

**CENTRAL DISTRICT
MUNICIPALITY**



FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2003

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CENTRAL DISTRICT MUNICIPALITY

EXECUTIVE MAYOR'S FOREWORD

As we entered the new Millennium we did so mindset of the challenges facing us, the challenges of improving the quality of life for all our people, the district municipality has therefore braced itself for the challenges. Key amongst them was to lay a solid basis for a developmental local government which works with communities, develops partnership with the private sector and other role players, develops the economy of its locality and finally face the challenges of the urban/rural dichotomy by recognizing that South Africans irrespective of race, gender and domicile are entitled to municipal services.

This year was they year of “Pushing Back the Frontiers of Poverty” and together with the masses of our people, ward committees, councilors and other spheres of government we have accelerated change which can be located within the broader context of pushing back the frontiers of poverty, surely nobody will dare disagree with us when we say the tide has turned.

As we complete a decade of democratic governance in South Africa surely our review will reflect our successes, most certainly, as an organization our vision remains that of building a better life for all and setbacks at the local sphere.

We salute men and women in the municipality who have risen to the occasion and urged themselves to contribute the struggle for a better life for all in the new millennium, I wish to express my sincere gratitude to the Municipal Manager, Executive Managers, Managers and all staff members for the wonderful work done, I hope that together councilors and officials we shall continue as a team to inspire our people and local municipalities and assist them to stand the challenges of the African Century.

HIV/AIDS is not a myth, but a reality which continues to kill people, we encourage those who are infected to live a hopeful and positive life and those who are affected and everybody to remember our loved ones by being faithful, abstain or condomise.

Thank you.
Ke a leboga.

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 cdm@wol.co.za

MUNICIPAL MANAGER

Mr. T.T. Mose

CHIEF FINANCIAL OFFICER

Ms E.T. Masilo

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.
Mosetlo 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.
Moshoele 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 12 May 2004.

MUNICIPAL MANAGER
(Accounting Officer)
12 May 2004

CHIEF FINANCIAL OFFICER
12 May 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 2003. An operating surplus of R 2,400,742 is mainly attributable to the lower than budget expenditure on repairs and maintenance and contributions to capital outlay

INCOME	ACTUAL 2001/2002	ACTUAL 2002/2003	VARIANCE 2002/2003 5	BUDGET 2002/2003	VARIANCE ACTUAL/ BUDGET %
Opening Surplus	16 127 127	1 976 677	(87,7)	-	-
Operating Income for the year	20 577 521	45 461 476	120,9	35 500 000	(21,9)
Closing Surplus	(1 969 723)	2 400 742	221,9	-	-
TOTAL	34 734 925	49 838 895	-	35 500 000	-
EXPENDITURE					
Opening Surplus					
Operating Expenditure for the year	22 547 244	43 060 734	91	43 948 351	2,06
Sundry transfers	10 211 004	4 377 419	(57,1)	-	-
Closing surplus	1 976 677	2 400 742	21,4	-	-
TOTAL	34 734 925	49 838 895		43 948 351	-

REPORT OF THE CHIEF FINANCIAL OFFICER (Continued)

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:

	ACTUAL 2002/2003	BUDGET 2002/2003	ACTUAL 2001/2002	BUDGET 2001/2002
Building	0	0	51 121	52 000
Other fixed Assets	157 491	377 000	694 448	1 047 100
Agency Services	-	-	-	-
	157 491	377 000	745 579	1 099 100

REPORT OF THE CHIEF FINANCIAL OFFICER. (Continued)

Sources of funding assets:

	2002/2003 ACTUAL	2002 / 2003 BUDGET	2001/2002 ACTUAL
<u>CONTRIBUTION FROM:</u>			
Operating Account	157 491	377 000	115 560
Grants and subsidies	-	-	-
Internal Loan			
External Loan	0	0	51 131
	0	0	578 888
	157 491	377 000	745 579

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 2,347,688 was redeemed on external loans

4. INVESTMENTS

On 30 June 2003 investments amounted to R 7,085,205 (R6,760,993) in 2001/2002.

