



MHLONTLO LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2005

MHLONTLO LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2005

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MHLONTLO LOCAL MUNICIPALITY**GENERAL INFORMATION**

for the year ended 30 June 2005

MEMBERS OF THE EXECUTIVE COMMITTEE

1.	AS Ntlantsana	Mayor
2.	J Jikijela	
3.	S Songca	Exco
4.	M Giyose	Exco
5.	V Ntisana	Exco
6.	N Dyule	Exco
7.	A Zola	Exco
8.	M Socikwa	Speaker
9.	Z Pita	Councillor
10.	S Mapatwana	Councillor
11.	P Ndzause	Councillor
12.	L Hlabiso	Councillor
13.	N Gqomo	Councillor
14.	A Gqada	Councillor
15.	M Mabandla	Councillor
16.	M Funo	Councillor
17.	K Zilimbola	Councillor
18.	T Msongelwa	Councillor
19.	P Bevu	Councillor
20.	M Macingwane	Councillor
21.	W Bada	Councillor
22.	N Jumba	Councillor
23.	N Dolo	Councillor
24.	N Konza	Councillor
25.	N Getyengana	Councillor
26.	S Zotho	Councillor
27.	E Pula	Councillor

MHLONTLO LOCAL MUNICIPALITY

GENERAL INFORMATION (continued)

for the year ended 30 June 2005

28.	Z Magayana	Councillor	
29.	M Mfamela	Councillor	
30.	F Henama	Councillor	
31.	MG Makinana	Councillor	
32.	Z Mtyolotyolo	Councillor	
33.	N Babane	Councillor	- deceased

GRADE OF LOCAL AUTHORITY

Grade 3

AUDITORS

Auditor-General

BANKERS

-First National Bank

-Standard Bank

REGISTERED OFFICE

Box 31

Qumbu

5184

Telephone: 047 – 553 7000

Fascimile: 047 – 553 0205

047 – 553 0293

MUNICIPAL MANAGER

M Mabono

ACTING CHIEF FINANCIAL OFFICER

ZV Mapukata

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 1 to 26 were approved by the Municipal Manager and the Acting Chief Financial Officer on 2 November 2005.

MUNICIPAL MANAGER

(Accounting Officer)

02 November 2005

ACTING CHIEF FINANCIAL OFFICER

02 November 2005

MHLONTLO LOCAL MUNICIPALITY

GENERAL INFORMATION (continued)

for the year ended 30 June 2005

FOREWORD

for the year ended 30 June 2005

The MHLONTLO Local Municipality is facing a number of challenges. The most identifiable amongst these challenges are capacity and service delivery challenges. In fact, these two challenges are inter-related as the one is a product of the other. While inroads on service delivery have been made, the level of such service delivery is nonetheless being hampered by inadequate capacity at the municipality. Inadequate capacity is categorized into two aspects; there is an inadequate number of personnel in the majority of the municipal departments / functions and secondly capacity building in the form of training and re-training (ongoing education and training) of personnel. In the new financial year, we will be putting systems and processes in motion to ensure that both these challenges are addressed.

Over and above the challenges referred to above, this municipality is facing serious challenges when it comes to the collection rate of the municipal revenue. Capacity building initiatives in the relevant municipal departments are being put in place to ensure that in this regard, we improve drastically. The responsibility to publicize and expand the message of payment for services to the Mhlontlo Communities is by no means limited to officials but is a statutory responsibility that extends to the rest of the Council and the Ward Committees. Furthermore, the level of municipal generated revenue is relatively low. As the custodians of this municipality, we therefore have a challenge to grow our revenue base as we seek to progressively reduce the extent of reliance on Provincial and National government funding. A successful turnaround in both aspects will automatically result in sustainable improvement in the municipality's development capabilities.

In conclusion I would like to express my appreciation to the Executive Committee, the Council and the Municipal Manager and his entire team for their support, commitment and hard work.

AS Ntlantsana
Mayor and Chairman of the
Executive Committee

MHLONTLO LOCAL MUNICIPALITY

TREASURER'S REPORT

for the year ended 30 June 2005

1. REVIEW OF OPERATING RESULTS

Presented here below is a summary of operating results in respect of the year ended 30 June 2005. Detailed operating results are presented on Appendices C and D.

