

AMATHOLE DISTRICT MUNICIPALITY

30 JUNE 2005

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AMATHOLE DISTRICT MUNICIPALITY

30 JUNE 2005

GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE

ALDERMEN/COUNCILLORS

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

GRADING OF THE DISTRICT MUNICIPALITY

Grade 5

AUDITORS

Auditor - General

BANKERS

Standard Bank - East London

REGISTERED OFFICE

*40 Cambridge St
East London*

*PO Box 320
East London
5200*

Telephone : 043 - 701 4000

MUNICIPAL MANAGER

X.W. Msweli

CHIEF FINANCIAL OFFICER

KT Jacoby

LEGISLATION

The ADM comply's with the Municipal Finance Management Act 56 of 2003

AMATHOLE DISTRICT MUNICIPALITY
MEMBERS OF THE AMATHOLE DISTRICT MUNICIPALITY
30 JUNE 2005

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

MAYOR

S Somyo

SPEAKER

S Janda

MAP OF DISTRICT MUNICIPALITY

Not provided

APPROVAL OF THE FINANCIAL STATEMENTS

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

MUNICIPAL MANAGER

X.W. Msweli

CHIEF FINANCIAL OFFICER

K.T. Jacoby

AMATHOLE DISTRICT MUNICIPALITY

30 JUNE 2005

Executive Mayor's Foreword for the Financial Statements for 2004/05:

Fifty years ago, the people of South Africa gathered at Kliptown and mapped out a Freedom Charter, on which the Constitution of South Africa is based today. This year we celebrate with our people the 50th anniversary of that momentous occasion and can say with a level of certainty that we have successfully implemented many of the prescripts of the Freedom Charter in the delivery of services to our communities over the past four and a half years.

This report, however, covers the period July 2004 to June 2005. Our levy income of the past year amounted to R119,498,250, a 13% increase from the previous year. This was largely due to the levy database cleansing exercise undertaken which boosted our levy income, as well as an increased level of confidence by the business sector and infrastructural growth within the district. The results were better than expected as we had originally budgeted for levy income in the amount of R96 million, so the actual figures versus the budget represent an increase of some 24%. Our levy rates have remained unchanged for the past nine years.

Our levy income to date has mostly been spent in implementing priority projects. In 2003/04 R85 million was allocated to priority projects and our expenditure amounted to R78 651 944. In 2004/05 R100 million was allocated to priority projects and our expenditure amounted to R144 804 915, representing a 84% increase from the previous year. This speaks volumes of our efforts to increase service delivery and to reduce the rollover of funding.

It should be noted, however, that RSC levies will fall away as from 1 July 2006. Moves are afoot by National Treasury, in consultation with roleplayers across the country, to replace the levy with other sources of revenue, however, there is no certainty on this issue as yet. This is an area of some concern and we need to exercise caution until there is clarity on the situation.

The ADM is graded by National Treasury as a high capacity municipality and statements have been compiled in accordance with standards specified for 2004/05.

On behalf of Council, I am proud to present the financial statements for the year 2004/05 which reflects our achievements over the past year. I would also like to take this opportunity to thank our officials for their sterling work. I am happy to report that for the fifth year in succession, the ADM posted an unqualified audit report. We are now focusing our attention on ensuring that our local municipalities also enjoy unqualified audit reports and are looking at addressing the areas of weakness as identified by the Auditor-General in their financial statements.



.....
CLLR SAKHUMZI SOMYO
EXECUTIVE MAYOR

AMATHOLE DISTRICT MUNICIPALITY
FOR THE YEAR ENDED 30 JUNE 2005
ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for the revaluation of land, buildings and community property, which are carried at fair value:

- Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received.
- Expenditure is accrued in the year it is incurred.

These annual financial statements have been prepared in accordance with Generally Accepted Municipal Accounting Practice (GAMAP) and Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122 (3) of the Municipal Finance Management Act, (Act No. 56 of 2003). Changes in accounting policies relate to Reserves (Accounting Policy 4) and Inventories (Accounting policy 8)

The Municipality have transactions, events or balances that are outside the ambit of the accounting standards referred to above but which are included in Standards of International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants- Public Sector Committee, International Accounting Standards (IAS) issued by the International Accounting Standards Board or Generally Accepted Accounting Practice issued by the South African Accounting Practices Board and the South African Institute of Chartered Accounting Practice Committee. The Municipality has not complied with the measurements, recognition and disclosure of those accounting standards.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below

Assets, liabilities, revenues and expenses have not been offset except as required or permitted by a Standard of GAMAP OR GRAP.

2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

4 RESERVES

4.1 Capital Replacement Reserve (CRR)

Amounts equivalent to the value of infrastructure, property, plant and equipment acquired are transferred from the accumulated surplus (deficit) to the CRR.

The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

4.2 Government Grants Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/ (deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budgeted circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfer from this reserve to the accumulated surplus/(deficit).

4.3 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve.

The revalued assets are depreciated, through a transfer from the revaluation reserve to The accumulated surplus/ (deficit). On disposal, the net revaluation surplus is transferred to the accumulated Surplus/ (deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

AMATHOLE DISTRICT MUNICIPALITY
FOR THE YEAR ENDED 30 JUNE 2005
ACCOUNTING POLICIES

5 PROPERTY, PLANT AND EQUIPMENT

- 5.1 Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses, except for land and buildings, which have been revalued as indicated below.
- 5.2 Land is not depreciated as it is deemed to have an indefinite life
- 5.3 Item purchased less than R1000 in value, are considered to be non capital in nature and are therefore expensed
- 5.4 The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amounts of the assets given up.
- 5.5 Expenditure is capitalised when the recognition and measurement criteria of an asset are met.
- 5.6 Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets
The annual depreciation rates are based on the following estimated asset lives:

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

- 5.7 The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statements of Financial Performance.
- 5.8 Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.
- 5.9 Assets are capitalised on date of payment.
- 5.10 Major improvements to buildings, plant and equipment are capitalised. Maintenance and repairs are expensed when incurred
- 5.11 Heritage assets, defined as culturally significant resources, are not depreciated.
- 5.12 Land and buildings are stated at revalued amounts, being net replacement costs at the date of revaluation less subsequent accumulated depreciation and impairment losses on the buildings.
- 5.13 The Strategic Framework for water services, being the approved Government policy framework, prescribes the processes and details KPI's, and associated timeframes for the transfer of all infrastructure and functions relating to water services. In accordance, the transfer of all relevant water related infrastructure is to be finalised by 30 June 2006. The ADM conforms to that which has been prescribed in terms of due process as contained in the Strategic framework.

AMATHOLE DISTRICT MUNICIPALITY
FOR THE YEAR ENDED 30 JUNE 2005
ACCOUNTING POLICIES

6 REVENUE RECOGNITION

6.1 Levies

6.1.1 Enterprises are assessed on a monthly basis and charged an Establishment and Service charge levy using Turnover and Human Resource costs, respectively.

The tariffs for levies on Turnover and Human Resources differ in accordance with the operating budget approval.

6.1.2 Levy income is recognised on the receipt of actual assessments.

Payments received regarding undeclared figures are considered creditors in Council's records.

6.2 Services

Service income is recognised on an invoice basis.

6.3 Interest

Interest and rentals are recognised on a time proportion basis

6.4 Agency Services

Income from agency services is recognised once such income has been received in accordance with a service level agreement.

7 INVESTMENTS

7.1 Financial Instrument

Financial Instrument, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

7.2 Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

8 INVENTORIES

8.1 Consumables stores, raw material, work-in-progress, settlements and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first-in, first-out method.

8.2 Unsold properties and land used for housing are valued at the lower of cost and net realisable cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

8.3.1 Housing development funding received is recognised as revenue and expenditure on the Statement of Financial Performance to the extent that the Municipality has complied with any of the criteria, obligations or conditions of the grant.

8.3.2 When housing development is financed from government grants, an amount equal to note 8.4.1 is transferred from the accumulated surplus/ (deficit) in the Statement of Changes in Net Assets and is reflected as Work in Progress Housing projects. Completed and transferred houses will be offset against the accumulated surplus/ (deficit) in the Statement of Changes in Net Assets.

9 ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

10 TRADE CREDITORS

Trade creditors are stated at their nominal value.

11 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations. If it has not been met it is recognised as a liability.

AMATHOLE DISTRICT MUNICIPALITY
FOR THE YEAR ENDED 30 JUNE 2005
ACCOUNTING POLICIES

12 PROVISIONS

12.1 Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it 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. Provision are reviewed at reporting date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

Leave Provision

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

13 CASH AND EQUIVALENTS

Cash includes cash on hand and deposits held on call with banks. For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand, deposit held on call with banks.

14 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003) Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

15 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act(Act No. 56 of 2003) the Municipal Systems Act(Act No. 32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998). Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

16 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

17 COMPARATIVE INFORMATION

17.1 Current year comparative:

Budgeted amounts have been included in the annual financial statements for the current financial year only.

17.2 Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

18 LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality

Operating leases are those leases that do not fall within the scope of the above definition. Operating leases rentals are expensed as they become due.



