

ALFRED NZO DISTRICT MUNICIPALITY

**INDEX TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2004**

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ALFRED NZO DISTRICT MUNICIPALITY

**GENERAL INFORMATION TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2004**

Executive Mayor :

GG Mpumza

Speaker :

P Mabuntana

Mayoral Committee :

MD Lugayeni
BP Mabengu
M Nkqayi
SK Mnukwa
BJ Magojo

Grade of District Municipality :

Grade 8

Auditors :

The Office of the Auditor General

Bankers :

First National Bank Limited

Registered Office :

Physical Address:

Erf 1400
Ntsizwa Street
Mount Ayliff

Postal Address

Private Bag X 511
Mount Ayliff
4735

Municipal Manager :

XH Jakuja

ALFRED NZO DISTRICT MUNICIPALITY

DIRECTOR FINANCE REPORT ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (cont...)

5. GOING CONCERN

The municipality is experiencing problems relative to full recoverability of amounts owing to it by levy payers. Despite this, the municipality will continue to operate as a going concern as it receives on a yearly basis as an equitable share grant from the National Treasury Department.

The Alfred Nzo District Municipality has a backing of the National Treasury Department and hence the risk of losing its status as a going concern is considered low. The municipality will find it difficult to sustain its operations should no grants be received from national treasury department.

The remedial Strategy to the situation is stated under note 4.

6. SUBSEQUENT EVENTS

There are no material events that have taken place since the balance sheet date that necessitate an adjustment to the annual financial statements.

7. CAPITAL COMMITMENTS

Alfred Nzo District Municipality will continue in the next financial year with the second phase of its new administration building. The cost of this phase is approximately R 12 million. Finance from the Development Bank of Southern Africa has been secured for the financing of this phase in a form of a loan.

8. APPRECIATION

I would like to thank the executive mayor, members of the Mayoral Committee, councillors, department heads and personnel at large for the support they have given me during the financial year under review. A special word of thanks to the personnel of the Finance Department for their loyalty and commitment in preparing the financial records of our municipality.

**C.M.MDLUDLU {Member of Institute for Municipal Finance Officers}
DIRECTOR FINANCE**

Date

ALFRED NZO DISTRICT MUNICIPALITY

**GENERAL INFORMATION TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2004 (cont...)**

Director Of Finance :

CM Mdludlu

Councillors :

V Mdingazwe
J Moshoeshoe
C Nyangule
V. Gijana
N. Fikeni
NP Goya
MC Lebenya
ZR Bala
N Ganya
T Msindwana
N. Ngcingwana
NC Mtoto
EN Ncapai
N Ntsengwane
VC Sigalelana
C Nxesi
P Nombaba
W.M. Msiya
B.A Radebe
B.M. Boyce

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

The annual financial statements set out on pages 2 to 26 were approved by the district municipality on and are signed by:

MUNICIPAL MANAGER

DIRECTOR FINANCE

ALFRED NZO DISTRICT MUNICIPALITY

FOREWORD

Although the past year has been very difficult from a financial and planning point of view, I am glad to report that the District Municipality and its personnel were able to obtain acceptable results and to achieve most of the goals set. We were able to generate an acceptable operating surplus in the current year of R7,7 million.

The Municipality has been subjected to dire constraints on the personnel side due to understaffing and organisational transitional arrangements. However be that as it may the Municipality achieved a lot.

There are many projects that are in progress that will enhance the quality of life for the residents of Alfred Nzo District Municipality.

In the upcoming years we will strive to continue our progress of improvements to the demarcated areas and the execution of our integrated development plan.

We know that the changes in our province and community will have a substantial effect on the activities of the Council, but we are ready to face the future with the help of the community at large, my fellow Councillors and our personnel, we will be able to make this District Municipality a better place to live for all our people.

In conclusion I would like to express my appreciation to the Mayoral Committee, Departmental Heads, Councillors and all other personnel for their support, co-operation and hard work during the past year.

