

# **EDEN DISTRICT MUNICIPALITY**



[These financial statements have not been audited]

## **FINANCIAL STATEMENTS**

**30 JUNE 2014**

# EDEN DISTRICT MUNICIPALITY

## Index

<i>Contents</i>	<i>Page</i>
General Information	1
Approval of the Financial Statements	4
Report of the Auditor General	
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes In Net Assets	7
Cash Flow Statement	8
Comparison with Budget - Statement of Financial Position	9
Comparison with Budget - Statement of Financial Performance	11
Comparison with Budget - Cash Flow Statement	13
Accounting Policies	15 - 47
Notes to the Financial Statements	48 - 81
<b>ANNEXURES - Unaudited</b>	
A Schedule of External Loans	82
B Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	83
C National Treasury Appropriation Statements	
- Revenue and Expenditure (Standard Classification)	84
- Revenue and Expenditure (Municipal Vote Classification)	85
- Revenue and Expenditure (Revenue by Source and Expenditure by Type)	86
- Capital Expenditure by Vote, Standard Classification and Funding	87
- Cash Flows	88

# **EDEN DISTRICT MUNICIPALITY**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014**

### **GENERAL INFORMATION**

#### **NATURE OF BUSINESS**

Eden District Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

#### **COUNTRY OF ORIGIN AND LEGAL FORM**

South African Category C Municipality (District Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

#### **JURISDICTION**

The Eden District Municipality includes the following municipalities:

*Bitou Municipality  
George Municipality  
Hessequa Municipality  
Kannaland Municipality  
Knysna Municipality  
Mossel Bay Municipality  
Oudtshoorn Municipality*

#### **ACCOUNTING OFFICER**

*Mr. G.W. Louw*

#### **CHIEF FINANCIAL OFFICER**

*Miss. L. Hoek*

#### **REGISTERED OFFICE**

*54 York Street, George, 6530*

#### **AUDITORS**

*Office of the Auditor General (WC)*

#### **PRINCIPAL BANKERS**

*Standard Bank, George*

## **RELEVANT LEGISLATION**

Municipal Finance Management Act (Act no 56 of 2003)  
Division of Revenue Act  
The Income Tax Act  
Value Added Tax Act  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Planning and Performance Management Regulations  
Water Services Act (Act no 108 of 1997)  
Housing Act (Act no 107 of 1997)  
Municipal Property Rates Act (Act no 6 of 2004)  
Electricity Act (Act no 41 of 1987)  
Skills Development Levies Act (Act no 9 of 1999)  
Employment Equity Act (Act no 55 of 1998)  
Unemployment Insurance Act (Act no 30 of 1966)  
Basic Conditions of Employment Act (Act no 75 of 1997)  
Supply Chain Management Regulations, 2005  
Collective Agreements  
Infrastructure Grants  
SALGBC Leave Regulations

# EDEN DISTRICT MUNICIPALITY

## MEMBERS OF THE EDEN DISTRICT MUNICIPALITY

### COUNCILLORS

Proportional		<i>Ms. NA Bityi</i>
Proportional		<i>Mr. CN Ngalo</i>
Proportional		<i>Mr. V Waxa</i>
Proportional		<i>Ms. NM Tanda</i>
Proportional		<i>Ms. D Xego</i>
Proportional		<i>Ms. M Fielies</i>
Proportional		<i>Mr. HJ McCombi</i>
Proportional		<i>Mr. JJA Koeglenberg</i>
Proportional		<i>Mr. HJ Floors</i>
Proportional		<i>Mr. T Simmers</i>
Proportional		<i>Ms. SF May</i>
Proportional		<i>Ms. NP Mkalipi (Ngemntu)</i>
Proportional		<i>Ms. CM Skietekat</i>
Proportional		<i>Mr. JG Janse van Rensburg</i>
Proportional		<i>Mr. D Kamfer</i>
Representative:	George Municipality	<i>J du Toit</i>
Representative:	George Municipality	<i>T Teyisi</i>
Representative:	George Municipality	<i>PJ van der Hoven</i>
Representative:	George Municipality	<i>LBC Esau</i>
Representative:	George Municipality	<i>GC Niehaus</i>
Representative:	George Municipality	<i>LN Qupe</i>
Representative:	Mossel Bay Municipality	<i>JJ Gerber</i>
Representative:	Mossel Bay Municipality	<i>NC Booisen</i>
Representative:	Mossel Bay Municipality	<i>D van Rensburg</i>
Representative:	Mossel Bay Municipality	<i>SS Mbandezi</i>
Representative:	Oudtshoorn Municipality	<i>Vacant (Previously occupied by J Harmse)</i>
Representative:	Oudtshoorn Municipality	<i>J Maxim</i>
Representative:	Oudtshoorn Municipality	<i>VI van der Westhuizen</i>
Representative:	Knysna Municipality	<i>S F de Vries</i>
Representative:	Knysna Municipality	<i>D Nayler</i>
Representative:	Hessequa Municipality	<i>R Johannes</i>
Representative:	Hessequa Municipality	<i>D Abrahams</i>
Representative:	Bitou Municipality	<i>MM Mbali</i>
Representative:	Bitou Municipality	<i>N Ndayi</i>
Representative:	Kannaland Municipality	<i>WP Meshoa</i>

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2014, which are set out on pages 1 to 78 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2014 and is satisfied that the Municipality can continue in operational existence for the foreseeable future. In view of the insufficient equitable share allocation, which will not sustain the operations of the municipality in the future, a Turn Around Strategy was adopted by Council on 30 May 2013, and will be implemented during 2013/2014 financial year. A long term financial plan has been compiled by INCA and the recommendations will be implemented in 2014/2015 where applicable.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

---

*Mr. G.W. Louw*  
**Accounting Officer**

---

**Date**

**EDEN DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014**

<b>NET ASSETS AND LIABILITIES</b>		<b>2014 R (Actual)</b>	<b>2013 R (Restated)</b>
	Note		
<b>Net assets</b>		453 292 836	460 642 413
Housing Development Fund	2	-	-
Capital replacement reserve		18 068 623	7 390 546
Accumulated Surplus/(Deficit)		435 224 213	453 251 867
<b>Non-current liabilities</b>		114 973 730	106 123 883
Long Term liabilities	3	704 932	2 569 434
Employee Benefits	4	111 132 402	100 567 435
Provisions	5	3 136 396	2 987 014
<b>Current liabilities</b>		52 701 097	66 688 645
Employee Benefits	6	17 876 656	17 158 630
Provisions	7	2 623 859	2 498 888
Payables - Exchange Transactions	8	21 818 059	37 763 673
Unspent conditional grants and receipts	9	8 459 929	7 592 012
Operating Lease Liability	19	18 142	-
Long Term liabilities	3	1 904 452	1 675 442
<b>Total Net Assets and Liabilities</b>		<b>620 967 662</b>	<b>633 454 942</b>
<b>ASSETS</b>		468 361 904	503 760 711
<b>Non-current assets</b>		515 890 136	546 060 187
Property, plant & equipment	11	294 896 003	326 978 546
Investment Property	12	170 665 034	173 356 461
Intangible Assets	13	2 800 867	3 425 705
Investments	14	40 774	40 774
Long Term receivables	15	47 487 458	42 258 702
<b>Current assets</b>		105 077 525	87 394 753
Inventory	16	4 645 034	3 778 281
Trade receivables - Exchange transactions	17	14 440 466	3 369 981
Other receivables - Non exchange transactions	18	2 005 720	2 924 232
Operating Lease Asset	19	29 270	-
VAT Receivable	10	1 483 452	1 453 089
Unpaid conditional grants and receipts	9	332 139	350 417
Long Term receivables	15	2 404 270	2 534 279
Cash and Cash Equivalents	20	79 737 174	72 984 474
<b>Total Assets</b>		<b>620 967 662</b>	<b>633 454 942</b>

**EDEN DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014**

Note	2014 (Actual) R	2013 (Restated) R	Correction of error R	2013 (Previously reported) R
<b>REVENUE</b>	<b>Total</b>			<b>Total</b>
<b>Revenue from Non-Exchange Transactions</b>	145 735 859	136 391 813	(1 707 036)	138 098 849
<b>Transfer Revenue</b>	145 732 716	136 385 919	(1 707 036)	138 092 955
Regional Services Levies Equitable Share	21 129 669 000	125 699 000	-	125 699 000
Government grants and subsidies	21 16 063 716	10 686 919	(1 707 036)	12 393 955
<b>Other Revenue</b>	3 143	5 894	-	5 894
Unamortised Discount	3 143	5 894	-	5 894
<b>Revenue from Exchange Transactions</b>	160 827 259	143 769 644	(1 355 920)	145 125 564
Actuarial Gain from Ex-Gratia Pensions	4 373 177	159 276	-	159 276
Administration Fee: Work for Water	679 444	2 019 266	2 019 266	-
Contributed PPE	-	294 102	-	294 102
Contribution Shop Steward	1 001 046	814 874	-	814 874
Department of Transport - Roads Service Charges	22 137 712 906	121 649 330	11 507 985	110 141 345
Gains on disposal of property, plant and equipment	-	133 542	-	133 542
Income for agency services	-	-	(14 148 470)	14 148 470
Interest earned - external investments	20 4 683 695	3 432 586	-	3 432 586
Interest earned - outstanding debtors	-	-	-	-
Licenses and permits	189 121	208 295	-	208 295
Other income	23 13 031 363	14 068 365	50 053	14 018 312
Over provision - Shortfall on Cape Pension Fund	2 303 549	-	-	-
Rental of facilities and equipment	852 958	990 008	(784 754)	1 774 762
<b>Total Revenue</b>	<b>306 563 118</b>	<b>280 161 457</b>	<b>(3 062 956)</b>	<b>283 224 413</b>
<b>EXPENDITURE</b>				
Employee related costs	24 92 562 110	94 073 045	(42 067)	94 115 112
Employee related costs - Roads	25 55 224 672	51 068 849	-	51 068 849
Remuneration of Councillors	26 7 027 896	6 747 342	-	6 747 342
Impairment of Trade Receivables	2 442 803	1 734 251	(308 630)	2 042 881
Actuarial Loss	1 900 945	8 111 513	-	8 111 513
Impairment Losses	23 644	120 395	-	120 395
Increase in Provision for Alien Vegetation	274 353	236 458	-	236 458
Depreciation	27 4 101 546	4 596 556	23 953	4 572 603
Amortisation	729 080	669 965	201 734	468 231
Repairs and maintenance	28 3 578 946	2 956 793	-	2 956 793
Finance Charges	29 704 457	1 194 492	451 715	742 776
Contracted services	30 13 807 925	12 375 067	(1 399 061)	13 774 128
Roads - Operating Expenditure	31 69 853 878	59 072 495	-	59 072 495
Stock Losses	16 5 231	5 687	-	5 687
Unamortised Discount - Interest	78 066	98 040	-	98 040
Loss on disposal of property, plant and equipment	11 31 769 219	727 891	336 827	391 063
General Expenses	32 29 827 924	23 586 084	-	23 586 088
<b>Total Expenditure</b>	<b>313 912 695</b>	<b>267 374 924</b>	<b>(735 529)</b>	<b>268 110 455</b>
<b>SUPPLUS / (DEFICIT) FOR THE YEAR</b>	<b>(7 349 578)</b>	<b>12 786 532</b>	<b>(2 327 427)</b>	<b>15 113 958</b>

Refer to the Statements of Comparison of budget and actual amounts for explanation of variances



EDEN DISTRICT MUNICIPALITY  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2014

	<u>Capital Replacement Reserve</u>	<u>Housing Development Fund</u>	<u>Accumulated Surplus/(Deficit)</u>	<u>Total</u>
	R	R	R	R
<b>2013</b>				
Balance at 1 July 2012	7 390 546	56 426	433 553 305	441 000 277
Correction of error (Note 34)		(56 426)	6 912 031	6 855 605
Changes in accounting policy	-	-	-	-
<b>Restated Balance</b>	<b>7 390 546</b>	<b>-</b>	<b>440 465 336</b>	<b>447 855 882</b>
Surplus/(deficit) for the year			12 786 532	12 786 532
<b>Balance at 30 June 2013</b>	<b>7 390 546</b>	<b>-</b>	<b>453 251 868</b>	<b>460 642 414</b>
<b>2014</b>				
Correction of error (Note 34)	-	-	-	-
<b>Restated Balance</b>	<b>7 390 546</b>	<b>-</b>	<b>453 251 868</b>	<b>460 642 414</b>
Surplus/(deficit) for the year			(7 349 578)	-7 349 578
Transfers from Accumulated Surplus	10 678 077		(10 678 077)	-
<b>Balance at 30 June 2014</b>	<b>18 068 623</b>	<b>-</b>	<b>435 224 213</b>	<b>453 292 836</b>

**EDEN DISTRICT MUNICIPALITY  
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 R	2013 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Other receipts		145 087 007	149 958 567
Government - operating		145 540 602	136 375 400
Government - capital		192 114	10 518
Interest		4 683 695	3 432 586
<b>Payments</b>			
Suppliers and employees		(280 012 408)	(258 766 561)
Finance charges		(704 457)	(1 194 492)
Cash generated/(absorbed) by operations	34	14 786 552	29 816 016
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>14 786 552</b>	<b>29 816 016</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	11	(999 412)	(581 656)
Proceeds on disposal of property, plant and equipment		(7)	162 519
Increase in intangible assets	13	(225 269)	(2 886 013)
Decrease / (Increase) in non-current receivables		(5 095 604)	2 604 222
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(6 320 294)</b>	<b>(700 928)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) in Long term liabilities		(1 713 558)	1 096 768
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(1 713 558)</b>	<b>1 096 768</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>6 752 700</b>	<b>30 211 856</b>
Cash and cash equivalents at the beginning of the year		72 984 474	42 772 618
Cash and cash equivalent at the end of the year	35	79 737 174	72 984 474

**EDEN DISTRICT MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2014 R	2014 R	2014 R	
	(Actual)	(Final Budget)	(Variance)	Explanations for material variances
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	79 736 070	88 782 000	(9 045 930)	Due to the advances of the Roads agency function being withheld from April - June until the SLA was signed, the cash decreased.
Call investment deposits	1 104	-	1 104	
Consumer debtors	-	6 785 000	(6 785 000)	Classification error, should be included under other receivables
Other Receivables	18 291 047	4 403 000	13 888 047	Due to the money borrowed to Roads when the advance payments were withheld by Department of Public Transport. Thus a debtor of R11m was created.)
Current portion of long-term receivables	2 404 270	2 534 000	(129 730)	
Inventory	4 645 034	3 778 000	867 034	Additional inventory in store due to the additional flood projects that the roads agency section is performing in Central Karoo.
<b>Total current assets</b>	<b>105 077 525</b>	<b>106 282 000</b>	<b>-1 204 475</b>	
<b>Non current assets</b>				
Long-term receivables	47 487 458	39 724 000	7 763 458	Due to increase in long term debtor for the Roads agency function for the post retirement benefits.
Investments	40 774	-	40 774	
Investment property	170 665 034	347 611 000	(176 945 966)	Reclassification of land & building and Investment property as per GRAP standards
Property, plant and equipment	294 896 003	147 505 000	147 391 003	Reclassification of land & building and Investment property as per GRAP standards
Intangible Assets	2 800 867	3 541 000	(740 133)	Annual amortisation and impairments of obsolete assets e.g. Excel 2003
Heritage Assets	-	41 000	(41 000)	
<b>Total non current assets</b>	<b>515 890 136</b>	<b>538 422 000</b>	<b>(22 531 864)</b>	
<b>TOTAL ASSETS</b>	<b>620 967 661</b>	<b>644 704 000</b>	<b>(23 736 339)</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowing	1 904 452	650 000	1 254 452	Lease liability of the ESRI GIS system, identified in the AFS, refer to non current liabilities, the movement when calculating the difference is minor.
Trade and other payables	30 296 130	53 249 000	(22 952 870)	Shortfall on Pension Fund has been paid in full & SARS VAT on admin fee has been paid in full during 2013/2014, thus reducing trade payables.
Provisions and Employee Benefits	20 500 515	20 837 000	(336 485)	
<b>Total current liabilities</b>	<b>52 701 097</b>	<b>74 736 000</b>	<b>(22 034 903)</b>	
<b>Non current liabilities</b>				
Borrowing	704 932	2 856 000	(2 151 068)	Repayment of long term loans, Lease liability of the ESRI GIS system, identified in the AFS, refer current liabilities, the movement when calculating the difference is minor.
Provisions and Employee Benefits	114 268 798	109 768 000	4 500 798	Post retirement benefits calculated by the actuary, these valuations are based on the discount rate, age, other factors
<b>Total non current liabilities</b>	<b>114 973 730</b>	<b>112 624 000</b>	<b>2 349 730</b>	
<b>TOTAL LIABILITIES</b>	<b>167 674 827</b>	<b>187 360 000</b>	<b>(19 685 173)</b>	
<b>NET ASSETS</b>	<b>453 292 834</b>	<b>457 344 000</b>	<b>(4 051 166)</b>	
<b>COMMUNITY WEALTH</b>				
Accumulated Surplus/(Deficit)	435 224 213	455 697 000	(20 472 787)	Restatements and current year surplus/deficit
Reserves	18 068 623	1 947 000	16 121 623	It was estimated that the CRR will reduce, but the CRR remained unchanged from the previous year.
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>453 292 836</b>	<b>457 644 000</b>	<b>(4 351 164)</b>	

**EDEN DISTRICT MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014**

**ADJUSTMENTS TO APPROVED BUDGET**

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Explanations for material adjustments
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	25 788 000	62 994 000	88 782 000	Due to the advances of the Roads agency function being withheld from April - June until the SLA was signed, the cash decreased.
Call investment deposits	30 000 000	(30 000 000)	-	Classification error, should be included under other receivables
Consumer debtors	(19 190 000)	25 975 000	6 785 000	Due to the money borrowed to Roads when the advance payments were withheld by Department of Public Transport. Thus a debtor of R11m was created.)
Other Receivables	11 734 000	(7 331 000)	4 403 000	
Current portion of long-term receivables	2 298 000	236 000	2 534 000	Additional inventory in store due to the additional flood projects that the roads agency section is performing in Central Karoo.
Inventory	3 236 000	542 000	3 778 000	
<b>Total current assets</b>	<b>53 866 000</b>	<b>52 416 000</b>	<b>106 282 000</b>	
<b>Non current assets</b>				
Long-term receivables	33 355 000	6 369 000	39 724 000	
Investments	-	-	-	
Investment property	336 326 000	11 285 000	347 611 000	
Property, plant and equipment	168 332 000	(20 827 000)	147 505 000	
Intangible Assets	3 190 000	351 000	3 541 000	
Other Non-Current Assets	88 080 000	(88 039 000)	41 000	
<b>Total non current assets</b>	<b>629 263 000</b>	<b>(90 861 000)</b>	<b>538 422 000</b>	
<b>TOTAL ASSETS</b>	<b>683 149 000</b>	<b>(38 445 000)</b>	<b>644 704 000</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft	-	-	-	Lease liability of the ESRI GIS system, identified in the AFS, refer to non current liabilities, the movement when calculating the difference is minor.
Borrowing	510 000	140 000	650 000	Shortfall on Pension Fund has been paid in full & SARS VAT on admin fee has been paid in full during 2013/2014, thus reducing trade payables.
Trade and other payables	28 478 000	24 771 000	53 249 000	
Provisions and Employee Benefits	16 255 000	4 582 000	20 837 000	
<b>Total current liabilities</b>	<b>45 243 000</b>	<b>29 493 000</b>	<b>74 736 000</b>	
<b>Non current liabilities</b>				
Borrowing	1 942 000	914 000	2 856 000	Repayment of long term loans, Lease liability of the ESRI GIS system, identified in the AFS, refer current liabilities, the movement when calculating the difference is minor.
Provisions and Employee Benefits	87 182 000	22 586 000	109 768 000	Post retirement benefits calculated by the actuary, these valuations are based on the discount rate, age, other factors
<b>Total non current liabilities</b>	<b>89 124 000</b>	<b>23 500 000</b>	<b>112 624 000</b>	
<b>TOTAL LIABILITIES</b>	<b>134 367 000</b>	<b>52 993 000</b>	<b>187 360 000</b>	
<b>NET ASSETS</b>	<b>548 782 000</b>	<b>(91 438 000)</b>	<b>457 344 000</b>	
<b>COMMUNITY WEALTH</b>				
Accumulated Surplus/(Deficit)	534 119 000	(78 422 000)	455 697 000	Restatements and current year surplus/deficit
Reserves	14 663 000	(12 716 000)	1 947 000	It was estimated that the CRR will reduce, but the CRR remained unchanged from the previous year.
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>548 782 000</b>	<b>(91 138 000)</b>	<b>457 644 000</b>	

**EDEN DISTRICT MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2014 R (Actual Amounts)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
<b>REVENUE BY SOURCE</b>				
Rental of facilities and equipment	852 958	1 248 000	(395 042)	
Interest earned - external investments	4 683 695	2 601 000	2 082 695	Council had surplus funds during the year to invest as the majority of the spending was incurred during the last quarter of the financial year.
Interest earned - outstanding debtors	-	-	-	
Licences and permits	189 121	-	189 121	
Agency services	-	11 280 000	(11 280 000)	Income from agency services are included under other income with the compilation of the AFS
Government Grants and Subsidies - Equitable Share	129 669 000	129 669 000	-	
Government Grants and Subsidies - Operating	16 063 716	11 428 000	4 635 716	
Other revenue	155 104 628	118 468 000	36 636 628	Income from agency services are included under other income with the compilation of the AFS
<b>Total Operating Revenue</b>	<b>306 563 118</b>	<b>274 694 000</b>	<b>31 869 118</b>	
<b>EXPENDITURE BY TYPE</b>				
Employee related costs	92 562 110	92 827 490	(265 380)	
Employee related costs - Department of Transport	55 224 672	53 228 510	1 996 163	Inclusion of GRAP related items with consolidation
Remuneration of councillors	7 027 896	6 969 000	58 896	
Debt impairment	2 442 803	650 000	1 792 803	In process with debt collection, this was taken into account with the calculation of the provision
Depreciation & asset impairment	4 854 270	8 135 000	(3 280 730)	Due to review of useful lives and the changes thereof, depreciation was lower than expected
Finance charges	704 457	485 000	219 457	
Other materials	3 578 946	-	3 578 946	
Contracted services	13 807 925	10 930 000	2 877 925	General savings on contracted services and contract workers
Grants and subsidies paid	#REF!	4 144 000	#REF!	
Other expenditure	101 940 397	96 092 000	5 848 397	At the time of the compilation of the budget, the information was not available to budget for Loss, various properties were transferred to B-municipalities as per council resolutions.
Loss on disposal of PPE	31 769 219	-	31 769 219	
<b>Total Operating Expenditure</b>	<b>#REF!</b>	<b>273 461 000</b>	<b>#REF!</b>	
<b>Operating Surplus/(Deficit) for the year</b>	<b>#REF!</b>	<b>1 233 000</b>	<b>#REF!</b>	
Government Grants and Subsidies - Capital	-	-	-	
<b>Net Surplus/(Deficit) for the year</b>	<b>#REF!</b>	<b>1 233 000</b>	<b>#REF!</b>	

