

Accounting Policies

**1 BASIS OF PRESENTATION**

- 1.1** The attached financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants.
- 1.2** The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year.
- 1.3** Levy income is accounted for on the cash receipts basis.
- 1.4** Income from water and sanitation is accounted for on an accruals basis.

**2 FIXED ASSETS**

- 2.1** Fixed assets are stated :  
  
at the historical cost while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Treasurer.

**3 REGIONAL FUNCTIONS**

- 3.1 Debtors and Creditors**  
  
Current and Capital transactions operate on an Income and Expenditure basis. Income accruing and any outstanding payments as at 30 June are brought into account by means of raising Sundry Debtors and Sundry Creditors respectively.

- 3.2 Capital assets**  
  
Capital outlay is reflected in the Balance Sheet at original cost and financed from operating income.  
  
Assets are depreciated on the following basis  
  
moveable assets are written off over the life of the asset, as determined by the Treasurer on the straight line basis.

- 3.3 Investments**  
  
Investments are reflected at original cost and are invested in securities as prescribed by Section 125 of the Local Authorities Ordinance, No 25 of 1974, as amended.

- 3.4 Provisions and Reserves**  
  
Provisions and Reserves are determined in terms of the matching concept and on the following basis :  
  
Audit Fee - the year's anticipated audit costs

- 3.5 Amounts Recharged**  
  
The technical department's expenditure is recharged to projects.

**4 RETIREMENT BENEFITS**

It is the policy of the council to provide retirement benefits for employees. Contributions to retirement benefits are charged against income as incurred.

**SISONKE DISTRICT MUNICIPALITY**

**BALANCE SHEET AS AT 30 JUNE 2004**

	<u>Notes</u>	<u>2004</u> R	<u>2003</u> R
<b>CAPITAL EMPLOYED</b>			
<b>FUNDS AND RESERVES</b>			
Capital Development Fund	1	#REF!	
Retained Surplus	14	#REF!	#REF!
Long Term Liabilities	9	2,668,161	
<b>TOTAL</b>		<u><u>#REF!</u></u>	<u><u>#REF!</u></u>
<b>EMPLOYMENT OF CAPITAL</b>			
Fixed Assets	2	#REF!	153,968
Investments	3	#REF!	#REF!
Long-term debtors	4	#REF!	#REF!
Deposits	5	#REF!	#REF!
<b>TOTAL</b>		<u><u>#REF!</u></u>	<u><u>#REF!</u></u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>			
		<u><u>#REF!</u></u>	<u><u>#REF!</u></u>
<b>CURRENT ASSETS</b>			
		<u><u>#REF!</u></u>	<u><u>#REF!</u></u>
Debtors	6	#REF!	#REF!
Inventory	7	155,345	#REF!
Bank and cash	8	#REF!	#REF!
Suspense	9	#REF!	#REF!
<b>CURRENT LIABILITIES</b>			
		<u><u>#REF!</u></u>	<u><u>#REF!</u></u>
Provisions	10	#REF!	595,567
Trust Funds	11	#REF!	13,316,638
Loans : Short-term Portion	9	194,885	
Creditors	12	#REF!	#REF!
Other Creditors	13	#REF!	#REF!
<b>TOTAL</b>		<u><u>#REF!</u></u>	<u><u>#REF!</u></u>

Included in this statement are the balances for Water and Sanitation, incorporated on 1 July 2003, details of which can be found in note 18 and appendix F1.

**SISONKE DISTRICT MUNICIPALITY**

**INCOME AND EXPENDITURE STATEMENT - 30 June 2004**

<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>Budget</b>		<b>2003</b>	<b>2003</b>	<b>2003</b>
Actual	Actual	Surplus /	Surplus /		Actual	Actual	Surplus /
income	expenditure	(Deficit)	(Deficit)		income	expenditure	(Deficit)
R	R	R	R		R	R	R
#REF!	23669761	#REF!	9,119,120	General Administration	#REF!	#REF!	#REF!
#REF!	5272506	#REF!	(3,238,895)	Water Services			
15641538	14597796	1043742	(225,067)	Incorporated Water and Sanitation			
<u>#REF!</u>	<u>43,540,063</u>	<u>#REF!</u>	<u>5,655,158</u>	TOTAL	<u>#REF!</u>	<u>#REF!</u>	<u>#REF!</u>
				Net surplus(Deficit) for the year			5,027,659
		4,680,038		Accumulated surplus (Deficit) beginning of the year			(48,206)
		(2,305,548)		Deficit for Water and Sanitation incorporated on 1 July 2003.			
		#REF!		Prior Years Adjustments			(299,416)
		<u>#REF!</u>		Accumulated surplus (Deficit) end of the year			<u>4,680,038</u>

(Refer to appendix D and note 14 for more details)

**SISONKE DISTRICT MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE**

**YEAR ENDED 30 JUNE 2004**

	Note	2004 R	2003
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>			
Cash utilised by operations	16	#REF!	#REF!
Investment Income		#REF!	#REF!
Increase in working capital	17	#REF!	#REF!
Less: External interest paid		(496,445)	-
Cash available from operations		#REF!	#REF!
Contributions from Public or Government		#REF!	#REF!
<b>CASH UTILIZED IN INVESTING ACTIVITIES</b>			
Increase in Investments	3	#REF!	#REF!
Decrease in long-term debtors	4	#REF!	#REF!
Increase in Deposits		#REF!	#REF!
State Projects	16	#REF!	
Increase in fixed assets	2	#REF!	-
<b>NET CASH FLOW</b>		<b>#REF!</b>	<b>#REF!</b>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
Increase/ (Decrease) in Long Term Loans	9	#REF!	#REF!
(Increase)/ Decrease in Suspense	9	#REF!	#REF!
(Increase)/ Decrease in Inventory	7	(155,345)	
(Increase)/ Decrease in Cash	7	#REF!	#REF!
<b>NET CASH GENERATED</b>		<b>#REF!</b>	<b>#REF!</b>

This statement reflects the movements for the 2003/2004 financial year and does not include movements for the balances on Water and Sanitation, incorporated on 1 July 2003, details of which can be found in note 18 and appendix F1.