INCOME	Budget 2005	Actual 2005	Variance Budget / Actual	Actual 2004
Rates and general services	46 619 434	45 043 266	1 576 168	32 739 918
Utilization of reserves	15 605 689	-	15 605 689	-
	62 225 123	45 043 266	17 181 857	32 739 918
EXPENDITURE				
Rates and general services	62 225 123	31 723 106	30 592 017	31 156 488
	62 225 123	31 723 106	30 592 017	31 156 488
Surplus / (Deficit)	-	13 320 160	(13 320 160)	1 583 430

MHLONTLO LOCAL MUNICIPALITY

TREASURER'S REPORT (continued)

for the year ended 30 June 2005

1. REVIEW OF OPERATING RESULTS (continued)

1.1 Commentary on the operating results

Revenue

There is a marginal variance (3%) between budgeted and actual results on rates and general services.

Reserves budgeted for utilization in the current financial year were not utilized.

Operational expenditure

Total budgeted operational expenditure amounts to R41 336 204 and the capital expenditure budgeted amounts to R20 888 919 resulting in a total expenditure budget of R62 225 123. Actual operational expenditure is R24 989 668 and actual capital expenditure is R 6 733 438 resulting in total actual expenditure of R31 723 106.

The municipality managed to spend a total of 60% of its operational budget. Given the historical capacity challenges that have been facing the municipality in the past, the level of actual activity becomes less than the level of budgeted activity with the shortage of personnel. This explains the extent of variance between budgeted and actual expenditure.

MHLONTLO LOCAL MUNICIPALITY

TREASURER'S REPORT (continued)

for the year ended 30 June 2005

2. CAPITAL EXPENDITURE AND FINANCING

Total fixed asset additions during the year amounted to R6 733 438 (2004: R835 262). They are made up as follows:

Capital expenditure category	Budget 2005	Actual 2005	Variance Budget / Actual	Actual 2004
Land and buildings	6 857 605	6 389 288	468 317	35 055
Road construction	6 967 487	192 189	6 775 298	-
Plant & Equipment	446 250	-	446 250	-
Office Equipment	363 100	151 961	211 139	107 020
Community development initiatives	1 334 000	-	1 334 000	-
Local Economic Development Projects	2 550 477	-	2 550 477	-
Taxi Shelter	1 500 000	-	1 500 000	-
Motor vehicles	770 000	-	770 000	693 187
Parks and gardens	100 000	-	100 000	-
	20 888 919	6 733 438	14 155 481	835 262

MHLONTLO LOCAL MUNICIPALITY

TREASURER'S REPORT (continued)

for the year ended 30 June 2005

2. CAPITAL EXPENDITURE AND FINANCING (continued)

Resources used to finance fixed assets were as follows:

Contributions from:	Budget 2005	Actual 2005	Variance Budget / Actual	Actual 2004
Reserves				
Grants and subsidies – unconditional	20 888 919	6 733 438	14 155 481	835 262
	20 888 919	6 733 438	14 155 481	835 262

2.1 Commentary on capital expenditure and financing

Only 32% of the capital expenditure budget was spent in the current financial year. Land and Buildings are the only prominent expenditure category in this regard, accounting for 95% of the total capital expenditure.

With respect to the capital budget versus actual capital expenditure only the land and buildings category utilized almost its entire capital budget. Office equipment achieved a 42% rate of expenditure. The rest of the capital budget (68%) was not utilized and this is attributable to capacity issues as the municipality for the greater portion of the year and in prior years, had an inadequate personnel structure to adequately execute the strategic objectives of the municipality. However, towards of the end of the current financial year, the municipal recruitment drive gathered momentum and will be completed in the new financial year.

The total amount of the capital expenditure was financed through unconditional grant subsidies.

MHLONTLO LOCAL MUNICIPALITY

TREASURER'S REPORT (continued)

for the year ended 30 June 2005

3. EXTERNAL LOANS INVESTMENTS AND CASH

The municipality has no external loans.

The R13.3m increase in accumulated funds is reflective of unutilized grant subsidy income as a result of the under-expenditure (operational and capital) referred to above. Funds and reserves have increased by a total of R4.8m in the current year. A total of R4.2m of this increase is an increase in reserves representing funds advanced in respect of specific Provincial funded initiatives and other municipal special objectives. The balance of R0.6m represents various advances and interest earned in the current year reduced by funds utilized.

