

Complete only the yellow cells

Name of the TLC:

OR TAMBO DISTRICT MUNICIPALITY

for the year ended (insert year end in words)

30 June 2005

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

30 June 2005

Please insert previous year end in words

30 June 2004

as at

2005

Current year :

2004

Balance at

30 June 2005

Balance at

30 June 2004

OR TAMBO DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2005

INDEX

CONTENTS	PAGE
1. General information	1-2
2. Report of the Director: Finance	3-7
3. Accounting Policies	8-10
4. Balance Sheet	11
5. Income Statement	12
6. Cash Flow Statement	13
7. Notes to the financial statements	14-19
Appendices:	
A. Trust funds, Project funds and reserves	20
B. Internal advances	21
C. Analysis of fixed assets	22
D. Analysis of operating income and expenditure	23
E. Detailed income statement	24
F. Statistical Information	25

OR TAMBO DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2005

GENERAL INFORMATION

COUNCIL SPEAKER - **Councillor N Madalane**

EXECUTIVE MAYOR - **Councillor R Z Capa**

MEMBERS OF THE MAYORAL COMMITTEE

Portfolio: Planning, Land, Housing, Infrastructure & Planning	- Councillor L S Nduku
Portfolio: Youth, Gender, Special Needs, Policy Development and Research	- Vacant
Portfolio: Transport & Public Safety	- Councillor M. Titus
Portfolio: Finance and Asset Management	- Councillor F Tiwani
Portfolio: Health, Welfare & Environment	- Councillor N Mngoma
Portfolio: Disaster Management, Emergency Rescue & Rehabilitation	- Councillor N Dweba
Portfolio: Social Development, Sports, Arts and Culture	- Councillor D Mangqo
Portfolio: Economic Development and Agriculture	- Councillor Z Mzamane
Portfolio: Education & Community Participation	- Councillor N Mabandla
Administration, Human Resource Development & Training	- Vacant

GRADING OF LOCAL AUTHORITY

Grade 8

AUDITORS

Auditor General

BANKERS

MEEG Bank

REGISTERED OFFICE

OR Tambo House
Nelson Mandela Drive
Umtata
Tel: 047 - 501 6400
Fax: 047 - 532 4166

MUNICIPAL MANAGER

Mr. M Qithi

CHIEF FINANCE OFFICER

Mr. L. FOKAZI

OR TAMBO DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2005

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 3 to 24 have been approved by the Acting Municipal Manager and will be forwarded to the next council meeting for ratification.

L. MAHLAKA
ACTING MUNICIPAL MANAGER

L. FOKAZI
CHIEF FINANCE OFFICER

OR TAMBO DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -
for the year ended 30 June 2005

REPORT OF THE DIRECTOR: FINANCE

OPERATING RESULTS

1. Details of the operating results according to service classification and object of expenditure are included in appendices D and E. The operating results for the year ended 30 June 2005 are as follows:

	VARIANCE	BUDGET	ACTUAL	ACTUAL
	%	2005	2005	2004
		R	R	R
<u>INCOME</u>				
Levies and general services		247 816 539	248 483 499	189 407 408
Water and Sanitation	12	69 205 761	60 867 745	0
Total income Operating Income	2	317 022 300	309 351 244	189 407 408
Add: Budgeted Project Grants in Balance Sheet		475 212 840		
TOTAL BUDGETED INCOME		792 235 140		
<u>EXPENDITURE</u>				
Levies and general services	29	250 919 732	178 898 852	181 398 929
Water and Sanitation	6	76 410 905	71 919 220	0
Total expenses	23	327 330 637	250 818 071	181 398 929
Capital Expenditure - Project Funds in Balance Sheet		464 057 260		
TOTAL BUDGETED EXPENDITURE		791 387 897		
Surplus for the year		847,243	58 533 172	8 008 479

The total Equitable share allocation during the current financial year increased to R176m (15% increase) as compared to the R150m received during the previous financial year. Also, during the current year, billing for water and sanitation commenced. As at year end, the amount billed for this service totalled R59,3m (100% increase) whilst during the previous financial year, only actual receipts totalling R0,4m were raised as income as full scale billing was not as yet performed. Also, during the current year actual interest received from our operating reserves decreased by 22% whilst budgeted interest received decreased by 26%. This is as a result of the turnover rate by which we were spending monies as we receive them.

Current year expenditure has increased by approximately 21% compared to previous years expenditure. The major items that have contributed to this increase are salaries and wages(47% increase), and repairs and maintenance (38% increase). With the district municipality taking over on a full-time basis the water and sanitation function including all its operations, these major items drastically increased in expenditure patterns. In terms of budgeted expenditure versus actual expenditure, we have underspent our budget by approximately 20%. Due to a number of reasons, including not having access to the data-base for water and sanitation debtors, we were unable to collect the budgeted revenue and in terms of our cash-flows, expenditure levels had to be controlled so that they fit the collectable revenue.

