

**ZULULAND DISTRICT MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**

**for the year ended**

**30 June 2008**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 24, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 13 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act.

\_\_\_\_\_  
**J H DE KLERK**  
**Municipal Manager**

\_\_\_\_\_  
**Date**

**ZULULAND DISTRICT MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**

**for the year ended 30 June 2008**

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## **ACCOUNTING POLICIES**

### **1. BASIS OF PRESENTATION**

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers (IMFO) in its code of accounting practice(1997) and report on published annual financial statements (second edition – 1996).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in accounting policy note 2. The accounting policies are consistent with those of the prior years except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
- \* Expenditure is accrued in the year it is incurred.
  - \* Income is accrued when measurable and available to finance operations.

### **2. FIXED ASSETS**

Fixed assets are resources owned by Council from which future economic benefits are expected to flow. All assets are capitalised.

#### **2.1 Fixed assets are stated**

- \* At historical cost
- \* At valuation (based on market price or insured value at date of acquisition) where assets have been acquired by grant or donation, whilst they are in existence and fit for use.

#### **2.2 Depreciation**

The balance shown against the heading "loans redeemed and other capital receipts" in the notes is tantamount to a provision for depreciation, however, structural differences do exist. By way of this "Provision" assets are written down over their useful life.

Apart from advances from the various Council funds, assets may also be acquired through:

- \* Appropriations from income where full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provision for depreciation.
  - \* Grant or donation, where the amount representing the value of such grant or donation is immediately credited to "loans redeemed and other capital receipts" account.
- 2.3 All net proceeds from the sale of fixed assets are credited to the Project Development Fund.
- 2.4 Fixed Assets are financed from operating income, grants and donations and external loans.

### **3. INVENTORY**

Inventory is valued at lower of cost or net realisable value. Stationery is expensed in the year in which it is acquired.

4. **FUNDS, RESERVES AND PROVISIONS**

4.1 **Project Development Fund**

The annual budget allocation to projects is a contribution to the Project Development Fund with the objective of providing funds for project development. Project expenditure is financed from this fund. Funds received as equitable share are not contributed to Project Development Fund.

4.2 **Accrued Leave Fund**

This provision was established to provide for accrued leave payments to employees who could be resigning or retiring from service as well as accumulation of leave accruals during the year. A provision equal to the actual leave credit at 30 June is maintained to provide for leave payments on request. Contributions are charged against the department concerned.

4.3 **Bursary Fund**

The bursary provision is established to assist employees for studies at a tertiary educational institution. The contribution based on anticipated commitments is charged against income.

5. **RESERVES**

All funds in reserves are utilised for the purposes for which funds were reserved. For details of reserves see Appendix A.

6. **RETIREMENT BENEFITS**

Zululand District Municipality and its employees contribute to the Natal Joint Municipal Pension Fund, which provides retirement benefits to the employees. Current pension contributions are charged against operating income on the basis of current service costs. The retirement benefit plan is subject to the rules and regulations prescribed by the Local Government Superannuation Ordinance (no. 24 of 1973) and in accordance with the Pension Funds Act, 1956. Full actuarial valuations are performed at least every three years. Some Councillors belong to the Councillors' Pension Fund.

7. **SURPLUS AND DEFICITS**

Any surpluses / (deficits) are retained within the Council for its use.

8. **ADMINISTRATIVE EXPENSES RECHARGED**

8.1. **PIMMS, INDONSA, FMG, LGSETA, AIRPORT AND PLANNING**

100% of PIMMS operating expenditure is recharged to the MSIG fund.

100% of INDONSA operating expenditure is recharged to the INDONSA fund.

100% of Finance Management Grant operating expenditure is recharged to the Finance Management grant fund.

100% of LGSETA operating expenditure is recharged to the LGSETA fund.

100% of Planning operating expenditure is recharged to the Development Planning fund.

100% of Airport operating expenditure is recharged to the Ulundi Airport fund.

**9. LEASED ASSETS**

Leases are operating leases and relevant rentals are charged to the operating account in a systematic manner related to the period of use of the asset concerned.

**10. INVESTMENTS**

Investments are valued at lower of cost or market value if a permanent decline in value occurred. No investments were written off in the current year. The Council only invests in call and fixed deposits at registered commercial banks.

**11. INCOME RECOGNITION**

**11.1 Levy Income**

A fixed rate as approved by the National Minister of Finance is used to calculate the establishment and services levies. Declaration forms are issued on a monthly basis except where it is issued in intervals as allowed for in KwaZulu-Natal Joint Services Board Act, 1990 (Act No. 84 of 1990). Levy income is recognised to the extent that cash has been received and / or when the tax returns (RC4 forms) have been received to enable the determination of accrual amount. The levying of levies has been discontinued by the Minister of Finance with effect from 01 July 2006. The loss income has been replaced by the Levies Replacement Grant that has been included in the Equitable Share however, the District continues to collect prior years' levies.

**11.2 Investment interest**

The interest on investment has been allocated to Operating Account. This represents a change in a policy where a portion of interest income was allocated to funds.

**11.3 Grants and Subsidies**

Equitable share is contributed to the operating income.

**11.4 Other income**

All other income is recognised on the accrual basis.

**ZULULAND DISTRICT MUNICIPALITY**

**BALANCE SHEET AT 30 JUNE 2008**

	Note	2008 R	2007 R
<b>CAPITAL EMPLOYED</b>			
FUNDS AND RESERVES		99 157 827	68 118 938
Reserves	1	<u>99 157 827</u>	<u>68 118 938</u>
ACCUMULATED SURPLUS	21	49 242 304	41 288 012
		<u>148 400 131</u>	<u>109 406 950</u>
LONG-TERM LIABILITIES	2	5 247 352	6 278 328
CONSUMER DEPOSITS	3	1 030 225	1 548 191
		<u>154 677 709</u>	<u>117 233 469</u>
<b>EMPLOYMENT OF CAPITAL</b>			
PROPERTY, PLANT AND EQUIPMENT	4	6 278 329	8 657 843
LONG-TERM DEBTORS	6	<u>855 045</u>	<u>853 535</u>
		7 133 374	9 511 378
NET CURRENT ASSETS		147 544 334	107 722 091
CURRENT ASSETS		184 396 778	143 203 116
Inventory	7	-	1 175 245
Levy debtors	8	-	-
Water debtors	9	8 194 517	9 255 585
Sundry debtors	10	9 956 503	12 139 432
Short Term Investments	5	166 108 783	120 426 057
Short-term portion of long-term debtors	6	136 975	206 797
Cash resources	25	-	-
LESS: CURRENT LIABILITIES		36 852 444	35 481 025
Provisions	11	2 518 922	2 157 798
Creditors	12	31 693 668	29 709 376
Bank overdraft	26	1 608 878	1 234 337
Short-term portion of long-term liabilities	2	1 030 976	2 379 514
		<u>154 677 709</u>	<u>117 233 469</u>

