

MUNICIPALITY OF TSOLWANA

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2007

INDEX

	Page
1 . GENERAL INFORMATION	1
2 . APPROVAL OF FINANCIAL STATEMENTS.....	2
3 . FOREWORD.....	3
4 . CHIEF FINANCIAL OFFICER'S REPORT.....	4-5
5 . ACCOUNTING POLICIES.....	6-8
6 . BALANCE SHEET.....	9
7 . INCOME STATEMENT.....	10
8 . CASH FLOW STATEMENT.....	11
9 . NOTES TO FINANCIAL STATEMENTS.....	13-16
10 . APPENDICES:	
A . STATUTORY FUNDS, TRUST FUNDS AND RESERVES.....	17
B . EXTERNAL LOANS AND INTERNAL ADVANCES.....	18
C . ANALYSIS OF FIXED ASSETS.....	19
D . ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2006.....	20
E . DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006.....	21
F . STATISTICAL INFORMATION.....	22

MUNICIPALITY OF TSOLWANA

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2007

GENERAL INFORMATION

GRADING OF LOCAL AUTHORITY

Grade 1

AUDITORS

Office of the Auditor General

BANKERS

First National Bank ,Tarkastad

REGISTERED OFFICE

12 Murray Street
Tarkastad
5370

POSTAL ADDRESS

P.O.Box 21
Tarkastad
5370

TELEPHONE NUMBER

(045) - 846 0033

MUNICIPAL MANAGER

Mr S.J. Dayi

CHIEF FINANCIAL OFFICER

Mr. G.P. De Jager

MAYOR (SPEAKER)

Mrs M Bennett

COUNCILLORS WARD

Mr K. Nqiqhi	5	W
Mrs M Bennett	4	PR
Mr R A Sparrow	4	PR
Mrs N Temo	4	W
Mr S.J.Noziho	3	W
Ms F Tshambu	3	PR
Mr T M Baleng	2	W
Mr N S Shumani	1	PR
Ms N F P Meje	1	PR
Mr M Mangcotywa	1	W

MUNICIPALITY OF TSOLWANA

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2007

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 9 to 21 were approved by the
Municipal Manager on2007 and presented to and approved by the
Council on2007

S DAYI

G P DE JAGER

.....
X.C.MTATI
MAYOR: TSOLWANA MUNICIPALITY

MUNICIPALITY OF TSOLWANA

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2007

Chief Financial Officer's Report

Review of operating results

Details of the operating results per department, classification and object of expenditure are disclosed in the detailed income statement. The overall operating results for the year ended 30 June 2007 are as follows:

1. OPERATING RESULTS

	Actual 2006	Actual 2007	Variance 2006 X 2007	Budget 2007	Variance Actual/ Budget
	R	R	%	R	%
INCOME					
Opening surplus	4 725 874	2 649 933			
Operating income for the year	14 767 433	14 704 602	0%	14 269 635	3%
	19 493 307	17 354 535		14 269 635	
EXPENDITURE					
Operating expenditure for the year	15 853 445	15 142 699	-4%	14 269 635	6%
Sundry transfers	989 928	3 782 276			
Closing surplus (deficit)	2 649 933	(R 1 570 441)			
	19 493 307	17 354 535		14 269 635	

Reasons for significant variances

Variances insignificant

1.1 Rate and General Services

	Actual 2006	Actual 2007	Variance 2006 X 2007	Budget 2007	Variance Actual/ Budget
	R	R	%	R	%
Income	9 350 626	8 663 155	-7%	8 129 291	6%
Expenditure	(12 099 697)	(11 976 564)	-1%	(8 694 422)	27%
Surplus / (deficit)	(2 749 071)	(3 313 408)		(565 131)	
Surplus / (deficit) as % of total income	-29%	-38%		-7%	

Reasons for significant variances

Decrease in income largely attributable to allocation decreases in government subsidies

