



CAPE WINELANDS DISTRICT  
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

# ANNUAL FINANCIAL STATEMENTS 2012/2013

VISION - A Unified Cape Winelands of Excellence!

MISSION -All structures of the Cape Winelands co-operate together towards effective, efficient and economically sustainable development.

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# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## General Information

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### Nature of business and principal activities

The Municipality is a local authority that -

- a) Ensures comprehensive and equitable Municipal Health Services within the Cape Winelands;
- b) Ensures co-ordination of multi-disciplinary and sectorial disaster risk reduction through integrated institutional capacity for Disaster Risk Management, Disaster Risk Assessment and Response and Recovery;
- c) Provides effective planning and coordination of fire fighting services, prevention activities and training services throughout the Cape Winelands;
- d) Facilitates environmentally sustainable economic development & investment attraction as well as retention through the development and management of strategic partnerships;
- e) Facilitates skills development within the CWDM by means of knowledge management and social infrastructure investment;
- f) Facilitates the creation of sustainable jobs within the Cape Winelands District through the provision and maintenance of economic infrastructure;
- g) Provides support and shared services to local municipalities to facilitate economic development planning within the Cape Winelands District;
- h) Increases access to safe and efficient transport;
- i) Develops integrated and sustainable human settlements;
- j) Integrates service delivery for maximum impact;
- k) Creates opportunities for growth and development in rural areas; and
- l) Empowers vulnerable groups, build human capital, invest in social capital and rural development programmes.

### Mayoral committee

Ald. C.A. DE BRUYN (Executive Mayor)  
Cllr. C. MEYER (Speaker)  
Cllr. H.M. JANSEN (Deputy Executive Mayor)  
Ald. (Dr.) N.E. KAHLBERG  
Cllr. R. B. ARNOLDS  
Cllr. G.J. CARINUS  
Cllr. J.J. DU PLESSIS  
Cllr. X.L. MDEMKA  
Cllr. J.R.F. TORR  
Cllr. H. VON SCHLICHT

### Other Councillors

Cllr. J.J. ABRAHAMS  
Cllr. M.B. APPOLIS  
Cllr. M.N. BUSHWANA  
Cllr. D.C. BOTHA  
Cllr. C.C. BRINK  
Cllr. W.L. CHAABAN  
Cllr. A. CROMBIE  
Cllr. J.B. CRONJE  
Cllr. C. DAMENS  
Cllr. S.W. DAVIDS  
Cllr. Z.L. GWADA  
Cllr. N.D. HANI  
Cllr. D.A. HENDRICKSE  
Cllr. P. HERADIEN  
Cllr. D.B. JANSE  
Cllr. J.J. JANUARIE (Until 26 October 2012)

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## General Information

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Cllr. X. KALIPA  
Cllr. B.J. KRIEGLER  
Cllr. P. MARRAN  
Cllr. J. MATTHEE  
Cllr. C. MCAKO  
Cllr. S.J. MEI  
Cllr. J.S. MOUTON  
Cllr. L.W. NIEHAUS  
Cllr. S.W. NYAMANA  
Cllr. S. ROSS  
Cllr. L.N. SIKWAMISA  
Cllr. G. STALMEESTER  
Cllr. M.S. TAYITAYI  
Cllr. J.D.F. VAN ZYL  
Cllr. E.J. VOLLENHOVEN (Until 31 May 2013)  
Cllr. M.H. YABO

**Grading of local authority**

GRADE 4

**Accounting Officer**

M MGAJO

**Chief Financial Officer**

FA DU RAAN-GROENEWALD

**Registered office**

46 ALEXANDER STREET  
STELLENBOSCH  
7600

**Postal address**

P.O. BOX 100  
STELLENBOSCH  
7599

**Telephone**

0861 265 263

**Bankers**

AMALGAMATED BANKS OF SOUTH AFRICA (ABSA)

**Auditors**

AUDITOR GENERAL OF SOUTH AFRICA

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

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# CAPE WINELANDS DISTRICT MUNICIPALITY

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### Abbreviations

CRR	Capital Replacement Reserve
GRAP	Standards of Generally Recognised Accounting Practice
IAS	International Accounting Standards
PRMA	Post- retirement Medical Aid
PPE	Property, Plant and Equipment
MFMA	Municipal Finance Management Act, 2003 (Act no. 56 of 2003)

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and were given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges ultimate responsibility for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year until 30 June 2014 and, in the light of this review and the current financial position, is satisfied that the municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on government grants for continued funding of operations. The financial statements are prepared on the basis that the municipality is a going concern and that the government has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, the accounting officer is supported by the municipality's internal auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's financial statements. The financial statements have been examined by the municipality's external auditors.

The financial statements set out on pages 4 to 46, which have been prepared on the going concern basis, were approved by the accounting officer on 30 August 2013.



Accounting Officer  
M Mgajo

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# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Statement of Financial Position as at 30 June 2013

Figures in Rand	Note(s)	2013	2012
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	5	19,074,737	20,071,860
Other receivables from exchange transactions	6	6,607,230	5,618,966
Receivables from non-exchange transactions	7	-	309,127
VAT receivable		601,781	708,016
Trade receivables from exchange transactions	8	128,226	77,988
Cash and cash equivalents	9	428,987,329	395,689,808
		<b>455,399,303</b>	<b>422,475,765</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	2	193,971,606	192,312,980
Intangible assets	3	943,707	863,559
Heritage assets	4	5,416,848	4,915,750
		<b>200,332,161</b>	<b>198,092,289</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance leases	13	84,603	116,451
Trade and other payables from exchange transactions	16	21,502,718	27,360,686
Conditional grants	14	7,400,080	6,548,666
Employee benefits	15	15,559,507	24,383,622
		<b>44,546,908</b>	<b>58,409,425</b>
<b>Non-Current Liabilities</b>			
Finance leases	13	107,328	107,031
Employee benefits	15	140,878,730	111,007,956
		<b>140,986,058</b>	<b>111,114,987</b>
Revaluation reserve	10	107,267,123	109,896,920
Capital replacement reserve	11	70,379,951	74,582,194
Government grant reserve	12	1,595,524	1,180,612
Accumulated surplus		290,955,900	265,383,915
<b>Total Net Assets</b>		<b>470,198,498</b>	<b>451,043,641</b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Statement of Financial Performance

Figures in Rand	Note(s)	2013	2012
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	18	309,092	570,302
Rental of facilities and equipment		57,560	55,914
Income from agency services		6,062,102	6,910,073
Other income	21	1,522,512	1,951,913
Finance income	25	24,451,381	24,401,142
<b>Total revenue from exchange transactions</b>		<b>32,402,647</b>	<b>33,889,344</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants and subsidies	19	239,636,281	242,179,766
Public contributions and donations	20	1,309,412	51,909
<b>Total revenue from non-exchange transactions</b>		<b>240,945,693</b>	<b>242,231,675</b>
<b>Total revenue</b>		<b>273,348,340</b>	<b>276,121,019</b>
<b>Expenditure</b>			
Employee related cost	23	154,135,156	137,793,605
Remuneration of councillors	24	9,883,766	9,335,836
Depreciation and amortisation	26	8,596,534	6,329,112
Finance costs	27	525,553	497,989
Debt impairment	8	109,932	(700,666)
Repairs and maintenance		4,335,725	3,904,737
General expenses	22	72,243,476	110,326,464
Loss on foreign currency		24,853	-
<b>Total expenditure</b>		<b>249,854,995</b>	<b>267,487,077</b>
<b>Operating surplus</b>		<b>23,493,345</b>	<b>8,633,942</b>
Loss on disposal of assets		(3,870,102)	(603,802)
<b>Surplus for the year</b>		<b>19,623,243</b>	<b>8,030,140</b>



# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Statement of Changes in Net Assets

	Revaluation reserve	Capital replacement reserve	Government grant reserve	Total reserves	Accumulated surplus	Total net assets
Figures in Rand						
<b>Balance at 01 July 2011</b>	<b>115,833,341</b>	<b>70,524,776</b>	<b>1,945,760</b>	<b>188,303,877</b>	<b>216,130,139</b>	<b>404,434,016</b>
Changes in net assets						
Revaluation of PPE	38,870,220	-	-	38,870,220	-	38,870,220
Prior year adjustment	-	-	-	-	67,404	67,404
Cash Utilised	-	(5,942,582)	-	(5,942,582)	-	(5,942,582)
Transfer to reserves	-	-	-	-	5,865,006	5,865,006
Capital grants to purchase PPE	-	-	1,133,442	1,133,442	(1,133,442)	-
Prior year adjustments	-	-	-	-	1,894,311	1,894,311
Transfer to accumulated surplus	(3,224,423)	-	(117,019)	(3,341,442)	3,341,442	-
Prior period error (PPE)	-	-	-	-	35,398,220	35,398,220
Contributions to reserves	-	10,000,000	-	10,000,000	(10,000,000)	-
Transfer from Medical Aid	-	-	-	-	5,790,695	5,790,695
Liability						
Net income (losses) recognised directly in net assets	35,645,797	4,057,418	1,016,423	40,719,638	41,223,636	81,943,274
Surplus for the year	-	-	-	-	8,030,140	8,030,140
Prior period error	(41,582,218)	-	(1,781,571)	(43,363,789)	-	(43,363,789)
Total changes	(5,936,421)	4,057,418	(765,148)	(2,644,151)	49,253,776	46,609,625
<b>Balance at 01 July 2012</b>	<b>109,896,920</b>	<b>74,582,194</b>	<b>1,180,612</b>	<b>185,659,726</b>	<b>277,305,971</b>	<b>462,965,697</b>
Changes in net assets						
Surplus for the year	-	-	-	-	19,623,243	19,623,243
Transfer to accumulated surplus	-	-	(216,810)	(216,810)	6,707,769	6,490,959
Purchase of PPE/ Own funding	-	(4,202,243)	-	(4,202,243)	4,202,243	-
Disposal depreciation	(2,629,797)	-	-	(2,629,797)	-	(2,629,797)
Donated/ Contributed PPE	-	-	-	-	(82,280)	(82,280)
Prior year adjustment	-	-	-	-	54,676	54,676
Capital Grants used to purchase PPE	-	-	631,722	631,722	(681,938)	(50,216)
Prior period error (Assets)	-	-	-	-	(16,289,670)	(16,289,670)
Prior year errors	-	-	-	-	115,886	115,886
Total changes	(2,629,797)	(4,202,243)	414,912	(6,417,128)	13,649,929	7,232,801
<b>Balance at 30 June 2013</b>	<b>107,267,123</b>	<b>70,379,951</b>	<b>1,595,524</b>	<b>179,242,598</b>	<b>290,955,900</b>	<b>470,198,498</b>
Note	10	11	12			

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Cash Flow Statement

Figures in Rand	Note(s)	2013	2012
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		7,577,623	12,290,373
Grants		240,945,693	242,231,675
Finance income		24,451,381	24,401,142
		<u>272,974,697</u>	<u>278,923,190</u>
<b>Payments</b>			
Employee costs		(133,088,497)	(124,447,524)
Suppliers		(80,507,250)	(139,614,989)
Finance costs		(525,553)	(497,988)
Other payments: Remuneration to councillors		(10,496,029)	19,604,483
		<u>(224,617,329)</u>	<u>(244,956,018)</u>
Total receipts		272,974,697	278,923,190
Total payments		(224,617,329)	(244,956,018)
<b>Net cash flows from operating activities</b>	29	<b><u>48,357,368</u></b>	<b><u>33,967,172</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(14,168,859)	(9,425,002)
Proceeds from sale of property, plant and equipment	2	-	930,727
Purchase of intangible assets	3	(253,071)	(864,032)
Purchases of heritage assets	4	(501,098)	(2,502,130)
		<u>(14,923,028)</u>	<u>(11,860,437)</u>
<b>Net cash flows from investing activities</b>		<b><u>(14,923,028)</u></b>	<b><u>(11,860,437)</u></b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(136,819)	(36,093)
		<u>(136,819)</u>	<u>(36,093)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>33,297,521</b>	<b>22,070,642</b>
Cash and cash equivalents at the beginning of the year		395,689,808	373,619,166
<b>Cash and cash equivalents at the end of the year</b>	9	<b><u>428,987,329</u></b>	<b><u>395,689,808</u></b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
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Figures in Rand

### Statement of Financial Position

#### Assets

##### Current Assets

Inventories	2,881,367	(1,381,367)	<b>1,500,000</b>	19,074,737	<b>17,574,737</b>
Other receivables	16,856,658	(12,129,449)	<b>4,727,209</b>	6,607,230	<b>1,880,021</b>
VAT receivable	-	-	-	601,781	<b>601,781</b>
Consumer debtors	77,988	56,391	<b>134,379</b>	128,226	<b>(6,153)</b>
Cash and cash equivalents	395,689,808	47,610,192	<b>443,300,000</b>	428,987,329	<b>(14,312,671)</b>
	<b>415,505,821</b>	<b>34,155,767</b>	<b>449,661,588</b>	<b>455,399,303</b>	<b>5,737,715</b>

##### Non-Current Assets

Property, plant and equipment	221,015,366	(41,185,869)	<b>179,829,497</b>	193,971,606	<b>14,142,109</b>
Intangible assets	864,032	-	<b>864,032</b>	943,707	<b>79,675</b>
Heritage assets	-	-	-	5,416,848	<b>5,416,848</b>
	<b>221,879,398</b>	<b>(41,185,869)</b>	<b>180,693,529</b>	<b>200,332,161</b>	<b>19,638,632</b>

Current Assets	415,505,821	34,155,767	<b>449,661,588</b>	455,399,303	<b>5,737,715</b>
Non-Current Assets	221,879,398	(41,185,869)	<b>180,693,529</b>	200,332,161	<b>19,638,632</b>
Non-current assets held for sale (and) (assets of disposal groups)	-	-	-	-	-
<b>Total Assets</b>	<b>637,385,219</b>	<b>(7,030,102)</b>	<b>630,355,117</b>	<b>655,731,464</b>	<b>25,376,347</b>

#### Liabilities

##### Current Liabilities

Finance lease obligation	116,451	(116,451)	-	84,603	<b>84,603</b>
Trade and other payables from exchange transaction	53,906,909	(33,906,909)	<b>20,000,000</b>	21,502,718	<b>1,502,718</b>
Retirement benefit obligation	14,038,469	961,531	<b>15,000,000</b>	-	<b>(15,000,000)</b>
Liabilities relating to conditional grants	5,993,990	1,370,993	<b>7,364,983</b>	7,400,080	<b>35,097</b>
Employee benefits	-	-	-	15,559,507	<b>15,559,507</b>
	<b>74,055,819</b>	<b>(31,690,836)</b>	<b>42,364,983</b>	<b>44,546,908</b>	<b>2,181,925</b>

##### Non-Current Liabilities

Finance lease obligation	107,031	67,945	<b>174,976</b>	107,328	<b>(67,648)</b>
Retirement benefit obligation	105,756,055	16,147,899	<b>121,903,954</b>	-	<b>(121,903,954)</b>
Employee benefits	-	-	-	140,878,730	<b>140,878,730</b>
	<b>105,863,086</b>	<b>16,215,844</b>	<b>122,078,930</b>	<b>140,986,058</b>	<b>18,907,128</b>

	74,055,819	(31,690,836)	<b>42,364,983</b>	44,546,908	<b>2,181,925</b>
	105,863,086	16,215,844	<b>122,078,930</b>	140,986,058	<b>18,907,128</b>
	-	-	-	-	-
<b>Total Liabilities</b>	<b>179,918,905</b>	<b>(15,474,992)</b>	<b>164,443,913</b>	<b>185,532,966</b>	<b>21,089,053</b>

Assets	637,385,219	(7,030,102)	<b>630,355,117</b>	655,731,464	<b>25,376,347</b>
Liabilities	(179,918,905)	15,474,992	<b>(164,443,913)</b>	(185,532,966)	<b>(21,089,053)</b>
<b>Net Assets</b>	<b>457,466,314</b>	<b>8,444,890</b>	<b>465,911,204</b>	<b>470,198,498</b>	<b>4,287,294</b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Figures in Rand					
<b>Net Assets</b>					
<b>Net Assets Attributable to Owners of Controlling Entity</b>					
<b>Reserves</b>					
Revaluation reserve	69,591,935	43,433,936	<b>113,025,871</b>	107,267,123	<b>(5,758,748)</b>
Capital replacement reserve	-	-	-	70,379,951	<b>70,379,951</b>
Government grant reserve	-	-	-	1,595,524	<b>1,595,524</b>
Accumulated surplus	387,874,379	(34,989,046)	<b>352,885,333</b>	290,955,900	<b>(61,929,433)</b>
<b>Total Net Assets</b>	<b>457,466,314</b>	<b>8,444,890</b>	<b>465,911,204</b>	<b>470,198,498</b>	<b>4,287,294</b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
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Figures in Rand

### Cash Flow Statement

#### Cash flows from operating activities

##### Receipts

Grants	237,077,900	(5,946,959)	231,130,941	-	(231,130,941)
Interest income	25,000,000	(660,000)	24,340,000	-	(24,340,000)
Other receipts	65,976,200	5,496,175	71,472,375	-	(71,472,375)
	<b>328,054,100</b>	<b>(1,110,784)</b>	<b>326,943,316</b>	-	<b>(326,943,316)</b>

##### Payments

Employee costs	(386,468,986)	68,237,039	(318,231,947)	-	318,231,947
Total receipts	328,054,100	(1,110,784)	326,943,316	-	(326,943,316)
Total payments	(386,468,986)	68,237,039	(318,231,947)	-	318,231,947
<b>Net cash flows from operating activities</b>	<b>(58,414,886)</b>	<b>67,126,255</b>	<b>8,711,369</b>	-	<b>(8,711,369)</b>

#### Cash flows from investing activities

Purchase of property, plant and equipment	(12,102,020)	907,893	(11,194,127)	-	11,194,127
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# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1. Basis of preparation

#### a) Statement of compliance

The annual financial statements are prepared in accordance with the standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, 2003 (Act 56 of 2003). Accounting policies for material transactions, events or conditions not covered by the above GRAP standards were developed in accordance with the hierarchy set out in paragraph 12 of GRAP 3. The details of any changes in accounting policies are explained in the relevant policy.

