



EDEN DISTRICT MUNICIPALITY

FINANCIAL YEAR 2015 - 2016

MONTHLY FINANCIAL REPORT

31 MAY 2016

Table of Contents	1
Glossary	2
Legislative Framework	3
 PART 1 – IN YEAR REPORT	 4
Section 1 – Resolutions	4
Section 2 – Executive summary	4
Section 3 – In-year budget statement tables	6
 PART 2 SUPPORTING DOCUMENTATION	 20
Section 4 – Debtor’s analysis	20
Section 5 – Creditors analysis	21
Section 6 – Investment portfolio analysis	22
Section 7 – Allocation and grant receipts and expenditure	23
Section 8 – Expenditure on councillor and staff related expenditure	25
Section 9 – Municipal Manager’s quality certification	26

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 May 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 May 2016.

2.2 Consolidated Performance

2.2.1 Against Annual Budget (original)

Revenue by source

The total revenue received for the month of May amounts to **R 3,471,593** and the year to date revenue amounts to **R 205,140,150**, in comparison to a budgeted figure of **R232,606,153** (excluding Roads budget) representing a **88.1%** of annual revenue. (Refer to income statement attached at the back for reasons for variances.)

Operating Expenditure by type

Operating expenditure for the month of May amounts to **R 10,282,855**, and the year to date expenditure amounts to **R 146,009,261**, which is reported against a budget of **R224,703,916** (excluding Roads budget), representing a **64.9%** of annual expenditure. (Refer to income statement attached at the back for reasons for variances.)`

Capital Expenditure

The capital budget for the financial year amounts to **R 2,290,501**. Capital expenditure for the month of May amounts to **R 4,339**. The year to date expenditure in respect of the capital programme amounts to **R 619,161**, representing **27.03%** 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

HOD's must monitor monthly income and expenditure reports and ensure spending is within budget and spend by 30 June 2016.

2.5 Conclusion

Detailed analysis of the municipal performance for the year to date ending 31 May 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 - M11 May

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	1,597	8,860	6,069	2,790	46%	6,621
Transfers recognised - operational	168,113	186,119	196,909	–	166,119	180,500	(14,381)	-8%	196,909
Other own revenue	156,321	156,271	172,256	1,874	30,162	157,901	(127,739)	-81%	172,256
Total Revenue (excluding capital transfers and contributions)	329,184	347,615	375,786	3,472	205,140	344,470	(139,330)	-40%	375,786
Employee costs	94,315	101,398	105,788	7,579	90,966	96,972	(6,007)	-6%	105,788
Remuneration of Councillors	7,723	8,496	8,296	656	6,915	7,604	(689)	-9%	8,296
Depreciation & asset impairment	6,800	6,800	3,800	280	2,996	3,483	(487)	-14%	3,800
Finance charges	830	664	69	–	43	63	(20)	-32%	69
Materials and bulk purchases	–	–	–	–	–	–	–		–
Transfers and grants	44,147	47,217	–	(18,514)	33	–	33	#DIV/0!	–
Other expenditure	171,750	182,004	249,929	20,281	45,056	229,102	(184,045)	-80%	249,929
Total Expenditure	325,566	346,579	367,882	10,283	146,009	337,225	(191,216)	-57%	367,882
Surplus/(Deficit)	3,619	1,036	7,904	(6,811)	59,131	7,245	51,886	716%	7,904
Transfers recognised - capital	–	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	3,619	1,036	7,904	(6,811)	59,131	7,245	51,886	716%	7,904
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	3,619	1,036	7,904	(6,811)	59,131	7,245	51,886	716%	7,904
Capital expenditure & funds sources									
Capital expenditure	9,414	1,035	2,291	4	619	2,100	(1,480)	-71%	2,291
Capital transfers recognised	–	–	–	–	–	–	–		–
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	9,414	1,035	2,291	4	619	2,100	(1,480)	-71%	2,291
Total sources of capital funds	9,414	1,035	2,291	4	619	2,100	(1,480)	-71%	2,291
Financial position									
Total current assets	113,385	113,385	175,537		169,391				113,385
Total non current assets	532,282	512,282	285,987		226,668				512,282
Total current liabilities	67,533	59,073	38,215		30,685				59,073
Total non current liabilities	116,089	115,415	133,206		74,951				115,415
Community wealth/Equity	462,045	451,179	290,103		290,423				451,179
Cash flows									
Net cash from (used) operating	(30,251)	20,075	19,917	(6,811)	59,131	18,257	(40,874)	-224%	19,917
Net cash from (used) investing	(6,880)	(1,035)	(2,265)	(90,004)	(195,309)	(2,100)	193,209	-9200%	(2,291)
Net cash from (used) financing	(650)	(664)	(664)	–	(499)	(609)	(110)	18%	(664)
Cash/cash equivalents at the month/year end	35,956	54,332	148,539	–	(99,839)	147,100	246,938	168%	53,800
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	168	377	1,262	–	–	–	–	11,205	13,012
Creditors Age Analysis									
Total Creditors	2,225	–	–	–	–	–	–	–	2,225

