

# **EDEN DISTRICT MUNICIPALITY**



**ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2016**

# 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 - 48
Notes to the Financial Statements	49 - 78
 <b>ANNEXURES - Unaudited</b>	
A Schedule of External Loans	79
B Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	80
C National Treasury Appropriation Statements	
- Revenue and Expenditure (Standard Classification)	81
- Revenue and Expenditure (Municipal Vote Classification)	82
- Revenue and Expenditure (Revenue by Source and Expenditure by Type)	83
- Capital Expenditure by Vote, Standard Classification and Funding	84
- Cash Flows	85

# **EDEN DISTRICT MUNICIPALITY**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2016**

## **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, 6529*

### **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. T Fortuin</i>	Term started 23 August 2016
Proportional		<i>Mr. S de Vries</i>	Term started 10 August 2016
Proportional		<i>Ms. NF Kamte</i>	Term started 10 August 2016
Proportional		<i>Mr. MP Mapitza</i>	Term started 10 August 2016
Proportional		<i>Ms. D Xego</i>	
Proportional		<i>Ms. CN Lichaba</i>	Term started 10 August 2016
Proportional		<i>Ms. T van Rensburg</i>	Term started 10 August 2016
Proportional		<i>Mr. T Simmers</i>	
Proportional		<i>Mr. RE Spies</i>	Term started 10 August 2016
Proportional		<i>Mr. N Dhayi</i>	Term started 10 August 2016
Proportional		<i>Mr. KS Lose</i>	Term started 10 August 2016
Proportional		<i>Mr. D Saayman</i>	Term started 10 August 2016
Proportional		<i>Mr. BN van Wyk</i>	Term started 10 August 2016
Proportional		<i>Mr. AJ Rossouw</i>	Term started 10 August 2016
Proportional		<i>Ms. NA Bityi</i>	Term ended 9 August 2016
Proportional		<i>Mr. CN Ngalo</i>	Term ended 9 August 2016
Proportional		<i>Mr. V Waxa</i>	Term ended 9 August 2016
Proportional		<i>Ms. NM Tanda</i>	Term ended 9 August 2016
Proportional		<i>Ms. M Fielies</i>	Term ended 9 August 2016
Proportional		<i>Mr. HJ McCombi</i>	Term ended 9 August 2016
Proportional		<i>Mr. JJA Koeglenberg</i>	Term ended 9 August 2016
Proportional		<i>Mr. HJ Floors</i>	Term ended 9 August 2016
Proportional		<i>Ms. SF May</i>	Term ended 9 August 2016
Proportional		<i>Ms. JP Johnson</i>	Term ended 9 August 2016
Proportional		<i>Ms. CM Skietekat</i>	Term ended 9 August 2016
Proportional		<i>Mr. JG Janse van Rensburg</i>	Term ended 9 August 2016
Proportional		<i>Mr. D Kamfer</i>	Term ended 9 August 2016
Representative:	George Municipality	<i>J du Toit</i>	Term ended 9 August 2016
Representative:	George Municipality	<i>T Teyisi</i>	
Representative:	George Municipality	<i>PJ van der Hoven</i>	
Representative:	George Municipality	<i>LBC Esau</i>	Term ended 9 August 2016
Representative:	George Municipality	<i>GC Niehaus</i>	Term ended 9 August 2016
Representative:	George Municipality	<i>LN Qupe</i>	Term ended 9 August 2016
Representative:	George Municipality	<i>I Stemela</i>	Term started 24 August 2016
Representative:	George Municipality	<i>EH Stroebel</i>	Term started 24 August 2016
Representative:	George Municipality	<i>RS Figland</i>	Term started 24 August 2016
Representative:	George Municipality	<i>V Gericke</i>	Term started 24 August 2016
Representative:	Mossel Bay Municipality	<i>JJ Gerber</i>	Term ended 9 August 2016
Representative:	Mossel Bay Municipality	<i>NC Booisen</i>	Term ended 9 August 2016
Representative:	Mossel Bay Municipality	<i>JE Gouws</i>	Term ended 9 August 2016
Representative:	Mossel Bay Municipality	<i>SS Mbandezi</i>	Term ended 9 August 2016
Representative:	Mossel Bay Municipality	<i>BHJ Groenewald</i>	Term started 24 August 2016
Representative:	Mossel Bay Municipality	<i>E Meyer</i>	Term started 24 August 2016
Representative:	Mossel Bay Municipality	<i>RH Ruiters</i>	Term started 24 August 2016
Representative:	Mossel Bay Municipality	<i>SS Mbandezi</i>	Term started 24 August 2016
Representative:	Oudtshoorn Municipality	<i>M Wagenaar</i>	Term ended 9 August 2016
Representative:	Oudtshoorn Municipality	<i>VI van der Westhuizen</i>	Term ended 9 August 2016
Representative:	Oudtshoorn Municipality	<i>JJC Lambaat</i>	Term started 24 August 2016
Representative:	Oudtshoorn Municipality	<i>RR Wildschut</i>	Term started 24 August 2016
Representative:	Oudtshoorn Municipality	<i>K Windvogel</i>	Term started 24 August 2016
Representative:	Knysna Municipality	<i>S F de Vries</i>	Term ended 9 August 2016
Representative:	Knysna Municipality	<i>D Naylor</i>	Term ended 9 August 2016
Representative:	Knysna Municipality	<i>L Tyokolo</i>	Term started 24 August 2016
Representative:	Knysna Municipality	<i>MS Willemse</i>	Term started 24 August 2016
Representative:	Knysna Municipality	<i>MV Molosi</i>	Term started 24 August 2016

## COUNCILLORS (Continued)

Representative:	Hessequa Municipality	<i>AM Joubert</i>	Term ended 9 August 2016
Representative:	Hessequa Municipality	<i>D Abrahams</i>	Term ended 9 August 2016
Representative:	Hessequa Municipality	<i>SM Odendaal</i>	Term started 24 August 2016
Representative:	Hessequa Municipality	<i>IT Mangaliso</i>	Term started 24 August 2016
Representative:	Bitou Municipality	<i>MM Mbali</i>	Term ended 9 August 2016
Representative:	Bitou Municipality	<i>N Ndayi</i>	Term ended 9 August 2016
Representative:	Bitou Municipality	<i>NC Jacob</i>	Term started 24 August 2016
Representative:	Bitou Municipality	<i>M Booysen</i>	Term started 24 August 2016
Representative:	Kannaland Municipality	<i>WP Meshoa</i>	Term ended 9 August 2016
Representative:	Kannaland Municipality	<i>JP Johnson</i>	Term started 24 August 2016

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2016, which are set out on pages 1 to 85 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 2016 and is satisfied that the Municipality can continue in operational existence for the foreseeable future. As part of austerity interventions employed by the District Municipality, a Funding Research Initiative has been commissioned. Progress thus far has been positive and the aim of the initiative is to convince National Treasury that the current funding model for District Municipalities are not sustainable.

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.

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

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**Date**

**EDEN DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016**

<b>NET ASSETS AND LIABILITIES</b>		<b>2016 R (Actual)</b>	<b>2015 R (Restated)</b>
<b>Net assets</b>	Note	258,959,240	228,461,705
Capital replacement reserve	2	24,675,638	21,370,360
Accumulated Surplus/(Deficit)	2	234,283,602	207,091,345
<b>Non-current liabilities</b>		140,456,678	132,296,848
Employee Benefits Provisions	4	137,152,652	129,179,816
	5	3,304,026	3,117,032
<b>Current liabilities</b>		57,339,402	62,240,246
Employee Benefits Provisions	6	25,643,306	24,574,770
	7	2,451,177	2,312,451
Payables - Exchange Transactions	8	11,705,954	23,191,545
Unspent conditional grants and receipts	9	17,537,796	11,458,071
Operating Lease Liability	19	1,170	21,616
Long Term liabilities	3	-	681,794
<b>Total Net Assets and Liabilities</b>		<b>456,755,320</b>	<b>422,998,801</b>
<b>ASSETS</b>			
<b>Non-current assets</b>		286,378,073	284,493,362
Property, plant & equipment	11	140,878,357	141,737,594
Investment Property	12	85,644,952	85,760,987
Intangible Assets	13	1,851,194	2,301,474
Investments	14	26,027	26,027
Employee Benefits	4	57,977,544	54,667,280
<b>Current assets</b>		170,377,246	138,505,439
Inventory	16	3,365,246	3,500,044
Trade receivables - Exchange transactions	17	6,542,643	15,571,297
Other receivables - Non exchange transactions	18	1,555,599	2,171,782
Operating Lease Asset	19	57,256	80,500
VAT Receivable	10	33,045	2,524,641
Unpaid conditional grants and receipts	9	294,510	560,584
Employee Benefits	4	3,195,074	3,013,864
Cash and Cash Equivalents	20	155,333,873	111,082,727
<b>Total Assets</b>		<b>456,755,320</b>	<b>422,998,801</b>

**EDEN DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016**

Note	2016 (Actual) R	2015 (Restated) R	Correction of error R	2015 (Previously reported) R
<b>REVENUE</b>				
	<b>Total</b>			<b>Total</b>
<b>Revenue from Non-Exchange Transactions</b>	160,317,187	167,753,179	-	167,753,179
<i>Transfer Revenue</i>	160,317,187	167,753,179	-	167,753,179
Regional Services Levies Equitable Share	21 138,902,000	134,097,000	-	134,097,000
Government grants and subsidies	21 21,415,187	33,656,179	-	33,656,179
<b>Revenue from Exchange Transactions</b>	187,402,855	158,497,675	(109,880)	158,607,555
Actuarial Gain	35 482,685	138,714	-	138,714
Contributed PPE	28,846	-	-	-
Contribution Shop Steward	602,999	761,433	-	761,433
Department of Transport - Roads Service Charges	22 160,732,598	135,416,124	-	135,416,124
Decrease in provision for Impairment of Trade Receivables	17&18 -	2,069,744	-	2,069,744
Decrease in provision for Alien Vegetation	5 -	330,772	-	330,772
Gains on disposal of property, plant and equipment	1,349	50,026	-	50,026
Interest earned - external investments	20 10,595,022	7,381,072	-	7,381,072
Interest earned - outstanding debtors	1,106,479	771,868	-	771,868
Licenses and permits	122,064	166,561	-	166,561
Other income	23 12,392,256	10,601,074	(42,451)	10,643,525
Stock gains	16 55,579	-	-	-
Rental of facilities and equipment	1,282,978	810,286	(67,429)	877,715
<b>Total Revenue</b>	<b>347,720,042</b>	<b>326,250,854</b>	<b>(109,880)</b>	<b>326,360,734</b>
<b>EXPENDITURE</b>				
Employee related costs	24 106,381,722	97,476,318	(618,203)	98,094,520
Employee related costs - Roads	25 60,440,070	57,433,427	-	57,433,427
Remuneration of Councillors	26 7,785,720	7,524,590	-	7,524,590
Fruitless and Wasteful expenditure	40.2 19,653	599,540	-	599,540
Impairment of Trade Receivables	17&18 4,690,031	-	-	-
Actuarial Loss	35 119,120	5,301,062	143,521	5,157,541
Impairment Losses	34 -	244,290,042	-	244,290,042
Increase in Provision for Alien Vegetation	5 325,720	-	-	-
Depreciation	27 2,798,706	2,723,575	39,084	2,684,491
Amortisation	13 479,510	596,904	-	596,904
Repairs and maintenance	28 3,900,347	3,396,598	-	3,396,598
Finance Charges	29 1,179,850	1,189,135	-	1,189,135
Contracted services	30 8,430,515	12,372,352	-	12,372,352
Roads - Operating Expenditure	31 84,758,842	64,197,097	-	64,197,097
Stock Losses	16 -	23,114	-	23,114
Unamortised Discount - Interest	3 9,410	51,615	-	51,615
Loss on disposal of property, plant and equipment	11 164,462	355,484	(110,477)	465,961
Loss on disposal of stock	-	25,518	-	25,518
Loss on damages	-	1,643,175	-	1,643,175
General Expenses	32 36,738,831	49,474,064	219,994	49,254,070
<b>Total Expenditure</b>	<b>317,222,508</b>	<b>548,673,609</b>	<b>(326,081)</b>	<b>548,999,690</b>
<b>SUPPLUS / (DEFICIT) FOR THE YEAR</b>	<b>30,497,534</b>	<b>(222,422,753)</b>	<b>216,201</b>	<b>(222,638,953)</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 2016**

	<u>Capital Replacement Reserve</u>	<u>Accumulated Surplus/(Deficit)</u>	<u>Total</u>
	R	R	R
<b>2015</b>			
Balance at 1 July 2014	18,068,623	437,276,060	455,344,683
Correction of error (Note 33)	-	(4,460,224)	(4,460,224)
Changes in accounting policy	-	-	-
<b>Restated Balance</b>	<b>18,068,623</b>	<b>432,815,835</b>	<b>450,884,458</b>
Surplus/(deficit) for the year		(222,422,753)	-222,422,753
Purchases of Property, Plant and Equipment	(8,699,079)	8,699,079	
Contribution to Capital Replacement Reserve	12,000,816	(12,000,816)	-
Depreciation and amortisation transferred	3,281,395		
Purchases of Property, Plant and Equipment from own funds	8,699,079		
Car ports	20,342		
Transfers from Accumulated Surplus	-	-	
<b>Balance at 30 June 2015</b>	<b>21,370,360</b>	<b>207,091,345</b>	<b>228,461,705</b>
Surplus/(deficit) for the year		30,497,534	30,497,534
Purchases of Property, Plant and Equipment	(1,414,975)	1,414,975	-
Contribution to Capital Replacement Reserve	4,720,252	(4,720,252)	-
Depreciation and amortisation transferred	3,278,216		
Purchases of Property, Plant and Equipment from own funds	1,414,975		
Car ports	27,061		
<b>Balance at 30 June 2016</b>	<b>24,675,638</b>	<b>234,283,602</b>	<b>258,959,239</b>

**EDEN DISTRICT MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 R	2015 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Other receipts		190,760,950	154,848,949
Government - operating		159,773,113	167,610,552
Government - capital		544,074	142,627
Interest		11,701,501	8,152,940
<b>Payments</b>			
Suppliers and employees		(312,188,446)	(281,483,313)
Finance charges	29	(179,850)	(1,189,135)
Cash generated/(absorbed) by operations	36	50,411,342	48,082,622
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>50,411,342</b>	<b>48,082,622</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	11	(1,959,050)	(8,767,294)
Proceeds on disposal of property, plant and equipment		1,349	50,026
Additions to Investment Properties		-	-
Decrease / (Increase) in intangible assets	13	(29,230)	(74,414)
Decrease / (Increase) in non-current employee benefits receivables		(3,491,474)	(5,987,928)
Decrease / (Increase) in non-current investments		-	14,747
Decrease / (Increase) in Discontinued Operations		-	-
Decrease in call investment deposits		-	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(5,478,405)</b>	<b>(14,764,864)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) in Long term liabilities		(681,793)	(1,979,205)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(681,793)</b>	<b>(1,979,205)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>44,251,146</b>	<b>31,338,553</b>
Cash and cash equivalents at the beginning of the year		111,082,727	79,744,174
Cash and cash equivalent at the end of the year	37	155,333,873	111,082,727

**EDEN DISTRICT MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)	Explanations for material variances
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	155,191,736	148,539,000	6,652,736	Savings on budget resulting in excess funds to be invested/available in cash
Call investment deposits	142,137	-	142,137	This amount is included under cash on the final budget
Consumer debtors	1,782,868	14,946,000	(13,163,132)	Provision for bad debt not included in the final budget figures
Other Receivables	6,700,185	5,016,000	1,684,185	Interest raised on outstanding debtors increased
Current portion of long-term receivables	3,195,074	2,757,000	438,074	Increase in post retirement benefit liability, increased the long term debtor of Province
Inventory	3,365,246	4,279,000	(913,754)	Lower level of stock on hand
<b>Total current assets</b>	<b>170,377,246</b>	<b>175,537,000</b>	<b>-5,159,754</b>	
<b>Non current assets</b>				
Long-term receivables	57,977,544	57,679,000	298,544	Increase in post retirement benefit liability, increased the long term debtor of Province
Investments	26,027	26,000	27	immaterial
Investment property	85,644,952	85,712,000	(67,048)	immaterial
Property, plant and equipment	140,878,357	140,469,000	409,357	immaterial
Biological Assets	-	-	-	
Intangible Assets	1,851,194	2,101,000	(249,806)	Impairment on intangible assets and decrease in purchases
Heritage Assets	-	-	-	
<b>Total non current assets</b>	<b>286,378,073</b>	<b>285,987,000</b>	<b>391,073</b>	
<b>TOTAL ASSETS</b>	<b>456,755,319</b>	<b>461,524,000</b>	<b>(4,768,681)</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowing	-	-	-	
Trade and other payables	29,244,919	35,502,000	(6,257,081)	Additional payment run processed on 30 June 2016, thus decreasing provision for creditor at year end
Provisions and Employee Benefits	28,094,483	2,713,000	25,381,483	Budget was incorrectly linked to accumulated surplus and not to current liabilities line item
<b>Total current liabilities</b>	<b>57,339,402</b>	<b>38,215,000</b>	<b>19,124,402</b>	
<b>Non current liabilities</b>				
Borrowing	-	-	-	
Provisions and Employee Benefits	140,456,678	133,206,000	7,250,678	Increase in post retirement benefits
<b>Total non current liabilities</b>	<b>140,456,678</b>	<b>133,206,000</b>	<b>7,250,678</b>	
<b>TOTAL LIABILITIES</b>	<b>197,796,080</b>	<b>171,421,000</b>	<b>26,375,080</b>	
<b>NET ASSETS</b>	<b>258,959,239</b>	<b>290,103,000</b>	<b>(31,143,761)</b>	
<b>COMMUNITY WEALTH</b>				
Accumulated Surplus/(Deficit)	234,283,602	264,933,000	(30,649,398)	Budget incorrectly linked to accumulated surplus, should be linked to current liabilities
Reserves	24,675,638	25,170,000	(494,362)	immaterial
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>258,959,240</b>	<b>290,103,000</b>	<b>(31,143,760)</b>	

**EDEN DISTRICT MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016**

**ADJUSTMENTS TO APPROVED BUDGET**

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)	Explanations for material adjustments
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	95,686,000	52,853,000	148,539,000	Increase in excess funds due to savings on budget, reallocation between cash and investment
Call investment deposits		-		
Consumer debtors	6,758,000	8,188,000	14,946,000	Provision for bad debts not included in the Adjustment budget for January 2016, incorrect classification on budget between exchange and non exchange
Other Receivables	4,402,000	614,000	5,016,000	Incorrect classification on budget between exchange and non exchange receivables
Current portion of long-term receivables	2,534,000	223,000	2,757,000	Increase in long term receivable Department of Transport with regards to post retirement liability
Inventory	4,005,000	274,000	4,279,000	Immaterial
<b>Total current assets</b>	<b>113,385,000</b>	<b>62,152,000</b>	<b>175,537,000</b>	
<b>Non current assets</b>				
Long-term receivables	37,190,000	20,489,000	57,679,000	Increase in long term receivable Department of Transport aligned to audited AFS 30 June 2015
Investments	25,000,000	(24,974,000)	26,000	Correction to Cash line item as per audited AFS 30 June 2015
Investment property	300,577,000	(214,865,000)	85,712,000	Investment Property adjusted in January to be aligned to audited AFS 30 June 2015, 2015 R200m impairment was processed for revaluation of property, R200m impairment will not be repeated 30 June 2016, only when properties are revaluated again in future
Property, plant and equipment	146,406,000	(5,937,000)	140,469,000	Alignment of budget in January to audited AFS of 30 June 2015
Intangible Assets	3,068,000	(967,000)	2,101,000	Alignment of budget in January to audited AFS of 30 June 2015
Other Non-Current Assets	41,000	(41,000)	-	
<b>Total non current assets</b>	<b>512,282,000</b>	<b>(226,295,000)</b>	<b>285,987,000</b>	
<b>TOTAL ASSETS</b>	<b>625,667,000</b>	<b>(164,143,000)</b>	<b>461,524,000</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft		-		
Borrowing	700,000	(700,000)	-	Loans repaid in March 2016, long term loans and current portion of loans must be R0, therefore budget was adjusted
Trade and other payables	36,285,071	(783,071)	35,502,000	Immaterial
Provisions and Employee Benefits	22,088,000	(19,375,000)	2,713,000	Current portion of post retirement benefits incorrectly linked January 2016 to non current liabilities, therefore a decrease of R19m
<b>Total current liabilities</b>	<b>59,073,071</b>	<b>(20,858,071)</b>	<b>38,215,000</b>	
<b>Non current liabilities</b>				
Borrowing		-		
Provisions and Employee Benefits	115,415,000	17,791,000	133,206,000	Aligned to audited AFS 30 June 2015 to reflect increase in post retirement benefits, current portion not linked in January to current liabilities
<b>Total non current liabilities</b>	<b>115,415,000</b>	<b>17,791,000</b>	<b>133,206,000</b>	
<b>TOTAL LIABILITIES</b>	<b>174,488,071</b>	<b>(3,067,071)</b>	<b>171,421,000</b>	
<b>NET ASSETS</b>	<b>451,178,929</b>	<b>(161,075,929)</b>	<b>290,103,000</b>	
<b>COMMUNITY WEALTH</b>				
Accumulated Surplus/(Deficit)	449,531,929	(184,598,929)	264,933,000	Surplus in budget aligned to audited AFS 30 June 2015, included in the audited figures are the impairment of R200m on properties that had to be adjusted with the January 2016 adjustment budget
Reserves	1,647,000	23,523,000	25,170,000	Alignment of CRR in January to audited AFS
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>451,178,929</b>	<b>(161,075,929)</b>	<b>290,103,000</b>	

