

# **EDEN DISTRICT MUNICIPALITY**



[These financial statements have not been audited]

## **FINANCIAL STATEMENTS**

**30 JUNE 2014**

# EDEN DISTRICT MUNICIPALITY

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# EDEN DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

## GENERAL INFORMATION

### NATURE OF BUSINESS

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

### COUNTRY OF ORIGIN AND LEGAL FORM

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

### JURISDICTION

The Eden District Municipality includes the following municipalities:

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

### ACCOUNTING OFFICER

*Mr. G.W. Louw*

### CHIEF FINANCIAL OFFICER

*Miss. L. Hoek*

### REGISTERED OFFICE

*54 York Street, George, 6530*

### AUDITORS

*Office of the Auditor General (WC)*

### PRINCIPAL BANKERS

*Standard Bank, George*

## **RELEVANT LEGISLATION**

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

# EDEN DISTRICT MUNICIPALITY

## MEMBERS OF THE EDEN DISTRICT MUNICIPALITY

### COUNCILLORS

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

## APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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**Date**

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

<b>NET ASSETS AND LIABILITIES</b>		<b>2014 R (Actual)</b>	<b>2013 R (Restated)</b>
<b>Net assets</b>	Note	455 261 212	460 180 786
Housing Development Fund	2	-	-
Capital replacement reserve		18 068 623	7 390 546
Accumulated Surplus/(Deficit)		437 192 589	452 790 240
<b>Non-current liabilities</b>		114 973 730	107 059 961
Long Term liabilities	3	704 932	3 505 512
Employee Benefits	4	111 132 402	100 567 435
Provisions	5	3 136 396	2 987 014
<b>Current liabilities</b>		50 352 101	66 390 522
Employee Benefits	6	17 876 656	17 158 630
Provisions	7	2 623 859	2 498 888
Payables - Exchange Transactions	8	19 565 318	38 518 664
Unspent conditional grants and receipts	9	8 459 929	7 592 012
Operating Lease Liability	19	18 142	-
Long Term liabilities	3	1 808 197	622 328
<b>Total Net Assets and Liabilities</b>		<b>620 587 042</b>	<b>633 631 269</b>
<b>ASSETS</b>			
<b>Non-current assets</b>		515 928 888	546 480 593
Property, plant & equipment	11	275 898 108	308 267 630
Investment Property	12	189 607 602	192 372 343
Intangible Assets	13	2 894 946	3 541 144
Investments	14	40 774	40 774
Long Term receivables	15	47 487 458	42 258 702
<b>Current assets</b>		104 658 153	87 150 676
Inventory	16	4 645 034	3 778 281
Trade receivables - Exchange transactions	17	14 440 466	3 369 981
Other receivables - Non exchange transactions	18	1 863 000	2 856 110
Operating Lease Asset	19	29 270	-
VAT Receivable	10	1 206 800	1 277 134
Unpaid conditional grants and receipts	9	332 139	350 417
Long Term receivables	15	2 404 270	2 534 279
Cash and Cash Equivalents	20	79 737 174	72 984 474
<b>Total Assets</b>		<b>620 587 042</b>	<b>633 631 270</b>

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

Note	2014 (Actual) R	2013 (Restated) R	Correction of error R	2013 (Previously reported) R
	<b>Total</b>			<b>Total</b>
<b>REVENUE</b>				
<b>Revenue from Non-Exchange Transactions</b>	145 735 859	136 391 813	(1 707 036)	138 098 849
<b>Transfer Revenue</b>	145 732 716	136 385 919	(1 707 036)	138 092 955
Regional Services Levies Equitable Share	21 129 669 000	125 699 000	-	125 699 000
Government grants and subsidies	21 16 063 716	10 686 919	(1 707 036)	12 393 955
<b>Other Revenue</b>	3 143	5 894	-	5 894
Unamortised Discount	3 143	5 894	-	5 894
<b>Revenue from Exchange Transactions</b>	165 960 996	144 322 741	(802 823)	145 125 564
Actuarial Gain from Ex-Gratia Pensions	4 373 177	159 276	-	159 276
Administration Fee: Work for Water	2 867 212	1 158 918	1 158 918	-
Contributed PPE	-	294 102	-	294 102
Contribution Shop Steward	1 001 046	814 874	-	814 874
Department of Transport - Roads Service Charges	22 140 590 753	123 130 897	12 989 552	110 141 345
Gains on disposal of property, plant and equipment	-	133 542	-	133 542
Income for agency services	-	-	(14 148 470)	14 148 470
Interest earned - external investments	20 4 683 695	3 432 586	-	3 432 586
Interest earned - outstanding debtors	-	-	-	-
Licenses and permits	189 121	208 295	-	208 295
Other income	23 13 099 485	14 000 243	(18 069)	14 018 312
Over provision - Shortfall on Cape Pension Fund	2 303 549	-	-	-
Rental of facilities and equipment	852 958	990 008	(784 754)	1 774 762
<b>Total Revenue</b>	<b>311 696 855</b>	<b>280 714 554</b>	<b>(2 509 859)</b>	<b>283 224 413</b>
<b>EXPENDITURE</b>				
Employee related costs	24 90 352 128	91 421 191	(42 067)	91 463 258
Employee related costs - Roads	25 55 224 672	51 068 849	-	51 068 849
Remuneration of Councillors	26 7 027 896	6 747 342	-	6 747 342
Impairment of Trade Receivables	2 585 523	1 734 251	(308 630)	2 042 881
Actuarial Loss	1 900 945	8 111 513	-	8 111 513
Impairment Losses	23 644	120 395	-	120 395
Increase in Provision for Alien Vegetation	274 353	236 458	-	236 458
Depreciation	27 4 127 636	4 628 418	55 815	4 572 603
Amortisation	750 441	468 231	-	468 231
Repairs and maintenance	28 3 578 946	2 956 793	-	2 956 793
Finance Charges	29 725 238	1 163 751	420 975	742 776
Contracted services	30 8 323 567	6 453 690	68 990	6 384 700
Grants and subsidies utilised	31 15 268 862	9 805 662	(1 468 051)	11 273 713
Roads - Operating Expenditure	32 72 012 458	59 072 495	-	59 072 495
Stock Losses	16 5 231	5 687	-	5 687
Unamortised Discount - Interest	78 066	98 040	-	98 040
Loss on disposal of property, plant and equipment	11 32 103 422	391 063	-	391 063
General Expenses	33 22 253 401	22 353 654	-	22 353 658
<b>Total Expenditure</b>	<b>316 616 429</b>	<b>266 837 483</b>	<b>(1 272 969)</b>	<b>268 110 455</b>
<b>SUPPLUS / (DEFICIT) FOR THE YEAR</b>	<b>(4 919 575)</b>	<b>13 877 070</b>	<b>(1 236 891)</b>	<b>15 113 957</b>

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



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

	<u>Capital Replacement Reserve</u>	<u>Housing Development Fund</u>	<u>Accumulated Surplus/(Deficit)</u>	<u>Total</u>
	R	R	R	R
<b>2013</b>				
Balance at 1 July 2012	7 390 546	56 426	433 553 305	441 000 277
Correction of error (Note 34)		(56 426)	5 359 866	5 303 440
Changes in accounting policy	-	-	-	-
<b>Restated Balance</b>	<b>7 390 546</b>	<b>-</b>	<b>438 913 171</b>	<b>446 303 717</b>
Surplus/(deficit) for the year			13 877 070	13 877 070
<b>Balance at 30 June 2013</b>	<b>7 390 546</b>	<b>-</b>	<b>452 790 241</b>	<b>460 180 787</b>
<b>2014</b>				
Correction of error (Note 34)	-	-	-	-
<b>Restated Balance</b>	<b>7 390 546</b>	<b>-</b>	<b>452 790 241</b>	<b>460 180 787</b>
Surplus/(deficit) for the year			(4 919 575)	-4 919 575
Transfers from Accumulated Surplus	10 678 077		(10 678 077)	-
<b>Balance at 30 June 2014</b>	<b>18 068 623</b>	<b>-</b>	<b>437 192 589</b>	<b>455 261 212</b>

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

	Note	2014 R	2013 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Other receipts		150 253 318	150 755 741
Government - operating		145 540 602	136 375 400
Government - capital		192 114	10 518
Interest		4 683 695	3 432 586
<b>Payments</b>			
Suppliers and employees		(285 178 726)	(259 563 736)
Finance charges		(725 238)	(1 163 751)
Cash generated/(absorbed) by operations	35	14 765 763	29 846 757
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>14 765 763</b>	<b>29 846 757</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	11	(999 412)	(581 656)
Proceeds on disposal of property, plant and equipment		-	162 513
Increase in intangible assets	13	(225 268)	(2 799 712)
Decrease / (Increase) in non-current receivables		(5 095 604)	2 604 222
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(6 320 285)</b>	<b>(614 633)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) in Long term liabilities		(1 692 777)	979 732
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(1 692 777)</b>	<b>979 732</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>6 752 700</b>	<b>30 211 856</b>
Cash and cash equivalents at the beginning of the year		72 984 474	42 772 618
Cash and cash equivalent at the end of the year	36	79 737 174	72 984 474

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

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2014 R	2014 R	2014 R	
	(Actual)	(Final Budget)	(Variance)	Explanations for material variances
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	79 736 070	88 782 000	(9 045 930)	Due to the advances of the Roads agency function being withheld from April - June until the SLA was signed, the cash decreased.
Call investment deposits	1 104	-	1 104	
Consumer debtors	-	6 785 000	(6 785 000)	Classification error, should be included under other receivables
Other Receivables	17 871 675	4 403 000	13 468 675	Due to the money borrowed to Roads when the advance payments were withheld by Department of Public Transport. Thus a debtor of R11m was created.)
Current portion of long-term receivables	2 404 270	2 534 000	(129 730)	
Inventory	4 645 034	3 778 000	867 034	Additional inventory in store due to the additional flood projects that the roads agency section is performing in Central Karoo.
<b>Total current assets</b>	<b>104 658 153</b>	<b>106 282 000</b>	<b>-1 623 847</b>	
<b>Non current assets</b>				
Long-term receivables	47 487 458	39 724 000	7 763 458	Due to increase in long term debtor for the Roads agency function for the post retirement benefits.
Investments	40 774	-	40 774	
Investment property	189 607 602	347 611 000	(158 003 398)	Reclassification of land & building and investment property as per GRAP standards
Property, plant and equipment	275 898 108	147 505 000	128 393 108	standards
Intangible Assets	2 894 946	3 541 000	(646 054)	Annual amortisation and impairments of obsolete assets e.g. Excel 2003
Heritage Assets	-	41 000	(41 000)	
<b>Total non current assets</b>	<b>515 928 888</b>	<b>538 422 000</b>	<b>(22 493 112)</b>	
<b>TOTAL ASSETS</b>	<b>620 587 041</b>	<b>644 704 000</b>	<b>(24 116 959)</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowing	1 808 197	650 000	1 158 197	Lease liability of the ESRI GIS system, identified in the AFS, refer to non
Trade and other payables	28 043 389	53 249 000	(25 205 611)	Shortfall on Pension Fund has been paid in full & SARS VAT on admin fee has been paid in full during 2013/2014, thus reducing trade payables.
Provisions and Employee Benefits	20 500 515	20 837 000	(336 485)	
<b>Total current liabilities</b>	<b>50 352 101</b>	<b>74 736 000</b>	<b>(24 383 899)</b>	
<b>Non current liabilities</b>				
Borrowing	704 932	2 856 000	(2 151 068)	Repayment of long term loans, Lease liability of the ESRI GIS system, identified in the AFS, refer current liabilities, the movement when
Provisions and Employee Benefits	114 268 798	109 768 000	4 500 798	Post retirement benefits calculated by the actuary, these valuations are
<b>Total non current liabilities</b>	<b>114 973 730</b>	<b>112 624 000</b>	<b>2 349 730</b>	
<b>TOTAL LIABILITIES</b>	<b>165 325 831</b>	<b>187 360 000</b>	<b>(22 034 169)</b>	
<b>NET ASSETS</b>	<b>455 261 210</b>	<b>457 344 000</b>	<b>(2 082 790)</b>	
<b>COMMUNITY WEALTH</b>				
Accumulated Surplus/(Deficit)	437 192 589	455 697 000	(18 504 411)	Restatements and current year surplus/deficit
Reserves	18 068 623	1 947 000	16 121 623	It was estimated that the CRR will reduce, but the CRR remained unchanged from the previous year.
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>455 261 212</b>	<b>457 644 000</b>	<b>(2 382 788)</b>	

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

**ADJUSTMENTS TO APPROVED BUDGET**

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Explanations for material adjustments
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	25 788 000	62 994 000	88 782 000	Due to the advances of the Roads agency function being withheld from April - June until the SLA was signed, the cash decreased.
Call investment deposits	30 000 000	(30 000 000)	-	Classification error, should be included under other receivables
Consumer debtors	(19 190 000)	25 975 000	6 785 000	Due to the money borrowed to Roads when the advance payments were withheld by Department of Public Transport. Thus a debtor of R11m was created.)
Other Receivables	11 734 000	(7 331 000)	4 403 000	
Current portion of long-term receivables	2 298 000	236 000	2 534 000	
Inventory	3 236 000	542 000	3 778 000	Additional inventory in store due to the additional flood projects that the roads agency section is performing in Central Karoo.
<b>Total current assets</b>	<b>53 866 000</b>	<b>52 416 000</b>	<b>106 282 000</b>	
<b>Non current assets</b>				
Long-term receivables	33 355 000	6 369 000	39 724 000	
Investments		-	-	
Investment property	336 326 000	11 285 000	347 611 000	
Property, plant and equipment	168 332 000	(20 827 000)	147 505 000	
Intangible Assets	3 190 000	351 000	3 541 000	
Other Non-Current Assets	88 080 000	(88 039 000)	41 000	
<b>Total non current assets</b>	<b>629 283 000</b>	<b>(90 861 000)</b>	<b>538 422 000</b>	
<b>TOTAL ASSETS</b>	<b>683 149 000</b>	<b>(38 445 000)</b>	<b>644 704 000</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft		-	-	
Borrowing	510 000	140 000	650 000	Lease liability of the ESRI GIS system, identified in the AFS, refer to non current liabilities, the movement when calculating the difference is minor.
Trade and other payables	28 478 000	24 771 000	53 249 000	Shortfall on Pension Fund has been paid in full & SARS VAT on admin fee has been paid in full during 2013/2014, thus reducing trade payables.
Provisions and Employee Benefits	16 255 000	4 582 000	20 837 000	
<b>Total current liabilities</b>	<b>45 243 000</b>	<b>29 493 000</b>	<b>74 736 000</b>	
<b>Non current liabilities</b>				
Borrowing	1 942 000	914 000	2 856 000	Repayment of long term loans, Lease liability of the ESRI GIS system, identified in the AFS, refer current liabilities, the movement when calculating the difference is minor.
Provisions and Employee Benefits	87 182 000	22 586 000	109 768 000	Post retirement benefits calculated by the actuary, these valuations are based on the discount rate, age, other factors
<b>Total non current liabilities</b>	<b>89 124 000</b>	<b>23 500 000</b>	<b>112 624 000</b>	
<b>TOTAL LIABILITIES</b>	<b>134 367 000</b>	<b>52 993 000</b>	<b>187 360 000</b>	
<b>NET ASSETS</b>	<b>548 782 000</b>	<b>(91 438 000)</b>	<b>457 344 000</b>	
<b>COMMUNITY WEALTH</b>				
Accumulated Surplus/(Deficit)	534 119 000	(78 422 000)	455 697 000	Restatements and current year surplus/deficit
Reserves	14 663 000	(12 716 000)	1 947 000	It was estimated that the CRR will reduce, but the CRR remained unchanged from the previous year.
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>548 782 000</b>	<b>(91 138 000)</b>	<b>457 644 000</b>	

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

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2014 R (Actual Amounts)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
<b>REVENUE BY SOURCE</b>				
Rental of facilities and equipment	852 958	1 248 000	(395 042)	
Interest earned - external investments	4 683 695	2 601 000	2 082 695	Council had surplus funds during the year to invest as the majority of the spending was incurred during the last quarter of the financial year.
Interest earned - outstanding debtors	-	-	-	
Licences and permits	189 121	-	189 121	
Agency services	-	11 280 000	(11 280 000)	Income from agency services are included under other income with the compilation of the AFS
Government Grants and Subsidies - Equitable Share	129 669 000	129 669 000	-	
Government Grants and Subsidies - Operating	16 063 716	11 428 000	4 635 716	
Other revenue	160 238 365	118 468 000	41 770 365	Income from agency services are included under other income with the compilation of the AFS
<b>Total Operating Revenue</b>	<b>311 696 855</b>	<b>274 694 000</b>	<b>37 002 855</b>	
<b>EXPENDITURE BY TYPE</b>				
Employee related costs	90 352 128	92 827 490	(2 475 362)	
Employee related costs - Department of Transport	55 224 672	53 228 510	1 996 163	Inclusion of GRAP related items with consolidation
Remuneration of councillors	7 027 896	6 969 000	58 896	
Debt impairment	2 585 523	650 000	1 935 523	In process with debt collection, this was taken into account with the calculation of the provision
Depreciation & asset impairment	4 901 721	8 135 000	(3 233 279)	Due to review of useful lives and the changes thereof, deprecation was lower than expected
Finance charges	725 238	485 000	240 238	
Other materials	3 578 946	-	3 578 946	
Contracted services	8 323 567	10 930 000	(2 606 433)	General savings on contracted services and contract workers
Grants and subsidies paid	15 268 862	4 144 000	11 124 862	
Other expenditure	96 524 454	96 092 000	432 454	
Loss on disposal of PPE	32 103 422	-	32 103 422	At the time of the compilation of the budget, the information was not available to budget for Loss, various properties were transferred to B-municipalities as per council resolutions.
<b>Total Operating Expenditure</b>	<b>316 616 429</b>	<b>273 461 000</b>	<b>43 155 429</b>	
<b>Operating Surplus/(Deficit) for the year</b>	<b>(4 919 574)</b>	<b>1 233 000</b>	<b>(6 152 574)</b>	
Government Grants and Subsidies - Capital	-	-	-	
<b>Net Surplus/(Deficit) for the year</b>	<b>(4 919 574)</b>	<b>1 233 000</b>	<b>(6 152 574)</b>	

