

**ELUNDINI LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2007**

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**ELUNDINI LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**

**for the year ended 30 June 2007**

**GENERAL INFORMATION**

**COUNCIL SPEAKER**

**-Councillor L. Baduza**

**MAYOR**

**- Councillor B. Salman**

**MEMBERS OF THE EXECUTIVE COMMITTEE**

- Councillor B. Salman	Chairperson
- Councillor M.P.S. Leteba	Chairperson: Finance Standing Committee
- Councillor N.F. Mphithi	Chairperson: Corporate Services Standing Committee
- Councillor N.R. Lengs	Chairperson: Technical Services Standing Committee
- Councillor D.D. Mvumvu	Chairperson: Community Services Standing Committee
- Councillor Mqamelo	Member

**GRADING OF LOCAL AUTHORITY**

Grade 3

**AUDITORS**

The Auditor General

**BANKERS**

Standard Bank; F.N.B and ABSA

**REGISTERED OFFICE**

Elundini Local Municipality

1 Celler Street

P.O. Box 1

**MACLEAR**

**5480**

Tel: 045 - 932 1085

Fax:045 - 932 1897

**MUNICIPAL MANAGER**

**Mr. K. GASHI**

**CHIEF FINANCE OFFICER**

**Mr. L. FOKAZI**

**ELUNDINI LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS  
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<b>Ward</b>	<b>Councilor</b>	<b>Ward</b>	
1	Clr Bhomela	9	Clr Mdliva
2	Clr Lengs	10	Clr Memeza
3	Clr Klaas	11	Clr Sikhafungana
4	Clr Zililo	12	Clr Leteba
5	Clr Funani	13	Clr Molefe
6	Clr Mfecane	14	Clr Dlaza
7	Clr Tsolo	15	Clr Khiba
8	Clr Motema	16	Clr Ndlovu

**PR COUNCILORS**

<b>Ward</b>	<b>Councilor</b>		
1	Clr Mvumvu	9	Clr Mphithi
2	Clr Nkalitshana	10	Clr Baduza
3	Clr Ntaba	11	Clr Salman
4	Clr Mthi	12	Clr Lebenya
5	Clr Norman	13	Clr Hokwana
6	Clr Fokoto	14	Clr Mqamelo & Clr Fokoto
7	Clr Rankutu	15	Clr Naketsana
8	Clr Lehana	16	Clr Moni

**APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements set out on pages 3 to 29 have been approved by the Municipal Manager and will be presented to the next council meeting for ratification.

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**K. GASHI**  
**MUNICIPAL MANAGER**

ELUNDINI LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -  
for the year ended 30 June 2007

REPORT OF THE CHIEF FINANCE OFFICER

OPERATING RESULTS

1. Details of the operating results according to service classification and object of expenditure are included in appendices D and E. The operating results for the year ended 30 June 2007 are as follows:

	VARIANCE %	BUDGET 2007 R	ACTUAL 2007 R	ACTUAL 2006 R
<b><u>INCOME</u></b>				
Rates and general services	3	49 850 006	51 267 726	34 649 819
Trading Services	100	5 709 087	11 397 605	17 095 975
Total income Operating Income	13	55 559 093	62 665 331	51 745 794
Budgeted Project Grants in Balance Sheet		17 123 000		
<b>TOTAL BUDGETED INCOME</b>		<b>72 682 093</b>		
<b><u>EXPENDITURE</u></b>				
Rates and general services	(24)	36 840 005	45 575 159	23 614 376
Trading Services	(64)	8 034 418	13 189 094	6 754 125
Total expenses	(31)	44 874 423	58 764 253	30 368 501
Budgeted Capital Expenditure		23 583 500		
<b>TOTAL BUDGETED EXPENDITURE</b>		<b>68 457 923</b>		
<b>(Deficit)/Surplus for the year</b>		<b>4 224 170</b>	<b>3 901 078</b>	<b>21 377 293</b>

**ELUNDINI LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS -  
for the year ended 30 June 2007**

**REPORT OF THE CHIEF FINANCE OFFICER (continued)**

**Revenue**

**Rates and General Services**

Included in the budgeted income for rates and general services is Equitable share Income totaling to R37,2 million. Whilst the DORA gazetted amount was R28.5 million, an anticipated roll-over of unspent equitable share of R10,3 million was brought into the budget to finance operating expenditure. Actual equitable share receipts during the financial year totalled R28.6 million. Income for rates and general services includes an anticipated grant of R3,3 million that was to be received from the Provincial Department. Whilst this amount was never gazetted in the provincial gazette it was somehow communicated to us that it was to be transferred. However, it was never eventually transferred.

