



EDEN DISTRICT MUNICIPALITY

FINANCIAL YEAR 2014 - 2015

MONTHLY FINANCIAL REPORT

28 FEBRUARY 2015

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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 takes notes of the monthly report for the period 28 February 2015.

Section 2 – Executive Summary

2.1 Introduction

These figures are presented in terms of section 71 of the MFMA. The information is presented for the month and year to date ending 28 February 2015.

2.2 Consolidated performance

2.2.1 Against annual budget (original)

Revenue by source

Revenue at the end of 28 February received totals R153,418,940. This is up with R4,393,259 from the January reported figures. Year to date performance in terms of revenue totals 72.1% excluding the Roads Agency function. The expenditure and budget for the Roads Agency function is not taken into account in the Financial Management Report.

Operating Expenditure by type

Performance in term of operational expenditure calculates at 55% of budgeted amounts or a rand value of R115,122,545 as at the end of 28 February 2015. The municipality is in the first month of its adjusted budget spending cycle and spending was revised accordingly. Expenditure on non-cash items will be processed after year end when GRAP procedures are performed.

Capital Expenditure

The capital budget of R9,413,750 as approved during the council meeting in January records a total year to date spending of R506,061. That corresponds to a 5.4% spending at the end of 28 February 2015. The main capital project, the Regional Landfill Site records no spending against a budget of R5,800,000.

2.3 Material variances from SDBIP

The adjustments as approved during the council meeting with the Adjustment budget 2014/15, was processed and recorded against the revised targets.

Corrections will be processed and execute by the Performance Management unit, responsible for the SDBIP as required.

2.4 Remedial or corrective steps

Remedial actions and corrections will be instituted in line with the Adjusted SDBIP, as soon as this is finalised reporting on such actions will be done.

2.5 Conclusion

The period ending 28 February recorded a surplus of R28.3m. This is mainly due to the RSC levies replacement grant received in advance. This grant is used to fund the operations of council.

More detailed analysis will be provided in 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 - M08 February									
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	4 684	4 500	4 750	310	4 565	3 000	1 565	52%	4 500
Transfers recognised - operational	145 733	170 060	168 993	509	130 175	113 373	16 802	15%	170 060
Other own revenue	156 147	134 257	155 441	3 574	18 679	89 505	(70 826)	-79%	134 257
Total Revenue (excluding capital transfers and contributions)	306 563	308 817	329 184	4 393	153 419	205 878	(52 459)	-25%	308 817
Employee costs	92 562	95 117	94 315	7 542	61 588	63 412	(1 823)	-3%	95 117
Remuneration of Councillors	7 028	7 705	7 723	586	4 698	5 137	(439)	-9%	7 705
Depreciation & asset impairment	4 831	8 322	6 800	347	2 399	5 548	(3 149)	-57%	8 322
Finance charges	704	530	830	-	80	353	(273)	-77%	530
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	36 253	35 396	11 314	24 174	24 169	5	0%	36 253
Other expenditure	208 787	158 385	180 501	2 088	22 183	105 590	(83 407)	-79%	158 385
Total Expenditure	313 913	306 313	325 566	21 878	115 123	204 209	(89 086)	-44%	306 313
Surplus/(Deficit)	(7 349)	2 504	3 618	(17 485)	38 296	1 669	36 627	2194%	2 504
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(7 349)	2 504	3 618	(17 485)	38 296	1 669	36 627	2194%	2 504
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(7 349)	2 504	3 618	(17 485)	38 296	1 669	36 627	2194%	2 504
Capital expenditure & funds sources									
Capital expenditure	1 226	8 300	9 414	265	506	6 276	(5 770)	-92%	-
Capital transfers recognised	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	1 226	8 300	9 414	265	506	6 276	(5 770)	-92%	-
Total sources of capital funds	1 226	8 300	9 414	265	506	6 276	(5 770)	-92%	-
Financial position									
Total current assets	105 078	113 384	105 078	-	172 834	-	-	-	113 384
Total non current assets	515 890	532 282	515 890	-	514 184	-	-	-	532 282
Total current liabilities	52 701	67 533	52 701	-	61 215	-	-	-	67 533
Total non current liabilities	114 974	117 570	114 974	-	114 974	-	-	-	117 570
Community wealth/Equity	453 293	460 563	453 293	-	510 829	-	-	-	460 563
Cash flows									
Net cash from (used) operating	20 820	9 020	(30 251)	(17 485)	38 296	(20 167)	(58 464)	290%	9 020
Net cash from (used) investing	1 399	(5 766)	(6 880)	(23 765)	(58 053)	(6 276)	51 777	-825%	2 534
Net cash from (used) financing	(622)	(650)	(650)	-	-	-	-	-	(650)
Cash/cash equivalents at the month/year end	94 581	97 186	56 801	-	114 233	68 139	(46 094)	-68%	144 894
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	456	76	74	9 812	-	-	-	-	10 418
Creditors Age Analysis									
Total Creditors	2 412	-	-	-	-	-	-	-	2 412

