

Nala Local Municipality

Financial statements

for the year ended 30 June 2006



Nala Local Municipality

Financial statements

for the year ended 30 June 2006

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Nala Local Municipality

General information

for the year ended 30 June 2006

Grading of local authority

Medium capacity

Auditors

Auditor-General

Bankers

First National Bank, Bothaville
Account number: 62025990765

Registered office

Physical address:

Municipal Buildings
9 Preller Street
Bothaville
9660

Postal address:

Private Bag X15
Bothaville
9660

Telephone number:

056 – 514 9200

Fax number:

056 – 515 3922



Nala Local Municipality

General information

for the year ended 30 June 2006 (continued)

Municipal Manager

Mr M.P Thithi

Town Treasurer

Mr D.K. Shongwe

Members of the Nala Local Council

Executive Committee

M.S Mabaso
D.A Mahalapa
D.C Ross
R.D Mpatane
M.N Mashiya
M.M Mohorosi

Non-executives

T.A Mogoje
M.R. Lenake
F.D. Maphisa
K.J. Maselo
M.S. Sebokolodi
T.F. Ntshabiseng
D.J. Kulashe
M.A. Nyamane
M.M. Mpesi
S le Roux
M.E. Liphane
T.L. Moshodi
Z.S. Sikade
D.M. Masisi
M.M. Stander
J.M. Mabeleng
E.M. Molutsi

Mayor

Ms M.M Mohorosi

Map of the Nala Local Municipality

A map of the local authority is available on request at the council's offices.

Nala Local Municipality

Approval of the financial statements
for the year ended 30 June 2006

The annual financial statements set out on pages 6 to 38 were approved by the Municipal Manager on 28 February 2007 and presented to and approved by the council on 28 February 2007



.....
Municipal Manager



.....
Town Treasurer

Nala Local Municipality

Foreword to the financial statements

for the year ended 30 June 2006

Introduction

During the 2005/06 financial year good progress has been made by Nala Municipality in an attempt to provide services to its community with the limited resources available. It becomes increasingly difficult to maintain or better the services with the limited revenue sources. We strive to provide services on a more businesslike basis. However, our income sources have come under tremendous pressure as a result of the protracted recession.

Financial results

Although a significant effort has been made to curb the expenses incurred by Nala Municipality by managing our expenses effectively, a huge effort must be made to encourage the community to pay the levies due to the council. The current budget is a necessarily austere one. We have a duty to do everything possible to spare ratepayers and users of municipal services the steep rises in rates and tariffs that would be the result of simply passing on all inflationary cost increase.

Financial assistance

Government is increasingly seeking to devolve additional responsibilities to local government, and this is a challenge for our financial resources. Our infrastructure is coming under further strain. Without the assistance of the Central Government, the survival of Nala Municipality would have been difficult.

The majority of capital projects are dependent on external grants and subsidies. The assistance of the Lejweleputswa Area District Council must be mentioned in this regard. Without their assistance of providing projects to sustain the services the community would have endeared lesser quality services.

Appreciation

In conclusion I would like to express my appreciation to the Executive Committee, the Municipal Manager and staff for their support, co-operation and hard work.

.....
Mayor

Nala Local Municipality

Report of the Auditor-General

for the year ended 30 June 2006

The Auditor-General will issue its report upon finalisation of the audit.



Nala Local Municipality

Treasurer's report

for the year ended 30 June 2006

It is a pleasure to present this report for the 2005/2006 financial year.

1. Operating Results

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E. The applicable statistics are shown in Appendix F. The overall operating results for the year ended 30 June 2006 are detailed below:

Income	Actual	Actual	Variance	Budget	Variance
	2005	2006	2005/2006	2006	Actual / Budget
	R	R	%	R	%
Income for the year	92,038,653	127,913,803	39	85,986,367	49
Closing deficit	32,103,537	42,556,883	33	-	
	<u>124,142,190</u>	<u>170,470,686</u>	<u>37</u>	<u>85,986,367</u>	<u>49</u>
Expenditure					
Operating deficit	25,645,530	32,103,537	25	-	
Expenditure for the year	99,057,245	138,367,150	40	85,941,744	61
Appropriation for the year	(560,585)	-	(100)		
	<u>124,142,190</u>	<u>170,470,687</u>	<u>37</u>	<u>85,941,744</u>	<u>61</u>

Nala Local Municipality

Treasurer's report

for the year ended 30 June 2006 (Continued)

1.1 Rates and general services

	Actual 2005 R	Actual 2006 R	Variance 2005/2006 %	Budget 2006 R	Variance Actual / Budget %
Income	42,348,008	54,542,380	29	15,449,937	253
Expenditure	<u>(64,386,034)</u>	<u>(110,942,654)</u>	72	<u>(28,485,612)</u>	289
Surplus (deficit)	<u>22,038,026</u>	<u>165,485,034</u>	651	<u>43,935,549</u>	
Surplus (deficit) as % of total income	52	(203)		(184)	

1.2 Subsidized service

Income	17,803,343	25,261,714	30	15,199,359	66
Expenditure	<u>(170,221,333)</u>	<u>(53,812,313)</u>	(2)	<u>(14,788,634)</u>	264
Surplus	<u>(152,417,990)</u>	<u>(28,550,599)</u>	(81)	<u>410,725</u>	
Surplus as % of total income	4	(213)		(97)	



Nala Local Municipality

Treasurer's report

for the year ended 30 June 2006 (Continued)

1.3 Trading services

The price for the purchase of electricity and water are subject to the announced tariffs. The tariffs levied should be based on the operating expenditure of the services. The following is a summary of the operating results of the municipality's trading services, which reflects surpluses in respect of both these accounts.