5.DEBTORS

A substantial growth in the debtors' book (R7,400,173) as compared to R 3,936,694 in the previous financial year which amount to a total increase of R 3,463,479 was due to the inclusion of suspense accounts amounts with a debit balance.

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 R1,128,491 were provided for the 2002/2003 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. Masilo
Chief Financial Officer
Central District Municipality
12 May 2004

CENTRAL DISTRICT MUNICIPALITY

FINANANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

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 2003

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.

CENTRAL DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

ACCOUNTING POLICIES (Continued)

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 Pachedraai: 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 Pachedraai 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**BALANCE SHEET AS AT 30 JUNE 2003**

	Note	2002/2003 R	2001/2002 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		2,260,241	1,976,677
Accumulated Funds	1	2,260,241	1,976,677
Reserves	2	-	-
(ACCUMULATED DEFICIT)/RETAINED SURPLUS	18	2,260,241	1,976,677
TRUST FUNDS	3	3,733,187	3,526,322
LONG-TERM LIABILITIES	4	12,514,713	17,152,243
CONSUMER DEPOSITS: SERVICES	5	-	-
		18,508,141	22,655,242
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	12,514,713	17,152,244
INVESTMENTS	7	1,035,640	-
LONG TERM DEBTORS	8	5,977,982	6,907,869
DEFERRED CHARGES	11	-	-
		19,528,335	24,060,113
NET CURRENT ASSETS/LIABILITIES		(1,020,194)	(1,404,871)
CURRENT ASSETS		13,855,294	11,135,342
Stock	9	65,100	46,116
Debtors	10	7,400,173	3,936,694
Cash		-	-
Short-Term Portion of Investments	7	6,049,565	6,760,993
Short-Term Portion of Long Term Debtors	8	340,456	391,539
Petty Cash		-	-
CURRENT LIABILITIES		14,875,488	12,540,213
Provisions	12	1,128,491	2,819,483
Creditors	13	4,542,581	7,629,431
Loans: Short-Term Portion	4	2,289,842	-
Bank Overdraft		6,914,574	2,091,299
		18,508,141	22,655,242

CENTRAL DISTRICT MUNICIPALITY**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2003**

2001/2002 Actual Income R	2001/2002 Actual Expenditure R	2001/2002 (Deficit)/ Surplus R		2002/2003 Actual Income R	2002/2003 Actual Expenditure R	2002/2003 (Deficit)/ Surplus R	2002/2003 Budget (Deficit)/ Surplus R
			LEVY AND GENERAL SERVICES				
20,577,521	22,547,244	(1,969,723)	LEVY AND GENERAL SERVICES	45,461,476	43,060,734	2,400,742	(43,948,351)
<u>20,577,521</u>	<u>22,547,244</u>	(1,969,723)	TOTAL	<u>45,461,476</u>	<u>43,060,734</u>	2,400,742	(43,948,351)
			Appropriations for the year				
		(1,969,723)	Nett surplus(deficit) for the year			2,400,742	
		Unappropriated surplus(deficit) 1,969,723 at the beginning of the year				(2,400,742)	
			UNAPPROPRIATED SURPLUS(DEFICIT)AT THE END OF THE YEAR				

CENTRAL DISTRICT MUNICIPALITY**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2002/2003 R	2001/2002 R
CASH RETAINED FROM OPERATING ACTIVITIES:		(1,993,685)	(9,679,319)
Cash generated by operations	19	3,486,245	(37,321)
Investment income		1,068,138	710,774
(Increase)/decrease in working capital	20	(6,592,313)	(6,913,088)
		(2,037,930)	(6,239,635)
LESS: External interest paid		(2,259,062)	(1,086,363)
Cash available from operations		(4,296,992)	(5,153,272)
Cash contributions from the public and State		2,303,307	(4,955,047)
NET proceeds on disposal of fixed assets		-	429,000
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in Fixed Assets		(157,491)	5,738,077
NET CASH FLOW		(2,151,176)	(3,941,242)
CASH EFFECTS OF FINANCING ACTIVITIES:			
Increase/(deficit) in Long-term Loans	21	(2,347,688)	462,500
Increase/(deficit) in Short-term Loans	22	-	-
(Increase)/decrease in cash investments	23	(324,211)	3,807,241
(Increase)/decrease in cash	24	4,823,075	(328,499)
NET CASH (GENERATED)/UTILISED		2,151,176	3,941,242

