

**UMZINYATHI UMASIPALA WESIFUNDA
UMZINYATHI DISTRICT MUNICIPALITY**



**FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2008**

UMZINYATHI DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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UMZINYATHI DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

GENERAL INFORMATION

Speaker	Clr. S.R. Nyamane
Mayor	Clr. M.S. Yengwa
Deputy Mayor	Clr. T.H. Mchunu
Exco Members	Clr. F.S. Mkhize Clr. B Brown Clr. A.M. Shaikh
Council Members	Clr. S.M.B. Buthelezi Clr. X.S. Xaba Clr. B.H. Ndlovu Clr. M. I. Sithole Clr. E.T. Malunga Clr. L. D. Ngubane Clr. I. Bedassi Clr. P. Nxele Clr. D. Singh Clr. S. M. Kunene Clr. J.C. Ndlovu Clr. A. M. Mtshali Clr. F.I. Mdlalose Clr. F.J. Sikhakhane Clr. B. Dumakude Clr. T.M.B. Zulu Clr. P.M.S. Ngubane

Grading of Municipality

Grade 3 (in terms of Government Notice R1224 dated 1 December 2006)

Auditors

The Auditor-General
Private Bag X9034
PIETERMARITZBURG
3200

UMZINYATHI DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

GENERAL INFORMATION (continued)

Bankers

ABSA Bank Limited, Current Account, Dundee (Operating account)

Registered office

Princess Magogo Building
39 Victoria Street
DUNDEE
3000

P O Box 1965
DUNDEE
3000

Tel: (034) 218 1945/6

Fax: (034) 218 1940

E-mail: registry@umzinyathi.gov.za

Municipal Manager

Sipho N Dubazana
BA Hons, MBA

Chief Financial Officer

Bongani B. Mdletshe
FIAC , SAIPA, LIMFO

Approval of Financial Statements

The annual financial statements set out on pages 5 to 37 were approved by the Municipal Manager on .

SIPHO N DUBAZANA
ACTING MUNICIPAL MANAGER
(ACCOUNTING OFFICER)

BONGANI B MDLETSHE
CHIEF FINANCIAL OFFICER

UMZINYATHI DISTRICT MUNICIPALITY

REPORT OF THE AUDITOR-GENERAL

30 JUNE 2008

The report of the Auditor-General will be inserted after the audit.

UMZINYATHI DISTRICT MUNICIPALITY

REPORT OF THE CHIEF FINANCIAL OFFICER FOR THE YEAR ENDED 30 JUNE 2008

1. INTRODUCTION

I am pleased to present a concise overview of the past financial year's operating results.

2. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E. The applicable statistics are shown in Appendix F.

The overall operating results for the year ended 30 June 2008 are as follows:

	Actual 2007 R	Actual 2008 R	Variance 2007/08 %	Budget 2008 R	Variance Actual / Budget %
Income					
Surplus/(Deficit)	27 461 647	39 789 791	44.89%	-	-
the year	84 610 351	79 931 985	-5.53%	93 449 300	-14.46%
Sundry Transfers	(4 163 251)	(1 374 950)			
Sub-total	107 908 747	118 346 826			
Expenditure					
for the year	68 118 956	64 784 636	-4.89%	120 353	53728.85%
Surplus/(Deficit)	39 789 791	53 562 191	34.61%	93 328 947	-42.61%

2.1 Resource Support Services

	Actual 2007 R	Actual 2008 R	Variance 2007/08 %	Budget 2008 R	Variance Actual / Budget %
Income	43 565 740	44 784 985	2.80%	43 573 300	2.78%
Expenditure	29 399 868	30 137 636	2.51%	(48 315 533)	-162.38%
Surplus / (Deficit)	14 165 872	14 647 349	3.40%	91 888 833	-84.06%

UMZINYATHI DISTRICT MUNICIPALITY

REPORT OF THE CHIEF FINANCIAL OFFICER (continued)

FOR THE YEAR ENDED 30 JUNE 2008

2.2 Trading Services: Bulk Water

	Actual 2007 R	Actual 2008 R	Variance 2007/08 %	Budget 2008 R	Variance Actual / Budget %
Income	41 044 611	35 147 000	-14.37%	49 876 000	-29.53%
Expenditure	38 719 088	34 647 000	-10.52%	48 435 886	-28.47%
Surplus / (Deficit)	2 325 523	500 000	100.00%	1 440 114	-65.28%

3. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets incurred during the year amounted to R 1 489 537

The expenditure consists of the following:

	Actual 2008 R	Budget 2008 R	Actual 2007 R
Furniture & Equipment	1 095 118	221 000	1 103 113
Vehicles	85 964	-	-
Land & Buildings	-	80 000.00	0
	1 181 082	301 000	1 103 113

Resources used to finance the fixed assets were as follows:

	Actual 2008 R	Budget 2008 R	Actual 2007 R
Revenue Contributions	261 680	301 000	25 554
Grants & Subsidies	1 227 858	0	183 803
Internal loans/advances	-	-	314 998
	1 489 537	301 000	524 355

A complete analysis of capital expenditure is included in Appendix B.

More details regarding external loans, internal advances and other sources of financing used to finance fixed assets are shown in Appendices B and C respectively.

UMZINYATHI DISTRICT MUNICIPALITY

REPORT OF THE CHIEF FINANCIAL OFFICER (continued)

FOR THE YEAR ENDED 30 JUNE 2008

4. EXTERNAL LOANS, INVESTMENTS AND CASH	2008	2007
External loans outstanding as at 30 June 2008 amount as set out in note 3 and Appendix B.	2 483 889	2 703 212
Investments and cash as at 30 June 2008 amount	75 704 475	23 830 184

5. STATUTORY FUNDS, RESERVES AND PROVISIONS

Statutory funds as at 30 June 2008	9 169 833	9 169 833
Reserves as at 30 June 2008	3 393 959	5 325 865
The provision as at 30 June 2008	465 991	813 837

The movement regarding statutory funds, reserves and provisions is set out in Appendix A.

A contribution of 3% of total income was made to the capital development fund in terms of the Local Authorities Ordinance of 1974, Act No. 25 of 1974.

6. PROJECTS

Incomplete projects have been treated as debtors and creditors, where necessary these will be capitalised upon completion .

7. CONTINGENT LIABILITIES

The municipality entered into an agreement with PriceWaterhouseCoopers for assistance in the collection/ review of the VAT debtor.

In the 2002/03 financial year Denorco (Pty) Ltd rendered services to the Municipality to the value of R49 895 and had not been paid for. This claim is disputed by Council.

UMZINYATHI DISTRICT MUNICIPALITY

8. APPRECIATION

I would like to thank the Mayor, the Deputy Mayor, the Speaker, Members of the Exco Committee, Councillors, the Acting Municipal Manager and Heads of Departments for the support they have given me and my personnel during the year.

