



EDEN DISTRICT MUNICIPALITY

FINANCIAL YEAR 2013 - 2014

**ADJUSTMENT BUDGET REPORT
2013/2014 MTREF**

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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 28 Municipal Adjustment Budgets

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

Schedule B format of adjustment budgets

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL SPEECH

It is with great pleasure that I present the 2013/2014 Adjustment Budget to the Council for consideration.

The reason for the tabling of an adjustment budget is fully disclosed in the executive summary of the adjustment budget documentation. The adjustments were mainly necessitated by increased grant funding as well as adjustments required on votes.

We would like to welcome the Chief Financial Officer back to office after some time off due to medical condition. We trust that you have recovered well and we look forward to your presence and contribution to the operations of Council.

As we look back in into 2013 one cannot begin to reflect without mentioning the passing of the Father of the Nation, former president Mr Rolihlahla Nelson Mandela, and the great loss that the nation has suffered. We pass our condolences to his Wife Mrs Graca and the rest of the Mandela family. Although former president Nelson Rolihlahla Mandela's passing came as no surprise, we marvelled at the magnitude of the man even in death and hope that each and every one of us can take a positive lesson from his life.

In our last tribute to Nelson Rolihlahla Mandela, Western Cape Provincial Government made funds available to the Eden District Council and the B Municipalities in the region to allow us to facilitate public viewing platforms in the different areas. An allocation of R150, 000 was allocated to Eden Council and we saw it only befitting, given the time at hand to redistribute the funds to the B Municipalities and reinforce their efforts to provide public viewing areas (PVA).

- R60 000 was allocated to George municipality for the PVA,
- R15 000 to each of the remaining 6 B municipalities, Bitou, Knysna, Mosselbay, Hessequa, Oudtshoorn and Kannaland.

It has been a cumbersome task that management undertook to identify savings and ensure a credible, cash funded budget is presented today.

To quote the Finance Minister, Pravin Gordon, in his Medium Term Budget Policy Statement 2013, ***“The NDP recognises capable municipalities as the bedrock of a capable state. National Treasury will continue to closely monitor and engage and if need be intervene in those municipalities that fail to live up to the standards of public service established in the constitution. To achieve value for money in these initiatives, we need improvements across government in financial management. This applies equally to provinces and municipalities, where we have to see much better accountability and discipline in the stewardship of public resources.”***

As known, we have experience high levels of rainfalls recently and although we celebrate the abundance of fresh water supplies and the filling of our dams, we would also like to think of those that the rain brought about much misery as far as infrastructure that has been destroyed and life that might have been lost. We hope that the allocation from the National Disaster Recovery Grants

from the National Government, of an amount to the value of R6, 584,000, will go a long way in assisting B Municipalities in the Eden District to repair the damages from flooding and repair the infrastructure in the region. The allocation will be made as per payment schedule gazetted by National Treasury.

As we look forward to new year and the second half of the Fiscal year we remain conscious of the task at hand and service delivery remains a the key objective of Council.

Let me quote MEC Mr Alan Winde in his Medium Term Budget Policy Statement (MTBPS 2014-17 and Adjusted Estimates of Provincial Expenditure 2013 speech, "What do we hope to achieve, and why do we seek to achieve it? The first question is defined by the mandate upon which voters elected us to power in 2009, our number one priority is and will remain to build an open, opportunity society to all. By open, we mean a society that promotes accountability and transparency in government, security of person and property, tolerance towards difference and an economy that is led by the free choices of individuals." That being said, one of our key priorities as council would be to see the establishment of the Regional Land fill site for the region. Our current use of the PETROSA Landfill site will come to an end and the purchase of the land will be financed in the interim from the Capital replacement grant and a PPP working group has been established and the PPP process is in progress.

The main adjustments proposed in this adjustment budget are:

CAPITAL BUDGET:

Council in its Original Budget projected a capital outflow of R8,000,000 with funding source proposed as the Gains on the disposal of PPE(Property Plant and Equipment) – Sale of Land to finance the purchase of the land for the regional landfill site. The likelihood to realise funds from sale or disposal of Land in the current financial year in order to facilitate the acquisition Land for regional landfill site purpose seems highly unlikely; this is due to onerous process required as per legislation. There has been known disputes from the B Municipalities regarding ownership of some of the properties and its clearly evident that within the time frames concerned to have the Regional Landfill site operating, it's highly unlikely that council would have realised proceeds from these sales. Therefore in order to meet the statutory obligation imposed as a core function of the District Municipality, Regional Landfill site, alternative avenues for financing the acquisition had to be identified with immediate effect and until the PPP process has been completed the acquisition of the land will be financed from cash backed accumulated surplus (CRR).

After an intense negotiating process the Purchase price of the Land was reduced from R 8 000 000 to R 5 800 000. Council has made a substantial saving and the adjustment is reflected in the adjustment budget. However once the appointment of a service provider through SCM process as a Public Private Partnership (PPP) is in place, Service provider will undertake the refinancing of the capital project and the funds paid back to Eden.

Additional funding has been allocated for the acquisition for IT equipment.

OPERATING BUDGET:

It should be noted in view of operation clean audit report (OPCAR), one of the audit queries raised was that the agency function performed by Eden for the roads agency function has to be included in the budget, therefore R 99 869m has been included in the operating revenue and operating expenditure thus increasing the total of the adjustment budget by these amounts, but the net effect on the budget is R0.

With time, strategic operational decisions have to be taken to ensure the administration evolves and remain relevant, however certain transformations are not of our own doing as such is the end of the Working for Water Implementation agent agreement between council and the Department of Water Affairs (DWAF). The Agency Agreement will come to a conclusion on the 31st of March 2014, this would have a significant impact as far as the personnel employed, the income related and most importantly the ability of Council to create the much needed jobs in the communities through the working for water projects. The working for water agent agreement is worthy of noting as it has been for a significant period one of the drivers of creation of employment in our region.

Various other expenditure adjustments were required to ensure optimal use of the municipal resources and the execution of the mandate of council to enhance operational activities. The adjustment budget for Eden reflects a slight decrease in Income from the May Budget, from R176 402m to R 174 823m, Total expenditure decreased from R 175 047m to R 173 593m. The resulting surplus has been used to fund the Proposed Adjustment Capital Budget and the breakdown is the rest of the report. Council has undergone numerous initiatives such as the Saving Campaign, to try and avail funding by tightening our belt on operational expenditure.

Council has appointed a service provider, INCA, to assist with the compilation of a Long-term financial and feasibility plan. This project was funded with an allocation received from Provincial Treasury. Various proposals should also evolve from this document that should assist council and administration in the improvement of the sustainability of Council. This process is part of the overall Turnaround Strategy (TAS) that will seek to put council in a position to be able to realise the objectives of the Integrated Development Plan (IDP).