OR TAMBO DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -
for the year ended 30 June 2005

REPORT OF THE DIRECTOR: FINANCE (Continued)

CAPITAL EXPENDITURE AND FINANCING

2. The expenditure on fixed assets during the year amounted to R16 060 708. The actual expenditure consists of the following: -

	VARIANCE	BUDGET	ACTUAL	ACTUAL
	%	2005	2005	2004
		R	R	R
Buildings	30	13 400 000	9 318 191	4 328 309
Furniture and Equipment	44	473 735	264 679	1 223 545
Tools & Equipment	14	294 285	253 188	244 384
Computer Equipment	60	3 631 502	1 447 404	1 975 596
Motor Vehicles	10	5 318 643	4 777 247	5 915 191
	31	23 118 165	16 060 708	13 687 024

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

	ACTUAL	ACTUAL
	2005	2004
	R	R
Operating account	13 879 804	13 687 024
Grants & Subsidies	2 180 904	0
	16 060 708	13 687 024

A detailed analysis of fixed assets can be examined on Appendix C of the annual financial statements.

OR TAMBO DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -
for the year ended 30 June 2005

REPORT OF THE DIRECTOR: FINANCE (Continued)

EXTERNAL LOANS, INVESTMENTS AND CASH

3. The Council had no outstanding external loans at 30 June 2005.

As at 30 June 2005, external investments at approved financial institutions amounted to R129,4 million (2004: R154,6 million)

The main bank account shows a cashbook balance of R5,4m.

The New Republican Bank was placed under curatorship by the Minister of Finance on 29 January 1999. As at 30 June 2005, funds still vested with NRB totalled R12.5 million. Correspondence received from the curators Ernst & Young dated 22 July 2005 forwarded to all depositors and creditors states that they are not in a position to determine the recoverability of the remaining capital balance as there are various litigation matters which have not been finalized. They further state that the quantum of the awards will depend on the outcome of the same.

More information regarding loans and investments are disclosed in the notes and Appendix B of the annual financial statements.

FUNDS AND RESERVES

4. TRUST FUNDS

The balance of trust funds at 30 June 2005 amounted to Rnil.(2004: R5 million).

These funds have been reallocated to liabilities as there are no trust deeds to prove these to be trusts held on behalf of third parties.

- 4.1 PROJECT FUNDS

The balance of project funds at 30 June 2005 amounted to R108,6 million(2004: R106,2 million).These are conditional grants provided to enable the district Municipality to undertake certain stipulated projects.

OR TAMBO DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -

for the year ended 30 June 2005

REPORT OF THE DIRECTOR: FINANCE (Continued)

RESERVES

The balance of reserves as at 30 June 2005 amounted to R0,081 million (2004: 4,5 million. More information regarding funds and reserves is detailed in Appendix "A" of the annual financial statements.

5. POST BALANCE SHEET EVENTS

The Minister of Finance announced that effective from 30 June 2006, RSC levies will cease to exist. However, no replacement source of revenue for the District Municipality's has been announced by National Treasury.

6. CONTINGENT LIABILITIES

6.1 NDLELA YABANTU/ KEI DISTRICT COUNCIL

30 000

The former Kei District Council is being sued by a contractor due to a contractor that was improperly awarded. Awaiting trial date from the Plaintiff Attorneys.

6.2 AFRICAN BANK/OR TAMBO AND QAUKENI LOCAL MUNICIPALITY

56 381

The OR Tambo District Municipality is being sued on the basis that it had taken over a project from Qaukeni Local Municipality and failed to pay in terms of the cession agreement between the Plaintiff and the Contractor appointed to perform the work. Awaiting trial date from the Plaintiff's Attorneys.

6.3 ROBERTS BROS & ANOTHER/OR TAMBO DISTRICT MUNICIPALITY

7 000

The OR Tambo District Municipality is being sued by a contractor for non-payment of work already done. To date payment has already been issued, however, they are demanding interest. Matter is about to be settled. The anticipated date is 15 September 2005.

OR TAMBO DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -
for the year ended 30 June 2005

REPORT OF THE DIRECTOR: FINANCE (Continued)

6.4 WILD COAST GUARDS/OR TAMBO DISTRICT MUNICIPALITY 75 000

The OR Tambo District Municipality is being sued by the contractor for the termination of contract. Parties are still exchanging pleadings.

