

STATEMENT OF FINANCIAL POSITION**30 JUNE 2006**

	<i>Note</i>	2005	2006
		R	R
CAPITAL EMPLOYED			
FUNDS AND RESERVES			
		332 362 224	
Statutory Funds	1	219 947 453	[REDACTED]
Reserves	2	112 414 771	[REDACTED]
ACCUMULATED SURPLUS			
	18	121 310 170	
		453 672 394	
TRUST FUNDS	3	48 144 160	
LONG TERM LIABILITIES	4	93 615 594	
CONSUMER DEPOSITS - SERVICES	5	27 854 067	
		623 286 215	
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	254 571 242	
INVESTMENTS	7	43 957 552	
LONG TERM DEBTORS	8	7 044 824	
		305 573 618	
NET CURRENT ASSETS/(LIABILITIES)			
		317 712 597	
CURRENT ASSETS			
		353 507 246	
Stock	9	11 752 058	[REDACTED]
Debtors	10	101 377 064	[REDACTED]
Cash	24	33 970 862	[REDACTED]
Short Term Investments	7	201 588 721	[REDACTED]
Short Term Portion of Long Term Debtors	8	4 818 541	[REDACTED]
CURRENT LIABILITIES			
		35 794 649	
Provisions	12	7 409 504	[REDACTED]
Creditors	13	28 124 321	[REDACTED]
Short Term Portion of Long Term Liabilities	4	260 824	[REDACTED]
		623 286 215	

STATEMENT OF FINANCIAL PERFORMANCE
30 JUNE 2006

2005 <i>Surplus/ (Deficit)</i>		2006 <i>Actual Income</i>	2006 <i>Actual Expenditure</i>	2006 <i>Surplus/ (Deficit)</i>	2006 <i>Budget/Surplus (Deficit)</i>
R		R	R	R	R
6 177 470	RATE AND GENERAL SERVICES				
69 089 011	<i>Community Services</i>				
-66 112 269	<i>Subsidised Services</i>				
-3 200 728	<i>Economic Services</i>				
-2 264 865	HOUSING SERVICE				
43 286 617	TRADING SERVICES				
47 199 222	TOTAL				
71 503 195	<i>Accumulated surplus beginning of the year (Refer to note 18)</i>			121 310 170	
2 607 753	<i>Prior year adjustments</i>			_____	
121 310 170	ACCUMULATED SURPLUS AT THE END OF THE YEAR			121 310 170	

(Refer to appendix D and E for more detail)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2005 R	2006 R
CASH RETAINED FROM OPERATING ACTIVITIES		205 777 043	
<i>Cash generated by operations</i>	19	107 991 837	
<i>Investments income</i>	17	21 934 203	
<i>(Increase)/decrease in working capital</i>	20	-9 903 808	
		120 022 232	
<i>Less: External interest paid</i>	17	14 513 111	
Cash available from operations		105 509 121	
<i>Cash contributions from the public and State</i>	C	90 605 493	
<i>Net proceeds on disposal of stands</i>	1	9 662 429	
CASH UTILISED - INVESTING ACTIVITIES			
<i>Investment in fixed assets</i>	6	-139 445 633	
NET CASH FLOW		66 331 410	
CASH EFFECTS - FINANCING ACTIVITIES			
<i>Increase/(decrease) in long-term loans</i>	21	- 361 400	
<i>(Increase)/decrease in cash investments</i>	23	-57 959 749	
<i>(Increase)/decrease in cash</i>	24	-8 010 261	
Net cash (generated)/utilised		-66 331 410	

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2005	2006
	R	R
1. STATUTORY FUNDS		
<i>Endowment</i>	1 011 100	
<i>Bursaries</i>	542 850	
<i>Civil Protection</i>	169 531	
<i>Town Planning</i>	88 923	
<i>Township Development</i>	-16 017 902	
<i>Land Trust</i>	9 809 349	
<i>Capital Development Fund</i>	206 391 047	
<i>Insurance</i>	8 437 997	
<i>Housing Development Fund</i>	9 514 558	
(Refer to Appendix A for more detail)	<u>219 947 453</u>	
2. RESERVES		
<i>Indigents</i>	22 030 424	
<i>Capital Reserve</i>	29 800 462	
<i>Art</i>	293 362	
<i>Maintenance and Renewals</i>	26 527 578	
<i>Elections</i>	1 677 374	
<i>Special Projects</i>	774 595	
<i>Training</i>	21 143	
<i>Tariff Stabilisation</i>		
<i>Tariff Stabilisation - Interest</i>	31 289 833	
(Refer to Appendix A for more detail)	<u>112 414 771</u>	
3. TRUST FUNDS		
<i>Contribution Public</i>	149 804	
<i>Subsidies</i>	47 994 356	
(Refer to Appendix A for more detail)	<u>48 144 160</u>	
4. LONG TERM LIABILITIES		
<i>Local Registered Stock</i>	869 328	
<i>Annuity Loans</i>	93 007 090	
	<u>93 876 418</u>	
 Less: Short Term Portion Transferred to Current Liabilities		
<i>Annuity Loans</i>	260 824	
(Refer to Appendix B for more detail)	<u>93 615 594</u>	
5. CONSUMER DEPOSITS - SERVICES		
<i>Electricity & Water</i>	27 854 067	
 <i>Guarantees in lieu of Electricity & Water deposits</i>	 8 731 921	

