

HESSEQUA MUNICIPALITY  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2012

I am responsible for the preparation of these annual financial statements, which are set out on pages ..... to ....., in terms of Section 126(1) of the Municipal Finance Management Act 56 of 2003 , and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 31 of these Annual Financial Statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of the Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

.....

J. JACOBS  
Municipal Manager

.....

Date

<b>INDEX</b>	<b>PAGE</b>
Statement of Financial Position	
Statement of Financial Performance	
Statement of Changes in Net Assets	
Cash Flow Statement	
Accounting Policies	
Notes to the Annual Financial Statements	
Appendix A:     Schedule of External Loans	
Appendix B:     Analysis of Property, Plant and Equipment	
Appendix C:     Segmental Analysis of Property, Plant and Equipment	
Appendix D:     Segmental Statement of Financial Performance	
Appendix E (1):  Actual versus Budget (Revenue and Expenditure)	
Appendix E (2):  Actual versus Budget (Acquisition of Property, Plant and Equipment)	
Appendix F:     Disclosure of Grants and Subsidies in terms of section 123 of the MFMA	
Trust Funds:     Statement of Financial Position	
Statement of Financial Performance	
Accounting Policies	

**HESSEQUA MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012**

Net Assets and Liabilities	Note	2012 R	2011 R
<b>ASSETS</b>			
<b>Current Assets</b>		<b>70,679,901</b>	<b>100,006,666</b>
Inventory	2	790,136	818,150
Non-current Assets held for sale	3	241,500	87,000
Trade receivables from exchange transactions	4	17,188,592	16,448,019
Trade receivables from non-exchange transactions	5	10,984,818	7,697,287
VAT Receivable	6	3,171,706	2,599,594
Bank, Cash and Cash Equivalents	7	3,822,779	2,102,592
Call Investment deposits	8	34,239,163	70,020,893
Operating Lease Assets	9	239,430	231,489
Current Portion of Long-term Receivables	13	1,777	1,643
<b>Non-Current Assets</b>		<b>599,042,682</b>	<b>550,789,228</b>
Property, Plant and Equipment	10	555,215,986	506,947,422
Intangible assets	11	352,223	365,556
Investment Property	12	43,450,280	43,450,280
Long-term Receivables	13	24,193	25,970
<b>Total Assets</b>		<b>669,722,583</b>	<b>650,795,894</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>72,489,412</b>	<b>60,956,107</b>
Consumer Deposits	14	3,254,337	3,253,353
Provisions	15	9,431,410	7,780,611
Creditors	16	48,292,389	34,727,982
Unspent Conditional Grants and Receipts	17	2,841,463	6,925,194
Operating Lease Liabilities	18	17,784	21,221
Bank Overdraft	7	0	0
Current Portion of Long-term Liabilities	19	8,652,029	8,247,746
<b>Non-Current Liabilities</b>		<b>86,187,517</b>	<b>92,138,934</b>
Long-term Liabilities	19	47,717,351	56,356,369
Retirement Benefit Liabilities	20	33,809,679	31,386,837
Non-current Provisions	21	3,077,024	2,851,237
Trust Fund	50	1,583,464	1,544,492
<b>Total Liabilities</b>		<b>158,676,929</b>	<b>153,095,042</b>
<b>Total Assets and Liabilities</b>		<b>511,045,654</b>	<b>497,700,853</b>
<b>NET ASSETS</b>		<b>511,045,655</b>	<b>497,700,853</b>
Statutory Funds	22	53,575	49,838
Accumulated Surplus	23	510,992,080	497,651,015
<b>Total Net Assets</b>		<b>511,045,655</b>	<b>497,700,853</b>

HESSEQUA MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

Budget				Actual	
2011	2012	Revenue	Note	2012	2011
R	R			R	R
					(Restated)
43,463,157	47,564,355	Property Rates	24	47,057,019	42,385,316
117,378,559	134,031,545	Service Charges	25	126,286,476	109,328,230
3,105,340	3,538,703	Rental of facilities and equipment		3,863,733	3,601,877
5,725,000	3,800,000	Interest earned - external investments		3,613,812	3,967,327
517,000	1,081,200	Interest earned - outstanding receivables		1,044,955	1,063,350
2,536,200	2,445,650	Fines		2,890,922	2,676,202
260,500	272,500	Licences and permits		210,094	293,514
1,176,500	1,215,300	Income for agency services		1,313,850	1,221,382
69,788,495	74,513,845	Government grants and subsidies (Restated)	26 + 27	74,113,366	58,367,483
2,684,928	2,717,168	Other income	28	3,056,078	3,611,851
20,200,000	1,150,000	Gains on disposal of property, plant and equipment		665,999	3,155,023
0	0	Gain on revaluation of Investment Property		0	357,000
0	0	Recognition of heritage assets		0	8,326,375
<b>266,835,679</b>	<b>272,330,266</b>	<b>Total Revenue</b>		<b>264,116,304</b>	<b>238,354,930</b>
		<b>Expenditure</b>			
80,007,952	90,610,573	Employee related costs	29	87,046,137	86,081,393
4,541,808	4,463,845	Remuneration of Councillors	30	4,314,259	4,093,200
2,439,638	2,634,536	Bad debts	31	2,911,770	3,392,909
811,880	953,764	Collection costs		624,805	696,647
15,270,123	16,475,513	Depreciation and amortisation	32	16,792,419	15,815,481
14,181,715	12,509,943	Repairs and maintenance		11,026,408	12,427,346
5,114,073	7,617,435	Interest paid	33	7,631,308	5,601,000
46,460,957	56,268,772	Bulk purchases	34	55,774,701	44,874,237
0	0	Loss on disposal of property, plant and equipment		346,942	133,249
3,215,000	3,389,000	Contracted services		3,236,164	3,172,254
76,687,186	73,169,607	General expenses	35	61,066,591	55,110,543
<b>248,730,332</b>	<b>268,092,988</b>	<b>Total Expenditure</b>		<b>250,771,503</b>	<b>231,398,259</b>
<b>18,105,347</b>	<b>4,237,278</b>	<b>Surplus/(Deficit) For The Year</b>		<b>13,344,801</b>	<b>6,956,671</b>

Refer to Appendix E (1 ) for explanation of variances

**HESSEQUA MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED**

**30 JUNE 2012**

	Note	Housing Reserve R	Revaluation Reserve R	Accumulated Surplus/ (Deficit) R	Total R
<b>2011</b>					
<b>Balance at 1 July 2010</b>		<b>43,037</b>	<b>0</b>	<b>490,774,249</b>	<b>490,817,286</b>
Correction of errors	<b>48.1</b>			-73,095	-73,095
<b>Restated balance at 1 July 2010</b>		<b>43,037</b>	<b>0</b>	<b>490,701,154</b>	<b>490,744,191</b>
Restated surplus for the year	<b>48.4</b>			6,956,671	6,956,671
Transfer to Housing Reserve		6,810		-6,810	0
<b>Restated balance at 30 June 2011</b>		<b>49,847</b>	<b>0</b>	<b>497,651,015</b>	<b>497,700,862</b>
Surplus for the year				13,344,801	13,344,801
Transfer from Housing Reserve		3,736		-3,736	0
<b>Balance at 30 June 2012</b>		<b>53,583</b>	<b>0</b>	<b>510,992,080</b>	<b>511,045,663</b>

HESSEQUA MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

Cash Flow from Operating Activities	Note	2012 R	2011 R
Cash receipts from ratepayers, government and other		254,763,435	211,346,190
Cash payments to suppliers and employees		-212,776,207	-176,402,704
<b>Cash generated from/(utilised in) operations</b>	<b>37</b>	<b>41,987,228</b>	<b>34,943,485</b>
Interest received		4,658,766	5,030,678
Interest paid	<b>33</b>	-7,631,308	-5,601,000
<b>Net Cash from Operating Activities</b>		<b>39,014,687</b>	<b>34,373,163</b>
<b>Cash flows from Investing Activities</b>			
Purchase of property, plant and equipment	<b>10</b>	-65,627,791	-43,144,420
Sale of property, plant and equipment		704,699	3,156,881
Increase in Non-Current assets held for sale		40,000	0
(Increase)/decrease in non-current receivables		1,643	1,519
<b>Net Cash flows from Investing Activities</b>		<b>-64,881,449</b>	<b>-39,986,021</b>
<b>Cash flows from Financing Activities</b>			
New loans raised/(repaid)		-8,234,735	16,682,327
Increase in consumer deposits		984	133,832
Increase in Trust Funds		38,972	23,076
<b>Net Cash from Financing Activities</b>		<b>-8,194,779</b>	<b>16,839,235</b>
<b>Net Increase / (decrease) in Cash and Cash Equivalents</b>		<b>-34,061,543</b>	<b>11,226,377</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>72,123,485</b>	<b>60,897,108</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>36</b>	<b>38,061,942</b>	<b>72,123,485</b>

The Municipality applied for a loan of R25,0 mil before year end for bridging finance provided by the Municipality for capital expenses incurred during the year under review. The loan was approved and received after year end, which will significantly improved the cash flow position of the Municipality.

HESSEQUA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

1. GENERAL INFORMATION

Hessequa Municipality (the municipality) is a local government institution in Riversdale, Western Cape. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Constitution.

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a medium capacity municipality and must comply with GRAP by 30 June 2009. The municipality, however, took advantage of the transitional provisions in Directive 4 from the Accounting Standards Board and is fully compliant with GRAP as at 30 June 2012.

2. INVENTORY

2.1 Stores, water and paving

Stilbaai Store - at cost	484,926	495,855
Store Heidelberg - Electrical - at cost	77,138	35,979
Public Works - Heidelberg - at cost	12,420	5,117
Waterworks - Heidelberg - at cost	25,637	37,569
Water Inventory - at cost	164,351	218,378
	764,472	792,898

2.2 Other

Stilbaai Books	662	374
Refuse Bins	592	740
Refuse Bags - Jongensfontein	108	378
Hessequa Book: Riversdal Tourism	6,245	6,245
Albertinia Municipal Office	1,358	1,358
Slangrivier - Office	679	679
Stilbaai - Office	1,086	1,086
Gouritsmond Tourism	10,726	10,726
Stilbaai Tourism	272	272
Witsand - Office	950	950
Heidelberg - Office	1,358	1,358
Mayoral Office	1,629	1,086
<b>Total</b>	<b>790,136</b>	<b>818,150</b>

Water Inventory

The Municipality also has raw, untreated water in stock in the Olive Grove Dam of about 434 500 cubic meters. In its present form, this water stock cannot be sold and needs to be purified and therefore, its fair value has been estimated at the direct cost of the department less cost of chemicals, divided by the kiloliters sold.

Inventories are held for own use with the result that no write downs of Inventory to Net Realisable Value was required.

No Inventories have been pledged as collateral for Liabilities of the municipality.

The cost of Inventories recognised as an expense during the period was R585,356 (2011: R574,960).

3. NON-CURRENT ASSETS HELD-FOR-SALE

Property held-for-sale at beginning of year as restated	87,000	150,500
Correction of errors	0	-63,500
Transfers from PPE	264,000	0
Disposals	-40,000	
Less: Impairment	-69,500	0
<b>Total assets classified as held-for-sale</b>	<b>241,500</b>	<b>87,000</b>

The municipality intends to dispose of parcels of land it no longer utilises within the next 12 months. Test for impairment loss was done and recognised where applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

4. Trade receivables from exchange transactions	30 June 2011			30 June 2012		
	Gross Balance	Provision for Bad Debts	Net Balance	Gross Balance	Provision for Bad Debts	Net Balance
Service Debtors:						
Electricity	9,092,284	1,955,042	7,137,241	10,756,713	2,868,609	7,888,104
Water	3,934,309	845,964	3,088,345	4,587,441	1,223,382	3,364,059
Sewerage	3,519,150	756,695	2,762,455	3,535,802	942,930	2,592,872
Waste Management	2,078,469	446,917	1,631,552	1,916,290	511,038	1,405,252
Housing Rental/Selling Schemes	1,704	366	1,338	1,704	454	1,250
Other	2,327,567	500,478	1,827,088	2,641,490	704,435	1,937,055
	<b>20,953,482</b>	<b>4,505,463</b>	<b>16,448,019</b>	<b>23,439,440</b>	<b>6,250,848</b>	<b>17,188,592</b>

Ageing of consumer debtors

**Electricity, Water, Waste Management & Sewerage**

Current (0 - 30days) 11,111,350 9,395,771

**Past due**

31 - 60 days 1,916,185 1,829,659

60 days + 663,661 772,303

90 days + 7,105,070 6,626,478

**Total 20,796,266 18,624,212**

**Other**

Current (0 - 30days) 433,150 294,067

**Past due**

31 - 60 days 264,977 182,272

60 days + 149,743 98,115

90 days + 1,793,600 1,753,113

**Total 2,641,470 2,327,567**

**Housing rentals**

Current (0 - 30days) 0 0

**Past due**

31 - 60 days 0 0

60 days + 0 0

90 days + 1,704 1,704

**Total 1,704 1,704**

The average credit period for Consumer Debtors is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter interest is charged on the outstanding balance at prime plus 1%. The municipality strictly enforces its approved credit control policy to ensure the recovery of Consumer Debtors.

**Summary of Debtors by Customer Classification**

The summary of assessment Rates of Debtors by Customer Classification is included in the summary below. A separate summary of assessment rates could not be provided as separate amounts are not available.

	Domestic R	Industrial/ Commercial R	National and Provincial Government R	Other R
<b>As at 30 June 2012</b>				
<b>Current:</b>				
0 - 30 days	8,892,156	2,105,902	379,750	166,670
<b>Past Due:</b>				
31 - 60 Days	1,728,074	388,436	28,743	35,907
61 - 90 Days	666,498	114,189	6,446	26,271
+ 90 Days	7,527,861	520,455	114,858	737,224
<b>Sub-total</b>	<b>18,814,589</b>	<b>3,128,982</b>	<b>529,797</b>	<b>966,072</b>
Less: Provision for Impairment	-5,133,521	-853,736	0	-263,591
<b>Total Debtors by Customer Classification</b>	<b>13,681,068</b>	<b>2,275,246</b>	<b>529,797</b>	<b>702,481</b>



## 4. TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)

## Summary of Debtors by Customer Classification

	Domestic R	Industrial/ Commercial R	National and Provincial Government R	Other R
<b>As at 30 June 2011</b>				
<u>Current:</u>				
0 - 30 days	7,795,171	1,610,889	273,410	10,368
<u>Past Due:</u>				
31 - 60 Days	1,573,992	298,061	135,008	4,870
61 - 90 Days	744,616	106,905	15,430	3,467
+ 90 Days	7,580,029	632,796	119,702	48,768
<b>Sub-total</b>	<b>17,693,808</b>	<b>2,648,651</b>	<b>543,550</b>	<b>67,473</b>
Less: Provision for Impairment	-3,779,520	-707,909	0	-18,034
<b>Total Debtors by Customer Classification</b>	<b>13,914,288</b>	<b>1,940,742</b>	<b>543,550</b>	<b>49,439</b>

## Reconciliation of the provision for impairment

Balance at beginning of year		7,181,954	6,271,199
Impairment Losses recognised		3,716,589	3,392,909
Amounts written off as uncollectable		-1,968,759	-2,482,154
<b>Balance at end of year</b>		<b>8,929,783</b>	<b>7,181,954</b>

In determining the recoverability of a Consumer Debtor, the municipality considers any change in the credit quality of the Consumer Debtor from the date credit was initially granted up to the reporting date, and places strong emphasis on verifying the indigent status of consumers. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the Provision for Impairment.

Provision for impairment of Consumer Debtors have been made by an assessment of each individual debtors account. Assumptions regarding recoverability were made based on investigations of all consumer balances outstanding.

The average credit period for government grants and subsidies is dependant on the Government Department involved and the nature of claims. No interest is charged on outstanding government grants and subsidies. The subsidies are payable to the municipality per allocations made in the Division of Revenue Act or based on agreements between the municipality and the relevant departments. Government grants and Subsidies receivable are past due and not impaired as management has no concern over the credit quality of these assets

At 30 June 2012 consumer debtors of R5,644,092 (2011: R 9,960,544) were past due but not impaired. The age analysis of these consumer debtors is as follows:

31 - 60 Days	2,181,162	1,780,710
61 - 90 Days	813,404	771,456
91 Days +	2,649,526	7,408,378
<b>Total</b>	<b>5,644,092</b>	<b>9,960,544</b>

No discounting calculation has been considered on the outstanding arrangements due to the fact that the provision for bad debts on these accounts are considered to be adequate to ensure that these balances are disclosed at fair value.

## 5. TRADE RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Restated	
Assessment rates debtors	10,680,501	9,900,738
Insurance claims	20,469	25,426
Government subsidies	2,283,214	0
Prepaid Expenses	15,915	15,915
Employees PAYE & Salary control	15,493	19,970
Other	648,161	411,728
	13,663,753	10,373,778
Less: Provision for Impairment	-2,678,935	-2,676,491
<b>Total Trade Receivables from non-exchange transactions</b>	<b>10,984,818</b>	<b>7,697,287</b>

**5. TRADE RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS - (continued)**

The average credit period for **Other Debtors**, excluding Assessment rate debtors, is 30 days. No interest is charged on other debtors. Interest is charged at prime plus 1% on all overdue assessment rates.

The claims instituted against the Municipality's insurance company are supported by valid insurance claims which are claimable in terms of the insurance contract entered into by the Municipality. The average waiting period depends on the nature of the claim. No interest is charged on outstanding insurance claims.

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

**Ageing of trade receivables from non-exchange transaction****Rates Ageing**

Current (0 - 30days)	3,624,641	3,246,682
<b>Past due</b>		
31 - 60 days	1,588,874	770,540
60 days +	385,061	410,044
90 days +	5,081,925	5,473,472
<b>Total</b>	<b>10,680,501</b>	<b>9,900,738</b>

**Summary of Debtors by Customer Classification**

	Domestic R	Industrial/ Commercial R	National and Provincial Government R	Other R
<b>As at 30 June 2012</b>				
<b>Current:</b>				
0 - 30 days	3,436,211	179,534	3,119	5,777
<b>Past Due:</b>				
31 - 60 Days	1,514,790	59,310	13,402	1,372
61 - 90 Days	359,912	18,580	6,218	351
+ 90 Days	4,459,819	152,473	152,689	316,944
Sub-total	<b>9,770,732</b>	<b>409,897</b>	<b>175,428</b>	<b>324,444</b>
Less: Provision for Impairment	-2,491,668	-104,529	0	-82,738
<b>Total Debtors by Customer Classification</b>	<b>7,279,064</b>	<b>305,368</b>	<b>175,428</b>	<b>241,706</b>
<b>As at 30 June 2011</b>				
<b>Current:</b>				
0 - 30 days	3,080,662	149,089	14,855	2,076
<b>Past Due:</b>				
31 - 60 Days	701,777	40,305	26,837	1,622
61 - 90 Days	376,453	23,282	8,700	1,609
+ 90 Days	4,858,941	144,504	454,097	15,928
Sub-total	<b>9,017,833</b>	<b>357,180</b>	<b>504,489</b>	<b>21,235</b>
Less: Provision for Impairment	-2,560,795	-109,203	0	-6,492
<b>Total Debtors by Customer Classification</b>	<b>6,457,038</b>	<b>247,977</b>	<b>504,489</b>	<b>14,743</b>

**6. VAT**

VAT payable	-1,846,305	-2,218,841
VAT receivable	5,018,010	4,818,435
<b>Net VAT payable/(receivable)</b>	<b>3,171,706</b>	<b>2,599,594</b>

VAT is payable on the receipt basis. Once payment is received from debtors VAT is paid over to SARS. The Vat amount on outstanding debtors amounts to R2,392,986 (2011: R2,218,841) at year end.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies.

**7. BANK AND CASH**

Bank, Cash and Cash Equivalents	9,080	6,080
Bank balance	0	2,096,512
Bank	<b>3,813,699</b>	0
<b>Total Bank, Cash and Cash Equivalents</b>	<b>3,822,779</b>	<b>2,102,592</b>

For the purposes of the Statement of Financial Position and 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

**7. BANK AND CASH - (continued)**

**Primary Bank Account**

First National Bank - Riversdale Branch Code 200313

Account Number 53571024174

Cheque Account

Cash book balance at beginning of year	1,886,831	-1,557,361
Cash book balance at end of year	3,813,699	1,886,831
Bank statement balance at beginning of year	5,543,538	16,877,372
Bank statement balance at end of year	3,917,150	5,543,538

**Current Account**

First National Bank - Riversdale Branch Code 200313

Account Number 62225917543

Cheque Account

Cash book balance at beginning of year	209,681	8,857
Cash book balance at end of year	25,466	209,681
Bank statement balance at beginning of year	209,531	8,857
Bank statement balance at end of year	25,466	209,531

The management of the municipality is of the opinion that the carrying value of Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Bank Balances, Cash and Cash Equivalents was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

**8. INVESTMENTS**

**Financial Instruments**

- Short term investments	34,239,163	70,020,893
<b>Total</b>	<b>34,239,163</b>	<b>70,020,893</b>

**Summary of Investments**

Sanlam	34,207,941	0
FNB	31,222	4,706,766
Standard Bank	0	20,156,846
Investec	0	30,093,041
Nedbank	0	15,064,240
	<b>34,239,163</b>	<b>70,020,893</b>

**Allocations of investments**

- Repayment of Long-term Liabilities as set out in Note 19	8,652,029	8,247,746
- Attributable to Unspent Conditional Grants as set out in Note 17	2,841,464	6,925,194
- Attributable to Housing Reserve as set out in Note 22	53,575	49,838
- Attributable to Trust Funds - see note 48	1,583,464	1,544,492
- Available for Operational Account	21,108,632	53,253,622
	<b>34,239,163</b>	<b>70,020,893</b>

Short term investment Deposits expired during the year and were invested in Sanlam investment portfolio's. The portfolio statement at 30 June 2012 indicates a market movement of R10 654. This adjustment was not done due to the immateriality of the amount involved. The investments have a maturity period of less than 3 months and earn interest varying from 5.5% to 6.63%.

The management of the Municipality is of the opinion that the carrying value of Short-term investment Deposits recorded at amortised cost in the Annual Financial Statements approximate their fair value.

The fair value of Short-term Investment Deposits was determined after considering the standard terms and conditions of agreements entered into between the Municipality and financial institutions.

**9. OPERATING LEASE ASSETS**

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following assets have been recognised:

Balance at beginning of year	231,488.63	221,640
Operating Lease expenses recorded	-982,578.35	-455,967
Operating Lease payments effected	990,519.78	465,816
<b>Total Operating Lease Assets as restated</b>	<b>239,430.06</b>	<b>231,489</b>

## 9. OPERATING LEASE ASSETS - (continued)

## 9.1 Leasing arrangements

Operating Leases relate to Property owned by the municipality with lease terms of between 1 to 25 years, with an option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

## 9.2 Amounts receivable under Operating Leases

At the Reporting Date the following lease receipts were receivable under Operating Leases, at variable periods, for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	1,000,822	806,501
2 to 5 years	1,853,073	1,477,033
More than 5 years	100,877	111,590
<b>Total Operating Lease Arrangements</b>	<b>2,954,772</b>	<b>2,395,125</b>

The impact of charging the escalations in Operating Leases on a straight-line basis over the term of the lease has been a decrease in current year income of R7 941 (2011: R9 849).

