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Submitted by B.P.O. To AG on Site.

AMAJUBA DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

03/10/08
B.P.O.

AMAJUBA DISTRICT MUNICIPALITY

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GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE COMMITTEE

Councillor MS Mlangeni - Mayor
Councillor TMM Phiri - Deputy Mayor
Councillor MI Dlamini
Councillor DB Mabyakhulu
Councillor JCN Khumalo

GRADING OF LOCAL AUTHORITY

GRADE 3

AUDITORS

AUDITOR-GENERAL

BANKERS

ABSA Bank Limited - Newcastle

REGISTERED OFFICE

Ithala Building
B9356
MADADENI
2951
Private Bag 6615
NEWCASTLE
2940
Tel No.(034)314 3759
Fax No.(034)314 3785

COUNCIL MEMBERS OF AMAJUBA DISTRICT MUNICIPALITY

Cllr. NP Stannard - Speaker
Cllr. P Croft
Cllr. AT Zwane
Cllr. TV Buithelezi
Cllr. LPT Dhlomo
Cllr. MS Duma
Cllr. JP Khumalo
Cllr. HS Madonsela
Cllr. A Chuang Yiu
Cllr. NS Matthews

**COUNCIL MEMBERS OF AMAJUBA DISTRICT
MUNICIPALITY(CONTINUED)**

Cllr. GA Mncube
Cllr. L Monareng
Cllr. BJ Mntambo
Cllr. NJ Ndebele
Cllr. RB Ndima
Cllr. EB Ndlovu
Cllr. AN Radebe
Cllr. JME Damons
Cllr. MA Sibeko
Cllr. TC Thungo

MUNICIPAL MANAGER

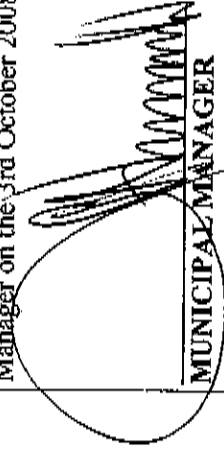
Dr V J Mthembu - D. Administration

CHIEF FINANCIAL OFFICER

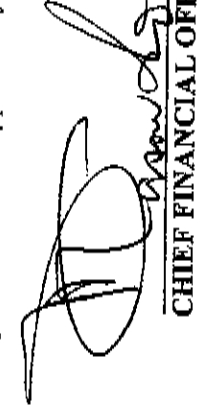
M C Masondo - B.Com (Wits) LIMFO

1.1.1.1 APPROVAL OF FINANCIAL STATEMENTS

The Annual Financial Statements set out on pages ~~4 to 16~~ were received by the Municipal Manager on the 3rd October 2008 and will be presented to and approved by the Council.



MUNICIPAL MANAGER



CHIEF FINANCIAL OFFICER

FOREWORD

It is with great delight that I present the 2007/2008 Financial Statements to the Community, Council, Service Providers, Investors, Business People and parliament.

Much effort has gone into the preparation of the financial statements. In our quest to present user friendly financial statements, we have partly converted to the GRAP accounting convention. Our conversion is in phases, the current phase focusing on property, plant and equipment, while the next and final phase will address the rest of the financial statement areas. The next phase will be at the end of 2008/2009.

The only setback at the moment in getting an unqualified audit opinion is the absence of corresponding financial statements from our multi jurisdictional water entity, uThukela Water. Because of this we cannot fully account for the monies transferred to that entity. This then results in a qualified audit opinion.

The shareholder municipalities started a process of turning that entity around towards the end of 2007. These efforts were aborted when the MEC for local government intervened in that entity in terms of S139 of the Constitution. Since then, the Water Service Authorities (WSA) powers vested and will continue to vest with the MEC until the report from his investigation is finalized and presented to the relevant municipalities.

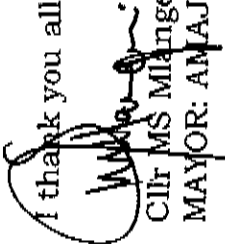
Let me take this opportunity to thank the councilors and staff of the municipality for the selfless contribution to the achievement of our service delivery objectives.

I thank the community for their continued involvement in in public participation drives of the municipality like the Budget and IDP Roadshows.

I also thank the business community of the district area for their continued involvement in LED and AFLED structures where their input is always vital.

Your interest in local government matters is an inspiration to us. It motivates us to do our best while serving you.

I thank you all


Cllr MS Mlangeni

MAYOR: AMAJUBA DISTRICT MUNICIPALITY

**REPORT OF THE CHIEF
FINANCIAL OFFICER**

The annual financial statements presented with this report have been prepared in line with the provisions of the Municipal Finance Management Act using the IMFO guidelines of fund accounting with the exception of property, plant and equipment which is accounted for in terms of GRAP. These financial statements include operational results for water and sanitation services carried out by Uthukela Water on its own behalf. However they do not include the position of the entity in the form of assets and liabilities because such information is not available from the entity. These annual financial statements are therefore unconsolidated. A consolidated set of annual financial statements will be prepared and presented once the information is available from Uthukela Water (Pty) Ltd.

OPERATING RESULTS

The 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		Actual 2008	Variance 2007 - 2008		Budget 2008		Variance Actual/Budget %
	R			R	%	R	%	
Income								
Operating Surplus/(Deficit)	13,547,938		23,682,721		74.8%	-		
Operating Income for the year	45,730,914		65,440,223		43.1%	70,348,133		-7.0%
Other Transfers	3,234,641		16,180,731					
Sub-total	62,513,493		105,303,675		68.4%	70,348,133		49.7%
Expenditure								
Operating Expenditure for the year	38,830,772		56,010,125		44.2%	70,348,133		-20.4%
Other Transfers	-		-					
Operating Surplus/(Deficit)	23,682,721		49,293,550		108.1%			
Sub-total	62,513,493		105,303,675		68.4%	70,348,133		49.7%

Resource Support Services

	Actual 2007	Actual 2008	Variance 2007 - 2008	Budget 2008	Variance Actual/Budget
	R	R	%	R	%
Income	45,730,914	65,440,223	43.1%	70,348,133	-7.0%
Expenditure	38,830,772	56,010,125	44.2%	70,348,133	-20.4%
Surplus / (Deficit)	6,900,142	9,430,098	36.7%	-	100.0%
Surplus as %age of total income	15.1%	14.4%	85.1%	0.0%	14.4%

Resource Support Services: Income by category

	Actual 2007	Actual 2008	Variance 2007 - 2008	Budget 2008	Variance Actual/Budget
	R	R	%	R	%
Water Sales		6,063,896	100.0%	4,956,864	100.0%
Grants & Subsidies	42,727,473	51,238,326	19.9%	60,787,258	-15.7%
Other Income	3,003,441	8,138,001	171.0%	4,604,011	76.8%
Total Income	45,730,914	65,440,223	43.1%	70,348,133	-7.0%

Resource Support Services: Expenditure by Category

	Actual 2007	Actual 2008	Variance 2007 - 2008	Budget 2008	Variance Actual/Budget
	R	R	%	R	%
Salaries, wages and allowances	15,132,736	17,824,649	17.8%	26,692,981	-33.2%
General expenses	20,557,529	33,033,590	60.7%	34,171,868	-3.3%
Repairs and maintenance	266,518	512,243	92.2%	3,427,800	-85.1%
Capital charges	384,051	292,787	-23.8%	1,615,211	-81.9%
Contributions to fixed assets	1,037,863	-	-100.0%	2,388,000	-100.0%
Contributions	1,452,074	2,301,307	58.5%	233,651	884.9%
Depreciation	-	2,045,550	100.0%	1,818,622	100.0%
Total Expenditure	38,830,771	56,010,126	44.2%	70,348,133	-20.4%

CAPITAL EXPENDITURE AND FINANCING

Expenditure on fixed assets incurred during the year amounted to R 2 821 753 (2007: R3 211 074).

