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WEST COAST DISTRICT MUNICIPALITY

GENERAL INFORMATION

COUNCILLORS AS AT 30 JUNE 2008

MAYORAL COMMITTEE

Cllr. H C Kitshoff (Executive Mayor)
Cllr. E B Manuel (Deputy Executive Mayor)
Cllr. A P Mouton (Speaker)
Cllr. M Boois
Cllr. J J Josephus
Cllr. W D Loff

OTHER:

Cllr. E Plaatjies
Cllr. S Swartz
Cllr. M Smit
Cllr. C Ovies
Cllr. S Karools
Cllr. A de Vries
Cllr. J J Muller
Cllr. J A Engelbrecht
Cllr. J J Klaasen
Cllr. R R Snyders
Cllr. E E Jordaan
Cllr. L Gali
Cllr. R Skei
Cllr. N J A Rust
Cllr. B J Stanley

GRADING OF COUNCIL

GRADE 4

PRIMARY BANK ACCOUNT

FIRST NATIONAL BANK

REGISTERED OFFICES

MOORREESBURG:

58 LONG STREET
MOORREESBURG 7310

TELEPHONE:

022 - 433 8400

AUDITOR

AUDITOR GENERAL

ACCOUNT NUMBER

62001436014

POSTAL ADDRESS:

P O BOX 242
MOORREESBURG 7310

FAX:

086 692 6113

.....
Mr. W P Rabbets
Municipal Manager

.....
Date

.....
Mr. J Koekemoer
Chief Financial Officer

.....
Date

WEST COAST DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2008

I am responsible for the preparation of these annual financial statements, which are set out on pages 2 to 49, 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 18 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.

.....
W P Rabbets
Municipal Manager

.....
Date

WEST COAST DISTRICT MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Assets
GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.	

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual financial statements.

The entity has elected to early adopt the following requirement(s) in GRAP, GAMAP or SA GAAP, which were exempted in terms of General notice 552 of 2007 during the 2006/2007 financial year:

GAMAP 12	Water stock
IAS 17 (AC 105)	Leases
IAS 19 (AC 116)	Employee benefits
IFRS 5 (AC 142)	Discontinued operations

The following standards must be complied with during the 2007/2008 financial year to achieve the milestones set in the municipality's GRAP implementation plan. This plan sets out steady but achievable progress for compliance with the requirement(s) in GRAP, GAMAP or SA GAAP, which were exempted in terms of General notice 552 of 2007 and Exemption Gazette 30013:

IFRS 7/AC 144	Financial Instruments : Disclosures
IAS 32 (AC 125)	Financial Instruments : Presentation
IAS 39 (AC 133)	Financial Instruments : Recognition and Measurement
IAS 38	Intangible Assets

A Summary of all the significant accounting policies, which have been consistently applied, are disclosed below.

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

3. GOING CONCERN ASSUMPTION

These annual financial statements are prepared on the going concern basis.

4. RESERVES

4.1 Capital Replacement Reserve (CRR)

In order to finance the future provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred out of the accumulated surplus/(deficit) into the Capital Replacement Reserve (CRR). A corresponding amount is transferred to a designated CRR bank account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The following provisions are set for the creation and utilisation of the CRR:

* The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.

* Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.

WEST COAST DISTRICT MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

4. RESERVES (continued)

- * The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment (PPE) for the municipality and may not be used for the maintenance of these items.
- * The CRR is reduced and the accumulated surplus/(deficit) credited with corresponding amounts when the funds are utilised.
- * If a gain or loss is made on the sale of assets the gain or loss on the sale of assets is reflected in the Statement of Financial Performance. The full proceeds on the sale of all PPE is transferred to the CRR.
- * The amounts transferred to the CRR is based on the Municipality's need to finance future capital projects included in the Integrated Development Plan.

4.2 Government Grants Payable

To comply with the International Accounting Standard (IAS 20) Government Grants related to property, plant and equipment, including non-monetary grants at fair value, shall be presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the property, plant and equipment. The method of presentation in the financial statements of grants related to assets will be to set up the grant as deferred income which is recognised as income on a systematic and rational basis over the useful life of the asset. Depreciation on these assets to be recognised as income over the life of the asset acquired.

4.3 Public Contributions and Donations Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Public Contributions and Donations Reserve equal to the Public Contributions and Donations Reserve recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Public Contributions and Donations Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Public Contributions and Donations.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Public Contributions and Donations Reserve relating to such item is transferred to the accumulated surplus/(deficit).

4.4 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/(deficit). On disposal the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on current values, are credited or charged to the Statement of Financial Performance.

5. PROPERTY, PLANT AND EQUIPMENT (PPE)

5.1 PPE is stated:

- * At cost less accumulated depreciation

5.2 Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

5.3 The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

WEST COAST DISTRICT MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

5. PROPERTY, PLANT AND EQUIPMENT (continued)

5.4 The Municipality has adopted a capitalisation threshold whereby all expenditure below the threshold is expensed when incurred. The threshold is currently R10 000 per item of PPE.

5.5 Depreciation and impairment losses

5.5.1 Depreciation is calculated on cost, using the straight line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives:

Infrastructure

Electricity	20 to 30
Water	15 to 20
Sewerage	15 to 20
Housing	30

Community

Recreational Facilities	20 to 30
Buildings	30

Other

Landfill Sites	30
Buildings	30
Specialist Vehicles	20
Other Vehicles	5
Office Equipment	3 to 7
Furniture & Fittings	7 to 10
Specialist plant & equipment	3 to 7
Other Plant & Equipment	3 to 7
Watercraft	5

5.6 Disposal and retirement of assets

* Assets are written off on disposal or retirement.

* The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

6. REVALUATION OF LAND AND BUILDINGS

The general valuation of land and buildings will be effected by B-Municipalities in terms of the Local Government: Municipal Property Rates Act (Act 6 of 2004).

7. INTANGIBLE ASSETS

Intangible assets are treated in accordance with the provisions of International Accounting Standard (IAS) 38. In accordance with these provisions intangible assets are initially recorded at their cost price and are subsequently amortised over their expected useful lives. An intangible asset is defined as an identifiable non - monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. The intangible assets under the control of the Municipality, such as computer software (5 years), is amortised according to the straight line method.

WEST COAST DISTRICT MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

8. INVESTMENTS

8.1 Financial Instruments

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

8.2 Interests in Joint Ventures

A joint venture is a contractual arrangement whereby the Municipality and other parties undertake an economic activity that is subject to joint control. Interests in joint ventures are stated at cost.

9. INVENTORIES

Inventories consist of consumables, raw materials, work in progress and finished goods which are valued at the lower of cost, determined on the weighted average cost basis, and net realisable value. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Cost of inventories comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventories to its present location and condition.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

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

10. ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Provision is made for debts - outstanding longer than 30 days.

11. TRADE CREDITORS

Trade creditors are stated at their nominal value.

WEST COAST DISTRICT MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

12. UNUTILISED CONDITIONAL GRANTS

Unutilised conditional grants are reflected on the Statement of Financial Position as a creditor – Unspent Conditional Grants. They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash. The following provisions are set for the creation and utilisation of this creditor:

- * The cash which backs up the creditor is invested until it is utilised.
- * Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.
- * Whenever an asset is purchased out of the unutilised conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilised Conditional Grant into the statement of financial performance as revenue. Thereafter an equal amount is transferred on the Statement of changes in net assets to a Government Grant Reserve. This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unspent Conditional Grants. The Government Grant Reserve is used to offset depreciation charged on assets purchased out of the Unutilised Conditional Grants.

13. VALUE ADDED TAX

The Council accounts for Value Added Tax on the cash basis.

14. REVENUE RECOGNITION

Revenue excluding value-added taxation where applicable is derived from a variety of sources which include rates levied in the District Management Area, Grants from other spheres of Government and other services provided. Revenue is Recognised when it is Probable that future Economic Benefits or Service potential will flow to the Municipality and these benefits can be measured reliably.

- * The Regional Establishment Levy and Regional Services Levy recognized at year end are outstanding accounts due before 1 July 2006.
- * Income in respect of housing rental and instalment sales agreements is accrued monthly in terms of the agreement.
- * Government grants and public contributions are recognised as revenue when all conditions associated with the grant are met.
- * Interest earned on unutilised conditional grants is allocated directly to the creditor : unspent conditional grants if the grant conditions indicate that interest is payable to the funder.
- * Interest on outstanding debtors is recognised on a time proportionate basis and is charged on all outstanding debtors older than 30 days.
- * Collection charges are recognized when such amounts are legally enforceable.
- * Donations are recognized on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.
- * Revenue arising from the application of the approved tariff of charges is recognized when the relevant service is rendered applying the relevant authorized tariff. This includes the issuing of licences and permits.

WEST COAST DISTRICT MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

15. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

16. PROVISIONS

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

17. EMPLOYEE BENEFITS

17.1 Pension / Retirement Fund

The Council and its employees contribute to various Pension and Retirement Funds and its councillors contribute to the Pension Fund for Municipal Councillors. These funds provide retirement benefits to such employees and councillors.

The retirement benefits are calculated in accordance with the rules of the funds. Full actuarial valuations are performed on a regular basis.

Current contributions are charged against the operating account of the Council at a percentage of the pensionable remuneration paid to employees or councillors.

17.2 Medical Aid: Continued Members

Council provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds, with which Council is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for 30% or 40% of the medical aid membership fee, and Council for the remaining 70% or 60%. Council adopted a policy whereby the age of staff appointed under the new conditions of service would determine their portion of contribution to the medical aid on retirement.

An Actuarial valuation was performed and a liability was determined as a result of the actuarial valuation. The actuarial valuation will be revised on an annual basis.

The municipality will only recognise actuarial gains and losses if it falls outside a corridor of 10%. IAS 19.95 states that actuarial gains and losses may offset one another in the long term. Therefore, estimates of post-employment benefit obligations may be viewed as a range (or 'corridor') around the best estimate. An entity is permitted, but not required, to recognise actuarial gains and losses that fall within that range. The standard requires an entity to recognise, as a minimum, a specified portion of the actuarial gains and losses that fall outside a 'corridor' of plus or minus 10%.

17.3 Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

17.4 Provision for Performance Bonuses

The Municipality makes provision for bonuses payable owing to officials in terms of performance agreements.

WEST COAST DISTRICT MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

17 EMPLOYEE BENEFITS (continued)

17.5 Provision for constructive obligations

Provision is made for any constructive obligations of the Municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the Municipality has indicated to other parties that it will accept certain responsibilities and as a result, the Municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

18. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Trade creditors denominated in foreign currency are reported at the Statement of Financial Position date by using the exchange rate at that date. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded during the period are recognised as revenue or as expenses in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used. The Municipality will not incur a foreign currency liability other than that allowed by the MFMA.

19. SEGMENTAL INFORMATION

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

20. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

21. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

WEST COAST DISTRICT MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

22. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

23. FRUITLESS AND WASTEFUL EXPENDITURE

In terms of the MFMA, fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

24. ROUNDING

The amounts reflected in the financial statements of the Municipality are all in Rand, and all amounts are rounded off to the nearest Rand.

25. LEASES

25.1 Lessee Accounting

Leases are classified as finance leases where substantially all risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the lease term.