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

DC4 Eden - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M11 May

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	224,683	3,075	197,929	205,959	(8,030)	-4%	224,683
Executive and council		204,202	209,837	224,683	3,075	197,929	205,959	(8,030)	-4%	224,683
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		1,302	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6,036	6,823	6,251	396	6,430	5,730	699	12%	6,251
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		5,867	6,637	6,065	380	6,204	5,560	644	12%	6,065
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		169	186	186	16	226	170	55	32%	186
<i>Economic and environmental services</i>		116,522	128,955	143,435	1	103	131,482	(131,379)	-100%	143,435
Planning and development		-	-	-	-	5	-	5	#DIV/0!	-
Road transport		116,290	128,700	143,180	-	-	131,248	(131,248)	-100%	143,180
Environmental protection		232	255	255	1	98	234	(136)	-58%	255
<i>Trading services</i>		1,122	2,000	1,417	-	679	1,299	(620)	-48%	1,417
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,122	2,000	1,417	-	679	1,299	(620)	-48%	1,417
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	329,184	347,615	375,786	3,472	205,140	344,471	(139,330)	-40%	375,786
Expenditure - Standard										
<i>Governance and administration</i>		127,659	115,022	95,399	(10,316)	63,789	87,449	(23,660)	-27%	95,399
Executive and council		73,941	60,273	42,631	(13,857)	21,115	39,079	(17,963)	-46%	42,631
Budget and treasury office		22,999	23,616	22,226	1,571	17,939	20,374	(2,435)	-12%	22,226
Corporate services		30,719	31,134	30,542	1,970	24,735	27,997	(3,261)	-12%	30,542
<i>Community and public safety</i>		64,790	63,138	86,810	19,538	69,401	79,576	(10,175)	-13%	86,810
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		10,612	11,228	10,616	599	8,936	9,731	(795)	-8%	10,616
Public safety		23,534	24,424	45,890	17,143	34,972	42,065	(7,094)	-17%	45,890
Housing		-	-	-	-	-	-	-	-	-
Health		30,644	27,486	30,304	1,795	25,493	27,779	(2,286)	-8%	30,304
<i>Economic and environmental services</i>		126,746	146,118	161,619	889	10,008	147,326	(137,318)	-93%	161,619
Planning and development		7,351	11,889	11,559	708	6,845	10,596	(3,751)	-35%	11,559
Road transport		117,331	131,883	147,263	13	1,235	134,166	(132,931)	-99%	147,263
Environmental protection		2,065	2,346	2,798	168	1,929	2,565	(636)	-25%	2,798
<i>Trading services</i>		6,370	22,300	24,056	173	2,811	22,051	(19,240)	-87%	24,056
Electricity		-	-	-	-	-	-	-	-	-
Water		3,023	20,782	20,812	61	707	19,078	(18,371)	-96%	20,812
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3,347	1,517	3,244	112	2,104	2,973	(870)	-29%	3,244
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	325,566	346,579	367,884	10,283	146,009	336,402	(190,393)	-57%	367,884
Surplus/ (Deficit) for the year		3,619	1,036	7,902	(6,811)	59,131	8,069	51,062	633%	7,902

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 205,140,150** for the period ending 31 May 2016. Other income for the month received includes **Interest on External Investments of R 1,597,362** and **Income for agency services of R 1,204,075**. The total revenue received for the month of May amounts to **R3,471,593**. Refer to separate schedule at the back of the report for variances for Eden.

Operating Expenditure

Operating expenditure of **R 10,282,855** is reported for the month ending 31 May 2016. The majority of these expenditure totals Employee and Councillor related cost of **R 8,235,662**.

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) - M11 May

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	224,683	3,075	197,929	205,959	(8,030)	-3.9%	224,683
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1,302	-	-	-	-	-	-	-	-
Vote 4 - Planning and Development		-	-	-	-	5	-	5	#DIV/0!	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		169	186	186	16	226	170	55	32.4%	186
Vote 7 - Sport and Recreation		5,867	6,637	6,065	380	6,204	5,560	644	11.6%	6,065
Vote 8 - Waste Management		1,122	2,000	1,417	-	679	1,299	(620)	-47.7%	1,417
Vote 9 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 10 - Water		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		232	255	255	1	98	234	(136)	-58.2%	255
Vote 12 - Roads Agency Function		116,290	128,700	143,180	-	-	131,248	(131,248)	-100.0%	143,180
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	375,786	3,472	205,140	344,471	(139,330)	-40.4%	375,786
Expenditure by Vote	1									
Vote 1 - Executive and Council		73,941	60,273	42,631	(13,857)	21,115	39,079	(17,963)	-46.0%	42,631
Vote 2 - Budget and Treasury Office		22,999	23,616	22,226	1,571	17,939	20,374	(2,435)	-12.0%	22,226
Vote 3 - Corporate Services		30,719	31,134	30,542	1,970	24,735	27,997	(3,261)	-11.6%	30,542
Vote 4 - Planning and Development		7,351	11,889	11,559	708	6,845	10,596	(3,751)	-35.4%	11,559
Vote 5 - Public Safety		23,534	24,424	45,890	17,143	34,972	42,065	(7,094)	-16.9%	45,890
Vote 6 - Health		30,644	27,486	30,304	1,795	25,493	27,779	(2,286)	-8.2%	30,304
Vote 7 - Sport and Recreation		10,612	11,228	10,616	599	8,936	9,731	(795)	-8.2%	10,616
Vote 8 - Waste Management		3,347	1,517	3,244	112	2,104	2,973	(870)	-29.3%	3,244
Vote 9 - Road Transport		1,041	3,183	4,083	13	1,235	3,743	(2,508)	-67.0%	4,083
Vote 10 - Water		3,023	20,782	20,812	61	707	19,078	(18,371)	-96.3%	20,812
Vote 11 - Environmental Protection		2,065	2,346	2,798	168	1,929	2,565	(636)	-24.8%	2,798
Vote 12 - Roads Agency Function		116,290	128,700	143,180	-	-	131,248	(131,248)	-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	367,884	10,283	146,009	337,227	(191,218)	-56.7%	367,884
Surplus/ (Deficit) for the year	2	3,619	1,036	7,902	(6,811)	59,131	7,244	51,887	716.3%	7,902

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, the Roads income and expenditure is consolidated into Eden's Financial Statements after year end (30 June 2016).

