

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

INDEX

	PAGE NUMBER
GENERAL INFORMATION	1 - 2
FOREWORD	3 - 4
MANAGER: FINANCIAL SERVICES REPORT	5 - 7
ACCOUNTING POLICIES	8 - 10
BALANCE SHEET	11
INCOME STATEMENT	12
CASHFLOW STATEMENT	13
NOTES TO THE FINANCIAL STATEMENTS	14 - 17
APPENDIX A	18 - 19
APPENDIX B	20
APPENDIX C	21
APPENDIX D	22
APPENDIX E	23 - 24
APPENDIX F	25
DISCLOSURES IN TERMS OF MFMA	26 - 28

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
REPORT OF THE MANAGER: FINANCIAL SERVICES DEPARTMENT**

The Maletswai Local Municipality was established in terms of Section 12 of the Local Government Structures Act of 1988 (Act 117 of 1988). The establishment Notice was promulgated under Provincial Notice 82 dated 27 September 2000 as amended. The Maletswai Local Municipality consists of the Area of Jurisdiction of the former Aliwal North Transitional Local Council, the former Jamestown Transitional Local Council as well as the former Aliwal North Representative Council.

During the year under view it was again evident that the Maletswai Municipality has difficulty in realizing its revenue which was budgeted for. Although great care was taken during the budget process for the 2006/2007 financial year not to budget for revenue that will not realize, even the goals that were set for revenue to realize could not have been reached. One of the main reasons for the non-realizing of revenue is the socio-economic circumstances of a vast majority of the inhabitants of our area. Furthermore, it is also fact that the Equitable Share, that the Maletswai Municipality receive, is not adequate enough to finance this difference. The above in itself makes it very difficult for Council to make funds available for the normal day to day activities of Council especially for the maintenance of Council's assets and the deterioration of these assets has now reached a threatening stage.

From the above it is then also true that Capital Projects, financed from own sources, has become almost non-existent and that the Maletswai Municipality has to rely heavily on Grant funding for the execution of such Capital Projects and/or the upgrading of existing infrastructure.

The stabilization of Council's cash flow also became a critical factor especially during the winter period when the High Demand Tariff Structure of Escom came into effect which has the result that, due to the extreme cold period of the year, the bulk electricity account nearly doubled without a vast increase in consumption.

The operating results for the year under review are as follows:

	ACTUAL 2005/2006	ACTUAL 2006/2007	VARIANCE	BUDGET 2005/2006	VARIANCE ACTUAL/BUDGET
REVENUE					
OPENING SURPLUS	2 137 673	15 981 319	648		
OPERATING INCOME FOR THE YEAR	41 555 898	45 552 834	10	67 811 810	32.8
SUNDRY TRANSFERS	13 691 731	2 410 028	-82		
CLOSING DEFICIT	-	-			
	57 385 302	63 944 181	11		
EXPENDITURE					
OPENING DEFICIT					
OPERATING EXPENDITURE FOR THE YEAR	41 403 983	56 679 023	37	67 808 470	16.4
SUNDRY TRANSFERS	-				
CLOSING SURPLUS	15 981 319	7 265 158	-55		
	57 385 302	63 944 181	11		

	ACTUAL 2005/2006	ACTUAL 2006/2007	VARIANCE	BUDGET 2006/2007	VARIANCE ACTUAL/BUDGET
RATES & GENERAL SERVICES					
REVENUE	23 147 501	25 011 762	8	44 787 070	44.2
EXPENDITURE	-25 235 481	-37 796 155	50	-49 165 240	23.1
SURPLUS/DEFICIT	-2 087 980	-12 784 393	512	-4 378 170	-149.9
SURPLUS/DEFICIT as % of income	-9.02	-51.11	-199.00		
HOUSING SERVICE					
REVENUE	-	-			
EXPENDITURE	-412 745	-474 495	15	-494 840	4.1
SURPLUS/DEFICIT	-412 745	-474 495	15	-494 840	
ELECTRICITY SERVICE					
REVENUE	17 248 751	18 924 475	10	21 402 140	11.6
EXPENDITURE	-12 717 486	-15 040 475	18	-15 326 190	1.9
SURPLUS/DEFICIT	4 531 265	3 884 000	-14	6 075 950	
SURPLUS/DEFICIT as % of income					

CAPITAL EXPENDITURE

	ACTUAL 2005/2006	ACTUAL 2006/2007	TRANSFER
LAND	19 995	-	-
BUILDINGS	588 118	1 209 423	-
VEHICLES	1 046 526	2 730 040	-
HOUSING	-	-	-
EQUIPMENT	4 410	162 283	-
OFFICE FURNITURE	161 710	516 240	-
SEWERAGE	-	-	-
ELECTRICITY	320 404	101 602	-
PLANNING	55 529	-	-
PUBLIC WORKS	1 054 253	1 436 551	-
SPA	6 273	94 221	-
GAME	619 700	101 800	-
	3 876 918	6 352 160	-

