

AM AHLATHI MUNICIPALITY

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GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE COMMITTEE

Mayor : TC Jonas	<i>Chair of the Executive Committee</i>
Councillor : SL Ntshoza	<i>Chair of the Community Services Committee</i>
Councillor : GB Zuma	<i>Chair of the Community Empowerment and Job Creation Committee</i>
Councillor : KA Mhambi	<i>Chair of the Finance Committee</i>
Councillor : MM Dyani	<i>Chair of the Service Delivery Committee</i>
Councillor : DT Manyika	<i>Chair of the Local Economic Development Committee</i>
Councillor : NP Qwenga	<i>Chair of the Human Resources and Administration Committee</i>

GRADING OF THE LOCAL AUTHORITY

Grade 5

AUDITORS

EXTERNAL - Auditor-General

INTERNAL - Shared function provided by Amathole District Municipality

BANKERS

First National Bank - Stutterheim

REGISTERED OFFICE

<i>Maclean Street</i>	<i>PO Box 2</i>	<i>Telephone : 043 - 6831100</i>
<i>Stutterheim</i>	<i>Stutterheim</i>	<i>Fax: 043 - 6831127</i>
	<i>4930</i>	

MUNICIPAL MANAGER

FM Shoba

CHIEF FINANCIAL OFFICER

GP Hill

MEMBERS OF THE AMAHLATHI MUNICIPALITY

COUNCILLOR/ALDERMAN	Ward
Councillor : GB Zuma	1
Councillor : NE Zozi	2
Councillor : MG Gatya	3
Councillor : NV Mjandana	4
Councillor : LL Dinala	5
Councillor : LXC Nteto	6
Councillor : ZJ Yalezo	7
Councillor : A Hobo	8
Councillor : M Peter	9
Councillor : NR Magwaxaza	10
Councillor : N Jara	11
Councillor : M Skotana	12
Councillor : F Mdutunlwa	13
Councillor : SM Mtsitsi	14
Councillor : B Sobe	15
Councillor : A Mpambani	16
Councillor : E Rala	17
Councillor : B Siko	18
Councillor : MM Ngwendu	19
Councillor : N Mkosana	20
MAYOR : TC Jonas	*
SPEAKER : E Cossie	*
Councillor : DT Manyika	*
Councillor : NP Qwenga	*
Councillor : MM Dyani	*
Councillor : KA Mhambi	*
Councillor : TA Mawisa	*
Councillor : SL Ntshoza	*
Councillor : N Manqina	*
Councillor : TE Nonkewuse	*
Councillor : N Msoki	*
Councillor : MC Mambu	*
Councillor : SW Sorasi	*
Councillor : CV Tete	*
Councillor : SA Mbane	*
Councillor : FP Holani	*
Councillor : PN Mahlali	*
Councillor : LE Matshikwe	*
Councillor : BC Mekuto	*
Councillor : Z Kweleta	*

* *Councillors without wards (Party Rep.)*

MAYOR

Councillor : TC Jonas

MAP OF AMAHLATHI MUNICIPALITY*Not provided***APPROVAL OF THE FINANCIAL STATEMENTS**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 29, in terms of Section 126(1) of the Municipal Finance Mangement Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 16 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

MUNICIPAL MANAGER

FM SHOBA

FOREWORD

It is with greatest pleasure that I am afforded the opportunity to write this foreword on behalf of the Amahlathi Municipality. As a committed peoples' municipality we are proud to produce a well managed and calculated financial report of Amahlathi Municipality.

The vision that this municipality has set for itself is one of being a Developmental Local Government based on the principles of the People Oriented Public Administration which maximises the efficient use of resources. We are addressing the challenges facing us towards a better life for all our people by providing quality services for all.

The relationship between councilors and officials has been fundamental to sound, efficient and effective administration.

We use both internal and external resources to fund our projects. People based budgeting methods have been implemented to a level where we are able to say that the community has really been involved in determining the allocation of resources leaving the council with a responsibility of implementing and monitoring thereof.

I appreciate the work done by all those who are committed to the efficient and effective running of Amahlathi Municipality.

.....
TC Jonas
Mayor - Amahlathi Municipality

TREASURER'S REPORT

1) INTRODUCTION

Appropriate legislation was complied with in order to provide statements for the period ending 30 June 2007. To the best of my knowledge these financial statements fairly present the financial position of the Council as at the above mentioned date and the results of its operations for the year then ended.

