

MIDVAAL
LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

30 JUNE 2004

GENERAL INFORMATION

MEMBERS OF THE MAYORAL COMMITTEE

Mayor	M Wenger	Chairperson Mayoral Committee
Councillor	C P Hartman	Chairperson Section 80 Engineering & Planning Services
Councillor	S D P du Toit	Chairperson Section 80 Support Services
Councillor	P D Hutcheson	Chairperson Section 80 Community Services

GRADING OF LOCAL MUNICIPALITY

Grade 8

AUDITORS

Auditor General

BANKERS

ABSA

REGISTERED OFFICE

Civic Centre	P O Box 9	Telephone : 016 360 7400
C/o Junius & Mitchell sts	Meyerton	Fax : 016 360 7521
Meyerton	1960	

MUNICIPAL MANAGER

Mr B J Poggenpoel

EXECUTIVE DIRECTOR FINANCE

Mr ASA De Klerk B(Comm) AIMFO

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements were approved by the Municipal Manager on 7 November 2005.

Municipal Manager
7 November 2005

TREASURER'S REPORT

Local Government is in a process of changes and there is always pressure for increase in service delivery and to give residents a better environment to stay and work in. Midvaal is obliged to meet the needs of the community and has increased the actual amount spent on capital infrastructure from R 15 million to more than R 21 million and other fixed assets with R 3 million to R 6.8 million from the previous year. To achieve this council utilized some of the investments to finance the capital expenditure. At financial year end investments were R 25 million – see note 7 of the financial statements.

OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2004 are as follows:

INCOME	Actual 2003/2004	Budget 2003/2004	Variance Actual/ Budget
	R	R	%
Opening surplus	24 189 360		
Operating income for the year	166 993 600	168 060 254	-0.6
Appropriation for the year	-7 587 312		
	183 595 648	168 060 254	
EXPENDITURE			
Opening deficit	-		
Operating expenditure for the Year	159 607 070	167 127 599	-4.5
Closing surplus	23 988 578	932 655	
	183 595 648	168 060 254	

1.1 Rates and General Services

	Actual 2003/2004	Budget 2003/2004	Variance Actual/ Budget
	R	R	%
Income	76 610 842	76 317 654	0.4
Expenditure	88 568 006	96 279 386	8.0
Surplus (deficit)	(11 957 164)	(19 961 732)	40.1
Surplus (deficit) as % of total Income	(15,6)	(26.2)	

The budgeted amount for interest on arrear accounts has realized more than the estimates. This subsidized the shortfall on the grants recoverable. The savings in terms of employee legal and promotion cost also contribute towards the surplus.

1.2 Trading Services

The price for the purchase of electricity and water are subject to increases from bulk suppliers. The following is a summary of the operating results of the Municipality's Trading Services.

Electricity Service

	Actual 2003/2004	Budget 2003/2004	Variance Actual/ Budget
	R	R	%
Income	51 246 974	51 222 100	0.05
Expenditure	40 563 771	40 098 405	1.16
Surplus (deficit)	10 683 203	11 123 695	(3.96)
Surplus (deficit) as % of total Income	20.85	21.72	

The increase in purchase of electricity was due to increase in sale of electricity.

Water Service

	Actual 2003/2004	Budget 2003/2004	Variance Actual/ Budget
	R	R	%
Income	39 135 784	40 520 500	-3.4
Expenditure	30 475 293	30 749 808	.89
Surplus (deficit)	8 660 491	9 770 692	-11.4
Surplus (deficit) as % of total Income	22.1	24.1	

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets during the year amounted to R 28 288 848. The actual expenditure is less than that budgeted for and consists of the following:

	Actual 2003/2004	Budget 2003/2004	Actual 2002/03
	R		R
Land	12 145 195		
Buildings	-		
Infrastructure	21 434 074	24 722 800	15 242 788
Other fixed assets	6 854 774	15 984 631	3 668 204
	40 434 043	40 707 431	18 910 992

Resources used to finance the fixed assets were as follows:

	Actual 2003/2004	Budget 2003/2004	Actual 2002/03
	R		R
Contributing from:			
-Operations account			
Capital Dev Fund			7 959 196
Annuity			250 000
Operating Acc			10 701 796
Grants & Subsidies	7 184 369	17 804 000	
Investments	21 104 479	22 903 431	
Land	12 145 195		
	40 434 043	40 707 431	18 910 992

A complete analysis of capital expenditure per classification is included in appendix C.

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding on 30 June 2004 amounted to R6 183 743 as set out in appendix B. During the year an amount of R1 181 260 was redeemed on outstanding loans.

Investments and cash on hand at 30 June 2004 amounted to R 27 999 867

More information regarding loans and investments are disclosed in note 7 and appendix B to the financial statements.

4. FUNDS AND RESERVES

More information regarding funds and reserves are disclosed in notes 1, 2, 3, 12 and appendix A to the financial statements

5. GENERAL

According to a Supreme Court of Appeal ruling case no. 303/2001 delivered on 26 September 2002, the refund of illegal tax imposed by the former Eastern Gauteng Services Council may have an essential impact on the next years Appropriation Account as the Council is still waiting for guidelines from the MEC to finalize the ruling.

EXPRESSION OF APPRECIATION

I am grateful to the Mayor, the Chairman and members of the Executive Committee, Councilors, the Municipal Manager, Executive Directors and Directors for the support they have given me and to the staff of my own directorate and in particular to the local representatives of the Auditor-General for their assistance and support during the year.

