

# EMFULENI LOCAL MUNICIPALITY

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**GENERAL INFORMATION**

**MEMBERS OF THE MAYORAL COMMITTEE**

Councillor T J Thabane Executive Mayor  
Councillor M Petlane  
Councillor K J M Ranake  
Councillor M S Mofokeng  
Councillor T S Moepadira  
Councillor M T Kunene  
Councillor Gqelosha  
Councillor M A Maloisane  
Councillor W H Janse van Rensburg  
Councillor M E Tsokolibane  
Councillor J N Thulo

**GRADING OF LOCAL AUTHORITY**

Grade 11

**AUDITORS:**

The Auditor-General

**BANKERS:**

ABSA Bank Limited

**REGISTERED OFFICE:**

Klasie Havenga Street  
VANDERBIJLPARK  
1900

P. O. Box 3  
VANDERBIJLPARK  
1930

Telephone: (016) 950 5000

Fax: (016) 950 5030

**MUNICIPAL MANAGER**

Mr. N Shongwe: B.A. (Hons) North-West University B Admin (S.A.)

**CHIEF FINANCIAL OFFICER**

Mr. J. A. Engelbrecht : IAC Diploma; ILGM; IMFO(Associate) Registered Municipal Accountant (Associate)

## MEMBERS OF THE COUNCIL

**EXECUTIVE MAYOR:** Councillor T J S Thabane

**SPEAKER:** Councillor Y C Chamda

## COUNCILLOR

Bekker J.M.C.	Mngomezulu T.D.
Brcic M.	Mofokeng C.
Britz N.D.	Mofokeng M.S.
Coertze Y.	Mogale Lefakane J.
Dlova G.S.	Mogotsi K.
Dosoudil M.S.D.	Mohajne T.P.
Dreyer M.I.	Mohlala H.L.E.
Felix N.J.A.	Mokale B.A.
Gqelosha M.P.	Mokele M.
Groenewald R.H.	Mokoena M.P.
Hlanyane S.J.	Mokono S.H.
Hlongwane M.M.	Molelekwa T.G.
Hlubi M.J.	Mollo D.S.
Hoffman D.C.J.	Molotsi M.S.
Jabu P.A.	Morolong A.M.
Jansen van Rensburg N.M.	Motaung L.E.
Jansen van Rensburg W.H.	Motloung M.C.
Kantso M.D.	Msibi N.J.
Karsten A.S.J.	Muir M.P.
Khomoeasera M.L.	Ndimma N.
Klaas S.J.	Nquba T.S.
Kolisang M.S.	Petlane M.
Kunene M.T.	Plaatjie D.J.
Lambat A.	Prinsloo A.F.
Leburu M.M.	Pruis G.C.S.J.
Lehlake R.J.	Rabie C.
Lehoko T.C.	Ramagaga R.D.
Lethale M.J.	Ranake K.J.M.
Lethale S.M.	Raphuti P.
Mahao J.M.	Sale M.C.
Mahomed C.	Smith M.
Maleka T.T.	Thlopane J.P.
Malisa D.A.	Tholo N.R.
Maloisane M.A.	Tsokolibane M.E.
Maloka D.H.	Tsotsotso O.S.
Manzi M.S.	Tsunke J.N.
Mashabela M.S.	Venter M.
Matsei N.P.	Vundisa F.N.
Mazibuko T.P.	Williams F.V.
McCamel L.R.	Xaba J.N.
Meyer L.J.	
Mkhwane J.D.	

**APPROVAL OF FINANCIAL STATEMENTS**

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**MUNICIPAL MANAGER**

Mr. N. Shongwe  
B.A. (Hons) North West University B Admin (S.A.)

**Date:**

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**CHIEF FINANCIAL OFFICER**

Mr. J. A. Engelbrecht  
IAC Diploma; ILGM; IMFO(Associate)  
Registered Municipal Accountant (Associate)

**Date:**

## REPORT OF THE CHIEF FINANCIAL OFFICER

## THE CHALLENGE OF CHANGE

All Municipalities are currently experiencing some trying times. The Emfuleni Local Municipality is no exception. Problems created by cash flow not only affects visible service delivery, but also filters through the administration and management, as it becomes impossible to maintain the necessary equipment.

It is all the more commendable therefore that we managed to keep the average increase in the domestic commitment at such a low level. Although it has been an extremely difficult year, nevertheless it has been very satisfying.

## 1 OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2004 are as follows:

INCOME	ACTUAL	ACTUAL	VARIANCE POSITIVE / (NEGATIVE)	BUDGET	DEVIATION ACTUAL VS BUDGET
	2003 R	2004 R	2003/2004 %	2004 R	2004 %
OPERATING INCOME FOR THE YEAR	1 061 500 638	1 210 197 574	14.01	1 143 607 067	5.82
CLOSING DEFICIT	2 715 847			-	
	1 064 216 485	1 210 197 574		1 143 607 067	
<b>EXPENDITURE</b>					
OPENING DEFICIT	-			-	
OPERATING EXPENDITURE FOR THE YEAR	1 064 216 485	1 147 725 647	(7.85)	1 143 607 067	(0.36)
CLOSING SURPLUS		62 471 927			
	1 064 216 485	1 210 197 574		1 143 607 067	

## 1.1 Rates and General Services

	ACTUAL	ACTUAL	VARIANCE POSITIVE / (NEGATIVE)	BUDGET	DEVIATION ACTUAL VS BUDGET
	2003 R	2004 R	2003/2004 %	2004 R	2004 %
REVENUE	415 210 780	452 992 885	9.10	445 981 279	1.57
EXPENDITURE	415 604 143	458 527 386	(10.33)	486 469 413	5.74
SURPLUS (DEFICIT)	(393 363)	(5 534 501)		(40 488 134)	
SURPLUS (DEFICIT) AS % OF TOTAL INCOME	(0.09)	(1.22)		(9.08)	

## 1.2 Housing Service

	ACTUAL	ACTUAL	VARIANCE POSITIVE / (NEGATIVE)	BUDGET	DEVIATION ACTUAL VS BUDGET
	2003 R	2004 R	2003/2004 %	2004 R	2004 %
REVENUE	3 242 853	3 943 338	21.60	3 889 647	1.38
EXPENDITURE	5 719 036	3 810 078	33.38	11 599 726	67.15
SURPLUS (DEFICIT)	(2 476 183)	133 260		(7 710 079)	
SURPLUS (DEFICIT) AS % OF TOTAL INCOME	(76.36)	3.38		(198.22)	

## 1.3 Trading Services

The prices of electricity and water purchases and sales are subject to prescribed adjustments. The following is a summary of the operating results of the Municipality's Trading Services.

## Water Service

	ACTUAL	ACTUAL	VARIANCE POSITIVE / (NEGATIVE)	BUDGET	DEVIATION ACTUAL VS BUDGET
	2003 R	2004 R	2003/2004 %	2004 R	2004 %
REVENUE	238 324 817	287 532 260	20.65	262 148 450	9.68
EXPENDITURE	295 738 688	330 012 954	(11.59)	279 847 094	(17.93)
SURPLUS (DEFICIT)	(57 413 871)	(42 480 694)		(17 698 644)	
SURPLUS (DEFICIT) AS % OF TOTAL INCOME	(24.09)	(14.77)		(6.75)	

## Electricity Service

	ACTUAL	ACTUAL	DEVIATION	BUDGET	DEVIATION ACTUAL BUDGET
	2003 R	2004 R	2003/2004 %	2004 R	2004 %
REVENUE	404 722 188	464 117 975	14.68	431 373 701	7.59
EXPENDITURE	347 154 617	355 259 555	(2.33)	365 476 844	2.80
SURPLUS (DEFICIT)	57 567 571	108 858 420		65 896 857	
SURPLUS (DEFICIT) AS % OF TOTAL INCOME	14.22	23.45		15.28	

## 2 CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets incurred during the year amounted to R 12,309,506; 42,17 % less than the previous year. Capital infrastructure for the amount of R 76,443,229. has been received from Sedibeng District Council as a grant.

