

KOUKAMMA MUNICIPALITY  
FINANCIAL STATEMENTS  
2006/2007



# CONTENTS

1

	Page
<b>1 GENERAL INFORMATION</b>	2
<b>2 FOREWORD</b>	3
<b>3 CHIEF FINANCIAL OFFICER REPORT</b>	4
<b>4 ACCOUNTING POLICIES</b>	5
<b>5 BALANCE SHEET</b>	6
<b>6 INCOME STATEMENT</b>	7
<b>7 CASH FLOW STATEMENT</b>	8
<b>8 NOTES TO THE FINANCIAL STATEMENTS</b>	9-13
<b>9 APPENDICES</b>	
<b>A ACCUMULATED AND TRUST FUNDS, RESERVES AND PROVISIONS</b>	14
<b>B EXTERNAL LOANS AN INTERNAL ADVANCES</b>	15
<b>C ANALYSIS OF FIXED ASSETS</b>	16
<b>D ANALYSIS OF OPERATING INCOME AND EXPENDITURE</b>	17
<b>E DETAILED INCOME STATEMENT</b>	18
<b>F STATISTICAL INFORMATION</b>	19

# GENERAL INFORMATION

## MEMBERS OF THE COUNCIL

Oconnel N J  
Yake F J  
Jacobs D M  
Kettledas J  
Strydom F  
Reeders C  
Jacobs S  
Mntambo N E  
Ncethezo S D  
Wogane M W

## MAYOR:

Oconnel N J

## GRADING OF LOCAL AUTHORITY

Grade (No grading system)

## AUDITORS

Auditor General

## BANKERS

ABSA

## REGISTERED OFFICE

P O Box 11  
Kareedouw

## PHYSICAL ADDRESS

Keet Street 5  
Kareedouw  
Tel no: 042-2880303  
Fax no: 042-2880797

## MUNICIPAL MANAGER

Ndokweni M (B Juris)

## ACTING CHIEF FINANCIAL OFFICER

C Oudshoorn

## APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements as set out were approved by the Municipal Manager on \_\_\_\_\_ and presented to and approved by Council on \_\_\_\_\_ .

---

**MUNICIPAL MANAGER**

B Juris

---

**ACTING CHIEF FINANCIAL OFFICER**

FOREWORD –FINANCIAL STATEMENTS : 2006/2007 OF KOU-KAMMA MUNICIPALITY



*KOU-KAMMA THE BEHOLDER OF OUR PRIDE, OUR AMBITION AND OUR DESTINY TO OUR BETTER LIFE"*

My statement to these Financial Statements is accompanied by a sentiment of despair and hope. Hope that we will manage to overcome all our difficulties, barriers and challenges. We also proud ourselves to report that this is the first time in this history of Kou-Kamma, that we will be punctual in the submission of our Financial Statements. In itself we are making a Statement to declare our commitment to turn back the tide. This achievement happened at the background of:

- Capacity and institutional challenges
- Very weak Finance Department and Capacity problems
- Low financial viability of the Municipality
- Infrastructure and Technical backlogs

We also pledge to continuously strive towards advancing good co-operate governance, sound financial discipline and efficient administration. We also need to explore and promote the realization of the co-operative governance engagement with our Provincial, National and District counterparts. Another area to explore is the establishment of Strategic Municipal Partnerships. especially in the area of Local Economic Development and Infrastructure.

We have a long and steep stride to go, but we are happy because we are going to make it this time.

*"OUR TOMORROW LOOKS BRIGHT; OUR FUTURE IS FULL OF GOOD PROSPECTS"*

*"LIFE WILL COME BACK TO THE PEOPLE OF KOU-KAMMA AND WE WANT IT NOW"*

Sincere greetings

Noel O' Connel  
**THE MAYOR**

# CHIEF FINANCE OFFICER'S REPORT

## 2006/2007

4

The financial statements for the financial year was completed within the timeframes stipulated by legislation and can therefore be of assistance to Council. The implementation of the new financial system made it possible that the statements were prepared in time. The assistance of a service provider for the compilation of the statements was necessary due to the fact that statements for the financial years 2002/03, 2003/04, 2004/05 and 2005/06 were audited by the Auditor-General late in the 2006/07 financial year. This and the fact that the Chief Financial Officer and a senior staff member of finance terminated their services placed a massive workload on the staff members of the department.

