

GARIEP MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2006

	Notes	2006 R	2005 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES	1	9,517,225	8,572,315
Funds		7,757,649	7,059,322
Reserves		1,759,576	1,512,993
RETAINED INCOME/(ACCUMULATED DEFICIT)		2,878,446 12,395,671	2,752,493 11,324,808
TRUST FUNDS	2	2,107	2,107
PROJECT FUNDS	3	222,952	222,782
LONG TERM LIABILITIES	4	1,166,866	1,446,410
CONSUMER DEPOSITS : SERVICES	5	460,546	396,001
		14,248,142	13,392,108
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	2,847,808	2,982,121
INVESTMENTS	7	16,657	16,230
LONG TERM DEBTORS	9	-	-
		2,864,465	2,998,351
NET CURRENT ASSETS		11,383,677	10,393,757
CURRENT ASSETS		33,123,294	28,225,328
Inventory		367,506	203,499
Debtors	11	32,755,788	28,021,829
Cash on hand and at bank		-	-
Short term investments	7	-	-
Short term portion of long term debtors		-	-
CURRENT LIABILITIES		21,739,617	17,831,571
Provisions	13	2,665,646	2,192,550
Creditors	14	16,121,779	13,636,412
Short term portion of long term liabilities	4	145,232	-
Bank overdraft		2,806,960	2,002,609
		14,248,142	13,392,108

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
20,034,129	19,046,730	987,399	RATES &				
16,037,343	14,922,451	1,114,892	GENERAL SERVICES:	21,594,595	20,524,343	1,070,252	4,101,856
299,200	2,258,970	(1,959,770)	Community services	13,767,253	15,706,181	(1,938,928)	867,854
3,697,586	1,865,309	1,832,277	Subsidy Services	255,913	2,761,961	(2,506,048)	17,438
-	-	-	Economic Services	7,571,429	2,056,201	5,515,228	3,216,564
-	-	-		-	-	-	-
-	973,994	(973,994)	HOUSING SERVICES:	-	920,593	(920,593)	(650,185)
6,160,348	6,562,544	(402,196)	TRADING SERVICES:	6,873,189	6,832,496	40,693	(1,269,627)
			GRANTS	212,582	313,726	(101,144)	(2,206,144)
26,194,477	26,583,268	(388,791)	TOTAL	28,680,366	28,591,158	89,208	(24,100)

(199,884) Appropriations for the year (note 19) 36,745

(588,675) Net surplus/(deficit) for the year 125,953

3,341,168 Accumulated surplus/(deficit) at beginning of the year 2,752,493

2,752,493 ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR 2,878,446

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 R	2005 R
CASH RETAINED FROM OPERATING ACTIVITIES			
Cash generated by operations	20	2,419,188	(35,539)
External Investment Income (interest received)			-
(Increase)/decrease in working capital	21	<u>(1,939,503)</u>	<u>321,680</u>
		<u>479,685</u>	<u>286,141</u>
Less : External interest paid	18	208,785	(116,558)
Cash available from operations		<u>688,469</u>	<u>169,583</u>
Grants from the Government			-
Net proceeds on disposal of fixed assets			-
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets			(873,058)
NET CASH FLOW		<u>688,469</u>	<u>(703,475)</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase/(decrease) in long term loans	22	(154,311)	(101,709)
Increase/(decrease) in non-recoverable advances			
Increase/(decrease) in short term loans	23	-	-
(Increase)/decrease in cash investments	24	(427)	675,670
(Increase)/decrease in cash	25	843,207	1,266,848
Increase/(decrease) in funds			
Net cash (generated)/utilised		<u>688,469</u>	<u>(692,887)</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2006 R	2005 R
1 FUNDS		
<u>Statutory funds</u>		
Revolving fund	7,455,784	6,757,657
Capital Development Fund	-	
Housing Development Fund	301,664	301,664
(Refer to appendix A for more details)	<u>7,757,448</u>	<u>7,059,321</u>
<u>Reserves</u>		
Maintenance Fund	310,625	263,717
Renewal Fund	313,339	275,014
Working Capital	1,135,612	974,263
(Refer to appendix A for more details)	<u>1,759,576</u>	<u>1,512,994</u>
2 TRUST FUNDS		
C.I. Hughes Fund	2,107	2,107
(Refer to appendix A for more details)	<u>2,107</u>	<u>2,107</u>
3 PROJECT FUNDS		
Election fund	72,600	72,600
Intergrated Development Plan	-	
Sanitation grant	150,000	150,000
Motor Vechile Testing Ground	352	182
	<u>222,952</u>	<u>222,782</u>
4 LONG TERM LIABILITIES		
External loans	1,312,098	1,466,409
Internal advances		
Less : Current portion transferred to current liabilities	145,232	
	<u>1,166,866</u>	<u>1,466,409</u>
5 CONSUMER DEPOSITS : SERVICES		
Services	(460,546)	396,001
	<u>(460,546)</u>	<u>396,001</u>
Guarantees in lieu of electricity and water deposit	-	-
6 FIXED ASSETS		
Fixed assets at beginning of year	48,822,795	45,228,365
Capital expenditure during the year		3,605,679
Less : Assets written off, transferred or disposed of during the year		11,249
Total fixed assets	48,822,795	48,822,795
Less : Loans redeemed and other capital receipts	45,974,991	45,840,679
Revenue Contribution and other capital receipts	-	-
Net fixed assets	<u>2,847,804</u>	<u>2,982,116</u>
7 INVESTMENTS		
Total	<u>16,657</u>	<u>16,230</u>
<u>Listed:</u>		
Shares - Old Mutual	-	-
<u>Unlisted:</u>	16,657	16,230
Short Term Deposits	16,657	16,230
Long Term Deposits	-	-