The expenditure consists of the following:

	Actual 2008	Budget 2008	Actual 2007
	R	R	R
Equipment & Furniture	616,963	1,357,000	256,022
Motor Vehicles	1,979,006		1,025,435
Infrastructure Projects	109,197	8,300,000	1,234,920
Water Projects		14,504,186	-
Road & Buildings	116,587		153,303
Information Technology Programme			541,389
	2,821,753	24,161,186	3,211,070

A complete analysis of capital expenditure is included in Appendix C. Actual expenditure on water projects is not shown because those assets are under the control of the Water entity. The budget for pit latrine construction to the value of R 5 122 017 is not shown because the latrines are erected on private properties.

ASSETS REDEEMED AND OTHER CAPITAL RECEIPTS

The asset financing funds raised under the IMFO convention have been written back to accumulated surpluses. The following funds were written back

Assets redeemed and advances (paid)	1,437,143
Assets financed from grants	5,686,975
Assets financed from other sources	19,426,787
	26,550,906

INTERNAL LOANS, INVESTMENTS AND OTHER ASSETS

Internal loans outstanding as at 30 June 2008 amount to R 205 141 (R346 460 in 2007) set out in note 4 and Appendix B.

Investments and cash as at 30 June 2008 amount to R 101 532 740 (R72 941 093 in 2007)

RESERVES, RESERVES AND PROVISIONS

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 25 of 1974.

An amount of R32 587 093 was contributed to funds and reserves during the year under review.

The provision for leave payments was increased to R370 873 (R243 843 in 2007).

VIEW OF POST BALANCE SHEET EVENTS

The Council is still awaiting the report from the MEC on his intervention into Uthukela Water.

GENERAL

There were no material matters during the year apart from those already reported on elsewhere in the financial statements.

APPRECIATION

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

**C MASONDO B.COM LIMFO
CHIEF FINANCIAL OFFICER
MAJUBA DISTRICT
MUNICIPALITY**

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd Edition, as amended), except for property, plant and equipment which is accounted for using GRAP in line with the GRAP implementation plan of the municipality approved by National Treasury.

1.2 The financial statements are prepared on the accrual basis:

- Income is accrued when collected and measurable
- Interest is recognised and accounted for as it accrues over time.
- Expenditure is accrued in the year it is incurred.

1.3 Transactions and events are recorded on historical cost, adjusted for Capital expenditure as more fully detailed in note 4. The accounting policies are consistent with those applied in the previous year, except otherwise indicated.

2 GRANTS

2.1 Equitable Share

The municipality's equitable share of nationally raised revenue is gazetted every year in the annual Division of Revenue Act. It is accounted for in terms of note 1 above

2.2 Conditional Grants

Conditional Grants received are contributed to reserves and accounted for on fund accounting basis.

3. CONSOLIDATION

The balance sheet includes the Resource Services and the different funds, provisions and reserves. All inter-departmental charges are set off against each other.

4. INVENTORY

The municipality does not keep any inventory, except for the office consumables, which are accounted for as operating expenses in the income statement.

5. FIXED ASSETS

- 5.1 Property, plant and equipment is stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- 5.2 Tangible fixed assets are reported at historic cost less accumulated depreciation and any write-downs.
- 5.3 Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Amajuba District Municipality and the cost of the item can be measured reliably.
- 5.4 All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.
- 5.5 The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary asset or monetary assets are measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.
- 5.6 Depreciation is straight-lined over the estimated useful economic life of the assets beginning when the asset is ready to be put to use.
- 5.7 Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Years	Other	Years
Infrastructure			
		Buildings	30
		Specialist Vehicles	10
		Other Vehicles	5
Water		Office Equipment	3-7
Sewerage		Furniture and Fittings	7-10
		Watercraft	15
Community		Bins and Containers	5
Buildings		Specialized Plant and Equipment	10-15
Recreational Facilities	20-30	Other items of Plant and Equipment	2-5
		Landfill Sites	15

- 5.8 The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.
- 5.9 The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

- 5.10 Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- 5.11 Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.
- 5.12 Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognized as an expense in the period that the impairment reverses a previous revaluation.
- 5.13 Where impaired land and buildings are revalued, the increase in value of land and buildings are recognized as revenue to the extent that it reverses the impairment loss previously recognized as an expense.
- 5.14 The gain or loss on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognized in the Statement of Financial Performance.
- 5.15 For component accounting, a number of essential components have been identified. The useful life of the various components has been determined.
- 5.16 The cost of self-constructed property, plant and equipment comprises the direct cost of materials; direct manufacturing expenses, appropriate allocations of material and manufacturing overheads.
- 5.17 If the construction phase of property, plant or equipment extends over a long period, the interest incurred on borrowed capital up to the date of completion is capitalized as part of the cost of acquisition or construction.
- 5.18 New installations under construction are valued at the expense already incurred, including interest during the installation period. For buildings, interest paid on construction loans is capitalized.
- 5.19 To the extent a legal or constructive obligation to a third party exists, the acquisition cost includes estimated costs of dismantling and removing the asset and restoring the site.
- 5.20 A change in estimated expenditures for dismantling, removal and restoration is added to and/or deducted from the carrying value of the related asset. To the extent that the change would result in a negative carrying amount, this effect is recognized as income. The change in depreciation charge is recognized prospectively.
- 5.2 Impairment of assets**
- 5.2.1 Property, plant and equipment and intangible assets are considerable for impairment if there is a reason to believe that an impairment may be necessary.
- 5.2.2 Factors taken into consideration in reaching such a decision include the economic viability of that unit itself.

- 5.2.3 Definite-lived intangible assets and property, plant and equipment are amortized over their estimated useful lives. The estimated useful lives are based on estimates of the period during which the assets will generate revenue.
- 5.2.4 Definite-lived assets and property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may no longer be recoverable.
- 5.2.5 Estimates are also used in the course of acquisitions to determine the fair value of assets and liabilities acquired. Land, buildings and equipment are usually appraised independently, while marketable securities are valued at market price.
- 5.2.6 if any intangible assets are identified, depending on the type of asset and the complexity of determining its fair value, Amajuba either consults with an independent appropriate valuation technique which is generally derived from a forecast of the total expected future net cash flows.
- 5.2.7 Assets may be valued using methods based on cost, market price or net present value, depending on the type of asset and the availability of information. The method based on net present value (income approach) is particularly important in relation to intangible assets.
- 5.2.8 Trademarks and licences, for example, are valued by the relief-from-royalty method, which includes estimating the cost savings that result from Amajuba's ownership of trademarks and licences on which it does not have to pay royalties to a licensor. The intangible asset is then recognized at the present value of these savings.

6. FUNDS AND RESERVES

6.1 Consolidated Capital Development Fund

Legislation requires a contribution of at least 3% of the annual revenue accruing to the borough fund and to the relevant trading funds, provided that when a capital development fund which is sufficient for the council's immediate or foreseeable needs, the council may suspend or reduce contributions into such a fund

6.2 Disaster Management Reserve Fund

This fund is established from contributions from the council and the purpose is to render emergency assistance to vulnerable residents during and within the recovery period after disasters.

6.3 Other Reserves

All other reserves are established from grants received and are utilised to assist local municipalities with operating and capital expenditure. The district municipality also utilises a portion of the reserve for own operating and capital expenditure.

7. SURPLUS AND DEFICIT

Any surplus or deficit arising from the operation of each service is retained in that service for its own use.

8. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services is transferred to the various services.

9. LEASED ASSETS

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement.

- Lease finance charges are allocated to the accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.
- All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner relating to the period of use of the assets concerned.

10. INVESTMENTS

Investments are shown at the lower of cost or market value as a result of a permanent decline in the value. Investments are invested in accordance with Section 125 of the Local Authorities Ordinance 1974 (no. 25 of 1974) and in terms of the KwaZulu Natal Joint Services Act(No. 84 of 1990).

