

**UMZIMVUBU MUNICIPALITY**

BALANCE SHEET  
as at 30 June 2005

	Notes	2005 R	2004 R
<b>CAPITAL EMPLOYED</b>			
FUNDS AND RESERVES		692 626	372 764
Statutory funds	1	692 626	372 764
ACCUMULATED DEFICIT/ SURPLUS	13	59 643 260	45 687 111
		60 335 886	46 059 875
Trust funds	2	24 862 642	21 347 790
Project funds	3	1 320 049	5 734 255
		86 518 575	73 141 920
<b>EMPLOYMENT OF CAPITAL</b>			
FIXED ASSETS	4	-	-
Long term Portion Debtors	7	659 685	1 006 159
<b>CURRENT ASSETS</b>			
		95 764 825	79 581 781
Short term investments	5	74 912 085	62 827 483
Accounts receivable	6	20 371 769	15 189 369
Short term portion of long term debtors	7	377 756	783 996
Bank and cash		103 215	780 933
<b>CURRENT LIABILITIES</b>			
		9 905 935	7 446 021
Bank Overdraft		90 335	1 712 021
Accounts payable	8	9 135 723	4 990 959
Provisions	8	679 877	743 041
<b>NET CURRENT ASSETS</b>			
		85 858 890	72 135 761
		86 518 575	73 141 920

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**UMZIMVUBU MUNICIPALITY**

**CASH FLOW STATEMENT**  
for the year ended 30 June 2005

	Notes	2005 R	2004 R
<b>CASH (UTILISED)/GENERATED FROM OPERATING ACTIVITIES</b>			
		52 988 215	30 555 932
Cash generated by operations	14	50 874 735	40 002 573
Investment income	11	3 041 059	4 513 562
Increase/ (decrease) in working capital	15	(348 086)	(7 824 852)
Cash generated from operations		53 567 708	36 691 283
		53 567 708	36 691 283
Decrease in funds and reserves		(579 493)	(6 135 351)
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>			
Investment in fixed assets		(39 959 645)	(63 292 777)
		<u>13 028 570</u>	<u>(32 736 846)</u>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
(increase)/decrease in investments		(12 084 602)	27 211 345
(Increase)/decrease in cash	16	(943 968)	5 525 501
		<u>(13 028 570)</u>	<u>32 736 846</u>

UMZIMVUBU MUNICIPALITY

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
for the year ended 30 June 2005

INCOME

	Actual 2005 R	Actual 2004 R	Budget 2005 R
Grants and subsidies	77 071 836	61 105 086	115 794 000
Provincial Government	570 854	-	25 712 000
Grants from DM	5 111 316	2 266 579	15 800 000
Equitable Share	71 389 666	58 838 507	74 282 000
Operating income	10 661 704	11 709 594	64 282 346
Assessment rates	4 028 078	4 028 078	2 657 039
Sale of water	864 827	856 845	1 002 650
Other service charges	1 138 074	1 132 304	1 077 005
Other income	4 630 725	5 692 367	59 545 652
<b>TOTAL INCOME</b>	<b>87 733 540</b>	<b>72 814 680</b>	<b>180 076 346</b>

EXPENDITURE

Salaries, wages and allowances	19 610 548	17 384 519	31 861 864
General expenditure	17 670 894	11 523 406	94 902 446
Bad debts	1 060 083	1 559 337	-
Purchase of electricity & Water	1 002 851	68 975	1 393 200
Other general expenses	15 607 960	9 895 094	93 509 246
Repairs and maintenance	289 342	345 677	6 404 290
Capital charges	0	0	-
Contributions to fixed assets	39 959 645	63 292 776	46 912 799
Contribution to revolving fund	302 106	109 973	-
Gross expenditure	77 832 534	92 656 351	180 081 399
Less: amounts charged out	-	-	-
Net expenditure	77 832 534	92 656 351	180 081 399
<b>(Deficit)/Surplus for the year</b>	<b>9 901 006</b>	<b>(19 841 671)</b>	<b>(5 053)</b>
<b>Appropriations for the year</b>	<b>4 116 124</b>	<b>1 032 362</b>	
<b>Prior Year Adjustments</b>	<b>(60 981)</b>	<b>32 667</b>	
<b>Surplus at the beginning of the year</b>	<b>45 687 111</b>	<b>64 463 753</b>	
<b>Surplus at the end of the year</b>	<b>59 643 260</b>	<b>45 687 111</b>	