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

2007 R	2007 R	2007 R		2008 R	2008 R	2008 R	2008 R Budget Surplus (deficit)
Actual income	Actual Expenditure	Surplus/ deficit		Actual income	Actual Expenditure	Surplus/ deficit	
135 780 330	101 315 812	34 464 518	<b>RATES AND GENERAL SERVICES</b>	138 124 407	88 786 976	49 337 431	( 621 778)
<u>135 780 330</u>	<u>101 315 812</u>	<u>34 464 518</u>	Community services	<u>138 124 407</u>	<u>88 786 976</u>	<u>49 337 431</u>	<u>( 621 778)</u>
122 240 620	148 264 589	(26 023 969)	<b>TRADING SERVICES</b>	166 042 151	209 450 989	(43 408 839)	621 778
<u>122 240 620</u>	<u>148 264 589</u>	<u>(26 023 969)</u>		<u>166 042 151</u>	<u>209 450 989</u>	<u>(43 408 839)</u>	<u>621 778</u>
<u>258 020 950</u>	<u>249 580 401</u>	<u>8 440 549</u>	<b>TOTAL</b>	<u>304 166 558</u> #	<u>298 237 966</u>	<u>5 928 592</u>	<u>-</u>
		<u>( 116 242)</u>	Appropriations for the year (refer to note 21)			<u>2 025 700</u>	
		<u>8 324 307</u>	<b>Net surplus / (deficit) for the year</b>			<u>7 954 292</u>	
		32 963 704	Accumulated surplus / (deficit): Beginning of the year			41 288 012	
		<u>41 288 011</u>	<b>ACCUMULATED SURPLUS / (DEFICIT) : END OF THE YEAR</b>			<u>49 242 304</u>	

(Refer to appendices D and E for more details)



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

	Note	2008 R	2007 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated by operations	22	(6 271 935)	( 360 930)
Investment income		17 617 716	10 448 116
(Increase)/decrease in working capital	23	<u>5 485 942</u>	<u>(5 335 243)</u>
		16 831 723	4 751 943
Less: external interest and redemption paid	15	(3 391 489)	(1 867 799)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<u>13 440 234</u>	<u>2 884 144</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase/(decrease) in Property Plant and Equipment		2 379 514	907 928
(Increase)/decrease in long-term debtors	6	( 1 510)	( 652 154)
<b>NET CASH FLOW</b>		<u>15 818 238</u>	<u>3 139 918</u>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
Increase/(decrease) in Reserves	1	31 038 889	12 858 137
Increase/(decrease) in Consumer Deposits	31	( 517 965)	841 319
(Increase) in cash investments	24	(45 682 727)	(25 538 534)
(Increase) in cash resources	25	-	9 844 337
Increase/(decrease) in Bank overdraft	26	374 541	1 234 337
Decrease in Long-term liabilities	30	<u>(1 030 976)</u>	<u>(2 379 514)</u>
<b>NET CASH (GENERATED) /UTILISED</b>		<u>(15 818 238)</u>	<u>(3 139 918)</u>

**ZULULAND DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008**

	<b>2 008</b>	<b>2 007</b>
	<b>R</b>	<b>R</b>
<b>1 RESERVES</b>		
Project Development Fund	7 505 703	9 723 898
Finance Management Grant	-	130 090
Municipal Infrastructure Grant	37 220 192	35 394 785
DWAF Capital Grant	37 290 645	-
Municipal Development Information Services Grant	1 000 000	-
Gumbi Land Settlement Grant	500 000	-
Transitional Fund Grant	-	1 717
Flemish Government Grant	-	25 064
Kideko Grant	-	323 414
Transformation Management Grant	-	5 333
Municipal Monitoring System Grant	-	8 347
LGSETA Grant	141 961	245 821
DBSA GIS Grant	-	6 134
Sports Grant	747 478	2 586 246
Municipal Systems Improvement Grant	1 179 548	726 081
Infrastructure Backlog Studies Grant	1 658 444	1 935 470
Transport Plan Grant	627 418	427 418
IDP Grant	80 000	80 000
Service in Traditional Authorities Areas Grant	-	2 357
MAP	-	1 226
DPLG GIS Capacity Building Grant	14 066	-
KZN Infrastructure Grant	450 000	450 000
GIJIMA KZN Grant	2 699	849 185
Ulundi Airport Grant	210 618	5 708 452
Ulundi Airport Resurfacing Grant	1 854 350	-
P700 Infrastructure Grant	427 656	-
Ulundi Tourism Hub Grant	1 378 868	-
Project Consolidate-Nongoma	1 746 768	3 000 000
Project Consolidate Ulundi	-	1 000 000
Shared Services Grant	253 651	1 483 219
Cengeni Development Grant	2 759 500	3 000 000
ISRDS (PIMMS)	-	79 963
INDONSA Grant	2 108 260	910 652
<b>Total Reserves</b>	<b><u>99 157 827</u></b>	<b><u>68 104 871</u></b>
Reclassification of DPLG: GIS Capacity Grant	-	14 066
	<b><u>99 157 827</u></b>	<b><u>68 118 937</u></b>
<b>2 LONG-TERM LIABILITIES</b>		
External Loan from INCA	6 278 328	7 185 951
DBSA Loan	-	337 089
DBSA Loan	-	225 281
DBSA Loan	-	909 522
<b>Total External Loans</b>	<b><u>6 278 328</u></b>	<b><u>8 657 842</u></b>
Less : Short term portion of long term loans	<u>(1 030 976)</u>	<u>(2 379 514)</u>
	<b><u>5 247 352</u></b>	<b><u>6 278 328</u></b>

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

The loan is granted by Infrastructure Finance Corporation Limited (INCA) bears a fixed interest at a rate of 12.91% (Nominal Annual Compounded Monthly) and will be fully redeemed in 31 March 2013.