GG MPUMZA
HONORABLE EXECUTIVE MAYOR

ALFRED NZO DISTRICT MUNICIPALITY

**DIRECTOR FINANCE REPORT ON THE ANNUAL FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004**

	<u>2004</u>	<u>2003</u>
	<u>R</u>	<u>R</u>
<u>1. OPERATING RESULTS</u>		
Accumulated surplus at the beginning of the year	39,274,763	22,083,485
Current Year surplus	7,668,636	17,254,694
Appropriations for the year	-1,478,655	-63,687
Accumulated surplus at the end of the year	<u>45,464,744</u>	<u>39,274,492</u>

Comment on current year surplus

The current year surplus of **R7,7 million** includes an equitable share grant in current year of R58million of which R11m was utilised for financing operations and R47m for capital projects & programmes.

2. TRUST FUNDS

Trust fund balance as at the end of the financial year is:	<u>60,472,283</u>	<u>57,036,023</u>
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The balance increased by R3,4 million compared to the prior year.

The Trust Funds are have been reconciled with Investments accounts and are represented by cash in the bank.

ALFRED NZO DISTRICT MUNICIPALITY

**DIRECTOR FINANCE REPORT ON THE ANNUAL FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (cont...)**

2004

2003

R

R

3. INVESTMENTS

Investment balance as at the end of the financial year is: 103,467,583 78,229,065

The balance increased by R25 million compared to the prior year. The increase is mainly due to additional investments made during the financial year under review.

The investment balance comprises of amounts held in call accounts throughout the duration of projects. Also, included in the Investments figure is an amount of R1,131m received from hire of plant.

4. LONG TERM DEBTORS

Long term debtors balance at the end of the financial year end is: 2,221,276 1,993,209

The balance increased by R228,067.00 compared to the prior year.

This increase is due to additional vehicle loans granted to personnel during the course of the financial year under review.

5. ACCOUNTS RECEIVABLE

Accounts receivable balance at the end of the year is: 7,249,293 11,262,573

This represents a decrease of R4 million

The primary reason for the decrease is due to re classification of the opening balances. However, there is uncertainty as to whether some of the outstanding levy debtors balances will be recovered - provision thereof has been made. Also, the Council has revenue raising strategies in place which will be implemented during 2004/05 financial year. Those strategies include data cleansing, law enforcement (debt collection & credit control policy etc).

ALFRED NZO DISTRICT MUNICIPALITY

**ACCOUNTING POLICIES FOR THE YEAR ENDED
30 JUNE 2004**

1. Basis of preparation

The annual financial statements are prepared in accordance with standards laid down by the Institute Of Municipal Treasurers And Accountants (now known as IMFO) in it's Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second Edition: January 1996).

The annual financial statements are prepared on the historical cost basis. The following are the principal accounting policies used by the district municipality which are consistent with those of the previous year, except if otherwise indicated:

1.1 Revenue Recognition

Revenue is recognised in the financial statements when measurable and available to finance operations and is matched with expenditure to comply with the accrual basis of accounting.

1.2 Property, Plant and Equipment

- 1.2.1** Property, Plant and Equipment is stated at historical cost; or
At valuation (based on the market price at the date of acquisition), where assets have been acquired by grant or donation, 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 useful life as determined by the treasurer.

1.2.2 Depreciation

The balance shown against the heading "Loans Redeemed And Other Capital Receipts" in the notes to the balance sheet is a tantamount to a provision for depreciation, however certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through, the following two sources of finance :

Appropriations from income - Where the full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make an additional depreciation provision; and

Grant or donation - Where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed And Other Capital Receipts" account.

ALFRED NZO DISTRICT MUNICIPALITY

**ACCOUNTING POLICIES FOR THE YEAR ENDED
30 JUNE 2004 (cont...)**

1.2.3 Financing of Property, Plant and Equipment

Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. Interest is charged to the service concern at the ruling interest rate as at the date the advance was made.

1.3 Employee benefits

Defined contribution plan

Alfred Nzo District Municipality, it's employees and Councillors contribute to a Provident Fund and Pension Fund respectively.