CENTRAL DISTRICT MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2003**

	2002/2003	2001/2002
1. STATUTORY FUNDS		
Capital Development Fund	2,260,241	1,976,677
(Refer to appendix A for more detail)	<u>2,260,241</u>	<u>1,976,677</u>
2. RESERVES		
(Refer to appendix A for more detail)	<u> </u>	<u> </u>
3. TRUST FUNDS		
Seta	23,051	
Transfer Peri-urban Geys		
Maintenance Mmabatho Con		
Rural Development Fund	3,625,475	3,029,363
Maintenance Mmabatho GVE		417,446
Masakhane	51,639	48,499
Pachdraai Projects	33,022	31,014
Premier Community Support		
(Refer to appendix A for more detail)	<u>3,733,187</u>	<u>3,526,322</u>
4. LONG TERM LIABILITIES		
Lichtenburg Bulk Services	11,757,431	13,960,330
Annuity Loans	3,047,124	3,191,913
	<u>14,804,555</u>	<u>17,152,243</u>
Less: Portion Transferred to current Laibility	2,289,842	-
Government Loans	-	# -
Annuity Loans	-	# -
	<u>12,514,713</u>	<u>17,152,243</u>
(Refer to appendix B for more detail on long term liabilities)		
5. CONSUMER DEPOSITS		
Electricity and Water	-	# -

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2003

	2002/2003	2001/2002
6. FIXED ASSETS		
Fixed assets at beginning of year	45,273,494	41,030,332
Capital outlay during year	157,491	5,738,077
Less: Assets written off during year		<u>(1,494,915)</u>
TOTAL FIXED ASSETS	<u>45,430,985</u>	<u>45,273,494</u>
Less: Loans redeemed and other capital receipts	<u>(30,626,429)</u>	<u>(28,121,250)</u>
NET FIXED ASSETS	<u>14,804,556</u>	<u>17,152,244</u>
 (Refer to appendix C and section 2 of the Treasurer's report for more details on assets)		
7. INVESTMENTS		
		6,760,993
LONG TERM (>12 MONTHS)	489,636	
Absa Aims	489,636	
SHORT TERM (<12 MONTHS)	6,595,569	
New Republic Bank	5,000,676	
FNB	450,982	
ABSA AIMS	1,035,641	
P.S.G.	108,270	
TOTAL INVESTMENTS	<u>7,085,205</u>	<u>6,760,993</u>
Market value of listed investments, and managements' valuation of unlisted investments	-	-
Listed investments	-	-
Unlisted investments	<u>7,085,205</u>	<u>6,760,993</u>
Average rate of return on investments (Gross)		

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2003

	2002/2003	2001/2002
8. LONG TERM DEBTORS		
Vehicle Loans	995,876	705,205
Fire and Emergency Services	<u>5,322,562</u>	<u>6,594,203</u>
	6,318,438	7,299,408
Less: Short-term portion of long-term debtors transferred to current assets	<u>340,456</u>	<u>391,539</u>
	<u>5,977,982</u>	<u>6,907,869</u>
9. STOCK ON HAND		
Inventory	<u>65,100</u>	<u>46,116</u>
	<u>65,100</u>	<u>46,116</u>
10. DEBTORS		
Current Debtors	7,380,757	3,917,561
Study Loans	<u>19,416</u>	<u>19,133</u>
	7,400,173	3,936,694
Less: Provision for Bad Debts	<u>-</u>	# <u>-</u>
	<u>7,400,173</u>	<u>3,936,694</u>
11. DEFERRED CHARGES		
Preliminary Expenses	-	-
Commission	-	-
Assets Written Off	-	-
VAT on Erven	-	-
Motor Licence Repayments	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
12. PROVISIONS		
Development Tlc & TRC	754,508	1,547,719
Accrued Leave Administration	241,754	1,030,636
Accrued Leave Finance	-	-
Reparation Fund	132,229	121,371
Audit Fees	<u>-</u>	<u>119,757</u>
(Refer to appendix A for more detail)	<u>1,128,491</u>	<u>2,819,483</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2003