The following comments on the financial matters of the Municipality are necessary:

### 1 Operating Results

Details of the operating results are included in appendices A to E. The overall operating results for the year ended 30 June 2007 are as follows:

Service	Income 2006	Expenditure 2006	Surplus (Deficit)	Income 2007	Expenditure 2007	Surplus/ (Deficit)
Community Services	13 597 588	16 350 484	(2 752 896)	19 313 994	24 579 680	(5 265 686)
Subsidised Services	90 229	288 472	( 198 242)	184 723	464 600	( 279 877)
Economic Services	6 025 418	4 474 396	1 551 022	7 363 125	6 833 624	529 501
Housing Services	0	233 309	( 233 309)	0	424 785	( 424 785)
Trading Services	5 957 662	4 156 115	1 801 547	7 014 787	6 059 424	955 363
<b>TOTAL</b>	<b>25 670 897</b>	<b>25 502 775</b>	<b>168 122</b>	<b>33 876 629</b>	<b>38 362 113</b>	<b>(4 485 484)</b>

#### 1.1 Rates and General Services

The rates and general account shows a deficit of R723 493 for this year whilst it showed a deficit of R1 400 116 in 2005/2006. This is mainly due to the fact that the equitable share was allocated to various services.

#### 1.2 Housing

The housing activities resulted in a deficit of R424 785 due to the administration of the housing development.

#### 1.3 Trading Services

The electricity account shows a deficit of R36 665 against a deficit of R241 129 the previous year. The water account shows a surplus of R992 028. Attention should be given to the electricity account.

#### 1.4 Accruals for Services

Although accruals for all services have been done, more attention will be given to the monthly accruals and the reconciliation thereof. Water and electricity meters have been read and accounts have been prepared. Accounts have been delivered monthly to the consumers during the year.

## 2 Capital Expenditure and Funding

4.1

The expenditure on fixed assets incurred during the year amounted to R1 534 858. The expenditure capitalised during this period consists of the following:

### COMMUNITY and SUBSIDISED SERVICES

Properties and sundries R20 000

### SUBSIDISED SERVICES

Library Equipment R33 980

### TRADING SERVICES

Electricity R1 430 614

Water R50 264

The expenditure was funded mainly from Grants and Subsidies.

## 3 Cash and Investments

The municipality had a net overdraft balance of R195 984 compared to the favourable balance of R118 236 the previous year. Investments amounting to R157 032 was recorded this financial year compared to R149 472 of the previous year. The net cash value reduced by R306 194.

This is mainly due to the increase in debtors. Although cash and investments have been separated, these accounts are treated the same because direct payments are also made from the investment accounts.

## 4 Debtors

The debtors register reflects the accounts per consumer and was accepted as correct. No additional contribution was made to the bad debts reserve account. The net total debtors amounts to R23 684 792 which is an increase of R4 774 397.

## 5 Funds and Reserves

Most of the funds were not supported by cash. Refer to appendix A for details.

A contribution was made to the Revolving Fund of 7.5% of rates income.

The Dog Tax Ordinance 19 of 1978 requires council to maintain a special account to the control of dogs. This fund is not active and consideration should be given to write the fund off.

Details of the trust funds are reflected in the financial statements.

## 6 External Loans

Council had no external loans.

## 7 Expression of Appreciation

We are grateful to the Mayor, Councillors and staff for the support they have given through the year.

## 8 Post balance sheet events

Refer to note 19 with regard to the contingent liabilities

## 9 Grant and subsidies

Council received grants to the value of R12 928 277 to subsidise certain operating costs

**CHIEF FINANCIAL OFFICER**

31 August 2007

## **ACCOUNTING POLICIES**

1

1.1 These financial statements conform to the standards laid down by the Institute of Municipal Financial Officers in its Report on the Standardisation of Financial Statements of Local Authorities (2<sup>nd</sup> Edition –

The financial statements have been prepared in the new format as set out by the above Institute.

