



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**



PORT ALFRED ADMINISTRATIVE SEAT

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GENERAL INFORMATION

Administrative Seat : Port Alfred



MEMBERS OF THE NDLAMBE LOCAL MUNICIPALITY AT 30 JUNE 2007 :

Ward Councillors

<u>Name</u>	<u>Party</u>	<u>Code</u>	<u>Telephone</u>
THEMBISILE MAYINJE	ANC - Ward 1	072	714 3029
CECIL JOHN WENTZEL	ANC - Ward 2	076	922 3728
MARIA MIKE	ANC - Ward 3	078	320 6350
DOCTOR MNYUNGULA	ANC - Ward 4	046	648 1584
NONKULULEKO VIVIAN MAPHAPHU	ANC - Ward 5	046	625 0872
SIPHO ROBERT TANDANI	ANC - Ward 6	046	625 0691
MARIE LOUISE SWANEPOEL	DA - Ward 7	046	624 2927
LAZOLA MANELI	ANC - Ward 8	073	507 5136
NOMLINDO EMMERENTIA MANI-GWATA	ANC - Ward 9	072	656 4859

PR Councillors

<u>Name</u>			
VUKILE MICHAEL BALURA	ANC	046	624 1140
MONICA MATETI	ANC	073	281 6010
KHULULWA CELIA NCAMISO	ANC	046	648 1194
ALROY FREDRICK TAAI	ANC	046	624 2440
GLADYS JOHANNA COLTMAN	ANC	084	654 7153
KHULULEKILE CECIL MBOLEKWA	ANC	083	588 6483
GENEVI GAIL CANNON	DA	046	653 0456
KEVIN JOHN MILEHAM	DA	046	624 5421
GILLIAN MARY FOGARTY	DA	046	648 1203

Mayor: Councillor V. M. Balura
Speaker: Councillor K. C. Ncamiso

Executive Committee Members: Councillor V. M. Balura
 Councillor S. R. Tandani
 Councillor L. Maneli
 Councillor M. L. Swanepoel

GRADING OF MUNICIPALITY : The Ndlambe Municipality consists of areas previously falling within the jurisdiction of the following local authorities:

<u>Extent</u>	<u>Name</u>	<u>Grade</u>
Full Area	Alexandria Transitional Local Council	Three
Full Area	Boknes/Cannon Rocks Local Council	Thirteen (Grading of erstwhile Western District Municipality)
Full Area	Boesmansriviermond Transitional Local Council	Two
Partial Area	Alexandria Transitional Rural Council	Thirteen (Grading of erstwhile Western District Municipality)
Full Area	Kenton-on-Sea Transitional Local Council	Three
Full Area	Port Alfred Transitional Local Council	Six
Full Area	Bathurst Transitional Local Council	One
Full Area	Bathurst Transitional Rural Council	Thirteen (Grading of erstwhile Western District Municipality)
Full Area	Seafeld Local Council	Thirteen (Grading of erstwhile Western District Municipality)

Note: In terms of Section 8 of the Remuneration of Town Clerks Act, 1984 (Act No. 115, 1984), Annexure A to Government Gazette 15250 dated 12 November 1993. This Act has since been repealed in its entirety. No comparable replacement legislation has yet been promulgated. The above gradings were conducted in terms of this repealed Act.

AUDITOR : The Auditor-General

BANKERS : First National Bank of South Africa

REGISTERED OFFICE :

Causeway Road
Port Alfred
6170

Post Box 13
Port Alfred
6170

Telephone: (046) 624 1140
Fax: (046) 624 2669
e-mail: portalfred@ndlambe.co.za
website: <http://www.ndlambe.co.za>

MUNICIPAL MANAGER

N G Ngesi

DIRECTOR : FINANCIAL MANAGEMENT

H Dredge

FOREWORD

V. BALURA - MAYOR

There are no joys without mountains having been climbed.
There are no joys without the nightmares that precede them and spring them to light.
The joys that spring from the challenges are profound.
And the challenges will always be there
As long as there are human beings there will be challenges.
Let no one speak of frontiers exhausted,
All challenges met, all problems solved.
There is always the joy of discovering, uncovering and forging new forms, new ways
Ben Okiri, a way being free, 1997.

The white paper stressed that local government must play a "developmental role". The constitution states that government must take reasonable steps, within available resources. To ensure that all South African have access to adequate housing, health care, education, food, water and social security.

The white paper describes developmental local government as a local government committed to work with citizen and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. It stresses that development should target those members and groups within communities that are most marginalized or excluded, such as women, disabled people and very poor people.

In this budget we have looked at the characteristics of a developmental local government which is to maximize social development and economic growth, integrating and co-ordinating, democratizing development and leading and learning.

At the end of this financial year, we shall be assessing and evaluating ourselves on the following:

1. PROVISION OF HOUSEHOLD INFRASTRUCTURE AND SERVICES.

Not only are these services constitutional right but also they can help people to support their families, find jobs and develop their skills to start their own small businesses.

2. CREATION OF LIVEABLE , INTERGRATED CITIES, TOWNS AND RURAL AREAS.

It is very important that spaces where people live, work, shop and play, are planned close together, (spatial integration) spatial integration is also central to nation building since it will overcome the past separation of living space according to race.

3. LOCAL ECONOMIC DEVELOPMENT.

This will also attempt to provide good quality cost effective services and by making Ndlambe Region a pleasant place to live and work

The bulk of the increase for budget this is being directed towards the provision of basic services (water and sanitation). The National Government with assess us on the following:

- 1 Basic Service Delivery.
- 2 Municipal Institutional Development and Transformation
- 3 Local Economic Development (LED).
- 4 Municipal Financial Viability and Management.
- 5 Good Government and Public Participation.

We have made money available for the above

In the process of drafting thus budget public hearings were held as part of the process of consultation and in compliance with the requirements of the Municipal Systems Act. A plethora of meeting were held with residents Ratepayers and Businesses at which salient aspects of the budget were explored and incorporated in this budget.

This budget has been compiled in accordance with National Treasury Requirement of multi year (three year) budgeting. Sources of income include rates, equitable share, tariffs, grants and subsidies.

Acting in partnership in a people's contact, state and citizen must use the favourable situation all our people have created together over nearly 12 years of democracy, to achieve new advances towards the birth of the caring society and winning nation for which many sacrificed their lives. The 2006/2007 budget has provided us with significant resources to realize this outcome.

Let me conclude by borrowing words from Dakota Proverb, First American Community.

We will forever known by the tracks we leave.

I would like to thank the Municipal Manager, Director of Finance and IDP Manager and their teams for preparing this budget and also for keeping us all on our toes throughout the year. To Councillors we have been elected to serve our people and by providing them with a better quality of life. To realize that we must monitor place to live and work, and surely this will lead to sustainable Local Economic Development. There are no joys without mountains having been climbed.

I'm standing before you today with pride and honour to present to you the budget for 2006/2007 financial year for the Ndlambe Municipality. The overall size of the budget is R121 905 700 which comprises R17 592 000 Capital budget and R104 313 700 operating budget expenditure.