11. PROVISIONS

Provisions are established where liabilities are foreseen, but the timing and amounts are not known.

12. RETIREMENT BENEFITS

The Council and its employees contribute to the Natal Joint Municipal Pension Funds, which provides retirement benefits to such employees.

The retirement benefit plan is subject to the Pension Funds Act, 1956, with pensions being calculated on the final annual pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs. Unfavourable experience adjustments and the cost of securing increased benefits are charged to operating income by way of increased contributions usually within five to seven years or such other period

recommended by the actuary. Favourable experience adjustments are retained in the retirement plan. Full actuarial valuations are performed every three years.

AMAJUBA DISTRICT MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2008

	NOTE	2008 R	2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES			
Statutory Funds	2	39,500,158	32,816,449
Reserves	3	16,059,843 <u>23,440,315</u>	14,043,053 <u>18,773,396</u>
ACCUMULATED SURPLUS			
	14	49,293,550	23,682,721
Trust Funds			
Long-Term Liabilities	4 5	18,554,763 205,141	15,000,000 275,607
		<u><u>107,553,612</u></u>	<u><u>71,774,777</u></u>
EMPLOYMENT OF CAPITAL			
Fixed Assets	6	16,329,886	1,304,202
Investments	7	8,166,587 <u>24,496,473</u>	7,121,541 <u>8,425,743</u>
		83,057,140	63,349,034
NET CURRENT ASSETS / (LIABILITIES)			
CURRENT ASSETS			
Debtors	8	115,005,769	85,317,944
Long term Debtors - Short term Portion	8	21,616,676 22,939	19,475,402 22,939
Investments	7	81,858,377	19,399,680
Cash	19	11,507,776 0	46,419,923
		31,948,629	21,968,910
CURRENT LIABILITIES			
Provisions	9	370,873	243,843
Creditors	10	31,504,396	21,654,214
Short-term portion of long-term liabilities	5	73,359 -	70,853
		<u><u>107,553,613</u></u>	<u><u>71,774,777</u></u>

**AMATUBA DISTRICT MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2008**

2007 ACTUAL	2007 EXPEN- DITURE	2007 SURPLUS/ (DEFICIT)	2008 ACTUAL INCOME	2008 EXPEN- DITURE	2008 SURPLUS/ (DEFICIT)	2008 BUDGET SURPLUS/ (DEFICIT)
R	R	R	R	R	R	R
45,401,327	38,830,771	6,900,142	65,440,223	56,010,125	9,430,098	0
RESOURCE SUPPORT SERVICES						
TOTAL						
45,401,327	38,830,771	6,900,142	65,440,223	56,010,125	9,430,098	0
Appropriations for this year (refer to note 14)						
3,234,641					16,180,731	
Net surplus / (deficit) for the year						
10,134,783					25,610,829	
Accumulated surplus / (deficit) at beginning of year						
13,547,938					23,682,721	
ACCUMULATED SURPLUS / (DEFICIT) AT END OF THE YEAR						
<u>23,682,721</u>					<u>49,293,660</u>	

AMAJUBA DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED
30 JUNE 2008

	NOTE	2008 R	2007 R
CASH RETAINED FROM OPERATING ACTIVITIES		26,968,661	19,221,417
CASH GENERATED BY OPERATIONS	15	5,491,548	(12,921,621)
INVESTMENT INCOME	18	9,247,834	5,648,292
(INCREASE) / DECREASE IN WORKING CAPITAL	16	7,507,450	(14,386,978)
		22,246,832	(21,660,307)
LESS EXTERNAL INTEREST PAID		(38,132)	(38,346)
CASH (UTILISED) / AVAILABLE FROM OPERATIONS		22,208,699	(21,621,962)
CASH CONTRIBUTIONS FROM THE PUBLIC AND STATE		4,724,962	40,583,489
NET PROCEEDS ON DISPOSAL OF FIXED ASSETS		35,000	259,890
CASH UTILISED IN INVESTING ACTIVITIES			
INVESTMENT IN FIXED ASSETS	6	(1,813,654)	(3,211,071)
NET CASH FLOW		<u>25,155,007</u>	<u>16,010,346</u>
CASH EFFECTS OF FINANCING ACTIVITIES :			
INCREASE / (DECREASE) IN LONG-TERM LOANS	17	(67,154)	247,545
(INCREASE) / DECREASE IN CASH INVESTMENTS	19	(60,000,000)	14,144,059
(INCREASE) / DECREASE IN CASH	19	34,912,147	(30,401,949)
NET CASH (GENERATED) / UTILISED		<u>(25,155,007)</u>	<u>(16,010,346)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. CHANGE IN ACCOUNTING POLICY

During the year the municipality changed its method of accounting for property, plant and equipment from the IMFO basis to GRAP. This is in terms of the GRAP implementation plan approved by National Treasury, whereby conversion is done in phases. The rest of the financial statements are done on IMFO basis still.

The effect of this change in accounting policy and convention is the increase in our accumulated surpluses by R 26 550 960 being a reversal of IMFO based loans redeemed and other capital receipts. The accumulated surplus also decreased by R 6 857 845 being accumulated depreciation in respect of prior years. A decrease of R9 193 153 was due to assets being written off as a result of non existence.

Current operating income was reduced by R 2 045 550 as a result of the depreciation charge for the year. Nothing was charged for contribution to fixed assets.

2. STATUTORY FUNDS

	2008	2007
	R	R
Consolidated Capital Development	16,059,843	14,043,053
Refer to Appendix A for more detail	<u>16,059,843</u>	<u>14,043,053</u>

	2008	2007
	R	R

3 RESERVES

MUNICIPAL SYSTEMS IMPROVEMENT GRANT	782,204	1,699,641
DWAF-EMERGENCY INTERVENTION:	14,649	13,761
WSDP GRANT:	1,101,651	1,121,225
DEVELOPMENT PLANNING CAPACITY/TOMATOE	125,601	117,988
I.D.P. REVIEW GRANT:	39,199	56,724
DWAF REFURBISHMENT GRANT:	1,046,075	982,671
RURAL SERVICE CENTRE GRANT:	-	403,777
GIS SUPPORT GRANT:	50,672	143,329
MUNICIPAL FINANCE MANAGEMENT/MAP	16	367,093
DIS.MANAGEMENT-CIVIL PROTECT	-	2,733
DIS.MANAGEMENT-UTILITY VEHIC	-	4,021
SPORTS & RECREATIONAL GRANT:	7,075,328	564,762
MIG GRANT:	4,656,065	4,193,206
Shared Service Centre:	514,056	1,025,559
Inter Develop Infra Capacity	142,977	134,311
Institute & Capacity Support	224,908	773,766
Drakensberg Nodal Study Grant	345,095	335,778
DISASTER RELIEF GRANT:	180,491	2,556,342
IMPLEMENT OF SERVICE DELIVER	138,244	432,987
FACILITATION OF BACKLOG STUD	59,173	55,586
DIMMS GRANT:	43,442	234,694
DISASTER MANAGEMENT FORUM:	-	18,500
DISASTER MANAGEMENT PLAN:	236,246	221,927
DISASTER MANAGEMENT CENTRE:	844,137	1,007,175
-PUBLIC TRANSPORT:	312,186	393,264
PROFESSIONAL ASSISTANCE:	492,149	462,319
-INTEGRATED DEVELOPMENT PLAN	160,609	155,184
INKULULEKO YOMPAKATHI TRUST:	1,124	1,056
AMA THUNGWA TRUST FUND:	63,486	59,775

	2008	2007
	R	R
MAP:		
CEMETARY PLAN DBSA	675,406	835,336
DBSA TOMATO PROJECT	21,948	20,618
STRATEGIC SUPPORT GRANT:	162,428	152,584
EMANDLANGENI FEASIBILITY STU	106,451	
WATER CONSERVATION/WATER DEM	638,713	
DROUGHT RELIEF GRANT	828,830	
DEVELOP OF SYNERGIES:GIJIMA:	1,064,522	
ADM GROWTH & DEVELOPMENT SUMMIT	306,804	
KZN AMAJUBA HYDROPHONICS TEC	745,165	225,703
DISASTER MANAGEMENT FUND	240,266	
	23,440,315	18,773,395

4 TRUST FUNDS

2010 Soccer Stadium	18,554,762.57	15,000,000
	18,554,763	15,000,000

(Refer to Appendix A for more detail)

Trust fund monies have been externally invested at De Jager Baqwa Steyn & Maritz (Standard Bank)

5 LONG-TERM LIABILITIES

Finance Leases	278,501	346,460
Annuity Loans	-	0
LESS: Current Portion transferred to Current Liabilities	(73,359)	(70,853)
Finance Leases	73,359	70,853
Annuity loans	-	0
	205,141	275,607

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

The Finance Lease is secured by assets of Amajuba District Municipality as reflected in note 5.