#### Basis of measurement

The annual financial statements are prepared on an accrual basis of accounting and in accordance with historical cost convention unless otherwise stated.

The accounting policies that were consistently applied for the periods under review are summarised in Section 1.2, significant accounting policies.

#### a) Functional and presentation currency

These annual financial statements are presented in South African Rand (R), which is the municipality's functional currency. All financial information has been rounded to the nearest Rand.

#### b) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset amounts, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. Revenue and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.

#### c) Comparative information

Comparative figures are re-classified or restated as and when necessary to afford a proper and meaningful comparison of results, as set out in the affected notes to the financial statements.

### Accounting estimates and judgements

#### a) Key sources of estimation for uncertainty

##### Impairment of trade and other receivables

The impairment of the municipality's trade and other receivables is based on incurred losses in accordance with the requirements of GRAP 104. The historical loss experience of the municipality, based on observable data through the passage of time, is used to estimate the impairment of trade and other receivables. Any changes in the payment status of customers in a specific group or national or local economic conditions that correlate with defaults on the assets in the group will have an impact on the impairment of trade and other receivables.

##### Allowance for slow moving, damaged and obsolete inventory

Management has made estimates of the selling price less cost to sell off certain inventory items in order to calculate the allowance to write inventory down to the lower of cost or net realisable value.

#### Fair value estimation

Buildings are stated at revalued amounts based on valuation techniques and market information. The actual value of these items could differ from those estimated. Refer to note 2.

#### b) Critical judgements in applying accounting policies

### Depreciation and the carrying value of items of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated remaining useful lives of items of property, plant and equipment will have an impact on the carrying value of these items.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### Determination of the recoverable service amount of non-cash generating assets

Where impairment indicators exist, the determination of the recoverable service amount of non-cash generating asset requires management to make assumptions to determine the fair value less costs to sell and the value in use based on the depreciated replacement cost model. Key assumptions include the current replacement cost of non-cash generating assets and in certain instances an assumption about the commissioning date which determines the depreciated replacement cost of the non-cash generating asset.

### Standards not yet effective

The GRAP standards listed below have been issued but are not yet effective. Application of all of these standards, will be effective from a date to be announced by the Minister of Finance. Apart from GRAP 25, Employee Benefits, the effective dates for these standards have not yet been determined. Management anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality for the reasons detailed below.

a) GRAP 18: Segment Reporting

The standard will not have an impact on the recognition and measurement of items in the financial statements as it is a disclosure standard.

b) GRAP 20: Related Party Disclosures

This standard prescribes the related party information that should be disclosed in the annual financial statements. The adoption of this standard will therefore not have an impact on the results of the municipality.

c) GRAP 25: Employee Benefits (This standard is effective for the annual period starting on / or after 1 April 2013)

The adoption of this standard will have no impact on the annual financial statements of the municipality as actuarial gains and losses are already recognised in the Statement of Financial Performance in accordance with the provisions of IAS 19 on Employee Benefits.

d) GRAP 105: Transfers of functions between entities under common control

The provisions of the standard are not currently applicable to the municipality.

e) GRAP 106: Transfers of functions between entities not under common control

The impact on the annual financial statements cannot be determined at present. It will depend on the legislative mandate, if any, giving effect to the transfer of functions.

f) GRAP 107: Mergers

The provisions of this standard are not currently applicable to the municipality.

### 1.1 Going Concern

These annual financial statements are prepared on a 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 government as a whole.

The primary source of revenue for the Cape Winelands District Municipality is transfer payments from the National Government.

The aforementioned allocations are sufficient to ensure 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.

According to The Division of Revenue Act sufficient funds will be transferred to the municipality to be a going concern for the foreseeable future.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.2 Significant accounting policies

#### Internal Reserves

##### Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR. The amount transferred to the CRR is based on the Municipality's need to finance future capital projects included in the Integrated Development Plan. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when funds from the CRR are utilised.

- The cash is invested until it is utilised. The cash may only be invested in accordance with the Cash Management and Investments Policy of the municipality.
- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance, where after such interest may be transferred from accumulated surplus to CRR.
- 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.
- If gains or losses are made on the sale of assets, the gains or losses on the sale of assets are reflected in the Statement of Financial Performance.

##### 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 issued (budget circular) 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).

##### 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 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 donations and public contributions is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus or deficit.

### 1.3 Revaluation reserve

The revaluation reserve arises from the revaluation of land and buildings in accordance with revaluation model in GRAP 17. The revaluation surplus relating to buildings is realised through use of the building by the Municipality. The amount of the surplus transferred is the difference between depreciation based on the revalued carrying amount of the buildings and depreciation based on the building's original cost.

The revaluation surplus relating to land is transferred to the accumulated surplus when the land is disposed. Transfers from revaluation surplus to accumulated surpluses or deficits are not made through surplus or deficit.

### 1.4 Heritage assets

#### Recognition

Heritage assets used for administrative purposes



# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.4 Heritage assets (continued)

Heritage assets mainly used for administrative purposes are accounted for according to the provisions of GRAP 17 on Property, Plant and Equipment. These assets are initially recognised at cost and subsequently measured at revalued amounts less any impairment losses. These heritage assets are not depreciated as it are deemed to have an indefinite useful life.

#### Other Heritage Assets

Other heritage assets are initially recognised at cost, and where these heritage assets are received as donation or acquired at nominal value, the cost is recorded as R nil. Other heritage assets are not depreciated as it are regarded as having an indefinite useful life.

#### Subsequent costs

Improvements to heritage assets, used for administrative purposes, are considered as sub-assets and the useful life of the improvement is determined with reference to the depreciation charge of the relevant property, plant and equipment category.

### 1.5 Property, plant and equipment

Property, plant and equipment are tangible assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

#### Initial recognition and measurement

Property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where property, plant and equipment is acquired by grant or donation, the cost is considered to be the fair value of the asset at date of acquisition.

#### Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured as follows:

- Plant and equipment – at cost less accumulated depreciation and any impairment losses
- Land and buildings – at the revalued amount, being the fair value at the date of revaluation, less accumulated depreciation and any impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

The last valuation was performed on 30 June 2012. Revaluations were performed by an independent valuer, S.J. Marais Property Valuers which is not a connected person to the municipality.

Land and buildings are re-valued independently every 3 years.

The valuation was performed using the Capitalisation of Income Method, Comparable Sales Method and the Depreciated Replacement Cost Method.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the original assessed standard of performance, it is regarded as repairs and maintenance and is recognised in surplus or deficit as incurred.

#### Depreciation

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.5 Property, plant and equipment (continued)

Depreciation is calculated using the straight-line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives for the current and comparative years:

Item	Estimated useful life
Buildings	50 - 60
Infrastructure	50 - 60
Plant and equipment	5 - 20
Vehicles	10 - 20

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Land is not depreciated as it is deemed to have an indefinite useful life.

#### Impairment of non-cash generating assets

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 Statement of Financial Performance in the period that the impairment is identified.

Non-cash generating assets are assets other than cash-generating assets. When the carrying amount of a non-cash generating asset exceeds its recoverable service amount, it is impaired. The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such an indication exists, the municipality estimates the recoverable service amount of the asset. This impairment test is performed at the same time every year.

#### Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits or service potential is expected from its continued use.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds if any and the carrying value, and is included in surplus or deficit when such items is derecognised.

### 1.6 Receivables from exchange transactions

#### Initial and subsequent measurement

Trade and other receivables are initially recognised at fair value, plus transaction costs that are directly attributable to the issue of the trade receivables and are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### Impairment of financial assets

At the end of each reporting period the group assesses financial assets to determine whether there is objective evidence that the financial assets or group of financial assets are impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are indicators of possible impairment.

Where the financial assets are impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. The assets are written off in the year in which they are identified as irrecoverable, subject to the approval of the necessary dedicated authority. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.7 Payables from exchange transactions

Trade payables are initially measured at fair value, plus transaction costs that are directly attributable to the issue of the trade payables and are subsequently measured at amortised cost, using the effective interest method.

### 1.8 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 investment in financial instruments, net of bank overdrafts.

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

### 1.9 Bank overdrafts and borrowings

Bank overdrafts and borrowings are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

### 1.10 Revenue

Revenue

Revenue consists of revenue from exchange and non-exchange transactions as described in more detail below and excludes value-added taxation. 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.

#### a) Revenue from exchange transactions

Income from agency services

Administration fees earned in respect of agency services rendered are recognised as revenue as and when the services are rendered.

Interest earned

Interest earned is recognised as and when it accrues using the effective interest method.

Rental of facilities and equipment

Rental income on facilities and equipment is recognised on a straight-line basis over the lease term.

Revenue from the recovery of unauthorised, irregular and fruitless and wasteful expenditure

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 are virtually certain.

Service charges

Revenue from services charges is recognised when the services are rendered unless the recovery thereof is uncertain. If the recovery is uncertain revenue is recognised when payment is received.

#### b) Revenue from non-exchange revenue

An inflow of resources from a non-exchange transaction that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it shall reduce the carrying amount of the liability recognised and recognise an amount of revenue equal to that reduction

### Government grants and subsidies

Government grants and subsidies are recognised as revenue when all the conditions associated with the grants and subsidies have been met. Interest earned on unutilised grants is recognised as a conditional grant liability if the grant conditions indicate that the interest is due to the grantor.

The reimbursement of salary related expenses in providing agency services is recognised as revenue as and when the services are rendered.

### Public contributions and donations

Public contributions and donations are recognised as revenue on a cash receipt basis. Where the public contribution or donation is in the form of property, plant and equipment, the fair value of the property, plant and equipment is determined at the date when the risks and rewards of ownership have transferred to the municipality.

### Tariff charges

Revenue arising from the application of an approved tariff is recognised when the service is rendered by applying the relevant authorised tariff. This includes the issuing of licenses and permits.

## 1.11 Intangible assets

### Initial recognition and measurement

An intangible asset is an identifiable non-monetary asset without physical substance. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

### Subsequent measurement

Subsequent to initial recognition intangible assets are carried at cost less any accumulated amortisation and impairment losses.

Intangible assets with definite useful lives are amortised on a straight-line basis over their useful lives from the date that they are available for use.

<b>Item</b>	<b>Useful life</b>
Computer software	5 years

### Derecognition

Intangible assets are derecognised on disposal or when no future economic benefit or service potential is expected from its continued use. The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. The gain or loss is recognised in surplus or deficit when the asset is derecognised.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.12 Inventories

Inventories consist of unsold properties and consumables.

#### Initial measurement

Inventories are initially measured at cost on a weighted average basis. Cost of inventories comprises all costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired at no cost or for nominal consideration, the cost is deemed to be the fair value as at the date of acquisition. Direct costs relating to unsold properties are accumulated for each separately identifiable development.

#### Subsequent measurement

Unsold properties to be sold at market related values and consumables are subsequently valued at the lower of cost and net realisable value. Unsold properties to be distributed at no or nominal consideration are subsequently measured at the lower of cost and current replacement cost.

Redundant and slow moving inventories are identified and written down to their estimated net realisable values or current replacement cost.

### 1.13 Financial instruments

#### Initial recognition and measurement

Financial instruments are recognised when the Municipality becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

The subsequent measurement of financial instruments is dealt with as follows:

#### Financial Assets

A financial asset is any asset that is a cash or contractual right to receive cash.

The municipality classifies financial assets into the following category:

- Loans and receivables

Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

#### Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. There are two main categories of financial liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Fair value through surplus or deficit; or
- Other financial liabilities at amortised cost

The municipality measures all financial liabilities including trade and other payables, at amortised cost using the effective interest method. Financial liabilities include other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Finance charges are accounted for on an accrual basis.

#### Derecognition of financial assets and liabilities

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.13 Financial instruments (continued)

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

### 1.14 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it is a lease other than a finance lease.

When a lease includes land and buildings elements, the entity assesses the classification of each element separately.

#### Finance leases - lessee

Assets subject to finance lease agreements are initially measured at the lower of fair value or the present value of the minimum lease payment, and the corresponding liability is raised at the same amount. The cost of the asset is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the asset. Lease payments are allocated between the lease finance cost and the capital repayment, using the effective interest method. Lease finance costs are expensed when incurred.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

#### Operating leases - lessee

Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

### 1.15 Non-current assets held for sale

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

### 1.16 Employee Benefits

#### Short term employee benefits

The cost of all short-term employee benefits, such as leave pay and bonuses, is recognised during the period in which the employee renders the related service are not discounted. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.16 Employee Benefits (continued)

#### Long-term employee benefits

The municipality provides long-term incentives to eligible employees or groups of employees as detailed below.

##### Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods. The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

##### Defined benefit plans

Defined benefit plans are post employment benefit plans other than defined contribution plans. The municipality's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in surplus or deficit on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in surplus or deficit.

The municipality recognises all actuarial gains and losses arising from defined benefit plans immediately in surplus or deficit and all expenses related to defined benefit plans as employee cost in surplus or deficit.

##### Multi-employer funds

The Municipality contributes towards various National and Provincial administered multi-employer plans on behalf of its qualifying employees. A multi-employer plan is classified as either a defined benefit plan or a defined contribution plan.

If the plan is a defined benefit plan, an actuarial valuation should be obtained. Normal defined benefit accounting would be applied to the proportionate share of the obligation and assets relating to the municipality. If actuaries are unable to provide the municipality with an actuarial valuation of the municipality's proportionate share, the municipality accounts for the plan as if it was a defined contribution plan.

Where a plan is a defined contribution plan, the municipality accounts for it in the same way as for any other defined contribution plan.

### 1.17 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note of the Annual Financial Statements for details of changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the Annual Financial Statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.18 Provisions and contingencies

A provision is recognised when the municipality has a present legal or constructive obligation as a result of a past event, and it is probable 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.

The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost.

### 1.19 Translation of foreign currencies

#### 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 reporting date by applying the exchange rate at that date. Exchange differences arising from 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 in surplus or deficit in the period in which they arise. The Municipality considers the necessity to take out forward cover before entering into foreign exchange transactions in order to avoid possible losses due to fluctuation in exchange rates.

### 1.20 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, 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, 2003 (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.

### 1.21 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain, and could 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.

### 1.22 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act No.56 of 2003), the Municipal Systems Act, 2000 (Act No.32 of 2000), and the Public Office Bearers Act, 1998 (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.

### 1.23 Grants in Aid

The municipality annually awards grants to organisations in terms of Section 67 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003). 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 accounted for as expenses in the Statement of Financial Performance in the period that the events giving rise to the transfer occurred.

### 1.24 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.



# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Accounting Policies

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### 1.25 Budget information

The Municipality is subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The Annual Financial Statements are prepared on the accrual basis of accounting, whilst budgets are prepared on the cash basis. A comparison between the actual and the budgeted amounts for the reporting period has been included in the Annual Financial Statements together with an explanation of material variances between actual and budgeted amounts.

### 1.26 Related parties

Key management and councillors as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

### 1.27 Value - Added Tax

The Municipality accounts for value-added tax on the payments basis.

