



DRAKENSTEIN

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Monthly Budget Monitoring Report (Section 71 of MFMA)

Period ending: 30 April 2018

To the Municipal Council

I hereby wish to submit a report to the Municipal Council on the implementation of the budget and the financial state of affairs of the Municipality as at the end of April 2018.

Further to the above, Section 54(1) of the MFMA determines that the Executive Mayor must consider the Section 71 report submitted by the Accounting Officer to him and check whether the Municipality's approved budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP) and if necessary issue appropriate instructions to the Accounting Officer.

A handwritten signature in black ink, appearing to read 'CONRAD POOLE', written over a horizontal line.

CONRAD POOLE
EXECUTIVE MAYOR

15 May 2018

To the Executive Mayor

In accordance with Section 71(1) of the Municipal Finance Management Act (MFMA), I submit the required statement on the state of Drakenstein Municipality's budget reflecting the particulars up until the end of April 2018.

Section 54(1) of the MFMA requires from the mayor of a municipality to take certain actions if needed on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).



DR JH LEIBBRANDT
CITY MANAGER

15 May 2018

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1. Introduction

Section 71(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a report in a prescribed format to the Executive Mayor within 10 working days after the end of each month on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:-

- (a) Actual revenue per revenue source;
- (b) Actual expenditure per vote;
- (c) Actual capital expenditure per vote;
- (d) Any allocations received;
- (e) Actual expenditure on allocations received;
- (f) Actual borrowings; and
- (g) Any other budget information as may be required by National and Provincial Treasury for monitoring purposes.

This report is a summary of the main budget issues arising from the monitoring process. It compares the process of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP). Section 54 of the MFMA requires from the Executive Mayor to consider the Section 71 report and to take appropriate action, if needed, to ensure that the approved budget is implemented in accordance with the approved SDBIP.

The main budget monitoring issues will now be discussed through paragraphs 2 to 11 of this report and will include appropriate recommendations as set out in paragraph 12 of the report.

2. Actual operating revenue per revenue source

The actual operating revenue per revenue source is set out in Table 1 below. From Table 1 it is clear that our actual operating revenue raised and/or collected (R1,679,175,217) compares unfavourably with the pro rata budgeted figure (R1,694,339,815) – a negative variance of R15,164,599 or 0.90% at month end.

2.1 Negative variances of 5% or more and/or above a monetary value of R 2,000,000 (grants excluded) are –

- Service Charges: Electricity (R10,805,741 or 1.35%) – revenue is less than the projected budget, calculated from prior financial period actuals.

2.2 Positive variances of 5% or more and/or above a monetary value of R 2,000,000 are –

- Service Charges: Cleansing (R3,144,611 or 3.41%) – revenue is more than the projected budget, calculated from prior financial period actuals.

Recommendation

(1) That it be noted that the variance between the actual operating revenue (R1,679,175,217) and the pro rata budgeted operating revenue (R1,694,339,815) has a negative variance of R15,164,599 or 0.90%.

TABLE 1: ACTUAL REVENUE PER REVENUE SOURCE FOR APRIL 2018

SERIAL NUMBER	REVENUE SOURCES	ANNUAL		MONTHLY		YEAR-TO-DATE				PROJECTED REVENUE FOR THE REST OF THE YEAR
		APPROVED BUDGET	ADJUSTED BUDGET	BUDGET	ACTUAL REVENUE	PRO RATA BUDGET	ACTUAL REVENUE	POSITIVE / (NEGATIVE) VARIANCES	POSITIVE / (NEGATIVE) VARIANCES %	
1	Fines	59,309,968	69,801,756	10,917	3,093	32,531,003	32,524,868	(6,135)	-0.02%	37,276,888
2	Free Basic Services	120,821,000	120,821,000	24,457,928	7,003,849	64,931,263	66,914,468	1,983,205	3.05%	53,906,532
3	Gains and Losses	250,000	250,000	0	0	0	0	0	0.00%	250,000
4	Interest Dividend and Rent on land	36,185,757	36,085,175	2,703,497	3,650,347	30,625,195	31,811,730	1,186,535	3.87%	4,273,445
5	Licences and Permits	3,686,508	3,686,508	357,498	381,316	3,379,774	3,370,108	(9,666)	-0.29%	316,400
6	Ner: Transfers and Subsidies : Operational	98,441,034	89,936,034	24,080	1,233	5,246,364	5,198,197	(48,167)	-0.92%	84,737,837
7	Operational Revenue	33,273,917	30,930,970	2,811,548	2,449,553	25,054,781	23,876,409	(1,178,372)	-4.70%	7,054,561
8	Rental from Fixed Assets	11,300,262	4,207,148	1,491,938	2,079,418	24,560,730	25,264,109	703,379	2.86%	(21,056,961)
9	Service Charges : Cleansing	94,895,281	92,499,256	(2,094,882)	(2,074,900)	92,144,561	95,289,172	3,144,611	3.41%	(2,789,916)
10	Service Charges : Electricity	965,303,802	969,309,098	77,916,994	73,918,888	798,762,420	787,956,679	(10,805,741)	-1.35%	181,352,419
11	Service Charges : Property Rates	246,446,736	246,446,736	81,520	(591,295)	246,715,657	246,714,485	(1,172)	0.00%	(267,749)
12	Service Charges : Sanitation	94,913,748	90,511,826	13,392,795	515,806	102,985,846	104,808,625	1,822,779	1.77%	(14,296,799)
13	Service Charges : Water	217,180,687	234,141,356	17,837,680	10,596,789	185,390,496	187,359,634	1,969,137	1.06%	46,781,722
14	Service Charges : Other	46,173	46,173	3,556	3,556	35,558	35,558	0	0.00%	10,615
15	Sale Of Goods And Rendering Of Services	351,385	351,385	1,200	200	3,900	3,900	0	0.00%	347,485
16	Subtotal A : Operating Revenue	1,982,406,258	1,989,024,421	138,996,268	97,937,854	1,612,367,546	1,611,127,940	(1,239,606)	-0.08%	377,896,481
17	Contra Account : Water Foregone	(21,615,830)	(10,500,000)	(478,340)	(495,004)	(4,963,851)	(5,013,843)	(49,992)	1.01%	(5,486,157)
19	Subtotal B : Operating Revenue Foregone	(21,615,830)	(10,500,000)	(478,340)	(495,004)	(4,963,851)	(5,013,843)	(49,992)	1.01%	(5,486,157)
20	Total Operating Revenue	1,960,790,428	1,978,524,421	138,517,929	97,442,850	1,607,403,695	1,606,114,097	(1,289,599)	-0.08%	372,410,324
21	Ner : Transfers and Subsidies : Capital	94,756,000	177,206,694	13,875,000	0	86,936,120	73,061,120	(13,875,000)	-15.96%	104,145,574
22	Total Operating Revenue (Capital Grants Included)	2,055,546,428	2,155,731,115	152,392,929	97,442,850	1,694,339,815	1,679,175,217	(15,164,599)	-0.90%	476,555,898
							Actual Revenue to date			1,679,175,217
							Projected Revenue for 2017/2018			2,155,731,115

3. Actual operating expenditure per vote

The actual operating expenditure per vote is set out in Table 2 below. Total actual operating expenditure of R1,436,281,424 compares favourably with the pro rata budgeted expenditure of R1,444,921,196 – a positive variance of R8,639,774 or 0.60%.

