



ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2008

I am responsible for the preparation of these financial statements, which are set out on pages 1 to 46, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 21 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 Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

M S MBAMBISA
Municipal Manager

Date

CHRIS HANI DISTRICT MUNICIPALITY

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**CHRIS HANI DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008**

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		106 270 637	85 305 486
Capital replacement reserve		33 041 227	21 019 029
Government grant reserve		-	-
Unappropriated Surplus/(accumulated Deficit)		73 229 410	64 286 457
Non-current Liabilities		25 269 040	24 188 144
Long term loans	2	8 626 447	9 553 861
Deferred income	3	12 609 177	13 212 530
Non-current provisions	4	4 033 416	1 421 753
Current Liabilities		163 477 534	155 829 575
Provisions	4	-	1 877 378
Creditors	6	42 064 061	14 729 694
Unspent conditional grants and receipts	7	120 366 962	138 693 336
Current portion of long-term loans		1 046 511	529 167
Total Net Assets And Liabilities		<u>295 017 212</u>	<u>265 323 204</u>
ASSETS			
Non-Current Assets		23 000 321	25 400 014
Property, Plant And Equipment	9	20 680 401	23 748 613
Intangible assets	9	2 312 225	1 591 895
Long-term receivables	11	7 695	59 506
Current Assets		272 016 891	239 923 190
Consumer debtors	13	5 938 622	5 580 325
Other debtors	14	36 526 474	49 402 771
Current portion of long-term debtors	11	110 029	115 639
VAT	8	6 493 750	5 047 963
Cash		4 540	4 542
Bank	15	222 943 475	179 771 949
Total Assets		<u>295 017 212</u>	<u>265 323 204</u>

CHRIS HANI DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

Budget		Note	Actual	
2007	2008		2008	2007
R	R		R	R
REVENUE				
3 000 000	300 000		499 235	3 650 635
2 000 000	200 000		220 522	2 278 878
72 000	72 000		68 941	59 591
1 250 000	8 000 000		9 544 281	7 669 947
180 000	100 000		116 434	212 406
21 963 800	27 998 229		31 830 356	14 465 184
122 966 800	145 970 414		141 162 405	129 215 770
-	-		-	-
128 000	5 150 000	19	349 653	258 679
-	-		-	365
151 560 600	187 790 643		183 791 826	157 811 456
	27 708 849		27 708 849	0
168 685 874	238 317 477	18	250 445 343	192 228 348
320 246 474	453 816 969		461 946 018	350 039 803
EXPENDITURE				
54 066 994	64 329 274	20	63 504 390	51 535 376
4 375 279	4 607 265	21	4 626 095	4 447 418
-	-	22	287 681	3 084 822
506 400	520 000		6 679	298 365
2 825 000	3 084 800	9	4 733 308	3 565 801
850 657	1 059 115		988 916	795 071
-	483 500	23	831 894	306 573
129 400	123 200		63 444	39 991
252 200	252 200	25	135 290	177 739
75 853 070	103 040 282	38	99 415 348	57 244 938
			19 559	-
469 900	469 900		1 038 442	665 115
12 231 700	3 321 107		1 229 091	1 831 941
151 560 600	181 290 643		176 880 136	123 993 150
0	27 708 849		26 553 170	-
168 685 874	244 817 477	18	250 445 343	198 842 065
320 246 474	453 816 969		453 878 649	322 835 215
0	0		8 067 368	27 204 589
Nett Surplus / (Deficit) for the year				

CHRIS HANI DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Capital replacement reserve (CRR)	Capitalisation reserve	Government grant reserve	Public donations and contributions reserve	Accumulated surplus	Total
	R	R	R	R	R	R
2007						
Balance at 1 July 2006	10 373 495	0	6 261 714	0	45 260 913	61 896 122
Transactions current year 2006 / 2007					(534 529)	(534 529)
Transactions previous years to 2005 / 2006	-	-	-	-	10 881 752	10 881 752
Change in accounting policy (Note 27)	-	-	0	-	-	0
Restated balance	10 373 495	0	6 261 714	0	55 608 136	72 243 345
Net Surplus for the year					27 204 589	27 204 589
Transfer to / (from) CRR	10 000 000	-	-	-	(10 000 000)	0
Transfer of interest earned to CRR / GGR	645 534	-	361 222	-	(1 006 756)	0
Transfer of interest earned to unutilised grants	-	-	-	-	(5 631 917)	(5 631 917)
Transfer to unutilised conditional grants					(6 718 215)	(6 718 215)
Adjustment to accum depreciation					1 257 776	1 257 776
Capital grants / Revenue used to purchase PPE	-	-	8 330 497	-	1 831 941	10 162 438
Offsetting of depreciation.	-	-	(1 379 681)	-	1 379 681	0
Balance at 30 June 2007	21 019 029	0	13 573 752	0	63 925 235	98 518 016
2008						
Corrections (Note 37)	-	-	(361 222)	-	361 222	0
Change in accounting policy (Note 27)	-	-	(13 212 530)	-	-	(13 212 530)

**CHRIS HANI DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

		2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	28	23 183 398	26 449 125
Interest received		9 660 715	7 882 354
Interest paid		(831 894)	223 545
NET CASH FROM OPERATING ACTIVITIES		32 012 219	34 555 023
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment.		(2 404 984)	(7 781 484)
Proceeds on disposal of fixed assets.		-	70 000
(Increases)/Decreases in non-current receivables		51 811	(59 506)
(Increases)/Decreases in call investment deposits		-	21 773
NET CASH FROM INVESTING ACTIVITIES		(2 353 174)	(7 749 217)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans raised / (repaid)		(927 415)	9 553 861
Increase/(Decrease) in Deferred Income liability		12 609 177	-
Increase/(Decrease) in non current provisions		2 611 664	-
Non-Operating expenditure charged against Provisions		(780 948)	463 511
NET CASH FROM FINANCING ACTIVITIES		13 512 478	10 017 372
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	29	43 171 523	36 823 178
Cash and cash equivalents at the beginning of the year		179 776 491	142 953 313
Cash and cash equivalents at the end of the year		222 948 015	179 776 491

CHRIS HANI DISTRICT MUNICIPALITY
ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 See attached word document.

CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008

	2008 R	2007 R
1 HOUSING DEVELOPMENT FUND		
Chris Hani District Municipality does not administer any Housing development funds.		
2 NON CURRENT LIABILITIES		
DBSA loan		
Balance at beginning of year	9 553 861	-
Received during the year	0	10 000 000
Finance costs charged	500 587	306 573
Finance costs paid	(381 491)	(223 544)
Short-term portion transferred to current liabilities	(1 046 511)	(529 167)
Balance at the end of the year	8 626 447	9 553 861
DBSA loan for bucket eradication projects. The loan carry interest at 5 % per annum and is repayable in 18 equal instalments over 10 years. <i>See appendix 'A' for details</i>		
The Financial liabilities are recognised and measured at cost in previous and current financial years. The requirements of IAS 39.43, AG 65, AG 79 and SAICA Circular 9 have been exempted in terms of General Notice 522 of 2007.		
3 DEFERRED INCOME		
Balance at beginning of year	13 212 530	-
Transfer from Government Grant Reserve	0	6 261 714
Capital expenditure during the year	1 175 893	8 330 497
Depreciation charge - transfer to revenue	(1 779 246)	(1 379 681)
Balance at the end of the year	12 609 177	13 212 530
Government Grant Reserve reported in the previous year was unbundled in the creation of the Deferred income account in the current year in terms of IAS 20. Deferred Income represents capital expenditure on funds received from grants.		
4 NON-CURRENT PROVISIONS		
Provision for Leave pay		
Leave pay accrue to employees on a yearly basis, subject to certain conditions. The provision is an estimate of the amount due to staff at the reporting date.		
Balance at beginning of year	1 421 753	958 242
Contributions to provisions	734 286	480 888
Expenditure incurred	-	-
Increase due to discounting	-	-
Transfer from / (to) current provisions	1 877 378	(17 378)
Balance at end of year	4 033 416	1 421 753
Current leave pay provisions		
Current portion of Leave Pay provision	-	1 877 378
Total Current Provisions	-	1 877 378

**CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2007 (Continued)**

	2008 R	2007 R
5 CONSUMER DEPOSITS		
Chris Hani District Municipality holds no consumer deposits.		-
Total Consumer Deposits	-	-
The movement in the current provision is reconciled as follows:-		
Balance at beginning of year	1 877 378	1 860 000
Transfer (to) / from non-current	(1 877 378)	17 378
Contributions to provision		-
Expenditure incurred		-
Balance at end of year	-	1 877 378
6 CREDITORS		
Trade creditors	34 704 409	3 904 595
DWAF: Unidentified deposits	-	362 433
Equitable share projects	-	1 552 180
Deposits	8 335	234 969
Former TRC - Engcobo	-	1 094 769
Traffic fines	640 209	459 879
Income Suspense (Levies)	6 169 517	4 774 460
Road works	-	30
Other creditors	541 592	2 346 380
Total creditors	42 064 061	14 729 694
The Financial liabilities are recognised and measured at cost in previous and current financial years. The requirements of IAS 39.43, AG 65, AG 79 and SAICA Circular 9 have been exempted in terms of General Notice 522 of 2007.		
7 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Conditional grants from government	120 366 962	138 693 336
Government Grants	120 016 096	138 342 470
Provincial Grants and subsidies	350 866	350 866
Other conditional receipts	-	-
Total Conditional Grants and Subsidies	120 366 962	138 693 336
<i>See Appendix F for a reconciliation of grants from National/Provincial Government. These amounts are fully invested until utilised.</i>		
8 VAT		
Vat control account	-	(159 244)
Accrued Vat (refund from SARS)	(33 446 289)	(25 603 927)
Input tax	40 018 670	31 500 215
Output tax	(78 631)	(689 081)
	6 493 750	5 047 963
Vat is paid on the payments basis.		

CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

9 PROPERTY, PLANT AND EQUIPMENT

30 June 2008

Reconciliation of Carrying Value	Land and buildings	Infrastructure	Community	Other	Total	Intangible	Total
	R	R	R	R	R		R
Carrying values at 1 July 2007	16 282 505	-	168 309	7 297 799	23 748 613	1 591 895	25 340 508
Cost	18 232 721	-	344 121	15 450 681	34 027 523	2 545 561	36 573 084
Accumulated depreciation	(1 950 216)	-	(175 812)	(8 152 882)	(10 278 910)	(953 666)	(11 232 576)
Acquisitions	-	-	14 450	2 390 534	2 404 984	-	2 404 984
Capital under Construction	-	-	-	-	-	-	-
Depreciation	(8 945)	-	(9 659)	(3 553 266)	(3 571 870)	(23 050)	(3 594 920)
- based on cost	(8 945)	-	(9 659)	(3 553 266)	(3 571 870)	(23 050)	(3 594 920)
Carrying value of disposals	-	-	-	19 559	19 559	-	19 559
Cost	-	-	-	285 595	285 595	-	285 595
Accumulated depreciation	-	-	-	(266 036)	(266 036)	-	(266 036)
Impairment losses	-	-	-	-	-	-	-
Other movements-cost	-	-	-	-	-	-	-
Other movements- accum. depreciation	-	-	-	(1 881 768)	(1 881 768)	743 380	(1 138 388)
Carrying values at 30 June 2008	16 273 560	-	173 100	4 233 741	20 680 401	2 312 225	22 992 626
Cost	18 232 721	-	358 571	17 555 621	36 146 913	2 545 561	38 692 474
Accumulated depreciation	(1 959 161)	-	(185 471)	(13 321 880)	(15 466 512)	(233 336)	(15 699 848)

The depreciation charge of R 4 733 308 disclosed in the Statement of Financial Performance includes the back log depreciation of R 1 138 388 that resulted from the reclassification of asset categories and correction of depreciation calculations in the previous year.

CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

30 June 2007

Reconciliation of Carrying Value	Land and buildings	Infrastructure	Community	Other	Total	Intangible	Total
	R	R	R	R	R		R
Carrying values at 1 July 2006	10 343 755	-	213 543	5 408 002	15 965 300	1 593 724	17 559 024
Cost	12 147 645	-	457 586	11 668 449	24 273 680	2 627 205	26 900 885
Accumulated depreciation	(1 803 890)	-	(244 043)	(6 260 447)	(8 308 380)	(1 033 481)	(9 341 861)
Acquisitions	6 086 106		-	4 075 785	10 161 891	-	10 161 891
Capital under Construction	-		-	-	-		-
Depreciation	(346 141)	-	(18 384)	(2 406 784)	(2 771 309)	(794 492)	(3 565 801)
- based on cost	(346 141)		(18 384)	(2 406 784)	(2 771 309)	(794 492)	(3 565 801)
Carrying value of disposals	-	-	-	72 384	72 384	-	72 384
Cost	-			408 141	408 141	81 553	489 694
Accumulated depreciation	-			(335 757)	(335 757)	(81 553)	(417 310)
Impairment losses	-				-		-
Other movements	(1 030)		(113 465)	114 588	93	(91)	2
Other movements- accum. depreciation	199 815		86 615	178 592	465 022	792 754	1 257 776
Carrying values at 30 June 2007	16 282 505	-	168 309	7 297 799	23 748 613	1 591 895	25 340 508
Cost	18 232 721	-	344 121	15 450 681	34 027 523	2 545 561	36 573 084
Accumulated depreciation	(1 950 216)	-	(175 812)	(8 152 882)	(10 278 910)	(953 666)	(11 232 576)

The estimated useful lives and the depreciation method was not reviewed in the previous and current financial years as required by GAMAP 17 as these requirements have been exempted in terms of General Notice 522 of 2007. No Intangible assets other than website costs and software have been capitalised as is required by IAS38 / AC 129 and no assesment for impairment was performed.

CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008 (Continued)

	2008	2007
	R	R
10 CALL INVESTMENT DEPOSITS		
There were no listed / unlisted investments on reporting date.		
Allocation of call investments		
Surplus cash is kept on Call Account until used for specific purposes.		
11 LONG-TERM RECEIVABLES		
Motor car loans	36 987	124 494
Study assistance-Council employees	80 737	50 651
	<u>117 724</u>	<u>175 145</u>
Less : Short-term portion transferred to current assets	(110 029)	(115 639)
Total Non-Current loans	<u>7 695</u>	<u>59 506</u>
Loans were approved for:		
Motor car loans to employees at 8% Interest per annum. No new loans are being made and existing loans are phased out as they are repaid.		
12 INVENTORY		
The Council keeps no inventory. Goods are purchased as needed and consumed in the financial year of purchase.		
13 CONSUMER DEBTORS		
Levies	5 938 622	5 580 325
Total	<u>5 938 622</u>	<u>5 580 325</u>
14 OTHER DEBTORS		
Health Subsidies	1 694 212	1 694 212
Roads & Works Recov. Expenditure.	244 963	255 422
Lukhanji Municipality (ESCOM account)	-	3 389 476
Inxuba Yethemba Municipality (SARS account)	15 461 634	15 461 634
Ambulance Service	448 471	2 225 189
Ambulance Subsidy Bisho	-	1 687 765
Intsika Yethu Municipality (Cllrs salaries account)	312 346	312 346
Roadwork's Subsidy	8 724 469	8 294 619
Subsidy National Health And Population	3 358 645	3 358 645
Projects	-	455 839
Elections Infrastructure	-	1 190 002
Hala upgrading of services (Special Fund)	-	3 117 120
Previous System Movements	-	2 772 534
Other Sundry Debtors	17 280 688	15 899 241
Sub-Total: Other Debtors	47 525 428	60 114 044
Provision for Bad Debts	(10 998 954)	(10 711 273)
Net: Other Debtors	<u>36 526 474</u>	<u>49 402 771</u>

Consumer and other debtors are stated at cost less a provision for bad debts. The requirements of old IAS 32/(AC 125) have been applied for both previous and current financial years and related exemptions stated in General Notice 522 of 2007 utilised.

**CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008 (Continued)**

	2008	2007
	R	R
15 BANK, CASH AND OVERDRAFT BALANCES		
Chris Hani District Municipality has the following bank accounts:		
<u>Current Account (Primary Bank Account)</u>		
First National Bank Cathcart Road Queenstown		
Cashbook balance at the beginning of the year	179 771 949	142 950 373
Cashbook balance at the end of the year	<u>222 943 475</u>	<u>179 771 949</u>
Bank statement balance at the beginning of the year	193 535 616	163 090 445
Bank statement balance at the end of the year	<u>224 102 453</u>	<u>193 535 616</u>
16 MUNICIPAL ENTITIES		
Chris Hani District Municipality does not have any Municipal Entities.		
17 SERVICE CHARGES		
Chris Hani District Municipality does not levy any service charges.		
18 GOVERNMENT GRANTS AND SUBSIDIES		
<u>Government Grants</u>		
Equitable share - Operating	117 959 549	117 087 100
Equitable share - Capital	27 708 849	-
National / Provincial Grants and subsidies	53 253 967	12 128 670
Deferred Income realised	1 779 246	0
Total Government Grants	<u>200 701 610</u>	<u>129 215 770</u>
<u>National/Provincial conditional Government grant funding.</u>		
Funds transferred to Income - non capital expenditure	250 445 343	191 084 057
Funds transferred to Income - Capital expenditure (See Appendix F for detail)	-	7 758 008
Total National/Provincial Government Grants reimbursements	<u>250 445 343</u>	<u>198 842 065</u>
Total Government Grants and Subsidies	<u>451 146 953</u>	<u>328 057 835</u>
Equitable share		
In terms of the Constitution, this grant is used to balance the Municipalities revenue. The payment was not withheld for any reason.		
19 OTHER INCOME		
Sundry Income	269 389	205 259
Commission on Collection	80 264	53 420
Total Other Income	<u>349 653</u>	<u>258 679</u>

CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008 (Continued)

	2008	2007
	R	R
20 EMPLOYEE RELATED COSTS		
Salaries and wages	46 525 678	35 650 515
Contributions for UIF, Pensions ,Medical aids etc	10 660 148	8 900 598
Travel, motor car and other allowances	4 879 744	5 840 546
Housing benefits	892 892	369 543
Performance bonuses	166 126	501 313
Long-service awards	304 957	272 861
	63 429 544	51 535 376
Remuneration of the Municipal Manager		
Annual Remuneration	409 500	460 493
Performance Bonuses	60 721	94 285
Car Allowance	157 596	81 000
Contributions to UIF, Medical and Pension funds	109 194	106 560
Total	737 011	742 338
Remuneration of the Director Finance <i>(11 Months to May 2008)</i>		
Annual Remuneration	363 159	429 192
Performance Bonuses	51 003	88 231
Car Allowance	132 655	82 630
Contributions to UIF, Medical and Pension funds	82 644	89 715
Total	629 461	689 768
Remuneration of the Director Corporate Services. <i>(9 Months to June 2008 + July 2007)</i>		
Annual Remuneration	304 955	429 192
Performance Bonuses	57 765	77 438
Car Allowance	124 546	81 000
Contributions to UIF, Medical and Pension funds	42 942	91 675
Total	530 208	679 305
Remuneration of the Director Integrated Planning & Economic Development.		
Annual Remuneration	380 900	429 192
Performance Bonuses	65 735	80 451
Car Allowance	145 699	83 609
Contributions to UIF, Medical and Pension funds	94 746	96 585
Total	687 080	689 837

CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008 (Continued)

	2008 R	2007 R
Remuneration of the Director of Health		
Annual Remuneration	380 900	429 192
Performance Bonuses	65 659	87 449
Car Allowance	145 699	82 146
Contributions to UIF, Medical and Pension funds	79 488	81 460
Total	671 746	680 247
Remuneration of the Director Technical		
Annual Remuneration	380 900	429 192
Performance Bonuses	65 735	73 459
Car Allowance	156 529	81 000
Contributions to UIF, Medical and Pension funds	101 273	96 587
Total	704 437	680 238
Remuneration of the Strategic Manager <i>(7 Months to January 2008)</i>		
Annual Remuneration	234 400	234 007
Performance Bonuses	-	-
Car Allowance	91 308	47 250
Contributions to UIF, Medical and Pension funds	62 896	58 714
Total	388 604	339 971
21 REMUNERATION OF COUNCILLORS		
Executive Mayor	363 903	338 514
Speaker	291 122	270 811
Mayoral Committee members	1 637 562	1 523 310
Councillors	1 098 649	1 032 565
Allowances	1 323 504	1 033 561
Adjustments	(88 645)	248 657
Total Councillors' Remuneration	4 626 095	4 447 418
In-kind Benefits		
The Executive Mayor and Speaker are full-time and with the Mayoral Committee Members are provided with an office and secretarial support at the cost of the Council.		
The Executive Mayor has access to a Council owned vehicle for official duties.		
22 BAD DEBTS		
Contribution to the bad debt provision	287 681	3 084 822
Bad debt written off	-	-
Total Bad Debts	287 681	3 084 822
<i>See note 14 for explanatory detail</i>		

CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008 (Continued)

	2008	2007
	R	R
23 INTEREST PAID		
External loans	500 587	306 573
Finance leases	-	-
Bank overdrafts	-	-
Other interest	331 307	-
Total interest on External Borrowings.	831 894	306 573
24 BULK PURCHASES		
Chris Hani District Municipality did not buy bulk services.		
25 GRANTS AND SUBSIDIES PAID		
Problem Animal Control	30 000	30 000
Other	105 290	147 739
Total Grants and Subsidies paid	135 290	177 739
26 GENERAL EXPENSES		
No extraordinary expenses were included in general expenses	-	-
	-	-
27 CHANGES 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:-		
Government Grants Reserve (GGR)		
Opening balance reversed to Deferred income	6 261 714	-
Depreciation reversed to accumulated surplus	(1 379 681)	-
Capital grants used to purchase PPE reversed	8 330 497	-
	13 212 530	-

CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008 (Continued)

	2008	2007
	R	R
28 CASH GENERATED BY OPERATIONS	23 183 398	26 449 126
Net surplus for the year	8 067 368	27 204 589
Adjustment for:-		
Previous years	-	-
Changes in accounting policy	-	-
Depreciation	4 733 308	3 565 801
Bad debts	287 681	3 084 822
Deferred Income realised	(1 779 246)	-
Loss/(Gain) on disposal of PPE	19 559	(365)
Contributions to provisions - non-current	734 286	463 511
Contributions to provisions - current	-	17 378
Contribution to Asset Finance Reserve	1 229 091	1 831 941
Investment income	(9 660 715)	(7 882 354)
Interest paid	831 894	306 573
Rent & Interest accruals	-	(16 812)
Operating surplus before working capital changes:	4 463 226	28 591 895
(Increase)/Decrease in RSC Levy debtors	(358 298)	(1 326 454)
(Increase)/Decrease in other debtors	12 876 297	(19 282 623)
(Increase)/Decrease in VAT debtors	(1 445 787)	15 029 769
Increase/(Decrease) in current portion long term loans	517 343	529 167
Increase/(Decrease) in conditional creditors	(18 326 374)	6 161 527
Increase/(Decrease) in current provisions	(1 877 378)	17 378
Increase/(Decrease) in creditors	27 334 367	(3 271 534)
Changes in working capital	18 720 172	(2 142 770)
29 CASH AND CASH EQUIVALENTS		
Balance at the end of the year	222 948 015	179 776 491
Balance at the beginning of the year	179 776 491	142 953 313
Net (De-) / Increase in cash and cash equivalents	43 171 524	36 823 178

30 UTILISATION OF LONG-TERM LIABILITIES
RECONCILIATION

The DBSA loan funding was fully utilised on bucket eradication projects during the 2006 / 07 financial year.

**CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008 (Continued)**

	2008 R	2007 R
31 UNAUTHORISED, IRREGULAR, FRUITLESS AND		
WASTEFUL EXPENDITURE DISALLOWED		
<u>Unauthorised expenditure</u>		
Reconciliation of unauthorised expenditure		
Opening balance	-	-
Unauthorised expenditure current year	331 307	-
Approved by Council	-	-
Transfer to statement of Financial performance	(331 307)	-
- authorised losses	-	-
Transfer to receivables for recovery	-	-
Closing balance	-	-
<u>Irregular, fruitless and wasteful expenditure</u>		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	20 190	-
Approved by Council	-	-
Transfer to statement of Financial performance	19 559	-
- authorised losses	-	-
Transfer to receivables for recovery	(631)	-
Closing balance	39 118	-
Total unauthorised, fruitless and wasteful expenditure disallowed	39 118	-
32 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
<u>32.1 Contributions to SALGA</u>		
Opening balance	-	-
Council subscriptions	(179 734)	(112 661)
Amount paid - current year	179 734	112 661
Amount paid - next year	-	-
Balance paid in advance (included in Debtors)	-	-

**CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008 (Continued)**

	2008 R	2007 R
<u>32.2 Audit fees</u>		
Opening balance	-	-
Current year audit fee	1 846 190	1 179 983
Amount paid - current year	(1 846 190)	(1 179 983)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

32.3 VAT

Vat input receivables and VAT output payables are shown in note 8 . All Vat returns have been submitted by the due date throughout the year.

32.4 PAYE and UIF

Opening balance	-	(32 810)
Current year payroll deductions	9 011 607	7 896 837
Amount paid - current year	(9 011 607)	(7 864 027)
Amount paid - previous years	-	-
Balance undeducted (included in debtors)	-	-

32.5 Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	13 949 181	11 802 588
Amount paid - current year	(13 949 181)	(11 802 588)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

The balance would represent pension and medical aid contributions deducted from employees in the June 2007 payroll. These amounts would be paid during July 2008.

**CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008 (Continued)**

	2008	2007
	R	R
33 CAPITAL COMMITMENTS		
Chris Hani District Municipality had no commitments in respect of capital expenditure at the end of both financial years.		
34 CONTINGENT LIABILITIES		
A security to the amount of R8,033,000, signed to First National Bank to cover a bank overdraft in the previous financial year has been cancelled in 2008.	-	-
WSA function related creditors with local municipalities pending verification.	2 162 040	-
Matters pending with Council attorneys based on estimated probable loss with costs.	1 135 000	1 555 000
	3 297 040	1 555 000

35 RETIREMENT BENEFIT INFORMATION

Post- Retirement Medical Benefit

Provision is made for post retirement medical benefits in the form of health care plans for eligible employees and pensioners.

Pension and Retirement Fund Benefits

Employees and Council contribute to the Cape Joint Pension and Retirement Fund, South African Local Authorities Pension Fund and Government Employees Pension Fund on the basis of a fixed contribution and is charged against income as incurred.

**CHRIS HANI DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008 (Continued)**

	2008 R	2007 R
36 IN-KIND DONATIONS AND ASSISTANCE		
No in-kind donations or assistance was done or provided in 2007 / 08		
37 CORRECTIONS		
During the year the following transactions were made with regard to the previous year and the comparative amounts have been restated:		
Accumulated Surplus	361 222	
Interest for the previous year reversed from GGR	361 222	-
Net Surplus		
Accumulated depreciation - backlog	1 138 388	1 257 776
Interest and penalties on PAYE, UIF etc by SARS	261 551	-
Net effect on surplus for the year	<u><u>1 399 939</u></u>	<u><u>1 257 776</u></u>
38 GENERAL EXPENSES - OTHER		
Administrative expenses	15 019 206	-
Operating and maintainance of water schemes	57 214 797	-
Subsidy to Water Services Providers	16 671 540	-
Job evaluation project expenses	99 826	-
Financial management grant project expenditure	114 236	-
Roads maintaince project expenditure	10 295 744	-
Total expenditure	<u><u>99 415 348</u></u>	<u><u>-</u></u>
Council is operating rural water schemes outside the area of the Water Services Providers (WSP) and also subsidises the Water Service Providers on the shortfall resulting from free basic services.		