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

**ADJUSTMENTS TO APPROVED BUDGET**

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

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

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Other receipts	150 253 318	129 870 000	20 383 318	Increase in allocations from Department of transport included in the consolidation
Government - operating	145 540 602	141 097 000	4 443 602	
Government - capital	192 114	-	192 114	
Interest	4 683 695	2 601 000	2 082 695	Surplus funds available for investing, majority of expenditure incurred in last quarter
<b>Payments</b>				
Suppliers and Employees	(285 178 726)	(248 119 000)	(37 059 726)	General increases in expenditure e.g. CPIX, Additional funding received from Department of Transport for projects
Finance charges	(725 238)	(485 000)	(240 238)	
Transfers and Grants	-	(4 144 000)	4 144 000	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>14 765 765</b>	<b>20 820 000</b>	<b>(6 054 235)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Decrease/(increase) in non-current receivables	(5 095 604)	-	(5 095 604)	Increase in debtor for Department of Transport for the post retirement benefits
Decrease/(increase) in non-current investments	-	2 534 000	(2 534 000)	
<b>Payments</b>				
Capital assets	(1 224 680)	(6 935 000)	5 710 320	The R5.8m for the purchase of the land for the Regional Landfill Site will only be incurred in 2014/2015, in contract phase
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(6 320 284)</b>	<b>(4 401 000)</b>	<b>(1 919 284)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Borrowing	-	-	-	
<b>Payments</b>				
Repayment of borrowing	(1 692 777)	(622 000)	(1 070 777)	ESRI recognized as finance lease at yearend, not included in budget
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(1 692 777)</b>	<b>(622 000)</b>	<b>(1 070 777)</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>6 752 700</b>	<b>15 797 000</b>	<b>(9 044 300)</b>	
Cash and Cash Equivalents at the beginning of the year	72 984 474	72 985 000	(526)	
Cash and Cash Equivalents at the end of the year	79 737 174	88 782 000	(9 044 826)	

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

**ADJUSTMENTS TO APPROVED BUDGET**

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



**EDEN DISTRICT MUNICIPALITY**

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

**2 HOUSING DEVELOPMENT FUND**

	2014 R	2013 R
Housing Development Fund	-	-
Balance previously reported	-	56 426
Correction of error - Note 34.7	-	(56 426)
<b>Total Housing Development Fund Assets and Liabilities</b>	<b>-</b>	<b>-</b>

**3 LONG TERM LIABILITIES**

Capitalised Lease Liability - At amortised cost	931 800	1 761 850
DBSA Loans - At amortised cost	1 642 353	2 505 080
Sub-total	2 574 153	4 266 930
Less: Unamortised Charges to Loans	61 024	139 090
Balance 1 July	139 090	237 130
Adjustment for the Year	(78 066)	(98 040)
Sub-total	2 513 129	4 127 840
Less: Current portion transferred to current liabilities	1 808 197	622 328
Current Portion of long term liabilities - At amortised cost	1 859 812	700 394
Current Portion of Unamortised Charges to Loans	(51 615)	(78 066)
<b>Total Long-term Liabilities - At amortised cost using the effective interest rate method</b>	<b>704 932</b>	<b>3 505 512</b>

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

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

The obligations under long term loans are scheduled below:

	Minimum Loan Payments	
	2014	2013
Amounts payable under long-term loans		
Payable within one year	1 997 489	1 065 688
Payable within two to five years	716 995	532 844
Payable after five years	-	-
	2 714 484	1 598 532
Less: Future finance obligations	140 331	2 668 398
<b>Present value of loan obligations</b>	<b>2 574 153</b>	<b>4 266 930</b>
Less: Amounts due for settlement within 12 months	(1 859 812)	(700 394)
<b>Amount due for settlement after 12 months</b>	<b>714 341</b>	<b>3 566 536</b>

**4 EMPLOYEE BENEFITS**

	2014 R	2013 R
Provision for Post Employment Health Care Benefits	61 374 030	55 798 855
Roads - Provision for Post Employment Health Care Benefits	46 000 742	40 801 527
Provision for Ex-Gratia Pension Benefits	646 802	1 007 190
Roads - Provision for Ex-Gratia Pension Benefits	713 322	855 875
Provision for Long Service Leave Awards	4 779 267	4 362 238
Roads - Provision for Long Service Leave Awards	3 177 664	3 113 523
	116 691 827	105 939 208
Less Short Term Portion Transferred to Current Provisions	(5 559 425)	(5 371 773)
<b>Total Non-current Employee Benefit Liabilities</b>	<b>111 132 402</b>	<b>100 567 435</b>

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

Roads - Provision for Post Employment Health Care Benefits	46 000 742	40 801 527
Roads - Provision for Ex-Gratia Pension Benefits	713 322	855 875
Roads - Provision for Long Service Leave Awards	3 177 664	3 113 523
	49 891 728	44 770 925

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

**Post Employment Health Care Benefits**

Balance 1 July	96 600 380	88 281 230
Contribution for the year	3 266 868	3 208 495
Interest Cost	8 063 028	6 591 292
Expenditure for the year	(4 449 069)	(3 873 060)
Actuarial Loss/(Gain)	3 893 563	2 392 423
<b>Total post retirement benefits 30 June</b>	<b>107 374 770</b>	<b>96 600 380</b>
<b>Less:</b> Transfer of Current Portion - Note 6	<b>(4 503 528)</b>	<b>(4 245 684)</b>
<b>Balance 30 June</b>	<b>102 871 242</b>	<b>92 354 696</b>

**Long Service Leave Benefits**

Balance 1 July	7 475 761	6 672 821
Contribution for the year	915 457	735 605
Interest Cost	515 028	413 095
Expenditure for the year	(706 212)	(676 588)
Actuarial Loss/(Gain)	(243 103)	330 828
<b>Total post retirement benefits 30 June</b>	<b>7 956 931</b>	<b>7 475 761</b>
<b>Less:</b> Transfer of Current Portion - Note 6	<b>(825 436)</b>	<b>(826 134)</b>
<b>Balance 30 June</b>	<b>7 131 495</b>	<b>6 649 627</b>

**EDEN DISTRICT MUNICIPALITY**

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

**4 EMPLOYEE BENEFITS (CONTINUED)**

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

**TOTAL NON-CURRENT EMPLOYEE BENEFITS**

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

**4.1 Post Retirement Benefits**

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

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

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

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

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

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

Experience adjustments were calculated as follows:

	<b>2014</b>	<b>2013</b>	
	<b>R</b>	<b>R</b>	
Liabilities: (Gain) / loss	3 893 563	6 190 000	
	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Liabilities: (Gain) / loss	3 740 000	(780 000)	(3 898 000)

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

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

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

Key actuarial assumptions used:

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

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

**ii) Mortality rates**

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

**iii) Normal retirement age**

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

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

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

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

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

**EDEN DISTRICT MUNICIPALITY**

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

**4 EMPLOYEE BENEFITS (CONTINUED)**

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

**Sensitivity Analysis on the Accrued Liability**

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

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

**4.2 Provision for Long Service Bonuses**

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

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

Key actuarial assumptions used:

**j) Rate of interest**

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

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

**Analysis of accrued liability**

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

**Reconciliation of accrued liability values:**

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

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

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

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

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

Experience adjustments were calculated as follows:

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

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

**EDEN DISTRICT MUNICIPALITY**

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

**4 EMPLOYEE BENEFITS (CONTINUED)**

**Sensitivity Analysis on the Unfunded Accrued Liability**

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

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

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

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

Key actuarial assumptions used:

	2014 %	2013 %
<b>i) Rate of interest</b>		
Discount rate	7.41%	6.74%
Pension Increase Rate	3.05%	3.12%
Net Effective Discount Rate: pensioners with pension increases of 50% of DPI	4.23%	3.51%

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

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

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

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

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

Experience adjustments were calculated as follows:

	2014 R	2013 R	
Liabilities: (Gain) / loss	(318 581)	84 892	
Assets: Gain / (loss)	-	-	
	<b>2010 R</b>	<b>2011 R</b>	<b>2012 R</b>
Liabilities: (Gain) / loss	(228 298)	30 642	(225 549)
Assets: Gain / (loss)	-	-	-

**Analysis of accrued liability**

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

**Reconciliation of accrued liability values:**

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

**Sensitivity Analysis on the Unfunded Accrued Liability**

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

**4.4 Retirement Funds**

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

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

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

**EDEN DISTRICT MUNICIPALITY**

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

**4 EMPLOYEE BENEFITS (CONTINUED)**

**Cape Joint Pension Fund**

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

Contributions paid recognised in the Statement of Financial Performance

2014	2013
R	R
748 757	404 944

**Cape Retirement Fund**

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

Contributions paid recognised in the Statement of Financial Performance

20 948 633	13 351 106
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**Defined Contribution Plans**

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

Contributions paid recognised in the Statement of Financial Performance

80 641	98 470
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**5 NON-CURRENT PROVISIONS**

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

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

**Total Non-Current Provisions**

**Clearing of Alien Vegetation**

Balance 1 July  
Contribution for the year

5 485 902	5 249 444
274 353	236 458

**Total provision 30 June**

5 760 255	5 485 902
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Less: Transfer of Current Portion to Current Provisions - Note 7

(2 623 859)	(2 498 888)
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**Balance 30 June**

<b>3 136 396</b>	<b>2 987 014</b>
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According to the Alien Vegetation Eradication plan developed for the district municipality, it is estimated that an amount of R5,760,255 is required assuming that a strategy is followed where all properties were treated in the first year. The total budget required for the first follow-up would be R2,623,859 in the second year, R952,168 in the third year and R654,5050 in the fourth year and will continued for 10 years.

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

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

**6 CURRENT EMPLOYEE BENEFITS**

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

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

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

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

**Total Provisions**

17 876 656	17 158 630
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**Roads - Performance Bonus**

**Performance Bonus**

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

-	779 438
-	(328 812)
-	(392 051)
-	450 719
-	509 294

**Balance at end of year**

**30-Jun-13**

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

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

**Balance at end of year**

-	779 438
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Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.

**Roads - Staff Leave**

**Staff Leave**

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

2 787 026	4 651 107
915 205	524 391
(675 896)	(419 187)
<b>3 026 335</b>	<b>4 756 311</b>

**Balance at end of year**

**30-Jun-13**

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

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

**Balance at end of year**

2 787 026	4 651 107
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**EDEN DISTRICT MUNICIPALITY**

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

**6 CURRENT EMPLOYEE BENEFITS (CONTINUED)**

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

**2014**  
**R**

**2013**  
**R**

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

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

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

**7 PROVISIONS**

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

**8 PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade Payables	3 046 581	3 686 282
Balance previously reported	-	5 324 328
Correction of error - incorrect provision for grant expenditure - Note 34.3	-	(1 707 036)
Correction of error - 2012/2013 expenses paid in current financial year not included in provision - Note 34.3	-	68 990
Payments received in advance	-	3 199 279
Shortfall on Pension fund	-	2 401 642
Roads - Shortfall on Pension fund	-	772 877
Other creditors	5 919 255	7 856 332
Balance previously reported	-	7 694 408
Correction of error - incorrect journal processed in the 2011/2012 financial year - Note 34.3	-	8 727
Correction of double provision - Note 34.3	-	(196 070)
Correction of error incorrect rental billings - Note 34.3	-	319 266
Correction of error regarding allocations of sport club fee income and expenditures - Note 34.3	-	30 000
SARS - Roads	-	5 450 943
Roads - Payment Received in Advance	1 000 000	9 474 284
Roads - Other creditors	2 505 290	2 680 084
Government subsidies: Department of Transport - Roads	6 977 872	2 893 270
Debtors with credit balances	116 320	103 671
Allocations to municipalities	-	-
Balance previously reported	-	670 242
Correction of unspent priority funds - Note 34.3	-	(670 242)
<b>Total Trade Payables</b>	<b>19 565 318</b>	<b>38 518 664</b>

Payables are being recognised net of any discounts.

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

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

All payables are unsecured.

**9 UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

	<b>8 459 929</b>	<b>7 592 012</b>
<b>Unspent Grants</b>		
National Government Grants	6 044 828	5 962 258
Provincial Government Grants	774 343	949 015
Other Grant Providers	1 640 758	680 739
Balance previously reported	-	1 137 265
Correction of emergency housing Zoar & DMA - Note 34.8	-	(456 527)
<b>Less: Unpaid Conditional Grants</b>	<b>332 139</b>	<b>350 417</b>
National Government Grants	83 579	190 321
Provincial Government Grants	248 560	7 249
Other Grant Providers	-	152 847
Balance previously reported	-	1 859 883
Correction of incorrect provision for grant expenditure - Note 34.8	-	(1 707 036)
<b>Total Conditional Grants and Receipts</b>	<b>8 127 790</b>	<b>7 241 595</b>

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

**EDEN DISTRICT MUNICIPALITY**

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

**10 TAXES**

VAT Receivable

- Balance previously reported
- Correction of error - SARS penalties and interests - Note 34.6
- Correction of error - incorrect billings on rental properties - Note 34.6
- Correction of error - incorrect provision for grant expenditure - Note 34.6

2014 R	2013 R
1 206 800	1 277 134
-	2 095 405
-	(699 190)
-	119 904
-	(238 985)
<u>1 206 800</u>	<u>1 277 134</u>

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







**EDEN DISTRICT MUNICIPALITY**

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

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

	2014 R	2013 R
<b>Third party payments received for losses incurred:</b>		
Payments received (Excluding VAT)	-	-
Carrying value of assets written off/lost	29 517 021	416 338
Surplus/Deficit	<u>29 517 021</u>	<u>416 338</u>
<b>Impairment of property plant and equipment</b>		
Impairment charges on Property, plant and equipment recognised in statement of financial performance		
Other	23 644	-
	<u>23 644</u>	<u>-</u>

**Effect of changes in accounting estimates**

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

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

**12 INVESTMENT PROPERTY**

	2014 R	2013 R
<b>Net Carrying amount at 1 July</b>	<b>192 372 343</b>	<b>189 397 135</b>
Cost - Buildings	10 750 649	19 381 437
Cost - Land	183 964 352	328 558 463
Correction of Error - Recognition of assets identified for the first time - Note 34.2	-	4 250 000
Class Transfers - Buildings	-	(9 201 789)
Class Transfers - Land	-	(152 244 112)
Accumulated Depreciation - Buildings	(2 342 657)	(3 017 462)
Class Transfers - Buildings	-	1 670 597
Acquisitions - Buildings	-	-
Cost of Land Transferred from Property, Plant and Equipment	-	571 000
Cost of Buildings Transferred from Property, Plant and Equipment	-	3 400 000
Transfer of Accumulated Depreciation from Property, Plant and Equipment	-	(679 889)
Restated depreciation for the year	(299 366)	(315 903)
Depreciation for the year - previously reported	-	(602 331)
Correction of error on reclassifications - Note 34.2	-	286 429
Disposals: Accumulated depreciation - Buildings	117 125	-
Disposals: Cost - Buildings	(480 000)	-
Disposals: Cost - Land	(2 102 500)	-
<b>Net Carrying amount at 30 June</b>	<b>189 607 602</b>	<b>192 372 343</b>
Cost - Buildings	10 270 649	10 750 649
Cost - Land	181 861 852	183 964 352
Accumulated Depreciation - Buildings	(2 524 898)	(2 342 657)
Revenue derived from the rental of investment property	<u>852 958</u>	<u>990 008</u>

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

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

**Additional disclosure matter**

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

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

- Resorts: R122million
- Other Land and Buildings: R52million

**13 INTANGIBLE ASSETS**

	2014 R	2013 R
<b>Cost</b>	<b>4 799 191</b>	<b>6 234 238</b>
Opening Balance on 1 July	6 234 238	3 444 660
Balance Previously reported	6 234 238	3 556 536
Class Transfers	-	(111 876)
Acquisitions for the year - At cost	225 268	2 799 712
Disposals	(1 660 315)	(10 134)
<b>Less: Accumulated Amortisation</b>	<b>(1 904 246)</b>	<b>(2 693 094)</b>
Opening Balance on 1 July	(2 693 094)	(2 110 906)
Balance Previously reported	(2 693 094)	(2 177 759)
Class Transfers	-	66 853
Restated Amortisation for the year	(750 441)	(468 231)
Disposals	1 539 289	6 438
Impairment of Intangible Assets	-	(120 395)
<b>Total Intangible Assets</b>	<b>2 894 946</b>	<b>3 541 144</b>

No intangible asset were assed having an indefinite useful life.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