It should be noted that the surplus declines annually (operating projects from own funds are excluded from the outer budget years) and alternative strategies to increase revenue must be investigated and cost cutting measures identified.

I would therefore like to recommend that council approve the following resolutions:

- (1) That the adjustments budget of Eden District Municipality for the financial year 2013/2014 as set out in the schedules contained in Section 4 be approved:
 - (i) Table B1 Adjustments Budget Summary;
 - (ii) Table B2 Adjustments Budget Financial Performance (by standard classification);
 - (iii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (iv) Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - (v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
- (2) That council approves the Adjustment Operating Revenue Budget of R274, 692m.
- (3) That council approves the Adjustment Operating Expenditure budget of R273, 462m.
- (4) That council approves the Adjustment Capital Budget for Eden of R 6,935m.
- (5) That council take note that R 99 869m Operating income and expenditure as approved by Department of Public Transport for the Roads agency function has been included in the Total Adjustment budget as per recommendation 1 – 3.

SECTION 2 – RESOLUTIONS

Municipal Financial Management Act, 56 of 2003 - SECTION 28 Municipal adjustment budgets.

These are the resolutions being presented to Council in terms of Municipal Finance Management Act, 56 of 2003 on the adjustment budget and related information.

RECOMMENDATION:

I would therefore like to recommend that council approve the following resolutions:

- (1) That the adjustments budget of Eden District Municipality for the financial year 2013/2014 as set out in the schedules contained in Section 4 be approved:
 - (vi) Table B1 Adjustments Budget Summary;
 - (vii) Table B2 Adjustments Budget Financial Performance (by standard classification);
 - (viii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (ix) Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - (x) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
- (2) That council approves the Adjustment Operating Revenue Budget of R274, 692m.
- (3) That council approves the Adjustment Operating Expenditure budget of R273, 462m.
- (4) That council approves the Adjustment Capital Budget for Eden of R 6,935m.
- (5) That council take note that R 99 869m Operating income and expenditure as approved by Department of Public Transport for the Roads agency function has been included in the Total Adjustment budget as per recommendation 1 – 3.

Section 3 – Executive Summary

3.1 Introduction

This budget report is tabled in terms of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting regulations, dated 17 April 2009.

Municipal Finance Management Act, 56 of 2003

Article 28(1) A municipality may revise an approved annual budget through an adjustment budget.

28(3) An adjustment budget must be in a prescribed format.

Municipal Budget and Reporting Regulations, 17 April 2009

23 Timeframes for tabling of adjustments budgets

23(1) An adjustment budget referred to in section 28 of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but no later than 28 February of the current year.

Schedule B Adjustment budget and supporting documentation of municipalities

(1) An adjustment budget and support documentation of a municipality that is –

- a. Contemplated in sub regulation 23(1) must have all the headings in the sequence shown in the table of contents below, contain the information described in this Schedules and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.*

3.2 Adjustment Budget

Operational Budget

A comparison between the **Original** and the **Adjustment Budget** for the financial year 2013/2014 MTREF period produce the following results.

APPROVED BUDGET 2013/2014 MTREF:

EDEN

DESCRIPTION	2013/2014 (R'000)	2014/2015 (R'000)	2015/2016 (R'000)
Income	(176 403)	(174 771)	(182 717)
Expenditure	175 047	172 997	182 211
Surplus / (Deficit)	(1 356)	(1 774)	(506)

PROPOSED ADJUSTMENT BUDGET 2013/2014 MTREF: EDEN

DESCRIPTION	2013/2014 (R'000)	2014/2015 (R'000)	2015/2016 (R'000)
Income	(174 823)	(165 252)	(172 737)
Expenditure	173 593	165 170	172 718
Surplus /(Deficit)	1 230	82	19

2013/2014 MTREF: ROADS AGENCY FUNCTION

DESCRIPTION	2013/2014 (R'000)	2014/2015 (R'000)	2015/2016 (R'000)
Income	(99 869)	(110 105)	(115 610)
Expenditure	99 869	110 105	115 610
Surplus / Deficit	(0)	(0)	(0)

PROPOSED TOTAL CONSOLIDATED ADJUSTMENT BUDGET

2013/2014 MTREF:

DESCRIPTION	2013/2014 (R'000)	2014/2015 (R'000)	2015/2016 (R'000)
Income	(274 692)	(275 357)	(288 347)
Expenditure	273 462	275 275	288 328
Surplus /(Deficit)	1 230	82	19

It should be noted in view of operation clean audit report (OPCAR), one of the audit queries raised was that the agency function performed by Eden for the roads agency function has to be included in the budget, therefore R 99 869m has been included in the operating revenue and operating expenditure thus increasing the total of the adjustment budget by these amounts, but the net effect on the budget is R0.

It should further be noted that the surplus declines annually (operating projects from own funds are excluded from the outer budget years) and alternative strategies to increase revenue must be investigated and cost cutting measures identified.

The Proposed Adjustment budget resulted in a surplus of R1, 230m. The capital budget requirements in terms of the adjustment budget totals R6, 935m. The funding of the additional capital project for the Regional Landfill Site will be financed from the Capital Replacement Reserve (CRR). This is the accumulated funds allocated for future capital requirements. The surplus of the adjustment budget is therefore appropriate to fund the capital expenditure required in terms of the Adjustment Capital items requested. After funding the acquisition of the Land for Regional Landfill Site from the Capital Replacement Reserve Fund (CRRF), the remaining balanced will be reduced to a balance of approximately R 1,000,000.

The establishment of the Landfill Site will be done by means of a Public Private Partnership (PPP) Administration is also in the process of establishing a working group TASK TEAM that will facilitate the process of the PPP (Public Private Partnership) in terms of the Regional Landfill Site.

The objective of this Task Team is to ensure smooth implementation of the project, and recoup the original investment of Eden of R5, 800m from the PPP. These funds will be reallocated to the Capital Replacement Reserve for future use on capital assets.

Comparisons of the income and expenditure budgets it is evident that various changes in the budgeted amounts are proposed. This detail will be further explained in the document.

Proposed Adjustment Capital Budget is as follows:

Description	May Council Budget	Jan Adjustment	Difference
			-
Furniture - Chair	2 000.00	2 000.00	-
Notice Board Council	5 000.00	15 000.00	-10 000.00
Toolbox - Items	18 000.00	18 000.00	-
ICT Equipment	200 000.00	450 000.00	-250 000.00
Regional Landfill Site	8 000 000.00	5 800 000.00	2 200 000.00
Fire Fighting vehicles	400 000.00	400 000.00	-
Maintenance Equipment		250 000.00	-250 000.00
Resort Sprinklers	250 000.00	-	250 000.00
Total Expenditure	8 875 000.00	6 935 000.00	1 940 000.00

The funding of the Capital budget is split as follows:

Regional Landfill Site – R5, 800,000

- R5, 800,000 allocations from the *Capital Replacement Reserve (CRR)*. This reserve is built up over a number of financial years. This is cash backed and the funds are earmarked for capital projects of council.

