

MOGALE CITY LOCAL MUNICIPALITY

FINANCIAL STATEMENTS AS AT 30 JUNE 2004

23 March 2004

MOGALE CITY LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 MOGALE CITY LOCAL MUNICIPALITY

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its *Code of Accounting Practice for Local Authorities in South Africa (1997) and the Report on Published Annual Financial Statements (second edition - January 1996)*. The City has begun moving towards the full implementation of Generally Accepted Municipal Accounting Practice (GAMAP) which can be seen by the writing off of non-cash backed reserves. Full GAMAP compliance is expected in the 2005/6 financial year.
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in accounting policy note 3. The accounting policies are consistent with those applied in the previous years, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis. Income and expenditure are brought into account in the year to which they relate. However, certain direct income is accrued when received, such as traffic fines and certain licences.

2. CONSOLIDATION

Financial statements include the Rate and General Services, Housing Service, Trading Services and the different funds, reserves and provisions. Inter-departmental charges in the operating account are set off against each other by means of transfers between expenditure votes, "departmental charges" and "charge outs" only, and are not treated as income. Contributions to funds are treated as expenditure in the operating account, but in the relevant fund accounts as income. Certain of the "non-capital" reserves have been written back to the income and expenditure statement in the current financial year whilst capital funds and reserves have been written back to the Appropriation Account in the 2003/4 financial year.

3 FUNDS AND RESERVES

3.1 STATUTORY FUNDS

3.1.1 Land Trust Fund

The capital of this fund consists of the proceeds from the alienation of fixed property from previous financial years. Charges against the fund may be used to finance purchase of land for further development and any other purpose allowed for in the applicable ordinance. This fund is not backed by cash and has therefore been written-off to the appropriation account in preparation for full GAMAP compliance.

3.1.2 Township Development Fund

Costs of developing new townships and their marketing costs were previously debited against this fund. Income from the sale of developed stands was credited to this account in previous financial years. This fund is not backed by cash and has therefore been written-off to the appropriation account in preparation for full GAMAP compliance.

3.1.3 Insurance Fund

A General Insurance Fund is maintained to cover excess payments and uninsured claims that may occur. Premiums and contributions are charged to the respective cost centres. The fund has been closed in the current financial year and the balance as at 30 June 2004, which was not backed by cash, transferred to the appropriation account in preparation for full GAMAP compliance. In future all excess payments and uninsured claims will be charged directly to the respective cost centres as an expenditure item.

3.1.4 Capital Development Fund

The Capital Development Fund, Ordinance No 9 of 1978, article 5(1) (a), requires a minimum contribution of 1% of the defined income of a local authority for the immediately preceding financial year. In preparation for full GAMAP compliance and the introduction of new funds for capital expenditure, the fund value was reduced to an amount equal to the capital budget expected to be financed from the fund for the 2005/06 financial year. The portion of the fund that was not "cash-backed" has therefore been written off.

3.1.5 Endowment Fund

Contributions to this fund are received from township developers upon developing thereof. Funds are made available for capital expenditure in the developing townships in respect of roads, storm water drainage, refuse dumps, cemeteries and other infrastructure. The fund has been closed in the current financial year and the balance as at 30 June 2004 which was not backed by cash transferred to the appropriation account in preparation for full GAMAP compliance.

3.1.6 Community Facilities Fund/ Housing Development Fund

Contributions to the fund derive from rental in respect of houses let by the Council. Funds are utilised for the creation of community utilities or for repayable advances. The fund has been closed in the current financial year and the balance as at 30 June 2004, which was not backed by cash, transferred to the appropriation account in preparation for full GAMAP compliance.

3.2 RESERVES

3.2.1 Tariff Stabilisation

This reserve absorbs abnormal tariff increases in order to minimise their effect. The fund was closed in the 2003/4 financial year and written back to the income and expenditure statement in preparation for full GAMAP compliance.

3.2.2 Loss of Rental Reserve

The Council administers certain economic and sub-economic housing schemes. For short periods of time some houses are not let thus resulting in a loss of rental, which is recovered from the reserve. The fund was closed in the 2003/4 financial year and written back to the income and expenditure statement in preparation for full GAMAP compliance.

3.2.3 Collateral Guarantee Insurance Reserve

This fund covers the Council's losses that may arise from making collateral investments to enable employees to obtain housing loans from financial institutions. As this practice still exists, the reserve has been retained in the interim.

3.2.4 Capital and Housing Capital Reserve - Magalies

In terms of the Housing Act, (Act No 107 of 1997), the previous debt in respect of housing schemes was extinguished. Local Councils are required to transfer the outstanding liability to a Capital Reserve, which is written down as the affected properties are transferred to beneficiaries and the asset or debtor written out of the Council's accounting records. This particular reserve covers Magalies housing scheme. This fund is not backed by cash and has therefore been written-off to the appropriation account in preparation for full GAMAP compliance.

3.2.5 Transformation Reserve

This reserve is created to provide for non-recurrent costs, which are anticipated to be associated with the transformation of local government. Contributions to the fund are made from operating income. The fund was closed in the 2003/4 financial year and written back to the income and expenditure statement in preparation for full GAMAP compliance.

3.2.6 SMME Reserve

Represents private sector contributions towards the promotion of small medium and micro enterprises. The fund was closed in the 2003/4 financial year and written back to the income and expenditure statement in preparation for full GAMAP compliance.

3.3 TRUST FUNDS

3.3.1 Rugby Football Club Fund

When Council took over the facilities at the Jan Lotz grounds, it was agreed that only a part of the purchase price was to be paid to the club. Council keeps the balance in a trust fund and the interest earned is paid to the club.

3.4 PROVISIONS

3.4.1 Accumulated Leave

In terms of Policy, the value of accumulated leave is provided for and reflected as such in these statements.

3.4.2 Audit Fees

Income is derived from operating account contributions, and expenses represent payments to the Auditor General for the auditing of financial statements. This provision has been closed in the 2003/4 financial year and expenditure will in future be provided and shown directly against the expenditure item.

3.4.3 Gratuity

This provision is to cover the costs of gratuities paid to retiring employees with 10 years or more unbroken service who are not members of the Council's Pension funds. This provision has been closed in the 2003/4 financial year and expenditure will in future be provided for and shown directly against the expenditure item.