TABLE 2: ACTUAL OPERATIONAL EXPENDITURE PER VOTE FOR APRIL 2018

SERIAL NUMBER	VOTE	ANNUAL		MONTHLY		YEAR-TO-DATE				PROJECTED EXPENDITURE FOR THE YEAR
		APPROVED BUDGET	ADJUSTED BUDGET	BUDGET	ACTUAL EXPENDITURE	PRO RATA BUDGET	ACTUALS EXPENDITURE	POSITIVE / (NEGATIVE) VARIANCES	POSITIVE / (NEGATIVE) VARIANCES %	
1	City Manager	1,472,152	(600,454)	663,053	873,233	386,968	983,985	(597,017)	-154.28%	(1,584,438.77)
2	Department of Internal Audit	3,601,344	3,787,579	504,677	560,592	3,546,634	3,732,872	(186,238)	-5.25%	54,706.71
3	Department of Risk And Fraud	2,072,263	2,505,964	145,460	154,869	1,588,519	1,602,546	(14,027)	-0.88%	903,417.87
4	Department of Communication	1,242,152	254,796	-	0	192,920	192,920	0	0.00%	61,876.20
5	Department of IDP/PMS	1,426,234	1,605,269	268,613	749,946	1,773,944	2,343,384	(569,441)	-32.10%	(738,115.36)
6	Corporate Services	107,191,997	131,638,284	12,801,974	10,127,620	85,959,390	87,552,290	(1,592,900)	-1.85%	44,085,994
7	Community Services	277,193,141	290,902,611	18,397,713	16,529,344	209,055,750	203,570,546	5,485,204	2.62%	87,332,065
8	Financial Services	56,331,834	56,046,614	5,907,417	5,896,475	49,443,843	50,230,833	(786,990)	-1.59%	5,815,781
9	Planning and Development	194,115,210	191,708,245	9,121,418	7,786,545	100,365,500	98,919,042	1,446,458	1.44%	92,789,203
10	Engineering Services	1,391,730,628	1,440,634,687	89,518,097	80,905,386	992,607,729	987,153,004	5,454,724	0.55%	453,481,682
11	Totals	2,036,376,955	2,118,483,595	137,328,422	123,584,009	1,444,921,196	1,436,281,424	8,639,774	0.60%	682,202,171
Actual Expenditure to date										1,436,281,424
Projected Expenditure for 2017/2018										2,118,483,595

Recommendation

(2) That it be noted that the variance between the actual operating expenditure (R1,436,281,424) and the pro rata budgeted operating expenditure (R1,444,921,196) has a positive variance of R8,639,774 or 0.60%.

4. Actual operating expenditure per category

The actual operating expenditure per category is set out in Table 3 below. From Table 3 it is clear that our actual operating expenditure incurred (R1,436,281,424) do compare favourably with the pro rata budgeted figures (R1,444,921,196) – a positive variance of R8,639,774 or 0.60% at month end.

TABLE 3: ACTUAL OPERATIONAL EXPENDITURE PER EXPENDITURE CATEGORY FOR APRIL 2018

SERIAL NUMBER	EXPENDITURE CATEGORY	ANNUAL		MONTHLY		YEAR-TO-DATE				PROJECTED EXPENDITURE FOR THE YEAR
		APPROVED BUDGET	ADJUSTED BUDGET	BUDGET	ACTUAL EXPENDITURE	PRO RATA BUDGET	ACTUALS EXPENDITURE	POSITIVE / (NEGATIVE) VARIANCES	POSITIVE / (NEGATIVE) VARIANCES %	
1	Employee Related Cost	537,088,776	531,751,040	46,155,556	48,141,867	431,349,141	434,193,572	(2,844,431)	-0.66%	97,557,468
2	Councillor Related Costs	29,091,494	29,461,662	2,893,082	2,337,408	24,193,192	23,385,842	807,350	3.34%	6,075,820
3	Provision for Bad Debts	28,762,971	36,861,006	2,396,914	2,396,914	23,969,143	23,969,143	0	0.00%	12,891,863
4	Depreciation and Amortisation	190,506,431	190,506,431	0	0	94,226,906	94,226,906	0	0.00%	96,279,526
5	Impairment Losses	49,375,323	57,558,771	0	12,589	26,896,622	27,022,916	(126,294)	-0.47%	30,535,855
6	Interest Paid	119,635,859	125,733,235	10,797,701	10,797,701	107,977,003	107,977,003	0	0.00%	17,756,232
7	Bulk Purchases Water	43,168,974	33,023,499	838,775	116,700	3,588,629	1,659,892	1,928,736	53.75%	31,363,607
8	Bulk Purchases: Electricity	631,669,439	642,735,791	49,540,577	46,301,016	475,622,362	470,733,649	4,888,713	1.03%	172,002,142
9	Contracted Services	155,707,074	245,888,806	16,247,233	5,581,251	124,229,847	117,462,087	6,767,760	5.45%	128,426,719
10	Transfers and Subsidies	82,654,531	11,475,101	211,500	886,217	8,765,426	9,502,377	(736,950)	-8.41%	1,972,724
11	Inventory	47,831,034	37,942,596	2,398,747	2,794,393	27,007,580	27,636,591	(629,011)	-2.33%	10,306,005
12	Operating Leases	15,476,691	19,699,663	1,663,509	2,223,219	12,420,280	13,212,050	(791,770)	-6.37%	6,487,613
13	Operational Cost	103,408,361	138,845,994	4,184,828	1,994,734	84,675,066	85,299,396	(624,330)	-0.74%	53,546,598
15	Loss On Sale of Assets	2,000,000	17,000,000	0	0	0	0	0	0.00%	17,000,000
16	TOTALS	2,036,376,958	2,118,483,595	137,328,422	123,584,009	1,444,921,196	1,436,281,424	8,639,774	0.60%	682,202,171
Actual Expenditure to date										1,436,281,424
Projected Expenditure for 2017/2018										2,118,483,595

4.1 Positive variances of 5% or more and/or above a monetary value of R 2,000,000 are –

- Bulk Purchases Water (R1,928,736 or 53.75%) – the municipality receives its free units first and only thereafter we have to start paying for bulk purchases;
- Bulk Purchases: Electricity (R4,888,713 or 1.03%) – savings on electricity bought from Eskom; and
- Contracted Services (R6,767,760 or 5.45%) – savings on contracted services.