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

DC4 Eden - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February										
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>		163 210	196 577	205 505	3 217	148 508	131 051	17 457	13%	196 577
Executive and council		162 335	195 274	204 202	3 217	147 344	130 183	17 161	13%	195 274
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		875	1 302	1 302	-	1 164	868	296	34%	1 302
<i>Community and public safety</i>		5 327	6 024	6 036	1 176	4 154	4 016	138	3%	6 024
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		5 143	5 855	5 867	1 158	4 014	3 903	110	3%	5 855
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		183	169	169	19	140	113	28	25%	169
<i>Economic and environmental services</i>		137 906	106 132	116 522	-	27	70 755	(70 727)	-100%	106 132
Planning and development		4	-	-	-	-	-	-	-	-
Road transport		137 713	106 000	116 290	-	-	70 667	(70 667)	-100%	106 000
Environmental protection		189	132	232	-	27	88	(61)	-69%	132
<i>Trading services</i>		120	84	1 122	-	730	56	673	1195%	84
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	(90)	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		120	84	1 122	90	730	56	673	1195%	84
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	306 563	308 817	329 184	4 393	153 419	205 878	(52 459)	-25%	308 817
Expenditure - Standard										
<i>Governance and administration</i>		109 453	117 701	128 040	15 886	69 000	78 467	(9 467)	-12%	117 701
Executive and council		65 949	63 639	74 322	12 409	37 732	42 426	(4 694)	-11%	63 639
Budget and treasury office		17 259	24 699	22 999	1 104	12 606	16 466	(3 860)	-23%	24 699
Corporate services		26 245	29 363	30 719	2 373	18 663	19 576	(913)	-5%	29 363
<i>Community and public safety</i>		63 230	65 305	64 409	5 220	38 954	43 537	(4 583)	-11%	65 305
Community and social services		2 279	2 918	-	(1 617)	-	1 946	(1 946)	-100%	2 918
Sport and recreation		8 277	9 743	10 093	1 405	6 377	6 495	(118)	-2%	9 743
Public safety		28 928	25 179	23 534	1 464	13 134	16 786	(3 652)	-22%	25 179
Housing		-	-	-	-	-	-	-	-	-
Health		23 746	27 465	30 782	3 968	19 443	18 310	1 133	6%	27 465
<i>Economic and environmental services</i>		137 365	118 237	126 746	591	5 059	6 230	(1 171)	-19%	118 237
Planning and development		6 193	6 909	7 351	456	3 947	4 606	(659)	-14%	6 909
Road transport		125 444	108 891	117 331	2	2	-	2	#DIV/0!	108 891
Environmental protection		5 728	2 436	2 065	133	1 109	1 624	(515)	-32%	2 436
<i>Trading services</i>		3 865	5 070	6 370	181	2 109	3 380	(1 271)	-38%	5 070
Electricity		-	-	-	-	-	-	-	-	-
Water		201	3 708	3 023	80	177	2 472	(2 295)	-93%	3 708
Waste water management		1 976	-	-	-	-	-	-	-	-
Waste management		1 688	1 362	3 347	101	1 933	908	1 025	113%	1 362
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	313 913	306 313	325 566	21 878	115 123	131 614	(16 492)	-13%	306 313
Surplus/ (Deficit) for the year		(7 350)	2 504	3 619	(17 485)	38 296	74 263	(35 967)	-48%	2 504