### 1.28 Borrowing costs

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed, and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Financial Performance.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand

2013

2012

### 2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	68,640,000	-	68,640,000	68,639,800	-	68,639,800
Buildings	75,166,072	(3,681,243)	71,484,829	74,877,272	(4,813,023)	70,064,249
Vehicles	40,532,299	(11,553,708)	28,978,591	30,488,111	(1,619,609)	28,868,502
Infrastructure	1,120,508	(900,719)	219,789	1,120,508	(820,433)	300,075
Other property plant and equipment	37,792,270	(13,315,855)	24,476,415	41,955,511	(17,697,628)	24,257,883
Other leased assets	636,829	(464,847)	171,982	685,493	(503,022)	182,471
<b>Total</b>	<b>223,887,978</b>	<b>(29,916,372)</b>	<b>193,971,606</b>	<b>217,766,695</b>	<b>(25,453,715)</b>	<b>192,312,980</b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand

### 2. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Transfers	Depreciation	Carrying value
Land	68,640,000	-	-	-	-	68,640,000
Buildings	70,064,249	5,101,823	-	-	(3,681,243)	71,484,829
Vehicles	28,868,502	2,383,459	(623,153)	-	(1,650,217)	28,978,591
Infrastructure	300,075	-	-	-	(80,286)	219,789
Other property, plant and equipment	24,257,883	6,601,409	(3,463,668)	-	(2,919,209)	24,476,415
Other leased Assets	182,471	82,168	-	-	(92,657)	171,982
	<b>192,313,180</b>	<b>14,168,859</b>	<b>(4,086,821)</b>	<b>-</b>	<b>(8,423,612)</b>	<b>193,971,606</b>

#### Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Carrying value
Land	68,640,000	-	-	-	-	68,640,000
Buildings	36,628,403	19,422	-	35,033,362	(1,616,938)	70,064,249
Motor vehicles	28,384,164	2,795,987	(692,040)	-	(1,619,609)	28,868,502
Infrastructure	382,414	-	-	-	(82,339)	300,075
Other property, plant and equipment	24,888,332	3,045,051	(783,769)	-	(2,891,731)	24,257,883
Other leased Assets	212,403	111,178	(23,088)	-	(118,022)	182,471
	<b>159,135,716</b>	<b>5,971,638</b>	<b>(1,498,897)</b>	<b>35,033,362</b>	<b>(6,328,639)</b>	<b>192,313,180</b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand 2013 2012

### 2. Property, plant and equipment (continued)

#### Assets subject to finance lease (Net carrying amount)

Other leased Assets	171,982	182,471
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### 3. Intangible assets

	2013			2012		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1,117,103	(173,396)	943,707	864,032	(473)	863,559

#### Reconciliation of intangible assets - 2013

	Opening balance	Additions	Depreciation	Carrying value
Computer software	863,559	253,071	(172,923)	943,707

#### Reconciliation of intangible assets - 2012

	Opening balance	Additions	Depreciation	Carrying value
Computer software, other	-	864,032	(473)	863,559

### 4. Heritage assets

	2013			2012		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical buildings	5,416,848	-	5,416,848	4,915,750	-	4,915,750

#### Reconciliation of heritage assets 2013

	Opening balance	Additions	Total
Historical buildings	4,915,750	501,098	5,416,848

#### Reconciliation of heritage assets 2012

	Opening balance	Additions	Total
Historical buildings	2,413,620	2,502,130	4,915,750

The historical building situated in 46 Alexander Street, was declared as a Provincial Heritage Site on 8 September 1987.

### 5. Inventories

Consumable stores	1,925,613	2,922,736
Housing Stock	17,149,124	17,149,124
	<b>19,074,737</b>	<b>20,071,860</b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>6. Other receivables from exchange transactions</b>		
Deposits	255,000	255,000
SALGA Prepayment	1,415,571	-
Other miscellaneous	47,967	98,972
Insurance claims	134,881	88,075
TCTA year end debtor	-	330
Accrued interest	4,753,811	5,019,755
Department of Water Affairs	-	156,834
	<b>6,607,230</b>	<b>5,618,966</b>
<b>7. Receivables from non-exchange transactions</b>		
Provision for impairment for non- exchange transactions	(109,127)	-
Other receivables from non-exchange revenue	109,127	309,127
	<b>-</b>	<b>309,127</b>
<b>Receivables from non-exchange transactions impaired</b>		
As of 30 June 2013, other receivables from non-exchange transactions of R 109 127 were impaired and provided for.		
The amount of the provision was R 109 127 as of 30 June 2013.		
The ageing of these receivables from non-exchange transactions is as follows:		
Over 6 months	(109,127)	-
<b>Reconciliation of provision for impairment of receivables from non-exchange transactions</b>		
Contributions to provisions	(109,127)	-
The creation and release of provision for impaired receivables have been included in debt impairment in surplus or deficit.		
<b>8. Trade receivables from exchange transactions</b>		
<b>Gross balances</b>		
Other	129,480	744,100
<b>Less: Allowance for impairment</b>		
Other	(1,254)	(666,113)
<b>Net balance</b>		
Other	128,226	77,988
<b>Age analysis</b>		
Current (0 -30 days)	107,303	54,785
31 - 60 days	-	2,251
121+ Days	20,923	20,952
	<b>128,226</b>	<b>77,988</b>
<b>Age analysis of trade receivables by customer classification</b>		
<b>Consumers</b>		
Current (0 -30 days)	72,224	17,347
31 - 60 days	-	2,251
121 + Days	22,177	687,064

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>8. Trade receivables from exchange transactions (continued)</b>		
	94,401	706,662
Less: Allowance for impairment	(1,254)	(666,113)
	<b>93,147</b>	<b>40,549</b>
<b>National and provincial government</b>		
Current (0 -30 days)	35,079	37,438
<b>Total</b>		
Current (0 -30 days)	107,302	54,785
31 - 60 days	-	2,251
121 + Days	22,178	687,065
	129,480	744,101
Less: Allowance for impairment	(1,254)	(666,113)
	<b>128,226</b>	<b>77,988</b>
<b>Less: Allowance for impairment</b>		
121 + Days	(1,254)	(666,113)
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(666,113)	(1,366,779)
Contributions to provision	(804)	(6,993)
Bad debts written off against provision	665,663	-
Reversal of unused Provision - DMA property rates transferred	-	707,659
	<b>(1,254)</b>	<b>(666,113)</b>
The risk profile of each class of debtor was assessed to determine the provision for bad debt.		
<b>9. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	3,100	3,100
Bank balances	14,984,229	10,686,708
Short-term deposits	414,000,000	385,000,000
	<b>428,987,329</b>	<b>395,689,808</b>
<b>10. Revaluation reserve</b>		
Opening balance	109,896,918	70,986,856
Additions	-	39,474,373
Disposal depreciation	(2,629,795)	(564,309)
	<b>107,267,123</b>	<b>109,896,920</b>
<b>11. Capital replacement reserve</b>		
Opening Balance	74,582,194	70,524,776
Transfer to accumulated surplus	(7,202,243)	(5,942,582)
Contributions Received	3,000,000	10,000,000
	<b>70,379,951</b>	<b>74,582,194</b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>12. Government grant reserve</b>		
Opening Balance	1,180,612	435,291
Transfer to accumulated surplus	(216,810)	(118,711)
Additions	631,722	864,032
	<b>1,595,524</b>	<b>1,180,612</b>

### 13. Finance lease obligation

Finance lease liabilities relate to cellphones with lease terms of 24 months (2012: 24 months). Amounts are paid monthly in arrears and the interest rates are linked to the prime overdraft rate, currently 8.5% (2012: 9%), during the period of the lease term.

The municipality has options to acquire the cell phones at no cost or for a nominal amount at the conclusion of the lease agreement. The municipality's obligation under the finance leases are secured by the lessor's title to the leased assets.

Opening balance	223,482	259,576
Capitalised lease liabilities	134,080	126,169
Payments during the year	(145,611)	(162,262)
	211,951	223,483
Finance lease obligation	(84,603)	(116,451)
<b>Present value of minimum lease payments</b>	<b>127,348</b>	<b>107,032</b>
Non-current liabilities	107,328	107,031
Current liabilities	84,603	116,451
	<b>191,931</b>	<b>223,482</b>

### 14. Liabilities relating to conditional grants

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

DWAF Contribution	1,905,642	3,348,599
Contribution from Private Land Owners (Electricity)	994,571	643,521
Consumer Housing Education	21,593	31,224
Community Development Workers	74,915	-
Nedbank donation	217,665	-
Water and Sanitation Grant	35,560	35,560
Ward Committee Summit Grant	2,159	2,159
Public Transport (Provincial)	2,407,018	1,500,000
Provincial Treasury: FMG	300,000	-
Non Motorised Transport	647,842	767,057
Financial Management Grant	793,115	220,546
	<b>7,400,080</b>	<b>6,548,666</b>

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

These amounts are invested in a ring-fenced investment until utilised.

See Appendix F for reconciliation of grants from National and Provincial Government

### 15. Employee benefits

#### Short-term employee benefits

Provision for overtime	542,427	321,594
Medical aid liability: Short term portion	5,037,684	14,038,469

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>15. Employee benefits (continued)</b>		
Staff leave	9,804,862	9,554,145
Ex- gratia benefit: Short term	174,534	-
Performance bonus	-	469,414
	<b>15,559,507</b>	<b>24,383,622</b>
<b>Other long term employee benefits</b>		
Long service award	10,758,048	5,251,900
<b>Post- employee benefits</b>		
Post- retirement medical aid benefits	126,101,599	101,386,517
Ex- gratia benefit	4,019,083	4,369,539
	<b>130,120,682</b>	<b>105,756,056</b>
Current liability	15,559,507	24,383,622
Non - current liability	140,878,730	111,007,956
	<b>156,438,237</b>	<b>135,391,578</b>
<b>Post-retirement and medical aid benefits</b>		
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:		
-Bonitas		
-Key Health		
-Samwumed		
Details relating to eligible employees of the post-retirement medical aid benefit obligation are listed below.		
<b>Active members</b>		
Principal members	353	365
% Males	68%	68%
Average age	43.3	42.5%
Average past service cost	R13. 1 million	R12.2 million
<b>Continuation members</b>		
Principal members	161	150
% Males	57%	52%
Average age	70.0	70
<b>The amounts recognised in the Statement of Financial Position are:</b>		
Projected benefit obligation	131,139,283	115,424,985
Plan assets	-	-
<b>Net obligation</b>	<b>131,139,283</b>	<b>115,424,985</b>
<b>The obligation in respect of past services has been estimated as follows:</b>		
Active members	56,796,000	-
Continuation members	74,343,283	-
<b>Net obligation</b>	<b>131,139,283</b>	<b>-</b>
<b>The amounts recognised in the Statement of Financial Performance are:</b>		
Current service cost	4,169,227	3,809,000
Interest cost	9,869,242	10,063,000
Recognised actuarial (gains)/ losses	6,031,714	(12,624,278)
<b>Amount charged to Statement of Financial Performance</b>	<b>20,070,183</b>	<b>1,247,722</b>



# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand 2013 2012

### 15. Employee benefits (continued)

The future service cost for the ensuing financial year is estimated to be R4 457 568, whereas the interest cost for the next year is estimated to be R10 542 134.

#### Movements in the present value of the defined benefit obligation were as follows

Opening benefit obligation liability	115,424,985	118,385,000
Payments to members	(4,355,885)	(4,207,737)
Charge to Statement of Financial Performance	20,070,183	1,247,722
<b>Closing benefit liability</b>	<b>131,139,283</b>	<b>115,424,985</b>

#### Key actuarial assumptions

Discount rate	8.19 %	8.55 %
Medical inflation rate	7.82%	7.45%

#### Change in medical inflation rate

The effect of 1% movement in the assumed medical inflation rate is as follows:

	2013	Change	% change
Increase			
Effect on the aggregate of the current service cost and interest cost			
Effect on the defined benefit obligation	153,015,000	21,875,717	17%
Decrease			
Effect on the aggregate of the current service cost and interest cost			
Effect on the defined benefit obligation	113,491,000	(17,648,283)	-13%

#### Change in the post - retirement mortality rate

The effect of a 1 year reduction in the post- retirement mortality rate is as follows:

Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	136 230 000	5 090 717	4%

#### Change in average retirement age

The effect of a 1 year reduction in the post- retirement mortality rate is as follows:

Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	133,037,28	1,898,00	1 %

#### Change in withdrawal rate

The effect of a 50% reduction in the withdrawal rate is as follows:

Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	136,172,28	5,033,00	4%

#### Ex- gratia benefits

Details of employees eligible for ex-gratia benefits are detailed below.

#### Members

In- service employees eligible for ex-gratia pension	26	26
In- service employees eligible for lump sum benefit on retirement	19	24
Eligible former employees receiving ex- gratia pension	4	5
Eligible spouses receiving ex- gratia pension	9	9

#### Average age in years

In- service employees for ex- gratia pension	54.3	53.1
In- service employees eligible for lump sum benefit on retirement	53.0	53.4
Eligible former employees receiving ex- gratia pension	61.3	59.6
Eligible spouses receiving ex- gratia pension	80.00	78.5

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand 2013 2012

### 15. Employee benefits (continued)

The amount recognised in the Statement of Financial Position are:

Projected benefit obligation	4,193,617	4,369,539
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The future service cost for the ensuing financial year is estimated to be Rnil, whereas the interest cost for the next financial year is estimated to be R316 812.

**Movements in the present value of the defined benefit obligation were as follows:**

Opening benefit obligation	4,369,539	3,661,000
Payments to members	(180,453)	(357,808)
Charged to Statement of Financial Performance	4,531	1,066,347
<b>Closed benefit obligation</b>	<b>4,193,617</b>	<b>4,369,539</b>

### Key actuarial assumptions

Discount rate	7.71%	8.55%
Pension increase rate	6.27%	5.95%
Salary inflation	7.52%	7.95%

### Change in pension increase rate

The effect of a 1% movement in the assumed pension rate is as follows:

	2013	Change	% change
Increase			
Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	4,535,784	342,167	8%
Decrease			
Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	3,895,461	(289,156)	-7%

### Change in the post- retirement mortality rate

The effect of a 1 year reduction in the post- retirement mortality rate is as follows:

Effect on the aggregate of the current service cost and interest cost	-	-	-
Effect on the defined benefit obligation	4,337,109	143,492	3%

### Change in the average retirement age

Effect on the defined benefit obligation	4,559,311	365,694	9%
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### Change in withdrawal rate

Effect on the defined benefit obligation	4,227,173	33,556	1%
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### Long service awards

Details of employees eligible for long service awards are detailed below.

Members	467	-
Average age in years	45	-

The amounts recognised in the Statement of Financial Position are:

Projected benefit obligation	10,758,048	9,750,213
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The amounts recognised in the Statement of Financial Performance are:

Current service cost	641,497	576,323
Interest cost	649,675	683,816
Recognised actuarial losses	676,493	620,579
<b>Amount charged to Statement of Financial Performance</b>	<b>1,967,665</b>	<b>1,880,718</b>

The future service cost for the ensuing financial year is estimated to be R699 128, whereas the interest cost for the next financial year is estimated to be R729 203.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand 2013 2012

### 15. Employee benefits (continued)

#### Movements in the present value of the benefit obligation were as follows:

Opening benefit obligation	9,750,213	8,794,789
Payment to members (benefits vesting)	(959,830)	(925,294)
Charge to Statement of Financial Performance	1,967,665	1,880,718
<b>Closing benefit obligation</b>	<b>10,758,048</b>	<b>9,750,213</b>

#### Key actuarial assumptions

Discount rate	7.26%	7.00
Salary inflation	6.76%	5.72%
Average retirement age	62	0

#### Change in the salary inflation rate

The effect of a 1% movement in the assumed salary inflation rate is as follows:

Increase			
Effect on the aggregate of the current service cost and interest cost	1,395,300	104,128	8%
Effect on the defined benefit obligation	11,498,000	73,952	7%
Decrease			
Effect on the aggregate of the current service cost and interest cost	1,198,600	(92,572)	-7%
Effect on the defined benefit obligation	10,093,000	(665,048)	-6%

#### Change in the average retirement age

Increase			
Effect on the aggregate of the current service cost and interest cost	1,468,500	177,328	14%
Effect on the defined benefit obligation	12,516,000	1,757,952	16%
Decrease	-		
Effect on the aggregate of the current service cost and interest cost	1,098,100	(193,072)	-15%
Effect on the defined benefit obligation	9,014,000	(1,744,048)	-16%

#### Change in withdrawal rate

The effect of a 50% reduction in the withdrawal rate is as follows

Effect on the aggregate of the current service cost and interest cost	1,563,300	272,128	21%
Effect on the defined benefit obligation	12,337,000	1,578,952	15%

#### a) Multi - employer

The scheme was established to provide benefits to employees. All existing members were given the option to transfer to Cape Joint Venture Fund before December 1990. The fund was last actuarially valued at 30 June 2012 and the funding level was certified at 99.4% (2011: 98.1%).

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

#### b) Cape Joint Retirement and Pension Fund for Local Government

This multi-employer fund was established with effect from 1 May 1996 to provide insured death, disability and pension benefits to its members.

The contribution rate for members is 7.5% of basic salary, whilst the respective Local Authorities are contributing 19.5%.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

As at 30 June 2012 the funding level of the share account was 99.9% and the pension account was 108%. At the valuation date the municipality had 497 members (Fund: 33 979 members) and nil pensioners (Fund: 780 pensioners) belonging to the fund.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand 2013 2012

### 15. Employee benefits (continued)

The expected contribution by the municipality to the scheme in the next financial year is R13,500,000.

#### c) SAMWU National Provident Fund

SAMWU National Provident Fund, which is a privately-administered fund and 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 2009/2010 financial year are not available yet.