Although expenditure was slightly below budget this had no impact on service delivery targets set. The income exceeded the budget by R1 044 827. The resultant operating surplus of R5 265 880 and appropriation (R18 778 461) have resulted in an accumulated surplus of R17 241 353. We were also, within budget, able to expend R9 201 285 on fixed assets.

2) OPERATING RESULTS

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

INCOME	Actual 2006 R	Actual 2007 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/ Budget %
Opening Surplus	25 726 350	30 753 934			
Operating Income for the Year	67 930 041	55 614 524	-18.13%	54 569 697	1.91%
	93 656 391	86 368 458		54 569 697	
EXPENDITURE					
Operating Expenditure	61 159 174	50 348 644	-17.68%	54 569 697	-7.74%
Sundry Transfers	1 743 283	18 778 461			
Closing Surplus	30 753 934	17 241 353	-43.94%		
	93 656 391	86 368 458		54 569 697	

Operating income and expenditure is lower than 2006 because the function of Water and Sanitation was transferred to the Amathole District Municipality with effect from 1 July 2006.

2.1) RATE AND GENERAL SERVICES

	Actual 2006 R	Actual 2007 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/ Budget %
Income	51 403 822	45 806 687	-10.89%	44 824 855	2.19%
Expenditure	46 203 300	40 840 257	-11.61%	44 717 789	-8.67%
<i>(Deficit) / Surplus</i>	5 200 522	4 966 430		107 066	
Surplus (Deficit) as % of Total Income	10.12%	10.84%		0.24%	

Actual income and expenditure for 2007 is lower than 2006 because the function of Sanitation was transferred to the Amathole District Municipality with effect from 1 July 2006.

2.2) HOUSING SERVICES

	Actual 2006 R	Actual 2007 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/ Budget %
Income	62 011	63 040	2%	62 034	1.62%
Expenditure	437 361	553 409	27%	553 181	0.04%
<i>(Deficit) / Surplus</i>	(375 350)	(490 369)	31%	(491 147)	
Surplus (Deficit) as % of Total Income	-605.30%	-777.87%			

Actual expenditure for 2007 is higher than 2006 due to a vacancy within the department during the previous year.

2.3) TRADING SERVICES : ELECTRICITY

	Actual 2006 R	Actual 2007 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/ Budget %
Income	9 444 223	9 744 797	3%	9 682 808	0.64%
Expenditure	8 470 315	8 954 978	6%	9 298 727	-3.70%
<i>(Deficit) / Surplus</i>	973 908	789 819	-19%	384 081	105.64%
Surplus (Deficit) as % of Total Income	10.31%	8.11%		3.97%	

The increase in income and expenditure is due to inflationary increases in tariffs and costs.

2.4) TRADING SERVICES : WATER

	Actual 2006 R	Actual 2007 R	Variance 2006/2007 %	Budget 2007 R	Variance Actual/ Budget %
Income	7 019 985	-	-100%	-	-100%
Expenditure	6 048 198	-	-100%	-	-100%
<i>(Deficit) / Surplus</i>	971 787	-	-100%	-	-100%
Surplus (Deficit) as % of Total Income	13.84%				

The function of Water was transferred to the Amathole District Municipality with effect from 1 July 2006.

3) CAPITAL EXPENDITURE AND FINANCING

	Actual 2006/2007		Budget 2006/2007	Actual 2005/2006
CAPITAL EXPENDITURE				
Rate and General Services	7 954 171		4 798 914	4 532 202
Water Service	-		-	216 831
Electricity Service	1 247 114		506 009	513 957
	9 201 285		5 304 923	5 262 990
FINANCING OF THE FIXED ASSETS				
Revolving Fund	3 247 840		5 062 800	4 550 657
Contributions from Operating Income	148 191		242 123	66 998
Grants and Subsidies	5 805 254			645 335
External Loans				
	9 201 285		5 304 923	5 262 990

A complete analysis of capital expenditure (budgeted and actual) per department, classification or service is included in appendix C. More details regarding external loans and internal advances used to finance fixed assets are shown in appendix B.

4) EXTERNAL LOANS, INVESTMENTS AND CASH

External Loans outstanding on 30 June 2007 amounted to R 1 239 611 as set out in appendix B. No new loans were taken up during the year. Loans totaling R 152 393 were repaid and R 121 044 were transferred to the Amathole District Municipality. Investments and cash on hand amounted to R 26 925 627 on 30 June 2007.