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) - M11 May

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	37	1,109	1,233	(124)	-10%	1,345
Interest earned - external investments		4,750	5,225	6,621	1,597	8,860	6,069	2,790	46%	6,621
Interest earned - outstanding debtors		881	681	754	99	943	691	251	36%	754
Dividends received								-		
Fines								-		
Licences and permits								-		
Agency services		13,777	14,280	15,692	1,204	14,830	14,384	446	3%	15,692
Transfers recognised - operational		168,113	186,119	196,909	-	166,119	180,500	(14,381)	-8%	196,909
Other revenue		139,306	139,953	154,464	534	13,279	141,592	(128,313)	-91%	154,464
Gains on disposal of PPE					-			-		
Total Revenue (excluding capital transfers and contributions)		329,184	347,615	375,786	3,472	205,140	344,470	(139,330)	-40%	375,786
Expenditure By Type										
Employee related costs		94,315	101,398	105,788	7,579	90,966	96,972	(6,007)	-6%	105,788
Remuneration of councillors		7,723	8,496	8,296	656	6,915	7,604	(689)	-9%	8,296
Debt impairment		1,800	1,000	1,000			917	(917)	-100%	1,000
Depreciation & asset impairment		6,800	6,800	3,800	280	2,996	3,483	(487)	-14%	3,800
Finance charges		830	664	69		43	63	(20)	-32%	69
Bulk purchases								-		
Other materials								-		
Contracted services		8,414	7,214	61,905	18,581	23,534	56,746	(33,212)	-59%	61,905
Transfers and grants		44,147	47,217	-	(18,514)	33		33	#DIV/0!	-
Other expenditure		161,536	173,790	187,024	1,701	21,522	171,439	(149,917)	-87%	187,024
Loss on disposal of PPE								-		
Total Expenditure		325,566	346,579	367,882	10,283	146,009	337,225	(191,216)	-57%	367,882
Surplus/(Deficit)										
Transfers recognised - capital		3,619	1,036	7,904	(6,811)	59,131	7,245	51,886	0	7,904
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions										
Taxation								-		
Surplus/(Deficit) after taxation										
Attributable to minorities		3,619	1,036	7,904	(6,811)	59,131	7,245			7,904
Surplus/(Deficit) attributable to municipality										
Share of surplus/ (deficit) of associate		3,619	1,036	7,904	(6,811)	59,131	7,245			7,904
Surplus/ (Deficit) for the year										
		3,619	1,036	7,904	(6,811)	59,131	7,245			7,904

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 36 817 for the month of May 2016, and income for the year to date amounts to R 1 109 427 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 1 597 362 and income year to date amounts to R 8 859 512 in comparison to a budgeted amount of R 6 620 940.

Interest raised – Outstanding debtors

The interest on outstanding debtors raised amounts to R 99 032.76 for the month of May 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 May amounts to R 1,204,075.

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 final payment of Equitable share was made during March 2016 to the amount of R 34,726,000. 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 402,000 and R 302,000, during August 2015 and November 2015 respectively. The final payment of EPWP were received in March to the amount of R 301,000. WC Support Provincial Treasury R 300,000 and WCFMG Assistance (ADD) R 50,000 during the month of November 2015. Eden District Municipality received R 300 000 for from Provincial Treasury

for Performance Management during March 2016. The Municipality received no grant funding for April 2016 and May 2016.

Other revenue / Sundry income

Other revenue reflects an amount of R 534,306 for the month of May 2016. Other revenue consists of the following:

Public Contributions, Donations and Contributions PP

Mossel Bay Call Centre (DM) R 50,287

Sundry Income R 482,669

(consists of amongst others chalets income R302,170 / camping fees total to R 51,136, caravans R 13,527, firefighting fees R 371, tariffs & penalties health R 16,470, atmospheric emission licence application fees, health claims R50,097 and vat on grant income R35,075)

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 May 2016 amounts to

R8,235,662.39 and the year to date expenditure amounts to R 97,880,914.54 of a budgeted amount of R 114 083 964 which represents 85.7% of the budgeted amount.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. The depreciation amounts to R280,010.44 for the month of May 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.

Contracted services

Contracted Services of R 18,580,542.64 is reflected in the financial results for the month ending 31 May 2016. This is mainly due to transfer from Grant Expenditure to the amount of R 18 580 542.64. The year to date amount to R 23 534 354.86

Transferred recognised – operational

See note under Contracted Services above.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned.

Most of the other expenditure 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) - M11 May

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	7	-	-	6	(6)	-100%	7
Vote 2 - Budget and Treasury Office		6	-	140	-	-	128	(128)	-100%	140
Vote 3 - Corporate Services		923	430	1,126	4	199	1,032	(833)	-81%	1,126
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		1,935	375	775	-	315	710	(395)	-56%	775
Vote 6 - Health		53	-	11	-	5	10	(5)	-51%	11
Vote 7 - Sport and Recreation		370	200	217	-	87	199	(112)	-56%	217
Vote 8 - Waste Management		5,800	-	-	-	-	-	-	-	-
Vote 9 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 10 - Water		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	15	-	13	14	(1)	-8%	15
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	2,291	4	619	2,100	(1,480)	-71%	2,291
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	2,291	4	619	2,100	(1,480)	-71%	2,291

Variances explained in Supporting Table C5

The capital budget of R2,290,501.00 consists mainly of the Swartvlei Septic Tank Project of R197,000, Pool Vehicle of R131,530, Emergency Equipment R243,471, IT Equipment R153,000, Finger Scanner R350,000, Council Chamber Revamp R30,000, Steel cabinets R48,000, and Steel Shelves of R17,000.00, Radio Transmitter R400 000, Laptops: Finance Interns R139 500, Fire Extinguishers R54 000, Air Quality Monitoring Equipment R12 000, MSIG Capital R 500 000.

Expenditure will pick up in June - projects are in the SCM stage.

