

Annual Financial Statements for the year ended 30 June 2008



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

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CAPE WINELANDS DISTRICT MUNICIPALITY

GENERAL INFORMATION

COUNCILLORS AS AT 30 JUNE 2008

MAYORAL COMMITTEE

Cllr. C.W. JOHNSON (Executive Mayor)
Cllr. L.E.J. JANTJIES
Cllr. C.C.BRINK
Cllr. C.G. DU PLESSIS
Cllr. Z.J. MTHINI
Cllr. S. SWANGAZA
Cllr. E.B.PHEKO
Cllr. E.N. BUSHWANA

ANDER/OTHER:

Cllr. J.J. ABRAHAMS
Cllr. D. ADAMS
Cllr. R. BRAND
Cllr. G. BRUWER
Cllr. C.A. DE BRUYN
Cllr. A.M. DU TOIT
Cllr. J.I.K. GAGIANO
Cllr. S. GELDENHUYS
Cllr. H.P. GEYER
Cllr. S. GOEDEMAN
Cllr. C.J. GROOTBOOM
Cllr. N.D. HANI
Cllr. H.M. JANSEN
Cllr. D.J. OOSTHUIZEN
Cllr. (Dr) N.E. KAHLBERG
Cllr. B. MFUTWANA
Cllr. A. MULLER
Cllr. W.F. ORTELL
Cllr. C. PHILANDER
Cllr. L. RICHARDS
Cllr. H.J. SMIT
Cllr. J. SMIT
Cllr. L. SIWAKAMISA
Cllr. J. THOMAS
Cllr. S.W. VAN EEDEN
Cllr. E.J. VAN ZYL
Cllr. B.E. VOS
Cllr. D.K. XHASO

GRADING OF COUNCIL

GRADE 9

AUDITOR

AUDITOR GENERAL

BANKER

ABSA

REGISTERED OFFICES

STELLENBOSCH:

46 ALEXANDER STREET
STELLENBOSCH 7600

POSTAL ADDRESS:

P O BOX 100
STELLENBOSCH 7599

TELEPHONE:

021 888 5100

FAX:

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WORCESTER

51 TRAPPES STREET
WORCESTER 6850

POSTAL ADDRESS

P O BOX 91
WORCESTER 6850

TELEPHONE

023 348 2300

FAX

023 342 8442

.....
M Mgajo
MUNICIPAL MANAGER

.....
DATE

.....
J.G. MARAIS
EXECUTIVE DIRECTOR:
FINANCIAL MANAGEMENT SERVICES

.....
DATE

CAPE WINELANDS DISTRICT MUNICIPALITY

3. REPORT BY THE AUDITOR - GENERAL



CAPE WINELANDS DISTRICT MUNICIPALITY

4. DECLARATION: MUNICIPAL MANAGER

<p style="text-align: center;">CAPE WINELANDS DISTRICT MUNICIPALITY</p> <p style="text-align: center;">ANNUAL FINANCIAL STATEMENTS</p> <p style="text-align: center;">for the year ended</p> <p style="text-align: center;">30 June 2008</p>

I am responsible for the preparation of these annual financial statements, which are set out on pages 7 to 59, 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 17 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.

M. Mgajo
Municipal Manager

Date

5. GRAP ACCOUNTING POLICY FOR THE YEAR ENDED 30 JUNE 2008

1. BASIS OF PRESENTATION

The Cape Winelands District Municipality has adopted standards of Generally Recognised Accounting Practice (GRAP) during the 2004/2005 financial year - issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act 56 of 2003). GAMAP and GRAP standards are fundamentally different to the fund accounting policies adopted previously and has been approved by National Treasury. In terms of the MFMA phased implementation strategy, medium capacity municipalities should only comply within the 2006/2007 financial year with the new GRAP compliant financial statements.

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the Standards of Generally Accepted Municipal Accounting Practice (GAMAP) prescribed by the Minister of Finance in terms of:

- General Notice 991 of 2005, issued in Government Gazette no. 28095 of 7 December 2005; and
- General Notice 992 of 2005, issued in Government Gazette no. 28095 of 15 December 2005.

The Standard comprise the following:

3 Standards of Generally Recognised Accounting Practice (GRAP)

- Preface to Standards of Generally Recognised Accounting Practice
- GRAP 1 Presentation of financial statements
- GRAP 2 Cash Flow statements
- GRAP 3 Accounting policies, changes in accounting estimates and errors

8 Standards of Generally Accepted Municipal Accounting Practice Standards (GAMAP)

- GAMAP 4 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 interest in joint ventures
- GAMAP 9 Revenue
- GAMAP 12 Inventories
- GAMAP 17 Property, Plant and Equipment
- GAMAP 19 Provisions, contingent liabilities and contingent assets

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 Practice (GAAP), including any interpretations of such Statements, issued by the Accounting Practices Board.

Council fully comply with the GAMAP, GRAP and GAAP statements as mentioned above, therefore it did not apply for the exemptions.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or

required by a Standard of GAMAP or GRAP.

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.

In finalising the financial statements, management must in terms of GRAP 1 disclose any material uncertainties related to events or conditions, which may cast significant doubt upon the organisation's ability to continue as a going concern. The determination whether the going concern assumption is appropriate is primarily relevant for individual entities rather than for a government as a whole.

The primary source of revenue for the Cape Winelands District Municipality is transfer payments from the National Government. The following National allocations were made to Cape Winelands District Municipality:

2007/2008 Financial Year R148 960 000

2008/2009 Financial Year R168 283 000

2009/2010 Financial Year R187 083 000

The abovementioned allocations are sufficient for the sustainability of the District Municipality. An alternative source of income should be explored to reduce the dependency of the District Municipality on National funds.

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 from the accumulated surplus/(deficit) to 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.
- * The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment 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 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 Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant 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 Government Grant 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 Government Grants.

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

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

Heritage assets : Building in 46 Alexander street, was declared as an Provincial Heritage site on 8 September 1967.

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.

5.4 **Depreciation and impairment losses**

5.4.1 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:

Buildings	30
Specialist Vehicles	10
Other Vehicles	5
Office Equipment & Air Conditioners	3
Furniture & Fittings	5
Specialist plant & equipment	10
Other Plant & Equipment	5

In the case of vehicles Depreciation is calculated on cost less residual values, using the straight line method, over the estimated useful lives of the assets. The Auto Dealers Guide was used to determine the following percentages for residual values:

- Motor Cars	40%
- LDV's	50%
- Combi's	30%
- Specialized Fire Vehicles	60%

5.4.2 Heritage assets, which are defined as culturally significant resources are not depreciated as they are regarded as having an infinite life. Land is also not depreciated for the same reason.

5.4.3 Incomplete construction work is stated at historic cost. Depreciation only commences when the asset is commissioned into use.

5.4.4 The carrying amount of an item or a group of identical items of PPE is reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount (impairment loss). When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recognised as an expense immediately, unless it reverses a previous revaluation, in which case it is charged to the revaluation non distributable reserve.

5.5 **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**

Land, Buildings and Heritage assets are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Land and Buildings are revalued every 4 years.

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, is amortised according to the straight line method.

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.

The municipality may have the following types of financial instruments.

- * **Held to maturity (HTM) investments** are financial assets with fixed or determinable payments and fixed maturity where the entity has the positive intent and ability to hold the investment to maturity.
- * **Loans and receivables originated by the enterprise** are financial assets that are created by providing money, goods or services directly to a debtor.

INITIAL MEASUREMENT of financial instruments is **at cost, which is the fair value** of the consideration given. The fair value is usually the transaction price or market price. **Transaction costs** are included in the initial measurement of financial assets. Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges and transfer taxes and duties. Transaction costs do not include debt premium or discount, financing costs or allocations of internal administrative or holding costs.

SUBSEQUENT MEASUREMENT of financial assets.

HTM investments and **loans and receivables originated by the entity and not held for trading** are subsequently recognised at **amortised cost using the effective interest rate method**. **Amortised cost** is the amount at which the financial asset was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and minus any write-down for impairment or uncollectability.

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.

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.

Investments in municipal entities under the ownership control of the Municipality are carried at cost. Separate consolidated financial statements are prepared to account for the Municipality's share of net assets and post-acquisition results of these investments.

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 bad debts taking into account the payment trend of all the debtors on the age analysis.

11. TRADE CREDITORS

Trade creditors are stated at their nominal value.

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, RSC Levies 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 are recognized at the time of receipt of the RSC 4 return submitted by all registered levy payers. Where RSC4 returns are not submitted an historical estimate is made of revenue for the year. Levies that must be recognised are calculated as a percentage of turnover and remuneration. RSC Levies will finally be phased out at 30 June 2008.
- * Revenue from rates in the DMA is recognised when the Legal Entitlement to this revenue arises. Rates are levied on the land and improvements value of property.
- * Income in respect of housing rental and instalments 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 have been met.
- * Interest earned on unutilised conditional grants is allocated directly to the Statement of Financial Performance. Then the interest is allocated 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 by applying the relevant authorized tariff. This includes the issuing of licences and permits.

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.

17.1 Employee Benefits

17.1.1 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.

A provision is made for the best estimate of the current cost of gratuities payable to employees that were not previously members of a pension fund.

A provision is raised as the best estimate of the current cost of paying future pensions to employees who have become disabled as a result of injuries sustained whilst on duty.

17.1.2 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 during June 2007. According to AC116 Council has 5 years from the first date the accounting standard is implemented to recognize the liability. Approximately 51% of this liability was recognized as at 30 June 2005. As at 30 June 2006 approximately 67% of the initial liability has been recognized. The Council recognized the remaining 33% of the initial liability as well as the additional liability as calculated, during 2006/2007 financial year.

17.1.3 Actuarial (Gain)/Loss

Actuarial gains or losses are recognized as income or expenses when the cumulative actuarial gains or losses exceed 10% of the higher of the defined benefit obligation and the fair value of the plan assets, if any, at that date. These gains or losses are recognized over the expected average remaining working lives of the employees.

17.1.4 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.

17.1.5 Provision for Performance Bonuses

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

17.1.6 Provision for Bonuses

Provision is made for unpaid bonuses payable to officials in their next bonus cycle prorated to the end of the financial year.

17.2 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. LEASES

LESSEE ACCOUNTING

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the lease term or any other basis which is representative of the time pattern of the lessee's benefit.

Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight line basis over the estimated useful lives of the assets. 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.

The Municipality will not incur a foreign currency lease liability other than that allowed by the MFMA.

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.

Currently Council does not have any leases.

19. 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.

20. 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.

21. COMMUNITY SUPPORT

The Cape Winelands District Municipality annually awards grants to organisations in terms of section 67 of the MFMA. When making these transfers, Council does not:

- * Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- * Expect to be repaid in future; or
- * Expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

In order to comply with the MFMA section 67(4)(a) a limit of R30 000 was approved by Council.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

J. G. Marais
Executive Director: Financial Management Services
(B. Comm; AIMFO Registered Municipal Accountant - Associate Member)

Date

**CAPE WINELANDS DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008**

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		352,304,868	334,733,305
Housing Development Fund		-	-
Capital Replacement Reserve		21,255,016	31,446,637
Capitalisation reserve		-	-
Government Grant Reserve		5,616,239	5,460,112
Donations and Public Contribution Reserves		-	-
Self-Insurance Reserve		-	-
Revaluation Reserve		101,616,236	99,627,396
Accumulated Surplus/(Deficit)		223,817,377	198,199,160
Non-current liabilities		83,684,090	71,446,110
Long-term Liabilities		-	-
Non-current Provisions	1	83,684,090	71,446,110
Current liabilities		91,818,676	43,477,065
Consumer Deposits		-	-
Provisions		-	-
Creditors	2	24,560,604	18,248,136
Unspent conditional grants and receipts	3	15,092,628	12,930,559
Taxes	4	42,248,625	-
Short-term Loans		-	-
Bank Overdraft	11	-	3,158,370
Current portion of Provisions	1	9,916,819	9,140,000
Total Net Assets and Liabilities		<u>527,807,634</u>	<u>449,656,480</u>
ASSETS			
Non-current assets		161,454,737	153,956,675
Property, Plant and Equipment	5	161,261,826	153,547,333
Investment Property		-	-
Investments		-	-
Long-term receivables	6	192,911	409,342
Current assets		366,352,897	295,699,805
Inventory	7	1,947,780	1,214,540
Consumer Debtors	8	24,768,455	2,165,070
Other Debtors	9	12,050,712	6,499,830
Taxes	4	-	248,098
Current portion of long-term receivables	6	61,687	502,881
Call investment deposits	10	326,013,443	285,069,386
Bank balances and cash	11	1,510,820	-
Total Assets		<u>527,807,634</u>	<u>449,656,480</u>