**EDEN DISTRICT MUNICIPALITY**

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

<b>14</b>	<b>NON-CURRENT INVESTMENTS</b>	<b>2014</b>	<b>2013</b>
		<b>R</b>	<b>R</b>
	<b>Unlisted</b>		
	KKLK shares and Loan Account - Held at Fair Value through Profit and Loss	40 774	40 774
	<b>Total Unlisted</b>	<u>40 774</u>	<u>40 774</u>
	<b>Total Investments</b>	<u>40 774</u>	<u>40 774</u>
	<b>Council's valuation of unlisted investments</b>		
	KKLK shares	40 774	40 774
		<u>40 774</u>	<u>40 774</u>
<b>15</b>	<b>LONG-TERM RECEIVABLES</b>		
	Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1) - At amortised cost	46 000 742	40 801 527
	Department of Transport: Roads - Long Service Awards (Note 4.2) - At amortised cost	3 177 664	3 113 523
	Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.3) - At amortised cost	713 322	855 875
	Long term debtors: Local Authorities - At amortised cost	-	25 199
		<u>49 891 728</u>	<u>44 796 124</u>
	Less: Current portion transferred to current receivables	2 404 270	2 534 279
	Department of Transport: Roads - Post Employment Health Care Benefits (Note 4.1) - At amortised cost	1 973 160	1 865 178
	Department of Transport: Roads - Long Service Awards (Note 4.2) - At amortised cost	303 117	500 218
	Department of Transport: Roads - Ex-Gratia Pension Benefits (Note 4.3) - At amortised cost	127 993	143 684
	Local Authorities - At amortised cost	-	25 199
		<u>2 404 270</u>	<u>2 534 279</u>
	Less: Unamortised Charges to Long Term Receivables	-	3 143
	Balance 1 July	3 143	9 037
	Adjustment for the Year	(3 143)	(5 894)
		<u>47 487 458</u>	<u>42 258 702</u>
	<b>Total</b>	<u>47 487 458</u>	<u>42 258 702</u>
	<b>LOANS TO OTHER LOCAL AUTHORITIES</b>		
	The loans to other local authorities are interest free, except for the following loan:		
	<b>Krnsna Municipality:</b>		
	Hornlee - Water and sewerage loan is payable over 20 years and bears interest at 10%, instalment is R 25 200 per year (October 1993)		
	<b>DEPARTMENT OF TRANSPORT: ROADS</b>		
	In terms of the agreement between the Western Cape Provincial Government and past experience, Provincial Government funds will be made available to maintain the approved organogram of the Roads department, including all employee post retirement benefits. The future claim for the provision for retirement benefits has therefore been raised as a long term debtor.		
	The carrying value of the Long-Term Receivables approximate their fair value and are shown at amortised cost using the effective interest rate method. As these loans are all recoverable the Municipality was not required to make any provision for any possible impairments.		
<b>16</b>	<b>INVENTORY</b>	<b>2014</b>	<b>2013</b>
		<b>R</b>	<b>R</b>
	Consumable Stores - at cost	4 645 034	3 778 281
	<b>Total Inventory</b>	<u>4 645 034</u>	<u>3 778 281</u>
	Consumable stores materials written down due to losses as identified during the annual stores counts.	5 231	5 687
	Consumable stores materials surpluses identified during the annual stores counts.	-	-
	Inventory recognised as an expense during the year	<u>5 231</u>	<u>5 687</u>
<b>17</b>	<b>TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
	<b>As at 30 June 2014</b>	<b>Gross Balances</b>	<b>Allowance for Bad Debts</b>
	Service debtors		<b>Net Balances</b>
	Ambulance and Fire Fighting Fees	5 262 546	(2 533 985)
	Councillors' Arrears	2 498 736	(2 498 736)
	Rental Agreements	3 332 399	(1 901 109)
	Roads - Sundry debtors	10 280 615	-
	<b>Total</b>	<u>21 374 296</u>	<u>(6 933 829)</u>
	<b>As at 30 June 2013</b>	<b>Gross Balances</b>	<b>Allowance for Bad Debts</b>
	Service debtors		<b>Net Balances</b>
	Ambulance and Fire Fighting Fees	3 089 483	(2 071 495)
	Councillors' Arrears	2 583 395	(1 455 506)
	Rental Agreements	2 501 021	(1 633 931)
	Balance previously reported	3 698 950	(2 456 335)
	Correction of error - incorrect billings & provision for bad debts - Note 34.5	(1 197 929)	822 404
	Roads - Sundry debtors	357 014	-
	Balance previously reported	-	-
	Correction of error - incorrect billings & provision for bad debts - Note 34.5	357 014	-
	<b>Total</b>	<u>8 530 913</u>	<u>(5 160 932)</u>
	Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary		
	<b>Housing Rentals &amp; Rental Agreements: Ageing</b>		
	Current (0-30 days)	899 540	1 812
	31 - 60 Days	71 421	314 485
	61 - 90 Days	31 133	32 094
	91 - 120 Days	22 247	32 079
	121-365 Days	2 285 704	2 699 224
	+ 365 Days	22 353	(578 673)
	<b>Total</b>	<u>3 332 399</u>	<u>2 501 021</u>

**EDEN DISTRICT MUNICIPALITY**

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

**17 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)**

	2014 R	2013 R
<b>Councillors' Arrears: Ageing</b>		
Current (0-30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	760 992
121-365 Days	2 498 736	1 822 403
+ 365 Days	-	-
<b>Total</b>	<b>2 498 736</b>	<b>2 583 395</b>
<b>Ambulance and Fire Fighting Fees-Ageing</b>		
Current (0-30 days)	(650)	(650)
31 - 60 Days	396 394	363 672
61 - 90 Days	352 027	170 409
91 - 120 Days	256 500	-
121-365 Days	4 017 792	2 315 571
+ 365 Days	240 481	240 481
<b>Total</b>	<b>5 262 546</b>	<b>3 089 483</b>
<b>Roads - Sundry debtors</b>		
Current (0-30 days)	10 051 803	72 452
31 - 60 Days	8 176	74 451
61 - 90 Days	5 054	2 287
91 - 120 Days	2 515	-
121-365 Days	885	-
+ 365 Days	212 183	207 824
<b>Total</b>	<b>10 280 615</b>	<b>357 014</b>
<b>Reconciliation of the allowance for bad debt provision (Trade Receivables from exchange and Other Receivables from non-exchange)</b>		
Balance at the beginning of the year	7 199 069	20 314 566
Correction of error - incorrect billings and provision for bad debts - Note 34.5	-	(822 404)
Contributions to allowance: Exchange Receivables - Note 17	1 975 940	1 523 816
Contributions to allowance: Non-exchange Receivables - Note 18	609 583	519 066
Bad debts written off against the allowance	(711 655)	(14 335 975)
<b>Balance at end of year</b>	<b>9 072 936</b>	<b>7 199 069</b>

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

**18 OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS  
As at 30 June 2014**

	Gross Balances	Allowance for Bad Debts	Net Balances
Recoverable Debtor: JP Zeelie	463 059	(463 059)	-
Government subsidies: Department of Transport - Roads	-	-	-
Recoverable Debtor: C Africa	6 804	-	6 804
Recoverable Debtor: DMA	557 132	-	557 132
Sundry debtors	2 662 229	(1 392 547)	1 269 682
Continued Members	307 649	(278 266)	29 383
Councillors Transport Allowance	5 233	(5 233)	-
Advances to Agencies	-	-	-
<b>Total Other Debtors</b>	<b>4 002 106</b>	<b>(2 139 106)</b>	<b>1 863 000</b>

**As at 30 June 2013**

	Gross Balances	Allowance for Bad Debts	Net Balances
Recoverable Debtor: JP Zeelie	463 059	(463 059)	-
Recoverable Debtor: DMA	449 116	-	449 116
Sundry debtors	3 602 861	(1 349 038)	2 253 823
Balance previously reported	3 560 794	(1 349 038)	2 211 756
Correction of error - PAYE allocations for 2012/13 financial year - Note 34.4	42 067	-	42 067
Continued Members	373 977	(226 039)	147 938
Roads - Sundry debtors	-	-	-
Balance previously reported	357 014	-	357 014
Correction of classification of Department of Transport debtors - Note 34.4	(357 014)	-	(357 014)
Councillors Transport Allowance	5 233	-	5 233
Advances to Agencies	-	-	-
<b>Total Other Debtors</b>	<b>4 894 246</b>	<b>(2 038 136)</b>	<b>2 856 110</b>

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

**Recoverable Debtor: JP Zeelie**

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

**Recoverable Debtor: DMA**

Current (0-30 days)	-	8 132
31 - 60 Days	-	8 877
61 - 90 Days	4 905	6 069
91 - 120 Days	15 164	2 828
121-365 Days	113 852	119 573
+ 365 Days	423 211	303 638
<b>Total</b>	<b>557 132</b>	<b>449 116</b>

**Sundry debtors**

Current (0-30 days)	-	457 005
31 - 60 Days	38 550	116 709
61 - 90 Days	38 550	104 874
91 - 120 Days	42 472	113 236
121-365 Days	235 515	944 016
+ 365 Days	2 302 776	1 824 954

**EDEN DISTRICT MUNICIPALITY**

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

**Total**

2 657 864

3 560 794

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

**Continued Members**

Current (0-30 days)  
31 - 60 Days  
61 - 90 Days  
91 - 120 Days  
121-365 Days  
+ 365 Days

**2014  
R**

**2013  
R**

(59 394)  
55 167  
14 750  
7 402  
289 725  
-

-  
92 602  
18 278  
11 183  
251 914  
-

**Total**

**307 650**

**373 977**

**Councillors Transport Allowance**

Current (0-30 days)  
31 - 60 Days  
61 - 90 Days  
91 - 120 Days  
121-365 Days  
+ 365 Days

-  
-  
-  
-  
-  
5 233

-  
-  
-  
-  
-  
5 233

**Total**

**5 233**

**5 233**

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

The fair value of other receivables approximate their carrying value.

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

**19 OPERATING LEASE ARRANGEMENTS**

**19.1 The Municipality as Lessee**

**2014  
R**

**2013  
R**

**Balance on 1 July**

-

-

Movement during the year

18 142

-

**Balance on 30 June**

18 142

-

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

Up to 1 Year  
1 to 5 Years  
More than 5 Years

229 656  
243 394  
-

-  
-  
-

473 051

-

**19.2 The Municipality as Lessor**

**Balance on 1 July**

-

-

Movement during the year

29 270

-

**Balance on 30 June**

29 270

-

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

Up to 1 Year  
1 to 5 Years  
More than 5 Years

414 626  
1 195 626  
344 248

-  
-  
-

1 954 500

-

**20 CASH AND CASH EQUIVALENTS**

**2014  
R**

**2013  
R**

**Liabilities**

Roads - Bank Account

-

-

**Assets**

Call Investment Deposits  
Roads - Bank Account  
Short term deposits  
Cash  
Primary Bank Account  
Standard Bank Account

1 104  
5 923 716  
60 122 973  
21 365  
-  
13 668 016

1 104  
20 226 282  
-  
21 365  
35 254  
52 700 469

**Total Cash and Cash Equivalents - Assets**

**79 737 174**

**72 984 474**

The effective interest rate was 5.03% (2013: 5.03%).  
The Municipality has the following bank accounts:-

**Call Investment Deposits**

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

**Current Account (Primary Bank Account)**

ABSA George Branch  
Account Number 4050434930

Cash book balance at beginning of year

35 254

28 250 113

Cash book balance at end of year

-

35 254

Bank statement balance at beginning of year

35 254

28 524 846

Bank statement balance at end of year

35 254

35 254

**EDEN DISTRICT MUNICIPALITY**

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

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

	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
<b>Current Account (Standard Bank Account)</b>		
Standard Bank George Branch Account Number 06 083 263 0		
Cash book balance at beginning of year	52 700 469	5 210
Cash book balance at end of year	13 668 016	52 700 469
Bank statement balance at beginning of year	52 883 296	5 210
Bank statement balance at end of year	14 487 347	52 883 296
Cash	21 365	21 365
<b>Current Account (Standard Bank Account) - Roads</b>		
Standard Bank George Branch Account Number 06 083 283 500 0		
Cash book balance at beginning of year	20 226 282	14 494 484
Cash book balance at end of year	5 923 716	20 226 282
Bank statement balance at beginning of year	20 108 472	955
Bank statement balance at end of year	5 238 308	20 108 472
<b>Call Investment Deposits</b>		
ABSA George Branch Account Number 91 8226 3416		
Cash book balance at beginning of year	1 104	1 121
Cash book balance at end of year	1 104	1 104
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
<b>Short term deposits</b>		
Standard Bank George Branch Account Number 48872744842		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	15 030 922	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	15 000 000	-
First National Bank George Branch Account Number 74350891493		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	15 029 918	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	15 000 000	-
Absa Bank George Branch Account Number 2072055978		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	15 030 559	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	15 000 000	-
Nedbank George Branch Account Number 7881073772		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	15 031 574	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	15 000 000	-
Interest earned for the year on the short term investments	4 683 695	3 432 586

**21 GOVERNMENT GRANTS AND SUBSIDIES**

	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
<b>Unconditional</b>		
Equitable Share	129 669 000	125 699 000
<b>Conditional</b>	16 063 716	10 686 918
Grants and Donations	16 063 716	10 686 918
Balance previously reported	-	12 393 954
Correction of error - incorrect provision for grant expenditure - Note 34.8	-	(1 707 036)
<b>Total Government Grants and Subsidies</b>	<b>145 732 716</b>	<b>136 385 918</b>
Government Grants and Subsidies - Operating	145 540 602	136 375 400
Government Grants and Subsidies - Capital	192 114	10 518
<b>Total Government Grants and Subsidies</b>	<b>145 732 716</b>	<b>136 385 918</b>

**EDEN DISTRICT MUNICIPALITY**

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

**21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

	2014 R	2013 R
<b>21.1 <u>Equitable Share</u></b>		
Opening balance	-	-
Grants received	129 669 000	125 699 000
VAT on Grants	-	-
Conditions met - Operating	(129 669 000)	(125 699 000)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
<b>21.2 <u>Municipal Systems Improvement Grant (MSIG)</u></b>		
Opening balance	(106 743)	328 747
Grants received	890 000	1 000 000
VAT on Grants	(93 420)	(76 124)
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(438 670)	(1 348 849)
Conditions met - Capital	(192 114)	(10 518)
Conditions still to be met	<u>59 053</u>	<u>(106 744)</u>
The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
<b>21.3 <u>Local Government Financial Management Grant (FMG)</u></b>		
Opening balance	12 274	330 174
Grants received	1 250 000	1 250 000
VAT on Grants	(64 993)	(138 455)
Conditions met - Operating	(1 185 007)	(1 429 446)
Conditions met - Capital	-	-
Conditions still to be met	<u>12 274</u>	<u>12 274</u>
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
<b>21.4 <u>Electricity Demand Side Management</u></b>		
Opening balance	5 399 985	5 399 984
VAT on Grants	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>5 399 985</u>	<u>5 399 984</u>
Grant utilised for energy efficiency investigation within the region.		
<b>21.5 <u>Dot Land Affairs: District Assessment Committee</u></b>		
Opening balance	49 343	49 343
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>49 343</u>	<u>49 343</u>
Grant utilised to assess the land affairs within the region.		
<b>21.6 <u>Donation Funds National Water</u></b>		
Opening balance	41 700	41 700
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>41 700</u>	<u>41 700</u>
Grant utilised to investigate the district's water plans.		
<b>21.7 <u>Housing Consumer Education Fund</u></b>		
Opening balance	32 167	32 167
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>32 167</u>	<u>32 167</u>
The Housing Consuming Education Grant was used for public awareness programs.		
<b>21.8 <u>LGESTA:Re-imbursments</u></b>		
Opening balance	1 128 101	688 150
Grants received	131 015	485 654
VAT on Grants	-	(5 392)
Conditions met - Operating	(347 892)	(40 311)
Conditions met - Capital	-	-
Conditions still to be met	<u>911 224</u>	<u>1 128 101</u>
Grant is utilised for training purposes of municipal staff.		
<b>21.9 <u>LGSETA: LED Learnership</u></b>		
Opening balance	9 164	9 164
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>9 164</u>	<u>9 164</u>
Grant is utilised for training purposes of municipal staff.		

