



EDEN DISTRICT MUNICIPALITY

FINANCIAL YEAR 2015 - 2016

MONTHLY FINANCIAL REPORT

31 JULY 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 31 July 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 31 July 2015.

2.2 Consolidated performance

2.2.1 Against annual budget (original)

Revenue by source

Operating revenue for the first period of the financial year is mainly due to the 1st instalment of the Equitable Share allocation that was received on the 6th of July 2015 of R 57 875 000.00. The total revenue received for the month of July amounts to **R 84 053 406.59**.

Operating Expenditure by type

Operating expenditure of **R9,333,072.50** is reported against a budget of R217,879,084.10 (excluding Roads budget). Being the beginning of the new financial year the operational budget is less than 10% and most projects in its planning phase or at supply chain process. Spending will commence within the 1st to 2nd quarter of the financial year as per estimation.

Capital Expenditure

The capital budgeted for the new financial year amounts to R1,035,000.00. Capital expenditure of R14,579.68 is reported for the month of July 2015.

2.3 Material variances from SDBIP

Variances and deficiencies will be explained in terms of the SDBIP will be reported by the Performance management unit, situated in the Office of the Municipal Manager.

2.4 Remedial or corrective steps

Remedial actions and corrections will be instituted and changes done by the Performance management unit.

2.5 Conclusion

Detailed analysis of the municipal performance for the year ending 31 July 2016 will be presented under the different sections of the report.

The municipality implemented various cost saving measures and other activities to ensure the municipal budget is implemented according to the mandate of council.

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 - 0

Description	2014/15	Budget Year 2015/16							
	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	4,750	5,225	-	258	258	435	(177)	-41%	5,225
Transfers recognised - operational	168,113	186,119	-	83,187	83,187	15,510	67,677	436%	186,119
Other own revenue	156,321	156,271	-	608	608	13,023	(12,415)	-95%	156,271
Total Revenue (excluding capital transfers and contributions)	329,184	347,615	-	84,053	84,053	28,968	55,085	190%	347,615
Employee costs	94,315	101,398	-	6,966	6,966	8,450	(1,483)	-18%	101,398
Remuneration of Councillors	7,723	8,496	-	589	589	708	(119)	-17%	8,496
Depreciation & asset impairment	6,800	6,800	-	-	-	567	(567)	-100%	6,800
Finance charges	830	664	-	-	-	55	(55)	-100%	664
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	44,147	47,217	-	293	293	3,935	(3,642)	-93%	47,217
Other expenditure	171,750	182,004	-	1,485	1,485	15,167	(13,682)	-90%	182,004
Total Expenditure	325,566	346,579	-	9,333	9,333	28,882	(19,549)	-68%	346,579
Surplus/(Deficit)	3,619	1,036	-	74,720	74,720	86	74,634	86445%	1,036
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	3,619	1,036	-	74,720	74,720	86	74,634	86445%	1,036
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	3,619	1,036	-	74,720	74,720	86	74,634	86445%	1,036
Capital expenditure & funds sources									
Capital expenditure	9,414	1,035	-	15	15	86	(72)	-83%	1,035
Capital transfers recognised	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	9,414	1,035	-	15	15	86	(72)	-83%	1,035
Total sources of capital funds	9,414	1,035	-	15	15	86	(72)	-83%	1,035
Financial position									
Total current assets	113,385	113,385	113,385		113,385				113,385
Total non current assets	532,282	512,282	512,282		512,282				512,282
Total current liabilities	67,533	59,073	59,073		59,073				59,073
Total non current liabilities	116,089	115,415	115,415		115,415				115,415
Community wealth/Equity	462,045	451,179	451,179		451,179				451,179
Cash flows									
Net cash from (used) operating	(30,251)	20,075	-	74,720	74,720	1,673	(73,047)	-4366%	20,075
Net cash from (used) investing	(6,880)	(1,035)	-	46,631	46,631	(86)	(46,718)	54165%	(1,035)
Net cash from (used) financing	(650)	(664)	-	-	-	(55)	(55)	100%	(664)
Cash/cash equivalents at the month/year end	35,956	54,332	-	-	175,684	37,487	(138,196)	-369%	72,708
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	624	1,293	53	7,626	-	-	-	-	9,597
Creditors Age Analysis									
Total Creditors	2,251	-	-	-	-	-	-	-	2,251

