

31 August 2005

Ukhahlamba District Municipality



Financial Statements

2004 - 2005

UKHAHLAMBA DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 June 2005

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UKHAHLAMBA DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 June 2005

GENERAL INFORMATION

MEMBERS OF THE MAYORAL COMMITTEE

Councillor: T.L. Marawu	- Executive Mayor (Acting)
Councillor A. C. Mpela	- Chairperson: Technical Services
Councillor B. Salman	- Chairperson: Financial Services
Councillor L.S. Mgedezi Badusa	- Chairperson: Corporate Services
Councillor N. Mtyali	- Chairperson: Community Services & Planning
Councillor G.S. Brown	- Speaker (Acting)

GRADING OF THE DISTRICT MUNICIPALITY

Grade 9

AUDITORS

Auditor-General

BANKERS

ABSA Bank

REGISTERED OFFICE

Private Bag X102
BARKLY EAST
9876

Tel: (045) 979 2200

Fax: (045) 971 0251

MUNICIPAL MANAGER

Rev M N Pietersen

CHIEF FINANCIAL OFFICER

B.J. Rautenbach

**UKHAHLAMBA DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED**

30 June 2005

APPROVAL OF FINANCIAL STATEMENTS

The Annual Financial Statements set out on pages 1 - 19 were compiled at 31 August 2005 and approved by the Municipal Manager and will be presented to Mayoral Committee on 12 September 2005 and to Council on 21 September 2005.

**Municipal Manager
Rev M.N. Pietersen**

**Chief Financial Officer
B.J. Rautenbach (B. Comm Hon FIMFO)**

UKHAHLAMBA DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 June 2005

FOREWORD

It is with great pleasure, to be able to report on a few activities that have taken place within the Department of Finance. First and foremost my task as the political Head of Finance is to ensure that the finances of the District Municipality are used cost effectively for sustainable development within our area of jurisdiction. I am able to say that we are on track towards realising this objective realistically. The service delivery that is taking place in our area of jurisdiction speaks for itself.

Highlights for the current year are as follows:

- * Progress towards the eradication of poverty in the entire area of the District Municipality. area of the District Municipality.
- * Formulation of a "peoples budget" in conjunction with the municipalities and the communities attached to them.
- * Planning in terms of the MTEF (medium term expenditure framework).
- * Implementation of the audit committee.
- * Workshops for councilors around GAMAP, PFMA ,Municipal Finance Management Act and Financial Management.

Challenges

- * Rationalisation and transformation of the entire district.
- * Zero tolerance towards corruption.* Zero tolerance towards corruption.
- * To convert the Budget, Financial Statements and Ledger to be GAMAP and GRAP compliant. be GAMAP and GRAP compliant.

In conclusion I wish to thank our staff members for their co-operation. I also wish to thank the Executive Mayor and the Mayoral Committee for the support they have given the Finance Committee during this year.

I wish to thank the Standing Committee for Finance for their loyalty and good work they are doing for the council.

T.L. Marawu
Executive Mayor (Acting)

**Ukhahlamba District Municipality
Annual Financial Statements
30 June 2005**

REPORT BY CHIEF FINANCIAL OFFICER

1. OPERATING RESULTS

Details of the operating results are included per appendices D and E.

Effective budget control resulted in expenditure being incurred within amounts budgeted for.
The deficit for the 2004/2005 financial year, before appropriations amounted to R 10 363 589.00

The operating results for the financial year ended 30 June 2005 are summarised as follows:

1.1 Overall Operating Results

Income	Actual 2004 R	Actual 2005 R	Variance 2004/2005 %	Revised Budget 2005 R	Variance Actual Budget %
Opening Surplus	6,521,669	(10,363,589)	(258.91)		
Appropriations at beginning of the year	1,309,002	6,719,702	413.35		
Operating Income for the year	76,181,408	98,880,768	29.80		
	84,012,079	95,236,881	13.36	-	(100.00)

Expenditure	Actual 2004 R	Actual 2005 R	Variance 2004/2005 %	Revised Budget 2005 R	Variance Actual Budget %
Operating Expenditure for the year	69,659,739	109,244,357	56.83		
Sundry Transfers	-1,309,002	(6,719,702)			
Closing Surplus	22,238,667	18,594,780			
	90,589,404	121,119,435	33.70	-	(100.00)

2. CAPITAL EXPENDITURE AND FINANCING

Expenditure on fixed assets incurred during the 2004/2005 financial year amounted to R1 071 280.00.

A detailed analysis of fixed assets is included per appendix C.

3. EXTERNAL LOANS, INVESTMENTS AND CASH

As mentioned above Ukhahlamba District Municipality has no external loans.

Investments as at 30 June 2004 amounted to R48 831 077.

as at 30 June 2003

4. FUNDS AND RESERVES

Detailed information regarding Funds and Reserves is reflected in Appendix A attached hereto.

5. WORD OF THANKS

I am grateful to the Executive Mayor and members of the Mayoral Committee, the Municipal Manager and Departmental Heads for the support they have given me as well as my personnel.

A special word of appreciation to Staff of the Finance Department for their support and their contributions in the compilation of the Financial Statements.