#### d) The Municipal councillors Pension Fund

This multi-employer fund was established to provide withdrawal, death and retirement benefits to Councillors. The contribution rate for Councillors is 13.75% of pensionable salary, whilst the respective Local Authorities are contributing 15%. The fund was last actuarially valued at 30 June 2009. The next actuarial valuation will be performed for the period ended 30 June 2012. It is currently not known when the latest actuarial valuation will be made available. This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

### 16. Trade and other payables from exchange transactions

Payments received in advanced	7,910	42,235
Retention	697,873	592,537
Sundry creditor payments	-	12,581
Deposits received	6,622	5,531
Other payables	3,846	1,429
WCA	-	722,570
SARS input LHA	158,372	158,372
Radiostation road Ceres	184,154	-
Unclaimed funds	474,452	474,452
Hermon housing	76,166	76,166
Trade payables	11,643,246	16,770,889
Rates creditors	-	4,676
ACB's	108	405,158
Continuing medical	31,229	-
Roads Agency	8,218,740	8,094,090
	<b>21,502,718</b>	<b>27,360,686</b>

### 17. Trade and other payables from non- exchange transactions

#### 18. Service charges

Fire fighting services	309,092	570,302
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# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>19. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	6,155,000	12,461,000
Sandhills - Toilet Hire	462,873	438,168
RSC Levy Replacement grant	193,926,000	187,508,000
Expanded Public Works	1,214,000	-
Perception Survey	-	1,300,523
Public Transport (Safety and Compliance)	92,982	-
Ward Committee Summit	-	23,884
Thusong Centre	-	1,500,000
Financial Management Grant	677,431	898,371
Water and Sanitation Grant	-	99,176
Roads Agency	34,983,665	35,596,341
Hermon Housing Subsidy	521,339	-
Subsidy: Meerlust	-	81,109
Integrated Transport Grant	634,654	1,063,940
Consumer Housing Education	9,631	12,691
Community Development Workers Grant	44,488	63,121
	<b>238,722,063</b>	<b>241,046,324</b>
<b>Capital grants</b>		
Donated Assets (Health)	721,281	-
Roads Agency	192,937	258,298
Working for Water	-	11,112
Financial Management Grant	-	864,032
	<b>914,218</b>	<b>1,133,442</b>
	<b>239,636,281</b>	<b>242,179,766</b>
<b>20. Public contributions and donations</b>		
Nedbank	782,335	-
Contribution from Farmers	342,923	48,632
Anglo Lanquedoc	-	3,277
Radiostation road Ceres	184,154	-
	<b>1,309,412</b>	<b>51,909</b>
<b>21. Other income</b>		
SETA Refund	498,016	625,863
Exhibition income	88,202	28,252
RSC Levies recovered	41	39
Eskom rebate	74,263	-
Performance management system income	-	11,400
Handling fee	-	382,673
Miscellaneous roads income	85,950	62,580
Miscellaneous income	776,040	841,106
	<b>1,522,512</b>	<b>1,951,913</b>
<b>22. General expenses</b>		
Accounting fees	98,662	71,030
Advertising	664,872	552,990
Auditors fees (note 28)	2,862,269	2,406,394
Bank charges	71,523	78,765
Cleaning	416,228	392,980
Study bursary fund	1,091,410	1,006,378
Fire breaks	437,644	313,666

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>22. General expenses (continued)</b>		
Consulting and professional fees	2,643,259	1,470,136
Consumables	59,836	66,064
Entertainment	65,622	98,930
Site expenditure	105,721	73,058
Flowers	4,783	6,295
Insurance	691,871	1,133,165
Seta levies	1,142,780	1,075,468
Conferences and seminars	172,456	222,468
Public participation	139,726	181,806
IT expenses	297,580	651,817
Equipment general items	226,294	332,668
Rentals	475,914	439,085
Levies	19,604	14,317
Magazines, books and periodicals	-	6,910
Medical consumables	2,854	4,673
Motor vehicle expenses	1,790,163	1,399,538
Community fire awareness	-	80,421
Refreshments	236,282	279,214
Fuel and oil	3,036,417	2,897,814
Placement fees	7,259	6,107
Postage and courier	40,270	34,736
Printing and stationery	1,252,601	1,223,421
Communication	949,639	1,581,807
Projects - Various directorates	36,681,573	64,553,456
Lisense fees - Radio	24,789	32,351
Security (Guarding of municipal property)	1,322,401	604,347
Software expenses	1,164,970	1,238,350
Subscriptions and membership fees	1,303,554	1,081,357
Telephone and fax	3,111,816	3,000,288
Training	1,699,192	1,504,247
Travel - local	1,752,080	1,139,311
Title deed search fees	-	3,277
Exhibition and events	707,455	832,392
Electricity	1,330,491	1,442,713
Sewerage and waste disposal	244,533	98,516
Water	90,811	95,309
Refuse	161,324	37,728
Uniforms	402,957	654,175
Translation services	390,434	404,842
Co- operational agreement	-	8,843
Water/ food samples testing	866,810	910,993
Stock write off	-	47,479
Thusong centre payment: Langeberg Municipality	-	1,500,000
Audit and Risk support services	189,983	203,321
Maintenance Contracts	348,980	379,715
Fire fighting special events	6,089,447	5,764,325
Workshops and meetings	50,207	59,018
Chemicals	236,485	221,081
Other expenses (See footnote)*	(5,368,052)	5,402,989
Property only	815,417	1,003,920
	<b>72,621,196</b>	<b>110,326,464</b>
<b>* Items included in other expenses</b>		
Emergency aid	172,647	28,157
Internet kiosks	67,834	-
NGO services	-	590,374
Public functions	194,308	436,495
Program changes mainframe	60,900	81,998
Cash handling	37,691	39,030
Year end function	43,534	41,502

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>22. General expenses (continued)</b>		
Video/ DVD	186,948	95,775
Women's day celebration	62,691	150,615
Planning: Water and Sanitation	191,000	119,960
Biosphere Reserve: CWDM	-	300,000
MHS management system	188,212	165,000
Stakeholder workshops	143,162	175,821
Kluitjieskraal nursery	-	150,000
Birding Route Development	-	150,000
Settlements	37,500	-
Guidance	34,710	25,686
Website development	30,270	25,911
Stakeholder workshops	18,344	24,937
Trade Union (Imatu)	47,350	30,931
Trade Union (Samwu)	46,316	4,476
Trade Union : Representation	47,162	67,088
Other expenses	114,964	106,814
	<b>1,725,543</b>	<b>2,810,570</b>

### 23. Employee related costs

Basic salaries	76,434,333	75,915,579
Bonus	8,780,052	8,504,082
Medical aid - company contributions	8,195,260	7,992,898
UIF	688,109	653,756
WCA	876,981	1,111,427
Leave pay	463,553	1,196,416
Student Work	1,426,380	665,013
Operators Allowance	80,265	105,787
Other short term costs	-	3,919,278
Post-employment benefits - Pension - Defined contribution plan	13,419,582	13,351,944
Travel, motor car, accommodation, subsistence and other allowances	8,628,248	9,366,564
Overtime payments	3,573,182	2,509,882
Long-service awards	2,873,692	-
Medical aid current service cost	4,169,227	3,809,000
Actuarial loss/(gain)	6,339,142	(10,357,370)
Housing benefits and allowances	2,947,035	3,242,305
Other allowances	3,912,263	3,783,208
Future medical aid expenses	10,242,838	10,445,900
Group schemes	1,177,648	1,158,327
Telephone	49,569	47,646
Performance bonus	(142,203)	371,963
	<b>154,135,156</b>	<b>137,793,605</b>

#### 2013

	Long service awards	Ex gratia	PRMA	Total
Current service cost	641,497	-	4,169,227	4,810,724
Interest cost	649,675	373,596	9,869,242	10,892,513
Net actuarial (gains)/ losses recognised	676,493	(369,065)	6,031,714	6,339,142
	<b>1,967,665</b>	<b>4,531</b>	<b>20,070,183</b>	<b>22,042,379</b>

#### 2012

	Long service awards	Ex gratia	PRMA	Total
Current service cost	576,323	-	3,809,000	4,385,323
Interest cost	683,816	382,900	10,063,000	11,129,716
Net actuarial (gains)/ losses recognised	620,579	683,447	(12,624,278)	(11,320,252)
	<b>1,880,718</b>	<b>1,066,347</b>	<b>1,247,722</b>	<b>4,194,787</b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand 2013 2012

### 23. Employee related costs (continued)

#### Remuneration senior management

2013	Basic	Car Allowance	Performance Bonuses	Contribution to UIF, Medical and Pension Funds	Other	Total
Municipal Manager	906,988	70,000	66,795	215,654	13,308	1,272,745
Chief Financial Officer*	683,386	53,500	47,047	156,488	85,798	1,026,219
Corporate and Strat. services	59,977	8,000	55,662	15,844	27,436	166,919
Community and Dev. services**	634,450	90,000	46,385	24,257	43,874	838,966
Rural and Social Development	719,765	96,000	55,662	179,013	52,412	1,102,852
Regional Dev. and Planning	753,082	76,000	55,662	165,939	61,952	1,112,635
Engineering and Infrs. services	432,963	100,000	-	111,760	20,675	665,398
	<b>4,190,611</b>	<b>493,500</b>	<b>327,213</b>	<b>868,955</b>	<b>305,455</b>	<b>6,185,734</b>

\* The employee resigned on the 18 May 2013.

\*\* The employee resigned on the 31 March 2013.

#### 2012

	Basic	Car Allowance	Performance Bonuses	Contribution to UIF, Medical and Pension Funds	Other	Total
Municipal Manager	845,291	70,000	117,643	199,449	20,515	1,252,898
Chief Financial Officer	735,054	40,000	99,436	183,081	21,374	1,078,945
Corporate and Strat. services*	579,360	96,000	74,269	153,830	16,775	920,234
Community and Dev. services	792,693	120,000	80,210	16,497	55,195	1,064,595
Rural and Social Development	680,216	96,000	89,123	152,985	57,238	1,075,562
Regional Dev. and Planning	712,714	76,000	89,123	140,477	64,900	1,083,214
	<b>4,345,328</b>	<b>498,000</b>	<b>549,804</b>	<b>846,319</b>	<b>235,997</b>	<b>6,475,448</b>

\*The employee resigned on the 31 July 2012.

### 24. Remuneration of councillors

2013	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive mayor	620,113	93,017	72,733	19,872	805,735
Deputy mayor	404,365	79,140	229,184	49,872	762,561
Speaker	407,582	74,001	194,592	48,775	724,950
Other councillors	4,844,854	441,490	1,954,022	350,154	7,590,520
	<b>6,276,914</b>	<b>687,648</b>	<b>2,450,531</b>	<b>468,673</b>	<b>9,883,766</b>



# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand 2013 2012

### 24. Remuneration of councillors (continued)

2012

	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive mayor	609,843	68,119	104,921	15,848	798,731
Deputy mayor	389,433	62,762	168,292	10,849	631,336
Speaker	245,947	29,580	154,601	967	431,095
Other councillors	4,820,214	507,731	1,903,791	242,938	7,474,674
	<b>6,065,437</b>	<b>668,192</b>	<b>2,331,605</b>	<b>270,602</b>	<b>9,335,836</b>

### 25. Finance Income

#### Interest revenue

Interest on trade receivables	-	24
Other Interest	24,451,381	24,401,118
	<b>24,451,381</b>	<b>24,401,142</b>

### 26. Depreciation and amortisation

Property, plant and equipment	8,596,534	6,329,112
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### 27. Finance costs

Finance leases	9,562	12,254
Interest paid to funds	515,991	485,735
	<b>525,553</b>	<b>497,989</b>

### 28. Auditors' remuneration

Fees	2,862,269	2,406,394
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# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>29. Cash generated from operations</b>		
Surplus	19,623,243	8,030,140
<b>Adjustments for:</b>		
Depreciation and amortisation	8,596,534	6,329,112
Loss on disposal of assets	3,870,102	603,802
Debt impairment	109,932	(700,666)
Movements in employee benefit	20,274,891	39,994,501
<b>Interest Received not in operating</b>		
Inventories	997,123	(18,072,261)
Other Receivables	(1,137,886)	2,701,599
Departmental Recoveries	309,127	(317,127)
Consumer debtors	614,621	2,701,599
Trade and other payables from exchange transaction	(5,857,968)	(8,629,455)
VAT	106,235	2,134,245
Taxes and transfers payable (non exchange)	-	8,000
Liabilities relating to conditional grants	851,414	(816,317)
	<b>48,357,368</b>	<b>33,967,172</b>
<b>30. Short-term Investments</b>		
<b>ABSA</b>		
Opening balance	72,000,000	90,000,000
Movement for the year	19,000,000	(18,000,000)
	<b>91,000,000</b>	<b>72,000,000</b>
<b>FNB</b>		
Opening balance	50,000,000	30,000,000
Movement for the year	30,000,000	20,000,000
	<b>80,000,000</b>	<b>50,000,000</b>
<b>INVESTEC</b>		
Opening balance	83,000,000	80,000,000
Movement for the year	(11,000,000)	3,000,000
	<b>72,000,000</b>	<b>83,000,000</b>
<b>NEDCOR</b>		
Opening balance	87,000,000	83,000,000
Movement for the year	14,000,000	4,000,000
	<b>101,000,000</b>	<b>87,000,000</b>
<b>STANDARD BANK</b>		
Opening balance	93,000,000	83,000,000
Movement for the year	(23,000,000)	10,000,000
	<b>70,000,000</b>	<b>93,000,000</b>
<b>Bank/ Cash - ABSA</b>		
Bank balances	14,984,229	10,686,708
Cash and cash equivalents	428,987,329	395,689,808

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand

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### 31. Contingencies

#### Contingent liabilities

(i) Application for an interdictory and declaratory relief against Cape Winelands District Municipality together with Stellenbosch Municipality for alleged non-compliance with statutory and constitutional obligations in respect of its duty to progressively realise the rights of access to adequate housing, particular to persons that are evicted and left without any alternative accommodation. During 2012/2013 the parties were in the process of exchanging pleadings and the matter was set down for 26 November 2012. If unsuccessful in opposing the application the cost will approximately be R 250 000 and if successful it is unlikely that the costs will be recovered from the plaintiff.

During 2012/2013 the matter was postponed sine die pending settlement negotiations which were ongoing. If settlement negotiations fail and the Municipality is unsuccessful in opposing the application the cost will approximately amount to R 250 000 and if successful, it is unlikely that the costs will be recovered from the applicant.

(ii) Delictual claim for damages in the amount of R 451 000. At a pre-trial conference it was decided that the matter is to be transferred from the High Court to the Magistrate Court. This has the effect that the potential liability of the Municipality is reduced to approximately R 100 000. If unsuccessful the cost might amount to R 250 000 and if successful, it is unlikely that the cost will be recovered from the plaintiff.

At the pre-trial conference it was decided that the matter is to be transferred from the High Court to the Magistrate Court. This has the effect that the potential liability of the Municipality is reduced to approximately R 100 000. This process is currently pending. If unsuccessful the cost will be R 250 000 and if successful it is unlikely to recover the costs from the plaintiff.

(iii) The Institute for the Blind instituted legal proceeding against the Municipality based on the actio ad exhibendum (alienating property wilfully despite knowledge of the true owner of the property) - R 59 000.

The matter was settled during the 2012/2013 financial year.

(iv) Litigating matter in respect of two eviction cases in Hermon. One matter has been settled and the other is still pending. Respondent in process of applying for pro bono - Approximately R40 000.

An amount of R 19,650.32 relates to matters that were settled by Braaf Attorneys for the 2012/2013 financial year. One matter pertaining to the application for eviction remains pending for the 2012/2013 financial year – Approximately R 8 000.

(v) During the period preceding July 2011, the municipality's attorney issued 120 summonses and these have been settled as agreed with the Municipality. The matters have been withdrawn on the term that each party to pay its own costs. The attorneys claim legal fees of approximately R 2 500 000.

The matter was settled during the 2012/2013 financial year for the amount of R 1 500 000.

#### Contingent assets

R4.8 million for the Municipal Infrastructure Grant was incorrectly regarded as unspent by National Treasury, deducted from the the Municipality's Equitable Share allocation and it reverted back to the National Revenue Fund. National Treasury indicated that it will consider exploring possible options that would compensate the municipality with the R4.8 million as part of the next National Adjustments Budget process or alternatively increasing allocations in the outer years of the Medium-term Expenditure Framework. However, this cannot be guaranteed and it would be mainly informed by the outcome of the National budget process.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand 2013 2012

### 32. Related parties

#### The following related parties exist:

National Treasury  
Provincial Government Western Cape  
National Department of Water Affairs and Forestry  
Municipal Manager (M. Mgajo)  
Chief Financial Officer (J.G. Marais) - untill 18/05/2013  
Executive Director: (K. Le Keur) - untill 30/06/2013  
Executive Director: (W.Z. Mathibela) - untill 31/03/2013  
Executive Director: (C.V. Schroeder)  
Executive Director: (F. Van Eck)  
Executive Director: (Z.C. Mvalo) - untill 31/07/2013  
Part-time and full-time Councillors

#### Related party balance

##### Grants and allocations received (unspent)

National Treasury	793,115	220,546
Provincial Government Western Cape	3,489,087	2,336,000
Department of Water Affairs and Forestry	1,792,050	3,064,785
	<b>6,074,252</b>	<b>5,621,331</b>

#### Related party transactions

##### Mayoral bursary fund allocations paid to institutions on behalf of beneficiaries

Cllr H Von Schlicht (Hugenote Kollege - Director from 21/10/2010) 12,000 -

##### Subsidy for solar heating and warm water

Cllr JJ Du Plessis (Oude Tol, Tulbach, 1996) 16,929 -

##### Subsidy for water / sanitation farm

Cllr JJ Du Plessis (Oude Tol, Tulbach, 1996) 15,000 -

##### Further disclosure in terms of Section 45 of the Municipal Supply Chain Management Regulations

Name of person in service of the state: JW Botha (Kleinplasie Restaurant) 17,946 32,577

Capacity in service of the state: Environmental Health Practitioner Cape Winelands District Municipality, Community and Developmental Services

Only the known related parties were disclosed. See Appendix H (Procurement) and Appendix J (Mayoral bursary fund).

### 33. Risk management

#### Financial risk management

##### Liquidity risk

It is defined as the risk that the municipality will not be able to meet its financial obligations as it falls due. The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

##### Credit risk

Credit Risk primarily relates to cash investments. Council deposits cash surpluses with financial institutions of high quality and standing. Investments are made in terms of the Municipality's approved Cash Management and Investments Policy.

