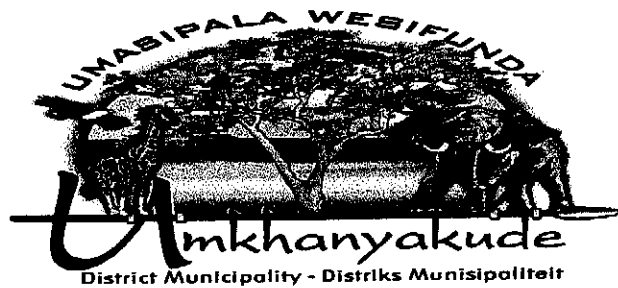
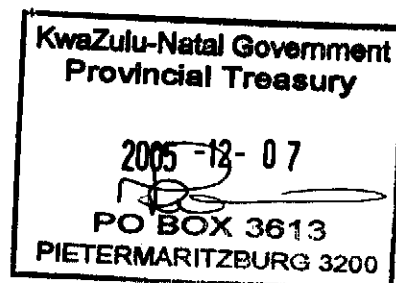


**UMKHANYAKUDE DISTRICT  
MUNICIPALITY**



**DRAFT ANNUAL FINANCIAL STATEMENTS  
FOR  
THE MONTH ENDED 30 JUNE 2005**

*Elephant  
Coast*



**UMKHANYAKUDE DISTRICT MUNICIPALITY**

**FINANCIAL STATEMENTS**

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## GENERAL INFORMATION

## MEMBERS OF THE EXECUTIVE COMMITTEE

Cllr. LM Mtombeni  
 Cllr. SM Sibanda  
 Cllr. GP Moodley  
 Cllr. AT Mdaka  
 Cllr. SS Mhlongo

Mayor  
 Deputy Mayor

## SPEAKER OF COUNCIL

Cllr. RV Myeni

Total number of councillors: 27

Grading of the District Municipality

Grade 4  
 (As per councillor remuneration grading)

## AUDITORS

The Auditor-General

## BANKERS

ABSA - Public Sector, Durban  
 First National Bank, Durban Corporate

## REGISTERED OFFICE

Municipal Building  
 Stand 13433 Kingfisher Road  
 Mkuze

P.O. Box 449  
 Mkuze  
 3965

Telephone (035) 573 8600  
 Fax (035) 572 1386

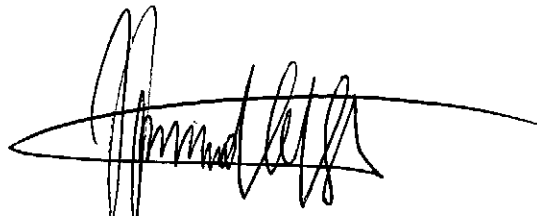
The annual financial statements set out on pages 5 to 30 are approved by the Municipal Manager.



## MUNICIPAL MANAGER

Dr. BV Thabethe (effective 15 October 2001)  
 BA, UED, Bed, Med, Ded, Dipl. Project Management

Date : 30 August 2005



## CHIEF FINANCIAL OFFICER

B.B. Mdletshe (effective 12 November 2001)  
 N.Dipl Acc, CFA.SA, LIMFO, CIBM  
 Registered Municipal Accountant

Date : 30 August 2005

UMKHANYAKUDE DISTRICT MUNICIPALITY

THE MAYORS FOREWORD

30 JUNE 2005

We have come to the conclusion of yet another Financial Year 2004/2005. We have gone through all the budget process as laid down by the MFMA and the budget was successfully approved by the Council. We have the hope that what was budgeted for has been achieved.

During this year-end we have done a number of good practices and activities that make us a good financially run Municipality. Among others are that:

- \* We have successfully reviewed our IDP in order to align it with our budget.
- \* We have conducted successful IDP roadshows to all five of our Municipalities in order to make it talk to our communities and they, to it.
- \* We have started implementing the relevant Sections of the MFMA.
- \* We have taken over Water and Electricity billing and a transfer of Staff thereof to us.
- \* We have successfully completed the Section 78 process and entered into partnership in so far as water management is concerned.
- \* We have had an Optimum Project Implementation with neither under nor over expenditure.
- \* We have formulated the PMS and constituted a working Audit Committee thereof, to mention just a few.

To have our Council approving our budget was a major achievement to us as a Municipality as this was an indication that it, together with our IDP, fully complied with MFMA. Although we have had good project implementation, but we saw an escalation of two votes i.e. Operations and Maintenance, Salaries, Wages and Allowances. The Operations and Maintenance escalation was due mainly to refurbishment of boreholes because of drought. A Drought Relief Forum was however created with Local Municipalities in order to manage the drought jointly. The latter vote escalation was due to the employment of additional staff caused by the expansion of the Departments and Learnership Program and the transfer of Staff from Local Municipalities with Water and Electricity functions being taken over by the District.

Although these activities had an increase in Expenditure there was never a sign of over expenditure. As for posts, these were budgeted for, and the National Government's interventions for the drought was really a relief. Many thanks.

I am therefore endowed with privilege and it is my pleasure to present the Financial Statements for 2004/2005. Let me take this opportunity and thank sincerely the following:

- \* The National Government through our line function department; DPLG and other departments like DWAF; Department of Public Works and other departments. They contribute greatly to our success.
- \* The Provincial Legislature through the MEC for Local Government and other departments like Arts, Culture and Tourism; Finance and Economic Affairs; These inject money direct to our Municipality.
- \* The Office of the Auditor-General.
- \* Our Local Municipalities for the visible cooperative Governance and Shared Services.
- \* Our Municipal Manager, Dr BV Thabathe, the Chief Financial Officer, Mr BB Moleleke and other Head of Departments. All our Officials working for our success. You make us proud!
- \* Members of our Exco; all Councillors and the NGO's who are our arms and vehicles for delivery.
- \* Amakhosi aseNdunkulu and members of our Community that we serve. The cooperation that we receive sometimes under difficult circumstances. This is all that makes us succeed and surely makes me proudly present this Audited Financial Statements.

