



**QUARTERLY BUDGET
MONITORING REPORT – S52
31 MARCH 2018**

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QUARTERLY BUDGET MONITORING REPORT – 31 MARCH 2018

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 | Adjusted Budget | YearTD actual | YearTD Budget | Variance | Variance % | Reasons for variances |
|---------------------------------------|-----------------|-----------------|---------------|---------------|---------------|------------|---|
| Property rates | 17 000 000.00 | 24 515 988.48 | 18 308 696.92 | 18 386 991.36 | -78 294.44 | -0.43 | The variance is less than 10%. |
| Service charges - electricity Billed | 3 226 418.00 | 2 699 198.00 | 2 114 102.63 | 2 024 398.50 | 89 704.13 | 4.43 | The accrued revenue from this service is little bit more than what was anticipated. |
| Service charges - electricity prepaid | 4 348 236.00 | 4 722 587.00 | 2 122 667.20 | 3 541 940.25 | -1 419 273.05 | -40.07 | The accrued revenue from prepaid sales is less than what was anticipated |
| Service charges - refuse revenue | 5 655 837.84 | 9 951 692.84 | 7 437 873.78 | 7 463 769.63 | -25 895.85 | -0.35 | The variance is less than 10%. |
| Interest earned - outstanding debtors | 5 813 722.03 | 6 916 592.61 | 5 285 600.51 | 5 187 444.46 | 98 156.05 | 1.89 | Interest earned on outstanding debtors is more than what was anticipated |
| Licences and permits | 1 488 350.10 | 1 488 350.10 | 739 650.20 | 1 116 262.58 | -376 612.38 | -33.74 | Accrued income is less than what was anticipated. |
| Transfers recognised - operational | 39 036 000.00 | 38 966 000.00 | 37 950 710.20 | 29 224 500.00 | 8 726 210.20 | 29.86 | Operational grants that were scheduled for the quarter were received by the municipality. |
| Other revenue | 31 635 151.30 | 14 121 392.30 | 2 341 662.97 | 10 591 044.22 | -8 249 381.25 | -77.89 | 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 from service charges billed is still as per budgeted.

Grants anticipated for the quarter have been received in full.

Other revenue variances are mainly due to revenue not yet received for bad debt recovered, sale of residential plots. These figures were revised during adjustment budget.

Operating expenditure by type

| Description Original | Original Budget | Adjusted Budget | YearTD actual | YearTD Budget | Variance | Variance % | Reasons for variances |
|---------------------------------|-----------------|-----------------|---------------|---------------|----------------|------------|--|
| Employee related costs | 59 948 261.17 | 55 354 619.56 | 38 397 815.34 | 41 515 964.67 | -3 118 149.33 | -7.51 | The variance is mainly through vacant funded positions. |
| Remuneration of councillors | 4 395 496.90 | 4 659 226.82 | 3 102 958.38 | 3 494 420.12 | -391 461.74 | -11.20 | |
| Depreciation & asset impairment | 15 000 000.00 | 15 000 000.00 | - | 11 250 000.00 | -11 250 000.00 | -100.00 | No depreciation processed to date |
| Finance charges | 664 000.00 | 664 000.00 | 336 942.11 | 498 000.00 | -161 057.89 | -32.34 | Third quarter instalment not processed due to financial constraint the municipality is experiencing |
| Bulk purchases | 8 763 500.00 | 8 763 500.00 | 5 991 360.43 | 6 572 625.00 | -581 264.57 | -8.84 | 1 |
| Other expenditure | 26 221 999.93 | 31 952 990.43 | 16 698 185.82 | 23 964 742.82 | -7 266 557.00 | -30.32 | The variance on underspending is mainly due to management implementing cost saving procedures in expenditure management. |

Total Expenditure is sitting at 67% 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, 1m, which is mainly due to vacant funded positions not yet filled by the municipality.

Bulk electricity has a variance of R581 265, to date the outstanding amount is at R610 354.

