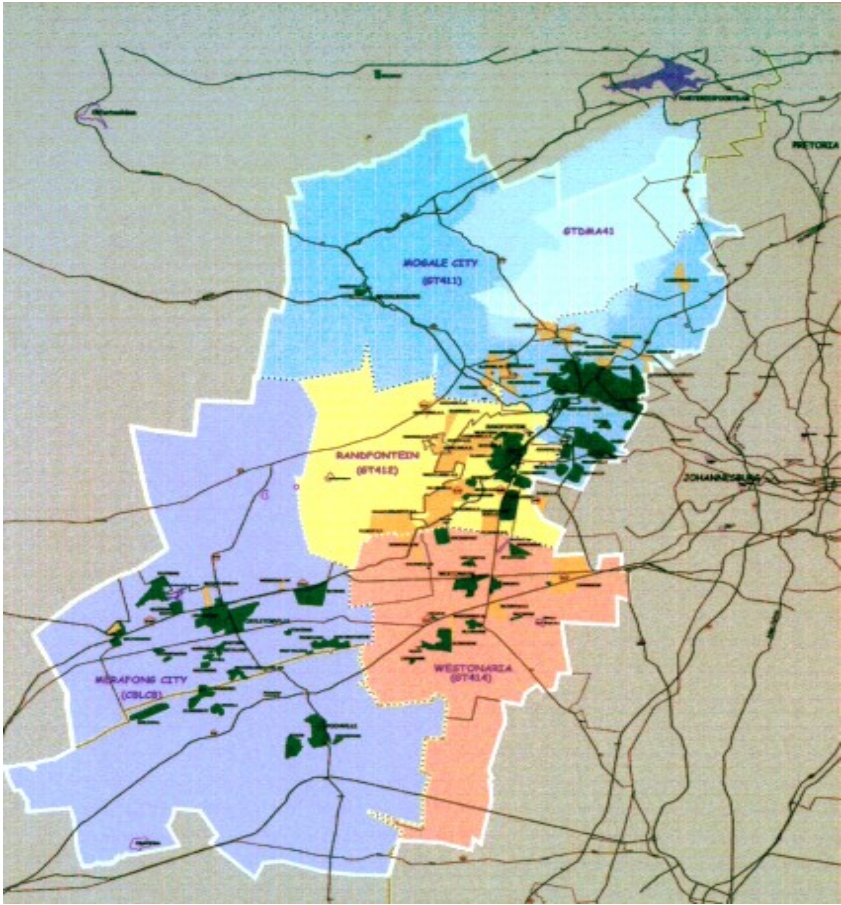


WEST RAND DISTRICT MUNICIPALITY



FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



WEST RAND DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended

30-Jun-07

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 28, 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 21 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.

Mr TZ Mokhatla
Municipal Manager

Date

West Rand District Municipality

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WEST RAND DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 June 2007

	Note	2007 R	2006 R
NET ASSETS AND LIABILITIES			
Net assets		77 525 877	57 799 891
Transport fund	1	2 090 879	820 254
Capital replacement reserve		6 071 449	8 942 274
Government grant reserve		20 048 000	19 516 448
Accumulated surplus		49 315 549	28 520 915
Non-current liabilities		18 357 286	20 201 856
Long-term liabilities	2	18 216 958	19 617 003
Non-current provisions	3	140 328	584 853
Current liabilities		30 915 530	47 288 697
Provisions	3	12 930 646	21 385 527
Creditors	4	5 624 656	5 252 122
Unspent conditional grants & receipts	5	8 335 228	15 314 395
VAT	6	2 595 136	3 614 269
Current portion of long-term liabilities	2	1 429 864	1 722 384
Total net Assets and Liabilities		126 798 693	125 290 444
ASSETS			
Non-current assets		43 196 925	38 615 297
Property, plant and equipment	9.1	41 029 532	38 493 039
Investment property	9.2	1 974 591	0
Long-term receivables	7	192 802	122 258
Current assets		83 601 768	86 675 147
Inventory	8	327 002	306 044
Other debtors	10	9 669 336	13 960 579
Current portion of long-term debtors	7	245 410	259 060
Call investments	11	50 384 411	61 055 265
Bank and Cash	12	22 975 609	11 094 200
Total Assets		126 798 693	125 290 444



West Rand District Municipality
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 June 2007

	Note	Actual	
		2007 R	2006 R
REVENUE			
Property Rates		0	0
Service Charges		4 062 694	4 443 689
Regional Services Levies - Turnover		5 455 333	62 488 425
Regional Services Levies - Remuneration		2 042 527	31 664 598
Rental of facilities & equipment		1 298 713	1 215 788
Interest earned - external investments		7 730 673	5 037 449
Interest earned - outstanding debtors		46 044	416 998
Licences & permits		43 065	52 820
Income for agency services	13	22 263 016	25 014 493
Government grants and subsidies	13	105 073 068	59 449 458
Other income		2 600 441	812 686
Sub total Revenue		150 615 574	190 596 405
Less Revenue foregone		0	0
Total Revenue		150 615 574	190 596 405
EXPENDITURE			
Employee related cost	14	75 026 725	77 619 403
Remuneration of Councillors	15	4 902 379	4 556 969
Bad debts		2 898 278	6 914 768
Collection cost		521 001	304 969
Depreciation		1 973 728	1 850 829
Repairs & maintenance		3 223 654	3 635 049
Interest paid/Capital Charges	16	2 004 298	2 167 297
Contracted services		192 854	88 250
Grants & Subsidies paid		21 974 195	50 290 492
General expenses		33 607 137	25 349 250
Contributions to (from) Provisions		0	0
Total expenditure		146 324 249	172 777 276
SURPLUS/(DEFICIT)		4 291 325	17 819 129
SURPLUS/(DEFICIT) FOR THE YEAR		4 291 325	17 819 129



West Rand District Municipality
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007

	Note	Capitalisation Reserve	Transport Fund	Capital Replacement Reserve	Government Grant reserve	Donations & Public Contributions Reserve	Revaluation Reserve	Accumulated Surplus/(deficit)	Total
2006									
Balance at 1 July 2005		0	1 419 977	4 017 151	63 399 435	0	0	23 742 079	92 578 642
Correction of error	17	0	72 209	0	-46 376 163	0	0	-72 209	-46 376 163
Restated Balance		0	1 492 186	4 017 151	17 023 272	0	0	23 669 870	46 202 479
Surplus/(deficit) for the year		0	0	0	0	0	0	17 818 870	17 818 870
Reserves utilised in operating		0	-745 248	0	0	0	0	12 232 814	11 487 566
Transfer to CRR		0	0	5 400 000	0	0	0	0	5 400 000
Property, Plant & Equipment purchased		0	0	-474 876	0	0	0	474 876	0
Capital grants used to purchase PPE		0	0	0	3 022 576	0	0	-3 022 576	0
Offsetting of Depreciation		0	0	0	-529 400	0	0	529 400	0
Other transfers		0	73 315	0	0	0	0	-23 182 340	-23 109 025
Balance at 30 June 2006		0	820 253	8 942 275	19 516 448	0	0	28 520 914	57 799 890
2007									
Correction of error		0	0	0	0	0	0	981 807	981 807
Restated Balance		0	820 253	8 942 275	19 516 448	0	0	29 502 721	58 781 697
Surplus/(deficit) for the year		0	0	0	0	0	0	4 291 325	4 291 325
Reserves utilized in operating		0	-295 000	0	0	0	0	295 000	0
Transfer to CRR		0	0	1 500 000	0	0	0	0	1 500 000
Property, Plant & Equipment purchased		0	0	-4 542 450	0	0	0	4 542 450	0
Capital grants used to purchase PPE		0	0	0	1 464 751	0	0	-1 464 751	0
Offsetting of Depreciation		0	0	0	-933 199	0	0	933 199	0
Other transfers		0	1 565 625	171 624	0	0	0	11 215 605	12 952 854
Balance at 30 June 2007		0	2 090 878	6 071 449	20 048 000	0	0	49 315 549	77 525 876



West Rand District Municipality
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		159 219 196	156 818 994
Cash paid to suppliers and employees		-155 934 167	-176 108 759
Cash generated from/(utilized in) operations	18	3 285 029	-19 289 765
Interest received		7 730 673	5 037 449
Interest paid		-2 004 298	-2 167 297
NET CASH FROM OPERATING ACTIVITIES		9 011 404	-16 419 613
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-6 178 826	-3 496 753
Proceeds on disposal of property, plant and equipment		0	0
Decrease in non-current receivables		70 544	9 848
Decrease in call investment deposit		10 670 854	-22 054 936
NET CASH FROM INVESTING ACTIVITIES		4 562 572	-25 541 841
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		-1 692 567	-1 537 057
NET CASH FROM FINANCING ACTIVITIES		-1 692 567	-1 537 057
NET DECREASE IN CASH AND CASH EQUIVALENTS		11 881 409	-43 498 511
Cash and cash equivalents at the beginning of the year		11 094 200	54 592 711
Cash and cash equivalents at the end of the year		22 975 609	11 094 200
		-11 881 409	43 498 511

WEST RAND DISTRICT MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for the revaluation of land and buildings, which are carried at fair value.

