

**CENTRAL DISTRICT  
MUNICIPALITY**



**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2004**

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**CENTRAL DISTRICT MUNICIPALITY**

**FOREWORD**

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**M. W. MOHULATSI**  
**THE EXECUTIVE MAYOR**

## **CENTRAL DISTRICT MUNICIPALITY**

### **GENERAL INFORMATION**

#### **MEMBERS OF THE MAYORAL COMMITTEE**

Councillor M.W. Mohulatsi     **Executive Mayor**

Councillor I. E Lethoko   **Speaker**

Councillor S. P. J. Bogatsu

Councillor M. J. Kgomo

Councillor N.D. Lekaota

Councillor A. Mohoera

Councillor G. Mathane

Councillor N. Dube

Councillor T. Senokwane

Councillor M. Matlhomane

#### **AUDIT COMMITTEE**

Adv G. Sebotha: Chairperson (External Member)

Ms. M. Motaung (External Member)

Ms. N. Dince (External Member)

Mr. P. Mothupi (External Member)

Cllr. Mogatusi

Cllr. M. J. Matladi

## **GRADING OF THE DISTRICT MUNICIPALITY**

Grade 10

### **AUDITORS**

The Auditor General

### **BANKERS**

First National Bank

### **REGISTERED OFFICE**

Corner Carrington & First Avenue  
Industrial Site  
MAFIKENG, 2745

P. O. Box 2167 Telephone : (018) 381 /8  
MAFIKENG (018) 381 1223/8  
2745 Fax: (018) 381 0561  
E-mail [finance@cdm.za.org](mailto:finance@cdm.za.org)

### **MUNICIPAL MANAGER**

Mr. T.T. Mose

### **CHIEF FINANCIAL OFFICER**

Miss E.T. Mokgope

## **MEMBERS OF THE CENTRAL DISTRICT MUNICIPALITY**

### **COUNCILLORS**

#### **ANC**

Mohulatsi M.W: **The Executive Mayor**

Lethoko I.E. **The Speaker**

Bogatsu S.P.J

Lekaota N.D

Hlongwa J.S

Mohoera A.

Seabelo J.P

Matebesi A.

Hlangwane N.

Dintoe M.M.

Dube N

Kamanyane K. E  
Keoagile M  
Kgomo M.J  
Masekwa M.  
Mathomane K.E.  
Mohoera A.  
Mokgoethu M.T.  
Mositlo R.G.  
Moshe N.E.  
Motsosi S.J.  
Rampine M.K.  
Senokwane T.  
Tsholo T.J  
Inno M.  
Kotze L.  
Selau L.S.

**UCDP**

Ditshetelo I.C.  
Kgoroba M.M  
Seleke P.J.  
Tiro G.T.  
Maele M.P.  
Matladi M.J  
Matlholwa R.

**NNP**

Mogatusi T.A.

**Dikgosi**

Molete L.K.

Moshoette N.A.

Shole G.G.

Molefe M.L

Motsewakhumo G.S

Mosiane B.F.

**MAP OF THE CENTRAL DISTRICT MUNICIPALITY**

See appendix G for more details of the jurisdiction of the Council.

**APPROVAL OF FINANCIAL STATEMENTS**

The annual financial statements set out on pages 2 to 36 were approved by the Municipal Manager on 29 October 2004.

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**MUNICIPAL MANAGER**

**(Accounting Officer)**

**29 October 2004**

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**CHIEF FINANCIAL OFFICER**

**29 October 2004**

# CENTRAL DISTRICT MUNICIPALITY

## REPORT OF THE CHIEF FINANCIAL OFFICER

### 1. OPERATING RESULTS

For the year under review, operating expenditure was controlled as much as possible and overall operating results, excluding agency functions were as follows for the year ended 30 June 2004. An operating surplus of R 603 882 is mainly attributable to the lower than budget expenditure on salaries and allowances, repairs and maintenance and contributions to capital outlay

