



## **GRAP FINANCIAL STATEMENTS**

**for the year ended**

**30 June 2004**

The preparation of these financial statements, which are set out on pages 1 to 26, is the responsibility of the Municipal Manager in terms of Section 126(1) of the Municipal Finance Management Act and the statements are signed on behalf of the municipality.

\_\_\_\_\_  
Municipal Manager

\_\_\_\_\_  
Date

## CHRIS HANI DISTRICT MUNICIPALITY

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**CHRIS HANI DISTRICT MUNICIPALITY  
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2004**

	Note	2004 R	2003 R
<b>COMMUNITY WEALTH AND LIABILITIES</b>			
<b>Community Wealth</b>		<b>40,014,763</b>	-
Reserves	2	9,824,976	-
Unappropriated Surplus/(accumulated Deficit)		30,189,786	-
<b>Non-current Liabilities</b>		<b>1,513,054</b>	-
Provisions	5	1,513,054	-
<b>Current Liabilities</b>		<b>175,673,768</b>	-
Provisions	7	-	-
Creditors	8	30,013,210	-
Conditional Grants And Receipts	9	145,660,559	-
Bank Overdraft	16	-	-
<b>Total Net Assets And Liabilities</b>		<b>217,201,585</b>	-
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>16,937,062</b>	-
Property, Plant And Equipment	10	11,965,508	-
Investments	11	3,600,080	-
Non-current Loans	12	1,371,474	-
<b>Current Assets</b>		<b>200,264,523</b>	-
Consumer debtors	14	184,082	-
Other debtors	15	61,181,776	-
Current portion of long-term loans	12	522,818	-
Cash		3,290	-
Bank	16	138,372,557	-
<b>Total Assets</b>		<b>217,201,585</b>	-

*( Note : The Statement of Financial Position has been prepared in accordance with GRAP 1)*

**CHRIS HANI DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004**

Budget			Actual	
2003	2004		2004	2003
R	R		R	R
		<b>REVENUE</b>		
	5,880,000	Regional Services Levy- Turnover	4,999,763	
	6,220,000	Regional Services Levy- Remuneration	7,485,099	
	59,000	Rental	125,125	
	-	Service charges	-	
	1,345,000	Investment Interest	4,724,390	
	100,000	Other Interest	110,250	
	6,578,400	Income for agency services	6,235,125	
	15,649,100	Government grants and subsidies	52,617,151	
	-	Other Local Authorities	-	
	1,000	Tariffs and Charges	6,936	
	-	Public Contributions	-	
	50,000	Other income	1,725,169	
	-	Gains on disposal of property, plant and equipment	53,762	
0	35 882 500	Recovered from Grants and subsidies	78,082,770	0
			220,320,201	
<b>0</b>	<b>35 882 500</b>	<b>Total Income</b>	<b>298 402 971</b>	<b>0</b>
		<b>EXPENDITURE</b>		
	14,802,800	Employee related costs	45,992,479	
	4,644,400	Remuneration of Councillors	3,270,175	
		Bad debts	-	
	500,000	Collection costs	105,413	
		Depreciation	1,612,493	
	527,400	Repairs and maintenance	1,715,370	
	35,000	Contracted services	35,918	
	7,357,000	Grants and Subsidies paid	7,349,721	
	5,994,700	General expenses-other	9,421,722	
		Contributions to provisions	1,300,000	
0	33 861 300	General expenses-Conditional Grants	70 803 291	0
			220 320 201	
<b>0</b>	<b>33 861 300</b>	<b>Total Expenditure</b>	<b>291 123 492</b>	<b>0</b>
		<b>Nett Surplus / (Deficit) for the year</b>	<b>7 279 480</b>	<b>0</b>

(Note: the income statement has been prepared in accordance with GRAP 1 and the budget formats)

**CHRIS HANI DISTRICT MUNICIPALITY**  
**STATEMENT OF CHANGES IN COMMUNITY WEALTH FOR THE YEAR ENDED 30 JUNE 2004**

	Asset Financing reserve (AFR)	Depreciation Reserve ex AFR	Depreciation Reserve ex Govt Grants	Depreciation Reserve ex Donations and Contributions	Unappropriated Surplus
	R	R	R	R	R
<b>2004</b>					
Balance at 1 July 2003					21 055 142
Adjustments iro previous years					(1 261 512)
Implementation of GAMAP	623 896	6 207 675	3 879 496	-	1 695 480
Restated balance	<b>623 896</b>	<b>6 207 675</b>	<b>3 879 496</b>	<b>0</b>	<b>21 489 110</b>
Net Surplus for the year					7 279 480
Transfer to/ from AFR	0				0
Transfer of interest earned to Grants and donations	50 406				( 50 406)
Property, plant and equipment purchased					
Capital grants used to purchase PPE			535 107		
Donated/contributed PPE					
Transfer to Provision					
Asset disposals		( 55 412)			55 412
Offsetting of depreciation.		( 769 620)	( 646 571)		1 416 191
<b>Balance at 30 June 2004</b>	<b>674 302</b>	<b>5 382 642</b>	<b>3 768 032</b>	<b>0</b>	<b>30 189 786</b>

**CHRIS HANI DISTRICT MUNICIPALITY**  
**CASH FLOW STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR**  
**ENDED 30 JUNE 2004**

	<b>2004</b>	<b>2003</b>
	<b>R</b>	<b>R</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash receipts from levies, government and other	382,009,572	
Cash paid to suppliers and employees	(329,227,062)	
Cash generated from operations	27 52,782,511	-
Interest received	4,724,390	
Interest paid		
Non-operating income receipted in provisions	932,394	
Non-Operating expenditure charged against Provisions	(1,789,492)	
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>56,649,803</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment.	(3,518,522)	
Proceeds on disposal of fixed assets.	(27,721)	
(Increases)/Decreases in non-current loans	287,214	
(Increases)/Decreases in investments	1,382,990	
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(1,876,039)</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
New loans raised		
Increase/(Decrease) in consumer deposits		
Increase/(Decrease) in Trust Fund		
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>28 54,773,764</b>	<b>-</b>

## **ACCOUNTING POLICIES**

### **1 BASIS OF PRESENTATION**

These financial statements have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP) laid down by the Accounting Standards Board (ASB). They are prepared on the going concern basis.

The financial statements have been prepared on the historical cost basis unless otherwise stated.

This is the first year that the financial statements have been prepared in accordance with GRAP.

### **2 PROPERTY, PLANT AND EQUIPMENT (PPE)**

2.1 PPE is stated:

- At cost less accumulated depreciation, or
- At fair value at date of acquisition less accumulated depreciation where assets have been acquired by grant or donation.

2.2 Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed.

### **2.3 Depreciation and impairment losses**

2.3.1 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 useful lives:

	<b><u>Years</u></b>		<b><u>Years</u></b>
<b><u>Infrastructure</u></b>		<b><u>Other</u></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><u>Community</u></b>		Specialised plant and	10-15
Improvements	30	Other plant and equipment	2-5
Recreational Facilities	20-30		
Security	5		
<b><u>Investment Properties</u></b>	30		

2.3.2 Incomplete construction work is stated at historic cost. Depreciation only commences when the asset is commissioned into use.

2.3.3 The carrying amount of an item or a group of identical items of PPE is reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recognised as an expense immediately, unless it reverses a previous revaluation, in which case it is charged to the revaluation non distributable reserve.

