



EDEN DISTRICT MUNICIPALITY

FINANCIAL YEAR 2014 - 2015

MONTHLY FINANCIAL REPORT

31 AUGUST 2014

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations April 2009

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget. In Eden District this means the different GFS classification the budget is divided.

Legislative Framework

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act – No. 56 of 2003

Section 71: Monthly budget statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1 – IN-YEAR REPORT

SECTION 1 – RESOLUTIONS

SECTION 71 Monthly budget statements

These are the resolutions being presented to Council in the Monthly report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 71 of the Municipal Finance Management Act , Act 56 of 2003.

RECOMMENDATION:

That Council notes the monthly report and any other supporting documentation on the implementation of the budget and the financial affairs for the month ending 31 August 2014

Section 2 – Executive Summary

2.1 Introduction

These figures are presented in terms of section 71 of the MFMA. The information is presented for month of 31 August 2014 year to date.

2.2 Consolidated performance

2.2.1 Against annual budget (original)

Revenue by source

Operating revenue year to date totals R61,051,652. This is mainly due to the equitable share allocation that was received during July of R53.08m. Other grants were also received during the month of August boosting the income.

Operating Expenditure by type

Expenditure totals R18.6m year to the period under review. This being the beginning of the financial year spending is slow and Remuneration and salary related expenses account for most of these expenditure.

Capital Expenditure

No reporting of capital related expenditure for the period under review. This is mainly due to the nature of capital expenditures that includes the Supply Chain Management processes. A demand management and procurement plan is also in the process of being completed and should enhance the capital expenditure.

2.3 Material variances from SDBIP

Reporting on the new SDBIP for the financial year started in August 2014 due to technical problems encountered with the services provider. Monthly reporting is being done by departments and managers are required to sign of information as reported. Deviations from projected KPI require explanation and this process is being co-ordinated by the SDBIP official.

2.4 Remedial or corrective steps

The remedial actions and the corrective steps are managed and monitored by the SDBIP official.

2.5 Conclusion

Detailed analysis of the municipal performance for the year ending 31 August 2014 will be presented under the different sections of the report.

Section 3 – In-year budget statement tables

3.1 Monthly budget statements

3.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Eden - Table C1 Monthly Budget Statement Summary - M02 August

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	2 601	4 500	-	341	930	750	180	24%	4 500
Transfers recognised - operational	141 197	170 060	-	1 334	55 664	28 343	27 321	96%	170 060
Other own revenue	131 931	134 257	-	1 195	4 458	22 376	(17 918)	-80%	134 257
Total Revenue (excluding capital transfers and contributions)	275 728	308 817	-	2 870	61 052	51 469	9 582	19%	308 817
Employee costs	146 056	95 117	-	7 109	14 192	15 853	(1 661)	-10%	95 117
Remuneration of Councillors	6 969	7 705	-	589	1 187	1 284	(97)	-8%	7 705
Depreciation & asset impairment	8 136	8 322	-	-	-	1 387	(1 387)	-100%	8 322
Finance charges	485	530	-	-	-	88	(88)	-100%	530
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	4 244	36 253	-	305	431	6 042	(5 612)	-93%	36 253
Other expenditure	107 893	158 385	-	1 994	2 841	26 397	(23 557)	-89%	158 385
Total Expenditure	273 782	306 313	-	9 997	18 650	51 052	(32 402)	-63%	306 313
Surplus/(Deficit)	1 947	2 504	-	(7 128)	42 401	417	41 984	10061%	2 504
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 947	2 504	-	(7 128)	42 401	417	41 984	10061%	2 504
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1 947	2 504	-	(7 128)	42 401	417	41 984	10061%	2 504
Capital expenditure & funds sources									
Capital expenditure	6 935	8 300	-	-	-	1 383	(1 383)	-100%	-
Capital transfers recognised	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	6 935	8 300	-	-	-	1 383	(1 383)	-100%	-
Total sources of capital funds	6 935	8 300	-	-	-	1 383	(1 383)	-100%	-
Financial position									
Total current assets	112 081	113 384	-	-	-	-	-	-	113 384
Total non current assets	533 338	532 282	-	-	-	-	-	-	532 282
Total current liabilities	74 736	67 533	-	-	-	-	-	-	67 533
Total non current liabilities	112 624	117 570	-	-	-	-	-	-	117 570
Community wealth/Equity	458 059	460 563	-	-	-	-	-	-	460 563
Cash flows									
Net cash from (used) operating	20 820	9 020	-	(7 128)	42 401	1 503	(40 898)	-2720%	9 020
Net cash from (used) investing	1 399	(5 766)	-	(19 888)	(6 660)	-	6 660	#DIV/0!	2 534
Net cash from (used) financing	(622)	(650)	-	-	-	-	-	-	(650)
Cash/cash equivalents at the month/year end	94 581	97 186	-	-	118 296	96 085	(22 211)	-23%	93 459
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	699	421	352	10 553	-	-	-	-	12 025
Creditors Age Analysis									
Total Creditors	2 289	-	-	-	-	-	-	-	2 289