2008 2007
R R

6. FIXED ASSETS

Fixed assets at the beginning of the year	-	25,443,259
Capital expenditure during the year	-	3,211,071
Less: Assets written off, transferred or disposed of during the year	0	(802,373)
Total Fixed Assets	-	27,851,957
Less : Loans redeemed and other capital receipts	0	(26,547,754)
Net Fixed Assets	-	1,304,203

(Refer to note 6 Annexure and Appendices c and unbundling for more information on fixed assets).

7. INVESTMENTS

Unlisted

Short Term Call Deposits	81,858,377	19,399,680
Long Term Deposits	8,166,587	7,121,541
Total Investments	90,024,964	26,521,221

Market value of listed investments, and management's valuation of unlisted investments

Unlisted Investments	-	0
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Average rate of return on investments	10.00%	12.00%
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The Local Authorities (Investment of Funds) Ordinance, No. 23 of 1935 requires local authorities to invest funds, which are not 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.

PROPERTY, PLANT AND EQUIPMENT
30 June 2008

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Intangible Assets	Community	Other	Total
Carrying Values at 01 July 2007	R -	R 131,033	R 541,390	R 7,829,371	R 14,539,904	R 23,041,698
Cost	-	-	-	-	-	-
Capital Under Construction	-	-	-	-	2,821,753	2,821,753
Acquisitions / Write-Ons	-	-	-	-	-	-
Capital Under Construction - Current Year	-	-	-	-	-	-
- Capitalised	-	-	-	-	-	-
Increases / Decreases in Revaluation	-	-	-	-	-	-
Depreciation	-	(7,497)	(180,958)	(288,431)	(1,568,665)	(2,045,550)
- Based on Cost	-	-	-	-	-	-
- Based on Revaluation	-	-	-	-	-	-
Carrying Value of Disposals / Write-Offs	-	(123,537)	-	(7,141,735)	(222,743)	(7,488,015)
- Cost	-	-	-	-	-	-
- Accumulated Depreciation	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-
Carrying Values at 30 June 2008	-	-	R 360,432	R 399,205	R 15,570,249	R 16,329,886
Cost	-	-	-	-	-	-
Capital Under Construction	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
- Cost	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-

222 B

2008 2007
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8. LONG-TERM DEBTORS

Loans to employees	22,939	22,939
Less: Short term portion of long term debtors transferred to current assets	22,939	22,939
	(22,939)	(22,939)
	-	0

8 DEBTORS

Levy Debtors	-	34,398
Suspense & Sundry	18,639,247	15,315,058
VAT-Receiver of Revenue	2,794,338	3,743,420
Accrued Interest	183,090	407,769
Less: Provision for bad debts	0	(25,243)
	21,616,676	19,475,402

Amounts totalling R25 243 were written off against the provision as bad debts.

9 PROVISIONS

Leave Pay	370,873	243,843
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0 CREDITORS

Trade Creditors	4,448,536	6,122,457
Deposits - Other	1,349,293	519,026
Retentions	4,357,977	3,479,406
Thukela Water-Water & Sanitation	21,348,589	11,533,325
	31,504,397	21,654,214

2008 2007
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11 COUNCILLORS REMUNERATION

Mayor's Allowance	458,331	396,251
Deputy Mayor's Allowance	369,544	282,077
Speaker's Allowances	364,132	273,264
Executive Committee Allowances	939,452	1,004,762
Members' allowances	884,075	1,470,923
Sitting Allowances	90,200	54,426
	3,105,734	3,481,703

12 AUDITORS REMUNERATION

Audit Fees-External	645,095	463,166
Audit Fees-Internal	171,563	163,750
	816,658	626,916

13 FINANCE TRANSACTIONS

Total external interest earned or paid:
Interest Earned 9,247,834 5,648,292
Interest Paid 38,132 38,346

Capital Charges debited to operating account:

Interest : External	38,132	38,346
Internal	112,500	120,000
Redemption: External	67,154	150,705
Internal	75,000	75,000
	292,787	384,051

2008
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14 ACCUMULATED SURPLUS

APPROPRIATION ACCOUNT

Accumulated surplus at the beginning of the year
Operating surplus for the year
Appropriations for the year:

23,682,721
9,430,098
16,180,731

13,547,938
6,900,142
3,234,641

Prior Year Expenditure	(86,044)	(314,918)
Cancelled cheque written back	7,150	-
Prior Year levy Income	415,017	2,638,777
Over Provision performance bonuses	200,428	70,682
Vat Audit previous years income	186,058	643,689
Correction over provision of Interest	-	45,368
Prior year interest	50,808	78,182
Cancelled orders	(4,185)	72,861
Bad Debts Written off-Levy Debtors	(9,156)	-
Sundry Income-Prior Years	14,931	-
Property, Plant & Equipment Ex Government Grants	1,008,099	-
Off Setting Depreciation	2,045,550	-
Provision of Accumulated Depreciation	(6,857,845)	-
Disposal of Acc Depreciation Assets	1,705,138	-
Disposal of Assets	(9,193,153)	-
Transfer of Capital Receipt	26,693,865	-
Sundry Receipts	4,070	-

Accumulated surplus at the end of the year

49,293,550

23,682,721

Operating Account

Capital Expenditure
Contributins to Provisions

1,000,000
338,100

0
472,968

Leave Pay

338,100

472,968

Contribution to Consolidated Capital Development Fund
Disaster Management Fund

1,963,207

1,452,074

140,909

3,301,307

2,065,951

	2008	2007
	R	R

15 CASH GENERATED BY OPERATIONS

Surplus / (Deficit) for year	9,430,098	6,900,142
Adjustment in respect of:		
Previous year's operating transactions	16,180,731	-314,918
Appropriations charged against income:	2,301,307	2,065,951
- Capital Development Fund	1,963,207	1,452,074
- Provisions and Reserves	338,100	613,877
Capital Charges:		
Interest paid:		
- to internal funds	112,500	120,000
- on external funds	38,132	38,346
Redemption:		
- of internal advances	75,000	75,000
- of external loans	67,154	150,705
Deferred charges written off	-	0
Levy Income	0	2,638,777
Non-operating Expenditure:		
Expenditure charged against Provisions and Reserves	(22,713,374)	(24,595,624)
	5,491,548	-12,921,621

2008	2007
R	R

16 (INCREASE) / DECREASE IN WORKING CAPITAL

(Increase) / decrease in inventory	-	-
(Increase) / decrease in debtors, long term debtors	(2,137,591)	(15,751,466)
Increase / (decrease) in Creditors	9,850,182	1,048,127
(Increase) / decrease in long term debtors	-	40,754
Increase / (decrease) in short term portion of long -term liabilities	(205,141)	275,607
	<u>7,507,450</u>	<u>(14,386,978)</u>

