



EDEN DISTRICT MUNICIPALITY

FINANCIAL YEAR 2017 - 2018

MONTHLY FINANCIAL REPORT

30 SEPTEMBER 2017

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Glossary

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Allocations (Transfers – see DORA) – Money received from Provincial or National Government.

Budget Related Policy (ies) – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

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 and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. 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 (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services and to compensate loss of RSC levies.

Fruitless and Wasteful Expenditure – Expenditure that was made in vain and would/should 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 dated April 2009.

MFMA – The Municipal Finance Management Act – 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 –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 budgeted 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 funds.

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 is divided. 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 – 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 note of the monthly report for the year to date ending 30 September 2017.

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 30 September 2017. Unfortunately, the municipality are not able to report on revenue and expenditure as per function and vote, as the municipality are still in the process of implementing mSCOA and the new financial system (Phoenix). Various challenges are being experienced and thus not allowing the municipality to get all the required information out of the system. The municipality reported on the available information that reflects the actual payments, receipts and salary runs.

2.2 Consolidated Performance

2.2.1 Against Annual Budget (original)

Revenue by source

The total revenue received for the month of September 2017 amounts to **R 4,408,653**, with a total annual budgeted figure of **R 200,228,671** (excluding Roads budget) representing a 2.5% of annual revenue.

Operating Expenditure by type

Operating expenditure for the month of September 2017 amounts to **R 12,518,832**, with a total annual budgeted figure of **R 197,764,282** (excluding Roads budget). Being the beginning of the new financial year the operational budget is less than 20% and most

projects is in its planning phase or at supply chain process. Spending will commence within the 2nd to 3rd quarter of the financial year as per estimation.

Capital Expenditure

The capital budget for the financial year amounts to **R 2,458,500**. For the month of September no capital expenditure occurred.

See attached capital progress report on page 14.

2.3 Material variances from SDBIP

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

2.4 Remedial or corrective steps

HOD's must monitor monthly income and expenditure reports, ensure spending is within budget, and spend by 30 June 2018.

2.5 Conclusion

Detailed analysis of the municipal performance for the year to date ending 30 September 2017 will be presented under the different sections of the report.

The municipality implemented various cost saving measures and other activities to ensure that 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 - M03 September

Description	2016/17	Budget Year 2017/18							
	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	10,774	11,124	–	–	1,619	2,781	(1,161)	-42%	11,124
Transfers and subsidies	146,708	152,945	–	800	64,921	38,236	26,685	70%	152,945
Other own revenue	176,254	181,160	–	3,609	10,595	45,290	(34,695)	-77%	181,160
Total Revenue (excluding capital transfers and contributions)	333,736	345,229	–	4,409	77,136	86,307	(9,171)	-11%	345,229
Employee costs	106,093	118,903	–	8,717	27,392	29,726	(2,333)	-8%	118,903
Remuneration of Councillors	7,844	10,815	–	887	2,613	2,704	(91)	-3%	10,815
Depreciation & asset impairment	3,670	3,070	–	307	922	767	154	20%	3,070
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	–	–	–	–	–	–	–		–
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	229,414	209,976	–	2,608	8,355	52,494	(44,139)	-84%	209,976
Total Expenditure	347,021	342,764	–	12,519	39,283	85,691	(46,408)	-54%	342,764
Surplus/(Deficit)	(13,285)	2,465	–	(8,110)	37,853	616	37,237	6042%	2,465
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	(13,285)	2,465	–	(8,110)	37,853	616	37,237	6042%	2,465
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	(13,285)	2,465	–	(8,110)	37,853	616	37,237	6042%	2,465
Capital expenditure & funds sources									
Capital expenditure	6,713	2,459	–	–	–	615	(615)	-100%	2,459
Capital transfers recognised	–	–	–	–	–	–	–		–
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	6,713	2,459	–	–	–	615	(615)	-100%	2,459
Total sources of capital funds	6,713	2,459	–	–	–	615	(615)	-100%	2,459
Financial position									
Total current assets	–	171,993	–		164,814				171,993
Total non current assets	–	288,424	–		288,842				288,424
Total current liabilities	–	67,306	–		44,626				67,306
Total non current liabilities	–	141,267	–		139,882				141,267
Community wealth/Equity	–	297,090	–		269,148				297,090
Cash flows									
Net cash from (used) operating	–	6,657	–	(7,395)	46,578	1,109	(45,469)	-4098%	6,657
Net cash from (used) investing	–	(2,459)	–	–	(56,760)	(410)	56,350	-13752%	(2,459)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	–	159,532	–	–	181,378	156,034	(25,345)	-16%	195,758
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	–	–	–	–	–	–	–	–	–
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