4.2 Negative variances of 5% or more and/or above a monetary value of R 2,000,000 are –

- Employee Related Cost (R2,844,431 or 0.66%) – over expenditure due to Travel Allowance and Pension Fund Contributions (refer to section 8 page 17 for more detail);
- Transfers and Subsidies (R736,950 or 8.41%) – expenditure is more compared with the budgeted trends of previous year's spending patterns; and
- Operating Leases (R791,770 or 6.37%) – expenditure is more compared with the budgeted trends of previous year's spending patterns.

5. Actual capital expenditure per vote and funding source

The actual capital expenditure per vote is set out in Table 4 below. The actual capital expenditure of R445,852,588 compares favourably with the pro rata budgeted capital expenditure of R530,558,704 as per the cash flow projections of the SDBIP with a variance or under spending of R84,706,116 or 15.97%. In the case of capital expenditure one wants to spend all capital expenditure to improve service delivery and the quality of life of the local community or customers. Actual capital expenditure amounts to 53.16% of the total capital budget of R838,669,081 after ten months of the financial year. Actual and recorded committed capital expenditure (R694,638,829) represents 82.83% of the total capital budget of R838,669,081 after ten months of the financial year.

TABLE 4: ACTUAL CAPITAL EXPENDITURE PER VOTE FOR APRIL 2018

SERIAL NUMBER	VOTE	ANNUAL		MONTHLY		YEAR-TO-DATE					PROJECTED EXPENDITURE FOR THE YEAR		
		APPROVED BUDGET	ADJUSTED BUDGET	BUDGET	ACTUAL EXPENDITURE	PRO RATA BUDGET	COMMITMENTS	ACTUALS YEAR TO DATE	COMMITMENTS + ACTUALS	POSITIVE / (NEGATIVE) VARIANCES ON ACTUALS		POSITIVE / (NEGATIVE) VARIANCES % ON ACTUALS	
1	City Manager	10,218,379	129,957	0	30,877	18,812	26,909	49,689	76,598	30,877	164.14%	80,268	
2	Department of Internal Audit	0	12,000	0	0	10,068	0	10,068	10,068	0	0.00%	1,932	
3	Department of Risk And Fraud	0	30,195	0	26,079	4,115	0	30,194	30,194	26,079	633.76%	1	
4	Department of Communication	0	0	0	0	0	0	0	0	0	0.00%	0	
5	Department of IDP/PMS	0	0	0	0	0	0	0	0	0	0.00%	0	
6	Corporate Services	13,420,000	18,236,790	3,064,482	829,877	9,714,547	4,570,551	8,175,534	12,746,086	(1,539,013)	-15.84%	10,061,256	
7	Community Services	34,424,004	50,563,129	7,207,706	3,211,509	25,915,168	21,211,908	16,968,458	38,180,366	(8,946,710)	-34.52%	33,594,671	
8	Financial Services	1,500,000	2,735,031	2,800	2,782	1,611,343	678,908	1,652,120	2,331,028	40,776	2.53%	1,082,911	
9	Planning and Development	26,727,812	46,801,258	7,496,830	494,022	26,930,793	562,894	13,399,212	13,962,106	(13,531,581)	-50.25%	33,402,046	
10	Engineering Services	546,851,348	720,160,721	86,400,781	35,231,565	466,353,859	221,735,071	405,567,314	627,302,385	(60,786,545)	-13.03%	314,593,407	
11	TOTALS	633,141,543	838,669,081	104,172,599	39,826,711	530,558,704	248,786,241	445,852,588	694,638,829	(84,706,116)	-15.97%	392,816,493	
						% of Approved Budget = <u>29.66%</u>		<u>53.16%</u>		<u>82.83%</u>		Actual Expenditure to date	<u>445,852,588</u>
						Actual Capex as a % of Pro Rata Budget = <u>84.03%</u>		<u>84.03%</u>		Projected Expenditure for 2017/2018		<u>838,669,081</u>	

The actual capital expenditure per funding source is set out in Table 5 below.

TABLE 5: ACTUAL CAPITAL EXPENDITURE PER FUNDING SOURCE FOR APRIL 2018

SERIAL NUMBER	FUNDING SOURCES	ANNUAL		MONTHLY		YEAR-TO-DATE						PROJECTED EXPENDITURE FOR THE YEAR
		APPROVED BUDGET	ADJUSTED BUDGET	BUDGET	ACTUAL EXPENDITURE	PRO RATA BUDGET	COMMITMENTS	ACTUALS YEAR TO DATE	COMMITMENTS + ACTUALS	POSITIVE / (NEGATIVE) VARIANCES ON ACTUALS	POSITIVE / (NEGATIVE) VARIANCES % ON ACTUALS	
1	CRR	40,000,000	65,361,140	8,826,754	3,722,828	50,984,782	27,503,290	38,740,923	66,244,213	(12,243,859)	-24.01%	26,620,217
2	GRANTS	84,347,367	160,320,061	23,150,789	19,186,608	111,270,761	19,984,314	95,557,322	115,541,637	(15,713,438)	-14.12%	64,762,739
3	EXTERNAL LOANS	508,794,176	612,987,880	72,195,055	16,917,275	368,303,161	201,298,637	311,554,343	512,852,979	(56,748,818)	-15.41%	301,433,537
4	TOTALS	633,141,543	838,669,081	104,172,599	39,826,711	530,558,704	248,786,241	445,852,588	694,638,829	(84,706,116)	-15.97%	392,816,493

Actual Expenditure to date 445,852,588

Projected Expenditure for 2017/2018 838,669,081

Recommendation

- (3) That it be noted that the actual capital expenditure of R445,852,588 and the pro rata budgeted capital expenditure of R530,558,704 realised under spending of R84,706,116 or 15.97%.**
- (4) That it be noted that actual capital expenditure of R445,852,588 represents 53.16% of the total capital budget of R838,669,081 after ten months of the financial year.**
- (5) That it be noted that the actual and committed capital expenditure of R694,638,829 compared with the capital expenditure budget of R838,669,081 represent a spending percentage of 82.83% after ten months of the financial year.**

6 Actual borrowings

The municipality's position on external loans is set out in Table 6 below. The municipality started the month with borrowing debt of R1,345,349,326 and after repayments (R0) were made and additional loans (R120,000,000) were taken up, the total borrowings outstanding as at 30 April 2018 amounts to R1,465,349,326. This borrowing debt represents 67.97% of our total operating budgeted revenue of R2,155,731,115 for the 2017/2018 financial year. The conservative norm is 40% and some banks may be comfortable to borrow up to 50% of total operating revenue. However, the higher the percentage the higher the expected interest rates to be charged by borrowing institutions.

Recommendation

(6) That it be noted that external borrowings amounted to R1,465,349,326 as at 30 April 2018 and that it represents 67.97% of Drakenstein's total budgeted operating revenue of R2,155,731,115 for the 2017/2018 financial year.