- The undertaking of administration is to refinance the Capital project in the new financial year and allocate the capital amount to the CRRF.
- The PPP appointment process should be initiated in the time being as the new entity will take over the financing of the project.
- A regional Land Fill Site working committee has been established by the Municipal Manager to assist management in this process and will see the process of establishing the Regional Land Fill Site onwards.

Other Capital Items – R1, 135,000

- These items are funded from surplus cash from the Proposed Operational budget.
- **ICT Equipment – Additional R250,000**
 - Adjustments to the Capital Budget include a request from the Support Services – IT to procure replacement of ICT equipment for the administration. ICT requirements are managed by the ICT steering committee established to oversee the ICT needs of the organisation
- **Maintenance Equipment – Decrease of R250,000**
 - Request from the Department in charge of maintenance was received to acquire capital maintenance equipment to enable the Section to perform the necessary maintenance requirements. Maintenance to date has been neglected at the municipality and the future potential cost of replacing equipment should outweigh the cost associated with equipping the delegated department to perform the function optimally.
- Refer to above table for changes in the adjustment capital budget.

3.3 Provision of basic services

The municipality as a category C municipality do not deliver basic services in respect of the following:

- Provision of Water services
- Provision of sanitation services
- Provision of refuse
- Provision of housing

Service that is delivered by the municipality that is essential to the communities of the Eden region is the following.

Eden plays a critical role in the delivery of Fire services in the area. This is supported by the fact that a number of service delivery agreements is in place with various local municipalities to ensure delivery of fire services within their areas and allocated as their functions.

The municipality currently have agreements in place with the following municipalities

- Hessequa Municipality
- George Municipality

The municipality is in process with negotiations with Kannaland Municipality regarding the rendering of firefighting services.

Eden also has an Air Quality service level agreement with the municipality of Hessequa Municipality

Disaster Management and ensuring that a collective effort is implemented is also a key function performed by the municipality. In this regard the municipality currently have agreements in place with Mosselbay Municipality to assist in the delivery of this service within its area.

The provision of Environmental Health practitioners is another key function performed by the district. With the food scarcity crises and the impact that drought has on the provision of food security the impact this function is performing is of critical importance.

The municipal budget is drafted to ensure the provision of these services can continue on an uninterrupted basis within these municipal areas.

3.4 SDBIP and MTREF financial sustainability

The municipality tables a cash backed Operating adjustment budget for the period 2013/2014 MTREF. These in effect ensure compliance with the Municipal Finance Management Act. As a district municipality with the limited abilities to expand the revenue sources currently the municipality is experiencing challenges with regards to their financial sustainability over periods longer than the MTREF. Council is however implementing various initiatives to ensure that this is being addressed.

Provincial Treasury assisted the municipality with the funding to engage into an external Long-term financial assessment. The municipality through the Municipal Supply Chain management processes appointed a service provider INCA to compile a long-term financial plan to assist administration in its future planning endeavours. This should provide council with a better understanding of the status of the municipality in terms of its sustainability and the direction its heading.

The municipal Service Delivery and Budget Implementation plan is complete to enhance council's ability to measure the impact of the adjustment budget on the municipal performance in terms of service delivery and to ensure that the municipality will deliver on its promise to ensure delivery of services to its communities.

The detailed report on the adjustment to the SDBIP provide more detailed in terms of what is required to ensure that council's budget and mandate can be executed.

3.5 High level summary of adjustments

Analysing the Proposed Adjustment budget per Expenditure items produce the following:

Budget Year 2013/14

	Original Budget R'000	Total Adjusts. R'000	Adjusted Budget R'000	% Variance
Expenditure By Type				
Employee related costs	91 952	54 104	146 056	59%
Remuneration of councillors	6 954	15	6 969	0%
Debt impairment	650	–	650	0%
Depreciation & asset impairment	8 136	–	8 136	0%
Finance charges	585	(100)	485	-17%
Contracted services	11 330	(400)	10 930	-4%
Transfers and grants	3 744	400	4 144	11%
Other expenditure	51 697	44 396	96 092	86%
Total Expenditure	175 047	98 415	273 462	56%

Overall analysis of the table produces the following:

The Operational expenditure budget increased from **R175, 047m** to **R 273 462m**.

As stated previously R99 869m of the Roads agency function is consolidated into Eden's operational budget, therefore the sharp increase in the expenditure.

This is mainly due to the following:

EMPLOYEE RELATED COST

- Various vacancies budgeted for during the May council budget process was removed and reduced due to the non-filling of these vacancies.
- The budget salaries is calculated by calculating the actual expenditure for the period 1 July until 31 December as reported in the Mid year budget and expenditure report, and projecting the salary expenses for the next two quarters until the end of the financial year.
- An additional item not previously budgeted for in terms of salaries is the yearly payment to the Department of Labour in terms of Workmen's compensation. Projected amount of R750, 000 was included to provide for this expenditure for the 2013/2014 obligation payable as soon as the assessment is finalised.
- Included in employee related costs, is the salary expenditure of the Roads agency function.

The list of Budgeted vacancies provided for is the following:

NAME	COST	DEPT	OCCUPATION
Vacancy	101004	SUPPORT SERVICES	PERSONAL ASST: SPEAKER
Vacancy	101201	FINANCIAL SERVICES	SECRETARY
Vacancy	101202	FINANCIAL SERVICES	BUYER
Vacancy	101204	FINANCIAL SERVICES	DEPUTY MANAGER: FINANCIAL STATEMENTS
Vacancy	101204	FINANCIAL SERVICES	CHIEF ACCOUNTANT
Vacancy	101211	OFFICE OF MUNICIPAL MANAGER	ASSISTANT INTERNAL AUDITOR
Vacancy	101301	SUPPORT SERVICES	MANAGER: STRATEGIC SUPPORT
Vacancy	101302	SUPPORT SERVICES	REPRODUCTION ASST
Vacancy	101404	SUPPORT SERVICES	DISTRICT IDP & COMMUNICATIONS MANAGER
Vacancy	101601	MANAGEMENT SERVICES	FIRE CHIEF
Vacancy	101602	MANAGEMENT SERVICES	SNR RADIO OPERATOR
Vacancy	101603	MANAGEMENT SERVICES	STATION OFFICER: Hessequa
Vacancy	101803	MANAGEMENT SERVICES	ENVIRONMENTAL HEALTH PRACTIT
Vacancy	101803	MANAGEMENT SERVICES	ENVIRONMENTAL HEALTH PRACTIT
Vacancy	102202	SUPPORT SERVICES	SUPERVISOR
Vacancy	102202	SUPPORT SERVICES	GATE GUARD
Vacancy	102203	SUPPORT SERVICES	CARETAKER: RESORTS
Vacancy	102205	SUPPORT SERVICES	CLERK GR.II: CASHIER
Vacancy	102205	SUPPORT SERVICES	HANDY MAN

Note:

Due to the current process underway with the organisational changes to the organogram this is the proposed list and this will change.