**EDEN DISTRICT MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014**

**ADJUSTMENTS TO APPROVED BUDGET**

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments
<b>REVENUE BY SOURCE</b>				
Rental of facilities and equipment	1 889 000	(641 000)	1 248 000	Revenue decreased, as the clinics were identified that was incorrectly raised. This charges have been reversed, thus decreasing rental income.
Interest earned - external investments	2 051 000	550 000	2 601 000	Surplus funds available to invest as the majority of the spending on expenditure was incurred during the last quarter of the financial year.
Interest earned - outstanding debtors	-	-	-	
Agency services	13 780 000	(2 500 000)	11 280 000	The allocation by Department of Transport was less than anticipated. This is the administration fee to perform the roads agency funtion on behalf of Department of Transport.
Government Grants and Subsidies - Equitable Share	129 669 000	-	129 669 000	
Government Grants and Subsidies - Operating	3 744 000	7 684 000	11 428 000	Additional grant funding allocated to Eden DM (disaster flood relief grant)
Other revenue	17 270 000	101 198 000	118 468 000	Included in other revenue is the income from the roads agency function. This was an audit finding last year and was rectified with the adjustment budget.
Gains on disposal of PPE	8 000 000	(8 000 000)	-	This was adjusted as no PPE was sold for the year.
<b>Total Operating Revenue</b>	<b>176 403 000</b>	<b>98 291 000</b>	<b>274 694 000</b>	
<b>EXPENDITURE BY TYPE</b>				
Employee related costs	91 952 000	875 490	92 827 490	Included in this amount is the employee related cost of the Roads agency function, refer to above regarding accounting treatment of roads.
Employee related costs - Department of Transport	-	53 228 510	53 228 510	
Remuneration of councillors	6 954 000	15 000	6 969 000	Immaterial
Debt impairment	650 000	-	650 000	No movement
Depreciation & asset impairment	8 135 000	-	8 135 000	No movement
Finance charges	585 000	(100 000)	485 000	Finance charges were recalculated and adjustment budget adjusted as per new calculations
Contracted services	11 330 000	(400 000)	10 930 000	Immaterial
Grants and subsidies paid	3 744 000	400 000	4 144 000	Additional grant funding received
Other expenditure	51 697 000	44 395 000	96 092 000	Expenditure of Roads included under other expenditure which was excluded from the original budget
Loss on disposal of PPE	-	-	-	
<b>Total Operating Expenditure</b>	<b>175 047 000</b>	<b>98 414 000</b>	<b>273 461 000</b>	
<b>Operating Deficit for the year</b>	<b>1 356 000</b>	<b>(123 000)</b>	<b>1 233 000</b>	
Government Grants and Subsidies - Capital	-	-	-	
<b>Net Surplus for the year</b>	<b>1 356 000</b>	<b>(123 000)</b>	<b>1 233 000</b>	

**EDEN DISTRICT MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				<b>Explanations for material variances</b>
<b>Receipts</b>				
Other receipts	145 087 007	129 870 000	15 217 007	Increase in allocations from Department of transport included in the consolidation
Government - operating	145 540 602	141 097 000	4 443 602	
Government - capital	192 114	-	192 114	
Interest	4 683 695	2 601 000	2 082 695	Surplus funds available for investing, majority of expenditure incurred in last quarter
<b>Payments</b>				
Suppliers and Employees	(280 012 408)	(248 119 000)	(31 893 408)	General increases in expenditure e.g. CPIX, Additional funding received from Department of Transport for projects
Finance charges	(704 457)	(485 000)	(219 457)	
Transfers and Grants	-	(4 144 000)	4 144 000	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>14 786 553</b>	<b>20 820 000</b>	<b>(6 033 447)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Decrease/(increase) in non-current receivables	(5 095 604)	-	(5 095 604)	Increase in debtor for Department of Transport for the post retirement benefits
Decrease/(increase) in non-current investments	-	2 534 000	(2 534 000)	
<b>Payments</b>				
Capital assets	(1 224 682)	(6 935 000)	5 710 318	The R5.8m for the purchase of the land for the Regional Landfill Site will only be incurred in 2014/2015, in contract phase
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(6 320 293)</b>	<b>(4 401 000)</b>	<b>(1 919 293)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Borrowing	-	-	-	
<b>Payments</b>				
Repayment of borrowing	(1 713 558)	(622 000)	(1 091 558)	ESRI recognized as finance lease at yearend, not included in budget
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(1 713 558)</b>	<b>(622 000)</b>	<b>(1 091 558)</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>6 752 700</b>	<b>15 797 000</b>	<b>(9 044 300)</b>	
Cash and Cash Equivalents at the beginning of the year	72 984 474	72 985 000	(526)	
Cash and Cash Equivalents at the end of the year	79 737 174	88 782 000	(9 044 826)	

**EDEN DISTRICT MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

**ADJUSTMENTS TO APPROVED BUDGET**

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	33 249 000	96 621 000	129 870 000	Department of Transport transaction included in adjustment budget to be aligned with the consolidated AFS.
Government - operating	133 413 000	7 684 000	141 097 000	R6,584 Disaster Management Grant received additionally
Government - capital		-	-	
Interest	2 051 000	550 000	2 601 000	Surplus funds was available for investing, thus the increase in interest
Dividends		-	-	
<b>Payments</b>				
Suppliers and Employees	(146 091 000)	(102 028 000)	(248 119 000)	Department of Transport transaction included in adjustment budget to be aligned with the consolidated AFS.
Finance charges	(985 000)	500 000	(485 000)	
Transfers and Grants	(3 744 000)	(400 000)	(4 144 000)	Additional grant funding from Provincial Treasury for internal audit and SCM
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>17 893 000</b>	<b>2 927 000</b>	<b>20 820 000</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of Assets	8 000 000	(8 000 000)	-	No assets were disposed
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	2 534 000	2 534 000	
<b>Payments</b>				
Capital assets	-	(6 935 000)	(6 935 000)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>8 000 000</b>	<b>(12 401 000)</b>	<b>(4 401 000)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Borrowing	-	-	-	
<b>Payments</b>				
Repayment of borrowing	-	(622 000)	(622 000)	Adjustment for leases
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(622 000)</b>	<b>(622 000)</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>25 893 000</b>	<b>62 889 000</b>	<b>15 797 000</b>	
Cash and Cash Equivalents at the beginning of the year	-	-	72 985 000	
Cash and Cash Equivalents at the end of the year	25 893 000	62 889 000	88 782 000	Cash increased, the R5.8m was not paid for the purchase of the regional landfill site, etc.



**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**2 HOUSING DEVELOPMENT FUND**

Housing Development Fund

Balance previously reported  
Correction of error - Note 33.7

2014 R	2013 R
-	-
-	56 426
-	(56 426)
-	-

**Total Housing Development Fund Assets and Liabilities**

**3 LONG TERM LIABILITIES**

Capitalised Lease Liability - At amortised cost

Balance previously reported  
Correction of error - Note 33.7

DBSA Loans - At amortised cost

Sub-total

Less: Unamortised Charges to Loans

Balance 1 July  
Adjustment for the Year

Sub-total

Less: Current portion transferred to current liabilities

Current Portion of long term liabilities - At amortised cost  
Current Portion of Unamortised Charges to Loans

1 028 055	1 878 886
-	1 761 850
-	117 036
1 642 353	2 505 080
2 670 408	4 383 966
61 024	139 090
139 090	237 130
(78 066)	(98 040)
2 609 384	4 244 876
1 904 452	1 675 442
1 956 067	1 753 508
(51 615)	(78 066)
704 932	2 569 434

**Total Long-term Liabilities - At amortised cost using the effective interest rate method**

Annuity loans at amortised cost is calculated at 9.29%-17.82% interest rate, with first maturity date of 31 December 2009 and last maturity date of 31 March 2016. Interest rates are at arms length and the amounts reflected above represents the fair value of the financial liabilities. The schedule of contractual maturity analysis for Annuity Loans:

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

The obligations under long term loans are scheduled below:

Amounts payable under long-term loans

Payable within one year  
Payable within two to five years  
Payable after five years

Less: Future finance obligations

**Present value of loan obligations**

Less: Amounts due for settlement within 12 months

**Amount due for settlement after 12 months**

Minimum Loan Payments	
2014	2013
2 184 939	2 083 189
716 995	2 901 934
-	-
2 901 934	4 985 122
(231 526)	(601 154)
2 670 408	4 383 968
(1 996 017)	(1 753 508)
674 391	2 630 460

**4 EMPLOYEE BENEFITS**

Provision for Post Employment Health Care Benefits  
Roads - Provision for Post Employment Health Care Benefits  
Provision for Ex-Gratia Pension Benefits  
Roads - Provision for Ex-Gratia Pension Benefits  
Provision for Long Service Leave Awards  
Roads - Provision for Long Service Leave Awards

Less Short Term Portion Transferred to Current Provisions

**Total Non-current Employee Benefit Liabilities**

Included in the above provision for Employee Benefits are the following amounts in respect of benefits payable to the Roads Division:

Roads - Provision for Post Employment Health Care Benefits  
Roads - Provision for Ex-Gratia Pension Benefits  
Roads - Provision for Long Service Leave Awards

In terms of the agreement with the Western Cape Provincial Government these amounts will be recoverable from the Provincial Government Western Cape on payment to the set employees. Refer note 15.

**Post Employment Health Care Benefits**

Balance 1 July  
Contribution for the year  
Interest Cost  
Expenditure for the year  
Actuarial Loss/(Gain)

**Total post retirement benefits 30 June**

**Less:** Transfer of Current Portion - Note 6

**Balance 30 June**

2014 R	2013 R
61 374 030	55 798 855
46 000 742	40 801 527
646 802	1 007 190
713 322	855 875
4 779 267	4 362 238
3 177 664	3 113 523
116 691 827	105 939 208
(5 559 425)	(5 371 773)
111 132 402	100 567 435
46 000 742	40 801 527
713 322	855 875
3 177 664	3 113 523
49 891 728	44 770 925

96 600 380	88 281 230
3 266 868	3 208 495
8 063 028	6 591 292
(4 449 069)	(3 873 060)
3 893 563	2 392 423
107 374 770	96 600 380
(4 503 528)	(4 245 684)
102 871 242	92 354 696

**Long Service Leave Benefits**

Balance 1 July  
Contribution for the year  
Interest Cost  
Expenditure for the year  
Actuarial Loss/(Gain)

**Total post retirement benefits 30 June**

**Less:** Transfer of Current Portion - Note 6

**Balance 30 June**

7 475 761	6 672 821
915 457	735 605
515 028	413 095
(706 212)	(676 588)
(243 103)	330 828
7 956 931	7 475 761
(825 436)	(826 134)
7 131 495	6 649 627

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4 EMPLOYEE BENEFITS (CONTINUED)

**Ex-Gratia Pension Awards**

	2014 R	2013 R
Balance 1 July	1 863 066	2 011 492
Contribution for the year	-	-
Interest Cost	115 595	108 116
Expenditure for the year	(299 955)	(314 277)
Actuarial Loss/(Gain)	(318 581)	57 735
<b>Total post retirement benefits 30 June</b>	<b>1 360 125</b>	<b>1 863 066</b>
<b>Less:</b> Transfer of Current Portion - Note 6	<b>(230 461)</b>	<b>(299 955)</b>
<b>Balance 30 June</b>	<b>1 129 664</b>	<b>1 563 111</b>

**TOTAL NON-CURRENT EMPLOYEE BENEFITS**

	2014 R	2013 R
Balance 1 July	105 939 207	96 965 543
Contribution for the year	4 182 325	3 944 100
Interest Cost	8 693 651	7 112 503
Expenditure for the year	(5 455 236)	(4 863 925)
Actuarial Loss/(Gain)	3 331 879	2 780 986
<b>Total post retirement benefits 30 June</b>	<b>116 691 826</b>	<b>105 939 207</b>
<b>Less:</b> Transfer of Current Portion - Note 6	<b>(5 559 425)</b>	<b>(5 371 773)</b>
<b>Balance 30 June</b>	<b>111 132 401</b>	<b>100 567 434</b>

4.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2014 Members	2013 Members
In-service (employee) members	193	193
Roads - In-service (employee) members	187	187
Continuation members (e.g. retirees, widows, orphans)	82	82
Roads - Continuation members (e.g. retirees, widows, orphans)	67	67
<b>Total Members</b>	<b>529</b>	<b>529</b>

The liability in respect of past service has been estimated to be as follows:

	2014 R	2013 R
In-service members	24 979 068	20 979 543
Roads - In-service members	22 843 458	19 704 991
Continuation members	36 394 962	34 819 312
Roads - Continuation members	23 157 283	21 096 535
<b>Total Liability</b>	<b>107 374 771</b>	<b>96 600 381</b>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2010 R	2011 R	2012 R
In-service members	14 544 044	18 270 798	20 197 695
Roads - In-service members	12 297 165	14 159 873	18 080 395
Continuation members	23 789 933	28 124 019	24 236 421
Roads - Continuation members	18 180 649	19 604 223	25 766 720
	<b>68 811 791</b>	<b>80 158 913</b>	<b>88 281 231</b>

Experience adjustments were calculated as follows:

	2014 R	2013 R
Liabilities: (Gain) / loss	3 893 563	6 190 000

	2010 R	2011 R	2012 R
Liabilities: (Gain) / loss	3 740 000	(780 000)	(3 898 000)

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Keyhealth
- LA Health
- ProSano
- Hosmed
- SAMWU Medical Aid

The Future-service Cost for the ensuing year is estimated to be R 3 640 316, whereas the Interest- Cost for the next year is estimated to be R 9 353 001.

Key actuarial assumptions used:

	2014 %	2013 %
<b>j) Rate of interest</b>		
Discount rate	8.89%	8.53%
Health Care Cost Inflation Rate	8.11%	7.55%
Net Effective Discount Rate	0.72%	0.91%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

**ii) Mortality rates**

The PA 90 ult. Mortality table was used by the actuaries.

**iii) Normal retirement age**

The normal retirement age for employees of the municipality is 60 years.

It has been assumed that in-service members will retire at age 60, which then implicitly allows for expected rates of early and ill-health retirement.

**The amounts recognised in the Statement of Financial Position are as follows:**

	2014 R	2013 R
Present value of fund obligations	61 374 030	55 798 855
Roads - Present value of fund obligations	46 000 741	40 801 526
<b>Net liability/(asset)</b>	<b>107 374 771</b>	<b>96 600 381</b>

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4 EMPLOYEE BENEFITS (CONTINUED)

Reconciliation of present value of fund obligation:

	2014 R	2013 R
Present value of fund obligation at the beginning of the year	96 600 380	88 281 230
Current service cost	3 266 868	3 208 495
Interest Cost	8 063 028	6 591 292
Benefits Paid	(4 449 069)	(3 873 060)
Total expenses	103 481 207	94 207 957
Actuarial (gains) / losses	3 893 563	2 392 423
Present value of fund obligation at the end of the year	107 374 770	96 600 380

Sensitivity Analysis on the Accrued Liability

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions		47.823	59.552	107.375	
Health care inflation	1%	58.304	66.217	124.520	16.00%
Health care inflation	-1%	39.592	53.904	93.495	-13.00%
Discount Rate	1%	39.708	53.985	93.693	-13.00%
Discount Rate	-1%	58.331	66.235	124.566	16.00%
Post retirement mortality	- 1 yr	49.443	61.999	111.442	4.00%
Average retirement age	+ 1 yr	51.283	59.552	110.835	3.00%
Continuation of membership at retirement	-10%	42.847	59.552	102.399	-5.00%

  

Assumption	Change	Current-service Cost R	Interest Cost R	Total R	% change
Central Assumption		3 266 900	8 063 000	11 329 900	
Health care inflation	1%	4 062 400	9 363 300	13 425 700	18.00%
Health care inflation	-1%	2 655 200	7 009 400	9 664 600	-15.00%
Post-retirement mortality	-1 year	3 370 600	8 367 900	11 738 500	4.00%
Average retirement age	-1 year	3 342 100	8 321 300	11 663 400	3.00%
Withdrawal Rate	-50%	3 859 700	8 461 000	12 320 700	9.00%

4.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 208 Eden employees and 299 Roads employees were eligible for Long Service

The Future-service Cost for the ensuing year is estimated to be R 5 970 565, whereas the Interest- Cost for the next year is estimated to be R 602 059.

Key actuarial assumptions used:

i) Rate of interest

	2014 %	2013 %
Discount rate	7.97%	7.28%
General Salary Inflation (long-term)	7.14%	6.79%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.78%	0.46%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

Analysis of accrued liability

	2014 R	2013 R
Fair value of plan assets -		
Accrued Liability	4 779 267	4 362 238
Roads - Accrued Liability	3 177 664	3 113 523
Net liability / (asset)	7 956 931	7 475 761

Reconciliation of accrued liability values:

	2014 R	2013 R
Present value of fund obligation at the beginning of the year	7 475 761	6 672 821
Current service cost	915 457	735 605
Interest Cost	515 028	413 095
Benefits Paid	(706 212)	(676 588)
Total expenses	8 200 034	7 144 933
Actuarial (gains) / losses	(243 103)	330 828
Present value of fund obligation at the end of the year	7 956 931	7 475 761

The amounts recognised in the Statement of Financial Position are as follows:

	2014 R	2013 R
Accrued Liability	4 779 267	4 362 238
Roads - Accrued Liability	3 177 664	3 113 523
Net liability	7 956 931	7 475 761

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2010 R	2011 R	2012 R
Accrued Liability	4 752 074	3 744 356	4 173 517
Roads - Accrued Liability	2 677 312	2 401 975	2 499 304
Total Liability	7 429 386	6 146 331	6 672 821

Experience adjustments were calculated as follows:

	2014 R	2013 R
Liabilities: (Gain) / loss	(243 103)	356 598

	2010 R	2011 R	2012 R
Liabilities: (Gain) / loss	2 070 144	(304 411)	57 687

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**4 EMPLOYEE BENEFITS (CONTINUED)**

**Sensitivity Analysis on the Unfunded Accrued Liability**

Assumption	Change	Liability (Rm)	% change
Central assumptions		7.957	
General salary inflation	+ 1%	8.478	7%
General salary inflation	- 1%	7.484	-6%
Discount Rate	+ 1%	7.456	-6%
Discount Rate	- 1%	8.520	7%
Average retirement age	-2 yrs	6.189	-22%
Average retirement age	+2 yrs	9.131	15%
Withdrawal rates	-50%	9.485	19%

**4.3 Provision for Ex-Gratia Pension Benefits**

The Ex-Gratia Pension Benefit plans are defined benefit plans. As at year end, 10 former Eden employees and 15 former Roads employees were eligible for Ex-Gratia Benefits.

There is no Current-service cost as there are no in-service members eligible for ex-gratia pension benefits, whereas the Interest- Cost for the next year is estimated to be R 92 399.

Key actuarial assumptions used:

**j) Rate of interest**

	2014 %	2013 %
Discount rate	7.41%	6.74%
Pension Increase Rate	3.05%	3.12%
Net Effective Discount Rate: pensioners with pension increases of 50% of DPI	4.23%	3.51%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

**The amounts recognised in the Statement of Financial Position are as follows:**

	2014 R	2013 R
Accrued Liability	646 802	1 007 190
Roads - Accrued Liability	713 322	855 875
<b>Net liability</b>	<b>1 360 124</b>	<b>1 863 065</b>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2010 R	2011 R	2012 R
Accrued Liability	1 103 251	1 129 529	1 009 245
Roads - Accrued Liability	1 193 785	1 107 225	1 002 246
<b>Total Liability</b>	<b>2 297 036</b>	<b>2 236 754</b>	<b>2 011 491</b>

Experience adjustments were calculated as follows:

	2014 R	2013 R
Liabilities: (Gain) / loss	(318 581)	84 892
Assets: Gain / (loss)	-	-
	<b>2010 R</b>	<b>2011 R</b>
Liabilities: (Gain) / loss	(228 298)	30 642
Assets: Gain / (loss)	-	-

**Analysis of accrued liability**

	2014 R	2013 R
Fair value of plan assets -		
Accrued Liability	646 802	1 007 190
Roads - Accrued Liability	713 322	855 875
<b>Net liability / (asset)</b>	<b>1 360 125</b>	<b>1 863 065</b>

**Reconciliation of accrued liability values:**

	2014 R	2013 R
Present value of fund obligation at the beginning of the year	1 863 066	2 011 492
Interest Cost	115 595	108 116
Benefits Paid	(299 955)	(314 277)
Total expenses	1 678 706	1 805 331
Actuarial (gains) / losses	(318 581)	57 735
Present value of fund obligation at the end of the year	<b>1 360 125</b>	<b>1 863 066</b>

**Sensitivity Analysis on the Unfunded Accrued Liability**

Assumption	Change	Liability (R)	% change
Central assumptions		1 360 124	
Pension Increase rate	+1%	1 428 637	5%
Pension Increase rate	-1%	1 296 723	-5%
Discount Rate	+1%	1 299 744	-4%
Discount Rate	-1%	1 426 391	5%
Post-retirement mortality	- 1 yr	1 427 677	5%

**4.4 Retirement Funds**

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although both the Cape Joint Pension Fund and Cape Joint Retirement Fund are defined as defined benefit plans, it will be accounted for as defined contribution plans.

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**4 EMPLOYEE BENEFITS (CONTINUED)**

**Cape Joint Pension Fund**

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 99.70% (30 June 2012 - 99.90%).

Contributions paid recognised in the Statement of Financial Performance

2014	2013
R	R
748 757	404 944

**Cape Retirement Fund**

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 105.10% (30 June 2012 - 108.00%).

Contributions paid recognised in the Statement of Financial Performance

20 948 633	13 351 106
------------	------------

**Defined Contribution Plans**

Council contribute to the Municipal Council Pension Fund and the NMWF Retirement Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

80 641	98 470
--------	--------

**5 NON-CURRENT PROVISIONS**

Provision for Alleviation of Alien Vegetation on Council Properties  
Less current portion transferred to Current Provisions - Note 7

2014	2013
R	R
5 760 255	5 485 902
(2 623 859)	(2 498 888)
<b>3 136 396</b>	<b>2 987 014</b>

**Total Non-Current Provisions**

**Clearing of Alien Vegetation**

Balance 1 July  
Contribution for the year

5 485 902	5 249 444
274 353	236 458

**Total provision 30 June**

5 760 255	5 485 902
-----------	-----------

Less: Transfer of Current Portion to Current Provisions - Note 7

(2 623 859)	(2 498 888)
-------------	-------------

**Balance 30 June**

<b>3 136 396</b>	<b>2 987 014</b>
------------------	------------------

According to the Alien Vegetation Eradication plan developed for the district municipality, it is estimated that an amount of R5,760,255 is required assuming that a strategy is followed where all properties were treated in the first year. The total budget required for the first follow-up would be R2,623,859 in the second year, R952,168 in the third year and R654,5050 in the fourth year and will continued for 10 years.

The discount rate used to calculate the present value of the rehabilitation costs at each reporting period is based on a calculated risk free rate as determined by the municipality. This rate is in line with a competitive investment rate the municipality can obtain from an A grade financial institution. The following rate was used - 5% (2013 - 5%)

There was no expenditure incurred for the current or prior financial years.

