

Tswelopele Municipality

Financial Statements

for the year ended 30 June 2004

Tswelopele Municipality

Financial Statements

for the year ended 30 June 2004

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Tswelopele Municipality

General Information

for the year ended 30 June 2004

Members of the Tswelopele Municipal Council

M M Snyer
T P Matlakala
K D Kopamotse
M J Taljaard
M S Bonokwane (Me)
P J Coetzer
M M Masiu
T A Matlakala (Me)
F T Matsholo
M J Ngexe
N S Ngonelo
K R Phukuntsi (Me)
T M J Vinger (Me)

Municipal Manager

R S Mphatse

Financial Manager

J W Young

Grading of Local Authority

Grade 4

Auditors

Auditor-General

Bankers

ABSA

Mayor

Speaker

Member of the Executive Committee

Member of the Executive Committee

Member

Member

Member

Member

Member

Member

Member

Member

Member

Tswelopele Municipality

General Information (continued)

for the year ended 30 June 2004

Registered Office

Physical address:

Civic Centre
Bosman Street
Bultfontein

Postal address:

P.O. Box 3
Bultfontein
9870

Telephone number:

051 - 853 1111

Fax Number:

051 - 853 1332

E-mail Address

logof@tswelopele.org

Map of Tswelopele Municipal Area

A map of the Municipal Area is available at the Council's offices.

Tswelopele Municipality

Approval of Financial Statements

for the year ended 30 June 2004

The Annual Financial Statements set out on pages 13 to 20 were approved by the Municipal Manager on and presented to and approved by Council on 2004

Municipal Manager (PW de Bruin - Acting)

Financial Manager (JW Young)

Report of the Accounting Officer to the Members of Tswelopele Municipality
for the year ended 30 June 2004

We have compiled the Financial Statements of the Tswelopele Municipality for the year ended 30 June 2004 as set out on pages 13 to 20 in accordance with South African Auditing Standards applicable to compilation engagements.

Management is responsible for these Financial Statements. We have not audited or reviewed these Financial Statements and accordingly express no assurance thereon.

.....
Smit Kruger
KPMG

30-Sep-04

Report of the Auditor-General to the Tswelopele Municipality
for the year ended 30 June 2004

The Auditor-General will issue his report upon finalisation of the audit.

Tswelopele Municipality

Report of the Financial Manager

for the year ended 30 June 2004

Introduction

It is a pleasure to present this report for the 2003/2004 financial year.

1. Operating Results

Details of the operating results per classification, department and object of expenditure are included in Appendices D and E. The applicable statistics are shown in Appendix F.

The overall operating results for the year ended 30 June 2004 are as follows:

| Income | Actual 2003 R | Actual 2004 R | Variance 2003/2004 % | Budget 2004 % | Variance Actual/Budget % |
|------------------------------------|------------------------------|------------------------------|-------------------------------------|------------------------------|---|
| Operating Income for the year | 31,457,256 | 40,284,163 | 28.06 | 40,576,000 | (0.72) |
| Total | 31,457,256 | 40,284,163 | | 40,576,000 | |
| Expenditure | | | | | |
| Opening deficit | 5,353,831 | 3,228,483 | | | |
| Operating Expenditure for the year | 26,981,917 | 36,103,090 | (33.80) | 40,572,000 | 11.01 |
| Sundry transfers | 2,349,991 | 183,448 | | | |
| Closing Surplus (Deficit) | (3,228,483) | 769,142 | | 4,000 | |
| Total | 31,457,256 | 40,284,163 | | 40,576,000 | |

1.1 Rates and General Services

| | Actual 2003 R | Actual 2004 R | Variance 2003/2004 % | Budget 2004 R | Variance Actual/Budget % |
|--|------------------------------|------------------------------|-------------------------------------|------------------------------|---|
| Income | 21,683,758 | 24,318,269 | 12.15 | 29,676,000 | (18.05) |
| Expenditure | (17,773,204) | (22,032,655) | (23.97) | (31,225,000) | 29.44 |
| Surplus (Deficit) | 3,910,554 | 2,285,614 | | (1,549,000) | |
| Surplus (Deficit) as a % of total Income | 12.43 | 5.67 | | (3.82) | |

Tswelopele Municipality

Financial Manager's Report (continued)

for the year ended 30 June 2004

1.2 Trading Services

1.2.1 Water

| | Actual 2003 R | Actual 2004 R | Variance 2003/2004 % | Budget 2004 R | Variance Actual/Budget % |
|---|------------------------------|------------------------------|-------------------------------------|------------------------------|---|
| Income | 4,109,347 | 7,724,840 | 46.80 | 4,600,000 | 67.93 |
| Expenditure | (3,639,500) | (6,598,815) | (44.85) | (3,798,000) | (73.74) |
| Surplus (Deficit) | 469,847 | 1,126,025 | | 802,000 | |
| Surplus (Deficit) as a % of total Income | 1.49 | 2.80 | | 1.98 | |

1.2.2 Electricity

| | Actual 2003 R | Actual 2004 R | Variance 2003/2004 % | Budget 2004 R | Variance Actual/Budget % |
|---|------------------------------|------------------------------|-------------------------------------|------------------------------|---|
| Income | 5,635,068 | 8,113,304 | 43.98 | 6,300,000 | 28.78 |
| Expenditure | (5,569,213) | (7,471,620) | (34.16) | (5,599,000) | (33.45) |
| Surplus (Deficit) | 65,855 | 641,684 | | 701,000 | |
| Surplus (Deficit) as a % of total Income | 0.21 | 1.59 | | 1.73 | |

1.2.3 Game farming

| | Actual 2003 R | Actual 2004 R | Variance 2003/2004 % | Budget 2004 R | Variance Actual/Budget % |
|---|------------------------------|------------------------------|-------------------------------------|------------------------------|---|
| Income | 29,083 | 127,750 | 339.26 | 50,000 | 155.50 |
| Surplus (Deficit) | 29,083 | 127,750 | | 50,000 | |
| Surplus (Deficit) as a % of total Income | 0.09 | 0.32 | | 0.12 | |