**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2004 R	2003 R
<b>1 ACCUMULATED FUNDS</b>		
Capital Development Fund	#REF!	
Balance incorporated on 1 July 2003	3,889,967	
Plus Contributions	#REF!	
Plus Interest Credited	#REF!	
	<u>#REF!</u>	<u></u>
(Refer to appendix A for more detail)		
Balances incorporated reflect the water and sanitation funds held by the Local Councils as at 1 July 2003. Funds held by Mtatiele are not included as they have not been allocated at this stage.		
<b>2 FIXED ASSETS</b>		
<b>Asset Acquisition</b>		
Fixed assets at the beginning of the year	4,032,127	1,922,547
Water and Sanitation assets incorporated on 1 July 2003	#REF!	
Capital expenditure during the year	#REF!	2,109,581
Less :Assets written off, transferred or disposed of during the year	#REF!	-
Total fixed assets	#REF!	4,032,127
Less : Loans redeemed and other capital receipts	#REF!	-3,657,633
: Loans redeemed and other capital receipts Incorporated on 1 July 2003	#REF!	
: Depreciation Provision	#REF!	-220,527
<b>Net fixed assets</b>	<u>#REF!</u>	<u>R 153,968</u>
Balances incorporated reflect the water and sanitation assets held by the Local Councils as at 1 July 2003. Assets held by Mtatiele are not included as they have not been allocated at this stage.		
(Refer to appendix "C" and "F" for more details on fixed assets)		
<b>3 INVESTMENTS</b>		
Unlisted		
Short-term deposits - Fuel Levy Deposit	-	#REF!
Short-term deposits - FNB Wholesale Call Acc.	-	#REF!
Short-term deposits - FNB Ixopo - Call Acc.	#REF!	#REF!
Short-term deposits - FNB 740331626666	#REF!	#REF!
Short-term deposits - FNB - Kokstad Call A/C	-	#REF!
Short-term deposits - First Rand	#REF!	#REF!
Short-term deposits - Standard Bank	#REF!	
Short-term deposits - Nedbank	#REF!	
Short-term deposits - ABSA Bank	#REF!	
Total Investments	<u>#REF!</u>	<u>#REF!</u>
Management's valuation of unlisted Investments	<u>#REF!</u>	<u>#REF!</u>

**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2004 R	2003 R
<b>4 LONG TERM DEBTORS</b>		
Car Loan	#REF!	#REF!
The above loans are brought about by the acquisition of motor vehicles for certain members of council. Repayments by these members are inclusive of interest.		
Less: Short term portion of long term debtors transferred to current assets	-60,727	-33,607
Long term portion	#REF!	#REF!
Ugu District Municipality	#REF!	#REF!
recoverability of the loan has been acknowledged by Ugu District Municipality and was settled in July 2004 with the transfer of projects and an amount of R 417 468-90.		
	<u>#REF!</u>	<u>#REF!</u>
<b>5 REFUNDABLE DEPOSITS MADE</b>		
Refundable Deposits	#REF!	#REF!
Eskom Deposit	#REF!	#REF!
	<u>#REF!</u>	<u>#REF!</u>
<b>6 DEBTORS</b>		
Sundry Debtors	387,455	
Department of Water Affairs & Forestry	#REF!	#REF!
Allowances overpaid	#REF!	#REF!
R/D cheques	#REF!	#REF!
Car loans – short-term capital portion	60,727	33,607
Viamax	#REF!	
IEC	#REF!	
SARS VAT	#REF!	
Ingwe	140,678	
Kwa Sani	174,899	
Water Debtors	#REF!	
Debtors – Water	#REF!	#REF!
Incorporated Water and Sanitation	8,953,908	
Less - Provision for Doubtful Debt	#REF!	
	<u>#REF!</u>	<u>#REF!</u>
The increase in debtors is largely attributable to the inclusion of the Water and Sanitation Service Independent Election Commission expenditure and VAT due by SARS.		
<b>7 INVENTORY</b>		
Stores and Materials- Matatiele	155345	
	<u>R 155,345</u>	<u>R 0</u>
<b>8 BANK AND CASH</b>		
Cash on hand	#REF!	#REF!
FNB Kokstad	#REF!	#REF!
FNB Ixopo	#REF!	#REF!
FNB Underberg - Kwa Sani Water Account	-29,041	
	<u>#REF!</u>	<u>#REF!</u>
<b>9 SUSPENSE</b>		
Umgungundlovu District Municipality	#REF!	#REF!
Suspense Account	#REF!	#REF!
Pay Office Suspense	#REF!	
The Umgungundlovu District Municipality vote is brought by an uncertainty of certain transactions that are included in the long-term liability payable to the Umgungundlovu District Municipality.		
	<u>#REF!</u>	<u>#REF!</u>

**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2004	2003
	R	R
<b>9 Long Term Liabilities</b>		
External Loans	2,863,046	
Balance incorporated on 1 July 2003	3,031,383	
Plus Loans Raised and Adjustments	1,353	
Less Loans Repaid	-169,690	
Long Term Portion	2,668,161	
Short-term Portion	194,885	
(Refer to appendix B for more detail)	<u>R 2,863,046</u>	<u>R 0</u>

The above loans arise from the balances incorporated on 1 July 2003 for water and sanitation services as per appendix F. Loans raised by Mtatiele are **not** included as they have not been allocated at this stage.

