



EDEN DISTRICT MUNICIPALITY

FINANCIAL YEAR 2014 - 2015

MONTHLY FINANCIAL REPORT

31 JANUARY 2015

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations April 2009

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget. In Eden District this means the different GFS classification the budget is divided.

Legislative Framework

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act – No. 56 of 2003

Section 71: Monthly budget statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1 – IN-YEAR REPORT

SECTION 1 – RESOLUTIONS

SECTION 71 Monthly budget statements

These are the resolutions being presented to Council in the Monthly report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 71 of the Municipal Finance Management Act, Act 56 of 2003.

RECOMMENDATION:

That council takes notes of the monthly report for the period 31 January 2015. Council approved the adjustment budget 2014/15 MTREF on 30 January 2015. This budget will guide the operations of council for the remaining of the financial year.

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 2015.

2.2 Consolidated performance

2.2.1 Against annual budget (original)

Revenue by source

The revenue for the year ending 31 January 2015 totals R149,025,681 This equates to 69.9% of Eden (Council) funded budget. Please note that the information represent only the Council funded budget and excludes the Roads Agency component of the Adjustment Budget.

Operating Expenditure by type

Operational expenditure totals R93,244,410 for the year to date ending 31 January 2015. This represents 45% of the total Expenditure budget. This figure is based on the Adjustment Budget approved in council during January 2015.

Capital Expenditure

The municipality budget for a capital budget of R9,413,750. The majority of these funds are allocated to the Regional Landfill Site project. This is increased from the R8,300,000 budget approved during the May final budget. The majority of the increases are allocated to represent firefighting and council administration related projects.

2.3 Material variances from SDBIP

The municipality is in the process of adjusting the SBIP to correspond with the information as approved during the January adjustment budget. This process is managed 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 in line with the Adjusted SDBIP, as soon as this is finalised reporting on such actions will be done.

2.5 Conclusion

The period ending 31 January 2015 mark the start of the new year and the approval of the adjustment budget to align spending of council to achieve of the KPI targets. Various amendments to the budget and projects were approved as per the budget report tabled to council on 30 January 2015. These improved adjustments should improve overall performance of the municipality.

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	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	4 684	4 500	4 750	1 279	4 255	2 625	1 630	62%	4 500
Transfers recognised - operational	145 733	170 060	170 060	–	128 936	99 202	29 734	30%	170 060
Other own revenue	156 147	134 257	154 374	2 320	15 834	78 317	(62 482)	-80%	134 257
Total Revenue (excluding capital transfers and contributions)	306 563	308 817	329 184	3 599	149 025	180 143	(31 118)	-17%	308 817
Employee costs	92 562	95 117	94 315	7 459	54 046	55 485	(1 439)	-3%	95 117
Remuneration of Councillors	7 028	7 705	7 723	565	4 112	4 495	(383)	-9%	7 705
Depreciation & asset impairment	4 831	8 322	6 800	346	2 051	4 855	(2 803)	-58%	8 322
Finance charges	704	530	830	–	80	309	(229)	-74%	530
Materials and bulk purchases	–	–	–	–	–	–	–	–	–
Transfers and grants	–	36 253	44 147	12 037	14 268	21 148	(6 880)	-33%	36 253
Other expenditure	208 787	158 385	171 750	3 062	18 687	92 391	(73 705)	-80%	158 385
Total Expenditure	313 913	306 313	325 566	23 468	93 244	178 683	(85 438)	-48%	306 313
Surplus/(Deficit)	(7 349)	2 504	3 618	(19 869)	55 781	1 461	54 320	3719%	2 504
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(7 349)	2 504	3 618	(19 869)	55 781	1 461	54 320	3719%	2 504
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(7 349)	2 504	3 618	(19 869)	55 781	1 461	54 320	3719%	2 504
Capital expenditure & funds sources									
Capital expenditure	1 226	8 300	9 414	237	338	5 491	(5 154)	-94%	–
Capital transfers recognised	–	–	–	–	–	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	1 226	8 300	9 414	237	338	5 491	(5 154)	-94%	–
Total sources of capital funds	1 226	8 300	9 414	237	338	5 491	(5 154)	-94%	–
Financial position									
Total current assets	105 078	113 384	105 078	–	172 834	–	–	–	113 384
Total non current assets	515 890	532 282	515 890	–	514 184	–	–	–	532 282
Total current liabilities	52 701	67 533	52 701	–	69 996	–	–	–	67 533
Total non current liabilities	114 974	117 570	114 974	–	114 974	–	–	–	117 570
Community wealth/Equity	453 293	460 563	453 293	–	510 829	–	–	–	460 563
Cash flows									
Net cash from (used) operating	20 820	9 020	(30 251)	(19 869)	55 781	5 262	(50 520)	-960%	9 020
Net cash from (used) investing	1 399	(5 766)	(6 880)	2 607	(73 911)	(5 491)	68 419	-1246%	2 534
Net cash from (used) financing	(622)	(650)	(650)	–	–	–	–	–	(650)
Cash/cash equivalents at the month/year end	94 581	97 186	(37 781)	–	133 990	94 352	(39 637)	-42%	163 023
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	140	379	213	9 964	–	–	–	–	10 696
Creditors Age Analysis									
Total Creditors	2 397	–	–	–	–	–	–	–	2 397