.....
B.J. Rautenbach
Chief Financial Officer
31 August 2005

UKHAHLAMBA DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 June 2005
ACCOUNTING POLICIES

1 BASIS OF PREPARATION

These financial statements were, where applicable, prepared to comply with the standards prescribed by the Institute of Municipal Financial Officers in its Code of Accounting Practice (1997) and report on Published Annual Financial Statements (Second edition - January 1996).

The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3. The accounting policies are consistent with those applied in the previous year, except where otherwise indicated.

The financial statements are prepared on the accrual basis as stated:

- * Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as traffic fines and certain licenses.
- * Expenditure is accrued in the year it is incurred.

2 CONSOLIDATION:

The financial statements include the General Services, Health Services and Road Services. All inter departmental charges are set off against each other.

3 FIXED ASSETS

3.1 Fixed assets are stated:

- * at historical cost, or
 - * at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation,
- while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Treasurer.

3.2 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. By way of this "Provision" assets are written down over their estimated useful lives. Apart from advances from the various council funds, assets may also be acquired through:

- * Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.
- * Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

3.3 All net proceeds from the sale of fixed property are credited to the Fixed Property Sales Fund. Net proceeds from the sale of all other assets are credited either to the Special Capital Fund or the Capital Development Fund.

3.4 Fixed assets are financed from the different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

4 INVENTORY

Inventory is valued at the lower of cost, determined on the weighted average basis, and net realisable value.

5 *Investments:*

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

6 *Capital Expenditure*

Capital expenditure is indicated at the historical cost as long as the assets exist.

7 *Depreciation*

No provision has been made for depreciation. Certain assets such as roads are written off after the redemption period whereas other assets are transferred at cost to revenue contributions. The value of movable assets, where possible, is shown at actual cost. Refer also to 3.2. above.

8 AGENCY AND CONTINUATION SERVICES

Agency services are performed on a cost basis on behalf of the Eastern Cape Province. In addition the provision of services formerly provided by the Divisional Councils of Drakensberg and Grootrivier which were not entrusted to any other institutions when the said Councils were abolished, were continued.

9 CONTRIBUTIONS TO LOCAL BODIES

During the financial year under review the Council, in terms of section 12(6)(b) of the Regional Services Councils Act, No 109 of 1985, allocated **R4 800 000** to local bodies for priority projects submitted by them.

10 REGIONAL SERVICES COUNCIL LEVIES

The tariffs for the calculation of the Establishment levy and the Services levy are 0.17043% and 0.3933% respectively.

11 TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

12 REGIONAL FUNCTIONS ENTRUSTED

The administrator, in terms of the provisions of section 3(1)(b) of the Regional Services Council Act, 1985, entrusted the following further functions to the Council with effect from 1 July 1991 (Provincial Notice 440/1991 dated 14 June 1991):

- (a) Subdivision of land and township development
- (b) Building plans and building control.
- (c) Commonages, outspans and public places
- (d) Registration and control of businesses

**BALANCE SHEET AS AT
30 June 2005**

	Note	2005 R	2004 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		8,762,897	8,964,032
Accumulated funds Reserves	1	8,762,897	8,964,032
(ACCUMULATED DEFICIT)/RETAINED SURPLUS	14	18,594,780	22,238,667
TRUST FUNDS	2	27,357,677 142,430,313	31,202,699 160,103,238
		169,787,990	191,305,937
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	3	163,701	290,203
INVESTMENTS	4	48,831,077	71,296,500
LONG-TERM DEBTORS	5	22,692,161	3,111,408
		71,686,939	74,698,111
NET CURRENT ASSETS/ LIABILITIES		98,101,051	116,607,826
CURRENT ASSETS		222,653,976	203,682,295
Inventory	6	504,767	(196,531)
Debtors	7	222,147,654	203,877,271
Petty Cash		1,555	1,555
CURRENT LIABILITIES		124,552,925	87,074,469
Provisions	9	14,978	1,397,939
Creditors	10	67,046,240	63,597,985
Bank Overdraft	19	57,491,707	22,078,545
		169,787,990	191,305,937

UKHAHLAMBA DISTRICT MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED
30 June 2005

2004 Actual income	2004 Actual expenditure	2004 Surplus/ (Deficit)		2005 Actual income	2005 Actual expenditure	2005 Surplus/ (Deficit)	2005 Budget (Surplus/ Deficit)
R	R	R		R	R	R	R
76,181,408	69,659,739	6,521,669	RATES AND GENERAL SERVICE	98,880,768	109,244,357	(10,363,589)	(276,683)
68,620,308	65,848,348	2,771,960	Administration Section 12(6)(c)	59,577,802	67,634,223	(8,056,421)	4,521,281
6,511,100	632,518	5,878,582	Priorities Section 12(6)(b)	7,427,915	628,118	6,799,797	(7,210,272)
1,050,000	3,157,225	(2,107,225)	Regional Services Sec. 12(6)(a)	0	4,599,252	(4,599,252)	2,412,308
0	21,648	(21,648)	Donations Section 12(6)(e)	0	0	0	0
			Economic Services	16,141,729	14,845,882	1,295,847	0
			Trading Services	15,733,322	21,536,882	(5,803,560)	0
<u>76,181,408</u>	<u>69,659,739</u>	6,521,669	TOTAL	<u>98,880,768</u>	<u>109,244,357</u>	(10,363,589)	<u>(276,683)</u>
		1,309,002	Appropriations, for the year			6,719,702	
			(refer to note 17)				
		7,830,671	Net surplus/(deficit) for the year			(3,643,887)	
		14,407,996	Accumulated surplus			22,238,667	
			at beginning of the year				
		<u>R 22,238,667</u>	ACCUMULATED SURPLUS			<u>R 18,594,780</u>	
			AT END OF THE YEAR				