6.5 BARLOWORLD/OR TAMBO DISTRICT MUNICIPALITY 40 000

The OR Tambo District Municipality is being sued by a contractor for failure to honour a cession agreement. Still awaiting trial date from the Plaintiff's Attorneys.

6.6 WK CONSTRUCTION/OR TAMBO DISTRICT MUNICIPALITY 275 179

The OR Tambo District Municipality is being sued by a tenderer who had lost on a tender process. The matter is still awaiting judgement.

7. TRANSFERS TO NTINGA OR TAMBO DEVELOPMENT AGENCY

Included in Total Expenditure of R36,6million incurred by the Developmental Planning Directorate are transfers that were made to the Municipal Entity. Transfers made totalled R35,3m (2004: R38,8m)

8. EXPRESSION OF APPRECIATION

I wish to express my appreciation to the Executive Mayor, the Chairperson of the Standing Committee on Finance, the Mayoral Committee, the Council at large, the Municipal Manager, my fellow directors as well as to the staff members at large for their invaluable support during the past year. A special word of thanks is extended to the representatives of the Auditor General for their assistance during the year.

L. FOKAZI
CHIEF FINANCE OFFICER

OR TAMBO DISTRICT MUNICIPALITY

BALANCE SHEET
as at 30 June 2005

	Notes	2005 R	2004 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		81 628	4 584 856
Reserves	1	81 628	4 584 856
ACCUMULATED SURPLUS		98 124 194	44 827 030
		98 205 822	49 411 886
Trust Funds	2.1	-	5 046 132
Project Funds	2.2	116 898 286	106 237 996
		215 104 111	160 696 014
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	3	2 450 000	2 450 000
LONG TERM DEBTORS	4	2 435 602	5 574 031
CURRENT ASSETS			
		237 200 741	198 244 027
Short term investments	5	129 543 741	154 613 166
Accounts receivable	6	97 286 607	41 956 661
Short-term portion of Long-term Debtors	6	2 076 044	1 104 508
Bank and cash		8 294 350	569 691
CURRENT LIABILITIES			
		26 982 232	45 572 047
Accounts payable	7	26 982 232	32 807 340
Bank Overdraft		0	12 764 707
NET CURRENT ASSETS		210 218 509	152 671 980
		215 104 111	160 696 014

OR TAMBO DISTRICT MUNICIPALITY

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

2004 R	2004 R	2004 R		2005 R	2005 R	2005 R
Actual Income	Actual Expenditure	Surplus / (deficit)		Actual Income	Actual Expenditure	Surplus / (deficit)
189 407 408	181 398 929	8 008 479	LEVIES AND GENERAL SERVICES	248 483 499	178 898 852	69 584 647
189 407 408	181 398 929	8 008 479	Community services	248 483 499	178 898 852	69 584 647
-	-	-	Trading Services	60 867 745	71 919 220	(11 051 475)
		<u>8 008 479</u>	Surplus/ for the year			<u>58 533 172</u>
		(1 428 221)	Appropriations for the year			<u>(5 236 008)</u>
		6 580 258	Adjusted Surplus for the year			53 297 164
		38 246 773	Accumulated surplus at the beginning			44 827 030
		<u><u>44 827 030</u></u>	Accumulated surplus at the end			<u><u>98 124 194</u></u>

OR TAMBO DISTRICT MUNICIPALITY

CASH FLOW STATEMENT
for the year ended 30 June 2005

	Notes	2005 R	2004 R
CASH GENERATED FROM OPERATING ACTIVITIES			
		8 342 213	17 565 492
Cash generated by operations	12	67 804 471	13 968 063
Investment income	9	1 553 402	6 299 219
Decrease/(Increase) in working capital	13	(62 126 589)	(12 452 994)
		7 231 284	7 814 288
Less : Interest paid		-	-
Cash generated from operations		7 231 284	7 814 288
Increase in funds and reserves		1 110 929	9 751 204
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets		(16 060 708)	(13 687 025)
Decrease/(Increase) in long term debtors		3 138 429	(3 542 191)
		(4 580 059)	336 284
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase in investments		25 069 425	602 696
Increase in cash	14	(20 489 366)	(938 980)
		4 580 059	(336 284)

