

## Sisonke District Municipality

### Accounting Policies

#### **1 BASIS OF PRESENTATION**

- 1.1** The attached financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers.
- 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. The accounting policies are consistent with those applied in the previous year.
- 1.3** Levy income is accounted for on the cash receipts basis.
- 1.4** Income from water and sanitation is accounted for on an accruals basis.

#### **2 FIXED ASSETS**

- 2.1** Fixed assets are stated :  
at the historical cost 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 POLICIES**

##### **3.1 Debtors and Creditors**

Current and Capital transactions operate on an Income and Expenditure basis. Income accruing and any outstanding payments as at 30 June are brought into account by means of raising Sundry Debtors and Sundry Creditors respectively.

##### **3.2 Capital Assets**

Capital outlay is reflected in the Balance Sheet at original cost and financed from operating income.

Assets are depreciated on the following basis

moveable assets are written off over the life of the asset, as determined by the Treasurer on the straight line basis.

##### **3.3 Investments**

Investments are reflected at original cost and are invested in securities as prescribed.

##### **3.4 Provisions and Reserves**

Provisions and Reserves are determined in terms of the matching concept and on the following basis :

Audit Fee - the year's anticipated audit costs

Accumulated leave is based on accrued leave at 30 June

##### **3.5 Amounts Recharged**

Some of the Technical department's expenditure is recharged to projects.

#### **4 RETIREMENT BENEFITS**

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

**SISONKE DISTRICT MUNICIPALITY**

**BALANCE SHEET AS AT 30 JUNE 2005**

	<u>Notes</u>	<u>2005</u> R	<u>2004</u> R
<b>CAPITAL EMPLOYED</b>			
<b>FUNDS AND RESERVES</b>			
Capital Development Fund	1	5,207,438	4,413,172
Retained Surplus	15	27,535,987	19,097,209
Long Term Liabilities	10	7,290,887	2,668,161
<b>TOTAL</b>		<b><u>R 40,034,312</u></b>	<b><u>R 26,178,542</u></b>
<b>EMPLOYMENT OF CAPITAL</b>			
Fixed Assets	2	27,014,696	10,659,312
Investments	3	31,134,699	36,118,206
Long-term debtors	4	2,825,721	4,113,561
Deposits	5	2,660	2,660
<b>TOTAL</b>		<b><u>R 60,977,776</u></b>	<b><u>R 50,893,739</u></b>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<b>-R 20,941,762</b>	<b>-R 24,715,197</b>
<b>CURRENT ASSETS</b>		15,780,495	12,841,825
Debtors	6	11,308,814	9,127,004
Inventory	7	439,647	155,345
Bank and cash	8	3,656,277	3,300,936
Suspense	9	375,758	258,539
<b>CURRENT LIABILITIES</b>		36,722,257	37,557,022
Provisions	11	1,740,961	1,310,321
Trust Funds	12	18,354,210	14,300,605
Loans : Short-term Portion	10	1,070,471	194,885
Creditors	13	9,283,371	9,500,164
Other Creditors	14	6,273,244	12,251,048
<b>TOTAL</b>		<b><u>R 40,036,014</u></b>	<b><u>R 26,178,542</u></b>

Included in this statement are the balances for Water and Sanitation, incorporated on 1 July 2004, details of which can be found in note 19.

**SISONKE DISTRICT MUNICIPALITY**

**INCOME AND EXPENDITURE STATEMENT - 30 June 2005**

<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>Budget</b>		<b>2004</b>	<b>2004</b>	<b>2004</b>
Actual	Actual	Surplus /	Surplus /		Actual	Actual	Surplus /
income	expenditure	(Deficit)	(Deficit)		income	expenditure	(Deficit)
R	R	R	R		R	R	R
34225650	28774688	5450962	8,788,019	General Administration	34903118	23669761	11,233,357
16235054	20369961	(4,134,907)	3,251,195	Water Services	3181873	5272506	(2,090,633)
0	0	0		Incorporated Water and Sanitatio	15641538	14597796	1,043,742
<u>50,460,704</u>	<u>49,144,649</u>	<u>1,316,055</u>	<u>12,039,214</u>	TOTAL	<u>53,726,529</u>	<u>43,540,063</u>	<u>10,186,466</u>
		1,316,055		Net surplus(Deficit) for the year			10,186,466
		13,087,671		Accumulated surplus (Deficit) beginning of the year			4,680,038
				Deficit for Water and Sanitation incorporated on 1 July 2003.			(2,305,548)
				Prior Years Adjustments			526,715
		<u>14,403,726</u>		Accumulated surplus (Deficit) end of the year			<u>13,087,671</u>