RESOURCES TO FINANCE THE ASSETS WERE AS FOLLOWS:

GRANTS & SUBSIDIES	2 003 266	2 322 754	
CONTRIBUTION FROM OPERATING ACCOUNT	1 873 652	1 785 468	
ADVANCE FROM REVENUE(DBSA)		211 182	
EXTERNAL LOANS(ABSA)	-	1 930 956	-
RECOUNT OF GAME		101 800	
	3 876 918	6 352 160	

EXTERNAL LOANS, INVESTMENTS & CASH

External loans outstanding on 30 June 2007 amounted to R1 730 025 (R 2 286 127 in 2006) as set out in Appendix B. During the year no new loans were raised, loan repayments and transferred to Ukhahlamba District Municipality (water) amounted to R 1 618 826.

Investments amounted to R 3 142 895 on 30 June 2007.

More information regarding loans & investments are disclosed in notes 4 & 7 as well as Appendix B to the financial statements.

FUNDS & RESERVES

More information regarding funds & reserves are disclosed in notes 1, 2 & 3 as well as Appendix A to the financial statements.

POST BALANCE SHEET EVENTS

None

I herewith wish to express my and my department's sincere gratitude, for all the support, guidance and help received during this financial year to:

The Mayor and Councillors
The Chairperson and Members of the Financial Standing Committee
The Municipal Manager
All Managers and Acting Managers of the relevant departments
All personnel in the Finance Department

B J Rautenbach
MANAGER: FINANCIAL SERVICES DEPARTMENT

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
BALANCE SHEET AS AT 30 JUNE 2007**

	NOTES	2007	2006
CAPITAL EMPLOYED			
FUNDS AND RESERVES		11 222 284	10 657 189
Accumulated funds	1	11 222 284	10 657 189
Accumulated Surplus	15	7 265 158	15 981 319
Trust funds	2	10 646 823	14 630 096
Consumers deposits	5	2 306 681	1 050 025
		31 440 946	42 318 629
EMPLOYMENT OF CAPITAL			
Fixed assets	5	6 150 189	6 270 575
Investments	6	3 142 895	2 264 080
Long-term debtors	7		
		9 293 084	8 534 655
NET CURRENT ASSETS\LIABILITIES		22 147 862	33 783 974
CURRENT ASSETS		36 274 154	48 544 509
Inventory	8	14 417	18 320
Debtors	9	31 670 242	29 845 064
Bank and cash	19	4 589 496	18 681 125
CURRENT LIABILITIES		14 126 292	14 760 535
Creditors	11	10 517 036	11 749 851
Provision	10	1 879 231	1 194 341
Short-term portion	4	1 730 025	1 816 343
		31 440 946	42 318 629

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 30/06/2007

ACTUAL REVENUE 2006	ACTUAL EXPENDITURE 2006	SURPLUS/ DEFICIT		ACTUAL REVENUE 2007	ACTUAL EXPENDITURE 2007	SURPLUS/ DEFICIT	2007 BUDGET surplus(deficit)
16 923 865	-18 828 201	-1 904 336	COMMUNITY SERVICES	20 609 895	-31 152 727	-10 542 833	-3 186 870
3 194 520	-2 499 008	695 511	SUBSIDISED SERVICES	1 287 138	-2 261 982	-974 843	-95 800
3 029 116	-3 908 272	-879 155	ECONOMIC SERVICES	3 114 729	-4 381 446	-1 266 717	-1 095 510
23 147 501	-25 235 481	-2 087 980	RATE & GEN. SERVICE	25 011 762	-37 796 155	-12 784 393	-4 378 180
	-412 745	-412 745	HOUSING SERVICE		-474 495	-474 495	-494 840
18 408 397	-15 755 757	2 652 640	TRADING SERVICES	20 541 072	-18 408 373	2 132 699	4 876 360
41 555 898	-41 403 983	151 915		45 552 834	-56 679 023	-11 126 189	3 340
	13 691 731		Appropriations for the year (refer note 18)		2 410 028		
	151 915		Net surplus /deficit for the year				
			Accumulated surplus/(deficit)		-11 126 189		
	2 137 673		Beginning of the year		15 981 319		
	15 981 319				7 265 158		

