

**EKURHULENI
METROPOLITAN MUNICIPALITY**

INDEX

Statement of Financial Position

Statement of Financial Performance

Statement of Changes in Net Assets

Cash Flow Statement

Accounting Policies

Notes to the Annual Financial Statements

Appendix A: Schedule of External Loans

Appendix B: Analysis of Property Plant and equipment

Appendix C: Segmental Analysis of Property ,Plant and Equipment

Appendix D: Segmental Statement of Financial Performance

Appendix E(1): Actual versus Budget (Revenue and Expenditure)

**Appendix E(2): Actual versus Budget (Acquisition of Property,Plant
and Equipment)**

**Appendix F: Disclosures of Grants and Subsidies in Terms
of the Municipal Finance Management Act**

**EKURHULENI
METROPOLITAN MUNICIPALITY**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

Budget				Actual	
2004	2005			2005	2004
R	R		Note	R	R
		REVENUE			
1,296,403,670	1,395,399,196	Property rates	18	1,468,136,940	1,269,479,381
26,887,642	29,200,000	Property rates - penalties imposed and collection charges		212,940,038	234,297,300
4,124,238,825	4,431,807,778	Service charges	19	4,199,087,054	3,999,088,255
361,562,085	424,000,000	Regional Services Levies - turnover		624,113,807	407,576,326
120,434,569	150,300,000	Regional Services Levies - remuneration		218,203,755	144,011,840
42,345,742	42,132,414	Rental of facilities and equipment		39,296,688	34,391,191
19,059,608	47,961,989	Interest earned - external investments		244,846,958	194,327,055
60,032,900	67,000,000	Interest earned - outstanding debtors		92,493,530	134,047,235
		Dividends received			-
105,553,584	110,236,882	Fines		90,823,083	95,274,331
39,901,298	54,029,277	Licences and permits		20,329,086	61,538,718
45,213,525	69,751,441	Income from agency services		107,341,446	48,161,963
272,198,955	417,461,935	Government grants and subsidies	20	765,329,274	581,767,427
20,180,686	18,236,368	Other income	21	87,006,830	87,362,655
		Public contributions,donated and contributed property, plant and equipment			-
		Gains on disposal of property,plant and equipment		3,423,515	110,116,300
		Sale of land		36,370,099	
6,534,013,089	7,257,517,280	Total Revenue		8,209,742,103	7,401,439,976
		EXPENDITURE			
1,932,133,573	2,209,509,612	Employee related costs	22	2,045,626,728	1,719,476,653
40,342,501	43,646,595	Remuneration of councillors	23	41,142,508	37,321,242
588,251,283	632,894,232	Bad debts		1,283,224,923	988,201,283
35,735,905	37,808,327	Collection cost		14,121,535	20,480,265
	261,277,107	Depreciation		392,735,928	-
382,783,760	407,422,910	Repairs and maintenance		397,537,958	377,842,416
200,323,981	211,768,292	Interest paid	24	190,441,500	171,489,013
2,393,037,906	2,582,560,509	Bulk purchases	25	2,545,041,868	2,402,051,531
296,543,372	377,977,451	Contracted Services		301,678,706	285,633,011
4,743,042	4,864,632	Grants and subsidies paid	26	8,424,399	4,259,917
546,516,929	480,771,898	General expenses	27	583,560,941	526,196,625
		Contributions to/(transfers from) provisions			
		Loss on disposal of property ,plant and equipment		160,871,729	
6,420,412,252	7,250,501,565	Total Expenditure		7,964,408,724	6,532,951,956
113,600,837	7,015,715	NET SURPLUS/(DEFICIT)FOR THE YEAR		245,333,379	868,488,020

Refer to Appendix E(1) for explanation of variances

**EKURHULENI
METROPOLITAN MUNICIPALITY**

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2005

NET ASSETS AND LIABILITIES	NOTE	2005 R	2004 R
NET ASSETS		4,526,608,614	4,281,275,235
Housing Development Fund	1	144,983,408	153,525,036
Capital Replacement Reserve		224,692,447	240,000,000
Capitalisation Reserve		1,049,290,586	831,194,690
Government Grant Reserve		912,313,951	884,668,398
Donations and Public Contribution Reserve		15,287,208	22,381,651
Insurance Reserve		171,969,382	147,969,382
Accumulated Surplus		2,008,071,632	2,001,536,078
NON CURRENT LIABILITIES		1,494,528,705	1,172,781,284
Long-term liabilities	2	1,441,481,099	1,114,766,947
Non- current Provisions	3	53,047,606	58,014,337
CURRENT LIABILITIES		1,710,222,604	1,768,198,909
Consumer deposits	4	240,079,423	221,973,324
Provisions	5	-	11,000,000
Creditors	6	1,299,642,641	1,387,945,225
Unspent conditional grants	7	67,249,945	60,493,713
Vat	8	-	334,035
Current portion of long-term liabilities	2	92,184,524	79,435,442
Bank Overdraft	17	11,066,071	7,017,170
TOTAL NET ASSETS and LIABILITIES		7,731,359,923	7,222,255,428
ASSETS			
NON-CURRENT ASSETS		4,185,669,974	4,756,878,354
Property, plant and equipment	9	3,569,763,613	3,394,889,347
Investment property	10	22,411,240	22,411,240
Investments	11	292,751,770	374,591,734
Long-term receivables	12	300,743,351	964,986,033
CURRENT ASSETS		3,545,689,950	2,465,377,074
Inventory	13	58,537,125	53,560,043
Consumer and other debtors	14	1,027,012,816	554,805,841
Current portion of long-term debtors	12	24,050,099	84,209,452
Vat	8	49,130,854	66,382,424
Investments	16	132,382,116	7,136,789
Cash and cash equivalents	17	2,254,576,940	1,699,282,525
TOTAL ASSETS		7,731,359,924	7,222,255,428
		-0	-0

EKURHULENI METROPOLITAN MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2005

	Pre- GAMAP Reserves and Funds	Self Insurance Reserve	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	Donations and Public Contributions	Revaluation Reserve	Accumulated Surplus	Total Net Assets
2004										
Balance at 1 July 2003	1,810,222,834	135,911,669	142,707,841						551,052,503	
Restated Balance	1,810,222,834	135,911,669	142,707,841	-	-	-	-	-	551,052,503	2,639,894,847
Net Surplus for the year									868,488,020	868,488,020
Relocation of Contributions (note 28)	28	64,394,527							-64,394,527	
Relocation of Government Grants		313,249,059							-313,249,059	
Relocation of Interest		87,484,685							-87,484,685	
Capital Charges		183,049,002							-183,049,002	
Contribution to Insurance Reserve (note 28)	28								-22,000,000	
Insurance claims processed									12,446,271	
Relocation of other income		50,426,984							-52,930,968	
Transfer to Housing Development Fund									-10,817,195	
Contribution to expenses									121,929	
Balance at 30 June 2004	2,508,705,162	147,969,382	153,525,036	-	-	-	-	-	698,183,287	3,508,382,867
2005										
Implementation of GAMAP (note 28)	28	-2,508,705,162		240,000,000	831,194,690	884,668,398	22,381,651		1,281,993,706	751,533,283
Adjustments to reserves following restatement of FAR	40	-							-	
Post balance sheet correction	41								29,506,886	29,506,886
Correction of error - p/y restated									-8,147,801	-8,147,801
Restated Balance : 30 June 2004	-	147,969,382	153,525,036	240,000,000	831,194,690	884,668,398	22,381,651	-	2,001,536,078	4,281,275,235
Post balance sheet correction: Reserves Surplus/(deficit) for the year									-359,477,138	
Transfer to CRR									245,333,379	245,333,379
Property Plant and Equipment purchased									-55,000,000	
Capital Grants used to purchase PPE									70,307,553	
Donated/contributed PPE									-230,930,036	
Contributions to Insurance Reserve									-	
Insurance claims processed									-24,000,000	
Transfer to Housing Development Fund									-	
Assets disposals									8,541,627	
Offsetting of depreciation									150,117,581	
Balance at 30 June 2005	-	171,969,382	144,983,409	224,692,447	1,049,290,585	912,313,951	15,287,208	-	2,008,071,632	4,526,608,614

**EKURHULENI
METROPOLITAN MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005**

	2005 R	2004 R
1 Housing Development fund		
Balance at beginning of the year	153,525,036	142,707,841
Income	-8,541,629	10,817,195
: East	7,893,654	-3,723,416
: South	18,024,334	8,502,031
: North	198,990	93,863
Less Expenditure		
: East	-6,134,297	-265,862
: South	-18,687,737	-809,932
: North	-9,836,572	-426,320
Plus : Transfer to bed debt provision		
	<u>144,983,408</u>	<u>153,525,036</u>
2 Long-Term Liabilities		
Local Registered Stock Loans	390,060,733	395,607,303
Long Term Loans	1,143,604,890	798,527,564
Sub-total	1,533,665,623	1,194,202,389
Less: Current portion transferred to current liabilities	-92,184,524	-79,435,442
Local Registered Stock Loans	-55,040,000	-5,248,570
Long Term Loans	-37,144,524	-74,121,350
Lease	-	-67,522
Total External Loans	<u>1,441,481,099</u>	<u>1,114,766,947</u>
Refer to Appendix A for more detail on long-term liability		
<i>R 354 019 897 (2004: R 274 887 522 has been invested specifically for the repayment of longterm liabilities.</i>		
3 NON-CURRENT PROVISIONS		
	2005	2004
Provision for reclamation of refuse landfill site	9,737,264	11,669,897
Provision for workmans compensation liabilities	43,310,342	46,344,440
	<u>53,047,606</u>	<u>58,014,337</u>
The movement in the non-current provisions are reconciled as follow	Landfill	WCA
30 June 2005		
Balance at beginning of year	11,669,897	46,344,440
Contributions to provision	3,781,272	1,978,796
Expenditure incurred	5,713,905	5,012,894
Transfer to current provisions		
Balance at end of year	<u>9,737,264</u>	<u>43,310,342</u>
30 June 2004		
Balance at beginning of year	-	49,618,197
Contributions to provision	11,669,897	1,926,151
Expenditure incurred	-	5,199,908
Increase in provision due to discounting	-	
Transfer to current provisions	-	
Balance at end of year	<u>11,669,897</u>	<u>46,344,440</u>
4 Consumer deposits		
Electricity and Water	240,079,423	221,973,324
Guarantees held in lieu of Electricity and water	69,939,911	69,754,028
5 PROVISIONS		
Provisions	-	11,000,000
6 CREDITORS		
Trade creditors	668,317,031	945,968,890
Payments received in advance	180,741,207	297,510,230
Retentions	52,910,990	
Staff leave	146,387,830	112,819,715
Other creditors	251,285,583	31,646,390
Total Creditors	<u>1,299,642,641</u>	<u>1,387,945,225</u>
7 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
City Development MSI Grant	0	3,255,951
Finance Management Grant	5,846,836	3,612,156
Transformation	466,184	6,694,276
Restructuring	21,401,004	33,676,090
LED Grant	286,562	1,215,162
HIV /Aids Grant	3,460,785	312,135
Bontle Ke Botho	340,799	652,048
Environment & Tourism	1,430,056	443,160
Foreign Grant- HIV	92,074	92,074
Skills Development	2,470,125	7,948,662
City Development MSI Grant	290,000	290,000
Electricity	73,490	73,490
Vuna Awards	2,500,000	2,000,000
Impumelelo	20,000	20,000
Zonki Trust	725,181	0
Municipal Revenue Enhancement	2,378,503	218,507
Solid Waste Methane Gas Plant	400,000	
Other	25,068,346	0
Total operational grant:	<u>67,249,945</u>	<u>60,493,713</u>
Other unspent grants	-	-
Total Conditional Grants and Receipts	<u>67,249,945</u>	<u>60,493,713</u>

8 VAT

VAT payable	-	334,035
VAT receivable	49,130,854	66,382,424

VAT is payable on the receipt basis. Only once payment is received from debtors is VAT paid over to SAF

9 PROPERTY PLANT AND EQUIPMENT

30 June 2005

Reconciliation of Carrying Value	Infrastructure	Community	Heritage	Other	Total
Carrying Value as at 1 July 2004	2,062,650,279	466,047,523	415,779	865,775,762	3,394,889,343
Cost	6,051,612,927	1,177,000,012	415,779	1,841,031,387	9,070,060,106
Accumulated Depreciation	-3,988,962,648	-710,952,490	0	-975,255,625	-5,675,170,763
Acquisitions	465,969,090	53,445,092	0	210,006,654	729,420,836
Depreciation Based on cost	-179,552,963	-33,399,185	0	-179,783,780	-392,735,928
Carrying value of disposals	94,259,522	0	0	67,551,119	161,810,641
Cost	108,036,869	5,302	0	188,154,102	296,196,273
Accumulated Depreciation	-13,777,347	-5,302	0	-120,602,983	-134,385,632
Impairment Losses	0	0	0	0	0
Other movements	0	0	0	0	0
Carrying values at 30 June 2005	6,409,545,148	1,230,439,803	415,779	1,862,883,939	9,503,284,669
Cost	6,409,545,148	1,230,439,803	415,779	1,862,883,939	9,503,284,669
Accumulated depreciation	-4,154,738,265	-744,346,373	0	-1,034,436,422	-5,933,521,060
Total	2,254,806,884	486,093,430	415,779	828,447,521	3,569,763,613

30 June 2004

Reconciliation of Carrying Value	Infrastructure	Community	Heritage	Other	Total
Carrying Value as at 1 July 2003	1,492,777,780	423,355,561	415,779	743,976,343	8,328,621,801
Cost	5,479,329,080	1,134,179,342	415,779	1,714,697,600	8,328,621,801
Accumulated Depreciation	-3,986,551,300	-710,823,781	0	-970,721,257	-5,668,096,338
Acquisitions	572,283,848	42,820,670	0	126,333,787	741,438,305
Depreciation Based on cost	2,411,349	128,708	0	4,534,365	7,074,422
Carrying value of disposals	0	0	0	0	0
Cost	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0
Impairment Losses	0	0	0	0	0
Other movements	0	0	0	0	0
Carrying values at 30 June 2004	6,051,612,927	1,177,000,012	415,779	1,841,031,387	9,070,060,106
Cost	6,051,612,927	1,177,000,012	415,779	1,841,031,387	9,070,060,106
Accumulated depreciation	3,988,962,648	710,952,490	0	975,255,621	5,675,170,759
Total	2,062,650,279	466,047,523	415,779	865,775,766	3,394,889,347

10 INVESTMENT PROPERTY

	2005	2004
Cost	22,411,240	22,411,240
Total Investment Property	22,411,240	22,411,240

No revenue was earned from the investment property as the property is vacant land held for long-term capital appreciation.