The financial statements are prepared on the historic cost basis. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.

The financial statements are prepared on the accrual basis:

Income is accrued when collectable and measurable. Certain income is accrued when received such as traffic fines and licenses.

Expenditure is accrued in the year it is incurred.

## **CONSOLIDATION**

### **FIXED ASSETS**

Fixed assets are stated at historical cost while they are in existence and fit for use. Certain replaceable assets such as furniture and equipment, water reticulation, sewer reticulation, roads and drainage, vehicles and plant are stated at depreciated value and are written off at the end of the loan repayment period. No revaluation of assets were made during this financial year.

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. By way of this “provision” assets are written down over the loan repayment period.

Apart from advances from the various funds, Assets may also be acquired through:

Appropriation from Income. The full cost of the asset forms an immediate and direct charge against the operating account.

Grants and Subsidies. The amount representing the value of the Grants and Subsidies is credited to the “Loans Redeemed and Other Capital Receipts” account.

All net proceeds from sale of fixed immovable property are credited to the Revolving Fund. Net proceeds from the sale of movable assets are credited to the Operating Account.

Financing

Capital Assets are financed from different sources including external loans, provision and reserves, operating income, grants, subsidies and internal advances. Advances are repaid over the estimated lives of the assets in accordance with the guidelines issued by Province. Advances from the Revolving Fund are repaid on any annuity basis.

Interest Rates: Advances from Revolving Fund  
Advances made are required at market related interest rates.

## **INVESTMENTS**

### **REVOLVING FUND**

### **STOCK**

Stock is reflected at cost.

### **RETIREMENT BENEFITS**

### **TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES**

### **TREATMENT OF SURPLUSES AND DEFICITS**

### **INCOME RECOGNITION**



# KOUKAMMA MUNICIPALITY

## BALANCE SHEET AT 30 JUNE 2007

	Note	2007 R	2006 R
<b>CAPITAL EMPLOYED</b>			
<b>FUNDS AND RESERVES</b>			
		<b>2 310 947</b>	<b>2 107 293</b>
Accumulated funds	1	2 228 845	2 025 191
Reserves	3	82 102	82 102
<b>ACCUMULATED SURPLUS / (DEFICIT)</b>			
		<b>10 574 268</b>	<b>14 749 732</b>
		<b>12 885 215</b>	<b>16 857 025</b>
<b>TRUST FUNDS</b>			
CONSUMER DEPOSITS	2 12	(1 330 548) 104 700	( 261 067) 104 700
		<b>11 659 367</b>	<b>16 700 658</b>
<b>EMPLOYMENT OF CAPITAL</b>			
<b>FIXED ASSETS</b>			
LONG-TERM DEBTORS	4 6	3 693 717 10 697	3 693 717 29 291
		<b>3 704 414</b>	<b>3 723 008</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			
		<b>15 121 622</b>	<b>12 977 650</b>
<b>CURRENT ASSETS</b>			
Debtors	8	23 673 229	18 910 395
Short term portion of long term debtors	6	31 309	46 664
Short term investments	5	157 032	149 472
Cash & Bank		660 777	291 599
<b>CURRENT LIABILITIES</b>			
Provisions	10	1 259 628	1 217 278
Creditors	11	7 284 025	5 029 839
Bank overdraft		857 071	173 363
		<b>18 826 036</b>	<b>16 700 658</b>

