



Quarterly Budget Statement

September 2017

In-Year Report of the Municipality

Prepared in terms of Section 71 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 28 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 December 2009.

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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.

Budget – The financial plan of the Municipality.

Capital expenditure - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

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

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant.

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

GRAP – Generally Recognised Accounting Practice. The 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.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

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

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

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 (SDBIP). A detailed plan comprising annual and quarterly performance information.

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.

Vote – A main appropriation segment of the budget. In Umsobomvu Municipality this relates to the directorate level for operating expenditure and the GFS classification for capital expenditure.

YTD – Year to date

PART 1 – IN-YEAR REPORT

Mayor's Report

1.1 In-Year Report – Monthly Budget Report

1.1.1 Implementation of the budget in accordance with the SDBIP

The results of the SDBIP for the first quarter ended 30 September 2017 will be tabled in a separate comprehensive quarterly report to council.

1.1.2 Financial problems or risks facing the municipality

None. All the major sources of revenue are currently within acceptable norms.

1.1.3 Other relevant information

Actual operating revenue at the end of September 2017 is at R41, 651m of the budgeted revenue. The expenditure reflects spending of R25, 664m against the budgeted expenditure. Capital expenditure amounts to R5.107m at the end of September 2017.

Outstanding consumer debtors remain stable and only reflect the year-on-year increase from increased tariffs as from 1 July 2017.

The positive cash flow remains stable.

Resolutions

IN-YEAR REPORTS 2017/2018

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

1. That the report for the month ended September 2017, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

Executive Summary

The Auditor General has completed the audit of the 2015/2016 financial statements the 'Audited Outcome' for 2015/2016 is unqualified with other matters.

Revenue by Source

The Year-to-Date actual revenue is 26% more than the YTD budget projections at the end of September 2017 as a result of the annual rates that were levied in July 2017.

Borrowings

The balance of borrowings amounts to R75 029 at the end of September 2017.

Operating expenditure by vote & type

Current expenditure is 31% less than the YTD budget projections as at 30 September 2017.

Capital expenditure

YTD Capital Expenditure amounts to R5.107m, or 24.6% of a total budget of R20.781m.

Cash flows

The municipality started the year with a positive cashbook balance of R17.114m. The 30 September 2017 closing balance is R18.241m. Refer to Table C7 for more details on the cash position.

Allocations received (National & Provincial Grants)

Total National- and Provincial Grants received during the three months amount to R26.366m.

Spending on Grants

Spending on grants amounts to R 9.248m for the first quarter ended September 2017 which includes Equitable Share, FMG and MIG.

Implementation of Supply Chain Management Policy:

Quarterly report ended 30 September 2017 on deviations within 10 working days in terms of SCM Regulation 36(2):

Deviation July 2017						
Date	Suppliers name	Description	Amount	Order number	Dev number	Type of Deviations
03/7/2017	Summat Institute	Finace dept: Interns training MFMP	83 790.00	20288	1266	Exceptional Cases
03/7/2017	Ikageng Electrical	Maitenance & lowering highmasts lights	254 004.31	19952	1267	Exceptional Cases
05/7/2017	IMESA	Tech dept:Municipal Engineers training	17 100.00	19967	1268	Exceptional Cases
11/7/2017	Komatsu SA	Repairs on yellow machine	67 555.34	19938	1269	Sole Provider
21/7/2017	Gestetner	Envelopes for Gestetner machines	12 000.00	20259	1270	Sole Provider
04/7/2017	De Aar Stone Crushers	40 Ton crusher dust	20 520.00	19908	1271	Sole Provider
27/7/2017	Colesberg Electric cc	Tech Dept:150 SWA Cables 10mmx3 Core	10 165.95	20268	1272	Emergency
			R 465 135.60			
	Type of Deviation	Value of Deviation	Percentage of total deviations value			
	Emergency	R 10 165.95	2%			
	Sole Provider	R 100 075.34	22%			
	Exceptional Cases	R 354 894.31	76%			
	Total	R 465 135.60	100%			