3.4.4 W C A

Income is derived from operating account contributions. Council employees are covered in terms of the Workmen's Compensation Act against injuries on Council premises. Annual payments to the Workmen's Compensation Commissioner are charged to this account. This provision has been closed in the 2003/4 financial year and expenditure will in future be provided and shown directly against the expenditure item.

3.4.5 Provision for Bad Debts

The purpose of this provision is to cover Council against significant losses arising from liquidation of debtors. This provision covers all debt over 120 days outstanding, excluding accounts for which arrangements have been made.

3.5 CONSOLIDATED LOANS FUND

The capital sources of this fund consist of external and internal loans. Advances are made to departments at an interest rate equal to the minimum applicable on loans of the Local Government Loan Fund as at 1 January of each year. The fund value has been reduced to carry only the balance required to fund internal capital expenditure in the 2004/5 financial year. The balance which was not cash backed, has been written back to the appropriation account in the 2003/4 financial year.

4 FIXED ASSETS

4.1 Fixed assets are reflected:

- At historical cost, or
- At valuation (based on the market price at date of transaction) where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated useful life as determined by the Director: Finance.

4.2 Assets financed from loans and advances from the Consolidated Loans Fund as well as the Capital Development Fund are shown at cost until the loan or advance has been redeemed in full.

4.3 Depreciation

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet, 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. Apart from advances from the 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 provision for depreciation.
- Grants or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

In future, with full implementation of GAMAP, accumulated depreciation will be calculated and shown on an annual basis as an expenditure item.

4.4 All 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 either to the Capital Development Fund or such other fund as decided by the Council.

4.5 Fixed assets are financed from different sources, including external loans, external grants, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate.

5 INVESTMENTS

Investments are made in accordance with the investment policy of the Council. All investments are reflected in the statements at the original purchase price (cost price) or market value. All investments are made at approved banks and financial institutions in terms of Section 10G (9) of the Local Government Transition Act, 1996 (Act 97 of 1996) as amended.

6 DEFERRED CHARGES

Deferred charges represent the balance outstanding on costs incurred in raising loans on the capital market and are recovered from operating income over the different loan periods.

7 FINANCIAL INSTRUMENTS

7.1 Measurement

Financial instruments are initially measured at cost, which includes transaction costs.

7.2 Trade and other receivables

Trade and other receivables originated by the group are stated at cost less provision for doubtful debts.

7.3 Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

7.4 Financial liabilities

Financial liabilities are reported at amortised cost, original debt less principal repayments and amortisation.

8 INVENTORY

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

8.2 Redundant and slow-moving inventories are identified and written down with regard to their estimated economic or realisable value. Consumables are written down with regard to their age, condition and utility.

9 REVENUE RECOGNITION

9.1 Mogale City applies a differential site rating system. In terms of this system the assessment rates are levied on the land value of property, and rebates are granted according to the specific use of a particular property.

- 9.2 A rebate of 35% was granted on the general tariff of R 0,110765c.
- 9.3 Revenue from rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time proportion basis.
- 9.4 Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis, and charges are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed.
- 9.5 Revenue from the sale of goods is recognised when the risk is passed to the consumer.
- 9.6 Revenue arising from the application of the approved tariff of charges is generally when the relevant service is rendered.
- 9.7 Interest and rentals are recognised on a time proportion basis that takes into account the effective yield on assets.
- 9.8 Revenue from spot fines is recognised when payment is received, and the revenue from the issuing of summonses is recognised when collected.
- 9.9 Amounts received from government and donors for the purpose of acquiring items of property, plant and equipment are classified as capital receipts.

10 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

Approved Schemes as per South African Local Government Bargaining Council resolution include the following:

1. SAMWU National Provident Fund
2. Municipal Employees Gratuity Fund
3. Municipal Employees Pension Fund
4. South African Local Authority Provident Fund
5. Meshawu National Provident Fund
6. National Fund for Municipal Workers
7. 20% Group Insurance
8. Joint Municipal Employees Pension Fund
9. Municipal Councillors Pension Fund

11 LEASES

- 11.1 Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the local authority.
- 11.2 Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.
- 11.3 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.

12 SURPLUSES AND DEFICITS

Any surplus or deficit arising from the operation of trading services, rates and general services are transferred to the combined account.

13 ADMINISTRATION AND OTHER OVERHEAD EXPENSES

Costs of internal support are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

14 SEGMENTAL INFORMATION

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



BALANCE SHEET AT 30 JUNE 2004

	Note	2004 R	2003 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		10,074,056	358,031,254
Statutory Funds	1	9,812,353	220,145,123
Reserves	2	261,703	137,886,131
ACCUMULATED SURPLUS/(DEFICIT)	3	24,509,432	(71,282,572)
		34,583,488	286,748,682
TRUST FUNDS	4	269,020	179,875
LONG-TERM LIABILITIES	5	381,256,438	369,038,248
CONSUMER DEPOSITS: SERVICES	6	24,961,215	25,083,794
		441,070,161	681,050,599
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	7	337,087,991	443,251,959
INVESTMENTS	8	111,953,396	158,684,533
LONG-TERM DEBTORS	9	15,922,579	14,556,234
DEFERRED CHARGES	10	227,246	272,695
		465,191,212	616,765,421
NET CURRENT ASSETS/(LIABILITIES)		(24,121,051)	64,285,178
CURRENT ASSETS		132,959,370	231,768,546
Inventory	11	4,693,622	4,278,541
Debtors	12	121,749,369	204,601,519
Short-Term Portion of Long-Term Debtors	9	6,481,653	6,054,989
Bank and cash		34,726	16,833,497
CURRENT LIABILITIES		157,080,421	167,483,368
Provisions	13	16,310,642	12,776,512
Creditors	14	102,963,864	124,259,578
Short-Term Portion of Long-Term Liabilities	5	17,628,379	30,447,278
Bank Overdraft/ Bank Balance		20,177,536	-
		441,070,161	681,050,599