(Refer to appendix D and note 15 for more details)

**SISONKE DISTRICT MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE**

**YEAR ENDED 30 JUNE 2005**

	Note	2005 R	2004 R
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>		<b>61,335,198</b>	<b>54,360,141</b>
Cash utilised by operations	17	(9,371,776)	(13,845,138)
Investment Income		2,328,272	2,936,573
Increase in working capital	18	701,678	978,774
		(6,341,826)	(9,929,791)
Less: External interest paid		(1,161,317)	(496,445)
Cash available from operations		(7,503,143)	(10,426,236)
Contributions from Public or Government		68,838,341	64,786,377
<b>CASH UTILIZED IN INVESTING ACTIVITIES</b>		<b>(59,048,568)</b>	<b>(52,442,313)</b>
Decrease(Increase) in Investments	3	4,983,507	(6,395,573)
Decrease in long-term debtors	4	1,287,840	79,938
Increase in Deposits		-	-
State Projects	17	(18,024,147)	(15,911,616)
Increase in fixed assets	2	(47,295,768)	(30,215,062)
<b>NET CASH FLOW</b>		<b><u>2,286,630</u></b>	<b><u>1,917,829</u></b>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>		<b>(2,288,332)</b>	<b>(1,917,829)</b>
Increase/ (Decrease) in Long Term Loans	10	(1,531,472)	(363,222)
(Increase)/ Decrease in Suspense	9	(117,218)	53,265
(Increase)/ Decrease in Inventory	7	(284,302)	(155,345)
(Increase)/ Decrease in Cash	7	(355,340)	(1,452,527)
<b>NET CASH GENERATED</b>		<b><u>(2,288,332)</u></b>	<b><u>(1,917,829)</u></b>

This statement reflects the movements for the 2004/2005 financial year and does not include movements for the balances on Water and Sanitation, incorporated on 1 July 2004, details of which can be found in note 19.

**SISONKE DISTRICT MUNICIPALITY**  
**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2005**

**CONDITIONAL STATEMENTS**

**In presenting the Draft Financial Statements for the year ended 30 June 2005 attention is drawn to the following matters that could significantly affect the results for the year reflected in these Financial Statements.**

**1. UN-RECONCILED ACCOUNTS.**

The following accounts are currently un-reconciled and could significantly affect the results presented in these statements:

Consumer Debtor Control Accounts  
 Creditors Control Account  
 Salaries Suspense Account  
 Vat Account

**2. GRANT FUNDED EXPENDITURE**

There is an inconsistency in the treatment of VAT on expenditure from grant funds and, while the statements have been based on information provided, it is possible that further expenditure to be funded from PIMMS could be identified.

	<b>2005</b>	<b>2004</b>
	<b><u>R</u></b>	<b><u>R</u></b>
<b>1 ACCUMULATED FUNDS</b>		
Capital Development Fund	5,207,438	4,413,172
Balance 1 July 2004	4,413,172	3,889,967
Balance incorporated on 1 July 2004	640,591	
Plus Contributions	-	426,599
Plus Interest Credited	153,675	96,606
	<b>R 5,207,438</b>	<b>R 4,413,172</b>

(Refer to appendix A for more detail)

Balances incorporated reflect the water and sanitation funds held by the Mtatatiele Local Municipality as at 1 July 2004. See Note for more details.

**2 FIXED ASSETS**

**Asset Acquisition**

Fixed assets at the beginning of the year	108,740,977	4,032,127
Water and Sanitation assets incorporated on 1 July 2004	37,468,305	74,530,203
Capital expenditure during the year	47,295,768	30,215,062
Less :Assets written off, transferred or disposed of during the year	-	-36,415
Total fixed assets	193,505,050	108,740,977
Less : Loans redeemed and other capital receipts	-134,346,922	-27,902,278
: Loans redeemed and other capital receipts Incorporated on 1 July 2004	-31,220,775	-69,908,956
: Depreciation Provision	-922,658	-270,431
<b>Net fixed assets</b>	<b>R 27,014,696</b>	<b>R 10,659,312</b>

Balances incorporated reflect the water and sanitation assets held by Mtatatiele at 1 July 2004.