**CAPE WINELANDS 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				
824,300	874,200	Property rates	12 824,705	824,301
37,170	39,000	Property rates - penalties imposed and collection charges	57,631	51,247
135,980	145,500	Service charges	13 3,973,783	2,362,876
4,509,294	-	Regional Services Levies – remuneration	25 21,150,119	4,986,304
19,135,109	1,200,000	Regional Services Levies - turnover	25 270,797,616	20,689,659
83,000	119,700	Rental of facilities and equipment	73,982	68,807
12,600,000	25,075,000	Interest earned - external investments	38,128,613	26,597,817
281,844	3,700	Interest earned - outstanding debtors	88,916,714	573,856
-	-	Dividends received	-	-
-	-	Fines	-	-
-	-	Licences and permits	-	-
76,085,998	84,084,900	Income for agency services	14 61,342,967	58,262,646
167,297,967	172,644,000	Government grants and subsidies	14 165,741,535	155,676,194
1,840,644	3,678,307	Other income	15 7,123,032	4,029,136
22,591,490	-	Contribution from Surplus	-	8,424,177
-	-	Public contributions, donated and contributed property, plant and equipment	-	-
-	-	Gains on disposal of property, plant and equipment	1,330,705	95,145
305,422,796	287,864,307	Total Revenue	659,461,401	282,642,165
EXPENDITURE				
75,006,467	67,698,200	Employee related costs	16 69,986,566	67,771,774
5,871,180	5,933,000	Remuneration of Councillors	17 5,878,941	6,052,258
332,400	365,000	Bad debts	398,743,629	2,435,359
578,000	-	Collection costs	-	564,806
5,305,046	5,364,810	Depreciation	5 3,067,111	11,652,457
74,765,029	67,519,690	Repairs and maintenance	63,151,528	63,013,531
-	-	Interest paid	18 3,158,369	1,983,312
-	4,000,000	Medical Aid Liability - Interest Paid	18 6,849,819	6,313,000
2,400,000	2,000,000	Medical Aid Liability - Current Service Cost	1.1.1 3,067,000	2,827,000
27,000,000	-	Medical Aid Liability - Transitional Liability Recognised	1.1.1 1,857,253	26,292,191
-	-	Bulk purchases	-	-
-	-	Contracted services	-	-
-	-	Grants and subsidies paid	-	-
96,631,505	134,931,207	General expenses	29 83,409,408	61,562,197
-	-	Contribution to Ex-Gratia Pension Fund	3,728,801	-
(0)	52,400	Loss on disposal of property, plant and equipment	51,924	-
287,889,627	287,864,307	Total Expenditure	642,950,349	250,467,885
17,533,169	-	SURPLUS/(DEFICIT) FOR THE YEAR	16,511,053	32,174,280
		Share of surplus/(deficit) of associate accounted for under the equity method	-	-
17,533,169	-	NET SURPLUS/(DEFICIT) FOR THE YEAR	16,511,053	32,174,280

Refer to Appendix E(1) for explanation of variances

CAPE WINELANDS 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		-	-
Cash paid to suppliers and employees		-	-
Cash generated from/(utilised in) operations	21	(65,648,188)	52,618,238
Interest received		127,045,327	27,171,674
Interest paid		-	-
Provision for VAT		-	-
NET CASH FROM OPERATING ACTIVITIES		61,397,139	79,789,912
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,774,125)	(15,569,798)
Proceeds on disposal of fixed assets		(5,667,392)	367,725
Increase in investment properties		-	-
(Increase)/decrease in non-current loans		657,625	1,245,486
Increase in non-current investments		-	-
(Increase)/Decrease in call investment deposits		(40,944,057)	(76,069,386)
NET CASH FROM INVESTING ACTIVITIES		(56,727,949)	(90,025,973)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		-	-
Increase in consumer deposits		-	-
Decrease/(increase) in short-term loans		-	-
NET CASH FROM FINANCING ACTIVITIES		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVAL		4,669,190	(10,236,061)
Cash and cash equivalents at the beginning of the year		(3,158,370)	7,077,691
Cash and cash equivalents at the end of the year		1,510,820	(3,158,370)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVAL		4,669,190	(10,236,061)

CAPE WINELANDS DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	<u>Capital Replacement Reserve</u>	<u>Capitalisation Reserve</u>	<u>Government Grant Reserve</u>	<u>Donations and Public Contribution Reserve</u>	<u>Self-Insurance Reserve</u>	<u>Revaluation Reserve</u>	<u>Accumulated Surplus/ (Deficit)</u>	<u>Total</u>
	R	R	R	R	R	R	R	R
2007								
Balance at 1 July 2006	24,995,112	-	873,605	-	-	97,974,791	175,276,960	299,120,468
Prior Year Adjustments (Note 20)							8,367,526	8,367,526
Implementation of GRAP (Note 19)							-	-
Restated balance	24,995,112	-	873,605	-	-	97,974,791	183,644,487	307,487,995
Net surplus/(deficit) for the year	-	-	-	-	-	-	32,174,280	32,174,280
Transfer of Functions to B-Municipalities	-	-	-	-	-	-	-	-
Transfer to CRR	15,000,000	-	-	-	-	-	(15,000,000)	-
Property, plant and equipment purchased	(8,548,475)	-	-	-	-	-	8,548,475	-
Capital grants used to purchase PPE	-	-	4,961,227	-	-	-	(4,961,227)	-
Donated/contributed PPE	-	-	-	-	-	-	-	-
Revaluation of Property	-	-	-	-	-	3,495,209	-	3,495,209
Contribution for the year	-	-	-	-	-	-	(8,424,177)	(8,424,177)
Insurance claims processed	-	-	-	-	-	-	-	-
Offsetting of depreciation	-	-	(374,720)	-	-	(1,842,603)	2,217,323	-
Depretiation on Heritage Assets reversed	-	-	-	-	-	-	-	-
Balance at 30 June 2007	31,446,637	-	5,460,112	-	-	99,627,396	198,199,161	334,733,306
2008								
Correction of errors (Note 20)	-	-	-	-	-	-	953,418	953,418
Implementation of GRAP (Note 19)	-	-	-	-	-	-	-	-
Change in accounting policy (Note 31)	-	-	-	-	-	-	-	-
Restated balance	31,446,637	-	5,460,112	-	-	99,627,396	199,152,579	335,686,724
Net surplus/(deficit) for the year	-	-	-	-	-	-	16,511,053	16,511,053
Transfer of Functions to B-Municipalities	-	-	-	-	-	-	-	-
Transfer to CRR	-	-	-	-	-	-	-	-
Property, plant and equipment purchased	(10,191,621)	-	-	-	-	-	10,191,621	-
Capital grants used to purchase PPE	-	-	376,713	-	-	-	(376,713)	-
Donated/contributed PPE	-	-	-	-	-	-	-	-
Revaluation of Property	-	-	-	-	-	107,091	-	107,091
Contribution for the year	-	-	-	-	-	-	-	-
Insurance claims processed	-	-	-	-	-	-	-	-
Transfer to Housing Development Fund	-	-	-	-	-	-	-	-
Asset disposals	-	-	-	-	-	-	-	-
Offsetting of depreciation	-	-	(220,585)	-	-	1,881,748	(1,661,163)	(0)
Balance at 30 June 2008	21,255,016	-	5,616,239	-	-	101,616,236	223,817,377	352,304,868

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
1 NON-CURRENT PROVISIONS		
Performance bonus	-	-
Ex Gratia Pensions	3,728,801	-
Medical Contributions	89,872,108	80,586,110
Auditfees (Removed with implementation of GAMAP)	-	-
Current portion of long-service provision	(9,916,819)	(9,140,000)
Total Provisions	<u>83,684,090</u>	<u>71,446,110</u>
1.1 FUTURE MEDICAL AID LIABILITY		
1.1.1 Reconciliation of Net liability recognized in the Balance Sheet:		
Opening Balance	80,586,110	47,754,576
Current Service Cost	3,067,000	2,827,000
Interest Cost	6,849,819	6,313,000
Transitional Liability Recognised	1,857,253	26,292,191
Actuarial (Gain) / Loss Recognized	-	-
Past Service cost Recognized	-	-
Effect of Curtailment or Settlement	-	-
Miscellaneous Item	-	-
Expense Recognized	92,360,182	83,186,767
Expected Employer Benefit Payments	(2,488,074)	(2,600,657)
Closing Balance	<u>89,872,108</u>	<u>80,586,110</u>
1.1.2 Reconciliation of Unrecognised Teransitinal Liability		
Opening Unrecognized Transitional Liability	-	20,442,424
Transitional Liability Recognized	-	(20,442,424)
Closing Unrecognized Transitional Liability	<u>-</u>	<u>-</u>
Transitional Liability at Date of adopting AC116	62,553,000	62,553,000
Transitional Liability to be Recognized in Current Year	-	20,442,424
1.1.3 Reconciliation of Unrecognized Actuarial Gains and Losses		
Opening Unrecognized Gain/(Loss)	-	-
Actuarial Gain/(Loss) Arising	-	1,609,000
Actuarial Gain/(Loss) Recognized	-	-
Closing Unrecognized Gain/(Loss)	<u>-</u>	<u>1,609,000</u>
1.1.4 Reconciliation of Assets and Liabilities Recognized in the Balance Sheet		
Present Value of Funded Obligations	-	-
Fair Value of Plan Assets	<u>89,872,108</u>	<u>80,586,110</u>
Present Value of Unfunded Obligations	<u>89,872,108</u>	<u>80,586,110</u>
Present Value of Obligations in excess of Plan assets	-	-
Unrecognized Transitional Liability	-	-
Unrecognized Actuarial Gains/(Losses)	-	-
Unrecognized Past Service Cost	-	-
Miscellaneous Item	-	-
Net Liability in Balance Sheet	<u>-</u>	<u>-</u>

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
1.1.5 Reconciliation of fair Value of plan Assets Recongized in the Balance Sheet		
Opening of Fair value of Plan Assets	80,586,110	47,754,556
Expected Return on Plan Assets	6,849,819	4,059,137
Actuarial Gain /(Loss)	-	1,257,953
Employer Contribution	4,924,253	30,115,121
Employer Benefit Payments	(2,488,074)	(2,600,657)
Closing Fair Value of Plan Assets	89,872,108	80,586,110

1.2 VALUATION METHODOLOGY AND ASSUMPTIONS

1.2.1 METHODOLOGY

Liabilities are valued using discounted cash flow techniques. Using a set of Actuarial assumptions, future cashflows are projected and discounted back to the Valuation Date, allowing for future investment returns and the probability of each cashflow occurring.

This methodology allows for the probability of and benefit payable in respect of different types of exit from Active Employment e.g. Withdrawal, Death, Retirement.

We assume that benefit entitlement accrues uniformly over each Employee's Total Service. The accrued liability is calculated as the ratio of the Past Service to Total Service for each Employee.

The method of valuing the PRMA liabilities of the Municipality is consistent with the Previous Valuation.

We have not explicitly allowed for the impact of HIV/AIDS on projected future healthcare costs. This could be a source of significant strain over the short to medium term future, leading to higher Medical Aid Inflation than was allowed for.

It was implicitly assumed that all Members would stay on the same Medical Aid scheme and chosen option in future. We have also not allowed for any significant shift in the demographic profiles of the various Medical Aid schemes e.g. the impact of an aging population.

1.2.2 ASSUMPTIONS

In order to project the liability, it was necessary to make a number of assumptions concerning future experience.

Assumptions should not be assessed in isolation, but rather in relation to each other. The difference between the financial assumptions drives the results of the Valuation.

The set of assumptions used in this Valuation is largely similar to that used in the Previous Valuation. Differences have been highlighted below.

1.2.2.1 Financial Assumptions

The main financial assumptions are as follows:

Medical Aid inflation rate	7.5%
Investment return	8.5%

Accounting Standard AC116 defines the determination of the Investment Return assumption to be used as the rate that can

"be determined by reference to Market Yields at the Balance Sheet Date on high quality Corporate Bonds. In countries where there is no deep market in such bonds, the market yields (at the Balance Sheet Date) on Government Bonds should be used. The currency and term of the Corporate Bonds or Government Bonds should be consistent with the currency and estimated term of the Post-Employment Benefit obligations."

Our Investment Return assumption was based on the current yields of long-term Government bonds plus a risk premium as a proxy for the yield on high quality Corporate Bonds.

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

Medical Aid Inflation was based on an assumed long-term rate of consumer inflation of 6% p.a. plus a margin of 1.5% p.a.

The Real Rate of Return (Investment Return less Medical Aid Inflation) is thus 1% p.a.

1.2.2.2 Normal Retirement Age

The Normal Retirement Age for employees that are members of the Cape Joint Provident Fund is 60 years.

The Normal Retirement Age for employees that are members of the Cape Joint Pension Fund is the earlier of age 65 or age after 55 when the employee has completed 35 years of service.

1.2.2.3 Mortality Rates

Mortality for Pre-Retirement benefits has been based on the SA 56-62 mortality table rated down by three years for Females.

Mortality for Post-Retirement benefits has been based on the PA (90) ultimate mortality table.

1.2.2.4 Withdrawal Rates

Withdrawal rates from Employment were allowed for using the following rates:

AGE	MALES	FEMALES
20	16%	24%
25	12%	18%
30	10%	15%
35	8%	10%
40	6%	6%
45	4%	4%
50	2%	2%
55+	0%	0%

1.2.2.5 Ill -Health Retirement Rates

Ill-Health Retirement rates from Employment were allowed for using the following rates:

AGES	MALES	FEMALES
25	0.00%	0.00%
30	0.01%	0.02%
35	0.08%	0.12%
40	0.21%	0.22%
45	0.38%	0.32%
50	0.82%	0.50%
55	1.96%	1.02%
59	3.00%	1.50%
64	4.30%	2.50%

1.2.2.6 Early Retirement Rates

Early Retirement rates from Employment were allowed for using the following rates:

AGES	MALES	FEMALES
55	2.00%	2.00%
56	1.00%	1.00%
57	1.00%	1.00%
58	1.00%	1.00%
59	2.00%	2.00%
60	2.00%	2.00%
61	2.00%	2.00%
62	3.00%	3.00%
63	4.00%	4.00%
64	5.00%	5.00%

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R

1.2.2.7 Family and General Assumptions

It was assumed that all Employees currently married will be married at the time of their exit from Employment. It was assumed that 90% of current single Male Employees and 20% of current single Female Employees would be married at the time of their exit from Employment.

We assumed that Husbands are on average 4 years older than their Wives; the previous Valuation assumed a difference of 5 years.

After Retirement the actual number of qualifying children was taken into account up to a maximum of two. It was assumed that Child Dependant status ceases at age 23; the Previous Valuation assumed age 21.