25.2 Lessor Accounting

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return to the Municipality's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

26. FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorized as either financial assets or financial liabilities.

A financial asset is any asset that is cash or a contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- 1) Fixed deposits
- 2) Long term receivables
- 3) Consumer debtors
- 4) Other debtors
- 5) Call investment deposits
- 6) Bank balance and cash
- 7) VAT

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- 1) Long term liabilities
- 2) Creditors
- 3) Short term loans
- 4) Current portion of long term liabilities

WEST COAST DISTRICT MUNICIPALITY

**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

In accordance with IAS 39.09 the financial assets of the municipality are classified as follows into one of four categories allowed by this standard:

Types of financial assets	Classification in terms of IAS 39.09
Fixed deposits	Held to maturity
Long term receivables	Loans and receivables
Consumer deposits	Loans and receivables
Other debtors	Loans and receivables
Call investment deposits	Held to maturity
Bank balance and cash	Available for sale
VAT	Loans and receivables

26.1 Measurement

Financial liabilities and financial assets are recognised and measured in accordance with IAS 39.43, .46, .47 and 48. Held to maturity investments and loans and receivables are initially measured at fair value and subsequently measured at amortised cost. Financial assets at fair value and available for sale financial assets are initially and subsequently measured at fair value with the profit or loss being recognised in the Statement of Financial Performance.

26.2 Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence of impairment of Financial assets. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with IAS 39.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on 50% of all outstanding amounts at year-end. Bad debt are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Consumer Debtors are stated as at cost less a provision for bad debts. The provision is made in accordance with IAS 39.64 whereby the recoverability of Consumer Debtors is assessed collectively after grouping the assets in financial assets with similar credit risks characteristics. Government accounts are not provided for as such accounts are regarded as payable.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of Available - for - Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of Available - for - Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in net assets.

.....
Mr. J Koekemoer
Chief Financial Officer

.....
Date

WEST COAST DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		263 494 611	223 990 486
Housing Development Fund		-	-
Capital replacement reserve		34 299 378	66 027 000
Capitalisation reserve		-	-
Government grant reserve		-	-
Donations and public contribution reserves		-	-
Self-insurance reserve		-	-
Revaluation reserve		-	-
Accumulated Surplus/(Deficit)		229 195 233	157 963 486
Non-current liabilities		2 119 579	2 968 143
Long-term liabilities	1	2 119 579	2 968 143
Non-current provisions		-	-
Current liabilities		100 262 597	89 041 677
Consumer deposits		-	-
Provisions	2	33 000 907	30 936 115
Creditors	3	36 079 598	31 168 046
Unspent conditional grants and receipts	4	30 333 528	26 203 338
Short-term loans		-	-
Bank overdraft		-	-
Current portion of long-term liabilities	1	848 564	734 178
Total Net Assets and Liabilities		365 876 787	316 000 306
ASSETS			
Non-current assets		181 821 386	136 921 647
Property, plant and equipment	6	181 278 617	136 056 831
Intangible assets	37	253 671	-
Investment property		-	-
Investments		-	-
Long-term receivables	7	289 098	864 816
Current assets		184 055 401	179 078 659
Inventory	8	1 001 772	991 800
Consumer debtors	9	6 180 580	4 221 335
Other debtors	10	2 454 105	11 626 320
VAT	5	3 684 089	3 547 052
Current portion of long-term receivables	7	474 584	450 549
Investments	12	157 557 580	154 755 280
Bank balances and cash	13	12 702 691	3 486 323
Total Assets		365 876 787	316 000 306

WEST COAST DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2008

Budget			Actual	
2007	2008		2008	2007
R	R	Note	R	R
REVENUE				
276 500	500 500			
-	-			
44 273 820	48 089 150			
750 000	1 200 000			
1 500 000	2 350 000			
-	-			
11 798 520	12 597 000			
-	-			
-	-			
-	-			
-	-			
39 767 200	44 305 800			
21 633 000	58 639 000	16		
67 318 870	88 190 780	17		
-	-			
-	-			
10 000	-			
187 327 910	255 872 230		249 236 437	195 973 119
EXPENDITURE				
45 086 960	55 565 260	18		
2 936 900	4 932 090	19		
202 980	-			
66 000	620 000			
7 452 650	10 789 230			
7 072 900	49 614 940			
783 680	576 850	20		
4 230 000	4 488 600	21		
-	-			
8 000 000	-	22		
111 495 840	131 285 260			
-	-			
187 327 910	257 872 230		210 658 217	158 055 684
-	-		38 578 220	37 917 435
-	-	34	-	-
-	(2 000 000)		38 578 220	37 917 435
NET SURPLUS/(DEFICIT) FOR THE YEAR				

Refer to Appendix E(1) for explanation of variances

WEST COAST DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		241 436 203	163 980 954
Cash paid to suppliers and employees		(191 634 823)	<u>(139 509 624)</u>
Cash generated from/(utilised in) operations	25	49 801 380	24 471 330
Interest received		18 800 771	14 967 640
Interest paid		(647 973)	(805 460)
NET CASH FROM OPERATING ACTIVITIES		<u>67 954 178</u>	<u>38 633 510</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(56 387 354)	(41 392 090)
Proceeds on disposal of fixed assets		634 339	999 466
Increase in investment properties		-	-
(Increase)/decrease in non-current receivables		551 683	1 252 026
Increase in non-current investments		-	-
Increase in investments		(2 802 300)	(307 800)
NET CASH FROM INVESTING ACTIVITIES		<u>(58 003 632)</u>	<u>(39 448 398)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(734 178)	(1 057 943)
Increase in consumer deposits		-	-
Decrease/(increase) in short-term loans		-	-
NET CASH FROM FINANCING ACTIVITIES		<u>(734 178)</u>	<u>(1 057 943)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>9 216 368</u>	<u>(1 872 831)</u>
Cash and cash equivalents at the beginning of the year		3 486 323	5 359 154
Cash and cash equivalents at the end of the year	26	12 702 691	3 486 323

WEST COAST DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	<u>Pre-GAMAP Reserves and Funds</u> R	<u>Housing Development Fund</u> R	<u>Capital Replacement Reserve</u> R	<u>Capitalisation Reserve</u> R	<u>Government Grant Reserve</u> R	<u>Donations and Public Contribution Reserve</u> R	<u>Self- Insurance Reserve</u> R	<u>Revaluation Reserve</u> R	<u>Accumulated Surplus/ (Deficit)</u> R	<u>Total</u> R
2007										
Balance at 1 July 2006	-	-	77 409 695	-	-	-	-	-	112 275 708	189 685 403
Change in accounting policy (Note 22.1)	-	-	-	-	-	-	-	-	(3 612 352)	(3 612 352)
Change in accounting policy (Note 22.2)	-	-	-	-	162 623	-	-	-	(162 623)	-
Restated balance	-	-	77 409 695	-	162 623	-	-	-	108 500 733	186 073 051
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	-	37 917 435	37 917 435
Transfer to CRR	-	-	23 734 360	-	-	-	-	-	(23 734 360)	-
Property, plant and equipment purchased	-	-	(35 117 055)	-	-	-	-	-	35 117 055	-
Capital grants used to purchase PPE	-	-	-	-	-	-	-	-	-	-
Donated/contributed PPE	-	-	-	-	-	-	-	-	-	-
Insurance claims processed	-	-	-	-	-	-	-	-	-	-
Transfer to Housing Development Fund	-	-	-	-	-	-	-	-	-	-
Asset disposals	-	-	-	-	(11 737)	-	-	-	11 737	-
Offsetting of depreciation	-	-	-	-	(150 886)	-	-	-	150 886	-
Balance at 30 June 2007	-	-	66 027 000	-	-	-	-	-	157 963 486	223 990 486
2008										
Correction of error (Note 23)	-	-	-	-	-	-	-	-	857 992	-
Change in accounting policy (Note 22)	-	-	-	-	-	-	-	-	67 913	-
Restated balance	-	-	66 027 000	-	-	-	-	-	158 889 391	223 990 486
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	-	38 578 220	38 578 220
Transfer to CRR	-	-	23 085 462	-	-	-	-	-	(23 085 462)	-
Property, plant and equipment purchased	-	-	(54 813 084)	-	-	-	-	-	54 813 084	-
Capital grants used to purchase PPE	-	-	-	-	-	-	-	-	-	-
Donated/contributed PPE	-	-	-	-	-	-	-	-	-	-
Insurance claims processed	-	-	-	-	-	-	-	-	-	-
Transfer to Housing Development Fund	-	-	-	-	-	-	-	-	-	-
Asset disposals	-	-	-	-	-	-	-	-	-	-
Offsetting of depreciation	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2008	-	-	34 299 378	-	-	-	-	-	229 195 233	262 568 706

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
1 LONG - TERM LIABILITIES		
Local Registered Stock Loans	2 968 143	3 702 321
Annuity Loans	-	-
Capitalised Lease Liability	-	-
Government Loans : Other	-	-
Sub - total	<u>2 968 143</u>	<u>3 702 321</u>
Less : Current portion transferred to current liabilities	(848 564)	(734 178)
Local Registered Stock Loans	(848 564)	(734 178)
Annuity Loans	-	-
Capitalised Lease Liability	-	-
Government Loans : Other	-	-
Total External Loans	<u><u>2 119 579</u></u>	<u><u>2 968 143</u></u>

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

2 PROVISIONS

Performance bonus	501 992	316 404
Medical Contributions	32 498 915	30 619 711
Total Provisions	<u><u>33 000 907</u></u>	<u><u>30 936 115</u></u>

Performance bonuses accrue to employees on a yearly basis , subject to certain conditions. The provision is 10% of the actual salary package of the employees.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

Discount rate	10.85%	8.5%
Medical inflation rate	9.69%	7%

Actuarial Valuation of the provision for future medical aid contributions amounted to R32 498 915 .Currently provision was made only for officials in Council's service.

The provision consist of the following components:

Accrued Defined Benefit Obligation	30 619 711	28 853 875
Future service cost	820 425	756 152
Interest cost	2 602 675	2 452 579
Expected benefit payments	(1 543 896)	(1 442 895)
Total	<u><u>32 498 915</u></u>	<u><u>30 619 711</u></u>

	<u>Medical</u> <u>Contributions</u>	<u>Staff Leave</u>	<u>Performance</u> <u>Bonus</u>
30 June 2008			
Balance at beginning of year	30 619 711	1 759 543	316 404
Transferred to Creditors ref Note 3	-	(1 898 309)	-
Contributions to provision	3 423 100	601 259	497 945
Interest on Investments	-	-	-
Expenditure incurred	(1 543 896)	(462 493)	(312 357)
Balance at end of year	<u><u>32 498 915</u></u>	<u><u>-</u></u>	<u><u>501 992</u></u>
30 June 2007			
Balance at beginning of year	28 853 875	2 133 456	449 452
Transfers	-	(1 759 543)	-
Contributions to provision	3 208 731	617 280	343 788
Interest on Investments	-	-	-
Expenditure incurred	(1 442 895)	(991 193)	(476 836)
Balance at end of year	<u><u>30 619 711</u></u>	<u><u>-</u></u>	<u><u>316 404</u></u>

3 CREDITORS

Trade creditors	22 071 441	10 996 143
Payments received in advance: Municipal services	36 885	47 186
Retentions	1 461 360	1 855 244
Staff leave	1 898 309	1 759 543
Priority funds to B Municipalities	2 847 565	9 171 212
Deferred operating lease payments	2 576 511	3 314 077
Government Grant Payable	1 066 437	1 197 912
Other creditors	4 121 090	2 826 729
Total Creditors	<u><u>36 079 598</u></u>	<u><u>31 168 046</u></u>

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
4 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
4.1 Conditional Grants from other spheres of Government	23 858 757	24 012 678
MIG Grants (See note 16)	-	1 198 806
PAWC and State Funds: Various Projects (See note 16)	23 858 757	22 813 872
4.2 Other Conditional Receipts	6 474 771	2 190 660
Developers Contributions - Electricity	3 101 588	640 394
Public contributions	3 373 183	1 550 266
Total Conditional Grants and Receipts	30 333 528	26 203 338

See Note 16 for reconciliation of grants from other spheres of government.
These amounts are invested in a ring - fenced investment until utilized

5 TAXES

VAT payable	-	-
VAT receivable	3 684 089	3 547 052

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

6 PROPERTY, PLANT AND EQUIPMENT

Please refer to the detailed schedule of Property, Plant and Equipment.
Refer to pages 38 & 39 of this financial statements.