UKHAHLAMBA DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED
30 June 2005

	Note	2005	2004
CASH GENERATED FROM OPERATING ACTIVITIES		(56,716,096)	(19,220,648)
Cash Generated by Operations	15	(4,095,716)	(8,165,027)
Investment Income	13	1,539,685	(1,598,938)
(Increase)/Decrease in			
- Operating Capital	16	(36,487,140)	54,641,705
- Trust Funds	17	(17,672,925)	(64,098,388)
		<u>(56,716,096)</u>	<u>(19,220,648)</u>
Less: Interest paid externally		0	0
Cash available from operations		<u>(56,716,096)</u>	<u>(19,220,648)</u>
Cash contributions from Public and Government			
CASH USED FOR INVESTMENT OPERATIONS			
Proceeds on Sale of Assets		109,926	
Purchasing of Assets		(1,071,280)	1,049,088
NET CASH FLOW		<u>R (57,677,450)</u>	<u>R (18,171,560)</u>
CASH EFFECT OF FINANCING OPERATIONS			
(Decrease)/Increase in Funds		(201,135)	
Decrease/(Increase) in Cash Investments	18	22,465,423	32,913,529
Decrease in Cash and Bank	19	35,413,162	(14,741,969)
NET CASH REALISED		<u>R 57,677,450</u>	<u>R 18,171,560</u>

**UKHAHLAMBA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 June 2005**

Note	Description	2005 R	2004 R
1	Accumulated Funds		
	Capital Development Fund	8,762,897	8,964,032
		<u>R 8,762,897</u>	<u>R 8,964,032</u>
2	Trust Funds		
	Access Roads Xalanga	2,014,655	2,014,655
	DDC Training Fund	240,690	361,811
	Dordrecht Youth Centre	140,423	159,265
	Income Generating Projects	496,004	610,865
	Public Transport Facilities	2,099,694	996,842
	R293 Township Transkei	507,458	503,770
	Rural Access Roads	380,298	380,298
	Structural Plan Herschel/Oranfontein	127,744	127,744
	T71 Makomoreng Road	27,794	27,794
	Working for Water	580,564	3,267,366
	Planning Herschel Central Business Area	181,851	181,718
	Inter-Governmental Relation Policy	1,301	1,149
	Community Based Public Works Programme	1,024,460	13,333,721
	Department of Water Affairs Project	18,543,141	23,308,829
	Survey Herschel Extension 2	169,124	160,915
	Dwarf EC104 523384 Nxaxa Water Supply	5,441,544	5,484,566
	Community Based Public Works Programme	55,989,767	55,922,964
	Dwarf EC918 524245 Koebung Water Supply	2,604,228	2,694,769
	Xalanga TRC Water Supply	117,556	117,556
	Albert Housing	3,568,071	3,568,071
	CPA Sports Grounds	6,793,704	6,793,704
	Finance Management Grant	2,206,107	6,070,714
	CPA Transfer Leasehold	325,930	325,930
	Youth Skills Development Centre: Elundini	2,076,990	2,031,287
	Mount Fletcher Massive Food Production	530,236	502,479
	Gariiep Bakery Project	212,941	200,992
	Gariiep Implimentation Lake	2,229,548	2,243,068
	Financial Aid	12,449,716	12,449,716
	Policy Framework Policy	250,016	243,187
	Disaster Management Plan	61,481	243,187
	Disaster Management Establishment of Centres	85,137	492,750
	Housing Project	7,444,460	7,444,460
	Disaster Management Comm Awareness Programme	140,451	162,125
	Disaster Management Training of Volunteers	15,956	324,250
	Disaster Management Struck Houses	746,939	1,149,442
	Disaster Management Fire & Emergency Service	3,522,791	3,445,155
	Integrated Development Plan	3,000,000	3,000,000
	M1 Planning Grant	226,213	0
	Ukhahlamba Extention Office Buildings	512,995	(436,876)
	Routine Road Maintenance	5,052,877	(7,000)
	Job Creation : Cemetary	200,000	200,000
	Community Garden Elundini	26,281	0
	Trisano Disable Project	5,152	0
	Livestock Project	51,565	0
	Youth Bed & Breakfast	6,460	0
		<u>R 142,430,313</u>	<u>R 160,103,238</u>
3	Fixed Assets		
	Fixed assets at the beginning of the year	10,441,776	4,323,971
	Capital expenditure during the year	1,071,280	1,049,088
	Less: Assets written off, transferred or disposed of during the year	109,926	
	Plus Revaluation during the year	0	5,068,717
	Total fixed assets	<u>11,403,130</u>	<u>10,441,776</u>
	Less: Loans redeemed and other capital receipts	11,239,429	10,151,573
	Net fixed assets	<u>R 163,701</u>	<u>R 290,203</u>