OR TAMBO DISTRICT MUNICIPALITY

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

	2005	2004
	R	R
1. RESERVES		
Leave Gratuity	81 628	610 539
ORTDM TLC Allocations	-	3 974 317
	<u>81 628</u>	<u>4 584 856</u>
2.1 TRUST FUNDS		
Engcobo Municipality	-	1 083 499
Nyandeni Municipality	-	2 485 864
Mhlonlo Municipality	-	1 394 647
KSD Municipality	-	39 043
Mbizana Municipality	-	43 080
	<u>-</u>	<u>5 046 132</u>
2.2 PROJECT FUNDS		
Development Resorts	606 879	606 879
Training Funds	8 778	6 717
Transport Infrastructure	3 863 207	3 752 885
Urbanization Programme	1 143 753	1 143 753
Income Generating Projects	449 889	3 925 497
Youth Development Centre	215 530	215 530
Rural Anti-Poverty Trust	461 456	438 290
Tsolo Qumbu Skills Trust	36 123	36 123
CBPWP Trust Fund	7 113 774	11 653 708
Disaster for Homeless & BSRP	1 230 414	(1 628)
	7 699 095	4 720 091
Financial Management Grant	1 441 361	2 534 692
Dalinyebo Regional	1 191	1 191
Emboland Regional	30 253	30 253
Line Mapping	384 179	384 179
Disaster Management	2 776 295	2 706 013
Survey & Planning	616 555	598 714
Land Development	271 343	271 343
HIV/AIDS Programme	7 510 158	5 459 506
DWAF	8 016 118	4 375 352
Grants Received	1 2 328 278	11 920 446
MSP Fund	1 202 998	1 137 155
KSD Financial Assistance	97 213	97 213
Bumbane Great Place	20 855	20 446
ORT Disaster Management	1 992 579	1 992 579
Rural Housing Projects	1 0 451 020	3 660 991
Mbizana Ext. 4 Housing		2 107 847
SPU Fund	168 313	155 750
Petro-Card	44 508	41 895
IRDP Fund	2 248 977	3 152 671
MSIG Fund	1 136 315	827 433
Simisonke Sewing Project	222 564	222 564
Inter Governmental	135 876	167 535
Umzintlava/Qingqolo Fund	5 821 711	5 867 419
MIG Fund	30 946 282	29 492 717
SIP Fund	2 678 815	2 514 247
	<u>2 678 815</u>	<u>2 514 247</u>

OR TAMBO DISTRICT MUNICIPALITY

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

	2005	2004
	R	R
Community Development	386 596	-
Integrated Transport Plan		-
Libraries & Info. Counselling	255 011	-
DIMMS Fund		-
LGWSETA Fund	318 571	-
Job Evaluation Fund	328 393	-
Cape Town Disaster Fund	170 206	-
Integrated Development	1 140 094	-
Mbizana Drought Relief	812 624	-
Umtata Community Arts	103 431	-
Maize Farming Project Fund	10 706	-
	<u>116 898 286</u>	<u>106 237 996</u>

UMZINTLAVA/QINGQOLO FUNDS UTILISED FOR OPERATIONAL PROJECTS

During the current financial year, an amount of R3,5 million was borrowed from Umzintlava/Qingqolo fund to finance payments for projects that are funded from equitable share. These funds will be refunded immediately equitable monies become available

3. FIXED ASSETS

Fixed assets at the beginning of the year	54 461 293	40 774 268
Capital expenditure during the year	16 060 708	13 687 025
TOTAL FIXED ASSETS	<u>70 522 002</u>	<u>54 461 293</u>
Revenue Contribution and other capital receipts	<u>(68 072 003)</u>	<u>(52 011 294)</u>
NET FIXED ASSETS	<u><u>2 450 000</u></u>	<u><u>2 450 000</u></u>

ASSETS DONATED TO NTINGA OR TAMBO DEVELOPMENT AGENCY

Included in the total fixed assets are the following assets that were donated to Ntinga OR Tambo Development Agency subsequent to the date they started to operate.

<u>ASSET DESCRIPTION</u>	<u>REG.NO</u>	
<u>MOTOR VEHICLES</u>		
ISUZU D/CAB BAKKIE	CMZ 115 EC	132 033
ISUZU D/CAB BAKKIE	CMK 445 EC	166 227
OPEL ASTRA	BVR 964 EC	
ISUZU BAKKIE	BVR 966 EC	124 906
VW CITI GOLF	CRX 441 EC	73 948
VW CITI GOLF	CRX 442 EC	73 948
600 LITRE BOOM SPRAY TRACTOR		172 345
FOUR WHEEL DRIVE TRACTOR		249 590
ISUZU NQR500 TRUCK - ABBATTOIR		325 770
		<u>1 318 768</u>
<u>BUILDINGS</u>		
OR TAMBO ABBATTOIR BUILDING		3 500 000
OR TAMBO ABBATTOIR GENERATOR		139 200
GLEN AVENT DAIRY		500 300
RENOVATIONS TO EMFUNDISWENI SKILLS CENTRE		135 349
		<u>4 274 849</u>
<u>TOOLS & EQUIPMENT</u>		
OR TAMBO ABBATTOIR EQUIPMENT		91 494
EQUIPMENT - VIEDGESVILLE MULTI PURPOSE CENTRE		96 008
		<u>187 501</u>