I would also like to thank the staff of the Finance Department for their commitment and support on preparing the financial statements.

BONGANI MDLETSHE LIMFO
CHIEF FINANCIAL OFFICER

30/08/2008

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UMZINYATHI DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
NET ASSETS			
		66 125 983	54 285 490
Accumulated funds	1	9 169 833	9 169 833
Reserves	2	3 393 959	5 325 865
Accumulated Surplus/ (Deficit)	14	53 562 191	39 789 792
NON CURRENT LIABILITIES			
		3 018 902	3 238 225
Long Term Liabilities	3	3 018 902	3 238 225
Non-Current Provisions			
CURRENT LIABILITIES			
		62 584 711	68 554 286
Provisions	8	465 991	813 838
Unspent Conditional Grant and Receipts		49 538 340	30 540 015
Creditors	9	12 221 638	36 841 691
Current Portion of Long-term Liabilities	3	358 742	358 742
TOTAL NET ASSETS AND LIABILITIES		131 729 596	126 078 001
ASSETS			
NON- CURRENT ASSETS			
		28 032 017	25 437 633
Propert, Plant and Equipment	4	3 377 645	3 596 968
Investments	5	24 651 526	21 736 877
Long Term Receivables	6	2 846	103 788
CURRENT ASSETS			
		103 697 579	100 640 368
Debtors	7	10 355 274	10 503 995
Consumer Debtors		0	26 129 725
Vat		29 484 142	18 748 593
Other Debtors		0	128 365
Current Portion of Long-term Debtors		66 101	60 090
Call Investment Deposits	5	51 052 949	2 093 307
Bank Balance and Cash	19	12 739 114	42 976 293
TOTAL NET ASSETS AND LIABILITIES		131 729 596	126 078 001

UMZINYATHI DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2008

2 007				2008			Budget
Actual Income R	Actual Expenditure R	Surplus/ (Deficit) R		Actual Income R	Actual Expenditure R	Surplus/ (Deficit) R	Surplus/ (Deficit) R
43 565 740	29 399 868	14 165 872	RESOURCE SUPPORT SERVICES	44 784 985	30 137 636	14 647 350	14 357 540
41 044 611	38 719 088	2 325 523	TRADING SERVICES: WATER	35 147 000	34 647 000	500 000	669 476
<u>84 610 351</u>	<u>68 118 956</u>	<u>16 491 396</u>	TOTAL	<u>79 931 985</u>	<u>64 784 636</u>	<u>15 147 350</u>	<u>15 027 016</u>
		(4 163 251)	Appropriations, for the year (refer to note 14)			(1 374 950)	
		<u>12 328 145</u>	Net surplus for the year			<u>13 772 400</u>	
		27 461 647	Accumulated surplus beginning of the year			39 789 792	
		<u>39 789 792</u>	ACCUMULATED SURPLUS END OF THE YEAR			<u>53 562 192</u>	

UMZINYATHI DISTRICT MUNICIPALITY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated by operations	15	5 088 184	4 962 344
Cash contributions from the Public and State		0	(504 417)
Cash Paid to Suppliers and Employees	16	9 796 619	1 364 293
Cash generated from /(Utilised in) Operations		14 884 802	5 822 221
Interest Received	13	8 917 796	3 833 916
Interest Paid		(456 627)	(369 753)
NET CASH FROM OPERATING ACTIVITIES		23 345 972	9 286 383
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Propert,Plant and Equipment		(1 489 537)	(1 103 113)
Proceed on Disposal of Propert, Plant and Equipment			
Adjustment		0	1 445 746
Decrease in non Current Receivables		(219 323)	(309 761)
Increase in non-current investment		(51 874 291)	(1 341 276)
NETT CASH FLOW FROM INVESTING ACTIVITIES		(53 583 151)	(1 308 404)
CASH FLOW FROM FINANCING ACTIVITIES			
New Loans Raised / (Repaid)			
Increase in Consumer Deposits			
NETT CASH FLOW FROM FINANCING ACTIVITIES		0	0
NETT DECREASE IN CASH AND CASH CASH EQUIVALENTS		(30 237 179)	7 977 979
		30 237 179	(7 977 979)
Cash and Cash Equivalents at the Beginning of the Year		42 976 293	34 998 314
Cash and Cash Equivalents at the End of the Year		12 739 114	42 976 293

UMZINYATHI DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2 008 2 007
 R R

1. ACCUMULATED FUNDS

Consolidated Capital Development Fund	9 169 833	9 169 833
	9 169 833	9 169 833

(Refer to Appendix A for more detail)

2. RESERVES

Reserves: iNdllovu Comited Fund	1 078 852	1 078 852
Reserves: iNdllovu Net Resid	703 337	703 337
Government Grants	0	0
Menziwa suspense	40 881	40 881
Capital carry-over Reserve	0	0
Disaster Management Fund	1 232 706	1 589 313
ISRDP Projects	239 633	1 395 380
Cholera Intervention	98 550	518 102
	3 393 959	5 325 865

(Refer to Appendix A for more detail)

3. LONG-TERM LIABILITIES

Finance leases	149 113	149 113
Other loans	3 228 531	3 447 854
	3 377 644	3 596 967
Less:		
Current portion transferred to Current liabilities	358 742	358 742
Other loans	220 549	220 549
Finance leases	138 193	138 193
	3 018 902	3 238 225

(Refer to Appendix B for more detail on long-term liabilities)

ANNUITY AND OTHER LOANS

Bear interest at rates of between 7.5% per annum and 16.85% and will be fully redeemed in 2019.

UMZINYATHI DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

	2 008	2 007
	R	R
4. FIXED ASSETS		
Fixed assets	36 720 328	33 671 338
Capital outlay during the year	1 489 537	1 103 113
Adjustments	0	1 945 877
Les Assets written off, transferred or disposed of during the year	1 828 346	0
Total fixed assets	36 381 520	36 720 328
Les Loans redeemed and other capital receipts	33 003 875	33 123 360
Net fixed assets	3 377 645	3 596 968

(Refer to Appendix C and section two of the CFO's Report for more detail on fixed assets)

5. INVESTMENTS

Unlisted :

Long term deposits	24 651 526	21 736 877
Call deposits	51 052 949	2 093 307

Total investments	75 704 475	23 830 184
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Managements' valuation of unlisted investments.

	75 704 475	23 830 184
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Average gross rate of return on investments	0	0
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Local authorities are required to invest funds which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty rate to meet commitments.

UMZINYATHI DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

2 008 2 007
R R

The New Republic Bank at which Council has invested surplus funds at 30 June 2007 of R1 548 660 (2006 : R3 696 933) was placed under receivership in the 2002 financial year. At present the recovery of this investment is uncertain. No provision has been made in this regard.

