



EDEN DISTRICT MUNICIPALITY

FINANCIAL YEAR 2015 - 2016

MONTHLY FINANCIAL REPORT

31 JANUARY 2016

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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 31 January 2016.

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 January 2016.

2.2 Consolidated Performance

2.2.1 Against Annual Budget (original)

Revenue by source

The total revenue received for the month of January amounts to **R 4,683,955**, and the year to date revenue amounts to **R 156,985,347**, in comparison to a budgeted figure of **R232,492,868**, (excluding Roads budget) representing a **67.5%** of annual revenue.

Operating Expenditure by type

Operating expenditure for the month of January amounts to **R 9,972,324**, and the year to date expenditure amounts to **R 87,238,753**, which is reported against a budget of **R224,818,560** (excluding Roads budget), representing a **38.8%** of annual expenditure. Spending will increase as the year progresses.

Capital Expenditure

The capital budgeted for the financial year amounts to **R 1,790,501**. Capital expenditure for the month of January amounts to **R 260,448**. The year to date expenditure in respect of the capital programme amounts to **R 495,121**, representing **27.6%** of total budget.

See attached capital progress report on page 16.

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

Remedial actions and corrections will be instituted and changes recommend by the Performance Management Unit.

2.5 Conclusion

Detailed analysis of the municipal performance for the year to date ending 31 January 2016 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 - M07 January

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	6,621	1,456	5,554	3,862	1,692	44%	6,621
Transfers recognised - operational	168,113	186,119	186,119	–	131,092	108,569	22,523	21%	186,119
Other own revenue	156,321	156,271	182,933	3,228	20,339	106,711	(86,372)	-81%	182,933
Total Revenue (excluding capital transfers and contributions)	329,184	347,615	375,673	4,684	156,985	219,142	(62,157)	-28%	375,673
Employee costs	94,315	101,398	105,788	6,721	60,247	61,710	(1,463)	-2%	105,788
Remuneration of Councillors	7,723	8,496	8,296	574	4,079	4,839	(761)	-16%	8,296
Depreciation & asset impairment	6,800	6,800	3,800	277	1,633	2,217	(583)	-26%	3,800
Finance charges	830	664	69	–	34	40	(6)	-16%	69
Materials and bulk purchases	–	–	–	–	–	–	–		–
Transfers and grants	44,147	47,217	47,217	600	3,654	27,543	(23,890)	-87%	47,217
Other expenditure	171,750	182,004	202,829	1,801	17,592	118,317	(100,724)	-85%	202,829
Total Expenditure	325,566	346,579	367,998	9,972	87,239	214,666	(127,427)	-59%	367,998
Surplus/(Deficit)	3,619	1,036	7,674	(5,288)	69,747	4,477	65,270	1458%	7,674
Transfers recognised - capital	–	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	3,619	1,036	7,674	(5,288)	69,747	4,477	65,270	1458%	7,674
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	3,619	1,036	7,674	(5,288)	69,747	4,477	65,270	1458%	7,674
Capital expenditure & funds sources									
Capital expenditure	9,414	1,035	1,791	260	495	1,044	(549)	-53%	1,791
Capital transfers recognised	–	–	–	–	–	–	–		–
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	9,414	1,035	1,791	260	495	1,044	(549)	-53%	1,791
Total sources of capital funds	9,414	1,035	1,791	260	495	1,044	(549)	-53%	1,791
Financial position									
Total current assets	113,385	113,385	113,385		182				113,385
Total non current assets	532,282	512,282	512,282		228				512,282
Total current liabilities	67,533	59,073	59,073		32				59,073
Total non current liabilities	116,089	115,415	115,415		75				115,415
Community wealth/Equity	462,045	451,179	451,179		303				451,179
Cash flows									
Net cash from (used) operating	(30,251)	20,075	21,385	(5,288)	69,747	12,475	(57,272)	-459%	21,385
Net cash from (used) investing	(6,880)	(1,035)	(1,791)	(25,142)	(100,144)	(1,044)	99,099	-9488%	(1,791)
Net cash from (used) financing	(650)	(664)	(664)	–	(499)	(277)	222	-80%	(664)
Cash/cash equivalents at the month/year end	35,956	54,332	54,887	–	28,730	47,110	18,380	39%	78,557
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	222	66	51	11,150	–	–	–	–	11,488
Creditors Age Analysis									
Total Creditors	2,337	–	–	–	–	–	–	–	2,337