AMATHOLE DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2005

NOTE	2003/04 R	2004/05 R
NET ASSETS AND LIABILITIES		
Net assets	297 162 067	374 856 319
Housing Development Fund	0	0
Capital replacement reserve		
Capitalisation reserve		
Government grant reserve	5 041 199	7 112 599
Donations and public contribution reserves	0	
Self- insurance reserve	0	0
Revaluation reserve	5.2	34 205 518
Accumulated Surplus/(Deficit)	292 120 868	333 538 202
Non-current liabilities	0	0
Long-term liabilities	0	0
Non-current provisions	0	0
Current liabilities	220 387 423	210 709 770
Consumer deposit	0	0
Provisions	2	1 766,135
Creditors	3	73,669,297
Unspent conditional grants and receipts	3	144 951 991
VAT		
Short-term loans		
Bank overdraft		
Current portion of long-term liabilities	0	0
Total Net Assets and Liabilities	517 549 493	585 566 089
ASSETS		
Non-current assets	13 922 299	57 921 195
Property, plant and equipment	5.1	11 774 909
Investment property	6	0
Investments		617 898
Long-term receivables	8	0
	2,147,390	1 348 530
Current assets	503 627 193	527 644 894
Inventory	9	9 357 533
Consumer debtors	10	59 003 013
Other debtors	11	2 517 444
Current portion of long-term debtors	8	11 858 100
Short term investments	7	595,993
Bank balances and cash	12	517 718
	424 867 807	400 769 979
	54 580 396	50 928 246
Total Assets	517 549 493	585 566 089

.....
X.W. Msweli
MUNICIPAL MANAGER

DATE :

.....
CERTIFIED AS CORRECT
K.T. Jacoby
CHIEF FINANCIAL OFFICER

AMATHOLE DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2005

	Pre-GAMAP Reserves and Funds	Capital Replacement Reserve	Leave Reserve	Capitalisation Replacement Reserve	Government Grant Reserve	Donations and Public Contribution Reserve	Revaluation Reserve	Accumulated Surplus/ Deficit	Total
	R	R	R	R	R	R	R	R	R
2003/04									
Balance at 1 July 2003	5,982,299							246,936,817	
Correction of leave reserve								(770,191)	
Implementation of GAMAP	(5,982,299)		-	-	4,656,737	-		1,325,562	
Change in accounting policy					(9,612)			9,612	
Restated balance	-	-	-	-	4,647,125	-	-	247,501,800	252,148,925
Surplus/deficit for the year								35,832,830	
Transfer to CRR		7,016,213						(7,016,213)	
Property, plant and equipment purchased		(7,016,213)						7,016,213	
Capital grants used to purchase PPE					758,039			(758,039)	
Donated/ contributed PPE									
Offsetting of depreciation					(540,410)			540,410	
Transfer: disposal of asset					(5,565)			5,565	
	-	-	-	-	212,064	-	-	35,620,767	35,832,830
Balance at 30 June 2004	-	-	-	-	4,859,189	-	-	283,122,567	287,981,755
Depreciation correction made					182,010			(182,010)	
Assets classified as inventory								9,180,312	
Reinstated opening balance	-				5,041,199			292,120,869	297,162,067
Assets classified as inventory								26,410,207	
Fire engine transferred to ADM								166,700	
GAMAP adjustments								23,052,339	
Re Valuation							34,494,405		
Restated balance					5,041,199		34,494,405	341,750,114	381,285,718
Surplus/deficit for the year								(5,898,115)	
Transfer to CRR		13,711,532						(13,711,532)	
Property, plant and equipment purchased		(13,711,532)						13,711,532	
Capital grants used to purchase PPE					2,855,026			(2,855,026)	
Donated/ contributed PPE								(663,138)	
Correction								135,483	
Transfer to leave reserve								(1,346)	
Offsetting of depreciation								(66,521)	
GAMAP adjustments								64,239	
Offsetting of depreciation					(783,635)		(288,887)	1,072,522	
					2,071,391		(288,887)	(8,211,902)	(6,429,398)
Balance at 30 June 2005					7,112,589	-	34,205,518	333,538,213	374,856,320

AMATHOLE DISTRICT MUNICIPALITY

STATEMENT FOR FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

Budget			Actuals	
2003/04 R	2004/05 R	Note	2004/05 R	2003/04 R
REVENUE				
200 000	200 000		247 748	168 786
74 160 000	96 000 000	13	119 498 250	105 775 771
7 000	8 000		59 923	65 209
7 000 000	10 000 000		26 585 275	29 193 478
500 000	530 000		1 505 069	796 997
0	0		0	0
0	0		0	0
10 457 492	6 731 852	14.2	7 190 620	10 920 540
73 918 798	86 666 318	14	296 825 467	86 214 415
	68 548 528	15	3 689 403	12 796 570
0	0		0	0
0	0		76 000	37 999
			10 571 723	
<u>166 243 290</u>	<u>268 684 698</u>		<u>466 249 477</u>	<u>245 969 764</u>
EXPENDITURE				
61 475 301	73 489 507	16	53 244 437	57 350 969
99 030	152 382	17	113 910	99 030
31 451	300 000		0	8 323 967
1 446 655	1 605 000		960 558	1 417 938
0	2 644 468		3 068 512	1 852 155
5 299 388	7 186 052		4 848 852	3 512 884
758 718	0		0	0
0	0		0	0
0	0		0	0
35 327 492	32 324 596	19	20 446 460	10 809 375
108 281 605	126 705 171	19	92 771 136	52 932 559
16 220 064				0
93 604 549	114 154 264		296 429 953	72 760 519
0	2	2	263 773	82 404
			0	
644 428				995 135
<u>323 188 681</u>	<u>358 561 442</u>		<u>472 147 591</u>	<u>210 136 934</u>
<u>(156 945 391)</u>	<u>(89 876 744)</u>		<u>(5 898 115)</u>	<u>35 832 830</u>
Share of surplus/(deficit) of associate accounted for under the equity method				
<u>(156 945 391)</u>	<u>(89 876 744)</u>		<u>(5 898 115)</u>	<u>35 832 830</u>
SURPLUS/(DEFICIT) FOR THE YEAR				

Refer to Appendix E (1) for explanation of variances

AMATHOLE DISTRICT MUNICIPALITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005

	Note	2003/04 R	2004/05 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		215,941,290	419 243 287
Cash paid to suppliers and employees		140,285,584	(465 144 248)
Cash (utilised)/generated from operations	24	75 655 706	(45 900 961)
Interest received		29,990,474	28 090 344
NET CASH FROM OPERATING ACTIVITIES		105,646,180	(17 810 617)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7,774,252)	(13 711 532)
Proceeds on disposal of property, plant and equipment		173,488	118 285
(Increase)/decrease in investment properties		-	-
Decrease/(Increase) in non-current receivables		(195,960)	798 860
Decrease/(Increase) in non-current investments		-	24 097 828
(Increase)/decrease in call investments deposits	26	(73,506,558)	-
NET CASH FROM INVESTING ACTIVITIES		(81,303,282)	11 303 441
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		-	-
Other capital receipts		758,038	2,855,026.00
NET CASH FROM FINANCING ACTIVITIES		758,038	2,855,026.00
NET CASH FLOW		25,100,936	(3 652 150)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	25	25,100,936	(3 652 150)
Cash and cash equivalents at Beginning of year		29,479,460	54 580 396
Cash and cash equivalents at end of year		54,580,396	50 928 246

AMATHOLE DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
1. DEPOSITS	130,000	30,000
Guarantess in lieu of Eskom and the Post office	<u>130,000</u>	<u>30,000</u>
2. PROVISIONS		
Staff Leave Pay		
Opening Balance	(1,766,135)	983,046
Plus: Contributions during the year	(1,440,235)	1,707,633
Leave sold during the year	1,061,160	(924,544)
Performance Bonus		
Contributions during the year	(663,137)	
Total Provisions	<u>(2,808,347)</u>	<u>1,766,135</u>
The provision is an estimate of the amount due to staff at reporting date Performance bonus calculated at 20% of annual salary- section 57 employees		
3. CREDITORS		
Trade creditors	88,710,130	67,065,158
Conditional Grants and Receipts	115,048,219	144,951,991
Audit Fees		
Equitable Share Projects	4,143,074	6,604,139
Total	<u>207,901,423</u>	<u>218,621,288</u>
4. VAT		
The ADM is registered on the invoice basis, VAT is payable on the receipt basis once payment is received from debtors		

5.1 PROPERTY, PLANT AND EQUIPMENT
 30-Jun-05

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2004	-	6,876	254,130	-	11,513,902	11,774,908
Cost	-	9,562	293,738	-	16,223,150	16,526,450
Revaluation	-	-	-	-	-	-
Accumulated depreciation	-	2,686	39,608	-	4,709,248	4,751,542
Acquisitions	-	(4,768)	483,768	-	13,232,532	13,711,532
Capital under Construction	-	-	-	-	-	-
Increases/decreases in revaluation	-	-	3,448,558	-	30,417,682	33,866,240
Depreciation based on cost	-	-1508	74,023	-	3,019,341	3,091,856
based on revaluation	-	-1508	10,974	-	2,822,208	2,831,674
Carrying value of disposals	-	-	63,049	-	197,133	260,182
Cost/revaluation	-	-	-	-	529,741	529,741
Accumulated depreciation	-	-	-	-	223,683	223,683
Carrying values at 30 June 2005	-	3,617	4,112,433	-	51,838,717	55,954,766
Cost	-	4794	4,226,064	-	59,343,624	63,574,482
Revaluation	-	-	-	-	-	-
Accumulated depreciation	-	1,177	113,631	-	7,504,906	7,619,715
Cost	-	1,177	50,582	-	7,307,774	7,359,533
Revaluation	-	-	63,049	-	197,133	260,182

Carrying values	Land and Buildings	Infrastructure	Community	Heritage	Other	Total
	R	R	R	R	R	R
at 1 July 2003	-	7,117	263,806	-	5,711,376	5,982,299
Cost	-	9,562	293,738	-	8,803,833	9,107,133
Revaluation	-	-	-	-	-	-
Accumulated depreciation	-	2,445	29,932	-	3,092,457	3,124,834
Cost	-	-	-	-	-	-
Revaluation	-	2,445	29,932	-	3,092,457	3,124,834
Acquisition	-	-	-	-	7,774,252	7,774,252
Capital under construction	-	-	-	-	-	-
Increases/decreases in revaluation	-	-	-	-	-	-
Depreciation based on cost	-	241	9,676	-	1,842,238	1,852,155
based on revaluation	-	241	9,676	-	1,842,238	1,852,155
Carrying value of disposals	-	-	-	-	129,487	129,487
Cost/revaluation	-	-	-	-	354,934	354,934
Accumulated depreciation	-	-	-	-	225,447	225,447
Impairment losses	-	-	-	-	-	-
Carrying values at 30 June 2004	-	6,876	254,130	-	11,513,903	11,774,909
Cost	-	9,562	293,738	-	16,223,151	16,526,451
Revaluation	-	-	-	-	-	-
Accumulated depreciation	-	2,686	39,608	-	4,709,248	4,751,542
Cost	-	241	9,676	-	1,842,238	1,852,155
Revaluation	-	2,445	29,932	-	2,867,010	2,899,387

AMATHOLE DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

The Municipality has taken advantage of the requirements of GAMAP 12 and reclassified previously disclosed assets as inventory if the requirements are met

Land and buildings were revalued to fair value by using depreciated replacement values. The effective date of the revaluation was 1 December 2004.