Deviation August 2017						
Date	Suppliers name	Description	Amount	Order number	Dev number	Type of Deviations
14/8/2017	De Aar Stone Crushers	Public works : Crusher dust & stone	40 748.16	19934	1273	Exceptional Cases
16/8/2017	Komatsu SA (Pty)Ltd	Repairs:BSF214NC	16 963.52	19937	1274	Sole Provider
20/8/2017	Magnis Trucks Bloem	Service:CGV608NC 40 000km & repairs	14 466.03	19944	1275	Exceptional Cases
21/8/2017	Magnis Trucks Bloem	Service:BSF223NC 90 000KM & repairs	37 605.76	19945	1276	Sole Provider
21/8/2017	Herholdt's Elec Wholesalers	Tech Dept:Electric Cable	14 985.35	19970	1277	Emergency
23/8/2017	L Fourie Motor Mech	Repairs: BSF 227NC	10 180.00	19634	1278	Exceptional Cases
28/8/2017	Magnis Trucks Bloem	Service:BSF215NC	32 555.14	19947	1279	Sole Provider
28/8/2017	Magnis Trucks Bloem	Service:BSF216NC	32 506.97	19948	1280	Sole Provider
29/8/2017	Magnis Trucks Bloem	Repairs: BSF 217NC	92 411.75	19949	1281	Emergency+(Sole Provider)
			R 292 422.68			
	Type of Deviation	Value of Deviation	Percentage of total deviations value			
	Emergency	R 107 397.10	37%			
	Sole Provider	R 119 631.39	41%			
	Exceptional Cases	R 65 394.19	22%			
	Total	R 292 422.68	100%			

Material variances

NO REPORTS AVAILABLE AS THE NEW FINANCIAL SYSTEM NOT READY.

Performance in relation to SDBIP targets

Separate report will be submitted.

Remedial or corrective steps

No remedial or corrective steps are required at this time.

In-year budget statement tables

Northern Cape: Umsobomvu(NC072) - Table C1 Schedule Monthly Budget Statement Summary for M03 September						
Description	Budget year					
R thousands	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual
Financial Performance						
Property rates	9 266	9 266	2 408	611	847	3 866
Service charges	61 327	61 327	119 651	(110 596)	7 230	16 285
Investment revenue	560	560	14	28	80	122
Transfers recognised - operational	44 920	44 920	18 466	0	0	18 466
Other own revenue	16 320	16 320	855	1 008	1 049	2 912
Total Revenue (excl. capital transfers and contributions)	132 393	132 393	141 394	(108 949)	9 206	41 651
Employee costs	49 356	49 356	3 485	3 494	3 608	10 587
Remuneration of councillors	3 717	3 717	290	290	290	869
Depreciation and asset impairment	25 827	25 827	0	0	0	0
Finance charges	260	260	14	9	4	27
Materials and bulk purchases	23 388	23 388	21	3 127	2 893	6 041
Transfers and grants	0	0	0	0	0	0
Other expenditure	46 743	46 743	2 368	3 054	2 718	8 140
Total Expenditure	149 291	149 291	6 178	9 974	9 513	25 664
Surplus/(Deficit)	(16 898)	(16 898)	135 216	(118 923)	(307)	15 987
Transfers recognised - capital	17 031	17 031	0	0	0	0
Contributions recognised - capital and contributed assets	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers and contributions	133	133	135 216	(118 923)	(307)	15 987
Share of surplus/ (deficit) of associate	0	0	0	0	0	0
Surplus/(Deficit) for the year	133	133	135 216	(118 923)	(307)	15 987
Capital expenditure and funds sources						
Capital expenditure	20 781	20 781	0	4 667	439	5 107
Transfers recognised - capital	17 031	17 031	0	4 667	439	5 107
Public contributions and donations	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0
Internally generated funds	3 750	3 750	0	0	0	0
Total sources of capital funds	20 781	20 781	0	4 667	439	5 107
Financial position						
Total current assets	151 779	151 779	189 501	49 248	50 719	50 719
Total non current assets	572 110	572 110	530 837	535 565	536 340	536 340
Total current liabilities	4 722	4 722	59 042	42 537	45 195	45 195
Total non current liabilities	25 888	25 888	21 009	20 910	20 805	20 805
Community wealth/Equity	693 279	693 279	640 288	521 366	521 058	521 058
Cash flows						
Net cash from (used) operating	23 380	23 380	17 794	(6 483)	(3 447)	7 864
Net cash from (used) investing	(20 781)	(20 781)	(1 353)	(4 667)	(439)	(6 459)
Net cash from (used) financing	(809)	(809)	(90)	(97)	(90)	(277)
Cash/cash equivalents at the year end	29 943	29 943	33 466	22 219	18 242	18 242