TABLE 6: ACTUAL BORROWINGS FOR APRIL 2018

SERIAL NUMBER	EXTERNAL LOANS PROVIDERS	INTEREST RATES	TERM ENDING	OPENING BALANCE 01/04/2018	CAPITAL REDEEMED	NEW LOANS TAKEN UP	CLOSING BALANCE 30/04/2018
1	NEDBANK	12.65%	2018	8,272,724	0	0	8,272,724
2	NEDBANK	8.79%	2018	4,659,422	0	0	4,659,422
3	NEDBANK	8.74%	2018	377,151	0	0	377,151
4	INCA	10.03%	2018	1,755,825	0	0	1,755,825
5	DBSA	11.47%	2019	11,333,664	0	0	11,333,664
6	DBSA	6.75%	2019	2,384,826	0	0	2,384,826
7	NEDBANK	8.63%	2019	7,050,139	0	0	7,050,139
8	ABSA BANK	9.15%	2019	5,991,676	0	0	5,991,676
9	STANDARD BANK	9.94%	2019	2,447,560	0	0	2,447,560
10	ABSA BANK	9.40%	2020	2,900,841	0	0	2,900,841
11	ABSA BANK	9.21%	2020	7,329,915	0	0	7,329,915
12	DBSA	9.97%	2028	0	0	120,000,000	120,000,000
13	STANDARD BANK	10.40%	2020	17,113,596	0	0	17,113,596
14	STANDARD BANK	9.36%	2020	3,549,730	0	0	3,549,730
15	NEDBANK	10.64%	2021	34,616,327	0	0	34,616,327
16	STANDARD BANK	10.26%	2021	4,196,464	0	0	4,196,464
17	NEDBANK	9.14%	2022	69,447,640	0	0	69,447,640
18	STANDARD BANK	9.68%	2022	4,204,854	0	0	4,204,854
19	STANDARD BANK	10.08%	2023	38,748,952	0	0	38,748,952
20	DBSA	10.03%	2024	68,061,140	0	0	68,061,140
21	DBSA	9.79%	2018	150,000,000	0	0	150,000,000
22	DBSA	10.82%	2025	253,348,702	0	0	253,348,702
23	NEDBANK	9.93%	2025	164,694,710	0	0	164,694,710
24	STANDARD BANK	10.12%	2027	482,863,470	0	0	482,863,470
25	TOTALS			1,345,349,326	0	120,000,000	1,465,349,326

7. Allocations received and actual expenditure on allocations received

The municipality's position with regard to grant allocations received and the actual expenditure on the grant allocations received are set out in Table 7 below. Unconditional grants (equitable share) and conditional grants (FMG; MSIG; housing grants; INEP, library grant, MIG, etcetera) to the value of R283,560,103 were received to date. Operating grants expenditure to the amount of R117,118,578 and capital grants expenditure to the amount of R73,061,120 was spent and recorded as utilised at the end of April 2018. Taking the opening balance of R50,601,256 as well as the aforementioned into consideration, the unspent conditional grants as at the end of April 2018 is R143,981,660.

Recommendation

(7) That it be noted that unspent conditional and unconditional grants amounted to R143,981,660 at the end of April 2018.

TABLE 7: CONDITIONAL GRANTS

SERIAL NUMBER	DESCRIPTION	OPENING BALANCE 1 APRIL 2018	OTHER INCOME	OPERATIONAL EXPENDITURE DURING THE YEAR	CAPITAL EXPENDITURE DURING THE YEAR	BALANCE AS ON 30 APRIL 2018
1	CONDITIONAL GRANTS					
2	NATIONAL: EQUITABLE SHARE					
3	TRUST FUND : INDIGENT POLICY FUNDS	0	(120,503,000)	100,492,259	0	(20,010,741)
4	SUB - TOTAL	0	(120,503,000)	100,492,259	0	(20,010,741)
5	NATIONAL TREASURY					
6	MUNICIPAL INFRASTRUCTURE GRANT (MIG)	0	(48,709,000)	0	21,625,747	(27,083,253)
7	MUNICIPAL FINANCE MANAGEMENT GRANT (FMG)	(5)	(1,550,000)	429,177	0	(1,120,828)
8	TRUST FUND:ELECTRICITY DEMAND SIDE GRANT	(318,155)	0	316,404	0	(1,751)
9	TRUST FUND :COMMUNITY DEV WORKER (CDW)	(473,931)	(111,000)	39,037	0	(545,894)
10	TRUST FUND : ELECTRIFICATION FUNDING	(1,011,231)	(1,000,000)	0	3,594,817	1,583,586
11	SUB - TOTAL	(1,803,322)	(51,370,000)	784,617	25,220,564	(27,168,140)
12	PROVINCIAL TREASURY					
13	TRUST FUND : HEALTH SUBSIDIES					
14	N-GOV: REGION BULK INFRA GRT SCHEDULE 6B	(17,700,000)	0	0	0	(17,700,000)
15	N-GOV: HUMAN SETTLEM CAPACITY GRT SCH 5B	(2,000)	0	0	0	(2,000)
16	PD WC - HOUSING: HUMAN SETTLEMENT DEVEL	(90,000)	0	0	0	(90,000)
17	SILVERTOWN OPENING BALANCE	(60,000)	0	0	0	(60,000)
18	TRUST FUND : CARTERVILLE HOUSING PROJECT	(956,503)	0	0	0	(956,503)
19	TRUST FUND : 1068 HUISE WDR SKENKING	(738,659)	0	0	0	(738,659)
20	TRUST FUND: DROMMEDARIS	(429,143)	0	4,384,316	0	3,955,173

