

**ALFRED NZO DISTRICT MUNICIPALITY**

**INDEX TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30  
JUNE 2006**

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
1. GENERAL INFORMATION	2
2. FOREWORD BY THE EXECUTIVE MAYOR	4
3. CHIEF FINANCIAL OFFICER REPORT	5
4. ACCOUNTING POLICIES	8
5. STATEMENT ON FINANCIAL POSITION - BALANCE SHEET	10
6. STATEMENT ON FINANCIAL PERFORMANCE - INCOME STATEMENT	11
7. CASH FLOW STATEMENT	12
8. NOTES TO THE ANNUAL FINANCIAL STATEMENTS	13
9. <i>APPENDICES:</i>	
A: TRUST FUNDS	18
B: INVESTMENTS	19
C: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT - PPE	20
D1: ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2006	21
D2: ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2006 - CONT.	22
E: DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2003	23
F: STATISTICAL INFORMATION	24

ALFRED NZO DISTRICT MUNICIPALITY

GENERAL INFORMATION TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30  
JUNE 2006

<b><u>Executive Mayor :</u></b>	<b>01/07/05 to 28/02/06</b>	<b>01/03/06 to 30/06/06</b>
	GG Mpumza	G.G. Mpumza
<b><u>Speaker :</u></b>	P Mabuntana	R.V. Lepheana
<b><u>Mayoral Committee :</u></b>	BJ Magojo BP Mabengu M Nkqayi SK Mnu kwa MD Luga yeni	N. Goya L. Tshiki M. Nyamakazi V.N. Mdingazwe
<b><u>Grade of District Municipality :</u></b>	Grade 4	
<b><u>Auditors :</u></b>	The Office of the Auditor General	
<b><u>Bankers :</u></b>	First National Bank Limited - Mount Frere	
<b><u>Registered Office :</u></b>	Physical Address:	Erf 1400 Ntsizwa Street Mount Ayliff
	Postal Address	Private Bag X 511 Mount Ayliff 4735
<b><u>Municipal Manager/Accounting Officer:</u></b>	X.H. Jakuja	

ALFRED NZO DISTRICT MUNICIPALITY

GENERAL INFORMTION TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2006 - (Continued)

**Chief Finance Officer**

V. Nobongoza

**Councillors :** 1/7/2005 - 28/02/2006

T Dlamini  
J Moshoeshoe  
M. Hlanekela  
V. Gijana  
N. Fikeni  
N.P. Goya  
M.C. Lebenya  
Z.R. Bala  
N. Ganya  
T. Msindwana  
N. Ngcingwana  
N.C. Mtoto  
E.N. Ncapai  
N. Ntsengwane  
V.C. Sigalelana  
C. Nxesi  
P. Nombaba  
W.M. Msiya  
V.W. Zaza  
D.P. Moso

01/03/2006 - 30/06/2006

M.S. Socikwa  
S. Mbekeni  
M. Hlanekela  
X. Jona  
C.M. Lebenya  
K. Magaya  
N.A. Magadla  
B.N. Maome  
M. Makaula  
N. Mbele  
P. Mbuto  
W.B. Mfulana  
V.V. Mhlala  
N. Mpanda  
L.S. Mtshoniswa  
M.V. Nkqayi  
M.M. Notshele  
M.M. Popokhane  
F. Nxuseka

**APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

The annual financial statements set out on pages 2 to 23 were approved by the Finance Portfolio Committee of the District Municipality on.....and are signed by

\_\_\_\_\_  
**MUNICIPAL MANAGER**

\_\_\_\_\_  
**CHIEF FINANCE OFFICER**

**COPY ON WORD DOC - FOREWORD  
BY EXEC MAYOR**

**ALFRED NZO DISTRICT MUNICIPALITY**

**CHIEF FINANCE OFFICER REPORT ON THE ANNUAL FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	<u>2005/6</u>	<u>2004/5</u>
	<u>R</u>	<u>R</u>
<b><u>1. OPERATING RESULTS</u></b>		
Accumulated (surplus)/deficit at the beginning of the year	-52 674 817	-45 464 744
Current Year (surplus)/deficit	2 107 570	-7 040 628
Appropriations for the year	350 000	-169 445
<b>Accumulated (surplus)/deficit at the end of the year</b>	<b><u><u>-50 217 247</u></u></b>	<b><u><u>-52 674 817</u></u></b>

*Comment on current year surplus*

The current year deficit amounting to R2,457,570 includes an equitable share grant for the 2005/2006 financial year amounting to R58,3 million.

