

BUFFALO CITY MUNICIPALITY

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BUFFALO CITY MUNICIPALITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007	Note	2007	2006
R	R		R	R
NET ASSETS AND LIABILITIES				
1 061 575 695	1 457 181 939		1 457 599 167	1 062 139 196
6 850 830	7 360 372	1	7 360 372	6 850 830
15 710 413	38 029 758	2	38 029 758	15 710 413
21 269 882	21 667 079	2	21 667 079	21 269 882
206 747 434	189 258 468	2	189 258 468	206 747 434
810 997 136	1 200 866 262		1 201 283 490	811 560 637
402 403 255	599 331 975		599 331 975	402 403 255
402 403 255	479 914 507	3	479 914 507	402 403 255
-	119 417 468	4	119 417 468	-
408 568 173	501 808 852		502 815 163	411 093 650
22 254 393	23 218 144	5	23 218 144	22 254 393
566 057	1 489 480	6	1 547 026	566 057
175 688 311	196 459 966	7	196 740 901	175 893 073
193 130 040	242 868 365	8	243 464 402	195 383 838
-	-	7a	71 793	66 917
16 929 372	37 772 897	3	37 772 897	16 929 372
1 872 547 123	2 558 322 766		2 559 746 304	1 875 636 101
ASSETS				
1 029 833 919	1 566 058 252		1 566 264 957	1 030 033 899
1 009 073 333	1 520 126 859	10	1 520 318 793	1 009 273 313
3 805 257	6 302 574	10	6 302 574	3 805 257
-	974 150	10	974 150	-
10 693 315	31 737 148	11	31 737 148	10 693 315
5 172 373	6 488 079	11	6 488 079	5 172 373
-	-	7b	14 771	-
1 089 641	429 442	12	429 442	1 089 641
842 713 204	992 264 514		993 481 347	845 602 202
17 163 895	24 799 327	13	24 799 327	17 163 895
296 411 073	304 001 888	14	304 001 888	296 411 073
17 164 949	14 430 279	15	14 430 514	17 167 756
21 976 213	17 412 465	9	17 481 045	22 083 518
945 103	584 004	12	584 004	945 103
436 361 055	397 131 677	11	398 255 461	439 076 809
2 485 665	1 342 399		1 342 420	2 485 852
50 205 251	232 562 475	16	232 586 688	50 268 196
1 872 547 123	2 558 322 766		2 559 746 304	1 875 636 101
Total Assets				

BUFFALO CITY MUNICIPALITY
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
		REVENUE		
271 161 157	293 684 994	Property Rates	293 684 994	271 161 157
204 917	217 391	Property Rates/Penalties Imposed	217 391	204 917
756 404 853	796 765 226	Service Charges	796 748 895	756 398 603
9 649 462	9 172 605	Rental of Facilities and Equipment	9 172 605	9 649 462
43 232 051	38 397 035	Interest Earned - External Investments	38 539 372	43 281 158
21 170 524	28 336 714	Interest Earned - Outstanding Debtors	28 336 714	21 170 524
163 327	-	Dividends Received	-	163 327
9 183 556	7 614 002	Fines	7 614 002	9 183 556
8 679 557	9 190 730	Licences and Permits	9 190 730	8 679 557
206 491 677	236 071 361	Government Grants and Subsidies	236 071 361	207 236 867
72 598 647	76 929 451	Other Income	77 000 488	72 601 752
57 243 243	114 015 429	Operating Project Grants	115 673 190	57 243 243
133 505 855	113 392 146	Government Grants - Property, Plant & Equipment	113 392 146	133 505 854
8 092 821	13 837 653	Donations & Public Contributions - Property, Plant & Equipment	13 837 653	8 092 821
7 280 644	5 204 437	Gains on Disposal of Property, Plant and Equipment	5 204 437	7 280 645
1 605 062 291	1 742 829 174	Total Revenue	1 744 683 978	1 605 853 443
		EXPENDITURE		
462 044 162	513 010 130	Employee Related Costs	514 182 464	462 934 198
13 390 148	16 946 659	Remuneration of Councillors	17 003 259	13 464 248
52 405 457	63 183 457	Bad Debts	63 183 457	52 405 457
6 279 592	7 600 279	Collection Costs	7 600 279	6 279 592
70 833 674	100 396 246	Depreciation	100 458 245	70 867 534
71 473 689	84 025 171	Repairs and Maintenance	84 025 866	71 477 806
56 227 230	46 288 916	Interest Paid	46 288 916	56 232 102
289 517 973	319 878 510	Bulk Purchases	319 878 510	289 517 973
4 327 936	11 063 294	Contracted Services	11 063 294	4 327 936
4 494 997	3 499 079	Grants and Subsidies Paid	3 499 079	4 065 172
370 265 451	457 549 110	General Expenses - Other	458 169 561	369 907 655
-	246 943	Loss on disposal of Property, Plant and Equipment	249 365	-
1 401 260 309	1 623 687 794	Total Expenditure	1 625 602 295	1 401 479 673
203 801 982	119 141 380	SURPLUS	119 081 683	204 373 770
-	-	Taxation	86 576	47 153
203 801 982	119 141 380	SURPLUS AFTER TAXATION	118 995 107	204 326 617
203 801 982	119 141 380	SURPLUS ATTRIBUTABLE TO BCM MUNICIPALITY	118 995 107	204 326 617
1 418 115	1 315 706	Share of surplus of associate accounted for under the equity method	1 315 706	1 418 115
205 220 097	120 457 086	SURPLUS FOR THE YEAR	120 310 813	205 744 732

BUFFALO CITY MUNICIPALITY
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007 - MUNICIPALITY

	<u>COID Fund</u>	<u>Capital Replacement Reserve</u>	<u>Capitalisation Reserve</u>	<u>Government Grant Reserve</u>	<u>Donations and Public Contributions</u>	<u>Self-Insurance Reserve</u>	<u>Revaluation Reserve</u>	<u>Accumulated Surplus</u>	<u>Total</u>
	R	R	R	R	R	R	R	R	R
2006									
Balance at 01 July 2005	5 979 312	9 288	69 070 999	235 728 500	74 994 102	17 783 069	192 063 916	190 749 695	786 378 881
Correction of Error (Note 36)	-	-	-	(1 784 322)	4 461 414	-	-	(1 652 308)	1 024 784
Reserves correction of error	-	-	(69 070 999)	(233 944 178)	(79 455 516)	-	-	382 470 693	-
Restated Balance	5 979 312	9 288	-	-	-	17 783 069	192 063 916	571 568 080	787 403 665
Surplus for the year	-	-	-	-	-	-	-	205 220 097	205 220 097
Transfer to CRR	-	62 031 475	-	-	-	-	-	(62 031 475)	-
Transfer to Revaluation Reserve	-	-	-	-	-	-	54 292 374	-	54 292 374
Property, Plant and Equipment Purchased	-	(46 330 350)	-	-	-	-	-	46 330 350	-
VAT Corrections	-	-	-	-	-	-	-	11 633 905	11 633 905
Donated/Contributed PPE	-	-	-	-	-	-	-	13 902 813	13 902 813
Depreciation on Donated PPE	-	-	-	-	-	-	-	(13 902 813)	(13 902 813)
Transfer to / from Provisions	-	-	-	-	-	-	-	1 524 378	1 524 378
Insurance Claims Processed	871 518	-	-	-	-	3 486 813	-	-	4 358 331
Offsetting of Depreciation	-	-	-	-	-	-	(7 589 099)	7 589 099	-
Balance at 30 June 2006	6 850 830	15 710 413	-	-	-	21 269 882	238 767 191	781 834 433	1 064 432 749
2007									
Balance at 01 July 2006	6 850 830	15 710 413	-	-	-	21 269 882	238 767 191	781 834 433	1 064 432 749
Correction of Error (Note 36)	-	-	-	-	-	-	(32 019 757)	29 162 703	(2 857 054)
Restated Balance	6 850 830	15 710 413	-	-	-	21 269 882	206 747 434	810 997 136	1 061 575 695
Surplus for the year	-	-	-	-	-	-	-	120 457 086	120 457 086
Transfer to CRR	-	58 701 865	-	-	-	-	-	(58 701 865)	-
Sanitation Assets ex Don & Pub Contrib w/outs	-	-	-	-	-	-	-	(22 662 474)	(22 662 474)
Sanitation Assets ex Cap Reserve w/outs	-	-	-	-	-	-	-	(17 704 636)	(17 704 636)
Sanitation Assets ex Government Grant Reserve	-	-	-	-	-	-	-	(36 435 067)	(36 435 067)
Property, Plant and Equipment Purchased	-	(36 382 520)	-	-	-	-	-	36 382 520	-
VAT Recovered	-	-	-	-	-	-	-	192 323	192 323
Sanitation Assets w/outs	-	-	-	-	-	-	-	(26 613 790)	(26 613 790)
Sanitation Assets taken-on	-	-	-	-	-	-	-	370 778 629	370 778 629
Transfers to / from Insurance Reserve	-	-	-	-	-	-	-	3 276 843	3 276 843
Transfers to / from Provisions	-	-	-	-	-	-	-	2 436 441	2 436 441
Asset Disposals	-	-	-	-	-	-	(599 210)	599 210	-
Revaluation of Agricultural Assets	-	-	-	-	-	-	-	974 150	974 150
Insurance Claims Processed	509 542	-	-	-	-	397 197	-	-	906 739
Offsetting of Depreciation	-	-	-	-	-	-	(16 889 756)	16 889 756	-
Balance at 30 June 2007	7 360 372	38 029 758	-	-	-	21 667 079	189 258 468	1 200 866 262	1 457 181 939

BUFFALO CITY MUNICIPALITY

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007 - ECONOMIC ENTITY

	<u>COID Fund</u>	<u>Capital Replacement Reserve</u>	<u>Capitalisation Reserve</u>	<u>Government Grant Reserve</u>	<u>Donations and Public Contributions</u>	<u>Self-Insurance Reserve</u>	<u>Revaluation Reserve</u>	<u>Accumulated Surplus</u>	<u>Total</u>
	R	R	R	R	R	R	R	R	R
2006									
Balance at 01 July 2005	5 979 312	9 288	69 070 999	235 728 500	74 994 102	17 783 069	192 063 916	190 933 817	786 563 003
Correction of Error (Note 36)	-	-	-	(1 784 322)	4 461 414	-	-	(1 672 073)	1 005 019
Reserves correction of error	-	-	(69 070 999)	(233 944 178)	(79 455 516)	-	-	382 470 693	-
Restated Balance	5 979 312	9 288	-	-	-	17 783 069	192 063 916	571 732 437	787 568 022
Surplus for the year	-	-	-	-	-	-	-	205 744 732	205 744 732
Transfer to CRR	-	62 031 475	-	-	-	-	-	(62 031 475)	-
Transfer to Revaluation Reserve	-	-	-	-	-	-	54 292 374	-	54 292 374
Property, Plant and Equipment Purchased	-	(46 330 350)	-	-	-	-	-	46 330 350	-
VAT Corrections	-	-	-	-	-	-	-	11 633 905	11 633 905
Other Transactions	-	-	-	-	-	-	-	(373 497)	(373 497)
Donated/Contributed PPE	-	-	-	-	-	-	-	13 902 813	13 902 813
Depreciation on Donated PPE	-	-	-	-	-	-	-	(13 902 813)	(13 902 813)
Transfer to / from Provisions	-	-	-	-	-	-	-	1 524 378	1 524 378
Insurance Claims Processed	871 518	-	-	-	-	3 486 813	-	-	4 358 331
Offsetting of Depreciation	-	-	-	-	-	-	(7 589 099)	7 589 099	-
Balance at 30 June 2006	6 850 830	15 710 413	-	-	-	21 269 882	238 767 191	782 149 928	1 064 748 244
2007									
Balance at 01 July 2006	6 850 830	15 710 413	-	-	-	21 269 882	238 767 191	782 149 928	1 064 748 244
Correction of Error (Note 36)	-	-	-	-	-	-	(32 019 757)	29 410 709	(2 609 048)
Restated Balance	6 850 830	15 710 413	-	-	-	21 269 882	206 747 434	811 560 637	1 062 139 196
Surplus for the year	-	-	-	-	-	-	-	120 310 813	120 310 813
Transfer to CRR	-	58 701 865	-	-	-	-	-	(58 701 865)	-
Sanitation Assets ex Don & Pub Contrib w/outs	-	-	-	-	-	-	-	(22 662 474)	(22 662 474)
Sanitation Assets ex Cap Reserve w/outs	-	-	-	-	-	-	-	(17 704 636)	(17 704 636)
Property, Plant and Equipment Purchased	-	(36 382 520)	-	-	-	-	-	36 382 520	-
Sanitation Assets ex Government Grant Reserve	-	-	-	-	-	-	-	(36 435 067)	(36 435 067)
VAT Recovered	-	-	-	-	-	-	-	192 323	192 323
Sanitation Assets w/outs	-	-	-	-	-	-	-	(26 613 790)	(26 613 790)
Sanitation Assets taken-on	-	-	-	-	-	-	-	370 778 629	370 778 629
Transfers to / from Insurance Reserve	-	-	-	-	-	-	-	3 276 843	3 276 843
Transfers to / from Provisions	-	-	-	-	-	-	-	2 436 441	2 436 441
Asset Disposals	-	-	-	-	-	-	(599 210)	599 210	-
Revaluation of Agricultural Assets	-	-	-	-	-	-	-	974 150	974 150
Insurance Claims Processed	509 542	-	-	-	-	397 197	-	-	906 739
Offsetting of Depreciation	-	-	-	-	-	-	(16 889 756)	16 889 756	-
Balance at 30 June 2007	7 360 372	38 029 758	-	-	-	21 667 079	189 258 468	1 201 283 490	1 457 599 167

BUFFALO CITY MUNICIPALITY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
		CASH FLOW FROM OPERATING ACTIVITIES		
1 778 105 444	1 978 004 226	Cash Receipts from Ratepayers, Government and Other	1 979 058 604	1 627 043 431
(1 428 357 301)	(1 677 885 769)	Cash Paid to Suppliers and Employees	(1 680 672 408)	(1 274 903 416)
349 748 143	300 118 457	Cash Generated from Operations	298 386 196	352 140 015
1 418 115	1 315 706	Portion of Surplus from Associate	1 315 706	1 418 115
-	192 323	VAT Adjustment	192 323	-
65 747 296	38 397 035	Interest Received	38 539 372	65 796 403
(56 227 230)	(52 571 709)	Interest Paid	(52 571 709)	(56 232 102)
-	-	Taxation Paid	(96 471)	-
360 686 324	287 451 812	NET CASH FROM OPERATING ACTIVITIES	285 765 417	363 122 431
		CASH FLOWS FROM INVESTING ACTIVITIES		
(203 215 304)	(227 989 183)	Purchase of Property, Plant and Equipment	(228 045 557)	(203 425 890)
7 612 952	4 957 494	Proceeds on Disposal of Property, Plant and Equipment	4 957 494	7 612 952
2 067 074	1 021 298	Decrease in Non-Current Receivables	1 021 298	2 067 074
97 772 563	(22 359 538)	(Increase)/Decrease in non-current investments	(22 359 538)	97 772 563
(95 762 715)	(244 369 929)	NET CASH FROM INVESTING ACTIVITIES	(244 426 303)	(95 973 301)
		CASH FLOW FROM FINANCING ACTIVITIES		
(5 584 639)	98 354 778	New Loans Raised	98 354 772	(5 584 639)
1 995 816	963 751	Increase/(Decrease) in Consumer Deposits	963 751	1 995 816
-	-	Increase/(Decrease) in Refundable Deposits	152 500	-
12 864 026	-	Non-operating Income Received in Provisions/Reserves	-	12 864 026
(10 133 388)	(415 827)	Non-operating Expenditure Charged against Provisions/Reserves	(456 425)	(10 133 388)
(858 185)	98 902 701	NET CASH FROM FINANCING ACTIVITIES	99 014 598	(858 185)
264 065 424	141 984 584	NET INCREASE IN CASH AND CASH EQUIVALENTS	140 353 712	266 290 945
224 986 547	489 051 971	Cash and cash equivalents at the beginning of the year	491 830 857	225 539 911
489 051 971	631 036 555	Cash and cash equivalents at the end of the year	632 184 569	491 830 856

Note

28

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29

(264 065 424)

(141 984 584)

(140 353 712)

(266 290 945)

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY		ECONOMIC ENTITY	
2006	2007	2007	2006
R	R	R	R
1 COID FUND			
5 979 312	6 850 830	6 850 830	5 979 312
1 390 031	1 385 262	1 385 262	1 390 031
398 811	535 046	535 046	398 811
547 513	210 749	210 749	547 513
(1 464 837)	(1 621 515)	(1 621 515)	(1 464 837)
6 850 830	7 360 372	7 360 372	6 850 830

The COID Fund is fully invested in financial investment instruments.

2 RESERVES			
15 710 413	38 029 758	38 029 758	15 710 413
21 055 455	21 344 325	21 344 325	21 055 455
214 427	322 754	322 754	214 427
206 747 434	189 258 468	189 258 468	206 747 434
243 727 729	248 955 305	248 955 305	243 727 729

The Capital Replacement Reserve and Self-Insurance Reserve are fully invested in financial investment instruments.

Note : In terms of GRAP 1 - The Capitalisation Reserve, Donations and Public Contributions Reserve and the Government Grant Reserve have been transferred retrospectively from 30 June 2005 to the Accumulated Surplus. (Refer to Statement of Changes in Net Assets)

Note: 2006 - A Correction of Error adjustment was made to the Revaluation Reserve in the amount of R 32 232 682 - refer to Note 36.

3 LONG-TERM LIABILITIES			
18 160 000	18 160 000	18 160 000	18 160 000
401 113 054	499 527 404	499 527 404	401 113 054
59 573	-	-	59 573
419 332 627	517 687 404	517 687 404	419 332 627
(16 929 372)	(37 772 897)	(37 772 897)	(16 929 372)
16 869 799	37 772 897	37 772 897	16 869 799
59 573	-	-	59 573
402 403 255	479 914 507	479 914 507	402 403 255

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

The capitalised lease liability is secured over the item of plant leased.

R 9 918 843 (2006: R 8 922 380) has been invested specifically in ring-fenced accounts for the repayment of long-term liabilities. These are ceded investments (collateral to service a bullet payment at the end of specific loans) Refer Note 30 for more detail. The reason for the increase from the prior year (R 8 922 380), is that interest earned and accrued to the investment has been capitalised to the investment account during the financial year under review.

Note: 2006 - A Correction of Error adjustment was made to Annuity Loans in the amount of R 27 928 - refer to Note 36.