	ACTUAL	BUDGET	ACTUAL
	2003	2003/2004	2004
	R	R	R
LAND	-	-	-
BUILDINGS	360	3 722 973	14 896
ROADS AND STORM WATER	11 820 486	2 000 000	3 012 055
SEWERAGE	-	9 637 156	2 583 467
OTHER INFRASTRUCTURE	1 505 214	1 927 158	2 173 864
OTHER FIXED ASSETS	7 961 578	3 032 497	80 968 453
	<b>21 287 638</b>	<b>20 319 784</b>	<b>88 752 735</b>

Resources used to finance the fixed assets were as follows:

	ACTUAL	BUDGET	ACTUAL
	2003	2003/2004	2004
	R	R	R
ASSET FINANCING FUND	485 745	785 352	758 207
EXTERNAL FINANCING FUND AND LEASE AGREEMENTS	16 859 593	1 961 505	3 668 131
CONVERSIONS/SUB-DIVISION ON SALE OF PROPERTY	2 987 500		
DONATIONS	64 000		
GRANTS AND SUBSIDIES	890 800	17 572 927	84 326 397
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>21 287 638</b>	<b>20 319 784</b>	<b>88 752 735</b>

The expenditure incurred to ensure that refuse removal, sewerage purification, water and electricity services continue to be provided at acceptable levels, amounted to R 6,719,927

The provision of roads, footpaths and storm water drainage resulted in expenditure of R2,255,881. The remainder of the expenditure covered mainly urban and township development. A complete analysis of capital expenditure per department, classification or service is included in appendix C. More details regarding external loans used to finance fixed assets are shown in

## 3 EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding on 30 June 2004 amounted to R188,092,460 as set out in appendix A. During the year loans totalling R5,768,841 were repaid and loans of R8,705,559 were made for the upgrading of infrastructure vehicles and equipment. Investments and cash on hand as at 30 June 2004 amounted to R 100,126,935 (R92 676 673 in 2003).

More information regarding loans and investments are disclosed in the notes (5 and 9) and appendix A.

## 4 FUNDS AND RESERVES

More information regarding funds and reserves are disclosed in the notes (1 to 2).

### 4.1. LEAVE RESERVE FUND

A contribution of R 8,166,173 was made to the Leave Reserve Fund in the 2003/2004 financial year. The funds available are sufficient for the payment of accumulated leave as on 30 June 2004

## EXPRESSION OF APPRECIATION

I am grateful to the Executive Mayor, the Speaker and members of the Mayoral Committee, Councillors, the Municipal Manager, Executive Heads of Departments for the support they have given me and to the staff of my own department and in particular to the The Office of the Auditor-General for their assistance and support during the year.

**J.A. Engelbrecht**  
**Chief Financial Officer**  
**Emfuleni Local Municipality**



**EMFULENI LOCAL MUNICIPALITY  
BALANCE SHEET  
AS AT 30 JUNE 2004**

6.1

	NOTE	APP	2004 R	2003 R
<b><u>CAPITAL EMPLOYED</u></b>				
STATUTORY FUNDS	1		5 529 773	5 412 900
NON-DISTRIBUTABLE RESERVES	2		829 997 098	171 172 940
DISTRIBUTABLE RESERVES			241 756 664	181 650 485
Unappropriated Surplus			236 234 541	176 244 035
Insurance Reserve	3		2 550 390	2 434 717
Housing Development Fund	4		2 971 733	2 971 733
LONG-TERM LIABILITIES	5		162 167 558	180 887 981
CONSUMER DEPOSITS	6		20 481 600	19 657 900
TOTAL			<u>1 259 932 693</u>	<u>558 782 206</u>
<b><u>EMPLOYMENT OF CAPITAL</u></b>				
PROPERTY, PLANT AND EQUIPMENT	7		951 098 368	305 263 667
WORK IN PROGRESS	8		24 689 526	7 921 145
INVESTMENTS	9		100 086 382	92 637 420
LONG-TERM DEBTORS	10		1 621 038	2 012 356
			<u>1 077 495 313</u>	<u>407 834 588</u>
NET CURRENT ASSETS			182 437 379	150 947 618
CURRENT ASSETS			450 397 265	344 088 410
Inventory	11		7 798 121	6 665 715
Consumer Debtors	12		327 754 475	266 925 772
Other Debtors	13		96 050 101	66 604 636
Cash on hand			40 553	39 253
Short-term portion of Long-Term Debtors	10		391 318	3 853 034
Bank (Salaries - Debit)			18 362 697	
CURRENT LIABILITIES			267 959 885	193 140 792
Provisions	14		30 199 735	22 033 562
Creditors	15		193 010 173	124 298 462
Short-term portion of Long-Term Liabilities			25 924 902	4 267 762
Bank (General - Overdraft)			18 825 075	42 541 006
TOTAL			<u>1 259 932 693</u>	<u>558 782 206</u>

# INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 Actual R	2004 Budget R	2003 Actual R
<b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>				
Ambulance Services		(7 992 519)	(8 255 210)	(1 850 461)
Assessment rates		208 329 824	201 835 110	190 786 116
Building survey		(3 280 558)	(3 688 996)	(2 608 704)
Civil buildings		(5 000 075)	(2 737 817)	(2 549 720)
Corporate Services		(15 211 481)	(8 746 158)	(15 290 595)
Council's general expenses		(75 580 122)	(44 182 627)	(61 375 099)
Development Planning		(10 235 132)	(4 124 376)	(10 607 111)
Electricity		108 858 420	65 896 857	57 567 571
Engineering Services		(4 542 041)	(6 062 686)	(5 828 712)
Financial Services		32 480 263	19 387 986	43 831 767
Fire Services		(10 287 176)	(13 140 740)	(9 232 330)
Health services		(26 370 216)	(44 374 756)	(9 477 723)
Library		(16 310 830)	(21 791 859)	(15 445 873)
Licensing		(1 024 131)	-	9 305 388
Management Support Services		(5 309 774)	(1 843 646)	(2 722 387)
Municipal Manager		(1 373 815)	929 026	-
Parks and recreation		(39 978 077)	(44 405 427)	(36 150 197)
Public Safety and Community Development		(493 805)	(509 055)	(106 759)
Public Works		(32 025 807)	(33 496 947)	(31 493 811)
Sewerage		39 917 726	10 077 938	4 190 974
Sub-economic housing		133 260	(7 710 079)	(2 476 183)
Traffic services		(15 505 069)	(20 313 536)	(13 423 130)
Transport Services		(8 600 841)	(10 748 799)	(9 998 799)
Waste Management		(7 140 843)	(4 295 559)	(20 346 198)
Water		(42 480 694)	(17 698 644)	(57 413 871)
<b>SUBTOTAL: NET SURPLUS BEFORE APPROPRIATIONS</b>		<u>60 976 485</u>	<u>-</u>	<u>(2 715 847)</u>
<b>(Refer Annexure E)</b>				
<b>UNAPPROPRIATED SURPLUS AT BEGINNING OF THE YEAR</b>		176 244 035		
<b>APPROPRIATIONS</b>		(985 979)		
Adjustments current and prior years		(2 481 421)		
Gains on sale of property, plant & equipment		1 611 115		
Transfer to insurance reserve		(115 673)		
<b>UNAPPROPRIATED SURPLUS AT END OF YEAR</b>		<u><u>236 234 541</u></u>		



## CASH FLOW STATEMENT

### FOR THE YEAR ENDED 30 JUNE 2004

	NOTE	2004 R	2003 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash utilised in operations	19.	(35 328 348)	12 819 030
Interest received		10 334 643	11 018 252
Interest paid		(31 726 993)	(29 810 145)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>(56 720 698)</b>	<b>(5 972 863)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	20.	(11 551 299)	(21 287 638)
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(11 551 299)</b>	<b>(21 287 638)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loans repaid	21.	(5 768 841)	(4 098 292)
Other capital receipts	21.	123 569 728	21 344 564
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>117 800 887</b>	<b>17 246 272</b>
<b>NET CASH FLOW</b>		<b><u>49 528 890</u></b>	<b><u>(10 014 229)</u></b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	22.	<b><u>(49 528 890)</u></b>	<b><u>10 014 229</u></b>

# EMFULENI LOCAL MUNICIPALITY

## ACCOUNTING POLICIES

### 1. BASIS OF PRESENTATION

- 1.1 These financial statements have been prepared so as to conform with Generally Accepted Municipal Accounting Principles (GAMAP).
- 1.2 The financial statements have been prepared on the historical cost basis, except for the Electricity Infrastructure which was revalued during the financial year, refer to note 5 below

### 2. INVESTMENTS

- 2.1 Investments are stated at cost.
- 2.2 Investments are written down to give recognition to a permanent decline in value.
- 2.3

### 3. STATUTORY FUNDS

#### Asset Financing Fund

The purpose of the Asset Financing Fund is to set aside cash to finance property, plant and equipment from internal sources. The contribution to the Asset Financing Fund is based on the capital expenditure requirements of the Municipality. When cash is used to finance property, plant and equipment, a corresponding amount is transferred to a non-distributable reserve (see note 2). Unutilised cash is invested as set out in note 9.