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

DC4 Eden - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		179,928	192,572	–	–	–	48,143	(48,143)	-100%	192,572
Executive and council		178,792	192,041	–	–	–	48,010	(48,010)	-100%	192,041
Finance and administration		1,136	532	–	–	–	133	(133)	-100%	532
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		6,485	6,921	–	–	–	1,730	(1,730)	-100%	6,921
Community and social services		–	–	–	–	–	–	–	–	–
Sport and recreation		6,288	6,713	–	–	–	1,678	(1,678)	-100%	6,713
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		197	208	–	–	–	52	(52)	-100%	208
<i>Economic and environmental services</i>		144,155	145,314	–	–	–	36,328	(36,328)	-100%	145,314
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		144,000	145,000	–	–	–	36,250	(36,250)	-100%	145,000
Environmental protection		155	314	–	–	–	78	(78)	-100%	314
<i>Trading services</i>		3,168	422	–	–	–	105	(105)	-100%	422
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		3,168	422	–	–	–	105	(105)	-100%	422
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	333,736	345,229	–	–	–	86,307	(86,307)	-100%	345,229
Expenditure - Functional										
<i>Governance and administration</i>		114,077	112,150	–	–	–	28,037	(28,037)	-100%	112,150
Executive and council		60,166	43,977	–	–	–	10,994	(10,994)	-100%	43,977
Finance and administration		53,911	65,711	–	–	–	16,428	(16,428)	-100%	65,711
Internal audit		–	2,463	–	–	–	616	(616)	-100%	2,463
<i>Community and public safety</i>		67,752	69,838	–	–	–	17,460	(17,460)	-100%	69,838
Community and social services		4,935	6,358	–	–	–	1,590	(1,590)	-100%	6,358
Sport and recreation		11,069	12,640	–	–	–	3,160	(3,160)	-100%	12,640
Public safety		24,820	26,478	–	–	–	6,620	(6,620)	-100%	26,478
Housing		–	–	–	–	–	–	–	–	–
Health		26,928	24,362	–	–	–	6,091	(6,091)	-100%	24,362
<i>Economic and environmental services</i>		158,775	155,630	–	–	–	38,907	(38,907)	-100%	155,630
Planning and development		10,516	5,030	–	–	–	1,258	(1,258)	-100%	5,030
Road transport		146,364	148,320	–	–	–	37,080	(37,080)	-100%	148,320
Environmental protection		1,895	2,280	–	–	–	570	(570)	-100%	2,280
<i>Trading services</i>		6,417	2,281	–	–	–	570	(570)	-100%	2,281
Energy sources		–	–	–	–	–	–	–	–	–
Water management		589	18	–	–	–	4	(4)	-100%	18
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		5,828	2,263	–	–	–	566	(566)	-100%	2,263
<i>Other</i>		–	2,866	–	–	–	716	(716)	-100%	2,866
Total Expenditure - Functional	3	347,021	342,764	–	–	–	85,691	(85,691)	-100%	342,764
Surplus/ (Deficit) for the year		(13,285)	2,465	–	–	–	616	(616)	-100%	2,465

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 4,408,653** for the period ending 30 September 2017.

Operating Expenditure

Operating expenditure of **R 12,518,832** is reported for the month ending 30 September 2017. The majority of these expenditure totals Employee and Councillor related cost of **R 9,603,671**.