**EDEN DISTRICT MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2016 R (Actual Amounts)	2016 R (Final Budget)	2016 R (Variance)	Explanations for material variances
<b>REVENUE BY SOURCE</b>				
Rental of facilities and equipment	1,282,978	1,345,354	(62,376)	Immaterial
Interest earned - external investments	10,595,022	6,620,941	3,974,081	Excess funds invested to generate maximum interest
Interest earned - outstanding debtors	1,106,479	754,230	352,249	Increase in outstanding debtors
Agency services	15,533,686	15,692,010	(158,324)	immaterial
Government Grants and Subsidies - Operating	160,317,187	196,908,552	(36,591,365)	R20m included from DWA as promulgated in DORA, subsequent received letter informing Eden that the R20m will not be paid to Eden
Other revenue	158,883,340	154,464,353	4,418,988	Additional revenue received
Gains on disposal of PPE	1,349	-	1,349	immaterial
<b>Total Operating Revenue</b>	<b>347,720,042</b>	<b>375,785,440</b>	<b>(28,036,552)</b>	
<b>EXPENDITURE BY TYPE</b>				
Employee related costs	106,381,722	105,788,179	593,543	Vacancies not filled due to revised microstructure approved by council in June 2016
Employee related costs - Department of Transport	60,440,070	-	60,440,070	Roads budget included under other expenditure (one liner) on budget
Remuneration of councillors	7,785,720	8,295,786	(510,066)	Vacant position on executive mayoral committee, SASRIA insurance no utilized by councillors
Debt impairment	4,690,031	1,000,000	3,690,031	Increase in provision for bad debt, majority attributed to fire fighting accounts and councillor arrear accounts
Depreciation & asset impairment	3,278,216	3,800,000	(521,784)	Decrease in depreciation as a result of the review of useful lives
Finance charges	179,850	68,812	111,038	Immaterial
Contracted services	8,430,516	61,905,493	(53,474,977)	Included in the amount for contracted services is the grant of R20m that was not received from DWA, disaster recovery grant unspent of R7.4m
Grants and subsidies paid	-	122	(122)	Immaterial
Other expenditure	110,565,163	187,024,331	(76,459,168)	Roads employee related costs included under other expenditure budget
Loss on disposal of PPE	164,462	-	164,462	Assets not found during the asset count that had to be written off
<b>Total Operating Expenditure</b>	<b>301,915,749</b>	<b>367,882,723</b>	<b>(65,966,973)</b>	
<b>Operating Surplus/(Deficit) for the year</b>	<b>45,804,293</b>	<b>7,902,717</b>	<b>37,930,422</b>	
Government Grants and Subsidies - Capital	-	-	-	
<b>Net Surplus/(Deficit) for the year</b>	<b>45,804,293</b>	<b>7,902,717</b>	<b>37,930,422</b>	

**EDEN DISTRICT MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 20**

**ADJUSTMENTS TO APPROVED BUDGET**

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)	Reasons for material adjustments
<b>REVENUE BY SOURCE</b>				
Rental of facilities and equipment	1,356,866	(11,512)	1,345,354	immaterial
Interest earned - external investments	5,225,000	1,395,941	6,620,941	Excess funds utilized to maximise interest earned
Interest earned - outstanding debtors	681,250	72,980	754,230	Increase in outstanding debtors
Agency services	14,280,000	1,412,010	15,692,010	Additional allocation received from Department of Transport
Government Grants and Subsidies - Operating	186,119,000	10,789,552	196,908,552	Roll over grants of R9.5m included in the adjustment
Other revenue	139,953,009	14,511,343	154,464,353	Additional allocation received from Department of Transport
Gains on disposal of PPE		-		
<b>Total Operating Revenue</b>	<b>347,615,125</b>	<b>28,170,314</b>	<b>375,785,440</b>	
<b>EXPENDITURE BY TYPE</b>				
Employee related costs	101,398,023	4,390,156	105,788,179	increase aligned to audited AFS/actual expenditure
Employee related costs - Department of Transport	-	-		
Remuneration of councillors	8,495,786	(200,000)	8,295,786	immaterial
Debt impairment	1,000,000	-	1,000,000	no change
Depreciation & asset impairment	6,800,000	(3,000,000)	3,800,000	Aligned to audited AFS of 2014/2015
Finance charges	664,000	(595,188)	68,812	Loans redeemed in 2015/2016, finance charges adjusted downwards
Contracted services	7,214,183	54,691,311	61,905,493	Increased due to grant expenditure reclassified from grants and subsidies line item to contracted services
Grants and subsidies paid	47,217,000	(47,216,878)	122	Grants and subsidies unbundled from one line item to the different types of expenditure
Other expenditure	173,790,184	13,234,147	187,024,331	Increased due to grant expenditure reclassified from grants and subsidies line item to general expenditure
Loss on disposal of PPE		-		
<b>Total Operating Expenditure</b>	<b>346,579,175</b>	<b>21,303,547</b>	<b>367,882,723</b>	
<b>Operating Deficit for the year</b>	<b>1,035,950</b>	<b>6,866,767</b>	<b>7,902,717</b>	
Government Grants and Subsidies - Capital			-	
<b>Net Surplus for the year</b>	<b>1,035,950</b>	<b>6,866,767</b>	<b>7,902,717</b>	

**EDEN DISTRICT MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)	Explanations for material variances
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Other receipts	190,760,950	181,991,817	8,769,132	Additional revenue received
Government - operating	159,773,113	186,419,000	(26,645,887)	R20m allocation promulgated in DORA from DWA not received by Eden DM
Government - capital	544,074	-	544,074	MSIG grant classified under operating grant income
Interest	11,701,501	6,620,941	5,080,560	Additional interest received on excess funds invested
Dividends	-	-	-	
<b>Payments</b>				
Suppliers and Employees	(312,188,446)	(307,528,637)	(4,659,809)	Transfer and grants amount under transfers and grants on budget was incorrectly classified
Finance charges	(179,850)	(68,812)	(111,038)	Immaterial
Transfers and Grants	-	(47,517,000)	47,517,000	incorrectly classified on budget as transfers, should be suppliers and employees payments
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>50,411,342</b>	<b>19,917,310</b>	<b>30,494,033</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of Assets	1,349	-	1,349	Immaterial
Decrease/(increase) in non-current receivables	(3,491,474)	-	(3,491,474)	
Decrease / (Increase) in non-current investments	-	-	-	
Decrease (increase) other non-current receivables	-	26,000	(26,000)	Immaterial
<b>Payments</b>				
Capital assets	(1,988,280)	(2,290,500)	302,220	Savings on capital budget
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(5,478,405)</b>	<b>(2,264,500)</b>	<b>(3,213,905)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Borrowing	-	-	-	
<b>Payments</b>				
Repayment of borrowing	(681,793)	(664,000)	(17,793)	Loans redeemed in March 2016
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(681,793)</b>	<b>(664,000)</b>	<b>(17,793)</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>44,251,146</b>	<b>16,988,810</b>	<b>27,262,336</b>	
Cash and Cash Equivalents at the beginning of the year	111,082,727	131,550,652	(20,467,925)	
Cash and Cash Equivalents at the end of the year	155,333,873	148,539,462	6,794,411	

**EDEN DISTRICT MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

**ADJUSTMENTS TO APPROVED BUDGET**

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)	Reasons for material adjustments
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	155,589,875	26,401,942	181,991,817	Additional allocations received from department of transport
Government - operating	186,119,000	300,000	186,419,000	Additional allocations received from Province, Financial Management assistance grant
Government - capital	-	-	-	
Interest	5,906,250	714,691	6,620,941	Increase due to excess funds invested, savings on budget
Dividends	-	-	-	
<b>Payments</b>				
Suppliers and Employees	(279,658,579)	(27,870,057)	(307,528,637)	Amount included under transfer and grants should be included under suppliers and employees, budget incorrectly linked
Finance charges	(664,000)	595,188	(68,812)	Immaterial
Transfers and Grants	(47,217,000)	(300,000)	(47,517,000)	Amount included under transfer and grants should be included under suppliers and employees, budget incorrectly linked
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>20,075,546</b>	<b>(158,236)</b>	<b>19,917,310</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of Assets	-	-	-	
Decrease/(increase) in non-current receivables	-	-	-	
Decrease (increase) other non-current receivables	-	26,000	26,000	Immaterial
<b>Payments</b>				
Capital assets	(1,035,000)	(1,255,500)	(2,290,500)	Increase in capital budget
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1,035,000)</b>	<b>(1,229,500)</b>	<b>(2,264,500)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Borrowing	-	-	-	
<b>Payments</b>				
Repayment of borrowing	(664,000)	-	(664,000)	no change
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(664,000)</b>	<b>-</b>	<b>(664,000)</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>18,376,546</b>	<b>94,206,916</b>	<b>16,988,810</b>	
Cash and Cash Equivalents at the beginning of the year	35,956,000	-	131,550,652	
Cash and Cash Equivalents at the end of the year	54,332,546	94,206,916	148,539,462	



**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**2 NET ASSET RESERVES**

	2016 R	2015 R
RESERVES	258,959,239	228,461,705
Capital Replacement Reserve	24,675,638	21,370,360
Accumulated Surplus	234,283,602	207,091,345
<b>Total Housing Development Fund Assets and Liabilities</b>	<b>258,959,239</b>	<b>228,461,705</b>

2.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

**3 LONG TERM LIABILITIES**

Capitalised Lease Liability - At amortised cost	-	-
DBSA Loans - At amortised cost	-	691,204
Sub-total	-	691,204
Less: Unamortised Charges to Loans	-	9,410
Balance 1 July	9,410	61,024
Adjustment for the Year	(9,410)	(51,614)
Sub-total	-	681,794
Less: Current portion transferred to current liabilities	-	681,794
Current Portion of long term liabilities - At amortised cost	-	691,204
Current Portion of Unamortised Charges to Loans	-	(9,410)
<b>Total Long-term Liabilities - At amortised cost using the effective interest rate method</b>	<b>-</b>	<b>-</b>

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:

	Minimum Loan Payments	
	2016	2015
Amounts payable under long-term loans		
Payable within one year	-	716,995
Payable within two to five years	-	-
Payable after five years	-	-
	-	716,995
Less: Future finance obligations	-	(25,790)
<b>Present value of loan obligations</b>	<b>-</b>	<b>691,205</b>
Less: Amounts due for settlement within 12 months	-	(691,204)
<b>Amount due for settlement after 12 months</b>	<b>-</b>	<b>-</b>

**4 EMPLOYEE BENEFITS**

**Employee Benefits - Liabilities (Note 4.1)**

	2016 R	2015 R
Provision for Post Employment Health Care Benefits	75,664,480	70,574,868
Balance previously reported		70,773,219
Correction of error: Incorrect Application of Assumptions - Note 33.8		(198,351)
Roads - Provision for Post Employment Health Care Benefits	55,315,202	51,675,564
Balance previously reported		51,736,843
Correction of error: Incorrect Application of Assumptions - Note 33.8		(61,279)
Provision for Ex-Gratia Pension Benefits	290,288	449,819
Roads - Provision for Ex-Gratia Pension Benefits	495,730	615,344
Provision for Long Service Leave Awards	7,336,316	7,717,133
Balance previously reported		5,310,637
Correction of error: Incorrect Application of Assumptions - Note 33.8		2,406,496
Roads - Provision for Long Service Leave Awards	5,361,686	5,390,236
Balance previously reported		3,525,661
Correction of error: Incorrect Application of Assumptions - Note 33.8		1,864,575
	144,463,702	136,422,964
Less Short Term Portion Transferred to Current Provisions	(7,311,050)	(7,243,148)
<b>Total Non-current Employee Benefit Liabilities</b>	<b>137,152,652</b>	<b>129,179,816</b>

**Employee Benefits - Receivables (Note 4.3)**

Included in the above provision for Employee Benefits are the following amounts receivable from the Department of Transport with regards to employee benefits:

Roads - Provision for Post Employment Health Care Benefits (Note 4.3)	55,315,202	51,675,564
Balance previously reported		51,736,843
Correction of error: Incorrect Application of Assumptions - Note 33.9		(61,279)
Roads - Provision for Ex-Gratia Pension Benefits (Note 4.3)	495,730	615,344
Roads - Provision for Long Service Leave Awards (Note 4.3)	5,361,686	5,390,236
Balance previously reported		3,525,661
Correction of error: Incorrect Application of Assumptions - Note 33.9		1,864,575
	61,172,618	57,681,144
Less Short Term Portion Transferred to Current Employee Benefits Receivable (Note 4.3)	(3,195,074)	(3,013,864)
	<b>57,977,544</b>	<b>54,667,280</b>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

4.1	<u><b>EMPLOYEE BENEFITS - LIABILITY</b></u>	<b>2016</b>	<b>2015</b>
		<b>R</b>	<b>R</b>
	<u><b>Post Employment Health Care Benefits</b></u>		
	Balance 1 July	122,250,431	107,304,845
	Balance previously reported		107,374,770
	Correction of error: Incorrect Application of Assumptions - Note 33.8		(69,925)
	Contribution for the year	3,809,765	3,521,411
	Balance previously reported		3,640,316
	Correction of error: Incorrect Application of Assumptions - Note 33.8		(118,905)
	Interest Cost	10,364,568	9,346,400
	Balance previously reported		9,353,001
	Correction of error: Incorrect Application of Assumptions - Note 33.8		(6,601)
	Expenditure for the year	(5,075,772)	(4,503,528)
	Balance previously reported		(4,503,528)
	Correction of error: Incorrect Application of Assumptions - Note 33.8		-
	Actuarial Loss/(Gain)	(369,310)	6,581,303
	Balance previously reported		6,645,502
	Correction of error: Incorrect Application of Assumptions - Note 33.8		(64,199)
	<b>Total post retirement benefits 30 June</b>	<b>130,979,682</b>	<b>122,250,431</b>
	<b>Less:</b> Transfer of Current Portion - Note 6	(5,833,044)	(5,075,772)
	Balance previously reported		(5,075,772)
	Correction of error: Incorrect Application of Assumptions - Note 33.8		-
	<b>Balance 30 June</b>	<b>125,146,638</b>	<b>117,174,659</b>
4	<b>EMPLOYEE BENEFITS (CONTINUED)</b>	<b>2016</b>	<b>2015</b>
	<u><b>Long Service Leave Benefits</b></u>		
	Balance 1 July	13,107,369	12,307,256
	Balance previously reported		7,956,931
	Correction of error: Incorrect Application of Assumptions - Note 33.8		4,350,325
	Contribution for the year	935,893	839,193
	Balance previously reported		597,565
	Correction of error: Incorrect Application of Assumptions - Note 33.8		241,628
	Interest Cost	613,342	571,372
	Balance previously reported		602,059
	Correction of error: Incorrect Application of Assumptions - Note 33.8		(30,687)
	Expenditure for the year	(1,250,934)	(1,610,341)
	Balance previously reported		(825,436)
	Correction of error: Incorrect Application of Assumptions - Note 33.8		(784,905)
	Actuarial Loss/(Gain)	(707,669)	999,889
	Balance previously reported		505,179
	Correction of error: Incorrect Application of Assumptions - Note 33.8		494,710
	<b>Total post retirement benefits 30 June</b>	<b>12,698,001</b>	<b>13,107,369</b>
	<b>Less:</b> Transfer of Current Portion - Note 6	(1,314,027)	(1,962,017)
	Balance previously reported		(1,351,940)
	Correction of error: Incorrect Application of Assumptions - Note 33.8		(610,077)
	<b>Balance 30 June</b>	<b>11,383,974</b>	<b>11,145,352</b>
	<u><b>Ex-Gratia Pension Awards</b></u>	<b>R</b>	<b>R</b>
	Balance 1 July	1,065,163	1,360,125
	Contribution for the year	-	-
	Interest Cost	72,261	92,399
	Expenditure for the year	(205,359)	(230,461)
	Actuarial Loss/(Gain)	(146,046)	(156,900)
	<b>Total post retirement benefits 30 June</b>	<b>786,019</b>	<b>1,065,163</b>
	<b>Less:</b> Transfer of Current Portion - Note 6	(163,979)	(205,359)
	<b>Balance 30 June</b>	<b>622,040</b>	<b>859,804</b>
	<u><b>TOTAL NON-CURRENT EMPLOYEE BENEFITS</b></u>		
	Balance 1 July	136,422,963	120,972,226
	Contribution for the year	4,745,658	4,360,604
	Interest Cost	11,050,171	10,010,171
	Expenditure for the year	(6,532,065)	(6,344,330)
	Actuarial Loss/(Gain)	(1,223,025)	7,424,292
	<b>Total post retirement benefits 30 June</b>	<b>144,463,702</b>	<b>136,422,963</b>
	<b>Less:</b> Transfer of Current Portion - Note 6	(7,311,050)	(7,243,148)
	<b>Balance 30 June</b>	<b>137,152,652</b>	<b>129,179,815</b>
4.1.1	<b>Post Retirement Benefits</b>	<b>2016</b>	<b>2015</b>
	The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:	<b>Members</b>	<b>Members</b>
	In-service (employee) members	291	322
	Continuation members (e.g. retirees, widows, orphans)	162	152
	<b>Total Members</b>	<b>453</b>	<b>474</b>
	The liability in respect of past service has been estimated to be as follows:	<b>2016</b>	<b>2015</b>
		<b>R</b>	<b>R</b>
	In-service members	24,562,583	27,765,009
	Roads - In-service members	25,619,998	25,100,227
	Continuation members	51,101,895	42,809,857
	Roads - Continuation members	29,695,204	26,575,338
	<b>Total Liability</b>	<b>130,979,680</b>	<b>122,250,431</b>

**EDEN DISTRICT MUNICIPALITY**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**
**4 EMPLOYEE BENEFITS (CONTINUED)**

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

	2012 R	2013 R	2014 R
In-service members	20,197,695	20,979,543	24,979,068
Roads - In-service members	18,080,395	19,704,991	22,843,458
Continuation members	24,236,421	34,819,312	36,394,962
Roads - Continuation members	25,766,720	21,096,535	23,157,283
	<u>88,281,231</u>	<u>96,600,381</u>	<u>107,374,771</u>

Experience adjustments were calculated as follows:

	2012 R (Millions)	2013 R (Millions)	2014 R (Millions)
Liabilities: (Gain) / loss		1,839	6,173
	(3.898)	6.190	2.102

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

Bonitas;  
Keyhealth  
LA Health  
Hosmed  
SAMWU Medical Aid

The Future-service Cost for the ensuing year is estimated to be R 3,435,209, whereas the Interest - Cost for the next year is estimated to be R11,479,204..

Key actuarial assumptions used:

**i) Rate of interest**

	2016 %	2015 %
Discount rate	8.96%	8.65%
Health Care Cost Inflation Rate	8.08%	7.90%
Net Effective Discount Rate	0.81%	0.70%

The discount rate used is a composite of all government bonds and is calculated using a technique is 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.

**iv) Expected Salary Increases**

2016/2017 - average CPI (Feb 2015 – Jan 2016) + 1 per cent

2017/2018 - average CPI (Feb 2016 – Jan 2017) + 1 per cent

**v) Actuarial Valuation Method**

The Projected Unit Credit Method has been used to value the liabilities.

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

	2016 R	2015 R
Present value of fund obligations	75,664,480	70,574,866
Roads - Present value of fund obligations	55,315,202	51,675,565
<b>Net liability/(asset)</b>	<u>130,979,682</u>	<u>122,250,431</u>

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

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

Present value of fund obligation at the beginning of the year	122,250,431	107,304,845
Current service cost	3,809,765	3,521,411
Interest Cost	10,364,568	9,346,400
Benefits Paid	(5,075,772)	(4,503,528)
Total expenses	131,348,992	115,669,128
Actuarial (gains) / losses	(369,310)	6,581,303
Present value of fund obligation at the end of the year	<u>130,979,682</u>	<u>122,250,431</u>

**Sensitivity Analysis on the Accrued Liability**

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions		50,183	80,797	130,980	
Health care inflation	1%	61,260	89,720	150,980	15.00%
Health care inflation	-1%	41,484	73,241	114,725	-12.00%
Discount Rate	1%	41,614	73,356	114,970	-12.00%
Discount Rate	-1%	61,278	89,736	151,014	15.00%
Post retirement mortality	- 1 yr	51,870	84,012	135,882	4.00%
Average retirement age	+ 1 yr	53,831	80,797	134,628	3.00%
Continuation of membership at retirement	-10%	44,974	80,797	125,771	-4.00%

  

Assumption	Change	Current-service Cost R	Interest Cost R	Total R	% change
Central Assumption		3,809,800	10,364,600	14,174,400	
Health care inflation	1%	4,736,900	12,020,800	16,757,700	18.00%
Health care inflation	-1%	3,094,900	9,022,400	12,117,300	-15.00%
Discount Rate	1%	3,133,400	10,086,600	13,220,000	-7.00%
Discount Rate	-1%	4,695,900	10,635,600	15,331,500	8.00%
Post-retirement mortality	-1 year	3,935,000	10,765,100	14,700,100	4.00%
Average retirement age	-1 year	4,003,300	10,701,000	14,704,300	4.00%
Withdrawal Rate	-10%	3,441,400	9,889,100	13,330,500	-6.00%

**4.1.2 Provision for Long Service Bonuses**

The Long Service Bonus plans are defined benefit plans. As at year end, 483 employees were eligible for Long Service Bonuses.