More information regarding loans and investments is disclosed in notes 4 and 7 and appendix B to the financial statements.

5) FUNDS AND RESERVES

The Revolving Fund has increased by R 3 057 812 to R 22 807 618. Advances amounting to R 3 247 840 have been granted to borrowing services while R 3 519 444 has been repaid. The total advances to borrowing services amounted to R 12 919 948 as at 30 June 2007.

More information regarding funds and reserves is disclosed in notes 1 to 3, 12 and appendix A to F of

the financial statements.

6) POST BALANCE SHEET EVENTS

I am unaware of any material post balance sheet event that will affect the financial position of the municipality.

EXPRESSION OF APPRECIATION

I am grateful to the Mayor, Councilor's, the Municipal Manager and Heads of Departments for their support during the past year. A special word of thanks to the staff of the Budget and Treasury Office for their support and loyalty.

GP Hill (LIMFO)
TOWN TREASURER

DATE :.....

BALANCE SHEET AS AT 30 JUNE 2007

	Notes	2006/2007 R	2005/2006 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES			
		23 997 954	20 899 781
Accumulated Funds	1	23 638 044	20 576 926
Reserves	3	359 910	322 855
(ACCUMULATED DEFICIT)/RETAINED SURPLUS	20	17 241 353	30 753 934
		41 239 307	51 653 715
TRUST FUNDS			
	2	7 458 037	4 727 817
LONG-TERM LIABILITIES			
	4	1 082 614	1 353 326
CONSUMER DEPOSITS : SERVICES			
	5	305 411	530 285
		50 085 369	58 265 143
EMPLOYMENT OF CAPITAL			
FIXED ASSETS			
	6	12 243 174	14 178 860
INVESTMENTS			
	7	26 632 311	20 501 975
LONG-TERM DEBTORS			
	9	2 220 572	1 069 415
		41 096 057	35 750 250
NET CURRENT ASSETS/LIABILITIES			
		8 989 312	22 514 893
CURRENT ASSETS			
		16 713 385	32 066 838
Stock	10	201 153	203 727
Debtors	11	13 410 424	27 643 877
Cash		4 816	4 816
Bank		2 653 118	3 655 598
Short-term investments	7	288 500	263 236
Short-term portion of Long-term Debtors	9	155 374	295 584
CURRENT LIABILITIES			
		7 724 073	9 551 945
Provisions	12	1 292 530	2 067 720
Creditors	13	6 274 546	7 324 503
Short-term portion of Long-term Liabilities	4	156 997	159 722
		50 085 369	58 265 143

FM SHOBA
MUNICIPAL MANAGER

DATE :

CERTIFIED AS CORRECT
GP HILL
CHIEF FINANCIAL OFFICER

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

2005/2006 Actual Income	2005/2006 Actual Expenditure	2005/2006 Actual Surplus/ (Deficit)		2006/2007 Actual Income	2006/2007 Actual Expenditure	2006/2007 Actual Surplus/ (Deficit)	2006/2007 Budgeted Surplus/ (Deficit)
R	R	R		R	R	R	R
51 403 822	46 203 300	5 200 522	RATE AND GENERAL SERVICES	45 806 687	40 840 257	4 966 430	107 066
43 882 755	36 994 957	6 887 798	<i>Community Services</i>	42 095 962	34 460 226	7 635 736	3 005 311
307 596	3 492 631	(3 185 035)	<i>Subsidised Services</i>	188 682	3 631 512	(3 442 830)	(3 667 065)
7 213 471	5 715 712	1 497 759	<i>Economic Services</i>	3 522 043	2 748 519	773 524	768 820
62 011	437 361	(375 350)	HOUSING SERVICE	63 040	553 409	(490 369)	(491 147)
16 464 208	14 518 513	1 945 695	TRADING SERVICES	9 744 797	8 954 978	789 819	384 081
67 930 041	61 159 174	6 770 867	TOTAL	55 614 524	50 348 644	5 265 880	-
		(1 743 283)	Appropriation for this Year (Refer working papers)			(18 778 461)	
		5 027 584	Net Surplus/(deficit) for the Year			(13 512 581)	
		25 726 350	Accumulated Surplus/(Deficit) beginning of the year			30 753 934	
		30 753 934	ACCUMULATED SURPLUS/ (DEFICIT) END OF THE YEAR			17 241 353	