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

Northern Cape: Umsobomvu(NC072) - Table C2 Monthly Budget Statement - Financial Performance (standard)						
Standard Classification Description	Budget year					
R thousands	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual
Revenue - Standard						
Governance and Administration	56 633	56 633	20 910	689	971	22 572
Executive & Council	39 760	39 760	16 567	20	22	16 610
Budget & Treasury Office	16 873	16 873	4 343	661	949	5 954
Corporate Services	0	0	0	8	0	8
Community and Public Safety	10 574	10 574	838	789	983	2 609
Community & Social Services	2 003	2 003	24	(124)	14	(86)
Sport And Recreation	0	0	0	0	0	0
Public Safety	8 571	8 571	814	913	969	2 695
Housing	0	0	0	0	0	0
Health	0	0	0	0	0	0
Economic and Environmental Services	12 092	12 092	3	16	10	29
Planning and Development	0	0	0	0	0	0
Road Transport	12 092	12 092	3	16	10	29
Environmental Protection	0	0	0	0	0	0
Trading Services	70 127	70 127	119 643	(110 442)	7 241	16 442
Electricity	37 174	37 174	1 670	2 826	2 666	7 162
Water	18 027	18 027	116 484	(114 738)	3 082	4 827
Waste Water Management	8 844	8 844	865	844	868	2 577
Waste Management	6 082	6 082	624	626	625	1 876
Other	0	0	0	0	0	0
Total Revenue - Standard	149 426	149 426	141 394	(108 948)	9 205	41 652
Expenditure - Standard						
Governance and Administration	40 363	40 363	3 420	2 980	2 862	9 263
Executive & Council	13 645	13 645	1 654	1 361	1 309	4 324
Budget & Treasury Office	26 718	26 718	1 368	1 213	1 118	3 699
Corporate Services	0	0	398	406	435	1 240
Community and Public Safety	20 492	20 492	1 115	1 656	1 571	4 342
Community & Social Services	8 381	8 381	393	496	476	1 365
Sport And Recreation	3 252	3 252	240	227	248	715
Public Safety	8 009	8 009	425	862	762	2 049
Housing	850	850	57	71	85	213
Health	0	0	0	0	0	0
Economic and Environmental Services	13 422	13 422	462	593	520	1 575
Planning and Development	0	0	0	0	0	0
Road Transport	13 422	13 422	462	593	520	1 575
Environmental Protection	0	0	0	0	0	0
Trading Services	75 016	75 016	1 180	4 746	4 559	10 485
Electricity	28 545	28 545	189	3 353	3 324	6 866
Water	26 935	26 935	576	752	715	2 043
Waste Water Management	10 936	10 936	273	354	289	916
Waste Management	8 600	8 600	142	287	231	660
Other	0	0	0	0	0	0
Total Expenditure - Standard	149 293	149 293	6 177	9 975	9 512	25 665
Surplus/(Deficit) for the year	133	133	135 217	(118 923)	(307)	15 987

This table reflects the operating budget (Financial Performance) in the standard classifications which are the GFS Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions. The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

