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GENERAL INFORMATION

MEMBERS OF THE FULL TIME COUNCIL

Councillor M E Dapula (Mayor)
 Councillor M B Snyders (Speaker)
 Councillor G N Xoseni
 Councillor M Nontsele
 Councillor T T Madubedube
 Councillor A E Hulushe
 Councillor M Gongqa (Member-Not Full Time)

MEMBERS OF THE PART TIME COUNCIL

Councillor B M Adoons
 Councillor Z A Beje
 Councillor J N Birch
 Councillor A V Bokuva
 Councillor T Booi
 Councillor N H Breakfast
 Councillor Z A Deliwe
 Councillor V V Dondolo
 Councillor F N Duda
 Councillor Z A Dywili
 Councillor T Fikizolo
 Councillor S L Gaju
 Councillor M Z Gwantshu
 Councillor T M Gxaba
 Councillor J M Irlam
 Councillor L E James
 Councillor E K Jikele
 Councillor K H Kedema
 Councillor O Keva
 Councillor N A Kopolo
 Councillor J J Makasi
 Councillor N M Malmani
 Councillor M Mangqangwana
 Councillor N L Maqungo
 Councillor G S Mateta
 Councillor P X Mbasana
 Councillor N O Mfenyana
 Councillor N Mfundisi
 Councillor N P Mnyengeza
 Councillor S C Mpemba
 Councillor T V Mpolo
 Councillor G N Mrwebi
 Councillor S E Mvana
 Councillor S S Ndamane
 Councillor D X Ndidi
 Councillor S N Ndlebe
 Councillor Z Pambani
 Councillor P M X Sibefu
 Councillor L L Sikweyiya
 Councillor N E Simayile
 Councillor N Sixabayi
 Councillor E F Smuts
 Councillor F N Sopapaza
 Councillor E N Tsotetsi
 Councillor L N Twaku
 Councillor N C Twalo

GRADING OF LOCAL AUTHORITY

Grade 8 : Category B

AUDITORS

Auditor-General

BANKERS

ABSA Bank

REGISTERED OFFICE

70 Cathcart Road
QUEENSTOWN
5320

Private Bag X7111 Telephone 045-807 2773
QUEENSTOWN Fax 045-807 2733
5320

MUNICIPAL MANAGER

P BACELA

DIRECTOR OF FINANCE

I SCHOEMAN

TREASURER'S REPORT

1. INTRODUCTION

The control over expenditure and the revised budget has resulted in that the expenditure for 2006/07 stayed within the budgeted figure for expenditure and that resulted in the year closing off with a operating surplus of R6 117 975. This surplus is based on the revenue billed against actual expenditure. The operating surplus as at 30 June 2006 has decreased from R18 289 266 to R14 512 904 due to the portion of the surplus regarding Water and Sanitation services from 1 July 2004 to 30 June 2007 being transferred to a agency account for Chris Hani District Municipality.

2. OPERATING RESULTS

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

INCOME	Actual 2005/06 R	Actual 2006/07 R	Variance Actual 06/ Actual 07 %	Budget 2006/07	Variance Actual/ Budget 06/07 %
Opening surplus	12 486 828	18 289 266			
Operating income for the year	173 897 167	154 681 274	-11.05%	148 717 456	4.01%
Closing deficit					
	186 383 995	172 970 541		148 717 456	
EXPENDITURE					
Opening deficit					
Operating expenditure	165 864 940	148 563 299	-10.43%	152 212 605	-2.40%
Sundry transfers	2 229 789	9 894 338			
Closing surplus	18 289 266	14 512 904		-3 495 149	
	186 383 995	172 970 541		148 717 456	

2.1 RATE AND GENERAL SERVICES

	Actual 2005/06 R	Actual 2006/07 R	Variance Actual 06/ Actual 07 %	Budget 2006/07	Variance Actual/ Budget 06/07 %
Income	99 092 801	97 438 036	-1.67%	92 101 438	5.79%
Expenditure	102 188 729	102 377 262	0.18%	108 212 564	-5.39%
Surplus/Deficit	-3 095 928	-4 939 226	59.54%	-16 111 126	-69.34%
Surplus (Deficit) as % of total income	-3.12%	-5.07%		-17.49%	

Sanitation service is not included in the 2006/07 statistics as the account was transferred to a agency account for Chris Hani District municipality as they became the water authority from 1 July 2004.

2.2 HOUSING SERVICE

	Actual 2005/06 R	Actual 2006/07 R	Variance Actual 06/ Actual 07 %	Budget 2006/07	Variance Actual/ Budget 06/07 %
Income	128 546	137 900	7.28%	120 120	14.80%
Expenditure	46 122	41 662	-9.67%	43 910	-5.12%
Surplus/Deficit	82 424	96 238	16.76%	76 210	26.28%
Surplus (Deficit) as % of total income	64.12%	69.79%		63.44%	

2.3 TRADING SERVICES

ELECTRICITY

	Actual 2005/06 R	Actual 2006/07 R	Variance Actual 06/ Actual 07 %	Budget 2006/07	Variance Actual/ Budget 06/07 %
Income	53 093 308	57 105 338	7.56%	56 495 898	1.08%
Expenditure	41 714 991	46 144 375	10.62%	43 956 131	4.98%
Surplus/Deficit	11 378 317	10 960 962	-3.67%	12 539 767	-12.59%
Surplus (Deficit) as % of total income	21.43%	19.19%		22.20%	

WATER

	Actual 2005/06 R	Actual 2006/07 R	Variance Actual 06/ Actual 07 %	Budget 2006/07	Variance Actual/ Budget 06/07 %
Income	21 582 512	0	-100.00%		
Expenditure	21 915 098	0	-100.00%		
Surplus/Deficit	-332 586	0	-100.00%	0	
Surplus (Deficit) as % of total income	-1.54%				

Water service was transferred to a agency account for Chris Hani District municipality as they became the water authority from 1 July 2004.