### 4. NON-DISTRIBUTABLE RESERVES

- 4.1 Capital Receipts utilised to acquire property, plant and equipment

These amounts represent property, plant and equipment financed by government grants and subsidies as well as contributions from the public. The intention of the benefactor is to subsidise the cost of acquiring specific items of property, plant and equipment. The reserve is released to the income statement over the estimated useful lives of the property, plant and equipment so financed to offset the relevant depreciation charge. The balance of the reserve is transferred to the income statement when the fixed asset so financed is disposed.

- 4.2 Unutilised Capital Receipts

These amounts represent grants and subsidies that are conditional. These grants and subsidies must be used to finance property, plant and equipment. These amounts are transferred to a non-distributable reserve until utilised for their intended purpose.

- 4.3 Transfer from Asset Financing Fund

These amounts represent property, plant and equipment financed by the AFF. The reserve is released to the income statement over the estimated useful lives of the property, plant and equipment so financed to offset the relevant depreciation charge and prevent duplication in expenses. The balance of the reserve is transferred to the income statement when the fixed asset so financed is disposed of.

# EMFULENI LOCAL MUNICIPALITY

## 5 PROPERTY, PLANT AND EQUIPMENT

- 5.1 Property, which includes investment properties, plant and equipment is stated at cost, less accumulated depreciation.
- 5.2 The whole electricity infrastructure was revalued during the year under review. The surplus emanating from this revaluation was not credited to revenue but to the non-distributable reserve. The non-distributable reserve will annually be amortised, where after depreciation will be recognised as an expense.
- 5.3 Major improvements to buildings, plant and equipment are capitalised. Maintenance and repairs are expensed when incurred.
- 5.4 Heritage assets, defined as culturally significant resources, are not depreciated.
- 5.5 Net proceeds from the sale of all assets are credited to the appropriation account.
- 5.6 Depreciation is calculated on cost, using the straight line method over the estimated useful lives of the assets. The depreciation rates are based on the following estimated asset lives:-

	<u>Years</u>		<u>Years</u>
<b>Infrastructure</b>		<b>Other</b>	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	15
		Bins and containers	5
<b>Community</b>		Specialised plant and equipment	10-15
Improvements	30	Other items of plant and equipment	2-5
Recreational Facilities	20-30		
Security	5		
<b>Investment Properties</b>	30		

## 6. LEASES

- 6.1 Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the local municipality.
- 6.2 Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.
- 6.3 Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight line basis over the estimated useful life.

## 7. FINANCIAL INSTRUMENTS

- 7.1 Measurement  
Financial instruments are initially measured at cost, which includes transaction costs.
- 7.2 Trade and other receivables  
Trade and other receivables originated by the group are stated at cost less provision for doubtful debts.
- 7.3 Cash and cash equivalents  
Cash and cash equivalents are measured at local currency as at year end.

- 7.4 Financial liabilities  
Financial liabilities are reported at amortised cost, namely original debt less principal repayments and amortisation.

## 8. INVENTORIES

- 8.1 Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first-in, first-out method.
- 8.2 Unsold properties are valued at valuation roll value.
- 8.3 Redundant and slow-moving inventories are identified and written down to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

## 9. RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

## 10. REVENUE RECOGNITION

- 10.1 Revenue from rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time proportion basis.
- 10.2 Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The sale of pre-paid electrical are recognised as revenue when sold.
- 10.3 Revenue from the sale of goods is recognised when the risk is passed to the consumer.
- 10.4 Revenue arising from the application of the approved tariff of charges is generally when the relevant service is rendered.
- 10.5 Interest and rentals are recognised on a time proportion basis that takes into account the effective yields on assets.
- 10.6 Revenue from spot fines is recognised when payment is received, and the revenue from the issuing of summonses is recognised when collected.
- 10.7 Amounts received from government and donors for the purpose of acquiring items of property, plant and equipment are classified as capital receipts and credited to non-distributable reserves. These amounts are released to the income statement over the est. project life.
- 10.8 Amounts received from government as Restructuring Grant are recognised as income in the financial year that an economic benefit has been derived. Unused amounts of the Restructuring Grant are transferred as a creditor to the next financial year.

## 11. SEGMENTAL INFORMATION

The principle segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditures. The primary basis is representative of the internal structure for both budgeting and management

## 12. INTERNAL FINANCING OF PROPERTY, PLANT AND EQUIPMENT

In order to finance the provision of infrastructure and other items of property, plant and equipment, amounts are set aside from unappropriated surpluses to the Asset Financing Fund (AFF). The cash in the AFF is invested until utilised.



## NOTES TO THE FINANCIAL STATEMENTS

NO.	2004 R	2003 R
<b>1. STATUTORY FUND</b>		
Asset Financing Fund	<u>5 529 773</u>	<u>5 412 900</u>
Movement is reconciled as follows:		
Balance at beginning of the year	5 412 900	5 898 645
Contributions received	875 080	
Cash utilised to acquire property, plant & equipment	<u>(758 207)</u>	<u>(485 745)</u>
Balance at end of year	<u>5 529 773</u>	<u>5 412 900</u>
<p>The purpose of the Asset Financing Fund is to set aside cash to finance property, plant and equipment from internal sources. The contribution to the Asset Financing Fund is based on the capital expenditure requirements of the Municipality. When cash is used to finance property, plant and equipment, a corresponding amount is transferred to a non-distributable reserve (see note 2). Unutilised cash is invested as set out in note 9.</p>		
<b>2. NON-DISTRIBUTABLE RESERVES</b>		
Revaluation of fixed assets	720 807 456	159 405 967
Capital receipts utilised to acquire property, plant and equipment	87 610 610	5 116 841
Unutilised Capital Receipts	21 071 472	6 650 132
Transfers from Asset Financing Fund used to finance property, plant and equipment	507 560	-
<b>Total</b>	<u>829 997 098</u>	<u>171 172 940</u>
<u>Revaluation of fixed assets</u>		
Balance at beginning of the year	159 405 967	156 418 467
Contributions received	585 501 489	2 987 500
Transfer to income statement to offset depreciation charge	<u>(24 100 000)</u>	
Balance at end of year	<u>720 807 456</u>	<u>159 405 967</u>
<u>Capital receipts utilised to acquire property, plant and equipment</u>		
Balance at beginning of the year	5 116 841	8 821 927
Contributions received	84 321 397	485 744
Transfer to income statement to offset depreciation charge	<u>(1 827 628)</u>	<u>(4 190 830)</u>
Balance at end of year	<u>87 610 610</u>	<u>5 116 841</u>

These amounts represent property, plant and equipment financed by government grants and subsidies as well as contributions from the public. The intention of the benefactor is to subsidise the cost of acquiring specific items of property, plant and equipment. The reserve is released to the income statement over the estimated useful lives of the property, plant and equipment so financed to offset the relevant depreciation charge. The balance of the reserve is transferred to the income statement when the fixed asset so financed is disposed.