**10 PROVISIONS**

Leave provision	#REF!	475,566
Audit Fees	#REF!	120,001
Working Capital Reserve	30,000	
(Refer to appendix A and F for more detail)	<u>#REF!</u>	<u>R 595,567</u>

**11 TRUST FUNDS**

Tourism Grant	#REF!	29,484
PSG Grant	96,915	185,770
Support Staff Grant	337,092	604,873
CMC Grant	51,685	51,685
Transitional Grant	-	806,744
Community Based Public Works	322,576	454,875
Administrative Grant	-	2,360,626
Transformation Managers	518,040	599,798
Community Initiative Grant	-	41,500
Municipal Monitoring Systems.	300,000	300,000
Civil Protection Grant.	-	-
Department Water & Forestry.	1,727,081	112,544
I D P Grant	180,709	86,495
CMIP Grant	5,764,225	2,177,104
Planning Support	9,054	383,227
GIS Support	631,587	464,887
Human Resources Support	-	1,550,000
Sport and Recreation	937,012	499,045
Masamen Water Scheme Upgrade	0	21,019
Municipal Utility Vote	-	811,404
Public Transport	531,089	130,000
Municipal Systems Improvement Grant	1,425,075	1,645,558
Land Use Management Grant	96,426	
Development Bank of SA	100,051	
Ex Mtatiele	1,271,989	
(Refer to appendix A for more detail)	<u>#REF!</u>	<u>R 13,316,638</u>

**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2004	2003
	R	R
<b>12 CREDITORS</b>		
Pay Office Suspense		#REF!
Trade Creditors	#REF!	#REF!
Stale Cheques	#REF!	
Consumer Deposits	160,423	
Payments in advance	27,210	
Value Added Tax	#REF!	#REF!
	<u>#REF!</u>	<u>#REF!</u>

The increase in creditors for the year is brought about by the incorporation of water and sanitation as per appendix F and increased activities on CMIP and other grant funded projects.

**13 OTHER CREDITORS**

Other Municipalities		
Umgungundlovu District Council	#REF!	#REF!
This liability arose as out of the Demarcation Transition process and is still under discussion and dispute.		
Ubuhebezwe	544,218	
Kokstad	3,011,671	
Matatiele	62,768	
These liabilities result from the transfer of Water and Sanitation to Sisonke and reflects the position at June 2004.		
	<u>#REF!</u>	<u>#REF!</u>

**14 APPROPRIATIONS**

Accumulated funds in terms of S12 Demarcation from former Ugu Regional Council	4,089,353	4,089,353
Accumulated funds in terms of S12 Demarcation from former InDlovu Regional Council	1,920,185	1,920,185
	<u>6,009,538</u>	<u>6,009,538</u>
Surplus (Deficit) for previous year	#REF!	#REF!
Incorporated Water and Sanitation Surplus (Deficit) at 1 July 2003 *	-2,305,548	-48,206
Prior years Adjustments	#REF!	#REF!
Surplus (Deficit) for year	#REF!	#REF!
	<u>#REF!</u>	<u>#REF!</u>

\* See appendix F1 for details  
 Ubuhebezwe Local Municipality has claimed an amount of R914 940 as an administration fee which has been excluded as there is no agreement which supports this claim.



**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2004	2003
	R	R
<b>15 FINANCE TRANSACTIONS</b>		
Total external interest earned/(paid):		
Interest earned	#REF!	#REF!
Interest paid	496,445	-
	<u>#REF!</u>	<u>#REF!</u>
Capital Charges debited to operating account:		
Interest: External	496,445	-
Internal	111,222	-
Redemption: External	169,690	-
Internal	126,592	-
	<u>903,950</u>	<u>0</u>
<b>16 CASH UTILISED BY OPERATIONS</b>		
Net surplus (deficit) for the year	#REF!	#REF!
Appropriations for previous year	#REF!	#REF!
Depreciation	#REF!	49,904
Provisions	#REF!	
Doubtful Debts	#REF!	
Contribution to Capital Development Fund	#REF!	
Contribution to Capital Expenditure	#REF!	
Interest Earned Capital Development Fund	#REF!	
Internal Loans Redemption Capital Development Fund	R 126,592	
External Loans Repaid	R 169,690	
State Project Grants	#REF!	
Capital Grants	#REF!	
Investment Income	#REF!	#REF!
External Interest Paid	496,445	
State Grants	#REF!	#REF!
	<u>#REF!</u>	<u>#REF!</u>
Income from all state grants has been included as well as the expenditure on special projects funded from these grants		
<b>17 (INCREASE)/DECREASE IN WORKING CAPITAL</b>		
Decrease/ (Increase) in debtors	#REF!	#REF!
Increase in creditors	#REF!	9,401,375
Short-term Portion of External Loans	194,895	
Increase in Trust Accounts	#REF!	
	<u>#REF!</u>	<u>#REF!</u>
<b>18 INCORPORATED BALANCES 1 JULY 2003</b>		
Assets	#REF!	
Funding	#REF!	
Debtors	5858567	
Accumulated Deficit	2,305,548	
External Loans	#REF!	
Capital Development Fund	-3,889,967	
Creditors	-1331548	
Provisions	-259402	
Doubtful Debts	-4284954	
Bank	11892	
(Refer to appendix F 1 for more detail)	<u>#REF!</u>	<u>R 0</u>

Assets and funding for Mmatatiele are not included as they have not been allocated at this stage.