**6 CURRENT EMPLOYEE BENEFITS**

Performance Bonuses  
Provision for Staff Leave  
Provision for Staff Bonus  
Roads - Provision for Staff Leave  
Roads - Provision for Staff Bonus

2014	2013
R	R
509 294	779 438
4 756 311	4 651 107
2 300 159	2 039 417
3 026 335	2 787 026
1 725 132	1 529 869
5 559 425	5 371 773

Current Portion of Employee Benefit Provisions  
Current Portion of Employee Benefit Provisions - Roads

3 155 155	2 862 693
2 404 270	2 509 080

**Total Provisions**

<b>17 876 656</b>	<b>17 158 630</b>
-------------------	-------------------

**Roads - Performance Bonus**

**30-Jun-14**  
Balance at beginning of year  
Overprovision previous year  
Expenditure incurred  
Contributions/ (Reversal) to/of provision - current year provision

-	779 438
-	(328 812)
-	(392 051)
-	450 719

**Balance at end of year**

-	509 294
---	---------

**30-Jun-13**

Balance at beginning of year  
Contributions to provision - current year provision

84 598	1 106 005
(84 598)	(326 567)

**Balance at end of year**

-	779 438
---	---------

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

**Roads - Staff Leave**

**30-Jun-14**  
Balance at beginning of year  
Contributions to provision - current year provision  
Expenditure incurred

2 787 026	4 651 107
915 205	524 391
(675 896)	(419 187)

**Balance at end of year**

<b>3 026 335</b>	<b>4 756 311</b>
------------------	------------------

**30-Jun-13**

Balance at beginning of year  
Contributions to provision - current year provision  
Expenditure incurred

2 249 965	4 244 637
860 501	939 669
(323 439)	(533 199)

**Balance at end of year**

<b>2 787 026</b>	<b>4 651 107</b>
------------------	------------------

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**6 CURRENT EMPLOYEE BENEFITS (CONTINUED)**

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

**2014**  
**R**

**2013**  
**R**

	<u>Roads - Staff Bonus</u>	<u>Staff Bonus</u>
<b>30-Jun-14</b>		
Balance at beginning of year	1 529 868	2 039 418
Contributions to provision - current year provision	3 073 585	4 068 069
Expenditure incurred	(2 878 321)	(3 807 328)
<b>Balance at end of year</b>	<u>1 725 132</u>	<u>2 300 159</u>
<b>30-Jun-13</b>		
Balance at beginning of year	1 435 646	2 033 116
Contributions to provision - current year provision	2 732 175	3 794 391
Expenditure incurred	(2 637 953)	(3 788 089)
<b>Balance at end of year</b>	<u>1 529 868</u>	<u>2 039 418</u>

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to Note 4 to the Financial Statements, Other Defined Benefit Plan Information

**7 PROVISIONS**

Current Portion of Alleviation of Alien Vegetation	2 623 859	2 498 888
<b>Total Provisions</b>	<u>2 623 859</u>	<u>2 498 888</u>

**8 PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade Payables	3 046 581	3 686 282
Balance previously reported	-	5 324 328
Correction of error - incorrect provision for grant expenditure - Note 33.3	-	(1 707 036)
Correction of error - 2012/2013 expenses paid in current financial year not included in provision - Note 33.3	-	68 990
Payments received in advance	-	1 011 511
Balance previously reported	-	3 199 279
Correction of error - Admin Fee: WFW - Note 33.3	-	(2 187 768)
Shortfall on Pension fund	-	2 401 642
Roads - Shortfall on Pension fund	-	772 877
Other creditors	5 919 255	7 856 332
Balance previously reported	-	7 694 408
Correction of error - incorrect journal processed in the 2011/2012 financial year - Note 33.3	-	8 727
Correction of double provision - Note 33.3	-	(196 070)
Correction of error incorrect rental billings - Note 33.3	-	319 266
Correction of error regarding allocations of sport club fee income and expenditures - Note 33.3	-	30 000
SARS - Roads	-	5 450 943
Roads - Payment Received in Advance	1 000 000	9 474 284
Roads - Other creditors	1 166 675	2 680 084
Government subsidies: Department of Transport - Roads	10 569 228	4 326 047
Balance previously reported	10 569 228	2 893 270
Correction of error - Admin Fee Roads - Note 33.3	-	1 432 777
Debtors with credit balances	116 320	103 671
Allocations to municipalities	-	-
Balance previously reported	-	670 242
Correction of unspent priority funds - Note 33.3	-	(670 242)
<b>Total Trade Payables</b>	<u>21 818 059</u>	<u>37 763 673</u>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

**9 UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

**Unspent Grants**

National Government Grants	6 044 828	5 962 258
Provincial Government Grants	774 343	949 015
Other Grant Providers	1 640 758	680 739
Balance previously reported	-	1 137 265
Correction of emergency housing Zoar & DMA - Note 33.8	-	(456 527)
<b>Less: Unpaid Conditional Grants</b>	<u>332 139</u>	<u>350 417</u>
National Government Grants	83 579	190 321
Provincial Government Grants	248 560	7 249
Other Grant Providers	-	152 847
Balance previously reported	-	1 859 883
Correction of incorrect provision for grant expenditure - Note 33.8	-	(1 707 036)
<b>Total Conditional Grants and Receipts</b>	<u>8 127 790</u>	<u>7 241 595</u>

See Annexure "B" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

10

**TAXES**

VAT Receivable

- Balance previously reported
- Correction of error - Admin Fee Roads - Note 33.6
- Correction of error - SARS penalties and interests - Note 33.6
- Correction of error - incorrect billings on rental properties - Note 33.6
- Correction of error - incorrect provision for grant expenditure - Note 33.6

2014 R	2013 R
1 483 452	1 453 089
-	2 095 405
-	175 955
-	(699 190)
-	119 904
-	(238 985)
<u>1 483 452</u>	<u>1 453 089</u>

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







**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

<b>11</b>	<b>PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>	<b>2014</b>	<b>2013</b>
		<b>R</b>	<b>R</b>
	<b>Third party payments received for losses incurred:</b>		
	Payments received (Excluding VAT)	-	-
	Carrying value of assets written off/lost	29 182 812	753 172
	Surplus/Deficit	<u>29 182 812</u>	<u>753 172</u>
	<b>Impairment of property plant and equipment</b>		
	Impairment charges on Property, plant and equipment recognised in statement of financial performance		
	Other	23 644	-
		<u>23 644</u>	<u>-</u>

**Effect of changes in accounting estimates**

During the current year useful lives of assets were re-assessed to ensure that assets' useful lives accurately reflect the remaining useful lives that each asset will be utilised by Eden District Municipality. The effect on the current as well as future periods are as follow:

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Increase in Accumulated Depreciation: Property, plant and equipment	<u>147 598</u>	<u>15 244</u>	<u>(293 780)</u>

<b>12</b>	<b>INVESTMENT PROPERTY</b>	<b>2014</b>	<b>2013</b>
		<b>R</b>	<b>R</b>
	<b>Net Carrying amount at 1 July</b>	<b>173 356 461</b>	<b>170 305 030</b>
	Cost - Buildings	7 790 500	19 381 437
	Correction of Error - incorrect classification	-	(98 000)
	Correction of Error - prior period opening balance classification	-	(2 862 149)
	Cost - Land	167 359 500	328 558 463
	Correction of Error - incorrect classification	-	98 000
	Correction of Error - prior period opening balance classification	-	(12 452 852)
	Class Transfers - Buildings	-	(9 201 789)
	Class Transfers - Land	-	(152 244 112)
	Accumulated Depreciation - Buildings	(1 793 539)	(3 017 462)
	Class Transfers - Buildings	-	1 670 597
	Correction of Error - prior period opening balance classification	-	472 895
	Acquisitions - Buildings	-	-
	Cost of Land Transferred from Property, Plant and Equipment	-	571 000
	Cost of Buildings Transferred from Property, Plant and Equipment	-	3 400 000
	Transfer of Accumulated Depreciation from Property, Plant and Equipment	-	(679 889)
	Restated depreciation for the year	(226 052)	(239 681)
	Depreciation for the year - previously reported	-	(602 331)
	Correction of error on reclassifications - Note 33.2	-	362 651
	Disposals: Accumulated depreciation - Buildings	117 125	-
	Disposals: Cost - Buildings	(480 000)	-
	Disposals: Cost - Land	(2 102 500)	-
	<b>Net Carrying amount at 30 June</b>	<b>170 665 034</b>	<b>173 356 461</b>
	Cost - Buildings	7 310 500	7 790 500
	Cost - Land	165 257 000	167 359 500
	Accumulated Depreciation - Buildings	(1 902 466)	(1 793 539)
	Revenue derived from the rental of investment property	<u>852 958</u>	<u>990 008</u>

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

**Additional disclosure matter**

Eden District Municipality obtained a draft legal opinion from Webber Wentzel Attorneys pertaining to the ownership of eleven properties identified by the Municipality. The draft opinion stated that, if no municipal function can be allocated to the property, the ownership automatically vests in the local (B) municipalities in whose area the property is situated. Eden District Municipality lodged a technical query with National Treasury, Provincial Treasury and the Office of the Auditor-General as the Municipality disagrees with the draft opinion. The Municipality is of the opinion that the properties must be allocated to the predecessors in title and not be determined by function. No feedback has been received pertaining to this legal query at reporting date.

The carrying value of possible affected properties as at the reporting date is estimated at:

- Resorts: R122million
- Other Land and Buildings: R52million

<b>13</b>	<b>INTANGIBLE ASSETS</b>	<b>2014</b>	<b>2013</b>
		<b>R</b>	<b>R</b>
	<b>Cost</b>	<b>4 885 486</b>	<b>6 320 533</b>
	Opening Balance on 1 July	6 320 533	3 444 659
	Balance Previously reported	6 320 533	3 556 535
	Class Transfers	-	(111 876)
	Acquisitions for the year - At cost	225 268	2 886 008
	Balance Previously reported	-	2 799 712
	Correction of Error - Correction of Cost Price - Note 33.3	-	86 296
	Disposals	(1 660 315)	(10 134)
	<b>Less: Accumulated Amortisation</b>	<b>(2 084 619)</b>	<b>(2 894 828)</b>
	Opening Balance on 1 July	(2 894 828)	(2 110 906)
	Balance Previously reported	(2 894 828)	(2 177 759)
	Class Transfers	-	66 853
	Restated Amortisation for the year	(729 080)	(669 965)
	Balance Previously reported	(729 080)	(468 231)
	Correction of error - prior year amortisation - Note 33.9	-	(201 734)
	Disposals	1 539 289	6 438
	Impairment of Intangible Assets	-	(120 395)
	<b>Total Intangible Assets</b>	<b>2 800 867</b>	<b>3 425 705</b>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**13 INTANGIBLE ASSETS (CONTINUED)**

No intangible asset were assessed having an indefinite useful life.  
There are no intangible assets whose title is restricted.  
There are no intangible assets pledged as security for liabilities  
There are no contractual commitments for the acquisition of intangible assets.

**14 NON-CURRENT INVESTMENTS**

**Unlisted**

KKLK shares and Loan Account - Held at Fair Value through Profit and Loss

**Total Unlisted**

**Total Investments**

**Council's valuation of unlisted investments**

KKLK shares

	2014 R	2013 R
	40 774	40 774
<b>Total Unlisted</b>	<b>40 774</b>	<b>40 774</b>
<b>Total Investments</b>	<b>40 774</b>	<b>40 774</b>
<b>Council's valuation of unlisted investments</b>		
KKLK shares	40 774	40 774
	40 774	40 774

**15 LONG-TERM RECEIVABLES**

Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1) - At amortised cost  
Department of Transport: Roads - Long Service Awards (Note 4.2) - At amortised cost  
Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.3) - At amortised cost  
Local term debtors: Local Authorities - At amortised cost

Less: Current portion transferred to current receivables

Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1) - At amortised cost  
Department of Transport: Roads - Long Service Awards (Note 4.2) - At amortised cost  
Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.3) - At amortised cost  
Local Authorities - At amortised cost

Less: Unamortised Charges to Long Term Receivables

Balance 1 July  
Adjustment for the Year

**Total**

	46 000 742	40 801 527
	3 177 664	3 113 523
	713 322	855 875
	-	25 199
	49 891 728	44 796 124
	2 404 270	2 534 279
	1 973 160	1 865 178
	303 117	500 218
	127 993	143 684
	-	25 199
	-	3 143
	3 143	9 037
	(3 143)	(5 894)
<b>Total</b>	<b>47 487 458</b>	<b>42 258 702</b>

**LOANS TO OTHER LOCAL AUTHORITIES**

The loans to other local authorities are interest free, except for the following loan:

**Knysna Municipality:**

Hornlee - Water and sewerage loan is payable over 20 years and bears interest at 10%, instalment is R 25 200 per year (October 1993)

**DEPARTMENT OF TRANSPORT: ROADS**

In terms of the agreement between the Western Cape Provincial Government and past experience, Provincial Government funds will be made available to maintain the approved organogram of the Roads department, including all employee post retirement benefits. The future claim for the provision for retirement benefits has therefore been raised as a long term debtor.

The carrying value of the Long-Term Receivables approximate their fair value and are shown at amortised cost using the effective interest rate method. As these loans are all recoverable the Municipality was not required to make any provision for any possible impairments.

**16 INVENTORY**

Consumable Stores - at cost

**Total Inventory**

Consumable stores materials written down due to losses as identified during the annual stores counts.

Consumable stores materials surpluses identified during the annual stores counts.

Inventory recognised as an expense during the year

	2014 R	2013 R
	4 645 034	3 778 281
<b>Total Inventory</b>	<b>4 645 034</b>	<b>3 778 281</b>
	5 231	5 687
	-	-
	5 231	5 687

**17 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**

**As at 30 June 2014**

Service debtors  
Ambulance and Fire Fighting Fees  
Councillors' Arrears  
Rental Agreements  
Roads - Sundry debtors

**Total**

	Gross Balances	Allowance for Bad Debts	Net Balances
	5 262 546	(2 533 985)	2 728 561
	2 498 736	(2 498 736)	-
	3 332 399	(1 901 109)	1 431 290
	10 280 615	-	10 280 615
<b>Total</b>	<b>21 374 296</b>	<b>(6 933 829)</b>	<b>14 440 466</b>

**As at 30 June 2013**

Service debtors  
Ambulance and Fire Fighting Fees  
Councillors' Arrears  
Rental Agreements  
Balance previously reported  
Correction of error - incorrect billings & provision for bad debts - Note 33.5  
Roads - Sundry debtors  
Balance previously reported  
Correction of error - incorrect billings & provision for bad debts - Note 33.5

**Total**

	Gross Balances	Allowance for Bad Debts	Net Balances
	3 089 483	(2 071 495)	1 017 988
	2 583 395	(1 455 506)	1 127 889
	2 501 021	(1 633 931)	867 090
	3 698 950	(2 456 335)	1 242 615
	(1 197 929)	822 404	(375 525)
	357 014	-	357 014
	-	-	-
	357 014	-	357 014
<b>Total</b>	<b>8 530 913</b>	<b>(5 160 932)</b>	<b>3 369 981</b>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

17 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary

**Housing Rentals & Rental Agreements: Ageing**

	2014 R	2013 R
Current (0-30 days)	899 540	1 812
31 - 60 Days	71 421	314 485
61 - 90 Days	31 133	32 094
91 - 120 Days	22 247	32 079
121-365 Days	2 285 704	2 699 224
+ 365 Days	22 353	(578 673)
<b>Total</b>	<b>3 332 399</b>	<b>2 501 021</b>

**Councillors' Arrears: Ageing**

Current (0-30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	760 992
121-365 Days	2 498 736	1 822 403
+ 365 Days	-	-
<b>Total</b>	<b>2 498 736</b>	<b>2 583 395</b>

**Ambulance and Fire Fighting Fees-Ageing**

Current (0-30 days)	(650)	(650)
31 - 60 Days	396 394	363 672
61 - 90 Days	352 027	170 409
91 - 120 Days	256 500	-
121-365 Days	4 017 792	2 315 571
+ 365 Days	240 481	240 481
<b>Total</b>	<b>5 262 546</b>	<b>3 089 483</b>

**Roads - Sundry debtors**

Current (0-30 days)	10 051 803	72 452
31 - 60 Days	8 176	74 451
61 - 90 Days	5 054	2 287
91 - 120 Days	2 515	-
121-365 Days	885	-
+ 365 Days	212 183	207 824
<b>Total</b>	<b>10 280 615</b>	<b>357 014</b>

**Reconciliation of the allowance for bad debt provision (Trade Receivables from exchange and Other Receivables from non-exchange)**

Balance at the beginning of the year	7 199 069	20 314 566
Correction of error - incorrect billings and provision for bad debts - Note 33.5	-	(822 404)
Contributions to allowance: Exchange Receivables - Note 17	1 975 940	1 523 816
Contributions to allowance: Non-exchange Receivables - Note 18	466 863	519 066
Bad debts written off against the allowance	(711 655)	(14 335 975)
<b>Balance at end of year</b>	<b>8 930 216</b>	<b>7 199 069</b>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

18 OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

As at 30 June 2014	Gross Balances	Allowance for Bad Debts	Net Balances
Recoverable Debtor: JP Zeelie	463 059	(463 059)	-
Government subsidies: Department of Transport - Roads	-	-	-
Recoverable Debtor: C Africa	6 804	-	6 804
Recoverable Debtor: DMA	557 132	-	557 132
Sundry debtors	2 662 229	(1 249 827)	1 412 402
Continued Members	307 649	(278 266)	29 383
Councillors Transport Allowance	5 233	(5 233)	-
Advances to Agencies	-	-	-
<b>Total Other Debtors</b>	<b>4 002 106</b>	<b>(1 996 386)</b>	<b>2 005 720</b>

As at 30 June 2013

	Gross Balances	Allowance for Bad Debts	Net Balances
Recoverable Debtor: JP Zeelie	463 059	(463 059)	-
Recoverable Debtor: DMA	449 116	-	449 116
Sundry debtors	3 670 983	(1 349 038)	2 321 945
Balance previously reported	3 560 794	(1 349 038)	2 211 756
Correction of error - Other Income allocated to incorrect debtor - Note 33.4	68 122	-	68 122
Correction of error - PAYE allocations for 2012/13 financial year - Note 33.4	42 067	-	42 067
Continued Members	373 977	(226 039)	147 938
Roads - Sundry debtors	-	-	-
Balance previously reported	357 014	-	357 014
Correction of classification of Department of Transport debtors - Note 33.4	(357 014)	-	(357 014)
Councillors Transport Allowance	5 233	-	5 233
Advances to Agencies	-	-	-
<b>Total Other Debtors</b>	<b>4 962 368</b>	<b>(2 038 136)</b>	<b>2 924 232</b>

The provision for doubtful debts on other debtors exists due to the possibility that not all debts will be recovered.

**Recoverable Debtor: JP Zeelie**

	2014 R	2013 R
Current (0-30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121-365 Days	-	-
+ 365 Days	463 059	463 059
<b>Total</b>	<b>463 059</b>	<b>463 059</b>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18 OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS (CONTINUED)

	2014 R	2013 R
<b>Recoverable Debtor: DMA</b>		
Current (0-30 days)	-	8 132
31 - 60 Days	-	8 877
61 - 90 Days	4 905	6 069
91 - 120 Days	15 164	2 828
121-365 Days	113 852	119 573
+ 365 Days	423 211	303 638
<b>Total</b>	<b>557 132</b>	<b>449 116</b>
<b>Sundry debtors</b>		
Current (0-30 days)	-	457 005
31 - 60 Days	38 550	116 709
61 - 90 Days	38 550	104 874
91 - 120 Days	42 472	113 236
121-365 Days	235 515	944 016
+ 365 Days	2 302 776	1 824 954
<b>Total</b>	<b>2 657 864</b>	<b>3 560 794</b>
<b>Continued Members</b>		
Current (0-30 days)	(59 394)	-
31 - 60 Days	55 167	92 602
61 - 90 Days	14 750	18 278
91 - 120 Days	7 402	11 183
121-365 Days	289 725	251 914
+ 365 Days	-	-
<b>Total</b>	<b>307 650</b>	<b>373 977</b>
<b>Councillors Transport Allowance</b>		
Current (0-30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121-365 Days	-	-
+ 365 Days	5 233	5 233
<b>Total</b>	<b>5 233</b>	<b>5 233</b>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The fair value of other receivables approximate their carrying value.

The provision for doubtful debts on other debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

19 OPERATING LEASE ARRANGEMENTS

19.1 The Municipality as Lessee

Balance on 1 July

Movement during the year

Balance on 30 June

At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:

Up to 1 Year

1 to 5 Years

More than 5 Years

19.2 The Municipality as Lessor

Balance on 1 July

Movement during the year

Balance on 30 June

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year

1 to 5 Years

More than 5 Years

	2014 R	2013 R
Balance on 1 July	-	-
Movement during the year	18 142	-
Balance on 30 June	18 142	-
Up to 1 Year	229 656	-
1 to 5 Years	243 394	-
More than 5 Years	-	-
	473 051	-
Balance on 1 July	-	-
Movement during the year	29 270	-
Balance on 30 June	29 270	-
Up to 1 Year	414 626	-
1 to 5 Years	1 195 626	-
More than 5 Years	344 248	-
	1 954 500	-

20 CASH AND CASH EQUIVALENTS

Liabilities

Roads - Bank Account

Assets

Call Investment Deposits

Roads - Bank Account

Short term deposits

Cash

Primary Bank Account

Standard Bank Account

Total Cash and Cash Equivalents - Assets

	2014 R	2013 R
Roads - Bank Account	-	-
Call Investment Deposits	1 104	1 104
Roads - Bank Account	5 923 716	20 226 282
Short term deposits	60 122 973	-
Cash	21 365	21 365
Primary Bank Account	-	35 254
Standard Bank Account	13 668 016	52 700 469
Total Cash and Cash Equivalents - Assets	79 737 174	72 984 474

The effective interest rate was 5.03% (2013: 5.03%).

The Municipality has the following bank accounts:-

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

20

**CASH AND CASH EQUIVALENTS (CONTINUED)**

2014  
R

2013  
R

**Call Investment Deposits**

Included in other deposits and bank balances are an amount of R 8 459 929 (2013: R 7 592 012) which is attributable to unspent grants and subsidies; and R 18 068 623 (2013: R 7 390 546) which is attributable to the Capital Replacement Reserve and R 2 574 153 (2013: R 4 266 930) which is to repay long-term liabilities as set out in note 3.

**Current Account (Primary Bank Account)**

ABSA George Branch  
Account Number 4050434930

Cash book balance at beginning of year	35 254	28 250 113
Cash book balance at end of year	-	35 254
Bank statement balance at beginning of year	35 254	28 524 846
Bank statement balance at end of year	-	35 254

**Current Account (Standard Bank Account)**

Standard Bank George Branch  
Account Number 06 083 263 0

Cash book balance at beginning of year	52 700 469	5 210
Cash book balance at end of year	13 668 016	52 700 469
Bank statement balance at beginning of year	52 883 296	5 210
Bank statement balance at end of year	14 487 347	52 883 296
Cash	21 365	21 365

**Current Account (Standard Bank Account) - Roads**

Standard Bank George Branch  
Account Number 06 083 283 500 0

Cash book balance at beginning of year	20 226 282	14 494 484
Cash book balance at end of year	5 923 716	20 226 282
Bank statement balance at beginning of year	20 108 472	955
Bank statement balance at end of year	5 238 308	20 108 472

**Call Investment Deposits**

ABSA George Branch  
Account Number 91 8226 3416

Cash book balance at beginning of year	1 104	1 121
Cash book balance at end of year	1 104	1 104
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

**Short term deposits**

Standard Bank George Branch  
Account Number 48872744842

Cash book balance at beginning of year	-	-
Cash book balance at end of year	15 030 922	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	15 000 000	-

First National Bank George Branch  
Account Number 74350891493

Cash book balance at beginning of year	-	-
Cash book balance at end of year	15 029 918	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	15 000 000	-

Absa Bank George Branch  
Account Number 2072055978

Cash book balance at beginning of year	-	-
Cash book balance at end of year	15 030 559	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	15 000 000	-

Nedbank George Branch  
Account Number 7881073772

Cash book balance at beginning of year	-	-
Cash book balance at end of year	15 031 574	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	15 000 000	-

Interest earned for the year on the short term investments

4 683 695	3 432 586
-----------	-----------

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

21 GOVERNMENT GRANTS AND SUBSIDIES	2014 R	2013 R
<b>Unconditional</b>		
Equitable Share	129 669 000	125 699 000
<b>Conditional</b>	16 063 716	10 686 918
Grants and Donations	16 063 716	10 686 918
Balance previously reported	-	12 393 954
Correction of error - incorrect provision for grant expenditure - Note 33.8	-	(1 707 036)
<b>Total Government Grants and Subsidies</b>	<b>145 732 716</b>	<b>136 385 918</b>
Government Grants and Subsidies - Operating	145 540 602	136 375 400
Government Grants and Subsidies - Capital	192 114	10 518
<b>Total Government Grants and Subsidies</b>	<b>145 732 716</b>	<b>136 385 918</b>
<b>21.1 Equitable Share</b>		
Opening balance	-	-
Grants received	129 669 000	125 699 000
VAT on Grants	-	-
Conditions met - Operating	(129 669 000)	(125 699 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
<b>21.2 Municipal Systems Improvement Grant (MSIG)</b>		
Opening balance	(106 743)	328 747
Grants received	890 000	1 000 000
VAT on Grants	(93 420)	(76 124)
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(438 670)	(1 348 849)
Conditions met - Capital	(192 114)	(10 518)
Conditions still to be met	<b>59 053</b>	<b>(106 744)</b>
The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
<b>21.3 Local Government Financial Management Grant (FMG)</b>		
Opening balance	12 274	330 174
Grants received	1 250 000	1 250 000
VAT on Grants	(64 993)	(138 455)
Conditions met - Operating	(1 185 007)	(1 429 446)
Conditions met - Capital	-	-
Conditions still to be met	<b>12 274</b>	<b>12 274</b>
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
<b>21.4 Electricity Demand Side Management</b>		
Opening balance	5 399 985	5 399 984
VAT on Grants	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<b>5 399 985</b>	<b>5 399 984</b>
Grant utilised for energy efficiency investigation within the region.		
<b>21.5 Dpt Land Affairs: District Assessment Committee</b>		
Opening balance	49 343	49 343
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<b>49 343</b>	<b>49 343</b>
Grant utilised to assess the land affairs within the region.		
<b>21.6 Donation Funds National Water</b>		
Opening balance	41 700	41 700
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<b>41 700</b>	<b>41 700</b>
Grant utilised to investigate the district's water plans.		
<b>21.7 Housing Consumer Education Fund</b>		
Opening balance	32 167	32 167
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<b>32 167</b>	<b>32 167</b>
The Housing Consuming Education Grant was used for public awareness programs.		