## **2.4 Disposal and retirement of assets**

- Assets are eliminated from the Statement of Financial Position on disposal or retirement.
- The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a profit or loss in the statement of financial performance.

## **3 FUNDS AND RESERVES**

The Municipality creates and maintains Funds and Reserves in terms of specific requirements.

### **• Asset Financing Reserve (AFR)**

In order to finance the purchase of items of property, plant and equipment amounts are transferred out of the net surplus for a period (when needed) into the Asset Financing Reserve (AFR). These transfers from the net surplus may only be made if they are backed by cash. The following provisions are set for the creation and utilisation of the AFR:

- The cash backing up the AFR is invested, in accordance with the investment policy of the Council, until it is utilised.
- Interest earned on the AFR investment is recorded as interest earned in the Statement of Financial Performance and may be appropriated to the AFR in accordance with council policy.
- The AFR may only be utilised for the purpose of purchasing items or construction of property, plant and equipment for the Council and may not be used for the maintenance of these items. If Council want to utilise the AFR for expensing something else than PPE an amount equal to the expense must be transferred to net surplus.
- Whenever an asset is purchased out of the AFR an amount equal to the cost price of the asset purchased is transferred from the AFR into a future depreciation reserve (FDR) called the AFR FDR. This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the AFR. The FDR is used to offset depreciation charged on assets purchased out of the AFR and is released to the statement of financial performance over the useful life of the asset to avoid double taxation of the consumers.
- If a profit is made on the sale of PPE other than land the profit on these assets sold is reflected in the statement of financial performance and is then transferred via the statement of changes in net assets to the AFR provided that it is backed by cash. Profit on the sale of land is not transferred to the AFR as it is regarded as revenue.



## **4 PROVISIONS**

A provision is recognised when the Council has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

### **4.1 Employee Benefits**

#### **4.1.1 Retirement Funds**

The Council and its employees contribute to various Pension Funds and its councillors contribute to the Pension Fund for Municipal Councillors. These funds provide retirement benefits to such employees and councillors.

The retirement benefits are calculated in accordance with the rules of the funds. Full actuarial valuations are performed on a regular basis unless exemption to do so has been obtained from the Registrar of Pension Funds.

Current contributions are charged against the operating account of the Council at a percentage of the basic salary paid to employees, or allowances in the case of councillors.

#### **4.1.2 Medical Aid: Continued Members**

The Council provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for 30% of the medical aid membership fee, and the Council for the remaining 70%.

These contributions are charged to the operating account when paid.

#### **4.1.3 Accrued Leave Pay**

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total accrued leave owing to employees and on their total salary packages.

#### **4.1.4 Provision for bonuses**

The Council will make provision for bonuses payable where at year end minimum bonus amounts owing to officials are contractually payable in the next financial year as from 1 July 2004. As for the year ended 30 June 2004 bonuses were paid out of operating expenses.

#### 4.1.5 Provision for constructive obligations

Provision is made for any constructive obligations of the City. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the City has indicated to other parties that it will accept certain responsibilities and as a result, the City has created a valid expectation on the part of those other parties that it will discharge those responsibilities

A Provision for Group Life Insurance liability was created as a constructive obligation.

#### 4.1.6 Provision for onerous contracts

When the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision. An onerous contract is a contract for the exchange of assets or services in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it.

## 5 LEASES

### LESSEE ACCOUNTING

- 5.1 Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Council.
- 5.2 Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the lease term or any other basis which is representative of the time pattern of the lessees benefit.
- 5.3 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 lives of the assets. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

### LESSOR ACCOUNTING

- 5.4 Amounts due from lessees under finance leases are recorded as receivables at the amount of the Council's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return to the Council's net investment outstanding in respect of the leases.
- 5.5 Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## 6 INVESTMENTS

The Council may have the following types of investments.

- **Held to maturity (HTM) investments** are financial assets with fixed or determinable payments and fixed maturity where the Council has the positive intent and ability to hold the investment to maturity.
- **Loans and receivables originated by the enterprise** are financial assets that are created by providing money, goods or services directly to a loan debtor.

**INITIAL MEASUREMENT** of financial instruments is **at cost, which is the fair value** of the consideration given. The fair value is usually the transaction price or market price. **Transaction costs** are included in the initial measurement of financial assets. Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges; and transfer taxes and duties. Transaction costs do not include debt premium or discount, financing costs or allocations of internal administrative or holding costs.

**SUBSEQUENT MEASUREMENT** of financial assets.

HTM investments and loans and receivables originated by the Council and not held for trading is subsequently recognised at amortised cost using the effective interest rate method. Amortised cost is defined as the amount at which the financial asset was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and minus any write-down for impairment or uncollectability.

## **7 FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Trade creditors denominated in foreign currency are reported at statement of financial position date by using the exchange rate at that date. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded during the period are recognised as revenue or as expenses in the period in which they arise. Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used.

## **8 REVENUE RECOGNITION**

- 8.1 Revenue is derived from a variety of sources which include Regional Council levies, grants from other tiers of government and revenue from other services provided. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the Council and these benefits can be measured reliably.
- 8.2 Revenue from levies is recognized when the legal entitlement to this revenue arises. Collection charges are recognized when such amounts are legally enforceable. Interest on unpaid levies is recognized on a time proportionate basis.
- 8.3 Some services are provided on a prepayment basis in which case no formal billing takes place and income is accrued when received.
- 8.4 Interest earned on investments is recognised in the statement of financial performance on a time proportionate basis that takes into account the effective yield on the investment. Interest may be transferred from the unappropriated surplus to the AFR. Interest earned on unutilised conditional grants is allocated directly to the creditor: unutilised conditional grants if the grant conditions indicate that interest is payable to the funder.
- 8.5 Revenue from the sale of goods is recognised when **all** the following conditions have been satisfied:
- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.

- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

8.6 Interest on outstanding debtors is recognized on a time proportionate basis and is charged on all outstanding debtors older than 30 days.

8.7 When the outcome of a transaction involving the rendering of services can be **estimated reliably**, revenue associated with the transaction should be recognised by reference to the stage of completion of the transaction at the statement of financial position date. The outcome of a transaction can be **estimated reliably** when **all** the following conditions are satisfied:

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The stage of completion of the transaction at the statement of financial position date can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

8.8 Government Grants are recognised as revenue when all conditions associated with the grant have been met. Where grants have been received but the Council has not met the condition, a liability is raised.

## **9 VALUE ADDED TAX**

The Council accounts for Value Added Tax on the payment basis.

## **10 SEGMENTAL INFORMATION**

The principal segments have been identified on a primary basis by service operation

## **11 GRANTS-IN-AID**

The Council transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the Council does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred. If these contracts are onerous and extend over more than one financial year after year end they are treated in accordance with the accounting policy on onerous contracts outlined under 4.1.6 above.

## **12 UNUTILISED CONDITIONAL GRANTS.**

Unutilised conditional grants are reflected on the Statement of financial position as a creditor – unutilised conditional grants. They represent unspent government grants, subsidies and contributions from the public. These creditors always have to be cash backed. The following provisions are set for the creation and utilisation of these creditors:

- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Council's interest it is recognised as interest earned in the statement of financial performance.
- Whenever an asset is purchased and funded from the unutilised conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilised Capital Receipts into the statement of financial performance as revenue. Thereafter an equal amount is transferred on the statement of changes in net assets to a reserve called a future depreciation reserve (FDR). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unutilised Capital Receipts. The FDR is used to offset depreciation charged on assets purchased out of the Unutilised Capital Receipts to avoid double taxation of the consumers.