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

Project description	Original Budget R'	Adjusted 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.
Swartvlei Septic Tank Project	R 184,300.00	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.
ICT Computer Related Equipment	R 153,000.00	153,000.00	R 140,625.18	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.
Pool Vehicle	R 131,530.00	149,861.00	R 149,860.00	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.
Steel Cabinet	R 48,000.00	43,000.00	R 40,058.77	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.
Finger Scanner	R 350,000.00	350,000.00	R -	Tender awarded	Orders issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
Steel Shelves	R 17,000.00	22,000.00	R 16,346.49	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.
Emergency Equipment	R 243,471.00	222,140.00	R 165,347.63	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.
Equipment: Swartvlei	R 12,700.00	32,700.00	R 7,065.10	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.
Mission Street : Blinds	R 11,000.00	6,300.00	R 4,947.37	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.
Office Equipment: Registry	R 1,000.00	1,700.00	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.
Refrigerator	R 3,000.00	2,200.00	R 2,192.98	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.
Radio Transmitter	R 400,000.00	400,000.00	R -	In process	New tender will be advertised after 1 April 2016 - awaiting Roads dept for specs	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
Air Quality Monitoring Equipment	R 12,000.00	15,000.00	R 12,700.00	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.
Laptops : Finance Interns	R 139,500.00	139,500.00	R -	In process	Tender has been awarded.	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
Fire Extinguishers	R 54,000.00	54,000.00	R -	In process	Tender already awarded	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
MSIG Capital		500,000.00	R -	In process		No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
Chairs: Registry & Access Control	R -	4,800.00	R -	In process	Quotations are obtained	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
Printer/Scanner - PA CFO	R -	10,000.00	R -	In process	Quotations are obtained	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
Totals	1,790,501.00	2,290,501.00	619,160.52				
Project status: If the project is in the SCM process of being							
Commitments against capital for the month May 2016							
ICT Computer Related Equipment	R 6,899.00						
Equipment: Swartvlei	R 14,472.45						
Emergency Equipment	R 20,132.40						
Finger Scanner	R 343,948.40						
Laptops : Finance Interns	R 121,680.00						
	R 507,132.25						

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Eden - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		95,686	95,686	148,539	154,634	95,686
Call investment deposits						
Consumer debtors		6,758	6,758	14,946	6,462	6,758
Other debtors		4,402	4,402	5,016	4,244	4,402
Current portion of long-term receivables		2,534	2,534	2,757	–	2,534
Inventory		4,005	4,005	4,279	4,051	4,005
Total current assets		113,385	113,385	175,537	169,391	113,385
Non current assets						
Long-term receivables		37,190	37,190	57,679	–	37,190
Investments		20,000	25,000	26	26	25,000
Investment property		325,577	300,577	85,712	85,654	300,577
Investments in Associate						
Property, plant and equipment		146,406	146,406	140,469	139,126	146,406
Agricultural						
Biological assets						
Intangible assets		3,068	3,068	2,101	1,862	3,068
Other non-current assets		41	41	–		41
Total non current assets		532,282	512,282	285,987	226,668	512,282
TOTAL ASSETS		645,667	625,667	461,524	396,059	625,667
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft						
Borrowing		700	700	–	7	700
Consumer deposits						
Trade and other payables		44,745	36,285	35,502	24,490	36,285
Provisions		22,088	22,088	2,713	6,188	22,088
Total current liabilities		67,533	59,073	38,215	30,685	59,073
Non current liabilities						
Borrowing		674				
Provisions		115,415	115,415	133,206	74,951	115,415
Total non current liabilities		116,089	115,415	133,206	74,951	115,415
TOTAL LIABILITIES		183,622	174,488	171,421	105,636	174,488
NET ASSETS	2	462,045	451,179	290,103	290,423	451,179
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		460,398	449,532	264,933	269,053	449,532
Reserves		1,647	1,647	25,170	21,370	1,647
TOTAL COMMUNITY WEALTH/EQUITY	2	462,045	451,179	290,103	290,423	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 - M11 May

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	181,992	1,874	30,162	166,826	(136,664)	-82%	181,992
Government - operating		168,993	186,119	186,419	(900)	165,219	170,884	(5,665)	-3%	186,419
Government - capital								-		
Interest		4,750	5,906	6,621	1,597	8,860	6,069	2,790	46%	6,621
Dividends								-		
Payments										
Suppliers and employees		(293,704)	(279,659)	(307,529)	(10,117)	(127,464)	(281,902)	(154,438)	55%	(307,529)
Finance charges		(830)	(664)	(69)		(43)	(63)	(21)	33%	(69)
Transfers and Grants		(34,896)	(47,217)	(47,517)	(166)	(18,503)	(43,557)	(25,054)	58%	(47,517)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(30,251)	20,075	19,917	(7,711)	58,231	18,257	(39,974)	-219%	19,917
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				26	(90,000)	(193,790)		(193,790)	#DIV/0!	
Payments										
Capital assets		(9,414)	(1,035)	(2,291)	(4)	(619)	(2,100)	(1,481)	71%	(2,291)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(6,880)	(1,035)	(2,265)	(90,004)	(194,409)	(2,100)	192,309	-9157%	(2,291)
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)	(609)	(110)	18%	(664)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(650)	(664)	(664)	-	(499)	(609)	(110)	18%	(664)
NET INCREASE/ (DECREASE) IN CASH HELD		(37,781)	18,376	16,988	(97,716)	(136,677)	15,548			16,962
Cash/cash equivalents at beginning:		73,737	35,956	131,551		36,838	131,551			36,838
Cash/cash equivalents at month/year end:		35,956	54,332	148,539		(99,839)	147,100			53,800

The municipal bank balance at 31 May 2016 totals R 99 838 671.89.

Detailed information regarding the cash position is tabled below.

REPORTING MONTH: 31 MAY 2016		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Cash & Cash Equivalents	161,714,795.63	154,633,720.51
LESS:	99,994,845.43	98,708,141.77
Unspent Conditional Grants	15,084,483.34	15,690,100.11
Current portion long term liabilities	7,404.07	7,404.07
Provision for staff leave	3,911,512.92	3,897,084.23
Provision for staff shift allowance	1,082,500.24	1,082,500.24
Post Retirement Benefits	24,315,652.00	24,315,652.00
Current Portion: Alien Vegetation	4,362,451.00	4,362,451.00
Performance Bonus	481,322.00	481,322.00
Grant received in advance	17,363,000.00	8,681,500.00
Trade Payables	5,688,842.00	5,699,739.00
Unspent Capital budget 11 months	1,293,929.20	1,164,208.23
Unspent Operational budget 11 months	26,403,748.66	33,326,180.89
Sub total	61,719,950.20	55,925,578.74
PLUS:	3,198,611.00	3,231,190.50
VAT Receivable	-	-
Receivable Exchange	3,198,611.00	3,231,190.50
Other receivables after impairment		
	64,918,561.20	59,156,769.24
LESS OTHER MATTERS:		
Capital Replacement Reserve	25,170,360.00	25,170,360.00
Sub Total	39,748,201.20	33,986,409.24
LESS: CONTIGENT LIABILITIES	21,409,779.00	21,409,779.00
F du Toit (Vicbay Theft)	376,750.00	376,750.00
Claim from Lefatshe Computer Systems	12,733,029.00	12,733,029.00
Claim from Department of Public Works (Correctional Services Uniondale)	8,300,000.00	8,300,000.00
Surplus / (Deficit)	18,338,422.20	12,576,630.24