# EMFULENI LOCAL MUNICIPALITY

10.18

NO.	2004 R	2003 R
<u>Unutilised Capital Receipts</u>		
Balance at beginning of the year	6 650 132	
Contributions received	98 747 737	6 655 184
Utilised for acquiring property, plant and equipment	<u>(84 326 397)</u>	<u>(5 052)</u>
Balance at end of year	<u><u>21 071 472</u></u>	<u><u>6 650 132</u></u>

These amounts represent grants and subsidies that are conditional. These grants and subsidies must be used to finance property, plant and equipment. These amounts are transferred to a non-distributable reserve until utilised for their intended purpose. Unutilised cash is invested as set out in Note 9

Transfers from Asset Financing Fund used to finance property, plant and equipment

Balance at beginning of the year	-	
Contributions received	758 207	
Transfer to income statement to offset depreciation charge	<u>(250 647)</u>	
Balance at end of year	<u><u>507 560</u></u>	<u><u>-</u></u>

These amounts represent property, plant and equipment financed by the AFF. The reserve is released to the income statement over the estimated useful lives of the property, plant and equipment so financed to offset the relevant depreciation charge and prevent duplication in expenses. The balance of the reserve is transferred to the income statement when the fixed asset so financed is disposed.

### 3. INSURANCE RESERVE

Insurance reserve	<u><u>2 550 390</u></u>	<u><u>2 434 717</u></u>
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Movement is reconciled as follows:

Balance at beginning of the year	2 434 717	2 434 717
Contributions received	115 673	
Balance at end of year	<u><u>2 550 390</u></u>	<u><u>2 434 717</u></u>

A general insurance reserve is maintained to cover claims that may occur on items that are not insured such as cabling and to cover excess payments on claims that the excess payments are more than that has been budgeted for. Premiums are charged to respective services and departments, taking into account replacement value of the insured assets.

### 4. HOUSING DEVELOPMENT FUND

Housing Development Fund	<u><u>2 971 733</u></u>	<u><u>2 971 733</u></u>
--------------------------	-------------------------	-------------------------

Movement is reconciled as follows:

Balance at beginning of the year	2 971 733	2 971 733
Contributions received		
Expenditures		
Balance at end of year	<u><u>2 971 733</u></u>	<u><u>2 971 733</u></u>

# EMFULENI LOCAL MUNICIPALITY

10.19

NO.

2004  
R

2003  
R

5. LONG-TERM LIABILITIES

# EMFULENI LOCAL MUNICIPALITY

10.20

NO.	2004 R	2003 R
Local registered stock	20 000 000	20 000 000
Annuity loans	52 484 326	47 642 225
Structured loans	108 555 568	108 555 568
Lease commitments	7 052 566	8 957 950
	188 092 460	185 155 743
Less: Current portion transferred to Current liabilities	25 924 902	4 267 762
- Annuity loans	23 258 110	2 161 019
- Lease commitments	2 666 792	2 106 743
	162 167 558	180 887 981

(Refer to appendix B for more detail on Long term liabilities.)

Certain loans are secured by zero coupon bonds. The predecessors of Emfuleni Local Municipality secured the R 44 million SCMB loan by ceding a fixed asset to the same value to SCMB.

Lease agreements were taken up to finance certain vehicles and the lease period is in the 2-5 year bracket.

## 6. CONSUMER DEPOSITS

Water and Electricity	20 481 600	19 657 900
	20 481 600	19 657 900

## 7. PROPERTY, PLANT AND EQUIPMENT

30 June 2004	Accumulated Depreciation R	Carrying Value R
Land	23 226 445	167 705 444
Buildings	106 872 465	47 819 651
Infrastructure	498 115 227	716 125 935
Other	91 407 596	19 447 339
<b>TOTAL</b>	<b>719 621 733</b>	<b>951 098 369</b>

30 June 2003	Accumulated Depreciation R	Carrying Value R
Land	23 226 445	167 705 444
Buildings	106 687 400	37 898 119
Infrastructure	470 826 396	81 693 058
Other	97 590 741	17 967 046
<b>TOTAL</b>	<b>698 330 982</b>	<b>305 263 667</b>

Refer to Appendices B and C for more details

# EMFULeni LOCAL MUNICIPALITY

10.21

NO.

2004  
R

2003  
R

**8. WORK IN PROGRESS**

Opening balance	7 921 145	
Less: Items capitalised	(3 315 938)	
Plus: Additions for this year	20 084 319	7 921 145
Closing balance	24 689 526	7 921 145

**9. INVESTMENTS**

**Listed**

Afgi Limited (22 243 shares)		104 765
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**Unlisted**

Long-term deposits (Zero coupon investment refer note 5)	69 400 370	62 718 357
Short-term deposits and call accounts	30 686 012	29 814 298
Short-term deposits	11 329 637	14 710 049
Ceded deposits	19 356 375	15 104 249
<b>TOTAL</b>	100 086 382	92 637 420

Allocated as follows:

Asset Financing Fund	509 632	365 775
Insurance Reserve	1 887 035	1 633 265
Operating Account	21 619 010	20 310 973
NDR Unutilised capital receipts	6 670 335	7 609 050
Earmarked for redemption of external loans	69 400 370	62 718 357
<b>TOTAL</b>	100 086 382	92 637 420

**10. LONG-TERM DEBTORS**

Loans to staff	2 012 356	5 865 390
Less: Short term portion	(391 318)	(3 853 034)
	1 621 038	2 012 356

These loans are used to acquire motor vehicles by qualifying senior staff members and Study loans for children of staff members. The granting of new loans were stopped on 1 July 2002. These loans will be repaid in full by 2010

**11. INVENTORY**

Inventory represents consumable stores	7 798 121	6 665 715
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# EMFULENI LOCAL MUNICIPALITY

10.22

NO.

**12. CONSUMER DEBTORS**

	2004 R	2003 R
Water	444 788 678	307 861 442
Assessment Rates	490 240 196	425 266 325
Sewer	120 333 579	84 726 870
Refuse	97 139 481	72 010 272
Electricity	91 704 658	68 162 330
Indigent Debtors	272 567 169	276 266 706
Clearances 2 year debt	280 379	62 733
	1 517 054 140	1 234 356 678
Less: Provision for bad debts	(1 189 299 665)	(967 430 906)
<b>TOTAL</b>	<b>327 754 475</b>	<b>266 925 772</b>

The ageing of debtors is as follows:

**No comparative figures are available for 2002/2003**

**WATER**

Current	36 915 138
30 - 60 days	14 219 240
60 - 90 days	17 620 886
+ 90 days	373 540 728
<b>TOTAL</b>	<b>442 295 992</b>

**ASSESSMENT RATES**

Current	32 290 765
30 - 60 days	9 483 955
60 - 90 days	9 797 967
+ 90 days	443 018 280
<b>TOTAL</b>	<b>494 590 967</b>

**SEWER**

Current	2 783 595
30 - 60 days	3 943 806
60 - 90 days	3 707 094
+ 90 days	105 624 706
<b>TOTAL</b>	<b>116 059 201</b>

**REFUSE**

Current	6 519 493
30 - 60 days	2 937 613
60 - 90 days	2 792 174
+ 90 days	85 744 630
<b>TOTAL</b>	<b>97 993 910</b>

**ELECTRICITY**

Current	31 757 354
30 - 60 days	7 855 273
60 - 90 days	3 065 895
+ 90 days	49 749 322
<b>TOTAL</b>	<b>92 427 844</b>

**INDIGENTS AND CLEARANCES 2 YEAR DEBT**

Current	927 571
30 - 60 days	1 059 952
60 - 90 days	160 396
+ 90 days	269 318 765
<b>TOTAL</b>	<b>271 466 684</b>

Total for ageing	1 514 834 598
Difference in ageing due to conversion from old system to new	2 219 542
Balance as per note 12	<b>1 517 054 140</b>