These Funds are a defined contribution plan in terms of the Pension Fund Act of 1965. Contributions to these funds in a particular period are recognised as an expense in that period.

1.4 Investments

Investments are stated at the lower of cost or market valuation and are written down where there is an impairment in value.

1.5 Provisions

Provisions are recognised when the district municipality has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation has been made.

1.6 Inventory

The municipality has no stock (or stores) under its control as stock items are bought for direct use.

1.7 Trust Funds

Trust funds are funds accumulated over the years received from grants and are used to finance capital projects and / or programmes.

The introduction of GAMAP will do away with these as they are supported by Trust Deeds.

**ALFRED NZO DISTRICT MUNICIPALITY
BALANCE SHEET AS AT 30 JUNE 2004**

	NOTE	2004 R	2003 R
ASSETS			
Non-current assets		2,221,276	1,341,034
Property, plant and equipment	3	0	0
Long-term debtors	4	2,221,276	1,341,034
Current assets		113,064,802	103,241,719
Investments	6	103,467,583	78,229,065
Accounts Receivable	5	5,954,247	11,262,573
Cash and other cash equivalents	11	2,508,852	13,097,906
Short-term portion of long-term debtors	4	1,134,120	652,175
TOTAL ASSETS		115,286,077	104,582,753
EQUITY AND LIABILITIES			
Funds and reserves		105,937,026	96,310,786
Accumulated funds	1	0	0
Non-distributable reserve	9	45,464,743	39,274,763
Trust funds	2	60,472,283	57,036,023
Current liabilities		9,349,051	8,271,967
Bank Overdraft	12	8,060,587	7,651,201
Accounts Payable	7	1,016,470	620,766
Provisions	8	271,994	0
TOTAL EQUITY AND LIABILITIES		115,286,077	104,582,753

ALFRED NZO DISTRICT MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2004

2003 R		2004 R	2004 R	2004 R
(Surplus)/ Deficit		Actual Income	Actual Expenditure	(Surplus)/ Deficit
-25,821,761	Grants and subsidies	-16,450,428		-16,450,428
8,566,797	Operating Income	-12,685,400	21,467,192	8,781,792
8,566,797	Administration section	-29,135,828	21,467,192	-7,668,636
0	Local bodies	0	0	0
0	Regional functions section	0	0	0
-17,254,964	Total	-29,135,828	21,467,192	-7,668,636
63,687	Appropriations for the year (refer to note 9)			1,478,655
-17,191,277	Net surplus for the year			-6,189,981
-22,083,486	Unappropriated surplus at the beginning of the year			-39,274,763
-39,274,763	Unappropriated surplus at the end of the year			-45,464,744

**ALFRED NZO DISTRICT MUNICIPALITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2004**

	NOTE	2004	2003 R
Cash flows from Operating Activities		10,882,698	13,971,188
Cash receipts from customers		29,135,828	33,158,087
Cash paid to suppliers and employees		-21,467,192	-19,354,258
Cash generated from operations	10	5,303,814	13,803,829
Investment income		5,578,884	167,359
Cash flows from Investing Activities		0	0
Grants Received		2,939,787	14,315,368
Additions to fixed assets		-2,939,787	-14,315,368
Cash flows from Financing Activities		-4,844,060	25,079,690
Decrease in Accumulated Funds (Decrease)/Increase in Trust funds		0 -4,844,060	-2,000,000 27,079,690
Net Increase in cash and other cash equivalent		6,038,638	39,050,878
Cash and other cash equivalents at beginning of year		83,675,772	44,624,894
Cash and other cash equivalents at the end of the year		89,714,410	83,675,772