UMZIMVUBU MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2005

	2005	2004
	R	R
<b>1. STATUTORY FUNDS</b>		
Revolving fund	692 626	372 764
	<u>692 626</u>	<u>372 764</u>
<b>2. TRUST FUNDS</b>		
Survey	379 613	367 341
Xesibe Tourism	30 328	85 496
Free Basic Services	18 483 485	17 565 421
Local Economic Development	73 878	329 531
Bucket System Fund	3 098 593	3 000 000
Drought Relief	2 642 625	-
Municipal Infra-structure Grant	154 120	-
	<u>24 862 642</u>	<u>21 347 790</u>
<b>3. PROJECT FUNDS</b>		
Transitional	149 274	141 291
Mt Ayliff PHP	(1 230 335)	( 696 862)
Mt Frere PHP	( 242 321)	555 915
Tyoksville	-	2 788 746
Housing	-	544 176
Municipal Support Programme	2 643 431	2 400 989
	<u>1 320 049</u>	<u>5 734 255</u>
<b>4. FIXED ASSETS</b>		
Fixed assets at the beginning of the year	79 288 921	15 996 144
Capital expenditure during the year	39 959 645	63 292 777
Less: Assets written off during the year	-	-
TOTAL FIXED ASSETS	<u>119 248 566</u>	<u>79 288 921</u>
Loans Redeemed and other capital receipts	<u>119 248 566</u>	<u>79 288 921</u>
NET FIXED ASSETS	<u>-</u>	<u>-</u>

UMZIMVUBU MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2005

	2005	2004
	R	R
5. <u>SHORT TERM INVESTMENTS</u>		
<b>Unlisted</b>		
Short term Investments	<u>74 912 085</u>	<u>62 827 483</u>
Management's valuation of unlisted investments	<u>74 912 085</u>	<u>62 827 483</u>
6. <u>ACCOUNTS RECEIVABLE</u>		
Rates and General Services	21 505 672	17 032 729
Provision for bad debts	<u>(10 696 571)</u>	<u>(9 636 488)</u>
	10 809 101	7 396 241
Other debtors	695 542	674 833
SARS: Vat	<u>8 867 126</u>	<u>7 118 296</u>
	<u>20 371 769</u>	<u>15 189 369</u>
7. <u>LONG TERM DEBTORS</u>		
Car Loans	1 037 441	1 790 155
Short Term Portion	<u>( 377 756)</u>	<u>( 783 996)</u>
	<u>659 685</u>	<u>1 006 159</u>
8. <u>ACCOUNTS PAYABLE</u>		
Accounts Payable	<u>9 135 723</u>	<u>4 990 959</u>
	<u>9 135 723</u>	<u>4 990 959</u>
<u>PROVISIONS</u>		
Provision for Audit Fees	130 356	320 966
Provision for Staff Leave	<u>549 521</u>	<u>422 076</u>
	<u>679 877</u>	<u>743 041</u>
9. <u>ASSESSMENT RATES</u>		
General Valuation		
Valued properties	<u>268 538 554</u>	
Rate tariff	1.5 c/R	
	<u>4 028 078</u>	<u>4 028 078</u>

UMZIMVUBU MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2005

	2005	2004
	R	R
<b>10. <u>AUDITORS REMUNERATION</u></b>		
Audit fees: Current year	130 356	320 966
	<u>130 356</u>	<u>320 966</u>
<b>11. <u>FINANCE TRANSACTIONS</u></b>		
Interest earned	<u>3 041 059</u>	<u>4 513 562</u>
<b>12. <u>COUNCILOR'S REMUNERATION</u></b>		
Councillors' allowances	<u>4 780 876</u>	<u>4 516 188</u>
	<u>4 780 876</u>	<u>4 516 188</u>
<b>13. <u>APPROPRIATIONS</u></b>		
Accumulated surplus/(deficit) at the beginning of the year	45 687 111	64 463 753
Operating surplus/(deficit) for the year	9 901 005	(19 841 671)
Prior Year Adjustments	( 60 981)	32 667
Appropriations for the year	4 116 124	1 032 362
Pilot Housing Fund written off	544 176	-
Tyoksville fund written off	2 788 746	-
Reserves Written Off	783 202	1 032 362
	<u>59 643 260</u>	<u>45 687 111</u>

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UMZIMVUBU MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2005

	2005	2004
	R	R
<b>14. <u>CASH GENERATED BY OPERATIONS</u></b>		
Surplus for the year	9 901 005	(19 841 671)
Add: Contribution for the year	-	-
Adjustments in respect of :		
Prior year transactions	( 60 981)	32 667
Appropriation for the year	4 116 124	1 032 362
Contribution to fixed assets	39 959 645	63 292 777
Interest received	<u>(3 041 059)</u>	<u>(4 513 562)</u>
	<u>50 874 735</u>	<u>40 002 573</u>
<b>15. <u>INCREASE/(DECREASE) IN WORKING CAPITAL</u></b>		
(Increase)/decrease in accounts receivable	(4 429 686)	(6 417 699)
Increase/(decrease) in accounts payable	4 081 600	(1 407 153)
	<u>( 348 086)</u>	<u>(7 824 852)</u>
<b>16. <u>(INCREASE)/DECREASE IN BANK AND CASH</u></b>		
Cash balance at the end of the year	<u>( 943 968)</u>	<u>5 525 501</u>
	<u>( 943 968)</u>	<u>5 525 501</u>