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

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
Governance and administration		163 210	196 577	205 505	3 219	145 291	114 670	30 622	27%	196 577
Executive and council		162 335	195 274	204 202	3 219	144 127	113 910	30 217	27%	195 274
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		875	1 302	1 302	-	1 164	760	404	53%	1 302
Community and public safety		5 327	6 024	6 036	380	2 978	3 514	(536)	-15%	6 024
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		5 143	5 855	5 867	366	2 856	3 415	(559)	-16%	5 855
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		183	169	169	14	121	99	23	23%	169
Economic and environmental services		137 906	106 132	116 522	-	27	61 910	(61 883)	-100%	106 132
Planning and development		4	-	-	-	-	-	-	-	-
Road transport		137 713	106 000	116 290	-	-	61 833	(61 833)	-100%	106 000
Environmental protection		189	132	232	-	27	77	(50)	-65%	132
Trading services		120	84	1 122	-	730	49	680	1380%	84
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	90	-	90	#DIV/0!	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		120	84	1 122	-	640	49	590	1198%	84
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	306 563	308 817	329 184	3 599	149 026	180 143	(31 118)	-17%	308 817
Expenditure - Standard										
Governance and administration		109 453	117 701	128 040	17 957	53 114	68 659	(15 545)	-23%	117 701
Executive and council		65 949	63 639	74 322	12 594	25 323	37 123	(11 800)	-32%	63 639
Budget and treasury office		17 259	24 699	22 999	2 256	11 502	14 407	(2 905)	-20%	24 699
Corporate services		26 245	29 363	30 719	3 107	16 290	17 129	(839)	-5%	29 363
Community and public safety		63 230	65 305	64 409	4 752	33 734	38 095	(4 361)	-11%	65 305
Community and social services		2 279	2 918	-	289	1 617	1 702	(85)	-5%	2 918
Sport and recreation		8 277	9 743	10 093	833	4 972	5 683	(712)	-13%	9 743
Public safety		28 928	25 179	23 534	1 491	11 670	14 688	(3 018)	-21%	25 179
Housing		-	-	-	-	-	-	-	-	-
Health		23 746	27 465	30 782	2 138	15 475	16 021	(546)	-3%	27 465
Economic and environmental services		137 365	118 237	126 746	544	4 468	5 452	(984)	-18%	118 237
Planning and development		6 193	6 909	7 351	426	3 492	4 030	(539)	-13%	6 909
Road transport		125 444	108 891	117 331	-	-	-	-	-	108 891
Environmental protection		5 728	2 436	2 065	118	976	1 421	(445)	-31%	2 436
Trading services		3 865	5 070	6 370	216	1 928	2 957	(1 029)	-35%	5 070
Electricity		-	-	-	-	-	-	-	-	-
Water		201	3 708	3 023	-	97	2 163	(2 066)	-96%	3 708
Waste water management		1 976	-	-	-	-	-	-	-	-
Waste management		1 688	1 362	3 347	216	1 831	794	1 037	131%	1 362
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	313 913	306 313	325 566	23 468	93 244	115 163	(21 918)	-19%	306 313
Surplus/ (Deficit) for the year		(7 350)	2 504	3 619	(19 869)	55 781	64 981	(9 199)	-14%	2 504