Electricity Services	Actual	Actual	Variance	Budget	Variance
	2005	2006	2005/2006	2006	Actual /
	R	R	%	R	Budget
Income	22,322,545	31,529,847	30	23,544,720	34
Expenditure	(14,183,247)	(17,113,626)	(2)	18,862,766	(191)
Surplus (deficit)	<u>8,139,298</u>	<u>14,416,222</u>	<u>77</u>	<u>4,681,954</u>	
Surplus (deficit) as % of total income.	4	(54)		80	
Water Services					
Income	27,368,100	41,841,575	30	10,667,707	292
Expenditure	(20,487,964)	10,310,869	(2)	(7,933,879)	(230)
Surplus (deficit)	<u>6,880,136</u>	<u>52,152,445</u>	<u>27</u>	<u>2,733,828</u>	
Surplus (deficit) as % of total income.	4	25		(74)	



Nala Local Municipality

Treasurer's report

for the year ended 30 June 2006 (Continued)

2. Capital Expenditure and financing

The total capital expenditure of fixed assets during the year under review amounted to R 613 069. This is 1% less compared to the previous year. The actual capital expenditure is more than the budgeted capital expenditure and consists of the following:

	2005 Actual R	2006 Budget R	2006 Actual R
Council General	370,709	220,000	-
Traffic and security	44,910	284,000	-
Health	-	80,000	-
Sports and recreation	30,410	125,000	-
Roads and Streets	5,059,310	1,251,000	-
Sewerage and sanitation	4,887,337	500,000	-
Cemetery	81,567	-	151,979
Financial service-Head	563,132	382,000	50,531
Corporate service-Administration	1,016,680	77,000	-
Financial service-Budget	-	-	-
Financial service-Stores	-	-	-
Technical service-Head	-	-	284,223
Municipal Manager	8,205	-	-
Civil and buildings	-	350,000	-
Housing	-	20,000	105,384
Electricity service	120,891	1,070,000	-
Water service	314,565	35,000	-
Special project - LED	16,899	-	-
Special project- Youth development	27,372	-	20,953
Total	12,541,987	4,394,000	613,070

The expenditure was financed as follows:

	2005 Actual R	2006 Budget R	2006 Actual R
Contributions-Operating account	855,370	-	-
Grants and subsidies	10,237,291	-	-
Total	12,066,277	-	-

Nala Local Municipality

Treasurer's report

for the year ended 30 June 2006 (Continued)

3. External Loans, Investment and cash

External loans outstanding as at 30 June 2006 amounted to R515 9515 and are detailed in Appendix B. External loans and interest in arrears as at 30 June 2006 amounted to R 11 729 024. Repayment of external loans amounted to R 620 417.

	R
Capital-current	195,786
Capital-arrears	38,997
Interest	385,634
	<u>620,417</u>

Investments and cash consist of the following:

Current bank account	(7,776,987)
Investment	795,593
	<u>(6,981,394)</u>

More information regarding loans, external investments and cash are disclosed in note 4, 12 and Appendix B to the financial statements.

4. Funds, reserves and provisions

The total funds of the council amounted to R23 864 522 as at 30 June 2006. More information regarding funds and reserves are disclosed in notes 1, 2, 3 and 11 and Appendix A to the financial statements.

	R
Statutory funds	17,366,285
Trust funds	1,658,407
Reserves	598,595
Provisions	4,487,193
	<u>24,110,480</u>

These funds are not represented by investments with financial institution

Nala Local Municipality

Treasurer's report

for the year ended 30 June 2006 (Continued)

5. Post balance sheet events

There have not arisen any items, transaction or events of a material or unusual nature likely to affect significantly the operations of the municipality or its results in the current or future financial years.

6. Going concern

The municipality's financial statements have been prepared on the going concern basis which assumes that the Government will continue to fund the municipality and that it will be able to meet its future obligations and commitments in the ordinary course of business. Accordingly these financial statements do not include any adjustments relating to the valuation of assets or the classification of liabilities that might be necessary should the municipality be unable to continue as a going concern.

7. Appreciation

I am grateful to the Mayor, Speaker, the Municipal Manager and all office staff for the support they have given me and to the staff of my own office.



DK Shongwe
Treasurer

28 February 2007

Nala Local Municipality

Accounting policy

for the year ended 30 June 2006

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 Treasurers and Accountants in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local authorities (Second editions – January 1996 as amended).
- 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, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
 - Income is accrued when collectable and measurable. Certain direct income is accrued when received, such as traffic fines and certain licences.
 - Expenditure is accrued in the year it is incurred.

2. Consolidation

The financial statements include the Rates and General services, Housing services, Trading services and the different funds, reserves and provisions. All inter-departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity, water and premiums charged by the insurance fund, which are treated as income and expenditure in the respective departments.

Nala Local Municipality

Accounting policy

for the year ended 30 June 2006 (continued)

3. Fixed assets

3.1 Fixed assets are stated:

- At historical cost, or
- 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 Treasurer.

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 the "Provision" assets are written down over their estimated useful life. Apart from advances from various council funds, assets may also be acquired through:

- Appropriation 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.
- Grant or donation where the amount representing the value of such grants or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

3.3 All net proceeds from the sale of fixed property are credited to the Erven Trust fund. Net proceeds from the sale of all other assets are credited either to the Special capital fund or the Capital development fund.

3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments 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. Inventory

Inventory (stores and materials) is valued at the lower of cost, determined on the weighted average basis, and net realisable value.

Nala Local Municipality

Accounting policy

for the year ended 30 June 2006 (continued)

5. Funds and reserves

5.1 Capital development fund

The Capital development fund ordinance no. 40 of 1962, requires a minimum contribution of 1, 0% of the defined income for the immediately preceding financial year.

5.2 Leave reserve fund

The general fund is maintained to cover claims that may occur. Contributions are charged to the respective services, taking into account past claims and replacement value of the total days leave payable to employees. Re-evaluation is carried out at regular intervals.

5.3 Bonus reserve fund

The general fund is maintained to cover claims that may occur. Contributions are charged to the respective services, taking into account the total days payable to employees. Re-evaluation is carried out at regular intervals.

5.4 Bad debts reserve

Contributions from the revenue account are made to build up a bad debts reserve for the future loss in respect of bad debts. This fund will be utilised when council approval is given for the writing off of bad debts.



Nala Local Municipality

Accounting policy

for the year ended 30 June 2006 (continued)

6. Retirement benefits

Nala Local Municipality and its employees contribute to the SALA Pension Fund and other employees of Nala Local Municipality contribute to the Free State Provident Fund, which provides retirement benefits to such employees. The retirement benefit plan is subject to the Pension Funds Act of 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs.