## 10. PROPERTY, PLANT AND EQUIPMENT

## 30 June 2012

## Reconciliation of Carrying Value

Description	Land and Buildings	Infrastructure	Community	Heritage	Other	Total
Carrying values at 1 July 2011 - As restated	259,433,642	208,567,691	10,313,840	8,331,875	20,300,374	506,947,422
<b>Cost</b>	<b>266,782,201</b>	<b>250,190,372</b>	<b>14,966,875</b>	<b>8,331,875</b>	<b>34,581,720</b>	<b>574,853,043</b>
- Completed Assets	266,782,201	230,485,601	14,764,396	8,331,875	34,581,720	554,945,793
- Under Construction	0	19,704,771	202,479	0	0	19,907,250
<b>Accumulated Depreciation:</b>	<b>7,348,559</b>	<b>41,622,681</b>	<b>4,653,035</b>	<b>0</b>	<b>14,281,346</b>	<b>67,905,621</b>
- Cost	7,348,559	41,622,681	4,653,035	0	14,281,346	67,905,621
- Revaluation	0	0	0	0	0	0
Transfer of cost	-264,000	0	0	0	0	-264,000
Disposals	-38,700	-61,573	0	0	-1,086,572	-1,186,845
Depreciation on disposals	0	34,254	0	0	766,949	801,203
<b>Total acquisitions</b>	<b>2,001,192</b>	<b>56,839,334</b>	<b>1,096,425</b>	<b>0</b>	<b>5,690,839</b>	<b>65,627,791</b>
Acquisitions	1,751,235	51,185,884	1,096,425	0	5,690,839	59,724,384
Capital under Construction - Additions	249,957	5,653,450	0	0	0	5,903,407
<b>Depreciation:</b>	<b>3,942,551</b>	<b>7,539,249</b>	<b>797,318</b>	<b>0</b>	<b>4,430,467</b>	<b>16,709,586</b>
- Based on cost	3,942,551	7,539,249	797,318	0	4,430,467	16,709,586
- Based on revaluation	0	0	0	0	0	0
<b>CARRYING VALUES AT 30 JUNE 2012</b>	<b>257,189,583</b>	<b>257,840,457</b>	<b>10,612,947</b>	<b>8,331,875</b>	<b>21,241,124</b>	<b>555,215,986</b>
<b>Cost</b>	<b>268,480,693</b>	<b>306,968,133</b>	<b>16,063,300</b>	<b>8,331,875</b>	<b>39,185,988</b>	<b>639,029,989</b>
- Completed Assets	268,230,736	301,314,683	16,063,300	8,331,875	39,185,988	633,126,582
- Under Construction	249,957	5,653,450	0	0	0	5,903,407
Transfer	0	0	0	0	0	0
<b>Accumulated Depreciation:</b>	<b>11,291,110</b>	<b>49,127,676</b>	<b>5,450,353</b>	<b>0</b>	<b>17,944,863</b>	<b>83,814,003</b>
- Cost	11,291,110	49,127,676	5,450,353	0	17,944,863	83,814,003
- Revaluation	0	0	0	0	0	0

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2011

## Reconciliation of Carrying Value

Description	Land and Buildings	Infrastructure	Community	Heritage	Other	Total
<b>Carrying values at 1 July 2010</b>	<b>260,442,689</b>	<b>179,240,637</b>	<b>11,011,328</b>	<b>5,500</b>	<b>19,361,135</b>	<b>470,061,289</b>
<b>Cost</b>	<b>263,972,225</b>	<b>213,733,432</b>	<b>14,764,396</b>	<b>5,500</b>	<b>29,938,074</b>	<b>522,413,627</b>
- Completed Assets	263,972,225	206,114,389	14,387,724	5,500	30,084,253	514,564,091
- Under construction	0	7,619,043	376,672	0	0	7,995,715
- Correction of error	0	0	0	0	-146,179	-146,179
<b>Accumulated Depreciation:</b>	<b>3,529,536</b>	<b>34,492,795</b>	<b>3,753,068</b>	<b>0</b>	<b>10,576,939</b>	<b>52,352,338</b>
- Cost	3,529,536	34,492,795	3,753,068	0	10,648,166	52,423,565
- Correction of error	0	0	0	0	-71,227	-71,227
Transfer of cost	-118,752	0	0	0	0	-118,752
Disposals / Written off	0	0	0	0	-159,599	-159,599
Depreciation on disposals	0	0	0	0	131,349	131,349
<b>Total acquisitions</b>	<b>2,928,728</b>	<b>36,456,940</b>	<b>202,479</b>	<b>0</b>	<b>4,803,245</b>	<b>44,391,392</b>
Acquisitions	2,928,728	15,577,925	0	0	4,730,517	23,237,170
Correction of error		1,174,244			72,728	1,246,972
Capital under Construction - Additions	0	19,704,771	202,479	0	0	19,907,250
Fair Value recognition	0		0	8,326,375		8,326,375
<b>Depreciation:</b>	<b>3,819,023</b>	<b>7,129,886</b>	<b>899,967</b>	<b>0</b>	<b>3,835,756</b>	<b>15,684,632</b>
- Based on cost as restated	3,819,023	7,129,886	899,967	0	3,774,272	15,623,148
- Correction of error	0	0	0	0	61,484	61,484
<b>CARRYING VALUES AT 30 JUNE 2011</b>	<b>259,433,642</b>	<b>208,567,691</b>	<b>10,313,840</b>	<b>8,331,875</b>	<b>20,300,374</b>	<b>506,947,422</b>
<b>Cost</b>	<b>266,782,201</b>	<b>250,190,372</b>	<b>14,966,875</b>	<b>8,331,875</b>	<b>34,581,720</b>	<b>574,853,043</b>
- Completed Assets	266,782,201	230,485,601	14,764,396	8,331,875	34,581,720	554,945,793
- Under Construction	0	19,704,771	202,479	0	0	19,907,250
Accumulated Impairment Losses	0	0	0	0	0	0
<b>Accumulated Depreciation:</b>	<b>7,348,559</b>	<b>41,622,681</b>	<b>4,653,035</b>	<b>0</b>	<b>14,281,346</b>	<b>67,905,621</b>
- Cost	7,348,559	41,622,681	4,653,035	0	14,281,346	67,905,621
- Revaluation	0	0	0	0	0	0

The Municipality has taken advantage of ASB Directive 4 par 75 and 78, which states that certain classes of property, plant and equipment may not be recognised and measured in accordance with the Standard of GRAP on Property, Plant and Equipment in individual entities' financial statements. During the 2012 financial year those items of Property, Plant and Equipment which have not previously been unbundled, were compondentised which resulted in the reclassification and restatement of comparative amounts.

The following properties were identified to be sold, but there is no resolution, and no specific time frame has been approved. The conditions in GRAP 100 have not been met and therefore these properties were not disclosed as Non-current Assets Held for Sale.

Erf number	Asset number	Book Value R
Erf 522, Stilbaai	20522100	565,736
Erf 569, Stilbaai	30569111	2,011,196
Erf 1955, Heidelberg	601955	785,997
Erf 915, Heidelberg	600915	1,505,667
Erf 145, Heidelberg	600433	614,650
		<u>5,483,246</u>

## 10.1 Carrying Amount of Property, Plant and Equipment that is fully depreciated and still in use

Infrastructure	0	1,977,454
Other	0	0
<b>Carrying Value of PPE fully depreciated and still in use</b>	<b>0</b>	<b>1,977,454</b>

## Property, Plant and Equipment per Cash Flow Statement:

- Total Additions as per Appendix "B"	65,627,791	43,144,420
	<b>65,627,791</b>	<b>43,144,420</b>

## 10.2 Impairment of Property, Plant and Equipment

The Municipality carried out a review of the recoverable amount of all its Assets.

Heritage Assets		
Heritage assets have been valued by an expert artifact and arts valuer by taking into account the intrinsic value as well as the cultural significance of the specified items	8,331,875	8,331,875

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012	2012 R	2011 R
<b>11 INTANGIBLE ASSETS</b>		
<b>At Cost less Accumulated Amortisation and Accumulated Impairment Losses</b>	<b>352,223</b>	<b>365,556</b>
The movement in Intangible Assets is reconciled as follows:		
<b>Carrying value at 1 July 2011</b>	<b>365,556</b>	<b>378,889</b>
Cost	400,000	400,000
Accumulated Amortisation	-34,444	-21,111
Acquisitions during the Year:	0	0
Amortisation during the Year:	-13,333	-13,333
<b>Carrying value at 30 June 2012</b>	<b>352,223</b>	<b>365,556</b>
Cost	400,000	400,000
Accumulated Amortisation	-47,777	-34,444
Significant intangible Assets that did not meet the recognition criteria for Intangible Assets as stipulated in IAS 38, are the following:		
- Website Costs incurred during the last two financial years have been expensed and not recognised as Intangible Assets. The municipality cannot demonstrate how its website will generate probable future economic benefits.		
<b>12. INVESTMENT PROPERTY</b>		
<b>At fair value</b>	<b>43,450,280</b>	<b>43,450,280</b>
The movement in Investment Property is reconciled as follows:		
<b>Carrying values at 1 July 2011</b>	<b>43,450,280</b>	<b>43,450,280</b>
Fair value	43,450,280	43,093,280
Transfer to Land and Buildings (Caravan Parks)	0	0
Fair value adjustment		357,000
Accumulated impairment loss	0	0
Net Gains from Fair Value Adjustments	0	0
<b>Carrying values at 30 June 2012</b>	<b>43,450,280</b>	<b>43,450,280</b>
Fair value	43,450,280	43,450,280
Accumulated impairment loss	0	0
Revenue and Expenditure disclosed in the Statement of Financial Performance include the following:		
Rental Revenue earned from Investment Property	357,201	465,816
All of the municipality's Investment Property is held under freehold interests and no Investment Property has been pledged as security for any liabilities of the municipality.		
There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
<b>12.1 Investment Property carried at Fair Value:</b>		
The municipality's Investment Property is valued annually or when deemed necessary, by an independent, professionally qualified valuer at 30 June.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
<b>13. LONG-TERM RECEIVABLES</b>		
Sport clubs/Pre-primary school	25,970	27,613
Other	0	0
	<b>25,970</b>	<b>27,613</b>
<b>Less: Current portion transferred to current receivables</b>	<b>-1,777</b>	<b>-1,643</b>
Car Loans	0	0
Sport clubs	-1,777	-1,643
Other	0	0
Housing - Stilbaai	0	0
	<b>0</b>	<b>0</b>
<b>Less: Provision for Impairment - Housing Loans</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>24,193</b>	<b>25,970</b>

**13.1 Reconciliation of the Provision for Impairment**

Balance at beginning of year	0	0
Amounts written off as uncollectable	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

The management of the municipality is of the opinion that the carrying value of Long-term Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Long-term Receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

In determining the recoverability of a Long-term Receivable, the municipality considers any change in the credit quality of the receivable from the date 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 that there is no further credit provision required in excess of the Provision for Impairment.

**Sport clubs and other**

The council granted loans at a interest rate of 8% to the following:

- Pikkewouter Pre-primary school - Stilbaai
- Heidelberg Gholfklub

These loans are repayable by the year 2022.

**14. CONSUMER DEPOSITS**

<b>Electricity and Water</b>	3,254,337	3,253,353
<b>Balance 30 June 2012</b>	<b>3,254,337</b>	<b>3,253,353</b>

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 account, the Municipality can utilise the deposit as payment for the outstanding amount. No interest is paid on Consumer Deposits held. The management of the Municipality is of the opinion that the carrying value of Consumer Deposits approximate their fair value.

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.

**15. PROVISIONS**

Performance Bonus	829,452	758,713
Pension Fund Arrears Contribution	6,678,070	5,305,302
Current Portion of Post-retirement Medical Aid Benefits Liability (See Note 20.1 below)	1,464,260	1,364,892
Current portion of Provision for Ex-Gratia Pensioners Benefit Liability (See Note 20.2 below)	14,279	9,188
Current portion of Provision for long-service Awards (See note 21 below)	445,349	342,516
<b>Total Provisions</b>	<b>9,431,410</b>	<b>7,780,611</b>

**15. PROVISIONS - (continued)**

Performance bonuses accrue to employees half yearly, subject to certain conditions. The provision is an estimate of the amount due to staff at the reporting date.

**SALA Pension Fund**

Notwithstanding the fact that the SALA Pension Fund litigation against the municipality has not been tested in a court of law, a provision has been made in the Financial Statements. The amount is for increased employer contributions to the SALA Pension Fund.

**Cape Joint Pension Fund**

The Fund's actuary has calculated that there is a shortfall in the investment returns in respect of the defined benefits component of the Fund. The Municipality is liable for a pro rata payment of R1,459,697 (2011: R1 253 481.11).

**The movement in current provisions are reconciled as follows:-**

	Cape Joint Pension Fund	SALA Pension Fund Contributions	Post Employment Health Care Benefits	Current Portion of Long Service	Current Portion of Ex-Gratia Benefits	Performance Bonus	Job Evaluation
Balance at 1 July 2011	1,253,481	4,051,820	1,364,892	342,516	9,188	758,713	0
Transfer from non-current	0	0	1,464,260	445,349	14,279	0	0
Contribution to provisions	206,216	1,166,553	0	0	0	829,452	0
Expenditure incurred	0	0	-1,364,892	-342,516	-9,188	-758,713	0
<b>Balance at 30 June 2012</b>	<b>1,459,697</b>	<b>5,218,373</b>	<b>1,464,260</b>	<b>445,349</b>	<b>14,279</b>	<b>829,452</b>	<b>0</b>
						<b>Restated</b>	
Balance at 1 July 2010	1,253,481	3,067,824	1,092,794	221,043	35,000	641,028	0
Transfer from non-current	0	0	1,364,892	342,516	-25,812	0	0
Contribution to provisions	0	983,997	0	0	0	758,714	0
Expenditure incurred	0	0	-1,092,794	-221,043	0	-641,028	0
<b>Balance at 30 June 2011</b>	<b>1,253,481</b>	<b>4,051,820</b>	<b>1,364,892</b>	<b>342,516</b>	<b>9,188</b>	<b>758,713</b>	<b>0</b>

**16. CREDITORS**

		Restated
Trade Creditors		34,345,198
Payments received in advance		574,175
Retentions		4,185,271
Staff Leave		3,828,618
Other Creditors		5,359,127
<b>Total</b>		<b>48,292,389</b>
		<b>34,727,982</b>

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 management of the Municipality is of the opinion that the carrying value of Creditors approximate their fair value. The fair value of Creditors was determined after considering the standard terms and conditions of agreements entered into between the Municipality and other parties.

**17. UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

		Restated
<b>17.1 Conditional Grants from other spheres of Government - Appendix F</b>	<b>1,883,562</b>	<b>3,794,399</b>
National Government Grants	1,203,040	3,111,187
Provincial Government Grants	253,134	253,135
District Municipality Grants	427,388	430,078
<b>17.2 Other Conditional Receipts - Appendix F</b>	<b>957,901</b>	<b>3,130,795</b>
Tourism	101,819	101,819
Skills Development	455,514	222,815
Africana Centre	26,313	26,313
Garcia Forestry	314,255	2,719,848
Public Participation Strategy	60,000	60,000
<b>Total conditional grants and receipts</b>	<b>2,841,463</b>	<b>6,925,194</b>



**18. OPERATING LEASE LIABILITY**

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following liabilities have been recognised:

Balance at beginning of year	21,221	58,672
Operating Lease expenses recorded	-347,355	-367,235
Operating Lease payments effected	343,918	329,784
<b>Total Operating Lease Liabilities</b>	<b>17,784</b>	<b>21,221</b>

**18.1 Leasing Arrangements****The Municipality as Lessee:**

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

**18.2 Amounts payable under Operating Leases**

At the Reporting Date the municipality had outstanding commitments under Non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

<b>Buildings:</b>	834,292	897,173
Up to 1 year	347,355	396,898
2 to 5 years	486,937	500,275
More than 5 years	0	0
<b>Equipment:</b>	32,076	52,533
Up to 1 year	20,457	20,457
2 to 5 years	11,619	32,076
More than 5 years	0	0
<b>Total Operating Lease Arrangements</b>	<b>866,368</b>	<b>949,706</b>

The following payments have been recognised as an expense in the Statement of Financial Performance:

Minimum lease payments		
Contingent rentals	554,144	443,496
<b>Total Operating Lease Expenses</b>	<b>554,144</b>	<b>443,496</b>

**19. LONG-TERM LIABILITIES**

Annuity Loans	56,369,379	64,604,115
<b>Less:</b> Current portion transferred to current liabilities	<b>8,652,029</b>	<b>8,247,746</b>
<b>Total long-term liabilities</b> (Neither past due nor impaired)	<b>47,717,351</b>	<b>56,356,369</b>

Annuity Loans are repaid over periods not exceeding 10 years and at interest rates varying from 9.33% to 11.56% per annum. Annuity loans are not secured.

Refer to Appendix "A" for more detail on Long-term Liabilities.

Long-term Liabilities have been utilized in accordance with the MFMA. Current portion of long-term liabilities is fully invested in ringfenced financial instruments. See note 8 for more detail.

The management of the municipality is of the opinion that the carrying value of Long-term Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

**20. RETIREMENT BENEFIT LIABILITIES**

Post-retirement Health Care Benefits Liability	33,694,572	31,268,144
Ex-gratia Pension Benefit Liability	115,106	118,692
<b>Total</b>	<b>33,809,679</b>	<b>31,386,837</b>

**20.1 Post-retirement Health Care Benefits Liability**

Balance at beginning of Year	32,633,036	23,329,147
Contributions to Provision	3,890,688	2,745,121
Expenditure incurred	-1,364,892	-1,092,794
Actuarial loss	0	7,651,562
Balance at end of Year	35,158,832	32,633,036
Transfer to Current Provisions	-1,464,260	-1,364,892
<b>Total Post-retirement Health Care Benefits Liability</b>	<b>33,694,572</b>	<b>31,268,144</b>

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation was carried out at 30 June 2011 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. A valuation was not obtained for 30 June 2012 as the key assumptions have not changed materially since 30 June 2011.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	143	143
Continued Members (Retirees, widowers and orphans)	56	56
<b>Total members</b>	<b>199</b>	<b>199</b>

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

In-service Members	12,427,119	12,427,119
Continued Members	20,205,917	20,205,917
<b>Total liability</b>	<b>32,633,036</b>	<b>32,633,036</b>

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Keyhealth
- LA Health
- Samwumed

The Current-service Cost and interest cost for the year ending 30 June 2012 is estimated to be R1,133,640 and R2,757,000 respectively, whereas the cost for the ensuing year is estimated to be R1,231,420 and R2,970,708 respectively.

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Discount Rate	8.63%	8.63%
Health Care Cost Inflation Rate	7.28%	7.28%
Net Effective Discount Rate	1.25%	1.25%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

20. RETIREMENT BENEFIT LIABILITIES (continued)

**Movements in the present value of the Defined Benefit Obligation were as follows:**

Balance at the beginning of the year	32,633,037	23,329,148
Current service costs	1,133,640	618,949
Interest cost	2,757,048	2,126,172
Benefits paid	-1,364,892	-1,092,794
Actuarial losses	0	7,651,562
<b>Present Value of Fund Obligation at the end of the Year</b>	<b>35,158,833</b>	<b>32,633,037</b>
Actuarial losses / (gains) unrecognised	0	0
<b>Total Recognised Benefit Liability</b>	<b>35,158,833</b>	<b>32,633,037</b>

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

Present value of fund obligations	35,158,833	32,633,037
Unrecognised Past-service Cost	0	0
Unrecognised Actuarial Gains / (Losses)	0	0
<b>Total Benefit Liability</b>	<b>35,158,833</b>	<b>32,633,037</b>

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

Current service cost	1,133,640	618,949
Interest cost	2,757,048	2,126,172
Actuarial losses	0	7,651,562
<b>Total Post-retirement Benefit included in Employee Related Costs (Note 29)</b>	<b>3,890,688</b>	<b>10,396,683</b>

**Sensitivity analysis**

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

**Increase:**

Effect on the aggregate of the current service cost and the interest cost	4,612,000	3,238,357
Effect on the defined benefit obligation	37,677,000	37,677,000

**Decrease:**

Effect on the aggregate of the current service cost and the interest cost	3,314,600	2,349,222
Effect on the defined benefit obligation	28,505,000	28,505,000

Refer to Note 44 "Multi-employer Retirement Benefit Information" to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is administered Provincially and Nationally.

**20.2 Ex-Gratia Pensioners Defined Benefit Liability**

Balance at beginning of Year as restated	127,880	79,556
Contributions to Provision	10,693	12,574
Expenditure incurred	-9,188	0
Increase due to Re-measurement	0	35,750
Balance at end of Year	129,385	127,880
Transfer to Current Provisions	-14,279	-9,188
<b>Total Ex-Gratia Pensioners Benefits Liability</b>	<b>115,106</b>	<b>118,692</b>

The Ex-Gratia Pensioner Benefit Plan is a defined benefit plan. As at 30 June 2012, 87 pensioners were eligible for payments in terms of this plan.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R2011  
R**20. RETIREMENT BENEFIT LIABILITIES (continued)**

The Municipality provides a once-off pension benefit to all employees who entered service prior to 31 December 1994 on normal retirement (65 for males and 60 for females). Only members who were still in-service after 1 July 1998 are entitled to the benefit. The benefit is calculated according to the average annual salary earned as at 31 December 1994 multiplied by number of years of service up to 31 December 1994, multiplied by 10%.

The interest-cost for the next year is estimated to be R10,693. Actuaries are of opinion that future service cost need not be determined for pension fund liability as all benefits vests immediately.

Key actuarial assumptions used:

**i) Rate of interest**

Discount Rate	8.67%	8.67%
---------------	-------	-------

**ii) Mortality rates**

The SA85-90 Ultimate mortality table was used by the actuaries

**Movements in the present value of the Defined Benefit Obligation were as follows:**

Balance at the beginning of the year as restated	127,880	79,556
Interest cost	10,693	12,574
Benefits paid	-9,188	0
Actuarial losses / (gains)	0	35,750
<b>Present Value of Fund Obligation at the end of the Year</b>	<b>129,385</b>	<b>127,880</b>
Actuarial losses / (gains) unrecognised	0	0
<b>Total Recognised Benefit Liability</b>	<b>129,385</b>	<b>127,880</b>

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

Present value of fund obligations	129,385	127,880
Actuarial gains / (losses) not recognised	0	0
<b>Total Benefit Liability</b>	<b>129,385</b>	<b>127,880</b>

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

Interest cost	10,693	12,574
Actuarial losses / (gains)	0	35,750
<b>Total Post-retirement Benefit included in Employee Related Costs (Note 29)</b>	<b>10,693</b>	<b>48,324</b>

The effect of a two-year decrease and increase in the assumed average retirement age is as follows:

<b>Increase:</b>		
Effect on the interest cost	9,668	11,396
Effect on the defined benefit obligation	112,059	112,059
<b>Decrease:</b>		
Effect on the interest cost	11,540	13,695
Effect on the defined benefit obligation	145,891	145,891

**21. NON-CURRENT PROVISIONS**

Provision for Long Service Awards	3,077,024	2,851,237
-----------------------------------	-----------	-----------

**The movement in Non-current Provisions are reconciled as follows:**

Balance at beginning of year	3,193,753	2,621,909
Contributions to provision	671,136	629,408
Increase due to discounting	0	0
Expenditure incurred	-342,516	-221,043
Reduction due to re-measurement	0	163,479
	3,522,373	3,193,753
Transfer to current provisions	-445,349	-342,516
<b>Balance at end of year</b>	<b>3,077,024</b>	<b>2,851,237</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

21. NON-CURRENT PROVISIONS - (continued)

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 5 years of continuous service and every 5 years thereafter to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2011 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 489 employees were eligible for Long-services Awards.