No restriction on title exists on any assets held; No Property, Plant or Equipment have been pledged as security against liabilities

5.2 The revaluation surplus is reconciled as follows:

	2005
	R
Balance at beginning of year	0
Surplus realised	34,494,405
Less Depreciation	(288,887)
Balance at end of year	<u>34,205,518</u>

Refer to Appendix B for more detail on property, plant and equipment
 Revaluation conducted by independent valuator

6. INVESTMENT PROPERTY

	2005	2004
	R	R
Costs	617,898	0
Total Investment Property	<u>617,898</u>	<u>0</u>

7. INVESTMENTS

Financial Instruments

Fixed Deposit	400,769,978	424,867,807
Total Investment	<u>400,769,978</u>	<u>424,867,807</u>

Short Term Investments

Institution	Account No	2005	2004
		R	R
STANDARD BANK	341047	7,231,326	7,163,647
	336144	10,314,329	10,261,370
	336439	10,257,479	10,198,493
	343066	13,279,375	13,095,790
	345290	11,074,860	11,289,903
	334925	10,039,699	10,277,041
	88643816009	-	10,292,192
	88605248001	309,205,00	3,190,262
PEOPLES BANK	20155966-9989	14,357,633	14,149,129
	20155966-9985	13,083,556	13,396,732
	20155966-9986	13,090,060	13,339,781
	20155966-9988	11,234,797	11,066,316
	20155966-9987	12,237,945	12,072,345
INVESTEC	1100-176303-450	12,265,595	12,208,484
	1100-176303-451	13,395,342	13,328,649
	1100-176303-452	10,345,205	10,280,990
	1100-176303-453	10,164,493	10,141,892
	1100-176303-454	10,133,288	10,114,753
	1100-176303-456	10,111,233	10,325,952
ABSA	2057092476	13,329,452	13,247,890
	2059800124	10,187,781	10,077,192
	2057067401	12,209,589	12,069,238
	2060488868	15,404,466	15,298,685
	2062856304	10,326,411	10,261,890
	2058461446	10,228,477	10,170,959
FNB	FD05G08003	10,285,945	10,186,411
	FD05K09003	10,068,055	10,212,603
	FD05H10001	8,204,362	8,133,151
	FD05H18003	12,258,559	12,183,748
	FD05I20007	12,231,781	12,133,151
	FD05E18001	12,099,090	12,091,101
	FD05J18002	-	11,104,967
NEDBANK	03/7881714026/000021	12,081,074	12,345,436
	03/7881714026/000020	12,083,326	12,273,534
	03/7881714026/000018	12,242,482	12,127,825
	03/7881714026/000017	10,283,836	10,127,918
	03/7881714026/000019	10,160,274	10,078,151
	03/7881714026/000022	14,060,871	14,365,918
Standard Bank	88643816001	2,261	5,137
Stanlib Call	70061564	96,466	179,185
		<u>400,769,978</u>	<u>424,867,808</u>

Standard Bank Call: Accumulated interest

Stanlib Call: Accumulated interest

8. LONG-TERM RECEIVABLES

Car loans	1,728,757	2,603,968
Deposit	54,500	54,500
Loans to Local Municipalities	82,990	84,915
	<u>1,866,246</u>	<u>2,743,383</u>
Less: Short term portion transferred to current assets	517,717	595,993
Car loans	<u>517,717</u>	<u>595,993</u>
Total	<u>1,348,529</u>	<u>2,147,390</u>

AMATHOLE DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

CAR LOANS

Senior staff are entitled to car loans which attract interest at 8% per annum and which are payable over maximum period of 6 years. These loans are expected to be redeemed in full by 30 June 2010.

	2005 R	2004 R
9. INVENTORY		
Consumable stores- at cost	295,915	177,221
Maintenance materials -at cost		
Spare parts - at unauthorized value		
Housing Projects	32,296,890	9,180,312
Unsold properties held for resale: Settlements	26,410,207	
Total Inventory	<u>59,003,012</u>	<u>9,357,533</u>

Housing Projects

Housing developments were not accounted for in Council's records in prior years, now corrected. Corrections relate to inventory 03/04 financial year as well as the changes in net assets.

Unsold properties held for resale: settlements

In accordance with GAMAP 12 land owned for housing, selling or other developments have to be transferred from PPE to inventory at the lower of cost and current replacement cost. A project to identify all Council's land and improvements was undertaken.

10. CONSUMER DEBTORS

	2005 R	2004 R
Service debtors	5,962,640	3,640,852
Levies	5,962,640	3,640,852
Water		
Sewerage		
Less : Provision for bad debts	(1,394,802)	(1,123,407)
Total	<u>4,567,838</u>	<u>2,517,445</u>

The ageing of debtors is as follows:-

	2005 R	2004 R
Levies		
Current	303,247	423
30 - 60 Days	391,227	213,713
60 - 90 Days	272,269	168,322
90 - 120 Days	185,912	128,056
120 - 365 Days	1,789,219	573,138
+ 365 Days	2,789,603	2,246,796
Total	<u>5,731,478</u>	<u>3,330,448</u>

Days outstanding in debtors amount to 17 days. (2003/04 : 11 days)

Bad Debt Provision

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

	2005 R	2004 R
11. OTHER DEBTORS		
Other Debtors	26,551,734	37,326,006
Current Debtors	2,806,361	2,010,342
Vat	9,691,386	9,697,677
Department of Public Works	3,905,232	15,469,232
Department of Health	10,148,755	10,148,755
Less: Provision for bad debtors	(14,693,634)	(25,617,986.00)
Total	<u>11,858,100</u>	<u>11,708,020</u>

Department of Public Works

The debtor originated as a result of lack of funding received for the operations of the Roads division. A provision for bad debt has been created in the event of the Department of Public Works not honoring the debt.

Department of Health

The debtors originated as a result of lack of funding received dating back as far as the 1998/1999 financial year. Council is currently instituting legal action against the Department. In the event of Council not being successful in this legal action, a provision equivalent to the outstanding debt has been created.

12. BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts:

	2005 R	2004 R
Current Account (Primary Bank Account)	20,924,846	4,576,996
Call Account	30,000,000	50,000,000
Imprest Account	3,400	3,400
Total Cash Reserves	<u>50,928,246</u>	<u>54,580,396</u>
Current Account (Primary Bank Account)	<u>22,324,877</u>	<u>11,380,621</u>
STANDARD BANK		
Account No 081093454		
East London		
Main Branch		
Call Account	<u>15,000,000</u>	<u>30,000,000</u>
STANDARD BANK		
Account No 88643816001		
Call Account	<u>15,000,000</u>	<u>20,000,000</u>
STANLIB		
Account No 70061564		

13. SERVICE CHARGES

Levies	119,498,250	105,775,771
Total Service Charges	<u>119,498,250</u>	<u>105,775,771</u>

AMATHOLE DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
14. GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share	83,985,870	70,210,797
Conditional Grants: Conditions met- transferred to revenue	212,839,597	16,003,618
Total Government Grant and Subsidies	<u><u>296,825,467</u></u>	<u><u>86,214,415</u></u>

14.1 Equitable Share

This grant is used to subsidise the following functions:

WSP
 WSA
 Disaster Management
 Environmental Health
 Fire service
 Building & Services Planning
 Municipal Manager

14.2 Provincial Health Subsidies

Balance outstanding at beginning of year	0	1,054,656
Outstanding balance receipts-included in public health vote		(1,054,656)
Current year receipts-included in public health vote	7,190,620	10,920,538
Conditions met- transferred to revenue	(7,190,620)	(10,920,538)
Conditions still to be met- transferred to liabilities (SEE NOTE 5)	<u><u>-</u></u>	<u><u>-</u></u>

The Municipality renders health services on behalf of the Provincial Government and is refunded 100% of the total expenditure incurred and is refunded 100% of total expenditure incurred. This grant has been used exclusively to fund Nursing Services. The conditions of the grant have been met. There was a delay in receiving the subsidy due to negotiations regarding the Service Level Agreement

14.3 Conditional Grants

Balance unspent at beginning of year	144,951,992	95,764,595
Current year receipts	190,416,500	266,849,086
Interest Received	6,241,327	7,979,158
Less: Expenditure	(226,561,601)	(225,640,847)
Condition still to be met-transferred to liabilities (see note 3)	<u><u>115,048,218</u></u>	<u><u>144,951,992</u></u>
Refer to Annexure 1		

14.4 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, Act 1 of 2005) no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

15. OTHER INCOME

Sale of housing	0	0
Other income	2,180,029	10,786,672
Recovery of unauthorized, irregular, fruitless and wasteful expenditure (Note 35)	0	0
Interest Current Account	719,140	924,881
Administration fees	790,234	1,085,017
Total Other Income	<u><u>3,689,403</u></u>	<u><u>12,796,570</u></u>

16. EMPLOYEE RELATED COSTS

Employee related costs- Salaries and Wages	36,971,265	50,517,722
Employee related costs- Contribution for UIF, pensions and medical aid.	8,701,633	9,425,780
Travel, motor car, accommodation, subsistence and other allowances	4,097,007	3,621,516
Housing benefits and allowances	709,284	887,949
Overtime payments	243,417	490,437
Bonus	2,021,404	2,068,875
Long-service awards	0	0
Any other type of benefit or allowance related to staff	2,374,537	2,937,148
Total Employee Related Costs	<u><u>55,118,546</u></u>	<u><u>69,949,427</u></u>

Remuneration of the Municipal Manager

Annual Remuneration	287,748	302,400
Performance Bonuses	0	119,870
Acting Allowance	0	0
Cell Phone Allowance	4,168	18,400
Car Allowance	106,382	99,976
Contributions to UIF, Medical and Pension Fund	162,328	71,530
Total	<u><u>560,627</u></u>	<u><u>612,176</u></u>

Post of Municipal Manager vacant for the period 1 April 2004 to 31 October 2004
 Post filled from 1 November 2004

Remuneration of the Chief Finance Officer

Annual Remuneration	328,579	327,533
Performance Bonuses	95,086	91,407
Acting Allowance	0	0
Cell Phone Allowance	16,920	15,420
Car Allowance	125,874	119,873
Contributions to UIF, Medical and Pension Funds	88,357	83,854
Total	<u><u>654,817</u></u>	<u><u>638,087</u></u>

