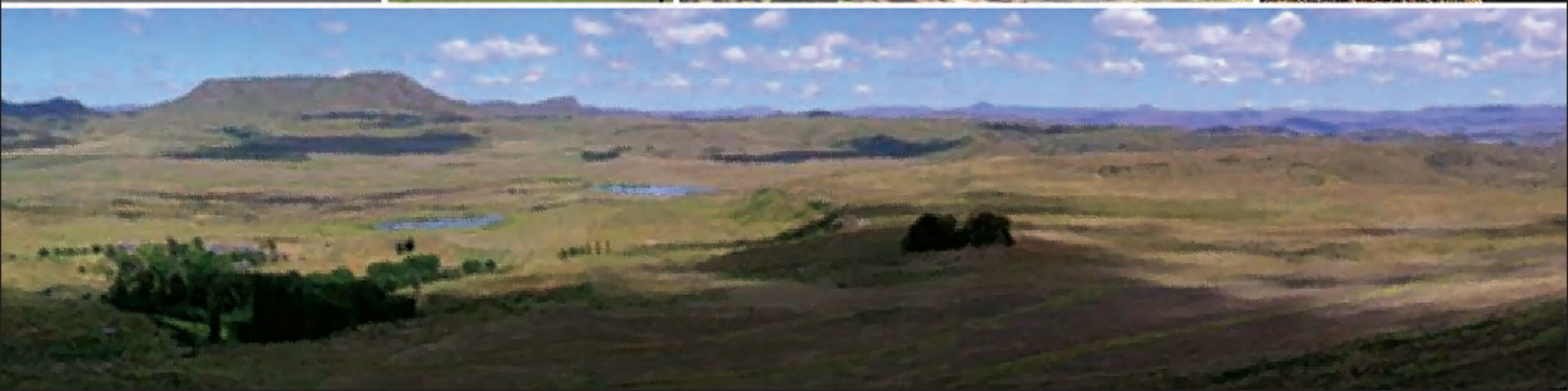




ANNUAL REPORT

for the financial year
2006 / 2007





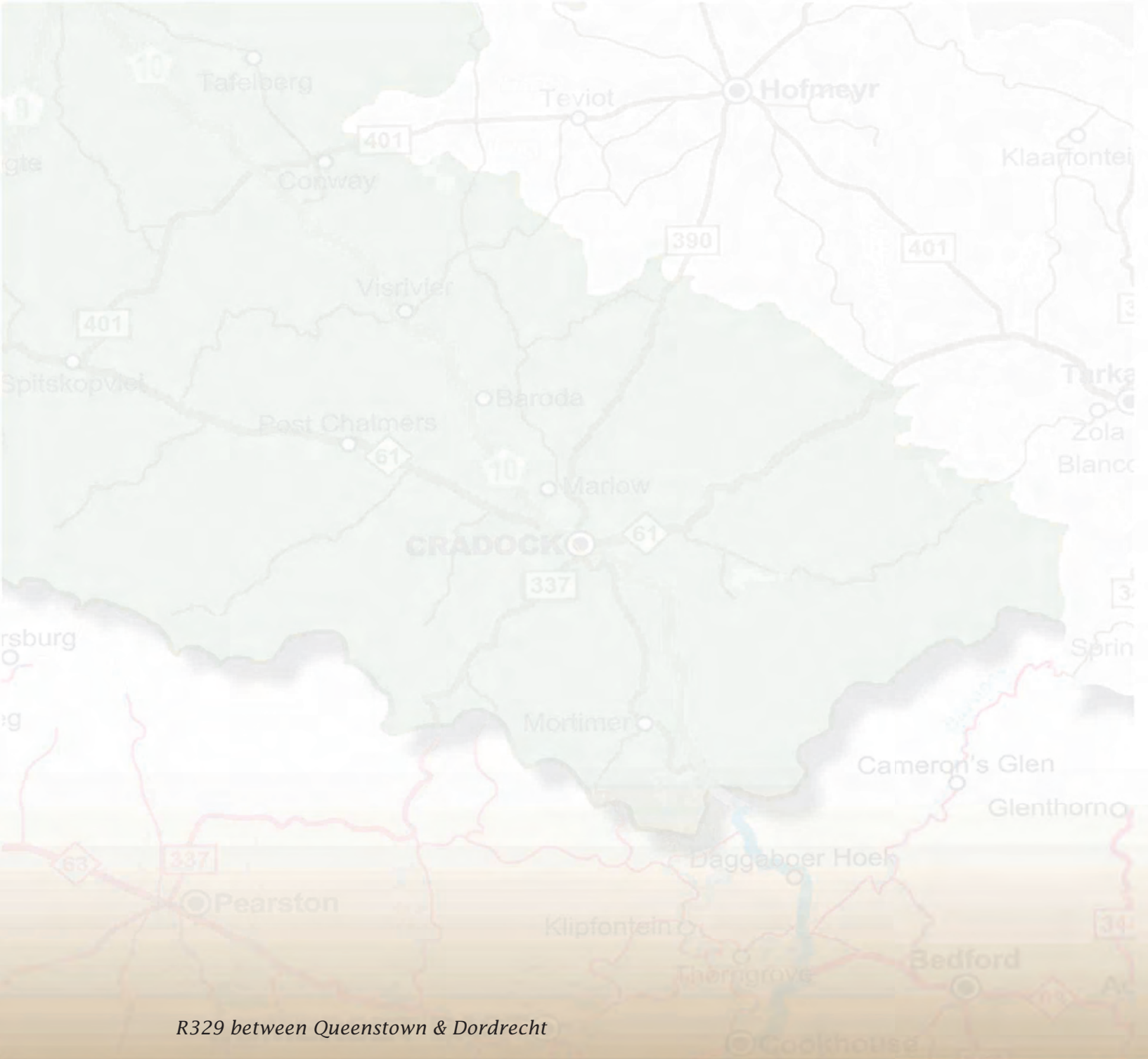
Annual Report
FOR THE FINANCIAL YEAR
2006 / 2007

ACRONYMS USED IN THIS REPORT

AG	- Auditor General	LAC	- Local AIDS Council
CHDM	- Chris Hani District Municipality	LAN	- Local Area Network
DAC	- District AIDS Council	LED	- Local Economic Development
DBSA	- Development Bank of Southern Africa	LLF	- Local Labour Forum
DFID	- Department for International Development	LM	- Local Municipality
DM	- District Municipality	M & E	- Monitoring and Evaluation
DPLG	- Department of Provincial and Local Government	MFMA	- Municipal Finance Management Act (56 of 2003)
DRP	- Disaster Recovery Plan	MHS	- Municipal Health Services
DWAF	- Department of Water Affairs and Forestry	MIG	- Municipal Infrastructure Grant
ECAC	- Eastern Cape AIDS Council	MSP	- Municipal Support Program
ECDMA	- Eastern Cape District Management Area	PDR	- Project Definition Report
ECESCOC	- Eastern Cape Emergency Services Coordinating Committee	PHC	- Primary Health Care
EHP	- Environmental Health Programme	PMS	- Performance Management System
EPWP	- Expanded Public Works Programme	PMU	- Project Management Unit
FHP	- Food Handling Premises	RSC	- Regional Services Council
GAMAP	- Generally Accepted Municipal Accounting Practice	SALGA	- South African Local Government Association
GDS	- Growth and Development Summit	SAN	- Storage Area Network
GRAP	- Generally Recognised Accounting Practices	SCM	- Supply Chain Management
ICT	- Information Communication Technology	SDBIP	- Service Delivery and Budget Implementation Plan
ICTSC	- Information Communication Technology Steering Committee	SHE	- Safety, Health and Environment
IDP	- Integrated Development Plan	SMME	- Small, Medium and Micro Enterprise
IMFO	- Institute for Municipal Finance Officers	STI	- Sexually Transmitted Infection
IMST	- Information Management Systems Technology	UFH	- University of Fort Hare
ISDR	- International Strategy for Disaster Risk Reduction	WAD	- World AIDS Day
ISDRP	- Integrated and Sustainable Rural Development Programme	WAN	- Wide Area Network
ITIL	- Information Technology Information Library	WMPF	- Website Management Procedures Framework
IWMP	- Integrated Waste Management Plan	WSA	- Water Services Authority
KPA	- Key Performance Area	WSDP	- Water Services Development Plan