Decrease in expenditure largely attributable to improved budget control

1.2 Trading Services

Electricity

	Actual 2006	Actual 2007	Variance 2006 X 2007	Budget 2007	Variance Actual/ Budget
Income	2 416 442	2 753 142	14%	2 252 362	18%
Expenditure	(2 507 016)	(2 508 458)	0%	(1 842 740)	27%
Surplus / (deficit)	(90 574)	244 683		409 622	
Surplus / (deficit) as % of total income	-4%	9%		18%	

Reasons for significant variances

Increase in Income largely due to increase in consumer connections

Variance in expenditure is insignificant

Water Service

	Actual 2006	Actual 2007	Variance 2006 X 2007	Budget 2007	Variance Actual/ Budget
Income	3 000 365	3 288 305	10%	1 662 602	0
Expenditure	(1 246 733)	(657 677)	-47%	(1 507 093)	(1)
Surplus	1 753 632	2 630 628		155 509	
Surplus as % of total income	58%	80%		9%	

Reasons for significant variances

Water income increased due to additional households.

Decrease in expenditure due to decreased costs

2. CAPITAL EXPENDITURE AND FINANCING

	2007 Actual	2007 Budget	2006 Actual
	R	R	R
Community Services	2 360 271	5 851 000	1 709 315
Economic Services	0	11 500 000	1 600
Housing Infrastructure	1 777 794	3 506 870	2 055 591
Trading Services	2 059 197	8 989 034	2 283 307
	6 197 261	29 846 904	6 049 813

Resources used to finance the fixed assets were as follows:

	2007 Actual	2007 Budget	2006 Actual
	R	R	R
CMIP			1 228 104
District municipality	9 733	22 789 034	1 600
Grants and subsidies	4 866 538	5 557 870	4 820 109
Revolving fund	1 320 990	1 500 000	
	6 197 261	29 846 904	6 049 813

3. INVESTMENTS AND CASH RESOURCES

Operating account investments and cash resources at 30 June 2007 amounted to R 3,469,961 (2006 : R6,339,564).

4. FUNDS AND RESERVES

More information regarding funds and reserves are disclosed in notes 1 to 3 and Appendix A to the financial statements.

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G P DE JAGER
Chief Financial Officer

MUNICIPALITY OF TSOLWANA

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2007

ACCOUNTING POLICIES

1. Basis of presentation

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition - January 1996).
- 1.2 The financial statements have been prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 6. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
 - Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as traffic fines and certain licences.
 - Expenditure is accrued in the year it is incurred.

2. Consolidation

The financial statements include the Rate and General services, Housing service, Trading services and the different funds and reserves. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity, water and premiums charged by the insurance fund, which are treated as income and expenditure in the respective departments.

3. Fixed Assets

- 3.1 Fixed Assets are stated:
 - at historical cost, or
 - at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Treasurer.
- 3.2 Depreciation

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:

 - Appropriations from income, where the full cost of the assets forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.
 - Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.
- 3.3 All net proceeds from the sale of fixed property are credited to the Revolving Fund.
- 3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

4. Funds and Reserves

4.1 Loan Redemption Fund

Internal loans are repaid in relation to the life of an asset. Redemption on government loans is paid half yearly on an annuity basis.

4.2 Revolving Fund

In order to finance the provision of infrastructure and other items of property, plant and equipment amounts are set aside from unappropriated surpluses to the Revolving Fund.

4.3 Trust Funds

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

4.6 Project Funds

From time to time, the National and Provincial Government provide funds to Municipalities for the undertaking of certain prescribed projects. The funds so provided are not treated as operational grants upon receipt, but revenue is recognised only upon spending of the funds for the designated purpose, to the extent of the expenditure.

4.7 Employee Leave Reserve

This reserve was created to finance the sale of leave by employees' and is required to be fully cash backed.

4.8 Working Capital reserve

This reserve was created from surplus amounts emanating from the amalgamation of the erstwhile units and is classified as part of the operating account funds to be utilised as and when required to augment cash flows.

