

UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS - 30 JUNE 2007

ACCOUNTING POLICIES

1. Basis Of Presentation

The financial statements have been prepared so as to conform to the standards laid down by the institute of Municipal Officers in the code of practice (1992) and report on Public Annual Financial Statements (second edition January 1996)

The financial statements are prepared on the historical cost basis, adjustable for the fixed assets as more full detail in accounting policy note 3. The accounting policies are consistent with those applied in previous year except if otherwise indicated.

The financial statements are prepared on an accrual basis as stated :

- Income is accrued when measurable and available to finance operations. Certain direct income is accrued and received, such as fines and certain licenses.
- Expenditure is accrued in the year it is incurred.

2. Consolidation

The financial statements include rates and general services, trading services and the different funds reserves. All interdepartmental charges are set off against each other with exception of assessment rates, refuse removal, sanitation and water, which are treated as income in the departments.

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 acquired by grant or donation, while they are in existence and fit for use except in the case of bulk which are written off at the end of their estimated life as determined by the treasurer.

UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS - 30 JUNE 2007 ACCOUNTING POLICIES (Continued)

3.2 Depreciation

The balance shown against the heading "Loans redeemed and 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 this "provision" assets are written down over their useful life. Apart from advances from the various council funds, assets may also be acquired through:

- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against operation income, and therefore it is unnecessary to make any further provision for depreciation.
- Grants or donation, where the amount representing the value of such grant or donation is immediately credited to the "Grants and subsidies" account in the balance sheet.

3.3 All net proceeds from the sale of fixed assets are credited to the Revolving Fund.

3.4 Fixed Assets are financed from different sources, including external loan, operation income, endowments and internal advances. These loans and advances are repaid within estimated lives of the assets acquired from such loan or advance.

4. Funds and Reserves

Revolving Fund

The Municipality Act 1979, Section 74(1), the revolving fund requires a minimum contribution of 7.5 % of the rate income of the council for the immediate preceding financial year.

Trust Funds

Transactions relating to the funds held by the council for the benefit of third parties are accounted in the balance sheet with no recognition of income and expenditure in the income statement.

UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS – 30 JUNE 2007

ACCOUNTING POLICIES (Continued)

Project Funds

From time to time, the Central and Provincial Government provides funds to Municipalities for the undertaking of certain prescribed projects. The funds so provided are treated as operational grants upon receipt but revenue is recognized only upon spending of the funds for the designated purpose, to the extent of expenditure.

5. Surplus and Deficit

Any surplus or deficit from operation of the Economic and Trading services are transferred to the rates and general services.

6. Income Recognition

Assessment Rates

All ratable properties are charged assessment rates based on the Municipal valuation of properties.

Refuse Removal

Refuse is also charged on a flat rate as approved by Council

7. Investments

Investments are shown at lowest cost or market value if a permanent decline in the value occurred.

8. Assessment Rate

The Municipality applies a differential site rating system. In terms of the system, the assessment rates are levied on the value of property and rates are granted according to the use to which a particular property is put. Rebates of 100% were granted to the owners of land accommodating churches and educational establishments.

UMZIMVUBU MUNICIPALITY

BALANCE SHEET
as at 30 June 2007

	Notes	2007 R	2006 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		1 086 609	1 013 059
Statutory funds	1	1 086 609	1 013 059
ACCUMULATED SURPLUS	14	58 828 323	55 966 169
		59 914 932	56 979 229
Trust funds	2	22 396 267	25 113 265
Project funds	3	1 451 464	1 352 326
		83 762 663	83 444 819
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	4	-	-
Long term Debtors	7	-	0
CURRENT ASSETS			
		104 518 851	91 195 715
Short term investments	5	75 085 322	65 114 864
Accounts receivable	6	29 432 244	25 000 392
Short term portion of long term debtors	7	0	312 125
Cash and cash equivalent	10	1 286	768 335
CURRENT LIABILITIES			
		20 756 188	7 750 896
Bank Overdraft	10	-	-
Accounts payable	8	20 756 188	6 577 525
Provisions	8	0	1 173 371
NET CURRENT ASSETS			
		83 762 663	83 444 819
		83 762 663	83 444 819