3. CAPITAL EXPENDITURE

	Actual 2006/07 R	Budget 2006/07 R	Actual 2005/06 R
Vehicles	5 733 225	5 415 525	
Buildings			
Roads/Stormwater Drainage			
Other Infrastructure	2 505 577	2 505 577	
Other	561 007	17 043 844	333 486
	8 799 809	24 964 946	333 486

Resources used to finance the fixed assets were as follows :

	Actual 2006/07 R	Budget 2006/07 R	Actual 2005/06 R
Consolidated Loans Fund			
Leases	5 415 525	5 415 525	
Contributions from operating income	803 758	876 197	24 250
Other Funds	2 580 526	18 673 224	309 236
	8 799 809	24 964 946	333 486

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

4. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding on 30 June 2007 amounted to R14 555 334 as set out in appendix B. Leases disclosed as financing source directly against assets in 2005/06 were transferred to loans and reflects on the balance at 30 June 2007.

Investments and cash on 30 June 2007 amounted to R37 835 788 (R35 328 350 in 2006).

The bank balance amounted to R6 597 383 on 30 June 2007 compared to an overdraft of R8 348 748 in 2006.

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

5. FUNDS AND RESERVES

The consolidated capital development and loans fund has increased with R1 242 364 to R34 065 264. Advances amounting to Rnil has been granted to borrowing accounts while R7 964 849 has been repaid. The total advances to borrowing accounts amounted to R9 420 951 on 30 June 2007.

More information regarding funds and reserves are disclosed in notes 1 to 3, 11 and appendix A to the financial statements.

EXPRESSION OF APPRECIATION

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

I SCHOEMAN
CHIEF FINANCIAL OFFICER
31 August 2007

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition-January 1996).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for capital expenditure as more fully detailed in note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis :
- Income is accrued when collectable and measurable. Certain direct income is accrued when received, such as traffic fines and certain licences.
 - Expenditure is accrued in the year it is incurred.

2. CONSOLIDATION

The balance sheet includes Rate and General services, Housing services, Trading services and the different funds, reserves and provisions. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, electricity and water, which are treated as income and expenditure in the respective departments.

3. FIXED ASSETS

3.1 Fixed assets are stated :

- at historical cost, or
- 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

Vehicles and machinery under the vehicle fleet are depreciated at 25% and equipment at 10% as determined by the Council's policy up to a nominal value. The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through :

- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.
- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

3.3 All net proceeds from the sale of fixed assets are credited to the Consolidated Loans Fund.

3.4 Capital assets are financed from different sources, including external loans, operating income, internal advances and leases. These loans, advances and leases are repaid within the estimated lives of the assets acquired from such loans, advances or leases. Interest is charged at the ruling interest rate applicable at the time the advance is made and is charged to the service concerned and leases at the time the lease was taken up.

4. STOCK

Stock is also reflected in the Balance Sheet at the lower of cost, determined on the weighted average basis, and net reliable value. Provision has also been made for stock obsolescence. Council took a decision to close the store and to issue all stock to departments that can be used and to sell the balance that can not be used. All stock has been charged out to the departments and reflects a zero balance in the statements.

5. FUNDS AND RESERVES

5.1 Capital Development Fund

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

5.4 RESERVES

Reserve Funds are utilised for purposes unknown and which may occur in the future. Contributions are made from the the operating account and in certain instances according to the policy of the Department of Housing e.g. Rental reserve. The following reserve is applicable to this section:

Housing Development Fund - Maintenance and repairs to existing properties still in the name of the municipality.
Nature Conservation : Nature Reserves - Funds receivable from Game sales for use in Reserve. The purpose of the fund is to purchase new game for the nature reserve as well as repairs and maintenance to the reserve.

5.5 PROVISIONS

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

5.6 TRUST FUNDS

Funds are paid to the Council for a specific purpose and consists of grants, subsidies and bequests from the public or higher authorities.

6. RETIREMENT BENEFITS

The employees of Queenstown TLC contribute to the Cape Joint Pension Fund/Retirement Fund, the South African Local Authorities Pension Fund, the Transkei Municipal Pension Fund and the Old Mutual Provident Fund. Councillors contribute to the Pension Fund for Municipal Councillors. Current contributions are charged against the operating account at the rate of a fixed percentage of the basic salary paid to employees and Councillors.

7. SURPLUSES AND DEFICITS

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

8. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

Administration charges are allocated to each department on a percentage basis, based on the actual expenditure from the previous year. Interdepartmental users are charged at actual cost and debited to each user department.

9. INVESTMENTS

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested per Council's Investment Policy.

10. INCOME RECOGNITION

10.1 Electricity and Water Billing

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

10.2 Assessment Rates

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

11. CONSOLIDATED LOANS FUND

The capital resources of the Consolidated Loans Fund consist both of external and internal loans. Advances are made to borrowing departments at an interest rate approved by the Premier. Loans are repaid over the useful life of the asset acquired.

12. LEASES ASSETS

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the agreements. Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilized in each accounting period.

All other leases are treated as operating leases and the relevant rentals are charged the operating account in systematic manner related to the period of use of the assets concerned

LUKHANJI MUNICIPALITY
BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		36 504 481	35 212 980
Statutory Funds	1	34 065 264	32 822 900
Reserves	3	2 439 217	2 390 080
(ACCUMULATED DEFICIT)/RETAINED SURPLUS	17	14 512 904	18 289 266
		51 017 385	53 502 246
TRUST FUNDS	2	20 016 921	17 635 636
LONG-TERM LIABILITIES	4	13 848 084	6 119 195
CONSUMER DEPOSITS : SERVICES	5	6 750 517	6 256 021
		91 632 908	83 513 097
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	25 156 877	21 041 207
INVESTMENTS	7	626 453	599 978
LONG-TERM DEBTORS	8	0	0
		25 783 329	21 641 185
NET CURRENT ASSETS/LIABILITIES		65 849 578	61 871 912
CURRENT ASSETS		101 299 944	96 541 163
Stock	9	0	0
Debtors	10	63 850 543	61 140 302
Cash		610 465	573 775
Bank		6 597 383	
Call and short-term Investments	7	30 001 488	34 154 596
Short-term portion of Long-term debtors	8	240 066	672 490
CURRENT LIABILITIES		-35 450 366	-34 669 251
Provisions	11	4 560 115	4 581 282
Creditors	12	30 183 001	21 108 138
Short-term of Long-term liabilities	4	707 250	631 047
Bank overdraft			8 348 784
		91 632 908	83 513 097
.....		
P BACELA MUNICIPAL MANAGER		CERTIFIED AS CORRECT I SCHOEMAN CHIEF FINANCIAL OFFICER	

