

NAMAKWA DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2007

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 40, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 19 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager

31 August 2007

Date

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NAMAKWA DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2007

NET ASSETS AND LIABILITIES	Note	2007 R	2006 R
Net Assets		34 692 523	35 618 845
Housing Development Fund	1	3 202 712	3 076 374
Capital Replacement Reserve		-	-
Capitalisation Reserve		-	-
Government Grant Reserve		-	-
Donations and Public Contribution Reserve		-	-
Self-Insurance Reserve		-	-
Revaluation Reserve		-	-
Surplus Funds Reserve		-	-
Accumulated Surplus/(Deficit)		31 489 811	32 542 471
Non-current Liabilities		5 168 130	5 670 561
Long term Liabilities	2	5 168 130	5 670 561
Non-current Provisions	3	-	-
Current Liabilities		24 916 214	24 908 984
Consumer Deposits	4	-	-
Provisions	5	545 000	-
Creditors	6	5 686 617	4 313 207
Unspent Conditional Grants and Receipts	7	18 048 078	20 020 015
VAT	8	134 100	132 453
Short-term Loans	9	-	-
Bank Overdraft	18	-	-
Current Portion of Long-term Liabilities	2	502 419	443 310
Total Net Assets and Liabilities		<u>64 776 867</u>	<u>66 198 390</u>
ASSETS			
Non-current Assets		8 582 749	15 935 431
Property, Plant and Equipment	10	8 518 878	9 283 388
Investment Property	11	-	-
Investments	12	1 146	1 146
Long-term Debtors	13	62 725	6 650 897
Current Assets		56 194 118	50 262 958
Inventory	14	446 544	555 511
Consumer Debtors	15	839 554	3 517 227
Other Debtors	16	7 821 909	5 932 841
Current Portion of Long-term Debtors	13	196 266	183 168
Call Investment Deposits	17	42 010 103	35 030 580
Bank Balances and Cash	18	4 879 742	5 043 631
Total Assets		<u>64 776 867</u>	<u>66 198 390</u>

**NAMAKWA DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2007**

	Note	2007 R	2006 R Previously Reported	2006 R Roads and PIMS	2006 R Restated Balance
REVENUE					
Property Rates	19				
Property Rates - Penalties Imposed and Collection Charges					
Service Charges	20	379 965	38	-	38
Regional Services Levies – Turnover		-	11 457 764	-	11 457 764
Regional Services Levies - Remuneration		-	4 468 541	-	4 468 541
Rental of Facilities and Equipment		4 464 955	696 649	4 721 905	5 418 554
Interest Earned - External Investments		1 969 346	164 482	-	164 482
Interest Earned - Outstanding Debtors		96 533	232 597	-	232 597
Dividends Received		-	-	-	-
Fines		534 900	355 148	-	355 148
Licences and Permits		-	-	-	-
Income for Agency Services		1 481 592	828 306	-	828 306
Government Grants and Subsidies	21	47 249 576	11 360 664	12 932 541	24 293 205
Other Income	22	1 302 612	718 045	74 675	792 720
Public Contributions, Donated and Contributed Property, Plant and Equipment		-	-	-	-
Gains on disposal of Property, Plant and Equipment		171 775	37 505	-	37 505
Total Revenue		57 651 253	30 319 739	17 729 121	48 048 860
EXPENDITURE					
Employee Related Costs	23	15 959 664	7 965 379	7 367 689	15 333 068
Remuneration of Councillors	24	2 059 456	1 428 272	-	1 428 272
Bad Debts		250 000	78 139	-	78 139
Collection Costs		-	-	-	-
Depreciation		773 934	755 273	-	755 273
Repairs and Maintenance		1 556 465	365 902	1 145 124	1 511 026
Interest Paid	25	659 162	476 610	-	476 610
Bulk Purchases	26	-	-	-	-
Contracted Services		1 592 027	405 873	1 315 243	1 721 116
Operating Grants Utilised		20 935 789	-	-	-
Grants and Subsidies Paid	27	1 370 953	1 388 584	-	1 388 584
General Expenses	28	13 420 124	15 068 066	7 901 065	22 969 131
Loss on disposal of Property, Plant and Equipment		-	-	-	-
Transfer to other Reserves		-	35 000	-	35 000
Total Expenditure		58 577 575	27 967 098	17 729 122	45 696 219
SURPLUS/(DEFICIT)		(926 322)	2 352 641	-	2 352 641
Share of surplus/(deficit) of associate accounted					
SURPLUS/(DEFICIT) FOR THE YEAR		(926 322)	2 352 641	-	2 352 641

Refer to Appendix E(1) for explanation of variances

NAMAKWA DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007

	<u>Pre-GAMAP</u> <u>Reserves</u> <u>and</u> <u>Funds</u> R	<u>Housing</u> <u>Development</u> <u>Fund</u> R	<u>Capital</u> <u>Replacement</u> <u>Reserve</u> R	<u>Capitalisation</u> <u>Reserve</u> R	<u>Government</u> <u>Grant</u> <u>Reserve</u> R	<u>Donations</u> <u>and Public</u> <u>Contribution</u> <u>Reserve</u> R	<u>Self-</u> <u>Insurance</u> <u>Reserve</u> R	<u>Revaluation</u> <u>Reserve</u> R	<u>Accumulated</u> <u>Surplus/</u> <u>(Deficit)</u> R	<u>Total</u> R
2007										
Restated Balance at 1 July 2006			3 076 374	-	-	-	-	-	32 542 471	35 618 845
Change in accounting policy (Note 31)										-
Restated balance			3 076 374	-	-	-			32 542 471	35 618 845
Surplus/(deficit) for the year									-926 322	-926 322
Transfer to CRR			135 762						-135 762	-
Property, plant and equipment purchased			-9 424						9 424	-
Capital grants used to purchase										-
Asset disposals										-
Contribution to Insurance Reserve										-
Insurance claims processed										-
Transfer to Housing Development Fund										-
Offsetting of depreciation										-
Balance at 30 June 2007			3 202 712	-	-	-			31 489 812	34 692 524
2006										
Balance at 1 July 2005	2 755 218								14 882 225	17 637 443
Prior year adjustments									-758 392	-758 392
Implementation of GRAP (Note 30)	-2 755 218		2 724 064	8 167 295	25 601	5 553			-1 096 082	7 071 213
Restated balance	-	-	2 724 064	8 167 295	25 601	5 553	-	-	13 027 751	23 950 264
Surplus/(deficit) for the year									2 352 641	2 352 641
Transfers to Funds / Reserves			352 310		391	74 970				427 671
Property, plant and equipment purchased										-
Transfer to Housing Development Fund										-
Asset disposals										-
Offsetting of depreciation										-
Balance at 30 June 2006	-	-	3 076 374	8 167 295	25 992	80 523	-	-	15 380 392	26 730 576
Prior year adjustments (Note 32)				-8 167 295	-25 992	-80 523			17 176 994	8 903 184
Change in Accounting Policy (Note 31)									-14 915	-14 915
Restated Balance as at 30 June 2006	-	-	3 076 374	-	-	-	-	-	32 542 471	35 618 845