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:

Operation Revenue totals R153,418,940 or 72.1% of the budget. This is mainly a result of the RSC Replacement Grant total of R97,779,000 and Disaster recovery grant of R27,432,000. Together these two allocations represent 82% of all income received year to date. The equitable share grant is used to fund the activities of council. The disaster funds were received to fund the flood damages of the local municipalities within the district. Eden as district municipality is merely managing the process of pay-outs in terms of this grant.

Operating Expenditure

Spending of the operational budget is recorded at 55% of the Adjustment budget amounts. This is a total rand value of R115,122,545. Most of these expenses are salary related with a total of 57.8% of the total expenditure as at 28 February 2015. Other expenditures totals R48,436,031 of total recorded expenses.

More details will be provided below with the detailed expenditure below.

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

DC4 Eden - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February										
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										
Vote 1 - Executive & Council	1	162 335	195 274	204 202	3 217	147 344	130 183	17 161	13.2%	195 274
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		875	1 302	1 302	-	1 164	868	296	34.1%	1 302
Vote 4 - Planning and Development		4	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		183	169	169	19	140	113	28	24.5%	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		5 143	5 855	5 867	1 158	4 014	3 903	110	2.8%	5 855
Vote 9 - Waste Management		120	84	1 122	90	730	-	730	#DIV/0!	84
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	(90)	-	-	-	-	-
Vote 13 - Environmental Protection		189	132	232	-	27	88	(61)	-69.1%	-
Vote 14 - Roads Agency Function		137 713	106 000	116 290	-	-	70 667	(70 667)	-100.0%	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	306 563	308 817	329 184	4 393	153 419	205 822	(52 403)	-25.5%	202 516
Expenditure by Vote										
Vote 1 - Executive & Council	1	65 949	63 639	74 322	12 409	37 732	42 426	(4 694)	-11.1%	63 639
Vote 2 - Budget and Treasury Office		17 259	24 699	22 999	1 104	12 606	16 466	(3 860)	-23.4%	24 699
Vote 3 - Corporate Services		26 245	29 363	30 719	2 373	18 663	19 576	(913)	-4.7%	29 363
Vote 4 - Planning and Development		6 193	6 909	7 351	456	3 947	4 606	(659)	-14.3%	6 909
Vote 5 - Public Safety		28 928	25 179	23 534	1 464	13 134	16 786	(3 652)	-21.8%	25 179
Vote 6 - Health		23 746	27 465	30 782	3 968	19 443	18 310	1 133	6.2%	27 465
Vote 7 - Community and Social Services		2 279	2 918	-	(1 617)	-	1 946	(1 946)	-100.0%	2 918
Vote 8 - Sport and Recreation		8 277	9 743	10 093	1 405	6 377	6 495	(118)	-1.8%	9 743
Vote 9 - Waste Management		1 688	1 362	3 347	101	1 933	908	1 025	112.9%	1 362
Vote 10 - Road Transport		365	2 891	1 041	2	2	1 928	(1 925)	-99.9%	2 891
Vote 11 - Waste Water Management		1 976	-	-	-	-	-	-	-	-
Vote 12 - Water		201	3 708	3 023	80	177	2 472	(2 295)	-92.9%	3 708
Vote 13 - Environmental Protection		5 728	2 437	2 065	133	1 109	1 624	(515)	-31.7%	2 437
Vote 14 - Roads Agency Function		125 079	106 000	116 290	-	-	70 667	(70 667)	-100.0%	106 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	313 913	306 313	325 566	21 878	115 123	204 209	(89 086)	-43.6%	306 313
Surplus/ (Deficit) for the year	2	(7 350)	2 504	3 618	(17 485)	38 296	1 613	36 684	2274.6%	(103 797)

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 therefore 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.