LUKHANJI MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2006 Actual Income R	2006 Actual Expenditure R	2006 Surplus/ (Deficit) R		2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R	2007 Budget Surplus/ (Deficit) R
			RATE AND GENERAL				
99 092 801	102 188 729	-3 095 928	SERVICES	97 438 036	102 377 262	-4 939 226	-16 111 126
72 978 385	65 483 759	7 494 626	Community Services	81 714 952	76 448 864	5 266 088	-4 456 499
1 169 847	12 321 447	-11 151 600	Subsidised Services	1 200 197	10 905 195	-9 704 998	-10 374 390
24 944 570	24 383 524	561 046	Economic Services	14 522 887	15 023 203	-500 316	-1 280 237
<u>128 546</u>	<u>46 122</u>	<u>82 424</u>	HOUSING SERVICES	<u>137 900</u>	<u>41 662</u>	<u>96 238</u>	<u>76 210</u>
<u>74 675 820</u>	<u>63 630 089</u>	<u>11 045 731</u>	TRADING SERVICES	<u>57 105 338</u>	<u>46 144 375</u>	<u>10 960 962</u>	<u>12 539 767</u>
<u>173 897 167</u>	<u>165 864 940</u>	<u>8 032 227</u>	TOTAL	<u>154 681 274</u>	<u>148 563 299</u>	<u>6 117 975</u>	<u>-3 495 149</u>
			Appropriations for this year				
		<u>-2 229 789</u>	(Refer to note 17)			<u>-9 894 338</u>	
		5 802 438	Net surplus/(deficit) for			-3 776 362	
			the year				
		12 486 828	Accumulated surplus/ (deficit) beginning of			18 289 266	
			the year				
		<u>18 289 266</u>	ACCUMULATED SURPLUS/ (DEFICIT) END OF YEAR			<u>14 512 904</u>	

LUKHANJI MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
CASH RETAINED FROM OPERATING ACTIVITIES :	-34 457 972	-36 801 784
Cash receipts from ratepayers, consumers, and users of services	151 526 460	158 764 711
Cash paid to employees and suppliers From Operations	-185 658 598	-194 971 949
Investment Income	-34 132 138	-36 207 238
Interest paid	-0	275 859
	-325 834	-870 405
 INVESTING ACTIVITIES	 -87 972	 -47 758 557
Purchase of property, plant and equipment	-8 799 809	-47 982 527
Proceeds from disposal of fixed assets	4 152 777	0
Receipts from long term debtors	432 425	238 670
Increase in cash on hand	4 126 635	-14 700
 FINANCING ACTIVITIES	 49 528 800	 78 603 977
Net loans repaid	3 494 192	0
Increase in consumer deposits	494 496	349 567
Cash contribution from public and state	45 540 112	78 254 410
 NET CASH GENERATED	 14 982 856	 -5 956 365
Cash resources at beginning of year	-7 775 009	-1 818 643
Cash resources at 30 June 2007	7 207 847	-7 775 008
	-14 982 856	5 956 365

LUKHANJI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
1. STATUTORY FUNDS		
Consolidated Loans Fund (Refer to Appendix A for more detail)	34 065 264	32 822 900
	34 065 264	32 822 900
2. TRUST FUNDS		
Grants, Subsidies and Bequests	20 003 406	17 623 444
Mayor's Christmas Fund	0	75
Storm Relief Fund (Refer to Appendix A for more detail)	13 514	12 117
	20 016 921	17 635 636
3. RESERVES		
Rental Reserve	2 367 900	2 334 670
Removal Expenses Reserve	39 245	23 337
Repairs and Renewals (Refer to Appendix A for more detail)	32 072	32 072
	2 439 217	2 390 080
4. LONG TERM LIABILITIES		
Capital leases	8 578 469	
Annuity Loans	5 976 866	6 750 242
	14 555 334	6 750 242
Less : Current portion transferred to current liabilities	-707 250	-631 047
Capital leases	707 250	631 047
Annuity Loans (Refer to Appendix B for more detail on long term liabilities)	13 848 084	6 119 195
CAPITAL LEASES		
Capital leases with an average interest rate of ± 11% were entered into with West Bank to finance vehicles over a 5 year period.		
ANNUITY LOANS		
No Annuity loans. All debt rescheduled with DBSA. Interest rate payable on loan at 12.00% over a period of 8 years.		
5. CONSUMER DEPOSITS		
Electricity	6 750 517	6 256 021
Guarantees in lieu of electricity deposits were R20 320.		
6. FIXED ASSETS		
Fixed Assets at the beginning of the year	204 827 395	191 500 677
Capital Expenditure during the year	8 799 809	14 249 014
Adjustments to balance statements to Genetal Ledger	6 032 580	
Less : Assets written off, transferred or disposed of during the year	-40 412 027	-922 296
TOTAL FIXED ASSETS	179 247 757	204 827 395
Less : Loans redeemed and other capital receipts	-154 090 881	-183 786 189
NET FIXED ASSETS (Refer to Appendix C for more detail)	25 156 877	21 041 207