EDEN DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014  
GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

21

	2014 R	2013 R
<b>21.10 Human Rights Programme</b>		
Opening balance	53 797	53 797
Grants received	-	-
VAT on Grants	(565)	-
Conditions met - Operating	(4 035)	-
Conditions met - Capital	-	-
Conditions still to be met	<b>49 197</b>	<b>53 797</b>
Grant utilised for the promotion of human rights within the region.		
<b>21.11 Sports Grounds: Haarlem</b>		
Opening balance	8 678	18 178
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	(9 500)
Conditions met - Capital	-	-
Conditions still to be met	<b>8 678</b>	<b>8 678</b>
Grant utilised for purchase of sports grounds in Haarlem.		
<b>21.12 Libraries Grant - Facilities</b>		
Opening balance	77 506	77 506
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<b>77 506</b>	<b>77 506</b>
The grant was used for appointment of library staff.		
<b>21.13 Non-Motorised Transport</b>		
Opening balance	2 442	18 107
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	(15 666)
Conditions met - Capital	-	-
Conditions still to be met	<b>2 442</b>	<b>2 442</b>
Grant utilised of building sub-roads for bicycles and pedestrians.		
<b>21.14 Bucket system Elimination Schools/Clinic</b>		
Opening balance	128 417	132 794
Grants received	-	-
VAT on Grants	-	(584)
Conditions met - Operating	-	(3 793)
Conditions met - Capital	-	-
Conditions still to be met	<b>128 417</b>	<b>128 417</b>
Grant utilised for replacing bucket system with VIP toilets.		
<b>21.15 WC079: Regional Landfill Site</b>		
Opening balance	-	17 865
Grants received	-	-
VAT on Grants	-	(2 194)
Conditions met - Operating	-	(15 671)
Conditions met - Capital	-	-
Conditions still to be met	<b>-</b>	<b>-</b>
Grant utilised for the investigations into the possibility of a regional landfill site.		
<b>21.16 LG: Bulk Water and Waste Water infrastructure.</b>		
Opening balance	62 850	62 850
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<b>62 850</b>	<b>62 850</b>
Grant utilised for bulk infrastructure investigations.		
<b>21.17 Expanded Public Works Incentives</b>		
Opening balance	(83 579)	65 294
Grants received	1 000 000	1 000 000
VAT on Grants	-	(11 908)
Conditions met - Operating	(1 000 000)	(1 136 965)
Conditions met - Capital	-	-
Conditions still to be met	<b>(83 579)</b>	<b>(83 579)</b>
The grant is utilised for job creation.		
<b>21.18 Task Contributions - Municipalities</b>		
Opening balance	(50 247)	100 830
Grants received	274 000	127 678
VAT on Grants	(3 594)	(6 188)
Conditions met - Operating	(133 699)	(272 568)
Conditions met - Capital	-	-
Conditions still to be met	<b>86 460</b>	<b>(50 247)</b>
Grant utilised for the funding of the TASK unit.		



EDEN DISTRICT MUNICIPALITY

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

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

	2014 R	2013 R
<b>21.19 <u>WFW: Brandwacht 2010/11</u></b>		
Opening balance	-	-
Grants received	643 067	1 488 160
VAT on Grants	(19 724)	(83 534)
Conditions met - Operating	(623 344)	(1 404 627)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.	-	-
<b>21.20 <u>WFW: Great - Brak 2010/11</u></b>		
Opening balance	-	-
Grants received	942 108	1 352 485
VAT on Grants	(31 811)	(114 098)
Conditions met - Operating	(910 297)	(1 238 387)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.	-	-
<b>21.21 <u>WFW: Karatara 2010/11</u></b>		
Opening balance	-	-
Grants received	475 542	765 217
VAT on Grants	(5 837)	(31)
Conditions met - Operating	(469 706)	(765 186)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.	-	-
<b>21.22 <u>WFW: Knysna 2010/11</u></b>		
Opening balance	-	-
Grants received	44 718	376 669
VAT on Grants	(729)	(8 408)
Conditions met - Operating	(43 989)	(368 261)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.	-	-
<b>21.23 <u>WFW: Moordkuyl 2010/11</u></b>		
Opening balance	-	-
Grants received	414 726	1 219 057
VAT on Grants	(21 768)	(51 837)
Conditions met - Operating	(392 958)	(1 167 219)
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant utilised for the eradication of alien vegetation.	-	-
<b>21.24 <u>Emergency Housing DMA</u></b>		
Opening balance	-	282 478
Correction of error	-	(282 478)
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant was utilised to repair flood damage.	-	-
<b>21.25 <u>Emergency Housing Zoar</u></b>		
Opening balance	-	174 048
Correction of error	-	(174 048)
Grants received	-	-
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	-
Grant was utilised to repair flood damage.	-	-
<b>21.26 <u>WC FMG Assistance</u></b>		
Opening balance	550 000	-
Grants received	-	550 000
VAT on Grants	(21 673)	-
Conditions met - Operating	(454 811)	-
Conditions met - Capital	-	-
Conditions still to be met	73 516	550 000
<b>21.27 <u>DWA: Abstraction Validation on Bitou</u></b>		
Opening balance	35 589	-
Grants received	-	35 589
VAT on Grants	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	35 589	35 589

EDEN DISTRICT MUNICIPALITY

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

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

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

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

24.1 Changes in levels of government grants

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

22 DEPARTMENT OF TRANSPORT - ROADS SERVICES CHARGES

	2014 R	2013 R
Department of Transport - Roads Service Charges	127 237 130	110 141 345
Income for agency services	13 353 623	12 989 552
	<u>140 590 753</u>	<u>123 130 897</u>

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

**EDEN DISTRICT MUNICIPALITY**

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

**23 OTHER INCOME**

Air quality plan	-	280 000
Call Centre Mosselbay	468 903	506 682
Fire Fighting fees	4 749 187	4 579 145
Fire Fighting/ Health Levy	-	22 590
George Municipality - Support fire fighting services	281 798	-
Greenest Municipality Award	120 000	-
Harvesting Plantation	174 526	55 575
Health Claims	491 116	145 518
Integrated waste management plan	68 122	311 742
IT Shared Services District	875 200	900 453
Plans Copies	-	1 327
Photostats and Faxes	-	54
Refund Deposits	-	7 120
Resorts	5 119 771	4 861 360
Sport Club Fees	-	5 791
Previously reported	-	23 860
Correction of error - allocations for sport club fees - Note 34.3	-	(18 069)
Sundry Income	567 616	2 192 251
Tariffs And Penalties: Health	183 246	130 635
<b>Total Other Income</b>	<b>13 099 485</b>	<b>14 000 243</b>

**24 EMPLOYEE RELATED COSTS**

	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
Employee related costs- Salaries and Wages	53 857 699	55 225 451
Employee related costs - Contribution for UIF, pensions and medical aids	18 050 489	17 324 659
Previously reported	-	17 366 726
Correction of error - PAYE allocations - Note 34.4	-	(42 067)
Travel, motor car, accommodation, subsistence and other allowances	8 077 721	8 869 150
Housing benefits and allowances	535 558	604 247
Overtime payments	800 819	1 056 761
Performance bonus	121 907	(326 567)
Leave Payment	509 017	922 152
Leave Bonus	4 034 415	3 794 391
Increase in Provision for Health Care Benefits	3 674 230	3 352 372
Increase in Provision for Long Service Awards	783 857	699 777
Decrease in Provision for Ex-Gratia Pensions	(93 584)	(101 202)
Long-service awards	-	-
<b>Total Employee Related Costs</b>	<b>90 352 128</b>	<b>91 421 191</b>

**REMUNERATION OF KEY MANAGEMENT PERSONNEL**

**Remuneration of the Municipal Manager (G Louw)**

	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
	<b>12 Months</b>	<b>12 Months</b>
Annual Remuneration	1 057 852	956 755
Performance Bonuses	292 874	-
Car Allowance	167 220	167 220
Contributions to UIF, Medical and Pension Funds	109 810	103 918
<b>Total</b>	<b>1 627 756</b>	<b>1 227 893</b>

**Remuneration of the Acting Chief Finance Officer: L Hoek**

	<b>12 Months</b>	<b>6 Months</b>
Annual Remuneration	-	327 636
Car Allowance	-	57 204
Contributions to UIF, Medical and Pension Funds	-	57 522
<b>Total</b>	<b>-</b>	<b>442 361</b>

**Remuneration of the Chief Finance Officer: L Hoek**

	<b>12 Months</b>	<b>6 Months</b>
Annual Remuneration	593 851	271 917
Annual Bonus	48 419	-
Car Allowance	129 662	64 831
Contributions to UIF, Medical and Pension Funds	148 218	76 958
<b>Total</b>	<b>920 151</b>	<b>413 706</b>

**Remuneration of Individual Executive Directors (Support & Management Services) 30 June 2014**

	<b>12 Months</b>	<b>12 Months</b>
	<b>Support</b>	<b>Management</b>
	<b>Services</b>	<b>Services</b>
	<b>(B Holtshauzen)</b>	<b>(C Africa)</b>
Annual Remuneration	713 477	693 958
Performance Bonuses	21 000	106 241
Housing Allowance	-	84 000
Car Allowance	101 493	72 600
Contributions to UIF, Medical and Pension Funds	129 763	138 490
<b>Total</b>	<b>965 734</b>	<b>1 095 289</b>

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

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

**EDEN DISTRICT MUNICIPALITY**

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

24	EMPLOYEE RELATED COSTS (CONTINUED)	2014 R	2013 R 6 Months Support Services (B Holtzhausen)
	<i>Remuneration of Individual Acting Executive Directors (Support &amp; Management Services) 30 June 2013</i>		
	Annual Remuneration		336 110
	Leave Paid		-
	Performance Bonuses		-
	Housing Allowance		3 132
	Car Allowance		57 204
	Contributions to UIF, Medical and Pension Funds		52 047
	<b>Total</b>		<u>448 493</u>
25	EMPLOYEE RELATED COST - ROADS	2014 R	2013 R
	Employee related costs- Salaries and Wages	35 631 260	33 041 692
	Employee related costs - Contribution for UIF, pensions and medical aids	12 857 500	12 138 817
	Travel, motor car, accommodation, subsistence and other allowances	1 619 965	1 649 993
	Housing benefits and allowances	417 105	394 951
	Overtime payments	710 053	335 319
	Performance bonus	-	(84 598)
	Leave Payment	915 205	965 906
	Leave Bonus	3 073 584	2 626 770
	<b>Total Employee Related Costs</b>	<u>55 224 672</u>	<u>51 068 849</u>
26	REMUNERATION OF COUNCILLORS		
	Remuneration	5 032 028	5 339 951
	Travel Allowances	1 386 789	975 058
	Telephone Allowances	318 409	252 693
	Pension Contributions	131 393	105 764
	Medical Contributions	159 277	73 877
	<b>Total Councillor's Remuneration</b>	<u>7 027 896</u>	<u>6 747 342</u>
	<b>Van der Westhuizen VI - Executive Mayor</b>		
	Remuneration	381 706	358 128
	Travel Allowances	141 885	177 764
	Telephone Allowances	-	7 476
	Pension Contributions	-	-
	Medical Contributions	-	-
		<u>523 591</u>	<u>543 368.00</u>
	<b>Esau LBC - Deputy Executive Mayor</b>		
	Remuneration	264 840	244 533
	Travel Allowances	94 115	92 952
	Telephone Allowances	-	7 476
	Pension Contributions	-	-
	Medical Contributions	-	-
		<u>358 955</u>	<u>344 961.00</u>
	<b>Nayler T - Speaker</b>		
	Remuneration	280 424	302 818
	Travel Allowances	92 844	47 280
	Telephone Allowances	-	7 476
	Pension Contributions	-	-
	Medical Contributions	-	-
		<u>373 268</u>	<u>357 574.00</u>
	<b>Du Toit J - Mayoral Committee Member</b>		
	Remuneration	212 007	261 707
	Travel Allowances	71 169	39 420
	Telephone Allowances	6 230	7 476
	Pension Contributions	-	-
	Medical Contributions	-	-
		<u>289 406</u>	<u>308 603.00</u>
	<b>Koegelenberg JJA - Mayoral Committee Member</b>		
	Remuneration	396 305	377 134
	Travel Allowances	131 963	128 322
	Telephone Allowances	20 868	19 872
	Pension Contributions	-	-
	Medical Contributions	-	-
		<u>549 136</u>	<u>525 328.00</u>
	<b>Maxim J - Mayoral Committee Member</b>		
	Remuneration	222 004	262 543
	Travel Allowances	86 173	39 755
	Telephone Allowances	-	7 476
	Pension Contributions	-	-
	Medical Contributions	22 526	6 808
		<u>330 703</u>	<u>316 582.00</u>
	<b>May SF - Mayoral Committee Member</b>		
	Remuneration	397 777	452 653
	Travel Allowances	131 963	52 366
	Telephone Allowances	20 868	19 872
	Pension Contributions	-	-
	Medical Contributions	-	-
		<u>550 608</u>	<u>524 891.00</u>

**EDEN DISTRICT MUNICIPALITY**

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

**26 REMUNERATION OF COUNCILLORS (CONTINUED)**

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

**EDEN DISTRICT MUNICIPALITY**

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

**26 REMUNERATION OF COUNCILLORS (CONTINUED)**

	2014 R	2013 R
<b>Janse van Rensburg JG - Councillor</b>		
Remuneration	158 355	180 140
Travel Allowances	52 785	20 946
Telephone Allowances	20 868	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>232 008</u>	<u>213 482.00</u>
<b>Mbandezi SS - Councillor</b>		
Remuneration	7 792	12 514
Travel Allowances	1 187	5 455
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>8 979</u>	<u>17 969.00</u>
<b>Meshoa WP - Councillor</b>		
Remuneration	34 613	37 388
Travel Allowances	12 651	7 844
Telephone Allowances	-	700
Pension Contributions	-	-
Medical Contributions	-	-
	<u>47 264</u>	<u>45 932.00</u>
<b>Mkalipi NP - Councillor</b>		
Remuneration	189 203	-
Travel Allowances	-	-
Telephone Allowances	20 868	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>21 937</u>	<u>-</u>
	<u>232 008</u>	<u>-</u>
<b>Niehaus GC - Councillor</b>		
Remuneration	22 282	30 929
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>22 282</u>	<u>30 929.00</u>
<b>Qupe LN - Councillor</b>		
Remuneration	25 710	29 679
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>25 710</u>	<u>29 679.00</u>
<b>Skietekat CM - Councillor</b>		
Remuneration	211 140	201 086
Travel Allowances	-	-
Telephone Allowances	20 868	12 396
Pension Contributions	-	-
Medical Contributions	-	-
	<u>232 008</u>	<u>213 482.00</u>
<b>Tanda NM - Councillor</b>		
Remuneration	182 650	173 828
Travel Allowances	-	-
Telephone Allowances	20 868	12 396
Pension Contributions	27 397	25 770
Medical Contributions	-	-
	<u>230 915</u>	<u>211 994.00</u>
<b>Teyisi T - Councillor</b>		
Remuneration	21 425	19 505
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>21 425</u>	<u>19 505.00</u>
<b>Van de Hoven PJ - Councillor</b>		
Remuneration	38 565	32 245
Travel Allowances	-	-
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>38 565</u>	<u>32 245.00</u>
<b>Van Rensburg D - Councillor</b>		
Remuneration	7 792	22 832
Travel Allowances	8 194	7 338
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>15 986</u>	<u>30 170.00</u>
<b>Xego D - Councillor</b>		
Remuneration	157 322	142 848
Travel Allowances	67 741	61 657
Telephone Allowances	20 868	12 396
Pension Contributions	23 598	21 426
Medical Contributions	21 251	10 203
	<u>290 780</u>	<u>248 530.00</u>
<b>Abrahams D - Councillor</b>		
Remuneration	20 735	22 534
Travel Allowances	4 508	6 853
Telephone Allowances	-	-
Pension Contributions	-	-
Medical Contributions	-	-
	<u>25 243</u>	<u>29 387.00</u>

**EDEN DISTRICT MUNICIPALITY**

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

26

**REMUNERATION OF COUNCILLORS (CONTINUED)**

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

**In-kind benefits**

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

**Remuneration of political office bearers and councillors**

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

27

**DEPRECIATION**

	2014 R	2013 R
Property, Plant and Equipment	3 828 271	4 026 086
Balance previously reported	-	3 970 272
Correction of error - Note 34.1	-	55 815
Investment Property	299 366	315 903
	<u>4 127 636</u>	<u>4 341 989</u>

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**REPAIRS AND MAINTENANCE**

Buildings	912 465	1 136 778
Buildings Mission Street	-	60 380
Electricity	31 681	28 048
Equipment	835 284	563 963
Fleet Vehicles	56 965	21 103
General Maintenance & Complaints	178 293	158 575
Plant	1 406 642	960 290
Radio/Transmitter Station	141 554	17 377
Water Works	16 063	10 280
	<u>3 578 946</u>	<u>2 956 793</u>

**EDEN DISTRICT MUNICIPALITY**

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

**29 FINANCE CHARGES**

Long-term liabilities	390 412	740 638
SARS	334 826	423 113
Previously reported	-	2 138
Correction of error - SARS penalties & interest - Note 34.6	-	420 975
<b>Total Interest on External Borrowings</b>	<b>725 238</b>	<b>1 163 751</b>

**30 CONTRACTED SERVICES**

	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
Asset Verification: BAUD	230 421	-
Assistance: Year-end procedures	597 125	478 891
Disaster Management	7 670	-
Environmental Management: Studies & other services	67 332	-
Fax Machines, Copiers & Maintenance Agreements	21 735	113 095
Balance previously reported	-	44 105
Correction of error - Note 34.3	-	68 990
Fire Fighting Services	5 409 041	4 290 466
Furniture Removal	14 109	15 953
Internal Audit Training	6 947	-
Laboratory Tests	271 529	250 558
Laundry Services	32 807	8 709
License & Support Agreements	945 486	831 873
Maintenance Plans	255 709	231 078
Management Training	348 415	90 751
Security Services	62 660	69 883
Strategic Session: SCM Processes	-	25 500
Tourism	52 583	46 931
	<b>8 323 567</b>	<b>6 453 690</b>

