



**QUARTERLY BUDGET  
MONITORING REPORT – S52  
30 DECEMBER 2017**

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# **QUARTERLY BUDGET MONITORING REPORT – 30 DECEMBER 2017**

## **LEGISLATIVE FRAMEWORK**

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Section 52 which states that “The mayor of the Municipality must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and financial state of affairs of the municipality, and
- The Municipal Budget and Reporting Regulations

The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

## **Executive Summary**

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

### **a) Summary Statement of Financial Performance**

The Summary Statement of Financial Performance shown below is prepared on a similar basis of the prescribed budget format, detailing revenue by source type and expenditure per vote. The summary report indicates the following:

## Operating income and expenditure against approved budget

### Revenue by Source

Description Original	Original Budget	YearTD actual	YearTD Budget	Variance	Variance %	Reasons for variances
Property rates	17 000 000.00	12 261 817.22	8 500 000.00	3 761 817.22	44.26	The accrued revenue from this service is more than what was anticipated. Budget was based on actual receipts, this will be adjusted accordingly
Service charges - electricity Billed	3 226 418.00	1 449 535.91	1 613 209.00	-163 673.09	-10.15	The accrued revenue from this service is less than what was anticipated.
Service charges - electricity prepaid	4 348 236.00	2 122 667.20	2 174 118.00	-51 450.80	-2.37	The accrued revenue from prepaid sales is more than what was anticipated
Service charges - refuse revenue	5 655 837.84	4 975 846.50	2 827 918.92	2 147 927.58	75.95	The accrued revenue from this service is more than what was anticipated.
Interest earned - outstanding debtors	5 813 722.03	3 458 296.29	2 906 861.01	551 435.28	18.97	Interest earned on outstanding debtors is more than what was anticipated
Licences and permits	1 488 350.10	739 650.20	744 175.05	-4 524.85	-0.61	Accrued income is less than what was anticipated.
Transfers recognised - operational	39 036 000.00	28 302 169.44	19 518 000.00	8 784 169.44	45.01	Operational grants that were scheduled for the quarter were received by the municipality.
Other revenue	31 635 151.30	1 726 066.49	15 817 575.65	-14 091 509.16	-89.09	The anticipation on other revenue was based on sale of residential plots & bad debt recoverd which has not yet moved. This will be adjusted accordingly.

Accrued revenue on property rates and other service charges is more than what was anticipated due to estimates that were made during planning which were based on actual receipts of billing. These figures will be revised during adjustment budget process.

Grants anticipated for the quarter have been received. Other revenue variances are mainly due to revenue not yet received for bad debt recovered, sale of residential plots and sale of debt book. These figures will be revised on the adjustment budget.

### Operating expenditure by type

Description Original	Original Budget	YearTD actual	YearTD Budget	Variance	Variance %	Reasons for variances
Employee related costs	59 948 261.17	26 537 284.84	29 974 130.59	3 436 845.75	11.47	The variance is mainly through vacant funded positions.
Remuneration of councillors	4 395 496.90	2 068 776.12	2 197 748.45	128 972.33	5.87	The variance is less than 10%
Depreciation & asset impairment	15 000 000.00	-	7 500 000.00	7 500 000.00	100.00	No depreciation processed to date
Finance charges	664 000.00	167 767.29	332 000.00	164 232.71	49.47	Movement is at 50%
Bulk purchases	8 763 500.00	3 605 429.35	4 381 750.00	776 320.65	17.72	Expenditure on bulk electricity is less than what was anticipated due to cash flow problems encountered by the municipality
Other expenditure	26 221 999.93	9 670 848.22	13 110 999.96	3 440 151.74	26.24	The variance on underspending is mainly due to management implementing cost saving procedures in expenditure management. Budget for general expenditure will be adjusted.

Total Expenditure is sitting at 66% when comparing YTD Actual against YTD Budget. Debt impairment and depreciation is accounted for at year-end, hence there is no movement to date.

Employee related costs has a variance of R3, 4m, which is mainly due to vacant funded positions not yet filled by the municipality.

Bulk electricity has a variance of R776 000, to date the outstanding amount is at R1, 3m.