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

DC4 Eden - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	NT Code	Budget Year 2015/16										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200									-	-			
Trade and Other Receivables from Exchange Transactions - Electricity	1300									-	-			
Receivables from Non-exchange Transactions - Property Rates	1400									-	-			
Receivables from Exchange Transactions - Waste Water Management	1500									-	-			
Receivables from Exchange Transactions - Waste Management	1600									-	-			
Receivables from Exchange Transactions - Property Rental Debtors	1700	29	12	12					1,262	1,315	1,262			
Interest on Arrear Debtor Accounts	1810									-	-			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-			
Other	1900	139	364	1,250					9,943	11,697	9,943			
Total By Income Source	2000	168	377	1,262	-	-	-	-	11,205	13,012	11,205	-	-	-
2014/15 - totals only														
										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200									-	-			
Commercial	2300									-	-			
Households	2400	97	182	1,244					2,089	3,611	2,089			
Other	2500	71	195	18					9,116	9,400	9,116			
Total By Customer Group	2600	168	377	1,262	-	-	-	-	11,205	13,012	11,205	-	-	-

A list must be compiled to write off all long outstanding debtors after the finalization of the debt control processes.

Section 5 – Creditors' analysis

Supporting Table C4

DC4 Eden - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

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	1,103								1,103	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500	1,122								1,122	
Loan repayments	0600									-	
Trade Creditors	0700									-	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	2,225	-	-	-	-	-	-	-	2,225	-

The short coming in the creditors system needs attention to ensure that more accurate reporting can be done in respect of outstanding overdue accounts.

Section 6 – Investment portfolio analysis

6.1 Investment monitoring information

		Movements for the month					
	Balance as at 01 May 2016	Investments matured	Investments made	Interest capitalised	Balance as at 31 May 2016	Interest earned Month	Interest earned Year to date
Eden district municipality							
<i>Interest Received YTD</i>					-		
<i>Standard Bank</i>	40,000,000.00	-40,000,000.00			-	922,178.08	1,856,173.57
<i>FNB</i>	5,000,000.00	-5,000,000.00			-	40,968.16	1,189,158.72
<i>ABSA</i>	40,000,000.00	-40,000,000.00			-	352,000.00	1,895,177.20
<i>Nedbank</i>	40,000,000.00	-5,000,000.00			35,000,000.00	44,964.38	984,741.79
<i>Standard Bank - Bank Guarantee investment</i>	132,268.18				132,268.18	718.94	6,855.90
BANK DEPOSITS	125,132,268.18	-90,000,000.00	-	-	35,132,268.18	1,360,829.56	5,932,107.18

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 - M11 May

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	–	162,936	167,691	(6,758)	-4.0%	182,936
Local Government Equitable Share		134,097	138,902	138,902		138,902	127,327	11,575	9.1%	138,902
Finance Management		1,250	1,250	1,250		1,250	1,146			1,250
Municipal Systems Improvement		934	930	930		930	853			930
EPWP Incentive		1,000	1,005	1,005		1,005	921			1,005
Municipal Disaster Recovery Grant		27,432	20,849	20,849		20,849	19,112			20,849
LG: Bulk Water and Waste Water infrastruc	3	2,500	20,000	20,000			18,333	(18,333)	-100.0%	20,000
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		900	3,183	3,183	–	3,183	2,918	265	9.1%	3,183
Integrated Transport Planning		900	900	900		900	825	75	9.1%	900
Rural Roads Asset Management Grant	4		2,283	2,283		2,283	2,093	190	9.1%	2,283
								–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
								–		
Total Operating Transfers and Grants	5	168,113	186,119	186,119	–	166,119	170,609	(6,493)	-3.8%	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 - M11 May

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		167,213	182,936	182,936	154	17,268	167,691	(150,423)	-89.7%	182,936
Local Government Equitable Share		134,097	138,902	138,902		–	127,327	(127,327)	-100.0%	138,902
Finance Management		1,250	1,250	1,250	58	673	1,146	(473)	-41.2%	1,250
Municipal Systems Improvement		934	930	930	22	423	853	(429)	-50.3%	930
EPWP Incentive		1,000	1,005	1,005	74	865	921	(56)	-6.1%	1,005
Municipal Disaster Recovery Grant		27,432	20,849	20,849		15,307	19,112	(3,805)	-19.9%	20,849
LG: Bulk Water and Waste Water infrastruc		2,500	20,000	20,000			18,333	(18,333)	-100.0%	20,000
Other transfers and grants [insert description]								–		
Provincial Government:		900	3,183	4,083	13	1,235	3,743	(2,508)	-67.0%	4,083
Integrated Transport Planning		900	900	1,800	13	1,235	1,650	(415)	-25.2%	1,800
Rural Roads Asset Management Grant			2,283	2,283			2,093	(2,093)	-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	166	18,503	171,434	(152,931)	-89.2%	187,019