These annual financial statements have been prepared in accordance with Generally Accepted Municipal Accounting Practices (GAMAP) and Generally Recognised Accounting Practice (GRAP). These accounting policies are consistent with those of the previous financial year.

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

General Notice 991 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 standards comprise of the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated Financial Statements and Accounting for Controlled Entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Asset

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

No	Standard no.	Standard title
1	AC 105	Leases
2	AC 116	Employee benefits

The municipality is exempted from the following accounting reporting standards in terms of Government notice 504 dated 29 June 2007.

Financial reporting standard	Detail	Extend of exemption from standard
GRAP 3	Accounting policies, changes in accounting estimates and errors	Identification and impact of Grap standards that have been issued but are not yet effective and changes to accounting policies [Par 59-61 and 30 - 31]
GAMAP 17	Property, plant and equipment	Review of depreciation method applied to PPE recognised in the annual financial statements
		Review of useful life of items of PPE recognised in the annual financial statements.
		Impairment of non-cash-generating assets
		Impairment of cash generating assets
IAS 36 (AC 128)	Impairment of assets	Entire standard
GAMAP 12	Inventories	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17

		The entire standard to the extent that it relates to water stock that was not purchased by the municipality
IAS 40 (AC 135)	Investment property	The entire standard to the extent that the property is accounted for in terms of GAMAP 17
		Disclosure of the fair value of the investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standards
IAS 17 (AC 105)	Leases	Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement
IAS 38 (AC 129)	Intangible assets	The entire standard except for recognition, measurement and disclosure of computer software and website costs and all other costs are expensed.
IAS 19 (AC 116)	Employee benefits	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information
GAMAP 9	Revenue	Initial measurement of fair value discounting all future receipts using an imputed rate of interest
IAS 39 (AC 133)	Financial instruments: recognition and measurement	Initially measuring financial assets and financial liabilities at fair value.
IFRS 5 (AC 142)	Non-current assets held for sale and discontinued operations	Classification, measurement and disclosure of non-current assets held for sale.

IFRS 7 (AC 144)	Financial instruments: Disclosure	Entire standard to be replaced by IAS 32(AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998
IAS 14 (AC 115)	Segmental reporting	Entire standard
IFRS 8 (AC 145)	Operating segments	Entire standard
IAS 11 (AC 109)	Construction contracts	Entire standard
IAS 20 (AC 134)	Accounting for government grants and disclosure of government assistance	Entire standard excluding paragraph 25 and 26, replaced by paragraph 8 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraph 42 – 46 of GAMAP 9

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

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted 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 have been prepared on a going concern basis.

4. RESERVES

4.1 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 by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit)

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). **RESERVES (continued)**

4.2 Donations and Public Contributions 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 Donations and Public Contributions Reserve equal to the donations and public contributions 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 Donations and Public Contributions 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 future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

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

5.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, is stated at cost, less accumulated depreciation, except land and buildings, which are not depreciated. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment 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. No impairment was done for the 2005/2006 financial year.

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.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

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

<i>Infrastructure</i>	<u>Years</u>	<i>Other</i>	<u>Years</u>
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
		Watercraft	15
		Bins and containers	5
<i>Community</i>		Specialised plant and equipment	10-15
Buildings	30	Other items of plant and equipment	2-5
Recreational Facilities	20-30	Landfill sites	15
Security	5		

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

Assets with a value less than R2 000-00 and a life span of a year and less are deemed to be consumable items.

Accounting Policy for the 2006/07 Financial Year:

In terms of the exemptions granted by the Minister of Finance no impairment testing was done for non-cash-renewing assets as well as cash-generating assets due to the application of an exemption of IAS 36/AC 128 – *Impairment of assets*- granted in Gazette 30013.

The municipality is exempt from IAS 40 (AC 135) – *Investments property* - as it has not recognized any property as investment property but as property, plant and equipment in terms of GAMAP 17 – *Property, plant and equipment*. It only recognises its property as investment property when it is certain that it meets the definition of investment property.

Subsequent expenditure is capitalized when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets which are assessed annually.

Intangible Assets

No intangible assets were transferred from the asset register due to the exemption granted by the Minister of Finance in Government Gazette 30013.

6. INVESTMENTS

6.1 Financial Instruments

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

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

Accounting policy for 2006/07 Financial Year

The municipality did not test for impairment of assets as it is exempted from IAS 36 (AC 128) in entirety due to the exemption granted by the Minister of Finance in Government Gazette 30013.

7. INVENTORIES

Accounting policy for 2005/2006 and 2006/2007 financial year.
Consumable stores are valued at the lower of cost and net realisable value. In general, the basis of determining cost is weighted averaged method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

8. ACCOUNTS RECEIVABLE

Accounting policy for 2005/2006 and 2006/2007 financial year.
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. Amounts that are receivable within 12 months from the reporting date are classified as current.
The initial recognition at fair value in accordance with IAS 39/AC 133 is exempt.

9. TRADE CREDITORS

Accounting policy for 2005/2006 and 2006/2007 financial year.
Trade creditors are stated at their nominal value.
The initial recognition at fair value in accordance with IAS 39/AC 133 is exempt.

10. REVENUE RECOGNITION

10.1 Revenue from Exchange Transactions

Interest and rentals are recognised on a time proportion basis.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised

Accounting policy for 2006/07 Financial Year

Exemption was granted by the Minister of Finance from paragraph 12 of GAMAP 9 – *Revenue* - in initial measurement of fair value of revenue by discounting all future receipts using an imputed rate of interest. The initial recognition at fair value in accordance with GAMAP 9 – *Revenue*- and IAS 39/AC 133 – *Financial instruments: Recognition and measurement*- is exempt. The municipality recognises revenue from the sale of goods and services at its face value. Any payables from the purchase of goods and services are also recognised at face value/cost.

10.2 Revenue from non-exchange transactions

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Donations are recognised 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 from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

11. 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.

12. PROVISIONS

Accounting policy for 2005/2006 and 2006/2007 financial year.

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

13. CASH AND CASH EQUIVALENTS

Accounting policy for 2005/2006 and 2006/2007 financial year.

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.

14. 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.

15. 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.

16. FRUITLESS AND WASTEFUL EXPENDITURE

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.

17. COMPARATIVE INFORMATION

17.1 Current year comparatives:

Budgeted amounts have been included in the annual financial statements for the current financial year only.

17.2 Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

18. RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

19. BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance

20. AMBULANCE SERVICE

Ambulance services are performed by the WRDM on behalf of the Department of Health. Cash received from debtors are recognised as income and utilised to fund the service.

Memo statements are included in the annual financial statements regarding the financial position of the service.

21. WESMET

Memo statements are included in the annual financial statements regarding the TRANSPORT FUND partly funded by GAUTRANS.

22. BIOLOGICAL ASSETS: CUT FOLIAGE PROJECT

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets are measured at their fair value less estimated point-of-sale costs.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

23. LEASE

Accounting policy for 2006/07 Financial Year

Exempted from recognizing operating lease payments on a straight-line basis if the amounts are recognized on the basis of the cash flows in the lease agreement, IAS 17 (AC 105) – *Leases*.

24. EXEMPTIONS

24.1 Full advantage

The municipality had taken full advantage of all the exemptions by the Minister of Finance in Government Gazette 30013 of 29 June 2007. These exemptions are for the 2006/07 and 2007/08 financial years.

24.2 Adjustment for full compliance

By complying fully with the standards that are currently being exempted and of which full advantage has been taken will result in changes in the following:

24.2.1 Statement of financial Performance

- Impairment loss/gain
- Changes in fair value of assets
- Adjustment expenditure for intangible assets
- Property, plant and equipment adjusted for Impairment
- Property, plant and equipment adjusted for Intangible assets
- Recognizing of Intangible assets.

