cintsa	100,288.25	-	-	6,386	106,674	-
Development Plan : Haga Haga	17,983.29	-	-	1,345	-	19,328
Development Plan : Kidds B	100,288.25	-	-	6,386	106,674	-
Development Plan : Ducatts	98,837.80	-	-	5,096	103,934	-
Development Plan : EL/Newl	35,034.87	-	-	2,231	37,266	-
Businees Plan for Needscamp	624,712.72	-	-	19,008	643,720	-
Stutt Framework Plan	4,141.91	-	-	264	4,406	-
Planning Willowvale	75,420.14	-	-	4,803	80,223	-
Planning Seymour	100,941.52	-	-	6,427	107,369	-
Komanshini	-	200,160	-	2,090	-	202,250
Teko Springs	-	337,500	-	3,525	26,000	315,025
Needs Camp	-	549,000	-	5,734	-	554,734
Prudoe	-	135,000	-	1,410	-	136,410
Dongwe	-	225,000	-	2,350	-	227,350
Hogsback	-	288,000	-	3,008	-	291,008
Haga Haga	-	144,000	-	1,504	-	145,504
Willowvale	-	216,000	-	2,256	-	218,256
Elliotdale	-	252,000	-	2,632	-	254,632
Lower Blinkwater	-	216,000	-	2,256	-	218,256
Symon (Etdandsburgh)	-	180,000	-	1,880	-	181,880
Ndevana	-	43,000	-	449	-	43,449
Layout Plan : Amabele	95,413.32	-	-	9,179	-	104,592
Layout Plan : Bolo	96,795.09	-	-	7,231	-	104,026
Siyanda Land Survey	222,174.57	-	-	10,493	232,667	-
Planning: Tshabo Village	218,917.51	-	-	15,277	-	234,195
Survey: Tshabo Village	51,258.11	-	-	3,833	-	55,091
Kubusie Establishment Grant	-	-	280,918	6,838	86,742	201,014
Ndlovini Establishment Grant	-	-	71,574	741	37,123	35,193
Ducats Establishment Grant	-	-	131,400	3,892	77,185	58,107
Macleant/ Estab Grant	-	-	12,000	595	-	12,595
Nandi Prudoe Estab Grant	1,749.64	-	45,016	1,162	24,369	23,558
Dongwe Prudoe Estab Grant	13,142.41	-	45,016	2,224	19,314	41,069
Teko Springs Estab Grant	6,548.96	-	46,314	1,747	29,779	24,831
Needs Camp Estab Grant	777.39	-	45,306	1,324	21,754	25,654
Teko Springs Top Structure	-	-	6,174,000	168,019	1,771,010	4,571,009
Nandi Prudoe Top Structure	-	-	4,108,920	128,987	1,576,689	2,661,217
Dongwe Top Structure	-	-	3,825,000	146,302	1,068,982	2,902,319
Needscamp Top Structure	-	-	3,791,400	106,544	1,581,286	2,316,658
Ducats Top Struc Subsidy	-	-	10,216,680	241,818	1,422,497	9,036,000
Kubusi Top Structure	-	-	10,090,500	255,892	734,137	9,612,255
Macleantown Top Structure	-	-	508,320	2,634	-	510,954
Ndlovini Top Structure	-	-	1,700,792	32,941	603,951	1,129,782
KWT TRC Recreation	14,293.81	-	-	578	7,480	7,392
Fingoland Regional Authority	315,529.54	-	-	23,596	-	339,126
Mngqesha Great Place	1,074,845.99	-	-	77,804	22,022	1,130,627
Nqadu Great Place	537,167.95	-	-	29,837	390,379	176,626
Kaysers Beach: Pilot Housing	108,323.44	-	-	4,494	112,817	-
Healdtown Development	16,853.52	-	-	1,073	17,927	-
Zoning : Balfour	929.04	-	-	59	988	0
Line Mapping	385,499.95	-	-	28,829	-	414,329
Kidds Beach Housing	81,218.26	-	-	5,172	86,390	-
Ducatts Essential Services	179,651.43	-	-	10,940	190,591	-
Hogsback IDP LDO	29,235.06	-	-	2,185	-	31,421

<b>CONDITIONAL GRANTS AND RECEIPTS</b>	<b>Balance at 1/7/2003</b>	<b>Contributions during the Year</b>	<b>Other Income</b>	<b>Interest on Investments</b>	<b>Expenditure during the Year</b>	<b>Balance at 30/6/04</b>
Trust Areas Pre-paid meters	1,511,192.75	-	-	112,969	-	1,624,162
Rural Access Roads	614,801.04	-	-	45,977	-	660,778
Chanta Development Fund	8,282,504.22	-	-	531,016	2,005,231	6,808,289
Dwesa Cwebe Restititional	2,094,039.61	-	-	152,713	135,921	2,110,831
Land Reform & Settle Plan Proj	417,971.16	-	4,132,454	27,873	4,428,673	149,626
CMIP VAT Savings	2,386,545.22	87,592	-	172,916	741,671	1,905,382
EDOT Funds	2,194,636.35	-	2,310,000	222,218	549,767	4,177,088
Dept Sport 2003/04	1,387,975.72	-	7,509,273	78,995	6,431,862	2,544,381
Sportsfields	73,206.05	-	-	5,475	-	78,681
6 Village Green Projects	374,961.14	-	-	26,539	298,420	103,079
Elliotdale Sport Facility	1,206,027.48	-	-	23,157	1,151,275	77,910
Peddie Sport Facility	290,480.48	-	285,714	15,205	275,856	315,544
H&LG Survey Funds	3,623,307.03	-	-	212,887	2,641,283	1,194,911
H&LG Development Planning	2,341,299.11	-	-	170,656	214,286	2,297,669
Colleywobbles Regravelling	28,119.39	38,603	-	675	67,398	-
DPW Stut DR7300	102,096.46	-	-	872	102,969	-
DPW: Ibeka Nqadu	57,000.00	-	-	-	57,000	-
DPW: Kwabajiyane School	44,035.17	-	-	-	44,035	-
DPW: Accumulated Interest	752,575.63	-	-	63,831	766,116	50,290
Lower Gqumashe bridge	744,326.54	-	-	25,520	651,376	118,470
Replace Roadsigns	87,029.50	692,376	-	0	343,661	435,744
Road Repair Ndabakazi	131,753.35	-	-	-	129,991	1,762
Regravel Road to Qwili Qwili	12,777.06	-	-	-	12,777	-
CBPWP 1	9,113,428.68	-	15,224,278	543,238	22,832,221	2,048,724
CMIP	10,126,624.71	-	110,125,640	817,788	108,708,772	12,361,282
DWAF	3,531,049.76	-	48,669,919	813,057	26,858,240	26,155,786
<b>TOTAL: GRANTS &amp; RECEIPTS</b>	<b>95,764,595</b>	<b>4,725,005</b>	<b>262,124,081</b>	<b>7,979,158</b>	<b>225,640,847</b>	<b>144,951,991</b>