

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

	2 008 R	2 007 R
34 CONTINGENT LIABILITY		
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.	684 000	-
35 CONTRIBUTIONS TO ORGANISED LOCAL GOVERNMENT		
Total Contributions for the year	19 885	14 004
No contributions were outstanding as at the end of the year.		
36 CONTRIBUTIONS FOR MEDICAL AID, PENSION & PAYE		
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.		
37 GRANTS PAID TO LOCAL MUNICIPALITIES DURING THE YEAR		
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
Total Grants paid to Local Municipalities	669 639	4 986 530

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

Tourism Grants
Assistance for the Provision of Water Services

38 TAKE OVER OF WATER AND SANITATION FROM 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

	Balance At 01/07/2007	Contributions During The Year	Interest On Investments	Other Income	Expenditure During The Year	Balance At 30/06/2008
RESERVES						
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 GRANT	726 082			1 500 000	1 046 534	1 179 548
GRANT: INFRASTRUCTURE BACKLOG STUDIES	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 INFRUSTRUCTURE GRANT	450 000			-	-	450 000
GJIMA 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
	68 118 937	-	-	171 022 909	139 984 020	99 157 827
PROVISIONS						
Accrued Leave Fund	1 992 721	1 170 026			782 714	2 380 033
Bursary Fund	165 078				26 189	138 889
	2 157 799	1 170 026	-	-	808 903	2 518 923

**APPENDIX B
SCHEDULE OF EXTERNAL LOANS**

EXTERNAL LOANS	Interest Rate	Loan Number	Redeemable	Balance at 2/7/11	Received during the period	Redeemed written off during the period	Balance at 2008/06/30
LONG-TERM LOANS				R	R	R	R
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	-
Total long-term loans				8 657 842	-	2 379 514	6,278,328
TOTAL EXTERNAL LOANS				8 657 842	-	2 379 514	6 278 328

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

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
2 634 292	RATE AND GENERAL SERVICES	175 217 000	38 384 317	4 080 092	-	42 464 408
2 634 292	Community Services	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 Project	6 461 778	315 507	28 000	-	343 507
-	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	TRADING SERVICES	500 000	711 301	233 117 997	-	944 419
-	Water	500 000	156	10 000	-	153
14 224	WSA	-	1 506 954	-	-	1 516 954
139 296 234	WSP	-	496 539	140 195 193	-	140 691
	:Reticulation	-	709 297	-	-	732
	WSP :Bulk	-	663	92 912 804	-	802 210
						467
141 944 749	TOTAL FIXED ASSETS	175 717 000	749 685	237 198 089	-	986 883
			473			561

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	RATE AND GENERAL SERVICES	175 717 000	741 027 630	239 577 603	-	980 605 233
141 275 864	Community Services	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 6 553 163	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
141 275 864	TOTAL	175 717 000	741 027 630	239 577 603	-	980 605 233
(668 885)	NET FIXED ASSETS	-	8 657 843	2 379 514	-	6 278 329