5. Retirement Benefits

Tsolwana Municipality and its employees and councilors contribute to the Cape Joint Pension Fund and the SALA Pension Fund which provides retirement benefits to those contributors.

The retirement benefit plan is subject to the Pensions Funds Act, 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current services costs. Unfavourable experience adjustments and the cost of securing increased benefits are written off over the lesser of the remaining period of service of employees or five years. Favourable experience adjustments are retained in the retirement benefit plan.

6. Surpluses and Deficits

Any surplus or deficit arising from the operation of the Electricity, Transport and Water services are transferred to Rate and General services.

7. Treatment of administration and other overhead expenses

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

8. Investments

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

9. Deferred charges

The balance outstanding of the costs incurred in raising loans on the capital market, are recovered from operating income over the periods of the various loans involved.

10. Revenue Recognition

10.1 Electricity and Water Billings

Revenue from the sale of water and electricity is recognised when the monthly meter reading has been performed. Availability charges are billed at a flat rate approved by council.

10.2 Assessment Rates

Assessment rates income is recognised once a rates assessment has been issued to ratepayers. All rateable properties are are charged assessment rates based on the Municipal valuation of properties.

11 Assessment Rates

The Municipality of Tsolwana applies a differential site rating system. In terms of this system the assessment rates are levied on the value of the property, and rebates are granted according to the use to which a particular property is put. Rebates of 100% were granted to Churches and rebates of 20% were granted to government and educational institutions.

MUNICIPALITY OF TSOLWANA

BALANCE SHEET

as at 30 June 2007

	Note	2007 R	2 006 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		5 630 620	5 121 534
Revolving Fund	1	2 454 355	2 367 122
Working Capital Reserve	2	2 463 196	2 309 527
Employee Leave Reserve	2	713 069	444 885
ACCUMULATED SURPLUS		(1 570 441)	2 649 933
		<u>4 060 179</u>	<u>7 771 467</u>
TRUST FUNDS	3	9 854 767	10 102 137
LONG TERM LIABILITIES	4	268 251	296 062
CONSUMER DEPOSITS	5	142 572	129 133
		<u>14 325 769</u>	<u>18 298 799</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	2 007 314	576 784
INVESTMENTS	7	13 555 858	16 686 646
		<u>15 563 172</u>	<u>17 263 430</u>
NET CURRENT ASSETS		(1 237 404)	1 035 369
CURRENT ASSETS		1 273 987	3 881 383
Debtors	8	1 191 256	3 606 846
Bank		77 730	269 537
Cash		5 000	5 000
CURRENT LIABILITIES		2 511 391	2 846 014
Provisions	9	0	463 000
Creditors	10	2 483 919	2 355 883
Bank overdraft			
Short-term portion of long term liabilities	4	27 471	27 131
		<u>14 325 769</u>	<u>18 298 799</u>

MUNICIPALITY OF TSOLWANA

INCOME STATEMENT

for the year ended 30 June 2007

2006	2006	2006		2 007	2 007	2 007	2 007
Actual Income R	Actual Expenditure R	Actual Surplus/ (Deficit) R		Actual Income R	Actual Expenditure R	Actual Surplus/ (Deficit) R	Budgeted Surplus/ (Deficit) R
9 350 626	12 099 697	(2 749 071)	RATES AND GENERAL SERVICES	8 663 155	11 976 564	(3 313 408)	(1 104 768)
6 282 453	8 645 458	(2 363 005)	Community services	5 723 731	9 110 626	(3 386 895)	(1 212 648)
592 702	300 955	291 747	Subsidised services	155 489	406 743	(251 254)	196 173
2 475 471	3 153 284	(677 813)	Economic services	2 783 935	2 459 195	324 740	(88 293)
5 416 807	3 753 749	1 663 058	TRADING SERVICES	6 041 447	3 166 136	2 875 311	1 104 768
<u>14 767 433</u>	<u>15 853 446</u>	<u>(1 086 013)</u>	TOTAL	<u>14 704 602</u>	<u>15 142 699</u>	<u>(438 097)</u>	<u>0</u>
		(989 928)	Appropriations for the year (Note 11)			(3 782 276)	
		<u>(2 075 941)</u>	Net deficit for the year			<u>(4 220 373)</u>	
		4 725 874	Accumulated surplus at the beginning of the year			<u>2 649 932</u>	
		<u>2 649 932</u>	ACCUMULATED SURPLUS (DEFICIT) AT THE END OF THE YEAR			<u>(1 570 441)</u>	