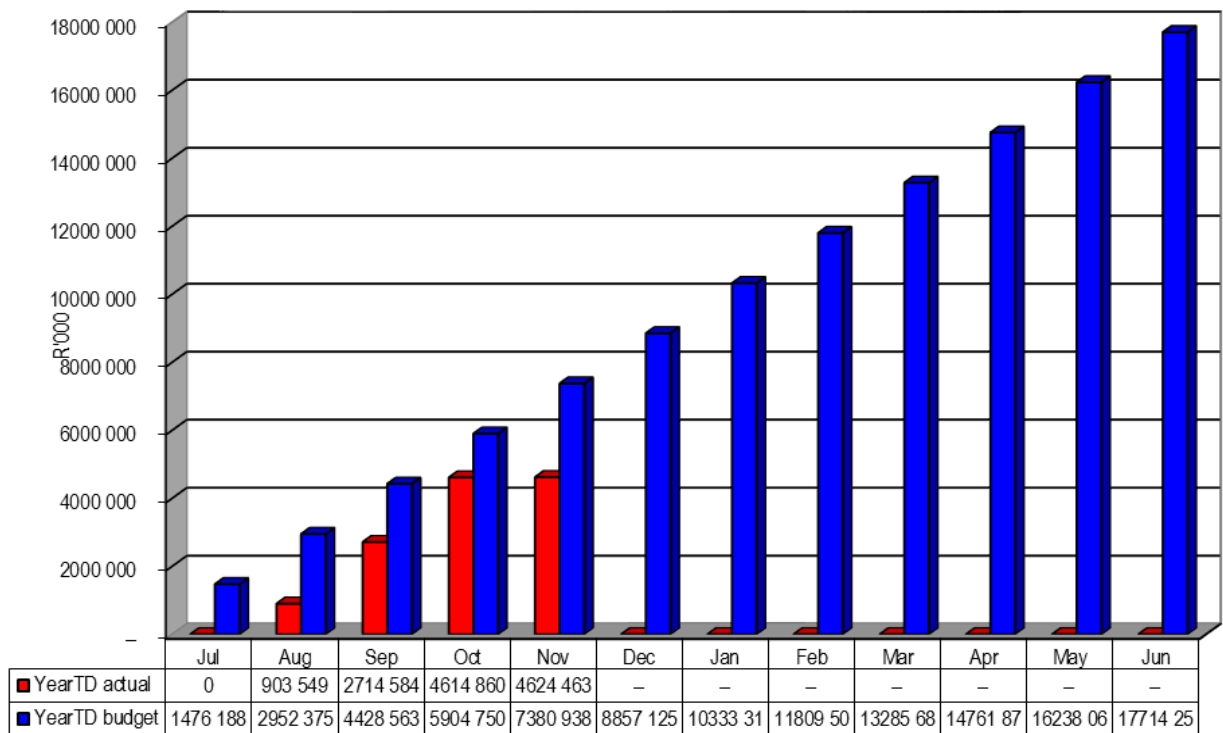
Other expenditure has a variance of R3, 4m, this variance is due to implementation of cost containment measures resulting from cash flow short falls.

## Capital Expenditure

The following table provides a summary of the expenditure based on current year planned and actual spending.

Description	Original Budget	YearTD actual	YearTD Budget	Variance	Variance %	Reasons for variances
Vote 1 - COUNCIL & ADMINISTRATION	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER	-	-	-	-	-	-
Vote 3 - FINANCIAL MANAGEMENT & INFORMATION TECHNOLOGY	1 350 000.00	154 630.64	675 000.00	520 369.36	77.09	Cost containment measures implementation
Vote 4 - HUMAN RESOURCES & ADMINISTRATION	200 000.00	-	100 000.00	100 000.00	100.00	Cost containment measures implementation
Vote 5 - COMMUNITY SERVICES	700 000.00	-	350 000.00	350 000.00	100.00	Cost containment measures implementation
Vote 6 - INFRASTRUCTURE SERVICES	15 464 250.00	6 659 897.90	7 732 125.00	1 072 227.10	13.87	The municipality has spent accordingly
Vote 7 - STRATEGIC SERVICES & LED	-	-	-	-	-	-

Chart C2 2017/18 Capital Expenditure: YTD actual v YTD target





## Cash and Investment management

The Municipality had an operating bank balance of R1 125 574.95 and call deposits amounting to R348 869.41 as at end December 2017.

This following statement reflects the actual cash that is received and spent by the municipality.