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

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:

The Operational Revenue approved in the Adjustment budget on 30 January 2015 totals R212,894,368 and the income received to date represents 69.9%. The majority of these funds represents the RSC levy replacement grant of R97,730,000 as well as the Disaster Relief funds of R27.4m.

Operating Expenditure

Adjusted operating expenditure in the adjustment budget totals R209,275,866. Year to date spending at the end of 31 January 2015 represents R93,244,410 or a spending of 45%. The low spending is a result of the non-cash items that only reflects spending at the end of the financial year due to year end procedures required to account for this expenditure items.

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

DC4 Eden - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - Executive & Council	1	162 335	195 274	204 202	3 219	144 127	113 910	30 217	26.5%	195 274
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		875	1 302	1 302	-	1 164	760	404	53.2%	1 302
Vote 4 - Planning and Development		4	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		183	169	169	14	121	99	23	23.3%	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		5 143	5 855	5 867	366	2 856	3 415	(559)	-16.4%	5 855
Vote 9 - Waste Management		120	84	1 122	-	640	49	590	1197.7%	84
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	90	-	90	#DIV/0!	-
Vote 13 - Environmental Protection		189	132	232	-	27	77	(50)	-64.7%	-
Vote 14 - Roads Agency Function		137 713	106 000	116 290	-	-	61 833	(61 833)	-100.0%	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	306 563	308 817	329 184	3 599	149 026	180 143	(31 117)	-17.3%	202 516
Expenditure by Vote										
Vote 1 - Executive & Council	1	65 949	63 639	74 322	12 594	25 323	37 123	(11 800)	-31.8%	63 639
Vote 2 - Budget and Treasury Office		17 259	24 699	22 999	2 256	11 502	14 407	(2 905)	-20.2%	24 699
Vote 3 - Corporate Services		26 245	29 363	30 719	3 107	16 290	17 129	(839)	-4.9%	29 363
Vote 4 - Planning and Development		6 193	6 909	7 351	426	3 492	4 030	(539)	-13.4%	6 909
Vote 5 - Public Safety		28 928	25 179	23 534	1 491	11 670	14 688	(3 018)	-20.5%	25 179
Vote 6 - Health		23 746	27 465	30 782	2 138	15 475	16 021	(546)	-3.4%	27 465
Vote 7 - Community and Social Services		2 279	2 918	-	289	1 617	1 702	(85)	-5.0%	2 918
Vote 8 - Sport and Recreation		8 277	9 743	10 093	833	4 972	5 683	(712)	-12.5%	9 743
Vote 9 - Waste Management		1 688	1 362	3 347	216	1 831	794	1 037	130.5%	1 362
Vote 10 - Road Transport		365	2 891	1 041	-	-	1 687	(1 687)	-100.0%	2 891
Vote 11 - Waste Water Management		1 976	-	-	-	-	-	-	-	-
Vote 12 - Water		201	3 708	3 023	-	97	2 163	(2 066)	-95.5%	3 708
Vote 13 - Environmental Protection		5 728	2 437	2 065	118	976	1 421	(445)	-31.3%	2 437
Vote 14 - Roads Agency Function		125 079	106 000	116 290	-	-	61 833	(61 833)	-100.0%	106 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	313 913	306 313	325 566	23 468	93 244	178 683	(85 438)	-47.8%	306 313
Surplus/ (Deficit) for the year	2	(7 350)	2 504	3 618	(19 869)	55 781	1 460	54 321	3719.4%	(103 797)

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

Reporting per municipal vote provide details on the spread of spending over the various functions of council.