UMZIMVUBU MUNICIPALITY

CASH FLOW STATEMENT
for the year ended 30 June 2007

	Notes	2007 R	2006 R
CASH (UTILISED)/GENERATED FROM OPERATING ACTIVITIES			
		49 221 542	20 057 873
Cash generated by operations	15	40 059 913	22 602 177
Investment income	12	2 820 374	2 820 374
(Decrease) in working capital	16	8 885 565	(5 968 010)
Cash generated from operating activities		51 765 852	19 454 540
Increase/(Decrease) in funds and reserves		(2 544 310)	603 333
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets		(40 018 133)	(29 099 640)
		<u>9 203 409</u>	<u>(9 041 767)</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
(increase)/ decrease in investments		(9 970 458)	9 797 222
(Increase)/ decrease in cash	17	767 049	(755 455)
		<u>(9 203 409)</u>	<u>9 041 768</u>

UMZIMVUBU MUNICIPALITY

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
for the year ended 30 June 2007

INCOME

	Actual 2007 R	Actual 2006 R
Grants and subsidies	<u>66 628 872</u>	<u>64 757 715</u>
Provincial Government	-	1120 288.00
Grants from DM	-	1 410 094
Equitable Share	<u>66 628 872</u>	<u>62 227 333</u>
Operating income	<u>11 500 154</u>	<u>11 501 526</u>
Assessment rates	4 124 934	4 028 078
Sale of water	0	900 573
Other service charges	2 088 945	1 172 624
Other income	<u>5 286 275</u>	<u>5 400 251</u>
TOTAL INCOME	<u><u>78 129 026</u></u>	<u><u>76 259 241</u></u>

EXPENDITURE

Salaries, wages and allowances	26 014 254	22 559 726
General expenditure	<u>22 424 424</u>	<u>36 554 083</u>
Bad debts	0	1 605 541
Purchase of electricity & Water	-	2 097 248
Other general expenses	22 424 424	<u>32 851 294</u>
Repairs and maintenance	38 014 967	343 969
Contributions to fixed assets	0	29 099 640
Contribution to revolving fund	0	<u>302 106</u>
Gross expenditure	86 453 645	88 859 524
Less: amounts charged out	-	-
Net expenditure	<u>86 453 645</u>	<u>88 859 524</u>
(Deficit)/Surplus for the year	(8 324 619)	(12 600 283)
Appropriations for the year	11 193 831	9 003 839
Prior Year Adjustments	-	-
Surplus at the beginning of the year	<u>55 966 169</u>	<u>59 643 259</u>
Surplus at the end of the year	<u><u>58 835 381</u></u>	<u><u>56 046 815</u></u>

UMZIMVUBU MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007	2006
	R	R
1. <u>STATUTORY FUNDS</u>		
Revolving fund	1 086 609	1 013 059
	<u>1 086 609</u>	<u>1 013 059</u>
2. <u>TRUST FUNDS</u>		
Survey	-	-
Xesibe Tourism	-	(86)
Free Basic Services	20 201 176	19 751 436
Local Economic Development	(614 460)	-
Bucket System Fund	-	-
Drought Relief	221 758	396 394
Municipal Infra-structure Grant	1 106 623	302 608
Testing Ground	1 481 171	4 662 913
	<u>22 396 267</u>	<u>25 113 265</u>
3. <u>PROJECT FUNDS</u>		
Transitional	-	-
Mt Ayliff PHP	(83)	(83)
Mt Frere PHP	-	-
Tyoksville	-	-
Housing	-	-
Municipal Support Programme	1 451 546	1 352 409
	<u>1 451 464</u>	<u>1 352 326</u>
For more details, refer to appendix "A"		
4. <u>FIXED ASSETS</u>		
Fixed assets at the beginning of the year	148 348 206	119 248 566
Capital expenditure during the year	40 018 133	29 099 640
Less: Assets written off during the year	(24 461 561)	-
TOTAL FIXED ASSETS	<u>163 904 778</u>	<u>148 348 206</u>
Loans Redeemed and other capital receipts	<u>163 904 778</u>	<u>148 348 206</u>
NET FIXED ASSETS	<u>-</u>	<u>-</u>
For more details, refer to appendix "C"		