An increase in Medical Aid premiums was allowed for to reflect the Valuation Date being set midway through a Calendar Year.

**Medical
 Contributions**

Balance at beginning of year	80,586,110	47,754,576
Transfers	-	-
Contributions to provision	2,436,179	27,514,465
Interest on Investments	6,849,819	5,317,069
Expenditure incurred	-	-
Balance at end of year	89,872,108	80,586,110

1.3 Bus Accident Fund

Council established a disaster relief fund for victims of a bus accident during September 2007. The fund was closed on 30 June 2008, because all possible claims has been settled. Transactions of the fund is indicated below:

Opening Balance	-	
Funds received	213,352	
Expenditure	(94,131)	
Transfers	(119,222)	
Balance carried forward	-	

2 CREDITORS

Trade creditors	-	-
Payments received in advance	275,594	1,235,865
Retentions	2,126,728	1,976,861
Unpaid Bonus	4,334,832	
Staff leave	7,420,531	4,616,146
Other creditors	10,402,919	10,419,264
Total Creditors	24,560,604	18,248,136

3 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

3.1 Conditional Grants from other spheres of Government	15,092,628	12,930,559
MIG Grants	-	-
PAWC and State Funds: Various Projects	15,092,628	12,930,559
Provincial LED Projects	-	-
Total Conditional Grants and Receipts	15,092,628	12,930,559

See Note 14 and Appendix G for reconciliation of grants from other spheres of government. These amounts are invested in a ring-fenced investment until utilized

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
4 TAXES		
VAT payable	<u>42,248,625</u>	<u>-</u>
VAT receivable	<u>-</u>	<u>248,098</u>

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

5 PROPERTY, PLANT AND EQUIPMENT

Please refer to the detailed schedule of Property, Plant and Equipment on page 46.

A revaluation of Land and Buildings was carried out during May and June 2006.

A valuation of Property Plant and Equipment was done by the Workshop Superintendent and the Engineering Department. No impairments were reported.

6 LONG-TERM RECEIVABLES

Loans to controlled Municipal Entities	-	-
Car loans	254,598	912,223
Sewerage connection loans	-	-
Electricity appliance purchase scheme	-	-
Housing selling scheme loans	-	-
	<u>254,598</u>	<u>912,223</u>
Less : Current portion transferred to current receivables	61,687	502,881
Car loans	61,687	502,881
Sewerage connection loans	-	-
Electricity appliance purchase scheme	-	-
Housing selling scheme loans	-	-
Total	<u>192,911</u>	<u>409,342</u>

7 INVENTORY

Consumable stores – at cost	1,947,780	1,214,540
Total Inventory	<u>1,947,780</u>	<u>1,214,540</u>

8 CONSUMER DEBTORS

Service debtors	454,112	420,859
Rates	454,112	420,859
Electricity	-	-
Water	-	-
Sewerage	-	-
Trade Debtors (VAT included)	7,644,092	14,299,493
Housing rentals	-	-
Less : Provision for bad debts	(1,473,873)	(12,555,282)
Sub Total	<u>6,624,331</u>	<u>2,165,070</u>

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
PAWC Health Debt	8,869,604	
Less: Provision for bad debts	(8,869,604)	
Sub Total	-	
Levy Ddebtors(Vat included)	424,478,934	5,844,957
Less Provision for bad debts	(406,334,809)	(5,844,957)
Sub Total	18,144,125	-
Total	24,768,456	2,165,070

Trade Debtors: Ageing

Current (0 – 30 days)	2,681,099	960,589
31 - 60 Days	2,629	58,844
61 - 90 Days	328,236	808,740
91 - 120 Days	2,355,066	925,284
121 + Days	11,146,666	11,546,036
Total	16,513,696	14,299,493

Levy Debtors: Ageing

Current (0 – 30 days)	424,478,934	-
31 - 60 Days	-	
61 - 90 Days	-	
91 - 120 Days	-	
121+ Days		5,844,957
Total	424,478,934	5,844,957

Summary of Debtors by Customer Classification

30 June 2007

	Consumers	Industrial/ Commercial	National and Provincial Government
	R	R	R
Current (0 – 30 days)	1,895,636	424,478,934	789,399
31 - 60 Days	1,797		1,207
61 - 90 Days	313,117		15,119
91 - 120 Days	2,102,533		252,533
121+ Days	2,651,067		8,945,400
Sub-total	6,964,150	424,478,934	10,003,658
Less: Provision for bad debts	(1,267,475)	(406,334,809)	(9,076,002)
Total debtors by customer classification	5,696,675	18,144,125	927,656

Summary of Debtors by Customer Classification

30 June 2006

	Consumers	Industrial/ Commercial	National and Provincial Government
	R	R	R
Current	-	-	-
Current (0 – 30 days)	167,202	-	793,388
31 - 60 Days	58,844	-	-
61 - 90 Days	774,586	-	34,154
91 - 120 Days	743,689	-	181,595
121 + Days	2,171,444	5,844,957	9,795,451
Sub-total	3,915,765	5,844,957	10,804,588
Less: Provision for bad debts	(1,750,695)	(5,844,957)	(10,804,588)
Total debtors by customer classification	2,165,070	0	0

Council does not have any trade services therefore it is not easy to determine payment trends on debtors. However, over the past three years an average of

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

18.2% of the amount of debtors levied did not made any payment on their accounts. Hence provision for bad debts on Trade Debtors was made at a rate of 18.2%

Despite numerous attempts by Council to recover the outstanding Primary Health shortfalls, PAWC has not made any payments on this outstanding amount which has accumulated over the past 7 years. Therefore the total amount of R8 869 604 has been provided for as a bad debt.

Sommons were issued to all Levy Debtors, however, provision for bad levy debt was based on matters that were opposed (R307 828 222). According to the attorneys managing the recovery of outstanding RSC levies, more cases might be opposed in future. Thus a further provision of R98 506 587 was made for bad debts relating of RSC Levies.

9 OTHER DEBTORS

	2008 R	2007 R
Payments made in advance	-	-
Unauthorized expenditure (see Note 35)	-	-
Fruitless and wasteful expenditure (see Note 35)	-	-
Other	12,045,440	6,445,458
Insurance claims	5,272	54,372
Government subsidies	-	-
Total Other Debtors	12,050,712	6,499,830

10 CALL INVESTMENT DEPOSITS

ABSA Call Account	11,013,443	15,069,386
ABSA	60,000,000	60,000,000
FNB	70,000,000	30,000,000
INVESTEC	50,000,000	55,000,000
NEDCOR	65,000,000	65,000,000
STANDARD BANK	70,000,000	60,000,000
Other Deposits	<u>326,013,443</u>	<u>285,069,386</u>
Average Rate of Return on Investments	10.69%	8.53%

Other deposits of R9 134 193 (2004: R10 405 960) are ring-fenced and attributable to the Capital Replacement Reserve.

11 BANK BALANCES AND CASH

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

ABSA Bank Ltd
 Account Number 4053536026

Cash book balance at beginning of year	(3,158,370)	7,077,692
Cash book balance at end of year	1,510,820	(3,158,370)
Primary Bank Account	1,505,730	(3,163,460)
Floats	-	-
Petty Cash	5,090	5,090
Bank statement balance at beginning of year - (overdrawn)	4,688,149	12,254,313
Bank statement balance at end of year - (overdrawn)	<u>5,036,734</u>	<u>4,688,149</u>

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
12 PROPERTY RATES		
<i>Actual</i>		
Residential	-	-
Commercial	824,705	824,301
State	-	-
Total Assessment Rates	824,705	824,301

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2006. Supplementary valuations are processed on an annual basis to take into account changes in individual property values due to alterations.

13 SERVICE CHARGES		
Electric Prepaid Income	-	-
Building Plan Scrutiny Fees	15,403	6,723
Fire Fighting Services	3,958,380	2,356,152
Sewerage and sanitation charges	-	-
Total Service Charges	3,973,783	2,362,875

14 GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share	2,581,821	2,132,000
RSC Replacement Grant	143,203,000	125,302,231
Provincial LED Projects		65,211
Property Management Grant	302,450	
CMIP	343,766	-
Working for water	5,888,799	1,908,459
Public Contributions	7,192,652	261,389
PAWC Housing Subsidy	627,477	7,024,590
Great Wine Capitals	178,000	
Contribution towards meetings	8,000	
Water & Sanitation to Schools	555,057	
Training of Housing Officials	145,556	
Consumer Education	190,615	
Perception Survey	15,350	-
PAWC - Roads Agency Function		58,262,646
PAWC - Health Agency Function		10,323,466
R62 Provincial Funding	81,384	-
Global Funding		736,676
Masibambane Project	796,128	
Public Transport Regulations - Non Motorised Transport	484,547	-
WCPG - Planning Grant		90,000
PIM centre	1,000,000	1,075,563
Finance Management Grant	626,623	741,727
MIG Grant	370,000	1,042,100
WCPG - Wolwekloof		4,961,228
Entrepre. Support (PAWC)		11,554
Slanghoek	520,029	
Sandhills	630,282	-
Government Grant and Subsidies	165,741,535	213,938,840

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
15 OTHER INCOME		
Sale of housing	-	-
Task Refund (Salaries)	646,359	683,005
Tourism	80,711	62,227
Roads	3,886,265	238,926
Comprehensive Health	5,567	488,533
Environmental Services	52,632	-
Recovery of Tax on Group Life		993,219
Group Life recovered from SARS	975,370	
Seta Refund	256,756	442,318
Recoverables - Personell	345,107	327,273
Fire Fighting Services	10,368	34,998
Admin : Work for Water	296,828	-
Other	567,070	758,636
Recovery of unauthorised, irregular, fruitless and wasteful expenditure (Note 35)	-	-
Total Other Income	7,123,032	4,029,136
16 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	67,968,556	73,882,639
Employee related costs - Contributions for UIF, pensions and medical aids	14,978,727	15,523,989
Travel, motor car, accommodation, subsistence and other allowances	7,309,240	-
Housing benefits and allowances	2,012,344	-
Overtime Payments	2,259,768	-
Performance bonus	512,371	-
Long-service awards	2,000	-
Less: Employee costs capitalised to Property, Plant and Equipment	-	-
Less: Employee costs included in other expenses	(25,056,439)	(21,634,854)
Total Employee Related Costs	69,986,566	67,771,774
Remuneration of the Municipal Manager(K. Chetty)		
Annual Remuneration	136,785	775,000
Performance Bonuses	-	136,468
Car Allowance	-	80,000
Computer Allowance	3,414	17,500
Study Allowance	4,096	24,000
Medical, pension fund and other allowances	35,890	220,802
Total	180,185	1,253,770
Remuneration of the Municipal Manager(M. Mgajo)		
Annual Remuneration	523,684	
Performance Bonuses	88,758	
Car Allowance	53,905	
Computer Allowance	-	
Study Allowance	-	
Medical, pension fund and other allowances	130,926	
Total	797,273	-

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007	
	R	R	
16 EMPLOYEE RELATED COSTS (continued)			
<i>Remuneration of the Chief Finance Officer</i>			
Annual Remuneration	544,144	432,440	
Performance Bonuses	90,246	88,451	
Car Allowance	18,000	65,628	
Medical, pension fund and other allowances	151,262	192,536	
Total	<u>803,652</u>	<u>779,055</u>	
<i>Remuneration of Individual Executive Directors</i>			
30 June 2007			
	<u>Technical</u>	<u>Corporate</u>	<u>Community</u>
	<u>Services</u>	<u>Services</u>	<u>Services</u>
	R	R	R
Annual Remuneration	477,500	468,818	658,162
Performance Bonuses	90,246	90,246	112,808
Car Allowance	48,327	107,500	61,500
Medical, pension fund and other allowances	103,170	117,984	116,742
Total	<u>719,243</u>	<u>784,548</u>	<u>949,212</u>
30 June 2006			
	<u>Technical</u>	<u>Corporate</u>	<u>Community</u>
	<u>Services</u>	<u>Services</u>	<u>Services</u>
	R	R	R
Annual Remuneration	421,981	409,732	807,210
Performance Bonuses	88,451	88,451	176,902
Car Allowance	35,000	133,022	150,544
Medical, pension fund and other allowances	226,378	105,402	322,256
Total	<u>771,810</u>	<u>736,607</u>	<u>1,456,912</u>
		2008	2007
<u>Executive Director Councillor Support</u>			
Annual Remuneration		260,069	457,568
Performance Bonuses		40,068	74,200
Car Allowance			30,267
Medical, pension fund and other allowances		67,704	124,019
Total		<u>367,841</u>	<u>686,054</u>

Performance bonuses accrue to employees biannually, subject to certain conditions. The provision is an estimate of the amount due to staff at the reporting date.

In the previous Financial year provision for performance bonuses was made but, not indicated in the notes.

M. Mgajo
 Municipal Manager

J.G Marais
 Executive Director Finance

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
17 REMUNERATION OF COUNCILLORS		
Executive Mayor	416,569	413,900
Deputy Executive Mayor	299,142	309,605
Speaker	328,162	324,448
Mayoral Committee Members	1,757,278	1,721,947
Councillors	1,320,049	1,351,336
Travelling Expenses	946,206	1,060,305
Allowances: Other	318,648	303,831
Councillors' pension contribution	492,887	566,886
Total Councillors' Remuneration	<u>5,878,941</u>	<u>6,052,258</u>

In-kind Benefits

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

As certified in the declaration by the municipal manager, salaries, allowances and benefits of Councillors as disclosed in this note 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.