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

DC4 Eden - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - 0

Description	Ref	2014/15	Budget Year 2015/16							
		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>		205,505	209,837	-	83,651	83,651	17,486	66,164	378%	209,837
Executive and council		204,202	209,837	-	83,651	83,651	17,486	66,164	378%	209,837
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		1,302	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6,036	6,823	-	363	363	569	(206)	-36%	6,823
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		5,867	6,637	-	346	346	553	(207)	-37%	6,637
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		169	186	-	16	16	15	1	6%	186
<i>Economic and environmental services</i>		116,522	128,955	-	-	-	10,746	(10,746)	-100%	128,955
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		116,290	128,700	-	-	-	10,725	(10,725)	-100%	128,700
Environmental protection		232	255	-	-	-	21	(21)	-100%	255
<i>Trading services</i>		1,122	2,000	-	40	40	167	(127)	-76%	2,000
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,122	2,000	-	40	40	167	(127)	-76%	2,000
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	329,184	347,615	-	84,053	84,053	28,968	55,085	190%	347,615
Expenditure - Standard										
<i>Governance and administration</i>		127,659	115,022	-	4,546	4,546	9,585	(5,039)	-53%	115,022
Executive and council		73,941	60,273	-	1,302	1,302	5,023	(3,721)	-74%	60,273
Budget and treasury office		22,999	23,616	-	1,261	1,261	1,968	(707)	-36%	23,616
Corporate services		30,719	31,134	-	1,982	1,982	2,594	(612)	-24%	31,134
<i>Community and public safety</i>		64,790	63,138	-	4,034	4,034	5,262	(1,228)	-23%	63,138
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		10,612	11,228	-	720	720	936	(216)	-23%	11,228
Public safety		23,534	24,424	-	1,246	1,246	2,035	(789)	-39%	24,424
Housing		-	-	-	-	-	-	-	-	-
Health		30,644	27,486	-	2,067	2,067	2,291	(223)	-10%	27,486
<i>Economic and environmental services</i>		126,746	146,118	-	578	578	12,177	(11,598)	-95%	146,118
Planning and development		7,351	11,889	-	467	467	991	(523)	-53%	11,889
Road transport		117,331	131,883	-	-	-	10,990	(10,990)	-100%	131,883
Environmental protection		2,065	2,346	-	111	111	196	(85)	-43%	2,346
<i>Trading services</i>		6,370	22,300	-	175	175	1,858	(1,683)	-91%	22,300
Electricity		-	-	-	-	-	-	-	-	-
Water		3,023	20,782	-	58	58	1,732	(1,674)	-97%	20,782
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3,347	1,517	-	117	117	126	(9)	-7%	1,517
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	325,566	346,579	-	9,333	9,333	28,882	(19,549)	-68%	346,579
Surplus/ (Deficit) for the year		3,619	1,036	-	74,720	74,720	86	74,634	86445%	1,036

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:

Operating revenue totals **R 84 053 406.59** for the period ending 31 July 2015. This is mainly due to the 1st instalment of the Equitable Share that was received on the 6th of July 2015. Other income received includes the Financial Management Grant of R1,250,00.00, the Municipal Systems Improvement Grant of R930,00.00, Rural Roads Asset Management Systems of R2,283,000.00 and the Municipal Disaster Recovery Grant of R20,849,000.00.

Operating Expenditure

Operating expenditure of **R9,333,072.50** is reported for the period ending 31 July 2015. The majority of these expenditure totals employee related cost of 81% of the total spending. Most of the spending will start increasing over the next couple of months due to planning and SCM processes been initiated.