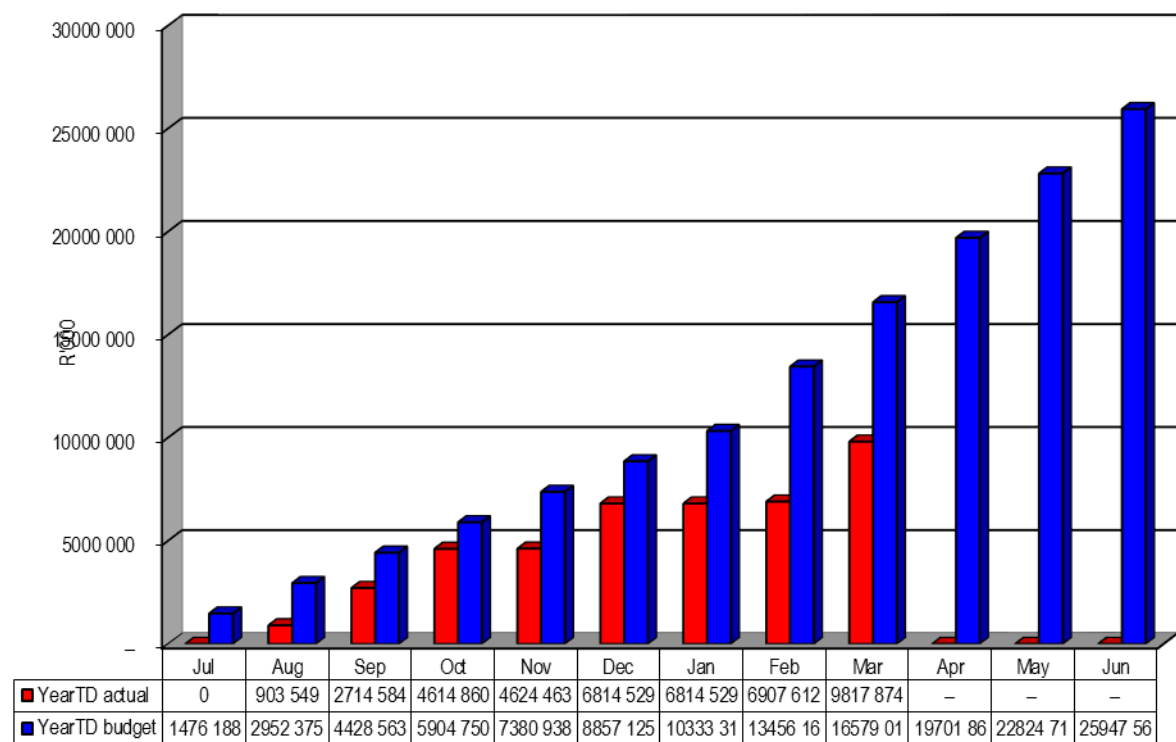
Other expenditure has a variance of R7, 2m, this variance is due to implementation of cost containment measures resulting from cash flow short falls.

Capital Expenditure

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

| Capital Expenditure by Municipal Vote | | | | | | | |
|--|-----------------|-----------------|---------------|---------------|---------------|------------|--|
| Description | Original Budget | Adjusted 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 | 750 000.00 | 279 356.52 | 562 500.00 | -283 143.48 | -50.34 | Cost containment measures implementation |
| Vote 4 - HUMAN RESOURCES & ADMINISTRATION | 200 000.00 | - | - | - | - | - | - |
| Vote 5 - COMMUNITY SERVICES | 700 000.00 | - | - | - | - | - | - |
| Vote 6 - INFRASTRUCTURE SERVICES | 15 464 250.00 | 14 864 250.00 | 9 538 517.91 | 11 148 187.50 | -1 609 669.59 | -14.44 | 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 R419 967.25 and call deposits amounting to R266 415.27 as at end March 2018.

