

NAMAKWA DISTRICT MUNICIPALITY  
ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2006

I am responsible for the preparation of these annual financial statements, which are set out on pages 3 to 36, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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H VISSER  
Municipal Manager

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Date

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**NAMAKWA DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2006**

	Note	2006 R	2005 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		<b>26 730 575</b>	<b>17 611 044</b>
Government grant reserve		25 992	
Capital Replacement Reserve		3 076 374	
Capitalisation reserve		8 167 295	
Donations and public contribution reserves		80 523	
Funds and Reserves	27		2 728 819
Accumulated Surplus/(Deficit)		15 380 391	14 882 225
<b>Non-current liabilities</b>		<b>5 572 519</b>	<b>36 466 859</b>
Long-term liabilities	1	5 572 519	5 975 020
Trust Funds	27		
Non-current provisions	2		30 491 839
<b>Current liabilities</b>		<b>32 100 354</b>	<b>5 367 023</b>
Consumer deposits	3		
Provisions	4	1 960 624	1 868 680
Creditors	5	11 971 825	3 144 715
Unspent conditional grants and receipts	6	17 765 218	
VAT	7		
Short-term Loans	8		
Bank overdraft	16		353 628
Current portion of long-term liabilities	1	402 687	
<b>Total Net Assets and Liabilities</b>		<b><u>64 403 448</u></b>	<b><u>59 444 926</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>15 743 346</b>	<b>10 095 501</b>
Property, plant and equipment	9	9 159 637	3 577 536
Investments	10	1 146	
Long-term receivables	11	6 582 563	6 517 965
<b>Current assets</b>		<b>48 660 102</b>	<b>49 349 425</b>
Inventory	12	1 421 422	355 424
Consumer debtors	13	1 080 296	7 416 014
Other debtors	14	5 932 841	
Current portion of long-term debtors	11	151 332	241 952
Call investment deposits	15	35 030 580	37 470 767
Bank balances and cash	16	5 043 631	3 865 268
<b>Total Assets</b>		<b><u>64 403 448</u></b>	<b><u>59 444 926</u></b>

**NAMAKWA DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30th JUNE 2006**

	Note	2006 R	2005 R
<b>REVENUE</b>			
Property rates	17		
Property rates - penalties imposed and collection charges			
Service charges	18	38	
Regional Services Levies - turnover		11 457 764	10 222 982
Regional Services Levies – remuneration		4 468 541	4 473 741
Rental of facilities and equipment		696 649	
Interest earned - external investments		164 482	
Interest earned - outstanding debtors		232 597	
Interest Received			376 968
Fines		355 148	407 415
Licences and permits			
Income for agency services		828 306	858 900
Government grants and subsidies	19	11 360 664	
Other income	20	718 045	2 974 289
Public contributions and donations			
Gains on disposal of property, plant and equipment		37 505	
<b>Total Revenue</b>		<b>30 319 739</b>	<b>19 314 295</b>
<b>EXPENDITURE</b>			
Employee related costs	21	7 965 379	
Remuneration of Councillors	22	1 428 272	
Salaries, Wages and Allowances			9 798 044
Bad debts			
Transfer to and from provisions		78 139	
Depreciation		755 273	
Repairs and maintenance		365 902	616 009
Interest on external borrowings	23	476 610	
Capital Cost			765 924
Contributions to Capital Outlay			236 692
Contributions to Funds			200 000
Bulk purchases	24		
Transfer to and from working capital		35 000	
Contracted services		405 873	
Grants and subsidies paid	25	12 749 248	
General expenses	26	3 707 402	4 285 900
Loss on disposal of property, plant and equipment		0	0
<b>Total Expenditure</b>		<b>27 967 098</b>	<b>15 902 569</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>2 352 641</b>	<b>3 411 726</b>

Refer to Appendix E(1) for the comparison with the approved budget

**NAMAKWA DISTRICT MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2006**

	<u>Pre-GAMAP Old Reserves and Funds</u>	<u>Capital Replacement Reserve</u>	<u>Government Grant Reserve</u>	<u>Capitalisation Reserve</u>	<u>Donations and Public Contribution Reserve</u>	<u>Accumulated Surplus/ (Deficit)</u>	<u>Total</u>
	R	R	R	R	R	R	R
<b>2006</b>							
Balance at 1 July 2005	50 524 175		-			14 882 225	65 406 400
Implementation of GAMAP (Note 27)		2 724 063	30 491 042	8 167 295	5 553	9 136 222	50 524 175
Restated balance	0	2 724 063	30 491 042	8 167 295	5 553	24 018 447	65 406 400
Surplus/(deficit) for the year							
Transfer to CRR						2 352 641	2 352 641
Property, plant and equipment purchased		352 310				352 310	352 310
Capital grants used to purchase PPE						107 103	107 103
Donated/contributed PPE						-	-
Offsetting of depreciation						(10 390 852)	(10 390 852)
<b>Balance at 30 June 2006</b>	-	<b>3 076 373</b>	<b>30 491 042</b>	<b>8 167 295</b>	<b>5 553</b>	<b>15 980 236</b>	<b>57 827 602</b>
<b>2005</b>							
Correction of error (Note 28)							
<b>Restated balance</b>							
Surplus/(deficit) for the year							
Capital grants used to purchase PPE							
Donated/contributed PPE							
Asset disposals							
Offsetting of depreciation							
<b>Balance at 30 June 2005</b>							

NAMAKWA DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 R	2005 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and other		95 067 098	
Cash paid to suppliers and employees		(91 248 868)	
Cash generated from/(utilised in) operations	29	3 818 230	
Interest received		164 482	
Interest paid		(476 610)	
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>3 506 102</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(107 103)	
Proceeds on disposal of property, plant and equipment		37 505	
Decrease in non-current receivables		500 775	
Increase in non-current investments			
Decrease in call investment deposits		(2 439 041)	
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(2 007 864)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New loans raised/(repaid)		(319 875)	
Increase in consumer deposits			
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(319 875)</b>	
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1 178 363</b>	
Cash and cash equivalents at the beginning of the year		3 865 268	
Cash and cash equivalents at the end of the year	30	5 043 631	

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	R	R
<b>1. LONG-TERM LIABILITIES</b>		
Local Registered Stock Loans		
Annuity Loans		
DBSA Kamiesberg Electrification	3 287 979	3 577 536
DBSA Electrification (various towns)	2 687 227	2 751 112
Sub-total	<u>5 975 206</u>	<u>6 328 648</u>
Less : Current portion transferred to current liabilities	(402 687)	(353 628)
Local Registered Stock Loans	(328 394)	( 289 668)
DBSA Kamiesberg Electrification	(74 293)	( 63 960)
DBSA Electrification (various towns)		
<b>Total External Loans</b>	<u><u>5 572 519</u></u>	<u><u>5 975 020</u></u>

Refer to Appendix A for more detail on long-term liabilities.