- Council needed to make provision for the Shortfall in pension fund payment approved by the legislated bodies of council and SALGA.
- The executive management team reviewed the vacancy list and the budget was adjusted accordingly.
- The organogram is in the process of being reviewed and submitted to council for approval.

REPAIRS AND MAINTENANCE

- Repairs and Maintenance expenditure increased to address the backlog in Maintenance of council's assets and equipment.
- Additional funds were appropriate to the Fire services department. This is a core-function of the district municipality and lacks of maintenance of equipment possess a serious treat to council and the general public in general.
- Additional provisions also have to be made for the maintenance of council's fleet vehicles.
- The delegation in terms of the maintenance of council's operational maintenance and fleet management activities has also been moved between different sections of council;
- The allocation of the powers and functions in terms of controlling the budget votes has been corrected and this should ensure smooth running of operations and less interrupted services delivery in future.
- The capital budget allocated for the purchase of the sprinkler for the resorts have been reallocated to repairs and maintenance, as there are required maintenance that need to be performed before the installation of the sprinkler system.

CONTRACTED SERVICES

- Various changes to Departmental contracted services was proposed and these amendments has been included in the budget.
- A significant contributing factor to the decrease in contracted services is the Department of Water Affairs (DWA) funded Work for Water projects. The status quo in terms of the Implementation Agent agreement is that it will come to an end on the 31 March 2014. The impact of this has been considered and included by finance in compiling the propose Operational Adjustment Budget for 2013/2014.

GRANT PROJECTS

- Grants projected are projects funded from National and Provincial Government departments and whose funding has been promulgated in the National or Provincial gazettes.
- Currently council receive funds in terms of the following grants:

- LG Equitable Share (RSC replacement grant)
- Financial Management Grant (FMG)
- Municipal Systems Improvement Grant (MSIG)
- Expanded Public Works Program (EPWP)
- Integrated Transport Planning
- Council also receive additional allocations that was included in the proposed Adjustment budget as follows:
 - Nelson Mandela Memorial services allocation – *R150,000*
 - This was received to co-fund the activities of local government in terms of the memorial services in their municipal boundaries.
 - The allocation in terms of this funds is earmarked for payment to the B municipalities
 - WC Financial Management Assistance – *R550,000*
 - These was received from Provincial Treasury as follows –
 - R250,000 for the funding of the long terms financial plan analysis – project currently underway
 - R300, 000 allocation to the B municipalities to strengthen their financial functions. These funds need to be transferred to the relevant B municipalities.
 - Municipal Disaster Recovery grant – *R6,584,000*
 - This was allocated in the National Division of Revenue Act during December 2013.
 - This funds is also earmarked for the local municipalities to assist with their disaster related activities and functions.
 - Funds should be repaid to the local municipalities.
 - Internal audit and SCM – *R 400 000*
 - This was allocated by the Provincial Treasury to assist in the co-sourcing of the internal audit function and the SCM processes that need to be implemented in view of OPCAR.

GENERAL EXPENSES

During the month of December 2013 various engagements with the different line managers was held between Finance and the Management body of council. During this engagement various cost cutting measures was proposed and included in the Adjustment Budget.

Additional budget request was also considered where necessary.

The net effect was a reduction in General expenses in line with the vision of council of ensuring sustainability.

INTEREST

Interest expensed decrease with R100 000. This is due to a recalculation of the actual responsibility of council in terms of interest and redemption.

CONTRIBUTIONS / ACTUARIAL LOSS

This item is required in terms of GRAP (Generally Recognised Accounting Practices). These are non-cash items and the calculation of these expenses is done at year end with the compilation of the Annual Financial Statement at 30 June.

Operating Projects

<u>Section</u>	<u>English</u>	<u>2013/2014</u>
Council General	Risk Management System	250 000
Council General	Clocking in system - Time & Attendance	120 000
Council General	Online Disclosure	130 000
Council General	Mandela Memorial Celebrations	150 000
Office of the Executive Mayor	Mayoral Special Projects	90 000
LED Unit	Led Strategy review	35 000
Tourism Unit	Yearly Tourism Indaba	90 000
Tourism Unit	Reprint of Marketing Collateral	30 000
Tourism Unit	Tourism Maps	20 000
Corporate: Administration - Archives	Records Clean-up project	81 000
Human Resources	Learnerships	250 000
Human Resources	Emergency Preparedness project	263 000
Human Resources	Long Service Awards Certificates	10 000
ICT Unit	Enterprise License Agreement	742 500
Social Services	MOU Implementation	20 000
Waste Management	Article 78 Investigation Phase 2 & 3	350 000
Waste Management	Special studies	107 000
Waste Management	Integrated waste management plan	360 000
Water	Bulk Water-Augmentation Feasibility studies of prioritized projects ID in the regional-BWMP(Priority)	505 000
Environmental Management	Integrated Waste Management	35 000
Air Quality Unit	Air Quality Study	20 000
		3 658 500

Included in the budgeted expenditure is the above list of projects. These projects will be funded by means of council's own funds.

Grant funded projects:

<u>Section</u>	<u>English</u>	<u>2013/2014</u>
Executive and Council	EPWP Programme	1 000 000
Executive and Council	WC: Internal Audit project	300 000
Supply Chain Management	WC: SCM Project - Database clean-up	100 000
Executive and Council	Municipal Disaster Recovery - Municipalities	6 584 000
Executive and Council	WC FMG assistance	550 000
Finance	Finance Management Grant 2011/12	1 250 000
Finance	MSIG 2011/12	890 000
Human Resources	R/O: Regional Task Unit	245 000
Health Administration	DWAF: Chemical Water Sampling	535 000
Social Services	Dept of Social Serv.: Braille Project	15 000
Road Transport	Integrated Transport Planning	604 000
Bulk Water Planning	RBIG & DBSA Grant - Expenses	1 569 068
Environmental Management	DWA: Abstraction validation Bitou	100 000
		13 742 068

OPREATING REVENUE BUDGET

Budget Year 2013/14

	Original Budget R'000	Total Adjusts. R'000	Adjusted Budget R'000	% Variance
Revenue By Source				
Rental of facilities and equipment	1 889	(642)	1 248	-34%
Interest earned - external investments	2 051	550	2 601	27%
Agency services	13 780	(2 500)	11 280	-18%
Transfers recognised - operating	133 413	7 684	141 097	6%
Other revenue	17 270	101 197	118 468	586%
Gains on disposal of PPE	8 000	(8 000)	–	-100%
Total Revenue (excluding capital transfers and contributions)	176 403	98 289	274 692	56%

As mentioned previously, R 99,869m of the Roads agency function has been included in the operating budget.