7 LONG-TERM RECEIVABLES

Loans to controlled Municipal Entities	-	-
Car loans	20 710	96 570
Student loans	10 608	40 871
Loans to Agencies and Councils	732 364	1 177 924
Housing selling scheme loans	-	-
	763 682	1 315 365
Less : Current portion transferred to current receivables	474 584	450 549
Car loans	27 602	54 606
Student loans	-	-
Loans to Agencies and Councils	446 982	395 943
Housing selling scheme loans	-	-
Total	289 098	864 816

8 INVENTORY

Consumable stores – at cost	733 008	781 770
Maintenance materials – at cost	-	-
Spare parts – at realisable value	-	-
Water – at cost	268 764	210 030
Other goods held for resale – at cost	-	-
Unsold properties held for resale – at realisable value	-	-
Total Inventory	1 001 772	991 800

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
	<u>Gross</u>	<u>Net</u>
	<u>Balances</u>	<u>Balance</u>
9 CONSUMER DEBTORS		
As at 30 June 2008		
Service debtors	4 492 653	4 492 653
Rates	38 626	38 626
Electricity	32 805	32 805
Water	4 341 981	4 341 981
Sewerage	30 130	30 130
Other	49 111	49 111
Levy Debtors (VAT excluded)	3 618 044	3 618 044
Housing rentals	58 833	58 833
Less : Provision for Bad Debt	-	(1 988 950)
Total	8 169 530	6 180 580
	<u>Provision for</u>	
	<u>Bad Debt</u>	
As at 30 June 2007		
Service debtors	4 543 753	4 543 753
Rates	24 855	24 855
Electricity	43 562	43 562
Water	4 435 236	4 435 236
Sewerage	25 485	25 485
Other	14 615	14 615
Levy Debtors (VAT excluded)	1 386 384	1 386 384
Housing rentals	50 655	50 655
Less : Provision for Bad Debt	-	(1 759 457)
Total	5 980 792	4 221 335
<u>Trade Debtors: Ageing</u>		
Current (0 – 30 days)	4 165 366	4 435 236
31 - 60 Days	113 110	43 562
61 - 90 Days	73 514	25 484
91 - 120 Days	39 338	-
121 - 365 Days	101 325	39 471
+ 365 Days	-	-
Total	4 492 653	4 543 753
<u>Levy Debtors: Ageing</u>		
Current (0 – 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121 - 365 Days	3 618 044	1 386 384
+ 365 Days	-	-
Total	3 618 044	1 386 384
<u>Housing rentals: Ageing</u>		
Current (0 – 30 days)	40 525	34 574
31 - 60 Days	6 051	8 940
61 - 90 Days	5 618	4 867
91 - 120 Days	4 005	1 107
121 - 365 Days	2 634	1 167
+ 365 Days	-	-
Total	58 833	50 655

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
CONSUMER DEBTORS (continued)	R	R
Summary of Debtors by Customer Classification	Consumers	Industrial/ Commercial
		National and Provincial Government
30 June 2008	R	R
Current (0 – 30 days)	4 205 891	-
31 - 60 Days	119 161	-
61 - 90 Days	79 132	-
91 - 120 Days	43 343	-
121 - 365 Days	3 722 003	-
+ 365 Days	-	-
Sub-total	<u>8 169 530</u>	<u>-</u>
Less: Provision for bad debts	<u>(1 988 950)</u>	<u>-</u>
Total debtors by customer classification	<u>6 180 580</u>	<u>-</u>
Summary of Debtors by Customer Classification	Consumers	Industrial/ Commercial
		National and Provincial Government
30 June 2007	R	R
Current	-	-
Current (0 – 30 days)	4 469 810	-
31 - 60 Days	52 502	-
61 - 90 Days	30 351	-
91 - 120 Days	1 107	-
121 - 365 Days	<u>1 427 022</u>	<u>-</u>
Sub-total	<u>5 980 792</u>	<u>-</u>
Less: Provision for bad debts	<u>(1 759 457)</u>	<u>-</u>
Total debtors by customer classification	<u>4 221 335</u>	<u>-</u>
10 OTHER DEBTORS		
Payments made in advance	-	-
Unauthorized expenditure (see Note 28)	-	-
Fruitless and wasteful expenditure (see Note 28)	-	-
Other	2 427 495	11 606 896
Insurance claims	26 610	19 424
Government subsidies	-	-
Total Other Debtors	<u>2 454 105</u>	<u>11 626 320</u>
11 IMPAIRMENT OF FINANCIAL ASSETS		
Financial Assets		
No provision for bad debt on other debtors (loans and receivables) exists as this debt will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.		
Total Provision for Bad Debt on Other Debtors	<u>-</u>	<u>-</u>
12 INVESTMENTS		
First National Bank (Account no : 61306816905)	2 366 138	1 692 021
Nedcor (Account no : 03/7881714522/13)	15 471 900	27 432 069
Nedcor (Account no : 03 / 7881714522 / 14)	-	-
Absa Bank (Account no : 2055557838)	48 628 481	43 726 968
Nedcor (Account no : 03 / 7881714522 / 12)	46 057 867	41 401 460
Absa Bank (Account no : 2061366623)	45 033 194	40 502 762
Total Investment Deposits	<u>157 557 580</u>	<u>154 755 280</u>
Average Rate of Return on Investments	10.00%	9.00%
Other deposits of are ring - fenced and attributable to the Capital Replacement Reserve. Fixed deposits amounting to R848 564 (2007 : R734 178) has also been ring - fenced for the purpose of repaying long - term liabilities as set out in Note 27		

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
13 BANK BALANCES AND CASH		
The Municipality has the following bank accounts: -		
<u>Current Account (Primary Bank Account)</u>		
First National Bank		
Account Number 62001436014		
Account Number 53060007920		
Cash book balance at beginning of year	12 702 691	3 486 323
Cash book balance at end of year	<u>12 702 691</u>	<u>3 486 323</u>
Primary Bank Account	12 701 641	3 485 423
Floats	1 050	900
Petty Cash	-	-
Bank statement balance at beginning of year	3 486 323	5 359 154
Bank statement balance at end of year	<u>12 702 691</u>	<u>3 486 323</u>
14 PROPERTY RATES		
<u>Actual</u>		
Residential	732 030	284 463
Commercial	-	-
State	-	-
Total Assessment Rates	<u>732 030</u>	<u>284 463</u>
<u>Valuations</u>		
	<u>July 2007</u>	<u>July 2006</u>
	<u>R000's</u>	<u>R000's</u>
Residential	727 935 850	125 671 051
Commercial	-	-
State	-	-
Municipal	-	-
Total Property Valuations	<u>727 935 850</u>	<u>125 671 051</u>
Valuations on land and buildings are performed every four years.		
The last valuation came into effect on 1 July 2007.		
15 SERVICE CHARGES		
Electric Income	813 334	774 148
Water Income	77 425 981	47 207 985
Fire Fighting Services	-	-
Sewerage and sanitation charges	2 577 794	435 499
Total Service Charges	<u>80 817 109</u>	<u>48 417 632</u>
16 GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share	2 309 931	2 013 536
Molsvlei Electricity	-	-
CMIP	1 990 059	4 555 476
Kliprand Electricity	154 343	5 617 648
West Coast Mission , Bird & Fossil Route	1 843	3 496
Moorreesburg Regional Craft Centre	-	-
Main Street Program Goedverwacht	462	5 633
Wupperthal Guesthouse	13 841	47 936
Vuna Awards	-	272 835
Global Fund	1 958 295	1 847 214
Infrastructure Project Divisional Road 2151	905 465	43 636
Wupperthal - RDP Water	-	396 751
PIMS centre	596 693	1 750 578

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
GOVERNMENT GRANTS AND SUBSIDIES (continued)		
Finance Management Grant	401 882	946 298
Development Unit	11 550	304 436
Upgrading Bitterfontein Water	41 860	793 665
Western Gateway	-	904
WCDM Tourism Road Signage	-	16 579
Drought Relief Programme	3 129 769	1 839 661
Drought Relief Programme Kliprand	102 475	-
West Coast Biosphere	194 329	153 424
Cederberg Biosphere	139 675	-
El Nino Bitterfontein	-	48 606
Training of Housing Officials	20 292	15 971
Economic Development	4 453	28 594
Economic Development Wupperthal	98 253	-
Alternative Water Reserve Study	537 266	-
Clean Up Project	-	22 962
Clean Up Project Rietpoort (B)	-	68 016
Ratelgat Development	-	22 550
Wupperthal Ner	-	37 582
Ebenhaeser New Farmers Projects	-	33 339
Taxi Site Rietpoort	-	21 485
Rietpoort Water	36 899	-
T Funding Rietpoort	-	17 061
T Funding Stofkraal	-	10 857
Rural Area Water	480 234	328 296
Tourism Centre	-	123 378
Estab.Human Rights Program	14 497	14 166
T Funding Kliprand	-	9 764
Soup Kitchen West Coast	54 309	56 835
DMA Multi Purpose Centres	683 745	-
DMA Sanitation	2 468	68 663
"Knersvlakte Biosphere"	5 401	39 532
CDW Funds	-	345 000
MCM Signage	26 635	-
Social Development Projects	235 351	-
Marcuskraal / Middeltuyn Road	1 303 495	-
Bucket Eradication Chatsworth	42 061	-
Disaster Control	43 458	-
Spatial Development Framework	40 070	53 723
Government Grant and Subsidies	<u>15 581 359</u>	<u>21 976 086</u>
16.1) Equitable share		
Balance unspent at the beginning of the year	4 740 688	3 812 555
Current year receipts	3 910 513	2 608 860
Current year interest	558 932	332 809
Conditions met - transferred to revenue	<u>(2 309 931)</u>	<u>(2 013 536)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>6 900 202</u>	<u>4 740 688</u>

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
GOVERNMENT GRANTS AND SUBSIDIES (continued)		
16.2) CMIP		
Balance unspent at the beginning of the year	1 198 806	820 378
Current year receipts	791 253	4 933 904
Current year interest	-	-
Conditions met - transferred to revenue	<u>(1 990 059)</u>	<u>(4 555 476)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>1 198 806</u>
16.3) Kliprand Electricity		
Balance unspent at the beginning of the year	640 395	4 372 152
Current year receipts	2 508 000	1 730 000
Current year interest	107 536	155 891
Conditions met - transferred to revenue	<u>(154 343)</u>	<u>(5 617 648)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>3 101 588</u>	<u>640 395</u>
16.4) West Coast Mission , Bird & Fossil Route		
Balance unspent at the beginning of the year	1 794	4 992
Current year receipts	-	-
Current year interest	49	298
Conditions met - transferred to revenue	<u>(1 843)</u>	<u>(3 496)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>1 794</u>
16.5) Moorreesburg Regional Craft Centre		
Balance unspent at the beginning of the year	168 824	157 774
Current year receipts	-	-
Current year interest	156 556	11 050
Conditions met - transferred to revenue	<u>-</u>	<u>-</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>325 380</u>	<u>168 824</u>
16.6) Main Street Program Goedverwacht		
Balance unspent at the beginning of the year	6 553	5 151
Current year receipts	-	6 498
Current year interest	579	537
Conditions met - transferred to revenue	<u>(462)</u>	<u>(5 633)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>6 670</u>	<u>6 553</u>
16.7) Wupperthal Guesthouse		
Balance unspent at the beginning of the year	13 358	57 146
Current year receipts	-	-
Current year interest	483	4 148
Conditions met - transferred to revenue	<u>(13 841)</u>	<u>(47 936)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>13 358</u>
16.8) Vuna Award		
Balance unspent at the beginning of the year	467 750	527 061
Current year receipts	-	178 000
Current year interest	43 280	35 524
Conditions met - transferred to revenue	<u>-</u>	<u>(272 835)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>511 030</u>	<u>467 750</u>
16.9) Global Fund		
Balance unspent at the beginning of the year	481 071	305 159
Current year receipts	1 818 064	1 999 131
Current year interest	23 135	23 995
Conditions met - transferred to revenue	<u>(1 958 295)</u>	<u>(1 847 214)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>363 975</u>	<u>481 071</u>