**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2004	2003
	R	R
<b>19 COUNCILLORS' REMUNERATION</b>		
Mayor's allowance		287,051.90
Deputy Mayor's allowance		233,934.29
Speaker's allowance		223,486.23
Executive Committee Allowance		235,182.36
Councillors' allowance		482,602.36
<b>Total Councillors' Remuneration</b>	<u><u>R 0</u></u>	<u><u>R 1,462,257</u></u>
<b>20 AUDITORS' REMUNERATION</b>		
Paid during the year		
<b>Total Auditors' Remuneration</b>		<u><u>0</u></u>
<b>21 RETIREMENT BENEFITS</b>		
Employees belong to the following funds within the Natal Joint Municipal Pension/Provident Funds which provide retirement benefits to such employees. This is a compulsory benefit.		
(i) Natal Joint Municipal Pension Fund (retirement)		
(ii) Natal Joint Municipal Pension Fund (superannuation)		
(iii) Natal Joint Municipal Pension Fund (provident)		
(iv) Municipal Councillors Pension Fund		
The retirement plan is subject to the Pension Fund Act 1956 with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs.		
Full actuarial valuation are performed at least every three years. The latest independent valuation of the funds, which indicated that the funds were in a sound financial position, was undertaken on 31 March 1998.		
<b>22 CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
Approved and contracted for		0
Approved but not yet contracted for		0
This experience will be financed from:		<u><u>0</u></u>
Internal sources		0
External sources		0
Provincial sources		<u><u>0</u></u>

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX A**

**STATUTORY FUNDS, RESERVES, TRUST FUNDS AND PROVISIONS**

	Balance at 30-Jun-2003	Incorporated 1-July-2003	Contributions during the period	Interest	Operational expenditure during the period	Balance at 30 June 2004
	R	R	R	R	R	R
<b>STATUTORY FUNDS</b>						
Capital Development Fund		3,889,967	#REF!	#REF!		#REF!
	-	<b>3,889,967</b>	<b>#REF!</b>	<b>#REF!</b>	-	<b>#REF!</b>
<b>TRUST FUNDS</b>						
Tourism Grant	29,484		-	-	#REF!	#REF!
Land Use Management Grant	-		230,000		133,574	96,426
PSG Staff Support	185,770		-	-	88,855	96,915
Support Staff Grant	604,873		-	-	267,781	337,092
Change Management Committee	51,685		-	-	-	51,685
Transitional Grant	806,744		-	-	806,744	-
Community Based Public Works	454,875		1,969,539	-	2,101,838	322,576
Administrative Grant	2,360,626		-	-	2,360,626	-
Transformation Managers	599,798		-	-	81,758	518,040
Community Initiative Grant	41,500		-	-	41,500	-
Municipal Monitoring Systems.	300,000		-	-	-	300,000
Civil Protection Grant.	-		-	-	-	-
Department Water & Forestry.	112,544		10,925,428		9,310,892	1,727,081
I D P Grant	86,495		300,000		205,786	180,709
CMIP Grant	2,177,104		15,808,137		12,221,016	5,764,225
Councillor Training	-		-	-	-	-
Management Audit	-		-	-	-	-
Planning Support	383,227		-	-	374,173	9,054
GIS Support	464,887		350,000		183,300	631,587
Human Resources Support	1,550,000		-	-	1,550,000	-
Sport and Recreation	499,045		2,316,428		1,878,462	937,012
Masameni Water Scheme Upgrade	21,019		-	-	21,019	0
Municipal Utility Vote	811,404		-	-	811,404	-
Public Transport	130,000		707,648		306,559	531,089
Development Bank of SA	-		100,051		-	100,051
Water Services Development Plan	-		-	-	-	-
Municipal Systems Improvement	1,645,558		2,600,000		2,820,483	1,425,075
Ex Matatiele			1,271,989			1,271,989
	<b>13,316,638</b>	-	<b>36,579,220</b>	-	<b>#REF!</b>	<b>#REF!</b>
<b>PROVISIONS</b>						
Audit Fees	120,001	#REF!	#REF!	-	#REF!	#REF!
Leave	475,566	#REF!	#REF!	-	#REF!	#REF!
Working Capital Reserve		30,000		-		30,000
	<b>595,567</b>	<b>#REF!</b>	<b>#REF!</b>	-	<b>#REF!</b>	<b>#REF!</b>
<b>TOTAL</b>	<b>13,912,205</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX B**