Unfavourable experience adjustments and the cost of securing increased benefits are written off over the lesser of the remaining period of service of employees or five years. Favourable experience adjustments are retained in the retirement benefit plan. Full actuarial valuations are performed at least every three years.

7. Surpluses and deficits

Any surpluses or deficits arising from the operation of the Electricity and Water services are transferred to Rate and General Services. There are no closed accounts and therefore no surplus or deficit is retained in that service for its own use.

8. Treatment of administration and other overhead expenses

The costs of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

9. Leased assets

Fixed assets held under finance lease are capitalised. Such assets are effectively amortised over the term of the lease agreement.

Finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.

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

Nala Local Municipality

Accounting policy

for the year ended 30 June 2006 (continued)

10. Investments

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested per Circular issued by the Provincial Legislature.

11. Deferred charges

There are at present no deferred charges, but if accrued, the balance outstanding of the cost incurred in raising loans on the capital market, will be recovered from the operating income over the periods of the various loans involved.

12. Income recognition

12.1 Electricity and water billing

Meters in industrial areas, premises with high-tension supplies, high density residential areas and certain selected residential areas are read and billed monthly.

Meters on all other properties are read monthly and are provisionally billed monthly with the necessary adjustments being made.

12.2 Assessment rates

Bothaville and Wesselsbron Municipality levy assessment rates based on the value of the property. The value of the property consists of the land and improvements. Rebates are granted to state properties, according to the percentage council agrees on.

Kgotsoeng and Monyakeng do not levy assessment rates based on the value of the property, because no valuations exist. In terms of the council resolutions, assessment rates are levied at a fixed amount and are not based on the value of property.

Nala Local Municipality

Balance Sheet

as at 30 June 2006

	Note	2006 R	2005 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES			
		17,964,880	17,964,880
Statutory funds	1	17,366,285	17,366,285
Reserves	2	598,595	598,595
Accumulated deficit		(42,556,884)	(32,103,537)
		(24,592,004)	(14,138,657)
Trust funds	3	1,658,407	1,658,407
Long term liabilities	4	4,506,790	4,506,790
Consumer deposits	5	900,900	774,361
		<u>(17,525,907)</u>	<u>(7,199,099)</u>
EMPLOYMENT OF CAPITAL			
Fixed Assets	6	6,158,023	5,544,954
Investments	7	795,593	592,338
Long term debtors	8	-	-
		<u>6,953,616</u>	<u>6,137,292</u>
Net current assets		(24,479,523)	(13,336,391)
Current assets		28,815,150	23,663,571
Inventory	9	151,446	295,682
Debtors	10	28,663,704	21,632,732
Bank and Cash		-	1,662,567
Short term portion of long term debtors	8	-	72,590
Current Liabilities		53,294,673	36,999,962
Provisions	11	4,487,193	4,241,238
Creditors	12	40,377,768	32,105,999
Short-term portion long-term liabilities	4	652,725	652,725
Bank overdraft		7,776,987	-
		<u>(17,525,907)</u>	<u>(7,199,099)</u>

Nala Local Municipality

Income statement

for the year ended 30 June 2006

Actual Revenue 2005 R	Actual Expenditure 2005 R	Surplus/ (Deficit) 2005 R		Actual Revenue 2006 R	Actual Expenditure 2006 R	Surplus/ (deficit) 2006 R	Budget surplus/deficit 2006 R
42,348,008	64,386,034	(22,038,026)	Rates and general service	54,542,380	110,942,654	(56,400,274)	14,386,825
14,214,508	36,075,528	(21,861,020)	Community Services	22,337,322	43,695,153	(21,357,831)	(10,075,693)
17,803,343	17,022,113	781,230	Subsidised Services	25,261,714	53,812,313	(28,550,599)	13,637,791
10,330,157	11,288,393	(958,236)	Economic Services	6,943,344	13,435,188	(6,491,844)	10,824,727
49,690,645	34,671,211	15,019,434	Trading Services	73,371,423	27,424,495	45,946,928	9,993,128
<u>92,038,653</u>	<u>99,057,245</u>	<u>(7,018,592)</u>	Total	<u>127,913,803</u>	<u>138,367,149</u>	<u>(10,453,346)</u>	<u>24,379,953</u>

560,585 Appropriation for the year

(6,458,007) Net surplus/(deficit) for year

(25,645,530) Retained deficit at the beginning of the year

Accumulated deficit

(32,103,537) At end of the year



Nala Local Municipality

Cash flow Statement

for the year ended 30 June 2006

	Note	2006 R	2005 R
CASH RETAINED FROM OPERATING ACTIVITIES		10,245,197	19,067,719
Cash generated		10,245,197	19,496,037
Cash generated by operations	18	(5,201,780)	6,373,357
Investment income	16	-	157,613
(Increase) / decrease in working capital	19	15,446,977	12,965,067
Less: External interest paid	16	-	(428,318)
Cash available from operations		10,245,197	19,496,037
CASH UTILISED IN INVESTING ACTIVITIES			
Proceeds from sale of fixed assets		-	175,898
Investment in fixed Assets		(613,069)	(11,092,660)
NET CASH FLOW		9,632,128	8,150,957
Cash effects of financing activities			
Decrease/ (increase) in external long term loans	20	-	691,062
Increase / (decrease) in external cash investments	21	203,255	131,713
(Increase) / decrease in cash on hand	22	9,428,873	7,328,182
Net cash generated		9,632,128	8,150,957

Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2006

	2006	2005
	R	R
1. Statutory Funds		
Capital Development Fund	11,797,774	11,797,774
Erven Development Fund	<u>5,568,511</u>	<u>5,568,511</u>
	<u>17,366,285</u>	<u>17,366,285</u>
These funds are not represented by investments with financial Institutions.		
Restatement of Erven trust fund:		
Opening balance	5,568,511	7,598,772
Restatement		(2,282,594)
Movement for the year		<u>252,333</u>
	<u>5,568,511</u>	<u>5,568,511</u>
2. Reserves		
Study Loan Fund	50,378	50,378
Taxation and General Services	74,891	74,891
Handling Services	590	590
Vehicle and Tourist Replacement Reserve	413,926	413,926
Loss of Rental Reserve	8,742	8,742
Germ Skap Fasil Scheme 5	1,224	1,224
Germ Skap Fasil Scheme 4	6,597	6,597
Social Service Building	839	839
Disaster Fund	2,798	2,798
Construction Fund	34,466	34,466
Stabilization Fund	<u>4,144</u>	<u>4,144</u>
	<u>598,595</u>	<u>598,595</u>
These funds are not represented by investments with financial Institutions. (Refer to Appendix A for more details)		
3. Trust funds		
Replacement Fund	202,650	202,650
Loan Redemption Fund	219,248	219,248
Donations	661	661
Endowment fund	<u>1,235,848</u>	<u>1,235,848</u>
	<u>1,658,407</u>	<u>1,658,407</u>
These fund are not represented by investments with financial institutions. (Refer to Appendix A for more details)		

Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2006 (Continued)

	2006 R	2005 R
4. Long term liabilities	5,159,515	5,159,515
External loans	5,159,515	5,159,515
Motor vehicle lease	-	-
Less: Short term portion transferred to current liabilities	(652,725)	(652,725)
External loans	(652,725)	(652,725)
Motor vehicle lease	-	-
	<u>4,506,790</u>	<u>4,506,790</u>
(Refer to Appendix B for more detail on long term liabilities)		
5. Consumer deposits		
Electricity and water	<u>900,900</u>	<u>774,361</u>
6. Fixed assets		
Beginning of the year	144,472,810	133,570,819
Capital expenditure during the year	613,069	11,092,661
Less: Assets written off, transferred or disposed of during the year	-	(190,670)
Total fixed assets	145,085,879	144,472,810
Less: loans redeemed and other capital receipts	<u>(138,927,856)</u>	<u>(138,927,856)</u>
Net fixed assets	<u>6,158,023</u>	<u>5,544,954</u>
(Refer to Appendix C and Section 2 of the Treasurers Report for more detail)		
7. Investments		
Unlisted		
Senwes	35,106	25,265
Old mutual	760,487	567,073
Total investments	<u>795,593</u>	<u>592,338</u>
Management's valuation of unlisted and investment		
Unlisted investments	<u>795,593</u>	<u>592,338</u>

Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2006 (Continued)

	2006 R	2005 R
8. Long Term Debtors		
Motor Loan- Mr. Tokwane	-	18,990
Staff loans and advances	-	53,600
	-	72,590
Less: Short-term portion of long-term debtors transferred to current assets	-	(72,590)
9. Inventory		
Inventory represents consumables and raw materials. Where necessary specific provision is made for obsolete inventory	151,446	295,682
10. Debtors		
	76,682,822	64,786,613
Current debtors (other)	(1,166,946)	47,305,621
Grants to be received	6,845,096	4,334,938
Deposits not yet allocated	(19,293)	(8,743,247)
	82,341,679	107,683,925
Less: Provision for bad debts	(53,677,975)	(86,051,193)
	28,663,704	21,632,732
11. Provisions		
Audit fees	1,350,000	1,050,000
Bonus provision	968,026	772,883
Leave reserve	1,996,596	2,245,784
Valuation Roll	172,571	172,571
Provision for bad debts	53,677,975	86,051,193
Less: provision allocated to debtors (refer note 10)	(53,677,975)	(86,051,193)
	4,487,193	4,241,238
(Refer to appendix A for more detail)		



Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2006 (Continued)

	2006 R	2005 R
12. Creditors		
Trade creditors	33,863,399	11,831,764
Arrear capital outstanding on external loans	2,141,541	2,182,254
Arrear interest outstanding on external loans	2,912,874	9,546,770
Grants not utilized for projects	81,824	81,824
Salary sundry creditors	1,144,119	928,739
Vat Payable	234,011	7,534,648
	<u>40,377,768</u>	<u>32,105,999</u>
13. Assessment rates	Actual Income 2005	Actual Income 2005
Bothaville and Wesselsbron	R	R
Residential	9,047,362	9,047,362
Commercial	2,007,708	2,007,708
State	206,458	206,458
	<u>11,261,528</u>	<u>11,261,528</u>
Valuations on land are performed every five year and the last general valuation came into effect 01 September 2003.		
14. Councillors `s remuneration		
Mayors allowances	326,020	251,212
Speakers allowances	260,810	208,793
Councillors allowances	1,760,544	813,713
Councillors pension fund contribution	432,796	335,714
Executive committee allowances	537,932	371,093
	<u>3,318,102</u>	<u>1,980,525</u>
15. Auditor's remuneration		
Audit Fees	1,350,000	1,050,000
Under provision	-	-
	<u>1,350,000</u>	<u>1,050,000</u>



Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2006 (Continued)

	2006 R	2005 R
16. Financial transactions		
<i>Total external interest earned and paid:</i>		
Interest earned	-	157,613
Bank overdraft	7,776,987	87,113
External loans	-	341,205
	<u>7,776,987</u>	<u>428,318,00</u>
<i>Capital charges debited to operating account:</i>		
Interest-External	-	341,205
Interest-Internal	-	-
Redemption-External	-	234,785
Redemption-Internal	-	-
	<u>-</u>	<u>575,990</u>
17. Accumulated Deficit		
Appropriation Account		
Acc.Surplus/(Deficit) begin of year	(32,103,537)	(25,645,530)
Operating surplus/(deficit) for year	(10,453,347)	(7,018,592)
Appropriation for the year	-	-
Prior year adjustment	-	560,585
Accumulated surplus / (deficit): end of year	<u>(42,556,884)</u>	<u>(32,103,537)</u>
Operating account		
Movement in Bonus provision	195,143	(63,645)
Movement in Audit fee provision	150,000	295,000
Movement in Capital development fund	1,095,873	1,095,873
Capital expenditure	855,369	855,369
Movement in Leave reserve fund	609,577	(170,499)
Movement in Provision for bad debts	(32,373,218)	16,558,233
	<u>(29,812,399)</u>	<u>18,570,331</u>



Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2006 (Continued)