As I have always said since our inception; surely,

**WE HAVE IT AND WE ALWAYS SHALL MAKE IT!**

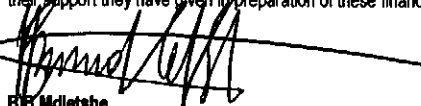
  
C. M. Mthombeni  
The District Mayor  
Chairperson of Finance Committee

**9. GOING CONCERN**

In management's view the District Council will be in continuous existence in the foreseeable future and expected to uplift standard of living within its area of operation. The District is dependent on grant funding from province and national government as it has a low income base this situation has been improving over the next five years.

**EXPRESSION OF APPRECIATION**

I wish to thank the Mayor, members of the Executive Committee, Councilors, the Municipal Manager, Heads of Departments and specially the staff in the financial department for their support they have given in preparation of these financial statements.



E. E. Ndletse

Chief Financial Officer

UMKHANYAKUDE DISTRICT MUNICIPALITY

**UMKHANYAKUDE DISTRICT MUNICIPALITY**

**ACCOUNTING POLICIES**

**1 BASIS OF PRESENTATION**

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition - January 1996).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 3.
- 1.3 The financial statements are prepared on the accrual basis as stated:
- (i) Income is accrued when available to finance operations. Levy income is accrued when received and /or when the amount can be measured with certainty.
  - (ii) Expenditure is accrued in the year it is incurred.

**2 CONSOLIDATION**

The financial statements include regional functions, agency functions, equitable share, trading services and the different funds and reserves.

**3 FIXED ASSETS**

- 3.1 *Fixed assets are stated:*
- (i) at historical cost, or
  - (ii) 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 District Council.
- 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 life. Apart from advances from the various council funds, assets may also be acquired through:
- (i) 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.
  - (ii) 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 Net proceeds from the sale of all assets are credited to a sundry income vote to be available to finance future projects.
- 3.4 Fixed assets are financed from different sources, including external loans, operating income 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 FUNDS AND RESERVES**

- 4.1 *Project Development fund*
- The annual budget allocation to projects is a contribution to the project development fund -internal with the objective of providing funds for project development. Project expenditure is financed from this fund. Funds received from external funding is a contribution to the project development fund -external with the objective of providing funds for project development.
- 4.2 *Maintenance reserve*
- 1% of the year's levy income is set aside to be used for emergency maintenance on projects previously developed by Council.
- 4.3 *Cash Reserve*
- These were funds received from Uthungulu as part of the distribution account held in reserves at 31 August 2004

4.4 *IDP & CMC Grants Reserve*  
Amounts received as grants to subsidise cost for IDP & CMC

4.5 *Training Levy Reserve*  
Amounts set aside for training of personnel.

4.6 *Panel Support Reserve*  
Amount set aside for providing financial and technical support to the local municipalities.

4.7 *Transport Subsidy Trust Fund*  
The net income from the transport subsidy is kept in trust to finance transport related projects not necessarily identified in the annual project budget.

4.8 *Planning Trust Fund*  
Money set aside to provide planning for community development.

4.9 *Interest received on funds*  
Investment interest is capitalised to Project Development fund External in full.

4.10 *Capital Development Fund (Water Services only)*  
A contribution of 3% of the prior year income is contributed to the CDF.

## 5 RETIREMENT BENEFITS

Umkhanyakude District Council and its employees contribute to the Natal Joint Municipal Pension Fund or the KwaZulu-Natal Joint Municipal Provident Fund which provides retirement benefits to such employees. The retirement benefit plan is subject to the rules and regulations prescribed by the Local Government Superannuation Ordinance, 1973 (Ordinance No. 24 of 1973) and in accordance with the requirements of the Pensions Fund Act, 1956. Current contributions are charged against operating income on the basis of current service costs.

Full actuarial valuations are performed at least every three years.

## 6 LEASED ASSETS

Leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

## 7 INVESTMENTS

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested in securities as prescribed by section 125 of the Local Authorities Ordinance, 1974 (Ordinance No. 25 of 1974) and section 10G(9) of the Local Government Transition Act, 1993 (Act No. 209 of 1993).

## 8 INCOME RECOGNITION

### 8.1 *Establishment and Services levy*

A fixed rate as approved by the National Minister of Finance is used to calculate the establishment and services levies. Invoices are issued on a monthly basis, except in cases where it is issued in intervals as allowed for in the KwaZulu-Natal Joint Services Board Act, 1990 (Act No. 84 of 1990).

### 8.2 *Water Billings.*

Meters are read and billed monthly.

## 9 PROVISIONS

9.1 *Leave Provision*  
Provisions for leave pay is based on Council's leave liability at year end.

### 10 *Provision for Bad Debts*

Provision is raised for all debtors over 120 days.