Note	Description	2005 R	2004 R
4	INVESTMENTS		
	Municipal Support Programme	-	0
	UKH DM General Fund	2,654,376	(571,867)
	Capital Development Fund	1,887,237	2,226,126
	Leave Provision	14,978	1,182,613
	Investment Collateral Securities	245,105	(923,504)
	UKH DM Training Fund	229,789	295,644
	Planning Herschel/Sterkspruit	2,627	2,632
	CBPWP	1,024,460	16,687,458
	PWSP	16,596,053	22,664,222
	Disaster Management	539,587	876,475
	Disaster Management	1,111	1,111
	Survey of Herschel	168,012	159,804
	R293 Townships	50,623	47,955
	Public Transport Facility	2,099,695	1,067,807
	Income Generating Projects	496,004	469,913
	Dordrecht Youth Centrum	140,423	133,036
	CMIP	459,096	459,096
	Finance Management Grant	2,206,107	2,050,437
	Elundini Youth Development	1,640,990	2,031,287
	Disaster Man Policy Framework	370,016	363,187
	Disaster Management Plans	109,406	363,187
	Establishment Centres	936,338	972,750
	Community Awareness Prog.	355,451	242,125
	Training Volunteers	445,956	484,250
	Disaster Struc Houses	995,968	2,275,468
	Fire & Emergency	4,304,462	5,145,155
	Struckture Planning Herschel	139,339	139,339
	Dept Water Project	5,032,487	7,925,301
	Inter-Gov Relation Policy	97,138	67,044
	Gariep Implimentation Lake	1,969,703	2,243,068
	Gariep Bakery Project	212,941	200,992
	Mas Food Production	30,235	2,479
	Comm. Hall & Roads Ugie/Macl	1,384,175	2,010,910
	Wetlands Projects	1,000	1,000
	Community Garden Elundini	549,236	0
	Trisano Disable Project	107,677	0
	Livestock Project	1,076,816	0
	Youth Bed & Breakfast	256,460	0
	Total Investments	<u>R 48,831,077</u>	<u>R 71,296,500</u>
5a	LONG TERM DEBTORS		
	Car Loans	916,175	1,941,934
	Venterstad TLC	216,665	216,665
	Aliwal North TLC	215,121	215,121
		<u>1,347,961</u>	<u>2,373,720</u>
5b	Capital Expenditure		
	Internal Loans		
5c	Inter Company transactions		
	Inter Municipality Transactions	15,647,847	(4,294,238)
	Drakensberg District Council - General Account	5,696,353	5,031,926
	TOTAL LONG TERM DEBTORS	<u>R 22,692,161</u>	<u>R 3,111,408</u>
6	INVENTORY		
	Inventory represents consumable stores, raw materials, work in progress and finished goods. Where necessary specific provision is made for obsolete inventory.		
		504,767	(196,531)
		<u>R 504,767</u>	<u>R (196,531)</u>

Note	Description	2005 R	2004 R
7	DEBTORS		
	Suspense accounts debits	17,493,985	17,759,462
	Current debtors	204,653,669	186,117,809
	TRC Trust banking accounts		
		<u>R 222,147,654</u>	<u>R 203,877,271</u>
8	DEFERRED CHARGES		
	Assets written off	109,926	0
		<u>R 109,926</u>	<u>R 0</u>
9	PROVISIONS		
	Leave provision (<i>for leave pay</i>)	14,978	1,397,939
		<u>R 14,978</u>	<u>R 1,397,939</u>
	(Refer to appendix A for more detail)		
10	CREDITORS		
	Trade Creditors	270,758	
	Sundry Creditors	26,472,189	22,668,895
	Suspense Accounts - Credits	40,303,293	40,929,090
		<u>R 67,046,240</u>	<u>R 63,597,985</u>
11	ALLOWANCES TO ELECTED REPRESENTATIVES		
	Chairperson and Co-chairperson Allowance	171,886	169,691
	Councillors' Allowances	2,325,586	2,035,021
		<u>R 2,497,472</u>	<u>R 2,204,712</u>
12	AUDITORS' REMUNERATION		
	Audit fees	655,713	517,393
		<u>R 655,713</u>	<u>R 517,393</u>
13	FINANCE TRANSACTIONS		
	Total external interest earned or paid:		
	Interest earned	<u>R 1,539,685</u>	<u>R 1,598,938</u>
	Capital charges debited to operating income:		
	Interest: External		
	Internal	29,943	
	Redemption: External		
	Internal	126,502	
	Deferred charges written off		
		<u>R 156,445</u>	<u>R 0</u>
14	APPROPRIATIONS		
	Appropriation account		
	Accumulated surplus at the beginning of the year	22,238,667	14,407,996
	Operating (deficit)/surplus for the year	(10,363,589)	6,521,669
	Appropriations for the year:	6,719,702	1,309,002
	Grants priorities		
	Inventory		
	Prior year adjustments*	6,719,702	1,309,002
		<u>R 18,594,780</u>	<u>R 22,238,667</u>
	Operating account		
	Capital expenditure	<u>R 0</u>	<u>R 0</u>