8 SHORT TERM INVESTMENTS

Election fund	-	-
Arrears Write Off Grant	-	-
IDP	-	-
Pilot Housing	-	-
Motor Vechile Testing Centre	-	-
Katlehong Survey	-	-
Mt Fletcher investment	-	-
Katlehong Planning	-	-
Other account	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

9 LONG TERM DEBTORS

Housing Loans	-	-
Personnel Loans	-	-
Motor Vehicle Loans	-	-
Other	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Less : Short term portion transferred to Current Assets	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

10 INVENTORY

Stock represents consumable stores, raw materials, work in progress and finished goods. Where necessary specific provision is made for obsolete stock.

	<u>367506</u>	<u>203499</u>
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11 DEBTORS

Debtors:Water	-	-
Debtors:Electricity	-	-
Debtors: Health Rates	-	-
Debtors: Sanitation	-	-
Debtors: Refuse	-	-
Debtors: Rates	-	-
Commonage Rent	-	-
Subsidy	-	-
Debtors: Television	-	-
Current debtors - Rates & General services	-	-
Current debtors - consumer and other	32,755,788	28,021,829
Current debtors -(other)	-	-
Amounts paid in advance (deposits & prepaid expenses)	-	-
	<u>32,755,788</u>	<u>28,021,829</u>
Less : Provision for bad debts	-	-
	<u>32,755,788</u>	<u>28,021,829</u>
	<u>32,755,788</u>	<u>28,021,829</u>
Transfer to creditors	-	-
	<u>32,755,788</u>	<u>28,021,829</u>

12 DEFERRED CHARGES

Commission	-	-
Issue expenses	-	-
Commission	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

13 PROVISIONS

(Refer to appendix A for more details)

	<u>2,665,645</u>	<u>2,192,549</u>
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14 CREDITORS

Trade creditors	16,121,779	12,890,662
VAT	-	-
Deposits :	-	-
Electricity and water		
Town Hall		
Petrol		
Other		
Other	-	745,750
	<u>16,121,779</u>	<u>13,636,412</u>
	<u>16,121,779</u>	<u>13,636,412</u>
Transfer from the debtors disclosure note	-	-
	<u>16,121,779</u>	<u>13,636,412</u>

15 ASSESSMENT RATES

	Actual income 2,006 R	Actual income 2,005 R
Residential & Commercial	4,040,444	3,228,861
Government	-	-
Municipal	-	-
State	-	-
Other	-	-
	<u>4,040,444</u>	<u>3,228,861</u>

16 COUNCILLORS' REMUNERATION

Mayor's allowance	267,271	362,662
Deputy mayor's allowance		
Councillor allowances	488,242	293,470
Subsistence&travelling		
Pension fund contributions	-	-
	<u>755,513</u>	<u>656,132</u>

17 AUDITORS' REMUNERATION

Audit fees	<u>(1,863,949)</u>	<u>277,744</u>
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18 FINANCE TRANSACTIONS

Total external interest earned or paid :

Interest earned	-	-
Interest paid	-	-

Capital charges debited to operating account :

Interest :		
External	208,785	116,558
Internal	270,823	348,537
Redemption :		
External	124,996	141,491
Internal	270,656	152,527
	<u>875,259</u>	<u>759,113</u>