The DBSA loans were granted by the Development Bank of South Africa to uPhongola municipality. These loans were transferred to Zululand District Municipality during the 2007/08 financial year as part of the transfer of the water services function. These loans were settled as planned during the current financial year.

The INCA loan is not secured by any asset of the Municipality.

ZULULAND DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008

	2 008 R	2 007 R
<b>3 TOTAL CONSUMER DEPOSITS</b>		
Water and sewerage	<u>1 030 225</u>	<u>1 548 191</u>
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Fixed assets at the beginning of the year</b>	749 685 473	608 106 866
Capital expenditure during the year	<u>237 198 089</u>	<u>141 944 749</u>
	986 883 561	750 051 615
Less: Assets disposed during the year	<u>-</u>	( 366 142)
Fixed assets at the end of the year	986 883 561	749 685 473
Less : Loans Redeemed and other Capital Receipts	<u>(980 605 233)</u>	<u>(741 027 630)</u>
<b>Net Fixed Assets</b>	<u><b>6 278 329</b></u>	<u><b>8 657 843</b></u>
(Refer to appendix "C" for more details)		
Included in the 'Fixed Assets at the end of the year' are the following assets transferred to the Zululand District Municipality during the current financial year:		
Nongoma Water & Sanitation assets	92 498 963	-
eDumbe Water & Sanitation assets	47 679 626	-
Prince Mangosuthu Airport	<u>3 285 000</u>	-
	<u><b>143 463 589</b></u>	-
<b>5 SHORT TERM INVESTMENTS</b>		
<b>Unlisted</b>		
Call Deposits	8 758 008	8 075 281
Short Term Deposits	<u>157 350 775</u>	<u>112 350 775</u>
<b>Total Long Term Investments</b>	<u><b>166 108 783</b></u>	<u><b>120 426 057</b></u>
<b>Council's valuation of unlisted investments</b>		
Call Deposits	8 758 008	8 075 281
Short Term Deposits	<u>157 350 775</u>	<u>112 350 775</u>
	<u><b>166 108 783</b></u>	<u><b>120 426 057</b></u>
<b>Allocation of external investments</b>		
In terms of legislation, surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:-		
Reserves	99 157 827	68 104 872
Accumulated Surplus	31 916 218	28 301 569
Sundry creditors	27 726 187	15 285 474
Water deposits	1 030 223	1 548 191
External Loans	6 278 328	7 185 951
<b>Total</b>	<u><b>166 108 783</b></u>	<u><b>120 426 057</b></u>
No investments have been written off during the year.		
Average rate of return on investments	<b>11%</b>	<b>9%</b>

ZULULAND DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008

	2 008 R	2 007 R
<b>6 LONG-TERM DEBTORS</b>		
Vehicle loan	104 979	189 557
Bursary Debtors	55 644	43 377
Fuel Deposit	14 980	14 980
Eskom Deposit	792 264	788 264
Property Rental Deposit 165 President St VHD	6 044	6 044
Ondini motors	18 111	18 111
	992 021	1 060 332
Less : Short-term portion transferred to current assets	( 136 975)	( 206 797)
Vehicle loan	63 221	138 329
Bursary Debtors	55 644	59 690
Ondini motors	18 111	8 778
<b>TOTAL LONG-TERM DEBTORS</b>	<b>855 045</b>	<b>853 535</b>

**CAR LOANS**

**2007-2008:** Senior staff were entitled to car loans which attract interest at 8% per annum and which were repayable over a maximum period of 6 years. However, senior staff appointed in terms of s57 of the Municipal Systems Act 2000 are excluded from the scheme but existing loans at date of appointment attract interest at the official rate of interest.

**2006:** With effect from 1 July 2004 the Municipal Finance Management act prohibited the granting of loans to staff members. Existing loans at the time of discontinuance are payable over the remaining contract periods.

**7 INVENTORY**

Inventory represents water meters. Where necessary specific provision is made for obsolete stock.

-	<b>1 175 245</b>
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**8 LEVY DEBTORS**

Levy Debtors	336 998	267 128
Less : Provision for doubtful debts	( 336 998)	( 267 128)
<b>Total</b>	<b>-</b>	<b>-</b>

The ageing of debtors is as follows:-

**Levies**

Current	-	-
30 - 60 Days	-	237 393
60 - 90 Days	-	2 470
90 - 120 Days	-	1 460
+ 120 Days	336 998	25 804
<b>Total</b>	<b>336 998</b>	<b>267 127</b>

**9 WATER DEBTORS**

Water Debtors	17 326 086	13 091 363
Less : Provision for doubtful debts	(9 131 569)	(3 835 778)
<b>Total</b>	<b>8 194 517</b>	<b>9 255 585</b>

The ageing of debtors is as follows:-

**Water**

Current	2 895 204	1 633 075
30 Days	1 589 158	1 509 558
60 Days	991 855	1 043 006
+ 90 Days	11 849 870	8 905 778
<b>Total</b>	<b>17 326 086</b>	<b>13 091 417</b>

**Doubtful Debt Provision**

The estimate for the provision of doubtful debts is calculated by reviewing each debtor or a group of debtors on the outstanding amount at year-end.