NDLAMBE MUNICIPALITY - PORT ALFRED ADMINISTRATIVE SEAT

DIRECTOR FINANCIAL MANAGEMENT'S REPORT

INTRODUCTION

It is no secret that our town's finances has been crippled due to non payment for services. The management and control of finances proved to be a task which needs both wisdom and courage. During the budget process Council again invited all community organisation and structures to participate in discussions regarding the Capital - and Operating Budget. Various workshops were held before the operating budget of R 104 313 700 was approved.

A general valuation were implemented as from 01 July 2004 based on the valuation date of 01 January 2004. The method of the assesment of rates was changed to a single charge on land and improvements on all rateable properties. The general valuation was phased in over eighteen months. Cannon Rocks, Boknes, Kenton on Sea and Seafield were implemented form 01 July 2004 and Port Alfred, Boesmansriviermond, Bathurst and Alexandria as from 01 July 2005. All Administrative Units Valuation Court sittings have been finalized and the Ndlambe General Valuation has been approved and implemented. The Valuation Court has reduced Valuations to the amount of R40 969 750 which reduced revenue by R238 444 for the year under review. The new General Valuation under the Property Rates Act, Act 6 of 2004 will be completed and implemented from 01 July 2008.

Households that earns less that R 1 700 per month are urged to apply for a rebate which is available through a subsidy from National Government.

The Council's activities during the 2006/2007 financial year resulted in a deficit of R 304 386. The original combined estimated surplus for the year under review was R 1 400. The accumulated surplus amounts to R 114 after the necessary provisions for Bad Debts, Audit Fees and Leave Reserve were made.

ASSETS AND LIABILITIES

All assets including housing, liabilities and funds were incorporated at book value in a set of financial statements for Ndlambe Municipality.

EXTERNAL AND INTERNAL LOANS

External loans outstanding as at 30 June 2007 amount to R 30 881 469; previous year R 24 666 362 as set out in appendix B. During the financial year R 6 455 983 was received and loans totalling R 240 876 were repaid. Internal loans outstanding as at 30 June 2007 amount to R 17 349 093; previous year R 17 349 093 as set out in appendix B. During the financial year no new internal loans were raised and no internal interest and redemption entries were processed.

1. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The overall operating results for the year ended 30 June 2007 are as follows:

	Actual previous year	Actual current year	Variance previous/current %	Budget current year	Variance Actual / Budget %
Income					
Opening surplus	17,320,224	666,225			
Operating income	90,778,834	102,347,529	(11.3)	104,315,100	1.9
Closing deficit					
	108,099,058	103,013,754		104,315,100	
Expenditure					
Opening deficit					
Operating expenditure	90,856,975	102,651,915	(11.5)	104,313,700	1.6
Sundry transfers	(16,575,858)	(361,725)			
Closing surplus	666,225	114		1,400	
	74,947,342	102,290,304		104,315,100	

Rate and General Services

Surpluses generated by the Trading Services are utilized to subsidize the Rates and General Services.

	Actual previous year	Actual current year	Variance previous/current	Budget current year	Variance Actual / Budget
Operating income	45,602,686	52,213,008	14.5	53,553,500	(2.5)
Operating expenditure	52,162,813	59,273,556	(13.6)	61,549,400	3.7
Surplus / (Deficit)	(6,560,127)	(7,060,548)		(7,995,900)	

Housing Services

	Actual previous year	Actual current year	Variance previous/current	Budget current year	Variance Actual / Budget
Operating income	17,922,491	19,972,876	11.4	20,336,600	(1.8)
Operating expenditure	15,578,734	16,297,590	(4.6)	19,933,700	18.2
Surplus / (Deficit)	2,343,757	3,675,286		402,900	

Trading Services

The prices for the purchase of electricity and water as well as postal and telecommunication charges are subject to administered adjustments. The following is a summary of the operating results of the Municipality's Trading Services.

Electricity Service

The electricity tariffs for the current year were increase by 6 %. The surplus generated was utilized to the Rates and General services account.

	Actual previous year	Actual current year	Variance previous/current	Budget current year	Variance Actual / Budget
Operating income	13,505,947	15,383,148	13.9	15,737,900	2.3
Operating expenditure	12,919,173	14,553,053	(12.6)	12,067,300	(20.6)
Surplus / (Deficit)	586,774	830,095		3,670,600	

Water Services

The water tariffs for the current year were increased by $\pm 8\%$. The surplus generated was transferred to the Rate and 'General services account.

	Actual previous year	Actual current year	Variance previous/current	Budget current year	Variance Actual / Budget
Operating income	13,747,710	14,778,497	7.5	14,687,100	(0.6)
Operating expenditure	10,196,255	12,527,716	(22.9)	10,763,300	(16.4)
Surplus / (Deficit)	3,551,455	2,250,781		3,923,800	

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets incurred during the financial year amounted to 10,060,610
The actual expenditure per service consist of the following:

	Actual previous year	Actual current year	Budget current year
Rates and General services	7,056,440	6,243,124	6,850,000
Water Services	1,721,793	2,645,893	1,765,000
Electricity Services	1,237,112	1,171,593	1,430,000
Housing Services	0	0	0
	10,015,345	10,060,610	10,045,000

Resources used to finance the fixed assets were as follows:

	Actual previous year	Actual current year	Budget current year
DBSA Loans	9,848,569	9,861,751	9,827,000
Algoa Western District Council	0	0	0
Revolving Fund	0	0	0
Capital Development Fund	0	0	0
Contributions from:		0	0
Operating Income	166,776	198,859	218,000
Provisions and Reserves	0	0	0
Grants and Subsidies	0	0	0
Public Contributions & Sales	0	0	0
	10,015,345	10,060,610	10,045,000

3. CREDITORS

R

Creditors at 30 June 2007 can be classified in the following categories ;

Trade Creditors	5,439,797
Deposits:	
Tenders, electricity and other.	1,104,888
	<u>6,544,685</u>

4. DEBTORS

R

Debtors at 30 June 2007 can be classified in the following categories ;

Consumer Debtors

	>Hand overs	>90 Days	60 Days	30 Days	Current	
Rates and services	12,289,115	20,933,756	1,380,360	2,245,516	3,909,713	40,758,460
Service charges (flat rate)	6,030,356	11,389,795	136,635	134,883	61,687	17,753,356
Sundry debtors	305,058	355,019	11,174	22,619	(108,505)	585,365
						<u>59,097,181</u>
Other Current Debtors						1,012,166
Long Term Debtors						132,799
Less: Provision for Bad Debts						35,234,852
Nett Debtors						<u>25,007,294</u>

5. PERSONNEL

The number of employees that served on the staff at 30 June 2007 is as follows :

Number of employees appointed	431
Number of vacancies	1
Total staff establishment	<u>432</u>

6. INVESTMENTS AND CASH

The Council's funds were invested through its Revolving Fund in accordance with the policy determined by the Council in terms of Section 35 of the Financial Regulations for Town Council's 1983, with due regard to the directives laid down by the Minister in Circular No 19 of 1984 .