**2 NON-CURRENT PROVISIONS**

Provision for long-service

**Total Non-Curent Provisions**

The long-service award is payable after every 5 years of continuous service. The provision is an estimate of the long-service based on historical staff turnover

The movement in the non-current provision is reconciled as follows: -

Balance at beginning of year

Contributions to provision

Expenditure incurred

Increase in provision due to discounting

Transfer to current provisions

**Balance at end of year**

**3. CONSUMER DEPOSITS**

Electricity and Water

Interest paid

**Total Consumer Deposits**

Included in deposits is an accrual of interest at an effective interest rate of 8% per annum (2005: 8%) which is paid to consumers when deposits are refunded.

**Guarantees held in lieu of Electricity and Water Deposits**

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>4. PROVISIONS</b>		
Accrued leave		
Performance bonus	1 960 624	1 868 680
Current portion of long-service provision (see note 2 above)		
<b>Total Provisions</b>	<u><u>1 960 624</u></u>	<u><u>1 868 680</u></u>

Performance bonuses are paid one year in arrear as the assessment of eligible employees had not taken place at the reporting date and no present obligation exists.

The balance of the performance bonus provisions relate to amounts not yet paid to certain employees due to disputes over the assessment process. Also see note 35.

The movement in current provisions are reconciled as follows: -

	<u>Accrued leave</u>	<u>Current portion Long-service</u>
<b>30 June 2006</b>		
Balance at beginning of year		
Increase n Provision due to interest on investment	1 868 680	1 666 869
Contributions to provision	13 805	1 811
Expenditure incurred	150 000	200 000
	(71 861)	
<b>Balance at end of year</b>	<u><u>1 960 624</u></u>	<u><u>1 868 680</u></u>
<b>30 June 2005</b>		
Balance at beginning of year		
Transfer from non-current		
Contributions to provision		
Expenditure incurred		
<b>Balance at end of year</b>	<u><u>                  </u></u>	<u><u>                  </u></u>

**5. CREDITORS**

Trade creditors	776 504	2 448 785
Unallocated Income	657 332	
Retentions		
Suspense Account	199 710	695 930
Other creditors (Conditional Grants)	10 338 279	
	<u><u>11 971 825</u></u>	<u><u>3 144 715</u></u>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

**6. UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

**2006**

**2005**

**R**

**R**

**6.1 Conditional Grants from other spheres of Government**

MIG Grants

Equitable Share

Richtersveld Special Fund

Kamiesberg Special Fund

Work for Water

Drought Relief

EPWP

Finance Management Grant

Sanitation Bucket System

Brandvlei Electricity Network

PIMS

MSIG

S.A. Projects

Sanitation Projects

Middelpos

Skietfontein

Nieuwoudtville Access Road

Sakrivier Bridge

Training Reserve SETA

1 178 304	2 282 943
5 386 848	4 008 839
90 536	88 381
987 325	1 447 897
9 081	43 994
2 309 266	1 212 949
290 990	5 268 934
1 314 283	990 392
758 501	1 967 538
779 704	875 880
1 291 067	1 188 639
1 693 547	2 929 646
252 975	250 000
73 010	71 349
21 607	21 239
159 789	153 531
129 391	126 312
748 152	730 347
290 842	191 336
<b>17 765 218</b>	<b>23 850 146</b>
<b>17 765 218</b>	<b>23 850 146</b>

**6.2 Other Conditional Receipts**

Developers Contributions – Electricity

Public contributions

**Total Conditional Grants and Receipts**

See Note 18 for reconciliation of grants from other spheres of government. These amounts are invested in a ring-fenced investment until utilized.

**7. VAT**

VAT payable

**0**

VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.

**8. SHORT-TERM LOANS**

**N/A**

NAMAKWA DISTRICT MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE  
 2006

9. PROPERTY, PLANT AND EQUIPMENT  
 30 June 2006

	<u>Land and Buildings</u>	<u>Infra- structure</u>	<u>Community</u>	<u>Heritage</u>	<u>Inventory</u>	<u>Other</u>	<u>Total</u>
	R	R	R	R		R	R
<b>Reconciliation of Carrying Value</b>							
<b>Carrying values at 1 July 2005</b>	6 504 800	9 080 863	1 934 811		260 603.01	3 099 975	20 881 052.01
Cost							
Correction of error ( note 27)							
Accumulated depreciation	(5 925 528)	(908 086)	(1 934 811)			(1 622 427)	(10 390 852)
Acquisitions		18 030.70				89 071.84	107 102.54
Capital under Construction							
Depreciation							
Carrying value of disposals	(580 337)				(260 603.01)		(840 940.01)
Cost							
Accumulated depreciation	43 904.66	302 995.95				408 372.63	755 273.24
Impairment losses	-	-	-	-		-	-
Other movements	(158 547.56)	-	-	-		-	(158 547.56)
<b>Carrying values at 30 June 2006</b>							
Cost	5 924 463	9 098 893.70	1 934 811			3 189 046.84	20 147 214.54
Accumulated depreciation	(5 810 885.10)	(1 211 081.95)	(1 934 811)			(2 030 799.63)	(10 987 577.68)



**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>11. LONG-TERM RECEIVABLES</b>		
Loans to controlled Municipal Entities	6 416 817	5 987 655
Car loans	314 221	765 782
Sewerage connection loans		
Electricity appliance purchase scheme		
Council Housing Loans	<u>2 857</u>	<u>6 480</u>
	6 733 895	6 759 917
Less : Current portion transferred to current receivables	(151 332)	(241 952)
Car loans	148 475	38 329
Sewerage connection loans	2 857	3 623
Electricity appliance purchase scheme		
Council Housing Loans		
<b>Total</b>	<u><u>6 582 563</u></u>	<u><u>6 517 965</u></u>

**CAR LOANS**

Senior staff is entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are repayable in the year 2009.