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

Northern Cape: Umsobomvu(NC072) - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) for M03 September 2017						
Description	Budget year 2017/18					
	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual
R thousands						
Revenue By Source						
Property rates	9 266	9 266	2 408	611	847	3 866
Property rates - penalties and collection charges	0	0	0	0	0	0
Service charges - electricity revenue	34 448	34 448	1 670	2 826	2 666	7 162
Service charges - water revenue	12 846	12 846	116 492	(114 738)	3 082	4 836
Service charges - sanitation revenue	8 284	8 284	865	844	868	2 577
Service charges - refuse revenue	5 749	5 749	624	625	625	1 874
Service charges - other	0	0	0	(154)	(9)	(163)
Rental of facilities and equipment	271	271	19	19	18	56
Interest earned - external investments	560	560	14	28	80	122
Interest earned - outstanding debtors	2 197	2 197	(9)	0	0	(9)
Dividends received	0	0	0	0	0	0
Fines	6 093	6 093	616	663	691	1 970
Licences and permits	2 285	2 285	197	249	278	724
Agency services	218	218	0	0	0	0
Transfers recognised - operational	44 920	44 920	18 466	0	0	18 466
Other own revenue	5 256	5 256	33	77	62	172
Gains on disposal of PPE	0	0	0	0	0	0
Total Revenue (excl. capital transfers and contributions)	132 393	132 393	141 395	(108 950)	9 208	41 653
Expenditure By Type						
Employee related costs	49 356	49 356	3 485	3 494	3 608	10 587
Remuneration of councillors	3 717	3 717	290	290	290	869
Debt impairment	11 388	11 388	0	0	0	0
Depreciation and asset impairment	25 827	25 827	0	0	0	0
Finance charges	260	260	14	9	4	27
Bulk purchases	23 388	23 388	21	3 127	2 893	6 041
Other Materials	0	0	0	0	0	0
Contract services	1 124	1 124	0	0	0	0
Transfers and grants	0	0	0	0	0	0
Other expenditure	34 212	34 212	2 368	3 054	2 718	8 140
Loss on disposal of PPE	20	20	0	0	0	0
Total Expenditure	149 292	149 292	6 178	9 974	9 513	25 664
Surplus/(Deficit)	(16 899)	(16 899)	135 217	(118 924)	(305)	15 989
Transfers recognised - capital	17 031	17 031	0	0	0	0
Contributions recognised - capital	0	0	0	0	0	0
Contributed assets	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers and contributions	132	132	135 217	(118 924)	(305)	15 989
Taxation	0	0	0	0	0	0
Surplus/(Deficit) after taxation	132	132	135 217	(118 924)	(305)	15 989
Attributable to minorities	0	0	0	0	0	0
Surplus/(Deficit) attributable to municipality	132	132	135 217	(118 924)	(305)	15 989
Share of surplus/ (deficit) of associate	0	0	0	0	0	0
Surplus/(Deficit) for the year	132	132	135 217	(118 924)	(305)	15 989

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 25.8% more than the YTD budget and current expenditure is 31.2% less than the YTD budget for 2017/2018.

Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

Northern Cape: Umsobomvu(NC072) - Table C5 Monthly Budget Statement - Capital Expenditure by Standard Classification and Funding for M03 September 2017							
Description	Budget year 2017/18						
	R thousands	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual
Capital Expenditure - Standard							
Governance and Administration	3 500	3 500	0	0	0	0	0
Executive & Council	0	0	0	0	0	0	0
Budget & Treasury Office	3 500	3 500	0	0	0	0	0
Corporate Services	0	0	0	0	0	0	0
Community and Public Safety	250	250	0	2 699	0	2 699	0
Community & Social Services	250	250	0	0	0	0	0
Sport And Recreation	0	0	0	2 699	0	2 699	0
Public Safety	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0
Health	0	0	0	0	0	0	0
Economic and Environmental Services	11 031	11 031	0	1 347	69	1 416	0
Planning and Development	0	0	0	0	0	0	0
Road Transport	11 031	11 031	0	1 347	69	1 416	0
Environmental Protection	0	0	0	0	0	0	0
Trading Services	6 000	6 000	0	621	370	991	0
Electricity	2 000	2 000	0	621	370	991	0
Water	4 000	4 000	0	0	0	0	0
Waste Water Management	0	0	0	0	0	0	0
Waste Management	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total Capital Expenditure - Standard	20 781	20 781	0	4 667	439	5 106	0
Funded by:							
National Government	17 031	17 031	0	4 667	439	5 107	0
Provincial Government	0	0	0	0	0	0	0
District Municipality	0	0	0	0	0	0	0
Other transfers and grants	0	0	0	0	0	0	0
Transfers recognised - capital	17 031	17 031	0	4 667	439	5 107	0
Public contributions and donations	0	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0	0
Internally generated funds	3 750	3 750	0	0	0	0	0
Total Capital Funding	20 781	20 781	0	4 667	439	5 107	0

Capital expenditure is 1.7% less than the YTD budget at 30 September 2017.