Tswelopele Municipality

Report of the Financial Manager (continued)

for the year ended 30 June 2004

2. Capital Expenditure and Financing

During the year fixed assets to the amount of R 8,713,057 were acquired. This is 21% less than the previous year and consist of the following:

| | Actual 2003 | Budget 2004 | Actual 2004 |
|---|------------------------|------------------------|------------------------|
| Community Services | 87,402 | 15,054,000 | 612,111 |
| Public Buildings & Equipment | 585,732 | 60,000 | 178,715 |
| Administration | 20,356 | 200,000 | - |
| Sanitation | 373,867 | - | 320,409 |
| Roads and Streets | 240,923 | 1,300,000 | - |
| Electricity Network, Equipment & Vehicles | 147,815 | 2,240,700 | 431,413 |
| High Mast Lighting | - | 810,000 | - |
| Water | 4,768,101 | 9,176,594 | 2,507,939 |
| Sewerage Network | - | 17,826,250 | - |
| Upgrading and rehabilitation of roads | 4,806,615 | 3,624,707 | 4,662,470 |
| | <u>11,030,811</u> | <u>50,292,251</u> | <u>8,713,057</u> |

Resources utilised to finance the Fixed Assets are as follows:

| | Actual 2003 | Budget 2004 | Actual 2004 |
|---|------------------------|------------------------|------------------------|
| Contributions from Operating Income | 234,008 | 810,000 | 1,518,388 |
| Assets not previously capitalised | | | 90,000 |
| Contributions from Government, Province and District Municipality | 10,796,803 | 48,482,251 | 7,064,669 |
| Other sources | - | 1,000,000 | 40,000 |
| | <u>11,030,811</u> | <u>50,292,251</u> | <u>8,713,057</u> |

Details of capital expenditure and financing are shown in Appendices B and C.

3. External Loans, Investments and Cash

The current and comparative figures for external loans, investments and cash are as follows:

| | 2004 | 2003 |
|----------------------|-------------|-------------|
| External loans | (628,786) | (686,471) |
| External investments | 5,617,513 | 913,319 |
| Bank overdraft | (1,807,259) | (981,601) |

R 1,520,000 of Council's investment serves as security for the overdraft facilities. More information regarding external loans, investments and cash are disclosed in notes 3, 6, and Appendix B to the financial statements

Tswelopele Municipality

Financial Manager's Report (continued)

for the year ended 30 June 2004

4. Funds, Reserves and Provisions

The current and comparative figures for the Capital Development Fund and other funds are as follows:

| | 2004 | 2003 |
|--------------------------|-----------|-----------|
| Statutory Funds | 721,300 | 721,300 |
| Provisions | 2,180,786 | 2,269,940 |
| Capital Development Fund | 3,618,886 | 3,081,864 |
| Erven Fund | 2,189,968 | 2,131,968 |
| Other Funds | 112 | 360 |

More information regarding funds and provisions are disclosed in notes 1,2 and Appendix A to the financial statements

5. Post Balance Sheet events

No events have taken place between the date of the Financial Statements and the date of this report which could have had an effect on the Financial Statements as disclosed.

6. Appreciation

I would like to thank the Mayor, Speaker, Members of the Executive Committee, Councillors, the Municipal Manager, Departmental Heads and all officials for the support they have given me and the staff of my own office and in particular to the Management Support Team appointed by the Department of Local Government and Housing for their assistance and support during the year.

.....
Financial Manager

.....
Date

Tswelopele Municipality

Accounting Policies

for the year ended 30 June 2004

1 Basis of presentation

- 1.1 The financial statements have been prepared to conform to standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practise for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (second edition 1996, as amended).
- 1.2 The financial statements are prepared on the historical cost basis adjusted for fixed assets, as more fully described 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 is accrued when collectable and measurable.Certain direct income is accrued when received, i.e. traffic fines and certain licences.
 - Expenditure is accrued in the year in which it is incurred.

2 Consolidation

The Financial Statements include the Rates- and General Services, Trading Services and different Funds and Provisions. All inter-departmental charges are set-off against each other.

3 Fixed assets

- 3.1 Fixed assets are stated:
 - at historical cost; or
 - at valuation (based on the market price at the date of acquisition), where assets have been acquired by certain grants or donations.Fixed assets with a value of less than R 1000 are not capitalised.

3.2 Depreciation

The balance shown under 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 immediately or over the period of the long term loan being the source of finance of the particular asset or group of assets.

Tswelopele Municipality

Accounting Policies (continued)

for the year ended 30 June 2004

3.2 Depreciation (continued)

Apart from advances from the various Council funds, assets may also be acquired through:

- Appropriation from income, where the full cost of the asset forms an immediate and direct charge against operating income. Provision for additional depreciation is deemed unnecessary.
- Grants and donations 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 The net proceeds from the sale of immovable property are credited to the Erven Trust Fund. The net proceeds from the sale of other assets are credited to income.

3.4 Fixed assets are financed from different sources, i.e. internal loans, operating income, endowments and internal advances. These loans and advances are redeemed over a period equal to the expected lives of the assets. Interest is charged to the service concerned at the ruling interest rate applicable at the time of the approval of loans or advances.

4 Inventory

Inventory is valued at the lower of cost, determined on the weighted average basis and net realisable value after due provision for obsolescence has been made.

5 Funds and Provisions

5.1 Capital Development Fund

The Capital Development Fund Ordinance Nr. 9 of 1978 stipulates that Local Authorities have to contribute a minimum of 1.0% of the total annual income to the Capital Development Fund.

5.2 Erven Trust Fund

The net proceeds from the sale of immovable property are credited to this Fund. This Fund is utilised for financing projects of a lasting non-productive nature as prescribed in Sec.85(1)(b) of the Local Government Ordinance, 1962 (Ordinance no 8 of 1962).

5.3 Other Funds

These Funds and reserves are funded by way of direct contributions from external sources and interest earned and will be utilised to finance future expenses

Tswelopele Municipality

Accounting Policies (continued)

for the year ended 30 June 2004

6 Provisions

Provisions have been made for liabilities or contingencies which are known at the date of the balance sheet but for which the amounts involved cannot be determined with substantial accuracy.

The provision for bad debts refers to current assets and is therefore disclosed as a deduction from debtors.

7 Retirement Benefits

- 7.1 The retirement benefit plan is subject to the Pension Fund Act of 1956, with pensions being calculated either on the fixed contribution or the fixed benefit method. Current contributions by the Municipality are charged against operating income on the basis of current service cost. Unfavourable experience adjustments and the cost of insurance of the increased benefits are written off over the smallest of the remaining service period or over five years. Favourable experience adjustments are retained in the retirement plan.