**ASA DE KLERK
EXECUTIVE DIRECTOR FINANCE
MIDVAAL LOCAL MUNICIPALITY
22 SEPTEMBER 2004**

MIDVAAL
LOCAL MUNICIPALITY

BALANCE SHEET AS AT 30 JUNE 2004

	Notes	2003-04 R	2002-03 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		11,201,969	8,733,011
Statutory funds	1	11,201,969	4,976,449
Reserves	2	-	3,756,562
(ACCUMULATED DEFICIT) / ACCUMULATED SURPLUS	17	23,988,578	24,189,360
		35,190,547	32,922,371
TRUST FUNDS	3	2,688,778	2,412,864
LONG-TERM LIABILITIES	4	5,531,639	6,442,719
CONSUMER DEPOSITS - SERVICES	5	4,198,537	3,933,541
		47,609,501	45,711,495

EMPLOYMENT OF CAPITAL

FIXED ASSETS	6	18,380,503	7,609,641
INVESTMENTS	7	25,000,000	31,000,000
LONG-TERM DEBTORS	8	102,573	1,156,604
DEFERRED CHARGES	11	158,166	316,333
		43,641,242	40,082,578
NET CURRENT ASSETS / (LIABILITIES)		3,968,259	5,628,917
CURRENT ASSETS		40,550,058	50,608,627
Inventory	9	64,706	21,308
Debtors	10	37,335,106	47,565,229
Cash		2,999,867	2,635,795
Short-term investments		-	-
Short-term portion of long-term debtors	8	150,379	386,295
CURRENT LIABILITIES		36,581,799	44,979,710
Provisions	12	2,143,226	1,899,226
Creditors	13	33,734,901	41,913,559
Short-term portion of long-term liabilities	4	703,672	1,166,925
		47,609,501	45,711,495

CERTIFIED AS CORRECT

.....
MUNICIPAL MANAGER

7 November 2005

.....
EXECUTIVE DIRECTOR : FINANCE

7 November 2005

MIDVAAL
LOCAL MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

2003 Actual Income	2003 Actual Expenditure	2003 Surplus / (Deficit)		2004 Actual Income	2004 Actual Expenditure	2004 Surplus / (Deficit)	2004 Budget Surplus / (Deficit)
R	R	R		R	R	R	R
77,330,673	79,453,649	(2,122,976)	RATES AND GENERAL SERVICES	76,610,842	88,568,006	(11,957,164)	(19,961,732)
61,379,147	59,719,543	1,659,604	Community services	59,929,929	67,087,206	(7,157,277)	(15,058,063)
50,940	4,759,215	(4,708,275)	Subsidised services	59,325	5,292,272	(5,232,947)	(5,679,460)
15,900,586	14,974,891	925,695	Economic services	16,621,588	16,188,528	433,060	775,791
73,176,160	69,616,956	3,559,204	TRADING SERVICES	90,382,758	71,039,064	19,343,694	20,894,387
<u>150,506,833</u>	<u>149,070,605</u>	<u>1,436,228</u>	TOTAL	<u>166,993,600</u>	<u>159,607,070</u>	<u>7,386,530</u>	<u>932,655</u>
		(6,697,717)	Appropriations for the year			(7,587,312)	
			(Refer note 17)				
		(5,261,489)	Net deficit for the year			(200,782)	
		29,450,849	Accumulated surplus at beginning of the year			24,189,360	
		<u>24,189,360</u>	ACCUMULATED SURPLUS AT END OF THE YEAR			<u>23,988,578</u>	

MIDVAAL
LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED
30 JUNE 2004

	Notes	2003/04 R	2002/03 R
CASH RETAINED FROM OPERATING ACTIVITIES		23,884,417	27,640,041
Cash generated by operations	19	9,210,969	9,024,871
Investment income		2,064,600	556,464
Decrease in working capital	20	2,273,063	17,608,141
		13,548,632	27,189,476
Cash available from operations		13,548,632	27,189,476
Cash contributions from public and State		9,527,804	450,565
Net proceeds on disposal of fixed assets		807,981	-
Cash utilized in investing activities			
Investments in Fixed Assets		(28,288,848)	(18,910,992)
NET CASH FLOW		(4,404,431)	8,729,049
CASH EFFECTS OF FINANCING ACTIVITIES			
Decrease in long- term loans	21	(1,231,497)	(1,249,752)
Decrease/(Increase) in cash investments	23	6,000,000	(13,000,000)
Increase in cash	24	(364,072)	5,520,703
		4,404,431	(8,729,049)
		0	0

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

- 1.1 These financial statements have been prepared as to conform as far as possible with the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice for Local Government Accounting (1992) and the Report on Published Annual Financial Statements of Local Authorities (Second edition January 1996)
- 1.2 The financial statements are prepared on the historical cost basis.
- 1.3 The financial statements are prepared on the accrual basis as stated:
 - Income is accrued when measurable and available to finance operations.
 - Expenditure is accrued in the year it is incurred.

2. INCOME RECOGNITION

- 2.1 Electricity and water billings.

All meters are read and billed monthly. Where meters cannot be read during a particular month, they are provisionally billed based on the average consumption over a period of time. Income is recognized at the date meters are read and levies are made.
- 2.2 Assessment rates.

Council applies a differential site rating system. In terms of this system assessment rates are levied on the land value of properties, and rebates are granted according to the use to which a particular property is put.

Relief based on conditions relating to age and income, may be granted to the aged owners of property.