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

		2007	2006
		R	R
CASH RETAINED FROM OPERATING ACTIVITIES		(4 848 010)	13 462 535
	Cash generated by operations	21 (20 397 941)	5 962 696
	Investment income	22 2 326 744	1 491 586
	(Increase)/decrease in working capital	23 14 574 346	3 619 855
		(3 496 851)	11 074 137
	<u>Less</u> : External Interest Paid	(211 731)	(254 189)
	Cash available from operations	(3 708 582)	10 819 948
	Cash contributions from the public and the state	(1 139 428)	2 642 587
	Net proceeds on disposal of fixed assets	-	
CASH UTILISED IN INVESTING ACTIVITIES		10 274 567	(5 204 180)
	Investments in Fixed assets	10 274 567	(5 204 180)
NET CASH FLOW		5 426 557	8 258 355
Cash effects of financing activities			
	(Decrease)/increase in long-term borrowings	24 (273 437)	(120 791)
	Decrease/(increase) in cash on hand	25 1 002 480	(9 142 553)
	Decrease/(increase) in cash investments	26 (6 155 600)	1 004 989
		(5 426 557)	(8 258 355)

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 Finance Officers in its Code of Practice for Local Government Accounting (2nd edition 1996) and the Published Annual Financial Statements (2nd edition 1996).
- 1.2 The Financial Statements are prepared on the Historical Cost Basis, adjusted for fixed assets as more fully detailed in note 3.
The Accounting Policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The Financial Statements are prepared on the accrual basis :
- Income is accrued when collectable and measurable. Certain direct income is recognised when received, such as Traffic Fines and certain Licenses.
 - Expenditure is accrued in the year it is incurred.

2) CONSOLIDATION

The Balance Sheet includes Rate and General Services, Housing Service, 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
 - at valuation (based on market price at date of acquisition), where assets have been acquired by Grant or Donation.
- while they are in existence and fit for use.
- 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. 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
 - grants and donations, 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 assets are credited to the Revolving Fund.
- 3.4 Capital Assets are financed from different sources, including external loans, operating income and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time the advance is made.

4) STOCK

Stock is reflected in the Balance Sheet at the weighted average cost.

5) FUNDS AND RESERVES**5.1 *Revolving Fund***

The Revolving Fund Ordinance No. 20 of 1974 requires a minimum contribution of seven and a half percent of the product of assessment rates in respect of the Financial Year immediately preceding the Financial Year for which such contribution is required to be made.

5.2 *Dog Tax Fund*

The Dog Tax Ordinance No.19 of 1978 section 4(1) determines that all the dog tax received be credited to this account.

5.3 *Community Facilities Fund*

Contributions to this Fund are made in accordance with the policy of the Department of Housing and is utilized according to their instruction.

5.4 *RESERVES*

Reserve Funds are utilized for purposes unknown and which may occur in the future and contributions are made from the operating account.

5.5 *PROVISIONS*

Provisions are utilized for the specific purposes and contributions are made from the operating account.

5.6 *TRUST FUNDS*

Funds are paid to the Council for specific purposes and consists of Grants and Subsidies from the public or higher Authorities.

6) RETIREMENT BENEFITS

The employees of the Amahlathi Municipality contribute to the Cape Joint Pension Fund, the South African Local Authorities Pension Fund, the Cape Joint Retirement Fund and the SAMWU Provident Fund.

Current contributions are charged against the operating account at the rate of a fixed percentage of the basic salary paid to employees.

7) SURPLUSES AND DEFICITS

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

8) TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

Administration charges are allocated to each department.
Interdepartmental users are charged at actual cost and debited to each user department.

9) 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/46/1994 issued by the Provincial Administration, Community Services Branch.

10) INCOME RECOGNITION

10.1 Electricity and Water Billing

All electricity meters are read and invoiced on a monthly basis. If a reading cannot be obtained an estimated reading, based on the average consumption is made.
Income is recognised on the date when invoicing is done.

10.2 Assessment Rates

Assessment Rates are levied at the same tariff for the land and improvements. Rebates are granted according to Council's Policy. Income is recognized when the annual and monthly levies are done.