- 7.2 Tswelopele Municipality and its employees contribute to the Free State Municipal Pension Fund, the Free State Municipal Provident Fund, SAMWU Provident Fund or Sala Pension Fund, whilst the Councillors contribute to the Pension Fund for Municipal Councillors. All five the funds provide retirement benefits to employees and/or Councillors concerned.

8 Surplus and deficits

Any surplus or deficit originating from the Electricity or Water Services are transferred to Rates and General Services.

9 Treatment of administrative and other overhead costs

The cost of internal auxiliary services are debited against the different services and are in accordance with IMTA's Report on Accounting for Support Services (1990).

10 Leased Assets

Fixed assets held under finance leases are only capitalised at the end of the term of the lease.

Leases were treated as operating leases and the relevant rentals were charged to the operating account.

Tswelopele Municipality

Accounting Policies (continued)

for the year ended 30 June 2004

11 Investments

Investments are made in accordance with the requirements of Section 84 of the Local Government Ordinance, 1962 (Ordinance no 8 of 1962) and policy prescribed by the Local Government Transition Act, (Act no 209 of 1993).

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested according to the provisions contained in the Circular issued by Provincial Legislature.

12 Income recognition

12.1 Electricity and water charges

All meters are read and billed monthly. Where meters can not be read during a particular month a provisional bill is issued with the necessary adjustments made in the month when the meters are indeed read.

13 Assessment Rates

The Council applies a differentiated rates system. According to this system assessment rates are charged on the value of the land (Bultfontein and Hoopstad) and improvements (Hoopstad). Certain rebates are granted according to the use to which a particular property is put. Further relief is granted to the aged and the needy.

Tswelopele Municipality

Balance Sheet

as at 30 June 2004

| | Note | 2004 R | 2003 R |
|---|------|------------------|------------------|
| Capital Employed | | | |
| Funds and Reserves | | | |
| Statutory Funds | 1 | 6,530,154 | 5,935,132 |
| | | <u>6,530,154</u> | <u>5,935,132</u> |
| Accumulated Surplus (Deficit) | | 769,142 | (3,228,483) |
| | | <u>7,299,296</u> | <u>2,706,649</u> |
| Trust Funds | 2 | 112 | 360 |
| Long Term Liabilities | 3 | 477,302 | 632,744 |
| Consumer Deposits | 4 | 222,863 | 215,410 |
| Total Capital Employed | | <u>7,999,573</u> | <u>3,555,163</u> |
| Employment of Capital | | | |
| Fixed Assets | 5 | 628,788 | 686,465 |
| Investments | 6 | 212,454 | 212,454 |
| Long Term Debtors | 7 | 85,672 | 180,071 |
| | | <u>926,914</u> | <u>1,078,990</u> |
| Net Current Liabilities | | 7,072,659 | 2,476,173 |
| Current Assets | | | |
| Inventory | 8 | 763,234 | 644,876 |
| Debtors | 9 | 7,672,236 | 9,229,850 |
| Cash | | 2,840 | 590 |
| Short Term portion of Long Term Debtors | | 140,833 | 126,733 |
| Short Term Investments | 6 | 5,405,059 | 700,865 |
| Current Liabilities | | 6,911,543 | 8,226,741 |
| Provisions | 10 | 2,180,786 | 2,269,940 |
| Creditors | 11 | 2,772,014 | 4,921,473 |
| Short Term portion of Long Term Liabilities | 3 | 151,484 | 53,727 |
| Bank Overdraft | 12 | 1,807,259 | 981,601 |
| Total Employment of Capital | | <u>7,999,573</u> | <u>3,555,163</u> |

Tswelopele Municipality

Income Statement

for the year ended 30 June 2004

| Actual Income | Actual Expenditure | Surplus/ (Deficit) | Budget Surplus/ (Deficit) |
|-------------------|-----------------------|-----------------------|---------------------------------|
| 2003 | 2003 | 2003 | 2003 |
| R | R | R | R |
| 21,683,758 | 17,773,204 | 3,910,554 | (1,209,988) |
| 13,302,664 | 9,503,089 | 3,799,575 | (1,367,285) |
| 2,133,982 | 2,305,143 | (171,161) | (352,503) |
| 6,247,112 | 5,964,972 | 282,140 | 509,800 |
| <u>9,773,498</u> | <u>9,208,713</u> | <u>564,785</u> | <u>1,287,411</u> |
| <u>31,457,256</u> | <u>26,981,917</u> | <u>4,475,339</u> | <u>77,423</u> |

Rates and

General Services

Community Services
Subsidised Services
Economic Services

Trade Services

Total

| Actual Income | Actual Expenditure | Surplus/ (Deficit) | Budget Surplus/ (Deficit) |
|-------------------|-----------------------|-----------------------|---------------------------------|
| 2004 | 2004 | 2004 | 2004 |
| R | R | R | R |
| 24,318,269 | 22,032,655 | 2,285,614 | (1,549,000) |
| 14,676,826 | 12,451,488 | 2,225,338 | (1,141,000) |
| 2,796,110 | 2,872,234 | (76,124) | (591,000) |
| 6,845,333 | 6,708,933 | 136,400 | 183,000 |
| <u>15,965,894</u> | <u>14,070,435</u> | <u>1,895,459</u> | <u>1,553,000</u> |
| <u>40,284,163</u> | <u>36,103,090</u> | <u>4,181,073</u> | <u>4,000</u> |

Appropriations for the year

(See note 17)

Net Surplus for the year

Opening Accumulated (Deficit)

Accumulated Surplus (Deficit)

(2,349,991)

2,125,348

(5,353,831)

(3,228,483)

(183,448)

3,997,625

(3,228,483)

