

Intsika Yethu Municipality

BALANCE SHEET AT 30 JUNE 2006

	Notes	2006 R	2005 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES	1	454,139	424,589
Funds		<u>454,139</u>	<u>424,589</u>
RETAINED INCOME		<u>76,119,011</u>	<u>69,392,547</u>
		<u>76,573,150</u>	<u>69,817,136</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	2	-	-
INVESTMENTS	3	<u>28,984,223</u>	<u>20,007,817</u>
		28,984,223	20,007,817
NET CURRENT ASSETS		<u>47,588,927</u>	<u>49,809,319</u>
CURRENT ASSETS		52,317,936	52,807,591
Inventory	4	<u>38,730</u>	-
Debtors	5	6,436,968	5,274,286
Bank and Cash	17	<u>45,842,238</u>	<u>47,533,305</u>
CURRENT LIABILITIES		4,729,009	2,998,272
Provisions	6	<u>1,365,486</u>	<u>1,759,573</u>
Creditors	7	<u>3,363,523</u>	<u>1,238,699</u>
		<u>76,573,150</u>	<u>69,817,136</u>

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

2005 Actual income R	2005 Actual expenditure R	2005 Surplus/ deficit R		2006 Actual income R	2006 Actual expenditure R	2006 Surplus/ deficit R	2006 Budget Surplus/deficit R
			RATES &				
57,641,466	26,832,826	30,808,640	GENERAL SERVICES	26,336,130	19,951,879	6,384,251	397,068
57,641,466	26,832,826	30,808,640	Community services	26,336,130	19,951,879	6,384,251	397,068
93,027	1,347,888	(1,254,861)	HOUSING SERVICES	-	-	-	-
-	-	-	TRADING SERVICES	1,335,645	1,011,866	323,779	(397,068)
57,734,493	28,180,714	29,553,779	TOTAL	27,671,775	20,963,745	6,708,030	-

2,745,080	Appropriations for the year (note 12)	18,434
32,298,859	Net surplus/(deficit) for the year	6,726,464
37,093,688	Accumulated surplus/(deficit) at beginning of the year	69,392,547
69,392,547	ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR	76,119,011

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006
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	Note	2006 R	2005 R
CASH RETAINED FROM OPERATING ACTIVITIES			
Cash generated by operations	13	5,180,796	31,232,881
External Investment Income (interest received)		1,545,823	1,065,978
(Increase)/decrease in working capital	14	<u>529,325</u>	<u>531,064</u>
		<u><u>7,255,944</u></u>	<u><u>32,829,923</u></u>
Less : External interest paid	11	(155)	-
Cash available from operations		<u><u>7,255,789</u></u>	<u><u>32,829,923</u></u>
CASH EFFECTS OF FINANCING ACTIVITIES			
(Increase)/decrease in cash investments	15	(8,976,406)	(19,457,964)
(Increase)/decrease in cash	16	1,691,067	(13,796,548)
Increase/(decrease) in funds		29,550	424,589
Net cash (generated)/utilised		<u><u>(7,255,789)</u></u>	<u><u>(32,829,923)</u></u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2006 R	2005 R		
1 FUNDS				
<u>Statutory funds</u>				
Revolving fund	454,139	424,589		
(Refer to appendix A for more details)	<u>454,139</u>	<u>424,589</u>		
2 FIXED ASSETS				
Fixed assets at beginning of year	52,656,460	50,495,631		
Capital expenditure during the year	1,331,410	2,335,829		
Less :Assets written off, transferred or disposed of during the year	<u>232,834</u>	<u>175,000</u>		
Total fixed assets	53,755,036	52,656,460		
Less :Loans redeemed and other capital receipts	<u>53,755,036</u>	<u>52,656,460</u>		
Net fixed assets	<u>-</u>	<u>-</u>		
3 INVESTMENTS				
CMIP - Investment	1,018,886	2,660,844		
Equitable Share - 74045339170	12,286,979	11,524,010		
IDP Call Account	604,852	3,949,105		
Municipal Rank - Investment	897,911	897,911		
Peoples Housing Account	196,429	196,729		
Registry Investment - 620270934	39,245	39,495		
Registry Investment - 62027101245	83,881	82,892		
Standard Bank - Notice Deposit	24,626	23,657		
Testing Station Investment Account	40,460	37,803		
Meeg Bank: Revolving fund	444,485	424,589		
MIG Funds - 62101651398	1,335,329	-		
Survey - 62027179127	20,782	20,782		
FNB Acc. No. 94865858	150,000	150,000		
Trust account	<u>11,840,358</u>	<u>-</u>		
	<u>28,984,223</u>	<u>20,007,817</u>		
4 INVENTORY				
Stock represents consumable stores, raw materials, work in progress and finished goods. Where necessary specific provision is made for obsolete stock.				
Rates and general	38,730	-		
	<u>38,730</u>	<u>-</u>		
5 DEBTORS				
Current debtors -consumer and other	6,072,113	2,758,354		
Less: Provision for Bad Debts	<u>2,952,833</u>	<u>2,410,856</u>		
	3,119,280	347,498		
Current debtors -(other)	227,495	2,555,697		
VAT	<u>3,090,193</u>	<u>2,371,091</u>		
	<u>6,436,968</u>	<u>5,274,286</u>		
6 PROVISIONS				
Bad Debts - included in Debtors (Note 5)	-	-		
Provision for leave payments	913,086	1,209,573		
Audit Fees	<u>452,400</u>	<u>550,000</u>		
	<u>1,365,486</u>	<u>1,759,573</u>		
7 CREDITORS				
Sundry Creditors & Accruals	3,363,523	1,238,699		
	<u>3,363,523</u>	<u>1,238,699</u>		
8 ASSESSMENT RATES				
	Land valuations at 01-Jul-06 R 000's	Improvements valuations at 01-Jul-06 R 000's	Actual income 2006 R	Actual income 2005 R
Residential & Commercial	4,304,394	-	885,796	128,716
	<u>4,304,394</u>	<u>-</u>	<u>885,796</u>	<u>128,716</u>
9 COUNCILLORS' REMUNERATION				
Councillor allowances	4,510,960	2,302,645	2,302,645	2,302,645
	<u>4,510,960</u>	<u>2,302,645</u>	<u>2,302,645</u>	<u>2,302,645</u>
10 AUDITORS' REMUNERATION				
Audit fees	137,928	1,094,080	1,094,080	1,094,080
	<u>137,928</u>	<u>1,094,080</u>	<u>1,094,080</u>	<u>1,094,080</u>