Table C6: Monthly Budget Statement - Financial Position

Northern Cape: Umsobomvu(NC072) - Table C6 Monthly Budget Statement - Financial Position for M03 September 2017							
Description	Budget year 2017/18						
	R thousands	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual
ASSETS							
Current assets							
Cash	23 805	23 805	24 629	13 382	12 409	50 419	
Call investment deposits	6 138	6 138	8 837	8 837	5 833	23 507	
Consumer debtors	117 359	117 359	149 582	20 337	25 437	195 356	
Other debtors	4 075	4 075	6 016	6 255	6 603	18 874	
Current portion of long-term receivables	0	0	0	0	0	0	
Inventory	401	401	437	437	437	1 312	
Total Current assets	151 778	151 778	189 501	49 248	50 719	289 468	
Non current assets							
Long-term receivables	0	0	0	0	0	0	
Investments	0	0	0	0	0	0	
Investment property	2 061	2 061	2 061	2 061	2 061	6 183	
Investment in Associate	0	0	0	0	0	0	
Property, plant and equipment	566 549	566 549	528 570	533 298	533 972	1 595 841	
Agricultural	0	0	0	0	0	0	
Biological	0	0	0	0	0	0	
Intangible	3 500	3 500	206	206	307	718	
Other non-current assets	0	0	0	0	0	0	
Total Non current assets	572 110	572 110	530 837	535 565	536 340	1 602 742	
TOTAL ASSETS	723 888	723 888	720 338	584 813	587 059	1 892 210	
LIABILITIES							
Current liabilities							
Bank overdraft	0	0	0	0	0	0	
Borrowing	0	0	0	0	0	0	
Consumer deposits	911	911	811	813	823	2 446	
Trade and other payables	2 850	2 850	58 231	41 725	44 373	144 328	
Provisions	961	961	0	0	0	0	
Total Current liabilities	4 722	4 722	59 042	42 538	45 196	146 774	
Non current liabilities							
Borrowing	979	979	3 263	3 164	3 059	9 486	
Provisions	24 908	24 908	17 746	17 746	17 746	53 238	
Total Non current liabilities	25 887	25 887	21 009	20 910	20 805	62 724	
TOTAL LIABILITIES	30 609	30 609	80 051	63 448	66 001	209 498	
NET ASSETS	693 279	693 279	640 287	521 365	521 058	1 682 712	
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)	693 279	693 279	640 288	521 366	521 058	1 682 712	
Reserves	0	0	0	0	0	0	
Minorities interests	0	0	0	0	0	0	
TOTAL COMMUNITY WEALTH/EQUITY	693 279	693 279	640 288	521 366	521 058	1 682 712	

The statement of financial position is in line with expectations for the financial year.

Table C7: Monthly Budget Statement - Cash Flow

Northern Cape: Umsobomvu(NC072) - Table C7 Monthly Budget Statement - Cash Flows for M03 September 2017						
Description	Budget year 2017/18					
	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual
R thousands						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Ratepayers and other	70 245	70 245	3 794	4 236	21 154	29 184
Government - operating	44 920	44 920	18 466	0	0	18 466
Government - capital	17 031	17 031	7 200	250	0	7 450
Interest	2 116	2 116	14	28	80	122
Dividends	0	0	0	0	0	0
Payments						
Suppliers and employees	(110 673)	(110 673)	(11 454)	(10 381)	(24 141)	(45 976)
Finance charges	(260)	(260)	(14)	(9)	(4)	(27)
Transfers and grants	0	0	(211)	(607)	(536)	(1 354)
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 379	23 379	17 795	(6 483)	(3 447)	7 865
CASH FLOW FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	0	0	0	0	0	0
Decrease in non-current debtors	0	0	0	0	0	0
Decrease in other non-current receivables	0	0	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0	0	0
Payments						
Capital assets	(20 781)	(20 781)	(1 353)	(4 667)	(439)	(6 459)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(20 781)	(20 781)	(1 353)	(4 667)	(439)	(6 459)
CASH FLOW FROM FINANCING ACTIVITIES						
Receipts						
Short term loans	0	0	0	0	0	0
Borrowing long term/refinancing	0	0	0	0	0	0
Increase (decrease) in consumer deposits	170	170	5	2	10	17
Payments						
Repayment of borrowing	(979)	(979)	(95)	(99)	(100)	(295)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(809)	(809)	(90)	(97)	(90)	(278)
NET INCREASE/(DECREASE) IN CASH HELD	1 789	1 789	16 352	(11 247)	(3 976)	1 128
Cash/cash equivalents at the year begin:	28 154	28 154	17 114	33 466	22 219	17 114
Cash/cash equivalents at the year end:	29 943	29 943	33 466	22 219	18 242	18 242