**31 GRANTS AND SUBSIDIES UTILISED**

Municipal Systems Improvement Grant (MSIG)	438 670	1 348 849
Local Government Financial Management Grant (FMG)	1 185 007	1 429 446
LGESTA:Re-imbursments	347 892	40 311
Sports Grounds: Haarlem	-	9 500
Human Rights Programme	4 035	-
Non-Motorised Transport	-	15 666
Bucket system Elimination Schools/Clinic	-	3 793
WC079: Regional Landfill Site	-	15 671
Expanded Public Works Incentives	1 000 000	1 136 965
Task Contributions - Municipalities	133 699	272 568
WC FMG Assistance	454 811	-
WFW: Brandwacht 2010/11	623 344	1 404 627
WFW: Great - Brak 2010/11	910 297	1 238 387
WFW: Karatara 2010/11	469 706	765 186
WFW: Knysna 2010/11	43 989	368 261
WFW: Moordkuy 2010/11	392 958	1 167 219
DWAF: Chemical Water Sampling	322 934	272 850
RBIG & DBSA: Bulk Water Studies	1 975 732	580 727
Balance previously reported	-	2 048 778
Correction of error - incorrect provision for grant expenditure - Note 34.6 & 34.8	-	(1 468 051)
Integrated Transport	365 095	-
Municipal Disaster Recovery	6 584 000	-
Mandela Memorial Celebrations	13 750	-
Braille Project	2 943	-
	<b>15 268 862</b>	<b>10 070 026</b>

**32 ROADS - OPERATING EXPENDITURE**

	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
Plant Hire	-	-
General Expenses	67 936 757	58 635 922
Repairs and Maintenance	275 233	-
Contributions to Capital	3 800 468	436 573
	<b>72 012 458</b>	<b>59 072 495</b>

**33 GENERAL EXPENSES**

Included in general expenses are the following: -

Advertisements	418 412	323 226
Audit Fees	2 596 604	1 857 450
Bank Charges	122 287	187 354
Computer Programs	60 930	-
Contribution Full time Shopsteward	10 120	45 975
Deeds	2 208	1 080
Disposable Equipment	2 368	6 462
Domestic Expenses	308 679	337 909
Employee Support	38 038	5 150
Entertainment Allowances	36 158	62 963
External Audit Committee	143 888	64 948
Health Advisory Committee	1 754	877
Herbicides	22 200	35
Health Education	21 211	12 781
Inventory Items	16 457	14 063
Insurance	621 539	634 194
Laboratory Test	484 546	454 114
Laundry Service	143 741	138 506
Legal Fees	959 775	1 203 901
License fees	9 615	5 043
Material	24 446	9 513
Membership fees	970 371	850 629
OPCAR - GRAP	691 547	-



**EDEN DISTRICT MUNICIPALITY**

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

<b>33</b>	<b>GENERAL EXPENSES (CONTINUED)</b>	<b>2014</b>	<b>2013</b>
		<b>R</b>	<b>R</b>
	Operating Projects	1 320 346	2 043 895
	Personnel Contribution Mission Street Plant	527 500	-
	Plant	996 565	1 236 952
	Postage/ Post Box Rental	29 737	11 554
	Printing & Stationery	1 051 149	1 016 846
	Protective Clothing	387 117	384 193
	Public Relations	11 465	1 961
	Purchases Matresses	25 842	70 832
	Rates & Taxes	635 310	575 651
	Refreshments	47 431	60 299
	Registration Fees: Congresses	19 805	39 463
	Rent	327 294	286 528
	Rent Disaster Centre Equipment	816 444	1 657 185
	Repayment: Eden Employee s (3G)	(28 238)	14 215
	Restaurant	-	70 517
	Road Reserve	442 972	104 943
	Security	109 148	83 204
	Services Accounts	1 899 221	1 726 109
	Skills Development Levy	689 252	697 911
	Strategic Planning	26 863	24 619
	Study Assistance	232 987	309 631
	Subsistence & Travel	1 081 128	1 035 091
	Sundry Expenses	159 365	53 048
	Telephone/Data lines	2 805 827	3 416 846
	Training	880 471	1 169 064
	Vermin Control	63	1 139
	Wreaths & Bouquets	11 853	8 325
	Year-end Function	39 590	37 460
		<u>22 253 401</u>	<u>22 353 654</u>
<b>34</b>	<b>CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
	During the current financial year, the municipality had corrected the following prior period errors:		
<b>34.1</b>	<b>Property Plant and Equipment</b>	<b>2013</b>	<b>2012</b>
		<b>Cost</b>	<b>Cost</b>
		<b>R</b>	<b>R</b>
	<b>Balance previously reported - 30 June</b>	<b>175 682 168</b>	<b>179 898 268</b>
	Correction of assets previously disposed now found - Note 11 & 34.9	13 225	13 225
	Correction of assets identified for the first time - Note 11 & 34.9	1 059 973	1 059 973
	Correction of Error Removal of duplications - Note 11 & 34.9	(45 550)	(45 550)
	Correction of Error Removal of incorrect classifications - Note 11 & 34.9	161 445 900	161 445 900
	Correction of Error Removal of incorrect capitalisations - Note 11 & 34.9	(621 854)	(621 854)
	<b>Restated Balance</b>	<u><b>337 533 862</b></u>	<u><b>341 749 962</b></u>
	<b>Property Plant and Equipment</b>	<b>2013</b>	<b>2012</b>
		<b>Accumulated Depreciation</b>	<b>Accumulated Depreciation</b>
		<b>R</b>	<b>R</b>
	<b>Balance previously reported - 30 June</b>	<b>26 975 835</b>	<b>24 427 777</b>
	Correction of assets previously disposed now found - Note 11, 34.9 & 34.10	7 140	6 006
	Correction of assets identified for the first time - Note 11, 34.9 & 34.10	557 463	478 784
	Correction of Error Removal of Duplications - Note 11, 34.9 & 34.10	(32 747)	(30 073)
	Correction of Error Removal of incorrect classifications - Note 11, 34.9 & 34.10	1 957 026	1 670 597
	Correction of Error Removal of incorrect capitalisations - Note 11, 34.9 & 34.10	(198 486)	(177 161)
	<b>Restated Balance</b>	<u><b>29 266 232</b></u>	<u><b>26 375 930</b></u>
<b>34.2</b>	<b>Investment Property</b>	<b>2013</b>	<b>2012</b>
		<b>Cost</b>	<b>Cost</b>
		<b>R</b>	<b>R</b>
	<b>Balance previously reported - 30 June</b>	<b>351 910 900</b>	<b>347 939 900</b>
	Correction of Error Removal of incorrect classifications - Note 12 & 34.9	(161 445 900)	(161 445 900)
	Correction of assets identified for the first time - Note 12 & 34.9	4 250 000	4 250 000
	<b>Restated Balance</b>	<u><b>194 715 000</b></u>	<u><b>190 744 000</b></u>
	<b>Investment Property</b>	<b>2013</b>	<b>2012</b>
		<b>Accumulated Depreciation</b>	<b>Accumulated Depreciation</b>
		<b>R</b>	<b>R</b>
	<b>Balance previously reported - 30 June</b>	<b>4 299 682</b>	<b>3 017 462</b>
	Correction of Error Removal of incorrect classifications - Note 12 & 34.9 & 34.10	(1 957 026)	(1 670 597)
	<b>Restated Balance</b>	<u><b>2 342 657</b></u>	<u><b>1 346 865</b></u>
<b>34.3</b>	<b>Payables from exchange transactions</b>	<b>2013</b>	<b>2012</b>
		<b>R</b>	<b>R</b>
	<b>Balance previously reported - 30 June</b>	<b>40 665 028</b>	<b>35 066 622</b>
	Correction of error regarding Contracted Services paid in current financial year for the period 1 July 2012 to 30 June 2013 that was not included in the Provision for Creditors - Note 8 & 34.10	68 990	-
	Correction of incorrect journal processed in the 2011/2012 financial year - Note 8 & 34.9	8 727	8 727
	Correction of unspent priority funds for Kannaland and Hessequa Municipality - Note 8 & 29.9	(670 242)	(670 242)
	Correction of double provision - Note 8 & 34.9	(196 070)	(196 070)
	Correction of incorrect rental billings - Note 8, 34.9 & 34.10	319 266	154 593
	Correction of allocations of income and expenditure for sport club fees - Note 8, 22, 34.9 & 34.10	30 000	11 931
	Correction of incorrect provision for grant expenditure - Note 8 & 34.10	(1 707 036)	-
	<b>Restated Balance</b>	<u><b>38 518 664</b></u>	<u><b>34 375 562</b></u>

**EDEN DISTRICT MUNICIPALITY**

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

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

	R	R
	2013	2012
<b>34.4 Other Receivables from Non-Exchange Transactions</b>		
<i>Balance previously reported - 30 June</i>	<b>3 171 057</b>	<b>2 011 211</b>
Correction of classification of Department of Transport debtors - Note 18	(357 014)	(305 596)
Correction of PAYE allocations for the period 2012/2013 - Note 18 & 34.9	42 067	-
<b>Restated Balance</b>	<b>2 856 110</b>	<b>1 705 615</b>
<b>34.5 Other Receivables from Exchange Transactions</b>		
<i>Balance previously reported - 30 June</i>	<b>3 388 492</b>	<b>1 314 981</b>
Correction of incorrect billings with regards to rental properties - Note 17, 34.9 & 34.10	(1 197 929)	(522 064)
Correction of classification of Department of Transport debtors - Note 17	357 014	305 596
Correction of provision for bad debts on incorrect billings with regards to rental properties - Note 17, 34.9 & 34.10	822 404	513 774
<b>Restated Balance</b>	<b>3 369 981</b>	<b>1 612 287</b>
<b>34.6 VAT Receivable</b>		
<i>Balance previously reported - 30 June</i>	<b>2 095 405</b>	<b>1 754 629</b>
Correction of SARS penalties and interests - Note 10, 34.9 & 34.10	(699 190)	(278 215)
Correction of incorrect billings with regards to rental properties - Note 10, 34.9 & 34.10	119 904	64 120
Correction of incorrect provision for grant expenditure - Note 10 & 34.10	(238 985)	-
<b>Restated Balance</b>	<b>1 277 133</b>	<b>1 540 534</b>
<b>34.7 Housing Development Fund</b>		
<i>Balance previously reported - 30 June</i>	<b>56 426</b>	<b>56 426</b>
Correction of Housing Development Fund - Note 2 & 34.9	(56 426)	(56 426)
<b>Restated Balance</b>	<b>-</b>	<b>-</b>
<b>34.8 Conditional Grant &amp; Receipts</b>		
<i>Balance previously reported - 30 June</i>	<b>5 991 082</b>	<b>7 883 178</b>
Correction of emergency housing Zoar & DMA - Note 9, 21 & 34.9	(456 527)	(456 527)
Correction of incorrect provision for grant expenditure - Note 9, 21 & 34.10	1 707 036	-
<b>Restated Balance</b>	<b>7 241 591</b>	<b>7 426 651</b>
<b>34.9 Accumulated Surplus/(Deficit)</b>		R
Correction of incorrect transactions processed in the 2011/2012 financial year - Note 34.3		(8 727)
Correction of allocations regarding income and expenditure for sport club fees - Note 34.3		(11 931)
Correction of incorrect billings with regards to rental properties - Note 34.5		(612 537)
Correction of bad debt provision on incorrect billings with regards to rental properties - Note 34.5		513 774
Correction of assets identified for the first time - Note 34.1		4 831 189
Correction of assets with values previously disposed now found - Note 34.1		7 219
Correction of Error Removal of Duplications - Note 34.1		(15 477)
Correction of unspent priority funds for Kannaland and Hessequa Municipality - Note 34.3		670 242
Correction of Housing Development Fund - Note 34.7		56 426
Correction of SARS penalties & interest - Note 34.6		(278 215)
Correction of double provision - Note 34.1		196 070
Correction of emergency housing Zoar & DMA - Note 34.8		456 527
Correction of Error Removal of incorrect capitalisations - Note 34.1		(444 693)
<b>Total amount credited/(debited) to accumulated surplus due to implementation of GRAP</b>		<b>5 359 866</b>
<b>34.10 Changes to Statement of Financial Performance</b>		R
Correction of error regarding Contracted Services paid in current financial year for the period 1 July 2012 to 30 June 2013 that was not included in the Provision for Creditors - Note 34.3		(68 990)
Correction of PAYE allocations for the period 2012/2013 - Note 34.4		42 067
Correction of allocations regarding income and expenditure for sport club fees - Note 34.3		(18 069)
Correction of incorrect billings with regards to rental properties - Note 34.5		(740 429)
Correction of bad debt provision on incorrect billings with regards to rental properties - Note 34.5		264 305
Correction of Error Removal of Duplications - Note 34.1		2 673
Correction of Error Removal of incorrect capitalisations - Note 34.1		21 325
Correction of assets with values previously disposed now found - Note 34.1		(1 134)
Correction of SARS penalties & interest - Note 34.6		(420 975)
Correction of unpaid conditional grants - Note 34.6 & 34.8		(238 985)
Correction of assets identified for the first time - Note 34.1		(78 679)
<b>Total amount credited/(debited) to Statement of Financial Performance due to implementation of GRAP</b>		<b>(1 236 891)</b>

**EDEN DISTRICT MUNICIPALITY**

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

<b>35 CASH GENERATED FROM OPERATIONS</b>	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
(Deficit) for the year from Continued Operations	(4 919 575)	13 877 070
Adjustments for: -		
Unamortised Discount - Expense	78 066	98 040
Unamortised Discount - Income	(3 143)	(5 894)
Depreciation	4 127 636	4 628 418
Amortisation	750 441	468 231
Grants received	146 618 912	136 200 860
Grants recognised as revenue	(145 732 716)	(136 385 919)
Gain on disposal of property, plant and equipment	-	(133 542)
Contributed PPE	-	(294 102)
Loss on disposal of property, plant and equipment	32 103 422	391 063
Impairments	23 644	120 395
Contribution to Non-Current Provisions	274 353	236 458
Actuarial (Gain)/Loss	3 331 879	2 780 986
Employee benefits paid	(5 455 236)	(4 863 925)
Contribution to employee benefits	12 875 976	11 056 603
Bad debts written-off	(711 655)	(14 335 975)
Contribution to bad debt provision	2 585 523	1 220 478
Current employee benefits paid	(8 172 783)	(7 282 681)
Contribution to Current Employee Benefits	8 703 156	7 915 571
Investment income	-	-
Interest paid	-	-
<b>Operating deficit before working capital changes</b>	<b>46 477 900</b>	<b>15 692 136</b>
(Increase)/Decrease in inventory	(866 753)	(466 768)
Increase/(decrease) in Operating Lease Liability	18 142	-
(Increase)/Decrease in Operating Lease Asset	(29 270)	-
(Increase)/Decrease in Trade Receivables from exchange transactions	(12 843 383)	(2 923 576)
(Increase)/Decrease in Other Receivables from non-exchange transactions	892 140	13 138 464
Increase/(decrease) in creditors	(18 953 346)	4 143 102
(Increase)/Decrease in VAT	70 334	263 400
<b>Cash generated / (utilized in) operations</b>	<b>14 765 764</b>	<b>29 846 757</b>
<b>36 CASH AND CASH EQUIVALENTS</b>	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
Cash and cash equivalents included in the cash flow statement comprise the following amounts in the statement of financial position:		
Bank balances and cash	79 736 070	72 983 370
Call deposits	1 104	1 104
Bank overdraft	-	-
<b>Total cash and cash equivalents</b>	<b>79 737 174</b>	<b>72 984 474</b>
<b>37 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
Long-term liabilities (see Note 3)	2 574 153	4 266 930
Used to finance property, plant and equipment - at cost	2 574 153	4 266 930
Sub-total	-	-
Cash set aside for the repayment of long-term liabilities (see note 3)	-	-
<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>
Long-term liabilities have been utilized accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.		
<b>38 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
Cash and Cash Equivalents - Note 20	79 737 174	72 984 474
Investments - Note 14	40 774	40 774
Less:	79 777 948	73 025 248
	8 478 071	7 592 012
Unspent Committed Conditional Grants - Note 9	8 459 929	7 592 012
<b>Net cash resources available for internal distribution</b>	<b>71 299 877</b>	<b>65 433 236</b>
<b>Allocated to:</b>		
Capital Replacement Reserve	(18 068 623)	(7 390 546)
<b>Resources available for working capital requirements</b>	<b>53 231 254</b>	<b>58 042 690</b>
<b>39 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
<b>39.1 Unauthorised expenditure</b>	<b>2014</b>	<b>2013</b>
	<b>R</b>	<b>R</b>
Reconciliation of unauthorised expenditure		
Opening balance	14 015 310	1 012 034
Unauthorised expenditure current year	62 750 011	13 003 276
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	-	-
	<b>76 765 320</b>	<b>14 015 310</b>

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

EDEN DISTRICT MUNICIPALITY

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

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

	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 (%)
<b>Expenditure by Vote</b>				
Executive and Council	80 737 751	44 469 742	36 268 009	82%
Budget and Treasury Office	15 619 285	17 927 829	(2 308 544)	-13%
Corporate Services	25 324 831	27 151 930	(1 827 099)	-7%
Community and Social Services	2 271 891	2 311 992	(40 101)	-2%
Sport and Recreation	8 276 834	8 304 582	(27 748)	0%
Public Safety	22 370 152	27 553 450	(5 183 298)	-19%
Health	23 409 666	23 604 045	(194 379)	-1%
Planning and Development	6 192 787	8 455 897	(2 263 111)	-27%
Road Transport	127 237 130	101 020 044	26 217 087	26%
Electricity	-	-	-	0%
Water	200 861	2 074 068	(1 873 208)	-90%
Waste Water Management	-	11 282	(11 282)	-100%
Waste Management	1 688 052	2 305 467	(617 415)	-27%
Environmental Protection	3 287 971	8 271 532	(4 983 561)	-60%
	316 617 210	273 461 859	43 155 351	
<b>Capital expenditure by vote</b>				
	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 (%)
Executive & Council	113 822	-	113 822	100%
Budget and Treasury Office	20 675	-	20 675	100%
Planning & Development	50 068	-	50 068	100%
Public Safety	443 636	400 000	43 636	11%
Health	30 640	-	30 640	100%
Corporate Services	559 765	735 000	(175 235)	-24%
Sport & Recreation	6 074	-	6 074	100%
Waste Management	-	5 800 000	(5 800 000)	-100%
	1 224 680	6 935 000	(5 710 320)	

39.2 Fruitless and wasteful expenditure

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

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

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

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

39.3 Irregular expenditure

	2014 R	2013 R
Reconciliation of irregular expenditure		
Opening balance - previously reported	17 793 733	14 387 042
Irregular expenditure current year - previously reported	-	7 566 986
Correction of error	-	6 820 056
Irregular expenditure current year	2 770 511	3 406 692
Irregular expenditure current year - previously reported	-	1 305 435
Correction of error	-	2 101 256
Condoned or written off by Council	-	-
Recovered during year	-	-
Irregular expenditure awaiting condonement	-	-
	20 564 244	17 793 733

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

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

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

Three internal audits were conducted for possible irregular expenditure. One of the audits were requested by the Financial Services Portfolio Committee. Two audits were requested by the chairperson of the Bid Adjudication Committee, after these two items were discussed and the decision by the Bid Adjudication Committee, that these items must be referred to the accounting officer for internal audit.