(Refer to appendices D and E for more detail)

MUNICIPALITY OF TSOLWANA

CASH FLOW STATEMENT

for the year ended 30 June 2007

	Note	2007 R	2 006 R
CASH RETAINED FROM OPERATING ACTIVITIES		2 902 137	7 540 956
Cash generated by operations	12	(7 070 378)	(8 570 328)
Investment income	14	328 851	100 326
(Increase)/Decrease in working capital	13	2 750 213	(9 626)
		(3 991 314)	(8 479 628)
Less: External interest paid		45 346	49 129
Cash available from operations		(3 945 968)	(8 430 499)
Cash contribution from the public and the State		6 848 105	15 971 455
CASH UTILISED IN INVESTING ACTIVITIES			
Investments in Fixed Assets		(6 197 261)	(6 049 813)
NET CASH FLOW		<u>(3 295 124)</u>	<u>1 491 143</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
(Decrease) / increase in long-term loans	15	(27 471)	(25 122)
(Increase) / decrease in cash on hand	16	191 807	(478 007)
(Increase) / decrease in cash investments	17	3 130 788	(988 014)
		<u>3 295 124</u>	<u>(1 491 143)</u>

Note: The comparatives for 2005 have been restated to include the investment

| in fixed assets made during that year. |

MUNICIPALITY OF TSOLWANA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

	2007 R	2006 R
1) STATUTORY FUNDS		
Revolving Fund	2 454 355	2 367 122
(Refer to Appendix A for more detail)		
2) RESERVES		
Working Capital Reserve (Invested per Note 7)	2 463 196	2 309 527
Employee Leave (Invested per Note 7)	713 069	444 885
	3 176 265	2 754 411
(Refer to Appendix A for more detail)		
3) TRUST FUNDS	9 854 767	10 102 137
Invested per Note 7		
(Refer to Appendix A for more detail)		
4) LONG TERM LIABILITIES		
Annuities	295 722	323 193
Less: Short term portion	(27 471)	(27 131)
	268 251	296 062
(Refer to Appendix B for more detail)		
5) CONSUMER DEPOSITS		
Electricity & Water Deposits (Invested per Note 7)	142 572	129 133
6) FIXED ASSETS		
Fixed assets at the beginning of the year	58 836 599	52 786 787
Capital expenditure during year	6 197 261	6 049 813
	65 033 860	58 836 600
Less : Loans Redeemed and Other Capital Receipts	(63 026 547)	(58 259 816)
Less : Disposals		
	2 007 314	576 784
(Refer to appendix C for more details)		
7) INVESTMENTS		
First National Bank - Call Accounts & Capital Current Account		
- Capital projects and trust funds	10 168 627	10 621 619
- Revolving fund	429 456	1 813 208
- Working capital reserve	2 463 196	2 309 527
- Employees leave reserve	344 325	379 299
- Equitable share	7 681	1 433 859
- Consumer deposits	142 572	129 133
	13 555 858	16 686 646
Management's valuation of unlisted investments	13 555 858	16 686 646

8) DEBTORS

Rates and Services
Less: Provision for Bad Debts:

Project Debtors
Sundry Debtors
VAT Control

The provision for bad debts has been increased to 50% of rates & services debtors outstanding at 30 June 2007