The details of investments at 30 June 2007 at par or cost and cash are :

	R
Bank	6,262,288
Building Society	0
Insurance (Old Mutual Shares)	101,304
	<hr/> <hr/>
	6,363,592

Declarations that no commission was paid on investments made by the Municipality , have been obtained and submitted for audit purposes.

7. INSURANCE

Property damaged and destroyed during the year as result of vandalism and or other causes is replaced and repaired from a insurance suspense account. The assets of the Municipality are insured through Council's Brokers Messrs. A O N Risk Services (Pty) Ltd . The insurance company is Lion of Africa Insurance.

8. EXPRESSION OF APPRECIATION

I am grateful to the staff of the Finance Department for their support and assistance.

9. VACANCY - CHIEF FINANCIAL OFFICER

The post of Chief Financial Officer of this municipality lay vacant for the period 2 March 2007 to 30 June 2007. Due to this vacancy, I was requested and authorised by the Accounting Officer to complete these Annual Financial Statements. I have attempted to prepare them on a basis consistent with that of prior years and, due to the various related tasks performed only by the erstwhile Chief Financial Officer, I have also attempted, to the best of my ability, to be as accurate and comprehensive as possible.

The title, layout and wording of this report, apart from this paragraph, are the same as those contained in the report which was submitted with the 2005/2006 Annual Financial Statements. The figures shown are in respect of the 2006/2007 Financial Year.

The newly appointed Chief Financial Officer commenced duties on 2 July 2007.

R. M. Gates
Assistant Director: Supply Chain Management
29 August 2007

ACCOUNTING POLICIES

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 (1992) and Report on the Standardisation of Financial Statements of Local Authorities (4th Edition, as amended).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for capital expenditure as more fully detailed in Note Two. 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 :
 - 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 balance sheet includes the Rate 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, electricity and water, which are treated as income and expenditure in the respective departments.

3 Fixed Assets

- 3.1 Fixed Assets are stated at:
 - historical cost, or
 - 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 this "Provision" assets are written down over their estimated 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 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 grant 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 Building Fund. Net proceeds from the sale of all other assets are credited to the revolving fund.
- 3.4 Capital 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 services concerned at the ruling interest rate applicable at the time that the advance is made. Due to the 2007 change of accounting system from Fund Accounting to that of Generally Recognised Accounting Practice (GRAP), the redemption of internal advances has been suspended with effect from the year currently under review until the 2007/2008 financial year.

4 Stock

Stock is valued at the lower of cost, determined on the weighted average basis, and net realisable value.

5 Funds and Reserves

5.1 Revolving Fund

The Municipal Ordinance No. 20 of 1974 has been repealed and replaced by the Municipal Finance Management Act (Act 56 of 2003).

5.2 Other Funds

All other funds will be reviewed during the GRAP implementation phase as the entire Fund Accounting system will fall away with effect from 1 July 2007.

6 Retirement Benefits

Ndlambe Municipality and its employees contribute to the Cape Joint Pension Fund, SALA Pension and SAMWU Provident Fund which provides retirement benefits to such employees.

The retirement benefit plan is subject to the Pensions Funds Act, 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.

7 Surpluses and Deficits

Any surpluses or deficits arising from the operation of the Electricity, Water and Housing services are transferred to Rate and General Services.

8 Treatment of Administration and other Overhead Expenses

The cost 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

Lease 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 to the operating account in a systematic manner related to the period of use of the assets concerned.

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 No. C/43/1993 issued by the Provincial Administration, Community Development Branch and the code of investment practice issued by the Institute of Municipal Finance Officers.

Interest received on investments is paid into the Revolving Fund. This Fund pays interest to all funds based on 6% of the average balance of the fund for the financial year.

11 Income recognition

11.1 Electricity and Water Billings

All meters in industrial areas, high density residential areas and residential areas are read and billed monthly.

11.2 Assessment Rates

Inconsistencies relating to the rates tariff have been eliminated with effect from the year under review due to the implementation of a General Valuation of all properties that fell under the jurisdiction of the erstwhile municipalities which were transferred to Ndlambe Municipality. The cents per Rand payable has been standardised throughout the Ndlambe Municipality's area of jurisdiction and is the same for both Land and Improvements.

BALANCE SHEET AT 30 JUNE 2007

	Note	2007 R	2006 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES	1	18,135,519	17,276,550
Funds		17,849,908	16,990,939
Reserves		285,611	285,611
RETAINED INCOME		114	666,225
		18,135,633	17,942,775
TRUST FUNDS	2	32,973,356	14,728,181
HOUSING FUND	2	7,216,837	8,855,887
LONG TERM LIABILITIES	3	30,191,282	24,125,725
CONSUMER DEPOSITS : SERVICES	24	1,104,888	1,019,153
		89,621,996	66,671,721
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	4	47,616,577	37,995,702
LONG TERM INVESTMENTS	5	2,558,053	2,377,946
LONG TERM DEBTORS	6	36,737	112,917
		50,211,367	40,486,565
NET CURRENT ASSETS		39,410,629	26,185,156
CURRENT ASSETS		46,924,876	35,943,709
Inventory	7	837,000	875,870
Debtors	8	24,874,495	21,431,949
Short Term Investments	5	3,805,539	3,496,542
Cash on hand and at bank	23	17,311,780	10,055,855
Short term portion of long term debtors	6	96,062	83,493
CURRENT LIABILITIES		7,514,247	9,758,553
Provisions	9	1,384,263	2,213,723
Creditors	10	5,439,797	6,060,942
Prepaid Income	10	0	943,251
Short term portion of long term liabilities	3	690,187	540,637
Bank overdraft	23	0	0
		89,621,996	66,671,721

MUNICIPAL MANAGER

CHIEF FINANCIAL OFFICER

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2005 Actual income R	2005 Actual expenditure R	2005 Surplus/ (deficit) R		2006 Actual income R	2006 Actual expenditure R	2006 Surplus/ (deficit) R	2006 Budget Surplus/(deficit) R
45,602,686	52,162,813	(6,560,127)	RATES & GENERAL SERVICE	52,213,008	59,273,556	(7,060,548)	(7,995,900)
31,809,875	37,338,642	(5,528,767)	Community services	37,421,942	42,384,818	(4,962,876)	(5,340,300)
64,967	7,206,815	(7,141,848)	Subsidised services	53,114	8,311,760	(8,258,646)	(8,076,200)
13,727,844	7,617,356	6,110,488	Economic services	14,737,952	8,576,978	6,160,974	5,420,600
17,922,491	15,578,734	2,343,757	HOUSING SERVICE	19,972,876	16,297,590	3,675,286	402,900
27,253,657	23,115,428	4,138,229	TRADING SERVICE	30,161,645	27,080,769	3,080,876	7,594,400
<u>90,778,834</u>	<u>90,856,975</u>	(78,141)	TOTAL	<u>102,347,529</u>	<u>102,651,915</u>	(304,386)	<u>1,400</u>
		(16,575,858)	Appropriations for the year (note 15)			(361,725)	
		(16,653,999)	Net surplus/(deficit) for the year			(666,111)	
		17,320,224	Accumulated surplus/(deficit) at beginning of the year			666,225	
		<u>666,225</u>	ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR			<u>114</u>	