**SEWERAGE CONNECTION LOANS**

To encourage property owners to connect to the reticulation system, low interest rate loans are made to provide the necessary financial assistance. These loans attract interest at a rate of 5% per annum and are repayable over a maximum period of 4 years. Loans with balances of R259 (2004: R300) are repayable in 2007 whilst loans with balances of R330 (2004: R200) are repayable in 2008.

**ELECTRICITY ASSISTANCE SCHEME**

To encourage tenants to connect to the electricity service, low interest loans are granted to finance the cost to consumers. These loans attract interest of 2% per annum and are repayable over five years. These loans will be repayable by the year 2008.

**12. INVENTORY**

Consumable stores – at cost	555 511	355 424
Maintenance materials – at cost		
Spare parts – at realisable value		
Other goods held for resale – at cost		
Inventory (Assets)	<u>865 911</u>	
<b>Total Inventory</b>	<u><u>1 421 422</u></u>	<u><u>355 424</u></u>

Included in maintenance materials is an amount of R XXX pledged as security for an outsourced maintenance contract.

**13. CONSUMER DEBTORS**

	Gross Balances R	Provision for Bad Debts R	Net Balance R
<b>As at 30 June 2006</b>			
Service debtors			
Rates			
Electricity			
Water			
Sewerage			
Regional Service Levies	<u>1 145 296</u>	<u>(65 000)</u>	<u>1 080 296</u>
<b>Total</b>	<u><u>1 145 296</u></u>	<u><u>(65 000)</u></u>	<u><u>1 080 296</u></u>

NAMAKWA DISTRICT MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

13. CONSUMER DEBTORS (continued)

As at 30 June 2005	Gross Balances R	Provision for Bad Debts R	Net Balance R
Service debtors			
Rates			
Electricity			
Water			
Sewerage			
Regional service Levies			
<b>Total</b>	<u>904 886</u>	<u>(30 000)</u>	<u>874 886</u>

**Rates: Ageing**

	2006 R	2005 R
Current (0 – 30 days)		
31 - 60 Days		
61 - 90 Days		
91 - 120 Days	N/A	N/A
121 - 365 Days		
+ 365 Days		
<b>Total</b>	<u>                    </u>	<u>                    </u>

**Regional Services Levies: Ageing**

Current (0 – 30 days)	0
31 - 60 Days	87 069
61 - 90 Days	50 059
91 - 120 Days	53 522
121 - +365 Days	819 477
+ 365 Days	
<b>Total</b>	<u>1 010 127</u>

**Summary of Debtors by Customer Classification**

30 June 2006	<u>Consumers</u> R	<u>Industrial/ Commercial</u> R	<u>National and Provincial Government</u> R
Current (0 – 30 days)			
31 - 60 Days			
61 - 90 Days			
91 - 120 Days			
121 - 365 Days			
+ 365 Days			
Sub-total	<u>                    </u>	<u>                    </u>	<u>                    </u>
Less: Provision for bad debts	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total debtors by customer classification</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>

NAMAKWA DISTRICT MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

13. CONSUMER DEBTORS (continued)

Summary of Debtors by Customer Classification

30 June 2005

Current (0 – 30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

121 - 365 Days

Sub-total

Less: Provision for bad debts

**Total debtors by customer classification**

Consumers

Industrial/  
Commercial

National  
and  
Provincial  
Government

R

R

R

2006

R

2005

R

Reconciliation of the bad debt provision

Balance at beginning of the year

Contributions to provision

Bad debts written off against provision

Reversal of provision

Balance at end of year

14. OTHER DEBTORS

Sundry Debtors

Payments made in advance

Unauthorized expenditure (see Note 31.1)

Insurance claims

Government subsidies

Suspense Account

**Total Other Debtors**

5 775 017

6 370 461

(42 912)

157 824

170 666

5 932 841

6 498 215

15. CALL INVESTMENT DEPOSITS

Other Deposits

35 030 580

37 469 621

Fixed deposits amounting to ..... (2005: ..... ) have been ring-fenced for the purposes of repaying long-term liabilities as set out in Note 30.

16. BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

ABSA Bank Limited – Springbok Branch: Account Number 2210000014

Cash book balance at beginning of year

3 864 663

736 825

Cash book balance at end of year

5 043 026

3 864 663

Bank statement balance at beginning of year

5 109 240

2 920 864

Bank statement balance at end of year

5 536 960

5 109 240

NAMAKWA DISTRICT MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 R	2005 R
<b>16. BANK, CASH AND OVERDRAFT BALANCES (continued)</b>		
<u>Current Account (Salary Account)</u>		
Xxxx Bank Limited - xxxxx Branch: Account Number xxxxxxxxx	N/A	N/A
Cash book balance at beginning of year	_____	_____
Cash book balance at end of year	_____	_____
Bank statement balance at beginning of year	_____	_____
Bank statement balance at end of year	_____	_____
<b>TOTAL OVERDRAFT BALANCE</b>	_____	_____
<u>Savings Account</u>		
Xxxxx Bank Limited - xxxxx Branch: Account Number xxxxxx	N/A	N/A
Cash book balance	_____	_____
Bank statement balance	_____	_____
<b>17. PROPERTY RATES</b>		
<u>Actual</u>		
Residential		
Commercial		
State	N/A	N/A
<b>Total Assessment Rates</b>	_____	_____
<u>Valuations</u>		
Residential	<u>July 2006</u>	<u>July 2005</u>
Commercial	<u>R000's</u>	<u>R000's</u>
State		
Municipal	N/A	N/A
<b>Total Property Valuations</b>	_____	_____
<p>Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July XXX. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations and subdivisions. A general rate of RXXX (200X: RXXX) is applied to property valuations to determine assessment rates. Rebates of XX% are granted to residential and state property owners. Rates are levied on an annual basis on property owners. Rates are levied on an annual basis with the final date of payment being 30 November XXX (200X: 30 November). Interest at XX% per annum (200X: XX%) is levied on outstanding rates as well as a XX % (200X: XX%) collection charge two months after final date of payment.</p>		
<b>18. SERVICE CHARGES</b>		
Sale of electricity		
Sale of water		
Refuse removal	N/A	N/A
Sewerage and sanitation charges		
Other		
<b>Total Service Charges</b>	_____	_____
	38	
	38	