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006 (Cont.)

	2005	2006
	R	R
6. FIXED ASSETS		
<i>Fixed assets at the beginning of the year</i>	732 527 814	
<i>Capital expenditure during the year</i>	139 445 633	
<i>Plus: Balances transferred</i>		
<i>Less: Assets written off/disposed</i>	53 633 652	
Total fixed assets	818 339 795	
 <i>Less: Loans redeemed and other capital receipts</i>	563 768 553	
Net fixed assets	254 571 242	
<i>(Refer to appendix C and paragraph 3 of the CFO's Report for more details on fixed assets)</i>		
7. INVESTMENTS		
Unlisted		
<i>Long term deposits</i>	43 537 687	
<i>Endowment Policy</i>	419 865	
<i>Short term deposits</i>	201 588 721	
Total Investments	245 546 273	
 Less: Short Term Portion Transferred to Current Assets	201 588 721	
	43 957 552	
 <i>Managements' Valuation of Unlisted Investments</i>	245 546 721	
 <i>Average rate of return on investments (Gross)</i>	9.61%	
 <i>Investments were made in accordance with Council/s Investment Policy</i>		
8. LONG TERM DEBTORS		
<i>Housing loans</i>	3 010 040	
<i>Erf loans</i>	4 609 762	
<i>Car loans</i>	2 431 744	
<i>Sport loans</i>	1 773 395	
<i>Other</i>	38 424	
	11 863 365	
 Less: Short Term Portion Transferred to Current Assets	4 818 541	
	7 044 824	

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006 (Cont.)

	2005	2006
	R	R
9. STOCK		
<i>Stock represents consumable stores, raw materials work in progress and finished goods. Where necessary specific provision is made for obsolete stock.</i>	11 752 058	
10. DEBTORS		
<i>Current consumer debtors</i>	97 955 749	
<i>Current debtors (other)</i>	5 518 232	
<i>Amounts paid in advance</i>	16 520	
<i>Deposits Paid</i>	84 140	
	<u>103 574 641</u>	
<i>Less: Provision for Bad Debts</i>	2 197 577	
<i>(Refer to Annexure A for more detail)</i>	<u>101 377 064</u>	
11. SUSPENSE ACCOUNTS		
<i>Other</i>	0	0
	<u>0</u>	<u>0</u>
12. PROVISIONS		
<i>Leave</i>	7 409 504	
	<u>7 409 504</u>	
<i>(Refer to Annexure A for more detail)</i>		
13. CREDITORS		
<i>Trade Creditors</i>	16 559 824	
<i>Other</i>	5 824 635	
<i>Amounts Received in Advance</i>	5 739 862	
	<u>28 124 321</u>	

14. ASSESSMENT RATES

	<i>Number of Stands 2006</i>	<i>Site valua- tions as at 30 June 2006</i>	<i>Actual income 2006</i>	<i>Actual income 2005</i>
			R	R
<i>Residential</i>				51 592 429
<i>Commercial</i>				45 305 081
<i>State</i>				7 242 826
<i>Municipal</i>				
<i>Other</i>				2 784 157
				<u>106 924 493</u>

Valuations are performed every 3 years and the last general valuation came into effect on 1 July 2002. The basic rate was 7,49c per Rand (2005 : 7,13c) on land only. A rebate of between 20 - 40% was granted to certain house owners.

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006 (Cont.)