TABLE OF CONTENTS

CHAPTER 1 INTRODUCTION AND OVERVIEW	5
1.1 Foreword by the Executive Mayor	7
1.2 Executive Summary	11
1.3 Overview by the Municipal Manager	13
CHAPTER 2 PERFORMANCE	17
<i>Office of the Municipal Manager</i>	
2.1 Communications	19
2.2 Information Communication Technology	22
2.3 Internal Audit	25
2.4 Supply Chain Management	27
2.5 Disaster Management	29
<i>Directorates</i>	
2.6 Budget & Treasury	32
2.7 Corporate Services	39
2.8 Engineering Directorate	42
2.9 Health and Community Services	48
2.10 Integrated Planning and Economic Development	57
CHAPTER 3 ANNUAL FINANCIAL STATEMENTS	63
3.1 Statement of Financial Position	67
3.2 Statement of Financial Performance	68
3.3 Statement of Changes in Net Assets	69
3.4 Cash Flow Statement	70
3.5 Accounting Policies	71
3.6 Notes to the Annual Financial Statements	79
3.7 Appendices	91
CHAPTER 4 AUDITOR GENERAL'S REPORT	105



R329 between Queenstown & Dordrecht





CHAPTER 3

Annual Financial Statements





ANNUAL FINANCIAL STATEMENTS



Mr Mpilo Mbambisa Municipal Manager

ANNUAL FINANCIAL STATEMENTS *for the year ended 30 June 2007*

I am responsible for the preparation of these financial statements, which are set out on pages 1 to 53, 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

65



ANNUAL FINANCIAL STATEMENTS

CHRIS HANI DISTRICT MUNICIPALITY

INDEX	PAGE
3.1 STATEMENT OF FINANCIAL POSITION	67
3.2 STATEMENT OF FINANCIAL PERFORMANCE	68
3.3 STATEMENT OF CHANGES IN NET ASSETS	69
3.4 CASH FLOW STATEMENT	70
3.5 ACCOUNTING POLICIES	71 – 78
3.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS	79 – 90
3.7 APPENDICES :	
A. SCHEDULE OF EXTERNAL LOANS	91
B. ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT	92 – 93
C. SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT	94
D. SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE	95
E. ACTUAL VERSUS BUDGET	97
F. DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT	98 – 101
G. DISCLOSURE REQUIREMENTS re EXEMPTIONS UTILISED	102



STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2007

	Note	2007 R	2006 R
NET ASSETS AND LIABILITIES			
Net assets			
		98,518,015	61,896,122
Capital replacement reserve		21,019,029	10,373,495
Government grant reserve		13,573,752	6,261,714
Unappropriated Surplus/(accumulated Deficit)		63,925,233	45,260,913
Non-current Liabilities			
		10,975,614	958,242
Long term loans	2	9,553,861	-
Non-current provisions	3	1,421,753	958,242
Current Liabilities			
		155,829,575	152,393,037
Provisions	5	1,877,378	1,860,000
Creditors	6	14,729,694	18,001,228
Unspent conditional grants and receipts	7	138,693,336	132,531,809
Current portion of long-term loans		529,167	-
Bank overdraft	15	-	-
Total Net Assets And Liabilities		265,323,204	215,247,401
ASSETS			
Non-Current Assets			
		25,400,014	17,559,024
Property, Plant And Equipment	9	23,748,613	17,559,024
Intangible assets	9	1,591,895	-
Long-term receivables	11	59,506	-
Current Assets			
		239,923,190	197,688,377
Consumer debtors	13	5,580,325	4,253,871
Other debtors	14	49,402,771	30,120,148
Current portion of long-term debtors	11	115,639	283,313
Call Investments	10	-	-
VAT	8	5,047,963	20,077,732
Cash		4,542	2,940
Bank	15	179,771,949	142,950,373
Total Assets		265,323,204	215,247,401

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

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

Budget		Note	Actual	
2006	2007		2007	2006
R	R		R	R
REVENUE				
11,315,000	3,000,000		3,650,635	11,984,273
10,685,000	2,000,000		2,278,878	14,527,134
66,000	72,000		59,591	3,002
1,554,300	1,250,000		7,669,947	4,107,112
400,000	180,000		212,406	2,215,077
-	21,963,800		14,465,184	22,800,371
86,596,000	122,966,800		129,215,770	84,952,955
-	-		-	600
50,000	128,000	19	258,679	973,108
-	-		365	11,855
110 666 300	151 560 600		157 811 456	141 575 487
149 631 000	168 685 874	18	192,228,348	160,962,050
260 297 300	320 246 474		350 039 803	302 537 537
EXPENDITURE				
29,687,700	54,066,994	20	51,535,376	43,268,696
3,388,100	4,375,279	21	4,447,418	3,222,422
-	-	22	3,084,822	7,626,451
1,713,000	506,400		298,365	2,101,724
2,664,100	2,825,000	9	3,565,801	3,083,179
516,200	850,657		795,071	949,583
-	-	23	306,573	-
120,000	129,400		39,991	35,582
8,643,900	252,200	25	177,739	8,467,445
52,703,900	75,853,070		57,244,938	57,140,312
347,400	469,900	3	665,115	1,200,000
10,882,000	12,231,700		1 831 941	10 749 525
110 666 300	151 560 600		123 993 150	137 844 919
149,631,000	168,685,874		198 842 065	160 962 050
260 297 300	320 246 474		322 835 215	298 806 969
0	0		27 204 589	3 730 568
Nett Surplus / (Deficit) for the year				



STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2007

	Capital replace- ment reserve	Capitalisation reserve	Government grant reserve	Public donations and contributions reserve	Accumulated surplus	Total
	R	R	R	R	R	R
2006						
Balance at 1 July 2005	217 325	0	4 245 442	0	30 435 394	34 898 161
Corrections (Note 37)	497,007				16,117,540	16 614 547
Change in accounting policy (Note 27)						0
Restated balance	714 332	0	4 245 442	0	46,552,934	51 512 708
Net Surplus for the year	9,619,388				3,730,568	3 730 568
Transfer to / (from) CRR	39,775				(2,966,542)	6 652 846
Transfer of interest earned to CRR					(39,775)	0
Property, plant and equipment purchased			2,016,272		(2,016,272)	0
Capital grants used to purchase PPE						0
Offsetting of depreciation.						0
Balance at 30 June 2006	10 373 495	0	6 261 714	0	45 260 913	61 896 122
2007						
Balance at 1 July 2006	10 373 495	0	6 261 714	0	45,260,913	61 896 122
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		-6,638,674	(5 631 917)
Transfer to unutilised grants					-6,718,215	(6 718 215)
Adjustment to accrue depreciation					1,257,776	1 257 776
Transactions current year					-534,529	(534 529)
Transactions previous years					10,881,752	10 881 752
Capital grants 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	63 925 233	98 518 015



ANNUAL FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from levies, government and other	342,125,540	321,947,752
Cash paid to suppliers and employees	(315,676,415)	(292,584,320)
Cash generated from operations	28 26,449,125	29,363,432
Interest received	7,882,354	4,107,112
Interest paid	223,545	
NET CASH FROM OPERATING ACTIVITIES	34,555,023	33,470,544
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment.	(7,781,484)	(3,146,409)
Proceeds on disposal of fixed assets.	70,000	-
(Increases)/Decreases in non-current receiveables	(59,506)	573,889
(Increases)/Decreases in call investment deposits	21,773	-
NET CASH FROM INVESTING ACTIVITIES	(7,749,217)	(2,572,520)
CASH FLOW FROM FINANCING ACTIVITIES		
New loans raised	9,553,861	-
Increase/(Decrease) in consumer deposits	-	-
Non-Operating expenditure charged against Provisions	-	(121,948)
Non-Operating income charged against Provisions	463,511	-
NET CASH FROM FINANCING ACTIVITIES	10,017,372	(121,948)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	29 36,823,178	30,776,076
Cash and cash equivalents at the beginning of the year	142,953,313	112,177,237
Cash and cash equivalents at the end of the year	179,776,491	142,953,313
	(1,462,327)	
	(36,823,178)	



ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

1 BASIS OF PREPARATION

These annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP) and Generally Accepted Municipal Accounting Practice (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

These standards are summarised as follows :

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GAMAP 4	The effects of changes in foreign exchange rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for investments in Associates
GAMAP 8	Financial reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent liabilities and Contingent assets.
GAMAP 6,7 & 8	Have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such statements issued by the Accounting Practices Board.

The minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided per Appendix G to the annual financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP / GRAP / GAAP.

The annual financial statements are presented in South African Rand and have been prepared on a going concern basis.