<b>INCOME</b>	<b>ACTUAL 2001/2002</b>	<b>ACTUAL 2002/2003</b>	<b>2002/2 003</b>	<b>BUDGET 2002/2003</b>	<b>VARIAN CE</b>
<b>Opening Surplus</b>	16 127 127	1 976 677	-	-	-
<b>Operating Income for the year</b>	20 577 521	29 512 351		35 500 000	
<b>Closing Surplus</b>	(1 969 723)	1 593 820	-	-	-
	<b>34 734 925</b>	<b>33 082 848</b>	-	-	-
<b>EXPENDITURE</b>					
<b>Opening Surplus</b>					

<b>Operating Expenditure for the year</b>	22 547 244	27 918 532		83 433 197	
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<b>Sundry transfers</b>	10 211 004	2 904 075	-	-	-
<b>Closing surplus</b>	1 976 677	2 260 241	-	-	-
<b>TOTAL</b>	<b>34 734 925</b>	<b>33 082 848</b>	-	-	-

## 2. CAPITAL EXPENDITURE AND FINANCING

A small portion of fixed assets were bought which included furniture and computer equipment and were all financed through income.

The Lichtenburg Bulk Services project is also capitalized and is financed through an external loan from DBSA.

**The total Capital Expenditure was as follows:**

	<b>ACTUAL 2003/2004</b>	<b>BUDGET 2003/2004</b>	<b>ACTUAL 2002/2003</b>	<b>BUDGET 2002/2003</b>
<b>Building</b>	0	0	0	0
<b>Other fixed Assets</b>	1 201 225	1 252 000	157 491	377 000

<b>Agency Services</b>	-	-	-	-

	<b>1 201 225</b>	<b>1 252 000</b>	<b>157 491</b>	<b>377 000</b>
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**Sources of funding assets:**

	<b>2003/2004 ACTUAL</b>	<b>2003 / 2004 BUDGET</b>	<b>2002/2003 ACTUAL</b>
<b><u>CONTRIBUTION FROM:</u></b>			
<b>Operating Account</b>	1 201 225	1252 000	157 491
<b>Grants and subsides</b>	-	-	-
<b>Internal Loan</b>	0	0	0
<b>External Loan</b>	0	0	0
	<b>1 201 225</b>	<b>1 252 000</b>	<b>157 491</b>

**3. EXTERNAL LOANS**

The loan taken from the Development Bank of South Africa is still not fully redeemed. There were no loans raised during the year and an amount of R 1 895 851 was redeemed on external loans

#### **4. INVESTMENTS**

On 30 June 2004 investments amounted to R 16 830 038 (R 7 085 205) in 2002/2003.

#### **5. DEBTORS**

A decrease in the debtors' book (R 2 259 594) as compared to R 7 400 173 in the previous financial year which amount to a total decrease of R 5 140 579 was due to the clearing of suspense accounts.

#### **6. CASH FLOW**

For the year under review, liquidity was strongly positive. The Central District Municipality has no overdraft facility and the overdraft recorded in the financial statements was a timing difference between the cashbook balance and the bank balance.

#### **7. FUNDS AND RESERVES**

More detail regarding funds and reserves is explained in the note to the Financial Statements.

## **8. PROVISIONS**

Provisions of R1 237 011 were provided for the 2003/2004 Financial Year from the operating account. See Note 10 for more details.

## **EXPRESSION OF APPRECIATION**

A special word of appreciation for The Executive Mayor, Council Members, The Municipal Manager, other staff members for their support, as well as the representatives of the Office of the Auditor General for their assistance. Our appreciation also goes to the Audit Committee and to the Internal Audit Section for their support.

-----  
**E.T. Mokgope**  
**Chief Financial Officer(Licentiate)**  
**Central District Municipality**  
**29 October 2004**

# **CENTRAL DISTRICT MUNICIPALITY**

## **FINANANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2004**

#### **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 Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition – January 1996).
- 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 year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
  - Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as traffic fines and certain licences.
  - Expenditure is accrued in the year it is incurred.

##### **2. Consolidation**

The financial statements include the Rate and General services, Housing service, Trading services and the different funds and reserves. All inter departmental charges are set-off against each other with the exception of assessment rates, refuse removal, sewerage, electricity, water and premiums charged by the insurance fund, which are treated as income and expenditure in the respective departments.