APPENDIX A
CHRIS HANI DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008

EXTERNAL LOAN			FINANCE COSTS CHARGED		FINANCE COSTS PAID		REPAID	TRANS TO CURR LIABILITIES		Closing Balance
	Opening Balance	Capital Advances	Interest	Other Costs	Interest	Other Costs	Capital	Capital	Interest	
DBSA LOAN	9 553 861	-	495 837	4 750	(376 741)	-4 750	-	(927 415)	(119 096)	8 626 446
	-									-
Total	9 553 861	-	495 837	4 750	(376 741)	(4 750)	-	(927 415)	(119 096)	8 626 446

**APPENDIX B
CHRIS HANI DISTRICT MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008**

	Cost						Accumulated Depreciation					Carrying Value	Budget Additions 2007
	Opening Balance	2007 Additions Adjusted	2008 Additions	Under Construction	2008 Disposals	Closing Balance	Opening Balance	Backlog / (Written back)	2008 Additions	Disposals	Closing Balance		
INFRASTRUCTURE ASSETS													
Total Infrastructure Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
COMMUNITY ASSETS													
Buildings:													
Clinics and Hospitals	100 000					100 000	50 000		3 333		53 333	46 667	
Halls Recreation	168 341					168 341.00	61 756		5 611		67 367	100 974	
	268 341	-	-	-	-	268 341	111 756	-	8 944	-	120 700	147 641	-
Recreational Facilities:													
Fountains	11 471					11 471.00	7 065		2 294		9 359	2 112	
	11 471	-	-	-	-	11 471	7 065	-	2 294	-	9 359	2 112	-
Security Measures:													
Fencing	19 136					19 136	19 136		-		19 136	-	
Security Systems	45 173		14 450			59 623.00	37 855		7 365		45 220	14 403	
	64 309	-	14 450	-	-	78 759	56 991	-	7 365	-	64 356	14 403	-
Total Community Assets	344 121	-	14 450	-	-	358 571	175 812	-	18 603	-	194 415	164 156	-
OTHER ASSETS													
Buildings:													
Office Building	14 148 433					14 148 433	1 777 472		475 591		2 253 063	11 895 370	
Other	11 802					11 802	11 084		716		11 800	2	
Housing Council	422 486					422 486	161 660		14 083		175 743	246 743	
Prefab/Converted Containers	-		118 505			118 505	-		1 542		1 542	116 963	
Land And Unused Buildings	3 650 000					3 650 000	-		-		-	3 650 000	
	18 232 721	-	118 505	-	-	18 351 226	1 950 216	-	491 932	-	2 442 148	15 909 078	-
Intangible Assets													
Computer Software	2 545 561					2 545 561	953 666	-743 380	23 050		233 336	2 312 225	
	2 545 561	-	-	-	-	2 545 561	953 666	-743 380	23 050	-	233 336	2 312 225	-
Office Equipment:													
Air Conditioners	356 890					356 890	312 383	2 437	33 220		348 040	8 850	
Computer Hardware	2 819 173		372 514		19 559	3 172 128	1 653 843	1 832 933	1 357 323		4 844 099	-1 671 971	
Office Machines	429 485		3 300			432 785	356 776	7 233	51 540		415 549	17 236	
Miscellaneous	314 025		85 331			399 356	156 160	16 053	54 122		226 335	173 021	
	3 919 573	-	461 145	-	19 559	4 361 159	2 479 162	1 858 656	1 496 205	-	5 834 023	-1 472 864	-