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2014 R	2013 R
<b>21.8 <u>LGESTA:Re-imburements</u></b>		
Opening balance	1 128 101	688 150
Grants received	131 015	485 654
VAT on Grants	-	(5 392)
Conditions met - Operating	(347 892)	(40 311)
Conditions met - Capital	-	-
Conditions still to be met	<u>911 224</u>	<u>1 128 101</u>
Grant is utilised for training purposes of municipal staff.		
<b>21.9 <u>LGSETA: LED Learnership</u></b>		
Opening balance	9 164	9 164
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>9 164</u>	<u>9 164</u>
Grant is utilised for training purposes of municipal staff.		
<b>21.10 <u>Human Rights Programme</u></b>		
Opening balance	53 797	53 797
Grants received	-	-
VAT on Grants	(565)	-
Conditions met - Operating	(4 035)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>49 197</u>	<u>53 797</u>
Grant utilised for the promotion of human rights within the region.		
<b>21.11 <u>Sports Grounds: Haarlem</u></b>		
Opening balance	8 678	18 178
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	(9 500)
Conditions met - Capital	-	-
Conditions still to be met	<u>8 678</u>	<u>8 678</u>
Grant utilised for purchase of sports grounds in Haarlem.		
<b>21.12 <u>Libraries Grant - Facilities</u></b>		
Opening balance	77 506	77 506
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>77 506</u>	<u>77 506</u>
The grant was used for appointment of library staff.		
<b>21.13 <u>Non-Motorised Transport</u></b>		
Opening balance	2 442	18 107
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	(15 666)
Conditions met - Capital	-	-
Conditions still to be met	<u>2 442</u>	<u>2 442</u>
Grant utilised of building sub-roads for bicycles and pedestrians.		
<b>21.14 <u>Bucket system Elimination Schools/Clinic</u></b>		
Opening balance	128 417	132 794
Grants received	-	-
VAT on Grants	-	(584)
Conditions met - Operating	-	(3 793)
Conditions met - Capital	-	-
Conditions still to be met	<u>128 417</u>	<u>128 417</u>
Grant utilised for replacing bucket system with VIP toilets.		
<b>21.15 <u>WC079: Regional Landfill Site</u></b>		
Opening balance	-	17 865
Grants received	-	-
VAT on Grants	-	(2 194)
Conditions met - Operating	-	(15 671)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
Grant utilised for the investigations into the possibility of a regional landfill site.		
<b>21.16 <u>LG: Bulk Water and Waste Water infrastructure.</u></b>		
Opening balance	62 850	62 850
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>62 850</u>	<u>62 850</u>
Grant utilised for bulk infrastructure investigations.		



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

	2014 R	2013 R
<b>21.17 Expanded Public Works Incentives</b>		
Opening balance	(83 579)	65 294
Grants received	1 000 000	1 000 000
VAT on Grants	-	(11 908)
Conditions met - Operating	(1 000 000)	(1 136 965)
Conditions met - Capital	-	-
Conditions still to be met	<b>(83 579)</b>	<b>(83 579)</b>
The grant is utilised for job creation.		
<b>21.18 Task Contributions - Municipalities</b>		
Opening balance	(50 247)	100 830
Grants received	274 000	127 678
VAT on Grants	(3 594)	(6 188)
Conditions met - Operating	(133 699)	(272 568)
Conditions met - Capital	-	-
Conditions still to be met	<b>86 460</b>	<b>(50 247)</b>
Grant utilised for the funding of the TASK unit.		
<b>21.19 WFW: Brandwacht 2010/11</b>		
Opening balance	-	-
Grants received	643 067	1 488 180
VAT on Grants	(19 724)	(83 534)
Conditions met - Operating	(623 344)	(1 404 627)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.		
<b>21.20 WFW: Great - Brak 2010/11</b>		
Opening balance	-	-
Grants received	942 108	1 352 485
VAT on Grants	(31 811)	(114 098)
Conditions met - Operating	(910 297)	(1 238 387)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.		
<b>21.21 WFW: Karatara 2010/11</b>		
Opening balance	-	-
Grants received	475 542	765 217
VAT on Grants	(5 837)	(31)
Conditions met - Operating	(469 706)	(765 186)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.		
<b>21.22 WFW: Knysna 2010/11</b>		
Opening balance	-	-
Grants received	44 718	376 669
VAT on Grants	(729)	(8 408)
Conditions met - Operating	(43 989)	(368 261)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.		
<b>21.23 WFW: Moordkuyf 2010/11</b>		
Opening balance	-	-
Grants received	414 726	1 219 057
VAT on Grants	(21 768)	(51 837)
Conditions met - Operating	(392 958)	(1 167 219)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.		
<b>21.24 Emergency Housing DMA</b>		
Opening balance	-	282 478
Correction of error	-	(282 478)
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant was utilised to repair flood damage.		
<b>21.25 Emergency Housing Zoar</b>		
Opening balance	-	174 048
Correction of error	-	(174 048)
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant was utilised to repair flood damage.		

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2014 R	2013 R
<b>21.26 WC FMG Assistance</b>		
Opening balance	550 000	-
Grants received	-	550 000
VAT on Grants	(21 673)	-
Conditions met - Operating	(454 811)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>73 516</u>	<u>550 000</u>
<b>21.27 DWA: Abstraction Validation on Bitou</b>		
Opening balance	35 589	-
Grants received	-	35 589
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>35 589</u>	<u>35 589</u>
<b>21.28 DWAF: Chemical Water Sampling</b>		
Opening balance	(7 248)	-
Grants received	126 801	306 286
VAT on Grants	(45 178)	(40 684)
Conditions met - Operating	(322 934)	(272 850)
Conditions met - Capital	-	-
Conditions still to be met	<u>(248 559)</u>	<u>(7 248)</u>
<b>21.29 RBIG &amp; DBSA: Bulk Water Studies</b>		
Opening balance	(102 600)	-
Correction of error	-	1 707 036
Grants received	2 904 935	545 065
VAT on Grants	(192 693)	(305 923)
Conditions met - Operating	(1 975 732)	(2 048 778)
Conditions met - Capital	-	-
Conditions still to be met	<u>633 910</u>	<u>(102 600)</u>
<b>21.30 Integrated Transport</b>		
Opening balance	-	-
Grants received	604 000	-
VAT on Grants	(100 346)	-
Conditions met - Operating	(365 095)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>138 560</u>	<u>-</u>
<b>21.31 Municipal Disaster Recovery</b>		
Opening balance	-	-
Grants received	6 584 000	-
VAT on Grants	-	-
Conditions met - Operating	(6 584 000)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
<b>21.32 Mandela Memorial Celebrations</b>		
Opening balance	-	-
Grants received	150 000	-
VAT on Grants	-	-
Conditions met - Operating	(13 750)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>136 250</u>	<u>-</u>
<b>21.33 Braille Project</b>		
Opening balance	-	-
Grants received	15 000	-
VAT on Grants	(412)	-
Conditions met - Operating	(2 943)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>11 645</u>	<u>-</u>
<b>21.34 WC FMG Internal Audit Project</b>		
Opening balance	-	-
Grants received	400 000	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>400 000</u>	<u>-</u>
<b>21.35 WC FMG SCM Project-Database</b>		
Opening balance	-	-
Grants received	100 000	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>100 000</u>	<u>-</u>
<b>21.36 TOTAL GRANTS</b>		
Opening balance	7 241 594	7 883 177
Correction of Error	-	1 250 509
Grants received	146 618 912	136 200 860
VAT on Grants	(602 740)	(845 360)
Conditions met - Operating	(144 937 862)	(137 237 077)
Conditions met - Capital	(192 114)	(10 518)
Conditions still to be met	<u>8 127 790</u>	<u>7 241 594</u>

See Annexure B for detailed summary of unspent grants and subsidies.

**24.1 Changes in levels of government grants**

Based on the allocations set out in the Division of Revenue Act, (Act 1 of 2005), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years, except for the equitable share allocation which will increase as a result of the abolishment of the RSC Levies.

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**22 DEPARTMENT OF TRANSPORT - ROADS SERVICES CHARGES**

	2014 R	2013 R
Department of Transport - Roads Service Charges	125 078 551	110 141 345
Income for agency services	12 634 356	11 507 985
Previously reported	12 634 356	12 989 552
Correction of error - Admin Fee WFW incorrectly included in Agency Fee income	-	(224 745)
Correction of error - agency fee still outstanding at 30 June 2013 - Note 33.3	-	(1 256 822)
	<b>137 712 906</b>	<b>121 649 330</b>

Income for agency services is determined at a rate of 12% on the original subsidy allocated and 3% on all additional allocations.

**23 OTHER INCOME**

Air quality plan	-	280 000
Call Centre Mosselbay	468 903	506 682
Fire Fighting fees	4 749 187	4 579 145
Fire Fighting/ Health Levy	-	22 590
George Municipality - Support fire fighting services	281 798	-
Greenest Municipality Award	120 000	-
Harvesting Plantation	174 526	55 575
Health Claims	491 116	145 518
Integrated waste management plan	-	379 864
Previously reported	-	311 742
Correction of error - allocations for sport club fees - Note 33.3	-	68 122
IT Shared Services District	875 200	900 453
Plans Copies	-	1 327
Photostats and Faxes	-	54
Refund Deposits	-	7 120
Resorts	5 119 771	4 861 360
Sport Club Fees	-	5 791
Previously reported	-	23 860
Correction of error - allocations for sport club fees - Note 33.10	-	(18 069)
Sundry Income	567 616	2 192 251
Tariffs And Penalties: Health	183 246	130 635
<b>Total Other Income</b>	<b>13 031 363</b>	<b>14 068 365</b>

**24 EMPLOYEE RELATED COSTS**

	2014 R	2013 R
Employee related costs- Salaries and Wages	53 857 700	55 225 451
Employee related costs - Contribution for UIF, pensions and medical aids	18 050 489	17 324 659
Previously reported	-	17 366 726
Correction of error - PAYE allocations - Note 33.4	-	(42 067)
Grant funded employee related costs	2 209 981	2 651 854
Travel, motor car, accommodation, subsistence and other allowances	8 077 721	8 869 150
Housing benefits and allowances	535 558	604 247
Overtime payments	800 819	1 056 761
Performance bonus	121 907	(326 567)
Leave Payment	509 017	922 152
Leave Bonus	4 034 415	3 794 391
Increase in Provision for Health Care Benefits	3 674 230	3 352 372
Increase in Provision for Long Service Awards	783 857	699 777
Decrease in Provision for Ex-Gratia Pensions	(93 584)	(101 202)
Long-service awards	-	-
<b>Total Employee Related Costs</b>	<b>92 562 110</b>	<b>94 073 045</b>

**REMUNERATION OF KEY MANAGEMENT PERSONNEL**

	2014 R	2013 R
<b>Remuneration of the Municipal Manager (G Louw)</b>	<b>12 Months</b>	<b>12 Months</b>
Annual Remuneration	1 057 852	956 755
Performance Bonuses	292 874	-
Car Allowance	167 220	167 220
Contributions to UIF, Medical and Pension Funds	109 810	103 918
<b>Total</b>	<b>1 627 756</b>	<b>1 227 893</b>
<b>Remuneration of the Acting Chief Finance Officer: L Hoek</b>	<b>12 Months</b>	<b>6 Months</b>
Annual Remuneration	-	327 636
Car Allowance	-	57 204
Contributions to UIF, Medical and Pension Funds	-	57 522
<b>Total</b>	<b>-</b>	<b>442 361</b>
<b>Remuneration of the Chief Finance Officer: L Hoek</b>	<b>12 Months</b>	<b>6 Months</b>
Annual Remuneration	593 851	271 917
Annual Bonus	48 419	-
Car Allowance	129 662	64 831
Contributions to UIF, Medical and Pension Funds	148 218	76 958
<b>Total</b>	<b>920 151</b>	<b>413 706</b>
<b>Remuneration of Individual Executive Directors (Support &amp; Management Services)</b>	<b>12 Months</b>	<b>12 Months</b>
<b>30 June 2014</b>	<b>Support Services (B Holtshauzen)</b>	<b>Management Services (C Africa)</b>
Annual Remuneration	713 477	693 958
Performance Bonuses	21 000	106 241
Housing Allowance	-	84 000
Car Allowance	101 493	72 600
Contributions to UIF, Medical and Pension Funds	129 763	138 490
<b>Total</b>	<b>965 734</b>	<b>1 095 289</b>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

24 EMPLOYEE RELATED COSTS (CONTINUED)

	2014 R 6 Months Support Services (B Holtzhausen)	2013 R 12 Months Management Services (C Africa)
Remuneration of Individual Executive Directors (Support & Management Services) 30 June 2013		
Annual Remuneration	303 512	696 742
Housing Allowance	1 434	84 000
Car Allowance	53 069	72 600
Contributions to UIF, Medical and Pension Funds	54 352	147 725
<b>Total</b>	<b>412 367</b>	<b>1 001 068</b>

Remuneration of Individual Acting Executive Directors (Support & Management Services)  
30 June 2013

	6 Months Support Services (B Holtzhausen)
Annual Remuneration	336 110
Leave Paid	-
Performance Bonuses	-
Housing Allowance	3 132
Car Allowance	57 204
Contributions to UIF, Medical and Pension Funds	52 047
<b>Total</b>	<b>448 493</b>

25 EMPLOYEE RELATED COST - ROADS

	2014 R	2013 R
Employee related costs- Salaries and Wages	35 631 260	33 041 692
Employee related costs - Contribution for UIF, pensions and medical aids	12 857 500	12 138 817
Travel, motor car, accommodation, subsistence and other allowances	1 619 965	1 649 993
Housing benefits and allowances	417 105	394 951
Overtime payments	710 053	335 319
Performance bonus	-	(84 598)
Leave Payment	915 205	965 906
Leave Bonus	3 073 584	2 626 770
<b>Total Employee Related Costs</b>	<b>55 224 672</b>	<b>51 068 849</b>

26 REMUNERATION OF COUNCILLORS

Remuneration	5 032 028	5 339 950
Travel Allowances	1 386 789	975 058
Telephone Allowances	318 409	252 693
Pension Contributions	131 393	105 764
Medical Contributions	159 277	73 877
<b>Total Councillor's Remuneration</b>	<b>7 027 896</b>	<b>6 747 341</b>

Van der Westhuizen VI - Executive Mayor

Remuneration	381 706	358 128
Travel Allowances	141 885	177 764
Telephone Allowances	-	7 476
Pension Contributions	-	-
Medical Contributions	-	-
	<b>523 591</b>	<b>543 368.00</b>

Esau LBC - Deputy Executive Mayor

Remuneration	264 840	244 533
Travel Allowances	94 115	92 952
Telephone Allowances	-	7 476
Pension Contributions	-	-
Medical Contributions	-	-
	<b>358 955</b>	<b>344 961.00</b>

Nayler T - Speaker

Remuneration	280 424	302 818
Travel Allowances	92 844	47 280
Telephone Allowances	-	7 476
Pension Contributions	-	-
Medical Contributions	-	-
	<b>373 268</b>	<b>357 574.00</b>

Du Toit J - Mayoral Committee Member

Remuneration	212 007	261 707
Travel Allowances	71 169	39 420
Telephone Allowances	6 230	7 476
Pension Contributions	-	-
Medical Contributions	-	-
	<b>289 406</b>	<b>308 603.00</b>

Koegelenberg JJA - Mayoral Committee Member

Remuneration	396 305	377 134
Travel Allowances	131 963	128 322
Telephone Allowances	20 868	19 872
Pension Contributions	-	-
Medical Contributions	-	-
	<b>549 136</b>	<b>525 328.00</b>

Maxim J - Mayoral Committee Member

Remuneration	222 004	262 543
Travel Allowances	86 173	39 755
Telephone Allowances	-	7 476
Pension Contributions	-	-
Medical Contributions	22 526	6 808
	<b>330 703</b>	<b>316 582.00</b>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

26 REMUNERATION OF COUNCILLORS (CONTINUED)

	2014 R	2013 R
<b>May SF - Mayoral Committee Member</b>		
Remuneration	397 777	452 653
Travel Allowances	131 963	52 366
Telephone Allowances	20 868	19 872
Pension Contributions	-	-
Medical Contributions	-	-
	<u>550 608</u>	<u>524 891.00</u>
<b>McCombi HJ - Mayoral Committee Member</b>		
Remuneration	366 763	437 924
Travel Allowances	159 240	94 913
Telephone Allowances	20 868	19 872
Pension Contributions	-	-
Medical Contributions	33 516	17 280
	<u>580 387</u>	<u>569 989.00</u>
<b>Simmers T - Mayoral Committee Member</b>		
Remuneration	396 794	450 721
Travel Allowances	144 732	66 912
Telephone Allowances	20 868	19 872
Pension Contributions	-	-
Medical Contributions	-	-
	<u>562 394</u>	<u>537 505.00</u>
<b>Brummer JWG - Mayoral Committee Member</b>		
Remuneration	-	13 857
Travel Allowances	-	3 632
Telephone Allowances	-	402
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>17 891.00</u>
<b>Ngalo CN - Councillor</b>		
Remuneration	194 697	181 957
Travel Allowances	-	-
Telephone Allowances	20 868	11 996
Pension Contributions	-	-
Medical Contributions	18 238	12 642
	<u>233 803</u>	<u>206 595.00</u>
<b>Waxa V - Councillor</b>		
Remuneration	98 955	100 886
Travel Allowances	52 785	45 271
Telephone Allowances	20 868	11 163
Pension Contributions	17 812	6 110
Medical Contributions	40 629	26 944
	<u>231 049</u>	<u>190 374.00</u>
<b>Mbali MM - Councillor</b>		
Remuneration	7 792	6 483
Travel Allowances	6 666	4 229
Telephone Allowances	-	-
Pension Contributions	7 792	-
Medical Contributions	1 180	-
	<u>23 430</u>	<u>10 712.00</u>
<b>Ndayi N - Councillor</b>		
Remuneration	7 792	3 102
Travel Allowances	8 068	2 426
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>15 860</u>	<u>5 528.00</u>
<b>Bityi NA - Councillor</b>		
Remuneration	182 650	174 857
Travel Allowances	-	525
Telephone Allowances	20 868	12 396
Pension Contributions	27 397	26 229
Medical Contributions	-	-
	<u>230 915</u>	<u>214 007.00</u>
<b>Booisen NC- Councillor</b>		
Remuneration	7 792	14 725
Travel Allowances	7 125	7 012
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>14 917</u>	<u>21 737.00</u>
<b>Fielies M- Councillor</b>		
Remuneration	182 650	174 857
Travel Allowances	-	-
Telephone Allowances	20 868	12 396
Pension Contributions	27 397	26 229
Medical Contributions	-	-
	<u>230 915</u>	<u>213 482.00</u>
<b>Floors HJ- Councillor</b>		
Remuneration	158 355	150 815
Travel Allowances	52 786	51 393
Telephone Allowances	20 868	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>232 009</u>	<u>214 604.00</u>
<b>Gerber JJ- Councillor</b>		
Remuneration	7 792	20 621
Travel Allowances	9 722	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>17 514</u>	<u>20 621.00</u>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

26 REMUNERATION OF COUNCILLORS (CONTINUED)

	2014 R	2013 R
<b>Janse van Rensburg JG - Councillor</b>		
Remuneration	158 355	180 140
Travel Allowances	52 785	20 946
Telephone Allowances	20 868	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>232 008</u>	<u>213 482.00</u>
<b>Mbandezi SS - Councillor</b>		
Remuneration	7 792	12 514
Travel Allowances	1 187	5 455
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>8 979</u>	<u>17 969.00</u>
<b>Meshoa WP - Councillor</b>		
Remuneration	34 613	37 388
Travel Allowances	12 651	7 844
Telephone Allowances	-	700
Pension Contributions	-	-
Medical Contributions	-	-
	<u>47 264</u>	<u>45 932.00</u>
<b>Mkalipi NP - Councillor</b>		
Remuneration	189 203	-
Travel Allowances	-	-
Telephone Allowances	20 868	-
Pension Contributions	-	-
Medical Contributions	21 937	-
	<u>232 008</u>	<u>-</u>
<b>Niehaus GC - Councillor</b>		
Remuneration	22 282	30 929
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>22 282</u>	<u>30 929.00</u>
<b>Qupe LN - Councillor</b>		
Remuneration	25 710	29 678
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>25 710</u>	<u>29 678.00</u>
<b>Skietekat CM - Councillor</b>		
Remuneration	211 140	201 086
Travel Allowances	-	-
Telephone Allowances	20 868	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>232 008</u>	<u>213 482.00</u>
<b>Tanda NM - Councillor</b>		
Remuneration	182 650	173 828
Travel Allowances	-	-
Telephone Allowances	20 868	12 396
Pension Contributions	27 397	25 770
Medical Contributions	-	-
	<u>230 915</u>	<u>211 994.00</u>
<b>Teyisi T - Councillor</b>		
Remuneration	21 425	19 505
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>21 425</u>	<u>19 505.00</u>
<b>Van de Hoven PJ - Councillor</b>		
Remuneration	38 565	32 245
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>38 565</u>	<u>32 245.00</u>
<b>Van Rensburg D - Councillor</b>		
Remuneration	7 792	22 832
Travel Allowances	8 194	7 338
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>15 986</u>	<u>30 170.00</u>
<b>Xego D - Councillor</b>		
Remuneration	157 322	142 848
Travel Allowances	67 741	61 657
Telephone Allowances	20 868	12 396
Pension Contributions	23 598	21 426
Medical Contributions	21 251	10 203
	<u>290 780</u>	<u>248 530.00</u>
<b>Abrahams D - Councillor</b>		
Remuneration	20 735	22 534
Travel Allowances	4 508	6 853
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>25 243</u>	<u>29 387.00</u>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

26 REMUNERATION OF COUNCILLORS (CONTINUED)

	2014 R	2013 R
<b>Johannes R - Councillor</b>		
Remuneration	19 913	11 349
Travel Allowances	11 137	9 067
Telephone Allowances	-	-
Pension Contributions	-	-
	<u>31 050</u>	<u>20 416.00</u>
<b>Linden PDD - Councillor</b>		
Remuneration	17 595	201 086
Travel Allowances	-	-
Telephone Allowances	1 739	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>19 334</u>	<u>213 482.00</u>
<b>Kamfer D - Councillor</b>		
Remuneration	149 841	-
Travel Allowances	37 350	-
Telephone Allowances	18 288	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>205 479</u>	<u>-</u>
<b>De Waal NM - Councillor</b>		
Remuneration	-	4 690
Travel Allowances	-	796
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>5 486.00</u>
<b>Gombo ME - Councillor</b>		
Remuneration	-	9 805
Travel Allowances	-	930
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>10 735.00</u>
<b>Harmse J - Councillor</b>		
Remuneration	-	4 466
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>4 466.00</u>
<b>Mvimbi LL - Councillor</b>		
Remuneration	-	1 486
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>1 486.00</u>
<b>De Vries SF - Councillor</b>		
Remuneration	-	10 134
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>10 134.00</u>
<b>Ngemntu NP - Councillor</b>		
Remuneration	-	201 086
Travel Allowances	-	-
Telephone Allowances	-	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>-</u>	<u>213 482.00</u>

**In-kind benefits**

The Mayor may utilise official Council transportation when engaged in official duties.