OR TAMBO DISTRICT MUNICIPALITY

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

	2005 R	2004 R
4. Long-Term Loans	4 511 646	6 678 539
Less: portion receivable in twelve months	<u>2 076 044</u>	<u>1 104 508</u>
	<u>2 435 602</u>	<u>5 574 031</u>

Motor vehicle loans are afforded to qualifying contract employees and also to employees qualifying as essential users. These are repayable over a maximum period of 5 years and bear interest at 8% per annum. These loans are secured over an insurance policy with Liberty Life insurance company.

5. SHORT TERM INVESTMENTS

First National Bank	111 729 968	121 683 477
New Republican Bank	12 592 254	12 592 254
MEEG Bank	<u>5 221 519</u>	<u>20 337 435</u>
	<u>129 543 741</u>	<u>154 613 166</u>

The New Republican Bank was placed under curatorship on 29 January 1999.

Of the total investments, the amount relating to operational investments totals R14,8 million rands.

6. ACCOUNTS RECEIVABLE

Sundry Debtors	0	7 089 755
Short-Term loans	3 384 945	364 911
Debtors - Water & Sanitation	49 555 780	-
Debtors - Levies	8 444 292	9 511 125
Old Mutual Provident Fund	-	250 014
VAT claimable	49 524 700	23 741 857
Debtor - Qaukeni LM	-	999 000
Provision for Bad Debts	(16 162 341)	-
Mbizana Ext. 4 Housing	2 211 119	-
Integrated Transport Plan	60 269	-
DIMMS	<u>267 842</u>	<u>-</u>
	<u>97 286 607</u>	<u>41 956 661</u>
Short-term portion of Long-term Debtors	<u>2 076 044</u>	<u>1 104 508</u>

Approximately R44 million is owed by Consumer Debtors in the King Sabatha Dalindyebo Locality. These debtors are those that are with the Data-base that the KSD Local Municipality refused to hand over. The total debtor's balance as disclosed in these financial statements does not include these balances.

7. <u>ACCOUNTS PAYABLE</u>		
Sundry Creditors	379 517	12 374
Liquidators - Abattoir	2 450 000	2 450 000
Accruals and other creditors	18 800 691	30 344 966
Other accounts payables	5 352 024	-
	<u>26 982 232</u>	<u>32 807 340</u>

8. <u>AUDITORS REMUNERATION</u>		
Audit fees: Current year	<u>66 356</u>	<u>202 074</u>

OR TAMBO DISTRICT MUNICIPALITY

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

	2005	2004
	R	R
9. <u>FINANCE TRANSACTIONS</u>		
Interest earned	<u>1 553 402</u>	<u>6 299 219</u>
Interest paid	<u>-</u>	<u>-</u>

10. <u>COUNCILOR'S REMUNERATION</u>		
Executive Mayor	311 887	294 234
Speaker	265 732	250 312
Mayoral Committee Members	1 962 589	1 848 679
Councillors	1 058 527	1 053 741
	<u>3 598 735</u>	<u>3 446 965</u>

11. <u>APPROPRIATIONS</u>		
Accumulated surplus/(deficit) at the beginning of the year	44 827 031	38 246 773
Operating (deficit)/surplus for the year	69 584 647	8 008 479
Appropriations for the year	<u>(5 236 008)</u>	<u>(1 428 221)</u>
	<u>109 175 670</u>	<u>44 827 031</u>

12. <u>CASH GENERATED BY OPERATIONS</u>		
Surplus for the year	58 533 172	8 008 479
Adjustments in respect of :		
Prior year transactions	(5 236 008)	(1 428 221)
Contribution to fixed assets	16 060 708	13 687 025
Interest received	(1 553 402)	(6 299 219)
	<u>67 804 471</u>	<u>13 968 063</u>

13. <u>INCREASE IN WORKING CAPITAL</u>		
Increase in accounts receivable	(56 301 481)	(17 961 897)
Increase in accounts payable	(5 825 107)	5 508 903
	<u>(62 126 589)</u>	<u>(12 452 994)</u>

14. <u>INCREASE IN BANK AND CASH</u>		
Cash balance at the beginning of the year	(12 195 008)	(13 133 988)
Less: Cash balance at the end of the year	(8 294 350)	12 195 008
	<u>(20 489 358)</u>	<u>(938 980)</u>

OR TAMBO DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

	2005	2004
	R	R
15. DONATIONS		
5 X Small Photocopying Machines @ R12 000 ea	60 000	
1 X Wall Clock	-	
1 X Air- Conditioner	5 000	
	<u>60 000</u>	<u>-</u>
IN - KIND DONATIONS		

Secondment of the International Finance Advisor by National Treasury for an initial period of 2 years.