(Refer to appendix "C" for more details on fixed assets)

**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2005**

**3 INVESTMENTS**

Unlisted

Short-term deposits - Fuel Levy Deposit	-	-
Short-term deposits - FNB Wholesale Call Acc.	-	-
Short-term deposits - FNB Ixopo - Call Acc.	1,786,756	6,054,503
Short-term deposits - FNB 740331626666	-	-
Short-term deposits - FNB - Kokstad Call A/C	-	-
Short-term deposits - First Rand	7,652,639	8,133,110
Short-term deposits - Standard Bank	7,868,259	7,362,290
Short-term deposits - Nedbank	7,595,521	7,217,540
Short-term deposits - ABSA Bank	6,231,525	7,350,764

Total Investments	<b>R 31,134,699</b>	<b>R 36,118,206</b>
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Management's valuation of unlisted Investments	<b>R 31,134,699</b>	<b>R 36,118,206</b>
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**4 LONG TERM DEBTORS**

Car Loan	24,208	84,934
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The above loans are brought about by the acquisition of motor vehicles for certain members of council. Repayments by these members are inclusive of interest.

Less: Short term portion of long term debtors transferred to current assets	-24,208	-60,727
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Long term portion Ugu District Municipality	-	24,208
	2,825,721	4,089,353

This loan is brought about by the S12 demarcation process. R1 417 469 was settled in July 2004 leaving a balance of R2 671 884 representing the transfer of projects details of which are still to be identified. A further amount of R153 837 was raised against Ugu District Council in respect of Levy income incorrectly paid to the above by Province which has been acknowledged by

<b>R 2,825,721</b>	<b>R 4,113,561</b>
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**5 REFUNDABLE DEPOSITS MADE**

Refundable Deposits	1,160	1,160
Eskom Deposit	1,500	1,500

<b>R 2,660</b>	<b>R 2,660</b>
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**6 DEBTORS**

Sundry Debtors	183,524	387,455
Department of Water Affairs & Forestry	244,627	244,627
Allowances overpaid	176,801	208,442
R/D cheques	97,516	97,516
Car loans – short-term capital portion	24,208	60,727
Other Debtors	1,944,723	189,089
IEC	-235,256	1,017,944
SARS VAT	633,033	1,199,083
Ingwe	285,892	140,678
Kwa Sani	262,847	174,899
Matatiele	1,381,743	
Balance incorporated 1 July 2004	3,954,008	
Movements 2004/2005	-2,572,265	

**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2005**

Water Debtors	6,309,157	5,406,545
Debtors – Water and Sanitation	12,041,159	2,184,639
Incorporated Water and Sanitation		8,953,908
Less - Provision for Doubtful Debt	-5,732,002	-5,732,002

**R 11,308,814**

**R 9,127,004**

The increase in debtors is largely attributable to the inclusion of the Matatiele Water and Sanitation Service and increased consumer debts. The increase in other debtors includes payments made on behalf of Kokstad LM to Eskom of R1 901 073.

**7 INVENTORY**

Stores and Materials- Matatiele	439,647	155,345
	<b><u>R 439,647</u></b>	<b><u>R 155,345</u></b>

**8 BANK AND CASH**

Cash on hand	7,176	7,176
FNB Kokstad	1,484,250	1,916,588
FNB Ixopo	2,190,973	1,406,214
FNB Underberg - Kwa Sani Water Account	-26,123	-29,041
	<b><u>R 3,656,277</u></b>	<b><u>R 3,300,936</u></b>

**9 SUSPENSE**

Umgungundlovu District Municipality	251,433	251,433
Suspense Account	104,868	-
Pay Office Suspense	19,457	7,107

The Umgungundlovu District Municipality vote is brought by the uncertainty of certain transactions that are included in the disputed amount payable to the Umgungundlovu District Municipality. See note 13.

**R 375,758**

**R 258,539**

**10 Long Term Liabilities**

External Loans	8,361,359	2,863,046
Balance 1 July 2004	2,863,046	3,031,383
Plus Loans Incorporated 1 July 2004	5,959,313	1,353
Plus Loans Raised	144,635	
Less Loans Repaid	-605,636	-169,690
Long Term Portion	7,290,887	2,668,161
Short-term Portion	1,070,471	194,885

(Refer to appendix B for more detail)

**R 8,361,359**

**R 2,863,046**

The balances incorporated on 1 July 2004 for water and sanitation services by Mtatiele.