Institution

ABSA	51 052 949	544 647
New Republic Bank	696 897	1 548 660
First National Bank	23 954 629	21 736 877

Total	75 704 475	23 830 184
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6. LONG TERM DEBTORS

Car loans	0	28 831
Less : Provision for doubtful debts	0	0
	0	28 831
Bridging finance	68 946	135 047
Other loans	0	0
	68 946	163 878
Less : Short-term portion	66 101	60 090
	2 846	103 788

Soft loan of R700 000 granted in 1993 by the then uThukela Joint Services Board to the then Dundee Municipality for a period of 15 years at 5% interest per annum.

7. DEBTORS

Water Services Consumer debtors	0	26 129 725
Debtor-Endumeni;	0	917 015
Debtor-uMvoti;	0	1 843 117
Debtor-Nquthu;	0	522 484
Debtor Thukela Water-Endumen	0	10 934 167
Debtor Thukela Water-Msinga;	0	10 550 616
Debtor Thukela Water-uMvoti;	0	115 545
Debtor Thukela Water-Nquthu;	0	248 415
Debtor Thukela Water-Umzinyia	0	9 305 849
	0	34 437 208
Less : Provision for doubtful debts	0	(8 307 482)

UMZINYATHI DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

Debtors	10 355 274	10 503 995
Debtor - Interest Accrued;	248 017	322 175
Inter-DC Debtor Suspence;	22 054	22 054
		Page 18
CMIP Funding Debtor Suspense	0	0
ISWIP Debtor Suspense;	248 468	248 468
Capital Budget Carry Over	0	
Premiers Office Funding;	11 270	11 270
Pensioners Medical Aid Suspe	0	0
Cash Shortages/Surplusses Su	0	0
Debtors Control;	23 190	10 190
Sundry Debtors Control;	68 480	68 480
RSC Debtors Control;	0	0
RSC Debtors Control;New Levi	0	0
Study Loans Control;	0	0
Staff Vehicles Insurance Con	0	0
Sundry Debtors Deposits Cont	66 918	66 918
Sundries;	0	0
Sundry Debtors (Other);	5 801	0
uThukela Water Control;	7 490 096	8 137 096
uMvoti Water & Sanitn. Contr	0	0
eNdumeni Water & San. Contro	0	0
Supplier Deposits;	7 325	7 325
Sundry Creditors;ISWIP Credi	157 808	157 808
LGSETA : Training Grant	526 794	
iNdlovu DM Distribution Debt	1 452 211	1 452 211
CMIP-Makhabeleni Water Schem	0	0
CMIP-Borehole Rehab Programm	0	0
Isandlwana Water Scheme;	0	0
CMIP-Sithembile Bulk Sewer O	26 841	0
CMIP - Nquthu Sewer Rehabili	0	0
CMIP-Sibongile/Dundee Phase2	0	0
CMIP-Sibongile/Dundee Phase3	0	0
Deposits	0	0
Inter-authority debtors	0	0
Other Debtors	0	128 365
OB Kunene Credit Card Suspen	0	37 822
MS Yengwa Credit Card Suspen	0	45 756
Endumeni Mun-SD Khumalo;	0	0
Staff Debtors Control;	0	0
Staff Loans;	0	0
Pensioners Medical Aid Contr	0	0
Salaries Suspense;	0	36 216
Salary Advances Suspense;	0	8 571
Short-term portion of long-term debtors	66 101	60 090
Receiver of Revenue - Value Ac	29 484 142	18 748 593
Vat Input Control;	19 162 877	7 946 497
Vat Input Control:Public Wor	709 173	709 173
Vat Output Control;	(263 333)	(221 357)
Vat Outp Control:CMIP Projec	(410 160)	(410 160)
Vat Control;	10 285 587	10 724 441

UMZINYATHI DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

8. PROVISIONS

Leave pay 465 991 813 838

(Refer to appendix A for more detail)

465 991 813 838

9. CREDITORS

	12 221 638	36 841 691
Trade Creditors and accruals		
Deposit Clearing Account;	4 800	4 800
Kranskop Taxi Rank - Mvoti D	656 408	656 408
Inter-DC Direct Deposits Sus	4 754	4 754
Insurances Suspense;	0	300 000
Retentions Held Suspense;	8 850 149	7 816 005
Unknown Deposit Suspense;	0	0
Sureties Held Suspense;	558 283	558 283
Accruals Suspense Account;	957 355	1 192 097
Unclaimed Wages	0	
Prepaid Income	11 903	
Cash Suspense Account;	0	(0)
LOAN ACCOUNT: KZ242(NQUTHU);	1 177 986	1 177 986

Inter-authority creditors (Uthukela Water) 0 25 131 359

Creditor-Endumeni;	0	11 851 182
Creditor-Msinga;	0	12 290 366
Creditor-uMvoti;	0	218 912
Creditor-Nquthu;	0	770 899

Creditors: Unspent Conditional Grants and Receipts 49 538 340 30 540 015

MiG Grant	23 178 349	12 578 814
DWAF : M & E Grant	600 000	
DWAF : Water Loss Management	5 220 000	
DIMS Project;	5 100	61 275
Msinga/Nyoniyezwe Sportfield	420 998	460 703
Hermannsburg Mvoti Sportfield	323 441	
Silonjane Nquthu Sportsfield	323 441	
uMvoti Sports Complex - DSRS	239 816	239 816
Fabeni Sports Stadium Suspen	43 295	43 295
Makhabeleni Sports Complex ;	376 150	376 150
Nondweni Sportfield Upgrade;	16 205	208 755
Nquthu Sport Stadium	16 350	
Reserves: Transitional Grant	240 340	727 943
GRANT-EMANDLENI GRAZING CAMP	29 227	29 227
Shared Services;	3 010 000	1 500 000
Reserves: General Grants ;Intergrated Transport Plan	250 499	53 899
Reserves: General Grants ;Finance Management Grant	601 372	500 000
Reserves: General Grants ;Transformation Grant	197 771	509 659
Reserves: General Grants ;Community Communication Initiative	23 781	50 000
Reserves: General Grants ;Civil Pr	23 500	23 500
Reserves: General Grants ;Tourisr	40 560	
Reserves: General Grants ;IDP And Capacity Building	21 655	
Reserves: General Grants ;PMS Funding DBSA	146 400	146 400
Reserves: General Grants ;Gijima	(46 288)	(34 288)
Reserves: General Grants ;Gijima - Inter SMME's	(43 746)	426 244
Reserves: General Grants ;Gijima - Agriculture Development Strategy	238 490	296 510
Reserves: General Grants ;Gijima - Led Strategy	153 367	148 416
Reserves: General Grants ;LGTA WSDP Review	0	0
Reserves: General Grants ;LGTA Assess of Water	444 254	450 000
LED;DISTRICT TOURISM STRATEGY	241 251	150 000
LED;DISTRICT SIGNAGE PROJECT	318 755	238 655
LED;ENDUMENI MARKET STALLS	141 068	130 000
LED;MANGENI WATERFALL	23 763	120 000
LED;KWAKOPI CURIOSHOP	141 877	150 000