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 - M09 March | | | | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|--------------------|
| 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 |
| R thousands | 1 | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | 16 339 | 17 000 | 17 000 | 1 965 | 14 410 | 12 750 | 1 660 | 13% | 17 000 |
| Service charges | | 11 515 | 13 230 | 12 923 | 588 | 5 255 | 9 693 | (4 438) | -46% | 13 230 |
| Other revenue | | 8 656 | 33 788 | 16 406 | 542 | 8 690 | 12 304 | (3 615) | -29% | 33 788 |
| Government - operating | | 44 848 | 39 036 | 38 966 | 8 749 | 38 966 | 29 225 | 9 742 | 33% | 39 036 |
| Government - capital | | 16 028 | 15 371 | 15 371 | 2 857 | 15 371 | 11 528 | 3 843 | 33% | 15 371 |
| Interest | | 6 623 | 6 332 | 1 396 | 61 | 912 | 1 047 | (135) | -13% | 6 332 |
| Dividends | | | - | | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (89 768) | (99 379) | (99 341) | (9 463) | (71 714) | (74 506) | (2 792) | 4% | (99 379) |
| Finance charges | | (2 430) | (414) | (414) | - | (106) | (311) | (205) | 66% | (414) |
| Transfers and Grants | | | - | - | - | - | - | - | | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 11 811 | 24 965 | 2 307 | 5 299 | 11 784 | 1 730 | (10 054) | -581% | 24 965 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | | | | | | | - | | |
| Decrease (Increase) in non-current debtors | | | | | | | | - | | |
| Decrease (increase) other non-current receivables | | | | | | | | - | | |
| Decrease (increase) in non-current investments | | | | | | | | - | | |
| Payments | | | | | | | | | | |
| Capital assets | | (13 641) | (17 714) | (15 614) | (3 282) | (11 028) | (11 711) | (683) | 6% | (17 714) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (13 641) | (17 714) | (15 614) | (3 282) | (11 028) | (11 711) | (683) | 6% | (17 714) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | | | | | | | - | | |
| Borrowing long term/refinancing | | | | | | | | - | | |
| Increase (decrease) in consumer deposits | | | | | | | | - | | |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | (587) | (250) | (250) | - | (397) | (188) | 209 | -112% | (250) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (587) | (250) | (250) | - | (397) | (188) | 209 | -112% | (250) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | (2 417) | 7 001 | (13 557) | 2 018 | 360 | (10 168) | | | 7 001 |
| Cash/cash equivalents at beginning: | | 2 156 | 4 082 | | | 60 | 4 082 | | | 60 |
| Cash/cash equivalents at month/year end: | | (261) | 11 083 | (13 557) | | 420 | (6 086) | | | 7 061 |

Investment Management

EC123 Great Kei - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

| 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 | | | | | | | |
| <u>Municipality</u> | | | | | | | | | |
| 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% | - | - | |
| Financial Management Grant (FMG) | | | Call Deposits | - | 22 | 0.0% | 58 | 0 | 59 |
| MVR | | | Call Deposits | - | 1 | 0.0% | 73 | 47 | 120 |
| EPWP | | | Call Deposits | - | 4 | 0.0% | 68 | 0 | 69 |
| | | | | | | | | | |
| Municipality sub-total | | | | | 110 | | 218 | 48 | 266 |
| | | | | | | | | | |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | 110 | | 218 | 48 | 266 |