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
1 TRANSPORT FUND		
Transport Fund	2 090 879	820 254
Unappropriated Surplus	820 254	1 419 978
Transfers from Operating Income	1 565 625	145 524
Transfers for expenditure incurred	-295 000	-745 248
Bank and cash	2 090 879	820 254
Total Transport Fund: Assets and Liabilities	0	0
2 LONG-TERM LIABILITIES		
Annuity Loans	19 646 822	21 339 397
Less : Current portion transferred to current liabilities	-1 429 864	-1 722 385
Total External Loans	18 216 958	19 617 012
Refer to Appendix A for more detail on long-term liabilities.		
3 PROVISIONS		
3.1 NON-CURRENT PROVISIONS		
Retirement benefits fund	140 327	584 853
Total Non-Current Provisions	140 327	584 853
The movement in the non-current provision is reconciled as follows: -		
Balance at beginning of year	584 852	966 025
Contributions to provision	30 397	52 445
Transferred to expenditure	-474 922	-433 618
Balance at end of year	140 327	584 852
3.2 PROVISIONS		
Project provision	12 930 646	21 385 527
Total Provisions	12 930 646	21 385 527
The movement in the non-current provision is reconciled as follows: -		
Balance at beginning of year	21 385 527	12 281 353
Contributions to provision	5 825 275	20 591 740
Transferred to expenditure	-14 280 156	-11 487 566
Balance at end of year	12 930 646	21 385 527
4 CREDITORS		
Trade creditors	780 659	667 725
Payments received in advance	1 094 463	1 324 214
Staff leave provision	3 749 534	3 260 183
	5 624 656	5 252 122
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
5.1 Conditional Grants from other spheres of Government	8 171 804	14 701 309
Finance Management Grant	134 850	87 022
Capacity Building Grant	0	352 897
MSIG	668 121	687 625
LED Grants	1 499 450	5 169 365
HIV/Aids Grant	4 285 038	1 772 039
Bekkersdal Urban Renewal	1 359 225	1 359 226
MIG	0	5 048 015
Transition Grant	225 120	225 120
5.2 Other Conditional Receipts	163 424	613 085
National Development Agency	163 424	613 085
Total Conditional Grants and Receipts	8 335 228	15 314 394

See Note 13 for reconciliation of grants from other spheres of government.
These amounts are invested in a ring-fenced investment until utilized.

6 VAT

VAT payable	2 595 137	3 614 269
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VAT is payable on the receipts basis. Once payment is received from debtors VAT is paid over to SARS.

7 LONG-TERM RECEIVABLES

Motor Vehicle Loans	0	9 013
Internal learnership assistance	438 212	346 670
Computer Loans	0	25 635
	438 212	381 318
Less : Current portion transferred to current receivables	245 410	259 060
Motor Vehicle Loans	0	9 013
Internal learnership	245 410	224 412
Computer Loans	0	25 635
Total	192 802	122 258

8 INVENTORY

Consumable stores – at cost	327 001	306 044
Total Inventory	327 001	306 044

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
10 OTHER DEBTORS (RSC and Bulk services)		
	Gross	Provision for
	Balances	Bad Debts
	R	R
As at 30 June 2007		Net Balance
		R
Other debtors		
RSC Levies	8 327 576	8 229 829
Bulk services & other	27 560 233	18 793 326
Ambulance	3 155 738	2 652 450
Other	579 410	278 017
Total	39 622 957	29 953 622
		9 669 335
As at 30 June 2006		
Other debtors		
RSC Levies	18 858 608	10 653 195
Bulk services & other	26 195 442	20 682 783
Ambulance	6 849 078	6 849 078
Other	570 805	328 297
Total	52 473 933	38 513 353
		13 960 580
<u>RSC: Ageing</u>		
Current (0 – 30 days)	55 370	3 060 050
31 - 60 Days	9 142	1 921 264
61 - 90 Days	33 235	1 976 327
91 - 120 Days	27 308	816 298
+ 121 Days	8 202 521	11 084 669
Total	8 327 576	18 858 608
<u>Bulk services & Other: Ageing</u>		
Current (0 – 30 days)	8 529 102	5 448 109
31 - 60 Days	113 892	4 370
61 - 90 Days	128 190	18 661
91 - 120 Days	198 412	41 519
+ 365 Days	18 590 637	20 682 783
Total	27 560 233	26 195 442
<u>Ambulance</u>		
Current (0 – 30 days)	172 824	281 044
31 - 60 Days	179 101	312 575
61 - 90 Days	147 376	312 582
91 - 120 Days	145 989	620 447
+ 365 Days	2 510 448	5 322 430
Total	3 155 738	6 849 078
<u>Other</u>		
Current (0 – 30 days)	133 877	116 565
31 - 60 Days	117 768	99 059
61 - 90 Days	0	37 932
91 - 120 Days	30	79 825
+ 365 Days	327 735	237 424
Total	579 410	570 805

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
<u>Reconciliation of the bad debts provision</u>		
Balance beginning of the year	38 513 353	31 633 328
Contributions to provision	2 652 450	6 880 025
Bad debts written off against provision	-5 954 889	0
Reversal of provision	-5 257 292	0
Balance end of year	<u>29 953 622</u>	<u>38 513 353</u>

Amounts owed iro ambulance debtors are in terms of the service level agreement with the Department of Health and provided for as bad debt. Amounts written-off refers to ambulance fees not collected and written-off.

11 CALL INVESTMENT DEPOSITS

Other Deposits	<u>50 384 410</u>	<u>61 055 265</u>
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12 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank account: -

Current Account (Primary Bank Account)

Standard Bank Corporate : Account Number 021307350

Cash book balance at beginning of year	11 089 050	54 587 661
Cash book balance at end of year	<u>22 968 459</u>	<u>11 089 050</u>

Bank statement balance at beginning of year	13 672 864	57 568 236
Bank statement balance at end of year	<u>29 360 204</u>	<u>13 672 864</u>

Cash on hand	7 150	5 150
Bank balance and cash	<u>22 975 609</u>	<u>11 094 200</u>

13 GOVERNMENT GRANTS AND SUBSIDIES

RSC Replacement grant	87 943 033	
Equitable share	3 360 000	1 851 678
Provincial LED Projects	5 007 445	4 661 005
Primary Health Subsidy	0	18 173 000
Provincial ambulance subsidies	22 263 016	25 014 492
HIV/Aids Grant	1 890 000	3 246 753
Urban renewal Bekkersdal	0	23 278 080
Other Conditional Grants	805 069	1 675 773
MSIG	1 019 504	1 878 458
Department of Transport	0	3 126 658
MIG Grant	5 048 015	1 558 052
Total Government Grants and Subsidies	<u>127 336 082</u>	<u>84 463 949</u>

13.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

13.2 Provincial LED Projects

Balance unspent at beginning of year	5 782 250	10 391 555
Current year receipts	724 645	0
Other transfers	0	51 700
Conditions met - transferred to revenue	-5 007 445	-4 661 005
Conditions still to be met - transferred to liabilities (see note 5)	<u>1 499 450</u>	<u>5 782 250</u>

This grant was used to construct roads and sewerage infrastructure as part of the upgrading of informal settlement areas (included in the roads and sewerage votes in Appendix B). No funds have been withheld.

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

2007	2006
R	R

13.3 Primary Health Subsidy

The subsidy was received by the WRDM to finance the shortfall of the service. A Portion to the amount of R9476830 was transferred to the Local municipalities during the financial year and the balance will be utilized for primary health related cost during the 2006/07 financial year.

13.4 Provincial ambulance Subsidy

The subsidy was received by the WRDM to finance the ambulance service.as part of a service level agreement on behalf of the department of Health.

13.5 HIV/Aids Grant

Balance unspent at beginning of year	1 772 039	1 514 792
Current year receipts	4 403 000	3 504 000
Conditions met - transferred to revenue	<u>-1 890 000</u>	<u>-3 246 753</u>
Conditions still to be met - transferred to liabilities (see note 5)	<u>4 285 039</u>	<u>1 772 039</u>

This grant was used to finance the HIV/Aids Campaigns at the WRDM and Local Municipalities

13.6 Bekkersdal Urban Renewal

Balance unspent at beginning of year	1 359 226	24 637 306
Current year receipts	0	0
Conditions met - transferred to revenue	<u>0</u>	<u>-23 278 080</u>
Conditions still to be met - transferred to liabilities (see note 5)	<u>1 359 226</u>	<u>1 359 226</u>

This grant was used to finance the urban renewal programme on behalf of the Provincial Government

13.7 Other Conditional Grants

Balance unspent at beginning of year	665 039	2 340 812
Current year receipts	500 000	0
Conditions met - transferred to revenue	<u>-805 069</u>	<u>-1 675 773</u>
Conditions still to be met - transferred to liabilities (see note 5)	<u>359 970</u>	<u>665 039</u>

These grants include balances of the FMG and Local Government transition grants and are used to finance expenditure according to the approved business plan.

