

**EMFULENI LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

**EMFULENI LOCAL MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

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I am responsible for the preparation of these financial statements, which are set out on pages 3 to 35, in terms of Section 126 (1) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 16 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act, 1998 (Act No. 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.

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**S SHABALALA**  
**ACTING MUNICIPAL MANAGER**

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**DATE**

**EMFULENI LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

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# EMFULENI LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2005

	Notes	2005 R	2004 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		1,041,707,891	1,080,796,285
Capital Replacement Reserve		784,511	614,511
Capitalisation Reserve		-	-
Grant Reserve		132,443,619	70,835,417
Self-Insurance Reserve		2,350,975	1,391,653
Revaluation Reserve		696,968,577	724,038,349
Accumulated Surplus		209,160,209	283,916,355
<b>Non-current liabilities</b>		124,516,289	162,167,558
Long-term liabilities	1	124,516,289	162,167,558
<b>Current liabilities</b>		298,840,479	269,796,932
Consumer deposits		21,213,217	22,278,102
Creditors	2	176,404,786	179,143,001
Unspent conditional grants and receipts	3	19,461,169	38,193,439
Value added tax	4	-	2,614,281
Retention creditors		1,584,841	1,180,829
Bank overdraft	11	14,523,149	462,378
Current portion of long-term liabilities	1	65,653,317	25,924,902
<b>Total net assets and liabilities</b>		<u>1,465,064,659</u>	<u>1,512,760,775</u>
<b>ASSETS</b>			
<b>Non-current assets</b>		1,093,686,501	979,018,787
Property, plant and equipment	5	1,059,158,052	979,018,787
Investments	6	34,528,449	-
<b>Current assets</b>		371,378,158	533,741,988
Value added tax	4	1,336,270	-
Inventory	7	9,141,820	7,798,121
Consumer debtors	8	211,751,161	327,754,475
Other debtors	9	80,573,859	98,062,457
Call investment deposits	10	68,534,294	100,086,382
Cash advances	11	40,754	40,553
		<u>1,465,064,659</u>	<u>1,512,760,775</u>

**EMFULENI LOCAL MUNICIPALITY**

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

	Notes	Budget		Actual	
		2005 R	2004 R	2005 R	2004 R
<b>REVENUE</b>		1,120,679,635	1,332,787,093	1,458,156,804	1,192,958,473
Property rates	12	160,472,000	179,795,631	181,412,825	167,910,351
Services charges	13	732,918,499	810,580,398	846,497,501	772,468,652
Rental of facilities and equipment		13,448,954	7,235,446	6,223,732	6,647,362
Interest earned - external investments		2,648,000	1,934,183	11,411,734	10,334,643
Interest earned - outstanding debtors		122,752,842	104,693,116	105,746,487	99,001,110
Fines		5,057,708	6,142,001	5,549,212	6,606,243
Licenses and permits		-	-	1,151,984	12,294
Government grants and subsidies	14	70,780,123	169,554,123	255,475,820	68,787,562
Other income	15	10,599,009	18,279,520	27,681,189	59,579,141
Gains on disposal of property, plant and equipment		2,002,500	34,572,675	17,006,320	1,611,115
<b>EXPENDITURE</b>		1,119,149,635	1,350,787,093	1,494,758,980	1,125,618,539
Employee related costs	16	279,015,682	306,344,095	282,191,019	260,422,635
Remuneration of Councillors	17	11,351,631	12,007,724	11,845,345	11,262,584
Depreciation		9,198,546	2,105,506	38,423,751	2,188,988
Repairs and maintenance		23,136,922	40,347,447	23,825,302	18,933,680
Interest paid	18	29,469,727	32,353,600	37,252,617	31,726,993
Bulk purchases	19	470,781,167	542,494,649	582,047,263	470,245,853
Contracted services		15,279,495	21,742,527	20,085,494	14,807,520
Grants and subsidies paid		3,394,924	8,112,900	2,134,923	1,657,180
Provision for bad debts		220,052,989	219,678,099	421,703,937	259,519,479
General expenses	20	57,468,552	165,600,546	75,249,329	54,853,627
<b>SURPLUS/(DEFICIT)</b>		1,530,000	(18,000,000)	(36,602,176)	67,339,934

## EMFULENI LOCAL MUNICIPALITY

### CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 R	2004 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from rate payers, government and other		1,001,465,167	854,835,552
Cash paid to suppliers and employees		(963,374,559)	(761,668,644)
Cash generated from operations	23	38,090,609	93,166,908
Interest received		31,333,501	10,334,643
Interest paid		(19,109,377)	(31,726,993)
<b>Net cash from operating activities</b>		<b>50,314,733</b>	<b>71,774,558</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(52,252,015)	(32,393,825)
Proceeds on disposal of property, plant and equipment		25,440,062	939,001
Increase in call investment deposits		(2,976,361)	(7,448,962)
<b>Net cash from investing activities</b>		<b>(29,788,314)</b>	<b>(38,903,786)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New loans (repaid)/raised		(6,468,901)	2,936,718
		(6,468,901)	2,936,718
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>14,057,518</b>	<b>35,807,490</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>(465,631)</b>	<b>(36,273,121)</b>
<b>Cash and cash equivalents at end of the year</b>		<b>(14,523,149)</b>	<b>(465,631)</b>
		<b>(14,057,518)</b>	<b>35,807,490</b>

## **EMFULENI LOCAL MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005**

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#### **1. BASIS OF PRESENTATION**

The annual financial statements have been prepared on the accrual basis of accounting and are in accordance with the historical cost convention, except for the revaluation of land, buildings and electrical infrastructure, which are carried at fair values.

In accordance with section 122(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Municipality has adopted Standards of GAMAP and GRAP issued by the Accounting Standards Board during the financial year, the effects of the change in the accounting policy arising from the implementation GAMAP and GRAP are set out in Note 21.

#### **2. PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand.

#### **3. GOING CONCERN ASSUMPTION**

These financial statements have been prepared on a going concern basis.

#### **4. RESERVES**

##### ***Capital Replacement Reserve (CRR)***

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR. A corresponding amount is transferred to a designated CRR bank or investment account. The CRR is reduced and the Non Distributable Reserve is credited by a corresponding amount when the amounts in the CRR are utilised.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

##### ***Capitalisation Reserve***

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from CRR. When the item of PPE are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When a item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

## **EMFULENI LOCAL MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005**

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#### ***Government Grant Reserve***

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed off, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### ***Donations and Public Contributions Reserve***

When items of property, plant and equipment are financed from donations and public contributions, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contribution Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from donations and public contributions grants is disposed off, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### ***Self-Insurance Reserve***

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short term cash investments.

#### ***Revaluation Reserve***

The surplus arising from the revaluation of land, buildings and electrical infrastructure is credited to a non-distributable reserve. The revaluation reserve is realised as revalued assets are depreciated, through a transfer from the revaluation reserve to the Statement of Financial Performance. On disposal, the net Revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

## **5. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, except land, buildings and electrical infrastructure which are revalued as indicated below. Heritage assets, which are culturally significant resources and which are shown at cost are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an infinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.



## EMFULENI LOCAL MUNICIPALITY

### ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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#### 6. PROPERTY, PLANT AND EQUIPMENT - continued

Depreciation is calculated at cost or revalued amounts (if applicable) using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:

	Years		Years
<i>Infrastructure</i>		<i>Other</i>	
Roads and paving	30	Buildings	30
Pedestrian malls	30	Specialist vehicles	10
Electricity	20 - 30	Other vehicles	5
Water	15 - 20	Office equipment	3 - 7
Sewerage	15 - 20	Furniture and fittings	7 - 10
Housing	30	Watercraft	15
<i>Community</i>		Bins and containers	5
Buildings	30	Specialised plant and equipment	10 - 15
Recreational facilities	20 - 30	Other items of plant and equipment	2 - 5
Security	5	Landfill sites	15

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

The Municipality has an obligation to rehabilitate its landfill sites in terms of its licence stipulations. Provisions is made for this obligation in accordance with the Municipality's accounting policy on non-current provisions (Accounting Policy note 12).