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY		ECONOMIC ENTITY	
2006	2007	2007	2006
R	R	R	R
-	119 417 468	119 417 468	-
-	119 417 468	119 417 468	-
<hr/>			
4 NON-CURRENT PROVISIONS			
		Provision for the Rehabilitation of Landfill Sites	
		119 417 468	-
		Total Non-Current Provisions	
		119 417 468	-
<hr/>			
<p>The amount of R119 417 468 represents the present value of the expenditure expected to be required to settle the obligation. The provision for the Rehabilitation of Landfill sites was created to provide for the cost of restoring the different legal and illegal sites at the end of their useful lives. It is expected that rehabilitation will take between 1 to 50 years. This obligation will be determined each year and the estimated present value should increase as the obligation nears its execution date. The level of rehabilitation of the landfill sites is unknown and the additional costs of such development are not taken into consideration.</p> <p>In terms of the exemptions granted in Gazette No. 30013 dated 29 June 2007 no provision for Post Retirement Benefits in respect of Medical Aid Contributions was made.</p>			
5 CONSUMER DEPOSITS			
8 413 515	9 039 767	9 039 767	8 413 515
13 840 878	14 178 377	14 178 377	13 840 878
22 254 393	23 218 144	23 218 144	22 254 393
<hr/>			
		Electricity	
		9 039 767	8 413 515
		Water	
		14 178 377	13 840 878
		Total Consumer Deposits	
		23 218 144	22 254 393
<hr/>			
No interest is paid when deposits are refunded.			
		Guarantees in lieu of electricity and water deposits	
7 364 148	7 672 588	7 672 588	7 364 148
<hr/>			
6 CURRENT PROVISIONS			
566 057	1 489 480	1 547 026	566 057
566 057	1 489 480	1 547 026	566 057
<hr/>			
		Performance Bonuses	
		1 547 026	566 057
		Total Current Provisions	
		1 547 026	566 057
<hr/>			
<p>Performance bonuses are paid to employees subject to certain conditions. The provision is a calculation of the amount due to employees at the reporting date.</p> <p>The movement in the current provision is reconciled as follows:-</p>			
Performance Bonuses			
1 524 378	566 057	566 057	1 524 378
566 057	1 489 480	1 547 026	566 057
-	(150 230)	(150 230)	-
(1 524 378)	(415 827)	(415 827)	(1 524 378)
566 057	1 489 480	1 547 026	566 057
<hr/>			
7 CREDITORS			
77 761 159	105 210 570	105 288 071	77 761 159
30 263 557	34 376 932	34 376 932	30 263 557
2 423 519	2 892 115	3 044 615	2 423 519
35 059 919	30 846 407	30 897 341	35 112 212
8 019 900	900	900	8 019 900
-	-	-	152 469
22 160 257	23 133 042	23 133 042	22 160 257
175 688 311	196 459 966	196 740 901	175 893 073
<hr/>			

Note: 2006 - A Correction of Error adjustment was made to Other Creditors in the amount of R 1 498 340 - refer to Note 36.

In terms of the exemptions granted in Gazette No. 30013 dated 29 June 2007 Creditors were accounted for at nominal value and no discounting was done.

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY
 2006 2007
 R R

ECONOMIC ENTITY
 2007 2006
 R R

7a TAXATION

South African Normal Tax

Current Tax	101 347	47 153
Deferred Tax	(14 771)	-
	<u>86 576</u>	<u>47 153</u>

Tax reconciliation

Accounting surplus (BCDA) before adjustment for Consolidated AFS.	350 829	-
	<u>350 829</u>	<u>-</u>

Tax at standard rate

101 740 47 153

Tax effects of:

Decrease in leave provision	(393)	-
Temporary differences on leave provision	(14 771)	-
	<u>86 576</u>	<u>47 153</u>

Taxation Payable

Balance b/d	66 917	19 764
Current year tax	101 347	47 153
Taxation paid	(96 471)	-
Taxation Payable	<u>71 793</u>	<u>66 917</u>

7b Deferred Tax

Deferred tax asset balance at 30 June 2007 arises due to the following:

Provision for leave deductible only when costs are actually incurred.	14 771	-
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Note: The deductible temporary difference of R52 293 in 2006 would have resulted in a debit to the deferred tax account. There was a pending decision from SARS as to whether the entity is liable for income tax. It was not probable that the asset will realise and therefore the deferred tax asset was not recognised. The recoverability of the unrecognised deferred tax is reassessed at the end of 2007 in terms of IAS 12.

8 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

177 185 623	232 230 523
132 016 086	170 210 124
45 169 537	62 020 399
15 944 417	10 637 842
<u>193 130 040</u>	<u>242 868 365</u>
<u>193 130 040</u>	<u>242 868 365</u>

Conditional Grants from Government

National Grants	170 210 124	132 016 086
Provincial Grants and Subsidies	62 020 399	45 169 537
Other Conditional Receipts	11 233 879	18 198 215
Total Conditional Grants and Subsidies	<u>243 464 402</u>	<u>195 383 838</u>

Amount received and invested until utilised (Note 11)	243 464 402	195 383 838
---	-------------	-------------

Refer to Appendix G and Appendix H for a reconciliation of Conditional Grants and Receipts from National and Provincial Government and Other Donations and Public Contributions.

Note: 2006 - A Correction of Error adjustment was made to Other Conditional Receipts (Economic Entity) in the amount of R 248 006 - refer to Note 36.

9 VAT

21 976 213 17 412 465

Vat Receivable

17 481 045 22 083 518

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

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

10 PROPERTY, PLANT AND EQUIPMENT

30 June 2007

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Heritage	Community	Other	Total
	R	R	R	R	R	R
Carrying Values at 01 July 2006	216 332 182	610 882 040	-	68 331 631	113 727 460	1 009 273 313
Cost	21 455 732	1 411 510 933	-	105 973 729	151 262 804	1 690 203 198
Capital Under Construction	(104 764)	88 042 383	-	-	3 188 340	91 125 959
Revaluation	334 682 168	1 654 919	-	8 759 960	-	345 097 047
BCDA	-	-	-	-	239 055	239 055
Accumulated Depreciation	(139 700 954)	(890 326 195)	-	(46 402 058)	(40 962 739)	(1 117 391 946)
- Cost	(3 164 927)	(890 197 339)	-	(44 616 595)	(40 923 664)	(978 902 525)
- Revaluation	(136 536 027)	(128 856)	-	(1 785 463)	-	(138 450 346)
- BCDA	-	-	-	-	(39 075)	(39 075)
Acquisitions / Write-Ons	3 595 510	477 765 389	559 356	9 294 800	165 785 947	657 001 002
- BCM	3 595 510	477 765 389	559 356	9 294 800	165 729 572	656 944 627
- BCDA	-	-	-	-	56 375	56 375
Capital Under Construction	1 703 442	32 021 992	-	11 111 806	11 458 600	56 295 840
- Current Year	1 703 442	73 736 618	-	11 218 168	11 482 671	98 140 899
- Capitalised	-	(41 714 626)	-	(106 362)	(24 071)	(41 845 059)
Increases / Decreases in Revaluation	-	-	-	-	-	-
Depreciation	(17 250 615)	(58 201 407)	-	(3 085 586)	(19 473 142)	(98 010 750)
- Based on Cost	(496 337)	(58 154 383)	-	(2 997 132)	(19 411 143)	(81 058 995)
- Based on Revaluation	(16 754 278)	(47 024)	-	(88 454)	-	(16 889 756)
- BCDA	-	-	-	-	(61 999)	(61 999)
Carrying Value of Disposals / Write-Offs	(599 211)	(103 415 966)	-	-	(225 435)	(104 240 612)
- Cost	(607 854)	(235 360 407)	-	-	(321 623)	(236 289 884)
- Cost BCDA	-	-	-	-	(3 544)	(3 544)
- Accumulated Depreciation	8 643	131 944 441	-	-	98 610	132 051 694
- Accumulated Depreciation BCDA	-	-	-	-	1 122	1 122
Impairment Losses	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-
Carrying Values at 30 June 2007	203 781 308	959 052 048	559 356	85 652 651	271 273 430	1 520 318 793
Cost	24 443 388	1 653 915 915	559 356	115 268 529	316 670 753	2 110 857 941
Capital Under Construction	1 598 678	120 064 375	-	11 111 806	14 646 940	147 421 799
BCDA	-	-	-	-	291 886	291 886
Revaluation	334 682 168	1 654 919	-	8 759 960	-	345 097 047
Accumulated Depreciation	(156 942 926)	(816 583 161)	-	(49 487 644)	(60 336 149)	(1 083 349 880)
- Cost	(3 652 621)	(816 407 281)	-	(47 613 727)	(60 236 197)	(927 909 826)
- Revaluation	(153 290 305)	(175 880)	-	(1 873 917)	-	(155 340 102)
- BCDA	-	-	-	-	(99 952)	(99 952)

INTANGIBLE ASSETS

30 June 2007

Reconciliation of Carrying Value	Computer Software	R	R	R	R	Total
	R	R	R	R	R	R
Carrying Values at 01 July 2006	3 805 257	-	-	-	-	3 805 257
Cost	17 858 504	-	-	-	-	17 858 504
Capital Under Construction	-	-	-	-	-	-
Accumulated Amortisation	(14 053 247)	-	-	-	-	(14 053 247)
Acquisitions	4 669 811	-	-	-	-	4 669 811
Capital Under Construction	275 001	-	-	-	-	275 001
- Current Year	275 001	-	-	-	-	275 001
- Capitalised	-	-	-	-	-	-
Amortisation	(2 447 495)	-	-	-	-	(2 447 495)
Carrying Value of Disposals	-	-	-	-	-	-
- Cost	-	-	-	-	-	-
- Accumulated Amortisation	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-
Carrying Values at 30 June 2007	6 302 574	-	-	-	-	6 302 574
Cost	22 528 315	-	-	-	-	22 528 315
Capital Under Construction	275 001	-	-	-	-	275 001
Accumulated Amortisation	(16 500 742)	-	-	-	-	(16 500 742)

Buffalo City Municipality did not recognise any Intangible Assets in the previous financial year and in terms of the exemption granted in Gazette No. 30013 Buffalo City Municipality has only recognised computer software as Intangible Assets in the 2006/07 financial year.

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

10 PROPERTY, PLANT AND EQUIPMENT (cont.)

AGRICULTURAL ASSETS

30 June 2007

Reconciliation of Carrying Value	Agricultural Assets	R	R	R	R	R	Total R
Values at 01 July 2006		-	-	-	-	-	-
Valuation		-	-	-	-	-	-
Valuation Increase / Decrease		974 150	-	-	-	-	974 150
Values at 30 June 2007		974 150	-	-	-	-	974 150
Valuation		974 150	-	-	-	-	974 150

Property, Plant and Equipment Acquisitions / Write-Ons

PPE purchased	124 959 846
Sewerage assets take-on	370 778 629
Work in Progress 2006 capitalised	41 845 059
Landfill sites rehab capitalised	119 417 468
Total assets added on	<u>657 001 002</u>

Purchased assets

Property, Plant and Equipment	124 903 471
Work in Progress	98 415 900
Intangible Assets	4 669 811
Total assets capitalised - BCM	<u>227 989 182</u>
Total assets capitalised - BCDA	<u>56 375</u>
Total assets capitalised - ECONOMIC ENTITY	<u>228 045 557</u>

Buffalo City Municipality did not recognise any Agricultural Assets in the previous 2005/06 financial year. For the 2006/07 financial year only biological assets were identified and recorded as Buffalo City Municipality does not own any other Agricultural Assets. Valuations will be done at each financial year end and any differences will be adjusted to Accumulated Surplus.

Buffalo City Municipality is adhering to National Treasury's Guidelines as per MFMA Circular No. 18 dated 23 June 2005, which states that it is paramount to prepare a process map to obtain infrastructure asset information over a number of years. Buffalo City Municipality appointed a service provider to develop a detailed roadmap that is currently being implemented to enable the successful implementation of processes to identify, record, value and manage infrastructure assets during the next 2 years.

During 2006/07 the Sewerage infrastructural assets were identified and accounted for as follows:

Cost of Infrastructure Sewerage Assets at 30 June 2006 written out	235 369 048
Accumulated Depreciation of Infrastructure Sewerage Assets at 30 June 2006 written out	<u>(131 953 081)</u>
Carrying Value of Infrastructure Sewerage Assets at 30 June 2006 written out	<u>103 415 967</u>
Cost of Infrastructure Sewerage Assets identified and taken on at Depreciated Replacement Value at 01 July 2006	370 778 629
Depreciation of take-on Infrastructure Sewerage Assets for the 2006/07 financial year	<u>(15 068 821)</u>
Carrying Value of Infrastructure Sewerage Assets at 30 June 2007	<u>355 709 808</u>

At present, depreciation on these assets (except Sewerage Infrastructure Assets) is calculated on an averaging basis whereby average useful lives have been estimated for each category of Infrastructure and Community Assets using global historical costs recorded in the accounting records. Depreciation on Sewerage Infrastructure Assets is calculated using the sector standards. In terms of the exemptions granted in Gazette No. 30013 dated 29 June 2007 Buffalo City Municipality has not assessed whether items of Property, Plant and Equipment are impaired. It is expected that an assessment of impairments will be done by 30 June 2009.

In terms of the exemptions the useful lives and depreciation methods of assets were not reviewed and recognised in the Annual Financial Statements. It is expected that an assessment in this regard will be done by 30 June 2009.

In terms of the exemptions investment properties have not been identified and are included as Land and Buildings within Property, Plant and Equipment. Investment Properties will only be able to be accounted for once all properties and the usage thereof have been identified and determined.

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

10 PROPERTY, PLANT AND EQUIPMENT (cont.)

30 June 2006

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Heritage R	Community R	Other R	Total R
Carrying Values at 01 July 2005	239 864 770	526 620 547	-	53 519 082	90 869 048	910 873 447
Cost	16 870 156	1 264 725 875	-	81 185 504	113 319 405	1 476 100 940
Capital Under Construction	-	93 662 441	-	7 556 923	5 074 142	106 293 506
Revaluation	354 799 193	1 654 919	-	8 759 960	-	365 214 072
BCDA	-	-	-	-	28 469	28 469
Accumulated Depreciation	(131 804 579)	(833 422 688)	-	(43 983 305)	(27 552 968)	(1 036 763 540)
- Cost	(2 576 606)	(833 329 583)	-	(42 443 136)	(27 547 753)	(905 897 078)
- Revaluation	(129 227 973)	(93 105)	-	(1 540 169)	-	(130 861 247)
- BCDA	-	-	-	-	(5 215)	(5 215)
Acquisitions / Write-Ons	4 585 576	146 785 058	-	24 788 225	38 319 593	214 478 452
- Cost	4 585 576	146 785 058	-	24 788 225	38 109 007	214 267 866
- BCDA	-	-	-	-	210 586	210 586
Capital Under Construction	(104 764)	(5 620 058)	-	(7 556 923)	(1 885 802)	(15 167 547)
- Current Year	-	79 494 601	-	-	772 659	80 267 260
- Capitalised	(104 764)	(85 114 659)	-	(7 556 923)	(2 658 461)	(95 434 807)
Increases / Decreases in Revaluation	(20 117 025)	-	-	-	-	(20 117 025)
Depreciation	(7 896 375)	(56 903 507)	-	(2 418 753)	(13 453 660)	(80 672 295)
- Based on Cost	(588 321)	(56 867 756)	-	(2 173 459)	(13 419 800)	(73 049 336)
- Based on Revaluation	(7 308 054)	(35 751)	-	(245 294)	-	(7 589 099)
- BCDA	-	-	-	-	(33 860)	(33 860)
Carrying Value of Disposals / Write-Offs	-	-	-	-	(332 305)	(332 305)
- Cost	-	-	-	-	(376 194)	(376 194)
- Accumulated Depreciation	-	-	-	-	43 889	43 889
Impairment Losses	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-
Carrying Values at 30 June 2006	216 332 182	610 882 040	-	68 331 631	113 727 460	1 009 273 313
Cost	21 455 732	1 411 510 933	-	105 973 729	151 262 804	1 690 203 198
Capital Under Construction	(104 764)	88 042 383	-	-	3 188 340	91 125 959
Revaluation	334 682 168	1 654 919	-	8 759 960	-	345 097 047
BCDA	-	-	-	-	239 055	239 055
Accumulated Depreciation	(139 700 954)	(890 326 195)	-	(46 402 058)	(40 962 739)	(1 117 391 946)
- Cost	(3 164 927)	(890 197 339)	-	(44 616 595)	(40 923 664)	(978 902 525)
- Revaluation	(136 536 027)	(128 856)	-	(1 785 463)	-	(138 450 346)
- BCDA	-	-	-	-	(39 075)	(39 075)

Buffalo City Municipality appointed a service provider to develop a detailed roadmap to enable the successful implementation of processes to identify, record, value and manage Infrastructure Assets during the next 3 years. At present, depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records. Furthermore, Buffalo City Municipality has not assessed whether items of property, plant and equipment are impaired. It is expected that an assessment of impairments will be done by 30 June 2009.

Depreciation charged to the Statement of Financial Performance	70 833 674
Depreciation charged directly to the Statement of Changes in Net Assets	13 902 814
Total Depreciation Charged	<u>84 736 488</u>

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

10 PROPERTY, PLANT AND EQUIPMENT (cont.)

INTANGIBLE ASSETS

30 June 2006

Reconciliation of Carrying Value	Computer Software					Total
	R	R	R	R	R	R
Carrying Values at 01 July 2005	3 998 913	-	-	-	-	3 998 913
Cost	13 954 105	-	-	-	-	13 954 105
Capital Under Construction	-	-	-	-	-	-
Accumulated Amortisation	(9 955 192)	-	-	-	-	(9 955 192)
Acquisitions	3 904 399	-	-	-	-	3 904 399
Capital Under Construction	-	-	-	-	-	-
- Current Year	-	-	-	-	-	-
- Capitalised	-	-	-	-	-	-
Amortisation	(4 098 055)	-	-	-	-	(4 098 055)
Carrying Value of Disposals	-	-	-	-	-	-
- Cost	-	-	-	-	-	-
- Accumulated Amortisation	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-
Carrying Values at 30 June 2006	3 805 257	-	-	-	-	3 805 257
Cost	17 858 504	-	-	-	-	17 858 504
Capital Under Construction	-	-	-	-	-	-
Accumulated Amortisation	(14 053 247)	-	-	-	-	(14 053 247)

AGRICULTURAL ASSETS

30 June 2006

Reconciliation of Carrying Value	Agricultural Assets					Total
	R	R	R	R	R	R
Values at 01 July 2005	-	-	-	-	-	-
Valuation	-	-	-	-	-	-
Valuation Increase / Decrease	-	-	-	-	-	-
Values at 30 June 2006	-	-	-	-	-	-
Valuation	-	-	-	-	-	-

Note: The 2006 Opening Balances were adjusted due to a re-classification of assets. There was no change to the overall Carrying Value as the Infrastructure Assets Carrying Value increased by R 118 514 and the Other Assets Carrying Value decreased by the same amount. The net effect of the movement of Community Assets was nil. Computer Software has also been separately categorised under Intangible Assets.

Refer to Appendix B for more detail on Property, Plant and Equipment, including those under construction.