11 INVESTMENTS

Listed	Sanlam Shares	-	8,740,861
	Old Mutual Shares	-	9,480
	RSA Stock	435,726	871,452
Total listed		435,726	9,621,793
Unlisted	Long Term Deposits	393,109,095	367,505,178
	Short Term Deposits	1,185,591,286	665,348,666
	Call Deposits	141,998,423	132,180,462
	Policies	11,807,035	10,598,077
	Municipal Entities	4,000,100	4,000,100
Total Unlisted		1,736,505,939	1,179,632,483
Total listed and unlisted		1,736,941,665	1,189,254,276
Less provision for non payment		-5,594,951	-5,594,951
Total Investments		1,731,346,714	1,183,659,325
Financial Instruments			
	Fixed Deposits	1,576,700,381	1,032,853,944
	Other Deposits	159,241,284	156,400,332
Total Cash Investment		1,736,941,665	1,189,254,276
Less provision for non payment		-5,594,951	-5,594,951
Total Investments		1,731,346,714	1,183,659,325
Investment terms			
	Three months or less (see note 17)	1,306,212,828	801,930,802
	Four months to twelve months (See note 16)	132,382,116	7,136,789
	Longer than twelve months:	292,751,770	374,591,734
Total Investments		1,731,346,714	1,183,659,325
Market valuation of listed investments	Sanlam Shares		8,740,861
	Old Mutual Shares		9,480
	RSA Stock	666,667	1,333,333
Council's valuation of unlisted investment:	Long Term Deposits	393,109,095	367,505,178
	Short Term Deposits	1,185,591,286	665,348,666
	Call Deposits	141,998,423	132,180,462
	Policies	11,807,035	10,598,077
	Municipal Entities	4,000,100	4,000,100
		1,737,172,606	1,189,716,157
Less provision for non payment		-5,594,951	-5,594,951
		1,731,577,655	1,184,121,206

Longterm investments of R354 019 897 (R274 887 522: 2004) have been ring-fenced for the purpose of repaying long-term liabilities as set out in Note 31

Investment in Municipal Entities

The municipality has full control in the following companies where the value of the investments is considered to be zero rand as there is no active market to trade the shares:

East Rand Water Care Company (Section 21 Company)
 Lethabong Housing Institute (Section 21 Company)
 Brakpan Bus Company (PTY) LTD
 Greater Germiston Inner City Housing Corporation (PTY) LTI

In addition to the above the municipality has a 20% shareholding(R 4 mil) in the Rand Airport Holdings (PTY) LTD where the value of the investment is carried at cost.

12 LONG-TERM RECEIVABLES

Consumer debtors	1,253,301,252	1,038,176,869
Housing	310,577,023	277,906,482
Staff loans	15,264,794	22,147,598
ERWAT	4,620,621	5,580,014
NRB	2,045,603	2,045,603
Service agreements		22,801,565
City of Johannesburg	41,125,355	50,621,256
Insurance	42,367,603	24,103,798
Property loans	4,245,893	5,807,299
	<u>1,673,548,144</u>	<u>1,449,195,484</u>
Less:current portion transferred to current receivables	24,050,099	84,209,452
Less: Provision for Bad Debt	1,348,754,694	400,000,000
Total	<u>300,743,351</u>	<u>964,986,032</u>

13 INVENTORY

Consumable stores	58,537,125	53,560,043
Total Inventory	<u>58,537,125</u>	<u>53,560,043</u>

14 CONSUMER DEBTORS

	Gross Balances	Provision for Bad Debts	Net Balance
As at 30 June 2005	4,381,013,696	3,540,148,061	840,865,635
Service debtors			
Rates	1,459,085,244	1,188,537,144	270,548,100
Electricity	1,006,609,818	793,065,745	215,544,073
Water	1,154,197,151	940,182,344	214,014,807
Refuse	363,135,061	295,801,434	67,333,627
Sewerage	395,986,422	322,561,394	73,425,028
Regional Service Levies	171,469,518	100,000,000	71,469,518
Housing rentals	55,421,602	55,421,602	-
Sundries / Other/interest	1,317,390,655	1,202,712,892	114,677,663
Total	<u>5,925,295,471</u>	<u>4,898,282,655</u>	<u>1,027,012,816</u>
As at 30 June 2004	3,757,756,260	3,506,043,184	251,713,076
Service debtors			
Rates	1,257,781,909	1,173,529,464	84,252,445
Electricity	675,265,002	630,032,417	45,232,585
Water	857,569,547	800,125,302	57,444,245
Refuse	606,164,266	565,560,389	40,603,877
Sewerage	360,975,536	336,795,612	24,179,924
Regional Service Levies	216,094,418		216,094,418
Housing rentals	24,923,245	23,029,665	1,893,580
Other	1,120,146,428	1,035,041,661	85,104,767
Total	<u>5,116,920,351</u>	<u>4,564,114,510</u>	<u>554,805,841</u>
	2005		2004
Rates : Ageing			
Current (0-30days)	207,399,501		189,509,967
31-60 days	51,598,414		46,701,735
61-90 days	36,409,595		36,376,330
91days and more	1,163,677,734		997,433,154
Total	<u>1,459,085,244</u>		<u>1,270,021,186</u>
Electricity, Water, Refuse and Sewerage : Ageing			
Current (0-30days)	474,877,175		346,193,322
31-60 days	113,622,657		87,321,865
61-90 days	74,236,878		65,948,744
91days and more	2,224,174,152		2,024,837,275
Total	<u>2,886,910,862</u>		<u>2,524,301,206</u>

Housing rentals / RSC Levies : Ageing		
Current (0-30days)	-8,679,942	7,413,773
31-60 days	23,688,594	1,287,969
61-90 days	6,342,316	222,518,353
91days and more	205,540,153	9,797,548

Total	226,891,121	241,017,663
--------------	--------------------	--------------------

Summary of debtors by customer classification

30 June 2005	Total	Consumers	Industrial /Commercial	National and Provincial Gov.
	R	R	R	R
Current (0-30days)	673,596,733	455,460,629	206,815,469	11,320,634
31-60 days	188,909,665	112,105,352	69,793,015	7,011,298
61-90 days	116,988,789	82,057,534	30,523,547	4,407,708
91days and more	4,910,782,694	4,226,955,902	597,221,303	96,605,488
Sub total : Balance to Total Debtors	5,890,277,881	4,876,579,417	894,353,334	119,345,128
Less:Provision for bad debts	4,898,282,655	4,600,000,000	298,282,655	
Total debtors by customer classification	991,995,226	276,579,417	596,070,679	119,345,128

Summary of debtors by customer classification

30 June 2004	Total	Consumers	Industrial /Commercial	National and Provincial Gov.
	R	R	R	R
Total	5,155,486,482	4,497,322,519	619,424,698	38,739,265
Sub total : Balance to Total Debtors	5,155,486,482	4,497,322,519	619,424,698	38,739,265
Less:Provision for bad debts	4,564,114,510	4,497,322,519	66,791,991	
Total debtors by customer classification	591,371,972	-	552,632,707	38,739,265

15 OTHER DEBTORS

	2005	2004
Total Other Debtors	-	-

16 CALL INVESTMENT DEPOSITS

Other Deposits	132,382,116	7,136,789
----------------	--------------------	------------------

17 BANK,CASH AND OVERDRAFT BALANCES

	2,243,510,869.03	1,692,265,355.54
The Municipality has the following bank account		
ABSA		
Alberton income account	-1,022,767	154,984
Alberton direct banking account	-132,823	-5,331,022
Benoni income account	977,539	975,580
Benoni direct banking account	150,640	133,053
Boksburg income account	1,315,736	2,492,908
Boksburg direct banking account KJ	-377,616	-837,571
Boksburg direct banking account Bt	-459,086	-166,892
Brakpan income account	-230,143	860,251
Brakpan NER account	911,053	876,570
Germiston income account	4,968,242	2,309,982
Germiston direct banking account	250	
Kempton Park income account	454,208	1,366,339
Kempton direct banking account	203,514	297,433
Lethabong direct banking account	259,493	482,158
Lethabong income account	1,770,733	55,404
Lethabong call account	150,640	16,109
Nigel income account	188,023	390,096
Springs income account	-506,222	1,848,243
Springs Market account	-1,193,304	-681,685
RSC Levies account	7,625,897	-
Main account	-	18,568
External Finance Fund account	61,807,593	2,291,024
Capital Replacement Reserve account	35,181,240	16,152,367
Primary bank account (Capital from revenue account)	143,561,119	60,068,934
Salary account	13,864,191	21,193,997
Treasury account	368,175,802	354,084,764
Expenditure Imprest account	156,597,730	262,980,923
Cmp account	61,112,846	9,658,277
Housing account	98,915,786	155,946,553
Solid waste account	-6,596,805	
Debit order account	-526,564	2,397,533
Other		
Short Term deposits at various institutions with maturity dates within than months	1,306,212,828	801,930,802
Petty cash and floats	301,735	299,273
Cash book balance (overdraft) at beginning of the year	-7,017,170	-233,148,039
Cash book balance at beginning of the year	1,699,282,526	949,524,045
Cash book balance (overdraft) at end of the year	-11,066,071	-7,017,170
Cash book balance at end of the year	2,254,576,940	1,699,282,526
Bank statement balance (overdraft) at beginning of year	-	-
Bank statement balance at beginning of year	1,056,702,637	401,836,713
Bank statement balance (overdraft) at end of year	-526,564	-
Bank statement balance at end of year	1,047,354,512	1,056,702,637

18 PROPERTY RATES

Actual		
Residentia	1,339,084,467	1,235,046,117
Commercial	615,555,454	431,487,876
State	46,760,622	32,460,742
Small holdings and Farms	807,246	655,103
Less: Income Foregone	534,070,850	438,136,747
Total Assessment Rates	1,468,136,940	1,261,513,091

Valuations	July 2004	July 2003
	R000's	R000's
Residentia	10,933,187	11,540,147
Commercial	8,907,262	5,146,808
State	1,493,460	355,425
Municipal	501,911	807,785
Total Property Valuations	21,835,820	17,849,965

19 SERVICE CHARGES

	2005	2004
Sale of electricity	2,625,897,715	2,422,570,193
Sale of water	931,067,347	947,993,371
Solid Waste	303,188,449	295,167,567
Sewerage and sanitation charge	294,581,817	292,281,820
Fresh produce marke	9,305,333	10,764,197
Minor Services	35,046,393	30,401,107
Total Service Charges	4,199,087,054	3,999,088,255

20 GOVERNMENT GRANTS AND SUBSIDIES

Included in the following is an amount of R42250 being assets donated to

Carnival City		
Equitable share	296,534,605	182,870,752
National Government	31,407,873	284,837
Provincial Government	286,135,873	2,165,643
Provincial Health	58,390,664	56,223,987
Provincial Ambulance	83,853,455	25,668,619
Projects and campaigns	1,677,061	1,091,276
Nutritional scheme	374,461	213,254
SETA	6,955,282	
Other		313,249,059
Total Government Grants and Subsidies	765,329,274	581,767,427

20.1 Equitable share

In terms of the constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy in terms of Council's approved indigent policy which is funded from this grant.

**20.2 National Government
Finance Management Grant**

Balance unspent at beginning of year	3,953,647	12,500,000
Current year receipts	3,000,000	
Conditions met - transferred to revenue	-1,106,811	-8,546,353
Conditions still to be met - transferred to liability	<u>5,846,836</u>	<u>3,953,647</u>

Transformation Grant

Balance unspent at beginning of year	6,715,604	16,888,352
Current year receipts		
Conditions met - transferred to revenue	-6,249,420	-10,172,748
Conditions still to be met - transferred to liability	<u>466,184</u>	<u>6,715,604</u>

Restructuring Grant

Balance unspent at beginning of year	33,831,891	40,000,000
Current year receipts	2,159,640	
Conditions met - transferred to revenue	-14,590,531	-6,168,109
Conditions still to be met - transferred to liability	<u>21,401,000</u>	<u>33,831,891</u>

HIV/AIDS Grant

Balance unspent at beginning of year	325,529	1,451,000
Current year receipts	2,483,033	
Conditions met - transferred to revenue	-39,744	-1,125,471
Conditions still to be met - transferred to liability	<u>2,768,818</u>	<u>325,529</u>

INDIGENT BURIALS

Balance unspent at beginning of year	-	
Current year receipts	691,967	
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liability	<u>691,967</u>	<u>-</u>

BONTLE KE BOTLE

Balance unspent at beginning of year	652,048	715,000
Current year receipts	30,000	
Conditions met - transferred to revenue	-341,249	-62,952
Conditions still to be met - transferred to liability	<u>340,799</u>	<u>652,048</u>

ENVIRO & TOURISM

Balance unspent at beginning of year	443,160	1,033,700
Current year receipts	986,896	
Conditions met - transferred to revenue	-	-590,540
Conditions still to be met - transferred to liability	<u>1,430,056</u>	<u>443,160</u>

FOREIGN GRANT - HIV

Balance unspent at beginning of year	92,074	195,065
Current year receipts	-	
Conditions met - transferred to revenue	-	-102,991
Conditions still to be met - transferred to liability	<u>92,074</u>	<u>92,074</u>

MSI GRANT-CITY DEVELOPMENT

Balance unspent at beginning of year	2,790,000	2,790,000
Current year receipts	-	
Conditions met - transferred to revenue	-2,500,000	-
Conditions still to be met - transferred to liability	<u>290,000</u>	<u>2,790,000</u>

ELECTRICITY

Balance unspent at beginning of year	73,490	3,707,000
Current year receipts	-	
Conditions met - transferred to revenue	-	-3,633,510
Conditions still to be met - transferred to liability	<u>73,490</u>	<u>73,490</u>

VUNA AWARDS

Balance unspent at beginning of year	2,000,000	2,000,000
Current year receipts	500,000	
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liability	<u>2,500,000</u>	<u>2,000,000</u>

ZONKI TRUST

Balance unspent at beginning of year	725,181	725,181
Current year receipts	-	
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liability	<u>725,181</u>	<u>725,181</u>

LGSETA

Balance unspent at beginning of year	8,890,917	14,297,643
Current year receipts	1,476,745	
Conditions met - transferred to revenue	-7,897,537	-5,406,726
Conditions still to be met - transferred to liability	<u>2,470,125</u>	<u>8,890,917</u>

MUNICIPAL REVENUE ENHANCEMENT PROGRAMME

Balance unspent at beginning of year	800,000	800,000
Current year receipts	2,000,000	-
Conditions met - transferred to revenue	-421,497	-
Conditions still to be met - transferred to liability	<u>2,378,503</u>	<u>800,000</u>

20.4 Provincial Health Subsidies

To subsidise services in terms of section 26 of the Health Act (Act 63 of 1977) to support the provision of primary health care.