The Future-service Cost for the ensuing year is estimated to be R 921,006, whereas the Interest- Cost for the next year is estimated to be R 1,028,841.

Key actuarial assumptions used:

**i) Rate of interest**

	2016 %	2015 %
Discount rate	8.53%	7.97%
General Salary Inflation (long-term)	7.19%	7.00%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	1.25%	0.74%

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

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**4 EMPLOYEE BENEFITS (CONTINUED)**

**ii) Actuarial Valuation Method**

The Projected Unit Credit Method has been used to value the liabilities.

**Analysis of accrued liability**

	2016 R	2015 R
Fair value of plan assets -		
Accrued Liability	7,336,316	7,717,133
Roads - Accrued Liability	5,361,686	5,390,236
Net liability / (asset)	<u>12,698,002</u>	<u>13,107,369</u>

**Reconciliation of accrued liability values:**

	2016 R	2015 R
Present value of fund obligation at the beginning of the year	13,107,369	12,307,256
Current service cost	935,893	839,193
Interest Cost	613,342	571,372
Benefits Paid	(1,250,934)	(1,610,341)
Total expenses	13,405,670	12,107,480
Actuarial (gains) / losses	(707,668)	999,889
Present value of fund obligation at the end of the year	<u>12,698,002</u>	<u>13,107,369</u>

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

	2016 R	2015 R
Accrued Liability	7,336,316	7,717,133
Roads - Accrued Liability	5,361,686	5,390,236
<b>Net liability</b>	<u>12,698,002</u>	<u>13,107,369</u>

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

	2012 R	2013 R	2014 R
Accrued Liability	4,173,517	4,362,238	7,306,678
Roads - Accrued Liability	2,499,304	3,113,523	5,000,578
<b>Total Liability</b>	<u>6,672,821</u>	<u>7,475,761</u>	<u>12,307,256</u>

Experience adjustments were calculated as follows:

	2016 R	2015 R
Liabilities: (Gain) / loss	528,031	958,647

	2012 R	2013 R	2014 R
Liabilities: (Gain) / loss	57,687	356,598	78,018

**Sensitivity Analysis on the Unfunded Accrued Liability**

Assumption	Change	Liability (Rm)	% change
Central assumptions		12,698	
General salary inflation	+ 1%	13,666	8%
General salary inflation	- 1%	11,831	-7%
Discount Rate	+ 1%	11,831	-7%
Discount Rate	- 1%	13,681	8%
Average retirement age	-2 yrs	11,054	-13%
Average retirement age	+2 yrs	13,644	7%
Withdrawal rates	-50%	14,826	17%

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

The Ex-Gratia Pension Benefit plans are defined benefit plans. As at year end, 14 former 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 57 014.

Key actuarial assumptions used:

**i) Rate of interest**

	2016 %	2015 %
Discount rate	8.08%	7.49%
Pension Increase Rate	2.89%	3.06%
Net Effective Discount Rate: pensioners with pension increases of 50% of DPI	5.05%	4.30%

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

**ii) Actuarial Valuation Method**

The Projected Unit Credit Method has been used to value the liabilities.

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

	2016 R	2015 R
Accrued Liability	290,288	449,819
Roads - Accrued Liability	495,730	615,344
<b>Net liability</b>	<u>786,018</u>	<u>1,065,163</u>

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

	2012 R	2013 R	2014 R
Accrued Liability	1,009,245	1,007,190	646,802
Roads - Accrued Liability	1,002,246	855,875	713,322
<b>Total Liability</b>	<u>2,011,491</u>	<u>1,863,065</u>	<u>1,360,124</u>

Experience adjustments were calculated as follows:

	2016 R	2015 R
Liabilities: (Gain) / loss	(120,652)	(153,581)
Assets: Gain / (loss)	-	-

	2012 R	2013 R	2014 R
Liabilities: (Gain) / loss	(225,549)	(84,892)	(270,057)
Assets: Gain / (loss)	-	-	-

**Analysis of accrued liability**

	2016 R	2015 R
Fair value of plan assets -		
Accrued Liability	290,288	449,819
Roads - Accrued Liability	495,730	615,344
Net liability / (asset)	<u>786,018</u>	<u>1,065,163</u>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**4 EMPLOYEE BENEFITS (CONTINUED)**

**Reconciliation of accrued liability values:**

	2016 R	2015 R
Present value of fund obligation at the beginning of the year	1,065,163	1,360,125
Interest Cost	72,261	92,399
Benefits Paid	(205,359)	(230,461)
Total expenses	932,065	1,222,063
Actuarial (gains) / losses	(146,047)	(156,900)
Present value of fund obligation at the end of the year	<u>786,018</u>	<u>1,065,163</u>

**Sensitivity Analysis on the Unfunded Accrued Liability**

Assumption	Change	Liability (R)	% change
Central assumptions		72,261	
Pension Increase rate	+1%	75,938	5%
Pension Increase rate	-1%	68,845	-5%
Discount Rate	+1%	78,240	8%
Discount Rate	-1%	65,682	-9%
Post-retirement mortality	- 1 yr	76,360	6%

**4.2 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.

**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 2015 revealed that the fund is in a sound financial position with a funding level of 153.1% (30 June 2014 - 101.7%).

Contributions paid recognised in the Statement of Financial Performance

2016 R	2015 R
123,118	55,615

**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 2015 revealed that the fund is in a sound financial position with a funding level of 112.1% (30 June 2014 - 99.9%).

Contributions paid recognised in the Statement of Financial Performance

15,489,965	22,598,600
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**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

18,522	18,527
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**4.3 EMPLOYEE BENEFITS - RECEIVABLE**

Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1.1) - At amortised cost

Balance previously reported

Correction of error: Incorrect Application of Assumptions - Note 33.9

55,315,202	51,675,564
	51,736,843
	(61,279)

Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.1.3) - At amortised cost

Department of Transport: Roads - Long Service Awards (Note 4.1.2) - At amortised cost

Balance previously reported

Correction of error: Incorrect Application of Assumptions - Note 33.9

495,730	615,344
5,361,686	5,390,236
	3,525,661
	1,864,575

Less: Current portion transferred to current employee benefits receivable

61,172,618	57,681,144
3,195,074	3,013,864

Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1.1) - At amortised cost

Balance previously reported

Correction of error: Incorrect Application of Assumptions - Note 33.9

2,483,232	2,247,828
	2,247,828
	-

Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.1.3) - At amortised cost

Department of Transport: Roads - Long Service Awards (Note 4.1.2) - At amortised cost

Balance previously reported

Correction of error: Incorrect Application of Assumptions - Note 33.9

102,269	117,482
609,573	648,554
	391,465
	257,089

**Total**

<u>57,977,544</u>	<u>54,667,280</u>
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**DEPARTMENT OF TRANSPORT: ROADS**

The Employee Benefits: Roads Receivable relates to the provision for post-retirement health benefits, long service awards and ex-gratia pension benefits made in respect of employees directly appointed for Roads Function performed on an agency basis on behalf of the Provincial Administration: Western Cape.

In terms of the agreement between the Western Cape Provincial Government and past practice, 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 amount of these assets approximates their fair value.

A technical query has been lodged with the Office of the Auditor General, National Treasury and Provincial Treasury with regards to the ownership of the post employment benefits of the Roads' Agency Function.

**5 NON-CURRENT PROVISIONS**

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

2016 R	2015 R
5,755,203	5,429,483
(2,451,177)	(2,312,451)

**Total Non-Current Provisions**

<u>3,304,026</u>	<u>3,117,032</u>
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**Clearing of Alien Vegetation**

Balance 1 July

Increase / (Decrease) in the provision for the year

5,429,483	5,760,255
325,720	(330,772)

**Total provision 30 June**

5,755,203	5,429,483
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Less: Transfer of Current Portion to Current Provisions - Note 7

(2,451,177)	(2,312,451)
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**Balance 30 June**

<u>3,304,026</u>	<u>3,117,032</u>
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**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**5 NON-CURRENT PROVISIONS (CONTINUED)**

According to the Alien Vegetation Eradication plan developed for the district municipality, it is estimated that an amount of R5,755,202.87 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 R934,698.33 in the second year, R676,491.25 in the third year and R241,833.80 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 a reputable financial institution. The following rate was used - 5% (2015 - 5%)

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

**6 CURRENT EMPLOYEE BENEFITS**

	2016 R	2015 R
Performance Bonuses	515,015	481,322
Provision for Staff Leave	7,108,640	6,750,937
Balance previously reported	-	4,821,127
Correction of error for staff leave provision - Note 33.9	-	1,929,810
Provision for Staff Bonus	2,558,742	2,409,795
Roads - Provision for Staff Leave	4,305,878	4,140,430
Balance previously reported	-	3,057,331
Correction of error for staff leave provision	-	1,083,099
Roads - Provision for Staff Bonus	1,815,654	1,787,804
	7,311,050	7,243,148
Current Portion of Employee Benefit Provisions - Note 4	4,115,976	4,229,284
Balance previously reported		3,876,296
Correction of error for staff leave provision - Note 33.		352,988
Current Portion of Employee Benefit Provisions - Roads - Note 4	3,195,074	3,013,864
Balance previously reported		2,756,775
Correction of error for staff leave provision - Note 33.		257,089
Provision Shift Allowances	1,082,500	1,237,618
Provision for Leave days paid	737,176	412,886
Balance previously reported		-
Correction of error for staff leave provision - Note 33.9		412,886
Roads - Provision for Leave days paid	208,651	110,830
Balance previously reported		-
Correction of error for staff leave provision - Note 33.9		110,830
<b>Total Provisions</b>	<b>25,643,306</b>	<b>24,574,770</b>

**30-Jun-16**

	<u>Roads - Performance Bonus</u>	<u>Performance Bonus</u>
Balance at beginning of year	-	481,322
Overprovision previous year	-	(61,884)
Utilised during the year	-	(419,438)
Contributions/ (Reversal) to/of provision - current year provision	-	515,015
<b>Balance at end of year</b>	<b>-</b>	<b>515,015</b>

**30-Jun-15**

Balance at beginning of year	-	509,294
Overprovision previous year	-	(145,499)
Utilised during the year	-	(335,823)
Contributions to provision - current year provision	-	453,350
<b>Balance at end of year</b>	<b>-</b>	<b>481,322</b>

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

**30-Jun-16**

	<u>Roads - Staff Leave</u>	<u>Staff Leave</u>
Balance at beginning of year	4,140,430	6,750,938
Overprovision previous year	-	(530,683)
Contributions to provision - current year provision	896,388	1,794,675
Utilised during the year	(730,940)	(906,291)
<b>Balance at end of year</b>	<b>4,305,878</b>	<b>7,108,640</b>

**30-Jun-15**

Balance at beginning of year	3,026,335	4,779,865
Underprovision previous year	1,364,934	2,325,239
Contributions to provision - current year provision	510,357	13,030
Utilised during the year	(761,196)	(367,196)
<b>Balance at end of year</b>	<b>4,140,430</b>	<b>6,750,938</b>

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.

**30-Jun-16**

	<u>Roads - Staff Bonus</u>	<u>Staff Bonus</u>
Balance at beginning of year	1,787,804	2,409,795
Contributions to provision - current year provision	3,226,918	601,022
Utilised during the year	(3,199,068)	(452,075)
<b>Balance at end of year</b>	<b>1,815,654</b>	<b>2,558,742</b>

**30-Jun-15**

Balance at beginning of year	1,725,132	2,300,159
Contributions to provision - current year provision	3,056,914	4,190,491
Utilised during the year	(2,994,242)	(4,080,855)
<b>Balance at end of year</b>	<b>1,787,804</b>	<b>2,409,795</b>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**6 CURRENT EMPLOYEE BENEFITS (CONTINUED)**

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent the 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

	2016 R	2015 R
<b>Provision Shift Allowances</b>		
Balance at beginning of year	1,237,618	1,237,618
Expenditure incurred	(155,118)	-
<b>Balance at end of year</b>	<b>1,082,500</b>	<b>1,237,618</b>
	<b>Roads - Leave Days Paid</b>	<b>Leave Days Paid</b>
<b>30-Jun-16</b>		
Balance at beginning of year	110,830	412,887
Contributions to provision - current year provision	97,821	324,290
<b>Balance at end of year</b>	<b>208,650</b>	<b>737,176</b>
<b>30-Jun-15</b>		
Balance at beginning of year	-	-
Underprovision previous year	44,393	148,648
Contributions to provision - current year provision	66,437	264,239
<b>Balance at end of year</b>	<b>110,830</b>	<b>412,887</b>

**7 PROVISIONS**

Current Portion of Alleviation of Alien Vegetation	2,451,177	2,312,451
<b>Total Provisions</b>	<b>2,451,177</b>	<b>2,312,451</b>

**8 PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade Payables	1,615,295	7,565,157
Other creditors	1,641,344	2,675,581
Balance previously reported	-	2,924,503
Correction of error - provision for trade payables - Note 33.2	-	(265,099)
Correction of error - VAT output on fire fees and rental debtors - Note 33.2	-	88,902
Correction of error - over provision for compensation commissioner expense in 2014-15 - Note 33.2	-	(72,724)
Public Holiday Payments	310,789	310,789
Deposits	1,241,586	1,125,982
Deposits: Swartvlei	612,298	614,357
Deposits: Victoria Bay	235,055	226,764
Deposits: Galitzdorp Spa	149,476	119,353
Deposits: De Hoek	244,758	165,508
Roads - Payment Received in Advance	1,000,000	1,000,000
Roads - Other creditors	2,338,704	2,094,010
Government subsidies: Department of Transport - Roads	3,493,204	8,318,228
Balance previously reported	-	9,512,157
Correction of leave days paid - Roads	-	(1,083,099)
Correction of staff leave provision - Roads	-	(110,830)
Debtors with credit balances	65,032	101,797
<b>Total Trade Payables</b>	<b>11,705,954</b>	<b>23,191,545</b>

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**

<b>Unspent Grants</b>	<b>17,537,796</b>	<b>11,458,071</b>
National Government Grants	15,021,377	5,879,160
Provincial Government Grants	1,229,430	4,072,649
Other Grant Providers	1,286,989	1,506,262
<b>Less: Unpaid Conditional Grants</b>	<b>294,510</b>	<b>560,584</b>
National Government Grants	294,510	252,624
Other Grant Providers	-	307,960
<b>Total Conditional Grants and Receipts</b>	<b>17,243,286</b>	<b>10,897,488</b>

See Annexure B for a reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The District Municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

**10 TAXES**

	2016 R	2015 R
VAT Receivable	33,045	2,524,641
Balance previously reported		2,369,457
Correction of error - input not claimed on insurance premiums - Note 33.4		176,163
Correction of error - VAT on fire services accounts - Note		(20,979)
	<b>33,045</b>	<b>2,524,641</b>

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 2016**

**11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	2016 R	2015 R
<b>Third party payments received for losses incurred:</b>		
Payments received (Excluding VAT)	60,125	204,949
Carrying value of assets written off/lost	(164,462)	(355,484)
Surplus/Deficit	<u>(104,337)</u>	<u>(150,536)</u>
<b>Impairment of property plant and equipment</b>		
Impairment charges on Property, plant and equipment recognised in statement of financial performance		
Land and Buildings	-	158,789,563
Other	-	-
	<u>-</u>	<u>158,789,563</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:

	2016 R	2017 R	2018 R
Decrease in Accumulated Depreciation: Property, plant and equipment	<u>(572,544)</u>	<u>(542,006)</u>	<u>(542,006)</u>

**Additional disclosure matter:**

**Transfer of property to local (B) Municipalities:**

**Plan to transfer not yet finalised:**

On 25 May 2015 a Council Resolution was taken to transfer portion 119 farm 60 Calitzdorp to Kannaland Municipality and portion 0 of farm 195 Kraaibosch to George Municipality. In 2016 the previously elected Council resolved to place the transfer of the Victoria Bay to George Municipality and Calitzdorp Spa to Kannaland Municipality on hold. The newly inaugurated Council can take a decision whether these properties must be transferred. At reporting date the plan to transfer the property was not yet finalised.

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

- Land R13 113 900
- Buildings R4 221 033

**Disputed properties:**

The Municipality embarked on a process to dispose some of its land and buildings located within the District. Some of the local (B) 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.

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

- Land R37 602 251
- Buildings R 741 213

**12 INVESTMENT PROPERTY**

	2016 R	2015 R
<b>Net Carrying amount at 1 July</b>	<b>85,760,987</b>	<b>171,394,998</b>
Cost - Buildings	7,456,559	7,456,559
Cost - Land	165,858,856	165,996,856
Accumulated Impairments - Buildings	(619,229)	-
Accumulated Impairments - Land	(84,881,250)	-
Class Transfers - Land	-	(138,000)
Accumulated Depreciation - Buildings	(2,053,949)	(1,920,417)
Impairments - Land	-	(84,881,250)
Impairments - Buildings	-	(619,229)
Depreciation for the year	(116,036)	(133,532)
<b>Net Carrying amount at 30 June</b>	<b>85,644,952</b>	<b>85,760,987</b>
Cost - Buildings	7,456,559	7,456,559
Cost - Land	165,858,856	165,858,856
Accumulated Impairments - Buildings	(619,229)	(619,229)
Accumulated Impairments - Land	(84,881,250)	(84,881,250)
Accumulated Depreciation - Buildings	(2,169,985)	(2,053,949)

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:

	2016 R	2017 R	2018 R
<b>Effect of changes in accounting estimates</b>			
Decrease in Accumulated Depreciation: Investment Property	-	-	-
Revenue derived from the rental of investment property	-	1,282,978	810,286

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**

The Municipality embarked on a process to dispose some of its land and buildings located within the District. Some of the local (B) 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 and are awaiting the outcome of the technical query lodged during 2014/2015.

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

- Land - Investment Properties R29 040 000
- Buildings - Investment Properties R741 985

**Other Disputes:**

A legal dispute has been lodged against the Eden District Municipality by Mr Keyser regarding Farm 32 George Doorndrift regarding the ownership of the property. At this stage, Eden District Municipality is awaiting correspondence from the applicants attorney Mr James King form Oudtshoorn.

- Land - Investment Properties R750 000
- Buildings - Investment Properties R88 242

**EDEN DISTRICT MUNICIPALITY**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**
**13 INTANGIBLE ASSETS**

	2016 R	2015 R
<b>Cost</b>	<b>5,030,696</b>	<b>5,001,466</b>
Opening Balance on 1 July	5,001,466	4,938,134
Acquisitions for the year - At cost	29,230	74,413
Disposals	-	(11,081)
<b>Less: Accumulated Impairments</b>	<b>(120,395)</b>	<b>(120,395)</b>
Opening Balance on 1 July	(120,395)	(120,395)
Impairments for the year	-	-
<b>Less: Accumulated Amortisation</b>	<b>(3,059,107)</b>	<b>(2,579,597)</b>
Opening Balance on 1 July	(2,579,597)	(1,990,533)
Amortisation for the year	(479,510)	(596,904)
Disposals	-	7,840
<b>Total Intangible Assets</b>	<b>1,851,194</b>	<b>2,301,474</b>

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:

No intangible asset were assed 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**

	2016 R	2015 R
<b>Unlisted</b>		
KKLK shares and Loan Account - Held at amortised cost through profit and loss	26,027	26,027
<b>Total Unlisted</b>	<b>26,027</b>	<b>26,027</b>
<b>Total Investments</b>	<b>26,027</b>	<b>26,027</b>
<b>Council's valuation of unlisted investments</b>		
KKLK shares	26,027	26,027
	<b>26,027</b>	<b>26,027</b>

**16 INVENTORY**

	2016 R	2015 R
Consumable Stores - at cost	3,365,246	3,500,044
<b>Total Inventory</b>	<b>3,365,246</b>	<b>3,500,044</b>
Consumable stores materials written down due to losses as identified during the annual stores counts.	-	23,114
Consumable stores materials surpluses identified during the annual stores counts.	(55,579)	-
Inventory recognised as an expense during the year	13,052,114	13,713,405

	2016 R	2015 R (Restated Amounts)	2015 R (Correction - incorrect reporting)	2015 R (Previously reported)
Inventory issued during the year:				
Inventory issued during the year and included in expenses:	13,052,113.82	13,713,405.42	12,033,281.72	1,680,123.70
<b>Eden</b>	<b>907,380</b>	<b>780,176</b>	<b>694,435</b>	<b>85,741</b>
Contracted services	27,292	-	-	-
General expenses: Domestic expenses	231,523	267,232	219,492	47,739
General expenses: Entertainment	375	1,162	552	610
General expenses: Plant	289,271	271,256	253,831	17,425
General expenses: Printing and stationary	119,625	124,690	120,326	4,364
General expenses: Protective Cloting	22,582	10,820	5,281	5,538
Repairs and Maintenance	211,758	82,107	72,081	10,026
General expenses: Training	4,954	22,909	22,872	38
<b>Roads</b>	<b>12,144,733</b>	<b>12,933,229</b>	<b>11,338,846</b>	<b>1,594,383</b>
Operating expenditure: Domestic expenses	113,216	90,462	37,343	53,119
Operating expenditure: Material	663,781	904,484	422,523	481,962
Operating expenditure: Plant	11,014,404	11,804,521	10,796,101	1,008,420
Operating expenditure: Printing and stationary	21,496	16,433	15,401	1,032
Operating expenditure: Protective Cloting	156,267	109,859	67,604	42,255
Operating expenditure: Repairs and Maintenance	175,571	7,470	(125)	7,594

**17 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**

	Gross Balances	Allowance for Bad Debts	Net Balances
<b>As at 30 June 2016</b>			
Service debtors			
Ambulance and Fire Fighting Fees	7,674,561	(5,891,693)	1,782,868
Councillors' Arrears	3,158,344	-	3,158,344
Rental Agreements	1,501,569	(724,597)	776,972
Roads - Sundry debtors	824,459	-	824,459
<b>Total</b>	<b>13,158,933</b>	<b>(6,616,290)</b>	<b>6,542,643</b>
<b>As at 30 June 2015</b>			
Service debtors			
Ambulance and Fire Fighting Fees	4,214,996	(2,037,467)	2,177,529
Councillors' Arrears	2,694,552	-	2,694,552
Rental Agreements	1,115,788	(133,793)	981,996
Roads - Sundry debtors	9,717,220	-	9,717,220
<b>Total</b>	<b>17,742,556</b>	<b>(2,171,259)</b>	<b>15,571,297</b>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**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 consumer debtors are not performed in terms of GRAP 104 on initial recognition.