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	R	R
<b>19. GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable share	5 386 848	4 008 839
Training Reserve SETA	290 842	191 336
MIG Grant	1 178 304	2 282 943
Richersveld Special Fund	90 536	88 381
Kamiesberg Special Fund	987 325	1 447 897
Work for Water	9 081	43 994
Drought Relief	2 309 266	1 212 949
EPWP	290 990	5 268 934
Finance Management Grant	1 314 283	990 392
Sanitation Bucket System	758 501	1 967 538
Brandvlei Electricity Network	779 704	875 880
PIMS	1 291 067	1 188 639
MSIG	1 693 547	2 929 646
SA Projects	252 975	250 000
Sanitation Projects	73 010	71 349
Middelpos	21 607	21 239
Skietfontein	159 789	153 531
Nieuwoudtville Access Road	129 391	126 312
Sakrivier Bridge	748 152	730 347
<b>Total Government Grant and Subsidies</b>	<u><u>17 765 218</u></u>	<u><u>23 850 146</u></u>

**19.1 Equitable Share**

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

**19.2 Provincial Health Subsidies**

Balance unspent at beginning of year

Current year receipts - included in public health vote

Conditions met - transferred to revenue

Conditions still to be met - transferred to liabilities (see note 6)

110 000	
(110 000)	
<u>0</u>	<u>-</u>

The Municipality renders health services on behalf of the Provincial Government and is refunded approximately xx% of total expenditure incurred. This grant has been used exclusively to for Health Inspectors salary. The conditions of the grant have been met. There was no delay or withholding of the subsidy

**19.3 MIG Grant**

Balance unspent at beginning of year

Current year receipts

Conditions met - transferred to revenue

Conditions still to be met - transferred to liabilities (see note 6)

2 282 943	
5 076 934	
(6 181 573)	
<u>1 178 304</u>	<u>-</u>

This grant was used to construct infrastructure. No funds have been withheld.

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>19.4 Richtersveld Special Fund</b>		
Balance unspent at beginning of year	88 381	
Current year receipts	2 154	
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 6)	<u>90 535</u>	
<b>19.5 Kamiesberg Special Fund</b>		
Balance unspent at beginning of year	1 447 897	
Current year receipts	148 221	
Conditions met - transferred to revenue	<u>(608 793)</u>	
Conditions still to be met - transferred to liabilities (see note 6)	<u>987 325</u>	
<b>19.6 Work for Water</b>		
Balance unspent at beginning of year	43 994	
Current year receipts	3 578 106	
Conditions met - transferred to revenue	<u>(3 613 019)</u>	
Conditions still to be met - transferred to liabilities (see note 6)	<u>9 081</u>	
<b>19.7 Drought Relief</b>		
Balance unspent at beginning of year	1 212 949	
Current year receipts	2 037 020	
Conditions met - transferred to revenue	<u>(940 703)</u>	
Conditions still to be met - transferred to liabilities (see note 6)	<u>2 309 266</u>	
<b>19.8 EPWP</b>		
Balance unspent at beginning of year	5 268 934	
Current year receipts	196 881	
Conditions met - transferred to revenue	<u>(5 174 825)</u>	
Conditions still to be met - transferred to liabilities (see note 6)	<u>290 990</u>	
<b>19.9 Finance Management Grant</b>		
Balance unspent at beginning of year	990 392	
Current year receipts	1 034 890	
Conditions met - transferred to revenue	<u>(710 999)</u>	
Conditions still to be met - transferred to liabilities (see note 6)	<u>1 314 283</u>	
<b>19.10 Sanitation Bucket System</b>		
Balance unspent at beginning of year	1 967 538	
Current year receipts	1 024 936	
Conditions met - transferred to revenue	<u>(2 233 973)</u>	
Conditions still to be met - transferred to liabilities (see note 6)	<u>758 501</u>	

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

**19.11 Brandvlei Electricity Network**

Balance unspent at beginning of year	875 880	
Current year receipts	769 451	
Conditions met - transferred to revenue	(865 627)	
Conditions still to be met - transferred to liabilities (see note 6)	<u>779 704</u>	<u>                    </u>

**19.12 PIMS**

Balance unspent at beginning of year	1 188 639	
Current year receipts	763 331	
Conditions met - transferred to revenue	(660 903)	
Conditions still to be met - transferred to liabilities (see note 6)	<u>1 291 067</u>	<u>                    </u>

**19.13 MSIG**

Balance unspent at beginning of year	2 929 646	
Current year receipts	1 066 064	
Conditions met - transferred to revenue	(2 302 163)	
Conditions still to be met - transferred to liabilities (see note 6)	<u>1 693 547</u>	<u>                    </u>

**19.14 SA Projectts**

Balance unspent at beginning of year	250 000	
Current year receipts	6 049	
Conditions met - transferred to revenue	(3 074)	
Conditions still to be met - transferred to liabilities (see note 6)	<u>252 975</u>	<u>                    </u>

**19.15 Sanitation Projects**

Balance unspent at beginning of year	71 349	
Current year receipts	1 661	
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 6)	<u>73 010</u>	<u>                    </u>

**19.16 Middelpos**

Balance unspent at beginning of year	21 239	
Current year receipts	368	
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 6)	<u>21 607</u>	<u>                    </u>

**19.17 Skietfontein**

Balance unspent at beginning of year	153 531	
Current year receipts	6 258	
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 6)	<u>159 789</u>	<u>                    </u>

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	R	R
<b>19.18 Nieuwoudtville Access Road</b>		
Balance unspent at beginning of year	126 312	
Current year receipts	3 079	
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 6)	<u>129 391</u>	
<b>19.19 Sakrivier Bridge</b>		
Balance unspent at beginning of year	730 347	
Current year receipts	17 805	
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 6)	<u>748 152</u>	
<b>19.20 SETA</b>		
Balance unspent at beginning of year	191 336	
Current year receipts	107 220	
Conditions met - transferred to revenue	<u>(7 714)</u>	
Conditions still to be met - transferred to liabilities (see note 6)	<u>290 842</u>	

**18.5 Changes in levels of government grants**

Based on the allocations set out in the Division of Revenue Act, (Act ... of 2006), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

**20. OTHER INCOME**

Other income	718 045	2 974 289
Recovery of unauthorised, irregular, fruitless and wasteful expenditure (Note 31)		
<b>Total Other Income</b>	<u>718 045</u>	<u>2 974 289</u>

**21. EMPLOYEE RELATED COSTS**

Employee related costs - Salaries and Wages	4 627 416	6 054 990
Employee related costs - Contributions for UIF, pensions and medical aids	1 654 132	1 812 867
Travel, motor car, accommodation, subsistence and other allowances	774 476	795 499
Housing benefits and allowances	309 326	385 007
Overtime payments	125 408	216 699
Performance bonus and service bonus	388 037	407 850
Long-service awards	14 721	18 835
Remuneration of access leave	71 861	106 297
Less: Employee costs capitalised to Property, Plant and Equipment		
Less: Employee costs included in other expenses		
<b>Total Employee Related Costs</b>	<u>7 965 377</u>	<u>9 798 044</u>

There were no advances to employees. Loans to employees are set out in note 11. 2005 includes councilors remuneration.