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) - M03 September

Vote Description		Ref	2016/17	Budget Year 2017/18							
			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 and Council			178,792	192,041	-	-	-	48,010	(48,010)	-100.0%	192,041
Vote 2 - Budget and Treasury Office			-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services			1,136	532	-	-	-	133	(133)	-100.0%	532
Vote 4 - Planning and Development			-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety			-	-	-	-	-	-	-	-	-
Vote 6 - Health			197	208	-	-	-	52	(52)	-100.0%	208
Vote 7 - Community and Social Services			-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation			6,288	6,713	-	-	-	1,678	(1,678)	-100.0%	6,713
Vote 9 - Waste Management			3,168	422	-	-	-	105	(105)	-100.0%	422
Vote 10 - Roads Transport			-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management			-	-	-	-	-	-	-	-	-
Vote 12 - Water			-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection			155	314	-	-	-	78	(78)	-100.0%	314
Vote 14 - Roads Agency Function			144,000	145,000	-	-	-	36,250	(36,250)	-100.0%	145,000
Vote 15 - Electricity			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	333,736	345,229	-	-	-	86,307	(86,307)	-100.0%	345,229
Expenditure by Vote		1									
Vote 1 - Executive and Council			60,166	44,601	-	-	-	11,150	(11,150)	-100.0%	44,601
Vote 2 - Budget and Treasury Office			21,000	22,635	-	-	-	5,659	(5,659)	-100.0%	22,635
Vote 3 - Corporate Services			32,912	35,752	-	-	-	8,938	(8,938)	-100.0%	35,752
Vote 4 - Planning and Development			10,515	14,687	-	-	-	3,672	(3,672)	-100.0%	14,687
Vote 5 - Public Safety			29,753	31,990	-	-	-	7,998	(7,998)	-100.0%	31,990
Vote 6 - Health			26,928	27,579	-	-	-	6,895	(6,895)	-100.0%	27,579
Vote 7 - Community and Social Services			-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation			11,069	12,640	-	-	-	3,160	(3,160)	-100.0%	12,640
Vote 9 - Waste Management			5,828	2,263	-	-	-	566	(566)	-100.0%	2,263
Vote 10 - Roads Transport			2,364	3,320	-	-	-	830	(830)	-100.0%	3,320
Vote 11 - Waste Water Management			-	-	-	-	-	-	-	-	-
Vote 12 - Water			589	18	-	-	-	4	(4)	-100.0%	18
Vote 13 - Environment Protection			1,895	2,279	-	-	-	570	(570)	-100.0%	2,279
Vote 14 - Roads Agency Function			144,000	145,000	-	-	-	36,250	(36,250)	-100.0%	145,000
Vote 15 - Electricity			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	347,019	342,764	-	-	-	85,691	(85,691)	-100.0%	342,764
Surplus/ (Deficit) for the year		2	(13,283)	2,465	-	-	-	616	(616)	-100.0%	2,465

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 DM reflects under the Roads Transport municipal function above.

No reporting on the operations in terms of the Roads Agency function is included in the report, the Roads income and expenditure is consolidated into Eden's Financial Statements after year end (30 June 2018).

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) - M03 September

Description	Ref	2016/17	Budget Year 2017/18							
		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								-		
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue								-		
Service charges - other								-		
Rental of facilities and equipment		1,424	3,507		71	214	877	(663)	-76%	3,507
Interest earned - external investments		10,774	11,124		-	1,619	2,781	(1,161)	-42%	11,124
Interest earned - outstanding debtors		799	846		-	108	211	(103)	-49%	846
Dividends received		-						-		
Fines, penalties and forfeits		-						-		
Licences and permits		155	314		-		78	(78)	-100%	314
Agency services		15,000	15,300		-	2,555	3,825	(1,270)	-33%	15,300
Transfers and subsidies		146,708	152,945		800	64,921	38,236	26,685	70%	152,945
Other revenue		158,876	161,194		3,537	7,718	40,298	(32,580)	-81%	161,194
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		333,736	345,229	-	4,409	77,136	86,307	(9,171)	-11%	345,229
Expenditure By Type										
Employee related costs		106,093	118,903		8,717	27,392	29,726	(2,333)	-8%	118,903
Remuneration of councillors		7,844	10,815		887	2,613	2,704	(91)	-3%	10,815
Debt impairment		1,060	1,122				280	(280)	-100%	1,122
Depreciation & asset impairment		3,670	3,070		307	922	767	154	20%	3,070
Finance charges		-						-		
Bulk purchases		-						-		
Other materials								-		
Contracted services		17,698	15,896		1,374	1,974	3,974	(2,000)	-50%	15,896
Transfers and subsidies		-						-		
Other expenditure		210,656	192,958		1,234	6,382	48,240	(41,858)	-87%	192,958
Loss on disposal of PPE								-		
Total Expenditure		347,021	342,764	-	12,519	39,283	85,691	(46,408)	-54%	342,764
Surplus/(Deficit)		(13,285)	2,465	-	(8,110)	37,853	616	37,237	0	2,465
Transfers and subsidies - capital (monetary allocation) (National / Provincial and District)								-		
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		(13,285)	2,465	-	(8,110)	37,853	616			2,465
Taxation								-		
Surplus/(Deficit) after taxation		(13,285)	2,465	-	(8,110)	37,853	616			2,465
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(13,285)	2,465	-	(8,110)	37,853	616			2,465
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(13,285)	2,465	-	(8,110)	37,853	616			2,465