**Remuneration of political office bearers and councillors**

Remuneration of political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the

27 DEPRECIATION

	2014 R	2013 R
Property, Plant and Equipment	3 875 501	4 356 876
Balance previously reported	-	3 970 272
Correction of error - Note 33.1	-	386 604
Investment Property	226 052	239 681
Balance previously reported	-	602 331
Correction of error - Note 33.1	-	(362 651)
	<u>4 101 553</u>	<u>4 596 556</u>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

<b>28</b>	<b>REPAIRS AND MAINTENANCE</b>		
	Buildings	912 465	1 136 778
	Buildings Mission Street	-	60 380
	Electricity	31 681	28 048
	Equipment	835 284	563 963
	Fleet Vehicles	56 965	21 103
	General Maintenance & Complaints	178 293	158 575
	Plant	1 406 642	960 290
	Radio/Transmitter Station	141 554	17 377
	Water Works	16 063	10 280
		<b>3 578 946</b>	<b>2 956 793</b>
<b>29</b>	<b>FINANCE CHARGES</b>		
	Long-term liabilities	369 631	771 379
	Previously reported	-	740 638
	Correction of error - SARS penalties & interest - Note 33.6	-	30 740
	SARS	334 826	423 113
	Previously reported	-	2 138
	Correction of error - SARS penalties & interest - Note 33.6	-	420 975
	<b>Total Interest on External Borrowings</b>	<b>704 457</b>	<b>1 194 492</b>
<b>30</b>	<b>CONTRACTED SERVICES</b>	<b>2014</b>	<b>2013</b>
		<b>R</b>	<b>R</b>
	Asset Verification: BAUD	230 421	-
	Assistance: Year-end procedures	1 078 788	478 891
	Disaster Management	7 670	-
	DWAF Chemical Water Sampling	322 934	272 850
	Environmental Management: Studies & other services	67 332	-
	Fax Machines, Copiers & Maintenance Agreements	21 735	113 095
	Balance previously reported	-	44 105
	Correction of error - Note 33.3	-	68 990
	Fire Fighting Services	5 409 041	4 290 466
	Financial Management Assistance	154 811	719 590
	Furniture Removal	14 109	15 953
	Integrated Transport	351 660	15 666
	Internal Audit Training	6 947	-
	Laboratory Tests	271 529	250 558
	Laundry Services	32 807	8 709
	License & Support Agreements	1 384 157	1 869 527
	LG SETA & TASK	386 016	32 213
	Maintenance Plans	255 709	231 078
	Management Training	348 415	90 751
	RBIG & DBSA Bulk Water Studies	1 975 732	580 727
	Balance previously reported	1 975 732	2 048 778
	Correction of error - Note 33.3	-	(1 468 051)
	Regional Landfill Site	-	15 671
	Security Services	62 660	69 883
	Strategic Session: SCM Processes	-	25 500
	Tourism	52 583	46 931
	Work for Water	1 372 872	3 247 006
		<b>15 783 657</b>	<b>12 375 067</b>
<b>31</b>	<b>ROADS - OPERATING EXPENDITURE</b>	<b>2014</b>	<b>2013</b>
		<b>R</b>	<b>R</b>
	Plant Hire	-	-
	General Expenses	65 826 969	58 635 922
	Repairs and Maintenance	275 077	-
	Contributions to Capital	3 751 833	436 573
		<b>69 853 879</b>	<b>59 072 495</b>
<b>32</b>	<b>GENERAL EXPENSES</b>		
	Included in general expenses are the following: -		
	Advertisements	418 412	323 226
	Audit Fees	2 596 604	1 857 450
	Bank Charges	122 287	187 354
	Computer Programs	60 930	-
	Contribution Full time Shopsteward	10 120	45 975
	Deeds	2 208	1 080
	Disposable Equipment	2 368	6 462
	Domestic Expenses	308 679	337 909
	Employee Support	38 038	5 150
	Entertainment Allowances	36 158	62 963
	External Audit Committee	143 888	64 948
	Health Advisory Committee	1 754	877
	Herbicides	22 200	35
	Health Education	21 211	12 781
	Inventory Items	16 457	14 063
	Insurance	621 539	634 194
	Laboratory Test	484 546	454 114
	Laundry Service	143 741	138 506
	Legal Fees	959 775	1 203 901
	License fees	9 615	5 043
	Material	24 446	9 513
	Membership fees	970 371	850 629
	OPCAR - GRAP	691 547	-
	Operating Projects	1 320 346	2 043 895
	Personnel Contribution Mission Street	527 500	-
	Plant	996 565	1 236 952
	Postage/ Post Box Rental	29 737	11 554
	Printing & Stationery	1 051 149	1 016 846
	Protective Clothing	387 117	384 193
	Public Relations	11 465	1 961



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

32	GENERAL EXPENSES (CONTINUED)	2014 R	2013 R
	Purchases Mattresses	25 842	70 832
	Rates & Taxes	635 310	575 651
	Refreshments	47 431	60 299
	Registration Fees: Congresses	19 805	39 463
	Rent	327 294	286 528
	Rent Disaster Centre Equipment	816 444	1 657 185
	Repayment: Eden Employee s (3G)	(28 238)	14 215
	Restaurant	-	70 517
	Road Reserve	442 972	104 943
	Security	109 148	83 204
	Services Accounts	1 899 221	1 726 109
	Skills Development Levy	689 252	697 911
	Strategic Planning	26 863	24 619
	Study Assistance	232 987	309 631
	Subsistence & Travel	1 081 128	1 035 091
	Sundry Expenses	159 365	53 048
	Sundry Expenses - Grant funded	7 574 523	1 232 430
	Telephone/Data lines	2 805 827	3 416 846
	Training	880 471	1 169 064
	Vermin Control	63	1 139
	Wreaths & Bouquets	11 853	8 325
	Year-end Function	39 590	37 460
		<u>29 827 924</u>	<u>23 586 084</u>
33	<b>CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
	During the current financial year, the municipality had corrected the following prior period errors:		
33.1	<b>Property Plant and Equipment</b>	<b>2013 Cost R</b>	<b>2012 Cost R</b>
	<i>Balance previously reported - 30 June</i>	<b>175 682 168</b>	<b>180 010 144</b>
	Correction of assets previously disposed now found - Note 11 & 33.9	13 225	-
	Correction of assets identified for the first time - Note 11 & 33.9	5 309 973	5 309 973
	Correction of Error Removal of duplications - Note 11 & 33.9	(45 550)	(45 550)
	Correction of Error Removal of incorrect classifications - Note 11 & 33.9	176 760 900	176 760 900
	Correction of error disposal not recognised - Note 11 & 33.9	(351 000)	-
	Correction of Error Removal of incorrect capitalisations - Note 11 & 33.9	(621 854)	(621 854)
	<b>Restated Balance</b>	<b>356 747 862</b>	<b>361 413 612</b>
	<b>Property Plant and Equipment</b>	<b>2013 Accumulated Depreciation R</b>	<b>2012 Accumulated Depreciation R</b>
	<i>Balance previously reported - 30 June</i>	<b>26 975 835</b>	<b>24 494 630</b>
	Correction of assets previously disposed now found - Note 11, 33.9 & 33.10	7 140	-
	Correction of assets identified for the first time - Note 11, 33.9 & 33.10	557 463	478 784
	Correction of Error Removal of Duplications - Note 11, 33.9 & 33.10	(32 747)	(30 073)
	Correction of Error Removal of incorrect classifications - Note 11, 33.9 & 33.10	2 506 143	2 143 492
	Correction of Error prior year useful life - Note 11, 33.9 & 33.10	(29 245)	-
	Correction of error disposal not recognised - Note 11 & 33.9	(16 783)	-
	Correction of Error Removal of incorrect capitalisations - Note 11, 33.9 & 33.10	(198 486)	(177 161)
	<b>Restated Balance</b>	<b>29 769 322</b>	<b>26 909 672</b>
33.2	<b>Investment Property</b>	<b>Cost 2013 R</b>	<b>Cost 2012 R</b>
	<i>Balance previously reported - 30 June</i>	<b>351 910 900</b>	<b>347 939 900</b>
	Correction of Error Removal of incorrect classifications - Note 12 & 33.9	(176 760 900)	(176 760 900)
	<b>Restated Balance</b>	<b>175 150 000</b>	<b>171 179 000</b>
	<b>Investment Property</b>	<b>Accumulated Depreciation R</b>	<b>Accumulated Depreciation R</b>
	<i>Balance previously reported - 30 June</i>	<b>4 299 682</b>	<b>3 017 462</b>
	Correction of Error Removal of incorrect classifications - Note 12 & 33.9 & 33.10	(2 506 143)	(2 143 492)
	<b>Restated Balance</b>	<b>1 793 539</b>	<b>873 970</b>
33.3	<b>Payables from exchange transactions</b>	<b>2013 R</b>	<b>2012 R</b>
	<i>Balance previously reported - 30 June</i>	<b>40 665 028</b>	<b>35 066 622</b>
	Correction of error regarding Contracted Services paid in current financial year for the period 1 July 2012 to 30 June 2013 that was not included in the Provision for Creditors - Note 8 & 33.10	68 990	-
	Correction of incorrect journal processed in the 2011/2012 financial year - Note 8 & 33.9	8 727	8 727
	Correction of unspent priority funds for Kannaland and Hessequa Municipality - Note 8 & 29.9	(670 242)	(670 242)
	Correction of double provision - Note 8 & 33.9	(196 070)	(196 070)
	Correction of incorrect rental billings - Note 8, 33.9 & 33.10	319 266	154 593
	Correction of allocations of income and expenditure for sport club fees - Note 8, 22, 33.9 & 33.10	30 000	11 931
	Correction of Admin Fee: WFW - Note 8, 33.9 & 33.10	(2 187 768)	(1 552 165)
	Correction of Admin Fee Roads - Note 8 & 33.10	1 432 777	-
	Correction of incorrect provision for grant expenditure - Note 8 & 33.10	(1 707 036)	-
	<b>Restated Balance</b>	<b>37 763 673</b>	<b>32 823 396</b>
33.4	<b>Other Receivables from Non-Exchange Transactions</b>	<b>R</b>	<b>R</b>
	<i>Balance previously reported - 30 June</i>	<b>2013</b>	<b>2012</b>
	Correction of classification of Department of Transport debtors - Note 18	3 171 057	2 011 211
	Correction of Other Income allocated to incorrect debtor - Note 18 & 33.10	(357 014)	(305 596)
	Correction of PAYE allocations for the period 2012/2013 - Note 18 & 33.9	68 122	-
		42 067	-
	<b>Restated Balance</b>	<b>2 924 232</b>	<b>1 705 615</b>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**33 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)**

	R	R
<b>33.5 Other Receivables from Exchange Transactions</b>	<b>2013</b>	<b>2012</b>
<i>Balance previously reported - 30 June</i>	<b>3 388 492</b>	<b>1 314 981</b>
Correction of incorrect billings with regards to rental properties - Note 17, 33.9 & 33.10	(1 197 929)	(522 064)
Correction of classification of Department of Transport debtors - Note 17	357 014	305 596
Correction of provision for bad debts on incorrect billings with regards to rental properties - Note 17, 33.9 & 33.10	822 404	513 774
<b>Restated Balance</b>	<b>3 369 981</b>	<b>1 612 287</b>
<b>33.6 VAT Receivable</b>	<b>R</b>	<b>R</b>
	<b>2013</b>	<b>2012</b>
<i>Balance previously reported - 30 June</i>	<b>2 095 405</b>	<b>1 754 629</b>
Correction of SARS penalties and interests - Note 10, 33.9 & 33.10	(699 190)	(278 215)
Correction of incorrect billings with regards to rental properties - Note 10, 33.9 & 33.10	119 904	64 120
Correction of incorrect provision for grant expenditure - Note 10 & 33.10	(238 985)	-
Correction of error - Admin Fee Roads - Note 10 & 33.10	175 955	-
<b>Restated Balance</b>	<b>1 453 089</b>	<b>1 540 534</b>
<b>33.7 Housing Development Fund</b>	<b>R</b>	<b>R</b>
	<b>2013</b>	<b>2012</b>
<i>Balance previously reported - 30 June</i>	<b>56 426</b>	<b>56 426</b>
Correction of Housing Development Fund - Note 2 & 33.9	(56 426)	(56 426)
<b>Restated Balance</b>	<b>-</b>	<b>-</b>
<b>33.8 Conditional Grant &amp; Receipts</b>	<b>R</b>	<b>R</b>
	<b>2013</b>	<b>2012</b>
<i>Balance previously reported - 30 June</i>	<b>5 991 082</b>	<b>7 883 178</b>
Correction of emergency housing Zoar & DMA - Note 9, 21 & 33.9	(456 527)	(456 527)
Correction of incorrect provision for grant expenditure - Note 9, 21 & 33.10	1 707 036	-
<b>Restated Balance</b>	<b>7 241 591</b>	<b>7 426 651</b>
<b>33.9 Intangible Assets</b>	<b>R</b>	<b>R</b>
	<b>2013</b>	<b>2012</b>
	<b>Accumulated</b>	<b>Accumulated</b>
	<b>Depreciation</b>	<b>Depreciation</b>
<i>Balance previously reported - 30 June</i>	<b>2 693 094</b>	<b>2 177 759</b>
Correction of Error: Prior year amortisation - Note 13 & 33.11	201 734	-
<b>Restated Balance</b>	<b>2 894 828</b>	<b>2 177 759</b>
<b>33.10 Long term liabilities</b>	<b>R</b>	<b>R</b>
	<b>2013</b>	<b>2012</b>
<i>Balance previously reported - 30 June</i>	<b>4 266 930</b>	<b>3 287 198</b>
Correction of incorrect calculation of present value of the finance lease - Note 3 & 33.11	30 740	-
Correction of Error: Coorection of ESRI cost price - Note 33.13	86 296	-
<b>Restated Balance</b>	<b>4 383 966</b>	<b>3 287 198</b>
<b>33.11 Accumulated Surplus/(Deficit)</b>		<b>R</b>
Correction of incorrect transactions processed in the 2011/2012 financial year - Note 33.3		(8 727)
Correction of allocations regarding income and expenditure for sport club fees - Note 33.3		(11 931)
Correction of incorrect billings with regards to rental properties - Note 33.5		(612 537)
Correction of bad debt provision on incorrect billings with regards to rental properties - Note 33.5		513 774
Correction of assets identified for the first time - Note 33.1		4 831 189
Correction of assets with values previously disposed now found - Note 33.1		7 219
Correction of Error Removal of Duplications - Note 33.1		(15 477)
Correction of unspent priority funds for Kannaland and Hessequa Municipality - Note 33.3		670 242
Correction of Housing Development Fund - Note 33.7		56 426
Correction of SARS penalties & interest - Note 33.6		(278 215)
Correction of double provision - Note 33.1		196 070
Correction of emergency housing Zoar & DMA - Note 33.8		456 527
Correction of Error Admin Fee: WFW - Note 33.3		1 552 165
Correction of Error Removal of incorrect capitalisations - Note 33.1		(444 693)
<b>Total amount credited/(debited) to accumulated surplus due to implementation of GRAP</b>		<b>6 912 031</b>
<b>33.12 Changes to Statement of Financial Performance</b>		<b>R</b>
Correction of error regarding Contracted Services paid in current financial year for the period 1 July 2012 to 30 June 2013 that was not included in the Provision for Creditors - Note 33.3		(68 990)
Correction of PAYE allocations for the period 2012/2013 - Note 33.4		42 067
Correction of allocations regarding income and expenditure for sport club fees - Note 33.3		(18 069)
Correction of incorrect billings with regards to rental properties - Note 33.5		(740 429)
Correction of bad debt provision on incorrect billings with regards to rental properties - Note 33.5		264 305
Correction of Error Removal of Duplications - Note 33.1		2 673
Correction of error correction of depreciation on disposals corrected - Note 33.1		2 617
Correction of error disposal not recognised - Note 33.1		(336 827)
Correction of Error Removal of incorrect capitalisations - Note 33.1		21 325
Correction of assets with values previously disposed now found - Note 33.1		(1 134)
Correction of SARS penalties & interest - Note 33.6		(420 975)
Correction of unpaid conditional grants - Note 33.6 & 33.8		(238 985)
Correction of other income (integrated waste management) allocated to incorrect financial year - Note 23		68 122
Correction of Error Admin Fee: WFW - Note 33.3		635 603
Correction of error: prior year amortisation - Note 33.9		(201 734)
Correction of error prior year useful life - Note 33.1		29 245
Correction of agency fee via inter company account		(1 256 822)
Correction of interest incorrectly calculated on finance lease - Note 33.10		(30 740)
Correction of assets identified for the first time - Note 33.1		(78 679)
<b>Total amount credited/(debited) to Statement of Financial Performance due to implementation of GRAP</b>		<b>(2 327 428)</b>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

33 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)

	R 2013 Cost	R 2012 Cost
<b>Balance previously reported - 30 June</b>	<b>6 234 238</b>	<b>3 444 660</b>
Correction of Error: Correction of ESRI cost price - Note 33.10	86 296	-
<b>Restated Balance</b>	<b>6 320 534</b>	<b>3 444 660</b>

33.14 Operating Grant Expenditure

Correction of Error: Operating Grant Expenditure reclassified in the statement of financial performance to the relevant line items as follows:

	R 2013
<b>Balance previously reported - 30 June</b>	<b>9 805 662</b>
Transferred to:	
Employee related costs	2 651 854
Contracted Services	5 921 378
General Expenditure	1 232 430
<b>Restated Balance</b>	<b>0</b>

34 CASH GENERATED FROM OPERATIONS

	2014 R	2013 R
(Deficit) for the year from Continued Operations	(7 349 578)	12 786 532
Adjustments for:		
Unamortised Discount - Expense	78 066	98 040
Unamortised Discount - Income	(3 143)	(5 894)
Depreciation	4 101 553	4 596 556
Amortisation	729 080	669 965
Grants received	146 618 912	136 200 860
Grants recognised as revenue	(145 732 716)	(136 385 919)
Gain on disposal of property, plant and equipment	-	(133 542)
Contributed PPE	-	(294 102)
Loss on disposal of property, plant and equipment	31 769 219	727 891
Impairments	23 644	120 395
Contribution to Non-Current Provisions	274 353	236 458
Actuarial (Gain)/Loss	3 331 879	2 780 986
Employee benefits paid	(5 455 236)	(4 863 925)
Contribution to employee benefits	12 875 976	11 056 603
Bad debts written-off	(711 655)	(14 335 975)
Contribution to bad debt provision	2 442 803	1 220 478
Current employee benefits paid	(8 172 783)	(7 282 681)
Contribution to Current Employee Benefits	8 703 156	7 915 571
Investment income	-	-
Interest paid	-	-
<b>Operating deficit before working capital changes</b>	<b>43 523 530</b>	<b>15 108 298</b>
(Increase)/Decrease in inventory	(866 753)	(466 768)
Increase/(decrease) in Operating Lease Liability	18 142	-
(Increase)/Decrease in Operating Lease Asset	(29 270)	-
(Increase)/Decrease in Trade Receivables from exchange transactions	(12 843 383)	(2 923 576)
(Increase)/Decrease in Other Receivables from non-exchange transactions	960 262	13 070 342
Increase/(decrease) in creditors	(15 945 614)	4 940 277
(Increase)/Decrease in VAT	(30 363)	87 445
<b>Cash generated / (utilized in) operations</b>	<b>14 786 552</b>	<b>29 816 016</b>

35 CASH AND CASH EQUIVALENTS

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

	2014 R	2013 R
Bank balances and cash	79 736 070	72 983 370
Call deposits	1 104	1 104
<b>Total cash and cash equivalents</b>	<b>79 737 174</b>	<b>72 984 474</b>

36 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

	2014 R	2013 R
Long-term liabilities (see Note 3)	2 670 408	4 383 966
Used to finance property, plant and equipment - at cost	2 670 408	4 383 966
Sub-total	-	-
Cash set aside for the repayment of long-term liabilities (see note 3)	-	-
<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>

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

37 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

	2014 R	2013 R
Cash and Cash Equivalents - Note 20	79 737 174	72 984 474
Investments - Note 14	40 774	40 774
	79 777 948	73 025 248
Less:	8 478 071	7 592 012
Unspent Committed Conditional Grants - Note 9	8 459 929	7 592 012
<b>Net cash resources available for internal distribution</b>	<b>71 299 877</b>	<b>65 433 236</b>
Allocated to:		
Capital Replacement Reserve	(18 068 623)	(7 390 546)
<b>Resources available for working capital requirements</b>	<b>53 231 254</b>	<b>58 042 690</b>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

38 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUED)

38.1 Unauthorised expenditure

	2014 R	2013 R
Reconciliation of unauthorised expenditure		
Opening balance	14 015 310	1 012 034
Unauthorised expenditure current year	44 803 497	13 003 276
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
	<u>58 818 807</u>	<u>14 015 310</u>

The unauthorised expenditure will be presented to Council in the 2014/2015 financial year for condonation

	2014 R (Actual)	2014 R (Grant Funded)	2014 R (Budget)	2014 R (Variance - excluding grant funded)	2014 (%)
<b>Expenditure by Vote</b>					
Executive and Council	65 949 817	1 000 000	44 469 742	20 480 075	46%
Budget and Treasury Office	17 259 103	1 639 818	17 927 829	(2 308 544)	-13%
Corporate Services	26 245 092	920 261	27 151 930	(1 827 099)	-7%
Community and Social Services	2 278 869	6 978	2 311 992	(40 101)	-2%
Sport and Recreation	8 276 834	-	8 304 582	(27 748)	0%
Public Safety	28 928 069	6 584 000	27 553 450	(5 209 381)	-19%
Health	23 746 350	336 684	23 604 045	(194 379)	-1%
Planning and Development	6 192 787	-	8 455 897	(2 263 111)	-27%
Road Transport	125 443 645	365 095	101 020 044	24 058 507	24%
Electricity	-	-	-	-	0%
Water	200 861	-	2 074 068	(1 873 208)	-90%
Waste Water Management	1 975 732	1 975 732	11 282	(11 282)	-100%
Waste Management	1 688 052	-	2 305 467	(617 415)	-27%
Environmental Protection	5 728 265	2 440 294	8 271 532	(4 983 561)	-60%
	<u>313 913 475</u>	<u>15 268 862</u>	<u>273 461 859</u>	<u>25 182 754</u>	

	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 (%)
<b>Capital expenditure by vote</b>				
Executive & Council	113 822	-	113 822	100%
Budget and Treasury Office	20 675	-	20 675	100%
Planning & Development	50 068	-	50 068	100%
Public Safety	443 636	400 000	43 636	11%
Health	30 640	-	30 640	100%
Corporate Services	559 765	735 000	(175 235)	-24%
Sport & Recreation	6 074	-	6 074	100%
Waste Management	-	5 800 000	(5 800 000)	-100%
	<u>1 224 680</u>	<u>6 935 000</u>	<u>(5 710 320)</u>	

38.2 Fruitless and wasteful expenditure

	2014 R	2013 R
Reconciliation of fruitless and wasteful expenditure		
Opening balance	2 299 681	726 043
Restatement	-	1 573 638
Fruitless and wasteful expenditure current year	342 130	-
Condoned or written off by Council	-	-
Recovered during 2013/2014	(7 303)	-
Fruitless and wasteful expenditure awaiting condonement	-	-
	<u>2 634 507</u>	<u>2 299 681</u>

The 2012/13 restatement, as well as an additional R334,826 in the current year relates to penalties and interest payable to SARS.

Additionally in 2013/14 an employee incurred fruitless and wasteful expenditure of R7,303. The accounting officer followed the necessary steps and the money was recovered from the employee in full.

The fruitless and wasteful expenditure will be presented to Council in the 2014/2015 financial year for condonation.

38.3 Irregular expenditure

	2014 R	2013 R
Reconciliation of irregular expenditure		
Opening balance - previously reported	17 793 733	14 387 042
Irregular expenditure current year - previously reported	-	7 566 986
Correction of error	-	6 820 056
Irregular expenditure current year	11 627 663	3 406 692
Irregular expenditure current year - previously reported	-	1 305 435
Correction of error	-	2 101 256
Condoned or written off by Council	-	-
Recovered during year	-	-
Irregular expenditure awaiting condonement	-	-
	<u>29 421 396</u>	<u>17 793 733</u>

Irregular expenditure recognised in the current year mainly related to non-compliance with sections 36 (unreasonably deviating from procurement processes) and 38 (not obtaining winning bidders municipal accounts) of the SCM regulations.

Included in the opening balance is irregular expenditure of R5.4m relating to a forensic investigation report issued by KPMG. The necessary procedures to recover the funds from the responsible officials is in process as per the Council resolution.

Also, in relation to irregular expenditure of R456,000 relating to the J Zeelie forensic investigation, a final forensic investigation report regarding processes not followed to recover the outstanding amount owed by Mr Zeelie has been issued. The necessary processes will be followed after Council approval.

Currently, two matters relating to possible irregular expenditure are under investigation by the internal auditors to the estimated amount of R12.5million. The final report has not been issued regarding these two matters.

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**38 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUED)**

Three internal audits were conducted for possible irregular expenditure. One of the audits were requested by the Financial Services Portfolio Committee. Two audits were requested by the chairperson of the Bid Adjudication Committee, after these two items were discussed and the decision by the Bid Adjudication Committee, that these items must be referred to the accounting officer for internal audit.  
The final report from internal audit was received on the 22nd of August 2014 and the findings were:  
> Two of the findings were identified as irregular expenditure and non-compliance to legislation and processes in terms of Section 32 of the MFMA must be followed by the accounting officer.  
The accounting officer will follow due processes with regards to the findings on the three internal audit findings.