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
11 INVESTMENTS				
<u>Listed</u>				
BCM had no listed investments at the reporting date.				
<u>Unlisted</u>				
5 172 373	6 488 079	Shares in ELIDZ (PTY) LTD	6 488 079	5 172 373
<u>Financial Instruments</u>				
10 693 315	31 737 148	Fixed Deposits - Long-Term	31 737 148	10 693 315
15 865 688	38 225 227	Total Financial Instruments	38 225 227	15 865 688
<u>Call Investment Deposits</u>				
436 351 650	397 122 083	Other Deposits - Short-Term	398 245 867	439 067 404
9 405	9 594	Call Account Deposits	9 594	9 405
436 361 055	397 131 677	Total Call Investment Deposits	398 255 461	439 076 809
452 226 743	435 356 904	Total Investments	436 480 688	454 942 497
7%	9%	Average rate of return on investments	9%	7%
<u>Allocation of External Investments</u>				
Surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:-				
6 850 830	7 360 372	COID Fund(Note 1)	7 360 372	6 850 830
21 269 882	21 667 079	Insurance Reserve(Note 2)	21 667 079	21 269 882
193 130 040	242 868 365	Conditional Grants and Receipts (Note 8)	243 464 402	195 383 838
15 710 413	38 029 758	Capital Replacement Reserve(Note 2)	38 029 758	15 710 413
566 057	1 489 480	Performance Bonuses Provision (Note 6)	1 547 026	566 057
204 527 945	112 668 750	Surplus Cash	112 668 750	204 527 945
442 055 167	424 083 804		424 737 387	444 308 966
10 171 576	11 273 100	External Financing Fund	11 273 100	10 171 576
-	-	BCDA	470 201	461 955
452 226 743	435 356 904	Total	436 480 688	454 942 497
The market value of Sanlam shares acquired upon demutualisation was R1 852 029 as at 30 June 2007 and R1 165 238 as at 30 June 2006.				
The primary reason for the decrease in the investment portfolio is due to the fact that more funds were realised for increased budget commitments during the 2006/07 financial year.				
INVESTMENT IN MUNICIPAL ENTITIES - BUFFALO CITY DEVELOPMENT AGENCY (BCDA)				
-	-	Issued Share Capital	-	-
-	-	Percentage owned by Council (%)	-	-
-	-	Indebtness of Municipal Entity	-	-
-	-	Dividend Received	-	-
-	-	Management Fees Received	-	-
-	-	Administration Fees Received	-	-
Related party transactions as per note 38:				
Buffalo City Municipality has issued grants of R1 000 000 to the development agency during the current financial year (2006: R1 429 825).				
BCDA has paid consumer accounts of R16 331 during the current financial year (2006: R6 250).				
12 LONG-TERM RECEIVABLES				
186 287	138 678	Loans to Sporting Bodies	138 678	186 287
43 658	26 660	Other Loans	26 660	43 658
1 804 799	848 108	Motor Vehicle Loans	848 108	1 804 799
2 034 744	1 013 446		1 013 446	2 034 744
(945 103)	(584 004)	Less: Current Portion Transferred to Current Assets	(584 004)	(945 103)
1 089 641	429 442	Total Long-Term Receivables	429 442	1 089 641

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY

2006	2007
R	R

ECONOMIC ENTITY

2007	2006
R	R

Loans to Sporting Bodies

Council granted loans to Sporting bodies within its jurisdiction. This policy has since been abolished and no new loans are issued. The remaining loans are being phased out with the last loan being redeemable in 2016.

Other Loans

Council granted loans to other organisations & bodies within its jurisdiction. The remaining loans are being phased out with the last loan redeemable in 2009. The loans attract interest between 6% and 10%.

Motor Vehicle Loans

Senior staff obtain loans at 8% interest per annum repayable over a maximum period of 6 years. Essential users obtained loans at 10% repayable over a maximum period of 5 years. All loans are being phased out with the last loan being fully redeemed in 2008.

13 INVENTORY

8 224 926	9 984 164	Consumable Store - at cost	9 984 164	8 224 926
164 957	195 171	Workshop Store - at cost	195 171	164 957
516 383	411 984	Diesel - at cost	411 984	516 383
612 453	423 466	Petrol - at cost	423 466	612 453
2 791 884	5 729 830	Water Store - at cost	5 729 830	2 791 884
4 503 197	7 745 610	Electricity Store - at cost	7 745 610	4 503 197
502 970	543 808	Unsold water - at cost	543 808	502 970
<u>17 316 770</u>	<u>25 034 033</u>		<u>25 034 033</u>	<u>17 316 770</u>
(152 875)	(234 706)	Less: Provision for Obsolescence	(234 706)	(152 875)
<u>17 163 895</u>	<u>24 799 327</u>	Total Inventory	<u>24 799 327</u>	<u>17 163 895</u>

In terms of Gazette No. 30013 dated 29 June 2007 and National Treasury's letter dated 15 August 2007, National Treasury have agreed to Buffalo City Municipality deviating from the exemption relating to the disclosure of stock of water on hand at 30 June 2007. Stock of water on hand has therefore been recognised and disclosed for the 2005/06 and 2006/07 financial years.

Inventory is net of specific provisions for obsolescence.

Stock to the value of R152 875 was deemed to be redundant or obsolete and was written off during the 2006/07 financial year.

14 CONSUMER DEBTORS

MUNICIPALITY AND ECONOMIC ENTITY

As at 30 June 2007	Gross Balances	Provision for Bad Debts	Net Balance
Service Debtors	437 644 953	(167 326 597)	270 318 356
Rates	99 699 410	(3 067 401)	96 632 009
Cleansing	77 802 376	(37 816 021)	39 986 355
Electricity	68 230 804	(33 809 262)	34 421 542
Sewerage	67 337 319	(32 729 456)	34 607 863
Water	124 575 044	(59 904 457)	64 670 587
Housing Rentals	1 537 590	(747 349)	790 241
Sub - Total	<u>439 182 543</u>	<u>(168 073 946)</u>	<u>271 108 597</u>
Sundry Debtors	64 001 237	(31 107 946)	32 893 291
Total	<u>503 183 780</u>	<u>(199 181 892)</u>	<u>304 001 888</u>
As at 30 June 2006			
Service Debtors	432 411 715	(167 196 624)	265 215 091
Rates	100 450 200	(3 102 189)	97 348 011
Cleansing	76 725 945	(37 786 687)	38 939 258
Electricity	66 273 384	(33 706 814)	32 566 570
Sewerage	64 907 636	(31 966 299)	32 941 337
Water	124 054 550	(60 634 635)	63 419 915
Housing Rentals	3 971 641	(3 971 641)	-
Sub - Total	<u>436 383 356</u>	<u>(171 168 265)</u>	<u>265 215 091</u>
Sundry Debtors	61 468 588	(30 272 606)	31 195 982
Total	<u>497 851 944</u>	<u>(201 440 871)</u>	<u>296 411 073</u>

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
Rates: Ageing				
22 026 356	26 264 877	Current (0 - 30 days)	26 264 877	22 026 356
6 257 864	4 462 832	31 - 60 Days	4 462 832	6 257 864
3 585 869	3 504 314	61 - 90 Days	3 504 314	3 585 869
2 704 264	2 795 758	91 - 120 Days	2 795 758	2 704 264
23 405 718	20 127 417	121 - 365 Days	20 127 417	23 405 718
42 470 129	42 544 212	+ 365 Days	42 544 212	42 470 129
100 450 200	99 699 410	Total	99 699 410	100 450 200
Cleansing, Electricity, Sewerage & Water: Ageing				
64 518 876	99 543 561	Current (0 - 30 days)	99 543 561	64 518 876
14 047 421	12 800 190	31 - 60 Days	12 800 190	14 047 421
11 684 081	8 038 759	61 - 90 Days	8 038 759	11 684 081
9 920 288	8 093 640	91 - 120 Days	8 093 640	9 920 288
53 178 636	51 149 215	121 - 365 Days	51 149 215	53 178 636
140 924 939	158 320 178	+ 365 Days	158 320 178	140 924 939
37 687 274	-	Adjustment for Corrections (refer to Note 36)	-	37 687 274
331 961 515	337 945 543	Total	337 945 543	331 961 515
Housing Debtors: Ageing				
1 221 397	884 928	Current (0 - 30 days)	884 928	1 221 397
115 485	29 947	31 - 60 Days	29 947	115 485
72 139	31 312	61 - 90 Days	31 312	72 139
79 982	29 817	91 - 120 Days	29 817	79 982
362 744	258 095	121 - 365 Days	258 095	362 744
2 119 894	303 491	+ 365 Days	303 491	2 119 894
3 971 641	1 537 590	Total	1 537 590	3 971 641
Sundries: Ageing				
8 661 442	8 152 684	Current (0 - 30 days)	8 152 684	8 661 442
2 429 001	4 525 609	31 - 60 Days	4 525 609	2 429 001
1 768 686	1 539 114	61 - 90 Days	1 539 114	1 768 686
2 805 955	1 542 551	91 - 120 Days	1 542 551	2 805 955
11 282 826	12 332 030	121 - 365 Days	12 332 030	11 282 826
34 520 678	35 909 250	+ 365 Days	35 909 250	34 520 678
61 468 588	64 001 237	Total	64 001 237	61 468 588
Grand Total: Ageing				
96 428 071	134 846 050	Current (0 - 30 days)	134 846 050	96 428 071
22 849 771	21 818 578	31 - 60 Days	21 818 578	22 849 771
17 110 775	13 113 499	61 - 90 Days	13 113 499	17 110 775
15 510 489	12 461 766	91 - 120 Days	12 461 766	15 510 489
88 229 924	83 866 757	121 - 365 Days	83 866 757	88 229 924
220 035 640	237 077 131	+ 365 Days	237 077 131	220 035 640
37 687 274	-	Adjustment for Corrections (refer to Note 36)	-	37 687 274
497 851 944	503 183 780	Total	503 183 780	497 851 944

MUNICIPALITY AND ECONOMIC ENTITY

Summary of Debtors by Customer Classification	Classification				Total
	Consumers	Industrial/Commercial	National and Provincial Gov.	Other	
	R	R	R	R	R
30 June 2007					
Current (0 - 30 days)	76 271 779	50 807 468	3 864 288	3 902 514	134 846 049
31 - 60 Days	12 029 292	6 853 031	1 278 593	1 657 662	21 818 578
61 - 90 Days	8 955 805	2 563 035	440 370	1 154 289	13 113 499
91 - 120 Days	8 091 974	2 386 317	757 174	1 226 302	12 461 767
121 - 365 Days	62 709 114	13 836 524	1 370 549	5 950 570	83 866 757
+ 365 Days	193 526 257	33 884 564	828 346	8 837 964	237 077 131
Sub-Total	361 584 221	110 330 939	8 539 320	22 729 301	503 183 781
Less: Provision for Bad Debts	(145 601 609)	(44 427 719)	-	(9 152 564)	(199 181 892)
Total Debtors by Customer Classification	215 982 612	65 903 220	8 539 320	13 576 737	304 001 888
30 June 2006					
Current (0 - 30 days)	80 852 323	45 484 282	4 177 438	3 520 198	134 034 241
31 - 60 Days	16 801 807	3 302 924	1 686 282	1 058 759	22 849 772
61 - 90 Days	14 033 635	1 452 315	769 985	854 839	17 110 774
91 - 120 Days	11 804 786	1 253 762	506 499	1 945 443	15 510 490
121 - 365 Days	66 519 249	12 422 334	3 031 826	6 256 515	88 229 924
+ 365 Days	171 671 578	31 916 559	2 309 942	14 218 662	220 116 741
Sub-Total	361 683 378	95 832 176	12 481 972	27 854 416	497 851 944
Less: Provision for Bad Debts	(150 237 819)	(39 672 043)	-	(11 531 009)	(201 440 871)
Total Debtors by Customer Classification	211 445 559	56 160 133	12 481 972	16 323 407	296 411 073

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
185 212 838	201 440 870	Bad Debt Provision	201 440 870	185 212 838
16 228 032	(2 258 978)	Balance at beginning of year	(2 258 978)	16 228 032
<u>201 440 870</u>	<u>199 181 892</u>	Contributions	<u>199 181 892</u>	<u>201 440 870</u>
		Balance at the end of the year		
		Bad Debts		
16 228 032	-	Contribution to the bad debt provision from the operating account	-	16 228 032
36 177 425	60 315 878	Bad debt written off against the operating account-consumers	60 315 878	36 177 425
-	2 867 579	Bad debt written off against the operating account-other	2 867 579	-
<u>52 405 457</u>	<u>63 183 457</u>		<u>63 183 457</u>	<u>52 405 457</u>

Amounts totalling R63 183 457 (2005/06 : R36 177 425) were written off as bad debts against the operating account. This represents 3,6% (2005/06 : 2,25%) of the total operating income for the year.

Debtors were disclosed at nominal value net of provision for bad debts and no discounting in terms of the exemptions granted in Gazette No. 30013 dated 29 June 2007 was done.

15 OTHER DEBTORS

4 551 834	4 368 565	Sundry Debtors	4 368 565	4 551 834
11 679 461	9 109 093	Accrued Income	9 109 093	11 679 461
-	-	IDZ	-	-
933 654	952 621	Land Sale Debtors	952 621	933 654
-	-	BCDA	235	2 807
<u>17 164 949</u>	<u>14 430 279</u>	Total Other Debtors	<u>14 430 514</u>	<u>17 167 756</u>

Note: 2006 - A Correction of Error adjustment was made to IDZ in the amount of R10 050 839 - refer to Note 36.

Debtors were disclosed at nominal value net of provision for bad debts and no discounting in terms of the exemptions granted in Gazette No. 30013 dated 29 June 2007 was done.

16 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts:

Current Account (Primary Bank Account)

Account Number: 521 201 117 44

Account Number: 081 221 495

First National Bank / Standard Bank

Oxford Street

East London

44 455 780	49 224 704	Cashbook balance at the beginning of the year	49 224 704	44 455 780
<u>49 224 704</u>	<u>231 338 901</u>	Cashbook balance at the end of the year	<u>231 338 901</u>	<u>49 224 704</u>
145 342 831	109 141 105	Bank statement balance at the beginning of the year	109 141 105	145 342 831
<u>109 141 105</u>	<u>300 128 298</u>	Bank statement balance at the end of the year	<u>300 128 298</u>	<u>109 141 105</u>

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
<u>Current Account (Inter Authority Account)</u>				
Account Number: 521 201 778 89				
Account Number: 081 246 072				
First National Bank / Standard Bank				
Oxford Street				
East London				
6 585	1 210	Cashbook balance at the beginning of the year	1 210	6 585
<u>1 210</u>	<u>838 642</u>	Cashbook balance at the end of the year	<u>838 642</u>	<u>1 210</u>
6 585	19 674	Bank statement balance at the beginning of the year	19 674	6 585
<u>19 674</u>	<u>840 344</u>	Bank statement balance at the end of the year	<u>840 344</u>	<u>19 674</u>
Note: The balance of the Inter Authority account was previously disclosed under the Primary Bank account.				
<u>Current Account (Collection Account)</u>				
Account Number: 521 201 781 84				
Account Number: 081 245 882				
First National Bank / Standard Bank				
Oxford Street				
East London				
641 991	792 217	Cashbook balance at the beginning of the year	792 217	641 991
<u>792 217</u>	<u>132 876</u>	Cashbook balance at the end of the year	<u>132 876</u>	<u>792 217</u>
641 991	792 217	Bank statement balance at the beginning of the year	792 217	641 991
<u>792 217</u>	<u>132 876</u>	Bank statement balance at the end of the year	<u>132 876</u>	<u>792 217</u>
<u>Current Account (Prism Account)</u>				
Account Number: 620 179 770 52				
Account Number: 081 246 048				
First National Bank / Standard Bank				
Oxford Street				
East London				
417 071	1 343 249	Cashbook balance at the beginning of the year	1 343 249	417 071
<u>1 343 249</u>	<u>1 375 514</u>	Cashbook balance at the end of the year	<u>1 375 514</u>	<u>1 343 249</u>
455 404	539 380	Bank statement balance at the beginning of the year	539 380	455 404
<u>539 380</u>	<u>-</u>	Bank statement balance at the end of the year	<u>-</u>	<u>539 380</u>
<u>Current Account (Market)</u>				
Account Number: 521 201 778 89				
Account Number: 081 246 072				
First National Bank / Standard Bank				
Oxford Street				
East London				
(1 780 014)	(1 156 129)	Cashbook balance at the beginning of the year	(1 156 129)	(1 780 014)
<u>(1 156 129)</u>	<u>(1 123 458)</u>	Cashbook balance at the end of the year - overdrawn	<u>(1 123 458)</u>	<u>(1 156 129)</u>
(756 251)	878 174	Bank statement balance at the beginning of the year	878 174	(756 251)
<u>878 174</u>	<u>331 227</u>	Bank statement balance at the end of the year - overdrawn	<u>331 227</u>	<u>878 174</u>

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY

2006	2007
R	R

ECONOMIC ENTITY

2007	2006
R	R

The Municipal Entity have separate bank accounts which are aggregated below:-

Current Account (BCDA)

Account Number: 52121575280

Deloitte & Touche Trust Account
First National Bank
East London

Cashbook balance at the beginning of the year	-	322 997
Cashbook balance at the end of the year	-	-

Bank statement balance at the beginning of the year	-	322 997
Bank statement balance at the end of the year	-	-

Call Account (BCDA)

Account Number: 62067767833

Deloitte & Touche Trust Account+8695
First National Bank
East London

Cashbook balance at the beginning of the year	-	230 367
Cashbook balance at the end of the year	-	-

Bank statement balance at the beginning of the year	-	230 367
Bank statement balance at the end of the year	-	-

Current Account (BCDA)

Account Number: 62098717899

First National Bank
East London

Cashbook balance at the beginning of the year	62 946	-
Cashbook balance at the end of the year	24 213	62 946

Bank statement balance at the beginning of the year	62 946	-
Bank statement balance at the end of the year	26 090	62 946

Which are disclosed in the Statement of Financial Position as Follows:-

43 734 828	50 205 251
<u>50 205 251</u>	<u>232 562 475</u>

Cashbook balance at the beginning of the year	50 268 196	44 288 192
Cashbook balance at the end of the year	232 586 688	50 268 196

50 268 196	44 288 192
<u>232 586 688</u>	<u>50 268 196</u>

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
17 PROPERTY RATES				
<u>Actual</u>				
143 361 443	155 272 077	Residential	155 272 077	143 361 443
103 035 888	111 529 555	Commercial	111 529 555	103 035 888
23 409 951	25 587 693	State	25 587 693	23 409 951
1 353 875	1 295 669	Municipal	1 295 669	1 353 875
271 161 157	293 684 994	Total Assessment Rates	293 684 994	271 161 157
<u>Valuations</u>				
6 159 312 388	6 322 710 062	Residential	6 322 710 062	6 159 312 388
3 938 844 017	3 977 040 876	Commercial	3 977 040 876	3 938 844 017
1 175 038 455	1 183 526 646	State	1 183 526 646	1 175 038 455
253 496 847	252 913 775	Municipal	252 913 775	253 496 847
11 526 691 707	11 736 191 359	Total Property Valuations	11 736 191 359	11 526 691 707
<p>General valuations on land and buildings should be conducted every 10 years. The last valuations came into effect as follows: East London 1994, King William's Town 1990, Bhisho 1995, R293 Townships 1998, Amatole 1991. Interim valuations are processed once a year to take into account changes in individual property values due to alterations and subdivisions. Rebates of 20% and 40% are granted to state properties and pensioners respectively. Rates are levied on an annual basis on property owners with the final date of payment being 30 September 2006. Ratepayers are also given an option of paying their rates monthly on application. Interest at a standard rate as amended from time to time, is paid on any rate which remains unpaid after 30 September 2006, except in cases where the owner has applied to pay by instalment.</p>				
18 SERVICE CHARGES				
111 808 764	118 266 107	Sewerage Charges	118 266 107	111 808 764
88 079 654	94 773 097	Cleansing Charges	94 773 097	88 079 654
409 763 036	429 228 488	Sale of Electricity	429 212 157	409 759 911
144 345 924	152 326 004	Sale of Water	152 326 004	144 342 799
2 407 475	2 171 530	Other	2 171 530	2 407 475
756 404 853	796 765 226	Total Service Charges	796 748 895	756 398 603
19 GOVERNMENT GRANTS AND SUBSIDIES				
<u>Government Grants</u>				
169 684 848	197 474 279	Equitable Share	197 474 279	169 684 848
3 771 294	-	Equitable Share Urban Renewal	-	3 771 294
-	-	IDZ (BCDA)	-	745 191
-	1 470 266	BCMET Subsidy	1 470 266	-
-	1 408 016	DWAF	1 408 016	-
26 146 320	33 774 461	State Health Subsidy	33 774 461	26 146 320
1 650 201	1 944 339	MIG	1 944 339	1 650 201
201 252 663	236 071 361	Total Government Grants	236 071 361	201 997 853
<u>Provincial Subsidies</u>				
367 257	-	Health Subsidy	-	367 257
120 525	-	Needs Camp	-	120 525
4 750 832	-	Subsidy	-	4 750 832
400	-	DHLGTA Grants	-	400
5 239 014	-	Total Provincial Subsidies	-	5 239 014
206 491 677	236 071 361	Total Government Grants & Subsidies Received and Allocated as Income	236 071 361	207 236 867
198 841 919	241 245 228	Transferred from Conditional Grant Creditors(Appendix G)	242 902 989	198 841 919
405 333 596	477 316 589	Total Conditional Grants and Subsidies reflected on the Statement of Financial Performance	478 974 350	406 078 785

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY

2006	2007
R	R

ECONOMIC ENTITY

2007	2006
R	R

Equitable Share

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

Other Grants and Subsidies

All other funds received in the income account were reimbursements for expenditure incurred and no balances were carried forward. All conditions were met and no funds were withheld.