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) - 0

Vote Description	Ref	2014/15		Budget Year 2015/16						
		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 and Council	1	204,202	209,837	-	83,651	83,651	17,486	66,164	378.4%	209,837
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1,302	-	-	-	-	-	-	-	-
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		169	186	-	16	16	15	1	6.2%	186
Vote 7 - Sport and Recreation		5,867	6,637	-	346	346	553	(207)	-37.4%	6,637
Vote 8 - Waste Management		1,122	2,000	-	40	40	167	(127)	-76.0%	2,000
Vote 9 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 10 - Water		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		232	255	-	-	-	21	(21)	-100.0%	255
Vote 12 - Roads Agency Function		116,290	128,700	-	-	-	10,725	(10,725)	-100.0%	128,700
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	329,184	347,615	-	84,053	84,053	28,968	55,085	190.2%	347,615
Expenditure by Vote										
Vote 1 - Executive and Council	1	73,941	60,273	-	1,302	1,302	5,023	(3,721)	-74.1%	60,273
Vote 2 - Budget and Treasury Office		22,999	23,616	-	1,261	1,261	1,968	(707)	-35.9%	23,616
Vote 3 - Corporate Services		30,719	31,134	-	1,982	1,982	2,594	(612)	-23.6%	31,134
Vote 4 - Planning and Development		7,351	11,889	-	467	467	991	(523)	-52.8%	11,889
Vote 5 - Public Safety		23,534	24,424	-	1,246	1,246	2,035	(789)	-38.8%	24,424
Vote 6 - Health		30,644	27,486	-	2,067	2,067	2,291	(223)	-9.7%	27,486
Vote 7 - Sport and Recreation		10,612	11,228	-	720	720	935	(215)	-23.0%	11,228
Vote 8 - Waste Management		3,347	1,517	-	117	117	126	(9)	-7.2%	1,517
Vote 9 - Road Transport		1,041	3,183	-	-	-	265	(265)	-100.0%	3,183
Vote 10 - Water		3,023	20,782	-	58	58	1,732	(1,674)	-96.7%	20,782
Vote 11 - Environmental Protection		2,065	2,346	-	111	111	196	(85)	-43.2%	2,346
Vote 12 - Roads Agency Function		116,290	128,700	-	-	-	10,725	(10,725)	-100.0%	128,700
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	325,566	346,579	-	9,333	9,333	28,881	(19,548)	-67.7%	346,579
Surplus/ (Deficit) for the year	2	3,619	1,036	-	74,720	74,720	87	74,633	85557.5%	1,036

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.

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) - 0

Description	Ref	2014/15	Budget Year 2015/16							
		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		2,357	1,357		78	78	113	(35)	-31%	1,357
Interest earned - external investments		4,750	5,225		258	258	435	(177)	-41%	5,225
Interest earned - outstanding debtors		881	681		66	66	57	9	17%	681
Dividends received								-		
Fines								-		
Licences and permits								-		
Agency services		13,777	14,280				1,190	(1,190)	-100%	14,280
Transfers recognised - operational		168,113	186,119		83,187	83,187	15,510	67,677	436%	186,119
Other revenue		139,306	139,953		464	464	11,663	(11,199)	-96%	139,953
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		329,184	347,615	-	84,053	84,053	28,968	55,085	190%	347,615
Expenditure By Type										
Employee related costs		94,315	101,398		6,966	6,966	8,450	(1,483)	-18%	101,398
Remuneration of councillors		7,723	8,496		589	589	708	(119)	-17%	8,496
Debt impairment		1,800	1,000				83	(83)	-100%	1,000
Depreciation & asset impairment		6,800	6,800				567	(567)	-100%	6,800
Finance charges		830	664				55	(55)	-100%	664
Bulk purchases								-		
Other materials								-		
Contracted services		8,414	7,214		194	194	601	(408)	-68%	7,214
Transfers and grants		44,147	47,217		293	293	3,935	(3,642)	-93%	47,217
Other expenditure		161,536	173,790		1,291	1,291	14,483	(13,191)	-91%	173,790
Loss on disposal of PPE								-		
Total Expenditure		325,566	346,579	-	9,333	9,333	28,882	(19,549)	-68%	346,579
Surplus/(Deficit)		3,619	1,036	-	74,720	74,720	86	74,634	1	1,036
Transfers recognised - capital								-		
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		3,619	1,036	-	74,720	74,720	86			1,036
Taxation								-		
Surplus/(Deficit) after taxation		3,619	1,036	-	74,720	74,720	86			1,036
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		3,619	1,036	-	74,720	74,720	86			1,036
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		3,619	1,036	-	74,720	74,720	86			1,036