The Current-service Cost and interest cost for the year ending 30 June 2012 is estimated to be R434,202 and R236,934 respectively, whereas the cost for the ensuing year is estimated to be R468,203 and R258,717 respectively.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	7.83%	7.83%
General salary inflation	6.28%	6.28%
Net Effective Discount Rate	1.46%	1.46%

Movements in the present value of the Defined Benefit Obligation were as follows:

Balance at the beginning of the year	3,193,753	2,621,909
Current service costs	434,202	393,951
Interest cost	236,934	235,457
Benefits paid	-342,516	-221,043
Actuarial losses / (gains)	0	163,479
<b>Present Value of Fund Obligation at the end of the Year</b>	<b>3,522,373</b>	<b>3,193,753</b>
Actuarial losses / (gains) unrecognised	0	0
<b>Total Recognised Benefit Liability</b>	<b>3,522,373</b>	<b>3,193,753</b>

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

Present value of fund obligations	3,522,373	3,193,753
Actuarial gains / (losses) not recognised	0	0
<b>Total Benefit Liability</b>	<b>3,522,373</b>	<b>3,193,753</b>

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

Current service cost	434,202	393,951
Interest cost	236,934	235,457
Actuarial losses	0	163,479
<b>Total Post-retirement Benefit included in Employee Related Costs (Note 29)</b>	<b>671,136</b>	<b>792,887</b>

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

Increase:

Effect on the aggregate of the current service cost and the interest cost	716,096	672,982
Effect on the defined benefit obligation	3,420,000	3,420,000

Decrease:

Effect on the aggregate of the current service cost and the interest cost	631,112	590,532
Effect on the defined benefit obligation	2,990,000	2,990,000

22. STATUTORY FUNDS

Housing Reserve	Restated	
Balance 1 July	49,838	43,028
Rental Income	53,518	88,488
	103,356	131,515
Less: Written off/Correction of Provision for Impairment	0	0
Less: Expenses	-49,782	-81,677
<b>Total at 30 June as restated</b>	<b>53,575</b>	<b>49,838</b>

The Housing reserve is represented by the following:

Housing selling scheme loans		
Housing rental debtors (included in other/rentals) note 4	0	0
Investment (included in investments note 8)	53,575	49,838
<b>Total Housing Reserve Assets</b>	<b>53,575</b>	<b>49,838</b>

The Housing Development Fund has its origin from Loans extinguished by Government on 1 April 1998 and the net of housing transactions appropriated to the fund thereafter. No separate unappropriated surplus account for housing transactions was kept.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

23. ACCUMULATED SURPLUS

The Accumulated Surplus consists of the following Internal Funds and Reserves:

		Restated
Capital Replacement Reserve (CRR)	23,954,348	37,049,801
- Total insurance Reserves	4,643,038	4,643,038
-Total disaster Relief Reserves	1,191,929	1,191,929
Accumulated Surplus due to the results of Operations	481,202,765	454,766,247
<b>Total Accumulated Surplus</b>	<b>510,992,080</b>	<b>497,651,015</b>

The Capital Replacement Reserve is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

24. PROPERTY RATES

Actual		Restated
Residential, Commercial & State (Note 48.5)	50,739,659	45,788,536
Less: Income Forgone	-3,682,640	-3,403,220
<b>Total Assessment Rates</b>	<b>47,057,019</b>	<b>42,385,316</b>

Valuations

	R000's	R000's
Residential, Commercial & State	10,177,021	10,045,827
Agriculture	3,540,583	3,540,995
Municipal	295,313	287,505
Churches	0	0
<b>Total Property Valuations</b>	<b>14,012,917</b>	<b>13,874,327</b>

Assessment Rates are levied on the value of land and improvements, which valuation must be performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations, consolidations and subdivisions.

Rates are levied annually on property owners and are payable in 12 monthly installments. Interest is levied on outstanding rates amounts.

A uniform general residential rate of 0.004224 c/R (2010/2011: 0.003690 c/R) is applied to property valuations to determine assessment rates.

The current property valuations were done according to the Local Government: Municipal Property Rates Act 6 of 2004, with implementation date 1 July 2009.

The Municipality will obtain and implement a new property valuation roll on 1 July 2014.

The rates tariffs for the 2011/2012 financial year was as follows:

	Towns
Residential	.004224 c/R
Vacant Land	.005909 c/R
Agriculture	.001056 c/R
State	.008849 c/R
Business	.004324 c/R

A rebate of R50 000 on the value of the property (2010/2011: R50 000) was allowed on residential properties, whilst rebates of 10% - 40% were applied to pensioners, based on the annual income of the ratepayer. A discount of 10% was granted to private owned developments.

25. SERVICE CHARGES

Sale of electricity	83,307,105	72,278,723
Sale of water	16,995,374	12,892,203
Connection Fees Services	1,132,774	1,086,372
Admission fees Swimming Pools	54,294	53,385
Camping Fees	4,660,228	4,798,063
Refuse removal fees	8,504,142	7,606,636
Sewerage and sanitation charges	11,632,560	10,612,848
<b>Total Service Charges</b>	<b>126,286,476</b>	<b>109,328,230</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

26. GOVERNMENT GRANTS AND SUBSIDIES - (Statement of Performance)

**Operating**

National:

Equitable Share	26.1	23,227,000	21,258,479
Financial Management Grant	26.2	1,157,475	1,256,871
MIG Projects	26.12	1,622,380	1,370,108
Municipal Systems Improvement Grant	26.21	1,034,399	445,602
DME	26.14	524,801	7,758,838
National Electricity program	26.13	101,268	0

Provincial:

Housing Projects	26.6	0	17,000,000
Library: Extending Staffing Levels	26.7	560,000	475,000
Hessequa Soccer Cup	26.22	0	50,000
Human Settlements Development	26.5	26,485,325	0
Primary Health Care Services	26.3	0	511
Slangrivier Land Reform	26.8	0	0
Performance Management Grant	26.10	0	0
Libraries Municipal Replacement Funding	26.18	1,607,000	0
Housing Consumer Education	26.19	0	15,739
Proclaimed Roads	26.15	106,000	300,000
Public Transport Infrastructure	26.16	370,000	0
Community Development Workers	26.9	0	50,000

District Municipality

Clean-Up Project	26.24	0	144,000
Alternative Electricity	26.17	0	0
Africa Day	26.25	0	40,000

Other Municipality

George - Housing Consumer Education	26.11	2,690	0
-------------------------------------	-------	-------	---

**Capital Projects**

National:

Financial Management Grant	26.2	92,526	0
MIG Allocations	26.12	8,349,652	6,741,818
National Electricity Program	26.13	3,598,732	0
Municipal Systems Improvements Grant	26.21	60,000	0
Expanded Public Works Programme	26.4	626,000	0

Provincial:

Proclaimed Roads	26.15	1,565,000	0
Public Transport Infrastructure	26.16	530,000	0
Primary Health Care Services	26.3	0	110,300

District Municipality

Thoroughfares	26.20	0	989,815
---------------	-------	---	---------

**Total Government Grants & Subsidy - Operational**

56,798,338

50,165,148

**Total Government Grants & Subsidy - Capital**

14,821,910

7,841,933

Operating Grants per Statement of Performance		58,184,221	48,481,028
Capital Grants per Statement of Performance		15,929,143	7,841,933
Operating Grant conditions met, included in Other Revenue (VAT)		0	2,044,522
Operating Grant conditions met, included in Other Revenue		0	512
<b>TOTAL: GOVERNMENT GRANTS AND OTHER GRANTS - Appendix F</b>		<b>74,113,363</b>	<b>58,367,995</b>
Other grants note 27 included		-2,493,118	-360,912
		<b>71,620,245</b>	<b>58,007,083</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

**26.1 GOVERNMENT GRANTS AND SUBSIDIES - (continued)**

**26.1 Equitable Share**

Current Year Receipts	23,227,000	21,258,479
Conditions met - transferred to revenue	-23,227,000	-21,258,479
<b>Conditions still to be met - transferred to liabilities (refer note 17.1)</b>	<b>0</b>	<b>0</b>

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members as well as for LED and upliftment projects. All registered indigents receive the following:

Level of Income:	Subsidy
- R0.00 - R3 000	- free basic services plus 100% rebate on rates - 6kl free water - 50kwh free electricity
- R3 001 - R3 500	- 50% free basic services plus 50% rebate on rates - 6kl free water - 50kwh free electricity

National Treasury recover an amount of R4,1m from the municipality's equitable share allocation for 2011/2012 with regard to unspent grants at 2009/2010. The full equitable share allocation as per the DORA publication, was recognized in the AFS and the lost unspent grants were corrected. An amount of R2,283m received from the INEP award is allocated to other receivables

**26.2 Financial Management Grant**

Balance unspent at beginning of year	337,553	594,424
Other adjustment	-337,552	0
Current Year Receipts	1,250,000	1,000,000
Conditions met - transferred to revenue: Operating Expenses	-1,157,475	-1,256,871
Conditions met - transferred to revenue: Capital Expenses	-92,526	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>0</b>	<b>337,553</b>

The Financial Management Grant is paid by National Treasury to all municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The MFMA Grant also pays for the cost of the Financial Management Internship Programme (eg. Salary costs of the Financial Management interns).

The Municipality lost an amount of R337 553 of the 01/07/2010 Financial Management Grant. The amount being unspent due to contractors fees only payable after year end.

**26.3 Health Care Centre HB**

Balance unspent at beginning of year	0	110,811
Current Year Receipts	0	0
Conditions met - transferred to revenue: Capital Expenses	0	-110,300
Conditions met - transferred to revenue: Operating Expenses	0	-511
<b>Conditions still to be met - transferred to liabilities (refer note 17.2)</b>	<b>0</b>	<b>0</b>

With the exception of the oral hygienist, the rest of the clinic staff were transferred to the Provincial Department of Health with effect from 1 January 2007. Until the 31 December 2007 the Municipalities involvement was only the salary of the hygienist and the payment of sundry operating expenses. With effect from 1 January 2008 the municipality's activities at the clinic ceased.

**26.4 Extended Public Works Programme**

Balance unspent at beginning of year	0	0
Current Year Receipts	626,000	0
Conditions met - transferred to revenue: Operating Expenses	0	0
Conditions met - transferred to revenue: Capital Expenses	-626,000	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>0</b>	<b>0</b>

**26.5 Human Settlements Development**

Balance unspent at beginning of year	0	0
Current Year Receipts	26,485,325	0
Conditions met - transferred to revenue: Capital Expenses	0	0
Conditions met - transferred to revenue: Operating Expenses	-26,485,325	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>0</b>	<b>0</b>

**26.6 Housing Projects**

Balance unspent at beginning of year	0	0
Current Year Receipts	0	17,000,000
Conditions met - transferred to revenue: Operating Expenses	0	-17,000,000
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>0</b>	<b>0</b>

These grants are for the construction of houses. The conditions of the grant have been met.

**26.7 Library Extending Staffing Levels**

Balance unspent at beginning of year	0	0
Current Year Receipts	560,000	475,000
Conditions met - transferred to revenue: Operating Expenses	-560,000	-475,000
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>0</b>	<b>0</b>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
<b>26.8 GOVERNMENT GRANTS AND SUBSIDIES - (continued)</b>		
<b>26.8 Slangrivier Land Reform</b>		
Balance unspent at beginning of year	8,725	8,725
Current Year Receipts	0	0
Conditions met - transferred to revenue: Operating Expenses	0	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>8,725</b>	<b>8,725</b>
<b>26.9 Community Development Workers</b>		
Balance unspent at beginning of year	0	0
Current Year Receipts	0	50,000
Conditions met - transferred to revenue: Operating Expenses	0	-50,000
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>0</b>	<b>0</b>
<b>26.10 Performance Management Grant</b>		
Balance unspent at beginning of year	125,042	125,042
Current Year Receipts	0	0
Conditions met - transferred to revenue: Operating Expenses	0	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>125,042</b>	<b>125,042</b>
<b>26.11 Housing Consumer Education - George Municipality</b>		
Balance unspent at beginning of year	23,758	23,758
Current Year Receipts	0	0
Conditions met - transferred to revenue: Operating Expenses	-2,690	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>21,068</b>	<b>23,758</b>
<b>26.12 MIG Infrastructure allocations</b>		
Balance unspent at beginning of year	1,934,165	4,891,091
Other adjustments	-1,310,092	0
Current Year Receipts	10,551,000	5,155,000
Conditions met - transferred to Revenue: Capital Expenses	-8,349,652	-6,741,818
Conditions met - transferred to revenue: Operating Expenses	-1,622,380	-1,370,108
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>1,203,041</b>	<b>1,934,165</b>
The Municipality lost an amount of R1 310 092 of the 01/07/2010 Municipal Infrastructure Grant. The amount being unspent due to projects delayed mainly because of environmental impact assessments over which Council has no control.		
<b>26.13 National Electricity Program</b>		
Balance unspent at beginning of year	0	0
Current Year Receipts	3,700,000	0
Conditions met - transferred to Revenue: Operating Expenses	-101,268	0
Conditions met - transferred to Revenue: Capital Expenses	-3,598,732	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>0</b>	<b>0</b>
<b>26.14 National DME</b>		
Balance unspent at beginning of year	524,801	2,283,639
Current Year Receipts	0	6,000,000
Conditions met - transferred to revenue: Operating Expenses	-524,801	-7,758,838
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>0</b>	<b>524,801</b>
<b>26.15 Western Cape Department of Transport</b>		
Balance unspent at beginning of year	0	0
Current Year Receipts	1,671,000	300,000
Conditions met - transferred to Revenue: Capital Expenses	-1,565,000	0
Conditions met - transferred to revenue: Operating Expenses	-106,000	-300,000
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>0</b>	<b>0</b>
<b>26.16 Public Transport Infrastructure</b>		
Balance unspent at beginning of year	0	0
Current Year Receipts	900,000	0
Conditions met - transferred to Revenue: Operating Expenses	-370,000	0
Conditions met - transferred to Revenue: Capital Expenses	-530,000	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>0</b>	<b>0</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012		2012 R	2011 R
<b>26.17 GOVERNMENT GRANTS AND SUBSIDIES (continued)</b>			
<b>26.17 Alternative Electricity</b>			
Balance unspent at beginning of year		273,533	273,533
Current Year Receipts		0	0
Conditions met - transferred to Revenue: Capital Expenses		0	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>		<b>273,533</b>	<b>273,533</b>
<b>26.18 Libraries Municipal Replacement Funding</b>			
Balance unspent at beginning of year		0	0
Current Year Receipts		1,607,000	0
Conditions met - transferred to Revenue: Operating Expenses		-1,607,000	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>		<b>0</b>	<b>0</b>
<b>26.19 Housing Consumer Education</b>			
Balance unspent at beginning of year		34,261	50,000
Current Year Receipts		0	0
Conditions met - transferred to revenue: Operating Expenses		0	-15,739
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>		<b>34,261</b>	<b>34,261</b>
<b>26.20 Thoroughfares</b>			
Balance unspent at beginning of year		0	989,815
Current Year Receipts		0	0
Conditions met - transferred to Revenue: Capital Expenses		0	-989,815
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>		<b>0</b>	<b>0</b>
<b>26.21 Municipal Systems Improvement Grant</b>			
Balance unspent at beginning of year		314,671	10,273
Other adjustments		-10,272	0
Current Year Receipts		790,000	750,000
Conditions met - transferred to revenue: Operating Expenses		-1,034,399	-445,602
Conditions met - transferred to revenue: Capital Expenses		-60,000	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>		<b>0</b>	<b>314,671</b>
The Municipality lost an amount of R10 272 of the 01/07/2010 Municipal Systems Improvement Grant. The amount being unspent due to projects delayed.			
<b>26.22 Hessequa Soccer Cup</b>			
Balance unspent at beginning of year		0	0
Current Year Receipts		0	50,000
Conditions met - transferred to revenue: Operating Expenses			-50,000
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>		<b>0</b>	<b>0</b>
<b>26.23 Project Preparation Grant</b>			
Balance unspent at beginning of year		63,000	63,000
Current Year Receipts		0	0
Conditions met - transferred to revenue: Capital Expenses		0	0
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>		<b>63,000</b>	<b>63,000</b>
<b>26.24 Clean-up Project</b>			
Balance unspent at beginning of year		0	0
Current Year Receipts		0	144,000
Conditions met - transferred to revenue: Capital Expenses		0	-144,000
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>		<b>0</b>	<b>0</b>
<b>26.25 Africa Day</b>			
Balance unspent at beginning of year		0	40,000
Current Year Receipts		0	0
Conditions met - transferred to revenue: Capital Expenses		0	-40,000
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>		<b>0</b>	<b>0</b>
<b>27. OTHER GRANTS AND SUBSIDIES - (Statement of Performance)</b>			
<b>Operating</b>			<b>Restated</b>
Seta	<b>27.2</b>	87,525	80,761
Garcia Forestry - Services	<b>27.1</b>	2,405,593	280,151
<b>Total Other Grants</b>		<b>2,493,118</b>	<b>360,912</b>
<b>27.1 Garcia Forestry - Services</b>			
Balance unspent at beginning of year		2,719,849	0
Current Year Receipts		0	3,000,000
Conditions met - transferred to revenue: Operating Expenses		-2,405,593	-280,151
<b>Conditions still to be met - transferred to liabilities (refer note17.2)</b>		<b>314,255</b>	<b>2,719,849</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
<b>27.2 OTHER GRANTS AND SUBSIDIES - (continued)</b>		
<b>27.2 Skills Development</b>		
Balance unspent at beginning of year	222,815	113,805
Current Year Receipts	320,224	189,770
Conditions met - transferred to revenue: Operating Expenses	-87,525	-80,761
<b>Conditions still to be met - transferred to liabilities (refer note17.1)</b>	<b>455,514</b>	<b>222,815</b>
<b>28. OTHER INCOME</b>		
		<b>Restated</b>
Capital Contribution: Water and electricity	608,758	664,567
Sewerage	178,567	161,773
Building plans	383,383	356,576
Other Income	1,576,443	2,061,179
Other (Note 48.4)	0	44,226
VAT on grants	0	0
Roadworthy Certificates	293,677	285,911
Services Electricians	15,250	37,619
<b>Total</b>	<b>3,056,078</b>	<b>3,611,851</b>
<b>29. EMPLOYEE RELATED COSTS</b>		
		<b>Restated</b>
Employee related costs - Salaries and Wages (Note 48.5)	57,520,070	52,235,511
Employee related costs - Contributions for UIF, pensions and medical aids (Note 48.5)	13,803,233	12,816,758
Employee related costs - SALA Pension Fund	474,556	459,316
Travel, motor car, accommodation, subsistence and other allowances	6,061,278	5,303,004
Housing benefits and allowances	250,815	241,644
Overtime payments	4,363,668	3,787,266
Performance bonus	0	0
Contribution to provision for post- retirement medical aid benefits	3,890,688	2,745,121
Contribution to long-service provision	671,136	629,408
Contribution to ex-gratia provision	10,693	12,574
Net Actuarial (gains)/losses recognised	0	7,850,791
<b>Total Employee Related Costs</b>	<b>87,046,137</b>	<b>86,081,393</b>
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	669,012	635,786
Bonus	50,000	50,000
Performance Bonuses	132,903	125,522
Leave Encashment	94,116	0
Car Allowance	120,000	120,000
Contributions to UIF, Medical and Pension Fund	147,367	140,573
<b>Total</b>	<b>1,213,398</b>	<b>1,071,881</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
<b>29. EMPLOYEE RELATED COSTS - (continued)</b>		
<b><u>Remuneration of the Manager Water, Sewerage &amp; Sanitation</u></b>		
Annual Remuneration	618,595	541,092
Bonus	5,000	5,000
Performance Bonus	106,181	81,129
Car Allowance	60,000	60,000
Acting Allowance	0	24,145
Contributions to UIF, Medical and Pension Fund	120,955	123,366
<b>Total</b>	<b>910,731</b>	<b>834,732</b>
<b><u>Remuneration of the Manager Community Services</u></b>		
Annual Remuneration	392,477	352,152
Bonus	30,000	30,000
Performance Bonus	72,788	58,170
Car Allowance	80,000	80,000
Contributions to UIF, Medical and Pension Fund	114,213	96,399
<b>Total</b>	<b>689,478</b>	<b>616,721</b>
<b><u>Remuneration of the Manager Streets &amp; Storm water - (8 months)</u></b>		
Annual Remuneration	537,499	480,725
Bonus	40,000	40,000
Performance Bonus	95,162	81,129
Car Allowance	48,000	48,000
Other Allowance	24,383	4,167
Contributions to UIF, Medical and Pension Fund	117,931	104,285
<b>Total</b>	<b>862,975</b>	<b>758,306</b>
<b><u>Remuneration of the Manager Planning Services</u></b>		
Annual Remuneration	511,718	455,487
Bonus	25,000	25,000
Performance Bonus	92,215	81,129
Car Allowance	80,000	80,000
Contributions to UIF, Medical and Pension Fund	104,386	95,722
<b>Total</b>	<b>813,319</b>	<b>737,338</b>
<b><u>Remuneration of the Manager Information Technology</u></b>		
Annual Remuneration	479,862	423,697
Bonus	40,000	40,000
Performance Bonus	82,104	62,731
Acting Allowance	0	13,760
Contributions to UIF, Medical and Pension Fund	116,308	102,831
<b>Total</b>	<b>718,274</b>	<b>643,019</b>
<b><u>Remuneration of the Manager Financial Services</u></b>		
Annual Remuneration	498,942	415,520
Bonus	20,000	50,000
Performance Bonus	85,629	81,129
Car Allowance	84,000	84,000
Contributions to UIF, Medical and Pension Fund	118,162	106,920
<b>Total</b>	<b>806,733</b>	<b>737,569</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
<b>29. EMPLOYEE RELATED COSTS (continued)</b>		
<b>Remuneration of the Manager Legal Services</b>		
Annual Remuneration	534,082	485,943
Bonus	25,000	25,000
Performance bonus	91,733	70,090
Acting Allowance	0	20,860
Contributions to UIF, Medical and Pension Fund	135,910	116,770
<b>Total</b>	<b>786,725</b>	<b>718,663</b>
<b>30. REMUNERATION OF COUNCILORS</b>		
Executive Mayor	593,901	546,729
Deputy Executive Mayor	478,466	481,103
Speaker	477,913	422,894
Mayoral Committee Members	916,263	765,437
Councilors	1,847,716	1,877,037
<b>Total Councilors' Remuneration</b>	<b>4,314,259</b>	<b>4,093,200</b>
<b>In-kind Benefits</b>		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time councilors. Each is provided with an office and secretarial support at the cost of the Council.		
Councilors allowances and benefits are within the upper limits of the framework envisaged in section 219 of the Constitution.		
<b>31. PROVISION FOR IMPAIRMENT OF DEBTORS</b>		
Contribution to bad debt provision - ex I & E	2,911,770	3,392,909
Contribution from bad debt provision	-1,968,759	-2,482,154
Bad debts written off	1,968,759	2,482,154
<b>Total</b>	<b>2,911,770</b>	<b>3,392,909</b>
<b>32. DEPRECIATION</b>		
		Restated
PPE (Note 10)	16,709,586	15,802,148
Intangible assets (Note 11)	13,333	13,333
Non-Current assets held for sale - Impairment loss (Note 3)	69,500	0
	<b>16,792,419</b>	<b>15,815,481</b>
<b>33. INTEREST PAID</b>		
Long-term liabilities	6,733,416	5,075,844
Other	897,892	525,156
<b>Total Interest Expense</b>	<b>7,631,308</b>	<b>5,601,000</b>
<b>34. BULK PURCHASES</b>		
		Restated
Electricity	52,537,157	42,268,359
Water	3,237,543	2,605,878
<b>Total Bulk Purchases</b>	<b>55,774,701</b>	<b>44,874,237</b>
<b>35. GENERAL EXPENSES</b>		
		Restated
<b>Operating Grants:</b>		
Equitable Share	0	0
Skills Development	87,525	80,761
Housing:		
- Albertinia	0	0
- Gouritsmond	0	222,000
- Riversdal	0	15,988,730
Dennedal Garcia Services	2,405,593	280,152

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
<b>35. GENERAL EXPENSES - (continued)</b>		
Electricity - Demand Side Management (DME)	460,352	6,805,998
Other	29,496,839	2,778,122
	<b>32,450,309</b>	<b>26,155,763</b>
Audit Fees	1,363,405	1,238,654
Chemicals	1,779,503	1,401,239
Insurance	602,223	492,121
Material & Supplies	763,989	811,989
Other	11,096,521	12,199,113
Shared Service - Fire Brigade - Eden	0	0
Clean-up projects	730,501	1,349,818
Environmental education	587,552	515,000
Tourism	100,000	455,311
Development Costs	38,372	503,196
Inventory	0	0
Levy: Dept. of Water Affairs	188,468	249,604
Operational Leases: Office Machines	132,953	134,061
Land and Buildings	421,190	309,435
Postage & Telephone	2,723,318	2,665,318
Printing & Stationery	699,752	649,688
Software assistance	901,783	1,031,120
Travelling & Subsistence	956,329	739,371
Valuation fees	555,614	371,719
Vehicle Costs	4,974,806	3,838,023
<b>Total</b>	<b>61,066,591</b>	<b>55,110,543</b>

The comparative year has been restated due to the correction of errors. Refer to note 48.