**Trading Services**

A significant over recovery in budgeted income for trading services is due to a 37% over recovery on electricity sales.

**Expenditure**

As per IMFO guidelines, all assets acquired during the year have been written off to the income statement. Also, expenditure incurred in lieu of grants has been accounted for both as income and expenditure in the income statement. Included in expenditure for trading services is expenditure incurred on free basic services totaling R2.2 million. When the current year budget was prepared, no provision was made in lieu of this expenditure. However, as current legislation dictates, free basic services and applicable subsidies had to be provided for to the communities during the current year.

**ELUNDINI LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS -  
for the year ended 30 June 2007**

**REPORT OF THE CHIEF FINANCE OFFICER (continued)**

**2. CAPITAL EXPENDITURE AND FINANCING**

The expenditure on fixed assets during the year amounted to R4 913 916. The actual expenditure consists of the following: -

	VARIANCE %	BUDGET 2007 R	ACTUAL 2007 R	ACTUAL 2006 R
Office Equipment			204 074	
Computer Equipment			94 361	
Fencing			373 473	
Machinery			256 594	
Motor Vehicles			2 033 424	
Library			128 579	
Access Roads			1 387 821	
Refuse			435 590	
	20	<b>6 123 800</b>	<b>4 913 916</b>	<b>2 913 169</b>

Resources used to finance the fixed assets were as follows: -

	ACTUAL 2007 R
Operating account	3 526 094
Grants & Subsidies	1 387 821
	<b>4 913 916</b>

A detailed analysis of fixed assets can be examined on Appendix C of the annual financial statements.

**ELUNDINI LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS -  
for the year ended 30 June 2007**

**REPORT OF THE CHIEF FINANCE OFFICER (continued)**

**3. EXTERNAL LOANS, INVESTMENTS AND CASH**

External loans outstanding as at 30 June 2007 amounted to R253 676 (2006: R369 609). These loans are payable over a period of 20 years and bear interest at rates of 16.72% and 17.36% per annum. They will be fully redeemed by 2009 and 2015 respectively.

As at 30 June 2007, external investments at approved financial institutions amounted to R37,2 million (2006: R37,5 million).

The main bank account shows an overdrawn cashbook balance of R242 784 (2006: R362 980).

More information regarding loans and investments are disclosed in the notes and Appendix B of the annual financial statements.

**4. FUNDS AND RESERVES**

TRUST FUNDS

The balance of Trust and Project funds at 30 June 2007 amounted to R18,8 million (2006: R14,1 million).

More information on these Trust and Project Funds is detailed in Appendix A to the financial statements.

ELUNDINI LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS -

for the year ended 30 June 2007

REPORT OF THE CHIEF FINANCE OFFICER (continued)

5. CONTINGENT LIABILITIES

**Declan Spark vs Elundini Municipality**

Motor vehicle allegedly incorrectly registered by the municipality.

**95 000**

**Marubelela vs Elundini Municipality**

Withholding of exit benefits due to fraudulent allegations against her.

**Department of Transport vs Elundini Municipality**

Allegedly embezzled fees due to the Department of Transport.

**666 065**

**Matyeni vs Elundini Municipality**

Alleged failure by the municipality to pay acting and subsistence allowance due to him.

**80 000**

**Department of Housing vs Elundini Municipality**

Alleged misappropriation of funds transferred to the municipality in lieu of a housing project at Mt Fletcher.

**936 047**

6. EXPRESSION OF APPRECIATION

I wish to express my appreciation to the Mayor, the Chairperson of the Standing Committee on Finance, the Council at large, the Municipal Manager, my fellow managers as well as to the staff members at large for their invaluable support during the past year. A special word of thanks is extended to the representatives of the Auditor General for their assistance during the year.