The final report from internal audit was received on the 22nd of August 2014 and the findings were:

> Two of the findings were identified as irregular expenditure and non-compliance to legislation and processes in terms of Section 32 of the MFMA must be followed by the accounting officer.

The accounting officer will follow due processes with regards to the findings on the three internal audit findings.

40 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

40.1 Contributions to organized local government

	2014 R	2013 R
Opening balance	-	-
Council subscriptions	57 932	52 852
Amount paid- current year	(57 932)	(52 852)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

EDEN DISTRICT MUNICIPALITY

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

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

	2014 R	2013 R
<b>40.2 Audit fees</b>		
Opening balance	-	-
Current year audit fee	2 596 604	1 857 450
Amount paid - prior year	(2 596 604)	(1 857 450)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<u>-</u>	<u>-</u>
<b>40.3 VAT</b>		
VAT input receivables and VAT outputs payable are shown in note 10 & 8.		
All VAT returns have been submitted by the due date throughout the year.		
<b>40.4 PAYE AND UIF</b>		
Opening balance	-	-
Current year payroll deductions	18 907 278	18 635 122
Amount paid - current year	(18 907 278)	(18 635 122)
Amount paid - previous years	-	-
<b>Balance unpaid (included in debtors)</b>	<u>-</u>	<u>-</u>
<b>40.5 Pension and Medical Aid Deductions</b>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	20 703 194	20 089 882
Amount paid - current year	(20 703 194)	(20 089 882)
Amount paid - previous years	-	-
<b>Balance unpaid (included in debtors)</b>	<u>-</u>	<u>-</u>

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

40.6 Councillor's arrear accounts

30 June 2014

The following amounts are outstanding regarding travel allowances:

	Total	Outstanding less than 90 days	Outstanding more than 90 days
AM Wildeman	642 390	-	642 390
JL Hartnick	436 266	-	436 266
J Bouwer	301 071	-	301 071
JMG Bekker	251 864	-	251 864
PJ Roodtman	222 042	-	222 042
SCP Biljohn	88 876	-	88 876
HJ Loff	82 729	-	82 729
HJ Mc Combi	79 846	-	79 846
A Hartnick	66 272	-	66 272
JJA Koegelenberg	52 114	-	52 114
JE Davids	39 357	-	39 357
A Ewerts	38 311	-	38 311
J Harmse	30 420	-	30 420
CN Ngalo	24 385	-	24 385
FH Stemmet	22 633	-	22 633
B Le Roux	22 008	-	22 008
P van der Hoven	19 903	-	19 903
E Nel	13 551	-	13 551
PJW Murray	11 762	-	11 762
JST Alberts	10 761	-	10 761
AR Olivier	9 071	-	9 071
M Fielies	8 640	-	8 640
EKV van Eden	7 053	-	7 053
PJL Grobler	6 571	-	6 571
A Baartman	5 729	-	5 729
N Bityi	3 527	-	3 527
D Kampher	754	-	754
EN Mtabati	562	-	562
F Joseph	268	-	268
	<u>2 498 736</u>	<u>-</u>	<u>2 489 664</u>

The following amounts are outstanding regarding cellphone accounts:

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

EDEN DISTRICT MUNICIPALITY

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

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

30 June 2013	Total	Outstanding less than 90 days	Outstanding more than 90 days
The following amounts are outstanding regarding travel allowances:			
AM Wildeman	642 390	-	642 390
JL Hartnick	436 266	-	436 266
J Bouwer	301 071	-	301 071
JMG Bekker	251 864	-	251 864
PJ Roodman	222 042	-	222 042
SCP Bijljohn	88 876	-	88 876
HJ Loff	82 729	-	82 729
HJ Mc Combi	79 846	-	79 846
A Hartnick	66 272	-	66 272
JJA Koegelenberg	52 114	-	52 114
JE Davids	39 357	-	39 357
A Ewerts	38 311	-	38 311
J Harmse	30 420	-	30 420
CN Ngalo	24 385	-	24 385
FH Stemmet	22 633	-	22 633
B Le Roux	22 008	-	22 008
P van der Hoven	19 903	-	19 903
E Nel	13 551	-	13 551
PJW Murray	11 762	-	11 762
JST Alberts	10 761	-	10 761
AR Olivier	9 071	-	-
M Fielies	8 640	-	8 640
EKV van Eden	7 053	-	7 053
PJL Grobler	6 571	-	6 571
A Baartman	5 729	-	5 729
N Bityi	3 527	-	3 527
D Kampher	754	-	754
EN Mtabati	562	-	562
F Joseph	268	-	268
	<b>2 498 736</b>	<b>-</b>	<b>2 489 664</b>

30 June 2013	Total	Outstanding less than 90 days	Outstanding more than 90 days
The following amounts are outstanding regarding cellphone accounts:			
Bijljohn	18 050	-	18 050
D Kamfer	15 336	-	15 336
S Loliwe	14 718	-	14 718
Kroma	7 362	-	7 362
M Fielies	6 523	-	6 523
HJ McCombi	5 368	-	5 368
Saaiers	4 525	-	4 525
S de Vries	2 530	-	2 530
Ewerts	2 332	-	2 332
J Kemoetie	1 408	-	1 408
JH Loff	1 011	-	1 011
J Maxim	875	-	875
Dorfling	750	-	750
CN Ngalo	700	-	700
E Mtabati	622	-	622
F Stemmet	592	-	592
J Bekker	281	-	281
Simmers	1 677	1 677	-
	<b>84 660</b>	<b>1 677</b>	<b>82 982</b>

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

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

	Up to R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Financial Services	506 245	1 044 231	1 800 057	-
Management Services	1 428 776	492 736	652 368	-
Office of the MM	783 285	232 553	1 050 190	-
Support Services	634 456	523 962	860 000	-
Technical Services	4 453 778	3 728 044	1 411 005	-
	<b>7 806 540</b>	<b>6 021 525</b>	<b>5 773 620</b>	<b>-</b>

**EDEN DISTRICT MUNICIPALITY**

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

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

The major deviations were as follows:

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

**41 CAPITAL COMMITMENTS**

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

**42 CONTINGENT LIABILITY**

**30 June 2014**

**42.1 GHJ Kruger**

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

**2014  
R**

906 550

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

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

38 231

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

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

376 750

**42.4 Lefatshe - Computer Systems**

Eden District Municipality entered into an agreement with Lefatshe Technologies (Pty) Ltd whereby they will provide the municipality with an integrated information technology system on or about 31 August 2011. Lefatshe submitted an account in the amount of R 1 643 174.61 for certain services rendered. The Municipal Manager informed Lefatshe in writing of Council's decision to investigate the Lefatshe tender and that the contract is on hold pending the outcome of the forensic investigation. There was a summons served on Eden District Municipality on 8 November 2011. The amount claimed is being disputed. This forms part of a R 23 449 235.67 contract. Pleadings are exchanged between the parties and a possible Court date to be determined by plaintiff. We received the amended arbitration agreement and Lefatshe's statement of case / claim. Eden District Municipality gave instructions to Raubenheimers to negotiate for cancellation of the contract and claim for damages.

23 449 236

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

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

600 000

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

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

21 840

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

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

Mossel Bay Municipality	75 764 475
Knysna Municipality	8 743 144
George Municipality	75 137 000

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

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

8 300 000

**42.9 A Lamont**

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

1 200 000

**43 IN-KIND DONATIONS AND ASSISTANCE**

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

**EDEN DISTRICT MUNICIPALITY**

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

**44 EVENTS AFTER THE REPORTING DATE**

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

**45 RELATED PARTY TRANSACTIONS**

**45.1 Related Party Transactions**

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

**45.2 Related Party Loans**

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

**45.3 Related Parties**

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

- \* Executive Mayor
  - \* Speaker
  - \* Mayoral Committee members
  - \* Councillors
  - \* Municipal Manager
  - \* Senior Manager: Finance
  - \* Executive Manager: Support Services
  - \* Senior Manager: Technical Services
  - \* Executive Manager: Management Services
- Their short term employee benefits are disclosed in notes 23 & 24

**46 RISK EXPOSURES**

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

**Foreign Exchange Currency Risk**

The municipality does not engage in foreign currency transactions.

**Price risk**

The municipality is not exposed to price risk.

**Interest Rate Risk**

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

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

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

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

	2014 R	2013 R
0.5% (2009 - 0.5%) Increase in interest rates	(12 356)	(20 254)
0.5% (2009 - 0.5%) Decrease in interest rates	12 356	20 254

**Credit Risk**

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

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

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

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

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

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

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

	2014 %	2014 R	2013 %	2013 R
Ambulance and Fire Fighting Fees	27.95%	2 533 985	28.40%	2 071 495
Councillors' Arrears	27.56%	2 498 736	19.95%	1 455 506
Rental Agreements	20.97%	1 901 109	22.40%	1 633 931
Sundry debtors	23.53%	2 133 873	29.25%	2 133 873
	<b>100.00%</b>	<b>9 067 702</b>	<b>100.00%</b>	<b>7 294 804</b>

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

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

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



**EDEN DISTRICT MUNICIPALITY**

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

**46 RISK EXPOSURES (CONTINUED)**

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

	2014 R	2013 R
Long-term Receivable	49 891 728	44 796 124
Consumer Debtors	14 440 466	3 369 981
Other Debtors	1 299 064	2 406 994
Short term Investment Deposits	1 104	1 104
Bank Balances and Cash	79 736 070	72 983 370
<b>Maximum Credit Risk Exposure</b>	<b>145 368 433</b>	<b>123 557 573</b>
<b>Debtors past due date no impaired</b>		
31-60 days	378 366	841 267
61-90 days	335 444	717 392
91-120 days	296 088	663 937
121-365 days	2 365 352	1 844 897
+365 days	1 488 228	2 461 647
	<b>4 863 479</b>	<b>6 529 139</b>

**Liquidity Risk**

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

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

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

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
<b>2014</b>				
Long Term liabilities	1 859 812	714 341	-	-
Capital repayments	1 997 489	716 995	-	-
Interest	137 677	2 654	-	-
Trade and Other Payables	19 565 318			
Unspent conditional government grants and receipts	8 459 929			
	<b>29 885 059</b>	<b>714 341</b>	<b>-</b>	<b>-</b>
<b>2013</b>				
Long Term liabilities	1 420 628	1 202 238	-	-
Capital repayments	1 065 688	532 844	-	-
Interest	354 940	669 394	-	-
Trade and Other Payables	38 518 664			
Unspent conditional government grants and receipts	7 592 012			
	<b>47 531 305</b>	<b>1 202 238</b>	<b>-</b>	<b>-</b>

**47 FINANCIAL INSTRUMENTS**

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

	2014 R	2013 R
<b>Financial Asset</b>		
<b>Long-term Receivable</b>		
Department of Transport: Roads - At amortised cost	47 487 458	42 261 845
Long term debtors: Local Authorities - At amortised cost	-	25 199
<b>Consumer Debtors</b>		
Service debtors	14 440 466	3 369 981
<b>Other Debtors</b>		
Roads - Sundry debtors	10 280 615	-
Sundry debtors	1 299 064	2 406 994
Recoverable Debtors	563 936	449 116
<b>Current Portion of Long-term Receivables</b>		
Department of Transport: Roads - At amortised cost	2 404 270	2 509 080
<b>Non-current Investments</b>		
Non-current Investment	40 774	40 774
<b>Short term Investment Deposits</b>		
Call Deposits	1 104	1 104
<b>Bank Balances and Cash</b>		
Bank Balances	19 591 732	72 962 005
Cash Floats and Advances	60 144 338	21 365
<b>Total Financial Assets</b>	<b>156 253 757</b>	<b>124 047 463</b>
<b>SUMMARY OF FINANCIAL ASSETS</b>		
Financial instruments at amortised cost	156 253 757	124 047 463
	<b>156 253 757</b>	<b>124 047 463</b>
<b>Financial Liability</b>		
<b>Non-Current Liabilities</b>		
Long-term Liabilities	704 932	3 505 512
<b>Current Liabilities</b>		
Trade and other payables	19 565 318	38 518 664
Current portion of long-term liabilities	1 808 197	622 328
<b>Total Financial Liabilities</b>	<b>22 078 447</b>	<b>42 646 504</b>
<b>SUMMARY OF FINANCIAL LIABILITIES</b>		
Financial instruments at amortised cost	22 078 447	42 646 504
	<b>22 078 447</b>	<b>42 646 504</b>

EDEN DISTRICT MUNICIPALITY

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

11 PROPERTY PLANT & EQUIPMENT

30 JUNE 2014

Reconciliation of Carrying Value

	Cost					Accumulated Impairments					Accumulated Depreciation and Impairment Losses					Carrying Value		
	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Additions	Disposals	Impairment		Class Transfer	Closing Balance
	R	R	R		R	R					R	R	R				R	R
<b>Infrastructure</b>	332 039	-	227 550	-	-	104 489	-	-	-	-	-	142 619	18 513	131 262	-	-	29 871	74 619
Roads and Streets	332 039	-	227 550	-	-	104 489	-	-	-	-	-	142 619	18 513	131 262	-	-	29 871	74 619
<b>Community Assets</b>	928 314	-	-	-	-	928 314	-	-	-	-	-	169 037	37 430	-	-	-	206 467	721 847
Caravan Parks	928 314	-	-	-	-	928 314	-	-	-	-	-	169 037	37 430	-	-	-	206 467	721 847
<b>Land and Buildings</b>	304 351 230	-	29 766 000	-	-	274 585 230	-	-	-	-	-	10 258 993	1 414 478	638 922	-	-	11 034 548	263 550 681
Land	255 792 977	-	27 119 860	-	-	228 673 117	-	-	-	-	-	-	-	-	-	-	-	228 673 117
Buildings	48 558 252	-	2 646 140	-	-	45 912 112	-	-	-	-	-	10 258 993	1 414 478	638 922	-	-	11 034 548	34 877 564
<b>Other Assets</b>	31 922 280	999 412	833 988	-	-	32 087 704	-	23 644	-	-	23 644	18 695 583	2 357 849	540 332	-	-	20 513 100	11 550 960
Office Equipment	2 635 034	-	138 375	-	(1 024)	2 495 634	-	-	-	-	-	1 404 989	193 023	70 752	-	-	1 527 261	968 374
Furniture and Fittings	4 692 360	179 882	214 005	-	(650)	4 657 587	-	-	-	-	-	3 074 475	256 933	167 190	-	-	3 164 217	1 493 369
Bins and Containers	430 191	-	-	-	-	430 191	-	-	-	-	-	169 677	55 148	-	-	-	224 824	205 367
Emergency equipment	1 459 070	-	86 007	-	-	1 373 062	-	-	-	-	-	918 121	110 788	56 795	-	-	972 113	400 949
Motor Vehicles	4 538 116	400 000	32 974	-	-	4 905 142	-	-	-	-	-	2 279 089	360 669	18 870	-	-	2 620 887	2 284 255
Fire Engines	4 709 719	-	100 802	-	-	4 608 917	-	23 644	-	-	23 644	2 091 118	332 599	58 760	-	-	2 364 957	2 220 315
Computer Equipment	6 999 431	419 531	232 189	-	-	7 186 773	-	-	-	-	-	3 893 989	574 684	145 864	-	-	4 322 808	2 863 964
Plant and Equipment	1 626 253	-	29 635	-	1 674	1 598 293	-	-	-	-	-	898 489	129 194	22 101	-	-	1 005 582	592 711
Disaster Management Equipment	4 832 105	-	-	-	-	4 832 105	-	-	-	-	-	3 965 636	344 813	-	-	-	4 310 449	521 656
	<b>337 533 862</b>	<b>999 412</b>	<b>30 827 538</b>	<b>-</b>	<b>-</b>	<b>307 705 738</b>	<b>-</b>	<b>23 644</b>	<b>-</b>	<b>-</b>	<b>23 644</b>	<b>29 266 232</b>	<b>3 828 271</b>	<b>1 310 517</b>	<b>-</b>	<b>-</b>	<b>31 783 985</b>	<b>275 898 108</b>