ANNEXURE A

SERIAL NUMBER	DESCRIPTION	OPENING BALANCE 1 APRIL 2018	OTHER INCOME	OPERATIONAL EXPENDITURE DURING THE YEAR	CAPITAL EXPENDITURE DURING THE YEAR	BALANCE AS ON 30 APRIL 2018
21	TRUST FUND : DROMMEDARIS STREET EHP	429,143	0	0	0	429,143
22	SCHEME 49 OPERATING EXPENDITURE	(130,183)	0	0	0	(130,183)
23	FMG WESTERN CAPE	(60,000)	0	0	0	(60,000)
24	P59 FAIRYLANDS OPERATING INCOME	(8,116,015)	0	0	0	(8,116,015)
25	P59 FAIRYLANDS OPERATING EXPENDITURE	129,312	0	0	0	129,312
26	NEW SIYAZAMA INCOME	(4,890,102)	(79,200)	0	0	(4,969,302)
27	NEW SIYAZAMA EXPENDITURE	4,890,102	0	0	0	4,890,102
28	ERF 2220	(802,653)	0	0	0	(802,653)
29	CHICARGO	0	(8,500)	0	0	(8,500)
30	LANTANA	0	(1,821,488)	0	0	(1,821,488)
31	GOUDA INCOME	(971,063)	0	0	0	(971,063)
32	GOUDA EXPENDITURE	491	0	0	0	491
33	ACCELERATED HOUSING PROJECTS	0	0	0	9,805,020	9,805,020
34	DALIOSAPHAT TRANSFERS	(453,180)	0	0	0	(453,180)
35	TRUST FUND : KINGSTON INCOME	(10,982,731)	0	0	0	(10,982,731)
36	TRUST FUND : KINGSTON EXPENDITURE	10,982,731	0	0	0	10,982,731
37	TRUST FUND : AMSTELHOF PROJECT 35	(10,348)	0	0	0	(10,348)
38	TRUST FUND : LIBRARY GRANT (PROV)	(97,638)	(19,041,000)	0	84,972	(19,053,667)
39	CAPACITY BUILDING	0	(240,000)	0	0	(240,000)
40	TRUST FUND : SOCCERFIELD	(6,237)	0	0	0	(6,237)
41	T/F:INV LAND FOR PROV OF IND&RES PURPOSE	(13)	0	0	0	(13)
42	ROADS	0	(42,000,000)	0	0	(42,000,000)
43	DROUGHT RELIEF	0	(14,780,000)	0	0	(14,780,000)
44	DISASTER RELIEF	0	(26,845,000)	0	0	(26,845,000)
45	DEPARTMENT OF PUBLIC WORKS (TAXI RANK)	829	(2,456,000)	94,461	0	(2,360,710)
46	TRUST FUND : BULK SERVICES ROADS	0	0	0	37,950,564	37,950,564
47	TRUST FUND : TRAINING LEVY	(1,961,867)	(783,150)	624,371	0	(2,120,646)
48	SUB - TOTAL	(32,025,727)	(108,054,338)	5,103,147	47,840,556	(87,136,361)
49	GRANTS: OTHER INSTITUTIONS					
50	TRUST FUND : ERF 2220:STROMWATER UPGRADE	(383,312)	0	0	0	(383,312)
51	WATER&SEWER MASTERPLANS	(300,000)	0	0	0	(300,000)
52	T/F:EMERGENCY KITS:O R THAMBO INF SETTLE	(1,191,615)	0	0	0	(1,191,615)
53	TRUST FUND : BULK SERVICES WATER	(7,670,341)	(1,740,689)	4,145,391	0	(5,265,639)
54	TRUST FUND : BULK SERVICES ELECTRICAL	(4,810,822)	0	6,593,163	0	1,782,341
55	TRUST FUND : BULK SERVICES ROADS	0	(397,890)	0	0	(397,890)
56	TRUST FUND : BULK SERVICES SEWERAGE	0	(204,221)	0	0	(204,221)
57	TRUST FUND : BULK SERVICE REFUSE	0	(640,956)	0	0	(640,956)
58	MANDELA ROUTE	0	(100,000)	0	0	(100,000)
59	NUMARKT	(12,033)	(549,008)	0	0	(561,041)
60	SUB - TOTAL	(14,368,123)	(3,632,765)	10,738,554	0	(7,262,334)
61	OTHER: CONDITIONAL GRANTS					
62	COLIN D BROWN GUARANTEE PIPELINE BUILD	(1,300,000)	0	0	0	(1,300,000)
63	UNSPENT MONEY PRECT 59	(623,636)	0	0	0	(623,636)
64	TRUST FUND : MUN WEDUWEE & WESE PENSOEN	(363,572)	0	0	0	(363,572)
65	T/FUND :GUARANTEE:D V RENSBURG(BURGERSDR	(38,488)	0	0	0	(38,488)
66	DONATIONS WATER WEEK	(78,388)	0	0	0	(78,388)
67	SUB - TOTAL	(2,404,084)	0	0	0	(2,404,084)
68	TOTAL - CONDITIONAL GRANTS	(50,601,256)	(283,560,103)	117,118,578	73,061,120	(143,981,660)

8. Employee related costs

Employee related costs for the month of the financial year is set out in Table 8 below. Actual employee related costs as a whole amounts to R434,196,670 compared with the pro rata budgeted amount of R431,352,239 – an underspending of R2,844,431 or 0.66%.

8.1 Positive variances of 5% or more and/or above a monetary value of R 500,000 are –

- No positive variances of note to report.

8.2 Negative variances of 5% or more and/or above a monetary value of R 500,000 are –

- Travel Allowance (R1,342,899 or 9.90%) – expenditure is more than envisioned;
- Acting Allowance (R191,439 or 15.25%) – expenditure is more than envisioned; and
- Cell Allowance (R74,779 or 6.93%) – expenditure is more than envisioned.

Recommendation

(8) That it be noted that the actual employee related cost expenditure of R434,196,670 compared with the pro rata budgeted expenditure of R431,352,239 relates to a negative variance of R2,844,431 or 0.66%.

TABLE 8 : EMPLOYEE RELATED COST AS AT 30 APRIL 2018

SERIAL NUMBER	CATEGORY OF EXPENDITURE	ANNUAL		MONTHLY		YEAR-TO-DATE				PROJECTED EXPENDITURE FOR THE YEAR
		APPROVED BUDGET	ADJUSTED BUDGET	BUDGET	ACTUAL EXPENDITURE	PRO RATA BUDGET	ACTUALS EXPENDITURE	POSITIVE / (NEGATIVE) VARIANCES	POSITIVE / (NEGATIVE) VARIANCES %	
1	Salaries	349,004,925	328,767,136	28,530,307	28,758,476	271,459,428	271,452,034	7,394	0.00%	57,315,102
2	Bonusses	21,736,829	23,185,704	0	160,017	23,185,711	23,491,250	(305,539)	-1.32%	(305,546)
3	Leave Pay	0	4,038,379	3,365,316	3,365,316	3,365,316	3,365,316	0	0.00%	673,063
4	Performance Bonusses	892,029	892,029	450,027	450,027	450,027	450,027	(0)	0.00%	442,002
5	Long Services Awards	6,246,510	6,239,597	797	797	7,966	7,966	0	0.00%	6,231,631
6	Ex Gratia Allowances - Pensioners	16,835,000	16,835,000	781,460	829,436	6,930,325	7,020,293	(89,968)	-1.30%	9,814,707
7	Overtime Payments	30,879,699	34,241,402	3,467,173	3,417,078	29,121,246	28,989,272	131,973	0.45%	5,252,130
8	Subsidy House Loans	8,743,940	4,871,824	393,189	396,219	4,022,376	4,016,137	6,240	0.16%	855,687
9	Travel Allowances	13,009,135	17,102,172	1,195,509	2,041,383	13,560,417	14,903,316	(1,342,899)	-9.90%	2,198,856
10	Housing Allowance	1,598,347	892,852	70,826	95,681	738,023	768,551	(30,528)	-4.14%	124,301
11	Acting Allowance	1,324,502	1,685,838	60,527	254,578	1,255,223	1,446,662	(191,439)	-15.25%	239,176
12	Standby Allowance	6,619,536	8,920,438	960,282	899,132	8,008,200	7,998,498	9,702	0.12%	921,940
13	Night Shift Allowance	3,957,704	4,081,702	332,344	355,383	3,294,733	3,318,553	(23,821)	-0.72%	763,149
14	Cell Allowance	1,102,189	1,299,223	107,326	138,485	1,079,442	1,154,221	(74,779)	-6.93%	145,002
15	Group Insurance	3,494,370	3,655,770	311,665	322,266	3,056,759	3,079,132	(22,373)	-0.73%	576,638
16	Medical Aid Fund Contr	19,026,487	19,779,971	1,625,064	1,683,733	15,662,757	15,804,041	(141,284)	-0.90%	3,975,930
17	Pension Fund Contr	47,262,669	49,944,394	4,067,002	4,505,814	41,714,738	42,458,595	(743,857)	-1.78%	7,485,799
18	Workmens Compensation Fund	2,181,442	2,181,442	0	0	3,098	3,098	0	0.00%	2178344.3
19	Provident Fund Contr	2,416,645	2,396,134	187,253	218,445	1,985,564	2,025,324	(39,760)	-2.00%	370,810
20	Unemployment Insurance Fund Contr	2,938,260	2,921,475	249,489	249,603	2,450,891	2,444,385	6,507	0.27%	477,090
21	TOTALS	539,270,218	533,932,482	46,155,556	48,141,867	431,352,239	434,196,670	(2,844,431)	-0.66%	99,735,812