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

#### 7. INVESTMENTS

##### Financial Instruments

Financial instruments, which include fixed deposits and short-term deposits invested in registered banking institutions are stated at cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

#### 8. INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost or net realisable value. The basis of determining cost is the first-in, first-out method.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

#### 9. ACCOUNTS RECEIVABLE

Accounts receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on all debtors over 90 days old. Bad debts are written off during the year in which they are identified.

## **EMFULENI LOCAL MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005**

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#### **10. TRADE CREDITORS**

Trade creditors are stated at their nominal value.

#### **11. REVENUE RECOGNITION**

##### **11.1 Revenue from Exchange Transactions**

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approval tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each development property using the tariffs approved from Council and are levied monthly.

Interest and rentals are recognised on a time proportion basis.

Revenue arising from the application of the approval of tariff charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

##### **11.2 Revenue from non-exchange transactions**

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received. Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

#### **12. CONDITIONAL GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding is recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

## **EMFULENI LOCAL MUNICIPALITY**

### **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005**

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#### **13. PROVISIONS**

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at balance sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

#### **14. CASH AND CASH EQUIVALENTS**

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

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

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expenses as incurred.

#### **15. UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act 2003, (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where subsequently recovered, it is accounted for as revenue in the Statement of Financial Performance.

#### **16. IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act 2003, (Act No. 56 of 2003), the Municipal Systems Act 2000, (Act No. 32 of 2000), the Public Office Bearers Act 1998, (Act No. 20 of 1998) or the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where subsequently recovered, it is accounted for as revenue in the Statement of Financial Performance.

#### **17. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where subsequently recovered, it is accounted for as revenue in the Statement of Financial Performance.

#### **18. FOREIGN CURRENCIES**

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are translated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

#### **19. COMPARATIVE INFORMATION**

##### **19.1 Budgeted amounts**

Budgeted amounts have been included in the annual financial statements for the current financial year only.

##### **19.2 Prior year comparatives**

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

# EMFULENI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
<b>1. LONG-TERM LIABILITIES</b>		
Local registered stock	-	20,000,000
Annuity loans	132,659,888	117,216,066
Capitalised lease liability	57,509,718	50,876,394
Sub-total	190,169,606	188,092,460
<b>Less:</b> Current portion transferred to current liabilities	(65,653,318)	(25,924,902)
Local registered stock	-	(20,000,000)
Annuity loans	(14,477,688)	(3,182,844)
Capitalised lease liability	(51,175,630)	(2,742,058)
<b>Total long-term liabilities</b>	<b>124,516,288</b>	<b>162,167,558</b>

1.1 Refer to appendix A for more details on long-term liabilities

1.2 For details on lease liabilities refer below:

### Stannic

Present value of the loan	4,308,602	6,129,809
Payable: within 1 year	1,776,789	1,796,505
1 - 5 years	2,531,813	4,333,304
After 5 years	-	-
<b>Less:</b> Interest portion	594,563	1,190,431
Principal	3,714,039	4,941,377
Payable: within 1 year	1,407,356	1,252,630
1 - 5 years	2,306,683	3,688,747
After 5 years	-	-

### Bankfin

Present value of the loan	697,614	2,185,012
Payable: within 1 year	585,179	1,670,358
1 - 5 years	112,435	514,654
After 5 years	-	-
<b>Less:</b> Interest portion	26,855	249,995
Principal	670,758	1,935,017
Payable: within 1 year	571,191	1,489,428
1 - 5 years	99,567	445,589
After 5 years	-	-

**EMFULENI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	2005 R	2004 R
<b>1. LONG-TERM LIABILITIES - continued</b>		
<b>SCMB</b>		
Present value of the loan	48,413,413	44,000,000
Payable: within 1 year	48,413,413	-
1 - 5 years	-	44,000,000
After 5 years	-	-
<b>Less: Interest portion</b>	-	-
Principal	48,413,413	44,000,000
Payable: within 1 year	48,413,413	-
1 - 5 years	-	44,000,000
After 5 years	-	-
<b>Mercedes Benz Finance</b>		
Present value of the loan	5,979,631	-
Payable: within 1 year	1,219,548	-
1 - 5 years	4,760,083	-
After 5 years	-	-
<b>Less: Interest portion</b>	-	-
Principal	4,711,508	-
Payable: within 1 year	783,670	-
1 - 5 years	3,927,838	-
After 5 years	-	-
<b>2. CREDITORS</b>		
Trade creditors	90,536,212	113,687,737
Payments received in advance	46,583,362	34,520,922
Staff leave	33,286,176	30,199,735
Other creditors	5,999,036	734,607
<b>Total creditors</b>	176,404,786	179,143,001
<b>3. UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
Municipal infrastructure grant	4,273,665	1,723,000
Financial management grant	1,855,257	1,932,896
Restructuring grant	7,442,930	33,904,333
Other conditional grants	5,889,317	1,367,461
<b>Total conditional grants and reserves</b>	19,461,169	38,927,690
<b>4. VALUE ADDED TAX (VAT)</b>		
VAT (receivable)/payable	(1,336,270)	2,614,281

## EMFULENI LOCAL MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R	
<b>6. INVESTMENTS</b>			
Financial instruments - Zero Coupon Investment	24,528,449	-	
Fixed deposits	10,000,000	-	
	<u>34,528,449</u>	<u>-</u>	
Financial instruments comprise of Zero coupon investment made to settle future loans (refer to note 1)			
Fixed deposits for the settlement of future loan (refer to note 1).			
<b>7. INVENTORY</b>			
Consumable stores at cost	9,141,820	7,798,121	
<b>Total inventory</b>	<u>9,141,820</u>	<u>7,798,121</u>	
<b>8. CONSUMER DEBTORS PER SERVICE</b>			
	<b>Gross balances 2005</b>	<b>Provision for bad debts 2005</b>	<b>Net balances 2005</b>
Water	545,645,396	467,798,019	77,847,378
Assessment	514,278,540	478,198,266	36,080,273
Sewerage	147,315,272	132,410,586	14,904,686
Refuse	118,722,592	107,872,042	10,850,550
Electricity	98,675,421	58,982,600	39,692,821
Indigent debtors control	34,651,537	34,651,537	-
Indigent abeyance control	263,459,510	231,104,833	32,354,675
Clearance two year debt	169,196	148,418	20,778
	<u>1,722,917,464</u>	<u>1,511,166,301</u>	<u>211,751,161</u>
<b>9. OTHER DEBTORS</b>			
Car loans	1,511,370	1,511,370	
Study loans	474,850	500,986	
Debtors year end suspense account	2,579,691	20,231,084	
Housing/Erven loans	5,312,656	6,989,175	
Sundry debtors	68,424,591	61,356,732	
Rental debtors	3,459,000	3,666,058	
Debtor suspense account	2,338,641	7,333,992	
<b>Less: Provision for bad debts</b>	<u>(3,526,940)</u>	<u>(3,526,940)</u>	
<b>Total other debtors</b>	<u>80,573,859</u>	<u>98,062,457</u>	

**EMFULENI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	<b>2005</b>	<b>2004</b>
	<b>R</b>	<b>R</b>
<b>10. CALL DEPOSITS</b>		
Fixed deposit	16,652,372 51,881,886	100,086,382 -
	<u>68,534,258</u>	<u>100,086,382</u>
<b>Earmarked for:</b>		
Capital replacement reserve	321,967	
Insurance reserve	1,383,209	
Projects	14,947,196	
Redemption of loan	51,881,886	
	<u>68,534,258</u>	<u>-</u>
<b>11. BANK, CASH AND OVERDRAFT BALANCES</b>		
<b>11.1 Current account (Primary account)</b>		
The Municipality has the following balances:		
ABSA Bank (Vanderbijlpark) Account number: 530000087		
Cash book balance at beginning of the year (overdrawn)	(13,362,697)	(25,397,434)
Cash book balance at end of the year (overdrawn)/positive	(4,712,730)	18,362,697
Bank statement balance at the beginning of the year - positive	43,631,234	7,167,844
Bank statement balance at the end of the year - positive	8,273,560	43,631,234
<b>11.2 Current account</b>		
ABSA Bank (Vanderbijlpark) Account number: 4057749059		
Cash book balance at beginning of the year (overdrawn)	(18,825,075)	(16,132,168)
Cash book balance at end of the year (overdrawn)	(9,810,418)	(18,825,075)
Bank statement balance at the beginning of the year - (overdrawn)/positive	(7,378,093)	4,661
Bank statement balance at the end of the year - positive/(overdrawn)	1,501,490	(7,378,093)
<b>11.3 Current account</b>		
ABSA Bank (Vanderbijlpark) Account number: 4055732117		
Cash book balance at beginning of the year (overdrawn)	(95,040)	-
Cash book balance at end of the year (overdrawn)	-	(95,040)
Bank statement balance at the beginning of the year - (overdrawn)/positive	95,315	95,039
Bank statement balance at the end of the year - positive/(overdrawn)	-	95,315
<b>11.4 Cash advances</b>	40,754	40,553