769,142

Tswelopele Municipality

Cash flow statement

for the year ended 30 June 2004

| | Note | 2004 | 2003 |
|--|------|--------------------|--------------------|
| | | R | R |
| Cash retained from operating activities | | 12,651,528 | 12,173,546 |
| Cash generated by Operations | 18 | (10,905,105) | (8,164,421) |
| Investment Income | 16 | 236,655 | 41,865 |
| Increase/(Decrease) in Working Capital | 19 | (4,292,451) | (3,686,731) |
| | | (14,960,901) | (11,809,287) |
| Less: External Interest Paid | | (152,370) | (235,426) |
| Cash available from/(utilised in) Operations | | (15,113,271) | (12,044,713) |
| Cash contributions from Government and Public Bodies | | 27,561,691 | 24,198,259 |
| Fixed Assets sold | | 203,108 | 20,000 |
| Cash utilised in investing activities | | | |
| Investment in Fixed Assets | | (8,713,057) | (11,030,811) |
| Net cash flow | | <u>3,938,471</u> | <u>1,142,735</u> |
| Cash effects of financing activities | | | |
| Increase/(Decrease) in Long Term Loans | 20 | (57,685) | (134,063) |
| (Increase)/Decrease in Investments | 21 | (4,704,194) | (646,245) |
| (Increase)/Decrease in Bank and Cash On Hand | 22 | 823,408 | (362,427) |
| Net cash utilised | | <u>(3,938,471)</u> | <u>(1,142,735)</u> |

Tswelopele Municipality

Notes to the financial statements

for the year ended 30 June 2004

| | 2004 | 2003 |
|--|-------------------------|-------------------------|
| | R | R |
| 1 Statutory Funds | | |
| Infrastructure Development | 721,300 | 721,300 |
| Capital Development Fund | 3,618,886 | 3,081,864 |
| Erven Fund | <u>2,189,968</u> | <u>2,131,968</u> |
| | <u>6,530,154</u> | <u>5,935,132</u> |
| 1.1 See Appendix A | | |
| 2 Trust Funds | | |
| Tshedisanang Day Care Centre | <u>112</u> | <u>360</u> |
| | <u>112</u> | <u>360</u> |
| 2.1 See Appendix A | | |
| 3 Long Term Liabilities | | |
| Development Bank of South Africa | 533,739 | 559,431 |
| ABSA | 73,141 | 100,998 |
| Local Authorities Loan Fund | <u>21,906</u> | <u>26,042</u> |
| | <u>628,786</u> | <u>686,471</u> |
| Less: Current Portion transferred to Current Liabilities - note 3.1 | <u>(151,484)</u> | <u>(53,727)</u> |
| | <u>477,302</u> | <u>632,744</u> |
| 3.1 See Appendix B | | |
| | | |
| The loans bear interest at rates that varies between 9% and 18.7% per annum, the loans are unsecured and expire between 2004 and 2009. | | |
| 4 Consumer Deposits | | |
| Water | 31,749 | 16,825 |
| Electricity | <u>191,114</u> | <u>198,585</u> |
| | <u>222,863</u> | <u>215,410</u> |
| 4.1 No guarantees are kept in lieu of electricity deposits | | |
| 5 Fixed Assets | | |
| Fixed Assets at the Beginning of the Year | 74,281,639 | 63,280,508 |
| Capital Expenditure | 8,713,057 | 11,030,811 |
| Less: Assets written-off, transferred or disposed off | <u>(1,233,799)</u> | <u>(29,680)</u> |
| Total Fixed Assets | <u>81,760,897</u> | <u>74,281,639</u> |
| Less: Loans Redeemed and Other Capital Receipts | <u>(81,132,109)</u> | <u>(73,595,174)</u> |
| Net Fixed Assets | <u>628,788</u> | <u>686,465</u> |
| 5.1 See Appendix C and Section 2 of the Financial Manager's Report. | | |

Tswelopele Municipality

Notes to the financial statements

for the year ended 30 June 2004

| | 2004 R | 2003 R |
|---|---------------------|---------------------|
| 6 Investments | | |
| Unlisted | | |
| Senwes Funds - note 6.1 to 6.4 | 212,454 | 212,454 |
| Short Term Investments - note 6.4 | <u>5,405,059</u> | <u>700,865</u> |
| | 5,617,513 | 913,319 |
| Less: Transfer of Short Term Investments | <u>(5,405,059)</u> | <u>(700,865)</u> |
| | <u>212,454</u> | <u>212,454</u> |
| | | |
| 6.1 Unlisted Investments | 212,454 | 212,454 |
| Management's Valuation of Unlisted Investments | 134,992 | 62,558 |
| | | |
| 6.2 Average Gross Rate on Investments | 4.21% | 19.71% |
| | | |
| 6.3 Ordinance 8 of 1962 and the Local Government Transition Act (209 of 1993) require that funds, trust funds and other be invested in prescribed instruments | | |
| | | |
| 6.4 No investments have been written-off during the year. A short term investment of R 1,520,000 has been pledged as security for the overdraft facilities of the Council | | |
| | | |
| 7 Long Term Debtors | | |
| Vehicle Loans | 192,097 | 267,661 |
| Housing Loans - Public | 34,408 | 39,066 |
| Housing Loans - Employees | <u>-</u> | <u>77</u> |
| | 226,505 | 306,804 |
| Less: Short Term Portion of Long Term Debtors - note 7.1 | <u>(140,833)</u> | <u>(126,733)</u> |
| | <u>85,672</u> | <u>180,071</u> |
| | | |
| 7.1 Transferred to Current Assets | | |
| | | |
| 8 Inventory | | |
| Inventory consists of consumables, materials and game - note 8.1 | <u>763,234</u> | <u>644,876</u> |
| | | |
| 8.1 Adequate provision has been made for obsolete stock. | | |
| | | |
| 9 Debtors | | |
| Consumer Debtors | 42,490,302 | 37,170,723 |
| Sundry Debtors | <u>1,887,954</u> | <u>1,380,612</u> |
| | 44,378,256 | 38,551,335 |
| Less: Bad Debts | <u>(32,991,485)</u> | <u>(29,321,485)</u> |
| Less: Provision for VAT | <u>(3,714,535)</u> | <u>-</u> |
| | <u>7,672,236</u> | <u>9,229,850</u> |
| | | |
| 9.1 Bad Debts : R 550,783 (2003: R 43 986). This represents 1% (2003: 0%) of total operating income for the year. | | |
| 9.2 Days outstanding in debtors are in excess of 120 days (2003 : 120 + days) | | |