2007 R	2006 R
7 655 617	6 203 231
6 654 632	3 101 615
1 000 985	3 101 616
46 400	337 654
143 872	74 850
	92 726
1 191 256	3 606 846

9) PROVISIONS

Provision for Audit Fees
No provision for audit fees has been made as audit fees are accounted for in the year in which they are paid
No audit fees were outstanding at year end

	463 000
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10) CREDITORS

Sundry Creditors
Project Accounts
VAT due to Capital Projects
VAT Control

569 807	562 332
4 300	112 266
635 916	1 681 284
1 273 896	
2 483 919	2 355 883

11) APPROPRIATIONS

Appropriations
Increase in provision for bad debts

Prior year adjustments

Temporary advances - leave reserve
Adjustments to loans redeemed
Prior year creditor paid this year
Provision for audit fees in prior years reversed (refer note 9)
Stale cheques prior year

3 553 017	845 768
229 259	144 160
	(257 345)
	168 536
1 609	
227 649	282 033
	(49 064)
3 782 276	989 928

12) CASH GENERATED IN OPERATIONS

Deficit for the year
Appropriations charged against income:
- Revolving fund
Capital charges:
Interest paid:
- to internal funds
- on external loans
Redemption:
- of internal advances
- of external loans
Investment Income
Grants and subsidies received from the State

(438 097)	(1 086 013)
0	29 014
117 710	133 501
15 878	19 363
45 346	49 129
29 015	38 900
27 471	26 108
(328 851)	(100 376)
(6 421 140)	(7 546 454)
(7 070 378)	(8 570 328)

	2007 R	2006 R
13) (INCREASE)/DECREASE IN WORKING CAPITAL		
(Increase)/Decrease in Debtors	2 415 590	33 576
(Increase)/Decrease in Current Liabilities	334 623	(43 202)
	2 750 213	(9 626)
14) INVESTMENT INCOME	328 851	100 376
15) (DECREASE)/INCREASE IN LONG TERM LOANS		
Loans Repaid	27 471	26 108
16) DECREASE/(INCREASE) IN CASH ON HAND		
Cash and Cash Equivalents at start of year	274 537	(203 470)
Cash and Cash Equivalents at end of year	82 730	274 537
	191 807	(478 007)
17) INCREASE/(DECREASE) IN INVESTMENTS		
Investments made (withdrawn) during year	(3 130 788)	(1 441 548)
18) ASSESSMENT RATES		
Site valuations as at 1 July 2002: Residential, commercial, state and municipal:		
Rateable	16 911 587	16 911 587
Exempt	7 343 712	7 343 712
	24 255 299	24 255 299
Actual income	1 068 937	1 183 470
A general valuation was undertaken in 2004 but values were not adjusted for the years ended 2005, 2006, and 2007. The above values are those which came into effect in 1989 for Hofmeyr and 1995 for Tarkastad (Refer to Appendix F for more detail)		
19) COUNCILLOR'S REMUNERATION		
Mayor's allowance	316 507	311 626
- Salary	214 502	197 667
- Telephone	7 399	12 684
- Pension	17 680	23 371
- Medical aid	1 116	
- Travelling	75 810	77 904
Councillors allowances	1 090 063	1 266 494
- Salary	738 324	756 683
- Telephone	41 580	71 280
- Pension	53 094	204 306
- Travelling	257 066	234 225
	1 406 570	1 578 120
20) SECTION 57 MANAGERS REMUNERATION		
Municipal manager	548 180	442 320
Community services manager	372 647	355 452
Corporate services manager	371 028	355 452
Chief financial officer (suspended November 2006)	104 824	322 356
Acting chief financial officer (4.5 months)	66 904	
Chief financial officer (appointed May 2007)	64 932	
Technical manager	309 630	
	1 838 145	1 475 580
21) MUNICIPAL ENTITY		
The municipality does not have a municipal entity		

22) OUTSTANDING OBLIGATIONS

There were no amounts outstanding at year end in respect of audit fees, taxes, levies, duties, and pension and medical aid contributions

23) POST BALANCE SHEET EVENTS

1. Two senior municipal officials have been suspended pending allegations of misappropriation of funds related to housing projects. A forensic investigation has been initiated, the results of which are not yet available.
2. Actions against the municipality have been instituted by 4 contractors alleging non payment of contractual amounts due to them.