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 - M11 May

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	459	4,940	5,409	(469)	-9%	5,901
Pension and UIF Contributions		132	146	146	12	122	134	(12)	-9%	146
Medical Aid Contributions		195	214	214	21	239	196	42	21%	214
Motor Vehicle Allowance		1,588	1,747	1,667	138	1,330	1,528	(198)	-13%	1,667
Cellphone Allowance		335	368	368	26	285	338	(53)	-16%	368
Housing Allowances								-		-
Other benefits and allowances								-		-
Sub Total - Councillors		7,723	8,496	8,296	657	6,915	7,604	(689)	-9%	8,296
% increase	4		10.0%	7.4%						7.4%
Senior Managers of the Municipality										
Basic Salaries and Wages		3,266	3,509	3,554	288	3,279	3,258	21	1%	3,554
Pension and UIF Contributions		417	707	652	45	496	598	(102)	-17%	652
Medical Aid Contributions		61	54	57	8	51	52	(1)	-2%	57
Overtime								-		-
Performance Bonus		325	500	546		419	501	(81)	-16%	546
Motor Vehicle Allowance		369	489	572	42	462	524	(63)	-12%	572
Cellphone Allowance		12	23	33	2	27	30	(3)	-11%	33
Housing Allowances		84	84	84	7	77	77	-		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	392	4,811	5,040	(229)	-5%	5,498
% increase	4		18.4%	21.3%						21.3%
Other Municipal Staff										
Basic Salaries and Wages		57,613	59,551	59,872	4,839	50,901	54,883	(3,981)	-7%	59,872
Pension and UIF Contributions		11,424	13,240	12,451	850	9,603	11,414	(1,810)	-16%	12,451
Medical Aid Contributions		8,150	9,163	8,395	716	7,556	7,696	(140)	-2%	8,395
Overtime		1,027	1,144	1,263	123	1,318	1,158	161	14%	1,263
Performance Bonus		35						-		-
Motor Vehicle Allowance		5,863	5,461	6,098	456	5,478	5,590	(112)	-2%	6,098
Cellphone Allowance		119	149	132		5	121	(116)	-96%	132
Housing Allowances		516	554	726	61	654	665	(11)	-2%	726
Other benefits and allowances		692	2,099	1,342	130	685	1,230	(545)	-44%	1,342
Payments in lieu of leave		4,342	4,671	4,430	12	4,373	4,061	312	8%	4,430
Long service awards								-		-
Post-retirement benefit obligations				5,582		5,580	5,117	464	9%	
Sub Total - Other Municipal Staff		89,781	96,032	100,290	7,187	86,154	91,932	(5,778)	-6%	94,708
% increase	4		7.0%	11.7%						5.5%
Total Parent Municipality		102,038	109,894	114,084	8,236	97,881	104,577	(6,696)	-6%	108,502

The year to date expenditure in respect of remuneration amounts to R97 880 914.54 which represents 85.7% of the budgeted amount.

Section 9 – Municipal manager’s quality certification

NAVRAE:
ENQUIRIES: L Hoek

KONTAKNR
CONTACT NO 044 803 1449

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

KANTOOR:
OFFICES: George

DATUM
DATE 13 June 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 MAY 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 13/06/16

YORKSTRAAT 54 YORK STREET 12 GEORGE 6530

(044) 803 1300 086 555 6303 E-POS/E-MAIL: rekords@edendm.co.za WEBSITE : www.edendm.co.za

Expenditure per category incurred excl Roads Function for May 2016 + Year to Date

DESCRIPTION	Adjustment Budget 2015/2016	Month - May 2016	YTD May 2016	% SPENT	Note
SALARY RELATED EXPENSES					
Salaries	63,425,932.72	5,126,961.26	54,180,019.92	85%	
Overtime	1,262,877.20	122,857.85	1,318,469.98	104%	
EARLY RETIREMENT PACKAGE	5,581,714.19	-	5,580,407.20	100%	
Performance Bonus	546,250.00	-	419,438.04	77%	
Housing	809,555.80	67,894.79	730,976.73	90%	
Bonus	4,430,044.55	11,502.50	4,373,127.97	99%	
Pension	9,540,168.21	740,693.68	8,407,658.13	88%	
Medical	8,452,670.44	724,648.60	7,607,457.80	90%	
Group Insurance	713,216.19	56,220.07	611,346.86	86%	
UIF	462,600.76	36,862.25	375,958.19	81%	
Workmens Compensation	1,209,165.31	-	-	0%	
Bargaining	30,045.40	2,022.75	20,169.50	67%	
Skills Development levy	1,147,847.11	59,246.62	684,354.00	60%	
Travelling Allow ance	6,669,793.20	498,264.67	5,939,309.24	89%	
Acting Allow ance	482,100.00	68,258.12	68,258.12	14%	
Standby Allow ance	859,627.68	63,375.41	644,136.43	75%	
Telephone Allow ance	164,570.00	400.00	4,600.00	3%	
total	105,788,178.76	7,579,208.57	90,965,688.11	86%	In Line
Remuneration	5,900,703.40	459,101.85	4,939,851.11	84%	
Pension	145,657.60	11,505.03	121,811.39	84%	
Medical	214,300.90	21,375.01	238,535.10	111%	
Travelling Allow ance	1,666,699.90	138,343.93	1,329,997.83	80%	
Telephone Allow ance	368,424.10	26,128.00	285,031.00	77%	
total	8,295,785.90	656,453.82	6,915,226.43	83%	In Line
Bad Debts	1,000,000.00	-	-	0%	Note 1
Depreciation	3,800,000.00	280,010.44	2,996,072.80	79%	Note 2
Repairs and maintenance	5,768,174.81	327,569.81	3,089,454.20	54%	Note 3
Interest	68,811.92	-	42,603.86	62%	Note 4
Contracted services	61,905,174.51	18,580,542.64	23,534,354.86	38%	Note 5
Grant projects		(18,514,261.00)	334,390.05		Note 6
Ow n fund projects	3,928,581.39	362,630.37	1,562,582.84	40%	Note 7
General expenses	26,180,236.61	1,010,700.56	16,568,888.25	63%	Note 8
Contribution	5,518,973.00	-	-	0%	Note 1
Actuarial loss	2,450,000.00	-	-	0%	Note 1
Capital Expenditure	2,290,501.00	4,338.89	619,160.52	27%	Note 9
total	112,910,453.24	2,051,531.71	48,747,507.38	43%	
TOTAL EXPENDITURE	226,994,417.90	10,287,194.10	146,628,421.92	65%	