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L. FOKAZI

CHIEF FINANCE OFFICER



**ELUNDINI LOCAL MUNICIPALITY**

ELUNDINI LOCAL MUNICIPALITY

BALANCE SHEET

as at 30 June 2007

	Notes	2007 R	2006 R
<b>CAPITAL EMPLOYED</b>			
<b>FUNDS AND RESERVES</b>			
		20 036 888	20 603 552
Statutory Funds	1	20 036 888	20 603 552
<b>ACCUMULATED SURPLUS</b>			
		69 450 206	65 999 826
<b>Non-Current Liabilities</b>			
		319 994	551 207
Long - Term Loans	3	138 397	369 609
Consumer Deposits	4	181 597	181 598
		<b>89 807 089</b>	<b>87 154 585</b>
<b>EMPLOYMENT OF CAPITAL</b>			
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>			
	5	64 822 947	61 827 862
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			
		24 984 144	25 326 742
<b>CURRENT ASSETS</b>			
		52 826 169	48 611 126
Inventory	7	287 618	143 689
Accounts Receivable	8	15 225 848	10 935 176
Short term investments	6	37 312 703	37 507 732
Cash	9	-	24 529
<b>CURRENT LIABILITIES</b>			
		27 842 025	23 284 384
Accounts payable	10	8 373 559	8 673 020
Provisions	11	300 000	60 000
Trust and Project Funds	2	18 810 814	14 188 384
Short-term Portion of Long-term Loans	3	115 279	
Bank Overdraft	12	242 372	362 980
		<b>89 807 089</b>	<b>87 154 585</b>

ELUNDINI LOCAL MUNICIPALITY

CASH FLOW STATEMENT  
for the year ended 30 June 2007

	Notes	2007 R	2006 R
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>			
		8 088 942	(10 804 432)
Cash generated by operations	16	6 992 342	76 779 379
Investment income	16	1 419 616	129 753
Decrease/(Increase) in working capital	17	243 647	39 305 063
		8 655 606	116 214 195
Cash generated from operations		8 655 606	116 214 195
Increase in funds		( 566 664)	(127 018 627)
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>			
Investment in fixed assets		(7 956 663)	(4 254 560)
Decrease/(Increase) in long term debtors		( 231 212)	( 115 279)
		<u>( 98 950)</u>	<u>(15 172 274)</u>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
Decrease in investments		195 029	4 924 668
Increase in cash		( 96 079)	10 247 607
		<u>98 950</u>	<u>15 172 275</u>

**ANALYSIS OF OPERATING INCOME AND EXPENDITURE**  
**for the year ended 30 June 2007**

<b>INCOME</b>	<b>VAR.</b> <b>%</b>	<b>BUDGET</b> <b>2007</b> <b>R</b>	<b>ACTUAL</b> <b>2007</b> <b>R</b>	<b>ACTUAL</b> <b>2006</b> <b>R</b>
Grants and subsidies	(5)	40 549 641	38 550 187	27 438 775
National Government - Equitable Share	(23)	37 210 641	28 578 077	27 438 775
Provincial Government	(100)	3 339 000	-	-
Grants in Aid		-	9 972 110	-
Operating income	61	15 009 452	24 115 144	24 307 020
Assesment Rates	(2)	2 376 520	2 328 307	2 368 308
Sale of Electricity	2	4 289 087	4 379 078	4 263 120
Sale of Water	135	1 420 000	3 334 039	3 329 751
Other Service Charges	-	6 923 845	14 073 720	14 345 841
<b>TOTAL INCOME</b>	<b>13</b>	<b>55 559 093</b>	<b>62 665 331</b>	<b>51 745 795</b>
 Add: Government Grants in Funds (FMG; MSIG; NER & MIG)		 17 123 000		
		<u>72 682 093</u>		
 <b>EXPENDITURE</b>				
Salaries, wages and allowances	13	27 063 097	23 440 692	15 412 675
General expenditure	(154)	9 884 171	25 080 471	7 921 028
Purchases of Electricity	(11)	3 280 000	3 643 129	2 722 971
Repairs and maintenance	65	4 647 155	1 638 383	2 213 290
Budgeted capital expenditure		23 583 500		
Contributions	-			2 098 536
Write-off of assets acquisitions to I/S			4 961 578	
 Gross expenditure	 14	 68 457 923	 58 764 253	 30 368 500
Less: amounts charged out	-	-	-	-
Net expenditure	14	68 457 923	58 764 253	30 368 500
 Net Surplus for the year		<u><b>4 224 170</b></u>	<u><b>3 901 078</b></u>	<u><b>21 377 295</b></u>