**36. CASH AND CASH EQUIVALENTS**

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

Bank and Cash on Hand	9,080	6,080
Call investment deposits	34,239,163	70,020,893
Bank balance	0	2,096,512
Bank overdraft	3,813,699	0
<b>Total</b>	<b>38,061,942</b>	<b>72,123,485</b>

**37. CASH GENERATED BY OPERATIONS**

		Restated
Surplus for the year	13,344,801	6,956,671
Adjustments for:-		
Investment Property valuation surplus	0	-357,000
Depreciation	16,792,419	15,815,481
Gain on disposal of assets	-665,999	-3,155,023
Loss on disposal of property, plant and equipment and transfers	346,942	133,249
Retirement Benefit Liabilities	2,422,842	9,105,927
Non-current provisions	225,787	450,371
Decrease in operating lease liabilities	-3,437	-37,451
(Increase)/Decrease in provisions	1,650,799	1,469,441
(Increase)/Decrease in operating lease assets	-7,941	-9,849
Net effect of prior year restatements	0	-1,437,736
Recognition of heritage assets	0	-8,326,375
Contribution provision for impairment	1,747,829	910,755
Investment & Debtors Interest	-4,658,766	-5,030,678
Interest paid	7,631,308	5,601,000
<b>Operating surplus before working capital changes:</b>	<b>38,826,583</b>	<b>22,088,784</b>
(Increase)/Decrease in inventories	28,014	77,647
(Increase)/Decrease in debtors	-2,488,402	-3,311,417
(Increase)/Decrease in other debtors	-3,287,532	6,827,909
(Increase)/Decrease in provisions	0	0
(Increase)/Decrease in conditional grants and receipts	-4,083,731	-2,995,746
(Increase)/(Decrease) in creditors	13,564,407	11,313,570
(Increase)/Decrease in VAT	-572,112	942,738
<b>Cash generated by operations</b>	<b>41,987,228</b>	<b>34,943,485</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

**38. ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT**

**38.1 Contributions to organised local government - SALGA**

Opening Balance	0	0
Council Subscriptions	582,718	383,756
Amount paid - current year	-582,718	-383,756
<b>Balance at 30 June 2012</b>	<b>0</b>	<b>0</b>

**38.2 PAYE and UIF**

Opening Balance	0	0
Current year payroll deductions	9,238,476	8,064,216
Amount paid - current year	-9,238,476	-8,064,216
<b>Balance at 30 June 2012</b>	<b>0</b>	<b>0</b>

**38.3 Pension and Medical Aid deductions**

Opening Balance	0	0
Current year payroll deductions	19,401,559	16,657,811
Amount paid - current year	-19,401,559	-16,657,811
<b>Balance at 30 June 2012</b>	<b>0</b>	<b>0</b>

**38.4 Audit Fees**

Opening Balance	0	0
Current year Audit Fees	1,363,405	1,238,654
Amount paid - current year	-1,363,405	-1,238,654
<b>Balance at 30 June 2012</b>	<b>0</b>	<b>0</b>

**38.5 VAT**

VAT input receivables and VAT output receivables are shown in Note 6. These returns have been submitted by the due date throughout the year.

**38.6 Councilor's arrear Consumer Accounts**

The following Councilors had arrear accounts outstanding for more than 90 days as at:

30 June 2012		up to 90 days	more than 90 days
Councilor Johannes, R	2,439	47	2,392
30 June 2011	Total	Outstanding up to 90 days	Outstanding more than 90 days
Councilor February, LC	1,997	0	1,997
Councilor Johannes, R	1,892	0	1,892
<b>Total Councilor Arrear Consumer Accounts</b>	<b>3,889</b>	<b>0</b>	<b>3,889</b>

**39. Non-Compliance with Chapter 111 of the Municipal Finance Management Act**

No known matters existed at reporting date.

The Municipality has developed a supply chain management policy, which was approved by Council.

**40. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, THE PROCUREMENT PROCESS**

In terms of section 36 of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed, must be noted in the financial statements. During the year, deviations from the Municipality's Supply Chain Management Policy were noted and are summarised and disclosed in threshold totals as follows:

	Number of Cases	R
<b>&lt;R2 000</b>	608	365,866
Sole supplier	14	41,873
Emergency	297	143,804
Exceptional Circumstances	282	170,177
Impractical	15	10,013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
<b>40. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, THE PROCUREMENT PROCESS - (continued)</b>		
<b>R2 000 - R30 000</b>	260	2,421,071
Sole supplier	27	404,478
Emergency	76	583,122
Exceptional Circumstances	155	1,394,358
Impractical	2	39,113
<b>R30 000 - R200 000</b>	8	606,573
Sole supplier	0	0
Emergency	1	37,609
Exceptional Circumstances	7	568,965
Impractical	0	0
<b>&gt; R200 000</b>	1	207,500
Sole supplier	0	0
Emergency	0	0
Exceptional Circumstances	1	207,500
Impractical	0	0
	<b>877</b>	<b>3,601,010</b>

A complete list, including reasons for deviation per transaction, is available. Below are details of 10 deviations.

Department	Service	Provider	Reason for deviation	Amount
Finance and Admin	Routemaster upgrading	Consolidated African Technologies	The Municipality currently uses the Routemaster program. Consolidated African Technologies has the sole rights of the program.	207,500
Streets, Storm water	Spare parts for Volvo Digger Loader	Babcock Africa Services	Spare parts for repairs and maintenance to the Volvo Digger Loader could be obtained from Babcock African Service at a	111,647
Finance and Admin	Update of Asset Register	Aurecon Engineering Services	Aurecon updated the Municipality's asset register in 2009/2010 and 2010/2011 and therefore has a good understanding of the Municipality's circumstances. Due to time constraints and the fact that numerous Municipalities use Aurecon, it was in the best	105,254
Finance and Admin	Review of Annual Financial Statements	Ducharme Consulting	The consultant of Ducharme Consulting has reviewed the AFS for the past 3 years and has a good knowledge of the Municipality's structure. Time is of the essence between 29 and 31 August to ensure accuracy and completeness of the AFS.	78,912
Finance and Admin	Assistance with Budget and Financial Policies	Akhile	Akhile have done the policies in the past and has a good background of the Municipality's circumstances.	68,144
Camps	Purchase of furniture: WS chalets	Lewis Stores	Lewis stores recommended but not on the data base.	66,659
Water	Plumber materials	Inclendon Cape	Emergency purchase of valves.	49,477
Finance and Admin	Employee related cost liability valuation	ARCH Actuarial Consulting	ARCH already had the Municipalities details and numbers. Due to time constraints, a new firm would not have been able to meet the	46,170
Sewerage	2 X Vosa non return Valve	DPI Trading	The non return valve in Sewerage Pump station 2 needed to be replaced urgently.	37,609

Tender HES-SSPO INF 08/1112 amounting to R180 970 was awarded to a parent of a person in the service of the state. Yolande Daniels is in service of the state.

Tender HES-COM 02/1112 amounting to R310 850 was awarded to the spouse of a person in the service of the state. AA Tobias Is in service of the state.

During the audit procedures performed on Procurement and Contract Management it was noted that the following quotations amounting to R17 029 was awarded to a spouse of a person in the service of the state. Valencia Daniels is in service of the state

The awards were made to Albertinia Panel Beaters

Awarded number	Voucher	Amount
11 1064879	45	2137.5
11 1066546	13	14891.19
		<b>17028.69</b>



## 41. RELATED PARTY TRANSACTIONS

## 41.1 Services rendered to Related Parties

During the year the municipality rendered services to the following related parties that are related to the municipality as indicated:

	Rates Charges	Service Charges	Sundry Charges	Outstanding Balances
	R	R	R	R
<b>For the year ended 30 June 2012</b>				
Councillors	17,722	107,748	775	11,550
Municipal Manager and Section 57 Personnel	42,898	103,128	387	10,870
Municipal Entities	0	0	0	0
<b>Total</b>	<b>60,620</b>	<b>210,876</b>	<b>1,162</b>	<b>22,420</b>
<b>For the year ended 30 June 2011</b>				
Councillors	21,697	86,226	668	11,899
Municipal Manager and Section 57 Personnel	42,162	101,234	6,061	12,119
Municipal Entities	0	0	0	0
<b>Total</b>	<b>63,859</b>	<b>187,461</b>	<b>6,729</b>	<b>24,018</b>

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public. No Bad Debts were written off or recognised in respect of amounts owed by Related Parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Councillors, the Municipal Manager and Section 57 Personnel not on the salary deduction list. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

**41. RELATED PARTY TRANSACTIONS - (continued)****41.2 Loans granted to Related Parties**

In terms of the MFMA, the municipality may not grant loans to its Councilors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in Note 13 to the Annual Financial Statements.

**41.3 Compensation of Related Parties**

Compensation of Key Management Personnel and Councilors is set out in Notes 30 and 31 respectively, to the Annual Financial Statements.

**41.4 Purchases from Related Parties**

The municipality procured services from the following service providers, which are considered to be Related Parties:

				2012 R	2011 R
<b>Service Provider</b>	<b>Related Person</b>	<b>Capacity</b>	<b>Municipal Capacity</b>		
Fynbos Guest House	Ms S Jacobs	Owner	Municipal Manager	800	3,940
Autozone	Mr A Stroebel	Manager	Councilor	0	6,742
				<b>800</b>	<b>10,682</b>

Ms S Jacobs is the spouse of the Municipal Manager. The transactions were concluded in compliance with the municipality's Supply Chain Management policy. The transactions are considered to be at arm's length.

Councilor A Stroebel was elected as a councilor on 18 May 2011. He is no longer the manager of Autozone, and does not belong to nor have any enterprises with which the Municipality conducts business.

**42. COMMITMENTS FOR EXPENDITURE****Capital Commitments**

Commitments in respect of Capital Expenditure:

- Approved and Contracted for:-	6,390,895	13,363,222
<b>Total Capital Commitments</b>	<b>6,390,895</b>	<b>13,363,222</b>

This expenditure will be financed from:

- Own funds, grants and subsidies and external finance	6,390,895	13,363,222
	<b>6,390,895</b>	<b>13,363,222</b>

**43. AFTER BALANCE SHEET EVENTS**

No events having financial implications requiring disclosure occurred subsequent to 30 June 2012.

**44. RETIREMENT BENEFIT INFORMATION**

The personnel of the Hessequa Municipality are members of the funds as set out below. These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below. The Cape Joint Pension Fund is defined benefit fund, whereas the Cape Joint Retirement Fund, Municipal Councilors Fund, The Provident Fund and The National Fund for Municipal Workers are defined contribution funds. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio; these assets are not nationally allocated to each of the participating employers.
- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- The same rate of contributions applies to all participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councilors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

**44.1 DEFINED BENEFIT SCHEMES****Cape Joint Pension Fund**

The statutory valuation performed as at 30 June 2010 revealed that the fund had a surplus of R0 (30 June 2009: R0) million, with a funding level of 100 % (30 June 2009: 100%) and a solvency reserve with a closing balance of R4.9 (30 June 2009: R220,6) million. The contribution rate paid by the members 9,00% and the municipalities 18,00% is less than the recommended contribution rate of 32,1%.

Refer to note 15, for details regarding a provision for a shortfall in the investment returns in respect of the defined benefits component of the Fund.

**44.2 DEFINED CONTRIBUTION SCHEMES****Cape Joint Pension Fund**

This scheme was established to accommodate the unique characteristics of contract employees and 'cost to company' employees. All existing members were given the option to transfer to the defined contribution plan before 1 July 2003. The actuary report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed bonus philosophy, and given normal circumstances.

The statutory valuation performed as at 30 June 2011 revealed that the fund had a surplus of R67,977 (30 June 2010: R190,464) million, with a funding level of 98,1% (30 June 2010: 100%). The contribution rate paid by the members 9,00% and the municipalities 18,00% is less than the recommended contribution rate of 32,1%.

**Cape Joint Retirement Fund**

The scheme is subject to an annual actuarial valuation. The statutory valuation performed as at 30 June 2011 revealed that the assets of the fund amounted to R9 930,837 (30 June 2010: R7 740,205) million, with funding levels of 100,3% and 116,9% (30 June 2010: 99,9% and 100,3%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (7,50%) and the municipalities (19,50%) is sufficient to fund the benefits accruing from the fund in the future.

This scheme was established to accommodate the unique characteristics of contract employees and 'cost to company' employees. All existing members were given the option to transfer to the defined contribution plan before 1 July 2003. The actuary report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed bonus philosophy, and given normal circumstances.

**Municipal Councilors' Pension Fund**

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2010.

The statutory valuation performed as at 30 June 2010 revealed that the assets of the fund amounted to R1 483, 786 381 (30 June 2009: R1 341, 935 205) million. The contribution rate paid by the members (13,75%) and the municipalities (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

**SALA Pension Fund:**

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2010.

The statutory valuation performed as at 30 June 2010 revealed that the assets of the fund amounted to R7 110,3 (30 June 2009: R6 303,7) million, with funding levels of 96,0% (30 June 2009: 96,0%). The contribution rate paid by the members (8,6%) and Council (20,78%) is sufficient to fund the benefits accruing from the fund in the future.

**South African Municipal Workers Union National Provident Fund**

The scheme is subject to an tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2005. The statutory valuation performed as at 30 June 2005 revealed that the fund had a funding ratio of 100.0% (30 June 2002: 100,0%). The contribution rate paid by the members (not less than 5,00%) and Council (not less than 12,00%) is sufficient to fund the benefits accruing from the fund in the future.

The following table reflects the information of the defined benefit retirement, pension and provident funds to which councilors and employees belong. The relevant law requires every fund to do an actuarial valuation every three years.

	Actuarial Value-action done every:	Last Accrual Valuation	Total Assets R,000	Total Liabilities R,000	Contributing Members
Municipal Councilors Pension Fund	Year	June 2010			4
Cape Joint Retirement Fund	Year	June 2011	9,845,000	9,734,441	226
Cape Joint Pension Fund	Year	June 2011	2,971,150	3,030,085	41
SAMWU Provident Fund	3 Years	June 2005	1,511,461	1,447,663	47
SALA Pension Fund	3 Year	June 2010	7,110,300	7,417,900	171

An amount of R8,670 million (2011:R8,659 million) was contributed by Council towards councilor and employee retirement funding. These contributions have been expensed.

**45. GUARANTEES**

Guarantees were issued in favor of Eskom in the amount of R70 200.

**46. IN-KIND DONATIONS AND ASSISTANCE**

The municipality did not receive any in-kind Donations and Assistance during the year under review.

**47. BUDGET RECONCILIATION****47.1 Operating Budget**

	Appr.Budget 2011-07-01	Approved Amendments	Amended Budget
Employee Related Cost	87,186,354	-80,450	87,105,904
Council Remuneration	4,463,845	0	4,463,845
Collection Cost	953,764	0	953,764
Contributions to Provisions	6,139,205	0	6,139,205
Depreciation	16,475,513	0	16,475,513
Repairs and Maintenance	12,907,601	-397,658	12,509,943
Interest Paid	7,617,435	0	7,617,435
Bulk Purchases	56,268,772	0	56,268,772
Contracted Services	3,389,000	0	3,389,000
General Expenses	30,457,342	-264,239	30,193,103
Operating Grants	34,556,783	8,419,721	42,976,504
<b>TOTAL EXPENDITURE</b>	<b>260,415,614</b>	<b>7,677,374</b>	<b>268,092,988</b>
Property Rates	51,262,155	0	51,262,155
Penalties on Rates	540,000	0	540,000
Service Charges	136,740,237	874,050	137,614,287
Rental of facilities and equipment	3,538,703	0	3,538,703
Interest earned - external investments	4,500,000	-700,000	3,800,000
Interest earned - outstanding debtors	541,200	0	541,200
Fines	2,445,650	0	2,445,650
Licenses and permits	272,500	0	272,500
Income for agency services	1,215,300	0	1,215,300
Government grants & Subsidies	49,005,068	9,782,721	58,787,789
Grants & Subsidies Capital	16,431,800	-705,744	15,726,056
Other income	2,606,895	110,273	2,717,168
Gains on disposal of PPE	20,150,000	-19,000,000	1,150,000
Less: Income Forgone	-6,406,492	-874,050	-7,280,542
<b>TOTAL INCOME</b>	<b>282,843,016</b>	<b>-10,512,750</b>	<b>272,330,266</b>
SURPLUS/(DEFICIT)	-22,427,402	18,190,124	-4,237,278
Transfer to CRR	10,000,000	0	10,000,000
Capital Grants used for PPE	16,431,800	-705,744	15,726,056
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>4,004,398</b>	<b>17,484,380</b>	<b>21,488,778</b>

**47.2 Capital Budget**

	Appr.Budget 2010-07-01	Approved Amendments	Amended Budget
Infrastructure	56,542,000	4,697,695	61,239,695
Other Assets	11,579,500	-742,075	10,837,425
	<b>68,121,500</b>	<b>3,955,620</b>	<b>72,077,120</b>
<b>Source of Finance</b>			
External Loans	25,000,000	-400,000	24,600,000
Internal Contributions	26,689,700	5,061,364	31,751,064
Grants & Subsidies	16,431,800	-705,744	15,726,056
	<b>68,121,500</b>	<b>3,955,620</b>	<b>72,077,120</b>

**48. CORRECTION OF ERRORS AND RECLASSIFICATIONS**

A number of errors and other restatements in the prior's years transactions were discovered and were corrected in the current year's financial statements. Details of these errors and restatements are as follows:

**48.1 Property, Plant and Equipment**

A number of errors in the prior year's asset register were found regarding the recognition of Property, Plant and Equipment and Non-Current Assets Held for Sale and these were corrected. Details are follows:

	PPE R	Non-current Assets held for sale R
<b>Balances as published as at 30 June 2011</b>	505,869,726	150,500
Correction of errors (2009/2010)		0
Asset omitted previous year	1,745,505	
Asset 600591 - value corrected	-105,000	
Transfer from non-current	37,500	
Derecognition of movable assets	-421,310	
Impairment of Asset 2545100090	-179,000	
Correction of errors (2010/2011)		-63,500
<b>Restated balances as at 30 June 2011</b>	<b>506,947,422</b>	<b>87,000</b>

**48.2 Trade receivables from Non-Exchange transactions**

Corrections were made to correct the opening balance at 01/07/2011 of Government Subsidies.

	R
<b>Balances as published as at 30 June 2011</b>	9,155,108
Expenses wrongly allocated to trade receivables should be PPE	-1,125,786
Expenses wrongly allocated to trade receivables should be other expenses	-101,268
Correction of Vat on sale of land	-42,000
Correction of rental received	17,108
Correction of traffic fines	43,325
Correction of rates - (successful appeals)	-245,481
Correction of capital contributions	-3,718
<b>Restated balances as at 30 June 2011 - see note 5</b>	<b>7,697,287</b>

**48.3 Appropriations to Accumulated surplus account**

Corrections were made and appropriated to the Accumulated Surplus Account during the financial year ended 30 June.

Details of the appropriations are as follows:

**Unappropriated Surplus Account:**

Corrections to Property, Plant and Equipment	See note 48.1	1,077,696
Corrections to Non-Current Assets Held for sale	See note 48.1	-63,500
Corrections to Trade receivables from Non-Exchange transactions	See note 48.2	-1,457,821
Corrections to provisions	Performance bonus overprovided	12,187
Corrections to Creditors	Appropriations in the prior year	-360,795
<b>Increase in Unappropriated Surplus Account</b>		<b>-792,234</b>

**48.4 Appropriations to the 2010/2011 profit and loss**

Corrections were made to certain profit and loss accounts which affected the 2010/2011 year.

<b>Surplus for the year as previously stated:</b>		7,675,811
Gain on sale of assets	VAT not paid over in prior year/profit on sale of assets disposed 2010/2011	-68,000
Loss on sale of assets	Derecognition of movable assets/Asset 600591 - value incorrect on register	-133,249
General expenses - Other	see note 35 Maxprof commision on Vat investigation	-54,597
General expenses - Other	see note 35 Recognition of Asset 9830500660 - land and buildings	241,547
General expenses	see note 35 Workmans compensation	-81,586
General expenses	see note 35 Expenses wrongly allocated to trade receivables should be other expenses	-101,268
Rental received	Correction of rental received	17,108
Service Charges	see note 25 Correction of indigent levies	-8,893,265
Fines	Correction of traffic fines	43,325
Operating Grants	see note 35 Overspending on FMG grant re-classified as other expenses	-256,870
Operating Grants	see note 35 Overspending on MIG grant re-classified as other expenses	37,001
General Expenses	see note 35 Correction of Equitable share	8,893,265
Employee costs	see note 32 Performance bonus, pension contributions	7,444
Other income	see note 28 Recognition PPE	47,945
Depreciation	see note 29 Derecognition of movable assets/Asset 600591 - value incorrect on register	-38,196
Other income	see note 28 Correction of capital contributions	-3,718
Repairs and maintenace	Reclassification of expense wrongly allocated 2010/2011	48,458
Impairment of assets	see note 32 Impairment of asset 2545100090 recognised	-179,000
Rates	see note 24 Correction of rates - (successful appeals)	-245,481
<b>Surplus for the year as restated</b>		<b>6,956,671</b>

**49. CHANGE IN ACCOUNTING ESTIMATES**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R2011  
R

The Municipality rents the Post Office building and improvements have been capitalised. These improvements were initially written off over its useful life of 20 Years. The lease agreement is however only 3 - 6 years and therefore the estimated useful lives have been adjusted.