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
CASH FLOW STATEMENT FOR THE YEAR
ENDED 30 JUNE 2007**

	NOTE	2007	2006
		R	R
CASH RETAINED FROM OPERATING ACTIVITIES		11 551 680	-13 513 311
Cash generated by operations	16	11 505 888	-22 704 427
Increase/(Decrease) in Working Capital	17	-588 459	8 540 884
Capital Charges	14	634 250	650 232
Investment Income			
Cash available from operations			
Cash contributions from the public and the State		-	-
Net proceeds on disposal of fixed assets		-	-
CASH UTILIZED IN INVESTING ACTIVITIES			
Investment in fixed assets	5	120 386	-416 290
NET CASH FLOW		11 672 066	-13 929 601
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase in long-term loans	22	1 540 750	2 076 915
Increase in cash investments	18	878 814	458 784
Decrease in cash	19	-14 091 629	11 393 902
NET CASH GENERATED		-11 672 066	13 929 601

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007**

		2007	2006
1	ACCUMULATED FUNDS - (Refer ANNEXURE A)	R	R
	Revolving Fund Aliwal North	-9 466 337	-8 985 488
	Redemption Fund	-326 379	-310 837
	Revolving Fund Jamestown	-765 009	-727 951
	Housing Development Fund	-252 737	-240 701
	Revolving Fund (Dukathole)	-411 822	-392 212
		-11 222 284	-10 657 189
2	TRUST FUNDS (Refer ANNEXURE A)		
	LEDF Projects (Garden)	-40 816	-38 873
	MSP Organogram & PMS	-87 000	-
	Traffic Testing Station	-13 965	-13 300
	Transitional Grant	-35 307	-507 435
	Framework Plan	-74 016	-70 491
	Municipal Systems Improvement Fund	-17 934	-17 080
	ABC Retention Camp	-17 760	-16 915
	IDP Fund	34 707	34 707
	Concentration Camp	-11 423	-10 879
	System Improvement Fund	-102 103	-97 241
	Management Support Programme	-901 001	-858 096
	Free Basic Services	-284 998	-271 426
	Finance Management Act	-535 269	-298 089
	IOT. Jamestown	-30 650	-29 191
	Survey Squatters	-29 240	-27 848
	Town Register Fund Jamestown	-7 077	-6 740
	IDT. Jamestown	-13 880	-13 219
	Survey Trust Fund Jamestown	-16 976	-16 168
	LEDF Projects	-127 951	-121 858
	Jamestown CMIP Water	-200 603	-191 050
	Community Hall	-	-289 745
	Arial Survey Fund	-30 096	-28 663
	MSP IT Fund	-192 154	-
	MSP Financial Statement Fund	-150 000	-
	Ukhahlamba District Municipality Tourism Sector Plan	-17 611	-
	Ukhahlamba District Municipality Tourism Organ Fund	-18 400	-
	MIG Funds	-173 754	-
	Dukathole Storm water master plan	-15 334	-14 603
	Jamestown Solid waste disposal site	-17 716	-16 872
	Sewer Purification Works	611 294	195 292
	Sewerage Trust Fund	-1 664	-1 664
	Area 5 Bulk Sewer	205 818	205 818
	Masikhane Sanitation Fund	69 932	69 932
	Public Toilet Fund	-1 449	-1 449
	Sewerage Pump Station	-135 265	-135 265
	Sewer Reticulation Erven Dukathole	-33 065	-33 065
	Solid Waste Disposal	85 472	85 472
	Memorial Wall	-300	-300
	Van Coller Grave	-8 041	-8 041
	Ukhahlamba District Municipality Library Fund	-39 144	-
	1218 Project Link Houses	-774 319	-769 190
	Hilton 78 Sites Services	18 306	18 306
	Survey 78 Sites	2 750	2 750
	Dukathole Town Registers	-33 987	-32 368
	Dukathole Number of Squatters	-12 376	-11 786
	Planning	21 709	21 709