17 INCREASE / (DECREASE) IN LONG-TERM LOANS (EXTERNAL)

Loans raised	-	398,250
Loans repaid	(67,154)	(150,705)
	<u>(67,154)</u>	<u>247,545</u>

18 (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS

Investment realised	-	14,144,059
Investment made	(60,000,000)	-
	<u>(60,000,000)</u>	<u>14,144,059</u>

19 (INCREASE) / DECREASE IN CASH ON HAND

Cash balance at the beginning of the year	46,419,923	16,017,974
Less: Cash Balance at the end of the year	11,504,576	46,419,923
Petty Cash	3,000	-
Cashiers Deposit	200	-
	<u>34,912,147</u>	<u>(30,401,949)</u>

2008
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20 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- Approved and contracted for	17,364,333	18,524,348
- Approved but not yet contracted for	-	-
	<u>17,364,333</u>	<u>18,524,348</u>

This expenditure will be financed from:

- Consolidated Capital Development and Loans Fund	-	18,524,348
- Government Grants	17,364,333	-
- Other	-	-
	<u>17,364,333</u>	<u>18,524,348</u>

2008 2007
R R

21 DISCLOSURES IN RESPECT OF OFFICIALS

The following total packages were paid to the undermentioned officials during the year under review

Municipal Mmanger	719,228.00	340,758.00
Chief Financial officer	543,876.00	0.00
Director : Corporate Sservices	496,266.00	537,808.00
Director : Community Sservices	496,265.00	539,126.00
Director : Engineering Services	496,265.00	532,319.00
Director : Planning and development	495,266.00	554,336.00
Director : Strategic support		429,092.00
CFO (Consultant)		550,000.00
	<u>3,247,166.00</u>	<u>3,483,439.00</u>

22 COMPULSORY DISCLOSURES

Municipal entities

Name of entity : Uthukela Water

The water entity is currently under the control of the MEC for local government as a result of his intervention in terms of s139 of the Constitution.

Contributions to organised local government

SALGA KZN

A contribution of R 128 260 was made during the year to organised local government.

Employee contributions

The following contributions were made to the respective funds on behalf of employees as part of their service conditions.

Pension fund contributions	2,114,884.00	719,421.00
Medical aid contributions	707,654.00	280,946.00
	<u>2,822,538.00</u>	<u>1,000,367.00</u>

2008 2007
R R

Contingent Liabilities

There were no contingent liabilities that the municipality is exposed to as the end of the financial year.

Irregular or Fruitless and Wasteful Expenditure and Losses

There were no material irregular or fruitless and wasteful expenditure and material losses reported during the year under review.

Related Party Transactions

Name of party	Relationship	Amount
Uthukela Water	Shared control entity	9,815,264
<u>Investment summary</u>		
The following investments were held by the municipality as at 30 June 2008		
Investec Bank		8,166,587
ABSA		33,479,873
Standard Bank		27,990,004
Nedbank		20,388,948
		<u>90,025,412</u>
		<u>26,521,221</u>

Banking Information

The municipality operated one primary bank account during the year under review

Bank Name	Amount at year end
ABSA	11,507,776
	46,419,923

ACCUMULATED FUNDS, PROVISIONS AND RESERVES

	UNSPENT BALANCE 01/07/2007	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	OPERATING EXPENDITURE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2008
VERNMENT GRANTS							
MUNICIPAL SYSTEMS IMPROVEMEN	1,699,641	1,000,000	47,430	1,964,847			782,204
IAF-EMERGENCY INTERVENTION:	13,761	-	888				14,649
SDP GRANT:	1,121,225	-	66,772	86,346			1,101,651
VELOPMENT PLANNING-CAPACITY/TOMATOE	117,988	-	7,613				125,601
IP REVIEW GRANT:	56,724	-	2,376	19,901			39,199
IAF REFURBISHMENT GRANT:	982,671	-	63,404				1,046,075
RAL SERVICE CENTRE GRANT:	403,777	-		403,777			(0)
S SUPPORT GRANT:	143,329	-	3,071	32,918	62,810		50,672
MUNICIPAL FINANCE MANAGEMENT/MLP	367,093	-	-	367,093			0
MANAGEMENT-CIVIL PROTECT	4,021	-	-	2,717			16
MANAGEMENT-UTILITY VEHIC	4,021	-	-	4,021			(0)
SPORTS & RECREATIONAL GRANT:	564,762	8,750,000	429,843	15,078,032	2,648,277		7,075,326
S GRANT:	4,193,206	19,067,989	328,152	542,660	3,855,250		4,656,065
red Service Centre:	1,020,599	-	31,857				514,056
er Develop Infra Capacity	134,311	-	8,666				142,977
uture & Capacity Support	773,766	-	13,632	562,490			224,908
rensberg Model Study Gran	335,778	-	20,917	11,600			345,095
ASTER RELIEF GRANT:	2,556,342	-	10,940	2,386,791			180,491
ELEMENT OF SERVICE DELIVER	432,987	-	8,379	303,122			138,244
ELITATION OF BACKLOG STUD	55,584	-	3,587				59,173
ALS GRANT:	234,694	-	2,635	193,885			43,442
ASTER MANAGEMENT FORUM:	18,500	-	14,319	18,500			(0)
ASTER MANAGEMENT PLAN:	221,927	-	51,164	127,057	87,145		236,246
ASTER MANAGEMENT CENTRE:	1,007,175	-	18,922	100,000			844,137
LIC TRANSPORT:	462,319	-	29,830				312,186
FESSIONAL ASSISTANCE:	155,184	-	9,735	4,310			492,149
ERGRATED DEVELOPMENT PLAN	1,056	-	68				1,124
ULULEKO YOMPAKATHI TRUST:	59,775	-	3,848	137			63,486
THUNSWA TRUST FUND:	835,336	-	40,937	200,867			675,406
ETARY PLAN DBSA	20,618	-	1,330				21,948
A TOMATO PROJECT	152,584	-	9,844				162,428
ATEGIC SUPPORT GRANT:		100,000	6,451				106,451
INDANGENAI FEASIBILITY STU		600,000	38,713				638,713
TER CONSERVATION/WATER DEK		784,000	50,236	5,406			828,830
UGHT RELIEF GRANT		1,000,000	64,522				1,064,522
ELOP OF SYNERGIES-GIJIMA:		485,104	18,596	196,896			306,804
GROWTH & DEVELOPMENT SUMMIT		100,000	-	100,000			-
AMATUBA HYDROPHONICS TEC		700,000	45,165				745,165
AL CONDITIONAL GRANTS & RECEIPTS	18,547,492	32,587,093	1,482,120	22,713,374	6,673,482	-	23,200,049
DS							
ASTER MANAGEMENT FUND:	225,703	-	14,563				240,266
AL FUNDS	225,703	-	14,563				240,266
ACCUMULATED FUNDS							
SOLIDATED CAPITAL DEVELOPMENT FUND	11,857,992	112,500	-	-	1,000,000		10,970,492
BEST EARNED	1,835,284	1,963,207	906,082	-	-		4,704,553
SEEDS ON DISPOSAL OF ASSETS	349,798	35,000	-	-	-		384,798
AL CAPITAL DEVELOPMENT FUND	14,043,074	2,110,707	906,082	-	1,000,000	-	16,059,843
TSIONS							
E PAY	243,843	257,051	-	130,021			370,873
IL PROVISIONS	243,843	257,051	-	130,021			370,873
IT FUNDS							
SOCCER STADIUM TRUST FUND	15,000,000	2,000,000	1,554,763				18,554,763
AL TRUST FUNDS	15,000,000	2,000,000	1,554,763				18,554,763