Balance unspent at beginning of year	58,390,664	56,223,987
Current year receipts	-58,390,664	-56,223,987
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liability	<u>-</u>	<u>-</u>

20.5 Provincial Ambulance

To subsidise Emergency Medical and Ambulance Services

Balance unspent at beginning of year	83,853,455	25,668,619
Current year receipts	-83,853,455	-25,668,619
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liability	<u>-</u>	<u>-</u>

20.7 Nutritional scheme

To provide a feeding scheme for malnourished babies/toddlers

Balance unspent at beginning of year	374,461	213,254
Current year receipts	-374,461	-213,254
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liability	<u>-</u>	<u>-</u>

20.8 Impumelelo

The Impumelelo Grant was an award made to Council

Balance unspent at beginning of year	20,000	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liability	<u>20,000</u>	<u>-</u>

20.9 Provincial LED Projects

The Local Economic Development Grant is to be used for economic development initiatives by communities of Kallehong and Duduza.

Balance unspent at beginning of year	1,215,162	3,065,000
Current year receipts	-	-
Conditions met - transferred to revenue	-928,600	-1,849,838
Conditions still to be met - transferred to liability	<u>286,562</u>	<u>1,215,162</u>

20.1 Solid Waste Methane Gas Plant

The Solid Waste Methane Gas Plant Grant to be utilised for waste management feasibility study

Balance unspent at beginning of year	400,000	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	<u>400,000</u>	<u>-</u>

21 OTHER INCOME

Other income	87,006,830	34,290,536
Total Other income	<u>87,006,830</u>	<u>34,290,536</u>

22 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wage	1,488,620,860	1,237,669,290
Employee related costs - Contributions for UIF,pensions and medical aids	384,409,677	343,718,996
Travel/motor car,accommodation,subsistence and other allowance	3,429,283	4,991,411
Housing benefits and allowance:	-	-
Overtime payment:	162,612,833	127,501,838
Performance bonus	6,269,124	5,280,924
Long-service awards:	284,951	314,194
Less: Employee costs capitalised to Property, Plant and Equipme	-	-
Less: Employee costs included in other expense	-	-
Total Employee related Costs	<u>2,045,626,728</u>	<u>1,719,476,653</u>

Remuneration of the Municipal Manager

Annual Package	954,960	909,500
Performance Bonuses	147,471	65,592
Total	<u>1,102,431</u>	<u>975,092</u>

Remuneration of the Strategic Executive Director:

Annual Package	674 100 to 751 730	655 200 to 674 100
Performance Bonuses	Maximum of 15% of package	Maximum of 15% of package

Remuneration of the Chief Financial Officer, Executive Directors, Regional Executive Directors and Strategic Project Managers

Annual Package	462 000 to 652 050	440 000 to 621 000
Performance Bonuses	Maximum of 15% of package	Maximum of 15% of package

23 REMUNERATION OF COUNCILLORS

Executive Mayo	554,772	520,617
Speaker	479,720	448,539
Mayoral Committee Member	4,748,576	4,430,887
Councillors	31,890,219	28,616,366
Councillors' pension contributor	3,469,221	3,304,833
Total Councillors' Remuneration	41,142,508	37,321,242

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayo Members that are full-time - Each provided with an office and secretarial support at the cost of Council

24 INTEREST PAID

Long-term liabilities	190,441,500	157,699,720
Total interest on External Borrowings	190,441,500	157,699,720

25 BULK PURCHASES

Electricity	1,644,303,356	1,566,989,002
Water	900,738,512	835,082,529
Total Bulk Purchases	2,545,041,868	2,402,051,531

26 GRANTS AND SUBSIDIES PAID

Bursaries to staff - Paid to Educational Institution	1,283,894	-
Grants to Social Organisations:	2,720,000	3,054,444
Grants to Sport Clubs	-	212,898
Grants to SPCA	1,814,598	992,575
Bursaries to community member:	2,605,907	-
Total Grants and Subsidies	8,424,399	4,259,917

27 GENERAL EXPENSES

27.1 General expenses	583,560,941	526,196,625
------------------------------	--------------------	--------------------

Included in general expenses are the normal day to day expenditure need to effectively administer the Municipality

27.2 Material losses

Robberies at Customer Care Centre:	376,443	-
------------------------------------	---------	---

28 CHANGE IN ACCOUNTING POLICY-IMPLEMENTATION OF GAMAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP

28.1 Statutory Funds and Reserves

Balance previously reported:
Statutory Funds

Housing Development Fund	153,525,036
Insurance Fund	147,969,382
Capital Development Fund	878,607,743
Endowment and Establishment Contribution Fund	193,448,039
Land Trust Fund	743,550,337
Bursary Loan Fund	5,906,035
Computer Fund	6,240,819
Development Fund	63,477,420
Disaster Management Fund	121,501
Civil Defence fund	81,503
Parking Meter and Parking Area Fund	10,512,833
Fresh Product Market Fund	22,580,291
Reserves	
WCA	46,344,440
Landfill Rehabilitation Fund	11,669,897
Councillors Development Fund	32,874
Museum fund	27,300
Study Relief Fund	385,181
Total	2,284,480,631

Implementation of GAMAP

Transferred to the Capital Replacement Reserve	240,000,000
Transferred to the Capitalisation Reserve	831,194,690
Transferred to Accumulated Surplus/(Deficit) - see # 28.6 below	853,777,186

Retained as Funds and Reserves: -

Housing Development Fund	153,525,036
Insurance Reserve	147,969,382

Reserves converted to non-current Provision:- see # 28.3 below

WCA	46,344,440
Landfill Rehabilitation	11,669,897
Total	2,284,480,631

28.2 Loans redeemed and other Capital Receipts

Balance previously reported:

7,324,839,837

Implementation of GAMAP

Transferred to Government Grants Reserve	884,668,398
Transferred to Donations and Public Contributions Reserve	22,381,651
Transferred to Accumulated Surplus/(Deficit) - see # 28.6 below	6,417,789,788

28.3 Non-current Provisions

7,324,839,837

Balance previously reported:

0

Implementation of GAMAP

Landfill Rehabilitation - from # 28.1	11,669,897
WCA - from # 1	46,344,440
	58,014,337

28.4 Property Plant and Equipment

Balance previously reported:

9,410,539,819

Less:

Total Fixed assets (cost)	9,410,539,819
Loans Redeemed and Other Capital Receipts	(7,324,839,837)
Net Assets	2,085,699,982

Implementation of GAMAP
In terms of GAMAP, the Fixed Assets have been verified and re classified as follows:

Value previously stated	9,410,539,819
Transferred to Accumulated surplus see # 28.6 below	(314,402,508)
Transferred to Investment in Entities see # 28.10 below	(3,665,965)
Restated total Assets (at cost)	9,092,471,346

Category:	Cost or Revaluation at 30 June 2004 R	Accumulated Depreciation R	Gross Carrying Value R
Infrastructure	6,051,612,927	3,988,962,648	2,062,650,279
Community	1,177,000,013	710,952,490	466,047,523
Heritage	415,779	-	415,779
Other	1,841,031,387	975,255,621	865,775,766
Total Property, Plant and Equipment	9,070,060,106	5,675,170,759	3,394,889,347
Total Investment Properties	22,411,240	-	22,411,240
	9,092,471,346		

28.5 Accumulated Depreciation

Balance previously reported:	0
Implementation of GAMAP	
Backlog Depreciation: Infrastructure	3,988,962,648
Backlog Depreciation: Community	710,952,490
Backlog Depreciation: Other	975,255,621
Total (debited to Accumulated Surplus/(Deficit) see # 6 below)	5,675,170,759

28.6 Accumulated Surplus/(Deficit)

Balance previously reported:	(756,108,504)
Implementation of GAMAP	
Excessive reserves no longer permitted - from # 28.1	(445,355)
Transferred from statutory Funds from - # 28.1	(5,906,034)
Transferred from CRR for cash backed alignment - from # 28.1	(847,425,796)
Transferred from Loans Redeemed and Other Capital Receipts - from # 28.2	(6,417,789,788)
Backlog depreciation - from # 28.5	5,675,170,759
Restatement of Assets - from # 28.4	314,402,508
Balance at 30 June 2004	(2,038,102,210)

28.7 Debtors

Balance previously reported: Consumer & Other	657,754,396
Implementation of GAMAP	
Consumer and Other debtors	657,754,396
Trf to Vat Debtors - see # 28.11 below	(66,382,424)
Total Consumer and Other debtors	591,371,972

28.8 Creditors

Balance previously reported:	1,335,619,222
Implementation of GAMAP	
Trade Creditors as previously reported	1,006,462,602
Payments received in advance	297,510,230
Other creditors	31,646,390
Sub total	1,335,619,222
Plus	112,819,715
Less:	(60,493,712)
Total Creditors	1,387,945,225

28.9 Unspent Conditional Grants and Receipts

Balance previously reported:	0
Implementation of GAMAP	
Conditional Grants from other spheres of Government - from # 28.8	52,359,487
Consolidated Municipality Transport Fund - CMTF	3,255,951
Transformation Grant	6,684,276
Finance Management Grant	3,612,156
Restructuring Grant	33,676,091
LED Grant	1,215,162
HIV/ Aids Grant	312,135
Bottleke Botho	652,049
Environment & Tourism	443,160
MSI Grant- City Development	290,000
Vuno Awards	2,000,000
Municipal Revenue Enhancement	218,507
Other Conditional Receipts	8,134,226
Foreign Grant - HIV	92,074
SETA - Skills Development Grant	7,948,662
NER - Electricity	73,490
Impumelelo	20,000
Total Unspent Conditional Grants and receipts	60,493,713

28.10 Investments

Balance previously reported:	1,179,659,326
Implementation of GAMAP	
Non-current Investments (not maturing within next 12 months)	370,591,734
Investment in Municipal Entities -	
At cost - from # 28.4	3,665,965
Plus	334,035
Correction of vat allocation - from # 28.14 below	
Total non-current Investments	374,591,734
Current Investments (maturing within next 4 -12 months)	7,136,789
(Investments 0-3 months trf to Cash & Cash Equivalent - see # 28.12 below)	801,930,803

28.11 Vat debtor recoverable from SARS		
Balance previously reported:		<u>0</u>
Implementation of GAMAP	Trf from Debtors - from # 28.7	<u>(66,382,424)</u>
28.12 Cash and Cash Equivalents		
Balance previously reported:		<u>890,334,554</u>
Implementation of GAMAP	Cash on Hand and at Bank	890,334,554
	Cash on Hand and at Bank	801,930,803
	Trf from Investments - maturing 0-3 months - from # 28.10	<u>1,692,265,357</u>
28.13 Provisions		
Balance previously reported:		<u>123,819,715</u>
Implementation of GAMAP	Trf to Creditors see # 28.8 above	112,819,715
	TOTAL PROVISIONS	<u>11,000,000</u>
28.14 Vat Creditors		
Balance previously reported:		<u>0</u>
Implementation of GAMAP	Vat due to SARS i.r.o. Investment in Entities see # 28.1	<u>334,035</u>
28.15 Long-term Liabilities		
Balance previously reported:		1,114,766,947
	Current portion of long-term liabilities (as previously reported)	<u>79,435,442</u>
28.16 Consumer deposits		
Balance previously reported:		<u>221,973,324</u>
28.17 Long-term receivables		
Balance previously reported:		964,986,033
	Current portion of long-term receivables (as previously reported)	<u>84,209,452</u>
28.18 Inventory		
Balance previously reported:		<u>53,560,043</u>
28.19 RESTATEMENT OF COMPARATIVES		2004
A reconciliation of the surplus reported in the previous year's annual financial statement to the restated comparatives amounts included in the Statement of Financial Performance is set out below:		R
	Restated balance	551,052,503
	Surplus as currently reported	868,488,020
	Relocation of Contribution	-64,394,527
	Relocations of Government grants	-313,249,059
	Relocation of Public Contributions	-
	Relocation of Interest	-87,484,685
	Capital Charges	-183,049,002
	Contribution to Insurance Reserve	-22,000,000
	Insurance claims processed	12,446,271
	Relocation of other Income	-52,930,968
	Contributions to expenses	121,929
	Transfer to Housing Development Fund	-10,817,195
	Accumulated surplus previous year	<u>698,183,287</u>
29 CASH GENERATED BY OPERATIONS		
	2004/05	
Net surplus for the year	245,333,379	
Post balance sheet adj processed 2004/05 (Cr's)	29,506,886	
Restatement of Previous year Expenditure & Revenue	-8,147,801	
Adjustment for:-		
Depreciation	392,735,930	
Gain on disposal of property, plant and equipment	157,448,214	
Contribution to provisions - non-current	-4,966,731	
Contribution to provisions - current	-11,000,000	
Contribution to bad debt provision	1,283,224,923	
Equity accounted share of associate's surplus		
Investment income: Interest received	-337,340,488	
Interest paid	190,441,500	
Operating surplus before working capital:	<u>1,937,235,811</u>	
(Increase)/decrease in inventories	-4,977,081	
(Increase)/decrease in debtors	-1,776,520,144	
(Increase)/decrease in other debtors		
(Decrease)/increase in conditional grants and receipts	6,756,233	
(Decrease)/increase in creditors	-88,302,584	
(Decrease)/increase in provisions		
Decrease/(increase) in VAT	17,585,605	
Cash generated by/(utilised in) operations	<u>91,777,840</u>	
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprises the following statement of amounts indicating the financial position		
Bank balances and cash	2,254,576,940	1,699,282,526
Bank overdraft	<u>-11,066,071</u>	<u>-7,017,170</u>
Total cash and cash equivalents	<u>2,243,510,869</u>	<u>1,692,265,356</u>
31 UTILISATION OF LONG-TERM LIABILITIES		
Long term liabilities (see note 2)	1,533,665,623	1,194,202,389
Used to finance property, plant and equipment- at co:	1,515,913,155	938,955,107
Sub-total	17,752,468	255,247,282
Cash set aside for the repayment of long-term liabilities (See note 1)	354,019,897	274,887,522
Cash invested for repayment of long-term liabilities	<u>371,772,365</u>	<u>530,134,804</u>
Long-term liabilities have been utilized in accordance with the MFMA. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.		