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

Planning Block H	-193 882	-184 649
Zoning Map	-14 976	-14 262
Houses 330	251 863	119 706
Area 5 Services	-60 490	-57 609
Hilton 89 Houses	-114 630	-591 727
Jamestown 318 Houses	-178 088	-159 780
LEDF Funds	290 950	290 950
Jamestown 858 Houses Planning	-5 800	-
Jamestown 858 Houses	-14 392	-13 706
Jamestown 858 Houses	-600 284	-2 014 581
Pump station etc	48 667	48 665
Water Rehabilitation Fund	-570 497	-586 750
Services Area 5	-1 707 971	-1 707 971
Water Works Rehabilitation Fund	-125 989	-125 989
Water Treatment Works	-219 342	-219 342
Ground Water Fund	-31 846	-31 846
LED Funds	-5 138	-5 138
Jamestown Bulk Water Supply	-390 007	-390 007
Dukathole Water Meters	-59 507	-59 505
838 Wornings Fonds	-657 527	-657 527
Jamestown 858 Houses	20 082	20 082
Area 13 Fund	-1 070 331	-2 993 703
Area 5 Electricity 1218 Sites	-1 256 626	-1 196 787
Dukathole National Electricity Regulator	48 492	48 492
National Electricity Regulator Phase 1	-71 162	-67 773
National Electricity Regulator Phase 2	-255 798	-243 617
High mast lighting	-612 026	-582 882
Free Basic Electricity	62 082	62 082
	-10 646 824	-14 630 097
3 LONG TERM LIABILITIES - ANNEXURE B		
Annuity Loans	1 730 025	1 192 358
Local Registered Stock	-	1 696 000
	1 730 025	2 888 358
Less: Loans to be transferred	-	-1 072 015
	1 730 025	1 816 343
Less: Current portion transferred to current Liabilities	-	-1 816 343
	1 730 025	-
4 CONSUMER DEPOSITS	2 306 681	1 050 025
Water and Electricity	2 179 371	1 050 025
Island Spa Conference Centre	17 195	
Sauer Park Sport Stadium	8 079	
Dukathole Electricity	32 914	
Housing	69 122	
	2 306 681	1 050 025
5 FIXED ASSETS - ANNEXURE E		
Fixed Assets at the beginning of the year	78 434 487	75 574 236
Capital Expenditure during the year	6 352 160	3 876 918
TOTAL FIXED ASSETS	84 786 647	79 451 154
Less Amounts W/O and Adjustments		-1 016 667
	84 786 647	78 434 487
Less Loans redeemed and other capital receipts	-78 636 458	-72 163 912
NET FIXED ASSETS	6 150 189	6 270 575
6 INVESTMENTS [See disclosure 2(b)]	3 142 895	2 264 080
7 LONG TERM DEBTORS		
Housing Loans	-	-
8 INVENTORY	14 417	18 320
Diesel stored in bulk at Jamestown Depot		
9 DEBTORS		
Trade	29 503 789	26 490 555
Capital Advance not transferred	1 942 602	1 942 602
Funds Debtors	189 588	189 588

	Internal Loans Transferred	34 263	41 516
	Loans not Transferred	-	1 180 804
		31 670 243	29 845 065

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

10	PROVISIONS		
	Leave (See Accounting Policy Item 14)	1 879 231	1 194 340
		1 879 231	1 194 340
	Provision for the leave days to the credit of employees are calculated at 30 June of each financial year at their remuneration at that date.		
11	CREDITORS		
	Trade Creditors	5 482 361	5 004 317
	Identified Deposits	-	104 446
	Unidentified Deposits	4 923 480	5 460 285
	Loans to be transferred	111 194	1 180 804
		10 517 036	11 749 851
12	ASSESSMENT RATES		
	Valuation	352 551 150	380 469 855
	Actual Income	4 721 328	4 894 144
13	COUNCILLORS' REMUNERATION		
	Mayor's Allowance	339 024	56 739
	Councillor's Allowance	1 435 181	312 048
	Councillor's Pension Contribution	7 650	19 526
14	FINANCE TRANSACTIONS		
	Total external interest earned and paid		
	- Interest earned	1 564 389	1 302 443
	- Interest paid	129 829	649 488
	Capital charges debited to operating account:		
	Interest :		
	- External	80 905	638 578
	- Internal	661	967
	Redemption :		
	- External	546 240	
	- Internal	6 444	10 687
		634 250	650 232
15	APPROPRIATIONS		
	Appropriation account		
	Accumulated surplus at the beginning of the year	15 981 319	2 137 673
	Operating deficit for the year	-11 126 189	151 915
	Appropriations for the year :	2 410 028	13 691 731
	Accumulated surplus at the end of the year	7 265 158	15 981 319

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

16	CASH GENERATED BY OPERATIONS		
	Operating deficit for the year	11 126 189	-151 915
	Prior year adjustments	-2 410 028	-13 691 731
	Non-Operating Income	-8 176 624	-26 294 191
	Funds	-565 095	-1 137 534
	Transfers	810 915	-3 754 412
	Other Funds		689 745
	Trust Funds	-8 422 445	-22 091 990
	Capital Charges:	-634 250	-650 232
	Interest internal:	-661	-967
	Interest external	-80 905	-638 578
	Redemption :		
	Internal	-6 444	-10 687
	External	-546 240	
	Investment Income		
	Non-operating expenditure:		
	Expenditure charged against Funds		
	Expenditure charged against Trust Funds	11 600 602	18 083 642
		11 505 888	-22 704 427
17	INCREASE /(DECREASE) IN WORKING CAPITAL		
	Decrease in Inventory	3 903	11 496
	Increase in Debtors	-1 825 178	7 925 008
	Decrease in Creditors	1 232 816	604 380
		-588 459	8 540 884
18	INCREASE IN EXTERNAL CASH INVESTMENTS		
	Balance beginning of year	2 264 081	1 805 296
	Balance end of year	3 142 895	2 264 081
		878 814	458 785
19	DECREASE IN CASH ON HAND		
	Cash Balance at the Beginning of the Year	18 681 125	7 287 223
	Less: Cash Balance at the End of the Year	4 589 496	18 681 125
		-14 091 629	11 393 902
20	CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
	None	-	-
21	CAPITAL COMMITMENTS		
	None	-	-
22	CONSOLIDATED LOANS FUND		
	External Loans	1 730 025	1 696 000
	Invested	-	1
23	REVOLVING FUND		
	Advance to operating account	8 724 394	8 724 394
	Loan to operating account	68 118	68 118
	Sundry debtors	189 588	189 588
		8 982 100	8 982 100