##### Interest rate risk

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

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Figures in Rand

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### 33. Risk management (continued)

The Council has no outstanding loans as at 30 June 2013. The increases in interest rates will therefore have no effect on the liquidity of Council. The average interest rate on investments was 4.44%.

#### Reliance on national government for funds

With the abolishment of the Regional Services Council Levies on 30 June 2006 the Cape Winelands District Municipality will be dependant on Government Grants, including the Equitable Share, for approximately 65% of the Municipality's revenue. In addition, Provincial Allocations, including the rendering of Agency Services & Public Contributions account for a further 26.4%.

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>33. Risk management (continued)</b>		
<b>Foreign currency risk</b>		
Foreign currency risk is deemed to be minimal as very few international transactions are conducted.		
<b>34. Unauthorised expenditure</b>		
Unauthorised expenditure	-	-
<b>35. Fruitless and wasteful expenditure</b>		
Balance	50,927	19,636
<b>Details of Fruitless and wasteful expenditure</b>	<b>Disciplinary steps taken/ criminal proceedings</b>	
Non-attendance of the computer literacy programme by Councillors (MPAC.6.9 23, May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 11,479
Non-deduction of unpaid leave (MPAC.7.1 23, May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 5,043
Non-deduction of unpaid leave (MPAC.7.2 23, May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 3,114
Microsoft penalty	Awaiting investigation by Council committee in terms of section 32 of the MFMA	13,427 -
Contractor failed to deliver product as per specification. Payment demanded by original supplier's attorney.	Awaiting investigation by Council committee in terms of section 32 of the MFMA	37,500 -
		<b>50,927 19,636</b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>36. Irregular expenditure</b>		
Balance	95,788	263,717
<b>Details of irregular expenditure</b>	<b>Disciplinary steps taken/ criminal proceedings</b>	
Electricity, equipment and airtime was purchased from Dynamics Vision Marketers. Business conducted with persons in service of the state (SCM Reg. 44) (MPAC.6.11, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 14,314
Financial support was provided to Nombula events entertainment solutions. Business conducted with persons in service of the state (SCM Reg 44) (MPAC.6.11, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 40,000
Business was done with a supplier (Juliana Daniels) who is in the service of the state (Clean up project LA Motte)	Awaiting investigation by Council committee in terms of section 32 of the MFMA	8,920 -
Service provider (First Technologies)	Awaiting investigation by Council committee in terms of section 32 of the MFMA	75,240 -
Non-compliance with Supply Chain Management policy (MPAC.6.1 23, May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 2,500
Additional guests for the christmas lunch (MPAC.6.2, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 8,208
Additional cost for table decorations incurred (MPAC.6.3, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 8,750
Calculation error which resulted in appointing a supplier whose price was not the lowest (MPAC.6.4, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 1,541
Payment made in contravention of regulation 44 (MPAC.6.5, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 3,905
Cancellation fees paid to Van Tuka in order to avoid legal and cancellation costs (MPAC.6.6, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 13,450
The reproduction of CWDM dvd's in terms of Q2012/828 from KPG Media Technologies. The preference of goods above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act (MPAC.6.10, 23 May 2013)	After investigation by MPAC in terms of Section 32 of the MFMA, certified at the Council meeting on 23 May 2013 as irrecoverable and written off by the Council	- 164,499

# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>36. Irregular expenditure (continued)</b>		
Breakdown services rendered by Ismail Towing to recover a vehicle - Payment made in contravention of Regulation 44 Service Provider performed work without proper authorisation	2,280	-
Cancellation fees paid to Wine Valley Horse Trails CC in order to avoid further fruitless expenditure (MPAC.6.7, 23 May 2013)	-	6,550
Service Provider performed work without proper authorisation	-	9,348
	<b>95,788</b>	<b>263,717</b>

### Analysis of expenditure awaiting condonation per age classification

Current year	86,440	-
Prior years	-	-
	<b>86,440</b>	<b>-</b>

### Details of irregular expenditure condoned

Refer to the above list	273,065
Incident 2	-
Text 2	<b>273,065</b>

### 37. Fair Value

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.

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

### 38. Commitments

Future Commitments	43,207,860	46,259,407
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See Appendix I for detail on future commitments



# CAPE WINELANDS DISTRICT MUNICIPALITY

Financial Statements for the year ended 30 June 2013

## Notes to the Financial Statements

Figures in Rand	2013	2012
<b>Effect on accumulated surplus</b>		
Depreciation on property, plant and equipment	-	45,123,609
Housing schemes reclassified as inventory	-	(4,106,197)
	-	<b>41,017,412</b>
<b>Effect on surplus for the year</b>		
Depreciation on property, plant and equipment	-	1,992,894
<b>1.1 Opening balances have been restated as follows:</b>		
<b>Property, plant and equipment</b>		
Balance reported previously	-	257,072,772
Housing schemes reclassified as inventory	-	(17,149,124)
Housing schemes: change in subsequent measurement method	-	(4,106,197)
	-	<b>235,817,451</b>
<b>Accumulated depreciation: Property, plant and equipment</b>		
Balance reported previously	-	73,913,283
Correction of useful lives and residual values	-	(45,123,609)
	-	<b>28,789,674</b>
<b>Inventory</b>		
Balance reported previously	-	1,999,599
Housing schemes reclassified as inventory	-	17,149,124
	-	<b>19,148,723</b>

See Appendix K for prior year error of Statement of Financial Performance.

**CAPE WINELANDS DISTRICT MUNICIPALITY**

**Appendix A**

June 2013

**Schedule of external loans as at 30 June 2013**

<b>Loan Number</b>	<b>Redeemable</b>	<b>Balance at 30 June 2012</b>	<b>Received during the period</b>	<b>Redeemed written off during the period</b>	<b>Balance at 30 June 2013</b>	<b>Carrying Value of Property, Plant &amp; Equip Rand</b>	<b>Other Costs in accordance with the MFMA Rand</b>
		<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>
Loan Stock		-	-	-	-	-	-
Structured loans		-	-	-	-	-	-
Funding facility		-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-
Bonds		-	-	-	-	-	-
Other loans		-	-	-	-	-	-
Lease liability		-	-	-	-	-	-
Annuity loans		-	-	-	-	-	-
Government loans		-	-	-	-	-	-
<b>Total external loans</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix C

June 2013

Segmental analysis of property, plant and equipment as at 30 June 2013  
Cost/Revaluation Accumulated Depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
<b>Municipality</b>														
Executive & Council/Mayor and Council	1,391,903	84,255	(368,675)	-	-	-	<b>1,107,483</b>	(1,137,443)	313,374	-	(12,627)	-	<b>(836,696)</b>	270,787
Finance & Admin/Finance	102,976,494	2,271,694	(4,759,794)	-	-	-	<b>100,488,394</b>	(21,057,315)	3,860,007	-	(1,098,553)	-	<b>(18,295,861)</b>	82,192,533
Planning and Development/Economic Development/Plan	917,284	-	(160,907)	-	-	-	<b>756,377</b>	(621,069)	134,361	-	(20,014)	-	<b>(506,722)</b>	249,655
Health/Clinics	1,509,364	27,941	(406,432)	-	-	-	<b>1,130,873</b>	(1,102,887)	342,240	-	(30,507)	-	<b>(791,154)</b>	339,719
Comm. & Social/Libraries and archives	327,062	49,446	(117,127)	-	-	-	<b>259,381</b>	(254,015)	99,558	-	(9,122)	-	<b>(163,579)</b>	95,802
Housing	167,939,034	2,784,625	(1,357,752)	-	-	-	<b>169,365,907</b>	(5,721,587)	878,646	-	(6,827,896)	-	<b>(11,670,837)</b>	157,711,451
Public Safety/Police	33,866,950	3,245,155	(3,536,403)	-	-	-	<b>33,575,702</b>	(12,380,562)	2,597,325	-	(1,079,244)	-	<b>(10,862,481)</b>	22,713,221
Sport and Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Protection/Pollution Control	160,456	2,625	(34,875)	-	-	-	<b>128,206</b>	(101,291)	29,133	-	(4,442)	-	<b>(76,600)</b>	51,606
Roads Transport/ Roads	276,719	-	(90,162)	-	-	-	<b>186,557</b>	(202,962)	76,637	-	(6,712)	-	<b>(133,037)</b>	53,520
Water/Water Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	273,033	-	(95,646)	-	-	-	<b>177,387</b>	(230,874)	81,299	-	(150)	-	<b>(149,725)</b>	30,872
WIP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TASK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>309,638,299</b>	<b>8,465,741</b>	<b>(10,927,773)</b>	-	-	-	<b>307,176,267</b>	<b>(42,810,005)</b>	<b>8,412,580</b>	-	<b>(9,089,267)</b>	-	<b>(43,486,692)</b>	<b>263,709,166</b>
<b>Total</b>	<b>309,638,299</b>	<b>8,465,741</b>	<b>(10,927,773)</b>	-	-	-	<b>307,176,267</b>	<b>(42,810,005)</b>	<b>8,412,580</b>	-	<b>(9,089,267)</b>	-	<b>(43,486,692)</b>	<b>263,709,166</b>

**CAPE WINELANDS DISTRICT MUNICIPALITY**

**Appendix D**

June 2013

**Segmental Statement of Financial Performance for the year ended**  
**Prior Year** **Current Year**

<b>Actual Income Rand</b>	<b>Actual Expenditure Rand</b>	<b>Surplus /(Deficit) Rand</b>		<b>Actual Income Rand</b>	<b>Actual Expenditure Rand</b>	<b>Surplus /(Deficit) Rand</b>
<b>Municipality</b>						
49,413,966	38,549,347	10,864,619	Executive & Council/Mayor and Council	37,611,869	49,097,587	(11,485,718)
190,728,181	40,473,221	150,254,960	Finance & Admin/Finance	194,928,720	33,363,294	161,565,426
2,025	12,938,687	(12,936,662)	Planning and Development/Economic Development/Plan	811,085	7,587,370	(6,776,285)
41,139	28,150,985	(28,109,846)	Health/Clinics	71,077	31,222,658	(31,151,581)
321,669	20,581,648	(20,259,979)	Comm. & Social/Libraries and archives	81,715	17,074,330	(16,992,615)
805,250	38,064,583	(37,259,333)	Housing	2,946,216	23,407,894	(20,461,678)
1,937,150	37,384,976	(35,447,826)	Public Safety/Police	312,892	41,996,664	(41,683,772)
8,011,660	13,436,009	(5,424,349)	Environmental Protection/Pollution Control	448,549	3,847,814	(3,399,265)
24,831,727	32,884,713	(8,052,986)	Road Transport/Roads	36,048,015	39,896,574	(3,848,559)
28,252	5,626,710	(5,598,458)	Other/Air Transport	88,202	6,230,912	(6,142,710)
<b>276,121,019</b>	<b>268,090,879</b>	<b>8,030,140</b>		<b>273,348,340</b>	<b>253,725,097</b>	<b>19,623,243</b>
<b>Municipal Owned Entities Other charges</b>						
276,121,019	268,090,879	8,030,140	Municipality	273,348,340	253,725,097	19,623,243
<b>276,121,019</b>	<b>268,090,879</b>	<b>8,030,140</b>	<b>Total</b>	<b>273,348,340</b>	<b>253,725,097</b>	<b>19,623,243</b>

**CAPE WINELANDS DISTRICT MUNICIPALITY**

**Appendix E(1)**

June 2013

**Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2013**

	Current year 2012 Act. Bal.	Current year 2012 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
<b>Revenue</b>					
Sale of goods	-	-	-	-	(Explanations to be recorded)
Sale of goods in agricultural activities	-	-	-	-	
Rendering of services	-	-	-	-	
Rendering of services in agricultural activities	-	-	-	-	
Property rates	-	-	-	-	
Service charges	309,092	160,000	149,092	93.2	Service fee recieved for fire service. The municipality does not budget for fire income due to the unstability thereof.
	-	-	-	-	
	-	-	-	-	
Sales of housing	-	-	-	-	
Construction contracts	-	-	-	-	
Royalty income	-	-	-	-	
Rental of facilities and equipment	57,560	50,400	7,160	14.2	
Interest received (trading)	-	-	-	-	
Dividends received	-	-	-	-	
Income from agency services	6,062,102	7,715,100	(1,652,998)	(21.4)	Transfers received from Roads in March and Budget neededto be adjusted
	-	-	-	-	
	-	-	-	-	
Licences and permits	-	-	-	-	
	-	-	-	-	
Municipal Revenue UD1	-	-	-	-	
Municipal Revenue UD2	-	-	-	-	
	-	-	-	-	
Miscellaneous other revenue	-	-	-	-	
Administration and management fees received	-	-	-	-	
Fees earned	-	-	-	-	
Commissions received	-	-	-	-	
Royalties received	-	-	-	-	
Rental income	-	-	-	-	
Discount received	-	-	-	-	
Recoveries	-	-	-	-	
Other income 1	-	-	-	-	
Other income 2	-	-	-	-	
Financial intruments - Fee income	-	-	-	-	
Other income - (rollup)	1,522,512	1,196,908	325,604	27.2	Actuarial gain not budgeted for.
Other farming income 1	-	-	-	-	
Other farming income 2	-	-	-	-	
Other farming income 3	-	-	-	-	
Other farming income 4	-	-	-	-	
Public contributions and donations	1,309,412	1,700,000	(390,588)	(23.0)	Not all the funds utilised. The funds was clasified as an creditor and rolled over to the next financial year.
Government grants	239,636,281	253,001,298	(13,365,017)	(5.3)	
Interest received - investment	-	-	-	-	
Interest received - other	24,451,381	24,340,000	111,381	0.5	

**CAPE WINELANDS DISTRICT  
MUNICIPALITY**

**Appendix E(1)**

June 2013

**Actual versus Budget(Revenue and Expenditure) for the year ended 30 June  
2013**

	<b>Current year 2012 Act. Bal.</b>	<b>Current year 2012 Adjusted budget</b>	<b>Variance</b>	<b>Explanation of Significant Variances greater than 10% versus Budget</b>
Loss on foreign exchange	-	-	-	-
	<b>273,348,340</b>	<b>288,163,706</b>	<b>(14,815,366)</b>	<b>(5.1)</b>
<b>Expenses</b>				
Employee related cost	(154,135,159)	(145,972,415)	(8,162,744)	5.6
Manufacturing - Employee costs	-	-	-	-
Remuneration of councillors	(9,883,766)	(10,011,926)	128,160	(1.3)
Administration	-	-	-	-
Transfer payments	-	-	-	-
Depreciation	(8,596,533)	(14,075,600)	5,479,067	(38.9) Due to changes in the policy depreciation calculation changed in relation to estimate.
Debt impairment	-	-	-	-
Amortisation	-	-	-	-
Impairments	-	-	-	-
Reversal of impairments	-	-	-	-
Finance costs	(525,553)	(25,100)	(500,453)	1,993.8 Interest allocated to the leave fund was much more than budgeted.
Debt impairment	(109,932)	-	(109,932)	-
Collection costs	-	-	-	-
Repairs and maintenance	-	-	-	-
- Manufacturing expenses	-	-	-	-
Repairs and maintenance - General	(4,335,725)	(4,350,808)	15,083	(0.3)
Repairs and maintenance - General	-	-	-	-
Bulk purchases	-	-	-	-
Loss on foreign exchange	(24,853)	-	(24,853)	-
Grants and subsidies paid	-	-	-	-
Cost of housing sold	-	-	-	-
General Expenses	(72,243,476)	(114,648,315)	42,404,839	(37.0) Various reasons exist for under expenditure
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
	<b>(249,854,997)</b>	<b>(289,084,164)</b>	<b>39,229,167</b>	<b>(13.6)</b>
<b>Other revenue and costs</b>				
Gain or loss on disposal of assets and liabilities	(3,870,102)	(2,200)	(3,867,902)	175,813.7
Gain or loss on exchange differences	-	-	-	-
Fair value adjustments	-	-	-	-
Gains or losses on biological assets and agricultural produce	-	-	-	-



**CAPE WINELANDS DISTRICT  
MUNICIPALITY**

**Appendix E(1)**

June 2013

**Actual versus Budget(Revenue and Expenditure) for the year ended 30 June  
2013**

	<b>Current year 2012 Act. Bal.</b>	<b>Current year 2012 Adjusted budget</b>	<b>Variance</b>	<b>Explanation of Significant Variances greater than 10% versus Budget</b>
Income from equity accounted investments	-	-	-	-
Gain or loss on disposal of non-current assets held for sale or disposal groups	-	-	-	-
Taxation	-	-	-	-
Discontinued operations	-	-	-	-
	(3,870,102)	(2,200)	(3,867,902)	175,813.7
Net surplus/ (deficit) for the year	19,623,241	(922,658)	20,545,899	(2,226.8)