19 APPROPRIATIONS

Appropriation account

Accumulated surplus/(deficit) at beginning of year	2,752,493	3,341,168
Operating surplus/(deficit) for the year	89,208	(388,791)
Appropriations for the year	36,745	(199,884)
- Contribution to Revolving Fund	-	-
- Prior year adjustments	36,745	(199,884)
Accumulated surplus/(deficit) at end of year	<u>2,878,446</u>	<u>2,752,493</u>

Operating account

Fixed assets	-	-
Contributions to	-	-
- Revolving fund		
- Renewal fund		
- Working Capital Fund	-	-
- Accumulated Funds	-	-
- Trust Funds	-	-
- Revolving Fund	-	-
- Leave provision	-	-
- Maintenance reserve	-	-
- Housing Development Fund	-	-
- Audit Provision Fund	-	-
	<u>-</u>	<u>-</u>

20 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	89,208	(388,791)
Prior year adjustments	36,745	(199,884)
Appropriations charged against income	1,445,310	780,420
- Capital development fund		
- Provisions and reserves	710,971	621,198
Community Facilities Fund		
- Statutory Funds	487,586	1,278,949
- Reserves	246,583	222,782
- Project Funds	170	-
- Trust Funds	-	-
Capital charges	875,260	465,095
- Interest paid :		
to internal funds	270,823	348,537
to external loans	208,785	116,558
- Redemption :		
of internal advances	270,656	-
of external loans	124,996	-
Less :		
Grants and subsidies received from the State		-
Investment income (operating)		-
Non-operating income		-
Non-operating expenditure:		
- Debited to funds	(27,335)	(692,379)
- Debited to provisions and reserves		
Net expenditure (income) ex Funds, Provisions and Reserves	-	-
	<u>2,419,188</u>	<u>(35,539)</u>

21 (INCREASE)/DECREASE IN WORKING CAPITAL

(Increase)/decrease in stock	(164,007)	3,111
(Increase)/decrease in debtors, long term debtors	(4,733,959)	363,045
Increase/(decrease) in creditors & provisions	2,958,463	(44,476)
	<u>(1,939,503)</u>	<u>321,680</u>

22 (INCREASE)/DECREASE IN LONG TERM LOANS (EXTERNAL)

Loans raised	-	-
Loans repaid	(154,311)	(101,709)
Increase/(Decrease) in consumer deposit	-	-
	<u>(154,311)</u>	<u>(101,709)</u>

23 (INCREASE)/DECREASE IN SHORT TERM LOANS (EXTERNAL)

Loans raised	-	-
Loans repaid	-	-
	<u>-</u>	<u>-</u>

24 (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS

Investments made	(427)	983,221
Investments realised	-	-
	<u>(427)</u>	<u>983,221</u>

25 (INCREASE)/DECREASE IN CASH ON HAND

Cash on hand at beginning of year	(2,002,609)	(3,269,457)
Less :		
Cash on hand at end of year	(2,806,960)	(2,002,609)
Operating Current Account Balance & Cash	(2,806,960)	(2,002,609)
Revolving Fund Current Account Balance	-	-
	<u>804,351</u>	<u>(1,266,848)</u>

26 BANK AND CASH ON HAND

Bank and cash	-	-
Bank overdraft (disclosed as a current liability)	(2,806,960)	(2,002,609)
	<u>(2,806,960)</u>	<u>(2,002,609)</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	6,757,657	200,000		499,976	1,849	7,455,784
Capital Development Fund						-
Housing Development Fund	301,664					301,664
TOTAL	7,059,321	200,000	-	499,976	1,849	7,757,448
RESERVES						
Maintenance Fund	263,717	46,908		-	-	310,625
Renewal Fund	275,014	38,325		-	-	313,339
Working Capital	974,262	161,350		-	-	1,135,612
TOTAL	1,512,994	246,583	-	-	-	1,759,576
PROJECT FUNDS						
Burgersdorp cemetery	72,600					72,600
Intergrated Development Plan						-
Spatial Development Plan	150,000					150,000
Nosizwe Venterstad (646)	182		170			352
TOTAL	222,782	-	170	-	-	222,952
TRUST FUNDS						
C.I. Hughes Fund	2,107	-		-	-	2,107
TOTAL	2,107	-	-	-	-	2,107
PROVISIONS						
Leave	624,214	93,703				717,917
Town Register	16,291		52			16,343
IDP	46,194		310		25,486	21,019
Audit	1,491,484	372,464				1,863,948
Town Planning	14,366		51			14,417
Bursary Fund		32,000				32,000
TOTAL	2,192,549	498,167	414	-	25,486	2,665,645
GRAND TOTAL	10,989,752	944,750	583	499,976	27,335	12,407,728