APPENDIX B (Continued)
CHRIS HANI DISTRICT MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost						Accumulated Depreciation					Budget Additions																																																																																																																																																																																																																																																																																																																					
	Opening Balance	2007 Additions Adjusted	2008 Additions	Under Construction	2008 Disposals	Closing Balance	Opening	Backlog / (Written back)	2008 Additions	Disposals	Closing		Carrying																																																																																																																																																																																																																																																																																																																				
Plant And Equipment:																																																																																																																																																																																																																																																																																																																																	
Tractors	636 538					636 538	158 779		34 900		193 679	442 859																																																																																																																																																																																																																																																																																																																					
Farm Equipment	62 239		194 425			256 664	19 700		24 398		44 098	212 566																																																																																																																																																																																																																																																																																																																					
Trailers	139 859					139 859	16 195		8 497		24 692	115 167																																																																																																																																																																																																																																																																																																																					
Lawnmowers	19 903					19 903	5 940		8 046		13 986	5 917																																																																																																																																																																																																																																																																																																																					
Earth Moving Equipment	2 328 533					2 328 533	950 552		232 853		1 183 405	1 145 128																																																																																																																																																																																																																																																																																																																					
Plant and Equipment General	-					-	-		-		-	-																																																																																																																																																																																																																																																																																																																					
Radio Equipment	71 965					71 965	71 965		-		71 965	-																																																																																																																																																																																																																																																																																																																					
General	8 330					8 330	8 330		-		8 330	-																																																																																																																																																																																																																																																																																																																					
Other	3 193		51 513			54 706	-	817	7 078		7 895	46 811																																																																																																																																																																																																																																																																																																																					
Satellite Tracking Equipment	113 465					113 465	87 566	6 707	7 524		101 797	11 668																																																																																																																																																																																																																																																																																																																					
Ambulance /Clinic Equipment	43 293					43 293	50 796	-7 503	-		43 293	-																																																																																																																																																																																																																																																																																																																					
Mobile Clinic	156 000					156 000	156 000	-	-		156 000	-			3 583 318		245 938			3 829 256	1 525 823	21	323 296		1 849 140	1 980 116		Furniture And Fittings:														Cabinets and Cupboards	432 988		158 762			591 750	250 876	3 103	55 720		309 699	282 051		Chairs	282 076		86 214			368 290	213 060	1 186	37 162		251 408	116 882		Furniture & Fittings Other	270 886		43 518			314 404	204 998	13 494	21 812		240 304	74 100		Kitchen Equipment	40 193		65 619			105 812	21 972	-414	8 177		29 735	76 077		Tables and Desks	395 574		36 156			431 730	201 480	5 452	49 520		256 452	175 278			1 421 717		390 269			1 811 986	892 386	22 821	172 391		1 087 598	724 388		Motor Vehicles:														Buses	-					-	-				-	-		Fire Engines	354 160					354 160	199 882		70 832		270 714	83 446		Passenger vehicles	2 030 804		550 821		57 347	2 524 278	1 266 219	31	320 660	57 347	1 529 563	994 715		Trucks / Bakkies	4 130 999		591 857		208 689	4 514 167	1 779 300	239	673 493	208 689	2 244 343	2 269 824			6 515 963		1 142 678		266 036	7 392 605	3 245 401	270	1 064 985	266 036	4 044 620	3 347 985		Emergency Equipment:														Fire	6 185		14 399			20 584	6 185	-	2 309		8 494	12 090		Fire Hoses	3 637		17 600			21 237	3 637	-	2 149		5 786	15 451		Emergency Lights	288		-			288	288	-	-		288	-		General	-		-			-	-	-	-		-	-			10 110		31 999			42 109	10 110		4 458		14 568	27 541		Total Other Assets	36 228 963		2 390 534		285 595	38 333 902	11 056 764	1 138 388	3 576 317	266 036	15 505 433	22 828 469		TOTAL	36 573 084		2 404 984		285 595	38 692 473	11 232 576	1 138 388	3 594 920	266 036	15 699 848	22 992 626	
	3 583 318		245 938			3 829 256	1 525 823	21	323 296		1 849 140	1 980 116																																																																																																																																																																																																																																																																																																																					
Furniture And Fittings:																																																																																																																																																																																																																																																																																																																																	
Cabinets and Cupboards	432 988		158 762			591 750	250 876	3 103	55 720		309 699	282 051																																																																																																																																																																																																																																																																																																																					
Chairs	282 076		86 214			368 290	213 060	1 186	37 162		251 408	116 882																																																																																																																																																																																																																																																																																																																					
Furniture & Fittings Other	270 886		43 518			314 404	204 998	13 494	21 812		240 304	74 100																																																																																																																																																																																																																																																																																																																					
Kitchen Equipment	40 193		65 619			105 812	21 972	-414	8 177		29 735	76 077																																																																																																																																																																																																																																																																																																																					
Tables and Desks	395 574		36 156			431 730	201 480	5 452	49 520		256 452	175 278			1 421 717		390 269			1 811 986	892 386	22 821	172 391		1 087 598	724 388		Motor Vehicles:														Buses	-					-	-				-	-		Fire Engines	354 160					354 160	199 882		70 832		270 714	83 446		Passenger vehicles	2 030 804		550 821		57 347	2 524 278	1 266 219	31	320 660	57 347	1 529 563	994 715		Trucks / Bakkies	4 130 999		591 857		208 689	4 514 167	1 779 300	239	673 493	208 689	2 244 343	2 269 824			6 515 963		1 142 678		266 036	7 392 605	3 245 401	270	1 064 985	266 036	4 044 620	3 347 985		Emergency Equipment:														Fire	6 185		14 399			20 584	6 185	-	2 309		8 494	12 090		Fire Hoses	3 637		17 600			21 237	3 637	-	2 149		5 786	15 451		Emergency Lights	288		-			288	288	-	-		288	-		General	-		-			-	-	-	-		-	-			10 110		31 999			42 109	10 110		4 458		14 568	27 541		Total Other Assets	36 228 963		2 390 534		285 595	38 333 902	11 056 764	1 138 388	3 576 317	266 036	15 505 433	22 828 469		TOTAL	36 573 084		2 404 984		285 595	38 692 473	11 232 576	1 138 388	3 594 920	266 036	15 699 848	22 992 626																																																																																																			
	1 421 717		390 269			1 811 986	892 386	22 821	172 391		1 087 598	724 388																																																																																																																																																																																																																																																																																																																					
Motor Vehicles:																																																																																																																																																																																																																																																																																																																																	
Buses	-					-	-				-	-																																																																																																																																																																																																																																																																																																																					
Fire Engines	354 160					354 160	199 882		70 832		270 714	83 446																																																																																																																																																																																																																																																																																																																					
Passenger vehicles	2 030 804		550 821		57 347	2 524 278	1 266 219	31	320 660	57 347	1 529 563	994 715																																																																																																																																																																																																																																																																																																																					
Trucks / Bakkies	4 130 999		591 857		208 689	4 514 167	1 779 300	239	673 493	208 689	2 244 343	2 269 824			6 515 963		1 142 678		266 036	7 392 605	3 245 401	270	1 064 985	266 036	4 044 620	3 347 985		Emergency Equipment:														Fire	6 185		14 399			20 584	6 185	-	2 309		8 494	12 090		Fire Hoses	3 637		17 600			21 237	3 637	-	2 149		5 786	15 451		Emergency Lights	288		-			288	288	-	-		288	-		General	-		-			-	-	-	-		-	-			10 110		31 999			42 109	10 110		4 458		14 568	27 541		Total Other Assets	36 228 963		2 390 534		285 595	38 333 902	11 056 764	1 138 388	3 576 317	266 036	15 505 433	22 828 469		TOTAL	36 573 084		2 404 984		285 595	38 692 473	11 232 576	1 138 388	3 594 920	266 036	15 699 848	22 992 626																																																																																																																																																																																							
	6 515 963		1 142 678		266 036	7 392 605	3 245 401	270	1 064 985	266 036	4 044 620	3 347 985																																																																																																																																																																																																																																																																																																																					
Emergency Equipment:																																																																																																																																																																																																																																																																																																																																	
Fire	6 185		14 399			20 584	6 185	-	2 309		8 494	12 090																																																																																																																																																																																																																																																																																																																					
Fire Hoses	3 637		17 600			21 237	3 637	-	2 149		5 786	15 451																																																																																																																																																																																																																																																																																																																					
Emergency Lights	288		-			288	288	-	-		288	-																																																																																																																																																																																																																																																																																																																					
General	-		-			-	-	-	-		-	-			10 110		31 999			42 109	10 110		4 458		14 568	27 541		Total Other Assets	36 228 963		2 390 534		285 595	38 333 902	11 056 764	1 138 388	3 576 317	266 036	15 505 433	22 828 469		TOTAL	36 573 084		2 404 984		285 595	38 692 473	11 232 576	1 138 388	3 594 920	266 036	15 699 848	22 992 626																																																																																																																																																																																																																																																																											
	10 110		31 999			42 109	10 110		4 458		14 568	27 541																																																																																																																																																																																																																																																																																																																					
Total Other Assets	36 228 963		2 390 534		285 595	38 333 902	11 056 764	1 138 388	3 576 317	266 036	15 505 433	22 828 469																																																																																																																																																																																																																																																																																																																					
TOTAL	36 573 084		2 404 984		285 595	38 692 473	11 232 576	1 138 388	3 594 920	266 036	15 699 848	22 992 626																																																																																																																																																																																																																																																																																																																					

APPENDIX C
CHRIS HANI DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT
30 JUNE 2008