NAMAKWA DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from rate payers, government and other		-	
Cash paid to suppliers and employees		-	
Cash generated from/(utilised in) operations	34	-788 653	
Dividends received			
Interest received		1 969 346	
Interest paid		-659 162	
NET CASH FROM OPERATING ACTIVITIES		521 532	
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-9 424	
Proceeds on disposal of property, plant and equipment		171 775	
Increase in investment properties			
(Increase)/decrease in non-current receivables		6 575 074	
Increase in non-current investments			
NET CASH FROM INVESTING ACTIVITIES		6 737 425	
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		-443 322	
Increase in consumer deposits			
Decrease/(increase) in short-term loans			
NET CASH FROM FINANCING ACTIVITIES		-443 322	
NET DECREASE IN CASH AND CASH EQUIVALENTS		6 815 634	
Cash and cash equivalents at the beginning of the year		46 889 845	
Cash and cash equivalents at the end of the year	35	40 074 211	
		6 815 634	

Due to the fact that the GRAP conversion was performed on 1 July 2005 and not on 1 July 2004 it was not possible to disclose comparative figures.

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

	2007 R	2006 R
1. HOUSING DEVELOPMENT FUND		
Housing Development Fund		
Unappropriated Surplus	-	-
The Housing Development Fund is represented by the following assets and liabilities		
Bank and cash	-	-
Sub-total	-	-
Creditors	-	-
Total Housing Development Fund Assets and Liabilities	-	-

2. LONG-TERM LIABILITIES

Annuity Loans		
DBSA Kamiesberg Electrification	2 959 574	3 287 978
Capitalised Leased Liability	98 043	138 666
DBSA Electrification (various towns)	2 612 932	2 687 227
Sub-total	5 670 549	6 113 871
Less : Current portion transferred to current liabilities	-502 419	-443 310
Annuity Loans		
DBSA Kamiesberg Electrification	-371 235	-328 394
Capitalised Leased Liability	-45 986	-40 623
DBSA Electrification (various towns)	-85 198	-74 293
Total External Loans	5 168 130	5 670 561

Refer to Appendix A for more detail on long-term liabilities.

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with AC 105 (Leases) with regards to the recognition of operating lease payments / receipts on a straight line basis if the amount is recognised on the basis of the cash flows in the lease agreement. [SAICA Circular 12/06 paragraphs 8-11 and paragraphs 33, 34, 50, 51 of AC 105]

The future payments on the leases are as follows:

	Within 1 Year	Rest of period.
Interest Payments	9 652	3 581
Redemption	45 986	52 057
	55 638	55 638

3. NON-CURRENT PROVISIONS

Provision for long-service	-	-
Total Non-Current Provisions	-	-

The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with AC 116 (Employee Benefits) with regards to defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. (paragraphs 29, 48-119, 120A(c) – (q))

The movement in the non-current provisions are reconciled as follows: -

Balance at beginning of year	-	-
Contributions to provision	-	-
Expenditure incurred	-	-
Increase in provision due to discounting	-	-
Transfer to current provisions	-	-
Balance at end of year	-	-

4. CONSUMER DEPOSITS

Other deposits	-	-
Total Consumer Deposits	-	-

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

5. PROVISIONS

	2007 R	2006 R
Annual Bonusses	545 000	-
Current portion of long-service provision (see note 3 above)	-	-
Total Provisions	545 000	-

The movement in current provisions are reconciled as follows: -

	Annual Bonus	Long Service Bonus
30 June 2007		
Balance at beginning of year	-	-
Transfer from non-current	-	-
Contributions to provision	545 000	-
Expenditure incurred	-	-
Balance at end of year	545 000	-

	2007 R	2006 R
6. CREDITORS		
Trade creditors	765 267	593 133
Unallocated Income	495 365	657 332
Payments received in advance	23 731	20 956
Suspense Accounts	166 716	166 716
Other creditors	2 783 014	884 483
Other deposits	21 174	29 961
Leave gratuity	1 431 350	1 960 624
Total Creditors	5 686 617	4 313 207

7. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

7.1 Conditional Grants from other spheres of Government

Drought Relief	1 692 483	2 272 247
Finance Management Grant	1 206 562	1 279 393
Richtersveld Special Fund	26 811	88 381
Kamiesberg Special Fund	37 098	971 784
Work for Water	31 149	5 505
Namaqua Sanitation Bucket System	666 664	733 565
Brandvlei Electricity Network	685 786	770 253
MIG	369 690	1 178 304
EPWP	135 792	228 709
PIMS	1 335 433	1 267 737
MSIG	1 021 909	1 627 483
SA Projects	161 284	246 926
Sanitation Projects (Households)	67 824	67 824
Sanitation Projects (Farm Sanitation)	3 526	3 526
Middelpos	21 240	21 240
Skietfontein	-6 258	153 532
Nieuwoudt Access Road	126 312	126 312
Sakrivier Bridge	730 347	730 347
Training Reserve (Seta)	304 708	285 200
Kamiesberg Elec (External Funding)	59 752	71 261
Electronic Filing System	25 601	25 601
Fuel Levy	1 215 138	1 757 229
Fencing	42 555	42 555
Land Development Objectives	190 045	190 045
IDP/LDO	143 051	144 170
RDP 2 Home Base Care Suppliers Sprin	-	-
HIV/AIDS Programme	516	173 650
Fire Equipment Grant	459 914	-
Border Fencing	54 239	54 239
Komaggas Road	4 371	7 851
Department of Transport	6 005 479	5 461 070
Maintenance Fund	22 233	34 077
Swartzkop Sportgrounds (Lotto)	207 475	-
Spoeigrivier Sportgrounds (Lotto)	499 349	-
Northern Cape Housing	500 000	-
Total Conditional Grants and Receipts	18 048 078	20 020 015

See Appendix F for reconciliation of grants from other spheres of government. These amounts are invested in a ring-fenced investment until utilized.

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

7.1 Conditional Grants from other spheres of Government (continued)

The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with the following requirements of AC 134 (Accounting for Government Grants)

- *Entire standard excluding paragraphs 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9.*

8. VAT

VAT payable

VAT is payable on the payment basis. Only once payment is received from debtors VAT is paid over to SARS.

2007	2006
R	R
134 100	132 453
<u>134 100</u>	<u>132 453</u>

9. SHORT-TERM LOANS

Call Bonds

<u>N/A</u>	<u>N/A</u>
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NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
11. INVESTMENT PROPERTY		
Fair Value	-	-

The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with the following requirements of AC 135 (Investment Property)

17.