Remuneration of the Director:Administration

Annual Remuneration	340,000	330,708
Performance Bonuses	96,087	68,098
Acting Allowance	23,097	17,323
Cell Phone Allowance	16,920	15,420
Car Allowance	112,620	89,718
Contributions to UIF, Medical and Pension Fund	88,950	86,416
Total	<u><u>677,674</u></u>	<u><u>607,684</u></u>

Acting allowance for the post of Municipal Manager paid for the period 1 April 2004 to 31 October 2004

AMATHOLE DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
Remuneration of the Director:Engineering		
Annual Remuneration	340,000	327,359
Performance Bonuses	70,063	66,270
Acting Allowance	0	0
Cell Phone Allowance	16,920	12,920
Car Allowance	110,683	106,183
Contributions to UIF, Medical and Pension Fund	92,133	85,986
Total	629,800	598,718
Remuneration of the Director:Strategic Management		
Annual Remuneration	270,082	304,871
Performance Bonuses	0	0
Acting Allowance	19,853	0
Cell Phone Allowance	0	14,110
Car Allowance	89,358	98,028
Contributions to UIF, Medical and Pension Fund	63,094	59,676
Total	442,387	476,685
Post of Strategic Manager vacant for the period 1 June 2004 to 28 February 2005. Acting allowance paid for the period 1 July 2004 to 28 February 2005. Post of Strategic Manager filled from 1 March 2005		
Remuneration of the Director:Human Resources		
Annual Remuneration	340,000	341,704
Performance Bonuses	83,075	78,336
Acting Allowance	0	0
Cell Phone Allowance	0	0
Car Allowance	119,891	103,220
Contributions to UIF, Medical and Pension Fund	84,762	82,245
Total	627,728	605,506
Remuneration of the Director:Health & Protection		
Annual Remuneration	343,000	312,992
Performance Bonuses	85,077	67,413
Acting Allowance	0	0
Cell Phone Allowance	16,920	12,920
Car Allowance	117,308	105,801
Contributions to UIF, Medical and Pension Fund	85,470	85,973
Total	647,775	585,098
17. REMUNERATION OF COUNCILLORS		
Executive Mayor	429,064	408,397
Speaker	363,300	346,702
Mayoral Committee Members	2,997,434	2,970,041
Councillors	2,574,604	2,556,834
Councillors pension contribution	95,204	99,571
Total Councillors' Remuneration	6,459,607	6,381,545
In-kind Benefits		
The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. Mayor has use of a council owned vehicle for official duties. The Executive Mayor has one full-time driver/bodyguards		
18. TAXES		
	8,164,997	11,452,505
Taxes are paid in full during the course of the financial year		
19 GRANTS AND SUBSIDIES PAID		
EC121	16,493,997	7,413,808
EC122	22,532,202	11,081,039
EC123	4,743,717	3,185,136
EC124	14,444,447	9,736,637
EC125	34,975,441	17,243,272
EC126	7,216,999	6,661,712
EC127	9,087,494	5,710,678
EC128	3,723,298	2,709,652
Total Grants and Subsidies	113,217,595	63,741,934
The grant paid to all LM's is in terms of the District Municipality's Intergrated Development Plan.		
20 GRANTS AND SUBSIDIES OUTSTANDING		
EC121	502,360	1,714,683
EC122	3,055,172	3,469,661
EC123	-	13,631
EC124	50,000	123,238
EC125	345,087	575,855
EC126	181,100	315,282
EC127	9,354	391,788
EC128	-	-
Total Grants and Subsidies See note 3	4,143,073	6,604,138
21. AUDIT FEES PAID		
	450,356	366,354
Audit fees was paid in full in the relevant financial year		
22. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
22.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure		
Opening balance	0	0
Unauthorised expenditure current year	0	0
Approved by Council or condoned	0	0
Transfer to receivables for recovery	0	0
Unauthorised expenditure awaiting authorisation	0	0

AMATHOLE DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
22.2 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	0	0
Fruitless and wasteful expenditure current year	0	0
Condoned or written off by Council	0	0
To be recovered- contingent asset	0	0
Fruitless and wasteful expenditure awaiting condonement	<u>0</u>	<u>0</u>
22.3 Irregular expenditure		
Reconciliation of irregular expenditure		
Opening balance	0	0
Fruitless and wasteful expenditure current year	0	0
Condoned or written off by Council	0	0
Transfer to receivables for recovery- not condoned	0	0
Irregular expenditure awaiting condonement	<u>0</u>	<u>0</u>
23.CHANGE IN ACCOUNTING POLICY-IMPLEMENTATION OF GAMAP		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP		
23.1 Loans Redeemed and Other Capital Receipts		
Balance previously reported		
Transferred to Government Grant Reserve as at 1 July 2004	5,041,199	
Transferred to Donations and Public Contribution Reserve		
Transferred to Accumulated Surplus/(Deficit)		
Total	<u>5,041,199</u>	
23.2 Inventory		
Balance reported as at 30 June 2005	295,915	
Implementation of GAMAP 112: Housing developments 2003/04	9,180,312	
Implementation of GAMAP 112: Housing developments 2004/05	23,116,578	
Adjusting for land not previously disclosed	26,410,207	
Total adjustments	<u>59,003,012</u>	
2003/04 comparative figure was adjusted in the relevant financial year		
Title deeds held as well as land registered in Amathole District Municipality's name were identified and valued, and recorded in Council's records at cost or valuation.		
23.3 Accumulated Surplus/(Deficit)		
Implementation of GAMAP		
Transfer from AFF	6,551,700	
Adjustments to inventory: Settlements	26,410,207	
Adjustments to inventory: Housing Developments	23,116,578	
Fire engine transferred to ADM due to change in powers & functions	166,700	
Total	<u>56,245,185</u>	
24. CASH UTILISED BY OPERATIONS		
Surplus for the year	(5,898,115)	35,832,830
Prior year adjustments		
Provision Audit Fees	-	(501,840)
Quarry Maintenance Grant	-	(84,879)
Adjustments for:		
Gain on disposal of property, plant and equipment	187,773	-37999
Houses classified as inventory	-	-
Depreciation	3,068,512	1,852,155
Contributions to provisions - current	1,440,235	1,707,833
Contribution to bad debt provision	(10,571,723)	8,323,967
Non cashflow items inclusion of inventory	26,410,207	9,180,312
Non cashflow item taking over of fire services	166,700	-
Cash receipts utilised	(527,646)	(22,033)
Non cashflow recognition of assets	23,052,339	-
Depreciation added back due to funding	(1,016,538)	(358,400)
Non cashflow Property Plant and Equipment purchased from CRR	13,711,532	-
NDR		(1,325,562)
Investment income	(26,585,275)	(29,193,478)
Interest earned	(1,505,069)	(796,997)
Interest paid	0	0
Operating surplus before working capital changes	<u>21,932,932</u>	<u>24,575,909</u>
(Increase)/Decrease in inventories	(48,645,480)	(8,800,430)
(Increase)/decrease in consumer debtors	(8,510,760)	(13,800,401)
(Decrease)/increase in conditional grants and receipts	(29,903,772)	-505,262
Increase/(decrease) in creditors	19,183,907	74,968,979
Increase/(Decrease) in provision	1,042,212	(783,090)
Increase/(Decrease) in VAT	-	-
(Increase)/decrease in short term debtors	-	-
Cash generated by (unauthor in) operations	<u>(45,900,961)</u>	<u>75,655,705</u>
25. CASH AND CASH EQUIVALENTS		
Balance at the end of the year	50,928,246	54,580,396
Balance at the beginning of the year	54,580,396	29,479,460
Net decrease in cash and cash equivalents	<u>(3,652,150)</u>	<u>25,100,936</u>
26.INCREASE/DECREASE IN SHORT TERM INVESTMENTS		
Investments made/realised	-	(73,506,558)
Net increase in short term investments	<u>-</u>	<u>(73,506,558)</u>
27. PAYE AND UIF		
Opening balance	0	0
Current year payroll deductions	9,075,110	11,454,954
Amount paid-current year	-9,075,110	-11,454,954
Amount paid-previous year	0	0
Balance unpaid (included in creditors)	<u>0</u>	<u>0</u>
28. PENSION AND MEDICAL AID DEDUCTIONS		
Opening balances	0	0
Current year payroll deductions and Council Contributions	9,755,809	10,405,273
Amount paid-current year	9,755,809	10,405,273
Amount paid-previous year	0	0
Balance unpaid (included in creditors)	<u>0</u>	<u>0</u>

AMATHOLE DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

29. COMPLIANCE WITH CHAPTER 11 OF MUNICIPAL FINANCE MANAGEMENT ACT

The Municipality has developed a supply chain management policy

30. NON-COMPLIANCE WITH SECTION 129(1) OF THE MUNICIPAL FINANCE MANAGEMENT ACT

The Municipality failed to consider the annual report within 2 months from the date on which the annual report was tabled in council.

31. Non-compliance with Section 165 of the Municipal Finance Management Act

The Internal Audit did not function as prescribed.

32. Non-compliance with Section 72(1) of the Municipal Finance Management Act

The ADM failed to perform a mid-year budget and performance assessment by 25 January 2005

33. Non-compliance with Section 16(2) of the Municipal Finance Management Act

The ADM did not table a budget before Council by 31 March 2005

34. CAPITAL COMMITMENTS

	2005 R	2004 R
Commitments in respect of capital expenditure		
- Approved and contracted for	63,849,726	-
Infrastructure	63,849,726	-
Community	-	-
Heritage	-	-
Other	-	-
Housing Development Fund	-	-
Investment Properties	-	-
- Approved but not yet contracted for	96,282,135	-
Infrastructure	96,282,135	-
Community	-	-
Heritage	-	-
Other	-	-
Housing Development Fund	-	-
Investment Properties	-	-
Total	160,131,861	-
This expenditure will be financed from:		
- External Loans	-	-
- Capital Replacement Reserve	-	-
- Government Grants	160,131,860	-
- Own resources	-	-
- District Council Grants	-	-
	160,131,860	-

35. RETIREMENT BENEFIT INFORMATION

All Employees belong to one of the 2 defined contribution retirement funds, namely Cape Joint Retirement Fund and SAMWU National Provident Fund or the 1 defined benefits pension fund, namely Cape Joint Pension Fund. Both Cape Joint Funds are administered by Verso Financial Services (PTY)LTD and the SAMWU Fund is administered by Lekana Employee Benefit Solutions.