ZULULAND DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008

	2 008 R	2 007 R
<b>10 OTHER DEBTORS</b>		
Accrued Interest ( Investment)	816 722	611 417
Nkonjeni hospital	107 641	82 924
Independent Electoral Commission	( 2 105)	16 576
WSSA	3 322	-
Sundry Debtors	-	3 081
Sundry Salary Debtors	59 244	13 342
Environmental Health	35 200	35 200
Debtor: Peter hall	181 075	-
Debtor: S V Gumede	13 871	-
Debtor: SCN Zungu	31 597	-
Nongoma Municipality:project consolidate	-	1 500 000
Ulundi Municipality Project consolidate	-	1 000 000
Debtor-SABC	964	964
SARS-VAT	6 612 511	7 219 525
Year- end VAT Claim	1 839 612	1 178 483
Land Affairs	141 557	141 557
DPLG: GIS capacity	-	( 14 066)
Medical Aid	-	852
Pension	-	6 001
Water Account recoveries-Staff	-	400
Under/over Banking	1 425	1 425
Ceza Hospital	113 819	13 712
National Lottery	-	311 040
Water Refund Control Account	48	-
<b>TOTAL DEBTORS</b>	<b><u>9 956 503</u></b>	<b><u>12 125 367</u></b>
Reclassification of DPLG: GIS Capacity Grant	-	14 066
<b>Total Debtors-(Reclassified amount 30 June 2007)</b>	<b><u>9 956 503</u></b>	<b><u>12 139 433</u></b>
<b>11 PROVISIONS</b>		
Accrued leave Fund	2 380 033	1 992 721
Bursary Fund	138 889	165 077
	<b><u>2 518 922</u></b>	<b><u>2 157 798</u></b>
<b>12 CREDITORS</b>		
Sundry Creditors	26 682	17 359
Sundry Creditors	120 472	85 214
Sundry Creditors-Company 04 Salaries	-	4 148
Sundry Creditors-Staff Refunds	3 171	3 171
Credit Card	4 905	9 485
Retention	11 873 810	10 747 245
Guarantees	-	120 200
Year-end Sundry Creditors	19 650 808	18 614 322
Unallocated deposits	6 305	3 313
Medical Aid	7 514	-
<b>Total Creditors</b>	<b><u>31 693 668</u></b>	<b><u>29 604 457</u></b>
Prior year adjustment in respect of Accrued Interest-DBSA	-	104 921
<b>Restated Total Creditors</b>	<b><u>31 693 668</u></b>	<b><u>29 709 378</u></b>

ZULULAND DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008

	2 008 R	2 007 R
<b>13 COUNCILLORS' REMUNERATION</b>		
Mayor's allowance	550 625	538 760
Deputy Mayor's allowance	478 953	455 119
Speaker's allowance	387 027	418 450
Executive Committee members	1 767 770	1 157 344
Councillor's allowances	1 640 530	2 789 343
Pension Fund contribution for Councillors	213 576	227 250
<b>Total Councillors' Remuneration</b>	<b><u>5 038 481</u></b>	<b><u>5 586 267</u></b>
<b>In-kind Benefits</b>		
The Mayor, Deputy Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretariat at the cost of the Council.		
The Mayor has use of a Council owned vehicles for official duties.		
The Mayor has six full-time bodyguards.		
<b>14 AUDITORS' REMUNERATION</b>		
Audit fees		
-Paid during the year	871 712	907 970
	<b><u>871 712</u></b>	<b><u>907 970</u></b>
<b>15 FINANCE TRANSACTIONS</b>		
Total external interest earned or paid		
- Interest earned	17 617 716	10 448 116
-Interest paid	<b><u>1 011 975</u></b>	<b><u>1 064 792</u></b>
Capital Charges debited to operating account:		
Interest external	1 011 975	1 064 792
Redemption (external)	2 379 514	803 007
	<b><u>3 391 489</u></b>	<b><u>1 867 799</u></b>
<b>16 INVESTMENT INCOME</b>		
Total Investment Interest received	17 617 716	10 448 116
Less: Interest recharged to Funds	-	-
	<b><u>17 617 716</u></b>	<b><u>10 448 116</u></b>
<b>17 CONTRIBUTION TO PROVISIONS</b>		
Accrued leave Fund	1 170 026	896 660
Bursary Fund	-	-
	<b><u>1 170 026</u></b>	<b><u>896 660</u></b>
<b>18 PROVINCIAL AND NATIONAL GOVERNMENT GRANT</b>		
Inter-governmental Grants	268 357 953	230 114 276
<b>Total</b>	<b><u>268 357 953</u></b>	<b><u>230 114 276</u></b>
<b>19 REVENUE</b>		
Levies	-	-
Government Grants and Subsidies	268 357 953	230 114 276
Interest	17 617 716	10 448 116
Water sales	17 659 663	13 829 238
Other Income	531 226	3 629 319
<b>Total</b>	<b><u>304 166 558</u></b>	<b><u>258 020 949</u></b>
<b>20 LEVIES</b>		
<b>Actual</b>		
Regional Services Levy	-	-
Regional Establishment Levy	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>

**ZULULAND DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008**

	<b>2 008</b>	<b>2 007</b>
	<b>R</b>	<b>R</b>
<b>21 APPROPRIATIONS</b>		
Net Appropriations:		
Accumulated surplus (deficit) at the beginning of the year	41 288 012	32 963 704
Operating surplus (deficit) for the year	5 928 592	8 440 550
Appropriations for the year:	2 025 700	( 116 241)
- Contribution from Leave Accumulated Provision	1 170 026	896 660
- Contribution to bad debt provision	-	-
- Prior years' and other adjustments (see note 32)	855 673	(1 012 901)
Accumulated Surplus/ (Deficit) at the end of the year	<u><b>49 242 304</b></u>	<u><b>41 288 013</b></u>
Operating account:		
Capital expenditure	2 463 430	4 004 078
Contributions to :		
-Projects and Funds	20 093 219	35 310 478
-Leave Stabilisation Fund	1 170 026	896 660
	<u><b>23 726 675</b></u>	<u><b>40 211 216</b></u>
<b>22 CASH GENERATED BY OPERATIONS</b>		
Net surplus/(Deficit) for the year	5 928 592	8 440 550
Adjustment for:-		
Appropriations for the year	2 025 700	( 116 242)
Capital Charges:Interest paid on external funds	1 011 975	959 871
Redemption of external funds	2 379 514	803 007
Investment income	(17 617 716)	(10 448 116)
Operating surplus before working capital changes:	<u><b>(6 271 935)</b></u>	<u><b>( 360 930)</b></u>
<b>23 (INCREASE)/ DECREASE IN WORKING CAPITAL</b>		
(Decrease)/increase in short-term portion of long-term liabilities.	(1 348 538)	1 576 508
Decrease/(increase) in inventory	1 175 245	(1 175 245)
Decrease in levy debtors	-	2 031 832
Decrease/(increase) in water debtors	1 061 068	(3 956 603)
Decrease/(increase) in Sundry debtors	2 182 929	(8 164 967)
Decrease in short-term portion of long-term debtors	69 822	232 163
Increase in provisions	361 124	113 856
Increase in creditors	1 984 292	4 007 213
	<u><b>5 485 942</b></u>	<u><b>(5 335 243)</b></u>
<b>24 INCREASE IN EXTERNAL CASH INVESTMENTS</b>		
Balance at the end of the year	166 108 783	120 426 057
Balance at the beginning of the year	(120 426 057)	(94 887 523)
	<u><b>45 682 727</b></u>	<u><b>25 538 534</b></u>
<b>25 DECREASE IN CASH ON HAND</b>		
Balance at the end of the year	-	-
Balance at the beginning of the year	-	(9 844 337)
	<u><b>-</b></u>	<u><b>9 844 337</b></u>
<b>26 INCREASE IN BANK OVERDRAFT</b>		
Balance at the end of the year	1 608 878	1 234 337
Balance at the beginning of the year	(1 234 337)	-
	<u><b>374 541</b></u>	<u><b>1 234 337</b></u>