UMZINYATHI DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

Creditors: Unspent Conditional Grants and Receipts

LED,MUDEN ARTS & CRAFT	50 073	116 598
Reserves: Municipal Support Grant	36 333	111 909
Reserves: CMC & Secretariat Grant	61 988	61 988
Reserves: LGTA Municipal (ICS) Grant;	1 532 934	1 558 234
NLDTF : Dundee Arts & Craft	774 744	
Growth Development Summit	100 000	
Reserves: GIS System Grant;	1 158 596	461 264
Reserves: Municipal Systems Improvement Grant	2 178 328	3 425 869
Bhambatha Stadium;	460 752	375 000
Endumeni Rural Horse Riding;	525 503	500 000
LED Msinga Agriculture Packhouse Project	273 598	146 598
LED Msinga Stone Crushing Plan	146 598	146 598
LED Msinga Bee&Mushroom Farming	107 323	146 598
LED Nquthu Eqhude Agribusiness	29 193	150 000
Disaster Management Grant	400 000	400 000
LED Corridor Development	520 000	
Development Planning IDP Capacity Building	510 000	510 000
Disaster Managemen Plan/Centre	587 548	700 000
DTLGA;WSDP 06/07	17 870	17 870
DTLGA;S78 06/07	700 000	700 000
DTLGA;TECH SUP 06/07	740 000	740 000
DTLGA;BACKLOG 06/07	116 548	160 856
DTLGA;ENERGY 06/07	200 000	200 000
DTLGA;CAPACITY BUILDING 06/0	98 000	120 000
DPLG GRANT IDP 2007;	16 023	130 475
Drought Relief No.3;	1 235 347	75 186
11. CONSUMER DEPOSITS	0	0

There were no guarantees in lieu of deposits.

10. LEVY INCOME

Levy income		
Regional Establishment Levy	0	0
Regional Services levy	0	0
Interest Received	0	0
	0	0

11. REMUNERATION

COUNCILLORS' REMUNERATION

Mayor's allowance	237 696	215 650
Deputy Mayor's allowance	70 112	63 556
Speaker's allowance	211 083	197 049
Members' allowances	1 040 986	1 046 107
Executive committee allowances	114 122	139 598
Local Authority attendance fees	19 507	700
Medical aid contributions	16 510	5 100
Pension fund contributions	118 194	72 059
	1 828 210	1 739 819

EMPLOYEE RELATED COSTS

Employee related costs : Salaries and Wages	8 157 205	10 756 307
Employee related costs : Contribution for UIF, Pension and Medical Aid	1 832 135	
Travel, Motor Car, Accommodation, Subsistence and other allowances	1 264 691	
Housing Benefit and Allowances	423 697	
Overtime Payments	90 568	
Performance Bonuses	329 491	
Less : Employee costs capitalised		
Less : Employee costs included in other expenses		
Total Employee Related Costs	12 097 787	10 756 307

There were no advances and loans issued to employees

UMZINYATHI DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

Remuneration of the Municipal Manager

Annual Remuneration	347 367	354 800
Leave Pay	284 817	
Performance Bonuses		50 000
Car Allowance	122 400	160 200
Contribution to UIF, Medical and Pension Fund	34 251	141 210
Total	788 835	706 210

Remuneration of the Chief Financial Officer

Consulting Remuneration	210 000	
Annual Remuneration	241 841	248 679
Leave Pay	37 415	
Performance Bonuses	42 486	50 000
Car Allowance	96 000	144 000
Contribution to UIF, Medical and Pension Fund	42 917	87 230
Total	670 659	529 909

EXECUTIVE MANAGERMENTS' REMUNERATION

	Deputy Municipal Manager	Manager Technical Services	Manager Corporate Services	Manager Planning and Social Dev
30 June 2008				
Annual Remuneration	269 407	289 927		254 847
Performance Bonuses	45 561	42 486		0
Leave Pay	62 250			
Acting Allowaance	123 151			
Car Allowance	182 549	149 760		56 536
Medical and pension funds	227 831	167 886		79 662
Total	910 749	650 059	0	391 045

30 June 2007

Annual Remuneration	216 240	260 760		
Performance Bonuses	50 000	50 000		
Car Allowance	182 506	123 760		
Medical and pension funds	134 822	105 272		
Total	583 568	539 792	0	0

JUNIOR MANAGERMENTS' REMUNERATION

Assistant Manager Communication		405 066	54 949
Asst Manager Legal / Acting Corporate		606 636	370 017
Internal Auditor		209 789	374 094
Disaster Management		293 958	385 709
IDP/ PMS Manager		405 170	73 780
		1 920 619	1 258 548

Remuneration: Other Staff		8 724 564	7 467 253
Total: Salaries, Wages and Allowances		14 056 530	12 505 520

Managements' Remuneration as a percentage of total remuneration		0.14	0.09
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UMZINYATHI DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

	2 008	2 007	
MANAGEMENTS' PERFORMANCE BONUSES			
Municipal Manager	0	50 000	
Dep Municipal Manager	45 561	50 000	
Internal Auditor	50 000	50 000	
Asst Manager: Pub Relations	37 500	50 000	
Manager: Disaster Management	50 000	50 000	
Chief Financial Officer	42 486	50 000	
Manager IDP PMS	11 458	0	
Manager: Development Planning	0	0	
Manager: Technical Services	42 486	50 000	
Legal Advisor	50 000	50 000	
Total	<u>329 491</u>	<u>400 000</u>	
12. AUDITORS' REMUNERATION			
Audit fees	<u>567 531</u>	<u>535 782</u>	
13. FINANCE TRANSACTIONS			
Total external interest earned or paid:			
Interest earned	8 917 796	3 833 916	
Interest paid	<u>456 627</u>	<u>369 753</u>	
Capital charges debited to operating account:			
Interest :	External	456 627	369 753
Redemption :	External	219 323	309 760
	Internal	0	(0)
		<u>675 949</u>	<u>679 513</u>

UMZINYATHI DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

2 008 2 007
R R

14 Appropriation account

Accumulated surplus / (deficit) at the beginning of the year	39 789 792	27 461 647
Operating surplus / (deficit) for the year	15 147 349	16 491 396
Appropriations for the year	(1 374 950)	(4 163 251)
Prior year adjustments - Appropriation Movement	(1 374 950)	2 588 185
Balancing Figure	0	(3 409)
Transfer of previous year revenue		4 129 446
Write-back of provisions		74 962
Correcting of incorrect allocations		0
Prior year revenue reversed/Written off		(1 156 155)
Prior year expenditure		(299 837)
VAT corrections		(9 496 443)
Accumulated surplus at the end of the year	53 562 190	39 789 792