National/Provincial Government Grant & Other Funding (Expenditure Reimbursement)

Conditional Grants and subsidies are received to the Conditional Grant Creditor accounts and all non-capital expenditure is expensed through the income and expenditure account. Once all conditions are met operating and capital expenditure financed from Conditional Grants and Subsidies is re-imbursed by a transfer from the Conditional Grant Creditor account to the operating account as revenue.

Refer Note 8, Appendix G and Appendix H for more detail on the Conditional Grant and Subsidy balances and transaction movements for 2006/07.

Conditions on the funding were complied with and no funds were withheld.

20 OTHER INCOME

8 993 690	9 765 018	Commission	9 765 018	8 993 690
2 808 979	3 109 079	Coupons & Clip Tickets	3 109 079	2 808 979
15 094 095	17 730 533	Fire Levy Charges	17 730 533	15 094 095
-	2 335 731	Insurance Recoveries	2 335 731	-
4 958 630	4 394 184	Plan Approval Fees	4 394 184	4 958 630
7 494 771	-	Reconnection Fees	-	7 494 771
2 287 571	2 915 445	Scrap Sales	2 915 445	2 287 571
-	2 304 985	Service Connections - Electricity Supplies	2 304 985	-
-	4 947 527	Service Connections - Business	4 947 527	-
14 204 651	14 630 416	Vehicle Registration Commission	14 630 416	14 204 651
16 756 260	14 796 533	Other	14 867 570	16 759 365
<u>72 598 647</u>	<u>76 929 451</u>	Total Other Income	<u>77 000 488</u>	<u>72 601 752</u>

All individual income categories exceeding R2 000 000 are stated separately.

21 GENERAL EXPENSES - OTHER

17 491 472	17 627 960	Consultants Fees	17 627 960	17 491 472
-	6 738 442	Chemicals and Disinfectant	6 738 442	-
5 701 135	6 430 588	DWAF	6 430 588	5 701 135
24 346 054	23 509 750	Electricity Lighting Department Charges	23 509 750	24 346 054
13 564 803	-	Transfer to Leave Creditors	-	13 564 803
5 780 307	7 514 910	Essential Users Cost	7 514 910	5 780 307
8 016 806	9 496 206	Fuel Oil	9 496 206	8 016 806
-	5 247 484	Hired Plant	5 247 484	-
6 702 052	11 789 303	Insurance	11 789 303	6 702 052
-	5 383 707	Licence Fee Department Charges	5 383 707	-
5 305 039	7 143 761	Machine Rental	7 143 761	5 305 039
8 550 857	8 900 512	Pensions Payable	8 900 512	8 550 857
5 422 432	7 051 593	Petrol	7 051 593	5 422 432
54 125 709	64 299 618	Poor Relief	64 299 618	54 125 709
7 824 213	8 778 285	Refuse Removal Department Charges	8 778 285	7 824 213
12 014 191	12 267 400	Security Guards	12 267 400	12 014 191
8 763 209	8 600 432	Spares - Automotive	8 600 432	8 763 209
11 911 473	11 699 158	Telephones	11 699 158	11 911 473
56 296 402	56 296 402	Conditional Grant Expenditure	56 296 402	56 296 402
21 435 506	50 917 661	Housing & Local Government projects	50 917 661	21 435 506
10 425 176	31 016 088	Restructuring Grant Projects	31 016 088	10 425 176
24 435 720	32 081 679	Other projects	32 081 679	24 435 720
118 449 296	121 054 572	Other	121 675 023	118 091 502
<u>370 265 451</u>	<u>457 549 110</u>	Total General Expenses - Other	<u>458 169 561</u>	<u>369 907 655</u>

All categories exceeding R5 000 000 are stated separately.

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
22 EMPLOYEE RELATED COSTS				
384 874 388	429 426 984	Salaries and Wages	430 599 318	385 764 424
77 169 774	83 583 146	Social Contributions	83 583 146	77 169 774
<u>462 044 162</u>	<u>513 010 130</u>	Total Employee related costs	<u>514 182 464</u>	<u>462 934 198</u>
Remuneration of the Municipal Manager				
407 098	420 000	Basic Salary	420 000	407 098
148 137	-	Deferred Compensation	-	148 137
339 239	280 000	Other	280 000	339 239
<u>894 474</u>	<u>700 000</u>	Total	<u>700 000</u>	<u>894 474</u>
(Note: The above amounts are for the period 01 November 2006 to 30 June 2007. No bonus was paid but a provision of R 122 500 was made for the 2006/07 financial year.)				
Remuneration of the Chief Financial Officer				
495 302	521 869	Annual Remuneration	521 869	495 302
330 202	348 888	Other	348 888	330 202
82 550	-	Performance Bonus	-	82 550
<u>908 054</u>	<u>870 757</u>	Total	<u>870 757</u>	<u>908 054</u>
(Note: No bonus was paid but a provision of R 174 818 was made for the 2006/07 financial year.)				
Remuneration of the Director of Corporate Services				
495 302	521 869	Annual Remuneration	521 869	495 302
330 202	352 220	Other	352 220	330 202
82 550	-	Performance Bonus	-	82 550
<u>908 054</u>	<u>874 089</u>	Total	<u>874 089</u>	<u>908 054</u>
(Note: No bonus was paid but a provision of R 174 818 was made for the 2006/07 financial year.)				
Remuneration of the Director of Engineering Services				
495 302	523 729	Annual Remuneration	523 729	495 302
330 202	353 459	Other	353 459	330 202
82 550	-	Performance Bonus	-	82 550
<u>908 054</u>	<u>877 188</u>	Total	<u>877 188</u>	<u>908 054</u>
(Note: No bonus was paid but a provision of R 175 438 was made for the 2006/07 financial year.)				
Remuneration of the Director of Development Planning				
495 302	521 869	Annual Remuneration	521 869	495 302
330 202	352 220	Other	352 220	330 202
82 550	-	Performance Bonus	-	82 550
<u>908 054</u>	<u>874 089</u>	Total	<u>874 089</u>	<u>908 054</u>
(Note: No bonus was paid but a provision of R 174 818 was made for the 2006/07 financial year.)				
Remuneration of the Director of Social Services				
495 302	162 000	Annual Remuneration	162 000	495 302
330 202	127 297	Other	127 297	330 202
82 550	-	Performance Bonus	-	82 550
<u>908 054</u>	<u>289 297</u>	Total	<u>289 297</u>	<u>908 054</u>
(Note: The above amounts are for the period 01 November 2006 to 30 June 2007. No bonus was paid but a provision of R 57 859 was made for the 2006/07 financial year.)				
Remuneration of the Director of Community Services				
-	162 000	Annual Remuneration	162 000	-
-	127 297	Other	127 297	-
-	-	Performance Bonus	-	-
<u>-</u>	<u>289 297</u>	Total	<u>289 297</u>	<u>-</u>
(Note: The above amounts are for the period 01 March 2007 to 30 June 2007. No bonus was paid but a provision of R 57 859 was made for the 2006/07 financial year.)				

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
Remuneration of the Director of Mayoral Office				
For the period 01 July 2006 to 25 August 2006				
381 060	79 230	Annual Remuneration	79 230	381 060
254 040	52 820	Other	52 820	254 040
<u>635 100</u>	<u>132 050</u>	Total	<u>132 050</u>	<u>635 100</u>
For the period 03 May 2007 to 30 June 2007				
495 302	83 030	Annual Remuneration	83 030	495 302
330 202	55 353	Other	55 353	330 202
<u>825 504</u>	<u>138 383</u>	Total	<u>138 383</u>	<u>825 504</u>
(Note: No bonus was paid but a provision of R 27 677 was made for the 2006/07 financial year.)				
Remuneration of the Special Advisor to Executive Mayor				
-	521 869	Annual Remuneration	521 869	-
-	352 220	Other	352 220	-
-	86 242	Performance Bonus	86 242	-
<u>-</u>	<u>960 331</u>	Total	<u>960 331</u>	<u>-</u>
Remuneration of the Chief Executive Officer (BCDA)				
		Annual Remuneration	481 552	536 446
		Other	-	-
		Performance Bonus	-	-
		Total	<u>481 552</u>	<u>536 446</u>
Remuneration of Senior Management (BCDA)				
		Annual Remuneration	563 898	152 162
		Other	-	-
		Performance Bonus	-	-
		Total	<u>563 898</u>	<u>152 162</u>

23 REMUNERATION OF COUNCILLORS AND BOARD MEMBERS

287 088	317 210	Executive Mayor	317 210	287 088
229 671	253 767	Speaker	253 767	229 671
1 879 393	2 141 165	Mayoral Committee Members	2 141 165	1 879 393
5 647 923	7 416 587	Councillors	7 416 587	5 647 923
1 300 870	1 697 936	Councillors' Pension and Medical Contribution	1 697 936	1 300 870
4 045 203	5 119 994	Other	5 119 994	4 045 203
-	-	Chairman of the Board of Directors - BCDA	20 100	-
-	-	Board Members-Directors' Fee	36 500	74 100
<u>13 390 148</u>	<u>16 946 659</u>	Total Councillors' and Board Members Remuneration	<u>17 003 259</u>	<u>13 464 248</u>

(Note: The large variance in other is a result of the new upper limits of salaries, allowances and benefits of Councillors as per SALGA's circular 14/2006.)

In-Kind Benefits

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

24 INTEREST PAID

5 380 250	3 053 640	Stock Loans	3 053 640	5 380 250
43 795 684	41 573 409	Annuity Loans	41 573 409	43 795 684
450 250	839	Finance Loans	839	450 250
6 601 046	1 661 028	Other	1 661 028	6 605 918
<u>56 227 230</u>	<u>46 288 916</u>	Total Interest on External Borrowings	<u>46 288 916</u>	<u>56 232 102</u>

During the 2006/07 financial year, the total interest paid has decreased due to the reduction of stock loans which were consolidated into an INCA loan in February 2006. However, this interest is expected to increase in future on acquisition of budgeted new loans.

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
25 BULK PURCHASES				
226 951 707	247 773 872	Electricity	247 773 872	226 951 707
62 566 266	72 104 638	Water	72 104 638	62 566 266
<u>289 517 973</u>	<u>319 878 510</u>	Total Bulk Purchases	<u>319 878 510</u>	<u>289 517 973</u>
26 GRANTS AND SUBSIDIES PAID				
2 866 369	3 033 418	Grant in Lieu of Rates	3 033 418	2 866 369
1 628 628	465 661	Sundry Grants-in-Aid	465 661	1 198 803
<u>4 494 997</u>	<u>3 499 079</u>	Total Grants and Subsidies Paid	<u>3 499 079</u>	<u>4 065 172</u>
<p>The Grant paid to BCM Tourism is paid quarterly.</p> <p>Various institutions apply for Grants-in-aid. Mostly charity organizations and child care centres qualify for these grants.</p>				
27 TRAFFIC FINES				
<u>14 754 530</u>	<u>9 696 555</u>	Traffic fines issued but not yet recovered at year end.	<u>9 696 555</u>	<u>14 754 530</u>
<p>Due to the uncertainty of the recoverability of outstanding traffic fines Buffalo City Municipality did not include the unpaid fines as Revenue and will only do so when the revenue is received.</p>				
28 CASH GENERATED BY OPERATIONS				
205 220 096	120 457 086	Net Surplus for the year	120 310 813	205 744 732
(1 418 115)	(1 315 706)	Adjustment for:	(1 315 706)	(1 418 115)
84 736 488	100 396 246	Equity accounted share of associate's surplus	100 458 245	84 770 348
(7 280 645)	(4 135 271)	Depreciation	(4 132 849)	(7 280 645)
566 057	1 489 480	Gain on disposal of property, plant and equipment	1 527 956	566 057
16 228 032	-	Contributions to Provisions - Current	-	16 228 032
1 602 403	4 183 582	Contributions to Bad Debt Provision	4 183 582	1 602 403
(65 747 296)	(38 397 035)	Contributions to Reserves	(38 539 372)	(65 796 403)
56 227 230	52 571 709	Investment Income	52 571 709	56 232 102
-	-	Interest Paid	86 576	-
11 633 905	-	Taxation	-	11 633 905
<u>301 768 155</u>	<u>235 250 091</u>	Vat Recovered	-	<u>302 282 416</u>
		Operating Surplus Before Working Capital Changes:	<u>235 150 954</u>	<u>302 282 416</u>
(1 809 294)	(7 717 263)	Increase in Inventories	(7 717 263)	(1 809 294)
-	81 831	Increase in Provision for Obsolete Stock	81 831	-
(35 913 466)	(5 331 836)	Increase in Service Debtors	(5 331 836)	(35 913 466)
-	27 234	Increase in Bad Debt Provision	27 234	-
37 079 160	2 734 670	Increase/(Decrease) in Other Debtors	2 737 242	37 076 353
-	-	Increase in Taxation	-	47 153
41 462 748	49 738 325	Increase in Conditional Grants & Receipts	48 080 565	43 217 557
11 065 832	20 771 655	Increase in Creditors	20 754 997	11 251 594
(3 904 993)	4 563 751	Increase/(Decrease) in VAT	4 602 472	(4 012 297)
<u>47 979 987</u>	<u>64 868 367</u>	Working Capital Changes	<u>63 235 242</u>	<u>49 857 600</u>
<u>349 748 143</u>	<u>300 118 458</u>	Cash Generated from Operations	<u>298 386 196</u>	<u>352 140 016</u>
29 CASH AND CASH EQUIVALENTS				
<p>Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:</p>				
52 690 916	233 904 878	Bank balances and cash	233 929 108	52 754 047
436 361 055	397 131 677	Call investment deposits	398 255 461	439 076 809
<u>489 051 971</u>	<u>631 036 555</u>	Total Cash and Cash Equivalents	<u>632 184 569</u>	<u>491 830 856</u>

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
30 UTILIZATION OF LONG-TERM LIABILITIES RECONCILIATION				
21 109 471	98 011 654	Long-Term Liabilities (Refer Appendix A)	98 011 654	21 109 471
(21 109 471)	(98 011 654)	Used to Finance Property, Plant and Equipment prior years	(98 011 654)	(21 109 471)
8 922 380	9 918 843	Cash Invested for Repayment of External Loans	9 918 843	8 922 380
<p>During the 2006/07 financial year, a new loan for the Capital Development Programme (CAP) was raised to the total value of R250 000 000, but only R98 011 654 has been claimed from the Development Bank of Southern Africa (DBSA). The CAP-loan of R98 011 654, includes different projects at different rates ranging from 5% to 8.904% p.a.</p> <p>All loans that are raised are only used for the financing of assets. No operating expenditure is financed from loan funding. All purchases against the capital budget are analysed and reconciled to individual asset values in order to eliminate any contravention of the MFMA, which stipulates that loan funding cannot be used to finance operating activities.</p>				
31 ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT				
<u>Contributions to SALGA</u>				
-	-	Opening Balance	-	-
2 160 687	2 403 838	Council Subscriptions	2 403 838	2 160 687
(2 160 687)	(2 403 838)	Amount Paid - Current Year	(2 403 838)	(2 160 687)
-	-	Amount Paid - Previous Years	-	-
-	-	Balance Unpaid	-	-
<u>Contributions to SA Cities Network</u>				
-	-	Opening Balance	-	-
181 500	199 650	Council Subscriptions	199 650	181 500
(181 500)	(199 650)	Amount Paid - Current Year	(199 650)	(181 500)
-	-	Amount Paid - Previous Years	-	-
-	-	Balance Unpaid	-	-
<u>Audit Fees</u>				
-	-	Opening Balance	-	-
-	-	Over Provision Written Back	-	-
2 078 281	2 101 956	Current Year Audit Fee	2 189 997	2 167 541
(2 078 281)	(2 101 956)	Amount Paid - Current Year	(2 189 997)	(2 078 281)
-	-	Amount Paid - Previous Years	-	(89 260)
-	-	Balance Unpaid	-	-
<u>PAYE and UIF</u>				
-	-	Opening Balance	-	-
55 737 546	60 524 928	Current Year Payroll Deductions	60 524 928	55 737 546
(55 737 546)	(60 524 928)	Amount Paid - Current Year	(60 524 928)	(55 737 546)
-	-	Amount Paid - Previous Years	-	-
-	-	Balance Unpaid	-	-
<u>Pension and Medical Aid Deductions</u>				
-	-	Opening Balance	-	-
109 226 663	120 401 203	Current Year Payroll Deductions and Council Contributions	120 401 203	109 226 663
(109 226 663)	(120 401 203)	Amount Paid - Current Year	(120 401 203)	(109 226 663)
-	-	Amount Paid - Previous Years	-	-
-	-	Balance Unpaid	-	-
<u>Councillor's Arrear Consumer Accounts</u>				
<p>Arrear accounts totalling R800 were outstanding at 30 June 2007 for more than 90 days for which mechanisms are in place to deduct amounts from the monthly allowances of each Councillor.</p>				

BUFFALO CITY MUNICIPALITY
2006
R

2007
R

ECONOMIC ENTITY
2007
R

2006
R

34 RETIREMENT BENEFIT INFORMATION

The employees of the Council as well as the Council as employer, contribute to Municipal Pension, Retirement and various Provident Funds as listed below:

- Cape Joint Pension Fund
- Cape Joint Retirement Fund
- Eastern Cape Local Authorities Provident Fund
- Government Employees Pension Fund
- SAMWU National Provident Fund
- SALA Pension Fund
- East London Municipal A Band Provident Fund
- Old Mutual Orion Provident Fund
- Aftredevoorsieningsfonds vir Kaapse Plaaslike Owerhede

The Cape Joint Pension Fund's last actuarial valuation was at 30 June 2006 conducted by S. Neethling from Metropolitan Life Limited. The fund was in a sound financial position and the surplus could be attributed to the reduction of pension increase targets.