Note	Description	2005 R	2004 R
15	CASH GENERATED BY OPERATIONS		
	(Deficit)/Surplus for the year	(10,363,589)	6,521,669
	Investment Income	(1,539,685)	
	Contributions Ex-Opetating Income	1,197,782	
	Disposal of Assetts during the Year	(109,926)	
	Adjustments in respect of: Previous years' operating transactions	6,719,702	1,309,002
	Appropriations charged against income:	0	334,356
	. Capital Development Fund		334,356
	. Provisions and Reserves		
	. Fixed Assets		
		R (4,095,716)	R 8,165,027
16	(INCREASE)/DECREASE IN WORKING CAPITAL		
	(Increase)/Decrease in Inventory	(701,298)	149,267
	(Increase)/Decrease in Debtors and Long Term Debtors	(37,851,136)	55,945,973
	(Increase)/Decrease in Provisions	(1,382,961)	(65,326)
	(Increase)/Decrease in Creditors	3,448,255	(1,388,210)
		R (36,487,140)	R 54,641,705
17	(INCREASE)/DECREASE IN LONG-TERM LOANS(EXTERNAL)		
	Trust funds received	(17,672,925)	(64,098,388)
	Loans repaid		
		R (17,672,925)	R (64,098,388)
18	(INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS		
	Investment made	27,116,574	
	Investment realised	51,121,682	(32,913,529)
		R 24,005,108	R (32,913,529)
19	(INCREASE)/DECREASE IN CASH ON HAND		
	Cash Balance at the Beginning of the Year	22,078,545	(7,336,576)
	Less: Cash Balance at the End of the Year	57,491,707	(22,078,545)
		R 35,413,162	R 14,741,969
20	CAPITAL DEVELOPMENT FUND		
	Outstanding advances to borrowing services	8,762,897	8,964,032
	Accumulated Fund		
	Less: Internal Investments		
		R 8,762,897	R 8,964,032

UKHAHLAMBA DISTRICT MUNICIPALITY

**Appendix A
Accumulated Funds, Trust Funds, Reserves and Provisions
30 June 2005**

	Balance at 30/06/04	Contributions during the year	Interest on Investments	Other Income	Expenditure during the year	Balance at 30/06/05
	R	R	R	R	R	R
ACCUMULATED FUNDS						
Capital Development Fund	8,964,032		275,630		476,765	8,762,897
	8,964,032	R 0	R 275,630	R 0	R 476,765	R 8,762,897
TRUST FUNDS						
Access Roads Xalanga	2,014,655					2,014,655
DDC Training Fund	361,811		13,755		134,876	240,690
Dordrecht Youth Centre	159,265		7,387		26,229	140,423
Income Generating Projects	610,865		26,092		140,953	496,004
Public Transport Facilities	996,842		61,887	1,741,253.00	700,288	2,099,694
R293 Township Transkei	503,770		2,668	1,500	480	507,458
Rural Access Roads	380,298					380,298
Structural Plan Herschel/Orangefontein	127,744					127,744
T71 Makomoreng Road	27,794					27,794
Working for Water	3,267,366			5,758,156.00	8,444,958	580,564
Planning Herschel Central Business Area	181,718		133			181,851
Inter-Governmental Relation Policy	1,149		152			1,301
Community Based Public Works Programme	13,333,721		100,627		12,409,888	1,024,460
Department of Water Affairs Project	23,308,829		191,096		4,956,784	18,543,141
Survey Herschel Extension 2	160,915		8,209			169,124
Dwarf EC104 523384 Nxaxa Water Supply	5,484,566				43,022	5,441,544
Equitable Share						0
Community Based Public Works Programme	55,922,964		154,878		88,075	55,989,767
Dwarf EC918 524245 Koebung Water Supply	2,694,769				90,541	2,604,228
Xalanga TRC Water Supply	117,556					117,556
Albert Housing	3,568,071					3,568,071
CPA Sports Grounds	6,793,704					6,793,704
Finance Management Grant	6,070,714		77,195	1,000,000	4,941,802	2,206,107
CPA Transfer Leasehold	325,930					325,930
Youth Skills Development Centre: Elundini	2,031,287		45,703			2,076,990
Mount Fletcher Massive Food Production	502,479		27,757			530,236
Gariep Bakery Project	200,992		11,949			212,941
Gariep Implimentation Lake	2,243,068		106,480		120,000	2,229,548
Financial Aid	12,449,716					12,449,716
Policy Framework Policy	243,187		6,829			250,016
Disaster Management Plan	243,187		12,739		194,445	61,481
Disaster Management Establishment of Centres	492,750		42,387		450,000	85,137
Housing Project	7,444,460					7,444,460
Disaster Management Comm Awareness Programme	162,125		8,326		30,000	140,451
Disaster Management Training of Volunteers	324,250		18,566		326,860	15,956
Disaster Management Struck Houses	1,149,442		47,497		450,000	746,939
Disaster Management Fire & Emergency Service	3,445,155		77,636			3,522,791
Integrated Development Plan	3,000,000					3,000,000
M1 Planning Grant				285,134.00	58,921	226,213
Ukhahlamba Extension Office Buildings	(436,876)			7,633,836	6,683,965	512,995
Routine Road Maintenance	(7,000)			6,500,000	1,440,123	5,052,877
Job Creation : Cemetary	200,000					200,000
Community Garden Elundini			26,281			26,281
Trisano Disable Project			5,152			5,152
Livestock Project			51,565			51,565
Youth Bed & Breakfast			6,460			6,460
	160,103,238	R 0	R 1,139,406	R 22,919,879	R 41,732,210	R 142,430,313
PROVISIONS						
Leave Provision	1,397,939		975		1,383,936	14,978
	1,397,939	R 0	R 975	R 0	R 1,383,936	R 14,978