The portion of the equitable share amounting to R25,9 million was utilised to finance operations and the remaining R32,5 million has financed capital expenditure

**2. TRUST FUNDS AND RESERVES**

Trust Fund at the end of the financial year amounted to - <b>See Appendix A:</b>	<b><u><u>30 352 958</u></u></b>	<b><u><u>71 584 747</u></u></b>
--	---------------------------------	---------------------------------

*This represents a decrease in trust funds for the current year 2005/06, by R41,231,789.00*

This decrease can be attributable to the following:-

- a) Increase in the rate of delivery of services to the community
- b) Capacity growth within the institution delivering on projects

Also included are the Reserve Funds of the Municipality generated over number of financial years.

**3. CAPITAL EXPENDITURE**

Capital Expenditure during the year	-12 177 542	-22 595 142
Add: Motor Vehicle (Volvo sold on Auction)	460 000	0
Less: Assets written-off or disposed during the year - Volvo	-460 000	0
Less: Assets Transferred to Sisonke District Municipality	3 709 204	0
<b>Total Fixed Assets Acquired</b>	<b><u><u>-8 468 338</u></u></b>	<b><u><u>-22 595 142</u></u></b>

ALFRED NZO DISTRICT MUNICIPALITY

CHIEF FINANCE OFFICER REPORT ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (cont...)

	<u>2006</u>	<u>2005</u>
	<u>R</u>	<u>R</u>
<b>4. INVESTMENTS AND CASH</b>		
Call Deposits	34 806 325	96 802 046
Long-term Investments with Investec	<u>11 959 997</u>	<u>11 509 997</u>
Closing balance at financial year end	<u><u>46 766 322</u></u>	<u><u>108 312 043</u></u>

*The Call Deposits are held by the District Municipality in call accounts for financing various projects. Included also is an investment with Investec totalling to R11,959,997.00 reflected at both market and fair value as at 30th June 2006.*

*(Further details see Appendix B.)*

*Favourable bank balance on the 30 June 2006 amounted to R44,702.902.00, which is a clear indication of sound cashflow management.*

**5. LONG TERM DEBTORS**

Long term debtors balance at the end of the financial year end is:

<u><u>821 926</u></u>	<u><u>1 347 420</u></u>
-----------------------	-------------------------

*This represents a decrease of R525 494.00*

*This is as a result of car loans issued to staf before 1st July 2004, and hence terminated thereafter by the implementation of MFMA.*

*The primary reason for the decrease is due to payments made by lonees during the course of the financial year.*

**6. ACCOUNTS RECEIVABLE**

Accounts receivable balance at the end of the year is:

<u><u>31 000 226</u></u>	<u><u>10 928 920</u></u>
--------------------------	--------------------------

*This represents an increase of R20,1 million*

*The primary reason for the increase is the outstanding amount in favour of ANDM by SARS*

**7. LONG TERM LIABILITIES**

During 2004/05 financial year, loan amounting to R12,026,793.00 was received from DBSA to finance Phase 2 of Offices - **see accounting policy note 14 for further details.**

**ALFRED NZO DISTRICT MUNICIPALITY**

**CHIEF FINANCE OFFICER REPORT ON THE ANNUAL FINANCIAL  
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (cont...)**

**8. GOING CONCERN**

The municipality is experiencing a challenge of a very narrow revenue base. On the 30th June 2006, billing for RSC levies has been permanently terminated. The municipality will continue to operate as a going concern as it receives a yearly equitable share grant from National Treasury Department and the RSC Levies will be incorporated in the equitable share in total. Also, the Council took the resolution of taking over the responsibility of providing water from the district municipalities and that will assist in increasing our revenue base. Revenue enhancement strategy is in a process of being developed.

The Alfred Nzo District Municipality has the financial backing of both the National and Provincial Treasury Department and hence the risk of losing its status as a going concern is low.

**9. SUBSEQUENT EVENTS**

During the process of preparing the financial statements, there was a pending claim from O.R. Tambo District Municipality regarding payment of RSC Levies. These payments were erroneously credited into ANDM account by various government departments. The claim amounts to approx. R6,0 million and it was scheduled to be tabled at the Council meeting dated 23rd August 2006. With the exception of the above-mentioned item there are no subsequent events at the Balance Sheet date that necessitates an adjustment to the annual financial statements. However, it must be stated that there is a pending appeal regarding the demarcation process of Matatiele Local Municipality which is presently in the Constitutional Court of South Africa.