JOINT TRAIL BALANCE 30/06/2007

	BEDRYF	FONDSE	KAPITAAL	TOTAAL
Debiteure	29 503 789.47	189 588.37		29 693 377.84
Debiteure	1 942 601.64	34 263.10		1 976 864.74
Debiteure				-
Debiteure				-
Krediteure	-5 482 361.32		-111 194.14	-5 593 555.46
Krediteure				-
Krediteure				-
Suspence	-4 923 480.36			-4 923 480.36
Bank	4 589 495.57			4 589 495.57
W&L dep.	-2 306 680.79			-2 306 680.79
Voorraad	14 417.05			14 417.05
Beleggings	3 142 894.70			3 142 894.70
Voorsienings		-1 879 231.11		-1 879 231.11
V/S Fondse	-23 517 720.49	23 517 720.49		-
V/S bates	4 302 202.34		-4 302 202.34	-
Aanwending	-7 265 157.81			-7 265 157.81
Fondse		-11 222 283.81		-11 222 283.81
Trust Fondse		-10 646 824.04		-10 646 824.04
Lenings			-1 730 025.61	-1 730 025.61
Kapitaal			84 784 940.31	84 784 940.31
Donasies			-40 687 885.71	-40 687 885.71
Delging			-933 795.92	-933 795.92
Uit Inkomste			-37 013 069.59	-37 013 069.59
Intern		6 767.00	-6 767.00	-
	0.00	-	0.00	0.00