32 UNAUTHORISED,IRREGULAR,FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

32.1 Unauthorised expenditure

None

32.2 Fruitless and wasteful expenditure

None

32.3 Irregular expenditure

None

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE

33 MANAGEMENT ACT

33.1 Contributions to organised local government

	2005	2004
Opening balance	2,000,000	-
Council subscriptions	3,000,000	2,000,000
Amount paid - current year	3,000,000	
Amount paid - previous year:	2,000,000	
Balance unpaid(included in creditors)	-	2,000,000

33.2 Audit fees

Opening balance	-	-
Current year audit fee	4,376,180	5,288,572
Amount paid - current year	4,376,180	5,288,572
Balance unpaid(included in creditors)	-	-

33.3 PAYE and UIF

Opening balance	20,457,111	-
Current year payroll deduction	277,443,935	208,242,414
Amount paid - current year	257,429,071	187,785,303
Amount paid - previous year:	20,457,111	-
Balance unpaid(included in creditors)	20,014,865	20,457,111

These balances represents PAYE and UIF deducted from the June 2005 payroll. These amounts were paid during July 2005.

33.5 Pension and Medical Aid Deductions

Opening Balance	37,837,606	-
Current year payroll deductions and Council Contributor	488,593,502	418,124,643
Amount paid - current year	446,159,456	380,287,037
Amount paid - previous year:	37,837,606	-
Balance unpaid(included in creditors)	42,434,046	37,837,606

The balance represents pension and medical aid contributions deducted from employees in the June 2005 payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during July 2005.

33.6 Council arrear consumer accounts

The following Councilors had arrear accounts outstanding for more than 90 days as at:

30th June 2005

NKWANA KD	
SEPIRWA DA&HM	
(R)KHOZA BJ	
MOREMA D	
DLADLA N.J	
SITHOLE M	
NGOBESE A	
Total Councilor Arrear Consumer Accounts	

Outstanding less than 90 days

48
242
94
206
435
581
165
1,771

Outstanding more than 90 days

229
519
618
1,203
34,872
3,665
1,559
42,664

30 June 2005

	Total
MOSEHLA VD	35,307.11
SITHOLE SM	4,245.72
NGOBESE A K	1,723.68
MOREMA N D	1,409.86
SEPIRWA DA	760.98
KHOZA BJ	711.85
NKWANA KD	276.37
Total Councilor Arrear Consumer Accounts	44,435

Outstanding less than 90 days

435.12
581.05
164.54
206.47
242.38
93.99
47.68
1,771

Outstanding more than 90 days

34,871.99
3,664.67
1,559.14
1,203.39
518.5
617.86
228.69
42,664

30 June 2004

	Total
DIAMOND N	1,534.08
SITHOLE SM	7,726.27
ZULU M	699.09
MHLAMBI SM	1,291.38
SITHOLE NE	5,084.71
DUMALISILE SS	613.81
MOFOKENG LS	14,973.48
MADI T E	2,117.76
MANYISA T	8,664.58
Total Councilor Arrear Consumer Accounts	42,705

Outstanding less than 90 days

326.01
161.80
149.30
246.80
111.98
-
-
141.68
243.27
1,381

Outstanding more than 90 days

1,208.07
7,564.47
549.79
1,044.58
4,972.73
613.81
14,973.48
1,976.08
8,421.31
41,324

During the year the following Councilors had arrear accounts for more than 90 days

30 June 2005

DLADLA N.J	
SITHOLE M	
NGOBESE A	
MOREMA D	
(R)KHOZA BJ	
SEPIRWA DA&HM	
NKWANA KD	

Highest Amount Outstanding

34,871.99
3,664.67
1,559.14
1,203.39
617.86
518.50
228.69

Ageing

14.00
18.00
18.00
6.00
4.00
4.00
4.00

30 June 2004

MOFOKENG LS	
MANYISA SM	
SITHOLE M	
SITHOLE NE	
MADI T E	
DIAMOND N	
MHLAMBI SH	
DUMALISILE E	
ZULU M&KL	

Highest Amount Outstanding

14,973.48
8,421.31
7,564.47
4,972.73
1,976.08
1,208.07
1,044.58
613.81
549.79

Ageing

14.00
18.00
4.00
12.00
18.00
4.00
5.00
13.00
5.00

34 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure

- Approved but not yet contracted for

Infrastructure

Community

Other

Total

2005

1,020,562,989
643,157,989
99,955,000
77,450,000
1,020,562,989

2004

1,079,310,445
936,856,445
56,325,000
86,129,000
1,079,310,445

This expenditure will be financed from

- External Loans

- Capital Replacement Reserve

- Government Grants

- Own Resources

-
380,000,000
511,912,989
128,650,000
1,020,562,989

285,020,000
100,065,000
516,001,445
178,224,000
1,079,310,445

35 RETIREMENT BENEFIT INFORMATION

Most employees of the Municipality are members of one of the following funds. The Municipality's contributions to these funds are reflected as a charge against income in the financial statements.

Municipal Gratuity Fund. This is a defined benefit plan which is governed by the Pension Funds Act of 1956. The Council has no commitment to meet unfunded benefits. The actuarial valuation is carried out every 2 years. 13.03 % of the Municipality's employees are members of this fund.

SALA Pension Fund is a private fund. The Council has no commitment with regard to unfunded benefits. The actuarial valuation is carried out every 3 years. 9.22 % of the Municipality's employees are members of this fund.

The Councillors of the Ekurhuleni Metropolitan Municipality are members of the **Municipal Councillors Pension Fund** which is a defined contribution fund and governed by the Pension Funds Act of 1956. The fund was established in 1988 and an actuarial valuation is carried out every 3 years.

The **National Fund for Municipal Workers** is a fixed contribution fund and there is no statutory requirements to do an actuarial valuation.

SALA Provident Fund is a defined benefit fund. An actuarial valuation is carried out every 3 years. The Council has no commitment to finance any deficit.

SAMWU National Provident Fund is a privately-administered fund. The fund is subject to actuarial valuation. The fund is not underwritten.

The **Germiston Municipal Retirement Fund** is a defined contribution fund and is governed by the Pension Funds Act of 1956. Actuarial valuations are performed every 3 years.

Joint Municipal Pension Fund is not a pure defined benefit fund, but is a hybrid fund (which has qualities of both a defined benefit and defined contribution fund) and is governed by the Pension Funds Act of 1956. Actuarial valuations are performed annually.

Meshawu Retirement Fund is a defined contribution fund and is governed by the Pension Funds Act of 1956. Actuarial valuations are done every 3 years.

The **Greater Benoni Provident Fund** is a defined contribution fund and is governed by the Pension Funds Act of 1956.

The **Municipal Employees Pension Fund** is a defined benefit fund. The fund is a closed fund and no new members are admitted to the fund.

In a post SCOPA 0304 investigations into the above, it was found that the possible liabilities are as follows

FUND NAME	Member Count	Council Contribution	Member Contribution	Total Monthly Contribution	% Members per Fund
JOINT MUNICIPAL PENSION FUND	245	499,212	204,223	703,435	1.86%
MUNICIPAL GRATUITY FUND	7,382	11,000,781	4,006,257	15,007,037	55.91%
MUNICIPAL EMPLOYEES PENSION FUND	2,132	2,883,323	989,352	3,882,675	16.15%
SALA PENSION FUND	268	338,451	160,900	499,351	2.03%
GERMISTON MUNICIPAL RETIREMENT FUND	1,291	3,141,318	1,199,124	4,340,442	9.78%
SAMWU NATIONAL PROVIDENT FUND	428	560,063	188,302	748,366	3.24%
GREATER BENONI PENSION FUND	79	134,371	51,222	185,592	0.60%
MESHAWU	12	23,194	8,316	31,510	0.09%
MESHAWU RETIREMENT FUND	5	7,880	2,686	10,567	0.04%
NATIONAL FUND FOR MUNICIPAL WORKERS	1,361	3,299,118	1,294,547	4,593,665	10.31%
Total	13,203	21,897,710.65	8,104,928.80	30,002,639.45	100.00%

The following funds are Defined Benefit Funds which indicate that Council can be at Risk to Fund any unfunded liabilities.

DEFINED BENEFIT FUNDS	Date of Actuarial Valuation	Ekurhuleni Risk %	Short fall in Contributions	Funding %	Surplus or (Shortfall) (Assets less Liabilities)	Calculated Contingent Liability
MUNICIPAL EMPLOYEES PENSION FUND	28/02/2003	15.96%	3.90%	106.90%	131,326,000	0
SALA PENSION FUND	30/06/2004	1.52%	5.64%	81.90%	-516,620,000	7,871,633
GREATER BENONI PENSION FUND***		100%	None			
JOINT MUNICIPAL PENSION FUND	31/12/2004	28.72%	7.40%	85.90%	-266,144,000	76,442,298
GERMISTON MUNICIPAL RETIREMENT FUND***						61,000,000

As per agreement on the performance of the fund on interest earned.

Supporting documentation (on the amounts show above) was obtained from the pension funds subsequent to the completion of the 2003/2004 audit. This is only one portion of the required information and assumptions on the Metro's portion of the potential liability have been made.

36 CONTINGENT LIABILITIES

Britli CC - claim for damages to clay mine resulting from engineering work conducted by EMM	Alberton	20,000,000	88,500,000
MEC Housing - claim for EMM to repay amount which was paid in respect of arrears assessment rates and charges for Greenfields	Alberton	3,800,000	3,800,000
NEWHCO	Boksburg	2,025,000	1,500,000
Van Dyk, Corf, Scott and Brebbario - damage to infrastructure due to flooding	Boksburg	545,272	545,272
Costarm Investments CC - claim to set aside council resolution to alienate portion of land	Edenvale	875,000	-
Germiston Retirement Fund - claim that EMM failed to meet its obligation to contribute to the Fund due to a drop in the interest rate	Germiston	61,000,000	61,000,000
Erwat - damage to infrastructure due to stormwater	Germiston	3,000,000	3,000,000
Germiston Brickworks - breach of contract in respect of landfill agreement	Germiston	-	1,000,000
Standard Bank (Geonnet) - claim for balance of rentals from an agreement which was cancelled	Germiston	3,662,291	3,662,291
Intoyethu CC - claim for damages due to construction before transfer was effected	Germiston	4,003,580	4,003,580
South African Rail Commuter Corporation Ltd - claim for damages due to derailment of passenger train	Kempton Park	2,200,362	-
Spiano Investments - claim for breach of contract for refuse removal services	Kempton Park	38,000,000	38,000,000
Gishen, Gilcrest & Reid Attorneys - guarantee provided for previous Nig administration	Metro	600	600
SA Post Service	Metro	1,500,000	1,500,000
SALA Pension fund	Metro	7,871,633	7,871,633
JOINT MUNICIPAL PENSION FUND	Metro	76,442,298	76,442,298
Hofmeyer, Herbststein & Gilwe	Metro	-	2,025,000
Van Jaarsveld Vickers	Metro	-	261,349
Henric (Pty) Ltd - Claim for remuneration for improvements on buildings at Pam Brink Stadium	Metro	2,500,000	-
Sundry insurance claims due to power failure	Springs	-	25,590,000
Claims not exceeding R500 000	Other	247,029	-
		<u>227,673,065</u>	<u>318,702,023</u>

37 CONTINGENT ASSETS

Losses incurred by the Municipality as a result of dismissed employees' conduct.	4,000,000	4,000,000
Civil claims against former employee's conduct.	850,000	850,000
Claim against Senior Business Brokers who failed to deposit moneys collected on behalf of EMM	1,400,000	-
Claim against Wallace Pienaar Properties who failed to procure the proclamation of a township	860,000	-
	<u>7,110,000</u>	<u>4,850,000</u>

38 IN-KIND DONATIONS AND ASSISTANCE

The Municipality received the following in-kind donations and assistance.

<u>Description</u>
Secondment of International Finance Advisor by National Treasury for years

39 EVENTS AFTER THE REPORTING DATE

The Municipality has in principle agreed to transfer its electricity distribution function to a Regional Electricity Distributor. The RED will function as a Municipal Entity and the results of the electricity distribution function will in future be included in the consolidated financial statements. The final transfer date and conditions are not yet known. There are ongoing discussions between management and EDI holdings on the matter.

40 PRIOR YEAR ADJUSTMENTS

During the year ended 30 June 2005 several prior year adjustments were affected

Comparative amounts has been restated as follow:	
Provisions	11,000,000
Creditors	18,506,896
Net effect on surplus for the year	<u>29,506,896</u>

A provision for the settlement of a Labour dispute between the Municipality and HP Botha and others was created as a post balance sheet item during the previous financial year.

A liability due and payable to Eskom was identified after the previous year's balance sheet date and the creditor has subsequently been recognised.

41 CHANGE IN ACCOUNTING POLICY

Transactions effected through the appropriation account	<u>-8,147,802</u>
---	-------------------

Under the accounting principles of the fund accounting principles as specified in the generally accepted accounting practices prescribed by the Institute of Municipal Financial Officers various transactions could have been effected through the appropriation account of the municipality. However with the adoption of Generally Recognised Accounting Practice incorporating Generally Accepted Municipal Accounting Practice statements such transaction is not permissible. With the adoption of the aforementioned statements and restatement of the financial statements and comparative amounts, these transactions had to be reversed.