7 166 669

MUNICIPAL MANAGER

B Juris

ACTING CHIEF FINANCIAL OFFICER

# KOUKAMMA MUNICIPALITY

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2005/2006 Actual Income R	2005/2006 Actual Expen- diture R	2005/2006 Net Surplus/ (Deficit) R		2006/2007 Actual Income R	2006/2007 Actual Expen- diture R	2006/2007 Net Surplus/ (Deficit) R	2006/2007 Budget Surplus/ (Deficit) R
<b>19 713 235</b>	<b>21 113 352</b>	<b>(1 400 117)</b>	<b>RATE AND GENERAL SERVICES</b>	<b>26 861 842</b>	<b>31 877 904</b>	<b>(5 016 062)</b>	<b>( 723 493)</b>
13 597 588	16 350 484	(2 752 896)	Community services	19 313 994	24 579 680	(5 265 686)	( 893 651)
90 229	288 472	( 198 243)	Subsidised Services	184 723	464 600	( 279 877)	( 574 130)
6 025 418	4 474 396	1 551 022	Economic Services	7 363 125	6 833 624	529 501	744 288
<b>0</b>	<b>233 309</b>	<b>( 233 309)</b>	<b>HOUSING SERVICES</b>	<b>0</b>	<b>424 785</b>	<b>( 424 785)</b>	<b>( 399 764)</b>
<b>5 957 662</b>	<b>4 156 115</b>	<b>1 801 547</b>	<b>TRADING SERVICES</b>	<b>7 014 787</b>	<b>6 059 424</b>	<b>955 363</b>	<b>1 123 257</b>
<b>25 670 897</b>	<b>25 502 776</b>	<b>168 121</b>	<b>TOTAL</b>	<b>33 876 629</b>	<b>38 362 113</b>	<b>(4 485 484)</b>	<b>0</b>
		<b>( 141 002)</b>	Appropriations for the year (Refer to note 16)			<b>310 020</b>	
		<b>27 119</b>	Net surplus/(deficit) for the year			<b>(4 175 464)</b>	
		<b>14 722 611</b>	Accumulated surplus/(deficit) at the beginning of the year			<b>14 749 732</b>	
		<b>14 749 730</b>	<b>ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR</b>			<b>10 574 268</b>	

(Refer to appendices D and E for more detail)

# KOUKAMMA MUNICIPALITY

8

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007

	<b>2007</b>	<b>2006</b>
	R	R
<b>CASH RETAINED FROM OPERATING ACTIVITIES:</b>		
Cash generated by operations	4 098 491	-499 520
Investment income external	-123 298	-139 271
(Increase)/decrease in working capital	-2 508 648	-346 962
External interest paid	0	
Grants and Subsidies	1 534 858	1 925 003
Net Proceeds on disposal of fixed assets		-75 930
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>		
Investment in Fixed Assets	-1 534 858	-2 032 455
<b>NET CASH IN / (OUT) FLOW</b>	<u>1 466 545</u>	<u>-1 169 135</u>
<b>CASH EFFECTS OF FINANCING ACTIVITIES:</b>		
Increase/(decrease) in long term loans	#REF!	
(Increase)/decrease in cash investments	-7 559	168 465
(Increase)/decrease in cash	314 531	1 000 670
<b>Net cash (generated)/utilised</b>	<u>#REF!</u>	<u>1 169 135</u>

# KOUKAMMA MUNICIPALITY

9

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2007 R	2006 R
<b>1. ACCUMULATED FUNDS</b>		
Revolving Fund	2 173 642	1 969 988
Dog Tax	55 203	55 203
	<u>2 228 845</u>	<u>2 025 191</u>

(Refer to appendix A for more detail)

The purpose of the fund is to provide internal finance for projects and/or purchase of equipment.

### 2. TRUST FUNDS

Training	1 815	1 815
Housing	-1 584 649	-645 191
Library	76 549	24 310
IDP	-50 000	0
MSP	125 737	358 000
MIG	6 978 544	0
	<u>5 547 995</u>	<u>-261 066</u>

Refer to appendix A for more detail

These funds have all specific purposes as indicated by the name of the fund. Training fund is for training, Housing fund for the building of houses, Library fund for library equipment, MIG for infrastructure development, IDP for the preparation for a development plan and MSP for professional services to assist the municipality.

### 3. RESERVES

Renewals fund	82 102	82 102
	<u>82 102</u>	<u>82 102</u>

Refer to appendix A for more detail

The purpose of this fund is to replace equipment.