# EMFULENI LOCAL MUNICIPALITY

10.23

NO.	2004 R	2003 R
<p>Conversion from the previous consolidated debtors to individual debtors ageing resulted in a difference of R 2,219,542. Steps are being taken to resolve this difference.</p>		
<p><b><u>BAD DEBT PROVISION</u></b></p> <p>The bad debt provision is calculated on the non-payment rate per service from the amounts budgeted for levies of services</p>		
<p><b>13. OTHER DEBTORS</b></p>		
Sundry debtors	99 577 041	69 511 341
	99 577 041	69 511 341
<b>Less:</b> Provision for bad debts	(3 526 940)	(2 906 705)
	96 050 101	66 604 636
<p><b>14. PROVISIONS</b></p>		
Leave Reserve	30 199 735	22 033 562
	30 199 735	22 033 562
<p><b>15. CREDITORS</b></p>		
Contract sureties	239 852	317 306
Deposit halls	52 714	43 192
Metro claims	488 252	489 382
Pension fund	6 503	6 503
Sundry creditors	3 790 399	340 015
Sundry creditors suspense accounts	109 870 542	92 670 460
Sundry deposit	50 732	41 145
Trade Creditor	346 235	709 937
Unclaimed deposits Debtors	1 655 473	1 655 473
Amounts paid in advance	34 520 922	29 331 552
Restructuring Grant Creditor	38 193 439	
Retention creditors	1 180 830	1 244 947
VAT Creditor	2 614 281	(2 551 450)
	193 010 173	124 298 462
<p><b>16. NET SURPLUS FOR THE YEAR</b></p>		
<p>The net surplus of the year has been determined after taking the following into account:</p>		
<p><b><u>COUNCILLORS' REMUNERATION.</u></b></p>		
Mayor and EXCO Chairperson	368 161	382 936
Members of EXCO	1 900 476	2 987 820
Councillors	8 993 944	6 710 505
	11 262 581	10 081 261
<p><b><u>AUDITORS REMUNERATION</u></b></p>		
Audit fees - Auditor-General	1 031 230	1 292 285
	1 031 230	1 292 285

# EMFULENI LOCAL MUNICIPALITY

10.24

NO.	2004 R	2003 R
<b><u>INTEREST PAID</u></b>		
<u>Long-term Liabilities</u>		
Bankfin	388 298	728 572
Development Bank of SA	7 299 259	6 056 039
INCA	10 687 493	9 540 909
SCMB	10 803 856	9 390 403
Short term Insurance premium loan	309 981	317 890
Standard Bank nominees	1 484 737	3 049 369
Stannic	728 500	700 690
Vesco	24 869	26 272
	31 726 993	29 810 145
 <b><u>INTEREST RECEIVED</u></b>		
Long term and Short term Investments	10 334 643	11 018 252
 <b><u>CONTRIBUTIONS TO/FROM PROVISIONS</u></b>		
Contribution to staff leave provision	8 166 173	870 948
Net Contribution	8 166 173	870 948
 <b><u>DEPRECIATION</u></b>		
Comparative figures for 2002/03 not available		
Buildings	185 065	
Infrastructure	27 288 832	
Other assets	893 365	
	28 367 262	7 278 177
 <b><u>(LOSS)/PROFIT ON SALE OF FIXED ASSETS</u></b>		
(Loss)/Profit on sale	1 611 115	2 087 196
 <b><u>GOVERNMENT SUBSIDIES</u></b>		
Central Government - Equitable share	51 078 887	40 098 246
Provincial Government - Health Subsidies	17 708 675	26 660 692
	68 787 562	66 758 938
 <b><u>OPERATING LEASES CHARGES</u></b>		
Lease of Refuse trucks	745 018	512 522
These leases will expire in 2007. Monthly lease payments of R62,085 per month are incurred.		



# EMFULENI LOCAL MUNICIPALITY

10.25

NO.	2004 R	2003 R
<b>17. <u>REVENUE</u></b>		
Assessment rates	209 055 918	190 786 127
Electricity Sales	418 184 849	367 965 603
Water Sales	276 561 052	234 527 990
Sewerage	79 451 433	63 402 132
Refuse removal	53 413 621	36 755 147
Interest on Investments	10 334 643	11 018 252
Tariff of Charges	55 482 707	42 100 960
Grants and subsidies	68 787 562	66 758 938
Other income	30 708 431	44 740 484
Fines	6 606 243	3 445 005
Gains on sale of property, plant & equipment	1 611 115	-
	<b>1 208 586 459</b>	<b>1 061 500 638</b>

## 18. ASSESSMENT RATES

Valuation Roll - Land	2 557 380 236	1 134 465 906
Valuation Roll - Buildings	101 193 275 100	5 116 142 855
<b>Total</b>	<b>103 750 655 336</b>	<b>6 250 608 761</b>

## 19. CASH GENERATED BY OPERATIONS

Surplus for year	62 471 927	(2 715 847)
Adjustments in respect of previous years operating transactions	(1 673 902)	11 642 665
Appropriations charged against income	258 387 151	204 020 934
Asset Financing Fund	232 546	
Leave reserve fund	8 166 173	870 948
Investment income (Charged against operating account)	(10 334 643)	(11 018 252)
Bad debts provision	259 519 479	213 426 075
Net proceeds from the disposal of fixed assets	1 611 115	2 087 196
Additional provision Compensation Commissioner	(789 939)	
Interest payable to Compensation Commissioner for late payment	(17 580)	
Audit fee provision		(1 345 033)

# EMFULENI LOCAL MUNICIPALITY

10.26

NO.	2004 R	2003 R
Capital charges	31 726 993	37 088 322
Interest paid to external funds	31 726 993	29 810 145
Depreciation on assets		7 278 177
Non-operating income	(103 485 827)	-
Credited to funds	12 989 457	
Cash contributions from the public and State	(114 864 169)	
Income from sale of assets	(1 611 115)	
Non-operating expenditure	(5 217 082)	(35 240 016)
Debited to funds	(5 217 082)	
Debited to bad debts		(33 894 983)
Debited to provisions		(1 345 033)
(INCREASE)/DECREASE IN OPERATIONAL ACTIVITIES		
(Increase)/Decrease in Stock	(1 132 406)	(512 948)
(Increase)/Decrease in Debtors	(345 940 613)	(226 384 305)
Long term debtors	(3 853 034)	-
Current debtors	(342 087 579)	(226 384 305)
Increase/(Decrease) in Creditors	68 711 711	24 067 333
Increase/(Decrease) in Consumer deposits	823 700	852 892
	(35 328 348)	12 819 030
<b>20. INVESTMENT IN FIXED ASSETS</b>		
Additions to fixed assets	88 752 735	21 287 638
Financed by Asset Financing Fund	758 207	485 745
Grants and Subsidies: Kind	76 443 229	954 800
Grants and Subsidies		
Sub Total Non-cash investment	77 201 436	
Lease agreements		4 088 176
Financed by External Financing Fund	3 668 131	12 771 417
Grants and Subsidies: Cash	7 883 168	
Other		2 987 500
	11 551 299	21 287 638
<b>21. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans repaid	(5 768 841)	(4 098 292)
Other capital receipts		
Loans raised	8 705 559	20 389 764
Cash contributions from public and State	114 864 169	954 800
	123 569 728	21 344 564
<b>22. CASH AND CASH EQUIVALENTS</b>		
(INCREASE) IN EXTERNAL CASH INVESTMENTS		
Investments made	(114 282 177)	(39 042 458)
Investments realised	106 833 215	30 672 528
	(7 448 962)	(8 369 930)
(INCREASE)/DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	(42 501 753)	(24 117 594)
Less: Cash balance at the end of the year	(421 825)	(42 501 753)
	(42 079 928)	18 384 159
	(49 528 890)	10 014 229

# EMFULENI LOCAL MUNICIPALITY

10.27

NO.	2004 R	2003 R
<b>23. <u>EXTERNAL FINANCING FUND</u></b>		
External loans received	8 705 559	19 624 223
Used to finance property, plant and equipment	8 705 559	19 624 223
Investments	-	-
	<u>                    </u>	<u>                    </u>
<b>24. <u>RETIREMENT BENEFITS</u></b>		
<p>The Employees and the Councillors are members of the Joint Municipal Pension Fund, Municipal Gratuity Fund, Municipal Councillors Pension Fund and the National Fund for Municipal Workers. The last actuarial valuation was done at 31 December 2001 for the Joint Municipal Pension Fund and 30 June 2001 for the Municipal Gratuity Fund, Municipal Councillors Pension Fund and the National Fund for Municipal Workers 30 June 2000. The financial position of the above mentioned funds were healthy as at year end.</p>		
<b>25. <u>CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</u></b>		
Guarantees by the Emfuleni Local Municipality in respect of Commercial bank housing loans for officials	1 259 844	1 259 844
Claim for breach of contract lease of hanger and airport Vanderbijlpark (Vanippa CC.)	7 000 000	7 000 000
Delictual claim, assault of employee by a former councillor	7 000 000	7 000 000
	<u>                    </u>	<u>                    </u>
	<u>183 060 288</u>	<u>445 615 461</u>
	<u>117 300 000</u>	

# EMFULENI LOCAL MUNICIPALITY

10.28

NO.