**EKURHULENI
METROPOLITAN MUNICIPALITY**

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 R
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from ratepayers, government and other		6,112,496,857
Cash paid to suppliers and employees		6,020,719,017
Cash generated from/(utilised in) operations	29	91,777,840
Interest received		337,340,488
interest paid		-190,441,500
NET CASH FROM OPERATING ACTIVITIES		238,676,828
 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		-729,420,836
Proceeds on disposal of fixed assets		3,423,515
(Increases)/Decreases in non-current receivables		724,402,035
Increases in investment properties		
Increases in investments		-43,405,363
NET CASH FROM INVESTING ACTIVITIES		-45,000,649
 CASH FLOW FROM FINANCING ACTIVITIES		
New loans raised/(repaid)		339,463,234
Increase in consumer deposits		18,106,099
Decrease in short-term loans		-
NET CASH FROM FINANCING ACTIVITIES		357,569,333
TOTAL NET CASH FROM ACTIVITIES		551,245,512
NET (INCREASE) IN CASH AND CASH EQUIVALENTS		551,245,512
Cash and cash equivalents at the beginning of the year		1,692,265,357
Cash and cash equivalents at the end of the year		2,243,510,869

**EKURHULENI
METROPOLITAN MUNICIPALITY**

**APPENDIX A
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2005**

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/04	Received during the period	Redeemed written off during the period	Balance at 30/06/05	Carrying value of property, plant and equipment	Other costs in accordance with the MFMA
			R	R	R	R	R	R
STOCK LOANS								
Stock loan @10%	36	2004.09.30	2,570		2,570	-	1,018	-
Stock loan @17.5%	159	2004.11.30	100,000		100,000	-	62,456	-
Stock loan @17.5%	162	2004.11.30	100,000		100,000	-	64,170	-
Stock loan @17.5%	164	2004.11.30	300,000		300,000	-	210,349	-
Stock loan @10%	35	2005.03.31	24,000		24,000	-	6,486	-
Stock loan @10%	39	2005.03.31	20,000		20,000	-	12,630	-
Stock loan @14.9%	86	2005.06.30	5,000,000		5,000,000	-	1,974,023	-
Stock loan @17.3%	146	2005.12.31	1,000,000			1,000,000	583,895	-
Stock loan @17.3%	173	2005.12.31	1,000,000			1,000,000	661,362	-
Stock loan @10%	40	2005.12.31	30,000			30,000	20,632	-
Stock loan @10%	41	2006.03.31	10,000			10,000	7,973	-
Stock loan @16.5%	177	2006.06.30	3,000,000			3,000,000	1,963,827	-
Stock loan @16.75%	74	2006.06.30	20,000,000			20,000,000	13,180,903	-
Stock loan @16.75%	73	2006.06.30	20,000,000			20,000,000	13,352,438	-
Stock loan @13.3%	90	2006.06.30	10,000,000			10,000,000	6,473,379	-
Stock loan @10%	43	2006.09.30	8,000			8,000	6,260	-
Stock loan @10%	46	2007.03.31	13,500			13,500	7,574	-
Stock loan @10%	47	2007.03.31	2,000			2,000	1,080	-
Stock loan @16.5%	107	2007.06.30	4,000,000			4,000,000	2,895,213	-
Stock loan @10%	49	2007.06.30	8,000			8,000	5,159	-
Stock loan @10%	50	2007.06.30	37,500			37,500	37,236	-
Stock loan @10%	51	2007.09.30	5,000			5,000	4,119	-
Stock loan @10%	52	2007.09.30	5,400			5,400	2,757	-
Stock loan @10%	44	2007.12.30	73,500			73,500	47,941	-
Stock loan @14.4%	88	2008.12.31	5,000,000			5,000,000	1,604,855	-
Stock loan @10%	53	2008.12.31	8,000			8,000	6,591	-
Stock loan @10%	56	2008.12.31	25,000			25,000	20,603	-
Stock loan @10%	57	2008.12.31	6,000			6,000	4,593	-
Stock loan @10%	59	2008.12.31	15,000			15,000	11,482	-
Stock loan @10%	60	2009.06.30	15,000			15,000	10,601	-
Stock loan @10%	61	2009.06.30	7,300			7,300	4,937	-
Stock loan @10%	62	2009.06.30	6,500			6,500	4,284	-
Stock loan @10%	63	2009.06.30	1,000			1,000	416	-
Stock loan @10%	64	2009.06.30	20,000			20,000	12,952	-
Stock loan @10%	66	2010.06.30	18,000			18,000	11,656	-
Stock loan @10%	67	2010.09.30	10,000			10,000	6,567	-
Total carried forward			69,871,270	-	5,546,570	64,324,700	43,282,417	-

APPENDIX A (cont)
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2005

EXTERNAL LOANS	Loan Number	Redeemable	Balance at	Received	Redeemed	Balance at	Carrying value of property, plant and equipment	Other costs in accordance with the MFMA	
			30/06/04	during the period	written off during the period	30/06/05		R	R
STOCK LOANS			R	R	R	R	R		
Total brought forward			69,871,270	-	5,546,570	64,324,700	43,282,417		
Stock loan @10%	68	2010.12.31	5,000			5,000	2,491		-
Stock loan @10%	69	2011.03.31	45,000			45,000	28,843		-
Stock loan @10%	70	2011.03.31	10,000			10,000	6,274		-
Stock loan @15.8%	405	2011.06.30	29,000,000			29,000,000	9,965,191		-
Stock loan @16.3%	75	2011.06.30	25,000,000			25,000,000	16,147,883		-
Stock loan @16.5%	76	2011.06.30	2,400,000			2,400,000	1,729,503		-
Stock loan @16.5%	77	2011.06.30	73,319,100			73,319,100	48,097,594		-
Stock loan @10%	73	2011.06.30	32,000			32,000	20,723		-
Stock loan @15.8%	96	2011.06.30	31,000,000			31,000,000	20,438,909		-
Stock loan @15.65%	2	2011.06.30	50,000,000			50,000,000	32,606,088		-
Stock loan @16.7%	97	2011.06.30	22,004,587			22,004,587	13,801,150		-
Stock loan @10%	74	2011.09.30	14,333			14,333	4,853		-
Stock loan @10%	75	2011.12.31	60,000			60,000	38,481		-
Stock loan @15.3%	1	2011.12.31	60,000,000			60,000,000	39,207,564		-
Stock loan @10%	77	2012.06.30	5,257			5,257	3,220		-
Stock loan @10%	78	2012.06.30	9,000			9,000	5,157		-
Stock loan @10%	81	2013.03.31	10,000			10,000	3,840		-
Stock loan @10%	80	2013.06.30	1,190			1,190	950		-
Stock loan @10%	82	2013.06.30	18,733			18,733	11,242		-
Stock loan @10%	83	2013.06.30	20,000			20,000	6,498		-
Stock loan @10%	84	2013.06.30	5,000			5,000	4,125		-
Stock loan @10%	87	2013.09.30	13,333			13,333	9,547		-
Stock loan @10%	89	2013.12.31	7,000			7,000	5,769		-
Stock loan @14.2%	26	2014.06.30	32,620,000			32,620,000	30,712,285		-
Stock loan @10%	91	2014.09.30	69,000			69,000	53,355		-
Stock loan @10%	92	2014.12.31	26,666			26,666	26,655		-
Stock loan @10%	93	2014.12.31	16,667			16,667	11,519		-
Stock loan @10%	94	2015.06.30	4,167			4,167	1,610		-
Stock loan @10%	95	2015.06.30	20,000			20,000	6,674		-
TOTAL STOCK LOANS			395,607,303	-	5,546,570	390,060,733	256,240,410		-
LONG TERM LOANS									
Dept. of Housing @ 16%	2004.10.21		20,963,238		20,963,238	-	6,270,955		-
INCA @ 18.5%	2006.06.30		30,000,000			30,000,000	19,786,382		-
INCA @ 15.7%	2008.04.30		15,234,558		3,786,061	11,448,497	9,733,610		-
INCA @ 16.95%	2009.02.23		11,000,000			11,000,000	7,084,943		-
ABSA @ 15.9%	2009.12.31		50,000,000			50,000,000	33,784,148		-
INCA @ 16.5%	2011.06.30		19,453,504			19,453,504	11,955,297		-
City of Joburg	2011.06.30		23,812,110	4,933,913		28,746,023	18,338,403		-
Total carried forward			170,463,410	4,933,913	24,749,299	150,648,024	106,953,738		-

APPENDIX A (cont)
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2005

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/04	Received during the period	Redeemed written off during the period	Balance at 30/06/05	Carrying value of property, plant and equipment	Other costs in accordance with the MFMA
LONG TERM LOANS			R	R	R	R	R	R
Total brought forward			170,463,410	4,933,913	24,749,299	150,648,024	106,953,738	-
City of Joburg NRB	2011.06.30		5,861,689			5,861,689	4,401,955	-
INCA @ 12.25%	2011.12.31		128,309,272		11,258,886	117,050,386	120,377,583	-
DBSA NO 2 @ 12.2%	2013.03.31		150,000,000		9,914,373	140,085,627	73,394,417	-
DBSA NO 1 @ 13.5%	2014.06.30		268,644,371		13,934,029	254,710,342	140,325,610	-
ABSA	2014.06.30		-	400,000,000		400,000,000	234,581,564	-
TOTAL LONG TERM LOANS			723,278,742	404,933,913	59,856,587	1,068,356,068	680,034,867	-
LEASE LIABILITY								
Edenvale SDC	2004.09.30		67,522		67,522	-		-
ESKOM								
Eskom Liability				75,248,822		75,248,822		-
TOTAL EXTERNAL LOANS			1,118,953,567	480,182,735	65,470,679	1,533,665,623	936,275,277	-

**EKURHULENI
METROPOLITAN MUNICIPALITY**

**APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2005**

	Cost	Under	Disposals	Closing	Closing	Accumulated Depreciation	Disposals	Closing	Value		Carrying
	Opening Balance	Additions	Under Construction	Disposals		Balance	Opening Balance	Additions	Disposals	Closing Balance	
INFRASTRUCTURE	6,051,612,927.35	465,969,089.95	0.00	-108,036,869.29	6,409,545,148.01	3,988,962,648.43	179,552,963.00	-13,777,346.71	4,154,738,264.72	2,254,806,883.29	
POWER STATIONS	24,400.76	6,000,782.72		0.00	6,025,183.48	3,971.61	16,679.15	0	20,650.76	6,004,532.72	
COOLING TOWERS	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00	
TRANSFORMER KIOSKS	1,024,642.33	0.00		0.00	1,024,642.33	80,171.81	33,031.95	0	113,203.76	911,438.57	
ELECTRICITY METERS	9,371,163.94	0.00		0.00	9,371,163.94	5,850,726.94	246,514.63	0	6,097,241.57	3,273,922.37	
LOAD CONTROL EQUIPMENT	2,610,719.45	0.00		0.00	2,610,719.45	1,556,997.70	55,947.90	0	1,612,945.60	997,773.85	
SWITCHGEAR EQUIPMENT	650.00	0.00		0.00	650.00	246.25	25.18	0	271.43	378.57	
ELECTRICITY SUPPLY AND RETICUL	1,133,794,160.01	46,335,433.39		-84,659.20	1,180,044,934.20	1,005,142,998.00	10,165,732.36	-7706.33	1,015,301,024.03	164,743,910.17	
ELECTRICITY MAINS	38,727,957.22	4,484,700.05		0.00	43,212,657.27	23,300,950.91	986,861.05	0	24,287,811.96	18,924,845.31	
SUBSTATIONS AND SWITCHGEAR	167,487,472.63	10,284,763.92		0.00	177,772,236.55	120,652,523.05	3,316,222.29	0	123,968,745.34	53,803,491.21	
TRANSFORMERS AND MINISUBS	23,715,893.26	3,041,116.54		0.00	26,757,009.80	8,516,192.25	991,066.83	0	9,507,259.08	17,249,750.72	
MOTORWAYS	11,270,162.20	7,331,450.76		0.00	18,601,612.96	63,351.34	765,475.62	0	828,826.96	17,772,786.00	
ROADS OTHER	685,751,592.99	110,510,850.44		0.00	796,262,443.43	553,869,304.43	14,581,845.12	0	568,451,149.55	227,811,293.88	
TRAFFIC ISLANDS	448,929.54	0.00		0.00	448,929.54	277,051.54	16,762.42	0	293,813.96	155,115.58	
TRAFFIC LIGHTS	24,200,209.98	63,651.00		0.00	24,263,860.98	13,149,749.61	744,757.95	0	13,894,507.56	10,369,353.42	
STREET LIGHTING	93,837,738.33	8,497,730.47		0.00	102,335,468.80	57,475,209.62	2,246,326.65	0	59,721,536.27	42,613,932.53	
OVERHEAD BRIDGES	75,355,428.54	0.00		0.00	75,355,428.54	25,427,089.26	2,428,043.06	0	27,855,132.32	47,500,296.22	
STORMWATER DRAINS	0.00	33,883,854.40		0.00	33,883,854.40	0.00	134,607.12	0	134,607.12	33,749,247.28	
BRIDGES SUBWAYS AND CULVERTS	46,339,391.27	2,947,693.01		0.00	49,287,084.28	19,463,910.42	1,254,486.27	0	20,718,396.69	28,568,687.59	
CAR PARKS	579,016.54	572,686.85		0.00	1,151,703.39	579,016.54	2,275.06	0	581,291.60	570,411.79	
BUS TERMINALS	5,521,362.66	0.00		0.00	5,521,362.66	4,499,549.33	92,073.01	0	4,591,622.34	929,740.32	
PARKING AND INTERMODAL TRANSF	29,179,231.60	79,801.94		0.00	29,259,033.54	16,654,410.12	995,636.01	0	17,650,046.13	11,608,987.41	
TAXI RANKS	86,257,406.20	987,729.39		0.00	87,245,135.59	31,630,725.11	2,462,580.27	0	34,093,305.38	53,151,830.21	
PUBLIC TRANSPORT FACILITIES	8,855,851.85	0.00		0.00	8,855,851.85	4,080,130.23	284,498.15	0	4,364,628.38	4,491,223.47	
ROADS GRAVEL	65,997,803.36	39,983,721.39		0.00	105,981,524.75	48,970,893.58	1,936,238.59	0	50,907,132.17	55,074,392.58	
TRAFFIC SIGNS AND STREET NAME	6,103,791.18	3,986,627.31		0.00	10,090,418.49	4,663,722.94	137,931.05	0	4,801,653.99	5,288,764.50	
STORMWATER CHANNELS	41,462,945.78	17,264,175.51		0.00	58,727,121.29	26,152,025.25	1,057,172.71	0	27,209,197.96	31,517,923.33	
STORMWATER PIPES	166,328,267.57	2,348,796.11		0.00	168,677,063.68	85,034,708.30	5,133,786.80	0	90,168,495.10	78,508,568.58	
TARRED ROADS	915,924,012.43	37,457,536.31		0.00	953,381,548.74	648,192,084.07	81,992,853.85	0	730,184,937.92	223,196,610.82	
WATER METERS	38,766,779.39	2,580,572.39		0.00	41,347,351.78	29,040,833.51	1,029,107.59	0	30,069,941.10	11,277,410.68	
WATER MAINS	267,625.45	1,901,874.27		0.00	2,169,499.72	1,115.11	20,496.72	0	21,611.83	2,147,887.89	
WATER RIGHTS	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00	
WATER SUPPLY AND RETICULATION	77,783,996.01	11,066,324.10		0.00	88,850,320.11	705,935.18	3,795,083.21	0	4,501,018.39	84,349,301.72	
WATER RESERVOIRS AND TANKS	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00	
WATER TOWERS	9,335,775.37	108,543.10		0.00	9,444,318.47	5,185,850.45	284,289.56	0	5,470,140.01	3,974,178.46	
RESEVOIR	86,379,221.33	0.00		0.00	86,379,221.33	45,217,761.64	2,947,149.00	0	48,164,910.64	38,214,310.69	
WATER PUMP STATIONS	6,601,621.25	127,452.00		0.00	6,729,073.25	4,494,595.00	153,543.38	0	4,648,138.38	2,080,934.87	
BULK WATER PIPES	132,353,502.40	12,091,262.42		0.00	144,444,764.82	65,842,549.31	4,286,734.03	0	70,129,283.34	74,315,481.48	
WATER RETICULATION PIPES < 20	318,258,014.62	1,267,584.64		0.00	319,525,599.26	226,499,056.99	6,177,947.21	0	232,677,004.20	86,848,595.06	
RAND WATER CONNECTIONS AND BU	66,453,215.43	5,679,979.24		0.00	72,133,194.67	49,503,509.40	1,292,330.52	0	50,795,839.92	21,337,354.75	
ZONE CONTROL METERS	110,004,933.74	390,163.69		0.00	110,395,097.43	101,882,507.44	744,038.39	0	102,626,545.83	7,768,551.60	
PRESSURE REDUCING/REFLIEF VAL	53,514,227.22	0.00		0.00	53,514,227.22	45,188,971.15	753,830.37	0	45,942,801.52	7,571,425.70	
GAS METERS	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00	
GAS MAINS	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00	