**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2005**

**11 PROVISIONS**

Leave provision	1,294,329	979,499
Audit Fees	382,893	300,822
Bonus	33,740	
Working Capital Reserve	30,000	30,000

(Refer to appendix A for more detail)

**R 1,740,961**

**R 1,310,321**

**12 TRUST FUNDS**

Agricultural Grant	200,000	-
Change Management Committee	51,685	51,685
Civil Protection Grant.	640,000	-
Community Based Public Works	-	-
Community Initiative Grant	-	-
Department Water & Forestry.	-	-
Development Bank of SA	100,051	100,051
Ex Matatiele	339,443	1,271,989
Financial Management Grant	250,000	-
GIS Support	960,994	631,587
Human Resources Support	-	-
I D P Grant	280,709	180,709
Land Use Management Grant	-	96,426
Learnership Grant	458,500	-
Management Assistance Programme	1,314,000	-
Masameni Water Scheme Upgrade	0	0
MIG Grant	8,523,533	7,813,882
Municipal Monitoring Systems.	300,000	300,000
Municipal Systems Improvement	2,918,308	1,425,075
Municipal Utility Vote	-	-
Performance Management System	80,000	-
Planning Support	9,054	9,054
PSG Staff Support	-	96,915
Public Transport	170,754	531,089
Sport and Recreation	1,214,677	937,012
Support Staff Grant	24,462	337,092
Transformation Managers	518,040	518,040
Water Services Development Plan	-	-

(Refer to appendix A for more detail)

**R 18,354,210**

**R 14,300,605**

**13 CREDITORS**

Pay Office Suspense		
Trade Creditors	9,039,279	9,040,264.38
Stale Cheques	22,819	3,977.90
Consumer Deposits	208,930	160,422.69
Payments in advance	12,344	27,210.00
Value Added Tax		268,288.96

**R 9,283,371**

**R 9,500,164**



**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2005**

**14 OTHER CREDITORS**

Other Municipalities		
Umgungundlovu District Council	5,160,857	8,632,390
This liability arose as out of the Demarcation process and is still under discussion and dispute. An amount of R3 471 533 has been deducted from the creditor in respect of Levy income incorrectly paid to the above by Province and some commercial levy payers.		
Ubuhlebezwe	544,218	544,218
Kokstad	568,169	3,011,671
Matatiele		62,768

These liabilities result from the transfer of Water and Sanitation to Sisonke and reflects the position at June 2005.

**R 6,273,244**

**R 12,251,048**

**15 APPROPRIATIONS**

Accumulated funds in terms of S12 Demarcation from former Ugu Regional council	4,089,353	4,089,353
Accumulated funds in terms of S12 Demarcation from former iNdlovu Regional Council	1,920,185	1,920,185
	<u>6,009,538</u>	<u>6,009,538</u>
	21,526,449	13,087,671
Surplus (Deficit) for previous year	13,087,671	4,680,038
Incorporated Water and Sanitation Surplus (Deficit) at 1 July 2004 (1)	3,601,635	-2,305,548
Prior years Adjustments (2)	3,521,088	526,715
Surplus (Deficit) for year	<u>1,316,055</u>	<u>10,186,466</u>

**R 27,535,987**

**R 19,097,209**

Municipality

(2) Includes amounts of R3 045 204 offset against former iNdlovu Regional creditor and R134 945 raised against Ugu District Council in respect of Levy income incorrectly paid to the above by Province and some commercial levy payers.

Ubuhlebezwe Local Municipality has claimed an amount of R914 940 as an administration charges for 2003/2004. In 2004/2005 Kokstad has claimed R1 059 370, Matatiele R1 655 510 and KwaSani R445 564 all of which have been excluded as there are no agreements which support these claims.