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	239 341	239 341
Bonuses	19 945	19 945
Car and Housing Allowance	165 616	165 616
Contributions to UIF, Medical and Pension Funds	65 422	67 108
<b>Total</b>	<b>490 324</b>	<b>492 010</b>

<b>Remuneration of the Chief Finance Officer</b>		
Annual Remuneration	231 056	218 046
Bonuses	19 155	18 070
Car and Housing Allowance	161 623	160 979
Contributions to UIF, Medical and Pension Funds	61 342	58 637
<b>Total</b>	<b>473 176</b>	<b>455 732</b>

**Remuneration of Individual Executive Directors**

	<u>Technical Services</u> R	<u>Corporate Services</u> R	<u>Community Services</u> R
<b>30 June 2005</b>			
Annual Remuneration			
Performance Bonuses	N/A	N/A	N/A
Car Allowance			
Medical and pension funds			
<b>Total</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>30 June 2006</b>			
Annual Remuneration			
Performance Bonuses	N/A	N/A	N/A
Car Allowance			
Medical and pension funds			
<b>Total</b>			

**22. REMUNERATION OF COUNCILLORS**

Executive Mayor	376 347	304 887
Deputy Executive Mayor		
Speaker	218 290	196 229
Mayoral Committee Members	361 439	338 072
Councillors	472 196	631 571
Councillors' pension contribution		
<b>Total Councillors' Remuneration</b>	<b>1 428 272</b>	<b>1 470 759</b>

**In-kind Benefits**

The Executive Mayor and Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council.

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006 R	2005 R
<b>23. INTEREST PAID</b>		
Long-term liabilities	905 553	510 176
Consumer deposits		
Bank overdrafts		
<b>Total Interest on External Borrowings</b>	<u>905 553</u>	<u>510 176</u>
<b>24. BULK PURCHASES</b>		
Electricity	N/A	N/A
Water		
<b>Total Bulk Purchases</b>	<u>N/A</u>	<u>N/A</u>
<b>GRANTS AND SUBSIDIES PAID</b>		
Grants paid to Local Municipalities	1 388 584	
Grant to Childcare		
	<u>1 388 584</u>	
<b>26. GENERAL EXPENSES</b>		
Included in general expenses are the following:-	3 707 402	4 285 900
26.1 Flood damage		
Flood damage costs resulted from unseasonal floods that occurred in 3 squatting areas. The Municipality had to provide transport, temporary shelter and food aid to affected residents until the flooding subsided and residents were able to return to their homes. The flood damage was unforeseen and has never occurred previously.	N/A	N/A
26.2 Net exchange differences		
Loss attributable to operating activities – importation of chemicals	N/A	N/A
26.3 Material losses		
Robbery from cash hall	<u>N/A</u>	<u>N/A</u>
<b>27. CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP</b>		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP: -		
<b>27.1 Statutory Funds</b>		
<b>Balance previously reported: -</b>		
Capital Development Fund	2 486 078	
Trust Fund	30 491 839	
Reserves	242 741	
Parking Development Fund		
<b>Total</b>	<u>33 220 658</u>	

NAMAKWA DISTRICT MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

27. CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP ((continued)	2006	2005
	R	R
<b>Implementation of GAMAP</b>		
Transferred to the Capital Replacement Reserve	2 724 063	
Transferred to Government Grant Reserve	28 905	
Transferred to Donations and Public Contribution Reserve	5 553	
Transferred to Conditional Grants	20 046 077	
Conditional Grants for Operational Expenditure ( creditors )	10 416 060	
Transferred to Accumulated Surplus/(Deficit) (see 27.8 below)		
	<u>33 220 658</u>	
<b>27.2 Loans Redeemed and other Capital Receipts</b>		
Balance previously reported		
Implementation of GAMAP		
Transferred to Capitalisation Reserve	8 167 295	
Transferred to Donations and Public Contribution Reserve		
Transferred to Accumulated Surplus/(Deficit) (see 27.8 below)		
	<u>9 136 222</u>	
	<u>17 303 517</u>	
<b>27.3 Provisions and Reserves</b>		
Balance previously reported		
Valuation Roll Reserve		
Staff Bursary Reserve		N/A
Total		
Implementation of GAMAP		
Transferred to Accumulated Surplus/(Deficit) (see 27.8 below)		
<b>27.4 Inventory</b>		
Balance previously reported		
Implementation of GAMAP		
Transfer from Assets ( Council policy refers )	260 603	
Transferred to Accumulated Surplus/(Deficit) (see 27.8below)	N/A	
Write-down of spare parts to realisable value		
Total	<u>260 603</u>	
<b>27.5 Non-current provisions</b>		
Balance previously reported		
Implementation of GAMAP		
Transferred from Accumulated Surplus/(Deficit) (see 27.8 below)	N/A	
Long-service		
Total		
<b>27.6 Property, plant and equipment</b>		
Balance previously reported	20 881 052	
Implementation of GAMAP		
Infrastructure previously not recorded credited to Accumulated Surplus/(Deficit) (see 27.8 below)		
Total	<u>0</u>	
	<u>0</u>	