2004  
R

2003  
R

26. CAPITAL COMMITMENTS

**EMFULENI LOCAL MUNICIPALITY**

10.29

<b>NO.</b>	<b>2004</b>	<b>2003</b>
	<b>R</b>	<b>R</b>
Commitments in respect of capital expenditure		
Approved and contracted for		10 733 200
Approved but not yet contracted for	13 284 197	6 950 000
	<u>13 284 197</u>	<u>17 683 200</u>
This expenditure will be financed from:		
Internal sources		-
External sources	13 284 197	17 683 200
	<u>13 284 197</u>	<u>17 683 200</u>

**27. CASH RESOURCES**

Cash on hand	40 553	39 253
Bank (Salaries - Debit)	18 362 697	-
Bank (General - Overdraft)	(18 825 075)	(42 541 006)

**28. FRUITLESS AND WASTEFULL EXPENDITURE**

SARS performed a VAT audit for the period July 2002 to June 2004.	174 332
Interest on VAT returns for the 2003/2004 financial year amounted to	
Interest payable to Compensation Commissioner for late payment	17 580

**APPENDIX A**  
**SCHEDULE OF EXTERNAL LOANS**

EXTERNAL LOANS	DATE ISSUED	LOAN NUMBER	INTEREST RATE	REDEEMABLE	Balance at 30/6/2003	Received during the year	Interest Capitalised	Redeemed or written off during the year	Balance at 30/6/2004
					R	R	R	R	R
<b>Local registered stock</b>									
Standard bank Nominees	October-92	68	14.80%	December-04 (Roll over 04/05)	20 000 000				20 000 000
<b>Long Term Loans</b>									
<b>Annuity loans</b>									
Vesco	July-86	3	7.75%	June-06	3 160			3 160	-
Vesco	June-93	5	7.75%	July-13	324 597			22 223	302 374
<b>Development Bank of SA</b>									
Y2K	July-99	13485/1	17.00%	June-04	832 606			532 086	300 520
Capital projects 1 2001/2002	July-00	13554/1	15.74%	June-20	26 080 700	172 771		324 756	25 928 715
Capital projects 2 2001/2002	November-01	13959/101	14.64%	October-16	16 368 405	7 936 483		913 324	23 391 564
Vaalower	July-94	15412.1	13.56%	June-12	314 363			45 758	268 605
Vaalower	July-94	15412.2	13.56%	June-14	155 134			18 800	136 334
Vaalower	July-94	15412.3	13.11%	June-04	5 882			5 882	-
Ironsyde	January-79	15527.2	9.63%	December-04	4 031			3 000	1 031
Ironsyde	January-91	15527.3	16.67%	December-11	112 972			17 451	95 521
Ironsyde	January-92	15527.7	15.26%	December-12	2 046 409			284 760	1 761 649
INCA (Monthly)	October-01		13.61%	September-04	1 393 965			1 095 952	298 013
<b>Structured loans</b>									
INCA	September-00		17.00%	June-11	19 900 000				19 900 000
INCA	March-00		17.00%	June-11	34 286 313				34 286 313
SCMB	February-96		16.00%	February-06	54 369 255				54 369 255
									-
<b>Lease commitments</b>									
Bankfin	Various	Various	14.5% - 14.7%	Various	3 638 333			1 475 939	2 162 394
Stannic	June-02	Various	Prime + 1%	June-07	5 319 617	596 305		1 025 750	4 890 172
<b>TOTAL EXTERNAL LOANS</b>					185 155 742	8 705 559	-	5 768 841	188 092 460
<b>Less: Short-term portion</b>									25 924 902
									162 167 558

**APPENDIX B  
ANALYSIS OF FIXED ASSETS**

	<b>HISTORICAL COST</b>				<b>ACCUMULATED DEPRECIATION</b>				<b>Carrying Value</b>
	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposal</b>	<b>Closing Balance</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposal</b>	<b>Closing Balance</b>	
<b>LAND:</b>	<b>190 931 889</b>	-	-	<b>190 931 889</b>	<b>23 226 445</b>	-	-	<b>23 226 445</b>	<b>167 705 444</b>
VARIOUS PROPERTIES	190 931 889	-	-	190 931 889	23 226 445	-	-	23 226 445	167 705 444
<b>BUILDINGS:</b>	<b>144 585 519</b>	<b>10 106 598</b>	-	<b>154 692 116</b>	<b>106 687 400</b>	<b>185 065</b>	-	<b>106 872 465</b>	<b>47 819 651</b>
AMBULANCE STATIONS	2 969 000	-	-	2 969 000	2 500 000	-	-	2 500 000	469 000
CARE CENTRES	61 274	-	-	61 274	61 274	-	-	61 274	-
CIVIC THEATRES	4 191 384	-	-	4 191 384	1 434 645	-	-	1 434 645	2 756 739
CLINICS / HOSPITALS	4 081 934	-	-	4 081 934	1 681 951	-	-	1 681 951	2 399 982
COMMUNITY CENTRES	31 559 883	3 099 724	-	34 659 607	25 210 709	12 916	-	25 223 624	9 435 982
FIRE STATIONS	2 179 982	-	-	2 179 982	2 179 982	-	-	2 179 982	-
GAME RESERVES / REST CAMPS	3 262 533	-	-	3 262 533	262 533	-	-	262 533	3 000 000
INDOOR SPORTS	9 947 863	2 141 447	-	12 089 310	4 933 967	70 493	-	5 004 459	7 084 851
LIBRARIES	3 164 110	-	-	3 164 110	2 812 318	-	-	2 812 318	351 793
MUSEUMS / ART GALLERIES	1 903 997	-	-	1 903 997	1 903 997	-	-	1 903 997	-
PUBLIC CONVENIENCES / BATHHO	13 467	-	-	13 467	13 467	-	-	13 467	-
RECREATION CENTRES	5 521 445	14 894	-	5 536 340	4 939 777	19 111	-	4 958 888	577 452
CINEMAS	4 842	-	-	4 842	4 842	-	-	4 842	-
HOSTELS - WORKERS	5 706 937	-	-	5 706 937	5 706 937	-	-	5 706 937	-
HOUSING SCHEMES	20 731 556	4 850 532	-	25 582 088	20 038 463	13 474	-	20 051 937	5 530 151
MARKETS	3 289 370	-	-	3 289 370	3 289 370	-	-	3 289 370	-
OFFICE BUILDINGS	40 925 087	-	-	40 925 087	25 797 313	69 073	-	25 866 385	15 058 702
OLD AGE HOMES	56 227	-	-	56 227	56 227	-	-	56 227	-
WORKSHOP / DEPOTS	5 014 630	-	-	5 014 630	3 859 630	-	-	3 859 630	1 155 000
<b>RECREATIONAL FACILITIES:</b>	<b>20 172 354</b>	<b>265 318</b>	-	<b>20 437 672</b>	<b>13 597 991</b>	<b>42 565</b>	-	<b>13 640 556</b>	<b>6 797 116</b>
BOWLING GREENS	31 735	-	-	31 735	31 735	-	-	31 735	-
TENNIS COURTS	162 989	-	-	162 989	162 989	-	-	162 989	-
SWIMMING POOLS	5 823 853	-	-	5 823 853	5 264 400	10 014	-	5 274 415	549 439
GOLF COURSES	496 813	-	-	496 813	496 813	-	-	496 813	-
JUKSKEI PITCHES	8 554	-	-	8 554	8 554	-	-	8 554	-
OUTDOOR SPORTS FACILITIES	7 281 287	265 318	-	7 546 604	4 004 073	32 551	-	4 036 624	3 509 980
LAKES AND DAMS	6 367 124	-	-	6 367 124	3 629 427	-	-	3 629 427	2 737 697
<b>SECURITY MEASURES:</b>	<b>3 439 502</b>	-	-	<b>3 439 502</b>	<b>3 232 418</b>	<b>66 327</b>	-	<b>3 298 745</b>	<b>140 757</b>
FENCING	1 311 401	-	-	1 311 401	1 127 149	50 882	-	1 311 401	-
SECURITY SYSTEMS	2 045 460	-	-	2 045 460	2 022 629	15 445	-	2 045 460	-
ACCESS CONTROL	82 641	-	-	82 641	82 641	-	-	82 641	-
<b>HERITAGE ASSETS:</b>	<b>203 920</b>	-	-	<b>203 920</b>	<b>39 931</b>	-	-	<b>39 931</b>	<b>163 988</b>
ARTWORK	171 620	-	-	171 620	35 317	-	-	35 317	136 303
STATUES	32 300	-	-	32 300	4 614	-	-	4 614	27 686
<b>CLEANSING:</b>	<b>4 346 653</b>	<b>686 942</b>	-	<b>5 033 595</b>	<b>3 434 113</b>	<b>13 771</b>	-	<b>3 447 884</b>	<b>1 585 711</b>
MINI DUMPS	4 346 653	686 942	-	5 033 595	3 434 113	13 771	-	3 447 884	1 585 711