**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2005**

**16 FINANCE TRANSACTIONS**

Total external interest earned/(paid):		
Interest earned	-2,328,272	-2,936,573
External Loans Raised	-144,635	
Interest paid	1,161,317	496,445
	<b><u>-1,311,590</u></b>	<b><u>-2,440,128</u></b>
Capital Charges debited to operating account:		
Interest: External	1,161,317	496,445
Internal	217,359	111,222
Redemption: External	605,633	169,690
Internal	292,961	126,592
	<b><u>2,277,270</u></b>	<b><u>903,950</u></b>

**17 CASH UTILISED BY OPERATIONS**

Net surplus (deficit) for the year	1,316,055	10,186,466
Appropriations for previous year	3,521,088	526,715
Depreciation	652,227	49,904
Provisions	430,640	455,352
Doubtful Debts	0	1,447,048
Contribution to Capital Development Fund	-	426,599
Contribution to Capital Expenditure	198,414	8,513
Interest Earned Capital Development Fund	153,675	96,606
Internal Loans Redemption Capital Development Fund	292,961	126,592
External Loans Repaid	605,633	169,690
State Project Grants	18,024,147	15,911,616
Capital Grants	35,261,178	23,976,265
Investment Income	-2,328,272	-2,936,573
External Interest Paid	1,161,317	496,445
Capital Receipts	176,000	
Developers Contributions	1,500	
State Grants	-68,838,341	-64,786,377
	<b><u>-R 9,371,776</u></b>	<b><u>-R 13,845,138</u></b>

Income from all state grants has been included as well as the expenditure on special projects funded from these grants.

**18 (INCREASE)/DECREASE IN WORKING CAPITAL**

Decrease/ (Increase) in debtors	R 1,772,198	-8,027,637
Increase in creditors	-R 6,194,597	7,827,559
Short-term Portion of External Loans	1,070,471	194,885
Increase in Trust Accounts	4,053,605	983,967
	<b><u>R 701,678</u></b>	<b><u>R 978,774</u></b>

**SISONKE DISTRICT MUNICIPALITY**

**NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2005**

**19 INCORPORATED BALANCES 1 JULY 2003**

Assets	37,468,305	74,530,203
Funding	-31,220,775	-69,908,956
Debtors	3,954,008	5,858,567
Accumulated (Surplus)Deficit	-3,601,635	2,305,548
External Loans	-5,959,313	-3,031,383
Capital Development Fund	-640,591	-3,889,967
Stores	0	
Creditors	-0	-1,331,548
Provisions	0	-259,402
Doubtful Debts	0	-4,284,954
Bank		11,892

(Refer to appendix F 1 for more detail)

R 0

R 0

Assets and funding for Mtatatiele are **not** included as they have not been allocated at this stage.

**20 COUNCILLORS' REMUNERATION**

Mayor's allowance  
Deputy Mayor's allowance  
Speaker's allowance  
Executive Committee Allowance  
Councillors' allowance

**Total Councillors' Remuneration**

R 0

R 0

**21 AUDITORS' REMUNERATION**

Paid during the year

**Total Auditors' Remuneration**

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX A**

**STATUTORY FUNDS, RESERVES, TRUST FUNDS AND PROVISIONS**

	Balance at 30 June 2004	Incorporated 1 July 2004	Contributions during the period	Interest	Operational expenditure during the period	Balance at 30 June 2005
	R	R	R	R	R	R
<b>STATUTORY FUNDS</b>						
Capital Development Fund	4,413,172	640,591		153,675		5,207,438
	<b>4,413,172</b>	<b>640,591</b>	<b>-</b>	<b>153,675</b>	<b>-</b>	<b>5,207,438</b>
<b>TRUST FUNDS</b>						
Agricultural Grant	-		200,000			200,000
Change Management Committee	51,685					51,685
Civil Protection Grant.	-		640,000			640,000
Community Based Public Works	-					-
Community Initiative Grant	-					-
Department Water & Forestry.	-					-
Development Bank of SA	100,051		409,833		409,833	100,051
Ex Matatiele	1,271,989				932,546	339,443
Financial Management Grant	-		250,000			250,000
GIS Support	631,587		350,000		20,593	960,994
Human Resources Support	-					-
I D P Grant	180,709		100,000			280,709
Land Use Management Grant	96,426				96,426	-
Learnership Grant	-		458,500			458,500
Management Assistance Programme	-		1,314,000			1,314,000
Masameni Water Scheme Upgrade	0					0
MIG Grant	7,813,882		41,775,138		41,065,487	8,523,533
Municipal Monitoring Systems.	300,000					300,000
Municipal Systems Improvement	1,425,075		2,950,000		1,456,766	2,918,308
Municipal Utility Vote	-					-
Performance Management System	-		80,000			80,000
Planning Support	9,054					9,054
PSG Staff Support	96,915				96,915	-
Public Transport	531,089				360,335	170,754
Sport and Recreation	937,012		1,265,715		988,050	1,214,677
Support Staff Grant	337,092				312,630	24,462
Transformation Managers	518,040					518,040
Water Services Development Plan	-					-
	<b>14,300,605</b>	<b>-</b>	<b>49,793,186</b>	<b>-</b>	<b>45,739,581</b>	<b>18,354,210</b>
<b>PROVISIONS</b>						
Audit Fees	300,822		82,071			382,893
Leave	979,499		559,764		244,934	1,294,329
Bonus			33,740			33,740
Working Capital Reserve	30,000					30,000
	<b>1,310,321</b>	<b>-</b>	<b>675,575</b>	<b>-</b>	<b>244,934</b>	<b>1,740,961</b>
<b>TOTAL</b>	<b>20,024,097</b>	<b>640,591</b>	<b>50,468,761</b>	<b>153,675</b>	<b>45,984,515</b>	<b>25,302,609</b>