All councillors belong to a defined contribution retirement fund, namely Old Mutual Orion Fund, which is administered by Old Mutual.

An amount of R4.2 million (2004:4.5 million) was contributed by Council in respect of Councillor and employees retirement funding. These contributions have been expensed.

	2005 R	2004 R
36. CONTINGENT LIABILITIES		
Eskom	1,364,389	1,364,389
Pension Fund top up claim: Department of Public works	4,830,444	
Dept of Health- Legal costs	650,000	
Refund Claims:		
Inter Dealer Transfers:		
Finance Partners	1,636	
Meyers Motors KWT	16,639	
Meyers Delta	71,808	
Meyers Chevrolet	6,604	
	6,941,520	1,364,389

Eskom

A claim has been lodged against Amathole District Municipality pertaining to a possible refund of levies paid by ESKOM.

Pension Fund top up claim: Department of Public works

A high court application has been made for an amount of R4,830,444 plus interest at 15.5% per annum relating to the employer portion of pension contributions.

Department of Health

Trial date pertaining to the matter between ADM and the Dept of Health for the recovery of the Ambulance debt has been set.

37. EVENTS AFTER THE REPORTING DATE

Amathole District Municipality has established a municipal entity called the Economic Development Agency (AEDA)
 The operations of the Agency will commence with effect from 1 July 2005

APPENDIX B
AMATHOLE DISTRICT MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
30 JUNE 2005

Classification	Cost/Revaluation					Accumulated Depreciation					Carrying Value
	Opening Balance	Additions	Revalue	Disposals	Closing Balance	Opening Balance	Additions	Revalue	Disposals	Closing Balance	
INFRASTRUCTURE	9,562	(4,768)	-	-	4,794	2,686	(1,508)	-	-	1,177	3,617
Roads:											
Bridges, Subways & Culverts	5,269	(5,269)			0	1,748	(1,748)			-	0
Water											
Reservoirs & Tanks	4,293	501			4,794	938	240			1,177	3,617
	-	-			-	-	-			-	-
COMMUNITY	293,738	483,768	3,448,558	-	4,226,064	39,608	10,974	63,049	-	113,631	4,112,433
Clinics & Hospitals	30,001		1,834,674		1,864,675	3,664	1,000	37,495		42,159	1,822,516
Fire Stations	3,392				3,392	414	113			527	2,865
Museum & Art Galleries	256,080	483,768	1,613,884		2,353,732	31,265	9,861	25,554		66,681	2,287,051
Security System	4,265				4,265	4,265				4,265	0
INVESTMENT PROPERTIES	-	-	628,165	-	628,165	-	10,267	-	-	10,267	617,898
Administration			628,165		628,165		10,267			10,267	617,898
OTHER	16,223,150	13,232,532	30,417,682	529,741	59,343,624	4,709,248	2,822,208	197,133	223,683	7,504,906	51,838,718
LAND AND BUILDINGS	1,400,387	-	30,417,682	-	31,818,069	100,044	12,436	197,133	-	309,612	31,508,457
Administration	541,039		21,550,442		22,091,481	67,348	3,969	18,071		89,387	22,002,094
Housing Schemes	25,062				25,062	3,059	835			3,895	21,167
Workshops & Depots	242,735		4,292,408		4,535,143	29,637	7,631	88,501		125,769	4,409,374
Land	591,551		4,574,832		5,166,383	-	-	90,561		90,561	5,075,822
Office Equipment	5,587,723	1,496,233	-	113,862	6,970,094	2,390,137	1,075,138	-	70,438	3,394,837	3,575,257
Air Conditioners	53,019				53,019	33,695	9,930			43,626	9,393
Computer Hardware	4,224,926	1,111,416		110,836	5,225,506	1,506,885	817,168		68,665	2,255,388	2,970,118
Computer Software	828,788	272,624			1,101,412	671,527	90,592			762,119	339,294
Office Machines	480,990	112,193		3,026	590,157	178,030	157,448		1,773	333,705	256,452
Furniture and Fittings	874,297	552,596	-	3,740	1,423,153	249,320	144,852	-	1,347	392,825	1,030,328
Cabinets & Cupboards	350,999	216,980		713	567,266	86,062	60,060		428	145,694	421,572
Chairs	89,560	27,752			117,312	24,682	13,763			38,445	78,866
Furniture and Fittings : Other	135,534	216,071		1,227	350,378	48,528	23,724		146	72,105	278,273
Tables & Desks	298,204	91,793		1,800	388,197	90,048	47,305		773	136,580	251,617
Plant and Equipment	3,898,657	3,824,960	-	5,924	7,717,693	241,230	572,647	-	5,924	807,954	6,909,739
Ambulance Equipment	4,011	(4,011)			-	1,604	(1,604)			-	-
Compressors		5,070			5,070		503			503	4,567
Medical Equipment	11,248	6,651		132	17,767	11,468	2,658		132	13,994	3,773
Fire Equipment	-	145,177			145,177	-	3,235			3,235	141,942
Fire Arms	1,775	5,182			6,957	1,775	426			2,201	4,756
Laboratory Equipment	13,421	79			13,500	8,396	2,081			10,477	3,023
Lawnmowers	41,698	11,316			53,014	9,838	21,661			31,499	21,515
Plant & Equipment : General	126,103	67,595		5,544	188,154	74,074	20,359		5,544	88,889	99,266
Tractors	3,666,930	3,577,500			7,244,430	103,583	521,571			625,155	6,619,275
Radio Equipment	32,592	10,401		248	42,745	29,613	1,756		248	31,121	11,623
Telecommunication Equipment	879				879	879				879	(0)
Motor Vehicles	4,462,087	7,358,743	-	406,215	11,414,615	1,728,517	1,017,136	-	145,974	2,599,679	8,814,936
Motor Vehicles	991,891	409,456		22,014	1,379,333	329,113	207,814		22,014	514,914	864,419
Fire Engines	-	4,188,685			4,188,685	-	158,447			158,447	4,030,238
Trucks & Bakkies	3,470,196	2,760,602		384,201	5,846,597	1,399,404	650,874		123,960	1,926,318	3,920,279
TOTAL	16,526,450	13,711,532	34,494,405	529,741	64 202 647	4,751,542	2,841,941	260,182	223,683	7,629,982	56,572,665

APPENDIX C
AMATHOLE DISTRICT MUNICIPALITY
SEGMENTAL OF FIXED ASSETS PER DEPARTMENT
30 JUNE 2005

Department	Cost/Revaluation					Accumulated Depreciation					Carrying Value
	Opening Balance	Additions	Revalue	Disposals	Closing Balance	Opening Balance	Additions	Additions On Re-value	Disposals	Closing Balance	
RATES AND GENERAL	16,526,451	13,711,534	34,494,405	529,740	64,202,650	4,751,542	2,841,941	260,182	223,684	7,629,981	56,572,669
Council General											
Mayoral Committee	1,227,693	455,288		527	1,682,454	326,286	221,641		527	547,400	1,135,054
Mayoral Committee Support		395,762		15,334	380,428		57,691		11,525	46,166	334,262
Municipal Manager	350,742	51,849		3,925	398,666	133,034	82,578		2,362	213,250	185,416
Internal Audit	65,055	281,645			346,700	21,107	10,016			31,123	315,577
Local Economic Development	3,709,074	3,846,813		8,642	7,547,245	109,713	551,846		7,923	653,636	6,893,609
Strategic Management unit	1,420,576	(1,091,911)		7,885	320,780	398,229	72,729		1,721	469,237	(148,457)
Information Com Technology	-	2,013,741			2,013,741	-	251,782			251,782	1,761,959
Administration	2,663,111	99,614	20,513,569	34,958	23,241,336	423,264	159,864	41,426	28,175	596,379	22,644,957
Land and Housing	100,866	138,394	5,426,444		5,665,704	45,477	39,957		92,474	177,909	5,487,795
Buildings	28,567	511,555	6,770,669	3,755	7,307,036	8,542	22,333		94,277	122,477	7,184,559
Calgary Museum	272,322	112,534	1,613,884	1	1,998,739	42,907	12,633		22,399	77,939	1,920,800
Budget & Treasury Office	1,935,608	228,031		27,626	2,136,013	1,118,491	302,127		23,208	1,397,410	738,603
Human Resources	413,634	30,516		2,241	441,909	155,946	77,279		710	232,515	209,395
Engineering Services	2,342,312	(190,266)	169,839	227,034	2,094,852	1,059,931	290,613	9,606	7,785	1,352,365	742,487
Building and Services Planning	428,881	613,955		90,289	952,547	154,524	97,818		49,298	203,044	749,502
Management of WSP	74,898	560,591		1,000	634,489	34,912	87,861		25,111	97,662	536,827
WSP-Mnquma		1,224			1,224		203			203	1,021
WSP-Nqqushwa		1,224			1,224		203			203	1,021
WSP- Nkonkobe		6,294			6,294		706			706	5,588
Water Service Authority		138,284			138,284		28,386			28,386	109,898
Project Management Unit		424,220		32,402	391,818		45,344		18,215	27,129	364,689
Health and Protection Services	653,167	(80,874)		69,026	503,267	395,735	61,088		44,450	412,373	90,894
Disaster Management	381,011	234,372		5,095	610,288	103,528	77,460			180,988	429,299
Environmental Health	458,934	594,817			1,053,751	219,916	128,100			348,016	705,736
Fire Services	-	4,333,862			4,333,862		161,683			161,683	4,172,179
SUBSIDISED SERVICES	-	-		-	-	-	-		-	-	-
	0	-		-	-	-	-		-	-	-
ECONOMIC SERVICES	-	-		-	-	-	-		-	-	-
	0	-		-	-	-	-		-	-	-
HOUSING SERVICES	-	-		-	-	-	-		-	-	-
	0	-		-	-	-	-		-	-	-
TRADING SERVICES	-	-		-	-	-	-		-	-	-
	0	-		-	-	-	-		-	-	-
TOTAL	16,526,451	13,711,534	34,494,405	529,740	64,202,650	4,751,542	2,841,941	260,182	223,684	7,629,981	56,572,669

APPENDIX D
AMATHOLE DISTRICT MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