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:

Slow income levels are reported due to this being the first month of the financial year. An amount of R78,223.83, are reported for the month of July 2015.

Interest earned – External Investments:

Reflects the investment of access funds not needed in the operations of the municipality over the short term period of time which will be readily available when needed. Interest of R258,326.50, were received for the first period.

Interest earned – Outstanding debtors

The interest on outstanding debtors amount to R66,255.70 for the month of 31 July 2015.

Agency services

The municipality performs an agency function on behalf of the Department of Transport – Roads department. Monthly agency fees are collected from the department. 12% Admin fee is received on the original allocation and 3% on additional reseal monies. Agency Services for the month of July are R1,791,396.00, but will reflect in the month of August due to late payment in July.

Transferred recognised – operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenues Act's respectively. The first instalment of R57,875,000 for the Equitable Share was received during July 2015. The Financial Management grant of R1,250,000, Municipal Systems Improvement Grant of R930,000, Rural Roads Asset Management Grant of R2,283,000, Municipal Disaster Recovery Grant of R20,849,000 was also received in July 2015.

The municipality will need to follow the Application for roll-over process with the unspent grant balances. This process and information needs to be submitted to the relevant departments as per the due dates in the Municipal Finance Management Circulars as issued by National and Provincial treasuries.

Other revenue / Sundry income

Other revenue reflects a low income due to this being the first month of the financial year. This is winter season and occupation rates at the resorts for these months are lower than in high seasons.

Expenditure by Type

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

Employee Related cost / Remuneration of councillors

Remuneration related expenditures year to date amounts to R7,555,377.61 which represents a 81% of the total expenditure for the period of July 2015.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items.

Finance charges

Finance charges are only accounted for during May and September yearly when the repayments in terms of the long term obligations are due.

No new loans were taken up in the old financial year nor will new loans be taken up in new financial year. The municipality will settle all outstanding debt obligations during financial year.

Contracted services

Contracted Services of R193,519.18 is reflected in the financial results for the period 31 July 2015. This is mainly contract workers employed in the Fire Fighting station.

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.

Most of the other expenditure is only accounted for at the end of the financial year.

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

Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		327	30	-	-	-	3	(3)	-100%	30
Vote 2 - Budget and Treasury Office		6	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		923	430	-	15	15	36	(21)	-59%	430
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		1,935	375	-	-	-	31	(31)	-100%	375
Vote 6 - Health		53	-	-	-	-	-	-	-	-
Vote 7 - Sport and Recreation		370	200	-	-	-	17	(17)	-100%	200
Vote 8 - Waste Management		5,800	-	-	-	-	-	-	-	-
Vote 9 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 10 - Water		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	9,414	1,035	-	15	15	86	(72)	-83%	1,035

Variances explained in Supporting Table C5

The capital budget of R1,035,000.00 consists mainly of the Swartvlei Septic Tank Project of R200,000, Pool Vehicle of R120,000, Emergency Equipment R255,000, IT Equipment R150,000, Finger Scanner R200,000, Smoke Detector R30,000, Council Chamber Revamp R30,000, Steel cabinets R25,000, and Steel shelves of R25,000.00.