**Complete only the yellow cells**

Name of the TLC:

UMZIMVUBU MUNICIPALITY

for the year ended (insert year end in words)

30 June 2005

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

30 June 2005

Please insert previous year end in words

30 June 2004

as at

2005

Current year :

2004

Balance at

30 June 2005

Balance at

30 June 2004



UMZIMVUBU MUNICIPALITY

Trial balance  
as at 30 June 2005

Cost centre	Expense code	Description	Opening balance	Debits	Credits	Closing balance
						65,226.36
7-50-950	90-050-1000	Accumulated Surplus/Deficit	(45,687,111.33)			(59,643,259.49)
7-50-950	90-060-1000	General Reserve	-			
7-50-955	90-080-1001	Revolving Fund	(372,764.11)			(692,626.01)
7-50-955	90-080-1005	Housing Fund Mt Ayliff	696,861.52			1,230,335.10
		Housing Fund Mt Frere	(555,914.74)			242,320.82
		Bucket System Fund	(3,000,000.00)			(3,098,592.96)
7-50-955	90-080-1006	Development Fund	-			
7-50-955	90-080-1007	Roads Fund	-			
7-50-955	90-080-1008	Schools Fund	-			
7-50-955	90-080-1009	Survey Fund	(367,341.17)			(379,612.98)
7-50-955	90-080-1010	Inter-Governmental Grant	-			
7-50-955	90-080-1012	Tyoksville Fund	(2,788,746.00)			
7-50-955	90-080-1013	Xesibe Tourism Fund	(85,496.28)			(30,327.93)
7-50-955	90-080-1014	Free Basic Services	(17,565,421.06)			(18,483,484.95)
7-50-955	90-080-1015	Transitional Fund	(141,291.49)			(149,273.63)
7-50-955	90-080-1016	LED Fund	(329,531.44)			(73,877.91)
7-50-955	90-080-1017	Municipal Support Program	(2,400,988.51)			(2,643,431.09)
7-50-955	90-080-1018	Pilot housing Fund	(544,176.00)			
		Drought Relief	-			(2,642,625.00)
		MIG	-			(154,120.00)
7-60-970	90-500-1001	Land & Property	3,669,501.31			4,975,017.32
7-60-970	90-500-1003	Furniture Fittings & Equipment	275,738.23			1,696,325.76
7-60-970	90-500-1004	Plant & Machinery	202,587.16			202,587.16
7-60-970	90-500-1005	Motor Vehicles	2,844,704.02			3,609,992.86
7-60-970	90-500-1008	Project Expenditure	1,562,099.00			1,562,099.00
7-60-970	90-500-1009	Waterworks	5,169,302.92			14,474,095.35
7-60-970	90-500-1013	Watermeters	871,654.92			1,167,148.68
7-60-970	90-500-1014	Community Halls	5,578,553.31			7,985,829.26
7-60-970	90-500-1015	Fencing And Toilets	1,189,728.65			1,298,522.58
7-60-970	90-500-1016	Sport Fields	759,144.71			1,782,608.60
7-60-970	90-500-1017	Testing Ground	1,195,385.60			1,442,260.74
7-60-970	90-500-1018	Pre-Schools	21,554,599.30			24,155,382.31
7-60-970	90-500-1019	Poultry	539,757.17			539,757.17
7-60-970	90-500-1020	Computer Equipment	1,371,150.56			1,988,448.09
		Backery	550,475.74			580,005.30
		Sanitation	2,753,972.35			6,351,832.01
		Recreational Park	179,740.75			373,582.93