## **13 INTANGIBLE ASSETS.**

Intangible assets are treated in accordance with the provisions of IAS 38. In accordance with these provisions intangible assets are initially recorded at their cost price and are subsequently amortised over their expected useful lives. An intangible asset is defined as an identifiable non – monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. The intangible assets under the control of the Council are amortised according to the straight line method as follows:

- Performance Management System - 1 year

## **14 ACCOUNTS RECEIVABLE**

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written of during the year in which they are identified.

## **15 CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks. Cash equivalents are short – term, liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 R	2003 R
<b>1. STATUTORY FUNDS</b>		
Chris Hani District Municipality does not administer any Statutory Funds		
<b>2. RESERVES</b>		
Asset Financing Reserve	674 302	
Future Depreciation Reserve		
- Assets financed ex Asset Financing Reserve	5 382 642	
- Assets financed ex Government Grants	3 768 032	
- Assets financed ex Donations and Contributions	-	
<b>Total Reserves</b>	<u><u>9 824 976</u></u>	<u><u>0</u></u>
The Asset Financing Reserve is fully invested.		
<b>3 TRUST FUNDS</b>		
Chris Hani District Municipality does not administer any Trust Funds.		
<b>4 LONG- TERM LIABILITIES</b>		
Chris Hani District Municipality had no long- term liabilities by way of external loans.		
<b>5 NON-CURRENT PROVISIONS</b>		
Provision for Leave pay	1 513 054	
<b>Total Non-Current Provisions</b>	<u><u>1 513 054</u></u>	<u><u>0</u></u>
	<u><u>Leave Pay</u></u>	
<b>The movement in the provision is reconciled as follows:-</b>		
Balance at beginning of year	1 070 152	
Contributions and other income	2 232 394	
Expenditure incurred	(1 789 492)	
Increase due to discounting		
<b>Transfer to current provisions</b>		
<b>Balance at end of year</b>	<u><u>1,513,054</u></u>	
<b>6 CONSUMER DEPOSITS</b>		
Chris Hani District Municipality holds no consumer deposits.		
<b>7 CURRENT PROVISIONS</b>		
<b>Current portion of Leave Pay provision</b>	<u><u>0</u></u>	
<b>Total Current Provisions</b>	<u><u>0</u></u>	<u><u>-</u></u>
Leave pay accrue to employees on a yearly basis, subject to certain		
<b>The movement in the current provision is reconciled as follows:-</b>		
	<u><u>Current Portion Leave Pay</u></u>	
<b>Balance at beginning of year</b>		
Transfer from non-current	0	
Expenditure incurred		
<b>Balance at end of year</b>	<u><u>0</u></u>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 R	2003 R
<b>8 CREDITORS</b>		
Trade creditors	3 149 677	
Audit Fees	381 350	
Unidentified Direct Deposits	9 517 512	
Dwaf:unidentified Deposits	1,115,930	
Equitable Share Projects	3 153 044	
Deposits	477,697	
Other creditors	2 694 444	
Road Works	9 290 208	
Traffic Fines	233 349	
<b>Total creditors</b>	<b>30 013 210</b>	<b>0</b>

**9 CONDITIONAL GRANTS AND RECEIPTS**

<b>Conditional Grants from Government</b>	144 526 394	0
Government Grants	109 752 311	
Provincial Grants and subsidies	34 774 083	
<b>Other donations</b>	1 134 165	
<b>Total Conditional Grants and Subsidies</b>	<b>145 660 559</b>	<b>0</b>

See **Appendix F** for a reconciliation of grants from National/Provincial

**10 PROPERTY, PLANT AND EQUIPMENT**

	<u>Cost</u> R	<u>Accumulated Depreciation</u> R	<u>Net Book Value</u> R
<b>30th June 2004</b>			
Infrastructure	-	-	-
Community	419,966	173,176.84	246,789
Other	16,105,796	4,387,075.83	11,718,720
<b>Totals</b>	<b>16 525 762</b>	<b>4 560 253</b>	<b>11 965 509</b>
<b>30th June 2003</b>			
Infrastructure	0	0	0
Community	403 960	125 882	278 077
Other	12 686 384	2 877 289	9 809 094
<b>Totals</b>	<b>13 090 344</b>	<b>3 003 172</b>	<b>10 087 172</b>

All assets, other than Land and buildings, were valued and recorded in Land and Buildings

Refer **Appendixes A and B** for more detail on property, plant and equipment.

**11 INVESTMENTS****Listed**

Chris Hani District Municipality had no listed investments on reporting date.

**Unlisted**

Chris Hani District Municipality had no unlisted investments on reporting date.

**Financial Instruments**

Fixed Deposits-Long Term		
Other Deposits- Short Term		
Call Account Deposits	3,600,080	
Total cash investments	3 600 080	0
<b>Total Investments</b>	<b>3 600 080</b>	<b>0</b>

**Allocation of external investments**

Surplus cash is invested until used for specific purposes. Investments

Reserves (Excluding Future Depreciation Reserves)	674 302	
Provisions Invested	350 858	
Conditional Grants And Subsidies Invested	2 562 759	
Surplus Funds Invested	12 161	
Provision For Bad Debts Invested	0	
<b>Total</b>	<b>3 600 080</b>	<b>0</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 R	2003 R
<b>12 NON-CURRENT LOANS</b>		
Motor car loans	1,894,292	
	<u>1 894 292</u>	<u>0</u>
Less : Short-term portion transferred to current assets	522 818	
<b>Total Non-Current loans</b>	<u><b>1 371 474</b></u>	<u><b>0</b></u>
<b>Loans were approved for:</b>		
Motor car loans to employees. No new loans are being made and existing		
<b>13 INVENTORY</b>		
The Council keeps no inventory. Goods are purchased as needed and		
<b>14 CONSUMER DEBTORS</b>		
Levies	184,082	
<b>Total</b>	<u><b>184 082</b></u>	<u><b>0</b></u>
The debtor system does not provide an adequate age analysis of levies outstanding.		
<b>15 OTHER DEBTORS</b>		
Sundry Debtors	5,480,452	
Roads & Works Recov. Expenditure.	421,211	
Ambulance Service	1,776,718	
Ambulance Subsidy Bisho	1,687,765	
Intsika Yethu Subsidy	312,346	
Roadworks Subsidy	11,737,553	
Subsidy National Health And Population	6,795,581	
Vat	24,626,376	
Maap Institutional Support(ec612)	711,682	
Elections Infrastructure	1,190,001	
Contra:2001/2002 (poverty Relief)	3,011,882	
Elections Infrastructure	1,190,001	
Other	2,240,209.51	
<b>Total Other Debtors</b>	<u><b>61 181 776</b></u>	<u><b>0</b></u>
<b>BAD DEBT PROVISION</b>		
Balance at beginning of year		
Contributions		
Bad debts written off		
Balance at the end of the year	<u>0</u>	<u>0</u>
Chris Hani District Municipality made no provision for bad debts as no		
<b>16 BANK, CASH AND OVERDRAFT BALANCES</b>		
Chris Hani District Municipality has the following bank accounts:		
<b><u>Current Account (Primary Bank Account)</u></b>		
First National Bank Cathcart Road Queenstown		
Cashbook balance at the beginning of the year	83 600 833	
Cashbook balance at the end of the year	<u>138 372 557</u>	
Bank statement balance at the beginning of the year	88 683 956	
Bank statement balance at the end of the year	<u>142 401 354</u>	
<b>17 SERVICE CHARGES</b>		
Chris Hani District Municipality does not levy any service charges.		