### 4. FIXED ASSETS

Fixed assets at the beginning of the year	43 616 874	41 680 342
Capital expenditure during the year	1 534 858	2 032 455
Less: Assets written off, transferred or disposed of during the year	0	95 923
<b>TOTAL FIXED ASSETS</b>	<u>45 151 732</u>	<u>43 616 874</u>
Less: Loans redeemed and other capital receipts	41 458 015	39 923 157
<b>NET FIXED ASSETS</b>	<u>3 693 717</u>	<u>3 693 717</u>

(Refer to appendix C and section 2 of the Treasurer's Report for more details on Fixed Assets)

All the assets of council are shown at cost and no depreciation is calculated.  
The council did not engaged into any gaurantees whereby the assets of council serve as collateral.

# KOUKAMMA MUNICIPALITY

10

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2007 R	2006 R
<b>5 INVESTMENTS</b>		
Short term deposits	<u>157 032</u>	<u>149 472</u>
Management valuation of unlisted investments	<u>157 032</u>	<u>149 472</u>
Average return on investments	6.00%	5.50%
The Local Authorities Ordinance No 23 of 1935 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. No investments were written off during the year. Investments are valued at cost.		
<b>6 LONG TERM DEBTORS</b>		
Loans	42 006	75 955
Less Short term portion	<u>31 309</u>	<u>46 664</u>
	<u>10 697</u>	<u>29 291</u>
<b>7 STOCK</b>		
The council does not hold any stock items	0	0
<b>8 DEBTORS</b>		
Current debtors (consumer and other)	32 868 060	28 105 226
Debtors and other advance	<u>109 570</u>	<u>109 570</u>
	32 977 630	28 214 796
Less: Provision for Bad Debts	<u>9 304 401</u>	<u>9 304 401</u>
	<u>23 673 229</u>	<u>18 910 395</u>
The council did not write off any debtors during the year. No additional provision has been made due to the fact that the provision is 28% of the total outstanding debtors.		
<b>9 LONG TERM LIABILITIES</b>		
Council has no long term loans		
<b>10 PROVISIONS</b>		
Audit fees	300 000	150 000
Leave reserve	<u>959 628</u>	<u>1 067 278</u>
	<u>1 259 628</u>	<u>1 217 278</u>

# KOUKAMMA MUNICIPALITY

11

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2007 R	2006 R
<b>11 CREDITORS</b>		
Trade creditors	3 575 706	905 283
Insurance claims control	0	163 189
Other creditors	1 157 240	1 982 694
VAT	2 551 079	1 978 673
	<u>7 284 025</u>	<u>5 029 839</u>

Note: VAT due to the Receiver of Revenue based on accruals to be paid when received is included in vat creditors

### 12 Deposits

Trading deposits	104 700	104 700
	<u>104 700</u>	<u>104 700</u>

### 13 ASSESSMENT RATES

	Valuations as at 30-Jun R	Actual income 2006/2007 R	Actual income 2005/2006 R
All Properties	<u>103 700 527</u>	<u>4 374 603</u>	<u>3 504 905</u>

Valuations on land and buildings should be performed every 5 years. Due to the amalgamation of the various local authorities, different rates are still applicable for the areas under the jurisdiction of council. The basic rate for Kareedouw was 8.14c per rand for land and 1.31c per rand for buildings, and for Joubertina 17.29c per rand for land and 3.67c per rand for buildings. The other areas varous from 0.001c per rand to 0.0148c per rand. No reabtes are granted.

### 14 COUNCILLORS' ALLOWANCES

Mayor	366 296	247 231
Councillors	1 304 107	1 220 184
	<u>1 670 403</u>	<u>1 467 415</u>

### 15 AUDITORS' REMUNERATION

Audit fees (Provision for fees)	<u>300 000</u>	<u>150 000</u>
---------------------------------	----------------	----------------

### 16 APPROPRIATIONS

Accumulated surplus (deficit) at the beginning of the year	14 749 732	14 722 611
Operating (deficit)/surplus for the year	(4 485 484)	168 122
Appropriations for the year:		
Prior year adjustments	310 020	( 141 001)
Contribution to Revolving Fund	( 141 282)	
Accumulated surplus (deficit) at the end of the year	<u>10 574 268</u>	<u>14 749 732</u>

# KOUKAMMA MUNICIPALITY

12

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

### 17 Overhead and administrative expenses

Basis of re-allocation of cost was based on the estimated time and cost spent by the department towards another department

### 18 Income recognition

Rates are raised based on three different valuation types accrual annually.