**50. TRUST FUNDS**

Nature Development - Stilbaai			1,407,330	1,377,699
Elsje Koorts Tuberculosis Fund			176,134	166,793
<b>Total Trust Funds</b>			<b>1,583,464</b>	<b>1,544,492</b>

An annexure is attached with the Annual Financial Statements of the Trust Funds

**51. FINANCIAL INSTRUMENTS****51.1 Classification of Financial Instruments****FINANCIAL ASSETS**

Financial Assets	Classification			
<b>Long-term Receivables</b>				
Sport clubs/Pre-primary School	Note 13	Loans and receivables	24,193	25,970
<b>Consumer Debtors</b>				
Rates	Note 5	Loans and receivables	10,680,501	9,900,738
Electricity	Note 4	Loans and receivables	10,756,713	9,092,284
Water	Note 4	Loans and receivables	4,587,441	3,934,309
Sewerage	Note 4	Loans and receivables	3,535,802	3,519,150
Waste Management	Note 4	Loans and receivables	1,916,290	2,078,469
Housing Rental/Selling Schemes	Note 4	Loans and receivables	1,704	1,704
Other	Note 4	Loans and receivables	2,641,490	2,327,567
Less: Provision for Impairment	Note 4	Loans and receivables	-8,929,783	-7,181,954
<b>Other Debtors</b>				
Insurance claims	Note 5	Loans and receivables	20,469	25,426
Government subsidies		Loans and receivables	2,283,214	0
Other		Loans and receivables	648,161	411,728
<b>Current Portion of Long-term Receivables</b>				
Sport clubs/Pre-primary School		Loans and receivables	1,777	1,643
<b>Short-term Investment Deposits</b>				
Call Deposits	Note 8	Loans and receivables	34,239,163	70,020,893
<b>Bank Balances and Cash</b>				
Cash Floats and Advances	Note 7	Loans and receivables	3,822,779	2,102,592
<b>SUMMARY OF FINANCIAL ASSETS</b>				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

51. FINANCIAL INSTRUMENTS - (continued)

Loans and Receivables:				
Call Deposits	Note 8	Loans and receivables	34,239,163	70,020,893
Long-term Receivables	Note 13	Sport clubs/Pre-primary School	24,193	25,970
Consumer Debtors	Note 5	Rates	10,680,501	9,900,738
Consumer Debtors		Electricity	10,756,713	9,092,284
Consumer Debtors		Water	4,587,441	3,934,309
Consumer Debtors		Sewerage	3,535,802	3,519,150
Consumer Debtors		Waste Management	1,916,290	2,078,469
Consumer Debtors		Housing Rental/Selling Schemes	1,704	1,704
Consumer Debtors		Other	2,641,490	2,327,567
Consumer Debtors		Less: Provision for Impairment	-8,929,783	-7,181,954
Other Debtors	Note 5	Insurance claims	20,469	25,426
Other Debtors		Government subsidies	2,283,214	0
Other Debtors		Other	648,161	411,728
Current Portion of Long-term Receivables	Note 13	Sport clubs/Pre-primary School	1,777	1,643
Bank Balances and Cash	Note 7	Cash Floats and Advances	3,822,779	2,102,592
			<b>66,229,914</b>	<b>96,260,518</b>
<b>TOTAL FINANCIAL ASSETS</b>			<b>66,229,914</b>	<b>96,260,518</b>
Financial Liabilities		Classification		
<b>Long-term Liabilities</b>				
Annuity Loans	Note 19	Financial liabilities at amortised cost	47,717,351	56,356,369
<b>Consumer Deposits</b>				
Electricity and Water	Note 14	Financial liabilities at amortised cost	3,254,337	3,253,353
<b>Creditors</b>				
Trade Creditors	Note 16	Financial liabilities at amortised cost	34,345,198	21,167,793
Payments received in advance	Note 16	Financial liabilities at amortised cost	574,175	983,005
Provisions	Note 15	Financial liabilities at amortised cost	9,431,410	7,780,611
Retentions	Note 16	Financial liabilities at amortised cost	4,185,271	2,414,746
Staff Leave	Note 16	Financial liabilities at amortised cost	3,828,618	3,449,072
Other Creditors	Note 16	Financial liabilities at amortised cost	5,359,127	6,713,367
<b>Unspent Conditional Grants</b>				
National Government Grants	Note 17	Financial liabilities at amortised cost	1,203,040	3,111,187
Provincial Government Grants		Financial liabilities at amortised cost	253,134	253,135
District Municipal Grants		Financial liabilities at amortised cost	427,388	430,078
Other Conditional Grants		Financial liabilities at amortised cost	957,901	3,130,795
<b>Bank Balances and Cash</b>				
Bank Overdraft	Note 7	Loans and receivables	0	0
<b>Current Portion of Long-term Liabilities</b>				
Annuity Loans		Financial liabilities at amortised cost	8,652,029	8,247,746

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2012  
R

2011  
R

51. FINANCIAL INSTRUMENTS - (continued)

SUMMARY OF FINANCIAL LIABILITIES

Long-term Liabilities	Note 19	Annuity Loans	47,717,351	56,356,369
Consumer Deposits	Note 14	Electricity and Water	3,254,337	3,253,353
Creditors	Note 15	Trade Creditors	34,345,198	21,167,793
Creditors		Retentions	4,185,271	2,414,746
Creditors		Staff Leave	3,828,618	3,449,072
Creditors		Payments received in advance	574,175	983,005
Creditors		Other Creditors	5,359,127	6,713,367
Unspent Conditional Grants	Note 17	National Government Grants	1,203,040	3,111,187
Unspent Conditional Grants		Provincial Government Grants	253,134	253,135
Unspent Conditional Grants		District Municipal Grants	427,388	430,078
Unspent Conditional Grants		Other Conditional Grants	957,901	3,130,795
Bank Overdraft	Note 7		0	0
Current Portion of Long-term Liabilities	Note 19	Annuity Loans	8,652,029	8,247,746
<b>TOTAL FINANCIAL LIABILITIES</b>			<b>110,757,569</b>	<b>109,510,644</b>

51.2 Fair Value of Financial Instruments

In accordance with IAS 39.09, the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statement approximate their fair values. The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors. (All carrying amounts listed below = fair value and no disclosure of fair value is required when the carrying amount of financial instruments is a reasonable approximation of fair value)

	30 June 2012		30 June 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>FINANCIAL ASSETS</b>				
<b>Loans and Receivables</b>	<b>66,229,914</b>	<b>66,229,914</b>	<b>96,260,518</b>	<b>96,260,518</b>
Long-term Receivables	24,193	24,193	25,970	25,970
Call Deposits	34,239,163	34,239,163	70,020,893	70,020,893
Consumer Debtors	25,190,158	25,190,158	23,672,266	23,672,266
Other Debtors	2,951,844	2,951,844	437,154	437,154
Bank Balances and Cash	3,822,779	3,822,779	2,102,592	2,102,592
Current Portion of Long-term Receivables	1,777	1,777	1,643	1,643
<b>Total Financial Assets</b>	<b>66,229,914</b>	<b>66,229,914</b>	<b>96,260,518</b>	<b>96,260,518</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Loans and receivables:</b>				
Unsecured Bank Facilities:	<b>56,369,379</b>	<b>56,369,379</b>	<b>64,604,115</b>	<b>64,604,115</b>
- Annuity Loans	56,369,379	56,369,379	64,604,115	64,604,115
<b>Trade and Other Payables:</b>	<b>54,388,189</b>	<b>54,388,189</b>	<b>44,906,529</b>	<b>44,906,529</b>
Consumer Deposits	3,254,337	3,254,337	3,253,353	3,253,353
Creditors	48,292,389	48,292,389	34,727,982	34,727,982
Unspent Conditional Grants	2,841,463	2,841,463	6,925,194	6,925,194
<b>Cash and Cash equivalents</b>				
Bank Overdraft	0	0	0	0
<b>Total Financial Liabilities</b>	<b>110,757,569</b>	<b>110,757,569</b>	<b>109,510,644</b>	<b>109,510,644</b>



**51. FINANCIAL INSTRUMENTS - (continued)****Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities**

The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

**51.3 Capital Risk Management**

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 19, Bank, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus and the Statement of Changes in Net Assets.

**51.4 Significant Accounting Policies**

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the Annual Financial Statements.

**51.5 Financial Risk Management Objectives**

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

**51.6 Market risk**

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 49.7 below). No formal policy exists to hedge volatilities in the interest rate market.

**51.7 Interest Rate Risk Management**

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of fixed deposit investments, long-term deposit investments, other debtors, short-term investment deposits and bank and cash balances.

The municipality is exposed to interest rate risk as the municipality borrows funds at both fixed and floating interest rates. The risk is managed by the municipality by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

**51.8 Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

## 51. FINANCIAL INSTRUMENTS - (continued)

**Liquidity and Interest Risk Tables**

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

Description	Average effective interest rate	Within 1 year	2 - 5 years	More than 5 Years	Total
		R	R	R	R
<b>30 June 2012</b>					
Development Bank	9.33% - 11.56%	11,968,322	32,216,033	17,716,586	61,900,941
First National Bank	9.33% - 11.56%	2,520,900	10,083,598	7,562,699	20,167,197
		14,489,222	42,299,631	25,279,285	82,068,138
<b>30 June 2011</b>					
Development Bank	9.33% - 11.56%	11,966,758	37,372,829	23,889,202	73,228,788
First National Bank	9.33% - 11.56%	2,517,643	10,083,624	10,086,830	22,688,096
		14,484,400	47,456,452	33,976,032	95,916,884

The municipality has access to financing facilities, the total unused amount which is R100,000 at the reporting date. The municipality expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain current debt to equity ratio. This will be achieved through increasing tariffs and the increased use of unsecured bank loan facilities.

**51.9 Credit Risk Management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, it is endeavored 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.

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

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The maximum credit risk exposure in respect of the relevant financial instruments is as follows:

Fixed Deposit Investments	34,239,163	70,020,893
Long-term Receivables	1,777	1,643
Consumer Debtors	17,188,592	16,448,019
Other Debtors	10,984,818	7,697,287
Bank and Cash Balances	3,822,779	2,102,592
<b>Maximum interest and credit risk exposure</b>	<b>66,237,129</b>	<b>96,270,434</b>

**52. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE****52.1 Unauthorised expenditure**

To management's best of knowledge no Unauthorised Expenditure was incurred during the year under review.

**52.2 Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance		0	0
Interest paid due to late payment of creditors		26,709	0
Legal costs paid due to non-compliance with SCM policy		0	76,855
Electricity losses above the threshold (Refer note 53)		0	0
Water losses above the threshold (Refer note 53)		489,833	510,384
Fruitless and Wasteful Expenditure awaiting condonement		516,541	587,239

Abovementioned Fruitless and wasteful expenditure are not recoverable.

**52.3 Irregular expenditure**

Reconciliation of irregular expenditure:

Excluwin Spar	Groceries		2,058	0
Group Editors	Advertisements		934	
Pathcare	Water analysis		12,317	0
Bio-Systems	Chemicals		37,763	0
Total			53,072	0

To management's best of knowledge no Unauthorised Expenditure was incurred during the year under review.

**53. MATERIAL LOSSES****Electricity distribution losses**

- Units purchased (Kwh)	85,831,909	86,434,806
- Units lost during distribution (Kwh)	10,155,004	8,344,213
- Percentage lost during distribution	11.83%	9.65%

Electrical losses can be placed in two categories, namely Technical and Non-Technical losses.

Technical losses are the losses within the distribution network caused by the resistance to the flow of electricity forming part of items such as overhead lines, cables and transformers. Since Hessequa Municipality provides power to a number of towns (holiday destinations), with a very low load factor, which is also developed along the coast in long narrow sections resulting in long radial electrical feeders, the technical losses are higher than of the other towns. The expected losses are between 6% - 8%. The norm is between 3% - 5%.

Non-Technical losses are due to:

- Illegal connections
- Electricity theft
- Tampering with meters
- Meters not read correctly
- Faulty meters
- By-passing of meters

NERSA indicated that a 12% loss is regarded as normal.

**Water Inventory**

The following losses were calculated during the comparison of water purchases against water sales:

**Riversdale**

Kiloliters purchased	1,333,364	1,179,405
Kiloliters sold	927,965	644,365
Kiloliters lost in distribution	405,399	535,040
Percentage loss in distribution	30%	45%
Cost per kiloliter	0.35	0.35
Total cost in Rand	141,890	187,264
Amount greater than 12% transferred to fruitless expenditure	85,888	137,729

**Heidelberg and Witsand**

Kiloliters purchased	503,645	460,031
Kiloliters sold	366,119	341,782
Kiloliters lost in distribution	137,526	118,249
Percentage loss in distribution	27%	26%
Cost per kiloliter	5.24	4.66
Total cost in Rand	720,636	551,040
Amount greater than 12% transferred to fruitless expenditure	403,944	293,791

**Slangrivier**

Kiloliters purchased	71,623	67,728
Kiloliters sold	66,572	31,929
Kiloliters lost in distribution	5,051	35,799
Percentage loss in distribution	7%	53%
Cost per kiloliter	3.32	2.85
Total cost in Rand	16,769	102,027
Amount greater than 12% transferred to fruitless expenditure	0	78,864
<b>Total amount transferred to fruitless expenditure (Refer note 52.2)</b>	<b>489,833</b>	<b>510,384</b>

**53. MATERIAL LOSSES - (continued)**

Losses of up to 12% is regarded as normal. This has not been included in the figures above.

The loss of water is indicative of ageing infrastructure assets requiring improved maintenance and upgrading. There is a significant improvement in the losses of water in the whole Municipal area. This is the result of capital invested in the upgrading of the infrastructure. Council is however currently investigating further possibilities to further reduce the loss. The water infrastructure is very old, and millions of Rands is required to finance the backlog.

#### 54. CONTINGENT LIABILITIES

During the year under review, Council was not involved in unresolved litigation. The normal handovers of outstanding debtors accounts was the only legal action that Council was involved in.

#### 55. EVENTS AFTER THE REPORTING DATE

The Municipality applied for a loan of R25 mil before year end for bridging finance provided by the Municipality for capital expenses incurred during the year under review. The loan was approved and received after year end, which will significantly improved the cash flow position of the Municipality.

An amount of R1,2m owing to TOR Construction is included in the creditors balance. This company has since been declared insolvent, and the tender process is underway to complete the work and to take over the retention period

#### 56. COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 48).

#### 57. GOING CONCERN ASSESSMENT

Management considered the following matters relating to the Going Concern:

(i) On 30 May 2012 the Council adopted the 2012/13 Budget, which indicated that the Budget was cash backed for the period. Financial constraints to finance capital projects, will be resolved by selling parts of the Municipalities land.

(ii) Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes is complemented by weekly and monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

(iii) As the municipality has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.

**57. BUDGET COMPARISONS****Operational****Revenue by source**

	Budget	Actual	Variance
Property Rates	47,564,355	47,057,019	1.07
Service charges	134,031,545	126,286,476	5.78
Rental of facilities and equipment	3,538,703	3,863,733	-9.19
Interest earned - external investments	3,800,000	3,613,812	4.90
Interest earned - outstanding debtors	1,081,200	1,044,955	3.35
Fines	2,445,650	2,890,922	-18.21
Licences and permits	272,500	210,094	22.90
Income for agency services	1,215,300	1,313,850	-8.11
Government grants and subsidies	74,513,845	74,113,366	0.54
Other Income	2,717,168	3,056,078	-12.47
Surplus on sale of assets	1,150,000	665,999	42.09
<b>Total Income</b>	<b>272,330,266</b>	<b>264,116,304</b>	<b>3.02</b>

**Expenditure by nature**

Employee related costs	90,610,573	87,046,137	3.93
Rumuneration of councillors	4,463,845	4,314,259	3.35
Working Capital Reserve	2,634,536	2,911,770	-10.52
Collection Costs	953,764	624,805	34.49
Depreciation	16,475,513	16,792,419	-1.92
Repairs and Maintenance	12,509,943	11,026,408	11.86
Interest - External borrowings	7,617,435	7,631,308	-0.18
Bulk Purchases	56,268,772	55,774,701	0.88
Contracted Services	3,389,000	3,236,164	4.51
Loss on assets written off	0	346,942	
General Expenses	73,169,607	61,066,591	16.54
<b>Total Expenditure</b>	<b>268,092,988</b>	<b>250,771,503</b>	<b>6.46</b>

**NETT SURPLUS FOR THE YEAR**

	<b>4,237,278</b>	<b>13,344,801</b>	<b>-3.44</b>
--	------------------	-------------------	--------------

**Details of material variances****Revenue by source**

Explanations of variances on Revenue by Source are only provided where the budget and the variance percentage is greater than 5%

Rental of facilities and equipment	Higher occupancy of camping sites and community halls
Fines	Increased law enforcement
Licences and permits	Less income generated than expected
Income for agency services	Increase in transactions processed
Other Income	Increase in building plan fees and electricity capital contributions
Surplus on sale of assets	Fewer assets disposed of than envisaged

**Expenditure by nature**

Working Capital Reserve	Revision of contribution greater than expected
Collection Costs	Expected litigation re pension funds not realised
Repairs and Maintenance	Capacity constraints

**Capital**

	Budget	Actual	Variance
<b>Land</b>			
Land	2,612,829	2,001,192	23.41
<b>Infrastructure</b>			
Sewerage	8,417,259	7,954,367	5.50
Water	7,087,908	5,424,721	23.47
Electricity	12,975,601	10,314,051	20.51
Roads and Stormwater	33,808,927	33,146,195	1.96
<b>Community Assets</b>			
Sport Grounds	705,000	674,657	4.30
Parks	450,000	421,769	6.27
<b>Other Assets</b>			
Plant & Equipment	2,128,755	2,100,676	1.32
Motor Vehicles	3,002,209	2,706,166	9.86
Other	888,632	883,997	0.52
<b>Total</b>	<b>72,077,120</b>	<b>65,627,791</b>	<b>8.95</b>

**Details of material variances****Capital**

Explanations of variances on Revenue by Source are only provided where the budget and the variance percentage is greater than 5%

Land	Projects not done and savings on others
Sewerage	Stilbaai project not completed
Water	Albertinia reservoirs still in progress
Electricity	Own funding for electricity in Heidelberg not needed, job done out of grants & subsidies
Parks	Favourable tenders approved
Motor Vehicles	Procured at better prices

## Appendix A

### SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

EXTERNAL LOANS	Interest Rate	Loan Number	Redeemable	Balance at 30/06/2011  R	Restatement at 30/06/2011	Received during the period  R	Redeemed written off during the period R	Balance at 30-Jun-12  R
<b>Annuity Loans</b>								
Development Bank	10.50%	12007420	2021	22,023,014	0	0	-1,326,192	20,696,822
Development Bank	11.36%	101222	2013/12	6,779,068	0	0	-2,489,833	4,289,235
Development Bank	11.40%	101432	2014/12	2,495,211	0	0	-741,285	1,753,926
Development Bank	9.38%	102004	2015	3,510,760	0	0	-659,612	2,851,148
Development Bank	9.33%	102770	2017	7,041,122	0	0	-921,900	6,119,222
First National Bank	11.40%	4-000-019-445-833	2020	14,418,319	-20,000	0	-1,398,597	12,999,722
Development Bank	11.56%	103465	2019/06	8,336,620	0	0	-677,316	7,659,304
<b>Total External Loans</b>				<b>64,604,114</b>	<b>-20,000</b>	<b>0</b>	<b>-8,214,735</b>	<b>56,369,379</b>

**Appendix B**  
**ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNIE 2012**

	Cost			Accumulated Depreciation								Carrying Value R	Budget Additions R
	Opening	Additions	Fair Value Adjustment R	Under	Disposals Transfer	Closing	Opening	Transfers R	Additions	Disposals	Closing		
	Balance R	R		Construction R	R	Balance R	Balance R		R	R	R		
<b>Land and Buildings</b>													
Land and Buildings	266,782,200	1,751,235	0	249,957	-302,700	268,480,692	7,348,559	0	3,942,551	0	11,291,111	257,189,582	2,612,829
	<b>266,782,200</b>	<b>1,751,235</b>	<b>0</b>	<b>249,957</b>	<b>-302,700</b>	<b>268,480,692</b>	<b>7,348,559</b>	<b>0</b>	<b>3,942,551</b>	<b>0</b>	<b>11,291,111</b>	<b>257,189,582</b>	<b>2,612,829</b>
<b>Investment Property</b>													
Land and Buildings	43,450,281	0	0	0	0	43,450,281	0	0	0	0	0	43,450,281	0
	<b>43,450,281</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,450,281</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,450,281</b>	<b>0</b>
<b>Intangible Assets</b>													
Water Rights	400,000	0	0	0	0	400,000	34,444	0	13,333	0	47,777	352,223	0
	<b>400,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>400,000</b>	<b>34,444</b>	<b>0</b>	<b>13,333</b>	<b>0</b>	<b>47,777</b>	<b>352,223</b>	<b>0</b>
<b>Infrastructure</b>													
<b>Sewerage</b>													
Purification	34,160,577	2,739,342	0	1,350,000	0	38,249,919	3,490,392	0	1,011,585	0	4,501,977	33,747,942	4,355,224
Outfall Sewerage	6,061,392	697,390	0	0	-61,573	6,697,209	2,016,781	0	412,073	-34,254	2,394,600	4,302,609	690,000
Reticulation	25,280,456	3,167,635	0	0	0	28,448,090	6,616,521	0	689,772	0	7,306,292	21,141,798	3,372,035
<b>Water</b>													
Water Meters	2,912,341	499,556	0	0	0	3,411,896	534,930	0	106,870	0	641,800	2,770,096	500,000
Reticulation Network	21,076,819	695,718	0	0	0	21,772,538	4,327,173	0	492,524	0	4,819,696	16,952,841	756,000
Pump Stations	1,971,212	338,952	0	1,563,603	0	3,873,767	485,807	0	136,002	0	621,809	3,251,958	3,179,218
<b>Purification Works</b>	2,243,791	0	0	0	0	2,243,791	833,513	0	147,794	0	981,307	1,262,484	0
Reservoirs/Tanks	16,637,827	2,326,892	0	0	0	18,964,719	3,168,844	0	476,645	0	3,645,489	15,319,230	2,652,690
<b>Electricity</b>													0
Power Stations	179,178	0	0	0	0	179,178	95,959	0	6,752	0	102,712	76,466	0
Transformer Kiosks	2,551,221	1,092,574	0	0	0	3,643,795	145,388	0	55,339	0	200,727	3,443,067	1,100,833
Substations	5,104,632	0	0	0	0	5,104,632	759,362	0	120,662	0	880,024	4,224,608	0
Streetlights	2,016,616	10,902	0	0	0	2,027,518	253,925	0	57,565	0	311,491	1,716,028	11,001
Electricity Meters	2,361,511	85,967	0	0	0	2,447,478	404,946	0	51,466	0	456,412	1,991,066	87,423
Mains	26,711,601	6,384,761	0	2,739,847	0	35,836,210	3,223,615	0	618,791	0	3,842,406	31,993,804	11,776,344
													0
<b>Solid Waste</b>	973,611	0	0	0	0	973,611	389,908	0	63,971	0	453,879	519,732	0



**Appendix B**  
**ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNIE 2012**

	Cost			Accumulated Depreciation								Carrying Value R	Budget Additions R
	Opening Balance R	Additions R	Fair Value Adjustment R	Under Construction R	Disposals Transfer R	Closing Balance R	Opening Balance R	Transfers R	Additions R	Disposals R	Closing Balance R		
									Additions R				
<b>Roads and Stormwater</b>													
Motorways	59,446,899	28,401,663	0	0	0	87,848,562	8,848,023	0	1,782,162	0	10,630,185	77,218,376	28,458,757
Stormwater	36,427,293	4,563,562	0	0	0	40,990,854	5,123,802	0	1,167,682	0	6,291,485	34,699,370	5,161,820
Parking Areas	18,027	180,970	0	0	0	198,997	4,851	0	1,261	0	6,112	192,885	188,350
Footpaths	4,055,368	0	0	0	0	4,055,368	898,942	0	140,332	0	1,039,273	3,016,095	0
	<b>250,190,372</b>	<b>51,185,884</b>	<b>0</b>	<b>5,653,450</b>	<b>-61,573</b>	<b>306,968,133</b>	<b>41,622,682</b>	<b>0</b>	<b>7,539,249</b>	<b>-34,254</b>	<b>49,127,677</b>	<b>257,840,455</b>	<b>0</b>
<b>Community Assets</b>													
Cemeteries	620,228	0	0	0	0	620,228	265,862	0	49,766	0	315,629	304,599	0
Sport Grounds	7,808,272	674,657	0	0	0	8,482,929	2,680,169	0	476,163	0	3,156,332	5,326,596	705,000
Parks	6,292,154	421,769	0	0	0	6,713,922	1,692,328	0	266,565	0	1,958,893	4,755,029	450,000
Public Conveniences	246,220	0	0	0	0	246,220	14,675	0	4,824	0	19,499	226,722	0
	<b>14,966,874</b>	<b>1,096,425</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,063,299</b>	<b>4,653,034</b>	<b>0</b>	<b>797,318</b>	<b>0</b>	<b>5,450,353</b>	<b>10,612,946</b>	<b>1,155,000</b>
<b>Heritage Assets</b>													
Mayors Chain	8,331,875	0	0	0	0	8,331,875	0	0	0	0	0	8,331,875	0
	<b>8,331,875</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,331,875</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,331,875</b>	<b>0</b>