# EMFULENI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
<b>12. PROPERTY RATES</b>		
<b>Annual</b>		
Residential	83,282,034	16,152,617
Commercial	88,714,128	170,946,251
State	9,416,663	591,873
<b>Total property rates</b>	<u>181,412,825</u>	<u>187,690,741</u>
<b>Valuations</b>	-	
Residential	1,143,752,376	1,125,905,822
Commercial	12,687,739,676	12,554,570,199
State	1,359,000	1,359,000
Municipal	20,656,000	19,826,000
<b>Total property valuations</b>	<u>13,853,507,052</u>	<u>13,701,661,021</u>
<b>13. SERVICE CHARGES</b>		
Sale of electricity	468,960,367	410,935,904
Sale of water	249,549,695	238,510,361
Refuse removal	54,917,491	53,059,862
Sewerage and sanitation charges	73,069,948	69,962,525
<b>Total service charges</b>	<u>846,497,501</u>	<u>772,468,652</u>
<b>14. GOVERNMENT GRANTS AND SUBSIDIARIES</b>		
Equitable share (Note 14.1)	74,253,464	50,818,887
Consolidated municipal infrastructure project funds (note 14.2)	27,734,562	-
Financial management grant (Note 14.3)	1,144,744	-
Provincial health subsidy (Note 14.4)	20,765,080	17,708,675
Restructuring grant (Note 14.5)	46,461,403	-
Other grants (Note 14.6)	85,116,567	260,000
	<u>255,475,820</u>	<u>68,787,562</u>
<b>14.1 Equitable share</b>		
This grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of R132.82 (2004: R124.01)		
<b>14.2 CMIP grant</b>		
Balance unspent at the beginning of the year	1,723,000	-
Current year receipts	30,285,228	1,723,000
Conditions met - transferred to revenue	(27,734,562)	-
<b>Conditions still to be met - transferred to liabilities (Note 3)</b>	<u>4,273,666</u>	<u>1,723,000</u>



## EMFULENI LOCAL MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
<b>14.3 Financial management grant</b>		
Balance unspent at the beginning of the year	2,000,000	1,932,896
Current year receipts	1,000,000	-
Conditions met - transferred to income	(1,144,743)	-
<b>Conditions still to be met - transferred to liabilities (Note 3)</b>	<u>1,855,257</u>	<u>1,932,896</u>
<b>14.4 Provincial health subsidy</b>		
Balance unspent at the beginning of the year	-	-
Current year receipts	20,765,080	17,708,675
Conditions met - transferred to revenue	(20,765,080)	(17,708,675)
<b>Conditions still to be met - transferred to liabilities (Note 3)</b>	<u>-</u>	<u>-</u>
<b>14.5 Restructuring grant</b>		
Balance unspent at the beginning of the year	33,904,333	33,904,333
Current year receipts	20,000,000	-
Conditions met - transferred to revenue	(46,461,403)	-
<b>Conditions still to be met - transferred to liabilities (Note 3)</b>	<u>7,442,930</u>	<u>33,904,333</u>
<b>14.6 Other grants</b>		
Balance unspent at the beginning of the year	1,367,461	1,367,461
Current year receipts	89,638,422	-
Conditions met - transferred to income**	(85,116,567)	-
<b>Creditors still to be met - transferred to liabilities (Note 2)</b>	<u>5,889,316</u>	<u>1,367,461</u>

\*\*Includes an amount of R49 240 869 which relates to the previous financial year.

#### 15. OTHER INCOME

Traffic charges levied: Refuse dumping landfill site	8,513,728	11,845,115
Tariff charges levied: Reconnection fees	6,483,230	7,798,714
Unallocated income	4,299,327	9,045,032
Sundry income	8,384,904	30,890,280
	<u>27,681,189</u>	<u>59,579,141</u>

## EMFULENI LOCAL MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
<b>16. EMPLOYEE RELATED COSTS</b>		
Employee related costs - Salaries and Wages	171,787,751	157,943,714
Employee related costs - Contributions to UIF, pension and medical aid	59,594,551	55,553,580
Travel, motor car and other allowances	34,327,362	32,099,642
Housing benefits and allowances	3,487,396	4,846,118
Overtime payments	12,993,957	9,979,579
	<u>282,191,017</u>	<u>260,422,633</u>
<b>Remuneration of the municipal manager</b>		
Annual remuneration	570,852	514,445
Car allowance	204,000	204,000
<b>Total</b>	<u>774,852</u>	<u>718,445</u>
<b>Remuneration of the Deputy municipal manager</b>		
Annual remuneration	500,208	453,314
Car allowance	144,000	144,000
<b>Total</b>	<u>644,208</u>	<u>597,314</u>
<b>Remuneration of the Chief finance officer</b>		
Annual remuneration	487,272	441,314
Car allowance	144,000	144,000
<b>Total</b>	<u>631,272</u>	<u>585,314</u>
<b>Remuneration of Strategic manager - Engineering Services</b>		
Annual remuneration	498,321	452,363
Car allowance	132,951	132,951
<b>Total</b>	<u>631,272</u>	<u>585,314</u>
<b>Remuneration of Strategic manager - Development planning</b>		
Annual remuneration	511,272	465,314
Car allowance	120,000	120,000
<b>Total</b>	<u>631,272</u>	<u>585,314</u>
<b>Remuneration of Strategic manager - Public Safety and community Development planning</b>		
Annual remuneration	490,779	444,821
Car allowance	140,493	140,493
<b>Total</b>	<u>631,272</u>	<u>585,314</u>

## EMFULENI LOCAL MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R
<b>16. EMPLOYEE RELATED COSTS - continued</b>		
<b>Remuneration of Strategic manager - Metsi a Lekoa</b>		
Annual remuneration	531,256	-
Car allowance	119,570	-
Telephone allowance	10,830	-
<b>Total</b>	<b>661,656</b>	<b>-</b>
<b>Remuneration of Strategic manager - Corporate Services</b>		
Annual remuneration (As per settlement agreement with Mr Tsupa)	2,364,207	444,821
Car allowance	23,929	140,493
Telephone allowance	-	-
<b>Total</b>	<b>2,388,136</b>	<b>585,314</b>
<b>17. REMUNERATION OF COUNCILLORS</b>		
Executive Mayor	694,033	560,241
Speaker	331,213	334,106
Mayoral committee members	3,126,182	2,952,483
Councillors	6,669,996	6,460,301
Councillors' pension contributions	1,023,921	955,453
	<b>11,845,345</b>	<b>11,262,584</b>
<b>In kind benefits</b>		
The executive Mayor, Speaker and Mayoral committee members are full-time. Each is provided with an office and secretarial support at cost to Council. The Executive Mayor has two full-time bodyguards.		
<b>18. INTEREST PAID</b>		
Long-term liabilities	32,070,150	30,948,281
Finance leases	5,182,467	778,712
<b>Total interest paid</b>	<b>37,252,617</b>	<b>31,726,993</b>
<b>19. BULK PURCHASES</b>		
Electricity	347,905,540	289,555,495
Water	234,141,723	180,690,358
<b>Total bulk purchases</b>	<b>582,047,263</b>	<b>470,245,853</b>