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

DC4 Eden - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February										
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	853	2 357	2 357	1 215	676	1 571	(895)	-57%	2 357	
Interest earned - external investments	4 684	4 500	4 750	310	4 565	3 000	1 565	52%	4 500	
Interest earned - outstanding debtors			881	78	647	-	647	#DIV/0!		
Dividends received				-	-					
Fines				-	-					
Licences and permits	189			-	-					
Agency services	679	12 671	13 777	1 010	9 007	8 447	560	7%	12 671	
Transfers recognised - operational	145 733	170 060	168 993	509	130 175	113 373	16 802	15%	170 060	
Other revenue	154 425	119 229	138 425	1 271	8 348	79 486	(71 138)	-89%	119 229	
Gains on disposal of PPE				-	-					
Total Revenue (excluding capital transfers and contributions)		306 563	308 817	329 184	4 393	153 419	205 878	(52 459)	-25%	308 817
Expenditure By Type										
Employee related costs		92 562	95 117	94 315	7 542	61 588	63 412	(1 823)	-3%	95 117
Remuneration of councillors		7 028	7 705	7 723	586	4 698	5 137	(439)	-9%	7 705
Debt impairment		2 443	800	1 800	-	-	533	(533)	-100%	800
Depreciation & asset impairment		4 831	8 322	6 800	347	2 399	5 548	(3 149)	-57%	8 322
Finance charges		704	530	830	-	80	353	(273)	-77%	530
Bulk purchases					-	-				
Other materials					-	-				
Contracted services		13 808	9 975	8 414	351	4 798	6 650	(1 852)	-28%	9 975
Transfers and grants			36 253	35 396	11 314	24 174	24 169	5	0%	36 253
Other expenditure		192 537	147 610	170 287	1 737	17 385	98 406	(81 022)	-82%	147 610
Loss on disposal of PPE					-	-				
Total Expenditure		313 913	306 313	325 566	21 878	115 123	204 209	(89 086)	-44%	306 313
Surplus/(Deficit)		(7 349)	2 504	3 618	(17 485)	38 296	1 669	36 627	0	2 504
Transfers recognised - capital										
Contributions recognised - capital										
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		(7 349)	2 504	3 618	(17 485)	38 296	1 669			2 504
Taxation										
Surplus/(Deficit) after taxation		(7 349)	2 504	3 618	(17 485)	38 296	1 669			2 504
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(7 349)	2 504	3 618	(17 485)	38 296	1 669			2 504
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(7 349)	2 504	3 618	(17 485)	38 296	1 669			2 504

Revenue by Source

Revenue by source explains the types of income budgeted for and the performance of these items individually.

Rental of facilities and equipment:

The processing of the corrections on the Rental income category as previously reported was done in February. The results is that the rental category reflects a positive balance of R676,411 against an Adjusted budget of R2,356,866. Council rented land and buildings recorded against this category.

Interest earned – External Investments:

The budget of interest earned reflects an actual performance of 96.1% against a recorded budget of R4,750,000. Council investment principles of investing most of the access cash is yielding positive returns and the budget will be outperformed by 30 June 2015.

Transferred recognised – operational

The municipality received all conditional grant allocated in terms of the National and Provincial Revenues act. All grant income was received on time as per the different payment schedules available. Total Equitable share received for the period ending 28 February 2015 total R97,779,000. The last instalment in terms of EQS is due in March 2015.

Other revenue / Sundry income

The biggest concern in council income performance is the income for other expenditures and sundry income. Most of council own income reflects under this category. the performance is also being questioned by Provincial Treasury on a regular basis. Excluding the roads income the budget of R39.1m report an of R18.6m year to date. This represents a 47.7% percentage.

The resort income also reflects under this category and the Easter season ahead should bolster performance since increase occupancy levels can be expected over this period.

Gains on disposal of PPE (Sale of Land)

No income was recorded under the Gains on disposal of PPE as there was no disposal of assets.