**39 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

	2014 R	2013 R
<b>39.1 Contributions to organized local government</b>		
Opening balance	-	-
Council subscriptions	57 932	52 852
Amount paid- current year	(57 932)	(52 852)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<u>-</u>	<u>-</u>
<b>39.2 Audit fees</b>		
Opening balance	-	-
Current year audit fee	2 596 604	1 857 450
Amount paid - prior year	(2 596 604)	(1 857 450)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<u>-</u>	<u>-</u>
<b>39.3 VAT</b>		
VAT input receivables and VAT outputs payable are shown in note 10 & 8.		
All VAT returns have been submitted by the due date throughout the year.		
<b>39.4 PAYE AND UIF</b>		
Opening balance	-	-
Current year payroll deductions	18 907 278	18 635 122
Amount paid - current year	(18 907 278)	(18 635 122)
Amount paid - previous years	-	-
<b>Balance unpaid (included in debtors)</b>	<u>-</u>	<u>-</u>
<b>39.5 Pension and Medical Aid Deductions</b>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	20 703 194	20 089 882
Amount paid - current year	(20 703 194)	(20 089 882)
Amount paid - previous years	-	-
<b>Balance unpaid (included in debtors)</b>	<u>-</u>	<u>-</u>

The balance represents medical aid contributions payable to the District Municipality by pensioners whose contributions were already paid to the medical aid. Invoices were issued to collect the outstanding amounts.

**39.6 Councillor's arrear accounts**

**30 June 2014**

The following amounts are outstanding regarding travel allowances:

	Total	Outstanding less than 90 days	Outstanding more than 90 days
AM Wildeman	642 390	-	642 390
JL Hartnick	436 266	-	436 266
J Bouwer	301 071	-	301 071
JMG Bekker	251 864	-	251 864
PJ Roodtman	222 042	-	222 042
SCP Blijohn	88 876	-	88 876
HJ Loff	82 729	-	82 729
HJ Mc Combi	79 846	-	79 846
A Hartnick	66 272	-	66 272
JJA Koegeleberg	52 114	-	52 114
JE Davids	39 357	-	39 357
A Ewerts	38 311	-	38 311
J Harmse	30 420	-	30 420
CN Ngalo	24 385	-	24 385
FH Stemmet	22 633	-	22 633
B Le Roux	22 008	-	22 008
P van der Hoven	19 903	-	19 903
E Nel	13 551	-	13 551
PJW Murray	11 762	-	11 762
JST Alberts	10 761	-	10 761
AR Olivier	9 071	-	9 071
M Fielies	8 640	-	8 640
EKV van Eden	7 053	-	7 053
PJL Grobler	6 571	-	6 571
A Baartman	5 729	-	5 729
N Bityi	3 527	-	3 527
D Kampher	754	-	754
EN Mtabati	562	-	562
F Joseph	268	-	268
	<u>2 498 736</u>	<u>-</u>	<u>2 498 664</u>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

39 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

30 June 2014

The following amounts are outstanding regarding cellphone accounts:

	Total	Outstanding less than 90 days	Outstanding more than 90 days
Biljohn	18 050	-	18 050
D Kamfer	15 336	-	15 336
S Loliwe	14 718	-	14 718
Kroma	7 362	-	7 362
M Fielies	6 523	-	6 523
HJ McCombi	5 368	-	5 368
Saaiers	4 525	-	4 525
S de Vries	2 530	-	2 530
Ewerts	2 332	-	2 332
J Kemoetie	1 408	-	1 408
JH Loff	1 011	-	1 011
J Maxim	875	-	875
Dorfling	750	-	750
CN Ngalo	700	-	700
E Mtabati	622	-	622
F Stemmet	592	-	592
J Bekker	281	-	281
Simmers	1 677	-	1 677
	<u>84 660</u>	<u>-</u>	<u>84 660</u>

30 June 2013

The following amounts are outstanding regarding travel allowances:

	Total	Outstanding less than 90 days	Outstanding more than 90 days
AM Wildeman	642 390	-	642 390
JL Hartnick	436 266	-	436 266
J Bouwer	301 071	-	301 071
JMG Bekker	251 864	-	251 864
PJ Roodtman	222 042	-	222 042
SCP Biljohn	88 876	-	88 876
HJ Loff	82 729	-	82 729
HJ Mc Combi	79 846	-	79 846
A Hartnick	66 272	-	66 272
JJA Koegelenberg	52 114	-	52 114
JE Davids	39 357	-	39 357
A Ewerts	38 311	-	38 311
J Harmse	30 420	-	30 420
CN Ngalo	24 385	-	24 385
FH Stemmet	22 633	-	22 633
B Le Roux	22 008	-	22 008
P van der Hoven	19 903	-	19 903
E Nel	13 551	-	13 551
PJW Murray	11 762	-	11 762
JST Alberts	10 761	-	10 761
AR Olivier	9 071	-	9 071
M Fielies	8 640	-	8 640
EKV van Eden	7 053	-	7 053
PJL Grobler	6 571	-	6 571
A Baartman	5 729	-	5 729
N Bityi	3 527	-	3 527
D Kampher	754	-	754
EN Mtabati	562	-	562
F Joseph	268	-	268
	<u>2 498 736</u>	<u>-</u>	<u>2 498 664</u>

30 June 2013

The following amounts are outstanding regarding cellphone accounts:

	Total	Outstanding less than 90 days	Outstanding more than 90 days
Biljohn	18 050	-	18 050
D Kamfer	15 336	-	15 336
S Loliwe	14 718	-	14 718
Kroma	7 362	-	7 362
M Fielies	6 523	-	6 523
HJ McCombi	5 368	-	5 368
Saaiers	4 525	-	4 525
S de Vries	2 530	-	2 530
Ewerts	2 332	-	2 332
J Kemoetie	1 408	-	1 408
JH Loff	1 011	-	1 011
J Maxim	875	-	875
Dorfling	750	-	750
CN Ngalo	700	-	700
E Mtabati	622	-	622
F Stemmet	592	-	592
J Bekker	281	-	281
Simmers	1 677	1 677	-
	<u>84 660</u>	<u>1 677</u>	<u>82 982</u>

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The incidents listed hereunder have been condoned.

Deviations from procurement processes in terms of section 36 of the Supply Chain Management Regulations were identified on the following categories:

	Up to R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Financial Services	573 748	1 044 231	1 800 057	-
Management Services	1 428 776	492 736	652 368	-
Office of the MM	783 285	232 553	1 050 190	-
Support Services	634 956	523 962	860 000	-
Technical Services	4 476 321	3 925 482	1 411 005	-
	<u>7 897 086</u>	<u>6 218 963</u>	<u>5 773 620</u>	<u>-</u>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**39 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)**

The major deviations were as follows:

Awarded to	Reason/Explanation	Amount
Auditor-General	Sole supplier	2 100 380
Business Engineering	Sole supplier	860 000
Van der Berg Vervoer	Impractical procurement process - reasons as per deviation report.	523 520
Total SA		424 294
Lezmin Quarries CC	SLA not yet signed	404 824
PriceWaterhouseCoopers Combined Systems	Impractical procurement process - reasons as per deviation report.	325 573
Jan Palm Consulting Engineers	Sole supplier	252 366
Protea Toyota	Ratification of minor breach in SCM policy procedures by the Accounting Officer in terms of SCM Reg 36 1 (b)	400 000
Marx Concrete	Impractical Procurement Process	248 210
ELB Equipment	Provincial Government Western Cape recommendation no: R/2013/259	234 450
Total		<b>5 773 617</b>

**40 CAPITAL COMMITMENTS**

At year-end had committed R5.8million for the purchase of the regional landfill site to be established in Mossel Bay. All processes has been followed as per the Municipal Asset Transfer Regulations and Council approved the purchase. Currently the Municipality is in the process of finalising purchase contracts. Bank guarantees will be issued once the contracts have been signed

**41 CONTINGENT LIABILITY**

**30 June 2014**

**41.1 GHJ Kruger**

Gert Hendrik Jacobus Kruger vs. the MEC for Transport and Public Works (First defendant) and Eden District Municipality (Second defendant). This matter relates to a veld fire that allegedly originated on the road reserve that belongs to the Province and spread to the property of the plaintiff. The plaintiff alleges that the suffered damages of R906 550 as a result of the fire that spread to this property. Eden is acting as an agent of the Province. Respondent (Eden District Municipality) plea filed, awaiting plaintiffs response or trial date. We received the request for further particulars for the first and second defendants.

**2014  
R**

906 550

**41.2 Theunis Barnard / Eden DM / September January**

We received a summons from Calmanz Incorporated, with regards to an accident that happened on 5 February 2010. The driver of the vehicle was September January and at the time of the accident employed at Eden District Municipality. The vehicle had the registration number PA 175 129. This matter was referred to their Insurance company. Notice of intention to defend was issued.

38 231

**41.3 F du Toit / DL du Plooy / Eden DM**

Dr du Toit and his fiancé went on vacation at Victoria Bay Camp Site. They were robbed of valuable items. Therefore they are suing Eden DM for damages. This case was referred to Millers Attorneys. A notice of intention to defend was issued. Millers recommend that Advocate Schmidt be appointed in this matter. The Municipal Manager signed the disclosure statement and it was sent to Millers for further action.

376 750

**41.4 Lefatshe - Computer Systems**

Eden District Municipality entered into an agreement with Lefatshe Technologies (Pty) Ltd whereby they will provide the municipality with an integrated information technology system on or about 31 August 2011. The Municipal Manager informed Lefatshe in writing of Council's decision to investigate the Lefatshe tender and that the contract is on hold pending the outcome of the forensic investigation. Lefatshe Technologies (Pty) Ltd are claiming the following:  
> Payment of R 1,643,174.61 regarding invoice 3181 for services rendered together with interest at 15.5% per year from 1 October 2011 to date of final payment;  
> Damages of R 9,329,213 together with interest at 15.5% per year from the date of signing of the arbitration agreement, 21 February 2013, to date of final payment;and  
> Cost of the suit, which cannot be determined as to date.

14 007 721

**41.5 Hoogbaard / Delo vs. Eden DM / GW Louw**

A joint summons against Eden DM and Mr GW Louw for alleged defamation of character. They claim an amount of R 300 000.00 each. The Council appointed Attorneys to defend the case. We are waiting for the opposition to apply for a trial date.

600 000

**41.6 I Gerber N.O and others / Eden DM and P McKenzie**

The Cape Town High Court issued a court order against Eden District Municipality. In terms of the said order each party is liable for its own costs in respect of the said Application. In addition the court ordered the Applicant to bring a court application on or before the 31st of July 2013, in order to review Eden DM's decision to lease Part 4 of the farm Woodville 172, Division George to Peter McKenzie (the second Respondent), which will have further cost implications for Eden DM. Lastly instructions were issued that a lease be drafted in the interim between the relevant parties. Eden District Municipality is in the process of obtaining an eviction order against Gerber as he was supposed to evacuate the premises on or before 1 July 2014, in order for Mr. McKenzie to make use of the land / property.

21 840

**41.7 Possible Dispute with B-Municipalities Regarding Properties Registered in Eden District Municipality's Name**

The Municipality embarked on a process to dispose some of its land and buildings located within the District. Some of the local municipalities have disputed that these properties can in fact be disposed since it was supposed to be transferred to them because the assets were supposed to follow the function and since Eden are not fulfilling some of these anymore the local municipalities are claiming these properties. The Municipality intends to dispute this claim.

159 644 620

**41.8 Uniondale Correction Facility on behalf of Department of Public works**

Electricity consumption for 2006 - 2011. A claim of R8.3 m has been received but an in-house investigation must first be undertaken to assess the authenticity.

8 300 000

**41.9 A Lamont**

On-going labour dispute between A Lamont and Eden DM relating to a possible unlawful dismissal.

1 200 000

**42 IN-KIND DONATIONS AND ASSISTANCE**

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

**43 EVENTS AFTER THE REPORTING DATE**

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

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**44 RELATED PARTY TRANSACTIONS**

	Rates	Service Charges	Outstanding balances
<b>44.1 Related Party Transactions</b>			
<b>Year ended 30 June 2014</b>			
None	-	-	-
<b>Year ended 30 June 2013</b>			
None	-	-	-

**44.2 Related Party Loans**

Since 1 July 2004 loans to councillors and senior management employees are no longer permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 16 to the Annual Financial Statements.

**44.3 Related Parties**

The following are persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director of Eden District Municipality:

- \* Executive Mayor
- \* Speaker
- \* Mayoral Committee members
- \* Councillors
- \* Municipal Manager
- \* Senior Manager: Finance
- \* Executive Manager: Support Services
- \* Senior Manager: Technical Services
- \* Executive Manager: Management Services

Their short term employee benefits are disclosed in notes 23 & 24

**44.4 Other Supply Chain Transactions**

The following purchases were made from Suppliers whose shareholders is in service of the state:

Supplier	Employee	State Department	2014 R
Juta & Company Ltd	JD Volmink - Director	North West University	32 714
African Oxygen Ltd t/a Afrox Ltd	KDK Mokhele - Director	NAT: Science & Technology	2 907
The Courier and Freight Group	NJD - Buick - Director	SA Medical Research Council	7 943
INCA Portfolio Managers	M Mokoena - Director	Gautrain Management Agency	176 484
Minolco (Pty) Ltd t/a Konica Minolta	KR Mthimunye - Director	State Information Technology Agency	59 864
Cashbuild	DSS Lushabe - Non Executive Director	University of Johannesburg	69 028
Swift Silliker (Pty) Ltd	JJR - Billet - Director	South African Weather Services	15 162
L&L Projects	C Legodi - Member	NAT: Agriculture, Forestry & Fisheries	260
KPMG Services (Pty) Ltd	N Shah - Director	South African Weather Services	44 525
Vodacom	V Jarana - Director	Legal Aid South Africa	1 148 395
Windsor Hotel	LL Tsipa - Director	Eastern Cape Development Corporation	3 200
Schindler Lifts (Pty) Ltd	MG Mokoka - Director	Passanger Rail Agency of South Africa	23 353
Total SA (Pty) Ltd	MS Molala - Officer	Johannesburg Property Company	10 953 033
Nashua Mobile	D Nchoba - Director	NAT: Arts & Culture	4 115
AON South Africa (Pty) Ltd	MM Maponya - Director	NTP Radioisotopes	746 927
MK Construction t/a Africa Co	MA Kula - Member	EC: Health	278 801
			<b>13 566 711</b>

**45 RISK EXPOSURES**

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

**Foreign Exchange Currency Risk**

The municipality does not engage in foreign currency transactions.

**Price risk**

The municipality is not exposed to price risk.

**Interest Rate Risk**

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyse its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follows:

	2014 R	2013 R
0.5% (2009 - 0.5%) Increase in interest rates	(12 838)	(20 254)
0.5% (2009 - 0.5%) Decrease in interest rates	12 838	20 254

**Credit Risk**

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

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of fire fighting fees and rental agreements. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All services are payable within 30 days from invoice date. Refer to note 17 and 18 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

No trade and other receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 17 & 18 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

45 RISK EXPOSURES (CONTINUED)

	2014 %	2014 R	2013 %	2013 R
Ambulance and Fire Fighting Fees	28.39%	2 533 985	28.96%	2 071 495
Councillors' Arrears	28.00%	2 498 736	20.35%	1 455 506
Rental Agreements	21.30%	1 901 109	22.85%	1 633 931
Sundry debtors	22.31%	1 991 153	27.84%	1 991 153
	100.00%	8 924 982	100.00%	7 152 084

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Financial assets exposed to credit risk at year end are as follows:

	2014 R	2013 R
Long-term Receivable	49 891 728	44 796 124
Consumer Debtors	14 440 466	3 369 981
Other Debtors	1 441 785	2 475 116
Short term Investment Deposits	1 104	1 104
Bank Balances and Cash	79 736 070	72 983 370
<b>Maximum Credit Risk Exposure</b>	<b>145 511 153</b>	<b>123 625 695</b>
<b>Debtors past due date no impaired</b>		
31-60 days	378 366	841 267
61-90 days	335 444	717 392
91-120 days	296 088	663 937
121-365 days	2 365 352	1 844 897
+365 days	1 488 228	2 461 647
	<b>4 863 479</b>	<b>6 529 139</b>

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
<b>2014</b>				
Long Term liabilities	2 184 939	716 995	-	-
Capital repayments	1 996 017	674 391	-	-
Interest	188 922	42 604	-	-
Trade and Other Payables	21 818 059			
Unspent conditional government grants and receipts	8 459 929			
	<b>32 462 927</b>	<b>716 995</b>	<b>-</b>	<b>-</b>
<b>2013</b>				
Long Term liabilities	2 083 189	2 901 934	-	-
Capital repayments	1 753 508	2 630 458	-	-
Interest	329 681	271 476	-	-
Trade and Other Payables	37 763 673			
Unspent conditional government grants and receipts	7 592 012			
	<b>47 438 874</b>	<b>2 901 934</b>	<b>-</b>	<b>-</b>

46 FINANCIAL INSTRUMENTS

In accordance with GRAP 104 the financial assets of the municipality are classified as follows:

Financial Asset	Classification	2014 R	2013 R
<b>Long-term Receivable</b>			
Department of Transport: Roads - At amortised cost	Financial instruments at amortised cost	47 487 458	42 261 845
Long term debtors: Local Authorities - At amortised cost	Financial instruments at amortised cost	-	25 199
<b>Consumer Debtors</b>			
Service debtors	Financial instruments at amortised cost	14 440 466	3 369 981
<b>Other Debtors</b>			
Roads - Sundry debtors	Financial instruments at amortised cost	10 280 615	-
Sundry debtors	Financial instruments at amortised cost	1 441 785	2 475 116
Recoverable Debtors	Financial instruments at amortised cost	563 936	449 116
<b>Current Portion of Long-term Receivables</b>			
Department of Transport: Roads - At amortised cost	Financial instruments at amortised cost	2 404 270	2 509 080
<b>Non-current Investments</b>			
Non-current Investment	Financial instruments at amortised cost	40 774	40 774
<b>Short term Investment Deposits</b>			
Call Deposits	Financial instruments at amortised cost	1 104	1 104
<b>Bank Balances and Cash</b>			
Bank Balances	Financial instruments at amortised cost	19 591 732	72 962 005
Cash Floats and Advances	Financial instruments at amortised cost	60 144 338	21 365
<b>Total Financial Assets</b>		<b>156 396 477</b>	<b>124 115 585</b>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

46

**FINANCIAL INSTRUMENTS (CONTINUED)**

**SUMMARY OF FINANCIAL ASSETS**

Financial instruments at amortised cost

2014  
R

2013  
R

156 396 477

124 115 585

156 396 477

124 115 585

**Financial Liability**

**Non-Current Liabilities**

Long-term Liabilities

Financial instruments at amortised cost

704 932

2 569 434

**Current Liabilities**

Trade and other payables

Financial instruments at amortised cost

21 818 059

37 763 673

Current portion of long-term liabilities

Financial instruments at amortised cost

1 904 452

1 675 442

**Total Financial Liabilities**

24 427 443

42 008 549

**SUMMARY OF FINANCIAL LIABILITIES**

Financial instruments at amortised cost

24 427 443

42 008 549

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

11 PROPERTY PLANT & EQUIPMENT

30 JUNE 2014

Reconciliation of Carrying Value

	Cost						Accumulated Impairments					Accumulated Depreciation and Impairment Losses					Carrying Value	
	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Additions	Disposals	Impairment	Class Transfer		Closing Balance
	R	R	R			R						R	R	R				R
<b>Infrastructure</b>	332 039	-	227 550	-	-	104 489	-	-	-	-	-	142 619	18 513	131 262	-	-	29 871	74 619
Roads and Streets	332 039	-	227 550	-	-	104 489	-	-	-	-	-	142 619	18 513	131 262	-	-	29 871	74 619
<b>Community Assets</b>	928 314	-	-	-	-	928 314	-	-	-	-	-	169 037	37 430	-	-	-	206 467	721 847
Caravan Parks	928 314	-	-	-	-	928 314	-	-	-	-	-	169 037	37 430	-	-	-	206 467	721 847
<b>Land and Buildings</b>	323 565 235	-	29 415 000	-	-	294 150 235	-	-	-	-	-	10 791 327	1 487 792	622 132	-	-	11 656 987	282 493 248
Land	272 620 534	-	26 768 860	-	-	245 851 674	-	-	-	-	-	-	-	-	-	-	-	245 851 674
Buildings	50 944 701	-	2 646 140	-	-	48 298 561	-	-	-	-	-	10 791 327	1 487 792	622 132	-	-	11 656 987	36 641 574
<b>Other Assets</b>	31 922 280	999 412	833 988	-	-	32 087 704	-	23 644	-	-	23 644	18 666 338	2 331 766	540 332	-	-	20 457 772	11 606 288
Office Equipment	2 635 034	-	138 375	-	(1 024)	2 495 634	-	-	-	-	-	1 404 989	193 023	70 752	-	-	1 527 261	968 374
Furniture and Fittings	4 692 360	179 882	214 005	-	(650)	4 657 587	-	-	-	-	-	3 074 475	256 933	167 190	-	-	3 164 217	1 493 369
Bins and Containers	430 191	-	-	-	-	430 191	-	-	-	-	-	169 677	55 148	-	-	-	224 824	205 367
Emergency equipment	1 459 070	-	86 007	-	-	1 373 062	-	-	-	-	-	918 121	110 788	56 795	-	-	972 113	400 949
Motor Vehicles	4 538 116	400 000	32 974	-	-	4 905 142	-	-	-	-	-	2 279 089	360 669	18 870	-	-	2 620 887	2 284 255
Fire Engines	4 709 719	-	100 802	-	-	4 608 917	-	23 644	-	-	23 644	2 061 873	306 516	58 760	-	-	2 309 630	2 275 643
Computer Equipment	6 999 431	419 531	232 189	-	-	7 186 773	-	-	-	-	-	3 893 989	574 684	145 864	-	-	4 322 808	2 863 964
Plant and Equipment	1 626 253	-	29 635	-	1 674	1 598 293	-	-	-	-	-	898 489	129 194	22 101	-	-	1 005 582	592 711
Disaster Management Equipment	4 832 105	-	-	-	-	4 832 105	-	-	-	-	-	3 965 636	344 813	-	-	-	4 310 449	521 656
	356 747 867	999 412	30 476 538	-	-	327 270 743	-	23 644	-	-	23 644	29 769 321	3 875 501	1 293 726	-	-	32 351 096	294 896 003

The Loss on disposal of property of R32 103 422 relates to property transferred to the B Municipalities.