**APPENDIX B  
ANALYSIS OF FIXED ASSETS**

	<b>HISTORICAL COST</b>				<b>ACCUMULATED DEPRECIATION</b>				<b>Carrying Value</b>
	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposal</b>	<b>Closing Balance</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposal</b>	<b>Closing Balance</b>	
<b>ELECTRICITY:</b>	<b>173 793 868</b>	<b>1 798 782</b>	-	<b>175 592 650</b>	<b>163 446 138</b>	<b>18 540</b>	-	<b>163 464 678</b>	<b>12 127 971</b>
POWER STATIONS	14 546 246	-	-	14 546 246	6 249 629	12 544	-	6 262 173	8 284 073
TRANSFORMER KIOSKS	-	54 990	-	54 990	-	183	-	183	54 807
METERS	6 093	-	-	6 093	6 093	-	-	6 092	-
LOAD CONTROL EQUIPMENT	140 364	-	-	140 364	140 363	-	-	140 363	-
SUPPLY / RETICULATION	159 101 166	1 555 792	-	160 656 958	157 050 054	5 186	-	157 055 240	3 601 718
MAINS	-	188 000	-	188 000	-	627	-	627	187 373
<b>ROADS:</b>	<b>257 261 417</b>	<b>25 372 726</b>	-	<b>282 634 143</b>	<b>208 448 735</b>	<b>1 958 788</b>	-	<b>210 407 522</b>	<b>72 226 621</b>
MOTORWAYS	187 999 844	24 188 479	-	212 188 322	153 044 932	1 397 937	-	154 442 869	57 745 454
OTHER ROADS	7 205 636	-	-	7 205 636	7 205 636	-	-	7 205 636	-
TRAFFIC LIGHTS	793 061	-	-	793 061	790 094	1 880	-	791 973	1 088
STREET LIGHTING	12 366 557	1 184 248	-	13 550 805	12 366 557	19 737	-	12 386 295	1 164 510
STORMWATER DRAINS	43 576 433	-	-	43 576 433	30 091 631	539 233	-	30 630 864	12 945 569
BRIDGES; SUBWAYS & CULVERTS	453 725	-	-	453 725	453 725	-	-	453 725	-
CAR PARKS	4 068 732	-	-	4 068 732	3 698 732	-	-	3 698 732	370 000
BUS TERMINALS	797 427	-	-	797 427	797 427	-	-	797 427	-
<b>SEWERAGE:</b>	<b>56 447 350</b>	<b>48 048 710</b>	-	<b>104 496 061</b>	<b>47 161 026</b>	<b>426 259</b>	-	<b>47 587 285</b>	<b>56 908 776</b>
SEWERS	44 553 878	2 432 878	-	46 986 756	39 230 268	97 360	-	39 327 627	7 659 129
OUTFALL SEWERS	3 796 686	-	-	3 796 686	1 390 719	-	-	1 390 719	2 405 967
PURIFICATION WORKS	8 096 786	45 615 832	-	53 712 619	6 540 039	328 899	-	6 868 939	46 843 680
<b>WATER:</b>	<b>65 016 819</b>	<b>1 000 000</b>	-	<b>66 016 819</b>	<b>51 770 497</b>	<b>785 245</b>	-	<b>52 555 742</b>	<b>13 461 078</b>
METERS	891 239	-	-	891 239	871 463	-	-	871 463	19 776
MAINS	-	1 000 000	-	1 000 000	-	4 167	-	4 167	995 833
SUPPLY / RETICULATION	64 114 199	-	-	64 114 199	50 895 890	781 078	-	51 676 969	12 437 231
RESERVOIRS & TANKS	11 381	-	-	11 381	3 143	-	-	3 143	8 238
<b>BINS AND CONTAINERS:</b>	<b>125 161</b>	<b>55</b>	-	<b>125 216</b>	<b>73 592</b>	<b>104</b>	-	<b>73 696</b>	<b>51 520</b>
HOUSEHOLD REFUSE BINS	47 161	55	-	47 216	46 283	104	-	46 387	829
BULK CONTAINERS	78 000	-	-	78 000	27 309	-	-	27 309	50 691
<b>EMERGENCY EQUIPMENT:</b>	<b>122 671</b>	-	-	<b>122 671</b>	<b>122 671</b>	-	-	<b>122 671</b>	-
FIRE	2 730	-	-	2 730	2 730	-	-	2 730	-
FIRE HOSES	119 941	-	-	119 941	119 941	-	-	119 941	-
<b>FURNITURE AND FITTINGS:</b>	<b>19 175 313</b>	<b>40 173</b>	<b>7 071 098</b>	<b>12 144 388</b>	<b>18 818 301</b>	<b>31 023</b>	<b>7 018 838</b>	<b>11 830 486</b>	<b>313 902</b>
CHAIRS	3 396 285	8 680	-	3 404 966	3 321 985	5 322	-	3 327 307	77 659
TABLES / DESKS	2 524 238	4 749	-	2 528 987	2 463 269	4 445	-	2 467 714	61 274
CABINETS / CUPBOARDS	1 691 201	1 936	-	1 693 137	1 622 276	7 243	-	1 629 519	63 618
MISCELLANEOUS	11 563 588	24 807	7 071 098	4 517 297	11 410 771	14 012	7 018 838	4 405 946	111 352
<b>MOTOR VEHICLES:</b>	<b>38 299 289</b>	<b>596 305</b>	<b>41 711</b>	<b>38 853 883</b>	<b>31 894 922</b>	<b>447 809</b>	<b>41 710</b>	<b>32 301 021</b>	<b>6 552 862</b>
FIRE ENGINES	887 139	-	-	887 139	887 139	-	-	887 139	-
BUSES	5 507	-	-	5 507	5 507	-	-	5 507	-
MOTOR VEHICLES	3 930 097	596 305	10 174	4 516 228	3 254 449	73 850	10 173	3 318 126	1 198 102
MOTOR CYCLES	99 157	-	-	99 157	99 157	-	-	99 157	-
TRUCKS / LDV	33 377 390	-	31 538	33 345 852	27 648 670	373 959	31 537	27 991 092	5 354 761
<b>OFFICE EQUIPMENT:</b>	<b>8 119 868</b>	<b>412 715</b>	-	<b>8 532 584</b>	<b>7 501 325</b>	<b>80 134</b>	-	<b>7 581 459</b>	<b>951 125</b>
COMPUTER HARDWARE	6 629 271	107 545	-	6 736 816	6 147 747	44 834	-	6 192 581	544 235
COMPUTER SOFTWARE	566 661	299 430	-	866 092	565 089	20 422	-	585 511	280 581
OFFICE MACHINES	758 310	5 740	-	764 050	640 281	6 163	-	646 445	117 605