13.8 MSIG

Balance unspent at beginning of year	687 625	1 566 083
Current year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	<u>-1 019 504</u>	<u>-1 878 458</u>
Conditions still to be met - transferred to liabilities (see note 5)	<u>668 121</u>	<u>687 625</u>

This grant was utilized to finance expenditure of the PIMMS office during the financial year.

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R

13.9 Department of transport

The grant was received by the WRDM to finance implementation projects in conjunction with Randfontein local municipality

13.10 MIG

Balance unspent at beginning of year	5 048 015	5 921 553
Current year receipts	0	684 515
Conditions met - transferred to revenue	-5 048 015	-1 558 053
Conditions still to be met - transferred to liabilities (see note 5)	<u>0</u>	<u>5 048 015</u>

The Infrastructure grant is utilized to finance approved projects at the Local Municipalities.

14 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	50 468 374	51 152 676
Employee related costs - Contributions to UIF, pensions and medical aids	12 930 480	14 858 929
Travel, motor car, accommodation, subsistence and other allowances	2 990 907	3 234 030
Housing benefits and allowances	1 011 974	1 041 350
Overtime payments	7 624 990	7 332 418
Performance bonus	0	0
Total Employee Related Costs	<u>75 026 725</u>	<u>77 619 403</u>

There were no advances to employees.

Remuneration of the Municipal Manager

Annual Remuneration	810 913	795 000
Performance Bonuses	0	0
Contributions to UIF, Medical and Pension Funds	1 060	1 060
Total	<u>811 973</u>	<u>796 060</u>

Remuneration of the Chief Financial Officer

Annual Remuneration	701 455	701 455
Performance Bonuses	0	41 667
Contributions to UIF, Medical and Pension Funds	1 060	1 060
Total	<u>702 515</u>	<u>744 182</u>

Remuneration of Individual Executive Directors

	<u>Technical</u>	<u>Health</u>
	<u>Services</u>	<u>Services</u>
	R	R
30-Jun-07		
Annual Remuneration	148 364	148 364
Performance Bonuses	0	0
Medical and pension funds	350	350
Total	<u>148 714</u>	<u>148 714</u>
Contract ended 30/09/2006		
30-Jun-06		
Annual Remuneration	701 455	701 455
Performance Bonuses	41 667	41 667
Medical and pension funds	1 060	1 060
Total	<u>744 182</u>	<u>744 182</u>

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
15 REMUNERATION OF COUNCILLORS		
Executive Mayor	498 093	440 812
Speaker	244 208	275 021
Mayoral Committee Members	2 263 843	2 050 037
Councillors	1 837 747	1 484 535
Councillors' pension contribution	58 488	306 564
Total Councillors' Remuneration	4 902 379	4 556 969

In-kind Benefits

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

The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties.

The Executive Mayor has two full-time bodyguards.

16 INTEREST PAID

Long-term liabilities	2 004 298	2 167 297
Total Interest on External Borrowings	2 004 298	2 167 297

17 CORRECTION OF ERROR

17.1 Government grant reserve

Balance previously reported:

Non distributable reserve	0	63 399 435
Transfer to accumulated funds	0	-46 376 163
Restated Balance 30/06/2005	<u>0</u>	<u>17 023 272</u>

17.2 Transport Fund

Balance previously reported:

Interest allocated from accumulated fund	0	1 419 977
Restated Balance 30/06/2005	<u>0</u>	<u>1 492 186</u>

17.3 Depreciation

Previously reported	15 405 688	0
Correction	-305 986	0
Restated balance	<u>15 099 702</u>	<u>0</u>

Adjustment on depreciation

17.4 Other debtors

Previously reported	13 960 580	0
Adjustment (Max Prof findings)	675 821	0
Restated balance	<u>14 636 401</u>	<u>0</u>

Vat audit done by Max Prof for 2001 to 2005

17.5 Accumulated Surplus

Previously reported	28 520 914	
Adjustment (Max Prof findings)	675 821	
Adjustment Depreciation	305 986	
	<u>29 502 721</u>	

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
CASH GENERATED BY OPERATIONS		
Surplus/(deficit) for the year	4 291 325	17 819 129
Adjustment for:-		
Depreciation	1 667 742	1 850 828
Offsetting of depreciation	-933 199	-529 400
Contribution to provisions/reserves - non-current	7 386 233	4 325 400
Contribution to provisions – current	0	0
Interest paid	2 004 298	2 167 297
Investment income	-7 730 673	-5 037 449
	6 685 726	20 595 805
Operating surplus before working capital changes:		
Decrease in inventories	20 958	-18 676
(Increase)/decrease in debtors	4 410 812	-462 819
Increase/(decrease) in other provisions & reserves	-444 525	-381 173
(Decrease)/increase in unspent conditional grants and receipts	-6 979 167	-31 057 907
(Decrease)/Increase in creditors	-746 537	-7 994 993
Other adjustments	337 762	29 997
Cash generated by/(utilized in) operations	3 285 029	-19 289 766

19 CASH AND CASH EQUIVALENTS

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

Bank balances and cash	22 975 609	11 094 200
Call investment deposits	50 384 410	61 055 265
Total cash and cash equivalents	73 360 019	72 149 465

20 UTILIZATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)	19 617 012	21 339 397
Used to finance property, plant and equipment – Local Municipalities	19 617 012	21 339 397
Total	0	0

Long-term liabilities have been utilized to finance assets on behalf of the Local Municipalities and these assets are not included in the asset register of the District Municipality

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
21 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
<u>21.1 Contributions to organized local government</u>		
Opening balance	0	16 557
Council subscriptions	0	239 510
Amount paid - current year	0	-239 510
Amount paid - previous years	0	-16 557
Balance unpaid (included in creditors)	<u>0</u>	<u>0</u>

21.2 Audit fees

Opening balance	0	0
Current year audit fee	693 212	645 752
Amount paid - current year	-693 212	-645 752
Balance unpaid (included in creditors)	<u>0</u>	<u>0</u>

21.3 VAT

VAT inputs received and VAT outputs received are shown in note 6. All VAT returns have been submitted by the due date throughout the year.

21.4 PAYE and UIF

Opening balance	0	951 786
Current year payroll deductions	12 322 163	12 334 181
Amount paid - current year	-12 322 163	-13 285 967
Balance unpaid (included in creditors)	<u>0</u>	<u>0</u>

The balance represents June 2006 PAYE and UIF deducted. These amounts were paid during July 2006.

21.5 Pension and Medical Aid Deductions

Opening balance	0	1 156 286
Current year payroll deductions and Council Contributions	19 495 981	19 073 765
Amount paid - current year	-19 495 981	-20 230 051
Balance unpaid (included in creditors)	<u>0</u>	<u>0</u>

The balance represents pension and medical aid contributions deducted from employees in the June 2006 payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during July 2006.

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
22 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for		
<i>Infrastructure</i>	4 263 736	8 102 980
<i>Community</i>	1 915 090	0
Total	6 178 826	8 102 980
This expenditure will be financed from:		
- Government Grants	1 212 596	3 349 160
- Own resources	4 966 230	4 753 820
	6 178 826	8 102 980

23 RETIREMENT BENEFIT INFORMATION

All Councillors and employees belong to 3 defined benefit retirement funds administered by the Provincial Pension Fund. These funds are subject to a triennial actuarial valuation. The last valuation was performed in 2005. These valuations indicate that the funds are in a sound financial position.

An amount of R10.8m was contributed by Council in respect of Councillor and employees retirement funding. These contributions have been expensed.

24 EVENTS AFTER THE REPORTING DATE

(2) A Private company (Merafong Flora) was registered for the operations of the Cut Foliage LED project during July 2006. All assets & Liabilities are still included in this Financial statements.

25 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexure E(1) and E(2).

26 LEASES

The Municipality comply with the international accounting standard on leases (IAS) 17 as none of the operating leases provides for any escalation and the lease amount stay therefore the same for the lease period. No additional disclosure in this regard is included for the above reason.

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

(i) Not later than one year;	4 449 353	2 945 334
(ii) Later than one year and not later than five years;	17 797 412	11 781 336
(iii) Later than five years.	0	0

27 BIOLOGICAL ASSETS

The WRDM recognise biological assets when the assets is acquired and not at fair value. Therefore on the basis that plants cannot be valued and that reliable values cannot be obtained ,it was considered that any assessment of value would be misleading to the user of the annual financial statements.