30 JUNE 2013

Reconciliation of Carrying Value

	Cost						Accumulated Impairments					Accumulated Depreciation and Impairment Losses					Carrying Value	
	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Additions	Disposals	Impairment	Class Transfer		Closing Balance
	R	R	R	R	R	R						R	R	R	R	R		R
<b>Infrastructure</b>	332 039	-	-	-	-	332 039	-	-	-	-	-	124 684	17 935	-	-	-	142 619	189 420
Roads and Streets	332 039	-	-	-	-	332 039	-	-	-	-	-	124 684	17 935	-	-	-	142 619	189 420
<b>Community Assets</b>	928 314	-	-	-	-	928 314	-	-	-	-	-	129 128	39 909	-	-	-	169 037	759 276
Caravan Parks	928 314	-	-	-	-	928 314	-	-	-	-	-	129 128	39 909	-	-	-	169 037	759 276
<b>Land and Buildings</b>	327 909 867	-	373 632	-	(3 971 000)	323 565 235	-	-	-	-	-	9 927 716	1 571 887	28 386	-	(679 889)	10 791 327	312 773 907
Land	273 457 534	-	266 000	-	(571 000)	272 620 534	-	-	-	-	-	-	-	-	-	-	-	272 620 534
Balance previously reported	104 217 871	-	-	-	(571 000)	103 646 871	-	-	-	-	-	-	-	-	-	-	-	103 646 871
Correction of error identified for the first time - Note 34.1	4 250 000	-	-	-	-	4 250 000	-	-	-	-	-	-	-	-	-	-	-	4 250 000
Correction of error disposal not recognised - Note 34.1	-	-	266 000	-	-	(266 000)	-	-	-	-	-	-	-	-	-	-	-	(266 000)
Correction of error incorrect classification - Note 34.1	164 989 663	-	-	-	-	164 989 663	-	-	-	-	-	-	-	-	-	-	-	164 989 663
<b>Buildings</b>	54 452 333	-	107 632	-	(3 400 000)	50 944 701	-	-	-	-	-	9 927 716	1 571 887	28 386	-	(679 889)	10 791 327	40 153 374
Balance previously reported	43 178 096	-	22 632	-	(3 400 000)	39 755 464	-	-	-	-	-	7 883 566	1 227 147	14 220	-	(679 889)	8 416 603	31 338 861
Correction of error incorrect classification - Note 34.1	11 771 237	-	-	-	-	11 771 237	-	-	-	-	-	2 143 492	362 651	-	-	-	2 506 143	9 265 094
Correction of error disposal not recognised - Note 34.1	-	-	85 000	-	-	(85 000)	-	-	-	-	-	-	(2 617)	14 166	-	-	(16 783)	(68 217)
Correction of error incorrect capitalisation - Note 34.1	(497 000)	-	-	-	-	(497 000)	-	-	-	-	-	(99 342)	(15 295)	-	-	-	(114 636)	(382 364)

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

11 PROPERTY PLANT & EQUIPMENT (CONTINUED)

	Cost					Accumulated Impairments					Accumulated Depreciation and Impairment Losses					Carrying Value		
	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Additions	Disposals	Impairment		Class Transfer	Closing Balance
<b>Other Assets</b>	32 243 398	875 758	1 196 876	-	-	31 922 280	-	-	-	-	-	16 728 144	2 727 145	788 950	-	-	18 666 338	13 255 942
Office Equipment	2 605 649	152 745	123 360	-	-	2 635 034	-	-	-	-	-	1 267 585	203 331	65 926	-	-	1 404 989	1 230 045
Balance previously reported	2 604 185	152 745	126 756	-	-	2 630 173	-	-	-	-	-	1 268 635	202 907	67 211	-	-	1 404 331	1 225 842
Correction of error - removal of duplications - Note 34.1	(19 077)	-	-	-	-	(19 077)	-	-	-	-	-	(12 538)	(1 149)	-	-	-	(13 687)	(5 390)
Correction of error incorrect capitalisation - Note 34.1	(10 705)	-	-	-	-	(10 705)	-	-	-	-	-	(5 155)	(1 387)	-	-	-	(6 543)	(4 162)
Correction of error previously disposed now found - Note 34.1	-	-	(3 396)	-	-	3 396	-	-	-	-	-	-	229	(1 285)	-	-	1 514	1 883
Correction of error identified for the first time - Note 34.1	31 247	-	-	-	-	31 247	-	-	-	-	-	16 643	2 732	-	-	-	19 375	11 872
Furniture and Fittings	4 745 553	71 426	124 619	-	-	4 692 360	-	-	-	-	-	2 821 122	327 278	73 925	-	-	3 074 475	1 617 885
Balance previously reported	4 730 928	71 426	129 145	-	-	4 673 209	-	-	-	-	-	2 814 472	325 184	76 275	-	-	3 063 381	1 609 828
Correction of error removal of duplications - Note 34.1	(8 609)	-	-	-	-	(8 609)	-	-	-	-	-	(5 726)	(481)	-	-	-	(6 206)	(2 403)
Correction of error incorrect capitalisation - Note 34.1	(1 149)	-	-	-	-	(1 149)	-	-	-	-	-	(761)	(76)	-	-	-	(837)	(312)
Correction of error previously disposed now found - Note 34.1	-	-	(4 526)	-	-	4 526	-	-	-	-	-	-	479	(2 350)	-	-	2 829	1 698
Correction of error identified for the first time - Note 34.1	24 384	-	-	-	-	24 384	-	-	-	-	-	13 137	2 172	-	-	-	15 309	9 075
Bins and Containers	430 191	-	-	-	-	430 191	-	-	-	-	-	123 183	46 494	-	-	-	169 677	260 514
Emergency equipment	1 484 584	57 261	82 776	-	-	1 459 070	-	-	-	-	-	838 140	129 403	49 423	-	-	918 121	540 949
Balance previously reported	1 454 721	57 261	82 776	-	-	1 429 206	-	-	-	-	-	821 976	126 815	49 423	-	-	899 368	529 838
Correction of error identified for the first time - Note 34.1	29 863	-	-	-	-	29 863	-	-	-	-	-	16 165	2 588	-	-	-	18 753	11 111
Motor Vehicles	4 718 407	299 439	479 729	-	-	4 538 116	-	-	-	-	-	2 401 686	197 676	320 274	-	-	2 279 089	2 259 028
Balance previously reported	4 831 407	299 439	480 754	-	-	4 650 091	-	-	-	-	-	2 473 589	202 179	320 628	-	-	2 355 140	2 294 952
Correction of error incorrect capitalisation - Note 34.1	(113 000)	-	-	-	-	(113 000)	-	-	-	-	-	(71 903)	(4 566)	-	-	-	(76 469)	(36 531)
Correction of error previously disposed now found - Note 34.1	-	-	(1 025)	-	-	1 025	-	-	-	-	-	-	64	(354)	-	-	418	607
Fire Engines	4 759 025	-	49 306	-	-	4 709 719	-	-	-	-	-	1 837 191	258 986	34 304	-	-	2 061 873	2 647 846
Balance previously reported	4 759 025	-	49 306	-	-	4 709 719	-	-	-	-	-	1 837 191	288 231	34 304	-	-	2 091 118	2 618 601
Correction of error useful life - Note 34.1	-	-	-	-	-	-	-	-	-	-	-	-	(29 245)	-	-	-	(29 245)	29 245
Computer Equipment	6 960 986	294 887	256 442	-	-	6 999 431	-	-	-	-	-	3 482 182	595 134	183 327	-	-	3 893 989	3 105 442
Balance previously reported	6 699 043	294 887	260 719	-	-	6 733 210	-	-	-	-	-	3 339 433	570 624	185 344	-	-	3 724 713	3 008 498
Correction of error removal of duplications - Note 34.1	(12 610)	-	-	-	-	(12 610)	-	-	-	-	-	(8 588)	(705)	-	-	-	(9 293)	(3 317)
Correction of error previously disposed now found - Note 34.1	-	-	(4 277)	-	-	4 277	-	-	-	-	-	-	362	(2 017)	-	-	2 380	1 898
Correction of error identified for the first time - Note 34.1	274 553	-	-	-	-	274 553	-	-	-	-	-	151 337	24 853	-	-	-	176 190	98 363
Plant and Equipment	1 706 897	-	80 644	-	-	1 626 253	-	-	-	-	-	785 245	175 015	61 772	-	-	898 489	727 764
Balance previously reported	1 687 225	-	80 644	-	-	1 606 581	-	-	-	-	-	773 924	172 994	61 772	-	-	885 145	721 435
Correction of error removal of duplications - Note 34.1	(5 253)	-	-	-	-	(5 253)	-	-	-	-	-	(3 221)	(339)	-	-	-	(3 560)	(1 693)
Correction of error identified for the first time - Note 34.1	24 926	-	-	-	-	24 926	-	-	-	-	-	14 543	2 361	-	-	-	16 903	8 023
Disaster Management Equipment	4 832 105	-	-	-	-	4 832 105	-	-	-	-	-	3 171 809	793 827	-	-	-	3 965 636	866 469
Balance previously reported	4 157 105	-	-	-	-	4 157 105	-	-	-	-	-	2 904 849	749 854	-	-	-	3 654 703	502 402
Correction of error identified for the first time - Note 34.1	675 000	-	-	-	-	675 000	-	-	-	-	-	266 960	43 973	-	-	-	310 933	364 067
<b>Restated Balance</b>	<b>361 413 618</b>	<b>875 758</b>	<b>1 570 509</b>	<b>-</b>	<b>(3 971 000)</b>	<b>356 747 867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26 909 672</b>	<b>4 356 876</b>	<b>817 337</b>	<b>-</b>	<b>(679 889)</b>	<b>29 769 321</b>	<b>326 978 546</b>

The leased property, plant and equipment is secured as set out in Note 3.

**EDEN DISTRICT MUNICIPALITY  
ANNEXURE A  
SCHEDULE OF EXTERNAL LOANS  
FOR THE YEAR ENDED 30 JUNE 2014**

EXTERNAL LOANS	Loan No.	Redeemable	Balance 30/06/2013 R	Received during the period R	Redeemed or written off R	Balance 30/06/2014 R	Carrying Value of Property, Plant and Equipment R	Other Costs in accordance with the MFMA
<b>DBSA LOANS</b>			2 505 080	-	862 727	1 642 353	-	-
<i>Loan: 10130/102</i> (10% interest rate, six monthly installments of R 25 669.04 with the final payment on 30/09/2015)								
<i>Loan: 10132/102</i> (10% interest rate, six monthly installments of R 184 150.24 with the final payment on 31/03/2016)								
<i>Loan: 10129/202</i> (10% interest rate, six monthly installments of R 130 001.34 with the final payment on 30/09/2015)								
<i>Loan: 10131/102</i> (10% interest rate, six monthly installments of R 193 023.80 with the final payment on 30/09/2015)								
			2 505 080	-	862 727	1 642 353	-	-
<b>LEASE LIABILITY</b>								
Office Equipment @ average of 12%			1 878 886	-	850 831	1 028 055	-	-
<b>TOTAL EXTERNAL LOANS</b>			4 383 966	-	1 713 558	2 670 408	-	-

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

Description	Provider	2014 Financial Year												
		1 July 2013	Correction of	Restated	Receipts		Expenditure		Repaid to National	Vat	Closing Balance	Unspent	Unpaid	
		Opening balance	Error	Opening balance	Grants received	Debtor	Operating	Capital	Revenue Fund	Income	30-Jun-14			
Municipal Systems Improvement Grant (MSIG)	National Government Grants	(106 743)	-	(106 743)	890 000	-	-	438 670	192 114	-	93 420	59 053	59 053	-
Dpt Land Affairs: District Assessment Committee	Provincial Government Grants	49 343	-	49 343	-	-	-	-	-	-	-	49 343	49 343	-
Donation Funds National Water	Provincial Government Grants	41 700	-	41 700	-	-	-	-	-	-	-	41 700	41 700	-
Housing Consumer Education Fund	Provincial Government Grants	32 167	-	32 167	-	-	-	-	-	-	-	32 167	32 167	-
Local Government Financial Management Grant (FMG)	National Government Grants	12 274	-	12 274	1 250 000	-	-	1 185 007	-	-	64 993	12 274	12 274	-
LGSETA: Re-imbursments	Other Grant Providers	1 128 101	-	1 128 101	131 015	-	-	347 892	-	-	-	911 224	911 224	-
LGSETA: LED Learnership	Other Grant Providers	9 164	-	9 164	-	-	-	-	-	-	-	9 164	9 164	-
Human Rights Programme	Provincial Government Grants	53 797	-	53 797	-	-	-	4 035	-	-	565	49 197	49 197	-
Sports Grounds: Haarlem	Provincial Government Grants	8 678	-	8 678	-	-	-	-	-	-	-	8 678	8 678	-
Libraries Grant - Facilities	Provincial Government Grants	77 506	-	77 506	-	-	-	-	-	-	-	77 506	77 506	-
Non-Motorised Transport	Provincial Government Grants	2 442	-	2 442	-	-	-	-	-	-	-	2 442	2 442	-
Bucket system Elimination Schools/Clinic	Provincial Government Grants	128 417	-	128 417	-	-	-	-	-	-	-	128 417	128 417	-
LG: Bulk Water and Waste Water infrastructure.	Provincial Government Grants	62 850	-	62 850	-	-	-	-	-	-	-	62 850	62 850	-
Expanded Public Works Incentives	National Government Grants	(83 579)	-	(83 579)	1 000 000	-	-	1 000 000	-	-	-	(83 579)	-	83 579
Task Contributions - Municipalities	Other Grant Providers	(50 247)	-	(50 247)	274 000	-	-	133 699	-	-	3 594	86 460	86 460	-
Emergency Housing DMA	Provincial Government Grants	282 478	(282 478)	-	-	-	-	-	-	-	-	-	-	-
Emergency Housing Zoar	Provincial Government Grants	174 048	(174 048)	-	-	-	-	-	-	-	-	-	-	-
WC FMG Assistance	National Government Grants	550 000	-	550 000	-	-	-	454 811	-	-	21 673	73 516	73 516	-
DWA: Abstraction Validation on Bitou	Provincial Government Grants	35 589	-	35 589	-	-	-	-	-	-	-	35 589	35 589	-
DWAF: Chemical Water Sampling	Provincial Government Grants	(7 248)	-	(7 248)	126 801	-	-	322 934	-	-	45 178	(248 559)	-	248 559
RBIG & DBSA: Bulk Water Studies	Other Grant Providers	(1 809 636)	1 707 036	(102 600)	2 904 935	-	-	1 975 732	-	-	192 693	633 910	633 910	-
Integrated Transport	Provincial Government Grants	-	-	-	604 000	-	-	365 095	-	-	100 346	138 560	138 560	-
Municipal Disaster Recovery	Provincial Government Grants	-	-	-	6 584 000	-	-	6 584 000	-	-	-	-	-	-
Mandela Memorial Celebrations	Provincial Government Grants	-	-	-	150 000	-	-	13 750	-	-	-	136 250	136 250	-
Braille Project	Provincial Government Grants	-	-	-	15 000	-	-	2 943	-	-	412	11 645	11 645	-
WC FMG Internal Audit Project	National Government Grants	-	-	-	400 000	-	-	-	-	-	-	400 000	400 000	-
WC FMG SCM Project-Database	National Government Grants	-	-	-	100 000	-	-	-	-	-	-	100 000	100 000	-
ROADS - DEPARTMENT OF TRANSPORT	Provincial Government Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CONSOLIDATED MIG PROJECTS - OPERATIONAL</b>														
<b>TOTALS</b>		<b>591 100</b>	<b>1 250 509</b>	<b>1 841 610</b>	<b>14 429 750</b>	<b>-</b>	<b>-</b>	<b>12 828 568</b>	<b>192 114</b>	<b>-</b>	<b>522 872</b>	<b>2 727 806</b>	<b>3 059 944</b>	<b>332 138</b>
WFW: Brandwacht 2010/11	Provincial Government Grants	0	-	0	643 067	-	-	623 344	-	-	19 724	0	0	-
WFW: Great - Brak 2010/11	Provincial Government Grants	-	-	-	942 108	-	-	910 297	-	-	31 811	(0)	-	0
WFW: Karatara 2010/11	Provincial Government Grants	0	-	0	475 542	-	-	469 706	-	-	5 837	0	0	-
WFW: Knysna 2010/11	Provincial Government Grants	(0)	-	(0)	44 718	-	-	43 989	-	-	729	(0)	-	0
WFW: Moordkuyil 2010/11	Provincial Government Grants	0	-	0	414 726	-	-	392 958	-	-	21 768	0	0	-
<b>WORK FOR WATER TOTALS</b>		<b>0</b>	<b>-</b>	<b>0</b>	<b>2 520 162</b>	<b>-</b>	<b>-</b>	<b>2 440 294</b>	<b>-</b>	<b>-</b>	<b>79 868</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>TOTALS</b>		<b>591 100</b>	<b>1 250 509</b>	<b>1 841 610</b>	<b>16 949 912</b>	<b>-</b>	<b>-</b>	<b>15 268 862</b>	<b>192 114</b>	<b>-</b>	<b>602 740</b>	<b>2 727 806</b>	<b>3 059 944</b>	<b>332 138</b>
<b>CAPITAL PROJECTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER GRANTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Management Grant	National Government Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal System Improvement Grant	National Government Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DME GRANTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Electricity Demand Side Management	National Government Grants	5 399 985	-	5 399 985	-	-	-	-	-	-	-	5 399 985	5 399 985	-
<b>TOTALS</b>		<b>5 399 985</b>	<b>-</b>	<b>5 399 985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 399 985</b>	<b>5 399 985</b>	<b>-</b>
<b>TOTAL CAPITAL BALANCES</b>		<b>5 399 985</b>	<b>-</b>	<b>5 399 985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 399 985</b>	<b>5 399 985</b>	<b>-</b>
<b>UNSPENT BALANCES END OF REPORTING PERIOD</b>		<b>5 991 085</b>	<b>1 250 509</b>	<b>7 241 594</b>	<b>16 949 912</b>	<b>-</b>	<b>-</b>	<b>15 268 862</b>	<b>192 114</b>	<b>-</b>	<b>602 740</b>	<b>8 127 790</b>	<b>8 459 931</b>	<b>332 138</b>
Consolidated MIG Projects		-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated FMG Projects		1 689 464	-	-	1 250 000	-	-	-	-	-	-	2 939 465	2 939 465	-
Consolidated MSIG Projects		(301 029)	-	-	890 000	-	-	1 185 007	-	-	-	(596 036)	-	596 036

**APPENDIX C(1) - Unaudited  
EDEN DISTRICT MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014  
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Revenue - Standard</b>								
<b>Governance and administration</b>	171 640	(2 143)	169 497	163 210	(6 286)	96.3%	95.1%	164 122
Executive and council	170 528	(2 143)	168 385	162 335	(6 050)	96.4%	95.2%	163 213
Budget and treasury office	-	-	-	-	-	-	-	7
Corporate services	1 112	-	1 112	875	(237)	78.7%	78.7%	902
<b>Community and public safety</b>	4 713	409	5 122	5 327	205	104.0%	113.0%	5 009
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	4 553	409	4 962	5 143	181	103.7%	113.0%	4 878
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Health	160	-	160	183	23	114.5%	114.5%	131
<b>Economic and environmental services</b>	50	99 944	99 994	137 906	37 912	137.9%	275812.1%	110 651
Planning and development	-	-	-	4	4	#DIV/0!	#DIV/0!	21
Road transport	-	99 869	99 869	137 713	37 844	137.9%	#DIV/0!	110 141
Environmental protection	50	75	125	189	64	151.3%	378.2%	488
<b>Trading services</b>	-	80	80	120	40	150.0%	#DIV/0!	380
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-
Waste management	-	80	80	120	40	150.0%	#DIV/0!	380
<b>Other</b>	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>176 403</b>	<b>98 289</b>	<b>274 692</b>	<b>306 563</b>	<b>31 871</b>	<b>111.6%</b>	<b>173.8%</b>	<b>280 161</b>
<b>Expenditure - Standard</b>								
<b>Governance and administration</b>	92 559	(3 009)	89 550	109 454	19 905	122.2%	118.3%	87 517
Executive and council	44 270	200	44 470	65 950	21 480	148.3%	149.0%	48 207
Budget and treasury office	20 012	(2 084)	17 928	17 259	(669)	96.3%	86.2%	16 474
Corporate services	28 276	(1 125)	27 152	26 245	(907)	96.7%	92.8%	22 836
<b>Community and public safety</b>	60 970	804	61 774	63 230	1 456	102.4%	103.7%	57 126
Community and social services	2 940	(628)	2 312	2 279	(33)	98.6%	77.5%	3 378
Sport and recreation	8 008	296	8 305	8 277	(28)	99.7%	103.4%	7 414
Public safety	25 608	1 945	27 553	28 928	1 375	105.0%	113.0%	23 479
Housing	-	-	-	-	-	-	-	-
Health	24 414	(810)	23 604	23 746	142	100.6%	97.3%	22 855
<b>Economic and environmental services</b>	18 506	99 241	117 747	137 365	19 617	116.7%	742.3%	120 514
Planning and development	7 092	1 364	8 456	6 193	(2 263)	73.2%	87.3%	6 728
Road transport	1 152	99 869	101 020	125 444	24 424	124.2%	10893.9%	110 141
Environmental protection	10 263	(1 992)	8 272	5 728	(2 543)	69.3%	55.8%	3 644
<b>Trading services</b>	3 013	1 378	4 391	3 865	(526)	88.0%	128.3%	2 219
Electricity	-	-	-	-	-	-	-	-
Water	505	1 569	2 074	201	(1 873)	9.7%	39.8%	66
Waste water management	458	(447)	11	1 976	1 964	17512.5%	431.3%	4
Waste management	2 049	256	2 305	1 688	(617)	73.2%	82.4%	2 148
<b>Other</b>	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>175 047</b>	<b>98 414</b>	<b>273 462</b>	<b>313 913</b>	<b>40 452</b>	<b>114.8%</b>	<b>179.3%</b>	<b>267 375</b>
<b>Surplus/(Deficit) for the year</b>	<b>1 355</b>	<b>(125)</b>	<b>1 230</b>	<b>(7 350)</b>	<b>(8 581)</b>	<b>-597.4%</b>	<b>-542.3%</b>	<b>12 787</b>

**APPENDIX C(2) - Unaudited  
EDEN DISTRICT MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014  
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Revenue by Vote</b>								
Executive and Council	170 528	(2 143)	168 385	162 335	(6 050)	96.4%	95.2%	163 213
Budget and Treasury Office	-	-	-	-	-	-	-	7
Corporate Services	1 112	-	1 112	875	(237)	78.7%	78.7%	902
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	4 553	409	4 962	5 143	181	103.7%	113.0%	4 878
Public Safety	-	-	-	-	-	-	-	-
Health	160	-	160	183	23	114.5%	114.5%	131
Planning and Development	-	-	-	4	4	#DIV/0!	#DIV/0!	21
Road Transport	-	99 869	99 869	137 713	37 844	137.9%	#DIV/0!	121 649
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	-	80	80	120	40	150.0%	#DIV/0!	380
Environmental Protection	50	75	125	189	64	151.3%	378.2%	488
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>176 403</b>	<b>98 289</b>	<b>274 692</b>	<b>306 563</b>	<b>31 871</b>	<b>111.6%</b>	<b>173.8%</b>	<b>291 669</b>
<b>Expenditure by Vote to be appropriated</b>								
Executive and Council	44 270	200	44 470	65 950	21 480	148.3%	149.0%	48 207
Budget and Treasury Office	20 012	(2 084)	17 928	17 259	(669)	96.3%	86.2%	16 474
Corporate Services	28 276	(1 125)	27 152	26 245	(907)	96.7%	92.8%	22 836
Community and Social Services	2 940	(628)	2 312	2 279	(33)	98.6%	77.5%	3 378
Sport and Recreation	8 008	296	8 305	8 277	(28)	99.7%	103.4%	7 414
Public Safety	25 608	1 945	27 553	28 928	1 375	105.0%	113.0%	23 479
Health	24 414	(810)	23 604	23 746	142	100.6%	97.3%	22 855
Planning and Development	7 092	1 364	8 456	6 193	(2 263)	73.2%	87.3%	6 728
Road Transport	1 152	99 869	101 020	125 444	24 424	124.2%	10893.9%	110 141
Electricity	-	-	-	-	-	-	-	-
Water	505	1 569	2 074	201	(1 873)	9.7%	39.8%	66
Waste Water Management	458	(447)	11	1 976	1 964	17512.5%	431.3%	4
Waste Management	2 049	256	2 305	1 688	(617)	73.2%	82.4%	2 148
Environmental Protection	10 263	(1 992)	8 272	5 728	(2 543)	69.3%	55.8%	3 644
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>175 047</b>	<b>98 414</b>	<b>273 462</b>	<b>313 913</b>	<b>40 452</b>	<b>114.8%</b>	<b>179.3%</b>	<b>267 375</b>
<b>Surplus/(Deficit) for the year</b>	<b>1 355</b>	<b>(125)</b>	<b>1 230</b>	<b>(7 350)</b>	<b>(8 581)</b>	<b>-59.4%</b>	<b>-542.3%</b>	<b>24 295</b>



**APPENDIX C(3) - Unaudited  
EDEN DISTRICT MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014  
REVENUE AND EXPENDITURE**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Revenue By Source</b>								
Property rates	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 889	(642)	1 248	853	(395)	68.4%	45.1%	990
Interest earned - external investments	2 051	550	2 601	4 684	2 083	180.1%	228.4%	3 433
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	189	189	#DIV/0!	#DIV/0!	208
Agency services	13 780	(2 500)	11 280	-	(11 280)	-	-	-
Transfers recognised - operating	133 413	7 684	141 097	145 733	4 636	103.3%	109.2%	136 386
Other revenue	17 270	101 197	118 468	155 105	36 637	130.9%	898.1%	136 992
Gains on disposal of PPE	8 000	(8 000)	-	-	-	-	-	134
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>176 403</b>	<b>98 289</b>	<b>274 692</b>	<b>306 563</b>	<b>31 871</b>	<b>279.5%</b>	<b>173.8%</b>	<b>278 142</b>
<b>Expenditure By Type</b>								
Employee related costs	94 205	51 851	146 056	147 787	1 731	101.2%	156.9%	145 142
Remuneration of councillors	6 954	15	6 969	7 028	59	100.8%	101.1%	6 747
Debt impairment	650	-	650	2 443	1 793	375.8%	375.8%	1 734
Depreciation & asset impairment	8 136	-	8 136	4 854	(3 282)	59.7%	59.7%	5 387
Finance charges	585	(100)	485	704	220	145.3%	120.5%	1 194
Bulk purchases	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-
Contracted services	11 330	(400)	10 930	13 808	2 878	126.3%	121.9%	12 375
Transfers and grants	3 744	400	4 144	-	(4 144)	-	-	-
General Expenses	49 444	46 649	96 092	#REF!	#REF!	#REF!	#REF!	#REF!
Loss on disposal of PPE	-	-	-	31 769	31 769	#DIV/0!	#DIV/0!	728
<b>Total Expenditure</b>	<b>175 047</b>	<b>98 414</b>	<b>273 462</b>	<b>#REF!</b>	<b>#REF!</b>	<b>277.9%</b>	<b>#REF!</b>	<b>#REF!</b>
<b>Surplus/(Deficit)</b>	<b>1 355</b>	<b>(125)</b>	<b>1 230</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1 355</b>	<b>(125)</b>	<b>1 230</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>