## 1. OPERATING RESULTS

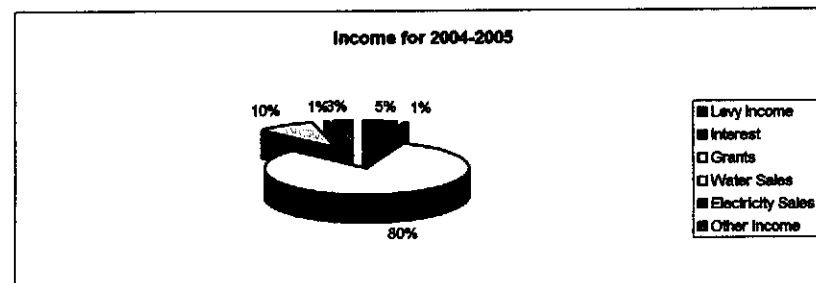
Details of the operating results per department and classification of income and expenditure are included in appendices D and E. The overall operating results for the period ended 31 May 2005 are as follows:

INCOME	Actual 2005 R	Budget 2005 R	Variance 2005 R	Variance 2005 %
Opening surplus	9,339,447	-	(9,339,447)	-
Operating income for the period	167,950,763	175,581,349	7,630,586	4.35%
Closing deficit	-	-	-	-
	177,290,209	175,581,349	(1,708,860)	-0.97%
EXPENDITURE				
Opening deficit	-	-	-	-
Expenditure for the period	180,521,499	175,581,349	(4,940,150)	-2.81%
Sundry transfers	-	-	-	-
Closing surplus	(3,231,290)	-	3,231,290	-
	177,290,209	175,581,349	(1,708,860)	-0.97%

## 2. INCOME

Details of income per department and classification are included in appendix D.

	Actual 2005	Budget 2005	Variance 2005	Variance %
Levy income	8,655,563	7,731,070	(924,493)	-11.96%
Interest	1,054,727	1,248,216	193,489	15.50%
Grants	136,105,544	128,791,155	(7,314,389)	-5.68%
Water Sales	16,175,318	27,371,930	11,196,612	40.91%
Electricity Sales	938,360	1,650,000	711,640	43.13%
Other income	5,021,251	8,788,978	3,767,727	42.87%
	167,950,763	175,581,349	7,630,586	4.35%



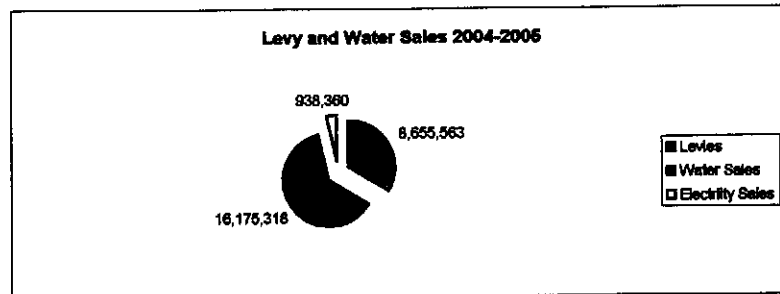
### 2.1 Grants and Subsidies

All grants have been properly recognized in the income statements and contributed out to funds.  
(See Appendix D and Appendix F for more information)

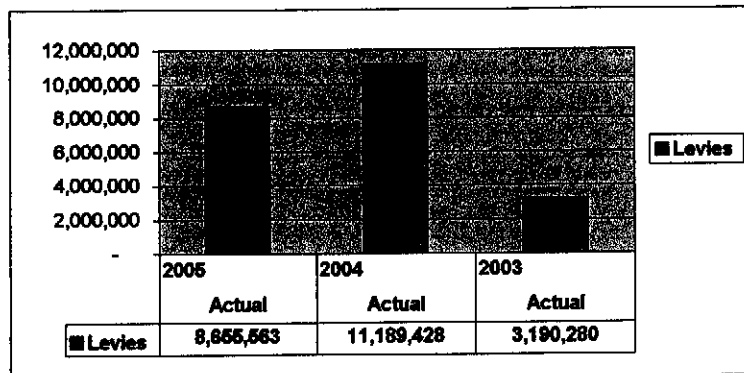


### 2.2 Levy Income and Water Sales

	Actual 2005	Budget 2005	Variance 2005	Variance % 2005
Levies	8,655,563	7,731,070	-924,493	-12%
Water Sales	16,175,318	27,371,930	11,196,612	41%
Electricity Sales	938,360	1,650,000	711,640	43%



### 2.3 Levy Income Comparison



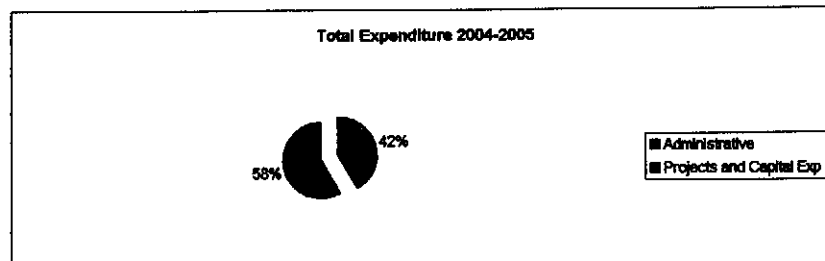
(Refer to Appendix D and note 12 for more details).

## 3. EXPENDITURE

### 3.1 Total Expenditure

Details of income department and classification are included in appendix D.

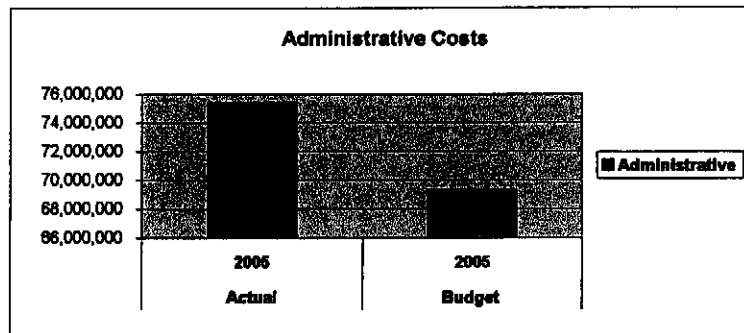
	Actual 2005	Budget 2005	Variance 2005	Variance %
Administrative	75,402,743	69,342,379	(6,060,364)	-8.74%
Projects and Capital Exp	105,118,756	106,238,970	1,120,214	1.05%
Total	180,521,499	175,581,349	(4,940,150)	-2.81%



### 3.2 Administrative Expenditure

Administrative expenditure for the period are as follows:

	Actual 2006	Budget 2005	VARIANCE 2005	VARIANCE % 2005
Administrative	75,402,743	69,342,379	(6,060,364)	-8.74%

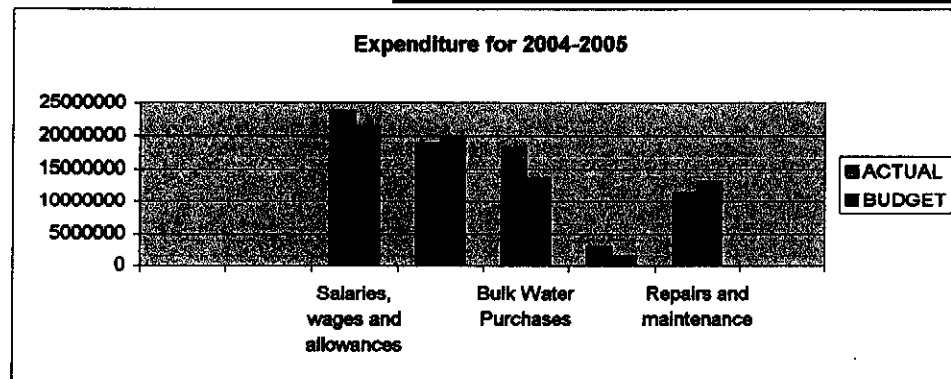


Administrative expenditure as a percentage of:

EXPENDITURE	INCOME
2005	2005
41.77%	44.90%

Administrative expenditure as per classification are as follows:

	ACTUAL 2005	BUDGET 2005	VARIANCE 2005	VARIANCE % 2005
Salaries, wages and allowances	23,770,500	21,538,550	(2,231,950)	-10.36%
General expenses	18,852,902	19,677,479	824,577	4.19%
Bulk Water Purchases	18,329,243	13,581,000	(4,748,243)	-34.98%
Electricity Purchases	2,967,944	1,430,000	-	-
Repairs and maintenance	11,462,154	13,115,350	1,653,196	12.61%
Capital charges	-	-	-	0.00%
	75,402,743	69,342,379	(4,502,420)	-6.49%



### 3.3 Project Expenditure

The basic supply of services and infrastructure is the main function of the District Municipality. Additional functions performed by the Council are also included in the total income and expenditure figures.

The monetary values are as follows:

	2005	%
Statutory Funds	399,526	0%
Trust Funds	102,126,555	88%
General Reserve	12,961,879	11%
	<u>115,487,960</u>	<u>100%</u>

### 4. CAPITAL EXPENDITURE (FIXED ASSETS)

The following is the summary of assets movement purchased and written off during the year

	2005	2,004
Prior year balance	67,029,686	24,006,582
Purchased during the year	12,998,491	43,126,023
Written off	-	-102,931
Total Fixed Assets	<u>80,028,177</u>	<u>67,029,684</u>
Less Loans redeemed	<u>-50,475,916</u>	<u>-49,053,101</u>
Nett Fixed Assets	<u>29,552,261</u>	<u>17,976,584</u>

Details of the capital expenditure per department are included in appendix C.

### 5. EXTERNAL LOANS, INVESTMENTS AND CASH

#### 5.1 External loans

No external loans were taken up for the municipal functions during the period and none were transferred from Uthungulu.

#### 5.2 Investments and Cash

The major portion of cash and investments are committed to projects commenced with, but not yet completed. The following is a summary of total cash and investments:

	2005	2,004
Cash in the bank	15,436,159	3,144,759
Unlisted Investments	7,000,000	22,422,835
	<u>22,436,159</u>	<u>25,567,694</u>

Details on investment and cash are included in notes 5 and 16 to the financial statements.

### 6. FUNDS AND RESERVES

The project development fund is created to finance all development projects in the region and also include projects financed with grant funding Provincial Government. The project development fund received contributions and made the following payments:

	2005	2004
Internal and External Financed Projects	2,667,108	3,055,169
Reserves	10,854,138	15,546,117
Trust Funds	37,194,032	43,849,944
Provisions	696,898	401,742
	<u>51,412,277</u>	<u>62,852,972</u>

7. LONG TERM DEBTORS	2005	2004
Vehicle loans : Cnr S.M. Sbands	76378.41	103,192
Housing Loan : S.A. Xulu	136925.56	161,916
Avia - Cnr A.T. Moleka	43136.04	131,596
Avia - Cnr S.S. Mhlongo	25870.88	81,659
Avia - Cnr R.V. Myeni	2113.1	-
Avia - Cnr R.V. L.M. Mhombeni	3500.88	-
	<u>288,785</u>	<u>468,332</u>
Less: Short term portion of long term debtors		
Transferred to current assets	28,878	46,833
	<u>259,906</u>	<u>421,499</u>

8. DEBTORS	2005	2004
Current debtors(Consumers and other)	25,694,184	20,461,194
Less Bad Debts Provisions	-5,668,542	-5,668,542
Sundry Debtors-Uthungulu	208,282	468,038
CBPWP Debtor	-	756,052
DPLGA - Panel Support Grant	-	-
Councillors & Staff	94,118	52,978
Accrued interest - ABSA & FNB	122,260	121,718
Accrued - Proceeds on Insurance - Thebe Hoshen	-	-
SARS - Vat Refund	15,651,404	13,264,752
Salary Suspense	-	-
Kwanganase Waste - Uthungulu District Municipality	-	-
KZ 273 The Big 5 Fales Bay Municipality	53,610	53,610
Kz 271 Mthabuyalingane Municipality	32,710	32,710
Kz 272 Jozini Municipality	62,565	62,565
Kz 274 Mhlabisa Municipality	25,858	25,858
Kz 276 Mthabane Municipality	-	-
DBSA DEBTOR	616,342	200,000
CMIP Debtors	-	-
Sundry Debtors Dwaif	-	10,472,182
Sundry Debtors Debt Management - Uthungulu	3,637,452	3,637,452
DEBTORS Department of Works Services	837,155	729,850
DEBTORS MRU Section 78	-	858,402
DEBTORS DTLGA	43,976	43,985
DEBTORS CPIS Salary Grant MPCC	-	17,483
DEBTORS Shwamela	287,935	287,935
DEBTORS Kwanganase	578,564	74,038
DEBTORS Mdelahle	303,629	96,467
Development Agency	382,595	-
Mhlabisa Municipality	8,567	508,174
	<u>43,082,663</u>	<u>46,564,890</u>