# CENTRAL DISTRICT MUNICIPALITY

## FINANANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2004

#### ACCOUNTING POLICIES (Continued)

#### 3. Fixed Assets

3.1. Fixed Assets are stated:

- at historical cost, or
- at valuation (based on the market price at date of acquisition),  
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 life as determined by the Treasurer.

3.2. 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.
- Grant 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.

- 3.3 All net proceeds from the sale of fixed property are credited to the Fixed Property Sales Fund. Net proceeds from the sale of all assets are credited either to the Special Capital Fund or the Capital Development Fund.
- 3.4 Fixed assets are financed from different sources, including external loans, 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 applicable at the time that the advance is made.

#### **4. Inventory**

Inventory is valued at the lower of cost, determined on the weighted average basis, and net realisable value.

#### **5 Funds and Reserves**

##### *5.1 Capital Development Fund*

In terms of the Financial Regulations applicable to the District Council per Act 109 of 1985, and detailed in paragraph 5, it was promulgated that Council will establish a Capital Development Fund. Paragraph 5 (2) sets out the methods to contribute towards the fund. The net operating surpluses after prior year adjustments are transferred to the Capital Development Fund.

##### *5.2 Other Funds and Reserves*

###### **5.2.1 Mmabatho Guest House**

Transfers from the Department of Local Government, Housing, Planning and Development to maintain the Mmabatho Guest House.

### **5.2.2 Masakhane Trust Fund**

A grant was received from the Department of Local Government, Housing, Planning and Development for nation building. The grant was meant for spending on the improvement of payment of levies and services.

### **5.2.3 Pachsdraai: Trust Funds**

These funds were received from the Provincial Government for capital projects on Storm water, water network and the building of a hall in the Parchdraai area.

## **6. Retirement Benefits**

Central District Council and its employees contribute to the R.S.A. Municipal Pension Fund and its councillors contribute to the South African Municipal Councillors Pension Fund which provides retirement benefits to such employees and councillors.

The retirement benefit plan is subject to the Pensions Funds Act, 1956, with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs. Unfavourable experience adjustments and the cost of securing increased benefits are written off over the lesser of the remaining period of service of employees or five years. Favourable experience adjustments are retained in the retirement benefit plan. Full actuarial valuations are performed at least every three years

## **7. Surpluses and Deficits**

In terms of the Financial Regulations applicable to the District Council per Act 109 of 1985, and detailed in paragraph 5, it was promulgated that Council will establish a Capital Development Fund. Paragraph 5 (2) sets out the methods to contribute towards the fund. The net operating surpluses after prior year adjustments are transferred to the Capital Development Fund.



## CENTRAL DISTRICT MUNICIPALITY

### APPENDIX F

#### STATISTICAL INFORMATION

##### A. GENERAL STATISTICS.

- (i) Population : 597 112
- (ii) Number of Levy Payers : 4 371
- (iii) Levy Rates (1) Services Levy - 0,28%  
(2) Establishment Levy - 0,135%
- (iv) Number of employees : 94

##### B. SUNDRY STATISTICS

- (i) Area in hectares : 2 388 746ha
- (ii) Fire Service /Ambulance
  - Units (Stations) : 3
  - Number of Employees: 81