2 PROPERTY, PLANT AND EQUIPMENT (PPE)

2.1 PPE IS STATED:

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

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

2.3 Depreciation and impairment losses:

2.3.1 Depreciation is calculated on cost, using the straight line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives:

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

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

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

2.4 Disposal and retirement of assets:

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



3 FUNDS AND RESERVES

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

3.1 Capital Replacement Reserve (CRR)

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

- The cash backing up the CRR is invested, in accordance with the investment policy of the Council, until it is utilised.
- Interest earned on the CRR investment is recorded as interest earned in the Statement of Financial Performance and may be appropriated to the CRR in accordance with Council policy.
- The CRR may only be utilised for the purpose of purchasing items or construction of property, plant and equipment for the Council and may not be used for the maintenance of these items. If Council want to utilise the CRR for expensing something else than PPE an amount equal to the expense must be transferred to net surplus.
- Whenever an asset is purchased out of the CRR an amount equal to the cost price of the asset purchased is transferred from the CRR to the Accumulated surplus account through the Statement of Changes in Net Assets. This transfer is used to offset depreciation charged on assets purchased out of the AFR and is released to the Statement of Changes in Net Assets at purchase of the asset to avoid double taxation of the consumers.
- If a profit is made on the sale of PPE other than land, the profit on these assets sold is reflected in the Statement of Financial Performance and is then transferred via the statement of changes in net assets to the CRR provided that it is backed by cash. Profit on the sale of land is not transferred to the CRR as it is regarded as revenue.

3.2 Government Grant Reserve

When items of Property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus to the Government Grant Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Reserve to the accumulated surplus. 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. When an item of property, plant and equipment is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus.



4 PROVISIONS

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

4.1 Employee Benefits

4.1.1 Retirement Funds

The Council and its employees contribute to various Pension Funds and its councillors contribute to the Pension Fund for Municipal Councillors. These funds provide retirement benefits to such employees and councillors. The retirement benefits are calculated in accordance with the rules of the funds. Full actuarial valuations are performed on a regular basis unless exemption to do so has been obtained from the Registrar of Pension Funds. Current contributions are charged against the operating account of the Council at a percentage of the basic salary paid to employees.

4.1.2 Medical Aid: Continued Members

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

These contributions are charged to the operating account when paid.

4.1.3 Accrued Leave Pay

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

4.1.4 Provision for bonuses

Bonuses were paid out of operating expenses

4.1.5 Provision for constructive obligations

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

4.1.6 Provision for onerous contracts

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



5 LEASES

Lessee Accounting

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

Lessor Accounting

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

6 INVESTMENTS

The Council may have the following types of investments:

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

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

- 6.3 SUBSEQUENT MEASUREMENT of financial assets.

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



7 REVENUE RECOGNITION

- 7.1 REVENUE IS DERIVED FROM A VARIETY OF SOURCES WHICH INCLUDE REGIONAL COUNCIL LEVIES, GRANTS FROM OTHER TIERS OF GOVERNMENT AND REVENUE FROM OTHER SERVICES PROVIDED. REVENUE IS RECOGNISED WHEN IT IS PROBABLE THAT FUTURE ECONOMIC BENEFITS OR SERVICE POTENTIAL WILL FLOW TO THE COUNCIL AND THESE BENEFITS CAN BE MEASURED RELIABLY.
- 7.2 Revenue from levies is recognized when the legal entitlement to this revenue arises. Collection charges are recognized when such amounts are legally enforceable. Interest on unpaid levies is recognized on a time proportionate basis.
- 7.3 Interest earned on investments is recognised in the statement of financial performance on a time proportionate basis that takes into account the effective yield on the investment. Interest may be transferred from the unappropriated surplus to the AFR. Interest earned on unutilised conditional grants is allocated directly to the creditor: unutilised conditional grants if the grant conditions indicate that interest is payable to the funder.
- 7.4 Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
 - The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
 - The amount of revenue can be measured reliably.
 - It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
 - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- 7.5 Interest on outstanding debtors is recognized on a time proportionate basis and is charged on all outstanding debtors older than 30 days.
- 7.6 When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction should be recognised by reference to the stage of completion of the transaction at the statement of financial position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- The amount of revenue can be measured reliably.
 - It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
 - The stage of completion of the transaction at the statement of financial position date can be measured reliably.
 - The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- 7.7 Government Grants are recognised as revenue when all conditions associated with the grant have been met. Where grants have been received but the Council has not met the condition, a liability is raised.



8 VALUE ADDED TAX

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

9 SEGMENTAL INFORMATION

The principal segments have been identified on a primary basis by service operation and on a secondary basis by the classification of revenue and expenditure. The primary basis is representative of the internal structure for both budgeting and management purposes. The secondary basis classifies all operations based on the classification of revenue and expenditure.

10 GRANTS-IN-AID

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

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

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

11 UNUTILISED CONDITIONAL GRANTS

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

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

12 INTANGIBLE ASSETS

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



13 ACCOUNTS RECEIVABLE

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

14 CASH AND CASH EQUIVALENTS

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

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

15 COMPARATIVE INFORMATION

15.1 CURRENT YEAR COMPARATIVES

Budgeted amounts have been included in the annual financial statements for both financial years.

15.2 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.

16 BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
1 HOUSING DEVELOPMENT FUND		
Chris Hani District Municipality does not administer any Housing development fund.		
2 NON CURRENT LIABILITIES		
DBSA loan		
Balance at beginning of year	0	-
Received during the year	10 000 000	
Finance costs charged	306 573	
Finance costs paid	(223 544)	
Short-term portion transferred to current liabilities	(529 167)	
Balance at the end of the year	9,553,861	0
DBSA loan for bucket eradication projects. The loan carry interest at 5 % per annum and is repayable in 18 equal instalments over 10 years.		
See appendix A for details		
3 NON-CURRENT PROVISIONS		
Provision for Leave pay	1,421,753	958,242
Total Non-Current Provisions	<u>1,421,753</u>	<u>958,242</u>
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.		
The movement in the provision is reconciled as follows:-		
Balance at beginning of year	958,242	588,007
Contributions to provisions	480,888	1,200,000
Expenditure incurred	-	-
Increase due to discounting	-	-
Transfer to current provisions	(17,378)	(829,765)
Balance at end of year	1,421,753	958,242
4 CONSUMER DEPOSITS		
Chris Hani District Municipality holds no consumer deposits.		
5 PROVISIONS		
Current portion of Leave Pay provision	1,877,378	1,860,000
Total Current Provisions	<u>1,877,378</u>	<u>1,860,000</u>



ANNUAL FINANCIAL STATEMENTS

	2007	2006
	R	R
The movement in the current provision is reconciled as follows:-		
Balance at beginning of year	1,860,000	1,152,183
Transfer from non-current	17,378	829,765
Contributions to provision		
Expenditure incurred		(121,948)
Balance at end of year	1,877,378	1,860,000
6 CREDITORS		
Trade creditors	3,904,595	1,280,525
DWAF: Unidentified deposits	362,433	1,115,930
Equitable share projects	1,552,180	2,174,700
Deposits	234,969	8,334
Former TRC – Engcobo	1,094,769	1,094,769
Traffic fines	459,879	233,348
Income Suspense (Levies)	4,774,460	4,996,603
Road works	30	5,961,627
Other creditors	2,346,380	1,135,392
Total creditors	14,729,694	18,001,228
7 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
	6 682 196	8 047 497
Conditional grants from government		
	138,693,336	132,531,809
Government Grants	138,342,470	107,234,819
Provincial Grants and subsidies	350,866	25,296,990
Other conditional receipts		
	-	-
Total Conditional Grants and Subsidies	138,693,336	132,531,809
See Appendix F for a reconciliation of grants from National/Provincial Government. These amounts are fully invested until utilised.		
8 VAT		
Vat control account	(159,244)	(1,597,159)
Accrued Vat (refund from SARS)	(25,603,927)	(41,187,546)
Input tax	31,500,215	70,601,374
Output tax	(689,081)	(7,738,937)
	5,047,963	20,077,732

80

Vat is paid on the receivable basis.



ANNUAL FINANCIAL STATEMENTS

9 PROPERTY, PLANT AND EQUIPMENT

30 June 2007

Reconciliation of Carrying Value	Land and buildings	Infra-structure	Community	Other	Total	Intangible	Total
	R	R	R	R	R	R	R
Carrying values at 1 July 2006	10,343,755	0	213,543	5,408,002	15,965,300	1,593,724	17,559,024
Cost	12,147,645	0	457,586	11,668,449	24,273,680	2,627,205	26,900,885
Accumulated depreciation	(1,803,890)	0	(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	-		-	-	0		0
Depreciation - based on cost	(346,141)	0	(18,384)	(2,406,784)	(2,771,309)	(794,492)	(3,565,801)
	(346,141)		(18,384)	(2,406,784)	(2,771,309)	(794,492)	(3,565,801)
Carrying value of disposals	0	0	0	72,384	72,384	0	72,384
Cost	-			408,141	408,141	81,553	489,694
Accumulated depreciation	-			(335,757)	(335,757)	(81,553)	(417,310)
Impairment losses	-				0		0
Other movements-cost	(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	0	168,309	7,297,799	23,748,613	1,591,895	25,340,508
Cost	18,232,721	0	344,121	15,450,681	34,027,523	2,545,561	36,573,084
Accumulated depreciation	(1,950,216)	0	(175,812)	(8,152,882)	(10,278,910)	(953,666)	(11,232,576)