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
CASH RETAINED FROM OPERATING ACTIVITIES			
		11,590,531	6,338,982
Cash generated by operations	16	12,759,998	(21,101,194)
External Investment Income (interest received)	14	552,425	473,658
(Increase)/decrease in working capital	17	(4,854,281)	24,585,494
		8,458,142	3,957,958
Less : External interest paid	14	3,132,389	2,381,024
Cash available from operations		11,590,531	6,338,982
Cash contributions from the public and the state		0	0
Net proceeds on disposal of fixed assets		0	0
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets		(10,060,610)	(10,015,345)
NET CASH FLOW		<u>1,529,921</u>	<u>(3,676,363)</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase/(decrease) in long term loans	18	6,215,107	12,399,859
Increase/(decrease) in short term loans	19	0	0
(Increase)/decrease in cash investments	20	(489,103)	409,000
(Increase)/decrease in cash	21	(7,255,925)	(9,132,496)
Net cash (generated)/utilised		<u>(1,529,921)</u>	<u>3,676,363</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007	2006
	R	R
1. FUNDS		
<u>Statutory</u>		
Revolving fund	17,835,414	16,976,445
Dog tax fund	14,494	14,494
	17,849,908	16,990,939
<u>Reserves</u>		
Maintenance	285,611	285,611
(Refer to appendix A for more details)	285,611	285,611
	2007	2006
	R	R
2. TRUST FUNDS		
Transition (IGG)	2,400	2,400
Housing Development	62,881	62,881
Enhancement	161,485	161,485
Parking Area	228,965	228,965
West Beach Roads	8,278	8,278
Survey of Sites	301,059	301,059
Intergrated Development Plan	50,302	50,302
Quarry	33,928	33,928
Trust Funds Units	1,108,825	1,108,825
Bulk Services	638,696	638,696
Building Fund Erven	10,446,344	8,360,396
Milk Powder	500	500
Additional Funds:Health	2,956	2,956
DBSA - Sewerage	19,973	19,973
Rent;Golf Driving Range	9,200	9,200
Local Economic Dev Fund	85,705	85,705
New Mess Fund (Ndlambe)	10,722	10,722
WDC:Upgrade Purified Water Port Alfred	9,361	9,361
Bisho:Sports	2,644	2,644
Game:Kapriver	1,706	1,706
Mayors Youth Day Fund	10,000	10,000

	2007 R	2006 R
2. TRUST FUNDS (continued)		
CMIP EC0635/Klipfontein Sewerage	14,386	14,386
Mayor's Kowie River Fund	2,351	2,351
DBSA Loan:Upgrade Water Retic	68,075	68,075
Freshwater Dev Plan:Port Alfred	10,000	10,000
Revision Of Port Alfred Zoning Scheme	120,000	120,000
MMP:Seafeld Refuse Site EIA	1,200	1,200
Marine Compliance	17,847	17,847
Neptune Donation	5,000	5,000
Cacadu:HIV/Aids Launch	8,845	8,845
Ndlambe Spatial Dev. Framework	10,000	10,000
DBSA:Planet Agricultural	18,264	18,264
Environ:Studies F Fouche	35,000	35,000
Municipal Infrastructure Grants	2,053,741	1,618,241
Drought Relief Grants	326,922	1,134,253
Financial Management Grants	467,792	307,933
National Electricity Regulator Grants	161,860	246,804
Lottery Grant	16,881	0
Voting Station Grant	29,857	0
Water Assessment Grant	100,000	0
By-law Development Grant	50,000	0
Vuna Grants	259,405	0
Thornhill Farm Fund	16,000,000	0
	<u>32,973,356</u>	<u>14,728,181</u>
HOUSING FUND		
Funds administered in respect of low cost housing projects	<u>7,216,837</u>	<u>8,855,887</u>
3. LONG TERM LIABILITIES		
Development Bank of S.A. (previously L.A.L.F.)	30,881,469	24,666,362
Less : Current portion transferred to current liabilities	690,187	540,637
	<u>30,191,282</u>	<u>24,125,725</u>

DEVELOPMENT BANK OF SOUTH AFRICA LOANS:

These loans bear interest at rates of of between 10% and 17 % per annum and will be fully redeemed over periods up to 25 years.

	2007 R	2006 R
4. FIXED ASSETS		
Fixed assets at beginning of year	217,832,693	207,817,348
Capital expenditure during the year	10,060,610	10,015,345
Less : Assets written off, transferred or disposed of during the year	0	0
Total fixed assets	227,893,303	217,832,693
Less : Loans redeemed and other capital receipts	180,276,726	179,836,991
Net fixed assets	47,616,577	37,995,702

5. INVESTMENTS
see also note 32

Total Long Term Investments

Unlisted:

Long Term Deposits - New Republic Bank (under curatorship)

Dividends are being paid over on a periodic basis at the discretion of the Curator.

Total Short Term Investments

Listed:

Shares - Old Mutual

Unlisted:

Short Term Deposits - Standard Bank ex Alexandria

Short Term Deposits - GBS

Short Term Deposits - FNB

Short Term Deposits - Old Mutual

Short Term Deposits - ABSA

Long Term Deposits

Total Long Term Investments	2,558,053	2,377,946
<u>Unlisted:</u>		
Long Term Deposits - New Republic Bank (under curatorship)	2,558,053	2,377,946
Total Short Term Investments	3,805,539	3,496,542
<u>Listed:</u>		
Shares - Old Mutual	101,304	63,000
<u>Unlisted:</u>		
Short Term Deposits - Standard Bank ex Alexandria	92,595	86,707
Short Term Deposits - GBS	0	0
Short Term Deposits - FNB	3,571,124	3,308,767
Short Term Deposits - Old Mutual	0	0
Short Term Deposits - ABSA	40,516	38,068
Long Term Deposits	0	0

Circular no 19 of 1984 issued by the Provincial Administration Community Development Branch, requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a plenary rate to meet commitments.