UKHAHLAMBA DISTRICT MUNICIPALITY
Appendix B
External Loans and Internal Advances
30 June 2005

INTERNAL ADVANCES TO BORROWING SERVICES	Balance at 30/06/04	Received during the year	Redeemed or written off during the year	Balance at 30/06/05
	R	R	R	R
Consolidated Loans Fund	290,203		126,502	163,701
Capital Development Fund	R 290,203	R 0	R 126,502	R 163,701

UKHAHLAMBA DISTRICT MUNICIPALITY
APPENDIX C
ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDING
30 June 2005

Expenditure 2004	SERVICE	Budget 2005	Balance at 30/06/04	Expenditure 2005	Written off transferred redeemed or disposed of during the year	Revaluation during the year	Balance at 30/06/05
R		R	R	R	R	R	R
RATE AND GENERAL SERVICE							
1,049,088	Administration Section 12(6)(c)	0	10,441,776	1,071,280	109,926	0	11,403,130
32,766	Corporate Services		536,294	10,958			547,252
70,956	Municipal manager		971,958				0
273,183	Councils Expenses		941,380	86,599			1,027,979
	Finance						0
	Data Processing						0
	Stores			10,799			10,799
	Internal Audit						0
59,458	Technical Services		1,544,950	934,780			2,479,730
	Office Buildings		4,500,000				4,500,000
	Pirms						0
	Public Works						0
612,725	Health Services		1,947,194	28,144	109,926		1,865,412
	Social Services						0
0	Priorities Section 12(6)(b)	0	0	0	0	0	0
0	Collection of Levies		0	0			0
0	Regional Services Sec. 12(6)(a)	0	0	0	0	0	0
	Building Plans & Land						0
	Disaster Management						0
	Environmental Health				0		0
	Licenses & Dog Tax						0
	Tourism						0
0	Economical Services	0	0	0	0	0	0
	Sanitation						0
0	Trading Services	0	0	0	0	0	0
	Water						0
0	Special Funds	0	0	0	0	0	0
	Job Creation						0
R 1,049,088	TOTAL FIXED ASSETS	R 0	R 10,441,776	R 1,071,280	R 109,926	R 0	R 11,403,130
1,049,089	CAPITAL RECEIPTS		10,151,573	1,197,782	109,926		11,239,429
1,049,089	Contributions ex operating income		9,685,058	1,197,782	109,926		10,772,914
	Loans redeemed and advances paid		466,515				466,515
R 2,098,177	NET FIXED ASSETS		R 290,203	R 2,269,062	R 219,852		163,701

UKHAHLAMBA DISTRICT MUNICIPALITY

**APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDING
30 June 2005**

Actual 2004		Actual 2005	Budget 2005
R		R	R
	INCOME		
43,537,824	Government and Provincial Grants and Subsidies	33,030,857	101,872,327
	Interest on Investments	441,161	350,000
10,110,905	Income from Tariffs, Services	65,408,750	26,071,670
<u>R 53,648,729</u>		<u>R 98,880,768</u>	<u>R 128,293,997</u>
	EXPENDITURE		
29,208,202	Salaries, Wages and Allowances	55,837,979	56,083,687
14,016,485	General Expenses	54,958,822	63,004,287
599,553	Repairs and Maintenance	3,940,166	11,370,900
530,986	Capital Charges	1,264,060	1,241,931
336,565	Contributions to Fixed Assets	252,321	3,325,500
	Contributions and Reserves	41,000	41,000
<u>R 44,691,791</u>	Gross Expenditure	<u>R 116,294,348</u>	<u>R 135,067,305</u>
(5,091,843)	Less: Amounts Charged Out	(7,049,991)	(7,049,991)
<u>R 39,599,948</u>	Net Expenditure	<u>R 109,244,357</u>	<u>R 128,017,314</u>