	2006 R	2005 R
18. Cash generated by operations		
(Deficit)/Surplus for year	(10,453,347)	(7,018,592)
Previous year's operating transactions	-	560,585
Finance charges	-	428,318
Appropriation charged against income	859,024	1,836,227
-Capital development Fund	-	920,000
-Fixed assets	613,069	855,370
-Provisions	245,955	60,857
Capital charges		
-Loans redeemed and advances paid-External	-	234,783
Investment income	-	(157,613)
Donation and subsidies	4,367,076	10,237,291
Profit on disposal of property, plant and equipment	-	(175,898)
Non-trade expenditure		
-Expenditure charged to provisions and reserves	25,467	428,256
	<u>(5,201,780)</u>	<u>10,566,819</u>
19. Increase/(decrease) in working capital		
Increase in debtors, long term debtors	7,030,972	(5,646,686)
Increase in creditors, consumer deposits	8,271,769	18,732,373
(Increase) /decrease in inventory	144,236	(120,620)
	<u>15,446,977</u>	<u>12,965,067</u>
20. Decrease/(increase) in external long term loans		
Loans repaid	-	691,062
21. Increase/(decrease) in external cash investments		
Investment realized	-	-
Investment made	203,255	131,713
	<u>203,255</u>	<u>131,713</u>

Nala Local Municipality

Notes to the Financial Statements

for the year ended 30 June 2006 (Continued)

	2006	2005
	R	R
22. Increase / (decrease) in cash on hand		
Cash Balance at the beginning of the year	1,651,886	(5,676,294)
Cash Balance at the end of the year	(7,776,987)	1,651,886
Movement in cash for the year	<u>(9,428,873)</u>	<u>(7,328,180)</u>

23. Retirement benefits

Nala Municipality and its employees contribute to the Free State Municipality Pension Fund and the Free State Municipality Retirement Fund.

The retirement benefits plan is subject to the Pension Fund Act with pensions being calculated on the final pensionable remuneration paid.

24. Contingent liabilities and contractual obligations

Provision for leave as at 30 June 2006 amounts to 1 996 596
The council adopts a policy to carry a provision of 100% of the outstanding amount.

25. Prior year figures

Prior year figures have been reclassified where necessary.

26. Statistical information

(Refer to Appendix F for more detail)

Nala Local Municipality

Financial statements

for the year ended 30 June 2006

Appendix A

Statutory funds, trust funds and reserves

	Balance at 30 June 2005 R	Contributions during the year R	Interest on investments R	Restatements R	Operating expenditure during the year R	Capital expenditure during the year R	Balance at 30 June 2006 R
Statutory funds							
Capital development fund	10 701 851	938 310	157 613	-	-	-	11 797 774
Erven Trust Fund	7 598 772	252 333	-	(2 282 594)	-	-	5 568 511
	<u>18 300 623</u>	<u>1 190 643</u>	<u>157 613</u>	<u>(2 282 594)</u>	<u>-</u>	<u>-</u>	<u>17 366 285</u>
Trust funds							
Loan Redemption fund	219 248	-	-	-	-	-	219 248
Replacement Funds	202 650	-	-	-	-	-	202 650
Endowment Fund	1 235 848	-	-	-	-	-	1 235 848
Donations	661	-	-	-	-	-	661
	<u>1 658 407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 658 407</u>
Reserves							
Study Loan Funds	50 378	-	-	-	-	-	127 478
Loss of Rental Reserve	8 742	-	-	-	-	-	22 122
Gem Skap Fasil Scheme 5	1 224	-	-	-	-	-	3 097
Gem Skap Fasil Scheme 4	6 597	-	-	-	-	-	16 693
Social Service Building	839	-	-	-	-	-	2 123
Ramp Funds	2 798	-	-	-	-	-	7 080
Construction Fund	34 466	-	-	-	-	-	87 214
Stabilisation Fund	4 144	-	-	-	-	-	10 486
Taxation and General Services	74 891	-	-	-	-	-	189 506
Handling Services	590	-	-	-	-	-	1 493
Vehicle and Tourist Replacement Reserve	413 926	-	-	-	-	-	1 047 410
	<u>598 595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 514 702</u>
Provisions							
Audit fees	755 000	1 542 849	-	-	(1 247 849)	-	1 050 000
Bonus reserve	836 528	1 770 277	-	-	(1 833 922)	-	772 883
Leave reserve	2 416 282	(170 498)	-	-	-	-	2 245 784
Valuation Roll	172 571	-	-	-	-	-	172 571
Provision for bad debts	69 492 960	16 558 233	-	-	-	-	86 051 193
Less: Provision allocated to Debtors (refer note 10)	(69 492 960)	(16 558 233)	-	-	-	-	(86 051 193)
	<u>4 180 381</u>	<u>3 142 628</u>	<u>-</u>	<u>-</u>	<u>(3 081 771)</u>	<u>-</u>	<u>4 241 238</u>
Total	<u>24 738 006</u>	<u>4 333 271</u>	<u>157 613</u>	<u>(2 282 594)</u>	<u>(3 081 771)</u>	<u>-</u>	<u>24 780 632</u>

Nala Local Municipality

Financial statements

for the year ended 30 June 2006

Appendix B

(Page 1 of 2)

External loans

				Balance at	Received	Redeemed	Transfer	Balance at
				30 June	during	or written off	to trade	30 June
				2005	the year	during the	creditors	2006
				R	R	Year	R	R
						R		
Annuity loans								
<i>Descriptions</i>	<i>Interest rate</i>	<i>Period</i>	<i>Redemption Date</i>					
<i>General Expenditure</i>								
Reseal of Streets	15.50%	-	-	-	-	-	-	-
Street Pavement Block	15.50%	-	-	50 620	-	-	-	50 620
Tar of Streets	16.75%	-	-	32 991	-	-	-	32 991
Parking Area Town Hall	16.75%	-	-	2 435	-	-	-	2 435
Reseal Tar Streets	16.00%	-	-	-	-	-	-	-
Endurance Road Stand	13.41%	-	-	43 576	-	-	-	43 576
Sewerage Stand 939	13.41%	-	-	13 167	-	-	-	13 167
Streetlight	17.45%	-	-	25 086	-	-	-	25 086
Network Industrial	17.50%	-	-	-	-	-	-	-
Network Meyerhof	17.26%	-	-	8 922	-	-	-	8 922
IncaWSB105H-SS	18.50%	-	-	-	-	-	-	-
IncaWSB106U	15.50%	-	-	11 090	-	-	-	11 090
IncaWSB106Z	17.77%	-	-	8 452	-	-	-	8 452
IncaWSB107Z	17.00%	-	-	19 021	-	-	-	19 021
IncaWSB108M	17.00%	-	-	10 866	-	-	-	10 866
IncaWSB111Z	17.92%	-	-	153 109	-	-	-	153 109
DBSA 13122/101	10.25%	-	-	51 999	-	-	-	51 999
DBSA 13123/101	10.25%	-	-	24 768	-	-	-	24 768
DBSA 13124/101	13.45%	-	-	465 474	-	-	-	465 474
DBSA 13125/101	13.75%	-	-	426 280	-	-	-	426 280
DBSA 13126/101	16.38%	-	-	264 927	-	-	-	264 927
DBSA 13127/101	15.80%	-	-	761 125	-	-	-	761 125
DBSA 13128/101	13.95%	-	-	680 994	-	-	-	680 994
DBSA 13581/102	17.25%	-	-	-	-	-	-	-
				3 054 902	-	-	-	3 054 902