INCOME STATEMENT FOR THE YEAR ENDED ENDED 30 JUNE 2004

2003				2004			2004
Actual Income	2003 Actual Expenditure	2003 Surplus		Actual Income	2004 Actual Expenditure	2004 Surplus	Budget
R	R	R		R	R	R	R
208,025,412	266,406,238	(58,380,826)	RATES & GENERAL SERVICES	251,771,620	287,530,392	(35,758,772)	(39,611,839)
136,806,060	178,990,875	(42,184,815)	Directorates	167,177,886	208,406,504	(41,228,618)	(47,307,882)
11,217,852	18,024,433	(6,806,581)	Agency and Delegated services	15,370,585	19,819,668	(4,449,083)	(6,468,129)
60,001,500	69,390,930	(9,389,430)	Economic Services	69,223,149	59,304,220	9,918,929	14,164,172
1,354,189	8,097,085	(6,742,896)	HOUSING SERVICES	648,970	12,643,157	(11,994,187)	(11,068,418)
247,473,908	213,732,024	33,741,884	TRADING SERVICES	264,200,692	224,115,010	40,085,682	50,680,257
456,853,509	488,235,347	(31,381,838)	TOTAL	516,621,282	524,288,559	(7,667,277)	-

21,413,533	Accumulated Surplus/(Deficit) (Beginning of year)	(71,282,572)
(61,314,266)	Appropriations (Note 3)	103,459,281
(31,381,839)	Operating Surplus/(Deficit) (For the year)	(7,667,277)
(71,282,572)	Accumulated Surplus/(Deficit) (End of year)	24,509,432

(Refer Appendix D & E)

Deficit for the year includes interest accrued on external loans and interest not recovered by way of internal advances to the amount of R 34,071,928



CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	NOTE	2004 R	2003 R
OPERATING ACTIVITIES		(26,896,014)	12,094,370
Cash receipts from ratepayers, consumers and users of services	15	645,860,479	540,159,041
Cash paid to employees and suppliers	15	(610,549,242)	(539,232,288)
In flow from operations	15 & 16	35,311,237	926,753
Investment income	16	3,409,109	57,432,923
Interest paid	16	(65,616,360)	(46,265,306)
INVESTING ACTIVITIES		(8,058,517)	(144,053,900)
Purchase of property, plant and equipment	17	(68,073,876)	(109,815,207)
Additions from Kagiso		-	(330,439)
Receipts from long term debtors		13,284,222	7,242,387
(Investment)/Disinvestment in deposits, stock & other		46,731,137	(41,150,641)
FINANCING ACTIVITIES		(2,021,776)	161,133,114
Proceeds/(Repayments) of loans acquired		(600,709)	142,548,709
Increase in consumer deposits	6	122,579	(105,415)
Other capital (payments)/receipts: Statutory Funds		2,772,218	9,851,875
Other capital (payments)/receipts: Reserves & Trust		(4,315,864)	8,837,945
NET CASH (OUT)/IN FLOW:		(36,976,307)	29,173,584
 CASH RESOURCES AT BEGINNING OF YEAR		 16,833,498	 (12,340,086)
		<u>(20,142,810)</u>	<u>16,833,498</u>

* Cash:	34,726	34,726
Bank overdraft/ Bank Balance:	(20,177,536)	16,798,771
Total: R	(20,142,810)	16,833,497

MOGALE CITY LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004

	2004 R	2003 R
1 STATUTORY FUNDS		
Land Trust	-	68,550,615
Township Development	-	16,385,395
Insurance	-	9,074,884
Capital Development	9,812,353	115,960,276
Endowment	-	4,365,680
Community Facilities	-	5,808,273
	<u>9,812,353</u>	<u>220,145,123</u>
(Refer Appendix A)		
2 RESERVES		
Tariff Stabilization	-	5,502,780
Loss of Rental	-	582,133
Collateral guarantee insurance	261,703	236,609
Capital: Magalies	-	4,201,702
Housing	-	123,939,824
Transformation	-	3,078,771
SMME	-	344,311
	<u>261,703</u>	<u>137,886,131</u>
(Refer Appendix A)		
3 APPROPRIATIONS		
Accumulated (Deficit) Surplus at the beginning of the year	(71,282,572)	21,413,533
Operating (Deficit)/Surplus for the year	(7,667,277)	(31,381,839)
Appropriations :	<u>103,459,281</u>	<u>(61,314,266)</u>
Accumulated Surplus/(Deficit) at the end of the year	<u>24,509,432</u>	<u>(71,282,572)</u>
Details of prior year adjustments written against the Appropriation Account:		
Amendments to payments made	(1,958,161)	(1,476,200)
Amendments to revenue received	(1,204,287)	379,407
Claim to WRDC for Emergency Services for 00/01 not paid	-	(1,628,725)
Gasbeton Stock written off	-	(22)
Court settlements/Arbitration outcomes	(1,372,666)	(5,048,259)
Council stale and stopped cheques written back	(23,069)	981,548
VAT adjustments	5,889,407	(1,073,253)
Expenditure not shown against grants in previous years		18,643,554
Adjustments to internal loan interest rates for previous financial years		(19,787,867)
Write off of Abakor Investment liquidated	-	(2,843,260)
Year end adjustment for water usage (JHB water, Ruimsig & Sonnedal)	-	(1,734,647)
Monies received from WRDC for funds received from Province	-	999,926
Adjust Loans redeemed	(213,708,825)	-
Write off of Funds & Reserves not cash backed	431,106,347	-
Write off of absolute inventory items	(407,519)	-
Increase in Provisions	(117,494,460)	(48,726,468)
Arbitration & re-instatement (Messrs Grobler & Gouws)	(39,453)	-
Sundry debtors written off	(1,164,475)	-
Corrections to investments	3,695,859	-
Refunds Library	18,508	-
Stale Cheques	122,075	-
	<u>103,459,281</u>	<u>(61,314,266)</u>
4 TRUST FUNDS		
Mayoral Trust Fund	113,083	-
Rugby Football Club	155,937	179,875
	<u>269,020</u>	<u>179,875</u>
(Refer Appendix A)		