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

DC4 Eden - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M07 January

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	225,308	4,098	151,496	131,430	20,067	15%	225,308
Executive and council		204,202	209,837	225,308	4,098	151,496	131,430	20,067	15%	225,308
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		1,302	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6,036	6,823	6,251	586	4,748	3,647	1,102	30%	6,251
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		5,867	6,637	6,065	568	4,601	3,538	1,063	30%	6,065
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		169	186	186	18	147	108	38	35%	186
<i>Economic and environmental services</i>		116,522	128,955	143,435	1	62	83,670	(83,608)	-100%	143,435
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		116,290	128,700	143,180	-	-	83,522	(83,522)	-100%	143,180
Environmental protection		232	255	255	1	62	149	(87)	-58%	255
<i>Trading services</i>		1,122	2,000	679	-	679	396	283	71%	679
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,122	2,000	679	-	679	396	283	71%	679
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	329,184	347,615	375,673	4,684	156,985	219,142	(62,157)	-28%	375,673
Expenditure - Standard										
<i>Governance and administration</i>		127,659	115,022	118,117	4,254	42,787	68,902	(26,114)	-38%	118,117
Executive and council		73,941	60,273	65,300	1,431	14,937	38,092	(23,155)	-61%	65,300
Budget and treasury office		22,999	23,616	22,275	1,250	11,277	12,994	(1,717)	-13%	22,275
Corporate services		30,719	31,134	30,542	1,572	16,574	17,816	(1,243)	-7%	30,542
<i>Community and public safety</i>		64,790	63,138	64,544	4,054	36,105	37,651	(1,546)	-4%	64,544
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		10,612	11,228	10,616	970	6,102	6,193	(91)	-1%	10,616
Public safety		23,534	24,424	23,677	1,434	12,069	13,812	(1,742)	-13%	23,677
Housing		-	-	-	-	-	-	-	-	-
Health		30,644	27,486	30,251	1,650	17,934	17,646	287	2%	30,251
<i>Economic and environmental services</i>		126,746	146,118	161,319	1,150	6,558	93,578	(87,020)	-93%	161,319
Planning and development		7,351	11,889	11,259	546	4,172	6,568	(2,395)	-36%	11,259
Road transport		117,331	131,883	147,263	485	1,073	85,378	(84,306)	-99%	147,263
Environmental protection		2,065	2,346	2,798	119	1,312	1,632	(320)	-20%	2,798
<i>Trading services</i>		6,370	22,300	24,018	515	1,789	14,010	(12,221)	-87%	24,018
Electricity		-	-	-	-	-	-	-	-	-
Water		3,023	20,782	20,812	402	463	12,140	(11,677)	-96%	20,812
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3,347	1,517	3,206	113	1,326	1,870	(544)	-29%	3,206
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	325,566	346,579	367,998	9,972	87,239	214,141	(126,902)	-59%	367,998
Surplus/ (Deficit) for the year		3,619	1,036	7,674	(5,288)	69,747	5,002	64,745	1294%	7,674

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 156,985,347** for the period ending 31 January 2016. Other income received includes the Income Agency Functions of **R2,304,056** and Interest on External Investments of **R 1,456,350** for the month of January 2015. The total revenue received for the month of January amounts to **R 4,683,955**.

Operating Expenditure

Operating expenditure of **R 87,238,753** is reported for the period ending 31 January 2016. The majority of these expenditure for January 2016 totals employee related cost of **R 6,720,978**. Contracted Services amounts to **R 211,656**, Repairs and Maintenance **R 223,859** and General Expenses total to **R 1,255,075** for January 2016.