Income from assessment rates is recognized when monthly levies are debited to the respective consumer accounts.

3. FIXED ASSETS

- 3.1 Fixed assets are stated at historical cost.
- 3.2 The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the financial statements is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this provision assets are written down over their estimated useful life.
- 3.3 Apart from advances from various council funds, assets may also be acquired through:

- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income, and therefore it is unnecessary to make any further provisions for depreciation.
 - Grants and donations, where the amount representing the value of such a grant or donation is immediately credited to the “Loans Redeemed and other Capital Receipts” account.
- 3.4 Net proceeds from the sale of fixed property are credited to the Land Trust Fund. Net proceeds from the sale of all other assets are credited to the Capital Development Fund.
- 3.5 Assets financed from internal advances and external loans are repaid within the estimated lives of the assets acquired. Interest is charged to the service concerned at the interest rate determined according to statutory requirements.

4. STATUTORY FUNDS / ACCUMULATED FUNDS

4.1 Capital Development Fund

The Capital Development Fund Ordinance 9 of 1978, requires that a local authority make a minimum contribution of 1% of the defined income of a local authority for the immediately preceding financial year.

The Council contributes towards the Capital Development Fund at a maximum rate of 1% based on the defined operating income of Council in the previous financial year as provided for in the budget for the current financial year.

The fund earns interest at the average rate on external investments. Advances are made to various functions and services at an interest rate which is determined annually and approved by Council.

4.2 Donation

This is funds received from external institutions for the use of capital projects and establishment needs of the Council.

4.3 Trust Funds

Land Trust Funds is generated from its selling of land and enhancement will be for the purchase of new land and infrastructure in new developments.

Funds received from Gauteng Provincial Government can only be used as prescribed for the purpose the lands were allocated for.

5. INVESTMENTS

Investments are shown at cost and are made in terms of Circular no 2 of 1995, issued by the Provincial Administration Community Branch.

6. INVENTORY

Stores and materials are reflected in the Balance Sheet at cost.

7. RETIREMENT BENEFITS

The Council and its employees contribute towards the under mentioned pension funds which provide retirement benefits to employees.

- Municipal Gratuity Fund
- Municipal Employees Pension Fund
- Joint Municipal Employees Pension Fund
- Germiston Municipal Retirement Fund
- Old Mutual Sala Pension Fund
- National Fund For Municipal Workers
- SAMWU National Provident Fund
- Councilors Pension Fund

The fund's are governed by set rules which are registered, subject to the Pension Fund Act 24 of 1956, by the Registrar of Pension Funds. Benefits are paid by the various funds in accordance with their rules.

Full actuarial valuations are performed at least every three years.

8. LEASED ASSETS

All operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets.

MIDVAAL
LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004

	2003-04	2002-03
	R	R
1. STATUTORY FUNDS		
Capital Development fund	4,890,897	1,815,511
Land Trust Fund	6,311,072	3,160,938
	11,201,969	4,976,449
(Refer Appendix A for more detail)		
2. RESERVES		
Donation Fund	-	3,756,562
	-	3,756,562
(Refer Appendix A for more detail)		
3. TRUST FUNDS		
Gauteng Provincial Govt.	2,688,778	2,412,864
	2,688,778	2,412,864
(Refer Appendix A for more detail)		

MIDVAAL
LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004
(Continued)

	2003-04	2002-03
	R	R
4. LONG TERM LIABILITIES		
External loans	6,183,743	7,365,003
Internal loans	-	50,242
Lease commitments	51,568	194,399
	6,235,311	7,609,644
Less : Current portion transferred to Current Liabilities	703,672	1,166,925
Government Loans	-	-
Local Registered stock	-	-
External loans	703,672	1,166,925
Lease commitments	-	-
	5,531,639	6,442,719
(Refer Appendix B for more detail)		
5. CONSUMER DEPOSITS - SERVICES		
Water and Electricity Deposits	4,198,537	3,933,541
	4,198,537	3,933,541
Guarantees in lieu of water and electricity deposits	184,400	184,400
	184,400	184,400

MIDVAAL
LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004
(Continued)

	2003-04	2002-03
	R	R
6. FIXED ASSETS		
Fixed assets at the beginning of the year	167,865,179	148,954,187
Capital expenditure during the year	28,288,848	18,910,992
Acquisition of land	12,145,195	
Less : Assets written off, transferred or disposed of during the year	807,981	-
Total fixed assets	207,491,241	167,865,179
Less : Loans redeemed and other capital receipts	189,110,738	160,255,538
Net fixed assets	18,380,503	7,609,641

Refer to Appendix C for more details)

7. INVESTMENTS

Listed	25,000,000	31,000,000
ABSA	25,000,000	20,000,000
Standard Bank		5,000,000
Nedbank		6,000,000
Unlisted	-	-
Municipal stock	-	-
Total investments	25,000,000	31,000,000

Circular number 26 of 31 July 1990, as amended, issued by the Provincial Legislature requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a plenary rate to meet commitments.

No investment have been pledged as security for any funding facilities of the Council.