MUNICIPALITY OF TSOLWANA

for the year ended 30 June 2007

APPENDIX A

ACCUMULATED FUNDS, TRUST FUNDS, PROVISIONS AND RESERVES

	Vote	Balance at 2006-06-30	Income during the Year	Interest on Investments	Expenditure during the Year	Balance at 2007-06-30
STATUTORY FUNDS						
Revolving Fund	61501	2 367 122		87 232		2 454 355
		2 367 122		87 232		2 454 355
RESERVES						
Working Capital Reserve	64801	2 309 527		155 811	2 141	2 463 196
Employee Leave Reserve	64901	444 885	246 532	21 652		713 069
		2 754 412	246 532	177 462	2 141	3 176 265
TRUST FUNDS						
Financial Statements	91540	6 896		139		7 035
Development Plan	78501	61 851	118 810	2 862	59 621	123 902
Valuations Tarkastad	64301	184 064		10 131		194 195
Rightsizing	91542	275 006		15 782		290 787
Transitional Grant	91550	184 245	170 241	9 787	340 481	23 791
Water Supply Fund	63001	3 583 363	418 366	178 357	1 588 277	2 591 809
671 Housing Fund CMIP	63101	340 635		2 809	341 968	1 475
671 Housing Scheme	62201	92 655		4 194	105	96 744
671 Housing Estab Grant	63301	2 115		41		2 156
671 Tarka housing No2	65401		650 000	3 976		653 976
Bulk Sewer	62901	188 498		10 594		199 092
Councillor Allowances	63401	134 253		7 444	67 000	74 697
Housing Site Fund	63201	49 049		1 906	10 000	40 955
Systems Improvement	63801	65 976	203 638	4 053	243 201	30 467
Free Basic Services	63701	155 343		6 638	130 217	31 764
Transition Operation Costs	63601	3 957		67	1 100	2 924
Unidentified Funds	63501	11 247		274		11 521
1004 Housing Fund	64401	49 864	266 000	23 400	335 455	3 809
1400 Houses	64501	1 025 690		24 483	934 539	115 633
1400 Housing Estab Fund	64601	2 277		43	1 000	1 320
1004 Houses	64701	6 415	2 806	131		9 351
Hofmeyr 1000 Top Structure	65101	774 400	435 283	71 384		1 281 066
Hofmeyr 1000 Infrastructure	65201	103 655	285 937	5 966	215 250	180 308
Electricity Zola/Ivanlew	78909	155 983	130 744		201 458	85 268
Rudimentary Infrastructure	50001	639				639
Library Extension	79401	17				17
New Hall Ivanlew	57101	3 694				3 694
New Hall SDR	56601	6 663	13 928		19 220	1 371
Schaapkraal	79004	75 133				75 133
Service Site Pilot Scheme	78101	11 709				11 709
Water Meters Zola	77901	939	10 000			10 939
Water Scheme Ntabathemba	80801	37 565				37 565
Municipal Finance Manage.	91595	528 588	624 115	25 539	477 442	700 799
Full Ownership Houses	610	5 447		110		5 556
Stormwater Hofmeyr	81701	23 908				23 908
Housing Development Fund	62001	77 317		2 241	36 311	43 247
CH E/Share Refunds	63901	376 560		15 287	183 235	208 613
Spatial Devel. Framework	64001	145 649	8 289	6 399	137 388	22 949
Luxolweni Plan Fund	64101	39 283		1 403		40 687
HR Related Projects	64201	160 989	83 543	5 485	167 560	82 457
Dawn Park Plan Fees	79201	5 442		104		5 546
Management Support Prog.	91569	788 049	1 138 941	76 831	1 324 210	679 610
Sports Facilities	79801	250				250
National Electricity Escom	80701	172 732	689 363		678 988	183 106
LED Brickmakers Programme	82901	34 342			18 754	15 589
1000 Tarka housing No2	65501		266 000	6 216	25 076	247 140
1000 Tarka housing No2	65601		827 749	10 632		838 381
671 Housing	79601	149 787				149 787
1004 Housing	80601		400 113		380 906	19 207
Tendergate Hall	81501		179			179
Tarka Upgrade	82101		67 437		65 484	1 953
Emerging Water	84801		2 251 749		1 876 961	374 789
Water Dawn Park	85001		15 897			15 897
		10 102 137	9 079 129	534 708	9 861 207	9 854 767