Income per category received excl Roads Function for May 2016 + Year to Date

INCOME	Adjustment Budget 2015/2016	Month - May 2016	YTD May 2016	% RECEIVED	Note
EQS - RSC Levies grant	(138,902,000.00)	-	(138,902,000.00)	100%	Note 10
Rental of Facilities and Equipment	(1,345,354.34)	(36,817.31)	(1,109,427.09)	82%	In Line
Interest earned external investments	(6,620,940.89)	(1,597,361.75)	(8,859,512.41)	134%	Note 11
Interest earned outstanding debtors	(754,230.04)	(99,032.76)	(942,741.09)	125%	Note 12
Government Grant and subsidies	(58,006,552.55)		(28,830,825.21)	50%	Note 13
Income Agency services	(15,692,010.00)	(1,204,075.44)	(14,830,187.03)	95%	Note 14
Contributions municipalities	(591,145.33)	-	-	0%	
Contributions municipalities & products	(263,790.00)	-	(35,000.00)	13%	
Sundry income	(9,671,375.45)	(482,669.49)	(10,975,430.33)	113%	In Line
Public contribution and donated PPE	(758,755.15)	(50,287.75)	(653,678.75)	86%	In Line
	(232,606,153.75)	(3,471,593.50)	(205,140,150.91)	88%	
SURPLUS / DEFICIT	(5,611,735.85)	7,818,816.07	(65,942,151.22)		
Up to 31 May 2016, 91,66% should have been spend/received					
Notes:					
Note 1: Processed with compilation of annual financial statements					
Note 2: At year end review of useful lives/residual value, adjustment processed with compilation of AFS					
Note 3: Spending of Repairs and Maintenance not in line with projections, to commence 2016/17					
Note 4: Loans was repaid at the end of March, Interest was less than budgeted for, can be seen as a saving.					
Note 5: With the unbundling of grants funding, contracted services increased.					
Note 6: Grant and Subsidies budget is moved to Contracted Services therefore the actual expenditure is negative.					
Note 7: Refer to detail list of projects					
Note 8: R3m Lefatshe on budget, R0 payment, Purchase of linen R700 000 budget, R0 spending					
Note 9: Finger Scanner R350 000 budget, Commitment R343 948.40, Laptops: Finance Interns R139 500 budget, Commitment R121 680 Laptops Finance Interns R139 500 budget, R0 spending, MSIG Capital R500 000 budget, R0 spending					
Note 10: Equitable Share is 100% received					
Note 11: Excess funds invested, higher interest earned					
Note 12: Interest on councillor debtor accounts raised					
Note 13: R20m included in budget, R0 received for water infrastructure refer to attached letter from DWA					
Note 14: Additional allocation from Roads, increase in admin fee.					

Own Funded Project List for the month of May 2016 and Year to Date

Description	Actual Spent May 2016	Total Budget	Committment	YTD actual	AvailableBudget
SPECIAL NEEDS - SPEAKER	-	20,000.00	-	-	20,000.00
COMMUNITY DEVELOPMENT	240,000.00	497,000.00	-	379,023.94	117,976.06
SPACIAL DEVELOPMENT FRAM EWORK	-	200,000.00	-	-	200,000.00
RECORDS CLEAN-UP PROJECT	17,893.37	62,600.00	-	98,699.96	-36,099.96
EMPLOYEE WELLNESS	1,727.00	25,000.00	2,850.00	4,017.82	18,132.18
EXTERNAL BURSARIES	-	100,000.00	-	62,664.60	37,335.40
OHS: STATUTORY REQUIREM. PROJECTS	2,550.00	87,581.39	51,274.00	34,865.65	1,441.74
EDUCATION FORUM	-	10,000.00	-	-	10,000.00
LAUNCH OF FIRE ACADEMY	-	20,000.00	-	-	20,000.00
SCOA IMPLEMENTATION	-	1,000,000.00	-	177,822.00	822,178.00
SMALL BUSINESS DEVELOPEM NT	-	4,000.00	400.00	-	3,600.00
FILM LOCATION GUIDE	-	50,000.00	-	50,000.00	-
SOCIAL MEDIA CAMPAIGN	-	5,000.00	-	-	5,000.00
TOURISM INDABA	-	19,500.06	-	19,500.06	-
Tourism development-Eden School ofCulinary Arts	-	87,719.30	-	87,719.30	-
TOURISM AND MARKETING MA TERIAL	-	25,000.00	-	21,928.97	3,071.03
Toursim Destination Mark eting	-	69,228.07	1,837.93	9,220.15	58,169.99
Individual Performance Management	25,800.00	292,000.00	-	83,084.00	208,916.00
PERFORM MGT APR/SDBIP	47,807.00	300,000.00	9,047.33	171,128.25	119,824.42
DMISA CONGRESS	-	40,000.00	-	40,000.00	-
MUNICIPAL HEALTH PROJEC TS	-	75,000.00	24,989.40	41,364.24	8,646.36
GREENEST MUNICIPALITY AW ARD PROJECTS	-	10,000.00	-	-	10,000.00
INTEGRATED WASTE MGT - PLAN	-	700,000.00	-	244,190.90	455,809.10
GREENEST MUNICIPALITY AW ARD PROJECTS	-	40,000.00	24,681.00	10,500.00	4,819.00
GREENEST MUNICIPALITY AW ARD PROJECTS	2,853.00	40,000.00	-	-399.42	40,399.42
GREENEST MUNICIPALITY AW ARD PROJECTS	24,000.00	40,000.00	9,097.20	27,252.42	3,650.38
	362,630.37	3,819,628.82	124,176.86	1,562,582.84	2,132,869.12