	2005	2006
	R	R
15. COUNCILLORS' REMUNERATION		
Executive Mayor's Allowance	387 515	
Speakers Allowance	182 912	
Mayoral Committee Allowances (10)	1 721 320	
Councillors' Allowances (57)	5 510 874	
Pension Fund /Medical Aid Contributions	1 684 813	
	<u>9 487 434</u>	
16. AUDITORS' REMUNERATION		
Audit fees		
- Current Year	430 626	
- Over/Under Provision : Prior Year	151 746	
	<u>278 880</u>	
17. FINANCE TRANSACTIONS		
Total external interest earned or paid:		
Interest earned	21 934 203	
- Current Account	1 117 714	
- Investments	20 816 489	
- Tariff Stabilisation		
Interest Paid	14 513 111	
Capital charges debited to operating account:		
Interest: External		
Internal	17 592 788	
Redemption: External		
Internal	35 098 517	
	<u>52 691 305</u>	
18. APPROPRIATIONS		
Appropriation Account		
Accumulated surplus at the beginning of the year	71 503 195	
Operating surplus (defecit) for the year	47 199 222	
Contributions towards Funds (Ex Surplus)		
Prior years' adjustments	2 607 753	
Accumulated surplus at the end of the year	<u>121 310 170</u>	
Operating Account		
Capital expenditure	6 823 405	
Contributions to:	108 827 661	
Bursaries	332 500	
Maintenance Funds		
Indigents	22 260 000	
Capital Development Fund	4 780 000	
Development Fund - Housing	9 224	
Bad Debt	2 100 000	
Trustfunds for Capital Expenditure	79 215 937	
Leave Provision	130 000	
Elections		
	<u>115 651 066</u>	

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006 (Cont.)

	2005	2006
	R	R
19. CASH GENERATED BY OPERATIONS		
<i>Surplus (Deficit) for the year</i>	47 199 222	
<i>Adj. in respect of: Previous years' operating trans.</i>	2 607 753	
<i>Contributions towards Funds (Ex Surplus)</i>		
<i>Appropriations charged against income:</i>	115 651 066	
* <i>Capital Development Fund</i>	4 780 000	
* <i>Accumulated Funds</i>	341 724	
* <i>Provisions</i>	2 230 000	
* <i>Reserves</i>	22 260 000	
* <i>Fixed Assets</i>	86 039 342	
<i>Capital Charges:</i>		
* <i>Interest paid:</i>	52 691 305	
- <i>to internal funds</i>	17 592 788	
* <i>Redemption:</i>		
- <i>of internal advances</i>	35 098 517	
<i>Non-operating income:</i>	3 492 169	
* <i>Accumulated Funds</i>	1 410 753	
* <i>Trust Funds</i>	3 235	
* <i>Provisions</i>	1 053 033	
* <i>Reserves</i>	1 025 148	
<i>Non-operating expenditure charged against:</i>	-113 649 678	
* <i>Accumulated Funds</i>	- 555 354	
* <i>Trust Funds</i>	-96 731 233	
* <i>Provisions</i>	-10 772 321	
* <i>Reserves</i>	-5 590 770	
	<hr/>	
	107 991 837	
	<hr/>	
20. (INCREASE)/DECREASE IN WORKING CAPITAL		
<i>(Increase)/decrease in stock</i>	-5 616 774	
<i>(Increase)/decrease in debtors</i>	-9 950 463	
<i>Increase/(decrease) in creditors</i>	5 663 429	
	<hr/>	
	-9 903 808	
	<hr/>	
21. INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)		
<i>Loans raised</i>		
<i>Loans repaid</i>	-361 400	
<i>Loans written-off</i>		
	<hr/>	
	- 361 400	
	<hr/>	

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006 (Cont.)

	2005 R	2006 R
22. INCREASE/(DECREASE) IN SHORT-TERM LOANS (EXTERNAL)		
Loans raised		
Loans repaid		
23. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS		
Investments made	-465 459 749	
Investments realised	407 500 000	
	-57 959 749	
24. (INCREASE)/DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	25 960 601	
Less: Cash balance at the end of the year	33 970 862	
	-8 010 261	
25. RETIREMENT BENEFITS		
<i>The Council's employees are members of one of the following funds:</i>		
* Joint Municipal Pension Fund		
* Municipal Employees Pension Fund		
* Municipal Gratuity Fund		
 <i>Councillors are members of the:</i>		
* Pension Fund for Municipal Councillors		
26. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
<i>Guarantees by Polokwane Municipality in respect of building society and commercial bank housing loans to officials.</i>	1 275 551	

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006 (Cont.)