MUNICIPALITY OF TSOLWANA
for the year ended 30 June 2007

Appendix B

EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	Rate	Redeemable	Balance 2006-06-30	Received during the Year	Redeemed, written off during the Year	Balance 2007-06-30
LALAF - Sewerage Reticulation	10.75%	2011	96 602		14 265	82 337
LALAF - Water Augmentation Scheme	15.34%	2015	226 591		13 207	213 384
			323 193		27 471	295 722
INTERNAL LOANS EX REVOLVING FUND						
Water Augmentation Scheme	Interest free	2025	225 752		12 542	213 210
Islands van Reenen Street	12.0%	2014	25 276		2 505	22 771
Upgrading Electricity Reticulation	11.5%	2008	2 562		2 562	0
Earth dams	16.0%	2012	78 439		11 406	67 033
Road Machinery (Repayments start 06/2008)	5.0%	2027		1 500 000		1 500 000
			332 029	1 500 000	29 015	1 803 014

MUNICIPALITY OF TSOLWANA
for the year ended 30 June 2007

APPENDIX C

ANALYSIS OF FIXED ASSETS						
Expended 2006	SERVICE	Budget 2007	Balance at 2006-07-01	Expended 2007	Written off, transferred, redeemed or disposed of during the Year	Balance at 2007-06-30
R		R	R	R	R	R
1 710 915	RATES AND GENERAL SERVICES	17 351 000	22 923 529	2 360 271		25 283 800
1 709 315	Community services	5 851 000	18 316 446	2 360 271		20 676 717
1 635 787	Land & buildings	2 800 000	11 044 419	377 343		11 421 762
73 528	Streets & stormwater	1 551 000	5 229 551	9 733		5 239 284
	Plant & equipment	1 500 000	547 119	1 320 990		1 868 109
	Office Equipment		324 389	504 400		828 789
	Parks, recreation and cemetery		546 141	0		546 141
	Town planning		92 039	128 806		220 845
	Motor vehicles		532 788	19 000		551 788
1 600	Economic services	11 500 000	4 607 083	0		4 607 083
1 600	Sewerage / sanitation	11 500 000	3 904 695	0		3 904 695
	Civil services		702 389			702 389
2 055 591	HOUSING SERVICES	3 506 870	15 845 224	1 777 794		17 623 017
2 283 307	TRADING SERVICES	8 989 034	20 067 846	2 059 197		22 127 043
329 820	Electricity		5 523 490	776 827		6 300 317
1 953 487	Water	8 989 034	14 544 356	1 282 369		15 826 726
6 049 813	TOTAL FIXED ASSETS	29 846 904	58 836 599	6 197 261		65 033 860
	LESS : LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		58 259 816		4 766 731	63 026 547
	Loans redeemed		1 908 304		56 486	1 964 791
	Contributions from current income		4 260 107		486 274	4 746 381
	Grants and subsidies	29 846 904	52 091 405		4 223 970	56 315 375
6 049 813	NET FIXED ASSETS		576 785	6 197 261	(4 766 731)	2 007 314