**APPENDIX C(4) - Unaudited  
EDEN DISTRICT MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014  
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure</b>								
Executive and Council	-	-	-	-	-	-	-	-
Budget and Treasury Office	-	-	-	-	-	-	-	-
Corporate Services	-	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Road Transport	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure</b>	-	-	-	-	-	-	-	-
<b>Single-year expenditure</b>								
Executive and Council	-	-	-	114	114	#DIV/0!	#DIV/0!	303
Budget and Treasury Office	-	-	-	21	21	#DIV/0!	#DIV/0!	26
Corporate Services	225	510	735	560	(175)	76.2%	248.8%	2 992
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	250	(250)	-	6	6	#DIV/0!	2.4%	73
Public Safety	400	-	400	444	44	110.9%	110.9%	180
Planning and development	-	-	-	50	50	#DIV/0!	#DIV/0!	12
Health	-	-	-	31	31	#DIV/0!	#DIV/0!	77
Road Transport	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	8 000	(2 200)	5 800	-	(5 800)	-	-	9
Environmental Protection	-	-	-	-	-	-	-	3
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure</b>	<b>8 875</b>	<b>(1 940)</b>	<b>6 935</b>	<b>1 225</b>	<b>(5 710)</b>	<b>18%</b>	<b>14%</b>	<b>3 675</b>
<b>Total Capital Expenditure - Vote</b>	<b>8 875</b>	<b>(1 940)</b>	<b>6 935</b>	<b>1 225</b>	<b>(5 710)</b>	<b>18%</b>	<b>14%</b>	<b>3 675</b>
<b>Capital Expenditure - Standard</b>								
<b>Governance and administration</b>	<b>225</b>	<b>510</b>	<b>735</b>	<b>694</b>	<b>(41)</b>	<b>94.5%</b>	<b>308.6%</b>	<b>3 321</b>
Executive and council	-	-	-	114	114	#DIV/0!	#DIV/0!	303
Budget and treasury office	-	-	-	21	21	#DIV/0!	#DIV/0!	26
Corporate services	225	510	735	560	(175)	76.2%	248.8%	2 992
<b>Community and public safety</b>	<b>650</b>	<b>(250)</b>	<b>400</b>	<b>480</b>	<b>80</b>	<b>120.1%</b>	<b>73.9%</b>	<b>330</b>
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	250	(250)	-	6	6	#DIV/0!	2.4%	73
Public safety	400	-	400	444	44	110.9%	110.9%	180
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	31	31	#DIV/0!	#DIV/0!	77
<b>Economic and environmental services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>15</b>
Planning and development	-	-	-	50	50	#DIV/0!	#DIV/0!	12
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	3
<b>Trading services</b>	<b>8 000</b>	<b>(2 200)</b>	<b>5 800</b>	<b>-</b>	<b>(5 800)</b>	<b>-</b>	<b>-</b>	<b>9</b>
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-
Waste management	8 000	(2 200)	5 800	-	(5 800)	-	-	9
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>8 875</b>	<b>(1 940)</b>	<b>6 935</b>	<b>1 225</b>	<b>(5 710)</b>	<b>18%</b>	<b>14%</b>	<b>3 675</b>
<b>Funded by:</b>								
National Government	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public contributions &amp; donations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Internally generated funds	8 875	(1 940)	6 935	1 225	(5 710)	17.7%	13.8%	3 675
<b>Total Capital Funding</b>	<b>8 875</b>	<b>(1 940)</b>	<b>6 935</b>	<b>1 225</b>	<b>(5 710)</b>	<b>18%</b>	<b>14%</b>	<b>3 675</b>

**APPENDIX C(5) - Unaudited  
EDEN DISTRICT MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014  
CASH FLOWS**

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Other receipts	33 249	96 621	129 870	145 087	15 217	111.7%	436.4%	140 762
Government - operating	133 413	7 684	141 097	145 541	4 444	103.1%	109.1%	63 697
Government - capital	-	-	-	192	192	#DIV/0!	#DIV/0!	23 712
Interest	2 051	550	2 601	4 684	2 083	180.1%	228.4%	2 712
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>								
Suppliers and employees	(146 091)	(102 029)	(248 119)	(280 012)	(31 893)	112.9%	191.7%	(198 384)
Finance charges	(985)	500	(485)	(704)	(220)	145.3%	71.5%	(663)
Transfers and Grants	(3 744)	(400)	(4 144)	-	4 144	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>17 893</b>	<b>2 927</b>	<b>20 820</b>	<b>14 787</b>	<b>(6 034)</b>	<b>71.0%</b>	<b>82.6%</b>	<b>31 836</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	8 000	(8 000)	-	-	-	-	-	230
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	2 534	2 534	(5 096)	(7 630)	-201.1%	#DIV/0!	29
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	(377)
<b>Payments</b>								
Capital assets	-	(6 935)	(6 935)	(1 225)	5 710	17.7%	#DIV/0!	(33 654)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>8 000</b>	<b>(12 401)</b>	<b>(4 401)</b>	<b>(6 320)</b>	<b>(1 920)</b>	<b>143.6%</b>	<b>-79.0%</b>	<b>(33 772)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	44
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	260
<b>Payments</b>								
Repayment of borrowing	-	(622)	(622)	(1 714)	(1 091)	275.3%	#DIV/0!	(390)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(622)</b>	<b>(622)</b>	<b>(1 714)</b>	<b>(1 091)</b>	<b>275.3%</b>	<b>#DIV/0!</b>	<b>(87)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>25 893</b>	<b>(10 096)</b>	<b>15 797</b>	<b>6 753</b>	<b>(9 044)</b>	<b>42.7%</b>	<b>26.1%</b>	<b>(2 022)</b>
Cash/cash equivalents at the year begin:	-	72 984	72 984	72 984	-	100.0%	#DIV/0!	26 585
Cash/cash equivalents at the year end:	25 893	62 888	88 782	79 737	(10 136)	89.8%	307.9%	24 562

**PAWK: ROADS  
BALANCE SHEET AS AT 30 JUNE 2014**

<b>CAPITAL EMPLOYED</b>	<b>Note</b>	<b>2013/2014 R</b>	<b>2012/2013 R</b>
<b>FUNDS AND RESERVES</b>		-	-
Statutory funds		-	-
Reserves	1	-	-
<b>ACCUMULATED SURPLUS/(DEFICIT)</b>	2	(39 322 498)	(41 877 656)
		(39 322 498)	(41 877 656)
<b>TRUST FUNDS</b>	3	-	-
<b>NON-CURRENT PROVISIONS</b>		-	-
		(39 322 498)	(41 877 655)
<b>EMPLOYMENT OF CAPITAL</b>			
<b>FIXED ASSETS</b>	4	-	-
		-	-
<b>NET CURRENT LIABILITIES</b>		(39 322 500)	(41 877 655)
<b>CURRENT ASSETS</b>		16 204 331	20 583 296
Trade & Other Receivables	6	10 280 615	357 014
Cash & Cash Equivalents		5 923 716	20 226 282
<b>NON-CURRENT LIABILITIES</b>			
Eden District Municipality - Employee Benefits	7	(47 585 725)	(42 261 845)
<b>CURRENT LIABILITIES</b>		(7 941 105)	(20 199 106)
Provisions	8	4 751 467	4 316 895
Trade Payables	9	2 166 675	12 927 245
Loan account - Eden District Municipality		(1 283 040)	445 886
Current Portion of Non-Current Liabilities		2 306 003	2 509 080
Vat	10	-	-
		(39 322 499)	(41 877 655)

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

2012/2013 Actual Income	2012/2013 Actual Expenditure	2012/2013 Actual Surplus/ (Deficit)		2013/2014 Actual Income	2013/2014 Actual Expenditure	2013/2014 Actual Surplus/ (Deficit)	2013/2014 Budget Surplus/ (Deficit)
116 927 498	113 224 959	3 702 539	<b>RATES AND GENERAL SERVICES</b>	130 877 378	130 387 861	489 517	81 731 254
116 927 498	113 224 959	3 702 539		130 877 378	130 387 861	489 517	81 731 254
<b>116 927 498</b>	<b>113 224 959</b>	<b>3 702 539</b>	<b>TOTAL</b>	<b>130 877 378</b>	<b>130 387 861</b>	<b>489 517</b>	<b>81 731 254</b>
		-	Appropriations for the year (refer to note 2)			2 065 641	
		<b>3 702 539</b>	<b>Nett Surplus/(defecit) for the year</b>			<b>2 555 158</b>	
		(45 580 195)	Accumulated surplus/(deficit) : beginning of the year			(41 877 656)	
		<b>(41 877 656)</b>	<b>ACCUMULATED SURPLUS/(DEFECIT) END OF THE YEAR</b>			<b>(39 322 498)</b>	

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(19 423 368)</b>	<b>8 309 537</b>
Cash generated by operations	12 1 404 877	3 317 267
Investment income	11 1 150 281	385 272
Decrease/(Increase) in working capital	13 (21 978 524)	4 606 998
	(19 423 366)	8 309 537
Less: External interest paid	-	-
<b>Cash available from operations</b>	<b>(19 423 366)</b>	<b>8 309 537</b>
Cash contributions from the public and the state	-	-
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>		
Investment in fixed assets	-	-
<b>CASH UTILISED FROM FINANCING TRANSACTIONS</b>		
Increase in Non-Current Liability	5 120 803	(2 577 741)
<b>NET CASH FLOW</b>	<b><u>(14 302 564)</u></b>	<b><u>5 731 795</u></b>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>		
(Increase)/decrease in cash investments	15 -	-
(Increase)/decrease in cash at bank	14 14 302 565	(5 731 799)
<b>NET CASH (GENERATED)/UTILISED</b>	<b><u>14 302 565</u></b>	<b><u>(5 731 799)</u></b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<b>1 RESERVES</b>		
Operating Reserve 2004 <i>(Refer to Appendix A for more details)</i>	-	-
<b>2 ACCUMULATED SURPLUS / (DEFICIT)</b>		
<i>Appropriation account :</i>		
Accumulated surplus/(deficit) at the beginning of the year	(41 877 656)	(45 580 195)
Operating surplus/(deficit) for the year	489 517	3 702 539
Appropriations for the year :	2 065 641	-
- Prior year adjustments	2 065 641	-
Accumulated deficit at the end of the year	<b>(39 322 498)</b>	<b>(41 877 656)</b>
<i>Operating account :</i>		
Capital expenditure	-	-
<b>3 TRUST FUNDS</b>		
Goukou - Structure Plan	-	-
Resurfacing	-	-
Reseal 04/05	-	-
Kerwelsvlei - Minor Road	-	-
Vicbay Beach Fund	-	-
Ballotsbay Resort	-	-
Disaster Fund	-	-
Vicbay Jetty	-	-
Resealing of Trunk Road 2/12	-	-
Repair ARMCO Gravelroad 83/1	-	-
GP83 Armco	-	-
AP1297 Slangriver	-	-
MR 363 Repair ARMCO	-	-
MR 369 Repair ARMCO	-	-
MR 342 Repair ARMCO	-	-
Div Roads 1316/1576/1577	-	-
<i>(Refer to Appendix A for more details)</i>	-	-
<b>4 FIXED ASSETS</b>		
Fixed assets at the beginning of the year	3 051 400	3 051 400
Capital expenditure during the year	-	-
Less: Assets written off, transferred or disposed of during the year	-	-
<b>Total fixed assets</b>	3 051 400	3 051 400
Less: Loans redeemed and other capital receipts	3 051 400	3 051 400
<b>Net fixed assets</b>	-	-
<b>5 LONG-TERM DEBTORS</b>		
Vehicle Loans	-	-
Loans for personal computers	-	-
Less: Short-term portion of long-term debtors transferred to current assets	-	-
	-	-
<b>6 TRADE &amp; OTHER RECEIVABLES</b>		
Suspense accounts	146 040	149 184
Plant Account	-	-
Other debtors	10 134 574	207 830
	<b>10 280 615</b>	<b>357 014</b>

**7 EDEN DISTRICT MUNICIPALITY - EMPLOYEE BENEFITS**

**Eden District Municipality - Employment Benefit Provisions on Behalf of Department of Transport**

	2014 R	2013 R
Roads - Provision for Post Employment Health Care Benefits	46 000 742	40 801 527
Roads - Provision for Ex-Gratia Pension Benefits	713 322	855 875
Roads - Provision for Long Service Leave Awards	3 177 664	3 113 523
	<u>49 891 728</u>	<u>44 770 925</u>
Less Short Term Portion Transferred to Current Provisions	(2 306 003)	(2 509 080)
Roads - Provision for Post Employment Health Care Benefits	1 874 893	1 865 178
Roads - Provision for Ex-Gratia Pension Benefits	127 993	143 684
Roads - Provision for Long Service Leave Awards	303 117	500 218
	<u>47 585 725</u>	<u>42 261 845</u>

**Total Employee Benefit Provisions**

**Reconciliation of present value of fund obligation:**

*Provision for Post Employment Health Care Benefits:*

Present value of fund obligation at beginning of year	40 801 526	43 847 115
Current service cost	1 719 286	1 566 057
Interest Cost	3 402 612	3 261 394
Benefits Paid	(1 915 302)	(2 253 096)
Total expenses	44 008 124	46 421 470
Actuarial (gains) / losses	1 992 619	(5 619 944)
Present value of fund obligation at the end of the year	<u>46 000 742</u>	<u>40 801 526</u>

*Provision for Ex-Gratia Pension Benefits:*

Present value of fund obligation at beginning of year	855 875	1 002 246
Current service cost	-	-
Interest Cost	52 908	53 807
Benefits Paid	(143 684)	(158 768)
Total expenses	765 099	897 285
Actuarial (gains) / losses	(51 777)	(41 410)
Present value of fund obligation at the end of the year	<u>713 322</u>	<u>855 875</u>

*Provision for Long Service Leave Awards*

Present value of fund obligation at beginning of year	3 113 523	2 499 304
Current service cost	432 235	294 911
Interest Cost	208 913	154 012
Benefits Paid	(440 277)	(324 808)
Total expenses	3 314 394	2 623 419
Actuarial (gains) / losses	(136 730)	490 104
Present value of fund obligation at the end of the year	<u>3 177 664</u>	<u>3 113 523</u>

**8 PROVISIONS**

Performance Bonuses	-	-
Staff Bonus	1 725 132	1 529 869
Auditor General	-	-
Staff Leave	3 026 335	2 787 026
Long Service	-	-
	<u>4 751 467</u>	<u>4 316 895</u>

**9 TRADE PAYABLES**

	2014 R	2013 R
Sundry creditors	1 060 452	2 550 729
Debtors with credit balances	-	-
Payments in Advance	1 000 000	9 474 284
Suspense accounts	106 223	129 355
Shortfall on Pensionfund	-	772 877
Plant Account	-	-
	<u>2 166 675</u>	<u>12 927 245</u>

**10 VAT**

Vat payable	-	-
-------------	---	---

**11 FINANCE TRANSACTIONS**

Total external interest earned or paid		
- Interest earned	1 150 281	385 272
- Interest paid	-	-



**12 CASH GENERATED BY OPERATIONS**

	2014 R	2013 R
Surplus/(Deficit) for the year	489 517	3 702 539
Adjustments in respect of :		
Previous years operating transactions	2 065 641	-
Appropriations charged against income	-	-
* Provisions and reserves	-	-
* Fixed assets	-	-
Capital charges	-	-
* Interest paid:	-	-
- on external loans	-	-
* Redemption:	-	-
- of external loans	-	-
* Deferred charges written off	-	-
Investment income (operating account)	(1 150 281)	(385 272)
Non-operating expenditure:		
Charged against Provisions and Reserves	-	-
	<u><b>1 404 877</b></u>	<u><b>3 317 267</b></u>

**13 (INCREASE)/DECREASE IN WORKING CAPITAL**

Decrease/(Increase) in debtors, long term debtors	(9 923 600)	(51 418)
Increase/(Decrease) in creditors, consumer deposits	(12 054 924)	4 658 416
	<u><b>(21 978 524)</b></u>	<u><b>4 606 998</b></u>

**14 (INCREASE)/DECREASE CASH AND CASH EQUIVALENTS**

Cash balance at the beginning of the year	20 226 282	14 494 484
Less: Cash balance at the end of the year	5 923 716	20 226 282
	<u><b>14 302 565</b></u>	<u><b>(5 731 798)</b></u>

**15 (INCREASE)/DECREASE IN CASH INVESTMENTS**

Investments made	-	-
Investments realised	-	-
	<u><b>-</b></u>	<u><b>-</b></u>

**16 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

**16.1 Contributions to organized local government**

	2014 R	2013 R
Opening balance	-	-
Amount paid - current year	246 063	234 126
Amount paid - previous years	(246 063)	(234 126)
<b>Balance unpaid (included in creditors)</b>	<u><b>-</b></u>	<u><b>-</b></u>

The contribution to SALGA was paid by Eden District Municipality and includes the contribution for the Roads Agency Function. It was financed out of the administration levy received by Eden District Municipality.

**16.2 Audit fees**

Opening balance	-	-
Current year audit fee	-	-
Amount paid - current year	354 785	375 653
Amount paid - previous years	-	-
	<u><b>354 785</b></u>	<u><b>375 653</b></u>

**16.3 VAT**

Vat inputs receivable and Vat outputs payable are shown in note 9. All Vat returns have been submitted by the due date throughout the year.

**16.4 PAYE and UIF**

Opening balance	-	-
Current year payroll deductions	4 197 831	3 775 432
Amount paid - current year	(4 197 831)	(3 775 432)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<u><b>-</b></u>	<u><b>-</b></u>

**16 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT  
(Continued)**

	2014	2013
	R	R
<b>16.5 Pension and Medical Aid Deductions</b>		
Opening balance	-	(528 578)
Current year payroll deductions and Council Contributions	10 976 037	15 494 001
Amount paid - current year	(10 976 037)	(14 965 423)
Amount paid - previous years		
<b>Balance outstanding (included in debtors)</b>	<u><u>-</u></u>	<u><u>-</u></u>

The balance represents amounts due to us by pensioners regarding their medical contributions. Invoices for the outstanding amounts were issued by the Municipality.

**16.6 Non-compliance with Chapter 11 of the Municipal Finance Management Act**

The Municipality has developed a supply chain management policy.

**APPENDIX A:  
STATUTORY FUNDS, RESERVES AND PROVISIONS  
FOR THE YEAR ENDED 30 JUNE 2014**

	Balance at 30 June 2013	Contributions during the year	Interest on investments	Other income	Expenditure during the year	Balance at 30 June 2014
<b>RESERVES</b>						
Operating Reserve 2004	-	-	-	-	-	-
<b>TRUST FUNDS</b>						
Goukou - Structure Plan	-	-	-	-	-	-
Resurfacing	-	-	-	-	-	-
Reseal 04/05	-	-	-	-	-	-
Kerwelsvlei - Minor Road	-	-	-	-	-	-
Vicbay Beach Fund	-	-	-	-	-	-
Ballotsbay Resort	-	-	-	-	-	-
Disaster Fund	-	-	-	-	-	-
Vicbay Jetty	-	-	-	-	-	-
Resealing of Trunk Road 2/12	-	-	-	-	-	-
Repair ARMCO Gravelroad 83/1	-	-	-	-	-	-
GP83 Armco	-	-	-	-	-	-
AP1297 Slangriver	-	-	-	-	-	-
MR 363 Repair ARMCO	-	-	-	-	-	-
MR 369 Repair ARMCO	-	-	-	-	-	-
MR 342 Repair ARMCO	-	-	-	-	-	-
Div Roads 1316/1576/1577	-	-	-	-	-	-
	-	-	-	-	-	-

**APPENDIX B:  
ANALYSIS OF FIXED ASSETS  
FOR THE YEAR ENDED 30 JUNE 2014**

Expenditure 2012/2013	Asset	Budget 2012/2013	Balance at 30 June 2013	Expenditure 2013/2014	Written off, Transferred or Disposed	Balance at 30 June 2014
0	Rates and General	-	3 051 400	-	-	3 051 400
0	Roads Expenditure	-	3 051 400	-	-	3 051 400
<b>0</b>	<b>Total Fixed Assets</b>	-	<b>3 051 400</b>	-	-	<b>3 051 400</b>
	<b>LESS : Loans Redeemed and Other Capital Receipts</b>		3 051 400	-	-	3 051 400
	Loans Redeemed		-	-	-	-
	Contribution from Current Income		3 051 400	-	-	3 051 400
	Donations and subsidies		-	-	-	-
	<b>NETT FIXED ASSETS</b>		-	-	-	-

**APPENDIX C:  
ANALYSIS OF OPERATING INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2014**

Actual 2012/2013		Actual 2013/2014
	<b>INCOME</b>	
108 146 564	Government and Provincial Grants and Subsidies	128 526 665
-	Advances Plant Account	-
5 661 354	Actuarial Gain	188 507
3 119 580	Other Income	2 162 206
<b>116 927 498</b>		<b>130 877 378</b>
	<b>Expenditure</b>	
51 068 849	Employee related costs	55 224 672
2 593 510	Increase in Provision for Non-Current Liabilities	3 316 692
490 104	Actuarial Loss	1 992 619
-	Plant Hire	-
-	Interest on Pension Fund Liability	-
-	Allocation Indirect Account	-
-	Contracts	-
58 635 922	General Expenses	65 826 969
-	Repair and Maintenance costs	275 077
436 573	Contributions to Capital	3 751 833
<b>113 224 959</b>	<b>Net Expenditure</b>	<b>130 387 861</b>

**APPENDIX D:  
DETAILED INCOME STATEMENT FOR THE YEAR ENDED  
30 JUNE 2014**

2012/2013 Actual Income	2012/2013 Actual Expenditure	2012/2013 Actual Surplus/ (Deficit)		2013/2014 Actual Income	2013/2014 Actual Expenditure	2013/2014 Actual Surplus/ (Deficit)	2013/2014 Budget Surplus/ (Deficit)
116 927 498	113 224 959	3 702 539	<b>RATES AND GENERAL SERVICES</b>	130 877 378	130 387 861	489 517	81 731 254
<b>116 927 498</b>	<b>113 224 959</b>	<b>3 702 539</b>		<b>130 877 378</b>	<b>130 387 861</b>	<b>489 517</b>	<b>81 731 254</b>
116 542 226	113 224 959	3 317 267	Normal Repair & Maintenance	129 727 097	130 387 861	(660 764)	81 731 254
-	-	-	Emergency Expenses	-	-	-	-
-	-	-	Re-Surfacing	-	-	-	-
-	-	-	Fencing	-	-	-	-
-	-	-	Construction, Re-construction & Improvements	-	-	-	-
-	-	-	Road Signs	-	-	-	-
-	-	-	Minor Roads	-	-	-	-
-	-	-	Main Roads	-	-	-	-
-	-	-	Traffic Fines	-	-	-	-
-	-	-	Routine maintenance	-	-	-	-
385 272	-	385 272	Interest received	1 150 281	-	1 150 281	-
-	-	-	Interest on Pension Fund Liability	-	-	-	-
-	-	-	Contributions	-	-	-	-
-	-	-	Advances Plant Account	-	-	-	-
-	-	-	Approved Capital Projects	-	-	-	-
<b>116 927 498</b>	<b>113 224 959</b>	<b>3 702 539</b>	<b>TOTAL</b>	<b>130 877 378</b>	<b>130 387 861</b>	<b>489 517</b>	<b>81 731 254</b>
		-	Appropriations for the year			2 065 641	
		3 702 539	<b>Nett surplus for the year</b>			<b>2 555 158</b>	
		(45 580 195)	Accumulated surplus/(deficit) : beginning of the year			(41 877 656)	
		<b>(41 877 656)</b>	<b>ACCUMULATED DEFICIT: END OF THE YEAR</b>			<b>(39 322 498)</b>	