		Tools	5,994.74	5,995.74
		Milling	233,530.71	252,329.88
		Irrigation Scheme	167,194.99	982,903.61
		Schools	220,731.14	287,442.84
		Cementry	82,078.18	82,078.18
		Small Business Unit	182,288.33	378,791.00
		Cellphones	-	-
		Roads	28,111,278.28	43,055,801.45
7-60-970	90-500-1021	Mayoral Chain	17,719.30	17,719.30
7-60-970	90-510-1001	Revolving Fund - Internal loans Mt LED Xesibe		
7-60-970	90-512-1001	Internal loan-Mt Frere Survey		????//
7-60-970	90-513-1001	Internal Loan - Housing Fund		
7-60-970	90-514-1001	Internal Loan- MSP		
7-60-970	90-530-1002	Revenue Contributions to Capital	(64,590,861.17)	(99,439,189.66)
7-60-970	90-530-1003	Grants & Subsidies	(14,698,060.19)	(19,809,376.46)
7-60-975	90-540-1008	Mt Ayliff PHP	7,405.29	151,885.04
7-60-975	90-540-1009	Tyoksville Account 623991509	293.10	(6.90)
7-60-975	90-540-1010	Mt Frere People's Housing	1,439,440.87	2,032.94
7-60-975	90-540-1011	Mt Ayliff		
7-60-975	09-054-1012	Xesibe Tourism	290,191.94	235,023.59
7-60-975	90-540-1013	Operational Investment A/C	40,100,484.34	45,770,040.60
7-60-975	90-540-1014	MSP Account	1,574,149.80	1,716,580.38
7-60-975	90-540-1015	Mt Frere LED	706,782.78	747,999.69
7-60-975	90-540-1016	Transitional Fund	141,291.67	149,273.81
7-60-975	90-540-1017	Mt Ayliff Pilot Housing	143,890.30	143,954.99
7-60-975	90-540-1018	Investment 82118396	32,499.38	32,499.38
7-60-975	90-540-1019	Free Basic Services	17,565,421.06	18,483,484.95
7-60-975	90-540-1020	Mt Frere Survey - Investment Revolving Fund	241,829.17 289,710.74	254,100.98 307,466.77
7-60-975	90-540-1021	General Valuation	124,948.59	306,858.51
7-60-975	90-540-1022	Special Development Framework Electricity Guarantee Bucket System Fund Drought Relief MIG Institute upgrade survey Institute upgrade plan	169,144.40	177,727.77 169,521.81 3,098,592.96 2,642,625.00 154,120.00 202,493.92 165,809.21
7-60-980	90-580-1002	Consumers - Assessment Rates	10,504,494.65	13,182,038.41
7-60-980	90-580-1003	Consumers - Refuse	2,452,822.42	3,369,705.49
7-60-980	90-580-1004	Consumers - Sanitation	665,878.91	784,306.59

7-60-980	90-580-1005	Consumers - Water	3,409,532.59	4,169,621.66
7-60-980	90-580-1012	Cell Phone	-	
7-60-980	90-580-1015	Underbanking	2,321.28	29.49
7-60-980	90-580-1016	Staff Loans - Motor Vehicles	1,790,154.92	1,037,440.75
7-60-980	90-580-1030	Housing Loans	1,196.00	-
7-60-980	90-580-1055	Unpaid Items	30,124.47	39,665.92
7-60-980	90-580-1073	Staff loan		
7-60-980	90-580-1080	Study Loans	8,277.43	
7-60-980	90-580-1090	Salary Advance	(1,929.66)	-
		Bank Error		-
7-60-985	90-580-1075	Standard Vat Input Suspence		
7-60-990	90-860-1002	Due to Revolving Fund		
7-60-990	90-860-1003	Due to Mt Frere Survey		
7-60-990	90-860-1006	Provisions Audit Fee	(320,965.56)	(130,355.95)
7-60-990	90-860-1007	Provisions Bad Debts	(9,636,487.87)	(10,696,570.74)
7-60-990	90-860-1008	Provisions Accounting Fee		
7-60-990	90-860-1009	Provisions Staff Leave	(422,075.64)	(549,521.04)
7-60-990	90-860-1012	Due to Housing		
7-60-990	90-860-1013	Due to Operational investment		
7-60-990	90-870-1000	Creditors		289,341.61
7-60-990	90-870-1011	Medical Aid	74,533.63	57,368.88
7-60-990	90-870-1012	Provident Fund	299,455.34	417,900.77
7-60-990	90-870-1013	PAYE	(89,475.66)	(89,475.66)
7-60-990	90-870-1015	UIF	(4,883.92)	(4,884.22)
7-60-990	90-870-1016	Union Fees		
7-60-990	90-870-1017	Workmen's Compensation	(68,571.88)	(157,494.93)
7-60-990	90-870-1018	Funeral Scheme	6,887.58	6,538.28
7-60-990	90-870-1019	Insurance	24,216.46	-
7-60-990	90-870-1020	Days Absent		
7-60-990	90-870-1021	Garnishee	(2,437.65)	(3,583.54)
7-60-990	90-870-1025	District Levy	(202,133.48)	(224,069.73)
7-60-990	90-870-1028	Skills Levy	(104,833.36)	(130,566.32)

