

BITOU

MUNICIPALITY



[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2013

BITOU LOCAL MUNICIPALITY

Index

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BITOU MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

GENERAL INFORMATION

NATURE OF BUSINESS

Bitou Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)
This in effect means that the municipality provide services like water, electricity, sewerage and sanitation to the community. Bitou Mu also serves as an agent to Provincial Government in providing Housing to the community

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Bitou Municipality includes the following areas:

Plettenbergbay

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	<i>Councillor M Booyesen</i>
Deputy Executive Mayor	<i>Councillor A. B. van Rhyner</i>
Speaker	<i>Councillor A.R. Olivier</i>
Mayoral Committee Member	<i>Councillor N.M. de Waal</i>
Mayoral Committee Member	<i>Councillor E.E. Paulse</i>

ORDINARY COUNCILLORS

Councillor	<i>Councillor W.R. Craig</i>
Councillor	<i>Councillor N. Ndayi</i>
Councillor	<i>Councillor M M Mbali</i>
Councillor	<i>Councillor Hilda Plaatjies</i>
Councillor	<i>Councillor L M Seyisi</i>
Councillor	<i>Councillor JJN Stuurman</i>
Councillor	<i>Councillor SE Gcabayi</i>
Councillor	<i>Councillor S. Besana</i>

MUNICIPAL MANAGER

Mr A Paulse

CHIEF FINANCIAL OFFICER

Mr Felix Lötter

REGISTERED OFFICE

Sewell Street, Plettenbergbay, 6600
Private Bag X 1002. Plettenbergbay, 6600

AUDITORS

Office of the Auditor General

PRINCIPLE BANKERS

Standard Bank, Plettenbergbay

2012 / 2013

MEMBERS OF THE BITOU LOCAL MUNICIPALITY

WARD

- 1 Valley/Keurbooms/Cowie/Uplands
- 2 Plett South & North
- 3 Qolweni/Bossiesgif/Pinetree/Portion of New Horizons
- 4 Portion of New Horizons/Portion of KwaNokuthula
- 5 Kwanokuthula
- 6 Kwanokuthula
- 7 Kranshoek/Harkerville/portion of KwaNokuthula

COUNCILLOR

Councillor N M de Waal
Councillor W R Craig
Councillor L M Seyisi
Councillor H Plaatjies
Councillor M M Mbali
Councillor S E Gcabayi
Councillor J J N Stuurman

PROPORTIONAL

Councillor S Besana
Councillor E Paulse
Councillor A R Olivier
Councillor M Booyesen
Councillor A B van Rhyner
Councillor N Ndayi

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2013, which set out on pages 1 to ?? in terms of Section 126 (1) of the Municipal Finance Management Act and which 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 2013 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

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

Mr A Paulse

Municipal Manager

Date

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BITOU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

It gives me great pleasure to present the financial position of BITOU LOCAL MUNICIPALITY for the fiscal year 2012/2013

In rendering a corporate financial management service to all departments, the Finance Department's primary objective is to assist the Municipal Manager and senior management to manage their budgets and ensure the effective application of financial resources in rendering services to the community.

Further more I have to the best of my knowledge endeavour to assist the Municipal Manager to maintain and exercise his duties as accounting officer as set out in sec 64 (3) of the MFMA which were to ensure :

the resources of the municipality are used effectively, efficiently and economically;

that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;

that the municipality has and maintains effective, efficient and transparent systems-

(i) of financial and risk management and internal control; and

(ii) of internal audit operating in accordance with any prescribed norms and standards;

that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;

that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct : and

that the municipality has and implements-

(i) a tariff policy referred to in section 74 of the Municipal Systems Act;

(ii) a rates policy as may be required in terms of any applicable national legislation;

control and debt collection policy

(iv) a supply chain management policy in accordance with Chapter I I .

the Municipal Systems Act; and

is responsible for and must account for all bank accounts

(iii) a credit

I have also endeavoured to applied the prescriptions in terms of sections 63,64 and 65 of the MFMA for Assets, Revenue and Expenditure management within the limitations of my available support and personnel.

Bitou Municipality is compliant with the requirements of GRAP.

2. KEY FINANCIAL INDICATORS

The prevailing downturn in the global, national and local economy continue to influence al levels of municipal service delivery, but within the economic constraints we have achieved a good balance between our set objectives and our available financial resources and simultaneously improved our cash flow position.

The challenge is now to achieve more with our existing resources and to increase our productivity levels to secure excellent world class affordable services to our community.

The following financial results are extracts of the financial performance of the past financial year

Financial Statement Ratios:

INDICATOR	30 June 2013	30 June 2012
Surplus / (Deficit) for the year before Appropriations	44 221 441	1 362 191
Accumulated Surplus / (Deficit) at the end of the Year	533 821 339	494 599 897
<u>Expenditure Categories as a percentage of Total Expenses:</u>		
Employee related costs	31.96%	32.95%
Remuneration of Councillors	1.17%	1.22%
Debt Impairment	3.35%	3.42%
Collection Cost	0.26%	0.33%
Depreciation and Amortisation	5.57%	6.67%
Inventory Impairments	#REF!	#REF!

BITOU LOCAL MUNICIPALITY
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for the year ended 30 June 2013

REPORT OF THE CHIEF FINANCIAL OFFICER

Impairments	2.95%	1.69%
Stock written-off	0.00%	0.02%
Repairs and Maintenance	2.41%	3.35%
Actuarial losses	0.03%	3.66%
Finance Charges	3.99%	4.18%
Bulk Purchases	20.30%	21.00%
Contracted services	3.54%	3.59%
Operating Grant Expenditure	13.09%	3.59%
General Expenses	11.38%	14.31%
Loss on Disposal of PPE	0.00%	0.01%
Current Ratio:		
Creditors Days	57.89	69.65
Debtors Days	60.39	69.08

One indicator to comment on is the expenditure on repairs and maintenance. In recent years the expenditure were far below the benchmark norm of 8% of the total value of the assets. Reduce spending in the short term on maintenance can shorten the life of assets, increase long-term maintenance and refurbishment costs, and cause a deterioration in the reliability of services. We have to improve on this in the future.

BITOU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

REPORT OF THE CHIEF FINANCIAL OFFICER

3. OPERATING RESULTS

The overall operating results for the year ended 30 June 2013 are as follows:

DETAILS	Actual 2012/2013 R	Actual 2011/2012 R	Percentage Variance %	Budgeted 2012/2013 R	Variance actual/ budgeted %
Income:					
Opening surplus / (deficit)	494 599 897	491 896 083	0.55%	#REF!	#REF!
Operating income for the year (incl. gains in disposal of assets)	391 457 065	307 338 851	27.37%	#REF!	#REF!
Appropriations for the year	-	1 341 623	-100.00%	-	-
	886 056 961	800 576 557	10.68%	#REF!	#REF!
Expenditure:					
Operating expenditure for the year	347 235 623	305 976 660	13.48%	#REF!	#REF!
Closing surplus / (deficit)	538 821 338	494 599 897	8.94%	#REF!	#REF!
	886 056 961	800 576 557	10.68%	#REF!	#REF!

4. FINANCING OF CAPITAL EXPENDITURE

The expenditure on Property, Plant and Equipment during the year amounted to =R 39536460 (2011/2012: R35221458), which represents 67% of the capital budget amount. Full details of Property, Plant and Equipment are disclosed in note number 12 to the Annual Financial Statements.

The capital expenditure of R 39536460 was financed as follows:

DETAILS	Actual 2012/2013 R	Budgeted 2012/2013 R	Percentage Variance %	Source of funding as % of total Cap exp
External Loans	13 310 000	#REF!	#REF!	33.67%
Grants and Subsidies	25 741 106	45 575 000	-44%	65.11%
Leased Assets	485 354	489 560	-1%	1.23%
	39 536 460	#REF!	#REF!	100.00%

5. LONG-TERM LIABILITIES

The outstanding amount for Long-term Liabilities as at 30 June was :

2013 R	2012 R
116 606 737	115 710 833

New loans raised during the financial year to enable the municipality to partly finance the capital program.

13 795 354	30 330 191
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Refer to Note number 3 and Appendix "A" for more detail.

BITOU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

REPORT OF THE CHIEF FINANCIAL OFFICER

6. NON-CURRENT PROVISIONS AND NON-CURRENT EMPLOYEE BENEFITS

Non-current Provisions and Employee Benefits at 30 June are made up as follows:

	60 962 635	65 423 775
Provision for Post Retirement Benefits	58 221 065	54 906 743
Provision for Long Service Awards	2 741 570	2 634 329
Provision for Rehabilitation of Landfill-sites	-	6 743 751
Provision for Clearing of Alien Vegetation	-0	1 138 953
	60 962 635	65 423 775

These provisions are made in order to enable the municipality to be in a position to fulfil its known legal obligations when they become due and payable. The provisions are not cash funded.

Refer to Notes number 4 and 5 for more detail.

7. CURRENT LIABILITIES

Current Liabilities are made up as follows:

Consumer Deposits	Note 5	5 225 285	4 476 945
Current Employee benefits	Note 6	14 634 509	14 754 779
Provisions	Note 7	9 318 953	850 000
Payables from exchange transactions	Note 8	30 134 486	29 214 343
Unspent Conditional Government Grants and Receipts	Note 9	21 859 993	40 914 812
Unspent Public Contributions	Note 10	3 103 793	3 646 550
Current Portion of Long-term Liabilities	Note 2	11 168 842	9 443 996
Taxes	Note 11	-	4 973 229
Operating Lease Liabilities	Note 21	500 925	521 923
		95 946 786	108 796 576

Current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). At present the current assets (see 11 below) , exceeds the current liabilities and thus is the municipality in the position to honour their responsibilities in the short term.

Refer to the indicated Note numbers for more detail.

8. INTANGIBLE ASSETS

The net value of Intangible Assets is:

4 108 085 **4 765 647**

These are assets which cannot physically be identified and verified and are all in respect of computer software.

Refer to note 14 in the notes

9. PROPERTY, PLANT AND EQUIPMENT

The net value of Property, Plant and Equipment is:

620 930 246 **605 996 253**

Refer to note 12 for detail information

10. LONG-TERM RECEIVABLES

Long-term Receivables consist mainly of housing loans

135 222 **211 687**

Refer to Note number 18 for more detail.

11. CURRENT ASSETS

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for the year ended 30 June 2013

REPORT OF THE CHIEF FINANCIAL OFFICER

Current Assets are made up as follows:

Inventory	Note 18	2 877 078	2 542 557
Receivables from exchange transactions	Note 19	29 817 910	31 290 859
Receivables from non-exchange transactions	Note 20	13 786 682	12 972 726
Unpaid Conditional Government Grants and Receipts	Note 9	280 001	280 000
Operating Lease Asset	Note 21	1 095	2 887
Taxes	Note 11	3 129 140	-
Current Portion of Long-term Receivables	Note 18	76 465	77 680
Cash and Cash Equivalents	Note 22	42 208 490	28 619 934
		<u>92 176 861</u>	<u>75 786 643</u>

12. INTER-GOVERNMENTAL GRANTS

The municipality plays a major role in the upliftment of the poor and to provide sustainable and improved infrastructure for all its citizens. The majority of the capital expenditure allocated to infrastructure projects is funded by grants received from national government.

Refer to notes 10,24 and Appendix D for more detail

13. EVENTS AFTER THE REPORTING DATE

Full details of all known events after the reporting date are disclosed in Note number 51

14. DISCLOSURE ISSUES

15. EXPRESSION OF APPRECIATION

I am grateful to the Municipal Manager, Directors and Heads of Departments for the support they extended during the financial year.

The work involved in producing the financial statements increasing annually due to more detail requirement and I wish to convey a sincere word of thank to my personnel for there hard work and efforts and dedication in this regard.

Mr Felix Lotter
CHIEF FINANCIAL OFFICER
31 August 2012

2	NET ASSET RESERVES	2013 R	2012 R
	Capital Replacement Reserve	5 000 000	-
		<u>5 000 000</u>	<u>-</u>
3	LONG-TERM LIABILITIES		
	Annuity Loans - At amortised cost	126 701 904	122 570 577
	Capitalised Lease Liability - At amortised cost	1 073 675	2 584 252
		<u>127 775 579</u>	<u>125 154 830</u>
	Current Portion transferred to Current Liabilities	<u>(11 168 842)</u>	<u>(9 443 996)</u>
	Annuity Loans - At amortised cost	(10 370 492)	(8 561 831)
	Capitalised Lease Liability - At amortised cost	(798 350)	(882 165)
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	<u><u>116 606 737</u></u>	<u><u>115 710 833</u></u>

Refer below for maturity dates of long term liabilities:

The obligations under annuity loans are scheduled below

	Minimum annuity payments	
Amounts payable under annuity loans:		
Payable within one year	24 217 295	22 023 825
Payable within two to five years	87 659 995	83 157 476
Payable after five years	104 413 446	112 451 923
	<u>216 290 736</u>	<u>217 633 224</u>
Less: Future finance obligations	-89 588 832	(95 062 647)
Present value of annuity obligations	<u><u>126 701 903</u></u>	<u><u>122 570 577</u></u>

Development Bank Loans

Various structured loans have been taken up with DBSA, with an original value totalling R79.5m. One of the DBSA loans has a repayment period of 10 years maturing on 30/06/2017 paid with equal installments. All other loans are paid 6 monthly on a "Fixed capital plus interest" basis over a 20 year period each with a maturity date ranging from 31/12/2019 - 31/12/2029 respectively. Interest rates applicable on all loans vary from 9% to 12%

First National Bank

A loan amounting to R3,400,000 has been taken up from First National Bank. This loan will be paid 6 monthly on a "fixed capital plus interest" basis over a five year period with maturity date of 30/06/2015. Interest rate applicable to this loan amounts to 10.56%

Standard Bank

Five loans amounting to a total of R 59890 million had been taken up from Standard bank. These loans will be paid back 6 monthly on a "fixed capital plus interest" basis over a period which varies between 5 and 10 years, with maturity dates from 30/06/2018 to 30/06/2023 respectively. Interest rates applicable to these loans amount to 11.26% and 10.71% respectively

A Fixed Deposit of R 4 577 153, (2012: R4275037) has been ring-fenced for the purposes of repaying Long-term Liabilities as set out in Note 17

The obligations under finance leases are scheduled below:

	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	856 785	934 579
Payable within two to five years	291 337	197 254
Payable after five years	-	-
	<u>1 148 122</u>	<u>1 131 833</u>
Less: Future finance obligations	(74 447)	(63 681)
Present value of lease obligations	<u><u>1 073 675</u></u>	<u><u>1 068 152</u></u>

Leases are secured by property, plant and equipment - Note 13

The municipality has entered into lease agreement with Avis for motor vehicle rentals and rental agreements for photocopier machines. The rental periods vary between 3 and 5 years, starting 1 July 2010. Rental instalments are payable monthly. No escalation is applicable.

EMPLOYEE BENEFITS

Post Retirement Benefits - Refer to Note 4.1
 Long Service Awards - Refer to Note 4.2

Total Non-current Employee Benefit Liabilities

2013 R	2012 R
58 221 065	54 906 743
2 741 570	2 634 329
60 962 635	57 541 072

Post Retirement Benefits

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

Total post retirement benefits 30 June**Less:** Transfer of Current Portion - Note 7**Balance 30 June**

2013 R	2012 R
55 753 535	38 273 502
8 367 542	6 113 020
(855 486)	(677 107)
(4 143 135)	12 044 120
59 122 457	55 753 535
(901 392)	(846 792)
58 221 065	54 906 743

Long Service Awards

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

Total long service 30 June**Less:** Transfer of Current Portion - Note 7**Balance 30 June**

2 986 411	3 374 648
616 349	629 939
(449 391)	(170 020)
96 683	(848 156)
3 250 052	2 986 411
(508 482)	(352 082)
2 741 570	2 634 329

TOTAL NON-CURRENT EMPLOYEE BENEFITS

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

Total employee benefits 30 June**Less:** Transfer of Current Portion - Note 7**Balance 30 June**

58 739 946	41 648 150
8 983 891	6 742 959
(1 304 877)	(847 127)
(4 046 452)	11 195 964
62 372 509	58 739 946
(1 409 874)	(1 198 874)
60 962 635	57 541 072

EMPLOYEE BENEFITS (CONTINUE)**4.1 Post Retirement Benefits**

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

In-service (employee) members
 Continuation members (e.g. Retirees, widows, orphans)

Total Members

361	360
33	33
394	393

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

In-service members
 Continuation members

Total Liability-unfunded

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

	2013 R	2012 R
In-service members	46655013	43 084 238
Continuation members	12467444	12 669 297
Total Liability-unfunded	59 122 457	55 753 535

	2 011	2010 R	2009 R
In-service members	28 578 326	21 234 895	-
Continuation members	9 695 176	7 247 119	-
Total Liability	38 273 502	28 482 014	-

	2013 (Rm)	2012 (Rm)	2011 (Rm)	2010 (Rm)
Experience adjustments were calculated as follows				
Liabilities (Gain)/loss	59.122	55.754	38.274	28.482
Assets (Gain)/loss				

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:
Bonitas;
LA Health
Samwumed; and
Keyhealth.

Key actuarial assumptions used:

	2013 %	2012 %
i) Rate of interest		
Discount rate	9.22%	8.23%
Health Care Cost Inflation Rate	7.85%	7.03%
Net Effective Discount Rate	1.26%	1.13%

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

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries for post-retirement. The SA 85-90 table was used by the actuaries for current employees

iii) Normal retirement age

It has been assumed that in-service members will retire at an average age of 59, which then implicitly allows for expected rates of early and ill-health retirement.

	2013 R	2012 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	59 122 457	55 753 535
Net liability-unfunded	59 122 457	55 753 535

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	55 753 535	38 273 502
Total expenses	7 512 057	5 435 913
Current service cost	3 812 408	2 780 882
Interest Cost	4 555 134	3 332 138
Benefits Paid	(855 486)	(677 107)
Actuarial Gain/(Losses)	(4 143 135)	12 044 120
Present value of fund obligation at the end of the year	59 122 457	55 753 535
Less: Transfer of Current Portion - Note 7	(901 392)	(846 792)
Balance 30 June	58 221 065	54 906 743

Sensitivity Analysis on the Accrued Liability in (R millions)

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions	46.655	12.467	59.122	

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation	1%	56.495	13.944	70.439	19%
Health care inflation	-1%	38.902	11.225	50.127	-15%
Post-retirement mortality	-1 year	48.060	12.934	60.995	3%
Average retirement age	-1 year	50.036	12.467	62.503	6%
Withdrawal Rate	-50%	51.700	12.467	64.168	9%

Assumption	Change	Current service Cost (R)	Interest Cost (R)	Total	% change
Central Assumption		3812400	4555100	8367500	
Health care inflation	1%	4751200	5463300	10214500	22%
Health care inflation	-1%	3091600	3837200	6928800	-17%
Post-retirement mortality	-1 year	3926000	4701200	8627200	3%
Average retirement age	-1 year	3833700	4821100	8654800	3%
Withdrawal Rate	-50%	4498600	4961500	9460100	13%

4.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses	381	374
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Key actuarial assumptions used:	2013 %	2012 %
i) Rate of interest		
Discount rate	7.24%	6.56%
General Salary Inflation (long-term)	6.75%	5.97%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	.46%	0.56%

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

	2013 R	2012 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 986 411	3 250 052
Net liability-unfunded	2 986 411	3 250 052

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

	2011 R	2010 R	2009 R
Total Liability-unfunded	3 337 464	2 570 523	2 432 297

Experience adjustments were calculated as follows	2013	2012	2011	2010
Liabilities (Gain)/loss	(12137)	(975737)	159944	(136 233)

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	2 986 411	3 374 648
Total expenses	166 958	459 919
Current service cost	431 797	375 164
Interest Cost	184 552	254 775
Benefits Paid	(449 391)	(170 020)
Actuarial Losses/(Gain)	96 683	(848 156)
Present value of fund obligation at the end of the year	3 250 052	2 986 411
Less: Transfer of Current Portion - Note 7	(508 482)	(352 082)
Balance 30 June	2 741 570	2 634 329

Sensitivity Analysis on the Unfunded Accrued Liability (in R Millions)

Assumption	Change	Liability (R)	% change
Central assumptions		3.250	
General salary inflation	1%	3.470	7%
General salary inflation	-1%	3.052	-6%
Average retirement age	-2yrs	2.767	-15%
Average retirement age	2yrs	3.776	16%
Withdrawal rates	-50%	4.007	23%

4.3 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 2012 revealed that the fund has a funding level of 99.4% (30 June 2011 - 98.1%). Although the funds actuarial valuation has decreased, it is still within the Registrar's acceptable range, provided that the previous statutory valuation reflected at least a 100% funding level.