**EXTERNAL LOANS AND INTERNAL ADVANCES**

<b>EXTERNAL LOANS</b>	<b>Balance at 30-Jun-2003 R</b>	<b>Incorporated 1-July-2003</b>	<b>Adjustments during the period R</b>	<b>Redeemed or written off during the period R</b>	<b>Balance at 30 June 2004 R</b>
ABSA		49,831		10,132	39,699
Unibank		15,078	(4,192)	4,963	5,923
DBSA 1		133,473	1,252	33,907	100,819
DBSA 2		2,498,441	4,292	96,286	2,406,447
DBSA 3		62,212		3,487	58,725
Ingwe PIF		138,971		7,676	131,295
Kokstad PIF		7,440		1,219	6,222
Kwa Sani PIF		125,937	0	12,020	113,917
	-	3,031,383	1,353	169,690	2,863,046

<b>INTERNAL ADVANCES BORROWING SERVICES</b>	<b>Balance at 30-Jun-2003 R</b>	<b>Incorporated 1-July-2003</b>	<b>Received during the period R</b>	<b>Redeemed or written off during the period R</b>	<b>Balance at 30 June 2004 R</b>
Capital Development Fund	-	1,112,223	283,454	126,592	1,269,085
	-	1,112,223	283,454	126,592	1,269,085

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX C : ANALYSIS OF FIXED ASSETS**

Service	Assets				
	Balance at 30-Jun-2003 R	Incorporated 1-Jul-2003	Expenditure R	Written off transferred R	Balance at 30-Jun-2004 R
Council's General	3,526,831	0	#REF!	0	#REF!
Water and Sanitation	505,297	#REF!	#REF!	#REF!	#REF!
<b>TOTAL FIXED ASSETS</b>	<b>4,032,127</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
<b>LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>	<b>3,657,633</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
Contributions from operating income	0		0	-	0
<u>Capital Grants Expended :</u>					
Computer capital grants expended	15,000		0	-	15,000
ISWIP Capital grants	77,187		0	-	77,187
LGTF - Capital Grants Expended	1,801,677		806,744	-	2,608,420
CMC Capital grant expended	4,140		0	-	4,140
CMIP Capital grant expended	0		#REF!	-	#REF!
GIS - Capital grant expended	385,113		183,300	-	568,413
ADMIN - Capital grant expended	639,374		2,360,626	-	3,000,000
PIMMS - Capital grant expended	229,844		58,827	-	288,671
DWAF - Capital grant expended	505,297		8,898,577	-	9,403,873
UTILITY - Capital grant expended	0		#REF!	-	#REF!
Unspecified		#REF!		#REF!	#REF!
Loans and advances redeemed		#REF!	#REF!	#REF!	#REF!
Contributions from current income		#REF!	#REF!	#REF!	#REF!
Grants received		#REF!	#REF!	#REF!	#REF!
Water Contributions		#REF!	#REF!	#REF!	#REF!
Developer's water contributions		#REF!	#REF!	#REF!	#REF!
Other Contributions		#REF!	#REF!	-	#REF!
Depreciation Provision	220,527		#REF!	-	#REF!
<b>NET FIXED ASSETS</b>	<b>R 153,968</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX C1 : ANALYSIS OF FIXED ASSETS**

<u>Service</u>	<b>Assets</b>				
	<b>Balance at 30-Jun-2003 R</b>	<b>Incorporated 1-Jul-2003 R</b>	<b>Expenditure R</b>	<b>Written off 2004 transferred R</b>	<b>Balance at 30-Jun-2004 R</b>
<b>Administration</b>	<b>3,526,831</b>	<b>0</b>	<b>#REF!</b>	<b>0</b>	<b>#REF!</b>
Buildings	1,347,712		#REF!		#REF!
Infrastructure					0
Office Equipment	1,492,259		#REF!		#REF!
Furniture & Fittings	496,859		#REF!		#REF!
Motor Vehicles	190,000		#REF!		#REF!
<b>Water and Sanitation</b>	<b>505,297</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
Buildings		#REF!	#REF!	#REF!	#REF!
Infrastructure	505,297	#REF!	#REF!	#REF!	#REF!
Office Equipment		#REF!	#REF!	#REF!	#REF!
Furniture & Fittings		#REF!	#REF!	#REF!	#REF!
Plant, machinery and equipment		#REF!	#REF!	#REF!	#REF!
Motor Vehicles		#REF!	#REF!	#REF!	#REF!
Water Meters		#REF!	#REF!	#REF!	#REF!
<b>TOTAL FIXED ASSETS</b>	<b>R 4,032,127</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
<b>ASSET FINANCING FUND CAPITAL RECEIPTS</b>	<b>3,878,159</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
Contributions from operating income	0		-	-	0
Computer capital grants expended	15,000		-	-	15,000
ISWIP Capital grants	77,187		-	-	77,187
LGTF - Capital Grants Expended	1,801,677		806,744	-	2,608,420
CMC Capital grant expended	4,140		-	-	4,140
CMIP Capital grant expended			#REF!	-	#REF!
GIS - Capital grant expended	385,113		183,300	-	568,413
ADMIN - Capital grant expended	639,374		2,360,626	-	3,000,000
PIMMS - Capital grant expended	229,844		58,827	-	288,671
DWAF - Capital grant expended	505,297		8,898,577	-	9,403,873
UTILITY - Capital grant expended			#REF!	-	#REF!
Unspecified		#REF!	#REF!	#REF!	#REF!
Loans and advances redeemed		#REF!	#REF!	#REF!	#REF!
Contributions from current income		#REF!	#REF!	#REF!	#REF!
Grants received		#REF!	#REF!	#REF!	#REF!
Water Contributions		#REF!	#REF!	#REF!	#REF!
Developer's water contributions		#REF!	#REF!	#REF!	#REF!
Other Contributions		#REF!	#REF!	#REF!	#REF!
Depreciation Provision	220,527		#REF!	-	#REF!
<b>NET FIXED ASSETS</b>	<b>R 153,968</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX D**

**ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
FOR THE YEAR ENDING 30 JUNE 2004**

Actual 2004 R	Budget 2004 R		Actual 2003 R
		<b>INCOME</b>	
		<b>Government and Provincial grants and subsidies</b>	
#REF!	<b>26,890,190</b>		#REF!
#REF!	16,962,000	- Equitable share	#REF!
#REF!	9,928,190	- National / Provincial Government - Public / Local Government	#REF!
#REF!	<b>25,880,271</b>	<b>Operating Income</b>	#REF!
#REF!	7,697,677	levy Income	#REF!
#REF!	13,539,308	Water Sales	
3,368,509	4,643,286	Sanitation Income	
57,697		Connection Fees	
#REF!	<b>3,861,296</b>	<b>Other income</b>	#REF!
#REF!	2,863,733	Interest on Investments	#REF!
#REF!	114,875	Penalty Interest	#REF!
#REF!	14,961	Interest on Staff Loans	#REF!
#REF!	81,570	Sundry Income	#REF!
#REF!		Insurance Claims	
	786,157	Surplus Funds	
#REF!	<b>56,631,757</b>	<b>TOTAL INCOME</b>	#REF!
		<b>EXPENDITURE</b>	
		<b>OPERATING EXPENDITURE</b>	
#REF!	19,564,891	Salaries, wages and allowances	#REF!
#REF!	21,742,668	General expenses	#REF!
#REF!	2,796,210	Bulk Purchases	
#REF!	3,496,982	Repairs and maintenance	#REF!
#REF!	3,192,391	Capital charges	#REF!
8,513		Contributions to fixed assets	
#REF!	183,457	Contributions to funds	#REF!
#REF!	50,976,599	Gross operating expenditure	#REF!
		Less : Amounts recharged	
#REF!	<b>50,976,599</b>	<b>Net operating expenditure</b>	#REF!
#REF!	<b>5,655,158</b>	<b>SURPLUS(DEFICIT)</b>	#REF!

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX E**

**DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDING 30 JUNE 2004**

2004 Actual Income R	2004 Actual Expenditure R	2004 Surplus/ (Deficit) R	Budget 2004 Surplus/ (Deficit) R	Department	2003 Actual Income R	2003 Actual Expenditure R	2003 Surplus/ (Deficit) R
#REF!		#REF!	38,449,164	Operating Income	#REF!		#REF!
	7,294,212	(7,294,212)	(11,120,315)	Council General Expenses		4,799,148	(4,799,148)
	1,284,539	(1,284,539)	(1,313,442)	Councillors' Support - Speaker		730,500	(730,500)
	1,316,546	(1,316,546)	(992,298)	Municipal Manager		935,180	(935,180)
	2,472,392	(2,472,392)	(2,489,720)	Financial Services		2,022,785	(2,022,785)
	3,032,330	(3,032,330)	(5,248,024)	Corporate Services		1,109,890	(1,109,890)
	1,916,573	(1,916,573)	(1,263,445)	Planning Services		461,756	(461,756)
	2,916,034	(2,916,034)	(367,500)	G.I.S.		18,561	(18,561)
	96,520	(96,520)	(2,770,143)	PIMMS		546,287	(546,287)
	1,490,326	(1,490,326)	(757,884)	PMS			
		-		Technical Services		2,079,854	(2,079,854)
		-		Development Projects		260,868	(260,868)
	928,369	(928,369)	(1,351,276)	Water Services Authority			
	151,448	(151,448)	(338,250)	Community Based Public Works			
	196,385	(196,385)	(539,771)	Implementing Agent			
	180,482	(180,482)	(284,647)	Facilities			
	276,421	(276,421)	(254,168)	CMIP			
	117,184	(117,184)	(239,161)	INFRASTRUCTURE			
	765,016	(765,016)	(2,046,778)	Water Services			
#REF!	4,507,491	#REF!	(1,192,117)	Water and Sanitation			
15,641,538	14,597,796	1,043,742	(225,067)	Incorporated Water and Sanitation			
#REF!	43,540,063	#REF!	5,655,158	Net surplus/(deficit) for the year	#REF!	12,964,829	#REF!