7-60-990	90-870-1029	ECMSS Rental	(4,766.17)			(30,331.17)
7-60-990	90-870-1030	Staff Loans	17,477.85			-
7-60-990	90-870-1032	Party Levies	(23,477.55)			(12,078.19)
7-60-990	90-870-1033	Catering				
7-60-990	90-870-1034	B Council	46,403.08			77,692.06
7-60-990	90-880-1011	Dept. of Water Affairs & Forestry	-			
7-60-990	90-880-1013	Stale Cheque Creditors				
7-60-990	90-881-1001	Vat Due	7,118,296.18			8,867,125.55
7-60-990	90-882-1001	Bank: Main Account 62022183727	(914,583.76)			(87,517.23)
		Bank: Mt Frere PHP	(797,437.13)			(2,817.76)
7-60-990	90-882-1002	Bank: Mt Ayliff People's Housing Project	780,932.79			103,214.85
7-60-990	90-882-2002	Unknown Deposit	(1,968,468.78)			(7,762,343.31)
7-60-990	90-882-2003	Unallocated Services				
		Credit Card	-			
		Accruals	(2,516,570.33)			(392,364.09)
		Cash Loans	21,217.10			-
		Car Insurance Thebe	48,901.89			29,819.45
		Over Banking	(2,229.03)			
		Unknown Payments	-			-
		Pety Cash	1.00			-
		Samwu Subscription Fees	(1,181.12)			2,115.20
7-60-990	90-900-1001	Suspence Salaries	93,830.15			64,421.74
		Finance Management Grant	-			(172,247.58)
		Legal Fees	-			(156,284.00)
			0.00	-	-	289,341.61
1-10-031		Community Services	4,289,879.85	3,816,777.86		473,101.99
1-10-040		Infrastructure	17,113,686.58	46,191,796.90		(29,078,110.32)
		Communication & SPU	-	2,305,904.14		(2,305,904.14)
1-10-510		Corporate Services	5,116,746.65	4,992,933.30		123,813.35
1-10-515		Planning and Development	4,494,606.17	4,233,085.48		261,520.69
1-10-610		Municipal Manager	1,886,310.60	1,958,264.28		(71,953.68)
1-10-620		Council & Committe	5,759,200.89	9,844,502.20		(4,085,301.31)
1-10-710		Finance	(3,063,099.51)	4,489,269.95	6,633,625.18	(918,744.28)
1-10-710		Assessment Rates	(3,064,690.96)		4,028,078.11	963,387.15
1-10-710		Grant and Subsidies	(52,692,388.00)			(52,692,388.00)
1-10-710		Provincial GVT	(2,322,753.39)		71,960,520.00	69,637,766.61
1-10-710		District Municipality	(19,436,067.99)		5,111,316.27	(14,324,751.72)
			(41,918,569.11)			(32,017,563.66)
			(41,918,569.11)	-	-	(31,728,222.05)

Long term loans

Statutory funds

Trust funds

Project funds

Fixed assets

Accum surplus/deficit

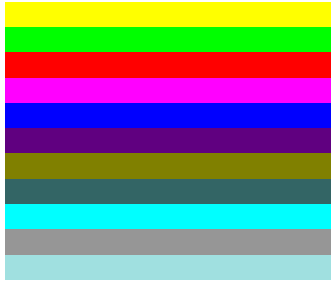
Investments

Trade debtors

Other debtors

Bank and cash

Accounts payable



**UMZIMVUBU MUNICIPALITY**

**INCOME STATEMENT  
for the year ended 30 June 2005**

2004	2004	2004		2005	2005	2005	2004
R	R	R		R	R	R	R
Actual	Actual	Surplus /		Actual	Actual	Surplus /	Budget
Income	Expenditure	(deficit)		Income	Expenditure	(deficit)	Surplus /
							(deficit)
<b>71 957 835</b>	<b>92 656 351</b>	<b>(20 698 516)</b>	<b>RATES AND GENERAL SERVICES</b>	<b>86 868 713</b>	<b>77 832 534</b>	<b>9 036 178</b>	<b>( 5 053)</b>
71 957 835	24 563 188	47 394 647	Community services	86 868 713	31 640 737	55 227 975	41 112 999
-	68 093 163	(68 093 163)	Economic services	-	46 191 797	(46 191 797)	(41 118 052)
<b>856 845</b>	<b>-</b>	<b>856 845</b>	<b>TRADING SERVICES</b>	<b>864 827</b>	<b>-</b>	<b>864 827</b>	<b>-</b>
<b>72 814 680</b>	<b>92 656 351</b>	<b>(19 841 671)</b>	<b>TOTAL</b>	<b>87 733 540</b>	<b>77 832 534</b>	<b>9 901 005</b>	<b>( 5 053)</b>
		1 032 362	Appropriations for the year			4 116 124	
		(18 809 309)	Surplus/(Deficit) for the year			14 017 130	
		32 667	Prior Year Adjustment			( 60 981)	
		64 463 753	Accumulated surplus at the beginning			45 687 111	
		<u>45 687 111</u>	<u>Accumulated surplus at the end</u>			<u>59 643 260</u>	

UMZIMVUBU MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT  
for the year ended 30 June 2005