## Appendix B

## ANALYSIS OF PROPERTY, PLANT &amp; EQUIPMENT AS AT 30 JUNIE 2012

	Cost			Accumulated Depreciation								Carrying Value R	Budget Additions R
	Opening	Additions	Fair Value Adjustment R	Under Construction R	Disposals Transfer R	Closing	Opening	Transfers R	Additions	Disposals R	Closing		
	Balance R	R				Balance R	Balance R		Additions R		Balance R		
<b>Other Assets</b>													
<b>Emergency Equipment</b>													
Emergency	461,574	24,080	0		0	485,654	122,937		39,508	0	162,445	323,209	38,000
<b>Plant&amp;Equipment</b>													
Graders and Frontloaders	3,225,254	0	0		0	3,225,254	1,031,315		333,295	0	1,364,609	1,860,645	0
Tractors	2,239,109	787,516	0		0	3,026,625	797,167		201,086	0	998,253	2,028,372	800,000
Boats	56,035	-	-		-	56,035	17,537		5,362	-	22,899	33,136	-
Lawnmowers	1,015,727	75,965	-		(30,606)	1,061,086	488,590		149,875	(19,557)	618,908	442,178	126,560
Compressors	112,413	-	-		(2,401)	110,012	52,202		14,904	(1,372)	65,733	44,278	-
Other Plant and Equipment	3,567,864	1,237,195	-		(232,777)	4,572,282	1,721,328		487,962	(137,857)	2,071,433	2,500,849	1,202,194
<b>MotorVehicles</b>													
Sedans	552,023	113,568	-		-	665,591	257,971		87,467	-	345,439	320,152	113,580
Motor Cycles	78,769	-	-		-	78,769	55,455		6,767	-	62,222	16,547	-
Trailers	1,782,300	23,917	-		(44,065)	1,762,152	589,242		191,511	(30,272)	750,481	1,011,671	31,224
Trucks/LDV's	11,934,261	2,568,681	-		(118,055)	14,384,887	4,805,225		1,527,990	(88,380)	6,244,835	8,140,052	2,857,405
<b>Office Equipment</b>													
Computer Equipment	1,974,687	141,140	-		(402,694)	1,713,132	877,090		381,514	(328,408)	930,197	782,935	91,473
Other Equipment	599,590	34,770	-		(26,344)	608,016	265,411		75,822	(15,369)	325,864	282,152	32,301
Office Machines	2,308,754	409,712	-		(147,481)	2,570,984	1,056,891		350,758	(101,175)	1,306,473	1,264,511	460,995
Furniture and Fittings	4,632,513	274,296	-		(82,147)	4,824,661	2,132,215		561,028	(44,559)	2,648,684	2,175,977	265,863
<b>Security Equipment</b>													
Security	40,847	-	-		-	40,847	10,768		15,618	-	26,386	14,461	-
	<b>34,581,721</b>	<b>5,690,839</b>	<b>-</b>	<b>-</b>	<b>(1,086,572)</b>	<b>39,185,988</b>	<b>14,281,345</b>	<b>-</b>	<b>4,430,467</b>	<b>(766,949)</b>	<b>17,944,863</b>	<b>21,241,125</b>	<b>6,019,596</b>
<b>TOTAL</b>	<b>618,703,322</b>	<b>59,724,384</b>	<b>-</b>	<b>5,903,407</b>	<b>(1,450,845)</b>	<b>682,880,268</b>	<b>67,940,065</b>	<b>-</b>	<b>16,722,919</b>	<b>(801,203)</b>	<b>83,861,780</b>	<b>599,018,488</b>	<b>72,077,120</b>

## Appendix C

### SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2012

	Cost						Accumulated Depreciation				Carrying Value R
	Opening Balance R	Additions R	Under Construction R	Fair Value Adjustment	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	
Executive & Council	8,699,489	2,190	-		(2,620)	8,699,059	141,517	70,718	(1,221)	211,014	8,488,045
Finance & Admin	293,199,128	1,500,615	249,957	-	(766,335)	294,183,365	6,234,770	2,926,614	(373,246)	8,788,138	285,395,227
Health	1,218,248	-	-		-	1,218,248	226,795	113,397	-	340,192	878,056
Community & Social Services	16,380,369	559,062	-		(118,341)	16,821,090	3,703,988	1,470,280	(72,475)	5,101,793	11,719,297
Public Safety	2,245,795	128,463	-		(253,662)	2,120,596	845,060	326,774	(186,038)	985,796	1,134,800
Sport & Recreation	24,895,372	1,809,232	-		(2,188)	26,702,416	6,104,738	1,602,879	(1,251)	7,706,366	18,996,050
Planning and Development	289,238	2,486	-		(3,272)	288,452	134,378	42,527	(2,275)	174,630	113,822
Nature Conservation	-	-	-		-	-	-	-	-	-	-
Tourism	1,513,959	-	-		(30,878)	1,483,081	723,241	172,272	(19,949)	875,564	607,517
Road Transport	99,949,565	34,947,918	-		10,138	134,907,621	14,875,739	3,136,377	-	18,012,116	116,895,505
Waste Water Management/Sewerage	67,659,931	7,491,759	1,350,000		(67,407)	76,434,283	12,555,299	2,368,341	(37,208)	14,886,432	61,547,851
Waste Management/Solid Waste	1,026,344	1,253,649	-		-	2,279,993	394,206	119,701	-	513,907	1,766,086
Water	59,452,018	4,051,763	1,563,603		(189,295)	64,878,089	15,382,346	3,000,590	(88,979)	18,293,957	46,584,132
Electricity	42,173,866	7,977,247	2,739,847		(26,985)	52,863,975	6,617,988	1,372,449	(18,561)	7,971,876	44,892,099
<b>TOTAL</b>	<b>618,703,323</b>	<b>59,724,384</b>	<b>5,903,407</b>	<b>-</b>	<b>(1,450,845)</b>	<b>682,880,269</b>	<b>67,940,065</b>	<b>16,722,919</b>	<b>(801,203)</b>	<b>83,861,781</b>	<b>599,018,488</b>

## Appendix D

### SEGMENTAL INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

2011				2012		
Actual Income R	Actual Expenditure R	Surplus/(Deficit) R		Actual Income R	Actual Expenditure R	Surplus/(Deficit) R
13,041,117	25,390,295	-12,349,178	Executive & Council	12,431,594	18,424,681	-5,993,087
69,133,935	27,997,140	41,136,795	Finance & Admin	64,079,261	32,943,678	31,135,583
4,545,950	5,316,376	-770,426	Planning & Development	2,163,430	5,159,652	-2,996,222
986,647	5,903,744	-4,917,097	Community & Social Services	2,647,743	6,462,995	-3,815,252
17,237,116	17,206,505	30,611	Housing	26,541,533	26,537,797	3,736
5,056,066	8,616,115	-3,560,049	Public Safety	5,280,170	8,797,630	-3,517,460
144,425	1,048,864	-904,439	Environmental Conservation	83,207	808,600	-725,393
6,919,395	14,045,812	-7,126,417	Sport & Recreation	6,785,769	15,452,395	-8,666,626
5,014,566	25,421,733	-20,407,167	Road Transport	5,245,129	27,114,609	-21,869,480
15,000,663	12,954,838	2,045,825	Waste Water Management/Sewerage	18,955,786	15,389,558	3,566,228
10,095,254	10,166,447	-71,193	Waste Management/Solid Waste	11,164,974	10,684,595	480,379
19,754,716	17,708,356	2,046,360	Water	30,571,746	21,697,885	8,873,861
85,644,259	72,624,838	13,019,421	Electricity	95,316,828	77,070,397	18,246,431
0	1,216,375	-1,216,375	Hessequa Tourism		1,377,898	-1,377,898
<b>252,574,107</b>	<b>245,617,436</b>	<b>6,956,671</b>	<b>Sub total</b>	<b>281,267,170</b>	<b>267,922,369</b>	<b>13,344,801</b>
<b>-14,219,177</b>	<b>-14,219,177</b>	<b>0</b>	<b>Less inter-departmental charges</b>	<b>-17,150,866</b>	<b>-17,150,866</b>	<b>0</b>
<b>238,354,930</b>	<b>231,398,259</b>	<b>6,956,671</b>	<b>Total</b>	<b>264,116,304</b>	<b>250,771,503</b>	<b>13,344,801</b>

APPENDIX E (1)

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2012

	2012 Actual R	2012 Budget R	2012 Variance R	2012 Variance %	Explanation of Significant Variances greater than 5% versus Budget
<b>Revenue</b>					
Property Rates	47,057,019	47,564,355	-507,336	-1.07	
Service charges	126,286,476	134,031,545	-7,745,069	-5.78	
Rental of facilities and equipment	3,863,733	3,538,703	325,030	9.19	Higher occupancy of camping sites and community halls
Interest earned - external investments	3,613,812	3,800,000	-186,188	-4.90	
Interest earned - outstanding debtors	1,044,955	1,081,200	-36,245	-3.35	
Fines	2,890,922	2,445,650	445,272	18.21	Increased law enforcement
Licences and permits	210,094	272,500	-62,406	-22.90	Less income generated than expected
Income for agency services	1,313,850	1,215,300	98,550	8.11	Increase in transactions processed
Government grants and subsidies	74,113,366	74,513,845	-400,479	-0.54	
Other Income	3,056,078	2,717,168	338,910	12.47	Increase in building plan fees and electricity capital contributions
Surplus on sale of assets	665,999	1,150,000	-484,001	-42.09	Fewer assets disposed of than envisaged
<b>Total Income</b>	<b>264,116,304</b>	<b>272,330,266</b>	<b>-8,213,962</b>	<b>-3.02</b>	

APPENDIX E (1)

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2012

	2012 Actual R	2012 Budget R	2012 Variance R	2012 Variance %	Explanation of Significant Variances greater than 5% versus Budget
<b>Expenditure</b>					
Employee related costs	87,046,137	90,610,573	-3,564,436	-3.93	
Rumuneration of councillors	4,314,259	4,463,845	-149,586	-3.35	
Working Capital Reserve	2,911,770	2,634,536	277,234	10.52	Revision of contribution greater than expected
Collection Costs	624,805	953,764	-328,959	-34.49	Expected litigation re Pension Funds not realised
Depreciation	16,792,419	16,475,513	316,906	1.92	
Repairs and Maintenance	11,026,408	12,509,943	-1,483,535	-11.86	Capacity constraints
Interest - External borrowings	7,631,308	7,617,435	13,873	0.18	
Bulk Purchases	55,774,701	56,268,772	-494,071	-0.88	
Contracted Services	3,236,164	3,389,000	-152,836	-4.51	
Loss on assets written off	346,942	0	346,942	0.00	
General Expenses	61,066,591	73,169,607	-12,103,016	-16.54	
<b>Total Expenditure</b>	<b>250,771,503</b>	<b>268,092,988</b>	<b>-17,321,485</b>	<b>-6.46</b>	
<b>Net surplus for the year</b>	<b>13,344,801</b>	<b>4,237,278</b>	<b>9,107,523</b>	<b>214.94</b>	

## APPENDIX E (2)

## ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2012

	2012 Actual R	2012 Budget R	2012 Variance R	2012 Variance %	Explanation of Significant Variances greater than 5% versus Budget
<b>Land</b>					
Land	2,001,192	2,612,829	-611,637	-23.41	Projects not done and savings on others
	<b>2,001,192</b>	<b>2,612,829</b>	<b>-611,637</b>	<b>-23.41</b>	
<b>Infrastructure</b>					
<b>Sewerage</b>	7,954,367	8,417,259	-462,892	-5.50	Stilbaai project not completed
<b>Water</b>	5,424,721	7,087,908	-1,663,187	-23.47	Albertinia reservoirs still in progress
<b>Electricity</b>	10,314,051	12,975,601	-2,661,550	-20.51	Own funding for electricity in Heidelberg not needed, job done out of grants & subsidies
<b>Roads and Stormwater</b>	33,146,195	33,808,927	-662,732	-1.96	
	<b>56,839,334</b>	<b>62,289,695</b>	<b>-5,450,361</b>	<b>-8.75</b>	
<b>Community Assets</b>					
<b>Sport Grounds</b>	674,657	705,000	-30,343	-4.30	
Parks	421,769	450,000	-28,231	-6.27	Favourable tenders approved
	<b>1,096,426</b>	<b>1,155,000</b>	<b>-58,574</b>	<b>-5.07</b>	
<b>Other Assets</b>					
<b>Plant &amp; Equipment</b>	2,100,676	2,128,755	-28,079	-1.32	Favourable tenders procured for requirements
<b>Motor Vehicles</b>	2,706,166	3,002,209	-296,043	-9.86	Procured at better prices
<b>Other</b>	883,997	888,632	-4,635	-0.52	Purchased ex inventory budget
	<b>5,690,839</b>	<b>6,019,596</b>	<b>-328,757</b>	<b>-20.50</b>	
<b>Total</b>	<b>65,627,791</b>	<b>72,077,120</b>	<b>-6,449,329</b>	<b>-8.95</b>	

**APPENDIX F**

**Disclosure of Grants and Subsidies in terms of section 123 of the MFMA, 56 of 2003**

Name of Grant	Funder	Quarterly Receipts							Quarterly Expenditure					Closing Balance 2012-06-30 R	Capital R	Operating R	VAT R
		Opening Balance 2011-07-01 R	Re- statement	September R	December R	March R	June R	Total R	September R	December R	March R	June R	Total R				
<b>National Government</b>		<b>3,111,187</b>	<b>-1,657,915</b>	<b>23,374,000</b>	<b>0</b>	<b>12,609,000</b>	<b>4,161,000</b>	<b>41,597,271</b>	<b>10,720,484</b>	<b>8,974,480</b>	<b>8,478,254</b>	<b>12,221,013</b>	<b>40,394,231</b>	<b>1,203,040</b>	<b>12,726,910</b>	<b>26,427,444</b>	<b>1,239,877</b>
Equitable Share	DPLG	0	0	9,678,000		9,388,000	4,161,000	23,227,000	5,806,750	5,806,750	5,806,750	5,806,750	23,227,000	0	0	23,227,000	
MIG Projects	DPLG	1,934,164	-1,310,092	7,956,000		2,595,000		11,175,072	3,363,981	704,279	1,370,480	4,533,292	9,972,032	1,203,040	8,349,652	525,418	1,096,962
Financial Management Grant	DPLG	337,551	-337,551	1,250,000				1,250,000	130,000	303,743	201,198	615,059	1,250,000	0	92,526	1,118,626	38,848
National Electricity Program	DME	0	0	3,700,000				3,700,000	1,227,055	1,551,047	804,554	117,344	3,700,000	0	3,598,732	101,268	
Municipal Systems Improvement Grant	DPLG	314,671	-10,272	790,000				1,094,399		276,558	295,272	522,568	1,094,398	0	60,000	994,780	39,618
DME	DMEA	524,801						524,801	192,698	332,103			524,801	0	0	460,352	64,449
Expanded Public Works Programme		0				626,000		626,000				626,000	626,000	0	626,000		
<b>Provincial Government</b>		<b>253,134</b>	<b>0</b>	<b>7,605,887</b>	<b>5,072,021</b>	<b>16,795,417</b>	<b>1,750,000</b>	<b>31,476,459</b>	<b>780,788</b>	<b>11,857,169</b>	<b>11,416,096</b>	<b>7,169,272</b>	<b>31,223,325</b>	<b>253,134</b>	<b>2,095,000</b>	<b>29,128,325</b>	
Human Settlement Development	WC: Land Affairs	0		7,418,887	3,985,021	13,331,417	1,750,000	26,485,325	236,636	11,167,272	9,231,417	5,850,000	26,485,325	0	0	26,485,325	
Public Transport Infrastructure	WC Transport	0			900,000			900,000			122,478	777,522	900,000	0	530,000	370,000	
Library Municipal Replacement Funding	WC: Local Gov	0				1,607,000		1,607,000	401,750	401,750	401,750	401,750	1,607,000	0		1,607,000	
Slangrivier Land Reform	WC: Land Affairs	8,726						8,726					0	8,726			
Hessequa Soccer Cup	WC: Transport	0						0					0	0		0	
Library Ext. Staff Levells	WC: Housing	0		187,000	187,000	186,000		560,000	140,000	140,000	140,000	140,000	560,000	0		560,000	
RDP Housing	WC: Housing	0						0					0	0		0	
Community Development Workers	WC: Housing	0						0					0	0		0	
Primary Health Care Services	WC: Health	0						0					0	0	0	0	
Proclaimed Roads	WC: Transport	0				1,671,000		1,671,000	2,402	148,147	1,520,451		1,671,000	0	1,565,000	106,000	
Spatial Development Framework	WC: Environment	22,105						22,105					0	22,105			
Performance Management System	WC: Local Gov	125,042						125,042					0	125,042			
Housing Consumer Education	WC: Housing	34,261		0				34,261	0	0	0	0	0	34,261		0	
Project Preparation Grant	WC: Local Govt.	63,000		0	0	0	0	63,000					0	63,000		0	
<b>District Municipality</b>		<b>430,078</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>430,078</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,690</b>	<b>2,690</b>	<b>427,388</b>	<b>0</b>	<b>2,690</b>	
Vermaaklikheid Land Reform	Eden Distr. Mun.	78,787		0	0	0	0	78,787					0	78,787			
Hessequa Thouroughfares	Eden Distr. Mun.	0		0	0	0	0	0		0	0	0	0	0	0		
Alternative Electricity	Eden Distr. Mun.	273,533		0	0	0	0	273,533					0	273,533			
Housing Consumer Educations	Eden Distr. Mun.	23,758		0	0	0	0	23,758				2,690	2,690	21,068		2,690	



**APPENDIX F**

Disclosure of Grants and Subsidies in terms of section 123 of the MFMA, 56 of 2003

Name of Grant	Funder	Quarterly Receipts							Quarterly Expenditure					Closing Balance 2012-06-30 R	Capital R	Operating R	VAT R
		Opening Balance 2011-07-01 R	Re- statement	September R	December R	March R	June R	Total R	September R	December R	March R	June R	Total R				
Clean-up Project	Eden Distr. Mun.	0			0	0	0	0				0	0	0		0	
Africa Day	Eden Distr. Mun.	0		0	0	0		0				0	0	0		0	
LED Learnership	Eden Distr. Mun.	54,000		0	0	0	0	54,000					0	54,000			
Other		3,130,795	0	98,179	0	138,335	83,710	3,451,019	0	621,842	975,110	896,165	2,493,117	957,902	0	2,493,118	
Skills Development	Seta	222,815		98,179	0	138,335	83,710	543,039	0	31,177	34,200	22,148	87,525	455,514		87,525	
Garcia Forestry		2,719,848					0	2,719,848		590,665	940,910	874,017	2,405,592	314,256		2,405,593	
Tourism		101,819						101,819					0	101,819			
Africana Centrum		26,313						26,313					0	26,313			
Public Participation Strategy		60,000						60,000					0	60,000			
<b>TOTAL - CONDITIONAL GRANTS</b>		<b>6,925,194</b>	<b>-1,657,915</b>	<b>31,078,066</b>	<b>5,072,021</b>	<b>29,542,752</b>	<b>5,994,710</b>	<b>76,954,827</b>	<b>11,501,272</b>	<b>21,453,491</b>	<b>20,869,460</b>	<b>20,289,140</b>	<b>74,113,363</b>	<b>2,841,464</b>	<b>14,821,910</b>	<b>58,051,577</b>	<b>1,239,877</b>

**GENERAL LEDGER  
COMMUNITY WEALTH AND LIABILITIES**

**TOTAL COMMUNITY WEALTH**

**HOUSING DEVELOPMENT FUND**

9000-01-1-10-0101	OPENING BALANCE	
9000-01-1-10-0102	EXPENDITURE TO ACQUIRE PPE	
9000-01-1-10-0103	OTHER EXPENDITURE	
9000-01-1-10-0104	CONTRIBUTIONS RECEIVED	
9000-01-1-10-0105	OTHER INCOME	
	<b>CLOSING BALANCE</b>	<b>25</b>

**RESERVES**

9000-01-1-20-0001	OPENING BALANCE	
9000-01-1-20-0002	TRANSFERS FROM INCOME	
9000-01-1-20-0003	TRANSFERS TO INCOME	
9000-01-1-20-0004	EXPENDITURE TO ACQUIRE PPE	
	<b>CLOSING BALANCE</b>	<b>26</b>

**CAPITAL REPLACEMENT RESERVE**

9000-01-1-20-0101	OPENING BALANCE	
9000-01-1-20-0102	TRANSFERS FROM INCOME	
9000-01-1-20-0103	TRANSFERS TO INCOME	
9000-01-1-20-0104	EXPENDITURE TO ACQUIRE PPE	
	<b>CLOSING BALANCE</b>	

**INSURANCE RESERVE**

9000-01-1-20-0201	OPENING BALANCE	
9000-01-1-20-0202	TRANSFERS FROM INCOME	
9000-01-1-20-0203	TRANSFERS TO INCOME	
9000-01-1-20-0204	EXPENDITURE TO ACQUIRE PPE	
	<b>CLOSING BALANCE</b>	

**DISASTER MANAGEMENT RESERVE**

9000-01-1-20-0301	OPENING BALANCE	
9000-01-1-20-0302	TRANSFERS FROM INCOME	
9000-01-1-20-0303	TRANSFERS TO INCOME	
9000-01-1-20-0304	EXPENDITURE TO ACQUIRE PPE	
	<b>CLOSING BALANCE</b>	

**REVALUATION RESERVE**

9000-01-1-40-0001	OPENING BALANCE	
9000-01-1-40-0002	NEW VALUATIONS	
9000-01-1-40-0003	UTILIZATION FOR OFFSET DEPRECIATION	
9000-01-1-40-0004	WRITE OFF / TRANSFERS	
	<b>CLOSING BALANCE</b>	

**REVALUATION RESERVE 1**

9000-01-1-40-0101	OPENING BALANCE	
9000-01-1-40-0102	NEW VALUATIONS	
9000-01-1-40-0103	UTILIZATION FOR OFFSET DEPRECIATION	

9000-01-1-40-0104	WRITE OFF / TRANSFERS	
	<b>CLOSING BALANCE</b>	
	<b>ACCUMULATED SURPLUS/(DEFICIT)</b>	
9000-01-1-45-0001	PREVIOUS YEARS SURPLUS/(DEFICIT)	
9000-01-1-45-0002	CURRENT YEAR MOVEMENTS (FROM INC/EXP	
9000-01-1-45-0003	OTHER MOVEMENTS	
9000-01-1-45-0004	C.R.R. USED FOR CAPITAL PROJECTS	
	<b>CLOSING BALANCE</b>	<b>26</b>
	<b>NON-CURRENT LIABILITIES</b>	
	<b>TOTAL NON-CURRENT LIABILITIES</b>	
	<b>TRUSTFUNDS</b>	
9000-01-2-05-0001	NATURE DEVELOPMENT FUND - STILBAAI	
9000-01-2-05-0002	ELSJE KOORTS TUBERC. FUND	
9000-01-2-05-0003	INVESTMENTS	
	<b>CLOSING BALANCE</b>	<b>24</b>
	<b>NATURE DEVELOPMENT FUND - STILBAAI</b>	
9000-01-2-05-0101	OPENING BALANCE	
9000-01-2-05-0102	TRANSFERS FROM INCOME	
9000-01-2-05-0103	TRANSFERS TO INCOME	
9000-01-2-05-0104	EXPENDITURE TO ACQUIRE PPE	
9000-01-2-05-0105	EXPENDITURE NATURE RESERVE	
	<b>CLOSING BALANCE</b>	
	<b>ELSJE KOORTS TUBERC. FUND</b>	
9000-01-2-05-0201	OPENING BALANCE	
9000-01-2-05-0202	TRANSFERS FROM INCOME	
9000-01-2-05-0203	TRANSFERS TO INCOME	
9000-01-2-05-0204	EXPENDITURE TO ACQUIRE PPE	
	<b>CLOSING BALANCE</b>	
	<b>LONG-TERM LIABILITIES</b>	
9000-01-2-10-0001	DEVELOPMENT BANK OF SOUTH AFRICA	
9000-01-2-10-0002	OTHER	
9000-01-2-10-0005	LESS: CURRENT PORTION	
	<b>TOTAL LONG-TERM LIABILITIES</b>	<b>20,21</b>
	<b>DEVELOPMENT BANK OF SOUTH AFRICA</b>	
9000-01-2-10-0101	OPENING BALANCE	
9000-01-2-10-0102	RECEIVED DURING THE YEAR	
9000-01-2-10-0103	REDEEMED WRITTEN OFF DURING THE YEAR	
	<b>CLOSING BALANCE</b>	
	<b>OTHER</b>	
9000-01-2-10-0201	OPENING BALANCE	
9000-01-2-10-0202	RECEIVED DURING THE YEAR	
9000-01-2-10-0203	REDEEMED WRITTEN OFF DURING THE YEAR	
	<b>CLOSING BALANCE</b>	