DEBT MANAGEMENT

Outstanding debtors

EC123 Great Kei - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

| Description | NT Code | Budget Year 2017/18 | | | | | | | | | Total | Total over 90 days |
|---|-------------|---------------------|--------------|--------------|--------------|---------------|-------------|--------------|----------|----------|---------------|--------------------|
| | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | | | |
| R thousands | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | - | - | - | - | - | - | - | - | - | - | - |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 220 | 178 | 175 | 159 | 633 | - | - | - | - | 1 365 | 792 |
| Receivables from Non-ex change Transactions - Property Rates | 1400 | 2 173 | 1 250 | 1 142 | 1 017 | 35 203 | - | - | - | - | 40 786 | 36 220 |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | - | - | - | - | - | - | - | - | - | - | - |
| Receivables from Exchange Transactions - Waste Management | 1600 | 863 | 727 | 715 | 679 | 24 185 | - | - | - | - | 27 170 | 24 865 |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | - | - | - | - | - | - | - | - | - | - | - |
| Interest on Arrear Debtor Accounts | 1810 | 17 171 | - | - | - | - | - | - | - | - | 17 171 | - |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1900 | - | - | - | - | - | - | - | - | - | - | - |
| Total By Income Source | 2000 | 20 428 | 2 155 | 2 033 | 1 856 | 60 021 | - | - | - | - | 86 492 | 61 876 |
| 2016/17 - totals only | | | | | | | | | | | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | |
| Organs of State | 2200 | 893 | 169 | 164 | 156 | 925 | - | - | - | - | 2 307 | 1 080 |
| Commercial | 2300 | 1 436 | 253 | 236 | 219 | 4 014 | - | - | - | - | 6 158 | 4 233 |
| Households | 2400 | 18 098 | 1 734 | 1 633 | 1 481 | 55 082 | - | - | - | - | 78 027 | 56 563 |
| Other | 2500 | - | - | - | - | - | - | - | - | - | - | - |
| Total By Customer Group | 2600 | 20 428 | 2 155 | 2 033 | 1 856 | 60 021 | - | - | - | - | 86 492 | 61 876 |

Total outstanding debt for the month ending March 2018 is R86, 4m.

Billed Services Vs Collection rate for the quarter ending March 2018

| Months | Services per category | Billed to date | Actual Received to date | YTD Variance | Collection rate % |
|-------------------|------------------------------|-----------------------|--------------------------------|---------------------|--------------------------|
| July March | - Rates | 19 492 689 | 14 409 911 | 5 082 778 | 74% |
| July March | - Refuse | 7 448 528 | 3 856 125 | 3 592 403 | 52% |
| July March | - Electricity | 2 070 209 | 1 398 619 | 671 590 | 68% |
| Total | | 29 011 426 | 19 664 655 | 9 346 771 | 68% |

The collection rate as at March stands at 68%. 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 - M09 March | | | | | | | | | | |
|--|-------------|---------------------|-----------------|-----------------|------------------|-------------------|-------------------|----------------------|----------------|---------------|
| Description R thousands | NT Code | Budget Year 2017/18 | | | | | | | | |
| | | 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 |
| Creditors Age Analysis By Customer Type | | | | | | | | | | |
| Bulk Electric | 0100 | 610 | - | - | - | - | - | - | - | 610 |
| Bulk Water | 0200 | - | - | - | - | - | - | - | - | - |
| PAYE deduc | 0300 | - | - | - | - | - | - | - | - | - |
| VAT (output | 0400 | - | - | - | - | - | - | - | - | - |
| Pensions / R | 0500 | - | - | - | - | - | - | - | - | - |
| Loan repaym | 0600 | - | - | - | - | - | - | - | - | - |
| Trade Credit | 0700 | 719 | 211 | 820 | 8 908 | - | - | - | - | 10 657 |
| Auditor Gene | 0800 | 32 | 69 | 363 | 4 100 | - | - | - | - | 4 565 |
| Other | 0900 | 950 | 1 102 | 1 082 | 9 052 | - | - | - | - | 12 186 |
| Total By Cust | 1000 | 2 312 | 1 382 | 2 265 | 22 060 | - | - | - | - | 28 019 |

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

| SUPPLIER | AMOUNT OWED |
|-------------------------------|--------------|
| AMATHOLE DISTRICTMUNICIPALITY | 6 935 737.65 |
| SARS | 7 402 885.71 |
| AG | 4 564 818.21 |
| SEBATA | 2 818 319.83 |
| SALGA | 722 610.00 |
| BULK ESKOM | 610 354.12 |