ANNUAL FINANCIAL STATEMENTS

Reconciliation of Carrying Value	Land and buildings		Infra-structure		Community		Other		Total		Intangible		Total	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Carrying values at 1 July 2005	8,869,109	-	239,413	6,793,408	15,901,930	1,593,724	17,495,654							
Cost	10,131,373	-	457,586	10,564,970	21,153,929	2,627,205	23,781,134							
Accumulated depreciation	(1,262,264)	-	(218,173)	(3,771,562)	(5,251,999)	(1,033,481)	(6,285,480)							
Acquisitions				1,130,137	1,130,137		1,130,137							1,130,137
Capital under Construction	2,016,272			(2,515,543)	2,016,272		2,016,272							2,016,272
Depreciation	(541,626)	-	(25,870)	(2,515,543)	(3,083,039)	0	(3,083,039)							(3,083,039)
- based on cost	(541,626)		(25,870)	(2,515,543)	(3,083,039)		(3,083,039)							(3,083,039)
Carrying value of disposals	489,692	-	0	0	489,692	0	489,692							489,692
Cost	489,692			26,658	516,350		516,350							516,350
Accumulated depreciation				(26,658)	(26,658)		(26,658)							(26,658)
Impairment losses					0		0							0
Other movements					0		0							0
Carrying values at 30 June 2006	10,343,755	-	213,543	5,408,002	15,965,300	1,593,724	17,559,024							17,559,024
Cost	12,147,645	-	457,586	11,668,449	24,273,680	2,627,205	26,900,885							26,900,885
Accumulated depreciation	(1,803,890)	-	(244,043)	(6,260,447)	(8,308,380)	(1,033,481)	(9,341,861)							(9,341,861)



ANNUAL FINANCIAL STATEMENTS

	2007	2006
	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	124,494	283,313
Study assistance-Council employees	50,651	-
	175,145	283,313
Less : Short-term portion transferred to current assets	(115,639)	(283,313)
Total Non-Current loans	59,506	0
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	5,580,325	4,253,871
Total	5,580,325	4,253,871
14 OTHER DEBTORS		
Health Subsidies	1,694,212	1,694,212
Roads & Works Recov. Expenditure.	255,422	484,197
Lukhanji Municipality (ESCOM account)	3,389,476	3,389,476
Inxuba Yethemba Municipality (SARS account)	15,461,634	-
Ambulance Service	2,225,189	2,215,798
Ambulance Subsidy Bisho	1,687,765	1,687,765
Intsika Yethu Subsidy	312,346	312,346
Roadwork's Subsidy	8,294,619	8,294,619
Subsidy National Health And Population Projects	3,358,645	3,358,645
	455,839	463,643
Elections Infrastructure	1,190,002	1,190,001
Hala upgrading of services (Special Fund)	3,117,120	3,117,120
Previous System Movements	2,772,534	6,272,499
Other Sundry Debtors	15,899,241	5,266,277
Sub-Total: Other Debtors	60,114,044	37,746,598
Provision for Bad Debts	(10,711,273)	(7,626,450)
Net: Other Debtors	49,402,771	30,120,148



ANNUAL FINANCIAL STATEMENTS

	2007	2006
	R	R
15 BANK, CASH AND OVERDRAFT BALANCES		
Chris Hani District Municipality has the following bank accounts:		
Current Account (Primary Bank Account)		
First National Bank Cathcart Road Queenstown		
Cashbook balance at the beginning of the year	142,950,373	112,173,947
Cashbook balance at the end of the year	<u>179,771,949</u>	<u>142,950,373</u>
Bank statement balance at the beginning of the year	163,090,445	139,005,883
Bank statement balance at the end of the year	<u>193,535,616</u>	<u>163,090,445</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		
Government Grants		
Equitable share	117,087,100	82,936,683
Provincial Grants and subsidies	12 128 670	2 016 272
Total Government Grants	<u>129,215,770</u>	<u>84,952,955</u>
National/Provincial conditional Government grant funding		
Funds transferred to Income for reimbursement of non capital expenditure	191,084,057	160,962,050
Funds transferred to Income for reimbursement of capital expenditure (See Appendix F for detail)	7,758,008	2,016,272
Total National/Provincial Government Grants reimbursements	<u>198,842,065</u>	<u>162,978,322</u>
Total Government Grants and Subsidies	<u>328,057,835</u>	<u>247,931,277</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.



ANNUAL FINANCIAL STATEMENTS

	2007	2006
	R	R
19 OTHER INCOME		
Sundry Income	205,259	973,108
Commission on Collection	53,420	-
Total Other Income	258,679	973,108
20 EMPLOYEE RELATED COSTS		
Salaries and wages	35,650,515	31,599,770
Contributions for UIF, Pensions ,Medical aids etc	8,900,598	7,341,793
Travel, motor car and other allowances	5,840,546	3,393,667
Housing benefits	369,543	349,892
Performance bonuses	501,313	341,245
Long-service awards	272,861	242,329
	51,535,376	43,268,696
Remuneration of the Municipal Manager		
Annual Remuneration	460,493	351,998
Performance Bonuses	94,285	104,950
Car Allowance	81,000	159,174
Contributions to UIF, Medical and Pension funds	106,560	87,917
Total	742,338	704,039
Remuneration of the Director Finance		
Annual Remuneration	429,192	328,553
Performance Bonuses	88,231	79,930
Car Allowance	82,630	148,350
Contributions to UIF, Medical and Pension funds	89,715	79,331
Total	689,768	636,164
Remuneration of the Director Corporate Services		
Annual Remuneration	429,192	328,553
Performance Bonuses	77,438	74,126
Car Allowance	81,000	148,350
Contributions to UIF, Medical and Pension funds	91,675	79,331
Total	679,305	630,360
Remuneration of the Director Integrated Planning & Economic Development		
Annual Remuneration	429,192	328,553
Performance Bonuses	80,451	82,239
Car Allowance	83,609	148,350
Contributions to UIF, Medical and Pension funds	96,585	79,331
Total	689,837	638,473
Remuneration of the Director of Health		
Annual Remuneration	429,192	328,553
Performance Bonuses	87,449	-
Car Allowance	82,146	148,350
Contributions to UIF, Medical and Pension funds	81,460	79,331
Total	680,247	556,234



ANNUAL FINANCIAL STATEMENTS

	2007	2006
	R	R
Remuneration of the Director Infrastructure		
Annual Remuneration	429,192	277,915
Performance Bonuses	73,459	-
Car Allowance	81,000	123,625
Contributions to UIF, Medical and Pension funds	96,587	66,109
Total	680,238	467,649

Remuneration of the Strategic Manager (December 2006 – June 2007)		
Annual Remuneration	234,007	-
Performance Bonuses	-	-
Car Allowance	47,250	-
Contributions to UIF, Medical and Pension funds	58,714	-
Total	339,971	0

21 REMUNERATION OF COUNCILLORS

Executive Mayor	338,514	226,918
Deputy Executive Mayor	-	-
Speaker	270,811	181,535
Mayoral Committee members	1,523,310	1,021,135
Councillors	1,032,565	1,039,191
Allowances	1,033,561	753,643
Adjustments	248,657	-
Total Councillors' Remuneration	4,447,418	3,222,422

In-kind Benefits

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

The Executive Mayor has access to a Council owned vehicle for official duties.

22 BAD DEBTS

Contribution to the bad debt provision	3,084,822	7,626,451
Bad debt written off	-	-
Total Bad Debts	3,084,822	7,626,451

23 INTEREST PAID

External loans	306,573	-
Finance leases	-	-
Bank overdrafts	-	-
Total interest on External Borrowings.	306,573	0

24 BULK PURCHASES



ANNUAL FINANCIAL STATEMENTS

	2007	2006
	R	R
25 GRANTS AND SUBSIDIES PAID		
Infrastructural Services	-	8,400,000
Problem Animal Control	30,000	31,000
Other	147,739	36,445
Total Grants and Subsidies paid	177,739	8,467,445
 26 GENERAL EXPENSES		
No extraordinary expenses were included in general expenses	-	-
	0	0
 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:-		
	-	-
	0	0
	-	-
	0	0
 28 CASH GENERATED BY OPERATIONS		
Net surplus for the year	27,204,589	3,730,568
Adjustment for:-		
Previous years	-	(4,096,818)
Changes in accounting policy	-	-
Depreciation	3,565,801	3,083,179
Bad debts	3,084,822	-
Loss on disposal of property, plant and equipment	(365)	-
Contributions to provisions – non-current	463,511	1,200,000
Contributions to provisions – current	17,378	-
Contribution to Capital Replacement Reserve	1,831,941	10,749,525
Investment income	(7,882,354)	(4,107,112)
Interest paid	306,573	-
1.Audit fees,rent & interest provisions	(16,812)	-
Operating surplus before working capital changes:	28,591,895	10,559,342
(Increase)/Decrease in RSC Levy debtors	(1,326,454)	(3,548,755)
(Increase)/Decrease in other debtors	(19,282,623)	20,248,911
(Increase)/Decrease in VAT	15,029,769	14,445,183
Increase/(Decrease) in current portion long term loans	529,167	-
Increase/(Decrease) in conditional grants and receipts	6,161,527	(7,502,293)
Increase/(Decrease) in current provisions	17,378	-
Increase/(Decrease) in creditors	(3,271,534)	(4,838,956)
Cash generated by operations	26,449,125	29,363,432