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) - M07 January

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	1									
Vote 1 - Executive and Council		204,202	209,837	225,308	4,098	151,496	131,430	20,067	15.3%	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	186	18	147	108	38	35.4%	186
Vote 7 - Sport and Recreation		5,867	6,637	6,065	568	4,601	3,538	1,063	30.1%	6,637
Vote 8 - Waste Management		1,122	2,000	679	-	679	396	283	71.4%	2,000
Vote 9 - Road Transport		-	-	-	-	-	-	-		-
Vote 10 - Water		-	-	-	-	-	-	-		-
Vote 11 - Environmental Protection		232	255	255	1	62	149	(87)	-58.2%	255
Vote 12 - Roads Agency Function		116,290	128,700	143,180	-	-	83,522	(83,522)	-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	375,673	4,684	156,985	219,142	(62,157)	-28.4%	347,615
Expenditure by Vote	1									
Vote 1 - Executive and Council		73,941	60,273	65,300	1,431	14,937	38,092	(23,155)	-60.8%	65,300
Vote 2 - Budget and Treasury Office		22,999	23,616	22,275	1,250	11,277	12,994	(1,717)	-13.2%	22,275
Vote 3 - Corporate Services		30,719	31,134	30,542	1,572	16,574	17,816	(1,243)	-7.0%	30,542
Vote 4 - Planning and Development		7,351	11,889	11,259	546	4,172	6,568	(2,395)	-36.5%	11,259
Vote 5 - Public Safety		23,534	24,424	23,677	1,434	12,069	13,812	(1,742)	-12.6%	23,677
Vote 6 - Health		30,644	27,486	30,251	1,650	17,934	17,646	287	1.6%	30,251
Vote 7 - Sport and Recreation		10,612	11,228	10,616	970	6,102	6,193	(91)	-1.5%	10,616
Vote 8 - Waste Management		3,347	1,517	3,206	113	1,326	1,870	(544)	-29.1%	3,206
Vote 9 - Road Transport		1,041	3,183	4,083	485	1,073	2,382	(1,309)	-55.0%	4,083
Vote 10 - Water		3,023	20,782	20,812	402	463	12,140	(11,677)	-96.2%	20,812
Vote 11 - Environmental Protection		2,065	2,346	2,798	119	1,312	1,632	(320)	-19.6%	2,798
Vote 12 - Roads Agency Function		116,290	128,700	143,180	-	-	83,522	(83,522)	-100.0%	143,180
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	367,998	9,972	87,239	214,666	(127,427)	-59.4%	367,998
Surplus/ (Deficit) for the year	2	3,619	1,036	7,674	(5,288)	69,747	4,477	65,270	1458.0%	(20,383)

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 EdenDM 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 and is only consolidated into the financial statements at year end.

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) - M07 January

Part 2 - Financial Performance Statement - Financial Statement - Revenue and Expenditure - Income Statement										
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	1,345	8	906	785	121	15%	1,345
Interest earned - external investments		4,750	5,225	6,621	1,456	5,554	3,862	1,692	44%	6,621
Interest earned - outstanding debtors		881	681	754	88	560	440	120	27%	754
Dividends received								-		
Fines								-		
Licences and permits								-		
Agency services		13,777	14,280	15,692	2,304	10,028	9,154	874	10%	15,692
Transfers recognised - operational		168,113	186,119	186,119	-	131,092	108,569	22,523	21%	186,119
Other revenue		139,306	139,953	165,141	828	8,846	96,332	(87,487)	-91%	165,141
Gains on disposal of PPE					-			-		
Total Revenue (excluding capital transfers and contributions)		329,184	347,615	375,673	4,684	156,985	219,142	(62,157)	-28%	375,673
Expenditure By Type										
Employee related costs		94,315	101,398	105,788	6,721	60,247	61,710	(1,463)	-2%	105,788
Remuneration of councillors		7,723	8,496	8,296	574	4,079	4,839	(761)	-16%	8,296
Debt impairment		1,800	1,000	1,000			583	(583)	-100%	1,000
Depreciation & asset impairment		6,800	6,800	3,800	277	1,633	2,217	(583)	-26%	3,800
Finance charges		830	664	69	-	34	40	(6)	-16%	69
Bulk purchases								-		
Other materials								-		
Contracted services		8,414	7,214	7,284	212	2,918	4,249	(1,331)	-31%	7,284
Transfers and grants		44,147	47,217	47,217	600	3,654	27,543	(23,890)	-87%	47,217
Other expenditure		161,536	173,790	194,545	1,589	14,675	113,484	(98,810)	-87%	194,545
Loss on disposal of PPE								-		
Total Expenditure		325,566	346,579	367,998	9,972	87,239	214,666	(127,427)	-59%	367,998
Surplus/(Deficit)		3,619	1,036	7,674	(5,288)	69,747	4,477	65,270	0	7,674
Transfers recognised - capital								-		
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		3,619	1,036	7,674	(5,288)	69,747	4,477			7,674
Taxation								-		
Surplus/(Deficit) after taxation		3,619	1,036	7,674	(5,288)	69,747	4,477			7,674
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		3,619	1,036	7,674	(5,288)	69,747	4,477			7,674
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		3,619	1,036	7,674	(5,288)	69,747	4,477			7,674

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 income for the above are been reported as R 8 009 for the month of January 2016, and income for the year to date amounts to R 905 618 in comparison to a budgeted amount of R 1 345 354.