With the introduction of MIG the CMIP, DWAF and Community based public works grants have been Consolidated as MIG

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX B**

**EXTERNAL LOANS AND INTERNAL ADVANCES**

<b>EXTERNAL LOANS</b>	<b>Balance at 30 June 2004 R</b>	<b>Incorporated 1 July 2004 R</b>	<b>Adjustments during the period R</b>	<b>Redeemed or written off during the period R</b>	<b>Balance at 30 June 2005 R</b>
ABSA 1	39,699			11,546	28,154
ABSA 2		4,426,865	144,635	336,204	4,235,297
Unibank	5,923			5,923	0
DBSA 1	100,819			37,415	63,404
DBSA 2	2,406,447			114,606	2,291,841
DBSA 3	58,725			3,658	55,067
DBSA 4		1,532,448		74,737	1,457,711
Ingwe PIF	131,295			6,544	124,751
Kokstad PIF	6,222			1,341	4,881
Kwa Sani PIF	113,917			13,662	100,254
	<u>2,863,046</u>	<u>5,959,313</u>	<u>144,635</u>	<u>605,636</u>	<u>8,361,359</u>

<b>INTERNAL ADVANCES BORROWING SERVICES</b>	<b>Balance at 30 June 2004 R</b>	<b>Incorporated 1 July 2004 R</b>	<b>Received during the period R</b>	<b>Redeemed or written off during the period R</b>	<b>Balance at 30 June 2004 R</b>
Capital Development Fund	1,269,085	910,932		292,961	1,887,056
	<u>1,269,085</u>	<u>910,932</u>	<u>-</u>	<u>292,961</u>	<u>1,887,056</u>

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX C : ANALYSIS OF FIXED ASSETS**

Service	Assets				Balance at 30 June 2005 R
	Balance at 30 June 2004 R	Incorporated 1 July 2004	Expenditure 2005 R	Written off transferred R	
Council's General	10,196,856		10,888,358		21,085,214
Water and Sanitation	98,544,121	37,468,305	36,407,410		172,419,836
<b>TOTAL FIXED ASSETS</b>	<b>108,740,977</b>	<b>37,468,305</b>	<b>47,295,768</b>	<b>0</b>	<b>193,505,050</b>
<b>LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>	<b>97,811,235</b>	<b>31,220,775</b>	<b>36,535,687</b>	<b>-</b>	<b>165,567,697</b>
Contributions from current income	1,783,436	398,002	198,414		2,379,852
Capital Receipts	0	0	176,000		176,000
Loans and advances redeemed	6,478,456	2,788,861	898,594		10,165,911
<u>Capital Grants Expended :</u>					
Computer capital grants expended	15,000	0	0		15,000
ISWIP Capital grants	77,187	0	0		77,187
LGTF - Capital Grants Expended	2,608,420	0	0		2,608,420
CMC Capital grant expended	4,140	0	0		4,140
CMIP Capital grant expended	900,000	0	33,106,308		34,006,308
GIS - Capital grant expended	568,413	0	13,508		581,921
ADMIN - Capital grant expended	3,000,000	0	0		3,000,000
PIMMS - Capital grant expended	288,671	0	0		288,671
DWAF - Capital grant expended	9,403,874	0	0		9,403,874
UTILITY - Capital grant expended	811,404	0	0		811,404
SPORT - Capital grant expended	0	0	39,780		39,780
Unspecified	11,467,082	0	0		11,467,082
Grants received	59,569,451	27,875,326	2,101,582		89,546,359
Water Contributions	726,147	0	0		726,147
Developer's water contributions	71,684	158,585	1,500		231,769
Other Contributions	37,870	0	0		37,870
Depreciation Provision	270,431		652,227	-	922,658
<b>NET FIXED ASSETS</b>	<b>R 10,659,312</b>	<b>R 6,247,531</b>	<b>R 10,107,853</b>	<b>R 0</b>	<b>R 27,014,696</b>