- *Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised investment property in terms of this standard. [Paragraphs 79(e)(i) – (iii)]*

12. INVESTMENTS

Stock: Nuweveld Co-op at fair value	1 146	1 146
	1 146	1 146

13. LONG-TERM DEBTORS

Loans to controlled Municipal Entities	-	6 416 817
Car loans	129 748	314 222
OCC Housing Loans	129 243	100 169
Council Housing Loans		2 857
	258 991	6 834 065
Less : Current portion transferred to current receivables	(196 266)	(183 168)
Car loans	(104 320)	(148 475)
OCC Housing Loans	(91 946)	(31 836)
Council Housing Loans		(2 857)
Total	62 725	6 650 897

CAR LOANS

Senior staff are entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are repayable in the year 2009

14. INVENTORY

Consumable Stores	448 543	555 511
Total Inventory	448 543	555 511

The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with the following requirements of GAMAP 12 (Inventories):

- *The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17.*
- *The entire standard to the extent that it relates to water stock that was not purchased by the municipality.*

15. CONSUMER DEBTORS

	Gross Balances	Provision for Bad Debts	Net Balance
As at 30 June 2007			
Service debtors			
Rates			
Electricity			
Water			
Sewerage			
Regional Service Levies	1 154 554	-315 000	839 554
Housing rentals			
Total	1 154 554	-315 000	839 554

As at 30 June 2006

	Gross Balances	Provision for Bad Debts	Net Balance
Service debtors			
Rates			
Regional Service Levies	3 582 227	-65 000	3 517 227
Housing rentals			
Total	3 582 227	-65 000	3 517 227

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

15. CONSUMER DEBTORS (continued)

<u>Regional Services Levies: Ageing</u>	2007	2006
	R	R
Current (0 – 30 days)	145 662	
31 – 60 Days	69 106	87 069
61 – 90 Days	39 389	50 059
91 – 120 Days	34 890	53 522
121 – 365 Days	865 507	819 477
Total	1 154 554	1 010 127

16. OTHER DEBTORS

Sundry Debtors	7 255 731	5 775 017
Suspense Accounts	566 178	157 824
Total Other Debtors	7 821 909	5 932 841

17. CALL INVESTMENT DEPOSITS

Capital Replacement Reserve	2 969 568	2 658 056
Call Deposit ABSA	19 151 667	4 468 294
Leave Reserve	600 368	576 895
Finance Management Grant	1 300 410	1 314 283
Middelpos Account	22 078	21 607
Members Interest Fund	1 804	1 804
Skietfontein Account	-	159 789
Fuel Levy	1 362 245	1 838 155
Land Development Objectives	202 499	194 678
MSIG	1 146 847	1 693 547
Nieuwoudtville Access Road	134 590	129 391
Richtersveld Special Fund	34 764	90 536
EPWP	209 313	290 990
NDM Equitable Share	257 824	5 386 848
DMA Equitable Share	929 029	1 400 239
IDP	149 011	144 368
Fencing	44 507	43 203
Kamiesberg Special Fund	70 044	987 326
Border Fencing	57 756	55 561
SA Projects	177 457	252 975
Sanitation Project (Domestic)	72 221	69 477
Replacement Reserve	23 856	35 104
Sakrivier Bridge	778 211	748 152
Kamiesberg Electrification	71 992	80 523
Komaggas Tar Road	9 817	13 138
Namaqua Sanitation Bucket System	725 673	758 501
Fire Equipment Grant	459 914	
PIMS	1 417 109	1 291 067
Sanitation Projects (Farm)	3 572	3 533
Department of Transport	6 310 162	5 549 739
Drought Relief	1 820 336	2 309 266
Hiv/Aids Program	7 397	179 612
Electronic Filling System	26 783	25 992
Training Fund Seta	322 184	290 842
MIG	369 690	1 178 304
Work for Water	40 281	9 081
Brandvlei Electricity Network	729 126	779 704
TOTAL AT THE END OF THE YEAR	42 010 103	35 030 580

18. BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

ABSA Bank Limited – Springbok Branch
Account Number 2210000014

Cash book balance at beginning of year	5 043 631	3 865 269
Cash book balance at end of year	4 879 742	5 043 631
Bank statement balance at beginning of year	5 536 960	5 109 240
Bank statement balance at end of year	4 892 844	5 536 960

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

19. PROPERTY RATES

	2007 R	2006 R
Actual		
Residential		
Commercial		
State		
Total Assessment Rates	N/A	N/A
<hr/>		
Valuations		
Residential	July 2007	July 2006
Commercial	R000's	R000's
State		
Municipal		
Total Property Valuations	N/A	N/A
<hr/>		
	2007	2006
	R	R

20. SERVICE CHARGES

Sale of electricity		
Sale of water		
Refuse removal		
Sewerage and sanitation charges		
Other Service Charges	331 662	38
Total Service Charges	331 662	38

21. GOVERNMENT GRANTS AND SUBSIDIES

Civil Defence Subsidy	884 000	884 000
Fuel Levy	665 983	
NDM Equitable share	1 884 864	
Equitable Share		166 134
RSC Levies Replacement Grant	15 741 785	
Contribution Councillors Rem Grant	594 000	
IDPLDO	1 119	
HIV/AIDS Programme	180 575	
Fire Equipment Grant	411 086	871 000
Komaggas Road	3 480	
Department of Transport	12 509 816	
Maintenance Fund	11 844	
Kamiesberg Electrification	11 509	
Drought Relief	579 764	
Finance Management Grant	572 830	711 036
Richtersveld Special Fund	311 570	
Kamiesberg Special Fund	934 686	
Work for Water	4 340 475	
Sanitation Bucket System	331 662	2 233 973
Brandvlei Electricity Network	450 467	
MIG	4 645 889	6 181 573
EPWP	92 917	
PIMS	712 303	
MSIG	948 690	202 948
SA Projects	85 642	
Skietfontein	159 790	
Training Reserve (SETA)	65 178	
Health Inspectors Subsidy	117 000	110 000
Spoegrivier Sportgrounds (Lotto)	652	
Total Government Grant and Subsidies	47 249 576	11 360 664

22. OTHER INCOME

Other income	1 302 612	792 720
Total Other Income	1 302 612	792 720

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	R	R
23. EMPLOYEE RELATED COSTS		
ERC - Salaries & Wages	10 573 996	10 469 032
ERC - UIF,pensions,medical & group life	3 080 710	2 678 640
Travel, car, accommodation, subsist. & other allow	956 239	926 546
Housing benefits and allowances	417 750	407 960
Overtime payments	140 532	144 963
Performance bonus/Service Bonus	516 291	530 704
Long-service awards	124 144	14 721
Increase in the provision for leave payments	150 000	-
Redemption of leave	-	160 502
Subtotal	15 959 664	15 333 068
Less: EC - Unauthorised to PPE		
Total Employee Related Costs	15 959 664	15 333 068

There were no advances to employees. Loans to employees are set out in note 13,

Remuneration of the Municipal Manager

Annual Remuneration	219 396	239 341
Service Bonus	18 283	19 945
Car & House Allowance	151 815	165 616
Contributions to UIF, Medical, Pension Funds	60 282	65 422
Total	449 776	490 324

Remuneration of the Chief Financial Officer

Annual Remuneration	288 947	231 056
Service Bonus	20 304	19 155
Car & House Allowance	161 040	161 623
Contributions to UIF, Medical and Pension funds	71 797	61 342
Total	542 088	473 176

24. REMUNERATION OF COUNCILLORS

Mayor	356 995	376 347
Speaker	284 164	218 290
Executive Committee		361 439
Councillors	588 536	472 196
Travelling allowances	566 006	
Cell phone allowances	96 816	
Pension contributions	132 090	
Medical Aid contributions	25 355	
Housing	6 374	
Personal Facilities	3 120	
Total	2 059 456	1 428 272

The Executive Mayor and Speaker are full-time. Each is provided with an office and secretarial support at the cost of the council.