ZULULAND DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008

	2 008 R	2 007 R
<b>27 CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
- Approved and contracted for	<u>99 157 827</u>	<u>68 090 805</u>
	<b><u>99 157 827</u></b>	<b><u>68 090 805</u></b>
This expenditure will be financed from:		
Project Development Fund	7 505 703	9 723 898
Finance Management Grant	-	130 090
Municipal Infrastructure Grant	37 220 192	35 394 785
DWAF Capital Grant	37 290 645	-
Municipal Development Information Services Grant	1 000 000	-
Gumbi Land Settlement Grant	500 000	-
Transitional Fund Grant	-	1 717
Flemish Government Grant	-	25 064
Kideko Grant	-	323 413
Transformation Management Grant	-	5 333
Municipal Monitoring System Grant	-	8 347
LGSETA Grant	141 961	245 821
DBSA GIS Grant	-	6 134
Sports Grant	747 478	2 586 246
Municipal Systems Improvement Grant	1 179 548	726 082
Infrastructure Backlog Studies Grant	1 658 444	1 935 469
Transport Plan Grant	627 418	427 418
IDP Grant	80 000	80 000
Service in Traditional Authorities Areas Grant	-	2 357
MAP	-	1 226
DPLG GIS Capacity Building Grant	14 066	( 14 066)
KZN Infrastructure Grant	450 000	450 000
GIJIMA KZN Grant	2 699	849 185
Ulundi Airport Grant	210 618	5 708 452
Ulundi Airport Resurfacing Grant	1 854 350	-
P700 Infrastructure Grant	427 656	-
Ulundi Tourism Grant	1 378 868	-
Project Consolidate-Nongoma	1 746 768	3 000 000
Project Consolidate Ulundi	-	1 000 000
Shared Services Grant	253 651	1 483 219
Cengen Development Grant	2 759 500	3 000 000
ISRDS (PIMMS)	-	79 963
Indonsa Grant	2 108 260	910 652
	<u>99 157 827</u>	<u>68 090 805</u>
Reclassification of DPLG: GIS Capacity Grant	-	14 066
<b>Corrected Capital Commitments Balance</b>	<b><u>99 157 827</u></b>	<b><u>68 104 871</u></b>

**28 BANK,CASH AND OVERDRAFT BALANCES**

The Municipality has the following bank account:-

**Current Account (Primary Bank Account)**

ABSA- Newcastle Branch  
Account Number 4047162045

Cash book balance at the beginning of the year	<u>9 839 337</u>	<u>(14 007 437)</u>
<b>Cash book balance at the end of the year -(overdrawn)</b>	<b><u>(1 612 797)</u></b>	<b><u>9 839 337</u></b>
Bank statement balance at the beginning of the year	<u>21 017 714</u>	<u>9 675 213</u>
<b>Bank statement balance at the end of the year</b>	<b><u>10 696 797</u></b>	<b><u>21 017 714</u></b>



ZULULAND DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008

	2 008 R	2 007 R
<b>29 EMPLOYEE RELATED COSTS</b>		
Employee related costs – Salaries and Wages	35 039 856	28 600 801
Employee related costs –Contributions for UIF, pensions and medica	7 305 931	5 885 103
Travel, motor car, accommodation, subsistence and other allowance:	5 655 622	3 913 002
Housing benefits and allowances	385 115	281 352
Overtime payments	2 347 902	1 349 333
Performance bonus	-	85 000
<b>Total Employee Related Costs</b>	<b><u>50 734 427</u></b>	<b><u>40 114 591</u></b>

There were no advances to employees.

**Remuneration of the Municipal Manager**

Annual Remuneration	398 615	376 200
Performance Bonuses	-	25 000
Car Allowance	210 222	180 576
Non-pensionable allowance	106 738	128 220
Phone allowance	11 400	11 400
Contributions to UIF, Medical and Pension Funds	139 516	124 150
<b>Total</b>	<b><u>866 491</u></b>	<b><u>845 546</u></b>

**Remuneration of the Chief Finance Officer**

Annual Remuneration	250 800	250 800
Performance Bonuses	-	20 000
Car Allowance	183 369	183 369
Non-pensionable allowance	183 556	152 177
Phone allowance	6 600	6 600
Housing allowance	3 000	3 000
Contributions to UIF, Medical and Pension Funds	97 777	92 205
<b>Total</b>	<b><u>725 102</u></b>	<b><u>708 151</u></b>

**Remuneration of Executive Directors**

	<u>Technical services</u>	<u>Corporate Services</u>	<u>Planning &amp; Community Development Services</u>
	R	R	R
<b>2008</b>			
Annual Remuneration	250 800	212 077	254 405
Performance Bonuses	-	-	-
Car Allowance	133 566	164 216	167 657
Non-pensionable allowance	258 828	255 196	204 902
Phone allowance	11 400	6 600	11 400
Housing allowance	3 000	1 662	3 000
Contributions to UIF, Medical and Pension Funds	71 533	87 435	92 143
<b>Total</b>	<b><u>729 128</u></b>	<b><u>727 186</u></b>	<b><u>733 507</u></b>

	<u>Technical services</u>	<u>Corporate Services</u>	<u>Planning &amp; Community Development Services</u>
	R	R	R
<b>2007</b>			
Annual Remuneration	250 800	212 077	250 800
Performance Bonuses	-	20 000	20 000
Car Allowance	133 566	164 216	167 657
Non-pensionable allowance	224 571	216 881	165 677
Phone allowance	11 400	7 154	11 400
Housing allowance	3 000	5 546	3 000
Contributions to UIF, Medical and Pension Funds	66 442	80 800	86 037
<b>Total</b>	<b><u>689 779</u></b>	<b><u>706 675</u></b>	<b><u>704 571</u></b>

**30 (DECREASE) IN LONG TERM LOANS (EXTERNAL)**

Balance at the end of the year	5 247 352	6 278 328
Balance at the beginning of the year	<u>(6 278 328)</u>	<u>(8 657 842)</u>
	<b><u>(1 030 976)</u></b>	<b><u>(2 379 514)</u></b>

ZULULAND DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008

	2 008 R	2 007 R
<b>31 CONSUMER DEPOSITS</b>		
Balance at the end of the year	1 030 223	1 548 191
Balance at the beginning of the year	<u>(1 548 189)</u>	<u>(706 872)</u>
	<b><u>(517 965)</u></b>	<b><u>841 319</u></b>

**32 PRIOR YEAR ADJUSTMENT**

**Prior year adjustment in respect of the DPLG: GIS Reserve:**

The DPLG: GIS Reserve balance was incorrectly classified as a Debtor in the 2007 financial year.