**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX E1**

**CONSOLIDATION ACCOUNT OF WATER SERVICES TRANSACTIONS 1 JULY 2003- 30 JUNE 2004**

Local Authority	Ingwe	Kokstad	Kwa Sani	Matatiele	Total Incorporated Accounts	Sisonke	Total
	R	R	R	R		R	R
<b>INCOME</b>							
<b>Government and Provincial grants and subsidies</b>							
	0	0	8033	0	8033	23262170	23270203
- Equitable share					0	16581470	16581470
-National / Provincial Government			8033		8033	6680700	6688733
- Public / Local Government					0	0	0
<b>Operating Income</b>	<b>290903</b>	<b>9383188</b>	<b>752742</b>	<b>4781383</b>	<b>15208216</b>	<b>11637312</b>	<b>26845528</b>
levy Income						8455439	8455439
Sanitation Income	8815	2619040	49546	691109	3368509		3368509
Water Sales	279027	6716096	696612	4090274	11782009	3181873	14963883
Connection Fees	3061	48052	6584		57697		57697
<b>Other income</b>	<b>0</b>	<b>24151</b>	<b>7168</b>	<b>393970</b>	<b>425290</b>	<b>3185502</b>	<b>3610792</b>
Interest on Investments		21369	6768	318169	346306	2540524	2886830
Penalty Interest			400		400	34154	34554
Interest on Staff Loans					0	15182	15182
Sundry Income		2782		75801	78583	1699	80283
Insurance Claims						593943	593943
<b>TOTAL INCOME</b>	<b>290903</b>	<b>9407340</b>	<b>767943</b>	<b>5175353</b>	<b>15641538</b>	<b>38084985</b>	<b>53726523</b>
<b>EXPENDITURE</b>							
<b>OPERATING EXPENDITURE</b>							
Salaries, wages and allowances		4545296	277483	1083919	5906698	10337872	16244570
General expenses	393234	1739593	750994	2255480	5139301	13276368	18415669
Bulk Purchases					0	2397149	2397149
Repairs and maintenance	50842	19468	104547	1015876	1190733	1032082	2222815
Capital charges	39918	832790	31342	621867	1525917	49904	1575821
Contributions to fixed assets			8513		8513	0	8513
Contributions to funds		532312	89264	205059	826635	1848891	2675527
Gross operating expenditure	483994	7669459	1262142	5182201	14597796	28942267	43540063
Less : Amounts recharged	0	0	0	0	0	0	0
<b>Net operating expenditure</b>	<b>483994</b>	<b>7669459</b>	<b>1262142</b>	<b>5182201</b>	<b>14597796</b>	<b>28942267</b>	<b>43540063</b>
<b>SURPLUS(DEFICIT)</b>	<b>-193092</b>	<b>1737881</b>	<b>-494199</b>	<b>-6848</b>	<b>1043742</b>	<b>9142717</b>	<b>10186460</b>

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX F1**

**CONSOLIDATION ACCOUNT OF WATER SERVICES ASSETS INCORPORATED ON 1 JULY 2003**

Local Authority	Ingwe	Kokstad Total	Kwa Sani Total	Matatiele Total	Ubuhlebezwe Total	Total Incorporated Accounts	Sisonke	Total
	R	R	R	R	R	R	R	R
<b>ASSETS</b>					#REF!	#REF!		#REF!
Buildings		95,643	#REF!		-	#REF!	1,347,712	#REF!
Infrastructure	3,665,677	52,401,026	#REF!		-	#REF!	505,297	#REF!
Office Equipment	524	-	#REF!		-	#REF!	1,492,259	#REF!
Furniture & Fittings		-	#REF!		-	#REF!	496,859	#REF!
Plant, machinery and equipment	436	200,277	#REF!		-	#REF!		#REF!
Motor Vehicles	5,000	1,321,052	#REF!		-	#REF!	190,000	#REF!
Water Meters		433,665	#REF!		600,000	#REF!		#REF!
		-	-		-	-		-
<b>Investments</b>							#REF!	#REF!
Advances to CCDF		1,112,223	-		-	1,112,223		1,112,223
Pif		-	-		-	-		-
<b>Stores</b>								
<b>Debtors</b>								
Staff		-	-		-	-		-
Consumers	42,436	-	-		752,032	794,468		794,468
VAT		-	-		105,284	105,284		105,284
Sundry Debtors		-	-		153,258	153,258	#REF!	#REF!
Ingwe	371,080	-	-		-	371,080		371,080
Kwa Sani		-	1,167,105		-	1,167,105		1,167,105
Kokstad		3,979,545	-		-	3,979,545		3,979,545
<b>Accumulated Deficit</b>	(341,224)	2,635,938	(59,939)		70,773	2,305,548		2,305,548
<b>Bank Balance</b>							#REF!	#REF!
	<b>3,743,929</b>	<b>62,179,370</b>	<b>#REF!</b>	<b>-</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
<b>LIABILITIES</b>								
<b>External Loans</b>								
Loan from DBSA	62,212	2,631,914	-		-	2,694,126		2,694,126
Loan from ABSA		49,831	-		-	49,831		49,831
Loan from Unibank		15,078	-		-	15,078		15,078
<b>Internal Loans</b>								
Advances from PIF	138,971	7,440	#REF!		-	#REF!		#REF!
Advances from CDF		1,112,223	-		-	1,112,223		1,112,223
<b>Loans Redeemed and Other Capital Receipts</b>					#REF!	#REF!		#REF!
Loans and advances redeemed	231,884	5,549,374	#REF!		-	#REF!		#REF!
Contributions from current inc	47,545	1,611,347	#REF!		-	#REF!		#REF!
Grants received	3,191,170	42,451,887	#REF!		-	#REF!	3,657,633	#REF!
Water Contributions		647,905	#REF!		-	#REF!		#REF!
Developer's water contribution	300	-	#REF!		-	#REF!		#REF!
Other Contributions		21,786	#REF!		-	#REF!		#REF!
Depreciation							220,527	220,527
<b>Capital Dev. Fund</b>	71,845	3,113,337	367,414		337,370	3,889,967		3,889,967
<b>Deposits</b>			17,570		137,853	155,423		155,423
<b>Reserve</b>					30,000	30,000		30,000
<b>Provisions</b>								
Audit Fees			51,450		-	51,450	120,001	171,451
Doubtful Debts		4,087,000	197,954		-	4,284,954		4,284,954
Leave Provision		168,075	9,877		-	177,952	475,566	653,518
<b>Trust Funds</b>							13,316,638	13,316,638
<b>Creditors</b>							#REF!	#REF!
Ubuhlebezwe					1,176,125	1,176,125		1,176,125
Ingwe								
Kwa Sani								
Kokstad		712,173				712,173		712,173
Matatiele								
Payments in Advance								
Trade							#REF!	#REF!
Salaries Suspense								
<b>Accumulated operating surplus</b>							#REF!	#REF!
Prior Years Adjustments								
<b>Bank Overdraft</b>			(11,892)			(11,892)		(11,892)
	<b>3,743,929</b>	<b>62,179,370</b>	<b>#REF!</b>	<b>-</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>#REF!</b>	<b>-</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>