#### 9. GOING CONCERN

In management's view the District Council will be in continuous existence in the foreseeable future and expected to uplift standard of living within its' area of operation. The District is dependent on grant funding from province and national government as it has a low income base this situation has been improving over the next five years.

#### EXPRESSION OF APPRECIATION

I wish to thank the Mayor, members of the Executive Committee, Councillors, the Municipal Manager, Heads of Departments and specially the staff in the financial department for their support they have given in preparation of these financial statements.

**B B Mdelahle**

Chief Financial Officer

UMKHANYAKUDE DISTRICT MUNICIPALITY

## UMKHANYAKUDE DISTRICT MUNICIPALITY

## BALANCE SHEET AS AT 30 JUNE 2005

	Notes	2005 R	2004 R
<b>CAPITAL EMPLOYED</b>			
<b>FUNDS AND RESERVES</b>		13,521,246	18,601,286
Statutory Funds	1	2,667,108	3,055,169
Reserves	3	10,854,138	15,546,117
<b>RETAINED SURPLUS</b>	13	-3,231,290	9,339,447
		10,289,956	27,940,733
<b>TRUST FUNDS</b>	2	37,194,032	44,605,995
CONSUMER DEPOSITS	9	403,940	403,940
LONG TERM LIABILITIES		24,726,215	2,916,876
		72,614,144	75,867,544
<b>EMPLOYMENT OF CAPITAL</b>			
FIXED ASSETS	4	29,552,259	17,976,584
INVESTMENTS	5	7,000,000	22,422,935
LONG TERM DEBTORS	6	259,906	421,499
		36,812,165	40,821,018
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		35,801,977	35,046,524
<b>CURRENT ASSETS</b>		58,547,701	49,746,472
Debtors	7	43,082,663	46,554,880
Cash resources	17	15,436,159	3,144,759
Short-term portion of long term debtors	6	28,878	46,833
<b>CURRENT LIABILITIES</b>		22,745,724	14,699,948
Provisions	8	696,998	401,742
Trade Creditors	9	17,158,606	6,934,375
Other Creditors	9	4,890,120	7,363,831
		72,614,144	75,867,544

## UMKHANYAKUDE DISTRICT MUNICIPALITY

INCOME STATEMENT FOR THE YEAR  
ENDED 30 JUNE 2005

30 JUN 2004 Actual income R	30 JUN 2004 Actual expenditure R	30 JUN 2004 Surplus / (Deficit) R		30 JUNE 2005 Actual income R	30 JUNE 2005 Actual expenditure R	30 JUNE 2005 Surplus / (Deficit) R
178,112,796	177,708,764	404,032	REGIONAL FUNCTIONS	167,950,763	180,521,499	(12,570,737)
<u>178,112,796</u>	<u>177,708,764</u>	<u>404,032</u>	Administration	<u>167,950,763</u>	<u>180,521,499</u>	<u>(12,570,737)</u>
<u>178,112,796</u>	<u>177,708,764</u>	<u>404,032</u>	TOTAL	<u>167,950,763</u>	<u>180,521,499</u>	<u>(12,570,737)</u>
		180,146	Appropriations for this period (refer to note 13)			-
		<u>584,178</u>	Net surplus for the period			<u>(12,570,737)</u>
		8,755,269	Accumulated surplus beginning of the period			9,339,447
		<u>9,339,447</u>	ACCUMULATED SURPLUS AT THE END OF THE PERIOD			<u>(3,231,291)</u>

(Refer to appendix D and E for more detail)

(Refer to appendix D and E for more detail)

## UMKHANYAKUDE DISTRICT MUNICIPALITY

## CASH FLOW STATEMENT FOR THE

PERIOD ENDED 30 JUNE 2005

	Note	30-Jun-05 R	30 JUN 2004
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>		<b>102,705,754</b>	<b>90,536,565</b>
Cash received from Public and Government	19	170,386,207	146,984,455
Cash paid to suppliers and employees	20	(68,735,180)	-60,473,112
Cash utilised by operation		101,651,027	86,511,343
Interest paid		-	-
Investment income	11	1,054,727	4,025,222
<b>Cash effects of investing activities</b>		<b>(12,894,103)</b>	<b>-43,262,598</b>
(Decrease) / increase in long - term debtors	21	161,593	-136,574
Acquisition of assets	4	(13,055,696)	-43,228,955
Fixed assets transferred to other municipalities	4	-	102,931
<b>Net Cash Flow</b>		<b>89,811,651</b>	<b>47,273,967</b>
<b>Cash effects of financing activities</b>			
Increase in Consumer deposit	10	-	379,220
Increase in Long Term Loan	18	21,809,339	2,916,876
Expenditure on Capital Development Fund	24	(388,061)	-28,097,402
Expenditure on in reserves	26	(12,961,878)	2,223,378
Expenditure on Trust Fund	25	(102,882,607)	-78,992,651
Increase in Loan redeemed and other receipt	14	1,480,021	28,938,902
(Decrease) / increase in investment	16	15,422,835	27,770,546
Decrease in cash rescourses	17	(12,291,400)	-2,412,835
<b>Nett Cash (Generated) / Utilised</b>		<b>(89,811,651)</b>	<b>-47,273,967</b>