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:

An amount of R 71,187, are reported for the month of September 2017 in comparison to a budgeted amount of R 3,506,944.

Interest earned – External Investments:

Reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. There was no interest received for the month under review.

Interest raised – Outstanding debtors

There was no interest on outstanding debtors for the month of September 2017, this is due to a delay in the billing run and the challenges experienced with the new financial system on the Income module.

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 the cost of additional reseal projects. There was no revenue in respect of the Agency Services for the month of September because of challenges experienced on the Income module.

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 R 60,857,000 for the Equitable Share was received during July 2017. The Municipality received part of their EPWP & Rural Roads Asset Management respectively R 320,000 & R 1,640,000 for the month of August 2017. During September 2017, the municipality received R 800,000 in respect of the Fire Service Capacity Building Grant.

Other revenue / Sundry income

Other revenue reflects an amount of R 3,537,466 for the month of September 2017. Other revenue consists of the following: Interest on current account and resorts income.

Expenditure by Type

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

Employee Related cost / Remuneration of councillors

Remuneration related expenditure for the month of September 2017 amounts to

R 9,603,671 of a budgeted amount of R 129,718,197 that represents 7.4% of the budgeted amount.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. The depreciation amount for the month of September 2017 is R 307,323.

Finance charges

The municipality have no outstanding loans and it is not envisioned that Council will take up any new loans.

Contracted services

Contracted Services of R 1,373,730 is reflected in the financial results for the month ending 30 September 2017.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R 1,234,108 for month ending September 2017.

Most of the other expenditure is only accounted for at the end of the financial year. The other expenditure consists of the following:

- Operating Projects (own funds)
- General expenses
- Contributions to provisions
- Actuarial Loss

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, functional classification and funding) - M03 September

Vote Description	Ref	2016/17	Budget Year 2017/18							
		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 and Council		3,653	350	-	-	-	88	(88)	-100%	350
Vote 2 - Budget and Treasury Office		39	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1,041	350	-	-	-	88	(88)	-100%	350
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		817	519	-	-	-	130	(130)	-100%	519
Vote 6 - Health		105	31	-	-	-	8	(8)	-100%	31
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		565	1,100	-	-	-	275	(275)	-100%	1,100
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		493	109	-	-	-	27	(27)	-100%	109
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	6,713	2,459	-	-	-	615	(615)	-100%	2,459
Single Year expenditure appropriation	2									
Vote 1 - Executive and 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 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		6,713	2,459	-	-	-	615	(615)	-100%	2,459

Variances explained in Supporting Table C5

Refer to next page for detail breakdown of the capital expenditure.

Number	Project description	Original Budget R'000	Adjusted budget R'	YTD Expenditure R'	Year to date Budget	Variance R'	% Variance	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
1	Upgrading of Building / Resorts	R 850,000.00		R -	70,833.33	70,833.33	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
2	Council Chambers	R 350,000.00		R -	29,166.67	29,166.67	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
3	Swartvlei Septic Tank Project	R 250,000.00		R -	20,833.33	20,833.33	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
4	DTP Computer Equipment	R 250,000.00		R -	20,833.33	20,833.33	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
5	Pool Vehicle	R 165,000.00		R -	13,750.00	13,750.00	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
6	MIA (Major Incident Alert) SMS System	R 160,000.00		R -	13,333.33	13,333.33	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
7	Fire Fighting - Various Equipment Items	R 150,000.00			12,500.00	12,500.00	0%				
8	Laboratory Instruments	R 58,500.00		R -	4,875.00	4,875.00	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
9	Smoke Detectors	R 50,000.00		R -	4,166.67	4,166.67	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
10	Steel Shelves	R 50,000.00		R -	4,166.67	4,166.67	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
11	Aeroquille Mobile	R 50,000.00		R -	4,166.67	4,166.67	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
12	A3 Printer Scanner	R 40,000.00			3,333.33	3,333.33	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
13	Vital Weather Station	R 28,000.00			2,333.33	2,333.33	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
14	Easy Rail White Board System	R 4,000.00			333.33	333.33	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
15	Fridge / Freezer	R 3,000.00			250.00	250.00	0%	Not Started yet	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
Totals		2,458,500.00	-	0.00	204,875.00	204,875.00	0%				
Project status: If the project is in the SCM process of being procured. Please state in which stage (planning, specification, advertising, etc)											
Commitments against capital for the month September 2017											
	R	-									
	R	-									
	R	-									
	R	-									