Contributions paid recognised in the Statement of Financial Performance	170 009	471 536
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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 2012 revealed that the fund is in a sound financial position with a funding level of 108 %.

Contributions paid recognised in the Statement of Financial Performance	8 087 752	7 540 539
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DEFINED CONTRIBUTION FUNDS

Council contribute to the Municipal Council Pension Fund which is a defined contribution fund. 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

390 228

108 890

5	NON-CURRENT PROVISIONS	2012	2011
		R	R
	Provision for Rehabilitation of Landfill-sites	-	6 743 751
	Provision for Cleaning of Alien Vegetation	(0)	1 138 953
	Total Non-current Provisions	(0)	7 882 703

Landfill Sites

	2013	2012
	R	R
Balance 1 July..	6 743 751	6 274 010
Contribution for the year..	1 106 249	469 740
Expenditure for the year..	0	0
Total provision 30 June	7 850 000	6 743 751
Less: Transfer of Current Portion to Current Provisions - Note 8	(7 850 000)	-
Balance 30 June	-	6 743 751

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the site is as follows:

Estimated decommission date		2014
Cost of rehabilitation	R	7 262 950

Clearing of Alien Vegetation

	1 138 953	1 072 578
Balance 1 July..	0	79 475
Contribution for the year..	0	(13 100)
Expenditure for the year..	1 138 953	1 138 953
Total provision 30 June	(1 138 953)	-
Less: Transfer of Current Portion to Current Provisions - Note 8	(0)	1 138 953
Balance 30 June	(0)	1 138 953

6 **CONSUMER DEPOSITS**

Electricity and Water	5 225 285	4 476 945
Total Consumer Deposits	5 225 285	4 476 945
Guarantees held in lieu of Electricity and Water Deposits	205 125	205 125

Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, Council utilizes the deposit as payment for the outstanding account.

No interest is paid on consumer deposits held.

Management of the municipality is of the opinion that the carrying value of Consumer Deposits approximate their fair values.

The fair value of Consumer Deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

7 **CURRENT EMPLOYEE BENEFITS**

Current Portion of Post Retirement Benefits - Note 4	901 392	846 792
Current Portion of Long-Service Provisions - Note 4	508 482	352 082
Staff Leave	8 729 139	6 946 641
Bonuses	2 158 889	1 975 176
Pension fund shortages	2 013 430	1 808 485
TASK Evaluation	323 177	938 392
Performance Bonuses	-	1 887 210
Total Current Employee Benefits	14 634 509	14 754 779

The movement in current employee benefits are reconciled as follows:

Staff Leave

Balance at beginning of year	6 946 641	6 680 017
Contribution to current portion	3 026 053	1 892 436
Expenditure incurred	(1 243 555)	(1 625 812)
Balance at end of year	8 729 139	6 946 641

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.

Bonuses

Balance at beginning of year	1 975 176	1 956 777
Contribution to current portion	3 987 049	3 615 004
Expenditure incurred	(3 803 336)	(3 596 605)
Balance at end of year	2 158 889	1 975 176

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

Pension fund shortages

Balance at beginning of year	1 808 485	1 602 977
Contribution to current portion	204 945	205 507
Expenditure incurred	-	-
Balance at end of year	2 013 430	1 808 485

The municipality received notice from the Cape Joint Pension Fund regarding a shortfall in the annual earnings of the fund. The actual investment return that was reported amounted to -0.94%.The provision amounts to the amount that the Fund requested the municipality to pay. Interest on the outstanding portion was added since February 2010.

TASK Evaluation

Balance at beginning of year	938 392	1 683 604
Contribution to current portion	-	-
Expenditure incurred	(615 214)	(745 212)
Balance at end of year	323 177	938 392

Performance Bonuses

Balance at beginning of year	1 887 210	1 612 904
Contribution to current portion	-	274 306
Expenditure incurred	(1 887 210)	-
Balance at end of year	-	1 887 210

Performance bonuses were previously payable to Municipal Manager, Directors and Employees on Fixed Term Contracts after an evaluation of performance by the council. However this was terminated on 1 July 2012 and no claims for bonuses are applicable any more.

8

PROVISIONS

Current Portion of Clearing Allian Vegetation -Note 4	1 138 953	-
Current Portion of Rehabilitation of Landfill-site -Note 4	7 850 000	-
Legal cost	-	850 000
Settlement agreement with SARS	330 000	-
Total Provisions	9 318 953	850 000

The provision for SARS is an amount payable for understatement penalties which was agreed upon but not yet approved by the commissioner. Settled through an alternative dispute resolution mechanism

9	PAYABLES FROM EXCHANGE TRANSACTIONS	2013 R	2012 R
	Trade Payables	20 970 371	20 834 379
	Pre-paid electricity	160 070	41 713
	Other Creditors	1 785 571	2 574 466
	Payments received in advance	5 498 103	4 958 951
	Retentions	1 720 372	804 835
	Total Trade Payables	30 134 486	29 214 343

Payables are being recognised net of any discounts.

The average credit period on purchases is 30 days from the receipt of the invoice (as determined by the MFMA). No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

Other creditors mainly comprise deposits received towards services to be rendered to the municipality and unallocated banking deposits made on the municipality's banking accounts. No interest is raised and the credits held by the municipality are refunded once the services have been rendered or applied to the service account once the origin of the credit has been established.

Management of the municipality is of the opinion that the carrying value of Creditors approximate their fair values.

The fair value of Creditors were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

All payables are unsecured.

10	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		
	Unspent Grants	21 859 992	40 914 812
	National Government Grants	-	5 422 560
	Provincial Government Grants	21 859 992	35 492 253
	Less: Unpaid Grants	280 001	280 000
	National Government Grants	280 001	280 000
	Total Conditional Grants and Receipts	21 579 991	40 634 812

See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

11	UNSPENT PUBLIC CONTRIBUTIONS		
	Social responsibility	245 673	245 673
	LED Strategy	-	205 996
	Upgrade Kwano Sports field	2 858 120	3 000 000
	Alien Vegetation (Standard Bank)	-	194 881
	Total Unspent Public Contributions	3 103 793	3 646 550

Reconciliation of public contributions

Social Responsibility

Opening balance	245 673	136 295
Contributions received	-	109 378
Conditions met - Transferred to revenue	-	-
Closing balance	245 673	245 673

LED Strategy (IDC)

Opening balance	205 996	400 000
Contributions received	-	-
Conditions met - Transferred to revenue	(205 996)	(194 004)
Closing balance	-	205 996

Upgrade Kwano Sportfield

Opening balance	3 000 000	1 000 000
Contributions received	-	2 000 000
Conditions met - Transferred to revenue	(141 880)	-
Closing balance	2 858 120	3 000 000

Alien Vegetation (Std Bank)

Opening balance	194 881	1 446 335
Contributions received	-	-
Conditions met - Transferred to revenue	(194 881)	(1 251 454)
Closing balance	0	194 881

Donation towards the erection of a gravestone at the Suikerbult graveyard

Lipton

Opening balance	-	-
Contributions received	-	20 000
Conditions met - Transferred to revenue	-	(20 000)
Closing balance	-	-

Donation towards buying sea rescue equipment

12

TAXES

12.1 VAT PAYABLE

VAT Payable		4 973 229
Total Vat payable	-	4 973 229

12.2 VAT RECEIVABLE

VAT input in suspense	3 129 139	
Total VAT receivable	3 129 139	-

12.3 NET VAT RECEIVABLE/(PAYABLE)

3 129 139	4 973 229
------------------	------------------

VAT is receivable/payable on the cash basis.

13

PROPERTY, PLANT AND EQUIPMENT

See attached sheet

13	Assets pledged as security:	2013	2012
	All the assets (Vehicles and Photostat Machines), which are obtained by financial leases are pledged as security. The total carrying amount of these assets is R1037088		
	Impairment of property, plant and equipment for the year		
	Impairment charges on Property, Plant and Equipment recognised in statement of performance The impairments were brought due to a decrease in values of Land and Buildings	10 238 614	5 229 810
	Effect of change in accounting estimates		
	Change in estimates in terms of GRAP 3		
	The useful life of the landfill site rehabilitation was adjusted for a further period until closure by June 2013. The effect of the adjustment is as follow:		
	Depreciation after adjustments	-	25 999
	Depreciation before adjustments	-	51 999
	The useful lives of other assets were adjusted for further periods The effect of the adjustment is as follow:		
	Depreciation after adjustments	-	7 948
	Depreciation before adjustments	-	8 611
	The useful lives of leased assets were adjusted for further periods		
	Depreciation after adjustments		
	Depreciation before adjustments	-	2 110
		-	3 516
	The useful lives of the following assets were adjusted for further periods		
	Depreciation after adjustments		-
	Buildings	74 502	-
	Civic Buildings	612	-
	Computer Equipment	62 773	-
	Electricity Peak load equipment	835	-
	Emergency Equipment	2 438	-
	Fire Engines	10	-
	Furniture & Fittings	34 826	-
	Motor Vehicles	62 439	-
	Office Equipment	114 075	-
	Parks and Gardens	11 217	-
	Recreation Grounds	4 736	-
	Roads & Streets	45 216	-
	Sewerage Mains & Purification	10 300	-
	Water Mains	46 450	-
	Water Mains & Purification	3 923	-
		<u>474 353</u>	
	Depreciation before adjustments		
	Buildings	647 736	-
	Civic Buildings	19 730	-
	Computer Equipment	207 876	-
	Electricity Peak load equipment	2 394	-
	Emergency Equipment	6 889	-
	Fire Engines	30	-
	Furniture & Fittings	129 649	-
	Motor Vehicles	406 784	-
	Office Equipment	198 529	-
	Parks and Gardens	33 795	-
	Recreation Grounds	14 178	-
	Roads & Streets	168 673	-
	Sewerage Mains & Purification	20 806	-
	Water Mains	133 438	-
	Water Mains & Purification	9 220	-
		<u>1 999 726</u>	
		R	R
14	INVESTMENT PROPERTY		
	Net Carrying amount at 1 July	93 479 301	93 647 408
	Cost	95 012 990	95 012 990
	Accumulated Depreciation	(1 533 689)	(1 365 582)
	Accumulated Impairments		
	Depreciation for the year	(168 107)	(168 107)
	Impairments for the year	(2 918 135)	
	Net Carrying amount at 30 June	90 393 059	93 479 302
	Cost	95 012 990	95 012 990
	Accumulated Depreciation	(1 701 796)	(1 533 689)
	Accumulated Impairments	(2 918 135)	
	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.		
	Revenue derived from the rental of investment property	<u>353 778</u>	<u>763 295</u>
		2013 R	2012 R
15	INTANGIBLE ASSETS		

Computer Software

Net Carrying amount at 1 July

	4 765 647	9 287 460
Cost	5 981 468	9 938 275
Accumulated Amortisation	(1 215 821)	(650 815)
Written-off		(4 419 590)
Additions		462 783
Amortisation	(657 562)	(565 006)
Net Carrying amount at 30 June	4 108 085	4 765 647
Cost	5 981 468	5 981 468
Accumulated Amortisation	(1 873 383)	(1 215 821)

The following material intangible assets are included in the carrying value above

<u>Description</u>	<u>Remaining Amortisation Period</u>	Carrying Value	
		2013 R	2012 R
Microsoft Office and Windows software	5	405 084	533 644
Cipal Themis Software and applications	10	3 703 001	4 232 003

No intangible asset has an indefinite useful life.

There are no internally generated intangible assets at reporting date.

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.

	2013	2012
16 HERITAGE ASSETS		
Net Carrying amount at 1 July	16 512	16 512
Acquisitions	-	-
Disposals	-	-
Impairments	-	-
Reversal of Impairment losses	-	-
Transfers from Property, Plant and equipment	-	-
Net Carrying amount at 30 June	16 512	16 512
Cost	16 512	16 512
Accumulated Impairment	-	-

Exemption was taken in terms of Directives , where assets were recognised but not measured yet.

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

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

There are no Heritage Assets pledged as security for liabilities

17 NON - CURRENT INVESTMENTS		
Fixed Deposits	4 577 513	4 275 037
Total Non- Current Investments	4 577 513	4 275 037

Fixed Deposits are investments with a maturity period of more than 12 months and earn interest at an average rate of 7,08 % per annum.

Fixed Deposits of R4 57 7513, (2012: R4 275 037) are ring-fenced for the purposes of repaying Long-term Liabilities as set out in Note 3

18 LONG-TERM RECEIVABLES		
Housing selling scheme loans	211 686	289 367
Less : Current portion transferred to current receivables	(76 465)	(77 680)
Total Long- Term Receivables	135 222	211 687

Prior to the coming into effect of the provisions of section 164(1)(c) of the MFMA (Act 56 of 2003) on 1 July 2004, loans were granted to qualifying senior staff members to enable them to acquire a house. The house should be occupied by the staff member and should be the primary home of the staff member. The repayment period of these loans and the applicable interest rate is a maximum of 20 years and eight percent per annum, respectively.

The repayments applicable, are levied with the monthly consumer accounts, and outstanding amounts of these accounts are reflected as part of the outstanding receivables from exchange transactions.

19 INVENTORY		
Consumables at store - At cost	2 676 127	2 425 275
Water – at cost	200 952	117 282
Total Inventory	2 877 078	2 542 557
Consumable stores materials written down due to losses as identified during the annual stores counts.	2 114	146 177
Consumable stores materials surplusses identified during the annual stores counts.	-	25 308
Inventory recognised as an expense during the year	1 701 915	2 658 028

No inventory assets were pledged as security for liabilities.

20 RECEIVABLES FROM EXCHANGE TRANSACTIONS	Gross Balances	Provision for Impairment	Nett Balances
As at 30 June 2013			
Service Receivables	63 528 114	33 881 069	29 647 045
Electricity	14 546 535	3 177 784	11 368 751
Water	15 203 095	8 498 437	6 704 659
Sewerage	17 201 588	10 433 586	6 768 002
Sundries	5 827 449	3 902 446	1 925 003
Refuse Removal	10 749 446	7 868 816	2 880 630
Housing Rentals	440 671	269 806	170 865
Total	63 968 785	34 150 875	29 817 910
As at 30 June 2012			
Service Receivables	67 339 016	36 226 084	31 112 932
Electricity	14 317 719	3 785 920	10 531 799
Water	16 273 265	9 930 990	6 342 275
Sewerage	18 923 141	11 679 237	7 243 904
Sundries	6 514 522	2 447 010	4 067 512
Refuse Removal	11 310 369	8 382 927	2 927 442
Housing Rentals	439 679	261 752	177 927
Total	67 778 695	36 487 836	31 290 859

Ageing of Receivables from Exchange Transactions:

(Electricity): Ageing

Current (0 - 30 days)	11 552 346	9 521 592
31 - 60 Days	393 306	1 249 946
61 - 90 Days	258 438	636 837
+ 90 Days	2 342 445	2 909 344
Total	14 546 535	14 317 719

(Water): Ageing

Current (0 - 30 days)	4 547 410	3 059 987
31 - 60 Days	1 375 288	881 414
61 - 90 Days	518 937	636 822
+ 90 Days	8 761 460	11 695 042
Total	15 203 095	16 273 265

(Sewerage): Ageing

Current (0 - 30 days)	3 020 580	2 528 489
31 - 60 Days	429 223	1 142 808
61 - 90 Days	392 417	1 323 650
+ 90 Days	13 359 368	13 928 196
Total	17 201 588	18 923 141

(Sundries): Ageing

Current (0 - 30 days)	931 881	131 091
31 - 60 Days	69 827	148 435
61 - 90 Days	49 292	48 512
+ 90 Days	4 776 449	6 186 483
Total	5 827 449	6 514 522

(Refuse): Ageing

Current (0 - 30 days)	1 965 367	1 371 087
31 - 60 Days	320 660	556 067
61 - 90 Days	313 750	430 681
+ 90 Days	8 149 669	8 952 534
Total	10 749 446	11 310 369

(Housing): Ageing

Current (0 - 30 days)	59 059	48 776
31 - 60 Days	10 787	19 917
61 - 90 Days	12 496	14 118
+ 90 Days	358 329	356 868
Total	440 671	439 679

(Total): Ageing

Current (0 - 30 days)	22 076 645	16 661 023
31 - 60 Days	2 599 090	3 998 586
61 - 90 Days	1 545 330	3 090 620
+ 90 Days	37 747 719	44 028 468
Total	63 968 785	67 778 695

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2013 R	2012 R
Rates	17 039 129	17 211 318
Other Receivables	2 113 636	787 985
Insurance claims	-	-
Sundry Debtors.	2 113 636	787 985
Total Receivables from Non-Exchange Transactions	19 152 765	17 999 303
Less: Allowance for Doubtful Debts	(5 366 084)	(5 026 577)
Total Net Receivables from Non-Exchange Transactions	13 786 682	12 972 726

Ageing of Receivables from Non-Exchange Transactions:

(Rates): Ageing

Current (0 - 30 days)	4 714 635	5 833 665
31 - 60 Days	408 287	852 191
61 - 90 Days	251 278	513 542
+ 90 Days	11 664 930	10 011 921
Total	17 039 129	17 211 319

Receivables impaired

	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
2013			
Total	34 150 875	5 366 084	39 516 958
2012			
Total	36 487 836	5 026 577	41 514 413

Reconciliation of Provision for Bad Debts

Balance at beginning of year	41 514 413	30 993 574
Contribution to provision	13 108 784	11 725 900
Bad Debts Written Off	(15 106 239)	(1 205 061)
Balance at end of year	39 516 958	41 514 413

In determining the recoverability of a trade receivable, the Municipality considers any change in the credit quality of the trade receivable from the date the credit was initially granted, up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful

OPERATING LEASE ARRANGEMENTS

22.1 The Municipality as Lessee (Liability)

Balance on 1 July	521 923	552 476
Movement during the year	(20 998)	(30 553)
Balance on 30 June	500 925	521 923

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

	R	R
Up to 1 Year	144 564	1 134 830
1 to 5 Years	738 013	1 263 461
More than 5 Years	376 240	587 896
Total Operating Lease Arrangements	1 258 816	2 986 187

Operating leases consist out of agreements for building rentals

The municipality does not engage in any sub-lease arrangements.

The municipality did not pay any contingent rent during the year

22.2 The Municipality as Lessor (Asset)

Balance on 1 July	2 887	4 117
Movement during the year.	(1 792)	(1 230)
Balance on 30 June	1 095	2 887

At the Statement of Financial Position date, the municipality will receive operating lease income as follows:

Up to 1 Year	3 925	15 300
1 to 5 Years	7 468	11 393
More than 5 Years	-	-
Total Operating Lease Arrangements	11 393	26 693

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

No restrictions have been imposed on the Municipality in terms of the operating lease agreements.

The leases are in respect of land and buildings being leased out for several purposes.