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. Interest received for the month under review were R 1 456 350.

Interest raised – Outstanding debtors

The interest on outstanding debtors raised amounts to R 87 981 for the month of January 2016.

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. Revenue in respect of the Agency Services for the month of January amounts to

R 2 304 056.

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 second instalment of R 46,301,000 for Equitable Share was received during November 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. Expanded Public Works Programme received R 302,000, WC Support Provincial Treasury R 300,000 and WCFMG Assistance (ADD) R 50,000 during the month of November 2015. The municipality didn't receive any grant funding during the month of January 2016.

Other revenue / Sundry income

Other revenue reflects an amount of R 827,560 for the month of January 2016. Other revenue consists of the following:

Sundry Income R726,984 (*consists of amongst others chalets income R298,296 / camping fees total to R 204,596, firefighting fees, tariffs & penalties, atmospheric emission licence application fees, health claims and VAT on grant 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 January 2016 amounts to

R6,720,977.58 and the year to date expenditure amounts to R 60,247,083.28 of a budgeted amount of R 105 788 179 which represents 57.1% of the budgeted amount. An increase for Councillors remuneration are under review and will be implemented in February and reported accordingly.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. The depreciation amounts to R277,207.87 for the month of January 2016.

Finance charges

Finance charges are only accounted for during March 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 the current financial year.

Contracted services

Contracted Services of R211,656.41 is reflected in the financial results for month 31 January 2016.

Transferred recognised – operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenues Act's respectively. This conditional grants consists of the Financial Management Grant of R1, 250,000, Municipal Systems Improvement Grant of R930,000, EPWP Incentive Grant of R930,000, Rural Roads Asset Management Grant of R2,283,000, Municipal Disaster Recovery Grant of R20,849,000, LG: Bulk Water and Waste Water Infrastructure of R20,000,000 (not yet received) and Integrated Transport Planning of R900,000. All the above conditional grants are to be reported on monthly and the expenditure for the month of January amounts to **R 599,805.42**. Total expenditure for the period ending 31 January 2016 is **R 3,653,645**.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned. The spending on other expenditure is low and will increase as the year progresses.

Non -cash items is only accounted for at the end of the financial year. The other expenditure consists of amongst others 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, standard classification and funding) - M07 January

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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		327	30	-	-	-	-	-		-
Vote 2 - Budget and Treasury Office		6	-	140	-	-	81	(81)	-100%	140
Vote 3 - Corporate Services		923	430	656	107	150	383	(233)	-61%	656
Vote 4 - Planning and Development		-	-	-	-	-	-	-		-
Vote 5 - Public Safety		1,935	375	775	153	261	452	(191)	-42%	775
Vote 6 - Health		53	-	11	-	-	6	(6)	-100%	11
Vote 7 - Sport and Recreation		370	200	197	-	85	115	(30)	-26%	197
Vote 8 - Waste Management		5,800	-	-	-	-	-	-		-
Vote 9 - Road Transport		-	-	-	-	-	-	-		-
Vote 10 - Water		-	-	-	-	-	-	-		-
Vote 11 - Environmental Protection		-	-	12	-	-	7	(7)	-100%	12
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	1,791	260	495	1,044	(549)	-53%	1,791
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 - Sport and Recreation		-	-	-	-	-	-	-		-
Vote 8 - Waste Management		-	-	-	-	-	-	-		-
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 single-year expenditure	4	-	-	-	-	-	-	-		-
Total Capital Expenditure		9,414	1,035	1,791	260	495	1,044	(549)	-53%	1,791

Variances explained in Supporting Table C5

The capital budget of R1,790,501.00 consists mainly of the Swartvlei Septic Tank Project of R184,300, Pool Vehicle of R131,530, Emergency Equipment R243,471, IT Equipment R153,000, Finger Scanner R350,000, Radio Transmitter R400,000, Council Chamber Revamp R30,000, Steel cabinets R48,000, and Steel Shelves of R17,000.00.