MIDVAAL
LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004
(Continued)

	2003-04	2002-03
	R	R
8. LONG-TERM DEBTORS		
Bursary Loans	4,783	1,955
Computer Loans	63,291	451,603
Motor vehicle loans	184,878	1,089,341
	252,952	1,542,899
Less : Short-term portion of long-term debtors transferred to current debtors	150,379	386,295
	102,573	1,156,604
9. INVENTORY		
Inventory fuel	64,706	21,308
10. DEBTORS		
Current debtors (consumer)	52,923,308	62,614,904
Less: Provision for bad debts	(27,023,859)	(25,336,511)
Current debtors (other)	8,939,022	8,345,190
Amounts paid in advance	2,496,635	1,941,646
	37,335,106	47,565,229
Amounts totalling R 1 488 791 (2002/03 : R 1 165 402) were written off as bad debts. This represents 0.89% (2002/03:0.77%) of the total operating income for the year. Days outstanding in debtors amount to 101 days (2002/03: 113 days)		
11. DEFERRED CHARGES		
Valuation roll	158,166	316,333
	158,166	316,333

MIDVAAL
LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004
(Continued)

	2003-04	2002-03	
	R	R	
12. PROVISIONS			
Leave pay	1,463,226	1,463,226	
Audit fees	680,000	436,000	
	<u>2,143,226</u>	<u>1,899,226</u>	
13. CREDITORS			
Amounts received in advance	2,496,635	1,941,646	
Long term creditors	21,042,981	22,219,344	
Trade creditors	10,189,414	17,752,569	
Deposits - Other	5,871	-	
	<u>33,734,901</u>	<u>41,913,559</u>	
14. ASSESSMENT RATES			
	Valuation	Actual	Actual
	as at 1 July	Income	Income
	2002	2003/04	2002/03
Residential	472,577	23,653,760	32,629,376
Commercial	90,417	11,536,972	-
State	15,480	872,407	
Municipal	28,796	-	
	<u>607,270</u>	<u>36,063,139</u>	<u>32,629,376</u>

Valuations on land are performed every three years. The last general valuation come into effect July 2002.

MIDVAAL
LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004
(Continued)

	2003-04	2002-03
	R	R
15. COUNCILOR'S REMUNERATION		
Chairman's allowance	-	-
Councilor's allowances	1,456,075	1,070,423
Councilor's pension contributions	141,039	144,880
	<u>1,597,114</u>	<u>1,215,303</u>
16 FINANCE TRANSACTIONS		
Total external interest earned and paid		
- Interest earned	<u>2,064,600</u>	<u>556,464</u>
Capital charges debited to operating account		
Interest :		
- External	1,068,669	1,076,173
- Internal	5,025	15,208
Redemption :		
- External	1,181,260	1,131,144
- Internal	50,237	118,608
	<u>2,305,191</u>	<u>2,703,275</u>

MIDVAAL
LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004
(Continued)

	2003-04	2002-03
	R	R
17. APPROPRIATIONS		
Appropriation account :		
Accumulated surplus at the beginning of the year	24,189,360	29,450,849
Operating (deficit) / surplus for the year	7,386,530	1,436,228
Appropriations for the year	7,587,312	(6,697,717)
Advance to Capital Development Fund	(15,174,624)	
Accumulated (deficit) / surplus at the end of the year	23,988,578	24,189,360
Operating account :		
Capital expenditure	28,288,848	18,910,992
Contributions to :		
Bad debts provision	3,176,139	7,771,646
Provision for leave		616,554
Capital development fund	1,134,335	1,295,274
	32,599,322	28,594,466
18. CAPITAL DEVELOPMENT FUND		
Accumulated fund	4,890,897	1,815,511
Less : Outstanding advances to borrowing services	-	-
	4,890,897	1,815,511
(See Appendices A for more detail)		

MIDVAAL
LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004
(Continued)

	2003-04	2002-03
19 CASH GENERATED BY OPERATIONS		
(Deficit) / Surplus for the year	7,386,530	1,436,228
Adjustments in respect of:		
Previous years's operating transactions	(7,587,312)	(6,697,717)
Transfer to funds & reserves	3,150,134	
Acquired through amalgamation		
Appropriations charged against income	1,302,798	1,412,549
Contributions to:		
Capital Development Fund	1,134,335	1,295,274
Reserves	168,463	117,275
Assets		
Capital Charges		
Interest paid		
- to internal fund	5,025	15,208
- to external fund	-	-
Redemption paid on fixed assets		
- to internal fund	50,237	118,608
- to external fund		
Deferred charges allocated	158,166	316,333
Interest on investments	2,064,600	556,465
Grants received - state	1,192,000	10,701,795
Net debtors written off	1,488,791	1,165,402
	9,210,969	9,024,871

MIDVAAL
LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004
(Continued)

	2003-04	2002-03
20 DECREASE IN WORKING CAPITAL		
(Increase) / decrease in capital charges	-	-
(Increase) / decrease in inventory	(43,398)	9,580
Decrease in debtors, long term debtors	10,230,123	15,748,366
(Decrease) / increase in creditors, customer deposits	(7,913,662)	1,850,195
	2,273,063	17,608,141
21 DECREASE IN LONG- TERM LOANS		
Loans acquired through amalgamation		
Loans repaid	(1,231,497)	(1,249,752)
	(1,231,497)	(1,870,422)
22 INCREASE IN SHORT - TERM LOANS		
Loans Raised	-	-
Loans Repaid	-	-
	-	-
23 DECREASE (INCREASE) IN EXTERNAL CASH INVESTMENTS		
Investments realized	31,000,000	18,000,000
Investments made	(25,000,000)	(31,000,000)
	6,000,000	(13,000,000)
24 (INCREASE) / DECREASE IN CASH ON HANDS		
Cash balance at the beginning of the year	2,635,795	8,156,498
Less: Cash balance at the end of the year	2,999,867	2,635,795
	(364,072)	5,520,703

MIDVAAL
LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004
(Continued)

25 RETIREMENT BENEFITS

Council and employees contribute towards the under-mentioned Pension Funds whose operations are subject to the Pensions Fund Act, 1956. Although requests were sent to the funds no recent actuarial valuations were received to indicate that the funds are in a sound financial position. Therefore a contingent liability can be claimed against the Council.