Plants	0	0
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9.1 PROPERTY, PLANT AND EQUIPMENT
30-Jun-07

30-Jun-07 Reconciliation of Carrying Value	<u>Land and Buildings</u> R	<u>Infra- structure</u> R	<u>Community</u> R	<u>Heritage</u> R	<u>Other</u> R	<u>Total</u> R
Carrying values at 1 July 2006	31 818 427	482 010	2 201 520	0	4 297 068	38 799 025
<i>Cost</i>	31 818 427	843 513	2 201 520	0	19 035 267	53 898 727
<i>Correction of error</i>					305986	305986
<i>Accumulated depreciation</i>	0	-361 503	0	0	-15 044 185	-15 405 688
Acquisitions	4 263 736	117 043	0	0	1 798 047	6 178 826
Depreciation	-411 139	-149 292	0	0	-1 107 311	-1 667 742
Carrying values at 30 June 2007	33 696 433	449 761	2 201 520	0	4 681 818	41 335 518
<i>Cost</i>	36 082 163	960 556	2 201 520	0	20 833 314	60 077 553
<i>Less investment assets</i>	1 974 591					1 974 591
<i>Accumulated depreciation</i>	-411 139	-510 795	0	0	-16 151 496	-16 767 444

30-Jun-06 Reconciliation of Carrying Value	<u>Land and Buildings</u> R	<u>Infra- structure</u> R	<u>Community</u> R	<u>Heritage</u> R	<u>Other</u> R	<u>Total</u> R
Carrying values at 1 July 2005	28 925 164	545 120	2 201 520	0	5 175 310	36 847 114
<i>Cost</i>	28 925 164	769 434	2 201 520	0	18 505 856	50 401 974
<i>Correction of error</i>						
<i>Accumulated depreciation</i>	0	-224 314	0	0	-13 330 546	-13 554 860
Acquisitions	2 893 263	74 079	0	0	529 411	3 496 753
Depreciation	0	-137 189	0	0	-1 713 639	-1 850 828
Carrying values at 30 June 2006	33 790 018	482 010	2 201 520	0	3 991 082	36 518 448
<i>Cost</i>	31 818 427	843 513	2 201 520	0	19 035 267	53 898 727
<i>Less investment assets</i>	-1 971 591					1 974 591
<i>Accumulated depreciation</i>	0	-361 503	0	0	-15 044 185	-15 405 688

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17 and the exemption Gazette 30013. The Municipality has revalued all the fixed assets and corrected where necessary.

9.2 INVESTMENT PROPERTY

Cost	1 974 591	1 974 591
Total Investment Property	1 974 591	1 974 591

Revenue earned from the investment property is included in the statement of financial performance.

West Rand District Municipality

APPENDIX A

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 2006/06/30	Received during the period(1)	Redeemed written off during the period	Balance at 2007/06/30
Annuity Loans			R	R	R	R
DBSA loan 10%	1	2014/09/30	1 328 680	0	-105 386	1 223 294
DBSA loan 10%	2	2014/09/30	4 585 687	0	-363 720	4 221 967
DBSA loan 10%	3	2014/09/30	9 214 525	0	-730 865	8 483 660
DBSA loan 10%	4	2014/09/30	4 555 653	0	-361 339	4 194 314
DBSA loan 10%	5	2014/09/30	783 012	0	-62 106	720 906
DBSA loan 10%	6	2014/09/30	871 840	0	-69 151	802 689
TOTAL EXTERNAL LOANS			21 339 397	0	-1 692 567	19 646 830

Carrying Value of Property, Plant & Equip(2)	Other Costs in accordance with the MFMA
R	R
0	0
0	0
0	0
0	0
0	0
0	0
0	0

(1) Adjustments to interest accrued at year end are included in the received column.

(2) The loans were utilised to finance assets constructed on behalve of the Local Municipalities and therefor not included in the asset register of the WRDM

West Rand District Municipality
APPENDIX B
ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 June 2007

	Cost/Revaluation					Accumulated Depreciation				Carrying Value	Budget additions 2007
	Opening Balance	Additions	Revaluation	Transfers	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Land and Buildings											
Land and Buildings	31 818 427	4 263 736	0	0	36 082 163	0	-411 139	0	-411 139	35 671 024	13 046 000
	31 818 427	4 263 736	0	0	36 082 163	0	-411 139	0	-411 139	35 671 024	13 046 000
Infrastructure											
Security Measures	843 513	117 043	0	0	960 556	-361 503	-149 292	0	-510 795	449 761	120 000
	843 513	117 043	0	0	960 556	-361 503	-149 292	0	-510 795	449 761	120 000
Community assets											
Recreation Grounds	2 120 520	0	0	0	2 120 520	0	0	0	0	2 120 520	0
Cemeteries	81 000	0	0	0	81 000	0	0	0	0	81 000	0
	2 201 520	0	0	0	2 201 520	0	0	0	0	2 201 520	0
Other Assets											
Office Equipment	5 370 700	635 660	0	0	6 006 360	-5 296 371	-4 131	0	-5 300 502	705 858	638 000
Furniture & Fittings	3 077 546	364 720	0	0	3 442 266	-2 171 918	-234 552	0	-2 406 470	1 035 796	365 000
Emergency equipment	2 824 025	382 386	0	0	3 206 411	-2 131 888	-185 028	0	-2 316 916	889 495	385 000
Motor Vehicles	4 064 107	96 290	0	0	4 160 397	-3 314 834	-225 078	0	-3 539 912	620 485	97 000
Other transport	20 340	0	0	0	20 340	-20 339	0	0	-20 339	1	0
Plant & Equipment	3 678 549	318 991	0	0	3 997 540	-2 108 835	-458 522	0	-2 567 357	1 430 183	319 000
	19 035 267	1 798 047	0	0	20 833 314	-15 044 185	-1 107 311	0	-16 151 496	4 681 818	1 804 000
	53 898 727	6 178 826	0	0	60 077 553	-15 405 688	-1 667 742	0	-17 073 430	43 004 123	14 970 000

West Rand District Municipality
Appendix C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2007

	Cost/Revaluation					Accumulated Depreciation				Carrying Value	Budget additions 2007
	Opening Balance	Additions	Revaluation	Transfers	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Executive & Council	2 763 029	601 293	0	19 000 076	22 364 398	-3 322 736	-375 983	0	-3 698 719	18 665 679	758 000
Finance & Admin	24 331 861	202 959	0	-22 074 756	2 460 064	-2 109 147	-26 797	0	-2 135 944	324 119	365 000
Planning & Development	14 288 951	4 508 260	0	3 174 070	21 971 281	-1 848 118	-802 714	0	-2 650 832	19 320 449	13 462 000
Health	328 346	21 175	0	32 949	382 470	-232 291	-22 746	0	-255 037	127 433	0
Public Safety	9 853 708	845 139	0	-65 098	10 633 749	-7 746 836	-439 522	0	-8 186 358	2 447 391	385 000
Sport & Recreation	2 130 171	0	0	0	2 130 171	-11 042	0	0	-11 042	2 119 129	0
Road transport	6 684	0	0	-6 684	0	0	0	0	0	0	0
Water	135 520	0	0	0	135 520	-135 520	0	0	-135 520	1	0
Other	60 456	0	0	-60 457	0	0	0	0	0	0	0
TOTAL	53 898 726	6 178 826	0	100	60 077 653	-15 405 690	-1 667 762	0	-17 073 452	43 004 201	14 970 000

West Rand District Municipality

APPENDIX D

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED

30-Jun-2007

2006 Actual Income	2006 Actual Expenditure	2006 Surplus/ (Deficit)		2007 Actual Income	2007 Actual Expenditure	2007 Surplus/ (Deficit)
0	0	0		0	0	0
4 481 742	29 616 547	-25 134 805	Executive & Council	5 571 698	28 481 894	-22 910 196
105 576 118	19 228 137	86 347 981	Finance & Admin	106 891 596	21 836 357	85 055 239
26 715 619	44 496 953	-17 781 334	Planning & Development	8 900 984	28 791 223	-19 890 239
50 324 940	39 366 652	10 958 288	Health	27 613 689	31 615 957	-4 002 268
339 929	37 696 931	-37 357 002	Public Safety	1 602 487	33 434 268	-31 831 781
31 400	623 893	-592 493	Sport & Recreation	35 120	702 421	-667 301
3 126 658	1 739 732	1 386 926	Road transport	0	1 462 129	-1 462 129
0	8 432	-8 432	Other	0	0	0
190 596 406	172 777 277	17 819 129	Sub Total	150 615 574	146 324 249	4 291 325
190 596 406	172 777 277	17 819 129	Total	150 615 574	146 324 249	4 291 325

West Rand District Municipality
Appendix E(1)
ACTUAL VERSUS BUDGET (REVENUE & EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2007