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	2006/2007	2005/2006
22) Investment income :		
- Interest received on external investments	2 303 041	1 440 997
- Interest on loans to sporting bodies, etc	-	1 969
- Interest received on car loans	23 703	48 620
AMOUNT TO CASHFLOW STATEMENT	2 326 744	1 491 586
23) (Increase)/Decrease in working capital		
Increase/(Decrease) in Stores	(2 574)	(47 392)
Increase/(Decrease) in Debtors	(15 846 603)	(1 355 054)
(Increase)/Decrease in Creditors	1 049 957	(2 217 409)
(Increase)/Decrease in Deposits	224 874	-
AMOUNT TO CASHFLOW STATEMENT	(14 574 346)	(3 619 855)
24) (Decrease)/Increase in Long term loans (external)		
- Loans raised	-	-
- Loans repaid	(273 437)	(120 791)
AMOUNT TO CASHFLOW STATEMENT	(273 437)	(120 791)
25) Decrease/(Increase) in cash on hand		
- Cash Balance: beginning of the year	3 660 414	(5 482 139)
- Less: Cash Balance: end of the year	2 657 934	3 660 414
AMOUNT TO CASHFLOW STATEMENT	1 002 480	(9 142 553)
26) Decrease/(increase) in cash investments comprises :		
- Investments realised	(6 155 600)	1 004 989
AMOUNT TO CASHFLOW STATEMENT	(6 155 600)	1 004 989
27) Capital Commitments		
No known capital commitments at 30 June 2007		
28) Revolving Fund		
Outstanding Advances to Borrowing Services		
Accumulated funds	22 807 618	19 749 806
Less:	9 887 670	6 558 254
Temporary Advances	(18 897 028)	(15 046 218)
Debtors	1 863 886	839 261
External Investments	26 920 812	20 765 211
<i>(refer to appendix A and B for more detail)</i>	12 919 948	13 191 552

STATUTORY FUNDS, TRUST FUNDS, PROVISIONS AND RESERVES

	Balance at 2006-06-30	Contributions during the Year	Interest on Investments	Other Income	Expenditure during the Year
ACCUMULATED FUNDS					
Revolving Fund	19 749 806	306 920	2 749 799	1 093	
Community Facilities	42 158		2 156		
Dog Tax Fund	22 492		1 150		
Kati-Kati Accumulated Funds	762 470				
Total	20 576 926	306 920	2 753 105	1 093	-
RESERVES					
Repairs and Maintenance	193 008	10 000	10 143		
Repairs and Maintenance (Electricity)	-				
Repairs and Maintenance (Quarry)	129 847	10 000	6 912		
Total	322 855	20 000	17 055	-	-
TRUST FUNDS					
Integrated Development Plan	(17 970)		7	175 554	158 392
Revolving Job Creation	124 597				
Transitional Grant	401 952		20 557		
Survey of Mlungisi	24 572		1 257		
Zoning Scheme - Stutterheim	24 900		1 273		
Survey of Kologha	117 741		6 022		
Planning of Kologha	9 164		469		
Land Survey - Ndakana	16 262		832		
Town Planning - Ndakana	26 059		1 333		
Management Support Programme	912 560		45 736		15 725
Sub-Division of Farms - Sandile	7 141		365		
Performance Management System			628	50 000	
Development Fund - Rural	1 243		180	6 210	
Survey of Stanhope	85 083		4 352		
Survey of Freshwater	7 372		377		
Heckel Disaster Fund	14 202		726		
Spatial Development Framework	126 807		6 702	17 246	
Mgwali Cultural Heritage	2 543		130		2 673
Finance Management Programme	912 876		46 427	500 000	215 002
Staff Training	184 908		11 751	163 894	79 116
Survey/Plan Upper Zeleni	134 143		6 860		
Drought Relief	189 074				63 750
Craft Centre - Training	14 468		740		
Survey of Mxhalanga	372 300		15 416		110 916
Survey of Tembeni	314 146		11 831		110 916
Survey of Ndakana - Phase 2	43 925		2 246		
Survey of Cwengcwe	372 718		15 438		110 916
Quizini Agricultural Project	305 031		15 600		
Establish Ward Committees			1 353	40 000	10 481
Vuna Awards			1 670	200 000	
Kologha Electrification			36 872	2 200 000	1 947
Total	4 727 816	-	257 150	3 352 904	879 834