Municipal Gratuity Fund

Municipal Employees Pension Fund

Joint Municipal Employees Pension Fund

Germiston Municipal Retirement Fund

Old Mutual Sala Pension Fund

National Fund For Municipal Workers

SAMWU National Provident Fund

Council Pension Fund

26 LAND RATE

According to a Supreme Court of Appeal ruling case no. 303/2001 delivered on 26 September 2002 the refund of illegal tax imposed by the former Eastern Gauteng Services Council may have an essential impact on the next years Appropriation Account

APPENDIX A

MIDVAAL
LOCAL MUNICIPALITY

STATUTORY FUNDS, TRUST FUNDS AND RESERVES

	Balance at 30/6/03	Contributions during the period	Interest on investments	Other income	Operating Expenditure during the period	Capital Expenditure during the period	Balance at 30/06/04
	R	R	R	R	R	R	R
STATUTORY FUNDS							
Capital Development Fund	1,815,511	1,134,335	2,064,600	19,126,926	-	19,250,475	4,890,897
Land Trust	3,160,938	-	-	3,150,134	-	-	6,311,072
	4,976,449	1,134,335	2,064,600	22,277,060	-	19,250,475	11,201,969
RESERVES							
Donation	3,756,562		-		3,756,562		-
	3,756,562	-	-	-	3,756,562	-	-
TRUST FUNDS							
Gauteng Provincial Govt.	2,412,864	1,192,000	-	-	916,086		2,688,778
	2,412,864	1,192,000	-	-	916,086	-	2,688,778

APPENDIX B

MIDVAAL
LOCAL MUNICIPALITY

EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS						Balance at 30/06/03	Received during the period	Redeemed or written off during the period	Balance at 30/06/04
Date	Area	Loan No	Rate	Loan Amount	Redeemable				
31-Dec-1992	Walkerville/Dt	L009/WD	15.22%	500,000.00	31-Dec-2007	271,385		45,806	225,579
31-Dec-1991	Walkerville/Dt	L010/WD	16.42%	797,800.00	31-Dec-2003	77,046		77,046	-
30-Jun-1994	Walkerville/Dt	L-005/WD	13.11%	1,024,935.00	30-Jun-2004	169,799		169,799	-
30-Jun-1994	Walkerville/Dt	L006/WD	13.56%	361,045.00	30-Jun-2014	297,067		12,806	284,261
30-Jun-1992	Walkerville/Dt	L007/WD	15.26%	540,000.00	31-Dec-2012	428,648		22,203	406,445
31-Dec-1991	Walkerville/Dt	L-003/WD	16.42%	71,800.00	31-Dec-2002	-		-	-
31-Dec-1995	Walkerville/Dt	STOCK1	13.60%	90,000.00	30-Jun-2002	-		-	-
31-Dec-1995	Walkerville/Dt	STOCK2	13.25%	13,850.00	30-Jun-2002	-		-	-
31-Dec-1995	Walkerville/Dt	STOCK3	13.25%	95,284.00	30-Jun-2002	-		-	-
31-Dec-1995	Walkerville/Dt	STOCK4	13.25%	236,166.00	30-Jun-2002	-		-	-
31-Dec-1977	Walkerville/Dt	L-002/WD	11.25%	8,050.00	31-Dec-2002	-		-	-
						1,243,945	-	327,660	916,286
30-Jun-1994	Vaal Marina	L-003/VM	13.41%	300,000.00	30-Jun-2008	170,850		25,886	144,964
31-Dec-1991	Vaal Marina	L-005/VM	16.52%	444,900.00	31-Dec-2004	107,834		69,000	38,835
30-Jun-1994	Vaal Marina	L-001/VM	13.56%	1,545,585.00	30-Jun-2014	1,271,703		54,820	1,216,884
31-Dec-1992	Vaal Marina	L-004/VM	15.26%	1,280,000.00	31-Dec-2012	1,016,055		52,629	963,426
30-Jun-1994	Vaal Marina	L-002/VM	13.56%	125,305.00	30-Jun-2014	103,101		4,444	98,656
						2,669,544	-	206,779	2,462,765
31-Dec-1978	Randvaal T.L.	L-009-RV	16.55%	360,000.00	31-Dec-2001	273,567		16,390	257,177
31-Dec-1988	Randvaal T.L.	L-010-RV	16.55%	293,000.00	31-Dec-2011	222,653		13,340	209,313
31-Dec-1988	Randvaal T.L.	L-011-RV	16.40%	8,000.00	31-Dec-2004	1,829		1,171	658
31-Dec-1988	Randvaal T.L.	L-012-RV	16.55%	65,000.00	31-Dec-2008	39,487		4,859	34,628
30-Jun-1989	Randvaal T.L.	L-015-RV	17.80%	372,754.00	30-Jun-2003	-		-	-
30-Jun-1989	Randvaal T.L.	L-016-RV	17.80%	1,500,000.00	30-Jun-2004	254,559		254,559	-
30-Jun-1991	Randvaal T.L.	L-019-RV	16.00%	696,000.00	30-Jun-2006	285,460		80,887	204,573
30-Jun-1995	Randvaal T.L.	L-023-RV	13.41%	920,254.88	30-Jun-2015	784,239		28,817	755,422
31-Dec-1994	Randvaal T.L.	L-024-RV	17.53%	1,300,000.00	31-Dec-2009	938,241		86,413	851,828
30-Jun-1989	Randvaal T.L.	L-014-RV	17.95%	130,000.00	30-Jun-2009	20,359		2,110	18,249
31-Dec-1990	Randvaal T.L.	L-017-RV	17.65%	534,866.40	31-Dec-2010	397,447		28,545	368,902
30-Jun-1977	Randvaal T.L.	L-008-RV	10.25%	28,615.00	30-Jun-2002	-		-	-
						3,217,842	-	517,092	2,700,750
30-Jun-1990	Meyerton T.L.	L-016-M	16.00%	50,045.00	30-Jun-2005	14,706		6,786	7,920
30-Jun-1990	Meyerton T.L.	L-017-M	16.00%	35,151.00	30-Jun-2005	10,329		4,766	5,563
30-Jun-1990	Meyerton T.L.	L-018-M	16.00%	267,975.00	30-Jun-2005	78,747		36,337	42,410
30-Jun-1990	Meyerton T.L.	L-019-M	16.00%	250,063.00	30-Jun-2005	73,483		33,908	39,575
30-Jun-1990	Meyerton T.L.	L-020-M	16.00%	53,553.00	30-Jun-2005	15,737		7,261	8,475
30-Jun-2002	Meyerton T.L.C.		11.75%	250,000.00	31-Dec-2004	40,671		40,671	-
						233,672	-	129,729	103,943
30-JUN-2001	Meyerton Balancing Loan			665,100.19	30-Jun-2002	-		-	-
						7,365,003	-	1,181,260	6,183,743
TOTAL				15,215,097.47					