The Cape Joint Retirement Fund's last actuarial valuation was at 30 June 2006 conducted by S. Neethling from Metropolitan Life Limited who certified that the fund was in a sound financial position.

The Eastern Cape Local Authorities Provident Fund's last valuation was at 30 June 2005 conducted by M. Hayler from Alexander Forbes Financial Services who certified that the fund was in a sound financial position in terms of the Pension Fund Act.

The Government Employees Pension Fund's last valuation was at 31 March 2004 conducted by J. Slawski, J. Geldenhuys and R. Maxwell from Alexander Forbes Financial Services. The fund was 96,5% funded at this date. The deficit in the Fund is provided for in the national accounts of Government.

SAMWU National Provident Fund's last actuarial valuation was at 30 June 2005 conducted by E. Potgieter from Fifth Quadrant Actuaries & Consultants (Pty) Ltd. The report stated that the fund was in a sound financial position.

The SALA Pension Fund's last valuation was at 30 June 2003 conducted by S. Feldman of Old Mutual Actuaries and Consultants. The fund was 93,2% funded as at valuation date.

The East London Municipal A Band and Old Mutual Orion Provident Funds as well as the Aftredevoorsieningsfonds vir Kaapse Plaaslike Owerhede are fixed/defined contribution funds. It is therefore not necessary to perform actuarial valuations for these funds.

It is Council's policy to fund 70% of Pensioner's medical aid expenses. The current costs amount to approximately R 8.9 million.

An amount of R 83.6 million (2006: R 75,7 million) was contributed by Council, Councillor's and employee's in respect of Councillor and employee's retirement funding. These contributions have been expensed.

35 IN-KIND DONATIONS AND ASSISTANCE

The Municipality received the following in-kind donations and assistance:

The services of 9 Officials from the Department of Housing, Local Government and Traditional Affairs have been made available to BCM for the implementation of the Enhanced Extended State Discount Benefit Scheme in Mdantsane w.e.f. 26 March 2007.

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY			ECONOMIC ENTITY	
2006	2007		2007	2006
R	R		R	R
36 CORRECTION OF ERROR				
During the year the following adjustments were made to transactions whereby amounts were erroneously stated in previous financial periods :				
32 232 682		Transactions affecting Revaluation Reserve(Incorrect revaluation of land and buildings)		32 232 682
<u>(32 232 682)</u>		Transactions affecting PPE(Incorrect revaluation of land and buildings)		<u>(32 232 682)</u>
-				-
(212 925)		Transactions affecting Revaluation Reserve(Accumulated depreciation on buildings not adjusted)		(212 925)
<u>212 925</u>		Transactions affecting PPE(Accumulated depreciation on buildings not adjusted)		<u>212 925</u>
-				-
1 498 340		Transactions affecting Creditors(2004-2006:Stale cheques written back)		1 498 340
37 687 274		Transactions affecting Consumer Debtors(2006:Elec & Water usage July '06 written back)		37 687 274
<u>(10 050 839)</u>		Transactions affecting Other Debtors(2006:IDZ Debtor account written-off)		<u>(10 050 839)</u>
-		Transactions affecting Unspent Cond Grants(2006:BCDA-Opening balance overstated.This adj was not done in the 05/06 fin yr)		373 497
-		Transactions affecting Unspent Conditional Grants(Prior year misallocation)		(125 491)
27 928		Transactions affecting Long-Term Liabilities(2006:Annuity Loans overstated previous years)		27 928
<u>29 162 703</u>		Net Effect on Accumulated Surplus		<u>29 410 709</u>

37 INVESTMENT IN ASSOCIATE

Buffalo City Municipality holds 26% of the issued share capital in East London Industrial Development Zone (Pty) Ltd.

3 754 258	5 172 373	Opening balance of carrying value	5 172 373	3 754 258
1 418 115	1 315 706	Share of retained profit on the equity method for the period	1 315 706	1 418 115
<u>5 172 373</u>	<u>6 488 079</u>	Closing balance of carrying value	<u>6 488 079</u>	<u>5 172 373</u>
Investment carrying value is made up as follows:				
260	260	26% of issued shares (26 000 shares at R0,01 each)	260	260
<u>5 172 113</u>	<u>6 487 819</u>	26% of retained portion of IDZ profit	<u>6 487 819</u>	<u>5 172 113</u>
<u>5 172 373</u>	<u>6 488 079</u>	Market value and Council's valuation of this investment	<u>6 488 079</u>	<u>5 172 373</u>
<u>5 172 373</u>	<u>6 488 079</u>		<u>6 488 079</u>	<u>5 172 373</u>

31/03/2007	30/06/2007	Summary of IDZ Financial Information:	30/06/2007	31/03/2007
(22 050 417)	(24 953 154)	Equity	(24 953 154)	(22 050 417)
(618 389 901)	(570 919 258)	Liabilities	(570 919 258)	(618 389 901)
<u>(640 440 318)</u>	<u>(595 872 412)</u>	Total Equity and Liabilities	<u>(595 872 412)</u>	<u>(640 440 318)</u>
<u>640 440 318</u>	<u>595 872 412</u>	Total Assets	<u>595 872 412</u>	<u>640 440 318</u>

The Financial Statements of IDZ are prepared for the accounting period 01 April 2006 to 31 March 2007 and interim results for the quarter ending 30 June 2007 are also prepared.

No loans were made to or received from the associate.

No shares were sold during the period.

BUFFALO CITY MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

BUFFALO CITY MUNICIPALITY
 2006 2007
 R R

ECONOMIC ENTITY
 2007 2006
 R R

38 RELATED PARTY TRANSACTIONS

Buffalo City Development Agency (BCDA) (a Section 21 company registration no 2004/016829/08)

The BCDA was incorporated on 18 June 2004 as a Municipal entity of BCM. BCDA is 100% controlled by BCM. BCM Council resolved to report all Agency related pre-incorporation financial transactions for the first time at 30 June 2005.

One of the envisaged corner-stones of the Agency's business model is the asset base of unutilised or underutilised public land and infrastructure that falls within the Agency's demarcated area, namely the extended waterfront and CBD area of East London.

In Buffalo City, this asset-base constitutes a resource of significant value that could be used as leverage to unlock beneficial synergies with other significant prospective investors, private and public.

The annual financial statements of BCDA, at 30 June 2007, were consolidated in terms of GAMAP 6, the Municipal Systems Act, as amended, and the Municipal Finance Management Act.

Buffalo City Municipality has issued grants of R1 000 000 to the development agency during the current financial year (2006: R1 429 825).

BCDA has paid consumer accounts of R16 331 during the current financial year (2006: R6 250).

There is no outstanding balances to BCM from BCDA or visa versa at 30 June 2007.

39 EXEMPTIONS GRANTED IN GAZETTE NO. 30013 DATED 29 JUNE 2007

Buffalo City Municipality is making full use of the exemptions granted except for the exemption relating to the preparation of consolidated statements and the disclosure of water stock on hand. Deviations from the exemptions were agreed with National Treasury who approved the deviations in a letter dated 15 August 2007.

Due to taking advantage of the exemptions granted the 2005/06 comparatives may not be consistent with the accounting policies applied and the information presented and disclosed in the 2006/07 year.

Buffalo City Municipality is in the process of preparing a detailed implementation plan to facilitate full compliance with the accounting standards. In terms of Gazette No. 30013 dated 29 June 2007 the detailed implementation plan will be submitted to National Treasury by 31 October 2007.

To achieve full compliance with the accounting standards the information in the Annual Financial Statements will need to be adjusted to make provision for:

- Presenting assets and liabilities at fair value.
- Providing for all obligations.
- Recapitalising the value of Infrastructure and Property assets.
- Straight lining leases and rental income and payments.
- Identifying and accounting for Investment assets.
- Identifying and accounting for Intangible assets.
- Determination of risk (credit and interest).
- Impairment.

40 EVENTS AFTER THE REPORTING DATE

At the time of preparing and submitting the Consolidated Annual Financial Statements there were no subsequent events to disclose.

41 OPERATING LEASES

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

3 791 287	4 881 500	No later than 1 year	5 085 175	3 982 335
19 335 911	14 855 125	Later than 1 year and no later than 5 years	15 069 880	19 616 612
-	-	Later than 5 years	-	-

BUFFALO CITY MUNICIPALITY
APPENDIX A
SCHEDULE OF EXTERNAL LOANS AT 30 JUNE 2007 (MUNICIPALITY AND ECONOMIC ENTITY)

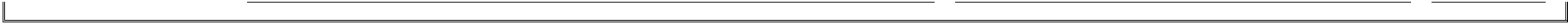
EXTERNAL LOANS							Carrying Value of Property, Plant & Equipment R	Other Costs in accordance with MFMA R
Issued	Loan No.	Redeemable	Balance at 30/06/2006 R	Received during the year R	Redeemed / written off during the year R	Balance at 30/06/2007 R		
LONG-TERM LOANS								
<u>Local Registered Stock</u>								
1990 @ 16.50%	72	30/06/2010	8 000 000	-	-	8 000 000	4 212 509	-
1990 @ 17.05%	73	31/12/2011	10 000 000	-	-	10 000 000	5 265 637	-
1990 @ 17.90%	5/90	30/06/2010	160 000	-	-	160 000	84 250	-
Total Local Registered Stock			18 160 000	-	-	18 160 000	9 562 396	-
<u>Annuity Loans</u>								
1997 @ 16.60%	SCMB	14/06/2007	9 387 171	-	9 387 171	-	-	-
2020 @ 13.95%	INCA	30/06/2020	120 427 343	9 794 249	11 027 599	119 193 993	61 947 683	-
2001 @ 10.83%	13717-DBSA	30/06/2021	63 157 895	5 707 946	4 210 526	64 655 315	31 039 542	-
2002 @ 11.40%	100124-DBSA	30/06/2023	144 239 481	9 702 191	3 034 896	150 906 776	74 353 203	-
2004 @ 10.15%	100783-DBSA	30/06/2009	6 000 000	164 421	-	6 164 421	3 159 382	-
2004 @ 12.56%	101058-DBSA	31/12/2023	55 569 023	3 962 202	972 358	58 558 867	28 748 620	-
2004 @ 10.11%	101490-DBSA	31/12/2006	1 919 472	-	1 919 472	-	-	-
1977 @ 13.00%	SAN 1	30/09/2007	29 069	-	18 763	10 306	5 427	-
Annuity Loans carried forward			400 729 454	29 331 009	30 570 785	399 489 678	199 253 857	-

BUFFALO CITY MUNICIPALITY
APPENDIX A
SCHEDULE OF EXTERNAL LOANS AT 30 JUNE 2007 (MUNICIPALITY AND ECONOMIC ENTITY)

EXTERNAL LOANS							Carrying Value of Property, R	Other Costs in accordance R
Issued	Loan No.	Redeemable	Balance at 30/06/2006 R	Received during R	Redeemed / written off R	Balance at 30/06/2007 R		
Annuity Loans brought forward			400 729 454	29 331 009	30 570 785	399 489 678	199 253 857	-
1978 @ 13.00%	CJPF 4	30/06/2009	58 110	9 113	36 340	30 883	20 448	-
1980 @ 9.50%	CJPF 5	30/06/2005	46 626	16 963	31 086	32 503	13 904	-
2003 @ 9.05%	STAFF	27/07/2006	306 790	-	306 790	-	-	-
2007 @ 9.80%	102531-DBSA	VARIOUS	-	99 974 340	-	99 974 340	51 609 375	-
Total Annuity Loans			401 140 980	129 331 425	30 945 001	499 527 404	250 897 584	-
Financial Leases :								
2001 @ 13.50%	DCF5	18/09/2006	59 572	-	59 572	-	-	-
Total Financial Leases			59 572	-	59 572	-	-	-
Total External Loans			419 360 552	129 331 425	31 004 573	517 687 404	260 459 980	-

BUFFALO CITY MUNICIPALITY
APPENDIX B (f)
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost					Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions / Write-Ons	Under Construction Capitalised	Under Construction	Disposals / Write-Offs	Closing Balance	Opening Balance	Additions / Write-Ons	Disposals / Write-Offs		Closing Balance
LAND AND BUILDINGS											
Land	123 537 323	424 722	-	-	(17 469 685)	106 492 360	-	-	-	-	106 492 360
Buildings	306 905 212	3 170 788	-	1 703 442	(57 547 568)	254 231 874	178 929 225	17 250 615	(39 236 914)	156 942 926	97 288 948
Total Land and Buildings	430 442 535	3 595 510	-	1 703 442	(75 017 253)	360 724 234	178 929 225	17 250 615	(39 236 914)	156 942 926	203 781 308
INFRASTRUCTURE ASSETS											
Electricity											
Festive Lighting	249 990	258 736	-	-	-	508 726	149 994	62 935	-	212 929	295 797
High Mast Lighting	-	785 151	-	-	-	785 151	-	39 258	-	39 258	745 893
Load Control Equipment	302 823	70 790	-	-	-	373 613	302 823	1 770	-	304 593	69 020
Mains	46 876 987	10 332 123	(10 250 641)	-	-	46 958 469	27 307 689	1 590 779	-	28 898 468	18 060 001
Meters	21 087 537	198 979	-	-	-	21 286 516	11 470 755	660 651	-	12 131 406	9 155 110
Reticulation	245 506 215	633 964	-	6 740 778	-	252 880 957	119 375 121	7 452 742	-	126 827 863	126 053 094
Substations	34 391 417	13 952 478	-	-	-	48 343 895	22 662 130	1 171 214	(518 058)	23 315 286	25 028 609
Switchgear Equipment	-	4 228 486	-	-	-	4 228 486	-	105 712	-	105 712	4 122 774
Transformer Kiosks	69 604	3 817 016	-	-	-	3 886 620	9 280	65 937	-	75 217	3 811 403
Roads	348 484 573	34 277 723	(10 250 641)	6 740 778	-	379 252 433	181 277 792	11 150 998	(518 058)	191 910 732	187 341 701
Bridges, Subways and Culverts	4 592 733	937 900	-	-	-	5 530 633	331 217	160 909	-	492 126	5 038 507
Bus Terminals	154 909	-	-	-	-	154 909	23 236	7 745	-	30 981	123 928
Car Parks	298 082	-	-	-	-	298 082	207 364	6 968	-	214 332	83 750
Motorways	17 848 469	5 960 031	-	-	-	23 808 500	3 345 408	1 147 958	-	4 493 366	19 315 134
Other Roads	448 324 130	44 443 775	(22 827 073)	6 042 048	-	475 982 880	337 696 445	19 554 479	-	357 250 924	118 731 956
Parking Areas	5 711 421	805 512	(231 540)	39 761	-	6 325 154	4 439 809	143 981	-	4 583 790	1 741 364
Parking Meters	1 787 985	-	-	-	-	1 787 985	59 600	119 199	-	178 799	1 609 186
Pedestrian Facilities	2 821 241	1 141 566	(499 000)	-	-	3 463 807	299 314	256 621	-	555 935	2 907 872
Sidewalks	7 189 998	2 073 845	-	-	-	9 263 843	856 223	653 286	-	1 509 509	7 754 334
Stormwater Drains	604 143	-	-	-	-	604 143	410 943	14 261	-	425 204	178 939
Street Lighting	18 766 818	2 376 272	-	1 638 699	-	22 781 789	11 706 458	436 011	-	12 142 469	10 639 320
Taxi Facilities	8 002 505	2 647 984	-	-	-	10 650 489	774 952	458 004	-	1 232 956	9 417 533
Traffic Calming	428 516	1 315 846	-	-	-	1 744 362	21 426	108 644	-	130 070	1 614 292
Traffic Signals	650 327	263 566	-	-	-	913 893	366 797	28 822	-	395 619	518 274
Traffic Signs	1 584 201	592 282	-	-	-	2 176 483	740 709	122 541	-	863 250	1 313 233
Sewerage	518 765 478	62 558 579	(23 557 613)	7 720 508	-	565 486 952	361 279 901	23 219 429	-	384 499 330	180 987 622
Outfall Sewers	6 373 238	-	-	-	(6 373 238)	-	1 593 310	-	(1 593 310)	-	-
Purification Works	42 048 844	-	-	-	(35 841 920)	6 206 924	14 694 714	-	(14 694 714)	-	6 206 924
Sewer Mains	27 566 185	-	(3 660 397)	-	(14 053 895)	9 851 893	504 449	-	(504 449)	-	9 851 893
Sewerage Pumps	5 482 116	-	(1 760 000)	-	(3 472 116)	250 000	578 002	-	(578 002)	-	250 000
Sewers	175 769 228	-	-	-	(175 619 238)	149 990	114 573 966	-	(114 573 966)	-	149 990
Bulk Sewers	-	76 322 697	-	3 741 093	-	80 063 790	-	2 676 685	-	2 676 685	77 387 105
Oxidation Ponds	-	2 888 000	-	-	-	2 888 000	-	78 396	-	78 396	2 809 604
Connections	-	13 889 043	-	-	-	13 889 043	-	524 743	-	524 743	13 364 300
Pump Stations	-	15 285 418	-	1 336 186	-	16 621 604	-	967 472	-	967 472	15 654 132
Purification Works	-	57 364 815	-	12 601 985	-	69 966 800	-	3 122 623	-	3 122 623	66 844 177
Sewers	-	210 449 053	-	17 960 064	-	228 409 117	-	7 985 967	-	7 985 967	220 423 150
Water	257 239 611	376 199 026	(5 420 397)	35 639 328	(235 360 407)	428 297 161	131 944 441	15 355 886	(131 944 441)	15 355 886	412 941 275
Dams	15 665 087	-	-	-	-	15 665 087	14 948 555	45 266	-	14 993 821	671 266
Mains	54 752 201	-	-	170 901	-	54 923 102	8 814 704	2 955 976	-	11 770 680	43 152 422
Meters	7 579 769	1 276 467	-	-	-	8 856 236	2 584 987	463 017	-	3 048 004	5 808 232
Reservoirs	27 704 153	-	-	12 338 802	-	40 042 955	14 579 956	368 044	-	14 948 000	25 094 955
Reticulation	244 854 476	2 532 428	(2 485 975)	11 126 301	-	256 027 230	156 738 926	3 894 027	-	160 632 953	95 394 277
Treatment Works	23 185 111	-	-	-	-	23 185 111	16 209 735	446 348	-	16 656 083	6 529 028
Infrastructure Assets carried forward	1 498 230 459	476 844 223	(41 714 626)	73 736 618	(235 360 407)	1 771 736 267	888 378 997	57 898 991	(132 462 499)	813 815 489	957 920 778



BUFFALO CITY MUNICIPALITY
APPENDIX B (f)
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2007