**EMFULENI LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	2005 R	2004 R
<b>20. GENERAL EXPENSES</b>		
Included in General Expenses are the following items:		
Contribution to provisions - leave	3,086,441	8,166,173
Bank charges	2,533,925	2,143,673
Fleet - fuel	5,512,325	5,517,209
Management fees	2,549,059	146,282
Marketing/Promotions/Adverts	6,275,252	1,186,120
Postages	3,109,056	2,258,439
Stock and materials	7,387,963	8,126,380
Special projects	13,005,508	-
Insurance premiums	8,761,776	4,971,248
Stock write-down	-	-
<b>21. CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP</b>		
<b>Reserves not backed by cash</b>		
Capital replacement fund	4,915,262	-
Grant reserve	16,519,546	-
Housing Development fund	2,971,733	-
Self insurance reserve	1,158,737	-
	<u>25,565,278</u>	<u>-</u>
<b>22. ERROR CORRECTION</b>		
<b>22.1 Government grant reserve</b>		
Grants receipt not utilised to acquire fixed assets	<u>21,076,472</u>	<u>-</u>
<b>22.2 Revaluations</b>		
During the year ended 30 June 2004 improvements were erroneously captured at net replacement values in stead of gross replacement values		
Effect on the net value of assets	<u>(3,230,893)</u>	<u>-</u>
<b>22.3 Funds previously recorded in the suspense accounts that should have been expenses in the 30 June 2003 year end</b>		
Accrual on bulk purchase for the previous year	(24,299,460)	-
Sedibeng water care works	(9,000,000)	-
Clinic road tender	(424,553)	-
Environment competition	(243,061)	-
Petrogas	(240,365)	-
VAT Contingency Review	(974,623)	-
Loans redemption	579,061	-
Bophelong focus project	719,588	-
Bhengu road	728,000	-
Dube and Mofolo roads	755,412	-
Creditors previous year	9,507,130	-
Rand Water arrears	16,970,785	-
Other	(159,507)	-
VAT audit	(3,076,332)	-
Compensation Commissioner	(1,078,066)	-
<b>Net credit to surplus/(deficit) for the year</b>	<u>-</u>	<u>-</u>

# EMFULENI LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2005 R	2004 R	
<b>23. CASH GENERATED BY OPERATIONS</b>			
Surplus/(deficit) for the year	(36,602,176)	67,339,934	
Adjusted for:			
	-	(1,673,902)	
Depreciation	38,423,751	2,188,988	
Intercouncil indebtedness write off	(3,149,665)	-	
Gain on disposal of property, plant and equipment	(17,006,320)	(939,001)	
Grants received in kind	(82,049,331)	-	
Stock shortages	1,773,198	-	
Contribution to provisions - leave	3,086,441	8,166,173	
VAT	(3,076,332)	-	
Compensation Commissioner	(1,078,066)	(789,939)	
Contributions received into reserves	1,668,179	-	
Contribution to bad debts provision	421,703,937	259,519,479	
Internal transfers	-	(7,442,954)	
Investment income	(11,411,734)	(10,352,223)	
Interest paid	37,252,617	31,726,993	
Operating surplus before working capital changes:			
(Increase)/decrease in inventories	(1,343,699)	(1,132,406)	
(Increase)/decrease in debtors (indigent)	(317,779,335)	(312,763,162)	
(Increase)/decrease in other debtors	17,488,598	(3,029,334)	
Increase/(decrease) in conditional grants and receipts	(18,732,270)	-	
Increase/(decrease) in creditors	9,583,688	62,348,262	
Increase/(decrease) in consumer deposits	(1,064,884)	-	
Increase/(decrease) in retention creditors	404,011	-	
Increase/(decrease) in VAT	-	-	
	<u>38,090,609</u>	<u>93,166,908</u>	
<b>24. ADDITIONAL DISCLOSURE IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT</b>			
	<b>Total</b>	<b>Outstanding less than 90 days</b>	<b>Outstanding more than 90 days</b>
<b>24.1 Councillor's arrear consumer accounts: 30 June 2005</b>			
Councillor: Groenewald	10	10	-
Councillor: M.M. Hlongwane	1,170	633	537
Councillor: M.J. Hlubi	24,032	943	23,089
Councillor: J.C. Hoofman	321	321	-
Councillor: ... Janse van Rensburg	161	161	-
<b>Total Councillor arrear consumer accounts</b>	<u>25,694</u>	<u>2,068</u>	<u>23,626</u>
<b>24.2 PAYE and UIF</b>			
Opening balance		2,246,167	-
Current year payroll deductions		32,317,980	29,605,373
Amounts paid - current year		(29,918,758)	(27,359,205)
Amounts paid - previous years		(2,246,167)	-
<b>Balance unpaid (included in creditors)</b>		<u>2,399,222</u>	<u>2,246,168</u>

## EMFULENI LOCAL MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

#### 25. RETIREMENT BENEFIT INFORMATION

All councillors and employees belong to the three defined benefit retirement funds administered by the Provincial Pension Fund. These funds are subject to a triennial actuarial valuation. The last valuation was performed in 2003. These valuations indicate that the funds are in a sound financial position.

	2005 R	2004 R
<b>26. CONTINGENT LIABILITY</b>		
Guarantees in respect of housing loans for officials\	1,259,844	1,259,844
Claim for breach of contract	7,000,000	7,000,000
Delictual claim	7,000,000	7,000,000
ESKOM	183,060,288	183,060,288

Upon incorporation on 1 January 1995, the former Town Council of Sebokeng into now disestablished Vereeniging/Kopanong Metropolitan Local Council, Sebokeng Town Council had a liability of approximately R300 million towards ESKOM. However Emfuleni Local Municipality is of the opinion that ESKOM took over certain electricity networks in settlement of the liability.

Contingent assets	117,300,000	117,300,000
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Assets taken over by ESKOM in terms of the above mentioned revaluation and not reflected in the statement of financial position.

#### 27. IN KIND ASSISTANCE

The secondment of International Finance Advisor by National Treasury and the secondment of Finance Advisors under Project Consolidate.

#### 28. PRIVATE PUBLIC PARTNERSHIPS

None.

#### 29. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

##### Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure  
 Opening balance  
 Fruitless and wasteful expenditure during the year  
 Condoned or written off by council  
 Transferred to recoverables for recover-not condoned  
 irregular expenditure awaiting condonment

Incidence	Disciplinary steps	Monetary value
Cashier's cash shortages	Employees dismissed	361,209
Late submission of VAT returns	None	52,000

**EMFULENI LOCAL MUNICIPALITY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**5. PROPERTY, PLANT AND EQUIPMENT**

	<b>Land and buildings R</b>	<b>Infrastructure R</b>	<b>Community R</b>	<b>Heritage R</b>	<b>Other R</b>	<b>Total R</b>
<b>Reconciliation of carrying value</b>						
<b>Carrying values as at 1 July 2004</b>	245,132,179	731,356,053	32,544,672	163,989	19,062,763	1,028,259,656
Cost	282,694,338	644,186,784	92,779,855	203,920	90,100,916	1,109,965,813
Prior year error	49,240,869	-	-	-	-	49,240,869
Revaluation	-	1,307,000,016	-	-	-	1,307,000,016
Accumulated depreciation	(86,803,028)	(1,219,830,747)	(60,235,183)	(39,931)	(71,038,153)	(1,437,947,042)
Cost	(86,803,028)	(477,463,113)	(60,235,183)	(39,931)	(71,038,153)	(695,579,408)
Revaluation	-	(742,367,634)	-	-	-	(742,367,634)
Acquisitions	939,831	63,618,850	6,124,745	-	14,062,724	84,746,150
Net movement of capital assets under construction	(4,850,874)	5,241,941	-	-	(7,380,749)	(6,989,682)
Increase/(decreases in revaluation)	-	-	-	-	-	-
Depreciation	(5,593,636)	(35,112,890)	(3,542,338)	-	(2,609,209)	(46,858,073)
Based on cost	(5,593,636)	(8,043,117)	(3,542,338)	-	(2,609,209)	(19,788,300)
Based on revaluation	-	(27,069,773)	-	-	-	(27,069,773)
Carrying value of disposals	-	-	-	-	-	-
Cost/revaluation	(3,632,922)	(1,915,000)	(3,250,000)	-	(513,815)	(9,311,737)
Accumulated depreciation	3,632,922	1,915,000	3,250,000	-	513,815	9,311,737
Impairment losses	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<b>Carrying values at 30 June 2005</b>	235,627,500	765,103,954	35,127,079	163,989	23,135,530	1,059,158,052
Cost	324,391,242	2,018,132,591	95,654,600	203,920	96,269,077	2,534,651,430
Revaluation	-	-	-	-	-	-
Accumulated depreciation	(88,763,742)	(1,253,028,637)	(60,527,521)	(39,931)	(73,133,547)	(1,475,493,378)
Cost	(88,763,742)	(483,591,230)	(60,527,521)	(39,931)	(73,133,547)	(706,055,971)
Revaluation	-	(769,437,407)	-	-	-	(769,437,407)