MOGALE CITY LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004

	2004 R	2003 R
5 LONG-TERM LIABILITIES		
Local registered stock:	51,110,667	51,110,667
Inca	51,110,667	51,110,667
Private sector loans:	347,774,150	348,374,859
Development Bank of SA	183,324,125	179,259,324
Inca	100,000,000	100,000,000
ABSA	64,450,025	69,115,535
	<u>398,884,817</u>	<u>399,485,526</u>
Less: Short Term portion of Long Term Liabilities	17,628,379	30,447,278
Private sector loans	17,628,379	30,447,278
	<u>381,256,438</u>	<u>369,038,248</u>
 (Refer Appendix B)		
FINANCIAL INSTITUTION: LOANS SECURITIES:	LOAN TERM	INTEREST RATE
INCA	Investec- Sinking Fund	10 15.19%
INCA	Investec- Promissory Note	10 17.00%
INCA	FNB- Sinking Fund	10 16.75%
INCA	ABSA Nominees	15 13.70%
Development Bank of SA	RSA Int. Registered Stock- Sinking Fund	20 13.25% average
ABSA Bank Limited	Amortized loan	7 12.74%
6 CONSUMER DEPOSITS: SERVICES		
Electricity and Water	24,961,215	25,083,794
Guarantees in respect of electricity and water deposits	6,217,848	6,023,167
7 FIXED ASSETS		
Fixed Assets cost at the beginning of the year	1,201,205,634	1,091,931,039
Capital expenditure during the year	68,073,876	109,815,207
Additions/ Adjustments	703,149	330,439
Less: Fixed Assets written off, transferred or disposed of during the year	7,135,063	871,051
Total Fixed Assets at cost at the end of the year	<u>1,262,847,596</u>	<u>1,201,205,634</u>
Less: Loans redeemed and other capital receipts	925,759,605	757,953,675
Net Fixed Assets at the end of the year	<u>337,087,991</u>	<u>443,251,959</u>
 (Refer Appendix C)		
8 UNLISTED INVESTMENTS		
LONG TERM (> 12 MONTHS)		
Sanlam (Insurance policy)	-	1,378,579
Inca (Loan redemption)	29,858,815	30,606,518
Standard Corporate Merchant Bank	10,146,473	13,894,160
RSA Internal Registered stock	25,652,273	30,485,453
Development Bank of SA (Loan redemption)	20,258,566	17,481,661
Investec	22,253,761	36,165,073
Sub Total	<u>108,169,888</u>	<u>130,011,444</u>
SHORT TERM (< 12 MONTHS)		
Absa Bank (Call deposits)	-	-
Standard Bank (Call deposits)	-	-
Sanlam	3,783,508	3,487,688
Nedbank	-	10,040,584
Absa Bank Term deposit - 90 days)	-	15,144,817
Sub Total	<u>3,783,508</u>	<u>28,673,089</u>
Total	<u>111,953,396</u>	<u>158,684,533</u>
(a) Management's valuation of investments	111,953,396	158,684,533
(b) Average rate of return on investments		14.37%
(c) The following investments have been pledged as security for funding facilities of the council.		
Inca	29,858,815	30,485,453
Standard Corporate Merchant Bank	10,146,473	30,606,518
RSA Internal Registered stock	25,652,273	13,894,160
Development Bank of SA	20,258,566	10,417,070
Investec	22,253,761	17,481,661
	<u>108,169,888</u>	<u>102,884,863</u>

MOGALE CITY LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004

	2004 R	2003 R
9 LONG TERM DEBTORS		
Erf loans	9,772,010	8,695,794
Housing loans	10,410,284	9,910,626
Other loans	2,221,938	2,004,803
	22,404,232	20,611,223
Less: Short-term portion of long-term debtors	6,481,653	6,054,989
	15,922,579	14,556,234
10 DEFERRED CHARGES		
Balance carried over	272,695	318,144
Written-off	45,449	45,449
	227,246	272,695
11 INVENTORY		
Inventory represents consumable stores, raw materials, work-in-progress and finished goods. Where necessary specific provision is made for obsolete inventory.		
	4,693,622	4,278,541
12 DEBTORS		
Consumers	335,870,193	290,058,087
Sundries	12,665,079	49,330,069
Grants	4,496,732	-
Creditors paid in advance	5,130,968	685,222
Less: Provision for bad debts	-236,413,603	-135,471,861
	121,749,369	204,601,517
13 PROVISIONS		
Accumulated leave	16,310,642	9,779,773
Audit Fees	-	419,111
Gratuities	-	1,394,680
W C A	-	1,182,948
	16,310,642	12,776,512
14 CREDITORS		
Trade Creditors	49,360,864	84,648,650
Unspent grants	24,714,860	12,341,919
SARS - Vat	19,115,333	19,761,274
Amounts received in advance	9,772,807	7,507,735
	102,963,864	124,259,578
15 CASH RECEIPTS FROM RATEPAYERS, CONSUMERS, USERS OF SERVICES AND SUPPLIERS	645,860,479	540,159,041
Income per Income Statement	516,621,282	456,853,509
Capital receipts	43,279,581	56,092,100
(Increase)/Decrease in Debtors	82,425,486	25,079,292
Proceeds from disposal of Fixed Assets	-	871,051
Increase/(decrease) in Provisions	3,534,130	1,263,089
CASH PAID TO EMPLOYEES AND SUPPLIERS	610,549,242	539,232,288
Expenditure per Income Statement	524,288,559	488,235,347
Increase/(Decrease) in Inventory	415,081	(921,586)
Decrease/(Increase) in Creditors	34,114,613	(20,563,356)
Net Interest Received/paid	(62,207,251)	11,167,617
Appropriations	113,938,240	61,314,266

MOGALE CITY LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004

	2004 R	2003 R
16 CASH IN-FLOW FROM OPERATIONS		
Operating surplus/(Deficit) per Income Statement	(7,667,277)	(31,381,839)
Appropriations for the year	(113,938,240)	(61,314,266)
Proceeds from disposal of Fixed Assets	-	871,051
Capital receipts	43,279,581	56,092,100
Investment Income	(3,409,109)	(57,432,923)
Interest paid	65,616,360	46,265,306
	(16,118,685)	(46,900,571)
Decrease/(Increase) in Inventory	(415,081)	921,586
Decrease/(Increase) in Debtors	82,425,486	25,079,292
(Decrease)/Increase in Provisions	3,534,130	1,263,089
(Decrease)/Increase in Creditors	(34,114,613)	20,563,356
	35,311,237	926,752
17 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT		
Fixed Assets at beginning of year	443,251,957	390,069,465
Proceeds from disposal of Fixed Assets	-	(871,050)
Additions/ Adjustments	76,669,173	330,439
Capital receipts and loans redeemed (asset financing)	(250,907,015)	(56,092,100)
Fixed Assets at end of year	(337,087,991)	(443,251,961)
	(68,073,876)	(109,815,207)
18 ASSESSMENT RATES: VALUATION		
	Valuation 2001*	Valuation 2001
Residential	1,340,261,076	1,247,587,216
Commercial	258,582,440	283,262,040
State	33,153,500	33,169,600
Other	124,520,438	86,152,832
	1,756,517,454	1,650,171,688
<p>** Adjusted with Supplementary Valuations Valuations of land are performed every four years and the last general valuation came into effect on 1 July 2001. The basic rate was R0.110765c per Rand (0.101619c - 2001) on land only. A rebate of 35% was granted on rates imposed on all developed property zoned as Residential 1, 2, 3 and 4 and which are used for residential purposes only.</p>		
<p>PENSIONERS:</p> <p>* Maximum income R2,500 per month - rebate 45%</p>		
19 COUNCILORS REMUNERATION		
Mayor	450,170	372,423
Mayoral Committee	3,543,040	2,924,897
Other Councilors	6,002,662	4,869,178
	9,995,872	8,166,498
20 AUDITOR'S REMUNERATION		
	711,650	878,248