	2005	2006
	R	R
27. CAPITAL COMMITMENTS		
<i>Commitments in respect of expenditure:</i>		
- approved & contracted for	26 995 452	
- approved but not yet contracted for		-
	<u>26 995 452</u>	
 <i>This Expenditure will be Financed from:</i>		
- Capital Development Fund	11 464 303	
- Consolidated Loans Fund	2 430 007	
- Township Development		
- Contribution Government(Grants/Subsidies)	13 101 142	
	<u>26 995 452</u>	
 28. CONSOLIDATED LOANS FUND		
<i>Advances to borrowing services outstanding</i>		
<i>External loans (see appendix B)</i>	93 876 418	
<i>Internal investments (surplus funds)</i>	319 978 299	
<i>Sale of Assets</i>	301 746	
<i>Interest Stabilisation Fund</i>	31 289 833	
	<u>445 446 296</u>	
 <i>Less:</i>	245 546 274	
<i>External investments</i>	<u>245 546 274</u>	
 <i>(Refer to appendix B for more detail)</i>	<u>199 900 022</u>	
 <i>Net expenditure charged to borrowing services at an average rate of:</i>	8.00%	
 <i>Interest paid on external loans</i>	14 513 111	
<i>Interest paid on internal investments</i>	20 723 786	
<i>Contribution to Interest Stabilisation Fund</i>	3 147 642	
<i>Contribution to operating income</i>		
	<u>38 384 539</u>	
 <i>Less: Interest earned on external investments</i>	21 934 203	
	<u>16 450 336</u>	
 29. CAPITAL DEVELOPMENT FUND		
<i>Outstanding advances to borrowing services</i>		
<i>Accumulated fund</i>	206 391 047	
<i>Less: Internal investments in Consolidated Loans Fund</i>	151 719 828	
 <i>(See appendix B for more detail)</i>	<u>54 671 219</u>	

ANNEXURE - A
STATUTORY FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS

	<i>Balance at 2005/06/30</i>	<i>Contributions during the year</i>	<i>Interest on investments</i>	<i>Other income</i>	<i>Operating Expen. during the year</i>	<i>Capital Expend. during the year</i>	<i>Balance at 2006/06/30</i>
	R	R	R	R	R	R	R
STATUTORY FUNDS							
<i>Endowment</i>	1,011,100						1,011,100
<i>Bursaries</i>	542,850						542,850
<i>Civil Protection</i>	169,531						169,531
<i>Town Planning</i>	88,923						88,923
<i>Township Development</i>	-16,017,902						-16,017,902
<i>Land Trust</i>	9,809,349						9,809,349
<i>Capital Developm. Fund</i>	206,391,047						206,391,047
<i>Insurance</i>	8,437,997						8,437,997
<i>Housing Development Fund</i>	9,514,558						9,514,558
	<u>219,947,453</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>219,947,453</u>
TRUST FUNDS							
<i>Contribution Public</i>	149,804						149,804
<i>Subsidies</i>	47,994,356						47,994,356
	<u>48,144,160</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,144,160</u>

ANNEXURE - A
STATUTORY FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS

	<i>Balance at 2005/06/30</i>	<i>Contributions during the year</i>	<i>Interest on investments</i>	<i>Other income</i>	<i>Operating Expen. during the year</i>	<i>Capital Expend. during the year</i>	<i>Balance at 2006/06/30</i>
	R	R	R	R	R	R	R
RESERVES							
<i>Indigents</i>	22,030,425						22,030,425
<i>Capital Reserve</i>	29,800,462						29,800,462
<i>Art</i>	293,362						293,362
<i>Maintenance and Renewals</i>	26,527,578						26,527,578
<i>Elections</i>	1,677,374						1,677,374
<i>Special Projects</i>	774,595						774,595
<i>Training</i>	21,143						21,143
<i>Tariff Stabilisation</i>	0						0
<i>Tariff Stabilisation - Interest</i>	31,289,833						31,289,833
	<u>112,414,772</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>112,414,772</u>
PROVISIONS							
<i>Leave</i>	7,409,504						7,409,504
<i>Bad Debt</i>	2,197,577						2,197,577