**10. APPRECIATION**

I would like to thank the Executive Mayor, Finance Political Head, Members of the Mayoral Committee, Councilors, Municipal Manager, Department Heads of Alfred Nzo District Municipality for the support that they have given to me during the financial year. A special word of thanks to the personnel of the Finance Department for their loyalty, commitment and diligence in preparing the financial records of our municipality

**Vuyani Nobongoza**  
**Chief Finance Officer**  
**Date:**

**ALFRED NZO DISTRICT MUNICIPALITY**  
**BALANCE SHEET AS AT 30 JUNE 2006**

	Note	2006 R	2005 R
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>12 781 923</b>	<b>12 857 417</b>
Property, plant and equipment	3	0	0
Long Term Investments	6	11 959 997	11 509 997
Long-Term Debtors	4	821 926	1 347 420
<b>Current assets</b>		<b>115 817 363</b>	<b>139 692 785</b>
Investments	6	34 806 325	97 090 944
Accounts Receivable	5	35 781 853	10 928 920
Cash and other cash equivalents	6&11	44 702 902	30 606 354
Pett Cash		789	0
Short-term portion of long-term debtors	4	525 494	1 066 567
<b>TOTAL ASSETS</b>		<b><u>128 599 286</u></b>	<b><u>152 550 202</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Funds and reserves</b>		<b>80 570 204</b>	<b>124 259 563</b>
Accumulated funds	1	0	0
Non-distributable reserve	9	50 217 246	52 674 816
Trust funds	2	30 352 958	71 584 747
<b>Long Term Liabilities</b>	14	<b>35 755 435</b>	<b>11 391 114</b>
<b>Current liabilities</b>		<b>12 273 647</b>	<b>16 899 525</b>
Bank Overdraft	12	0	7 504 868
Accounts Payable	7	5 058 181	9 044 657
Provisions	8	7 215 466	350 000
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>128 599 286</u></b>	<b><u>152 550 203</u></b>



**ALFRED NZO DISTRICT MUNICIPALITY  
INCOME STATEMENT FOR THE YEAR ENDED  
30 JUNE 2006**

2004 R	2005 R		2006 R	2006 R	2006 R
(Surplus)/ Deficit	(Surplus)/ Deficit		Actual Income	Actual Expenditure	(Surplus)/ Deficit
(16 450 428)	(25 894 064)	Grants and subsidies	(25 894 064)	-	(25 894 064)
8 781 792	28 001 633	<b>Operating Income</b>	<b>-11 049 202</b>	<b>39 050 835</b>	<b>28 001 633</b>
7 668 636	2 107 569	Administration section	(36 943 266)	39 050 835	<b>2 107 569</b>
0	-	Local bodies	-	-	-
-	-	Regional functions section	-	-	-
<b>(7 668 636)</b>	<b>2 107 569</b>	<b>Total</b>	<b>(36 943 266)</b>	<b>39 050 835</b>	<b>2 107 569</b>
1 478 655	169 445.00	Appropriations for the year (refer to note 9)			350 000
<b>(6 189 981)</b>	<b>2 277 014</b>	<b>Net (surplus)/deficit for the year</b>			<b>2 457 569</b>
(39 274 763)	(45 464 744)	Unappropriated (surplus)/accumulated deficit at the beginning of the year			-52 335 928
<b>(45 464 744)</b>	<b>(43 187 730)</b>	<b>Unappropriated (surplus)/accumulated deficit at the end of the year</b>			<b>(49 528 359)</b>

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006	2005	2004 R
<b>Cash inflows/(outflows) from Operating Activities</b>		<b>3 837 825</b>	<b>-5 899 237</b>	<b>4 597 745</b>
Cash receipts from customers		33 105 440	36 943 266	29 135 828
Cash paid to suppliers and employees		-46 780 008	(39 050 835)	(21 467 192)
<b>Cash generated from operations</b>	<b>10</b>	<b>0</b>	<b>(13 674 568)</b>	<b>(981 139)</b>
Investment income		3 837 825	7 775 331	5 578 884
<b>Cash inflows/(outflows) from Investing Activities</b>		<b>0</b>	<b>0</b>	<b>0</b>
Grants Received		8079240	22 595 142	2 939 787
Additions to fixed assets		-8 079 240	-22 595 142	(2 939 787)
<b>Cash inflows/(outflows) from Financing Activities</b>		<b>41 231 789</b>	<b>9 602 571</b>	<b>(4 844 060)</b>
(Decrease)/Increase in Accumulated Funds		0	0	0
(Decrease)/Increase in Trust funds		41 231 789	9 602 571	(4 844 060)
<b>Net Increase/(decrease) in cash and other cash equivalent</b>		<b>47 922 314</b>	<b>30 478 020</b>	<b>6 038 638</b>
<b>Cash and other cash equivalents at beginning of year</b>		<b>30 606 354</b>	<b>89 714 410</b>	<b>83 675 772</b>
<b>Cash and other cash equivalents at the end of the year</b>		<b>78 528 668</b>	<b>120 192 430</b>	<b>89 714 410</b>