There has been a fundamental change in long-term debtors and also in accounts payable. During the current year, a debtor and a creditor balance relating to the same item for the O.R. Tambo District Municipality were offset, with the residual balance being written off.

The increase in short-term investments is a reflection of current year accumulated surplus and funds advanced through reserves.

4. POST BALANCE SHEET EVENTS

No material events have occurred since the balance sheet date.

5. PROSPECTS

Towards the end of the year under review, the municipality has embarked on intensive recruitment campaign in terms of which a number of senior and other positions have been filled. This campaign with proceed into the new financial year and this capacity building should result in a substantially improved service delivery.

MHLONTLO LOCAL MUNICIPALITY

TREASURER'S REPORT (continued)

for the year ended 30 June 2005

6. EXPRESSION OF APPRECIATION

I am grateful to the Mayor, the Executive committee of the Council, the Council, the Municipal Manager for the support they have given me and to the staff of the Finance Department and the local representatives of the Auditor-General for their assistance and support during the year.

ZV Mapukata
Acting Chief Financial Officer
02 November 2005

MHLONTLO LOCAL MUNICIPALITY

ACCOUNTING POLICIES

for the year ended 30 June 2005

1. Basis of presentation

- 1.1 The financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and on Report on Published Annual Financial Statements (Second edition – January 1996).
- 1.2 The financial statement are prepared on the historical costs basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 6. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
 - Income is accrued when measured and available to finance operations. Certain direct income is accrued when received, such as finances and certain licences.
 - Expenditure is accrued in the it is incurred.

2. Revenue

Revenue comprises of assessment rates and refuse income receivable for the year, sundry income and grant income which is either conditional or unconditional.

Assessment rates are levied at an approved annual rate on the value of land and buildings. Refuse is levied at approve monthly flat rates. Sundry income is accounted for on a cash receipt basis.

Government and related grants are recognized as revenue on an accrual basis and in accordance with the funding institution's annual disbursement plan as they relate to municipal statutory annual reporting period.

3. Project funds

Project funds are representative of external funding receive in the past and asset aside for pre-identified individual projects or a pre-defined general nature of intervention.

4. Reserves

Reserves are conditional grants previously granted to the municipality for pre-specified purposes.

MHLONTLO LOCAL MUNICIPALITY

ACCOUNTING POLICIES (continued)

for the year ended 30 June 2005

5. Accumulated surplus

Accumulated surplus reflects the residual of revenue against the sum of operating and capital expenditure reduced by any other appropriations.

6. Property, Plant and Equipment

6.1 Property, plant and equipment is stated at cost or valuation where assets have been acquired by grant or donation, while they are in existence and fit for use.

6.2 Depreciation: The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however certain structural differences do exist. Through this "provision" assets are written down over their estimated useful life.

In the case of operating income the full cost of the acquired asset becomes a direct charge to the income statement. Loans are repaid within the estimated useful lives of assets acquired through such loans. The cost or value of such asset as financed is immediately credited to the "Loans Redeemed and other Capital Receipts" accounts.

6.3 Property, plant and equipment financed from different sources of funding which include external loans, designated or general grant subsidy income, operating income and various accumulated council funds.

6.4 All net proceeds from the sale of fixed assets are credited to the revolving fund.

7. Investments

Investments are stated at the lower of cost or market value if a permanent decline in the value occurred.

8. Retirement benefits

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

MHLONTLO LOCAL MUNICIPALITY

ACCOUNTING POLICIES (continued)

for the year ended 30 June 2005

9. Provisions

Provisions are recognized when the municipality has a present or a constructive obligation as a result of past events and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