Operating account

Capital expenditure	1 489 537	1 103 113
Contributions to provisions:	247 061	299 998
Leave pay	247 061	299 998
Contribution to Consolidated Capital Development Fund	0	1 306 972
	1 736 598	2 710 083

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

	2 008	2 007
	R	R
15. CASH GENERATED BY OPERATIONS		
Surplus / (deficit) for the year	15 147 350	16 491 396
Adjustments in respect of:		
Previous years' operating transactions	(1 374 950)	(4 163 251)
Appropriations charged against income:	0	1 243 843
Consolidated Capital Development Fund	0	1 306 972
Provisions	0	(63 129)
Capital charges :	675 949	679 513
Interest paid :		
- on external loans	456 627	369 753
Redemption :	0	
- of external loans	219 323	309 760
Investment income (operating account)	(8 917 796)	(3 833 916)
Other income	0	0
Non-operating expenditure :		
Capital Expenditure	1 489 537	
Accumulated funds and reserves	(1 931 907)	(5 455 241)
	<u>5 088 184</u>	<u>4 962 344</u>
16 (INCREASE) / DECREASE IN WORKING CAPITAL		
(Increase) / Decrease in inventory	0	0
(Increase) / Decrease in debtors	15 665 252	(2 053 963)
Increase / (Decrease) in creditors	(5 969 576)	3 202 789
(Increase) / Decrease in long-term debtors	100 942	167 386
Increase / (Decrease) in consumer deposits	0	0
Increase / (Decrease) in short-term portion of long-term liabilities	0	48 081
	<u>9 796 619</u>	<u>1 364 293</u>
17. INCREASE / (DECREASE) IN LONG-TERM LOANS (EXTERNAL)		
Loans raised		0
Loans redeemed	(219 323)	(309 761)
	<u>(219 323)</u>	<u>(309 761)</u>

UMZINYATHI DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

	2 008	2 007
	R	R
18. (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS		
Investments made	0	0
Investments realised	(51 874 291)	(1 341 276)
	<u>(51 874 291)</u>	<u>(1 341 276)</u>

19. (INCREASE) / DECREASE IN CASH ON HAND AND AT BANK

Cash Book balance: beginning of the year	42 976 293	34 998 314
Less: Cash Book balance end of the year	12 739 114	42 976 293
Cash Floats;	0	200
Petty Cash;	3 104	4 500
Petty Cash;	0	112
Cash Floats;	100	800
General Bank Account ABSA Account No. 405 0280 759	12 735 909	42 970 681
	<u>30 237 179</u>	<u>(7 977 979)</u>
Bank Statement Balance at beginning of the year	43 046 477	
Bank Statement Balance at end of the year	<u>20 387 062</u>	<u>43 046 477</u>

20 GOVERNMENT GRANTS AND SUBSIDIES

	164 083 972	0
GRANT : SPORTS & RECREATION	1 850 000	0
GRANT EX PROVINCE	2 595 000	0
MIG	72 585 915	0
EQUITABLE SHARE	69 182 928	0
GRANT : FINANCIAL	500 000	0
GRANT : ECONOMIC REGENERATION	6 403 129	0
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	1 000 000	0
GRANT : DWAF	8 820 000	0
OPERATIONAL SUBSIDY	1 147 000	0

21 OTHER INCOME

Other Income	
Recovered from unauthorised , irregular, fruitless and wasteful expenditure	
Total Other Income	

22 SERVICE CHARGES

Sale of water	
Total Service Charges	

23 RETIREMENT BENEFITS

Employees belong to the following funds within the Natal Joint Municipal Pension fund which provides retirement benefits to such employees.

- (i) Natal Joint Municipal Pension Fund (retirement)
- (ii) Natal Joint Municipal Pension Fund (superannuation)
- (iii) Natal Joint Municipal Pension Fund (provident)

The retirement plan is subject to the Pension Funds Act, 1956

In accordance with the regulations governing the Fund and in compliance with Section 16 of the Pension Funds Act, 1956 (Act No. 24 of 196) the financial position of the Fund is examined and reported upon but the Valuator at intervals not exceeding three years.

In practice the Valuator conducts a statutory valuation on a triennial basis and an interim on an annual basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

Interim Valuations of the Fund as at 31 March 2006 and Report on the Operations of the Memorandum Account for the Year Ended 31 March 2006.

In respect of Service to 31 March 2006 the actuarial value of the total assets was R121,7 million more than the actuarial value of the liabilities for the service of members to that date and for pensioners, made up as follows:

- surplus of R210,0 million in respect of pensioners (funding level 119,4%)
- deficit of R88,3 million in respect of members (funding level 95,0%) of which deficit
- about R49,0 million was attributable to salary increases being higher than expected (the average salary increased by 9,7% over the three years which is substantially in excess of inflation).

The Fund was thus 104,3% funded. The Fund did not hold an investment reserve.

Statutory Valuations of the Fund as at 31 March 2006 and Report on the Operations of the Memorandum Account for the Year Ended 31 March 2006.

In respect of Service to 31 March 2006 the actuarial value of the total assets was R140,9 million less than the actuarial value of the liabilities for the service of members to that date and for pensioners, made up as follows:

- surplus of R63,4 million in respect of pensioners (funding level 116,2%)
- deficit of R204,3 million in respect of members (funding level 73,0%) attributed to salary increases being higher than expected (the average salary increased by 11,1% over the three year period which is substantially in excess of inflation).

The Fund was thus 87,7% funded. The Fund did not hold an investment reserve.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

24 CONTINGENT LIABILITIES

The Municipality entered into an agreement with PriceWaterhouseCoopers for assistance for the collection/ correction of outstanding VAT shown as a debtor in our books. In terms of this agreement an amount of between R85 000 and R135 000 will be payable to PriceWaterhouse Coopers to complete the assignment for the period ending 30 June 2007.

In the 2002/03 financial year Denorco (Pty) Ltd allegedly rendered services to the Municipality to the value of R49 895 and had not been paid for. This claim is disputed by Council.

25 CAPITAL DEVELOPMENT FUND

Accumulated Funds	10 063 588	10 063 588
Less: Internal advances	893 755	893 755
	9 169 833	9 169 833

26 MUNICIPAL ENTITIES

During the 2004/05 financial year the water and sanitation services assets were transferred to uThukela Water (Pty) Ltd in terms of a thirty year WSP agreement entered into by uThukela Water (Pty) Ltd and the three WSA's being uMzinyathi District Municipality, Amajuba District Municipality and Newcastle Local Municipality.

Since Uthukela Water has not submitted annual financial statements since inception, no audit was conducted on the figures used.

uMzinyathi District Municipality holds 33% shares in uThukela Water (Pty) Ltd.