Income is mainly budgeted under the Executive and Council function and therefore the majority of the income will be reflected under this section.

The consolidation of the Roads Agency function into the budget of Eden reflects under the Roads Transport municipal function above.

No reporting of the information in terms of the Roads Agency function is included in the report.

DC4 Eden - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January										
Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Property rates - penalties & collection charges								-		
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue								-		
Service charges - other								-		
Rental of facilities and equipment		853	2 357	2 357	78	(539)	1 375	(1 914)	-139%	2 357
Interest earned - external investments		4 684	4 500	4 750	1 279	4 255	2 625	1 630	62%	4 500
Interest earned - outstanding debtors				881	56	569	-	569	#DIV/0!	
Dividends received					-	-	-	-		
Fines					-	-	-	-		
Licences and permits		189			-	-	-	-		
Agency services		679	12 671	13 777	1 938	7 997	7 391	606	8%	12 671
Transfers recognised - operational		145 733	170 060	170 060		128 936	99 202	29 734	30%	170 060
Other revenue		154 425	119 229	137 358	247	7 807	69 550	(61 743)	-89%	119 229
Gains on disposal of PPE					-	-	-	-		
Total Revenue (excluding capital transfers and contributions)		306 563	308 817	329 184	3 599	149 025	180 143	(31 118)	-17%	308 817
Expenditure By Type										
Employee related costs		92 562	95 117	94 315	7 459	54 046	55 485	(1 439)	-3%	95 117
Remuneration of councillors		7 028	7 705	7 723	565	4 112	4 495	(383)	-9%	7 705
Debt impairment		2 443	800	1 800	-	-	467	(467)	-100%	800
Depreciation & asset impairment		4 831	8 322	6 800	346	2 051	4 855	(2 803)	-58%	8 322
Finance charges		704	530	830	-	80	309	(229)	-74%	530
Bulk purchases					-	-	-	-		
Other materials					-	-	-	-		
Contracted services		13 808	9 975	8 414	800	4 447	5 819	(1 372)	-24%	9 975
Transfers and grants			36 253	44 147	12 037	14 268	21 148	(6 880)	-33%	36 253
Other expenditure		192 537	147 610	161 536	2 262	14 239	86 106	(71 866)	-83%	147 610
Loss on disposal of PPE					-	-	-	-		
Total Expenditure		313 913	306 313	325 566	23 468	93 244	178 683	(85 438)	-48%	306 313
Surplus/(Deficit)		(7 349)	2 504	3 618	(19 869)	55 781	1 461	54 320	0	2 504
Transfers recognised - capital								-		
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		(7 349)	2 504	3 618	(19 869)	55 781	1 461			2 504
Taxation								-		
Surplus/(Deficit) after taxation		(7 349)	2 504	3 618	(19 869)	55 781	1 461			2 504
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(7 349)	2 504	3 618	(19 869)	55 781	1 461			2 504
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(7 349)	2 504	3 618	(19 869)	55 781	1 461			2 504

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

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:

Income reported year to date requires corrective journals to be processed. These journals will be complete by the income section. As at reporting date these journals has not been processed.

Interest earned – External Investments:

Interest earned up to 31 January 2015 totals R4,254,702 of a total budget of R4,750,000. This amount represents 90% of the budgeted amount. The budget was increased from R4,5m to R4,75m with the adjustment budget.

Transferred recognised – operational

The municipality received 75.8% of its total Transfers allocated in terms of National and Provincial DORA's. These grants represent the conditional and unconditional grants allocated. The only unconditional grant is the RSC Replacement grant that is used to fund the operations of council. Year to date received in terms of this grant totals R97,720,000.

Other revenue / Sundry income

Other revenue as accounted above include the Roads Agency function funds of R116,290,000. No reporting in terms of this income is included in this report. The other balances totals R21,068m with a recorded income of R7,8m.