ALFRED NZO DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2004

	2004	2003
	R	R
1. ACCUMULATED FUNDS		
Capital Development Fund	<u>0</u>	<u>0</u>
2. TRUST FUNDS		
Access Roads	0	49,890
Ad - Hoc Capital Projects	0	4,787,363
Administration Fund	316,051	218,539
Bizana Multi Youth Centre	0	6,955
Buwa Water Project	0	3,847
Capital Projects	9,948,003	11,372,571
Community Based Public Works	241,838	6,000
Clinic Students	0	3,408,724
Clysdale Pilot Housing	536,735	613,130
CMIP Projects	258,895	13,162
Community Sports	3,472	1,649
Council Allowances	0	242,103
Council Offices	8,280,321	12,515
Disaster - Homesless	0	35,297
Disaster - Housing	0	8,000
Disaster - Mgmt	1,040,719	6,113
Disaster Relief	0	15,671
Disaster Roads	0	139,558
Dept of Water and Forestry	0	1,890,829
Eastlands Water Project	0	2,845
Emergency Repairs	0	64,663
EQ Water	0	10,526
Equitable Share	0	727,910
Establishment Fund	8,280,321	21,683
Feasibility Studies	0	0
Fire Services	0	5,281
Fuel	0	533,368
HIV / Aids	2,961,060	885,252
Holding Account	6,030,990	1,615,313
Ibisi - Maluti	0	13,935
<i>Balance Carried Forward</i>	<u>37,898,405</u>	<u>26,712,692</u>

ALFRED NZO DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
AT 30 JUNE 20004 (cont...)

	2004	2003
	R	R
2. TRUST FUNDS (cont..)		
<i>Balance brought forward</i>	37,898,405	26,712,692
Ibisi - Pilot Housing	0	89,002
Ibisi - Township	919,627	127,580
IDP Prjoects	0	209,936
IGP - Bizana	0	-4,869,830
IGP - Flagstaff	0	2,772,092
IGP - Mount Fletcher	0	207,369
IGP - Lusikisiki	0	7,394
IGP - Maluti	0	6,161
IGP - Mount Ayliff	0	301,190
IGP - Mount Frere	0	5,264
IGP - Tabankulu	0	0
IGP - Umzimkulu	0	3,324
Income Generating Projects	0	13,275,862
ISRDS Projects	0	6,443
Line Mapping	0	600,546
Local Economic Development	2,801,008	562,898
Local Govt Training	0	2,053,728
MAAP SA	0	29,231
Maluti Township	704,752	693,818
Maluti Trading Authority	22,112	21,633
Mawusheni	0	4,041
MSIG Projects	1,458,147	3,315,988
Mount Ayliff TLC Ponds	0	14,321
Municipal Grant Support	3,285,080	2,212,129
Ngwegeni Projects	0	12,936
Osborn Mission	0	4,419
Pamlaville	0	4,733
PPT Agency Fund	0	7,046
Proclaimed Access Roads	0	3,207,671
Reserve Funds	9,638,478	616,340
Sanitation Mvulu	0	-776,535
SDI Funds	0	11,231
Sirogqueni	0	55,344
Sports Fields	999,056	15,344
<i>Balance carried forward</i>	<u>57,726,665</u>	<u>51,521,341</u>

ALFRED NZO DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
AT 30 JUNE 2004 (cont...)

	2,004	2,003
	R	R
2. TRUST FUNDS (cont...)		
<i>Balance brought forward</i>	57,726,665	51,521,341
St Paul Water	0	5,413
Survey Fund	0	0
Taxi Ranks	150,426	354,216
Training Fund	478,879	46,892
Transitional Grant	0	151,651
Umzimkulu Trading	0	322,085
Urban Mgmt	0	579,303
Water and Sanitation	2,116,313	4,055,123
	<u>60,472,283</u>	<u>57,036,024</u>
3. PROPERTY, PLANT AND EQUIPMENT		
Property, Plant and Equipment at beginning of the year	0	0
Capital expenditure during the year	2,939,787	#REF!
Less: Assets written off, transferred or disposed of during the year	0	0
Total fixed assets acquired	<u>2,939,787</u>	<u>#REF!</u>
Less: Loans redeemed and other capital receipts	-2,939,787	-13,865,494
Net Property, Plant and Equipment at year end	<u>0</u>	<u>#REF!</u>
4. LONG-TERM DEBTORS		
Staff motor car loans	3,355,396	#REF!
Less: Short-term portion of long-term debtors transferred to current assets	-1,134,120	-652,175
	<u>2,221,276</u>	<u>#REF!</u>

ALFRED NZO DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
AT 30 JUNE 2004 (cont...)