**ALFRED NZO DISTRICT MUNICIPALITY**

**ACCOUNTING POLICIES FOR THE YEAR ENDED  
30 JUNE 2006**

**1. Basis of preparation**

The Annual Financial Statements are prepared in accordance with standards laid down by the Institute Of Municipal Treasurers And Accountants (now known as IMFO) in it's Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second Edition: January 1996).

The Annual Financial Statements are prepared on a historical cost basis. The following are the principal accounting policy directives used by the district municipality which are consistent with those of the previous year, except if otherwise indicated:

**1.1 Revenue Recognition**

Revenue is recognised in the financial statements when measurable and available to finance operations and is matched with expenditure to comply with the accrual basis of accounting.

**1.2 Property, Plant and Equipment**

**1.2.1** Property, Plant and Equipment is stated at historical cost; or

At valuation (based on the market price at the date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated useful life as determined by the treasurer.

**1.2.2 Depreciation**

The balance shown against the heading "Loans Redeemed And Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through the following two sources of finance :

**ALFRED NZO DISTRICT MUNICIPALITY**  
**ACCOUNTING POLICIES FOR THE YEAR ENDED**  
**30 JUNE 2006 (cont...)**

**1.2.2 Depreciation (cont...)**

*Appropriations from income* - Where the full cost of the asset forms an immediate and direct charge against the operating income, it is unnecessary to make an additional depreciation provision; and

*Grant or donation* - The amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed And Other Capital Receipts" account.

**1.2.3 Financing of Property, Plant and Equipment**

Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. Interest is charged to the service concern at the ruling interest rate at the time the advance is made.

**1.3 Employee benefits**

*Defined contribution plan*

Alfred Nzo District Municipality, employees and Councillors contribute to a Provident Fund and Pension Fund respectively.

These Funds are defined contribution plans in terms of the Pension Fund Act of 1965. Contributions to a defined contribution plan in respect of service in a particular period are recognised as an expense in that period.

**1.4 Investments**

Investments are stated at the lower of cost or market valuation and are written down only where there is a permanent impairment in value.

**1.5 Provisions**

Provisions are recognised when the District Municipality has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

**1.6 Inventory**

The Municipality has no stock (or stores) under its control as stock items are bought for direct use.

**ALFRED NZO DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 200**

	<b>2006</b>	<b>2005</b>
		<b>R</b>
<b>1. ACCUMULATED FUNDS</b>		
Capital Development Fund		0
<b>2. TRUST FUNDS</b>		
Administration Fund		238 701
Bucket Eradication	2 594 496	
Capital Projects	294 955	1 339 107
Community Based Public Works		241 838
Clydsdale Pilot Housing	4 227 490	323 050
CETA	674 132	
CDW	117 405	
CMIP Projects		258 895
Community Sports		0
Council Offices		8 280 321
Council Allowance	27 928	
Disaster - Mgmt	362 396	302 647
DWAF Capital	1 316 129	
DWAF Sanitation	1 709 599	
Establishment Fund		525 097
HIV / Aids	1 066 325	3 868 269
Holding Account		6 030 990
Ibisi - Township	656 026	919 627
Local Economic Development	96 867	2 142 670
Maluti Township	5 838 096	482 432
Maluti Trading Authority		2 373
MSIG Projects	1 434 506	4 199 547
Municipal Support Grant	16 920	1 322 011
Reserve Funds	9 135 405	10 098 493
Sports & Recreation	703 151	1 231 197
Taxi Ranks		116 400
Training Fund		478 880
Water and Sanitation		2 116 313
Municipal Infrastructure Grant	81 132	27 065 889
	<b>30 352 958</b>	<b>71 584 747</b>