Expenditure will pick up as the year progresses -projects are in the planning process or the SCM stage. Expenditure on capital items are estimated to increase in the 3rd and 4th quarters.

Vote number	Project description	Original Budget R'	YTD Expenditure R'	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.
10/50/01/6010/014	Swartvlei Septic Tank Project	R 184,300.00	R 80,017.00	Quotations obtained.	Management deviated from SCM policy, and quotations were obtained.	Savings were identified when obtained quotations. These savings were allocated to other capital expenditure	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.
10/50/01/6065/032	ICT Computer Related Equipment	R 153,000.00	R 133,474.33	Finalised - tender awarded - ITE/02/15-16	Tender Awarded.	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.
10/50/01/6070/006	Pool Vehicle	R 131,530.00	R 131,529.33	Finalised - tender awarded - ITE/07/15-16	Tender Awarded to Tavcor	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.
10/50/01/6055/012	Council Chambers Revamp	R 30,000.00	R -	Not started yet	Not started yet	Financial Constraints - money allocate for the project to be successful are not sufficient - Project transferred to Maintenance Section	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.
10/50/01/6065/051	Steel Cabinet	R 48,000.00	R -	In process	Specifications Compiled	Waiting for clarification on warrantee and guarantee issues	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.
10/50/01/6050/059	Finger Scanner	R 350,000.00	R -	ITE/16/15-16	Will serve on the Bid Adjudication Committee the 10 th of February 2016 to make final award	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.
10/50/01/6065/052	Steel Shelves	R 17,000.00	R 16,346.49	In process	Quotations obtained and supplier identified	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.
10/50/01/6065/048	Emergency Equipment	R 243,471.00	R 129,199.43	E/11/14-15	Tender awarded to CAW Suppliers	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.
10/50/01/6065/043	Equipment: Swartvlei	R 12,700.00	R 4,554.21	In process	Currently at SCM obtaining quotations	Project specifications needs to be drafted and tabled to the manager Community services. After this process is conclude the municipality will embark on the SCM process.	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.
10/50/01/6065/054	Mission Street : Blinds	R 11,000.00	R -	In process	Currently at SCM obtaining quotations	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.
10/50/01/6065/055	Office Equipment: Registry	R 1,000.00	R -	In process	Orders issued	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.
10/50/01/6065/056	Refrigerator	R 3,000.00	R -	In process	Orders issued	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.
10/50/01/6065/057	Radio Transmitter	R 400,000.00	R -	In process	Currently at SCM obtaining quotations	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.
10/50/01/6065/058	Air Quality Monitoring Equipment	R 12,000.00	R -	In process	Currently at SCM obtaining quotations	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.
10/50/01/6065/059	Laptops : Finance Interns	R 139,500.00	R -	In process	Currently at SCM obtaining quotations	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.
10/50/01/6065/060	Fire Extinguishers	R 54,000.00	R -	In process	Currently at SCM obtaining quotations	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.
Totals		1,790,501.00	495,120.79				
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 January 2016							
10/50/01/6065/032	ICT Computer Related Equipment	R 3,205.63					
10/50/01/6065/043	Equipment: Swartvlei	R 3,500.00					
10/50/01/6065/048	Emergency Equipment	R 27,072.95					
10/50/01/6065/051	Steel Cabinet	R 45,667.00					
10/50/01/6065/055	Office Equipment: Registry	R 262.65					
10/50/01/6065/056	Refrigerator	R 2,500.00					
	R	82,208.23					

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Eden - Table C6 Monthly Budget Statement - Financial Position - M07 January