	2004	2003
	R	R
5. ACCOUNTS RECEIVABLE		
Trade debtors (Establishment & Services Levies)	4,316,819	3,659,273
Less: Provision for bad debts	<u>-1,295,046</u>	<u>0</u>
	<u>3,021,773</u>	<u>3,659,273</u>
Other debtors:		
Deposits	0	0
Women's Day Celebration	0	10,323
Freedom Day - Govt to refund	0	7,013
General staff loans	0	0
Heritage Day - Govt. to refund	0	53,651
Closing Party - staff	0	18,930
Facilitation Committee - Govt. to refund	0	92,774
Staff Study Loans	29,448	40,493
Vat input control account	2,903,026	0
IDP Cost to be Refunded	0	509,428
ANC Levy	0	0
TRC Salaries	0	407,609
TRC Transfers	0	0
UDM Levy	0	0
Tracker	0	0
HIV Awareness	0	0
Pimms Costs	0	184,888
CMIP Costs	0	6,200,292
FNB Claim	0	60,000
Councillor Loans	0	17,899
Total Accounts receivable	<u>5,954,247</u>	<u>11,262,573</u>
6. INVESTMENTS		
Call deposits	103,467,583	78,229,065
	<u>103,467,583</u>	<u>78,229,065</u>

Included in the Investments is an amount of R1,131,415.89 received from hire of plant.
Investments have been stated at carrying value which is equivalent to market value.

ALFRED NZO DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
AT 30 JUNE 2004 (cont...)

	2,004 R	2,003 R
7. ACCOUNTS PAYABLE		
Trade creditors	618,967	#REF!
Creditors - other	397,503	#REF!
	<u>1,016,470</u>	<u>#REF!</u>
8. PROVISIONS		
For Audit Fees	271,994	0
	<u>271,994</u>	<u>0</u>
9. APPROPRIATIONS		
Appropriation account:		
Accumulated surplus at the beginning of the year	39,274,762	22,083,485
Operating (deficit)/surplus for the year	7,668,636	17,254,964
Appropriation for the year	-1,478,655	-63,687
	<u>45,464,743</u>	<u>39,274,762</u>
10. CASH GENERATED BY OPERATIONS		
Surplus for the year	6,189,981	#REF!
Adjustments for :-		
Contribution to capital outlay	0	0
Investment income	-5,578,884	-167,359
Operating surplus before changes in net working capital	611,097	#REF!
Increase/(decrease) in net working capital	4,692,717	-3,220,089
Decrease/(increase) in accounts receivable, long-term debtors	2,651,093	-2,538,543
Increase)/decrease in accounts payable and provisions	2,041,624	-681,547
	<u>5,303,814</u>	<u>#REF!</u>