## UMKHANYAKUDE DISTRICT MUNICIPALITY

## APPENDIX B

## EXTERNAL LOANS AND INTERNAL ADVANCES

	Balance at 30 July 2004 R	Received during the period R	Redeemed or written off during the period R	Balance at 30 June 2005 R
<b>EXTERNAL LOANS</b>				
External Loan Transferred From KZ 273	856,659	-	-	856,659
External Loan Transferred From KZ 275	2,060,217	-	-	2,060,217
ABSA Loan		7,000,000		7,000,000
DBSA Loan		14,996,798	187,459	14,809,339
<b>Sub Total</b>	<b>2,916,876</b>	<b>21,996,798</b>	<b>187,459</b>	<b>24,726,215</b>
<b>INTERNAL ADVANCES</b>				
<b>Sub Total</b>	-	-	-	-
<b>Total External Loans and Internal Advances</b>	<b>2,916,876</b>	<b>21,996,798</b>	<b>187,459</b>	<b>24,726,215</b>

## UMKHANYAKUDE DISTRICT MUNICIPALITY

## APPENDIX C : ANALYSIS OF FIXED ASSETS

PERIOD ENDED 30 JUNE 2005

Expenditure 30 JUN 2004 R	Budget 2004 R	Service R	Budget 2005 R	Balance at 01.07.2004 R	Expenditure 30-Jun-05 R	Written off transferred R	Balance at 30.06.2005 R
0	0	Land	0	0	7,500,000	0	7,500,000
0	0	Airport Development Grounds	0	0	7,500,000	0	7,500,000
21,484,870	0	Building	0	24,302,714	4,781,334	0	29,084,048
21,484,870	0	Administration	0	24,057,952	4,781,334	0	28,839,286
0	0	Municipal House	0	244,762	0	0	244,762
2,272,913	0	Electricity	0	2,272,913	0	0	0
2,272,913	0	Electricity Distribution	0	2,272,913	0	0	2,272,913
0	0		0	0	0	0	0
14,282,431	0	Bulk Water	0	31,405,744	57,205	0	31,462,949
7,621,791	0	Water Reticulation Plant	0	24,697,323	0	0	24,697,323
6,660,640	0	Sewer Reticulation	0	6,708,421	57,205	0	6,765,626
759,844	700,000	Office Equipment	700,000	2,924,464	924,736	0	3,849,199
256,073	700,000	Computer Hardware	700,000	1,199,795	924,736	0	2,124,531
111,422	0	Computer Software	0	592,958	0	0	592,958
392,349	0	Office Machines	0	1,079,768	0	0	1,079,768
0	0	Air Conditioners	0	51,943	0	0	51,943
871,411	900,000	Furniture & Fittings	900,000	1,261,080	1,068,349	0	2,329,430
322,223	0	Chairs	0	405,988	0	0	405,988
382,192	900,000	Tables & Desks	900,000	589,427	1,068,349	0	1,657,776
167,036	0	Cabinets	0	265,665	0	0	265,665
3,474,106	400,000	Motor Vehicle	400,000	4,862,770	558,043	0	5,420,813
0	0	Motor Vehicle	0	772,717	558,043	0	1,330,760
1,764,613	400,000	Trucks / Bakkies	400,000	2,380,560	0	0	2,380,560
1,709,493	0	Fire Engines	0	1,709,493	0	0	1,709,493
43,125,574	2,000,000	<b>TOTAL FIXED ASSETS</b>	2,000,000	67,029,888	14,889,667	0	79,646,439
28,938,902		<b>LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>		49,053,101	1,422,816	0	50,475,916
4,386,703		Loans redeemed		9,087,216	187,459	0	9,274,674
13,040,431		Contributions from operating income		15,312,007	1,235,357	0	16,547,364
0		Contributions from Emma/Mon		270,000	0	0	270,000
0		Contributions from Transitional Grants		1,550,684	0	0	1,550,684
0		Contributions from NDT/Pimms		441,113	0	0	441,113
0		Contributions from Equit. Share		745,405	0	0	745,405
0		Contributions from CBPWP-PIA		186,006	0	0	186,006
8,583,680		Grants, Donations & Subsidy		15,105,613	0	0	15,105,613
0		Contributions ex: Uthungulu		287,680	0	0	287,680
0		Provisions and Reserves		58,585	0	0	58,585
0		Public Contributions		725,787	0	0	725,787
0		Contributions MSIG		122,625	0	0	122,625
1,213,535		Contributions Civic Centre		3,357,000	0	0	3,357,000
0		Contributions ISWIP DWAF		89,028	0	0	89,028
1,714,353		Utility Vehicle Grant		1,714,353	0	0	1,714,353
14,186,672		<b>NET FIXED ASSETS</b>		17,976,585	13,466,851	0	29,170,522