Various adjustments to the Income Budget were proposed as follows:

- Interest earned – due to the council outperforming its conservative budget approach during the Original budget process interest were adjusted upwards.
- Adjustments in terms of the Resorts income budgeted were also implemented.
- The impact of the Work for Water on the Income Operational grant was also considered and included.
- Grant projects that was unspent at the end of the 2012/2013 financial year, was included in the Income and Expenditure of the Adjustment Budget as well as additional allocations.
- Disaster Management services, repayment of assistance with the disaster that occurred in 2013 in the Knysna Municipal area.

Section 4 – Annual Budget Tables

DC4 Eden - Table B1 Adjustments Budget Summary - 28/01/2014

Description	Budget Year 2013/14									Budget Year	Budget Year
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	-	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-	-
Investment revenue	2 051	-	-	-	-	-	550	550	2 601	2 112	2 546
Transfers recognised - operational	133 413	-	-	-	-	-	7 684	7 684	141 097	139 217	144 787
Other own revenue	40 939	-	-	-	-	-	90 055	90 055	130 995	134 027	141 015
Total Revenue (excluding capital transfers and contributions)	176 403	-	-	-	-	-	98 289	98 289	274 692	275 357	288 347
Employee costs	91 952	-	-	-	-	-	54 104	54 104	146 056	158 754	167 995
Remuneration of councillors	6 954	-	-	-	-	-	15	15	6 969	7 405	7 785
Depreciation & asset impairment	8 136	-	-	-	-	-	-	-	8 136	8 136	8 136
Finance charges	585	-	-	-	-	-	(100)	(100)	485	485	485
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants	3 744	-	-	-	-	-	400	400	4 144	3 084	3 117
Other expenditure	63 677	-	-	-	-	-	43 996	43 996	107 673	97 411	100 811
Total Expenditure	175 047	-	-	-	-	-	98 415	98 415	273 462	275 275	288 328
Surplus/(Deficit)	1 356	-	-	-	-	-	(125)	(125)	1 230	82	19
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 356	-	-	-	-	-	(125)	(125)	1 230	82	19
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1 356	-	-	-	-	-	(125)	(125)	1 230	82	19
Capital expenditure & funds sources											
Capital expenditure	8 875	-	-	-	-	-	(1 940)	(1 940)	6 935	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	8 875	-	-	-	-	-	(1 940)	(1 940)	6 935	-	-
Total sources of capital funds	8 875	-	-	-	-	-	(1 940)	(1 940)	6 935	-	-
Financial position											
Total current assets	53 866	-	-	-	-	-	52 415	52 415	106 281	120 073	139 724
Total non current assets	629 284	-	-	-	-	-	(90 861)	(90 861)	538 423	527 753	517 083
Total current liabilities	45 244	-	-	-	-	-	29 492	29 492	74 736	71 890	74 621
Total non current liabilities	89 124	-	-	-	-	-	23 499	23 499	112 623	118 509	124 741
Community wealth/Equity	548 782	-	-	-	-	-	(91 438)	(91 438)	457 345	457 427	457 445
Cash flows											
Net cash from (used) operating	17 893	-	-	-	-	-	2 927	2 927	20 820	11 399	17 271
Net cash from (used) investing	8 000	-	-	-	-	-	(12 401)	(12 401)	(4 401)	2 534	2 534
Net cash from (used) financing	-	-	-	-	-	-	(622)	(622)	(622)	(650)	(700)
Cash/cash equivalents at the year end	25 893	-	-	-	-	-	62 888	62 888	88 782	102 065	121 170
Cash backing/surplus reconciliation											
Cash and investments available	55 788	-	-	-	-	-	32 994	32 994	88 782	102 065	121 170
Application of cash and investments	16 998	-	-	-	-	-	(12 576)	(12 576)	4 422	2 299	5 628
Balance - surplus (shortfall)	38 790	-	-	-	-	-	45 570	45 570	84 360	99 766	115 542
Asset Management											
Asset register summary (WDV)	339 516	-	-	-	-	-	159 142	159 142	498 658	490 522	482 386
Depreciation & asset impairment	8 136	-	-	-	-	-	-	-	8 136	8 136	8 136
Renewal of Existing Assets	255	-	-	-	-	-	(240)	(240)	15	-	-
Repairs and Maintenance	4 941	-	-	-	-	-	1 261	1 261	6 202	5 141	5 226
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

DC4 Eden - Table B2 Adjustments Budget Financial Performance (standard classification) - 28/01/2014

Standard Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1, 4	A	5	6	7	8	9	10	11	12		
		A	A1	B	C	D	E	F	G	H		
Revenue - Standard												
<i>Governance and administration</i>		171 640	-	-	-	-	-	(2 143)	(2 143)	169 497	160 004	166 989
Executive and council		170 528	-	-	-	-	-	(2 143)	(2 143)	168 385	158 799	165 684
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-
Corporate services		1 112	-	-	-	-	-	-	-	1 112	1 205	1 306
<i>Community and public safety</i>		4 713	-	-	-	-	-	409	409	5 122	5 137	5 603
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		4 553	-	-	-	-	-	409	409	4 962	4 977	5 443
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		160	-	-	-	-	-	-	-	160	160	160
<i>Economic and environmental services</i>		50	-	-	-	-	-	99 944	99 944	99 994	110 215	115 755
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	99 869	99 869	99 869	110 105	115 610
Environmental protection		50	-	-	-	-	-	75	75	125	110	145
<i>Trading services</i>		-	-	-	-	-	-	80	80	80	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	80	80	80	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	176 403	-	-	-	-	-	98 289	98 289	274 692	275 357	288 347
Expenditure - Standard												
<i>Governance and administration</i>		92 559	-	-	-	-	-	(3 009)	(3 009)	89 550	82 840	85 887
Executive and council		46 028	-	-	-	-	-	74	74	46 102	37 811	38 519
Budget and treasury office		18 254	-	-	-	-	-	(1 959)	(1 959)	16 295	17 706	18 451
Corporate services		28 276	-	-	-	-	-	(1 125)	(1 125)	27 152	27 323	28 917
<i>Community and public safety</i>		60 970	-	-	-	-	-	804	804	61 774	63 627	66 853
Community and social services		2 940	-	-	-	-	-	(628)	(628)	2 312	3 125	3 326
Sport and recreation		8 008	-	-	-	-	-	296	296	8 305	8 464	8 942
Public safety		25 608	-	-	-	-	-	1 945	1 945	27 553	26 686	27 625
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		24 414	-	-	-	-	-	(810)	(810)	23 604	25 353	26 961
<i>Economic and environmental services</i>		17 457	-	-	-	-	-	99 164	99 164	116 621	125 874	132 506
Planning and development		6 042	-	-	-	-	-	1 288	1 288	7 330	8 335	8 753
Road transport		1 152	-	-	-	-	-	99 869	99 869	101 020	113 423	119 345
Environmental protection		10 263	-	-	-	-	-	(1 992)	(1 992)	8 272	4 117	4 408
<i>Trading services</i>		3 013	-	-	-	-	-	1 378	1 378	4 391	1 835	1 924
Electricity		-	-	-	-	-	-	-	-	-	-	-
Water		505	-	-	-	-	-	1 569	1 569	2 074	-	-
Waste water management		458	-	-	-	-	-	(447)	(447)	11	481	506
Waste management		2 049	-	-	-	-	-	256	256	2 305	1 353	1 418
<i>Other</i>		1 050	-	-	-	-	-	77	77	1 126	1 099	1 158
Total Expenditure - Standard	3	175 047	-	-	-	-	-	98 414	98 414	273 462	275 275	288 328
Surplus/ (Deficit) for the year		1 355	-	-	-	-	-	(125)	(125)	1 230	82	19

DC4 Eden - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28/01/2014

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue by Vote	1											
Vote 1 - Executive and Council		170 528	-	-	-	-	-	(2 143)	(2 143)	168 385	158 799	165 684
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1 112	-	-	-	-	-	-	-	1 112	1 205	1 306
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Health		160	-	-	-	-	-	-	-	160	160	160
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		4 553	-	-	-	-	-	409	409	4 962	4 977	5 443
Vote 9 - Waste Management		-	-	-	-	-	-	80	80	80	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environmental Protection		50	-	-	-	-	-	75	75	125	110	145
Vote 14 - Roads Agency Function		-	-	-	-	-	-	99 869	99 869	99 869	110 105	115 610
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	176 403	-	-	-	-	-	98 289	98 289	274 692	275 357	288 347
Expenditure by Vote	1											
Vote 1 - Executive and Council		44 270	-	-	-	-	-	200	200	44 470	35 942	36 534
Vote 2 - Budget and Treasury Office		20 012	-	-	-	-	-	(2 084)	(2 084)	17 928	19 575	20 437
Vote 3 - Corporate Services		28 276	-	-	-	-	-	(1 125)	(1 125)	27 152	27 323	28 917
Vote 4 - Planning and Development		7 092	-	-	-	-	-	1 364	1 364	8 456	9 433	9 911
Vote 5 - Public Safety		25 608	-	-	-	-	-	1 945	1 945	27 553	26 686	27 625
Vote 6 - Health		24 414	-	-	-	-	-	(810)	(810)	23 604	25 353	26 961
Vote 7 - Community and Social Services		2 940	-	-	-	-	-	(628)	(628)	2 312	3 125	3 326
Vote 8 - Sport and Recreation		8 008	-	-	-	-	-	296	296	8 305	8 464	8 942
Vote 9 - Waste Management		2 049	-	-	-	-	-	256	256	2 305	1 353	1 418
Vote 10 - Road Transport		1 152	-	-	-	-	-	-	-	1 152	3 318	3 735
Vote 11 - Waste Water Management		458	-	-	-	-	-	(447)	(447)	11	481	506
Vote 12 - Water		505	-	-	-	-	-	1 569	1 569	2 074	-	-
Vote 13 - Environmental Protection		10 263	-	-	-	-	-	(1 992)	(1 992)	8 272	4 117	4 408
Vote 14 - Roads Agency Function		-	-	-	-	-	-	99 869	99 869	99 869	110 105	115 610
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	175 047	-	-	-	-	-	98 414	98 414	273 462	275 275	288 328
Surplus/ (Deficit) for the year	2	1 355	-	-	-	-	-	(125)	(125)	1 230	82	19

DC4 Eden - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget	
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2014/15	+2 2015/16	
Revenue By Source													
Property rates	2	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 889	-	-	-	-	-	(642)	(642)	1 248	1 986	2 083	
Interest earned - external investments		2 051	-	-	-	-	-	550	550	2 601	2 112	2 546	
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-
Agency services		13 780	-	-	-	-	-	(2 500)	(2 500)	11 280	11 107	11 663	
Transfers recognised - operating		133 413	-	-	-	-	-	7 684	7 684	141 097	139 217	144 787	
Other revenue	2	17 270	-	-	-	-	-	101 197	101 197	118 468	120 934	127 269	
Gains on disposal of PPE		8 000	-	-	-	-	-	(8 000)	(8 000)	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		176 403	-	-	-	-	-	98 289	98 289	274 692	275 357	288 347	
Expenditure By Type													
Employee related costs		91 952	-	-	-	-	-	54 104	54 104	146 056	158 754	167 995	
Remuneration of councillors		6 954	-	-	-	-	-	15	15	6 969	7 405	7 785	
Debt impairment		650	-	-	-	-	-	-	-	650	683	717	
Depreciation & asset impairment		8 136	-	-	-	-	-	-	-	8 136	8 136	8 136	
Finance charges		585	-	-	-	-	-	(100)	(100)	485	485	485	
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		11 330	-	-	-	-	-	(400)	(400)	10 930	6 881	6 682	
Transfers and grants		3 744	-	-	-	-	-	400	400	4 144	3 084	3 117	
Other expenditure		51 697	-	-	-	-	-	44 396	44 396	96 092	89 847	93 412	
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		175 047	-	-	-	-	-	98 415	98 415	273 462	275 275	288 328	
Surplus/(Deficit)		1 356	-	-	-	-	-	(125)	(125)	1 230	82	19	
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-
Contributions		-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		1 356	-	-	-	-	-	(125)	(125)	1 230	82	19	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		1 356	-	-	-	-	-	(125)	(125)	1 230	82	19	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		1 356	-	-	-	-	-	(125)	(125)	1 230	82	19	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		1 356	-	-	-	-	-	(125)	(125)	1 230	82	19	

DC4 Eden - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		5	6	7	8	9	10	11	12	+1 2014/15	+2 2015/16	
		A	A1	B	C	D	E	F	G	H		
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		225	-	-	-	-	-	260	260	485	-	-
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		400	-	-	-	-	-	-	-	400	-	-
Vote 6 - Health		-	-	-	-	-	-	250	250	250	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		250	-	-	-	-	-	(250)	(250)	-	-	-
Vote 9 - Waste Management		8 000	-	-	-	-	-	(2 200)	(2 200)	5 800	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		8 875	-	-	-	-	-	(1 940)	(1 940)	6 935	-	-
Total Capital Expenditure - Vote		8 875	-	-	-	-	-	(1 940)	(1 940)	6 935	-	-
Capital Expenditure - Standard												
Governance and administration		225	-	-	-	-	-	510	510	735	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-
Corporate services		225	-	-	-	-	-	510	510	735	-	-
Community and public safety		650	-	-	-	-	-	(250)	(250)	400	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		250	-	-	-	-	-	(250)	(250)	-	-	-
Public safety		400	-	-	-	-	-	-	-	400	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		8 000	-	-	-	-	-	(2 200)	(2 200)	5 800	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		8 000	-	-	-	-	-	(2 200)	(2 200)	5 800	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	8 875	-	-	-	-	-	(1 940)	(1 940)	6 935	-	-
Funded by:												
National Government		-	-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Total Capital transfers recognised	4	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		8 875	-	-	-	-	-	(1 940)	(1 940)	6 935	-	-
Total Capital Funding		8 875	-	-	-	-	-	(1 940)	(1 940)	6 935	-	-