TOTAL TOP CREDITORS

22 084 158.72

Other trade creditor's amount to R4 964 315.75 that the Municipality will strive to pay in the following months. The total creditors' book as at end March 2018 is R28 019 041.27

Grants allocations and expenditure – as at March 2018

The conditional grants allocation gazetted for 2017/18 amount to R18, 9m and has been received. Grant spending is 80% of the allocation received.

| Grants | Allocation 2017/18 | Received to date | Spent to Date | Variance to date | % Changes to date |
|---|-------------------------------|-----------------------------|------------------------------|---------------------------------|------------------------------|
| Finance Management Grant (FMG) | 2 345 000 | 2 345 000 | 1 724 777 | 620 223 | 74% |
| Municipal Infrastructure Grant (MIG) | 11 371 000 | 11 371 000 | 9 146 555 | 2 224 445 | 80% |
| Extended Public Works Programme (EPWP) | 1 263 000 | 1 263 000 | 911 085 | 351 915 | 72% |
| Integrated National Electrification Programme | 4 000 000 | 4 000 000 | 3 330 365 | 669 635 | 65% |
| Total | 18 979 000 | 18 979 000 | 15 112 782 | 3 866 218 | 80% |

Expenditure on councilor allowances and employee benefits

The variance on employee costs is mainly due to vacant funded positions that are not yet filled.

| EC123 Great Kei - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March | | | | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|----------------|----------------|--------------------|
| Summary of Employee and Councillor 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 |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | 2 967 | 3 000 | 3 180 | 235 | 2 114 | 2 385 | (271) | -11% | 3 180 |
| Pension and UIF Contributions | | - | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | | - | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | | 854 | 1 000 | 1 060 | 78 | 705 | 795 | (90) | -11% | 1 060 |
| Cellphone Allowance | | 299 | 356 | 378 | 29 | 257 | 283 | (26) | -9% | 378 |
| Housing Allowances | | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | | 36 | 39 | 41 | 3 | 27 | 31 | (4) | -12% | 41 |
| Sub Total - Councillors | | 4 157 | 4 395 | 4 659 | 345 | 3 103 | 3 494 | (391) | -11% | 4 659 |
| % increase | 4 | | 5.7% | 12.1% | | | | | | 12.1% |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | | 2 435 | 4 033 | 4 033 | 196 | 1 459 | 3 025 | (1 566) | -52% | 4 033 |
| Pension and UIF Contributions | | 229 | 427 | 427 | 4 | 22 | 320 | (298) | -93% | 427 |
| Medical Aid Contributions | | - | 66 | 66 | - | - | 49 | (49) | -100% | 66 |
| Overtime | | - | - | - | - | - | - | - | - | - |
| Performance Bonus | | 189 | 350 | 190 | - | 153 | 143 | 10 | 7% | 190 |
| Motor Vehicle Allowance | | 259 | 623 | 623 | 56 | 259 | 467 | (208) | -44% | 623 |
| Cellphone Allowance | | 41 | 131 | 39 | - | - | 29 | (29) | -100% | 39 |
| Housing Allowances | | 126 | 135 | 135 | 55 | 255 | 101 | 154 | 152% | 135 |
| Other benefits and allowances | | - | - | - | - | - | - | - | - | - |
| Payments in lieu of leave | | - | - | - | - | 436 | - | 436 | #DIV/0! | - |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | 2 | - | - | - | - | - | - | - | - | - |
| Sub Total - Senior Managers of Municipality | | 3 278 | 5 764 | 5 512 | 311 | 2 583 | 4 134 | (1 551) | -38% | 5 512 |
| % increase | 4 | | 75.9% | 68.2% | | | | | | 68.2% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 34 442 | 41 395 | 37 413 | 2 678 | 28 458 | 28 060 | 398 | 1% | 37 413 |
| Pension and UIF Contributions | | 4 136 | 4 858 | 4 993 | 403 | 3 759 | 3 744 | 15 | 0% | 4 993 |
| Medical Aid Contributions | | 2 212 | 2 468 | 2 409 | 194 | 1 743 | 1 807 | (64) | -4% | 2 409 |
| Overtime | | 990 | 625 | 799 | 29 | 684 | 599 | 85 | 14% | 799 |
| Performance Bonus | | - | 280 | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | | 1 510 | 589 | 1 190 | 65 | 684 | 893 | (208) | -23% | 1 190 |
| Cellphone Allowance | | - | - | - | - | 2 | - | 2 | #DIV/0! | - |
| Housing Allowances | | 494 | 263 | 645 | 7 | 64 | 484 | (420) | -87% | 645 |
| Other benefits and allowances | | 830 | 3 305 | 1 568 | 24 | 338 | 1 176 | (838) | -71% | 1 568 |
| Payments in lieu of leave | | 668 | 400 | 776 | - | 385 | 582 | (197) | -34% | 776 |
| Long service awards | | 180 | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | 2 | - | - | - | - | - | - | - | - | - |
| Sub Total - Other Municipal Staff | | 45 462 | 54 184 | 49 793 | 3 399 | 36 117 | 37 345 | (1 228) | -3% | 49 793 |
| % increase | 4 | | 19.2% | 9.5% | | | | | | 9.5% |
| Total Parent Municipality | | 52 897 | 64 344 | 59 964 | 4 054 | 41 803 | 44 973 | (3 170) | -7% | 59 964 |
| Total Municipal Entities | | - | - | - | - | - | - | - | - | - |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 52 897 | 64 344 | 59 964 | 4 054 | 41 803 | 44 973 | (3 170) | -7% | 59 964 |
| % increase | 4 | | 21.6% | 13.4% | | | | | | 13.4% |
| TOTAL MANAGERS AND STAFF | | 48 740 | 59 948 | 55 305 | 3 710 | 38 700 | 41 478 | (2 779) | -7% | 55 305 |