ANNUAL FINANCIAL STATEMENTS

	2007 R	2006 R
29 CASH AND CASH EQUIVALENTS		
Balance at the end of the year	179,776,491	142,953,313
Balance at the beginning of the year	142,953,313	112,177,237
Net (De-) / Increase in cash and cash equivalents	36,823,178	30,776,076
30 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
The DBSA loan funding was fully utilised on bucket eradication projects during the year.		
31 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
Unauthorised expenditure		
Reconciliation of unauthorised expenditure		
Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by Council	-	-
Transfer to statement of Financial performance		
- authorised losses	-	-
Transfer to receivables for recovery	-	-
Closing balance	0	0
Irregular, fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Approved by Council	-	-
Transfer to statement of Financial performance		
- authorised losses	-	-
Transfer to receivables for recovery	-	-
Closing balance	0	0
Total unauthorised, fruitless and wasteful expenditure disallowed	0	0
32 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
32.1 Contributions to SALGA		
Opening balance	-	(106,279)
Council subscriptions	(112,661)	106,279
Amount paid - current year	112,661	
Amount paid - next year		
Balance paid in advance (included in Debtors)	0	0



ANNUAL FINANCIAL STATEMENTS

	2007	2006
	R	R
32.2 Audit fees		
Opening balance	-	-
Current year audit fee	1,179,983	1,612,271
Amount paid – current year	(1,179,983)	(1,612,271)
Amount paid – previous years	-	-
Balance unpaid (included in creditors)	0	0

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	7,896,837	6,184,514
Amount paid – current year	(7,864,027)	(6,217,324)
Amount paid – previous years	-	-
Balance undeducted (included in debtors)	0	(32,810)

32.5 Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	11,802,588	9,905,490
Amount paid – current year	(11,802,588)	(9,905,490)
Amount paid – previous years	-	-
Balance unpaid (included in creditors)	0	0

The balance would represent pension and medical aid contributions deducted from employees in the June 2006 payroll. These amounts would be paid during July 2007.

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 was signed to First National Bank to cover a bank overdraft.

Matters pending with Council attorneys based on estimated probable loss with costs

	-	-
	1,555,000	-
	1,555,000	0



ANNUAL FINANCIAL STATEMENTS

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 Funds on the basis of a fixed contribution and is charged against income as incurred.

36 IN-KIND DONATIONS AND ASSISTANCE

No in-kind donations or assistance was done or provided in 2006/07

37 CORRECTIONS

During the year the following transactions were made in regard to the previous year and the comparative amounts have been restated:

Creditors	-	188,419
Accumulated depreciation	1,257,776	-
Capital Replacement Reserve	-	(497,007)
Conditional grant creditors	-	16,426,128
Net effect on surplus for the year	<u>1,257,776</u>	<u>16,117,540</u>



APPENDIX A
CHRIS HANI DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS
AS AT 30 JUNE 2007

EXTERNAL LOAN	Opening Balance	Capital Advances	FINANCE COSTS CHARGED		FINANCE COSTS PAID		TRANSFERS TO CURRENT LIABILITIES			Closing Balance
			Interest	Other Costs	Interest	Other Costs	Capital Repaid	Capital	Interest	
DBSA LOAN	-	10,000,000	285,429	21,144	(202,401)	(21,144)	-	(446,139)	(83,028)	9,553,861
	-									0
Total	0	10,000,000	285,429	21,144	(202,401)	(21,144)	0	(446,139)	(83,028)	9,553,861



APPENDIX B
CHRIS HANI DISTRICT MUNICIPALITY: ANALYSIS OF PROPERTY AND EQUIPMENT
AS AT 30 JUNE 2007

	Cost					Accumulated Depreciation					Budget Additions 2007	
	Opening Balance	2006 Additions Adjusted	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Backlog	Additions	Disposals		Closing Balance
INFRASTRUCTURE ASSETS						0.00					0.00	
Total Infrastructure Assets	0	0	0	0	0	0					0	0
COMMUNITY ASSETS												
Buildings:												
Clinics and Hospitals	100,000					100,000					50,000	50,000
Halls Recreation	168,341					168,341.00					61,756	106,585
	268,341	0	0	0	0	268,341	0	8,920	0	111,756	156,585	0
Recreational Facilities:												
Fountains	11,471					11,471.00					7,065	4,406
	11,471	0	0	0	0	11,471	0	2,288	0	7,065	4,406	0
Security Measures:												
Fencing	19,136					19,136					19,136	0
Security Systems	45,173					45,173.00					37,855	7,318
	64,309	0	0	0	0	64,309	0	7,176	0	56,991	7,318	0
Total Community Assets	344,121	0	0	0	0	344,121	0	18,384	0	175,812	168,309	0
OTHER ASSETS												
Buildings:												
Office Building	11,710,327	152,304	2,285,802	-		14,148,433	14	331,298		1,777,472	12,370,961	
Other	11,802					11,802		785		11,084	718	
Housing Council	422,486					422,486		14,044		161,660	260,826	
Land And Unused Buildings	2,000		3,648,000			3,650,000.00				0	3,650,000	
	12,146,615	152,304	5,933,802	0	0	18,232,721	14	346,127	0	1,950,216	16,282,505	0
Intangible Assets												
Computer Software	2,627,114					2,627,114		794,492	81,553	953,666	1,591,895	
	2,627,114	0	0	0	0	2,627,114	0	794,492	81,553	953,666	1,591,895	0
Office Equipment:												
Air Conditioners	356,890					356,890		60,345		312,383	44,507	
Computer Hardware	2,301,906		535,904			2,819,173		602,861	18,637	1,653,843	1,165,330	
Office Machines	429,740					429,740		62,657	255	356,776	72,709	
Miscellaneous	226,278		92,643			314,025		49,707	4,896	156,160	157,865	
	3,314,814	0	628,547	0	0	3,919,573	0	775,570	23,788	2,479,162	1,440,411	0



ANNUAL FINANCIAL STATEMENTS

	Cost						Accumulated Depreciation						Budget Additions 2007
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance		Opening Balance	Backlog	Additions	Disposals	Closing Balance	Carrying Value	
Plant And Equipment:	113,038	388,500			636,538		113,038	13,624	32,117		158,779	477,759	
Tractors	-	62,239			62,239		-	7,196	12,504		19,700	42,539	
Farm Equipment	3,251	127,452			139,859		3,251	4,470	8,474		16,195	123,664	
Trailers	3,811	16,092			19,903		3,811	-	2,129		5,940	13,963	
Lawnmowers	2,328,533				2,328,533		718,337	-	232,215		950,552	1,377,981	
Earth Moving Equipment	-				0		-	-	-		0	0	
Plant and Equipment General	117,314			45,349	71,965		117,314	-	-	45,349	71,965	0	
Radio Equipment	17,980			9,650	8,330		17,980	-	-	9,650	8,330	0	
General	-	3,193			3,193		-	-	-		0	3,193	
Other	113,465				113,465		86,749	180	637		87,566	25,899	
Satellite Tracking Equipment	53,053			9,760	43,293		53,053	-	7,503		50,796	-7,503	
Ambulance /Clinic Equipment	156,000				156,000.00		156,000	-	-		156,000	0	
Mobile Clinic	2,906,445	581,384	0	64,759	3,583,318		1,269,533	25,470	295,579	64,759	1,525,823	2,057,495	0
Furniture And Fittings:	370,244	63,866		1,122	432,988		177,402	-	74,596	1,122	250,876	182,112	
Cabinets and Cupboards	214,588	67,559		71	282,076		138,834	-	74,297	71	213,060	69,016	
Chairs	396,742	13,167		139,023	270,886		318,377	-	25,644	139,023	204,998	65,888	
Furniture & Fittings Other	30,524	11,747		2,078	40,193		15,497	-	8,553	2,078	21,972	18,221	
Kitchen Equipment	314,434	81,168		28	395,574		138,753	-	62,755	28	201,480	194,094	
Tables and Desks	1,326,532	237,507	0	142,322	1,421,717		788,863	0	245,845	142,322	892,386	529,331	0
Motor Vehicles:	-				0		-	-	-		0	0	
Buses	354,160				354,160		129,244	-	70,638		199,882	154,278	
Fire Engines	1,421,699	35,000			2,030,804		986,426	35,000	244,793		1,266,219	764,585	
Passenger vehicles	2,449,085	528,742		177,080	4,130,999.00		1,170,107	284,530	429,359	104,696	1,779,300	2,351,699	
Trucks / Bakkies	4,224,944	563,742	0	177,080	6,515,963		2,285,777	319,530	744,790	104,696	3,245,401	3,270,562	0
Emergency Equipment:	6,185				6,185		6,185				6,185	0	
Fire	3,637				3,637		3,637				3,637	0	
Fire Hoses	288				288		288				288	0	
Emergency Lights	192				0.00		192				0	0	
General	10,302	0	0	192	10,110		10,302	0	0	192	10,110	0	0
Total Other Assets	26,556,766	1,297,430	0	489,694	36,226,963		7,926,657	345,014	3,202,403	417,310	11,056,764	25,172,199	0
TOTAL	26,900,887	1,297,430	0	489,694	36,573,084		8,084,085	345,014	3,220,787	417,310	11,232,576	25,340,508	0