25. INTEREST PAID

Long-term liabilities	644 146	476 610
Capitalised Leased Liability	15 015	
Total Interest on External Borrowings	659 161	476 610

26. BULK PURCHASES

Electricity	N/A	N/A
Water		
Total Bulk Purchases		

27. GRANTS AND SUBSIDIES PAID

Grant paid to Local Municipalities	1 370 953	1 388 584
Total Grants and Subsidies	1 370 953	1 388 584

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

28. GENERAL EXPENSES	2007	2006
	R	R
Administration Costs	500 000	
Advertisements	307 068	
Annual Report	18 652	
Cellphone	54 201	
Coastal Control System	11 607	
Delegation and Congress Fees	19 675	
Entertainment and Receptions	71 755	
Finance Management Grant	500 000	
Fire Equipment Grant	411 086	
Fuel and Oil - Vehicles	2 175 747	
HIV Aids Prevention	60 000	
Household Expenditure	26 177	
Internal Vehicle Rent	166 524	
Legal Fees	54 033	
Mayor's Fund	339 000	
Membership Fees	98 692	
MSIG Grant	111 470	
Namakwa Festival	69 600	
Okiep Sport Complex	356 000	
Printing and Stationery	136 983	
Project Development	309 577	
Rent - Office Equipment	73 180	
Sanitation: Bucket System	331 662	
Section 21	100 000	
Shows / Exhibitions	107 638	
Speaker's Fund	24 835	
Subsidy: Household	54 900	
Subsistence and Travel	752 286	
Telephone	345 605	
Training Fees	32 591	
Water and Electricity	236 220	
Youth Development	36 914	
Assessment Rates	107 991	
Bank Charges	70 902	
Audit Fees	290 000	
Insurance	268 251	
Sundry Expenses	4 789 301	
Total General Expenses	<u>13 420 124</u>	<u>22 969 131</u>

29. SURPLUS OF ASSOCIATE

Share of retained profit on the equity method

30. CHANGE IN ACCOUNTING POLICY – IMPLEMENTATION OF GAMAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP: -

30.1 Statutory Funds

Balance previously reported: -

Capital Development Fund	2 486 078
OCC House sales	149 523
Council Housing Fund	88 463
Kamiesberg Electrification	5 553
Electronic Filing System	25 601
Total	<u>2 755 218</u>

Implementation of GAMAP

Transferred to the Capital Replacement Reserve	2 724 064
Government Grant Reserve	25 601
Public Contributions and Donations Reserve	5 553
Total	<u>2 755 218</u>

30.2 Loans Redeemed and Other Capital Receipts

Balance previously reported 17 303 517

Implementation of GAMAP

Transferred to Capitalisation Reserve	8 167 295
Transferred to Donations and Public Contribution Reserve	-
Transferred to Accumulated Surplus/(Deficit) (see 30.8 below)	9 136 222
Total	<u>17 303 517</u>

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

30. CHANGE IN ACCOUNTING POLICY – IMPLEMENTATION OF GAMAP (continued)	2007	2006
	R	R
30.3 Provisions and Reserves		
Balance previously reported		
Infrastructure Replacement Reserve		-
Tariff Equalization Reserve		-
Valuation Roll Reserve		-
Staff Bursary Reserve		-
Total		<u>-</u>
Implementation of GAMAP		-
Transferred to Accumulated Surplus/(Deficit) (see 30.8 below)		<u>-</u>
30.4 Inventory		
Balance previously reported		-
Implementation of GAMAP		
Transferred to Accumulated Surplus/(Deficit) (see 30.8 below)		-
Water previously expensed now shown as inventory		-
Total		<u>-</u>
30.6 Property, plant and equipment		
Balance previously reported		<u>20 881 052</u>
Implementation of GAMAP		
Infrastructure previously not recorded credited to Accumulated Surplus/(Deficit) (see 30.8 below)		-
Total		<u>-</u>
30.7 Accumulated Depreciation		
Balance previously reported		<u>-</u>
Implementation of GAMAP		
Backlog depreciation: Land and buildings		5 925 528
Backlog depreciation: Infrastructure		908 086
Backlog depreciation: Community		1 934 811
Backlog depreciation: Other		1 622 427
Other Adjustments		(158 548)
Total (debited to Accumulated Surplus/(Deficit)) (see 30.8 below)		<u>10 232 304</u>
30.8 Accumulated Surplus/(Deficit)		2006
Implementation of GAMAP		
Transferred from Loans Redeemed and Other Capital Receipts (see 30.2 above)		9 136 222
Fair value of Property, Plant and Equipment previously not recorded (see 30.6 above)		
Backlog depreciation (see 30.7 above)		<u>(10 232 304)</u>
Total		<u>(1 096 082)</u>
31. CHANGE IN ACCOUNTING POLICY - LEASES		
The Municipality decided to comply with IAS 17 (Leases) during the current year. The municipality identified a number of printers and copiers which were previously classified as operating leases which should in fact have been treated as finance leases. The balances were restated on 30 June 2006 since it was impracticable to restate the balances on 1 July 2005 due to all the corrections required in terms of Note 32.		
		2006
31.1 Long Term Liabilities - Capitalised Leased Assets		
Balance previously reported		<u>-</u>
Implementation of IAS 17 - Recognition of lease liability		138 666
Current portion transferred to Current Liabilities		(40 623)
Restated Balance		<u>98 043</u>

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007
31.2 Property, Plant and Equipment at Cost

Balance previously reported		20 147 215
Implementation of IAS 17 - Cost price of leased assets		206 252
Restated Balance		<u>20 353 467</u>
31. CHANGE IN ACCOUNTING POLICY - LEASES (continued)	2007	2006
	R	R
31.3 Property, Plant and Equipment - Accumulated Depreciation		
Balance previously reported		10 987 598
Implementation of IAS 17 - Accumulated Depreciation of leased assets		82 501
Restated Balance		<u>11 070 099</u>
31.4 Accumulated Surplus/(Deficit)		
Implementation of IAS 17		
Backlog redemption of lease liability previously recognised as rent paid		67 586
Backlog depreciation of leased assets not previously recognised		(82 501)
Total		<u>(14 915)</u>

32. PRIOR YEAR ADJUSTMENT

The GRAP conversion performed during the year ended 30 June 2006 had material errors which required the Municipality to restate the closing balances of the prior year.