The overall operating results for the year ended 30 June 2008 are as follows:

	2007/08	2006/07
uThukela Water (Pty) Ltd	(26 561 325)	(17 393 664)
Income generated by water sales	15 800 784	16 234 868
Sundry Income	1 678 775	1 374 550
Expenditure by uThukela Water (Pty) Ltd	(44 040 884)	(35 003 082)
uMzinyathi District Municipality	34 647 000	19 719 187
Funding from Equitable Shares	33 500 000	20 417 759
Operational Subsidy	1 147 000	3 017 434
Direct Expenditure	0	0
Provision for Bad Debt	0	(3 716 006)
Surplus / (Deficit) for the year	8 085 675	2 325 523

Transfer of powers and functions in respect of the water and sanitation services transferred from uMzinyathi District Municipality to uThukela Water (Pty) Ltd.

UMZINYATHI DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (continued)

27 CAPITAL COMMITMENTS

	2007/08	2006/07
Total funded from external sources (MIG Fund).		
MIG EXPENDITURE		
Rudimentary - Umzinyathi PMU	9 739 690	6 894 486
Ophathe - Water	1 165 234	1 236 236
Amangwe Buthanani - Isandlwana Phase 1&2	6 025 971	5 766 256
Hlazakazi Water Scheme Phase 1 - Isandlwana	770 306	884 348
KwaJama Household Sanitation	6 023 699	4 870 850
Othame Sanitation	5 173 654	4 199 555
Mbuba-Ward 9 Sanitation	1 738 050	1 745 319
Mthembu West - Tugela Ferry	958 422	3 050 350
Qhudení Water Scheme	4 956 168	5 945 661
Ntanyadlovu/Ngwetshana Water Scheme	9 017 400	5 634 653
Pomeroy Sub-Regional Water Scheme	1 045 699	1 087 906
Keates Drift Water Scheme	13 901 187	9 159 857
Mbono Water	61 415	70 013
Ndaya Water	257 517	263 901
Kwa Senge Water Supply	412 610	272 852
Nondweni Town Sewerage Disposal	51 655	
Sithembile Sewer Pump Station	311 629	
	151 310	
	61 761 614	51 082 242
External Funded - MIG Grant	61 761 614	51 082 242

UMZINYATHI DISTRICT MUNICIPALITY

APPENDIX A

SCHEDULE OF EXTERNAL LOANS AND INTERNAL ADVANCES AS AT 30 JUNE 2008

			Balance at 30/06/2007 R	Received During the Year R	Redeemed or Written off During the Year R	Adjustments R	Balance at 30/06/2008 R
OTHER LOANS							
DBSA loan	12.00%	2019	2 554 099		219 323		2 334 776
Finance leases		Various	149 113		0	0	149 113
			2 703 212	-	219 323	0	2 483 889

INTERNAL ADVANCES TO BORROWING SERVICES

Capital Development Fund			893 755	0	0	0	893 755
			893 755	0	0	0	893 755

UMZINYATHI DISTRICT MUNICIPALITY

APPENDIX B

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

Expenditure 2007 R	Service R	Budget 2008 R	Balance at 30/06/2007 R	Expenditure 2008 R	Transferred to uThukela Water 2008 R	Balance at 30/06/2008 R
1 103 113.00	Resource Support Services	301 000.00	36 720 327	1 489 537	1 828 346	36 381 519
1 103 113	Motor Vehicles;		7 223 646	85 964		7 309 610
	Office Furniture & Equipemen	301 000	5 630 832	1 024 932		6 655 765
	Radios & Equipment;		12 768	0		12 768
	Fire Fighting Equipment;		252 942	0		252 942
	Plant & Equipment;		172 850	70 186		243 036
	Pomeroy Sports Facility;		762 621	0		762 621
	Tugela Ferry Sports Facility		791 912	0		791 912
	Keates Drift Sports Facility		313 789	0		313 789
	Operating Equipment;		43 772	0		43 772
	Ceremonial Chains;		90 855	0		90 855
	Property;		12 926 117	0	1 828 346	11 097 771
	Property;Buildings/Creches&C		7 674 851	0		7 674 851
	Fednissan 1400		0	0		0
	Electronict Registry System		0	308 455		308 455
	Contrib from Renewal Fund;		0	0		0
	uMvoti Sports Facility;		823 372	0		823 372
	Motor Vehicles;		0	0		0
	Motor Vehicles;		-	-		0
			-	-		0
1 103 113	TOTAL FIXED ASSETS	301 000	36 720 327	1 489 537	1 828 346	36 381 519

LOANS REDEEMED AND OTHER

524 355	CAPITAL RECEIPTS		33 123 360	1 708 860	1 828 346	33 003 875
314 998	Loans redeemed		1 612 816	219 323		1 832 139
25 554	Contributions from operating income		20 595 344	261 680		20 857 023
-	Surplus on sale of assets		18 764	0		18 764
183 803	Grants and Subsidies		10 896 436	1 227 858	1 828 346	10 295 949
-	Public contributions		0	0		0
578 758	NET FIXED ASSETS		3 596 967	(219 323)	0	3 377 644

UMZINYATHI DISTRICT MUNICIPALITY

APPENDIX C

SEGMENTED ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

Expenditure 2007 R	Service R	Budget 2008 R	Balance at 30/06/2007 R	Expenditure 2008 R	Transferred to		Balance at 30/06/2008 R
					uThukela Water 2008 R		
1 103 113.00	Resource Support Services	-	36 720 326	1 489 537	1 828 346		36 381 517
1 103 113	Municipal Manager		8 531 708	37 914			8 569 622
	Mayor		94 254	12 633			106 887
	Deputy Mayor		69 569	5 700			75 269
	Speaker		33 921	35 000			68 921
	Councillor		69 173	22 290			91 463
	Internal Audit		45 303	21 613			66 915
	Deputy Municipal Manager		24 208	0			24 208
	Disaster Management		484 835	73 750			558 585
	Corporate Services		6 846 129	258 176	917 040		6 187 265
	Secretariate		52 263	0			52 263
	Auxilliary Services		610 853	27 574			638 427
	Registry		93 466	308 455			401 921
	Multi Purpose Centre		4 809 184	950			4 810 134
	Water Services			19 706	19 706		0
	Rural Schemes		327 565		327 565		0
	Planning and Social Development		254 403	655			255 058
	Pimms		54 021				54 021
	Gis		225 578				225 578
	Development		2 184	0			2 184
	Led, Idp, and Tourism		88 165				88 165
	Financial Services		2 817 660	605 801	564 035		2 859 426
	Finance : Levies		800	0			800
	Technical Services		11 041 023	59 320			11 100 343
	Community Based Public Works		1 651	0			1 651
	Vehicles Technical Services		18 838	0			18 838
	Nondweni		65 982	0			65 982
	Enviromental Health		57 590	0			57 590
			-	0			0
1 103 113	TOTAL FIXED ASSETS	0	36 720 327	1 489 537	1 828 346		36 381 517
LOANS REDEEMED AND OTHER							
524 355	CAPITAL RECEIPTS		33 123 360	1 708 860	0		33 003 875
314 998	Loans redeemed		1 612 816	219 323			1 832 139
25 554	Contributions from operating income		20 595 344	261 680			20 857 023
-	Surplus on sale of assets		18 764	0			18 764
183 803	Grants and Subsidies		10 896 436	1 227 858	1 828 346		10 295 949
-	Public contributions		0	0			0
578 758	NET FIXED ASSETS		3 596 967	(219 324)	0		3 377 642