## SISONKE DISTRICT MUNICIPALITY

## APPENDIX F2

## CONSOLIDATION ACCOUNT OF WATER SERVICES AGENCY TRANSACTIONS FOR THE PERIOD 1 JULY 2003 - 30 JUNE 2004

Local Authority	Ingwe	Kokstad Total	Kwa Sani Total	Matatiele Total	Ubuhlebezwe Total	Total Incorporated Accounts	Sisonke	Total
	R	R	R	R	R	R	R	R
<b>ASSETS</b>								
Buildings		-	#REF!		-	#REF!	#REF!	#REF!
Infrastructure		13,952,561	#REF!		-	#REF!	#REF!	#REF!
Office Equipment		-	#REF!		-	#REF!	#REF!	#REF!
Furniture & Fittings		-	#REF!		-	#REF!	#REF!	#REF!
Plant, machinery and equipment		-	#REF!		-	#REF!	#REF!	#REF!
Motor Vehicles		-	#REF!		-	#REF!	#REF!	#REF!
Water Meters		-	#REF!		-	#REF!	#REF!	#REF!
		-	-		-	-	-	-
<b>Investments</b>		-	-		-	-	#REF!	#REF!
Advances to CCDF		150,387	6,475		-	156,862		156,862
Pif		-	-		-	-		-
<b>Stores</b>				155,345		155,345		155,345
<b>Debtors</b>								
Staff		-	2,762			2,762		2,762
Consumers	37,310	6,218,531	333,945	2,201,561	(631,907)	8,159,440	#REF!	#REF!
VAT		-	-		-	-	#REF!	#REF!
Sundry Debtors		-	-	231,435		231,435	#REF!	#REF!
Ingwe	(230,401)	-	-			(230,401)		(230,401)
Kwa Sani		-	(992,206)			(992,206)		(992,206)
Kokstad		(3,775,882)	-			(3,775,882)		(3,775,882)
<b>Accumulated Deficit</b>	193,092	-	494,199	6,848		694,139		694,139
<b>Bank Balance</b>		-	-			-	#REF!	#REF!
	-	<b>16,545,596</b>	<b>#REF!</b>	<b>2,595,189</b>	<b>(631,907)</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
<b>LIABILITIES</b>								
<b>External Loans</b>								
Loan from DBSA	(3,487)	(124,648)	-			(128,136)		(128,136)
Loan from ABSA		(10,132)	-			(10,132)		(10,132)
Loan from Unibank		(9,156)	-			(9,156)		(9,156)
<b>Internal Loans</b>								
Advances from PIF	(7,676)	(1,219)	#REF!			#REF!		#REF!
Advances from CDF		150,387	#REF!			#REF!		#REF!
<b>Loans Redeemed and Other Capital Receipts</b>								
Loans and advances redeemed	11,164	273,099	#REF!			#REF!		#REF!
Contributions from current income		-	#REF!			#REF!		#REF!
Grants received		9,939,414	#REF!			#REF!	#REF!	#REF!
Developer's water contributions		-	#REF!			#REF!		#REF!
Developer's water contributions		-	#REF!			#REF!		#REF!
Other Contributions		-	#REF!			#REF!		#REF!
Depreciation							#REF!	#REF!
<b>Capital Development Fund</b>		490,753	32,453			523,205		523,205
<b>Deposits</b>			5,000			5,000		5,000
<b>Reserve</b>								
<b>Provisions</b>								
Audit Fees		-	51,120	78,251		129,371		129,371
Doubtful Debts		(697,823)	31,978	771,449		105,604	#REF!	#REF!
Leave Provision		183,228	5,135	48,966		237,329	#REF!	#REF!
<b>Trust Funds</b>				1,271,989		1,271,989	#REF!	#REF!
<b>Creditors</b>							#REF!	#REF!
Ubuhlebezwe		-	-		(631,907)	(631,907)		(631,907)
Ingwe		-	-			-		-
Kwa Sani		-	-			-		-
Kokstad		2,503,161	-			2,503,161		2,503,161
Matatiele				62,768		62,768		62,768
Trade		2,110,652	6,638	334,556		2,451,846	#REF!	#REF!
Payments in Advance				27,210		27,210		27,210
Salaries Suspense		-	2,442			2,442		2,442
		-	-			-		-
<b>Accumulated operating surplus</b>		1,737,881	-			1,737,881	#REF!	#REF!
Prior Years Adjustments		-	-			-	#REF!	#REF!
		-	-			-		-
<b>Bank Overdraft</b>			40,933			40,933		40,933
	-	<b>16,545,596</b>	<b>#REF!</b>	<b>2,595,189</b>	<b>(631,907)</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
<b>TOTAL</b>	-	-	<b>#REF!</b>	-	-	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>