ELUNDINI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

	2007	2006
	R	R
<b>1 STATUTORY FUNDS</b>		
Revolving Fund	2 099 914	2 666 578
Equitable Share Fund	17 936 974	17 936 974
	<u>20 036 888</u>	<u>20 603 552</u>
<b>2 TRUST &amp; PROJECT FUNDS</b>		
Housing Personal Fund	52 318	49 800
Town Register Fund	19 124	18 538
Drought Relief Fund	792 745	3 517 256
Intervention Fund	1 120 714	1 046 535
MIG Fund	1 456 404	1 618 788
CMIP Fund	210 725	1 268 185
Elundini Housing Fund	62 048	58 961
IDP/LDO Fund	56 646	53 828
Leave Reserve Fund	11 018	10 734
NER Fund	7 380 290	1 302 838
Survey Fund	194 096	182 606
Transitional Grant Fund	1 064 180	994 584
Capacity Building Fund	1 221 523	1 140 671
MSP Fund	2 291 151	1 263 026
Katlehong Housing Fund	2 537	2 472
LED Open Market Fund	426 171	470 222
Housing Pilot Fund	224 092	210 826
Maclear Greenfields Fund	702 670	659 432
Financial Management Grant Fund	736 002	319 082
MSIG Fund	409 771	-
Enkululekweni Fund	376 589	-
	<u>1 8 810 814</u>	<u>14 188 384</u>

ELUNDINI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2007

	2007	2006
	R	R
<b>3 LONG TERM LOAN</b>		
DBSA Loan	253 676	369 609
Short Term Portion	( 115 279)	
<b>Long Term Portion</b>	<u>138 397</u>	<u>369 609</u>

These loans bear interest at rates of 16,72% and 17,36% per annum. They will be fully redeemed over a period of 20 years (2009 and 2015 respectively).

**4 CONSUMER DEPOSITS**

Deposits - Houses	16 698	16 699
Deposits - Water	27 830	27 830
Deposits - Electricity	137 069	137 069
	<u>181 597</u>	<u>181 598</u>

**5 PROPERTY, PLANT & EQUIPMENT**

Fixed assets at the beginning of the year	60 201 767	57 288 598
Capital expenditure during the year	4 961 578	2 913 169
Less: Assets written off during the year	-	-
<b>TOTAL FIXED ASSETS</b>	<u>65 163 345</u>	<u>60 201 767</u>
Less: Loans Redeemed and other capital receipts	(31 727 599)	(26 788 241)
Add: Capital Work in Progress	31 387 200	28 414 336
<b>NET FIXED ASSETS</b>	<u>64 822 947</u>	<u>61 827 862</u>

For more details on Fixed Assets, Refer to Appendix C.

ELUNDINI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2007

	2007 R	2006 R
<b>6 SHORT TERM INVESTMENTS</b>		
<b><u>UNLISTED</u></b>		
Town Register Investment	19 124	18 538
Elundini Housing Investment	62 048	58 961
IDP/LDO Investment	56 646	53 828
Intervention Investment	1 120 714	1 046 535
Leave Reserve Investment	11 018	10 734
Drought Relief Investment	792 745	3 517 256
Equitable Share Investment	17 172 001	17 936 974
NER Investment	4 880 285	1 302 838
Survey Investment	194 096	182 606
Personal Housing Investment	52 318	49 800
Coloured Housing Investment	18 255	17 696
Equitable Share Investment	26 114	-
MIG Investment	128 089	1 618 788
Capacity Building Investment	1 221 523	1 140 671
Katlehong Investment	2 447	-
Transitional Grant Investment	1 064 180	994 584
LED Open Market Investment	426 171	470 222
MSP Investment	2 221 151	1 263 026
CMIP Investment	255 977	1 268 185
Katlehong Housing Investment	2 538	2 472
Housing Pilot Investment	224 092	210 826
Maclear Greenfields Investment	702 670	659 432
Electricity Investment	1 713 538	1 600 121
Surplus Investment	1 116 917	1 042 990
Financial Management Grant Investment	736 002	319 082
Investments - Deposits	11 296	11 005
Investment - Revolving Fund	2 099 914	2 685 606
MSIG Investment	578 674	-
Testing Centre	3 005	2 928
Mount Fletcher Balance	6 895	6 718
Motor Registration Investment	1 635	1 635
Training/Cemetery/Golf Course	14 037	13 675
Enkululekweni Housing Investment	376 589	-
	<b><u>37 312 703</u></b>	<b><u>37 507 732</u></b>