Schedule of trust funds for the year ended 30 June 2004

Details	Opening Balance	Movement	Closing Balance
Access Roads	49,890	-49,890	0
Ad - Hoc Capital Projects	4,787,363	-4,787,363	0
Administration Fund	218,539	97,512	316,051
Bizana Multi Youth Centre	6,955	-6,955	0
Buwa Water Project	3,847	-3,847	0
Capital Projects	11,372,571	-1,424,568	9,948,003
Community Based Public Works	6,000	235,838	241,838
Clinic Students	3,408,724	-3,408,724	0
Clydsdale Pilot Housing	613,130	-76,395	536,735
CMIP Projects	13,162	245,733	258,895
Community Sports	1,649	1,823	3,472
Council Allowances	242,103	-242,103	0
Council Offices	12,515	8,267,806	8,280,321
Disaster - Homeless	35,297	-35,297	0
Disaster - Housing	8,000	-8,000	0
Disaster - Mgmt	6,113	1,034,606	1,040,719
Disaster Relief	15,671	-15,671	0
Disaster Roads	139,558	-139,558	0
Dept of Water and Forestry	1,890,829	-1,890,829	0
Eastlands Water Project	2,845	-2,845	0
Emergency Repairs	64,663	-64,663	0
EQ Water	10,526	-10,526	0
Equitable Share	727,910	-727,910	0
Establishment Fund	21,683	8,258,638	8,280,321
Feasibility Studies	0	0	0
Fire Services	5,281	-5,281	0
Fuel	533,368	-533,368	0
HIV / Aids	885,252	2,075,808	2,961,060
Holding Account	1,615,313	4,415,677	6,030,990
Ibisi - Maluti	13,935	-13,935	0
Ibisi - Pilot Housing	89,002	-89,002	0
Ibisi - Township	127,580	792,047	919,627
IDP Projects	209,936	-209,936	0
IGP - Bizana	-4,869,830	4,869,830	0
IGP - Flagstaff	2,772,092	-2,772,092	0
IGP - Mount Fletcher	207,369	-207,369	0
IGP - Lusikisiki	7,394	-7,394	0
IGP - Maluti	6,161	-6,161	0
IGP - Mount Ayliff	301,190	-301,190	0
IGP - Mount Frere	5,264	-5,264	0
IGP - Tabankulu	0	0	0
IGP - Umzimkulu	3,324	-3,324	0
<i>Balance carried forward</i>	<u>25,572,174</u>	<u>13,245,858</u>	<u>38,818,032</u>

ALFRED NZO DISTRICT MUNICIPALITY

Schedule of trust funds for the year ended 30 June 2004

Details	Opening Balance	Movement	Closing Balance
<i>Balance brought forward</i>	25,572,174	13,245,858	38,818,032
Income Generating Projects	13,275,862	-13,275,862	0
ISRDS Projects	6,443	-6,443	0
Line Mapping	600,546	-600,546	0
Local Economic Development	562,898	2,238,110	2,801,008
Local Govt Training	2,053,728	-2,053,728	0
MAAP SA	29,231	-29,231	0
Maluti Township	693,818	10,934	704,752
Maluti Trading Authority	21,633	479	22,112
Mawusheni	4,041	-4,041	0
MSIG Projects	3,315,988	-1,857,841	1,458,147
Mount Ayliff TLC Ponds	14,321	-14,321	0
Municipal Grant Support	2,212,129	1,072,951	3,285,080
Ngwegeni Projects	12,936	-12,936	0
Osborn Mission	4,419	-4,419	0
Pamlaville	4,733	-4,733	0
PPT Agency Fund	7,046	-7,046	0
Proclaimed Access Roads	3,207,671	-3,207,671	0
Reserve Funds	616,340	9,022,138	9,638,478
Sanitation Mvulu	-776,535	776,535	0
SDI Funds	11,231	-11,231	0
Sirogqueni	55,344	-55,344	0
Sports Fields	15,344	983,712	999,056
St Paul Water	5,413	-5,413	0
Survey Fund	0	0	0
Taxi Ranks	354,216	-203,790	150,426
Training Fund	46,892	431,988	478,880
Transitional Grant	151,651	-151,651	0
Umzimkulu Trading	322,085	-322,085	0
Urban Mgmt	579,303	-579,303	0
Water and Sanitation	4,055,123	-1,938,810	2,116,313

57,036,023	3,436,260	60,472,283
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ALFRED NZO DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
AT 30 JUNE 2004 (cont...)

	2004	2003
	R	R
11. CASH AND BANK		
ANDM Levies Bank Account	497,748	13,067,371
ANDM Main Bank Account	2,010,080	-
Petty Cash	1,024	30,535
	2,508,852	13,097,906
	2,508,852	13,097,906

Note:

The above balances excludes long term investments which are separately disclosed under note 6.