The total expenditure to date are low as this is the first period in the new financial year and are all projects in the planning or SCM process plan. Expenditure on capital are estimate to increase from the 1st or 2nd period

Votenummer	Department	Section	Project description	Original Budget R'000	Adjusted budget R'000	Veriments Processed	Revised Adjusted Budget	YTD Expenditure R'000	Variance R'000
10/50/01/6010/014	Sport and Recreation	Resorts: Swartvlei	Swartvlei Septic Tank Project	R 200,000.00	R -	R -	R -	R -	R -
10/50/01/6065/032	Corporate Services	ICT Unit	ICT Computer Related Equipment	R 150,000.00	R -	R -	R -	R 5,793.80	R -5,793.80
10/50/01/6070/006	Public Safety	Fire Services	Pool Vehicle	R 120,000.00	R -	R -	R -	R -	R -
10/50/01/6050/058	Corporate Services	Support Services: Registry	Smoke detectors	R 30,000.00	R -	R -	R -	R 8,785.88	R -8,785.88
10/50/01/6055/012	Executive and Council	Support Services: Registry	Council Chambers Revamp	R 30,000.00	R -	R -	R -	R -	R -
10/50/01/6065/051	Corporate Services	Support Services: Registry	Steel Cabinet	R 25,000.00		R -	R -	R -	R -
10/50/01/6050/059	Corporate Services	Support Services: Registry	Finger Scanner	R 200,000.00	R -		R -	R -	R -
10/50/01/6065/052	Corporate Services	Support Services: Registry	Steel Shelves	R 25,000.00	R -	R -	R -	R -	R -
10/50/01/6065/048	Public Safety	Fire Services	Emergency Equipment	R 255,000.00	R -		R -	R -	R -
				R 1,035,000.00	R -	R -	R -	R 14,579.68	R -14,579.68

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Eden - Table C6 Monthly Budget Statement - Financial Position - 0

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		95,686	95,686	95,686	95,686	95,686
Call investment deposits						
Consumer debtors		6,758	6,758	6,758	6,758	6,758
Other debtors		4,402	4,402	4,402	4,402	4,402
Current portion of long-term receivables		2,534	2,534	2,534	2,534	2,534
Inventory		4,005	4,005	4,005	4,005	4,005
Total current assets		113,385	113,385	113,385	113,385	113,385
Non current assets						
Long-term receivables		37,190	37,190	37,190	37,190	37,190
Investments		20,000	25,000	25,000	25,000	25,000
Investment property		325,577	300,577	300,577	300,577	300,577
Investments in Associate						
Property, plant and equipment		146,406	146,406	146,406	146,406	146,406
Agricultural						
Biological assets						
Intangible assets		3,068	3,068	3,068	3,068	3,068
Other non-current assets		41	41	41	41	41
Total non current assets		532,282	512,282	512,282	512,282	512,282
TOTAL ASSETS		645,667	625,667	625,667	625,667	625,667
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		700	700	700	700	700
Consumer deposits						
Trade and other payables		44,745	36,285	36,285	36,285	36,285
Provisions		22,088	22,088	22,088	22,088	22,088
Total current liabilities		67,533	59,073	59,073	59,073	59,073
Non current liabilities						
Borrowing		674				
Provisions		115,415	115,415	115,415	115,415	115,415
Total non current liabilities		116,089	115,415	115,415	115,415	115,415
TOTAL LIABILITIES		183,622	174,488	174,488	174,488	174,488
NET ASSETS	2	462,045	451,179	451,179	451,179	451,179
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		460,398	449,532	449,532	449,532	449,532
Reserves		1,647	1,647	1,647	1,647	1,647
TOTAL COMMUNITY WEALTH/EQUITY	2	462,045	451,179	451,179	451,179	451,179

The financial statement section will only be able to implement monthly financial statements as soon as the Annual Financial Statements for the financial year 2014/2015 is completed.