EC123 Great Kei - Table C7 Monthly Budget Statement - Cash Flow - M06 December											
Description	Ref	2016/17	Budget Year 2017/18								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates			17 000		1 171	8 528	8 500	28	0%	17 000	
Service charges			13 230		527	3 599	6 615	(3 017)	-46%	13 230	
Other revenue			33 788		920	5 792	16 894	(11 102)	-66%	33 788	
Government - operating			39 036		11 616	29 428	19 518	9 910	51%	39 036	
Government - capital			15 371		4 415	12 514	7 686	4 829	63%	15 371	
Interest			6 332		176	699	3 166	(2 467)	-78%	6 332	
Dividends			-		-	-	-	-		-	
<b>Payments</b>											
Suppliers and employees			(99 379)		(11 666)	(51 066)	(49 689)	1 377	-3%	(99 379)	
Finance charges			(414)		-	(73)	(207)	(134)	65%	(414)	
Transfers and Grants			-		-	-	-	-		-	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>-</b>	<b>24 965</b>	<b>-</b>	<b>7 159</b>	<b>9 421</b>	<b>12 482</b>	<b>3 062</b>	<b>25%</b>	<b>24 965</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE								-			
Decrease (Increase) in non-current debtors								-			
Decrease (increase) other non-current receivables								-			
Decrease (increase) in non-current investments								-			
<b>Payments</b>											
Capital assets			(17 714)		(2 486)	(7 746)	(8 857)	(1 111)	13%	(17 714)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>-</b>	<b>(17 714)</b>	<b>-</b>	<b>(2 486)</b>	<b>(7 746)</b>	<b>(8 857)</b>	<b>(1 111)</b>	<b>13%</b>	<b>(17 714)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans								-			
Borrowing long term/refinancing								-			
Increase (decrease) in consumer deposits								-			
<b>Payments</b>											
Repayment of borrowing			(250)		-	(261)	(125)	136	-108%	(250)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			<b>-</b>	<b>(250)</b>	<b>-</b>	<b>-</b>	<b>(261)</b>	<b>(125)</b>	<b>136</b>	<b>-108%</b>	<b>(250)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			<b>-</b>	<b>7 001</b>	<b>-</b>	<b>4 672</b>	<b>1 414</b>	<b>3 500</b>			<b>7 001</b>
Cash/cash equivalents at beginning:			4 082			60	4 082				60
Cash/cash equivalents at month/year end:			-	11 083	-	1 474	7 582				7 061

## Investment Management

EC123 Great Kei - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
<b>Municipality</b>									
Municipal Infrastructure Grant(MIG)			Call Deposits	-	64	0.0%	10	0	10
Municipal Systems Improvement Grant(MSIG)			Call Deposits	-	0	0.0%	9	0	9
Equitable Share			Call Deposits	-	20	0.0%	20	-	20
Financial Management Grant (FMG)			Call Deposits	-	21	0.0%	77	0	78
MVR			Call Deposits	-	0	0.0%	115	47	161
EPWP			Call Deposits	-	3	0.0%	71	0	71
<b>Municipality sub-total</b>					<b>108</b>		<b>301</b>	<b>47</b>	<b>349</b>
<b>Entities</b>									
<b>Entities sub-total</b>					<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>108</b>		<b>301</b>	<b>47</b>	<b>349</b>

## DEBT MANAGEMENT

### Outstanding debtors

EC123 Great Kei - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2017/18										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	229	205	155	185	862	-	-	-	1 636	1 047	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	1 740	1 376	1 168	1 101	35 677	-	-	-	41 062	36 778	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	892	800	746	723	24 885	-	-	-	28 046	25 608	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	14 083	-	-	-	-	-	-	-	14 083	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total By Income Source</b>	<b>2000</b>	<b>16 945</b>	<b>2 381</b>	<b>2 068</b>	<b>2 010</b>	<b>61 423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84 827</b>	<b>63 433</b>	<b>-</b>	<b>-</b>	
<b>2016/17 - totals only</b>										-	-			
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	397	176	141	172	883	-	-	-	1 769	1 055	-	-	
Commercial	2300	1 316	281	227	229	4 059	-	-	-	6 112	4 288	-	-	
Households	2400	15 232	1 924	1 699	1 609	56 481	-	-	-	76 946	58 090	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total By Customer Group</b>	<b>2600</b>	<b>16 945</b>	<b>2 381</b>	<b>2 068</b>	<b>2 010</b>	<b>61 423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84 827</b>	<b>63 433</b>	<b>-</b>	<b>-</b>	

Total outstanding debt for the month ending Dec 2017 is R84, 8m.