Gains on disposal of PPE (Sale of Land)

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

Expenditure by Type

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

Employee Related cost / Remuneration of councillors

The municipality approved the revised salary budget to R102,038 m. These consist of R94.3m for employee related cost as well as R7.7m for councillors. Year to date spending totals R58.1m that represents a 57% of all expenditure at the end of 31 January 2015. More detailed below

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. (GRAP related items). Year to date accounting entries for these items totals R2.05m of a total budget of R8,6m That represents a totals of 23.9%.

Finance charges

Yearly repayments of the loans are processed in March and September. Payments were processed during the month of September in terms of the loans outstanding. Outstanding balance on council loan liability totals R1,187,648.

Contracted services

Contracted services expenditure totals R4,4m of a revised budget of R8.4m which represents a 53% spending for the year up to 31 January 2015. Various corrections were processed to ensure the correct items are budgeted under this cost item. Corrections required in previous reporting cycles were also done to ensure proper reporting.

Other expenditure

Council total spending currently totals 45% of the Adjustment budget. The risk of not implementing the budget needs to be address to ensure achievement of the objectives as per the IDP.

Other expenditure includes General expenses, Own funded grant projects.

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	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive & Council		114	-	327	-	-	191	(191)	-100%	-
Vote 2 - Budget and Treasury Office		21	-	6	-	-	4	(4)	-100%	-
Vote 3 - Corporate Services		560	1 000	923	158	242	538	(297)	-55%	-
Vote 4 - Planning and Development		50	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		444	1 300	1 935	-	-	1 129	(1 129)	-100%	-
Vote 6 - Health		31	-	53	-	-	31	(31)	-100%	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		6	200	370	79	96	216	(120)	-55%	-
Vote 9 - Waste Management		-	5 800	5 800	-	-	3 383	(3 383)	-100%	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	1 226	8 300	9 414	237	338	5 491	(5 154)	-94%	-

Variations explained in Supporting Table C5

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

Various SCM processes is currently underway to ensure spending of the capital budget by the end of June 2015. The regional landfill site is at the transfer of property stage and completion of this part of the project should be completed before the end of the financial year.

3.1.6 Table C6: Monthly Budget Statement - Financial Position

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

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		79 737	95 686	79 737	156 266	95 686
Call investment deposits		–	–			–
Consumer debtors		14 440	6 757	16 446	10 034	6 757
Other debtors		3 851	4 402	1 845		4 402
Current portion of long-term receivables		2 404	2 534	2 404	2 404	2 534
Inventory		4 645	4 005	4 645	4 130	4 005
Total current assets		105 078	113 384	105 078	172 834	113 384
Non current assets						
Long-term receivables		47 487	37 190	47 487	47 487	37 190
Investments		–	–		41	–
Investment property		170 665	345 577	170 665	170 578	345 577
Investments in Associate		–	–			–
Property, plant and equipment		294 896	146 406	294 896	293 507	146 406
Agricultural		–	–			–
Biological assets		–	–			–
Intangible assets		2 801	3 068	2 801	2 571	3 068
Other non-current assets		41	41	41		41
Total non current assets		515 890	532 282	515 890	514 184	532 282
TOTAL ASSETS		620 968	645 666	620 968	687 018	645 666
LIABILITIES						
Current liabilities						
Bank overdraft		–	–			–
Borrowing		1 923	700	1 904	1 470	700
Consumer deposits		–	–			–
Trade and other payables		30 278	44 745	30 296	48 026	44 745
Provisions		20 501	22 087	20 501	11 719	22 087
Total current liabilities		52 701	67 533	52 701	61 215	67 533
Non current liabilities						
Borrowing		3 136	2 156	705	705	2 156
Provisions		111 837	115 414	114 269	114 269	115 414
Total non current liabilities		114 974	117 570	114 974	114 974	117 570
TOTAL LIABILITIES		167 675	185 103	167 675	176 189	185 103
NET ASSETS	2	453 293	460 563	453 293	510 829	460 563
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		435 224	458 916	435 224	492 760	458 916
Reserves		18 069	1 647	18 069	18 069	1 647
TOTAL COMMUNITY WEALTH/EQUITY	2	453 293	460 563	453 293	510 829	460 563