**Housing Rentals & Rental Agreements: Ageing**

	2016 R	2015 R
Current (0-30 days)	158,880	68,439
31 - 60 Days	149,624	14,155
61 - 90 Days	11,714	13,609
91 - 120 Days	11,714	14,448
121-365 Days	973,828	841,450
+ 365 Days	195,809	163,688
<b>Total</b>	<b>1,501,569</b>	<b>1,115,788</b>

**Councillors' Arrears: Ageing**

Current (0-30 days)	-	5,233
31 - 60 Days	9,796	-
61 - 90 Days	-	-
91 - 120 Days	-	-
121-365 Days	2,605,613	2,497,856
+ 365 Days	514,841	191,463
<b>Total</b>	<b>3,130,251</b>	<b>2,694,552</b>

**Ambulance and Fire Fighting Fees-Ageing**

Current (0-30 days)	518,388	32,749
31 - 60 Days	-	1,097,508
61 - 90 Days	-	2,690
91 - 120 Days	335,343	2,690
121-365 Days	6,082,439	2,836,647
+ 365 Days	738,391	242,711
<b>Total</b>	<b>7,674,561</b>	<b>4,214,996</b>

**Roads - Sundry debtors**

Current (0-30 days)	621,187	9,680,607
31 - 60 Days	21,698	36,611
61 - 90 Days	6,765	-
91 - 120 Days	4,509	-
121-365 Days	4,509	-
+ 365 Days	165,790	-
<b>Total</b>	<b>824,459</b>	<b>9,717,218</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	4,303,466	7,735,313
Contributions to allowance: Exchange Receivables - Note 17	4,019,952	(1,044,263)
Contributions to allowance: Non-exchange Receivables - Note 18	670,079	(1,025,481)
Bad debts written off against the allowance	(1,274,348)	(1,362,103)
<b>Balance at end of year</b>	<b>7,719,149</b>	<b>4,303,466</b>

The provision for doubtful debts on 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.

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 2016**

	Gross Balances	Allowance for Bad Debts	Net Balances
Recoverable Debtor: C Africa	6,804	-	6,804
Recoverable Debtor: Anti-fraud Hotline	855	-	855
Recoverable Debtor: DMA	157,112	-	157,112
Recoverable Debtor: NM Dlengelele	19,007	(19,007)	-
Recoverable Debtor: JC Saayman	2,252	(2,252)	-
Sundry debtors	1,847,750	(680,409)	1,167,341
Continued Members	471,002	(401,191)	69,811
Advances to Agencies	153,682	-	153,682
<b>Total Other Debtors</b>	<b>2,658,463</b>	<b>(1,102,859)</b>	<b>1,555,605</b>

**As at 30 June 2015**

	Gross Balances	Allowance for Bad Debts	Net Balances
Recoverable Debtor: JP Zeelie	463,059	(463,059)	-
Recoverable Debtor: C Africa	6,804	-	6,804
Recoverable Debtor: Anti-fraud Hotline	27,143	-	27,143
Recoverable Debtor: DMA	135,076	-	135,076
Sundry debtors	3,245,336	(1,332,862)	1,912,475
Balance previously reported	3,504,132	(1,332,862)	2,171,271
Correction of error - Insurance claim rejected - Note 33.3	(258,796)	-	(258,796)
Continued Members	401,198	(336,286)	64,912
Recoverable Debtor: NM Dlengelele	19,007	-	19,007
Recoverable Debtor: JC Saayman	6,373	-	6,373
Advances to Agencies	-	-	-
<b>Total Other Debtors</b>	<b>4,303,994</b>	<b>(2,132,206)</b>	<b>2,171,788</b>

**Recoverable Debtor: JP Zeelie  
+ 365 Days**

	2016 R	2015 R
<b>Total</b>	-	463,059

**Recoverable Debtor: C Africa  
+ 365 Days**

<b>Total</b>	6,804	6,804
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**Recoverable Debtor: DMA**

Current (0-30 days)	-	12,074
31 - 60 Days	-	11,839
61 - 90 Days	-	11,500
91 - 120 Days	-	7,694
121-365 Days	22,036	91,969
+ 365 Days	135,076	-
<b>Total</b>	<b>157,112</b>	<b>135,076</b>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**18 OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS (CONTINUED)**

	2016 R	2015 R
<b>Recoverable Debtor: NM Dlengelele</b>		
121-365 Days	19,007	19,007
<b>Total</b>	<u>19,007</u>	<u>19,007</u>
<b>Recoverable Debtor: JC Saayman</b>		
61 - 90 Days	-	3,186
91 - 120 Days	-	3,186
+ 365 Days	2,252	-
<b>Total</b>	<u>2,252</u>	<u>-</u>
<b>Sundry debtors</b>		
Current (0-30 days)	229,565	693,519
31 - 60 Days	110,810	489,738
61 - 90 Days	71,219	62,125
91 - 120 Days	7,200	(10,016)
121-365 Days	624,652	109,149
+ 365 Days	793,760	2,159,617
<b>Total</b>	<u>1,837,205</u>	<u>3,504,132</u>
<b>Continued Members</b>		
Current (0-30 days)	-	52,961
31 - 60 Days	64,201	13,021
61 - 90 Days	15,392	9,101
91 - 120 Days	12,850	6,140
121-365 Days	321,928	293,047
+ 365 Days	56,631	26,927
<b>Total</b>	<u>471,002</u>	<u>401,197</u>
<b>Recoverable Debtor: Anti-fraud Hotline</b>		
Current (0-30 days)	-	27,143
31 - 60 Days	855	-
<b>Total</b>	<u>855</u>	<u>27,143</u>

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**

	2016 R	2015 R
<b>Balance on 1 July</b>	21,616	18,142
Movement during the year	(20,447)	3,474
<b>Balance on 30 June</b>	<u>1,170</u>	<u>21,616</u>

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	15,200	772,457
1 to 5 Years	-	15,200
More than 5 Years	-	-
	<u>15,200</u>	<u>787,657</u>

This operating lease expenditure determined from contracts that have a specific condition expenditure and does not include leases which has a undetermined conditional expenditure.

**19.2 The Municipality as Lessor**

<b>Balance on 1 July</b>	80,500	29,270
Movement during the year	(23,244)	51,230
<b>Balance on 30 June</b>	<u>57,256</u>	<u>80,500</u>

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	612,781	487,642
1 to 5 Years	459,950	968,648
More than 5 Years	-	177,020
	<u>1,072,731</u>	<u>1,633,310</u>

This operating lease income determined from contracts that have a specific condition income and does not include leases which has a undetermined conditional income.

**20 CASH AND CASH EQUIVALENTS**

	2016 R	2015 R
<b>Liabilities</b>		
Roads - Bank Account	-	-
<b>Assets</b>		
Call Investment Deposits	142,137	134,217
Roads - Bank Account	11,493,654	7,426,061
Short term deposits	45,283,027	90,223,890
Cash	11,233	11,423
Standard Bank Account	98,403,822	13,287,136
<b>Total Cash and Cash Equivalents - Assets</b>	<u>155,333,873</u>	<u>111,082,727</u>

The effective interest rate was 6.4% (2015: 5.4%).  
The Municipality has the following bank accounts:-

**Call Investment Deposits**

Included in other deposits and bank balances are an amount of R17,537,796 (2015: R11,458,072 ) which is attributable to unspent grants and subsidies; and R24,675,638 (2015: R21,370,360) which is attributable to the Capital Replacement Reserve.

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**20 CASH AND CASH EQUIVALENTS (CONTINUED)**

	2016 R	2015 R
<b>Current Account (Standard Bank Account)</b> Standard Bank George Branch Account Number 06 083 263 000 0		
Cash book balance at beginning of year	13,287,136	13,668,016
Cash book balance at end of year	98,403,822	13,287,136
Bank statement balance at beginning of year	13,552,653	14,467,347
Bank statement balance at end of year	98,634,245	13,552,653
Cash	11,233	11,423
<b>Current Account (Standard Bank Account) - Roads</b> Standard Bank George Branch Account Number 06 083 283 500 0		
Cash book balance at beginning of year	7,426,061	5,923,716
Cash book balance at end of year	11,493,654	7,426,061
Bank statement balance at beginning of year	7,245,556	5,238,308
Bank statement balance at end of year	11,335,422	7,245,556
<b>Call Investment Deposits</b> ABSA George Branch Account Number 91 8226 2703		
Cash book balance at beginning of year	8,089	1,104
Cash book balance at end of year	8,454	8,089
Bank statement balance at beginning of year	8,089	1,104
Bank statement balance at end of year	8,454	8,089
Standard Bank George Branch Account Number 48872744847		
Cash book balance at beginning of year	126,128	-
Cash book balance at end of year	133,683	126,128
Bank statement balance at beginning of year	126,128	-
Bank statement balance at end of year	133,683	126,128
<b>Short term deposits</b> Standard Bank George Branch Account Number 48872744854		
Cash book balance at beginning of year	22,500,000	15,030,922
Cash book balance at end of year	-	22,500,000
Bank statement balance at beginning of year	22,500,000	15,000,000
Bank statement balance at end of year	-	22,500,000
First National Bank George Branch Account Number 74541633323		
Cash book balance at beginning of year	22,572,123	15,029,918
Cash book balance at end of year	45,283,027	22,572,123
Bank statement balance at beginning of year	22,572,123	15,000,000
Bank statement balance at end of year	45,283,027	22,572,123
Absa Bank George Branch Account Number 2075441485		
Cash book balance at beginning of year	22,575,205	15,030,559
Cash book balance at end of year	-	22,575,205
Bank statement balance at beginning of year	22,575,205	15,000,000
Bank statement balance at end of year	-	22,575,205
Nedbank George Branch Account Number 7881073772		
Cash book balance at beginning of year	22,576,562	15,031,574
Cash book balance at end of year	-	22,576,562
Bank statement balance at beginning of year	22,576,562	15,000,000
Bank statement balance at end of year	-	22,576,562
Interest earned for the year on the short term investments	10,595,022	7,381,072

**21 GOVERNMENT GRANTS AND SUBSIDIES**

	2016 R	2015 R
<b>Unconditional</b>		
Equitable Share	138,902,000	134,097,000
<b>Conditional</b>		
Grants and Donations	21,415,187	33,656,179
<b>Total Government Grants and Subsidies</b>	<b>160,317,187</b>	<b>167,753,179</b>
Government Grants and Subsidies - Operating	159,773,113	167,610,552
Government Grants and Subsidies - Capital	544,074	142,627
<b>Total Government Grants and Subsidies</b>	<b>160,317,187</b>	<b>167,753,179</b>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

	2016 R	2015 R
<b>21.1 <u>Equitable Share</u></b>		
Opening balance	-	-
Grants received	138,902,000	134,097,000
VAT on Grants	-	-
Conditions met - Operating	(138,902,000)	(134,097,000)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
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 <u>Municipal Systems Improvement Grant (MSIG)</u></b>		
Opening balance	1,708	59,053
Grants received	930,000	934,000
Repaid to National Revenue Fund	-	(59,000)
VAT on Grants	(113,252)	(114,499)
Conditions met - Operating	(371,339)	(720,781)
Conditions met - Capital	(437,601)	(97,065)
Conditions still to be met	<u>9,516</u>	<u>1,708</u>
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 <u>Local Government Financial Management Grant (FMG)</u></b>		
Opening balance	-	12,274
Grants received	1,250,000	1,250,000
VAT on Grants	(84,272)	(46,129)
Conditions met - Operating	(1,084,497)	(1,216,145)
Conditions met - Capital	(106,474)	-
Conditions still to be met	<u>(25,243)</u>	<u>-</u>
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 <u>Electricity Demand Side Management</u></b>		
Opening balance	5,399,984	5,399,984
Grants received	-	-
VAT on Grants	(3,933)	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(28,096)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>5,367,955</u>	<u>5,399,984</u>
Grant utilised for energy efficiency investigation within the region.		
<b>21.5 <u>Dpt Land Affairs: District Assessment Committee</u></b>		
Opening balance	49,343	49,343
Grants received	-	-
VAT on Grants	(2,568)	-
Conditions met - Operating	(18,342)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>28,433</u>	<u>49,343</u>
Grant utilised to assess the land affairs within the region.		
<b>21.6 <u>LGESTA:Re-imburements</u></b>		
Opening balance	632,548	911,224
Grants received	214,326	153,794
VAT on Grants	-	-
Conditions met - Operating	(365,964)	(432,470)
Conditions met - Capital	-	-
Conditions still to be met	<u>480,910</u>	<u>632,548</u>
Grant is utilised for training purposes of municipal staff.		
Grant utilised of building sub-roads for bicycles and pedestrians.		
<b>21.7 <u>Bucket system Elimination Schools/Clinic</u></b>		
Opening balance	76,317	128,417
Grants received	-	-
VAT on Grants	-	(4,605)
Conditions met - Operating	-	(47,495)
Conditions met - Capital	-	-
Conditions still to be met	<u>76,317</u>	<u>76,317</u>
Grant utilised for replacing bucket system with VIP toilets.		
<b>21.8 <u>Expanded Public Works Incentives</u></b>		
Opening balance	-	-
Grants received	1,005,000	1,000,000
VAT on Grants	(2,180)	-
Conditions met - Operating	(1,019,466)	(1,000,000)
Conditions met - Capital	-	-
Conditions still to be met	<u>(16,646)</u>	<u>-</u>
The grant is utilised for job creation.		
<b>21.9 <u>Task Contributions - Municipalities</u></b>		
Opening balance	201,804	86,460
Grants received	180,968	290,400
Debtor	-	32,800
VAT on Grants	-	(4,417)
Conditions met - Operating	(230,603)	(175,929)
Conditions met - Capital	-	(27,511)
Conditions still to be met	<u>152,169</u>	<u>201,804</u>
Grant utilised for the funding of the TASK unit.		

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

21	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2016 R	2015 R
21.10	<b><u>WC FMG Assistance</u></b>		
	Opening balance	73,516	73,516
	Grants received	-	-
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>73,516</u>	<u>73,516</u>
21.11	<b><u>DWA: Abstraction Validation on Bitou</u></b>		
	Opening balance	35,589	35,589
	Grants received	-	-
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>35,589</u>	<u>35,589</u>
21	<b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>	<b>2016 R</b>	<b>2015 R</b>
21.12	<b><u>RBIG &amp; DBSA: Bulk Water Studies</u></b>		
	Opening balance	633,910	633,910
	Correction of error	-	-
	Grants received	-	-
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>633,910</u>	<u>633,910</u>
21.13	<b><u>Integrated Transport</u></b>		
	Opening balance	1,938,559	138,559
	Grants received	-	1,800,000
	VAT on Grants	(157,907)	-
	Conditions met - Operating	(1,127,910)	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>652,742</u>	<u>1,938,559</u>
21.14	<b><u>Municipal Disaster Recovery</u></b>		
	Opening balance	1,824,945	-
	Grants received	20,849,000	27,432,000
	VAT on Grants	-	-
	Conditions met - Operating	(15,306,760)	(25,607,055)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>7,367,185</u>	<u>1,824,945</u>
21.15	<b><u>Mandela Memorial Celebrations</u></b>		
	Opening balance	136,250	136,250
	Grants received	-	-
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>136,250</u>	<u>136,250</u>
21.16	<b><u>Braille Project</u></b>		
	Opening balance	11,645	11,645
	Grants received	-	-
	VAT on Grants	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>11,645</u>	<u>11,645</u>
21.17	<b><u>WC FMG Allocations</u></b>		
	Opening balance	403,952	500,000
	Grants received	650,000	880,300
	VAT on Grants	(66,195)	(79,550)
	Repaid to National Revenue Fund	(300,000)	-
	Conditions met - Operating	(472,819)	(878,747)
	Conditions met - Capital	-	(18,051)
	Conditions still to be met	<u>214,938</u>	<u>403,952</u>
21.18	<b><u>Nelson Mandela Biosphere Reserve Project</u></b>		
	Opening balance	38,000	-
	Grants received	110,000	90,000
	VAT on Grants	-	-
	Conditions met - Operating	(128,000)	(52,000)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>20,000</u>	<u>38,000</u>
21.19	<b><u>Study: Implementation alternative Solid Waste Tech</u></b>		
	Opening balance	(307,960)	-
	Grants received	588,690	639,500
	VAT on Grants	(34,476)	(116,355)
	Conditions met - Operating	(246,255)	(831,105)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>-</u>	<u>(307,960)</u>



**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

21	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)	2016 R	2015 R
21.20	<b><u>RGIB &amp; Bulk and Waste Water Infrastructure</u></b>		
	Opening balance	(252,622)	-
	Grants received	-	1,933,648
	VAT on Grants	-	(268,489)
	Conditions met - Operating	-	(1,917,781)
	Conditions met - Capital	-	-
	Conditions still to be met	<u>(252,622)</u>	<u>(252,622)</u>
21.21	<b><u>Rural Roads Asset Management Systems</u></b>		
	Opening balance	-	-
	Grants received	2,283,000	-
	VAT on Grants	(571)	-
	Conditions met - Operating	(5,708)	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>2,276,721</u>	<u>-</u>
21.22	<b><u>TOTAL GRANTS</u></b>		
	Opening balance	10,897,488	8,176,224
	Repaid to National Revenue Fund	(300,000)	(59,000)
	Grants received	166,962,985	170,500,643
	Debtor	-	32,800
	VAT on Grants	(465,354)	(634,045)
	Conditions met - Operating	(159,307,759)	(166,976,507)
	Conditions met - Capital	(544,075)	(142,627)
	Conditions still to be met	<u>17,243,285</u>	<u>10,897,488</u>
	<b>See Annexure B for detailed summary of unspent grants and subsidies.</b>		
	<b>24.1 Changes in levels of government grants</b>		
	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.		
	<b>Disclosed as follows:</b>		
	Unspent Conditional Government Grants and Receipts	17,537,796	11,458,072
	Unpaid Conditional Government Grants and Receipts	(294,510)	(560,584)
	Total	<u>17,243,286</u>	<u>10,897,488</u>
22	<b>DEPARTMENT OF TRANSPORT - ROADS SERVICES CHARGES</b>	<b>2016 R</b>	<b>2015 R</b>
	Department of Transport - Roads Service Charges	145,198,911	121,630,524
	Income for agency services	15,533,686	13,785,600
		<u>160,732,598</u>	<u>135,416,124</u>
	Income for agency services is determined at a rate of 3% on re-surfacing and the rest at 12% of the allocated amount.		
23	<b>OTHER INCOME</b>	<b>2016 R</b>	<b>2015 R</b>
	Borrow Pits	-	106,572
	Call Centre Mosselbay	553,165	527,325
	Donations	20,801	-
	Fire Fighting fees	3,811,615	1,945,901
	Balance previously reported	-	1,988,352
	Correction of error - VAT on fire services accounts - Note 33.6	-	(21,473)
	Correction of error - VAT on fire services and rental debtor accounts - Note 33.3	-	(20,979)
	Greenest Municipality Award	130,000	120,000
	Health Claims	342,618	309,648
	Hotline Income	17,790	17,250
	IT Shared Services District	-	1,020,942
	Legal fees recovered	277,508	-
	Resorts	6,562,114	5,617,092
	Sundry Income	434,446	721,298
	Tariffs And Penalties: Health	242,199	215,046
	<b>Total Other Income</b>	<u>12,392,256</u>	<u>10,601,074</u>
24	<b>EMPLOYEE RELATED COSTS</b>	<b>2016 R</b>	<b>2015 R</b>
	Employee related costs- Salaries and Wages	63,186,962	57,224,787
	Employee related costs - Contribution for UIF, pensions and medical aids	19,025,818	18,531,233
	Balance previously reported	-	18,603,957
	Correction of error - over provision of compensation commissioner expense - Note 33.3	-	(72,724)
	Grant funded employee related costs	2,189,084	2,188,559
	Travel, motor car, accommodation, subsistence and other allowances	7,173,823	8,057,520
	Housing benefits and allowances	797,294	644,159
	Overtime payments	1,390,901	1,367,034
	Performance bonus	453,131	335,823
	Re-allocation costs	240,000	-
	Leave Payment	1,588,284	265,385
	Balance previously reported	-	396,575
	Correction of error - incorrect provision for staff leave - Note 33.9	-	(131,190)
	Leave Bonus	4,522,075	4,183,903
	Increase in Provision for Health Care Benefits	4,970,492	4,488,529
	Increase in Provision for Long Service Awards	901,262	247,655
	Decrease in Provision for Ex-Gratia Pensions	(57,404)	(58,269)
	<b>Total Employee Related Costs</b>	<u>106,381,722</u>	<u>97,476,318</u>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