12. BANK OVERDRAFT

ANDM Main Bank Account	-	1,992,656
Project Account	8,060,587	5,658,545
	8,060,587	7,651,201
	8,060,587	7,651,201

13. CASH AND OTHER CASH EQUIVALENTS

ANDM Levies Bank Account	497,748	13,067,371
ANDM Main Bank Account	2,010,080	-
Petty Cash	1,024	30,535
Investments	95,266,142	78,229,065
Bank Overdraft	-8,060,587	-7,651,201
	89,714,407	83,675,770
	89,714,407	83,675,770

This note represents the balance of cash and other cash equivalents that is disclosed in the cash flow statement for the year ended 30 June 2004.

ALFRED NZO DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
AT 30 JUNE 2004 (cont...)

	2004	2003
	R	R
14 OTHER DISCLOSURES		
REMUNERATION OF MANAGERS		
Municipal Manager	502 000 . 00	44 999 . 00
Director Infrastructure Development	420 000 . 00	320 000 . 00
Director Economic Dev, Env. Management & Tourism	420 000 . 00	320 000 . 00
Director Human Resource	410 000 . 00	320 000 . 00
Director Social Development	410 000 . 00	320 000 . 00
Director PIMSS	410 000 . 00	320 000 . 00
Director Finance	410 000 . 00	320 000 . 00
	<u>1 506 000 . 00</u>	<u>1 964 999 . 00</u>
 REMUNERATION OF COUNCILLORS		
Executive Mayor	449 994 . 00	263 017 . 56
Speaker	245 008 . 08	249 922 . 08
Portfolio Head - Finance	232 026 . 96	204 052 . 56
Portfolio Head - Human Resource	232 026 . 96	236 559 . 00
Portfolio Head - Infrastructure	232 026 . 96	236 559 . 00
Portfolio Head - Local Economic Development	152 688 . 60	137 516 . 28
Portfolio Head - Social Development	232 026 . 96	236 559 . 00
	<u>1 775 798 . 52</u>	<u>1 564 185 . 48</u>

ALFRED NZO DISTRICT MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED 30 JUNE 2004

<u>Expenditure 2002/2003</u>		<u>Budget 2003/2004</u>	<u>Balance 30-Jun-03</u>	<u>Expenditure 2003/2004</u>	<u>Written off, transferred, redeemed or disposed of during the year</u>	<u>Balance at 30-Jun-04</u>
R		R	R	R	R	R
12,670,019	GRANTS AND SUBSIDIES			0	0	0
12,670,019	CMIP GRANTS	0	0	0	0	0
91,559	OTHER INCOME	2,837,700	18,352,984	2,939,787	0	21,292,771
91,559	Human resource and finance					
0	Economic development					
0	Office of the mayor					
0	Council general					
0	Technical					
12,761,578	Total Property, Plant and Equipment	2,837,700	18,352,984	2,939,787	0	21,292,771
12,761,578	Less Loans redeemed and other capital receipts	2,837,700	18,352,984	2,939,787	0	21,292,771
91,559	Contributions from operating income	2,837,700	18,352,984	2,939,787	0	21,292,771
12,670,019	Contributions from grants	0	0	0	0	0
0	Contributions from donations	0	0	0	0	0
0	NET PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0

ALFRED NZO DISTRICT MUNICIPALITY

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

ACTUAL 2003 R	INCOME	ACTUAL 2004 R	BUDGET 2004 R
(25,821,761)	Grants and subsidies	-16,450,428	-16,450,428
(25,821,761)	Provincial government	-16,450,428	-16,450,428
(10,042,227)	Operating income	-12,685,400	-17,000,000
(1,294,488)	Establishment levy	-931,546	-1,573,070
(8,580,380)	Services levy	-6,174,970	-10,426,930
(167,359)	Other income (interest received)	-5,578,884	-5,000,000
(35,863,988)	Total Income	-29,135,828	-33,450,428