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

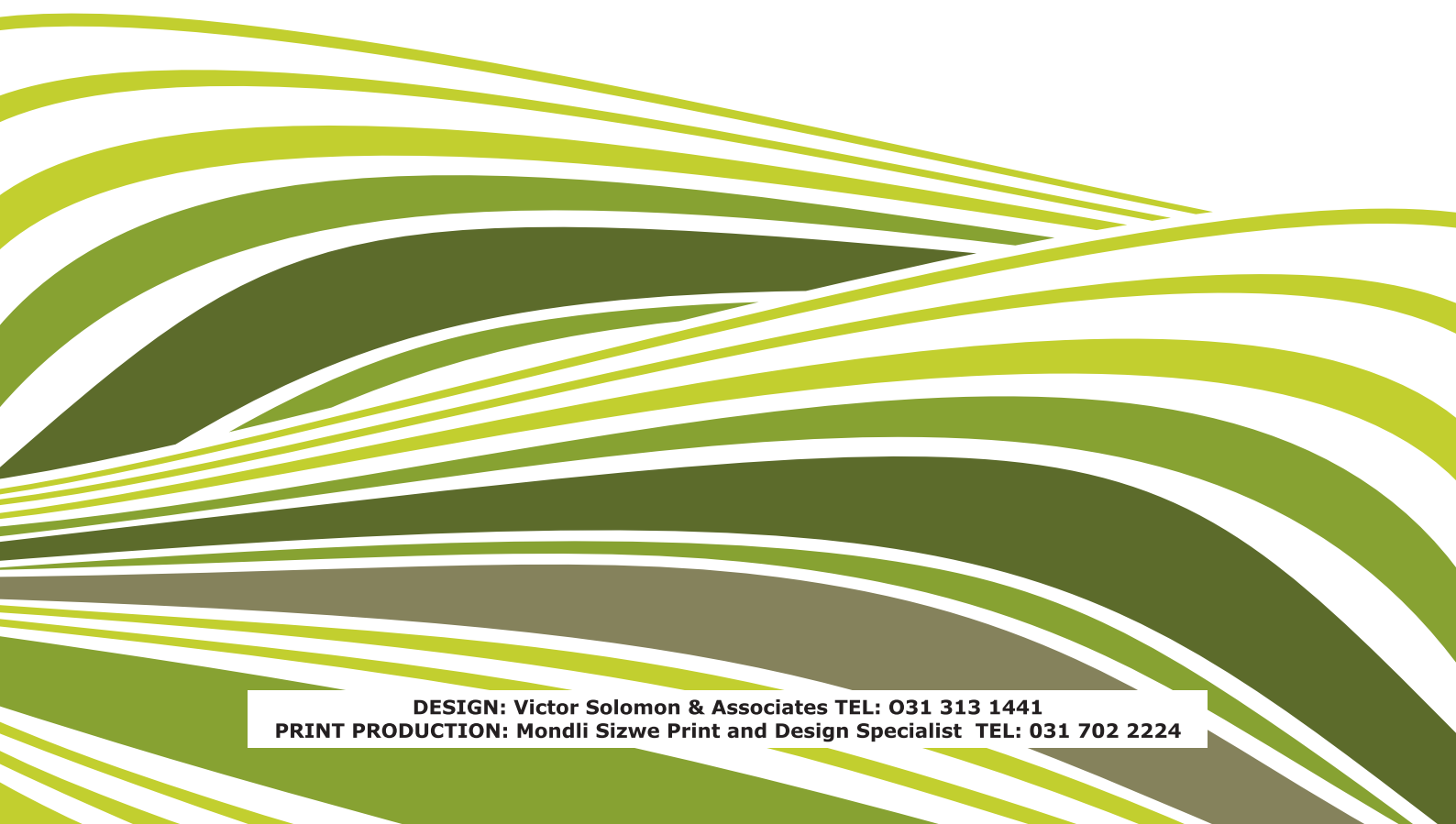
2007 R Actual		2008 R Actual	2008 R Budget
INCOME			
230 114 276	National and Provincial Grants and Subsidies	268 357 953	365 811 155
-	Levy Income	-	-
17 458 558	Other Income	18 190 889	14 187 065
10 448 116	Interest	17 617 716	4 071 600
258 020 950		304 166 558	384 069 820
EXPENSES			
45 216 145	Salaries, 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
145 443 204	Contributions to Funds	164 654 393	184 297 042
249 580 401	Gross Expenditure	298 237 966	381 901 820
-	Less: Amounts charged out	-	-
249 580 401	Net expenditure	298 237 966	381 901 820
8 440 549	Operating Surplus(Deficit)	5 928 592	2 168 000

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

2007 R Actual Income	2007 R Actual Expenditure	2007 R Surplus/ (Deficit)		2008 R Actual Income	2008 R Actual Expenditure	2008 R Surplus/ (Deficit)	2008 R Budget Surplus/ (deficit)
135 780 330	101 315 812	34 464 518	RATE AND GENERAL SERVICES	138 124 407	88 786 976	49 337 431	(621 778)
135 780 330	101 315 812	34 464 518	Community Services	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 Project Management Unit	3 905 560	29 780 054	(25 874 494)	(14 240 716)
-	-	-	Disaster Management	-	-	-	-
1 100 000	562 883	537 117	LED and Tourism Technical services	-	665 920	(665 920)	(1 307 646)
-	1 149 489	(1 149 489)		-	1 415 267	(1 415 267)	(1 895 372)
5 087 996	2 969 354	2 118 642		5 406 769	4 527 454	879 314	(6 666 287)
122 240 620	148 264 588	(26 023 968)	TRADING SERVICES	166 042 151	209 450 989	(43 408 839)	621 778
94 710 966	104 399 040	(9 688 074)	WATER	139 813 857	156 796 254	(16 982 397)	130 118
10 036 657	17 554 201	(7 517 544)	WSA	15 324 117	18 172 172	(2 848 055)	14 345 944
17 492 997	26 311 347	(8 818 350)	WSP	10 904 176	34 482 563	(23 578 387)	(13 854 284)
258 020 950	249 580 400	8 440 550	TOTAL	304 166 558	298 237 966	5 928 592	-
		(116 242)	Appropriations for the year (refer to note 21)			2 025 700	
		8 324 308	Net surplus / (deficit) for the year			7 954 292	
		32 963 704	Accumulated surplus / (deficit): Beginning of the year			41 288 012	
		41 288 012	ACCUMULATED SURPLUS / (DEFICIT): END OF THE YEAR			49 242 304	

APPENDIX F
STATISTICAL INFORMATION
30 JUNE 2008

	<u>2008</u>	<u>2007</u>	<u>2006</u>
A. GENERAL STATISTICS			
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 V			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



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