APPENDIX B

MIDVAAL
LOCAL MUNICIPALITY

EXTERNAL LOANS AND INTERNAL ADVANCES

INTERNAL LOANS						Balance at 30/06/03	Received during the period	Redeemed or written off during the period	Balance at 30/06/04
						R	R	R	R
Date	Department	Loan No	Rate	Loan Amount	Redeemable				
1997/1998	Corporate Services			40,252.90	30-Jun-2003	0.00			0.00
1998/1999	Corporate Services			11,647.00	30-Jun-2004	2,329.00		2,329.00	0.00
						2,329.00	0.00	2,329.00	0.00
1997/1998	Financial Services			128,509.19	30-Jun-2003	0.00			0.00
						0.00	0.00	0.00	0.00
PROTECTION SERVICES									
1997/1998	Traffic Services			112,992.36	30-Jun-2003	0.00			0.00
1998/1999	Traffic Services			29,093.03	30-Jun-2004	5,815.00		5,815.00	0.00
1998/1999	Traffic Services			14,098.75	30-Jun-2004	2,815.00		2,815.00	0.00
1998/1999	Traffic Services			82,659.05	30-Jun-2004	16,527.00		16,527.00	0.00
1998/1999	Traffic Services			5,000.00	30-Jun-2004	1,000.00		1,000.00	0.00
						26,157.00	0.00	26,157.00	0.00
Health And Social Services									
1997/1998	Environment Service			60,000.00	30-Jun-2003	0.00			0.00
1996/1997	Health Service Admin			91,446.43	30-Jun-2002	-0.00			-0.00
1996/1997	Health Service Admin			19,335.47	30-Jun-2002	0.00			0.00
1997/1998	Health Service Admin			6,000.00	30-Jun-2002	0.00			0.00
1998/1999	Health Service Admin			24,700.00	30-Jun-2004	4,940.00		4,940.00	0.00
1998/1999	Health Service Admin			7,818.00	30-Jun-2004	1,560.00		1,560.00	0.00
						6,500.00	0.00	6,500.00	-0.00
ENGINEERING SERVICES									
1996/1997	Engineering Serv Adm			247,266.00	30-Jun-2002	0.00			0.00
1996/1997	Engineering Serv Adm			15,595.14	30-Jun-2002	0.00			0.00
1998/1999	Cleansing Serv			2,707.89	30-Jun-2002	538.00		538.00	0.00
1998/1999	Cleansing Serv			73,565.00	30-Jun-2004	14,713.00		14,713.00	0.00
						15,251.00	0.00	15,251.00	0.00
TOTAL						50,237.00	0.00	50,237.00	0.00