Actual Expenditure to date **434,196,670**Projected Expenditure for 2017/2018 **533,932,482**

9. Debtors age analysis and payment rates

9.1 Debtors age analysis per service

The municipality's total outstanding debtors amounted to R348,316,307 as at 30 April 2018 compared with the R341,760,108 as at 31 March 2018. As reflected in Table 9 below, current debt represent 34.98% of the total outstanding debt compared with the 37.04% of March 2018; 30 days and older debt 8.26% compared with the 8.61% for March 2018; 60 days and older debt 6.54% compared with the 5.48% of March 2018; and 90 days and older debt 50.22% compared with the 48.88% of March 2018.

The debtors test ratio (before bad debt provision) shows an increase of 2.5 days from 76.6 days in February 2018 to 79.1 days in March 2018 and an increase of 1.5 days to 80.6 days in April 2018. The debtors test ratio (after bad debt provision) shows an increase of 2.2 days from 54.1 days in February 2018 to 56.3 days in March 2018 and an increase of 1.3 days to 57.6 days in April 2018. The acceptable norm is 45 days.

Current debt decreased with R4,730,207 to R121,846,069 compared with the R126,576,276 as at 31 March 2018; 30 days + debt decreased with R653,568 to R28,759,660; 60 days + increased with R4,058,764 to R22,775,436 and 90 days and older debt as at 30 April 2018 has increased with R7,881,210 to R174,935,142 compared with the R167,053,932 as at 31 March 2018.

TABLE 9 : DEBTORS AGE ANALYSIS PER SERVICE AS AT 30 APRIL 2018

SERIAL NUMBER	SERVICE	CURRENT 1 (Levied but not billed as yet)	CURRENT 2 (Levied and billed)	30 Days +	60 Days +	90 Days +	TOTAL OUTSTANDING DEBTORS	PERCENTAGE OF TOTAL OUTSTANDING DEBTORS
1	Rates	-	17,033,117	2,983,738	1,575,310	17,211,972	38,804,137	11.14%
2	Water	1,187	21,461,748	15,021,453	14,599,772	66,708,275	117,792,435	33.82%
3	Electricity	-	68,213,119	5,671,618	2,246,138	18,537,136	94,668,012	27.18%
4	Sewerage	-	6,286,693	1,467,940	1,031,393	18,134,904	26,920,930	7.73%
5	Refuse	-	6,569,335	2,026,897	1,560,906	30,920,380	41,077,517	11.79%
6	Housing	-	477,905	380,575	303,855	7,822,830	8,985,164	2.58%
7	Others	12,226	1,790,741	1,207,439	1,458,061	15,599,645	20,068,112	5.76%
8	TOTAL	13,413	121,832,656	28,759,660	22,775,436	174,935,142	348,316,307	100.00%
	2018/04 % =	34.98%		8.26%	6.54%	50.22%	100.00%	
	2018/03 % =	37.04%		8.61%	5.48%	48.88%	100.00%	

Debtors owe the municipality property rates (11.14%); water (33.82%); electricity (27.18%); sewerage (7.73%); refuse (11.79%); housing (2.58%), and sundry debt (5.76%).

9.2 Debtors age analysis per debtor type

Agricultural debtors owes the municipality R17,265,396 (5.0%); business debtors R55,704,862 (16.0%); domestic debtors R216,382,937 (62.1%); Government accounts R8,419,331 (2.4%); Municipal accounts R4,811,456 (1.4%), Sundry Accounts R12,291,583 (3.5%) and VAT R33,440,742 (9.6%) of the total outstanding debt of R348,316,307 as set out in Table 10 below. Most of the domestic debt and other debt will be irrecoverable and most probably will have to be written-off.

TABLE 10 : DEBTORS AGE ANALYSIS PER DEBTOR TYPE AS AT 30 APRIL 2018

SERIAL NUMBER	DEBTOR TYPE	CURRENT 1 (Levied but not billed as yet)	CURRENT 2 (Levied and billed)	30 Days +	60 Days +	90 Days +	TOTAL OUTSTANDING DEBTORS	PERCENTAGE OF TOTAL OUTSTANDING DEBTORS
1	AGRICULTURE	640.80	10,789,302.75	822,009.81	494,426.81	5,159,016.10	17,265,396	5.0%
2	BUSSINESS	3,239.60	44,084,506.04	2,910,259.47	774,108.79	7,932,748.12	55,704,862	16.0%
3	DOMESTIC	9,347.51	46,198,741.86	20,353,796.98	17,365,742.56	132,455,308.46	216,382,937	62.1%
4	GOVERNMENT	0.00	4,216,103.72	833,050.33	422,340.22	2,947,836.47	8,419,331	2.4%
5	MUNICIPAL	0.00	3,337,994.19	134,437.64	123,389.43	1,215,634.85	4,811,456	1.4%
6	SUNDRY ACCOUNTS	0.00	975,164.65	786,231.36	1,183,108.38	9,347,079.00	12,291,583	3.5%
7	VAT	185.11	12,230,843.24	2,919,874.74	2,412,319.77	15,877,518.66	33,440,742	9.6%
8	TOTAL	13,413	121,832,656	28,759,660	22,775,436	174,935,142	348,316,307	100.0%

9.3 Debtors age analysis per ward

In Table 11 below the total outstanding debt of R348,316,307 is reflected per ward. It is of great concern to note that 30 days and older debt as a percentage of the current debt of 24 of the 33 wards is above 50%. Notably is the percentages of ward 5 (77.9%); ward 6 (91.3%); ward 7 (79.0%); ward 8 (86.4%); ward 9 (86.5%); ward 10 (64.6%); ward 11 (82.7%); ward 12 (89.9%); ward 13 (78.5%); ward 14 (86.1%); ward 16 (67.1%); ward 18 (58.5%); ward 20 (85.2%); ward 21 (83.7%); ward 22 (62.6%); ward 23 (67.5%); ward 24 (81.4%); ward 25 (67.4%); ward 26 (77.3%); ward 27 (81.4%); ward 30 (93.7%); ward 31 (92.1%); ward 32 (86.8%) and ward 33 (67.5%).