ANNEXURE - B
EXTERNAL LOANS AND INTERNAL ADVANCES

			<i>Balance at</i>	<i>Received</i>	<i>Redeemed</i>	<i>Balance at</i>
			<i>2005/06/30</i>		<i>or written off</i>	<i>2006/06/30</i>
			R	R	R	R
EXTERNAL LOANS						
LOCAL REGISTERED STOCK						
<i>Issued</i>	<i>Loan No.</i>	<i>Redeemable</i>				
1985 @ 10,00%	501	2005				
1985 @ 10,00%	502	2005				
1986 @ 10,00%	503	2006	2 000	-	2 000	
1987 @ 10,00%	504	2007	7 333	-	-	7 333
1988 @ 10,00%	505	2008	30 000	-	-	30 000
1990 @ 10,00%	506	2010	3 000	-	-	3 000
1990 @ 10,00%	507	2010	45 000	-	-	45 000
1992 @ 10,00%	508	2012	15 400	-	-	15 400
1991 @ 10,00%	509	2011	41 667	-	-	41 667
1993 @ 10,00%	510	2013	53 334	-	-	53 334
1993 @ 10,00%	511	2013	30 000	-	-	30 000
1994 @ 10,00%	512	2014	30 000	-	-	30 000
1991 @ 10,00%	513	2011	8 333	-	-	8 333
1995 @ 10,00%	514	2015	100 000	-	-	100 000
1995 @ 10,00%	515	2015	10 000	-	-	10 000
1994 @ 10,00%	516	2014	22 000	-	-	22 000
1995 @ 10,00%	517	2015	83 333	-	-	83 333
1996 @ 10,00%	518	2016	7 799	-	-	7 799
1996 @ 10,00%	519	2016	8 633	-	-	8 633
1996 @ 10,00%	520	2016	40 000	-	-	40 000
1995 @ 10,00%	522	2015	6 829	-	-	6 829
1995 @ 10,00%	523	2015	14 667	-	-	14 667

ANNEXURE - B
EXTERNAL LOANS AND INTERNAL ADVANCES

			<i>Balance at</i> <i>2005/06/30</i>	<i>Received</i>	<i>Redeemed</i> <i>or written off</i>	<i>Balance at</i> <i>2006/06/30</i>
			R	R	R	R
EXTERNAL LOANS						
LOCAL REGISTERED STOCK						
<i>Issued</i>	<i>Loan No.</i>	<i>Redeemable</i>				
1996 @ 10,00%	524	2016	90 000	-	-	90 000
1995 @ 10,00%	525	2015	200 000	-	-	200 000
1996 @ 10,00%	527	2016	20 000	-	-	20 000
			869 328	-	-	-
ANNUITY LOANS						
1987 @ 15,30%	401	2007	31,176	-	-	-
1987 @ 15,30%	402	2007	24,225	-	-	-
1987 @ 15,30%	403	2007	349,925	-	-	-
1997 @ 13,65%	404	2010	92 492 846	-	-	92,492,846
DBSA						
1996 @ 10%	10288	2006	108,918	-	-	-
			93,007,090	-	0	92,492,846
TOTAL EXTERNAL LOANS			93,876,418	-	0	92,492,846
<i>(Refer to notes 4 and 28)</i>						
INTERNAL ADVANCES TO BORROWING SERVICES						
<i>Consolidated Loans Fund</i>			199 900 022			199 900 022
<i>Capital Development Fund</i>			54 671 219			54 671 219
<i>(Refer to notes 28, 29)</i>			247 653 026			254 571 241

ANNEXURE - C
ANALYSIS OF FIXED ASSETS

<i>Expenditure 2005</i>	<i>SERVICE</i>	<i>Budget 2006</i>	<i>Balance at 2005/06/30</i>	<i>Expenditure 2006</i>	<i>Written off transferred or disposed of</i>	<i>Balance at 2006/06/30</i>
R		R	R	R	R	R
63,939,306	RATE & GENERAL SERVICES	0	466,097,126	0	0	466,097,126
32,360,941	Community Services	0	293,684,191	0	0	293,684,191
	<i>Council's General Services</i>		438,532			438,532
1,351,285	<i>Protection Services</i>		19,594,342			19,594,342
237	<i>Health Services</i>		1,871,051			1,871,051
17,680,193	<i>Roads & Streets</i>		245,815,985			245,815,985
11,008,829	<i>Human Resources</i>		18,158,177			18,158,177
482,001	<i>Security Services</i>		2,765,692			2,765,692
1,671,759	<i>Secretariat</i>		4,620,237			4,620,237
12,998	<i>Municipal Manager</i>		0			0
153,639	<i>Financial Services</i>		420,175			420,175
23,770,578	Subsidised Services	0	96,219,839	0	0	96,219,839
521,495	<i>Cemeteries</i>		5,244,364			5,244,364
736,328	<i>Libraries</i>		7,323,708			7,323,708
715,195	<i>Fire Fighting</i>		5,817,265			5,817,265
1,412,175	<i>Bus and Taxi Terminuses</i>		3,527,396			3,527,396
80,661	<i>Art Museum</i>		110,841			110,841
149,355	<i>Museum</i>		2,188,020			2,188,020
14,866,647	<i>Parks, Sport and Recreation</i>		53,456,629			53,456,629
5,288,722	<i>Town Hall & Offices</i>		16,326,095			16,326,095
	<i>Swimming Baths</i>		2,225,521			2,225,521