NAMAKWA DISTRICT MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	R	R
<b>27. CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP (continued)</b>		
<b>27.7 Accumulated Depreciation</b>		
Balance previously reported		
Implementation of GAMAP		
Backlog depreciation: Land and buildings	5 925 528	
Backlog depreciation: Infrastructure	908 086	
Backlog depreciation: Community	1 934 811	
Backlog depreciation: Other	1 622 427	
<b>Total (debited to Accumulated Surplus/(Deficit)) (see 27.8 below)</b>	<u><u>10 390 852</u></u>	
<b>27.8 Accumulated Surplus/(Deficit)</b>		
Implementation of GAMAP		
Adjustments to inventory (see 27.4 above)		
Excessive provisions and reserves no longer permitted (see 27.3 above)		
Non-current provisions previously not recognised (see 27.5 above)		
Transferred from statutory funds (see 27.1 above)		
Transferred from Loans Redeemed and other Capital Receipts (see 27.2 above)	9 136 222	
Fair value of Property, Plant and Equipment previously not recorded (see 27.6 above)		
Backlog depreciation (see 27.7 above)	10 390 852	
<b>Total</b>	<u><u>19 527 074</u></u>	
<b>28. CORRECTION OF ERROR</b>		
During the year ended 30 June 2004, improvements to library buildings were erroneously expensed as repairs and maintenance: -		
The comparative amount has been restated as follows: -		
Corrections of improvements to library buildings expensed as repairs and maintenance	N/A	
Depreciation		
Net effect on surplus/(deficit) for the year		

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	R	R
<b>29. CASH GENERATED BY OPERATIONS</b>		
Surplus/(deficit) for the year	2 352 641	
Adjustment for:-		
Depreciation		
Gain on disposal of property, plant and equipment	37 505	
Contribution to provisions - non-current		
Contribution to provisions – current	150 000	
Contribution to bad debt provision	35 000	
Interest paid	476 610	
Investment income	4 830 667	
<b>Operating surplus before working capital changes:</b>	<b>7 882 423</b>	
Decrease in inventories		
(Increase)/decrease in debtors	431 102	
(Increase)/decrease in other debtors		
(Decrease)/increase in conditional grants and receipts	(3 076 070)	
Increase/(Decrease) in creditors	(1 511 169)	
Increase/(Decrease) in provisions	91 944	
Increase in VAT		
<b>Cash generated by/(utilised in) operations</b>	<b>3 818 230</b>	

**30. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :

Bank balances and cash	5 043 631	3 855 268
Bank overdrafts		
Call investment deposits		
<b>Total cash and cash equivalents</b>	<b>5 043 631</b>	<b>3 855 268</b>

**31. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**

Long-term liabilities (see Note 1)		
Used to finance property, plant and equipment – at cost		
Sub- total		
Cash set aside for the repayment of long-term liabilities		
<b>Cash invested for repayment of long-term liabilities</b>	<b>402 687</b>	

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

NAMAKWA DISTRICT MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

2006  
R  
 2005  
R

32. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

**32.1 Unauthorised expenditure**

Reconciliation of unauthorised expenditure

Opening balance		
Unauthorised expenditure current year	N/A	N/A
Approved by Council or condoned		
Transfer to receivables for recovery (note 13)		
Unauthorised expenditure awaiting authorization		
	<hr/>	<hr/>
	<hr/>	<hr/>

<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>
<i>Unbudgeted expenditure</i>	<i>Disciplinary hearing held on xxxxx</i>

**32.2 Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure

Opening balance		
Fruitless and wasteful expenditure current year	N/A	N/A
Condoned or written off by Council		
To be recovered – contingent asset (see note 46)		
Fruitless and wasteful expenditure awaiting condonement		
	<hr/>	<hr/>
	<hr/>	<hr/>

<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>
<i>Breach of occupational safety rules</i>	<i>Disciplinary hearing on xxxxx</i>

**32.3 Irregular expenditure**

Reconciliation of irregular expenditure

Opening balance		
Fruitless and wasteful expenditure current year	N/A	N/A
Condoned or written off by Council		
Transfer to receivables for recovery – not condoned		
Irregular expenditure awaiting condonement		
	<hr/>	<hr/>
	<hr/>	<hr/>

<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>
<i>Theft of fuel</i>	<i>Employee absconded - SAPS case number xxxxx</i>

33. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

**33.1 Contributions to organized local government**

Opening balance		
Council subscriptions	56 587	
Amount paid - current year	56 587	
Amount paid - previous years		
<b>Balance unpaid (included in creditors)</b>	<hr/>	<hr/>
	<b>0</b>	
	<hr/>	<hr/>

NAMAKWA DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	R	R
<b>33. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)</b>		
<b><u>33.2 Audit fees</u></b>		
Opening balance	280 000	
Current year audit fee	290 000	
Amount paid - current year	(194 576)	
Amount paid - previous years		
<b>Balance unpaid (included in creditors)</b>	<b><u>375 424</u></b>	

**33.3 VAT**

VAT inputs receivables and VAT outputs receivables are shown in note 7. All VAT returns have been submitted by the due date throughout the year.

**33.4 PAYE and UIF**

Opening balance	0	
Current year payroll deductions	1 607 333	
Amount paid - current year	1 607 333	
Amount paid - previous years		
<b>Balance unpaid (included in creditors)</b>	<b><u>0</u></b>	

The balance represents PAYE and UIF deducted from the June 200x payroll. These amounts were paid during July 200x.

**33.5 Pension and Medical Aid Deductions**

Opening balance		
Current year payroll deductions and Council Contributions	1 324 702	
Amount paid - current year	1 324 702	
Amount paid - previous years		
<b>Balance unpaid (included in creditors)</b>	<b><u>0</u></b>	

The balance represents pension and medical aid contributions deducted from employees in the June 200x payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during July 200x.

NAMAKWA DISTRICT MUNICIPALITY  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

33. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT  
 (continued)

**33.6 Councillor's arrear consumer accounts**

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 Days</u>
	R	R	R
<b>30<sup>th</sup> June 2006</b>			
Councillor xxx			
Councillor xxx			
Councillor xxx			
<b>Total Councillor Arrear Consumer Accounts</b>			
<b>30<sup>th</sup> June 2005</b>			
Councillor xxx			
Councillor xxx			
Councillor xxx			
<b>Total Councillor Arrear Consumer Accounts</b>			

During the year the following Councillors' had arrear accounts outstanding for more than 90 days

	<u>Highest Amount Outstanding</u>	<u>Ageing Days</u>
	R	
<b>30<sup>th</sup> June 2006</b>		
Councillor xxx		days
Councillor xxx		days
<b>30<sup>th</sup> June 2005</b>		
Councillor xxx		days
Councillor xxx		days