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
GOVERNMENT GRANTS AND SUBSIDIES (continued)		
16.10) Infrastructure Project Divisional Road 2151		
Balance unspent at the beginning of the year	861 848	846 707
Current year receipts	-	-
Current year interest	43 617	58 777
Conditions met - transferred to revenue	<u>(905 465)</u>	<u>(43 636)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u><u>-</u></u>	<u><u>861 848</u></u>
16.11) Wupperthal - RDP Water		
Balance unspent at the beginning of the year	435 406	792 707
Current year receipts	-	-
Current year interest	40 377	39 450
Conditions met - transferred to revenue	<u>-</u>	<u>(396 751)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u><u>475 783</u></u>	<u><u>435 406</u></u>
16.12) PIMS centre		
Balance unspent at the beginning of the year	-	725 923
Current year receipts	1 000 000	1 000 000
Current year interest	-	24 655
Conditions met - transferred to revenue	<u>(596 693)</u>	<u>(1 750 578)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u><u>403 307</u></u>	<u><u>-</u></u>
16.13) Finance Management Grant		
Balance unspent at the beginning of the year	1 055 001	1 409 710
Current year receipts	500 000	500 000
Current year interest	120 892	91 589
Conditions met - transferred to revenue	<u>(401 882)</u>	<u>(946 298)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u><u>1 274 011</u></u>	<u><u>1 055 001</u></u>
16.14) Development Unit		
Balance unspent at the beginning of the year	309 016	583 357
Current year receipts	-	-
Current year interest	28 472	30 095
Conditions met - transferred to revenue	<u>(11 550)</u>	<u>(304 436)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u><u>325 938</u></u>	<u><u>309 016</u></u>
16.15) Upgrading Bitterfontein Water		
Balance unspent at the beginning of the year	41 590	816 450
Current year receipts	-	-
Current year interest	270	18 805
Conditions met - transferred to revenue	<u>(41 860)</u>	<u>(793 665)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u><u>-</u></u>	<u><u>41 590</u></u>
16.16) WCDM Econ Development (Cederberg Gateway)		
Balance unspent at the beginning of the year	340 969	318 651
Current year receipts	-	-
Current year interest	31 620	22 318
Conditions met - transferred to revenue	<u>-</u>	<u>-</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u><u>372 589</u></u>	<u><u>340 969</u></u>
16.17) Western Gateway		
Balance unspent at the beginning of the year	841	1 649
Current year receipts	12 435	-
Current year interest	727	96
Conditions met - transferred to revenue	<u>(2 468)</u>	<u>(904)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u><u>11 535</u></u>	<u><u>841</u></u>

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
GOVERNMENT GRANTS AND SUBSIDIES (continued)		
16.18) WCDM Tourism Road Signage		
Balance unspent at the beginning of the year	212 691	21 426
Current year receipts	-	200 000
Current year interest	19 724	7 844
Conditions met - transferred to revenue	-	(16 579)
Conditions still to be met - transferred to liabilities (see note 4)	<u>232 415</u>	<u>212 691</u>
16.19) Drought Relief Programme		
Balance unspent at the beginning of the year	5 842 521	7 210 954
Current year receipts	-	5 100
Current year interest	390 180	466 128
Conditions met - transferred to revenue	(3 129 769)	(1 839 661)
Conditions still to be met - transferred to liabilities (see note 4)	<u>3 102 932</u>	<u>5 842 521</u>
16.20) West Coast Biosphere		
Balance unspent at the beginning of the year	205 513	340 713
Current year receipts	-	-
Current year interest	10 451	18 224
Conditions met - transferred to revenue	(194 329)	(153 424)
Conditions still to be met - transferred to liabilities (see note 4)	<u>21 635</u>	<u>205 513</u>
16.21) Gateway Vanrhynsdorp		
Balance unspent at the beginning of the year	688 700	643 621
Current year receipts	-	-
Current year interest	63 866	45 079
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 4)	<u>752 566</u>	<u>688 700</u>
16.22) Drought Relief Kliprand		
Balance unspent at the beginning of the year	-	-
Current year receipts	500 000	-
Current year interest	11 262	-
Conditions met - transferred to revenue	(102 475)	-
Conditions still to be met - transferred to liabilities (see note 4)	<u>408 787</u>	<u>-</u>
16.23) El Nino Bitterfontein		
Balance unspent at the beginning of the year	-	46 540
Current year receipts	-	-
Current year interest	-	2 066
Conditions met - transferred to revenue	-	(48 606)
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>-</u>
16.24) Training of Housing Officials		
Balance unspent at the beginning of the year	200 088	202 730
Current year receipts	-	-
Current year interest	18 344	13 329
Conditions met - transferred to revenue	(20 292)	(15 971)
Conditions still to be met - transferred to liabilities (see note 4)	<u>198 140</u>	<u>200 088</u>
16.25) Economic Development		
Balance unspent at the beginning of the year	20 136	46 435
Current year receipts	-	-
Current year interest	1 789	2 295
Conditions met - transferred to revenue	(4 453)	(28 594)
Conditions still to be met - transferred to liabilities (see note 4)	<u>17 472</u>	<u>20 136</u>

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
GOVERNMENT GRANTS AND SUBSIDIES (continued)		
16.26) Wupperthal Economic Development		
Balance unspent at the beginning of the year	95 869	-
Current year receipts	-	91 000
Current year interest	2 384	4 869
Conditions met - transferred to revenue	<u>(98 253)</u>	<u>-</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>95 869</u>
16.27) Social Development Projects		
Balance unspent at the beginning of the year	-	-
Current year receipts	1 104 220	-
Current year interest	62 594	-
Conditions met - transferred to revenue	<u>(235 351)</u>	<u>-</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>931 463</u>	<u>-</u>
16.28) Alternative Water Reserve Study		
Balance unspent at the beginning of the year	-	-
Current year receipts	2 052 000	-
Current year interest	24 274	-
Conditions met - transferred to revenue	<u>(537 266)</u>	<u>-</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>1 539 008</u>	<u>-</u>
16.29) Clean Up Project		
Balance unspent at the beginning of the year	-	22 524
Current year receipts	-	-
Current year interest	-	438
Conditions met - transferred to revenue	<u>-</u>	<u>(22 962)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>-</u>
16.30) Bucket Eradication Chatsworth		
Balance unspent at the beginning of the year	-	-
Current year receipts	50 000	-
Current year interest	484	-
Conditions met - transferred to revenue	<u>(42 061)</u>	<u>-</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>8 423</u>	<u>-</u>
16.31) Designated - Media		
Balance unspent at the beginning of the year	-	-
Current year receipts	15 000	-
Current year interest	-	-
Conditions met - transferred to revenue	<u>-</u>	<u>-</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>15 000</u>	<u>-</u>
16.32) Clean Up Project Rietpoort (B)		
Balance unspent at the beginning of the year	-	66 825
Current year receipts	-	-
Current year interest	-	1 191
Conditions met - transferred to revenue	<u>-</u>	<u>(68 016)</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>-</u>
16.33) Asset Management Bulk Water		
Balance unspent at the beginning of the year	-	-
Current year receipts	60 000	-
Current year interest	1 452	-
Conditions met - transferred to revenue	<u>-</u>	<u>-</u>
Conditions still to be met - transferred to liabilities (see note 4)	<u>61 452</u>	<u>-</u>

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
GOVERNMENT GRANTS AND SUBSIDIES (continued)		
16.34) "Marcuskraal / Middeltuyn" Road		
Balance unspent at the beginning of the year	1 470 616	-
Current year receipts	-	1 382 760
Current year interest	115 078	87 856
Conditions met - transferred to revenue	(1 303 495)	-
Conditions still to be met - transferred to liabilities (see note 4)	<u>282 199</u>	<u>1 470 616</u>
16.35) Ratelgat Development		
Balance unspent at the beginning of the year	-	21 331
Current year receipts	-	-
Current year interest	-	1 219
Conditions met - transferred to revenue	-	(22 550)
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>-</u>
16.36) MCM Signage		
Balance unspent at the beginning of the year	50 304	-
Current year receipts	-	50 000
Current year interest	4 259	304
Conditions met - transferred to revenue	(26 635)	-
Conditions still to be met - transferred to liabilities (see note 4)	<u>27 928</u>	<u>50 304</u>
16.37) Wupperthal Ner		
Balance unspent at the beginning of the year	29 345	65 105
Current year receipts	-	-
Current year interest	2 721	1 822
Conditions met - transferred to revenue	-	(37 582)
Conditions still to be met - transferred to liabilities (see note 4)	<u>32 066</u>	<u>29 345</u>
16.38) Ebenhaeser New Farmers Projects		
Balance unspent at the beginning of the year	226 513	244 900
Current year receipts	-	-
Current year interest	21 005	14 952
Conditions met - transferred to revenue	-	(33 339)
Conditions still to be met - transferred to liabilities (see note 4)	<u>247 518</u>	<u>226 513</u>
16.39) Paternoster Archeo Tourism Trail		
Balance unspent at the beginning of the year	53 523	50 020
Current year receipts	-	-
Current year interest	4 963	3 503
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 4)	<u>58 486</u>	<u>53 523</u>
16.40) "Pakhuis" Pass Farmers		
Balance unspent at the beginning of the year	-	-
Current year receipts	2 850 000	-
Current year interest	180 989	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 4)	<u>3 030 989</u>	<u>-</u>
16.41) Disaster Control		
Balance unspent at the beginning of the year	-	-
Current year receipts	43 385	-
Current year interest	73	-
Conditions met - transferred to revenue	(43 458)	-
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>-</u>

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
GOVERNMENT GRANTS AND SUBSIDIES (continued)		
16.42) Taxi Site Rietpoort		
Balance unspent at the beginning of the year	-	20 324
Current year receipts	-	-
Current year interest	-	1 161
Conditions met - transferred to revenue	-	(21 485)
Conditions still to be met - transferred to liabilities (see note 4)	-	-
16.43) Impact Analysis Study West Coast		
Balance unspent at the beginning of the year	-	62 842
Current year receipts	-	-
Current year interest	-	-
Transferred	-	(62 842)
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 4)	-	-
16.45) Rietpoort Water		
Balance unspent at the beginning of the year	223 060	208 460
Current year receipts	-	-
Current year interest	19 221	14 600
Conditions met - transferred to revenue	(36 899)	-
Conditions still to be met - transferred to liabilities (see note 4)	<u>205 382</u>	<u>223 060</u>
16.46) T Funding Rietpoort		
Balance unspent at the beginning of the year	-	16 336
Current year receipts	-	-
Current year interest	-	725
Conditions met - transferred to revenue	-	(17 061)
Conditions still to be met - transferred to liabilities (see note 4)	-	-
16.47) T Funding Stofkraal		
Balance unspent at the beginning of the year	23 866	32 697
Current year receipts	-	-
Current year interest	2 213	2 026
Conditions met - transferred to revenue	-	(10 857)
Conditions still to be met - transferred to liabilities (see note 4)	<u>26 079</u>	<u>23 866</u>
16.48) Rural Area Water		
Balance unspent at the beginning of the year	1 950 575	2 075 225
Current year receipts	-	62 842
Current year interest	156 843	140 804
Transferred	-	-
Conditions met - transferred to revenue	(480 234)	(328 296)
Conditions still to be met - transferred to liabilities (see note 4)	<u>1 627 184</u>	<u>1 950 575</u>
16.49) Tourism Centre		
Balance unspent at the beginning of the year	-	110 736
Current year receipts	-	9 747
Current year interest	-	2 895
Conditions met - transferred to revenue	-	(123 378)
Conditions still to be met - transferred to liabilities (see note 4)	-	-
16.50) Marcusskaal / Middeltuyn		
Balance unspent at the beginning of the year	-	1 382 760
Current year receipts	-	-
Current year interest	-	-
Transferred	-	(1 382 760)
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 4)	-	-