2004 R	2004 R	2004 R		2005 R	2005 R	2005 R	2005 R
Actual Income	Actual Expenditure	Surplus / (deficit)		Actual Income	Actual Expenditure	Surplus / (deficit)	Budget Surplus / (deficit)
<b>71 957 835</b>	<b>92 656 350</b>	<b>(20 698 516)</b>	<b>RATES AND GENERAL SERVICES</b>	<b>86 868 713</b>	<b>77 832 534</b>	<b>9 036 178</b>	<b>41 112 999</b>
<b>71 957 835</b>	<b>24 563 188</b>	<b>47 394 646</b>	<b>Community services</b>	<b>86 868 713</b>	<b>31 640 737</b>	<b>55 227 975</b>	<b>41 112 999</b>
4 028 078		4 028 078	Assessment Rates	4 028 078	-	4 028 078	2 657 093
-	2 542 474	(2 542 474)	Community services	-	3 816 778	(3 816 778)	(6 736 074)
	1 361 171		Special Programs Unit	-	2 305 904	(2 305 904)	(4 715 021)
-	2 942 760	(2 942 759)	Corporate Services	-	4 992 933	(4 992 933)	(4 918 323)
-	9 357 394	(9 357 394)	Council General Expenses	-	9 844 502	(9 844 502)	(15 087 167)
-	2 928 971	(2 928 970)	Planning and Development	-	4 233 085	(4 233 085)	(5 656 604)
67 929 756	3 793 788	64 135 968	Finance	82 840 634	4 489 270	78 351 365	77 928 462
	1 636 631	(1 636 631)	Municipal Manager	-	1 958 264	(1 958 264)	(2 359 367)
-	<b>68 093 163</b>	<b>(68 093 163)</b>	<b>Economic services</b>	-	<b>46 191 797</b>	<b>(46 191 797)</b>	<b>(41 118 052)</b>
	68 093 163	(68 093 163)	Infrastructure	-	46 191 797	(46 191 797)	(41 118 052)
<b>856 845</b>	-	<b>856 845</b>	<b>Trading services</b>	<b>864 827</b>	-	<b>864 827</b>	-
856 845		856 845		864 827			
<b>72 814 680</b>	<b>92 656 350</b>	<b>(19 841 671)</b>		<b>87 733 540</b>	<b>77 832 534</b>	<b>9 901 005</b>	<b>( 5 053)</b>
		1 032 362	Appropriation for the year			4 116 124	
		(18 809 309)	Surplus/(Deficit) for the year			14 017 130	
			Accumulated surplus/(deficit):				
		32 667	Prior Year Adjustment			( 60 981)	
		64 463 753	beginning of the year			45 687 111	
		45 687 111	end of the year			59 643 260	

**UMZIMVUBU MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2005

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## UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2005

### GENERAL INFORMATION

#### MEMBERS OF THE UMZIMVUBU COUNCIL

1.	J.Z Munya	Mayor	38.	T.S Msindwana	Councillor
2.	N.S Nkopane	Speaker	39.	C.B Mtimkhulu	Councillor
3.	S.A Sello	Chief Whip	40.	N.C Mtoto	Councillor
4.	Z.A Gwebani	Councillor	41.	S. Myingwa	Councillor
5.	M.M Jeki	Councillor	42.	N.J Mzozoyana	Councillor
6.	M.M Nyamakazi	Councillor	43.	M. Ncapai	Councillor
7.	Z. Bala	Councillor	44.	J. Ncokazi	Councillor
8.	S.S Baleni	Councillor	45.	N. Ndabambi	Councillor
9.	S.P Gqoli	Councillor	46.	Z. Ndevu	Councillor
10.	L.N Gwabeni	Councillor	47.	A.N.N Ndiwa	Councillor
11.	B. Jafta	Councillor	48.	E.K Ngalonkulu	Councillor
12.	S.D Jafta	Councillor	49.	L.M Ngcingwana	Councillor
13.	G.X Jona	Councillor	50.	S. Ngqubathi	Councillor
14.	N.N Kortjaas	Councillor	51.	L. Nqatsha	Councillor
15.	N. Duba	Councillor	52.	M. Ntsegwane	Councillor
16.	N. Ganya	Councillor	53.	C.L Nxesi	Councillor
17.	T. Gebashe	Councillor	54.	F.E Nxuseka	Councillor
18.	R.N Leballo	Councillor	55.	S. Nyamakazi	Councillor
19.	N. Lekhatlanya	Councillor	56.	M.M Popokhane	Councillor
20.	G.V Lugongolo	Councillor	57.	J. K Sabelo	Councillor
21.	S.D Mafunda	Councillor	58.	M. Sineke	Councillor
22.	I.K Magaya	Councillor	59.	C.V Sigalelana	Councillor
23.	V.M Makaula	Councillor	60.	N. Sigwili	Councillor
24.	V.M Mapekula	Councillor	61.	N.V Sishiqa	Councillor
25.	L.N. Mashoai	Councillor	62.	Z.R Sonqishe	Councillor
26.	M. Mataka	Councillor	63.	M. Tsoloane	Councillor
27.	S.B Mbekeni	Councillor	64.	M. Lebenya	Traditional Leader
28.	N. Mbolekwa	Councillor	65.	R.P Makaula	Traditional Leader
29.	N. Mdewuka	Councillor	66.	N.C Ncapai	Traditional Leader
30.	U.N.S Mdingazwe	Councillor	67.	B.Z Diko	Traditional Leader
31.	N. Mdingi	Councillor	68.	A.M Mdutyana	Traditional Leader
32.	S. Mdutyana	Councillor	69.	S. Jojo	Traditional Leader
33.	B.W Mfulana	Councillor	70.	C.T Khoapa	Traditional Leader
34.	D.L Mgoqozi	Councillor	71.	R. Maketela	Traditional Leader
35.	S. Mnukwa	Councillor	72.	B. Nyembezi	Traditional Leader
36.	M.S Mofokeng	Councillor	73.	T.J Tyhali	Traditional Leader
37.	D.P Moso	Councillor	74.	Spambo	Traditional Leader