No rebates are granted to owners

The basis of billing is based on the tariffs as per the approved budget and is accrued monthly.

### 19 Capital/Contingent commitments

Claims have been submitted to Council for the cleaning and rehabilitation of the Stormsriver dumpsite. The amount is in the region of R118200.

A claim for a telephone cable that was damaged by one of councils heavy duty equipment . The claims amounts to approximately R12000

A possible claim for the non awarding of tenders for the removal of refuse in Joubertina. The amount is not known.

Cost to defend the court case to review the rezoning of a golf estate.

Cost to defend the court case with regard to the transfer of property in Coldstream.

A section 21 Company, KEDC, needs to be deregistered and could cost in the region of R18000

	<b>2007</b>	<b>2006</b>
	<b>R</b>	<b>R</b>
<b>20 FINANCE TRANSACTIONS</b>		
Total external interest - earned	123 298	123 298
Total external interest - paid	0	0
Capital charges - external	0	0
 <b>21 CASH GENERATED BY OPERATIONS</b>		
(Deficit)/surplus for the year	-4 485 484	168 122
Adjustments in respect of:		
Previous years' operating transactions	1 292 311	1 292 311
Transfer to leave reserve	0	-230 860
Appropriations charged against income:		
- Capital Development Fund		
- Provisions and reserves	0	-1 921 248
- Fixed Assets		
Non operating expenditure	-1 336 300	-8 105 753
Non operating income	8 627 965	8 297 908
	<u>4 098 491</u>	<u>-499 520</u>
 <b>22 (INCREASE)/DECREASE IN WORKING CAPITAL</b>		
(Increase)/Decrease in Stock	0	0
(Increase)/Decrease in Debtors	-4 762 834	-3 101 513
Increase/(Decrease) in Creditors	<u>2 254 185</u>	<u>2 754 550</u>
	<u>-2 508 648</u>	<u>-346 963</u>

# KOUKAMMA MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2007 R	2006 R
<b>24 (INCREASE)DECREASE IN EXTERNAL CASH INVESTMENT</b>		
Net decrease in investments	-7 559	168 465
	<u>-7 559</u>	<u>168 465</u>
<b>25 (INCREASE)/DECREASE IN CASH ON HAND</b>		
Cash balance at the beginning of the year	118 236	1 118 906
Less: Cash balance at the end of the year	-196 294	118 236
	<u>314 531</u>	<u>1 000 670</u>
<b>26 RETIREMENT</b>		
The last actuarial valuations of the Cape Joint Pension and Retirement Funds and the SALA funds indicated the level of funding at 106% and 100% respectively.		



# KOUKAMMA MUNICIPALITY

## APPENDIX A

### ACCUMULATED FUNDS, RESERVES AND PROVISIONS

	Balance at 01-Jul-06	Contributions during year	Interest on Investment	Other Income	Expen/Transfers during year	Balance at 30-Jun-07
	R	R	R	R	R	R
<b>ACCUMULATED FUNDS</b>						
Revolving Fund	1 969 988	141 283	5 608	56 763		2 173 642
Dog Tax	55 203					55 203
	<u>2 025 191</u>	<u>141 283</u>	<u>5 608</u>	<u>56 763</u>	<u>0</u>	<u>2 228 845</u>
<b>TRUST FUNDS</b>						
Training	1 815					1 815
Housing	( 645 191)			1 165 156	2 104 614	(1 584 649)
Library	24 310			86 219	33 980	76 549
IDP	0			50 000		50 000
MSP	358 000			150 000	382 263	125 737
MIG				6 978 544		6 978 544
	<u>( 261 066)</u>	<u>0</u>	<u>0</u>	<u>8 429 919</u>	<u>2 520 857</u>	<u>(1 330 548)</u>
<b>RESERVES</b>						
Renewals fund	82 102					82 102
	<u>82 102</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>82 102</u>
<b>PROVISIONS</b>						
Audit fees	150 000	150 000				300 000
Leave reserve	1 067 278				107 650	959 628
	<u>1 217 278</u>	<u>150 000</u>	<u>0</u>	<u>0</u>	<u>107 650</u>	<u>1 259 628</u>