ELUNDINI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2007

	2007	2006
	R	R
<b>7 INVENTORY</b>	<b><u>287 618</u></b>	<b><u>143 689</u></b>
<b>8 ACCOUNTS RECEIVABLE</b>		
Rates & Taxes	5 579 221	4 501 079
Health Rates	7 147	8 652
Electricity	2 133 147	1 903 086
Water	9 824 656	8 522 190
Sanitation	6 113 655	5 310 858
Refuse	7 211 719	6 214 251
Commonage	14 277	16 811
Housing Rental	612 047	597 014
Sundry Billings	257 891	105 307
Grazing	56 134	49 986
Outstanding Balances	93 161	97 098
Selfhelp Housing	161 586	-
Subsidy	4 074 897	2 081 433
Dept of Roads & Transport	15 000	-
Other Debtors	-	2 498 810
R/D Cheques	38 204	-
Internal Loan	4 506	-
	<u>36 197 247</u>	<u>31 906 575</u>
Less: Provision for bad debts	<u>(20 971 399)</u>	<u>(20 971 399)</u>
	<b><u>15 225 848</u></b>	<b><u>10 935 176</u></b>
<b>9 CASH &amp; CASH EQUIVALENTS</b>		
Bank & Cash	<u>-</u>	<u>24 529</u>



ELUNDINI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2007

	2007	2006
	R	R
<b>10 ACCOUNTS PAYABLE</b>		
Trade Creditors	1 934 409	2 554 708
Other Creditors	5 098 206	6 092 176
Creditors Control	-	-
Deposits - Mt Fletcher	209	26 137
VAT Control	1 340 736	-
	<u>8 373 559</u>	<u>8 673 020</u>
<b>11 PROVISIONS</b>		
Provision for Audit Fees	<u>300 000</u>	<u>60 000</u>
<b>12 BANK OVERDRAFT</b>	<u>242 372</u>	<u>362 980</u>
<b>13 FINANCE TRANSACTIONS</b>		
Interest earned	<u>1 419 616</u>	<u>129 753</u>
Interest paid	<u>-</u>	<u>-</u>
<b>14 COUNCILOR'S REMUNERATION</b>		
Mayor	407 901	
Speaker	365 798	
Executive Committee Members	801 787	
Councillors	3 618 467	
	<u>5 193 953</u>	<u>4 436 276</u>

ELUNDINI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2007

	2007	2006
	R	R
<b>15 APPROPRIATIONS</b>		
Accumulated surplus/(deficit) at the beginning of the year	65 999 826	(10 909 307)
Operating (deficit)/surplus for the year	3 901 078	21 377 293
Appropriations for the year	( 450 698)	55 531 840
Operational grant accounted for as trust fund	0	0
Adjustment in Prior Year Debtors not in General Ledger	0	0
Adjustment in Prior Year WIP projects not in General Ledger	0	0
Debtors written off but entry not processed in Income Statement	0	0
	<u>69 450 206</u>	<u>65 999 826</u>
<b>16 CASH GENERATED BY OPERATIONS</b>		
(Deficit)/Surplus for the year	3 901 078	21 377 293
Adjustments in respect of :		
Prior year transactions	( 450 698)	55 531 840
Contribution to fixed assets	4 961 578	0
Interest received	(1 419 616)	( 129 753)
Interest paid	-	
	<u>6 992 342</u>	<u>76 779 379</u>
<b>17 INCREASE IN WORKING CAPITAL</b>		
Decrease in accounts receivable	(4 290 672)	35 074 152
Increase in Inventory	( 143 929)	( 59 704)
Increase in accounts payable, consumer deposits	4 678 248	4 290 615
	<u>243 647</u>	<u>39 305 063</u>

ELUNDINI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2007

	2007 R	2006 R
<b>18 INCREASE IN BANK AND CASH</b>		
Cash balance at the beginning of the year	338 451	9 909 156
Less: Cash balance at the end of the year	( 242 372)	( 338 451)
	<u>96 079</u>	<u>9 570 705</u>

**19 IN - KIND DONATIONS**

Secondment of a Technical Advisor by the Development Bank of Southern Africa through the Siyenzamanje Project for an initial period of twelve (12) months.