**NON-CURRENT PROVISIONS**

9000-01-2-15-0001  
9000-01-2-15-0002  
9000-01-2-15-0003

LONG SERVICE  
OTHER  
EX GRATIA

---

**TOTAL NON-CURRENT PROVISIONS** **22,23,15**

---

**LONG SERVICE**

9000-01-2-15-0101  
9000-01-2-15-0102  
9000-01-2-15-0103  
9000-01-2-15-0105

OPENING BALANCE  
CONTRIBUTIONS TO PROVISION  
EXPENDITURE INCURRED  
TRANSFER TO CURRENT PROVISIONS

**CLOSING BALANCE****POST RETIREMENT HEALTH CARE**

9000-01-2-15-0201  
9000-01-2-15-0202  
9000-01-2-15-0203  
9000-01-2-15-0205

OPENING BALANCE  
CONTRIBUTIONS TO PROVISION  
EXPENDITURE INCURRED  
TRANSFER TO CURRENT PROVISIONS

**CLOSING BALANCE****EX GRATIA**

9000-01-2-15-0301  
9000-01-2-15-0302  
9000-01-2-15-0303  
9000-01-2-15-0305

OPENING BALANCE  
CONTRIBUTIONS TO PROVISION  
EXPENDITURE INCURRED  
TRANSFER TO CURRENT PROVISIONS

**CLOSING BALANCE****CURRENT LIABILITIES****TOTAL CURRENT LIABILITIES****CONSUMER DEPOSITS**

9000-01-3-05-0001  
9000-01-3-05-0002  
9000-01-3-05-0005

OPENING BALANCE  
MOVEMENTS  
INTEREST

**CLOSING BALANCE****PROVISIONS**

9000-01-3-10-0001  
9000-01-3-10-0002  
9000-01-3-10-0003  
9000-01-3-10-0004  
9000-01-3-10-0005  
9000-01-3-10-0006  
9000-01-3-10-0007

PERFORMANCE BONUS  
JOB EVALUATION  
CURR POR OF LONG-SER PROV  
SALA PENSION FUND CONTRIBUTIONS  
POST-RETIREMENT MEDICAL AID  
EX-GRATIA PENSION  
SHORTFALL CAPE JOINT PENSION FUND

**TOTAL PROVISIONS** **15,22****PERFORMANCE BONUS**

9000-01-3-10-0101  
9000-01-3-10-0102  
9000-01-3-10-0103  
9000-01-3-10-0104

OPENING BALANCE  
TRANSFER FROM NON-CURRENT  
CONTRIBUTIONS TO PROVISION  
EXPENDITURE INCURRED

**CLOSING BALANCE****CURR POR OF LONG-SER PROV**

9000-01-3-10-0301 OPENING BALANCE  
9000-01-3-10-0302 TRANSFER FROM NON-CURRENT  
9000-01-3-10-0303 CONTRIBUTIONS TO PROVISION  
9000-01-3-10-0304 EXPENDITURE INCURRED

**CLOSING BALANCE****SALA PENSION FUND CONTRIBUTIONS**

9000-01-3-10-0401 OPENING BALANCE  
9000-01-3-10-0402 TRANSFER FROM NON-CURRENT  
9000-01-3-10-0403 CONTRIBUTIONS TO PROVISION  
9000-01-3-10-0404 EXPENDITURE INCURRED

**CLOSING BALANCE****POST-RETIREMENT MEDICAL AID**

9000-01-3-10-0501 OPENING BALANCE  
9000-01-3-10-0502 TRANSFER FROM NON-CURRENT  
9000-01-3-10-0503 CONTRIBUTIONS TO PROVISION  
9000-01-3-10-0504 EXPENDITURE INCURRED

**CLOSING BALANCE****EX-GRATIA PENSION**

9000-01-3-10-0601 OPENING BALANCE  
9000-01-3-10-0602 TRANSFER FROM NON-CURRENT  
9000-01-3-10-0603 CONTRIBUTIONS TO PROVISION  
9000-01-3-10-0604 EXPENDITURE INCURRED

**CLOSING BALANCE****SHORTFALL CAPE JOINT PENSION FUND**

9000-01-3-10-0701 OPENING BALANCE  
9000-01-3-10-0702 TRANSFER FROM NON-CURRENT  
9000-01-3-10-0703 CONTRIBUTIONS TO PROVISION  
9000-01-3-10-0704 EXPENDITURE INCURRED

**CLOSING BALANCE****CREDITORS**

9000-01-3-15-0005 TRADE CREDITORS  
9000-01-3-15-0007 YEAR END SUNDRY CREDITORS **16**  
9000-01-3-15-0010 PAYMENTS RECEIVED IN ADVANCE **16**  
9000-01-3-15-0012 BANK TRANSFERS NOT RECEIPT **16**  
9000-01-3-15-0015 RETENTIONS **16**  
9000-01-3-15-0020 STAFF LEAVE **16**  
9000-01-3-15-0025 CHEQUE REFUNDS  
9000-01-3-15-0030 RD CHEQUES **16,3,4**  
9000-01-3-15-0035 REPLACEMENT CHEQUE ACCOUNT **3,4**  
9000-01-3-15-0040 STALE CHEQUE ACCOUNT **c**  
9000-01-3-15-0045 UNPAID CHEQUE ACCOUNT **c**  
9000-01-3-15-0050 DRIVERS LICENSE CARDS  
9000-01-3-15-0055 PROVINCE - MOTOR REGISTRATIONS

9000-01-3-15-0060	CREDITORS DISCOUNT	
9000-01-3-15-0065	DEFAULT PRICE ADJUSTMENT	
9000-01-3-15-0070	SMALL DIFFERENCES ACCOUNT	
9000-01-3-15-0075	DONATIONS - MAYOR	16
9000-01-3-15-0080	LIBRARY - LOST BOOKS	16
9000-01-3-15-0085	HUIS NUUTBEGIN - STILBAAI	
9000-01-3-15-0090	CONTRA SUB-DIVISION/REZONING CHARGES	3,4
9000-01-3-15-0095	OPERATING LEASE LIABILITIES	18

### **TOTAL CREDITORS**

### **OTHER DEPOSITS**

9000-01-3-20-0005	BUILDING : ALBERTINIA	
9000-01-3-20-0010	BUILDING : GOURITSMOND	
9000-01-3-20-0015	BUILDING: HEIDELBERG	
9000-01-3-20-0020	BUILDING: RIVERSDALE	
9000-01-3-20-0025	BUILDING: STILBAAI	
9000-01-3-20-0030	CAMPING SITES: STILBAAI	
9000-01-3-20-0032	CAMPING SITES: JONGENSFONTEIN SB	
9000-01-3-20-0034	CAMPING SITES: PREEKSTOEL SB	
9000-01-3-20-0035	CAMPING SITES: WITSAND	
9000-01-3-20-0040	CAMPING SITES: GOURITSMOND	
9000-01-3-20-0045	COMMUNITY HALL: ALBERTINIA	
9000-01-3-20-0050	COMMUNITY HALL: CIVIC CENTRE RIVERS	
9000-01-3-20-0052	COMMUNITY HALL: MULTI PURPOSE CENTRE-	
9000-01-3-20-0055	COMMUNITY HALL: GOURITSMOND	
9000-01-3-20-0060	COMMUNITY HALL: HEIDELBERG	
9000-01-3-20-0065	COMMUNITY HALL: MELKHOUTFONTEIN SB	
9000-01-3-20-0070	COMMUNITY HALL: MOSSGAS ALBERTINIA	
9000-01-3-20-0075	COMMUNITY HALL: STILBAAI	
9000-01-3-20-0080	COMMUNITY HALL: THERONSVILLE ALB.	
9000-01-3-20-0085	COMMUNITY HALL: WITSAND	
9000-01-3-20-0090	HOUSING SCHEME: RIVERSDAL	
9000-01-3-20-0095	LIBRARY: GOURITSMOND	
9000-01-3-20-0100	LIBRARY: STILBAAI	
9000-01-3-20-0105	OTHER	
9000-01-3-20-0110	RIVERVILLE SPORTSGROUNDS: RIVERSDAL	

**TOTAL OTHER DEPOSITS** 16

### **UNSPENT COND GRANTS & RECEIPTS**

9000-01-3-25-0001	NATIONAL GOVERNMENT	
9000-01-3-25-0002	PROVINCIAL GOVERNMENT	
9000-01-3-25-0003	DISTRICT MUNICIPALITY	
9000-01-3-25-0004	OTHER	

**TOTAL UNSPENT CON GRANTS & RECEIPTS** 17

### **NATIONAL GOVERNMENT**

9000-01-3-30-0001	BALANCE UNSPENT AT BEGINNING OF YEAR	
9000-01-3-30-0002	CURRENT YEAR RECEIPTS	
9000-01-3-30-0003	CONDITIONS MET - TRANSFERRED TO REVE	

**CONDITIONS STILL TO BE MET**

**MIG GRANT**

9000-01-3-30-0101 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-30-0102 CURRENT YEAR RECEIPTS  
9000-01-3-30-0103 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET**

**FINANCIAL MANAGEMENT GRANT**

9000-01-3-30-0201 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-30-0202 CURRENT YEAR RECEIPTS  
9000-01-3-30-0203 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET**

**MUNICIPAL SYSTEMS IMPROVEMENT**

9000-01-3-30-0401 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-30-0402 CURRENT YEAR RECEIPTS  
9000-01-3-30-0403 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET**

**D.M.E.**

9000-01-3-30-0601 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-30-0602 CURRENT YEAR RECEIPTS  
9000-01-3-30-0603 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET**

**PROVINCIAL GOVERNMENT**

9000-01-3-35-0001 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-35-0002 CURRENT YEAR RECEIPTS  
9000-01-3-35-0003 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET**

**SPATIAL DEVELOPMENT FRAMEWORK**

9000-01-3-35-0201 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-35-0202 CURRENT YEAR RECEIPTS  
9000-01-3-35-0203 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET**

**PRIMARY HEALTH CARE SERVICES**

9000-01-3-35-0501 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-35-0502 CURRENT YEAR RECEIPTS  
9000-01-3-35-0503 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET**

**SLANGRIVIER LAND REFORM**

9000-01-3-35-0601 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-35-0602 CURRENT YEAR RECEIPTS  
9000-01-3-35-0603 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET**

**HOUSING CONSUMER EDUCATION**

9000-01-3-35-1201 BALANCE UNSPENT AT BEGINNING OF YEAR

9000-01-3-35-1202	CURRENT YEAR RECEIPTS
9000-01-3-35-1203	CONDITIONS MET - TRANSFERRED TO REVE
	<b>CONDITIONS STILL TO BE MET</b>
	<b>PERFORMANCE MANAGEMENT SYSTEM</b>
9000-01-3-35-1301	BALANCE UNSPENT AT BEGINNING OF YEAR
9000-01-3-35-1302	CURRENT YEAR RECEIPTS
9000-01-3-35-1303	CONDITIONS MET - TRANSFERRED TO REVE
	<b>CONDITIONS STILL TO BE MET</b>
	<b>PROJECT PREPARATION GRANT</b>
9000-01-3-35-1401	BALANCE UNSPENT AT BEGINNING OF YEAR
9000-01-3-35-1402	CURRENT YEAR RECEIPTS
9000-01-3-35-1403	CONDITIONS MET - TRANSFERRED TO REVE
	<b>CONDITIONS STILL TO BE MET</b>
	<b>DISTRICT MUNICIPALITY</b>
9000-01-3-40-0001	BALANCE UNSPENT AT BEGINNING OF YEAR
9000-01-3-40-0002	CURRENT YEAR RECEIPTS
9000-01-3-40-0003	CONDITIONS MET - TRANSFERRED TO REVE
	<b>CONDITIONS STILL TO BE MET</b>
	<b>AFRICA DAY</b>
9000-01-3-40-0101	BALANCE UNSPENT AT BEGINNING OF YEAR
9000-01-3-40-0102	CURRENT YEAR RECEIPTS
9000-01-3-40-0103	CONDITIONS MET - TRANSFERRED TO REVE
	<b>CONDITIONS STILL TO BE MET</b>
	<b>HESSEQUA THOROUGHFARES</b>
9000-01-3-40-0201	BALANCE UNSPENT AT BEGINNING OF YEAR
9000-01-3-40-0202	CURRENT YEAR RECEIPTS
9000-01-3-40-0203	CONDITIONS MET - TRANSFERRED TO REVE
	<b>CONDITIONS STILL TO BE MET</b>
	<b>VERMAAKLIKHEID LAND REFORM</b>
9000-01-3-40-0401	BALANCE UNSPENT AT BEGINNING OF YEAR
9000-01-3-40-0402	CURRENT YEAR RECEIPTS
9000-01-3-40-0403	CONDITIONS MET - TRANSFERRED TO REVE
	<b>CONDITIONS STILL TO BE MET</b>
	<b>LED LEARNERSHIP</b>
9000-01-3-40-0601	BALANCE UNSPENT AT BEGINNING OF YEAR
9000-01-3-40-0602	CURRENT YEAR RECEIPTS
9000-01-3-40-0603	CONDITIONS MET - TRANSFERRED TO REVE
	<b>CONDITIONS STILL TO BE MET</b>
	<b>HEIDELBERG SEWERAGE</b>
9000-01-3-40-0701	BALANCE UNSPENT AT BEGINNING OF YEAR
9000-01-3-40-0702	CURRENT YEAR RECEIPTS
9000-01-3-40-0703	CONDITIONS MET - TRANSFERRED TO REVE
	<b>CONDITIONS STILL TO BE MET</b>



## **HOUSING CONSUMER EDUCATION**

9000-01-3-40-0801 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-40-0802 CURRENT YEAR RECEIPTS  
9000-01-3-40-0803 CONDITIONS MET - TRANSFERRED TO REVE

### **CONDITIONS STILL TO BE MET**

## **STILBAAI SEWERAGE**

9000-01-3-40-0901 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-40-0902 CURRENT YEAR RECEIPTS  
9000-01-3-40-0903 CONDITIONS MET - TRANSFERRED TO REVE

### **CONDITIONS STILL TO BE MET**

## **INVESTIGATION ALTERNATIVE ELECTRICITY**

9000-01-3-40-1001 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-40-1002 CURRENT YEAR RECEIPTS  
9000-01-3-40-1003 CONDITION MET - TRANSFERRED TO REVEN

### **CONDITIONS STILL TO BE MET**

## **OTHER**

9000-01-3-45-0001 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-45-0002 CURRENT YEAR RECEIPTS  
9000-01-3-45-0003 CONDITIONS MET - TRANSFERRED TO REVE

### **CONDITIONS STILL TO BE MET**

## **TOURISM**

9000-01-3-45-0101 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-45-0102 CURRENT YEAR RECEIPTS  
9000-01-3-45-0103 CONDITIONS MET - TRANSFERRED TO REVE

### **CONDITIONS STILL TO BE MET**

## **SKILLS DEVELOPMENT**

9000-01-3-45-0301 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-45-0302 CURRENT YEAR RECEIPTS  
9000-01-3-45-0303 CONDITIONS MET - TRANSFERRED TO REVE

### **CONDITIONS STILL TO BE MET**

## **AFRICANA CENTRE**

9000-01-3-45-0501 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-45-0502 CURRENT YEAR RECEIPTS  
9000-01-3-45-0503 CONDITIONS MET - TRANSFERRED TO REVE

### **CONDITIONS STILL TO BE MET**

## **GOURITS NATURE IMPACT STUDY**

9000-01-3-45-0601 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-45-0602 CURRENT YEAR RECEIPTS  
9000-01-3-45-0603 CONDITIONS MET - TRANSFERRED TO REVE

### **CONDITIONS STILL TO BE MET**

## **DENNEDAL GARCIA**

9000-01-3-45-0701 BALANCE UNSPENT AT BEGINNING OF YEAR  
9000-01-3-45-0702 CURRENT YEAR RECEIPTS  
9000-01-3-45-0703 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET****CAPE NATURE PLANT PROJECT**

9000-01-3-45-0801 BALANCE UNSPENT AT BEGINNING OF YEAR  
 9000-01-3-45-0802 CURRENT YEAR RECEIPTS  
 9000-01-3-45-0803 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET****ESKOM SOLAR PANELS**

9000-01-3-45-0901 BALANCE UNSPENT AT BEGINNING OF YEAR  
 9000-01-3-45-0902 CURRENT YEAR RECEIPTS  
 9000-01-3-45-0903 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET****PUBLIC PARTICIPATION STRATEGY**

9000-01-3-45-1001 BALANCE UNSPENT AT BEGINNING OF YEAR  
 9000-01-3-45-1002 CURRENT YEAR RECEIPTS  
 9000-01-3-45-1003 CONDITIONS MET - TRANSFERRED TO REVE

**CONDITIONS STILL TO BE MET****VAT**

9000-01-3-50-0005	INPUT VAT GENERAL	
9000-01-3-50-0010	INPUT VAT CAPITAL	
9000-01-3-50-0015	VAT: SUNDRIES RECEIVED - OUTPUT	
9000-01-3-50-0020	VAT: DEBTORS RECEIVED - OUTPUT	
9000-01-3-50-0025	VAT: OUTSTANDING - DEBTORS	3,4
9000-01-3-50-0030	VAT: RECEIVER OF REVENUE - DEBTORS	5
9000-01-3-50-0035	VAT: RECEIVER OF REVENUE CONTROL ACC	5

Noted – AFS 2011/2012 with VAT ON PROVISIONS

**TOTAL VAT****CURR POR OF LONG-TERM LIABIL**

9000-01-3-55-0001 DEVELOPMENT BANK OF SOUTH AFRICA  
 9000-01-3-55-0002 OTHER

**TOTAL CURRENT POR TRF TO CURRENT LIA****TOTAL COMMUNITY WEALTH AND LIABILITY****ASSETS****NON-CURRENT ASSETS****TOTAL NON-CURRENT ASSETS****PROPERTY PLANT & EQUIP****COST/REVALUATION**

9000-02-6-10-0011 OPENING BALANCE  
 9000-02-6-10-0012 ADDITIONS  
 9000-02-6-10-0013 UNDER CONSTRUCTION  
 9000-02-6-10-0014 DISPOSALS  
 9000-02-6-10-0015 CORRECTIONS  
 9000-02-6-10-0016 INVESTMENT ASSETS  
 9000-02-6-10-0017 INTANGIBLE ASSETS  
 9000-02-6-10-0018 NON CURRENT ASSETS HELD FOR SALE

**SUB-TOTAL COST/REVALUATION****ACCUMULATED DEPRECIATION**

9000-02-6-10-0021 OPENING BALANCE

9000-02-6-10-0022 ADDITIONS

9000-02-6-10-0023 DISPOSALS

9000-02-6-10-0024 CORRECTIONS

**SUB-TOTAL ACC DEPRECIATION****TOTAL PPE** 2,10,11,12**INVESTMENTS**

9000-02-6-15-0001 FINANCIAL INSTRUMENTS

**TOTAL INVESTMENTS**

9000-02-6-20-0000 FINANCIAL INSTRUMENTS

9000-02-6-20-0001 OPENING BALANCE

9000-02-6-20-0002 NEW INVESTMENTS MADE

9000-02-6-20-0003 INVESTMENTS REDEEMED

**CLOSING BALANCE****LONG-TERM RECEIVABLES**

9000-02-6-25-0001 LONG-TERM DEBTORS

9000-02-6-25-0002 LESS CURRENT POR OF LONG-TERM LOANS

**TOTAL LONG-TERM RECEIVABLES** 9,13**LONG-TERM DEBTORS**

9000-02-6-30-2005 HEIDELBERG GOLF CLUB

9000-02-6-30-2010 PIKKEWOUTER PRE PRIMARY SCHOOL

**TOTAL LONG-TERM DEBTORS****CURRENT ASSETS****TOTAL CURRENT ASSETS****INVENTORY**

9000-02-7-10-0005 HEIDELBERG: ELECTRICAL STORE 1

9000-02-7-10-0010 HEIDELBERG: MAIN STORE 1

9000-02-7-10-0015 HEIDELBERG: WATERWORKS STORE 1

9000-02-7-10-0020 STILBAAI: DIESEL STORE 1

9000-02-7-10-0025 STILBAAI: MAIN STORE 1

9000-02-7-10-0030 WITSAND: MAIN STORE 1

9000-02-7-10-0031 INVENTORY: RIVERSDAL 1

9000-02-7-10-0032 INVENTORY: HB &amp; WITSAND 1

9000-02-7-10-0033 INVENTORY: SLANGRIVIER 1

9000-02-7-10-0034 INVENTORY: STILBAAI 1

9000-02-7-10-0035 PAVING 1

9000-02-7-10-0036 INVENTORY: ALBERTINIA 1

9000-02-7-10-0037 INVENTORY: GOURITSMOND 1

9000-02-7-10-0535 ALBERTINIA CENTURY BOOK 1

9000-02-7-10-0538 HESSEQUA BOOK: ALBERTINIA TOURISM OF 1

9000-02-7-10-0539 HESSEQUA BOOK: ALBERTINIA MUN OFFICE 1

9000-02-7-10-0540 HESSEQUA BOOK: RIVERSDAL TOURISM OF 1

9000-02-7-10-0545	HESSEQUA BOOK: GOURITS TOURISM OFFIC	1
9000-02-7-10-0550	HESSEQUA BOOK: MAYORS OFFICE	1
9000-02-7-10-0553	HESSEQUA BOOK: SLANGRIVIER MUN OFFIC	1
9000-02-7-10-0554	HESSEQUA BOOK: STILBAAI MUN OFFICE	1
9000-02-7-10-0555	HESSEQUA BOOK: STILBAAI TOURISM OFFI	1
9000-02-7-10-0556	HESSEQUA BOOK: WITSAND MUN OFFICE	1
9000-02-7-10-0557	HESSEQUA BOOK: HEIDELBERG MUN OFFICE	1
9000-02-7-10-0560	REFUSE BAGS JONGENSFONTEIN	1
9000-02-7-10-0565	REFUSE BINS	1
9000-02-7-10-0570	STILBAAI BOOKS	1
9000-02-7-10-0575	LICENSE TOKENS/TELEPHONE CARDS SB	1
	<b>TOTAL INVENTORY</b>	
	<b>CONSUMER DEBTORS</b>	
9000-02-7-15-0001	CONSUMER DEBTORS	
9000-02-7-15-0002	LESS PROV FOR BAD DEBTS	
	<b>TOTAL CONSUMER DEBTORS</b>	
	<b>CONSUMER DEBTORS</b>	
9000-02-7-15-0105	DEBTORS: ADVANCE PAYMENTS	16
9000-02-7-15-0110	DEBTORS: ADVANCE PAYMENTS - VAT	
9000-02-7-15-0115	DEBTORS: CONSOLIDATED CONTROL ACCOUN	3,4
9000-02-7-15-0120	DEBTORS: HOUSING	16
	<b>LESS PROV FOR BAD DEBTS RATES</b>	
9000-02-7-15-0501	OPENING BALANCE	3,4
9000-02-7-15-0502	CONTRIBUTIONS MADE	
9000-02-7-15-0503	CONTRIBUTIONS UTILIZED	
	<b>CLOSING BALANCE</b>	
	<b>TOTAL CONSUMER DEBTORS</b>	
	<b>OTHER DEBTORS</b>	
9000-02-7-20-0005	DEPOSITS PAID	3,4
9000-02-7-20-0010	INSURANCE CLAIMS: ALBERTINIA	
9000-02-7-20-0015	INSURANCE CLAIMS: GOURITSMOND	
9000-02-7-20-0020	INSURANCE CLAIMS: HEIDELBERG	
9000-02-7-20-0025	INSURANCE CLAIMS: RIVERSDAL	16,3,4
9000-02-7-20-0030	INSURANCE CLAIMS: SLANGRIVIER	
9000-02-7-20-0035	INSURANCE CLAIMS: STILBAAI	3,4
9000-02-7-20-0037	JOB PROFILE ACCOUNT	
9000-02-7-20-0040	LIBRARY: NEWSPAPER ALBERTINIA	3,4
9000-02-7-20-0045	LIBRARY: NEWSPAPER HEIDELBERG	3,4
9000-02-7-20-0050	LIBRARY: NEWSPAPER RIVERSDAL	3,4
9000-02-7-20-0055	LIBRARY: NEWSPAPER STILBAAI	3,4
9000-02-7-20-0060	LIBRARY: SALE OF OLD BOOKS	3,4
9000-02-7-20-0065	MEDICAL CONTINUED MEMBERS	3,4
9000-02-7-20-0066	DENVOR FIELIES	
9000-02-7-20-0067	C. DE BEER (PREPAID ELECTRICITY)	
9000-02-7-20-0070	OTHER: I.E.C. TELEPHONE ACCOUNT	
9000-02-7-20-0075	OTHER: P.R. FISHER - ATTORNEY COSTS	