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX C1 : ANALYSIS OF FIXED ASSETS**

<u>Service</u>	<b>Assets</b>				<b>Balance at 30 June 2005 R</b>
	<b>Balance at 30 June 2004 R</b>	<b>Incorporated 1 July 2004 R</b>	<b>Expenditure 2005 R</b>	<b>Written off transferred R</b>	
<b>Administration</b>	<b>10,196,856</b>	<b>0</b>	<b>10,888,358</b>	<b>0</b>	<b>21,085,214</b>
Buildings	5,160,078		9,641,384		14,801,462
Infrastructure	0				0
Office Equipment	2,623,607		621,419		3,245,026
Furniture & Fittings	509,763		43,163		552,926
Motor Vehicles	1,903,408		582,392		2,485,800
<b>Water and Sanitation</b>	<b>98,544,121</b>	<b>37,468,305</b>	<b>36,407,410</b>	<b>0</b>	<b>172,419,836</b>
Buildings	95,643				95,643
Infrastructure	95,532,952	37,468,305	36,293,021		169,294,278
Office Equipment	524		114,389		114,913
Furniture & Fittings	0				0
Plant, machinery and equipment	532,277				532,277
Motor Vehicles	1,349,061				1,349,061
Water Meters	1,033,665				1,033,665
<b>TOTAL FIXED ASSETS</b>	<b>R 108,740,977</b>	<b>R 37,468,305</b>	<b>R 47,295,768</b>	<b>R 0</b>	<b>R 193,505,050</b>
<b>ASSET FINANCING FUND CAPITAL RECEIPTS</b>	<b>98,081,666</b>	<b>31,220,775</b>	<b>37,187,914</b>	<b>0</b>	<b>166,490,355</b>
Capital Receipts	0		176,000		176,000
Computer capital grants expended	15,000				15,000
ISWIP Capital grants	77,187				77,187
LGTF - Capital Grants Expended	2,608,420				2,608,420
CMC Capital grant expended	4,140				4,140
CMIP Capital grant expended	900,000		33,106,308		34,006,308
GIS - Capital grant expended	568,413		13,508		581,921
ADMIN - Capital grant expended	3,000,000				3,000,000
PIMMS - Capital grant expended	288,671				288,671
DWAF - Capital grant expended	9,403,874				9,403,874
UTILITY - Capital grant expended	811,404				811,404
SPORT - Capital grant expended			39,780		39,780
Unspecified	11,467,082				11,467,082
Loans and advances redeemed	6,478,456	2,788,861	898,594		10,165,911
Contributions from current income	1,783,436	398,002	198,414		2,379,852
Grants received	59,569,451	27,875,326	2,101,582		89,546,359
Water Contributions	726,147				726,147
Developer's water contributions	71,684	158,585	1,500		231,769
Other Contributions	37,870				37,870
Depreciation Provision	270,431		652,227		922,658
<b>NET FIXED ASSETS</b>	<b>R 10,659,312</b>	<b>R 6,247,531</b>	<b>R 10,107,853</b>	<b>R 0</b>	<b>R 27,014,696</b>