Expenditure by Type

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

Employee Related cost / Remuneration of councillors

Remuneration and council related expenses totals R66.3m of the budgeted amounts. This represents 64.5% of the budgeted amounts.

More details below under relevant section.

Debt Impairment / Depreciation and asset impairment

Debt impairment and provisions are mostly accounted for at the end of the financial year. Monthly transactions are processed but the majority of the reporting will be done in June 2015.

Finance charges

Yearly repayments of the loans are processed in March and September. Payments were processed during the month of September in terms of the loans outstanding. Outstanding balance on council loan liability totals R1,197,469.04.

Contracted services

At the end of 28 February 2015 the total expenditures for contracted services equals R4,798,367. This represents a total of 57% of council's budget.

Other expenditure

Year to date expenditure totals R22.183m for the period ending 28 February 2015. Non-cash items budgeted under this category can only be account for at the end of the reporting period. This is done to adhere to the GRAP principles in completing the Annual Financial statements at the end of 30 June 2015.

Spending on the other items should increase during the last quarter of the financial year.

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

DC4 Eden - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M08 February										
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		114	-	327	-	-	218	(218)	-100%	-
Vote 2 - Budget and Treasury Office		21	-	6	-	-	4	(4)	-100%	-
Vote 3 - Corporate Services		560	1 000	923	168	410	615	(205)	-33%	-
Vote 4 - Planning and Development		50	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		444	1 300	1 935	-	-	1 290	(1 290)	-100%	-
Vote 6 - Health		31	-	53	-	-	35	(35)	-100%	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		6	200	370	96	96	247	(151)	-61%	-
Vote 9 - Waste Management		-	5 800	5 800	-	-	3 867	(3 867)	-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	1 226	8 300	9 414	265	506	6 276	(5 770)	-92%	-

Variations explained in Supporting Table C5

The municipality adjusted the Capital Budget from R8,300,000 to R9,413,750. The majority of the additional funds were allocated to the Fire department for the replacement of emergency equipment and the council administration sections.

Various capital projects are in the tender stage and appointment of successful service providers should be commencing soon.

The capital projects in terms of Fire Service department, replacement of fire fleet is in the committee stage of Supply chain management. Spending on these items should be reported in the 3rd quarter of the financial year.

The other major item is the purchase of the land for the regional landfill site of R5,8m. This is in the contract phase, once the land is registered in Eden DM name, the funds will be transferred.

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Eden - Table C6 Monthly Budget Statement - Financial Position - M08 February

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		79 737	95 686	79 737	156 266	95 686
Call investment deposits		-	-			-
Consumer debtors		14 440	6 757	16 446	10 034	6 757
Other debtors		3 851	4 402	1 845		4 402
Current portion of long-term receivables		2 404	2 534	2 404	2 404	2 534
Inventory		4 645	4 005	4 645	4 130	4 005
Total current assets		105 078	113 384	105 078	172 834	113 384
Non current assets						
Long-term receivables		47 487	37 190	47 487	47 487	37 190
Investments		-	-		41	-
Investment property		170 665	345 577	170 665	170 578	345 577
Investments in Associate		-	-			-
Property, plant and equipment		294 896	146 406	294 896	293 507	146 406
Agricultural		-	-			-
Biological assets		-	-			-
Intangible assets		2 801	3 068	2 801	2 571	3 068
Other non-current assets		41	41	41		41
Total non current assets		515 890	532 282	515 890	514 184	532 282
TOTAL ASSETS		620 968	645 666	620 968	687 018	645 666
LIABILITIES						
Current liabilities						
Bank overdraft		-	-			-
Borrowing		1 923	700	1 904	1 470	700
Consumer deposits		-	-			-
Trade and other payables		30 278	44 745	30 296	48 026	44 745
Provisions		20 501	22 087	20 501	11 719	22 087
Total current liabilities		52 701	67 533	52 701	61 215	67 533
Non current liabilities						
Borrowing		3 136	2 156	705	705	2 156
Provisions		111 837	115 414	114 269	114 269	115 414
Total non current liabilities		114 974	117 570	114 974	114 974	117 570
TOTAL LIABILITIES		167 675	185 103	167 675	176 189	185 103
NET ASSETS	2	453 293	460 563	453 293	510 829	460 563
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		435 224	458 916	435 224	492 760	458 916
Reserves		18 069	1 647	18 069	18 069	1 647
TOTAL COMMUNITY WEALTH/EQUITY	2	453 293	460 563	453 293	510 829	460 563