EXPENDITURE

6,045,129	Human Resource & Finance	7,192,590	10,244,357
3,606,339	Salaries, wages and allowances	3,753,172	5,494,322
2,080,405	General expenses	2,999,292	4,228,935
59,859	Repairs and maintenance	125,245	187,100
298,526	Contributions to capital outlay	314,881	334,000
672,544	Economic & Social Development	2,394,057	4,730,103
610,863	Salaries, wages and allowances	1,771,623	3,789,083
44,423	General expenses	476,161	729,620
0	Repairs and maintenance	8,750	40,400
17,258	Contributions to capital outlay	137,523	171,000
6,110,191	Office Of The Mayor	7,735,888	11,820,507
4,293,247	Salaries, wages and allowances	4,569,114	7,424,957
1,528,530	General expenses	1,252,954	2,118,850
26,821	Repairs and maintenance	108,389	190,000
261,593	Contributions to capital outlay	1,805,431	2,086,700

ALFRED NZO DISTRICT MUNICIPALITY

ANALYSIS OF OPERATING INCOME & EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2004 (cont...)

ACTUAL 2003 R	EXPENDITURE	ACTUAL 2004 R	BUDGET 2004 R
426,254	Council General	1,347,994	1,585,132
30,646	Salaries, wages and allowances	1,111,180	1,173,832
365,876	General expenses	190,415	362,900
29,732	Repairs and maintenance	0	3,400
0	Contributions to capital outlay	46,399	45,000
5,354,906	Infrastructure Development	2,796,663	6,655,461
4,925,874	Salaries, wages and allowances	2,286,838	5,685,761
254,508	General expenses	304,837	712,900
0	Repairs and maintenance	14,988	55,800
174,524	Contributions to capital outlay	190,000	201,000
0	Capital development expenses	0	0
0	Work in progress - Contribution to capital outlay	0	0
0	Technical plant - Contribution to capital outlay	0	0
12,043,783	Total Expenditure	21,467,192	33,450,428
#REF!	Net Deficit/(Surplus) for the period	-7,668,636	0

**ALFRED NZO DISTRICT MUNICIPALITY
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004**

2003 R	2003 R	2003 R		2004 R	2004 R	2004 R
Actual Income	Actual Expenditure	(Surplus)/ Deficit		Actual Income	Actual Expenditure	(Surplus)/ Deficit
(25,821,761)	0	-25,821,761	Grants and subsidies	-16,450,428		-16,450,428
(10,042,227)	18,609,024	8,566,797	Operating Income	-12,685,400	21,467,192	8,781,792
			Administration section			
	6,045,129		Human resource and finance	7,192,590		
	672,544		Economic development	2,394,057		
	6,110,191		Office of the mayor	7,735,888		
	426,254		Council general	1,347,994		
	5,354,906		Infrastructure Development	2,796,663		
	-		Capital development expenses	0		
	-		Local bodies 12(6)(a)	0		
	-		Capital projects	0		
	-		Regional functions section 12(6)(a)	0		
	-		TLC Grants	0		
<u>(35,863,988)</u>	<u>18,609,024</u>	<u>-17,254,964</u>	Total	<u>-29,135,828</u>	<u>21,467,192</u>	<u>-7,668,636</u>
		63,687	Appropriations for the year (refer to note 9)			1,478,655
		-17,191,277	NET Surplus for the year			-6,189,981
		-22,083,485	Unappropriated surplus at the beginning of the year			-39,274,762
		<u>-39,274,762</u>	Unappropriated surplus at the end of the year			<u>-45,464,743</u>

APPENDIX F

ALFRED NZO DISTRICT MUNICIPALITY

**STATISTICAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2004**

GENERAL STATISTICS

Population	<i>2001 Census</i>	<i>1996 Census</i>
Umzimkhulu Local Municipality	173 339	165 426
Umzimvubu Local Municipality	376 062	378 681
Total Alfred Nzo District Municipality	549 401	544 107

	2003/2004	2002/2003
Area		
Umzimkhulu Local Municipality	2 436	2 436
Umzimvubu Local Municipality	5 298	5 298
Total Alfred Nzo District Municipality	7 734	7 734

Levies		
Services Levies	0,35%	0,35%
Establishment Levies	0,12%	0,12%
Income received (in R)	7,106,516	10,042,227

Number of employees	102	74
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