AMAJUBA DISTRICT MUNICIPALITY
APPENDIX B
SCHEDULE OF EXTERNAL LOANS AT 30 JUNE 2008

EXTERNAL LOANS	Issued	Loan No.	Redeemable	Balance at		Received during	Redeemed /		Balance at	
				30/06/2007	30/06/2011		written off	30/06/2008		
				R	R	R	R	R	R	
Financial Leases:										
2006 @ 9.50%		71836458	30/06/2011	346,460	-	-	67,960	278,501		
Total Financial Leases				346,460	-	-	67,960	278,501		
Total External Loans				346,460	-	-	67,960	278,501		

INTERNAL ADVANCES TO BORROWING SERVICES

Issued	Interest rate	Periods Left	Balance at		Received during	Redeemed /		Balance at	
			30/06/2007	30/06/2008		written off	30/06/2008		
			R	R	R	R	R	R	
Capital Development Fund	10%	14	1,125,000	-	-	75,000	1,050,000		
Total External Loans			1,125,000	-	-	75,000	1,050,000		

AMAJUBA DISTRICT MUNICIPALITY
APPENDIX B (I)
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

Cont

	Opening Balance	Additions / Write-Offs	Work in Progress	Disposals / Write-Offs	Opening Balance	Additions / Write-Offs	Disposals / Write-Offs
STRUCTURE ASSETS							
Iron Pumps - Central	61,632	-	-	(61,632)	-	-	-
Iron Pumps - North	-	-	-	-	-	-	-
Sanitation (sewer) - Water Tanks	61,632	-	-	(61,632)	-	-	-
	87,892	-	-	(87,892)	-	-	-
	87,892	-	-	(87,892)	-	-	-
Infrastructure Assets							
	149,523	-	-	(149,523)	-	-	-
PROPERTY ASSETS							
Hospitality Centres	6,470,400	-	390,000	(6,087,390)	-	-	(241,390)
Industrial Facilities and Facilities	6,470,400	-	390,000	(6,087,390)	-	-	(241,390)
Sports Facilities	1,439,237	-	-	(1,439,237)	-	-	(113,961)
Grass Fields	1,439,237	-	-	(1,439,237)	-	-	(113,961)
Community Assets	7,909,636	-	390,000	(7,496,644)	-	-	(354,911)
ASSETS							
Equipment	11,963,243	(16,267)	-	(71,989)	748,000	402,884	(69,103)
Infrastructure	1,698,382	481,126	-	(6,806)	1,058,043	262,074	(4,731)
Plant	947,336	163,811	-	(6,806)	407,327	147,169	-
Office	3,581,037	1,979,006	-	(1,290,000)	1,993,905	724,982	(1,380,304)
Other	220,100	309,197	-	(1,546,984)	62,378	32,314	(70,067)
ASSETS BROUGHT FORWARD	18,810,398	2,821,733	-	(1,846,984)	4,270,454	1,568,665	(1,384,231)
ASSETS BROUGHT FORWARD	18,810,398	2,821,733	-	(1,846,984)	4,270,454	1,568,665	(1,384,231)

AMAJUBA DISTRICT MUNICIPALITY

APPENDIX B (I)
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

Cont

	Opening Balance	Additions / Write-Offs	Under Construction	Disposals / Write-Offs	Opening Balance	Additions / Write-Offs	Disposals / Write-Offs
INTELLIGIBLE ASSETS							
Software	18,810,398	2,821,733	-	(1,846,984)	4,270,454	1,568,665	(1,384,231)
Intangible Assets	984,487	-	-	-	483,067	180,996	-
RURAL ASSETS							
Land	984,487	-	-	-	483,067	180,996	-
CULTURAL ASSETS							
	27,833,964	2,821,733	380,000	(8,195,153)	4,793,858	2,030,963	(1,679,145)
ASSETS BROUGHT FORWARD	27,833,964	2,821,733	380,000	(8,195,153)	4,793,858	2,030,963	(1,679,145)

ANAZUBA DISTRICT MUNICIPALITY
 APPENDIX B (i)
 ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost			Accumulated Depreciations		
	Opening Balance	Additions / Write-Offs	Work in Progress	Disposals / Write-Offs	Depreciation This Fin Year	Disposals / Write-Offs
VE LEASES						
Vehicle Lease	305,329	-	-	-	307,945	-
Vehicle Lease	548,250	-	-	-	-	-
ALL ADVANCES						
Trade	643,579	-	-	-	107,945	-
	1,500,000	-	-	-	50,137	-
	1,500,000	-	-	-	50,137	-
	2,343,579	-	-	-	159,082	-
INT RECEIVED & ADVANCES PAID						
	172,119	-	-	-	-	-
GRANT & SUBSIDIES						
INCOME	11,786	149,956	-	-	4,971	-
	5,759,767	-	-	(1,563,263)	504,743	(630,834)
	11,740	-	-	(870)	2,086	-
	5,743,293	225,943	-	(3,564,233)	519,819	(630,930)
INCOME FROM OPERATING INCOME	15,505,830	858,122	-	(4,631,228)	738,963	(310,939)
	4,116,916	21	-	(795,402)	517,605	(762,748)
	4,375	1	-	(1,390)	626	(1,374)
	19,727,121	1,733,666	-	(5,428,923)	90,459	(18)
	27,853,924	2,821,758	-	(9,153,152)	1,337,649	(1,074,190)
					2,045,550	(1,705,136)

AMATUBA DISTRICT MUNICIPALITY

APPENDIX C

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2007

Fixed Assets	Description	TOTALS
	Executive and Council	1,118,267
	Municipal Manager	255,953
	Corporate Services/Gijima	12,784,752
	Community Services	8,673,444
	Financial Services	1,281,187
	Engineering Services	2,416,189
	Planning & Development Services	1,324,202
	Other	-
	TOTALS	27,853,994

Historical Cost	Opening Balance	Cost	27,853,994	2,821,753	(9,193,153)	21,460,594
	Disposals / Write-Offs	Additions / Write-Ons	Disposals / Write-Offs	Additions / Write-Ons	Disposals / Write-Offs	Disposals / Write-Offs
	1,118,267	74,839	(15,044)	(15,044)	1,178,091	1,178,091
	255,953	16,782	(300)	(300)	27,278,456	27,278,456
	12,784,752	184,069	(5,495)	(5,495)	12,438,812	12,438,812
	8,673,444	1,282,800	(7,503,835)	(7,503,835)	844,409	844,409
	1,281,187	88,807	(1,389)	(1,389)	1,368,204	1,368,204
	2,416,189	805,191	(1,515,724)	(1,515,724)	1,705,656	1,705,656
	1,324,202	399,565	(151,366)	(151,366)	1,572,391	1,572,391
	-	-	-	-	-	-
	27,853,994	2,821,753	(9,193,153)	(9,193,153)	21,460,594	21,460,594

Accumulated Depreciation	Opening Balance	Write-Ons / Additions	Write-Offs / Disposals	2,045,550	(1,708,138)	4,812,296
	Disposals / Write-Offs	Write-Ons / Additions	Write-Offs / Disposals	Write-Ons / Additions	Write-Offs / Disposals	Write-Offs / Disposals
	183,829	49,779	(14,998)	147,679	(149,229)	147,679
	121,819	563,763	(4,713)	228,380	(1,178,803)	1,625,334
	939,730	273,618	(356,205)	639,068	(890)	610,844
	273,618	49,779	(300)	233,052	(890)	233,052
	1,625,334	1,198,788	(4,713)	1,47,679	(1,178,803)	1,625,334
	879,988	329,794	(14,998)	879,988	(149,229)	879,988
	4,812,296	2,045,550	(1,708,138)	2,045,550	(1,708,138)	4,812,296

Carrying Value	16,929,88
648,26	1,011,9
11,664,54	1,865,62
825,60	1,030,74
693,98	1,929,98
16,929,88	16,929,88