32.1 Statutory Funds	2006
Balance previously reported: -	
Capital Replacement Reserve	3 076 374
Capitalisation Reserve	8 167 295
Government Grant Reserve	25 992
Public Contributions and Donations Reserve	<u>80 523</u>
Total	<u>11 350 183</u>

The amounts shown for the Government Grant Reserve and Public Contributions and Donations Reserve represents unspent grants and not the book value of assets purchased from grants and donations.

The Capitalisation Reserve represents the book value of assets previously financed through internal loans. The municipality did not have any outstanding loans on 1 July 2005 therefore the amount was written back to the Accumulated Surplus.

Prior Year Adjustment		
Capital Replacement Reserve		3 076 374
Transferred to Accumulated Surplus		8 167 295
Transferred to Creditors		<u>106 515</u>
Total		<u>11 350 183</u>
32.2 Provisions		
Balance previously reported: -		1 960 624
Leave gratuity incorrectly classified as Provisions transferred to Creditors		<u>(1 960 624)</u>
Restated Balance		<u>-</u>
32.3 Consumer Deposits		
Balance previously reported: -		-
Cosnumner deposits transferred from Creditors		<u>-</u>
Restated Balance		<u>-</u>
32.4 Creditors		
Balance previously reported: -		11 971 826
Unspent Conditional Grants transferred to Unspent Conditional Grants and Receipts (Note 32.5)		(9 453 796)
Leave gratuity transferred from Provisions (Note 32.2)		1 960 624
OCC House Sales Suspense Account Cleared		(32 994)
VAT transferred from Creditors to VAT payable (Note 32.7)		<u>(132 453)</u>
Restated Balance		<u>4 313 207</u>

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

32.5 Unspent Conditional Grants and Receipts

Balance previously reported: -	17 765 218
Unspent Conditional Grants transferred from Creditors (Note 32.4)	9 453 796
Equitable Share transferred to Accumulated Surplus (Note 32.4)	(6 787 087)
Interest on Grants transferred to Accumulated Surplus where it was not a condition of the grant	(518 429)
Transferred from Funds and Reserves (Note 32.1)	106 515
Restated Balance	<u><u>20 020 013</u></u>

32.6 VAT Payable

Balance previously reported: -	-
VAT payable transferred from Creditors (Note 32.4)	132 453
Restated Balance	<u><u>132 453</u></u>

32. PRIOR YEAR ADJUSTMENT (continued)

2007	2006
R	R

32.7 Long Term Debtors

Balance previously reported: -	6 733 896
OCC House loans not previously recognised	100 169
Restated Balance	<u><u>6 834 065</u></u>

32.8 Inventory

Balance previously reported: -	<u><u>1 421 423</u></u>
---------------------------------------	-------------------------

"Inventory Assets" were incorrectly classified as inventory in the prior years' financial statements. It should have been written-off against the accumulated surplus.

Prior Year Adjustment

Transferred to Accumulated Surplus	865 911
Inventory	555 511
	<u><u>1 421 423</u></u>

32.9 Consumer Debtors

Balance previously reported: -	1 080 296
---------------------------------------	-----------

Amounts received for RSC levies during 2006/2007 which should have been recognised as income during 2005/2006.

Restated Balance	<u><u>2 436 931</u></u>
	<u><u>3 517 227</u></u>

32.10 Accumulated Surplus

Balance previously reported: -	15 380 391
Transferred from Inventory (Note 32.8)	(865 911)
RSC levy income not recognised (Note 32.9)	2 436 931
Transferred from Unspent Conditional Grants (Note 32.5)	6 787 087
OCC House Sales Suspense account cleared (Note 32.4)	32 994
Interest on Grants transferred where it was not a condition of the grant (Note 32.5)	518 429
OCC House Loans Recognised (See Note 32.7)	100 169
Transferred from Capitalisation Reserve (Note 32.1)	8 167 295
Restated Balance	<u><u>32 557 385</u></u>

33. CORRECTION OF ERROR

The municipality corrected all prior period errors as part of the Prior Year Adjustments in Note 31.

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007
34. CASH GENERATED BY OPERATIONS**

Surplus for the year	-926 322	
Adjustment for:-		
Depreciation	773 934	
Gain on disposal of property, plant and equipment	-171 775	
Contribution to provisions – non-current		
Contribution to provisions – current	545 000	
Contribution to bad debt provision		
Equity accounted share of associate's surplus		
Dividends received		
Investment income	-1 969 346	
Interest paid	659 162	
Operating surplus before working capital changes:	-1 089 347	
Decrease in inventories	108 967	
(Increase)/decrease in debtors	2 677 673	
(Increase)/decrease in other debtors	-1 889 068	
(Decrease)/increase in conditional grants and receipts	-1 971 936	
Increase in creditors	1 373 410	
(Decrease)/increase in provisions	-	
Increase in VAT	1 647	
Cash generated by/(unauthor in) operations	-788 653	

35. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :

Bank balances and cash	4 878 987	5 043 026
Call Investment Deposits	42 010 103	35 030 580
Petty Cash	755	605
Total cash and cash equivalents	46 889 845	40 074 211

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

36. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION	2007	2006
	R	R
Long-term liabilities (see Note 2)	5 670 549	6 113 871
Used to finance property, plant and equipment – at cost	-5 670 549	-6 113 871
Sub- total	-	-
Cash set aside for the repayment of long-term liabilities (see note 17)	-	-
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

37. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

There were no unauthorised-, fruitless- or wasteful expenditure during the year

38. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

38.1 Contributions to organized local government

Opening balance		
Council subscriptions	98 692	56 587
Amount paid – current year	98 692	56 587
Amount paid – previous years		
Balance unpaid (included in creditors)	0	0

38.2 Audit fees

Opening balance	375 424	280 000
Current year audit fee	290 000	290 000
Amount paid – current year	430 710	194 576
Amount paid – previous years -		
Balance unpaid (included in creditors)	234 714	375 424

38.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 8
All VAT returns have been submitted by the due date throughout the year.