This should greatly enhance the reporting of the financial position of the municipality. In the interim the status quo will remain. 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 - 0

Description	Ref	Budget Year 2015/16								
		2014/15 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										
Property rates, penalties & collection charges								-		
Service charges								-		
Other revenue		125,436	155,590		608	608	12,966	(12,358)	-95%	155,590
Government - operating		168,993	186,119		83,187	83,187	15,510	67,677	436%	186,119
Government - capital								-		
Interest		4,750	5,906		258	258	492	(234)	-48%	5,906
Dividends								-		
Payments										
Suppliers and employees		(293,704)	(279,659)		(9,040)	(9,040)	(23,305)	(14,265)	61%	(279,659)
Finance charges		(830)	(664)				(55)	(55)	100%	(664)
Transfers and Grants		(34,896)	(47,217)		(293)	(293)	(3,935)	(3,642)	93%	(47,217)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(30,251)	20,075	-	74,720	74,720	1,673	(73,047)	-4366%	20,075
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						-		
Decrease (increase) in non-current investments					46,617	46,617		46,617	#DIV/0!	
Payments										
Capital assets		(9,414)	(1,035)		15	15	(86)	(101)	117%	(1,035)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(6,880)	(1,035)	-	46,631	46,631	(86)	(46,718)	54165%	(1,035)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(650)	(664)				(55)	(55)	100%	(664)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(650)	(664)	-	-	-	(55)	(55)	100%	(664)
NET INCREASE/ (DECREASE) IN CASH HELD		(37,781)	18,376	-	121,352	121,352	1,531			18,376
Cash/cash equivalents at beginning:		73,737	35,956			54,332	35,956			54,332
Cash/cash equivalents at month/year end:		35,956	54,332			175,684	37,487			72,708

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 July 2015 totals R175,683,743.61 and this mainly the Equitable Share allocation that was received in July 2015 and the cash backed items as at 30 June 2015 which must be cash backed.

A more detailed information regarding the cash position is tabled below that's giving a breakdown of the commitments against the cash of council.

REPORTING MONTH: 31 JULY 2015		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Cash & Cash Equivalents	103,366,513.00	175,683,704.86
LESS:	32,367,068.00	80,424,207.37
Unspent Conditional Grants	9,419,663.00	9,958,350.37
Current portion long term liabilities	674,390.00	2,157,000.00
Provision for staff leave	4,756,311.00	4,731,271.00
Current Portion: Post Retirement Benefits	3,155,155.00	3,659,900.00
Current Portion: Alien Vegetation	2,623,859.00	2,624,000.00
Performance Bonus	509,294.00	481,322.00
Grant received in advance		46,300,000.00
Trade Payables	11,228,396.00	10,512,364.00
Sub total	70,999,445.00	95,259,497.49
PLUS:	5,773,197.00	5,017,872.00
VAT Receivable	2,307,796.00	1,780,246.00
Receivable Exchange	3,465,401.00	3,237,626.00
Other receivables after impairment		
	76,772,642.00	100,277,369.49
LESS OTHER MATTERS:		
Capital Replacement Reserve	24,868,623.00	25,000,000.00
Sub Total	51,904,019.00	75,277,369.49
LESS: CONTIGENT LIABILITIES	22,684,471.00	23,591,021.00
F du Toit (Vicbay Theft)	376,750.00	376,750.00
Claim from Lefatshe Computer Systems	14,007,721.00	14,007,721.00
Claim from Department of Public Works (Correctional Services Uniondale)	8,300,000.00	8,300,000.00
Kruger fire claim		906,550.00
Surplus / (Deficit)	29,219,548.00	51,686,348.49