STATUTORY FUNDS, TRUST FUNDS, PROVISIONS AND RESERVES

	Balance at 2006-06-30	Contributions during the Year	Interest on Investments	Other Income	Expenditure during the Year
PROVISIONS					
Provision for Bad Debts	17 234 593	360 000			2 984 097
Provision for Audit Fees	35 247	320 000			760 060
Valuation Expenses	(29 550)			29 550	
Essential Services	10 393		531		
Sporting Facilities	18 347		166		
Leave Gratuity	1 868 349	79 900			445 655
Tourism	7 360		378		
TRC Equitable Share	157 574				
	19 302 313	759 900	1 075	29 550	4 189 812



Balance at 2007-06-30
22 807 618
44 314
23 642
762 470
23 638 044
213 151
-
146 759
359 910
(801)
124 597
422 509
25 829
26 173
123 763
9 633
17 094
27 392
942 571
7 506
50 628
7 633
89 435
7 749
14 928
150 755
-
1 244 301
281 437
141 003
125 324
15 208
276 800
215 061
46 171
277 240
320 631
30 872
201 670
2 234 925
7 458 037



Balance at 2007-06-30
14 610 496
(404 813)
-
10 924
18 513
1 502 594
7 738
157 574
15 903 026
47 359 017

Appendix B

EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	Balance 2006-06-30	Received during the Year	Redeemed, written off during the Year	Balance 2007-06-30
Local Authorities Loan Fund	1 505 120		265 509	1 239 611
PDC	7 928		7 928	-
	1 513 048	-	273 437	1 239 611

INTERNAL ADVANCES TO BORROWING SERVICES	Balance 2006-06-30	Received during the Year	Redeemed, written off during the Year	Balance 2007-06-30
Revolving Fund	13 191 552	3 247 840	3 519 444	12 919 948
	13 191 552	3 247 840	3 519 444	12 919 948

Revolving fund includes internal advances taken over by ADM as follows

Water Loans	216 564.41
Sewer Loans	1 187 757.35
	<u>1 404 321.76</u>

ANALYSIS OF FIXED ASSETS

Expended 2006	SERVICE	Budget 2007	Balance at 2006-06-30	Expended 2007	Written off, transferred, redeemed or disposed of during the Year	Balance at 2007-06-30
R		R	R	R	R	R
4 532 202	RATE AND GENERAL SERVICES	4 110 500	66 831 000	7 954 171	3 483 424	71 301 747
191 389	Housing - Survey of sites		3 741 430			3 741 430
609	Public Health	189 000	1 106 672			1 106 672
3 729	Refuse Removal		1 715 694	882 738		2 598 432
614 288	Cemetery		735 024	272 057		1 007 081
91 098	Sewerage Disposal	600 000	3 223 107		3 223 107	-
	Commonage	80 000	712 907	69 617		782 524
	Housing		5 415	2 078		7 493
2 276 394	Public Works	2 320 000	17 597 614	5 663 825		23 261 439
446 102	Town Hall and Buildings	100 000	5 806 040	222 701		6 028 741
73 183	Town Treasurer	100 000	2 102 931	25 461		2 128 392
464 515	LED/SPU	500 000	464 515	13 376		477 891
	Council's General		120 702	515 379		636 081
29 972	Library	50 000	227 295			227 295
109 761	Traffic	121 500	3 079 740	87 069		3 166 809
200 515	Parks and Gardens	50 000	2 770 591	84 075		2 854 666
	Fire		1 717 256	7 684		1 724 940
1 499	Environmental Health		87 018			87 018
808	Executive Services		299 101			299 101
19 623	Town Engineer - Administration		56 652	9 649		66 301
1 841	Health and Social Services		161 496	33 285		194 781
6 876	Human Resources		33 049	26 666		59 715
	Administration		129 587	38 511		168 098
	Land		65 306			65 306
	Buildings		495 730			495 730
	General Improvements		293 461			293 461
	Streets and Drains		221 171			221 171
	Office Equipment		61 711			61 711
	Tools and Equipment		165 184			165 184
	Vehicles		224 396			224 396
	Library		82 620			82 620
	Swimming Bath		18 799			18 799
	Street Tarring Scheme		2 139			2 139
	Trout Hatchery		37 032			37 032
	Daliwe Upgrading		2 745 836			2 745 836
	Sewerage Works		260 317		260 317	-
	Property and Permanent Works		15 104 575			15 104 575
	Computers		5 219			5 219
	Services		1 153 668			1 153 668
-	HOUSING SERVICE	-	5 305 683	-	-	5 305 683
	Amatolaville 58 Houses & Survey		2 151 628			2 151 628
	Self Help 1 (40 Houses)		559 498			559 498
	Self Help 2 (40 Houses)		550 234			550 234
	Cumukala		1 678 971			1 678 971
	Housing Scheme (Cathcart)		1 197			1 197
	Self Help Scheme (Cathcart)		281 294			281 294
	Housing (Kei Road)		82 861			82 861
730 788	TRADING SERVICES	636 000	24 009 617	1 247 114	16 006 106	9 250 625
513 957	Electricity	486 000	8 003 511	1 247 114		9 250 625
216 831	Water	150 000	15 993 765		15 993 765	-
	Plant and Stock		12 341		12 341	-
5 262 990	TOTAL FIXED ASSETS	4 746 500	96 146 300	9 201 285	19 489 530	85 858 055
	LESS : LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		81 441 702	9 154 956	17 493 837	73 102 821
	Loans Redeemed		39 062 007	3 201 511	5 029 091	37 234 427
	Contributions from Current Income		13 146 435	148 191	2 136 517	11 158 109
	Capital Debtors		-			-
	Grants and Subsidies		29 233 260	5 805 254	10 328 229	24 710 285
	NET FIXED ASSETS		14 704 598	46 329	1 995 693	12 755 234
	<i>Amount transferred to Long-Term Debtors</i>					(512 060)