LUKHANJI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
7. INVESTMENTS		
<i>Listed</i>		
RSA Internal Registered Stock	18 500	18 500
	18 500	18 500
<i>Unlisted</i>		
Fixed deposits	607 953	581 478
Call deposits	30 001 487	34 154 596
	30 609 439	34 736 074
TOTAL INVESTMENTS	30 627 939	34 754 574
Market value of listed investments and managements valuation of unlisted investments		
Listed	23 200	23 200
Unlisted	30 627 939	31 536 157
Average rate of return on investments	7.99%	6.53%
Funds are invested according to Council's Investment Policy.		
No investments were written off during the year.		
8. LONG TERM DEBTORS		
<i>Loans to :</i>		
Housing Loans		6 378
Sale of Land	230 036	656 082
Study Loans		-
Vehicle Loans	10 030	10 030
	240 066	672 490
Less : Current portion transferred to current assets	(240 066)	(672 490)
	-	-
9. INVENTORY		
Stock represents consumable stores, raw materials and finished goods.		
Less : Stock Obsolescene	0	0
	0	0
	0	0
10. DEBTORS		
Consumer debtors	107 447 724	148 876 527
Less provision for doubtful debts	-69 240 935	-90 274 415
	38 206 789	58 602 112
Sundry debtors	22 709 542	2 470 022
Deposits	61 168	61 168
Recoverable costs	7 000	7 000
Agency account Chris Hani	2 866 045	
	63 850 543	61 140 302
<i>Age analysis</i>		
Current Debtors	28 841 886	9 765 346
30 Days Outstanding	3 864 467	5 902 118
60 Days Outstanding	2 945 344	3 683 661
90 Days Outstanding	77 582 231	129 527 145
120 Days and more Outstanding		0
Plus : Agency account Chris Hani	2 866 045	
Plus : Vat accounts	15 487 665	
Plus : Suspence accounts	1 503 839	
Plus : Payments in Advance		2 069 583
Plus : Unknown Payments		466 864
	133 091 478	151 414 716
Less : Provision for Bad Debt	-69 240 935	-90 274 415
	63 850 543	61 140 302
Debtors to the value of R154 523.14, regarded as bad debt were written off during the year.		

LUKHANJI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
<i>Agency account Chris Hani</i>		
<i>Assets:</i>		
Water and Sanitation assets	40 412 027	
Less: Loans redeemed and other capital receipts	-40 412 027	
	0	
<i>Accumulated surplus</i>		
Surplus and Losses on the operational accounts for Water and Sanitation from 01/07/2004 to 30/06/2007	-12 209 559	
<i>Debt management:</i>		
Outstanding Water and Sanitation debtors at 30 June 2007	63 429 022	
Provision for Doubtful Debts on Water and Sanitation transferred	-48 353 418	
	15 075 604	
Balance 30 June 2007	2 866 045	

On 1 July 2004 the Chris Hani District Municipality took over the service delivery of water and sanitation as part of their Water authority functions and the Lukhanji Municipality went on with the administration thereof as an agency service.

11. PROVISIONS

Leave Gratuity	3 062 849	3 334 716
Valuation Expenses	1 497 266	1 246 566
	4 560 115	4 581 282

The leave gratuity provision does not fund the full amount payable for leave due as at 30 June 2007. The difference will be funded in the 2007/2008 budget. This is due to the municipality using its best estimate of leave days due to staff at year end.

12. CREDITORS

Trade Creditors	6 268 762	7 771 167
Payments in Advance	2 640 999	
Unspent Government Grants	0	
Deposits	46	
VAT	16 160 866	
Leave creditors	0	
Other	5 112 328	13 336 970
	30 183 001	21 108 138

13. ASSESSMENT RATES

	2007 R Actual Income	2006 R Actual Income
Residential	7 781 258	7 417 716
Commercial	1 232 950	1 174 237
Industrial	2 030 649	1 933 951
Business	1 784 689	1 687 776
Institutional	15 836	10 358
Agricultural	4 012	4 270
Educational	1 376 256	1 310 720
State	1 447 871	1 383 837
Transnet	320 065	116 520
Post and Telecommunications	72 592	69 135
Municipal	33 919	32 304
Grant-in-Aid	153 357	106 085
Sport Clubs	36 363	36 454
	16 289 818	15 283 362

Valuations on land and improvements are performed every four years and the last general valuation came into effect on 1 July 1998. The basic rate was 1,91121 per cent in the Rand on land and improvements. The following rebates were granted :

Residential	15%
Commercial	5%
Industrial	5%
Business	5%
Institutional	5%
Agricultural	15%
Educational	20%
State	20%
Grant-in-Aid	100%
Residential-R1300	23.75%

LUKHANJI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
14. COUNCILLOR'S REMUNERATION		
Mayor's allowance	394 992	342 504
Executive Councillors allowances	1 671 832	1 717 075
Councillor's allowances	5 784 323	3 126 134
Councillor's pension contribution	755 818	4 172 949
Councillor's medical aid contribution	192 796	137 680
	<u>8 799 761</u>	<u>9 496 340</u>

All councillors remuneration is paid in accordance with the determination of the upper limits of salaries, allowances and benefits of different members of municipal councils. (Remuneration of Public Office Bearers Act, 1998)(Act no. 209 of 1998)

15. AUDITOR'S REMUNERATION

Audit Fees	<u>1 225 396</u>	<u>864 834</u>
------------	------------------	----------------

16. FINANCE TRANSACTIONS

Total external interest earned or paid :		
Interest Earned	<u>3 460 135</u>	<u>2 172 770</u>
Interest Paid	<u>745 912</u>	<u>870 405</u>

Capital charges debited to operating account :

Interest :	2 240 327	3 348 882
: External	325 834	
: Internal	<u>1 914 493</u>	<u>3 348 882</u>
Redemption :	2 924 238	2 627 847
: External	1 162 692	
: Internal	<u>1 761 546</u>	<u>2 627 847</u>
	<u>5 164 565</u>	<u>5 976 729</u>

17. APPROPRIATIONS

Appropriation account :		
Accumulated surplus at the beginning of the year	18 289 266	12 486 828
Operating surplus for the year	6 117 975	8 032 227
- Rate and General services	6 117 975	8 032 227
- Dog Tax fund		
- Parking Areas Development Fund		
Appropriations for the year	<u>-9 894 338</u>	<u>-2 229 789</u>
	<u>14 512 904</u>	<u>18 289 266</u>

The accumulated surplus at the end of the year is made up as follows :

- Rate and General services	14 512 904	18 289 266
- Dog Tax fund		
- Parking Areas Development Fund		
	<u>14 512 904</u>	<u>18 289 266</u>

Operating Account :