18 INTEREST ALLOCATED TO INTERNAL FUNDS

Unspent Grands and Funds	3,158,369	1,983,312
Future Medical Aid Liability	6,849,819	6,313,000
Total Interest allocated to internal funds	<u>10,008,188</u>	<u>8,296,312</u>

19 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GRAP

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

Due to the implementation of GRAP Council had to make the following adjustments:

Transfer to increase the Capital Replacement Reserve	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
The effect of the change in accounting policy at the beginning of the year on the accumulated surplus/(deficit) is as follows: -	<u>-</u>	<u>-</u>

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
20 CORRECTION OF ERRORS		
During the year ended 30 June 2008, errors were corrected: -		
The comparative amount has been restated as follows: -		
Transfer to Creditor - Training Housing Department		200,000
Retention previously settled erroneously	98,379	(2,812)
RSC Levies paid back		(221,386)
Correction to offsetting of Depreciation - Assets below R10 000		2,818,129
Capitalization of Assets below R10 000 previously expensed		(10,081,833)
Backlock Depreciation on Assets below R10 000 previously not capatilized		8,155,683
Depreciation written back due to the implimentation of Residual Values on vehicles		(9,235,307)
Depreciatin written back on Agency Fucntion Assets	(689,864)	-
License Fees Previously allocated to PPE	30,934	-
Rounding error on Conversion of assets Capatilized in previous years	(42)	-
PPE transferred to PAWC funded by the Surplus in prior years.	32,698	
Expenditure Tjeks of proir years written back	15,595	
Operating Expenditure allocated to PPE	67,795	-
Land bought in 2006/2007, registered in 2007/2008	(250,000)	
Unclaimed Retention money Transferred to Surplus	(258,913)	
Net effect on surplus/(deficit) for the year	<u>(953,418)</u>	<u>(8,367,527)</u>

21 CASH GENERATED FROM OPERATIONS

Surplus for the year	16,511,053	32,174,280
Adjustment for:-		
Depreciation	3,067,111	11,652,457
Depreciation	-	
Prior year Transactions	1,067,392	(24,199)
Utelization of Government Grants received in prior years		(4,961,228)
Corrections on PPE	6,589	(74,709)
Gain on disposal of property, plant and equipment	-	(95,145)
Contribution to Capital Replacement Reserve	-	-
Contribution to Future Medical Aid Liability		26,292,191
Payment against Medical Aid Liability	-	-
Current Service Cost Medical Aid Liability	3,067,000	2,827,000
Contribution from the Surplus	-	(8,424,177)
Contribution to bad debt provision	5,586,054	-
Investment income	(127,045,327)	(27,171,674)
Internal Interest Paid	10,008,188	8,296,312
		-
Operating surplus before working capital changes:	(87,731,940)	40,491,108
(Increase)/Decrease in inventories	(733,240)	(381,705)
(Increase)/decrease in debtors	(22,603,386)	751,217
(Increase)/decrease in other debtors	(5,550,882)	4,271,866
(Decrease)/increase in conditional grants and receipts	2,162,069	620,499
Increase in creditors	6,312,468	8,359,889
Decrease in provisions	-	-
(Increase)/decrease in VAT	42,496,723	(1,494,636)
Cash generated by/(utilised in) operations	<u>(65,648,188)</u>	<u>52,618,238</u>

During the implementation of GAMAP, only 2004 figures were converted to GRAP. No comparison 2003 figures was converted, thus no Cash Flow Statement could be compiled.

22 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
<u>22.1 Contributions to organized local government</u>		
Opening balance	-	-
Council subscriptions	-	-
Amount paid - current year	-	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

**22 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE
 MANAGEMENT ACT (continued)**

22.2 Audit fees

Opening balance	-	-
Current year audit fee	922,743	766,212
Amount paid - current year	(922,743)	(766,212)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

The balance unpaid represents the audit fee for an interim audit conducted during May and June 2005 and is payable by 31 July 2005

22.3 VAT

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

22.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	11,886,529	12,318,278
Amount paid - current year	(11,886,529)	(12,318,278)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

22.5 Pension and Medical Aid Deductions

Opening balance	-	8,806
Current year payroll deductions and Council Contributions	26,223,920	23,856,334
Amount paid - current year	(26,223,920)	(23,865,140)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

22.6 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

A supply Chain Management policy has been developed and has been implemented in January 2006.

2008
R
2007
R

23 RETIREMENT BENEFIT INFORMATION

All Council's employees belong to one of the following funds. These schemes are subject to a tri- annual, bi- annual or annual actuarial valuation as set out. The Council's contributions to these funds are reflected as a charge against income in the financial statements.

23.1 Cape Joint Pensionfund, which is a defined benefit fund and is governed by the Pension finds Act of 1956. 6.81% of Council's employees are members of this fund. The fund is also a multi employer plan and the contribution rate payable is 27 %, p% by the members and 18 % by Council. No actuarial valuation is available yet. The actuarial valuation of the Cape Joint Pension Fund disclosed a market value of assets of R2 897million on 30 June 2007. The funding level of the fund was 107.2% on 30 June 2007. The 2007/2008 Financial Statements are not available yet.

According to current information available the Fund is still fully funded. If it should happen that the Fund becomes under funded, Coucil will have an obligation to cover the shortfall in terms of the rules of this fund. The possible obligation could not be determined as at 30 June 2008.

23.2 Cape Joint Retirement Fund is defined contribution fund and is governed by the Pensions Funds Act of 1956. 86.88 of Council's employees are members of this fund. The contribution rate paid by the members (9%) and Council (18%) is sufficient to fund the benefits accruing from the fund in future. According to the actuarial valuation the value of total net assets of the Cape Joint Retirement Fund is R 7 224 million on 30 June 2006. The funding level of the Pensions Account was 137.4%. Financial Statements for the 2007/2008 financial year are not available yet.

23.3 SAMWU National Provident Fund, which is a privately-administered fund. The fund is subject to actuarial valuation. According to the actuarial valuation the value of total assets of the SAMWU National provident Fund was R 2 007 million on 30 June 2006. 6.49 % of Council's employees are members of this fund.The funding level of the fund was 110.3% on 30 June 2006. Financial Statements for the 2007/2008 financial year are not available yet.

23.4 13 Councillors of the Cape Winelands District Municipality are members of the Municipal Councillors Pension Fund, which operates as a defined contribution scheme. The fund was established in 1988 and an actuarial valuation is carried out every 3 years. The fund was sound at its previous valuation in 2005 and was valued at R 691 million. The 2007/2008 Financial Statements and Actuarial Valuation will be available in December 2008.

24 CONTINGENT LIABILITY

Cape Joint Pension Fund - There might be a possibility that this fund is not 100% funded. The amount cannot be disclosed because it cannot be calculated from the imformation that is currentley available from the fund. See also note 23.1

Guarantees to Building Societies and Banks in respect of housing loans to employees	184,080	142,880
Obligation to implement TASK	-	-
	<u>184,080</u>	<u>142,880</u>

This liability is going to be fased out.

The obligation to implement task was fased out, because personell are being remunerated according to the posts they were plased in although the Task Job Evaluation prosecess has not been completed yet.

25 REGIONAL SERVICE LEVIES

With regard to item 14 of the accounting policy the following needs to be noted: Provisional RSC Levies are raised where levy payers do not submit declarations of their actual liabilities. The provisional RSC Levies are calculated based on actual historical declarations or information submitted with initial registration as a levy payer. As these provisional levies cannot be determined accurately and the eventual recovery thereof is uncertain, it was not recognised in the Statement of Financial Performance for the year under review.

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

26 DEVIATIONS

No deviations were reported during the financial year under review.

27 PRIMARY HEALTH CARE

The Primary Health Care function is in the process of being transferred to the Provincial Government of the Western Cape. The decrease in the salary cost is caused by this process. This transfer process will be completed during the 2006/2007 financial year.

28 FUTURE COMMITMENTS

Please refer to APPENDIX G

29 GENERAL EXPENSES

Administration Costs	97,819.97	556,928.12
Advertisements	681,961.17	494,225.90
Assets Below R10 000		0.00
Audit Committee	32,833.00	31,904.00
Audit Fees	922,742.87	766,212.10
Audit Support Service	279,631.65	277,432.27
Audit Training Support :Mun.		0.00
Banking Costs	82,605.95	132,059.06
Bargaining Council Levy	19,712.93	20,815.06
Books and Publications	4,456.17	9,313.82
Cash Handling	35,505.10	57,563.00
Cellphone Charges	774,222.42	706,151.17
Chemicals & Disinfectants	1,765.89	
Chemicals Foam	139,212.00	119,750.00
Cleaning Services and Cleans.	248,221.33	221,001.45
Commission On Income	274,224.08	0.00
Communication	693,229.70	819,676.42
Community Development - Worker	47,762.75	216,000.00
Community Support Programme	565,962.10	
Congress Expenses	222,328.13	253,715.42
Consultancy Fees Planning	2,112,193.50	1,415,261.45
Consumable Equipment	1,092.42	801.87
Consumable Materials	253,302.30	247,956.34
Contingencies	203,458.86	180,597.09
Contribution:Academy Of Learning	171,526.16	
Co-operational Agreements	459,868.56	431,827.99
Council Special Projects		120,000.00
Data Processing Equipment		139,334.59
Deed Enquiries	4,816.32	4,340.10
Delivery of Agendas	23,547.56	34,355.24
Dev Gender Equality Plan	205,883.45	
Develop Sectoral Plans	41,086.52	
Development Of Pms	155,502.42	
Disciplinary Hearings	20,062.00	
Disposal of Sewerage	41,146.56	49,393.32
District Learning Network	4,558.64	8,056.40
Electricity	803,074.82	908,821.15
Emergency Aid	130,213.98	45,624.10
Employee Wellness	11,638.80	98,686.49
Entertainment	121,912.38	110,630.73
Environmental Sector	3,763.20	
Equipment General items	584,932.48	431,876.11

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
Events	768,863.78	444,278.23
Exhibitions	783,434.83	771,842.81
Families And Children	143,600.00	
Fire Extinguishers: Mainten.	25,133.76	21,718.66
Fire Fighting Special Events	3,339,570.11	944,381.20
Fire Prevention	64,590.35	
Flowers, Wreaths, Gifts	1,926.04	2,307.62
Fuel - Diesel	3,857,682.01	3,307,890.06
Fuel - Petrol	1,696,502.69	1,797,866.19
Gardening Purchases		168.52
Group Life		993,218.57
Guidance	39,410.80	0.00
Herbicides	25,956.00	
Information Notices		0.00
Insurance	1,492,849.42	1,528,770.28
Interest Allocated to Creditors	-	2,340,458.39
Interest Allocated(Future Medical Aid Liability)	-	6,313,000.00
Internet Costs	22,793.43	14,041.58
Journalists		28,541.92
Laundry Service		2,827.21
Learnership Training	371,276.83	145,752.65
Legal Fees - Other	42,797.94	14,774.50
Licence Fees - Other	357,412.88	317,402.02
Licence Fees - Radio's	40,323.00	40,878.80
Licence Fees - Vehicles	36,777.60	21,919.50
Local Tourism Board Liaison	27,792.94	
Magazines	850.00	907.02
Marketing Collateral	524,406.62	307,037.80
Material: Reseal Projects	2,389,166.58	
Medical Consumable Items	18,460.96	17,291.55
Medical Services	3,835.95	
Medies PDP	635,335.00	5,820.02
Member Fees		305,795.63
Milkpowder	18,700.56	
Miscellaneous Equipment	12,925.50	4,799.35
Miscellaneous Expenses	261,179.33	192,749.57
Municipal Police	398,000.00	361,382.00
Ngo - Services	500,000.00	
Oil and Lubrications	180,454.15	197,034.26
Operators Costs		49,834.80
Other		
Parts and Accessories	1,419,303.75	1,618,891.25
Payment In Advance	172,022.00	
Photo Copy Machine Expenses		260.51
Planning	20,376.67	
Planning, Co-Ordinating And Re	29,497.50	
Planning: Disaster Management	303,590.00	
Postage and Minor Expense.	35,794.25	110,128.89
Printing and Stationery	1,202,516.15	1,190,914.76
Professional Fees (Coat of Arms		11,657.00
Program Changes (Mainframe	26,715.17	46,811.58
Projects	47,417,717.47	41,276,120.38
Property Rates: Exemption	10,037.36	38.68
Property Rates: Rebate	1,977.57	4,354.37
Property Tax	641,288.89	656,515.24
Protective Clothing	8,964.24	
Public Functions	182,441.77	111,436.67
Public Participation	278,557.75	200,585.61

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
Publicity Expenditure	1,515.78	
Quality Assurance	13,400.00	
Radio		
Refreshments and Tee	172,030.90	186,230.02
Refuse Removal Domestic	44,909.08	40,790.45
Relet Station (Radio's/Telem.	29,074.00	28,248.00
Relocation Costs	273,619.08	156,456.29
Rental - Construction Machinery		902,409.98
Rental Buildings	127,532.18	49,149.00
Rental General	56,790.09	54,583.71
Rental Machinery	337,718.23	161,913.25
Rental - Offices	12,666.02	
RSC 5	7,200,000.00	1,000.00
Sanitary Services	72,693.61	83,182.20
Security Services / Monitoring	351,790.01	322,100.69
Selection Cost: Personnel	39,145.31	9,334.56
Seta Levies	699,373.00	705,577.92
Service Cost Medical Aid Liability	-	
Site Maintenance	51,172.55	
Software Licence Fees	12,655.00	8,491.50
Software Purchases	344,173.02	340,596.77
Speaker Forum	3,177.01	
Study and Examination fees	228,375.92	265,319.88
Study Bursary Fund	880,710.00	274,060.00
Subscriptions / Regulations	46,143.56	104,963.13
Substance Abuse	343,487.74	
Support Various Cultures	17,100.00	
Sustainable Livelyhood	71,000.00	
Task Pos Evaluation	245,298.73	253,008.67
Telephones & Telexes	2,426,258.71	2,344,357.69
Tolhek Geld	8,602.29	
Tourism	255,249.13	106,574.84
Tourism Advisory Committee		18,117.00
TOURISM TRAVEL AND SUBSISTANCE ALLOWAN		1,381,573.61
Trade Union Exp: IMATU	33,686.25	33,017.61
Trade Union Exp: SAMWU	41,557.93	45,412.13
Trade Union Representation	3,691.05	5,337.03
Training	488,678.91	
Training: External	276,670.00	
Training of Personnel	868,069.05	723,369.63
Training Other	1,111,863.15	479,490.44
Transfer Fees: Property	10,590.68	6,083.01
Translation	258,193.51	208,850.32
Transport Internal	2,532,722.76	3,818,543.19
Transport Management	9,473.68	
Travel And Subsistence Allowance	1,961,571.54	
Uniforms	986,357.79	650,700.24
Valuation Fees	94,179.28	
Vehicle Repairs (External)	1,550,569.18	1,492,564.41
Video/Dvd	65,000.00	
Voluntary Fire Service	708,571.10	146,688.52
Vuna Awards	67,277.77	
Water Supply	383,821.45	230,801.53
Water/Food Sample/Testing	533,650.20	382,570.86
Womensday Celebrations	46,221.41	
Workshop Costs(Internal)	3,445,142.67	4,423,103.89

CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
Workshops	15,675.34	
Workshops/Meetings	239,879.98	89,664.73
Workshops/Training	117,498.60	2,368.26
Year End Function	34,717.07	
Youth Council	510.72	
Youth Empowerment	157,171.60	
Less: Int. Alloc.(Future Medical Aid Liability)		-6,313,000.00
Less: Int. Allocated to Creditors		-2,340,458.39
Less Expenditure by Debited elsewhere	-27,309,853.57	-24,953,665.59
TOTAL	83,409,407.79	61,562,197

30 RELATED PARTIES

Council entered into business agreements with the following related parties:

Kleinplasia Restaurant	67,200	52,704
Odette Rogers	-	31,020
	<u>67,200</u>	<u>83,724</u>

31 RISK MANAGEMENT

31.1 CREDIT RISK

Credit Risk primarily relates to cash investments. Council deposits cash surpluses with financial institutions of high quality and standing. A cash management and investment policy has been approved.

In terms of the MFMA Act 56 of 2003 the granting of credit (Loans) are prohibited.

31.2 RELIANCE ON NATIONAL GOVERNMENT FOR FUNDS (INCOME)

With the phasing u to the Regional Services Levies on 30 June 2006 the Cape Winelands will be dependant of the National and Provincial Governments for its income +/-80%. This created a lot of uncertainties regarding the future of District Municipalities.

31.3 INTEREST RISK (EXTERNAL BORROWING)

The Council has no outstanding loans as at 30 June 2008. The increases in interest rates will therefore have no effect on the liquidity of Council.

31.4 FOREIGN EXCHANGE RISK

Foreign currency risk is deemed to be minimal as very few international transactions are conducted.

31.5 POLITICAL RISK

The political landscape of the Western Cape has been quite stable and there is respect for the rule of law.

31.6 DISCLOSURE ON COLLATERAL

Refer to note 24.

32 INVESTMENT PLAN

Particulars of the investments as prescribed by section 17(1)(f) of the Local Government: Municipal Finance Management Act(Act 56 of 2003)

Invested as at 30 June 2008 at the following A1 Banks as prescribed by Council's Investment Policy:

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
ABSA Call Account	11,013,443	15,069,386
ABSA	60,000,000	60,000,000
FNB	70,000,000	30,000,000
INVESTEC	50,000,000	55,000,000
NEDCOR	65,000,000	65,000,000
STANDARD BANK	70,000,000	60,000,000
	<u>326,013,443</u>	<u>285,069,386</u>
Bank / Cash - ABSA	1,510,820	-3,158,370
TOTAL : CASH AND INVESTMENTS	<u><u>327,524,263</u></u>	<u><u>281,911,016</u></u>

Commitments linked to investments as at 30 June 2008

Future Medical Aid contributions	89,872,108	80,586,110
Capital Replacement Reserve	21,255,016	31,446,637
Future Depreciation	30,157,120	32,764,882
Government Grant Reserve	5,616,239	5,460,112
Future Commitments	-	25,805,728
Unspent Grants	15,092,628	12,930,559
Staff Leave	7,420,531	4,616,146
Retention	2,126,728	1,976,861
Other Creditors	10,678,513	11,655,129
Provision for Bad Debt	1,473,873	18,400,239
Working Capital	143,831,506	56,268,613
	<u>327,524,263</u>	<u>281,911,016</u>

33 ACCUMULATED SURPLUS

Opening Balance	198,199,161	175,276,960
Correction of errors (Note 20)	953,418	8,367,526
Implementation of GRAP (Note 19)	-	-
Restated balance	<u>199,152,579</u>	<u>183,644,487</u>
Additions	25,041,510	42,940,078
Contributions made	(376,713)	(13,385,404)
Closing Balance	<u><u>223,817,377</u></u>	<u><u>213,199,161</u></u>

34 DEPRECIATION

Opening Balance	(32,764,882)	(23,571,728)
Additions	(4,436,992)	(11,652,457)
Write offs	1,372,995	1,219,777
Corrections	686,797	1,092,416
Disposals	4,984,963	147,110
	<u>(30,157,119)</u>	<u>(32,764,882)</u>

35 FAIR VALUE

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008
R

2007
R

Financial instruments which includes short-term trade receivables and payables are stated at cost excluding debt premiums and discounts which is also equal to their fair value. Therefore every material line item in the financial instruments carrying value approximates the fair value.

36 PLAN ASSETS

Although there are no specific investments linked to the Future Medical Aid Liability Fund, it was cash backed.

Council's surplus funds are not managed by external asset management service providers.

37 Pensionfund Liability

2007

2006

The Cape Joint Pension Fund indicated that their Actuarial Valuation will only be available at December 2008. Hence the information provided below is that of the 2006/2007 financial year as disclosed in its previous financial statements.

37.1	Net Assets available for benefits	3,849,846,661	3,460,729,000
37.2	The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised retirement benefits:		
	Defined Benefit Section	3,445,814,764	3,090,489,000
	Defined Contribution Section	404,031,898	370,240,000
37.3	The actuarial present value of promised retirement benefits:		
	DB Section (based on a salary increase of 6% effective 1 July 2006)		
	- Active and deferred members' liabilities	843,301,000	771,492,000
	- Pensioners	1,853,551,000	1,800,610
	DC Section:		
	- Active members' shares	383,812,000	350,895,000
37.4	Reserve account balances:		
	DC Section Investment Reserve	20,220,000	19,345,000

37.5

Details of the valuation method adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report:

The future service contribution rate has been calculated according to the Attained Age method. This method gives a uniform rate of contribution required to fund future benefits over the remaining working lifetime of the membership.

Liabilities for DB active service members and pensioners are taken as the actuarial present values of all future benefit payments using the long term valuation assumptions. For DB active service members, salaries are projected to retirement, and past service liabilities are calculated based on members' pensionable service completed at the valuation date including bonus service. Minimum benefits are allowed for based on the long term valuation assumptions.

Member's Shares and contributions in the DC Section were accumulated with declared interest of 19.3% p.a. over the year ending 30 June 2007.

The value of the asset for DB liabilities has been determined by discounting the expected future investment proceeds generated by a notional portfolio of assets at the valuation rate of interest. The notional portfolio of assets used reflects the long-term benchmark outlined in the investment strategy adopted by the Trustees. The notional portfolio is based on the overall investment strategy benchmark for both pensioners and active members.

37.6 Details of the actuarial basis adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary report. (There were no changes since the previous summary.)

CAPE WINELANDS DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		R	R
	30 June 2007		
Interest rate	8% p.a.		
Pension Increase	2% p.a.		
Interest rate net of pension increases	6% p.a.		
Price Inflation	4% p.a.		
Dividend Growth	4.5% p.a.		
Mortality of pensioners	PA(90) - 2 years		
Mortality of ill-health pensioners	PA(90) + 8 years		
Husband's age greater than wife	4 years		
Proportion Married:			
- actives at retirement	90%		
- male pensioners	80%		
- females with Pension Age 65	100%		

37.7 Any other particulars deemed necessary by the valuator for the purposes of this summary.

Financial condition

Defined Benefit Section

Actuarial value of assets	2,897,061,000	2,865,117,000
Past service liabilities	2,696,852,000	2,572,102,000
- Active service members	835,952,000	766,114,000
- Paid-up members	7,349,000	5,378,000
- Pensioner liability	1,853,551,000	1,800,610,000
Surplus / (deficit)	200,209,000	293,015,000

Funding level (DB Section)

107.20%

111.40%

Defined Contribution Section

**Recommended
19.30%**

**Declared
20% p.a.**

Market value of assets	404,032,000	370,240,000
Members' Shares	383,812,000	350,895,000
Investment Reserve	20,220,000	19,345,000
Funding level (DC Section)	105.3%	105.50%

Future service contribution rate

% of salaries

Defined Benefit Section

Future service benefits		
- Retirement benefits	26.33%	25.55%
- Death and withdrawal benefits	3.07%	3.17%
Expense allowance	1.50%	1.40%
Total Contribution	30.90%	30.12%
Less: Member contributions	-9.00%	-9.00%
Recommended Local Authority contribution rate	21.90%	21.12%
Current Local Authority contribution rate	18.00%	18.00%
Over / -under provision	-3.90%	-3.12%

37.8

A statement as to whether the fund was in a sound financial condition for the purposes of the Pension Funds Act, 1956.

The fund declared a final bonus rate of 19.3% p.a. for the DC Section. Pension increases of 2.4% on 1 January 2007 and 3.4% on 1 March 2007 were declared, and a 60% bonus was granted. Inflationary catch-up increases were granted on 1 January 2007.

The Fund is in a sound financial condition as at 30 June 2007

If the recommended contribution rate under the Attained Age method is adopted for the DB Section, the Fund, in the normal course of events, will be funded on sound actuarial principles.

**CAPE WINELANDS DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

2008
R

2007
R

37.9 Disclosure 2006/2007

No actuarial valuation could be obtained to make the proper disclosures for the 2006/2007 financial year, see note 23.1.

38 COUNCIL'S RIGHT TO AMEND THE ANNUAL FINANCIAL STATEMENTS

In terms of IAS 10.17 Council has the right and power to amend the annual financial statements after issue.

39 EVENTS AFTER THE REPORTING DATE

Council issued summonses to all Levy Debtors. 38 of these debtors opposed their summonses. If Council decide to take these cases to Court, the cost might amount to R300 000 per case.

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

5. PROPERTY, PLANT AND EQUIPMENT

30 June 2008									
Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Work in Progress	Leased infrastructure	Total	
	R	R	R	R	R	R	R	R	R
Carrying values at 1 July 2007	91,990,215	-	23,093,035	8,467,000	29,997,083	-	-	-	153,547,333
Cost	93,313,056	-	28,286,977	3,944,419	46,638,164	-	-	-	172,182,616
Corrections	-	-	-	-	-	-	-	-	-
Depreciation written back	(1,190,768)	-	(2,391,396)	-	10,061,698	-	-	-	6,479,534
Revaluation	3,495,209	0	-	4,522,581	0	0	0	0	8,017,790
Disposals	-	-	-	-	-367,725.00	-	-	-	(367,725)
Accumulated depreciation	(3,627,282)	-	(2,802,546)	-	(26,335,054)	-	-	-	(32,764,882)
- Cost	(3,627,282)	-	(2,802,546)	-	(26,335,054)	-	-	-	(32,764,882)
- Revaluation	-	-	-	-	-	-	-	-	-
Adjustment of Opening Balances	-91,990,215.40	2,260,254.96	-2,157,718.00	(5,418,425)	97,272,486	33,618	-	-	0
Cost	(91,990,215)	2,767,727	3,158,645	(5,418,425)	95,086,266	23,285	-	-	-
Depreciation	-	(507,472)	(5,316,363)	-	2,186,219	10,334	-	-	-
Acquisitions	-	372,500	1,409,032	-	8,992,593	-	-	-	10,774,125
Capital under Construction	-	-	-	-	-	-	-	-	-
Increases/decreases in revaluation	-	-	-	-	-	-	-	-	-
Depreciation written back	-	-	-	-	1,372,995	-	-	-	1,372,995
Depreciation	-	(103,566)	3,956,076	-	(8,289,503)	-	-	-	(4,436,993)
- based on cost	-	(103,566)	3,956,076	-	(8,289,503)	-	-	-	(4,436,993)
- based on revaluation	-	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	(270,339)	-	(412,092)	-	-	-	(682,430)
Cost/revaluation	-	-	(275,692)	-	5,391,700	-	-	-	5,116,008
Accumulated depreciation	-	-	5,353	-	4,979,608	-	-	-	4,984,962
Impairment losses	-	-	-	-	-	-	-	-	-
Corrections	-	-	-	-	686,796	-	-	-	686,796
	(0)	2,529,189	26,030,085	3,048,575	129,620,359	33,618	-	-	161,261,826
Carrying values at 30 June 2008	(0)	2,529,189	26,030,086	3,048,575	129,620,358	33,618	-	-	161,261,826
Cost	93,313,056	372,500	29,696,009	3,944,419	55,630,757	-	-	-	182,956,741
Depreciation written back	(1,190,768)	-	-	-	11,434,693	-	-	-	10,243,925
Adjustment Opening Balances	(91,990,215)	2,260,255	(2,157,718)	(5,418,425)	97,272,486	33,618	-	-	-
Corrections	-	-	(2,391,396)	-	686,796	-	-	-	(1,704,600)
Revaluation	3,495,209	-	-	4,522,581	-	-	-	-	8,017,790
Disposals	-	-	(270,339)	-	(779,816)	-	-	-	(1,050,155)
Accumulated depreciation	(3,627,282)	(103,566)	1,153,530	-	(34,624,558)	-	-	-	(37,201,876)
- Cost	(3,627,282)	(103,566)	1,153,530	-	(34,624,558)	-	-	-	(37,201,876)
- Revaluation	-	-	-	-	-	-	-	-	-

5. PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2007 Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Develop. Fund	Leased infrastructure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2006	93,313,056	-	18,014,358	8,467,000	17,769,257	-	-	137,563,671
Cost	36,059,202	-	7,691,869	3,944,419	40,076,210	-	-	87,771,700
Correct Error (note 32)	-	-	-	-	-	-	-	-
Depreciation written back	23,238,712	-	356,804	-	-	-	-	23,595,516
Revaluation	80,882,976	-	12,569,234	4,522,581	-	-	-	97,974,791
Disposals	-	-	-	-	(40,898)	-	-	(40,898)
Accumulated depreciation	(46,867,834)	-	(2,603,549)	-	(22,266,055)	-	-	(71,737,438)
- Cost	(46,867,834)	-	(2,603,549)	-	(22,266,055)	-	-	(71,737,438)
- Revaluation	-	-	-	-	-	-	-	-
Acquisitions	-	-	7,992,267	-	7,577,531	-	-	15,569,798
Capital under construction	-	-	-	-	-	-	-	-
Increases/decreases in revaluation	3,495,209	-	-	-	-	-	-	3,495,209
Depreciation written back	-	-	1,219,777	-	-	-	-	1,219,777
Depreciation	(3,640,074)	-	(1,776,497)	-	(6,235,887)	-	-	(11,652,458)
- based on cost	(3,640,074)	-	(1,776,497)	-	(6,235,887)	-	-	(11,652,458)
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	(220,615)	-	-	(220,615)
Cost/revaluation	-	-	-	-	(367,725)	-	-	(367,725)
Accumulated depreciation	-	-	-	-	147,110	-	-	147,110
Impairment Losses	-	-	-	-	-	-	-	-
Corrections	(1,177,976)	-	(2,356,870)	-	11,106,797	-	-	7,571,951
	91,990,215	-	23,093,035	8,467,000	29,997,083	-	-	153,547,333
Carrying values at 30 June 2007	91,990,215	-	23,093,035	8,467,000	29,997,083	-	-	153,547,333
Cost	93,313,056	-	28,286,977	3,944,419	46,638,164	-	-	172,182,616
Depreciation written back	-	-	-	-	-	-	-	-
Corrections	(1,190,768)	-	(2,391,396)	-	10,061,698	-	-	6,479,534
Revaluation	3,495,209	-	-	4,522,581	-	-	-	8,017,790
Disposals	-	-	-	-	(367,725)	-	-	(367,725)
Accumulated depreciation	(3,627,282)	-	(2,802,546)	-	(26,335,054)	-	-	(32,764,882)
- Cost	(3,627,282)	-	(2,802,546)	-	(26,335,054)	-	-	(32,764,882)
- Revaluation	-	-	-	-	-	-	-	-

Land and buildings are carried at cost in accordance with GRAP on property, plant and equipment. 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).

A revaluation of Land and Buildings was done June 2006.

Assets to be sold in 2008/2009 Financial Year R 291 366.68

APPENDIX A

CAPE WINELANDS DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/03	Received during the period	Redeemed written off during the period	Balance at 30/06/04	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
			R	R	R	R	R	R
LONG-TERM LOANS			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
Total long-term loans			-	-	-	-	-	-
ANNUITY LOAN								
GOVERNMENT LOANS								
Total Government Loans								
LEASE LIABILITY								
TOTAL EXTERNAL LOANS								

Council do not have any outstanding loans.

APPENDIX B
CAPE WINELANDS DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost/Revaluation						Accumulated Depreciation							Carrying Value	
	Opening			Additions	Disposals	Closing Balance	Opening			Additions	Depr. Write back	Corrections	Disposals		Closing Balance
	Balance	Adjustments	New Balance				Balance	Adjustments	New Balance						
	R	R	R	R	R	R	R	R	R	R	R	R	R		
Land and Buildings															
Land	30,396,295	(30,396,295)	-	-	-	-	-	-	-	-	-	-	-	-	
Buildings	65,221,202	(65,221,202)	-	-	-	(3,627,282)	3,627,282	-	-	-	-	-	-	-	
	95,617,497	(95,617,497)	-	-	-	(3,627,282)	3,627,282	-	-	-	-	-	-	-	
Infrastructure															
Car Parks	-	189,800	189,800	-	-	189,800	-	(33,742)	(33,742)	(6,344)	-	-	(40,086)	149,714	
Fencing	-	64,129	64,129	-	-	64,129	-	(57,820)	(57,820)	(3,163)	-	-	(60,983)	3,146	
Meters Water	-	11,547	11,547	-	-	11,547	-	(6,888)	(6,888)	(1,274)	-	-	(8,162)	3,385	
Office Building	-	15,070	15,070	-	-	15,070	-	(15,070)	(15,070)	-	-	-	(15,070)	-	
Paving	-	84,632	84,632	-	-	84,632	-	(84,632)	(84,632)	-	-	-	(84,632)	0	
Power Stations	-	255,946	255,946	-	-	255,946	-	(72,647)	(72,647)	(8,623)	-	-	(81,270)	174,676	
Purification	-	-	-	372,500	-	372,500	-	-	-	-	-	-	-	372,500	
Airports/Radio	-	832,114	832,114	-	-	832,114	-	(111,214)	(111,214)	(27,813)	-	-	(139,027)	693,087	
Security System	-	1,314,487	1,314,487	-	-	1,314,487	-	(125,459)	(125,459)	(56,349)	-	-	(181,808)	1,132,679	
Water Mains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	2,767,727	2,767,727	372,500	-	3,140,227	-	(507,472)	(507,472)	(103,566)	-	-	(611,038)	2,529,189	
Community Assets															
Care Centres	-	101,778	101,778	-	-	101,778	-	-	-	(3,402)	-	-	(3,402)	98,376	
Community Centres	-	2,219,468	2,219,468	-	-	2,219,468	-	(398,153)	(398,153)	(72,347)	-	-	(470,500)	1,748,967	
Clinics/Hospital	-	5,401,907	5,401,907	-	-	5,401,907	-	(1,878,005)	(1,878,005)	(132,363)	-	-	(2,010,368)	3,391,539	
Civic Buildings	25,895,581	(7,505,430)	18,390,151	549,840	-	18,939,990	(2,802,546)	(3,274,455)	(6,077,001)	4,276,965	-	-	(1,800,036)	17,139,954	
Hostels Workers	-	2,191,835	2,191,835	-	(275,692)	1,916,143	-	564,850	564,850	(97,715)	-	5,353	472,488	2,388,630	
Informal Housing	-	-	-	859,192	-	859,192	-	-	-	-	-	-	-	859,192	
Outdoor Sports	-	19,621	19,621	-	-	19,621	-	(3,924)	(3,924)	(656)	-	-	(4,580)	15,041	
Parks	-	196,211	196,211	-	-	196,211	-	(39,242)	(39,242)	(6,558)	-	-	(45,800)	150,411	
Public Convenience	-	533,255	533,255	-	-	533,255	-	(287,434)	(287,434)	(7,847)	-	-	(295,281)	237,974	
	25,895,581	3,158,644	29,054,225	1,409,032	(275,692)	30,187,565	(2,802,546)	(5,316,363)	(8,118,909)	3,956,076	-	-	(4,157,480)	26,030,085	
Heritage Assets															
Historical Buildings	8,467,000	(5,418,425)	3,048,575	-	-	3,048,575	-	-	-	-	-	-	-	3,048,575	
Painting & Art Galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	8,467,000	(5,418,425)	3,048,575	-	-	3,048,575	-	-	-	-	-	-	-	3,048,575	
Total carried forward	129,980,078	(95,109,551)	34,870,527	1,781,532	(275,692)	36,376,367	(6,429,828)	(2,196,553)	(8,626,381)	3,852,510	-	-	(4,768,518)	31,607,849	

* Includes correction of error referred to in Note 32.

APPENDIX B
CAPE WINELANDS DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost						Accumulated Depreciation							Carrying Value	
	Opening			Additions	Disposals	Closing Balance	Opening			Additions	Depr. Write back	Corrections	Disposals		Closing Balance
	Balance	Adjustments	New Balance				Balance	Adjustments	New Balance						
	R	R	R	R	R	R	R	R	R	R	R	R	R		
Total brought forward	129,980,078	(95,109,551)	34,870,527	1,781,532	(275,692)	36,376,367	(6,429,828)	(2,196,553)	(8,626,381)	3,852,510	-	-	5,353	(4,768,518)	31,607,849
Housing Rental Stock															
Housing Rental 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing Rental 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Leased Assets (Infrastructure)															
Sewerage Mains & Purify	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**APPENDIX B
CAPE WINELANDS DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008**

	Cost						Accumulated Depreciation							Carrying Value	
	Opening			Additions	Disposals	Closing Balance	Opening			Additions	Depr. Write back	Corrections	Disposals		Closing Balance
	Balance	Adjustments	New Balance				Balance	Adjustments	New Balance						
	R	R	R	R	R	R	R	R	R	R	R	R	R		
Other Assets															
Access Control			-	6,300	-	6,300			-	-	-	-	-	-	6,300
Agent Services		1,933,950	1,933,950	172,963	(22,492)	2,084,421			-	(9,585)	11,860	-	6,817	9,092	2,093,513
Ambulances		1,788,380	1,788,380		(585,677)	1,202,703		(1,698,816)	(1,698,816)	(20,365)	-	-	547,248	(1,171,933)	30,770
Audio Equipment		688,229	688,229	34,663	(89,991)	632,901		(551,891)	(551,891)	(75,839)	-	-	89,922	(537,808)	95,094
Bulk containers		-	-	35,500	-	35,500		-	-	(1,770)	-	-	-	(1,770)	33,730
Canopy		11,831	11,831	20,283	-	32,114		(11,831)	(11,831)	(3,378)	-	-	-	(15,210)	16,904
Compressors		10,857	10,857	24,890	-	35,747		(10,857)	(10,857)	-	-	-	-	(10,857)	24,890
Conservancy tankers		-	-	-	-	-		-	-	-	-	-	-	-	-
Drill-concrete		-	-	313	-	313		-	-	-	-	-	-	-	313
Electrical Equipment		387,631	387,631	9,347	(93,424)	303,554		(246,440)	(246,440)	(39,642)	-	-	87,377	(198,704)	104,849
Emergency lights		7,456	7,456	14,394	-	21,850		(7,456)	(7,456)	(595)	-	-	-	(8,052)	13,799
Equipment/apparatus		-	-	7,892	-	7,892		-	-	(787)	-	-	-	(787)	7,105
Fencing		71,029	71,029	779,567	-	850,595		(9,705)	(9,705)	(12,297)	-	-	-	(22,002)	828,594
Fire engines	11,219,800	312,146	11,531,946	2,100,611	(64,550)	13,568,007	(998,698)	401,738	(596,960)	(1,158,011)	-	-	64,550	(1,690,421)	11,877,586
Fire Equipment		698,871	698,871	831,390	-	1,530,261		(301,569)	(301,569)	(96,937)	-	-	-	(398,506)	1,131,755
Fire Hoses		36,800	36,800		-	36,800		(6,804)	(6,804)	(12,300)	-	-	-	(19,104)	17,696
Furniture & Fittings	527,619	4,411,127	4,938,746	361,959	(1,051,621)	4,249,084	(441,555)	(4,553,986)	(4,995,541)	(335,987)	686,797	1,027,601	(3,617,130)	631,954	
Generator		806,910	806,910	425,136	(199)	1,231,847		(182,437)	(182,437)	(144,034)	-	199	-	(326,273)	905,574
Housing Schemes		19,903,486	19,903,486	103,861	-	20,007,347		(987,289)	(987,289)	(701,648)	-	-	-	(1,688,937)	18,318,410
Labatories		274,468	274,468		-	274,468		(238,648)	(238,648)	(1,343)	-	-	-	(239,991)	34,477
Lawnmowers		2,787	2,787		(2,787)	0		(2,787)	(2,787)	-	-	2,787	-	(0)	-
Office Building		30,824,925	30,824,924	240,650	-	31,065,574		522,952	522,952	(1,095,035)	-	-	-	(572,083)	30,493,491
Office Equipment	18,758,428	(8,768,677)	9,988,751	2,052,998	(640,415)	11,401,334	(15,236,807)	7,431,056	(7,805,751)	(1,347,018)	-	-	606,919	(8,545,850)	2,855,484
Other land		30,396,295	30,396,295	253,230	(264,308)	30,385,217		-	-	-	-	-	-	-	30,385,217
Other Plant	1,900,318	300,928	2,201,246	49,373	(234,949)	2,015,670	(673,132)	(1,075,375)	(1,748,507)	(199,576)	-	-	234,949	(1,713,134)	302,536
Pumps		34,488	34,488	709	-	35,197		(10,148)	(10,148)	(5,380)	-	-	-	(15,528)	19,669
Refuse tankers		-	-	-	-	-		-	-	-	-	-	-	-	-
Special Plant	692,467	(692,467)	-	-	-	-	(254,098)	254,098	-	-	-	-	-	-	-
Special Vehicles		-	-	-	-	-		-	-	-	-	-	-	-	-
Tools		-	-	28,621	-	28,621		-	-	(3,687)	-	-	-	(3,687)	24,934
Trailers		1,675,570	1,675,570	42,320	-	1,717,890		(635,847)	(635,848)	(168,094)	-	-	-	(803,942)	913,947
Trucks/Bakkies		6,947,336	6,947,336	336,236	(656,844)	6,626,727		(5,511,482)	(5,511,482)	(713,112)	-	-	656,844	(5,567,749)	1,058,978
Valuation Roll	539,029	-	539,029	-	-	539,029	(539,029)	-	(539,029)	-	-	-	-	(539,029)	-
Vehicles	22,694,475	(10,667,329)	12,027,146	1,059,388	(1,684,443)	11,402,091	(8,191,735)	7,305,532	(886,203)	(1,675,407)	1,361,135	1,654,397	453,922	11,856,014	
Watercraft		-	-	-	-	-		-	-	-	-	-	-	-	-
Workshop/Depots		13,690,240	13,690,240		-	13,690,240		2,314,212	2,314,212	(467,674)	-	-	-	1,846,537	15,536,777
	56,332,136	95,086,266	151,418,401	8,992,593	(5,391,700)	155,019,295	(26,335,054)	2,186,219	(24,148,836)	(8,289,502)	1,372,995	686,797	4,979,609	(25,398,936)	129,620,359
Work in Progress															
Office Building	-	-	-	-	-	-		10,334	10,334	-	-	-	-	10,334	10,334
Office Machines		(21,200)	(21,200)	-	-	(21,200)		-	-	-	-	-	-	-	(21,200)
Pumps		67,795	67,795	-	-	67,795		-	-	-	-	-	-	-	67,795
Vehicles		(23,310)	(23,310)	-	-	(23,310)		-	-	-	-	-	-	-	(23,310)
	-	23,285	23,285	-	-	23,285	-	10,334	10,334	-	-	-	-	10,334	33,619
Total	186,312,214	0	186,312,214	10,774,125	(5,667,392)	191,418,947	(32,764,882)	(0)	(32,764,883)	(4,436,992)	1,372,995	686,797	4,984,963	(30,157,120)	161,261,826