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

30 JUNE 2013

Reconciliation of Carrying Value

	Cost					Accumulated Impairments					Accumulated Depreciation and Impairment Losses					Carrying Value		
	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Additions	Disposals	Impairment		Class Transfer	Closing Balance
	R	R	R	R	R	R					R	R	R	R	R		R	R
<b>Infrastructure</b>	332 039	-	-	-	-	332 039	-	-	-	-	-	124 684	17 935	-	-	-	142 619	189 420
Roads and Streets	332 039	-	-	-	-	332 039	-	-	-	-	-	124 684	17 935	-	-	-	142 619	189 420
<b>Community Assets</b>	928 314	-	-	-	-	928 314	-	-	-	-	-	129 128	39 909	-	-	-	169 037	759 276
Caravan Parks	928 314	-	-	-	-	928 314	-	-	-	-	-	129 128	39 909	-	-	-	169 037	759 276
<b>Land and Buildings</b>	308 344 862	-	22 632	-	(3 971 000)	304 351 230	-	-	-	-	-	9 454 821	1 498 281	14 220	-	-679 889	10 258 993	294 092 237
Land	256 363 977	-	-	-	(571 000)	255 792 977	-	-	-	-	-	-	-	-	-	-	-	255 792 977
Balance previously reported	104 217 866	-	-	-	(571 000)	103 646 866	-	-	-	-	-	-	-	-	-	-	-	103 646 866
Correction of error incorrect classification - Note 34.1	152 146 112	-	-	-	-	152 146 112	-	-	-	-	-	-	-	-	-	-	-	152 146 112
Buildings	51 980 885	-	22 632	-	(3 400 000)	48 558 252	-	-	-	-	-	9 454 821	1 498 281	14 220	-	-679 889	10 258 993	38 299 260
Balance previously reported	43 178 096	-	22 632	-	(3 400 000)	39 755 464	-	-	-	-	-	7 883 566	1 227 147	14 220	-	-679 889	8 416 603	31 338 861
Correction of error incorrect classification - Note 34.1	9 299 788	-	-	-	-	9 299 788	-	-	-	-	-	1 670 597	286 429	-	-	-	1 957 026	7 342 763
Correction of error incorrect capitalisation - Note 34.1	(497 000)	-	-	-	-	(497 000)	-	-	-	-	-	(99 342)	(15 295)	-	-	-	(114 636)	(382 364)

EDEN DISTRICT MUNICIPALITY

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

11 PROPERTY PLANT & EQUIPMENT (CONTINUED)

	Cost					Accumulated Impairments					Accumulated Depreciation and Impairment Losses					Carrying Value		
	Opening Balance	Additions	Disposals	Impairment	Class Transfer	Closing Balance	Opening balance	Additions	Reversal	Disposal	Closing Balance	Opening balance	Additions	Disposals	Impairment		Class Transfer	Closing Balance
<b>Other Assets</b>	30 583 575	875 758	1 196 876	-	-	31 922 280	-	-	-	-	-	16 728 144	2 756 389	788 950	-	-	18 695 583	13 226 697
Office Equipment	2 605 649	152 745	123 360	-	-	2 635 034	-	-	-	-	-	1 267 585	203 331	65 926	-	-	1 404 989	1 230 045
Balance previously reported	2 604 185	152 745	126 756	-	-	2 630 173	-	-	-	-	-	1 268 635	202 907	67 211	-	-	1 404 331	1 225 842
Correction of error - removal of duplications - Note 34.1	(19 077)	-	-	-	-	(19 077)	-	-	-	-	-	(12 538)	(1 149)	-	-	-	(13 687)	(5 390)
Correction of error incorrect capitalisation - Note 34.1	(10 705)	-	-	-	-	(10 705)	-	-	-	-	-	(5 155)	(1 387)	-	-	-	(6 543)	(4 162)
Correction of error previously disposed now found - Note 34.1	-	-	(3 396)	-	-	3 396	-	-	-	-	-	-	229	(1 285)	-	-	1 514	1 883
Correction of error identified for the first time - Note 34.1	31 247	-	-	-	-	31 247	-	-	-	-	-	16 643	2 732	-	-	-	19 375	11 872
Furniture and Fittings	4 745 553	71 426	124 619	-	-	4 692 360	-	-	-	-	-	2 821 122	327 278	73 925	-	-	3 074 475	1 617 885
Balance previously reported	4 730 928	71 426	129 145	-	-	4 673 209	-	-	-	-	-	2 814 472	325 184	76 275	-	-	3 063 381	1 609 828
Correction of error removal of duplications - Note 34.1	(8 609)	-	-	-	-	(8 609)	-	-	-	-	-	(5 726)	(481)	-	-	-	(6 206)	(2 403)
Correction of error incorrect capitalisation - Note 34.1	(1 149)	-	-	-	-	(1 149)	-	-	-	-	-	(761)	(76)	-	-	-	(837)	(312)
Correction of error previously disposed now found - Note 34.1	-	-	(4 526)	-	-	4 526	-	-	-	-	-	-	479	(2 350)	-	-	2 829	1 698
Correction of error identified for the first time - Note 34.1	24 384	-	-	-	-	24 384	-	-	-	-	-	13 137	2 172	-	-	-	15 309	9 075
Bins and Containers	430 191	-	-	-	-	430 191	-	-	-	-	-	123 183	46 494	-	-	-	169 677	260 514
Emergency equipment	1 484 584	57 261	82 776	-	-	1 459 070	-	-	-	-	-	838 140	129 403	49 423	-	-	918 121	540 949
Balance previously reported	1 454 721	57 261	82 776	-	-	1 429 206	-	-	-	-	-	821 976	126 815	49 423	-	-	899 368	529 838
Correction of error identified for the first time - Note 34.1	29 863	-	-	-	-	29 863	-	-	-	-	-	16 165	2 588	-	-	-	18 753	11 111
Motor Vehicles	4 718 407	299 439	479 729	-	-	4 538 116	-	-	-	-	-	2 401 686	197 676	320 274	-	-	2 279 089	2 259 028
Balance previously reported	4 831 407	299 439	480 754	-	-	4 650 091	-	-	-	-	-	2 473 589	202 179	320 628	-	-	2 355 140	2 294 952
Correction of error incorrect capitalisation - Note 34.1	(113 000)	-	-	-	-	(113 000)	-	-	-	-	-	(71 903)	(4 566)	-	-	-	(76 469)	(36 531)
Correction of error previously disposed now found - Note 34.1	-	-	(1 025)	-	-	1 025	-	-	-	-	-	-	64	(354)	-	-	418	607
Fire Engines	4 759 025	-	49 306	-	-	4 709 719	-	-	-	-	-	1 837 191	288 231	34 304	-	-	2 091 118	2 618 601
Computer Equipment	6 960 986	294 887	256 442	-	-	6 999 431	-	-	-	-	-	3 482 182	595 134	183 327	-	-	3 893 989	3 105 442
Balance previously reported	6 699 043	294 887	260 719	-	-	6 733 210	-	-	-	-	-	3 339 433	570 624	185 344	-	-	3 724 713	3 008 498
Correction of error removal of duplications - Note 34.1	(12 610)	-	-	-	-	(12 610)	-	-	-	-	-	(8 588)	(705)	-	-	-	(9 293)	(3 317)
Correction of error previously disposed now found - Note 34.1	-	-	(4 277)	-	-	4 277	-	-	-	-	-	-	362	(2 017)	-	-	2 380	1 898
Correction of error identified for the first time - Note 34.1	274 553	-	-	-	-	274 553	-	-	-	-	-	151 337	24 853	-	-	-	176 190	98 363
Plant and Equipment	47 074	-	80 644	-	-	1 626 253	-	-	-	-	-	785 245	175 015	61 772	-	-	898 489	727 764
Balance previously reported	1 687 225	-	80 644	-	-	1 606 581	-	-	-	-	-	773 924	172 994	61 772	-	-	885 145	721 435
Correction of error removal of duplications - Note 34.1	(5 253)	-	-	-	-	(5 253)	-	-	-	-	-	(3 221)	(339)	-	-	-	(3 560)	(1 693)
Correction of error identified for the first time - Note 34.1	24 926	-	-	-	-	24 926	-	-	-	-	-	14 543	2 361	-	-	-	16 903	8 023
Disaster Management Equipment	4 832 105	-	-	-	-	4 832 105	-	-	-	-	-	3 171 809	793 827	-	-	-	3 965 636	866 469
Balance previously reported	4 157 105	-	-	-	-	4 157 105	-	-	-	-	-	2 904 849	749 854	-	-	-	3 654 703	502 402
Correction of error identified for the first time - Note 34.1	675 000	-	-	-	-	675 000	-	-	-	-	-	266 960	43 973	-	-	-	310 933	364 067
<b>Restated Balance</b>	<b>340 188 790</b>	<b>875 758</b>	<b>1 219 509</b>	<b>-</b>	<b>(3 971 000)</b>	<b>337 533 862</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26 436 777</b>	<b>4 312 515</b>	<b>803 171</b>	<b>-</b>	<b>(679 889)</b>	<b>29 266 232</b>	<b>308 267 630</b>

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

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

EXTERNAL LOANS	Loan No.	Redeemable	Balance 30/06/2013 R	Received during the period R	Redeemed or written off R	Balance 30/06/2014 R	Carrying Value of Property, Plant and Equipment R	Other Costs in accordance with the MFMA
<b>DBSA LOANS</b>								
<b>Loan: 10130/102</b> (10% interest rate, six monthly installments of R 25 669.04 with the final payment on 30/09/2015)			2 505 080	-	862 727	1 642 353	-	-
<b>Loan: 10132/102</b> (10% interest rate, six monthly installments of R 184 150.24 with the final payment on 31/03/2016)								
<b>Loan: 10129/202</b> (10% interest rate, six monthly installments of R 130 001.34 with the final payment on 30/09/2015)								
<b>Loan: 10131/102</b> (10% interest rate, six monthly installments of R 193 023.80 with the final payment on 30/09/2015)								
			2 505 080	-	862 727	1 642 353	-	-
<b>LEASE LIABILITY</b> Office Equipment @ average of 12%			1 761 850	-	830 050	931 800	-	
<b>TOTAL EXTERNAL LOANS</b>			4 266 930	-	1 692 777	2 574 153	-	-

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

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

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

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Revenue - Standard</b>								
<i>Governance and administration</i>	171 640	(2 143)	169 497	165 398	(4 099)	97.6%	96.4%	164 743
Executive and council	170 528	(2 143)	168 385	164 523	(3 862)	97.7%	96.5%	163 834
Budget and treasury office	-	-	-	-	-	-	-	7
Corporate services	1 112	-	1 112	875	(237)	78.7%	78.7%	902
<i>Community and public safety</i>	4 713	409	5 122	5 327	205	104.0%	113.0%	5 009
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	4 553	409	4 962	5 143	181	103.7%	113.0%	4 878
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Health	160	-	160	183	23	114.5%	114.5%	131
<i>Economic and environmental services</i>	50	99 944	99 994	140 784	40 790	140.8%	281567.7%	110 651
Planning and development	-	-	-	4	4	#DIV/0!	#DIV/0!	21
Road transport	-	99 869	99 869	140 591	40 722	140.8%	#DIV/0!	110 141
Environmental protection	50	75	125	189	64	151.3%	378.2%	488
<i>Trading services</i>	-	80	80	188	108	235.2%	#DIV/0!	312
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-
Waste management	-	80	80	188	108	235.2%	#DIV/0!	312
<i>Other</i>	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>176 403</b>	<b>98 289</b>	<b>274 692</b>	<b>311 697</b>	<b>37 005</b>	<b>113.5%</b>	<b>176.7%</b>	<b>280 715</b>
<b>Expenditure - Standard</b>								
<i>Governance and administration</i>	92 559	(3 009)	89 550	121 682	32 132	135.9%	131.5%	86 950
Executive and council	44 270	200	44 470	80 738	36 268	181.6%	182.4%	47 640
Budget and treasury office	20 012	(2 084)	17 928	15 619	(2 309)	87.1%	78.0%	16 474
Corporate services	28 276	(1 125)	27 152	25 325	(1 827)	93.3%	89.6%	22 836
<i>Community and public safety</i>	60 970	804	61 774	56 329	(5 446)	91.2%	92.4%	57 155
Community and social services	2 940	(628)	2 312	2 272	(40)	98.3%	77.3%	3 378
Sport and recreation	8 008	296	8 305	8 277	(28)	99.7%	103.4%	7 414
Public safety	25 608	1 945	27 553	22 370	(5 183)	81.2%	87.4%	23 508
Housing	-	-	-	-	-	-	-	-
Health	24 414	(810)	23 604	23 410	(194)	99.2%	95.9%	22 855
<i>Economic and environmental services</i>	18 506	99 241	117 747	136 718	18 970	116.1%	738.8%	120 514
Planning and development	7 092	1 364	8 456	6 193	(2 263)	73.2%	87.3%	6 728
Road transport	1 152	99 869	101 020	127 237	26 217	126.0%	11049.7%	110 141
Environmental protection	10 263	(1 992)	8 272	3 288	(4 984)	39.8%	32.0%	3 644
<i>Trading services</i>	3 013	1 378	4 391	1 889	(2 502)	43.0%	62.7%	2 219
Electricity	-	-	-	-	-	-	-	-
Water	505	1 569	2 074	201	(1 873)	9.7%	39.8%	66
Waste water management	458	(447)	11	-	(11)	-	-	4
Waste management	2 049	256	2 305	1 688	(617)	73.2%	82.4%	2 148
<i>Other</i>	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>175 047</b>	<b>98 414</b>	<b>273 462</b>	<b>316 617</b>	<b>43 155</b>	<b>115.8%</b>	<b>180.9%</b>	<b>266 837</b>
<b>Surplus/(Deficit) for the year</b>	<b>1 355</b>	<b>(125)</b>	<b>1 230</b>	<b>(4 920)</b>	<b>(6 151)</b>	<b>-399.9%</b>	<b>-363.0%</b>	<b>13 877</b>

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

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Revenue by Vote</b>								
Executive and Council	170 528	(2 143)	168 385	164 523	(3 862)	97.7%	96.5%	163 834
Budget and Treasury Office	-	-	-	-	-	-	-	7
Corporate Services	1 112	-	1 112	875	(237)	78.7%	78.7%	902
Community and Social Services	-	-	-	-	-	-	-	-
Sport and Recreation	4 553	409	4 962	5 143	181	103.7%	113.0%	4 878
Public Safety	-	-	-	-	-	-	-	-
Health	160	-	160	183	23	114.5%	114.5%	131
Planning and Development	-	-	-	4	4	#DIV/0!	#DIV/0!	21
Road Transport	-	99 869	99 869	140 591	40 722	140.8%	#DIV/0!	123 131
Electricity	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-
Waste Management	-	80	80	188	108	235.2%	#DIV/0!	312
Environmental Protection	50	75	125	189	64	151.3%	378.2%	488
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>176 403</b>	<b>98 289</b>	<b>274 692</b>	<b>311 697</b>	<b>37 005</b>	<b>113.5%</b>	<b>176.7%</b>	<b>293 704</b>
<b>Expenditure by Vote to be appropriated</b>								
Executive and Council	44 270	200	44 470	80 738	36 268	181.6%	182.4%	47 640
Budget and Treasury Office	20 012	(2 084)	17 928	15 619	(2 309)	87.1%	78.0%	16 474
Corporate Services	28 276	(1 125)	27 152	25 325	(1 827)	93.3%	89.6%	22 836
Community and Social Services	2 940	(628)	2 312	2 272	(40)	98.3%	77.3%	3 378
Sport and Recreation	8 008	296	8 305	8 277	(28)	99.7%	103.4%	7 414
Public Safety	25 608	1 945	27 553	22 370	(5 183)	81.2%	87.4%	23 508
Health	24 414	(810)	23 604	23 410	(194)	99.2%	95.9%	22 855
Planning and Development	7 092	1 364	8 456	6 193	(2 263)	73.2%	87.3%	6 728
Road Transport	1 152	99 869	101 020	127 237	26 217	126.0%	11049.7%	110 141
Electricity	-	-	-	-	-	-	-	-
Water	505	1 569	2 074	201	(1 873)	9.7%	39.8%	66
Waste Water Management	458	(447)	11	-	(11)	-	-	4
Waste Management	2 049	256	2 305	1 688	(617)	73.2%	82.4%	2 148
Environmental Protection	10 263	(1 992)	8 272	3 288	(4 984)	39.8%	32.0%	3 644
Other	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>175 047</b>	<b>98 414</b>	<b>273 462</b>	<b>316 617</b>	<b>43 155</b>	<b>115.8%</b>	<b>180.9%</b>	<b>266 837</b>
<b>Surplus/(Deficit) for the year</b>	<b>1 355</b>	<b>(125)</b>	<b>1 230</b>	<b>(4 920)</b>	<b>(6 151)</b>	<b>-399.9%</b>	<b>-363.0%</b>	<b>26 867</b>