24

EMPLOYEE RELATED COSTS (CONTINUED)

REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2016 R	2015 R
	12 Months	12 Months
<i>Remuneration of the Municipal Manager (G Louw)</i>		
Annual Remuneration	1,164,553	1,083,478
Performance Bonuses	192,529	180,287
Telephone Allowance	12,000	33,000
Car Allowance	209,929	178,500
Contributions to UIF, Medical and Pension Funds	115,923	113,228
<b>Total</b>	<b>1,694,934</b>	<b>1,588,493</b>

	2016 R	2015 R
	12 Months	12 Months
<i>Remuneration of Executive Manager Finance: L Hoek</i>		
Annual Remuneration	704,520	695,950
Performance Bonuses	58,014	-
Telephone Allowance	11,040	7,360
Annual Bonus	10,869	-
Car Allowance	129,662	129,662
Contributions to UIF, SDL, Medical and Pension Funds	174,503	165,028
<b>Total</b>	<b>1,088,609</b>	<b>998,000</b>

	2016 R	2015 R
	12 Months	12 Months
<i>Remuneration of the Executive Manager Corporate/Strategic Services: B Holtshauzen</i>		
Annual Remuneration	810,503	784,800
Performance Bonuses	113,455	77,266
Telephone Allowance	-	3,200
Leave Paid	-	63,205
Car Allowance	122,494	107,795
Annual Bonus	30,000	-
Contributions to UIF, Medical and Pension Funds	147,762	138,810
<b>Total</b>	<b>1,224,214</b>	<b>1,175,076</b>

	2016 R	2015 R
	12 Months	12 Months
<i>Remuneration of the Executive Manager Community Services: C Africa</i>		
Annual Remuneration	788,045	728,950
Housing Allowance	84,000	84,000
Car Allowance	94,964	72,600
Performance Bonuses	113,455	106,241
Acting Allowance	-	3,317
Telephone Allowance	5,931	2,400
Contributions to UIF, Medical and Pension Funds	158,823	145,855
<b>Total</b>	<b>1,245,218</b>	<b>1,143,363</b>

	2016 R	2015 R
	12 Months	12 Months
<i>Remuneration of the Executive Manager Roads: JC Ottervanger</i>		
Annual Remuneration	620,786	613,603
Housing Allowance	5,600	2,568
Car Allowance	175,557	130,693
Acting Allowance	-	4,800
Annual Bonus	51,526	-
Telephone Allowance	9,600	-
Contributions to UIF, Medical and Pension Funds	160,871	149,443
<b>Total</b>	<b>1,023,939</b>	<b>901,107</b>

25

EMPLOYEE RELATED COST - ROADS

	2016 R	2015 R
Employee related costs- Salaries and Wages	38,408,093	37,430,079
Employee related costs - Contribution for UIF, pensions and medical aids	14,301,668	13,776,014
Travel, motor car, accommodation, subsistence and other allowances	1,443,742	1,587,592
Housing benefits and allowances	989,390	433,475
Overtime payments	1,103,899	357,161
Leave Payment	994,209	792,193
Leave Bonus	3,199,068	3,056,914
<b>Total Employee Related Costs</b>	<b>60,440,070</b>	<b>57,433,427</b>

26

REMUNERATION OF COUNCILLORS

Remuneration	5,437,940	5,334,762
Travel Allowances	1,518,176	1,466,333
Car Allowance	153,311	70,066
Telephone Allowances	311,159	313,020
Pension Contributions	167,917	129,273
Medical Contributions	225,310	211,136
<b>Total Councillor's Remuneration</b>	<b>7,813,812</b>	<b>7,524,590</b>

Van der Westhuizen VI - Executive Mayor

Remuneration	284,808	407,982
Travel Allowances	149,436	197,398
Telephone Allowances	327	-
<b>Total</b>	<b>434,571</b>	<b>605,380</b>

Esau LBC - Deputy Executive Mayor

Remuneration	350,752	282,362
Travel Allowances	109,156	103,128
<b>Total</b>	<b>459,908</b>	<b>385,490</b>

Nayler D - Speaker

Remuneration	408,625	383,049
Travel Allowances	33,429	15,635
<b>Total</b>	<b>442,054</b>	<b>398,684</b>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

26

REMUNERATION OF COUNCILLORS (CONTINUED)

	2016 R	2015 R
<b>Du Toit J - Mayoral Committee Member</b>		
Remuneration	214,382	208,079
Car Allowance	71,460	64,222
	<u>285,842</u>	<u>272,301</u>
<b>Koegelenberg JJA - Mayoral Committee Member</b>		
Remuneration	443,231	419,641
Travel Allowances	183,188	162,672
Telephone Allowances	20,868	20,868
	<u>647,287</u>	<u>603,181</u>
<b>Maxim J - Mayoral Committee Member</b>		
Remuneration	240,210	241,375
Travel Allowances	123,370	102,404
Medical Contributions	32,882	33,521
	<u>396,462</u>	<u>377,300</u>
<b>May SF - Mayoral Committee Member</b>		
Remuneration	442,722	419,641
Travel Allowances	154,891	139,881
Telephone Allowances	20,868	20,868
	<u>618,481</u>	<u>580,390</u>
<b>McCombi HJ - Mayoral Committee Member</b>		
Remuneration	366,857	364,873
Travel Allowances	169,807	154,225
Telephone Allowances	20,868	20,868
Medical Contributions	78,290	56,698
	<u>635,821</u>	<u>596,664</u>
<b>Simmers T - Mayoral Committee Member</b>		
Remuneration	409,990	416,494
Travel Allowances	163,930	150,412
Telephone Allowances	20,868	20,868
Medical Contributions	34,336	4,214
	<u>629,124</u>	<u>591,988</u>
<b>Ngalo CN - Councillor</b>		
Remuneration	217,778	205,348
Telephone Allowances	20,868	20,868
Medical Contributions	20,458	18,460
	<u>259,104</u>	<u>244,676</u>
<b>Waxa V - Councillor</b>		
Remuneration	106,799	103,010
Travel Allowances	66,305	55,952
Telephone Allowances	20,868	20,868
Pension Contributions	50,109	18,542
Medical Contributions	19,044	45,217
	<u>263,125</u>	<u>243,589</u>
<b>Mbali MM - Councillor</b>		
Remuneration	8,755	8,260
Travel Allowances	1,556	2,083
	<u>10,311</u>	<u>10,343</u>
<b>Ndayi N - Councillor</b>		
Remuneration	8,755	8,260
Travel Allowances	14,867	9,864
	<u>23,622</u>	<u>18,124</u>
<b>Bityi NA - Councillor</b>		
Remuneration	203,049	193,538
Telephone Allowances	20,868	20,868
Pension Contributions	30,457	29,031
	<u>254,375</u>	<u>243,437</u>
<b>Booisen NC- Councillor</b>		
Remuneration	8,755	8,583
Travel Allowances	7,948	8,354
	<u>16,703</u>	<u>16,937</u>
<b>Fielies M- Councillor</b>		
Remuneration	203,049	193,538
Telephone Allowances	20,868	20,868
Pension Contributions	30,457	29,031
	<u>254,375</u>	<u>243,437</u>
<b>Floors HJ- Councillor</b>		
Remuneration	177,927	167,856
Travel Allowances	68,794	61,892
Telephone Allowances	20,868	20,868
	<u>267,589</u>	<u>250,616</u>
<b>Gerber JJ- Councillor</b>		
Remuneration	8,755	8,260
Travel Allowances	4,907	3,869
	<u>13,662</u>	<u>12,129</u>
<b>Janse van Rensburg JG - Councillor</b>		
Remuneration	177,927	167,856
Travel Allowances	102,607	76,843
Telephone Allowances	20,868	20,868
	<u>301,402</u>	<u>265,567</u>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

26

**REMUNERATION OF COUNCILLORS (CONTINUED)**

	2016 R	2015 R
<b>Mbandezi SS - Councillor</b>		
Remuneration	8,755	8,260
Travel Allowances	4,806	2,147
	<u>13,561</u>	<u>10,407</u>
<b>Meshoa WP - Councillor</b>		
Remuneration	23,297	21,979
Travel Allowances	9,300	8,110
	<u>32,597</u>	<u>30,089</u>
<b>Ngemntu - Councillor</b>		
Remuneration	90,830	-
Travel Allowances	8,008	-
Telephone Allowances	9,312	-
Medical Contributions	14,396	-
	<u>122,546</u>	<u>-</u>
<b>Mkalipi NP - Councillor</b>		
Remuneration	-	195,829
Travel Allowances	-	19,342
Telephone Allowances	-	20,868
Medical Contributions	-	27,979
	<u>-</u>	<u>264,018</u>
<b>Niehaus GC - Councillor</b>		
Remuneration	22,126	23,608
Travel Allowances	-	1,816
	<u>22,126</u>	<u>25,424</u>
<b>Qupe LN - Councillor</b>		
Remuneration	19,240	22,700
Travel Allowances	-	1,816
	<u>19,240</u>	<u>24,516</u>
<b>Skietekat CM - Councillor</b>		
Remuneration	237,236	224,208
Travel Allowances	21,207	17,108
Telephone Allowances	20,868	20,868
	<u>279,311</u>	<u>262,184</u>
<b>Tanda NM - Councillor</b>		
Remuneration	203,049	193,538
Travel Allowances	8,827	-
Telephone Allowances	20,868	20,868
Pension Contributions	30,457	29,031
	<u>263,202</u>	<u>243,437</u>
<b>Teyisi T - Councillor</b>		
Remuneration	28,860	23,608
Travel Allowances	-	1,816
	<u>28,860</u>	<u>25,424</u>
<b>Van de Hoven PJ - Councillor</b>		
Remuneration	42,328	35,412
Travel Allowances	-	1,816
	<u>42,328</u>	<u>37,228</u>
<b>Van Rensburg D - Councillor</b>		
Remuneration	5,013	8,260
Travel Allowances	3,829	8,201
	<u>8,842</u>	<u>16,461</u>
<b>Xego D - Councillor</b>		
Remuneration	173,624	165,844
Car Allowance	80,974	-
Travel Allowances	3,075	73,745
Telephone Allowances	20,868	20,868
Pension Contributions	26,436	23,638
Medical Contributions	25,905	25,047
	<u>330,882</u>	<u>309,142</u>
<b>Abrahams D - Councillor</b>		
Remuneration	-	16,484
Travel Allowances	8,845	8,281
	<u>8,845</u>	<u>24,765</u>
<b>Johannes R - Councillor</b>		
Remuneration	-	16,484
Travel Allowances	2,304	14,563
	<u>2,304</u>	<u>31,047</u>
<b>Joubert AM - Councillor</b>		
Remuneration	5,545	-
Travel Allowances	11,051	-
	<u>16,596</u>	<u>-</u>
<b>Johson J - Councillor</b>		
Remuneration	106,501	-
Travel Allowances	12,403	-
Telephone Allowances	9,368	-
	<u>128,273</u>	<u>-</u>
<b>Gouws JE - Councillor</b>		
Remuneration	1,727	-
	<u>1,727</u>	<u>-</u>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

26	REMUNERATION OF COUNCILLORS (CONTINUED)	2016 R	2015 R
	<b>Kamfer D - Councillor</b>		
	Remuneration	177,927	167,856
	Travel Allowances	62,595	57,854
	Telephone Allowances	20,868	20,868
		<u>261,390</u>	<u>246,578</u>
	<b>De Vries SF - Councillor</b>		
	Car Allowance	876	5,844
	Travel Allowances	376	2,458
		<u>1,252</u>	<u>8,302</u>
	<b>Wagenaar M - Councillor</b>		
	Remuneration	8,755	2,687
	Travel Allowances	7,361	2,648
		<u>16,116</u>	<u>5,335</u>
	<b>In-kind benefits</b>		
	The Mayor may utilise official Council transportation when engaged in official duties.		
	<b>Remuneration of political office bearers and councillors</b>		
	Remuneration of political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.		
27	<b>DEPRECIATION</b>	<b>2016 R</b>	<b>2015 R</b>
	Property, Plant and Equipment	2,682,670	2,590,044
	Balance previously reported	-	2,550,958
	Correction of assets identified for the first time - Note 33.1	-	15,183
	Correction of assets previously disposed now found - Note 33.1	-	23,902
	Correction of incorrect depreciation charge - Note 33.1	-	2
	Investment Property	116,036	133,532
		<u>2,798,706</u>	<u>2,723,576</u>
28	<b>REPAIRS AND MAINTENANCE</b>	<b>2016 R</b>	<b>2015 R</b>
	Buildings	1,589,008	637,338
	Electricity	76,325	47,164
	Equipment	1,129,205	1,044,312
	Fleet Vehicles	130,838	428,612
	General Maintenance & Complaints	216,634	234,650
	Plant	628,772	877,869
	Swimming pool	121,280	105,964
	Radio/Transmitter Station	-	14,550
	Water Works	8,284	6,139
		<u>3,900,347</u>	<u>3,396,598</u>
29	<b>FINANCE CHARGES</b>		
	Long-term liabilities	25,790	205,735
	Water and Electricity	-	10,530
	A Lamont	-	4,084
	SARS	3,338	14,912
	Lefatshe	150,722	953,874
	<b>Total Interest on External Borrowings</b>	<u>179,850</u>	<u>1,189,135</u>
30	<b>CONTRACTED SERVICES</b>	<b>2016 R</b>	<b>2015 R</b>
	Asset Verification: BAUD	78,513	192,309
	Assistance: Year-end procedures	1,705,717	1,767,584
	Disaster Management	171,175	99,639
	DWAF Chemical Water Sampling	-	50,969
	Environmental Management: Studies & other services	214,117	130,586
	Electricity Demandside Management	28,096	-
	Fax Machines, Copiers & Maintenance Agreements	303,012	209,165
	Fire Fighting Services	2,005,723	3,729,709
	Financial Management Assistance	330,318	878,747
	Furniture Removal	-	133,943
	Internal Audit Training	257,831	-
	Integrated Transport Plan	1,127,910	-
	Laboratory Tests	216,721	260,960
	Laundry Services	137,897	84,254
	License & Support Agreements	1,017,065	1,280,434
	Maintenance Plans	20,954	333,512
	Management Training	89,803	110,705
	RBIG & DBSA Bulk Water Studies	-	1,917,781
	Regional Landfill Site	246,255	-
	Security Services	351,916	1,136,216
	Tourism	127,492	55,838
		<u>8,430,516</u>	<u>12,372,352</u>
31	<b>ROADS - OPERATING EXPENDITURE</b>	<b>2016 R</b>	<b>2015 R</b>
	General Expenses	83,000,864	62,881,758
	Contributions to Capital	1,757,977	1,315,340
		<u>84,758,841</u>	<u>64,197,098</u>
32	<b>GENERAL EXPENSES</b>		
	Included in general expenses are the following: -		
	Advertisements	357,962	483,919
	Audit Fees	2,647,769	2,367,931
	Bank Charges	144,432	146,148
	Computer Programs	25,000	-
	Contribution Full time Shopsteward	32,265	24,543
	Courier Services	1,675	910
	Deeds	3,140	11,984
	Disposable Equipment	86,698	-

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**32 GENERAL EXPENSES (CONTINUED)**

	2016 R	2015 R
Domestic Expenses	281,113	290,368
Balance previously reported	-	292,219
Correction of error - Note	-	(1,852)
Employee Support	37,989	23,750
Entertainment Allowances	32,342	35,632
External Audit Committee	-	138,722
Health Advisory Committee	3,271	965
Health Education	9,750	12,557
Insurance	686,135	1,015,374
Balance previously reported	-	756,578
Correction of error - Note	-	258,796
Laboratory Test	810,291	676,595
Laundry Service	145,321	145,895
Legal Fees	1,037,393	1,251,730
License fees	105,824	64,641
Material	7,743	2,550
Membership fees	1,092,293	1,083,303
Operating Projects	1,877,701	2,434,172
Personnel Contribution Mission Street Plant	596,033	557,040
	875,876	1,158,879
Balance previously reported	-	1,193,172
Correction of error - Note	-	(34,293)
Postage/ Post Box Rental	42,494	37,278
Printing & Stationery	902,860	1,023,043
Protective Clothing	244,183	290,803
Balance previously reported	-	293,461
Correction of error - Note	-	(2,657)
Public Relations	5,393	7,290
Purchases Matresses	6,901	50,254
Rates & Taxes	746,434	462,055
Refreshments	148,043	26,361
Registration Fees: Congresses	51,779	55,454
Rent	409,706	465,112
Rent Disaster Centre Equipment	54,028	318,399
Repayment: Eden Employee s (3G)	29,314	-
Security	90,482	101,657
Services Accounts	2,484,801	2,851,904
Skills Development Levy	744,025	726,689
Strategic Planning	6,195	32,063
Study Assistance	176,888	296,070
Subsistence & Travel	1,037,466	1,206,247
Sundry Expenses	49,406	231,038
Sundry Expenses - Grant funded	15,306,760	25,607,055
Telephone/Data lines	2,691,641	2,914,401
Training	590,306	722,489
Valuation Fees	-	54,900
Vermin Control	701	-
Wreaths & Bouquets	21,009	26,094
Year-end Function	-	39,800
	<b>36,738,831</b>	<b>49,474,064</b>

**33 CORRECTION OF ERROR IN TERMS OF GRAP 3**

During the current financial year, the municipality had corrected the following prior period errors:

**33.1 Property Plant and Equipment**

	2015 Cost R	2014 Cost R
<b>Balance previously reported - 30 June</b>	<b>334,515,787</b>	<b>327,203,776</b>
Correction of assets previously disposed now found - Note 11 & 33.7	342,184	-
Correction of assets identified for the first time - Note 11, 33.6	195,266	195,266
<b>Restated Balance</b>	<b>335,053,238</b>	<b>327,399,042</b>
	<b>2015 Accumulated Depreciation R</b>	<b>2014 Accumulated Depreciation R</b>
<b>Property Plant and Equipment</b>		
<b>Balance previously reported - 30 June</b>	<b>34,126,501</b>	<b>32,568,107</b>
Correction of assets previously disposed now found - Note 11 & 33.7	255,609	-
Correction of assets identified for the first time - Note 11, 33.6 & 33.7	120,326	105,143
Correction of Error Removal of incorrect depreciation - Note 11, 33.6 & 33.7	2	-
<b>Restated Balance</b>	<b>34,502,437</b>	<b>32,673,250</b>

**33.2 Payables from exchange transactions**

	2015 R	2014 R
<b>Balance previously reported - 30 June</b>	<b>24,634,396</b>	<b>19,550,216</b>
Correction of GRV's processed never invoiced - Note 8, 33.6	(265,099)	(226,298)
Correction of over provision of compensation commissioner expense in 2014-15 - Note 8, 33.7	(72,724)	-
Correction VAT output on fire fighting fees and rental debtors - Note 8 & 33.7	88,902	-
Correction of incorrect calculation of leave provision: Roads - Note 8	(1,083,099)	-
Correction of incorrect calculation of leave days paid: Roads - Note 8	(110,830)	-
<b>Restated Balance</b>	<b>23,191,545</b>	<b>19,323,919</b>

**33.3 Other Receivables from Non-Exchange Transactions**

	2015 R	2014 R
<b>Balance previously reported - 30 June</b>	<b>2,430,583</b>	<b>2,566,737</b>
Correction of insurance claim rejected - Note 18 & 33.7	(258,796)	-
<b>Restated Balance</b>	<b>2,171,787</b>	<b>2,566,737</b>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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

	R 2015	R 2014
<b>VAT Receivable</b>		
<i>Balance previously reported - 30 June</i>	2,369,457	1,831,524
Correction of error - input VAT not claimed on insurance premiums - Note 10, 33.6	176,163	176,163
Correction of error - VAT on fire services accounts - Note 10, 33.7	(20,979)	-
<b>Restated Balance</b>	<b>2,524,641</b>	<b>2,007,687</b>

	R 2015	R 2014
<b>Current Employee Benefits</b>		
<i>Balance previously reported - 30 June</i>	20,428,068	19,137,828
Correction of incorrect calculation of leave provision: Eden - Note 6, 33.6 & 33.7	1,929,810	2,325,239
Correction of incorrect calculation of leave provision: Roads - Note 6	1,083,099	-
Correction of incorrect calculation regarding leave days paid: Eden - Note 6, 33.6 & 33.7	412,886	148,648
Correction of incorrect calculation regarding leave days paid: Roads - Note 6, 33.6 & 33.7	110,830	44,393
<b>Restated Balance</b>	<b>23,964,693</b>	<b>21,656,107</b>

	R
<b>Accumulated Surplus/(Deficit)</b>	
Correction of GRV's processed never invoiced - Note 8 & 33.2	226,294
Correction of assets previously disposed now found - Note 11 & 33.11	
Correction of assets identified for the first time - Note 11, 33.1	90,123
Correction of incorrect calculation of leave provision - Note 6, 33.2 & 33.5	(2,325,239)
Correction of error - input VAT not claimed on insurance premiums - Note 10 & 33.4	176,163
Correction of application of incorrect assumptions with regards to Post Employment Health Care Benefits: - Note 4, 33.8 and 33.7	48,499
Correction of application of incorrect assumptions with regards to Long Service Awards: - Note 4, 33.8 and 33.7	(2,527,411)
Correction of incorrect calculation of leave provision - Note 6, 33.2 & 33.5	(148,648)
<b>Total amount credited/(debited) to accumulated surplus due to implementation of GRAP</b>	<b>(4,460,220)</b>