**ALFRED NZO DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**AT 30 JUNE 2006 (cont...)**

	2006	2005 R
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>		
Property, Plant and Equipment at beginning of the year	0	0
Capital expenditure during the year	12 177 542	22 595 142
Add: Motor Vehicle (Volvo sold on Auction)	460 000	
Less: Assets written off, transferred or disposed of during the year - Volvo	-460 000	0
Transfer to Sisonke District Municipality	-3 709 204	
Total fixed assets acquired	8 468 338	22 595 142
Less: Loans redeemed and other capital receipts	-8 468 338	(22 595 142)
<b>Net Property, Plant and Equipment at year end</b>	<b>0</b>	<b>0</b>

*a) Volvo was disposed during 2005/06 financial year having an original cost of R460,000.00 which was acquired during 2004/05 financial year.*

*b) An amount of R3,709,204.00 represents assets that has been transferred from ANDM to Sisonke District Municipality due to incorporation of Umzimkhulu Local Municipality into KZN.*

**4. LONG-TERM DEBTORS**

Staff Motor Vehicle Loans	1 347 420	2 413 987
Less: Short-term portion of long-term debtors transferred to current assets	-525 494	(1 066 567)
	<b>821 926</b>	<b>1 347 420</b>

*This represents a decrease of R525,494.00 due to payments made by debtors during the course of the financial year*

**ALFRED NZO DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**AT 30 JUNE 2006 (cont...)**

	<b>2006</b>	<b>2005</b>
		<b>R</b>
<b>5. ACCOUNTS RECEIVABLE</b>		
Trade debtors (Establishment & Services Levies)	4 754 628	2 161 700
Staff Study Loans	26 999	26 090
Vat input control account - SARS	31 000 226	8 741 130
	<u><b>35 781 853</b></u>	<u><b>10 928 920</b></u>
<b>6. INVESTMENTS</b>		
Call deposits	34 806 325	97 090 944
Long Term Investments - Investec	11 959 997	11 509 997
	<u><b>46 766 322</b></u>	<u><b>108 600 941</b></u>

*Included in the total investment figure is the long term investment from Investec amounting to R11 959 997 which is stated at market value and fair value as at 30 June 2006 Other Investments amounting to R34,806 million, that finances infrastructure and operations have been stated at carrying value as at year end 2006.*

**ALFRED NZO DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**AT 30 JUNE 2006 (cont...)**

	<b>2006</b>	<b>2005</b>
<b>7. ACCOUNTS PAYABLE</b>		
Trade Creditors	3 909 226	8 471 551
DBSA Loan Interest Accrued	1 148 955	573 106
	<b>5 058 181</b>	<b>9 044 657</b>
<b>8. PROVISIONS</b>		
Creditors - RSC Levy	7 215 466	0
Audit Fees	350 000	350 000
	<b>350 000</b>	<b>350 000</b>
Included in creditors is the provision for outstanding RSC Levies claimed by OR Tambo District Municipality of payments erroneously by government departments into ANDM account.		
<b>9. APPROPRIATIONS</b>		
Appropriation account:		
Accumulated (surplus) at the beginning of the year	-52 674 816	-45 464 743.00
Operating deficit/(surplus) for the year	2 107 570	-7 040 628.00
Appropriation for the year	350 000	-169 445.00
	<b>(50 217 246)</b>	<b>-52 674 816.00</b>
<b>10. CASH GENERATED BY OPERATIONS</b>		
(Surplus)/Deficit for the year	-2 457 570	-7 210 073
Adjustments for :-		
Contribution to capital outlay		-
Investment income	-3 664 438	(7 766 341)
Operating (surplus)/deficit before changes in net working capital	(6 122 008)	(14 976 414)
<b>Increase/(decrease) in net working capital</b>	<b>(7 552 560)</b>	<b>13 995 275</b>
Decrease/(increase) in accounts receivable, long-term debtors	(3 776 280)	5 889 082
(Decrease)/increase in accounts payable and provisions	(3 776 280)	8 106 193
	<b>(13 674 568)</b>	<b>(981 139)</b>