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 R	2003 R
<b>18 GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b>Government Grants</b>		
Equitable share	15 339 053	
<b>Total Government Grants</b>	<b>15 339 053</b>	<b>0</b>
<b>Provincial Subsidies</b>		
Primary Health care	6 399 738	
Ambulance Services	20 845 018	
ISRDP	1 870 018	
Roads	7 503 325	
PIMMS	660 000	
<b>Total Provincial Subsidies</b>	<b>37 278 098</b>	
<b>Total</b>	<b>52 617 151</b>	
<b>National/Provincial Government Grant funding (expenditure reimbursement)</b>		
Funds transferred to Income for reimbursement of expenditure (See Appendix F for detail)	220 320 201	
<b>Total National/Provincial Government Grants reimbursements</b>	<b>220 320 201</b>	<b>0</b>
<b>Total Government Grants and Subsidies</b>	<b>272 937 351</b>	<b>0</b>
<b>Equitable share</b>		
In terms of the Constitution, this grant is used to balance the		
<b>19 OTHER INCOME</b>		
Sundry Income	186 326	
Commission On Collection	66 232	
Sundry Rentals	70 473	
Recoveries	1 402 137	
<b>Total Other Income</b>	<b>1 725 169</b>	<b>0</b>
<b>20 EMPLOYEE RELATED COSTS</b>		
Salaries and wages	34 377 629	
Social contributions	11 614 850	
	<b>45 992 479</b>	<b>0</b>
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	386,968	
Performance Bonus		
Car Allowance	138,780	
<b>Total</b>	<b>525 748</b>	<b>-</b>
<b>Remuneration of the Director Finance</b>		
Annual Remuneration	358,791	
Performance Bonus		
Car Allowance	129,348	
<b>Total</b>	<b>488 139</b>	<b>-</b>
<b>Remuneration of the Director Corporate Services.</b>		
Annual Remuneration	358,791	
Performance Bonus		
Car Allowance	129,348	
<b>Total</b>	<b>488 139</b>	<b>-</b>
<b>Remuneration of the Director Integrated Planning.</b>		
Annual Remuneration	358,791	
Performance Bonus		
Car Allowance	129,348	
<b>Total</b>	<b>488 139</b>	<b>-</b>
<b>Remuneration of the Director of Health</b>		
Annual Remuneration	358,791	
Performance Bonus		
Car Allowance	129,348	
<b>Total</b>	<b>488,139</b>	<b>-</b>
<b>Remuneration of the Director Infrastructure</b>		
Annual Remuneration	358,791	
Performance Bonus		
Car Allowance	129,348	
<b>Total</b>	<b>488,139</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	R	R
<b>21 REMUNERATION OF COUNCILLORS</b>		
Executive Mayor	208 091	
Deputy Executive Mayor		
Speaker	166 473	
Mayoral Committee members	936 414	
Councillors	705 014	
Allowances	990 090	
Councillors' pension and Medical contribution	264 093	
<b>Total Councillors' Remuneration</b>	<u>3,270,175</u>	<u>0</u>

**In-kind Benefits**

The Executive Mayor is full-time and with the Mayoral Committee Members is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of a Council owned vehicle for official duties.

**Certification by the Municipal Manager**

I certify that the remuneration of Councillors and in-kind benefits are in accordance with the Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with that Act.

**Signed: Municipal Manager**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 R	2003 R
<b>22 BAD DEBTS</b>		
Contribution to the bad debt provision		
Bad debt written off against income		
<b>Total Bad Debts</b>	<u>-</u>	<u>-</u>
<b>23 INTEREST ON EXTERNAL BORROWINGS</b>		
External loans		
Finance leases		
Bank overdrafts		
<b>Total interest on External Borrowings.</b>	<u>-</u>	<u>-</u>
<b>24 BULK PURCHASES</b>		
Chris Hani District Municipality did not buy bulk services.		
<b>25 GRANTS AND SUBSIDIES PAID</b>		
Infrastructural Services	7,260,000	
Problem Animal Control	31,000	
Other	58,721	
<b>Total Grants and Subsidies paid</b>	<u>7,349,721</u>	<u>-</u>
<b>26 CONTRIBUTIONS TO/(FROM) PROVISIONS</b>		
Provision for Leave pay	1,300,000	
	<u>1,300,000</u>	<u>-</u>
<b>27 CASH GENERATED BY OPERATIONS</b>		
Net surplus for the year	7,279,480	
Adjustment for:-		
Previous years	(1,261,512)	
Changes in accounting policy	1,741,791	
Depreciation	1,612,493	
Loss on disposal of property, plant and equipment		
Contributions to provisions - non-current	1,300,000	
Contributions to provisions - current		
Contributions to bad debt provision	-	
Investment income	(4,724,390)	
Interest paid		
<b>Operating surplus before working capital changes:</b>	<u>5,947,862</u>	<u>-</u>
Decrease/(Increase) in inventories		
(Increase)/Decrease in RSC Levy debtors	(63,266)	
(Increase)/Decrease in other debtors	(29,593,800)	
Increase/(Decrease) in conditional grants and receipts	89,592,503	
Increase/(Decrease) in creditors	(13,100,789)	
<b>Cash generated by operations</b>	<u>52,782,511</u>	<u>-</u>
<b>28 CASH AND CASH EQUIVALENTS</b>		
Balance at the end of the year	138,375,847	
Balance at the beginning of the year	83,602,083	
<b>Net Decrease in cash and cash equivalents</b>	<u>54,773,764</u>	<u>-</u>
<b>29 EXTERNAL LOANS RECONCILIATION</b>		
Chris Hani District Municipality had no external loans at the end of both financial		
<b>30 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL</b>		
<b><u>Unauthorised expenditure</u></b>		
<b>Reconciliation of unauthorised expenditure</b>		
Opening balance		
Unauthorised expenditure current year		
Approved by Council		
Transfer to statement of Financial performance		
- authorised losses		
Transfer to receivables for recovery		
<b>Closing balance</b>	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 R	2003 R
<b><u>Irregular, fruitless and wasteful expenditure</u></b>		
<b>Reconciliation of fruitless and wasteful expenditure</b>		
Opening balance		
Fruitless and wasteful expenditure current year		
Approved by Council		
Transfer to statement of Financial performance		
- authorised losses		
Transfer to receivables for recovery		
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Total unauthorised, fruitless and wasteful expenditure disallowed</b>		
<b><u>Contributions to SALGA</u></b>		
Opening balance		
Council subscriptions	480,449	
Amount paid - current year	(480,449)	
Amount paid - previous years		
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
<b><u>Audit fees</u></b>		
Opening balance	651,525	
Current year audit fee	250,000	
Amount paid - current year		
Amount paid - previous years	(651,525,11)	
<b>Balance unpaid (included in creditors)</b>	<b>250,000</b>	<b>-</b>
<b>31 ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL</b>		
<b><u>VAT</u></b>		
Vat inputs receivables and VAT outputs receivables are shown in notes 15 and 8 respectively. All Vat returns have been submitted by the due date throughout the year.		
<b><u>PAYE and UIF</u></b>		
Opening balance		
Current year payroll deductions	6,860,198	
Amount paid - current year	(6,860,198)	
Amount paid - previous years		
<b>Balance unpaid (included in debtors)</b>	<b>-</b>	<b>-</b>
<b><u>Pension and Medical Aid Deductions</u></b>		
Opening balance	892	
Current year payroll deductions and Council Contributions	2,733,515	
Amount paid - current year	(2,734,407)	
Amount paid - previous years		
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
The balance represents pension and medical aid contributions deducted		
<b>32 CAPITAL COMMITMENTS</b>		
Chris Hani District Municipality had no commitments in respect of capital expenditure at the end of both financial years.		
<b>33 CONTINGENT LIABILITIES</b>		
<b>34 RETIREMENT BENEFIT INFORMATION</b>		
<b><u>Post- Retirement Medical Benefit</u></b>		
Provision is made for post retirement medical benefits in the form of health care plans for eligible employees and pensioners		
<b><u>Pension and Retirement Fund Benefits</u></b>		
Employees and Council contribute to the Cape Joint Pension and Retirement Funds on the basis of a fixed contribution and is charged against income as incurred.		
<b>35 IN-KIND DONATIONS AND ASSISTANCE</b>		
No in-kind donations or assistance was done or provided in 2003/04.		