DC4 Eden - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M02 August

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		170 532	196 577	-	2 319	60 095	32 763	27 333	83%	196 577
Executive and council		169 420	195 274	-	2 104	59 880	32 546	27 334	84%	195 274
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		1 112	1 302	-	215	215	217	(2)	-1%	1 302
<i>Community and public safety</i>		5 122	6 024	-	491	897	1 004	(107)	-11%	6 024
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		4 962	5 855	-	476	865	976	(111)	-11%	5 855
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		160	169	-	15	33	28	5	16%	169
<i>Economic and environmental services</i>		99 994	106 132	-	9	9	17 689	(17 680)	-100%	106 132
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		99 869	106 000	-	-	-	17 667	(17 667)	-100%	106 000
Environmental protection		125	132	-	9	9	22	(13)	-59%	132
<i>Trading services</i>		80	84	-	50	50	14	36	255%	84
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	50	50	-	50	#DIV/0!	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		80	84	-	-	-	14	(14)	-100%	84
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	275 728	308 817	-	2 870	61 052	51 469	9 582	19%	308 817
Expenditure - Standard										
<i>Governance and administration</i>		90 585	117 701	-	5 083	9 153	19 617	(10 464)	-53%	117 701
Executive and council		47 138	63 639	-	1 524	2 991	10 607	(7 616)	-72%	63 639
Budget and treasury office		16 295	24 699	-	1 635	2 674	4 116	(1 442)	-35%	24 699
Corporate services		27 152	29 363	-	1 924	3 488	4 894	(1 406)	-29%	29 363
<i>Community and public safety</i>		61 059	65 305	-	4 329	8 217	10 884	(2 667)	-25%	65 305
Community and social services		2 312	2 918	-	189	363	486	(123)	-25%	2 918
Sport and recreation		8 305	9 743	-	521	959	1 624	(665)	-41%	9 743
Public safety		26 839	25 179	-	1 445	2 888	4 197	(1 309)	-31%	25 179
Housing		-	-	-	-	-	-	-	-	-
Health		23 604	27 465	-	2 174	4 007	4 577	(571)	-12%	27 465
<i>Economic and environmental services</i>		117 747	118 237	-	475	1 053	1 558	(505)	-32%	118 237
Planning and development		8 456	6 909	-	427	824	1 152	(328)	-28%	6 909
Road transport		101 020	108 891	-	-	-	-	-	-	108 891
Environmental protection		8 272	2 436	-	48	229	406	(177)	-44%	2 436
<i>Trading services</i>		4 391	5 070	-	110	228	845	(617)	-73%	5 070
Electricity		-	-	-	-	-	-	-	-	-
Water		2 074	3 708	-	-	18	618	(600)	-97%	3 708
Waste water management		11	-	-	-	-	-	-	-	-
Waste management		2 305	1 362	-	110	210	227	(17)	-7%	1 362
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	273 782	306 313	-	9 997	18 650	32 904	(14 253)	-43%	306 313
Surplus/ (Deficit) for the year		1 945	2 504	-	(7 128)	42 401	18 566	23 835	128%	2 504

3.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which is the Government Finance Statistics Functions and Sub-function. These are used by National Treasury to assist in the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures being used by the different institutions.

The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3

Operating Revenue:

As reported above operating revenue is mainly a result of the income from equitable share that was received during July 2014. Other grants received to date is FMG – R1,250,000 / MSIG R934,000 and EPWP – R400,000

Operating Expenditure

The total operating expenditure totals R18.65m for the period ending 31 August 2014. This total is mostly salary related expenditure which accounts for 82.4% of the expenditures. Expenditures on other cost items due to the planning phases in departments will steadily increase over the coming reporting months.