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

	Cost							Accumulated Depreciation						Carrying Value
	Opening Balance	Additions	Revaluation	Corrections	Depr. Write Back	Disposals	Closing Balance	Opening Balance	Additions	Depr. Write Back	Corrections	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R	
Executive & Council	1,071,000	54,743		-		(157,827)	967,916	(1,036,915)	(81,072)	-		157,827	(960,160)	7,756
Finance & Admin	155,243,100	5,012,744	-	-	-	(3,598,246)	156,657,598	(24,607,108)	(2,002,820)	1,361,135	-	2,989,789	(22,259,004)	134,398,594
Planning & Development	73,606	71,404				(17,833)	127,177	(71,140)	(134,590)			17,833	(187,897)	(60,720)
Health	2,890,360	13,213				(1,728,248)	1,175,325	29,916	(223,686)			1,691,171	1,497,401	2,672,726
Community & Social Services	-	-				-	-	-	-			-	-	-
Housing	66,678	1,367,772				(45,118)	1,389,332	(66,375)	(26,497)			19,519	(73,353)	1,315,979
Public Safety	25,852,089	3,879,018		-		(60,171)	29,670,936	(6,638,628)	(1,880,787)			64,550	(8,454,865)	21,216,071
Sport & Recreation	-	-				-	-	-	-			-	-	-
Environmental Protection	-	116,176				-	116,176	-	(2,057)			-	(2,057)	114,119
Waste Management	-	-				-	-	-	-			-	-	-
Road Transport	1,097,568	259,055				(59,949)	1,296,674	(356,818)	(85,485)	11,860	686,797	44,274	300,628	1,597,302
Water	-	-				-	-	-	-			-	-	-
Electricity	-	-				-	-	-	-			-	-	-
Other	17,815	-				-	17,815	(17,814)	-			-	(17,814)	1
TOTAL	186,312,215	10,774,125	-	-	-	(5,667,392)	191,418,948	(32,764,882)	(4,436,994)	1,372,995	686,797	4,984,963	(30,157,121)	161,261,826

APPENDIX D

**CAPE WINELANDS 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
36,527,004	(56,681,186)	(20,154,182)	Executive & Council	42,314,586	(34,704,696)	7,609,890
177,016,515	(47,515,271)	129,501,244	Finance & Admin	528,671,991	(437,720,486)	90,951,504
1,646,797	(7,978,063)	(6,331,267)	Planning & Development	19,544	(8,174,897)	(8,155,353)
11,044,773	(14,283,944)	(3,239,170)	Health	2,010,523	(4,597,536)	(2,587,013)
		-	Community & Social Services	-	(531,848)	(531,848)
9,667,273	(22,641,807)	(12,974,534)	Housing	10,847,722	(26,590,282)	(15,742,560)
2,207,920	(24,158,589)	(21,950,669)	Public Safety	4,012,248	(28,672,458)	(24,660,210)
		-	Sport & Recreation			-
	(21,641,699)	(21,641,699)	Environmental Protection	6,299,838	(29,665,604)	(23,365,767)
	-	-	Waste Management			-
59,689,475	(65,007,016)	(5,317,541)	Road Transport	65,323,461	(66,597,406)	(1,273,945)
		-	Water			-
		-	Electricity			-
643,700	(6,361,603)	(5,717,903)	Other	80,711	(5,814,357)	(5,733,646)
		-				-
298,443,457	(266,269,178)	32,174,280	Sub Total	659,580,623	(643,069,570)	16,511,053
(14,963,575)	14,963,575	-	Less Inter-Dep Charges	(14,975,700)	14,975,700	-
283,479,882	(251,305,603)	32,174,280	Total	644,604,923	(628,093,870)	16,511,053
		-	Add: Share of Associate			-
		32,174,280				16,511,053

APPENDIX E(1)

CAPE WINELANDS DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008

	2008	2008	2008	2008	Explanation of Significant Variances
REVENUE	Actual (R)	Budget (R)	Variance (R)	Variance (%)	greater than 10% versus Budget
Property rates	824,705	874,200	(49,495)	-5.66%	
Property rates - penalties imposed and collection charges	57,631	39,000	18,631	47.77%	
Service charges	3,973,783	145,500	3,828,283	2631.12%	
Regional Services Levies - remuneration	21,150,119	-	21,150,119	0.00%	
Regional Services Levies - turnover	270,797,616	1,200,000	269,597,616	22466.47%	
Rental of facilities and equipment	73,982	119,700	(45,718)	-38.19%	
Interest earned - external investments	38,128,613	25,075,000	13,053,613	52.06%	
Interest earned - outstanding debtors	88,916,714	3,700	88,913,014	2403054.43%	
Dividends received	-	-	-	0.00%	
Fines	-	-	-	0.00%	
Licences and permits	-	-	-	0.00%	
Income for agency services	61,342,967	84,084,900	(22,741,933)	-27.05%	
Government grants and subsidies	165,741,535	172,644,000	(6,902,465)	-4.00%	
Other income	7,123,032	3,678,307	3,444,725	93.65%	
Contributions from Surplus	-	-	-	0.00%	
Public contributions, donated/contributed PPE	-	-	-	0.00%	
Gains on disposal of property, plant and equipment	1,330,705	-	1,330,705	0.00%	
Total Revenue	659,461,401	287,864,307	371,597,094	129.09%	
EXPENDITURE					
Employee related costs	69,986,566	67,698,200	2,288,366	3.38%	
Remuneration of Councillors	5,878,941	5,933,000	(54,059)	-0.91%	
Bad debts	398,743,629	365,000	398,378,629	109144.83%	
Collection costs	-	-	-	0.00%	
Depreciation	3,067,111	5,364,810	(2,297,699)	-42.83%	
Repairs and maintenance	63,151,528	67,519,690	(4,368,162)	-6.47%	
Internal Interest paid	3,158,369	3,158,369	3,158,369	0.00%	
Medical Aid Liability - Interest Paid	6,849,819	4,000,000	2,849,819	71.25%	
Medical Aid Liability - Current Service Cost	3,067,000	2,000,000	1,067,000	53.35%	
Medical Aid Liability - Transitional Liability Recognised	1,857,253	-	1,857,253	0.00%	
Bulk purchases	-	-	-	0.00%	
Contracted services	-	-	-	0.00%	
Grants and subsidies paid	-	-	-	0.00%	
General expenses - other	83,409,408	134,931,207	(51,521,799)	-38.18%	
Contributions to Ex-Gratia Pensionfund	3,728,801	-	3,728,801	0.00%	
Loss on disposal of property, plant and equipment	51,924	52,400	(476)	-0.91%	
Total Expenditure	642,950,349	287,864,307	355,086,042	123.35%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	16,511,053	-	16,511,053	0.00%	

APPENDIX E(1)
CAPE WINELANDS DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008

	2008	2008	2008	2008	Explanation of Significant Variances greater than 10% versus Budget
REVENUE	Actual (R)	Budget (R)	Variance (R)	Variance (%)	
Property rates	824,301	824,300	1	0.00%	(Explanations to be recorded)
Property rates - penalties imposed and collection charges	51,247	37,170	14,077	37.87%	
Service charges	2,362,876	135,980	2,226,896	1637.66%	
Regional Services Levies - remuneration	4,986,304	4,509,294	477,010	10.58%	
Regional Services Levies - turnover	20,689,659	19,135,109	1,554,550	8.12%	
Rental of facilities and equipment	68,807	83,000	(14,193)	-17.10%	
Interest earned - external investments	26,597,817	12,600,000	13,997,817	111.09%	
Interest earned - outstanding debtors	573,856	281,844	292,012	103.61%	
Dividends received	-	-	-	0.00%	
Fines	-	-	-	0.00%	
Licences and permits	-	-	-	0.00%	
Income for agency services	58,262,646	76,085,998	(17,823,352)	-23.43%	
Government grants and subsidies	155,676,194	167,297,967	(11,621,773)	-6.95%	
Other income	4,029,136	1,840,644	2,188,492	118.90%	
Contributions from Surplus	8,424,177	22,591,490	(14,167,313)	-62.71%	
Public contributions, donated/contributed PPE	-	-	-	0.00%	
Gains on disposal of property, plant and equipment	95,145	-	95,145	0.00%	
Total Revenue	282,642,165	305,422,796	(22,780,632)	-7.46%	
EXPENDITURE					
Employee related costs	67,771,774	75,006,467	(7,234,693)	-9.65%	
Remuneration of Councillors	6,052,258	5,871,180	181,078	3.08%	
Bad debts	2,435,359	332,400	2,102,959	632.66%	
Collection costs	564,806	578,000	(13,194)	-2.28%	
Depreciation	11,652,457	5,305,046	6,347,411	119.65%	
Repairs and maintenance	63,013,531	74,765,029	(11,751,498)	-15.72%	
Interest paid	1,983,312	-	1,983,312	0.00%	
Medical Aid Liability - Interest Paid	6,313,000	-	6,313,000	0.00%	
Medical Aid Liability - Current Service Cost	2,827,000	2,400,000	427,000	17.79%	
Medical Aid Liability - Transitional Liability Recognised	26,292,191	27,000,000	(707,809)	-2.62%	
Bulk purchases	-	-	-	0.00%	
Contracted services	-	-	-	0.00%	
Grants and subsidies paid	-	-	-	0.00%	
General expenses - other	61,562,197	96,631,505	(35,069,308)	-36.29%	
Contributions to Capital Replacement Reserve	-	-	-	0.00%	
Loss on disposal of property, plant and equipment	-	(0)	0	-100.00%	
Total Expenditure	250,467,885	287,889,627	(37,421,742)	-13.00%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	32,174,280	17,533,169	14,641,110	83.51%	

APPENDIX E(2)
CAPE WINELANDS DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual	2008 Under Construction	2008 Total Additions	2008 Budget	2008 Variance	2008 Variance greater than 5% versus Budget	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	(Explanations to be recorded)
Land and Buildings							
Land	253,230		253,230	146,139	107,091	73.28%	
Car Parks	-		-		-	0.00%	
Fencing	779,567		779,567	893,700	(114,133)	-12.77%	
Office Buildings	240,650		240,650	525,000	(284,350)	-54.16%	
Security System	6,300		6,300		6,300	0.00%	
Laboratories	-		-		-	0.00%	
Workshop/ Depots	-		-		-	0.00%	
	1,279,747	-	1,279,747	1,564,839	(285,092)	-18.22%	
Infrastructure							
Water Schemes	-		-		-	0.00%	
Sewerage Mains & Purif	-		-		-	0.00%	
Beach Improvements	-		-		-	0.00%	
Sewerage Mains & Purif	-		-	20,000	(20,000)	-100.00%	
Power Stations	-		-		-	0.00%	
Electricity Mains	-		-		-	0.00%	
Electricity Peak Load Equip	-		-		-	0.00%	
Water Mains & Purification	372,500		372,500	650,000	(277,500)	-42.69%	
Reservoirs – Water	-		-		-	0.00%	
Water Meters	-		-		-	0.00%	
Water Mains	-		-		-	0.00%	
	372,500	-	372,500	670,000	(297,500)	-44.40%	
Community Assets							
Buildings	549,840		549,840	1,244,500	(694,661)	-55.82%	
Care Centres	-		-		-	0.00%	
Community Centre	-		-		-	0.00%	
Clinics/ Hospitals	-		-		-	0.00%	
Hostel Workers	-		-		-	0.00%	
Informal Housing	859,192		859,192	1,150,000	(290,808)	-25.29%	
Outdoor Sports	-		-		-	0.00%	
Parks	-		-		-	0.00%	
Public Convience	-		-		-	0.00%	
Housing Schemes	103,861		103,861	103,861	-	0.00%	
	1,512,893	-	1,512,893	2,498,361	-	0.00%	
Heritage Assets							
Historical Buildings	-		-		-	0.00%	
Painting & Art Galleries	-		-		-	0.00%	
	-		-		-	0.00%	
Total carried forward	3,165,139	-	3,165,139	4,733,200	(582,592)		