MHLONTLO LOCAL MUNICIPALITY

BALANCE SHEET

at 30 June 2005

	Notes	2005 R	2004 R
ASSETS			
NON-CURRENT ASSETS		42 010 621	34 310 193
Property, plant and equipment	1	-	-
Short-term investments	2	41 711 274	25 870 865
Long-term debtors	3	299 347	8 439 328
CURRENT ASSETS		10 135 479	11 287 418
Accounts receivable	4	9 820 705	11 284 440
Cash and cash equivalents		314 774	2 978
TOTAL ASSETS		<u>52 146 100</u>	<u>45 597 611</u>
FUNDS AND LIABILITIES			
FUNDS AND RESERVES		50 873 057	32 748 542
Funds	5	4 744 748	4 137 701
Reserves	6	4 197 308	-
Accumulated surplus		41 931 001	28 610 841
CURRENT LIABILITIES		1 273 043	12 849 069
Accounts payable	7	797 913	12 045 585
Provisions	8	475 130	431 936
Bank overdraft		-	371 548
TOTAL LIABILITIES		<u>1 273 043</u>	<u>12 849 069</u>
		<u>52 146 100</u>	<u>45 597 611</u>

MHLONTLO LOCAL MUNICIPALITY**INCOME STATEMENT**

for the year ended 30 June 2005

2004 R	2004 R	2004 R		Note	2005 R	2005 R	2005 R
Actual Income	Actual Expenditure	Surplus / (deficit)			Actual Income	Actual Expenditure	Surplus / (deficit)
32 739 918	31 156 488	1 583 430	RATES AND GENERAL SERVICES		45 043 266	31 723 106	13 320 160
32 145 976	31 071 671	1 074 305	Community services		44 622 965	30 273 768	14 349 197
593 942	84 817	509 125	Economic services		420 301	1 449 338	(1 029 037)
32 739 918	31 156 488	1 583 430	TOTAL		45 043 266	31 723 106	13 320 160
		1 583 430	Surplus for the year				13 320 160
		25 879 582	Accumulated surplus at the beginning of the year				29 122 524
		1 659 512	Prior year adjustments	12			(511 683)
		27 539 094	Adjusted accumulated surplus at the beginning of the year				28 610 841
		29 122 524	Accumulated surplus at the end of the year				41 931 001

MHLONTLO LOCAL MUNICIPALITY**STATEMENT OF CHANGES IN FUNDS**

for the year ended 30 June 2005

	Reserves	Funds	Accumulated Surplus	Total
Balance at 01 July 2003	-	3 636 018	27 539 094	31 175 112
Surplus for the year	-	-	1 583 430	1 583 430
Balance at 01 July 2004	-	3 636 018	29 122 524	32 758 542
Prior year adjustment	-	501 683	(511 683)	(10 000)
Post adjustment balance at 01 July 2004	-	4 137 701	28 610 841	32 748 542
Surplus for the year	-	-	13 320 160	13 320 160
Advances and interest received	4 197 308	798 929	-	4 996 237
Withdrawals	-	(191 882)	-	(191 882)
	<u>4 197 308</u>	<u>4 744 748</u>	<u>41 931 001</u>	<u>50 873 057</u>

MHLONTLO LOCAL MUNICIPALITY**CASH FLOW STATEMENT**

for the year ended 30 June 2005

	Note	2005 R	2004 R
CASH RETAINED FROM OPERATING ACTIVITIES			
Cash generated from operations	14	18 579 128	9 219 928
Investment income		1 474 470	1 590 140
Decrease in working capital	15	(1 600 762)	(3 607 754)
		18 452 836	7 202 314
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Purchase of property, plant and equipment		(6 733 438)	(7 567 125)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in funds and reserves		4 804 355	256 661
		<u>16 523 753</u>	<u>(108 150)</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase (decrease) in short-term investments		15 840 409	(91 141)
Increase (decrease) in cash	16	683 344	(17 009)
		<u>16 523 753</u>	<u>(108 150)</u>

MHLONTLO LOCAL MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 June 2005

	2005 R	2004 R
1. PROPERTY, PLANT AND EQUIPMENT		
Balance at the beginning of the year	11 594 850	10 759 588
Capital expenditure during the year	6 733 438	835 262
Total property, plant and equipment	<u>18 328 288</u>	<u>11 594 850</u>
Loans redeemed	(645 414)	(645 414)
Contribution from grants and subsidies	(53 830)	(53 830)
Contribution from revenue	<u>(17 629 044)</u>	<u>(10 895 606)</u>
Net property, plant and equipment	<u>-</u>	<u>-</u>
2. SHORT-TERM INVESTMENTS		
Unlisted		
CMIP	636 861	353 526
Bulk Housing (Qumbu)	330 969	501 683
Equitable shares 32 day account	9 920 670	9 258 034
Town Planning Fund -2	74 804	72 235
Revolving Fund	1 159 800	1 096 918
Pilot Housing Project (Tsolo)	38 772	37 804
Pilot Housing (Qumbu)	718 051	635 915
Retrenchment Fund	77 851	76 345
Gqunu Lots	1 342 107	1 363 275
Equitable share 1 day	22 004 366	11 746 307
Operational investment	844 183	728 823
MSP and Special funds	4 196 304	-
30 Tsolo Pilot Housing	346 447	-
LED	1 004	-
IDP	1 004	-
Youth Centre	18 081	-
	<u>41 711 274</u>	<u>25 870 865</u>