	Cost					Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions / Write-Ons	Under Construction Capitalised	Under Construction	Disposals / Write-Offs	Closing Balance	Opening Balance	Additions / Write-Ons	Disposals / Write-Offs		Closing Balance
Infrastructure Assets brought forward	1 498 230 459	476 844 223	(41 714 626)	73 736 618	(235 360 407)	1 771 736 267	888 378 997	57 898 991	(132 462 499)	813 815 489	957 920 778
Security											
Access Control Systems	43 910	-	-	-	-	43 910	14 062	8 782	-	22 844	21 066
Fencing	2 454 493	588 083	-	-	-	3 042 576	2 045 823	221 840	-	2 267 663	774 913
Lighting	6 585	-	-	-	-	6 585	6 585	-	-	6 585	-
Security Systems	472 788	333 083	-	-	-	805 871	301 388	71 794	-	373 182	432 689
	2 977 776	921 166	-	-	-	3 898 942	2 367 858	302 416	-	2 670 274	1 228 668
Total Infrastructure Assets	1 501 208 235	477 765 389	(41 714 626)	73 736 618	(235 360 407)	1 775 635 209	890 746 855	58 201 407	(132 462 499)	816 485 763	959 149 446
HERITAGE ASSETS											
Historical Buildings	-	520 356	-	-	-	520 356	-	-	-	-	520 356
Artworks	-	39 000	-	-	-	39 000	-	-	-	-	39 000
Total Heritage Assets	-	559 356	-	-	-	559 356	-	-	-	-	559 356
COMMUNITY ASSETS											
Buildings											
Agriculture	91 954	-	-	-	-	91 954	13 794	4 598	-	18 392	73 562
Aquariums	431 338	-	-	265 825	-	697 163	7 189	14 378	-	21 567	675 596
Beachfront Developments	26 293 225	-	-	-	-	26 293 225	23 424 241	104 442	-	23 528 683	2 764 542
Cemeteries	12 187 715	-	-	1 590 309	-	13 778 024	3 102 666	517 749	(100 870)	3 519 545	10 258 479
Clinics & Hospitals	3 391 369	1 108 200	(106 362)	145 225	-	4 538 432	225 245	120 490	(127 004)	218 731	4 319 701
Community Centres	9 537 674	1 871 825	-	5 173 580	-	16 583 079	3 920 393	211 167	(1 930 314)	2 201 246	14 381 833
Fire Stations	1 027 916	-	-	2 523 731	-	3 551 647	26 169	34 264	-	60 433	3 491 214
Libraries	936 167	231 250	-	920 567	-	2 087 984	280 862	26 875	-	307 737	1 780 247
Nature Reserves	1 189 638	312 507	-	518 631	-	2 020 776	19 827	44 863	-	64 690	1 956 086
Parks	7 205 111	116 646	-	80 300	-	7 402 057	4 370 209	126 758	-	4 496 967	2 905 090
Public Conveniences	1 093 654	-	-	-	-	1 093 654	139 589	35 336	-	174 925	918 729
Sports & Related Stadiums	24 261 386	1 684 608	-	-	-	25 945 994	5 067 457	692 517	-	5 759 974	20 186 020
Zoos	761 613	-	-	761 613	-	1 523 226	343 131	14 636	-	357 767	403 846
	88 408 760	5 325 036	(106 362)	11 218 168	-	104 845 602	40 940 772	1 948 073	(2 158 188)	40 730 657	64 114 945
Recreational Facilities											
Floodlighting	155 253	38 012	-	-	-	193 265	43 379	8 372	-	51 751	141 514
Outdoor Sports Facilities	21 112 983	2 397 219	-	-	-	23 510 202	4 781 776	973 157	(272 200)	5 482 733	18 027 469
Swimming Pools	4 745 327	1 334 383	-	-	-	6 079 710	2 986 132	139 369	-	3 125 501	2 954 209
Tennis Courts	311 366	200 150	-	-	-	511 516	113 968	16 615	-	130 583	380 933
	26 324 929	3 969 764	-	-	-	30 294 693	7 925 255	1 137 513	(272 200)	8 790 568	21 504 125
Total Community Assets	114 733 689	9 294 800	(106 362)	11 218 168	-	135 140 295	48 866 027	3 085 586	(2 430 388)	49 521 225	85 619 070
OTHER ASSETS											
Other Properties											
Caravan Parks	822 015	-	-	-	-	822 015	510 750	15 563	-	526 313	295 702
Compost Plant	182 353	-	-	-	-	182 353	27 354	9 118	-	36 472	145 881
General	24 071	-	(24 071)	-	-	-	-	-	-	-	-
Hawker Facilities	308 884	-	-	-	-	308 884	48 850	15 296	-	64 146	244 738
Markets	357 623	550 328	-	-	-	907 951	25 062	21 093	-	46 155	861 796
Nurseries	478 396	-	-	-	-	478 396	53 550	15 947	-	69 497	408 899
Recycling Centres	14 347 389	-	-	932 981	-	15 280 370	416 079	479 723	-	895 802	14 384 568
Tip Sites	47 244 281	119 417 468	-	10 549 690	-	177 211 439	7 632 391	1 525 657	-	9 158 048	168 053 391
Training Centres	160 331	-	-	-	-	160 331	37 410	5 344	-	42 754	117 577
Waste Cells	2 899 842	-	-	-	-	2 899 842	144 991	96 661	-	241 652	2 658 190
	66 825 185	119 967 796	(24 071)	11 482 671	-	198 251 581	8 896 437	2 184 402	-	11 080 839	187 170 742
Other Assets carried forward	66 825 185	119 967 796	(24 071)	11 482 671	-	198 251 581	8 896 437	2 184 402	-	11 080 839	187 170 742

BUFFALO CITY MUNICIPALITY
APPENDIX B (I)
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2007

	Cost					Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions / Write-Ons	Under Construction Capitalised	Under Construction	Disposals / Write-Offs	Closing Balance	Opening Balance	Additions / Write-Ons	Disposals / Write-Offs		Closing Balance
Other Assets brought forward	66 825 185	119 967 796	(24 071)	11 482 671	-	198 251 581	8 896 437	2 184 402	-	11 080 839	187 170 742
Plant and Equipment											
Chlorination Equipment	87 765	-	-	-	-	87 765	87 765	-	-	87 765	-
Compactors	5 384 468	-	-	-	-	5 384 468	2 470 034	362 509	-	2 832 543	2 551 925
Compressors	1 722 723	-	-	-	-	1 722 723	1 033 634	344 545	-	1 378 179	344 544
Cremators	171 065	-	-	-	-	171 065	60 281	11 404	-	71 685	99 380
Electronic Equipment	2 615 683	1 394 391	-	-	-	4 010 074	794 253	676 365	-	1 470 618	2 539 456
Fire Hoses	199 138	-	-	-	-	199 138	25 439	39 828	-	65 267	133 871
General	806 686	596 790	-	-	-	1 403 476	456 677	175 628	-	632 305	771 171
Generators	801 692	-	-	-	-	801 692	170 778	116 615	-	287 393	514 299
Graders	158 718	1 044 516	-	-	-	1 203 234	7 936	68 098	-	76 034	1 127 200
Horticultural Equipment	2 104 125	1 564 617	-	-	-	3 668 742	888 835	425 106	-	1 313 941	2 354 801
Laboratory Equipment	224 194	26 100	-	-	-	250 294	127 749	46 144	-	173 893	76 401
Other Emergency Equipment	871 107	1 793 215	-	-	-	2 664 322	51 546	184 678	-	236 224	2 428 098
Pumps	2 742 865	-	-	-	-	2 742 865	1 610 111	166 160	-	1 776 271	966 594
Radio Equipment	880 021	55 000	-	-	-	935 021	156 139	162 599	-	318 738	616 283
Telecommunication Equipment	616 205	360 288	-	-	-	976 493	184 861	159 270	-	344 131	632 362
Tractors	1 283 580	4 121 793	-	-	-	5 405 373	190 582	343 277	-	533 859	4 871 514
Trailers	141 128	-	-	-	-	141 128	37 513	28 226	-	65 739	75 389
Watercraft	117 434	42 643	-	-	-	160 077	11 743	9 250	-	20 993	139 084
Workshop Equipment	643 525	158 682	-	-	-	802 207	179 447	144 573	-	324 020	478 187
	21 572 122	11 158 035	-	-	-	32 730 157	8 545 323	3 464 275	-	12 009 598	20 720 559
Office Equipment											
Air Conditioners	773 069	836 008	-	-	-	1 609 077	187 339	338 530	-	525 869	1 083 208
Computer Hardware	16 008 416	2 918 204	-	-	-	18 926 620	6 071 500	5 048 179	-	11 119 679	7 806 941
Office Machines	3 483 888	863 740	-	-	-	4 347 628	733 108	639 875	-	1 373 983	2 974 645
	20 265 373	4 617 952	-	-	-	24 883 325	6 991 947	6 026 584	-	13 018 531	11 864 794
Furniture and Fittings											
Cabinets and Cupboards	170 921	-	-	-	-	170 921	38 171	37 791	-	75 962	94 959
General	115 156	36 570	-	-	-	151 726	17 026	6 333	-	23 359	128 367
Tables and Desks	234 375	82 910	-	-	-	317 285	34 147	40 917	-	75 064	242 221
	520 452	119 480	-	-	-	639 932	89 344	85 041	-	174 385	465 547
Motor Vehicles											
Fire Engines	5 237 265	4 210 369	-	-	-	9 447 634	490 782	390 428	-	881 210	8 566 424
Mobile Libraries	41 568	-	-	-	-	41 568	12 471	4 157	-	16 628	24 940
Motor Vehicles	8 466 172	5 629 273	-	-	(69 995)	14 025 450	3 730 099	2 189 185	(11 666)	5 907 618	8 117 832
Refuse Vehicles	532 064	11 993 518	-	-	-	12 525 582	17 735	435 255	-	452 990	12 072 592
Tankers	434 870	-	-	-	-	434 870	86 973	28 991	-	115 964	318 906
Trucks and LDV's	20 302 334	8 033 149	-	-	(251 628)	28 083 855	4 932 136	4 602 825	(86 944)	9 448 017	18 635 838
	35 014 273	29 866 309	-	-	-	64 558 959	9 270 196	7 650 841	(98 610)	16 822 427	47 736 532
Capital leases											
Motor Vehicles	7 194 234	-	-	-	-	7 194 234	7 194 234	-	-	7 194 234	-
	7 194 234	-	-	-	-	7 194 234	7 194 234	-	-	7 194 234	-
General											
Planning	3 059 505	-	-	-	-	3 059 505	-	-	-	-	3 059 505
	3 059 505	-	-	-	-	3 059 505	-	-	-	-	3 059 505
Total Other Assets	154 451 144	165 729 572	(24 071)	11 482 671	(321 623)	331 317 693	40 987 481	19 411 143	(98 610)	60 300 014	271 017 679
INTANGIBLE ASSETS											
Computer Software	17 858 504	4 669 811	-	275 001	-	22 803 316	14 053 247	2 447 495	-	16 500 742	6 302 574
Total Intangible Assets	17 858 504	4 669 811	-	275 001	-	22 803 316	14 053 247	2 447 495	-	16 500 742	6 302 574
AGRICULTURAL ASSETS											
Aquariums	-	306 000	-	-	-	306 000	-	-	-	-	306 000
Zoos	-	668 150	-	-	-	668 150	-	-	-	-	668 150
Total Agricultural Assets	-	974 150	-	-	-	974 150	-	-	-	-	974 150
TOTAL	2 144 284 708	662 588 588	(41 845 059)	98 415 900	(236 289 884)	2 627 154 253	1 131 406 118	100 396 246	(132 051 694)	1 099 750 670	1 527 403 583

Under Construction Balance
Opening Balance (incl. in Opening Balance - Cost) 91 125 958
Capitalised during the year (41 845 059)
Under Construction 2005-06 carried forward (incl. in Opening Balance - Cost) 49 280 899

Under Construction - 2006-07
Year-End Under Construction Balance

98 415 900
147 696 799

BUFFALO CITY MUNICIPALITY
APPENDIX B (ii)
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007 - ECONOMIC ENTITY

	Cost					Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions / Write-Ons	Under Construction Capitalised	Under Construction	Disposals / Write-Offs	Closing Balance	Opening Balance	Additions / Write-Ons	Disposals / Write-Offs		Closing Balance
LAND AND BUILDINGS											
Land	123 537 323	424 722	-	-	(17 469 685)	106 492 360	-	-	-	-	106 492 360
Buildings	306 905 212	3 170 788	-	1 703 442	(57 547 568)	254 231 874	178 929 225	17 250 615	(39 236 914)	156 942 926	97 288 948
Total Land and Buildings	430 442 535	3 595 510	-	1 703 442	(75 017 253)	360 724 234	178 929 225	17 250 615	(39 236 914)	156 942 926	203 781 308
INFRASTRUCTURE ASSETS											
Electricity											
Festive Lighting	249 990	258 736	-	-	-	508 726	149 994	62 935	-	212 929	295 797
High Mast Lighting	-	785 151	-	-	-	785 151	-	39 258	-	39 258	745 893
Load Control Equipment	302 823	70 790	-	-	-	373 613	302 823	1 770	-	304 593	69 020
Mains	46 876 987	10 332 123	(10 250 641)	-	-	46 958 469	27 307 689	1 590 779	-	28 898 468	18 060 001
Meters	21 087 537	198 979	-	-	-	21 286 516	11 470 755	660 651	-	12 131 406	9 155 110
Reticulation	245 506 215	633 964	-	6 740 778	-	252 880 957	119 375 121	7 452 742	-	126 827 863	126 053 094
Substations	34 391 417	13 952 478	-	-	-	48 343 895	22 662 130	1 171 214	(518 058)	23 315 286	25 028 609
Switchgear Equipment	-	4 228 486	-	-	-	4 228 486	-	105 712	-	105 712	4 122 774
Transformer Kiosks	69 604	3 817 016	-	-	-	3 886 620	9 280	65 937	-	75 217	3 811 403
	348 484 573	34 277 723	(10 250 641)	6 740 778	-	379 252 433	181 277 792	11 150 998	(518 058)	191 910 732	187 341 701
Roads											
Bridges, Subways and Culverts	4 592 733	937 900	-	-	-	5 530 633	331 217	160 909	-	492 126	5 038 507
Bus Terminals	154 909	-	-	-	-	154 909	23 236	7 745	-	30 981	123 928
Car Parks	298 082	-	-	-	-	298 082	207 364	6 968	-	214 332	83 750
Motorways	17 848 469	5 960 031	-	-	-	23 808 500	3 345 408	1 147 958	-	4 493 366	19 315 134
Other Roads	448 324 130	44 443 775	(22 827 073)	6 042 048	-	475 982 880	337 696 445	19 554 479	-	357 250 924	118 731 956
Parking Areas	5 711 421	805 512	(231 540)	39 761	-	6 325 154	4 439 809	143 981	-	4 583 790	1 741 364
Parking Meters	1 787 985	-	-	-	-	1 787 985	59 600	119 199	-	178 799	1 609 186
Pedestrian Facilities	2 821 241	1 141 566	(499 000)	-	-	3 463 807	299 314	256 621	-	555 935	2 907 872
Sidewalks	7 189 998	2 073 845	-	-	-	9 263 843	856 223	653 286	-	1 509 509	7 754 334
Stormwater Drains	604 143	-	-	-	-	604 143	410 943	14 261	-	425 204	178 939
Street Lighting	18 766 818	2 376 272	-	1 638 699	-	22 781 789	11 706 458	436 011	-	12 142 469	10 639 320
Taxi Facilities	8 002 505	2 647 984	-	-	-	10 650 489	774 952	458 004	-	1 232 956	9 417 533
Traffic Calming	428 516	1 315 846	-	-	-	1 744 362	21 426	108 644	-	130 070	1 614 292
Traffic Signals	650 327	263 566	-	-	-	913 893	366 797	28 822	-	395 619	518 274
Traffic Signs	1 584 201	592 282	-	-	-	2 176 483	740 709	122 541	-	863 250	1 313 233
	518 765 478	62 558 579	(23 557 613)	7 720 508	-	565 486 952	361 279 901	23 219 429	-	384 499 330	180 987 622
Sewerage											
Outfall Sewers	6 373 238	-	-	-	(6 373 238)	-	1 593 310	-	(1 593 310)	-	-
Purification Works	42 048 844	-	-	-	(35 841 920)	6 206 924	14 694 714	-	(14 694 714)	-	6 206 924
Sewer Mains	27 566 185	-	(3 660 397)	-	(14 053 895)	9 851 893	504 449	-	(504 449)	-	9 851 893
Sewerage Pumps	5 482 116	-	(1 760 000)	-	(3 472 116)	250 000	578 002	-	(578 002)	-	250 000
Sewers	175 769 228	-	-	-	(175 619 238)	149 990	114 573 966	-	(114 573 966)	-	149 990
Bulk Sewers	-	76 322 697	-	3 741 093	-	80 063 790	-	2 676 685	-	2 676 685	77 387 105
Oxidation Ponds	-	2 888 000	-	-	-	2 888 000	-	78 396	-	78 396	2 809 604
Connections	-	13 889 043	-	-	-	13 889 043	-	524 743	-	524 743	13 364 300
Pump Stations	-	15 285 418	-	1 336 186	-	16 621 604	-	967 472	-	967 472	15 654 132
Purification Works	-	57 364 815	-	12 601 985	-	69 966 800	-	3 122 623	-	3 122 623	66 844 177
Sewers	-	210 449 053	-	17 960 064	-	228 409 117	-	7 985 967	-	7 985 967	220 423 150
	257 239 611	376 199 026	(5 420 397)	35 639 328	(235 360 407)	428 297 161	131 944 441	15 355 886	(131 944 441)	15 355 886	412 941 275
Water											
Dams	15 665 087	-	-	-	-	15 665 087	14 948 555	45 266	-	14 993 821	671 266
Mains	54 752 201	-	-	170 901	-	54 923 102	8 814 704	2 955 976	-	11 770 680	43 152 422
Meters	7 579 769	1 276 467	-	-	-	8 856 236	2 584 987	463 017	-	3 048 004	5 808 232
Reservoirs	27 704 153	-	-	12 338 802	-	40 042 955	14 579 956	368 044	-	14 948 000	25 094 955
Reticulation	244 854 476	2 532 428	(2 485 975)	11 126 301	-	256 027 230	156 738 926	3 894 027	-	160 632 953	95 394 277
Treatment Works	23 185 111	-	-	-	-	23 185 111	16 209 735	446 348	-	16 656 083	6 529 028
	373 740 797	3 808 895	(2 485 975)	23 636 004	-	398 699 721	213 876 863	8 172 678	-	222 049 541	176 650 180
Infrastructure Assets carried forward	1 498 230 459	476 844 223	(41 714 626)	73 736 618	(235 360 407)	1 771 736 267	888 378 997	57 898 991	(132 462 499)	813 815 489	957 920 778