Capital expenditure	456 433	1 464 994
Contributions to :		
Bad Debt	16 195 782	20 748 160
Leave Gratuity	720 000	1 160 000
Removal Expenses	20 000	20 000
Rental reserve	33 230	33 230
Stock Obsolescence		50 000
Valuation expenses	250 000	250 000
	<u>17 675 445</u>	<u>23 726 384</u>

18 OFFICIALS REMUNERATION

Municipal Manager	549 673	466 646
Chief Financial Officer	501 611	439 968
Directors(Estates, Admin, Technical, Community Services & Infrastructure)	2 075 426	2 157 904
	<u>3 126 711</u>	<u>3 064 517</u>

LUKHANJI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
19. CASH GENERATED BY OPERATIONS		
Surplus for the year	6 117 975	8 032 227
Adjustments in respect of previous years		0
operating expenses	-1 180 573	2 229 789
Appropriations charged against income :	25 501 582	-6 561 981
Contributions	27 623 868	22 228 160
Administration Charges (Non Cash)	1 302 393	-45 971 893
Proceeds on sale of assets	-4 152 777	12 784 021
Long Term Debtors		238 670
Less : Brought to Account		1 060 513
Contribution Ex CCDLF	0	1 600 325
Provisions and Reserves		33 230
Fixed Assets	728 098	1 464 994
Capital Charges :	11 346 877	5 976 729
Interest Paid		
- to internal funds	1 914 493	3 348 882
- to external loans	325 834	
Redemption Paid		
- to internal funds	7 958 593	2 627 847
- to external loans	1 147 957	
Operating account	41 785 861	9 676 764
<u>Grants and Subsidies (Operating Account)</u>		-36 052 651
Non-operating income :	3 420 603	43 644 461
Funds	1 422 365	43 644 461
Trust	1 998 238	
Reserves	0	
Non-operating expenditure :	-44 860 175	-48 386 012
Expenditure charged against Accumulated Fund		
Expenditure charged against Trust Funds	44 003 952	47 982 527
Expenditure charged against Reserves	4 093	23 199
Expenditure charged against Provisions		380 286
Expenditure charged against Consolidated Loans Fund	852 130	
Non operating transactions	-41 439 571	-4 741 551
(Increase)/decrease in stock	0	1 201 524
(Increase)/decrease in debtors	-42 239 738	-4 836 321
(Increase)/decrease in creditors	3 304 728	-1 455 003
Working capital transactions	-38 935 011	-36 207 239
	-38 588 721	-31 272 026
20. (INCREASE)/DECREASE IN WORKING CAPITAL		
(Increase)/decrease in stock	0	1 201 524
(Increase)/decrease in debtors	-42 239 738	-4 836 321
(Increase)/decrease in creditors	3 304 728	-1 455 003
	-38 935 011	-5 089 801

LUKHANJI MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
21. (INCREASE)/DECREASE IN LONG-TERM LOANS (EXTERNAL)		
Loans Raised	5 415 525	
Adjustment	4 310 901	
Loans Repaid	-1 921 334	
	7 805 092	0
22. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENT		
Investment realised	38 594 283	43 707 066
Investment made	-42 720 918	-53 239 859
	-4 126 636	-9 532 793
23. (INCREASE)/DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	-7 775 009	-1 818 644
Less : Cash balance at the end of the year	7 207 848	-7 775 008
	-14 982 857	5 956 364
24. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
Guarantees in respect of housing bonds to employees	201 690	201 503
WSSA Contract		20 906 986
Rural Hardware/Fenjel CC		1 800 000
Meliziswe International Property Group	1 000 000	1 000 000
Swift Construction		12 000
MaxProf - VAT	1 600 000	1 600 000
Mahiti - Damages		340 000
Mkhetsu - Damages	24 000	24 000
Motile - Damages	94 000	94 000
D Osborne		
	2 919 690	25 978 490
<p>Figures for D Osborne not available yet.</p>		
25. CAPITAL COMMITMENTS		
<p>Commitments in respect of capital expenditure :</p> <p>- Approved and contracted for</p>		
<p>This expenditure will be financed from :</p> <p>- Internal sources</p> <p>- External sources</p>		
26. CONSOLIDATED LOANS FUND		
External Loans	5 976 866	6 750 242
Internal Investments	34 065 264	32 822 900
Creditors		20 234
Bank	-7 181 457	7 797 776
	32 860 673	47 391 152
Less :	28 092 033	30 005 353
External Investments	30 627 939	34 754 574
Debtors	7 000	7 000
Temporary Advances	-2 542 906	-4 756 221
(Refer to Appendix B for more detail)	9 420 951	17 385 799
27. FRUITLESS and WASTEFULL EXPENDITURE		
Payment made to Civil & General for Excavator that burnt out	555 750	
<p>The municipality had to insure the equipment, but failed to do so therefor when the equipment burnt out we had to pay the replacement cost. Relevant staff member has left the service of the municipality that did not attend to the insurance.</p>		
28. Unauthorised expenditure		
An amount of R90 989 has been overspent in the Electricity operating budget.	90 989	
<p>This is largely due to the final Eskom account not being available at year end and an estimation is made.</p>		

APPENDIX A

LUKHANJI MUNICIPALITY
STATUTORY FUNDS, RESERVES AND TRUST FUNDS FOR THE YEAR ENDED 30 JUNE 2007

	Balance at 2006-06-30	Contributions during the year	Interest on Investments	Other Income	Expenditure during the year	Capital Expenditure during the year	Written Off	Balance at 2007-06-30
	R	R	R	R	R	R		R
STATUTORY FUNDS								
Consolidated Loans Fund	-32 822 900			-1 668 429	426 065			-34 065 264
	-32 822 900	0	0	-1 668 429	426 065	0	0	-34 065 264
TRUST FUNDS								
Grants, Subsidies and Bequests	-17 623 444	425 958	-1 996 841	-44 485 698	44 345 030	2 315 033	-2 983 446	-20 003 406
Mayor's Christmas Fund	-75				75			0
Storm Relief Fund	-12 117		-1 398					-13 514
	-17 635 636	425 958	-1 998 238	-44 485 698	44 345 105	2 315 033	-2 983 446	-20 016 921
RESERVE FUNDS								
Rental Reserve	-2 334 670	-33 230	0	0	-2 367 900	0	0	-2 367 900
Removal Expenses Reserve	-23 337	-20 000	0	0	-43 337	4 093	0	-39 245
Repairs and Renewals	-32 072	0	0	0	-32 072	0	0	-32 072
	-2 390 080	-53 230	0	0	-2 443 310	4 093	0	-2 439 217