APPENDIX B - EXTERNAL LOANS AND INTERNAL ADVANCES

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	1,437,093			124,995	1,312,098
	9,316			9,316	-
(Refer to Note 3)	<u>1,446,409</u>	-		<u>134,311</u>	<u>1,312,098</u>
INTERNAL ADVANCES	Balance at 30 June 2005	Received during the year	Interest	Redeemed or written off during the year	Balance at 30 June 2005
Revolving Fund	2,576,551			273,222	2,303,329
	<u>2,576,551</u>	-		<u>273,222</u>	<u>2,303,329</u>

APPENDIX C - ANALYSIS OF FIXED ASSETS

Expenditure 2,005 R	Service	Budget 2,006 R	Balance at 1 July 2005 R	Expenditure during year R	Redeemed, transferred or written off R	Balance at 30 June 2006 R
23,215,452	Rates and General Services	-	23,215,452	-	-	23,215,452
6,191,651	Community services	-	6,191,651	-	-	6,191,651
474,350	Council's general expenditure	-	474,350	-	-	474,350
	Land & Buildings	-	-	-	-	-
	Streets & Stormwater	-	-	-	-	-
	Plant and Equipment	-	-	-	-	-
33,079	Civil defence	-	33,079	-	-	33,079
825,281	Health Services	-	825,281	-	-	825,281
1,969	Stores	-	1,969	-	-	1,969
26,100	Nature Reserve	-	26,100	-	-	26,100
3,642,702	Public Works	-	3,642,702	-	-	3,642,702
65,687	Streetlighting	-	65,687	-	-	65,687
591,182	Town Clerk	-	591,182	-	-	591,182
291,756	Town Treasurer	-	291,756	-	-	291,756
202,110	Traffic Services	-	202,110	-	-	202,110
-	Office equipment	-	-	-	-	-
37,435	Workshop	-	37,435	-	-	37,435
-	Motor vehicles	-	-	-	-	-
-	Fencing equipment	-	-	-	-	-
-	Computer equipment	-	-	-	-	-
-	Streets & Stormwater	-	-	-	-	-
-	Plant and Equipment	-	-	-	-	-
-	Town Planning	-	-	-	-	-
8,911,490	Subsidised services	-	8,911,490	-	-	8,911,490
146,706	Cemeteries	-	146,706	-	-	146,706
713,546	Libraries	-	713,546	-	-	713,546
6,457,355	Municipal Properties	-	6,457,355	-	-	6,457,355
1,593,883	Parks & Recreation	-	1,593,883	-	-	1,593,883
8,112,311	Economic services	-	8,112,311	-	-	8,112,311
682,778	Cleansing	-	682,778	-	-	682,778
7,429,533	Sewerage & Sanitation	-	7,429,533	-	-	7,429,533
3,405,571	Housing	-	3,405,571	-	-	3,405,571
3,405,571	Housing services	-	3,405,571	-	-	3,405,571
		-	-	-	-	-
	Coloured Scheme	-	-	-	-	-
	Nozizwe	-	-	-	-	-
22,201,772	Trade services	-	22,201,772	-	-	22,201,772
4,882,186	Electricity	-	4,882,186	-	-	4,882,186
17,319,586	Water	-	17,319,586	-	-	17,319,586
-	Abattoir	-	-	-	-	-
48,822,795	TOTAL FIXED ASSETS	-	48,822,795	-	-	48,822,795
	LESS : LOANS REDEEMED AND OTHER					
45,840,679	CAPITAL RECEIPTS		45,840,679	134,312	-	45,974,991
6,731,066	Loans redeemed and advances repaid		6,731,066	134,312	-	6,865,378
6,431,036	Contributions from operating income		6,431,036	-	-	6,431,036
32,678,577	Grants and subsidies		32,678,577	-	-	32,678,577
2,982,116	NET FIXED ASSETS		2,982,116	(134,312)	-	2,847,804

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

Actual 2005 R	INCOME	Actual 2006 R	Budget 2006 R
3,261,350	Grants and subsidies:	5,310,378	10,988,344
631,553	- Central government	2,915,229	4,889,356
2,629,797	- Provisional government	2,395,149	6,098,988
22,933,127	Income from tariffs, service charges, etc.	23,369,988	24,036,503
<u>26,194,477</u>	TOTAL INCOME	<u>28,680,366</u>	<u>35,024,847</u>
Actual 2004 R	EXPENDITURE	Actual 2006 R	Budget 2006 R
13,967,271	Salaries, wages and allowances	13,736,414	14,434,206
9,714,892	General expenses	11,348,165	12,966,772
1,349,578	Repairs and maintenance	1,325,158	2,568,000
287,730	Vehicles and implements	364,522	549,158
425,009	Capital charges	625,263	453,902
838,788	Contributions to Capital Outlay	-	265,590
	Contributions to Funds and Reserves	877,910	889,555
	Grants	313,726	2,784,356
<u>26,583,268</u>	GROSS EXPENDITURE	<u>28,591,158</u>	<u>34,911,539</u>
-	Less : amounts charged out	-	-
<u>26,583,268</u>	NET EXPENDITURE	<u>28,591,158</u>	<u>34,911,539</u>
(388,791)	NET PROFIT	89,208	113,308