The financial position of council is recorded at the end of January 2015. This table excludes the figures for Roads department

3.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Eden - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		129 870	125 436	125 436	3 724	51 075	83 624	(32 549)	-39%	125 436
Government - operating		141 097	170 060	168 993	359	97 779	112 662	(14 883)	-13%	170 060
Government - capital										
Interest		2 601	4 500	4 750	310	4 565	3 167	1 398	44%	4 500
Dividends										
Payments										
Suppliers and employees		(248 119)	(286 362)	(293 704)	(10 256)	(89 152)	(195 803)	(106 651)	54%	(286 362)
Finance charges		(485)	(530)	(830)		(80)	(553)	(473)	85%	(530)
Transfers and Grants		(4 144)	(4 084)	(34 896)	(11 622)	(25 890)	(23 264)	2 626	-11%	(4 084)
NET CASH FROM/(USED) OPERATING ACTIVITIES		20 820	9 020	(30 251)	(17 485)	38 296	(20 167)	(58 464)	290%	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						2 534
Decrease (increase) in non-current investments					(23 500)	(57 716)		(57 716)	#DIV/0!	
Payments										
Capital assets		(1 135)	(8 300)	(9 414)	(265)	(338)	(6 276)	(5 938)	95%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		1 399	(5 766)	(6 880)	(23 765)	(58 053)	(6 276)	51 777	-825%	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)						(650)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(622)	(650)	(650)	-	-	-	-		(650)
NET INCREASE/ (DECREASE) IN CASH HELD		21 597	2 604	(37 781)	(41 249)	(19 757)	(26 443)			10 904
Cash/cash equivalents at beginning:		72 984	94 582	94 582		133 990	94 582			133 990
Cash/cash equivalents at month/year end:		94 581	97 186	56 801		114 233	68 139			144 894

The total cash balance of council at the end of 28 February 2015 reflects a cash balance of R114,232,712. Included in this total is investments that matures in March of R94,000,000 as well as the commitment in terms of the Regional Landfill Site. Council mostly receive its income via equitable share funding and these funds are invested to optimise the interest income of council. The reason for the cash is grants received in advance, spending that must be incurred and spending is behind. Other items that must be cash backed example unspent grants CRR etc.

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

DC4 Eden - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February								
Description	NT Code	Budget Year 2014/15					Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 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	97	19	22	2 781	2 918	2 781	
Interest on Arrear Debtor Accounts	1810					–	–	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820					–	–	
Other	1900	359	58	52	7 031	7 500	7 031	
Total By Income Source	2000	456	76	74	9 812	10 418	9 812	
2013/14 - totals only						–	–	
Debtors Age Analysis By Customer Group								
Organs of State	2200					–	–	
Commercial	2300					–	–	
Households	2400	66	52	46	1 137	1 301	1 137	
Other	2500	390	24	28	8 675	9 117	8 675	
Total By Customer Group	2600	456	76	74	9 812	10 418	9 812	

A report of outstanding debtors will be tabled to council as by end of March 2015.