**CAPE WINELANDS DISTRICT MUNICIPALITY**

**Appendix E(2)**

June 2013

**Budget Analysis of Capital Expenditure as at 30 June  
2013**

	<b>Additions</b>	<b>Revised Budget</b>	<b>Variance</b>	<b>Variance</b>	<b>Explanation of significant variances from budget</b>
	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>%</b>	
<b>Municipality</b>					
Executive & Council/Mayor and Council	84,255	71,166	(13,089)	<b>(18)</b>	
Finance & Admin/Finance	3,584,513	3,547,366	(37,147)	<b>(1)</b>	
Health/Clinics	27,941	-	(27,941)	<b>-</b>	
Comm. & Social/Libraries and archives	49,446	39,370	(10,076)	<b>(26)</b>	
Housing	7,174,924	1,676,406	(5,498,518)	<b>(328)</b>	
Public Safety/Police	3,245,155	5,910,459	2,665,304	<b>45</b>	
Road Transport/Roads	2,625	619,068	616,443	<b>100</b>	
	<b>14,168,859</b>	<b>11,863,835</b>	<b>(2,305,024)</b>	<b>(19)</b>	

**Other charges**

# APPENDIX F

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

### GRANTS AND SUBSIDIES RECOGNISED OPERATIONAL

DESCRIPTION	FUNDS UNSPENT 01/07/2012	INCOME RECEIVED 2012/2013	INCOME RECOGNISED 2012/2013	EXPENDITURE 2012/2013	UNSPENT 30/06/2013
TRAINING OF HOUSING OFFICIALS	-2 159	-			-2 159
EQUITABLE SHARE	-	-6 155 000	6 155 000	6 155 000	-
RSC LEVY REPLACEMENT	-	-193 926 000	193 926 000	193 926 000	-
SANDHILLS - TOILET HIRE	-	-462 873	462 873	462 873	-
INCOME AGENCY ROADS	-	-35 319 838	-35 312 828	-35 312 828	-
COMMUNITY DEVELOPMENT WORKERS	-	-133 000	44 488	58 085	-74 915
CONSUMER HOUSING	-31 224	-	9 631	9 631	-21 593
FINANCE MANAGEMENT GRANT	-220 546	-1 250 000	677 431	677 431	-793 115
INTEGRATED TRANSPORT PLAN	-767 057	-715 000	634 654	834 214	-647 842
PUBLIC TRANSPORT REGULATION	-1 500 000	-1 000 000	92 982	92 982	-2 407 018
WATER & SANITATION MANAGEMENT	-35 560	-	-	-	-35 560
EXTENDED PUBLIC WORKS PROGRAMME	-	-1 214 000	1 214 000	1 214 000	-
FINANCIAL MANAGEMENT GRANT: PROVINCIAL TREASURY	-	-300 000	-	-	-300 000
HERMON HOUSING SUBSIDY	-	-521 339	521 339	-	-
DWAF	-3 064 786	-8 409 917	-	6 504 275	-1 905 642
	<b>-5 621 331</b>	<b>-249 406 968</b>	<b>168 425 571</b>	<b>174 621 664</b>	<b>-6 187 846</b>

239 765 588

239 001 370

-70 575 799

### GRANTS AND SUBSIDIES RECOGNISED CAPITAL

DESCRIPTION	FUNDS UNSPENT 01/07/2012	INCOME RECEIVED 2012/2013	INCOME RECOGNISED 2012/2013	EXPENDITURE 2012/2013	UNSPENT 30/06/2013
DONATED ASSETS: HEALTH	-	-721 281.00	721 281.00	721 281.00	-
ROADS AGENCY	-	-42 937.00	42 937.00	42 937.00	-
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	-	-1 000 000.00	-		-
	-	<b>-1 764 218</b>	<b>764 218</b>	<b>764 218</b>	-
<b>SUBTOTAL</b>	<b>-5 621 331</b>	<b>-251 171 186</b>	<b>169 189 789</b>	<b>175 385 882</b>	<b>-6 187 846</b>

# APPENDIX F

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

### GRANTS AND SUBSIDIES FROM PUBLIC CONTRIBUTIONS

DESCRIPTION	FUNDS UNSPENT 01/07/2012	INCOME RECEIVED 2012/2013	INCOME RECOGNISED 2012/2013	EXPENDITURE 2012/2013	UNSPENT 30/06/2013
NEDBANK: SEED FUNDING		-1 000 000	782 335	782 335	-217 665
RADIOSTATION ROAD CERES		-184 154	184 154	184 154	-
CONTRIBUTION TO PRIVATE LAND (ELECTR)	-643 521	-693 973	342 923	342 923	-994 571
	<b>-643 521</b>	<b>-1 878 127</b>	<b>1 309 413</b>	<b>1 309 413</b>	<b>-1 212 236</b>
<b>SUBTOTAL</b>	<b>-643 521</b>	<b>-1 878 127</b>	<b>1 309 413</b>	<b>1 309 413</b>	<b>-1 212 236</b>
<b>TOTAL</b>	<b>-6 264 852</b>	<b>-253 049 313</b>	<b>170 499 201</b>	<b>176 695 295</b>	<b>-7 400 081</b>

**CAPE WINELANDS DISTRICT MUNICIPALITY**

**Appendix G1**

**Budgeted Financial Performance (revenue and expenditure by standard classification)  
for the year ended 30 June 2013**

	2012/2013								2012/2011						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Revenue - Standard</b>															
<b>Governance and administration</b>	<b>241,422,800</b>	<b>(1,108,944)</b>	<b>240,313,856</b>	-		<b>240,313,856</b>	<b>232,540,589</b>		<b>(7,773,267)</b>	<b>97 %</b>	<b>96 %</b>				<b>240,142,147</b>
Executive and council	44,179,900	(1,447,290)	42,732,610	-		42,732,610	37,432,706		(5,299,904)	88 %	85 %				49,413,966
Budget and treasury office	196,492,500	(1,098,554)	195,393,946	-		195,393,946	193,642,315		(1,751,631)	99 %	99 %				189,579,978
Corporate services	750,400	1,436,900	2,187,300	-		2,187,300	1,465,568		(721,732)	67 %	195 %				1,148,203
<b>Community and public safety</b>	<b>9,842,300</b>	<b>(6,741,569)</b>	<b>3,100,731</b>	-		<b>3,100,731</b>	<b>3,411,900</b>		<b>311,169</b>	<b>110 %</b>	<b>35 %</b>				<b>3,105,208</b>
Community and social services	637,000	(552,932)	84,068	-		84,068	81,715		(2,353)	97 %	13 %				321,669
Public safety	220,000	(40,000)	180,000	-		180,000	312,892		132,892	174 %	142 %				1,937,150
Housing	8,985,300	(6,172,137)	2,813,163	-		2,813,163	2,946,216		133,053	105 %	33 %				805,250
Health	-	23,500	23,500	-		23,500	71,077		47,577	302 %	DIV/0 %				41,139
<b>Economic and environmental services</b>	<b>62,488,500</b>	<b>(17,829,333)</b>	<b>44,659,167</b>	-		<b>44,659,167</b>	<b>37,307,648</b>		<b>(7,351,519)</b>	<b>84 %</b>	<b>60 %</b>				<b>32,845,412</b>
Planning and development	17,600	994,900	1,012,500	-		1,012,500	811,085		(201,415)	80 %	4,608 %				2,025
Road transport	61,245,100	(18,824,233)	42,420,867	-		42,420,867	36,048,015		(6,372,852)	85 %	59 %				24,831,727
Environmental protection	1,225,800	-	1,225,800	-		1,225,800	448,548		(777,252)	37 %	37 %				8,011,660
<b>Other</b>	<b>50,000</b>	<b>(20,000)</b>	<b>30,000</b>	-		<b>30,000</b>	<b>88,203</b>		<b>58,203</b>	<b>294 %</b>	<b>176 %</b>				<b>-</b>
Other	50,000	(20,000)	30,000	-		30,000	88,203		58,203	294 %	176 %				28,252
<b>Total Revenue - Standard</b>	<b>313,803,600</b>	<b>(25,699,846)</b>	<b>288,103,754</b>	-		<b>288,103,754</b>	<b>273,348,340</b>		<b>(14,755,414)</b>	<b>95 %</b>	<b>87 %</b>				<b>276,121,019</b>

**CAPE WINELANDS DISTRICT MUNICIPALITY**

**Appendix G1**

**Budgeted Financial Performance (revenue and expenditure by standard classification)  
for the year ended 30 June 2013**

	2012/2013								2012/2011						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget (i.t.o. s28 and s31 of the MFMA)	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Expenditure - Standard</b>															
<b>Governance and administration</b>	<b>102,753,900</b>	<b>(10,666,473)</b>	<b>92,087,427</b>	-	-	<b>92,087,427</b>	<b>82,460,881</b>	-	<b>(9,626,546)</b>	<b>90 %</b>	<b>80 %</b>	-	-	-	<b>79,599,172</b>
Executive and council	54,766,000	(8,341,703)	46,424,297	-	-	46,424,297	49,097,586	-	2,673,289	106 %	90 %	-	-	-	38,554,287
Budget and treasury office	17,206,300	(129,020)	17,077,280	-	-	17,077,280	17,576,286	-	499,006	102 %	102 %	-	-	-	13,153,217
Corporate services	30,781,600	(2,195,750)	28,585,850	-	-	28,585,850	15,787,009	-	(12,798,841)	55 %	51 %	-	-	-	27,891,668
<b>Community and public safety</b>	<b>131,953,650</b>	<b>(3,140,681)</b>	<b>128,812,969</b>	-	-	<b>128,812,969</b>	<b>113,701,545</b>	-	<b>(15,111,424)</b>	<b>88 %</b>	<b>86 %</b>	-	-	-	<b>123,594,381</b>
Community and social services	20,246,500	(848,441)	19,398,059	-	-	19,398,059	17,074,330	-	(2,323,729)	88 %	84 %	-	-	-	20,583,650
Public safety	44,007,550	1,638,690	45,646,240	-	-	45,646,240	41,996,664	-	(3,649,576)	92 %	95 %	-	-	-	38,103,585
Housing	35,818,000	(6,389,090)	29,428,910	-	-	29,428,910	23,407,894	-	(6,021,016)	80 %	65 %	-	-	-	36,738,391
Health	31,881,600	2,458,160	34,339,760	-	-	34,339,760	31,222,657	-	(3,117,103)	91 %	98 %	-	-	-	28,168,755
<b>Economic and environmental services</b>	<b>60,969,550</b>	<b>413,178</b>	<b>61,382,728</b>	-	-	<b>61,382,728</b>	<b>51,331,758</b>	-	<b>(10,050,970)</b>	<b>84 %</b>	<b>84 %</b>	-	-	-	<b>59,270,503</b>
Planning and development	8,637,050	104,490	8,741,540	-	-	8,741,540	7,587,370	-	(1,154,170)	87 %	88 %	-	-	-	12,946,185
Road transport	46,367,800	706,078	47,073,878	-	-	47,073,878	39,896,574	-	(7,177,304)	85 %	86 %	-	-	-	32,888,309
Environmental protection	5,964,700	(397,390)	5,567,310	-	-	5,567,310	3,847,814	-	(1,719,496)	69 %	65 %	-	-	-	13,436,009
<b>Other</b>	<b>6,502,800</b>	<b>225,740</b>	<b>6,728,540</b>	-	-	<b>6,728,540</b>	<b>6,230,913</b>	-	<b>(497,627)</b>	<b>93 %</b>	<b>96 %</b>	-	-	-	-
Other	6,502,800	225,740	6,728,540	-	-	6,728,540	6,230,913	-	(497,627)	93 %	96 %	-	-	-	5,626,823
<b>Total Expenditure - Standard</b>	<b>302,179,900</b>	<b>(13,168,236)</b>	<b>289,011,664</b>	-	-	<b>289,011,664</b>	<b>253,725,097</b>	-	<b>(35,286,567)</b>	<b>88 %</b>	<b>84 %</b>	-	-	-	<b>268,090,879</b>
<b>Surplus/(Deficit) for the year</b>	<b>11,623,700</b>	<b>(12,531,610)</b>	<b>(907,910)</b>	-	-	<b>(907,910)</b>	<b>19,623,243</b>	-	<b>20,531,153</b>	<b>(2,161)%</b>	<b>169 %</b>	-	-	-	<b>8,030,140</b>

# CAPE WINELANDS DISTRICT MUNICIPALITY

## Appendix G2

### Budgeted Financial Performance (revenue and expenditure by municipal vote) for the year ended 30 June 2013

	2012/2013								2012/2011						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Revenue by Vote</b>															
Finance	196,492,500	(1,098,554)	195,393,946	-		195,393,946	193,607,034		(1,786,912)	99 %	99 %				189,615,263
Corporate Services	44,930,300	1,436,900	46,367,200	-		46,367,200	38,983,953		(7,383,247)	84 %	87 %				1,112,919
Community and Developmental Services	776,000	(33,432)	742,568	-		742,568	419,895		(322,673)	57 %	54 %				2,236,588
Regional Development and Planning	1,293,400	511,510	1,804,910	-		1,804,910	1,347,836		(457,074)	75 %	104 %				8,041,935
Rural and Social Development	81,000	-	81,000	-		81,000	45,788		(35,212)	57 %	57 %				63,371
Engineering and Infrastructure	14,700,300	(7,072,137)	7,628,163	-		7,628,163	3,623,456		(4,004,707)	48 %	25 %				1,869,190
Agency Roads	55,530,100	6,248,819	61,778,919	-		61,778,919	35,320,378		(26,458,541)	57 %	64 %				23,767,787
<b>Total Revenue by Vote</b>	<b>313,803,600</b>	<b>(6,894)</b>	<b>313,796,706</b>	<b>-</b>		<b>313,796,706</b>	<b>273,348,340</b>		<b>(40,448,366)</b>	<b>87 %</b>	<b>87 %</b>				<b>276,121,019</b>
<b>Expenditure by Vote to be appropriated</b>															
Finance	17,206,300	(129,020)	17,077,280	-	-	17,077,280	16,368,823	-	(708,457)	96 %	95 %	-	-	-	13,128,446
Corporate Service	76,452,700	(8,801,004)	67,651,696	-	-	67,651,696	64,544,224	-	(3,107,472)	95 %	84 %	-	-	-	22,032,023
Community and Developmental Services	78,040,050	4,136,970	82,177,020	-	-	82,177,020	76,040,139	-	(6,136,881)	93 %	97 %	-	-	-	68,060,410
Regional Development and Planning	21,104,550	(67,160)	21,037,390	-	-	21,037,390	17,715,193	-	(3,322,197)	84 %	84 %	-	-	-	32,009,017
Rural and Social Development	18,095,600	(888,561)	17,207,039	-	-	17,207,039	15,283,002	-	(1,924,037)	89 %	84 %	-	-	-	18,795,581
Office of the Municipal Manager	9,094,900	(1,736,449)	7,358,451	-	-	7,358,451	7,148,820	-	(209,631)	97 %	79 %	-	-	-	7,588,819
Engineering and Infrastructure	45,959,000	(6,014,950)	39,944,050	-	-	39,944,050	21,631,331	-	(18,312,719)	54 %	47 %	-	-	-	40,962,329
Agency Roads	36,226,800	331,938	36,558,738	-	-	36,558,738	34,993,565	-	(1,565,173)	96 %	97 %	-	-	-	28,806,268
<b>Total Expenditure by Vote</b>	<b>302,179,900</b>	<b>(13,168,236)</b>	<b>289,011,664</b>	<b>-</b>	<b>-</b>	<b>289,011,664</b>	<b>253,725,097</b>	<b>-</b>	<b>(35,286,567)</b>	<b>88 %</b>	<b>84 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>268,090,879</b>
<b>Surplus/(Deficit) for the year</b>	<b>11,623,700</b>	<b>13,161,342</b>	<b>24,785,042</b>	<b>-</b>		<b>24,785,042</b>	<b>19,623,243</b>		<b>(5,161,799)</b>	<b>79 %</b>	<b>169 %</b>				<b>8,030,140</b>

**CAPE WINELANDS DISTRICT MUNICIPALITY**  
**Appendix G3**  
**Budgeted Financial Performance (revenue and expenditure)**  
**for the year ended 30 June 2013**