BUFFALO CITY MUNICIPALITY
APPENDIX B (ii)
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007 - ECONOMIC ENTITY

	Cost						Accumulated Depreciation				Carrying Value
	Opening Balance	Additions / Write-Ons	Construction Capitalised	Under Construction	Disposals / Write-Offs	Closing Balance	Opening Balance	Additions / Write-Ons	Disposals / Write-Offs	Closing Balance	
Infrastructure Assets brought forward	1 498 230 459	476 844 223	(41 714 626)	73 736 618	(235 360 407)	1 771 736 267	888 378 997	57 898 991	(132 462 499)	813 815 489	957 920 778
Security											
Access Control Systems	43 910	-	-	-	-	43 910	14 062	8 782	-	22 844	21 066
Fencing	2 454 493	588 083	-	-	-	3 042 576	2 045 823	221 840	-	2 267 663	774 913
Lighting	6 585	-	-	-	-	6 585	6 585	-	-	6 585	-
Security Systems	472 788	333 083	-	-	-	805 871	301 388	71 794	-	373 182	432 689
	2 977 776	921 166	-	-	-	3 898 942	2 367 858	302 416	-	2 670 274	1 228 668
Total Infrastructure Assets	1 501 208 235	477 765 389	(41 714 626)	73 736 618	(235 360 407)	1 775 635 209	890 746 855	58 201 407	(132 462 499)	816 485 763	959 149 446
HERITAGE ASSETS											
Historical Buildings	-	520 356	-	-	-	520 356	-	-	-	-	520 356
Artworks	-	39 000	-	-	-	39 000	-	-	-	-	39 000
Total Heritage Assets	-	559 356	-	-	-	559 356	-	-	-	-	559 356
COMMUNITY ASSETS											
Buildings											
Agriculture	91 954	-	-	-	-	91 954	13 794	4 598	-	18 392	73 562
Aquariums	431 338	-	-	265 825	-	697 163	7 189	14 378	-	21 567	675 596
Beachfront Developments	26 293 225	-	-	-	-	26 293 225	23 424 241	104 442	-	23 528 683	2 764 542
Cemeteries	12 187 715	-	-	1 590 309	-	13 778 024	3 102 666	517 749	(100 870)	3 519 545	10 258 479
Clinics & Hospitals	3 391 369	1 108 200	(106 362)	145 225	-	4 538 432	225 245	120 490	(127 004)	218 731	4 319 701
Community Centres	9 537 674	1 871 825	-	5 173 580	-	16 583 079	3 920 393	211 167	(1 930 314)	2 201 246	14 381 833
Fire Stations	1 027 916	-	-	2 523 731	-	3 551 647	26 169	34 264	-	60 433	3 491 214
Libraries	936 167	231 250	-	920 567	-	2 087 984	280 862	26 875	-	307 737	1 780 247
Nature Reserves	1 189 638	312 507	-	518 631	-	2 020 776	19 827	44 863	-	64 690	1 956 086
Parks	7 205 111	116 646	-	80 300	-	7 402 057	4 370 209	126 758	-	4 496 967	2 905 090
Public Conveniences	1 093 654	-	-	-	-	1 093 654	139 589	35 336	-	174 925	918 729
Sports & Related Stadiums	24 261 386	1 684 608	-	-	-	25 945 994	5 067 457	692 517	-	5 759 974	20 186 020
Zoos	761 613	-	-	-	-	761 613	343 131	14 636	-	357 767	403 846
	88 408 760	5 325 036	(106 362)	11 218 168	-	104 845 602	40 940 772	1 948 073	(2 158 188)	40 730 657	64 114 945
Recreational Facilities											
Floodlighting	155 253	38 012	-	-	-	193 265	43 379	8 372	-	51 751	141 514
Outdoor Sports Facilities	21 112 983	2 397 219	-	-	-	23 510 202	4 781 776	973 157	(272 200)	5 482 733	18 027 469
Swimming Pools	4 745 327	1 334 383	-	-	-	6 079 710	2 986 132	139 369	-	3 125 501	2 954 209
Tennis Courts	311 366	200 150	-	-	-	511 516	113 968	16 615	-	130 583	380 933
	26 324 929	3 969 764	-	-	-	30 294 693	7 925 255	1 137 513	(272 200)	8 790 568	21 504 125
Total Community Assets	114 733 689	9 294 800	(106 362)	11 218 168	-	135 140 295	48 866 027	3 085 586	(2 430 388)	49 521 225	85 619 070
OTHER ASSETS											
Other Properties											
Caravan Parks	822 015	-	-	-	-	822 015	510 750	15 563	-	526 313	295 702
Compost Plant	182 353	-	-	-	-	182 353	27 354	9 118	-	36 472	145 881
General	24 071	-	(24 071)	-	-	-	-	-	-	-	-
Hawker Facilities	308 884	-	-	-	-	308 884	48 850	15 296	-	64 146	244 738
Markets	357 623	550 328	-	-	-	907 951	25 062	21 093	-	46 155	861 796
Nurseries	478 396	-	-	-	-	478 396	53 950	15 947	-	69 897	408 899
Recycling Centres	14 347 389	-	-	932 981	-	15 280 370	416 079	479 723	-	895 802	14 384 568
Tip Sites	47 244 281	119 417 468	-	10 549 690	-	177 211 439	7 632 391	1 525 657	-	9 158 048	168 053 391
Training Centres	160 331	-	-	-	-	160 331	37 410	5 344	-	42 754	117 577
Waste Cells	2 899 842	-	-	-	-	2 899 842	144 991	96 661	-	241 652	2 658 190
	66 825 185	119 967 796	(24 071)	11 482 671	-	198 251 581	8 896 437	2 184 402	-	11 080 839	187 170 742
Other Assets carried forward	66 825 185	119 967 796	(24 071)	11 482 671	-	198 251 581	8 896 437	2 184 402	-	11 080 839	187 170 742

BUFFALO CITY MUNICIPALITY
APPENDIX B (ii)
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007 - ECONOMIC ENTITY

	Cost						Accumulated Depreciation				Carrying Value
	Opening Balance	Additions / Write-Ons	Construction Capitalised	Under Construction	Disposals / Write-Offs	Closing Balance	Opening Balance	Additions / Write-Ons	Disposals / Write-Offs	Closing Balance	
Other Assets brought forward	66 825 185	119 967 796	(24 071)	11 482 671	-	198 251 581	8 896 437	2 184 402	-	11 080 839	187 170 742
Plant and Equipment											
Chlorination Equipment	87 765	-	-	-	-	87 765	87 765	-	-	87 765	-
Compactors	5 384 468	-	-	-	-	5 384 468	2 470 034	362 509	-	2 832 543	2 551 925
Compressors	1 722 723	-	-	-	-	1 722 723	1 033 634	344 545	-	1 378 179	344 544
Cremators	171 065	-	-	-	-	171 065	60 281	11 404	-	71 685	99 380
Electronic Equipment	2 615 683	1 394 391	-	-	-	4 010 074	794 253	676 365	-	1 470 618	2 539 456
Fire Hoses	199 138	-	-	-	-	199 138	25 439	39 828	-	65 267	133 871
General	806 686	596 790	-	-	-	1 403 476	456 677	175 628	-	632 305	771 171
Generators	801 692	-	-	-	-	801 692	170 778	116 615	-	287 393	514 299
Graders	158 718	1 044 516	-	-	-	1 203 234	7 936	68 098	-	76 034	1 127 200
Horticultural Equipment	2 104 125	1 564 617	-	-	-	3 668 742	888 835	425 106	-	1 313 941	2 354 801
Laboratory Equipment	224 194	26 100	-	-	-	250 294	127 749	46 144	-	173 893	76 401
Other Emergency Equipment	871 107	1 793 215	-	-	-	2 664 322	51 546	184 678	-	236 224	2 428 098
Pumps	2 742 865	-	-	-	-	2 742 865	1 610 111	166 160	-	1 776 271	966 594
Radio Equipment	880 021	55 000	-	-	-	935 021	156 139	162 599	-	318 738	616 283
Telecommunication Equipment	616 205	360 288	-	-	-	976 493	184 861	159 270	-	344 131	632 362
Tractors	1 283 580	4 121 793	-	-	-	5 405 373	190 582	343 277	-	533 859	4 871 514
Trailers	141 128	-	-	-	-	141 128	37 513	28 226	-	65 739	75 389
Watercraft	117 434	42 643	-	-	-	160 077	11 743	9 250	-	20 993	139 084
Workshop Equipment	643 525	158 682	-	-	-	802 207	179 447	144 573	-	324 020	478 187
	21 572 122	11 158 035				32 730 157	8 545 323	3 464 275		12 009 598	20 720 559
Office Equipment											
Air Conditioners	773 069	836 008	-	-	-	1 609 077	187 339	338 530	-	525 869	1 083 208
Computer Hardware	16 095 931	2 943 582	-	-	-	19 039 513	6 097 015	5 080 976	-	11 177 991	7 861 522
Office Machines	3 523 339	874 622	-	-	-	4 397 961	735 883	648 672	-	1 384 555	3 013 406
	20 392 339	4 654 212				25 046 551	7 020 237	6 068 178		13 088 415	11 958 136
Furniture and Fittings											
Cabinets and Cupboards	170 921	-	-	-	-	170 921	38 171	37 791	-	75 962	94 959
General	227 245	56 685	-	-	(3 544)	280 386	27 810	26 739	(1 122)	53 427	226 959
Tables and Desks	234 375	82 910	-	-	-	317 285	34 147	40 917	-	75 064	242 221
	632 541	139 595			(3 544)	768 592	100 128	105 447	(1 122)	204 453	564 139
Motor Vehicles											
Fire Engines	5 237 265	4 210 369	-	-	-	9 447 634	490 782	390 428	-	881 210	8 566 424
Mobile Libraries	41 568	-	-	-	-	41 568	12 471	4 157	-	16 628	24 940
Motor Vehicles	8 466 172	5 629 273	-	-	(69 995)	14 025 450	3 730 099	2 189 185	(11 666)	5 907 618	8 117 832
Refuse Vehicles	532 064	11 993 518	-	-	-	12 525 582	17 735	435 255	-	452 990	12 072 592
Tankers	434 870	-	-	-	-	434 870	86 973	28 991	-	115 964	318 906
Trucks and LDV's	20 302 334	8 033 149	-	-	(251 628)	28 083 855	4 932 136	4 602 825	(86 944)	9 448 017	18 635 838
	35 014 273	29 866 309			(321 623)	64 558 959	9 270 196	7 650 841	(98 610)	16 822 427	47 736 532
Capital leases											
Motor Vehicles	7 194 234	-	-	-	-	7 194 234	7 194 234	-	-	7 194 234	-
	7 194 234					7 194 234	7 194 234			7 194 234	
General											
Planning	3 059 505	-	-	-	-	3 059 505	-	-	-	-	3 059 505
	3 059 505					3 059 505					3 059 505
Total Other Assets	154 690 199	165 785 947	(24 071)	11 482 671	(325 167)	331 609 579	41 026 555	19 473 143	(99 732)	60 399 966	271 209 613
INTANGIBLE ASSETS											
Computer Software	17 858 504	4 669 811	-	275 001	-	22 803 316	14 053 247	2 447 495	-	16 500 742	6 302 574
Total Intangible Assets	17 858 504	4 669 811		275 001		22 803 316	14 053 247	2 447 495		16 500 742	6 302 574
AGRICULTURAL ASSETS											
Aquariums	-	306 000	-	-	-	306 000	-	-	-	-	306 000
Zoos	-	668 150	-	-	-	668 150	-	-	-	-	668 150
Total Agricultural Assets		974 150				974 150					974 150
TOTAL	2 144 523 763	662 644 963	(41 845 059)	98 415 900	(236 293 428)	2 627 446 139	1 131 445 192	100 458 246	(132 052 816)	1 099 850 622	1 527 595 517

Under Construction Balance

Opening Balance (incl. in Opening Balance - Cost)
Capitalised during the year

91 125 958

(41 845 059)

Under Construction 2005-06 carried forward (incl. in Opening Balance - Cost)

49 280 899

Under Construction - 2006-07
Year-End Under Construction Balance

98 415 900
147 696 799

BUFFALO CITY MUNICIPALITY

APPENDIX C

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2007 (MUNICIPALITY AND ECONOMIC ENTITY)

Fixed Assets	Historical Cost						Accumulated Depreciation				Carrying Value
	Opening Balance Cost	Additions / Write-Ons	Under Construction Capitalised	Under Construction	Disposals / Write-Offs	Closing Balance	Opening Balance	Additions / Write-Ons	Disposals / Write-Offs	Closing Balance	
Executive and Council	7 983 477	884 764	-	5 857 628	-	14 725 869	2 331 209	981 139	-	3 312 348	11 413 522
Finance and Administration	327 990 954	27 329 009	-	275 001	(599 214)	354 995 751	142 092 409	24 367 084	-	166 459 493	188 536 257
Planning and Development	89 085 194	1 539 587	-	349 126	-	90 973 908	16 498 661	1 222 359	-	17 721 020	73 252 888
Health	8 741 392	2 889 926	(337 902)	-	-	11 293 416	1 500 177	1 151 861	-	2 652 038	8 641 378
Community and Social Services	31 568 502	3 940 691	-	2 788 001	-	38 297 193	7 853 704	2 120 633	-	9 974 337	28 322 856
Housing	7 524 062	-	-	3 795 787	-	11 319 849	161 814	20 357	-	182 171	11 137 678
Public Safety	21 881 538	24 188 185	(523 071)	3 857 854	-	49 404 507	5 414 811	3 657 388	-	9 072 199	40 332 308
Sport and Recreation	69 403 868	6 659 237	-	39 761	-	76 102 866	37 423 128	2 147 391	-	39 570 519	36 532 348
Environmental Protection	14 857 363	1 188 254	-	69 000	-	16 114 617	6 337 640	975 096	-	7 312 736	8 801 880
Waste Management	232 985 895	504 519 534	(5 420 397)	43 441 815	(235 439 043)	540 087 803	136 467 109	20 169 172	(131 964 747)	24 671 534	515 416 269
Road Transport	501 892 365	44 717 833	(22 827 074)	6 953 381	-	530 736 505	345 794 274	20 796 347	-	366 590 621	164 145 884
Water	379 163 556	6 619 791	(2 485 975)	22 838 507	(137 074)	405 998 806	219 418 311	10 114 298	(41 122)	229 491 487	176 507 319
Electricity	380 845 123	36 951 535	(10 250 641)	8 150 039	(114 554)	415 581 502	198 377 421	12 536 785	(45 825)	210 868 381	204 713 121
Other	70 361 419	1 160 242	-	-	-	71 521 661	11 735 450	136 336	-	11 871 786	59 649 875
BCDA	239 055	56 375	-	-	(3 544)	291 886	39 075	61 999	(1 122)	99 952	191 934
TOTALS	2 144 523 763	662 644 963	(41 845 059)	98 415 900	(236 293 428)	2 627 446 138	1 131 445 193	100 458 245	(132 052 816)	1 099 850 622	1 527 595 517

BUFFALO CITY MUNICIPALITY
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007
(MUNICIPALITY AND ECONOMIC ENTITY)

2006 Actual Income R	2006 Actual Expenditure R	2006 Surplus/ (Deficit) R		2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R
17 960 185	66 434 857	(48 474 672)	Executive Mayor	21 868 378	78 364 050	(56 495 672)
33 176 405	44 705 574	(11 529 169)	Municipal Manager	36 457 368	55 256 367	(18 798 999)
405 824 372	153 423 819	252 400 553	Finance	451 127 676	52 967 357	398 160 319
73 233 798	84 920 827	(11 687 029)	Corporate Services	87 177 096	82 730 755	4 446 341
822 809 640	948 927 215	(126 117 575)	Engineering Services	858 295 881	1 153 205 186	(294 909 305)
50 798 531	123 510 819	(72 712 288)	Planning and Econ. Dev	76 310 071	174 488 707	(98 178 636)
198 087 904	437 656 789	(239 568 885)	Social Services	211 576 377	507 215 162	(295 638 785)
797 402	1 696 342	(898 940)	BCDA	1 871 135	3 001 078	(1 129 943)
<u>1 602 688 237</u>	<u>1 861 276 242</u>	<u>(258 588 005)</u>	Sub-Total	<u>1 744 683 982</u>	<u>2 107 228 662</u>	<u>(362 544 680)</u>
-	(462 914 622)	462 914 622	Less: Inter-Departmental charges	-	(481 539 788)	481 539 788
<u>1 602 688 237</u>	<u>1 398 361 620</u>	<u>204 326 617</u>	TOTAL	<u>1 744 683 982</u>	<u>1 625 688 874</u>	<u>118 995 108</u>
		1 418 115	Add: Share of Associate			1 315 706
		<u>205 744 732</u>				<u>120 310 813</u>

BUFFALO CITY MUNICIPALITY
APPENDIX E
ACTUAL VERSUS BUDGET (REVENUE & EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2007
(MUNICIPALITY AND ECONOMIC ENTITY)

	Actual 2007 R	Budget 2007 R	Variance R	Variance %	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property Rates	293 902 385	294 547 603	645 218	0	
Service Charges	796 748 895	795 230 535	(1 518 360)	(0)	
Rental of Facilities and Equipment	9 172 605	10 319 893	1 147 288	11	In the Directorate of Planning and Economic development the budget for Housing Rentals was not realised.
Dividends Received	-	45 750	-	-	
Fines	7 614 002	6 650 983	(963 019)	(14)	The Traffic Department campaigned to collect all outstanding fines during the current financial year which has resulted in the actual income exceeding the budget. The variance is due to Operating Projects and Operating Housing grants not yet received.
Government Grants and Subsidies	350 086 790	397 452 249	47 365 459	12	There has been an increase in the commission received and in the registration of new vehicles during the financial year.
Licences and Permits	9 190 730	7 605 377	(1 585 353)	(21)	The budgeted revenue for sundry income in the electricity department was not realised.
Other Income	76 929 451	96 489 534	19 560 083	20	
Profit on Sale of Asset	5 204 437	-	-	-	
Donations & Public Contribution- PPE	7 910 511	10 506 333	2 595 822	25	The transfer of income from Donations & Public Contributions was lower than expected.
Government Grants- PPE	119 319 288	134 617 735	15 298 447	11	The variance is due to less projects being completed than that was anticipated.
Interest Earned - External Investments	38 397 035	18 860 870	(19 536 165)	(104)	Cashflow increased dramatically over the last year. Surplus cash has not been used on capital projects as anticipated, hence the above average growth.
Interest Earned - Outstanding Debtors BCDA	28 336 715 1 871 135	28 336 716	1	-	
Total Revenue	1 744 683 979	1 800 663 578	55 979 599	3	
EXPENDITURE					
Executive Mayor	56 351 373	58 705 018	2 353 645	4	
Municipal Manager	37 148 579	43 821 969	6 673 390	15	The Department of Local Economic Development has underspent on their Operational Projects.
Finance	130 990 440	125 791 082	(5 199 358)	(4)	
Corporate Services	71 547 654	74 967 682	3 420 028	5	
Engineering Services	767 642 148	761 821 794	(5 820 354)	(1)	
Planning & Economic Development	141 161 550	165 510 486	24 348 936	15	The variance is due to under expenditure of the Operating Housing Projects.
Social Services	404 399 840	400 437 311	(3 962 529)	(1)	
Net Transfers to Other Reserves	13 446 213	16 391 733	2 945 520	18	No actual contribution was made for Water, Refuse and Sewerage during the current financial year.
BCDA	3 001 077	-	-	-	
Total Expenditure	1 625 688 873	1 647 447 075	21 758 202	1	
NET SURPLUS FOR THE YEAR	118 995 107	153 216 503	34 221 397	22	

BUFFALO CITY MUNICIPALITY
APPENDIX F
ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2007