**33.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act**

NONE

34. CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- Approved and contracted for

- Infrastructure
- Community
- Heritage
- Other

107 102.54

18 030.70

89 071.84

- Approved but not yet contracted for

- Infrastructure
- Community
- Heritage
- Other

N/A

Total

107 102.54

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	R	R
<b>35. CAPITAL COMMITMENTS (continued)</b>		
This expenditure will be financed from:		
- External Loans		
- Government Grants		
- Own resources	107 103	
- District Council Grants		
	<u>107 103</u>	<u>          </u>
<b>36. RETIREMENT BENEFIT INFORMATION</b>		
All Councillors and employees belong to 3 defined benefit retirement funds administered by the Provincial Pension Fund. These funds are subject to a triennial actuarial valuation. The last valuation was performed in 200x. These valuations indicate that the funds are in a sound financial position. The estimated liability of the funds is Rxxx million which is adequately financed by assets of Rxxx million.	N/A	N/A
An amount of Rxxx million (200x : Rxxx million) was contributed by Council in respect of Councillor and employees retirement funding. These contributions have been expensed.		
<b>37. CONTINGENT LIABILITY</b>		
<b>37.1 Claim for damages</b>		
The Municipality is being sued by a ratepayer due to damages arising from flooding. Council is contesting the claim based on legal advice. A court date has not yet been set. The contingent liability includes legal costs of Rxxx. Should Council be unsuccessful in defending the claim, there is a possibility that the claim will be settled from	N/A	N/A
<b>37.2 Performance bonus dispute – Legal fees</b>		
Several senior officials are disputing the assessment process regarding the payment of performance bonuses. Provision has been made for the payment of the bonuses as assessed by the Municipality. The claim is being considered by the labour court after the CCMA ruled in favour of Council.	N/A	N/A
<b>38. CONTINGENT ASSET</b>		
Subsequent to the disciplinary hearing in respect of the fruitless and wasteful expenditure referred to in Note 31.2, civil proceedings have commenced against the employee concerned to recover an amount of Rxxx. According to Council's legal advisors, it is probable that the proceedings will result in the recovery of the full amount but this recovery is not virtually certain.	N/A	N/A
<b>39. IN-KIND DONATIONS AND ASSISTANCE</b>		
The Municipality received the following in-kind donations and assistance		
<b>Description</b>		
▪ Development of Integrated Development Plan by donor agency	N/A	N/A
<b>40. EVENTS AFTER THE REPORTING DATE</b>		
The Municipality has agreed in principle to transfer its electricity function to the new Regional Electricity Distributor (RED) – Region AB. The date of transfer is proposed for 1 July 200x. The financial effect of this transfer is not yet known as the Municipality is uncertain as to what its share of the revenues of the RED will be or what the terms and conditions of the transfer will be. There are ongoing discussions with the management of RED – Region AB and EDI Holdings, which is the responsible authority for the implementation of REDS nationally.	N/A	N/A

**APPENDIX A  
NAMAQWA DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2006**

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/05	Received during the period	Redeemed written off during the period	Balance at 30/06/06	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
<b>LONG-TERM LOANS</b>								
Stock Loan @ 11.60%			R	R	R	R		
Stock Loan @ 12.75%								
Stock Loan @ 12.00%								
Stock Loan @ 12.00%								
Stock Loan @ 12.00%								
Stock Loan @ 12.75%								
<b>Total long-term loans</b>								
<b>ANNUITY LOAN</b>								
Karniesberg Electrification	100126	12/05,06/06	3 577 535.80		289 557.27	3 287 978.53	9 080 863.00	
DBSA - Electrification	several	12/05,06/06	2 751 112.27		63 885.18	2 687 227.09		
<b>Total long-term loans</b>			<b>6 328 648.07</b>		<b>353 442.45</b>	<b>5 975 205.62</b>	<b>9 080 863.00</b>	
<b>GOVERNMENT LOANS</b>								
- Other @2.5%								
<b>Total Government Loans</b>								
<b>TOTAL EXTERNAL LOANS</b>			<b>6 328 648.07</b>		<b>353 442.45</b>	<b>5 975 205.62</b>	<b>9 080 863.00</b>	

APPENDIX B

NAMAKWA DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2006

	Cost/Revaluation				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
<b>Land and Buildings</b>										
Land										
Buildings	6 504 800			580 337(T)	5 924 463	5 925 528	43 904 66	158 547 56	5 810 885 10	113 577 90
	<b>6 504 800</b>			<b>580 337(T)</b>	<b>5 924 463</b>	<b>5 925 528</b>	<b>43 904 66</b>	<b>158 547 56</b>	<b>5 810 885 10</b>	<b>113 577 90</b>
<b>Infrastructure</b>										
Drains										
Roads										
Beach Improvements										
Sewerage Mains & Purif										
Electricity Mains										
Electricity Peak Load Equip	9 080 863				9 080 863	908 086	302 695 44		1 210 781 44	7 870 081 56
Water Mains & Purification										
Water Mains – Water										
Water Meters										
Water Mains										
Security Measures		18 030 70			18 030 70		300 51		300 51	17 730 19
	<b>9 080 863</b>	<b>18 030 70</b>			<b>9 098 893 70</b>	<b>908 086</b>	<b>302 995 95</b>		<b>1 211 081 95</b>	<b>7 887 811 75</b>
<b>Community Assets</b>										
Parks & Gardens										
Libraries										
Recreation Grounds	900 000				900 000	900 000			900 000	
Civic Buildings										
Clinics	1 034 811				1 034 811	1 034 811			1 034 811	
	<b>1 934 811</b>				<b>1 934 811</b>	<b>1 934 811</b>			<b>1 934 811</b>	
<b>Heritage Assets</b>										
Historical Buildings										
Painting & Art Galleries										
<b>Total carried forward</b>	<b>17 520 474</b>	<b>18 030 70</b>		<b>580 337</b>	<b>16 958 167 70</b>	<b>8 768 425</b>	<b>346 900 61</b>	<b>158 547 56</b>	<b>8 956 778 05</b>	<b>8 901 389 65</b>

\* Includes correction of error referred to in Note 28.