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
20,034,129	19,046,730	987,399	RATES & GENERAL SERVICES	21,594,595	20,524,343	1,070,252	4,101,856
16,037,343	14,922,451	1,114,892	Community services	13,767,253	15,706,181	(1,938,928)	867,854
-	-	-	Administration	-	-	-	-
-	-	-	General expenditure	-	-	-	-
-	-	-	Assesment rates	-	-	-	-
4,869,781	2,544,187	2,325,594	Financial Services	3,296,932	2,528,978	767,954	89,553
3,228,861	9	3,228,852	Property Tax	4,040,444	9	4,040,435	469,242
-	-	-	Civil defence	-	-	-	-
-	-	-	Stores	-	-	-	-
-	-	-	Nature Reserve	-	-	-	-
-	-	-	Licences	-	-	-	-
-	-	-	Pound	-	-	-	-
-	-	-	Swimming Bath	-	-	-	-
498,571	712,389	(213,818)	Traffic	683,462	918,196	(234,734)	(50,118)
183,269	88,337	94,932	Commonage	176,876	76,792	100,084	(29,388)
3,403,039	2,894,721	508,318	Council	1,098,400	2,542,126	(1,443,726)	(783,858)
212	2,489,640	(2,489,428)	Public works	200	2,480,240	(2,480,040)	184,296
-	-	-	Streetlighting	-	-	-	-
245,861	1,006,963	(761,102)	Municipal Manager	893,926	1,233,390	(339,464)	428,832
221,226	662,887	(441,661)	Technical Services	286,798	810,727	(523,929)	163,937
61,417	1,109,135	(1,047,718)	Corporate Services	236,019	2,013,218	(1,777,199)	443,817
3,325,106	3,387,470	(62,364)	Health	3,054,196	3,100,999	(46,803)	(46,953)
-	-	-	Museum	-	-	-	-
-	-	-	Aerodrome	-	-	-	-
-	26,713	(26,713)	Workshop	-	1,506	(1,506)	(1,506)
299,200	2,258,970	(1,959,770)	Subsidised services	255,913	2,761,961	(2,506,048)	17,438
53,988	31,556	22,432	Cemetary	50,975	35,745	15,230	37,919
-	-	-	Ambulance	-	-	-	-
-	667	(667)	Fire Brigade	-	(75)	75	75
3,476	548,742	(545,266)	Library	6,133	675,154	(669,021)	(94,178)
188,499	582,800	(394,301)	Municipal buildings	137,325	811,898	(674,573)	(69,861)
53,237	1,095,205	(1,041,968)	Parks and recreation	61,480	1,239,239	(1,177,759)	143,483
-	-	-	Estates	-	-	-	-
3,697,586	1,865,309	1,832,277	Economic services	7,571,429	2,056,201	5,515,228	3,216,564
3,697,586	1,865,309	1,832,277	Refuse Removal	7,571,429	2,056,201	5,515,228	3,216,564
-	-	-	Sewerage	-	-	-	-
-	973,994	(973,994)	Housing services	-	920,593	(920,593)	(650,185)
-	973,994	(973,994)	Economic housing	-	920,593	(920,593)	(650,185)
6,160,348	6,562,544	(402,196)	TRADING SERVICES	6,873,189	6,832,496	40,693	(1,269,627)
6,160,348	6,562,544	(402,196)	Electricity	6,873,189	6,832,496	40,693	(1,269,627)
-	-	-	Water	-	-	-	-
-	-	-	Abbatoire	-	-	-	-
			Grants	212,582	313,726	(101,144)	(2,206,144)
26,194,477	26,583,268	(388,791)	TOTAL	28,680,366	28,591,158	89,208	(24,100)
		(199,884)	Appropriations for the year (refer to note 17)			36,745	
		(588,675)	Net surplus/(deficit) for the year			125,953	
	3,341,168		Accumulated surplus/(deficit) at the beginning of the year			2,752,493	
	2,752,493		ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR			2,878,446	