#### GRADING OF THE MUNICIPALITY

Grade 3

#### AUDITORS

Auditor - General

#### BANKERS

First National Bank  
Standard Bank

**UMZIMVUBU MUNICIPALITY**

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2005

**GENERAL INFORMATION**

REGISTERED OFFICES

Church Street                      Tel:- 039- 254 6000  
Mount Ayliff                      Fax:- 039- 254 0033  
4735

MUNICIPAL MANAGER  
Z.H Sikhundla

CHIEF FINANCE OFFICER  
L.L.D Pepeta

APPROVAL OF THE FINANCIAL STATEMENTS

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

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

\_\_\_\_\_  
MAYOR  
Date : \_\_\_\_\_  
289341.61

UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -  
for the year ended 30 June 2005

TREASURER'S REPORT

OPERATING RESULTS

1. Details of the operating results per department, classification and object of the expenditure are included in appendices D and E. The operating results for t30 June 2005 are as follows:

	VARIANCE	ACTUAL	ACTUAL	BUDGET
	%	2005	2004	2004
		R	R	R
<u>INCOME</u>				
Rates and general services	21	86 868 713	71 957 835	180 076 346
Trading services	1	864 827	856 845	-
Total income	20	<u>87 733 540</u>	<u>72 814 680</u>	<u>180 076 346</u>
Less:				
<u>EXPENDITURE</u>				
Rates and general services	-	16 77 832 534	92 656 351	180 081 399
Trading services		-	-	-
Total expenses	-	<u>16 77 832 534</u>	<u>92 656 351</u>	<u>180 081 399</u>
Surplus/(deficit) for the year		<u>9 901 005</u>	<u>(19 841 671)</u>	<u>( 5 053)</u>

## UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -  
for the year ended 30 June 2005

### TREASURER'S REPORT (Continued)

1. The operating results of Umzimvubu Municipality has a surplus of R9 952 161.

An amount of R10 809 101 is owed in trade debtors. Provision for bad debts is amounted to R530 041 for rates, R233 218 in water distribution, R53 004 in sanitation and R243 819 for Refuse Removal. This shows unwillingness for debtors to service their debts. The increase in trading services income is due to grants received from the Equitable Share, District Municipality and Provincial Government.

### CAPITAL EXPENDITURE AND FINANCING

2. The expenditure on fixed assets during the year amounted to R39 959 645. The actual expenditure consists of the following: -

	ACTUAL 2005 R
Land and building	1 305 516
Furniture and Fittings	1 417 634
Motor Vehicles	768 243
Computer Equipment	617 297
Pre-Schools	2 600 782
Sport Field	1 023 464
Fencing and Toilets	108 795
Community Halls	2 407 276
Testing Centre	246 875
Recreational Park	193 842
Milling	18 799
Backery	29 529
Roads	14 944 523
Schools	66 712
Small Business Unit	196 503
Irrigation Scheme	815 709
Sanitation	3 597 860
Water Meters	295 494
Water Works	9 304 791
	<b>39 959 645</b>

**UMZIMVUBU MUNICIPALITY**

ANNUAL FINANCIAL STATEMENTS -  
for the year ended 30 June 2005

**TREASURER'S REPORT (Continued)**

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

	ACTUAL 2005 R
Operating account	34 848 329
Grants and subsidies	5 111 316
	<b>39 959 645</b>

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

**EXTERNAL LOANS, INVESTMENTS AND CASH**

3. There was no external loans during the year under review.

Investments and cash on hand at 30 June 2005 amounted to R74 912 085( 2004: R62 827 483 )

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

**FUNDS AND RESERVES**

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

**POST BALANCE SHEET EVENTS**

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

**EXPRESSION OF APPRECIATION**

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

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L.L.D Pepeta  
CHIEF FINANCE OFFICER