# KOUKAMMA MUNICIPALITY

15

## APPENDIX B EXTERNAL LOANS

No External Loans

# KOUKAMMA MUNICIPALITY

## APPENDIX C

### ANALYSIS OF FIXED ASSETS

Expenditure 2005/2006		Balance at 2006/07/01	Expenditure 2006/2007	W/Off, Trf, Redeemed or Sold 2006/2007	Balance at 2007/06/30
170 616	<b>RATES AND GENERAL SERVICES</b>	25 942 905	1 484 594	0	27 427 499
170 616	<b>COMMUNITY SERVICES</b>	13 666 434	20 000	0	13 686 434
170 616	Properties and sundries	3 070 620	20 000		3 090 620
	Public Works/Services	9 328 581			9 328 581
	Health	92 900			92 900
	Traffic	1 174 333			1 174 333
0	<b>SUBSIDISED SERVICES</b>	6 409 916	33 980	0	6 443 896
	Buildings	3 022 950			3 022 950
	Library	49 741	33 980		83 721
	Fire Services	5 872			5 872
	Cemetery	120 872			120 872
	Parks, Halls and Recreation	3 210 481			3 210 481
0	<b>ECONOMIC SERVICES</b>	5 866 555	1 430 614	0	7 297 169
	Refuse	21 298			21 298
	Sewerage Services	5 845 257	1 430 614		7 275 871
0	<b>HOUSING SERVICES</b>	6 472 070	0	0	6 472 070
	Sub Economic Housing	6 472 070			6 472 070
1 861 839	<b>TRADING SERVICES</b>	11 201 899	50 264	0	11 252 163
1 859 747	Electricity	3 769 707			3 769 707
2 092	Water	7 432 192	50 264		7 482 456
<u>2 032 455</u>	<b>TOTAL FIXED ASSETS</b>	<u>43 616 874</u>	<u>1 534 858</u>	<u>0</u>	<u>45 151 732</u>
	<b>LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>	39 923 157	1 534 858	0	41 458 015
	Loans Redeemed and Advances Paid	6 347 172			6 347 172
	Contributions ex Operating income	4 228 528	20 000		4 248 528
	Revolving fund	803 009			803 009
	Grants and Subsidies	28 544 448	1 514 858		30 059 306
	<b>NET FIXED ASSETS</b>	<u>3 693 717</u>	<u>0</u>	<u>0</u>	<u>3 693 717</u>

# KOUKAMMA MUNICIPALITY

## APPENDIX D

### ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE PERIOD ENDED 30 JUNE 2007

Actual 2005/2006		Actual 2006/2007	Budget 2006/2007
R		R	R
	<b>INCOME</b>		
	Government and Provincial grants and subsidies	12 928 277	10 293 000
7 903 315	Rates	5 819 604	5 587 837
3 504 905	Electricity	2 835 504	1 712 400
789 146	Water	4 179 283	4 357 705
548 332	Other	8 113 961	16 411 171
12 925 199		33 876 629	38 362 113
<u>25 670 897</u>			
	<b>EXPENDITURE</b>		
12 373 130	Salaries, wages and allowances	14 420 954	12 006 620
8 547 709	General expenses	16 048 968	14 660 548
4 290 742	Repairs and maintenance	5 555 949	5 559 750
	Capital contributions	46 772	1 178 500
17 478	Contributions	2 289 470	3 508 050
25 229 059	<b>Gross expenditure</b>	38 362 113	36 913 468
273 716	Charge outs		
<u>25 502 775</u>	<b>Net expenditure</b>	<u>38 362 113</u>	<u>36 913 468</u>