Tswelopele Municipality

Notes to the financial statements

for the year ended 30 June 2004

| | 2004 | 2003 |
|--|---------------------|---------------------|
| | R | R |
| 10 Provisions | | |
| Audit Fees | 491,000 | 460,630 |
| Leave Reserve | 1,689,786 | 1,809,310 |
| Bad Debts - Current Year | <u>32,991,485</u> | <u>29,321,485</u> |
| | 35,172,271 | 31,591,425 |
| Less: Provision transferred to Debtors - note 10.2 | <u>(32,991,485)</u> | <u>(29,321,485)</u> |
| | <u>2,180,786</u> | <u>2,269,940</u> |
| 10.1 Note: See note 9 | | |
| 10.2 See Appendix A | | |
| 11 Creditors | | |
| Trade and Sundry Creditors | 1,146,255 | 4,159,638 |
| Deposits | 585,276 | 428,863 |
| Amounts Received in Advance | <u>1,040,483</u> | <u>332,972</u> |
| | <u>2,772,014</u> | <u>4,921,473</u> |
| 12 Bank Overdraft | | |
| Overdraft - note 12.1 | <u>1,807,259</u> | <u>981,601</u> |
| 12.1 The overdraft is secured by a limited cession of the ABSA investment for R 1,520,000. | | |
| 13 Assessment Rates | | |
| | Valuation | Actual Income |
| | 30.06.2004 | 2004 |
| | R | R |
| Government | 36,192,100 | 536,112 |
| Residential and Other | 58,156,980 | 1,896,970 |
| Hard Services - Phahameng | <u>-</u> | <u>226,693</u> |
| | <u>94,349,080</u> | <u>2,659,775</u> |
| 13.1 Valuation of land and improvements is performed every five years. The last general valuation came into effect on 1 July 1996. The MEC for Local Government and Housing has however granted extension of time for the new valuations to be executed. | | |
| 13.2 The assessment rates are as follows: Land : Bultfontein 32.7c/R; Hoopstad 7.21c/R Improvements: Bultfontein nil/R; Hoopstad 0.90c/R (2003:as above) Rebates are given to the Central and Provincial Government. | | |

Tswelopele Municipality

Notes to the financial statements

for the year ended 30 June 2004

| | 2004 | 2003 |
|---|------------------|--------------------|
| | R | R |
| 14 Councillors' Remuneration | | |
| Mayor's Allowance | 160,895 | 170,481 |
| Speaker's Allowances | 161,133 | 144,780 |
| Councillors' Allowances | 424,057 | 365,760 |
| Executive Committee Members' Allowances | 93,798 | 106,209 |
| Pension Fund Contributions | 74,859 | 66,311 |
| | <u>914,742</u> | <u>853,541</u> |
| 15 Auditors Fees | | |
| Current Year | 491,000 | 460,630 |
| (Over) Provision Previous Year | (72,216) | (90,704) |
| | <u>418,784</u> | <u>369,926</u> |
| 16 Finance Transactions | | |
| Total External Interest received or paid: | | |
| Interest received | 236,655 | 41,865 |
| Interest paid | (152,370) | (235,426) |
| | <u>84,285</u> | <u>(193,561)</u> |
| Capital Expenses debited against Operating Account: | | |
| Interest : | 152,370 | 235,426 |
| - External | <u>152,370</u> | <u>235,426</u> |
| Redemption: | 57,685 | 134,063 |
| - External | <u>57,685</u> | <u>134,063</u> |
| 17 Appropriations | | |
| Appropriation Account: | | |
| Accumulated (Deficit) : Beginning of the Year | (3,228,483) | (5,353,831) |
| Operating Surplus for the Year | 4,181,073 | 4,475,339 |
| Appropriations for the Year: | (183,448) | (2,349,991) |
| Adjustments Previous Years | <u>(183,448)</u> | <u>(2,349,991)</u> |
| Accumulated Surplus (Deficit) : End of the Year | <u>769,142</u> | <u>(3,228,483)</u> |
| 18 Cash generated by Operations | | |
| Surplus for the Year | 4,181,073 | 4,475,339 |
| Assets not previously capitalised | 90,000 | - |
| Adjustments in respect of: | | |
| Previous Years' Operating Transactions | (183,448) | (2,349,991) |
| Appropriations charged against Income: | 6,657,302 | 3,264,108 |
| Capital Development Fund | <u>398,002</u> | <u>314,005</u> |
| Provisions and Reserves | 4,944,028 | 2,736,094 |
| Capital Expenditure | 1,518,380 | 234,009 |
| Fixed Assets sold | <u>(203,108)</u> | <u>(20,000)</u> |

Tswelopele Municipality

Notes to the financial statements

for the year ended 30 June 2004

| | 2004 | 2003 |
|--|-------------------------------------|---------------------------|
| | R | R |
| 18 Cash generated by Operations (continued) | | |
| Capital Charges: | 210,055 | 369,489 |
| Interest paid: | 152,370 | 235,426 |
| - External Loans | 152,370 | 235,426 |
| Redemption: | 57,685 | 134,063 |
| - External Loans | 57,685 | 134,063 |
| Grants and Subsidies received | (20,457,022) | (13,401,452) |
| Operating Income credited against: | | |
| - Statutory Funds | 8,772 | 112,199 |
| - Trust Funds | - | (50,608) |
| Non-operating Expenditure debited against: | | |
| - Accumulated Funds | (48,655) | (4,353) |
| - Provisions and Reserves | (1,363,182) | (579,152) |
| | <u>(10,905,105)</u> | <u>(8,164,421)</u> |
| 19 (Increase)/Decrease in Working Capital | | |
| (Increase)/Decrease in Inventory | (118,358) | 43,721 |
| (Increase)/Decrease in Debtors | (2,032,087) | (4,224,522) |
| Increase/(Decrease) in Creditors | (2,142,006) | 494,070 |
| | <u>(4,292,451)</u> | <u>(3,686,731)</u> |
| 20 Increase/(Decrease) in Long Term Liabilities | | |
| Loans repaid | (57,685) | (134,063) |
| 21 (Increase)/Decrease in Cash Investments | | |
| Investments at the Beginning of the Year | 913,319 | 267,074 |
| Less: Investments at the End of the Year | 5,617,513 | 913,319 |
| | <u>(4,704,194)</u> | <u>(646,245)</u> |
| 22 (Increase)/Decrease in Cash and Bank | | |
| Cash and Bank Balance at the Beginning of the Year | (981,011) | (1,343,438) |
| Less: Cash and Bank Balance at the End of the Year | (1,804,419) | (981,011) |
| | <u>823,408</u> | <u>(362,427)</u> |
| 23 Retirement Benefits - Pension Fund | | |
| Fund | Date of last actuarial valuation | Surplus (deficit) |
| Free State Municipal Pension Fund | 30-Jun-02 | Financial position: Sound |
| SAMWU National Provident Fund | 30-Jun-02 | No Surplus or deficit |
| SALA Pension Fund | 30-Jun-01 | Deficit |
| Free State Municipal Provident Fund | 30-Jun-01 | Financial position: Sound |
| 24 Contingent Liabilities and Contractual Obligations | | |
| 24.1 Contractual obligations: | | |
| - Adequate provision has been made for retention monies due under certain capital contracts. | | |
| 24.2 Leave Pay Outstanding at 30 June 2004 : R 1,689,786 (2003: R 1 768 443) Provision for Leave Pay: R 783,028 (2003: R 634 597) | | |