MOGALE CITY LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2004

	2004 R	2003 R
21 FINANCE TRANSACTIONS		
External interest earned or paid:		
- Interest earned	3,409,109	57,432,923
- Interest paid	65,616,360	46,265,306
Capital charges debited to operating account :		
Interest :	63,990,329	33,588,203
- Internal	<u>63,990,329</u>	<u>33,588,203</u>
Redemption :	23,008,643	19,829,355
- Internal	<u>23,008,643</u>	<u>19,829,355</u>
Deferred charges written off	45,449	45,449
	<u>87,044,421</u>	<u>53,463,007</u>
22 RETIREMENT BENEFITS		
The majority of employees are members of either the Greater National Retirement Fund for Municipal workers, Imatu Provident Fund, Meshawu Provident Fund or the Benoni Provident Fund.		
23 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
(a) Guarantees by Krugersdorp Local Council in respect of commercial bank housing loans to officials.	488,960	764,574
(b) Guarantees by Krugersdorp Local Council in respect of commercial bank vehicle loans to officials.	15,545,083	15,095,897
(c) Contingent liabilities: Unfair dismissals, fraud and unfair labor practice.	1,025,661	680,000
(d) Gratuity liabilities	1,405,244	-
	<u>18,464,948</u>	<u>16,540,471</u>
24 CONTRACTUAL COMMITMENTS		
(a) Capital projects	4,603,123	14,018,735
(b) Rentals	12,289,363	79,786,600
	<u>16,892,486</u>	<u>93,805,335</u>
25 CONSOLIDATED LOANS FUND		
External loans	255,276,200	215,105,721
Internal investments	-	73,747,022
Internal Advances to Borrowing services	<u>255,276,200</u>	<u>288,852,743</u>
(Refer Appendix B)		
Net expenditure charges to borrowing services at an average rate of 11,2%		
Interest paid on external loans	65,616,360	46,265,306
Interest paid on internal investments	63,990,329	33,588,203
	<u>1,626,031</u>	<u>12,677,103</u>
Less: Interest earned on external investments	-	57,432,923
	<u>1,626,031</u>	<u>-44,755,820</u>
26 CAPITAL DEVELOPMENT FUND		
Outstanding advances to borrowing services		
Accumulated fund	9,812,353	115,960,275
Less: Internal Advances	81,811,791	73,747,022
Other investments	-	31,541,211
	<u>(71,999,438)</u>	<u>10,672,042</u>

MOGALE CITY LOCAL MUNICIPALITY
APPENDIX A
STATUTORY FUNDS, RESERVES AND TRUST FUNDS

	Balance at 30 Jun 2003	Contribu- tions	Interest earned	Income	Expenditure	Transferred Written-off	Balance at 30 Jun 2004
STATUTORY FUNDS							
Land Trust	68,550,615	-	909,379	5,596,280	296,032	74,760,242	-
Township Development	16,385,395	-	628,273	130	38,594	16,975,204	-
Insurance	9,074,884	-	-	-	2,563,668	6,511,216	-
Capital Development	115,960,275	4,882,353	-	74,102	(69,942,020)	181,046,397	9,812,353
Endowment	4,365,680	-	-	-	-	4,365,680	-
Community Facilities	5,808,273	-	-	-	-	5,808,273	-
	220,145,123	4,882,353	1,537,652	5,670,512	(67,043,726)	289,467,012	9,812,353
RESERVES							
Tariff Stabilization	5,502,780	-	49,563	-	-	5,552,343	-
Loss of Rental	582,133	-	5,243	-	-	587,376	-
Collateral Guarantee Insurance	236,609	-	2,234	22,860	-	-	261,703
Capital	4,201,702	-	37,844	-	-	4,239,546	-
Housing	123,939,824	-	1,116,305	-	-	125,056,129	-
Transformation	3,078,771	-	33,298	1,236,298	-	4,348,367	-
SMME	344,311	-	3,101	-	-	347,412	-
	137,886,130	-	1,247,588	1,259,158	-	140,131,173	261,703
TRUST FUNDS							
Mayoral Trust Fund	-	-	507	112,576	-	-	113,083
Rugby Football Club	179,875	-	2,312	-	26,250	-	155,937
	179,875	-	2,312	112,576	26,250	-	269,020
PROVISIONS							
Accumulated Leave	9,779,773	-	-	-	3,731,089	(10,261,958)	16,310,642
Audit Fees	419,111	441,682	-	-	860,793	-	-
Gratuity	1,394,680	-	-	-	64,413	1,330,267	-
WCA Fund	1,182,948	-	-	-	1,005,053	177,895	-
Bad debt Provision	135,471,861	-	1,222,873	-	7,513,633	(107,232,502)	236,413,603
	148,248,373	441,682	1,222,873	-	13,174,981	(115,986,298)	252,724,245