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

3.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Eden - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		129 870	125 436	125 436	2 320	15 105	73 171	(58 066)	-79%	125 436
Government - operating		141 097	170 060	168 993		129 666	99 202	30 464	31%	170 060
Government - capital							-	-		-
Interest		2 601	4 500	4 750	1 279	4 255	2 625	1 630	62%	4 500
Dividends								-		-
Payments										
Suppliers and employees		(248 119)	(286 362)	(293 704)	(11 431)	(78 896)	(167 045)	(88 148)	53%	(286 362)
Finance charges		(485)	(530)	(830)		(80)	(309)	(229)	74%	(530)
Transfers and Grants		(4 144)	(4 084)	(34 896)	(12 037)	(14 268)	(2 382)	11 886	-499%	(4 084)
NET CASH FROM/(USED) OPERATING ACTIVITIES		20 820	9 020	(30 251)	(19 869)	55 781	5 262	(50 520)	-960%	9 020
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables		2 534	2 534	2 534				-		2 534
Decrease (increase) in non-current investments					2 844	(73 573)		(73 573)	#DIV/0!	-
Payments										
Capital assets		(1 135)	(8 300)	(9 414)	(237)	(338)	(5 491)	(5 154)	94%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		1 399	(5 766)	(6 880)	2 607	(73 911)	(5 491)	68 419	-1246%	2 534
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(622)	(650)	(650)				-		(650)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(622)	(650)	(650)	-	-	-	-		(650)
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		72 984	94 582			152 119	94 582			152 119
Cash/cash equivalents at month/year end:		94 581	97 186	(37 781)	(17 263)	133 990	94 352			163 023

The cash flow position reflects a balance at the end of January of R133,9m. This consist of short term investment of R100,3m and the balance reflecting in the municipal operational accounts.

The municipality as part of the budget approved tabled a "Cash position" to council that reflects the obligations of council and provisions that's required to be accounted for and funded by the cash balance.

The reasons for the cash balance is the grants eg. Disaster Grant, RSC replacement grant received in advance, but expenditure must still be incurred.

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 2014/15					Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days			
R thousands								
Debtors Age Analysis By Income Source								
Trade and Other Receivables from Exchange Transactions - Water	1200					-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300					-	-	
Receivables from Non-exchange Transactions - Property Rates	1400					-	-	
Receivables from Exchange Transactions - Waste Water Management	1500					-	-	
Receivables from Exchange Transactions - Waste Management	1600					-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	33	28	19	2 756	2 836	2 756	
Interest on Arrear Debtor Accounts	1810					-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820					-	-	
Other	1900	106	351	194	7 209	7 860	7 209	
Total By Income Source	2000	140	379	213	9 964	10 696	9 964	
2013/14 - totals only						-	-	
Debtors Age Analysis By Customer Group								
Organs of State	2200					-	-	
Commercial	2300					-	-	
Households	2400	62	66	45	1 151	1 324	1 151	
Other	2500	78	313	167	8 814	9 372	8 814	
Total By Customer Group	2600	140	379	213	9 964	10 696	9 964	

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

Outstanding debtors at the end of January totals R9,9m.

Section 5 – Creditors' analysis

Supporting Table C4

DC4 Eden - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January						
Description	NT Code	Budget Year 2014/15				Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	
R thousands						
Creditors Age Analysis By Customer Type						
Bulk Electricity	0100					-
Bulk Water	0200					-
PAYE deductions	0300	1 169				1 169
VAT (output less input)	0400					-
Pensions / Retirement deductions	0500	1 145				1 145
Loan repayments	0600					-
Trade Creditors	0700					-
Auditor General	0800	84				84
Other	0900					-
Total By Customer Type	1000	2 397	-	-	-	2 397

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

This should improve the reporting in future in terms of outstanding creditors but for the time being year to date the status quo will maintain.