**APPENDIX A**  
**CHRIS HANI DISTRICT MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2004**

	Cost				Accumulated Depreciation				Carrying Value	Budget Additions 2004
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
<b>INFRASTRUCTURE ASSETS</b>										
<b>Total Infrastructure Assets</b>	-	-	-	-	-	-	-	-	-	-
<b>COMMUNITY ASSETS</b>										
<b>Buildings:</b>										
Clinics and Hospitals	100,000	-		100,000	36,694	3,333		40,027	59,973	
Halls Recreation	168,341	-		168,341	39,310	5,611		44,922	123,419	
	<b>268,341</b>	-		<b>268,341</b>	<b>76,004</b>	<b>8,945</b>		<b>84,949</b>	<b>183,392</b>	
<b>Recreational Facilities:</b>										
Fountains		11,471		11,471		182		182	11,289	
	-	<b>11,471</b>		<b>11,471</b>	-	<b>182</b>		<b>182</b>	<b>11,289</b>	
<b>Security Measures:</b>										
Fencing	19,136	-		19,136	12,757	6,379		19,136	-	
Security Systems	116,483	4,535		121,018	37,121	31,789		68,909	52,109	
	<b>135,619</b>	<b>4,535</b>		<b>140,154</b>	<b>49,878</b>	<b>38,167</b>		<b>88,046</b>	<b>52,109</b>	
<b>Total Community Assets</b>	<b>403,960</b>	<b>16,006</b>	-	<b>419,966</b>	<b>125,882</b>	<b>47,294</b>	-	<b>173,177</b>	<b>246,789</b>	-
<b>OTHER ASSETS</b>										
<b>Buildings:</b>										
Office Building	4,910,279	1,763,172		6,673,450	671,425	221,421		892,847	5,780,604	
Other	11,802	-		11,802	7,937	787		8,723	3,078	
Housing Council	422,486	-		422,486	105,329	14,083		119,411	303,075	
Land And Unused Buildings	2,000	-		2,000	-	-		-	2,000	
	<b>5,346,566</b>	<b>1,763,172</b>		<b>7,109,738</b>	<b>784,690</b>	<b>236,291</b>		<b>1,020,981</b>	<b>6,088,757</b>	
<b>Office Equipment:</b>										
Air Conditioners	302,687	45,566	-	348,252	78,265	53,843	-	132,109	216,144	
Computer Hardware	1,013,000	306,194	-	1,319,193	426,457	281,881	-	708,338	610,855	
Computer Software	240,181	3,400	-	243,580	187,358	37,084	-	224,442	19,138	
Office Machines	347,387	71,523	-	418,910	50,024	81,786	-	131,810	287,100	
Miscellaneous	65,426	61,646	-871	126,202	16,684	36,164	-575	52,273	73,930	
	<b>1,968,680</b>	<b>488,329</b>	<b>-871</b>	<b>2,456,138</b>	<b>758,788</b>	<b>490,758</b>	<b>-575</b>	<b>1,248,971</b>	<b>1,207,167</b>	-

	Cost				Accumulated Depreciation				Carrying Value	Budget Additions 2004
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
<b>Plant And Equipment:</b>										
FarmEquipment	2,221,571	-		2,221,571	96,432	221,102		317,534	1,904,037	
Trailers	3,251	-		3,251	3,251	-		3,251	-	
Lawnmowers	-	3,811		3,811	-	313		313	3,498	
Plant and Equipment General	16,675	1,305		17,980	16,675	541		17,216	764	
Radio Equipment	122,366	-		122,366	122,366	-		122,366	-	
Ambulance /Clinic Equipment	53,053	-		53,053	53,053	-		53,053	-	
Mobile Clinic	156,000	-		156,000	156,000	-		156,000	-	
	<b>2,572,916</b>	<b>5,116</b>	<b>-</b>	<b>2,578,032</b>	<b>447,777</b>	<b>221,955</b>	<b>-</b>	<b>669,732</b>	<b>1,908,300</b>	<b>-</b>
<b>Furniture And Fittings:</b>										
Cabinets and Cupboards	190,866	111,520		302,387	42,767	38,686		81,454	220,933	
Chairs	116,917	57,666		174,583	25,632	18,510		44,142	130,441	
Furniture & Fittings Other	302,704	47,235		349,939	153,128	49,179		202,307	147,632	
Kitchen Equipment	15,730	4,903		20,633	7,104	2,413		9,517	11,116	
Tables and Desks	156,312	66,502		222,814	30,982	24,199		55,181	167,632	
	<b>782,529</b>	<b>287,827</b>	<b>-</b>	<b>1,070,356</b>	<b>259,614</b>	<b>132,987</b>	<b>-</b>	<b>392,601</b>	<b>677,755</b>	<b>-</b>
<b>Motor Vehicles:</b>										
Buses	114,616	197,083	-	311,699	47,730	45,817	-	93,547	218,151	
Motor Vehicles	910,541	760,990	-82,233	1,589,297	469,238	237,049	-54,837	651,451	937,847	
Trucks / Bakkies	980,235	-	-	980,235	101,841	199,661	-	301,502	678,732.84	
	<b>2,005,391</b>	<b>958,073</b>	<b>-82,233</b>	<b>2,881,231</b>	<b>618,810</b>	<b>482,527</b>	<b>-54,837</b>	<b>1,046,500</b>	<b>1,834,731</b>	<b>-</b>
<b>Emergency Equipment:</b>										
Fire	6,185	-		6,185	6,185	-		6,185	-	
Fire Hoses	3,637	-		3,637	946	680		1,626	2,011	
Emergency Lights	288	-		288	288	-		288	-	
General	192	-		192	192	-		192	-	
	<b>10,301</b>	<b>-</b>	<b>-</b>	<b>10,301</b>	<b>7,610</b>	<b>680</b>	<b>-</b>	<b>8,290</b>	<b>2,011</b>	<b>-</b>
<b>Total Other Assets</b>	<b>12,686,384</b>	<b>3,502,516</b>	<b>-83,104</b>	<b>16,105,796</b>	<b>2,877,289</b>	<b>1,565,199</b>	<b>-55,412</b>	<b>4,387,076</b>	<b>11,718,720</b>	<b>-</b>
<b>TOTAL</b>	<b>13,090,344</b>	<b>3,518,522</b>	<b>-83,104</b>	<b>16,525,762</b>	<b>3,003,172</b>	<b>1,612,493</b>	<b>-55,412</b>	<b>4,560,253</b>	<b>11,965,508</b>	<b>-</b>