UMZIMVUBU MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007 R	2006 R
5. <u>SHORT TERM INVESTMENTS</u>		
Unlisted		
Short term Investments	<u>75 085 322</u>	<u>65 114 864</u>
Management's valuation of unlisted investments	<u>75 085 322</u>	<u>65 114 864</u>
6. <u>ACCOUNTS RECEIVABLE</u>		
Rates and General Services	31 326 287	26 427 269
Provision for bad debts	<u>(12 302 112)</u>	<u>(12 302 112)</u>
	19 024 175	14 125 157
Other debtors	3 245 794	3 896 921
SARS: Vat	<u>7 162 275</u>	<u>6 978 314</u>
	<u>29 432 244</u>	<u>25 000 392</u>
7. <u>LONG TERM DEBTORS</u>		
Car Loans	-	312 125
Short Term Portion	<u>-</u>	<u>(312 125)</u>
	<u>-</u>	<u>0</u>
8. <u>ACCOUNTS PAYABLE</u>		
Accounts Payable	<u>20 756 188</u>	<u>6 577 525</u>
	<u>20 756 188</u>	<u>6 577 525</u>
<u>PROVISIONS</u>		
Provision for Audit Fees	-	-
Provision for Staff Leave	<u>-</u>	<u>1 173 371</u>
	<u>-</u>	<u>1 173 371</u>
9. <u>ASSESSMENT RATES</u>		
	General Valuation	
Valued properties	<u>268 538 554</u>	
Rate tariff	1.5 c/R	
	<u>4 028 078</u>	<u>4 028 078</u>

UMZIMVUBU MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007	2006
	R	R
10. <u>CASH AND CASH EQUIVALENT</u>		
First National Bank Limited - Mt Frere Branch		
Bank and cash Balance	1 286	768 335
Bank Overdraft Balance	1522 814.69	-
11. <u>AUDITORS REMUNERATION</u>		
Audit fees: Current year	-	264 092.87
	-	264 093
12. <u>FINANCE TRANSACTIONS</u>		
Interest earned	2 820 374	2 820 374
13. <u>COUNCILOR'S REMUNERATION</u>		
Councillors' allowances	4 725 811	4 725 811
	4 725 811	4 725 811
14. <u>APPROPRIATIONS</u>		
Accumulated surplus/(deficit) at the beginning of the year	55 966 169	59 643 259
Operating (deficit)/Surplus for the year	(8 331 677)	(12 680 929)
Prior Year Adjustments	-	-
Appropriations for the year	11 193 831	9 003 839
Pilot Housing Fund written off	-	-
Tyoksville fund written off	-	-
Reserves Written Off	-	-
Allocation of prior year Equitable share	-	2 700 000
Repayment of trust funds to main ledger	-	5 281 022
Reversal of stale cheques for previous year	-	1 022 817
	58 828 323	55 966 169

UMZIMVUBU MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007	2006
	R	R
15. <u>CASH GENERATED BY OPERATIONS</u>		

Surplus for the year	(8 331 677)	(12 680 929)
Add: Contribution for the year	-	-
Adjustments in respect of :		
Prior year transactions	-	0
Appropriation for the year	11 193 831	9 003 839
Contribution to fixed assets	40 018 133	29 099 640
Interest received	<u>(2 820 374)</u>	<u>(2 820 374)</u>
	<u>40 059 913</u>	<u>22 602 177</u>