MHLONTLO LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 30 June 2005

	2005 R	2004 R
3. LONG-TERM DEBTORS:		
3.1 KDC TRUST	-	8 050 596
3.2 Motor vehicle scheme	546 636	388 732
Current portion	(247 289)	-
	<u>299 347</u>	<u>388 732</u>
	<u>299 347</u>	<u>8 439 328</u>
4. ACCOUNTS RECIEVABLE		
4.1 Customer Debtors		
Rates and refuse debtors	7 512 267	9 368 108
Provision for doubtful debts	(7 512 267)	(7 802 769)
	<u>-</u>	<u>1 565 339</u>
4.2 Sundry debtors		
VAT	7 364 841	9 095 123
Current portion of long-term debtors	247 289	-
Other debtors	-	623 978
	<u>7 612 130</u>	<u>9 719 101</u>
4.3 O.R. Tambo District Municipality	2 208 575	-
This amount relates to water, sanitation and sewerage debtors which were transferred to O.R. Tambo District Municipality	<u>9 820 705</u>	<u>11 284 440</u>

NOTES TO THE FINANCIAL STATEMENTS

(continued)

for the year ended 30 June 2005

	2005 R	2004 R
5. FUNDS		
5.1 Statutory Funds		
Revolving fund	1 159 800	1 096 918
	<u>1 159 800</u>	<u>1 096 918</u>
5.2 Trust Funds		
Gqunu Lots Fund	1 342 107	1 363 275
Retrenchment Fund	77 851	76 345
IDP	1 004	-
	<u>1 420 962</u>	<u>1 439 620</u>
5.2 Project Funds		
Bulk Housing (Qumbu)	330 969	501 683
30 Housing Project (Qumbu)	718 051	635 915
Tsolo Pilot Housing Fund	346 447	-
15 Pilot Housing (Tsolo)	38 772	37 804
Town Planning Fund	74 804	72 235
CMIP Trust fund	636 862	353 526
Youth Centre	18 081	-
	<u>2 163 986</u>	<u>1 601 163</u>
	<u>4 744 748</u>	<u>4 137 701</u>
6. Reserves		
MSP and Special funds	4 196 304	-
LED	1 004	-
	<u>4 197 308</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS**(continued)**

for the year ended 30 June 2005

	2005 R	2004 R
7. ACCOUNTS PAYABLE		
Creditors accruals	140 780	4 966 363
Project account	-	7 079 222
Stale cheques	576 649	-
First National Bank credit card	80 484	-
	<u>797 913</u>	<u>12 045 585</u>
8. PROVISIONS		
Provisions - accounting fees	262 395	238 541
Provisions - audit fees	212 735	193 395
	<u>475 130</u>	<u>431 936</u>
9. FINANCE TRANSACTIONS		
Interest earned	<u>1 474 470</u>	<u>1 590 140</u>
10. COUNCILLORS' REMUNERATION		
Mayor's allowances	260 225	12 340
Councillors' allowances	<u>2 545 819</u>	<u>524 402</u>
	<u>2 806 044</u>	<u>536 742</u>
11. AUDITORS REMUNERATION		
Audit fees	212 734	193 394
Under-provision prior year	-	114 481
	<u>212 734</u>	<u>307 875</u>
12. PRIOR YEAR ADJUSTMENTS	<u>511 683</u>	<u>1 659 512</u>