78 675 591.09
-40 687 885.71
-4 302 202.34

27 860 947.71
19 841 147.52
47 702 095.23

33 685 503.04

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

**APPENDIX A
ACCUMULATED AND VARIOUS FUNDS**

	BALANCE 2006/07/01	CONTRI- BUTION	INTEREST	OTHER INCOME	EXPENDITURE	TRANSFERS W/O	BALANCE 2007/06/30
STATUTORY FUNDS							
Revolving Fund (Aliwal)	-8 985 487.53		-449 274.38	-31 575.00			-9 466 336.91
Redemption Fund	-310 837.36		-15 541.85				-326 379.21
Revolving Fund (Jamestown)	-727 950.70		-36 397.54	-660.57			-765 008.81
Housing Development	-240 701.46		-12 035.07				-252 736.53
Revolving Fund (Dukathole)	-392 211.76		-19 610.59				-411 822.35
	-10 657 188.81	0.00	-532 859.43	-32 235.57	0.00	0.00	-11 222 283.81
TRUST FUNDS							
LEDF Garden project	-38 872.67		-1 943.63				-40 816.30
MSP Organogram & PMS		-110 000.00			23 000.00		-87 000.00
Traffic Testing Station	-13 299.55		-664.98				-13 964.53
Transitional Grant	-507 435.07		-25 371.75		497 500.00		-35 306.82
Municipal systems improvement	-17 079.56		-853.98				-17 933.54
Dukathole Frame work	-70 491.13		-3 524.56				-74 015.69
ABC Retention Fund	-16 914.72		-845.74				-17 760.46
IDP Jamestown	34 707.01						34 707.01
Concentration Camp	-10 878.90		-543.95				-11 422.85
System Improvement Fund	-97 240.50		-4 862.03				-102 102.53
Management Support Fund	-858 096.45		-42 904.82				-901 001.27
Free Basic Services	-271 426.28		-13 571.31				-284 997.59
Spatial Development Plan	-29 190.78		-1 459.54				-30 650.32
Finance Management Act.	-298 089.25	-500 000.00	-14 904.46		277 724.99		-535 268.72
Survey Squatters Jamestown	-27 847.50		-1 392.38				-29 239.88
Town Register Fund	-6 739.52		-336.98				-7 076.50
IDP Jamestown	-13 219.14		-660.96				-13 880.10
Survey Trust fund Jamestown	-16 167.77		-808.39				-16 976.16
LED Garden Project Jamestown	-121 858.23		-6 092.91				-127 951.14
CMIP Water Fund Jamestown	-191 050.10		-9 552.51				-200 602.61
Arial Survey Fund	-28 663.12		-1 433.16				-30 096.28
MSP IT Funds		-450 000.00			257 845.94		-192 154.06
MSP Financial Statement Fund		-150 000.00					-150 000.00
Ukhahlamba Tourism Sector Plan		-29 675.30			12 064.04		-17 611.26
Ukhahlamba Tourism Organ Fund		-30 000.00			11 600.00		-18 400.00
Community Hall	-289 744.70		-14 487.24			304 231.94	0.00
MIG Funds		-1 628 467.00			1 454 712.61		-173 754.39
Dukathole Storm water master plan	-14 603.38		-730.17				-15 333.55
Sewer Purification works	195 292.45	-107 142.60			523 143.67		611 293.52
Sewerage Trust Fund	-1 663.75						-1 663.75
Area 5 Bulk Sewer	205 817.90						205 817.90
Masikhane Sanitation fund	69 932.06						69 932.06
Public Toilets Fund	-1 448.73						-1 448.73
Sewerage pump Station	-135 264.92						-135 264.92
Sewer Reticulation Erven Dukathole	-33 064.81						-33 064.81
Jamestown Solid waste site	-16 872.18		-843.61				-17 715.79
Solid Waste Disposal	85 472.14						85 472.14
Memorial Wall	-300.00						-300.00
Van Collier Grave	-8 040.58						-8 040.58
Ukhahlamba Library Equipment Fund		-92 500.00			53 355.81		-39 144.19
1218 Link Houses	-769 189.84	-422 924.12			417 794.84		-774 319.12
78 Sites Services	18 305.55						18 305.55
78 Sites Survey	2 750.00						2 750.00
Dukathole Town Registers	-32 368.38		-1 618.42				-33 986.80
Number of Squatters	-11 786.28		-589.31				-12 375.59
Dukathole Funds Planning	21 709.12						21 709.12
Planning Block H	-184 649.10		-9 232.46				-193 881.56
Zoning Map	-14 262.43		-713.12				-14 975.55
330 Houses	119 705.56		-29 296.80		161 454.66		251 863.42
Area 5 Services	-57 609.44		-2 880.47				-60 489.91
Hilton 89 Houses	-591 726.60		-29 586.33			506 683.30	-114 629.63
Area 13 - Fund	-2 993 702.57	-3 786 061.58	-149 685.13		5 859 118.15		-1 070 331.13
318 Houses Jamestown	-159 780.27	-175 041.40	-7 989.01		164 722.30		-178 088.38

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

**APPENDIX A
ACCUMULATED AND VARIOUS FUNDS**

	BALANCE 2006/07/01	CONTRI- BUTION	INTEREST	OTHER INCOME	EXPENDITURE	TRANSFERS W/O	BALANCE 2007/06/30
LEDF Funds	290 949.84						290 949.84
Jamestown 858 Houses	-2 014 580.93	-145 170.00	-100 729.05		1 660 196.38		-600 283.60
Jamestown Transfers 858 houses	-13 706.28		-685.31				-14 391.59
Pump station	48 664.64						48 664.64
Water Rehabilitation Fund	-586 750.42	-210 115.21			226 368.38		-570 497.25
Services Area 5	-1 707 970.62						-1 707 970.62
Water works rehabilitation Fund	-125 988.94						-125 988.94
Water Treatment Works	-219 341.56						-219 341.56
Ground Water Fund	-31 846.33						-31 846.33
LEDF Funds	-5 138.46						-5 138.46
Jamestown Bulk water supply	-390 006.95						-390 006.95
Dukathole Water Meters	-59 507.09						-59 507.09
838 Wornings Fonds	-657 527.10						-657 527.10
Area 5 1218 Sites	-1 196 786.58		-59 839.33				-1 256 625.91
Dukathole National Electricity Regulator	48 492.38						48 492.38
National Electricity Regulator Phase 1	-67 773.08		-3 388.65				-71 161.73
National Electricity Regulator Phase 2	-243 617.46		-12 180.87				-255 798.33
Dukathole High mast Lighting	-582 881.74		-29 144.09				-612 025.83
Free basic electricity fund	62 082.26						62 082.26
Jamestown 858 Houses	20 082.40						20 082.40
	-14 591 199.43	-7 837 097.21	-585 347.41	0.00	11 600 601.77	810 915.24	-10 601 763.04

PROVISIONS							
Leave Endowment	-1 194 340.80	-198 144.10	-59 717.04			-427 029.17	-1 879 231.11