The effect of the reclassification of this balance is as follows:

Total Reserves as per 06/07 financial statements	-	68 104 871
Add: DPLG: GIS Fund	-	14 066
Restated 06/07 Reserves Balance	<u>-</u>	<b><u>68 118 937</u></b>

Total 'Other Debtors' as per 06/07 financial statements	-	12 125 367
Add: DPLG: GIS Fund	-	14 066
Restated 06/07 'Other Debtors' Balance	<u>-</u>	<b><u>12 139 433</u></b>

Total Capital Commitments as per 06/07 financial statements	-	68 104 871
Add: DPLG: GIS Fund	-	14 066
Restated 06/07 Capital Commitments Balance	<u>-</u>	<b><u>68 118 937</u></b>

**Prior year adjustment in respect of the DBSA loans:**

The effect of the prior year adjustment on the 2006/07 financial statements is as follows:

External Loans balance as per audited 06/07 financial statements	-	7 185 951
Adjustment in respect of DBSA Loans	-	1 471 891
<b>Restated External Loans balance after adjustment</b>	<u>-</u>	<b><u>8 657 842</u></b>

Property, Plant & Equipment balance as per audited 06/07 financial statements	-	7 185 951
Adjustment in respect of the DBSA Loans	-	1 471 891
<b>Restated Property, Plant &amp; Equipment</b>	<u>-</u>	<b><u>8 657 842</u></b>

Refer to changes on Appendices B and C to note these changes.

Creditors balance as per audited 06/07 financial statements	-	29 604 456
Adjustment in respect of interest accrued on the DBSA loans	-	104 921
<b>Restated Creditors balance</b>	<u>-</u>	<b><u>29 709 377</u></b>

Accumulated Surplus as per audited 06/07 financial statements	-	41 392 933
Adjustment in respect of accrued interest on the DBSA loans	-	104 921
<b>Restated Accumulated Surplus</b>	<u>-</u>	<b><u>41 288 012</u></b>

Short term portion of Long-term Liabilities as per audited AFS	-	907 623
Adjustment in respect of the short term portion of the DBSA loans	-	1 471 891
<b>Restated Short term portion of Long-term Liabilities</b>	<u>-</u>	<b><u>2 379 514</u></b>

**33 RELATED PARTY TRANSACTIONS**

Coalition Trading 109 cc:

Name of Person: M J Ngcobo

Capacity of Person in the service of the state: Councillor

**Amount of the award:** 17 670 219 200

Bhuto Trading

Name of Person: Mrs. G L Tetwayo

Capacity of Person in the service of the state: Finance Clerk

**Amount of the award:** 3 200 113 035

**Remuneration of key management:**

Refer to Note 29 for details.

**Remuneration of Council members:**

Refer to Note 13 for details.

**ZULULAND DISTRICT MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008**

	<b>2 008</b>	<b>2 007</b>
	<b>R</b>	<b>R</b>
<b>34 CONTINGENT LIABILITY</b>		
Council is engaged in an arbitration proceeding with DLV Vryheid (Pty) Ltd in respect of a dispute regarding the professional fees which the latter claims that they remain unpaid. The outcome of the arbitration is uncertain. The amount of the contingent liability is estimated at:	<u>684 000</u>	<u>-</u>
<b>35 CONTRIBUTIONS TO ORGANISED LOCAL GOVERNMENT</b>		
Total Contributions for the year	<u>19 885</u>	<u>14 004</u>
No contributions were outstanding as at the end of the year.		
<b>36 CONTRIBUTIONS FOR MEDICAL AID, PENSION &amp; PAYE</b>		
Medical Aid contributions	1 719 249	1 502 027
Pension Contributions	4 446 638	3 821 147
PAYE Contributions	6 828 772	5 793 018
No contributions were outstanding as at the end of the year.		
<b>GRANTS PAID TO LOCAL MUNICIPALITIES DURING THE 37 YEAR</b>		
Abaqulusi Municipality	579 639	1 313 816
eDumbe Municipality	30 000	2 347 022
Nongoma Municipality	30 000	429 859
Pongola Municipality	30 000	362 058
Ulundi Municipality	-	533 775
<b>Total Grants paid to Local Municipalities</b>	<u>669 639</u>	<u>4 986 530</u>

The grants paid to the Local Municipalities were for the following:

Tourism Grants  
Assistance for the Provision of Water Services

**TAKE OVER OF WATER AND SANITATION FROM  
38 ABAQULUSI MUNICIPALITY**

The Zululand District Municipality had not merged the water and sanitation services in Abaqulusi Local Municipality in accordance with Manco Resolution number 07/297 dated 15 February 2008.