The average rates of return were as follows:

8.33%

5.40%

	2007 R	2006 R
6. LONG TERM DEBTORS		
Housing Loans - Staff	114,602	146,654
Housing Loans - Bathurst	0	0
Motor Vehicle Loans - Staff	0	30,879
Other	18,197	18,877
	<u>132,799</u>	<u>196,410</u>
Less : Short term portion transferred to Current Assets	<u>96,062</u>	<u>83,493</u>
	<u><u>36,737</u></u>	<u><u>112,917</u></u>
7. INVENTORY		
Stock represents consumable stores, raw materials, work in progress and finished goods. Where necessary specific provision is made for obsolete stock. Stock is divided into different services:		
Rate and general	492,071	504,191
Water	129,291	136,318
Electricity	215,638	235,361
Sewerage	0	0
	<u>837,000</u>	<u>875,870</u>
8. DEBTORS		
Current debtors - Consumer	59,097,181	54,817,937
Other	1,012,166	1,848,864
Less : Provision for Bad Debts	<u>35,234,852</u>	<u>35,234,852</u>
	<u><u>24,874,495</u></u>	<u><u>21,431,949</u></u>
Bad debts written off during year	<u>0</u>	<u>2,505,550</u>
9. PROVISIONS	2007 R	2006 R
Bad Debts - included in Debtors (Note 8)	-	-
Leave Pay	1,384,263	1,388,723
Audit Fees	0	825,000
	<u>1,384,263</u>	<u>2,213,723</u>

	2007 R	2006 R
10. CREDITORS		
Trade creditors	5,439,797	6,060,942
Deposits :	1,104,888	1,019,153
Electricity	1,028,486	949,170
Other	76,402	69,983
Prepaid Income	0	943,251
	<u>6,544,685</u>	<u>8,023,346</u>

11. ASSESSMENT RATES

	Land & Improvements valuations at 1 July 2007 R 000's	Actual income 2007 R	Actual income 2006 R
Residential & Commercial	4,484,947	27,367,286	23,237,333
Government	32,233	197,649	187,317
Municipal	68,078	417,447	380,029
	<u>4,585,258</u>	<u>27,982,382</u>	<u>23,804,679</u>

Rebates were granted to pensioners with a total income less than R 62 400 per year. Rebates on rates are also applied in specific areas which are not provided with full basic services. The rate charged was 0.626 cents per Rand valuation.

**12. COUNCILLORS' REMUNERATION
paid during the year - see also note 27**

Mayor	- 1	458,849	237,836
Speaker - Comparative from March 2006	- 1	212,173	29,010
Executive Committee - Comparative from March 2006	- 3	580,630	83,862
Councillors	- 13	2,017,652	922,503
		<u>3,269,304</u>	<u>1,273,211</u>

13. AUDITORS' REMUNERATION

Audit costs paid during year	<u>1,266,553</u>	<u>1,224,330</u>
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	2007 R	2006 R
14. FINANCE TRANSACTIONS		
<i>Total external interest earned or paid :</i>		
Interest earned	552,425	473,658
Interest paid	3,132,389	2,381,024
<i>Capital charges debited to operating account :</i>		
Interest :		
External	3,132,389	2,381,024
Internal	0	987,442
Redemption :		
External	256,047	124,820
Internal	0	0
	<u>3,388,436</u>	<u>3,493,286</u>
15. APPROPRIATIONS		
<i>Appropriation account</i>		
Accumulated surplus/(deficit) at beginning of year	666,225	17,320,224
Operating surplus/(deficit) for the year	(304,386)	(78,141)
Appropriations for the year	(361,725)	(16,575,858)
- Contribution ex Revolving Fund	0	1,079,702
- Audit Fee Provision Adjustment	(361,725)	
- Prior year adjustments	0	(17,655,560)
Accumulated surplus/(deficit) at end of year	<u>114</u>	<u>666,225</u>
<i>Operating account</i>		
Fixed assets		
Contributions	198,859	166,776
- Fixed assets	198,859	166,776
- Accumulated Funds	0	0
- Trust Funds	0	0
- Provisions	0	0
	<u>198,859</u>	<u>166,776</u>

	2007 R	2006 R		
20. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS				
Opening	5,874,489	6,283,489		
Closing	<u>6,363,592</u>	<u>5,874,489</u>		
	<u>(489,103)</u>	<u>409,000</u>		
21. (INCREASE)/DECREASE IN CASH ON HAND				
Cash on hand at beginning of year	10,055,855	923,359		
Less :				
Cash on hand at end of year	17,311,780	10,055,855		
Operating Current Account Balance & Cash	(8,755,049)	604,461		
Revolving Fund Current Account Balance	16,950,276	595,507		
Housing Account	9,116,553	8,855,887		
	<u>(7,255,925)</u>	<u>(9,132,496)</u>		
22. RETIREMENT BENEFITS				
The employees of the Municipality contribute to either, the Cape Joint & SALA Pension Fund or the Provident Fund (Southern Life).				
23. CASH ON HAND / OVERDRAFT				
	2007	2007	2007	2006
	Opening	Movement	Closing	Closing
Current Account	602,611	(9,359,510)	(8,756,899)	602,611
Revolving Fund	595,507	16,354,769	16,950,276	595,507
Housing Account	8,855,887	260,666	9,116,553	8,855,887
Deposits & Floats	1,850	0	1,850	1,850
	<u>10,055,855</u>	<u>7,255,925</u>	<u>17,311,780</u>	<u>1,199,968</u>
24. CONSUMER DEPOSITS				
Electricity			1,028,486	949,170
Other			76,402	69,983
			<u>1,104,888</u>	<u>1,019,153</u>

		2007	2006	
		R	R	
25. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS				
DBSA Security - Investments		5,000,000	5,000,000	
Matter: Erf 361 Port Alfred - Legal Costs		200,000	200,000	
Matter: Boesmansriviermond Housing	Maharaj	130,275	130,275	
Matter: Lester House	High Dune House	20,878	20,878	
Matter: Arrear Pension Fund Contributions	A. Scriven, E. Welsh, J. Pretorius	353,088	0	
26. INTER GOVERNMENTAL AND OTHER ALLOCATIONS				
Funds Received - Health Subsidy (ex Province)		1,974,434	2,005,979	
Environmental Health Subsidy (ex District Council)		320,391	305,134	
Equitable Share (ex National)		18,450,994	14,809,722	
27. SALARIES, ALLOWANCES AND BENEFITS				
		2007	2006	
		R	R	
Per month as per June 2007				
Political Office Bearers -	Mayor -	Salary	22,758	14,952
		Transport	9,048	3,738
		Telephone	1,117	1,057
		Total	32,923	19,747
	Speaker -	Salary	10,285	6,754
		Transport	3,985	1,688
		Telephone	697	660
		Total	14,967	9,102
	Executive Committee Members -	Salary	11,074	6,332
		Transport	3,736	1,583
		Telephone	697	660
		Total	15,507	8,575
	Other Councillors -	Salary	8,053	3,377
		Transport	2,717	844
		Telephone	697	660
		Total	11,467	4,881
Plus contributions to UIF, Pension Fund, Medical Aid Fund				