UMZINYATHI DISTRICT MUNICIPALITY

APPENDIX D

ANALYSIS OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2008

Actual 2007 R		Actual 2008 R	Budget 2008 R
INCOME			
62 831 609	Government and Provincial grants and subsidies	70 329 928	73 478 000
16 234 868	Water sales	0	15 876 000
5 543 874	Other	9 602 057	4 095 300
<u>84 610 351</u>		<u>79 931 985</u>	<u>93 449 300</u>
EXPENDITURE			
12 505 520	Salaries, wages and allowances	14 056 530	17 425 387
48 254 638	General expenses	48 966 599	66 076 151
590 752	Repairs and maintenance	855 930	768 500
679 513	Capital charges	675 949	1 037 000
25 554	Contributions to fixed assets	229 628	301 000
6 062 978	Contributions	0	7 720 909
<u>68 118 955</u>	Gross expenditure	<u>64 784 636</u>	<u>93 328 947</u>
<u>68 118 955</u>	Net expenditure	<u>15 147 349</u>	<u>120 353</u>

UMZINYATHI DISTRICT MUNICIPALITY

APPENDIX E

SEGMENTED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual income R	2007 Actual expenditure R	2007 Surplus/ (deficit) R		2008 Actual income R	2008 Actual expenditure R	2008 Surplus/ (deficit) R	Budget Surplus/ (deficit) R
43 565 740	29 399 868	14 165 873	Resource Support Services	44 784 985	30 137 636	14 647 349	14 357 540
35 450	2 621 158	(2 585 708)	Corporate Services	28 800	3 826 577	(3 797 777)	31 193
0	2 709 403	(2 709 403)	Council	0	2 528 740	(2 528 740)	406 614
0	3 019 547	(3 019 547)	Disaster Management	0	1 965 949	(1 965 949)	2 125 465
3 840 365	3 521 548	318 817	Finance	8 753 845	2 133 607	6 620 239	9 912 843
11 674 000	262 182	11 411 818	Levy collection	13 341 494	0	13 341 494	494
593 640	597 597	(3 957)	M P C C	141 026	398 539	(257 514)	223 520
27 128 776	9 653 831	17 474 945	Municipal manager	21 841 434	6 176 305	15 665 129	367 472
142 187	426 064	-283 877.00	P I M S S Centre	0	404 873	(404 873)	(420 799)
0	2 289 625	(2 289 625)	Development Planning	247 061	5 477 255	(5 230 194)	485 429
0	92 560	(92 560)	Budget & Treasury	0	264 155	(264 155)	68 369
2 700	1 418 712	(1 416 012)	Technical	276 579	2 129 153	(1 852 574)	356 715
1 190	1 082 360	(1 081 170)	Enviromental Health Services	120	1 243 140	(1 243 020)	557 310
147 432	1 705 281	(1 557 849)	uMzinyathi Building	154 625	1 832 359	(1 677 734)	(85 784)
		-	Public Relations	0	1 477 655	(1 477 655)	342 536
		-	Stores and Supply Chain	0	279 328	(279 328)	(13 837)
41 044 611	38 719 088	2 325 523	Trading Services: Bulk Water	35 147 000	34 647 000	500 000	669 476
41 044 611	38 719 088	2 325 523	Water Services	35 147 000	34 647 000	500 000	669 476
		-	Biggarsberg Bulk			-	
		-	Nquthu Bulk			-	
84 610 351	68 118 956	16 491 396	TOTAL	79 931 985	64 784 636	15 147 349	15 027 016
		(4 163 251)	Appropriations for this year (refer to note 14)			(1 374 950)	
		12 328 145	Net surplus for the year			13 772 399	
		27 461 647	Accumulated surplus beginning of the year			39 789 792	
		39 789 792	Accumulated surplus end of year			53 562 191	Page 34

UMZINYATHI DISTRICT MUNICIPALITY

APPENDIX F

ANALYSIS OF STATUTORY FUNDS , PROVISIONS AND RESERVES AS AT 30 JUNE 2008

	Balance at 30/06/2007 R	Contri - butions during the year R	Interest on investments R	Other income R	Expenditure during the Year R	Transferred to Creditors R	Balance at 30/06/2008 R
ACCUMULATED FUNDS							
Reserves - CDF;	411 220	0	0		0		411 220
CDF Contributions;	9 040 550	0	0		0		9 040 550
CDF - Interest Earned;	458 715	0	0		0		458 715
CDF - Internal Advances;	(893 755)	0	0		0		(893 755)
Resv - Deprectn & Renwal Fun	76 181	0	0		0		76 181
Reserves - CDF;	13 182	0	0		0		13 182
CDF - Interest Earned;	61 384	0	0		0		61 384
CDF - Internal Advances;	0	0	0		0		0
CDF - Interest Earned;	2 357	0	0		0		2 357
CDF - Internal Advances;	0	0	0		0		0
Consolidated Capital Development Fund	9 169 833	0	0	0	0	0	9 169 833
PROVISIONS							
Leave pay	813 838	247 061			594 908		465 991
	813 837	247 061	-	-	594 908	-	465 991
RESERVES							
Government Grants							
I S R D P projects	1 395 379				1 155 746		239 633
iNdlovu Committed Funds	1 078 852				0		1 078 852
iNdlovu Net Residual Assets	703 337				0		703 337
Menziwa Suspense	40 881				0		40 881
Disaster Management Fund	1 589 313				356 607		1 232 706
Reserve: VAT Cholera intervention	518 102				419 552		98 550
	5 325 865	0	0	0	1 931 905	0	3 393 959

UMZINYATHI DISTRICT MUNICIPALITY

APPENDIX H : STATISTICAL INFORMATION AS AT 30 JUNE 2008

	2008	2007	2006	2005	2004	2003	2002	2001
General Statistics								
Levy tariffs								
Regional Establishment Levy (% of Turnover excluding VAT)	0	0	0.12	0.12	0.12	0.12	0.12	0.12
Regional Services Levy (% of Salaries, wages & drawings)	0	0	0.30	0.30	0.30	0.30	0.30	0.30
Number of Registered Levy Payers	0	0	1 245	1 896	1 791	1 459	1 279	1 977
Number of councillors of the Municipality	23	23	23	22	22	23	23	23
Number of employees of the Municipality	53	53	53	44	86	112	106	89
Number of water connections	-	-	-	-	722	236	*	*
Water Statistics								
Units purified (kL)	-	-	-	-	6 317 998	*	*	*
Units Sold (kL)	-	-	-	-	5 175 736	*	*	*
Distribution Loss (kL)	-	-	-	-	1 142 262	*	*	*
Distribution Loss (%)	-	-	-	-	18%	*	*	*
Average cost per unit sold (R)	-	-	-	-	3.98	*	*	*