APPENDIX E(2)
CAPE WINELANDS DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008

	<u>2008</u> <u>Actual</u>	<u>2008</u> <u>Under</u> <u>Construction</u>	<u>2008</u> <u>Total</u> <u>Additions</u>	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Variance</u>	<u>2008</u> <u>Variance</u>	<u>Explanation of Significant Variances</u> <u>greater than 5% versus Budget</u>
	R	R	R	R	R	%	
Total brought forward	3,165,139	-	3,165,139	4,733,200	(582,592)		
Housing Rental Stock							
Housing Rental 1	-	-	-	-	-	0.00%	
	-	-	-	-	-	0.00%	
Leased Assets (Infrastructure)							
Sewerage Mains & Purify	-	-	-	-	-	0.00%	
	-	-	-	-	-	0.00%	
Other Assets							
Agent Services	172,963	-	172,963		172,963	0.00%	
Acces Control	-	-	-	6,300	(6,300)	-100.00%	
Air Conditioner	30,244	-	30,244	39,998	(9,754)	-24.39%	
Audio Equipment	34,663	-	34,663	4,710	29,953	635.96%	
Bulk Containers	35,500	-	35,500	60,000	(24,500)	-40.83%	
Cabinets/ Cupboards	36,565	-	36,565	-	36,565	0.00%	
Canopy	20,283	-	20,283	20,282	1	0.00%	
Chairs	89,786	-	89,786	11,358	78,428	690.51%	
Computer Hardware	1,800,193	-	1,800,193	2,555,635	(755,442)	-29.56%	
Drill- Concrete	313	-	313		313	0.00%	
Equipment/ Apparatus	7,892	-	7,892		7,892	0.00%	
Electrical Equipment	9,347	-	9,347	9,343	4	0.04%	
Laboratory Equipment	5,054	-	5,054		5,054	0.00%	
Radio Equipment	8,744	-	8,744	8,744	-	0.00%	
Telecommunication	20,704	-	20,704		20,704	0.00%	
Fire Equipment	831,390	-	831,390	1,213,440	(382,050)	-31.48%	
Generator	425,136	-	425,136	810,716	(385,580)	-47.56%	
General Plant	82,667	-	82,667	276,680	(194,013)	-70.12%	
Fire Hoses	-	-	-		-	0.00%	
Emergency Light	14,394	-	14,394	14,393	1	0.01%	
Miscellaneous Furniture	168,919	-	168,919	193,479	(24,560)	-12.69%	
Office Machines	222,560	-	222,560	56,553	166,007	293.54%	
Pumps	(67,086)	-	-67,086	7,807	(74,893)	-959.31%	
Tables/ Desks	66,689	-	66,689	51,710	14,979	28.97%	
Tools	28,621	-	28,621	26,300	2,321	8.83%	
Trailers	42,320	-	42,320	42,320	-	0.00%	
Valuation Roll	-	-	-		-	0.00%	
Veehicles	1,059,388	-	1,059,388	1,114,606	(55,218)	-4.95%	
Ambulances	-	-	-		-	0.00%	
Compressors	24,890	-	24,890	24,890	-	0.00%	
Fire Engines	2,100,611	-	2,100,611	2,204,378	(103,767)	-4.71%	
Lawnmovers	-	-	-		-	0.00%	
Trucks/ Bakkies	336,236	-	336,236	386,000	(49,764)	-12.89%	
	7,608,986	-	7,608,986	9,139,641	(1,530,655)	-16.75%	
Total	10,774,125	-	10,774,125	13,872,842	(2,113,248)	-15.23%	

APPENDIX F

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

Grants and Subsidies Received

DESCRIPTION	FUNDS UNSPENT 01/07/2007	INCOME			EXPENDITURE 2007/2008	UNSPENT 31/06/2008 (B+E+F)
		RECEIVED 2007/2008	INTEREST	TOTAL INCOME		
CONSUMER HOUSING	-	-200,000.00	-10,878.03	-210,878.03	190,614.63	-20,263.40
PROVISION OF WATER TO SCHOOLS	-	-572,600.00	-660.10	-573,260.10	555,056.60	-18,203.50
PLANNING	-	-500,000.00	-53,596.44	-553,596.44		-553,596.44
NON MOTORISED TRANSPORT	-	-1,175,000.00	-78,998.94	-1,253,998.94	484,546.97	-769,451.97
ROAD SIGNAGE: TOURISME	-21,706.00	-	-2,326.73	-2,326.73	-	-24,032.73
TCTA CONTRIBUTION: FRANSCHOEK	-83,494.28	-5,524,118.69	-41,528.39	-5,565,647.08	4,464,961.17	-1,184,180.19
MASIBAMBANE: MEETINGS/ WORKSHOPS	-300,163.50	-	-19,328.61	-19,328.61	194,055.17	-125,436.94
MASIBAMBANE: BASE LINE INFO	-976,770.00	-	-60,147.03	-60,147.03	468,027.64	-568,889.39
BASE LINE INFO VERIFICATION	-130,236.00	118,325.25	-7,653.21	110,672.04	-	-19,563.96
PERCEPTION SURVEY	-2,605,748.63	-	-278,499.48	-278,499.48	15,350.00	-2,868,898.11
COMMUNITY DEVELOPMENT WORKERS	-364,804.81	-	-39,104.48	-39,104.48	-	-403,909.29
TRAINING OF HOUSING OFFICIALS	-160,551.80	-	-9,451.35	-9,451.35	145,556.13	-24,447.02
TOURISM DEVELOPMENT FRAMEWORK	-94,028.99	-	-10,079.24	-10,079.24	-	-104,108.23
MULTI PURPOSE CENTRE	-501,487.96	-	-53,755.94	-53,755.94	-	-555,243.90
PEDESTN/ CYCLE PATH MR 191/ 201	-72,738.24	-	-7,797.02	-7,797.02	-	-80,535.26
UPGRADE REST AREAS & BAINS/ KL	-82,066.89	-	-8,796.99	-8,796.99	-	-90,863.88
IMPROVE SIDEWALKS IMP PEDESTN	-37,425.58	-	-4,011.76	-4,011.76	-	-41,437.34
SIDEWALK SLANGHOEK	-1,437,642.33	-	-126,385.63	-126,385.63	520,028.77	-1,043,999.19
PUBLIC TRANSPORT. INFRATRUCTURE PAWC	-130,537.07	-	-13,992.64	-13,992.64	-	-144,529.71
TOURISM TRAINING- PAWC	-515,196.50	-	-55,225.39	-55,225.39	-	-570,421.89
PUBLIC WORKS: MEERLUST HOUSING	-65,801.54	-	-7,053.46	-7,053.46	-	-72,855.00
WOLWEKLOOF: CONTRIBUTION PAWC	-1,042,299.45	-	-69,871.50	-69,871.50	431,384.20	-680,786.75
PAWC: ECON. DEV. - MADIBA HOUSE	-206,720.88	-	-22,159.01	-22,159.01	-	-228,879.89
PAWC: ECON DEV UNIT	-392,842.04	-	-42,109.87	-42,109.87	-	-434,951.91
FINANCE MANAGEMENT GRANT	-2,915,624.61	-500,000.00	-309,750.34	-809,750.34	626,623.19	-3,098,751.76
SPATIAL DEVELOPMENT PLAN	-781,728.90	-	-83,795.77	-83,795.77	-	-865,524.67
BREERIVIER STRUKTUURPLAN	-310,980.69	-	-33,334.91	-33,334.91	-	-344,315.60
MANAGEMENT SUPPORT PROGRAMME	-41,711.10	-	-4,471.13	-4,471.13	-	-46,182.23
LED- PROGRAM: RURAL TOURISM	-2,040.85	-	-218.76	-218.76	-	-2,259.61
PIM CENTRE	-69,886.50	-1,000,000.00	-36,221.63	-1,036,221.63	1,000,000.00	-106,108.13
DWAF CONTRIBUTION: FRANSCHOEK	-48,296.43	-939,241.44	-	-939,241.44	987,537.87	-
	-13,392,531.57	-10,292,634.88	-1,491,203.78	-11,783,838.66	10,083,742.34	-15,092,627.89

APPENDIX G

FINANCIAL COMMITMENTS

Non-Capital Projects approved and contracted for

Project name	Contractor/Service Provider	Classification
Security and Access Control Services, Paarl Offices	Uketsha Security Services CC	Institutional
Security and Access Control Services, Stellenbosch Offices	Comwezi Security Services (Pty) Ltd	Institutional
Security and Access Control Services, Worcester Offices	Sondella Security Services	Institutional
Cleaning Services, Worcester Offices	Smith Cleaning Services	Institutional
Cleaning Services, Paarl Offices	Siyakhusela Cleaning Solutions	Institutional
Healthcare Services, Stellenbosch Offices	Total Hygiene	Institutional
Pest Control Services, Stellenbosch Offices	Rentokil Initial (Pty) Ltd	Institutional
Pest Control , Stellenbosch Offices	Pestnet CC	Institutional
Maintenance Agreement: Collaborator Electronic Document Management System	Business Engineering (Pty) Ltd	Institutional
Maintenance Agreement: Franking Machine, Worcester Offices	Pitney Bowes (SA) (Pty) Ltd	Institutional
Maintenance Agreement: Franking Machine, Stellenbosch Offices	TMS Hasler (Pty) Ltd	Institutional
Maintenance Agreements: Office Machines	Minolco (Pty) Ltd	Institutional
Maintenance Agreements: Office Machines	Sharp	Institutional
Maintenance Agreements: Office Machines	Copytype	Institutional
Cellphone Contracts	Vodacom	Institutional
Internet Services	Internet Solutions	Institutional
Satellite TV Services	Multichoice	Institutional
Tracking Devices for Council Vehicles	Afsol Automated Fleet Solutions (Pty) Ltd	Institutional
LANQUEDOC STORMWATER - CWDM 08/06	Requard Construction	Infrastructure
UPGRADING OF INTERSECTION OF MR 168 & MR 177 - CWDM 13/06	RJ Mullins Civils	Infrastructure
UPGRADING OF MINOR ROAD 4234, RAITHBY - CWDM 09/06 B	Martin & East	Infrastructure
ACCESS IMPROVEMENT BONNE ESPERANCE, SIBALWA & RABIE SCHOOLS - MAIN ROAD 303 - DE DOORNS	Worcester WS Civil Construction	Infrastructure
HERMON HOUSING PROJECT	Khula Construction	Infrastructure
UPGRADING OF DR 1152 & DR 1429 ROOSHOK & BO - HERMON	Imvusa Trading279 CC	Infrastructure
SHELTERS & EMBAYMENTS IN DMA AREA & VARIOUS SCHOOLS	AMK Construction	Infrastructure
NIEUWEDRIFT PRIMARY SCHOOL SIDEWALK	CA Holdings	Infrastructure
UPGRADING OF MINOR ROAD 5692, KLIPDRIFT	Baseline Civil Contractors	Infrastructure
GENERATOR INSTALLATION - WORCESTER OFFICE	Greenbro CC	Infrastructure
PEDESTRIAN & CYCLE PATH BETWEEN NEWTON & WELLINGTON	Harold Davies and Engineering Services	Infrastructure
ELEVATOR INSTALLATION - STELLENBOSCH	Vision Elevators	Infrastructure
NETWORK CABLING UPGRADE	Sita (Pty) Ltd	Infrastructure

CURRENT ASSETS

CAPE WINELANDS DISTRICT MUNICIPALITY : ANALYSIS OF CURRENT ASSETS AS AT 30 JUNE 2008

		Cost/Revaluation				Accumulated Depreciation				Carrying Value
		Opening Balance	Additions	Revaluation	Corrections	Closing Balance	Opening Balance	Additions	Corrections	
Other Assets										
Other Vehichles										
1992 Toyota Corolla 1300	CW 23086	51,329.77				51,329.77	51,329.77		51,329.77	0.00
1992 Toyota Landcruiser	CL 25174	140,963.87				140,963.87	140,963.87		140,963.87	0.00
1993 Ford Courier 1800	CL 41890	0.00				0.00	0.00		0.00	0.00
1993 Ford Meteor 1300	CW 33259	51,329.77				51,329.77	51,329.77		51,329.77	0.00
1993 Ford Meteor 1300	CW 33243	0.00				0.00	0.00		0.00	0.00
1994 Nissan Cabstar 3.5 ton	CJ 70374	88,120.34				88,120.34	88,120.34		88,120.34	0.00
1994 VW Fox Trippa 1300	CW 39863	0.00				0.00	0.00		0.00	0.00
1994 VW Fox Trippa 1300	CW 39864	59,226.66				59,226.66	59,226.66		59,226.66	0.00
1995 Ford Courier 4 x 4	CW 57925	0.00				0.00	0.00		0.00	0.00
1995 VW Citi Shuttle 1.6	CW 57932	59,226.66				59,226.66	59,226.66		59,226.66	0.00
1995 Mazda 323 1300	CW 55284	0.00				0.00	0.00		0.00	0.00
1998 Mitsubishi Kombi	CL 22074	0.00				0.00	0.00		0.00	0.00
1999 Ford Courier 3.4 4 x 4	CW 24598	94,762.64				94,762.64	94,762.64		94,762.64	0.00
1999 Toyota Corolla 160 i	CW 25438	51,329.77				51,329.77	51,329.77		51,329.77	0.00
1999 Nissan Primera 2.0	CW 25485	0.00				0.00	0.00		0.00	0.00
2000 Ford Laser Tonic 1300	CL 12661	0.00				0.00	0.00		0.00	0.00
Total		596,289.48	0.00	0.00	0.00	596,289.48	596,289.48	0.00	0.00	596,289.48