FIXED ASSETS	HISTORICAL COST					ACCUMULATED DEPRECIATION				CARRYING VALUE
	OPENING BALANCE	ADDITIONS	UNDER CONSTRUCTION	DISPOSALS	CLOSING BALANCE	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE	
Executive and Council	6 713 721	496 103		266 036	6 943 788	3 592 393	845 684	266 036	4 172 042	2 771 747
Finance and Administration	22 271 880	304 205		19 559	22 556 526	4 490 274	2 814 913	-	7 305 187	15 251 338
Planning and Development	2 363 152	232 839			2 595 991	670 595	407 305	-	1 077 900	1 518 091
Enviromental Health	1 331 264	356 721			1 687 985	1 193 532	142 344	-	1 335 876	352 109
Community and Social services	193 784	-			193 784	73 895	66 157	-	140 053	53 731
Public Safety	3 040 875	906 422			3 947 298	1 194 082	319 954	-	1 514 036	2 433 262
Primary Health Care	619 736	-			619 736	4 075	123 947	-	128 022	491 714
Road Works	-	108 694			108 694	-	6 221	-	6 221	102 473
Water Services	38 673	-			38 673	13 730	6 783	-	20 513	18 160
Other	-	-			-	-	-	-	-	-
TOTALS	36 573 084	2 404 985	-	285 595	38 692 473	11 232 576	4 733 308	266 036	15 699 848	22 992 626

APPENDIX D
CHRIS HANI DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R		2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R
117 087 100	16 076 917	101 010 183	Executive and Council	117 959 549	15 078 073	102 881 476
5 461 760	20 776 334	(15 314 574)	Finance and Administration	21 337 097	42 899 637	(21 562 540)
198 842 065	207 756 455	(8 914 390)	Planning and Development	15 196 000	18 100 761	(2 904 761)
6 454 050	4 965 401	1 488 649	Enviromental Health	11 428 291	4 725 900	6 702 391
-	1 756 720	(1 756 720)	Community and Social services	3 075 849	4 969 030	(1 893 181)
3 000 000	1 209 807	1 790 193	Public safety	6 743 334	2 466 901	4 276 433
6 465 184	9 166 795	(2 701 611)	Primary Health Care	9 286 191	9 604 711	(318 520)
8 000 000	8 918 785	(918 785)	Road Works	27 468 851	28 194 400	(725 549)
1 000 000	693 651	306 349	PIMMS	-	-	-
2 874 620	51 334 869	(48 460 249)	Water Services	178 175 515	167 501 982	10 673 533
855 025	179 482	675 543	Other	71 275 341	160 337 254	(89 061 914)
350 039 804	322 835 215	27 204 588	Sub Total	461 946 018	453 878 649	8 067 368
-	-	-	Less Inter-Departmental charges	0	-	-
350 039 804	322 835 215	27 204 588	TOTAL	461 946 018	453 878 649	8 067 368

APPENDIX E
CHRIS HANI DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (OPERATIONAL) FOR THE YEAR ENDED
30 JUNE 2008

REVENUE	Actual 2008	Budget 2008	Variance R	Variance %	Explanation of Significant Variances Greater than 5 % versus Budget
Regional Services Levy- Turnover	499 235	300 000	(199 235)	66	Concerted effort made to collect all possible levies before the final date for collection
Regional Services Levy- Remuneration	220 522	200 000	(20 522)	10	Concerted effort made to collect all possible levies before the final date for collection
Rental	68 941	72 000	3 059	-4	Rental received less than market related due to poor condition of rental houses, refurbishment completed late.
Investment Interest	9 544 281	8 000 000	(1 544 281)	19	Interest due to slower spending on projects / other expenditure and unanticipated grant income received.
Other Interest	116 434	100 000	(16 434)	16	Increased declaration of old outstanding levies accompanied with interest thereon.
Income for Agency services	31 830 356	27 998 229	(3 832 127)	14	Grants received from provincial state departments more than budgeted amounts.
Government grants and subsidies	141 162 405	145 970 414	4 808 009	-3	Grants from state departments not received in full plus minor reallocations from operating / capital budget
Other income	349 653	5 150 000	4 800 347	-93	Unanticipated levels of sundry income experienced together with expected billing for water that did not commense
Gains on disposal of property, plant and equipment	-	-	-		Not foreseeable disposal of assets during budgeting.
Sub- Total	183 791 826	187 790 643	3 998 817		
Recovered from Grants and subsidies i.r.o expenditure.	278 154 192	266 026 326	(12 127 866)	5	
Total Income	461 946 018	453 816 969	(8 129 049)		
EXPENDITURE					
Employee related costs	63 504 390	64 329 274	824 884	-1	
Remuneration of Councillors	4 626 095	4 607 265	(18 830)	0	Increase resulted from previous year's back pay authorised and paid in the current financial year.
Bad debts	287 681	-	(287 681)	100	No budget provision due to Council treatment to outstanding Government Debt as repayable.
Collection costs	6 679	520 000	513 321	-99	Decreased collection cost due to decline rate of collection on outstanding levies.
Depreciation	4 733 308	3 084 800	(1 648 508)	53	Effect of Backlog depreciation resulting from Fixed Asset Register updating process gave rise to higher charge
Repairs and maintenance	988 916	1 059 115	70 199	-7	Repairs and maintenance not required as anticipated.
Interest paid	831 894	483 500	(348 394)	72	Interest charged on late payments by SARS and trade creditors
Contracted services	63 444	123 200	59 756	-49	Services rendered internally.
Grants and Subsidies paid	135 290	252 200	116 910	-46	Low expenditure levels on tourism and donations incurred than budgeted for.
General expenses-other	99 415 348	103 040 282	3 624 934	-4	
Contributions to provisions	2 267 533	3 791 007	1 523 474	-67	Low expenditure levels on staff training and purchasing of operating assets than budgeted for.
Loss on disposal of property, plant and equipment	19 559	-	(19 559)	100	Not foreseeable disposal of assets during budgeting.
Sub- Total	176 880 136	181 290 643	4 410 507		
General expenses-Conditional Grants and Subsidies	276 998 513	272 526 326	(4 472 187)	2	
Total Expenditure	453 878 649	453 816 969	(61 680)		
NET SURPLUS/(DEFICIT) FOR THE YEAR	8 067 368	-	(8 067 368)		