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	168	95,686
Call investment deposits						
Consumer debtors		6,758	6,758	6,758	5	6,758
Other debtors		4,402	4,402	4,402	5	4,402
Current portion of long-term receivables		2,534	2,534	2,534	–	2,534
Inventory		4,005	4,005	4,005	4	4,005
Total current assets		113,385	113,385	113,385	182	113,385
Non current assets						
Long-term receivables		37,190	37,190	37,190	–	37,190
Investments		20,000	25,000	25,000	0	25,000
Investment property		325,577	300,577	300,577	86	300,577
Investments in Associate						
Property, plant and equipment		146,406	146,406	146,406	140	146,406
Agricultural						
Biological assets						
Intangible assets		3,068	3,068	3,068	2	3,068
Other non-current assets		41	41	41		41
Total non current assets		532,282	512,282	512,282	228	512,282
TOTAL ASSETS		645,667	625,667	625,667	410	625,667
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		700	700	700	0	700
Consumer deposits						
Trade and other payables		44,745	36,285	36,285	26	36,285
Provisions		22,088	22,088	22,088	6	22,088
Total current liabilities		67,533	59,073	59,073	32	59,073
Non current liabilities						
Borrowing		674				
Provisions		115,415	115,415	115,415	75	115,415
Total non current liabilities		116,089	115,415	115,415	75	115,415
TOTAL LIABILITIES		183,622	174,488	174,488	107	174,488
NET ASSETS	2	462,045	451,179	451,179	303	451,179
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		460,398	449,532	449,532	281	449,532
Reserves		1,647	1,647	1,647	21	1,647
TOTAL COMMUNITY WEALTH/EQUITY	2	462,045	451,179	451,179	303	451,179

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 - M07 January

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges								-		
Service charges								-		
Other revenue		125,436	155,590	155,590	3,228	20,339	90,761	(70,422)	-78%	155,590
Government - operating		168,993	186,119	186,119	-	131,092	108,569	22,523	21%	186,119
Government - capital							-	-		
Interest		4,750	5,906	6,621	1,456	5,554	3,862	1,692	44%	6,621
Dividends								-		
Payments										
Suppliers and employees		(293,704)	(279,659)	(279,659)	(9,373)	(83,551)	(163,134)	(79,583)	49%	(279,659)
Finance charges		(830)	(664)	(69)		(34)	(40)	(6)	16%	(69)
Transfers and Grants		(34,896)	(47,217)	(47,217)	(600)	(3,654)	(27,543)	(23,890)	87%	(47,217)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(30,251)	20,075	21,385	(5,288)	69,747	12,475	(57,272)	-459%	21,385
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					(24,882)	(99,649)		(99,649)	#DIV/0!	
Payments										
Capital assets		(9,414)	(1,035)	(1,791)	(260)	(495)	(1,044)	(549)	53%	(1,791)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(6,880)	(1,035)	(1,791)	(25,142)	(100,144)	(1,044)	99,099	-9488%	(1,791)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(650)	(664)	(664)		(499)	(277)	222	-80%	(664)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(650)	(664)	(664)	-	(499)	(277)	222	-80%	(664)
NET INCREASE/ (DECREASE) IN CASH HELD		(37,781)	18,376	18,931	(30,431)	(30,896)	11,154			18,931
Cash/cash equivalents at beginning:		73,737	35,956	35,956		59,626	35,956			59,626
Cash/cash equivalents at month/year end:		35,956	54,332	54,887		28,730	47,110			78,557

The municipal bank balance at 31 January 2016 totals R 28 730 364.65.

Detailed information regarding the cash position is tabled below.

REPORTING MONTH: 31 JANUARY 2016		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Cash & Cash Equivalents	173,622,634.91	168,305,981.84
LESS:	82,300,581.77	91,700,372.07
Unspent Conditional Grants	52,029,760.00	29,958,748.39
Current portion long term liabilities	182,762.37	182,762.37
Provision for staff leave	4,164,020.93	3,971,894.31
Provision for staff shift allowance	1,237,618.00	1,237,618.00
Post Retirement Benefits	3,876,296.00	24,315,652.00
Current Portion: Alien Vegetation	2,312,451.00	4,362,451.00
Performance Bonus	481,322.00	481,322.00
Grant received in advance	11,575,000.00	11,575,250.00
Trade Payables	6,441,351.47	7,567,259.00
Unspent Capital budget 7 months		549,000.00
Unspent Operational budget 7 months		7,498,415.00
Sub total	91,322,053.14	76,605,609.77
PLUS:	5,643,418.33	3,562,523.00
VAT Receivable	-	-
Receivable Exchange	5,643,418.33	3,562,523.00
Other receivables after impairment		
	96,965,471.47	80,168,132.77
LESS OTHER MATTERS:		
Capital Replacement Reserve	21,370,360.00	25,170,360.00
Sub Total	75,595,111.47	54,997,772.77
LESS: CONTIGENT LIABILITIES	16,083,300.00	21,409,779.00
F du Toit (Vicbay Theft)	376,750.00	376,750.00
Claim from Lefatshe Computer Systems	6,500,000.00	12,733,029.00
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)	59,511,811.47	33,587,993.77