Description	2007 Additions / Write-Ons R	2007 Under Construction Capitalised R	2007 Under Construction R	2007 Total Additions R	2007 Budget R	2007 Variance R	2007 Variance %	Explanation of Significant Variances versus Budget
Executive and Council	884 764	-	5 857 628	6 742 392	10 627 879	(3 885 487)	(37)	Take-on of Sewerage & Tip Sites Assets which amounted to R 434 196 097.
Finance and Administration	27 329 009	-	275 001	27 604 010	36 017 018	(8 413 008)	(23)	
Planning and Development	1 539 587	-	349 126	1 888 714	4 751 381	(2 862 667)	(60)	
Health	2 889 926	(337 902)	-	2 552 024	3 656 260	(1 104 236)	(30)	
Community and Social Services	3 940 691	-	2 788 001	6 728 691	13 668 935	(6 940 244)	(51)	
Housing	-	-	3 795 787	3 795 787	8 429 125	(4 633 338)	(55)	
Public Safety	24 188 185	(523 071)	3 857 854	27 522 969	32 726 564	(5 203 595)	(16)	
Sport and Recreation	6 659 237	-	39 761	6 698 998	6 638 640	60 358	1	
Environmental Protection	1 188 253	-	69 000	1 257 253	2 957 669	(1 700 416)	(57)	
Waste Management	504 519 534	(5 420 397)	43 441 815	542 540 952	62 604 544	479 936 408	767	
Road Transport	44 717 833	(22 827 074)	6 953 381	28 844 140	42 405 081	(13 560 941)	(32)	
Water	6 619 791	(2 485 975)	22 838 507	26 972 323	34 445 495	(7 473 172)	(22)	
Electricity	36 951 535	(10 250 641)	8 150 039	34 850 933	37 994 449	(3 143 516)	(8)	
Other	1 160 242	-	-	1 160 242	1 352 880	(192 638)	(14)	
BCDA	56 375	-	-	56 375	-	56 375	-	
TOTALS	662 644 963	(41 845 059)	98 415 900	719 215 803	298 275 920	420 939 883	141	

BUFFALO CITY MUNICIPALITY

APPENDIX G

CONSOLIDATED CONDITIONAL GRANTS AND RECEIPTS AT 30 JUNE 2007 (MUNICIPALITY AND ECONOMIC ENTITY)

	UNSPENT BALANCE 01/07/2006	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE OPERATING EXPENDITURE	TRANSFER TO REVENUE CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2007
NATIONAL GOVERNMENT							
Transitional Grant	95 799	-	7 721	-	-	-	103 520
Financial Management Grant	1 470 729	500 000	153 934	(1 264 576)	(39 830)	-	820 258
Land Affairs	49 649 234	-	786 839	(548 868)	-	-	49 887 206
Restructuring Grant	50 208 174	35 000 000	1 324 625	(31 016 088)	(7 625 419)	-	47 891 291
IMEP	-	15 200 000	558 113	-	(13 903 523)	(1 854 590)	-
CMIP	441 046	99 805 225	2 243 134	(3 978 952)	(76 254 661)	(2 944 642)	19 311 149
MSIG	-	-	-	-	(256 579)	256 579	-
KWT:Grants Government	2 053	-	-	-	-	-	2 053
Project Consolidated-Billing System-MSIG	3 369 531	4 000 000	347 839	(3 414 338)	-	-	4 303 032
Equitable Share Grant	9 156 497	15 869 481	-	(7 076 231)	(9 050 342)	1	8 899 406
Energy Efficient Technology	5 812 829	-	507 003	(664 028)	-	-	5 655 804
Dwaf Funded Projects-Sewerage	4 789 618	1 430 973	1 023 755	(5 438)	(552 392)	-	6 686 516
Dwaf Funded Projects-Water	7 020 577	2 062 830	609 026	(945 280)	(387 262)	-	8 359 891
European Commission (MURP)	-	18 290 000	-	-	-	-	18 290 000
	132 016 086	192 158 509	7 561 990	(48 913 798)	(108 070 009)	(4 542 652)	170 210 124
PROVINCIAL GOVERNMENT							
Gompo Survey	123 029	-	9 097	(39 000)	-	-	93 126
Upgrade Water Supply	20 241	-	1 631	-	-	-	21 873
Mdantsane Upgrade - Water & Sewerage	98 287	-	4 410	-	-	-	102 697
Local Government Housing	27 169 194	69 417 855	3 250 873	(50 917 661)	-	(3 795 787)	45 124 474
Compost Waste Management	51 062	-	4 115	-	-	-	55 177
Disaster Relief Fund	2 635 384	500 000	224 216	(511 905)	(521 131)	-	2 326 563
Local Economic Development Fund	2 787 005	240 000	-	(386 191)	-	-	2 640 813
Map Preparation & Planning	-	-	6 398	121 941	-	(42 560)	85 778
Gompo & Mdantsane Art Centres	17 139	-	1 381	-	-	-	18 521
Environmental Project John Dube	116 646	-	9 401	-	-	-	126 047
Pilot Housing Project	150 259	-	12 110	-	-	-	162 369
Reeston Development - Land Affairs	1 153 859	-	83 260	-	(953 433)	-	283 686
Leiden Trust Account - Redevelop Duncan Village	184 054	-	14 834	-	-	-	198 888
Mdantsane Urban Renewal Project (Mnt Ruth Node)	5 137 201	-	333 811	-	-	-	5 471 012
Ikhwezi Block 1 Development	97 988	-	7 897	-	-	-	105 886
Mdantsane Upgrade - MD/PD:Area Planning	117 707	-	9 487	-	-	-	127 194
Mdantsane Upgrade - PD: Survey	5 113	-	1 326	-	-	-	6 439
Mdantsane Upgrade - MD Assessment Study	105 477	-	8 501	-	-	-	113 978
Provincial Government carried forward	39 969 645	70 157 855	3 982 750	(51 732 817)	(1 474 565)	-	57 064 521

BUFFALO CITY MUNICIPALITY
APPENDIX G CONTINUED
CONSOLIDATED CONDITIONAL GRANTS AND RECEIPTS AT 30 JUNE 2007 (MUNICIPALITY AND ECONOMIC ENTITY)

	UNSPENT BALANCE 01/07/2006	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE OPERATING EXPENDITURE	TRANSFER TO REVENUE CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2007
Provincial Government brought forward	39 969 645	70 157 855	3 982 750	(51 732 817)	(1 474 565)	-	57 064 521
Mdantsane Upgrade - Art Centre	55 840	-	3 833	(59 672)	-	-	-
Planning and Map Preparation	196 573	-	6 012	(121 941)	-	-	80 644
Upgrade Kwaklifu Settlement - Phakamisa	126 600	-	9 289	-	-	-	135 889
Needscamp Planning	913 659	-	-	-	-	-	913 659
Potsdam Village - Plan Survey & Upgrade	35 460	-	2 858	(5 016)	-	-	33 302
Ilitha Informal Settlement Upgrade	89 777	-	6 143	(61 112)	-	-	34 808
Kwa Tshatshu Settlement Upgrade - Zwelitsha	36 239	-	2 921	-	-	-	39 160
Local Government Housing	-	-	-	-	(3 795 787)	3 795 787	-
Mdantsane Human Settlement Program	43 851	-	3 534	-	-	-	47 385
Planning Kanana Settlement	20 480	-	1 676	-	-	-	22 156
Kwa Tshatshu Survey	168 395	-	7 253	(157 435)	-	-	18 213
Mahlangu Village :Panning and Survey	35 847	-	2 889	-	-	-	38 736
Mdantsane Infill Areas:Planning and Survey	208 737	-	16 823	-	-	-	225 560
Phakamisa Clifton PH2:Bongweni:Plan and Survey	97 236	-	7 837	-	-	-	105 073
Health Management System	148 515	-	11 519	-	-	-	160 033
Aids Training and Info Centre-ATIC	823 045	-	123 296	-	-	-	946 340
Yellowwoods-Kei road-survey	572 008	-	46 102	-	-	-	618 110
Yellowwoods-Kei road planning	627 630	-	31 695	-	-	-	659 325
Dept of Sports , Recreation, Arts & Culture	1 000 000	-	53 788	(494 362)	(51 785)	-	507 641
Upgrade Mdantsane buffer strip-phase	-	-	-	-	-	-	-
Dept of Economic Affairs & Tourism (DEAT)	-	775 803	-	(405 961)	-	-	369 842
	45 169 537	70 933 658	4 320 216	(53 038 315)	(5 322 136)	(42 560)	62 020 399
TOTAL NATIONAL/PROVINCIAL GOVERNMENT GRANT	177 185 623	263 092 167	11 882 206	(101 952 113)	(113 392 146)	(4 585 213)	232 230 523
DONATIONS AND PUBLIC CONTRIBUTIONS							
ADM Funding	-	2 771 790	-	(92 853)	-	(2 029 855)	649 083
IDZ Funding - BCDA	2 253 798	-	-	(1 657 761)	-	-	596 037
BCMETS Funding	-	5 832 635	-	(235 485)	(5 017 443)	-	579 707
Public Funding	1 161 044	1 113 967	100 197	(70 628)	(686 129)	-	1 618 450
DBSA	-	924 983	-	(498 880)	(59 192)	206 727	573 637
SIDA Development Trust	7 586 768	2 043 879	724 451	(5 688 654)	(6 211 757)	1 545 312	-
SETA Fund	901 696	2 684 976	271 888	(3 335 748)	-	-	522 812
Housing & Infrastructure Development Award	223 204	-	17 989	-	-	-	241 193
LOTTO Contribution	753 244	-	23 669	(689 308)	(1 464 182)	1 464 182	87 604
VUNA Award	1 268 593	-	115 078	(96 932)	(398 950)	-	887 788
Aquarium	3 299	-	266	-	-	-	3 564
Felzoo	8 600	-	693	-	-	-	9 293
Athletic Track	25 747	-	2 075	-	-	-	27 822
F.E.L.A.	5 673	-	457	-	-	-	6 130
Donations & Public Contributions carried forward	14 191 664	15 372 230	1 256 762	(12 366 250)	(13 837 653)	1 186 367	5 803 121

BUFFALO CITY MUNICIPALITY
APPENDIX G CONTINUED
CONSOLIDATED CONDITIONAL GRANTS AND RECEIPTS AT 30 JUNE 2007 (MUNICIPALITY AND ECONOMIC ENTITY)

	UNSPENT BALANCE 01/07/2006	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE OPERATING EXPENDITURE	TRANSFER TO REVENUE CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2007
Donations & Public Contributions brought forward	14 191 664	15 372 230	1 256 762	(12 366 250)	(13 837 653)	1 186 367	5 803 121
Community Development	1 776 102	-	149 949	-	-	-	1 926 051
Art Gallery	41 052	-	1 609	(33 840)	-	-	8 822
Municipal Revenue Enhancement Programme	1 125 400	-	90 703	-	-	-	1 216 103
Climate Protection Implementation	136 269	-	10 983	-	-	-	147 251
ADM:Township Ext 1:Kidds Beach	57 532	-	4 637	-	-	-	62 169
ADM:Water Dist. Grant-Eureka	21 875	-	1 763	-	-	-	23 638
ADM:Special Grant-Maclean town	8 761	-	706	-	-	-	9 467
ADM:Special Grant-Ext 3:Kaysers	38 266	-	3 084	-	-	-	41 351
ADM:Community Hall:TRC-KWT	695	-	56	-	-	-	751
ADM:Income Generating Project:TRC-KWT	39 508	-	3 184	-	-	-	42 692
ADM:Community Hall:TRC-EL	17 546	-	1 414	-	-	-	18 960
ADM:Income Generating Project:TRC-EL	43 949	-	3 542	-	-	-	47 491
ADM:Tribal Trust:Kwelerha	10 048	-	810	-	-	-	10 857
ADM:Tribal Trust:Nxaruni	116 960	-	9 427	-	-	-	126 387
A.T. Taylor	51 605	-	4 159	-	-	-	55 764
C.H.T. Peplar	41 287	-	3 328	-	-	-	44 614
One stop centre(BCM Leiden Platform)	111 278	-	8 969	-	-	-	120 247
Ward Committee Training-(Stitching cordaid)	316 080	-	25 475	-	-	-	341 555
Leiden	-	308 403	1 636	(695 227)	-	385 188	-
Eastern Cape Development Agency (ECDC)	-	670 879	-	-	-	-	670 879
Umsobomvu Youth Fund	-	825 000	33 110	(625 760)	-	-	232 350
PADF Contributions: EX Public	-	226 805	-	-	-	-	226 805
HIV AIDS Toolkit	52 337	-	4 218	-	-	-	56 555
TOTAL DONATIONS & PUBLIC CONTRIBUTIONS	18 198 215	17 403 318	1 619 523	(13 721 076)	(13 837 653)	1 571 554	11 233 879
TOTAL CONDITIONAL GRANTS & RECEIPTS	195 383 838	280 495 484	13 501 729	(115 673 190)	(127 229 799)	(3 013 659)	243 464 402

BUFFALO CITY MUNICIPALITY

APPENDIX H

DISCLOSURE OF CONSOLIDATED CONDITIONAL GRANTS AND RECEIPTS AT 30 JUNE 2007

	EXECUTIVE MAYOR	MUNICIPAL MANAGER	FINANCE	CORPORATE SERVICES	ENGINEERING SERVICES	PLANNING AND ECON. DEV	COMMUNITY SERVICES	PUBLIC SAFETY & HEALTH	TOTAL
<u>TRANSFER TO REVENUE - CAPITAL EXPENDITURE</u>									
NATIONAL GOVERNMENT									
Financial Management Grant	-	-	39 830	-	-	-	-	-	39 830
Restructuring Grant	-	-	578 495	3 941 346	3 105 579	-	-	-	7 625 420
IMEP	-	-	-	-	13 903 523	-	-	-	13 903 523
MIG	-	587 585	-	-	65 687 111	394 452	7 479 610	2 105 901	76 254 659
MSIG	-	-	-	256 579	-	-	-	-	256 579
Equitable Share Grant	-	183 686	-	139 009	4 362 149	1 880 384	2 485 116	-	9 050 344
Dwaf Funded Projects-Sewerage	-	-	-	-	552 392	-	-	-	552 392
Dwaf Funded Projects-Water	-	-	-	-	387 262	-	-	-	387 262
	-	771 271	618 325	4 336 934	87 998 016	2 274 836	9 964 726	2 105 901	108 070 009
PROVINCIAL GOVERNMENT									
Department of Sports, Recreation, Arts & Culture	-	51 785	-	-	-	-	-	-	51 785
Land Affairs	-	-	-	-	953 433	-	-	-	953 433
Local Government Housing	-	-	-	-	-	3 795 787	-	-	3 795 787
Disaster Relief Fund	-	-	-	-	-	-	-	521 132	521 132
	-	51 785	-	-	953 433	3 795 787	-	521 132	5 322 137
TOTAL NATIONAL/PROVINCIAL GOVERNMENT GRANT	-	823 056	618 325	4 336 934	88 951 449	6 070 623	9 964 726	2 627 033	113 392 146
DONATIONS AND PUBLIC CONTRIBUTIONS									
BCMET Funding	-	-	-	98 895	-	4 918 548	-	-	5 017 443
Public Funding	-	-	-	-	-	663 360	-	22 769	686 129
DBSA	-	-	59 192	-	-	-	-	-	59 192
SIDA Development Trust	-	972 602	-	4 842 680	-	353 832	42 643	-	6 211 757
LOTTO	-	-	-	-	-	-	1 464 182	-	1 464 182
VUNA Award	-	-	-	-	-	-	398 950	-	398 950
TOTAL DONATIONS AND PUBLIC CONTRIBUTIONS	-	972 602	59 192	4 941 575	-	5 935 740	1 905 775	22 769	13 837 653
TOTAL CONDITIONAL GRANTS & RECEIPTS	-	1 795 658	677 517	9 278 509	88 951 449	12 006 363	11 870 501	2 649 802	127 229 799

BUFFALO CITY MUNICIPALITY
APPENDIX H CONTINUED
DISCLOSURE OF CONSOLIDATED CONDITIONAL GRANTS AND RECEIPTS AT 30 JUNE 2007

	EXECUTIVE MAYOR	MUNICIPAL MANAGER	FINANCE	CORPORATE SERVICES	ENGINEERING SERVICES	PLANNING AND ECON. DEV	COMMUNITY SERVICES	PUBLIC SAFETY & HEALTH	TOTAL
TRANSFER TO REVENUE - OPERATING EXPENDITURE									
NATIONAL GOVERNMENT									
Financial Management Grant	-	-	1 264 576	-	-	-	-	-	1 264 576
Land Affairs	-	-	-	-	-	548 868	-	-	548 868
Restructuring Grant	1 232 329	4 829 881	1 971 379	7 535 150	7 668 735	1 596 859	6 071 821	109 933	31 016 088
CMIP	-	-	-	-	1 928 374	-	1 457 262	593 315	3 978 951
Project Consolidated - Billing System-MSIG	10 915	-	2 357 141	1 046 282	-	-	-	-	3 414 338
Equitable Share Grant	-	1 764 313	-	-	1 483 256	942 469	1 717 589	1 168 604	7 076 231
Energy Efficient Technology	-	664 028	-	-	-	-	-	-	664 028
DWAF Funded Projects - Sewerage	-	-	-	-	5 438	-	-	-	5 438
DWAF Funded Projects - Water	-	-	-	-	945 280	-	-	-	945 280
	1 243 244	7 258 222	5 593 096	8 581 433	12 031 082	3 088 196	9 246 672	1 871 852	48 913 797
PROVINCIAL GOVERNMENT									
Gompo Survey	-	-	-	-	-	39 000	-	-	39 000
Mdantsane upgrade Art Centre	-	-	-	-	-	-	59 672	-	59 672
Local Government Housing	-	-	-	-	-	50 917 661	-	-	50 917 661
Disaster Relief Fund	-	-	-	-	-	-	-	511 905	511 905
Local Economic Development Fund	-	386 191	-	-	-	-	-	-	386 191
Postdam Village Plan Survey - Zwelitsha	-	-	-	-	-	5 016	-	-	5 016
Dept of Sports, Recreation, Arts & Culture	-	-	-	-	-	-	494 362	-	494 362
Ilitha Informal Settlement Upgrade	-	-	-	-	-	61 112	-	-	61 112
Kwa Tshatshu Survey	-	-	-	-	-	157 435	-	-	157 435
Deept of Economic Affairs & Tourism (Deat)	-	405 961	-	-	-	-	-	-	405 961
	-	792 152	-	-	-	51 180 224	554 034	511 905	53 038 315
TOTAL NATIONAL/PROVINCIAL GOVERNMENT GRANT	1 243 244	8 050 375	5 593 096	8 581 433	12 031 082	54 268 420	9 800 706	2 383 757	101 952 112
DONATIONS AND PUBLIC CONTRIBUTIONS									
ADM Funding	-	92 853	-	-	-	-	-	-	92 853
BCMETS Funding	-	-	-	-	-	235 485	-	-	235 485
Public Funding	-	61 888	-	-	-	-	42 580	-	104 468
DBSA	-	9 576	-	489 304	-	-	-	-	498 881
SIDA Development Trust	1 005 622	1 188 067	-	1 445 465	453 123	1 355 151	241 226	-	5 688 655
SETA Fund	-	-	-	3 335 748	-	-	-	-	3 335 748
LOTTO Contribution	-	-	-	-	650 247	-	-	39 062	689 308
VUNA Award	96 932	-	-	-	-	-	-	-	96 932
Umsobomvu Youth Fund	-	-	-	625 760	-	-	-	-	625 760
One stop centre (BCM Leiden Platform)	-	-	-	695 227	-	-	-	-	695 227
TOTAL DONATIONS AND PUBLIC CONTRIBUTIONS	1 102 555	1 352 384	-	6 591 504	1 103 370	1 590 636	283 806	39 062	12 063 317
TOTAL CONDITIONAL GRANTS & RECEIPTS	2 345 799	9 402 758	5 593 096	15 172 937	13 134 452	55 859 057	10 084 512	2 422 818	114 015 429