	R
<b>Changes to Statement of Financial Performance</b>	
Correction of GRV's processed never invoiced - Note 8, 33.2	38,802
Correction of assets previously disposed now found - Note 11 & 33.1	86,575
Correction of assets identified for the first time - Note 11, 33.1	(15,183)
Correction of Error Removal of incorrect depreciation - Note 11, 33.1	(2)
Correction of over provision of compensation commissioner expense in 2014-15 - Note 8, 33.2	72,724
Correction VAT output on fire fighting fees and rental debtors - Note 8 & 33.2	(88,902)
Correction of insurance claim rejected - Note 18 & 33.3	(258,796)
Correction of error - VAT on fire services accounts - Note 10, 33.4	(20,979)
Correction of Actuarial Loss with regards to Post Employment Health Care Benefits - Note 4, 33.6 and 33.8	55,366
Correction of Actuarial Loss with regards to Long Service Awards: - Note 4, 33.6 and 33.8	(198,887)
Correction of Contribution with regards to Post Employment Health Care Benefits - Note 4, 33.6 and 33.8	94,486
Correction of Contribution with regards to Long Service Awards: - Note 4, 33.6 and 33.8	319,802
Correction of incorrect calculation of leave provision - Note 6, 33.2 & 33.5	395,429
Correction of incorrect calculation regarding leave days paid: Eden - Note 6, 33.6 & 33.5	(264,239)
<b>Total amount credited/(debited) to Statement of Financial Performance due to implementation of GRAP</b>	<b>216,198</b>

	R 2015	R 2014
<b>Employee Benefits - Liability</b>		
<i>Balance previously reported - 30 June</i>	132,411,522	116,691,826
Correction of application of incorrect assumptions with regards to Post Employment Health Care Benefits: - Note 4, 33.6 and 33.7	(48,499)	(48,499)
Correction of Actuarial Loss with regards to Post Employment Health Care Benefits - Note 4, 33.6 and 33.7	(55,366)	-
Correction of Contribution with regards to Post Employment Health Care Benefits - Note 4, 33.6 and 33.7	(94,486)	-
Correction of application of incorrect assumptions with regards to Post Employment Health Care Benefits: Roads - Note 4 and 33.9	(61,279)	(21,426)
Correction of application of incorrect assumptions with regards to Long Service Awards: - Note 4, 33.6 and 33.7	2,527,411	2,527,411
Correction of Actuarial Loss with regards to Long Service Awards: - Note 4, 33.6 and 33.7	198,887	-
Correction of Contribution with regards to Long Service Awards: - Note 4, 33.6 and 33.7	(319,802)	-
Correction of application of incorrect assumptions with regards to Long Service Awards: Roads - Note 4 and 33.9	1,864,575	1,822,914
<b>Restated Balance</b>	<b>136,422,963</b>	<b>120,972,226</b>

	R 2015	R 2014
<b>Employee Benefits - Asset</b>		
<i>Balance previously reported - 30 June</i>	55,877,848	49,891,728
Correction of application of incorrect assumptions with regards to Post Employment Health Care Benefits: Roads - Note 4 and 33.8	(61,279)	(21,426)
Correction of application of incorrect assumptions with regards to Long Service Awards: Roads - Note 4 and 33.8	1,864,575	1,822,914
<b>Restated Balance</b>	<b>57,681,144</b>	<b>51,693,216</b>

	2016 R	2015 R
<b>IMPAIRMENT LOSSES</b>		
<b>Investment properties</b>		
Impairments - Land	-	85,500,479
Impairments - Buildings	-	84,881,250
	-	619,229
<b>Property, plant &amp; equipment</b>		
Land and Buildings	-	158,789,563
Other	-	-
	-	244,290,042

	2016 R	2015 R
<b>ACTUARIAL (GAIN) / LOSS</b>		
<b>Eden</b>		
Actuarial Gains		
Long Service Leave Benefits	(380,558)	-
Ex-Gratia Pension Awards	(102,127)	(138,714)
	(482,685)	(138,714)
<b>Actuarial Loss</b>		
Post Employment Health Care Benefits	119,120	4,760,808
Long Service Leave Benefits	-	540,254
	119,120	5,301,062

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

36 CASH GENERATED FROM OPERATIONS	2016 R	2015 R
(Deficit) for the year from Continued Operations	30,497,534	(222,422,753)
Adjustments for: -		
Unamortised Discount - Expense	-	51,615
Depreciation	2,798,706	2,723,574
Amortisation	479,510	596,904
Grants received	166,962,985	170,533,443
Grants Repaid to National Revenue Fund	(300,000)	(59,000)
Grants recognised as revenue	(160,317,188)	(167,753,179)
Gain on disposal of property, plant and equipment	(1,349)	(50,026)
Loss on disposal of property, plant and equipment	164,462	355,484
Impairments	-	244,290,042
Contribution to Non-Current Provisions	325,720	(330,772)
Actuarial (Gain)/Loss	(1,223,025)	7,424,292
Employee benefits paid	(6,532,065)	(6,344,330)
Contribution to employee benefits	15,795,829	14,370,775
Bad debts written-off	(1,274,348)	(1,362,103)
Contribution to bad debt provision	4,690,031	(2,069,744)
Current employee benefits paid	(5,862,929)	(8,539,312)
Contribution to Current Employee Benefits	6,863,561	8,409,318
<b>Operating deficit before working capital changes</b>	<b>53,038,588</b>	<b>39,824,230</b>
(Increase)/Decrease in inventory	134,798	1,144,990
Increase/(decrease) in Operating Lease Liability	(20,447)	3,474
(Increase)/Decrease in Operating Lease Asset	23,244	(51,230)
(Increase)/Decrease in Trade Receivables from exchange transactions	4,583,623	1,893,474
(Increase)/Decrease in Other Receivables from non-exchange transactions	1,645,531	507,686
Increase/(decrease) in creditors	(11,485,591)	5,276,954
(Increase)/Decrease in VAT	2,491,596	(516,954)
<b>Cash generated / (utilized in) operations</b>	<b>50,411,342</b>	<b>48,082,623</b>

37 CASH AND CASH EQUIVALENTS	2016 R	2015 R
Cash and cash equivalents included in the cash flow statement comprise the following amounts in the statement of financial position:		
Bank balances and cash	155,191,736	110,948,510
Call deposits	142,137	134,217
<b>Total cash and cash equivalents</b>	<b>155,333,873</b>	<b>111,082,727</b>

38 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION	2016 R	2015 R
Long-term liabilities (see Note 3)	-	691,204
Used to finance property, plant and equipment - at cost	-	691,204
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. Loans were redeemed during March 2016.		

39 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES	2016 R	2015 R
Cash and Cash Equivalents - Note 20	155,333,873	111,082,727
Investments - Note 14	26,027	26,027
	155,359,900	111,108,754
Less:	17,538,966	11,479,687
Unspent Committed Conditional Grants - Note 9	17,537,796	11,458,071
Operating Lease Liability - Note 19	1,170	21,616
<b>Net cash resources available for internal distribution</b>	<b>137,820,934</b>	<b>99,629,067</b>
<b>Allocated to:</b>		
Capital Replacement Reserve	(24,675,638)	(21,370,360)
<b>Resources available for working capital requirements</b>	<b>113,145,297</b>	<b>78,258,707</b>

40 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2016 R	2015 R
<b>40.1 Unauthorised expenditure</b>		
Reconciliation of unauthorised expenditure		
Opening balance	295,484,610	58,818,807
Unauthorised expenditure current year	76,403	236,665,803
Approved by Council to be written off	(295,484,610)	-
Transfer to receivables for recovery	-	-
	76,403	295,484,610

The unauthorised expenditure will be presented to Council in the 2016/2017 financial year for condonation

Unauthorised expenditure for 2015/2016 is with regards to capital items budgeted for under repairs and maintenance, but had to be re-allocated to capital items as per GRAP requirements.

	2016 R	2016 R	2016 R	2016 R
	(Actual)	(Budget)	(Variance - excluding grant funded expenditure)	(Unauthorised)
<b>Expenditure by Vote</b>				
Executive and Council	34,221,655	42,631,519	(8,409,863)	-
Budget and Treasury Office	19,672,717	22,225,008	(2,552,292)	-
Corporate Services	27,831,583	30,541,870	(2,710,287)	-
Sport and Recreation	9,600,764	10,615,675	(1,014,912)	-
Public Safety	37,252,903	45,889,368	(8,636,465)	-
Health	28,145,428	30,304,343	(2,158,916)	-
Planning and Development	7,936,394	11,558,734	(3,622,340)	-
Road Transport	146,332,529	147,262,890	(930,361)	-
Water	823,443	20,812,235	(19,988,792)	-
Waste Management	2,411,011	3,243,070	(832,059)	-
Environmental Protection	2,150,219	2,797,708	(647,489)	-
	316,378,646	367,882,421	(51,503,775)	-



EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

Capital expenditure by vote	2016 R (Actual)	2016 R (Budget)	2016 R (Variance)	2016 R (Unauthorised)
Executive & Council	6,793	30,000	(23,207)	-
Budget and Treasury Office	113,190	139,500	(26,310)	-
Corporate Services	973,183	1,126,000	(152,817)	-
Community and Social Services	25,444	-	25,444	25,444
Sport & Recreation	102,661	197,000	(94,339)	-
Public Safety	733,895	775,000	(41,105)	-
Health	61,959	11,000	50,959	50,959
Environmental Protection	-	12,000	(12,000)	-
	<u>2,017,126</u>	<u>2,290,500</u>	<u>(273,374)</u>	<u>76,403</u>

40.2 Fruitless and wasteful expenditure

	2016 R	2015 R
Reconciliation of fruitless and wasteful expenditure		
Opening balance	2,922,485	2,293,419
J De Klerk	-	400,000
A Lamont	-	199,540
Interest: A Lamont	-	4,084
Interest: Municipal accounts	19,653	10,530
Interest: Sars Penalties and fines	-	14,912
Fruitless and wasteful expenditure current year	1,124,711	-
Approved by Council to be written off	(2,196,442)	-
	<u>1,870,407</u>	<u>2,922,485</u>

Fruitless and wasteful expenditure relates to a Court settlement paid with regards to the Lefatshe legal matter. The fruitless and wasteful expenditure will be presented to Council in the 2016/2017 financial year for condonation.

40.3 Irregular expenditure

	2016 R	2015 R
Reconciliation of irregular expenditure		
Opening balance - previously reported	34,168,056	29,421,396
Irregular expenditure current year	9,574,598	4,746,660
Irregular expenditure current year - previously reported	-	3,799,200
Correction of error - additional irregular expenditure identified	-	947,460
Condoned or written off by Council	(25,653,611)	-
Recovered during year	-	-
Irregular expenditure awaiting condonement	-	-
	<u>18,089,043</u>	<u>34,168,056</u>

Restatement of Irregular expenditure recognised in the prior year relates to transactions with suppliers where supply chain management/MFMA process was not followed with regards to the extension of contracts.

In 2015, the National Prosecution Authority has resolved that matter relating to the J Zeelie forensic investigation (relating to irregular expenditure of R456,000 incurred in prior years), will not be criminally prosecuted.

Irregular expenditure relating to the current financial year include splitting of orders, SCM/MFMA processes / legislative requirements not adhered to as identified by Management. A detailed register is available.

Currently an investigation is being conducted into a possible irregular expenditure issue, when the findings have been issued, it will be disclosed in the Annual Financial Statements if it meets the definition of irregular expenditure

41 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

41.1 Contributions to organized local government

	2016 R	2015 R
Opening balance	-	-
Council subscriptions	45,574	51,441
Amount paid - current year	(45,574)	(51,441)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<u>-</u>	<u>-</u>

41.2 Audit fees

	2016 R	2015 R
Opening balance	-	-
Current year audit fee	2,647,769	2,367,931
Amount paid - prior year	(2,647,769)	(2,367,931)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<u>-</u>	<u>-</u>

41.3 VAT

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.

41.4 PAYE AND UIF

	2016 R	2015 R
Opening balance	-	-
Current year payroll deductions	20,696,380	19,856,835
Amount paid - current year	(20,696,380)	(19,856,835)
Amount paid - previous years	-	-
<b>Balance unpaid (included in debtors)</b>	<u>-</u>	<u>-</u>

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

41.5 Pension and Medical Aid Deductions

	2016 R	2015 R
Opening balance	-	-
Current year payroll deductions and Council Contributions	22,805,200	22,286,480
Amount paid - current year	(22,805,200)	(22,286,480)
Amount paid - previous years	-	-
<b>Balance unpaid (included in debtors)</b>	<b>-</b>	<b>-</b>

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.

41.6 Councillor's arrear accounts

30 June 2016

The following amounts are outstanding regarding travel allowances:

	Total	Outstanding less than 90 days	Outstanding more than 90 days
AM Wildeman	778,631	-	778,631
JL Hartnick	528,791	-	528,791
J Bouwer	364,923	-	364,923
JMG Bekker	305,251	-	305,251
PJ Roodtman	269,134	-	269,134
SCP Blijohn	106,187	-	106,187
HJ Loff	100,172	-	100,172
HJ Mc Combi	96,265	-	96,265
A Hartnick	80,327	-	80,327
JJA Koegelenberg	14,257	-	14,257
JE Davids	47,703	-	47,703
A Ewerts	46,211	-	46,211
J Harmse	40,938	-	40,938
CN Ngalo	29,487	-	29,487
FH Stemmet	27,373	-	27,373
B Le Roux	26,676	-	26,676
P van der Hoven	24,124	-	24,124
E Nel	16,425	-	16,425
PJW Murray	14,257	-	14,257
JST Alberts	12,859	-	12,859
AR Olivier	-	-	-
M Fielies	10,091	-	10,091
EKV van Eden	8,549	-	8,549
PJL Grobler	7,964	-	7,964
A Baartman	6,944	-	6,944
N Bityi	4,274	-	4,274
D Kampher	914	-	914
EN Mtabati	651	-	651
F Joseph	325	-	325
R Johannes	1,785	-	1,785
<b>Total</b>	<b>2,971,488</b>	<b>-</b>	<b>2,971,488</b>

30 June 2016

The following amounts are outstanding regarding cellphone accounts:

	Total	Outstanding less than 90 days	Outstanding more than 90 days
Blijohn	21,566	-	21,566
D Kamfer	17,017	-	17,017
S Loliwe	16,331	-	16,331
Kroma	8,169	-	8,169
M Fielies	7,619	-	7,619
HJ McCombi	6,472	-	6,472
TME Gombo	5,021	-	5,021
S de Vries	2,807	-	2,807
Ewerts	2,813	-	2,813
J Kemoetie	1,563	-	1,563
JH Loff	1,224	-	1,224
J Maxim	971	-	971
Dorfling	833	-	833
CN Ngalo	846	-	846
E Mtabati	720	-	720
F Stemmet	716	-	716
J Bekker	341	-	341
TA Simmers	1,861	-	1,861
<b>Total</b>	<b>96,889</b>	<b>-</b>	<b>96,889</b>

30 June 2015

The following amounts are outstanding regarding travel allowances:

	Total	Outstanding less than 90 days	Outstanding more than 90 days
AM Wildeman	691,774	-	691,774
JL Hartnick	469,804	-	469,804
J Bouwer	324,216	-	324,216
JMG Bekker	271,226	-	271,226
PJ Roodtman	239,112	-	239,112
SCP Blijohn	95,708	-	95,708
HJ Loff	89,088	-	89,088
HJ Mc Combi	85,984	-	85,984
A Hartnick	71,366	-	71,366
JJA Koegelenberg	56,120	-	56,120
JE Davids	42,382	-	42,382
A Ewerts	41,256	-	41,256
J Harmse	36,396	-	36,396
CN Ngalo	26,260	-	26,260
FH Stemmet	24,373	-	24,373
B Le Roux	23,700	-	23,700
P van der Hoven	21,433	-	21,433
E Nel	14,593	-	14,593
PJW Murray	12,667	-	12,667
JST Alberts	11,588	-	11,588
AR Olivier	8,261	-	8,261
M Fielies	9,304	-	9,304
EKV van Eden	7,596	-	7,596
PJL Grobler	7,076	-	7,076
A Baartman	6,170	-	6,170
N Bityi	3,798	-	3,798
D Kampher	812	-	812
EN Mtabati	605	-	605
F Joseph	289	-	289
R Johannes	1,596	-	1,596
<b>Total</b>	<b>2,694,552</b>	<b>-</b>	<b>2,694,552</b>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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

30 June 2015	Total	2016	2015
		R	R
		Outstanding less than 90 days	Outstanding more than 90 days
The following amounts are outstanding regarding cellphone accounts:			
Blijohn	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 Mlabati	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>

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	299,685	146,030	462,102	-
Community Services	1,024,572	404,480	-	-
Office of the MM	39,661	210,778	-	-
Strategic Services	236,437	318,039	208,443	-
Technical Services	1,673,879	1,322,784	-	-
	<u>3,274,235</u>	<u>2,402,111</u>	<u>670,545</u>	<u>-</u>

The major deviations were as follows:

Awarded to	Reason/Explanation	Amount
Business Engineering	Sole Supplier	245,100
Office of the Auditor General	Sole Supplier	217,002
Roux Attorneys	Impractical Procurement Process	208,443
Payday Software	Sole Supplier	169,175
PWC	Impractical Procurement Process	135,021
ELB Equipment	Impractical Procurement Process	109,343
Wilson Plumbers	Impractical Procurement Process	91,219
ELB Equipment	Impractical Procurement Process	80,667
Total		<u>1,255,970</u>

**42 CONTINGENT LIABILITY**

**42.1 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 wild 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. Judgement was received on 29 October 2015. The plaintiff's claim is dismissed with costs.

2016 R 2015 R

- 906,550

**42.2 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. The matter is currently not resolved.

38,231 38,231

**42.3 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. Matter currently not resolved.

376,750 376,750

**42.4 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 Lefatshe submitted an account to the amount of R1,643,174.61 for certain services rendered. 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 investigation of the forensic investigation. There was a summons served on Eden District Municipality on 8 November 2011. The amount claimed is being disputed. This forms part of a R23,449,235.67 contract. Lefatshe Technologies were liquidated and on 19 March 2015, Raubenheimers informed Eden District Municipality that the liquidators want to continue with the claim from the claimant. The arbitration award dated 11 December 2015 stated that Eden District Municipality is liable to pay the claimant the amount of R1,643,174.61 together with interest. This amount has been paid (R2,747,770.60) on 11 February 2016. Although the quantum of damages are still outstanding, the claimant has indicated an amount of R9,329,213 plus interest

9,329,213 9,329,213

**42.5 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. There is no further movement on the file and the opposition have not applied for a hearing date. The opposition must decide the way forward, Eden will not incur unnecessary costs. This case is dormant. There is no prospect of success and claimants might decide to withdraw.

600,000 600,000

**42.6 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 obtained an eviction order against Gerber.

21,840 21,840

**42.7 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.

68,163,662 68,163,662

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

Electricity consumption for 2006 - 2011. A claim of R8.3 m has been received. The matter is currently still in process.