Wards that owes the municipality more than R 10,000,000 monetary wise are ward 4 (R15,392,688); ward 9 (R12,879,174); ward 11 (R11,243,302); ward 12 (R12,880,681); ward 15 (R15,075,848); ward 16 (R13,631,920); ward 17 (R12,796,514); ward 18 (R24,349,699); ward 19 (R20,170,595); ward 22 (R10,835,070); ward 28 (R16,067,762); ward 30 (R57,489,805); and ward 31 (R14,952,053).

Recommendation

(9) That it be noted that total outstanding debtors as at 30 April 2018 amounted to R348,316,307 and that 30 days and older debt constitutes 65.0% of total outstanding debtors.

(10) That it be noted that domestic consumers owe the municipality R216,382,937 or 62.1% of the municipality's total debtor's book.

TABLE 11: OUTSTANDING DEBTORS PER WARD AS AT 30 APRIL 2018

WARD	CURRENT 1 (Levied but not billed as yet)	CURRENT 2 (Levied and billed)	30 DAYS +	60 DAYS +	90 DAYS +	TOTAL OUTSTANDING DEBT 30/04/2018	30 DAYS AND OLDER AS A % OF TOTAL DEBT	TOTAL OUTSTANDING DEBT 31/03/2018	INCREASE / (DECREASE)	WARD COUNCILLOR
1	0.00	6,959,985.67	367,644.46	161,884.98	1,523,520.76	9,013,036	22.8%	9,490,393	(477,357)	C KROUTZ
2	1,393.50	3,528,338.03	381,840.76	171,712.74	1,015,255.55	5,098,541	30.8%	8,433,018	(3,334,477)	HJ KOTZE
3	320.40	4,154,565.25	219,916.05	100,515.99	984,802.90	5,460,121	23.9%	5,583,064	(122,944)	WE SMIT
4	1,118.30	10,650,932.02	1,004,264.18	360,189.03	3,376,184.09	15,392,688	30.8%	14,576,996	815,692	J MILLER
5	320.40	1,448,746.36	820,334.52	770,462.26	3,509,569.04	6,549,433	77.9%	6,040,319	509,114	NP MBENENE
6	0.00	809,031.25	2,536,652.77	498,084.86	5,489,513.16	9,333,282	91.3%	9,018,141	315,141	TZ NQORO / NOMANA
7	389.02	916,921.31	484,673.05	326,045.85	2,631,999.23	4,360,028	79.0%	4,260,637	99,392	RB ARNOLDS
8	0.00	464,931.56	287,651.73	606,311.15	2,068,248.81	3,427,143	86.4%	3,261,561	165,582	N.ZIKHALI
9	0.00	1,744,433.28	1,070,907.80	735,606.28	9,328,226.79	12,879,174	86.5%	12,270,672	608,502	TC MANGENA
10	0.00	748,871.73	214,247.13	176,543.67	974,432.57	2,114,095	64.6%	2,051,829	62,266	C KEARNS
11	640.80	1,940,754.85	1,086,161.96	1,555,491.74	6,660,252.44	11,243,302	82.7%	11,116,294	127,008	AC STOWMAN
12	0.00	1,306,855.06	1,587,241.00	1,056,215.48	8,930,689.90	12,880,681	89.9%	12,713,294	167,388	MD NOBULA
13	0.00	635,746.45	242,415.60	155,447.98	1,919,483.90	2,953,094	78.5%	2,874,859	78,235	S ROSS
14	0.00	911,023.01	595,863.19	399,242.92	4,633,143.38	6,539,273	86.1%	6,149,695	389,577	J DE WET
15	752.70	12,137,898.56	889,645.47	298,437.46	1,749,113.43	15,075,848	19.5%	14,937,845	138,002	LW NIEHAUS
16	0.00	4,483,938.89	1,463,008.10	695,579.81	6,989,393.38	13,631,920	67.1%	13,242,229	389,692	DS BLANCKENBERG
17	1,393.50	8,737,192.93	1,064,257.24	485,758.84	2,507,911.41	12,796,514	31.7%	12,052,304	744,210	HJN MATTHEE
18	15,667.08	10,080,616.65	974,394.07	769,489.28	12,509,531.95	24,349,699	58.5%	24,111,231	238,468	AML BUCKLE
19	2,466.60	15,091,004.50	1,046,648.23	368,564.61	3,661,911.31	20,170,595	25.2%	18,119,641	2,050,955	TE BESTER
20	0.00	907,159.10	514,084.41	281,180.19	4,413,265.45	6,115,689	85.2%	6,200,689	(85,000)	PBA CUPIDO
21	0.00	906,427.58	596,352.57	271,129.15	3,791,771.37	5,565,681	83.7%	5,369,056	196,625	E GOUWS
22	640.80	4,046,779.20	820,566.92	492,647.90	5,474,434.97	10,835,070	62.6%	10,836,730	(1,660)	FP CUPIDO
23	2,623.80	1,656,681.04	433,649.68	198,426.80	2,818,742.86	5,110,124	67.5%	4,966,327	143,797	F JACOBS
24	1,539.70	872,233.17	261,661.56	160,733.91	3,403,937.32	4,700,106	81.4%	4,457,844	242,262	MM ADRIAANSE
25	0.00	2,046,342.51	657,777.08	296,187.38	3,275,624.46	6,275,931	67.4%	5,611,848	664,083	LT VAN NIEKERK
26	0.00	1,208,622.88	376,704.74	371,161.33	3,376,025.03	5,332,514	77.3%	5,267,939	64,575	JV ANDERSON
27	0.00	635,700.73	325,446.97	266,908.52	2,196,832.18	3,424,888	81.4%	3,181,041	243,847	VC BOOYSEN
28	1,281.60	10,541,944.78	1,954,021.52	862,959.46	2,707,554.17	16,067,762	34.4%	14,703,157	1,364,604	RH VAN NIEWENHUYZEN
29	669.13	3,229,428.64	451,481.75	298,756.21	2,272,895.01	6,253,231	48.3%	5,869,016	384,215	L WILLEMSE
30	320.40	3,601,443.52	3,948,728.35	8,015,419.66	41,923,892.83	57,489,805	93.7%	54,507,360	2,982,445	J SMIT
31	0.00	1,184,406.48	816,774.14	746,210.79	12,204,661.25	14,952,053	92.1%	18,071,382	(3,119,329)	GH FORD
32	0.00	756,506.35	637,344.30	438,668.47	3,899,203.61	5,731,723	86.8%	5,605,548	126,175	LV NZELE
33	0.00	1,252,466.53	379,644.30	212,133.38	2,012,254.31	3,856,499	67.5%	3,717,235	139,264	SE SEPTEMBER
SUNDRIES	-18,124.71	2,234,726.58	247,654.73	171,327.88	701,182.84	3,336,767	33.6%	3,090,917	245,851	SUNDRIES
TOTAL	13,413	121,832,656	28,759,660	22,775,436	174,935,142	348,316,307	65.0%	341,760,108	6,556,199	

10. Creditors age analysis

The municipality's creditor's age analysis amounted to R2,117,290 as at 30 April 2018 as set out in Table 12 below. Creditors 30 days and older amount to R 0.