# CENTRAL DISTRICT MUNICIPALITY

## BALANCE SHEET AT 30 JUNE 2004

	Note	2003/2004 R	2002/2003 R
<b>CAPITAL EMPLOYED</b>			
FUNDS AND RESERVES		#REF!	2,260,241
Statutory Funds	1	#REF!	2,260,241
RETAINED SURPLUS	14	11,171,357	-
		#REF!	2,260,241
TRUST FUNDS	2	3,828,319	3,733,187
LONG-TERM LIABILITIES	3	10,830,822	14,804,555
		#REF!	20,797,983
<b>EMPLOYMENT OF CAPITAL</b>			
FIXED ASSETS	4	12,993,894	14,804,556
INVESTMENTS	5	526,364	
LONG-TERM DEBTORS	6	1,961,849	6,282,965
		15,482,107	21,087,521
NET CURRENT ASSETS/(LIABILITIES)		#REF!	(289,538)
<b>CURRENT ASSETS</b>			
Inventory	7	65,100	65,100
Debtors	8	11,361,418	13,927,285
Cash		#REF!	-
Short-Term Portion of Investments	5	18,120,800	7,085,205
Short-Term Portion of Long Term Debtors	6	455,650	35,473
CURRENT LIABILITIES		26,111,881	21,402,601
Provisions	9	350,311	1,128,491
Creditors	10	23,598,498	13,359,536
Short-Term Portion of Long-Term Liabilities	3	2,163,072	-
Bank Overdraft		-	6,914,574
		#REF!	20,797,983

## CENTRAL DISTRICT MUNICIPALITY

### INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

2002/2003 Actual Income R	2002/2003 Actual Expenditure R	2002/2003 (Deficit)/ Surplus R		2003/2004 Actual Income R	2003/2004 Actual Expenditure R	2003/2004 (Deficit)/ Surplus R	2003/2004 Budget (Deficit)/ Surplus R
			LEVY AND GENERAL SERVICES				
29,512,351	27,918,531	1,593,820	LEVY AND GENERAL SERVICES	79,807,299	62,410,615	17,396,684	(59,822,473)
<u>29,512,351</u>	<u>27,918,531</u>	1,593,820	<b>TOTAL</b>	<u>79,807,299</u>	<u>62,410,615</u>	17,396,684	<u>(59,822,473)</u>
		-	Appropriations for the year (refer to note 14)			<u>(6,225,327)</u>	
		1,593,820	<b>Nett surplus/(deficit) for the year</b>			11,171,357	
		(1,593,820)	Accumulated surplus/(deficit) at the beginning of the year			-	
		-	<b>ACCUMULATED SUPPLUS/(DEFICIT) AT THE END OF THE YEAR</b>			<u>11,171,357</u>	

# **CENTRAL DISTRICT MUNICIPALITY**

## **CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2003/2004 R	2002/2003 R
<b>CASH RETAINED FROM OPERATING ACTIVITIES:</b>		30,219,649	(1,993,685)
Cash generated by operations	15	15,835,807	(44,637,221)
Investment income		1,325,363	1,068,138
(Increase)/decrease in working capital	16	15,927,588	(3,298,500)
		33,088,758	(46,867,583)
LESS: External interest paid		(2,869,109)	(2,259,062)
<b>Cash available from operations</b>		30,219,649	(49,126,645)
Cash contributions from the public and State		-	47,132,960
NET proceeds on disposal of fixed assets		-	-
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>			
Investment in Fixed Assets		(1,201,225)	(157,491)
<b>NET CASH FLOW</b>		<b>29,018,424</b>	<b>(2,151,176)</b>
<b>CASH EFFECTS OF FINANCING ACTIVITIES:</b>			
Increase/(deficit) in Long-term Loans	17	(1,810,661)	(2,347,688)
(Increase)/decrease in cash investments	18	(11,561,959)	(324,211)
(Increase)/decrease in cash	19	#REF!	4,823,075
<b>NET CASH (GENERATED)/UTILISED</b>		<b>#REF!</b>	<b>2,151,176</b>