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

DC4 Eden - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2015/16												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	29	30	10					1,148	1,216	1,148				
Interest on Arrear Debtor Accounts	1810									-	-				
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-				
Other	1900	193	36	41					10,002	10,272	10,002				
Total By Income Source	2000	222	66	51	-	-	-	-	11,150	11,488	11,150	-	-		
2014/15 - totals only										-	-				
Debtors Age Analysis By Customer Group															
Organs of State	2200									-	-				
Commercial	2300									-	-				
Households	2400	147	26	35					2,089	2,297	2,089				
Other	2500	75	40	16					9,061	9,191	9,061				
Total By Customer Group	2600	222	66	51	-	-	-	-	11,150	11,488	11,150	-	-		

The majority of the debtors outstanding over one year are the Councillors debt with regard to travel claims, awaiting legal opinion regarding these debts.

Section 5 – Creditors' analysis

Supporting Table C4

DC4 Eden - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	NT Code	Budget Year 2015/16									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	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300	1,207								1,207	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500	1,130								1,130	
Loan repayments	0600									-	
Trade Creditors	0700									-	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	2,337	-	-	-	-	-	-	-	2,337	-

The short coming in the creditors system needs attention to ensure that more accurate reporting can be done in respect of outstanding overdue accounts. It is envisioned with the implementation of a MSCOA compliant financial system, the shortcomings will be addressed.

Section 6 – Investment portfolio analysis

6.1 Investment monitoring information

		Movements for the month				
	Balance as at 01 Jan 2016	Investments matured	Investments made	Balance as at 31 Jan 2016	Interest earned Month	Interest earned Year to date
<i>Eden district municipality</i>						
<i>Interest Received YTD</i>						
<i>Standard Bank</i>	28,500,000.00	-28,500,000.00	-35,000,000.00	35,000,000.00	283,438.36	933,995.49
<i>FNB</i>	28,500,000.00	-28,500,000.00	-35,000,000.00	35,000,000.00	266,777.01	886,067.73
<i>ABSA</i>	28,500,000.00	-28,500,000.00	-35,000,000.00	35,000,000.00	281,291.10	909,280.41
<i>Nedbank</i>	28,500,000.00	-28,500,000.00	-35,000,000.00	35,000,000.00	286,659.25	939,777.41
<i>Standard Bank - Bank Guarantee investment</i>	128,996.70			130,263.08	1,266.38	4,135.02
BANK DEPOSITS	114,128,996.70	-114,000,000.00	-140,000,000.00	140,130,263.08	1,119,432.10	3,673,256.06

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. This should be enhanced to maximise this revenue stream.

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 - M07 January

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	182,936	–	127,909	106,713	11,483	10.8%	182,936
Local Government Equitable Share		134,097	138,902	138,902		104,176	81,026	23,150	28.6%	138,902
Finance Management		1,250	1,250	1,250		1,250	729			1,250
Municipal Systems Improvement		934	930	930		930	543			930
EPWP Incentive		1,000	1,005	1,005		704	586			1,005
Municipal Disaster Recovery Grant		27,432	20,849	20,849		20,849	12,162			20,849
LG: Bulk Water and Waste Water infrastr.	3	2,500	20,000	20,000			11,667	(11,667)	-100.0%	20,000
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		900	3,183	3,183	–	3,183	1,857	1,326	71.4%	3,183
Integrated Transport Planning		900	900	900		900	525	375	71.4%	900
Rural Roads Asset Management Grant	4		2,283	2,283		2,283	1,332	951	71.4%	2,283
								–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
								–		
Total Operating Transfers and Grants	5	168,113	186,119	186,119	–	131,092	108,569	12,809	11.8%	186,119