	Actual 2007 R	Budget 2007 R	Variance 2007 R	Variance 2007 %	Explanation of significant Variances
REVENUE					
Service Charges	4 062 694	1 194 280	-2 868 414	0.0	Additional levies on fire accounts
RSC Levies	7 497 860	7 700 000	202 140	5.1	June levies payable in July
Rental : Property & Equipment	1 298 713	1 321 470	22 757	13.2	Rental proerty not occupied due to vacancies
Interest earned - external investment	7 730 673	5 338 000	-2 392 673	40.4	Additional cash invested
Interest earned - outstanding debtors	46 044	82 000	35 956	-34.3	Handover of debtors at a lesser rate
Licenses & Permits	43 065	50 000	6 935	-89.3	Income did not realise
Agency services	0	0	0	8.6	Additional subsidy from North West Health
Government grants & Subsidies	127 336 084	159 282 670	31 946 586	60.8	Primary Health income did not realised
Other income	2 600 441	7 769 970	5 169 529	66.5	Income did not realise
Total revenue	150 615 574	182 738 390			
Less Income forgone	0	0	0	0.0	
	150 615 574	182 738 390			
EXPENDITURE					
Employee related costs	75 026 725	76 081 140	1 054 415	1.4	Vacancies not filled
Remuneration Councillors	4 902 379	5 135 520	233 141	4.8	Councilors remuneration reduced
Bad debts written-off	2 898 278	3 102 000	203 722	7.0	Provision for bad debt on ambulance now also included
Collection costs	521 000	532 000	11 000	9.8	Additional cost to attorneys
Depreciation	1 973 728	3 065 890	1 092 162	15.1	Additional capital items-incorrect budget
Repairs & Maintenance	3 223 654	4 520 340	1 296 686	-24.1	Lease of vehicles with full maintenance
Interest on external borrowings	2 004 298	2 091 000	86 702	-29.2	Interest accrued included
Contracted services	192 854	350 000	157 146	9.3	Additional cost for transport of plants
Grants & Subsidies paid	21 974 195	61 351 840	39 377 645	-29.7	Projects not completed/Primary Health subsidy not paid out in full
General expenses- other	36 120 528	52 359 020	16 238 492	-37.0	Expenses did not occur
Internal transfers/Departmental charges	-2 513 390	-2 513 390	0	0.0	
Total expenditure	146 324 249	206 075 360			
NET SURPLUS/(DEFICIT)	4 291 325	-23 336 970			

West Rand District Municipality
APPENDIX F

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

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure				
		March	June	Sept	Dec	March	March	June	Sept	Dec	March
		EMS Subsidy	Gauteng Health	0	10859000	0	5429500	5972500	0	5994087	5994087
RSC replacement grant	National Government	0	0	29320402	21985758	36636873	0	21985758	21985758	21985758	21985758
HIV/AIDS Grant	Gauteng Province	0	0	0	0	4403000	0	0	0	0	1365034
MSIP	National Government	0	0	500000	250000	250000	0	254876	254876	254876	254876
			10859000	29820402	27665258	47262373		28234721	28234721	28234721	29599755

Name of Grants	Name of organ of state or municipal entity	Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		March	June	Sept	Dec	March			

West Rand District Municipality

APPENDIX E(2)

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT & EQUIPMENT) FOR THE YEAR ENDED 30 June 2007

	Actual 2007 R	Budget 2007 R	Variance 2007 R	Variance 2007 %	Explanation of significant Variances
Land and Buildings					
Land and Buildings	4 263 736	13 046 000	8 782 264	67.32	Expenditure on Katlego rolled over
Infrastructure					
Security Measures	117 043	120 000	2 957	2.46	Saving on purchases
Other Assets					
Office Equipment	635 660	638 000	2 340	0.37	Saving on purchases
Furniture & Fittings	364 720	365 000	280	0.08	Saving on purchases
Emergency equipment	382 386	385 000	2 614	0.68	Saving on purchases
Motor Vehicles	96 290	97 000	0	0	
Computer equipment	0	0	0	0	
Plant & Equipment	318 991	319 000	637 991	0.00	Saving on purchases
	<u>6 178 826</u>	<u>14 970 000</u>			
	<u>6 178 826</u>	<u>14 970 000</u>			

WEST RAND DISTRICT MUNICIPALITY

AMBULANCE SERVICE
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2007

Actual 2006 R		Actual 2007 R	Budget 2007 R
	INCOME		
25 014 493	Government grants & subsidies	22 263 016	23 330 000
3 879 393	Levies	2 338 038	200 000
11 301	Other income	1 128 613	930 000
<u>28 905 187</u>	Total income	<u>25 729 667</u>	<u>24 460 000</u>
	EXPENDITURE		
15 215 557	Salaries and wages	17 792 164	17 730 000
5 442 233	General expenses	6 141 618	6 456 230
3 737 270	Bad debt provision	-	0
87 122	Repairs and maintenance	40 824	274 680
114	Depreciation	1 743	30
<u>24 482 296</u>	Total expenditure	<u>23 976 349</u>	<u>24 460 940</u>
<u>4 422 891</u>	Operating (deficit)/surplus for the year	<u>1 753 318</u>	<u>-940</u>

AMBULANCE SERVICE
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2006 Actual R		2007 Actual R	2007 Budget R
	SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		
4 422 891	Administration	1 753 318	(940)
<u>4 422 891</u>	NET (DEFICIT)/SURPLUS FOR THE YEAR	<u>1 753 318</u>	<u>(940)</u>
<u>4 422 891</u>	NET (DEFICIT)/SURPLUS BEFORE APPROPRIATIONS	<u>1 753 318</u>	<u>(940)</u>
(2 997 369)	UNAPPROPRIATED SURPLUS AT 1/7/2006	1 425 522	(3 187 669)
	TRANSFER TO PROVISIONS	(1 758 250)	
<u>1 425 522</u>	UNAPPROPRIATED DEFICIT AT END OF YEAR	<u>1 420 590</u>	<u>(3 188 609)</u>

WEST RAND DISTRICT MUNICIPALITY

**CONSOLIDATED METROPOLITAN TRANSPORT FUND
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2007**

2006 Actual R		2007 Actual R	2007 Budget R
	INCOME		
145 524	Government grants & subsidies	1 565 625	0
<u>145 524</u>	Total income	<u>1 565 625</u>	<u>0</u>
	EXPENDITURE		
745 248	Projects	295 000	0
<u>745 248</u>	Total expenditure	<u>295 000</u>	<u>0</u>
<u>(599 724)</u>	Operating Surplus for the year	<u>1 270 625</u>	<u>0</u>

**CONSOLIDATED METROPOLITAN TRANSPORT FUND
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

2006 Actual R		2007 Actual R	2007 Budget R
	SURPLUS FROM ORDINARY ACTIVITIES		
(599 724)	Administration	1 270 625	0
<u>(599 724)</u>	NET SURPLUS FOR THE YEAR	<u>1 270 625</u>	<u>0</u>
<u>(599 724)</u>	NET SURPLUS BEFORE APPROPRIATIONS	<u>1 270 625</u>	<u>0</u>
1 419 978	UNAPPROPRIATED SURPLUS AT BEGINNING OF YEAR	820 254	0
<u>820 254</u>	UNAPPROPRIATED SURPLUS AT END OF YEAR	<u>2 090 879</u>	<u>0</u>

IMPLEMENTATION PLAN FOR FULL COMPLIANCE WITH SECTIONS 122(2) AND (3) OF THE MUNICIPAL FINANCE MANAGEMENT ACT,
ACT 56 OF 2003 – HIGH CAPACITY MUNICIPALITIES, MEDIUM CAPACITY MUNICIPALITIES CONVERTED TO GRAP STANDARDS AND LOW
CAPACITY MUNICIPALITIES CONVERTED TO GRAP STANDARDS

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption	Interim requirement(s) applicable during the exemption period	Person responsible	Estimate date of compliance
Property, plant and equipment <u>GRAP 17</u>	Review of useful life of items of PPE recognized in the annual financial statements <i>[paragraphs 59 – 61, and 77]</i>	<ol style="list-style-type: none"> 1. Verification of assets to determine correctness initial useful life 2. Define periodically: <ul style="list-style-type: none"> • Was the useful life extended subsequent expenditure on the asset which improves the condition of the asset beyond its most recently assessed standard of performance? • Were there technological changes or changes in the market for the products may reduce the useful life of the asset? 3. Approve a repair and maintenance policy that affects the useful life of an asset. 	<ul style="list-style-type: none"> ▪ Previous adjustments to depreciation charges due to revised estimations of useful lives may not be reversed. 	CFO Budget Manager /Manager Expenditure Interns	Completed 31/01/2008 31/01/2008 28/02/2008
	Review of depreciation method applied to PPE recognized in the annual financial statements <i>[paragraphs 62 and 77]</i>	<ol style="list-style-type: none"> 1. Choice between: <ul style="list-style-type: none"> • Straight line method • Sum of units method • Diminishing balance method 	<ul style="list-style-type: none"> ▪ Previous adjustments to depreciation charges due to revised depreciation methods may not be reversed 		Completed
	Impairment of non-cash-generating assets <i>[paragraphs 64 – 69 and 75(e)(v) – (vi)]</i>	<ol style="list-style-type: none"> 1. Assess an item or a group of identical items of property, plant and equipment in order to assess whether or not the recoverable amount has declined below the carrying amount. 2. The amount of the reduction shall be 	<ul style="list-style-type: none"> ▪ Voluntary narrative disclosure may be included in the 'PPE' note about impaired items of PPE. 		Completed