16. SUMMARY OF CONSUMER DEBTORS		
Current	8 595 454	
31 - 60 Days	4 578 389	
61 - 90 Days	4 006 634	
91 - 120 Days	3 217 144	
121 - 365 Days	5 693 041	
+365 Days	23 465 117	
	<u>49 555 780</u>	<u>-</u>

17. EMPLOYEE RELATED COSTS		
Remuneration of Municipal Manager		
Annual Remuneration	404 313	378 183
Performance Bonuses	-	251 930
Travelling Allowance	269 542	252 120
Contribution to Provident Fund	-	-
	<u>673 855</u>	<u>882 233</u>
Remuneration of Chief Finance Officer		
Annual Remuneration	350 470	328 263
Performance Bonuses	-	209 161
Travelling Allowance	233 647	218 841
	<u>584 117</u>	<u>756 265</u>

OR TAMBO DISTRICT MUNICIPALITY

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

	2005	2004
	R	R
Remuneration of Manager - Engineering Services		
Annual Remuneration	350 470	328 263
Performance Bonuses	-	137 161
Travelling Allowance	233 647	218 841
	<u>584 117</u>	<u>684 265</u>
Remuneration of Manager - Developmental Planning		
Annual Remuneration	327 587	307 047
Performance Bonuses	-	191 074
Travelling Allowance	218 391	204 694
	<u>545 978</u>	<u>702 815</u>
Remuneration of Manager - Community Services		
Annual Remuneration	370 841	349 686
Performance Bonuses	-	157 874
Travelling Allowance	110 000	100 000
Contribution to Pension Fund, Medical Aid	65 136	62 055
	<u>545 977</u>	<u>669 615</u>

Remuneration of Manager - Human Resources

Annual Remuneration	327 587	307 047
Performance Bonuses	-	195 874
Travelling Allowance	218 391	204 694
	<u>545 978</u>	<u>707 615</u>

Remuneration of Strategic Manager - Office of the Executive Mayor

Annual Remuneration	29 097	-
Performance Bonuses	-	-
Car Allowance	7 773	-
	<u>36 869</u>	<u>-</u>

NOTE: The Performance bonuses paid during 2003/04 relates to bonuses due for 2002/03 and 2003/04 financial years respectively.

18 ARREARS OWED BY INDIVIDUAL COUNCILLORS FOR SERVICES

Cllr. K. Tatani	389	-
Cllr. Z. Capa	3 580	-
Cllr. K. Mandita	1 174	-
Cllr. M. Titus	4 734	-
Cllr. F. Tiwani	1 141	-
	11 018	-

19 OTHER COMPULSORY DISCLOSURES AS PER SECTION 125 OF MFMA

Included in the personnel and general expenditure during the current are the following amounts:

Audit fees paid	66 356
Taxes and duties	839 117
Pension fund contributions	4 325 565
Medical aid contributions	1 705 436