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

DC4 Eden - Supporting Table SC3 Monthly Budget Statement - aged debtors - 0

Description	NT Code	Budget Year 2015/16									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total				
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	1600										-	-		
Receivables from Exchange Transactions - Waste Management	1800										-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	3	3	0	33						39	33		
Interest on Arrear Debtors Accounts	1010										-	-		
Recoverable (unauthorised) irregular, refuse and waste disposal expenditure	1020										-	-		
Other	1900	624	1,293	53	7,626						9,597	7,593		
Total By Income Source	2000	624	1,293	53	7,626	-	-	-	-	-	9,597	7,626	-	-
2014/15 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200										-	-		
Commercial	2300										-	-		
Households	2400	542	1,200	41	639						2,422	639		
Other	2500	83	93	12	6,907						7,174	6,907		
Total By Customer Group	2600	624	1,293	53	7,626	-	-	-	-	-	9,597	7,626	-	-

A list must be compiled to write off all long outstanding debtors. Balance of outstanding debtors amounts to R9.3m. More information will be provided in 1st quarter.

Section 5 – Creditors' analysis

Supporting Table C4

DC4 Eden - Supporting Table SC4 Monthly Budget Statement - aged creditors - 0

Description	NT Code	Budget Year 2015/16								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	1,113									1,113	
Loan repayments	0600										-	
Trade Creditors	0700										-	
Auditor General	0800										-	
Other	0900										-	
Total By Customer Type	1000	2,251	-	-	-	-	-	-	-	-	2,251	-

The short coming in the creditors system needs attention to ensure that more accurate reporting can be done in terms of the outstanding long overdue accounts by council. This will be addressed during the next financial year with more rigorous efforts to ensure a more complete and accurate report can be presented to council.

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

6.1 Investment monitoring information

	Balance as at 01 July 2015	Movements for the month		Balance as at 31 July 2015	Interest earned	Interest earned
		Investments matured	Investments made		Month	Year to date
Eden district municipality						
<i>Interest Received YTD</i>				-		-
<i>Standard Bank</i>	22,500,000.00	-22,500,000.00	-35,500,000.00	35,500,000.00	38,373.29	38,373.29
<i>FNB</i>	22,500,000.00	-22,500,000.00	-35,500,000.00	35,500,000.00	36,061.64	36,061.64
<i>ABSA</i>	22,500,000.00	-22,500,000.00	-35,500,000.00	35,500,000.00	37,602.74	37,602.74
<i>Nedbank</i>	22,500,000.00	-22,500,000.00	-35,500,000.00	35,500,000.00	38,280.83	38,280.83
						-
<i>Standard Bank - Bank Guarantee investment</i>	125,049.46			125,049.46		
BANK DEPOSITS	90,125,049.46	-90,000,000.00	-142,000,000.00	142,125,049.46	150,318.50	150,318.50

The investment as reported for the month of July 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. This should be done in line with the Cash Management and Investment policy of 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 - 0

Description	Ref	2014/15	Budget Year 2015/16							
		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:		167,213	182,936	-	80,904	80,904	15,245	44,633	292.8%	182,936
Local Government Equitable Share		134,097	138,902		57,875	57,875	11,575	46,300	400.0%	138,902
Finance Management		1,250	1,250		1,250	1,250	104			1,250
Municipal Systems Improvement		934	930		930	930	78			930
EPWP Incentive		1,000	1,005				84			1,005
Municipal Disaster Recovery Grant		27,432	20,849		20,849	20,849	1,737			20,849
LG: Bulk Water and Waste Water infrastruct.	3	2,500	20,000				1,667	(1,667)	-100.0%	20,000
Other transfers and grants [insert description]										
Provincial Government:		900	3,183	-	2,283	2,283	265	2,018	760.7%	3,183
Integrated Transport Planning		900	900				75	(75)	-100.0%	900
Rural Roads Asset Management Grant	4		2,283		2,283	2,283	190	2,093	1100.0%	2,283
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	168,113	186,119	-	83,187	83,187	15,510	46,651	300.8%	186,119

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.

All other unspent balances will be addressed during the roll-over application process of National Treasury to ensure the municipality apply for unspent balances as required.

7.2 Supporting Table C7

DC4 Eden - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - 0

Description	Ref	2014/15	Budget Year 2015/16							
		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:		167,213	182,936	-	293	293	182,936	(182,643)	-99.8%	182,936
Local Government Equitable Share		134,097	138,902				138,902	(138,902)	-100.0%	138,902
Finance Management		1,250	1,250		57	57	1,250	(1,193)	-95.4%	1,250
Municipal Systems Improvement		934	930		215	215	930	(715)	-76.9%	930
EPWP Incentive		1,000	1,005		21	21	1,005	(984)	-97.9%	1,005
Municipal Disaster Recovery Grant		27,432	20,849				20,849	(20,849)	-100.0%	20,849
LG: Bulk Water and Waste Water infrastruct.		2,500	20,000				20,000	(20,000)	-100.0%	20,000
Other transfers and grants [insert description]								-		
Provincial Government:		900	3,183	-	-	-	265	(265)	-100.0%	3,183
Integrated Transport Planning		900	900				75	(75)	-100.0%	900
Rural Roads Asset Management Grant			2,283				190	(190)	-100.0%	2,283
								-		
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Total operating expenditure of Transfers and Grants:		168,113	186,119	-	293	293	183,201	(182,908)	-99.8%	186,119

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 - 0

Summary of Employee and Councillor remuneration	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5,473	6,021		420	420	502	(82)	-16%	6,021
Pension and UIF Contributions		132	146		11	11	12	(1)	-10%	146
Medical Aid Contributions		195	214		20	20	18	2	11%	214
Motor Vehicle Allowance		1,588	1,747		112	112	146	(33)	-23%	1,747
Cellphone Allowance		335	368		26	26	31	(5)	-15%	368
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		7,723	8,496	-	589	589	708	(119)	-17%	8,496
% increase	4		10.0%							10.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		3,266	3,509		269	269	292	(24)	-8%	3,509
Pension and UIF Contributions		417	707		43	43	59	(16)	-28%	707
Medical Aid Contributions		61	54		4	4	5	(0)	-5%	54
Overtime										
Performance Bonus		325	500							
Motor Vehicle Allowance		369	489		41	41	41	(0)	0%	489
Cellphone Allowance		12	23		3	3	2	1	42%	23
Housing Allowances		84	84		7	7	7			84
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Senior Managers of Municipality		4,534	5,366	-	366	366	406	(40)	-10%	4,866
% increase	4		18.4%							7.3%
Other Municipal Staff										
Basic Salaries and Wages		57,613	59,551		4,344	4,344	4,963	(619)	-12%	59,551
Pension and UIF Contributions		11,424	13,240		840	840	1,103	(263)	-24%	13,240
Medical Aid Contributions		8,150	9,163		657	657	764	(107)	-14%	9,163
Overtime		1,027	1,144		61	61	95	(34)	-36%	1,144
Performance Bonus		35								
Motor Vehicle Allowance		5,863	5,461		547	547	455	92	20%	5,461
Cellphone Allowance		119	149				12	(12)	-100%	149
Housing Allowances		516	554		44	44	46	(2)	-5%	554
Other benefits and allowances		692	2,099		48	48	175	(127)	-73%	2,099
Payments in lieu of leave		4,342	4,671		60	60	389	(330)	-85%	4,671
Long service awards										
Post-retirement benefit obligations										
Sub Total - Other Municipal Staff		89,781	96,032	-	6,600	6,600	8,003	(1,403)	-18%	96,032
% increase	4		7.0%							7.0%
Total Parent Municipality		102,038	109,894	-	7,555	7,555	9,116	(1,561)	-17%	109,394

Remuneration related expenditures year to date amounts to R7,555,377.61 which represents a 81% of the total expenditure year to date budget.

Section 9 – Municipal manager’s quality certification

NAVRAE:
ENQUIRIES: J Adams

KONTAKNR
CONTACT NO 044 803 1339

VERW:
REF: 6/18/7/2014-2015

KANTOOR:
OFFICES: George

DATUM
DATE 11 August 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 ended **31 JULY 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 ----- [Signature] -----

Date ----- 14/08/15 -----