**CENTRAL DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2003/2004	2002/2003
<b>1. STATUTORY FUNDS</b>		
Capital Development Fund (Refer to appendix A for more detail)	<u>2,273,926</u> <u><b>2,273,926</b></u>	<u>2,260,241</u> <u><b>2,260,241</b></u>
<b>2. TRUST FUNDS</b>		
Seta	25,087	23,051
Transfer Peri-urban Geys Maintenance Mmabatho Con Rural Development Fund Maintenance Mmabatho GVE	3,625,475	3,625,475
Masakhane	135,514	51,639
Pachdraai Projects	42,243	33,022
Premier Community Support (Refer to appendix A for more detail)	<u><b>3,828,319</b></u>	<u><b>3,733,187</b></u>
<b>3. LONG TERM LIABILITIES</b>		
Lichtenburg Bulk Services	10,024,416	11,757,431
Annuity Loans	<u>2,969,478</u>	<u>3,047,124</u>
	<u><b>12,993,894</b></u>	<u><b>14,804,555</b></u>
Less: Portion Transferred to current Laibility	<b>2,163,072</b>	
Lichtenburg Bulk Services Annuity Loans	<u><b>10,830,822</b></u>	<u><b>14,804,555</b></u>
<b>Lichtenburg Bulk Services</b>		
Carry interest at rates varying between 14% and 16.5% per annum and are repayable over the periods of between three and five years.		
<b>Annuity Loans</b>		
Carry interest at a rate of 10% per annum and are repayable over the periods of between nine and eleven years.		
None of these loans are secured by any assets of the Central District Municipality. (Refer to appendix B for more detail on long term liabilities)		
<b>4. FIXED ASSETS</b>		
Fixed assets at beginning of year	45,430,985	45,273,494
Capital outlay during year	1,201,225	157,491
Less: Assets written off during year	<u>(322,000)</u>	<u>-</u>
<b>TOTAL FIXED ASSETS</b>	<u>46,310,210</u>	<u>45,430,985</u>
Less: Loans redeemed and other capital receipts	<u>(33,316,316)</u>	<u>(30,626,429)</u>
<b>NET FIXED ASSETS</b>	<u><b>12,993,894</b></u>	<u><b>14,804,556</b></u>

(Refer to appendix C and section 2 of the Treasurer's report for more details on assets)

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2003/2004	2002/2003
<b>5. INVESTMENTS</b>		
<b>Unlisted</b>		
Long-term deposit	<b>526,364</b>	<b>489,636</b>
Absa Aims	526,364	489,636
Short-term deposit	<b>18,120,800</b>	<b>6,595,569</b>
New Republic Bank	5,356,670	5,000,676
FNB	-	450,982
ABSA AIMS	1,035,641	1,035,641
P.S.G.	129,460	108,270
Nedbank	10,205,446	-
FNB	1,393,583	-
<b>TOTAL INVESTMENTS</b>	<b><u>18,647,164</u></b>	<b><u>7,085,205</u></b>
Market value of listed investments, and management's valuation of unlisted investments:	-	-
Unlisted investments	<b><u>18,647,164</u></b>	<b><u>7,085,205</u></b>
No investments have been written off during the year.		
No investments have been pledged as security for any funding facilities of the Council.		
<b>6. LONG TERM DEBTORS</b>		
Vehicle Loans	2,417,499	995,876
Fire and Emergency Services	-	<u>5,322,562</u>
	<u>2,417,499</u>	6,318,438
Less: Short-term portion of long-term debtors transferred to current assets	<u>(455,650)</u>	<u>(35,473)</u>
	<b><u>1,961,849</u></b>	<b><u>6,282,965</u></b>
<b>7. INVENTORY</b>		
Inventory represents consumable stores and finished goods. Where necessary provision is made for obsolete inventory.	65,100	65,100
	<b><u>65,100</u></b>	<b><u>65,100</u></b>
<b>8. DEBTORS</b>		
Current Debtors (consumer and other)	11,328,781	13,907,869
Study Loans	<u>32,637</u>	<u>19,416</u>
	<u>11,361,418</u>	<u>13,927,285</u>
Less: Provision for Bad Debts	-	-
	<b><u>11,361,418</u></b>	<b><u>13,927,285</u></b>