**UMKHANYAKUDE DISTRICT MUNICIPALITY  
APPENDIX D**

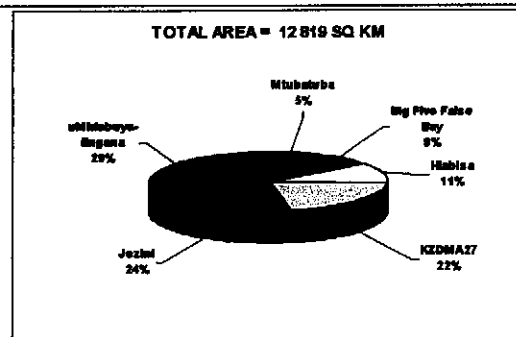
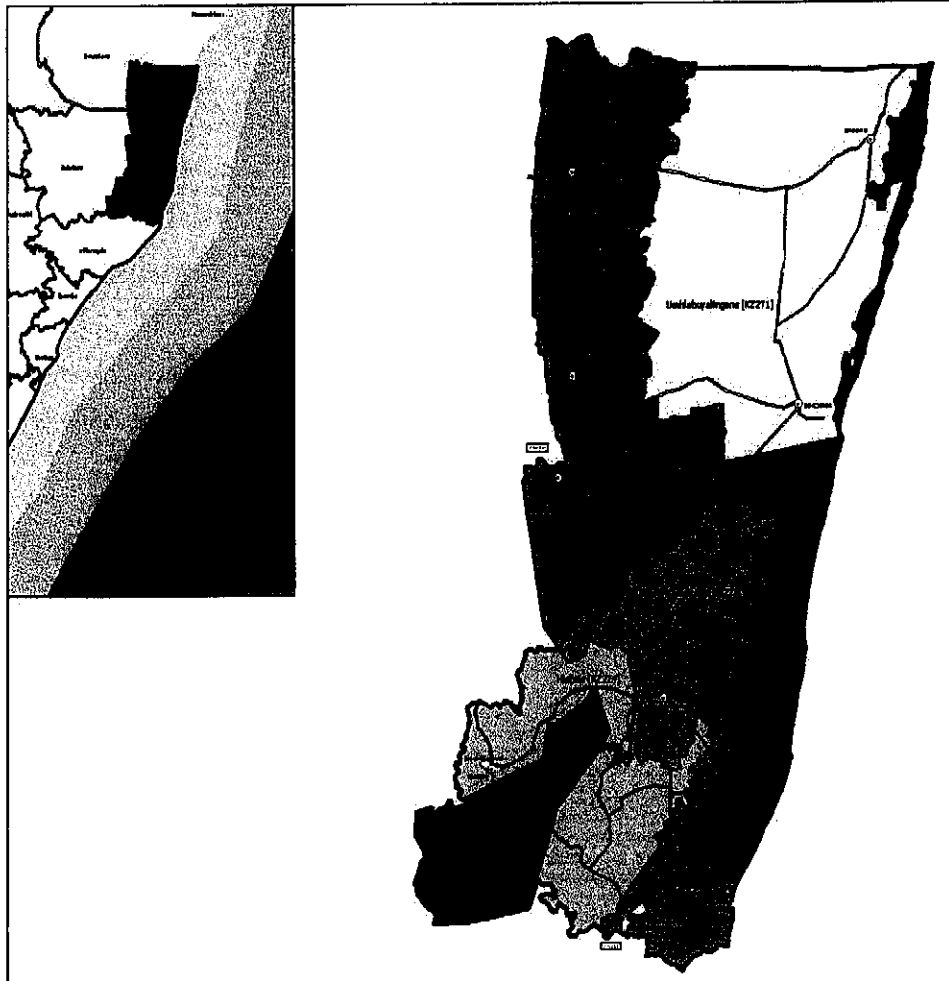
**ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
FOR THE PERIOD ENDED 30 JUNE 2005**

<b>Actual 2004 R</b>	<b>Budget 2004 R</b>		<b>Actual 30-Jun-05 R</b>	<b>Budget 30-Jun-05 R</b>
		<b>INCOME</b>		
141,619,762	133,587,587	Government and Provincial grants and subsidies	136,105,544	128,791,155
30,780,289	32,371,000	- Equitable share	33,300,197	34866000
110,839,473	101,216,587	- National / Provincial Government	102,805,347	83,925,155
-	-	- Public / Local Government	-	-
11,189,428	6,055,677	Levy income	8,655,563	7,731,070
4,105,990	1,464,704	- Service levies	3,618,948	3,955,124
7,083,438	4,590,973	- Establishment levies	5,036,614	3775946
21,278,385	5,891,573	Other income	22,134,929	37,810,908
19,128,041	5,826,673	Water and Sanitation Sales	16,175,318	27371930
2,051,764	-	Electricity Sales	938,360	1650000
-	-	- Profit on sale of Fixed asset	-	0
98,580	64,900	- Other services, levies	5,021,251	8788978
4,025,222	1,452,294	Interest earned	1,054,727	1248216
178,112,797	146,987,131	<b>TOTAL INCOME</b>	167,950,763	175,581,349
		<b>EXPENDITURE</b>		
		<b>OPERATING EXPENDITURE</b>		
16,961,464	14,919,042	Salaries, wages and allowances	23,770,500	21,538,550
15,054,885	4,604,177	Water and Sanitation Purchases	18,329,243	13,581,000
2,660,919	-	Electricity Purchases	2,987,944	1,430,000
18,172,012	17,448,839	General expenses	18,852,902	19,677,479
11,813,876	12,064,986	Repairs and maintenance	11,462,154	13,115,350
-	-	Capital charges	-	-
4,000,000	2,000,000	Contr to fixed assets - UMK - Internal	1,082,956	1,082,956
-	-	Contr to fixed assets - External	-	-
158,386	-	Contr to CDF - Water Services	-	-
108,887,221	96,971,288	Contributions to funds	104,035,800	105,156,014
177,708,764	148,008,332	Gross operating expenditure	180,521,499	175,581,349
-	1,021,201	Less : Amounts recharged	-	-
177,708,764	146,987,131	Net operating expenditure	180,521,499	175,581,349
404,033	-	<b>SURPLUS</b>	(12,570,737)	-