	2012/2013								2012/2011						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Revenue By Source</b>															
Property rates	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Service charges - other	160,000	-	160,000	-	-	160,000	309,092	-	149,092	193 %	193 %	-	-	-	570,302
Rental of facilities and equipment	166,500	(116,100)	50,400	-	-	50,400	57,560	-	7,160	114 %	35 %	-	-	-	55,914
Interest earned - external investments	25,000,000	(660,000)	24,340,000	-	-	24,340,000	24,451,380	-	111,380	100 %	98 %	-	-	-	24,401,142
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Public contributions and donations	350,000	1,350,000	1,700,000	-	-	1,700,000	1,309,412	-	(390,588)	77 %	374 %	-	-	-	51,909
Agency services	9,254,500	(1,539,400)	7,715,100	-	-	7,715,100	6,062,101	-	(1,652,999)	79 %	66 %	-	-	-	6,910,073
Transfers recognised - operational	277,795,100	(24,793,802)	253,001,298	-	-	253,001,298	239,636,281	-	(13,365,017)	95 %	86 %	-	-	-	242,586,920
Other revenue	1,077,500	119,408	1,196,908	-	-	1,196,908	1,522,512	-	325,604	127 %	141 %	-	-	-	1,452,113
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>313,803,600</b>	<b>(25,639,894)</b>	<b>288,163,706</b>	<b>-</b>	<b>-</b>	<b>288,163,706</b>	<b>273,348,338</b>	<b>-</b>	<b>(14,815,368)</b>	<b>95 %</b>	<b>87 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>276,028,373</b>
<b>Expenditure By Type</b>															
Employee related costs	144,721,970	1,250,445	145,972,415	-	(1,959,900)	144,012,515	154,185,238	-	10,172,723	107 %	107 %	-	-	-	137,793,605
Remuneration of councillors	10,112,700	(100,774)	10,011,926	-	(10,000)	10,001,926	9,883,766	-	(118,160)	99 %	98 %	-	-	-	9,335,836
Debt impairment	118,500	(118,500)	-	-	(118,500)	(118,500)	109,932	-	228,432	(93)%	93 %	-	-	-	(700,666)
Depreciation & asset impairment	14,103,900	(28,300)	14,075,600	-	-	14,075,600	8,596,534	-	(5,479,066)	61 %	61 %	-	-	-	4,753,063
Finance charges	27,700	(2,600)	25,100	-	(500,000)	(474,900)	525,553	-	1,000,453	(111)%	1,897 %	-	-	-	497,989
Repairs and Maintenance	6,255,800	(1,904,992)	4,350,808	-	338,000	4,688,808	4,335,725	-	(353,083)	92 %	69 %	-	-	-	3,904,737
Other materials	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Actuarial Gain	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Other expenditure	126,837,130	(12,188,815)	114,648,315	-	2,250,400	116,898,715	72,268,329	-	(44,630,386)	62 %	57 %	-	-	-	107,577,887
Loss on disposal of PPE	2,200	-	2,200	-	-	2,200	3,870,102	-	3,867,902	175,914 %	175,914 %	-	-	-	-
<b>Total Expenditure</b>	<b>302,179,900</b>	<b>(13,093,536)</b>	<b>289,086,364</b>	<b>-</b>	<b>-</b>	<b>289,086,364</b>	<b>253,775,179</b>	<b>-</b>	<b>(35,311,185)</b>	<b>88 %</b>	<b>84 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263,162,451</b>
<b>Surplus/(Deficit)</b>	<b>11,623,700</b>	<b>(12,546,358)</b>	<b>(922,658)</b>	<b>-</b>	<b>-</b>	<b>(922,658)</b>	<b>19,573,159</b>	<b>-</b>	<b>20,495,817</b>	<b>(2,121)%</b>	<b>168 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,865,922</b>
<b>Surplus/(Deficit) for the year</b>	<b>11,623,700</b>	<b>(12,546,358)</b>	<b>(922,658)</b>	<b>-</b>	<b>-</b>	<b>(922,658)</b>	<b>19,573,159</b>	<b>-</b>	<b>20,495,817</b>	<b>(2,121)%</b>	<b>168 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,865,922</b>



**CAPE WINELANDS DISTRICT MUNICIPALITY**

**Appendix G4**

**Budgeted Capital Expenditure by vote, standard classification and funding  
for the year ended 30 June 2013**

	2012/2013							2012/2011							
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Single-year expenditure</b>															
Finance	2,000	-	2,000	-	-	2,000	5,265	-	3,265	263 %	263 %	-	-	-	864,032
Corporate Service	10,000	-	10,000	-	(569,950)	(559,950)	1,710	-	561,660	- %	17 %	-	-	-	2,330,315
Community and Developmental Services	6,335,470	(397,241)	5,938,229	-	-	5,938,229	5,056,256	-	(881,973)	85 %	80 %	-	-	-	3,192,791
Rural and Social Development	17,600	(6,000)	11,600	-	-	11,600	4,815	-	(6,785)	42 %	27 %	-	-	-	8,880
Office of the Municipal Manager	3,900	-	3,900	-	-	3,900	1,379	-	(2,521)	35 %	35 %	-	-	-	-
Council	2,268,050	1,334,582	3,602,632	-	-	3,602,632	1,306,878	-	(2,295,754)	36 %	58 %	-	-	-	43,579
Agency Roads	556,000	63,068	619,068	-	-	619,068	194,364	-	(424,704)	31 %	35 %	-	-	-	237,963
Engineering and Infrastructure	1,909,000	(232,595)	1,676,405	-	569,950	2,246,355	1,895,070	-	(351,285)	84 %	99 %	-	-	-	3,191,627
<b>Capital single-year expenditure sub-total</b>	<b>11,102,020</b>	<b>761,814</b>	<b>11,863,834</b>	<b>-</b>	<b>-</b>	<b>11,863,834</b>	<b>8,465,737</b>	<b>-</b>	<b>(3,398,097)</b>	<b>71 %</b>	<b>76 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>	<b>11,102,020</b>	<b>761,814</b>	<b>11,863,834</b>	<b>-</b>	<b>-</b>	<b>11,863,834</b>	<b>8,465,737</b>	<b>-</b>	<b>(3,398,097)</b>	<b>71 %</b>	<b>76 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CAPE WINELANDS DISTRICT MUNICIPALITY**

**Appendix G4**

**Budgeted Capital Expenditure by vote, standard classification and funding  
for the year ended 30 June 2013**

	2012/2013									2012/2011					
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Capital Expenditure - Standard</b>															
<b>Governance and administration</b>	<b>2,283,950</b>	<b>1,334,582</b>	<b>3,618,532</b>	-	<b>(569,950)</b>	<b>3,048,582</b>	<b>1,315,232</b>	-	<b>(1,733,350)</b>	<b>43 %</b>	<b>58 %</b>	-	-	-	<b>3,237,926</b>
Executive and council	98,800	(27,634)	71,166	-	(569,950)	(498,784)	68,327	-	567,111	(14)%	69 %	-	-	-	43,579
Budget and treasury office	2,000	-	2,000	-	-	2,000	5,265	-	3,265	263 %	263 %	-	-	-	864,032
Corporate services	2,183,150	1,362,216	3,545,366	-	-	3,545,366	1,241,640	-	(2,303,726)	35 %	57 %	-	-	-	2,330,315
<b>Community and public safety</b>	<b>8,262,070</b>	<b>(635,835)</b>	<b>7,626,235</b>	-	<b>569,950</b>	<b>8,196,185</b>	<b>6,956,141</b>	-	<b>(1,240,044)</b>	<b>85 %</b>	<b>84 %</b>	-	-	-	<b>6,393,297</b>
Community and social services	17,600	(6,000)	11,600	-	-	11,600	30,217	-	18,617	260 %	172 %	-	-	-	49,487
Public safety	6,307,700	(397,241)	5,910,459	-	-	5,910,459	5,030,854	-	(879,605)	85 %	80 %	-	-	-	3,092,778
Housing	1,909,000	(232,594)	1,676,406	-	569,950	2,246,356	1,895,070	-	(351,286)	84 %	99 %	-	-	-	3,191,627
Health	27,770	-	27,770	-	-	27,770	-	-	(27,770)	- %	- %	-	-	-	59,405
<b>Economic and environmental services</b>	<b>556,000</b>	<b>63,068</b>	<b>619,068</b>	-	-	<b>619,068</b>	<b>194,364</b>	-	<b>(424,704)</b>	<b>31 %</b>	<b>35 %</b>	-	-	-	<b>531,642</b>
Road transport	556,000	63,068	619,068	-	-	619,068	194,364	-	(424,704)	31 %	35 %	-	-	-	237,963
<b>Total Capital Expenditure - Standard</b>	<b>11,102,020</b>	<b>761,815</b>	<b>11,863,835</b>	-	-	<b>11,863,835</b>	<b>8,465,737</b>	-	<b>(3,398,098)</b>	<b>71 %</b>	<b>76 %</b>	-	-	-	<b>10,162,865</b>
<b>Funded by:</b>															
National Government	-	1,000,000	1,000,000	-		1,000,000	150,000		(850,000)	15 %	DIV/0 %				1,680,534
Provincial Government	556,000	750,211	1,306,211	-		1,306,211	683,365		(622,846)	52 %	123 %				269,410
<b>Transfers recognised - capital</b>	<b>556,000</b>	<b>1,750,211</b>	<b>2,306,211</b>	-		<b>2,306,211</b>	<b>833,365</b>		<b>(1,472,846)</b>	<b>36 %</b>	<b>150 %</b>				<b>1,949,944</b>
Public contributions & donations	-	-	-	-		-	83,600			DIV/0 %	DIV/0 %				-
Internally generated funds	10,546,021	(988,396)	9,557,625	-		9,557,625	7,548,772		(2,008,853)	79 %	72 %				8,212,921
<b>Total Capital Funding</b>	<b>11,102,021</b>	<b>761,815</b>	<b>11,863,836</b>	-		<b>11,863,836</b>	<b>8,465,737</b>		<b>(3,398,099)</b>	<b>71 %</b>	<b>76 %</b>				<b>10,162,865</b>

**CAPE WINELANDS DISTRICT MUNICIPALITY**  
**Appendix G5**  
**Budgeted Cash Flows**  
**for the year ended 30 June 2013**

	2012/2013					2012/2011			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Cash flow from operating activities</b>									
Ratepayers and other	65,976,200	5,496,175	71,472,375	71,472,375	12,787,531	(58,684,844)	18 %	19 %	18,977,393
Government - operating	237,077,900	(5,946,959)	231,130,941	231,130,941	281,661,894	50,530,953	122 %	119 %	301,286,864
Interest	25,000,000	(660,000)	24,340,000	24,340,000	23,477,393	(862,607)	96 %	94 %	19,501,017
Suppliers and employees	(386,468,986)	68,237,039	(318,231,947)	(318,231,947)	(275,865,738)	42,366,209	87 %	71 %	(311,179,610)
Finance charges	-	-	-	-	(526,875)	(526,875)	DIV/0 %	DIV/0 %	(485,735)
<b>Net cash flow from/used operating activities</b>	<b>(58,414,886)</b>	<b>67,126,255</b>	<b>8,711,369</b>	<b>8,711,369</b>	<b>41,534,205</b>	<b>32,822,836</b>	<b>477 %</b>	<b>(71)%</b>	<b>26,599,929</b>
<b>Cash flow from investing activities</b>									
Capital assets	(12,102,020)	907,893	(11,194,127)	(11,194,127)	(8,465,741)	2,728,386	76 %	70 %	(4,302,446)
<b>Net cash flow from/used investing activities</b>	<b>(12,102,020)</b>	<b>907,893</b>	<b>(11,194,127)</b>	<b>(11,194,127)</b>	<b>(8,465,741)</b>	<b>2,728,386</b>	<b>76 %</b>	<b>70 %</b>	<b>(4,302,446)</b>
<b>Cash flow from financing activities</b>									
Repayment of borrowing	-	-	-	-	(146,380)	(146,380)	DIV/0 %	DIV/0 %	(51,403)
<b>Net cash flow from/used financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(146,380)</b>	<b>(146,380)</b>	<b>DIV/0 %</b>	<b>DIV/0 %</b>	<b>(51,403)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(70,516,906)</b>	<b>68,034,148</b>	<b>(2,482,758)</b>	<b>(2,482,758)</b>	<b>32,922,084</b>	<b>35,404,842</b>	<b>(1,326)%</b>	<b>(47)%</b>	<b>22,246,080</b>
<b>Cash/cash equivalents at the year end:</b>	<b>(70,516,906)</b>	<b>68,034,148</b>	<b>(2,482,758)</b>	<b>(2,482,758)</b>	<b>32,922,084</b>	<b>35,404,842</b>	<b>(1,326)%</b>	<b>(47)%</b>	

## APPENDIX H: Summary Report i.t.o. Procurement Exceptions & Deviations

Acquisitions made JULY 2012 to June 2013

TOTAL OF 5 465 258.05 PROCUREMENT EXCEPTIONS FOR THE FINANCIAL YEAR

= 0.55% of expenditure excluding salaries.

### SUMMARY OF EXCEPTIONS / DEVIATIONS:

PPPFA SEC.2(1)(f)	28 249.20	Preferential Procurement Policy Framework Act, 2000. Sec 2. Framework for implementation of preferential procurement policy.— (1) An organ of state must determine its preferential procurement policy and implement it within the following framework: ( f ) the contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer;
REG.16(c) WQ -	1 472 956.74	SCM Reg.16. Written or verbal quotations.— A supply chain management policy must stipulate the conditions for the procurement of goods or services through written or verbal quotations, which must include conditions stating— (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer; (Delegated to the Chief Financial Officer)
REG.17(1)(c) FWPQ -	3 610 698.88	SCM Reg.17. Formal written price quotations.— (1) A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating— (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer; (Delegated to the Deputy Director: Finance - To report to the CFO by the 3rd working day of the next month)
DEV-REG.36(1)(a)(i)	3 622.92	SCM Reg.36. Deviation from, and ratification of minor breaches of, procurement processes.— (1) A supply chain management policy may allow the accounting officer— (a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only— (i) in an emergency; (ii) if such goods or services are produced or available from a single provider only;
DEV-REG.36(1)(a)(ii)	303 480.31	
EXPENDITURE TO BE APPROVED	46 250.00	Expenditure incurred where the prescribed legislation were not complied to in all aspects

TOTAL: 5 465 258.05

### SUMMARY BREAKDOWN OF PROCUREMENT PER CATEGORY:

<R2000-NO PROCUREMENT:	5 809 476.90	Acquisitions less than R2,000 - no procurement process is followed for small purchases
3rd PARTY PAYMENT:	53 274 435.01	Transactions where procurement plays no role - contribution payments / S&Ts / etc.
COUNCIL POLICY:	4 254 321.92	Study Bursaries / Sponsorships / Donations / etc.
DEV-PPPFA SEC.2(1)(f)	28 249.20	The supplier selected for the contract/tenderer did not score the highest points
DEV-REG.36(1)(a)	307 103.23	Transactions where no procurement process were followed (Emergencies/Sole Providers/etc.)
DWAF: PRE-PROCURED	2 730 208.70	DWAF Contracts where the CWDM did not do the procurement.
PAWC: PRE-PROCURED	1 466 208.77	PAWC Contracts where the CWDM did not do the procurement.
PETTY CASH:	8 739.02	Mainly small out of pocket refunds
QUOTATION PROCESS:	24 636 003.19	Acquisitions made in terms of a full quotation process up to R200,000 - minimum three quotes
QUOTES: INVEST/POLICY:	752 000 000.00	Investments are made in terms of council policy - Quotes are obtained from A-Rated Banks
REG.16(c) < 3 WQ	1 472 956.74	Acquisitions where it was not possible to obtain at least three quotations up to R10,000
REG.17(1)(c) < 3 FWPQ	3 610 698.88	Acquisitions where it was not possible to obtain at least three quotations between R10,000-R30,000
SERVICE ACCOUNTS:	8 635 868.44	Contracts with service providers - Telkom / Vodacom / municipal services / copy machines / etc.
SERVICE PROVIDERS:	12 031 192.27	Payments made in terms of contracts/agreements with long-term service providers
STATUTORY PAYMENTS:	21 160 107.86	Prescriptive payments made in terms of legislation - licensing / taxes / membership fees / etc.
SUBSCRIPTIONS:	1 511 146.21	Service provider is selected for the specific service and cannot be procured - sole providers
TENDER PROCESS:	96 943 220.58	Acquisitions made in terms of a full tender process on amounts above R200,000
EXPENDITURE TO BE APPROVED	46 250.00	Expenditure incurred where the prescribed legislation were not complied to in all aspects

TOTAL: 989 926 186.92

CAPITAL: Included in Total Procurement 10 420 660.90

**DECLARATIONS IN TERMS OF:-**

**Regulation 44. Prohibition on awards to persons in the service of the state**

Name:	Amount:	Description:	Procurement:	Commodity Description	Comments:
D W WILLIAMS	105.89	BACK PAY WAS PAID OUT TO A FORMER OFFICIAL WHO ARE NOW EMPLOYED IN THE SERVICE OF THE STATE.	NOT PROCUREMENT RELATED	DIRECT PAYMENT	ID CHECK AGAINST PERSAL REVEALED THAT THE PERSON IS NOW WORKING IN THE SERVICE OF THE STATE
JULIANA DANIELS	8 920.00	CLEAN UP PROJECT: LA MOTTE BOSBOUDORP	QUOTATION PROCESS	CLEAN AND GREEN PROJECT	AT THE TIME WHEN THE AWARD WAS MADE THE MUNICIPALITY WAS IN NO POSITION TO CHECK WHETHER THE SUPPLIER IS WORKING IN THE SERVICE OF THE STATE
ISMAIL TOWING	2 280.00	BREAKDOWN SERVICES RENDERED TO RECOVER A VEHICLE	SINGLE QUOTATION OBTAINED	EMERGENCY: VEHICLE RECOVERY	DURING THE ANNUAL RE-REGISTRATION - THE SUPPLIER'S DECLARATION OF INTEREST REVEALED THAT THE OWNER IS A COUNCILLOR AT A LOCAL AUTHORITY
THE VALLEY & MOUNTAINS DEVELOPMENT FOUNDATION	5 000.00	APPLICATION WAS MADE TO THE MUNICIPALITY TO ASSIST THE ORGANISATION WITH A DONATION WHICH WAS GRANTED	NOT PROCUREMENT RELATED	DONATION FROM COUNCIL	IT WAS FOUND THAT ONE OF THE COMMITTEE MEMBERS IS WORKING IN THE SERVICE OF THE STATE. THIS IS A NON-PROFITABLE ORGANISATION AND THE RELEVANT PERSON DOES NOT RECEIVE ANY PERSONAL BENEFIT
Z LILA	763.74	BACK PAY WAS PAID OUT TO A FORMER OFFICIAL WHO ARE NOW EMPLOYED IN THE SERVICE OF THE STATE.	NOT PROCUREMENT RELATED	DIRECT PAYMENT	ID CHECK AGAINST PERSAL REVEALED THAT THE PERSON IS NOW WORKING IN THE SERVICE OF THE STATE