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2003/2004	2002/2003
<b>9. PROVISIONS</b>		
Development Tlc & TRC	744,924	754,508
Accrued Leave Administration	(286,755)	241,754
Reparation Fund	158,019	132,229
Audit Fees	(265,877)	-
(Refer to appendix A for more detail)	<u>350,311</u>	<u>1,128,491</u>
<b>10. CREDITORS</b>		
Trade Creditors	<u>23,598,498</u>	<u>13,359,536</u>
	<b>23,598,498</b>	<b>13,359,536</b>
<b>11. COUNCILLORS' REMUNERATION</b>		
Executive Mayor's allowance	204,272	190,908
Mayoral committee	1,285,496	1,201,398
Other councillors	1,008,012	942,067
Pension contributions	283,097	264,577
Travelling allowances	512,609	479,074
	<u>3,293,486</u>	<u>3,078,024</u>
<b>12. AUDITORS' REMUNERATION</b>		
Audit Fees	<u>265,877</u>	<u>501,370</u>
<b>13. FINANCE TRANSACTIONS</b>		
Total External Interest Earned or Paid:		
Interest Earned	1,325,363	1,068,138
Interest Paid	<u>2,869,109</u>	<u>2,259,062</u>
Capital Charges Debited to Operating Account:		
Interest: External	2,869,109	2,259,062
Interest: Internal	-	-
Redemption: External	2,682,674	3,970,193
Redemption: Internal	-	-
Deferred Charges Written Off	-	-
	<u>5,551,783</u>	<u>6,229,255</u>
<b>14. APPROPRIATIONS</b>		
APPROPRIATION ACCOUNT:		
Accumulated Surplus at beginning of year	-	-
Operating surplus / (deficit) for the year	17,396,684	-
Appropriations for the year:	(6,225,327)	-
- Prior Year Adjustments	-	-
Accumulated surplus/(deficit) at end of year	<u>11,171,357</u>	<u>-</u>
Operating Account:		
Capital Expenditure	2,315,506	-
Contributions to:		
Provisions and Reserves	418,000	-
Trust funds	2,036	-
Capital Reserve	-	-
Capital Development Fund	-	-
	<u>2,735,542</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2003/2004	2002/2003
<b>15. CASH GENERATED BY OPERATIONS</b>		
Accumulated Surplus/(Deficit) at the beginning of the year	-	-
Operating (deficit)/surplus for the year	17,396,684	-
Adjustments in respect of previous years' operating transactions	(6,225,327)	-
Appropriations for the year	1,621,261	607,104
Contribution to Capital Development Fund	-	-
Contributions to provisions and Reserves	420,036	449,613
Contribution to Capital Expenditure	1,201,225	157,491
Capital Charges:	5,551,783	6,229,255
Interest Paid:		
- to internal funds		
- on external funds	2,869,109	2,259,062
Redemption:		
- of internal advances		
- of external loans	2,682,674	3,970,193
Investment income(operating account)	(1,325,363)	(1,068,138)
Non-operating income:	551,810	-
Non-operating expenditure:		
Expenditure charged against Provisions and Reserves	(1,641,209)	(2,281,976)
Expenditure Funds	(93,832)	(42,962,349)
	<u>15,835,807</u>	<u>(44,637,221)</u>
<b>16. (INCREASE)/DECREASE IN WORKING CAPITAL</b>		
(Increase)/Decrease in Stock	-	(18,984)
(Increase)/Decrease in Debtors	6,466,806	(9,009,621)
Increase/(Decrease) in creditors	9,460,782	5,730,105
	<u>15,927,588</u>	<u>(3,298,500)</u>
<b>17. INCREASE/(DECREASE) IN LONG-TERM LOANS (EXT)</b>		
Loans repaid	(1,810,661)	(2,347,688)
	<u>(1,810,661)</u>	<u>(2,347,688)</u>
<b>18. (INCREASE)/DECREASE IN EXTERNAL INVESTMENTS</b>		
Investments realised	-	106,614
Investments made	(11,561,959)	(430,825)
	<u>(11,561,959)</u>	<u>(324,211)</u>
<b>19. (INCREASE)/DECREASE CASH ON HAND</b>		
Cash balance at the beginning of the year	(6,914,574)	(2,091,499)
Less: Cash balance at the end of the year	#REF!	(6,914,574)
	<u>#REF!</u>	<u>4,823,075</u>
<b>20. RETIREMENT BENEFITS</b>		
<p>The Central District Municipality's employees contribute to the Transvaal Municipality Pension Fund which provides retirement benefits to such employees. The retirement benefit plan is subject to the Pension Fund Act, 1956. Employees contribute a percentage of their basic salary and the council contribute the rest.</p>		