Expenditure 2007	Service	Budget 2008	Balance at 30/06/2008	Expenditure 2007	Written off transferred	Balance at 30/06/2008
3,211,071	Resource Support Services	0	27,851,957	8,327,810	97,099	36,082,668
3,211,071	TOTAL FIXED ASSETS	0	27,851,957	8,327,810	97,099	36,082,668
2,898,528	LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		26,550,906	8,470,770	97,099	34,924,577
225,705	Balance before Implementation of Gamap Loans redeemed & Advances Repaid					
841,448	Contributions from operating income					
1,831,375	Grants and Subsidies					
312,542	NET FIXED ASSETS		1,301,051	(142,960)	0	1,158,092
	Implementation of Gamap Redemption on External Loans 2007 was transferred to Accumulated Surplus	(26,550,905,66)				
	Accumulated Surplus	(1,437,143)				
	Redemption on previous internal loans was transferred to accumulated surplus	0				
	PPE previously financed from grants transferred to Accumulated Surplus	(5,686,975)				
	PPE previously financed from operations transferred to Accumulated Surplus	(19,426,787)				

AMAJUBA DISTRICT MUNICIPALITY

APPENDIX C : ANALYSIS OF FIXED ASSETS

Expenditure 2007	Service	Budget 2008	Balance at 30/06/2008	Expenditure 2007	Written off transferred	Balance at 30/06/2008
3,211,071	Resource Support Services	0	27,851,957	8,327,810	97,099	36,082,668
3,211,071	TOTAL FIXED ASSETS	0	27,851,957	8,327,810	97,099	36,082,668
2,898,528	LOANS REDEEMED AND OTHER					
2,898,528	CAPITAL RECEIPTS					
2,898,528	Balance before Implementation of Gompap		26,550,906	8,470,770	97,099	34,924,577
225,705	Loans redeemed & Advances Repaid					
841,448	Contributions from operating income					
1,831,375	Grants and Subsidies					
312,542	NET FIXED ASSETS		1,301,051	(142,960)	0	1,158,092
	Implementation of Gompap		(26,550,905.66)			
	Redemption on External Loans 2007 was transferred to					
	accumulated Surplus		(1,437,143)			
	Redemption on previous internal loans was transferred to		0			
	accumulated surplus					
	PPE previously Financed from Grants transferred to Accumulated					
	Surplus		(5,686,975)			
	PPE previously Financed from operations transferred to					
	Surplus		(19,426,787)			

ANALYSIS OF FIXED ASSETS-LOANS REDEEMED & GRANTS & OPERATIONS

AMATJUBA DISTRICT MUNICIPALITY

IMPLEMENTATION OF GAMAP 17

2007

LOANS REDEEMED AND OTHER

CAPITAL RECEIPTS

Balance before Implementation of Gamap
 Loans redeemed & Advances Repaid
 Contributions from operating income
 Grants and Subsidies

1,437,143
19,426,787
5,686,975

26,550,906

Implementation of Gamap

Redemption on External Loans 2007 was transferred to Accumulated Surplus
 Redemption on previous internal loans was transferred to accumulated surplus
 PPE previously Financed from Grants transferred to Government Grant Reserve Fund
 PPE previously financed from operations transferred to Accumulated Surplus

(26,550,905.66)
(1,437,143)
0
(5,686,975)
(19,426,787)

0

AMAJUBA DISTRICT MUNICIPALITY
APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2008

Actual 2007 R	Actual 2008 R	Budget 2008 R
<u>INCOME</u>		
	51,238,326	60,787,258
Government and Provincial grants and subsidies	0	0
Levy income	6,063,896	4,956,864
Water sales	0	0
Sanitation Fees	8,138,001	4,604,011
Other	<u>65,440,223</u>	<u>70,348,133</u>
<u>EXPENDITURE</u>		
	17,824,649	26,692,981
Salaries, wages and allowances	2,045,550	1,818,622
Depreciation	33,033,590	34,171,868
General expenses	512,243	3,427,800
Repairs and maintenance	292,787	1,615,211
Capital charges	0	2,388,000
Contributions to fixed assets	2,301,307	233,651
Contributions	0	0
Capital Projects	<u>56,010,125</u>	<u>70,348,133</u>
Gross expenditure		
Less: Amounts charged out	0	0
Net expenditure	<u><u>56,010,125</u></u>	<u><u>70,348,133</u></u>
38,830,772		
0		
<u><u>38,830,772</u></u>		

AMAJUBA DISTRICT MUNICIPALITY
APPENDIX E

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	2008 Budget Surplus/(Deficit) R
Executive Mayor & Council	11,207,261	11,207,261	(11,207,261)	22,739,896	19,872,317	2,867,579	1,403,290
Municipal Manager	4,893,998	4,893,998	(4,893,998)	-	6,138,566	(6,138,566)	(6,373,883)
Corporate Services	98,778	5,275,991	(5,177,213)	208,812	5,962,972	(5,754,160)	(9,609,254)
Social Services - Community Services	1,390,184	3,913,972	(2,523,788)	1,019,000	7,286,828	(6,271,828)	(7,749,290)
Financial Services - SCM and Operations	32,143,143	5,532,746	24,610,397	38,365,175	5,098,181	33,266,994	30,078,763
Financial Services - Budget & Treasury	-	-	-	867,893	1,258,290	(390,397)	(607,627)
Technical Services	13,854,254	4,169,732	9,734,522	768,600	4,041,962	(3,273,362)	(9,949,648)
Social Services - Community H&S	-	3,254,517	(3,254,517)	903,777	848,540	58,238	6,605
Planning and Economic Dev	532,265	532,265	-	100,170	5,053,522	(4,953,352)	(6,903,980)
PTMMS Centre	-	-	-	-	-	-	-
Social Services - Health & Disaste	-	-	-	-	478,947	(478,947)	(1,623,474)
UTRUK's Water -Entity	-	-	-	474,300	-	474,300	48,276
Sub-Total	45,725,914	38,830,772	6,900,142	65,440,223	56,010,125	9,430,098	-
Less: Inter-Departmental charges	-	-	-	-	-	-	-
TOTAL	45,725,914	38,830,772	6,900,142	65,440,223	56,010,125	9,430,098	-
Appropriations for three years (refer to note 15)	3,234,641	-	3,234,641	-	-	16,180,731	-
Net surplus / (deficit) for the year	10,184,783	-	10,184,783	-	-	25,610,829	-
Accumulated surplus / (deficit) at beginning of year	13,547,998	-	13,547,998	-	-	23,682,721	-
ACCUMULATED SURPLUS / (DEFICIT) AT END OF THE YEAR	23,682,721	-	23,682,721	-	-	49,293,550	-

APPENDIX F
STATISTICAL INFORMATION

Number of Councillors of the Municipality	25
Number of employees of the Municipality	54