Outstanding debtors at the end of February totals R10,418m

Section 5 – Creditors' analysis

Supporting Table C4

DC4 Eden - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February										
Description	NT Code	Budget Year 2014/15								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300	1 276								1 276
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500	1 136								1 136
Loan repayments	0600									-
Trade Creditors	0700									-
Auditor General	0800	-								-
Other	0900									-
Total By Customer Type	1000	2 412	-	-	-	-	-	-	-	2 412

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

Section 6 – Investment portfolio analysis

	Balance as at 01 Feb 2015	Movements for the month			Balance as at 28 Feb 2015	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
<i>Eden district municipality</i>							
<i>Interest Received YTD</i>					-		1 666 942.15
<i>Standard Bank</i>	23 500 000.00				23 500 000.00	279 827.17	279 827.17
<i>FNB</i>	23 500 000.00				23 500 000.00	275 711.63	275 711.63
<i>ABSA</i>	23 500 000.00				23 500 000.00	283 937.67	283 937.67
<i>Nedbank</i>	23 500 000.00				23 500 000.00	288 725.34	288 725.34
<i>Standard Bank - Bank Guarantee investment</i>	6 378 762.00				6 378 762.00		-
BANK DEPOSITS	100 378 762.00	-	-	-	100 378 762.00	1 128 201.81	2 795 143.96

6.1 Investment monitoring information

Total investment at the end of February equals R100,3m. This represents the short term investment as well as the bank guarantee required for the Landfill site. (R6.3 m)

Investments only mature in March and therefore no funds were invested for February 2015.

Finance Department invests access funds as per the policy approved by council.

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 - M08 February										
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	167 213	359	128 395	111 475	6 714	6.0%	167 213
Local Government Equitable Share		129 669	134 097	134 097	59	97 779	89 398	8 381	9.4%	134 097
Finance Management		1 250	1 250	1 250	-	1 250	833			1 250
Municipal Systems Improvement		890	934	934	-	934	623			934
EPWP Incentive		1 000	1 000	1 000	300	1 000	667			1 000
Municipal Disaster Recovery Grant		6 584	27 432	27 432	-	27 432	18 288			27 432
LG: Bulk Water and Waste Water infrastruct.	3		2 500	2 500	-	-	1 667	(1 667)	-100.0%	2 500
Provincial Government:		1 704	2 847	1 780	150	1 780	1 187	594	50.0%	1 780
Intergrated Transport Planning - PT		604	900	900	-	900	600	300	50.0%	900
Nelson Mandela Memorial		150								-
WC FMG Assistance		550						-		-
WC Support - Provincial Treasury	4	400						-		-
Rural Roads Asset Management Systems			1 947				-	-		-
PT WC FMG Grant				880	150	880	587	294	50.1%	880
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total Operating Transfers and Grants	5	141 097	170 060	168 993	509	130 175	112 662	7 308	6.5%	168 993

The majority of the unspent grants balances are allocated to the Disaster Recovery Grant. These grants must be paid to the B Municipalities as set out in the grant conditions, however B Municipalities must first submit expenditure reports before the monies will be paid over.

7.2 Supporting Table C7

DC4 Eden - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February										
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	167 213	11 377	121 953	111 475	10 478	9.4%	167 213
Local Government Equitable Share		129 669	134 097	134 097	-	97 779	89 398	8 381	9.4%	134 097
Finance Management		1 250	1 250	1 250	59	462	833	(371)	-44.5%	1 250
Municipal Systems Improvement		890	934	934	(120)	762	623	140	22.4%	934
EPWP Incentive		1 000	1 000	1 000	67	384	667	(283)	-42.4%	1 000
Municipal Disaster Recovery Grant		6 584	27 432	27 432	11 308	22 502	18 288	4 214	23.0%	27 432
LG: Bulk Water and Waste Water infrastruc.			2 500	2 500	63	63	1 667	(1 604)	-96.2%	2 500
Other transfers and grants [insert description]								-		-
Provincial Government:		1 554	2 847	1 780	-	-	600	(600)	-100.0%	1 780
Integrated Transport Planning - PT		604	900	900	-	-	600	(600)	-100.0%	900
WC FMG Assistance		550								
WC Support - Provincial Treasury		400								
Rural Roads Asset Management Systems			1 947							
PT WC FMG Grant				880						880
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total operating expenditure of Transfers and Grants:		140 947	170 060	168 993	11 377	121 953	112 075	9 878	8.8%	168 993

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.