**APPENDIX B  
ANALYSIS OF FIXED ASSETS**

	<b>HISTORICAL COST</b>				<b>ACCUMULATED DEPRECIATION</b>				<b>Carrying Value</b>
	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposal</b>	<b>Closing Balance</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposal</b>	<b>Closing Balance</b>	
AIR CONDITIONERS	165 627	-	-	165 627	148 208	8 715	-	156 923	8 704

**APPENDIX B  
ANALYSIS OF FIXED ASSETS**

	<b>HISTORICAL COST</b>				<b>ACCUMULATED DEPRECIATION</b>				<b>Carrying Value</b>
	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposal</b>	<b>Closing Balance</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposal</b>	<b>Closing Balance</b>	
<b>PLANT AND EQUIPMENT:</b>	<b>21 553 055</b>	<b>424 411</b>	<b>15 962</b>	<b>21 961 504</b>	<b>18 875 476</b>	<b>211 633</b>	<b>15 962</b>	<b>19 071 148</b>	<b>2 890 356</b>
GRADERS	3 636 236	-	-	3 636 236	3 020 395	-	-	3 020 395	615 841
TRACTORS	4 114 527	-	-	4 114 527	3 416 219	28 847	-	3 445 067	669 460
LAWNMOWERS	1 384 091	85 061	-	1 469 152	1 171 545	5 430	-	1 176 975	292 177
COMPRESSORS	234 130	-	-	234 130	234 130	-	-	234 130	-
LABORATORY EQUIPMENT	2 350	-	-	2 350	2 350	-	-	2 350	-
RADIO EQUIPMENT	630 489	7 248	-	637 737	625 685	2 318	-	628 003	9 734
TELECOMMUNICATION EQUIPMENT	2 003 115	-	-	2 003 115	1 995 983	1 982	-	1 997 965	5 150
GENERAL	4 206 656	332 102	350	4 538 408	3 992 115	21 098	350	4 012 863	525 545
LATHES	15 612	-	14 512	1 100	15 612	-	14 512	1 100	-
MILLING EQUIPMENT	2 200	-	1 100	1 100	2 200	-	1 100	1 100	-
BACK ACTOR	2 088 668	-	-	2 088 668	1 164 263	151 957	-	1 316 220	772 448
FRONT END LOADER	3 234 980	-	-	3 234 980	3 234 980	-	-	3 234 980	-
<b>SUB - TOTAL</b>	<b>1 003 594 649</b>	<b>88 752 735</b>	<b>7 128 771</b>	<b>1 085 218 613</b>	<b>698 330 982</b>	<b>4 267 262</b>	<b>7 076 510</b>	<b>695 521 734</b>	<b>389 696 876</b>
REVALUATIONS	585 501 489	-	-	585 501 489	24 100 000	-	-	24 100 000	561 401 489
<b>TOTAL FIXED ASSETS</b>	<b>1 589 096 138</b>	<b>88 752 735</b>	<b>7 128 771</b>	<b>1 670 720 102</b>	<b>722 430 982</b>	<b>4 267 262</b>	<b>7 076 510</b>	<b>719 621 734</b>	<b>951 098 367</b>

EMFULENI LOCAL MUNICIPALITY

**APPENDIX B  
ANALYSIS OF FIXED ASSETS**

<b>HISTORICAL COST</b>				<b>ACCUMULATED DEPRECIATION</b>				
Opening Balance	Additions	Disposal	Closing Balance	Opening Balance	Additions	Disposal	Closing Balance	Carrying Value

**APPENDIX C**

**SUMMARY OF FIXED ASSETS BY DEPARTMENTAL AND SERVICE CLASSIFICATION**

Service	HISTORICAL COST					ACCUMULATED DEPRECIATION				
	Opening Balance	Additions	Disposals	Revalued/ Transferred during the year	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Carrying Value
					755 930 161					
<b>GENERAL SERVICES</b>	617 919 859	82 032 807	7 128 191	63 105 686	755 930 161	413 150 556	3 142 421	7 078 391	409 214 586	346 715 575
Corporate Services	13 174 259	124 065	720	(7 039 788)	6 257 817	2 851 115	25 741	(570)	2 877 427	3 380 390
Health services	11 323 925	-	127	(6 992 267)	4 331 530	3 318 763	9 564 467	(29 593)	12 912 823	(8 581 292)
Human Recourses	1 278 634	547	14 021	(547 837)	717 323	635 499	0	(79)	635 579	81 745
Public works	278 004 302	2 255 881	7 071 098	(35 846 131)	237 342 953	173 379 022	-7 747 884	-	165 631 138	71 711 815
Development Planning	817 202	752	-	84 770	902 725	713 923	90	-	714 012	188 712
Council General	106 775 540	76 443 872	227	(105 148 048)	78 071 137	25 702 303	316 099	7 121 245	18 897 158	59 173 979
Financial Services	6 873 425	53 011	(4 187)	(783 662)	6 146 960	5 460 637	56 354	(2 798)	5 519 789	627 172
Cemetery	1 208 238	-	-	(137 616)	1 070 622	595 637	0	-	595 637	474 985
Engineer Admin	975 363	-	-	306 899	1 282 262	332 988	0	(9 064)	342 052	940 210
Administration other Departments	4 396 064	-	-	(4 396 064)	-	0	0	-	0	-
Municipal Manager	445 948	34 645	(254)	(96 522)	384 326	328 083	9 847	-	337 930	46 396
Fleet Management	14 096 936	596 305	57 673	39 761 615	54 397 183	45 103 815	628 614	-	45 732 428	8 664 755
Traffic control	11 417 202	38 652	(11 985)	(4 185 062)	7 282 777	6 531 187	14 483	-	6 545 670	737 107
Fire protection	6 420 642	-	-	(2 864 324)	3 556 318	3 556 318	0	-	3 556 318	-
Civil Buildings	9 566 252	-	-	265 914 550	275 480 802	88 059 674	125 265	-	88 184 938	187 295 864
Library	4 086 835	1 469	-	2 723 321	6 811 625	6 402 433	3 346	-	6 405 780	405 845
Parks and recreation	89 195 591	2 483 608	-	(49 371 670)	42 307 529	27 883 740	121 288	-	28 005 028	14 302 501
Building survey	10 107 908	-	750	65 981	10 173 139	3 576 876	22 676	(750)	3 600 302	6 572 837
					-				0	
					-				0	
Economic Housing	24 999 534	-	-	(6 114 082)	18 885 452	18 718 542	2 036	-	18 720 578	164 874
Land Trust	1 168 391	-	-	(640 711)	527 680	0	0	-	0	527 680
Township Suspense Account	21 587 668	-	-	(21 587 668)	-	0	0	-	0	-
					914 789 941					
<b>TRADING SERVICES</b>	385 674 790	6 719 927	580	522 395 804	914 789 941	285 180 426	25 224 842	(1 881)	310 407 149	604 382 792
Electricity	185 982 128	2 228 765	1 880	589 883 974	778 092 987	179 411 186	24 149 180	(1 881)	203 562 247	574 530 741
Water	85 986 146	1 000 000	(1 300)	(15 720 357)	71 267 089	54 214 118	787 159	-	55 001 277	16 265 812
Produce Market	4 432 223	-	-	(4 432 223)	-	0	0	-	0	-
Cleaning	16 122 147	528 020	-	(11 386 042)	5 264 126	3 639 207	41 324	-	3 680 531	1 583 595
Sewerage	93 152 146	2 963 142	-	(35 949 549)	60 165 739	47 915 915	247 180	-	48 163 095	12 002 644
<b>TOTAL FIXED ASSETS</b>	<b>1 003 594 649</b>	<b>88 752 734</b>	<b>7 128 771</b>	<b>585 501 490</b>	<b>1 670 720 102</b>	<b>698 330 982</b>	<b>28 367 263</b>	<b>7 076 510</b>	<b>719 621 735</b>	<b>951 098 367</b>

EMFULENI LOCAL MUNICIPALITY