11 FINANCE TRANSACTIONS*Total external interest earned or paid :*

Interest earned	1,545,823	1,065,978
Interest paid	<u>(155)</u>	<u>-</u>

12 APPROPRIATIONS***Appropriation account***

Accumulated surplus/(deficit) at beginning of year	69,392,547	37,093,688
Operating surplus/(deficit) for the year	6,708,030	29,553,779
Appropriations for the year	18,434	2,745,080
- Prior year adjustments	<u>18,434</u>	<u>2,745,080</u>
Accumulated surplus/(deficit) at end of year	<u>76,119,011</u>	<u>69,392,547</u>

13 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	6,708,030	29,553,779
Prior year adjustments	18,434	2,745,080
Capital charges	155	-
Less :		
Investment income (operating)	<u>(1,545,823)</u>	<u>(1,065,978)</u>
	<u>5,180,796</u>	<u>31,232,881</u>

14 (INCREASE)/DECREASE IN WORKING CAPITAL

(Increase)/decrease in stock	(38,730)	-
(Increase)/decrease in debtors, long term debtors	(1,162,682)	(1,153,877)
Increase/(decrease) in creditors & provisions	<u>1,730,737</u>	<u>1,684,941</u>
	<u>529,325</u>	<u>531,064</u>

15 (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS

Investments made	<u>(8,976,406)</u>	<u>(19,457,964)</u>
	<u>(8,976,406)</u>	<u>(19,457,964)</u>

16 (INCREASE)/DECREASE IN CASH ON HAND

Cash on hand at beginning of year	47,533,305	33,736,757
Less :Cash on hand at end of year	<u>45,842,238</u>	<u>47,533,305</u>
Operating Current Account Balance & Cash	<u>45,842,238</u>	<u>47,533,305</u>
	<u>1,691,067</u>	<u>(13,796,548)</u>

17 BANK AND CASH ON HAND

Bank	45,841,947	47,533,305
Mayors Credit Card	-	-
Petty Cash	291	-
Bank overdraft (disclosed as a current liability)	<u>-</u>	<u>-</u>
	<u>45,842,238</u>	<u>47,533,305</u>

APPENDIX A - ACCUMULATED FUNDS, PROVISIONS AND TRUST FUNDS

	Balance at 30 June 2005	Contributions during the year	Interest on investments	Other income	Expenditure during the year	Balance at 30 June 2006
STATUTORY FUNDS						
Revolving Fund	424,589	9,654	19,896	-	-	454,139
TOTAL	424,589	9,654	19,896	-	-	454,139

APPENDIX B - EXTERNAL LOANS AND INTERNAL ADVANCES
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EXTERNAL LOANS	Balance at 30 June 2005	Received during the year	Interest	Redeemed or written off during the year	Balance at 30 June 2006
Annuity loans	-	-	-	-	-
	-	-	-	-	-

INTERNAL ADVANCES	Balance at 30 June 2005	Received during the year	Interest	Redeemed or written off during the year	Balance at 30 June 2006
Revolving Fund	-	-	-	-	-
	-	-	-	-	-