The municipality does not engage in any sub-lease arrangements

The municipality did not receive any contingent rent during the year

23

CASH AND CASH EQUIVALENTS

Assets

Call Investments Deposits	10 521 854	27 044 104
Bank Accounts	31 675 416	1 564 610
Cash Floats	11 220	11 220
Total Cash and Cash Equivalents - Assets	42 208 490	28 619 934

Cash and cash equivalents comprises of cash held and short term deposits. The carrying amount of these assets approximates their fair value.

A bank overdraft facility of R5 million exists at Standard Bank.

Security amounting to R 200,000 are held at Absa Bank for E- Fuel.

The municipality has the following bank accounts:

Current Accounts-Cash book balances

Standard Bank George-Account Number 082599343 (Primary Bank Account)	30 428 371	7 150 361
Standard Bank George-Account Number 282032371 (Direct Deposits)	653 611	1 326 668
Standard Bank George-Account Number 082608288 (ACB)	73 316	113 605
Standard Bank George-Account Number 082592535 (Traffic Account)	627 180	410 604
FNB - AccountNumber 62060979964	3 194	6 735
	31 785 672	9 007 973
Cash book balance at beginning of year	1 564 610	6 481 294
Cash book balance at end of year	31 675 416	1 564 610
Standard Bank George-Account Number 082599343 (Primary Bank Account)		
Bank statement balance at beginning of year	7 150 361	4 912 590
Bank statement balance at end of year	30 428 371	7 150 361
Standard Bank George-Account Number 282032371 (Direct Deposits)		
Bank statement balance at beginning of year	1 326 668	1 211 342
Bank statement balance at end of year	653 611	1 326 668
Standard Bank George-Account Number 082592535 (Traffic Account)		
Bank statement balance at beginning of year	410 604	370 199
Bank statement balance at end of year	627 180	410 604
Standard Bank George-Account Number 082608288 (ACB)		
Bank statement balance at beginning of year	113 605	42 047
Bank statement balance at end of year	73 316	113 605
FNB - Account Number 62060979964		
Bank statement balance at beginning of year	6 735	-
Bank statement balance at end of year	3 194	6 735

Call Investment Deposits

Call investment deposits consist out of the following accounts:

Absa Account nr 20-4897-5233	38 303	38 303
Absa Account nr 20-5009-0176	21 865	21 865
Standard Account nr 488-860-7000-012	6 285	6 097
Standard Account nr 488-860-7000-015		5 078 228
Standard Account nr 488-607-7000-015	389 931	149 009
Standard Account nr 488-607-7000-019	10 065 470	
Investec Account nr 1100443838450	-	10 281 310

Nedbank Account nr 03-7881052406-000039-000039
 Nedbank Account nr 03-7881052406-000039-000038

-	6 287 237
-	5 182 055
10 521 854	27 044 104

For the purposes of the Cash Flow Statement, Bank, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

Call investment deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 5 % to 6 % per annum.

ABSA investment account number 2048975233 has been ceded as collateral for bond number 8043787245 to the amount of R 24 000.

ABSA investment account number 2050090176 has been ceded as collateral for bond number 8044250229 to the amount of R13 700.

24

PROPERTY RATES

Actual

Rateable Land and Buildings

Residential, Industrial, Rural and Other
 Commercial
 State

	2013 R	2012 R
	85 479 770	70 817 786
Residential, Industrial, Rural and Other	77 063 784	64 041 686
Commercial	7 539 348	6 142 045
State	876 638	634 055
Less: Rebates	(1 663 686)	(1 005 697)
Total Assessment Rates	83 816 084	69 812 089

	2013 R	2012 R
Valuations - 1 JULY 2011		
Rateable Land and Buildings		
Residential, Industrial, Rural and Other	16 968 522 917	19 261 950 771
Commercial	1 022 978 050	978 821 050
State	2 476 936 177	137 522 550
Total Assessment Rates	20 468 437 144	20 378 294 371

Assessment Rates are levied on the value of land and improvements, which valuation must be performed every 5 years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations, consolidations and subdivisions. A new roll was implemented from 1 July

The tariff for residential properties are used as the basis for the calculation of property rates for all other categories. A Business will pay 67% more than a household and farms or rural properties will pay 75% less than residential households.

Rates are levied annually on property and are payable by 30 September. Owners are allowed to pay the annual assessment in 12 monthly installments. Monthly rates are payable by the 15th of the following month. Interest is levied at the prime rate plus 1% on outstanding rates amounts.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

25 GOVERNMENT GRANTS AND SUBSIDIES

Unconditional Grants	23 375 000	18 978 000
Equitable Share	23 375 000	18 978 000
Conditional Grants	81 756 864	39 832 137
Grants and donations	81 756 864	39 832 137
Total Government Grants and Subsidies	105 131 864	58 810 137
Government Grants and Subsidies - Capital	22 857 500	26 696 693
Government Grants and Subsidies - Operating	82 274 364	32 113 444
	105 131 864	58 810 137
Revenue recognised per vote as required by Section 123 (c) of the MFMA		
Community & Social Services	4 164 451	2 454 549
Electricity	2 460 752	561 798
Executive & Council	25 743 894	19 807 106
Budget & Treasury	1 250 000	1 250 000
Housing	50 550 015	13 293 945
Planning & Development	4 240 031	14 060 088
Road Transport	531 692	301 651
Water	14 655 000	7 081 000
Public Safety	782	
Waste Water Management	1 535 248	
Waste Management	-	-
	105 131 864	58 810 137

The municipality does not expect any significant changes to the level of grants.

25.1 Equitable share

Grants received	23 375 000	18 978 000
Conditions met - Operating	(23 375 000)	(18 978 000)
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

25.2 Extended Public Works Program

Opening balance	502 000	-
Grants received	1 000 000	502 000
Conditions met - Operating	(1 502 000)	
Conditions still to be met	-	502 000

Job creation projects in previous disadvantage areas

25.3 Local Government Financial Management Grant (FMG)

Opening balance	-	-
Grants received	1 250 000	1 250 000
Conditions met - Operating	(1 250 000)	(1 250 000)
Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to medium capacity 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).

25.4 Municipal Systems Improvement Grant

Opening balance	-	-
Grants received	800 000	790 000
Conditions met - Operating	(800 000)	(790 000)
Conditions still to be met	-	-

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems, paid by National Treasury.

25.5 Municipal Infrastructure Grant (MIG)

Opening balance	-	-
Grants received	14 655 000	12 081 000
Conditions met - Operating	-	(6 193)
Conditions met - Capital	(14 655 000)	(12 074 807)
Conditions still to be met	-	-

The grant was used to upgrade infrastructure in previously disadvantaged areas, paid by National Treasury.

25.6 Housing Grants

Opening balance	33 873 553	25 840 364
Grants received	39 286 616	16 327 134
Conditions met - Operating	(50 550 015)	(8 293 945)
Conditions met - Capital	-	-
Refunded	(14 000 000)	-
Conditions still to be met	8 610 154	33 873 553

Housing grants was utilised for the development of erven and the erection of top structures, paid by the

25.7 National Electrification Programme

Opening balance	1 960 751	242 549
Grants received	500 000	2 000 000
Conditions met - Capital	(2 460 752)	(281 798)
Conditions still to be met	-	1 960 751

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

25.8 LGSETA Grant

Opening balance	-	-
Grants received	550 005	-
Conditions met - Capital	-	-
Conditions still to be met	550 005	-

The grant was received from the National Treasury for the construction of a Desalination Plant to assist us in drought situations .

25.9 Neighbourhood Development Grant (NDPG)

Opening balance	3 461 808	7 531 896
Grants received	213 000	9 990 000
Conditions met - Capital	(3 674 808)	(14 060 088)
Conditions still to be met	-	3 461 808

Job creation in the previous disadvantage areas

25.10 Provincial Management Support Grant

Opening balance	364 205	164 205
Grants received	200 000	200 000
Conditions met - Operating	(364 205)	-
Conditions still to be met	200 000	364 205

The Grant was received from Provincial Government to assist with the implementation of Performance Management in the Municipality.

25.11 Community Development Workers

Opening balance	12 894	-
Grants received	54 000	52 000
Conditions met - Operating	(66 894)	(39 106)
Conditions still to be met	-	12 894

The grant was received from the Provincial Department of Local Government and Housing to assist with the operating cost of the CDW program.

25.12 Library Grant

Opening balance	39 451	-
Grants received	468 000	425 000
Conditions met - Operating	(507 451)	(385 549)
Conditions still to be met	-	39 451

The grant was received from the Provincial Department of Local Government to assist with the operating cost of libraries. The funds should be used to assist with the appointment of temporary staff and literacy projects. No funds were withheld.

25.13 Spatial Planning

Opening balance	184 200	184 200
Conditions met - Operating	(184 200)	-
Conditions still to be met	-	184 200

The grant was received from the Provincial Department of Environmental Affairs and Planning for the review of the spatial development framework. No funds were withheld. Projects that relates to Spatial Planning are

25.14 Traffic Disaster

Opening balance	782	782
Conditions met - Operating	(782)	-
Conditions still to be met	-	782

The grant was received from Provincial Department to assist with Traffic Disasters

25.15 MPC Kurland

Opening balance	16 818	16 818
Conditions still to be met	16 818	16 818

The grant was received from the National Department of Agriculture for an Local Economic Development project. The monies were to be used for a job creation project, specifically for woman. The project is still

25.16 Municipal Replacement Grant

Opening balance	-	-
Grants received	3 439 000	2 069 000
Conditions met - Operating	(3 439 000)	(2 069 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

This grant was received as a contribution for the operational cost of the libraries

25.17 Proclaimed Roads Maintenance

Opening balance	498 349	-
Grants received	33 343	800 000
Conditions met - Operating	-	(301 651)
Conditions met - Capital	(531 692)	-
Conditions still to be met	-	498 349

This subsidy was for maintenance on main roads , belonging to the Western Cape Government

25.18 Eskom Demand Side Management (EDSM)

Opening balance	(280 000)	-
Conditions met - Capital	-	(280 000)
Conditions met- Grant to recover	(280 000)	(280 000)

25.19 Emergency Funding N.D.M.C

Opening balance	-	-
Grants received	13 835 080	-
Conditions met - Operating	-	-
Conditions met - Capital	(1 535 247)	-
Conditions still to be met	12 299 833	-

25.20 Sport and Recreation

Opening balance	-	-
Grants received	200 000	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	200 000	-

25.21 Thusong Sentrum

Opening balance	-	-
Grants received	218 000	-
Conditions met - Operating	(218 000)	-
Conditions met - Capital	-	-
Conditions still to be met	-	-

25.22 Total Grants

Opening balance	40 634 811	33 980 814
Grants received	100 077 044	65 464 134
Conditions met - Operating	(82 257 547)	(32 113 444)
Conditions met - Capital	(22 857 500)	(26 696 693)
Refunded	(14 000 000)	-
Conditions still to be met/(Grant expenditure to be recovered)	21 596 809	40 634 811

Disclosed as follows:

Unspent Conditional Government Grants and Receipts	21 859 993	40 914 812
Unpaid Conditional Government Grants and Receipts	(280 001)	(280 000)
	21 579 992	40 634 812

26 PUBLIC CONTRIBUTIONS AND DONATIONS

Augmentation Fees: Electricity	84 515	1 376
Augmentation Fees: Water	215 569	1 163 716
Augmentation Fees:Sewerage	263 389	385 122
LED Strategy	205 996	194 000
Allien Vegetation Eredication	194 881	1 251 457
Lipton	-	20 000
Kwanu Sportfields	141 880	-
	1 106 231	3 015 671

27 SERVICE CHARGES

Electricity charges	94 634 380	89 623 375
Water charges	35 216 984	29 994 272
Refuse removal charges	18 068 551	16 183 810
Sewerage and Sanitation Charges	32 052 808	28 084 782
	<u>179 972 723</u>	<u>163 886 239</u>
Less: Rebates	(4 988 681)	(3 744 602)
Total Service Charges	174 984 042	160 141 637

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

28 OTHER INCOME

Fuel Sales	739	1 082
Landing Fees	23 993	26 141
Building Plan Fees	1 479 115	1 025 676
Boat Launching Fees	219 876	25 467
List of building plans	2 557	3 310
Fire fighting fees	99 933	90 508
Cemetery Fees	31 487	21 666
Conservancy Fees	1 101 428	839 991
Connection Fees	399 996	292 478
Services Connections	82 428	76 007
Re/disconnections	798 098	156 456
Sundries.	4 376 921	1 072 165
Total Other Income	8 616 573	3 630 946

29 EMPLOYEE RELATED COSTS

Salaries and Wages	63 263 747	58 362 161
Contributions to UIF and pensions	10 083 417	9 121 336
Bonuses	2 099 839	3 889 309
Overtime payments	4 045 472	3 241 689
Standby Allowance	858 683	842 055
Travelling Allowance and subsistence and other Allowances	8 030 043	6 173 864
Housing Benefits and Allowance	557 140	717 150
Medical Aid contributions	8 218 631	8 166 002
Contributions to Group Insurance	1 800 424	1 672 832
Contributions to Leave	3 026 053	1 892 435
Contribution to Post Employment Medical	8 367 542	6 120 147
Contribution to Long Service awards	616 349	629 939
Total Employee Related Costs	110 967 339	100 828 921

KEY MANAGEMENT PERSONNEL

The Municipal Manager and Directors are appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract period.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager (Period July 2011-February 2012)

Mr AA Pause (Period July 2012-June 2013)		
Annual Remuneration	881 001	1 051 268
Annual Bonus	8 423	-
Travelling Allowance	161 316	141 760
Telephone allowance	13 500	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	143 681	37 589
Total	1 207 921	1 230 618

Remuneration of the Director Infrastructure and Technical Services

Me P Ngqumshe		
Annual Remuneration	911 995	744 774
Acting Allowance	7 415	-
Travelling Allowance	132 000	147 816
Contributions to UIF, Medical, Pension Funds and Bargaining Council	114 335	109 389
Total	1 165 745	1 001 977

Remuneration of the Director Corporate Services

Mr R Smit (Period February 2013- June 2013)		
Annual Remuneration	370 896	866 584
Travelling Allowance	25 000	100 000
Telephone allowance	7 500	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	66 317	47 153
Total	469 713	1 013 737

Remuneration of the Director Community Services

Mr MG Stratu		
Annual Remuneration	930 562	782 958
Travelling Allowance	188 781	181 318
Contributions to UIF, Medical, Pension Funds and Bargaining Council	38 987	45 018
Total	1 158 329	1 009 292

Remuneration of the Chief Financial Officer (July 2011-Febr 2012)

Mr FM Lötter (Period September 2012- June 2013)		
Annual Remuneration	890 809	587 124
Travelling Allowance	178 899	96 301
Telephone allowance	15 000	1 750
Contributions to UIF, Medical, Pension Funds and Bargaining Council	17 852	8 936
Total	1 102 560	694 111

Remuneration of the Director : Strategic Services

Mr D Lombaard		
Annual Remuneration	844 858	948 975
Rental Allowance	84 333	-

Bonus	-	4 062
Travelling Allowance	174 858	299 062
Telephone allowance	18 000	2 000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	1 784	81 642
	1 123 833	1 335 741

30 REMUNERATION OF COUNCILLORS

Executive Mayor	611 895	545 665
Deputy Executive Mayor	489 516	439 043
Speaker	614 636	409 747
Mayoral Committee Members	772 426	837 184
Councillors	1 352 269	1 310 280
Councillors-other allowances	205 235	193 415
Total Councillors' Remuneration	4 045 976	3 735 333

In-kind Benefits

The Councillors occupying the positions of Executive Mayor, Deputy Executive Mayor, Speaker and Executive Mayoral Committee Members of the Municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the Municipality in order to enable them to perform their official duties. The Executive Mayor is also provided with official transport for public duties.

31 DEBT IMPAIRMENT

Receivables from exchange transactions - Note 20	11 881 107	10 827 858
Receivables from non-exchange transactions - Note 21	1 227 677	898 042
Total Contribution to Debt Impairment	13 108 784	11 725 900
Less: Portion Relating to VAT	(1 459 083)	(1 258 187)
Debt impairment recognised in statement of financial performance	11 649 701	10 467 713

32 DEPRECIATION AND AMORTISATION

Property Plant and Equipment	18 503 901	18 282 038
Investment Property	168 107	168 107
Intangible Assets	657 562	565 006
	19 329 570	19 015 151

33 IMPAIRMENTS

Property Plant & Equipment	(2 918 135)	748 512
Intangible Assets	2 918 135	4 419 590
Inventory	-	61 708
	-	5 229 810

34 FINANCE CHARGES

Long-term Liabilities	13 188 628	12 109 589
Finance leases	165 329	163 151
Tip site restoration contribution	305 132	313 700
Pension Fund	204 945	205 507
Total finance charges	13 864 033	12 791 947

35 BULK PURCHASES

Electricity bulk	70 486 020	64 256 389
Total Bulk Purchases	70 486 020	64 256 389

	2013 R	2012 R
36 GENERAL EXPENSES		
Advertising	547 255	531 032
Hire & Maintenance	1 219 126	928 024
Hire of Vehicles	1 545 680	625 826
Insurance	1 020 405	1 111 680
Materials and Stores	641 979	857 849
Printing and Stationary	669 295	699 114
Audit Fees	1 407 019	1 282 458
Rent: Other	1 211 965	1 283 823
Events & Festivals	93 721	206 146
Disaster Relief	382 352	382 873
Congresses and Seminars	1 489 793	932 648
Telecommunication	1 234 235	1 604 057
Training	603 384	133 021
Legal Expenses	2 769 189	4 719 278
Electricity Supply	48 704	2 036 153
General Cleanup	95 738	1 485 334
Vehicle Operating Cost	4 294 875	3 541 714
Chemicals	1 227 357	1 263 385
Other	19 025 067	20 175 399
Total General Expenses	39 527 140	43 799 816

37 CORRECTION OF ERRORS IN TERMS OF GRAP 3

Prior year adjustments due to non-compliance with Accounting policy and errors

- 37.1 (a) It was found that payments made during the current financial year for (Bulk purchases of electricity - R7656293.80, Employee cost- R7127.17 Maintenance-R2900, and General Expenditure-R60667.81), were actually late payments for expenditure of the previous financial year. These payments are now corrected with the following entries; (Dt) Accumulated Surplus 2011/12 and (Ct) Payables from Exchange Transactions R7726988.78
- (b) All the motor leases were previously treated as expenditure and not as financial leases in terms of GRAP 13. This error is now corrected retrospectively with the following entries: (Dt) Property Plant and Equipment (Leased Assets) 2009/10 - R256228.07 and 2010/11 - R17808.68 (Ct) Long-term Liabilities(Leases) 2009/10 R256228.07 and 2010/11 R17808.68, representing the capitalization of the leases.
(Dt) Long-term Liabilities (Leases) 2009/10 R583315.84, 2010/11 R867291.28, 2011/12 R1376329.12 (Ct) Acc Surplus Previous years R1450607.12 and Acc Surplus Current year - 2011/12 R1376329.12, representing the redemption on leases
(Dt) Acc Surplus Previous years R1624625.38 and Acc Surplus Current year-2011/12 R1380819.19 , (Ct) Property, Plant and Equipment (Leases) 2009/10-R658723.26,2010/11-R965902.12 and 2011/12- R1380819.19
- (c) It was found that no provision was made for retention payments due on capital projects that were finalised and capitalized on 30 June 2011. The error is now corrected retrospectively with the following entries : (Dt) PPE - R479939.88 (Dt) VAT- R73088.90, (Ct) Payables from exchange transactions - R553028.78 . The backlog depreciation (Electricity R13276.29, Sewerage R308.40 and Water R367.47) is now also corrected with the following entries : (Dt) Acc Surplus - current year R13952.16, (Ct) Acc Depreciation - R13952.16
- (d) A claim for repayment of VAT previously incorrectly claimed by MGT Tax consultants , was paid back to the Receiver of Revenue. The incorrect VAT previously claimed was rejected in terms of sections 16(2)(a) and 44(3)(a) of the Value- Added Tax Act, as the claimed amounts have originating from amounts older than 5 years. To rectify this error, the following entries were done: (Dt)Acc Surplus - Prior years , R2700941.11 , (Ct) Tax- R2700941.11
- (e) Stock items bought for the water department were previously erroneously not included as inventory. This oversight is now corrected retrospectively to 2011. Due to that it is impractical to find the original cost prices of the stock items, management decided to apply an alternative method to determine the fair value of the items where current prices were discounted to prices in 2011. To rectify this, the following entries were done: (Ct) Accumulated Surplus R634194.25, and (Dt) Inventory R634194.25
- (f) During the annual asset count process and a comprehensive deeds office comparison with the assets register , a substantial number of assets were found which were not included in the asset register. These errors are now corrected as first time recognition of assets retrospectively in terms of GRAP 3 with the following entries : (Dt) PPE- R61028079 , (Ct) Acc Depreciation PPE - R578333.3
(Ct) Acc Surplus -prior years -July 2008 R 60449746
- (g) With the inspection and review of the asset register , assets were identified which appear in the asset register but which are not in use and/or where no further economic benefits or service potential exist. Further it was also found that the assets were out of use for more than two years and they were erroneously included in the asset register . The assets are now de-recognised in terms clause 15.1 of councils accounting policy with the following entries : (Dt) Acc Surplus- prior years R 4164164 .84, (Dt) Acc Depreciation -PPE R83204.05, and (Ct) PPE -Assets with R472393.9 and (Ct) Investment Properties - Assets R3774975
- (h) Due to a change in accounting policy ,PPE assets were transferred to Heritage Assets as a first time recognition with the following entries: (Dt) Heritage Assets with R16512 and (Ct) PPE assets with R16512