2003/04 Actual Income	2003/04 Actual Expenditure	2003/04 Surplus/ (Deficit)		2004/05 Actual Income	2004/05 Actual Expenditure	2004/05 Actual Surplus/ (Deficit)	2004/05 Budgeted Surplus/ (Deficit)
R	R	R		R	R	R	R
245 969 764	210 136 934	35 832 828	RATE AND GENERAL SERVICES	466 249 473	472 147 588	(5 898 115)	(87 403 287)
226 764 724	190 931 894	35 832 828	Community Services	459 037 219	464 935 334	(5 898 115)	(87 403 287)
105 775 771		105 775 771	Levies	119 498 250		119 498 250	96 000 000
11 750	14,644,610	(14 632 860)	Council General	10 585 090	8,206,381	2 378 709	(9 557 561)
2 971	6,769,294	(6 766 323)	Mayor's Committee	52440	5 071 995	(5 019 555)	(5 707 147)
	359,991	(359 991)	Grants-in-aid	0	0	0	(370 800)
			Executive Support Services	1 718	3 637 566	(3 635 848)	(4 350 442)
38 033 016	2,064,718	35 968 298	Municipal Manager	33 577 954	1,812,581	31 765 373	75 786 346
	713,427	(713 427)	Internal Audit		1,238,784	(1 238 784)	(2 453 343)
	1,908,894	(1 908 894)	Local Economic Development	3 046 561	4,595,528	(1 548 967)	(1 013 426)
944 290	2,463,642	(1 519 351)	Municipal Support Manager	5 265 336	7,691,811	(2 426 475)	(4 595 100)
258 570	1,981,173	(1 722 603)	Strategic Manager	76 012	911,484	(835 472)	(1 270 191)
751 044	712,005	39 039	Information Com Technology	360 579	2,004,821	(1 644 242)	(3 396 118)
	72,016,492	(72 016 492)	Projects		135,879,530	(135 879 530)	(197 013 411)
48 768	5,602,262	(5 553 495)	Administration	712 908	7,794,522	(7 081 614)	(7 966 665)
3 541 715	2,257,865	1 283 850	Land and Housing	12 720	2,137,050	(2 124 330)	(3 699 923)
9 128 187	9,746,600	(618 413)	Buildings	23 182 292	24,438,015	(1 255 723)	(1 280 181)
6 445	192,117	(185 672)	Calgary Museum	4 383	220,165	(215 782)	(307 797)
3 236 307	11,143,317	(7 907 010)	Financial Services	2 155 475	11,066,320	(8 910 845)	(10 120 034)
10 752	6,121,853	(6 111 101)	Human Resources	471 213	7,084,226	(6 613 013)	(6 992 605)
910 440	3,028,345	(2 117 905)	Engineering Services	161 509 653	164,495,920	(2 986 267)	(2 230 317)
3 079 228	2,408,326	670 902	Building and Services Planning	5 388 341	2,777,643	2 610 698	350 393
54 050 597	42,259,884	11 790 713	Water Services	60 958 107	53,149,309	7 808 798	401 151
			Project Management Unit	1 544 578	1 520 203	24 375	122 000
219 335	1,215,234	(995 899)	Health and Protection Services	9 366 671	11,118,938	(1 752 267)	(2 067 391)
1 049 810	687,777	362 033	Disaster Management	4 884 594	4,337,480	547 114	129 751
5 705 728	2,634,068	3 071 659	Environmental Health	11 165 270	2,409,373	8 755 897	964 499
0	-	0	Fire Services	5 217 073	1,335,689	3 881 384	3 235 025
0	-	0				0	0
19 205 041	19 205 041	0	Subsidised Services	7 212 254	7 212 254	(0)	0
3 857 082	3 857 082	0	Ambulance and Rescue Services			0	0
1 717 879	1 717 879	0	Roadworks and Vehicles			0	0
7 146 068	7 146 068	0	Roads - Overheads			0	0
6 484 012	6 484 012	0	Health Nursing Services	7 212 254	7 212 254	(0)	0
0	0	0	Economic Services	0	0	0	0
0	0	0	Bus Service	0	0	0	0
0	0	0	HOUSING SERVICE	0	0	0	0
0	0	0		0	0	0	0
0	0	0	TRADING SERVICES	0	0	0	0
0	0	0		0	0	0	0
245 969 764	210 136 934	35 832 828	TOTAL	466 249 473	472 147 588	(5 898 115)	(87 403 287)

APPENDIX E (1)

AMATHOLE DISTRICT MUNICIPALITY
ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	2004/05 Actual R	2004/05 Budget R	2004/05 Variance R	2004/05 Variance %	Explanation for Significant Variances greater than 10% vs Budget
REVENUE					
Service Charges	247 748	200 000	47 748	24%	Relates to emergency water - dependant on climatic conditions
Regional Service Charges	119 498 250	96 000 000	23 498 250	24%	Database cleansing project undertaken
Rental of facilities & Equipment	59 923	8 000	51 923	649%	Renovations on Calgary museum delayed
Interest earned - external Investments	26 585 275	10 000 000	16 585 275	166%	Slow priority project expenditure
Interest earned - Outstanding Debtors	1 505 069	530 000	975 069	184%	Database cleansing project undertaken
Dividends received	0	0	0	0%	
Licences & Permits & Fines	0	0	0	0%	
Income for agency Service	7 190 620	6 731 852	458 768	7%	
Government grants & Subsidies	296 825 467	86 666 318	210 159 149	242%	Housing development grant utilised during financial year
Other income	3 689 403	68 548 528	(64 859 125)	-95%	R61 635 837 budgeted as prior year income utilised
Bad debt provision	10 571 723	0	10 571 723	100%	Bad debt recovered from DPW previously provided for
Public donated/ contributed PPE	0	0	0	0%	
Gains on disposal of PPE	76 000	0	76 000	100%	Assets disposed of during year
Total Revenue	466 249 477	268 684 698	197 564 778	74%	
EXPENDITURE					
Employee related costs	53 244 437	73 489 507	(20 245 070)	-28%	Non filling of posts -mostly Env Health due to uncertainty in powers and functions
Remuneration of Councillors	113 910	152 382	(38 472)	-25%	Resulting from less meeting attendance than anticipated
Bad Debts	0	300 000	(300 000)	-100%	Bad debt recovered from DPW. Total provision sufficient
Collection Costs	960 558	1 605 000	(644 442)	-40%	Services contracted out & lower % collection fees negotiated
Depreciation	3 068 512	2 644 468	424 044	16%	Purchase of tractors funded by priority projects not provided for
Repairs & Maintenance	4 848 852	7 186 052	(2 337 200)	-33%	Extended WSP function
Interest on External Borrowings	0	0	0	0%	
Bulk Purchases	0	0	0	0%	
Contracted Services	0	0	0	0%	
Grants & Subsidies Paid	20 446 460	32 324 596	(11 878 136)	-37%	Slow priority project expenditure
Grants & Subsidies Paid: Capital	92 771 136	126 705 171	(33 934 035)	-27%	Slow priority project expenditure
General expenses- other	296 429 953	114 154 264	182 275 689	160%	Contional grants-conditions met
Loss on disposal of PPE	263 773	2	263 771	13188556%	New 4x4 vehicle written off
Total Expenditure	472 147 591	358 561 442	113 586 149	32%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	(5 898 115)	(89 876 744)	83 978 629		

APPENDIX E (2)

AMATHOLE DISTRICT MUNICIPALITY
ACTUAL VERSUS BUDGET (ACQUISITION OF PP&E)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	2004/05 Actual R	2004/05 Budget R	2004/05 Variance R	2004/05 Variance %	Explanation for Significant Variances greater than 10% vs Budget
LAND AND BUILDINGS					
Administration	0	51 450	(51 450)	-100%	Building Amendments not undertaken
Housing Schemes	0	0	0	0%	
Workshops & Depots	0	0	0	0%	
Land	0	0	0	0%	
	0	51 450	(51 450)	-100%	
INFRASTRUCTURE					
Bridges, Subways & Culverts	(5 269)	0	(5 269)	100%	Correction of classification
Reservoirs & Tanks	501	0	501	100%	Combined with equipment
	(4 768)	0	(4 768)	100%	
COMMUNITY					
Clinics & Hospitals	0	0	0	0%	
Fire Stations	0	0	0	0%	
Museum & Art Galleries	483 768	764 242	(280 474)	-37%	Construction started in April 2005 & could not be completed
Security System	0	0	0	0%	
INVESTMENT PROPERTIES					
	483 768	764 242	(280 474)	-37%	
OTHER					
Air Conditioners	0	0	0	0%	
Computer Hardware	1 111 416	1 350 817	(239 401)	-18%	Combined with software
Computer Software	272 624	0	272 624	100%	Combined with Hardware
Office Machines	112 193	1 449 365	(1 337 172)	-92%	Equipment. Environmental Health officers not appointed & fire equipment not purchased due to uncertainty of powers & functions
			0	0%	
Cabinets & Cupboards	216 980	971 596	(754 616)	-78%	Combined with cabinets, chairs, furniture & fittings, tables and desks fire arms, lab equipment
Chairs	27 752	0	27 752	100%	Combined with cabinets, chairs, furniture & fittings, tables and desks fire arms, lab equipment
Furniture and Fittings : Other	216 071	0	216 071	100%	Combined with cabinets, chairs, furniture & fittings, tables and desks fire arms, lab equipment
Tables & Desks	91 793	0	91 793	100%	Combined with cabinets, chairs, furniture & fittings, tables and desks fire arms, lab equipment
Ambulance Equipment	(4 011)	0	(4 011)	-100%	Correction of classification
Medical Equipment	6 651	9 500	(2 849)	-30%	Tools and equipment
Fire Equipment	145 177	0	145 177	100%	Transferred from Local Municipalities for which ADM is authority
Fire Arms	5 182	0	5 182	100%	Combined with equipment
Laboratory Equipment	79	0	79	100%	Combined with equipment
Lawnmowers	11 316	0	11 316	100%	Combined with equipment
Compressors	5 070	0	5 070	100%	Combine with equipment
Plant & Equipment : General	67 595	0	67 595	100%	Combine with Equipment
Fire Engines	4 188 685	0	4 188 685	100%	Transferred from Local Municipalities for which ADM is authority
Radio Equipment	10 401	0	10 401	100%	Combine with equipment
Telecommunication Equipment	0	0	0	0%	
Motor Vehicles	409 456	0	409 456	100%	Combine with trucks and bakkies
Tractors	3 577 500	3 577 500	0	0%	All purchased from priority project funding
Trucks & Bakkies	2 760 602	3 286 896	(526 294)	-16%	Combine with vehicles
	13 232 532	10 645 674	2 586 858	24%	
TOTAL	13 711 532	11 461 366	2 250 166	20%	