DC4 Eden - Table B6 Adjustments Budget Financial Position - 28/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
ASSETS												
Current assets												
Cash		25 788	-	-	-	-	-	62 994	62 994	88 782	102 065	121 170
Call investment deposits	1	30 000	-	-	-	-	-	(30 000)	(30 000)	-	-	-
Consumer debtors	1	(19 190)	-	-	-	-	-	25 974	25 974	6 784	7 029	7 295
Other debtors		11 734	-	-	-	-	-	(7 332)	(7 332)	4 402	4 666	4 946
Current portion of long-term receivables		2 298	-	-	-	-	-	236	236	2 534	2 534	2 534
Inventory		3 236	-	-	-	-	-	543	543	3 778	3 778	3 778
Total current assets		53 866	-	-	-	-	-	52 415	52 415	106 281	120 073	139 724
Non current assets												
Long-term receivables		33 355	-	-	-	-	-	6 369	6 369	39 724	37 190	34 656
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		336 326	-	-	-	-	-	11 286	11 286	347 611	347 611	347 611
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	168 332	-	-	-	-	-	(20 827)	(20 827)	147 505	139 370	131 234
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		3 190	-	-	-	-	-	351	351	3 541	3 541	3 541
Other non-current assets		88 080	-	-	-	-	-	(88 039)	(88 039)	41	41	41
Total non current assets		629 284	-	-	-	-	-	(90 861)	(90 861)	538 423	527 753	517 083
TOTAL ASSETS		683 150	-	-	-	-	-	(38 446)	(38 446)	644 704	647 826	656 807
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		510	-	-	-	-	-	140	140	650	700	750
Consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Trade and other payables		28 478	-	-	-	-	-	24 771	24 771	53 249	49 103	50 458
Provisions		16 255	-	-	-	-	-	4 582	4 582	20 837	22 087	23 412
Total current liabilities		45 244	-	-	-	-	-	29 492	29 492	74 736	71 890	74 621
Non current liabilities												
Borrowing	1	1 942	-	-	-	-	-	913	913	2 856	2 156	1 406
Provisions	1	87 182	-	-	-	-	-	22 586	22 586	109 768	116 354	123 335
Total non current liabilities		89 124	-	-	-	-	-	23 499	23 499	112 623	118 509	124 741
TOTAL LIABILITIES		134 368	-	-	-	-	-	52 991	52 991	187 359	190 399	199 361
NET ASSETS	2	548 782	-	-	-	-	-	(91 438)	(91 438)	457 345	457 427	457 445
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		534 119	-	-	-	-	-	(78 421)	(78 421)	455 698	455 780	455 798
Reserves		14 663	-	-	-	-	-	(13 016)	(13 016)	1 647	1 647	1 647
TOTAL COMMUNITY WEALTH/EQUITY		548 782	-	-	-	-	-	(91 438)	(91 438)	457 345	457 427	457 445

DC4 Eden - Table B7 Adjustments Budget Cash Flows - 28/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		33 249	-	-	-	-	-	96 621	96 621	129 870	132 836	139 752
Government - operating	1	133 413	-	-	-	-	-	7 684	7 684	141 097	139 217	144 787
Government - capital	1	-	-	-	-	-	-	-	-	-	-	-
Interest		2 051	-	-	-	-	-	550	550	2 601	2 112	2 546
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(146 091)	-	-	-	-	-	(102 029)	(102 029)	(248 119)	(259 197)	(266 212)
Finance charges		(985)	-	-	-	-	-	500	500	(485)	(485)	(485)
Transfers and Grants	1	(3 744)	-	-	-	-	-	(400)	(400)	(4 144)	(3 084)	(3 117)
NET CASH FROM/(USED) OPERATING ACTIVITIES		17 893	-	-	-	-	-	2 927	2 927	20 820	11 399	17 271
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		8 000	-	-	-	-	-	(8 000)	(8 000)	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	2 534	2 534	2 534	2 534	2 534
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		-	-	-	-	-	-	(6 935)	(6 935)	(6 935)	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		8 000	-	-	-	-	-	(12 401)	(12 401)	(4 401)	2 534	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)	(622)	(622)	(650)	(700)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	(622)	(622)	(622)	(650)	(700)
NET INCREASE/ (DECREASE) IN CASH HELD		25 893	-	-	-	-	-	(10 096)	(10 096)	15 797	13 284	19 105
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	72 984	72 984	72 984	88 782	102 065
Cash/cash equivalents at the year end:	2	25 893	-	-	-	-	-	62 888	62 888	88 782	102 065	121 170

DC4 Eden - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	25 893	-	-	-	-	-	62 888	62 888	88 782	102 065	121 170
Other current investments > 90 days		29 894	-	-	-	-	-	(29 895)	(29 895)	(0)	(0)	(0)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		55 788	-	-	-	-	-	32 994	32 994	88 782	102 065	121 170
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	8 049	8 049	8 049	8 049	8 049
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	2 335	-	-	-	-	-	(7 608)	(7 608)	(5 274)	(7 396)	(4 067)
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		14 663	-	-	-	-	-	(13 016)	(13 016)	1 647	1 647	1 647
Total Application of cash and investments:		16 998	-	-	-	-	-	(12 576)	(12 576)	4 422	2 299	5 628
Surplus(shortfall)		38 790	-	-	-	-	-	45 570	45 570	84 360	99 766	115 542