38.4 PAYE and UIF

Opening balance		
Current year payroll deductions	1 697 572	1 607 333
Amount paid – current year	1 697 572	1 607 333
Amount paid – previous years		
Balance unpaid (included in creditors)	0	0

38.5 Pension and Medical Aid Deductions

Opening balance		
Current year payroll deductions and Council Contributions	1 349 742	1 324 702
Amount paid – current year	1 349 742	1 324 702
Amount paid – previous years		
Balance unpaid (included in creditors)	0	0

38.6 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

30th June 2007

	Total	Outstanding less than 90 days	Outstanding more than 90 days
	R	R	R
Councillor			
Councillor			
Councillor			
Total Councillor Arrear Consumer Accounts			

NAMAKWA DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007
 38. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

30th June 2006

	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
	R	R	R
Councillor			
Councillor			
Councillor			
Total Councillor Arrear Consumer Accounts			

During the year the following Councillors' had arrear accounts outstanding for more than 90 days

	<u>Highest Amount Outstanding</u>	<u>Ageing</u>
30th June 2007		
Councillor		
Councillor		
Councillor		
Councillor		

30th June 2006

Councillor
 Councillor
 Councillor
 Councillor

39. CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- Approved and contracted for
 - Infrastructure
 - Community
 - Heritage
 - Other
 - Investment Properties

	2007 R	2006 R
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

- Approved but not yet contracted for
 - Infrastructure
 - Community
 - Heritage
 - Other
 - Investment Properties

	606 500	371 000
	-	-
	-	-
	-	-
	606 500	371 000
	-	-

Total

606 500 371 000

This expenditure will be financed from:

- External Loans
- Capital Replacement Reserve
- Government Grants
- Own resources
- District Council Grants

	-	-
	606 500	371 000
	-	-
	-	-
	-	-
Total	606 500	371 000

40. RETIREMENT BENEFIT INFORMATION

**NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007
41. FINANCIAL RISK MANAGEMENT**

Financial Risk Management

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising Currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign exchange currency risk

The municipality does not engage in foreign currency transactions.

(b) Interest rate Risk

The Municipality is mainly exposed to interest rate risk due to the movements in long-term and short term interest rates. This risk is managed on an ongoing basis.

(c) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+' are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non-payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

(d) Liquidity Risk

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with AC 144 (Financial Instruments: Disclosure). For AC 133 (Financial Instruments: Recognition and Measurement) the initial measurement of financial assets and liabilities at fair value is exempted. [SAICA Circular 09/06 paragraphs 43, AG 79, AG 64 and AG 65 of AC 133]

42. CONTINGENT LIABILITY

The Municipality is not aware of any contingent liabilities.

43. CONTINGENT ASSET

The Municipality is not aware of any contingent assets

44. IN-KIND DONATIONS AND ASSISTANCE

The Municipality did not receive any in-kind donations or assistance.

45. EVENTS AFTER THE REPORTING DATE

The Municipality is not aware of any events after the reporting date.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

10. PROPERTY, PLANT AND EQUIPMENT

30 June 2007

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other	Housing Develop. Fund	Inventory	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2006								
Cost	5 924 463	9 098 894	1 934 811		3 395 299			20 353 467
Correction of error (note 32)								-
Revaluation								-
Accumulated depreciation								-
- Cost	-5 810 885	-1 211 082	-1 934 811		-2 113 300			-11 070 078
- Revaluation								-
	113 578	7 887 812	-	-	1 281 998	-	-	9 283 388
Acquisitions					9 424			9 424
Capital under Construction								-
Increases/decreases in revaluation								-
Depreciation								-
- based on Cost		-306 302			-467 633			-773 934
- based on Revaluation								-
Carrying value of disposals	-51 000							-51 000
Cost/revaluation								-
Accumulated depreciation								-
Impairment losses								-
Other movements	51 000							51 000
								-
Carrying values at 30 June 2007								
Cost	5 873 463	9 098 894	1 934 811		3 404 723			20 311 891
Correction of error (note 32)								-
Revaluation								-
Accumulated depreciation								-
- Cost	-5 759 885	-1 517 384	-1 934 811		-2 580 933			-11 793 013
- Revaluation								-
	113 578	7 581 510	-	-	823 790	-	-	8 518 878

The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with the following requirements of GAMAP 17 (Property, Plant and Equipment):

- Review of useful life of item of PPE recognised in the annual financial statements. [Paragraphs 59-61 and 77]
- Review of the depreciation method applied to PPE recognised in the annual financial statements. [Paragraphs 62 and 77]
- Impairment of non-cash generating assets. [Paragraphs 64-69 and 75(e)(v) – (vi)]
- Impairment of cash generating assets. [Paragraphs 63 and 75(e)(v) – (vi)]

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2008. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

30 June 2006

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other	Housing Develop. Fund	Inventory	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2005								
Cost	6 504 800	9 080 863	1 934 811		3 099 975		260 603	20 881 052
Correction of error (note 32)								-
Revaluation								-
Accumulated depreciation								-
- Cost	(5 925 528)	(908 086)	(1 934 811)	-	(1 622 427)	-	-	(10 390 852)
- Revaluation								-
	579 272	8 172 777	-	-	1 477 548	-	260 603	10 490 200
Acquisitions		18 031			89 072			107 103
Capital under Construction								-
Increases/decreases in revaluation								-
Depreciation								-
- based on Cost	(43 905)	(302 996)			(408 373)			(755 273)
- based on Revaluation								-
Carrying value of disposals	(580 337)						(260 603)	(840 940)
Cost/revaluation								-
Accumulated depreciation								-
Impairment losses								-
Other movements	158 548							158 548
								-
Carrying values at 30 June 2006								
Cost	5 924 463	9 098 894	1 934 811		3 189 047			20 147 215
Correction of error (note 32)								-
Revaluation								-
Leased Capitalised PPE (note 31)					123 751			123 751
Accumulated depreciation								-
- Cost	(5 810 885)	(1 211 082)	(1 934 811)		(2 030 800)			(10 987 578)
- Revaluation								-
	113 578	7 887 812	-		1 281 998			9 283 388

The Minister of Finance has, in terms of General notice 522 of 2007 exempted compliance with the following requirements of GAMAP 17 (Property, Plant and Equipment):

- Review of useful life of item of PPE recognised in the annual financial statements. [Paragraphs 59-61 and 77]
- Review of the depreciation method applied to PPE recognised in the annual financial statements. [Paragraphs 62 and 77]
- Impairment of non-cash generating assets. [Paragraphs 64-69 and 75(e)(v) – (vi)]
- Impairment of cash generating assets. [Paragraphs 63 and 75(e)(v) – (vi)]

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2008. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

APPENDIX A
NAMAKWA DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 2006/06/30	Received during the period	Redeemed written off during the period	Balance at 2007/06/30	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
			R	R	R	R	R	R
LONG-TERM LOANS								
Total long-term loans								
ANNUITY LOANS								
Administation/Finance Loan	100126	2013/06/30	3 287 979		328 405	2 959 574	9 080 863.00	
Infrastructre Loan	several	2018/2019	2 687 227		74 295	2 612 932		
Total Annuity loans			5 975 206	-	402 700	5 572 506	9 080 863.00	
GOVERNMENT LOANS								
Other @ 2-5%								
Total Government Loans								
CAPITALISED LEASE LIABILITY								
Corporate Finance Solutions	NDM006-460818	30/06/2009	138 666		40 623	98 043	82 501	
Total Capitalised Lease Liability			138 666	-	40 623	98 043	82 501	
TOTAL EXTERNAL LOANS			6 113 872	-	443 323	5 670 549	9 163 363.80	