APPENDIX C - ANALYSIS OF FIXED ASSETS

Expenditure 2005 R	Service	Budget 2006 R	Balance at 30 June 2005 R	Expenditure during year R	Redeemed, transferred or written off R	Balance at 30 June 2006 R
2,335,829	Rates and General Services	43,259,939	51,861,685	1,331,410	232,834	52,960,261
2,294,467	Community services	43,259,939	51,565,029	1,331,410	232,834	52,663,605
832,374	Land & Buildings	-	832,374	-	-	832,374
799,000	Plant and Equipment	-	799,000	-	-	799,000
-	Technical services	41,111,057	36,769,589	517,395	-	37,286,984
-	Municipal Manager and Admin	-	10,776,688	319,192	232,834	10,863,046
189,644	Finance	-	1,913,929	-	-	1,913,929
47,146	Traffic Services	-	47,146	19,836	-	66,982
229,250	Office equipment	-	229,250	461,763	-	691,013
197,053	Community Assets	2,148,882	197,053	13,224	-	210,277
41,362	Economic services	-	296,656	-	-	296,656
41,362	Sewerage & Sanitation	-	296,656	-	-	296,656
-	Trade services	-	794,775	-	-	794,775
-	Water	-	794,775	-	-	794,775
2,335,829	TOTAL FIXED ASSETS	43,259,939	52,656,460	1,331,410	232,834	53,755,036
LESS : LOANS REDEEMED AND OTHER						
2,160,829	CAPITAL RECEIPTS		52,656,460	1,331,410	232,834	53,755,036
-	Loans redeemed and advances repaid		30,000	-	-	30,000
2,160,829	Contributions from operating income		8,353,579	1,331,410	232,834	9,452,155
-	Grants and subsidies		44,272,881	-	-	44,272,881
175,000	NET FIXED ASSETS		-	-	-	-

APPENDIX D - ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR

Actual 2005 R	INCOME	Actual 2006 R	Budget 2006 R
54,903,295	Grants and subsidies	23,744,344	57,104,675
128,716	Rates	885,796	237,221
324,121	Water	377,123	7,194,082
70,171	Sewerage	139,015	54,000
140,496	Refuse	145,932	67,000
-	Property Rental	233,844	54,000
382,640	Traffic Fines	330,080	438,400
254,049	Other services	164,401	6,171,436
1,531,005	Other income	1,651,240	31,747,805
<u>57,734,493</u>	TOTAL INCOME	<u>27,671,775</u>	<u>103,068,619</u>
Actual 2006 R	EXPENDITURE	Actual 2006 R	Budget 2006 R
14,850,185	Salaries, wages and allowances	17,512,266	22,285,191
8,040,180	General Expenses	(5,254,940)	37,311,989
7,849,699	General Expenses - Other	(5,368,186)	29,558,907
190,481	General Expenses - Bulk Water	113,246	7,753,082
633,564	Repairs and Maintenance	7,014,007	43,471,439
2,410,856	Bad Debts	541,977	-
85,100	Loss on Sale of Asset	51,859	-
2,160,829	Contributions to Fixed Assets	1,098,576	-
<u>28,180,714</u>	NET EXPENDITURE	<u>20,963,745</u>	<u>103,068,619</u>
<u>29,553,779</u>	NET PROFIT	<u>6,708,030</u>	<u>-</u>

APPENDIX E - DETAILED INCOME STATEMENT FOR THE YEAR

2005 Actual income R	2005 Actual expenditure R	2005 Surplus/ (deficit) R		2006 Actual income R	2006 Actual expenditure R	2006 Surplus/ (deficit) R	2006 Budget Surplus/ (deficit) R
			RATES & GENERAL SERVICES				
57,641,466	26,832,826	30,808,640		26,336,130	19,951,879	6,384,251	397,068
57,641,466	26,832,826	30,808,640	Community services	26,336,130	19,951,879	6,384,251	397,068
-	3,571,855	(3,571,855)	General expenditure	478,566	362,555	116,011	748,154
48,989,347	6,910,668	42,078,679	Financial Services	2,382,771	1,805,154	577,617	3,725,042
-	-	-	Council	1,366,116	1,034,950	331,166	2,135,681
-	538,848	(538,848)	Local Economic Development	983,815	745,324	238,491	(532,137)
236,824	4,507,088	(4,270,264)	Community Services	804,081	609,160	194,921	1,178,314
601,661	1,596,431	(994,770)	Traffic	264,389	200,297	64,092	413,325
-	234,875	(234,875)	Mayors Political Fund	-	-	-	-
181,523	1,537,323	(1,355,800)	Municipal Manager	-	-	-	-
7,358,856	3,953,885	3,404,971	Technical Services	19,365,521	14,671,045	4,694,476	(8,351,367)
273,255	3,981,853	(3,708,598)	Corporate Services	690,871	523,394	167,477	1,080,055
93,027	1,347,888	(1,254,861)	Housing services	-	-	-	-
93,027	1,347,888	(1,254,861)	Housing	-	-	-	-
-	-	-	TRADING SERVICES	1,335,645	1,011,866	323,779	(397,068)
-	-	-	Water	1,335,645	1,011,866	323,779	(397,068)
57,734,493	28,180,714	29,553,779	TOTAL	27,671,775	20,963,745	6,708,030	-
			Appropriations for the year (refer to note 12)			18,434	
		2,745,080					
		<u>32,298,859</u>	Net surplus/(deficit) for the year			<u>6,726,464</u>	
		37,093,688	Accumulated surplus/(deficit) at the beginning of the year			69,392,547	
		<u>69,392,547</u>	ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR			<u>76,119,011</u>	