DC4 Eden - Table B9 Asset Management - 28/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H			
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	8 620	-	-	-	-	-	(1 700)	(1 700)	6 920	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		8 000	-	-	-	-	-	(2 200)	(2 200)	5 800	-	-
Infrastructure		8 000	-	-	-	-	-	(2 200)	(2 200)	5 800	-	-
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	420	-	-	-	-	-	700	700	1 120	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		200	-	-	-	-	-	(200)	(200)	-	-	-
Total Renewal of Existing Assets to be adjusted	2	255	-	-	-	-	-	(240)	(240)	15	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community		250	-	-	-	-	-	(250)	(250)	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	5	-	-	-	-	-	10	10	15	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		8 000	-	-	-	-	-	(2 200)	(2 200)	5 800	-	-
Infrastructure		8 000	-	-	-	-	-	(2 200)	(2 200)	5 800	-	-
Community		250	-	-	-	-	-	(250)	(250)	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		425	-	-	-	-	-	710	710	1 135	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		200	-	-	-	-	-	(200)	(200)	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	2	8 875	-	-	-	-	-	(1 940)	(1 940)	6 935	-	-
ASSET REGISTER SUMMARY - PPE (WDV)	5											
Infrastructure - Road transport		-	-	-	-	-	-	189	189	189	189	189
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	5 800	5 800	5 800	5 800	5 800
Infrastructure		-	-	-	-	-	-	5 989	5 989	5 989	5 989	5 989
Community		-	-	-	-	-	-	759	759	759	759	759
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		336 326	-	-	-	-	-	11 286	11 286	347 611	347 611	347 611
Other assets		-	-	-	-	-	-	140 757	140 757	140 757	132 621	124 485
Intangibles		3 190	-	-	-	-	-	351	351	3 541	3 541	3 541
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	339 516	-	-	-	-	-	159 142	159 142	498 658	490 522	482 386
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		8 136	-	-	-	-	-	-	-	8 136	8 136	8 136
Repairs and Maintenance by asset class	3	4 941	-	-	-	-	-	1 261	1 261	6 202	5 141	5 226
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	57	57	57	38	40
Infrastructure - Water		-	-	-	-	-	-	12	12	12	13	13
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	70	70	70	51	53
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	4 941	-	-	-	-	-	1 192	1 192	6 133	5 090	5 173
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		13 077	-	-	-	-	-	1 261	1 261	14 338	13 277	13 362
% of capital exp on renewal of assets		2.9%	0.0%							0.2%	0.0%	0.0%
Renewal of existing assets as % of deprecn		3.1%	0.0%							0.2%	0.0%	0.0%
R&M as a % of PPE		1.5%	0.0%							1.2%	1.0%	1.1%
Renewal and R&M as a % of PPE		1.5%	0.0%							1.2%	1.0%	1.1%

DC4 Eden - Table B10 Basic service delivery measurement - 28/01/2014

Description	Ref	Budget Year 2013/14									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		A	7	8	9	10	11	12	13	14		
		A	A1	B	C	D	E	F	G	H		
Household service targets	1											
Water:												
Piped water inside dwelling												
Piped water inside yard (but not in dwelling)												
Using public tap (at least min.service level)	2											
Other water supply (at least min.service level)												
<i>Minimum Service Level and Above sub-total</i>												
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Sanitation/sewerage:												
Flush toilet (connected to sewerage)												
Flush toilet (with septic tank)												
Chemical toilet												
Pit toilet (ventilated)												
Other toilet provisions (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>												
Bucket toilet												
Other toilet provisions (< min.service level)												
No toilet provisions												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Energy:												
Electricity (at least min. service level)												
Electricity - prepaid (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>												
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Refuse:												
Removed at least once a week (min.service)												
<i>Minimum Service Level and Above sub-total</i>												
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)												
Sanitation (free minimum level service)												
Electricity/other energy (50kwh per household per month)												
Refuse (removed at least once a week)												
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)												
Sanitation (free sanitation service)												
Electricity/other energy (50kwh per household per month)												
Refuse (removed once a week)												
Total cost of FBS provided (minimum social pack)												
Highest level of free service provided												
Property rates (R'000 value threshold)												
Water (kilolitres per household per month)												
Sanitation (kilolitres per household per month)												
Sanitation (Rand per household per month)												
Electricity (kw per household per month)												
Refuse (average litres per week)												
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)												
Property rates (other exemptions, reductions and rebates)												
Water												
Sanitation												
Electricity/other energy												
Refuse												
Municipal Housing - rental rebates												
Housing - top structure subsidies	6											
Other												
Total revenue cost of free services provided (total s												

PART 2 SUPPORTING DOCUMENTATION

Section 5 - Adjustments to budget assumptions

The municipality implemented the following in the compilation of the adjustment budget.

The salary related budget was increased with an increment of 6.8% for the MTREF outer years based on the information in the 2013/2014 financial year. This however will be revisited as soon as council approves the proposed changes to the organogram and the process currently underway is concluded.

Section 6 – Adjustments to budget funding

The proposed adjustments to the Approved council budget during May are tabled above. Please refer to the tables for the adjustments required.

Section 7 – Adjustments to expenditure on allocations and grant programmes

Additional allocations included in the adjustment budget are the following:

- Municipal Disaster recovery grant R6,854,000
- Nelson Mandela Memorial service celebrations R 150,000
- WC Financial Management assistance R 300,000

These funds however is earmarked towards the local municipalities and needed to be transferred to the local to ensure compliance with the grant conditions.

Additional grant funding received from WC for SCM and internal audit.

Section 8 – Adjustments to grants made by the municipality

The municipality due to its financial position provide no funding to the B municipalities in its original budget.

However various Revenues included in the municipal budget is earmarked for the local municipalities and these funds will needs to be transferred to the locals within the district.

These funds included are the following:

- Municipal Disaster Recovery grant. R6,854,000
- Nelson Mandela Memorial services celebrations R 150,000
- Provincial Treasury – Financial Management Assistance R 300,000

Section 9 – Adjustments to councillor and allowances and employee benefits

The budget for councillors was increased with R 15 000 to provide adequately for telephone expenditure.

Salary related adjustment was done in accordance with the instructions of executive management team.

More information is above to provide more clarity

Section 10 – Adjustments to service delivery and budget implementation plan

The adjustment to the service delivery plan is made in the view of the mid year budget and performance assessment process and the outcomes of the performance of the municipality over the period 1 July to 31 December 2013.

A separate report is tabled to council highlighting these changes required to ensure that executions of council's mandate and the delivery of services.

Section 11 – Adjustment to Capital expenditure

The following adjustment is proposed in terms o the Capital Budget 2013/2014

The capital budget is adjusted downwards. This is due to the negotiations with the stakeholders in the Regional Landfill Site capital project. The value of the project was adjusted from **R8, 000,000** to **R5, 800,000** due to a decrease in the purchasing price of the project.

- **ICT Equipment – R200,000**

- Adjustments to the Capital Budget include a request from the Support Services – IT to procure replacement of ICT equipment for the administration. ICT requirements are managed by the ICT steering committee established to oversee the ICT needs of the organisation

- **Maintenance Equipment – R250,000**

- Request from the Department in charge of maintenance was received to acquire capital maintenance equipment to enable the Section to perform the necessary maintenance requirements. Maintenance to date has been neglected at the municipality and the future potential cost of replacing equipment should outweigh the cost associated with equipping the delegated department to perform the function optimally.


Section 12 – Municipal Manager’s quality certificate

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

 **Adjustment Budget 2013-2014 MTREF**

For the period **1 July 2013 to 30 June 2014** (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 

Date 27/01/2013