DC4 Eden - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive & Council		169 420	195 274	-	2 104	59 880	32 546	27 334	84.0%	195 274
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1 112	1 302	-	215	215	217	(2)	-0.8%	1 302
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		160	169	-	15	33	28	5	16.3%	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		4 962	5 855	-	476	865	976	(111)	-11.4%	5 855
Vote 9 - Waste Management		80	84	-	-	-	14	(14)	-100.0%	84
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	50	50	-	50	#DIV/0!	-
Vote 13 - Environmental Protection		125	132	-	9	9	22	(13)	-59.3%	-
Vote 14 - Roads Agency Function		99 869	106 000	-	-	-	17 667	(17 667)	-100.0%	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	275 728	308 817	-	2 870	61 052	51 469	9 582	18.6%	202 516
Expenditure by Vote	1									
Vote 1 - Executive & Council		45 505	63 639	-	1 524	2 991	10 607	(7 616)	-71.8%	63 639
Vote 2 - Budget and Treasury Office		17 928	24 699	-	1 635	2 674	4 116	(1 442)	-35.0%	24 699
Vote 3 - Corporate Services		27 152	29 363	-	1 924	3 488	4 894	(1 406)	-28.7%	29 363
Vote 4 - Planning and Development		8 456	6 909	-	427	824	1 152	(328)	-28.5%	6 909
Vote 5 - Public Safety		26 838	25 179	-	1 445	2 888	4 197	(1 309)	-31.2%	25 179
Vote 6 - Health		23 604	27 465	-	2 174	4 007	4 577	(571)	-12.5%	27 465
Vote 7 - Community and Social Services		2 312	2 918	-	189	363	486	(123)	-25.3%	2 918
Vote 8 - Sport and Recreation		8 305	9 743	-	521	959	1 624	(665)	-40.9%	9 743
Vote 9 - Waste Management		2 305	1 362	-	110	210	227	(17)	-7.4%	1 362
Vote 10 - Road Transport		1 152	2 891	-	-	-	482	(482)	-100.0%	2 891
Vote 11 - Waste Water Management		11	-	-	-	-	-	-	-	-
Vote 12 - Water		2 074	3 708	-	-	18	618	(600)	-97.1%	3 708
Vote 13 - Environmental Protection		8 272	2 437	-	48	229	406	(177)	-43.6%	2 437
Vote 14 - Roads Agency Function		99 869	106 000	-	-	-	17 667	(17 667)	-100.0%	106 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	273 782	306 313	-	9 997	18 650	51 052	(32 402)	-63.5%	306 313
Surplus/ (Deficit) for the year	2	1 946	2 504	-	(7 128)	42 401	417	41 984	10061.5%	(103 797)

3.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

Reporting per municipal vote provide details on the spread of spending over the various functions of council.

Income is mainly budgeted under the Executive and Council function and therefor the majority of the income will be reflected under this section.

The consolidation of the Roads Agency function into the budget of Eden reflects under the Roads Transport municipal function above.

No reporting of the information in terms of the Roads Agency function is included in the report.

DC4 Eden - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Property rates - penalties & collection charges								-		
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue								-		
Service charges - other								-		
Rental of facilities and equipment		1 248	2 357		(178)	183	393	(210)	-53%	2 357
Interest earned - external investments		2 601	4 500		341	930	750	180	24%	4 500
Interest earned - outstanding debtors					75	148		148	#DIV/0!	
Dividends received					-	-		-		
Fines					-	-		-		
Licences and permits					-	-		-		
Agency services		11 280	12 671		1 010	2 020	2 112	(92)	-4%	12 671
Transfers recognised - operational		141 197	170 060		1 334	55 664	28 343	27 321	96%	170 060
Other revenue		119 403	119 229		288	2 107	19 872	(17 764)	-89%	119 229
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		275 728	308 817	-	2 870	61 052	51 469	9 582	19%	308 817
Expenditure By Type										
Employee related costs		146 056	95 117		7 109	14 192	15 853	(1 661)	-10%	95 117
Remuneration of councillors		6 969	7 705		589	1 187	1 284	(97)	-8%	7 705
Debt impairment		650	800		-	-	133	(133)	-100%	800
Depreciation & asset impairment		8 136	8 322		-	-	1 387	(1 387)	-100%	8 322
Finance charges		485	530		-	-	88	(88)	-100%	530
Bulk purchases					-	-		-		
Other materials					-	-		-		
Contracted services		10 372	9 975		861	1 323	1 663	(340)	-20%	9 975
Transfers and grants		4 244	36 253		305	431	6 042	(5 612)	-93%	36 253
Other expenditure		96 871	147 610		1 134	1 518	24 602	(23 083)	-94%	147 610
Loss on disposal of PPE								-		
Total Expenditure		273 782	306 313	-	9 997	18 650	51 052	(32 402)	-63%	306 313
Surplus/(Deficit)		1 947	2 504	-	(7 128)	42 401	417	41 984	0	2 504
Transfers recognised - capital								-		
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		1 947	2 504	-	(7 128)	42 401	417			2 504
Taxation								-		
Surplus/(Deficit) after taxation		1 947	2 504	-	(7 128)	42 401	417			2 504
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		1 947	2 504	-	(7 128)	42 401	417			2 504
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		1 947	2 504	-	(7 128)	42 401	417			2 504