## ALFRED NZO DISTRICT MUNICIPALITY

## Schedule of Investments for the year ended 30 June 2006

Details	Opening Balance	Movements	Closing Balance
Bucket Eradication		2 594 496	2 594 496
CETA - Plant Account	1 554 276	-880 144	674 132
CDW		117 405	117 405
Council Allowances/FMG	1 041 882	-1 013 954	27 928
Disaster Management Centre	42 392	320 005	362 396
HIV / Aids	4 224 447	-3 158 122	1 066 325
DWAF Capital	3 486 565	-2 170 437	1 316 129
DWAF Sanitation	2 465 173	-755 574	1 709 599
Ibisi - Township	973 476	-317 450	656 026
Local Economic Development	2 507 498	-2 410 631	96 867
Provincial Dept. of Roads & Transport - T98 & T85	519 352	5 318 743	5 838 096
MSIG Projects	3 206 784	-1 772 279	1 434 506
Municipal Election Support	352 101	3 875 390	4 227 490
Municipal Support Programme	1 460 370	-1 443 450	16 920
Reserve Funds	10 205 069	-1 069 665	9 135 405
Sports & Recreation	1 277 242	-574 091	703 151
Municipal Infrastructure Grant	27 372 109	-27 290 977	81 132
Capital Projects	1 660 946	-1 365 990	294 955
Vote 2	2 916 721	-2 911 316	5 405
Vote 3	2 860 109	-1 984 769	875 339
Vote 4	2 413 185	-953 351	1 459 834
Vote 5	5 290 107	-5 211 204	78 903
Vote 6	9 469 315	-8 593 322	875 993
Vote 7	3 355 916	-2 198 025	1 157 891
<b>Total</b>	<b>88 655 036</b>	<b>-53 848 711</b>	<b>34 806 325</b>

## ALFRED NZO DISTRICT MUNICIPALITY

## Schedule of Trust Funds for the year ended 30 June 2006

7-50-915	Details	Balance	Movements	Opening Balance
		2006		2005
	Adminstration Fund	0	-238 701	238 701
	Bucket Eradication	2 594 496	2 594 496	0
	Capital Projects	294 955	-1 044 152	1 339 107
	Community Based Public Works	0	-241 838	241 838
	Municipal Election Support	4 227 490	3 904 440	323 050
	CMIP	0	-258 895	258 895
	CETA	674 132	674 132	0
	CDW	117 405	117 405	0
	Community Sport	0	0	0
	Council Offices	0	-8 280 321	8 280 321
	Council Allowance	27 928	27 928	0
	Disaster - Mgmt	362 396	59 749	302 647
	DWAF Capital	1 316 129	1 316 129	0
	DWAF Sanitation	1 709 599	1 709 599	0
	Establishment Fund	0	-525 097	525 097
	HIV / Aids	1 066 325	-2 801 944	3 868 269
	Holding Account	0	-6 030 990	6 030 990
	Ibisi - Township	656 026	-263 601	919 627
	Local Economic Development	96 867	-2 045 803	2 142 670
	Provincial Dept. of Roads & Transport - T98 & T85	5 838 096	5 355 664	482 432
	Maluti Tribal Authority	0	-2 373	2 373
	MSIG Projects	1 434 506	-2 765 041	4 199 547
	Municipal Support Grant	16 920	-1 305 091	1 322 011
	Reserve Funds	9 135 405	-963 088	10 098 493
	Sports & Recreation	703 151	-528 046	1 231 197
	Taxi Ranks	0	-116 400	116 400
	Training	0	-478 880	478 880
	Water & Sanitation	0	-2 116 313	2 116 313
	Municipal Infrastructure Grant	81 132	-26 984 757	27 065 889
		<b>30 352 958</b>	<b>-41 231 789</b>	<b>71 584 747</b>

**ALFRED NZO DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**AT 30 JUNE 2006 (cont...)**

	<b>2006</b>	<b>2005</b>
	<b>R</b>	<b>R</b>
<b>11. CASH AND OTHER CASH EQUIVALENTS</b>		
ANDM Levies Bank Account	4 272	443 101
ANDM Primary Bank Account	9 891 425	30 162 327
Project Account	91	0
Petty Cash	789	926
	<b>9 896 577</b>	<b>30 606 354</b>

*Note: The above balances excludes long term investments which are separately disclosed under Note 6.*

**12. BANK OVERDRAFT**

Project Account	0	7 504 868
	<b>0</b>	<b>7 504 868</b>

**13. CASH AND OTHER CASH EQUIVALENTS**

ANDM Levies Bank Account	4 272	443 101
ANDM Main Bank Account	9 891 425	30 162 327
Project Account	91	0
Petty Cash	789	926
Investments	34 806 325	97 090 944
Bank Overdraft		(7 504 868)
	<b>44 702 902</b>	<b>120 192 430</b>

This note represents the balance of cash and other cash equivalents that is disclosed in the cash flow statement for the year ended 30 June 2006.