There were no outstanding amounts at the end of the financial year under-review

-

TRUST FUNDS, PROJECT FUNDS AND RESERVES

	Balance at 30 June 2004	Contr during the period	Interest on investment	Other income	Operating expenditure during the year	Capital expenditure during the year	Transfers	Prior year Adjustment	Balance at 30 June 2005
TRUST/PROJECT FUNDS									
Development Resorts	606 879								606 879
Training Funds	6 717		2 061						8 778
Transport Infrastructure	3 752 885		110 322						3 863 207
Urbanization Programme	1 143 753								1 143 753
Income Generating Projects	3 925 497		24 393				(3 500 000)		449 889
Youth Development Centre	215 530								215 529
Rural Anti Poverty Trust	438 290		23 166						461 456
Isolo Qumbu Skills Dev. Trust	36 123								36 123
Comm. Based P. W. P	11 653 708		482 173			(4 099 550)	(922 557)		7 113 774
Engcobo Municipality	1 083 499		72 787				(1 156 286)		(0)
Nyandeni Municipality	2 485 864		156 124				(2 641 988)		(0)
Mhlonllo Municipality	1 394 647		75 780				(1 470 427)		0
KSD Municipality	39 043		895				(39 937)		0
Mbizana Municipality	43 080		306						43 386
Homeless & Destitute	(1 628)	2 000 000	14 594		(782 551)				1 230 414
BSRP	4 720 091	4 399 855	158 115			(1 578 967)			7 699 095
Financial Management Grant	2 534 692	2 500 000	168 129		(3 761 461)				1 441 361
Dalindyebo Regional Authority	1 191								1 191
Emboland Regional Authority	30 253								30 253
Line Mapping	384 179								384 179
Disaster Management	2 706 013		70 282						2 776 295
Survey and Planning	598 714		17 841						616 555
Land Development Objectives	271 343								271 343
HIV/AIDS Programme	5 459 506	7 581 650	254 823		(5 785 821)				7 510 158
DWAF	4 375 352	15 280 269	193 988			(11 833 491)			8 016 118
Grants Received	11 920 446		257 824	150 008					12 328 170
MSP Fund	1 137 155		65 842						1 202 998
KSD Financial Assistance	97 213								97 213
Bumbane Great Place	20 446		409						20 855
ORT Disaster Management	1 992 579								1 992 579
Rural Housing Projects	3 660 991	23 407 146	571 198			(17 188 015)			10 451 020
Mbizana Ext. 4 Housing	2 107 847	2 480 550	94 086		(6 893 602)		2 211 229		-
Petro-Card	41 895		2 614						44 508
SPU Fund	155 750		12 563						168 313
IRDP Fund	3 152 671		146 306		(1 050 000)				2 248 977
MSIG Fund	827 433	2 975 000	112 629		(2 778 747)				1 136 315
Simisonke Sewing Project	222 564								222 564
Inter Govt. Relations Fund	167 535		9 561		(41 220)				135 876
Umzintlava/Qingqolo Bridge Fund	5 867 419		101 665			(147 373)			5 821 711
MIG Fund	29 492 717	236 250 420	923 441			(244 897 882)	922 557		22 691 253
SIP Fund	2 514 247		164 568						2 678 815
Umtata Community Arts Fund	-	250 000	4 819		(151 388)				103 431
Mbizana Drought Relief fund	-		40 477				772 147		812 624
Community Development Workers	-	1 474 846	31 650		(1 119 901)				386 596
Integrated Transport Plan	-	407 500	960		(468 729)		60 269		-
Libraries & Information Counselling	-	250 000	5 011						255 011
Integrated Development Fund	-	1 113 000	27 094						1 140 094
DIMMS Fund	-	197 417			(465 259)		267 842		-
LGWSETA Fund	-	528 500	6 641		(216 570)				318 571
Job Evaluation Fund	-	403 904	974		(76 485)				328 393
Cape Town Disaster Fund	-	169 313	893						170 206
Maize Farming Project	1 020 138		67 079		(1 076 512)				10 706
	112 304 267	301 669 369	4 474 084	150 008	(24 668 246)	(279 745 277)	(8 808 638)	3 311 487	108 686 753
RESERVES									
Leave Gratuity	610 539	-	17 220	-	(546 131)	-			81 628
KDC TLC allocations	3 974 317	-	-	-	-	-	(3 974 317)		-
	4 584 856	-	17 220	-	(546 131)	-	(3 974 317)		81 628

INTERNAL LOANS/(INTERNAL ADVANCES)

	Balance at 30 June 2004	Received during the year	Interest capitalised	Redeemed or written off during the year	Balance at 30 June 2005
INTERNAL LOANS/(INTERNAL ADVANCES)					
Operating Account	11 679 382				11 679 382
Leave reserve		(210 241)			(210 241)
ORTDM TLC Allocation Reserve	(1 883 718)			1 883 718	-
Nyandeni Equitable share	106 231			-	106 231
Mhlontlo Equitable share	92 200			-	92 200
KSD Equitable share	25 622			-	25 622
Development Resorts	56 496				56 496
					-
Disaster for Homeless & Destitute BSRP	(545 890)			545 890	-
	883 623			(165 878)	717 745
Financial Management Grant	852 157	(271 826)			580 331
Dalindyebo Regional Authority	1 191				1 191
Emboland Regional Authority	30 253				30 253
Line Mapping	(358 688)				(358 688)
Disaster Management	85 527			(85 527)	-
Land Development Objectives	271 343				271 343
HIV/Aids	4 791 770	(2 588 975)			2 202 795
DWAF	2 081 826	(17 226 826)			(15 145 000)
Unknown grants	6 614 623				6 614 623
MSP fund	128 674			(48 515)	80 159
KSD Financial assistance	97 213				97 213
Bumbane Great Place	14 185				14 185
Mbizana Extention 4 Housing	(1 065 712)	(1 179 037)			(2 244 749)
Training fund	(1 548 610)			725 300	(823 310)
Urbanization Programme	631 399				631 399
Youth Development Centre	(1 589 912)				(1 589 912)
CBPWP	(2 423 324)			2 423 324	-
Disaster Management Centres	1 992 579				1 992 579
IRDP	(947 500)			68 489	(879 011)
ISRDS	-				-
Umzintlava/Qingqolo	(76 097)	3 920 526			3 844 429
MIG	(8 867 917)			4 011 560	(4 856 357)
SPU fund	155 750				155 750
Simisonke Sewing Project	222 564				222 564
Rural Housing Project	-	(624 969)			(624 969)
Job Evaluation programme	-	(76 485)			(76 485)
LGWSETA	-	52 758			52 758
Integrated Transport Plan	-	(130 130)			(130 130)
District Information management system	-	(280 588)			(280 588)
Community development workers	-	1 804			1 804
Umtata Arts centre	-	(6 756)			(6 756)
	11 588 695	(19 197 612)	-	9 358 361	-
					1 749 444