APPENDIX F
CHRIS HANI DISTRICT MUNICIPALITY
CONDITIONAL GRANTS : RECEIPTS AND EXPENDITURE FOR THE YEAR ENDED JUNE 2008

PROJECT DESCRIPTION	UNSPENT BALANCE 1/07/2007	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2008
EQUITABLE SHARE PROJECTS		27 708 849		-26 553 170		-1 155 679	0
FREE BASIC SERVICES PROJECT	11 105 961					-11 105 961	0
DWAF:BULK INFRASTRUCTURE		6 000 000	246 212				6 246 212
SPORTS FACILITY:TSOMO	49 077					-49 077	0
SPORTS FACILITY:COFIMVABA PHASE 3	189 256					-189 256	0
SPORTS FACILITY:WHITTLESEA	-6 765					6 765	0
SPORTS FACILITY:HOFMEYER	11 949					-11 949	0
SPORTS FACILITY:LINGELIHLE	92 045					-92 045	0
SPORTS FACILITY:STERKSTROOM MASAKHE	148 034					-148 034	0
DEPT OF SPORTS:SPORTS FACILITIES	0					385 569	385 569
I.D.T. WATER PROJECT	44 753					-44 753	0
CALA SPORTS COMPLEX	184 354					-184 354	0
LED:KWAGCINA COMMUNITY GARDEN	100 000					-100 000	0
LED FORUM:DISCRETIONAL FUNDS	106 466					-106 466	0
LED:STRATEGY	4 539					-4 539	0
LED OLD PROJECTS						211 005	211 005
ILINGE PILOT HOUSING	78 724					-78 724	0
MULTI PURPOSE YOUTH CENTRE	-34 993					34 993	0
ILINGE CADASTRAL SURVEY PROGRAMME	12 738					-12 738	0
ILINGE:T/SHIP PROJECTS H & LOC.GOVERNMENT	-10 775					10 775	0
ILINGE OLD PROJECTS						768 762	768 762
DWAF OLD PROJECTS						13 870	13 870
MULTI-PURPOSE SPORT LADY FRERE	140 069					-140 069	0
MULTI-PURPOSE SPORT ENGCOCO	26 415					-26 415	0
EMALAHLENI YOUTH DEVELOPMENT	624 207		58 808	-37 992			645 023
ISRDP PROGRAMME-SUMMARY	17 716 578		1 554 356	-2 449 358	-257 795		16 563 781
MIG	59 098 914	205 904 609	6 223 283	-197 198 941			74 027 864
MSIG	4 741 192	1 000 000	354 737	-2 726 076			3 369 853
COFIMVABA SPORTS FACILITY	-191 650					191 650	0
STERKSTROOM SPORTS FACILITY	6 595					-6 595	0
LADY FRERE SPORTS FACILITY	114 460					-114 460	0
ENGCOCO SPORTS FACILITY	135 567					-135 567	0
CRADOCK SPORTS FACILITY	-98 152					98 152	0
CALA SPORTS FACILITY	77 941					-77 941	0
FINANCE MANAGEMENT GRANT	1 373 804	500 000	171 067	-164 284			1 880 587
LED CAPACITY BUILDING	0	1 617 000	98 026	-574 658			1 140 368
LED PROJECTS	419 166						419 166
TEMBANI PROJECTS	402 614					-402 614	0
PERFORMANCE MANAGEMENT SYSTEM	-106 002	750 000	2 876	-646 250			624
PRESIDENTIAL PROJECT:ZIMELE TRUST	21 569					-21 569	0
ROAD MANAGEMENT SYSTEM	196 172		17 795	-4 162	-45 324		164 481
DWAF:FEASIBILITY STUDIES (EC605)	1 578 180		115 177	-435 894			1 257 462
IDP REVIEW	1 926 213	1 362 000	267 187	-461 796			3 093 604
WATER SERVICES CAPACITY BUILDING	0	1 810 000	29 505				1 839 505
DEPRT OF HEALTH: HIV AIDS	0					3 468 273	3 468 273
HIV/AIDS STIPENDS LUKHANJI	292 634					-292 634	0
HIV/AIDS STIPENDS INXUBA YETHEMBA	173 432					-173 432	0
HIV/AIDS STIPENDS INTSIKA YETHU	220 743					-220 743	0
HIV/AIDS STIPENDS EMALAHLENI	554 175					-554 175	0
HIV/AIDS STIPENDS ENGCOCO	131 650					-131 650	0
HIV/AIDS STIPENDS TSOLWANA	64					-64	0
DHLGTA:MHS SECTION 78	0	280 000	6 891				286 891
SANITATION RESOURCE CENTRE	0	820 000	26 888				846 888
HIV/AIDS STIPENDS ADMIN COSTS	14 250					-14 250	0
HIV/AIDS STIPENDS INKWANCA	55 350					-55 350	0
HEALTH SEED/MEDICINE	3 457					-3 457	0
HIV/AIDS HOME BASED CARE KITS	41 809					-41 809	0
AIDS/HIV DRUGS INXUBA YETHEMBA	377 311					-377 311	0
HIV/AIDS DRUGS TSOLWANA	48 308					-48 308	0
HIV/AIDS DRUGS LUKHANJI	490 497					-490 497	0
HIV/AIDS DRUGS SAKHISIZWE	68 171					-68 171	0
HIV/AIDS DRUGS CHRIS HANI	267 171					-267 171	0
HIV/AIDS DRUGS EMALAHLENI	34 000					-34 000	0
HIV/AIDS DRUGS ENGCOCO	18 388					-18 388	0
HIV/AIDS DRUGS INTSIKA YETHU	34 000					-34 000	0
DEPT OF SPORTS:LIBRARIES AND ARCHIVES	3 771 011	3 500 000	329 530	-247 813			7 352 728
Balance carried forward	110 996 243	251 252 458	9 502 337	-231 500 395	-303 119	-15 965 010	123 982 514

APPENDIX F
CHRIS HANI DISTRICT MUNICIPALITY
CONDITIONAL GRANTS : RECEIPTS AND EXPENDITURE FOR THE YEAR ENDED JUNE 2008 (Continued)

PROJECT DESCRIPTION	UNSPENT BALANCE 1/07/2007	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2008
Balance brought forward	110 996 243	251 252 458	9 502 337	-231 500 395	-303 119	-15 965 010	123 982 514
DHLG: MUNICIPAL INFRASTRUCTURE	8 964 000			-8 964 000			0
WSA BUSINESS PLAN	2 835 459	2 280 000	325 654	-1 259 642			4 181 471
IRDP:MSP(PROVINCIAL)	559 828	150 000	56 017	-164 816			601 029
CIVIL PROTECTION(ADDITIONAL FUNDS)	2 771 736	6 743 334	366 883	-3 500 259	-872 775		5 508 920
TSOMO:GROUND WATER SCHEME ADM	424 914					-424 914	0
JOB EVALUATION	-18 558					18 558	0
DWAF: DROUGHT RELIEF	2 113 550	1 000 000	211 150	-473 708			2 850 992
DWAF: TRAINING - SECONDED STAFF	147 005			-124 048			22 957
DHLG: TOWN PLANNING	3 730 474		298 954	-1 214 023			2 815 405
DEPT OF ECON AFFAIRS:NGUNI PROGRAMME	0	5 250 000	402 423				5 652 423
EASTERN CAPE AIDS COUNCIL	0	245 000	13 115	-128 498			129 617
CAPITAL PROJECTS 0607	0					2 934 505	2 934 505
FREE BASIC SERVICES	0	396 000	29 626				425 626
DBSA TOURISM TRAINING	0	44 775		-44 775			0
PROVINCIAL TREASURY:DEV OF SCM	0	497 789	37 197	-5 263			529 722
PROVISIONS	0			-29 619 085			-29 619 085
Total	138 342 470	267 859 355	11 243 356	-276 998 513	-1 175 893	-19 254 679	120 016 096
LESS: EQUITABLE SHARE	0	27 708 849	0	-26 553 170		-1 155 679	0
	138 342 470	240 150 506	11 243 356	-250 445 343	-1 175 893	-18 099 000	120 016 096