**APPENDIX A  
FUNDS, PROVISIONS, RESERVES AND TRUST FUNDS**

	<b>Balance At 01/07/2007</b>	<b>Contributions During The Year</b>	<b>Interest On Investments</b>	<b>Other Income</b>	<b>Expenditure During The Year</b>	<b>Balance At 30/06/2008</b>
<b>RESERVES</b>						
PROJECT DEVELOPMENT FUNDS	9 723 898			20 093 219	22 311 414	7 505 703
FINANCE MANAGEMENT GRANT	130 090			500 000	630 090	-
MUNICIPAL INFRASTRUCTURE GRANT	35 394 785			92 981 557	91 156 149	37 220 192
DWAF CAPITAL	-			39 047 300	1 756 655	37 290 645
MUNICIPAL DEVELOPMENT INFO SERVICES	-			1 000 000	-	1 000 000
GUMBI LAND SETTLEMENT	-			500 000	-	500 000
TRANSITIONAL FUND	1 717			-	1 717	-
FLEMISH GOVERNMENT	25 064			-	25 064	-
KIDEKO GRANT	323 413			176 587	500 000	-
TRANSFORMATION MNGNT GRANT	5 333			-	5 333	-
MUNICIPAL MONITORING SYS.GRANT	8 347			-	8 347	-
LGSETA	245 821			-	103 859	141 961
DBSA GIS GRANT	6 134			-	6 134	-
BUILDINGS FOR SPORT & RECREATION	2 586 246			500 000	2 338 768	747 478
MUNICIPAL SYSTEMS IMPROVEMENT GR	726 082			1 500 000	1 046 534	1 179 548
GRANT: INFRASTRUCTURE BACKLOG STUD	1 935 469			-	277 025	1 658 444
GRANT : TRANSPORT PLAN	427 418			200 000	-	627 418
GRANT: IDP	80 000			-	-	80 000
GRANT: SERV. IN TRAD. AUTH. AREAS	2 357			-	2 357	-
GRANT: MAP	1 226			-	1 226	-
GRANT: DPLG GIS CAPACITY	14 066			-	-	14 066
DROUGHT RELIEF	-			7 000 000	7 000 000	-
KZN INFRASTRUCTURE GRANT	450 000			-	-	450 000
GIJIMA KZN	849 185			1 065 243	1 911 729	2 699
ULUNDI AIRPORT	5 708 452			-	5 497 834	210 618
ULUNDI AIRPORT RESURFACING	-			1 854 350	-	1 854 350
P700 INFRASTRUTURE	-			500 000	72 344	427 656
ULUNDI TOURISM HUB	-			1 580 000	201 132	1 378 868
PROJECT CONSOLIDATE : NONGOMA	3 000 000			-	1 253 232	1 746 768
PROJECT CONSOLIDATE : ULUNDI	1 000 000			-	1 000 000	-
SHARED SERVICES	1 483 219			-	1 229 568	253 651
CENGENI DEVELOPMENT	3 000 000			1 000 000	1 240 500	2 759 500
ISRDS (PIMMS)	79 963			-	79 963	-
INDONSA	910 652			1 524 654	327 046	2 108 260
	<b>68 118 937</b>	<b>-</b>	<b>-</b>	<b>171 022 909</b>	<b>139 984 020</b>	<b>99 157 827</b>
<b>PROVISIONS</b>						
Accrued Leave Fund	1 992 721	1 170 026			782 714	2 380 033
Bursary Fund	165 078				26 189	138 889
	<b>2 157 799</b>	<b>1 170 026</b>	<b>-</b>	<b>-</b>	<b>808 903</b>	<b>2 518 923</b>

**APPENDIX B  
SCHEDULE OF EXTERNAL LOANS**

EXTERNAL LOANS	Interest Rate	Loan Number	Redeemable	Balance at 2007/07/01	Received during the period	Redeemed written off during the period	Balance at 2008/06/30
<b>LONG-TERM LOANS</b>				<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
INCA	Fixed 12.58%	1	Year 2013	7 185 951	-	907 623	6 278 328
DBSA Account Number 12544/102	Fixed 13.45%	2	Year 2012	337 089	-	337 089	-
DBSA Account Number 12548/102	Fixed 15.70%	3	Year 2013	225 281	-	225 281	-
DBSA Account Number 12551/102	Fixed 14.35%	4	Year 2014	909 522	-	909 522	-
							-
							-
<b>Total long-term loans</b>				<b>8 657 842</b>	<b>-</b>	<b>2 379 514</b>	<b>6 278 328</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>8 657 842</b>	<b>-</b>	<b>2 379 514</b>	<b>6 278 328</b>

**APPENDIX C  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT  
30 JUNE 2008**

2007 R Expenditure	Service	2008 R BUDGET	2 007 R Balance at 30/6/2007	2008 R Expenditure	2 008 R Written off Transferred or Disposed	2 008 R Balance at 30/6/2008
2 634 292	<b>RATE AND GENERAL SERVICES</b>	175 217 000	38 384 317	4 080 092	-	42 464 408
2 634 292	<b>Community Services</b>	175 217 000	38 384 317	4 080 092	-	42 464 408
2 193 407	Executive & Council	9 175 000	3 824 801	438 096	-	4 262 897
81 470	Financial Services	275 000	2 781 058	214 522	-	2 995 580
-	Planning	720 000	427 163	3 361 829	-	3 788 992
-	Environmental	-	6 966	6 000	-	12 966.00
-	Community and Social Service	6 461 778	315 507	28 000	-	343 507
-	Project Management Unit	158 585 222	18 885	-	-	18 885
359 415	Disaster Management	-	2 173 787	-	-	2 173 787
-	LED & Tourism	-	5 382	31 645	-	37 027
-	Technical services	-	163 547	-	-	163 547
-	PIMS	-	346 445	-	-	346 445
-	ISRDS	-	613 110	-	-	613 110
-	Municipal offices	-	27 707 666	-	-	27 707 666
139 310 457	<b>TRADING SERVICES</b>	500 000	711 301 156	233 117 997	-	944 419 153
-	<b>Water</b>	-	-	-	-	-
14 224	WSA	500 000	1 506 954	10 000	-	1 516 954
139 296 234	WSP :Reticulation	-	496 539	140 195 193	-	140 691 732
-	WSP :Bulk	-	709 297 663	92 912 804	-	802 210 467
<b>141 944 749</b>	<b>TOTAL FIXED ASSETS</b>	<b>175 717 000</b>	<b>749 685 473</b>	<b>237 198 089</b>	<b>-</b>	<b>986 883 561</b>