3.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

Revenue by Source

Revenue by sources explains the types of incomes budgeted for and the performance of their items individually.

Rental of facilities and equipment:

Rental of facilities and equipment reflects a negative balance for the period under review. This is due to a corrective journal that was processed to correct the balances.

Interest earned – External Investments:

Interest earned for the period totals R929,510 for the period. That represents a total of 20.6% of the budget. Mainly due to equitable share allocation that was received in advance and invested for the period.

Transferred recognised – operational

The first instalment of R 53 080 000 for the Equitable Share was received during July 2014. Financial Management Grant (FMG) and Municipal System Improvement Grant (MSIG) were also received 100% as well as 40% of the Expanded Public Works Program (EPWP) allocation.

Other revenue / Sundry income

Other revenue consist mainly of the agency function administration fees received from the Roads department

Gains on disposal of PPE (Sale of Land)

No income was recorded under the Gains on disposal of PPE.

Expenditure by Type

Expenditure by type reflects the operational budget per main type/category of expenditure.

Employee Related cost / Remuneration of councillors

Employee related cost accounts for 83% of operating expenditure year to date. A total of 14.5% of the total salary budget spent for the period ending 31 August 2014.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items.

Finance charges

Yearly repayments of the loans are processed in March and September.

Contracted services

Contracted services of R1,322,535 is reflected in the financial results for the period 31 August 2014. This is mainly the contract workers employed in the fire fighting section.

Other expenditure

Other expenditure reflects all other expenses not identified. The spending on other expenditure is low and will pick up as the year progresses.

3.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

Variances explained in Supporting Table C5

The main capital project recorded is the Regional Landfill Site of R5,800,000 (purchase of land). This project, especially the transfer of the land in Eden District Municipality's name is in an advanced stage and will be concluded shortly in the contract phase.

The municipality plan to make big strides in completing the project within the current financial year.

The other capital projects will also commence in the near future after the completion of all the planning and SCM processes.

DC4 Eden - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M02 August

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		485	1 000	-	-	-	167	(167)	-100%	-
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		400	1 300	-	-	-	217	(217)	-100%	-
Vote 6 - Health		250	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		-	200	-	-	-	33	(33)	-100%	-
Vote 9 - Waste Management		5 800	5 800	-	-	-	967	(967)	-100%	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	6 935	8 300	-	-	-	1 383	(1 383)	-100%	-
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		6 935	8 300	-	-	-	1 383	(1 383)	-100%	-