ANNEXURE - C
ANALYSIS OF FIXED ASSETS

<i>Expenditure</i> 2005	<i>SERVICE</i>	<i>Budget</i> 2006	<i>Balance at</i> 2005/06/30	<i>Expenditure</i> 2006	<i>Written off</i> <i>transferred or</i> <i>disposed of</i>	<i>Balance at</i> 2006/06/30
R		R	R	R	R	R
7,807,787		0	76,193,096	0	0	76,193,096
4,257	<i>Building Survey</i>		7,190			7,190
1,622,002	<i>Properties</i>		17,308,559			17,308,559
	<i>Quarry</i>		0			0
7,031	<i>Licensing</i>		1,910,383			1,910,383
1,272,779	<i>Cleansing</i>		3,977,923			3,977,923
4,901,718	<i>Sewerage</i>		52,989,041			52,989,041
	<i>HOUSING SERVICE</i>		514,100			514,100
	<i>Economic Housing</i>		713,430		199,330	514,100
	<i>TRADING SERVICES</i>					
75,506,327		0	351,728,569	0	0	351,728,569
10,336,272	<i>Electricity</i>		179,314,958			179,314,958
	<i>Airport</i>		2,443,003			2,443,003
65,170,055	<i>Water</i>		169,970,608			169,970,608
<u>139 445 633</u>	<i>TOTAL FIXED ASSETS</i>	<u>0</u>	<u>818,339,795</u>	<u>0</u>	<u>0</u>	<u>818,339,795</u>

ANNEXURE - C
ANALYSIS OF FIXED ASSETS

SERVICE	<i>Balance at 2005/06/30</i>	<i>Expenditure 2006</i>	<i>Written off transferred or disposed of</i>	<i>Balance at 2006/06/30</i>
	R	R	R	R
LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS	563 768 553			563 768 553
<i>Loans redeemed & advances repaid</i>	249 778 192			249 778 192
<i>Loans redeemed & advances repaid</i>	133 918 524			133 918 524
<i>Township Development/Landtrust</i>	1 754 976			1 754 976
<i>Contributions ex operating income</i>	17 153 658			17 153 658
<i>Contributions RDP</i>	731 360			731 360
<i>Contributions BCIG</i>	562 950			562 950
<i>Contributions CMIP</i>	19 087 963			19 087 963
<i>Contributions NER</i>	5 730 335			5 730 335
<i>Contributions Provincial Government</i>	13 233 430			13 233 430
<i>Contributions National Government (Clinic)</i>	1 050 440			1 050 440
<i>Contributions Equitable Share</i>	13 442 803			13 442 803
<i>Contributions Equitable Share</i>	147 688			147 688
<i>Public Contributions</i>	792 072			792 072
<i>Endowment</i>	2 149 498			2 149 498
<i>Services Levy</i>	20 580			20 580
<i>Grants and Subsidies</i>	22 585 256			22 585 256
<i>Provisions and Reserves</i>	7 426 970			7 426 970
<i>Housing</i>	514 100			514 100
<i>Township Development/Landtrust</i>				
<i>Municipal Infrastructure Grant</i>	50 598 470			50 598 470
<i>Development Bank of SA</i>	407 226			407 226
<i>Contribution DWAF</i>	22 682 062			22 682 062
NET FIXED ASSETS	254 571 242			254 571 242

ANNEXURE - D
ANALYSIS: OPERATING INCOME AND EXPENDITURE 30 JUNE 2006

<i>Actual</i> 2005		<i>Actual</i> 2006	<i>Budget</i> 2006
R		R	R
INCOME			
143 461 062	<i>Grants & Subsidies</i>		
138 104 091	<i>National Government</i>		
2 908 471	<i>Provincial Government</i>		
250 000	<i>Local Government</i>		
2 198 500	<i>Dept of Water Affairs & Forestry</i>		
	<i>Development Bank of SA</i>		
	<i>Public donations</i>		
454 388 325	<i>Operating Income</i>		
106 924 493	<i>Assessment Rates</i>		
173 791 654	<i>Sale of Electricity</i>		
74 179 042	<i>Sale of Water</i>		
25 697 377	<i>Cleansing</i>		
18 391 831	<i>Sewerage</i>		
55 403 928	<i>Other</i>		
597 849 387			