**UKHAHLAMBA DISTRICT MUNICIPALITY
DETAILED INCOME STATEMENT FOR THE YEAR ENDED
30 June 2005**

APPENDIX E

2004 Actual Income R	2004 Actual Expenditure R	2004 Surplus/ (Deficit) R		2005 Actual Income R	2005 Actual Expenditure R	2005 Surplus/ (Deficit) R	2005 Budget Surplus/ (Deficit) R
68,620,308	65,848,348	2,771,960	RATE AND GENERAL SERVICE	59,577,802	67,634,223	(8,056,421)	4,521,281
1,446,648	3,638,107	(2,191,459)	Administration Section 12(6)(c)	652	4,477,962	(4,477,310)	1,979,554
43,115,563	1,199,073	(1,199,073)	Corporate Services	580,450	713,890	(713,890)	681,193
150,000	3,209,270	(3,209,270)	Municipal Manager	23,668,546	3,304,115	(3,304,115)	3,192,247
70,000	2,898,359	(2,898,359)	Council Expenses	20,399,054	2,932,980	(2,352,530)	1,602,291
281,824	24,867,912	(24,717,912)	Finance	361,051	508,824	(508,824)	(12,291,543)
14,473,208	852,256	(782,256)	Priority Allocations and Grants	26,384,725	415,669	(415,669)	559,172
1,375	439,619	(157,795)	Data Processing	906,091	189,162	(189,162)	138,568
808,452	24,973	(24,973)	Stores	4,586,831	19,894,459	(189,162)	303,522
2,114,745	17,466,909	(2,993,701)	Internal Audit	7,676,287	284,999	(284,999)	562,974
6,118,493	419,198	(417,823)	Technical Services	0	4,586,831	(3,680,740)	4,534,268
40,000	808,452	0	Strategic Support Services	0	408,401	(408,401)	0
	2,114,745	1,974,590	Pimss	0	38,134	(38,134)	(1,200,000)
	6,118,493	(2,882,687)	Public Works/ Private/Plant Hire	0	9,062,478	(1,386,191)	1,019,970
	40,000	(842,885)	Health Services	0	417,265	(417,265)	393,974
			Social Services				
6,511,100	632,518	5,878,582	Priorities Section 12(6)(b)	7,427,915	628,118	6,799,797	(7,210,272)
6,511,100	632,518	5,878,582	Collection of Levies	7,427,915	628,118	6,799,797	(7,210,272)
1,050,000	3,157,225	(2,107,225)	Regional Services Sec. 12(6)(a)	0	4,599,252	(4,599,252)	2,412,308
300,000	1,115	(1,115)	Building Plans & Land	0	446	(446)	(400)
750,000	755,284	(455,284)	Disaster Management	0	2,708,033	(2,708,033)	1,150,647
	2,035,761	(1,285,761)	Environmental Health	0	1,890,673	(1,890,673)	1,262,061
	19,950	(19,950)	Licenses & Dog Tax	0	100	(100)	0
	345,115	(345,115)	Tourism	0	0	0	0
0	21,648	(21,648)	Donations Section 12(6)(e)	0	0	0	0
	21,648	(21,648)	Donations & Grants				
9,709,437	9,709,437	0	Economic Services	16,141,729	14,845,882	1,295,847	0
3,852,193	3,852,193	0	Gariep	4,122,316	5,068,285	(945,969)	0
2,190,402	2,190,402	0	Maletswai	2,474,911	2,337,676	137,235	0
1,995,823	1,995,823	0	Senqu	7,411,366	5,663,491	1,747,875	0
1,671,019	1,671,019	0	Elundini	2,133,136	1,776,430	356,706	0
15,317,926	15,317,926	0	Trading Services	15,733,322	21,536,882	(5,803,560)	0
3,737,509	3,737,509	0	Gariep	3,179,642	4,606,981	(1,427,339)	0
3,960,265	3,960,265	0	Maletswai	3,849,757	4,198,741	(348,984)	0
4,329,133	4,329,133	0	Senqu	6,223,727	9,031,254	(2,807,527)	0
3,291,019	3,291,019	0	Elundini	2,480,196	3,699,906	(1,219,710)	0
101,208,771	94,687,102	6,521,669	TOTAL	98,880,768	109,244,357	(10,363,589)	(276,683)
		1,309,002	Appropriations, for the year (refer to note 17)			6,719,702	
		7,830,671	Net surplus/(deficit) for the year			(3,643,887)	
		14,407,996	Accumulated surplus/ (deficit) beginning of the year			22,238,667	
		<u>R 22,238,667</u>	ACCUMULATED SURPLUS/ (DEFICIT) AT END OF THE YEAR			<u>R 18,594,780</u>	

APPENDIX F
STATISTICAL INFORMATION

Persons	2001	1996
African	321269	306915
Coloured	11601	10547
Indian	89	97
White	8383	8831
Total Population	341342	327868
Gender By Age		
Persons	2001	1996
Males - 0 to 4	17700	19702
Males - 5 to 14	48448	49916
Males - 15 to 34	53621	46700
Males - 35 to 64	30304	25028
Males - Over 65	8910	7743
Females - 0 to 4	17584	19589
Females - 5 to 14	48288	49959
Females - 15 to 34	57081	55660
Females - 35 to 64	43226	38239
Females - Over 65	16178	13256
Males - Total	158983	149089
Females - Total	182357	176703
Age		
Persons	2001	1996
0 to 4	35284	39220
5 to 14	96736	99768
15 to 34	110702	102290
35 to 64	73531	62901
Over 65	25089	20995
Education Institutions Being Attended by 5 to 24 year olds		
Persons	2001	1996
None	39732	-
Pre_school	5022	-
School	126078	-
College	200	-
Technikon	104	-
University	73	-
Adult Education Centre	218	-
Other	207	-
Highest Education Levels Attained by Over 20 year olds		
Persons	2001	1996
No Schooling	45966	34962
Some Primary	41700	39887
Complete Primary	12003	12494
Secondary	41235	39539
Grade 12	14420	8836
Higher	7643	4666
Labour Force		
Persons	2001	1996
Employed	34428	31103
Unemployed	39397	32772
Not Economically Active	112333	-
Total Labour Force	73825	-
Industry		