APPENDIX F

AMATHOLE DISTRICT MUNICIPALITY

DISCLOSURE OF GRANTS & SUBSIDIES IN TERMS OF MFMA

Name of Grant	Name of Organ of State	QUATERLY RECEIPTS					QUATERLY EXPENDITURE					GRANTS & SUBSIDIES DELAYED/WITHHELD					Reason for delay/ withheld	Compliance with DORA	Reason for non-compliance
		March 04	June 04	Sept 04	Dec 04	March 05	March 04	June 04	Sept 04	Dec 04	March 05	March 04	June 04	Sept 04	Dec 04	March 05			
MSIG	HILG&TA	127,620	1,621,000	54,000	1,675,000	1,113,000	831,350	392,333	-	485,931	1,807,846	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
Budget Reform	Nat Treasury	-	-	1,500,000	-	-	835,221	519,290	451,428	358,156	1,012,142	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
Community Develop Program	DHLG&TA	-	-	-	1,941,182	-	-	-	10,200	96,275	N/A	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
COM AWARE PROC	DHLG&TA	67,790	40,000	-	-	-	-	34,026	9,211	-	18,010	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
Disaster Management Funds	DHLG&TA	-	1,960,000	-	-	-	616,706	154,293	962,126	1,354,292	910,424	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
HIV/AIDS Funds	Dep Health	-	-	1,579,642	-	-	2,683,910	560,263	1,365,326	152,254	723,147	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
Stipend Funds	DHLG&TA	-	-	8,892,000	-	-	-	-	3,633,000	2,270,000	968,000	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
Community Develop Workers	DHLG&TA	-	221,592	-	-	-	-	130,558	53,279	55,944	(16,235)	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
LED	DHLG&TA	950,000	-	1,000,000	400,000	187,083	31,279	-	-	27,677	N/A	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
PHP Funds	DHLG&TA	15,241,026	-	454,375	392,731	312,896	4,494,251	6,111,736	8,685,913	3,265,222	5,053,708	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
Nkonkobe Drought Relief	DWAF	-	-	250,000	-	-	-	-	3,420	-	-	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
Land Reform & Settle Plan Proj	DLA	1,020,974	839,426	630,425	605,821	387,132	1,551,320.66	686,042	924,014	-	507,986	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
EDOT Funds	ECDOT	-	-	-	-	3,615,000	383,782.47	10,178	-	146,707	571,457	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
Dept Sport	DSA&C	1,840,000	-	3,129,248	4,230,752	-	1,707,642	643,213	2,003,792	4,350,816	565,495	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
Centane Bucket Eradication	HILG&TA	-	-	-	-	546,000	-	-	-	-	412,570	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
CMIP	HILG&TA	28,495,761	11,437,114	-	57,577,393	43,652,794	45,406,186	18,741,444	39,558,555	31,617,251	35,682,497	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A
DWAF	DWAF	15,901,948	-	-	4,299,924	(514,257)	12,514,684	7,320,061	4,148,657	1,292,427	5,648,227	N/A	N/A	N/A	N/A	N/A	N/A	yes	N/A

ANNEXURE 1
AMATHOLE DISTRICT MUNICIPALITY
GRANT FUNDING
30 JUNE 2005

CONDITIONAL GRANTS AND RECEIPTS	Balance at 1/7/2004	Contributions during the Year	Other Income	Interest on Investments	Expenditure during the Year	Balance at 30/06/2005
Asset Management		-	156,500	-	-	156,500
Performance Management	252,547	-	356,610	-	171,828.00	437,329
Contract Management		-	50,000	-	22,033.82	27,966
Reviewed IDP	57,024	-	54,290	-	51,952.00	59,362
Gamap Implementation		-	300,000	-	230,506.99	69,493
MSIG Interest	90,286	-	-	154,909	142,017.86	103,177
Project Management		-	100,000	-	100,000.00	-
Dev Guide LM's	80,000	-	-	-	80,000.00	-
Internal Audit LM's	280,000	-	-	-	280,000.00	-
Feasibility study : LM's F/sys	185,000	-	-	-	41,626.19	143,374
Training LM's on LED	85,000	-	-	-	85,000.00	-
Employment Equity & Workplace		-	100,000	-	100,000.00	-
By-Law Implementation LM's	66,923	-	-	-	52,566.00	14,357
Rule of Order Dev LM's	38,075	-	-	-	-	38,075
LABOUR FORUM TRAINING	25,000	-	-	-	14,026.50	10,974
IND TARRIF POLICY LM'S	225,000	26,000	-	-	158,623.44	92,377
Mnquma Team Build & Div	127,620	-	-	-	127,620.47	(0)
Gap Analysis(Engeneering Service)		-	30,000	-	30,000.00	-
Free Basic Services Awareness		-	35,000	-	35,000.00	-
Labour Intensive Practises		-	55,000	-	53,963.26	1,037
Engeneering Services Awareness		-	50,000	-	41,133.05	8,867
Engeneering Prof Act Awareness		-	25,000	-	6,840.00	18,160
Water & Sewerage Treatment Operations		-	40,000	-	-	40,000
Operations & Maintanance Systems		-	25,000	-	21,929.82	3,070
Ngqushwa team Build Change & Div Management		-	120,000	-	104,434.10	15,566
HR Policies Awareness		-	52,500	-	52,500.00	-
Establishment Plans Renewals		-	40,720	-	-	40,720
Ward Com Paticipation		-	156,500	-	-	156,500
PIMMS	328,977	-	1,170,880	-	974,785.09	525,072
MSIG : Mbashe	-	-	54,000	-	54,000.00	-
MSIG : Mnquma	3,290	-	54,000	-	57,290.34	-
MSIG : Great Kei	-	-	54,000	-	54,000.00	-
MSIG : Amahlathi	-	-	54,000	-	-	54,000
MSIG :Buffalo City	14,379	-	54,000	-	68,378.52	-
MSIG :Ngqushwa	0	-	54,000	-	54,000.00	0
MSIG :Nkonkobe	64,626	-	54,000	-	63,626.50	55,000
MSIG :Nxuba	12,513	-	54,000	-	58,451.26	8,062
PMS:Mbashe		-	43,667	847	-	44,514
PMS:Mnquma		-	43,667	847	-	44,514
PMS:Great Kei		-	43,667	847	-	44,514
PMS:Amahlathi		-	43,667	847	-	44,514
PMS:Buffalo City		-	43,667	847	-	44,514
PMS:Ngqushwa		-	43,667	847	-	44,514
PMS:Nkonkobe		-	43,667	847	-	44,514
PMS:Nxuba		-	43,667	847	-	44,514
PMS:Amathole		-	43,664	847	-	44,511
Mbashe:IDP		-	80,000	1,552	9,295.49	72,256
Mnquma:IDP		-	80,000	1,552	15,858.66	65,693
Great Kei:IDP		-	80,000	1,437	25,061.14	56,376
Amahlathi:IDP		-	80,000	1,552	-	81,552
Buffalo City:IDP		-	80,000	1,534	30,668.19	50,865
Ngqushwa:IDP		-	80,000	1,185	80,002.60	1,183
Nkonkobe:IDP		-	80,000	1,552	-	81,552
Nxuba:IDP		-	80,000	1,557	-	81,557
ADM:IDP		-	80,000	1,547	28,932.77	52,614
Skills Development Centre	2,485,153	-	-	134,929	147,236.70	2,472,845
MSP Mnquma	2,428,902	-	-	-	2,428,902.00	0
Financial Assistance Mnquma	3,136,031	-	-	45,722	3,181,753.00	-
MSP: Project Management	5,768,161	172,273	-	-	5,528,877.16	411,556
MSP: Community EducationProject Management	428,268	-	-	(0)	428,267.85	(0)
IDP ADM	-	-	-	-	-	-
Budget Reform	2,310,335	-	1,500,000	143,849	2,341,016.16	1,613,168
Training	78,796	(1,866)	-	1,720	78,650.00	(0)
SETA: Implementation	451,304	-	24,630	21,216	309,072.07	188,077
Inter Gov relations Framew	16,025	-	-	1,849	17,873.45	0
Dev Inter-Gov Framework	125,955	-	-	7,619	-	133,574
Skilling Retrenched Staff	105,709	-	-	3,538	28,710.00	80,538
By-Laws	569,739	128,353	-	23,877	719,122.22	2,846
ADM Performance Award	128,353	(128,353)	-	-	-	-
Assistance with Voter Reg	7,124	-	-	77	7,201.15	-
Capacity Build initiat LM's	1,084,511	-	-	21,799	1,106,309.00	0
Vuna Awards		-	750,000	-	-	750,000
Training Mun Officials	1,507,813	-	1,925,000	72,812	1,885,594.00	1,620,031
Special Investigation H&LG	1,534,864	-	-	-	710,545.07	824,319