16. (DECREASE) IN WORKING CAPITAL

(Increase) in accounts receivable	(4 119 727)	(3 903 307)
(Decrease)/Increase in accounts payable	13 005 292	(2 064 704)
	<u>8 885 565</u>	<u>(5 968 010)</u>

17. (INCREASE) IN BANK AND CASH

Cash balance at the beginning of the year	768 335	12 880
Less : Cash balance at the end of the year	<u>(1 286)</u>	<u>(768 335)</u>
	<u>767 049</u>	<u>(755 455)</u>

18. EVENTS AFTER THE REPORTING DATE

The are no post-balance sheet events for the year under review.

UMZIMVUBU MUNICIPALITY

APPENDIX F

STATISTICAL INFORMATION
for the year ended 30 June 2007

2007

1. GENERAL STATISTICS

Population	376 061
Date of Valuation	1999
Taxable and non taxable valuation of properties	R 268 538 554
Valuation of residential and commercial properties	R 265 262 277
Valuation of industrial properties	R 3 276 277
Assessment rates : Cents in a rand	150 c/R
Number of residential and commercial properties	2 368
Number of industrial properties	1
Number of Employees	137

2. WATER

Number of users	2 369
Fixed Rate charges per category	
- Residential	R 38.99
- Commercial	R 45.49
- Industrial	R 45.49

STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES

	Balance at 30 June 2006	Contr during the period	Interest on investment	Repayment of main ledger	Operating expenditure during the year	Capital expenditure during the year	Balance at 30 June 2007
STATUTORY FUNDS							
Revolving fund	1 013 059	-	73 549	-	-	-	1 086 608
	1 013 059	-	73 549	-	-	-	1 086 608
TRUST FUNDS							
Survey	-					-	-
Xesibe Tourism	(86)						(86)
Free Basic Services	19 751 436		1 405 008		(832 251)		20 324 193
Local Economic Development	73 878						73 878
Bucket System Fund	3 098 593						3 098 593
Drought Relief	396 394		28 757		(28)	(131 232)	293 890
Municipal Infra-structure Grant	302 608	15 992 550	806 666		(2 651)	(12 248 224)	4 850 949
Testing Center	4 662 913		335 612			(2 587 889)	2 410 636
	28 285 736	15 992 550	2 576 043	-	(834 931)	(14 967 345)	31 052 053
PROJECT FUNDS							
Transitional Fund	149 273						-
Mt Ayliff PHP Hund	(83)						(83)
Mt Frere PHP Hund	(242 321)						-
Municipal Support Programme	1 352 409		99 360		(223)		1 451 546
IDP Fund							
	1 259 278	-	99 360	-	(223)	-	1 451 464

The Xesibe Torism and Mt Ayliff PHP funds had a negative balance because they were closed off but the bank charged interest on their bank accounts. This will be ractified the following year

EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS

	Balance at 30 June 2006	Contribution during the year	Interest capitalised	Redeemed of written off during the year	Balance at 30 June 2007
INTERNAL ADVANCES					
Revolving Fund	-	-	-	-	-
Mt Frere Survey	-	-	-	-	-
Xesibe Tourism	-	-	-	-	-
LED Fund	-	-	-	-	-
Mt Frere PHP	-	-	-	-	-
Mt Ayliff PHP	-	-	-	-	-
Municipal Support Programme	-	-	-	-	-
	-	-	-	-	-