APPENDIX C
CHRIS HANI DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
AS AT 30 JUNE 2007

FIXED ASSETS DESCRIPTION	HISTORICAL COST				ACCUMULATED DEPRECIATION				CARRYING VALUE	
	OPENING BALANCE	ADDITIONS	UNDER CONSTRUCTION	DISPOSALS	CLOSING BALANCE	OPENING BALANCE	ADDITIONS	DISPOSALS		CLOSING BALANCE
Executive and Council	5,344,885	1,397,556		28,720	6,713,721	2,705,120	915,994	28,720	3,592,393	3,121,328
Finance and Administration	15,935,607	6,547,148		210,875	22,271,880	3,019,758	1,682,921	210,875	4,491,803	17,780,077
Planning and Development	555,625	1,808,074		7,096	2,356,603	280,656	393,328	7,096	666,888	1,689,716
Health	1,331,896	28,214		28,846	1,331,264	1,077,407	144,971	28,846	1,193,532	137,732
Community and Social services	140,971	52,813		-	193,784	-	73,895	-	73,895	119,888
Public safety	2,965,618	289,413		214,156	3,040,875	997,070	338,785	141,772	1,194,083	1,846,792
Primary Health Care	619,736	-		-	619,736	4,075	-	-	4,075	615,661
Road Works	-	-		-	0	-	-	-	0	0
Special Accounts	-	-		-	0	-	-	-	0	0
PIMMS	6,549	-		-	6,549	-	2,177	-	2,177	4,372
Water	-	38,673		-	38,673	-	13,730	-	13,730	24,943
Other	-	-		-	0	-	-	-	0	0
TOTALS	26,900,887	10,161,891	0	489,694	36,573,084	8,084,085	3,565,801	417,310	11,232,576	25,340,508



APPENDIX D
CHRIS HANI DISTRICT MUNICIPALITY: SEGMENTAL OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2007

2006 Actual Income R	2006 Actual Expenditure R	2006 Surplus/ (Deficit) R		2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R
82,953,617	36,576,014	46,377,603	Executive and Council	117,087,100	16,076,916.72	101,010,183
33,805,227	13,356,469	20,448,758	Finance and Administration	5,461,760	20,776,333.98	(15,314,574)
162,978,322	220,709,059	(57,730,737)	Planning and Development	198,842,065	207,756,454.61	(8,914,390)
-	1,141,330	(1,141,330)	Environmental Health	6,454,050	4,965,401.42	1,488,649
-	2,079,253	(2,079,253)	Community and Social services	-	1,756,719.58	(1,756,720)
-	1,249,698	(1,249,698)	Public safety	3,000,000	1,209,807.36	1,790,193
7,796,580	7,796,580	0	Primary Health Care	6,465,184	9,166,794.63	(2,701,611)
15,003,791	15,003,791	0	Road Works	8,000,000	8,918,785.25	(918,785)
-	777,518	(777,518)	PIMMS	1,000,000	693,650.55	306,349
-	-	0	Water	2,874,620	51,334,869.30	(48,460,249)
-	117,257	(117,257)	Other	855,025	179,481.92	675,543
302,537,537	298,806,969	3,730,568	Sub Total	350,039,804	322,835,215	27,204,588
-	-	0	Less Inter-Departmental charges	0	-	-
302,537,537	298,806,969	3,730,568	TOTAL	350,039,804	322,835,215	27,204,588



ANNUAL FINANCIAL STATEMENTS

APPENDIX D continued CHRIS HANI DISTRICT MUNICIPALITY

AS AT 30 JUNE 2007

	Income	Expenditure
Executive and Council		
100500	-	1,280,426.91
100506		1,769,128.46
100512		715,452.94
101000		2,300,271.99
101015		974,048.65
102000	81,755,934.00	29,445,638.02
104500	1,197,682.97	91,046.51
	82,953,616.97	36,576,013.48
Finance and Administration		
100509		1,473,157.48
100515		477,094.93
101003		1,588,663.05
101006		871,732.22
101009		1,185,295.29
101012	3,001.56	5,342.66
101500	29,695,112.97	1,916,257.02
101503		422,362.04
101506		2,190,535.85
101509	4,107,112.00	2,632,185.30
101512		593,842.85
	33,805,226.53	13,356,468.69
Planning and Development		
Annexure F	162,978,322.00	160,962,050.00
102506		677,184.93
103000		952,937.02
103003		2,726,204.62
103006		43,896,633.39
103500		1,657,193.76
103503		738,089.58
103506		415,005.66
103512		265,106.08
103515		18,654.05
104000		8,400,000.00
	162,978,322.00	220,709,059.09
Community and Social Services		
102500		1,280,232.01
103009		756,021.22
105500		43,000.00
	0.00	2,079,253.23
Road Works		
600000	-	-
600005	-	-
600010	10,615,201.95	10,615,201.95
600015	4,314,162.97	4,314,162.97
600020	74,425.83	74,425.83
	15,003,790.75	15,003,790.75



APPENDIX E
CHRIS HANI DISTRICT MUNICIPALITY: ACTUAL VS BUDGET (OPERATIONAL)
FOR THE YEAR ENDED 30 JUNE 2007

	Actual 2007	Budget 2007	Variance R	Variance %	Explanation of Significant Variances Greater than 5 % versus Budget
REVENUE					
Regional Services Levy- Turnover	3,650,635	3,000,000	(650,635)	22	Concerted effort made to collect all possible levies before the final date for collection
Regional Services Levy- Remuneration	2,278,878	2,000,000	(278,878)	14	Concerted effort made to collect all possible levies before the final date for collection
Rental	59,591	72,000	12,409	-17	Rental received less than market related due to poor condition of rental houses, needs to be refurbished first.
Investment Interest	7,669,947	1,250,000	(6,419,947)	514	Increased interest due to slower spending on projects / other expenditure and unanticipated provincial grants.
Other Interest	212,406	180,000	(32,406)	18	Increased declaration of old outstanding levies accompanied with interest thereon.
Income for agency services	14,465,184	21,963,800	7,498,616	-34	Grants received from provincial state departments less than budgeted amounts.
Government grants and subsidies	129,215,770	122,966,800	(6,248,970)	5	Grants received from provincial state departments not included in the revenue budget.
Other income	258,679	128,000	(130,679)	102	Increase resulted from unanticipated levels of sundry income envisaged during budget process.
Gains on disposal of property, plant and equipment	365		(365)	100	Not foreseen to sell off any written off assets.
Sub- Total	157,811,456	151,560,600	(6,250,856)		
Recovered from Grants and subsidies i.r.o expenditure	192,228,348	168,685,874	(23,542,474)		
Total Income	350,039,803	320,246,474	(29,793,329)		
EXPENDITURE					
Employee related costs	51,535,376	54,066,994	2,531,618	-5	Vacant posts that were budgeted for and not filled / filled beyond targeted dates.
Remuneration of Councillors	4,447,418	4,375,279	(72,139)	2	Increase resulted from previous year's back pay authorised and paid in the current financial year.
Bad debts	3,084,822	-	(3,084,822)	100	No budget provision due to Council's previous approach to outstanding Government Debt.
Collection costs	298,365	506,400	208,035	-41	Decreased collection cost due to decline rate of collection on outstanding levies.
Depreciation	3,565,801	2,825,000	(740,801)	26	Actual purchase dates preceded the planned dates and corrected acquisition dates for previous years.
Repairs and maintenance	795,071	850,657	55,586	-7	
Interest paid	306,573	-	(306,573)		New loan taken with DBSA
Contracted services	39,991	129,400	89,409	-69	Services rendered internally.
Grants and Subsidies paid	177,739	252,200	74,461	-30	Compelling unforeseen expenditure in support of local tourism incurred.
General expenses-other	57,244,938	75,853,070	18,608,132	-25	
Contributions to provisions	2,497,056	12,701,600	10,204,544	-409	Contribution to Capital replacement reserve budgeted for but charged against Net surplus
Loss on disposal of property, plant and equipment	-	-	0		
Sub- Total	123,993,150	151,560,600	27,567,450		
General expenses-Conditional Grants	198,842,065	168,685,874	(30,156,191)	18	DBSA loan and grants received from provincial state departments not included in the capital budget.
Total Expenditure	322,835,215	320,246,474	(2,588,741)		
NET SURPLUS/(DEFICIT) FOR THE YEAR	27,204,589	0	(27,204,588)		