APPENDIX C

**MIDVAAL
LOCAL MUNICIPALITY**

ANALYSIS OF FIXED ASSETS

Expenditure 2002/03	Service	Budget 2003/04 R	Balance at 01/07/03 R	Expenditure 2003/04 R	Written off / transferred or disposed of during the year R	Balance at 30/06/04 R
15,731,252	RATES AND GENERAL SERVICES	31,128,431	135,853,957	33,263,198	807,981	168,309,174
9,474,763	Community services	26,799,631	98,531,693	31,594,512	807,981	129,318,224
-	Administrative function	-	503,408	-	-	503,408
709,547	Land and buildings	8,497,000	14,814,327	2,134,340	155,369	16,793,298
5,352,246	Roads and stormwater	10,565,000	42,414,843	10,596,090	-	53,010,933
2,492,789	Vehicles' tractors and trailers	5,287,517	6,340,811	4,796,474	-	11,137,285
-	Radio's	-	59,340	-	-	59,340
708,849	Office furniture and equipment	1,941,531	3,004,530	1,415,353	-	4,419,883
-	Fire control and civil defence	-	520,990	-	-	520,990
27,930	Tools	5,000	127,780	4,996	-	132,776
183,402	Machinery and equipment	503,583	14,009,992	502,063	652,612	13,859,443
-	Town Secretariat	-	337,982	-	-	337,982
-	Town Treasurer	-	1,228,440	-	-	1,228,440
-	Traffic Services	-	594,598	-	-	594,598
-	Fire Protection	-	3,467,546	-	-	3,467,546
-	Ambulance	-	39,951	-	-	39,951
-	Building Survey	-	173,231	-	-	173,231
-	Licensing	-	254,810	-	-	254,810
-	Land	-	10,581,173	12,145,195	-	22,726,368
-	Economic housing	-	16,163	-	-	16,163
-	Sub-Economic Housing	-	41,778	-	-	41,778
13,964	Subsidised services	-	4,896,247	-	-	4,896,247
13,964	Health services	-	2,036,490	-	-	2,036,490
-	Parks	-	1,800,016	-	-	1,800,016
-	Library services	-	1,059,741	-	-	1,059,741
6,256,489	Economic services	4,328,800	32,426,017	1,668,686	-	34,094,703
3,360,762	Cleansing	-	6,046,855	215,307	-	6,262,162
2,895,727	Sewerage	4,328,800	26,379,162	1,453,379	-	27,832,541
3,165,776	TRADING SERVICES	9,579,000	32,011,222	7,170,845	-	39,182,067
1,063,478	Electricity	4,329,000	14,884,055	2,978,024	-	17,862,079
2,102,298	Water	5,250,000	17,127,167	4,192,821	-	21,319,988
18,910,992	TOTAL : FIXED ASSETS	40,707,431	167,865,179	40,434,043	807,981	207,491,241
	LESS : LOANS REDEEMED AND					
	OTHER CAPITAL RECEIPTS		160,255,538	29,663,181	807,981	189,110,738
	Loans redeemed and advances paid		81,939,548	20,135,377	807,981	101,266,944
	Contributions ex operating income		13,284,698	-	-	13,284,698
	Provisions & reserves		-	-	-	-
	Contributions ex EGSC		51,018,279	5,434,414	-	56,452,693
	Contributions ex trustfunds		-	-	-	-
	Provincial Grants		14,013,013	4,093,390	-	18,106,403
	Public contributions		-	-	-	-
	NET FIXED ASSETS		7,609,641	10,770,862	-	18,380,503

APPENDIX D

MIDVAAL
LOCAL MUNICIPALITY

ANALYSIS OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2004

2003 ACTUAL		2004 ACTUAL	2004 BUDGET
R		R	R
INCOME			
11,073,612	Grants and subsidies	13,336,334	15,522,500
31,908	District Council	697,500	1,687,500
11,041,704	Central Government	12,638,834	13,835,000
<hr/>			
139,433,221	Operating income	153,657,266	152,537,754
32,629,376	Assessment rates	36,063,139	37,246,000
45,914,306	Other service charges	40,575,653	36,618,454
26,101,442	Sale of water	32,129,662	33,408,000
34,788,097	Sale of electricity	44,888,812	45,265,300
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150,506,833		166,993,600	168,060,254
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EXPENDITURE			
47,152,149	Salaries, wages & allowances	52,513,661	56,910,850
78,042,590	General expenses	85,722,029	88,309,060
24,651,876	Purchase of water	22,992,964	23,000,000
25,480,896	Purchase of electricity	29,773,141	29,565,000
27,909,818	Other expenses	32,955,924	35,744,060
<hr/>			
12,776,496	Repair and maintenance	15,875,969	16,052,210
1,415,896	Capital charges	1,184,937	1,567,290
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Contributions to fixed assets			
9,683,474	Contributions to funds	4,310,474	4,288,189
<hr/>			
149,070,605	Gross expenditure	159,607,070	167,127,599
-	Less : Amounts charged out	-	-
<hr/>			
149,070,605	Net expenditure	159,607,070	167,127,599
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APPENDIX E