		2007	2006	
		R	R	
Officials -	Municipal Manager	Salary	31,845	29,756
		Transport	11,330	11,246
		Allowance	400	0
		Telephone	<u>1,000</u>	<u>700</u>
		Total	<u>44,575</u>	<u>41,702</u>
		Director: Finance <i>(Indicative - Post Vacant in June 2007)</i>	Salary	33,709
		Transport	11,084	11,129
		Rent	500	500
		Telephone	1,000	
		Allowance	<u>400</u>	<u>700</u>
		Total	<u>46,693</u>	<u>40,002</u>
	Director: Community Services	Salary	29,956	27,673
		Transport	11,331	11,246
		Rent	500	420
		Telephone	1,000	
		Allowance	<u>400</u>	<u>700</u>
		Total	<u>43,187</u>	<u>40,039</u>
	Director: Infrastructure	Salary	30,163	27,673
		Transport	11,100	11,246
		Rent	500	420
		Telephone	1,000	
		Allowance	<u>400</u>	<u>700</u>
		Total	<u>43,163</u>	<u>40,039</u>
	Director: Corporate Services	Salary	43,195	27,673
		Transport	11,331	11,246
		Rent	500	216
		Telephone	1,000	
		Allowance	<u>400</u>	<u>700</u>
		Total	<u>56,426</u>	<u>39,835</u>

Plus contributions to UIF, Pension Fund, Medical Aid Fund

28. ARREARS OWED BY INDIVIDUAL COUNCILLORS

Arrears in respect of rates and services which, at any time during the relevant financial year, were outstanding for more than 90 days

Balances at 30 June	2007 R	2006 R
G.J. Coltman - arrangements made on one of two accounts	28,703	33,218
N.V. Maphaphu - arrangements made	0	11,495
T. Mayinje - arrangements made	3,200	4,009
D. Mnyungula - arrangements made	0	632
K. C. Mbolekwa - arrangements made	5,798	0

29. MUNICIPAL ENTITIES UNDER THE CONTROL OF NDLAMBE MUNICIPALITY

None None

30. CONTRIBUTIONS TO ORGANISED LOCAL GOVERNMENT

South African Local Government Association Contributions	142,310	153,051
Outstanding at 30 June	0	0

31. MISCELLANEOUS EXPENDITURES AND OUTSTANDINGS

<u>Description</u>	2007		2006	
	<u>Payments</u>	<u>Outstanding at 30 June</u>	<u>Payments</u>	<u>Outstanding at 30 June</u>
Audit Fees	1,266,553	0	1,224,330	0
Skills Development Levies	306,188	0	269,880	0
District Council Levies (not payable since July 2006)	0	0	189,895	0
Water Research Levies	46,199	0	35,000	0
Duties	0	0	0	0
Pension Fund Contributions	3,986,789	0	3,594,317	0
Medical Aid Fund Contributions	<u>2,383,307</u>	<u>0</u>	<u>2,640,280</u>	<u>0</u>
Total	<u>7,989,036</u>	<u>0</u>	<u>7,953,702</u>	<u>0</u>

32. BANK ACCOUNTS AND INVESTMENTS			2007	2006
			R	R
Actual balances per Institution statements:				
<u>Bank</u>	<u>Description</u>	<u>Type</u>		
First National Bank	Current	Cheque	8,563,561	5,824,279
First National Bank	Revolving	Cheque	18,109,393	1,587,806
First National Bank	Housing DHLG	Cheque	9,116,553	7,016,864
Old Mutual	Investment	Shares	101,304	63,000
Standard Bank	Investment	Call	92,595	86,707
GBS Bank	Investment	Call	0	0
New Republic Bank	Investment	Call	2,558,053	2,377,946
First National Bank	Investment	Call	3,571,124	3,308,768
ABSA Bank	Investment	Call	<u>40,516</u>	<u>38,068</u>
Total			<u>42,153,099</u>	<u>20,303,438</u>

33. MATERIAL LOSSES, IRREGULAR, UNAUTHORISED AND FRUITLESS AND WASTEFUL EXPENDITURE

Occurrences during year - Fruitless Expenditure - To be recovered (included in Debtors per Note 8)	26,072	26,072
Criminal or disciplinary steps taken as a result of above losses	None	None
Material losses recovered or written off	None	None

34. NON-COMPLIANCES WITH THE MUNICIPAL FINANCE MANAGEMENT ACT

None None

35. CAPITAL COMMITMENTS

Commitments in respect of capital expenditure		
- Approved and contracted for	0	2,504,452
- Approved but not yet contracted for	0	1,128,491
	<u>0</u>	<u>3,632,943</u>

This expenditure will be financed from:

- Internal Sources		
- External Sources	0	3,632,943
Other sources	0	3,632,943
Provincial government	0	0
Metropolitan council	0	0
	<u>0</u>	<u>3,632,943</u>

APPENDIX A - ACCUMULATED FUNDS, RESERVES AND TRUST FUNDS

	Balance at 30 June 2006	Contributions during the year	Interest on investments	Other income	Expenditure during the year	Balance at 30 June 2007
<u>ACCUMULATED FUNDS</u>						
Revolving Fund	16,976,445	0	788,300	71,452	783	17,835,414
Dog Tax Fund	14,494	0	0	0	0	14,494
	16,990,939	0	788,300	71,452	783	17,849,908
<u>RESERVES</u>						
Maintenance	285,611	0	0	0	0	285,611
	285,611	0	0	0	0	285,611

	Balance at 30 June 2006	Contributions during the year	Interest on investments	Other income	Expenditure during the year	Balance at 30 June 2007
<u>TRUST FUNDS</u>						
Transition (IGG)	2,400	0	0	0	0	2,400
Housing Development	62,881	0	0	0	0	62,881
Enhancement	161,485	0	0	0	0	161,485
Parking Area	228,965	0	0	0	0	228,965
West Beach Roads	8,278	0	0	0	0	8,278
Survey of Sites	301,059	0	0	0	0	301,059
Integrated Development Plan	50,302	0	0	0	0	50,302
Quarry	33,928	0	0	0	0	33,928
Trust Funds Units	1,108,825	0	0	0	0	1,108,825
Bulk Services	638,696	0	0	0	0	638,696
Building Fund Erven	8,360,396	5,308,548	0	0	3,222,600	10,446,344
Milk Powder	500	0	0	0	0	500
Additional Funds:Health	2,956	0	0	0	0	2,956
DBSA - Sewerage	19,973	0	0	0	0	19,973
Rent;Golf Driving Range	9,200	0	0	0	0	9,200
Local Economic Dev Fund	85,705	0	0	0	0	85,705
New Mess Fund (Ndlambe)	10,722	0	0	0	0	10,722