ANNUAL FINANCIAL STATEMENTS

APPENDIX F CHRIS HANI DISTRICT MUNICIPALITY: CONDITIONAL GRANTS – RECEIPTS AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2007

PROJECT DESCRIPTION	UNSPENT BALANCE 1/07/2006	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2007
EQUITABLE SHARE PROJECTS	2,787,236.53	7,505,000.00		(11,544,140.97)	(5,466,311.02)	6,718,215.46	0.00
FREE BASIC SERVICES PROJECTS	11,105,960.69						11,105,960.69
QUTUBENI SOIL CONSERV. PHASE 1	24,468.48		2,875.12				24,468.48
SPORTS FACILITY:TOMO	46,202.15		11,087.30				49,077.27
SPORTS FACILITY:COFIMVABA PHASE 3	178,168.82		(236.19)	(10,246.53)			189,256.12
SPORTS FACILITY:WHITTLESEA	3,717.77		699.99				(6,764.95)
SPORTS FACILITY:HOFMEYER	11,248.65						11,948.64
SPORTS FACILITY:LINGELIHLE	96,819.79		5,444.16	(10,218.61)			92,045.34
SPORTS FACILITY:STERKSTROOM MASAKHE	192,952.54		8,683.01	(53,601.74)			148,033.81
I.D.T. WATER PROJECT	42,131.38		2,621.80				44,753.18
CALA SPORTS COMPLEX	184,354.29						184,354.29
LED:KWAGCINA COMMUNITY GARDEN	100,000.00						100,000.00
LED FORUM:DISCRETIONAL FUNDS	106,465.71						106,465.71
LED:STRATEGY	4,538.81						4,538.81
INCOME GENERATING PROJECTS	91,985.32		5,608.67				97,593.99
DEPART. TRANSPORT TAXI RANKS	1,307,331.72		79,712.63				1,387,044.35
LAND TENURE RIGHTS (LESSEYTON SURVEY)	27,618.08		353.41				27,971.49
ILINGE PILOT HOUSING	77,430.42		1,293.56				78,723.98
MULTI PURPOSE YOUTH CENTRE	(34,763.75)		(229.49)				(34,993.24)
ILINGE CADASTRAL SURVEY PROGRAMME	12,006.12		732.06				12,738.18
ILINGE:T/SHIP PROJECTS H & LOC.GOVERNMENT	(10,155.64)		(619.23)				(10,774.87)
IMVANI PROJECT	5,469.67						5,469.67
CBPWP POVERTY RELIEF 4	311,338.25		26,427.77				337,766.02
DWAF: WSDP	(336,456.92)						(336,456.92)
SOCIAL PLAN GRANT	1,905.43		118.57				2,024.00



ANNUAL FINANCIAL STATEMENTS

PROJECT DESCRIPTION	UNSPENT BALANCE 1/07/2006	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2007
MULTI-PURPOSE SPORT LADY FRERE	131,863.67		8,205.77				140,069.44
MULTI-PURPOSE SPORT ENCCOBO	24,867.94		1,547.51				26,415.45
EMALAHLENI YOUTH DEVELOPMENT	664,867.47		39,536.22	(80,196.68)			624,207.01
EMALAHLENI BUILDINGS	772,234.94		48,055.57				820,290.51
ISRDP PROGRAMME-SUMMARY	20,471,937.84	950,000.00	1,167,786.10	(4,718,191.31)	(154,955.00)		17,716,577.63
REGIONAL AUTHORITIES FUND	96,458.33		6,002.53				102,460.86
MIC	61,921,060.23	154,889,662.60	2,828,550.81	(160,540,360.04)			59,098,913.60
DEV OF INTER-GOVERNMENTAL RELATIONS	211,788.63		13,179.44				224,968.07
MSIG	3,712,778.78	1,000,000.00	261,530.43	(233,117.01)			4,741,192.20
SURVEY OF WAVERLY	162,826.23		10,132.55				172,958.78
COFIMVABA SPORTS FACILITY	(180,422.51)		(11,227.55)				(191,650.06)
STERKSTROOM SPORTS FACILITY	6,594.78						6,594.78
LADY FRERE SPORTS FACILITY	107,754.79		6,705.49				114,460.28
ENCCOBO SPORTS FACILITY	127,624.82		7,941.99				135,566.81
CRADOCK SPORTS FACILITY	(92,401.84)		(5,750.09)				(98,151.93)
CALA SPORTS FACILITY	73,374.85		4,566.06				77,940.91
FINANCE MANAGEMENT GRANT	1,367,877.37	500,000.00	86,071.97	(580,145.76)			1,373,803.58
LED PROJECTS		419,166.00					419,166.00
Balance carried forward	105,919,060.63	165,263,828.60	4,617,407.94	(177,770,218.65)	(5,621,266.02)	6,718,215.46	99,127,027.96
Balance brought forward	105,919,060.63	165,263,828.60	4,617,407.94	(177,770,218.65)	(5,621,266.02)	6,718,215.46	99,127,027.96
TEMBANI PROJECTS	379,027.10		23,586.55				402,613.65
TYLDEN PILOT HOUSING	103,298.88		6,298.50				109,597.38
CRISIS RELIEF	130,368.14						130,368.14
THORNHILL PROJECTS	602,027.41		36,707.74				638,735.15
PERFORMANCE MANAGEMENT SYSTEM	1,310.74		(3,959.74)	(103,352.94)			(106,001.94)
PRESIDENTIAL PROJECT-ZIMELE TRUST	21,568.52						21,568.52
ROAD MANAGEMENT SYSTEM	76,386.90	127,129.08	1,718.35	(9,062.66)			196,171.67
LDO'S LAND AFFAIRS	4,659.43		289.95				4,949.38
MAPPING-COFIMVABA/LADY FRERE	132,855.08		2,075.23				134,930.31
WASTE MANAGEMENT	6,865.10		427.21				7,292.31



ANNUAL FINANCIAL STATEMENTS

PROJECT DESCRIPTION	UNSPENT BAL- ANCE 1/07/2006	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2007
DISASTER FUNDS:HOMELESS & DESTITUTE FAMILIES	79,721.85		4,961.03				84,682.88
DWAF: FEASIBILITY STUDIES (EC605)	2,328,239.33		113,591.16	(863,650.90)			1,578,179.59
ISRD: LOWER VAALBANK SHEEP SHEARING	143,495.32						143,495.32
IDP REVIEW	318,997.83	2,396,833.00	63,276.26	(852,894.56)			1,926,212.53
IDP - HLG - INTSIKA YETHU							0.00
HIV/AIDS STIPENDS LUKHANJI	292,634.01						292,634.01
HIV/AIDS STIPENDS INXUBA YETHEMBA	173,431.58						173,431.58
HIV/AIDS STIPENDS INTSIKA YETHU	220,743.00						220,743.00
HIV/AIDS STIPENDS EMALAHLENI	554,175.00						554,175.00
HIV/AIDS STIPENDS ENGCOBO	131,650.16						131,650.16
HIV/AIDS STIPENDS TSOLWANA	63.64						63.64
LUKHANJI: HIV STIPEND-PERSON							0.00
EMALAHLENI:HIV STIPEND-PERSON							0.00
HIV/AIDS STIPENDS ADMIN COSTS	14,250.00						14,250.00
HIV/AIDS STIPENDS INKWANCA	55,350.00						55,350.00
HEALTH SEED/MEDICINE	3,456.91						3,456.91
HIV/AIDS HOME BASED CARE KITS	41,808.82						41,808.82
AIDS/HIV DRUGS INXUBA YETHEMBA	377,311.00						377,311.00
HIV/AIDS DRUGS TSOLWANA	48,308.00						48,308.00
HIV/AIDS DRUGS LUKHANJI	490,497.00						490,497.00
HIV/AIDS DRUGS SAKHISIZWE	68,171.00						68,171.00
HIV/AIDS DRUGS CHRIS HANI	267,171.20						267,171.20
HIV/AIDS DRUGS EMALAHLENI	34,000.00						34,000.00
HIV/AIDS DRUGS ENGCOBO	18,387.98						18,387.98
HIV/AIDS DRUGS INTSIKA YETHU	34,000.00						34,000.00
DEPT OF SPORTS:LIBRARIES AND ARCHIVES		4,000,000.00		(228,988.86)			3,771,011.14
DHLG: MUNICIPAL INFRASTRUCTURE		8,964,000.00					8,964,000.00
Balance carried forward	113,073,291.56	180,751,790.68	4,866,380.18	(179,828,168.57)	(5,621,266.02)	6,718,215.46	119,960,243.29
Balance brought forward	113,073,291.56	180,751,790.68	4,866,380.18	(179,828,168.57)	(5,621,266.02)	6,718,215.46	119,960,243.29
DEPT: ECONOMIC AFFAIRS		2,120,128.04					2,120,128.04