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Eden - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		94 582	95 686			95 686
Call investment deposits		-	-			-
Consumer debtors		6 784	6 757			6 757
Other debtors		4 402	4 402			4 402
Current portion of long-term receivables		2 534	2 534			2 534
Inventory		3 778	4 005			4 005
Total current assets		112 081	113 384	-	-	113 384
Non current assets						
Long-term receivables		39 724	37 190			37 190
Investments		-	-			-
Investment property		347 611	345 577			345 577
Investments in Associate		-	-			-
Property, plant and equipment		142 420	146 406			146 406
Agricultural		-	-			-
Biological assets		-	-			-
Intangible assets		3 541	3 068			3 068
Other non-current assets		41	41			41
Total non current assets		533 338	532 282	-	-	532 282
TOTAL ASSETS		645 419	645 666	-	-	645 666
LIABILITIES						
Current liabilities						
Bank overdraft		-	-			-
Borrowing		650	700			700
Consumer deposits		-	-			-
Trade and other payables		53 249	44 745			44 745
Provisions		20 837	22 087			22 087
Total current liabilities		74 736	67 533	-	-	67 533
Non current liabilities						
Borrowing		2 856	2 156			2 156
Provisions		109 768	115 414			115 414
Total non current liabilities		112 624	117 570	-	-	117 570
TOTAL LIABILITIES		187 360	185 103	-	-	185 103
NET ASSETS	2	458 059	460 563	-	-	460 563
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		456 412	458 916			458 916
Reserves		1 647	1 647			1 647
TOTAL COMMUNITY WEALTH/EQUITY	2	458 059	460 563	-	-	460 563

The financial statement section will only be able to implement monthly financial statements as soon as the Annual Financial Statements for the financial year 2013/2014 is audited.

This should greatly enhance the reporting of the financial position of the municipality. In the interim the status quo will maintain.

3.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Eden - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		129 870	125 436		1 195	4 974	20 906	(15 932)	-76%	125 436
Government - operating		141 097	170 060		1 334	55 664	28 343	27 321	96%	170 060
Government - capital								-		-
Interest		2 601	4 500		341	414	750	(336)	-45%	4 500
Dividends								-		-
Payments										
Suppliers and employees		(248 119)	(286 362)		(9 693)	(18 211)	(47 727)	(29 516)	62%	(286 362)
Finance charges		(485)	(530)				(88)	(88)	100%	(530)
Transfers and Grants		(4 144)	(4 084)		(305)	(440)	(681)	(241)	35%	(4 084)
NET CASH FROM/(USED) OPERATING ACTIVITIES		20 820	9 020	-	(7 128)	42 401	1 503	(40 898)	-2720%	9 020
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables		2 534	2 534					-		2 534
Decrease (increase) in non-current investments					(19 888)	(6 660)		(6 660)	#DIV/0!	-
Payments										
Capital assets		(1 135)	(8 300)					-		
NET CASH FROM/(USED) INVESTING ACTIVITIES		1 399	(5 766)	-	(19 888)	(6 660)	-	6 660	#DIV/0!	2 534
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(622)	(650)					-		(650)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(622)	(650)	-	-	-	-	-		(650)
NET INCREASE/ (DECREASE) IN CASH HELD		21 597	2 604	-	(27 016)	35 741	1 503			10 904
Cash/cash equivalents at beginning:		72 984	94 582			82 555	94 582			82 555
Cash/cash equivalents at month/year end:		94 581	97 186			118 296	96 085			93 459

Due to this being the 1st period within the financial year, cash flow reporting and other information is minimal.

The municipal bank balance at 31 August 2014 totals R118,295m and this is mainly the Equitable Share allocation that was received in August 2014 and the cash backed items as at 30 June 2014 which must be cash backed.

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

DC4 Eden - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August							
Description	NT Code	Budget Year 2014/15					
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total	Total over 90 days
R thousands							
Debtors Age Analysis By Income Source							
Trade and Other Receivables from Exchange Transactions - Water	1200					–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300					–	–
Receivables from Non-exchange Transactions - Property Rates	1400					–	–
Receivables from Exchange Transactions - Waste Water Management	1500					–	–
Receivables from Exchange Transactions - Waste Management	1600					–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	209	15	46	3 381	3 651	3 381
Interest on Arrear Debtor Accounts	1810					–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820					–	–
Other	1900	490	405	306	7 172	8 374	7 172
Total By Income Source	2000	699	421	352	10 553	12 025	10 553
2013/14 - totals only						–	–
Debtors Age Analysis By Customer Group							
Organs of State	2200					–	–
Commercial	2300					–	–
Households	2400	178	48	48	718	993	718
Other	2500	521	373	304	9 835	11 032	9 835
Total By Customer Group	2600	699	421	352	10 553	12 025	10 553

The municipality implemented the interest on outstanding accounts module on the financial system. Due to problems experienced with this process the reporting on outstanding debtors is unavailable and the municipality is reporting on the 30 June 2014 outstanding debtors balances. The service provider will be on site 25 August 2014 to address the problems.