Tswelopele Municipality

Financial Statements

for the year ended 30 June 2004

Appendix A

Statutory Funds, Reserves and Trust Funds

| | Balance 01.07.2003 | Contributions 2004 | Interest 2004 | Other Income & Adjustments 2004 | Expenditure 2004 | Balance 30.06.2004 |
|---------------------------------|-----------------------|-----------------------|------------------|---------------------------------------|---------------------|-----------------------|
| Statutory Funds | | | | | | |
| Capital Development Fund | 3,081,864 | 398,002 | 139,020 | - | - | 3,618,886 |
| Infrastructure Development Fund | 721,300 | - | - | - | - | 721,300 |
| Erven fund | 2,131,968 | - | 97,635 | 8,772 | (48,407) | 2,189,968 |
| | 5,935,132 | 398,002 | 236,655 | 8,772 | (48,407) | 6,530,154 |
| Trust Funds | | | | | | |
| Tshedisang Day Care Centre | 360 | - | - | - | (248) | 112 |
| | 360 | - | - | - | (248) | 112 |
| Provisions | | | | | | |
| Audit Fees | 460,630 | 491,000 | - | - | (388,414) | 563,216 |
| Audit Fees Adj previous years | - | - | - | (72,216) | - | (72,216) |
| Audit Fees | 460,630 | 491,000 | - | (72,216) | (388,414) | 491,000 |
| Accrued Leave Pay | 1,809,310 | 783,028 | - | - | (902,552) | 1,689,786 |
| Sub Total | 2,269,940 | 1,274,028 | - | (72,216) | (1,290,966) | 2,180,786 |
| Bad Debts | 29,321,485 | 3,670,000 | - | - | - | 32,991,485 |
| | 31,591,425 | 4,944,028 | - | (72,216) | (1,290,966) | 35,172,271 |

Tswelopele Municipality

Financial Statements

for the year ended 30 June 2004

Appendix B

External Loans

| | Interest Rate | Loan No. | Year of Settlement | Balance 01.07.2003 | Received 2004 | Adjustment 2004 | Redeemed/ Written Off 2004 | Balance 30.06.2004 |
|--------------------------------------|------------------|-------------|-----------------------|-----------------------|------------------|--------------------|----------------------------------|-----------------------|
| Government and External Loans | | | | | | | | |
| Development Bank of South Africa | | | | 559,431 | - | - | (25,692) | 533,739 |
| Sewerage | 13.45% | 3 | 2009 | 557,458 | - | - | (24,178) | 533,280 |
| Water | 9.00% | 9 | 2005 | 1,318 | - | - | (859) | 459 |
| Electricity | 9.00% | 13 | 2004 | 655 | - | - | (655) | - |
| ABSA Bank | | | | 100,998 | - | - | (27,857) | 73,141 |
| Camps | 18.70% | 25 | 2006 | 21,355 | - | - | (5,889) | 15,466 |
| Electricity | 18.70% | 25 | 2006 | 79,643 | - | - | (21,968) | 57,675 |
| Local Authorities Loan Fund | 11.25% | 37 | 2008 | 26,042 | - | - | (4,136) | 21,906 |
| Total External Loans | | | | 686,471 | - | - | (57,685) | 628,786 |

Tswelopele Municipality

Financial Statements

for the year ended 30 June 2004

Appendix C

Analysis of Fixed Assets

| Expenditure Service 2003 | Balance at 01.07.2003 | Expenses 2004 | Redeemed, transferred or written-off 2004 | Balance at 30.06.2004 |
|---|--------------------------|------------------|--|--------------------------|
| R | R | R | R | R |
| 6,114,895 Rates and General Services | 44,707,813 | 5,773,705 | 552,952 | 49,928,566 |
| 5,736,224 Community Services | 29,216,002 | 5,453,296 | 493,245 | 34,176,053 |
| - Ambulance - Phahameng | 102,171 | - | - | 102,171 |
| 20,356 Administration | 246,914 | - | 27,613 | 219,301 |
| - Town Land | 1,701,250 | - | - | 1,701,250 |
| - Creche | 39,480 | - | - | 39,480 |
| - Council Property | 420,069 | - | 39,375 | 380,694 |
| - Camps and Pound - Bultfontein | 51,601 | - | - | 51,601 |
| - Camps and Pound - Hoopstad | 526,079 | - | 184,800 | 341,279 |
| 11,157 City Hall and Community Hall - Bultfontein | 523,753 | 58,526 | - | 582,279 |
| 6,198 City Hall and Community Hall - Hoopstad | 930,159 | 90,000 | 36,175 | 983,984 |
| - Civil Protection | 6,486 | - | - | 6,486 |
| - Communal Land | 191,538 | - | - | 191,538 |
| 65,243 Parks and Cemeteries - Bultfontein | 512,061 | 41,207 | - | 553,268 |
| - Parks and Cemeteries - Hoopstad | 109,304 | 35,260 | 28,015 | 116,549 |
| 585,732 Public Buildings and Equipment | 2,573,384 | 178,715 | 62,734 | 2,689,365 |
| 115,416 Public Works - Bultfontein | 9,988,394 | 406,714 | (1,869) | 10,396,977 |
| 4,806,615 Public Works - Hoopstad | 7,387,714 | 4,255,756 | 67,229 | 11,576,241 |
| - Sports Grounds - Bultfontein | 649,177 | 347,118 | - | 996,295 |
| - Sports Grounds - Hoopstad | 718,333 | - | - | 718,333 |
| - Swimming Pool - Bultfontein | 77,917 | - | - | 77,917 |
| - Swimming Pool - Hoopstad | 44,173 | - | 44,173 | - |
| 43,907 Unsold Erven - Hoopstad | 930,421 | - | 5,000 | 925,421 |
| 81,600 Planning - Hoopstad | 153,259 | - | - | 153,259 |
| - Unsold Houses - Phahameng | 249,289 | 40,000 | - | 289,289 |
| - Unsold Stands - Bultfontein | 36,510 | - | - | 36,510 |
| - Unsold Stands - Phahameng | 1,046,566 | - | - | 1,046,566 |
| 4,804 Subsidised Services | 604,622 | - | 24,453 | 580,169 |
| 4,804 Clinic - Bultfontein | 269,281 | - | - | 269,281 |
| - Clinic - Phahameng | 226,596 | - | - | 226,596 |
| - Fire Brigade - Bultfontein | 17,570 | - | 3,107 | 14,463 |
| - Fire Brigade - Hoopstad | 33,458 | - | 15,986 | 17,472 |
| - Health | 21,220 | - | - | 21,220 |
| - Library - Hoopstad | 33,725 | - | 5,360 | 28,365 |
| - Library - Bultfontein | 2,772 | - | - | 2,772 |
| 373,867 Economic Services | 14,887,189 | 320,409 | 35,254 | 15,172,344 |
| - Development | 53,192 | - | 33,754 | 19,438 |
| - Refuse | 358,523 | - | - | 358,523 |
| 373,867 Sewerage - Bultfontein | 6,234,738 | 320,409 | - | 6,555,147 |
| - Sewerage - Hoopstad | 6,939,294 | - | 1,500 | 6,937,794 |
| - Water Bourne Sewerage | 1,301,442 | - | - | 1,301,442 |
| 6,114,895 Balance c/f | 44,707,813 | 5,773,705 | 552,952 | 49,928,566 |