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R18.242m.

The municipality started the year with a positive cashbook balance of R17.114 million. The September 2017 closing balance is R18.242m.

PART 2 – SUPPORTING DOCUMENTATION

Debtors' analysis

Supporting Table SC3 Debtors' age analysis

Year End	Month End	Mun	Item	Detail	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
2018	MO3	NC072	1100	Debtors Age Analysis By Income Source									
			1200	Trade and Other Receivables from Exchange Transactions - Water	2 237 182	1 091 947	1 179 808	991 113	44 393 003	0	0	0	49 893 053
			1300	Trade and Other Receivables from Exchange Transactions - Electricity	1 773 239	940 485	614 823	421 673	4 688 715	0	0	0	8 438 935
			1400	Receivables from Non-exchange Transactions - Property Rates	661 145	366 878	1 745 079	241 823	9 574 766	0	0	0	12 589 692
			1500	Receivables from Exchange Transactions - Waste Water Management	687 543	625 278	694 027	493 406	21 526 207	0	0	0	24 026 461
			1600	Receivables from Exchange Transactions - Waste Management	317 647	477 350	533 289	367 314	25 483 261	0	0	0	27 178 860
			1700	Receivables from Exchange Transactions - Property Rental Debtors	-65 733	28 895	29 287	29 608	3 762 071	0	0	0	3 784 128
			1810	Interest on Arrear Debtor Accounts	0	0	0	0	8 798 704	0	0	0	8 798 704
			1820	Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	0	0	0	0	0	0	0	0	0
			1900	Other	-4 192	630	630	1 886	15 801	0	0	0	14 754
			2000	Total By Income Source	5 606 830	3 531 464	4 796 944	2 546 822	118 242 527	0	0	0	134 724 587
			2100	Debtors Age Analysis By Customer Group									
			2200	Organs of State	1 191 704	506 657	1 205 693	514 818	2 773 585	0	0	0	6 192 458
			2300	Commercial	806 247	623 523	299 127	190 584	4 233 980	0	0	0	6 153 462
			2400	Households	3 608 879	2 401 284	3 292 124	1 841 419	111 234 962	0	0	0	122 378 667
			2500	Other	0	0	0	0	0	0	0	0	0
			2600	Total By Customer Group	5 606 830	3 531 464	4 796 944	2 546 822	118 242 527	0	0	0	134 724 587

The increased debtors results primarily from the year-on-year increase in billings from increased tariffs at the start of the new financial year. Also a contributing factor are the increased of unemployment as more household applied for indigent support during the annual review process.

Summary of Indigent Households

Indigent Household Statistics						
	Indigent Households	Amount	Other Households	Total Households	Indigents as a % of Total Households	
2017						
July	2 399	74 445 225	173 411 830	247 857 055	30.04%	
August	2 386	22 821 562	95 239 188	118 060 750	19.33%	
September	1 758	24 514 728	97 863 940	122 378 668	20.03%	

Summary of Debtors Age Analysis

MONTH	< 30 Days	< 60 Days	< 90 Days	< 120 Days	< 150 Days	Total	Older than 30 Days	Older than 90 days
2017/2018								
July	135 539 348	2 788 189	2 407 031	2 260 075	115 374 627	258 369 270	2 788 189	117 634 702
August	2 034 608	5 437 822	2 649 401	2 343 552	116 869 632	129 335 014	5 437 822	119 213 183
September	5 606 830	3 531 464	4 796 944	2 546 822	118 242 527	134 724 587	3 531 464	120 789 349

Creditors' analysis

Supporting Table SC4

Year	Month				0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total
End	End	Mun	Item	Detail	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year	-
2018	M03	NC072	0100	Bulk Electricity	1 811 188	0	0	0	0	0	0	0	1 811 188
			0200	Bulk Water		0	0	0	0	0	0	0	0
			0300	PAYE deductions	0	0	0	0	0	0	0	0	0
			0400	VAT (output less input)	0	0	0	0	0	0	0	0	0
			0500	Pensions / Retirement deductions	0	0	0	0	0	0	0	0	0
			0600	Loan repayments	0	0	0	0	0	0	0	0	0
			0700	Trade Creditors	0	0	0	0	0	0	0	0	0
			0800	Auditor General	0	0	0	0	0	0	0	0	0
			0900	Other	2 634 062	0	0	0	0	0	0	0	2 634 062
			1000	Total	4 445 250	0	0	0	0	0	0	0	4 445 250
			TP01	Top 1 Creditor	1 495 277	0	0	0	0	0	0	0	1 495 277
			TP02	Top 2 Creditor	330 362	0	0	0	0	0	0	0	330 362
			TP03	Top 3 Creditor	171 211	0	0	0	0	0	0	0	171 211
			TP04	Top 4 Creditor	162 049	0	0	0	0	0	0	0	162 049
			TP05	Top 5 Creditor	132 617	0	0	0	0	0	0	0	132 617
			TP06	Top 6 Creditor	123 928	0	0	0	0	0	0	0	123 928
			TP07	Top 7 Creditor	80 525	0	0	0	0	0	0	0	80 525
			TP08	Top 8 Creditor	48 124	0	0	0	0	0	0	0	48 124
			TP09	Top 9 Creditor	47 196	0	0	0	0	0	0	0	47 196
			TP10	Top 10 Creditor	42 773	0	0	0	0	0	0	0	42 773
			TOT	Total	2 634 062	0	0	0	0	0	0	0	2 634 062

Supporting Table SC4 reflects current creditors at the end of September 2017.

The payment of creditors is within requirements of the MFMA.

Investment portfolio analysis

Supporting Table SC5

NC072 Umsobomvu - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

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
		Yrs/Months							
R thousands									
Municipality									
Operating Call Deposit		3 Months	Call	3 Months	-	0.0%	-	-	-
Notice Deposit		3 Months	Notice	3 Months	-	0.0%	5 837	-	5 837
Municipality sub-total					-		5 837	-	5 837
TOTAL INVESTMENTS AND INTEREST	2				-		5 837	-	5 837

Surplus cash not immediately required is invested in 32 day deposits and 3 months deposits

The municipality has no long term investments.

Allocation and grant receipts and expenditure

Supporting Table SC6 – Grant receipts

Supporting Schedules not yet available

Grant receipts and expenditures are monitored according to the payment schedules.

Supporting Table SC7(2) – Expenditure against approved rollovers

Supporting Schedules not yet available

Expenditure on councillor allowances and employee benefits

Supporting Table SC8

Supporting Schedules not yet available

Financial Performance:

Supporting Table SC2

Supporting Schedules not yet available

Capital programme performance:

Supporting Table SC12

Supporting Schedules not yet available

Other supporting documentation:

Supporting Table SC13a

Supporting Schedules not yet available

Supporting Table SC13b

Supporting Schedules not yet available

Supporting Table SC13c

Supporting Schedules not yet available

Supporting Table SC13d

Supporting Schedules not yet available

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, **AMOS CHINA MPELA**, the Municipal Manager of Umsobomvu Local Municipality, hereby certify that: -

(Mark as appropriate)

Quarterly report on the implementation of the budget and financial state of affairs of the municipality.

For the quarter ending 30 September 2017 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print Name: AC MPELA

Municipal Manager of Umsobomvu Local Municipality (NC072)

Signature: _____



Date: 15 October 2017