Section 6 – Investment portfolio analysis

	Balance as at 01 Jan 2015	Movements for the month			Balance as at 31 Jan 2015	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
Eden district municipality							
<i>Interest Received YTD</i>					-		1 666 942.15
<i>Standard Bank</i>	34 500 000.00	-34 500 000.00	-23 500 000.00		23 500 000.00	279 827.17	279 827.17
<i>FNB</i>	34 500 000.00	-34 500 000.00	-23 500 000.00		23 500 000.00	275 711.63	275 711.63
<i>ABSA</i>	34 500 000.00	-34 500 000.00	-23 500 000.00		23 500 000.00	283 937.67	283 937.67
<i>Nedbank</i>	34 500 000.00	-34 500 000.00	-23 500 000.00		23 500 000.00	288 725.34	288 725.34
<i>Standard Bank - Bank Guarantee investment</i>	6 378 762.00				6 378 762.00		-
BANK DEPOSITS	144 378 762.00	-138 000 000.00	-94 000 000.00		100 378 762.00	1 128 201.81	2 795 143.96

6.1 Investment monitoring information

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

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

Section 7 – Allocation and grant receipts and expenditure

7.1 Supporting Table C6

DC4 Eden - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January										
Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		139 997	168 113	168 113	-	128 936	98 066	18 413	18.8%	168 113
Local Government Equitable Share		129 669	134 097	134 097	-	97 720	78 223	19 497	24.9%	134 097
Finance Management		1 250	1 250	1 250	-	1 250	729			1 250
Municipal Systems Improvement		890	934	934	-	934	545			934
EPWP Incentive		1 000	1 000	1 000	-	700	583			1 000
Municipal Disaster Recovery Grant		6 584	27 432	27 432	-	27 432	16 002			27 432
LG: Bulk Water and Waste Water infrastruct.	3		2 500	2 500	-	-	1 458	(1 458)	-100.0%	2 500
Intergrated Transport Planning - PT		604	900	900		900	525	375	71.4%	900
Other transfers and grants [insert description]										
Provincial Government:		1 100	1 947	830	-	730	1 136	(406)	-35.7%	830
Intergrated Transport Planning - PT					-					
Nelson Mandela Memorial		150		830		730		730	#DIV/0!	830
WC FMG Assistance		550								
WC Support - Provincial Treasury	4	400								
Rural Roads Asset Management Systems			1 947				1 136	(1 136)	-100.0%	
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	141 097	170 060	168 943	-	129 666	99 202	18 008	18.2%	168 943

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

7.2 Supporting Table C7

DC4 Eden - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January										
Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		139 393	167 213	167 213	11 817	110 517	97 541	12 976	13.3%	167 213
Local Government Equitable Share		129 669	134 097	134 097	-	97 720	78 223	19 497	24.9%	134 097
Finance Management		1 250	1 250	1 250	57	403	729	(326)	-44.7%	1 250
Municipal Systems Improvement		890	934	934	540	882	545	337	61.9%	934
EPWP Incentive		1 000	1 000	1 000	25	317	583	(266)	-45.7%	1 000
Municipal Disaster Recovery Grant		6 584	27 432	27 432	11 194	11 194	16 002	(4 808)	-30.0%	27 432
LG: Bulk Water and Waste Water infrastr.			2 500	2 500	-	-	1 458	(1 458)	-100.0%	2 500
Other transfers and grants [insert description]								-		
Provincial Government:		1 554	2 847	1 730	26	208	525	(317)	-60.3%	1 730
Intergrated Transport Planning - PT		604	900	900	-	-	525	(525)	-100.0%	900
WC FMG Assistance		550		830	26	208	-	208	#DIV/0!	830
WC Support - Provincial Treasury		400					-	-		-
Rural Roads Asset Management Systems			1 947							
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total operating expenditure of Transfers and Grants:		140 947	170 060	168 943	11 843	110 725	98 066	12 659	12.9%	168 943

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act that stipulates reporting on all grant performance should be done from the receiving officer.