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
APPENDIX B**

EXTERNAL LOANS AND INTERNAL ADVANCES

LOAN	DATE	CERT	INTEREST	BALANCE	TOTAL	LOANS	LOANS	BALANCE
	RED	NO	RATE	01/07/2006		RAISED	REPAID	30/06/2007
CMB Nominees	2006	47	17,10%	196 000	50 000		-50 000	0
					57 100		-57 100	0
					59 900		-59 900	0
					29 000		-29 000	0
UNI Bank				1 500 000	129 480		-129 480	0
					115 000		-115 000	0
					185 538		-185 538	0
					73 391		-73 391	0
					534 809		-534 809	0
					42 162		-42 162	0
					400 000		-400 000	0
					19 620		-19 620	0
				1 696 000	1 696 000			0
ANNUITY LOANS								
Development Bank					1 043 015		-1 043 015	0
DBSA					518 454		-518 454	0
CPA					87 461			87 461
					3 344 930		-1 561 469	87 461
ABSA	2011		14%			272 972	-48 168	224 804
ABSA	2011		14%			1 657 983	-240 223	1 417 760
SUB TOTAL						1 930 956	-288 391	1 730 025

INTERNAL ADVANCES

Revolving Fund				41 515			-7 252	34 263
Other Funds				13 211			-6 444	6 767
SUB TOTAL				54 726			-13 696	41 030
Less: Loans to be transferred								
Revolving Fund								-34 263
								1 723 258

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
APPENDIX C
ANALYSIS OF FIXED ASSETS**

EXP. 2006	RATES & GENERAL SERVICES	BALANCE 2006/07/01	EXPEN- DITURE	W/O	BALANCE 2007/06/30
	Community Services				
	Land	10 164 092		19 995	10 184 087
608 113	Buildings	4 935 186	1 209 423	-19 995	6 124 615
	Proclaimed Roads	1 377 192			1 377 192
1 054 253	Streets & Storm water	7 829 507	1 436 551		9 266 058
1 046 526	Vehicles & Implements	3 054 686	2 730 040		5 784 727
4 410	Tools & Equipment	452 615	162 283		614 898
161 710	Office Furniture	1 354 393	516 240		1 870 633
55 529	Planning	1 415 396			1 415 396
2 930 541		30 583 068	6 054 537	0	36 637 605
	Housing				
	Whites	162 111			162 111
	Coloureds	8 235 670			8 235 670
	Black	1 500 368			1 500 368
	Housing Jamestown	2 448 459			2 448 459
0		12 346 608	0	0	12 346 608
	Trading				
	Abattoir	181 746			181 746
320 404	Electricity	13 207 009	101 602		13 308 611
	Water Supply				
6 273	Spa	21 496 356	94 221		21 590 577
619 700	Game	619 700	101 800		721 500
946 377		35 504 811	297 623	0	35 802 434
	TOTAL FIXED ASSETS	78 434 487	6 352 160	0	84 786 647
	Less: Loans Redeemed and other Capital Receipts	72 163 912	7 143 915	671 369	78 636 458
	Loans Redeemed	1 302 078	303 087	671 369	933 796
	Contributions from Income	31 894 609	5 120 168		37 014 777
	Provisions, Reserves and other Receipts	38 967 226	1 720 660		40 687 886
		6 270 575	-791 755	-671 369	6 150 189

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
APPENDIX D**

**ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2007**

ACTUAL 2006		ACTUAL 2007	BUDGET 2007
REVENUE			
11 073 340	Grants and subsidies	11 768 545	17 934 420
7 891 482	Central Government	10 025 230	12 972 800
3 181 858	Provincial Government	1 743 315	4 961 620
30 482 558	Operating revenue:	33 784 289	49 877 390
4 894 144	Assessment rates	4 721 328	5 702 800
16 989 766	Sale of electricity	18 665 136	19 431 140
8 598 649	Sale of water	10 397 826	24 743 450
8 598 649	Other service charges	10 397 826	24 743 450
41 555 898	TOTAL REVENUE	45 552 834	67 811 810
EXPENDITURE			
16 245 392	Salaries and allowances	20 976 446	22 161 040
22 359 292	General expenses:	29 788 091	24 769 330
9 145 960	Purchase of electricity	10 519 045	9 537 070
13 213 332	Purchase of water	19 269 047	15 232 260
1 881 832	Other general expenses	2 517 684	3 650 140
650 233	Repairs and maintenance	634 250	1 155 140
1 823 536	Capital charges	4 108 222	17 816 640
460 318	Contributions to fixed assets	777 560	379 410
460 318	Contributions	777 560	379 410
43 420 603	GROSS EXPENDITURE	58 802 253	69 931 700
-2 016 620	Less Amounts charged out	-2 123 230	-2 123 230
41 403 983	NET EXPENDITURE	56 679 023	67 808 470