Nala Local Municipality

Financial statements

for the year ended 30 June 2006

Appendix B

(Page 2 of 2)

External loans (continued)

				Balance at	Received	Redeemed	Transfer	Balance at
				30 June	during	or written off	To trade	30 June
				2005	the year	during the	creditors	2006
				R	R	year	R	R
						R		
Annuity loans	Interest rate	Period	Redemption Date					
Descriptions								
<i>Abattoir</i>								
Establishment GI35	19.00%	-	-	10 911	-	-	-	10 911
<i>Water</i>								
Water Meyerhof	19.00%	-	-	1 801	-	-	-	1 801
Pipeline Symondstreet	16.75%	-	-	1 982	-	-	-	1 982
Water Strand	13.41%	-	-	4 233	-	-	-	4 233
Pipeline Carey Street	16.75%	-	-	9 004	-	-	-	9 004
				17 020	-	-	-	17 020
<i>Electricity</i>								
Network Meyerhof 2	19.00%	-	-	5 182	-	-	-	5 182
Network SSK147	16.15%	-	-	58 527	-	-	-	58 527
Switchgear 11KV	17.45%	-	-	18 853	-	-	-	18 853
Upgrading 150	17.15%	-	-	59 656	-	-	-	59 656
Electricity ERF 939	13.41%	-	-	15 154	-	-	-	15 154
400A/420V Panel	17.45%	-	-	26 832	-	-	-	26 832
Interswitch	17.45%	-	-	7 496	-	-	-	7 496
Upgrading Network	17.45%	-	-	146 071	-	-	-	146 071
DBSA 10571 2/11 KV	15.75%	-	-	1 738 911	-	-	-	1 738 911
				2 076 682	-	-	-	2 076 682
				5 159 515	-	-	-	5 159 515

Refer to notes 4 and 16

Nala Local Municipality

Financial statements

for the year ended 30 June 2006

Analysis of fixed assets

Appendix C
(Page 1 of 4)

Service	Expenditure 2005 R	Budget 2006 R	Balance at 30 June 2005 R	Expenditure 2006 R	Redeemed, transferred or written off R	Balance at 30 June 2006 R
Rates and general services	10,657,205	4,394,000	95 680 219	613,069	-	95 680 219
<i>Community services</i>	5,649,686	2,214,000	59 040 785	355,707	-	59 396 492
Disaster Management	-	-	4 552	-	-	4 552
Municipal Manager	-	-	171 171	-	-	171 171
Roads and streets	5,059,310	1,251,000	29 713 445	-	-	29 713 445
Head of Finance	130,486	382,000	1 070 194	50 531	-	1 120 725
Head of Corporate	-	77,000	-	-	-	-
Technical Services: Head	-	-	30 107	284 223	-	314 330
Council General	370,709	220,000	17 256 504	-	-	17 256 504
Traffic and security	44,910	284,000	265 086	-	-	265 086
Crèche	-	-	32 525	-	-	32 525
Camps	-	-	1 962	-	-	1 962
Properties	-	-	7 618 506	-	-	7 618 506
Street Lighting	-	-	1 393 004	-	-	1 393 004
Post Office Monyakeng	-	-	400	-	-	400
Airport	-	-	38 595	-	-	38 595
Workshop	-	-	106 407	-	-	106 407
Unsold Erves	-	-	891 907	-	-	891 907
Special projects - LED	16,899	-	419 048	-	-	419 048
Special projects -	-	-	-	-	-	-
Youth Development	-	-	27 372	20 953	-	48,325
Subsidised services	5,890,050	3,324,000	8 491 544	151 979	-	8 763 705
Cemetery	81,567	-	120 597	151 979	-	354 143
Ambulance	-	-	27 407	-	-	27 407
Civil and buildings	8,205	350,000	1 859 562	-	-	1 867 767
Fire Brigade	-	-	80 886	-	-	80 886
Library	-	-	492 220	-	-	492 220
Sports and recreation	30,410	125,000	5 328 913	-	-	5 359 323
Health	-	80,000	581 959	-	-	581 959
<i>Balance carried over</i>	5,769,868	2,769,000	67 652 511	507 686	-	68 160 197

Nala Local Municipality

Financial statements

for the year ended 30 June 2006

Appendix C (Page 2 of 4)

Analysis of fixed assets (continued)

Expenditure 2005 R	Service	Budget 2006 R	Balance at 30 June 2005 R	Expenditure 2006 R	Redeemed, transferred or written off R	Balance at 30 June 2006 R
5 769 868	<i>Balance brought forward</i>	2 769 000	67 652 511	507 686	-	67 652 511
4 887 337	<i>Economic services</i>	520 000	28 027 708	105 384	-	28 027 708
71 235	Cleansing	-	3 360 687	-	-	3 360 687
4 816 102	Sanitation	500 000	23 714 140	-	-	23 714 140
-	Housing	20 000	952 881	105 384	-	952 881
435 456	<i>Trading services</i>	1 105 000	48 792 591	-	-	48 792 591
120 891	Electricity	1 070 000	28 585 153	-	-	28 585 153
314 565	Water	35 000	20 207 438	-	-	20 207 438
11 092 661	Total fixed assets	4 394 000	144 472 810	613 070	-	145 085 880