MUNICIPAL PERFORMANCE REPORTING FRAMEWORK

AMAJUBA DISTRICT MUNICIPALITY

SECTION 1

LEGISLATED KEY PERFORMANCE INDICATORS

REGULATION 10: MUNICIPAL PLANNING AND PERFORMANCE REGULATIONS, DATED 21 AUGUST 2001

NO	ITEM	STANDARD PROVINCIAL INDICATOR/MUNICIPAL PERFORMANCE INDICATOR	BACKLOG	PREVIOUS YEARS CONCLUDING BASELINE TARGET FROM THE IDP (2006/2007)	ANNUAL DEVELOPMENT TARGET FROM THE IDP (2007/2008 IDP TARGET)	CURRENT YEARS CONCLUDING BASELINE MEASUREMENT (2007/2008)	3 YEAR TARGET FROM THE IDP (2006/2011)	ACTIONS TO CORRECT UNDER PERFORMANCE/ COMMENTS	SOURCE OF INFORMATION	AUDIT
1	SERVICE DELIVERY	Number of households with access to basic water	18474	2119	3500	2087	14268	PROJECTIONS: When considering the present level of funding available through the MIG programme as the only funding source, the complete eradication of the water services backlog in the VWSA area of jurisdiction will be achievable by 2018 only and does not account for possible customer growth in this timeframe. It can also be stated that in order to achieve the national target of eradicating the backlog by 2008, a funding cash flow of approximately R50 million per annum would be required. REQUIRED FUNDING COMMENT: R250 million is required to address the Water backlogs (20 BDD customers) by 2009. Therefore ADM must motivate for additional funding from MIG or DWAF.	2005 backlog study and MIG business plans, WSDP, MIG	YES
2	SERVICE DELIVERY	Number of households with access to basic sanitation	21105	1268	1719	787	17310	In accordance with the revised WSDP, in order to eradicate the Sanitation backlog by 2012, an allocation of R20 million is required per annum. Therefore ADM must motivate for additional funding from MIG or DWAF.	2005 backlog study and MIG business plans, WSDP, MIG	
	CAP budget original	R 15,076,367	R 3,330,087	R 3,330,087	R 3,330,087	R 3,330,087	R 3,330,087			
	CAP budget actual spent	none	none	none	none	none	none			
3	SERVICE DELIVERY	Number of households with access to basic electricity	not applicable	not applicable	not applicable	not applicable	not applicable		not applicable	
	CAP budget original	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable		not applicable	
	CAP budget actual spent	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable		not applicable	
4	SERVICE DELIVERY	Number of households with access to basic solid waste removal	not applicable	not applicable	not applicable	not applicable	not applicable		not applicable	
	CAP budget original	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable		not applicable	
	CAP budget actual spent	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable		not applicable	
5	SERVICE DELIVERY	Number of households with access to Free Basic Water	18474	2119	3500	2087	14268	Erradication of backlogs for the indigent households is estimated at 2263 Per annum	Baseline figures 2005-Less than R 500 and less than R 1100.	
	CAP budget original	R 13,642,170	R 4,500,000	R 4,500,000	R 4,500,000	R 4,500,000	R 4,500,000			
	CAP budget actual spent	None	None	None	None	None	None			
6	SERVICE DELIVERY	Number of households with access to Free Basic Sanitation	no information available	no information available	no information available	no information available	no information available		to conduct a backlog study	
	CAP budget original	no information available	no information available	no information available	no information available	no information available	no information available			
	CAP budget actual spent	no information available	no information available	no information available	no information available	no information available	no information available			
7	SERVICE DELIVERY	Number of households with access to Free Basic Electricity	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality		
	CAP budget original	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable			
	CAP budget actual spent	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable			

SECTION 2
ADDITIONAL PROVINCIAL KEY PERFORMANCE INDICATORS

NO	ITEM	STANDARD PROVINCIAL INDICATOR/MUNICIPAL PERFORMANCE INDICATOR	PREVIOUS YEARS MEASUREMENT CONSOLIDATED (2006/2007)	ANNUAL DEVELOPMENT TARGET FROM THE IDP (2007/2008 IDP TARGET)	CURRENT YEARS MEASUREMENT CONSOLIDATED BASELINE (2007/2008)	3 YEAR TARGET OF THE IDP (2010/2011 TARGET)	ACTIONS TO CORRECT	SOURCE OF INFORMATION	YES
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18	SERVICE DELIVERY	Number of Councilors undergone leadership development training	25	Information not available	25	not applicable		City register	YES
19	SERVICE DELIVERY	Number of senior management (section 57) undergone leadership development training	0	Information not available	0	not applicable	Control meet 57 managers have leadership skills	Monthly Expenditure Report	
	CAP budget original		R 30,000	R 45,000	R 45,000	0			
	CAP budget adjusted		R 30,000	R 45,000	R 45,000	0		Budget 2007/08	
	CAP budget actual spent		not applicable	not applicable	not applicable	0		Final Adjustment Budget	
20	SERVICE DELIVERY	% improved cost recovery with respect to trading services: water	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality		
	CAP budget original		not applicable	not applicable	not applicable	not applicable			
	CAP budget adjusted		not applicable	not applicable	not applicable	not applicable			
	CAP budget actual spent		not applicable	not applicable	not applicable	not applicable			
21	SERVICE DELIVERY	% improved cost recovery with respect to trading services: sanitation	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality		
	CAP budget original		not applicable	not applicable	not applicable	not applicable			
	CAP budget adjusted		not applicable	not applicable	not applicable	not applicable			
	CAP budget actual spent		not applicable	not applicable	not applicable	not applicable			
22	SERVICE DELIVERY	% improved cost recovery with respect to trading services: electricity	not applicable	not applicable	not applicable	not applicable	service a responsibility of Eskom		
	CAP budget original		not applicable	not applicable	not applicable	not applicable			
	CAP budget adjusted		not applicable	not applicable	not applicable	not applicable			
	CAP budget actual spent		not applicable	not applicable	not applicable	not applicable			
23	SERVICE DELIVERY	% improved cost recovery with respect to trading services: refuse	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality		
	CAP budget original		not applicable	not applicable	not applicable	not applicable			
	CAP budget adjusted		not applicable	not applicable	not applicable	not applicable			
	CAP budget actual spent		not applicable	not applicable	not applicable	not applicable			

PERFORMANCE INDICATOR	MEASUREMENT (2007/2008)	MEASUREMENT (2007/2008 IDE TARGET)	MEASUREMENT (2007/2008)	TARGET	service a responsibility of local municipality	service a responsibility of local municipality	service a responsibility of local municipality
24 SERVICE DELIVERY	% Improved cost recovery with respect to trading services: municipal rates	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality
25 SERVICE DELIVERY	% Improved cost recovery with respect to trading services: other (state others by inserting appropriate lines)	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality
26 SERVICE DELIVERY	% Improved cost recovery with respect to trading services: other (state others by inserting appropriate lines)	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality
27 SERVICE DELIVERY	% of MIC budget spent	100%	100%	100%	No actions	No actions	MIG cashflow and MIG allocation
27 SERVICE DELIVERY	% of total municipal capital budget spent	R 14,400,010	R 20,687,000	R 18,175,281	R 77,910,000	Municipality received more money whereas it budgeted less. Projects rolled over to the next financial year	
28 SERVICE DELIVERY	% of the municipal capital budget spent in applicable nodes as per the PSEDS	0%	25%	25%	100%	Drinksburgs nodal study and spatial development in progress	
29 SERVICE DELIVERY	% of the municipal capital budget spent in applicable corridors as per the PSEDS	0%	25%	25%	100%	Money transferred to Amajuba in the 2007/08 financial year	
30 SERVICE DELIVERY	% of the total capital budget spent in strategic intervention areas of the Spatial Development Framework	not applicable	0%	25%	100%		
31 SERVICE DELIVERY	% of the total municipal budget allocated to the development of community social infrastructure	not applicable	R 1 001,850	R 1 444,450	R 10,850,100		
31 SERVICE DELIVERY	GAP budget original	R 206,888	R 1,444,450	R 1,444,450	R 10,850,100		Budget 2007/08
	GAP budget adjusted	R 669,000	R 1,444,450	R 1,444,450	R 10,850,100		Final Adjustment Budget
	GAP budget actual spent	R 578,000	R 1,439,830	R 1,439,830	R 10,850,100		Monthly Expenditure Report
32 SERVICE DELIVERY	Number of households serviced with formal housing	not applicable	not applicable	not applicable	Not ADM's responsibility/function	Not ADM's responsibility/function	
33 SERVICE DELIVERY	Number of ward committees established	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality
34 SERVICE DELIVERY	(Number of ward committees functional (conduct meetings, have records and discuss issues with the municipality)	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality
35 SERVICE DELIVERY	Number of ward committees trained	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality