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Eden - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2016/17	Budget Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			159,532		142,719	159,532
Call investment deposits			–			
Consumer debtors			3,620		5,488	3,620
Other debtors			2,181		13,476	2,181
Current portion of long-term receivables			3,227			3,227
Inventory			3,433		3,131	3,433
Total current assets		–	171,993	–	164,814	171,993
Non current assets						
Long-term receivables			59,717			59,717
Investments			26		26	26
Investment property			85,712		85,533	85,712
Investments in Associate						
Property, plant and equipment			141,185		143,928	141,185
Agricultural						
Biological assets						
Intangible assets			1,784		1,819	1,784
Other non-current assets					57,536	
Total non current assets		–	288,424	–	288,842	288,424
TOTAL ASSETS		–	460,417	–	453,656	460,417
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing			–			
Consumer deposits						
Trade and other payables			39,006		38,976	39,006
Provisions			28,300		5,650	28,300
Total current liabilities		–	67,306	–	44,626	67,306
Non current liabilities						
Borrowing						
Provisions			141,267		139,882	141,267
Total non current liabilities		–	141,267	–	139,882	141,267
TOTAL LIABILITIES		–	208,573	–	184,508	208,573
NET ASSETS	2	–	251,844	–	269,148	251,844
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			268,744		241,420	268,744
Reserves			28,346		27,728	28,346
TOTAL COMMUNITY WEALTH/EQUITY	2	–	297,090	–	269,148	297,090

This table excludes the actual figures for Roads department.

3.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Eden - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2016/17	Budget Year 2017/18							
		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								-		
Service charges								-		
Other revenue			180,314		3,537	7,718	45,079	(37,360)	-83%	180,314
Government - operating			152,945		800	64,921	38,236	26,685	70%	152,945
Government - capital								-		
Interest			11,970		-	1,619	2,992	(1,373)	-46%	11,970
Dividends								-		
Payments										
Suppliers and employees			(338,572)		(12,519)	(39,283)	(84,643)	(45,361)	54%	(338,572)
Finance charges								-		
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	6,657	-	(8,181)	34,976	1,664	(33,312)	-2002%	6,657
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments						(49,509)		(49,509)	#DIV/0!	
Payments										
Capital assets			(2,459)				(615)	(615)	100%	(2,459)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(2,459)	-	-	(49,509)	(615)	48,894	-7955%	(2,459)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		-	4,198	-	(8,181)	(14,533)	1,050			4,198
Cash/cash equivalents at beginning:			155,334			181,378	155,334			181,378
Cash/cash equivalents at month/year end:		-	159,532	-		166,845	156,384			185,576

The municipal bank balance at 30 September 2017 totals R166 844 460.97.

Detailed information regarding the cash position is tabled below.

REPORTING MONTH: 30 SEPTEMBER 2017		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 30 September 2017	181,378,713.68	166,844,460.97
Other Cash & Cash Equivalents	-	-
LESS:	81,925,006.15	66,247,383.00
Unspent Conditional Grants	7,204,343.22	7,109,212.85
Provision for staff leave	7,810,365.00	7,810,365.00
Provision for staff shift allowance	1,033,741.00	1,033,741.00
Post Retirement Benefits	14,212,021.00	14,212,021.00
Current Portion: Alien Vegetation	4,150,039.00	4,150,039.00
Performance Bonus	478,536.00	478,536.00
Grant received in advance	30,428,500.00	15,214,250.00
Trade Payables	11,264,370.00	11,264,370.00
Unspent Capital budget 3 months	409,750.00	614,625.00
Unspent Operational budget 3 months	4,933,340.93	4,360,223.15
Sub total	99,453,707.53	100,597,077.97
PLUS:	5,763,569.88	3,012,525.88
VAT Receivable	2,751,044.00	-
Receivable Exchange	3,012,525.88	3,012,525.88
	105,217,277.41	103,609,603.85
LESS OTHER MATTERS:		
Capital Replacement Reserve	30,798,343.13	30,798,343.13
Sub Total	74,418,934.28	72,811,260.72
LESS: CONTIGENT LIABILITIES	14,537,229.61	14,537,229.61
Theunis Barnard	38,231.00	38,231.00
F du Toit (Vicbay Theft)	376,750.00	376,750.00
Hoogbaard	600,000.00	600,000.00
I Gerber	21,840.00	21,840.00
A de Wet	614,675.00	614,675.00
Barry Louis Rae Trust	4,500,000.00	4,500,000.00
Laurington Sithemile Stone	43,271.61	43,271.61
Banger Car Hire	18,800.00	18,800.00
Claim from Department of Public Works (Correctional Services Uniondale)	8,323,662.00	8,323,662.00
Surplus / (Deficit)	59,881,704.67	58,274,031.11

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

DC4 Eden - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2017/18										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 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	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									-	-		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900									-	-		
Total By Income Source	2000	-	-	-	-	-	-	-	-	-	-	-	-
2016/17 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200									-	-		
Commercial	2300									-	-		
Households	2400									-	-		
Other	2500									-	-		
Total By Customer Group	2600	-	-	-	-	-	-	-	-	-	-	-	-

The financial system is in process of implementation and no applicable information is currently available for reporting.

Section 5 – Creditors' analysis

Supporting Table C4

DC4 Eden - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description R thousands	NT Code	Budget Year 2017/18								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									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700									-	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-

The financial system is in process of implementation and no applicable information is currently available for reporting.

Section 6 – Investment portfolio analysis

6.1 Investment monitoring information

	Balance as at 01 Sept 2017	Movements for the month			Balance as at 30 Sept 2017	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
Eden district municipality							
Interest Received YTD					-		
Standard Bank	-	-	-		-	-	-
FNB	-	-	-		-	-	-
ABSA	-	-	-		-	-	-
Nedbank	-	-	-		-	-	-
Standard Bank - Bank Guarantee investment investment	144,007.78		-		144,735.71	727.93	2,241.01
BANK DEPOSITS	144,007.78	-	-	-	144,735.71	727.93	2,241.01

The municipality invest surplus funds in order to maximise the interest and to have cash readily available when needed and is 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 - M03 September

Description	Ref	2016/17	Budget Year 2017/18							
		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:		-	151,005	-	-	64,067	37,751	24,343	64.5%	151,005
Local Government Equitable Share			146,055			60,857	36,514	24,343	66.7%	146,055
Finance Management			1,250			1,250	313			1,250
Municipal Systems Improvement										
EPWP Incentive			1,280		-	320	320			1,280
NT - Rural Roads Asset Management Systems			2,420		-	1,640	605			2,420
	3							-		
								-		
								-		
								-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	1,940	-	800	800	485	315	64.9%	1,940
PT - Integrated Transport Plan			900				225	(225)	-100.0%	900
	4							-		
								-		
Other transfers and grants [insert description]			1,040		800	800	260	540	207.7%	1,040
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Operating Transfers and Grants	5	-	152,945	-	800	64,867	38,236	24,658	64.5%	152,945

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act.

All other unspent balances were addressed during the roll-over application process of National Treasury and Provincial Treasury.

7.2 Supporting Table C7

DC4 Eden - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2016/17	Budget Year 2017/18							
		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:		-	151,005	-	5	365	25,168	(24,802)	-98.5%	151,005
Local Government Equitable Share			146,055				24,343	(24,343)	-100.0%	146,055
Finance Management			1,250		33	124	208	(84)	-40.4%	1,250
Municipal Systems Improvement					(90)	90		90	#DIV/0!	-
EPWP Incentive			1,280		62	151	213	(62)	-29.0%	1,280
NT - Rural Roads Asset Management Systems			2,420				403	(403)	-100.0%	2,420
Other transfers and grants [insert description]								-		
Provincial Government:		-	1,940	-	-	-	162	(162)	-100.0%	1,940
PT - Integrated Transport Plan			900				75	(75)	-100.0%	900
Other transfers and grants [insert description]								-		
			1,040				87	(87)	-100.0%	1,040
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total operating expenditure of Transfers and Grants:		-	152,945	-	5	365	25,329	(24,964)	-98.6%	152,945

Performance reporting on grants are been done by the Chief Financial Officer in order to comply with the Division of Revenue Act.