MUNICIPALITY OF TSOLWANA
for the year ended 30 June 2006

APPENDIX D

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

Actual 2006 R	INCOME	Actual 2007 R	Budget 2007 R
7 546 454	Grants and subsidies	6 421 140	8 740 080
7 546 454	- Provincial government	6 421 140	8 740 080
7 220 979	Operating Income	8 283 462	5 529 555
1 183 470	- Assessment rates	1 068 937	920 005
2 282 059	- Sale of electricity	2 290 415	1 605 400
1 194 288	- Sale of water	1 411 575	547 000
100 376	- Interest on Investment	328 851	48 500
2 460 785	- Other income	3 183 685	2 408 650
14 767 433	Total Income	<u>14 704 602</u>	<u>14 269 635</u>
EXPENDITURE			
6 568 544	Salaries, wages and allowance	7 220 089	6 859 020
7 210 806	General expenses	5 370 648	4 836 245
460 469	Repairs and maintenance	530 144	1 111 490
134 023	Capital charges	72 817	85 880
29 014	Contribution to funds		200 000
1 450 590	Electricity purchases	1 949 001	1 177 000
15 853 445	Gross expenditure	<u>15 142 699</u>	<u>14 269 635</u>

MUNICIPALITY OF TSOLWANA
for the year ended 30 June 2007

APPENDIX E

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

2006	2006	2006		2007	2007	2007	2007
Actual Income R	Actual Expenditure R	Actual Surplus / (Deficit) R		Actual Income R	Actual Expenditure R	Actual Surplus / (Deficit) R	Budgeted Surplus / (Deficit) R
RATES AND GENERAL SERVICES							
6 282 453	8 645 458	(2 363 005)	Community services	5 723 731	9 110 626	(3 386 895)	(1 212 648)
1 183 470		1 183 470	Assessment rates	1 068 937		1 068 937	
1 558 368	3 562 748	(2 004 380)	Council's general expenses	1 154 657	4 372 928	(3 218 271)	(335 730)
612 405	1 103 218	(490 813)	Town secretariat	799 632	795 421	4 211	(727 135)
1 720 347	2 784 734	(1 064 387)	Town treasurer	2 026 091	2 803 166	(777 075)	(382 963)
1 141 146	1 121 814	19 332	Public works	585 710	1 049 128	(463 418)	260 660
66 717	72 944	(6 227)	Traffic services	88 704	89 983	(1 279)	(27 480)
592 702	300 955	291 747	Subsidised services	155 489	406 743	(251 254)	196 173
587 279	140 895	446 384	Civil buildings	149 425	124 936.59	24 489	355 890
	7 664	(7 664)	Fire protection		28 050.88	(28 051)	(27 140)
	143 541	(143 541)	Library		191 035.74	(191 036)	(133 970)
5 423	8 855	(3 432)	Parks, recreation & cemeteries	6 064	62 719.46	(56 656)	1 393
2 475 471	3 153 284	(677 813)	Economic services	2 783 935	2 459 195	324 740	(88 293)
1 004 418	1 219 143	(214 725)	Cleansing	1 390 843	946 706	444 137	(6 030)
1 471 053	1 934 141	(463 088)	Sewerage	1 393 092	1 512 489	(119 397)	(82 263)
5 416 807	3 753 749	1 663 058	Housing services				
2 416 442	2 507 016	(90 574)	Trading services	6 041 447	3 166 136	2 875 311	1 104 768
3 000 365	1 246 733	1 753 632	Electricity	2 753 142	2 508 458	244 683	566 420
			Water	3 288 305	657 677	2 630 628	538 348
14 767 433	15 853 446	(1 086 013)	TOTAL	14 704 602	15 142 699	(438 097)	0
		(989 928)	Appropriations for the year (Note 11)			(3 782 276)	
		(2 075 941)	Net Deficit for the Year			(4 220 373)	
		4 725 874	Accumulated Surplus at the beginning of the Year			2 649 932	
		2 649 932	ACCUMULATED SURPLUS AT THE END OF THE YEAR			(1 570 441)	