**14 LONG TERM LIABILITIES**

DBSA Loan amount at the beginning of the year	11 391 114	12 026 793
Less: Amount paid during the year	-879 749	-635 679
Add: Additional Loan in the Current Year	25 000 000	-
	<b>35 511 365</b>	<b>11 391 114</b>

*a) Loan granted by DBSA to ANDM to finance ANDM Offices amounting to R12,026,793.*

*The loan was to finance Phase 2 of the offices during the 2004/05 financial year.*

*b) Further Loan amounting to R25,0 million granted by DBSA to ANDM over twenty years to finance capital projects. So far the amount received is R9,405,631.00*

**ALFRED NZO DISTRICT MUNICIPALITY**  
**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**  
**FOR THE YEAR ENDED 30 JUNE 2006**

Expenditure 2003/2004	Budget 2004/2005	Balance 30-Jun-04	Expenditure 2004/2005	Written off, transferred, redeemed or disposed of during the year	Balance at 30-Jun-05
R	R	R	R	R	R
<b>0 GRANTS AND SUBSIDIES</b>			<b>0</b>	<b>0</b>	<b>0</b>
0 CMIP GRANTS	0	0	0	0	0
<b>21 292 771 OTHER INCOME</b>	<b>13 599 000</b>	<b>21 292 771</b>	<b>16 339 196</b>	<b>0</b>	<b>37 631 967</b>
0 Human resource and finance					
0 Economic development					
0 Office of the mayor					
0 Council general					
0 Technical					
<b>21 292 771 Total Property, Plant and Equipment</b>	<b>13 599 000</b>	<b>21 292 771</b>	<b>16 339 196</b>	<b>0</b>	<b>37 631 967</b>
<b>Less Loans redeemed and other capital 21 292 771 receipts</b>		<b>21 292 771</b>	<b>16 339 196</b>	<b>0</b>	<b>37 631 967</b>
21 292 771 Contributions from operating income	13 599 000	21 292 771	16 339 196	0	37 631 967
0 Contributions from grants	0	0	0	0	0
0 Contributions from donations	0	0	0	0	0
<b>0 NET PROPERTY, PLANT AND EQUIPMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## ALFRED NZO DISTRICT MUNICIPALITY

ANALYSIS OF OPERATING INCOME & EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2006

ACTUAL 2005 R	BUDGET 2006 R	INCOME	ACTUAL 2006 R	BUDGET 2006 R
(19 477 762)	(18 208 152)	Grants and subsidies	(25 894 064)	(18 208 152)
(19 477 762)	(18 208 152)			(18 208 152)
(15 076 882)	(18 000 000)	Operating income	(11 049 201)	(18 000 000)
(2 482 527)	(1 573 070)	Establishment levy	(2 019 185)	(1 573 070)
(4 819 024)	(10 426 930)	Services levy	-5 192 191	(10 426 930)
(7 775 331)	(6 000 000)	Other income	-3 837 825	(6 000 000)
(34 554 644)	(36 208 152)	Total Income	(36 943 265)	(36 208 152)

## EXPENDITURE

10 340 112	12 855 133	Human Resource & Finance	14 547 227	12 855 133
5 692 625	7 443 743	Salaries, wages and allowances	8 199 955	7 443 743
4 170 733	4 777 390	General expenses	6 056 392	4 777 390
143	209 000	Repairs and maintenance	141 156	209 000
476 611	425 000	Contributions to capital outlay	149 724	425 000
2 740 757	5 287 110	Economic & Social Development	4 235 883	5 287 110
2 064 204	4 250 535	Salaries, wages and allowances	3 872 334	4 250 535
554 799	859 575	General expenses	363 549	859 575
0	47 000	Repairs and maintenance	0	47 000
121 754.94	130 000.00	Contributions to capital outlay	0	130 000
8 479 607	17 244 392	Office Of The Mayor	10 423 953	17 244 392
5 869 384	11 227 392	Salaries, wages and allowances	9 612 616	11 227 392
2 302 830	4 525 000	General expenses	25 396	4 525 000
0	618 000	Repairs and maintenance	9 256	618 000
307 392	874 000	Contributions to capital outlay	776 685	874 000

## ALFRED NZO DISTRICT MUNICIPALITY

ANALYSIS OF OPERATING INCOME & EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2006 (cont...)