APPENDIX B

LUKHANJI MUNICIPALITY
EXTERNAL LOANS AND EXTERNAL ADVANCES FOR THE YEAR ENDED 30 JUNE 2007

	Balance at 2006-06-30 R	Received during the year R	Redeemed or written off during the year R	Balance at 2007-06-30 R
EXTERNAL LOANS				
Capital Leases		9 726 426	1 147 957	8 578 469
Annuity Loans	6 750 242		773 377	5 976 866
	<u>6 750 242</u>	<u>9 726 426</u>	<u>1 921 334</u>	<u>14 555 334</u>

	Balance at 2006-06-30 R	Received during the year R	Redeemed or written off during the year R	Balance at 2007-06-30 R
INTERNAL ADVANCES TO BORROWING SERVICES				
Consolidated Loans Fund	17 385 799		7 964 849	9 420 951
	<u>17 385 799</u>		<u>7 964 849</u>	<u>9 420 951</u>

Note: Capital Leases were disclosed as Loans Redeemed and other Capital Receipts in 2005/06

LUKHANJI MUNICIPALITY
ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2007

Expenditure 2006 R		Budget 2007 R	Balance at 2006-06-30 R	Expenditure 2007 R	Written off transferred redeemed or disposed of during the year R	Balance at 2007-06-30 R
6 947 736	RATE AND GENERAL SERVICES	20 433 676	71 073 256	6 294 232	2 718 245	74 649 244
6 242 866	<u>Community Services</u>	19 134 215	34 802 221	6 229 625	-8 387 778	49 419 624
7 250	Administration : Council General		6 015 110	66 100		6 081 210
	Administration : Estates	20 000	277	20 010		20 288
51 887	Health Services	15 600	1 529 404	12 015	-274 168	1 815 586
	Municipal Security		3 548			3 548
92 418	Pound		122 818			122 818
4 856 735	Vehicle Fleet	5 415 525	5 119 470	5 733 225	280 168	10 572 527
	Public Works/Town Planning	11 159 601	6 460 957	12 349		6 473 305
	Workshop	2 400		2 350		2 350
6 260	Infrastructural Development		3 005 089	4 252		3 009 341
	Services	2 048 105	5 243 305			5 243 305
6 600	Municipal Manager		24 243	6 513		30 756
	Administration and Human Resources		116 686	15 275		131 961
1 171 195	Financial Services	470 584	1 627 764	323 529	-288 261	2 239 554
2 995	Traffic Services	2 400	89 431	34 007		123 437
	Dog Kennels		366 000			366 000
	Bongola Dam		0		-53 080	53 080
47 526	Computers and Printers		288 262			288 262
	Hewu TRC		760 150			760 150
	Queenstown TRC		3 074 352		-8 052 437	11 126 789
	Tylden TRC		144 655			144 655
	Whittlesea		810 701			810 701
630 647	<u>Subsidised Services</u>	676 781	11 560 906	47 857	0	11 608 763
	Aerodrome		200 000			200 000
4 418	Art Gallery		291 049	6 050		297 099
	Cemeteries	100 000	64 339			64 339
	Civic Centre		3 836 666			3 836 666
	Fire Brigade	5 000	81 515	2 451		83 966
118 540	Libraries	10 000	855 698			855 698
507 689	Parks and Recreation	561 781	6 231 639	39 356		6 270 995
74 223	<u>Economic Services</u>	622 680	24 710 129	16 750	11 106 023	13 620 856
74 223	Cleansing Services	462 600	974 087	16 750		990 837
	Estates		14 045 118		1 770 468	12 274 650
	Nature Reserve	160 080	355 370			355 370
	Sewerage		9 335 555		9 335 555	0
0	<u>Housing Services</u>	0	2 236 403	0	465 935	1 770 468
	Sub-Economic Housing		1 859 018		88 550	1 770 469
	Self Help Schemes		377 385		377 385	-0
7 301 278	<u>Trading Services</u>	4 531 270	131 517 736	2 505 577	31 195 267	102 828 046
7 301 278	Electricity	4 531 270	100 369 848	2 505 577	47 379	102 828 046
	Water		31 147 888		31 147 888	0
<u>14 249 014</u>	TOTAL FIXED ASSETS	<u>24 964 946</u>	<u>204 827 395</u>	<u>8 799 809</u>	<u>34 379 447</u>	<u>179 247 758</u>
	LESS : LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		183 786 189	5 198 970	34 894 278	154 090 881
	Loans redeemed and advances paid		43 497 420	2 542 784	1 668 521	44 371 684
	Contribution ex operating income		105 615 581		28 914 858	76 700 724
	Lease Agreements		4 310 900		4 310 900	0
	Provision and Reserves		58 098			58 098
	Grants and Subsidies		30 304 189	2 656 186		32 960 375
	NET FIXED ASSETS		<u>21 041 207</u>	<u>3 600 839</u>	<u>-514 832</u>	<u>25 156 877</u>

APPENDIX D

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

Actual 2006 R		Actual 2007 R	Budget 2007 R
	INCOME		
	Grants and Subsidies		
36 052 651	- Provincial & Government	46 608 663	48 849 024
137 844 516	Operating Income	108 072 611	99 868 432
15 283 361	- Assessment Rates	16 289 818	16 059 763
49 425 202	- Sale of Electricity	52 225 618	51 780 131
21 248 731	- Sale of Water		
51 887 221	- Other services and charges	39 557 175	32 028 538
<u>173 897 167</u>		<u>154 681 274</u>	<u>148 717 456</u>
	EXPENDITURE		
65 587 034	Salaries, wages and allowances	71 951 953	74 514 517
62 641 860	General Expenses	49 564 388	52 616 359
28 533 048	- Purchase of Electricity	31 912 347	31 951 200
	- Purchase of Water		
128 054	- Entertainment	101 153	109 800
33 980 758	- Other general Expenses	17 550 888	20 555 359
4 982 530	Repairs and Maintenance	3 624 555	4 866 320
6 074 616	Capital Charges	5 164 565	1 525 000
1 464 994	Contribution to fixed assets	456 433	876 197
3 305 234	Contributions	17 854 898	17 858 142
<u>144 056 268</u>	Gross expenditure	<u>148 616 792</u>	<u>152 256 535</u>
21 808 673	Less : Amounts charged out	-53 493	-43 930
<u>165 864 941</u>	Net Expenditure	<u>148 563 299</u>	<u>152 212 605</u>

Note:

The 2005/06 financial year includes Water and Sanitation Income & Expenditure.