Section 8 – Expenditure on councillor and board members allowances and employee benefits

Supporting Table C8

DC4 Eden - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January										
Category of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C					%	D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 199	5 016	5 969	405	2 918	2 926	(9)	0%	5 016
Pension and UIF Contributions		107	135	107	10	72	79	(7)	-8%	135
Medical Aid Contributions		107	180	107	20	111	105	6	5%	180
Motor Vehicle Allowance		1 223	1 709	1 223	104	829	997	(168)	-17%	1 709
Cellphone Allowance		282	558	267	26	183	326	(143)	-44%	558
Housing Allowances										
Other benefits and allowances		50	107	50			62	(62)	-100%	107
Sub Total - Councillors		6 969	7 705	7 723	565	4 112	4 495	(383)	-9%	7 705
% increase	4		10.6%	10.8%						10.6%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 266	3 150	3 266	269	2 013	1 838	175	10%	3 150
Pension and UIF Contributions		417	607	417	43	263	354	(91)	-26%	607
Medical Aid Contributions		61	65	61	4	26	38	(12)	-31%	65
Overtime										
Performance Bonus		507	485	325			283	(283)	-100%	485
Motor Vehicle Allowance		369	471	369	41	285	275	10	4%	471
Cellphone Allowance		12	41	12	2	31	24	7	29%	41
Housing Allowances		84	84	84	7	49	49			84
Other benefits and allowances										
Payments in lieu of leave			45				26	(26)	-100%	45
Long service awards										
Post-retirement benefit obligations	2									
Sub Total - Senior Managers of Municipality		4 716	4 949	4 534	365	2 667	2 887	(220)	-8%	4 949
% increase	4		4.9%	-3.9%						4.9%
Other Municipal Staff										
Basic Salaries and Wages		86 917	111 662	57 613	4 588	31 290	65 136	(33 846)	-52%	111 662
Pension and UIF Contributions		18 332	11 604	11 424	866	6 358	6 769	(411)	-6%	11 604
Medical Aid Contributions		13 993	6 705	8 150	669	4 298	3 911	387	10%	6 705
Overtime		1 460	1 245	1 027	224	610	726	(116)	-16%	1 245
Performance Bonus		(147)		35						
Motor Vehicle Allowance		8 241	6 037	5 863	552	4 118	3 522	597	17%	6 037
Cellphone Allowance		133	596	119			348	(348)	-100%	596
Housing Allowances		823	565	516	48	335	329	6	2%	565
Other benefits and allowances		2 822	2 372	692	87	328	1 383	(1 055)	-76%	2 372
Payments in lieu of leave		6 511	4 228	4 342	59	4 041	2 466	1 575	64%	4 228
Long service awards		158	750				438	(438)	-100%	750
Post-retirement benefit obligations	2	2 095	4 324				2 522	(2 522)	-100%	4 324
Sub Total - Other Municipal Staff		141 339	150 086	89 781	7 093	51 380	87 550	(36 171)	-41%	150 086
% increase	4		6.2%	-36.5%						6.2%
Total Parent Municipality		153 023	162 740	102 038	8 023	58 158	94 932	(36 774)	-39%	162 740

Council adjust the salary budget during the January adjustment approved. The adjusted budget for employees total R94.3m and councillors R7.7m. various vacancies was reduced and removed during the January budget process.

Year to date expenditure reflects a total of R58,1m for employee and salary related cost. This represents a spending of 57%.

Section 9 – Municipal manager’s quality certification

NAVRAE ENQUIRIES: S Stanley
KONTAKNR CONTACT NO: 044 803 1343
VERW REF: 6/19/7/2014-2015
KANTOOR OFFICES: George
DATUM DATE: 09 February 2015



QUALITY CERTIFICATE

I, **G W LOUW**, the accounting officer / chief financial officer of **EDEN DISTRICT MUNICIPALITY DC4**, (name of municipality), hereby certify that –

(mark as appropriate)

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

For the month of **31 JANUARY 2015** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name G W. Louw

Accounting Officer / Chief Financial Officer of **EDEN DISTRICT MUNICIPALITY DC4** (name and demarcation of municipality)

Signature [Signature]
Date 12/02/15