APPENDIX E : DETAILED INCOME STATEMENT FOR THE MONTH ENDED 30 JUNE 2005

30 JUN 2004 Actual Income R	30 JUN 2004 Actual expenditure R	30 JUN 2004 Surplus/ (deficit) R		30-Jun-05 Actual Income R	30 JUNE 2005 Actual expenditure R	30 JUNE 2005 Surplus/ (deficit) R
156,330,604	141,748,282	14,582,322	<b>ADMINISTRATION</b>	166,849,090	162,192,256	4,656,833
156,330,604	141,748,282	14,582,322	<b>ADMINISTRATION</b>	166,849,090	162,192,256	4,656,833
31,898,350	17,580,846	14,317,504	Council's General Expenses	35,815,197	15,796,603	20,018,594
6,103,359	10,163,943	-4,060,584	Corporate Services	23,362,586	31,292,476	-7,929,891
300,000	3,683,948	-3,383,948	Municipal Manager	0	2,135,501	-2,135,501
94,211,248	93,304,105	907,143	Technical Services	66,777,235	75,490,997	-8,713,762
5,410,417	7,154,573	-1,744,157	Development Planning	9,042,968	10,064,039	-1,021,071
18,407,231	9,860,866	8,546,365	Financial Services	25,856,336	7,158,013	18,698,323
0	0	0	Water Service Authority	5,994,768	20,254,627	-14,259,859
0	0	0	Offices	0	0	0
21,782,192	35,960,482	-14,178,290	<b>TRADING SERVICES</b>	1,101,673	18,329,243	-17,227,570
19,730,429	33,299,563	-13,569,134	Water and Sanitation	1,101,673	18,329,243	-17,227,570
2,051,764	2,660,919	-609,155	Electricity	0	0	0
<u>178,112,797</u>	<u>177,708,764</u>	404,033	<b>TOTAL</b>	<u>167,950,763</u>	<u>180,521,499</u>	<u>-12,570,737</u>
		180,146	Appropriations for this year (refer to note 13)			0
		584,179	Net surplus/(deficit) for the year	167,950,763		-12,570,737
		8,755,269	Accumulated surplus/(deficit) beginning of the year			9,339,447
		<u>9,339,447</u>	Accumulated surplus/(deficit) end of year	<u>167,950,763</u>		<u>-3,231,290</u>

MAPS & STATS



The total area covered by the umkhanyakude District Municipality is 12 819 square kilometres  
 The District Municipality includes five local municipalities and one District Management Area (DMA).  
 The DMA, together with uMhlabuyalingana and the Jozini Local Municipalities, cover 75% of the total area of the District Municipality.  
 The DMA is made up of the Greater St Lucia Area, the Hluhluwe-Umfolozi and the Mkuze Nature reserves

## UMKHANYAKUDE DISTRICT MUNICIPALITY

## APPENDIX G : ANALYSIS OF FIXED ASSETS

PERIOD ENDED 30 JUNE 2005

Expenditure 30 JUN 2004 R	Budget 2004 R	Service R	Budget 2005 R	Balance at 01.07.2004 R	Expenditure 30 JUNE 2005 R	Written off transferred R	Balance at 30.06.2005 R
26,570,678	2,000,000	<b>RATES AND GENERAL SERVICES</b>	1,082,956	33,351,028	12,988,491	0	46,349,519
26,570,678	2,000,000	<b>Community Services</b>	1,082,956	33,351,028	12,988,491	0	46,349,519
0	0	Council's General Expenses	0	0	0	0	0
1,913,365	210,000	Corporate Services	21,553	2,014,758	50,151	0	2,064,909
21,817,442	80,000	Municipal Manager	21,553	26,983,793	12,274,234	0	38,258,027
382,211	400,000	Technical Services	276,585	1,275,394	327,153	0	1,602,547
82,447	120,000	Development Planning	281,722	439,940	42,143	0	482,083
1,123,010	980,000	Financial Services	207,630	2,221,611	283,854	0	2,485,465
1,252,205	200,000	Water Service Authority	273,913	1,415,532	40,955	0	1,456,487
0	0	Offices	0	0	0	0	0
0	0	<b>Subsidised Services</b>	0	0	0	0	0
0	0	Health	0	0	0	0	0
0	0	Library	0	0	0	0	0
0	0	<b>Economic Services</b>	0	0	0	0	0
0	0	Cleaning	0	0	0	0	0
0	0	Sewerage	0	0	0	0	0
0	0	<b>HOUSING</b>	0	0	0	0	0
0	0	Economic	0	0	0	0	0
0	0	Sub-Economic	0	0	0	0	0
16,555,344	0	<b>TRADING SERVICES</b>	0	33,678,656	57,205	0	33,735,861
7,621,791	0	Water Reticulation Plant	0	24,697,322	0	0	24,697,322
6,660,640	0	Sewer Reticulation Plant	0	6,708,421	57,205	0	6,765,626
2,272,913	0	Electricity Distribution	0	2,272,913	0	0	2,272,913
43,126,023	2,000,000	<b>TOTAL FIXED ASSETS</b>	1,082,956	67,029,684	13,055,696	0	80,085,380
28,938,902		<b>LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>		49,053,101	1,480,021	0	50,533,121
4,396,703		Loans redeemed		9,087,215	187,459	0	9,274,674
13,040,431		Contributions from operating income		15,312,007	1,292,562	0	16,604,569
0		Contributions from Emma/Mon		270,000	0	0	270,000
0		Contribution from Transitional Grant		1,550,684	0	0	1,550,684
0		Contribution fro Ndt/pimms		441,113	0	0	441,113
0		Contribution from Equit. Reserve		745,405	0	0	745,405
0		Contributions for CBPW - PIA		186,006	0	0	186,006
8,583,880		Grants & Subsidies		15,105,613	0	0	15,105,613
0		Provisions and Reserves		287,660	0	0	287,660
0		Contributions ex Uthungulu		58,585	0	0	58,585
0		Public Contributions		725,787	0	0	725,787
0		Contributions MSIG		122,625	0	0	122,625
1,213,535		Contributions Civic Centre		3,357,000	0	0	3,357,000
0		Contributions ISWIP DWF		89,028	0	0	89,028
1,714,353		Utility Vehicle Grant		1,714,353	0	0	1,714,353
14,187,121		<b>NET FIXED ASSETS</b>		17,976,583	11,575,675	0	29,552,258