Recommendation

(11) That it be noted that outstanding creditors amounted to R2,117,290 as at 30 April 2018.

TABLE 12: CREDITORS AGE ANALYSIS AS AT 30 APRIL 2018

SERIAL NUMBER	CREDITOR	CURRENT	30 DAYS +	60 DAYS +	90 DAYS +	TOTAL AS AT 30/04/2018
1	Superb Signs	25,570	0	0	0	25,570
2	Tuboseal Services Pty Ltd	1,024,098	0	0	0	1,024,098
3	Ubuntu Technology Pty Ltd t/a Ubuntu Technol	1,025,007	0	0	0	1,025,007
4	Wellington Paint & Hardware	6,749	0	0	0	6,749
5	Western Province Suppliers (Pty) Ltd	31,646	0	0	0	31,646
6	Wynland Auto Electrical	4,220	0	0	0	4,220
7	TOTAL	2,117,290	0	0	0	2,117,290

11. Bank, cash, overdraft balances and investments

The municipality's primary and secondary bank accounts reconciles as at 30 April 2018 as can be seen in table 13 below. The primary bank account showed a negative cashbook balance of R3,526,654 at the end of April 2018 whilst the actual bank balance was a positive R45,354,282.

TABLE 13: BANK RECONCILIATION AS AT 30 APRIL 2018

SERIAL NUMBER	DESCRIPTION	FNB Primary Account 62702310385	FNB Billing & Sundry Receipt Account 62702312349	FNB Traffic Account 62071526514	TOTALS
1	Cashbook balance as per 01/04/2018	(3,494,164)	(32,490)	0	(3,526,654)
2	In CB not in GL : Direct Deposit Transfers	11,358	40,096	0	51,454
3	In GL not in CB : Canceled ACB's	0	0	0	0
4	In GL not in CB : ACB's	52,598,115	0	0	52,598,115
5	In GL not in CB : Cheques	0	0	0	0
6	Direct-Deposito-Transfer-in-Cashook	(8,256,506)	(7,606)	0	(8,264,112)
7	Less : Amount receipted but not yet banked	(490,422)	0	0	(490,422)
8	Plus : Cheques issued but not yet cashed	779,210	0	0	779,210
9	Plus : ACB's issued but not yet cashed	4,206,691	0	0	4,206,691
10	Bank statement balance as per 30/04/2018	45,354,282	0	0	45,354,282

Surplus cash is invested on a daily basis. The municipality's investments as at 30 April 2018 is as set out in Table 14 below. The municipality started the beginning of the month with total investments of R219,157,453 and after investments made (R200,000,000), withdrawn (R0) and interest capitalised (R1,044,830) closed with an investments balance of R420,202,283 at the five listed local banks and at Eskom where we do have some shares.

TABLE 14 : INVESTMENTS AS AT 30 APRIL 2018

SERIAL NUMBER	BANK	BALANCE AT 1 APRIL 2018	INVESTMENTS MADE	INVESTMENTS WITHDRAWN	INTEREST CAPITALISED	BALANCE AT 30 APRIL 2018	INTEREST EARNED YEAR-TO-DATE	INTEREST RATE
1	ABSA BANK	21,705,079		0	100,013	21,805,092	822,779	6.500%
2	ABSA BANK	22,096,285		0	102,234	22,198,518	822,657	6.500%
3	ABSA BANK	21,858,102		0	100,883	21,958,985	849,720	6.500%
4	ABSA BANK	21,928,933		0	101,285	22,030,217	814,419	6.500%
5	ABSA BANK	21,944,908		0	101,375	22,046,283	822,287	6.500%
6	FNB	1,107,028	0	0	62,548	1,169,576	3,081,156	6.500%
7	FNB	0	100,000,000	0	0	100,000,000	0	6.500%
8	STANDARD BANK	108,000,000	0	0	474,312	108,474,312	474,312	6.450%
9	STANDARD BANK	384,128	0	0	2,181	386,309	4,300,624	6.500%
10	STANDARD BANK	0	100,000,000	0	0	100,000,000	0	6.500%
11	NEDBANK	(0)	0	0	0	(0)	513,615	6.300%
12	ESKOM	132,990	0	0	0	132,990	0	13.500%
11	GRAND TOTAL	219,157,453	200,000,000	0	1,044,830	420,202,283	12,501,570	7.344%

Recommendation

(12) That it be noted that the primary bank account had a positive bank balance at 30 April 2018 which amounted to R45,354,282.

(13) That it be noted that total investments in cash and shares amounted to R420,202,283 as at 30 April 2018 at the five local banks and Eskom.

12. RECOMMENDATIONS

Based on the contents of this report it is recommended to the Mayoral Committee and Council that:

- (1) It be noted that the variance between the actual operating revenue (R1,679,175,217) and the pro rata budgeted operating revenue (R1,694,339,815) has a negative variance of R15,164,599 or 0.90%;
- (2) It be noted that the variance between the actual operating expenditure (R1,436,281,424) and the pro rata budgeted operating expenditure (R1,444,921,196) has a positive variance of R8,639,774 or 0.60%;
- (3) It be noted that the actual capital expenditure of R445,852,588 and the pro rata budgeted capital expenditure of R530,558,704 realised under spending of R84,706,116 or 15.97%;
- (4) It be noted that actual capital expenditure of R445,852,588 represents 53.16% of the total capital budget of R838,669,081 after ten months of the financial year;
- (5) It be noted that the actual and committed capital expenditure of R694,638,829 compared with the capital expenditure budget of R838,669,081 represent a spending percentage of 82.83% after ten months of the financial year;
- (6) It be noted that external borrowings amounted to R1,465,349,326 as at 30 April 2018 and that it represents 67.97% of Drakenstein's total budgeted operating revenue of R2,155,731,115 for the 2017/2018 financial year;
- (7) It be noted that unspent conditional and unconditional grants amounted to R143,981,660 at the end of April 2018;

- (8) It be noted that the actual employee related cost expenditure of R434,196,670 compared with the pro rata budgeted expenditure of R431,352,239 relates to a negative variance of R2,844,431 or 0.66%;
- (9) It be noted that total outstanding debtors as at 30 April 2018 amounted to R348,316,307 and that 30 days and older debt constitutes 65.0% of total outstanding debtors;
- (10) It be noted that domestic consumers owe the municipality R216,382,937 or 62.1% of the municipality's total debtor's book;
- (11) It be noted that outstanding creditors amounted to R2,117,290 as at 30 April 2018;
- (12) It be noted that the primary bank account had a positive bank balance at 30 April 2018 which amounted to R45,354,282; and
- (13) It be noted that total investments in cash and shares amounted to R420,202,283 as at 30 April 2018 at the five local banks and Eskom.
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