* = Information not available

UMZINYATHI DISTRICT MUNICIPALITY

APPENDIX I : STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Actual 2008 R	Actual 2007 R
REVENUE			
Water sales		0	16 234 868
Rental of Facilities and equipment		304 825	303 865
Interest Earned - External Investment		8 916 964	3 833 916
Interest Earned - Outstanding Debtors		832	4 949
Government and Provincial grants and subsidies	20	70 329 928	62 831 609
Other		379 436	1 401 144
Puplic Contribution and Donations		0	0
Gains on Disposal of Property, Plant and Equipment			
TOTAL REVENUE		79 931 985	84 610 351
EXPENDITURE			
Employee Related Costs		12 228 320	10 756 307
Remuneration of Councillors		1 828 210	1 749 213
Bad Debts			
Collection Costs			
Depreciation			
General expenses		14 319 599	13 251 556
Repairs and maintenance		855 930	590 752
Interest Paid		456 627	369 752
Bulk Purchases		34 647 000	35 003 082
Capital charges		219 323	309 761
Contributions to fixed assets		229 628	25 554
Grants and Subsidies Contributed		0	6 062 978
Loss on Disposal of Property,Plant and Equipment			
Total Expenditure		64 784 636	68 118 955
Less: Amounts charged out		-	-
Net expenditure		15 147 349	16 491 396

UMZINYATHI DISTRICT MUNICIPALITY

APPENDIX J : ANNEXURE B GRAP IMPLEMENTATION PLAN FOR LOW CAPACITY MUNICIPALITY

FOR THE YEAR ENDED 30 JUNE 2008

Name of municipality:	Umzinyathi District Municipality	Demarcation Code:	D24
Name of preparer:	B.B. Mdletshe	Date completed:	30 March 2008
Contact Details:	034 – 219 1500 Cell 082 604 1413	Financial period:	2007/2008
Capacity category:	Low Capacity	(delete whichever not applicable)	

Financial reporting standard	Milestones to be achieved to comply with the standard <i>[include the key challenges that have to be overcome]</i>	Person responsible	Estimate date of compliance <i>[must begin after exemption period and take the transitional provisions of the standards into account]</i>
Presentation of financial statements (GRAP 1)	<ul style="list-style-type: none"> Reviewing the presentation of annual financial statement and 	B,B. Mdletshe CFO	31 March 2009
Cash flow statements (GRAP 2)	<ul style="list-style-type: none"> Cash Flow Statements compliant with Grap 2 	B,B. Mdletshe CFO	31 March 2009
Accounting policies, changes in accounting estimates and errors (GRAP 3)	<ul style="list-style-type: none"> Adoption of accounting policies and changes in accounting estimates 	B,B. Mdletshe CFO	31 March 2009
The Effects of Changes in Foreign Exchange Rates (GRAP 4)	<ul style="list-style-type: none"> Not Applicable 		
Consolidated and Separate Financial Statements (GRAP 6)	<ul style="list-style-type: none"> Completed Consolidated financial statements 	B,B. Mdletshe CFO	30 Sept 2009
Investments in Associates (GRAP 7)	<ul style="list-style-type: none"> Not Applicable 		
Interests in Joint Ventures (GRAP 8)	<ul style="list-style-type: none"> Interest in Joint Venture 	B,B. Mdletshe CFO	30 Sept 2009
Revenue from Exchange Transactions (GRAP 9)	<ul style="list-style-type: none"> Not Applicable 		
Construction Contracts (GRAP 11)	<ul style="list-style-type: none"> Not Applicable 		
Inventories (GRAP 12)	<ul style="list-style-type: none"> Valuation of Inventory 	B,B. Mdletshe CFO	30 August 2009
Leases (GRAP 13)	<ul style="list-style-type: none"> Compile a Lease Register 	B,B. Mdletshe CFO	30 June 2009
Events after the Reporting (GRAP 14)	<ul style="list-style-type: none"> Compilation of events after reporting date 	B,B. Mdletshe CFO	30 August 2009
Investment Property (GRAP 16)	<ul style="list-style-type: none"> Separation from other assets in the asset register 	B,B. Mdletshe CFO	30 June 2009
Property, Plant and Equipment (GRAP 17)	<ul style="list-style-type: none"> Adoption of the asset management policy 	B,B. Mdletshe CFO	30 June 2009
Provisions, Contingent Liabilities and Contingent Assets (GRAP 19)	<ul style="list-style-type: none"> Raising of provisions 	B,B. Mdletshe CFO	30 June 2009
Non-current Assets held for Sale and Discontinued Operations (GRAP 100)	<ul style="list-style-type: none"> Transfer from Fixed asset Register 	B,B. Mdletshe CFO	30 June 2009
Agriculture (GRAP 101)	<ul style="list-style-type: none"> N/A 		30 June 2009

APPENDIX J : ANNEXURE B GRAP IMPLEMENTATION PLAN FOR LOW CAPACITY MUNICIPALITY - Cont

FOR THE YEAR ENDED 30 JUNE 2008

Intangible assets (GRAP 102)	<ul style="list-style-type: none"> Separate intangible assets from asset register 	B,B. Mdletshe CFO	30 June 2009
Financial Instruments: Disclosures (IFRS 7/AC 144)	<ul style="list-style-type: none"> Disclosure and Recognition 	B,B. Mdletshe CFO	30 June 2009
Income Taxes (IAS 12/AC 102)	<ul style="list-style-type: none"> N/A 		
Employee benefits (IAS 19/AC 116)	<ul style="list-style-type: none"> Obtain values from joint municipal fund. 	B,B. Mdletshe CFO	30 June 2009
Accounting for Government Grants and Disclosure of Government Assistance (IAS 20/AC 134)	<ul style="list-style-type: none"> Accounting for grants 	B,B. Mdletshe CFO	30 June 2009
Financial Instruments: Presentation (IAS 32/AC 125)	<ul style="list-style-type: none"> Disclosure 	B,B. Mdletshe CFO	30 June 2009
Impairment of Cash- generating Assets (IAS 36/AC 128)	Disclosure	B,B. Mdletshe CFO	30 June 2009
Financial Instruments: Recognition and Measurement (IAS 39/AC 133)	Disclosure	B,B. Mdletshe CFO	30 June 2009
Impairment of non-cash- generating Assets (IPSAS 21)	Disclosure	B,B. Mdletshe CFO	30 June 2009