**Regulation 45. Awards to close family members of persons in the service of the state**

NAME:	TOTAL AMOUNT	RELATION:
KLEINPLASIE RESTAURANT The total procurement for the period amounted	17 946.00	The owner of the restaurant is the spouse of an official working at Council. The official does not work in the Department: Financial Management Services and has no influence over the SCMU

**Sec 32 of MFMA - Unauthorised, irregular or fruitless and wasteful expenditure - Reviewed by the Municipal Public Accounts Committee (MPAC) and noted by Council**

Name:	Amount:	Description:	Action:
A QUE MANAGEMENT CC	8 207.50	CATERING: XMAS LUNCH FOR ELDERLY: CERES	ADDITIONAL WORK REQUESTED FROM THE APPROVED SUPPLIER WITHOUT PRIOR AUTHORISATION
C J COLLINS T/A READERS RESTAURANT	8 750.00	CATERING	MISUNDERSTANDING DURING QUOTATION PROCESS RESULTING IN MORE COSTS TO COMPLETE
DYNAMIX VISION MARKETERS	1 700.00	EQUIPMENT : BUTCHERY	DIRECTOR/OWNER IN THE SERVICE OF THE STATE.
DYNAMIX VISION MARKETERS	12 614.12	AIRTIME & ELECTRICITY: JESSY'S ELECTRICITY	DIRECTOR/OWNER IN THE SERVICE OF THE STATE.
EL CUMBRE EVENT MANAGEMENT	27 184.00	DESIGN & LAYOUT OF TENT CALENDARS	CALCULATION ERROR IN EVALUATION - CHEAPEST SUPPLIER NOT USED
F JACOBS	2 500.00	CATERING AND TRANSPORT	SUPPLIER REQUESTED TO PERFORM TRANSPORT AT FUNCTION WHEN ORIGINAL SUPPLIER COULD
JUTA AND COMPANY LTD	3 905.00	ANNUAL SUBSCRIPTION	DIRECTOR/OWNER IN THE SERVICE OF THE STATE.
KPG MEDIA TECHNOLOGIES	164 499.15	REPRODUCTION OF TRANSLATED CWDM DVD S. MANDARIN	MISUNDERSTANDING BETWEEN PROCUREMENT AND SERVICE DEPARTMENT - ORDER ISSUED WITHOUT EVALUATION
NOMBULA EVENTS AND ENTERTAINMENT	40 000.00	SUPPORT FOR SUMMER CONCERTS: NOV 2011-MARCH 2012	DIRECTOR/OWNER IN THE SERVICE OF THE STATE.
S L MGJIMA T/A TUKA TRADING CC	13 450.00	TRANSPORT	YOUTH LEAGUE HAD PERMISSION TO ATTEND MEETING, BUT NO TRANSPORT WAS REQUESTED OR
WINE VALLEY HORSE CC	6 555.00	23 GUESTS FOR 1 HR HORSE/QUAD TRAIL RIDE	QUOTATIONS WERE OBTAINED AND CANCELLED AFTER CONFIRMATION - CANCELLATION NEVER REACHED THE SUPPLIER

## APPENDIX I: FUTURE COMMITMENTS

CONTRACT	SERVICE PROVIDER	VOTE NO.	STRATEGIC OBJECTIVE	CONTRACT VALUE	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	AMOUNT
Agreement between CWDM and The Legal Aid Clinic University of Stellenbosch	Legal Aid Clinic University of Stellenbosch	Various	Rural and Social Development	1 571 000.00	571 272.70	571 272.70	428 454.60	-	-	428 454.60
Agreement between Telkom SA Limited and CWDM	Telkom SA Limited	Various	Corporate Services	R38 033.33 Monthly cost	442 341.09	456 399.61	464 734.60	357 264.73	-	821 999.33
Agreement of Lease between Stellenbosch Municipality and CWDM	Stellenbosch Municipality	Various	Corporate Services	110 770.92	19 958.40	21 954.00	24 149.66	29 447.84	-	53 597.50
Agreement of Lease between Witzenberg Municipality(Tuibagh offices) and CWDM	Witzenberg Municipality	Various	Corporate Services	R1 851.23 Monthly rent	-	22 215.00	24 436.50	-	-	24 436.50
Agreement of Lease between Witzenberg Municipality(Wolsey offices) and CWDM	Witzenberg Municipality	Various	Corporate Services	R1 179.02 Monthly rent	-	14 148.00	15 562.80	-	-	15 562.80
Agreement of Lease between Drakenstein Municipality(Saron offices) and CWDM	Drakenstein Municipality	Various	Corporate Services	R11 856 Bi-annual rent	-	23 712.00	26 083.20	-	-	26 083.20
T2012/485 Lease agreement for office accomodation, Wellington	LSW Etendomme	Various	Corporate Services	740 487.36	-	95 503.50	236 371.30	254 099.46	154 513.10	644 983.86
Outstanding Transfer fees-	Hermon	Various	Projects and Housing	98 000.00	-	-	98 000.00	-	-	98 000.00
Q2013/992- Toilets for disabled Su Toit street, Stellenbosch	Schiba Trading/T/A Meyer Electrical	Various	Engineering and Infrastructure	121 880.25	-	-	121 880.25	-	-	121 880.25
Lease of Property (Satelite Fire Station)	Mallarme Traders (Pty) Ltd	Various	Community and Developmental Services	512 806.00	177 519.40	109 351.97	194 958.84	-	-	194 958.84
Provincial Dora - Impoundment Facility	Neil Iyners and Associates	116155145	Public Transport Regulation	2 500 000.00	-	92 982.46	2 407 017.54	-	-	2 407 017.54
Worcester Transport Precinct	Jakupa Architects & Urban Designers	116155132	Public Transport Regulation	3 981 698.88	-	1 052 333.62	2 929 365.26	-	-	2 929 365.26
Meerlust Housing: Planning	Various Consultants	Various	Projects and Housing	1 050 000.00	-	555 217.44	494 782.56	-	-	494 782.56
Nieuwedrift housing: Planning	Kayad Consulting	Various	Projects and Housing	392 938.30	-	42 938.30	350 000.00	-	-	350 000.00
Q2013/933 Repair work to CWDM Store Drukkerslaan Stellenbosch	YRK Civil Projects	Various	Building: Maintenance	177 381.77	-	-	177 381.77	-	-	177 381.77
Planning: regional Landfill site	Jan Palm Consulting Engineers	Various	Projects and Housing	1 688 301.54	-	888 301.54	800 000.00	-	-	800 000.00
T2013/494- Security and access control services, Worcester for period 01/07/2013 to 30/06/2014	Silver Solutions 2616 CC T/A Star Security Services	Various	Corporate Services	171 594.24	-	-	171 594.00	-	-	171 594.00
T2013/495- Security and access control services, Paarl for period 01/07/2013 to 30/06/2014	Trident Security Services (Pty) Ltd	Various	Corporate Services	222 984.00	-	-	222 984.00	-	-	222 984.00
T2013/496- Security and access control services, Stellenbosch for period 01/07/2013 to 30/06/2014	Franschoek Farmguard Security Services	Various	Corporate Services	754 110.00	-	-	754 110.00	-	-	754 110.00
T 2012/455- Training and mentorship development development	Stellenbosch Entrepreneur and Enterprise Development Trust	Various	Regional Development and Planning	3 820 005.00	-	1 154 080.00	1 269 488.00	1 396 437.00	-	2 665 925.00
T 2012/420- Short-term insurance broker for the period 01/07/2012 to 30/06/2015	AON South Africa (Pty) Ltd	Various	Finance	-	-	831 713.48	914 884.83	1 006 373.31	-	1 921 258.14
T 2011/404- Provision of Banking Services for the period 01/07/2012 to 30/06/2017	ABSA Bank Limited	Various	Finance	-	-	10 512.71	11 563.98	12 720.38	-	24 284.36
T 2012/462- Printing, packaging and distribution of qaterly grapevine newspaper for period 01/09/2012 to 30/06/2014	Tredcor Marketing Consultants CC	110100244	Communications	994 000.00	-	478 000.00	516 000.00	-	-	516 000.00
T 2012/418 - Internet Services for the period 01 July 2012 to 30 June 2014	Adept Internet (Pty) Ltd	112100195	ICT	639 200.00	-	322 326.17	306 873.83	-	-	306 873.83
T 2012/472 - Upgrading of existing divisional and minor roads	Entsha Henra CC	11330 (0213/0151)	Engineering	26 334 000.00	-	3 678 237.69	22 655 762.31	-	-	22 655 762.31
T 2012/457 - Chemical toilets, Sandhills - Provision and Maintenance for a three year period	Waco Africa (Pty) Ltd T/A Sanitech	113305164	Engineering and Infrastructure	-	-	462 873.44	694 310.16	742 911.87	-	1 437 222.03
T2013/490 - Upgrading of pedestrian infrastructure to Drostyd Primary Schools	CA Holdings	116155017	Engineering and Infrastructure	2 303 043.11	-	-	2 303 043.11	-	-	2 303 043.11
T2013/506 Wan Design Proposal	Snowball Effect CC	570023991	ICT	640 299.32	-	-	640 299.32	-	-	640 299.32
T2012/ 483 - Off-site Storage	Metofie (Pty) Ltd	Various	ICT	149 922.60	-	46 618.80	49 930.08	53 373.72	-	103 303.80
T2013/493 - Construction of Clubhouse ant Op Die Berg	Hughie Avontuur Construction	113309195	Engineering and Infrastructure	516 775.90	-	-	516 775.90	-	-	516 775.90
T2013/501 - Construction of tennis courts	Protea Sports Courts Kwazulu Natal CC	113309195	Engineering and Infrastructure	1 056 000.00	-	-	1 056 000.00	-	-	1 056 000.00
T2013/502 - Construction of Ablution Facilities	Khoisan Civil and Building Contractors CC	113305155	Engineering and Infrastructure	338 580.00	-	-	338 580.00	-	-	338 580.00
T2013/513 - Technical Accounting Services	KPMG INC	Various	Financial Management Services	1 262 949.00	-	-	1 262 949.00	-	-	1 262 949.00
<b>TOTAL COMMITMENTS</b>										<b>43 207 860.11</b>

**APPENDIX J : MAYORAL BURSARY FUND 2013**

<b>Nr</b>	<b>Name(s)</b>	<b>Surname</b>	<b>Town</b>	<b>Paid Amount</b>	<b>Relatives at CWDM</b>
1	Sandile Sydney	Booyesen	Paarl	R 17 596.75	Not Related
2	Werner Cedrick	Williams	Worcester	R 33 523.85	Not Related
3	Danzal Clinton	King	Paarl	R 40 000.00	Not Related
4	Ashmitha	Laljith	Worcester	R 40 000.00	Not Related
5	Firdoush	Parker	Paarl	R 40 000.00	Not Related
6	Chriswell	Valentine	Ashton	R 40 000.00	Not Related
7	Constance Rosetta	Simon	Worcester	R 9 440.25	Not Related
8	Odwa	Mjezu	Paarl	R 31 325.75	Not Related
9	Tshidi Dingo	Nel	Ashton	R 25 300.95	Not Related
10	Earl Chad	Nel	Ceres	R 26 557.90	Not Related
11	Regina Catherina	Pieterse	Montagu	R 35 000.00	Not Related
12	Phumalani	Sotashe	Stellenbosch	R 13 335.25	Not Related
13	Andries Gerhadus Du Toit	Valentine	Ceres	R 31 681.25	Not Related
14	Andre Jerome	Vlotman	Robertson	R 16 500.00	Not Related
15	Winlynn Latoya	Williams	Paarl	R 13 500.00	Not Related
16	Jean-Claude Desmond	Cupido	Worcester	R 16 000.00	Not Related
17	Christopher	Gertse	Wellington	R 25 640.00	Not Related
18	Aphiwe	Gxilise	Stellenbosch	R 16 830.23	Not Related
19	Stefan Morne	Jacobs	Wellington	R 27 500.00	Not Related
20	Mujaahid	Khan	Worcester	R 20 000.00	Not Related
21	Ashwill Ian	Klein	Worcester	R 20 565.95	Not Related
22	Leah Thembisani	Dywili	Paarl	R 7 000.00	Not Related
23	Bianca	Jeftha	Worcester	R 11 500.00	Not Related
24	Eric Luthando	Mbambalala	Stellenbosch	R 4 000.00	Not Related
25	Theodore Johan	Phillips	Worcester	R 15 500.00	Not Related
26	Raywin Mark	Eksteen	Robertson	R 32 000.00	Not Related
27	Sibusiso	Gwele	Stellenbosch	R 7 391.35	Not Related
28	Anelisa	Vazana	Paarl	R 9 390.00	Not Related
29	Zimkhitha	Stuurman	Paarl	R 16 340.00	Not Related
30	Monray Lorenzo	Lourens	Robertson	R 21 040.00	Not Related
31	Giselle Tami 71%	Sauls	Stellenbosch	R 27 700.00	Not Related
32	Kelly Ann	Daniels	Robertson	R 40 000.00	Not Related
33	Ashwill	Pedro*	Wolseley	R 40 000.00	Not Related
34	Devonique Hildagard	Olivier	Robertson	R 28 395.40	Not Related

**APPENDIX J : MAYORAL BURSARY FUND 2013**

<b>Nr</b>	<b>Name(s)</b>	<b>Surname</b>	<b>Town</b>	<b>Paid Amount</b>	<b>Relatives at CWDM</b>
35	Gracia	Nicholls	Worcester	R 25 864.00	Not Related
36	Vernusca Jade	Blankenberg	Franschhoek	R 12 000.00	Not Related
37	Angelique Christelle	Africa	Ceres	R 18 410.00	Not Related
38	Mannel	Bouwer	Strand	R 37 284.40	Related
39	Charney	Anthony	Stellenbosch	R 36 000.00	Related
40	Lourens	Van Schalkwyk	Ceres	R 4 000.00	Related
41	Corvin Hendry	Nicholls	Stellenbosch	R 40 000.00	Related
42	Judy	Philander	Gugulethu	R 34 000.00	Related
43	Diane Lauren	Eland	Worcester	R 14 100.00	Related
44	Bongumsa	Jiya	Ceres	R 10 376.00	Not Related
45	Luyanda	Ndiki	Ceres	R 10 376.00	Not Related
46	Sydwin Steve	Wellman	Wellington	R 31 445.00	Not Related
47	Kirsty Elizabeth	Pedersen	Paarl	R 17 000.00	Not Related
				<b>R 1 091 410.28</b>	



## APPENDIX K

### Prior Year Error - Statement of Financial Performance

Revenue	Note	Restated 2012	2012	Difference		Comment
Service charges	18	570 302	570 302	-		
Rental of facilities and equipment		55 914	55 914	-		
Interest received (trading)			24	24	-24	Restated to Finance Income
Income from agency services		6 910 073	6 910 073	-		
Government grants and subsidies	19	242 179 766	284 366 851	42 187 085	-42 135 176	Restated - Roads Agency transfer payment to nett off against expenditure. Only the salaries portion of the transfer payment are included in view thereof that Agency services are performed by CWDM staff.
					-51 909	Restated - to public contributions and donations
Other income	21	1 951 913	13 583 002	11 631 089	-11 047 550	Restated - Actuarial Gain to nett off again employee related costs
					-700 666	Restated - Adjustment of provision on debt impairment to Debt impairment
					117 127	Restated - income when raising receivables from non-exchange transactions
Finance Income	25	24 401 142	24 401 118	-24	24	Restated from interest received (trading)
Public Contributions	20	51 909	-	-51 909	51 909	Restated - from government grants and subsidies
		<b>276 121 019</b>	<b>329 887 284</b>	<b>53 766 265</b>	<b>-53 766 265</b>	

Expenses		Restated 2012	2012	Difference		Comment
Employee related Cost	23	137 793 605	139 938 116	2 144 511	-11 047 550	Restated - Actuarial Gain disclosed as part of Employee related costs from Other Income
					690 181	Restated - Actuarial loss disclosed as part of Employee related costs from Actuarial loss
					10 445 900	Restated - interest paid on employee benefits from finance cost

Expenses		Restated 2012	2012	Difference		Comment
					-2 233 042	Restated - DWAF employee related cost to net off against transfer payment
Remuneration to Councilors	24	9 335 836	9 335 836	-		
Depreciation and amortisation	26	6 329 112	8 318 323	1 989 211	-1 989 211	Restated - upgrade of asset register
Finance Cost	27	497 989	10 946 945	10 448 956	-10 445 900	Restated - interest paid on employee benefits included in employee costs
					-3 056	Restated - Finance cost cellphone leases for Roads to net off against transfer payment
Debt impairment	7 & 8	-700 666	-	700 666	-700 666	Restated - from Other income, adjustment on provision
Collection cost			-	-		
Repairs and Maintenance		3 904 737	27 065 656	-23 160 919	23 160 919	Restated - Roads Agency expenditure net off against transfer payment.
General expenses	22	110 326 464	124 776 257	-14 449 793	14 449 793	
Loss on disposal of assets		-	858 815	-858 815	858 815	Restated - upgrade of asset register
Actuarial loss		-	690 181	690 181	-690 181	Restated - Actuarial loss disclosed as part of Employee related costs
		<b>267 487 077</b>	<b>321 930 129</b>	<b>-22 496 002</b>	<b>22 496 002</b>	