EC123 Great Kei - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M09 March

| 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 |
| R thousands | 1 | | | | | | | | | | | | | | | |
| Cash Receipts By Source | | | | | | | | | | | | | | | | |
| Property rates | | 1 174 | 1 669 | 1 155 | 1 501 | 1 857 | 1 171 | 1 633 | 2 283 | 1 965 | | | 2 590 | 17 000 | 17 969 | 18 975 |
| Service charges - electricity revenue | | 143 | 129 | 181 | 194 | 177 | 64 | 218 | 86 | 208 | | | 6 176 | 7 575 | 8 006 | 8 455 |
| Service charges - water revenue | | - | - | - | - | - | - | - | - | - | | | - | - | - | - |
| Service charges - sanitation revenue | | - | - | - | - | - | - | - | - | - | | | - | - | - | - |
| Service charges - refuse | | 334 | 446 | 456 | 578 | 434 | 463 | 356 | 408 | 381 | | | 1 800 | 5 656 | 5 978 | 6 313 |
| Service charges - other | | - | - | - | - | - | - | - | - | - | | | - | - | - | - |
| Rental of facilities and equipment | | 6 | 1 | 22 | 3 | 3 | 0 | 2 | 2 | 1 | | | 209 | 250 | 264 | 279 |
| Interest earned - external investments | | - | - | - | - | - | - | 108 | - | - | | | 410 | 518 | 547 | 578 |
| Interest earned - outstanding debtors | | 77 | 129 | 60 | 109 | 148 | 68 | 58 | 94 | 61 | | | 5 010 | 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 | 50 | 15 | 76 | | | 612 | 1 488 | 1 573 | 1 661 |
| Agency services | | - | - | - | - | - | - | - | - | - | | | 200 | 200 | 211 | 223 |
| Transfer receipts - operating | | 16 928 | 316 | - | - | 568 | 11 616 | - | 789 | 8 749 | - | - | 70 | 39 036 | 40 405 | 41 933 |
| Other revenue | | 637 | 439 | 1 087 | 1 314 | 660 | 884 | 687 | 1 599 | 464 | | | 24 075 | 31 847 | 13 076 | 13 808 |
| Cash Receipts by Source | | 19 444 | 3 310 | 3 066 | 3 834 | 3 983 | 14 409 | 3 004 | 5 276 | 11 906 | - | - | 41 154 | 109 387 | 94 179 | 98 718 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | | |
| 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 | | - | - | - | - | - | - | - | - | - | | | - | - | - | - |
| Total Cash Receipts by Source | | 26 543 | 3 310 | 3 066 | 4 834 | 3 983 | 18 824 | 3 004 | 5 276 | 14 763 | - | - | 41 154 | 124 758 | 110 944 | 120 900 |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | | 4 085 | 3 878 | 4 117 | 3 959 | 6 475 | 4 006 | 4 140 | 4 011 | 3 710 | | | 21 568 | 59 948 | 63 365 | 66 914 |