9000-02-7-20-0078	PAYMENTS MADE IN ADVANCE	
9000-02-7-20-0080	SALARY DEFAULT ACCOUNT	
9000-02-7-20-0083	SALARY ACB ACCOUNT	
9000-02-7-20-0085	SALARY CONTROL ACCOUNT	3,4
9000-02-7-20-0086	WAGE CONTROL ACCOUNT	
9000-02-7-20-0090	SUNDRY DEBTORS: GENERAL	3,4
9000-02-7-20-0092	SUNDRY DEBTORS: PAYE STAFF	3,4
9000-02-7-20-0093	SUNDRY DEBTORS: STUDY LOANS	3,4
9000-02-7-20-0095	SUNDRY DEBTORS: INSURANCE CAR LOANS	
9000-02-7-20-0100	SUNDRY DEBTORS: COUNCILLORS TEL ACC.	
9000-02-7-20-0105	UNALLOCATED SUNDRY RECEIPTS	
9000-02-7-20-0110	HOUSING TRANSFER ACCOUNT	
9000-02-7-20-0115	DEBTORS REFUND ACCOUNT	3,4
9000-02-7-20-0120	DEPARMENTAL CONTROL ACCOUNT	
9000-02-7-20-0125	OPERATING LEASE ASSETS	8
	<b>TOTAL OTHER DEBTORS</b>	
	<b>CURRENT POR OF LONG-TERM DEBTORS</b>	
9000-02-7-25-0001	CAR LOANS	
9000-02-7-25-0002	HOUSING SELLING SCHEME LOANS	
9000-02-7-25-0003	OTHER	
	<b>TOTAL CURRENT POR OF LONG-TERM DEBT</b>	
	<b>CALL INVESTMENT DEPOSITS</b>	
9000-02-7-30-0001	OPENING BALANCE	7
9000-02-7-30-0002	INVEST DURING YEAR	
9000-02-7-30-0003	WITHDRAWL DURING YEAR	
9000-02-7-30-1000	MONEY MARKET	
	<b>TOTAL CALL INVESTMENT DEPOSITS</b>	
	<b>BANK BALANCES AND CASH</b>	
9000-02-7-35-0001	BANK BALANCES	
9000-02-7-35-0002	CASH	
	<b>TOTAL BANK AND CASH</b>	6
	<b>BANK BALANCES</b>	
9000-02-7-35-0105	FIRST NATIONA BANK - ACC. 5357102417	
9000-02-7-35-0110	BANK 2	
	<b>TOTAL BANK BALANCES</b>	
	<b>CASH</b>	
9000-02-7-35-0205	ALBERTINIA	
9000-02-7-35-0210	GOURITSMOND	
9000-02-7-35-0215	HEIDELBERG	
9000-02-7-35-0220	RIVERSDAL	
9000-02-7-35-0225	SLANGRIVIER	
9000-02-7-35-0230	STILBAAI	
9000-02-7-35-0235	WITSAND	
	<b>TOTAL CASH</b>	
	<b>TOTAL ASSETS</b>	

## TOTAL GENERAL LEDGER

<b>-498,493,087.91</b>	<b>-9,424,359.76</b>	<b>-507,917,447.67</b>	<b>-0.03</b>
-49,837.91		-49,837.91	
	49,781.63	49,781.63	
	-53,517.82	-53,517.82	
<b>-49,837.91</b>	<b>-3,736.19</b>	<b>-53,574.10</b>	<b>-97.33</b>
-29,789,315.00	0.00	-29,789,315.00	
	-9,999,999.96	-9,999,999.96	
<b>-29,789,315.00</b>	<b>-9,999,999.96</b>	<b>-39,789,314.96</b>	<b>27.93</b>
-23,954,348.00		-23,954,348.00	
	-9,999,999.96	-9,999,999.96	
<b>-23,954,348.00</b>	<b>-9,999,999.96</b>	<b>-33,954,347.96</b>	<b>32.32</b>
-4,643,038.00		-4,643,038.00	
<b>-4,643,038.00</b>	<b>0.00</b>	<b>-4,643,038.00</b>	
-1,191,929.00		-1,191,929.00	
<b>-1,191,929.00</b>	<b>0.00</b>	<b>-1,191,929.00</b>	
0.00		0.00	
	0.00	0.00	
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-8.80</b>
0.00		0.00	

		0.00	0.00	
	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-8.80</b>
-468,653,935.00			-468,653,935.00	
		579,376.39	579,376.39	
<b>-468,653,935.00</b>		<b>579,376.39</b>	<b>-468,074,558.61</b>	<b>2.35</b>
<b>-100,370,056.25</b>	<b>0.00</b>	<b>5,527,134.78</b>	<b>-94,842,921.47</b>	<b>34.85</b>
-1,377,699.18		-29,631.10	-1,407,330.28	1.04
-166,793.16		-9,340.40	-176,133.56	5.60
<b>-1,544,492.34</b>		<b>-38,971.50</b>	<b>-1,583,463.84</b>	<b>1.51</b>
-1,377,699.18			-1,377,699.18	
		-74,631.10	-74,631.10	
			0.00	
			0.00	
		45,000.00	45,000.00	
<b>-1,377,699.18</b>		<b>-29,631.10</b>	<b>-1,407,330.28</b>	<b>1.04</b>
-166,793.16			-166,793.16	
		-9,340.40	-9,340.40	
<b>-166,793.16</b>		<b>-9,340.40</b>	<b>-176,133.56</b>	<b>5.60</b>
-50,185,795.10		6,816,138.75	-43,369,656.35	51.55
-14,418,319.50		1,398,596.53	-13,019,722.97	-5.78
<b>-64,604,114.60</b>		<b>8,214,735.28</b>	<b>-56,389,379.32</b>	<b>33.83</b>
-50,185,795.10			-50,185,795.10	
		0.00	0.00	
		6,816,138.75	6,816,138.75	
<b>-50,185,795.10</b>		<b>6,816,138.75</b>	<b>-43,369,656.35</b>	<b>51.55</b>
-14,418,319.50			-14,418,319.50	
			0.00	
		1,398,596.53	1,398,596.53	
<b>-14,418,319.50</b>		<b>1,398,596.53</b>	<b>-13,019,722.97</b>	<b>-5.78</b>



-2,851,236.86		-225,787.00	-3,077,023.86	18.75
-31,268,144.50		-2,426,428.00	-33,694,572.50	40.61
-102,067.95		3,586.00	-98,481.95	999.99
<b>-34,221,449.31</b>		<b>-2,648,629.00</b>	<b>-36,870,078.31</b>	<b>38.89</b>
-2,851,236.86			-2,851,236.86	
		-671,136.00	-671,136.00	
			0.00	
		445,349.00	445,349.00	
<b>-2,851,236.86</b>		<b>-225,787.00</b>	<b>-3,077,023.86</b>	<b>18.75</b>
-31,268,144.50			-31,268,144.50	
		-3,890,688.00	-3,890,688.00	
			0.00	
		1,464,260.00	1,464,260.00	
<b>-31,268,144.50</b>		<b>-2,426,428.00</b>	<b>-33,694,572.50</b>	<b>40.61</b>
-102,067.95			-102,067.95	
		-10,693.00	-10,693.00	
			0.00	
		14,279.00	14,279.00	
<b>-102,067.95</b>		<b>3,586.00</b>	<b>-98,481.95</b>	<b>999.99</b>
<b>-45,007,062.82</b>	<b>0.00</b>	<b>-2,606,995.09</b>	<b>-55,991,744.01</b>	<b>20.33</b>
-3,253,353.06			-3,253,353.06	
		-984.23	-984.23	
<b>-3,253,353.06</b>		<b>-984.23</b>	<b>-3,254,337.29</b>	<b>4.29</b>
-770,899.96		-58,552.04	-829,452.00	53.21
			0.00	
-342,516.00		-102,833.00	-445,349.00	54.95
-4,051,820.67		-1,166,552.62	-5,218,373.29	32.07
-1,364,892.00		-99,368.00	-1,464,260.00	24.89
-25,812.80		-5,091.00	-30,903.80	-26.25
-1,253,481.11		-206,215.94	-1,459,697.05	
<b>-7,809,422.54</b>		<b>-1,638,612.60</b>	<b>-9,448,035.14</b>	<b>26.50</b>
-770,899.96			-770,899.96	
			0.00	
		-829,452.00	-829,452.00	
		770,899.96	770,899.96	

	<b>-770,899.96</b>	<b>-58,552.04</b>	<b>-829,452.00</b>	<b>53.21</b>
	-342,516.00		-342,516.00	
		-445,349.00	-445,349.00	
			0.00	
		342,516.00	342,516.00	
	<b>-342,516.00</b>	<b>-102,833.00</b>	<b>-445,349.00</b>	<b>54.95</b>
	-4,051,820.67		-4,051,820.67	
			0.00	
		-1,166,552.62	-1,166,552.62	
	<b>-4,051,820.67</b>	<b>-1,166,552.62</b>	<b>-5,218,373.29</b>	<b>32.07</b>
	-1,364,892.00		-1,364,892.00	
		-1,464,260.00	-1,464,260.00	
			0.00	
		1,364,892.00	1,364,892.00	
	<b>-1,364,892.00</b>	<b>-99,368.00</b>	<b>-1,464,260.00</b>	<b>24.89</b>
	-25,812.80		-25,812.80	
		-14,279.00	-14,279.00	
			0.00	
		9,188.00	9,188.00	
	<b>-25,812.80</b>	<b>-5,091.00</b>	<b>-30,903.80</b>	<b>-26.25</b>
	-1,253,481.11		-1,253,481.11	
			0.00	
		-206,215.94	-206,215.94	
			0.00	
	<b>-1,253,481.11</b>	<b>-206,215.94</b>	<b>-1,459,697.05</b>	
	-21,981,750.76	-3,965,760.69	-34,325,197.55	110.32
	-983,004.94	408,830.15	-574,174.79	280.33
	-1,560,848.47	179,743.68	-1,381,104.79	23.26
	-2,414,746.03	-1,770,525.24	-4,185,271.27	-39.57
	-3,449,071.70	-379,546.15	-3,828,617.85	16.09
			0.00	
	121,103.54	-101,608.31	19,495.23	999.99
	178.80	-178.80	0.00	
	-3,322.91	6,213.72	2,890.81	
	3,322.91	-3,322.91	0.00	
	0.00	0.00	0.00	-100.00
	0.00	0.00	0.00	-100.00

			0.00	
			0.00	
			0.00	
-16,589.66	6,389.66		-10,200.00	-74.80
-17,789.50	-8,489.46		-26,278.96	9.08
			0.00	
4,220.40	-7,102.36		-2,881.96	190.84
-21,221.17	3,436.88		-17,784.29	-63.83
<b>-30,319,519.49</b>	<b>-5,631,919.83</b>		<b>-44,329,125.42</b>	<b>59.53</b>
-155,229.20	-17,256.60		-172,485.80	12.33
-48,402.60	-15,792.40		-64,195.00	19.42
-188,952.80	-33,488.10		-222,440.90	20.09
-202,128.30	-42,116.20		-244,244.50	13.92
-671,527.00	39,323.70		-632,203.30	13.62
-58,491.23	-58,258.77		-116,750.00	-87.46
	-1,539.15		-1,539.15	
-10,280.70	10,280.70		0.00	999.99
	-54,746.93		-54,746.93	
0.00	0.00		0.00	-100.00
-3,618.00	440.00		-3,178.00	37.93
-24,337.50	-1,463.00		-25,800.50	19.84
-3,200.00	-570.00		-3,770.00	45.45
-4,016.00	-436.00		-4,452.00	85.06
-60,598.50	-4,506.00		-65,104.50	15.66
-16,100.01	3,562.00		-12,538.01	-19.84
			0.00	
-15,878.38	7,111.65		-8,766.73	-14.69
-11,974.00	1,940.00		-10,034.00	4.77
			0.00	
-6,758.50			-6,758.50	55.36
			0.00	
			0.00	
-23,391.59	-974.00		-24,365.59	3.62
-13,124.00	3,023.00		-10,101.00	4.83
<b>-1,518,008.31</b>	<b>-165,466.10</b>		<b>-1,683,474.41</b>	<b>-13.08</b>
-3,111,187.47	1,908,146.59		-1,203,040.88	-60.00
-253,134.04	0.00		-253,134.04	-33.33
-430,078.09	2,690.00		-427,388.09	-71.56
-3,130,794.38	2,172,893.85		-957,900.53	91.46
<b>-6,925,193.98</b>	<b>4,083,730.44</b>		<b>-2,841,463.54</b>	<b>-38.75</b>
-3,111,187.47			-3,111,187.47	
	-8,893,084.56		-8,893,084.56	
	10,801,231.15		10,801,231.15	

<b>-3,111,187.47</b>	<b>1,908,146.59</b>	<b>-1,203,040.88</b>	<b>-60.00</b>
-1,934,164.60		-1,934,164.60	
	-9,240,908.00	-9,240,908.00	
	9,972,032.12	9,972,032.12	
<b>-1,934,164.60</b>	<b>731,124.12</b>	<b>-1,203,040.48</b>	<b>-60.45</b>
-337,551.63		-337,551.63	
	337,551.00	337,551.00	
	0.00	0.00	
<b>-337,551.63</b>	<b>337,551.00</b>	<b>-0.63</b>	<b>-43.21</b>
-314,669.92		-314,669.92	
	10,272.44	10,272.44	
	304,397.71	304,397.71	
<b>-314,669.92</b>	<b>314,670.15</b>	<b>0.23</b>	<b>999.99</b>
-524,801.32		-524,801.32	
	0.00	0.00	
	524,801.32	524,801.32	
<b>-524,801.32</b>	<b>524,801.32</b>	<b>0.00</b>	<b>-77.01</b>
-253,134.04		-253,134.04	
	0.00	0.00	
<b>-253,134.04</b>	<b>0.00</b>	<b>-253,134.04</b>	<b>-33.33</b>
-22,105.27		-22,105.27	
<b>-22,105.27</b>	<b>0.00</b>	<b>-22,105.27</b>	
0.00		0.00	
	0.00	0.00	
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-100.00</b>
-8,725.11		-8,725.11	
<b>-8,725.11</b>	<b>0.00</b>	<b>-8,725.11</b>	
-34,261.66		-34,261.66	

		0.00	
	0.00	0.00	
<b>-34,261.66</b>	<b>0.00</b>	<b>-34,261.66</b>	<b>-31.47</b>
-125,042.00		-125,042.00	
<b>-125,042.00</b>	<b>0.00</b>	<b>-125,042.00</b>	
-63,000.00		-63,000.00	
<b>-63,000.00</b>	<b>0.00</b>	<b>-63,000.00</b>	
-430,078.09		-430,078.09	
	2,690.00	2,690.00	
<b>-430,078.09</b>	<b>2,690.00</b>	<b>-427,388.09</b>	<b>-71.56</b>
0.00		0.00	
	0.00	0.00	
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-100.00</b>
0.00		0.00	
	0.00	0.00	
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-100.00</b>
-78,786.91		-78,786.91	
<b>-78,786.91</b>	<b>0.00</b>	<b>-78,786.91</b>	
-54,000.00		-54,000.00	
<b>-54,000.00</b>	<b>0.00</b>	<b>-54,000.00</b>	
0.00		0.00	
	0.00	0.00	
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-51.75</b>

-23,757.75			-23,757.75	
		2,690.00	2,690.00	
<b>-23,757.75</b>		<b>2,690.00</b>	<b>-21,067.75</b>	
0.00			0.00	
		0.00	0.00	
<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	
-273,533.43			-273,533.43	
<b>-273,533.43</b>		<b>0.00</b>	<b>-273,533.43</b>	
-3,130,794.38			-3,130,794.38	
		-320,224.20	-320,224.20	
0.00		2,493,118.05	2,493,118.05	-999.99
<b>-3,130,794.38</b>		<b>2,172,893.85</b>	<b>-957,900.53</b>	<b>91.46</b>
-101,818.80			-101,818.80	
<b>-101,818.80</b>		<b>0.00</b>	<b>-101,818.80</b>	
-222,814.94			-222,814.94	
		-320,224.20	-320,224.20	
		87,525.13	87,525.13	
<b>-222,814.94</b>		<b>-232,699.07</b>	<b>-455,514.01</b>	<b>95.78</b>
-26,312.90			-26,312.90	
<b>-26,312.90</b>		<b>0.00</b>	<b>-26,312.90</b>	
0.00			0.00	
		0.00	0.00	
<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>-100.00</b>
-2,719,847.72			-2,719,847.72	
		0.00	0.00	
		2,405,592.90	2,405,592.90	

	<b>-2,719,847.72</b>	<b>2,405,592.90</b>	<b>-314,254.82</b>	<b>119.56</b>	
	0.00				
	0.00	0.00		-100.00	
	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-100.00</b>	
	-0.02		-0.02		
		0.02	0.02		
	<b>-0.02</b>	<b>0.02</b>	<b>0.00</b>	<b>-99.99</b>	
	-60,000.00		-60,000.00		
	<b>-60,000.00</b>	<b>0.00</b>	<b>-60,000.00</b>		
	2,218,840.73	174,145.56	2,392,986.29	19.98	
	-2,218,840.73	-174,145.56	-2,392,986.29	19.98	
	4,818,434.56	199,575.62	5,018,010.18	24.98	
		546,681.61	546,681.61		
	<b>4,818,434.56</b>	<b>746,257.23</b>	<b>5,564,691.79</b>	<b>24.98</b>	
	<b>-643,870,206.98</b>	<b>0.00</b>	<b>-6,504,220.07</b>	<b>-658,752,113.15</b>	<b>5.47</b>
	<b>549,863,674.78</b>	<b>0.00</b>	<b>48,408,087.78</b>	<b>598,271,762.56</b>	<b>4.50</b>
	617,777,540.18		617,777,540.18		
		65,627,791.22	65,627,791.22		
		0.00	0.00		
		-38,700.00	-38,700.00		
		-1,412,145.08	-1,412,145.08		
		0.00	0.00		
		0.00	0.00		
		154,500.00	154,500.00		

<b>617,777,540.18</b>		<b>64,331,446.14</b>	<b>682,108,986.32</b>	<b>7.06</b>
-67,941,478.11		-16,722,918.55	-67,941,478.11	
		801,203.16	-16,722,918.55	
			0.00	
			801,203.16	
<b>-67,941,478.11</b>		<b>-15,921,715.39</b>	<b>-83,863,193.50</b>	<b>33.93</b>
<b>549,836,062.07</b>	<b>0.00</b>	<b>48,409,730.75</b>	<b>598,245,792.82</b>	<b>4.50</b>
27,612.71	0.00	-1,642.97	25,969.74	-5.21
<b>27,612.71</b>		<b>-1,642.97</b>	<b>25,969.74</b>	<b>-5.21</b>
16,705.89		-987.74	15,718.15	-5.17
10,906.82		-655.23	10,251.59	-5.26
<b>27,612.71</b>		<b>-1,642.97</b>	<b>25,969.74</b>	<b>-5.21</b>
<b>94,006,532.20</b>	<b>0.00</b>	<b>-38,562,805.28</b>	<b>63,821,413.02</b>	<b>7.27</b>
35,978.88		41,158.81	77,137.69	-60.76
5,117.04		7,302.92	12,419.96	-49.03
37,569.41		-11,932.19	25,637.22	46.33
			0.00	
495,855.24		-10,929.36	484,925.88	-3.52
			0.00	
15,635.75		14,583.25	30,219.00	15.22
101,494.80		-66,575.80	34,919.00	17.67
38,925.30		-33,450.30	5,475.00	-16.66
60,465.02		26,794.98	87,260.00	-20.45
			0.00	
1,647.00		2,906.00	4,553.00	14.45
210.00		1,715.00	1,925.00	144.18
0.00		0.00	0.00	-100.00
			0.00	
1,357.74			1,357.74	
6,245.42		0.00	6,245.42	-2.12



10,725.83	0.00	10,725.83	-1.25
1,086.16	543.08	1,629.24	-63.64
678.87		678.87	
1,086.16	0.00	1,086.16	-11.11
271.54	0.00	271.54	-33.33
950.39		950.39	
1,357.74		1,357.74	
378.00	-270.00	108.00	833.33
739.50	-147.90	591.60	-16.66
374.01	287.84	661.85	-38.25
<b>818,149.80</b>	<b>-28,013.67</b>	<b>790,136.13</b>	<b>-8.66</b>
24,401,691.67	2,305,417.75	26,707,109.42	6.03
-7,181,953.67	-1,747,829.36	-8,929,783.03	14.52
<b>17,219,738.00</b>	<b>557,588.39</b>	<b>17,777,326.39</b>	<b>2.85</b>
-2,164,937.57	-88,972.17	-2,253,909.74	-10.54
		0.00	
26,567,117.88	2,393,901.28	28,961,019.16	4.45
-488.64	488.64	0.00	
-7,181,953.67		-7,181,953.67	
	-3,716,588.69	-3,716,588.69	
	1,968,759.33	1,968,759.33	
<b>-7,181,953.67</b>	<b>-1,747,829.36</b>	<b>-8,929,783.03</b>	<b>14.52</b>
<b>24,401,691.67</b>	<b>2,305,417.75</b>	<b>26,707,109.42</b>	<b>6.03</b>
67,449.04	19,321.65	86,770.69	-39.45
		0.00	
		0.00	
		0.00	
-246,585.20	251,805.48	5,220.28	-803.14
		0.00	
20,205.65	-4,957.00	15,248.65	-28.71
		0.00	
1,063.75	688.83	1,752.58	-14.00
1,314.55	1,688.21	3,002.76	-41.24
1,236.92	640.27	1,877.19	-14.06
811.32	1,245.78	2,057.10	-40.88
-2.20	2.20	0.00	
155.70	-1,178.10	-1,022.40	-999.99
		0.00	
		0.00	
		0.00	
		0.00	

0.00		0.00	0.00	-100.00
			0.00	
			0.00	
-755.27		54,129.29	53,374.02	-125.07
		432.10	432.10	
3,738,540.87		3,028,481.01	6,767,021.88	-55.25
19,970.47		-4,477.63	15,492.84	-37.31
9,840.94		-9,840.94	0.00	30.19
0.00		0.00	0.00	-100.00
			0.00	
		-255.00	-255.00	
			0.00	
423.79		1,181.83	1,605.62	-21.52
			0.00	
231,489.13		7,940.93	239,430.06	1.61
<b>3,845,159.46</b>		<b>3,346,848.91</b>	<b>7,192,008.37</b>	<b>-57.74</b>
70,020,892.52			70,020,892.52	
		212,524,464.19	212,524,464.19	
		-243,630,650.36	-243,630,650.36	
		-4,675,543.71	-4,675,543.71	
<b>70,020,892.52</b>	<b>0.00</b>	<b>-35,781,729.88</b>	<b>34,239,162.64</b>	<b>12.14</b>
2,096,512.42	0.00	-6,660,499.03	3,813,699.49	-235.38
6,080.00	0.00	3,000.00	9,080.00	5.19
<b>2,102,592.42</b>	<b>0.00</b>	<b>-6,657,499.03</b>	<b>3,822,779.49</b>	<b>-236.28</b>
1,886,831.25		-6,476,283.72	3,788,233.63	-221.15
209,681.17		-184,215.31	25,465.86	999.99
<b>2,096,512.42</b>		<b>-6,660,499.03</b>	<b>3,813,699.49</b>	<b>-235.38</b>
290.00			290.00	
100.00			100.00	
700.00			700.00	
1,940.00		3,000.00	4,940.00	
220.00			220.00	
2,330.00			2,330.00	14.77
500.00			500.00	
<b>6,080.00</b>		<b>3,000.00</b>	<b>9,080.00</b>	<b>5.19</b>
<b>643,870,206.98</b>	<b>0.00</b>	<b>9,845,282.50</b>	<b>662,093,175.58</b>	<b>4.90</b>

-3,454,532.14

3,341,062.43

CHECK

0.00

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*

\*



\*

\*

\*

\*



\*

\*

\*

\*

\*

\*

\*

\*

\*

-642664721.6

56689784

\*

\*

\*

-17345956.55

521947.07

\*

\*

\*

\*

\*

\*

\*

\*

\*