APPENDIX A continued	Balance at 30 June 2006	Contributions during the year	Interest on investments	Other income	Expenditure during the year	Balance at 30 June 2007
TRUST FUNDS						
WDC:Upgrade Purified Water Port	9,361	0	0	0	0	9,361
Bisho:Sports	2,644	0	0	0	0	2,644
Game:Kaprifer	1,706	0	0	0	0	1,706
Mayors Youth Day Fund	10,000	0	0	0	0	10,000
CMIP EC0635/Klipfontein Sewerag	14,386	0	0	0	0	14,386
Mayor's Kowie River Fund	2,351	0	0	0	0	2,351
DBSA Loan:Upgrade Water Retic	68,075	0	0	0	0	68,075
Freshwater Dev Plan:Port Alfred	10,000	0	0	0	0	10,000
Revision Of Port Alfred Zoning Sche	120,000	0	0	0	0	120,000
MMP:Seafeld Refuse Site EIA	1,200	0	0	0	0	1,200
Marine Compliance	17,847	0	0	0	0	17,847
Neptune Donation	5,000	0	0	0	0	5,000
Cacadu:HIV/Aids Launch	8,845	0	0	0	0	8,845
Ndlambe Spatial Dev. Framework	10,000	0	0	0	0	10,000
DBSA:Planet Agricultural	18,264	0	0	0	0	18,264
Environ:Studies F Fouche	35,000	0	0	0	0	35,000
Municipal Infrastructure Grants	1,618,241	5,849,014	0	0	5,413,514	2,053,741
Drought Relief Grants	1,134,253	0	0	0	807,331	326,922
Financial Management Grants	307,933	500,000	0	0	340,141	467,792
National Electricity Regulator Grant	246,804	0	0	0	84,944	161,860
Lottery Grant	0	22,881	0	0	6,000	16,881
Voting Station Grant	0	50,380	0	0	20,523	29,857
Water Assessment Grant	0	100,000	0	0	0	100,000
By-law Development Grant	0	50,000	0	0	0	50,000
Vuna Grants	0	259,405	0	0	0	259,405
Thornhill Farm Fund	0	16,000,000	0	0	0	16,000,000
	14,728,181	28,140,228	0	0	9,895,053	32,973,356

HOUSING FUND	8,855,887	553,000	0	0	2,192,050	7,216,837
	8,855,887	553,000	0	0	2,192,050	7,216,837

APPENDIX B - EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	Balance at 30 June 2006	Received during the year	Redeemed or written off during the year	Balance at 30 June 2007
LOCAL REGISTERED STOCK	0	0	0	0
DEVELOPMENT BANK OF S.A. - SEWERAGE - 13478/101-PA	4,839,855	0	89,199	4,750,656
DEVELOPMENT BANK OF S.A. - 11226/15391.8-PA	13,897	0	4,017	9,880
DEVELOPMENT BANK OF S.A. - 11226/15007.3-ALEX	38,247	0	38,247	0
DEVELOPMENT BANK OF S.A. - 11226/15007.4-ALEX	35,376	0	8,208	27,168
DEVELOPMENT BANK OF S.A. - 11226/15007.5-ALEX	40,269	0	6,661	33,608
DEVELOPMENT BANK OF S.A. - 101161/2	7,730,741	0	340,456	7,390,285
DEVELOPMENT BANK OF S.A. - 101855	8,397,896	0	(210)	8,398,106
DEVELOPMENT BANK OF S.A. - 102198	3,570,081	6,455,983	(245,702)	10,271,766
(Refer to Note 3)	24,666,362	6,455,983	240,876	30,881,469

INTERNAL ADVANCES	Balance at 30 June 2006	Received during the year	Redeemed or adjusted during the year	Balance at 30 June 2007
Revolving Fund	17,349,093	0	0	17,349,093
(Refer to Notes 1 and 15)	17,349,093	0	0	17,349,093

APPENDIX C - ANALYSIS OF FIXED ASSETS

Expenditure 2006 R	Service	Budget 2007 R	Balance at 30 June 2006 R	Expenditure during year R	Redeemed, transferred or written off R	Balance at 30 June 2007 R
7,056,440	Rates and General Services	7,350,000	143,832,710	6,243,124	0	150,075,834
0	Land	0	9,935,498	0	0	9,935,498
358,177	Buildings	56,000	11,542,476	11,718	0	11,554,194
1,250,536	General Improvements	3,781,000	79,822,594	2,591,208	0	82,413,802
5,435,873	Plant and Equipment	3,088,000	20,091,479	3,565,786	0	23,657,265
0	Town Planning	0	557,673	0	0	557,673
11,854	Sewerage	425,000	21,882,990	74,412	0	21,957,402
1,721,793	Water Services	9,030,000	45,722,454	2,645,893	0	48,368,347
1,096,295	Water Plant	8,420,000	4,622,463	1,776,451	0	6,398,914
0	Dam	0	8,209,429	0	0	8,209,429
625,498	Waterworks	610,000	32,890,562	869,442	0	33,760,004
1,237,112	Electricity Services	1,430,000	20,976,571	1,171,593	0	22,148,164
0	Buildings	0	17,020	0	0	17,020
0	Plant	0	452,004	0	0	452,004
1,237,112	Network	1,200,000	17,413,369	1,171,593	0	18,584,962
0	Highmast Lights	230,000	3,094,178	0	0	3,094,178
0	Housing Services	0	7,300,958	0	0	7,300,958
0	Letting Scheme	0	1,009,869	0	0	1,009,869
0	Selling Scheme	0	5,683,924	0	0	5,683,924
0	Land	0	427,557	0	0	427,557
0	Nkwenkwezi Houses	0	179,608	0	0	179,608
<u>10,015,345</u>	TOTAL FIXED ASSETS	<u>17,810,000</u>	217,832,693	10,060,610	0	227,893,303
	LESS : LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		179,836,991	439,735	0	180,276,726
	Loans redeemed and advances repaid		83,309,969	240,876	0	83,550,845
	Contributions from operating income		11,267,365	198,859	0	11,466,224
	Provisions and reserves		2,633,910	0	0	2,633,910
	Grants and subsidies		82,543,008	0	0	82,543,008
	Public contributions		82,739	0	0	82,739
	NET FIXED ASSETS		<u>37,995,702</u>	9,620,875	0	<u>47,616,577</u>

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

Actual 2006 R	INCOME	Actual 2007 R	Budget 2007 R
17,729,133	Grants and subsidies	19,613,144	21,034,400
73,049,702	Operating income	82,734,385	83,280,700
90,778,835	TOTAL INCOME	102,347,529	104,315,100
Actual 2006 R	EXPENDITURE	Actual 2007 R	Budget 2007 R
38,160,585	Salaries, wages and allowances	41,226,455	40,173,500
46,576,213	General expenses	54,700,439	50,978,000
2,121,276	Repairs and maintenance	2,512,156	2,549,900
3,493,287	Capital charges	3,388,436	9,014,400
166,776	Contributions to fixed assets	198,859	218,000
338,835	Contributions to funds and reserves	625,570	1,379,900
90,856,972	GROSS EXPENDITURE	102,651,915	104,313,700
0	Less : amounts charged out	0	0
90,856,972	NET EXPENDITURE	102,651,915	104,313,700