As soon as the situation is addressed and corrected, the municipality will be in a position to do the correct reporting as required and will verify and distribute the correct information to the relevant role-players.

Council started levying interest on all outstanding accounts as from the 1st July 2014.

Section 5 – Creditors' analysis

Supporting Table C4

DC4 Eden - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	NT Code	Budget Year 2014/15								Total	Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300	1 138									1 138	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500	1 142									1 142	
Loan repayments	0600										-	
Trade Creditors	0700										-	
Auditor General	0800	10									10	
Other	0900										-	
Total By Customer Type	1000	2 289	-	-	-	-	-	-	-	-	2 289	-

Creditors section is busy with a total overhaul of their operating procedures. Standard operation procedures are being developed and various challenges addressed that was hindering better performance in terms of Creditors.

This should improve the reporting in future in terms of outstanding creditors but for the time being year to date the status quo will maintain.

No proper reporting on the outstanding creditors can be done for the period 31 August 2014 until the SOP's have been completed and implemented. Funding was requested from Provincial Treasury, awaiting response regarding approval.

Section 6 – Investment portfolio analysis

		Movements for the month				
	Balance as at 01 Aug 2014	Investments matured	Investments made	Balance as at 31 Aug 2014	Interest earned	Interest earned
					Month	Year to date
<i>Eden district municipality</i>						
<i>Interest Received YTD</i>				-		397 424.10
<i>Standard Bank</i>	10 000 000.00	-10 000 000.00		-	69 143.25	69 143.25
<i>FNB</i>	10 000 000.00	-10 000 000.00		-	71 484.64	71 484.64
<i>ABSA</i>	10 000 000.00	-10 000 000.00		-	71 506.85	71 506.85
<i>Nedbank</i>	10 000 000.00	-10 000 000.00		-	72 986.30	72 986.30
						-
BANK DEPOSITS	40 000 000.00	-40 000 000.00	-	-	285 121.04	682 545.14

6.1 Investment monitoring information

The investment as reported for the month of August is mainly due to the first instalment of the equitable share received. As previously reported the municipality invest access funds on a 30 days short-term investment period in order to maximise the interest received and to have cash readily available when needed.

Section 7 – Allocation and grant receipts and expenditure

7.1 Supporting Table C6

DC4 Eden - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		139 393	167 213	-	1 334	55 664	27 869	30 314	108.8%	167 213
Local Government Equitable Share		129 669	134 097		-	53 080	22 350	30 731	137.5%	134 097
Finance Management		1 250	1 250		-	1 250	208			1 250
Municipal Systems Improvement		890	934		934	934	156			934
EPWP Incentive		1 000	1 000		400	400	167			1 000
Municipal Disaster Recovery Grant		6 584	27 432		-	-	4 572			27 432
LG: Bulk Water and Waste Water infrastruc.	3		2 500		-	-	417	(417)	-100.0%	2 500
								-		
								-		
Other transfers and grants [insert description]								-		
Provincial Government:		1 704	2 847	-	-	-	475	(475)	-100.0%	2 847
Intergrated Transport Planning - PT		604	900		-	-	150	(150)	-100.0%	900
Nelson Mandela Memorial		150								
WC FMG Assistance		550								
WC Support - Provincial Treasury		400								
Rural Roads Asset Management Systems	4		1 947		-	-	325	(325)	-100.0%	1 947
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Operating Transfers and Grants	5	141 097	170 060	-	1 334	55 664	28 343	29 839	105.3%	170 060

7.2 Supporting Table C7

DC4 Eden - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		139 393	167 213	-	305	431	27 869	(27 438)	-98.5%	167 213
Local Government Equitable Share		129 669	134 097				22 350	(22 350)	-100.0%	134 097
Finance Management		1 250	1 250		61	100	208	(108)	-51.9%	1 250
Municipal Systems Improvement		890	934		218	218	156	62	39.7%	934
EPWP Incentive		1 000	1 000		26	113	167	(54)	-32.2%	1 000
Municipal Disaster Recovery Grant		6 584	27 432		-	-	4 572	(4 572)	-100.0%	27 432
L.G: Bulk Water and Waste Water infrastruc			2 500		-	-	417	(417)	-100.0%	2 500
Other transfers and grants [insert description]										
Provincial Government:		1 554	2 847	-	-	-	475	(475)	-100.0%	2 847
Intergrated Transport Planning - PT		604	900		-	-	150	(150)	-100.0%	900
WC FMG Assistance		550								
WC Support - Provincial Treasury		400								
Rural Roads Asset Management Systems			1 947		-	-	325	(325)	-100.0%	1 947
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total operating expenditure of Transfers and Grants:		140 947	170 060	-	305	431	28 343	(27 913)	-98.5%	170 060

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act that stipulates reporting on all grant performance should be done from the receiving officer.