ANALYSIS OF FIXED ASSETS

	Budget for 2007	Balance as at 30 June 2006	Expenditure	Written off / transferred	Balance as at 30 June 2007
Rates and General Services	43 843 700	122 307 220	40 018 133	(7 768 262)	162 325 352
Community Services	43 843 700	122 307 220	40 018 133	(7 768 262)	162 325 352
Land and building	6 000 000	5 428 840	-	-	5 428 840
Furniture and Fittings	130 000	1 977 436	229 727	-	2 207 163
Office equipment	8 000	-	-	-	-
Motor Vehicles	420 000	3 609 993	543 992	-	4 153 985
Plant and Equipment	42 000	202 587	-	-	202 587
Computer Equipment	685 700	2 048 485	140 115	-	2 188 600
Software	35 000	-	-	-	-
Tools	-	5 995	-	-	5 995
Pre-Schools	2 350 000	25 886 907	936 461	-	26 823 368
Sport Field	2 000 000	2 144 152	1 292 607	-	3 436 760
Fencing and Toilets	-	2 054 820	-	-	2 054 820
Community Halls	2 400 000	11 573 862	835 960	-	12 409 822
Testing Centre	-	2 353 746	-	-	2 353 746
Project Expenditure	29 773 000	1 562 099	-	-	1 562 099
Poultry	-	539 757	-	-	539 757
Recreational Park	-	1 038 842	135 331	-	1 174 173
Milling	-	252 330	-	-	252 330
Backery	-	580 005	-	-	580 005
Roads	-	59 886 644	34 870 738	-	94 757 382
Schools	-	287 443	-	-	287 443
Small Business Unit	-	378 791	-	-	378 791
Cementry	-	82 078	-	-	82 078
Mayoral Chain	-	17 719	-	-	17 719
Bridges	-	394 687	1 033 203	-	1 427 890
Trading Services	56 464 000	26 040 987	-	(16 693 298)	1 579 426
Irrigation Scheme	-	1 579 425	-	-	1 579 425
Sanitation	-	7 768 262	-	(7 768 262)	0
Water Meters	-	1 167 149	-	(1 167 148)	(0)
Water Works	56 464 000	15 526 150	-	(15 526 150)	0
	100 307 700	148 348 207	40 018 133	(7 768 262)	163 904 778
Less: Loans redeemed and other capital receipts		148 348 217	40 018 133	(24 461 560)	163 904 789
Loans Redeemed		-	-	-	-
Revenue Contribution		128 538 840	18 007 385	(24 461 560)	122 084 665
Grants and Subsidies		19 809 376	22 010 748	-	41 820 124
NET FIXED ASSETS		(10)	-	16 693 298	(11)

UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2007

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UMZIMVUBU MUNICIPALITY

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GENERAL INFORMATION

MEMBERS OF THE UMZIMVUBU COUNCIL

1. Mabengu PB	Mayor	29. Nqatsha LL	Councillor
2. Tshekela ST	Speaker	30. Phangwa SK	Councillor
3. Jeke MM	Councillor	31. Ntsengwane M	Councillor
4. Gwebani ZA	Councillor	32. Senzela AN	Councillor
5. Mnukwa SK	Councillor	33. Lungu X	Councillor
6. Ndevu Z	Councillor	34. Magaya IK	Councillor
7. Sineke MN	Councillor	35. Makanda GU	Councillor
8. Thingathinga PK	Councillor	36. Makaula VM	Councillor
9. Ngalonkulu EN	Councillor	37. Msindwana TS	Councillor
10. Mbekeni SB	Councillor	38. Sikisi LL	Councillor
11. Cezula NP	Councillor	39. Sishiqa NV	Councillor
12. Dandala HN	Councillor	40. Sonqishe ZR	Councillor
13. Diko BZ	Councillor	41. Zwane BB	Councillor
14. Duba N	Councillor	42. Fikeni NE	Councillor
15. Garane AN	Councillor	43. Myingwa S	Councillor
16. Gcadinja NN	Councillor	44. Mdzinwa NG	Councillor
17. Gqoli SP	Councillor	45. Mpepanduku MM	Councillor