The prior year adjustment is inclusive of Bulk Housing Fund not separately accounted for and disclosed as a fund in the past but only accounted for as part of retained income. The balance of the prior year adjustment corrects fundamental accounting errors of the past. Accordingly and where applicable, comparatives have been restated.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

for the year ended 30 June 2005

	2005 R	2004 R
13. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
-Approved and contracted for	<u>3 125 562</u>	<u>5 750 000</u>
This expenditure will be financed from:		
-Internal sources	<u>3 125 562</u>	<u>5 750 000</u>
14. CASH GENERATED FROM OPERATIONS		
Surplus for the year	13 320 160	1 583 430
Adjustments in respect of:		
Appropriations for the year	-	1 659 513
Capital expenditure	6 733 438	7 567 125
Interest received	(1 474 470)	(1 590 140)
	<u>18 579 128</u>	<u>9 219 928</u>
15. DECREASE IN WORKING CAPITAL		
Decrease (increase) in accounts receivable and long-term debtors	9 603 716	(6 410 135)
(Decrease) increase in accounts payable and provisions	<u>(11 204 478)</u>	<u>2 802 301</u>
	<u>(1 600 762)</u>	<u>(3 607 754)</u>
16. INCREASE (DECREASE) IN CASH		
Increase (decrease) in cash balances	683 344	(17 009)
	<u>683 344</u>	<u>(17 009)</u>

MHLONTLO LOCAL MUNICIPALITY**STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES****APPENDIX A**

for the year ended 30 June 2005

	Balance at 30 June 2004	Contribution during the year	Interest on investment	Other income	Expenditure during the year	Balance at 30 June 2005
STATUTORY FUNDS						
Revolving fund	1 096 918	-	62 882	-	-	1 159 800
	1 096 918	-	62 882	-	-	1 159 800
TRUST FUNDS						
Gqunu lots	1 363 275	-	-	-	(21 168)	1 342 107
Retrenchment Fund	76 345	-	1 506	-	-	77 851
IDP		1 004	-	-	-	1 004
	1 439 620	1 004	1 506	-	(21 168)	1 420 962
PROJECT FUNDS						
Bulk housing	501 683	-	-	-	(170 714)	330 969
Pilot Housing (Qumbu)	635 915	-	82 136	-	-	718 051
30 Tsolo Pilot housing	-	346 447	-	-	-	346 447
Pilot Housing (Tsolo)	37 804	-	968	-	-	38 772
Town Planning Fund	72 235	-	2 569	-	-	74 804
Cmip funds	353 526	283 336	-	-	-	636 862
Youth centre	-	18 081	-	-	-	18 081
	1 601 163	647 864	85 673	-	(170 714)	2 163 986
Total funds	4 137 701	648 868	150 061	-	(191 882)	4 744 748
RESERVES						
MSP and Special Reserves	-	4 196 304	-	-	-	4 196 304
LED	-	1 004	-	-	-	1 004
	-	4 197 308	-	-	-	4 197 308

MHLONTLO LOCAL MUNICIPALITY**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**
for the year ended 30 June 2005**APPENDIX B**

	Balance as at 30 June 2004	Expenditure	Written-off / Transferred	Balance as at 30 June 2005
Rates and general services				
Community services	9 731 640	6 733 438	-	16 465 078
Land and buildings	4 179 691	6 389 288	-	10 568 979
Plant and equipment	2 805 021	-	-	2 805 021
Office equipment	431 042	151 961	-	583 003
Road construction	-	192 189	-	192 189
Fencing	141 886	-	-	141 886
Motor vehicles	2 174 000	-	-	2 174 000
			-	
Trading services	1 566 832	-	-	1 566 832
Waterworks infrastructure	1 566 832	-	-	1 566 832
Economic services	296 378	-	-	296 378
Sanitation	296 378	-	-	296 378
TOTAL PROPERTY, PLANT AND EQUIPMENT	11 594 850	6 733 438	-	18 328 288
Less: Loans redeemed and other capital receipts				
Loans redeemed	(645 414)	-	-	(645 414)
Revenue contribution to capital	(10 895 606)	(6 733 438)	-	(17 629 044)
Grants and subsidies	(53 830)	-	-	(53 830)
NET PROPERTY, PLANT AND EQUIPMENT	-	-	-	-