The municipality will ensure that this is done with the August reporting cycle to council and the reporting will be included in the FMR report to ensure the same information is reported to the various reporting structures of council.

Section 8 – Expenditure on councillor and board members allowances and employee benefits

Supporting Table C8

DC4 Eden - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 199	5 016		416	837	836	1	0%	5 016
Pension and UIF Contributions		107	135		10	21	22	(2)	-8%	135
Medical Aid Contributions		107	180		15	30	30	0	1%	180
Motor Vehicle Allowance		1 223	1 709		121	247	285	(38)	-13%	1 709
Cellphone Allowance		282	558		26	52	93	(41)	-44%	558
Housing Allowances								-		
Other benefits and allowances		50	107				18	(18)	-100%	107
Sub Total - Councillors		6 969	7 705	-	589	1 187	1 284	(97)	-8%	7 705
% increase	4		10.6%							10.6%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 266	3 150		267	534	525	9	2%	3 150
Pension and UIF Contributions		417	607		43	87	101	(14)	-14%	607
Medical Aid Contributions		61	65		4	7	11	(4)	-33%	65
Overtime			-					-		
Performance Bonus		507	485				81	(81)	-100%	485
Motor Vehicle Allowance		369	471		41	81	79	3	4%	471
Cellphone Allowance		12	41		1	23	7	16	237%	41
Housing Allowances		84	84		7	14	14	-		84
Other benefits and allowances			-					-		
Payments in lieu of leave			45				8	(8)	-100%	45
Long service awards								-		
Post-retirement benefit obligations	2							-		
Sub Total - Senior Managers of Municipality		4 716	4 949	-	363	747	825	(78)	-9%	4 949
% increase	4		4.9%							4.9%
Other Municipal Staff										
Basic Salaries and Wages		86 917	111 662		4 480	8 941	18 610	(9 670)	-52%	111 662
Pension and UIF Contributions		18 332	11 604		912	1 826	1 934	(108)	-6%	11 604
Medical Aid Contributions		13 993	6 705		618	1 226	1 118	109	10%	6 705
Overtime		1 460	1 245		49	105	208	(102)	-49%	1 245
Performance Bonus		(147)	-					-		
Motor Vehicle Allowance		8 241	6 037		592	1 154	1 006	148	15%	6 037
Cellphone Allowance		133	596				99	(99)	-100%	596
Housing Allowances		823	565		48	96	94	2	2%	565
Other benefits and allowances		2 822	2 372		48	71	395	(325)	-82%	2 372
Payments in lieu of leave		6 511	4 228			27	705	(678)	-96%	4 228
Long service awards		158	750				125	(125)	-100%	750
Post-retirement benefit obligations	2	2 095	4 324				721	(721)	-100%	4 324
Sub Total - Other Municipal Staff		141 339	150 086	-	6 747	13 445	25 014	(11 569)	-46%	150 086
% increase	4		6.2%							6.2%
Total Parent Municipality		153 023	162 740	-	7 699	15 379	27 123	(11 744)	-43%	162 740

Year to date employee related expenditure totals 82% of the spending for the month of August 2014. Various vacancies were budgeted and the reporting on these vacancies will be done in future reporting cycles and the bonus will be paid out in November.

QUALITY CERTIFICATE

...G W LOUW, the accounting officer / chief financial officer of **EDEN DISTRICT MUNICIPALITY DC4**.(name of municipality), hereby certify that -

(mark as appropriate)

- The monthly budget statement**
- Quarterly report on the implementation of the budget and financial statements of the municipality
- Mid- year budget and performance assessment

For the month of **AUGUST 2014** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.



Print name ----- G. W. Louw -----

Accounting Officer / Chief Financial Officer of **EDEN DISTRICT MUNICIPALITY DC4**
(name and demarcation of municipality)

Signature ----- [Handwritten Signature] -----

Date ----- 12/09/14 -----

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