Persons	2001	1996
Agriculture/Forestry/Fishing	8119	7599
Community/Social/Personal	8857	7116
Construction	1325	1810
Electricity/Gas/Water	137	228
Financial/Insurance/Real Estate/Business	1015	695
Manufacturing	1085	1308
Mining/Quarrying	307	729
Other	0	-
Private Households	6551	5779
Transport/Storage/Communication	674	1133
Undetermined	2398	3756
Wholesale/Retail	3942	2590
Occupation	2001	1996
None	258644	247963
R1 - 400	25516	12935
R401 - 800	39371	36536
R801 - 1600	5818	3706
R1601 - 3200	5686	3449
R3201 - 6400	4041	4572
R6401 - 12800	1532	611
R12801 - 25600	267	182
R25601 - 51200	141	151
R51201 - 102400	119	91
R102401 - 204800	188	-
Over R204801	19	-
Language	2001	1996
Persons	2001	1996
Sight	6478	11996
Hearing	3608	5212
Communication	874	-
Physical	5439	6185
Intellectual	1942	2432
Emotional	2853	-
Multiple	3041	3330
Birthplace	2001	1996
Persons	2001	1996
RSA	338044	-
SADC	3056	-
Rest of Africa	51	-
Europe	136	-
Persons	2001	1996
RSA	339501	327139
SADC	1730	679
Rest of Africa	32	43
Europe	43	34
Asia	45	13
North America	0	0
Central/South America	3	4
Australia/New Zealand	0	1
Transport	2001	1996
Persons	2001	1996
Bicycle	605	-
Bus	1689	-
Car Driver	3789	-
Car Passenger	5000	-
Minibus/Taxi	5365	-
Motorcycle	417	-
Train	250	-

Housing			
Households	2001	1996	
Formal	50565	38916	
Informal	5937	4262	
Traditional	28046	27259	
Other	153	206	
Household Size			
Households	2001	1996	
1	15585	-	
2	13075	-	
3	12886	-	
4	12455	-	
5	10303	-	
6	7520	-	
7	5142	-	
8	3195	-	
9	1937	-	
10 and Over	2602	-	
Number of Rooms			
Households	2001	1996	
1	17574	19558	
2	21619	17860	
3	15788	12541	
4	12219	9307	
5	6503	4470	
6	4467	2907	
7	2726	1584	
8	1719	1044	
9	906	807	
10 and Over	1178	678	
Source of Energy for Lighting			
Households	2001	1996	
Electricity	36358	18960	
Gas	233	390	
Paraffin	16128	21342	
Candles	31078	29914	
Solar	526	-	
Other	375	10	
Refuse			
Households	2001	1996	
Munic Weekly	19276	13962	
Munic Other	475	770	
Communal Dump	1275	1485	
Own Dump	48074	38962	
No Disposal	15601	14512	
Sanitation			
Households	2001	1996	
Flush Toilet	9854	7957	
Flush septic tank	1599	-	
Chemical toilet	3114	-	
VIP	6886	-	
Pit latrine	20508	27485	
Bucket latrine	7819	6653	
None	34920	28402	

Telephone			
Households	2001	1996	
Telephone and Cellphone in Dwelling	3050	-	
Telephone only in Dwelling	2968	4865	
Cellphone	9456	-	
Neighbour	8498	2643	
Public Telephone	26932	16493	
Other - Nearby	5292	3140	
Other - Not Nearby	7123	8331	
No Access	21381	35147	
Water			
Households	2001	1996	
Dwelling	6557	8351	
Inside Yard	16009	6166	
Community Stand	12227	19701	
Community stand over 200m	13942	-	
Borehole	2916	7901	
Spring	18581	27633	
Rain Tank	831	563	
Dam/Pool/Stagnant Water	2329	-	
River/Stream	8635	-	
Water Vendor	267	-	
Other	2404	333	
Annual Household Income			
Households	2001	1996	
None	27834	12639	
R1 - 4800	10836	13072	
R4801 - 9600	23516	18602	
R9601 - 19200	11846	15003	
R19201 - 38400	5669	4525	
R38401 - 76800	3325	2186	
R76801 - 153600	1781	1132	
R153601 - 307200	642	541	
R307201 - 614400	158	123	
R614401 - 1228800	85	-	
R1228801 - 2457600	162	-	
Over R2457600	46	-	

Note : Where data is indicated as '-', then the data was not available i
For the income categories, the amounts for 1996 were allocated to th
Categories for the Income Information have been matched for the 20
(due to the reporting levels changing):

Annual Household Income

None (None)

R1-4800 (R1-2400)

R4801-9600 (R2400-6000)

R9601-19200 (R6001-18000)

R19201-38400 (R18001-42000)

R38401-76800 (R42001-72000)

R76801-153600 (R72001-132000)

R153601-307200 (R132001-360000)

R307201-614400 (OverR360000)

R614401-1228800 (No 1996 data)

R1228801-2457600 (No 1996 data)

Over R2457600 (No 1996 data)

Monthly Individual Income

None (None)

R1-400 (R1-200)

R401-800 (R201-1000)

R801-1600 (R1001-1500)

R1601-3200 (R1501-2500)

R3201-6400 (R2501-6000)

R6401-12800 (R6001-11000)

R12801-25600 (R11001-16000)

R25601-51200 (R16001-30000)

R51201-102400 (OverR30000)

R102401-204800 (No 1996 data)

R204801 or more (No 1996 data)

Data Source: Statistics South Africa: Census