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

	Balance at 30 June 2004	Contr during the period	Interest on investment	Re-classified	Operating expenditure during the year	Capital expenditure during the year	Balance at 30 June 2005
<b>STATUTORY FUNDS</b>							
Revolving fund	372 764	302 106	17 804	-	( 49)	-	692 626
	372 764	302 106	17 804	-	( 49)	-	692 626
<b>TRUST FUNDS</b>							
Roads	-			-		-	-
Survey	367 341		12 272	-		-	379 613
Xesibe Tourism	85 497		606		( 55 775)		30 328
Free Basic Services	17 565 421		918 067	-	( 4)		18 483 485
Local Economic Development	329 532		41 437		( 297 090)		73 878
Bucket System Fund	3 000 000		98 593				3 098 593
Drought Relief	-	2 642 625					2 642 625
Municipal Infra-structure Grant	-	154 120					154 120
	21 347 791	2 796 745	1 070 975	-	( 352 869)	-	24 862 642
<b>PROJECT FUNDS</b>							
Transitional Fund	141 291		7 996		( 14)	-	149 273
Mt Ayliff PHP Hund	( 696 862)	2 559 450	20 373		( 3 113 297)		( 1 230 336)
Mt Frere PHP Hund	555 915		2 443		( 800 678)		( 242 321)
Tyoksville	2 788 746						-
Housing	544 176						-
Municipal Support Programme	2 400 989	150 012	92 793		( 362)		2 643 432
IDP Fund		-	-		-		
	5 734 255	2 709 462	123 605	-	( 3 914 351)	-	1 320 049
<b>GENERAL RESERVES</b>							
Reserves	-						-
	-	-	-	-	-	-	-

## EXTERNAL LOANS AND INTERNAL ADVANCES

## EXTERNAL LOANS

	Balance at 30 June 2004	Contribution during the year	Interest capitalised	Redeemed of written off during the year	Balance at 30 June 2005
<b>INTERNAL ADVANCES</b>					
Revolving Fund	83 053	302 106			385 159
Mt Frere Survey	125 512	-			125 512
Xesibe Tourism	( 204 694)	-			( 204 694)
LED Fund	( 377 251)	(296 870)			( 674 121)
Mt Frere PHP	( 86 089)	( 155 447)			( 241 536)
Mt Ayliff PHP	(1 692 159)	-			(1 692 159)
Municipal Support Programme	826 839	100 012		-	926 851
	(1 324 790)	( 50 200)	-	-	(1 374 989)

## ANALYSIS OF FIXED ASSETS

	Budget for 2004	Balance as at 30 June 2003	Expenditure	Written off / transferred	Balance as at 30 June 2005
<b>Rates and General Services</b>	<b>43 890 700</b>	<b>70 326 795</b>	<b>25 945 791</b>	<b>-</b>	<b>96 272 586</b>
<b>Community Services</b>	<b>43 890 700</b>	<b>70 326 795</b>	<b>25 945 791</b>	<b>-</b>	<b>96 272 586</b>
Land and building	6 000 000	3 669 501	1 305 516	-	4 975 017
Furniture and Fittings	130 000	278 692	1 417 634	-	1 696 326
Office equipment	8 000	-	-	-	-
Motor Vehicles	420 000	2 841 750	768 243	-	3 609 993
Plant and Equipment	42 000	202 588	-	-	202 588
Computer Equipment	685 700	1 371 161	617 297	-	1 988 458
Software	35 000	-	-	-	-
Tools	-	5 995	-	-	5 995
Pre-Schools	2 350 000	21 554 600	2 600 782	-	24 155 382
Sport Field	2 000 000	759 145	1 023 464	-	1 782 609
Fencing and Toilets	-	1 189 728	108 795	-	1 298 523
Community Halls	2 400 000	5 578 553	2 407 276	-	7 985 829
Testing Centre	-	1 195 386	246 875	-	1 442 261
Project Expenditure	29 773 000	1 562 099	-	-	1 562 099
Poultry	-	539 757	-	-	539 757
Recreational Park	-	179 741	193 842	-	373 583
Milling	-	233 531	18 799	-	252 330
Backery	-	550 476	29 529	-	580 005
Roads	-	28 111 278	14 944 523	-	43 055 801
Schools	-	220 731	66 712	-	287 443
Small Business Unit	-	182 288	196 503	-	378 791
Cementry	-	82 078	-	-	82 078
Mayoral Chain	-	17 719	-	-	17 719
Sanitory	47 000	-	-	-	-
<b>Trading Services</b>	<b>56 464 000</b>	<b>8 962 126</b>	<b>14 013 854</b>	<b>-</b>	<b>22 975 980</b>
Irrigation Scheme	-	167 195	815 709	-	982 904
Sanitation	-	2 753 972	3 597 860	-	6 351 832
Water Meters	-	871 655	295 494	-	1 167 149
Water Works	56 464 000	5 169 304	9 304 791	-	14 474 095
	<b>100 354 700</b>	<b>79 288 921</b>	<b>39 959 645</b>	<b>-</b>	<b>119 248 566</b>
<b>Less: Loans redeemed and other capital receipts</b>		<b>79 288 921</b>	<b>39 959 645</b>	<b>-</b>	<b>119 248 566</b>
Loans Redeemed		-	-	-	-
Revenue Contribution		64 590 861	34 848 329	-	99 439 190
Grants and Subsidies		14 698 060	5 111 316	-	19 809 376
<b>NET FIXED ASSETS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>