**20 SUMMARY OF CONSUMER DEBTORS**

<30 days	617 369	535 241
<60 days	548 111	518 736
<90 days	489 582	457 196
<120 days	629 117	441 446
<150 days	468 255	443 377
<180 days	29 569 389	25 137 469
	<u>32 321 822</u>	<u>27 533 465</u>

**21 EMPLOYEE RELATED COSTS**

**Remuneration of Municipal Manager**

Annual Remuneration	376 891	
Travelling Allowance	55 343	
Housing Allowance	90 412	
Contribution to Provident Fund	18 246	-
	<u>540 892</u>	<u>0</u>

**Remuneration of Chief Finance Officer**

Annual Remuneration	104 040	
Housing Allowance	24 000	
Travelling Allowance	83 791	
	<u>211 831</u>	<u>0</u>

ELUNDINI LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2007

	2007	2006
	R	R
<b>Remuneration of Manager - Technical Services</b>		
Annual Remuneration	160 615	
Travelling Allowance	64 042	
Housing Allowance	68 996	
Contribution to Provident Fund	13 797	
	<u>307 450</u>	<u>0</u>
<b>Remuneration of Manager - Community Services</b>		
Annual Remuneration	232 096	
Travelling Allowance	82 670	
Housing Allowance	58 852	
Contribution to Provident Fund	22 170	
	<u>395 788</u>	<u>0</u>
<b>Remuneration of Manager - Corporate Services</b>		
Annual Remuneration	104 040	
Housing Allowance	24 000	
Travelling Allowance	83 791	
	<u>211 831</u>	<u>0</u>

**22 OTHER COMPULSORY DISCLOSURES AS PER SECTION 125 OF MFMA**

Included in the personnel and general expenditure during the current are the following amounts:

Audit fees paid	361 726
Pension fund contributions	1 888 631
Medical aid contributions	606 299

**23 RELATED PARTY TRANSACTIONS**

Matubatuba and Associates	70 088
STV Construction and Catering	0

ELUNDINI LOCAL MUNICIPALITY

INCOME STATEMENT  
for the year ended 30 June 2007

2006 R	2006 R	2006 R		2007 R	2007 R	2007 R
Actual Income	Actual Expenditure	Surplus / (deficit)		Actual Income	Actual Expenditure	Surplus / (deficit)
34 649 819	23 614 376	11 035 443	<b>RATES AND GENERAL SERVICES</b>	51 267 726	45 575 159	5 692 567
19 730 052	18 759 650	970 402	Community Services	44 774 264	34 722 027	10 052 237
1 329	842 796	( 841 467)	Subsidised Services	1 175	1 327 181	(1 326 006)
14 918 438	4 011 930	10 906 508	Economic Services	6 492 288	9 525 951	(3 033 663)
17 095 975	6 754 125	10 341 850	Trading Services	11 397 605	13 189 094	(1 791 489)
<u>51 745 794</u>	<u>30 368 501</u>	<u>21 377 293</u>	<b>TOTAL</b>	<u>62 665 331</u>	<u>58 764 253</u>	<u>3 901 078</u>
		55 531 840	Appropriations for the year			( 450 698)
		76 909 133	Adjusted Surplus for the year			3 450 380
		(10 909 307)	Accumulated surplus/(Deficit) at the beginning			65 999 826
		<u><b>65 999 826</b></u>	Accumulated surplus at the end			<u><b>69 450 206</b></u>

ELUNDINI LOCAL MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT  
for the year ended 30 June 2007