**Billed Services Vs Collection rate for the quarter ending December 2017**

<b>Months</b>	<b>Services per category</b>	<b>Billed date to</b>	<b>Actual Received to date</b>	<b>YTD Variance</b>	<b>Collection rate %</b>
<b>July - Dec</b>	Rates	12 976 103	8 528 425	4 447 678	66%
<b>July - Dec</b>	Refuse	4 958 078	2 711 004	2 247 074	55%
<b>July - Dec</b>	Electricity	1 385 351	887 574	497 777	64%
<b>Total</b>		<b>19 319 532</b>	<b>12 127 003</b>	<b>7 192 529</b>	<b>63%</b>

The collection rate as at December stands at 63%. This is arrived by taking actual receipts to date against billed to date.

## Outstanding Creditors

EC123 Great Kei - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December											
Description	NT Code	Budget Year 2017/18									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	635	-	-	696						1 331
Bulk Water	0200	-	-	-	-						-
PAYE deductions	0300	-	-	-	-						-
VAT (output less input)	0400	-	-	-	-						-
Pensions / Retirement deductions	0500	-	-	-	-						-
Loan repayments	0600	-	-	-	-						-
Trade Creditors	0700	1 277	1 229	484	1 320						4 310
Auditor General	0800	1 255	678	751	2 075						4 760
Other	0900	878	1 376	1 313	12 425						15 994
<b>Total By Customer Type</b>	<b>1000</b>	<b>4 046</b>	<b>3 283</b>	<b>2 549</b>	<b>16 517</b>	-	-	-	-		<b>26 395</b>

The Municipality's top creditors as at December are as follows:

SUPPLIER	AMOUNT OWED
AMATHOLE DISTRICTMUNICIPALITY	5 878 064.81
SARS	6 602 486.92
ESKOM	1 330 897.85
SALGA	883 190.00
AG	4 759 692
SEBATA	2 629 827.14

**TOTAL TOP CREDITORS**

**22 084 158.72**

Other trade creditor's amount to R4 310 372.70 that the Municipality will strive to pay in the following months. The total creditors' book as at end December 2017 is R 26 394 531.42

## **Grants allocations and expenditure – as at December 2017**

The conditional grants allocation gazetted for 2017/18 amounted to R18, 9m and to date only R15, 7m has been received. YTD spending of the conditional grants is at 69% in this quarter.

<b>Grants</b>	<b>Allocation 2017/18</b>	<b>Received to date</b>	<b>Spent to Date</b>	<b>Variance to date</b>	<b>% Changes to date</b>
Finance Management Grant (FMG)	2 345 000	2 345 000	1 547 414	797 586	65%
Municipal Infrastructure Grant (MIG)	11 371 000	8 514 000	6 135 012	2 378 988	72%
Extended Public Works Programme (EPWP)	1 263 000	884 000	555 756	328 244	63%
Integrated National Electrification Programme	4 000 000	4 000 000	2 608 630	1 391 370	65%
<b>Total</b>	<b>18 979 000</b>	<b>15 743 000</b>	<b>10 846 812</b>	<b>4 896 188</b>	<b>69%</b>

## **Expenditure on councilor allowances and employee benefits**

The variance on employee costs is mainly due to vacant funded positions that are not yet filled and councilor allowance increment to be implemented when gazetted.