**EKURHULENI
METROPOLITAN MUNICIPALITY**

**APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2005**

GAS STORAGE TANKS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GAS SUPPLY AND RETICULATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SEWERS	130,122,924.00	31,485,881.88	0.00	161,608,805.88	78,836,227.94	3,541,349.60	0	82,377,577.54	79,231,228.34	31,041,959.31
OUTFALL SEWERS	28,449,060.72	14,274,081.75	0.00	42,723,142.47	10,765,805.68	915,377.48	0	11,681,183.16	29,039,292.14	390,465.44
PURIFICATION WORKS	842,240.40	0.00	0.00	842,240.40	3,509.34	40,727.52	0	44,236.86	798,003.54	1,982,122.84
SEWERAGE PUMPS	0.00	1,992,677.66	0.00	1,992,677.66	0.00	10,554.82	0	10,554.82	1,982,122.84	0.00
SEWERAGE SLUDGE MACHINES	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
SEWER PIPES < 200MM	229,315,518.69	0.00	0.00	229,315,518.69	192,767,397.79	1,964,295.40	0	194,731,693.19	34,583,825.50	4,888,477.66
RIISING MAINS	7,652,389.31	0.00	0.00	7,652,389.31	2,393,550.09	370,361.56	0	2,763,911.65	29,039,292.14	453,499.04
SEWERAGE PUMP STATIONS	85,332,836.43	9,923,147.30	0.00	95,255,983.73	64,768,617.95	1,448,073.64	0	66,216,691.59	390,465.44	453,499.04
MANHOLES	490,479.81	0.00	0.00	490,479.81	76,296.84	23,717.53	0	100,014.37	453,499.04	0.00
FOOTWAYS	0.00	455,307.80	0.00	455,307.80	0.00	1,808.76	0	1,808.76	2,890,197.83	11,263,883.99
KERBING	3,842,111.33	722,760.28	0.00	4,564,871.61	1,906,184.48	168,489.30	0	1,674,673.78	11,263,883.99	8,131,295.46
PAVING	22,263,809.23	0.00	0.00	22,263,809.23	10,130,338.94	869,586.30	0	10,999,925.24	8,131,295.46	0.00
FOOTWAYS AND BICYCLE PATHS	13,560,361.99	0.00	0.00	13,560,361.99	4,870,507.25	558,559.28	0	5,429,066.53	0.00	0.00
ASPHALT PLANT	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
CABLE STATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
COMPACTING STATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
HOTELS - PUBLIC AND TOURIST	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
HOTELS WORKERS	105,745,061.06	7,638,630.15	0.00	113,383,691.21	47,843,294.19	3,429,371.78	0	51,272,665.97	62,111,025.24	39,213,871.98
HOUSING SCHEMES	241,251,220.66	0.00	-107,952,210.09	133,299,010.57	103,896,889.35	3,957,889.62	-13,769,640.38	94,085,138.59	39,213,871.98	0.00
QUARRIES	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
TIP SITES	73,464,873.53	25,987,271.17	0.00	99,452,144.70	26,646,325.35	2,458,096.69	0	29,104,422.04	70,347,722.66	2,062,080.18
TRANSPORT FACILITIES	2,389,115.29	0.00	0.00	2,389,115.29	249,913.87	77,121.24	0	327,035.11	45,346,005.61	36,335,177.97
FLATS BLOCK	113,446,174.40	689,957.10	0.00	114,136,131.50	65,172,916.06	3,617,209.83	0	68,790,125.89	36,335,177.97	0.00
HOUSES	137,533,530.01	1,522,517.50	0.00	139,056,047.51	100,184,477.92	2,536,391.62	0	102,720,869.54	0.00	0.00
CABLE CARS	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
HOUSING: SELLING SCHEMES	316,022,106.66	0.00	0.00	316,022,106.66	0.00	0.00	0	0.00	316,022,106.66	0.00
COMMUNITY ASSETS	1,177,000,012.43	53,445,092.42	0.00	1,230,439,803.03	710,952,489.63	33,399,185.33	-5,301.82	744,346,373.14	486,093,429.89	
AMBULANCE STATIONS	11,470.73	258,433.27	0.00	269,904.00	9,973.16	1,054.25	0	11,027.41	258,876.59	3,774,986.15
CARE CENTRES	6,980,990.22	0.00	0.00	6,980,990.22	2,978,771.51	227,232.56	0	3,206,004.07	48,795,011.98	46,291,905.76
CEMETERIES	67,652,251.88	18,285,480.61	0.00	85,937,732.49	35,013,389.96	2,129,330.55	0	37,142,720.51	120,588,750.23	37,370,675.85
CLINICS AND HOSPITALS	87,690,374.17	11,022,493.90	0.00	98,712,868.07	49,648,431.70	2,772,530.61	0	52,420,962.31	2,489,035.19	2,858,635.77
COMMUNITY CENTRES	298,906,546.90	3,569,775.27	-100.00	302,476,222.17	173,001,179.57	8,886,392.37	-100	181,887,471.94	37,115,876.87	274,582.43
FIRE STATIONS	83,391,778.06	2,564,969.46	0.00	85,956,747.52	45,894,982.11	2,691,089.56	0	48,586,071.67	17,090,622.36	20,981,045.63
GAME RESERVES AND REST CAMPS	13,362,168.78	0.00	0.00	13,362,168.78	10,462,949.11	410,184.48	0	10,873,133.59	2,858,635.77	3,331,717.85
INDOOR SPORTS FACILITIES	26,735,081.36	0.00	0.00	26,735,081.36	11,661,060.50	864,110.15	0	12,525,170.65	14,209,910.71	18,050,472.71
LIBRARIES	86,367,335.36	0.00	0.00	86,367,335.36	65,561,462.76	2,755,399.89	0	68,316,862.65	201,982.61	17,090,622.36
MUSEUMS AND ART GALLERIES	1,943,522.56	0.00	0.00	1,943,522.56	1,678,884.69	62,655.26	0	1,741,539.95	17,090,622.36	20,981,045.63
PARKS	43,315,591.04	4,562,537.18	0.00	47,878,128.22	29,376,860.41	1,410,645.45	0	30,787,505.86	2,858,635.77	3,331,717.85
PUBLIC CONVENIENCES AND BATHHO	43,735,126.25	1,334,786.44	0.00	45,069,912.69	22,663,607.19	1,425,259.87	0	24,088,867.06	2,858,635.77	3,331,717.85
RECREATION CENTRES	4,803,579.21	0.00	0.00	4,803,579.21	1,790,191.04	154,752.40	0	1,944,943.44	2,858,635.77	3,331,717.85
STADIUMS	90,424,273.44	3,506,884.31	0.00	93,931,157.75	54,396,209.82	2,419,071.06	0	56,815,280.88	2,858,635.77	3,331,717.85
ZOOS	3,233,338.76	0.00	0.00	3,233,338.76	2,854,521.91	104,234.42	0	2,958,756.33	2,858,635.77	3,331,717.85
CLINICS ANIMAL	887,427.86	0.00	0.00	887,427.86	830,731.08	28,608.43	0	859,339.51	2,858,635.77	3,331,717.85
BOWLING GREENS	3,331,717.85	0.00	0.00	3,331,717.85	1,912,917.67	112,500.24	0	2,025,417.91	2,858,635.77	3,331,717.85
TENNIS COURTS	20,888,411.12	0.00	0.00	20,888,411.12	12,436,377.06	624,794.40	0	13,061,171.46	2,858,635.77	3,331,717.85
SWIMMING POOLS	52,619,156.42	3,565,013.62	0.00	56,184,170.04	43,704,174.20	617,269.56	0	44,321,443.76	2,858,635.77	3,331,717.85
GOLF COURSES	56,754,479.02	0.00	0.00	56,754,479.02	14,030,567.97	2,394,148.91	0	16,424,716.88	2,858,635.77	3,331,717.85
JUJKSKEI PITCHES	266,889.22	0.00	0.00	266,889.22	237,875.81	2,017.19	0	239,893.00	2,858,635.77	3,331,717.85
OUTDOOR SPORTS FACILITIES	153,681,210.28	4,774,718.36	-5,201.82	158,454,726.82	117,570,741.56	2,414,562.98	-5201.82	119,980,102.72	2,858,635.77	3,331,717.85
ORGAN AND CASE	7,646.52	0.00	0.00	7,646.52	2,325.82	369.74	0	2,695.56	2,858,635.77	3,331,717.85
LAKES AND DAMS	9,376,671.15	0.00	0.00	9,376,671.15	5,818,413.60	221,517.02	0	6,039,930.62	2,858,635.77	3,331,717.85
FOUNTAINS	56,956.04	0.00	0.00	56,956.04	18,178.62	2,754.28	0	20,932.90	2,858,635.77	3,331,717.85
FLOODLIGHTING	7,507,145.98	0.00	0.00	7,507,145.98	3,984,485.94	245,507.92	0	4,229,993.86	2,858,635.77	3,331,717.85
NURSERIES	1,404,532.03	0.00	0.00	1,404,532.03	417,780.41	45,281.17	0	463,061.58	2,858,635.77	3,331,717.85
OLD AGE HOMES	11,664,340.22	0.00	0.00	11,664,340.22	2,995,444.45	375,910.61	0	3,371,355.06	2,858,635.77	3,331,717.85