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

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.e.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Revenue By Source</b>								
Property rates	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 889	(642)	1 248	853	(395)	68.4%	45.1%	990
Interest earned - external investments	2 051	550	2 601	4 684	2 083	180.1%	228.4%	3 433
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	189	189	#DIV/0!	#DIV/0!	208
Agency services	13 780	(2 500)	11 280	-	(11 280)	-	-	-
Transfers recognised - operating	133 413	7 684	141 097	145 733	4 636	103.3%	109.2%	136 386
Other revenue	17 270	101 197	118 468	160 238	41 771	135.3%	927.8%	138 405
Gains on disposal of PPE	8 000	(8 000)	-	-	-	-	-	134
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>176 403</b>	<b>98 289</b>	<b>274 692</b>	<b>311 697</b>	<b>37 005</b>	<b>279.5%</b>	<b>176.7%</b>	<b>279 556</b>
<b>Expenditure By Type</b>								
Employee related costs	94 205	51 851	146 056	145 577	(479)	99.7%	154.5%	142 490
Remuneration of councillors	6 954	15	6 969	7 028	59	100.8%	101.1%	6 747
Debt impairment	650	-	650	2 586	1 936	397.8%	397.8%	1 734
Depreciation & asset impairment	8 136	-	8 136	4 902	(3 234)	60.2%	60.2%	5 217
Finance charges	585	(100)	485	725	240	149.6%	124.0%	1 164
Bulk purchases	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-
Contracted services	11 330	(400)	10 930	8 324	(2 607)	76.2%	73.5%	6 454
Transfers and grants	3 744	400	4 144	-	(4 144)	-	-	-
General Expenses	49 444	46 649	96 092	115 372	19 280	120.1%	233.3%	102 640
Loss on disposal of PPE	-	-	-	32 103	32 103	#DIV/0!	#DIV/0!	391
<b>Total Expenditure</b>	<b>175 047</b>	<b>98 414</b>	<b>273 462</b>	<b>316 616</b>	<b>43 155</b>	<b>277.9%</b>	<b>180.9%</b>	<b>266 837</b>
<b>Surplus/(Deficit)</b>	<b>1 355</b>	<b>(125)</b>	<b>1 230</b>	<b>(4 920)</b>	<b>(6 150)</b>	<b>-399.8%</b>	<b>-363.0%</b>	<b>12 718</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1 355</b>	<b>(125)</b>	<b>1 230</b>	<b>(4 920)</b>	<b>(6 150)</b>	<b>-399.8%</b>	<b>-363.0%</b>	<b>12 718</b>



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

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

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

Description	2013/2014							2012/2013
	Original Budget	Budget Adjustments (i.i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
Receipts								
Other receipts	33 249	96 621	129 870	150 253	20 383	115.7%	451.9%	140 762
Government - operating	133 413	7 684	141 097	145 541	4 444	103.1%	109.1%	63 697
Government - capital		-	-	192	192	#DIV/0!	#DIV/0!	23 712
Interest	2 051	550	2 601	4 684	2 083	180.1%	228.4%	2 712
Dividends		-	-	-	-	-	-	-
Payments								
Suppliers and employees	(146 091)	(102 029)	(248 119)	(285 179)	(37 060)	114.9%	195.2%	(198 384)
Finance charges	(985)	500	(485)	(725)	(240)	149.6%	73.6%	(663)
Transfers and Grants	(3 744)	(400)	(4 144)	-	4 144	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>17 893</b>	<b>2 927</b>	<b>20 820</b>	<b>14 766</b>	<b>(6 054)</b>	<b>70.9%</b>	<b>82.5%</b>	<b>31 836</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Receipts								
Proceeds on disposal of PPE	8 000	(8 000)	-	-				230
Decrease (Increase) in non-current debtors	-	-	-	-				-
Decrease (increase) other non-current receivables	-	2 534	2 534	(5 096)	(7 630)	-201.1%	#DIV/0!	29
Decrease (increase) in non-current investments	-	-	-	-				(377)
Payments								
Capital assets	-	(6 935)	(6 935)	(1 225)	5 710	17.7%	#DIV/0!	(33 654)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>8 000</b>	<b>(12 401)</b>	<b>(4 401)</b>	<b>(6 320)</b>	<b>(1 920)</b>	<b>143.6%</b>	<b>-79.0%</b>	<b>(33 772)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts								
Short term loans	-	-	-	-				-
Borrowing long term/refinancing	-	-	-	-				44
Increase (decrease) in consumer deposits	-	-	-	-				260
Payments								
Repayment of borrowing	-	(622)	(622)	(1 693)	(1 070)	272.0%	#DIV/0!	(390)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(622)</b>	<b>(622)</b>	<b>(1 693)</b>	<b>(1 070)</b>	<b>272.0%</b>	<b>#DIV/0!</b>	<b>(87)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>25 893</b>	<b>(10 096)</b>	<b>15 797</b>	<b>6 753</b>	<b>(9 044)</b>	<b>42.7%</b>	<b>26.1%</b>	<b>(2 022)</b>
Cash/cash equivalents at the year begin:	-	72 984	72 984	72 984	-	100.0%	#DIV/0!	26 585
Cash/cash equivalents at the year end:	25 893	62 888	88 782	79 737	(10 115)	89.8%	307.9%	24 562



















Name of municipality:	Eden District	EDEN DISTRICT
Full name (Senqu Municipality):	EDEN DISTRICT MUNICIPALITY	
Type (Municipality/District Municipality):	DISTRICT MUNICIPALITY	
End of Current Financial Year:	30 JUNE 2014	30 June 2014
Start of Current Financial Year:	1 JULY 2013	
End of Previous Financial Year:	30 JUNE 2013	30 JUNE 2012
Start of Previous Financial Year:	1 JULY 2012	
Current Financial Year:	2014	
Previous Financial Year:	2013	
2x Previous Financial Year:	2012	

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

<b>CAPITAL EMPLOYED</b>	<b>Note</b>	<b>2013/2014</b> <b>R</b>	<b>2012/2013</b> <b>R</b>
<b>FUNDS AND RESERVES</b>		-	-
Statutory funds		-	-
Reserves	1	-	-
<b>ACCUMULATED SURPLUS/(DEFICIT)</b>	2	(42 913 855)	(41 877 656)
		(42 913 855)	(41 877 656)
<b>TRUST FUNDS</b>	3	-	-
<b>NON-CURRENT PROVISIONS</b>		-	-
		(42 913 855)	(41 877 656)
<b>EMPLOYMENT OF CAPITAL</b>			
<b>FIXED ASSETS</b>	4	-	-
		-	-
<b>NET CURRENT LIABILITIES</b>		(42 913 856)	(41 877 655)
<b>CURRENT ASSETS</b>		16 204 331	20 583 296
Trade & Other Receivables	6	10 280 615	357 014
Cash & Cash Equivalents		5 923 716	20 226 282
<b>NON-CURRENT LIABILITIES</b>			
Eden District Municipality - Employee Benefits	7	(47 585 725)	(42 261 845)
<b>CURRENT LIABILITIES</b>		(11 532 462)	(20 199 106)
Provisions	8	4 751 467	4 316 895
Trade Payables	9	3 505 290	12 927 245
Loan account - Eden District Municipality		969 701	445 886
Current Portion of Non-Current Liabilities		2 306 003	2 509 080
Vat	10	-	-
		(42 913 855)	(41 877 655)

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

2012/2013 Actual Income	2012/2013 Actual Expenditure	2012/2013 Actual Surplus/ (Deficit)		2013/2014 Actual Income	2013/2014 Actual Expenditure	2013/2014 Actual Surplus/ (Deficit)	2013/2014 Budget Surplus/ (Deficit)
116 927 498	113 224 959	3 702 539	<b>RATES AND GENERAL SERVICES</b>	130 877 378	132 546 440	(1 669 062)	81 731 254
116 927 498	113 224 959	3 702 539		130 877 378	132 546 440	(1 669 062)	81 731 254
<b>116 927 498</b>	<b>113 224 959</b>	<b>3 702 539</b>	<b>TOTAL</b>	<b>130 877 378</b>	<b>132 546 440</b>	<b>(1 669 062)</b>	<b>81 731 254</b>
		-	Appropriations for the year (refer to note 2)			632 864	
		<b>3 702 539</b>	<b>Nett Surplus/(defecit) for the year</b>			<b>(1 036 198)</b>	
		(45 580 195)	Accumulated surplus/(defecit) : beginning of the year			(41 877 656)	
		<b>(41 877 656)</b>	<b>ACCUMULATED SURPLUS/(DEFECIT) END OF THE YEAR</b>			<b>(42 913 855)</b>	

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

	2014	2013
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(19 423 368)</b>	<b>8 309 537</b>
Cash generated by operations	12 (2 186 479)	3 317 267
Investment income	11 1 150 281	385 272
Decrease/(Increase) in working capital	13 (18 387 168)	4 606 998
	(19 423 366)	8 309 537
Less: External interest paid	-	-
<b>Cash available from operations</b>	<b>(19 423 366)</b>	<b>8 309 537</b>
Cash contributions from the public and the state	-	-
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>		
Investment in fixed assets	-	-
<b>CASH UTILISED FROM FINANCING TRANSACTIONS</b>		
Increase in Non-Current Liability	5 120 803	(2 577 741)
<b>NET CASH FLOW</b>	<b><u>(14 302 564)</u></b>	<b><u>5 731 795</u></b>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>		
(Increase)/decrease in cash investments	15 -	-
(Increase)/decrease in cash at bank	14 14 302 565	(5 731 799)
<b>NET CASH (GENERATED)/UTILISED</b>	<b><u>14 302 565</u></b>	<b><u>(5 731 799)</u></b>

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

	2014 R	2013 R
<b>1 RESERVES</b>		
Operating Reserve 2004 <i>(Refer to Appendix A for more details)</i>	-	-
<b>2 ACCUMULATED SURPLUS / (DEFICIT)</b>		
<i>Appropriation account :</i>		
Accumulated surplus/(deficit) at the beginning of the year	(41 877 656)	(45 580 195)
Operating surplus/(deficit) for the year	(1 669 062)	3 702 539
Appropriations for the year :	632 864	-
- Prior year adjustments	632 864	-
Accumulated deficit at the end of the year	<b>(42 913 855)</b>	<b>(41 877 656)</b>
<i>Operating account :</i>		
Capital expenditure	-	-
<b>3 TRUST FUNDS</b>		
Goukou - Structure Plan	-	-
Resurfacing	-	-
Reseal 04/05	-	-
Kerwelsvlei - Minor Road	-	-
Vicbay Beach Fund	-	-
Ballotsbay Resort	-	-
Disaster Fund	-	-
Vicbay Jetty	-	-
Resealing of Trunk Road 2/12	-	-
Repair ARMCO Gravelroad 83/1	-	-
GP83 Armco	-	-
AP1297 Slangriver	-	-
MR 363 Repair ARMCO	-	-
MR 369 Repair ARMCO	-	-
MR 342 Repair ARMCO	-	-
Div Roads 1316/1576/1577	-	-
<i>(Refer to Appendix A for more details)</i>	-	-
<b>4 FIXED ASSETS</b>		
Fixed assets at the beginning of the year	3 051 400	3 051 400
Capital expenditure during the year	-	-
Less: Assets written off, transferred or disposed of during the year	-	-
<b>Total fixed assets</b>	3 051 400	3 051 400
Less: Loans redeemed and other capital receipts	3 051 400	3 051 400
<b>Net fixed assets</b>	-	-
<b>5 LONG-TERM DEBTORS</b>		
Vehicle Loans	-	-
Loans for personal computers	-	-
Less: Short-term portion of long-term debtors transferred to current assets	-	-
<b>6 TRADE &amp; OTHER RECEIVABLES</b>		
Suspense accounts	146 040	149 184
Plant Account	-	-
Other debtors	10 134 574	207 830
	<b>10 280 615</b>	<b>357 014</b>

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

7 EDEN DISTRICT MUNICIPALITY - EMPLOYEE BENEFITS

	2014 R	2013 R
<b>Eden District Municipality - Employment Benefit Provisions on Behalf of Department of Transport</b>		
Roads - Provision for Post Employment Health Care Benefits	46 000 742	40 801 527
Roads - Provision for Ex-Gratia Pension Benefits	713 322	855 875
Roads - Provision for Long Service Leave Awards	3 177 664	3 113 523
	<u>49 891 728</u>	<u>44 770 925</u>
Less Short Term Portion Transferred to Current Provisions	(2 306 003)	(2 509 080)
Roads - Provision for Post Employment Health Care Benefits	1 874 893	1 865 178
Roads - Provision for Ex-Gratia Pension Benefits	127 993	143 684
Roads - Provision for Long Service Leave Awards	303 117	500 218
	<u>2 305 903</u>	<u>2 509 080</u>
<b>Total Employee Benefit Provisions</b>	<u><b>47 585 725</b></u>	<u><b>42 261 845</b></u>

Reconciliation of present value of fund obligation:

*Provision for Post Employment Health Care Benefits:*

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

*Provision for Ex-Gratia Pension Benefits:*

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

*Provision for Long Service Leave Awards*

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

8 PROVISIONS

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

9 TRADE PAYABLES

	2014 R	2013 R
Sundry creditors	2 399 067	2 550 729
Debtors with credit balances	-	-
Payments in Advance	1 000 000	9 474 284
Suspense accounts	106 223	129 355
Shortfall on Pensionfund	-	772 877
Plant Account	-	-
	<u><b>3 505 290</b></u>	<u><b>12 927 245</b></u>

10 VAT

Vat payable	-	-
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11 FINANCE TRANSACTIONS

Total external interest earned or paid		
- Interest earned	<u><b>1 150 281</b></u>	<u><b>385 272</b></u>
- Interest paid	-	-



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

12 CASH GENERATED BY OPERATIONS

	2014 R	2013 R
Surplus/(Deficit) for the year	(1 669 062)	3 702 539
Adjustments in respect of :		
Previous years operating transactions	632 864	-
Appropriations charged against income	-	-
* Provisions and reserves	-	-
* Fixed assets	-	-
Capital charges	-	-
* Interest paid:	-	-
- on external loans	-	-
* Redemption:	-	-
- of external loans	-	-
* Deferred charges written off	-	-
Investment income (operating account)	(1 150 281)	(385 272)
Non-operating expenditure:		
Charged against Provisions and Reserves	-	-
	<b>(2 186 479)</b>	<b>3 317 267</b>

13 (INCREASE)/DECREASE IN WORKING CAPITAL

Decrease/(Increase) in debtors, long term debtors	(9 923 600)	(51 418)
Increase/(Decrease) in creditors, consumer deposits	(8 463 567)	4 658 416
	<b>(18 387 168)</b>	<b>4 606 998</b>

14 (INCREASE)/DECREASE CASH AND CASH EQUIVALENTS

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

15 (INCREASE)/DECREASE IN CASH INVESTMENTS

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

16 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

16.1 Contributions to organized local government

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

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

16.2 Audit fees

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

16.3 VAT

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

16.4 PAYE and UIF

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

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

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

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

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

The Municipality has developed a supply chain management policy.

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

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

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

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

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

Actual 2012/2013		Actual 2013/2014
	<b>INCOME</b>	
108 146 564	Government and Provincial Grants and Subsidies	128 526 665
-	Advances Plant Account	-
5 661 354	Actuarial Gain	188 507
3 119 580	Other Income	2 162 206
<b>116 927 498</b>		<b>130 877 378</b>
	<b>Expenditure</b>	
51 068 849	Employee related costs	55 224 672
2 593 510	Increase in Provision for Non-Current Liabilities	3 316 692
490 104	Actuarial Loss	1 992 619
-	- Plant Hire	-
-	- Interest on Pension Fund Liability	-
-	- Allocation Indirect Account	-
-	- Contracts	-
58 635 922	General Expenses	67 936 757
-	- Repair and Maintenance costs	275 233
436 573	Contributions to Capital	3 800 468
<b>113 224 959</b>	<b>Net Expenditure</b>	<b>132 546 440</b>

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

2012/2013 Actual Income	2012/2013 Actual Expenditure	2012/2013 Actual Surplus/ (Deficit)		2013/2014 Actual Income	2013/2014 Actual Expenditure	2013/2014 Actual Surplus/ (Deficit)	2013/2014 Budget Surplus/ (Deficit)
116 927 498	113 224 959	3 702 539	<b>RATES AND GENERAL SERVICES</b>	130 877 378	132 546 440	(1 669 062)	81 731 254
<b>116 927 498</b>	<b>113 224 959</b>	<b>3 702 539</b>		<b>130 877 378</b>	<b>132 546 440</b>	<b>(1 669 062)</b>	<b>81 731 254</b>
116 542 226	113 224 959	3 317 267	Normal Repair & Maintenance	129 727 097	132 546 440	(2 819 343)	81 731 254
-	-	-	Emergency Expenses	-	-	-	-
-	-	-	Re-Surfacing	-	-	-	-
-	-	-	Fencing	-	-	-	-
-	-	-	Construction,Re-construction&Improvements	-	-	-	-
-	-	-	Road Signs	-	-	-	-
-	-	-	Minor Roads	-	-	-	-
-	-	-	Main Roads	-	-	-	-
-	-	-	Traffic Fines	-	-	-	-
-	-	-	Routine maintenance	-	-	-	-
385 272	-	385 272	Interest received	1 150 281	-	1 150 281	-
-	-	-	Interest on Pension Fund Liability	-	-	-	-
-	-	-	Contributions	-	-	-	-
-	-	-	Advances Plant Account	-	-	-	-
-	-	-	Approved Capital Projects	-	-	-	-
<b>116 927 498</b>	<b>113 224 959</b>	<b>3 702 539</b>	<b>TOTAL</b>	<b>130 877 378</b>	<b>132 546 440</b>	<b>(1 669 062)</b>	<b>81 731 254</b>
		-	Appropriations for the year			632 864	
		<b>3 702 539</b>	<b>Nett surplus for the year</b>			<b>(1 036 198)</b>	
		(45 580 195)	Accumulated surplus/(deficit) : beginning of the year			(41 877 656)	
		<b>(41 877 656)</b>	<b>ACCUMULATED DEFICIT: END OF THE YEAR</b>			<b>(42 913 855)</b>	









Salaries