**EMFULENI LOCAL MUNICIPALITY**  
**NO FOR THE YEAR ENDED 30 JUNE 2004**

**5. PROPERTY, PLANT AND EQUIPMENT**

	<b>Land and buildings</b>	<b>Infrastructure</b>	<b>Community</b>	<b>Heritage</b>	<b>Other</b>	<b>Total</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>Reconciliation of carrying value</b>						
<b>Carrying values as at 1 July 2003</b>	185,150,311	111,973,209	27,234,700	163,989	10,056,810	334,579,019
Cost	271,870,793	556,866,108	87,258,472	203,920	80,324,260	996,523,553
Revaluation	-	-	-	-	-	-
Accumulated depreciation	(86,720,482)	(444,892,899)	(60,023,772)	(39,931)	(70,267,450)	(661,944,534)
Cost	(86,720,482)	(444,892,899)	(60,023,772)	(39,931)	(70,267,450)	(661,944,534)
Revaluation	-	-	-	-	-	-
Acquisitions	4,850,532	76,907,161	5,521,383	-	1,473,659	88,752,735
Capital under construction	5,973,013	10,413,515	-	-	8,302,998	24,689,526
Increase/(decreases in revaluation)	-	1,307,000,016	-	-	-	1,307,000,016
Depreciation	(82,546)	(774,937,849)	(211,411)	-	(770,703)	(776,002,509)
Based on cost	(82,546)	(32,570,215)	(211,411)	-	(770,703)	(33,634,875)
Based on revaluation	-	(742,367,634)	-	-	-	(742,367,634)
Carrying value of disposals	-	-	-	-	-	-
Cost/revaluation	-	-	-	-	57,673	57,673
Accumulated depreciation	-	-	-	-	57,673	57,673
Impairment losses	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<b>Carrying values at 30 June 2004</b>	245,132,179	731,356,053	32,544,672	163,989	19,062,763	1,028,259,656
Cost	282,694,338	644,186,784	92,779,855	203,920	90,100,916	1,109,965,813
Prior year error	49,240,869	1,307,000,016	-	-	-	1,356,240,885
Revaluation	-	-	-	-	-	-
Accumulated depreciation	(86,803,028)	(1,219,830,747)	(60,235,183)	(39,931)	(71,038,153)	(1,437,947,042)
Cost	(86,803,028)	(477,463,113)	(60,235,183)	(39,931)	(71,038,153)	(695,579,408)
Revaluation	-	(742,367,634)	-	-	-	(742,367,634)



**EMFULENI LOCAL MUNICIPALITY**

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

	<b>General Replacement Reserve R</b>	<b>Government Grant Reserve R</b>	<b>Housing Development Fund R</b>	<b>Capitali- sation Reserve R</b>	<b>Self- Insurance Reserve R</b>	<b>Revaluation Reserve R</b>	<b>Accumulated Surplus / (Deficit) R</b>	<b>Total R</b>
<b>Balance at 1 July 2003</b>	5,412,900	11,766,974	2,971,733	-	2,434,717	159,405,967	176,244,036	358,236,327
Surplus for the year	-	-	-	-	-	-	67,339,934	67,339,934
Transfer to Capital Redemption Reserve Fund (CRRF)	875,080	-	-	-	-	-	-	875,080
Property, plant and equipment purchased	(758,207)	-	-	-	-	-	758,207	-
Capital Grants used to purchase Property, Plant and Equipment (PPE)	-	98,742,737	-	-	-	-	-	98,742,737
Contribution to Insurance Reserve	-	-	-	-	115,673	-	(115,673)	-
Revaluation	-	-	-	-	-	585,501,489	-	585,501,489
Insurance claims processed	-	-	-	-	-	-	(870,306)	(870,306)
Offset depreciation	-	(2,078,276)	-	-	-	(24,100,000)	-	(26,178,276)
<b>Balance as at 30 June 2004</b>	<b>5,529,773</b>	<b>108,431,435</b>	<b>2,971,733</b>	<b>-</b>	<b>2,550,390</b>	<b>720,807,456</b>	<b>243,356,198</b>	<b>1,083,646,985</b>
Correction of Error (Note 22)	-	(21,076,472)	-	-	-	3,230,893	14,994,880	(2,850,699)
Reserve not backed by cash (Note 21)	(4,915,262)	(16,519,546)	(2,971,733)	-	(1,158,737)	-	25,565,278	-
<b>Restated balance</b>	<b>614,511</b>	<b>70,835,417</b>	<b>-</b>	<b>-</b>	<b>1,391,653</b>	<b>724,038,349</b>	<b>283,916,356</b>	<b>1,080,796,286</b>
Surplus for the year	-	-	-	-	-	-	-36,602,176	(36,602,176)
Payments made against reserve related 03/04	-	-	-	-	-	-	-4,154,398	-
Transfer to CRRF	170,000	538,857	-	-	-	-	-	708,857
Property, plant and equipment purchased	-	-	-	-	-	-	-	-
Capital grants used to purchase PPE	-	69,104,587	-	-	-	-	-69,104,587	-
Property, plant and equipment purchased	-	-	-	-	-	-	-	-
Contribution to Insurance Reserve	-	-	-	-	959,322	-	-	959,322
Insurance claims processed	-	-	-	-	-	-	-	-
Offset depreciation	-	(8,035,242)	-	-	-	(27,069,773)	35,105,015	-
<b>Closing balance as at 30 June 2005</b>	<b>784,511</b>	<b>132,443,619</b>	<b>-</b>	<b>-</b>	<b>2,350,975</b>	<b>696,968,576</b>	<b>209,160,210</b>	<b>1,041,707,891</b>

APPENDIX A

EMFULENI LOCAL MUNICIPALITY

SCHEDULE OF LONG-TERM LIABILITIES AS AT 30 JUNE 2005

Type	Number	Redeemable	Balance at 30/06/2004	Received during the period	Redeemed during period	Balance at 30/06/2005
<b>Annuity Loans</b>						
Vesco Estate Co @ 7.75%	550/108	2013	302,373	-	29,776	272,597
D.B.S.A. Loan @ 11.81%	101731	31.12.2012	-	20,000,000	733,687	19,266,313
D.B.S.A. Loan @ 17%	13485/101	30.09.2004	300,520	-	300,520	-
D.B.S.A. Loan @ 15.74%	13554/101	30.09-2020	25,928,715	-	382,279	25,546,436
D.B.S.A. Loan @	13959/101	31.03.2017	23,391,565	-	2,327,913	21,063,652
D.B.S.A. Loan @ 13.56%	12624/101	30.06.2012	268,606	-	20,306	248,300
D.B.S.A. Loan @ 13.56%	12625/101	30.06.2014	136,334	-	7,055	129,279
D.B.S.A. Loan @ 9.63%	13011/101	31.12.2004	1,030	-	1,030	-
D.B.S.A. Loan @ 16.67%	13012/101	31.12.2011	95,521	-	7,150	88,371
D.B.S.A. Loan @ 15.26%	13014/101	31.12.2012	1,761,648	-	112,237	1,649,411
Inca @ 17.20%	VERE-00-0002	30.06.2011	19,900,000	-	-	19,900,000
Inca @ 17%	VERE-00-0001	30.06.2011	34,286,313	-	-	34,286,313
Inca @ 13.61%	EMFU-00-0001	30.09.2004	298,014	-	298,014	-
S.C.M.B. @ prime + 2%	(56162)239994/5	13.02.2006	10,369,255	-	-	10,369,255
<b>Total Annuity loans</b>			117,039,894	20,000,000	4,219,967	132,819,927
<b>LEASE LIABILITY</b>						
Stannic @ various % per account			4,890,173	-	1,254,172	3,636,001
Bankfin (ABSA) @ various % per account			2,162,394	-	1,573,637	588,757
Mercedes Benz Finance @ prime - 1%		10.04.2010	-	4,737,296	25,788	4,711,508
S.C.M.B. @ prime + 2%	(56162)239994/5	13.02.2006	48,413,413	-	-	48,413,413
<b>Total lease liability</b>			55,465,980	4,737,296	2,853,597	57,349,679
<b>LOAN STOCK</b>						
Inca @ 14.80%	VR68-P	31.12.2004	20,000,000	-	20,000,000	-
<b>TOTAL EXTERNAL LOANS</b>			192,505,874	24,737,296	27,073,564	190,169,606