ANNEXURE - D
ANALYSIS: OPERATING INCOME AND EXPENDITURE 30 JUNE 2006

<i>Actual</i> <i>2005</i>		<i>Actual</i> <i>2006</i>	<i>Budget</i> <i>2006</i>
R		R	R
	<i>EXPENDITURE</i>		
158 609 119	<i>Salaries, wages & allowances</i>		
280 754 053	<i>General expenses</i>		
88 381 233	<i>- Purchase of Electricity</i>		
40 906 868	<i>- Purchase of Water</i>		
151 465 952	<i>- Other Expences</i>		
42 343 341	<i>Repairs and maintenance</i>		
52 691 305	<i>Capital charges</i>		
6 823 406	<i>Contributions to fixed assets</i>		
108 827 661	<i>Contributions</i>		
650 048 885	<i>Gross expenditure</i>		
99 398 720	<i>Less: Amounts charged out</i>		
550 650 165	<i>Net expenditure</i>		

ANNEXURE - E
DETAILED INCOME STATEMENT 30 JUNE 2006

<i>2005</i>	<i>2005</i>	<i>2005</i>		<i>2006</i>	<i>2006</i>	<i>2006</i>	<i>2006</i>
<i>Actual</i>	<i>Actual</i>	<i>Surplus/</i>		<i>Actual</i>	<i>Actual</i>	<i>Surplus/</i>	<i>Budget</i>
<i>income</i>	<i>expenditure</i>	<i>(Deficit)</i>		<i>income</i>	<i>expenditure</i>	<i>(Deficit)</i>	<i>Surplus/</i>
R	R	R		R	R	R	R
			<i>RATE AND GENERAL SERVICES</i>				
335 545 774	329 368 304	6 177 470					
270 197 927	201 108 916	69 089 011	<i>Community Services</i>				
	117 478 900	-117 478 900	<i>Council's General Expenses</i>				
5 100	3 646 765	-3 641 665	<i>Protection Services</i>				
107 697 358	5 118 938	102 578 420	<i>Assessment Rates</i>				
	5 692 391	-5 692 391	<i>Health Services</i>				
143 461 062		143 461 062	<i>Grants-in-aid and Donations</i>				
9 975	39 065 466	-39 055 491	<i>Roads and Streets</i>				
893 097	2 786 919	-1 893 822	<i>Human Resources</i>				
	87 257	- 87 257	<i>Municipal Manager</i>				
	3 111 567	-3 111 567	<i>Secretariat</i>				
12 174 827	2 449 380	9 725 447	<i>Financial Services</i>				
5 956 508	21 671 333	-15 714 825	<i>Traffic</i>				

ANNEXURE - E
DETAILED INCOME STATEMENT 30 JUNE 2006

2005	2005	2005		2006	2006	2006	2006
<i>Actual income</i>	<i>Actual expenditure</i>	<i>Surplus/ (Deficit)</i>		<i>Actual income</i>	<i>Actual expenditure</i>	<i>Surplus/ (Deficit)</i>	<i>Budget Surplus/ (Deficit)</i>
R	R	R		R	R	R	R
3 704 748	69 817 017	-66 112 269	Subsidised services				
368 480	2 581 090	-2 212 610	<i>Cemeteries</i>				
305 290	7 121 932	-6 816 642	<i>Library</i>				
392 640	12 801 215	-12 408 575	<i>Fire Fighting</i>				
	605 483	- 605 483	<i>Bus and Taxi Terminuses</i>				
12 057	3 406 572	-3 394 515	<i>Art Museum</i>				
2 450 133	34 241 206	-31 791 073	<i>Museums</i>				
38 000	6 082 314	-6 044 314	<i>Parks, Sport & Recreation</i>				
138 148	2 977 205	-2 839 057	<i>Town Hall & Offices</i>				
			<i>Swimming Baths</i>				
61 643 099	58 442 371	3 200 728	Economic Services				
867 671	2 653 938	-1 786 267	<i>Building Survey</i>				
1 737 985	11 348 354	-9 610 369	<i>Properties</i>				
10 943 187	4 591 788	6 351 399	<i>Licences</i>				
26 270 755	26 356 591	- 85 836	<i>Cleansing</i>				
21 823 501	13 491 700	8 331 801	<i>Sewerage</i>				
217 941	2 482 806	-2 264 865	HOUSING SERVICE				
217 941	2 482 806	-2 264 865	<i>Economic Housing</i>				