**APPENDIX B**  
**CHRIS HANI DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
**30 JUNE 2004**

FIXED ASSETS	HISTORICAL COST				ACCUMULATED DEPRECIATION				CARRYING VALUE
	DESCRIPTION	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE	OPENING BALANCE	ADDITIONS	DISPOSALS	
Administration	927,830	463,692	(871)	1,390,651	542,696	258,070	(575)	800,191	590,460
Civil Protection	726,120	30,965	-	757,085	286,942	128,229	-	415,171	341,914
Council General	4,145,814	988,872	(82,233)	5,052,454	498,518	689,449	(54,837)	1,133,130	3,919,324
Estates	5,880,201	1,803,206	-	7,683,406	1,002,999	287,709	-	1,290,708	6,392,698
Environmental Health	1,234,542	90,905	-	1,325,448	538,977	215,524	-	754,501	570,947
Subdivision & Planning	175,837	140,882	-	316,718	133,040	33,512	-	166,552	150,166
<b>TOTALS</b>	<b>13,090,344</b>	<b>3,518,522</b>	<b>(83,104)</b>	<b>16,525,762</b>	<b>3,003,172</b>	<b>1,612,493</b>	<b>(55,412)</b>	<b>4,560,253</b>	<b>11,965,509</b>

**APPENDIX C**  
**CHRIS HANI DISTRICT MUNICIPALITY: SEGMENTAL INCOME STATEMENT FOR THE YEAR ENDED**  
**30 JUNE 2004**

2003 Actual Income R	2003 Actual Expenditure R	2003 Surplus/ (Deficit) R		2004 Actual Income R	2004 Actual Expenditure R	2004 Surplus/ (Deficit) R
		0	Executive and Council	15,401,084	12,622,024	2,779,061
		0	Finance and Administration	22,167,580	7,620,103	14,547,476
		0	Planning and Development	220,321,102	233,536,129	-13,215,027
		0	Health		2,262,624	-2,262,624
		0	Community and Social services		32,892	-32,892
		0	Housing			0
		0	Public safety		791,091	-791,091
		0	Primary Health Care	6,401,828	6,398,897	2,931
		0	Road Works	22,850,794	22,752,975	97,819
		0	Special Accounts	10,553,849	10,588,206	-34,357
		0	PIMMS	706,734	675,550	31,185
		0	Water			0
		0	Other		79,152	-79,152
0	0	0	Sub Total	298,402,971	297,359,641	1,043,330
		0	Less Inter-Departmental charges		-6,236,150	6,236,150
0	0	0	<b>TOTAL</b>	<b>298,402,971</b>	<b>291,123,492</b>	<b>7,279,480</b>



**APPENDIX D**  
**CHRIS HANI DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED**  
**30 JUNE 2004**

<b>REVENUE</b>	<b>Actual 2004</b>	<b>Budget 2004</b>	<b>Variance R</b>	<b>Variance %</b>	<b>Explanation of Significant Variances Greater than 10% versus Budget</b>
Regional Services Levy- Turnover	4,999,763	13,500,000	8,500,237	-63	
Regional Services Levy- Remuneration	7,485,099	5,250,000	(2,235,099)	43	
Rental	125,125	722,000	596,875	-83	
Service charges	-		-		
Investment Interest	4,724,390	5,330,700	606,310	-11	
Other Interest	110,250	750,000	639,750	-85	
Income for agency services	6,235,125	150,000	(6,085,125)	4057	
Government grants and subsidies	52,617,151	14,964,800	(37,652,351)	252	
Other Local Authorities	-	22,500	22,500	-100	
Tariffs and Charges	6,936		(6,936)	100	
Public Contributions	-	580,000	580,000		
Other income	1,725,169	3,964,100	2,238,931	-56	
Gains on disposal of property, plant and equipment	53,762	-	(53,762)	100	
<b>Sub- Total</b>	<b>78,082,770</b>	<b>45,234,100</b>	<b>(32,848,670)</b>	<b>73</b>	
Recovered from Grants and subsidies i.r.o expenditure.	220,320,201		(220,320,201)		GAMAP requirement not budgeted for in 2003/04
<b>Total Income</b>	<b>298,402,971</b>	<b>45,234,100</b>	<b>(253,168,871)</b>		
<b>EXPENDITURE</b>					
Employee related costs	45,992,479	21,529,200	(24,463,279)	114	
Remuneration of Councillors	3,270,175	2,685,000	(585,175)	22	
Bad debts	-		-		
Collection costs	105,413	540,000	434,587	-80	
Depreciation	1,612,493	190,000	(1,422,493)	749	
Repairs and maintenance	1,715,370	966,900	(748,470)	77	
Contracted services	35,918	5,190,000	5,154,082	-99	
Grants and Subsidies paid	7,349,721	850,000	(6,499,721)	765	
General expenses-other	9,421,722	13,283,000	3,861,278	-29	
Contributions to provisions	1,300,000		(1,300,000)	100	
Loss on disposal of property, plant and equipment			-		
<b>Sub- Total</b>	<b>70,803,291</b>	<b>45,234,100</b>	<b>(25,569,191)</b>	<b>57</b>	
General expenses-Conditional Grants	220,320,201		(220,320,201)		GAMAP requirement not budgeted for in 2003/04
<b>Total Expenditure</b>	<b>291,123,492</b>	<b>45,234,100</b>	<b>(245,889,392)</b>		
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>7,279,480</b>	<b>-</b>	<b>(7,279,480)</b>		

**APPENDIX E**  
**CHRIS HANI DISTRICT MUNICIPALITY: CAPITAL EXPENDITURE ACTUAL VERSUS BUDGET FOR THE YEAR ENDED**  
**30 JUNE 2004**

	2004 Actual R	2004 Under Construction R	2004 Total Additions R	2004 Budget R	2004 Variance R	2004 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
<b>COMMUNITY ASSETS</b>							
<b>Recreational Facilities:</b>							
Fountains	11,471		11,471		(11,471)	#DIV/0!	
<b>Security Measures:</b>							
Security Systems	4,535		4,535		(4,535)	#DIV/0!	
<b>TOTAL COMMUNITY ASSETS</b>	<b>16,006</b>	<b>-</b>	<b>16,006</b>	<b>-</b>	<b>-16,006</b>		
<b>OTHER ASSETS</b>							
<b>Buildings:</b>							
Office Building	1,763,172		1,763,172		(1,763,172)	#DIV/0!	
<b>Office Equipment:</b>							
Air Conditioners	45,566		45,566		(45,566)	#DIV/0!	
Computer Hardware	306,194		306,194		(306,194)	#DIV/0!	
Computer Software	3,400		3,400		(3,400)	#DIV/0!	
Office Machines	71,523		71,523		(71,523)	#DIV/0!	
Miscellaneous	61,646		61,646		(61,646)	#DIV/0!	
<b>Plant And Equipment:</b>							
Lawnmowers	3,811		3,811		(3,811)	#DIV/0!	
Plant and Equipment General	1,305		1,305		(1,305)	#DIV/0!	
<b>Furniture And Fittings:</b>							
Cabinets and Cupboards	111,520		111,520		(111,520)	#DIV/0!	
Chairs	57,666		57,666		(57,666)	#DIV/0!	
Furniture & Fittings Other	47,235		47,235		(47,235)	#DIV/0!	
Kitchen Equipment	4,903		4,903		(4,903)	#DIV/0!	
Tables and Desks	66,502		66,502		(66,502)	#DIV/0!	
<b>Motor Vehicles:</b>							
Buses	197,083		197,083		(197,083)	#DIV/0!	
Motor Vehicles	760,990		760,990		(760,990)	#DIV/0!	
<b>TOTAL OTHER ASSETS</b>	<b>3,502,516</b>	<b>-</b>	<b>3,502,516</b>	<b>-</b>	<b>(3,502,516)</b>		
<b>TOTAL</b>	<b>3,518,522</b>	<b>-</b>	<b>3,518,522</b>	<b>-</b>	<b>(3,518,522)</b>		