The above representing the narratives of the following Corrections of Errors
as set out from notes 37.2 to 37.11

	2012 R	2011 R
37.2 Accumulated Surplus		
Balance previously reported	448 300 511	437 851 266
Correction of Payables from exchange transactions- see note 37.1 (a)	(7 726 989)	-
Correction of Longterm Liabilities (Leases) - see note 37.1 (b)	2 826 936	1 450 607
Correction of Property , Plant and Equipment (Leases)-see note 37.1(b)	(3 005 445)	(1 624 625)
Correction of Property , Plant and Equipment (Depreciation)-see note 37.1(c)	(13 952)	-
Correction of VAT-see note 37.1(d)	(2 700 941)	(2 700 941)
Correction of Inventory-see note 37.1.(e)	634 194	634 194
Correction of PPE-see note 37.1.(f)	60 449 746	60 449 746
Correction of PPE-see note 37.1.(g)	(389 189)	(389 189)
Correction of Investment Properties- see note 37.1.(g)	(3 774 975)	(3 774 975)
Restated balance	494 599 896	491 896 083
37.3 Inventory		
Balance previously reported	1 908 362	2 180 046
Correction of error - see note 37.1.(e)	634 194	634 194
Restated balance	2 542 556	2 814 240
37.4 Long-term Liabilities		
Balance previously reported	123 638 729	102 605 722
Correction of error-see note 37.1 (b)	4 343 037	4 343 037
Correction of error-see note 37.1 (b)	(2 826 936)	(1 450 607)
Restated balance	125 154 830	105 498 152
37.5 Payables from exchange transactions		
Balance previously reported	20934324	58 592 152
Correction of error -see note 37.1(a)	7726989	-
Correction of error -see note 37.1(c)	553029	-
Restated balance	29214342	58 592 152
37.7 Property, Plant and Equipment		
Balance previously reported	544 148 627	527 957 718
Correction of error- see note 37.1(b)	4 343 037	4 343 037
Correction of error- see note 37.1(b)	(3 005 445)	(1 624 625)
Correction of error- see note 37.1(c)	479 940	-
Correction of error-see note 37.1.(c)	(13 952)	-
Correction of error-see note 37.1.(f)	60 449 746	60 449 746
Correction of error-see note 37.1.(g)	(389 189)	(389 189)
Change in Accounting policy-see note 37.1.(h)	(16 512)	(16 512)
Restated balance	605 996 252	590 720 174
37.8 VAT		
Balance previously reported	2 345 377	(10 438 207)
Correction of error-see note 37.1.(c)	(73 089)	-
Correction of error-see note 37.1.(d)	2 700 941	2 700 941
Restated balance	4 973 229	(7 737 266)
37.9 Investment Properties		
Balance previously reported	97 254 277	97 422 384
Correction of error-see note 37.1.(g)	(3 774 975)	(3 774 975)
Restated balance	93 479 302	93 647 409
37.10 Heritage Assets		
Balance previously reported		-
Change in Accounting policy-see note 37.1.(h)	16 512	16 512
Restated balance	16 512	16 512
37.'11 Statement of Performance		
Balance previously reported	9 107 622	
Correction of error-see note 37.1.(a)	(7 726 989)	
Correction of error-see note 37.1.(b)	(4 490)	
Correction of error- see note 37.1.(c)	(13 952)	

Effect on Employee related cost	(7 127)	
Effect on Depreciation and Amortisation	(1 394 771)	
Effect on Repairs and Maintenance	(2 900)	
Effect on Bulk Purchases	(7 656 294)	
Effect on General Expenditure	1 315 661	
Restated balance	1 362 191	-

	2013 R	2012 R
38 RECONCILIATION BETWEEN NET DEFICIT FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus for the year	44 221 441	1 362 191
Adjustments for:		
Depreciation	18 672 007	19 844 916
Amortisation of Intangible Assets	657 562	565 006
Asset Impairment	10 238 614	5 168 102
Loss on disposal of property, plant and equipment	-	-
Grants received	100 077 046	67 593 512
Grants recognised as revenue	(119 674 623)	(60 275 595)
Debt Impairment	13 108 784	11 725 900
Debt Impairment-written off	(15 106 239)	(1 205 061)
Contribution to non current liability	(7 882 704)	536 115
Contribution to employee benefits-current	(120 269)	237 967
Contribution from/to employee benefits-non current	3 421 563	16 873 449
Provisions	8 468 953	850 000
Operating lease income accrued	1 792	1 230
Operating lease expenses accrued	(20 998)	(30 553)
Operating Surplus before changes in working capita	56 062 929	63 247 179
Changes in working capital	(4 860 297)	(35 251 979)
(Decrease)/Increase in Payables from Exchange Transactions	920 145	(30 290 839)
Increase in Taxes	(8 102 369)	12 783 584
Decrease in Inventory	(334 521)	271 684
Decrease in Non Current Assets Held For Sale	-	37 500
(Increase) in Trade and other receivables	2 656 449	(18 053 908)
Cash generated by operations	51 202 632	27 995 201

39 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Call Investments Deposits - Note 23	10 521 854	27 044 104
Cash Floats - Note 23	11 220	11 220
Bank - Note 23	31 675 416	1 564 610
Total cash and cash equivalents	42 208 490	28 619 934

40 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 39	42 208 490	28 619 934
Less:	42 208 490	28 619 934
Unspent Committed Conditional Grants - Note 10	21 859 993	40 914 812
VAT - Note 12	(3 129 139)	4 973 229
Unspent Public Contributions	3 103 793	3 646 550
Resources available for working capital requirements	20 373 842	(20 914 657)

41 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 3	127 775 579	125 154 830
Used to finance property, plant and equipment - at cost	(127 775 579)	(125 154 830)
	-	-
Cash set aside for the repayment of long-term liabilities	4 577 153	4 275 037
Cash invested for repayment of long-term liabilities	4 577 153	4 275 037

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

BUDGET COMPARISONS

	2013 R (Actual)	2013 R (Budget)	2013 R (Variance)	2013 (%)
42.1 Operational				
Revenue by source				
Property taxes	83 816 084	82 255 300	1 560 784	2%
Government Grants and Subsidies-capital	22 857 500	42 575 000	(19 717 500)	-46%
Government Grants and Subsidies	82 274 364	56 653 062	25 621 302	45%
Public Contributions and Donations	1 106 231	4 294 714	(3 188 483)	-74%
Actuarial Gain	4 143 135	-	-	
Fines	4 863 566	3 600 000	1 263 566	35%
Service Charges	174 984 042	174 019 849	964 193	1%
Rental of Facilities and Equipment	1 207 446	1 181 023	26 423	2%
Interest Earned - external investments	2 844 200	2 950 000	(105 800)	-4%
Interest Earned - outstanding debtors	3 538 597	3 306 300	232 297	7%
Agency Services	1 140 346	1 150 000	(9 654)	-1%
Other Income	8 616 573	5 271 800	3 344 773	63%
Licences and Permits	64 980	75 000	(10 020)	-13%
	391 457 065	377 332 048	9 981 882	3%
Expenditure by nature				
Employee Related Costs	110 967 339	114 190 908	3 223 569	-3%
Remuneration of Councillors	4 045 976	4 177 884	131 908	-3%
Debt Impairment	11 649 701	12 800 000	1 150 299	-9%
Collection Cost	901 030	414 000	(487 030)	118%
Depreciation and Amortisation	19 329 570	20 480 850	1 151 280	-6%
Impairments/write-offs	10 238 614	-	(10 238 614)	-100%
Repairs and Maintenance	8 360 046	11 543 290	3 183 244	-28%
Actuarial losses	96 683	-	(96 683)	-100%
Finance Charges	13 864 033	13 497 578	(366 455)	3%
Bulk Purchases	70 486 020	71 650 000	1 163 980	-2%
Contracted services	12 300 877	14 917 510	2 616 633	-18%
Operating Grant Expenditure	45 468 594	29 503 252	(15 965 342)	54%
General Expenses	39 527 140	43 729 029	4 201 889	-10%
Loss on Disposal of PPE	-	-	-	0%
	347 235 623	336 904 301	(10 331 322)	3%
Net Surplus for the year	44 221 441	40 427 747	(349 440)	-1%

Reasons: Revenue by source

Material variances are considered for variances larger than R3.5 million

Other Income

Government Grants and Subsidies-operating

Government Grants and Subsidies - capital

(Increasing building plan application fees)

(Capital and operating revenue contra)

(Capital and operating revenue contra)

Reasons: Expenditure by nature

Material variances are considered for variances larger than R3.5 million

Employee Related Costs

Operating Grant Expenditure

(Savings due to non- filling vacancies)

(Capital and operating revenue contra)

	2013 R (Actual)	2013 R (Budget)	2013 R (Variance)	2013 (%)
42.2 Expenditure by Vote				
Community & Social Services	9 970 984	11 490 328	(1 519 344)	-13.22%
Corporate Services	29 740 311	21 700 315	8 039 996	37.05%
Electricity	85 406 352	89 206 168	(3 799 816)	-4.26%
Executive & Council	33 032 148	35 266 052	(2 233 904)	-6.33%
Budget & Treasury	27 345 912	29 109 501	(1 763 589)	-6.06%
Housing	46 155 759	30 546 015	15 609 744	51.10%
Other	3 635 640	4 476 339	(840 699)	-18.78%
Planning & Development	9 065 814	10 789 093	(1 723 279)	-15.97%
Public Safety	17 049 630	19 177 907	(2 128 277)	-11.10%
Road Transport	19 518 528	18 685 484	833 044	4.46%
Sport & Recreation	14 622 504	14 771 393	(148 889)	-1.01%
Waste Management	18 350 935	17 291 423	1 059 512	6.13%
Waste Water Management	15 481 266	16 401 390	(920 124)	-5.61%
Water	22 269 731	21 570 393	699 338	3.24%
	351 645 514	340 481 801	11 163 713	3.28%
Less : Internal charges	(4 409 890)	(3 577 500)	(832 390)	23.27%
	347 235 623	336 904 301	10 331 322	3.07%

	2013 R (Actual)	2013 R (Budget)	2013 R (Variance)	2013 (%)
42.3 Capital expenditure by vote				
<i>Material variances are considered for variances larger than R3.5 million</i>				
Community & Social Services	400 247	455 000	(54 753)	-12%
Corporate Services	242 047	600 000	(357 953)	-60%
Electricity	2 411 142	3 520 752	(1 109 610)	-32%
Executive & Council	726 979	52 000	674 979	1298%
Budget & Treasury	52 790	60 000	(7 210)	-12%
Planning & Development	12 115	20 000	(7 885)	-39%
Road Transport	15 758 821	16 404 808	(645 987)	-4%
Sport & Recreation	284 416	3 260 000	(2 975 584)	-91%
Waste Management	0	3 100 000	(3 100 000)	-100%
Waste Water Management	9 282 072	16 561 000	(7 278 928)	-44%
Water	11 587 742	15 341 000	(3 753 258)	-24%
	40 758 372	59 374 560	(18 616 188)	-31%

Reasons for under spending

Waste Management : Truck delivery was in late August 2013 due to delay with suppliers

Waste Water Management : Delayed due to outstanding EIA process
 Water : Housing Infrastructure Disbursement delayed

43 **UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED** 2013
R 2012
R

43.1 **Unauthorised expenditure**

Reconciliation of unauthorised expenditure:

Opening balance	69 034 100	26 066 634
Unauthorised expenditure current year - capita	674 979	-
Unauthorised expenditure current year - operating	26 241 634	24 680 661
Condoned by council	(69 034 100)	-
Unspent Grants not cash backed	-	18 286 805
Unauthorised expenditure awaiting authorisation	<u>26 916 613</u>	<u>69 034 100</u>

Unauthorised expenditure on operating votes is mainly due to provisional (book entries), amounts recognised in terms of GRAP implementation.

Incident	Disciplinary steps/criminal proceedings		
Over expenditure on votes 2010/2011	Condoned	-	26 066 634
Over expenditure on votes 2011/2012	Condoned	-	24 680 661
Unspent Grants not cash backed	Rectified-see note 39	-	18 286 805
Over expenditure on votes 2012/2013	None	26 916 613	
		<u>26 916 613</u>	<u>69 034 100</u>

2013
R

2012
R

43.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance	4 480 425	3 619 682
Fruitless and wasteful expenditure current year	944 145	4 480 425
Paid back/condoned	(4 480 425)	(3 619 682)
Fruitless and wasteful expenditure awaiting further action	<u>944 145</u>	<u>4 480 425</u>

Incident	Disciplinary steps/criminal proceedings		
Interest and penalties paid on VAT	None	-	45 719
Software bought from Lafatshe not utilised	None	-	4 419 589
Interest- late payment of Eskom accounts	None	-	12 549
Penalties and interest on vat payments	None	944 145	
Interest - late payment of pensionsfund	None	-	2 567
		<u>944 145</u>	<u>4 480 424</u>

	2013 R	2012 R
43.3 Irregular expenditure		
Reconciliation of irregular expenditure:		
Opening balance	5 163 079	4 626 366
Irregular expenditure condoned	(5 163 079)	-
Irregular expenditure current year	42 038 982	536 713
	42 038 982	5 163 079

Incident	Disciplinary steps/criminal proceedings		
Irregular expenditure of previous financial year not finalized	Condoned		4 626 366
Shortages in Motor registration Agency Fees-possible fraud	Condoned		187 495
Transactions with suppliers where their interest in the state were not disclosed and recorded	Condoned		59 163
Deviations from the normal procurement processes not recorded	Condoned		84 085
Transactions with suppliers who are related to members of the municipality but not disclosed and recorded	Condoned		205 970
Deviations from the normal procurement processes not recorded	None	57 107	
Purchases made from companies that not appear on the suppliers list	None	181 880	
Transaction with incorrect CIBD grading	None	181 997	
Contracts above R10 million which were not advertised for 30 days and not reported as a deviation or emergency	None	41 617 998	

	2013	2012
43.4 Material Losses		
Water distribution losses		
- Kilo litres disinfected/purified/purchased	2 828 448	2 836 779
- Kilo litres lost during distribution	288 682	457 665
- Percentage lost during distribution	10.21%	16.13%
Electricity distribution losses		
- Units purchased (Kwh)	105 735 012	101 905 034
- Units lost during distribution (Kwh)	16 731 017	10 165 642
- Percentage lost during distribution	15.82%	9.98%

	2013 R	2012 R
44 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
44.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS		
Council subscriptions	815 224	675 969
Amount paid - current year	(815 224)	(675 969)
Balance unpaid (included in creditors)	-	-
	2013 R	2012 R
44.2 Audit fees - [MFMA 125 (1)(c)]		
Opening balance	-	-
Current year audit fee	1 407 019	1 221 790
External Audit - Auditor-General	1 407 019	1 221 790
Amount paid - current year	(1 407 019)	(1 221 790)
Balance unpaid (included in creditors)	-	-
44.3 VAT - [MFMA 125 (1)(b)]		
Vat in suspense	-	4 973 229
Receivable/Payable	-	4 973 229

VAT is payable/receivable on the receipt basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.

	2013 R	2012 R
44.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]		
Opening Balance	957 917	
Current year payroll deductions and Council Contributions	13 455 406	12 672 103
Amount paid - current year	(14 413 323)	(11 714 186)
Balance unpaid (included in creditors)	0	957 917

44.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	970 425	-
Current year payroll deductions and Council Contributions	26 929 615	26 035 346
Amount paid - current year	(27 900 040)	(25 064 921)
Balance unpaid (included in creditors)	0	970 425

	2013 R	2012 R
44.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]		
Councillors with arrear accounts for more than 90 days as at 30 June 2013		
	Outstanding more than 90 days	Outstanding more than 90 days
L.R. Jonas	0	4 044
J.J.N. Stuurman	0	5 518
S.E. Gcabayi	5973	8 062
S Besana	-	-
Nndayi	1073	-
Total Councillor Arrear Consumer Accounts	10 585	17 624

	Less than R 30 000	Between R 30 001 R 200 000	Between R200001 and R 2 000 000	More than R 2 000 000
44.7 Other non-compliance (MFMA 125(2)(e))				
Deviations from, and ratifications of breaches of the Procurement Processes due to Specialised Services, Advertising, Accommodation, Sole Suppliers, Emergencies, Breakdowns, Strip and Quotes				
All the deviations were ratified by the Municipal Manager and reported to Council				
Corporate Services	206 051	415 754	-	-
MSID	916 800	2 020 705	1 448 753	-
Financial Services	31 589	116 377	1 044 885	-
Community Services	198 809	168 163	-	-
Municipal Manager	104 130	326 580	-	-
Mayors Office	7 135	-	-	-
Strategic Services	66 976	510 816	-	-
	1 531 491	3 558 393	2 493 638	-

44.8 Awards above R2000 to spouses, child, parent of a person in service of the state (Section 45 of the Supply Management Policy).

Company	Name	Capacity	Relation	Amount R
Prophetic Expression Flowershop	J Stuurman	Councillor	Spouse	2350

45	CAPITAL COMMITMENTS	2013	2012
		R	R
	Commitments in respect of capital expenditure:		
	Approved and contracted for:	<u>78 648 405</u>	<u>26 585 290</u>
	Total commitments consist out of the following:		
	Tender SCM/COMM 08/2013	7 916 338	
	Tender SCM/COMM 08/2013 riation order	13 522 473	
	Tender MSID 12/2013	33 511 222	
	Tender STRAT 26/2013	914 558	
	Tender MSID 27/2013	16 620 750	
	Tender COMM 40/2013	6 163 065	
	This expenditure will be financed from:		
	Government Grants and Subsidies	78 648 405	26 585 290
	External Loans	-	-
	Own Funds	-	-
		<u>78 648 405</u>	<u>26 585 290</u>

46	FINANCIAL RISK MANAGEMENT	2013	2012
		R	R
	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.		
	(a) Foreign Exchange Currency Risk		
	The municipality does not engage in foreign currency transactions		
	(b) Price risk		
	The municipality is not exposed to price risk.		
	(c) Interest Rate Risk		
	As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.		
	The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.		
	The municipality did not hedge against any interest rate risks during the current year.		
	The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follows:		
	0.5% Increase in interest rates	(432 467)	(628 393)
	0.5% Decrease in interest rates	432 467	628 393

(d) 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 a financial loss.