**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004**

	2003/2004	2002/2003
<b>21. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</b>		
Guarantees by Council in respect of Building Society and Commercial Bank housing loans to Officials	-	-
	<u>-</u>	<u>-</u>
<b>22. CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
- Approved and contracted for	-	-
- Approved but not yet contracted for	-	-
	<u>-</u>	<u>-</u>
This expenditure will be financed from:		
- Internal sources	-	-
- External sources	-	-
	<u>-</u>	<u>-</u>
<b>23. CONSOLIDATED LOANS FUND (ANNEXURE "B")</b>		
External Loans	12,993,894	
Internal Investments(surplus funds)	-	
Creditors	-	
	<u>12,993,894</u>	
Less:	18,647,164	
Deferred charges	-	
External Investments	18,647,164	
Debtors	-	
Temporary advances	-	
	<u>(5,653,270)</u>	
(Refer to appendix B for more detail)		
Interest paid on external loans	2,869,109.00	
Interest paid on internal investments	-	
Deferred charges written off	-	
Administration charges	-	
	<u>2,869,109.00</u>	
Less: Interest earned on external investments	1,325,363.00	
	<u>1,543,746.00</u>	
<b>24. CAPITAL DEVELOPMENT FUND</b>		
Outstanding advances to borrowing services:		
Statutory Fund	-	-
Less: Internal Investments	-	-
	<u>-</u>	<u>-</u>
(See appendix B for more detail)		

**CENTRAL DISTRICT MUNICIPALITY****ANNEXURE A****STATUTORY FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS AS AT 30 JUNE 2004**

	Balance at 30/06/2003 R	Contributions During the year R	Interest on Investments R	Other Income R	Expenditure During the year R	Capital Exp. During the year R	Balance at 30/06/2004 R
<b>STATUTORY FUNDS</b>							
Capital Development Fund	2,260,241	-	13,685	-	-	-	2,273,926
	2,260,241	-	13,685	-	-	-	2,273,926
<b>TRUST FUNDS</b>							
Seta	23,051	2,036.00	-	-	-	-	25,087
Rural Development Fund	3,625,475	-	-	-	-	-	3,625,475
Masakhane	51,639	-	83,875	-	-	-	135,514
Pachdraai Projects	33,022	-	9,221	-	-	-	42,243
	3,733,187	2,036	93,096	-	-	-	3,828,319
<b>PROVISIONS</b>							
Development Tlc & TRC	754,508	-	-	-	9,584	-	744,924
Accrued Leave Administration	241,754	95,000	422,239	-	1,045,748	-	(286,755)
Reparation Fund	132,229	3,000	22,790	-	-	-	158,019
Audit Fees	-	320,000	-	-	585,877	-	(265,877)
	1,128,491	418,000	445,029	-	1,641,209	-	350,311

**CENTRAL DISTRICT MUNICIPALITY****ANNEXURE B****EXTERNAL LOANS AND INTERNAL ADVANCES**

<b>EXTERNAL LOANS</b>	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
Annuity Loans	3,047,124	-	77,646	2,969,478
Lichtenburg Bulk Services	11,757,431	-	1,733,015	10,024,416
(Refer to notes 3 and 23)	14,804,555	-	1,810,661	12,993,894

<b>INTERNAL ADVANCES TO BORROWING SERVICES</b>	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
Consolidated Loans fund	-	-	-	-
Capital Development fund	-	-	-	-
(Refer to notes 27 and 28)	-	-	-	-