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
GOVERNMENT GRANTS AND SUBSIDIES (continued)		
16.51) Estab.Human Rights Program		
Balance unspent at the beginning of the year	61 306	70 692
Current year receipts	-	439
Current year interest	4 346	4 341
Conditions met - transferred to revenue	(14 497)	(14 166)
Conditions still to be met - transferred to liabilities (see note 4)	<u>51 155</u>	<u>61 306</u>
16.52) T Funding Kliprand		
Balance unspent at the beginning of the year	-	5 936
Current year receipts	-	-
Current year interest	-	3 828
Conditions met - transferred to revenue	-	(9 764)
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>-</u>
16.53) Soup Kitchen West Coast		
Balance unspent at the beginning of the year	51 660	105 009
Current year receipts	-	-
Current year interest	2 649	3 486
Conditions met - transferred to revenue	(54 309)	(56 835)
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>51 660</u>
16.54) DMA Multi Purpose Centres		
Balance unspent at the beginning of the year	3 694 131	1 537 353
Current year receipts	-	2 000 000
Current year interest	334 273	156 778
Conditions met - transferred to revenue	(683 745)	-
Conditions still to be met - transferred to liabilities (see note 4)	<u>3 344 659</u>	<u>3 694 131</u>
16.55) DMA Sanitation		
Balance unspent at the beginning of the year	-	67 038
Current year receipts	-	-
Current year interest	-	1 625
Conditions met - transferred to revenue	-	(68 663)
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>-</u>
16.56) Cederberg Biosphere		
Balance unspent at the beginning of the year	162 892	152 230
Current year receipts	-	-
Current year interest	10 618	10 662
Conditions met - transferred to revenue	(139 675)	-
Conditions still to be met - transferred to liabilities (see note 4)	<u>33 835</u>	<u>162 892</u>
16.57) Knersvlakte Biosphere		
Balance unspent at the beginning of the year	129 059	158 681
Current year receipts	-	-
Current year interest	11 803	9 910
Conditions met - transferred to revenue	(5 401)	(39 532)
Conditions still to be met - transferred to liabilities (see note 4)	<u>135 461</u>	<u>129 059</u>
16.58) CDW Funds		
Balance unspent at the beginning of the year	-	-
Current year receipts	-	345 000
Current year interest	-	-
Conditions met - transferred to revenue	-	(345 000)
Conditions still to be met - transferred to liabilities (see note 4)	<u>-</u>	<u>-</u>

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007	
	R	R	
GOVERNMENT GRANTS AND SUBSIDIES (continued)			
16.59) Spatial Development Framework			
Balance unspent at the beginning of the year	47 059	-	
Current year receipts	-	100 000	
Current year interest	3 092	782	
Conditions met - transferred to revenue	(40 070)	(53 723)	
Conditions still to be met - transferred to liabilities (see note 4)	<u>10 081</u>	<u>47 059</u>	
17 OTHER INCOME			
Sale of housing	-	-	
Other income	85 929 711	53 654 429	
Recovery of unauthorised, irregular, fruitless and wasteful expenditure (Note 28)	-	-	
Total Other Income	<u>85 929 711</u>	<u>53 654 429</u>	
18 EMPLOYEE RELATED COSTS			
Employee related costs - Salaries and Wages	21 640 716	22 371 988	
Employee related costs - Contributions for UIF, pensions and medical aids	5 380 752	7 074 213	
Travel, motor car, accommodation, subsistence and other allowances	6 223 082	4 672 898	
Housing benefits and allowances	317 678	350 548	
Overtime Payments	1 112 819	936 688	
Performance bonus	1 689 734	2 031 980	
Long-service awards	88 477	301 191	
Less: Employee costs capitalised to Property, Plant and Equipment	-	-	
Less: Employee costs included in other expenses	(4 039 665)	(3 375 154)	
Total Employee Related Costs	<u>32 413 593</u>	<u>34 364 352</u>	
Remuneration of the Municipal Manager			
Annual Remuneration	660 000	606 000	
Performance Bonuses	83 617	145 084	
Car Allowance	83 958	53 545	
Contributions to UIF, Medical and Pension funds	133 464	148 806	
Total	<u>961 039</u>	<u>953 435</u>	
Remuneration of the Deputy Municipal Manager			
Annual Remuneration	215 000	-	
Performance Bonuses	-	-	
Car Allowance	38 957	-	
Contributions to UIF, Medical and Pension funds	35 007	-	
Total	<u>288 964</u>	<u>-</u>	
Remuneration of the Chief Finance Officer			
Annual Remuneration	492 000	408 000	
Performance Bonuses	72 739	107 983	
Car Allowance	8 597	56 953	
Contributions to UIF, Medical and Pension funds	110 918	97 744	
Total	<u>684 254</u>	<u>670 680</u>	
Remuneration of Individual Executive Directors			
30 June 2008	<u>Technical Services</u>	<u>Corporate Services</u>	<u>Community Services</u>
	R	R	R
Annual Remuneration	476 400	468 000	450 000
Performance Bonuses	58 451	48 842	48 708
Car Allowance	15 548	43 840	49 940
Contributions to UIF, Medical and Pension funds	119 567	99 675	111 575
Total	<u>669 966</u>	<u>660 357</u>	<u>660 223</u>
30 June 2007	<u>Technical Services</u>	<u>Corporate Services</u>	<u>Community Services</u>
	R	R	R
Annual Remuneration	363 180	381 780	337 300
Performance Bonuses	69 759	102 680	52 841
Car Allowance	17 354	45 840	54 274
Medical and pension funds	96 763	81 475	85 723
Total	<u>547 056</u>	<u>611 775</u>	<u>530 138</u>

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
19 REMUNERATION OF COUNCILLORS		
Executive Mayor	485 203	451 352
Deputy Executive Mayor	388 162	361 081
Speaker	388 162	361 081
Executive Committee Members	951 518	677 028
Councillors and Secretarial support	1 722 061	1 786 310
Councillors' pension contribution	288 605	264 954
Total Councillors' Remuneration	4 223 711	3 901 806

In-kind Benefits

The Executive Mayor , Deputy Executive Mayor , Speaker and Mayoral Committee Members are full - time Councillors. Each is provided with an office and secretarial support at the cost of the Council.

20 INTEREST PAID

Long - term liabilities	576 822	733 680
Finance Transactions	-	-
Bank Account	71 151	71 780
	647 973	805 460

21 BULK PURCHASES

Electricity	560 792	433 218
Water	3 743 554	3 716 742
	4 304 346	4 149 960

22 GRANTS AND SUBSIDIES PAID

Priority funds paid to Local Municipalities	-	8 000 000
	-	8 000 000

23 CHANGE IN ACCOUNTING POLICY

The following adjustment were made to Priority Funds previously reported in the annual financial statements of the municipality as creditors. These funds are for the use of the municipality and cannot be accounted as a creditor as the municipality cannot be liable to itself.

The comparative amounts have been prospectively restated. The effect of this change in accounting policy is as follows:

Decrease in liabilities for the year	67 913
The effect of the change in accounting policy on the accumulated surplus/ (deficit)	67 913

24 CORRECTION OF ERROR

During the current financial year the municipality corrected a error. Amount of R661 311 relating to the purchase of property, plant and equipment was incorrectly treated as priority fund expenditure in the financial statements for the year ended 30 June 2007. The amount should have been capitalised as an asset.

During the current financial year the municipality corrected a error. Amount of R245 000 relating to the purchase of property, plant and equipment was incorrectly treated as priority fund expenditure in the financial statements for the year ended 30 June 2002. The amount should have been capitalised as an asset on 30 July 2001. Depreciation has been corrected retrospectively.

The comparative amounts has been restated as follows:

Correction of property, plant and equipment to assets expensed as priority fund expenditure.	906 311
Less Depreciation of Reclassified fixed assets	(48 319)
Net effect on the accumulated surplus / (deficit)	857 992

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
25 CASH GENERATED FROM OPERATIONS		
Surplus for the year	38 851 220	37 917 435
Adjustment for:-		
Depreciation	10 823 437	7 481 970
Previous year Operating Transactions and cash transferred to provisions	(2 096)	(8 693 144)
Gain on disposal of property, plant and equipment	(340 527)	(301 490)
Contribution to provisions - non-current	-	-
Contribution to provisions – current	2 604 792	3 552 520
Contribution to bad debt provision	229 493	(199 317)
Equity accounted share of associate's surplus		
Investment income	(18 800 771)	(14 967 640)
Interest paid	647 973	805 460
Loss on disposal of property, plant and equipment (Discontinued Operations)	-	576 180
Operating surplus before working capital changes:	34 013 521	26 171 974
Increase in inventories	(9 972)	(160 403)
(Increase)/decrease in debtors	(2 188 738)	(1 082 167)
(Decrease)/increase in other debtors	9 172 215	232 994
(Increase)/decrease in conditional grants and receipts	4 130 190	(4 343 627)
(Increase)/decrease in current portion transferred to current receivables	24 035	(881)
(Increase)/decrease in current portion transferred to current liabilities	(114 386)	(323 765)
Increase in creditors	4 911 552	-
Increase in VAT receivable	(137 037)	-
Cash generated by/(utilised in) operations	49 801 380	24 471 330

26 CASH AND CASH EQUIVALENTS

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

Bank balance and cash	12 702 691	3 486 323
Bank overdraft	-	-
Total cash and cash equivalents	12 702 691	3 486 323

27 UTILISATION OF LONG - TERM LIABILITIES RECONCILIATION

Long - term liabilities (see Note 1)	2 968 143	3 702 321
Used to finance property , plant and equipment - at cost	2 968 143	3 702 321
Sub - total	-	-
Cash set aside for the repayment of long - term liabilities (see Note 12)	848 564	734 178
Cash invested for repayment of long - term liabilities	848 564	734 178

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.

28 UNAUTHORISED,IRREGULAR,FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

28.1 Unauthorised expenditure

Reconciliation of Unauthorised expenditure	-	-
Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by Council or condoned	-	-
Unauthorised expenditure awaiting authorisation	-	-

28.2 Fruitless and wasteful expenditure

Reconciliation of Fruitless and wasteful expenditure	-	-
Opening balance	-	-
Unauthorised expenditure current year	-	-
Condoned or written off by Council	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-

28.3 Irregular expenditure

Reconciliation of Irregular expenditure	-	-
Opening balance	-	-
Irregular expenditure current year	-	-
Condoned or written off by Council	-	-
Irregular expenditure awaiting condonement	-	-

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
29 ADDITIONAL DISCLOSURES IN TERMS OF MFMA		
<u>29.1 Contributions to organized local government</u>		
Opening balance	-	-
Council subscriptions	967 981	200 153
Amount paid - current year	(967 981)	(200 153)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
<u>29.2 Audit fees</u>		
Opening balance	-	-
Current year audit fee	744 847	748 374
Amount paid - current year	(744 847)	(748 374)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
<u>29.3 VAT</u>		
VAT inputs receivables and VAT output receivables are shown in Note 5.		
All VAT returns have been submitted by the due date throughout the year.		
<u>29.4 PAYE and UIF</u>		
Opening balance	-	-
Current year payroll deductions	5 200 834	5 824 287
Amount paid - current year	(5 200 834)	(5 824 287)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
<u>29.5 Pension and Medical Aid Deductions</u>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	5 485 663	5 853 623
Amount paid - current year	(5 485 663)	(5 853 623)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
<u>29.6 Councillor's arrear accounts</u>		

The following Councillors had arrear accounts outstanding as at :

	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
30 June 2008			
Cllr. C Ovies	34	34	-
	34	34	-

During the year the following Councillor had arrear accounts outstanding for less than 90 days as at:

	<u>Highest Amount Outstanding</u>	<u>Ageing</u>
30 June 2008		
Cllr. C Ovies	34	>120 Days
	34	

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
30 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure :		
Approved and contracted for	56 387 354	41 392 090
Infrastructure	26 330 597	20 016 009
Community	25 121 997	10 208 187
Heritage	-	-
Other	4 934 760	11 167 894
Housing Development Fund	-	-
Investment Properties	-	-
Approved but not yet contracted for	8 329 646	7 840 498
Infrastructure	5 959 403	1 949 991
Community	1 828 003	3 120 343
Heritage	-	-
Other	542 240	2 770 164
Housing Development Fund	-	-
Investment Properties	-	-
Total	64 717 000	49 232 588
This expenditure will be financed from :		
External Loans	-	-
Capital Replacement Reserve	64 717 000	42 801 688
Government Grants	-	-
Own resources	-	6 430 900
	64 717 000	49 232 588

31 RETIREMENT BENEFIT INFORMATION

Cape Joint Pensionfund, which is a defined benefit fund and is governed by the Pension Funds Act of 1956. Contribution ratio employees 8% and Council 18%. There is no actuarial valuation for the year under review available.