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption	Interim requirement(s) applicable during the exemption period	Person responsible	Estimate date of compliance
		recognized as an expense or reversed against a Revaluation Reserve.			
	Impairment of cash-generating assets [paragraphs 63 and 75(e)(v) – (vi)]	1. Apply the International Accounting Standard on <i>Impairment of Assets</i>	<ul style="list-style-type: none"> ▪ Voluntary narrative disclosure may be included in the 'PPE' note if the entity is aware that an item of PPE is impaired 	CFO Budget Manager Expenditure Manager Interns	31/03/2008
Impairment of Assets <u>IAS 36/AC 128</u>	Entire Standard	<ol style="list-style-type: none"> 1. Review of assets to ascertain whether impairment is needed 2. Develop the procedure to follow if an asset is carried at more than its recoverable amount(if its carrying amount exceeds the amount to be recovered through use or sale of the asset) 3. Impairment tests may be performed at any time during an annual period provided it is performed at the same time every year. 4. Measure recoverable amounts of the following types of intangible assets annually whether or not there is any indication that it may be impaired: <ul style="list-style-type: none"> ▪ an intangible asset with an indefinite useful life. ▪ an intangible asset not yet available for use. ▪ goodwill acquired in a business combination. 	<ul style="list-style-type: none"> ▪ Voluntary narrative disclosure may be included in the appropriate asset note if the entity is aware that a specific asset is impaired. 	CFO Budget Manager Expenditure Manager Interns	31/01/2008 31/01/2008 31/03/2008 31/03/2008
Inventories <u>GAMAP 12</u>	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP	1. Develop a complete register of all immoveable assets	<p>Items of immovable capital assets that meet the 'inventory' definition:</p> <ul style="list-style-type: none"> ▪ must be accounted for in accordance with GAMAP 12 if they were previously accounted for as inventory. ▪ may be accounted for in accordance with either 	CFO Budget Manager Expenditure Manager Interns	31/01/2008

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption	Interim requirement(s) applicable during the exemption period	Person responsible	Estimate date of compliance
	17		GAMAP 12 or GAMAP 17 if they were not previously accounted for as inventory. If accounted for in accordance with GAMAP 17, narrative disclosure must be included in the 'PPE' note stating that PPE may include inventory.		
	The entire standard to the extent that it relates to water stock that was not purchased by the municipality	<ol style="list-style-type: none"> 1. Put measures in place to be able to measure the water in the pipes and reservoirs, bought but not yet sold, at yearend <ul style="list-style-type: none"> • Estimate the amount of water stock on hand and: • Prepare and present working papers in support of this calculation to the auditors; • include the procedures, methods and assumptions made in estimating the purchased water stock on hand in the working paper; • indicate who was responsible for the estimation and who approved figure prior to the recognition in the annual financial statements; and • attach any substantiating evidence to the working papers 	<ol style="list-style-type: none"> 2. Any water purification costs incurred for non-purchased water must be capitalized as part of inventory. Pre-purified non-purchased water should not be capitalized as part of inventory. <ul style="list-style-type: none"> ▪ Narrative disclosure must be included in the 'Inventory' note stating that the municipality has capitalized all purchased water inventory, but that only purification costs were capitalized in respect of non-purchased water inventory. 	CFO Budget Manager Expenditure Manager Interns	31/01/2008
Investment Property <u>IAS 40/AC 135</u>	The entire standard to the extent that the property is accounted for in terms of GAMAP 17	<ol style="list-style-type: none"> 1. Identification of all investment property 2. Identification of choice made between fair value model and cost model 	<p>Land and/or buildings that meet the 'investment property' definition:</p> <ul style="list-style-type: none"> ▪ must be accounted for in accordance with IAS 40 if they were previously accounted for as investment property. ▪ may be accounted for in accordance with either IAS 40 or GAMAP 17 if they were not previously accounted for as investment property. <p>If accounted for in accordance with GAMAP 17, narrative disclosure must be included in the PPE note stating that PPE may include investment property.</p>	CFO Budget Manager Income Manager Interns	31/01/2008 31/01/2008

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption	Interim requirement(s) applicable during the exemption period	Person responsible	Estimate date of compliance
	Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognized the investment property in terms of the standard <i>[paragraphs 79(e)(i) – (iii)]</i>	<ol style="list-style-type: none"> 1. Determination of the extent to which the fair value of investment property is based on a valuation by an independent valuer 2. Identification of land held for current undetermined use 3. Identification of all transfers and disposals 4. Accounting for gains or losses 5. Identification of compensation from third parties for investment property impaired, lost or given up. 		CFO Budget Manager Income Manager Interns	30/06/2008
Leases <u>IAS 17/AC 105</u>	Recognizing operating lease payments / receipts on a straight-line basis if the amounts are recognized on the basis of the cash flows in the lease agreement. <i>[SAICA circular 12/06 paragraphs 8 – 11 and paragraphs 33, 34, 50, 51 of IAS 17/AC 105)</i>	<ol style="list-style-type: none"> 1. Identification of operating lease payments/receipts where the amounts were recognized on a basis of the cash flows in the lease agreements 2. Calculation of straight-line basis/ 	<ul style="list-style-type: none"> ▪ The operating lease payments / receipts must be recognised on the basis of the cash flows in the lease agreement. 	CFO Budget Manager Expenditure Manager Interns	31/01/2008 31/03/2008
Intangible Assets <u>IAS 38/AC 129</u>	The entire standard except for the recognition, measurement and disclosure of computer software	<ol style="list-style-type: none"> 1. Identification of, for each class of intangible assets: <ul style="list-style-type: none"> ▪ useful life or amortization rate ▪ amortization method ▪ gross carrying amount ▪ accumulated amortization and 	<ul style="list-style-type: none"> ▪ Costs incurred on computer software and websites during the exemption period that meet the 'intangible asset' definition, must be accounted for in accordance with IAS 38. ▪ All other costs incurred on intangible assets during the exemption period (other than on computer 	CFO Budget Manager Expenditure Manager Interns	31/06/2008

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption	Interim requirement(s) applicable during the exemption period	Person responsible	Estimate date of compliance
	equipment and website costs (SIC 32/AC 432) and all other costs are expensed	<ul style="list-style-type: none"> ▪ impairment losses ▪ line items in the income statement in which amortization is included ▪ reconciliation of the carrying amount at the beginning and the end of the period ▪ basis for determining that an intangible has an indefinite life ▪ description and carrying amount of individually material intangible assets 	<ul style="list-style-type: none"> ▪ software and websites) must be expensed. ▪ Items of intangible assets that were recognised in the financial statements before the exemption period and that meet the 'intangible asset' definition must be accounted for in accordance with IAS 38. 		
Employee Benefits <u>IAS 19/AC 116</u>	<p>Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information.</p> <p><i>[paragraphs 29, 48 – 119, 120A(c)-(q)]</i></p>	<ol style="list-style-type: none"> 1. Put systems and procedures in place for the: <ul style="list-style-type: none"> • Identification of post-employment benefits • Identification of defined benefit plans • Identification of defined contribution plans • Determination of extend of short term compensated absences 2. Gain an understanding of the calculations performed and terminology applied by the actuarial firm in the calculation of the municipality's defined benefit obligation 3. Put systems in place to determine: <ul style="list-style-type: none"> • The instances where contributions to a defined contribution plan do not fall due within 12 months after the end of the period in which the employee renders the service. • Discounting of these contributions • Accounting for defined benefit plans • Accounting for defined contribution 	<ul style="list-style-type: none"> ▪ The plan must be accounted for as a defined contribution plan. ▪ Narrative disclosure must be included in a 'Post employment benefit' note stating the defined benefit obligation. <p>A defined benefit plan that was recognised in the statement of financial position before the exemption period must continue to be recognised at an amount equal to the 2005/06 year-end balance; i.e. movements in the balance are not accounted for during the exemption period. If the municipality qualified for and elected to apply IAS 19.155(b) on first adopting IAS 19, the initial phase-in period of (up to) five years is not extended with the exemption period.</p>	CFO Budget Manager Expenditure Manager Interns	<p>31/01/2008</p> <p>31/03/2008</p> <p>31/03/2008</p>