AMATHOLE DISTRICT MUNICIPALITY

GRANT FUNDING

30 JUNE 2005

CONDITIONAL GRANTS AND RECEIPTS	Balance at 1/7/2004	Contributions during the Year	Other Income	Interest on Investments	Expenditure during the Year	Balance at 30/06/2005
Identify M/Com Respons	100,000	-	-	4,360	47,196.00	57,164
LGWSETA	-	-	144,627	2,083	43,750.00	102,961
Learnership SETA	-	-	90,000	-	-	90,000
Community Development Program	-	-	1,941,182	35,974	106,474.52	1,870,681
COM AWARE PROC	59,297	-	40,000	3,021	61,247.20	41,071
Disaster Management	89,954	-	-	5,026	42,149.01	52,831
Provision of Firebrigade	1,686,978	-	-	54,502	1,740,153.90	1,326
Effective D/M Framework	253,702	-	-	15,349	-	269,051
Disaster Management Plans	253,702	-	260,000	26,997	-	540,699
Disaster: Management Centre	1,017,790	-	600,000	72,590	443,882.72	1,246,498
Disaster : Ring fence	16,298	-	360,000	12,405	278,933.81	109,768
Disaster : Rebuild Fund	5,623,209	-	600,000	350,952	870,161.84	5,704,000
Disaster Management Forums	-	-	140,000	6,153	5,853.15	140,300
HIV/AIDS NGO's	214,485	-	1,479,642	19,055	1,534,095.96	179,086
HIV/AIDS Laboratory Services	901,194	-	-	44,896	659,850.69	286,239
Vol Stipend-Aids : Nkonkobe	49,072	-	-	2,969	-	52,041
Vol Stipend-Aids : Amathlati	89,590	-	-	5,418	-	95,009
Vol Stipends-Aids : Mquma	413,459	-	-	3,779	351,000.00	66,237
Vol Stipends-Aids :B/City	342,474	-	-	15,892	96,000.00	262,366
Vol Stipends-Aids : Mbashe	42,482	-	-	2,570	-	45,052
District Aids Council	73,006	-	100,000	1,005	172,043.66	1,967
Tertiary Institutional Training	-	-	1,418,750	29,279	1,418,750.00	29,279
Stipend to Volunteers	-	-	7,452,000	132,453	6,109,000.00	1,475,453
Stipend to Personal Sellers	-	-	1,440,000	55,450	762,000.00	733,450
Duncan Village : Youth Proj	172,237	-	-	10,415	-	182,652
Payment of Community Development Workers	-	-	221,592	1,955	223,546.78	0
LTO : BUFFALO CITY	32,535	-	-	1,968	-	34,504
LTO: MBHASHE	32,535	-	-	1,649	34,184.77	-
LTO: GREAT KEI	2,535	-	-	64	2,599.20	-
LTO: MNQUMA	32,535	-	-	652	33,187.19	-
LTO: NGQUSHWA	32,535	-	-	631	33,166.58	-
LTO: NKONKOB	32,535	-	-	1,792	855.95	33,472
LTO: AMAHLATI	32,535	-	-	1,968	19,170.01	15,334
LTO: NXUBA	32,535	-	-	1,968	28,327.88	6,176
Regional Tourism	175,314	-	-	9,009	102,283.53	82,039
Great Kei Lto	4,031	-	-	102	4,132.74	-
Memorial Quilt Project	146,489	-	-	3,449	145,537.97	4,400
Nzabisa Village : Craft Centre	304,713	-	-	14,246	318,958.59	-
Monitor LED Projects	603,125	-	-	36,488	-	639,613
Siyazama Agric Project	101,460	-	-	14,305	(141,435.05)	257,200
Healdtown/Lamyeni Spring Wate	354,408	-	-	21,581	42,290.71	333,698
Gcaleka Cultural Village	1,038,782	-	1,000,000	107,646	-	2,146,428
Youth Fund	251,302	-	-	15,203	-	266,506
Dube Communal Veg Garden	-	-	400,000	9,617	6,579.83	403,037
Printing Project Mdanatsane Art Centre	-	-	187,083	-	-	187,083
Dept Agric: Assist & upgrade Farms	1,472,528	-	-	45,215	1,516,652.00	1,091
Keiskammahoek Irrigation Scheme	291,468	-	-	12,634	268,654.51	35,447
Zanyoke Irrigation Scheme	86,059	-	-	792	86,850.65	-
Bawa Falls LED Project	340,688	-	-	13,040	181,208.34	172,520
Rock Climbing: Dept Env Affairs	30,980	-	-	1,814	12,635.79	20,159
Poverty alleviation: Nqadu	14,473	-	-	1,297	-	15,770
Poverty Alleviation: Mnggesha	13,824	-	-	1,263	-	15,087
Establish LED forum	53,739	-	-	1,271	49,380.40	5,630
LED Fund	46,939	-	-	1,249	48,187.84	-
District Economic Forum	101,044	-	-	5,818	21,097.48	85,765
Ncerha Broiler	-	222,000	-	5,678	83,118.89	144,559
Pircardy Dairy Goat	-	100,000	-	2,563	55,694.46	46,869
Kei Bridge	-	364,652	-	10,618	6,570.00	368,700
Ngcingwane Lencane Community	-	130,000	-	3,807	20,000.00	113,807
KKH Dairy Scheme Phase 2	-	500,000	-	13,709	66,671.14	447,038
Lower Wolf River Irrigation	-	200,000	-	5,857	-	205,857
Development Plan : Haga Haga	19,328	-	-	413	19,000.00	741
Komanshini	202,250	-	-	12,242	-	214,492
Teko Springs	315,025	-	-	11,982	154,330.00	172,677
Needs Camp	554,734	-	-	29,948	80,640.00	504,041
Prudoe	136,410	-	-	7,877	10,500.00	133,787
Dongwe	227,350	-	-	10,200	99,900.00	137,650
Hogsback	291,008	122,000	-	18,726	-	431,734
Haga Haga	145,504	-	-	8,803	-	154,307
Willowvale	218,256	-	-	13,204	-	231,460
Elliotdale	254,632	-	-	15,405	-	270,037
Lower Blinkwater	218,256	-	-	13,198	-	231,454
Symon (Etandsburgh)	181,880	-	-	11,003	-	192,883
Ndevana	43,449	-	-	2,629	-	46,078
Layout Plan : Amabele	104,592	-	-	6,333	-	110,925
Layout Plan : Bol	104,026	-	-	6,293	-	110,320
Planning: Tshabo Village	234,195	-	-	14,168	-	248,363
Survey: Tshabo Village	55,091	-	-	5,499	54,040.00	6,551
Kubusie Establishment Grant	201,014	-	-	9,832	84,281.25	126,564

AMATHOLE DISTRICT MUNICIPALITY

GRANT FUNDING

30 JUNE 2005

CONDITIONAL GRANTS AND RECEIPTS	Balance at 1/7/2004	Contributions during the Year	Other Income	Interest on Investments	Expenditure during the Year	Balance at 30/06/2005
Ndlovini Establishment Grant	35,193	-	11,570	976	32,176.00	15,563
Ducats Establishment Grant	58,107	-	93,408	3,026	75,914.51	78,626
Maclean/t Estab Grant	12,595	-	-	762	-	13,357
Nandi Prudoe Estab Grant	23,558	-	89,096	817	17,540.00	95,931
Dongwe Prudoe Estab Grant	41,069	-	-	1,848	19,268.10	23,648
Teko Springs Estab Grant	24,831	-	-	1,104	13,516.94	12,418
Needs Camp Estab Grant	25,654	-	77,689	944	21,587.76	82,699
Teko Springs Top Structure	4,571,009	-	20,000	219,524	2,038,133.78	2,772,399
Nandi Prudoe Top Structure	2,661,217	-	20,000	58,919	2,523,721.97	216,414
Dongwe Top Structure	2,902,319	-	20,000	133,428	1,550,297.63	1,505,449
Needscamp Top Structure	2,316,658	-	18,528	82,933	1,808,310.73	609,808
Ducats Top Struc Subsidy	9,036,000	-	-	356,426	5,789,400.62	3,603,026
Kubusi Top Structure	9,612,255	-	-	332,321	7,387,486.21	2,557,090
Maclean town Top Structure	510,954	-	-	30,912	-	541,866
Ndlovini Top Structure	1,129,782	-	513,170	9,741	1,610,492.50	42,200
Lilyvale Kayb Establishment Grant	-	-	13,040	-	-	13,040
KWT TRC Recreation	7,392	-	-	447	-	7,839
Fingoland Regional Authority	339,126	-	-	12,521	160,471.71	191,176
Mngqesha Great Place	1,130,627	-	-	51,125	1,116,495.35	65,257
Nqadu Great Place	176,626	-	-	8,261	46,006.36	138,881
Line Mapping	414,329	-	-	23,945	197,490.25	240,784
Hogsback IDP LDO	31,421	-	-	1,900	-	33,321
Trust Areas Pre-paid meters	1,624,162	-	-	98,259	-	1,722,421
Nkonkobe Drought Relief	-	-	250,000	7,221	3,420.00	253,801
Rural Access Roads	660,778	-	-	36,947	-	697,726
Chanta Development Fund	6,808,289	-	-	398,200	789,072.32	6,417,417
Dwesa Cwebe Restitutional	2,110,831	-	-	122,924	158,208.26	2,075,547
Land Reform & Settle Plan Proj	149,626	15,200	2,462,804	12,801	2,118,042.84	522,388
CMIP VAT Savings	1,905,382	66,267	-	(182,814)	829,994.64	958,840
Ndlovini (CMIP VAT)	-	254,578	-	-	183,422.15	71,156
EDOT Funds	4,177,088	-	3,615,000	263,638	728,342.23	7,327,383
Dept Sport 2003/04	2,544,381	-	-	71,102	2,598,929.92	16,553
Sportsfields	78,681	-	-	5,304	-	83,985
6 Village Green Projects	103,079	-	-	6,103	-	109,183
Elliotdale Sport Facility	77,910	-	-	4,302	82,212.38	-
Peddie Sport Facility	315,544	-	-	19,090	-	334,634
Dept Sport 2004/05	-	1,840,000	7,360,000	112,253	6,575,466.46	2,736,786
H&LG Survey Funds	1,194,911	-	-	66,034	230,758.49	1,030,186
H&LG Development Planning	2,297,669	-	-	139,685	90,583.26	2,346,770
Nandi Prudoe Eng Design	-	-	81,000	472	47,250.00	34,222
Dongwe Eng Design	-	-	81,000	1,134	-	82,134
Teko springs Eng Design	-	-	121,500	391	97,200.00	24,691
DPW: Accumulated Interest	50,290	-	-	36,299	-	86,590
Lower Gqumashe bridge	118,470	-	-	592	-	119,063
Replace Roadsigns	435,744	-	-	-	-	435,744
Road Repair Ndabakazi	1,762	-	-	-	-	1,762
Centane Bucket Eradication	-	-	546,000	-	412,570.08	133,430
CBPWP 1	2,048,724	-	-	78,364	2,186,275.15	(59,187)
CMIP	12,361,282	7,176,000	140,688,418	799,416	125,599,746.64	35,425,370
DWAF	26,155,786	(7,176,000)	3,785,667	675,453	18,409,370.87	5,031,535
TOTAL: GRANTS & RECEIPTS	144,951,991	4,011,103	186,405,398	6,241,327	226,561,599.89	115,048,219