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

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. On-going 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 consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" 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 rates and services are payable within 30 days from invoice date. Refer to note 20 and 21 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

Balances past due not impaired:

	2013 %	2013 R	2012 %	2012 R
<u>Non-Exchange Receivables</u>				
Rates	100.00%	11 673 046	100.00%	12 972 726
<u>Exchange Receivables</u>				
Electricity	38.13%	11 368 751	33.66%	10 531 799
Water	22.49%	6 704 659	20.27%	6 342 275
Sewerage	22.70%	6 768 002	23.15%	7 243 904
Sundries	6.46%	1 925 003	13.00%	4 067 512
Refuse Removal	9.66%	2 880 630	9.36%	2 927 442
Housing Rentals	0.57%	170 865	0.57%	177 927
	100.00%	29 817 910	100.00%	31 290 859

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 20 and 21 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:

	2013 %	2013 R	2012 %	2012 R
<u>Non-Exchange Receivables</u>				
Rates	100.00%	5 366 084	100.00%	5 026 577
<u>Exchange Receivables</u>				
Electricity	9.31%	3 177 784	10.38%	3 785 920
Water	24.88%	8 498 437	27.22%	9 930 990
Refuse	23.04%	7 868 816	22.97%	8 382 927
Sewerage	30.55%	10 433 586	32.01%	11 679 237
Other	11.43%	3 902 446	6.71%	2 447 010
Housing Rentals	0.79%	269 806	0.72%	261 752
	100.00%	34 150 875	100%	36 487 836

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 entity only enters into non-current investment transactions with major banks with high quality credit standing. An investment to the value of R 4275037 is held as security for a loan raised with ABSA. Although the credit risk pertaining to non-current investments 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. 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.

	2013 R	2012 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	29 817 910	31 290 859

Receivables from non-exchange transactions	13 786 682	12 972 726
Cash and Cash Equivalents	42 208 490	28 619 934
Unpaid conditional grants and subsidies	280 001	280 000
Long-term Receivables	135 222	211 687
Non-Current Investments	4 577 513	4 275 037
	90 805 817	77 650 243

(e) 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 on-going review of future commitments and credit facilities.

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

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2013				
Long Term liabilities	25 074 080	87 951 332	78 400 197	26 013 249
Capital repayments	11 168 842	44 097 738	52 703 479	19 805 520
Interest	13 905 238	43 853 594	25 696 718	6 207 729
Non-Current Provision	7 850 000			
Trade and Other Payables	24 476 314	-	-	-
Unspent conditional government grants and receipts	21 859 993	-	-	-
	79 260 387	87 951 332	78 400 197	26 013 249

2012	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Long Term liabilities	22 958 404	83 354 729	78 993 463	33 458 461
Capital repayments	9 443 996	39 504 464	49 989 162	24 701 107
Interest	13 514 408	43 850 265	29 004 301	8 757 354
Non Current Provision	7 882 703			
Trade and Other Payables	24 213 679	-	-	-
Unspent conditional government grants and receipts	40 914 812	-	-	-
	95 969 599	83 354 729	78 993 463	33 458 461

47 **FINANCIAL INSTRUMENTS**

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

The fair value of financial instruments approximates the amortised costs as reflected below.

47.1 Financial Assets	Classification	2013 R	2012 R
Long-Term Receivables			
House Loans	Financial instruments at amortised cost	135 222	211 687
Receivables			
Receivables from exchange transactions	Financial instruments at amortised cost	29 817 910	31 290 859
Receivables from non- exchange transactions (excluding rates)	Financial instruments at amortised cost	2 113 636	787 985
Current Portion of Long-Term Receivables			
Housing Loans		76 465	77 680
Short-term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	10 521 854	27 044 104
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	31 675 416	1 564 610
Cash Floats and Advances	Financial instruments at amortised cost	11 220	11 220
Investments	Financial instruments at amortised cost	4 577 513	4 275 037
		78 929 235	65 263 182

SUMMARY OF FINANCIAL ASSETS

Financial instruments at amortised cost	78 929 235	65 263 182
At amortised cost	78 929 235	65 263 182

FINANCIAL INSTRUMENTS (CONTINUE)

47.2 Financial Liability	Classification		
Long-term Liabilities			
Annuity Loans	Financial instruments at amortised cost	116 331 413	114 008 746
Capitalised Lease Liability	Financial instruments at amortised cost	275 325	1 702 087
Payables from exchange transactions			
Trade creditors	Financial instruments at amortised cost	20 970 371	20 834 379
Other	Financial instruments at amortised cost	3 505 943	3 379 300
Current Portion of Long-term Liabilities			
Annuity Loans	Financial instruments at amortised cost	10 370 492	8 561 831
Capitalised Lease Liability	Financial instruments at amortised cost	798 350	882 165
		152 251 893	149 368 509

SUMMARY OF FINANCIAL LIABILITY

Financial instruments at amortised cost	152 251 893	149 368 509
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48 **EVENTS AFTER THE REPORTING DATE**

None

49 **IN-KIND DONATIONS AND ASSISTANCE**

None

50 **PRIVATE PUBLIC PARTNERSHIPS**

Council has not entered into any private public partnerships during the financial year.

51 **CONTINGENT LIABILITY**

51.1 **Vaughn Barry Arnold**

The plaintiff is arguing against councils refusal to approve a building plan an claims for a compensation agreement in the High Court .Should the plaintiff be

successful, a potential cash outflow is possible of which the amount is not be determined at this stage

51.2 Mohaleng Media

This company alleges that the municipality owed them money for producing a communication strategy. On the face of prima- facia evidence , the municipality will oppose the claim and consider arbitration on this matter. If the arbitration process proceeds, the estimated cost will be in the region of an amount between R20000 to R150000

51.3 Divine Inspiration Trading 469 (Pty)Ltd and SD Parts Centre CC trading as Torque (Western Cape High Court case nr 1738/2011)

This revolves around the aspect of payment of legal cost. The municipalities legal counsel is of the opinion that the court should hold the responden liable for payment of legal cost. The Taxing Master has indicated that this matter will be argued towards the end of 2012. As senior counsel is involved in this matter it could become an expensive affair, which expose the municipality of cost of approximately R100000

51.4 Rentworks (Western Cape High Court: Case no 39199/2)

The plaintiff claims that the municipality is in breach of contract and therefore claims for damages amounted to between R200000 and R400000

51.5 Plettenberg Bay Hanger Owners Association (Case 6117/2013)

This matter relates to an application brought to the High Court by Plettenberg Bay Hanger Owners against the Municipality to obtain a temporary interdict and review of a council resolution in respect of a procurement .It is estimated that the cost for the Municipality can be R60000

51.6 Cape Joint Pension Fund

The action of the Pension Fund against Municipalities for payment of additional pension fund contributions was disputed and it was agreed that the municipalities jointly defend the action to save legal cost, and to share the legal cost of which the cost is not known at present.

52

RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

52.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

52.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 29 to the Annual Financial Statements

52.3 Related party transactions

Councillors	Rates and Services Levied 1 Jul 12 - 30 Jun 13	Outstanding Balances 30 June 2013
<i>Councillor M Booysen</i>	16 835	1 432
<i>Councillor A. B. van Rhyner</i>	18 326	2 549
<i>Councillor A.R. Olivier</i>	4 078	-86
<i>Councillor E.E. Paulse</i>	3 769	247
<i>Councillor N M De Waal</i>	3 044	247
<i>Councillor L. Jonas</i>	-	-
<i>Councillor M M Mbali</i>	-	-
<i>Councillor S Besana</i>	2 155	4 078
<i>Councillor N Ndayi</i>	2 385	1 685
<i>Councillor JJN Stuurman</i>	2 602	250
<i>Councillor SE Gcabayi</i>	4 032	6 094
<i>Councillor W Graig</i>	21 686	2 973

52.4 Other related party transactions

Refer to note 44.8 for other related party transactions.

52.5 Material variances between original and final budget

Statement of Financial Position

Current Assets : Additional revenue raised increased debtors
Decreasing in other receivables is due to selling of land which did not realized
Due to the improvement in receivable collections and the overall financial position, the cash and cash equivalents has improved considerably

Non Current Assets : Intangible Assets have been written off
Investment Property and Property Plant and Equipment have been adjusted in line with anticipated capital spending

Current Liabilities : Decrease in Borrowing was due to improvement in cash position
Error in the adjustment budget ,where the Employee Benefits portion was included in the Non- Current Liability portion of Employee benefits

Non Current Liabilities: Decrease in Borrowing need
Employee Benefits- same reason as explained under Current Liabilities

Net Assets : Increase in operating surplus due to improved financial position

Statement of Financial Performance

Revenue : Gain on disposal of PPE has not realized and was removed from budget

Expenditure : Debt impairment was reduced due to improved debt collection
General Expenditure increased due to spending on housing top structures additional allocation in DORA

Cash flow

Operating Activities: Increased Grants due to additional increased allocation in DORA
Increased interest income due to improved financial position and improvement in cash
Increased payments to suppliers due to increased DORA allocation

Cash from Financing activities:
Proceeds in disposal of assets has been removed , due to land sale that has not realized.
Increase in expenditure on capital assets due to increased DORA allocation

Cash from Financing Activities :
Reduction in borrowing need due to improved cash position

Capital Expenditure

Roll overs for unspent grants and the final approval of an external loan are the predominate reason for the variances

52.6 Material variances between actual amounts and the final budget

Statement of Financial Position

Current Assets : Additional revenue raised increased debtors
Decreasing in other receivables is due to selling of land which did not realized and impairments of debtors
Due to the improvement in receivable collections and the overall financial position, the cash and cash equivalents has improved considerably

Non Current Assets : Intangible Assets have been written off
Property Plant and Equipment capital expenditure has not realized - see also note 42.3

Current Liabilities : Decrease in Borrowing was due to improvement in cash position
Error in the adjustment budget ,where the Employee Benefits portion was included in the Non- Current Liability portion of Employee benefits

Non Current Liabilities::
Employee Benefits- same reason as explained under Current Liabilities

Statement of Financial Performance

Revenue : See note 42.2

Expenditure : General Expenditure increased due to spending on housing top structures additional allocation in DORA-see note 42.2

Cash flow

Operating Activities: Immaterial

Cash from Investing activities:
Capital expenditure not realized due to supply chain processes -see also note 45

Cash from Financing Activities :
Immaterial

Capital Expenditure

The under spending on the Waste Water Management and the Water project derived from the fact that the projects commenced late during the financial year due to EIA processes that were authorised late. The projects are now work in progress and will roll over to the next financial year.

Row Labels	Sum of 2012 Restated	
GL	€	1 362 190.92
Accumulated Surplus/(Deficit)	€	-436 952 124.75
Capital Replacement Reserve	€	-
Cash and Cash Equivalents	€	32 894 971.42
Consumer Deposits	€	-4 476 945.08
Current Employee benefits	€	-13 555 903.66
Employee benefits	€	-58 739 946.15
Housing Development fund	€	-
Intangible Assets	€	4 765 647.56
Inventory	€	2 542 556.77
Investment Property	€	97 254 276.79
Long-term Liabilities	€	-125 154 829.69
Long-Term Receivables	€	289 366.53
Non Current Assets Held for sale	€	-
Non-Current Provisions	€	-7 882 703.32
Operating Lease Asset	€	2 886.82
Operating Lease Liability	€	-521 923.21
Payables from exchange transactions	€	-34 334 110.75
Property, Plant and Equipment	€	545 994 332.44
Provisions	€	-850 000.00
Receivables from exchange transactions	€	31 290 858.28
Receivables from non-exchange transactions	€	18 050 371.44
Taxes	€	-4 973 228.74
Unspent Conditional Government Grants and Receipts	€	-40 634 811.80
Unspent Public Contributions	€	-3 646 549.98
(blank)	€	-
Heritage Assets	€	-
I&E	€	-1 362 190.92
Accumulated Surplus/(Deficit)	€	-
Actuarial Losses	€	11 195 964.00
Agency Services	€	-760 644.52
Bulk Purchases	€	64 256 389.26
Collection Cost	€	995 711.23
Contracted services	€	10 998 681.49
Debt Impairment	€	10 467 713.00
Depreciation and Amortisation	€	20 409 921.99
Employee related costs	€	100 828 920.89
Finance Charges	€	12 791 946.78
Fines	€	-5 143 655.69
Gain on disposal of Property, Plant and Equipment	€	-390 892.88
General Expenses	€	44 612 122.82
Government Grants and Subsidies	€	-58 810 136.88
Interest Earned - External Investments	€	-1 613 757.14
Interest Earned - Outstanding Debtors	€	-3 161 664.05
Licences and Permits	€	-94 461.00
Loss on Disposal of PPE	€	24 500.00
Operating Grant Expenditure	€	10 998 745.46

Other Income	€	-3 630 946.47
Property taxes	€	-69 812 089.34
Public Contributions and Donations	€	-3 015 671.30
Remuneration of Councillors	€	3 735 333.09
Rental of Facilities and Equipment	€	-763 294.94
Repairs and Maintenance	€	10 243 207.11
Service Charges	€	-161 615 846.61
Stock written-off	€	61 708.64
Third Party Payments	€	-
(blank)	€	-
Internal Charges	€	661 902.34
Internal Recoveries	€	-
Actuarial Gain	€	-
Impairments/write-offs	€	5 168 101.80
(blank)	€	-
(blank)	€	-
Grand Total	€	0.00

Row Labels	Sum of 2013 Final	
Employee related costs	€	110 967 339.33
BONUSES	€	2 099 839.37
CONTR TO GROUP LIFE ASSURANCE	€	1 800 423.67
CONTR TO MEDICAL AID FUND	€	8 218 631.28
CONTR TO PENSION/RETIREMENT FUND	€	8 519 453.04
EX GRATIA PENSION	€	-
EXPENDITURE MEDICAL PENSIONERS	€	-
HOUSING SUBSIDY	€	144 875.89
INSURANCE: UIF	€	580 319.48
INSURANCE: WCA	€	983 644.40
LEAVE PROVISION	€	3 026 052.53
LONG SERVICE AWARDS	€	603 600.00
LONG SERVICE RECOGNITION	€	-
LOSS ON DISPOSAL OF PPE	€	12 749.00
OVERTIME	€	4 045 471.64
PENSIONERS MEDICAL AID CONTRIBUTIO	€	-
POST RETIREMENT BENEFITS	€	8 367 542.00
RENTAL SUBSIDY	€	412 263.65
SALARIES & WAGES	€	63 263 747.12
STANDBY ALLOWANCE	€	858 682.84
TELEPHONE ALLOWANCE/REFUND	€	705 354.36
TRANSPORT ALLOWANCE	€	5 293 472.97
WASTE TRANSFER SERVICES	€	2 031 216.09
Grand Total	€	110 967 339.33

Row Labels	Sum of 2013 Final	
General Expenses	€	39 527 139.81
3R PARTY PAYMENTS	€	-
ADVERTISING	€	547 255.29
AIDS WORKERS	€	-
AMOUNTS RECHARGED: OPERATING EXPEN	€	8 369.29
ARCHIVES	€	11 740.00
ASSET MANAGEMENT	€	152 302.54
AUDIT FEES	€	1 407 019.28
BANK CHARGES	€	1 619 314.75
BATHO PELE INITIATIVE	€	-
BITOU 10 EDUCATE & DEVELOP FOUNDAT	€	-
BLUE FLAG FACILITIES	€	102 803.82
BROCHURES DEVELOPMENT & PRINTING	€	-
BURSARIES	€	-
BURSARIES FOR STAFF	€	-
CHEMICALS	€	1 227 356.76
CLEANING SERVICES	€	-
COLLABORATOR SUPPORT	€	211 099.00
COMMUNICATIONS	€	539.47
COMMUNITY BASED TOURISM PROJ DEVEL	€	84 000.00
COMMUNITY DEVELOPMENT SUPPORT	€	36 626.67
CONGRESSES, SEMINARS, ETC	€	1 489 792.60
CONSULTANT FEES	€	1 080 192.98
CONSUMER ACCOUNTS	€	-
CONSUMER CONNECTIONS - PREPAID MET	€	3 152.99
CONSUMER CONNECTIONS - SERVICES	€	15 509.43
CONSUMER SHOWS & EXHIBITIONS	€	-
CO-OPERATIVE MARKETING AGREEMENTS	€	-
CORPORATE COMMUNICATION	€	-
CORPORATE IDENTITY MANAGEMENT	€	-
COUNCILLOR ENTERTAINMENT	€	200.00
CUSTOMER CARE AWARENESS CAMPAIGN	€	-
CUSTOMER CARE MANAGEMENT	€	-
DATABASE MANAGEMENT	€	-
DEVELOPMENT: GENDER	€	30 998.21
DEVELOPMENT: YOUTH	€	43 489.72
DISABLED GENDER	€	37 917.06
DISASTER MANAGEMENT	€	17 640.05
DISASTER RELIEF	€	364 712.06
DISPOSAL PROGRAMME	€	-
DOMESTIC TRADE ROAD SHOWS	€	14 350.00
DONATIONS	€	19 200.00
EARLY CHILDHOOD FACILITIES	€	-
EARTH TV	€	-
ELECTION EXPENSES	€	-
ELECTRICITY SUPPLY	€	5 304.43
ELECTRICITY SUPPLY: STREET LIGHTIN	€	43 400.00
ELECTRONIC PROMOTIONAL MATERIAL (C	€	-
EMERGENCY & VIP PROTECTION SECURIT	€	-

ENTERTAINMENT ALLOWANCE	€	36 065.38
ENTERTAINMENT BY COUNCILLORS	€	66 522.18
ENVIRONMENTAL MANAGEMENT PLAN	€	-
EPWP PROGRAMMEE	€	-
ERADICATION OF ALIEN VEGETATION	€	-
EVENTS & FESTIVALS	€	93 721.12
EVENTS & FUNCTIONS: STAFF	€	-
EXTERNAL NEWSLETTER	€	5 037.61
FACILITIES - GENERAL	€	60 877.88
FLEET MANAGEMENT SYSTEM	€	294 068.91
FLOOD RISK ASSESSMENT	€	-
FOOD & BEVERAGES: COUNCIL,MAYCO,AD	€	4 198.99
FRUITLESS AND WASTEFUL EXPENDITURE	€	-
FUEL PURCHASES	€	-
FULLTIME SHOP STEWARD CONTRIBUTION	€	28 691.11
GENERAL CLEANUP	€	95 738.42
GIS DATA CAPTURE	€	45 919.10
GRAP ASSET REGISTER	€	-
GRATUITY AUDIT COMMITTEE MEMBERS	€	53 090.67
HIRE & MAINTENANCE OF EQUIPMENT	€	-
HIRE AND EQUIPMENT-ARCHIVES	€	93 042.25
HIRE AND MAINTANANCE OF EQUIPMENT:	€	-
HIRE OF EQUIPMENT	€	1 126 083.65
HIRE OF SEWERAGE TANKER	€	-
HIRE OF TOILETS	€	-
HIRE OF VEHICLES	€	1 545 679.95
HIV/AIDS PROGRAMS	€	106 059.59
HYGIENE	€	119 578.48
I D P	€	6 584.32
INCENTIVES FOR MUN STAFF	€	-
INDUSTRIAL COUNCIL LEVIES	€	-
INSURANCE	€	1 020 405.43
INTERGOVERNMENTAL RELATIONS	€	12 572.20
INTERNATIONAL TRADE & CONSUMER SHO	€	-
INTERVIEWS	€	94 393.69
LABORATORY CHARGES	€	140 657.12
LEASE OF OFFICE MACHINES	€	-
LED STRATEGY REVISION	€	205 996.00
LED SUMMIT	€	-
LEGAL EXPENSES	€	2 769 189.23
LICENCE FEES	€	3 865.78
LICENCE FEES: SOFTWARE	€	565 547.54
LIFESAFERS CLOTHING	€	12 742.73
LIFESAVER TRAINING	€	137 396.80
LIFESAVER'S ACCOMMODATION	€	2 283.33
LOCAL ECONOMIC DEVELOPMENT	€	-
LOST LIBRARY BOOKS	€	16 821.26
MAINTENANCE:ELECTRONIC SDBIP	€	-
MARKETING & PUBLIC RELATIONS	€	-
MATERIALS & STORES	€	641 978.52