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
APPENDIX E**

**DETAILED INCOME STATEMENT FOR THE YEAR
ENDED 30 JUNE 2007**

	2007 Actual Revenue	2007 Actual Expenditure	2007 Surplus/ (Deficit)	2007 Budget Surplus/Deficit
RATES AND GENERAL				
ASSESSMENT RATES	4 721 328		4 721 328	5 323 390
COUNCIL'S GENERAL EXPENSES	50 000	-7 126 400	-7 076 400	-6 156 990
MANAGER	191 764	-1 138 810	-947 046	-622 280
CORPORATE SERVICES	652 749	-3 109 659	-2 456 909	-2 614 090
OCCUPATIONAL HEALTH & SAFETY	-	-377	-377	-13 600
CEMETERY	89 460	-23 828	65 632	-200 610
LIBRARIES	610 262	-1 157 520	-547 258	-582 810
COMMONAGE	295 293	-21 155	274 138	354 520
PUBLIC WORKS	1 400 267	-3 943 620	-2 543 353	-3 682 110
ADMINISTRATION & LAND AFFAIRS	770 052	-1 445 334	-675 283	-1 412 350
PARKS & PUBLIC PLACES	2 216	-1 818 163	-1 815 947	-1 481 110
SPORT GROUNDS	6 592	-18 822	-12 230	-103 870
TECHNICAL SERVICES ADMINISTRATION	411 256	-851 419	-440 163	-348 340
FINANCE DEPARTMENT	10 499 318	-8 963 701	1 535 617	9 244 660
MECHANICAL WORKSHOP	-	-12 978	-12 978	-52 020
MUSEUM	-	-2 632	-2 632	-10 580
TRAFFIC	909 337	-844 476	64 861	-14 880
COMMUNITY SERVICES	-	-420 895	-420 895	-344 520
LOCAL ECONOMIC DEVELOPMENT	-	-252 938	-252 938	-469 280
	20 609 895	-31 152 727	-10 542 833	-3 186 870
SUBSIDISED SERVICES				
FIRE BRIGADE SERVICES	-	-24 920	-24 920	-27 100
HEALTH SERVICES	257 702	-472 503	-214 800	-10 000
CLINIC	1 025 061	-1 706 704	-681 644	30 000
AERODROME	4 375	-57 855	-53 480	-88 700
	1 287 138	-2 261 982	-974 843	-95 800
ECONOMIC SERVICES				
NATURE RESERVE	123 590	-2 343	121 247	74 750
REFUSE REMOVAL	2 989 110	-3 032 329	-43 219	315 940
CLEANSING	2 030	-1 341 275	-1 339 245	-1 466 200
DISASTER MANAGEMENT	-	-5 500	-5 500	-20 000
	3 114 729	-4 381 446	-1 266 717	-1 095 510
RATES & GENERAL SERVICES	25 011 762	-37 796 155	-12 784 393	-4 378 180

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
DETAILED INCOME STATEMENT FOR THE YEAR
ENDED 30 JUNE 2007**

	2007 Actual Revenue	2007 Actual Expenditure	2007 Surplus/ (Deficit)	2007 Budget Surplus/Deficit
HOUSING ADMINISTRATION	-	-474 495	-474 495	-494 840
TRADING SERVICES				
ELECTRICITY SERVICES	18 924 475	-15 040 475	3 884 000	6 075 950
ALIWAL SPA	900 857	-2 544 823	-1 643 966	-1 371 730
CONFERENCE CENTRE	715 740	-823 076	-107 335	172 140
	20 541 072	-18 408 373	2 132 699	4 876 360
TOTAL	45 552 834	-56 679 023	-11 126 189	3 340
Appropriations for this year (refer note 18)		2 410 028		
Net deficit for the year		-11 126 189		
Accumulated Surplus				
Beginning of year		15 981 319		
Accumulated Surplus				
end of year		7 265 158		

**MALETSWAI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

**APPENDIX F
STATISTICAL INFORMATION 2007**

	2005	2006	2007
Population	40037	40037	40037
Registered voters	18486	18486	18486
Total valuation	499.604.485	499.604.485	499604485
Taxable	380.469.855	380.469.855	352551150
Non-taxable	119.134.630	119.134.630	147053335
Residential			
Commercial			
Valuation date	2004	2004	2004
No of Properties			
Residential			
Commercial			
Assessment rates:			
Buildings - Aliwal North	0.0094	0.0142	0.0150
Jamestown	0.0150	0.0142	0.0150
Ground - Aliwal North	0.0500	0.0142	0.0150
Jamestown	0.1500	0.0142	0.0150
Rebate	20.00%	20.00%	20.00%
No of Employees	269	285	285
ELECTRIC STATISTICS			
Units purchased (000)	50353880	47633768	57225648
Units sold	46194390	41701105	46812073
Units lost in distribution	4159490	5932663	10413574
% lost in distribution	8.30%	12.50%	18.19%
Cost per units sold	0.2360	0.2250	0.1838
Income per units sold	0.3146	0.3997	0.4535