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 - M08 February											
Summary of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15						YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget				
R thousands											
	1	A	B	C					%	D	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		5 199	5 016	5 969	411	3 329	418	2 911	696%	5 969	
Pension and UIF Contributions		107	135	107	10	82	11	71	633%	107	
Medical Aid Contributions		107	180	107	20	130	15	115	768%	107	
Motor Vehicle Allowance		1 223	1 709	1 223	119	948	142	806	566%	1 223	
Cellphone Allowance		282	558	267	26	209	47	162	349%	267	
Housing Allowances											
Other benefits and allowances		50	107	50			9	(9)	-100%	50	
Sub Total - Councillors		6 969	7 705	7 723	586	4 698	642	4 056	632%	7 723	
% increase	4		10.6%	10.8%						10.8%	
Senior Managers of the Municipality											
Basic Salaries and Wages	3	3 266	3 150	3 266	269	2 150	2 177	(27)	-1%	3 266	
Pension and UIF Contributions		417	607	417	49	389	278	111	40%	417	
Medical Aid Contributions		61	65	61	4	33	41	(8)	-19%	61	
Overtime											
Performance Bonus		507	485	325	364	364	217	147	68%	325	
Motor Vehicle Allowance		369	471	369	44	350	246	104	42%	369	
Cellphone Allowance		12	41	12	2	40	8	32	394%	12	
Housing Allowances		84	84	84	7	56	56			84	
Other benefits and allowances											
Payments in lieu of leave			45								
Long service awards											
Post-retirement benefit obligations	2										
Sub Total - Senior Managers of Municipality		4 716	4 949	4 534	738	3 381	3 023	358	12%	4 534	
% increase	4		4.9%	-3.9%						-3.9%	
Other Municipal Staff											
Basic Salaries and Wages		86 917	111 662	57 613	4 759	36 180	38 409	(2 229)	-6%	57 613	
Pension and UIF Contributions		18 332	11 604	11 424	858	7 139	7 616	(477)	-6%	11 424	
Medical Aid Contributions		13 993	6 705	8 150	428	4 724	5 433	(710)	-13%	8 150	
Overtime		1 460	1 245	1 027	113	724	685	39	6%	1 027	
Performance Bonus		(147)		35			23	(23)	-100%	35	
Motor Vehicle Allowance		8 241	6 037	5 863	537	4 634	3 909	725	19%	5 863	
Cellphone Allowance		133	596	119	1	4	79	(75)	-95%	119	
Housing Allowances		823	565	516	47	382	344	38	11%	516	
Other benefits and allowances		2 822	2 372	692	61	380	461	(82)	-18%	692	
Payments in lieu of leave		6 511	4 228	4 342		4 041	4 342	(301)	-7%	4 342	
Long service awards		158	750								
Post-retirement benefit obligations	2	2 095	4 324								
Sub Total - Other Municipal Staff		141 339	150 086	89 781	6 803	58 208	61 301	(3 094)	-5%	89 781	
% increase	4		6.2%	-36.5%						-36.5%	
Total Parent Municipality		153 023	162 740	102 038	8 128	66 287	64 966	1 320	2%	102 038	

Salary and council related expenditure totals R66.286m for the year ending 28 February 2015. This total represents 57.6% of all expenditure for the municipality. Various vacancies were also budgeted and some of these vacancies were filled. The municipality as part of its Draft budget 2015/16 MTREF will revisit the salary budget and the vacancies will be revalued.

More information in terms of salaries will be made available over the next 2 quarters of the financial year.

Section 9 – Municipal manager’s quality certification

NAVRAE ENQUIRIES: S Stanley
KONTAKNR CONTACT NO: 044 803 1343
VERW. REF: 0/18/7/2014-2015
KANTOOR OFFICES: George
DATUM DATE: 09 March 2015



QUALITY CERTIFICATE

I, **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 state affairs of the municipality
- Mid- year budget and performance assessment

For the month of **28 FEBRUARY 2015** (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: 11/03/15