## EMFULENI LOCAL MUNICIPALITY

## SCHEDULE OF LONG-TERM LIABILITIES AS AT 30 JUNE 2005

	Cost/Revaluation					Accumulated depreciation				
	Opening balance	Additions	Under Construction	Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
<b>LAND AND BUILDINGS</b>										
Land	190,938,889	239,599	1,292	(3,632,922)	187,546,858	23,226,445	3,564,726	(3,632,922)	23,158,249	164,388,609
Buildings	127,289,686	700,232	553,450	-	128,543,368	64,372,683	2,028,910	-	66,401,593	62,141,775
	318,228,575	939,831	554,742	(3,632,922)	316,090,226	87,599,128	5,593,636	(3,632,922)	89,559,842	226,530,384
<b>COMMUNITY ASSETS</b>										
Civic Theatres	4,191,384	-	-	-	4,191,384	1,434,645	-	-	1,434,645	2,756,739
Clinics/Hospitals	4,562,472	642,909	-	-	5,205,381	1,766,001	19,727	-	1,785,728	3,419,653
Community centres	34,659,607	-	-	-	34,659,607	25,223,624	154,986	-	25,378,610	9,280,997
Game Reseves / Rest Camps	3,262,533	-	-	-	3,262,533	262,533	-	-	262,533	3,000,000
Indoor sports	12,089,310	-	-	-	12,089,310	5,004,459	108,615	-	5,113,074	6,976,236
Libraries	9,239,565	3,114,502	-	-	12,354,067	2,812,318	252,491	-	3,064,809	9,289,258
Museums / Art Galleries	1,903,997	-	-	-	1,903,997	1,903,997	-	-	1,903,997	-
Public conveniences	13,467	-	-	-	13,467	13,467	-	-	13,467	-
Recreation centres	5,536,340	2,367,334	-	(350,000)	7,553,674	4,958,888	164,034	(350,000)	4,772,922	2,780,752
Bowling greens	31,735	-	-	-	31,735	31,735	-	-	31,735	-
Trennis courts	162,989	-	-	-	162,989	162,989	-	-	162,989	-
Swimming pools	5,823,853	-	-	-	5,823,853	5,274,415	10,014	-	5,284,429	539,424
Golf courses	496,813	-	-	-	496,813	496,813	-	-	496,813	-
Jukskei pitches	8,554	-	-	-	8,554	8,554	-	-	8,554	-
Outdoor sports facilities	7,672,179	-	818,750	-	8,490,929	4,036,624	44,165	-	4,080,789	4,410,140
Lakes and dams	6,367,124	-	-	(2,900,000)	3,467,124	3,629,427	2,700,000	(2,900,000)	3,429,427	37,697
Fencing	1,346,487	-	-	-	1,346,487	1,178,031	80,918	-	1,258,949	87,538
Security systems	2,045,460	-	-	-	2,045,460	2,038,074	7,387	-	2,045,461	-
Access control	82,641	-	-	-	82,641	82,641	-	-	82,641	-
	99,496,510	6,124,745	818,750	(3,250,000)	103,190,005	60,319,235	3,542,337	(3,250,000)	60,611,572	42,578,433
<b>HERITAGE ASSETS</b>										
Artwork	171,620	-	-	-	171,620	35,317	-	-	35,317	136,303
Statues	32,300	-	-	-	32,300	4,614	-	-	4,614	27,686
	203,920	-	-	-	203,920	39,931	-	-	39,931	163,989

APPENDIX B

EMFULENI LOCAL MUNICIPALITY

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2005 (Continued)

	Cost/Revaluation					Accumulated depreciation				
	Opening balance	Additions	Under Construction	Deposits	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
<b>INFRASTRUCTURE</b>										
Mini dumps	6,915,488	1,255,709	-	(13,000)	8,158,197	3,471,991	256,893	(13,000)	3,715,884	4,442,313
Power stations	178,646,292	92,225	2,675,495	(1,902,000)	179,512,012	99,961,198	5,893,670	(1,902,000)	103,952,868	75,559,144
Transformer kiosks	173,754,807	-	-	-	173,754,807	97,788,572	3,190,769	-	100,979,341	72,775,466
Meters	15,806,093	-	-	-	15,806,093	3,486,093	880,000	-	4,366,093	11,440,000
Load control equipment	665,240,443	-	-	-	665,240,443	416,888,267	13,247,810	-	430,136,077	235,104,366
Switchgear equipment	44,700,075	-	-	-	44,700,075	31,375,650	760,909	-	32,136,559	12,563,516
Supply / Reticulation	195,956,958	1,470,797	-	-	197,427,755	171,475,240	787,134	-	172,262,374	25,165,381
Mains	208,488,000	-	-	-	208,488,000	84,857,293	4,264,187	-	89,121,480	119,366,520
Motorways	212,223,777	20,626,207	-	-	232,849,984	154,442,869	2,227,342	-	156,670,211	76,179,773
Other roads	7,205,636	-	-	-	7,205,636	7,205,636	-	-	7,205,636	-
Traffic lights	793,061	-	-	-	793,061	791,973	1,088	-	793,061	-
Street lighting	13,550,805	7,050,628	-	-	20,601,433	12,386,295	354,360	-	12,740,655	7,860,778
Stormwater drains	43,576,433	6,290,427	8,567,187	-	58,434,047	30,630,864	201,207	-	30,832,071	27,601,976
Bridges, subways & culverts	453,725	-	-	-	453,725	453,725	-	-	453,725	-
Car parks	4,068,732	-	-	-	4,068,732	3,698,732	-	-	3,698,732	370,000
Bus terminals	797,427	-	-	-	797,427	797,427	-	-	797,427	-
Sewers	46,986,756	17,518,059	-	-	64,504,815	39,327,627	377,950	-	39,705,577	24,799,238
Outfall sewers	3,796,686	-	-	-	3,796,686	1,390,719	-	-	1,390,719	2,405,967
Purification works	53,712,619	8,147,421	-	-	61,860,040	6,868,939	2,348,739	-	9,217,678	52,642,362
Sewer pumps	-	260,377	-	-	260,377	-	1,085	-	1,085	259,292
Meters	891,239	-	-	-	891,239	871,463	-	-	871,463	19,776
Mains	1,000,000	-	-	-	1,000,000	4,167	50,000	-	54,167	945,833
Supply / Reticulation	64,114,199	907,000	-	-	65,021,199	51,676,969	269,747	-	51,946,716	13,074,483
Reservoirs, tanks	11,381	-	-	-	11,381	3,143	-	-	3,143	8,238
	1,942,690,632	63,618,850	11,242,682	(1,915,000)	2,015,637,164	1,219,854,852	35,112,890	(1,915,000)	1,253,052,742	762,584,422

APPENDIX B

EMFULENI LOCAL MUNICIPALITY

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2005 (Continued)