**APPENDIX F**  
**CHRIS HANI DISTRICT MUNICIPALITY**  
**CONDITIONAL GRANTS AND RECEIPTS**

	<b>UNSPENT BALANCE 1-Jul-2003</b>	<b>CURRENT YEARS RECEIPTS</b>	<b>INTEREST ALLOCATED</b>	<b>TRANSFER TO REVENUE</b>	<b>CAPITAL EXPENDITURE</b>	<b>TRANSFERS</b>	<b>UNSPENT BALANCE 30-Jun-2004</b>
RA 60 - SANITATION	248,772		18,141				266,913
RA 60 - WATER	144		10				154
EQUITABLE SHARE PROJECTS		53,226,921		-14,184,082			39,042,839
QUTUBENI SOIL CONSERV. PHASE 1	59,330			-34,862			24,468
SPORTS FACILITY:TSOMO		100,000					100,000
SPORTS FACILITY:COFIMVABA PHASE 3		200,000					200,000
SPORTS FACILITY:WHITTLESEA		120,810					120,810
SPORTS FACILITY:HOFMEYER		200,000					200,000
SPORTS FACILITY:ILINGELIHLE		200,000					200,000
SPORTS FACILITY:STERKSTROOM MASAKHE		100,000					100,000
I.D.T. WATER PROJECT	35,463	2,586					38,048
CALA SPORTS COMPLEX	709,198			-524,844			184,354
THORNHILL PROJECTS	118,968		3,841	-88,326			34,482
LED:KWAGCINA COMMUNITY GARDEN		100,000					100,000
LED FORUM:DISCRETIONAL FUNDS	50,000	100,000		-11,836			138,164
LED:STRATEGY	150,000			-145,461			4,539
INCOME GENERATING PROJECTS	77,425		5,646				83,071
LESSEYTON COMMUNITY HALL	61,608		4,493				66,101
ILINGE:RE-INSTATE BERM FLOODWATER	1,331		97				1,428
ILINGE: TOWNSHIP GRAVEL ROADS	630		46				676
ILINGE:INSTALL SMALL BORE SEWAGE PIPES	36,324		2,649				38,973
ILINGE:CONSTRUCT SEPTIC TANKS	8,687		633				9,320
ILINGE:FENCE OXIDATION PONDS	13,240		965				14,206
DEPART.TRANSPORE TAXI RANKS	1,267,123	2,960,000	98,158	-2,955,025			1,370,256
LAND TENURE RIGHTS	22,852		1,776				24,628
ILINGE PILOT HOUSING	63,848		5,159				69,007
MULTI PURPOSE YOUTH CENTRE	483,640		14,975	-490,957			7,658
ILINGE CADASTRAL SURVEY PROGRAMME	10,106		737				10,843
ILINGE:T/SHIP PROJECTS H & LOC.GOVERNMENT	8,286		604				8,890
IMVANI PROJECT	-38,002		-2,771			40,773	
CMPWP POVERTY RELIEF 4	5,694,370	10,938,311	306,145	-10,120,022		-1,422,082	5,396,722
DWAF : GOBOTO SANITATION	321,789	200,000	12,717	-448,548			85,957
DWAF: NYALASA SANITATION	507,068	350,000	38,558				895,626
DWAF: INSTITUTIONAL SUPPORT	-12,768		-931			13,699	
DWAF: WSDP	14,526	1,300,000	18,076	-521,405			811,198
VILLAGE GREENS CALA	28,836		1,374			-30,210	
VILLAGE GREENS COFIMVABA	31,739		1,512			-33,252	
VILLAGE GREENS NTABETHEMBA	20,488		932	-1,660		-19,760	
SOCIAL PLAN GRANT	18,850		1,073	-13,383			6,539
MULTI-PURPOSE SPORT LADY FRERE	184,080		11,666	-36,922			158,823
MULTI-PURPOSE SPORT ENGCOBO	44,672		2,786	-25,000			22,458
EMALAHLENI YOUTH DEVELOPMENT	595,217		43,404				638,620
EMALAHLENI BUILDINGS	650,000		47,399				697,399
ISRDP PROGRAMME	17,333,884	23,630,296	1,503,413	-22,317,203			20,150,389
REGIONAL AUTHORITIES FUND	81,190		5,920				87,111
CMIP	5,536,222	148,887,686	-724,231	-125,455,524			28,244,153
DEV OF INTER-GOVERNMENTAL RELATIONS	51,776	131,789	7,699				191,264
MSIG	2,509,281	3,298,000	291,978	-2,335,354			3,763,905
SURVEY OF WAVERLY	137,053		9,994				147,047
COFIMVABA SPORTS FACILITY	200,000	882,048	11,414	-895,307			198,155
<b>Balance carried forward</b>	<b>37,337,243</b>	<b>246,928,447</b>	<b>1,746,056</b>	<b>-180,605,721</b>		<b>-1,450,831</b>	<b>103,955,194</b>