MAYORAL EVENTS	€	93 294.11
MAYORAL GIFTS	€	14 866.00
MAYORAL GOLF DAY	€	-
MAYORAL INTERVENTIONS	€	553 027.44
MEDIA EDUCATIONALS	€	-
MEDICAL EXAMINATIONS	€	-
MEDICAL SUPPLIES & MEDICINES	€	14 723.72
MEMBERSHIP LIASON	€	-
MUNICIPAL SYSTEMS IM	€	800 000.00
NEWSLETTERS	€	-
OCCUPATIONAL HEALTH SAFETY	€	2 013.47
OFFICE MACHINES	€	-
OVERSEAS TRIPS	€	-
PAUPER BURIALS	€	66 950.00
PERFORMANCE MANAGEMENT	€	-
PEST CONTROL	€	3 215.89
PHOTOGRAPHY	€	-
POSTAGE	€	532 427.53
PRE-PAID VENDOR COMMISSION	€	378 465.32
PRINTING & STATIONERY	€	613 788.34
PRINTING AND STATIONARY	€	55 506.25
PROGRAMMING COSTS	€	7 645.00
PROJECT MANAGEMENT	€	-
PROMOTIIONS	€	-
PROMOTIONAL MATERIALS (BANNERS)	€	-
PROTECTIVE CLOTHING	€	545 417.25
PUBLIC ASSOSIATION CONTRIBUTION	€	-
PUBLIC ENTERTAINMENT	€	6 063.00
PUBLIC PARTICIPATION	€	10 557.28
REFUSE RECYCLING	€	401 572.91
REFUSE REMOVAL SERVICES	€	-
REMOVAL EXPENSES	€	61 151.24
RENT: OTHER	€	1 211 964.51
RENT: SPORTSFIELDS	€	-
RENTAL: SUNDRIES	€	-19 990.06
RESEARCH MANAGEMENT	€	-
SATTELITE REDDOOR SERVICE	€	-
SCOPING & SURVEYS	€	-
SEWERAGE SERVICES	€	165 424.14
SKILLS DEVELOPMENT LEVY	€	877 924.57
SMME SKILLS TRAINING	€	-
SMS MULTI MESSAGE SERVICE	€	-
SPORTS DEVELOPMENT	€	138 178.45
STAFF IDENTIFICATION BADGES	€	-
STAKEHOLDER RELATIONS	€	-
STORES ADJUSTMENTS	€	128 040.27
STRATEGIC ADVERTISING: INTERNATION	€	-
STRATEGIC PLANNING	€	17 714.82
STREET LIGHTING	€	42 556.61
SUBSCRIPTION & MEMBERSHIP FEES	€	3 138 482.50

SURVEYS & INVESTIGATIONS	€	490.00
TASK IMPLEMENTATION	€	-
TB PROGRAMS	€	19 049.87
TECHNICAL LITERATURE	€	-
TELECOMMUNICATION	€	1 234 235.46
TELEPHONE REFUND	€	-
TOURISM ASSOC-ADVERTISING	€	45 600.00
TOURISM ASSOC-EVENTS	€	772 592.93
TOURISM ASSOC-SEED CAPITAL	€	960 712.30
TOURISM AWARENESS & WELCOME CAMPAI	€	-
TOURISM IN FORMATION INFRASTRUCTUR	€	16 377.18
TRADE EDUCATIONALS	€	-
TRADE EDUCATIONALS: INTERNATIONAL	€	-
TRAINING	€	603 384.14
TRANSPORT: LIFESAVERS	€	10 800.00
VALUATION EXPENDITURE	€	-
VALUATION EXPENSES	€	-
VALUATION ROLL	€	2 129 914.33
VEHICLE OPERATING EXPENSES	€	4 294 454.58
VEHICLE OPERATIONAL COSTS:ARCHIVES	€	420.00
WARD COMMITTEES	€	9 767.08
WARD COMMITTEES :SITTING ALLOWANCE	€	213 587.81
WATER RESEARCH LEVY	€	-
WATER SUPPLY PURCHASES	€	140 128.64
WEBSITE DEVELOPMENT	€	69 119.29
WHEELIE BINS PURCHASED	€	92 700.00
WORLD CUP 2010 PREPARATIONS	€	-
INTERNAL AUDIT SERVICES	€	-
FINANCIAL SUPPORT SERVICES	€	1 390.00
EXP: SOCIAL RESPONSIBILITY	€	-
EXP:RE-/DISCONNECTION OF SERVICES	€	134 268.06
MINIMUM COMPETENCY - SUBS AND TRAVEL	€	136 954.12
CONTR. LANDFILL SITE REHABILITATIONTO PROVISION	€	801 117.82
Grand Total	€	39 527 139.81

Row Labels	Sum of 2013 Final	
Other Income	€	-8 616 572.63
ACB SERVICE CHARGES	€	-14 473.35
ADVERTISING SIGNS	€	-
BEACH AMENITIES	€	-
BOAT LAUNCHING FEES	€	-219 876.15
BUILDING PLAN FEES	€	-1 479 115.09
C P A RESORT (MAINTENANCE)	€	-
CEMETERY FEES	€	-31 487.15
COLLECTION FEES RECOVERED	€	-613 210.57
CONNECTION FEES	€	-399 996.08
CONSERVANCY CHARGES	€	-1 101 428.37
FIRE FIGHTING FEES	€	-99 933.23
FUEL SALES	€	-738.99
LANDING FEES	€	-23 993.40
LGSETA GRANT	€	-
LIST OF BUILDING PLANS	€	-2 556.67
LOST LIBRARY BOOKS	€	-
LOST LIBRARY ITEMS	€	-2 512.85
MAYORAL GOLF DAY	€	-
PASSENGER FEES	€	-14 096.75
PENALTIES: DAMAGED METERS	€	-6 044.40
PLAN PRINTS	€	-
RE- / DISCONNECTION FEES (DUE TO C	€	-798 097.82
SALE OF WHEELIE BINS	€	-
SERVICE CONNECTIONS: PRE-PAID	€	-82 428.23
SHOP STEWARDS: INCOME	€	-322 336.07
SIGNAGE	€	-1 876.31
SKILLS DEVELOPMENT DISCOUNT	€	-
STAFF TELEPHONE	€	-12 153.63
STREET LIGHTING	€	-
SUBDIVISION CHARGES	€	-
SUNDRY INCOME	€	-3 077 593.56
SUNDRY: VAT RECOVERY	€	-
TEMPORARY & DUPLICATE DOCUMENTS	€	-
TESTING OF METERS	€	-
TOWN PLANNNG FEES	€	-312 623.96
TRAINING	€	-
VIP SECURITY	€	-
Grand Total	€	-8 616 572.63

Row Labels	Sum of 2013 Final
GL	€ 44 221 441.39
Accumulated Surplus/(Deficit)	€ -489 599 892.75
Capital Replacement Reserve	€ -5 000 000.00
Cash and Cash Equivalents	€ 46 786 002.85
Consumer Deposits	€ -5 225 284.82
Current Employee benefits	€ -13 224 635.28
Employee benefits	€ -62 372 509.00
Housing Development fund	€ -
Intangible Assets	€ 4 108 085.22
Inventory	€ 2 877 078.43
Investment Property	€ 90 393 059.79
Long-term Liabilities	€ -127 775 579.12
Long-Term Receivables	€ 211 686.41
Non Current Assets Held for sale	€ -
Non-Current Provisions	€ -8 988 952.76
Operating Lease Asset	€ 1 094.38
Operating Lease Liability	€ -500 924.97
Payables from exchange transactions	€ -24 636 383.48
Property, Plant and Equipment	€ 620 930 241.08
Provisions	€ -330 000.00
Receivables from exchange transactions	€ 24 319 807.40
Receivables from non-exchange transactions	€ 13 786 681.80
Taxes	€ 3 129 138.93
Unspent Conditional Government Grants and Receipts	€ -21 579 992.11
Unspent Public Contributions	€ -3 103 792.61
(blank)	€ -
Heritage Assets	€ 16 512.00
I&E	€ -44 221 441.39
Accumulated Surplus/(Deficit)	€ -
Actuarial Losses	€ 96 683.04
Agency Services	€ -1 140 346.17
Bulk Purchases	€ 70 486 020.13
Collection Cost	€ 901 030.25
Contracted services	€ 12 300 877.05
Debt Impairment	€ 11 649 701.00
Depreciation and Amortisation	€ 19 329 569.59
Employee related costs	€ 110 967 339.33
Finance Charges	€ 13 864 032.92
Fines	€ -4 863 565.69
Gain on disposal of Property, Plant and Equipment	€ -
General Expenses	€ 39 527 139.81
Government Grants and Subsidies	€ -105 131 863.83
Interest Earned - External Investments	€ -2 844 200.37
Interest Earned - Outstanding Debtors	€ -3 538 597.34
Licences and Permits	€ -64 980.45
Loss on Disposal of PPE	€ -
Operating Grant Expenditure	€ 45 468 594.09

Other Income	€	-8 616 572.63
Property taxes	€	-83 816 083.85
Public Contributions and Donations	€	-1 106 230.98
Remuneration of Councillors	€	4 045 976.07
Rental of Facilities and Equipment	€	-1 207 446.43
Repairs and Maintenance	€	8 360 046.02
Service Charges	€	-174 984 042.31
Stock written-off	€	-
Third Party Payments	€	-
(blank)	€	-
Internal Charges	€	4 409 890.46
Internal Recoveries	€	-4 409 890.46
Actuarial Gain	€	-4 143 134.65
Impairments/write-offs	€	10 238 614.01
Grand Total	€	0.00

€ 42 208 490.00	€ 489 599 892.75
€ 4 577 513.00	€ 46 233 585.39
	€ 535 833 478.14
€ 11 212 491.28	
€ 1 409 874.00	
€ 62 372 509.00	
€ -1 409 874.00	
€ 127 775 579.12	
€ -11 168 842.00	
€ 211 686.41	
€ -76 465.00	
€ 8 988 952.76	
€ 330 000.00	
€ 18 550 677.65	€ 27 762 893.00
€ 5 498 103.00	€ -280 000.00
€ 24 048 780.65	
€ 43 604 592.00	
€ -5 498 103.00	
€ 38 106 489.00	

Row Labels	Sum of 2013 Final	Sum of Budget 2012/13
C	30 455 222	31 697 880
Community & Social Services	400 247	
FURNITURE AND EQUIPMENT	49 370	
ESTABLISHMENT OF NEW CEMENTARY	350 877	
Corporate Services	242 047	-
2 Integrated IT System	5 945	-
FENCING	205 646	
FURNITURE AND EQUIPMENT	30 455	
Executive & Council	241 626	-
IT HARDWARE DDATA	117 500	-
IT SUPPORT DDATA	113 419	-
5 FURNITURE AND EQUIPMENT	10 707	
3 FURNITURE AND EQUIPMENT	-	
Planning & Development	12 115	
FURNITURE AND EQUIPMENT	12 115	
Road Transport	15 989 739	6 749 000
CONSTR OF STRS,INCL REH	-	-
KRANSHOEK TAXI ROUTE	6 577 840	2 000 000
KWANO STORMWATER IMPROVEMENT	-	2 536 000
LANDSCAPING & PEDESTRIAN: NEW/H	3 328 339	213 000
REHABILITATION OF STREETS	-	2 000 000
FURNITURE AND EQUIPMENT	26 994	
REHABILITATION OF STREETS LOAN	3 878 948	
BEACON WAY SLIP	2 177 618	
Sport & Recreation	141 880	-
EQUIPMENT	-	-
UPGRADE KWANO SPORTFIELD(LOTTO	141 880	-
UPGRADE OF SPORTS FACIL	-	
Waste Management	-	4 300 000
WASTE TRANSFER STATION	-	4 300 000
WASTE COMPACTORS	-	
Waste Water Management	9 282 072	7 006 880
UPGRADE LAB EQUIP GANZE VLEI SE	271 068	2 536 000
UPGRADE SEWER PUMP STAT GENERA	350 877	4 470 880
FURNITURE AND EQUIPMENT	19 708	
RELOCATION OF P/S 1 POORTJIES	460 921	
RELOCATION OF P/S 1-POORTJIES	1 346 708	
BOSSIEGIF SERVICES	3 032 790	
KRANSHOEK PUMPSTATION	3 800 000	
(blank)	-9 906 179	-6 749 000
KRANSHOEK TAXI ROUTE	-6 577 840	-2 000 000
KWANO STORMWATER IMPROVEMENT	-	-2 536 000
LANDSCAPING & PEDESTRIAN: NEW/H	-3 328 339	-213 000
NDPG PROJECT	-	-
REHABILITATION OF STREETS	-	-2 000 000
RELOCATE P/S 1 - POORTJIES	-	-
BUSH CUTTERS-GRASS CUTTING TEAM	-	

Budget & Treasury	52 790	
FURNITURE AND EQUIPMENT	52 790	
Electricity.	2 411 142	9 500 000
CHANGE SUPPLY FROM 22KV TO 66KV	-	-
ELECTIFICATION:HOUSING PROGRAM	2 178 110	500 000
NETWORK EXTENSIONS AND REPLACE	-	9 000 000
KURLAND ELECTRIFICATION	-	
UPGRADE OF BRAKKLOOF NETWORK	219 298	
EQUIPMENT (LOAN)	13 734	
Water.	11 587 742	10 891 000
AUGUMENTATION, OFF CHANNEL DAM	-	400 000
DEEP COVER METAL DETECTOR	3 395 884	2 536 000
GENERATORS	558 000	
KEURBOOMS WATER SUPPLY AND ABSTRAC	1 759 378	2 100 000
SUPPLY TO KWANO AND SURROUNDS	5 874 480	5 855 000
BOSSIESGIF SERVICES	-	
73 P/S UPGRADES AND REPLACEMENTS	-	
Grand Total	30 455 222	31 697 880

<u>Vote</u>	<u>I/E or G Dept</u>	<u>Sub- Dept</u>	<u>Item</u>	<u>Sub-Vote</u>
311600080	GL			-
311600081	GL			-
311600082	GL			-
311600083	GL			-
311600085	GL			-
311600090	GL			-
311600091	GL			-
311600092	GL			-
311600093	GL			-
311600095	GL			-
315200010	GL			-
315200011	GL			-
315200012	GL			-
315402010	GL			-
315402011	GL			-
315402012	GL			-
315402013	GL			-
315402015	GL			-

Grap Classification 2011/12

GFS Vote

Grap Classification 2012/13

Current Employee benefits
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<u>Notes AFS</u>	<u>Notes Detail</u>	<u>NOTES</u>
Balance at beginning of year,. Contribution to current portion,. Expenditure incurred,.	TASK TASK TASK TASK	Balance at beginning of year,. Contribution to current portion,. Expenditure incurred,.
Balance at beginning of year.. Contribution to current portion.. Expenditure incurred..	CAPE JOINT P F PAYMENT CAPE JOINT P F PAYMENT CAPE JOINT P F PAYMENT CAPE JOINT P F PAYMENT	Balance at beginning of year.. Contribution to current portion.. Expenditure incurred..
Balance at beginning of year. Contribution to current portion. Expenditure incurred.	PERFORMANCE BONUS PERFORMANCE BONUS PERFORMANCE BONUS	Balance at beginning of year. Contribution to current portion. Expenditure incurred.
Balance at beginning of year Contribution to current portion Expenditure incurred	STAFF LEAVE STAFF LEAVE STAFF LEAVE STAFF LEAVE STAFF LEAVE	Balance at beginning of year Contribution to current portion Expenditure incurred
		-

<u>Journals 2009</u>		<u>2009 Restated</u>		<u>2010 Final</u>	<u>Journals 2010</u>	<u>2010 Restated</u>	<u>2012 Final</u>	<u>Journals 2012</u>
							-1 683 603.56	
							745 212.00	
							-	
							-	
							-1 602 977.49	
							-205 507.35	
							-	
							-	
							-	
							-3 569 682.38	
							-3 889 310.88	
							3 596 607.00	
							-6 680 017.43	
							-1 892 435.57	
							1 625 812.00	
							-	
							-	
							-13555903.66	0.00

<u>2012 Restated</u>	<u>2013</u>	<u>Journals 2013</u>	<u>2013 Final</u>	<u>O1</u>	<u>Budget 2012/13</u>	<u>Revised Budget 2012/13</u>
-1 683 603.56	-938 391.56		-938 391.56		0.00	0.00
-	0.00		-		0.00	0.00
745 212.00	615 214.45		615 214.45		0.00	0.00
-	0.00		-		0.00	0.00
-	0.00		-		0.00	0.00
-1 602 977.49	-1 808 484.84		-1 808 484.84		0.00	0.00
-205 507.35	-204 945.13		-204 945.13		0.00	0.00
-	0.00		-		0.00	0.00
-	0.00		-		0.00	0.00
-	0.00		-		0.00	0.00
-3 569 682.38	-3 862 386.26		-3 862 386.26		0.00	0.00
-3 889 310.88	-183 712.99		-183 712.99		0.00	0.00
3 596 607.00	1 887 210.00		1 887 210.00		0.00	0.00
-6 680 017.43	-6 946 641.00		-6 946 641.00		0.00	0.00
-1 892 435.57	-1 013 908.53	-2 012 144.00	-3 026 052.53		0.00	0.00
1 625 812.00	1 243 554.58		1 243 554.58		0.00	0.00
-	0.00		-		0.00	0.00
-	0.00		-		0.00	0.00
-13555903.66	-11212491.28	-2012144.00	-13224635.28	0.00	0.00	0.00

€ 17 537.29
€ 2 334.35
€ 173 979.20
3 724 975.00

€ 31 697 880.00
€ -28 946 880.00
€ 2 751 000.00

50 000.00
-7 203.21
265 797.61
-54 297.68
-842.47
-60 476 450.00
412 549.04
103 066.67
-551 629.13
50 180.93
12 536.64

-56 277 465.76
9 582 565.00

BITOU LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

	Notes	2013 R	(Restated) 2012 R
NET ASSETS AND LIABILITIES			
Net Assets		538 821 339	494 599 897
Capital Replacement Reserve	2	5 000 000	-
Accumulated Surplus		533 821 339	494 599 897
Non-Current Liabilities		177 569 372	181 134 608
Long-term Liabilities	3	116 606 737	115 710 833
Employee benefits	4	60 962 635	57 541 072
Non-Current Provisions	5	-	7 882 703
Current Liabilities		95 946 786	108 796 576
Consumer Deposits	6	5 225 285	4 476 945
Current Employee benefits	7	14 634 509	14 754 779
Provisions	8	9 318 953	850 000
Payables from exchange transactions	9	30 134 486	29 214 343
Unspent Conditional Government Grants and Receipts	10	21 859 993	40 914 812
Unspent Public Contributions	11	3 103 793	3 646 550
Taxes	12	-	4 973 229
Operating Lease Liability	22	500 925	521 923
Current Portion of Long-term Liabilities	3	11 168 842	9 443 996
Total Net Assets and Liabilities		812 337 497	784 531 081
ASSETS			
Non-Current Assets		720 160 636	708 744 438
Property, Plant and Equipment	13	620 930 246	605 996 253
Investment Property	14	90 393 059	93 479 302
Intangible Assets	15	4 108 085	4 765 647
Heritage Assets		16 512	16 512
Non-Current Investments	17	4 577 513	4 275 037
Long-Term Receivables	18	135 222	211 687
Current Assets		92 176 861	75 786 643
Inventory	19	2 877 078	2 542 557
Receivables from exchange transactions	20	29 817 910	31 290 859
Receivables from non-exchange transactions	21	13 786 682	12 972 726
Unpaid Conditional Government Grants and Receipts	10	280 001	280 000
Operating Lease Asset	22	1 095	2 887
Taxes	12	3 129 140	-
Current Portion of Long-term Receivables	18	76 465	77 680
Cash and Cash Equivalents	23	42 208 490	28 619 934
Total Assets		812 337 497	784 531 081