MHLONTLO LOCAL MUNICIPALITY**APPENDIX C****ANALYSIS OF OPERATING INCOME AND EXPENDITURE**

for the year ended 30 June 2005

Actual 2004 R		Actual 2005 R	Budget 2005 R
INCOME			
26 410 170	Grants and subsidies:	40 312 817	56 790 832
-	- Provincial Government	3 051 817	3 023 162
26 410 170	- Central Government	37 261 000	52 322 890
-	- Other	-	1 444 780
6 329 748	Operating income:	4 730 449	5 434 291
1 987 575	- Assessment rates	1 606 551	1 835 634
593 942	- Refuse	420 301	808 635
3 748 231	- Other income	2 703 597	2 790 022
<u>32 739 918</u>	Total income	<u>45 043 266</u>	<u>62 225 123</u>
EXPENDITURE			
23 589 363	Total operating expenditure	24 989 668	41 336 204
6 946 825	Salaries, wages and allowances	10 708 967	16 847 695
9 709 754	General expenses	13 413 071	17 230 015
1 556 418	Bad debts	(290 472)	-
5 376 366	Repairs and maintenance	1 158 102	7 056 335
-	Contribution to funds	-	202 159
<u>7 567 125</u>	Contribution to property, plant and equipment	<u>6 733 438</u>	<u>20 888 919</u>
<u>31 156 488</u>	Total expenditure	<u>31 723 106</u>	<u>62 225 123</u>

MHLONTLO LOCAL MUNICIPALITY**DETAILED INCOME STATEMENT**

for the year ended 30 June 2005

APPENDIX D

2004 R	2004 R	2004 R
Actual Income	Actual Expenditure	Surplus / (deficit)

32 739 918 31 156 488 1 583 430

RATES AND GENERAL SERVICES

32 145 976 31 071 671 1 074 305

1 987 575	-	1 987 575
10 836	3 942 855	(3 932 019)
240	116 636	(116 396)
-	-	-
-	1 175 965	(1 175 965)
-	-	-
30 147 325	25 836 215	4 311 110
-	-	-
-	-	-
-	-	-
-	-	-

Assessment rates
Administration and Human Resources
Commonage
Community
Councillor expenses
Local Economic Development
Finance
Engineering and Roads
Public Safety and Traffic control
Property Services
Municipal Manager

593 942 84 817 509 125

Economic Services

578 962	84 817	494 145
14 980	-	14 980

Refuse removal
Sanitation

32 739 918 31 156 488 1 583 430

1 583 430 Surplus for the year
25 879 582 Accumulated surplus at the beginning of the year
1 659 512 Prior year adjustments
27 539 094
29 122 524 Accumulated surplus at the end of the year

2005 R	2005 R	2005 R
Actual Income	Actual Expenditure	Surplus / (deficit)

45 043 266 31 723 106 13 320 160

44 622 965 30 273 768 14 349 197

1 606 552	-	1 606 552
-	5 264 656	(5 264 656)
-	388 017	(388 017)
-	391 763	(391 763)
-	4 206 413	(4 206 413)
-	1 204 326	(1 204 326)
43 016 413	5 626 214	37 390 199
-	3 369 087	(3 369 087)
-	1 993 472	(1 993 472)
-	6 787 147	(6 787 147)
-	1 042 673	(1 042 673)

420 301 1 449 338 (1 029 037)

420 301	1 449 338	(1 029 037)
-	-	-

45 043 266 31 723 106 13 320 160

13 320 160
29 122 524
(511 683)
28 610 841
41 931 001

MHLONTLO LOCAL MUNICIPALITY**APPENDIX E****STATISTICAL INFORMATION**

for the year ended 30 June 2005

GENERAL STATISTICS**1. Population**

Age group	Age group as percentage of total	Total population	Males	Females
0 - 14	44%	86,537	39,461	47,076
15 - 34	49%	96,371	43,945	52,546
Over 65	7%	13,767	6,278	7,489
Total	100%	196,675	89,684	106,991

2. Assessment rates**2.1 Property valuation and assessment rates**

	Valuation	Actual income 2005	Actual income 2004
State owned property	24 856 277	306 896	377 640
Commercial and residential	157 380 612	1 299 656	1 609 935
Total valuation	182 236 889	1 606 552	1 987 575

General valuations on land and buildings are performed every 5 years.

The last general valuation came into effect on 07 August 2003.

The assessment rates was as follows:

- Commercial and Residential 0.098 cents per rand
- State owned properties 0.18 cents per rand