Cape Joint Retirement Fund, which is a defined contribution fund and is governed by the Pension Funds Act of 1956. Contribution ratio employees 8% and Council 18%. There is no actuarial valuation for the year under review available.

Councillors of the West Coast District Municipality are members of the Municipal Councillors Pension Fund, which is a defined benefit fund and is governed by the Pension Funds Act of 1956. Contribution ratio Councillors 13.75% and Council 15%. There is no actuarial valuation for the year under review available.

32 RELATED PARTY TRANSACTIONS

The following related parties exist:

National Treasury
 Provincial Treasury
 Department of Water Affairs and Forestry
 Private / Donations
 W P Rabbets (Municipal Manager)
 C January (Deputy Municipal Manager)
 J Koekemoer (Chief Financial Officer)
 W Markus (Director: Corporate Services)
 I A B van der Westhuizen (Director: Technical Services)
 M Mabula (Director: Community Services)

Grants received from related parties

Please refer to the detailed schedule in appendix F on page 49.

Sale of goods to related parties

-	-
---	---

Purchased of goods and services from related parties

-	-
---	---

Refer to note 19 for disclosure with respect to Municipal Manager and Deputy Municipal Manager and Directors emoluments

Outstanding balances arising from sale / purchase of goods

Receivables from related parties	-	-
Payables to related parties	-	-
Loan from related parties	-	-

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
33 LEASES		
The total future minimum operating lease payments payable under existing operating lease arrangements are categorised as follows:		
a) Within one year of the reporting date	7 495 045	3 569 943
b) More than one year but less than five years of the reporting date, and	11 585 984	8 318 434
c) More than five years of the reporting date	-	-
Total future minimum operating lease payments	19 081 029	11 888 377

The municipality entered into an operating lease for the rental of two photocopiers and 2 fax machines for five years with Mdluli Sharp. The date of inception was December 2007 with no escalation clause. The equipment numbers of the photocopiers are AR 1161

The municipality entered into an operating lease for the rental of five photocopiers for a five year period with Minolta. The serial numbers of the photocopiers are 21765659, 21765661, 21718750, 21718734 and 21765621. There are no escalation clause.

The municipality entered into an operating lease for the rental of photocopiers with Cape Office Machines. The serial numbers of the photocopiers are 3639688703 and 3639688720. There are no escalation clause.

An operating lease transaction exists between the Council and the West Coast Financing Partnership for a ten year period. The payments are payable every six months. The properties is section 36 of the farm Yzervarkensrug number 125 and section 3 of division Malmesbury farm number 91.

The municipality entered into an operating lease for the rental of a emergency and disaster management information system. The lease is between Africon and the municipality. The contract is for a 3 year period.

The municipality entered into an operating lease for the rental of offices. The lease is between Frank Family Trust and the Municipality. The contract is for a 1 year period. The property involved is erf 6429 Vredenburg.

The municipality entered into an operating lease for the rental of offices. The lease is between A & H Steelworks Ltd. and the Municipality. The contract is for a 8 month period. The property involved is erf 3330 buildings one and two Moorreesburg.

The municipality entered into an operating lease for the rental of offices. The lease is between Zandbou Construction and the Municipality. The contract is for a 1 year period. The property involved is erf 859 Riebeek-West.

The municipality entered into an operating lease for the rental of offices. The lease is between Jan & Marcelle Ellis and the Municipality. The contract is for a 3 year period. The property involved is "Soetkysie Centre 28 Piketberg".

The municipality entered into an operating lease for the rental of offices. The lease is between Carit Estate and the Municipality. The contract is for a 3 year period. The property involved is erf 6429 Vredenburg.

The municipality entered into an new operating lease for the rental of offices. The lease is between Carit Estate and the Municipality. The contract is for a 1 year period. The property involved is erf 6429 Vredenburg.

The municipality entered into an operating lease for the rental of offices. The lease is between Pelican Harbour and the Municipality. The contract is for a 2 year period. The property involved is site number 4.

The municipality entered into two operating leases agreements with Telkom SA which will take effect as soon as the services are delivered. The contract is for a 5 year period with no escalation clause.

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
34 DISCONTINUED OPERATIONS		
REVENUE	-	7 976 946
Income for agency services	-	7 976 946
Total revenue	-	-
EXPENDITURE	-	7 976 946
Employee related costs	-	5 977 978
Repairs and maintenance	-	284 386
General expenditure	-	1 714 582
SURPLUS FOR THE YEAR	-	-
Surplus for the year from discontinued operations as per the Statement of Financial Performance.	-	-
Effect of disposals on financial position of Municipality		
Property, plant and equipment	-	(576 180)
Consideration received, satisfied in cash	-	-
Transfer	-	(576 180)

35 FINANCIAL INSTRUMENTS

In accordance with IAS 39.09 the financial assets of the municipality are classified as follows:

Financial Assets and Classification

Long-term Receivables

Car Loans - Loans and Receivables	20 710	96 570
Student Loans - Loans and Receivables	10 608	40 871
Loans to Agencies and Councils - Loans and Receivables	732 364	1 177 924

Consumer Debtors

Rates - Loans and Receivables	38 626	24 855
Electricity - Loans and Receivables	32 805	43 562
Water - Loans and Receivables	4 341 981	4 435 236
Sewerage - Loans and Receivables	30 130	25 485
Other - Loans and Receivables	49 111	14 615
Levy Debtors - Loans and Receivables	3 618 044	1 386 384
Housing Rentals - Loans and Receivables	58 833	50 655

Other Debtors

Swartland Road Stores - Loans and Receivables	615 652	440 495
Cederberg Road Stores - Loans and Receivables	280 141	229 974
Cederberg Diesel Camps - Loans and Receivables	163 499	233 407
Sundry Debtors General - Loans and Receivables	155 863	242 264
Insurance Claims - Loans and Receivables	26 610	19 424
Sundry Debtors Claims - Loans and Receivables	333 227	9 113 638
RSC Levies Bank VAT - Loans and Receivables	131 674	191 649
Medical Aid (Plan) - Loans and Receivables	34 461	29 179
Priority Funds VAT - Loans and Receivables	349 701	1 126 289

Current Portion of Long-term Receivables

Car Loans - Loans and Receivables	27 602	54 606
Loans to Agencies and Councils - Loans and Receivables	446 982	395 943

Short-term Deposits

Short-term fixed Deposits - Held to maturity	157 557 580	154 755 280
--	-------------	-------------

Bank Balances and Cash

Bank Balances - Available for sale	12 701 641	3 485 423
Cash Floats - Available for sale	1 050	900

VAT - Loans and Receivables	3 684 089	3 547 052
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WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
38 CONTINGENT LIABILITY		
The municipality is being sued by Blaauw for injuries sustained in an accident in 2004. Council is contesting the claim based on legal advice. This is a High Court matter. The legal experts believe that the trial will be in 2009/2010 and that the Municipality has a reasonable chance of success. The case number is 385/07	<u>725 000</u>	<u>-</u>
The municipality is being sued on behalf of minors (children) for injuries sustained in an accident in 2004. Council is contesting the claim based on legal advice. This is a High Court matter. The legal experts believe that the trial will only be in 2010. The municipality still needs to plea, but legal experts believe that some kind of settlement in this case are possible. The case number is 9745/08	<u>125 000</u>	<u>-</u>
The municipality is being sued for services rendered. Council is contesting the claim based on legal advice. The legal experts believe that the trial will only be late in 2008. The case number is 229/08	<u>58 000</u>	<u>-</u>
The municipality is being sued by Jicama 17 (Pty) Ltd for the loss of income from collecting Regional Services Council Levies. Council is contesting the claim based on legal advice. This is a High Court matter. The case number is 5464/06	<u>2 772 537</u>	<u>-</u>
The municipality is being sued by Tredoux, wife and on behalf of her minor (child) for injuries sustained in an accident within the boundries of the WCDM. Council is contesting the claim based on legal advice. The legal experts believe that the municipality has a reasonable chance of success. The case number is 6660/08 This is a High Court matter.	<u>1 263 161</u>	<u>-</u>
The municipality is being sued by Bovidae (Pty) Ltd for breach of contract. Council is contesting the claim based on legal advice. The legal experts believe the municipality has a reasonable chance of success.	<u>400 000</u>	<u>-</u>

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

6. PROPERTY, PLANT AND EQUIPMENT

30 June 2008

Reconciliation of Carrying Value	<u>Land and Buildings</u>	<u>Infra-structure</u>	<u>Community</u>	<u>Heritage</u>	<u>Other</u>	<u>Housing Develop. Fund</u>	<u>Leased infrastrucre</u>	<u>Total</u>
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2007	6 852 718	94 128 265	14 365 524	8 671	21 559 645	-	-	136 914 823
Cost	7 947 454	114 674 276	14 749 377	18 850	31 147 931	-	-	168 537 888
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	(1 094 736)	(20 546 011)	(383 853)	(10 179)	(9 588 286)	-	-	(31 623 065)
- Cost	(1 094 736)	(20 546 011)	(383 853)	(10 179)	(9 588 286)	-	-	(31 623 065)
- Revaluation	-	-	-	-	-	-	-	-
Acquisitions	-	26 330 597	14 684 159	-	4 689 760	-	-	45 704 516
Capital under Construction	-	-	9 776 527	-	-	-	-	9 776 527
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	(251 093)	(5 778 697)	(568 439)	(1 890)	(4 223 318)	-	-	(10 823 437)
- based on cost	(251 093)	(5 778 697)	(568 439)	(1 890)	(4 223 318)	-	-	(10 823 437)
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	(293 812)	-	-	(293 812)
Cost/revaluation	-	-	-	-	(944 961)	-	-	(944 961)
Accumulated depreciation	-	-	-	-	651 149	-	-	651 149
Impairment losses	-	-	-	-	-	-	-	-
	6 601 625	114 680 165	38 257 771	6 781	21 732 275	-	-	181 278 617
Carrying values at 30 June 2008	6 601 625	114 680 165	38 257 771	6 781	21 732 275	-	-	181 278 617
Cost	7 947 454	141 004 873	39 210 063	18 850	34 892 730	-	-	223 073 970
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	(1 345 829)	(26 324 708)	(952 292)	(12 069)	(13 160 455)	-	-	(41 795 353)
- Cost	(1 345 829)	(26 324 708)	(952 292)	(12 069)	(13 160 455)	-	-	(41 795 353)
- Revaluation	-	-	-	-	-	-	-	-

Land and buildings are carried at cost in accordance with GRAP on property, plant and equipment. The effective date of the last revaluation was 1 July 2003. Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