APPENDIX B

NAMAKWA DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2006

	Cost/Revaluation				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
<b>Total brought forward</b>	17 520 474	18 030.70		580 337	16 958 167.70	8 768 425	346 900.61	158 547.56	8 956 778.05	8 001 389.65
<b>Other Assets</b>										
Landfill sites										
Office & Computer Equipment	1 032 166	65 898.28			1 098 064.28	426 908	168 605.39		595 513.39	502 550.89
Furniture & Fittings	23 160	23 173.56			46 333.56	11 878	3 212.05		15 090.05	31 243.51
Bins and Containers										
Emergency Equipment										
Motor vehicles	870 044				870 044	483 969	112 102.83		596 071.83	273 972.17
Fire engines										
Refuse tankers										
Computer equipment										
Plant and Equipment	1 174 605				1 174 605	699 672	124 452.36		824 124.36	350 480.64
Inventory	260 603.01			260 603.01						
Watercraft										
<b>Total</b>	<b>20 881 052.01</b>	<b>107 102.54</b>		<b>840 940.01</b>	<b>20 147 214.54</b>	<b>10 390 852</b>	<b>755 273.24</b>	<b>158 547.56</b>	<b>10 987 577.68</b>	<b>9 159 636.86</b>

APPENDIX C

NAMAKWA DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2006

	Cost				Accumulated Depreciation			Carrying Value	
	Opening Balance	Additions	Under Construction	Closing Balance	Disposals	Additions	Disposals		Closing Balance
Executive Mayor		29 768(T)		29 768		5 953.83		20 580.83	9 187.17
Mayor: PA		6 228.07		6 228.07		830.41		830.41	5 397.66
Speaker		19 944(T)		19 944		2 884.33		14 175.33	5 768.67
Speaker Secretary		4 648.24		4 648.24		542.29		542.29	4 105.95
Councillors		5 432(T)		5 432		543.20		3 259.20	2 172.80
Councillors Expenditure : Admin	10 077 510.65	448 338(T)		452 097.95	10 077 510.65(T)	123 199.95	(158 547.56)	7 929 325.39	(7 477 277.44)
Carolusberg Cub		900 000(T)		900 000					900 000
Municipal Manager	61 914.30	10 049(T)		10 049	61 914.3(T)	352.86		7 931.86	2 117.14
Municipal Manager : Admin		18 815(T)		18 815		2 380		14 055	4 760
Internal Audit		14 501(T)		14 501		4 148.25		5 488.25	9 012.75
Administration -Admin	83 192.64	33 685(T)		33 685	83 192.64	979		36 315	(2 630)
Adminidstration – Human Resources		13 015(T)		13 015		482.25		482.25	12 532.75
Manager Finance	470 992.18	406 311(T)		406 311	470 992.18(T)	56 973.33		297 066.33	109 244.67
Finance – Income		9 827(T)		9 827		1 965.25		3 931.25	5 895.75
Finance – Expenditure		15 471(T)		15 471		3094.33		10 973.33	4 497.67
Safety		219 569(T)		219 569		32 156.80		156355.80	63 213.20
Head: Economic Development	764 562.58				764 562.58(T)				
Tourism		14 116(T)		14 116		2 600.25		10 400.25	3 715.75
Head: Socio-economic Development	9 080 863.30				9 080 863.30(T)				
Head : Works	21 079.62	9 080 863(T)		9 080 863	21 079.62(T)	303 820.44		1 217 531.44	7 863 331.56
Council Buildings		92 466.28							
Council Vehicles		7 551 455(T)							
Council Workshop		1 777 469(T)							
Environmental Health	320 936.74	51 821(T)		51 821		1 226.33		1 238 005.08	539 463.92
		20 620 449(T)						1 226.33	50 594.67
<b>TOTAL</b>	<b>20 881 052.01</b>	<b>107 102.54</b>	<b>-</b>	<b>20 147 214.54</b>	<b>-</b>	<b>755 273.24</b>	<b>(158 547.56)</b>	<b>10 987 577.68</b>	<b>9 159 636.86</b>
The difference between transfer in and transfer out amounts to R840 940.01 and represents inventory items- vote 900005212003.inventory items for 2005/2006 amounts to R 24 971.12 and the total amount to R 865 911.13									



**NAMAKWA DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2006**

<b>REVENUE</b>	<b>2006 Actual (R)</b>	<b>2006 Budget (R)</b>	<b>2006 Variance (R)</b>	<b>2006 Variance (%)</b>	<b>Explanation of Significant Variances greater than 10% versus Budget</b>
Property rates					
Property rates - penalties imposed and collection charges					
Service charges	38	3 100	3 062	98.77%	
Regional Services Levies - Turnover	15 926 305	17 370 000	1 443 695	8.31%	Building plans no more function of District Municipality
Regional Services Levies - Remuneration					
Rental of facilities and equipment	696 649	647 500	(49 149)	(7.59%)	
Interest earned - external investments	164 482	100 000	(64 482)	(64.48%)	
Interest earned - outstanding debtors	232 597	261 000	28 403	0.11%	Due to increase in grants received
Fines	355 148	290 000	(65 148)	(22.46%)	
Income for agency services	828 306	1 104 407	276 101	25%	Historical information for budget purposes
Government grants and subsidies	11 360 664	14 475 000	3 114 336	21.52%	Roads department provided budget
Other income	718 045	683 850	(34 195)	(5%)	Due to decrease in grants received
Gains on disposal of property, plant and equipment	37 505	15 000	(22 505)	(150.03%)	
<b>Total Revenue</b>	<b>30 319 739</b>	<b>34 949 857</b>	<b>4 630 118</b>	<b>13.25%</b>	Great interest in sale of abandoned assets
<b>EXPENDITURE</b>					
Employee related costs	7 985 379	10 509 155	2 543 776	24.21%	All vacant posts were not filled
Remuneration of councillors	1 428 272	1 635 547	207 275	12.67%	Historical information for budget purposes
Transfer to and from provisions	78 139	85 230	7 091	8.32%	
Depreciation	755 273	500 000	(255 273)	(51.05%)	
Repairs and Maintenance	365 902	952 720	586 818	61.59%	New financial system in use
Interest on external borrowings	476 610	800 000	323 390	40.42%	Less repairs and maintenance done
Transfer to and from working capital	35 000	35 000	-	0%	Loans redeemed during year
Contracted services	405 873	496 080	90 207	18.18%	
Grants and subsidies paid	12 749 248	14 075 000	1 325 752	9.42%	Payment on contract agreement
General expenses - other	3 707 402	7 878 843	4 182 686	53.09%	Underspent on projects
Less Inter-Departmental Charges					
<b>Total Expenditure</b>	<b>27 967 098</b>	<b>36 967 575</b>	<b>9 011 722</b>	<b>24.36%</b>	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>2 352 641</b>				