	2002/2003	2001/2002
13. CREDITORS		
Trade Creditors	4,542,581	7,629,431
	<u>4,542,581</u>	<u>7,629,431</u>
14. ASSESSMENT RATES		
Residential	-	-
Business	-	-
Industry	-	-
Government	-	-
Municipal	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
15. COUNCILLORS' REMUNERATION		
Executive Mayor's allowance	190,908	3,001,939
Mayoral committee	1,201,398	
Other councillors	942,067	
Pension contributions	264,577	
Travelling allowances	479,074	
	<u>3,078,024</u>	<u>3,001,939</u>
16. AUDITORS' REMUNERATION		
Audit Fees	<u>501,370</u>	<u>119,757</u>
17. FINANCE TRANSACTIONS		
Total External Interest Earned or Paid:		
Interest Earned	1,068,138	710,774
Interest Paid	<u>2,259,062</u>	<u>1,086,363</u>
Capital Charges Debited to Operating Account:		
Interest: External	2,259,062	1,086,363
Interest: Internal	-	-
Redemption: External	3,970,193	1,044,866
Redemption: Internal	-	-
Deferred Charges Written Off	-	-
	<u>6,229,255</u>	<u>2,131,229</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2003

	2002/2003		2001/2002
18. APPROPRIATIONS			
APPROPRIATION ACCOUNT:			
Accumulated Surplus at beginning of year	-		-
Operating surplus / (deficit) for the year	-		-
Appropriations for the year	-		-
Contributions to Capital Development Fund	-		-
Contributions to Capital Expenditure:	-		-
Expenditure previous year	-		-
Transferred from Sewerage Tariff	-		-
Appropriations Income	-		-
Accumulated surplus/(deficit) at end of year	-	#	-
Operating Account:			
Capital Expenditure	-	#	-
Contributions to:	-	#	-
Audit Fees	-	#	-
Accrued Leave	-	#	-
Capital Reserve	-	#	-
Capital Development Fund	-	#	-
	-	#	-

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2003

Notes

	2002/2003	2001/2002
19. CASH GENERATED BY OPERATIONS		
Surplus/(Deficit) for year		
Adjustments in respect of:		
Previous years' operating transactions		
Appropriations charged against income:	607,104	576,063
. Capital Development Fund	449,613	460,503
. Provisions and Reserves	157,491	115,560
. Fixed Assets		
. Audit Fees		
Capital Charges:	6,229,255	2,131,229
. Interest Paid:		
- to internal funds		
- on external funds	2,259,062	1,086,363
. Redemption:		
- of internal advances		
- of external loans	3,970,193	1,044,866
. Contribution to Local Bodies		
Investment income(operating account)	(1,068,138)	(710,774)
Non-operating income:		
. Funds		
Non-operating expenditure:		
. Expenditure charged against Provisions and Reserves	(2,281,976)	(2,033,839)
. Expenditure Funds		
	<u>3,486,245</u>	<u>(37,321)</u>
20. (INCREASE)/DECREASE IN WORKING CAPITAL		
(Increase)/Decrease in Stock	(18,984)	89,287
(Increase)/Decrease in Debtors	(3,463,479)	(4,104,340)
Increase/(Decrease) in creditors	(3,086,850)	2,898,035
	<u>(6,592,313)</u>	<u>(6,913,088)</u>
21. INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTER)		
Loans raised	0	578,888
Loans repaid	(2,347,688)	(116,388)
	<u>(2,347,688)</u>	<u>462,500</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2003