WEST COAST DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

6. PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2007

Reconciliation of Carrying Value	<u>Land and</u>	<u>Infra-structure</u>	<u>Community</u>	<u>Heritage</u>	<u>Other</u>	<u>Housing</u>	<u>Leased</u>	<u>Total</u>
	<u>Buildings</u>					<u>Develop.</u>	<u>infrastructu</u>	
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2006	6 901 993	78 683 064	3 611 849	10 494	13 717 715	-	-	102 925 115
Cost	7 702 454	89 020 776	9 517 370	18 850	22 083 203	-	-	128 342 653
Reclassification (Note 22.4)	-	5 637 491	(5 637 491)	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	(800 461)	(15 975 203)	(268 030)	(8 356)	(8 365 488)	-	-	(25 417 538)
- Cost	(800 461)	(15 047 463)	(1 195 770)	(8 356)	(8 365 488)	-	-	(25 417 538)
Reclassification (Note 22.4)	-	(927 740)	927 740	-	-	-	-	-
- Revaluation	-	-	-	-	-	-	-	-
Acquisitions	-	15 896 477	2 910 416	-	11 087 466	-	-	29 894 359
Capital under construction	-	4 119 532	7 297 771	-	-	-	-	11 417 303
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	(294 275)	(4 570 808)	(115 823)	(1 823)	(2 547 560)	-	-	(7 530 289)
- based on cost	(294 275)	(4 570 808)	(115 823)	(1 823)	(2 547 560)	-	-	(7 530 289)
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	(697 976)	-	-	(697 976)
Cost/revaluation	-	-	-	-	(2 022 738)	-	-	(2 022 738)
Accumulated depreciation	-	-	-	-	1 324 762	-	-	1 324 762
Correction of error	245 000	-	661 311	-	-	-	-	-
	6 607 718	94 128 265	13 704 213	8 671	21 559 645	-	-	136 008 512
Carrying values at 30 June 2007	6 852 718	94 128 265	14 365 524	8 671	21 559 645	-	-	136 914 823
Cost	7 947 454	114 674 276	14 749 377	18 850	31 147 931	-	-	168 537 888
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	(1 094 736)	(20 546 011)	(383 853)	(10 179)	(9 588 286)	-	-	(31 623 065)
- Cost	(1 094 736)	(20 546 011)	(383 853)	(10 179)	(9 588 286)	-	-	(31 623 065)
- Revaluation	-	-	-	-	-	-	-	-

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following aspects of GAMAP 17:

APPENDIX A

WEST COAST DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/06	Received during the period	Redeemed / written off during the period	Balance at 30/06/07	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
			R	R	R	R	R	R
LONG-TERM LOANS								
Department of Water Affairs @ 15.58%	1	2011/06/30	3 702 321	-	734 178	2 968 143	-	-
Total long-term loans			3 702 321	-	734 178	2 968 143	-	-
ANNUITY LOAN			-	-	-	-	-	-
GOVERNMENT LOANS			-	-	-	-	-	-
Total Government Loans			-	-	-	-	-	-
LEASE LIABILITY			-	-	-	-	-	-
TOTAL EXTERNAL LOANS			3 702 321	-	734 178	2 968 143	-	-

APPENDIX B

WEST COAST DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost/Revaluation					Accumulated Depreciation				Carrying Value	Budget Additions 2008
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Land and Buildings											
Land	110 000	-	-	-	110 000	16 102	-	-	16 102	93 898	-
Buildings	7 592 454	245 000	-	-	7 837 454	1 078 634	251 093	-	1 329 727	6 507 727	-
	7 702 454	245 000	-	-	7 947 454	1 094 736	251 093	-	1 345 829	6 601 625	-
Infrastructure											
Water Schemes	47 071 693	6 989 337	-	-	54 061 030	11 835 948	2 388 755	-	14 224 703	39 836 327	8 420 000
Sewerage Mains & Purif	9 179 945	2 745 481	-	-	11 925 426	1 058 043	471 537	-	1 529 580	10 395 846	3 770 000
Beach Improvements	5 637 491	-	-	-	5 637 491	1 109 478	188 431	-	1 297 909	4 339 582	-
Pumpstations	13 590 918	109 648	-	-	13 700 566	1 802 668	681 858	-	2 484 526	11 216 040	230 000
Electricity Mains	11 587 187	-	-	-	11 587 187	1 112 976	580 946	-	1 693 922	9 893 265	-
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	-	-	-	-	-	-	-	-	-	-	-
Reservoirs – Water	27 607 042	14 463 704	-	-	42 070 746	3 626 898	1 443 574	-	5 070 472	37 000 274	17 920 000
Water Meters	-	218 567	-	-	218 567	-	1 198	-	1 198	217 369	350 000
Paving of Streets	-	1 600 000	-	-	1 600 000	-	6 575	-	6 575	1 593 425	1 600 000
Security Fencing	-	203 860	-	-	203 860	-	15 822	-	15 822	188 038	-
Water Mains	-	-	-	-	-	-	-	-	-	-	-
	114 674 276	26 330 597	-	-	141 004 873	20 546 011	5 778 697	-	26 324 708	114 680 165	32 290 000
Community Assets											
Parks & Gardens	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	245 199	-	-	-	245 199	4 188	8 195	-	12 383	232 816	-
Civic Buildings	13 842 867	15 345 470	9 776 527	-	38 964 864	379 665	560 245	-	939 910	38 024 954	26 950 000
	14 088 066	15 345 470	9 776 527	-	39 210 063	383 853	568 439	-	952 292	38 257 771	26 950 000
Heritage Assets											
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-
Painting & Art Galleries & Mayoral Chain	18 850	-	-	-	18 850	10 179	1 890	-	12 069	6 781	-
	18 850	-	-	-	18 850	10 179	1 890	-	12 069	6 781	-
Total carried forward	136 483 646	41 921 067	9 776 527	-	188 181 240	22 034 779	6 600 120	-	28 634 899	159 546 341	59 240 000

APPENDIX B

WEST COAST DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				Carrying Value	Budget Additions 2008
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Total brought forward	136 483 646	41 921 067	9 776 527	-	188 181 240	22 034 779	6 600 120	-	28 634 899	159 546 341	59 240 000
Housing Rental Stock											
Housing Rental 1	-	-	-	-	-	-	-	-	-	-	-
Housing Rental 2	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Leased Assets (Infrastructure)											
Sewerage Mains & Purify	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Other Assets											
Landfill Sites	123 076	-	-	-	123 076	489	6 171	-	6 660	116 416	170 000
Furniture & Fittings	56 000	86 637	-	-	142 637	47 233	11 696	-	58 929	83 708	-
Office Equipment	186 692	469 816	-	-	656 508	154 543	35 175	-	189 718	466 790	-
Other Plant	17 772 662	2 467 203	-	-	20 239 865	3 497 266	2 470 775	-	5 968 041	14 271 824	3 527 000
Other Vehicles	10 140 802	1 166 320	-	934 961	10 372 161	4 953 886	1 506 399	641 149	5 819 136	4 553 025	1 780 000
Special Plant	-	-	-	-	-	-	-	-	-	-	-
Special Vehicles	357 079	-	-	-	357 079	210 823	35 806	-	246 629	110 450	-
Fire engines	-	-	-	-	-	-	-	-	-	-	-
Refuse tankers	-	-	-	-	-	-	-	-	-	-	-
Computer equipment	826 046	499 784	-	10 000	1 315 830	516 217	99 959	10 000	606 176	709 654	-
Councillors Regalia	-	-	-	-	-	-	-	-	-	-	-
Workshops/Depots	1 675 293	-	-	-	1 675 293	201 760	56 306	-	258 066	1 417 227	-
Valuation Roll	-	-	-	-	-	-	-	-	-	-	-
Watercraft	10 281	-	-	-	10 281	6 069	1 031	-	7 100	3 181	-
	31 147 931	4 689 760	-	944 961	34 892 730	9 588 286	4 223 318	651 149	13 160 455	21 732 275	5 477 000
Total	167 631 577	46 610 827	9 776 527	944 961	223 073 970	31 623 065	10 823 437	651 149	41 795 353	181 278 617	64 717 000

APPENDIX C
WEST COAST DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
30 June 2008

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive & Council	-	-	-	-	-	-	-	-	-	-
Finance & Admin	12 976 790	981 635	-	(269 584)	13 688 841	5 633 061	851 570	(269 586)	6 215 045	7 473 796
Planning & Development	-	-	-	-	-	-	-	-	-	-
Health	7 836 664	14 775 755	-	(10 000)	22 602 419	353 976	388 687	(10 000)	732 663	21 869 756
Community & Social Services	6 912 431	1 627 453	-	-	8 539 884	1 218 200	287 493	-	1 505 693	7 034 191
Housing	5 332 899	-	-	-	5 332 899	1 049 534	178 250	-	1 227 784	4 105 115
Public Safety	7 586 373	718 942	9 776 527	(437 719)	17 644 123	796 705	1 121 288	(143 907)	1 774 086	15 870 037
Sport & Recreation	2 902 453	615 699	-	-	3 518 152	44 249	98 700	-	142 949	3 375 203
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Waste Management	6 062 857	1 934 953	-	-	7 997 810	844 334	304 559	-	1 148 893	6 848 917
Road Transport	-	-	-	-	-	-	-	-	-	-
Water	106 412 422	25 956 048	-	(227 658)	132 140 812	20 550 682	7 011 940	(227 656)	27 334 966	104 805 846
Electricity	11 608 688	342	-	-	11 609 030	1 132 324	580 950	-	1 713 274	9 895 756
Other	-	-	-	-	-	-	-	-	-	-
TOTAL	167 631 577	46 610 827	9 776 527	(944 961)	223 073 970	31 623 065	10 823 437	(651 149)	41 795 353	181 278 617

APPENDIX D

**WEST COAST DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30 June 2008**

2007 Actual Income	2007 Actual Expenditure	2007 Surplus/ (Deficit)		2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)
R	R	R		R	R	R
1 210 770	8 169 021	(6 958 251)	Executive & Council	1 339 170	9 093 022	(7 753 852)
7 311 221	7 713 789	(402 568)	Finance & Admin	7 296 729	11 799 659	(4 502 930)
153 106	2 160 567	(2 007 461)	Planning & Development	430 029	5 537 666	(5 107 637)
7 983 096	15 530 359	(7 547 263)	Health	6 301	7 679 163	(7 672 862)
1 991 781	3 283 097	(1 291 316)	Community & Social Services	2 042 365	4 050 711	(2 008 346)
400 783	373 125	27 658	Housing	457 778	382 909	74 869
1 468	2 588 186	(2 586 718)	Public Safety	24 420 094	29 691 663	(5 271 569)
1 624	55 822	(54 198)	Sport & Recreation	251 570	885 217	(633 647)
-	-	-	Environmental Protection	-	-	-
435 499	375 538	59 961	Waste Management	2 577 795	2 487 925	89 870
42 635 607	42 715 969	(80 362)	Road Transport	43 523 953	43 592 045	(68 092)
47 207 985	36 262 178	10 945 807	Water	77 425 982	67 571 645	9 854 337
774 148	535 678	238 470	Electricity	813 335	654 031	159 304
85 866 031	38 292 355	47 573 676	Other	88 651 336	27 232 561	61 418 775
195 973 119	158 055 684	37 917 435	Sub Total	249 236 437	210 658 217	38 578 220
-	-	-	Less Inter-Dep Charges	-	-	-
195 973 119	158 055 684	37 917 435	Total	249 236 437	210 658 217	38 578 220
		-	Add: Share of Associate			-
		37 917 435				38 578 220

APPENDIX E(1)