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 - M07 January

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										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		167,213	182,936	182,936	115	83,607	106,713	(23,105)	-21.7%	182,936
Local Government Equitable Share		134,097	138,902	138,902		81,026	81,026	-		138,902
Finance Management		1,250	1,250	1,250	64	450	729	(279)	-38.3%	1,250
Municipal Systems Improvement		934	930	930		245	543	(297)	-54.8%	930
EPWP Incentive		1,000	1,005	1,005	51	515	586	(71)	-12.1%	1,005
Municipal Disaster Recovery Grant		27,432	20,849	20,849		1,371	12,162	(10,791)	-88.7%	20,849
LG: Bulk Water and Waste Water infrastru		2,500	20,000	20,000			11,667	(11,667)	-100.0%	20,000
Other transfers and grants [insert description]								-		
Provincial Government:		900	3,183	4,083	485	1,073	2,382	(1,309)	-55.0%	3,183
Integrated Transport Planning		900	900	1,800	485	1,073	1,050	23	2.2%	900
Rural Roads Asset Management Grant			2,283	2,283			1,332	(1,332)	-100.0%	2,283
								-		
								-		
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Total operating expenditure of Transfers and Grants:		168,113	186,119	187,019	600	84,680	109,094	(24,415)	-22.4%	186,119

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

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 - M07 January

Summary of Employee and Councillor remuneration	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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5,473	6,021	5,901	410	2,903	3,442	(539)	-16%	6,021
Pension and UIF Contributions		132	146	146	11	76	85	(9)	-10%	146
Medical Aid Contributions		195	214	214	21	149	125	24	19%	214
Motor Vehicle Allowance		1,588	1,747	1,667	108	770	972	(202)	-21%	1,747
Cellphone Allowance		335	368	368	24	180	215	(35)	-16%	368
Housing Allowances								-		-
Other benefits and allowances								-		-
Sub Total - Councillors		7,723	8,496	8,296	574	4,079	4,839	(761)	-16%	8,496
% increase	4		10.0%	7.4%						10.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		3,266	3,509	3,554	290	2,116	2,073	43	2%	3,509
Pension and UIF Contributions		417	707	652	45	315	380	(65)	-17%	707
Medical Aid Contributions		61	54	57	5	33	33	(1)	-2%	54
Overtime								-		-
Performance Bonus		325	500	546			319	(319)	-100%	
Motor Vehicle Allowance		369	489	572	42	293	334	(41)	-12%	489
Cellphone Allowance		12	23	33	3	19	19	(0)	-1%	23
Housing Allowances		84	84	84	7	49	49	-		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	5,498	393	2,824	3,207	(383)	-12%	4,866
% increase	4		18.4%	21.3%						7.3%
Other Municipal Staff										
Basic Salaries and Wages		57,613	59,551	59,872	(1,266)	32,133	34,925	(2,792)	-8%	59,872
Pension and UIF Contributions		11,424	13,240	12,451	852	6,185	7,263	(1,078)	-15%	12,451
Medical Aid Contributions		8,150	9,163	8,395	722	4,649	4,897	(248)	-5%	8,395
Overtime		1,027	1,144	1,263	209	598	737	(139)	-19%	1,263
Performance Bonus		35						-		-
Motor Vehicle Allowance		5,863	5,461	6,098	442	3,642	3,557	85	2%	6,098
Cellphone Allowance		119	149	132	0	3	77	(74)	-96%	132
Housing Allowances		516	554	726	61	418	423	(5)	-1%	726
Other benefits and allowances		692	2,099	1,342	103	382	783	(401)	-51%	1,342
Payments in lieu of leave		4,342	4,671	4,430	52	4,258	2,584	1,674	65%	4,430
Long service awards								-		-
Post-retirement benefit obligations				5,582	5,154	5,154	3,256	1,898	58%	
Sub Total - Other Municipal Staff		89,781	96,032	100,290	6,328	57,423	58,502	(1,080)	-2%	94,708
% increase	4		7.0%	11.7%						5.5%
Total Parent Municipality		102,038	109,894	114,084	7,295	64,326	66,549	(2,223)	-3%	108,070

The year to date expenditure in respect of remuneration amounts to R64 325 625.12 which represents a 56.3% of the budgeted amount. An increase for Councillor remuneration are under review and will be implemented in February and reported accordingly.

The second round of early retirement packages will be paid in the second half of the financial year.

Section 9 – Municipal manager’s quality certification

NAVRAE:
ENQUIRIES: L Hoek

KONTAKNR
CONTACT NO 044 803 1449

VERW:
REF: 6/18/7/2015-2016

KANTOOR:
OFFICES: George

DATUM
DATE 08 February 2016



QUALITY CERTIFICATE

I, G W LOUW, 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 **31 JANUARY 2016**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name G.W. Louw

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

Signature [Signature]

Date 12/02/16