8,300,000 8,300,000

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

<b>42</b>	<b>CONTINGENT LIABILITY (CONTINUED)</b>	<b>2016</b>	<b>2015</b>
		<b>R</b>	<b>R</b>
<b>42.9</b>	<b>MR Michaels</b>		
	A dispute has been lodged against the Eden District Municipality by Mr MR Michaels. The applicant was re-appointed on numerous fixed term contracts as a temporary fire fighter. He is now demanding a permanent appointment. The difference between his annual cost to company on a fixed term contract versus a contract appointment, amounts to R40,172 per annum. He was subsequently appointed from 1 April 2015. He declared another dispute regarding the date of his permanent appointment. He claims it must be 1 January 2015. The financial implication is minimal, his salary package for three months.	-	40,171
<b>42.10</b>	<b>Keyser, Doorndrift Farm 32 George</b>		
	A legal dispute has been lodged against the Eden District Municipality by Mr Keyser regarding Farm 32 George Doorndrift regarding the ownership of the property. At this stage, Eden District Municipality is awaiting correspondence from the applicants attorney Mr James King form Oudtshoorn.	839,201	839,201
<b>42.11</b>	<b>Tommy de Bruyn</b>		
	Refusal to pay voluntary retrenchment package. This is currently in the negotiation phase.	268,967	-
<b>42.12</b>	<b>K Langeveld</b>		
	Unfair labour practice.	316,819	-
<b>42.13</b>	<b>V Gouws / Mc Master / Taylor</b>		
	Unfair dismissals of V Gouws, Mc Master & Taylor. The process for Mc Master is finalised with a possible settlement of R293,000. V Gouws and Taylor are busy with the arbitration process with a possible claim of R293,000 each.	879,000	-
<b>42.14</b>	<b>JL du Preez</b>		
	Unfair Labour Practice. Mr Du Preez alleges that Eden District Municipality has denied him of an opportunity to be appointed as a buyer. He failed during the interview process to declare that he was previously dismissed at his previous employer. His prospects of success in the Labour Court is nil. This is a frivolous and vexatious claim.	-	-
		<u>89,135,699</u>	<u>88,617,632</u>
<b>43</b>	<b>IN-KIND DONATIONS AND ASSISTANCE</b>		
	The Municipality received the following services in-kind:		
		<b>R</b>	
	<b>Name</b>	<b>Value of service received</b>	
	Mr. John Kruyt (Advisor on National Treasury GTAC program)	1,000,000	
	Miss. Elandie Terblanche (Intern from Western Cape Provincial Treasury)	49,070	
	Mr. Eduard Lotz (Advisor on Municipal Infrastructure Support Agent Program)	247,437	
		<u>1,296,507</u>	
<b>44</b>	<b>EVENTS AFTER THE REPORTING DATE</b>		
	The Municipality is not aware of any events after reporting date.		
<b>45</b>	<b>RELATED PARTY TRANSACTIONS</b>		
<b>45.1</b>	<b>Related Party Transactions</b>	<b>Service Charges</b>	<b>Outstanding balances</b>
	<b>Year ended 30 June 2016</b>		
	<b>Kay Beez Development Projects CC</b>	-	-
	C Scheepers' (Deputy Manager Human Resources, Eden District Municipality) brother in law owns Kay Beez Development Projects. Eden District Municipality received training form Kay Beez Development Projects regarding interpersonal skills.		
	<b>Mubesko Africa CC</b>	1,124,950	270,476
	B Holtshauzen (Eden District Municipality's Executive Manager Corporate/Strategic Services) daughter works for Mubesko Africa (Pty) Ltd. Eden District Municipality received GRAP and mSCOA support services from Mubesko Africa.		
	<b>Year ended 30 June 2015</b>		
	<b>Kay Beez Development Projects CC</b>	27,000	-
	C Scheepers' (Deputy Manager Human Resources, Eden District Municipality) brother in law owns Kay Beez Development training form Kay Beez Development Projects regarding interpersonal skills.		
	<b>Mubesko Africa CC</b>	611,268	67,152
	B Holtshauzen (Eden District Municipality's Executive Manager Corporate/Strategic Services) daughter works for Mubesko Africa (Pty) Ltd. Eden District Municipality received GRAP support services from Mubesko Africa.		
<b>45.2</b>	<b>Related Party Loans</b>		
	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.		
<b>45.3</b>	<b>Related Parties</b>		
	The following are persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any executive manager of Eden District Municipality:		
	* Executive Mayor		
	* Speaker		
	* Mayoral Committee members		
	* Councillors		
	* Municipal Manager		
	* Executive Manager: Finance		
	* Executive Manager: Corporate / Strategic Services		
	* Executive Manager: Technical Services		
	* Executive Manager: Community Services		
	Their short term employee benefits are disclosed in notes 23 & 24		
<b>45.4</b>	<b>Other Supply Chain Transactions</b>		
	The following purchases were made from close family members of persons in the service of the state :		
		<b>2016</b>	<b>2015</b>
		<b>R</b>	<b>R</b>
	<b>Supplier</b>		
	IGB Trading	30,327	-
	Shabby to Chick	13,210	-
	Zeelies Alein Control Services	28,215	-
	<b>Employee</b>		
	NM Boumeester	-	-
	J Stander	-	-
	A Wildeman (Roads)	-	-
	<b>State Department</b>		
	Eden District Municipality	30,327	-
	Eden District Municipality	13,210	-
	Eden District Municipality	28,215	-
		<u>71,752</u>	<u>-</u>

**EDEN DISTRICT MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**45 RELATED PARTY TRANSACTIONS (CONTINUED)**

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

Supplier	Employee	State Department	2016 R	2015 R
Juta & Company Ltd	JD Volmink - Director	North West University	-	10,061
Minolco (Pty) Ltd t/a Konica Minolta	KR Mthimunye - Director	State Information Technology Agency	-	23,780
Vodacom	V Jarana - Director	Legal Aid South Africa	-	900,712
African Oxygen (Pty) Ltd	C Wells - Director	Transnet	187	-
The Courier and Freight Group	JM Mathibe - Director	Rural Housing Loan Fund	76,060	-
Klein Karoo International	J du Preez - Director	SASRIA	13,075	-
Schindler Lifts (Pty) Ltd	Edward	IRBA	29,183	-
Nashua Mobile	D Nchoba - Director	NAT: Arts & Culture	-	676
AON South Africa (Pty) Ltd	MM Maponya - Director	NTP Radioisotopes	-	841,694
MK Construction t/a Africa Co	MA Kula - Member	EC: Health	-	-
			<b>118,505</b>	<b>1,776,923</b>

**46 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 does not have significant interest-bearing liabilities, the entity's income and operating cash flows are not 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 follow:

	2016 R	2015 R
1% (2015 - 1%) Increase in interest rates	1,682	(5,216)
0.5% (2015 - 0.5%) Decrease in interest rates	(841)	2,608

**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:

	2016 %	2016 R	2015 %	2015 R
Ambulance and Fire Fighting Fees	76.54%	5,891,693	47.34%	2,037,467
Councillors' Arrears	0.00%	-	0.00%	-
Rental Agreements	9.41%	724,597	3.11%	133,793
Sundry debtors	14.05%	1,081,600	49.55%	2,132,206
	<b>100.00%</b>	<b>7,697,890</b>	<b>100.00%</b>	<b>4,303,466</b>

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 banks utilised by the municipality for current and non-current investments are all listed on the JSE (FNB, Nedbank, ABSA and Standard Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

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:

	2016 R	2015 R
Trade receivables - Exchange transactions	6,542,643	15,571,297
Other receivables - Non exchange transactions	1,555,599	2,171,782
Short term Investment Deposits	142,137	134,217
Bank Balances and Cash	155,191,736	110,948,510
<b>Maximum Credit Risk Exposure</b>	<b>163,432,115</b>	<b>128,825,806</b>

**Debtors past due date no impaired**

	2016 R	2015 R
31-60 days	119,461	1,514,716
61-90 days	-	81,250
91-120 days	150,525	8,574
121-365 dyas	3,976,396	5,149,991
+365 days	1,189,237	573,038
	<b>5,435,620</b>	<b>7,327,570</b>

## EDEN DISTRICT MUNICIPALITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 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.

#### 46 RISK EXPOSURES (CONTINUED)

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
<b>2016</b>				
Trade and Other Payables	11,705,954	-	-	-
Unspent conditional government grants and receipts	17,537,796	-	-	-
	<u>29,243,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 1 and 5 years	Over 10 Years
<b>2015</b>				
Trade and Other Payables	23,191,545	-	-	-
Unspent conditional government grants and receipts	11,458,071	-	-	-
	<u>34,649,616</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### 47 FINANCIAL INSTRUMENTS

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

	Classification	2016 R	2015 R
<b>Financial Asset</b>			
Service debtors	Financial instruments at amortised cost	6,542,643	15,571,297
<b>Other Debtors</b>			
Roads - Sundry debtors	Financial instruments at amortised cost	824,459	9,717,220
Sundry debtors	Financial instruments at amortised cost	1,237,152	1,996,393
Recoverable Debtors	Financial instruments at amortised cost	163,916	141,880
<b>Non-current Investments</b>			
Non-current Investment	Financial instruments at amortised cost	26,027	26,027
<b>Short term Investment Deposits</b>			
Call Deposits	Financial instruments at amortised cost	142,137	134,217
<b>Bank Balances and Cash</b>			
Bank Balances	Financial instruments at amortised cost	155,180,503	110,937,087
Cash Floats and Advances	Financial instruments at amortised cost	11,233	11,423
<b>Total Financial Assets</b>		<u>164,128,070</u>	<u>138,535,543</u>

#### SUMMARY OF FINANCIAL ASSETS

Financial instruments at amortised cost	164,128,070	138,535,543
	<u>164,128,070</u>	<u>138,535,543</u>

#### Financial Liability

##### Non-Current Liabilities

Long-term Liabilities	Financial instruments at amortised cost	-	-
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##### Current Liabilities

Trade and other payables	Financial instruments at amortised cost	11,705,954	23,191,545
Current portion of long-term liabilities	Financial instruments at amortised cost	-	681,794

#### Total Financial Liabilities

		<u>11,705,954</u>	<u>23,873,339</u>
<b>SUMMARY OF FINANCIAL LIABILITIES</b>			
Financial instruments at amortised cost		<u>11,705,954</u>	<u>23,873,339</u>

#### 48 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

<b>Taxes</b>			
Vat Receivable		33,045	2,524,641
<b>Receivables from Non-Exchange Transactions</b>			
Fines		-	-
		<u>33,045</u>	<u>2,524,641</u>

#### 49 PUBLIC PRIVATE PARTNERSHIP

Eden District Municipality is in the process of concluding a Public Private Partnership with regards to the establishment of the regional landfill site in Mossel Bay. The land has been purchased during 2014/2015, the erection of the landfill site will be done by concluding a Public Private Partnership. The closing date for the submission of the tenders for the Public Private Partnership was 31 July 2015, but has been extended as the relevant SCM / MFMA processes have not been concluded. A Provincial Oversight Committee has been established to oversee the process and progress. It is envisioned that the erection of the landfill site will commence on 1 July 2017. The total cost per year is estimated at R60 million per annum.

#### 50 NON-COMPLIANCE WITH THE MFMA

	2016 R	2015 R
In terms of Section 65(2)(e) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA). Some Creditors were not paid within 30 days.	22,057,460	-
In terms of Section 67 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA). Donations to organisations outside government.	5,000	-

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

11 PROPERTY PLANT & EQUIPMENT

30 JUNE 2016

Reconciliation of Carrying Value

	Cost							Accumulated Impairments					Accumulated Depreciation					Carrying Value		
	Opening Balance	Class Transfer	Opening Balance (after class transfers)	Additions	Disposals	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Class Transfer	Opening Balance (after class transfers)	Additions	Disposals		Class Transfer	Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R		R	R
<b>Infrastructure</b>	104,489	-	104,489	-	-	-	104,489	-	-	-	-	-	34,969	-	34,969	4,673	-	-	39,642	64,847
Roads and Streets	104,489	-	104,489	-	-	-	104,489	-	-	-	-	-	34,969	-	34,969	4,673	-	-	39,642	64,847
<b>Community Assets</b>	1,021,225	-	1,021,225	80,017	-	-	1,101,242	-	-	-	-	-	245,175	-	245,175	42,933	-	-	288,108	813,134
Caravan Parks	1,021,225	-	1,021,225	80,017	-	-	1,101,242	-	-	-	-	-	245,175	-	245,175	42,933	-	-	288,108	813,134
<b>Land and Buildings</b>	299,555,106	-	299,555,106	35,601	62,000	-	299,528,708	158,789,563	-	-	33,000	158,756,563	12,429,477	-	12,429,477	727,419	-	-	13,156,896	127,615,249
Land	250,994,938	-	250,994,938	-	62,000	-	250,932,938	157,111,000	-	-	33,000	157,078,000	-	-	-	-	-	-	-	93,854,938
Buildings	48,560,169	-	48,560,169	35,601	-	-	48,595,770	1,678,563	-	-	-	1,678,563	12,429,477	-	12,429,477	727,419	-	-	13,156,896	33,760,311
<b>Other Assets</b>	34,372,416	-	34,372,416	1,872,277	458,802	-	35,785,891	23,644	-	-	-	23,644	21,792,816	-	21,792,816	1,907,645	323,340	-	23,377,121	12,385,126
Office Equipment	2,543,519	-	2,543,519	388,262	31,871	-	2,899,911	-	-	-	-	-	1,583,177	-	1,583,177	155,321	23,607	-	1,714,891	1,185,019
Furniture and Fittings	4,727,502	-	4,727,502	141,033	80,436	-	4,788,099	-	-	-	-	-	3,300,214	-	3,300,214	223,387	55,899	-	3,467,702	1,320,397
Bins and Containers	430,191	-	430,191	-	31,790	-	398,401	-	-	-	-	-	269,136	-	269,136	41,476	24,255	-	286,357	112,044
Emergency equipment	1,662,364	-	1,662,364	-	83,213	-	1,579,151	-	-	-	-	-	1,149,690	-	1,149,690	109,972	47,775	-	1,211,887	367,264
Motor Vehicles	4,934,115	-	4,934,115	149,860	3,982	-	5,079,993	-	-	-	-	-	2,808,225	-	2,808,225	232,732	3,091	-	3,037,866	2,042,127
Fire Engines	5,773,627	-	5,773,627	-	-	-	5,773,627	23,644	-	-	-	23,644	2,497,307	-	2,497,307	335,164	-	-	2,832,470	2,917,513
Computer Equipment	7,750,467	-	7,750,467	1,037,569	121,717	-	8,666,319	-	-	-	-	-	4,678,492	-	4,678,492	590,724	84,681	-	5,184,535	3,481,784
Plant and Equipment	1,718,525	-	1,718,525	155,552	105,792	-	1,768,285	-	-	-	-	-	1,109,183	-	1,109,183	146,418	84,032	-	1,171,568	596,717
Disaster Management Equipment	4,832,105	-	4,832,105	-	-	-	4,832,105	-	-	-	-	-	4,397,392	-	4,397,392	72,452	-	-	4,469,844	362,261
	335,053,237	-	335,053,237	1,987,896	520,802	-	336,520,331	158,813,207	-	-	33,000	158,780,207	34,502,437	-	34,502,437	2,682,670	323,340	-	36,861,767	140,878,357

30 JUNE 2015

Reconciliation of Carrying Value

	Cost							Accumulated Impairments					Accumulated Depreciation					Carrying Value		
	Opening Balance	Class Transfer	Opening Balance (after class transfers)	Additions	Disposals	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Class Transfer	Opening Balance (after class transfers)	Additions	Disposals		Class Transfer	Closing Balance
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R		R	R
<b>Infrastructure</b>	104,489	-	104,489	-	-	-	104,489	-	-	-	-	-	29,870	-	29,870	5,099	-	-	34,969	69,520
Roads and Streets	104,489	-	104,489	-	-	-	104,489	-	-	-	-	-	29,870	-	29,870	5,099	-	-	34,969	69,520
<b>Community Assets</b>	928,314	-	928,314	96,148	3,237	-	1,021,225	-	-	-	-	-	206,467	-	206,467	40,206	1,498	-	245,175	776,050
Caravan Parks	928,314	-	928,314	96,148	3,237	-	1,021,225	-	-	-	-	-	206,467	-	206,467	40,206	1,498	-	245,175	776,050
<b>Land and Buildings</b>	293,550,370	138,000	293,688,370	5,866,736	-	-	299,555,106	-	158,789,563	-	-	158,789,563	11,650,744	-	11,650,744	778,733	-	-	12,429,477	128,336,067
Land	245,145,760	138,000	245,283,760	5,711,178	-	-	250,994,938	-	157,111,000	-	-	157,111,000	-	-	-	-	-	-	-	93,883,938
Balance previously reported	245,145,760	138,000	245,283,760	5,711,178	-	-	250,994,938	-	157,111,000	-	-	157,111,000	-	-	-	-	-	-	-	93,883,938
Correction of error incorrect classification - Note 33.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	48,404,610	-	48,404,610	155,558	-	-	48,560,169	-	1,678,563	-	-	1,678,563	11,650,744	-	11,650,744	778,733	-	-	12,429,477	34,452,129
Balance previously reported	48,404,610	-	48,404,610	155,558	-	-	48,560,169	-	1,678,563	-	-	1,678,563	11,650,744	-	11,650,744	778,731	-	-	12,429,475	34,452,131
Correction of error incorrect depreciation - Note 33.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	2	(2)

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

11 PROPERTY PLANT & EQUIPMENT (CONTINUED)

	Cost						Accumulated Impairments				Accumulated Depreciation						Carrying Value			
	Opening Balance	Class Transfer	Opening Balance (after class transfers)	Additions	Disposals	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Class Transfer	Opening Balance (after class transfers)	Additions		Disposals	Class Transfer	Closing Balance
<b>Other Assets</b>	32,677,869	-	32,677,869	2,804,410	1,109,863	-	34,372,416	23,644	-	-	-	23,644	20,786,169	-	20,786,169	1,766,006	759,359	-	21,792,816	12,555,956
Office Equipment	2,544,460	-511	2,543,948	207,030	207,459	-	2,543,519	-	-	-	-	-	1,553,940	-364	1,553,576	166,187	136,586	-	1,583,177	960,342
Balance previously reported	2,535,065	-511	2,534,553	207,030	235,047	-	2,506,536	-	-	-	-	-	1,548,881	-364	1,548,517	164,093	157,467	-	1,555,143	951,392
Correction of error previously disposed now found - Note 33.1	-	-	-	-	(27,588)	-	27,588	-	-	-	-	-	-	-	-	1,371	(20,881)	-	22,252	5,336
Correction of error identified for the first time - Note 33.1	9,395	-	9,395	-	-	-	9,395	-	-	-	-	-	5,059	-	5,059	723	-	-	5,782	3,613
Furniture and Fittings	4,746,400	-4,721	4,741,679	162,565	176,742	-	4,727,502	-	-	-	-	-	3,215,410	-118	3,215,292	224,365	139,443	-	3,300,214	1,427,288
Balance previously reported	4,698,100	-4,721	4,693,379	162,565	200,362	-	4,655,583	-	-	-	-	-	3,189,403	-118	3,189,284	219,860	158,193	-	3,250,951	1,404,632
Correction of error previously disposed now found - Note 33.1	-	-	-	-	(23,620)	-	23,620	-	-	-	-	-	-	-	-	790	(18,750)	-	19,540	4,079
Correction of error identified for the first time - Note 33.1	48,300	-	48,300	-	-	-	48,300	-	-	-	-	-	26,008	-	26,008	3,715	-	-	29,723	18,577
Bins and Containers	430,191	-	430,191	-	-	-	430,191	-	-	-	-	-	224,825	-	224,825	44,311	-	-	269,136	161,055
Emergency equipment	1,553,511	-	1,553,511	136,545	27,692	-	1,662,364	-	-	-	-	-	1,070,518	-	1,070,518	97,505	18,332	-	1,149,690	512,674
Balance previously reported	1,462,391	-	1,462,391	136,545	47,984	-	1,550,952	-	-	-	-	-	1,021,453	-	1,021,453	89,569	34,321	-	1,076,700	474,252
Correction of error previously disposed now found - Note 33.1	-	-	-	-	(20,292)	-	20,292	-	-	-	-	-	-	-	-	742	(15,990)	-	16,732	3,561
Correction of error identified for the first time - Note 33.1	91,120	-	91,120	-	-	-	91,120	-	-	-	-	-	49,065	-	49,065	7,194	-	-	56,258	34,862
Motor Vehicles	4,912,611	-	4,912,611	96,491	74,987	-	4,934,115	-	-	-	-	-	2,624,807	-	2,624,807	223,660	40,242	-	2,808,225	2,125,890
Balance previously reported	4,912,611	-	4,912,611	96,491	79,757	-	4,929,345	-	-	-	-	-	2,624,807	-	2,624,807	223,262	43,340	-	2,804,730	2,124,615
Correction of error previously disposed now found - Note 33.1	-	-	-	-	(4,770)	-	4,770	-	-	-	-	-	-	-	-	398	(3,097)	-	3,495	1,275
Fire Engines	4,608,917	-	4,608,917	1,235,000	70,290	-	5,773,627	23,644	-	-	-	23,644	2,309,629	-	2,309,629	226,551	38,873	-	2,497,307	3,252,676
Computer Equipment	7,346,354	-	7,346,354	860,396	456,283	-	7,750,467	-	-	-	-	-	4,412,262	-	4,412,262	580,996	314,766	-	4,678,492	3,071,975
Balance previously reported	7,317,497	-	7,317,497	860,396	713,395	-	7,464,498	-	-	-	-	-	4,396,724	-	4,396,724	558,629	483,037	-	4,472,316	2,992,182
Correction of error previously disposed now found - Note 33.1	-	-	-	-	(257,113)	-	257,113	-	-	-	-	-	-	-	-	20,148	(168,271)	-	188,418	68,694
Correction of error identified for the first time - Note 33.1	28,857	-	28,857	-	-	-	28,857	-	-	-	-	-	15,538	-	15,538	2,220	-	-	17,758	11,099
Plant and Equipment	1,703,321	5,232	1,708,553	106,383	96,410	-	1,718,525	-	-	-	-	-	1,064,328	483	1,064,811	115,488	71,117	-	1,109,183	609,343
Balance previously reported	1,685,726	5,232	1,690,958	106,383	105,212	-	1,692,130	-	-	-	-	-	1,054,855	483	1,055,337	113,704	75,835	-	1,093,206	598,924
Correction of error previously disposed now found - Note 33.1	-	-	-	-	(8,801)	-	8,801	-	-	-	-	-	-	-	-	453	(4,719)	-	5,172	3,630
Correction of error identified for the first time - Note 33.1	17,594	-	17,594	-	-	-	17,594	-	-	-	-	-	9,474	-	9,474	1,331	-	-	10,805	6,789
Disaster Management Equipment	4,832,105	-	4,832,105	-	-	-	4,832,105	-	-	-	-	-	4,310,449	-	4,310,449	86,943	-	-	4,397,392	434,713
<b>Restated Balance</b>	<b>327,261,042</b>	<b>138,000</b>	<b>327,399,042</b>	<b>8,767,294</b>	<b>1,113,099</b>	<b>-</b>	<b>335,053,237</b>	<b>23,644</b>	<b>158,789,563</b>	<b>-</b>	<b>-</b>	<b>158,813,207</b>	<b>32,673,250</b>	<b>-</b>	<b>32,673,250</b>	<b>2,590,044</b>	<b>760,857</b>	<b>-</b>	<b>34,502,437</b>	<b>141,737,592</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 2016**