**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX D**

**ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
FOR THE YEAR ENDING 30 JUNE 2005**

<b>Actual 2005 R</b>	<b>Budget 2005 R</b>		<b>Actual 2004 R</b>
		<b>INCOME</b>	
		<b>Government and Provincial grants and subsidies</b>	
<b>21,674,634</b>	<b>29,851,896</b>		<b>23,270,203</b>
19,045,155	19,045,000	- Equitable share	16,581,470
2,629,479	10,806,896	- National / Provincial Government - Public / Local Government	6,688,733
<b>25,654,019</b>	<b>27,691,889</b>	<b>Operating Income</b>	<b>26,845,528</b>
9,418,965	8,236,514	levy Income	8,455,439
12,676,017	14,487,059	Water Sales	14,963,883
3,559,037	4,968,316	Sanitation Income Connection Fees	3,368,509 57,697
<b>3,132,051</b>	<b>3,861,666</b>	<b>Other income</b>	<b>3,610,798</b>
2,275,795	3,064,194	Interest on Investments	2,886,830
45,179	122,917	Penalty Interest	34,554
7,298	16,009	Interest on Staff Loans	15,189
803,779	87,280	Sundry Income	80,283
		Insurance Claims	593,943
	571,266	Surplus Funds	
<b>50,460,704</b>	<b>61,405,451</b>	<b>TOTAL INCOME</b>	<b>53,726,529</b>
		<b>EXPENDITURE</b>	
		<b>OPERATING EXPENDITURE</b>	
19,338,723	22,245,441	Salaries, wages and allowances	16,244,570
18,118,144	18,410,316	General expenses	18,415,669
3,367,840	3,175,375	Bulk Purchases	2,397,149
4,213,413	3,139,149	Repairs and maintenance	2,222,815
2,277,270	2,197,823	Capital charges	1,575,821
198,414		Contributions to fixed assets	8,513
1,630,844	198,133	Contributions to funds	2,675,527
49,144,649	49,366,237	Gross operating expenditure	43,540,063
<b>49,144,649</b>	<b>49,366,237</b>	Less : Amounts recharged	
		<b>Net operating expenditure</b>	<b>43,540,063</b>
<b>1,316,055</b>	<b>12,039,214</b>	<b>SURPLUS(DEFICIT)</b>	<b>10,186,466</b>



**SISONKE DISTRICT MUNICIPALITY**

**APPENDIX E**

**DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDING 30 JUNE 2005**

2005 Actual Income R	2005 Actual Expenditure R	2005 Surplus/ (Deficit) R	Budget	Department	2004 Actual Income R	2003 Actual Expenditure R	2003 Surplus/ (Deficit) R
			2005 Surplus/ (Deficit) R				
34,225,650		34,225,650	41,950,076	Operating Income	34,903,118		34,903,118
	11,714,640	(11,714,640)	(10,113,696)	Council General Expenses		7,294,212	(7,294,212)
	1,166,891	(1,166,891)	(1,321,218)	Councillors' Support - Speaker		1,284,539	(1,284,539)
	1,449,239	(1,449,239)	(1,192,531)	Municipal Manager		1,316,546	(1,316,546)
	3,961,078	(3,961,078)	(4,698,984)	Financial Services		2,472,392	(2,472,392)
	1,974,889	(1,974,889)	(2,250,577)	Corporate Services		3,032,330	(3,032,330)
	1,215,423	(1,215,423)	(976,200)	Planning Services		1,916,573	(1,916,573)
		-	(251,331)	G.I.S.		2,916,034	(2,916,034)
	1,433,877	(1,433,877)	(2,916,170)	PIMMS		96,520	(96,520)
	71,667	(71,667)	(331,700)	PMS		1,490,326	(1,490,326)
	3,403,053	(3,403,053)	(1,607,860)	Technical Services			-
	50,000	(50,000)		Development Projects			-
	893,052	(893,052)	(1,591,443)	Water Services Authority		928,369	(928,369)
	107,410	(107,410)		Community Based Public Works		151,448	(151,448)
	207,738	(207,738)		Implementing Agent		196,385	(196,385)
	552,296	(552,296)	(957,343)	Facilities		180,482	(180,482)
	299,276	(299,276)	(968,932)	CMIP		276,421	(276,421)
	274,160	(274,160)	(3,984,072)	INFRASTRUCTURE		117,184	(117,184)
	1,588,829	(1,588,829)		Water Services		765,016	(765,016)
16,235,054	18,781,133	(2,546,079)	3,251,195	Water and Sanitation	3,181,873	4,507,491	(1,325,617)
		-		Incorporated Water and Sanitation	15,641,538	14,597,796	1,043,742
50,460,704	49,144,649	1,316,055	12,039,214	Net surplus/(deficit) for the year	53,726,529	43,540,063	10,186,466