	Cost/Revaluation					Accumulated depreciation				
	Opening balance	Additions	Under Construction	Deposits	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
<b>OTHER ASSETS</b>										
Bulk containers	78,000	-	-	-	78,000	27,309	-	-	27,309	50,691
Fire equipment	2,730	163,534	-	-	166,264	2,730	2,726	-	5,456	160,808
Ambulances	-	513,413	-	-	513,413	-	8,557	-	8,557	504,856
Fire hoses	119,941	-	-	-	119,941	119,941	-	-	119,941	-
Chairs	3,404,966	234,865	-	-	3,639,831	3,327,307	39,323	-	3,366,630	273,201
Tables / desks	2,528,987	205,598	-	(150)	2,734,435	2,467,714	30,412	(150)	2,497,976	236,459
Cabinets / Cupboards	1,693,137	94,563	-	-	1,787,700	1,629,519	17,109	-	1,646,628	141,072
Miscellaneous	4,517,297	2,150,817	-	-	6,668,114	4,405,946	95,162	-	4,501,108	2,167,006
Fire engines	887,139	1,409,323	-	-	2,296,462	887,139	16,778	-	903,917	1,392,545
Buses	5,507	-	-	-	5,507	5,507	-	-	5,507	-
Motor vehicles	4,516,228	1,050,422	-	-	5,566,650	3,318,126	187,929	-	3,506,055	2,060,595
Motor cycles	99,157	-	-	-	99,157	99,157	-	-	99,157	-
Trucks / Bakkies	33,345,852	7,010,288	-	(513,665)	39,842,475	27,991,091	1,200,084	(513,665)	28,677,510	11,164,965
Computer hardware	6,736,816	638,099	-	-	7,374,915	6,192,581	350,160	-	6,542,741	832,174
Computer software	866,092	-	-	-	866,092	585,511	61,458	-	646,969	219,123
Office machines	764,050	12,408	-	-	776,458	646,445	55,714	-	702,159	74,299
Air conditioners	165,627	48,957	-	-	214,584	156,923	7,075	-	163,998	50,586
Graders	3,636,236	-	-	-	3,636,236	3,020,395	147,266	-	3,167,661	468,575
Tractors	4,114,527	-	-	-	4,114,527	3,445,067	150,099	-	3,595,166	519,361
Lawnmovers	1,469,152	110,415	-	-	1,579,567	1,176,975	11,604	-	1,188,579	390,988
Compressors	234,130	-	-	-	234,130	234,130	-	-	234,130	-
Laboratory equipment	2,350	-	-	-	2,350	2,350	-	-	2,350	-
Radio equipment	637,737	134,689	-	-	772,426	628,003	6,501	-	634,504	137,922
Telecommunication equipment	2,003,115	185,321	-	-	2,188,436	1,997,965	21,951	-	2,019,916	168,520
General	4,550,162	100,014	5,083,672	-	9,733,848	4,019,915	47,345	-	4,067,260	5,666,588
Lathes	1,100	-	-	-	1,100	1,100	-	-	1,100	-
Milling equipment	1,100	-	-	-	1,100	1,100	-	-	1,100	-
Backactor	2,088,668	-	-	-	2,088,668	1,316,220	151,957	-	1,468,177	620,491
Front end loader	3,234,980	-	-	-	3,234,980	3,234,981	-	-	3,234,981	(1)
	81,704,783	14,062,726	5,083,672	(513,815)	100,337,366	70,941,147	2,609,210	(513,815)	73,036,542	27,300,824
<b>TOTAL</b>	<b>2,442,324,420</b>	<b>84,746,152</b>	<b>17,699,846</b>	<b>(9,311,737)</b>	<b>2,535,458,681</b>	<b>1,438,754,293</b>	<b>46,858,073</b>	<b>(9,311,737)</b>	<b>1,476,300,629</b>	<b>1,059,158,052</b>

## EMFULENI LOCAL MUNICIPALITY

## SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2005

	Cost					Accumulated depreciation				
	Opening balance	Additions	Under Construction	Deposits	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
Executive and Council	78,071,136	32,831,575	-	-	110,902,711	1,591,868	3,919,104	-	5,510,972	105,391,739
Finance and Admin	6,531,286	392,906	-	-	6,924,192	5,852,124	271,714	-	6,123,838	800,354
Planning and Development	5,123,512	188,420	-	-	5,311,932	4,138,274	36,173	-	4,174,447	4,210,620
Health	4,799,844	4,822	-	-	4,804,666	3,402,734	18,146	-	3,420,880	3,439,026
Community and Social Services	12,922,166	3,860,837	-	-	16,783,003	6,405,780	420,186	-	6,825,966	7,246,152
Housing	60,552,757	-	103,499	-	60,656,256	19,449,184	1,817,743	-	21,266,927	23,084,670
Public Safety	11,095,420	1,735,628	-	-	12,831,048	10,142,512	39,581	-	10,182,093	10,221,674
Sport and Recreation	38,756,662	2,367,334	818,750	(3,150,000)	38,792,746	24,504,782	3,026,557	(3,150,000)	24,381,339	24,257,896
Waste Management	6,229,399	5,054,695	-	(13,000)	11,271,094	3,631,551	252,514	(13,000)	3,871,065	4,110,579
Road Transport	293,057,854	16,950,047	8,567,186	(513,685)	318,061,402	237,979,224	3,046,906	(513,688)	240,512,442	243,045,660
Water	71,267,089	3,391,911	-	-	74,659,000	55,001,277	424,540	-	55,425,817	55,850,357
Electricity	1,499,591,514	7,871,618	2,675,495	(1,902,000)	1,508,236,627	921,826,120	29,382,660	(1,902,000)	949,306,780	976,787,440
Other	354,139,919	10,096,357	5,534,914	(3,733,072)	366,038,118	144,643,000	4,202,249	(3,733,072)	145,112,177	145,581,354
	2,442,138,558	84,746,150	17,699,844	(9,311,757)	2,535,272,795	1,438,568,430	46,858,073	(9,311,760)	1,476,114,743	1,059,158,052

APPENDIX D

EMFULENI LOCAL MUNICIPALITY

SEGMENTAL STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	2004 Actual Income R	2004 Actual Expenditure R	2004 Surplus/ (Deficit) R	2005 Actual Income R	2005 Actual Expenditure R	2005 Surplus/ (Deficit) R
Executive and Council	148,901	75,729,022	(75,580,121)	268,603,016	518,201,223	(249,598,207)
Finance and Admin	54,896,212	23,789,764	31,106,448	298,125,764	65,932,015	232,193,749
Planning and Development	2,762,244	33,518,631	(30,756,387)	-	8,406,061	8,406,061
Health	17,956,513	44,326,730	(26,370,217)	21,082,676	69,062,844	(47,980,168)
Community and Social Services	-	-	-	673,294	25,016,074	(24,342,780)
Housing	3,942,338	3,810,078	132,260	6,526,481	16,269,865	(9,743,384)
Public Safety	-	493,805	-	7,173,864	50,101,129	(42,927,265)
Sport and Recreation	292,530	40,270,607	(39,978,077)	4,118,887	25,968,850	(21,849,963)
Environmental Protection	-	-	-	-	32,191	#VALUE!
Waste Management	65,452,757	72,593,599	(7,140,842)	55,491,874	110,914,869	(55,422,995)
Road Transport	-	8,600,841	-	447,364	43,190,796	(42,743,432)
Water	287,532,260	330,206,192	(42,673,932)	302,608,946	(255,925,719)	558,534,665
Electricity	464,117,975	348,702,868	115,415,107	517,825,930	426,992,370	90,833,560
Other	311,483,728	159,204,388	152,279,340	39,672,154	552,871,461	(513,199,307)
Sub total	1,208,585,458	1,141,246,525	67,338,933	1,522,350,250	1,657,034,029	(134,683,779)
Internal charges	-	-	-	-	98,081,603	98,081,603
Total	1,208,585,458	1,141,246,525	67,338,933	1,522,350,250	1,558,952,426	(36,602,176)

APPENDIX E1

EMFULENI LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET: (REVENUE AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2005)