Notes

	2002/2003	2001/2002
22. INCREASE/(DECREASE) IN SHORT TERM LOANS(EXT)		
Loans raised	0	0
Loans repaid	0	0
	<u>0</u>	<u>0</u>
23. (INCREASE)/DECREASE IN EXTERNAL INVESTMENTS		
Investments realised	106,614	9,607,241
Investments made	(430,825)	5,800,000
	<u>(324,211)</u>	<u>3,807,241</u>
24. (INCREASE)/DECREASE CASH ON HAND		
Cash balance at the beginning of the year	2,091,499	(2,419,998)
Less: Cash balance at the end of the year	6,914,574	2,091,499
	<u>4,823,075</u>	<u>(328,499)</u>
25. RETIREMENT BENEFITS		
The last actuarial valuation of the Municipal Pension Fund and the Councillors' Pension Fund was done as at 30 June 199X. This valuation disclosed a deficiency for past service of RXXXXX and RXXX respectively. This shortfall will be met over a period of five years.		
26. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
Guarantees by Council in respect of Building Society and Commercial Bank housing loans to Officials	<u>-</u>	<u>-</u>
27. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	-	2,719,321
- Approved but not yet contracted for	-	-
	<u>-</u>	<u>2,719,321</u>
This expenditure will be financed from:		
- Internal sources	-	1,325,632
- External sources	-	1,393,689
	<u>-</u>	<u>2,719,321</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2003

	2002/2003	2001/2002
28. CONSOLIDATED LOANS FUND(ANNEXURE "B")		
External Loans	-	-
Internal Investments(surplus funds)	-	-
Creditors	-	-
	<u>-</u>	<u>-</u>
Less:		
Deferred charges	-	-
External Investments	-	-
Debtors	-	-
Temporary advances	-	-
	<u>-</u>	<u>-</u>
(Refer to appendix B for more detail)	<u>-</u>	<u>-</u>
Net Expenditure charged to borrowing services at an average rate of X%		
Interest paid on external loans	-	-
Interest paid on internal investments	-	-
Deferred charges written off	-	-
Administration charges	-	-
	<u>-</u>	<u>-</u>
Less: Interest earned on external investments	-	-
	<u>-</u>	<u>-</u>
29. CAPITAL DEVELOPMENT FUND		
Outstanding advances to borrowing services:		
Accumulated Fund	2,260,241	1,976,677
Less: Internal Investments	7,085,205	6,760,993
	<u>2,260,241</u>	<u>1,976,677</u>
(See appendix B for more detail)		

CENTRAL DISTRICT MUNICIPALITY**ANNEXURE A****ACCUMULATED FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS AS AT 30 JUNE 2003**

	Balance at 30/06/2002 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 30/06/2003 R
ACCUMULATED FUNDS							
Capital Development Fund	1,976,677	-	127,964	155,600	-	-	2,260,241
	1,976,677	-	127,964	155,600	-	-	2,260,241
TRUST FUNDS							
Seta	-	-	-	70,102	47,051	-	23,051
Transfer Peri-urban Geys	-	-	-	-	-	-	-
Maintenance Mmabatho Con	-	-	-	-	-	-	-
Rural Development Fund	3,029,363	-	196,112	400,000	-	-	3,625,475
Maintenance Mmabatho GVE	417,446	4,869	27,024	-	449,339	-	-
Masakhane	48,499	-	3,140	-	-	-	51,639
Pachdraai Projects	31,014	-	2,008	-	-	-	33,022
Premier Community Support							
	3,526,322	4,869	228,284	470,102	496,390	-	3,733,187
RESERVES							
PROVISIONS							
Development Tlc & TRC	1,547,719	-	-	-	793,211	-	754,508
Accrued Leave Administration	1,030,636	65,000	66,720	66,794	987,396	-	241,754
Accrued Leave Finance	-	-	-	-	-	-	-
Reparation Fund	121,371	3,000	7,857	-	-	-	132,229
Audit Fees	119,757	381,613	-	-	501,370	-	-
	2,819,483	449,613	74,577	66,794	2,281,977	-	-

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

EXTERNAL LOANS	Balance at 30/06/2002	Received During the year	Redeemed or Written off During the year	Balance at 30/06/2003
	R	R	R	R
Annuity Loans	3,191,913	-	144,789	3,047,124
Lichtenburg Bulk Services	13,960,330	-	2,202,899	11,757,431
(Refer to notes 4 and 27)	17,152,243	-	2,347,688	14,804,555