APPENDIX E
LUKHANJI MUNICIPALITY
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

Actual Income 2006 R	Actual Expenditure 2006 R	Actual Surplus/ (Deficit) 2006 R		Actual Income 2007 R	Actual Expenditure 2007 R	Actual Surplus/ (Deficit) 2007 R	Budget Surplus/ (Deficit) 2007 R
99 092 801	102 188 729	-3 095 928	RATE AND GENERAL SERVICES	97 438 036	102 377 262	-4 939 226	-16 111 126
72 978 385	65 483 759	7 494 626	<u>Community Services</u>	81 714 952	76 448 864	5 266 088	-4 456 499
46 638 192	4 457 849	42 180 343	Assessment Rates	27 011 455	4 879 911	22 131 545	22 115 292
3 279 042	11 692 691	-8 413 649	Council's General	33 442 072	12 978 632	20 463 440	16 384 310
			Community Services: Admin	28 655	1 904 525	-1 875 870	-1 847 778
7 675	3 771 696	-3 764 021	Disaster Management		17 015	-17 015	-21 250
8 073 888	11 977 098	-3 903 210	Administration : Estates	51 322	3 650 651	-3 599 330	-3 742 697
948 603	1 049 067	-100 463	Health Services	4 399 407	6 850 567	-2 451 160	-1 901 567
90 690	2 596 649	-2 505 959	Pound	1 714 031	1 078 753	635 278	439 312
1 506 416	11 342 751	-9 836 335	Protection Services	95 596	475 822	-380 226	-362 539
	2 706 345	-2 706 345	Public Works/Town Planning	373 310	15 588 117	-15 214 807	-16 363 752
	1 333 846	-1 333 846	Security		3 225 803	-3 225 803	-3 066 275
538 528	2 321 473	-1 782 945	Municipal Manager		2 338 182	-2 338 182	-2 559 895
			Administration & HR		3 364 064	-3 364 064	-3 711 917
6 632 695	6 628 804	3 890	Water: Bongolo Dam	30	11 521	-11 491	-21 180
5 262 657	5 605 490	-342 833	Financial Services	8 592 421	14 119 318	-5 526 898	-9 846 688
			Traffic Services	6 006 655	5 965 985	40 670	50 125
1 169 847	12 321 447	-11 151 600	<u>Subsidised Services</u>	1 200 197	10 905 195	-9 704 998	-10 374 390
2 512	100 757	-98 245	Aerodrome	2 622	107 966	-105 344	-115 477
	46 588	-46 588	Art Gallery		78 296	-78 296	-81 137
609 847	763 317	-153 469	Cemetaries	662 422	742 808	-80 386	-256 450
362 766	1 586 251	-1 223 486	Civic Centre	308 437	1 630 305	-1 321 868	-1 465 089
9 458	765 207	-755 750	Fire Brigade	24 883	393 336	-368 453	-310 381
55 638	2 014 395	-1 958 757	Libraries	58 156	2 067 792	-2 009 636	-2 121 568
129 626	7 044 931	-6 915 305	Parks and Recreation	143 678	5 884 693	-5 741 016	-6 024 288
24 944 570	24 383 524	561 046	<u>Economic Services</u>	14 522 887	15 023 203	-500 316	-1 280 237
12 727 588	12 993 110	-265 522	Cleansing Services	13 717 284	13 667 879	49 406	-1 108 939
480 795	1 043 488	-562 693	Estates	476 342	953 099	-476 757	41 860
119 361	540 666	-421 305	Nature Reserve	329 261	402 225	-72 965	-213 158
11 616 826	9 806 260	1 810 566.16	Sewerage			0	
128 546	46 122	82 424	<u>Housing Services</u>	137 900	41 662	96 238	76 210
128 546	46 122	82 424	Economic Housing	137 900	41 662	96 238	76 210
74 675 820	63 630 089	11 045 731	<u>Trading Services</u>	57 105 338	46 144 375	10 960 962	12 539 767
53 093 308	41 714 991	11 378 317	Electricity	57 105 338	46 144 375	10 960 962	12 539 767
21 582 512	21 915 098	(332 586.39)	Water			0	
173 897 167	165 864 940	8 032 227	TOTAL	154 681 274	148 563 299	6 117 975	-3 495 149
		(2 229 789)	Appropriations for this year (Refer to note 17)			-9 894 338	
		5 802 438	Net surplus/(deficit) for the year			-3 776 362	
		12 486 828	Accumulated surplus/(deficit) beginning of the year			18 289 266	
		18 289 266	ACCUMULATED SURPLUS/(DEFICIT) END OF YEAR			14 512 904	

◆ The deficit is due to the fact that water and sanitation was transferred to the agency account. ◆

APPENDIX F

LUKHANJI MUNICIPALITY
STATISTICAL INFORMATION

a) GENERAL STATISTICS	2006/07	2005/06
Population	300 000	300 000
Total Registered Voters	180 000	178 845
Area km	4 191	4 191
Total Valuation :		
- Rateable	1 242 982 097	1 123 130 638
- Non Rateable	76 257 808	76 116 608
- Residential	750 351 346	751 025 388
- Commercial	67 906 810	67 776 310
Number of Sites :		
- Residential	17 664	17 664
- Commercial	162	162
Assessment Rates : Levies		
- Basic (per Rand)	1.9112	1.8202
- Rebate : Residential	15,00%	15,00%
- Other Rebate : Pensioners	23,75%	23,75%
Number of Employees of the Local Authority	623	625
b) ELECTRICITY STATISTICS		
Units bought	172 443 022	172 628 455
Cost per unit bought	0.1851	0.1653
Units sold	122 970 036	130 713 361
Units lost in distribution	49 472 986	41 915 094
Units lost in distribution as a %	28.69	24.28
Cost per unit sold	0.2595	0.2183
Income per unit sold	0.4037	0.3781