18.	Jakalase VA	Councillor	46.	Sishuba EL	Councillor
19.	Jona GX	Councillor	47.	Socikwa MS	Councillor
20.	Mapekula MV	Councillor			
21.	Mataka M	Councillor			
22.	Mbele N	Councillor			
23.	Mbedu P	Councillor			
24.	Mgoqozi DL	Councillor			
25.	Mjokane AN	Councillor			
26.	Mpanda N	Councillor			
27.	Mzaza MN	Councillor			
28.	Ngqaimbana LM	Councillor			

GRADING OF THE MUNICIPALITY

Grade 3

AUDITORS

Auditor - General

BANKERS

First National Bank
Standard Bank

UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2007

GENERAL INFORMATION

REGISTERED OFFICES

Church Street Tel:- 039- 254 6000
Mount Ayliff Fax:- 039- 254 0033
4735

MUNICIPAL MANAGER

Z.H Sikhundla

CHIEF FINANCE OFFICER

L.L.D Pepeta

APPROVAL OF THE FINANCIAL STATEMENTS

The annual financial statements set out on pages 3 to 20 were approved by the Municipal Manager on _____ and presented to and approved by Council on _____

MUNICIPAL MANAGER

Date : _____

MAYOR

Date : _____

UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -
for the year ended 30 June 2007

REPORT BY THE CHIEF FINANCE OFFICER

OPERATING RESULTS

1. Details of the operating results per department, classification and object of the expenditure are included in appendices D and E. The operating results for the year 2007 are as follows:

	VARIANCE	ACTUAL	ACTUAL
	%	2007	2006
		R	R
<u>INCOME</u>			
Rates and general services	4	78 075 976	75 358 670
Trading services	- 94	53 050	900 573
Total income	2	<u>78 129 026</u>	<u>76 259 243</u>
Less:			
<u>EXPENDITURE</u>			
Rates and general services	- 1	86 299 201	87 512 899
Trading services		161 503	1427 273.10
Total expenses	- 3	<u>86 460 703</u>	<u>88 940 172</u>
Surplus/(deficit) for the year		<u>(8 331 677)</u>	<u>(12 680 929)</u>

UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -
for the year ended 30 June 2007

REPORT BY THE CHIEF FINANCE OFFICER (Continued)

1. For the year under review municipal operations resulted in a deficit of
Trade debtors of R 31 326 287 were owing at year end.

The increase in income is due to increase in the Equitable Share allocation. The deficit has been due to the capital expenditure and increased general expenses during the year.

CAPITAL EXPENDITURE AND FINANCING

2. The expenditure on fixed assets during the year amounted to R40 018 133
expenditure consists of the following: -

	ACTUAL 2007 R
Motor vehicles	543 992
Furniture and Fittings	229 727
Computer Equipment	140 115
Pre-Schools	936 461
Sport Field	1 292 607
Fencing and Toilets	-
Community Halls	835 960
Testing Centre	-
Recreational Park	135 331
Roads	34 870 738
Bridges	1 033 203
Irrigation Scheme	
Sanitation	-
Water Works	-
	40 018 133

During the year assets in respect of water and sanitation were transferred to the district municipality in respect of the agreement with the district to transfer the water service function.

UMZIMVUBU MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -
for the year ended 30 June 2007

REPORT BY THE CHIEF FINANCE OFFICER (Continued)

Resources used to finance the fixed assets were as follows: -

	ACTUAL 2007 R
Operating account	18 007 385
Grants and subsidies	22 010 748
	40 018 133

A detailed analysis of fixed assets can be examined on Appendix C.

EXTERNAL LOANS, INVESTMENTS AND CASH

3. There was no external loans during the year under review.

Investments at 30 June 2007 amounted to R65 114 864 (2005:R74 912 085)

Cash resources ended in an overall overdraft of R1 521 529 (2005: R768 335 fa

More information regarding loans and investments are disclosed in the notes and Appen

FUNDS AND RESERVES

4. More information regarding Funds and Reserves can be viewed on Appendix A.

POST BALANCE SHEET EVENTS

- 5.