**EKURHULENI
METROPOLITAN MUNICIPALITY**

**APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2005**

HERITAGE ASSETS	415,779.31	0.00	0.00	0.00	415,779.31	0.00	0.00	0.00	0.00	415,779.31
PUBLIC STATUES	7,943.78	0.00		0.00	7,943.78	0.00	0.00	0.00	0	7,943.78
HISTORICAL BUILDINGS AND STRU	407,835.53	0.00		0.00	407,835.53	0.00	0.00	0.00	0	407,835.53
INVESTMENT PROPERTIES	22,411,240.35	0.00	0.00	0.00	22,411,240.35	0.00	0.00	0.00	0.00	22,411,240.35
LAND MAIN INVESTMENT	13,892,402.44	0.00		0.00	13,892,402.44	0.00	0.00	0.00	0	13,892,402.44
FARMS	8,511,639.67	0.00		0.00	8,511,639.67	0.00	0.00	0.00	0	8,511,639.67
MINERAL RIGHTS	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0	0.00
SHOPPING CENTRES	7,198.24	0.00		0.00	7,198.24	0.00	0.00	0.00	0	7,198.24
MINERAL RIGHTS	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0	0.00
OTHER ASSETS	1,841,031,387.11	210,006,654.34	0.00	-188,154,102.88	1,862,883,938.57	975,255,621.17	179,783,780.15	-120,602,983.75	1,034,436,417.57	828,447,521.00
AIRPORTS	2,690,617.74	0.00		0.00	2,690,617.74	879,727.65	130,108.03	0	1,009,835.68	1,680,782.06
APRONS	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00
RUNWAYS	6,193,084.24	0.00		0.00	6,193,084.24	3,928,354.64	157,384.92	0	4,085,739.56	2,107,344.68
TAXIWAYS	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00
RADIO BEACONS	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00
FENCING	24,269,981.12	2,822,752.36		0.00	27,092,733.48	20,178,958.13	1,910,820.29	0	22,089,778.42	5,002,955.06
SECURITY SYSTEMS	27,182,879.38	9,670,059.52		-352,096.77	36,500,842.13	25,806,291.99	568,879.69	-264071.49	26,111,100.19	10,389,741.94
ACCESS CONTROL	1,557,704.98	5,981,427.14		0.00	7,539,132.12	1,408,935.27	134,567.61	0	1,543,502.88	5,995,629.24
AQUARIUMS	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00
BEACH DEVELOPMENTS	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00
CIVIC THEATRES	1,526,334.38	0.00		0.00	1,526,334.38	1,241,590.75	49,205.01	0	1,290,795.76	235,538.62
ABATTOIRS	213,776.51	0.00		0.00	213,776.51	185,866.79	6,891.59	0	192,758.38	21,018.13
CARAVAN PARKS	12,488.68	0.00		0.00	12,488.68	5,723.86	407.18	0	6,131.04	6,357.64
CINEMAS	1,546,555.61	0.00		0.00	1,546,555.61	658,753.84	49,858.90	0	708,612.74	837,942.87
KILNS	98,483.10	0.00		0.00	98,483.10	260.83	3,174.81	0	3,435.64	95,047.46
LABORATORIES	413,295.13	1,740,300.00		0.00	2,153,595.13	84,878.18	17,934.11	0	102,812.29	2,050,782.84
MARKETS	39,055,806.66	22,244,286.69		0.00	61,300,093.35	13,148,657.72	1,317,970.96	0	14,466,628.68	46,833,464.67
OFFICE BUILDINGS	464,939,955.79	12,400,528.14		-6,632.00	477,333,851.93	217,359,289.78	13,523,758.11	-3099.2	230,879,948.69	246,453,903.24
TRAINING CENTRES	7,309,722.11	972,059.10		0.00	8,281,781.21	3,187,447.07	232,048.10	0	3,419,495.17	4,862,286.04
WORKSHOPS AND DEPOTS	209,862,399.96	6,460,530.40		0.00	216,322,930.36	136,477,315.30	6,084,736.17	0	142,562,051.47	73,760,878.89
RAIL SIDINGS	2,383,862.16	0.00		0.00	2,383,862.16	1,032,960.75	77,034.58	0	1,109,995.33	1,273,866.83
COMPUTER HARDWARE	131,299,823.39	21,906,639.58		-11,278,625.45	141,927,837.52	62,887,479.70	19,886,822.79	-7866702.17	74,907,600.32	67,020,237.20
COMPUTER SOFTWARE	12,759,261.41	11,996,875.38		0.00	24,756,136.79	8,764,212.19	4,317,387.43	0	13,081,599.62	11,674,537.17
OFFICE MACHINES	50,468,267.26	8,026,490.63		-1,865,705.47	56,629,052.42	29,945,513.09	14,333,670.87	-1603087.97	42,676,095.99	13,952,966.43
AIR CONDITIONERS	2,116,831.45	234,012.81		0.00	2,350,844.26	1,658,531.46	170,055.19	0	1,828,586.65	522,257.61
CHAIRS	21,806,528.65	2,661,868.80		-1,854,911.07	22,613,486.38	10,166,290.55	2,361,840.86	-1306718.31	11,221,413.10	11,392,073.28
TABLES AND DESKS	27,144,918.40	2,820,020.27		-1,362,387.06	28,602,551.61	11,945,438.05	3,034,941.42	-819144.66	14,161,234.81	14,441,316.80
CABINETS AND CUPBOARDS	25,876,221.69	3,429,087.65		-33,887.79	29,271,421.55	11,911,601.07	2,818,097.59	-15670.91	14,714,027.75	14,557,393.80
FURNITURE AND FITTINGS OTHER	151,525,830.98	921,351.23		-45,685,360.73	106,761,821.48	66,789,551.73	17,806,848.66	-29316246.83	55,280,153.56	51,481,667.92
HOUSEHOLD REFUSE BINS	38,028.83	0.00		-9,014.21	29,014.62	16,111.24	5,638.73	-8854.18	12,895.79	16,118.83
BULK CONTAINERS	331,424.10	15,484,383.80		-99,297.23	15,716,510.67	45,516.75	155,072.32	-24979.19	175,609.88	15,540,900.79
FIRE EQUIPMENT	374,872.76	2,380,875.89		-146,817.72	2,608,930.93	92,900.26	36,904.56	-34472.7	95,332.12	2,513,598.81
AMBULANCE EQUIPMENT	3,359,851.59	14,762.70		-287,857.20	3,086,757.09	1,525,497.99	463,882.19	-168784.69	1,820,595.49	1,266,161.60
FIRE HOSES	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00
EMERGENCY LIGHTS	0.00	318,338.22		0.00	318,338.22	0.00	44,883.00	0	44,883.00	273,455.22
FIRE ENGINES	10,156,437.01	0.00		0.00	10,156,437.01	3,187,859.10	473,490.28	0	3,661,349.38	6,495,087.63
BUSES	16,062,315.70	20,492,798.33		-667,832.26	35,887,281.77	8,843,290.73	1,496,092.99	-514151.51	9,825,232.21	26,062,049.56
MOTOR VEHICLES	63,777,422.89	12,750,519.77		-3,723,230.18	72,804,712.48	44,908,375.91	7,336,775.42	-3191433.91	49,053,717.42	23,750,995.06
MOTOR CYCLES	1,716,497.00	0.00		-113,695.16	1,602,801.84	1,566,408.09	148,908.03	-113695.16	1,601,620.96	1,180.88
TRUCKS AND BAKKIES	160,859,326.34	21,843,653.04		-8,679,938.55	174,023,040.83	123,662,033.47	14,764,810.51	-7926380.56	130,500,463.42	43,522,577.41
AIRCRAFT	0.00	0.00		0.00	0.00	0.00	0.00	0	0.00	0.00
WATERCRAFT	2,912.00	0.00		0.00	2,912.00	797.81	187.76	0	985.57	1,926.43
GRADERS	3,639,753.35	1,517,320.94		-344,553.92	4,812,520.37	3,231,494.71	203,196.51	-341534.51	3,093,156.71	1,719,363.66
TRACTORS	18,966,013.03	3,096,522.75		-917,519.89	21,145,015.89	10,908,363.33	2,015,675.09	-591025.83	12,333,012.59	8,812,003.30

**EKURHULENI
METROPOLITAN MUNICIPALITY**

**APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2005**

MECHANICAL HORSES	2,684,903.74	0.00	-177,443.00	2,507,460.74	952,205.04	210,913.76	-91129.02	1,071,989.78	1,435,470.96	
FARM EQUIPMENT	194,146.50	0.00	0.00	194,146.50	26,397.72	38,045.90	0	64,443.62	129,702.88	
LAWNMOWERS	12,415,763.27	86,787.20	-706.80	12,501,843.67	10,669,762.01	1,176,334.07	-706.8	11,845,389.28	656,454.39	
COMPRESSORS	2,367,386.73	10,650.00	0.00	2,378,036.73	940,693.17	412,492.32	0	1,353,185.49	1,024,851.24	
LABORATORY EQUIPMENT	2,046,195.90	0.00	-957,599.92	1,088,595.98	1,851,306.45	43,918.56	-926644.1	968,580.91	120,015.07	
RADIO EQUIPMENT	7,035,296.88	762,880.95	-455,606.67	7,342,571.16	3,324,051.84	1,177,831.43	-311900.34	4,189,982.93	3,152,588.23	
FIRE ARMS	882,933.60	383,895.00	0.00	1,266,828.60	316,011.55	156,779.99	0	472,791.54	794,037.06	
TELECOMMUNICATION EQUIPMENT	2,099,290.52	475,432.91	-150,172.24	2,424,551.19	415,434.16	402,036.26	-86950.23	730,520.19	1,684,031.00	
PLANT AND EQUIPMENT GENERAL	311,578,753.23	1,969,859.36	-108,602,722.97	204,945,889.62	124,558,680.88	58,849,130.90	-64819291.41	118,588,520.37	86,357,369.25	
IRRIGATION SYSTEMS	1,128,070.22	0.00	0.00	1,128,070.22	1,075,916.39	4,116.05	0	1,080,032.44	48,037.78	
CREMATORS	0.00	1,500,000.00	0.00	1,500,000.00	0.00	7,945.21	0	7,945.21	1,492,054.79	
LATHES	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
MILLING EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
CONVEYORS	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
FEEDERS	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
TIPPERS	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
PULVERISING MILLS	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
MEDICAL EQUIPMENT	7,059,161.14	6,857.10	-380,488.62	6,685,529.62	3,482,882.18	1,164,273.44	-256308.07	4,390,847.55	2,294,682.07	
LAND	0.00	12,622,826.68	0.00	12,622,826.68	0.00	0.00	0	0.00	12,622,826.68	
LAND	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
	9,092,471,346.55	729,420,836.71	0.00	-296,196,273.99	9,525,695,909.27	5,675,170,759.23	392,735,928.48	-134,385,632.28	5,933,521,055.43	3,592,174,853.84

**EKURHULENI
METROPOLITAN MUNICIPALITY**

**APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2005**

	Cost				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
POLITICAL OFFICE	5,498,641.99	2,084,316.40	-	295,644.21	7,287,314	2,472,353.52	989,081.05	206,985.88	3,254,449	4,032,865
CITY MANAGERS OFFICE	228,327,030.29	7,590,081.13	-	9,161,205.71	226,755,906	125,670,874.93	30,966,715.41	7,274,984.30	149,362,606	77,393,300
MI - ELECTRICITY	17,229,207.87	2,354,049.50	-	862,309.51	18,720,948	8,628,752.48	1,431,488.90	557,562.52	9,502,679	9,218,269
- SOLID WASTE	4,500,163,144.84	2,398,472.25	-	1,262,456.67	4,501,299,160	3,068,672,471.46	2,666,141.70	911,112.78	3,070,427,500	1,430,871,660
- WATER SERVICES	3,581,484,848.39	39,460,943.14	-	87,157,632.42	3,533,788,159	2,203,917,520.31	114,135,371.81	3,230,595.69	2,314,822,296	1,218,965,863
ROADS TRANSPORT & CIVIL WORKS	28,633,686.74	6,591,409.29	-	24,511,962.68	10,713,133	-117,287,230.29	135,910,795.62	13,489,338.55	5,134,227	5,578,907
HEALTH & SOCIAL DEVELOPMENT	1,380,236.05	5,395.64	-	59,638.07	1,325,994	556,188.19	276,145.66	30,763.45	801,570	524,423
PUBLIC SAFETY	204,946,172.78	575,256,074.50	-	60,277,572.20	719,924,675	123,031,192.36	26,078,255.11	39,264,678.49	109,844,769	610,079,906
SPORT RECREATION ART & CULTURE	5,721,634.66	1,955,678.70	-	159,687.33	7,517,626	3,361,486.87	737,267.95	125,814.23	3,972,941	3,544,685
HOUSING	34,610,171.82	8,122,427.41	-	4,952,592.23	37,780,007	10,821,091.27	5,420,683.77	3,101,998.39	13,139,777	24,640,230
FINANCE	131,727,233.66	30,753,377.46	-	83,132,348.56	79,348,263	58,406,767.56	23,799,228.60	49,956,845.10	32,249,151	47,099,112
HUMAN RESOURCES	37,171,000.48	3,630,478.15	-	2,289,262.88	38,512,216	18,238,871.61	5,925,488.46	1,772,401.87	22,391,958	16,120,258
INFORMATION TECHNOLOGY	75,827,467.11	2,910,359.86	-	9,592,047.47	69,145,780	35,675,595.04	14,243,889.95	5,915,989.07	44,003,496	25,142,284
CORPORATE AND LEGAL	239,750,869.87	46,307,773.28	-	12,481,914.05	273,576,729	133,004,823.92	30,155,374.49	8,546,561.96	154,613,636	118,963,093
TOTAL	9,092,471,347	729,420,837	-	296,196,274	9,525,695,909	5,675,170,759	392,735,928	134,385,632	5,933,521,055	3,592,174,854

**EKURHULENI
METROPOLITAN MUNICIPALITY**

APPENDIX D

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

2004 Actual Income	2004 Actual Expenditure	2004 Surplus/ (Deficit)		2005 Actual Income	2005 Actual Expenditure	2005 Surplus/ (Deficit)
R	R	R		R	R	R
59,000	49,334,953	-49,275,953	POLITICAL OFFICE	172,500	54,136,894	-53,964,394
3,178,458	102,462,589	-99,284,131	CITY MANAGERS OFFICE	64,520,287	142,753,975	-78,233,688
2,537,918,847	2,140,795,559	397,123,288	MI - ELECTRICITY	2,919,291,886	2,576,802,071	342,489,815
325,162,896	275,283,634	49,879,262	- SOLID WASTE	426,279,863	515,663,996	-89,384,133
1,243,167,171	1,259,110,074	-15,942,903	- WATER SERVICES	2,192,174,639	2,318,991,930	-126,817,291
		-	- SANITATION			-
34,374,232	442,795,374	-408,421,142	ROADS TRANSPORT & CIVIL WORKS	173,992,834	637,496,777	-463,503,943
56,453,272	179,742,196	-123,288,924	HEALTH & SOCIAL DEVELOPMENT	59,567,821	259,004,318	-199,436,498
186,866,299	551,183,157	-364,316,858	PUBLIC SAFETY	266,847,589	736,964,182	-470,116,593
14,754,743	367,980,955	-353,226,212	SPORT RECREATION ART & CULTURE	65,134,915	436,608,111	-371,473,196
20,153,117	87,384,170	-67,231,053	HOUSING	175,969,255	273,864,096	-97,894,842
3,052,230,324	1,226,299,768	1,825,930,556	FINANCE	3,383,723,390	1,141,530,823	2,242,192,566
5,000	69,357,523	-69,352,523	HUMAN RESOURCES	6,963,565	78,288,145	-71,324,580
-	55,498,033	-55,498,033	INFORMATION TECHNOLOGY	2,493	71,901,026	-71,898,533
11,672,248	204,014,227	-192,341,979	CORPORATE AND LEGAL	9,644,193	243,692,789	-234,048,596
						-
<u>7,485,995,607</u>	<u>7,011,242,212</u>	<u>474,753,395</u>	Post balancesheet adjustments			
			Sub Total	<u>9,744,285,229</u>	<u>9,487,699,133</u>	<u>256,586,096</u>
84,555,631	478,290,256	-393,734,625	Less Inter- Departmental Charges	1,534,543,126	1,523,290,409	11,252,717
<u>7,401,439,976</u>	<u>6,532,951,956</u>	<u>868,488,020</u>	Total	<u>8,209,742,103</u>	<u>7,964,408,724</u>	<u>245,333,379</u>

**EKURHULENI
METROPOLITAN MUNICIPALITY**

APPENDIX E(1)

ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2005

REVENUE	2005 Actual (R)	2005 Budget (R)	2005 Variance (R)	2005 Variance (%)	Explanation of Significant Variances greater than 10 % versus budget
Property rates	1,468,136,940	1,395,399,196	72,737,744	5%	
Property rates - penalties imposed and collection charges	212,940,038	29,200,000	183,740,038	629%	High Penalties levied on outstanding debt. Only collectable penalties budgeted for.
Service charges	4,199,087,054	4,431,807,778	-232,720,724	-5%	
Regional Services Levies - turnover	684,532,066	424,000,000	260,532,066	61%	
Regional Services Levies - remuneration	157,785,496	150,300,000	7,485,496	5%	
Rental of facilities and equipment	39,296,688	42,132,414	-2,835,726	-7%	
Interest earned - external investments	244,846,958	47,961,989	196,884,969	411%	Cash balances higher than anticipated due to lower spending levels
Interest earned - outstanding debtors	92,493,530	67,000,000	25,493,530	38%	High interest earned on outstanding balances. Only collectable interest budgeted for.
Dividends received	-	-	-	0%	
Fines	90,823,083	110,236,882	-19,413,799	-18%	Traffic fines undercollected
Licences and permits	40,555,330	54,029,277	-13,473,947	-25%	Uncertainty in budget compilation - based on number of applications received
Income from agency services	87,115,202	69,751,441	17,363,761	25%	The variance is mainly due to an increase in Vehicle licenses and drivers licenses.
Government grants and subsidies	765,329,274	417,461,935	347,867,339	83%	Additional grants received (MIG)
Other income	123,376,929	18,236,368	105,140,561	577%	The variance is mainly due to the reform to comply with GAMAP. There was no operating budget for sale of land, insurance claims etc.
Public contributions,donated and contributed property, plant and equipment	-	-	-	0%	
Gains on disposal of property,plant and equipment	3,423,515	-	3,423,515	100%	Gains not budgeted for due to uncertainty with regards the disposal of assets.
Total Revenue	8,209,742,103	7,257,517,280	952,224,823		

**EKURHULENI
METROPOLITAN MUNICIPALITY**

APPENDIX E(1)

ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2005 (cont)

EXPENDITURE	2005 Actual (R)	2005 Budget (R)	2005 Variance (R)	2005 Variance (%)	Explanation of Significant Variances greater than 10 % versus budget
Employee related costs	2,045,626,728	2,209,509,612	-163,882,884	-7%	
Remuneration of councillors	41,142,508	43,646,595	-2,504,087	-6%	
Bad debts	1,283,224,923	632,894,232	650,330,691	103%	
Collection costs	14,121,535	37,808,327	-23,686,792	-63%	The main reason for the variation is due to the fact that the use of outside contractors were curtailed.
Depreciation	392,735,930	261,277,107	131,458,823	50%	Offset depreciation is shown in statement of change in net assets.
Repairs and maintenance	397,537,958	405,170,915	-7,632,957	-2%	
Interest paid	190,441,500	211,768,292	-21,326,792	-10%	
Bulk purchases	2,545,041,868	2,582,560,509	-37,518,641	-1%	
Contracted Services	301,678,706	377,977,452	-76,298,746	-20%	Contracted Services rationalised which resulted in savings
Grants and subsidies paid	8,424,399	4,864,632	3,559,767	73%	Additional grants approved
General expenses	583,560,942	483,023,893	100,537,049	21%	General savings incurred
Contributions to/(transfers from) provisions	-	-	-		
Loss on disposal of property ,plant and equipment	160,871,729	-	160,871,729	100%	Loss not budgeted for due to uncertainty with regards the disposal of assets.
Total Expenditure	7,964,408,725	7,250,501,566	713,907,159		
NET SURPLUS / (DEFICIT) FOR THE YEAR	245,333,378	7,015,714	238,317,664		

**EKURHULENI
METROPOLITAN MUNICIPALITY**

APPENDIX E(2)

ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2005

	2005 Actual	2005 Under Construction	2005 Total Additions	2005 Budget	2005 Variance	2005 Variance	Explanation of Significant Variances greater than 5 % versus budget
	R	R	R	R	R	%	
INFRASTRUCTURE	465,969,090		465,969,090	795,925,739	329,956,649	-41.46	
MOTORWAYS	7,331,451		7,331,451	4,770,000	-2,561,451		<p>The spending level appears to be low, but the following must be taken into consideration:</p> <p>Budgeted figures provided are "Original Budget" as approved by National Treasury in June 2004</p> <p>Included in the budgeted figures, is an amount of R281m in respect on PHB funded projects. These projects are not capitalised in terms of GAMAP principles, and the expenditure was expensed.</p> <p>When taking this into consideration, the budget deviation between budget and actual is 20%.</p> <p>The reasons for not spending the 20%, are as follows:</p> <p>An amount equal to 10% of the contract value is normally provided as contingencies. If the project is implemented as planned, only 90% of the budget will be spent. Furthermore, due to the placement process undertaken, departments had staff capacity problems that constrained the full implementation of the capital budget.</p>
ROADS OTHER	110,510,850		110,510,850	95,720,380	-14,790,470		
TRAFFIC LIGHTS	63,651		63,651	530,000	466,349		
STREET LIGHTING	8,497,730		8,497,730	1,102,000	-7,395,730		
BRIDGES SUBWAYS AND CULVERTS	2,947,693		2,947,693	8,250,000	5,302,307		
ROADS GRAVEL	39,983,721		39,983,721	27,766,000	-12,217,721		
TRAFFIC SIGNS AND STREET NAME	3,986,627		3,986,627	2,740,000	-1,246,627		
STORMWATER CHANNELS	17,264,176		17,264,176	2,686,633	-14,577,543		
STORMWATER PIPES	2,348,796		2,348,796	2,100,000	-248,796		
TARRED ROADS	37,457,536		37,457,536	30,542,464	-6,915,072		
WATER METERS	2,580,572		2,580,572	1,800,000	-780,572		
WATER MAINS	1,901,874		1,901,874	4,059,514	2,157,640		
WATER SUPPLY AND RETICULATION	11,066,324		11,066,324	7,230,000	-3,836,324		
WATER TOWERS	108,543		108,543	534,000	425,457		
WATER PUMP STATIONS	127,452		127,452	365,000	237,548		
BULK WATER PIPES	12,091,262		12,091,262	13,278,408	1,187,146		
WATER RETICULATION PIPES < 20	1,267,585		1,267,585	2,200,000	932,415		
RAND WATER CONNECTIONS AND BU	5,679,979		5,679,979	7,095,486	1,415,507		
ZONE CONTROL METERS	390,164		390,164	2,000,000	1,609,836		
CAR PARKS	572,687		572,687	1,200,000	627,313		
PARKING AND INTERMODAL TRANSF	79,802		79,802	80,000	198		
TAXI RANKS	987,729		987,729	1,200,000	212,271		
POWER STATIONS	6,000,783		6,000,783	3,175,000	-2,825,783		
ELECTRICITY METERS	-		-	0	-		
ELECTRICITY SUPPLY AND RETICUL	46,335,433		46,335,433	45,075,500	-1,259,933		
ELECTRICITY MAINS	4,484,700		4,484,700	10,933,000	6,448,300		
SUBSTATIONS AND SWITCHGEAR	10,284,764		10,284,764	12,500,000	2,215,236		
TRANSFORMERS AND MINISUBS	3,041,117		3,041,117	12,400,000	9,358,883		
SEWERS	31,485,882		31,485,882	27,239,377	-4,246,505		
OUTFALL SEWERS	14,274,082		14,274,082	13,096,846	-1,177,236		
SEWERAGE PUMP STATIONS	11,915,825		11,915,825	3,330,000	-8,585,825		
HOUSING SCHEMES	-		-	11,523,352	11,523,352		
FLATS BLOCK & HOSTELS	8,328,587		8,328,587	11,583,348	3,254,761		
HOUSES	1,522,518		1,522,518	283,871,091	282,348,574		
TIP SITES	25,987,271		25,987,271	103,704,000	77,716,729		
KERBING & FOOTWAYS	1,178,068		1,178,068	0	-1,178,068		
STORMWATER DRAINS	33,883,854		33,883,854	40,244,340	6,360,486		

**EKURHULENI
METROPOLITAN MUNICIPALITY**

APPENDIX E(2)

ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2005 (cont)

	2005 Actual	2005 Under Construction	2005 Total Additions	2005 Budget	2005 Variance	2005 Variance	Explanation of Significant Variances greater than 5 % versus budget
COMMUNITY ASSETS	53,445,092		53,445,092	75,435,000	-21,989,908	-29.15	
PARKS	4,562,537		4,562,537	2,750,000	-1,812,537		
STADIUMS	3,506,884		3,506,884	4,500,000	993,116		
SWIMMING POOLS	3,565,014		3,565,014	1,000,000	-2,565,014		
OUTDOOR SPORTS FACILITIES	4,774,718		4,774,718	9,500,000	4,725,282		
COMMUNITY CENTRES	3,569,775		3,569,775	610,000	-2,959,775		
PUBLIC CONVENIENCES AND BATHHO	1,334,786		1,334,786	5,550,000	4,215,214		
CLINICS AND HOSPITALS	11,022,494		11,022,494	25,575,000	14,552,506		
AMBULANCE STATIONS	258,433		258,433	1,500,000	1,241,567		
CEMETERIES	18,285,481		18,285,481	19,700,000	1,414,519		
FIRE STATIONS	2,564,969		2,564,969	4,750,000	2,185,031		
INVESTMENT PROPERTIES	12,622,827	0	12,622,827	0	-12,622,827		
LAND MAIN INVESTMENT	12,622,827		12,622,827	0			Budget amended during the year to provide
FARMS	-		-	0			for expenditure incurred
OTHER ASSETS	197,383,828		197,383,828	273,149,706	-75,765,878	-0.28	
FIRE ENGINES	-		-	462,451	-462,451		
BUSES	20,492,798		20,492,798	19,557,049	935,750		
MOTOR VEHICLES	12,750,520		12,750,520	42,950,023	-30,199,503		
TRUCKS AND BAKKIES	21,843,653		21,843,653	22,120,927	-277,274		
WORKSHOPS AND DEPOTS	6,460,530		6,460,530	14,600,000	-8,139,470		
TRACTORS & GRADERS	4,613,844		4,613,844	2,920,646	1,693,198		
LAWNMOWERS	86,787		86,787	51,417	35,370		
COMPRESSORS	10,650		10,650	8,320	2,330		
PLANT AND EQUIPMENT GENERAL	1,969,859		1,969,859	2,142,243	-172,384		
COMPUTER HARDWARE	21,906,640		21,906,640	26,007,250	-4,100,610		
COMPUTER SOFTWARE	11,996,875		11,996,875	11,971,190	25,685		
OFFICE MACHINES	8,026,491		8,026,491	3,517,863	4,508,627		
AIR CONDITIONERS	234,013		234,013	463,907	-229,894		
CHAIRS	2,661,869		2,661,869	2,566,269	95,600		
TABLES AND DESKS	2,820,020		2,820,020	2,219,689	600,331		
CABINETS AND CUPBOARDS	3,429,088		3,429,088	2,678,762	750,326		
FURNITURE AND FITTINGS OTHER	921,351		921,351	8,540,000	-7,618,649		
MARKETS	22,244,287		22,244,287	20,820,000	1,424,287		
FENCING	2,822,752		2,822,752	2,866,893	-44,141		
SECURITY SYSTEMS	9,670,060		9,670,060	9,650,713	19,347		
ACCESS CONTROL	5,981,427		5,981,427	5,981,427	-		
OFFICE BUILDINGS	12,400,528		12,400,528	36,640,200	-24,239,672		
TRAINING CENTRES	972,059		972,059	4,500,000	-3,527,941		
LABORATORIES	1,740,300		1,740,300	3,000,000	-1,259,700		
BULK CONTAINERS	15,484,384		15,484,384	15,484,384	-		
FIRE EQUIPMENT	2,380,876		2,380,876	2,381,076	-200		
AMBULANCE EQUIPMENT	14,763		14,763	63,895	-49,133		
LABORATORY EQUIPMENT	-		-	260	-260		
FIRE ARMS	383,895		383,895	-	-		
EMERGENCY LIGHTS	318,338		318,338	-	-		
RADIO EQUIPMENT	762,881		762,881	246,736	516,145		
TELECOMMUNICATION EQUIPMENT	475,433		475,433	153,846	321,587		
MEDICAL EQUIPMENT	6,857		6,857	82,271	-75,414		
SHOPPING CENTRES	-		-	6,000,000	-6,000,000		
CREMATORS	1,500,000		1,500,000	2,500,000	-1,000,000		
	729,420,837		729,420,837	1,144,510,445	219,578,037		

EKURHULENI
METROPOLITAN MUNICIPALITY

APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, ACT 56 OF 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed/withheld				Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Sept	Dec	Mar	June	Sept	Dec	Mar	June	Sept	Dec	Mar	June			
Operating Grants																
Finance Management Grant	NT				3,000,000										Yes	
Transformation Grant	NT														Yes	
Restructuring Grant	NT														Yes	
LED Grant	Dept EA					928,600									Yes	
HIV/Aids Grant	DPLG	3,175,000				39,744									Yes	
Bontle Ke Botle	DPLG	30,000				341,249									Yes	
Environment & Tourism	GDAE	485,623	501,273												Yes	
Skills Development Grant	DPLG			1,476,745		7,897,537									Yes	
Vuna Awards	DPLG			500,000											Yes	
Municipal Revenue Enhancemet Programme	NT	2,000,000				421,497									Yes	
Total Operating Grants		5,690,623	501,273	1,976,745	3,000,000	9,628,627						19,787,118				
Capital Grants																
SRAC	GPG	4,500,000				12,854,915									Yes	
Roads Transport & Civil Works	GPG					9,123,073						746,344			Yes	
Blue IQ	GPG					10,497,029									Yes	
Water And Sanitation	DWAF					1,587,254	99,213								Yes	
Water Supply to Nigel Prison	DWAF	2,500,000													Yes	
INEP	Dept of ME	5,000,000				3,896,943									Yes	
Total Capital Grants		12,000,000	0	0	0	37,959,214	99,213					746,344				
MIG Grants																
MIG Grants	DPLG	118,064,479	42,908,103	18,284,599	4,652,795	24,006,953	76,019,311					18,081,393			Yes	
Total MIG Grants		118,064,479	42,908,103	18,284,599	4,652,795	24,006,953	76,019,311					18,827,737				
PHB Grants																
PHB Grants	GPG	11,067,040	15,730,066	4,220,438	60,045,485	40,189,758	50,664,671	25,309,097				55,100,977			Yes	
Total Housing Grants		11,067,040	15,730,066	4,220,438	60,045,485	40,189,758	50,664,671	25,309,097				55,100,977				