Nala Local Municipality

Financial statements

for the year ended 30 June 2006

Appendix C

Page 3 of 4

Loans redeemed and other capital receipts

Expenditure 2005 R	Service	Balance at 30 June 2005 R	Expenditure 2006 R	Redeemed, transferred or written off R	Balance at 30 June 2006 R
11 092 661	Total fixed assets	144 472 810	613 070	-	144 472 810
(11 327 444)	Less: Loans redeemed and other capital receipts	(138 927 856)	-	-	(138 927 856)
	General expenditure				
(733 478)	Contributions from income – General	(3 405 226)	-	-	(3 405 226)
(199 870)	External Loans – General	(39 796 541)	-	-	(39 796 541)
-	Erven Fund – General	(1 137 356)	-	-	(1 137 356)
(5 077 016)	Government Fund – General	(58 621 293)	-	-	(58 621 293)
-	Capital Reserve – General	(1 662 714)	-	-	(1 662 714)
-	Reserves – General	(140 992)	-	-	(140 992)
	Abattoir				
-	External Loans – Abattoir	(664 326)	-	-	(664 326)
-	Capital Reserve – Abattoir	726 262	-	-	726 262
(6 010 364)	Balance carried over	(104 702 186)	-	-	(104 702 186)

Nala Local Municipality

Financial statements

for the year ended 30 June 2006

Appendix C
(Page 4 of 4)

Loans redeemed and other capital receipts (continued)

Expenditure Service 2005 R	Balance at 30 June 2005 R	Expenditure 2006 R	Redeemed, transferred or written off R	Balance at 30 June 2006 R
(6 010 364)	(104 702 186)	-	-	(104 702 186)
<i>Balance brought forward</i>				
<i>Electricity</i>				
(120 890)	(742 586)	-	-	(742 586)
(17 740)	(1 515 522)	-	-	(1 515 522)
-	(98 024)	-	-	(98 024)
-	(110 073)	-	-	(110 073)
-	(17 096)	-	-	(17 096)
-	(13 283 247)	-	-	(13 283 247)
<i>Water</i>				
(1 000)	(106 776)	-	-	(106 776)
(17 175)	(435 083)	-	-	(435 083)
-	(35 480)	-	-	(35 480)
-	(70 954)	-	-	(70 954)
(5 160 275)	(17 800 223)	-	-	(17 800 223)
(234 783)	5 544 954	-	-	5 544 954
Net fixed assets				

Nala Local Municipality

Financial statements

for the year ended 30 June 2006

Appendix D

Analysis of operating income and expenditure

Actual 2005 R		Actual 2006 R	Budget 2006 R
Income			
23 171 636	Grants and subsidies	35 987 000	30 437 000
23 171 636	Central Government	35 987 000	30 437 000
-	Regional Government	-	-
68 709 404	Operating income	91 926 803	37 402 868
11 261 528	Assessment rates	10 917 693	-
16 139 270	Sale of electricity	702 607	17 000 060
15 693 131	Sale of water	150 754	6 519 020
13 335 705	Refuse	1 335 705	8 087 326
9 438 329	Sewerage	108 163	5 796 462
2 841 441	Other services charged	78 711 881	-
157 613	Interest received	-	-
<u>92 038 653</u>		<u>127 913 803</u>	<u>67 839 868</u>
Expenditure			
32 492 039	Salaries, wages and allowances	36 729 428	33 692 167
40 778 625	General expenses	67 087 606	53 241 948
9 716 820	Purchase of electricity	11 298 091	11 400 000
12 871 148	Purchase of water	14 165 213	10 700 000
18 190 657	Other expenses	41 624 302	31 141 948
1 401 880	Repairs and maintenance	1 576 389	2 661 400
3 005 195	Capital charges	3 005 195	1 238 404
711 086	Contribution to fixed assets	613 000	562 378
20 646 247	Contributions	29 109 876	26 976 180
99 035 072	Gross expenditure	138 121 494	118 372 477
22 173	Less: Amounts charged out	245 656	345 790
<u>99 057 245</u>	Net expenditure	<u>138 367 150</u>	<u>118 718 267</u>



Nala Local Municipality

Financial statements

for the year ended 30 June 2006

Detailed income statement

Appendix E

(Page 1 of 2)