Tswelopele Municipality

Financial Statements

for the year ended 30 June 2004

Analysis of Fixed Assets (continued)

| Expenditure Service 2003 | | Balance at 01.07.2003 | Expenses 2004 | Redeemed, transferred or written-off 2004 | Balance at 30.06.2004 |
|-----------------------------|--|--------------------------|------------------|--|--------------------------|
| R | | R | R | R | R |
| 6,114,895 | Balance b/f | 44,707,813 | 5,773,705 | 552,952 | 49,928,566 |
| 4,915,916 | Trading Services | 29,573,826 | 2,939,352 | 680,847 | 31,832,331 |
| - | Abattoir | 429,240 | - | - | 429,240 |
| 147,815 | Electricity - Bultfontein | 1,451,121 | 431,413 | 2,500 | 1,880,034 |
| - | Electricity - Hoopstad | 2,337,215 | - | 660,360 | 1,676,855 |
| - | Farming | 376,384 | - | 14,799 | 361,585 |
| - | Game Farming | 127,513 | - | 3,188 | 124,325 |
| 1,980,699 | Water - Bultfontein | 15,264,397 | 388,025 | - | 15,652,422 |
| 2,787,402 | Water - Hoopstad | 9,587,956 | 2,119,914 | - | 11,707,870 |
| 11,030,811 | Total Fixed Assets | 74,281,639 | 8,713,057 | 1,233,799 | 81,760,897 |
| | Less: Loans Redeemed and other Capital Receipts | 73,595,174 | 8,784,865 | 1,247,930 | 81,132,109 |
| 134,063 | Loans Redeemed and Advances Paid | 351,631 | 57,685 | 14,130 | 395,186 |
| 1,027,909 | Contributions ex Operating Income | 12,295,158 | 1,622,511 | 895,316 | 13,022,353 |
| 234,009 | - Asset not previously capitalised | 12,295,158 | 1,518,381 | 895,316 | - |
| 793,900 | Loans redeemed and transferred | - | 90,000 | - | - |
| - | Other sources | - | 14,130 | - | 13,022,353 |
| - | Contributions from Funds | 5,274,949 | - | - | 5,274,949 |
| 10,796,807 | Contributions from State and District Municipality | 981,955 | 40,000 | - | 1,021,955 |
| - | Revaluation | 53,898,170 | 7,064,669 | 323,812 | 60,639,027 |
| - | Grants | 28,600 | - | - | 28,600 |
| - | | 764,711 | - | 14,672 | 750,039 |
| (927,968) | Net Fixed Assets | 686,465 | (71,808) | (14,131) | 628,788 |

Tswelopele Municipality

Financial Statements

for the year ended 30 June 2004

Appendix D

Analysis of Operating Income and Expenditure

| Actual 2003 R | | Actual 2004 R | Budget 2004 R |
|---------------------|--------------------------------|---------------------|---------------------|
| Income | | | |
| 13,401,452 | Grants and Subsidies | 20,457,022 | 19,477,000 |
| 11,378,851 | - Central Government | 18,000,582 | 17,875,000 |
| 1,742,988 | - Provincial Government | 2,176,340 | 1,552,000 |
| 279,613 | - Other | 280,100 | 50,000 |
| 18,055,804 | Operating Income | 19,827,141 | 21,099,000 |
| 2,797,944 | - Assessment Rates | 2,659,775 | 2,480,000 |
| 5,526,959 | - Sale of Electricity | 5,863,377 | 6,300,000 |
| 2,886,899 | - Sale of Water | 4,404,559 | 4,600,000 |
| 6,844,002 | - Other Services and Charges | 6,899,430 | 7,719,000 |
| <u>31,457,256</u> | | <u>40,284,163</u> | <u>40,576,000</u> |
| Expenditure | | | |
| 13,788,319 | Salaries, Wages and Allowances | 16,723,799 | 18,114,000 |
| 7,750,248 | General Expenses: | 8,074,174 | 7,769,000 |
| 4,004,016 | - Purchase of Electricity | 4,272,504 | 4,000,000 |
| 419,896 | - Purchase of Water | 500,728 | 400,000 |
| 3,326,336 | - Other General Expenses | 3,300,942 | 3,369,000 |
| 1,875,777 | Repairs & Maintenance & Fuel | 2,098,140 | 2,996,000 |
| 234,009 | Contributions to Fixed Assets | 1,518,381 | 810,000 |
| 243,733 | Capital Charges | 152,669 | 1,757,000 |
| 3,089,831 | Contributions | 7,535,927 | 9,126,000 |
| <u>26,981,917</u> | | <u>36,103,090</u> | <u>40,572,000</u> |