EXTERNAL LOANS	Loan No.	Redeemable	Balance 30/06/2015 R	Received during the period R	Redeemed or written off R	Balance 30/06/2016 R	Carrying Value of Property, Plant and Equipment R	Other Costs in accordance with the MFMA
<b><u>DBSA LOANS</u></b>			691,204	-	691,204	-	-	-
<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)								
			691,204	-	691,204	-	-	-
<b>LEASE LIABILITY</b>								
Office Equipment @ average of 12%			-	-	-	-	-	-
<b>TOTAL EXTERNAL LOANS</b>			691,204	-	691,204	-	-	-

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

Description	Provider	2016 Financial Year											Unspent	Unpaid
		1 July 2015	Correction of	Restated	Receipts			Expenditure		Repaid to National	Vat	Closing Balance		
		Opening balance	Error	Opening balance	Grants received	Debtor	Transfer to fund	Operating	Capital	Revenue Fund	Income	30-Jun-16		
Municipal Systems Improvement Grant (MSIG)	National Government Grants	1,708	-	1,708	930,000	-	-	371,339	437,601	-	113,252	9,516	9,516	-
Equitable Share	National Government Grants	-	-	-	138,902,000	-	-	138,902,000	-	-	-	-	-	-
Dpt Land Affairs: District Assessment Committee	Provincial Government Grants	49,343	-	49,343	-	-	-	18,342	-	-	2,568	28,433	28,433	-
Local Government Financial Management Grant (FMG)	National Government Grants	-	-	-	1,250,000	-	-	1,084,497	106,474	-	84,272	(25,242)	-	25,242
LGESTA:Re-imburements	Other Grant Providers	632,548	-	632,548	214,326	-	-	365,964	-	-	-	480,910	480,910	-
Bucket system Elimination Schools/Clinic	Provincial Government Grants	76,317	-	76,317	-	-	-	-	-	-	-	76,317	76,317	-
Expanded Public Works Incentives	National Government Grants	-	-	-	1,005,000	-	-	1,019,466	-	-	2,180	(16,646)	-	16,646
Task Contributions - Municipalities	Other Grant Providers	201,804	-	201,804	180,968	-	-	230,603	-	-	-	152,169	152,169	-
WC FMG Assistance	Provincial Government Grants	73,516	-	73,516	-	-	-	-	-	-	-	73,516	73,516	-
DWA: Abstraction Validation on Bitou	Provincial Government Grants	35,589	-	35,589	-	-	-	-	-	-	-	35,589	35,589	-
RBIG & DBSA: Bulk Water Studies	Other Grant Providers	633,910	-	633,910	-	-	-	-	-	-	-	633,910	633,910	-
RGIB & Bulk and Waste Water Infrastructure	National Government Grants	(252,622)	-	(252,622)	-	-	-	-	-	-	-	(252,622)	-	252,622
Integrated Transport	Provincial Government Grants	1,938,559	-	1,938,559	-	-	-	1,127,910	-	-	157,907	652,742	652,742	-
Municipal Disaster Recovery	National Government Grants	1,824,945	-	1,824,945	20,849,000	-	-	15,306,760	-	-	-	7,367,185	7,367,185	-
Mandela Memorial Celebrations	Provincial Government Grants	136,250	-	136,250	-	-	-	-	-	-	-	136,250	136,250	-
Nelson Mandela Biosphere Reserve Project	Other Grant Providers	38,000	-	38,000	110,000	-	-	128,000	-	-	-	20,000	20,000	-
Study: Implementation alternative Solid Waste Tech	Other Grant Providers	(307,960)	-	(307,960)	588,690	-	-	246,255	-	-	34,476	(0)	-	0
Braille Project	Provincial Government Grants	11,645	-	11,645	-	-	-	-	-	-	-	11,645	11,645	-
WC FMG Allocations	Provincial Government Grants	403,952	-	403,952	650,000	-	-	472,819	-	300,000	66,195	214,938	214,938	-
Rural Roads Asset Management Systems	National Government Grants	-	-	-	2,283,000	-	-	5,708	-	-	571	2,276,721	2,276,721	-
ROADS - DEPARTMENT OF TRANSPORT	Provincial Government Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CONSOLIDATED MIG PROJECTS - OPERATIONAL</b>														
<b>TOTALS</b>		<b>5,497,504</b>	<b>-</b>	<b>5,497,504</b>	<b>166,962,985</b>	<b>-</b>	<b>-</b>	<b>159,279,663</b>	<b>544,074</b>	<b>300,000</b>	<b>461,420</b>	<b>11,875,331</b>	<b>12,169,842</b>	<b>294,510</b>
<b>DME GRANTS</b>														
Electricity Demand Side Management	National Government Grants	5,399,984	-	5,399,984	-	-	-	28,096	-	-	3,933	5,367,955	5,367,955	-
<b>TOTALS</b>		<b>5,399,984</b>	<b>-</b>	<b>5,399,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,096</b>	<b>-</b>	<b>-</b>	<b>3,933</b>	<b>5,367,955</b>	<b>5,367,955</b>	<b>-</b>
<b>UNSPENT BALANCES END OF REPORTING PERIOD</b>		<b>10,897,488</b>	<b>-</b>	<b>10,897,488</b>	<b>166,962,985</b>	<b>-</b>	<b>-</b>	<b>159,307,759</b>	<b>544,074</b>	<b>300,000</b>	<b>465,354</b>	<b>17,243,286</b>	<b>17,537,796</b>	<b>294,510</b>
Consolidated MIG Projects		-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated FMG Projects		4,189,466	-	-	1,250,000	-	-	-	-	-	-	5,439,466	5,439,466	-
Consolidated MSIG Projects		(878,181)	-	-	930,000	-	-	1,084,497	-	-	-	(1,032,678)	-	1,032,678

**APPENDIX C(1) - Unaudited**  
**EDEN DISTRICT MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**  
**REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description	2015/2016							2014/2015
	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>								
<i>Governance and administration</i>	209,837	14,846	224,683	179,197	(45,486)	79.8%	85.4%	184,824
Executive and council	209,837	14,846	224,683	179,197	(45,486)	79.8%	85.4%	183,803
Budget and treasury office	-	-	-	-	-	-	-	-
Corporate services	-	-	-	-	-	-	-	1,021
<i>Community and public safety</i>	6,823	(571)	6,251	6,815	564	109.0%	99.9%	5,844
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	6,637	(571)	6,065	6,573	507	108.4%	99.0%	5,629
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Health	186	-	186	242	56	130.3%	130.3%	215
<i>Economic and environmental services</i>	128,955	14,480	143,435	160,865	17,430	112.2%	124.7%	135,583
Planning and development	-	-	-	10	10	#DIV/0!	#DIV/0!	-
Road transport	128,700	14,480	143,180	160,733	17,553	112.3%	124.9%	135,416
Environmental protection	255	-	255	122	(133)	47.8%	47.8%	167
<i>Trading services</i>	2,000	(584)	1,416	-	(1,416)	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-
Waste management	2,000	(584)	1,416	-	(1,416)	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>347,615</b>	<b>28,170</b>	<b>375,785</b>	<b>346,876</b>	<b>(28,909)</b>	<b>92.3%</b>	<b>99.8%</b>	<b>326,251</b>
<b>Expenditure - Standard</b>								
<i>Governance and administration</i>	115,022	(19,623)	95,399	81,726	(13,673)	85.7%	71.1%	328,193
Executive and council	60,273	(17,642)	42,631	34,222	(8,409)	80.3%	56.8%	282,868
Budget and treasury office	23,616	(1,390)	22,226	19,673	(2,553)	88.5%	83.3%	17,662
Corporate services	31,134	(592)	30,542	27,832	(2,710)	91.1%	89.4%	27,663
<i>Community and public safety</i>	63,138	23,671	86,809	74,999	(11,810)	86.4%	118.8%	85,483
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	11,228	(612)	10,616	9,601	(1,015)	90.4%	85.5%	10,342
Public safety	24,424	21,465	45,889	37,253	(8,636)	81.2%	152.5%	47,188
Housing	-	-	-	-	-	-	-	-
Health	27,486	2,818	30,304	28,145	(2,159)	92.9%	102.4%	27,953
<i>Economic and environmental services</i>	146,118	15,501	161,619	156,419	(5,200)	96.8%	107.0%	130,371
Planning and development	11,889	(331)	11,558	7,936	(3,622)	68.7%	66.8%	6,867
Road transport	131,883	15,380	147,263	146,333	(930)	99.4%	111.0%	121,631
Environmental protection	2,346	451	2,798	2,150	(647)	76.9%	91.6%	1,874
<i>Trading services</i>	22,300	1,755	24,055	3,234	(20,821)	13.4%	14.5%	4,627
Electricity	-	-	-	-	-	-	-	-
Water	20,782	30	20,812	823	(19,989)	4.0%	4.0%	420
Waste water management	-	-	-	-	-	-	-	1,918
Waste management	1,517	1,726	3,243	2,411	(832)	74.3%	158.9%	2,289
<i>Other</i>	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>346,579</b>	<b>21,304</b>	<b>367,883</b>	<b>316,379</b>	<b>(51,504)</b>	<b>86.0%</b>	<b>91.3%</b>	<b>548,673</b>
<b>Surplus/(Deficit) for the year</b>	<b>1,036</b>	<b>6,867</b>	<b>7,903</b>	<b>30,498</b>	<b>22,595</b>	<b>385.9%</b>	<b>2943.7%</b>	<b>(222,423)</b>

**APPENDIX C(2) - Unaudited  
EDEN DISTRICT MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016  
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)**

Description R thousand	2015/2016							2014/2015
	Original Budget	Budget Adjustments (i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome	Actual Outcome as % of Final	Actual Outcome as % of Original	Restated Audited Outcome
<b>Revenue by Vote</b>								
Executive and Council	209,837	14,846	224,683	179,197	(45,486)	79.8%	85.4%	183,803
Budget and Treasury Office	-	-	-	-	-	-	-	-
Corporate Services	-	-	-	-	-	-	-	1,021
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	6,637	(572)	6,065	6,573	508	108.4%	99.0%	5,629
Public Safety	-	-	-	-	-	-	-	-
Health	186	-	186	242	56	130.3%	130.3%	215
Planning and Development	-	-	-	10	10	#DIV/0!	#DIV/0!	-
Road Transport	128,700	14,480	143,180	160,733	17,553	112.3%	124.9%	135,416
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	2,000	(584)	1,416	-	(1,416)	-	-	-
Environmental Protection	255	-	255	122	(133)	47.8%	47.8%	167
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>347,615</b>	<b>28,170</b>	<b>375,785</b>	<b>346,876</b>	<b>(28,909)</b>	<b>92.3%</b>	<b>99.8%</b>	<b>326,251</b>
<b>Expenditure by Vote, to be appropriated</b>								
Executive and Council	60,273	(17,641)	42,632	34,222	(8,410)	80.3%	56.8%	282,868
Budget and Treasury Office	23,616	(1,391)	22,225	19,673	(2,552)	88.5%	83.3%	17,662
Corporate Services	31,134	(592)	30,542	27,832	(2,710)	91.1%	89.4%	27,663
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	11,228	(612)	10,616	9,601	(1,015)	90.4%	85.5%	10,342
Public Safety	24,424	21,465	45,889	37,253	(8,636)	81.2%	152.5%	47,188
Health	27,486	2,818	30,304	28,145	(2,159)	92.9%	102.4%	27,953
Planning and Development	11,889	(330)	11,559	7,936	(3,622)	68.7%	66.8%	6,867
Road Transport	131,883	15,380	147,263	146,333	(930)	99.4%	111.0%	121,631
Electricity	-	-	-	-	-	-	-	-
Water	20,782	30	20,812	823	(19,989)	4.0%	4.0%	420
Waste Water Management	-	-	-	-	-	-	-	1,918
Waste Management	1,517	1,726	3,243	2,411	(832)	74.3%	158.9%	2,289
Environmental Protection	2,346	451	2,798	2,150	(647)	76.9%	91.6%	1,874
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>346,579</b>	<b>21,303</b>	<b>367,882</b>	<b>316,379</b>	<b>(51,504)</b>	<b>86.0%</b>	<b>91.3%</b>	<b>548,673</b>
<b>Surplus/(Deficit) for the year</b>	<b>1,036</b>	<b>6,867</b>	<b>7,903</b>	<b>30,498</b>	<b>22,595</b>	<b>385.9%</b>	<b>2943.7%</b>	<b>(222,423)</b>

**APPENDIX C(3) - Unaudited**  
**EDEN DISTRICT MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**  
**REVENUE AND EXPENDITURE**

Description	2015/2016							2014/2015
	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	1,357	(12)	1,345	1,283	(62)	95.4%	94.6%	810
Interest earned - external investments	5,225	1,396	6,621	10,595	3,974	160.0%	202.8%	7,381
Interest earned - outstanding debtors	-	754	754	1,106	352	146.7%	#DIV/0!	772
Dividends received	681	(681)	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	167
Agency services	14,280	1,412	15,692	15,534	(158)	99.0%	108.8%	-
Transfers recognised - operating	186,119	10,790	196,909	160,317	(36,591)	81.4%	86.1%	167,753
Other revenue	139,953	14,511	154,464	158,883	4,419	102.9%	113.5%	149,318
Gains on disposal of PPE	-	-	-	1	1	#DIV/0!	#DIV/0!	50
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>347,615</b>	<b>28,170</b>	<b>375,785</b>	<b>347,720</b>	<b>(28,065)</b>	<b>1334.0%</b>	<b>100.0%</b>	<b>326,251</b>
<b>Expenditure By Type</b>								
Employee related costs	101,398	4,390	105,788	166,822	61,034	157.7%	164.5%	154,910
Remuneration of councillors	8,496	(200)	8,296	7,786	(510)	93.9%	91.6%	7,525
Debt impairment	1,000	-	1,000	4,690	3,690	469.0%	469.0%	-
Depreciation & asset impairment	6,800	(3,000)	3,800	3,278	(522)	86.3%	48.2%	247,611
Finance charges	664	(595)	69	180	111	261.4%	27.1%	1,189
Bulk purchases	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-
Contracted services	7,214	54,691	61,905	8,431	(53,475)	13.6%	116.9%	12,372
Transfers and grants	47,217	(47,217)	0	-	(0)	-	-	-
General Expenses	173,790	13,234	187,024	125,872	(61,152)	67.3%	72.4%	124,712
Loss on disposal of PPE	-	-	-	164	164	#DIV/0!	#DIV/0!	355
<b>Total Expenditure</b>	<b>346,579</b>	<b>21,304</b>	<b>367,883</b>	<b>317,223</b>	<b>(50,660)</b>	<b>1726.9%</b>	<b>91.5%</b>	<b>548,674</b>
<b>Surplus/(Deficit)</b>	<b>1,036</b>	<b>6,867</b>	<b>7,903</b>	<b>30,498</b>	<b>22,595</b>	<b>385.9%</b>	<b>2943.9%</b>	<b>(222,423)</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1,036</b>	<b>6,867</b>	<b>7,903</b>	<b>30,498</b>	<b>22,595</b>	<b>385.9%</b>	<b>2943.9%</b>	<b>(222,423)</b>

**APPENDIX C(4) - Unaudited  
EDEN DISTRICT MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016  
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING**

Description	2015/2016							2014/2015
	Original Budget	Budget Adjustments (I.L.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	30	-	30	-	(30)	-	-	-
Budget and Treasury Office	-	140	140	-	(140)	-	-	-
Corporate Services	430	696	1,126	-	(1,126)	-	-	-
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	200	(3)	197	-	(197)	-	-	-
Public Safety	375	400	775	-	(775)	-	-	-
Road Transport	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-
Environmental Protection	-	12	12	-	(12)	-	-	-
Health	-	11	11	-	(11)	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure</b>	<b>1,035</b>	<b>1,256</b>	<b>2,291</b>	<b>-</b>	<b>(2,291)</b>			<b>-</b>
<b>Single-year expenditure</b>								
Executive and Council	-	-	-	7	7	#DIV/0!	#DIV/0!	122
Budget and Treasury Office	-	-	-	113	113	#DIV/0!	#DIV/0!	5,833
Corporate Services	-	-	-	973	973	#DIV/0!	#DIV/0!	600
Community and Social Services	-	-	-	25	25	#DIV/0!	#DIV/0!	24
Sport and Recreation	-	-	-	103	103	#DIV/0!	#DIV/0!	288
Public Safety	-	-	-	734	734	#DIV/0!	#DIV/0!	1,741
Planning and development	-	-	-	-	-	-	-	43
Health	-	-	-	62	62	#DIV/0!	#DIV/0!	69
Road Transport	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,017</b>	<b>2,017</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>8,720</b>
<b>Total Capital Expenditure - Vote</b>	<b>1,035</b>	<b>1,256</b>	<b>2,291</b>	<b>2,017</b>	<b>(273)</b>	<b>88%</b>	<b>195%</b>	<b>8,720</b>
<b>Capital Expenditure - Standard</b>								
<b>Governance and administration</b>	<b>460</b>	<b>836</b>	<b>1,296</b>	<b>1,093</b>	<b>(202)</b>	<b>84.4%</b>	<b>237.6%</b>	<b>6,554</b>
Executive and council	30	-	30	7	(23)	22.6%	22.6%	122
Budget and treasury office	-	140	140	113	(26)	81.1%	#DIV/0!	5,833
Corporate services	430	696	1,126	973	(153)	86.4%	226.3%	600
<b>Community and public safety</b>	<b>575</b>	<b>408</b>	<b>983</b>	<b>924</b>	<b>(59)</b>	<b>94.0%</b>	<b>160.7%</b>	<b>2,122</b>
Community and social services	-	-	-	25	25	#DIV/0!	#DIV/0!	24
Sport and recreation	200	(3)	197	103	(94)	52.1%	51.3%	288
Public safety	375	400	775	734	(41)	94.7%	195.7%	1,741
Housing	-	-	-	-	-	-	-	-
Health	-	11	11	62	51	563.3%	#DIV/0!	69
<b>Economic and environmental services</b>	<b>-</b>	<b>12</b>	<b>12</b>	<b>-</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>43</b>
Planning and development	-	-	-	-	-	-	-	43
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	12	12	-	(12)	-	-	-
<b>Trading services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>1,035</b>	<b>1,256</b>	<b>2,291</b>	<b>2,017</b>	<b>(273)</b>	<b>88%</b>	<b>195%</b>	<b>8,720</b>
<b>Funded by:</b>								
National Government	-	-	-	544	544	#DIV/0!	#DIV/0!	143
Provincial Government	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>544</b>	<b>544</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>143</b>
Public contributions & donations	-	-	-	29	29	#DIV/0!	#DIV/0!	-
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	1,035	1,256	2,291	1,444	(846)	63.1%	139.5%	8,577
<b>Total Capital Funding</b>	<b>1,035</b>	<b>1,256</b>	<b>2,291</b>	<b>2,017</b>	<b>(273)</b>	<b>88%</b>	<b>195%</b>	<b>8,720</b>

**APPENDIX C(5) - Unaudited**  
**EDEN DISTRICT MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**  
**CASH FLOWS**

Description	2015/2016							2014/2015
	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	155,590	26,402	181,992	190,761	8,769	104.8%	122.6%	154,849
Government - operating	186,119	300	186,419	159,773	(26,646)	85.7%	85.8%	167,611
Government - capital	-	-	-	544	544	#DIV/0!	#DIV/0!	143
Interest	5,906	715	6,621	11,702	5,081	176.7%	198.1%	8,153
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>								
Suppliers and employees	(279,659)	(27,870)	(307,529)	(312,188)	(4,660)	101.5%	111.6%	(281,483)
Finance charges	(664)	595	(69)	(180)	(111)	261.4%	27.1%	(1,189)
Transfers and Grants	(47,217)	(300)	(47,517)	-	47,517	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>20,076</b>	<b>(158)</b>	<b>19,917</b>	<b>50,411</b>	<b>30,494</b>	<b>253.1%</b>	<b>251.1%</b>	<b>48,083</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	-	-	-	1				50
Decrease (Increase) in non-current debtors	-	-	-	-				-
Decrease (increase) other non-current receivables	-	26	26	(3,491)	(3,517)	-13428.7%	#DIV/0!	(5,988)
Decrease (increase) in non-current investments	-	-	-	-				-
<b>Payments</b>								
Capital assets	-	(1,256)	(1,256)	(1,988)	(733)	158.4%	#DIV/0!	(8,842)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-</b>	<b>(1,230)</b>	<b>(1,230)</b>	<b>(5,478)</b>	<b>(4,249)</b>	<b>445.6%</b>	<b>#DIV/0!</b>	<b>(14,780)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-				-
Borrowing long term/refinancing	-	-	-	-				-
Increase (decrease) in consumer deposits	-	-	-	-				-
<b>Payments</b>								
Repayment of borrowing	(664)	-	(664)	(682)	(18)	102.7%	102.7%	(1,979)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(664)</b>	<b>-</b>	<b>(664)</b>	<b>(682)</b>	<b>(18)</b>	<b>102.7%</b>	<b>102.7%</b>	<b>(1,979)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>19,412</b>	<b>(1,388)</b>	<b>18,024</b>	<b>44,251</b>	<b>26,227</b>	<b>245.5%</b>	<b>228.0%</b>	<b>31,324</b>
Cash/cash equivalents at the year begin:	35,956	-	35,956	111,083	75,127	308.9%	308.9%	79,744
Cash/cash equivalents at the year end:	54,333	94,207	53,980	155,334	101,336	287.8%	285.9%	111,083