**KOUKAMMA MUNICIPALITY**

**APPENDIX E**

**DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

2005/2006 Actual Income	2005/2006 Actual Expenditure	2005/2006 Surplus/ (Deficit)		2006/2007 Actual Income	2006/2007 Actual Expenditure	2006/2007 Surplus/ (Deficit)	2006/2007 Budget Surplus/ (Deficit)
R	R	R		R	R	R	R
19 713 235	21 113 352	(1 400 116)	<b>RATE AND GENERAL SERVICES</b>	26 861 842	31 877 904	(5 016 062)	( 723 493)
13 597 588	16 350 484	(2 752 896)	<b>Community Services</b>	19 313 994	24 579 680	(5 265 686)	( 893 651)
20 000	1 056 727	(1 036 727)	General Expenditure of the Council	1 256 350	2 248 952	( 992 602)	(2 308 830)
4 444 903	664 082	3 780 822	Rates	5 819 604	1 543 845	4 275 759	3 768 828
814 345	1 875 567	(1 061 222)	Technical Services	1 927 834	2 014 315	( 86 481)	(1 075 208)
358	3 558 539	(3 558 181)	Managerial Services	201588	7 818 213	(7 616 625)	(3 134 799)
4 114 100	4 580 051	( 465 950)	Financial Services	4 129 918	4 414 791	( 284 873)	2 369 196
4 203 882	4 615 520	( 411 638)	Protection & Traffic Services	5 978 700	6 539 564	( 560 864)	( 512 838)
90 229	288 472	( 198 242)	<b>Susidised Services</b>	184 723	464 600	( 279 877)	( 574 130)
19 394	3 239	16 155	Cemeteries	18 847	9 916	8 931	117 583
427	227 586	( 227 160)	Libraries	31 444	293 996	( 262 552)	( 347 338)
70 409	57 647	0	Fire & Health Services	99 020	6 132	92 888	0
6 025 418	4 474 396	1 551 022	Hall & Recreation	35 412	154 556	( 119 144)	( 344 375)
1 921 776	2 211 005	( 289 229)	<b>Economic Services</b>	7 363 125	6 833 624	529 501	744 288
4 103 642	2 263 391	1 840 251	Refuse Removal Services	1 958 003	2 886 732	( 928 729)	( 275 103)
0	233 309	( 233 309)	Sewerage Services	5 405 122	3 946 892	1 458 230	1 019 391
0	233 309	( 233 309)	<b>HOUSING SERVICES</b>	0	424 785	( 424 785)	( 399 764)
5 957 662	4 156 115	1 801 547	Housing Administration	0	424 785	( 424 785)	( 399 764)
1 259 146	1 500 276	( 241 129)	<b>TRADING SERVICES</b>	7 014 787	6 059 424	955 363	1 123 257
4 698 516	2 655 839	2 042 677	Electricity	2 835 504	2 872 169	( 36 665)	556 956
25 670 897	25 502 775	168 122	Water	4 179 283	3 187 255	992 028	566 301
		( 141 002)	<b>TOTAL</b>	33 876 629	38 362 113	(4 485 484)	0
		27 120	Appropriations for the year (Note 16)			310 020	
		14 722 611	Net Surplus/(Deficit) for the year			(4 175 464)	
		14 749 732	Accumulated Surplus/(Deficit) at the Beginning of the Year			14 749 732	
			<b>ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR</b>			<b>10 574 268</b>	

Notes:  
 Fire Services included under Protection Services  
 Equitable share has been allocated into free basic services

# KOUKAMMA MUNICIPALITY

19

## APPENDIX F

### STATISTICAL INFORMATION

#### 1. GENERAL STATISTICS

1.1	Population	There is approximately 7800 households	
1.2	Property valuations Date of valuation 2000		
	i) Rateable	Value of properties R103m	
	ii) Non-rateable	Value of properties R5.6m	
	iii) Residential		
	iv) Commercial		
1.3	Number of properties		
	i) Residential		
	ii) Commercial		
1.4	Assessment rates	2005/2006 R3.5m	2004/2005 R3.6m
1.5	Assesment rates: (cent in the rand) ??		
1.6	Number of employees	165	175
2	Electricity Statistics  Prepaid	Electricity is supplied partly by council and partly direct by Eskom	
3	Water statistics	Council does not have water purification works and bulk metering is not done, therefore losses can not be determined.	