APPENDIX E - DETAILED INCOME STATEMENT FOR THE YEAR

2006 Actual income R	2006 Actual expenditure R	2006 Surplus/ (deficit) R		2007 Actual income R	2007 Actual expenditure R	2007 Surplus/ (deficit) R	2007 Budget surplus /(deficit) R
			<u>RATES & GENERAL</u>				
45,602,686	52,162,813	(6,560,127)	<u>SERVICES</u>	52,213,008	59,273,556	(7,060,548)	(7,995,900)
31,809,875	37,338,642	(5,528,767)	<u>Community services</u>	37,421,942	42,384,818	(4,962,876)	(5,340,300)
0	240,990	(240,990)	Beaches	0	316,268	(316,268)	(350,900)
132,250	195,058	(62,808)	Cemeteries	122,838	157,307	(34,469)	(208,500)
2,453,524	3,955,306	(1,501,782)	Health	2,415,005	4,500,675	(2,085,670)	(450,300)
371,408	1,405,169	(1,033,761)	Nature Conservation	500,326	1,652,084	(1,151,758)	(1,181,900)
0	753,631	(753,631)	Public Toilets	0	832,976	(832,976)	(742,500)
0	8,624	(8,624)	Rodent Control	0	991	(991)	(9,000)
44,674	12,364	32,310	Small Animal Pound	16,516	9,155	7,361	1,700
100,000	1,599,603	(1,499,603)	General Works	100,000	1,431,900	(1,331,900)	(1,978,300)
2,270	4,450,420	(4,448,150)	Roads	459	4,677,271	(4,676,812)	(6,212,800)
91,700	756,994	(665,294)	Municipal Manager	91,700	1,013,917	(922,217)	(924,300)
802,981	2,547,282	(1,744,301)	Town Engineer	843,398	2,688,391	(1,844,993)	(1,926,300)
256,320	1,920,888	(1,664,568)	Workshop	267,396	1,524,311	(1,256,915)	(1,487,100)
13	18,523	(18,510)	Civil Protection	0	35,840	(35,840)	(37,000)
0	41,500	(41,500)	Grants & Donations	0	50,814	(50,814)	(60,000)
350,616	21,497	329,119	Town Planning	188,053	37,930	150,123	271,300
104,915	3,098,880	(2,993,965)	Administration	105,256	3,389,897	(3,284,641)	(2,666,900)
477,709	528,301	(50,592)	Licencing	358,902	384,217	(25,315)	355,600
861,402	1,736,598	(875,196)	Traffic	1,172,411	2,282,618	(1,110,207)	(881,900)
24,125,095	0	24,125,095	Rates	28,472,879	0	28,472,879	27,870,500
788,660	7,398,213	(6,609,553)	Council General	1,907,057	10,716,432	(8,809,375)	(8,188,100)
0	269,613	(269,613)	Stores	0	273,187	(273,187)	(296,300)
846,338	5,879,188	(5,032,850)	Financial Adiministration	859,746	6,007,670	(5,147,924)	(5,607,300)
0	500,000	(500,000)	Valuations	0	400,967	(400,967)	(630,000)

2006 Actual income R	2006 Actual expenditure R	2006 Surplus/ (deficit) R	RATES & GENERAL SERVICES (cont.)	2007 Actual income R	2007 Actual expenditure R	2007 Surplus/ (deficit) R	2007 Budget surplus /(deficit) R
64,967	7,206,815	(7,141,848)	Subsidised services	53,114	8,311,760	(8,258,646)	(8,076,200)
6,913	2,984,263	(2,977,350)	Parks and Recreation	7,778	3,726,512	(3,718,734)	(3,712,100)
5,375	1,007,614	(1,002,239)	Library	4,983	1,058,667	(1,053,684)	(999,800)
41,923	755,146	(713,223)	Civic Buildings	39,571	810,377	(770,806)	(818,700)
0	14,678	(14,678)	Sports Grounds	0	12,324	(12,324)	(36,900)
10,756	1,992,818	(1,982,062)	Fire Protection	782	2,244,179	(2,243,397)	(2,046,000)
0	1,503	(1,503)	Proclaimed Roads	0	3,142	(3,142)	(2,700)
0	450,793	(450,793)	Publicity	0	456,559	(456,559)	(460,000)
13,727,844	7,617,356	6,110,488	Economic services	14,737,952	8,576,978	6,160,974	5,420,600
810,515	1,098,822	(288,307)	Sanitation	1,018,778	1,164,259	(145,481)	16,500
6,909,376	3,694,250	3,215,126	Refuse Removal	7,466,158	4,777,367	2,688,791	1,968,600
5,434,158	2,702,457	2,731,701	Sewerage	5,681,309	2,528,613	3,152,696	3,037,600
0	0	0	Quarry	0	0	0	0
553,664	121,827	431,837	Estates	551,113	106,739	444,374	371,000
20,131	0	20,131	Parking Development	20,594	0	20,594	26,900
17,922,491	15,578,734	2,343,757	HOUSING SERVICES	19,972,876	16,297,590	3,675,286	402,900
17,922,491	15,578,734	2,343,757	Housing	19,972,876	16,297,590	3,675,286	402,900
27,253,657	23,115,428	4,138,229	TRADING SERVICES	30,161,645	27,080,769	3,080,876	7,594,400
13,505,947	12,919,173	586,774	Electricity	15,383,148	14,553,053	830,095	3,670,600
13,747,710	10,196,255	3,551,455	Water	14,778,497	12,527,716	2,250,781	3,923,800
<u>90,778,834</u>	<u>90,856,975</u>	<u>(78,141)</u>	TOTAL	<u>102,347,529</u>	<u>102,651,915</u>	<u>(304,386)</u>	<u>1,400</u>

Appropriations for the year
(16,575,858) (refer to note 15) (361,725)

(16,653,999) Net surplus/(deficit) for the year (666,111)

17,320,224 Accumulated surplus/(deficit) at the beginning
of the year 666,225

666,225 ACCUMULATED SURPLUS/(DEFICIT) AT
THE END OF THE YEAR 114

APPENDIX F - STATISTICAL INFORMATION

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
A. <u>General statistics</u>					
1. <u>Population (estimated permanent)</u>	55,480 <small>(2001 Census)</small>	55,480 <small>(2001 Census)</small>	55,480 <small>(2001 Census)</small>	55,486 <small>(2001 Census)</small>	55,486 <small>(2001 Census)</small>
Registered Voters	29,895 <small>(2006 IEC)</small>	29,895 <small>(2006 IEC)</small>	29,285 <small>(2004 IEC)</small>	28,440 <small>(2003 IEC)</small>	28,440 <small>(2003 IEC)</small>
Area (km ²)	2,001	2,001	2,001	2,001	2,001

2. Valuation of Property (R 000's)

	<u>2007</u>			<u>2006</u>		
	Land & Buildings	Total	22,252	Land & Buildings	Total	22,280
No. of Properties						
R 000'S						
Residential / Commercial	4,484,947	4,484,947		4,011,779	4,011,779	
Government	32,233	32,233		32,185	32,185	
Municipal	68,078	68,078		65,297	65,297	
Total	4,585,258	4,585,258		4,109,261	4,109,261	

3. Tariffs

	<u>2007</u>	<u>2006</u>
Rates Tariff (cents in the R)	0.626	0.582
Water Tariff		
0 -10 kl	R4.00	R3.68
11 -20 kl	4.20	3.92
21+ kl	5.00	4.40
Electricity Tariff		
R per kw/h		
Monthly charged	0.3300	0.3074
Prepaid	0.4300	0.4028