ACTUAL 2005 R	ACTUAL 2006 R	EXPENDITURE	ACTUAL 2006 R	BUDGET 2006 R
<b>2 234 143</b>	<b>1 862 365</b>	<b>Council General</b>	<b>1 862 365</b>	<b>1 928 893</b>
1 584 238	1 516 568	Salaries, wages and allowances	1 516 568	1 144 593
649 905	345 797	General expenses	345 797	738 300
0	0	Repairs and maintenance	0	6 000
0	0	Contributions to capital outlay	0	40 000
<b>3 719 396</b>	<b>7 981 407</b>	<b>Infrastructure Development</b>	<b>7 981 407</b>	<b>8 823 612</b>
3 215 926	6 728 651	Salaries, wages and allowances	6 728 651	6 772 799
394 672	861 719	General expenses	861 719	848 813
86 848	124 205	Repairs and maintenance	124 205	1 072 000
21 950	266 832	Contributions to capital outlay	266 832	130 000
<b>0</b>	<b>0</b>	<b>Capital development expenses</b>	<b>0</b>	<b>0</b>
0	0	Work in progress - Contribution to capital outlay	0	0
0	0	Technical plant - Contribution to capital outlay	0	0
<b>41 340 174</b>	<b>45 230 407</b>	<b>Total Expenditure</b>	<b>39 050 835</b>	<b>44 210 247</b>
<b>5 132 022</b>	<b>9 022 255</b>	<b>Net Deficit/(Surplus) for the period</b>	<b>2 457 570</b>	<b>8 002 095</b>

**ALFRED NZO DISTRICT MUNICIPALITY**  
**DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

2005 R	2005 R		2006 R	2006 R	2006 R
Actual Income	Actual Expenditure		Actual Income	Actual Expenditure	(Surplus)/ Deficit
(19 477 762)		Grants and subsidies	(25 894 064)		(25 894 064)
(15 076 882)	27 514 015	Operating Income	(11 049 201)	39 050 835	28 001 634
	<b>27 514 015</b>	<b>Administration section</b>		<b>39 050 835</b>	
	10 340 112	Human Resource and Finance		14 547 227	
	2 740 757	Economic Development		4 235 883	
	8 479 607	Office of the Executive Mayor		10 423 953	
	2 234 143	Council General		1 862 365	
	3 719 396	Infrastructure Development		7 981 407	
	-	Capital Development Expenses		-	
	-	<b>Local bodies 12(6)(a)</b>		-	
	-	Capital Projects		-	
	-	<b>Regional functions section 12(6)(a)</b>		-	
	-	TLC Grants		-	
<b>(34 554 644)</b>	<b>27 514 015</b>	<b>Total</b>	<b>(36 943 265)</b>	<b>39 050 835</b>	<b>2 107 570</b>
		Appropriations for the year (refer to note 9)			350 000
		<b>Net (surplus)/deficit for the year</b>			<b>2 457 570</b>
		Unappropriated (surplus)/accumulated deficit at the beginning of the year			-52 335 928
		<b>Unappropriated (surplus)/accumulated deficit at the end of the year</b>			<b>(49 878 358)</b>

## ALFRED NZO DISTRICT MUNICIPALITY

STATISTICAL INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2006

## GENERAL STATISTICS

<b>Population</b>	<i>2001 Census</i>	<i>1996 Census</i>
Umzimvubu Local Municipality	<b>376 062</b>	<b>378 681</b>
Matatiele Local Municipality	-	-
<b>Total Alfred Nzo District Municipality</b>	<b>376 062</b>	<b>378 681</b>

  

<b>Area</b>	<b>2005/2006</b>	<b>2004/2005</b>
Umzimvubu Local Municipality	<b>5 298</b>	<b>5 298</b>
Matatiele Local Municipality	-	-
<b>Total Alfred Nzo District Municipality</b>	<b>5 298</b>	<b>5 298</b>

  

<b>Levies(%)</b>	<b>%</b>	<b>%</b>
Services Levies	<b>0,47</b>	<b>0,32</b>
Establishment Levies	<b>0,18</b>	<b>0,16</b>
Income Received (in R)	<b>0,35</b>	<b>0,52</b>

  

<b>Levies@</b>	<b>R</b>	<b>R</b>
Services Levies - RSC	5 192 191	4 819 024
Establishment Levies	2 019 185	2 482 527
Income Received (in R)	3 837 825	7 775 331
<b>Total</b>	<b>11 049 201</b>	<b>15 076 882</b>

  

<b>Number of Employees</b>	<b>163</b>	<b>129</b>
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