2006	2006	2006		2007	2007	2007	
R	R	R		R	R	R	
Actual Income	Actual Expenditure	Surplus / (deficit)		Actual Income	Actual Expenditure	Surplus / (deficit)	
<b>34 649 819</b>	<b>23 614 376</b>	<b>11 035 443</b>	<b>RATES AND GENERAL SERVICES</b>	<b>51 267 726</b>	<b>45 575 159</b>	<b>5 692 567</b>	
<b>19 730 052</b>	<b>18 759 650</b>	<b>970 402</b>	<b>Community services</b>	<b>44 774 264</b>	<b>34 722 027</b>	<b>10 052 237</b>	
561 543	5 247 841	(4 686 298)	Council Committees	100	-	2 456 060	(2 456 060)
-	-	-	Councilors	110	215 983	7 118 570	(6 902 587)
-	-	-	Community Serv - Admin	200	-	1 407 016	(1 407 016)
-	-	-	Community Serv - LED	201	71 795	308 346	( 236 551)
-	-	-	Community Serv - SPU	202	-	502 067	( 502 067)
-	-	-	Community Serv - Pound	203	-	50 261	( 50 261)
453 682	6 871 503	(6 417 821)	Administration	205	122 615	4 662 086	(4 539 471)
2 650 533	34 596	2 615 937	Buildings	210	564 441	373 914	190 527
5 567 219	93	5 567 126	Estates	220	2 328 307	394 297	1 934 010
-	-	-	Disaster Management	240	-	20 930	( 20 930)
2 448 713	1 959 366	489 347	Traffic	255	1 153 832	2 105 712	( 951 880)
7 480 990	2 581 711	4 899 279	Treasury	300	33 957 178	8 371 897	25 585 281
532 234	381 121	151 113	Commonage	420	178 734	240 244	( 61 510)
24 096	1 679 083	(1 654 987)	Maintenance	430	5 969 773	6 117 055	( 147 282)
-	-	-	Town Planning	450	203 903	10 700	193 203
-	-	-	Admin - Stores	460	-	578 496	( 578 496)
11 042	4 336	6 706	Cemetery	595	7 703	4 376	3 327
<b>1 329</b>	<b>842 796</b>	<b>( 841 467)</b>	<b>Subsidised Services</b>	<b>1 175</b>	<b>1 327 181</b>	<b>( 1 326 006)</b>	
-	748 046	( 748 046)	Sports, Parks and Public Places	480	-	1 148 929	(1 148 929)
1 329	94 750	( 93 421)	Libraries	615	1 175	178 252	( 177 077)
<b>14 918 438</b>	<b>4 011 930</b>	<b>10 906 508</b>	<b>Economic Services</b>	<b>6 492 288</b>	<b>9 525 951</b>	<b>(3 033 663)</b>	
8 096 169	1 981 356	6 114 813	Sewerage	470	3 001 614	3 867 214	( 865 600)
6 822 269	2 030 574	4 791 695	Refuse Removal	475	3 490 674	5 658 737	(2 168 063)
<b>17 095 975</b>	<b>6 754 125</b>	<b>10 341 850</b>	<b>Trading Services</b>	<b>11 397 605</b>	<b>13 189 094</b>	<b>( 1 791 489)</b>	
8 568 793	3 701 286	4 867 507	Electricity	805	5 221 519	6 684 631	(1 463 112)
8 527 182	3 052 839	5 474 343	Water	800	6 176 086	6 504 463	( 328 377)
<b>51 745 794</b>	<b>30 368 501</b>	<b>21 377 293</b>	<b>TOTAL</b>	<b>62 665 331</b>	<b>58 764 253</b>	<b>3 901 078</b>	
		55 531 840	Appropriation for the year			( 450 698)	
			Accumulated surplus/(Deficit):				
		(10 909 307)	beginning of the year			65 999 826	
		<b>65 999 826</b>	Accumulated surplus: end of the year			<b>69 450 206</b>	

## TRUST FUNDS, PROJECT FUNDS AND RESERVES

	Balance at 30 June 2006	Contr during the period	Interest on investment	Other income	Operating expenditure during the year	Capital expenditure during the year	Transfers	Prior year Adjustment	Balance at 30 June 2007
<b>PROJECT FUNDS</b>									
Housing Personnel Fund	49 800		2 518						52 318
Town Register Fund	18 538		586						19 124
Drought Relief Fund	3 517 256		93 913		(2 818 424)				792 745
Intervention Fund	1 046 535		74 179						1 120 714
MIG Fund	1 618 788	6 706 183	80 910			(6 949 477)			1 456 404
CMIP Fund	1 268 185	380 199	70 238			(1 507 896)			210 726
Elundini Housing Fund	58 961		3 078						62 039
IDP/LDO Fund	53 828		2 818						56 646
Leave Reserve Fund	10 734		284						11 018
NER Fund	1 302 838	6 700 000	133 950			(756 498)			7 380 290
Survey Fund	182 606		11 490						194 096
Transitional Grant Fund	994 584		69 597						1 064 181
Capacity Building Fund	1 140 671		80 851						1 221 522
MSP Fund	1 263 026	1 614 000	148 125		(734 000)				2 291 151
Katlehong Housing Fund	2 472		65						2 537
LED Open Market Fund	470 222		27 744		(71 795)				426 171
Housing Pilot Fund	210 826		13 266						224 092
Maclear Greenfields Fund	659 432		43 238						702 670
F M G Fund	319 082	500 000	27 396		(110 476)				736 002
MSIG Fund	-	734 000	5 945		(330 174)				409 771
Enkululekweni Funds	-	356 049	20 540						376 589
	<b>14 188 384</b>	<b>16 990 431</b>	<b>910 731</b>	<b>-</b>	<b>(4 064 869)</b>	<b>(9 213 871)</b>	<b>-</b>	<b>-</b>	<b>18 811 025</b>
<b>STATUTORY FUNDS</b>									
Revolving Fund	2 666 578	5 920 636	190 930	39 893	(6 737 151)			19 028	2 099 914
Equitable Share Fund	17 936 974								17 936 974
	<b>20 603 552</b>	<b>5 920 636</b>	<b>190 930</b>	<b>39 893</b>	<b>(6 737 151)</b>	<b>-</b>	<b>-</b>	<b>19 028</b>	<b>20 036 888</b>