The Equitable Share is used for the day to day running of the Municipality for example salaries, own funded projects and contracted services and therefore unconditional.

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 - M03 September

Summary of Employee and Councillor remuneration	Ref	2016/17	Budget Year 2017/18							
		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		4,628	6,908		887	2,613	1,727	886	51%	6,908
Pension and UIF Contributions		694	261				65	(65)	-100%	261
Medical Aid Contributions		120	142				35	(35)	-100%	142
Motor Vehicle Allowance		1,814	2,312				578	(578)	-100%	2,312
Cellphone Allowance		337	325				81	(81)	-100%	325
Housing Allowances		–	367				92	(92)	-100%	367
Other benefits and allowances		250	500				125	(125)	-100%	500
Sub Total - Councillors		7,843	10,815	–	887	2,613	2,704	(91)	-3%	10,815
% increase	4		37.9%							37.9%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		3,716	4,014		386	1,062	1,004	58	6%	4,014
Pension and UIF Contributions		687	551				138	(138)	-100%	551
Medical Aid Contributions		63	139		14	35	35	1	2%	139
Overtime							–	–		–
Performance Bonus		554	554				138	(138)	-100%	554
Motor Vehicle Allowance		507	628		63	168	157	11	7%	628
Cellphone Allowance		33	59		8	22	15	7	46%	59
Housing Allowances		84	90		8	22	23	(1)	-3%	90
Other benefits and allowances		200			55	142		142	#DIV/0!	
Payments in lieu of leave		62	70				17	(17)	-100%	70
Long service awards								–		
Post-retirement benefit obligations								–		
Sub Total - Senior Managers of Municipality		5,906	6,104	–	533	1,450	1,526	(76)	-5%	6,104
% increase	4		3.4%							3.4%
Other Municipal Staff										
Basic Salaries and Wages		62,509	69,850		8,183	25,942	17,462	8,480	49%	69,850
Pension and UIF Contributions		13,199	15,210				3,803	(3,803)	-100%	15,210
Medical Aid Contributions		9,348	10,067				2,517	(2,517)	-100%	10,067
Overtime		2,527	2,390				598	(598)	-100%	2,390
Performance Bonus							–	–		–
Motor Vehicle Allowance		4,743	4,940				1,235	(1,235)	-100%	4,940
Cellphone Allowance		225	115				29	(29)	-100%	115
Housing Allowances		733	879				220	(220)	-100%	879
Other benefits and allowances		2,321	3,557				889	(889)	-100%	3,557
Payments in lieu of leave		4,268	5,265				1,316	(1,316)	-100%	5,265
Long service awards		315	525				131	(131)	-100%	525
Post-retirement benefit obligations								–		
Sub Total - Other Municipal Staff		100,188	112,799	–	8,183	25,942	28,200	(2,258)	-8%	112,799
% increase	4		12.6%							12.6%
Total Parent Municipality		113,937	129,718	–	9,604	30,005	32,430	(2,424)	-7%	129,718

Remuneration related expenditure for the month of September 2017 amounts to

R 9,603,671 that represents 7.4% of the budgeted amount.

Section 9 – Municipal manager's quality certification

NAVRAE:
ENQUIRIES: L Hoek

KONTAKNR
CONTACT NO 044 803 1449

VERW:
REF: 6/18/7/2017-2018

KANTOOR:
OFFICES: George

DATUM
DATE 12 October 2017



QUALITY CERTIFICATE

I, M STRATU, the accounting officer of **EDEN DISTRICT MUNICIPALITY (DC4)**, hereby certify that the–

(mark as appropriate)

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

for the month ended **30 SEPTEMBER 2017**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Disclaimer: Please note that the Section 71 Reporting is subject to changes due to the fact that the Municipality are still busy with mSCOA and a new financial system (Phoenix) implementation and currently the system does not allow the Municipality to extract all the required information for reporting.

Print Name Monde STRATU

Accounting Officer of **EDEN DISTRICT MUNICIPALITY (DC4)**.

Signature [Signature]

Date 13/10/17