**MOGALE CITY LOCAL MUNICIPALITY
APPENDIX B**

EXTERNAL LOANS AND INTERNAL ADVANCES

				Balance at 30/06/2003	Received during the year	Redeemed or written off during the year	Balance at 30/06/2004
				R	R	R	R
EXTERNAL LOANS	Loan no.	Redeemable					
Local registered stock: Redeemable 1994 @ 13,70%	51	2009		51,110,667			51,110,667
Inca				51,110,667	-	-	51,110,667
Private sector loans:				348,374,859	14,377,146	14,977,855	347,774,150
Development Bank of SA	22	2010/03/31	13.20%	57,914,035	6,190,505	6,400,705	57,703,835
Development Bank of SA	18	2010/12/31	16.20%	38,098,127	-	2,887,140	35,210,987
Development Bank of SA	1	2018/03/31	15%	31,789,118	1,188,826	-	32,977,943
Development Bank of SA	20	2014/06/30	13.56%	2,745,469	-	118,349	2,627,120
Development Bank of SA	2	2018/03/31	15%	1,406,287	367,661	-	1,773,949
Development Bank of SA	19	2006/12/31	10.05%	40,978	-	10,307	30,672
Development Bank of SA	3	2018/03/31	15%	3,813,570	142,617	-	3,956,187
Development Bank of SA	4	2022/03/31	15%	9,943,997	527,611	-	10,471,608
Development Bank of SA	5	2018/03/31	15%	1,180,286	44,139	-	1,224,426
Development Bank of SA	6	2024/03/31	15%	-	3,172,130	-	3,172,130
Development Bank of SA	7	2018/03/31	15%	1,200,000	44,877	-	1,244,877
Development Bank of SA	8	2018/03/31	15%	221,354	8,278	-	229,632
Development Bank of SA	9	2018/03/31	15%	4,554,768	714,172	-	5,268,941
Development Bank of SA	10	2018/03/31	15%	9,000,000	336,575	-	9,336,575
Development Bank of SA	11	2018/03/31	15%	1,845,536	69,018	-	1,914,554
Development Bank of SA	12	2018/03/31	15%	3,000,000	112,192	-	3,112,192
Development Bank of SA	15	2018/03/31	15%	4,000,000	149,589	-	4,149,589
Development Bank of SA	16	2018/03/31	15%	300,000	11,219	-	311,219
Development Bank of SA	17	2018/03/31	15%	178,509	130,003	-	308,512
Development Bank of SA	13	2018/03/31	15%	3,900,000	145,849	-	4,045,849
Development Bank of SA	14	2018/03/31	15%	4,100,000	153,329	-	4,253,329
Development Bank of SA	21	2004/06/30	13.11%	27,290	-	27,290	-
Inca				100,000,000	-	-	100,000,000
Absa Bank		2010/03/31	12.74%	69,115,535	868,554	5,534,064	64,450,025
				399,485,526	14,377,146	14,977,855	398,884,817
* Interest accrued included on the received part.							
				Balance at 30/06/2003	Received during the year	Redeemed or written off during the year	Balance at 30/06/2004
				R	R	R	R
INTERNAL ADVANCES TO BORROWING SERVICES							
Consolidated loan fund				288,852,742	(12,541,531)	21,035,011	255,276,200
Capital Development fund				10,672,041	73,712,898	2,573,148	81,811,791
				299,524,783	61,171,367	23,608,159	337,087,991

Adjustment to the amount of R41 381 870 on Ledger control vote to balance internal loan register with Ledger control votes

MOGALE CITY LOCAL MUNICIPALITY
APPENDIX C
ANALYSIS OF FIXED ASSETS

2003 Expenditure	SERVICES	2004 Budget	Balance at 30/06/2003	2004 Expenditure	Written off transferred redeemed during year	Balance at 30/06/2004
R		R	R	R	R	R
60,064,217	DIRECTORATES	31,851,117	555,110,132	25,998,835	5,442,854	575,666,113
	Strategic Services					
1,417,340	Political Structure	1,250,274	7,015,722	868,274	(78,056)	7,962,052
92,487	Municipal Manager	178,953	397,322	51,035		448,357
1,526,063	Public Safety	1,650,794	9,362,126	83,254	43,750	9,401,630
	Marketing	416,656	92,341	272,402	(47,676)	412,419
	Shared Services					
33,220	Administration	50,000	41,523	-	-	41,523
5,536,562	Corporate Services	5,604,344	119,149,548	4,821,176	3,040,887	120,929,837
212,404	Human Resources	21,000	1,029,854	-	496	1,029,358
513,111	Financial Services	675,000	1,982,607	6,009	50	1,988,566
	Socio Economic Development Services					
48,667	Administration	298,890	130,553	12,539	-	143,092
8,962,257	Community Services	13,835,000	61,646,129	12,500,857	2,417,716	71,729,270
1,515,368	Local Economic Development	255,000	3,184,133	231,119	59,149	3,356,103
4,399,817	Tourism and Rural Development	2,775,558	4,341,856	32,231	-	4,374,087
	Infrastructure Services					
48,666	Administration					
4,965,448	Environmental Management	1,172,148	28,906,746	955,167	71,053	29,790,860
30,792,808	Infrastructure	3,667,500	317,829,672	6,164,772	(64,515)	324,058,959
1,520,714	AGENCY & DELEGATED FUNCTIONARIES	2,650,000	17,347,634	3,674,789	1,418,931	19,603,492
	Socio Economic Development Services					
1,288,401	Health services	2,650,000	5,683,057	3,670,846	1,418,931	7,934,972
232,313	Licensing	-	11,664,577	3,943	-	11,668,520
16,077,815	ECONOMIC SERVICES	8,813,152	197,853,175	10,798,182	119,160	208,532,197
	Infrastructure Services					
6,815,889	Waste Management	6,698,464	30,361,142	6,647,136	-	37,008,278
9,261,926	Sanitation	2,114,688	167,492,033	4,151,046	119,160	171,523,919
4,333,663	HOUSING SERVICES	29,502,001	85,296,035	12,569,660	300,000	97,565,695
4,333,663	Housing and Land	29,502,001	85,296,035	12,569,660	300,000	97,565,695
27,818,798	TRADING SERVICES	16,238,000	346,301,807	15,032,410	(145,882)	361,480,099
	Infrastructure Services					
15,390,648	Water	8,875,000	165,420,980	8,493,765	(114,288)	174,029,033
12,428,149	Electricity	7,363,000	180,880,827	6,538,645	(31,594)	187,451,066
109,815,207	TOTAL: R	89,054,270	1,201,908,783	68,073,876	7,135,063	1,262,847,596
				RECEIPTS	WRITTEN OFF	
	LESS: REDEMPTIONS & CAPITAL RECEIPTS		758,656,826	250,907,015	83,804,236	925,759,605
	Loans redeemed and advances paid		635,918,412	209,256,125	157,185	845,017,352
	Contributions ex operating income		10,940,994	13,957	-	10,954,951
	Other internal financing Sources		111,094,267	4,955,188	77,268,589	38,780,866
	Grant funding		703,153	36,681,745	6,378,462	31,006,436
	LESS: CONTRA INVESTMENTS					
	NET FIXED ASSETS: R		443,251,957	(182,833,139)	(76,669,173)	337,087,991