BITOU LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 (Actual) R	2013 (Restated)	Correction of errors R	2012 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		199 060 879	136 781 553	-	136 781 553
Taxation Revenue		83 816 084	69 812 089	-	69 812 089
Property taxes	24	83 816 084	69 812 089	-	69 812 089
Transfer Revenue		106 238 095	61 825 808	-	61 825 808
Government Grants and Subsidies-capital	25	22 857 500	26 696 693	-	26 696 693
Government Grants and Subsidies	25	82 274 364	32 113 444	-	32 113 444
Public Contributions and Donations		1 106 231	3 015 671	-	3 015 671
Other Revenue		9 006 700	5 143 656	-	5 143 656
Actuarial Gain	4	4 143 135	-	-	-
Third Party Payments		-	-	-	-
Fines		4 863 566	5 143 656	-	5 143 656
Revenue from Exchange Transactions		192 396 186	170 557 298	-	170 557 298
Service Charges	27	174 984 042	160 141 637	-	160 141 637
Rental of Facilities and Equipment		1 207 446	763 295	-	763 295
Interest Earned - external investments		2 844 200	1 613 757	-	1 613 757
Interest Earned - outstanding debtors		3 538 597	3 161 664	-	3 161 664
Agency Services		1 140 346	760 645	-	760 645
Other Income	28	8 616 573	3 630 946	-	3 630 946
Licences and Permits		64 980	94 461	-	94 461
Gain on disposal of Property, Plant and Equipment		0	390 893	-	390 893
Total Revenue		391 457 065	307 338 851	-	307 338 851
EXPENDITURE					
Employee related costs	29	110 967 339	100 828 921	7 127	100 821 794
Remuneration of Councillors	30	4 045 976	3 735 333	-	3 735 333
Debt Impairment	31	11 649 701	10 467 713	-	10 467 713
Collection Cost		901 030	995 711	-	995 711
Depreciation and Amortisation	32	19 329 570	20 409 922	1 394 771	19 015 151
Impairments/write-offs	33	10 238 614	5 168 102	-	5 168 102
Stock written-off		-	61 709	-	61 709
Repairs and Maintenance		8 360 046	10 243 207	2 900	10 240 307
Actuarial losses	4	96 683	11 195 964	-	11 195 964
Finance Charges	34	13 864 033	12 791 947	-	12 791 947
Bulk Purchases	35	70 486 020	64 256 389	7 656 294	56 600 095
Contracted services		12 300 877	10 998 681	-	10 998 681
Operating Grant Expenditure		45 468 594	10 998 745	-	10 998 745
General Expenses	36	39 527 140	43 799 815	(1 315 661)	45 115 476
Loss on Disposal of PPE		-	24 500	-	24 500
Total Expenditure		347 235 623	305 976 660	7 745 431	298 231 229
NET SURPLUS FOR THE YEAR		44 221 441	1 362 191	7 745 431	9 107 622

BITOU LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2013

	Housing Development Fund	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total
	R		R	R
2011				
Balance at 1 JULY 2011	1 041 622	300 001	437 851 266	439 192 889
Correction of error	-	-	54 044 817	54 044 817
2012				
Restated Balance at 1 JULY 2011	1 041 622	300 001	491 896 083	493 237 706
Net Surplus for the year	-	-	1 362 191	1 362 191
Transfer from CRR	-	(300 001)	300 001	-
Transfer from Housing Development Fund (Fund closed)	(1 041 622)		1 041 622	-
Restated Balance at 30 JUNE 2012	-	-	494 599 897	494 599 897
2013				
Net Surplus for the year	-	-	44 221 441	44 221 441
Transfer to CRR	-	5 000 000	(5 000 000)	-
		-		-
Balance at 30 JUNE 2013	-	5 000 000	533 821 338	538 821 338

BITOU LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Notes	30 JUNE 2013 R	30 JUNE 2012 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		259 932 729	239 153 837
Government		100 077 044	65 464 134
Interest		6 382 798	4 775 421
Payments			
Suppliers and employees		(301 325 903)	(268 606 244)
Finance charges	34	(13 864 033)	(12 791 947)
Cash generated by operations	38	51 202 634	27 995 201
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	13	(40 758 372)	(35 221 460)
Purchase of Intangible Assets		-	(462 783)
Proceeds on Disposal of Fixed Assets			
Decrease in non-current receivables		77 681	76 735
Increase in non-current Investments		(302 476)	(303 304)
Net Cash from Investing Activities		(40 983 168)	(35 910 813)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(11 174 604)	(10 673 512)
New loans raised		13 795 354	30 330 191
Increase in Consumer Deposits		748 340	195 254
Net Cash from Financing Activities		3 369 089	19 851 933
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		13 588 556	11 936 321
Cash and Cash Equivalents at the beginning of the year		28 619 934	16 683 613
Cash and Cash Equivalents at the end of the year	39	42 208 490	28 619 934
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		13 588 556	11 936 321

BITOU MUNICIPALITY

BUDGET COMPARISONS FOR THE YEAR ENDED 30 JUNE 2013

	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL	ACTUAL VS BUDGET
	R	R	R	R	R
STATEMENT OF FINANCIAL POSITION					
Total current assets	45 458 000	14 032 000	59 490 000	92 176 861	32 686 861
Total non- current assets	694 483 000	(4 934 000)	689 549 000	720 160 636	30 611 636
Total current liabilities	87 798 000	(15 474 000)	72 324 000	95 946 786	23 622 786
Total non- current liabilities	183 124 000	(3 505 000)	179 619 000	177 569 372	(2 049 628)
Total Net Assets	469 019 000	(9 881 000)	497 096 000 0	538 821 339	84 871 655

STATEMENT OF FINANCIAL PERFORMANCE

Grat Reporting Framework

Revenue

Property taxes	82 912 300	(657 000)	82 255 300	83 816 084	1 560 784
Government Grants and Subsidies-Capital	22 976 000	19 599 000	42 575 000	22 857 500	(19 717 500)
Government Grants and Subsidies-Operating	38 632 000	18 021 062	56 653 062	82 274 364	25 621 302
Public Contributions and Donations	919 390	3 375 324	4 294 714	1 106 231	(3 188 483)
Actuarial Gain	0	-	-	4 143 135	4 143 135
Fines	4 987 500	(1 387 500)	3 600 000	4 863 566	1 263 566
Service Charges	174 090 551	(70 702)	174 019 849	174 984 042	964 193
Rental of Facilities and Equipment	2 059 610	(878 587)	1 181 023	1 207 446	26 423
Interest Earned - external investments	506 100	2 443 900	2 950 000	2 844 200	(105 800)
Interest Earned - outstanding debtors	3 306 300	-	3 306 300	3 538 597	232 297
Agency Services	850 000	300 000	1 150 000	1 140 346	(9 654)
Other Income	6 973 500	(1 701 700)	5 271 800	8 616 573	3 344 773
Licences and Permits	240 000	(165 000)	75 000	64 980	(10 020)
Gain on disposal of Property, Plant and Equipment	11 100 000	(11 100 000)	-	0	-
Total Revenue	349 553 251	27 778 797	377 332 048	391 457 065	14 125 017

Expenditure

Employee related costs	114 317 040	(126 132)	114 190 908	110 967 339	(3 223 569)
Remuneration of Councillors	4 374 450	(196 566)	4 177 884	4 045 976	(131 908)
Debt Impairment	20 612 000	(7 812 000)	12 800 000	11 649 701	(1 150 299)
Collection Cost	850 000	(436 000)	414 000	901 030	487 030
Depreciation and Amortisation	21 390 910	(910 060)	20 480 850	19 329 570	(1 151 280)
Impairments	0	-	-	0	-
Repairs and Maintenance	11 373 990	169 300	11 543 290	8 360 046	(3 183 244)
Actuarial losses	0	-	-	96 683	96 683
Finance Charges	14 111 740	(614 162)	13 497 578	13 864 033	366 455
Bulk Purchases	73 775 000	(2 125 000)	71 650 000	70 486 020	(1 163 980)
Contracted services	14 867 510	50 000	14 917 510	12 300 877	(2 616 633)
Operating Grant Expenditure	11 882 000	17 621 252	29 503 252	45 468 594	15 965 342
General Expenses	41 223 420	2 505 609	43 729 029	39 527 140	(4 201 889)
Loss on Disposal of PPE	0	-	-	0	-
Total Expenditure	328 778 060	8 126 241	336 904 301	336 997 009	92 708
Transfers recognised-operational					
Net Surplus for the year	20 775 191	19 652 556	40 427 747	54 460 055	14 032 308

National Treasury Reporting Framework

BITOU MUNICIPALITY

BUDGET COMPARISONS FOR THE YEAR ENDED 30 JUNE 2013

Revenue

Service charges	177 655 000	(71 000)	177 584 000	174 984 042	(2 599 958)
Investment revenue	506 000	2 444 000	2 950 000	2 844 200	(105 800)
Transfers recognised-operational	38 632 000	17 937 000	56 569 000	82 274 364	25 705 364
Other own revenue	113 419 000	(12 384 000)	101 035 000	108 496 958	7 461 958
Total Revenue (excluding capital transfers)	330 212 000	7 926 000	338 138 000	368 599 565	30 461 565

Expenditure

Employee cost	111 061 000	878 000	111 939 000	110 967 339	(971 661)
Remuneration of councillors	4 374 000	(201 000)	4 173 000	4 045 976	(127 024)
Depreciation & asset impairment	21 391 000	(910 000)	20 481 000	19 329 570	(1 151 430)
Finance charges	14 112 000	(614 000)	13 498 000	13 864 033	366 033
Transfers and grants	3 380 000	(1 030 000)	2 350 000		(2 350 000)
Other expenditure	178 095 000	9 748 000	187 843 000	188 790 091	947 091
Total Expenditure	332 413 000	7 871 000	340 284 000	336 997 009	(3 286 991)
Surplus	(2 201 000)	55 000	(2 146 000)	31 602 556	33 748 556
Transfers recognised-capital	22 976 000	19 599 000	42 575 000	22 857 500	(19 717 500)
Surplus for the year	20 775 000	19 654 000	40 429 000	54 460 055	14 031 055

CASH FLOW STATEMENT

Net Cash from Operating Activities	33 641 000	20 402 000	54 043 000	51 202 634	(2 840 366)
Net Cash from Investing Activities	(35 306 000)	(23 999 000)	(59 305 000)	(40 983 168)	18 321 832
Net Cash from Financing Activities	10 467 000	(5 780 000)	4 687 000	3 369 089	(1 317 911)
Net increase/(decrease)in cash and cash equivalents	8 802 000	(9 377 000)	(575 000)	13 588 556	14 163 556

OPERATING EXPENDITURE BY VOTE

Community & Social Services	11 144 930	345 398	11 490 328	9 970 984	(1 519 344)
Corporate Services	22 417 420	(717 105)	21 700 315	29 740 311	8 039 996
Electricity	92 562 700	(3 356 532)	89 206 168	85 406 352	(3 799 816)
Executive & Council	32 038 270	3 227 782	35 266 052	33 032 148	(2 233 904)
Budget & Treasury	30 515 000	(1 405 499)	29 109 501	27 345 912	(1 763 589)
Housing	13 698 790	16 847 225	30 546 015	46 155 759	15 609 744
Other	4 595 400	(119 061)	4 476 339	3 635 640	(840 699)
Planning & Development	8 851 740	1 937 353	10 789 093	9 065 814	(1 723 279)
Public Safety	20 508 050	(1 330 143)	19 177 907	17 049 630	(2 128 277)
Road Transport	18 271 150	414 334	18 685 484	19 518 528	833 044
Sport & Recreation	17 720 080	(2 948 687)	14 771 393	14 622 504	(148 889)
Waste Management	19 457 900	(2 166 477)	17 291 423	18 350 935	1 059 512
Waste Water Management	18 549 930	(2 148 540)	16 401 390	15 481 266	(920 124)
Water	23 437 830	(1 867 437)	21 570 393	22 269 731	699 338
Internal charges	(1 356 190)	(2 221 310)	(3 577 500)	(4 409 890)	(832 390)
	332 413 000	4 491 301	336 904 301	347 235 624	10 331 323

CAPITAL EXPENDITURE BY VOTE

Community & Social Services	0	455 000	455 000	400 247	54 753
Corporate Services	3500000	(2 900 000)	600 000	242 047	357 953
Electricity	9500000	(5 979 248)	3 520 752	2 411 142	1 109 610
Executive & Council	0	52 000	52 000	726 979	(674 979)
Budget & Treasury	0	60 000	60 000	52 790	7 210
Planning & Development	0	20 000	20 000	12 115	7 885
Road Transport	6749000	9 655 808	16 404 808	15 758 821	645 987
Sport & Recreation	29120	3 230 880	3 260 000	284 416	2 975 584
Waste Management	4300000	(1 200 000)	3 100 000	0	3 100 000
Waste Water Management	7006880	9 554 120	16 561 000	9 282 072	7 278 928
Water	15391000	(50 000)	15 341 000	11 587 742	3 753 258
	46 476 000	12 898 560	59 374 560	40 758 372	18 616 188

Refer to note 52.5 for explanations of material variances between the original budget and final budget.

Refer to note 52.6 for explanations of material variances between actual amounts and the final budget.

Material variances are considered for variances larger than R3.5 million

BITOU MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

13 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2013

Reconciliation of Carrying Value

	Opening Balance R	Corrections	Cost					Accumulated Depreciation and Impairment Losses					Carrying Value R			
			Restated Opening Balances	Additions R	Under Construction	Write offs R	Impairments	Closing Balance R	Opening Balance R	Corrections	Restated Opening Balances	Additions R		Impairments R	Write offs	Closing Balance R
Land and Buildings	245 597 663	-	245 597 663		395 877	-	4 959 770	241 033 770	24 893 489	-	24 893 489	967 575	-	-	25 861 064	215 172 706
Land	202 636 543	-	202 636 543		350 877	-	4 957 561	198 029 859	-	-	-	-	-	-	-	198 029 859
Buildings	42 961 120	-	42 961 120		45 000	-	2 209	43 003 911	24 893 489	-	24 893 489	967 575	-	-	25 861 064	17 142 847
Infrastructure	465 790 678	-	465 790 678	26 406 948	12 790 655	-	7 913 736	497 074 544	127 965 026	-	127 965 026	11 526 622	-	7 033 998	132 457 649	364 616 895
Roads	128 811 706	-	128 811 706	13 880 500	-	-	4 522 276	138 169 929	39 977 878	-	39 977 878	3 062 346	-	3 674 684	39 365 540	98 804 389
Sewerage Mains and Purification	78 588 741	-	78 588 741	3 522 589	6 138 876	-	-	88 250 217	27 459 571	-	27 459 571	2 111 111	-	-	29 570 682	58 679 534
Electricity Mains	50 131 892	-	50 131 892	7 965 422	-	-	-	58 097 313	8 492 361	-	8 492 361	1 069 285	-	-	9 561 646	48 535 667
Electricity Peak Load Equipment	27 734 947	-	27 734 947	-	219 298	-	20 469	27 933 777	3 773 794	-	3 773 794	704 777	-	18 105	4 460 467	23 473 310
Water Mains and Purification	44 054 855	-	44 054 855	877 781	-	-	-	44 932 636	9 332 008	-	9 332 008	1 654 150	-	-	10 986 158	33 946 478
Reservoirs- Water	25 950 724	-	25 950 724	-	5 874 480	-	142 671	31 682 533	7 680 258	-	7 680 258	664 248	-	112 889	8 231 617	23 450 916
Water Mains	107 020 752	-	107 020 752	-	558 000	-	-	107 578 752	28 046 833	-	28 046 833	2 233 187	-	-	30 280 020	77 298 732
Landfill Sites	3 497 061	-	3 497 061	160 646	-	-	3 228 320	429 387	3 202 321	-	3 202 321	27 518	-	3 228 320	1 518	427 869
Community Assets	42 751 050	-	42 751 050	173 304	141 880	-	-	43 066 234	10 995 410	-	10 995 410	1 410 681	-	-	12 406 091	30 660 144
Parks and Gardens	6 242 662	-	6 242 662	-	-	-	-	6 242 662	2 795 970	-	2 795 970	319 774	-	-	3 115 743	3 126 919
Libraries	17 342 673	-	17 342 673	173 304	-	-	-	17 515 977	176 983	-	176 983	519 057	-	-	696 040	16 819 938
Recreation Grounds	16 531 480	-	16 531 480	-	141 880	-	-	16 673 360	5 870 912	-	5 870 912	507 764	-	-	6 378 677	10 294 684
Other Buildings	2 634 235	-	2 634 235	-	-	-	-	2 634 235	2 151 544	-	2 151 544	64 087	-	-	2 215 631	418 604
Lease Assets	8 094 681	-	8 094 681	485 354	-	5 787 110	-	2 792 924	5 480 352	-	5 480 352	1 916 571	-	5 641 087	1 755 835	1 037 088
Office Equipment	8 094 681	-	8 094 681	485 354	-	5 787 110	-	2 792 924	5 480 352	-	5 480 352	1 916 571	-	5 641 087	1 755 835	1 037 088
Other Assets	31 622 826	-	31 622 826	364 354	-	6 541 909	-	25 445 270	18 526 363	-	18 526 363	2 682 452	-	5 206 962	16 001 854	9 443 416
Office Equipment	4 981 699	-	4 981 699	64 303	-	517 736	-	4 528 266	2 776 310	-	2 776 310	741 190	-	334 991	3 182 509	1 345 757
Furniture & Fittings	5 608 001	-	5 608 001	186 054	-	277 467	-	5 516 589	3 241 224	-	3 241 224	643 494	-	182 894	3 701 825	1 814 764
Emergency Equipment	341 231	-	341 231	-	-	9 374	-	331 857	210 044	-	210 044	53 762	-	8 188	255 618	76 239
Motor vehicles	10 424 605	-	10 424 605	-	-	3 543 193	-	6 881 412	7 960 186	-	7 960 186	404 922	-	2 911 410	5 453 698	1 427 713
Fire Engines	4 032 687	-	4 032 687	-	-	665 605	-	3 367 082	1 267 823	-	1 267 823	179 084	-	504 053	942 854	2 424 228
Refuse Tankers	1 240 488	-	1 240 488	-	-	831 428	-	409 060	1 058 568	-	1 058 568	-	-	709 791	348 777	60 282
Computer Equipment	4 994 115	-	4 994 115	113 996	-	697 106	-	4 411 006	2 012 207	-	2 012 207	660 000	-	555 635	2 116 572	2 294 433
	793 856 897	-	793 856 897	27 429 959	13 328 412	20 242 756	4 959 770	809 412 743	187 860 639	-	187 860 639	18 503 901	-	17 882 047	188 482 493	620 930 246