INTERNAL ADVANCES TO BORROWING SERVICES	Balance at 30/06/2002	Received During the year	Redeemed or Written off During the year	Balance at 30/06/2003
	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 2002 R	SERVICE	Budget 2003 R	Balance at 30/06/2002 R	Expenditure 2003 R	Written off, transferred or redeemed R	Balance at 30/06/2003 R
LEVY AND GENERAL SERVICES						
166,691	Community Services		24,698,565	157,491	-	24,856,056
5,571,386	Lichtenburg Bulk Services		20,574,929	-	-	20,574,929
<u>5,738,077</u>	TOTAL FIXED ASSETS	<u></u>	<u>45,273,494</u>	<u>157,491</u>	<u>-</u>	<u>45,430,985</u>
LESS: CAPITAL REDEEMED AND OTHER						
CAPITAL RECEIPTS						
	Loans redeemed and advances repaid		28,121,251	157,491	2,347,688	30,626,430
	Contributions ex operating income		3,422,685	-	2,347,688	5,770,373
	Provisions and reserves		19,676,610	157,491	-	19,834,101
	Grants and subsidies		1,113,455	-	-	1,113,455
	Public contributions		3,908,501	-	-	3,908,501
	NET FIXED ASSETS		<u>17,152,243</u>	<u>-</u>	<u>2,347,688</u>	<u>14,804,555</u>

CENTRAL DISTRICT MUNICIPALITY**ANNEXURE D****ANALYSIS OF OPERATING INCOME AND EXPENDITURE**
FOR THE YEAR ENDED 30 JUNE 2003

Actual 2001/2002 R		Actual 2002/2003 R	Budget 2002/2003 R
	INCOME		
	Grants and Subsidies	18,980,954	12,000,000
	-Central Government	18,980,954	
	-Provincial Government	-	12,000,000
20,577,521	Operating Income	26,480,522	23,500,000
19,225,320	-Levies	23,830,072	22,000,000
1,352,201	-Other Income	2,650,450	1,500,000
<u>20,577,521</u>	Total Income	<u>45,461,476</u>	<u>35,500,000</u>
	EXPENDITURE		
10,927,525	Salaries, Wages and Allowances	22,654,807	21,440,749
2,064,641	General Expenses	10,296,575	4,901,100
25,555	Repairs and Maintenance	798,765	1,251,225
3,446,229	Capital Garges	6,229,255	5,798,436
115,560	Contributions Capital Outlay	157,491	377,000
	Contributions		
5,967,734	Allocations to TLC's and TRC's	2,923,842	10,179,841
<u>22,547,244</u>	Total Expenditure	<u>43,060,734</u>	<u>43,948,351</u>
	Less: Amounts Charged Out		
<u>22,547,244</u>	NET EXPENDITURE	<u>43,060,734</u>	<u>43,948,351</u>

CENTRAL DISTRICT MUNICIPALITY

ANNEXURE F

A. GENERAL STATISTICS

(I)	Population	597,112
(ii)	Number of Levy Payers	4,371
(iii)	Levy Rate (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

CENTRAL DISTRICT MUNICIPALITY**ANNEXURE E****DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2003**

2001/2002 Actual Income	2001/2002 Actual Expenditure	2001/2002 (Deficit)/ Surplus		2002/2003 Actual Income	2002/2003 Actual Expenditure	2002/2003 (Deficit)/ Surplus	2002/2003 Budget (Deficit)/ Surplus
			LEVY AND GENERAL SERVICES				
-	5,967,734	(5,967,734)	ADMINISTRATION (Section 12(6)b)	-	2,923,842	(2,923,842)	(10,179,841)
20,577,521	16,579,510	3,998,011	REGIONAL FUNCTIONS (Section 12(6)c)	45,461,476	40,136,892	5,324,584	(33,768,510)
<u>20,577,521</u>	<u>22,547,244</u>	<u>(1,969,723)</u>	TOTAL	<u>45,461,476</u>	<u>43,060,734</u>	<u>2,400,742</u>	<u>(43,948,351)</u>
			Appropriations for this year (refer to note 18)				
		(1,969,723)	Net surplus(deficit) for the year			2,400,742	
		1,969,723	Accumulated surplus/deficit beginning of the year			(2,400,742)	
			Accumulated surplus/(deficit) end of the year				