**MOGALE CITY LOCAL MUNICIPALITY
APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2004**

2003 Actual R		2004 Actual R	2004 Budget R
INCOME			
387,142,866	Main Tariffs	421,653,099	422,350,000
82,501,308	Assessment Rates	94,792,829	94,000,000
173,929,396	Electricity	178,144,232	180,000,000
24,771,247	Refuse Removals	31,061,261	31,200,000
33,605,510	Sewerage	36,479,854	36,500,000
72,335,406	Water	81,174,923	80,650,000
13,868,744	General Tariffs	14,792,780	15,997,920
7,394,343	Traffic Fines	6,164,093	9,217,870
6,474,401	Sundry	8,628,687	6,780,050
25,150,981	Grants & Subsidies	36,501,444	41,784,192
13,610,545	Central Government	21,646,313	24,830,182
11,044,115	Provincial Government	13,573,116	13,746,566
496,321	Other	1,282,015	3,207,444
2,841,255	Contractual Income	2,392,371	2,646,000
2,336,718	Rentals	2,347,566	2,256,000
504,537	Sundry	44,805	390,000
27,849,663	Sundry Income	41,281,588	39,946,940
22,994,513	Interest: Accounts in Arrears	24,366,957	24,500,000
4,855,150	Sundry	16,914,631	15,446,940
456,853,509	TOTAL	516,621,282	522,725,052
EXPENDITURE			
150,750,031	Salaries, Wages & Allowances	173,356,638	173,966,946
8,166,498	Councillor allowances	9,995,872	9,990,000
266,661,462	General Expenses	294,500,142	302,077,387
92,173,504	Electricity purchases	104,489,980	107,531,229
52,506,848	Water purchases	60,308,153	59,981,545
3,213,363	Grants	2,366,755	2,900,484
118,767,747	Sundry	127,335,254	131,664,129
34,276,228	Repairs and Maintenance	28,967,942	34,143,311
53,417,558	Capital Charges**	86,998,972	67,998,208
2,486,784	Contributions to Capital Outlay	5,349,754	7,645,683
46,861,072	Contributions to Funds	5,324,036	7,149,424
(74,384,286)	Less: Amounts charged Out	(80,204,797)	(80,245,907)
488,235,347	TOTAL	524,288,559	522,725,052
(31,381,838)		(7,667,277)	-

21,413,533	Accumulated Surplus/(Deficit) (Beginning of year)	(71,282,572)
(61,314,266)	Appropriations (Note 3)	103,459,281
(31,381,839)	Operating Surplus/(Deficit) (For the year)	(7,667,277)
(71,282,572)	Accumulated Surplus/(Deficit) (End of year)	24,509,432

(Refer Appendix D & E)

** Including interest accrued on external loans and interest not recovered by way of internal advances to the amount of R 34 071 928

**MOGALE CITY LOCAL MUNICIPALITY
APPENDIX E**

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

2003 Income R	2003 Expenditure R	2003 Surplus/ (Deficit) R	SERVICES	2004 Income R	2004 Expenditure R	2004 Surplus/ (Deficit) R	2004 Budget R
136,806,060	178,990,876	(42,184,816)	RATES SERVICES	167,177,886	208,406,504	(41,228,618)	(47,307,882)
22,450	14,385,680	(14,363,230)	Strategic Services	15,300	16,768,945	(16,753,645)	(17,208,810)
879,593	4,950,522	(4,070,929)	Political Structure	169,388	959,324	(789,936)	(4,631,617)
-	124,205	(124,205)	Municipal Manager	-	765,152	(765,152)	(700,500)
209,018	16,789,126	(16,580,107)	Shared Services	973,190	16,518,260	(15,545,070)	(5,405,400)
570,988	1,479,934	(908,947)	Administration	789,880	1,941,479	(1,151,599)	(1,170,285)
121,059,893	27,156,193	93,903,700	Corporate Services	142,798,355	24,763,254	118,035,101	110,816,589
-	50,000	(50,000)	Human Resources	-	24,763,254	118,035,101	110,816,589
323,597	26,447,095	(26,123,498)	Financial Services	4,695,779	1,862,744	2,833,035	(1,835,999)
1,828,862	6,523,502	(4,694,640)	Socio Economic Development Services	752,657	4,928,832	(4,176,175)	(6,464,393)
4,569	2,041,033	(2,036,464)	Administration	6,896,250	29,201,719	(22,305,469)	(30,505,431)
7,741,103	17,676,910	(9,935,807)	Marketing and Communication	1,817,960	8,610,036	(6,792,076)	(5,720,042)
-	52,442	(52,442)	Community Services	8,546	6,344,205	(6,335,659)	(7,412,602)
1,659,191	24,321,549	(22,662,358)	Local Economic Development	6,358,207	20,665,638	(14,307,431)	(16,717,134)
2,506,796	36,992,684	(34,485,889)	Tourism and Rural Development	-	355,709	(355,709)	(378,938)
			Public Safety	1,896,640	29,202,381	(27,305,741)	(23,979,758)
			Infrastructure Services	5,734	45,518,826	(45,513,092)	(35,993,562)
			Administration				
			Environmental Management				
			Infrastructure				
11,217,852	18,024,433	(6,806,581)	Agency and delegated functions	15,370,585	19,819,668	(4,449,083)	(6,468,129)
2,548,815	11,354,186	(8,805,371)	Socio Economic Development Services	4,698,633	12,110,990	(7,412,357)	(7,950,715)
8,669,037	6,670,247	1,998,791	Health Services	10,671,952	7,708,678	2,963,274	1,482,586
			Licensing				
60,001,500	69,390,930	(9,389,430)	Economic Services	69,223,149	59,304,220	9,918,929	14,164,172
34,287,245	31,353,046	2,934,199	Infrastructure Services	37,545,212	29,881,636	7,663,576	11,789,227
25,714,255	38,037,884	(12,323,629)	Sanitation	31,677,937	29,422,584	2,255,353	2,374,945
			Waste Management				
1,354,189	8,097,085	(6,742,896)	HOUSING SERVICES	648,970	12,643,157	(11,994,187)	(11,068,418)
1,354,189	8,097,085	(6,742,896)	Infrastructure Services	648,970	12,643,157	(11,994,187)	(11,068,418)
			Housing and Land				
247,473,908	213,732,024	33,741,884	TRADING SERVICES	264,200,692	224,115,010	40,085,682	50,680,257
73,532,120	82,957,312	(9,425,192)	Infrastructure Services	82,652,205	89,167,948	(6,515,743)	2,857,143
173,941,788	130,774,712	43,167,076	Water	181,548,487	134,947,062	46,601,425	47,823,114
			Electricity				
456,853,509	488,235,348	(31,381,839)	TOTAL	516,621,282	524,288,559	(7,667,277)	-