BITOU MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

30 JUNE 2012

Reconciliation of Carrying Value

	Cost							Accumulated Depreciation and Impairment Losses						Carrying Value R		
	Opening Balance R	Corrections	Restated Opening Balances	Additions R	Under Construction	Disposals R	Impairments	Closing Balance R	Opening Balance R	Corrections	Restated Opening Balances	Additions R	Disposals R		Impairments	Closing Balance R
Land and Buildings	185 303 592	60 294 071	245 597 663	-	-	-	-	245 597 663	22 948 633	507 216	23 455 849	1 437 641	-	-	24 893 489	220 704 173
Land	145 421 872	57 214 671	202 636 543	-	-	-	-	202 636 543	-	-	-	-	-	-	-	202 636 543
Buildings	39 881 720	3 079 400	42 961 120	-	-	-	-	42 961 120	22 948 633	507 216	23 455 849	1 437 641	-	-	24 893 489	18 067 631
Infrastructure	446 488 361	392 264	446 880 626	6 512 829	13 808 056	-	1 410 834	465 790 678	117 231 554	-72 351	117 159 203	11 497 903	-	692 080	127 965 026	337 825 653
Roads	124 096 468	2 795 039	126 891 507	3 331 033	-	-	1 410 834	128 811 706	37 609 362	-77 350	37 532 032	3 137 926	-	692 080	39 977 878	88 833 827
Sewerage Mains and Purification	76 195 549	-5 637 505	70 558 044	1 030 597	7 000 000	-	-	75 588 741	25 430 913	308	25 431 221	2 028 350	-	-	27 459 571	51 129 170
Electricity Mains	45 688 793	2 328 717	48 017 510	2 114 382	-	-	-	50 131 892	7 520 288	-	7 520 288	372 073	-	-	8 492 361	41 639 530
Electricity Peak Load Equipment	27 252 449	457 499	27 709 947	25 000	-	-	-	27 734 947	3 076 492	12 321	3 088 813	684 981	-	-	3 773 794	23 961 153
Water Mains and Purification	43 614 608	440 247	44 054 855	-	-	-	-	44 054 855	7 672 562	92	7 672 653	1 659 355	-	-	9 332 008	34 722 847
Reservoirs- Water	24 317 237	2 756	24 319 993	-	1 630 731	-	-	25 950 724	7 010 971	92	7 011 063	669 195	-	-	7 680 258	18 270 467
Water Mains	102 016 388	5 512	102 021 900	11 817	4 987 034	-	-	107 020 752	25 734 625	-7 815	25 726 810	2 320 023	-	-	28 046 833	78 973 919
Landfill Sites	3 306 770	-	3 306 770	-	190 291	-	-	3 497 061	3 176 321	-	3 176 321	25 999	-	-	3 202 321	294 740
Community Assets	32 002 350	-7 000	31 995 350	10 755 699	-	-	-	42 751 050	10 004 618	-4 666	9 999 953	995 457	-	-	10 995 410	31 755 642
Parks and Gardens	6 242 662	-	6 242 662	-	-	-	-	6 242 662	2 453 618	-	2 453 618	342 352	-	-	2 795 970	3 446 693
Libraries	6 586 973	-	6 586 973	10 755 699	-	-	-	17 342 673	119 401	-	119 401	57 582	-	-	176 983	17 165 690
Recreation Grounds	16 531 480	-	16 531 480	-	-	-	-	16 531 480	5 358 827	-	5 358 827	512 085	-	-	5 870 912	10 660 568
Other Buildings	2 641 235	-7 000	2 634 235	-	-	-	-	2 634 235	2 072 772	-4 666	2 068 107	83 438	-	-	2 151 544	482 691
Lease Assets	3 421 453	4 343 037	7 764 490	330 191	-	-	-	8 094 681	1 431 085	3 005 445	4 436 529	1 043 823	-	-	5 480 352	2 614 330
Office Equipment and Vehicles	3 421 453	4 343 037	7 764 490	330 191	-	-	-	8 094 681	1 431 085	3 005 445	4 436 529	1 043 823	-	-	5 480 352	2 614 329
Other Assets	26 778 765	1 164 056	27 942 821	3 814 683	-	-	134 678	31 622 826	14 420 911	903 158	15 324 067	3 307 214	-	104 920	18 526 363	13 096 466
Office Equipment	4 667 105	335 829	5 002 934	-	-	-	21 234	4 981 700	1 674 339	240 009	1 914 349	876 468	-	14 506	2 776 310	2 205 390
Furniture & Fittings	4 402 972	457 229	4 860 201	747 800	-	-	-	5 608 001	2 265 190	335 832	2 601 022	640 202	-	-	3 241 224	2 366 777
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Equipment	253 474	87 757	341 231	-	-	-	-	341 231	129 490	62 718	192 208	46 593	-	-	238 800	102 430
Motor Vehicles	10 163 667	128 044	10 291 710	132 895	-	-	-	10 424 605	6 793 227	154 124	6 947 352	984 078	-	-	7 931 430	2 493 176
Fire Engines	3 309 615	-	3 309 615	723 072	-	-	-	4 032 687	1 074 307	-	1 074 307	193 516	-	-	1 267 823	2 764 864
Refuse Tankers	1 240 488	-	1 240 488	-	-	-	-	1 240 488	1 000 697	-	1 000 697	57 871	-	-	1 058 568	181 920
Computer Equipment	2 741 445	155 197	2 896 642	2 210 917	-	-	113 444	4 994 115	1 483 660	110 475	1 594 135	508 487	-	90 414	2 012 207	2 981 908
	693 994 522	66 186 427	760 180 950	21 413 402	13 808 056	-	1 545 512	793 856 897	166 036 801	4 338 801	170 375 601	18 282 038	-	797 000	187 860 639	605 996 253

APPENDIX A - Unaudited
BITOU LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2013

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2012	Correction of errors	Balance at 30 JUNE 2012 Restated	Received during the period	Redeemed/ written off during the period	Balance at 30 JUNE 2013
ANNUITY LOANS									
Development Bank	10.95%		2019/12/31	2 774 357	-	2 774 357	-	370 000	2 404 357
Development Bank	11.24%		2020/12/31	3 341 799	-	3 341 799	-	393 683	2 948 116
Development Bank	16.00%		2022/12/31	8 652 000	-	8 652 000	-	824 000	7 828 000
Development Bank	9.14%		2017/06/30	9 151 386	-	9 151 386	-	1 518 336	7 633 050
Development Bank	10.64%		2029/06/30	25 620 025	-	25 620 025	-	551 540	25 068 485
Development Bank	10.72%		2024/06/30	2 538 735	-	2 538 735	-	108 123	2 430 612
Development Bank	10.42%		2014/06/30	1 856 289	-	1 856 289	-	879 166	977 123
Standard Bank	10.56%		2020/06/30	2 556 261	-	2 556 261	-	210 083	2 346 178
Standard Bank	11.45%		2025/06/30	19 587 295	-	19 587 295	-	710 136	18 877 159
First National Bank	10.45%		2015/06/30	2 244 431	-	2 244 431	-	673 786	1 570 645
Standard Bank	11.26%		2021/06/30	15 608 529	-	15 608 529	-	1 086 554	14 521 975
Standard Bank	10.71%		2021/12/31	14 572 798	-	14 572 798	-	946 312	13 626 486
Standard Bank	10.86%		2021/06/30	14 066 671	-	14 066 671	-	906 954	13 159 717
Standard Bank			2023/06/30				12 200 000		12 200 000
Standard Bank			2018/06/30				1 110 000		1 110 000
Total Annuity Loans				122 570 576	-	122 570 576	13 310 000	9 178 673	126 701 903
LEASE LIABILITY									
Finance Leases				1 068 152	1 516 100	2 584 252	485 354	1 995 931	1 073 674
Total Lease Liabilities				1 068 152	1 516 100	2 584 252	485 354	1 995 931	1 073 674
TOTAL EXTERNAL LOANS				123 638 728	1 516 100	125 154 828	13 795 354	11 174 604	127 775 577

APPENDIX B - Unaudited
BITOU LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013
MUNICIPAL VOTES CLASSIFICATION

2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R		2013 Budget Income R	2013 Actual Income R	2013 Budget Expenditure R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R
-	(7 439 466)	(7 439 466)	Office of the Mayor	-	-	(6 898 960)	(4 842 664)	(4 842 664)
49 652	(980 670)	(931 017)	Special Programmes Mayor's Office	1 066 894	1 568 894	(1 864 004)	(2 362 116)	(793 222)
22 100 635	(39 782 469)	(17 681 834)	Council General Expense	28 074 900	29 885 804	(16 928 293)	(18 347 561)	11 538 244
-	(2 132 992)	(2 132 992)	Municipal Manager	-	-	(2 425 689)	(2 573 185)	(2 573 185)
-	(1 127 724)	(1 127 724)	Internal Audit	-	-	(1 891 887)	(1 378 756)	(1 378 756)
-	(5 544 293)	(5 544 293)	Legal Services	-	-	(5 257 219)	(3 527 866)	(3 527 866)
-	(2 640 636)	(2 640 636)	Tourism & Marketing	-	-	(2 603 560)	(2 001 932)	(2 001 932)
-	(3 374 686)	(3 374 686)	Community Services	-	-	(4 165 276)	(4 402 177)	(4 402 177)
13 272 637	(13 187 691)	84 946	Housing Services	38 511 923	50 691 380	(30 546 015)	(46 155 759)	4 535 621
471 024	(5 094 465)	(4 623 441)	Beaches	559 277	527 365	(6 546 024)	(6 828 273)	(6 300 908)
2 478 299	(4 070 250)	(1 591 951)	Library Services	3 962 451	3 986 830	(6 092 078)	(5 133 545)	(1 146 715)
90 508	(5 197 373)	(5 106 865)	Fire Fighting	42 000	113 433	(6 312 211)	(5 826 290)	(5 712 857)
5 904 871	(9 911 430)	(4 006 559)	Traffic Control	4 754 782	5 989 918	(9 895 818)	(8 214 172)	(2 224 254)
-	(2 537 321)	(2 537 321)	Law Enforcement	-	-	(2 969 878)	(3 009 169)	(3 009 169)
1 445 458	(9 184 680)	(7 739 222)	Parks and Recreation	3 394 881	336 761	(8 225 369)	(7 794 231)	(7 457 469)
21 666	(222 711)	(201 045)	Cemeteries	30 000	31 487	(265 588)	(185 488)	(154 001)
-	(216 661)	(216 661)	Simunye Multi-purpose Centre	218 000	218 000	(967 386)	(249 774)	(31 774)
19 236	(5 862 521)	(5 843 284)	Corporate Services	9 860	8 752	(7 881 851)	(7 471 875)	(7 463 123)
382 095	(2 631 067)	(2 248 972)	Human Resources	200 000	-	(3 078 126)	(2 444 366)	(2 444 366)
189 267	(1 157 145)	(967 878)	Aerodrome	199 340	215 568	(1 872 779)	(1 633 708)	(1 418 140)
1 262 670	(11 913 540)	(10 650 870)	Finance & Admin	2 367 640	5 795 869	(15 306 344)	(18 301 961)	(12 506 092)
69 812 089	(3 335 584)	66 476 505	Property Rates	82 255 300	83 816 084	(10 163 624)	(6 255 608)	77 560 476
-	(904 688)	(904 688)	Meter Reading	-	-	(1 160 798)	(1 169 545)	(1 169 545)
32 779	(2 008 192)	(1 975 413)	Stores/Supply Chain	60 000	85 746	(2 478 735)	(1 618 799)	(1 533 053)
-	(5 712 665)	(5 712 665)	IT Systems Management	-	-	(5 465 192)	(4 158 189)	(4 158 189)
-	(317 821)	(317 821)	Computer room	-	-	(388 250)	(453 241)	(453 241)
-	(17 515)	(17 515)	Clinics	-	-	-	-	-
1 028 986	(1 499 462)	(470 476)	Building Control	986 000	1 481 672	(1 975 774)	(2 155 231)	(673 560)
498 917	(4 565 596)	(4 066 680)	Municipal Buildings & land	560 176	573 101	(4 886 896)	(15 212 639)	(14 639 538)
-	(2 441 291)	(2 441 291)	IDP	626 696	587 019	(3 050 979)	(3 474 139)	(2 887 120)
124 417	(2 059 836)	(1 935 419)	Town Planning	529 200	498 700	(3 380 686)	(1 994 170)	(1 495 469)
14 060 088	(1 377 981)	12 682 107	Director Strategic Service	3 674 808	3 674 808	(2 381 654)	(1 442 275)	2 232 533
-	(2 008 698)	(2 008 698)	Public Works	-	-	(2 291 696)	(2 364 117)	(2 364 117)
-	(1 448 434)	(1 448 434)	Directorate Public Works	-	-	(1 747 785)	(1 725 785)	(1 725 785)
-	(12 965 479)	(12 965 479)	Roads and Stormwater	-	-	(12 667 083)	(13 345 892)	(13 345 892)
301 651	(701 651)	(400 000)	Proclaimed Main Roads	544 599	531 692	(544 599)	(519 297)	12 394
-	(1 375 070)	(1 375 070)	Mechanical Workshop	-	-	(1 434 321)	(1 563 437)	(1 563 437)
16 183 810	(13 427 642)	2 756 168	Cleansing/Refuse Removal	19 551 500	18 244 426	(17 291 423)	(18 350 935)	(106 509)
29 327 280	(17 681 642)	11 645 638	Sewerage Services	42 114 795	35 174 406	(16 401 390)	(15 481 266)	19 693 139

91 501 613	(79 481 671)	12 019 942	Electricity Services	99 050 981	101 252 914	(89 206 168)	(85 406 352)	15 846 562
38 253 413	(12 770 821)	25 482 592	Water Services	47 563 545	50 576 326	(11 643 112)	(13 886 575)	36 689 752
-	(7 139 342)	(7 139 342)	Water Purification	-	-	(9 927 281)	(8 383 156)	(8 383 156)
308 813 061	(307 450 870)	1 362 191	Sub Total	380 909 548	395 866 955	(340 481 801)	(351 645 514)	44 221 441
-	-	-	Less Internal charges	(3 577 500)	(4 409 890)	3 577 500	4 409 890	(0)
308 813 061	(307 450 870)	1 362 191	Total	377 332 048	391 457 065	(336 904 301)	(347 235 624)	44 221 441
					103.74%		103.07%	

APPENDIX C - Unaudited
BITOU LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R		2013 Budget Income	2013 Actual Income R	2013 Budget Expenditure
22 150 288	(57 007 613)	(34 857 325)	Executive & Council	29 141 794	31 454 698	(35 266 052)
71 107 539	(18 162 004)	52 945 535	Budget & Treasury	84 682 940	89 697 698	(29 109 501)
900 248	(19 089 670)	(18 189 422)	Corporate Services	770 036	581 853	(21 700 315)
15 213 491	(7 378 571)	7 834 920	Planning & Development	5 816 704	6 242 199	(10 789 093)
-	(17 515)	(17 515)	Health	-	-	-
2 499 965	(7 884 308)	(5 384 343)	Community & Social Services	4 210 451	4 236 317	(11 490 328)
13 272 637	(13 187 691)	84 946	Housing	38 511 923	50 691 380	(30 546 015)
5 995 379	(17 646 124)	(11 650 745)	Public Safety	4 796 782	6 103 351	(19 177 907)
1 916 482	(14 279 145)	(12 362 663)	Sport & Recreation	3 954 158	864 127	(14 771 393)
16 183 810	(13 427 642)	2 756 168	Waste Management	19 551 500	18 244 426	(17 291 423)
29 327 280	(17 681 642)	11 645 638	Waste Water Management	42 114 795	35 174 406	(16 401 390)
301 651	(18 499 331)	(18 197 681)	Road Transport	544 599	531 692	(18 685 484)
38 253 413	(19 910 163)	18 343 250	Water	47 563 545	50 576 326	(21 570 393)
91 501 613	(79 481 671)	12 019 942	Electricity	99 050 981	101 252 914	(89 206 168)
189 267	(3 797 781)	(3 608 514)	Other	199 340	215 568	(4 476 339)
308 813 061	(307 450 870)	1 362 191	Sub Total	380 909 548	395 866 955	(340 481 801)
-	-		Internal charges	(3 577 500)	(4 409 890)	3 577 500
308 813 061	(307 450 870)	1 362 191	Total	377 332 048	391 457 065	(336 904 301)
					103.74%	

2013

2013 Actual Expenditure R	2013 Surplus/ (Deficit) R
(33 032 148)	(1 577 449)
(27 345 912)	62 351 786
(29 740 311)	(29 158 458)
(9 065 814)	(2 823 616)
-	-
(9 970 984)	(5 734 667)
(46 155 759)	4 535 621
(17 049 630)	(10 946 279)
(14 622 504)	(13 758 377)
(18 350 935)	(106 509)
(15 481 266)	19 693 139
(19 518 528)	(18 986 837)
(22 269 731)	28 306 595
(85 406 352)	15 846 562
(3 635 640)	(3 420 071)
(351 645 514)	44 221 441
4 409 890	-
(347 235 624)	44 221 441
-103.07%	

**APPENDIX D - Unaudited
BITOU LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 1 JULY 2012	Correction of error	Balance 1 JULY 2012	Grants Received	Grant Refunded	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2013
	R	R	R	R		R	R	R
UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS								
<u>National Government Grants</u>								
Equitable Share			-	23 375 000		23 375 000		-
MIG Grant	-		-	14 655 000			14 655 000	-
National Electrification Programme	1 960 752		1 960 752	500 000			2 460 752	-0
Neighbourhood Development Partnership Grant	3 461 808		3 461 808	213 000			3 674 808	-0
Drought Relief Grant	-		-					-
Municipal Sytems Improvement Grant	-		-	800 000		800 000		-
Financial Management Grant	-		-	1 250 000		1 250 000		-
Escom Demand Side Management (EDSM)	(280 000)		(280 000)					-280 000
Public Transport Grant	-		-					-
Total National Government Grants	5 142 560	-	5 142 560	40 793 000		25 425 000	20 790 560	-280 000
<u>Provincial Government Grants</u>								
Provincial Management Support Grant	364 205		364 205	200 000		364 205		200 000
Community Development Workers	12 894		12 894	54 000		66 894		0
Libraries	39 451		39 451	468 000		507 451		-0
MMC Kurland	16 818		16 818			16 818		-
Spatial Planning	184 200		184 200			184 200		-0
Traffic Disaster	782		782			782		-
Provincial Housing Grant	33 873 553		33 873 553	39 286 616	14 000 000	50 550 015		8 610 154
Proclaimed Roads Maintenance	498 349		498 349	33 343			531 692	0
EPWP	502 000		502 000	1 000 000		1 502 000		-
Municipal Replacement Grant	-		-	3 439 000		3 439 000		-
Emergency Funding N.D.M.C	-		-	13 835 080			1 535 247	12 299 833
Sport and Recreation Facilities				200 000				200 000
LED Learnership								-
Thusong Grant				218 000		218 000		-
LGSETA				550 005				550 005
Total Provincial Government Grants	35 492 253	-	35 492 253	59 284 044	14 000 000	56 849 365	2 066 939	21 859 992
<u>District Municipality Grants</u>								
		-	-	-			-	-
		-	-	-			-	-
Total District Municipality Grants		-	-	-		-	-	-
TOTAL	40 634 812	-	40 634 812	100 077 044	14 000 000	82 274 365	22 857 500	21 579 991
<u>Public Grants</u>								
Social Responsibility	245 673		245 673					245 673

**APPENDIX D - Unaudited
BITOU LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

LED Strategy (IDC)	205 996		205 996			205 996		0
Upgrade Kwano Sportfield	3 000 000		3 000 000				141 880	2 858 120
Alien Vegetation (Std Bank)	194 881		194 881			194 881		-
Lipton	-		-					-
Total Other Grant Providers	3 646 550	-	3 646 550	-		400 877	141 880	3 103 793
Total	44 281 362	-	44 281 362	100 077 044	14 000 000	82 675 242	22 999 380	24 683 785