Actual revenue 2005 R	Actual expenditure 2005 R	Surplus/ (deficit) 2005 R		Actual Revenue 2006 R	Actual expenditure 2006 R	Surplus/ (deficit) 2006 R	Budget surplus/ (deficit) 2006 R
42 348 008	64 386 034	(22 038 026)	Rates and general Services	54 542 380	110 942 654	(56 400 274)	(7 262 629)
14 214 508	36 075 528	(21 861 020)	Community services	22 337 322	43 695 153	(21 357 831)	(10 075 693)
198 775	317 779	(119 004)	Cemetery	242 953	434 529	(191 576)	197 764
(6 763)	1 544 504	(1 551 267)	Civil and buildings	30 153	1 268 398	(1 238 245)	(869 941)
11 261 529	150 899	11 110 630	Rates, taxes and levies	10 917 693	-	10 917 693	-
-	93 041	(93 041)	Stores	-	-	-	-
-	705 965	(705 965)	Personnel management	-	345 600	(345 600)	-
900	43 035	(42 135)	Aerodrome	-	1 811	(1 811)	-
14 718	195 192	(180 474)	Properties	6 284	86 980	(80 696)	373 358
9 558	1 653 122	(1 643 564)	Administration	11 205	2 492 036	(2 480 831)	1 682 834
229 798	7 105 322	(6 875 524)	Finance services:	1 229 966	5 995 583	(4 765 618)	8 254
-	1 825 372	(1 825 372)	Head	-	2 369 612	(2 369 612)	(1 972 107)
65 954	11 320 006	(11 254 052)	Municipal Manager	3 718 907	11 836 004	(8 117 097)	(10 112 191)
1 786	-	1 786	Council General	2 617	-	2 617	(717)
117 962	1 740 335	(1 622 373)	Licences	115 080	2 379 080	(2 224 000)	4 107 031
588 045	4 895 051	(4 307 006)	Traffic and security	1 476 074	2 578 348	(1 102 274)	764 127
6 519	55 659	(49 140)	Roads and streets	9 915	610 343	(600 428)	-
-	384 584	(384 584)	Technical services:	5 403	-	5 403	-
-	181 039	(181 039)	Head	-	62 548	(62 548)	113 635
-	29 201	(29 201)	Corporate Services:	-	-	-	-
-	811 713	(811 713)	Street Lighting	-	956 728	(956 728)	234 132
2 674	487 021	(484 347)	Grants and donations	-	158 932	(158 932)	1 107 841
3 795	114 489	(110 694)	Workshop	3 930	216 899	(212 969)	-
1 719 258	2 113 135	(393 877)	Labour relations	1 223 551	9 935 727	(8 712 176)	(6 088 951)
-	15 269	(15 269)	Marketing and communications	1 144 380	1 325 358	(180 978)	-
-	218 273	(218 273)	Sports and recreation	2 159 220	640 657	1 526 077	379 238
-	75 522	(75 522)	Special projects-LED	-	7 500	(7 500)	-
17 803 343	17 022 113	781 230	Special projects-Other	25 261 714	53 812 313	(28 550 599)	13 637 791
1 397 509	1 106 620	290 889	Training and selection	3 601 779	1 063 587	2 538 193	847 346
5 642	194 689	(189 047)	Subsidised services	361 823	245 747	116 076	(28 640)
14 224 795	11 529 116	2 695 679	Library	16 439 867	51 757 121	(35 317 253)	-
2 175 397	3 583 154	(1 407 757)	Fire Brigade	-	710 440	(710 440)	455 737
-	608 534	(608 534)	Sanitation and night soil	4 858 245	35 419	4 822 826	12 363 348
10 330 157	11 288 393	(958 236)	Health	6 943 344	13 435 188	(6 491 844)	(10 824 727)
2 738	591 010	(588 272)	Cleaning and waste	7 858	1 495 355	(1 487 497)	(655 526)
10 327 419	10 697 383	(369 964)	Economic service	6 935 486	11 939 833	(5 004 347)	(10 169 201)
42 348 008	64 386 034	(22 038 026)	Housing	54 542 380	110 942 654	(56 400 274)	(7 262 629)
			Sewerage and purification				
			Balance carried over				

Nala Local Municipality

Financial statements

for the year ended 30 June 2006

Appendix E

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Detailed Income statement (continued)

Actual Revenue 2005 R	Actual expenditure 2005 R	Surplus/ (deficit) 2005 R		Actual revenue 2006 R	Actual Expenditure 2006 R	Surplus/ (deficit) 2006 R	Budget surplus/ (deficit) 2006 R
42 348 008	64 386 034	(22 038 026)	Rates and general services	54 542 380	110 942 654	(56 400 274)	(1 378 631)
49 690 645	34 671 211	15 019 434	Trade services	73 371 423	27 424 495	45 946 928	1 407 526
22 322 545	14 183 247	8 139 298	Electricity	31 529 847	17 113 626	14 416 222	989 205
27 368 100	20 487 964	6 880 136	Water	41 841 575	10 310 870	31 530 706	418 321
<u>92 038 653</u>	<u>99 057 245</u>	<u>(7 018 592)</u>	Total	<u>127 913 803</u>	<u>138 367 150</u>	<u>(10 453 347)</u>	<u>28 895</u>
		<u>560 585)</u>	Appropriation for the year (Refer note 17)			-	
		<u>(6 458 007)</u>	Net deficit for the year			<u>(10 453 347)</u>	
		<u>(25 645 530)</u>	Retained deficit at the beginning of the year			<u>(32 103 537)</u>	
		<u>(32 103 537)</u>	Accumulated deficit at the end of the year			<u>(42 556 884)</u>	

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Statistical information	Note	2006	2005
a) General services			
i) Population		134 512	109 890
ii) Valuation of property – Residential	13	R244 702 750	R244 702 750
Valuation of property – Commercial	13	R54 302 188	R54 302 188
Valuation of property – State	13	R40 426 621	R40 426 621
Valuation of property – Municipal	13	-	-
Last valuation done		1 September 2003	1 September 2003
iii) Number of residential properties		17 493	17 493
Number of commercial properties		565	565
iv) Number of agricultural properties		1 528	1 528
Number of industrial properties		34	34
v) Assessment rates – Land		R330 631 107	R47 269 523
Assessment rates – Improvements		R771 570 272	R279 874 361
vi) Income from assessment rates	13	R11 261 528	R11 261 528
b) Electricity statistics			
i) Number of users		12 041	12 041
ii) Units bought		61 607 579	61 607 579
iii) Units sold		44 550 092	44 550 092
iv) Units lost in distribution (ii) and (iii)		17 057 487	17 057 487
v) Units lost in distribution as percentage of (ii)		28%	28%
vi) Cost per unit bought (cents)		19c	19c
vii) Loss in distribution (iv), (vi) and (x)		R3 240 922-53	R3 240 922-53
viii) Cost per unit sold (operating expenditure – (iii) (cents))		42c	42c
ix) Income per unit sold (operating income – (iii) (cents))		46c	46c
Domestic			
- Basic		R31-93	R31-93
- Marginal		30c	30c
Commercial			
- Basic		R103-86	R103-86
- Marginal		30c	30c
- Administration fee		R119-04	R119-04
x) Number of street lights		43 High mast 6 671 Street lights	43 High mast 6 671 Street lights

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for the year ended 30 June 2005

Appendix F (Page 2 of 2)

Statistical information (continued)

	2006	2005
c) Water statistics		
i) Number of users	17 301	17 301
ii) Units bought	2 349 530	2 349 530
iii) Units sold	1 788 196	1 788 196
iv) Units lost in distribution (ii) and (iii)	561 334	561 334
v) Units lost in distribution as percentage of (ii)	24%	24%
vi) Cost per unit bought	R3-39	R3-39
vii) Loss in distribution (iv) and (vi)	R1 902 922	R1 902 922
viii) Cost per unit sold (operating expenditure – (iii))	R11-46	R11-46
ix) Income per unit sold (operating income – (iii))	R12-48	R12-48
d) Sundry statistics		
i) Area (hectares)	N/A	N/A
ii) Library books issued	75 989	75 989
iii) Total personnel in service of Local Council	400	378