		<u>14 704 598</u>		<u>12 243 174</u>
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Appendix D

**ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2007**

<i>Actual '2006</i>		<i>Actual '2007</i>	<i>Budget '2007</i>
R		R	R
67 930 040	INCOME	55 614 524	54 569 697
26 207 104	- <i>Government and Provincial Grants and Subsidies</i>	30 270 336	31 363 681
4 092 264	- <i>Income from Assessment Rates</i>	5 237 833	4 527 259
37 630 672	- <i>Income from Tariffs, Services Charges etc.</i>	20 106 355	18 678 757
64 481 586	GROSS EXPENDITURE	52 847 397	57 037 901
26 930 817	- <i>Salaries, Wages and Allowances</i>	28 939 567	30 652 301
29 429 206	- <i>General Expenses</i>	16 941 851	18 427 458
3 247 175	- <i>Repairs and Maintenance</i>	1 871 070	2 780 685
3 686 122	- <i>Capital Charges</i>	3 835 468	3 864 516
137 066	- <i>Contribution to Fixed Assets</i>	172 621	242 123
1 051 200	- <i>Contributions</i>	1 086 820	1 070 818
3 322 412	- LESS : <i>Amounts charged out</i>	2 498 753	2 468 204
61 159 174	NET EXPENDITURE	50 348 644	54 569 697