<b>EC123 Great Kei - Supporting Table SC8 Monthly Budget Statement - councilor and staff benefits - M06 December</b>											
Summary of Employee and Councilor remuneration	Ref	2016/17	Budget Year 2017/18								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands		A	B	C						D	
<b><u>Councillors (Political Office Bearers plus Other)</u></b>											
Basic Salaries and Wages			3 000		235	1 409	1 500	(91)	-6%	3 000	
Pension and UIF Contributions			-		-	-	-	-		-	
Medical Aid Contributions			-		-	-	-	-		-	
Motor Vehicle Allowance			1 000		78	470	500	(30)	-6%	1 000	
Cellphone Allowance			356		29	172	178	(7)	-4%	356	
Housing Allowances			-		-	-	-	-		-	
Other benefits and allowances			39		3	18	19	(1)	-6%	39	
<b>Sub Total - Councillors</b>			-	4 395	-	345	2 069	2 198	(129)	-6%	4 395
<b>% increase</b>	4		#DIV/0!							#DIV/0!	
<b><u>Senior Managers of the Municipality</u></b>		3									
Basic Salaries and Wages			4 033		174	845	2 017	(1 171)	-58%	4 033	
Pension and UIF Contributions			427		0	14	213	(199)	-93%	427	
Medical Aid Contributions			66		-	-	33	(33)	-100%	66	
Overtime			-		-	-	-	-		-	
Performance Bonus			350		-	153	175	(22)	-13%	350	
Motor Vehicle Allowance			623		48	99	311	(212)	-68%	623	
Cellphone Allowance			131		-	-	66	(66)	-100%	131	
Housing Allowances			135		48	101	67	34	50%	135	
Other benefits and allowances			-		-	-	-	-		-	
Payments in lieu of leave			-		-	436	-	436	#DIV/0!	-	
Long service awards			-		-	-	-	-		-	
Post-retirement benefit obligations		2	-		-	-	-	-		-	
<b>Sub Total - Senior Managers of Municipality</b>			-	5 764	-	270	1 649	2 882	(1 234)	-43%	5 764
<b>% increase</b>	4		#DIV/0!							#DIV/0!	
<b><u>Other Municipal Staff</u></b>											
Basic Salaries and Wages			41 395		2 937	20 060	20 697	(637)	-3%	41 395	
Pension and UIF Contributions			4 858		408	2 542	2 429	113	5%	4 858	
Medical Aid Contributions			2 468		188	1 153	1 234	(81)	-7%	2 468	
Overtime			625		25	341	313	28	9%	625	
Performance Bonus			280		-	-	140	(140)	-100%	280	
Motor Vehicle Allowance			589		78	483	295	189	64%	589	
Cellphone Allowance			-		0	2	-	2	#DIV/0!	-	
Housing Allowances			263		7	43	132	(88)	-67%	263	
Other benefits and allowances			3 305		35	315	1 653	(1 338)	-81%	3 305	
Payments in lieu of leave			400		56	252	200	52	26%	400	
Long service awards			-		-	-	-	-		-	
Post-retirement benefit obligations		2	-		-	-	-	-		-	
<b>Sub Total - Other Municipal Staff</b>			-	54 184	-	3 736	25 191	27 092	(1 901)	-7%	54 184
<b>% increase</b>	4		#DIV/0!							#DIV/0!	
<b>Total Parent Municipality</b>			-	64 344	-	4 351	28 908	32 172	(3 264)	-10%	64 344
<b>Total Municipal Entities</b>			-	-	-	-	-	-		-	
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>			-	64 344	-	4 351	28 908	32 172	(3 264)	-10%	64 344
<b>% increase</b>	4		#DIV/0!							#DIV/0!	
<b>TOTAL MANAGERS AND STAFF</b>			-	59 948	-	4 006	26 839	29 974	(3 135)	-10%	59 948