	UNSPENT BALANCE 1-Jul-2003	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30-Jun-2004
<b>Balance bought forward</b>	37,337,243	246,928,447	1,746,056	-180,605,721		-1,450,831	103,955,194
STERKSTROOM SPORTS FACILITY	100,000	400,000	6,739	-424,128			82,611
LADY FRERE SPORTS FACILITY	200,000	11,290	888,037	-922,245			177,082
ENGCOCO SPORTS FACILITY	200,000	800,000	25,130	-696,274			328,856
CRADOCK SPORTS FACILITY	300,000	1,200,000	21,864	-1,107,980			413,884
CALA SPORTS FACILITY	100,000	400,000	7,862	-339,992			167,869
FINANCE MANAGEMENT GRANT		1,500,000	86,452	-356,608			1,229,843
DWAF:TSOMO RDP 3 WS(EA615)		1,148,365	10,406				1,158,771
DWAF:BOJANE/SKOBENI WATER SUPPLY	64,999	72		-57,017			8,055
DWAF:CACADU REGIONAL WATER SUPPLY		1,728,529	3,605	-430,101			1,302,033
DWAF:KLEIN BULHOEK SANITATION		450,000	2,034				452,034
TEMBANI PROJECTS	360,982		26,323				387,305
TRUST AREAS LESSEYTON ROADS	5,617		410				6,027
TRUST AREAS LESSEYTON WATER	77,122		5,624				82,746
TYLDEN PILOT HOUSING	83,423		6,083				89,506
CRISIS RELIEF	142,577			-12,209			130,368
THORNHILL-DWARF EC049	1,050,209	180,304		-516,787			713,726
PERFORMANCE MANAGEMENT SYSTEM	78,798		3,002	-78,169			3,630
PRESIDENTIAL PROJECT:ZIMELE TRUST	174,000						174,000
ROAD MANAGEMENT SYSTEM	85,150		6,518	-24,214			67,454
LDO'S:LAND AFFAIRS	3,922		286				4,208
MAPPING:COFIMVABA/LADY FRERE	109,690		8,738				118,428
DWAF: GUDUBENI SANITATION	113,303	23,600	9,099				146,002
DWAF:LESSEYTON SANITATION	245,497	500,000	22,281	-488,450			279,328
WASTE MANAGEMENT	5,778		421				6,200
DISASTER FUNDS:HOMELESS & DESTITUTE FAMILIES	67,103		4,893				71,996
DWAF:QOQODALA(EC601)	137,254	2,800,000	40,047	-1,617,946			1,359,354
DWAF:COFIMVABA (EC602)	34,662	900,000	11,898	-342,685			603,876
DWAF:ZINGQUTHU (EC603)	64,171	670,000	15,250	-141,057			608,364
DWAF:FEASIBILITY STUDIES (EC605)	578,663	5,527,446	57,161	-3,432,524			2,730,746
ISRDP:LOWER VAALBANK SHEEP SHEARING	143,495						143,495
IDP REVIEW		100,000					100,000
IDP - HLG - INTSIKA YETHU	100,000						100,000
HOTA-MBEWULA SANITATION (EC651)		150,000					150,000
HIV/AIDS STIPENDS LUKHANJI	495,000	436,064		-912,000			19,064
HIV/AIDS STIPENDS INXUBA YETHEMBA	300,000	160,500		-320,700			139,800
HIV/AIDS STIPENDS INTSIKA YETHU	495,000	507,375		-313,032			689,343
HIV/AIDS STIPENDS EMALAHLENI	255,000	261,375		-202,200			314,175
HIV/AIDS STIPENDS ENGCOCO	330,000	338,250		-220,600			447,650
HIV/AIDS STIPENDS TSOLWANA		149,500		-149,436			64
HIV/AIDS STIPENDS ADMIN COSTS		14,250					14,250
HIV/AIDS STIPENDS INKWANCA		78,750					78,750
HEALTH SEED/MEDICINE	1,803	1,654					3,457
HIV/AIDS HOME BASED CARE KITS	41,809						41,809
AIDS/HIV DRUGS INXUBA YETHEMBA	377,311						377,311
HIV/AIDS DRUGS TSOLWANA	48,308						48,308
HIV/AIDS DRUGS LUKHANJI	490,497						490,497
HIV/AIDS DRUGS SAKHISIZWE	68,171						68,171
HIV/AIDS DRUGS CHRIS HANI	269,402			-2,231			267,171
HIV/AIDS DRUGS EMALAHLENI	34,000						34,000
<b>Balance carried forward</b>	45,169,959	267,365,772	3,016,218	-193,714,306		-1,450,831	120,386,812

	UNSPENT BALANCE 1-Jul-2003	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30-Jun-2004
<b>Balance bought forward</b>	45,169,959	267,365,772	3,016,218	-193,714,306		-1,450,831	120,386,812
HIV/AIDS DRUGS ENGCOBO	12,331						12,331
HIV/AIDS DRUGS INTSIKA YETHU	34,000						34,000
EKUTHULENI/HOTA-MBEWULA WATER (EC 677)		150,000					150,000
HEALTH NGO'S	20,000	285,714					305,714
DWAF:ENGCOBO SANITATION(EC604)	175,183	1,850,000	41,101	-677,866			1,388,418
ENGCOBO WARD 5 SANITATION	1,100,145	6,887,226	96,544	-5,380,432			2,703,483
DWAF:EMALAHLENI WARD 1 SANITATION	13,575	900,000	21,099	-261,698			672,976
EMALAHLENI:WARD 3 SANITATION	3,626	1,500,000	29,789	-185,354			1,348,061
CHDM:BUCKET IRRADIATION	373,517	11,153		-258,950			125,720
INTSIKA YETHU:WARD 17 & 18 SANITATION	233,072	2,300,000	12,742	-2,461,276			84,538
TSOJANA WATER SUPPLY	427,669	9,200,000	123,331	-5,524,635			4,226,365
DWAF:CONTINGENCY PLAN	7,007		511				7,518
EMALAHLENI:WARD 2 & 10 SANITATION	489,947	2,700,000	24,901	-2,602,392			612,457
DHLG: NOGATE - QAMATA SURVEY	106,372		7,757				114,129
WSA BUSINESS PLAN	1,177,328	1,943,000	57,705	-1,106,960			2,071,073
DWAF:GCIBHALA SANITATION		200,000	7,092				207,092
DWAF:GCEZA SANITATION		200,000	4,824				204,824
DWAF:LOWER GQAGA SANITATION		200,000	3,835	-208,737		4,903	-0
DWAF:MAHLUNGULU WATER SUPPLY		150,000	3,868	-46,332			107,536
DWAF:NTSELA WATER SUPPLY		400,000	1,374	-299,385			101,990
DWAF:ZOLA/PHAKAMISA WATER SUPPLY		20,000	482				20,482
DWAF:COFIMVABA(EC113)		148,000	3,570				151,570
DWAF:NTABETHEMBA WARD 4 SANITATION		150,000	3,618				153,618
DWAF:ZADUNGENI V (EC619)		90,000	2,171				92,171
DWAF:MNYOLO & OTHERS WS (EC622)		100,000	2,412				102,412
DWAF:RHALENI WATER SUPPLY(EC654)		100,000	1,538	-64,145			37,394
DWAF:COFIMVABA SANITATION EU		265,265	6,398				271,663
DWAF:SANITATION INFORMATION OFFICE(EC86)		20,000	482				20,482
RENOVATION OF MIDDELBURG INTERGRATED EN		1,000,000					1,000,000
SAKHISIZWE MULTI PURPOSE RESOURCE CENTR		448,000					448,000
DWAF-ATTENDANCE ALLOWANCE	13,535		986	-319			14,201
L G H : LDO'S	16,092		1,258				17,350
ILINGE HOUSING DHLG	546,860		39,878				586,738
IRDP:MSP(PROVINCIAL)	4,045,501	2,000,000	239,804	-3,576,219			2,709,086
SURVEY THEMBA/NTABETHEMBA	77,589		6,198				83,787
CIVIL PROTECTION(ADDITIONAL FUNDS)	840,784	5,727,000	305,656	-2,921,034			3,952,406
LAND USE PLANNING MACHUBENI	224,898		10,800	-228,801			6,897
TSOMO:GROUND WATER SCHEME ADM	1,540,884			-592,916			947,968
JOB EVALUATION		368,122		-208,443			159,679
TRUST RECURRENT EXPENDITURE	18,287		1,333				19,620
	<b>56,668,161.30</b>	<b>306,679,252.37</b>	<b>4,079,273.87</b>	<b>-220,320,200.74</b>		<b>-1,445,928.24</b>	<b>145,660,558.56</b>