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2005/2006	2005/2006	2005/2006		2006/2007	2006/2007	2006/2007	2006/2007
Actual Income	Actual Expenditure	Actual Surplus/ (Deficit)		Actual Income	Actual Expenditure	Actual Surplus/ (Deficit)	Budgeted Surplus/ (Deficit)
R	R	R		R	R	R	R
51 403 822	46 203 300	5 200 522	RATE AND GENERAL SERVICES	45 806 687	40 840 257	4 966 430	107 066
43 882 755	36 994 957	6 887 798	Community Services	42 095 962	34 460 226	7 635 736	3 005 311
4 092 264		4 092 264	Assessment Rates	5 237 833		5 237 833	4 527 259
2 037 547	2 130 632	(93 085)	Health Services	1 856 671	2 262 249	(405 578)	(595 123)
72 550	113 356	(40 806)	Cemetery	68 660	86 592	(17 932)	(178 208)
1 867 610	7 162 189	(5 294 579)	Public Works	1 577 035	6 966 919	(5 389 884)	(6 104 163)
76 426	564 726	(488 300)	Town Hall and Mun. Buildings	80 145	512 221	(432 076)	(409 452)
82 696	861 324	(778 628)	Town Treasurer	67 706	1 634 215	(1 566 509)	(2 197 337)
27 619 245	11 021 091	16 598 154	Council General	30 844 093	12 412 291	18 431 802	17 293 069
1 086 971	1 805 933	(718 962)	Traffic Services	1 503 238	2 085 959	(582 721)	(885 453)
	870 463	(870 463)	Management Services		1 344 297	(1 344 297)	(1 533 276)
881 751	603 141	278 610	Environmental Health	860 581	644 463	216 118	234 729
	1 143 573	(1 143 573)	Town Engineer - Administration		1 217 011	(1 217 011)	(1 217 366)
811 225	895 871	(84 646)	Stutterheim Rural Water		-	-	-
152 497	96 539	55 958	Cathcart Rural Water		-	-	-
5 101 973	4 814 999	286 974	Keiskammahoek Rural Water		-	-	-
	964 825	(964 825)	Health and Social Services		1 046 190	(1 046 190)	(1 085 102)
	1 277 371	(1 277 371)	Human Resources		1 146 815	(1 146 815)	(1 216 058)
	1 341 534	(1 341 534)	Administration		1 410 366	(1 410 366)	(1 537 640)
	539 023	(539 023)	Protection Services - Administration		484 535	(484 535)	(624 445)
	788 367	(788 367)	LED/SPU		1 206 103	(1 206 103)	(1 466 123)
307 596	3 492 631	(3 185 035)	Subsidised Services	188 682	3 631 512	(3 442 830)	(3 667 065)
20 855	434 394	(413 539)	Fire Services	9 027	388 821	(379 794)	(513 952)
16 085	1 126 734	(1 110 649)	Library	17 289	1 263 476	(1 246 187)	(1 237 981)
8 189	1 376 836	(1 368 647)	Parks and Gardens	720	1 417 249	(1 416 529)	(1 500 243)
262 467	535 382	(272 915)	Commonage	161 646	541 345	(379 699)	(384 774)
	19 285	(19 285)	Museum		20 621	(20 621)	(30 115)
7 213 471	5 715 712	1 497 759	Economic Services	3 522 043	2 748 519	773 524	768 820
3 317 377	2 709 915	607 462	Refuse	3 522 043	2 748 519	773 524	768 820
3 896 094	3 005 797	890 297	Sewage			-	-
62 011	437 361	(375 350)	HOUSING SERVICE	63 040	553 409	(490 369)	(491 147)
62 011	437 361	(375 350)	Housing	63 040	553 409	(490 369)	(491 147)
16 464 208	14 518 513	1 945 695	TRADING SERVICES	9 744 797	8 954 978	789 819	384 081
9 444 223	8 470 315	973 908	Electricity	9 744 797	8 954 978	789 819	384 081
7 019 985	6 048 198	971 787	Water			-	-
67 930 041	61 159 174	6 770 867	TOTAL	55 614 524	50 348 644	5 265 880	-
		(1 743 283)	Appropriation for this Year			(18 778 461)	
		5 027 584	Net Surplus/(deficit) for the Year			(13 512 581)	
		25 726 350	Accumulated Surplus/(Deficit) beginning of the year			30 753 934	
		30 753 934	ACCUMULATED SURPLUS/ (DEFICIT) END OF THE YEAR			17 241 353	

STATISTICAL INFORMATION

1) GENERAL STATISTICS	2006/2007	2005/2006
<i>Population</i>	142 525	142 525
<i>Registered Voters</i>	76 000	76 000
<i>Area Ha</i>	25 532	25 532
<i>Valuation of Rateable Property (R million)</i>	485	446
<i>Valuation of Non Rateable Property (R million)</i>	74	70
<i>Valuation Date</i>	2 004	2 004
<i>Assessment Rates - Basic per Rand</i>	1.89	1.78
<i>Rebate - Residential</i>	Various	Various
<i>Rebate - Pensioners</i>	Various	Various
<i>Number of employees of the Local Authority</i>	235	205
 2) CLEANSING		
 <i>Km Travelled</i>	26 500	28 350
<i>Refuse Removed (Cubic metre)</i>	48 560	51 840
<i>Cost per Cubic metre removed</i>	56.60	52.27
<i>Income per Cubic metre removed</i>	72.53	63.99
 3) ELECTRICITY		
 <i>Units (Kwh) purchased ('000)</i>	22 338	22 012
<i>Cost per unit bought</i>	0.24	0.21
<i>Units (Kwh) sold ('000)</i>	15 979	18 212
<i>Units (Kwh) lost in distribution</i>	6 359	3 800
<i>Units (Kwh) lost in distribution as a percentage</i>	28%	17%
<i>Cost per unit sold</i>	0.56	0.47
<i>Income per unit sold</i>	0.57	0.49