**APPENDIX B
NAMAKWA DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007**

	Cost/Revaluation				Accumulated Depreciation				Carrying Value	Budget Additions 2007
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		
Land and Buildings										
Land									-	
Buildings	5 924 463			20 000	5 904 463	5 810 885	26 330	20 000	5 817 215	87 248
	5 924 463	-	-	20 000	5 904 463	5 810 885	26 330	20 000	5 817 215	87 248
Infrastructure										
Drains										
Roads										
Beach Improvements										
Sewerage Mains & Purif										
Electricity Mains	9 080 863				9 080 863	1 210 782	302 696		1 513 478	7 567 385
Electricity Peak Load Equip										
Water Mains & Purification										
Reservoirs – Water										
Water Meters										
Water Mains										
Security Measures	18 031				18 031	301	3 606		3 907	14 124
	9 098 894	-	-	-	9 098 894	1 211 083	306 302	-	1 517 385	7 581 509
Community Assets										
Parks & Gardens										-
Libraries										-
Recreation Grounds	900 000				900 000	900 000			900 000	-
Civic Buildings	1 034 811			31 000	1 003 811	1 034 811		31 000	1 003 811	-
	1 934 811	-	-	31 000	1 903 811	1 934 811	-	31 000	1 903 811	-
Heritage Assets										
Historical Buildings										-
Painting & Art Galleries										-
	-	-	-	-	-	-	-	-	-	-
Total carried forward	16 958 168	-	-	51 000	16 907 168	8 956 779	332 632	51 000	9 238 411	7 668 757

APPENDIX B
NAMAKWA DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost/Revaluation				Accumulated Depreciation				Carrying Value	Budget Additions 2007	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals			Closing Balance
Total brought forward	16 958 168	-	-	51 000	16 907 168	8 956 779	332 632	51 000	9 238 411	7 668 757	-
Housing Rental Stock											
Housing Rental 1											
Housing Rental 2											
	-	-	-	-	-	-	-	-	-	-	-
Leased Assets (Infrastructure)											
Sewerage Mains & Purify											
	-	-	-	-	-	-	-	-	-	-	-
Other Assets											
Landfill sites											
Office Equipment	1 098 064	9 424			1 107 488	595 513	159 070		754 583	352 905	
Leased Office Equipment	206 252				206 252	82 501	41 250		123 751	82 501	
Furniture & Fittings	46 334				46 334	15 090	4 427		19 517	26 817	
Bins and Containers					-				-	-	
Plant and Equipment	1 174 605				1 174 605	824 124	124 452		948 576	226 029	
Motor vehicles	870 044				870 044	596 072	112 103		708 175	161 869	
Fire engines											
Refuse tankers											
Computer equipment											
Councillors Regalia											
Conservancy tankers											
Watercraft											
	3 395 299	9 424	-	-	3 404 723	2 113 300	441 302	-	2 554 602	850 121	-
Total	20 353 467	9 424	-	51 000	20 311 891	11 070 079	773 934	51 000	11 793 013	8 518 878	-

APPENDIX C
NAMAKWA DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
AS AT 30 JUNE 2007

	Cost/Revaluation				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Executive Mayor	29 769	9 424			39 193	20 581	6 174		26 755	12 438
Mayor: PA	6 228				6 228	830	1 246		2 076	4 152
Speaker	19 944				19 944	14 175	2 884		17 059	2 885
Speaker Secretary	4 648				4 648	542	930		1 472	3 176
Council: Councillors	5 432				5 432	3 259	543		3 802	1 630
Council Expenditure : Admin	658 350			51 000	607 350	8 011 830	101 093	51 000	8 061 923	-7 454 573
Community Development Officer	900 000				900 000				-	900 000
Municipal Manager	10 049				10 049	7 932	353		8 285	1 764
Deputy Municipal Manager					-				-	-
Municipal Manager Admin	18 815				18 815	14 055	2 380		16 435	2 380
Internal Audit	14 501				14 501	5 488	2 900		8 388	6 113
Manager Administration					-				-	-
Administration: Admin	33 685				33 685	36 315	4 396		40 711	-7 026
Administration: Human Resources	13 015				13 015	482	11 568		12 050	965
Manager Finance	406 311				406 311	297 066	54 622		351 688	54 623
Finance: Income	9 827				9 827	3 931	1 965		5 896	3 931
Finance: Expenditure	15 471				15 471	10 973	3 094		14 067	1 404
Manager Social Development					-				-	-
Safety	219 569				219 569	156 356	32 157		188 513	31 056
Manager Economic Development					-				-	-
Development & Marketing Officer					-				-	-
Tourism	14 116				14 116	10 400	2 600		13 000	1 116
Problem Animal Control					-				-	-
Head: Socio-Economic Development					-				-	-
Acriculture Mining & Fisheries					-				-	-
Manager Infrastructure Development					-				-	-
Chief Works	9 080 863				9 080 863	1 217 531	295 945		1 513 476	7 567 387
Council Buildings	7 063 584				7 063 584	19 102	14 938		34 040	7 029 544
Council Vehicles	1 777 469				1 777 469	1 238 005	200 600		1 438 605	338 864
Council Workshop	51 821				51 821	1 226	33 546		34 772	17 049
Environmental Health					-				-	-
Primary Health					-				-	-
Ambulance					-				-	-
TOTAL	20 353 467	9 424	-	51 000	20 311 891	11 070 079	773 934	51 000	11 793 013	8 518 878

773 934

APPENDIX D
NAMAKWA DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30 JUNE 2007

2006 Actual Income	2006 Actual Expenditure	2006 Surplus/ (Deficit)		2007 Actual Income	2007 Actual Expenditure	2007 Surplus/ (Deficit)	
R	R	R		R	R	R	R
1 103 166	8 274 694	-7 171 528	Executive & Council	17 181 707	30 165 209	-12 983 502	
18 415 348	4 533 677	13 881 671	Institutional Development	21 077 249	4 483 446	16 593 803	
2 233 797	3 380 940	-1 147 143	Social Development	1 816 172	3 216 058	-1 399 886	
29 221	2 516 606	-2 487 385	Economic Development	44 088	2 518 319	-2 474 231	
26 267 328	26 990 302	-722 974	Infrastructure Development	17 541 461	18 203 967	-662 506	
<u>48 048 860</u>	<u>45 696 219</u>	<u>2 352 641</u>	Sub Total	<u>57 660 677</u>	<u>58 586 999</u>	<u>-926 322</u>	
			Less Inter-Dep Charges				
<u>48 048 860</u>	<u>45 696 219</u>	<u>2 352 641</u>	Total	<u>57 660 677</u>	<u>58 586 999</u>	<u>-926 322</u>	