ANALYSIS OF FIXED ASSETS

	Balance at 30 June 2004	Expenditure	Written off / transferred	Disposal	Balance at 30 June 2005
Levies and General Services	54 461 295	16 060 708	-	(179 200)	70 342 803
Community Services	54 208 666	16 060 708	-	(179 200)	57 029 259
Administration	920 588		-		920 588
Office Furniture and Equipment	3 572 295	264 679	-		3 836 974
Tools & Equipment	1 507 017	253 188	-		1 760 205
Computer Equipment & Software	5 057 243	1 447 404	-		6 504 647
Buildings	18 595 749	9 318 191	-		27 913 940
Motor Vehicles	11 477 538	4 777 247	-	(179 200)	16 075 585
Cellular phone	17 321	-	-		17 321
Plant & Machinery	13 060 915	-			13 060 915
					-
Economic Services	252 629	-	-		252 629
Honey Sucker	252 629	-	-		252 629
Less: Revenue Contribution	(52 011 295)	(16 060 708)	-	179 200	(67 892 803)
Less: Assets Written/Disposed Off					
Grants and Subsidies	-	(279 745 277)			-
	(52 011 295)	(16 060 708)		179 200	(67 892 803)
NET FIXED ASSETS	2 450 000	-	-	-	2 450 000

OR TAMBO DISTRICT MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT
for the year ended 30 June 2005

2004 R	2004 R	2004 R		2005 R	2005 R	2005 R
Actual Income	Actual Expenditure	Surplus / (deficit)		Actual Income	Actual Expenditure	Surplus / (deficit)
189 407 408	181 398 929	8 008 479	LEVIES AND GENERAL SERVICES	248 483 499	178 898 852	69 584 647
189 407 408	181 398 929	8 008 479	Community services	248 483 499	178 898 852	69 584 647
221 000	4 613 193	(4 392 193)	Human Resources	14 000	5 135 646	(5 121 646)
-	4 988 355	(4 988 355)	Municipal Manager	-	2 665 745	(2 665 745)
-	7 561 434	(7 561 434)	Council's General Expenses	-	5 795 643	(5 795 643)
398 561	35 491 024	(35 092 463)	Community Services	-	8 814 688	(8 814 688)
743 085	50 218 272	(49 475 187)	Infrastructural Development	38 479 663	39 003 697	(524 034)
-	8 205 870	(8 205 870)	Executive Mayor	-	18 500 522	(18 500 522)
-	7 654 602	(7 654 602)	Disaster Management	-	3 998 841	(3 998 841)
2 800 000	48 908 383	(46 108 383)	Developmental Planning	2 000 000	42 188 102	(40 188 102)
185 244 762	13 757 796	171 486 966	Finance & Asset Management	207 989 836	52 795 968	155 193 868
			Trading Services			
-	-	-	Water and sanitation	60 867 745	71 919 220	(11 051 475)
		8 008 479	Surplus for the year			58 533 172
		(1 428 221)	Appropriation for the year			(5 236 008)
			Accumulated surplus:			
		38 246 773	beginning of the year			44 827 030
		44 827 030	Accumulated surplus: end of the year			98 124 194

STATISTICAL INFORMATION

	2004/05	2003/04
1)		
Population	1,740,664	1,740,664
Registered Voters	-	-
2)		
Purified (Ml) estimate	51,000	-
Cost per Ml purified	1.19	-
Income per Ml purified	3.60	-
3)		
Kl purchased ('000)	54,000	-
Kl treated ('000)	51,000	-
Kl lost in production	3,000	-
Cost per unit bought	1.19	-
Kl sold ('000)	11,000	-
Kl lost in distribution	40,000	-
Percentage loss in distribution	78%	0%
Percentage loss in production	6%	0%
Cost per kl sold	1.19	-
Income per kl sold	3.60	-