ANNUAL FINANCIAL STATEMENTS

PROJECT DESCRIPTION	UNSPENT BAL - ANCE 1/07/2006	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2007
HEALTH NGO'S	642,864.00						642,864.00
DWAF:CONTINGENCY PLAN	8,324.20		518.01				8,842.21
DHLC: NOGATE - QAMATA SURVEY	126,376.12		7,864.29				134,240.41
WSA BUSINESS PLAN	1,499,997.92	2,665,557.99	17,670.93	(1,347,767.65)			2,835,459.19
RENOVATION OF MIDDELBURG INTERGRATED EN	967,487.86						967,487.86
SAKHISIZWE MULTI PURPOSE RESOURCE CENTR	407,500.00						407,500.00
DWAF-ATTENDANCE ALLOWANCE	8,774.86		546.05				9,320.91
L G H : LDO'S	19,456.29		252.22				19,708.51
L G H : COMMUNITY DEVELOPMENT WORKERS	386,120.41						386,120.41
ILINGE HOUSING DHLC	647,764.81		40,309.89				688,074.70
IRDP:MSP(PROVINCIAL)	895,295.17		46,700.91	(375,375.51)	(6,793.00)		559,827.57
SURVEY THEMBANI/NITABTHEMBA	93,978.51		1,436.76				95,415.27
CIVIL PROTECTION(ADDITIONAL FUNDS)	3,789,153.66	3,000,000.00	119,983.08	(2,007,451.29)	(2,129,948.98)		2,771,736.47
LAND USE PLANNING MACHUBENI	5,265.06		327.00				5,592.06
TSOMO:GROUND WATER SCHEME ADM	424,913.77						424,913.77
JOB EVALUATION	52,314.11	41,000.00		(111,872.26)			(18,558.15)
TRUST RECURRENT EXPENDITURE	360.00						360.00
DWAF: DROUGHT RELIEF	9,169,865.67		198,837.05	(7,255,152.54)			2,113,550.18
DWAF: TRANSFER STUDIES	312,704.60	188,000.00	19,459.63	(40,995.13)			332,164.23
DWAF: TRAINING - SECONDED STAFF		3,589,000.00	141,474.21				147,004.87
DHLC: Town Planning	132,531,808.58	192,355,476.71	5,461,760.21	(190,966,782.95)	(7,758,008.00)	6,718,215.46	3,730,474.21
Balance carried forward							138,342,470.01
Balance brought forward	132,531,808.58	192,355,476.71	5,461,760.21	(190,966,782.95)	(7,758,008.00)	6,718,215.46	138,342,470.01
	132,531,808.58	192,355,476.71	5,461,760.21	(190,966,782.95)	(7,758,008.00)	6,718,215.46	138,342,470.01



ANNUAL FINANCIAL STATEMENTS

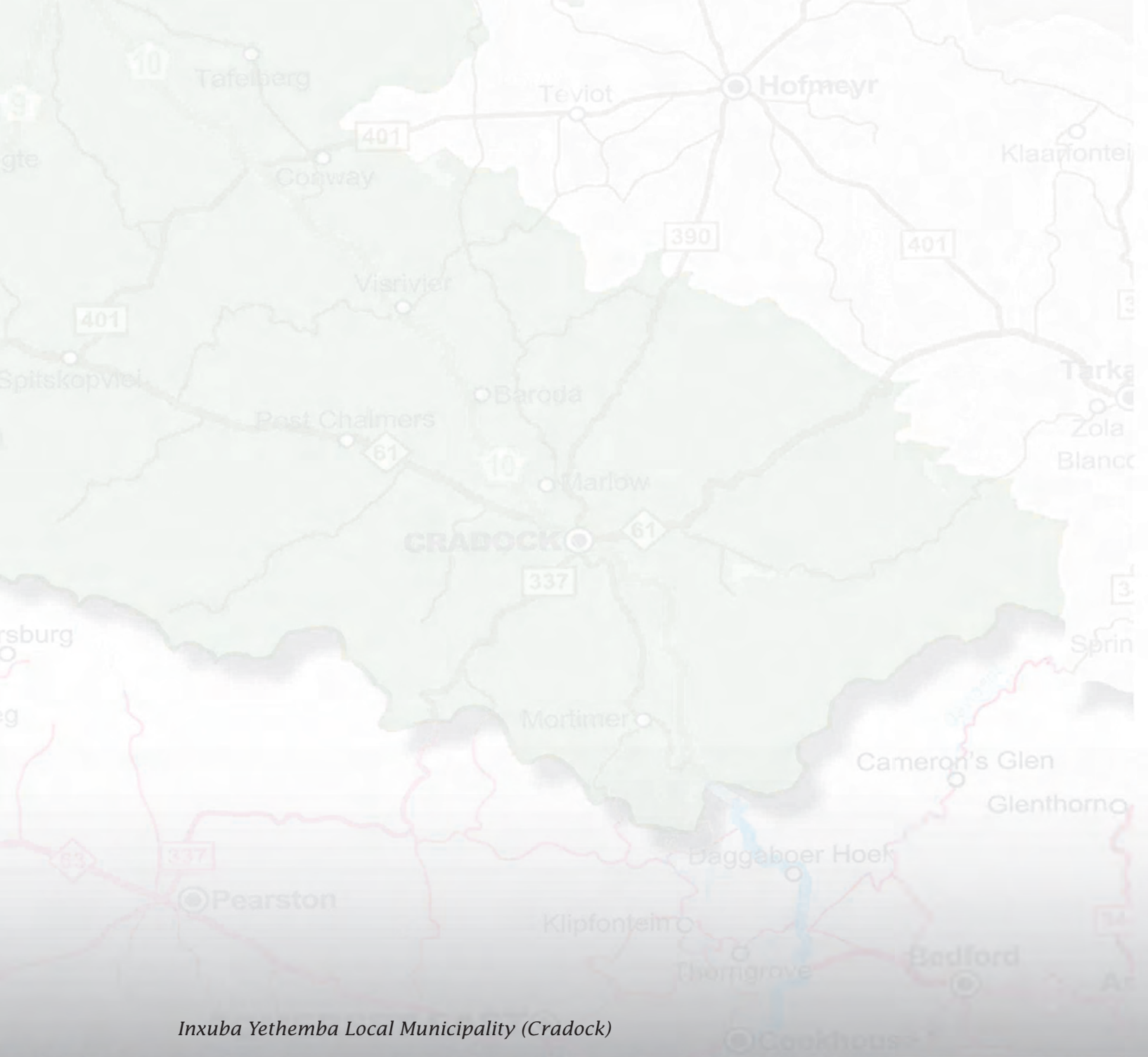
AUDIT ADJUSTMENTS CHRIS HANI DISTRICT MUNICIPALITY

FOR THE YEAR ENDED 30 JUNE 2007

Audit Finding	Affected Disclosure	Affected Pages on AFS	Audit Adjustment
EX 163	PPE note No. 9	1 & 19	Intangible assets disclosed separately from PPE on the Statement of Financial position
	Non	2 ,3 & 35	R 10 000 000.00 Contribution to Capital Replacement reserve (CRR) charged against Net surpluses
EX 162	Policy No. 16	16	Policy on Borrowing costs added to Annual financial statements
EX 96.2	Note No.2	17	Note heading changed from long term liabilities to Non current liabilities
EX 96.2	Note No.5	17	Note heading changed from Current Provisions to Provisions
Non	Note No.14	22	(ESCOM account) changed to (SARS account)
EX 97.2	Note No.14	22	2005 / 2006 comparative balance on above changed to R 0.00
EX 96.6	Note No.18	23	2005 / 2006 comparative balance on provincial grants and subsidies corrected
EX 96.9	Note No.27	3 & 26	Reference to Note 28 corrected to Note 27
EX 96.9	Note No.37	3 & 30	Reference to Note 38 corrected to Note 37







Inxuba Yethemba Local Municipality (Cradock)





OFFICE OF THE MUNICIPAL MANAGER

15 Bells Road
Queenstown
5320

Tel.: 045 808 4600

Fax: 045 838 1556

chdmmanager@chrishanidm.gov.za

www.chrishanidm.co.za