**CENTRAL DISTRICT MUNICIPALITY****ANNEXURE C****ANALYSIS OF FIXED ASSETS**

Expenditure 2003 R	SERVICE	Budget 2004 R	Balance at 30/06/2003 R	Expenditure 2004 R	Written off, transferred or redeemed R	Balance at 30/06/2004 R
<b>LEVY AND GENERAL SERVICES</b>						
157,491	Community Services		24,856,056	1,201,225	322,000	25,735,281
-	Lichtenburg Bulk Services		20,574,929	-	-	20,574,929
<u>157,491</u>	<b>TOTAL FIXED ASSETS</b>	<u>-</u>	<u>45,430,985</u>	<u>1,201,225</u>	<u>322,000</u>	<u>46,310,210</u>
<b>LESS: CAPITAL REDEEMED AND OTHER</b>						
157,491	<b>CAPITAL RECEIPTS</b>		30,626,430	3,011,886	322,000	33,316,316
-	Loans redeemed and advances repaid		5,770,373	1,810,661	-	7,581,034
157,491	Contributions ex operating income		19,834,101	1,201,225	240,000	20,795,326
-	Provisions and reserves		1,113,455	-	-	1,113,455
-	Grants and subsidies		3,908,501	-	82,000	3,826,501
<u>-</u>	<b>NET FIXED ASSETS</b>		<u>14,804,555</u>	<u>(1,810,661)</u>	<u>-</u>	<u>12,993,894</u>

**CENTRAL DISTRICT MUNICIPALITY****ANNEXURE D****ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2004**

Actual 2002/2003 R		Actual 2003/2004 R	Budget 2003/2004 R
	<b>INCOME</b>		
3,980,951	Grants and Subsidies	49,522,473	49,522,473
-	-Central Government	-	-
3,980,951	-Provincial Government	49,522,473	49,522,473
25,531,400	Operating Income	30,284,826	51,430,000
23,830,072	-Levies	26,391,992	25,000,000
1,701,328	-Other Income	3,892,834	26,430,000
<u>29,512,351</u>	<b>Total Income</b>	<u>79,807,299</u>	<u>100,952,473</u>
	<b>EXPENDITURE</b>		
12,738,842	Salaries, Wages and Allowances	30,013,722	30,777,606
5,674,918	General Expenses	13,606,284	11,296,572
194,184	Repairs and Maintenance	1,803,320	4,009,000
6,229,255	Capital Charges	5,551,783	4,000,000
157,491	Contributions Capital Outlay	2,315,506	1,554,295
2,923,842	Allocations to TLC's, TRC's	9,120,000	8,185,000
<u>27,918,532</u>	<b>Total Expenditure</b>	<u>62,410,615</u>	<u>59,822,473</u>
-	Less: Amounts Charged Out	-	-
<u>27,918,532</u>	<b>NET EXPENDITURE</b>	<u>62,410,615</u>	<u>59,822,473</u>

**CENTRAL DISTRICT MUNICIPALITY****ANNEXURE E****DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004**

2002/2003 Actual Income	2002/2003 Actual Expenditure	2002/2003 (Deficit)/ Surplus		2003/2004 Actual Income	2003/2004 Actual Expenditure	2003/2004 (Deficit)/ Surplus	2003/2004 Budget (Deficit)/ Surplus
			LEVY AND GENERAL SERVICES				
-	2,923,842	(2,923,842)	ADMINISTRATION (Section 12(6)b)	-	9,120,000	(9,120,000)	(8,185,000)
29,512,351	24,994,689	4,517,662	REGIONAL FUNCTIONS (Section 12(6)c)	79,807,299	53,290,615	26,516,684.00	(10,445,000)
<u>29,512,351</u>	<u>27,918,531</u>	<u>1,593,820</u>	TOTAL	<u>79,807,299</u>	<u>62,410,615</u>	<u>17,396,684</u>	<u>(18,630,000)</u>
			Appropriations for this year (refer to note 18)			(6,225,327)	
		1,593,820	Net surplus(deficit) for the year			11,171,357	
		(1,593,820)	Accumulated surplus/deficit beginning of the year			-	
		-	Accumulated surplus/(deficit) end of the year			<u>11,171,357</u>	

**CENTRAL DISTRICT MUNICIPALITY**

**ANNEXURE F**

**A. GENERAL STATISTICS**

(I)	Population	597,112
(ii)	Number of Levy Payers	4,371
(iii)	Levy Rates (1) Services Levy	0.28%
	(2) Establishment Levy	0.135%
(iv)	Number of employees	94

**B. SUNDRY STATISTICS**

(I)	Area in hectares	2 388 746ha
(ii)	Fire & Emergency Services	
	Units	3
	Number of Employees	81