WEST COAST DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2008

REVENUE	2008 Actual (R)	2008 Budget (R)	2008 Variance (R)	2008 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
Property rates	732 030	500 500	231 530	46.26%	More income then expected
Property rates - penalties imposed and collection charges	-	-	-	0.00%	
Service charges	80 817 109	82 826 150	(2 009 041)	-2.43%	
Regional Services Levies - remuneration	2 128 041	1 200 000	928 041	77.34%	More income then expected
Regional Services Levies - turnover	2 956 117	2 350 000	606 117	25.79%	More income then expected
Rental of facilities and equipment	-	-	-	0.00%	
Interest earned - external investments	18 800 771	12 597 000	6 203 771	49.25%	Due to higher interest rate
Interest earned - outstanding debtors	-	-	-	0.00%	
Dividends received	-	-	-	0.00%	
Fines	-	-	-	0.00%	
Licences and permits	-	-	-	0.00%	
Income for agency services	41 923 952	44 305 800	(2 381 848)	-5.38%	
Government grants and subsidies	15 581 359	11 725 000	3 856 359	32.89%	In line with expenditure
Other income	85 956 531	100 367 780	(14 411 249)	-14.36%	Due to under spending of capital expenditure
Public contributions, donated/contributed PPE	-	-	-	0.00%	
Gains on disposal of property, plant and equipment	340 527	-	340 527	0.00%	
Total Revenue	249 236 437	255 872 230	(6 635 793)	-2.59%	
EXPENDITURE					
Employee related costs	32 413 593	55 565 260	(23 151 667)	-41.67%	Vacant post not filled
Remuneration of Councillors	4 223 711	4 932 090	(708 379)	-14.36%	Lower expenditure then expected and vacant seat
Bad debts	-	-	-	0.00%	
Collection costs	-	620 000	(620 000)	-100.00%	Due to abolishment of RSC levies
Depreciation	10 823 437	10 789 230	34 207	0.32%	
Repairs and maintenance	42 276 092	49 614 940	(7 338 848)	-14.79%	In line with capital expenditure 2006/2007
Interest paid	647 973	642 030	5 943	0.93%	Lower expenditure then expected
Bulk purchases	4 304 346	4 488 600	(184 254)	-4.10%	
Contracted services	-	-	-	0.00%	
Grants and subsidies paid	-	-	-	0.00%	
General expenses - other	115 969 065	131 220 080	(15 251 015)	-11.62%	Lower expenditure then expected
Loss on disposal of property, plant and equipment	-	-	-	0.00%	
Total Expenditure	210 658 217	257 872 230	(47 214 013)	-18.31%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	38 578 220	(2 000 000)	40 578 220	-2028.91%	

APPENDIX E(1)

WEST COAST DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2007

REVENUE	2007 Actual (R)	2007 Budget (R)	2007 Variance (R)	2007 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
Property rates	284 463	276 500	7 963	2.88%	<i>(Explanations to be recorded)</i>
Property rates - penalties imposed and collection charges	-	-	-	0.00%	
Service charges	48 417 632	44 273 820	4 143 812	9.36%	
Regional Services Levies - turnover	1 746 341	750 000	996 341	132.85%	More income than expected
Regional Services Levies - remuneration	4 012 485	1 500 000	2 512 485	167.50%	More income than expected
Rental of facilities and equipment	-	-	-	0.00%	
Interest earned - external investments	14 967 640	11 798 520	3 169 120	26.86%	More interest due to higher interest rate
Interest earned - outstanding debtors	-	-	-	0.00%	
Dividends received	-	-	-	0.00%	
Fines	-	-	-	0.00%	
Licences and permits	-	-	-	0.00%	
Income for agency services	50 612 553	39 767 200	10 845 353	27.27%	More income for Agency Services.
Government grants and subsidies	21 976 086	21 633 000	343 086	1.59%	
Other income	53 654 429	67 318 870	(13 664 441)	-20.30%	Implementation of GRAP/IAS
Public contributions, donated/contributed PPE	-	-	-	0.00%	
Gains on disposal of property, plant and equipment	301 490	10 000	291 490	2914.90%	More cars written off due to accidents.
Total Revenue	195 973 119	187 327 910	8 645 209	4.62%	
EXPENDITURE					
Employee related costs	34 364 352	45 086 960	(10 722 608)	-23.78%	Vacant posts not filled.
Remuneration of Councillors	3 901 806	2 936 900	964 906	32.85%	Gazetted increase for Councillors.
Bad debts	202 980	202 980	-	0.00%	
Collection costs	-	66 000	(66 000)	-100.00%	Due to abolishment of RSC levies.
Depreciation	7 481 970	7 452 650	29 320	0.39%	
Repairs and maintenance	3 041 080	7 072 900	(4 031 820)	-57.00%	In line with Capital Expenditure for 2005/2006
Interest on external borrowings	805 460	783 680	21 780	2.78%	
Bulk purchases	4 149 960	4 230 000	(80 040)	-1.89%	
Contracted services	-	-	-	0.00%	
Grants and subsidies paid	8 000 000	8 000 000	-	0.00%	
General expenses - other	95 531 896	111 495 840	(15 963 944)	-14.32%	Implementation of GRAP/IAS
Loss on disposal of property, plant and equipment	576 180	-	576 180	0.00%	
Total Expenditure	158 055 684	187 327 910	(29 272 226)	-15.63%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	37 917 435	-	37 917 435	0.00%	

APPENDIX E(2)

WEST COAST DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2008

	<u>2008 Actual</u>	<u>2008 Under Construction</u>	<u>2008 Total Additions</u>	<u>2008 Budget</u>	<u>2008 Variance</u>	<u>2008 Variance</u>	<u>Explanation of Significant Variances greater than 5% versus Budget</u>
	R	R	R	R	R	%	<i>(Explanations to be recorded)</i>
Land and Buildings							
Land	-	-	-	-	-	0.00%	
Buildings	245 000	-	245 000	-	245 000	0.00%	Assets funded from revenue contributions
	245 000	-	245 000	-	245 000	0.00%	
Infrastructure							
Water Schemes	6 989 336	-	6 989 336	8 420 000	(1 430 664)	-16.99%	Work in process
Pump Stations	109 648	-	109 648	230 000	(120 352)	-52.33%	Savings on projects
Beach Improvements	-	-	-	-	-	0.00%	
Sewerage Mains & Purif	2 745 481	-	2 745 481	3 770 000	(1 024 519)	-27.18%	Work in process
Electricity Mains	-	-	-	-	-	0.00%	
Electricity Peak Load Equip	-	-	-	-	-	0.00%	
Water Mains & Purification	-	-	-	-	-	0.00%	
Reservoirs - Water	14 463 704	-	14 463 704	17 920 000	(3 456 296)	-19.29%	Work in process
Water Meters	218 567	-	218 567	350 000	(131 433)	-37.55%	Savings on projects
Paving of streets	1 600 000	-	1 600 000	1 600 000	-	0.00%	
Security Fencing	203 860	-	203 860	-	203 860	0.00%	Assets funded from revenue contributions
Water Mains	-	-	-	-	-	0.00%	
	26 330 597	-	26 330 597	32 290 000	(5 959 403)	-18.46%	
Community Assets							
Parks & Gardens	-	-	-	-	-	0.00%	
Libraries	-	-	-	-	-	0.00%	
Recreation Grounds	-	-	-	-	-	0.00%	
Civic Buidings	15 345 470	9 776 527	25 121 997	26 950 000	(1 828 003)	-6.78%	Work in process
	15 345 470	9 776 527	25 121 997	26 950 000	(1 828 003)	-6.78%	
Heritage Assets							
Historical Buildings	-	-	-	-	-	0.00%	
Painting & Art Galleries	-	-	-	-	-	0.00%	
	-	-	-	-	-	0.00%	
Total carried forward	41 921 067	9 776 527	51 697 594	59 240 000	(7 542 406)		

APPENDIX E(2)

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

	<u>2007 Actual</u>	<u>2007 Under Construction</u>	<u>2007 Total Additions</u>	<u>2007 Budget</u>	<u>2007 Variance</u>	<u>2007 Variance</u>	<u>Explanation of Significant Variances greater than 5% versus Budget</u>
	R	R	R	R	R	%	
Total brought forward	41 921 067	9 776 527	51 697 594	59 240 000	(7 542 406)		
Housing Rental Stock							
Housing Rental 1	-	-	-	-	-	0.00%	
Housing Rental 2	-	-	-	-	-		
	-	-	-	-	-	0.00%	
Leased Assets (Infrastructure)							
Sewerage Mains & Purify	-	-	-	-	-	0.00%	
	-	-	-	-	-	0.00%	
Other Assets							
Landfill Sites	-	-	-	170 000	(170 000)	-100.00%	
Furniture & Fittings	86 637	-	86 637	-	86 637	0.00%	
Office Equipment	469 816	-	469 816	-	469 816	0.00%	Assets funded from revenue
Other Plant	2 467 203	-	2 467 203	3 527 000	(1 059 797)	-30.05%	Savings on projects
Other Vehicles	1 166 320	-	1 166 320	1 780 000	(613 680)	-34.48%	Savings on projects
Special Plant	-	-	-	-	-	0.00%	
Special Vehicles	-	-	-	-	-	0.00%	
Fire engines	-	-	-	-	-	0.00%	
Refuse tankers	-	-	-	-	-	0.00%	
Computer equipment	499 784	-	499 784	-	499 784	0.00%	Assets funded from revenue
Councillors Regalia	-	-	-	-	-	0.00%	
Workshops/Depots	-	-	-	-	-	0.00%	
Watercraft	-	-	-	-	-	0.00%	
	4 689 760	-	4 689 760	5 477 000	(787 240)	-14.37%	
Total	46 610 827	9 776 527	56 387 354	64 717 000	(8 329 646)	-12.87%	

APPENDIX F

WEST COAST DISTRICT MUNICIPALITY: GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA , 56 OF 2003 FOR THE YEAR ENDED 30 JUNE 2008

Name of Grant	Name of organ of state or municipal Entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		March	June	Sept	Dec	March	March	June	Sept	Dec	March	March	June	Sept	Dec	March			
Global Fund WCDM Community	Provincial	451 780	607 390	18 442	772 380	508 466	787 444	189 198	377 703	731 572	393 584						Yes		
MSIG	Provincial				1 000 000		302 607				450 000						Yes		
CMIP Control Account	National	616 964	1 454 394	106 126	471 253	213 874	1 777 670	274 000	551 772		792 382						Yes		
Financial Management Grant	National			500 000			423 295	64 360	42 798	105 777	173 814						Yes		
Vuna Rewards	National						1 192 710	14 236	36 739	284 065	125 932						Yes		
Estab.Human Rights Program	Provincial	438							14 497								Yes		
Infrastructure Project Divisional Road 2151	Provincial						492	43 143		265 017	640 448						Yes		
Wupperthal Water	Provincial						136 815	28 586									Yes		
WCDM-Tourism Road Signage	Provincial	200 000															Yes		
Drought Relief Programme	DWAF	5 100					1 064 914	671 080	438 637	1 273 300	1 056 181						Yes		
DMA Multi Purpose Centres	Provincial	2 000 000								27 729	42 658						Yes		
CDW Funds	Provincial	345 000							345 000								Yes		
Kliprand Drought Relief	DWAF					500 000											Yes		
Alternative Water Reserve Study	DWAF					583 317					537 266						Yes		
Social Development Projects	Provincial			1 104 220						53 004	57 923						Yes		
Chatsworth Bucket Eradication	DWAF				15 000	35 000					42 061						Yes		
Designatehiphop Media	DWAF					15 000											Yes		
Asset Management Bulk Water	DWAF					60 000											Yes		
Kliprand Electricity	Private	1 730 000	20 000				162 266	1 851 502	94 618	65 064	38 132						Yes		
Farmers Pakhuispas	Private				2 850 000												Yes		
Disaster Control	Private				60 100					24 658	18 800						Yes		
MCM Signage	Private	50 000															Yes		
Total		5 399 282	2 081 784	1 728 788	5 168 733	1 915 657	6 193 213	3 136 105	1 556 764	2 830 186	4 369 181								