EC123 Great Kei - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2017/18												2017/18 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>	1															
<b>Cash Receipts By Source</b>																
Property rates		1 174	1 669	1 155	1 501	1 857	1 171						8 472	17 000	17 969	18 975
Service charges - electricity revenue		143	129	181	194	177	64						6 687	7 575	8 006	8 455
Service charges - water revenue		-	-	-	-	-	-						-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-						-	-	-	-
Service charges - refuse		334	446	456	578	434	463						2 945	5 656	5 978	6 313
Service charges - other		-	-	-	-	-	-						-	-	-	-
Rental of facilities and equipment		6	1	22	3	3	0						215	250	264	279
Interest earned - external investments		-	-	-	-	-	108						410	518	547	578
Interest earned - outstanding debtors		77	129	60	109	148	68						5 223	5 814	6 145	6 489
Dividends received		-	-	-	-	-	-						-	-	-	-
Fines, penalties and forfeits		-	-	-	1	-	-						2	3	3	3
Licences and permits		146	180	104	135	136	35						754	1 488	1 573	1 661
Agency services		-	-	-	-	-	-						200	200	211	223
Transfer receipts - operating		16 928	316	-	-	568	11 616						9 608	39 036	40 405	41 933
Other revenue		637	439	1 087	1 314	660	884						26 826	31 847	13 076	13 808
<b>Cash Receipts by Source</b>		<b>19 444</b>	<b>3 310</b>	<b>3 066</b>	<b>3 834</b>	<b>3 983</b>	<b>14 409</b>	-	-	-	-	-	<b>61 341</b>	<b>109 387</b>	<b>94 179</b>	<b>98 718</b>
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital		7 099	-	-	1 000	-	4 415	-	-	-	-	-	2 857	15 371	16 765	22 182
Contributions & Contributed assets																
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/refinancing																
Increase in consumer deposits																
Receipt of non-current debtors																
Receipt of non-current receivables																
Change in non-current investments																
<b>Total Cash Receipts by Source</b>		<b>26 543</b>	<b>3 310</b>	<b>3 066</b>	<b>4 834</b>	<b>3 983</b>	<b>18 824</b>	-	-	-	-	-	<b>64 198</b>	<b>124 758</b>	<b>110 944</b>	<b>120 900</b>
<b>Cash Payments by Type</b>																
Employee related costs		4 085	3 878	4 117	3 959	6 475	4 006						33 428	59 948	63 365	66 914
Remuneration of councillors		345	345	345	345	345	345						2 327	4 395	4 646	4 906
Interest paid		37	-	-	-	36	-						341	414	438	462
Bulk purchases - Electricity		-	-	700	-	-	2 923						5 141	8 764	9 263	9 782
Bulk purchases - Water & Sewer		-	-	-	-	-	-						-	-	-	-
Other materials		-	-	-	-	-	-						50	50	53	56
Contracted services		-	-	-	-	-	-						5 400	5 400	5 708	6 027
Grants and subsidies paid - other municipalities		-	-	-	-	-	-						-	-	-	-
Grants and subsidies paid - other		-	-	-	-	-	-						-	-	-	-
General expenses		11 752	1 181	382	-	1 148	4 392						1 967	20 821	22 008	23 241
<b>Cash Payments by Type</b>		<b>16 219</b>	<b>5 404</b>	<b>5 543</b>	<b>4 304</b>	<b>8 003</b>	<b>11 666</b>	-	-	-	-	-	<b>48 654</b>	<b>99 793</b>	<b>105 481</b>	<b>111 388</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		-	1 029	2 065	2 166	-	2 486	-	-	-	-	-	9 968	17 714	18 724	19 773
Repayment of borrowing		128	-	-	-	132	-	-	-	-	-	-	(11)	250	264	279
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>		<b>16 348</b>	<b>6 433</b>	<b>7 608</b>	<b>6 470</b>	<b>8 135</b>	<b>14 152</b>	-	-	-	-	-	<b>58 611</b>	<b>117 757</b>	<b>124 469</b>	<b>131 439</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>10 195</b>	<b>(3 123)</b>	<b>(4 542)</b>	<b>(1 636)</b>	<b>(4 153)</b>	<b>4 672</b>	-	-	-	-	-	<b>5 586</b>	<b>7 001</b>	<b>(13 526)</b>	<b>(10 539)</b>
Cash/cash equivalents at the month/year beginning:		60	10 256	7 133	2 590	955	(3 198)	1 474	1 474	1 474	1 474	1 474	1 474	60	7 061	(6 465)
Cash/cash equivalents at the month/year end:		10 256	7 133	2 590	955	(3 198)	1 474	1 474	1 474	1 474	1 474	1 474	7 061	7 061	(6 465)	(17 004)



## **Borrowings**

The table below shows loan schedule:

### **DBSA Loan Schedule**

<b><u>Date</u></b>	<b><u>Opening Balance</u></b>	<b><u>Loan Repayment</u></b>	<b><u>Interest Accrued</u></b>	<b><u>Balance</u></b>
01/07/2017	Opening Balance			1 187 314.95
31/07/2017	Payment	(165 656.87)	-	1 021 658.08
31/08/2017	Balance			1 021 658.08
29/09/2017	Balance		33 476.80	1 055 134.88
31/10/2017	Interest		14 050.37	1 069 185.24
30/11/2017	Payment	(167 767.29)		901 417.95
30/11/2017	Interest		11 020.83	912 438.78
31/12/2017	Interest		6 302.86	918 741.64

The Municipality had secured a long term loan from DBSA which is payable quarterly at a fixed rate of R165, 000. The total budget for loan repayment is R664 000 which is divided into (Interest R246 000 and capital R418 000). The balance of loan as at end December 2017 is R918 741.64

## **Recommendations**

- That Council notes the contents of this report and supporting documentations for the 2nd quarter of 2017/18 financial year.