**MIDVAAL
LOCAL MUNICIPALITY**

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

2003 Actual Income	2003 Actual Expenditure	2003 Surplus / (Deficit)		2004 Actual Income	2004 Actual Expenditure	2004 Surplus / (Deficit)	2004 Budget Surplus / (Deficit)
R	R	R		R	R	R	R
77,330,673	79,453,649	(2,122,976)	RATES AND GENERAL SERVICES	76,610,842	88,568,006	(11,957,164)	(19,961,732)
61,379,147	59,719,543	1,659,604	Community services	59,929,929	67,087,206	(7,157,277)	(15,058,063)
32,629,376		32,629,376	Assessment rates	36,063,139		36,063,139	37,246,000
-	629,076	(629,076)	Municipal Manager		736,211	(736,211)	(747,438)
-	376,705	(376,705)	Internal Audit		388,752	(388,752)	(429,100)
1,944	4,297,111	(4,295,167)	Corporate Services	196,157	5,240,917	(5,044,760)	(5,650,491)
-	206,348	(206,348)	Housing			-	
-	2,437,146	(2,437,146)	Council General		3,348,969	(3,348,969)	(4,186,479)
1,249,533	6,755,651	(5,506,118)	Traffic	1,395,659	6,363,251	(4,967,592)	(4,963,371)
4,850,565	1,883,600	2,966,965	Licensing	1,421,080	579,522	841,558	395,666
786,630	4,548,091	(3,761,461)	Fire Services	462,273	5,244,508	(4,782,235)	(4,950,749)
2,166,983	159,355	2,007,628	Ambulance Service			-	
-	458,941	(458,941)	Local Economic Development			-	
1,730,539	2,111,491	(380,952)	Social Services	1,968,424	2,429,625	(461,201)	(671,015)
-	95,600	(95,600)	Tourism			-	
			Public Relations Officer		330,334	(330,334)	(340,000)
17,214,638	11,584,325	5,630,313	Town Treasurer	15,498,255	12,856,963	2,641,292	(1,597,562)
-	2,931,869	(2,931,869)	Human Resources	326,429	3,131,993	(2,805,564)	(3,411,444)
-	10,729,161	(10,729,161)	Town Engineer		2,496,007	(2,496,007)	(2,783,107)
690,019	2,615,708	(1,925,689)	Building Survey and Inspections	872,670	1,627,018	(754,348)	(1,181,718)
			Development and Planning Administration	338,326	2,804,357	(2,466,031)	(2,786,198)
			Roads and Stormwater		9,476,374	(9,476,374)	(8,848,458)
-	867,263	(867,263)	Transport and Mechanical Workshop		884,198	(884,198)	(1,006,473)
-	4,529,820	(4,529,820)	Parks and Recreation		6,699,992	(6,699,992)	(6,807,135)
-	53,155	(53,155)	Cemeteries	2,240	53,356	(51,116)	(69,050)
21,686	306,739	(285,053)	Swimmingpools	19,656	290,394	(270,738)	(391,549)
37,234	2,142,388	(2,105,154)	Civic Centre	1,365,621	2,104,465	(738,844)	(1,878,392)
50,940	4,759,215	(4,708,275)	Subsidised services	59,325	5,292,272	(5,232,947)	(5,679,460)
-	456,784	(456,784)	Environmental Health		494,373	(494,373)	(562,128)
-	2,907,445	(2,907,445)	Clinics		3,123,950	(3,123,950)	(3,413,716)
50,940	1,394,986	(1,344,046)	Library	59,325	1,673,949	(1,614,624)	(1,703,616)
			Open Spaces			-	
15,900,586	14,974,891	925,695	Economic services	16,621,588	16,188,528	433,060	775,791
8,948,819	8,592,704	356,115	Sewerage	10,613,091	7,471,890	3,141,201	2,933,451
6,951,767	6,382,187	569,580	Cleansing	6,008,497	8,716,638	(2,708,141)	(2,157,660)
			Septic Tanks			-	
73,176,160	69,616,956	3,559,204	TRADING SERVICES	90,382,758	71,039,064	19,343,694	20,894,387
29,803,515	33,033,278	(3,229,763)	Water	39,135,784	30,475,293	8,660,491	9,770,692
43,372,645	36,583,678	6,788,967	Electrical Services	51,246,974	40,563,771	10,683,203	11,123,695
150,506,833	149,070,605	1,436,228	TOTAL	166,993,600	159,607,070	7,386,530	932,655
		(6,697,717)	Appropriations for the year			(7,587,312)	
			(Refer note 17)				
		(5,261,489)	Net deficit for the year			(200,782)	
		29,450,849	Accumulated surplus at beginning of the year			24,189,360	
		24,189,360	ACCUMULATED SURPLUS AT END OF THE YEAR			23,988,578	

APPENDIX F

MIDVAAL **LOCAL MUNICIPALITY**

ELECTRICITY

NUMBER OF CONSUMERS (DOMESTIC/COMMERCIAL)

2001/02	5,998
2002/03	6,115
2003/04	6,269

NUMBERS OF UNITS PURCHASED

2001/02	137,838,579
2002/03	161,795,671
2003/04	163,197,352

NUMBERS OF UNITS SOLD

2001/02	120,557,001
2002/03	140,914,402
2003/04	151,336,377

LOSS OCCURED WITH DISTRIBUTION

	UNITS	R	%
2001/02	17,281,578	941,078	12.5
2002/03	20,881,269	3,280,447	12.9
2003/04	11,860,975	1,991,458	7.3

COST PER UNIT PURCHASED

2001/02	5.45
2002/03	15.71
2003/04	16.79

COST PER UNIT SOLD

2001/02	29.22
2002/03	18.04
2003/04	26.80

INCOME PER UNIT SOLD

2001/02	23.55
2002/03	29.85
2003/04	25.38

APPENDIX F

MIDVAAL **LOCAL MUNICIPALITY**

WATER

NUMBER OF CONSUMERS (DOMESTIC/COMMERCIAL)

2001/02	11,130
2002/03	11,990
2003/04	11,828

NUMBER OF KILOLITRE PURCHASED/PURIFIED

2001/02	13,402,193
2002/03	10,565,585
2003/04	9,001,237

NUMBER OF KILOLITRE SOLD

2001/02	13,376,824
2002/03	8,569,303
2003/04	6,707,865

LOSS OCCURED WITH DISTRIBUTION

	KILOLITRE	R	%
2001/02	25,369	32,625	0.2
2002/03	1,996,282	3,409,091	18.9
2003/04	2,293,372	5,765,010	25.5

COST PER KILOLITRE PURCHASED/PURIFIED

2001/02	281.455
2002/03	232.280
2003/04	251.377

COST PER KILOLITRE SOLD

2001/02	256.77
2002/03	286.39
2003/04	454.32

INCOME PER KILOLITRE SOLD

2001/02	311.03
2002/03	283.15
2003/04	471.38