APPENDIX E(1)
NAMAKWA DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2007

	2007	2007	2007	2007	Explanation of Significant Variances
REVENUE	Actual (R)	Budget (R)	Variance (R)	Variance (%)	greater than 10% versus Budget
Property rates					
Property rates - penalties imposed and collection charges					
Service charges	379 965	1 000 000	620 035	-62%	
Regional Services Levies - turnover	-		-	0%	
Regional Services Levies - remuneration	-		-	0%	
Rental of facilities and equipment	4 464 955	623 000	-3 841 955	617%	Roads and PIMS not included in Budget
Interest earned - external investments	1 969 346	100 000	-1 869 346	-1869%	Implementation of GRAP
Interest earned - outstanding debtors	96 533	261 000	164 467	-63%	RSC levies phased out
Dividends received	-		-	0	
Fines	534 900	270 000	-264 900	98%	More effective law enforcement
Licences and permits	-		-	0	
Income for agency services	1 481 592	1 195 000	-286 592	24%	
Government grants and subsidies	47 249 576	30 186 080	-17 063 496	57%	Roads and PIMS not included in Budget
Other income	1 302 612	899 000	-403 612	45%	Implementation of GRAP
Public contributions, donated/contributed	-		-	0	
Gains on disposal of property, plant and equipment	171 775		-171 775	100%	Properties sold which was not budgeted for.
Total Revenue	57 651 253	34 534 080	-23 117 173	67%	
EXPENDITURE					
Employee related costs	15 959 664	10 482 284	-5 477 380	52%	Roads and PIMS not included in Budget
Remuneration of Councillors	2 059 456	2 393 520	334 064	-14%	
Bad debts	250 000	250 000	-	0%	
Collection costs	-		-	0%	
Depreciation	773 934	500 000	-273 934	55%	Roads and PIMS not included in Budget
Repairs and maintenance	1 556 465	596 260	-960 205	161%	Roads and PIMS not included in Budget
Interest on external borrowings	659 162	800 000	140 838	-18%	
Bulk purchases			-	0%	
Contracted services	1 592 027	433 000	-1 159 027	268%	Roads and PIMS not included in Budget
Operating Grants Utilised	20 935 789		-20 935 789	100%	Implementation of GRAP
Grants and subsidies paid	1 370 953	1 450 000	79 047	-5%	
General expenses - other	13 420 124	19 039 532	5 619 408	-30%	Implementation of GRAP
Loss on disposal of property, plant and equipment			-	0%	
Provision for Leave			-	0%	
Total Expenditure	58 577 575	35 944 596	-22 632 979	63%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	-926 322				

APPENDIX E(2)

NAMAKWA DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2007

	<u>2007</u> <u>Actual</u>	<u>2007</u> <u>Under</u> <u>Construction</u>	<u>2007</u> <u>Total</u> <u>Additions</u>	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Variance</u>	<u>2007</u> <u>Variance</u>	<u>Explanation of Significant Variances</u> <u>greater than 5% versus Budget</u>
	R	R	R	R	R	%	
Land and Buildings							
Infrastructure							
Community Assets							
Heritage Assets							
Housing Rental Stock							
Leased Assets (Infrastructure)							
Other Assets							
Landfill sites							
Office Equipment	9 424		9 424	10 100	676	6%	
Furniture & Fittings							
Bins and Containers							
Emergency Equipment							
Motor vehicles							
Fire engines							
Refuse tankers							
Computer equipment							
Councillors Regalia							
Conservancy tankers							
Watercraft							
Total	9 424		9 424	10 100	676	6%	

**APPENDIX F
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Vote Number	Description	2007 Financial Year				Closing Balance 30 June 2007
		Restated Balance	Receipts		Payments	
		30 June 2006	Capital	Interest		
9000031180408	Fuel levy	(1 757 229)	(123 893)	-	665 983	(1 215 138)
9000031180409	NDM Equitable share	-	(1 884 864)	-	1 884 864	-
9000031180410	DMA Equitable share/RSC replacement Equitable Share/ Councillors remuneration	-	(15 741 785)	-	15 741 785	-
9000031180411	Fencing	(42 555)	-	-	-	(42 555)
9000031180412	Land development objectives	(190 045)	-	-	-	(190 045)
9000031180413	IDP/LDO	(144 170)	-	-	1 119	(143 051)
9000031180415	RDP 2 Home base care suppliers Springbok HIV/AIDS programme	-	(7 441)	-	180 575	(516)
9000031180416	Fire Equipment Grant	-	(871 000)	-	411 086	(459 914)
9000031180417	Border fencing	(54 239)	-	-	-	(54 239)
9000031180418	Komaggas road	(7 851)	-	-	3 480	(4 371)
9000031180419	Department of Transport	(5 461 070)	(13 054 225)	-	12 509 816	(6 005 479)
9000031180420	Maintenance fund	(34 077)	-	-	11 844	(22 233)
9000011060502	Kamiesberg elec (external funding)	(71 261)	-	-	11 509	(59 752)
9000011061702	Electronic filing system	(25 601)	-	-	-	(25 601)
9000031200102	Drought relief	(2 272 247)	-	-	579 764	(1 692 483)
9000031200202	Finance Management Grant	(1 279 393)	(500 000)	-	572 830	(1 206 562)
9000031200402	Richtersveld special fund	(88 381)	(250 000)	-	311 570	(26 811)
9000031200502	Kamiesberg special fund	(971 784)	-	-	934 686	(37 098)
9000031200602	Work for water	(5 505)	(4 366 120)	-	4 340 476	(31 149)
9000031200702	Namaqua sanitation bucket system	(733 565)	(264 761)	-	331 662	(666 664)
9000031200802	Brandvlei electricity network	(770 253)	(366 000)	-	450 468	(685 786)
9000031201002	MIG	(1 178 304)	(3 807 905)	(29 369)	4 645 889	(369 690)
9000031201202	EPWP	(228 709)	-	-	92 917	(135 792)
9000031201402	PIMS	(1 267 737)	(780 000)	-	712 304	(1 335 433)
9000031201602	MSIG (previous years)	(1 627 483)	(343 116)	-	948 690	(1 021 909)
9000031201502	MSIG 05/06	-	-	-	-	-
9000031201702	SA Projects	(246 926)	-	-	85 642	(161 284)
9000031201802	Sanitation projects (households)	(67 824)	-	-	-	(67 824)
9000031201902	Sanitation projects (farm sanitation)	(3 526)	-	-	-	(3 526)
9000031202002	Middelpos	(21 240)	-	-	-	(21 240)
9000031202102	Skietfontein	(153 532)	-	-	159 789	6 258
9000031202202	Nieuwoudtville access road	(126 312)	-	-	-	(126 312)
9000031200102	Sakrivier bridge	(730 347)	-	-	-	(730 347)
9000031230100	Training reserve (SETA)	(285 200)	(84 685)	-	65 177	(304 708)
	Multi purpose hall Kommagas	-	-	-	-	-
	Civil Defence Subsidy	-	(884 000)	-	884 000	-
	Health Inspector Subsidy	-	(117 000)	-	117 000	-
9000031180430	SWARTZKOP SPORTGROUNDS(LOTTO)	-	(207 475)	-	-	(207 475)
9000031180431	SPOEGRIVIER SPORTGROUNDS(LOTTO)	-	(500 000)	-	652	(499 349)
9000031180436	NC HOUSING	-	(500 000)	-	-	(500 000)
		(18 262 786)	(43 039 795)	(29 369)	47 249 575	(18 048 078)