	2005 Actual R	2005 Budget R	2005 Variance (1%)	Explanation of significant variances Greater than 10% versus Budget
<b>Revenue</b>				
Property rates	181,412,825	179,795,631	(1)	
Service charges	846,497,501	810,580,398	(4)	
Rental of facilities and equipment	6,223,732	7,235,446	14	This is due inaccurate budgeting
Interest earned - external investment	11,411,734	1,934,183	(490)	This due to improvments in cash flows and money invested
Interest earned - outstanding debtors	105,746,487	104,693,116	(1)	
Fines	5,549,212	6,142,001	10	
Licences and permits	1,151,984	-	(100)	Licensing function transferred to Emfuleni in current year
Government grants and subsidies	255,475,820	169,554,123	(51)	The increase in Conditional Grants received in current year
Other income	27,681,189	18,279,520	(51)	
Gains on disposal of property, plant and equipment	17,006,320	34,572,675	27	This is due to the sale of Barrage Road land for Vaal Mall
<b>Total revenue</b>	<b>1,458,156,804</b>	<b>1,332,787,093</b>		
<b>Expenditure</b>				
Employee related costs	282,191,019	306,344,095	8	
Remuneration of Councillors	11,845,345	12,007,724	1	
Depreciation	38,423,751	2,105,506	(34)	There is no offset depreciation in the current year
Repairs and maintenance	23,825,302	40,347,447	41	This is due to removal of inter- departmental charges
Interest paid	37,252,617	32,353,600	-	
Bulk purchases	582,047,263	542,494,649	3	
Contracted services	20,085,494	21,742,527	8	
Grants and subsidies paid	2,134,923	8,112,900	74	Grant expenditure has been low in current financial year
Provisions for bad debts	421,703,937	219,678,099	40	Provision was increased to be adequate in current year
General expenses	75,249,329	165,600,546	55	There has been generally under expenditure
<b>Total expenditure</b>	<b>1,494,758,980</b>	<b>1,350,787,093</b>	<b>18</b>	
<b>SURPLUS/(DEFICIT)</b>	<b>(36,602,176)</b>	<b>(18,000,000)</b>		



APPENDIX F

EMFULENI LOCAL MUNICIPALITY

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF THE MFMA

	State organ	Quarterly receipts					Total	Quarterly expenditure				Total	Grants and subsidies delayed/withheld				Reason for delay	Did your municipality comply with the grant conditions in terms of the grant framework in the Division of Revenue Act Yes/No	Reason for non-compliance
		Sept	Dec	Mar	June	Sept		Dec	Mar	June	Sept		Dec	Mar	June				
		Restructuring grant	National	-	10,000,000	10,000,000		-	20,000,000	716,720	16,153,440		7,236,696	22,354	46,461,737	-			
Municipal infrastructure grant (MIG)	Provincial	9,800,633	4,220,923	12,893,673	3,370,000	30,285,229	8,924,633	1,904,946	7,054,414	9,850,570	27,734,562	-	-	-	-	N/A	Yes	N/A	
Financial management grant (FMG)	National	-	1,000,000	-	-	-	143,051	529,809	344,048	1,144,743	1,144,743	-	-	-	-	N/A	Yes	N/A	
Provincial health subsidy	Provincial	-	-	-	20,765,080	20,765,080	-	-	-	20,765,080	20,765,080	-	-	-	-	N/A		N/A	
Grants in kind	-	-	-	-	82,049,331	82,049,331	-	-	-	82,049,331	82,049,331	-	-	-	-	N/A		N/A	
<b>Other grants</b>		<b>241,668</b>	<b>-</b>	<b>3,241,668</b>		<b>3,769,775</b>	<b>135,055</b>		<b>123,245</b>	<b>2,888,700</b>	<b>1,055,038</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>		<b>N/A</b>	
Municipal systems improvement grant		241,668	-	241,668	-	483,336	135,055	249,738	91,137	11,380	487,310	-	-	-	-	N/A	Yes	N/A	
Capacity building grant	Provincial	-	-	3,000,000	-	3,000,000	-	-	10,231	473,362	483,593	-	-	-	-	N/A	Yes	N/A	
Revenue enhancement	Provincial	-	-	-	-	-	-	-	21,877	23,958	45,835	-	-	-	-	N/A		N/A	
Lotto	Lott	-	-	-	-	-	-	38,300	-	-	38,300	-	-	-	-	N/A		N/A	
Dry sanitation	Provincial	-	-	-	286,440	286,440	-	-	-	2,380,000	2,380,000	-	-	-	-	N/A		N/A	

## EMFULENI LOCAL MUNICIPALITY

## ACTUAL VERSUS BUDGET: ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2005

	Accumulated depreciation		2005 Budget R	2005 Variance R	2005 Variance %
	2005 Actual R	2005 Under Construction R			
<b>LAND AND BUILDINGS</b>					
Land	239,599	1,292	240,891		
Buildings	700,232	553,450	1,253,682		
	939,831	554,742	1,494,573		
<b>COMMUNITY ASSETS</b>					
Civic Theatres	-	-	-		
Clinics/Hospitals	642,909	-	642,909		
Community centres	-	-	-		
Game Reseves / Rest Camps	-	-	-		
Indoor sports	-	-	-		
Libraries	3,114,502	-	3,114,502		
Museums / Art Galleries	-	-	-		
Public conveniences	-	-	-		
Recreation centres	2,367,334	-	2,367,334		
Bowling greens	-	-	-		
Trennis courts	-	-	-		
Swimming pools	-	-	-		
Golf courses	-	-	-		
Jukskei pitches	-	-	-		
Outdoor sports facilities	-	818,750	818,750		
Lakes and dams	-	-	-		
Fencing	-	-	-		
Security systems	-	-	-		
Access control	-	-	-		
	6,124,745	818,750	6,943,495		

## EMFULENI LOCAL MUNICIPALITY

## ACTUAL VERSUS BUDGET: ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2005

	Accumulated depreciation			2005 Budget R	2005 Variance R	2005 Variance %
	2005 Actual R	2005 Under Construction R	2005 Total additions R			
<b>HERITAGE ASSETS</b>						
Artwork	-	-	-			
Statues	-	-	-			
	-	-	-			
<b>INFRASTRUCTURE</b>						
Mini dumps	1,255,709	-	1,255,709			
Power stations	92,225	2,571,917	2,664,142			
Transformer kiosks	-	-	-			
Meters	-	-	-			
Load control equipment	-	-	-			
Switchgear equipment	-	-	-			
Supply / Reticulation	1,470,797	-	1,470,797			
Mains	-	-	-			
Motorways	20,626,207	-	20,626,207			
Other roads	-	-	-			
Traffic lights	-	-	-			
Street lighting	7,050,628	-	7,050,628			
Stormwater drains	6,290,427	8,567,187	14,857,614			
Bridges, subways & culverts	-	-	-			
Car parks	-	-	-			
Bus terminals	-	-	-			
Sewers	17,518,059	-	17,518,059			
Outfall sewers	-	-	-			
Purification works	8,147,421	-	8,147,421			
Sewer pumps	260,377	-	260,377			
Meters	-	-	-			
Mains	-	-	-			
Supply / Reticulation	907,000	-	907,000			
Reservoirs, tanks	-	-	-			
	63,618,850	11,139,104	74,757,954			

## EMFULENI LOCAL MUNICIPALITY

## ACTUAL VERSUS BUDGET: ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2005

	Accumulated depreciation			2005 Budget R	2005 Variance R	2005 Variance %
	2005 Actual R	2005 Under Construction R	2005 Total additions R			
<b>OTHER ASSETS</b>						
Bulk containers	-	-	-			
Fire equipment	163,534	-	163,534			
Ambulances	513,413	-	513,413			
Fire hoses	-	-	-			
Chairs	234,865	-	234,865			
Tables / desks	205,598	-	205,598			
Cabinets / Cupboards	94,563	-	94,563			
Miscellaneous	2,150,817	-	2,150,817			
Fire engines	1,409,323	-	1,409,323			
Buses	-	-	-			
Motor vehicles	1,050,422	-	1,050,422			
Motor cycles	-	-	-			
Trucks / Bakkies	7,010,288	-	7,010,288			
Computer hardware	638,099	-	638,099			
Computer software	-	-	-			
Office machines	12,407	-	12,407			
Air conditioners	48,957	-	48,957			
Graders	-	-	-			
Tractors	-	-	-			
Lawnmovers	110,415	-	110,415			
Compressors	-	-	-			
Laboratory equipment	-	-	-			
Radio equipment	134,689	-	134,689			
Telecommunication equipment	185,321	-	185,321			
General	98,909	5,083,672	5,182,581			
Lathes	-	-	-			
Milling equipment	-	-	-			
Backactor	-	-	-			
Front end loader	-	-	-			
	14,061,620	5,083,672	19,145,292			
<b>TOTAL</b>	84,745,046	17,596,268	102,341,314	102,860,073	28,102,119	27