| Remuneration of councillors | | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | | | 1 293 | 4 395 | 4 646 | 4 906 |
| Interest paid | | 37 | - | - | - | 36 | - | 33 | - | - | | | 308 | 414 | 438 | 462 |
| Bulk purchases - Electricity | | - | - | 700 | - | - | 2 923 | 1 331 | 100 | 1 204 | | | 2 505 | 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 | 207 | 705 | 4 205 | | | (3 150) | 20 821 | 22 008 | 23 241 |
| Cash Payments by Type | | 16 219 | 5 404 | 5 543 | 4 304 | 8 003 | 11 666 | 6 055 | 5 161 | 9 463 | - | - | 27 973 | 99 793 | 105 481 | 111 388 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | | - | 1 029 | 2 065 | 2 166 | - | 2 486 | - | - | 3 282 | - | - | 6 687 | 17 714 | 18 724 | 19 773 |
| Repayment of borrowing | | 128 | - | - | - | 132 | - | 136 | - | - | | | (147) | 250 | 264 | 279 |
| Other Cash Flows/Payments | | - | - | - | - | - | - | - | - | - | | | - | - | - | - |
| Total Cash Payments by Type | | 16 348 | 6 433 | 7 608 | 6 470 | 8 135 | 14 152 | 6 192 | 5 161 | 12 745 | - | - | 34 513 | 117 757 | 124 469 | 131 439 |
| NET INCREASE/(DECREASE) IN CASH HELD | | 10 195 | (3 123) | (4 542) | (1 636) | (4 153) | 4 672 | (3 187) | 115 | 2 018 | - | - | 6 641 | 7 001 | (13 526) | (10 539) |
| Cash/cash equivalents at the month/year beginning: | | 60 | 10 256 | 7 133 | 2 590 | 955 | (3 198) | 1 474 | (1 713) | (1 598) | 420 | 420 | 420 | 60 | 7 061 | (6 465) |
| Cash/cash equivalents at the month/year end: | | 10 256 | 7 133 | 2 590 | 955 | (3 198) | 1 474 | (1 713) | (1 598) | 420 | 420 | 420 | 7 061 | 7 061 | (6 465) | (17 004) |

Borrowings

The table below shows loan schedule:

DBSA Loan Schedule

| <u>Date</u> | <u>Opening Balance</u> | <u>Loan Repayment</u> | <u>Interest Accrued</u> | <u>Balance</u> |
|--------------------|-------------------------------|------------------------------|--------------------------------|-----------------------|
| 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 |
| 31/01/2018 | Payment | (165 656.87) | | 753 084.77 |
| 28/02/2018 | Balance | | | 753 084.77 |
| 31/03/2018 | Accrued interest | | 24 257.98 | 777 342.75 |
| 31/03/2018 | Interest charged | | 976.22 | 778 318.97 |

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 March 2018 is R778 318.97

Recommendations

- That Council notes the contents of this report and supporting documentations for the 3rd quarter of 2017/18 financial year.