APPENDIX G

LUKHANJI MUNICIPALITY
SECTION 123 & 125 DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003

1. PROVINCIAL GOVERNMENT	RECEIVED	TOTAL PER	TOTAL PER
HOUSING FUNDS	2007-06-30	SERVICE	DEPARTMENT
Botha's Hoek Establishment Grant	-19 881.00		
Botha's Hoek Top Structure	-435 238.00		
Ekuphumleni Top Structure	-2 000 000.00		
Ekuphumleni Transfer Fees	-36 450.00		
Ensam Top Structure	-1 224 677.45		
Ezibeleni Phase 2 Top Structure	-4 000 000.00		
Ilinge registration fee	-41 000.00		
Ilinge Top Structure	-2 000 000.00		
Imvani Top Structure	-52 149.00		
McBride Establishment Grant	-238 660.00		
McBride Top Structure	-4 536 553.50		
Merino Walk Design Fees	-71 140.51		
Merino Walk Establishment Grant	-78 180.00		
Merino Walk Top Structure	-4 329 649.33		
Poplar Grove Establishment Grant	-92 642.00		
Poplar Grove Top Structure	-3 660 597.85		
Tambo Village Top Structure	-4 724 607.00		
Who-Can-Tell Top Structure	-4 271 900.00	-31 813 325.64	
OTHER ALLOCATIONS - PROVINCIAL			
Free Basic Servicesump	-60 000.00		
LGW Seta - Training	-362 075.74		
MSP Funds	-500 000.00		
Unknown Allocation	-190 000.00	-1 112 075.74	-32 925 401.38
NATIONAL GOVERNMENT			
Municipal Infrastructure Grant	-6 620 048.28		
Department of Mineral & Energy	-1 500 000.00		
Municipal Systems Improvement Program	-1 000 000.00		
Financial Management Grant	-750 000.00	-9 870 048.28	-9 870 048.28
DEVELOPMENT BANK OF SOUTH AFRICA			
DBSA : Hand Held Terminals	-237 921.30		
DBSA : Vehicle Tracking System	-203 073.00	-440 994.30	-440 994.30
CHRIS HANI DISTRICT MUNICIPALITY			
Sinthemba Organization	-125 000.00		
Nomzamo Project Linked Housing	-101 100.00		
Integrated Development Plan	-100 000.00	-326 100.00	-326 100.00
	-43 562 543.96	-43 562 543.96	-43 562 543.96
All funds received were utilized in terms of the necessary conditions that were attached to the allocations.			
2. No funds in terms of the Division of revenue Act were delayed or withheld during the 2006/2007 financial year.			
3. OUTSTANDING DEBTOR ACCOUNTS COUNCILLORS AND STAFF MEMBERS IN EXCESS OF 90 DAYS			
NE GWANTSHU	2539.49		
NA KOPOLO	6388.71		
4. The Municipality does not have any entities under their control.			
5. TOTAL AMOUNTS PAID IN RESPECT OF FOLLOWING FOR THE 2006/2007 FINANCIAL YEAR			
PAYE, UIF		6 916 905.72	
PENSION FUNDS		11 226 447.09	
MEDICAL AIDS		7 847 891.33	
SDL & INDUSTRIAL COUNCIL LEVIES		572 098.62	
All contributions were paid as at year end and nothing was outstanding.			

LUKHANJI MUNICIPALITY
SECTION 123 & 125 DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003

6. BANK ACCOUNTS NAMES	TYPE OF ACCOUNT	2006-06-30	2007-06-30	2007-06-30
Absa Bank	INVESTMENT	9 845.00	9 845.00	
Absa Bank	INVESTMENT	22 000.00	22 000.00	
Absa Bank	INVESTMENT	10 100.00	10 100.00	
Absa Bank	INVESTMENT	16 000.00	16 000.00	
Absa Bank	INVESTMENT	5 684.24	5 870.50	
Absa Bank	INVESTMENT	15 000.00	15 000.00	
Absa Bank	INVESTMENT	10 935.29	10 935.29	
Absa Bank	INVESTMENT	8 266.36	8 266.36	
Absa Bank	INVESTMENT	14 177.00	14 177.00	
Absa Bank	INVESTMENT	14 500.00	14 500.00	
Absa Bank	INVESTMENT	7 000.00	7 000.00	
Absa Bank	INVESTMENT	7 000.00	7 000.00	
Absa Bank	INVESTMENT	18 500.00	18 500.00	
Absa Bank	INVESTMENT	17 500.00	17 500.00	
Absa Bank	INVESTMENT	25 000.00	25 000.00	201 694.15
Standard Bank	INVESTMENT	12 276.21	12 600.95	
Standard Bank	INVESTMENT	20 972.60	19 889.60	
Standard Bank	INVESTMENT	76 753.92	96 643.52	
Standard Bank	INVESTMENT	303 221.08	325 576.91	454 710.98
Absa Bank	INVESTMENT	30 842.18	32 572.38	
Absa Bank	INVESTMENT	35 122.81	36 947.85	69 520.23
Absa Bank	INVESTMENT	521 684.73	555 507.78	555 507.78
Absa Bank	INVESTMENT	80 406.54	88 555.21	
Absa Bank	INVESTMENT	6 459.30	6 886.86	
Absa Bank	INVESTMENT	3 943.60	4 183.25	99 625.32
Absa Bank	CHEQUE	2 803 725.78	11 340 121.14	
Absa Bank	CHEQUE	6 119.84	2 388 052.96	13 728 174.10
Absa Bank	MONEY MARKET FUND	34 012 262.81	29 850 435.70	29 850 435.70
		38 115 299.29	44 959 668.26	44 959 668.26