## INTERNAL LOANS/(INTERNAL ADVANCES)

	30 June 2006	Received during the year	Interest capitalised	written off during the year	30 June 2007
<b>INTERNAL LOANS</b>					
Financial Management Grant	-	4 506			4 506
Municipal Systems Improvement Grant	-	168 093			168 093
CMIP	-	45 241			45 241
	-	217 840	-	-	217 840
<b>INTERNAL ADVANCES</b>					
Municipal Infrastructure Grant	-	2 300 000			2 300 000
National Electricity Regulator	-	2 500 000			2 500 000
Managment Support Programme	-	70 000			70 000
	-	5 305 680	-	-	5 305 680



## ANALYSIS OF FIXED ASSETS

	Balance at 30 June 2006	Expenditure during the year	Written off / transferred	Disposal	Balance at 30 June 2007
<b>Rates and General Services</b>	<b>60 249 430</b>	<b>4 913 916</b>	-	-	<b>65 163 345</b>
<b>Community Services</b>	<b>60 249 430</b>	<b>4 478 326</b>	-	-	<b>64 727 755</b>
Office Equipment	35 433 767	204 074			35 637 840
Computer Equipment	93 786	94 361			188 147
Commonage	8 002 060				8 002 060
Fencing	235 750	373 473			609 223
Plantations	2 224 546				2 224 546
Dam	205 407				205 407
Buildings	2 503 715				2 503 715
Busstop	9 223 331				9 223 331
Television	360				360
Machinery	2 326 708	256 594			2 583 302
Library	-	128 579			128 579
Motor Vehicles	-	2 033 424			2 033 424
Access Roads	-	1 387 821			1 387 821
<b>Economic Services</b>	<b>-</b>	<b>435 590</b>	<b>-</b>	<b>-</b>	<b>435 590</b>
Refuse		<b>435 590</b>			
Sewerage Reticulation	-	-	-	-	-
Add: Capital Work-in-progress	28 414 336	2 972 864			31 387 200
Less: Loans Redeemed and other Capital Receipts	(26 788 241)	(4 939 358)	-		(31 727 599)
<b>NET FIXED ASSETS</b>	<b>61 875 525</b>	<b>2 947 422</b>	<b>-</b>	<b>-</b>	<b>64 822 946</b>

STATISTICAL INFORMATION

		2006/2007	
1)	Population	137 580	
	Registered Voters	-	
2)	Valuation of Property		
	Land	Taxable	24 473 165
	Land	Non- Taxable	19 135 443
	Improvements	Taxable	138 843 252
	Improvements	Non- Taxable	29 085 170
	<b>Residential</b>	Land	20 619 955
	Improvements	107 192 143	
<b>Commercial</b>	Land	3 642 930	
	Improvements	31 636 949	
<b>Number of Properties</b>	Residential	2 447	
	Residential (Non-rateable)	3 147	
	Commercial	94	
3) <b>Assesment Rates</b>	Land	0,015	
	Improvements	0,015	
4) <b>Number of employees as at 30 June 2007</b>		158	
5) <b>Electricity Statistics</b>	Units Purchased	15 453 712	
	Units Sold	8 743 369	
	Cost Per Unit Sold	0,35cents	
6) <b>Water Statistics</b>	Units Purified	183 797	
	Units Sold	183 797	
	Cost Per Unit Sold (Residential & Commercial)	4,24	