Expenditure for May 2016 per Function for each department

Items	Executive & Council	Budget & Treasury Office	Corporate Services	Planning & Development	Public Safety	Health
Employee Related Cost	639,709.68	1,500,335.02	1,316,079.13	428,145.17	1,272,278.64	1,607,129.22
Councillor Remuneration	656,453.82	-	-	-	-	-
Bad Debts	-	-	-	-	-	-
Depreciation	7,627.12	180,109.26	75,358.23	2,527.05	-	14,133.63
Repairs & Maintenance	-	-	52,415.93	183,060.58	82,974.52	-
Interest on External Borrowings	-	-	-	-	-	-
Contracted Services	38,908.44	805,221.54	454,577.01	-	15,600,452.54	22,547.79
Grants & Subsidies Operating Projects	(15,626,806.56)	(962,970.16)	(367,280.47)	-	-	73,804.67
Operating Projects	240,000.00	-	22,170.37	73,607.00	-	-
General Expenses	187,015.52	48,196.90	416,727.27	20,567.12	187,658.90	77,604.15
Contribution to Provision / Reserves	-	-	-	-	-	-
Loss on Disposal of PPE	-	-	-	-	-	-
Total Expenditure	(13,857,091.98)	1,570,892.56	1,970,047.47	707,906.92	17,143,364.60	1,795,219.46
Total Revenue	(2,175,024.16)			-		(16,470.60)
Nett (Surplus) / Deficit	(16,032,116.14)	1,570,892.56	1,970,047.47	707,906.92	17,143,364.60	1,778,748.86

Items	Sport & Recreation	Waste Management	Road Transport	Water	Environmental Protection	TOTAL
Employee Related Cost	520,731.50	109,792.82	-	61,085.79	123,921.60	7,579,208.57
Councillor Remuneration	-	-	-	-	-	656,453.82
Bad Debts	-	-	-	-	-	-
Depreciation	-	255.15	-	-	-	280,010.44
Repairs & Maintenance	9,110.33	-	-	-	-	327,561.36
Interest on External Borrowings	-	-	-	-	-	-
Contracted Services	5,925.94	408,730.70	1,234,806.68	-	9,372.00	18,580,542.64
Grants & Subsidies Operating Projects	-	(408,730.70)	(1,222,277.78)	-	-	(18,514,261.00)
Operating Projects	-	-	-	-	26,853.00	362,630.37
General Expenses	63,254.92	1,635.60	-	-	8,048.63	1,010,709.01
Contribution to Provision / Reserves	-	-	-	-	-	-
Loss on Disposal of PPE	-	-	-	-	-	-
Total Expenditure	599,022.69	111,683.57	12,528.90	61,085.79	168,195.23	10,282,855.21
Total Revenue	(379,564.41)				(534.33)	(2,571,593.50)
Nett (Surplus) / Deficit	219,458.28	111,683.57	12,528.90	61,085.79	-	7,711,261.71

Roads Income and Expenditure for May 2016 and the Cumulative figure to date.

Actual Income Received Year to date MAY 2016				
Advances Received	Budgeted Income 2016/2017	Actual income to date	Cumulative for the year	Income still awaited
For April and May 2016 on 21st April 2016		R 21,925,000	R 21,925,000	R 109,455,000
TOTAL RECEIVED FOR THE 2016/2017 FINANCIAL YEAR	R 131,380,000.00		R 21,925,000.00	R 109,455,000.00
Actual expenditure for MAY 2016 and Year to date				
Description	Budget 2016/2017	Actual - MAY 2016	Cumulative for the year	Available
Maintenance	76,050,000.00	R 4,772,689.86	R 9,430,942.52	R 66,619,057.48
Regravel	14,700,000.00	R 1,107,166.45	R 2,153,857.44	R 12,546,142.56
Reseal	14,630,000.00	R 829,678.53	R 1,499,637.64	R 13,130,362.36
Construction Regravel Team - Friemersheim	6,500,000.00	R 1,223,146.35	R 594,854.13	R 5,905,145.87
Construction Concrete Team - Friemersheim	6,500,000.00	R 191,540.52	R 1,924,430.61	R 4,575,569.39
Dysselsdorp	6,500,000.00	R 76,783.44	R 94,753.68	R 6,405,246.32
Calitzdorp	6,500,000.00	R 186,963.83	R 1,283,686.64	R 5,216,313.36
Total Expenditure	R 131,380,000.00	R 8,387,968.98	R 16,982,162.66	R 114,397,837.34

Eden District Municipality render an agency function to the Roads Department, above is the Income received to date and the Expenditure incurred for the month of May 2016. The cumulative figure consist of April and May 2016 as the Roads Department Budget Financial Year start from April 2016 till March 2017.



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

Private Bag X16, Sanlamhof 7532 / Spectrum Building, 52 Voortrekker Road, Bellville
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Mr S Mashicila
021 941 6223

08 April 2016

The Municipal Manager
Eden District Municipality
P O Box 12
George
6530

Dear Sir

WITHDRAWAL OF FUNDING FROM THE BITOU CROSS BORDER RBIG PROJECT

The 2009/10 drought necessitated that a number of augmentation projects be fast tracked including water re-use and desalination schemes. The need to consider cross-border projects was identified in the Eden DM's regional "Bulk Water Supply Master Plan" study.

In 2012/13 financial year the funding to conduct the study was approved by the Department of Water and Sanitation for the Eden Cross Border. The Eden DM completed the feasibility study on behalf of Knysna and Bitou municipalities in June 2015. The results of the study were presented to the management of the two municipalities where it was agreed that there is a need for a further meeting with the Department of Water and Sanitation.

The Department of Water and Sanitation received a letter from the Municipality dated 06 July 2015 which stated that the technical and financial analysis of the project indicated that the implementation of the joint scheme is not the most suitable solution. In the letter the municipality requested a meeting with the department to discuss a way forward for the project.

The department then held meetings with the municipalities on 02 September 2015 and 25 February 2016 to discuss the way forward of the project. In these meetings it was agreed that the project must be stopped based on the before mentioned analysis outcomes of the project.

It was agreed at the operational meeting held by the department that the municipalities must submit separate individual project applications to the department for consideration.

The funds that are reflected on Division of Revenue Act (DORA) cannot be used and the project is not on the current departmental plan.

Yours sincerely

Mr. R. Khan
PROVINCIAL HEAD: WESTERN CAPE PROVINCE
DATE:

- 8 APR 2016

Cc: Bitou Local Municipality
Knysna Local Municipality