EXPRESSION OF APPRECIATION

6. I am grateful to the Mayor and the Council, the Municipal Manager and to the staff at lar for their support and in particular, the representatives of the Auditor General for their assistance and support during the year.

L.L.D Pepeta
CHIEF FINANCE OFFICER

UMZIMVUBU MUNICIPALITY

**INCOME STATEMENT
for the year ended 30 June 2007**

2006 R	2006 R	2006 R		2007 R	2007 R	2007 R
Actual Income	Actual Expenditure	Surplus / (deficit)		Actual Income	Actual Expenditure	Surplus / (deficit)
75 358 670	87 512 899	(12 154 229)	RATES AND GENERAL SERVICES	78 075 976	86 299 201	(8 223 225)
75 358 670	47 761 698	27 596 972	Community services	75 625 880	38 918 807	36 707 073
-	39 751 201	(39 751 201)	Economic services	2 450 096	47 380 394	(44 930 298)
900 573	1 427 273	(526 700)	TRADING SERVICES	53 050	161 503	(108 453)
76 259 243	88 940 172	(12 680 929)	TOTAL	78 129 026	86 460 703	(8 331 677)
		<u>9 003 839</u>	Appropriations for the year			<u>11 193 831</u>
		<u>(3 677 090)</u>	(Deficit)/Surplus for the year			<u>2 862 154</u>
		-	Prior Year Adjustment			-
		<u>59 643 259</u>	Accumulated surplus at the beginning			<u>55 966 169</u>
		<u>55 966 169</u>	Accumulated surplus at the end			<u>58 828 323</u>

UMZIMVUBU MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT
for the year ended 30 June 2007

2006 R	2006 R	2006 R		2007 R	2007 R	2007 R
Actual Income	Actual Expenditure	Surplus / (deficit)		Actual Income	Actual Expenditure	Surplus / (deficit)
75 358 670	87 512 899	(12 154 230)	RATES AND GENERAL SERVICES	78 075 976	86 299 201	(8 223 225)
75 358 670	47 761 698	27 596 971	Community services	75 625 880	38 918 807	36 707 073
4 028 078	-	4 028 078	Assessment Rates	4 124 934	-	4 124 934
1 829 817	4 588 613	(2 758 796)	Community services	1 859 493	4 279 156	(2 419 663)
-	2 460 402	(2 460 402)	Special Programs Unit	-	2 403 314	(2 403 314)
-	7 255 575	(7 255 575)	Corporate Services	(279 728)	9 237 912	(9 517 640)
-	20 965 764	(20 965 764)	Council General Expenses	-	11 547 463	(11 547 463)
-	4 536 936	(4 536 936)	Planning and Development	-	5 585 779	(5 585 779)
69 500 774	6 072 925	63 427 850	Finance	69 921 180	4 041 110	65 880 070
-	1 881 483	(1 881 483)	Municipal Manager	-	1 824 072	(1 824 072)
-	39 751 201	(39 751 201)	Economic services	2 450 096	47 380 394	(44 930 298)
-	39 751 201	(39 751 201)	Infrastructure	2 450 096	47 380 394	(44 930 298)
900 573	1 427 273	(526 700)	Trading services	53 050	161 503	(108 453)
900 573	1 427 273	(526 700)	Water services	53 050	161 503	(108 453)
-	-	-				
76 259 243	88 940 172	(12 680 930)		78 129 026	86 460 703	(8 331 677)
		9 003 839	Appropriation for the year			11 193 831
		(3 677 090)	(Deficit)/Surplus for the year			2 862 154
			Accumulated surplus/(deficit):			
		-	Prior Year Adjustment			-
		<u>59 643 259</u>	beginning of the year			<u>55 966 169</u>

Accumulated surplus/(deficit):
55 966 169 end of the year

58 828 323