21,413,533	Accumulated Surplus/(Deficit) (Beginning of year)	(71,282,572)
(61,314,266)	Appropriations (Note 3)	103,459,281
(31,381,839)	Operating Surplus/(Deficit) (For the year)	(7,667,277)
(71,282,572)	Accumulated Surplus/(Deficit) (End of year)	24,509,432

MOGALE CITY LOCAL MUNICIPALITY

**APPENDIX F
STATISTICAL INFORMATION**

		F I N A N C I A L Y E A R		
		2003/2004	2002/2003	2001/2002
(a)	Properties			
(i)	Valuation of "Taxable" Property	R 1,756,522,954	R 1,553,279,293	R 1,500,154,992
	Valuation of Non "Taxable" Property	R 96,019,198	R 96,932,395	R 99,221,795
	Date of Valuation	January-01	January-01	January-01
(ii)	Valuation of Residential and Commercial Property	R 958,554,735	R 821,690,395	R 796,312,995
(iii)	Valuation of Industrial, Agricultural and Other Properties	R 797,968,219	R 828,481,293	R 803,063,792
(iv)	Number of Residential and Commercial Properties	42,622	38,647	38,693
(v)	Number of Industrial, Agricultural and Other Properties	13,918	12,114	11,287
(b)	Electricity Statistics			
(i)	Number of users: Residential	25,276	24,826	20,840
	Number of users: Commercial	5,067	5,086	2,276
(ii)	Units bought	653,681,809	636,274,226	646,766,049
(iii)	Units sold	587,889,280	577,092,367	578,041,714
(iv)	Units lost in distribution (ii - iii)	65,792,529	59,181,859	68,724,335
(v)	Units lost in distribution, as a % of (ii)	10.06%	9.30%	10.63%
(vi)	Cost per unit bought (cent)	R 0.124	R 0.1154	R 0.1231
(vii)	Loss in distribution (iv x vi)	R 8,158,274	R 6,829,587	R 8,459,966
(viii)	Cost per unit sold (operating expenditure / iii)	R 0.0161	R 0.1593	R 0.1557
(ix)	Income per unit sold (operating income / iii)	R 0.3251	R 0.2971	R 0.2957

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**APPENDIX F
STATISTICAL INFORMATION**

		F I N A N C I A L Y E A R		
		2003/2004	2002/2003	2001/2002
(c)	Water Statistics			
(i)	Number of users: Residential	43,276*	44,061	40,989
	Number of users: Commercial	1,608*	2,014	1,644
	*(Ruimsig & Roodekrans Transferred)			
(ii)	Units bought	24,078,849	22,039,913	20,217,195
(iii)	Units sold	16,857,882	16,152,703	14,921,906
(iv)	Units lost in distribution (ii - iii)	7,220,967	5,887,210	5,295,289
(v)	Units lost in distribution, as a % of (ii)	29.99%	26.71%	26.19%
(vi)	Average cost per unit bought	R2.5557	R 2.2455	R 2.1189
(vii)	Loss in distribution [(iv)*(vi)]	R18,454,625	R 13,219,730	R 11,220,188
(viii)	Cost per unit sold [Operating expenditure/(iii)]	R3.650	R 3.060	R 2.870
(ix)	Income per unit sold [Operating income/(iii)]	R5.170	R 4.480	R 4.070
(d)	General Statistics			
(i)	Population	248,230	241,000	234,839
(ii)	Area in Sq Km	1098*	1,250	1,250
	*(Ruimsig & Roodekrans Transferred)			
(iii)	Previous Election: Number of Registered Voters	134,890	134,890	134,890
	Previous Election: % Poll	64%	64%	64%
(iv)	Building Survey:			
	- Total Number of Building Plans Passed	2118	1,647	1,320
	- Total Value of Building Plans Passed	R 11,222,800	R 589,161,243	R 43,934,388
	- Inspections Performed	12,708	10,062	8,220
	(New building developments)			
(v)	Parks & Recreation:			
	- Number of Developed Parks	48	46	43
	- Area (ha) of Developed Parks	214	214	210
	- Number of Swimming Pools	4	4	4
	- Number of Tennis Courts	43	43	43
	- Number of Rugby Fields	4	4	4
	- Number of Soccer Fields	14	16	15
	- Number of Athletic Stadiums	1	1	1
	- Number of Bowling Greens	5	7	7
	- Number of Picnic and Camping Areas	2	2	2
	- Number of Caravan Parks	1	1	1
	- Number of Nature Reserves	1	1	1
	- Number of Protected Natural Area's	4	4	4

MOGALE CITY LOCAL MUNICIPALITY

**APPENDIX F
STATISTICAL INFORMATION**

		F I N A N C I A L Y E A R		
		2003/2004	2002/2003	2001/2002
(vi)	Licenses Issued:			
	- Vehicles	92,865	84,174	80,294
	- Other	17,701	21,973	20,249
(vii)	Total Personnel in the Service of the Local Council	1,608	1,699	1,667
(viii)	Library - Books Issued	522,125	524,829	522,797
(ix)	Cleansing - Refuse Removed and Dumped:(Cubic meters)	535,878m	409,900m	660,265m
(x)	Roads and Works - Kilometer roads Constructed	6.8	23.05	24.1
	Roads and Works - Kilometer roads Repaired	16	22.5	15.3
(xi)	Housing:			
	- Number of Houses	15,573	12,975	12,608
	- Number of People Accommodated	76,670	63,880	62,412
	- Number of People on Waiting List	16,000	17,000	15,000
	(Statistics relate to Housing schemes finalized/ in process)			