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption	Interim requirement(s) applicable during the exemption period	Person responsible	Estimate date of compliance
		plans 4. Identify changes in accounting policies Formulate changes in accounting policies			30/06/2008
Revenue GAMAP 9	Initial measurement of fair value discounting all future receipts using an imputed rate of interest. <i>[SAICA circular 09/06 and paragraph 12]</i>	1. Identify the way of discounting the debtors	Revenue must initially be recognised at cost.	CFO Budget Manager Manager Income Interns	31/03/2008
Financial Instruments: Recognition and Measurement IAS 39/AC 133	Initially measuring financial assets and financial liabilities at fair value. <i>[SAICA circular 09/06, paragraph 43, AG 79, AG 64 and AG 65 of IAS 39/ AC 133]</i>	1. Identification and accounting for: <ul style="list-style-type: none"> • Derecognition of a financial asset • Derecognition of a financial liability • Measurements • Re-classifications • Gains & losses • Impairment and uncollectability of financial assets • Hedging 	<ul style="list-style-type: none"> ▪ Financial assets and financial liabilities must initially be recognised at cost. Note: Recognising financial liabilities at cost implies that the corresponding leg of the transaction must also initially be recognised at cost.	CFO Budget Manager Expenditure Manager Manager Income Interns	30/06/2008
Non-current Assets held for Sale and Discontinued Operations IFRS 5/AC142	Classification, measurement and disclosure of non-current assets held for sale. <i>[paragraphs 6 – 14, 15 – 29 (in so far as it relates to non-current assets held for sale), 38 – 42]</i>	1. Put systems and procedures in place to identify Non-current Assets held for Sale and Discontinued Operations	<ul style="list-style-type: none"> ▪ Discontinued operations must be accounted for in accordance with IFRS 05. ▪ Disposal of non-current assets must be accounted for in accordance with GAMAP 17, IAS 38, IAS 40 or IAS 41, as appropriate. 	CFO Budget Manager Expenditure Manager Manager Income Interns	30/06/2008
Financial	Entire Standard to	1. Determine the impact that the standard	The municipality must comply with the previous version	CFO	31/01/2008

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption	Interim requirement(s) applicable during the exemption period	Person responsible	Estimate date of compliance
Instruments: Disclosures <u>IFRS 7/AC 144</u>	be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998	has on the existing accounting processes and procedures 2. Perform changes to existing accounting processes and procedures 3. Identify changes in accounting policies 4. Formulate changes in accounting policies 5. Put systems and procedures in place to ensure the correct disclosure of: <ul style="list-style-type: none"> ▪ Balance sheet disclosures, including information about financial assets and financial liabilities by category, ▪ special disclosures when the fair value option is used ▪ reclassifications, derecognitions, pledges of assets, embedded derivatives, and breaches of terms of agreements; ▪ income statement and equity disclosures, including information gains, and losses; interest income and expense; fee income; and impairment losses; and ▪ other disclosures, including information about accounting policies, hedge accounting, and the fair values of each class of financial asset and financial liability. ▪ Information about the nature and extent of risks arising from financial instruments: <ul style="list-style-type: none"> ▪ qualitative disclosures about exposures to each class of risk and how those risks are managed and ▪ quantitative disclosures about 	of the version of IAS 32 that addressed both disclosure and presentation	Budget Manager Expenditure Manager Manager Income Interns	31/03/2008 31/03/2008 31/03/2008 30/06/2008

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption	Interim requirement(s) applicable during the exemption period	Person responsible	Estimate date of compliance
		exposures to each class of risk, separately for credit risk, liquidity risk, and market risk			
Construction Contracts IAS11/AC109	Entire Standard	<ol style="list-style-type: none"> 1. Determine the impact that the standard has on the existing accounting processes and procedures. 2. Perform changes to existing accounting processes and procedures 3. Identify changes in accounting policies 4. Formulate changes in accounting policies. 5. Put systems and procedure in place to identify all construction contracts. 6. Collect all information of relevant construction contracts. 7. Submit a recommendation regarding the following : <ul style="list-style-type: none"> • Identification of method used to determine revenue • Identification of method used to determine stage of completion. to the relevant committee or council for notice. 8. Identify changes in accounting processes and procedures. 9. Capacitate staff in the following accounting processes: <ul style="list-style-type: none"> • Reconciliation between reliable estimate of total contract revenue, the stage of completion, and the costs to complete the contract. • Identification of contract revenue and cost • Determination of ,at balance sheet date: 	<ul style="list-style-type: none"> ▪ Assets constructed in terms of a construction contract must be accounted for as inventory in accordance with GAMAP 12. ▪ The 'Inventory' note must disclose the amount of constructed assets included in inventory. Note: Construction of own assets should be accounted for in terms of GAMAP 17, IAS 40 or IAS 38.	CFO Budget Manager Expenditure Manager Manager Income Interns	31/03/2008 31/03/2008 31/03/2008 31/03/2008 31/03/2008 31/03/2008 31/03/2008 31/03/2008 30/06/2008

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption	Interim requirement(s) applicable during the exemption period	Person responsible	Estimate date of compliance
		<ul style="list-style-type: none"> ▪ Aggregate costs incurred and recognized profit ▪ Amount of advances received ▪ Amount of retentions ▪ Reconciliation of retention money 			
Business Combinations <u>IFRS3/AC140</u>	Entire Standard	1. Exercise choice between: <ul style="list-style-type: none"> ▪ Pooling of interest method ▪ Uniting of interests method 	<p>Where two or more separate entities are brought together such that the combining entities combine control over the whole, or effectively the whole, of their net assets and operations to achieve a continuing mutual sharing in the risks and benefits attaching to the combined entity, the pooling of interest method should be used to account for the combination of entities. (Reference to AC 131 (issued June 1999) paragraphs 79 to 84.</p> <p>For all business combinations, the following disclosures should be made in the financial statements for the period during which the combination has taken place:</p> <ul style="list-style-type: none"> ▪ The names and descriptions of the combining enterprises. ▪ The method of accounting for the combination. ▪ The effective date of the combination for accounting purposes. ▪ Any operations resulting from the business combination of which the enterprise has decided to dispose [AC 131.87]. <p>For a business combination that is a uniting of interests, the following additional disclosures should be made in the financial statements for the period during which the uniting of interests has taken place:</p> <ul style="list-style-type: none"> ▪ Description and number of shares issued, together with the percentage of each enterprise's voting shares exchanged to effect the uniting of interests. ▪ Amounts of assets and liabilities contributed by each enterprise. ▪ Sales revenue, other operating revenues, extraordinary items and the net profit or loss of 	CFO Budget Manager Expenditure Manager Manager Income Interns	30/06/2008

Financial reporting standard	Extent of exemption from standard	Milestones to be achieved to comply with exemption	Interim requirement(s) applicable during the exemption period	Person responsible	Estimate date of compliance
			<p>each enterprise prior to the date of the combination that is included in the net profit or loss shown by the combined enterprise's financial statements [AC 131.95].</p> <p>Where the combination of entities falls within the scope of IFRS 3: <i>Business Combinations</i>, the purchase method and related disclosures described in IFRS 3 should be used.</p>		
<p>Accounting for Government Grants and disclosure of Government Assistance</p> <p><u>IAS 20/AC 134</u></p>	<p>Entire Standard excluding paragraph 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9</p>	<p>1. Identification of and accounting for:</p> <ul style="list-style-type: none"> • government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognized as income of the period in which it becomes receivable. • Non-monetary government grants • Grants related to income • Repayment of government grants 	<ul style="list-style-type: none"> ▪ Where a government grant takes the form of a transfer of a non-monetary asset, both the grant and the asset must be accounted for at the fair value of the non-monetary asset received. ▪ A government grant related to a non-current asset with a useful life (e.g. PPE, intangible assets, etc.), including non-monetary grants at fair value, must be presented in the statement of financial position as deferred income that is recognised as income on a systematic and rational basis over the useful life of the asset; i.e. in accordance with IAS 20.26. ▪ A government grant related to a current asset (e.g. inventory, etc.), including non-monetary grants at fair value, must be accounted for in accordance with GAMAP 9.43. 	<p>CFO Budget Manager Expenditure Manager Manager Income Interns</p>	<p>31/01/2008</p>