ANNEXURE - E
DETAILED INCOME STATEMENT 30 JUNE 2006

2005	2005	2005		2006	2006	2006	2006
<i>Actual income</i>	<i>Actual expenditure</i>	<i>Surplus/ (Deficit)</i>		<i>Actual income</i>	<i>Actual expenditure</i>	<i>Surplus/ (Deficit)</i>	<i>Budget Surplus/ (Deficit)</i>
R	R	R		R	R	R	R
262 085 672	218 799 055	43 286 617	TRADING SERVICES				
178 834 951	146 785 485	32 049 466	<i>Electricity</i>				
24 000	179 746	- 155 746	<i>Airport</i>				
83 226 721	71 833 824	11 392 897	<i>Water</i>				
<u>597 849 387</u>	<u>550 650 165</u>	<u>47 199 222</u>	TOTAL				
		<u>71 503 195</u>	<i>Accumulated surplus beginning of the year</i>			<u>121 310 170</u>	
		<u>2 607 753</u>	<i>Prior year adjustments</i>				
		<u>121 310 170</u>	ACCUMULATED SURPLUS END OF THE YEAR			<u>121 310 170</u>	

ANNEXURE - F
STATISTICAL INFORMATION

	2006	2005	2004	2003	2002
GENERAL STATISTICS					
<i>Population</i>	453 700	453 700	453 700	453 700	453 700
<i>Number of Registered Voters</i>	215 225	215 225	215 225	187 311	187 311
<i>Number Voted</i>	160 385	160 385	160 385	73 089	73 089
<i>Area (ha)</i>	323 168	323 168	323 168	323 168	323 168
Total Valuations :					
* <i>Rateable (R million)</i>	2 345	2 345	1 992	1 966	1 582
* <i>Residential (R million)</i>	967	967	938	913	743
* <i>Commercial (R million)</i>	635	635	630	622	637
* <i>Government</i>	127	127	120	122	114
* <i>Other</i>	311	311	304	309	88
* <i>Non-rateable (R million)</i>	304	304	297	293	256
Valuation Date : 1 July 2002					
Number of Stands :					
* <i>Residential</i>	33 613	33 613	34 338	33 861	24 624
* <i>Commercial</i>	2 822	2 822	2 767	2 739	2 394
* <i>Other</i>	12 512	12 512	11 194	11 307	8 832
Assessment Rate :					
* <i>Basic (per Rand)</i>	7.13	7.13	6.66	6.15	5.81
* <i>Rebate: Residential</i>	20%	20%	20%	20%	20%
* <i>Additional Rebate : Certain Pensioners</i>	40%	40%	40%	40%	40%
Number of Employees	1 553	1 553	1 540	1 440	1 400

ANNEXURE - F
STATISTICAL INFORMATION

	2005	2005	2004	2003	2002
SEWERAGE					
<i>Sewerage Purified (ML)</i>	10 008	10 008	9 893	8 998	9 947
<i>Cost per MI Purified</i>	R 1,348.09	R 1,348.09	R 1,443.27	R 1,665.34	R1 314,17
<i>Income per MI Purified</i>	R 2,180.61	R 2,180.61	R 2,020.48	R 1,992.99	R1 699,97
ELECTRICITY					
<i>Units (kWh) Purchased ('000)</i>	552 321	552 321	533 060	509 775	487 388
<i>Purchase Cost per kWh</i>	16.00c	16.00c	15.71c	14.72c	14,00c
<i>Units (kWh) Sold ('000)</i>	505 426	505 426	477 292	456 939	430 212
<i>Units (kWh) Lost in Distribution ('000)</i>	46 895	46 895	55 768	52 836	57 176
<i>Percentage Loss in Distribution</i>	8.49%	8.49%	10.46%	10.36%	11,73%
<i>Cost per Unit (kWh) Sold</i>	29.00c	29.00c	29.98c	28.38c	28,52c
<i>Income per Unit (kWh) Sold</i>	35.40c	35.40c	34.61c	34.04c	33,27c
WATER					
<i>Kl Purchased ('000)</i>	16 547	16 547	17 669	19 874	16 417
<i>Purchased Cost per Kl</i>	R 2.47	R 2.47	R 2.61	R 2.28	R2,24
<i>Kl Sold ('000)</i>	12 007	12 007	12 227	15 150	13 568
<i>Kl Lost in Distribution ('000)</i>	4 540	4 540	5 442	4 724	2 849
<i>Percentage Loss in Distribution</i>	27.44%	27.44%	30.80%	23.77%	17,35%
<i>Cost per Kl Sold</i>	R 5.98	R 5.98	R 6.51	R 5.02	R 4.74
<i>Income per Kl Sold</i>	R 6.93	R 6.93	R 7.46	R 5.55	R 5.37