**LOANS REDEEMED AND OTHER CAPITAL RECEIPTS**

2007 R Expenditure	Service	2008 R BUDGET	2007 R Balance at 30/6/2007	2008 R Expenditure	2008 R Written off Transferred or Disposed	2008 R Balance at 30/6/2008
141 275 864	<b>RATE AND GENERAL SERVICES</b>	175 717 000	741 027 630	239 577 603	-	980 605 233
141 275 864	<b>Community Services</b>	175 717 000	741 027 630	239 577 603	-	980 605 233
3 919 695	Contributions from operating Income	17 131 778	26 970 131	637 313	-	27 607 444
13 655 313	Contributions from Donations & Funds	158 585 222	711 243 450	236 560 775	-	947 804 225
803 007	External Loan redeemed	-	2 814 049	2 379 514	-	5 193 563
<b>141 275 864</b>	<b>TOTAL</b>	<b>175 717 000</b>	<b>741 027 630</b>	<b>239 577 603</b>	<b>-</b>	<b>980 605 233</b>
<b>( 668 885)</b>	<b>NET FIXED ASSETS</b>	<b>-</b>	<b>8 657 843</b>	<b>2 379 514</b>	<b>-</b>	<b>6 278 329</b>

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

<b>2007</b> <b>R</b> <b>Actual</b>		<b>2008</b> <b>R</b> <b>Actual</b>	<b>2008</b> <b>R</b> <b>Budget</b>
<b>INCOME</b>			
230 114 276	National and Provincial Grants and Subsidies	268 357 953	365 811 155
-	Levy Income	-	-
17 458 558	Other Income	18 190 889	14 187 065
10 448 116	Interest	17 617 716	4 071 600
<u><b>258 020 950</b></u>		<u><b>304 166 558</b></u>	<u><b>384 069 820</b></u>
<b>EXPENSES</b>			
45 216 145	Salaries, wages and allowances	55 751 698	56 136 343
-	Bad Debts	-	4 014 022
39 388 184	General expenses	54 182 200	107 990 678
8 634 461	Repairs and maintenance	17 085 116	16 577 431
4 004 078	Contribution to fixed assets	2 463 430	8 670 000
5 026 530	Grants and Subsidies Paid	709 639	739 639
1 867 799	Capital Charges	3 391 489	3 476 665
<u>145 443 204</u>	Contributions to Funds	<u>164 654 393</u>	<u>184 297 042</u>
<b>249 580 401</b>	<b>Gross Expenditure</b>	<b>298 237 966</b>	<b>381 901 820</b>
-	Less: Amounts charged out	-	-
<u><b>249 580 401</b></u>	<b>Net expenditure</b>	<u><b>298 237 966</b></u>	<u><b>381 901 820</b></u>
<u><b>8 440 549</b></u>	<b>Operating Surplus(Deficit)</b>	<u><b>5 928 592</b></u>	<u><b>2 168 000</b></u>

**APPENDIX E**  
**SEGMENTAL INCOME STATEMENT FOR THE YEAR ENDED**  
**30 JUNE 2008**

2007 R Actual	2007 R Actual	2007 R Surplus/ (Deficit)		2008 R Actual	2008 R Actual	2008 R Surplus/ (Deficit)	2008 R Budget Surplus/ (deficit)
Income	Expenditure			Income	Expenditure		
<b>135 780 330</b>	<b>101 315 812</b>	<b>34 464 518</b>	<b>RATE AND GENERAL SERVICES</b>	<b>138 124 407</b>	<b>88 786 976</b>	<b>49 337 431</b>	<b>( 621 778)</b>
135 780 330	101 315 812	34 464 518	<b>Community Services</b>	138 124 407	88 786 976	49 337 431	( 621 778)
-	29 550 924	(29 550 924)	Executive and Council	-	28 019 121	(28 019 121)	(29 517 241)
112 157 338	11 389 511	100 767 827	Finance	122 277 486	10 604 683	111 672 803	60 275 182
-	1 069 317	(1 069 317)	Human Resource	-	1 419 697	(1 419 697)	(1 412 509)
12 811 236	16 440 036	(3 628 800)	Planning	6 534 593	10 977 343	(4 442 750)	(3 648 586)
-	1 236 006	(1 236 006)	Environmental Health	-	1 377 437	(1 377 437)	(2 208 603)
4 623 760	36 948 292	(32 324 532)	Community and Social	3 905 560	29 780 054	(25 874 494)	(14 240 716)
-	-	-	Project Management Unit	-	-	-	-
1 100 000	562 883	537 117	Disaster Management	-	665 920	( 665 920)	(1 307 646)
-	1 149 489	(1 149 489)	LED and Tourism	-	1 415 267	(1 415 267)	(1 895 372)
5 087 996	2 969 354	2 118 642	Technical services	5 406 769	4 527 454	879 314	(6 666 287)
			<b>TRADING SERVICES</b>				
<b>122 240 620</b>	<b>148 264 588</b>	<b>(26 023 968)</b>	<b>WATER</b>	<b>166 042 151</b>	<b>209 450 989</b>	<b>(43 408 839)</b>	<b>621 778</b>
94 710 966	104 399 040	(9 688 074)	WSA	139 813 857	156 796 254	(16 982 397)	130 118
10 036 657	17 554 201	(7 517 544)	WSP	15 324 117	18 172 172	(2 848 055)	14 345 944
17 492 997	26 311 347	(8 818 350)	WSP: Bulk	10 904 176	34 482 563	(23 578 387)	(13 854 284)
<b>258 020 950</b>	<b>249 580 400</b>	<b>8 440 550</b>	<b>TOTAL</b>	<b>304 166 558</b>	<b>298 237 966</b>	<b>5 928 592</b>	<b>-</b>
		( 116 242)	Appropriations for the year (refer to note 21)			2 025 700	
		8 324 308	<b>Net surplus / (deficit) for the year</b>			7 954 292	
		32 963 704	Accumulated surplus / (deficit): Beginning of the year			41 288 012	
		<u>41 288 012</u>	<b>ACCUMULATED SURPLUS / (DEFICIT): END OF THE YEAR</b>			<u>49 242 304</u>	



**APPENDIX F  
STATISTICAL INFORMATION  
30 JUNE 2008**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>A. GENERAL STATISTICS</b>			
1. Population (approximate)	957 700	957 700	957 700
2. District Area Per Km	15 307	15 307	15 307
3. Local Municipalities forming the District			
(i) Ulundi Municipality			
(ii) Nongoma Municipality			
(iii) uPhongolo Municipality			
(iv) AbaQulusi Municipality			
(v) eDumbe Municipality			
4. Levy Statistics			
Tarrifs			
Establishment services levy (% of Turnover excluding VAT)			0.012
Regional service levy (% of Salaries, Wages and Drawing)			0.030
Registered Levy payers			6 100
Levy income	-	-	19 156 805
5. Number of employees	561	569	378