Tswelopele Municipality

Financial Statements

for the year ended 30 June 2004

Appendix E

Detailed Income Statement

| Actual Income | Actual Expenditure | Surplus/ (Deficit) | | Actual Income | Actual Expenditure | Surplus/ (Deficit) | Budgeted Surplus/ (Deficit) |
|-------------------|-----------------------|-----------------------|------------------------------------|-------------------|-----------------------|-----------------------|-----------------------------------|
| 2003 | 2003 | 2003 | | 2004 | 2004 | 2004 | 2004 |
| R | R | R | | R | R | R | R |
| 21,683,758 | 17,773,204 | 3,910,554 | Rates and General Services | 24,318,269 | 22,032,655 | 2,285,614 | (1,549,000) |
| 13,302,664 | 9,503,089 | 3,799,575 | Community Services | 14,676,826 | 12,451,488 | 2,225,338 | (1,141,000) |
| 3,239,981 | 792,400 | 2,447,581 | Assessment Rates | 3,070,072 | 1,773,951 | 1,296,121 | 2,338,000 |
| 609,261 | 79,161 | 530,100 | Camps | 642,413 | 83,528 | 558,885 | 579,000 |
| - | 636,291 | (636,291) | Community Services | - | 1,167,799 | (1,167,799) | (1,299,000) |
| 4,750 | 1,519,713 | (1,514,963) | Council's General Account | 17,087 | 1,890,372 | (1,873,285) | (1,768,000) |
| 550 | 6 | 544 | Licences | 2,276 | 22 | 2,254 | - |
| 77,429 | 680,075 | (602,646) | Parks and Cemeteries | 80,940 | 752,953 | (672,013) | (697,000) |
| 37,296 | 2,245,894 | (2,208,598) | Public Works | 17,740 | 1,710,859 | (1,693,119) | (2,720,000) |
| 103,858 | 2,758 | 101,100 | Properties | 79,558 | 28,910 | 50,648 | (19,000) |
| - | 161,844 | (161,844) | Sports Grounds | - | 122,204 | (122,204) | (225,000) |
| 29,489 | 461,388 | (431,899) | Town Hall | 43,369 | 581,419 | (538,050) | (439,000) |
| 8,939,842 | 2,110,033 | 6,829,809 | Town Treasurer | 10,278,908 | 2,727,739 | 7,551,169 | 4,315,000 |
| - | 553,318 | (553,318) | Municipal Manager | - | 1,167,269 | (1,167,269) | (1,206,000) |
| 260,208 | 260,208 | - | Welfare | 444,463 | 444,463 | - | - |
| 2,133,982 | 2,305,143 | (171,161) | Subsidised Services | 2,796,110 | 2,872,234 | (76,124) | (591,000) |
| 1,618,750 | 1,789,911 | (171,161) | Health | 2,176,340 | 2,252,464 | (76,124) | (591,000) |
| 40,994 | 40,994 | - | Fire Brigade | 111,217 | 111,217 | - | - |
| 474,238 | 474,238 | - | Library | 508,553 | 508,553 | - | - |
| 6,247,112 | 5,964,972 | 282,140 | Economic Services | 6,845,333 | 6,708,933 | 136,400 | 183,000 |
| 2,348,028 | 2,196,765 | 151,263 | Refuse Removal | 2,586,869 | 2,520,524 | 66,345 | 119,000 |
| 3,899,084 | 3,768,207 | 130,877 | Sewerage | 4,258,464 | 4,188,409 | 70,055 | 64,000 |
| 9,773,498 | 9,208,713 | 564,785 | Trading Services | 15,965,894 | 14,070,435 | 1,895,459 | 1,553,000 |
| 5,635,068 | 5,569,213 | 65,855 | Electricity | 8,113,304 | 7,471,620 | 641,684 | 701,000 |
| 29,083 | - | 29,083 | Game Farming | 127,750 | - | 127,750 | 50,000 |
| 4,109,347 | 3,639,500 | 469,847 | Water | 7,724,840 | 6,598,815 | 1,126,025 | 802,000 |
| <u>31,457,256</u> | <u>26,981,917</u> | <u>4,475,339</u> | Total | <u>40,284,163</u> | <u>36,103,090</u> | <u>4,181,073</u> | <u>4,000</u> |
| | | | Appropriations for previous years | | | | |
| | | (2,349,991) | (See note 17) | | | (183,448) | |
| | | 2,125,348 | Net Surplus (Deficit) for the year | | | 3,997,625 | |
| | | (5,353,831) | Opening Accumulated (Deficit) | | | (3,228,483) | |
| | | <u>(3,228,483)</u> | Accumulated Surplus (Deficit) | | | <u>769,142</u> | |

Tswelopele Municipality

Statistical Information

for the year ended 30 June 2004

Appendix F

| General Statistics | | 2004 | 2003 |
|---|--------------|--------------|-------------|
| i) Population | | 64,684 | 64,684 |
| ii) Valuation of property : rateable | Land | R12,031,580 | 12,031,580 |
| | Improvements | R160,611,980 | 160,611,980 |
| Valuation of property : non rateable | Land | R10,441,052 | 10,441,052 |
| | Improvements | R38,448,050 | 38,448,050 |
| iii) Date of Valuation | | 1996/1997 | 1996/1997 |
| iv) Number of stands - residential and commercial | | 8,968 | 8,968 |
| v) Assessment rate on land: Bultfontein / R | | 32.7c | 32.7c |
| | Hoopstad / R | 7.21c | 7.21c |
| Assessment rate on Improvements: Hoopstad / R | | 0.90c | 0.90c |
| vi) Number of employees | | 199 | 173 |
| vii) Area (Town land) | | 5 780ha | 5 780ha |
| Electricity Statistics | | | |
| i) Units purchased (kWh) | | 21,109,019 | 21,393,613 |
| ii) Units sold | | 19,171,693 | 19,324,170 |
| iii) Units lost in distribution | | 1,937,326 | 2,069,443 |
| iv) Percentage loss in distribution | | 9% | 10% |
| v) Cost per unit sold | | 39c | 29c |
| vi) Income per unit sold | | 31c | 29c |
| Water Statistics | | | |
| i) Units purchased (kl) | | 2,148,731 | 1,970,122 |
| ii) Units sold (kl) | | 1,860,217 | 1,696,875 |
| iii) Units lost in distribution | | 288,514 | 273,247 |
| iv) Percentage loss in distribution | | 13% | 14% |
| v) Cost per unit sold | | R 3.55 | R 2.15 |
| vi) Income per unit sold | | R 2.37 | R 1.71 |