



# In-Year Report of the Municipal Entity

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009.

## Monthly Budget Statement JUNE 2017

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# **PART 1 – IN-YEAR REPORT**

## **Section 1 – Chairperson’s Report**

### ***1.1 In-Year Report - Monthly Budget Statement***

The monthly budget statement for the month of June has been prepared in accordance with the Municipal Budget and Reporting Regulations, 2008.

### **1.2 Implementation of the budget in accordance with the APP**

It is planned that quarterly assessments on implementation of the budget will be performed in line with the approved APP/Service Delivery and Budget Implementation Plan.

### **1.3 Financial risks or problems facing the entity**

The audit report of 2014/15 financial year raised concerns regarding the going concern status of ASPIRE. Whilst the 2015/16 audit did not raise this matter, however current cash-flow forecasts points to going concern difficulties of ASIRE. This concern continues to haunt the overall sustainability of the entity due to the following reasons:

- ✓ Payroll costs for the year have been adjusted downwards to R10,3 million, ASPIRE requires R14,5 million to realistically finance on-going operational costs (including payroll). For continued financial sustainability of the entity, payroll costs are high (71% of operating costs).
- ✓ During the 2015/16 financial period, output VAT totaling R1,1 million was not declared to SARS. Declaring these amounts as part of the 2016/17 VAT 201 returns will result in cash flow difficulties for the entity and will further attract interest and penalties as the entity will not have cash to pay for these declarations.
- ✓ The ADM council took a resolution in January 2016 to include ASPIRE on the roll-out of SAP(Financial Accounting System) as well as Municipal Standard Chart of Accounts (mSCOA) on the proviso that price negotiations ensue with the service provider. A process of supporting ASPIRE towards the roll-out of these projects is still underway. Revised project proposals totaling approximately R10.2 million for both projects have been received. However ADM only confirmed a budget provision of R6 million towards supporting ASPIRE in the 2017/18 financial year. An application for non-compliance was submitted to national treasury but was however rejected.
- ✓ Due to the prevailing cash-flow difficulties, ASPIRE is unable to fully establish an SCM unit with adequately capacitated staff and relies fully on support provided by the ADM towards work on this unit.
- ✓ Projects that ASPIRE continues to implement on behalf of third parties (Natural Resources Management and Adopt a Spot) do not yield project implementation fees sufficient to finance their day-to-day operating costs. This results in ASPIRE having to partly finance their operational costs from her own budget.
- ✓ Current projects being implemented by ASPIRE have a life span of approximately 9-18months. There are no additional planned projects to be implemented.

## **Section 2 – Resolutions**

### ***IN-YEAR REPORTS 2016/2017***

That the board take note of the contents in the in-year monthly report for June 2017 as set out in the schedules contained in Section 4

### ***RECOMMENDATION:***

That Board notes the monthly budget statement and supporting documentation for June 2017.

## **Section 3 – Executive Summary**

### **3.1 Introduction**

This report has been prepared in accordance with the Municipal Budget and Reporting Regulations, 2008 and in line with Section 87 of the Municipal Finance Management Act, 2003.

### **3.2 Consolidated performance**

#### **3.2.1 Against annual budget (original approved) Revenue by Source**

#### **Operating Revenue**

For the month of June 2017, operating revenue collections were fully recognized. All the transfers from the parent municipality (ADM) were effected.

Other revenue – Only revenue recognition on Adopt a Spot, NRM, BCMM and NDPG have been realized as at the reporting period. Also included in this category is project implementation fees totaling to R645k. Current collections on other revenue depict an under-collection of 32% (R3 million). This is as a result of slow expenditure on the budgeted allocations from the Department of Environmental Affairs (NRM and Adopt a Spot) as revenue on grants is recognized in line with actual expenditure incurred on that particular grant.

#### **Operating Expenditure**

Operating expenditure for the month of June 2017 depicts an under-expenditure of 14% (R3,2 million). Accruals as at 30 June 2017 have not yet been processed as these will be processed after 15 July when finalizing the AFS. Also, slow expenditure on projects under implementation has resulted in the reported under expenditure as well as the implementation of austerity measures as declared by the Board.

#### **Capital expenditure**

The agency's adjusted budget includes R615 000 on purchase of computers and software. However, no expenditure has been incurred as at the reporting period. Capital expenditure incurred to date totals to R944 thousand on projects currently under implementation. However, this type of expenditure does not get capitalized as part of ASPIRE fixed assets as it relates to projects that we implement on behalf of third parties.

### **3.3 Material variances from APP**

Reporting in line with targets as set out in the Annual Performance Plan is done separately and submitted to the Board on a Quarterly basis and is included as a separate report.

# Section 4 – In-year budget statement tables

## 4.1 Monthly budget statements

Amathole Economic Development Agency - Table F1 Monthly Budget Statement Summary - M12 June

Description	2015/16	Current Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	150	17	184	-	0	#DIV/0!	184
Transfers recognised - operational	18,558	17,501	12,521	-	12,521	12,521	-	-	12,521
Other own revenue	18,979	2,500	10,777	767	7,346	10,777	(3)	-32%	7,346
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>37,537</b>	<b>20,001</b>	<b>23,449</b>	<b>784</b>	<b>20,051</b>	<b>23,299</b>	<b>(3,247)</b>	<b>(0)</b>	<b>20,051</b>
Employee costs	14,989	13,168	10,503	723	10,354	10,503	(149)	(0)	10,354
Remuneration of Board Members	960	653	740	73	749	740	9	0	749
Depreciation and asset impairment	184	385	169	-	127	169	(42)	(0)	127
Finance charges	3	-	-	-	43	-	43	#DIV/0!	43
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	20,833	125,919	12,036	829	8,768	12,036	(3,268)	(0)	8,768
<b>Total Expenditure</b>	<b>36,969</b>	<b>140,125</b>	<b>23,449</b>	<b>1,625</b>	<b>20,040</b>	<b>23,449</b>	<b>(3,408)</b>	<b>(0)</b>	<b>20,040</b>
<b>Surplus/(Deficit)</b>	<b>568</b>	<b>(120,124)</b>	<b>-</b>	<b>(841)</b>	<b>11</b>	<b>(150)</b>	<b>161</b>	<b>(0)</b>	<b>11</b>
Transfers recognised - capital	-	120,124	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>568</b>	<b>-</b>	<b>-</b>	<b>(841)</b>	<b>11</b>	<b>(150)</b>	<b>161</b>	<b>(0)</b>	<b>11</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>568</b>	<b>-</b>	<b>-</b>	<b>(841)</b>	<b>11</b>	<b>(150)</b>	<b>161</b>	<b>(0)</b>	<b>11</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>									
Transfers recognised - capital	11,535	93,630	8,952	-	944	8,952	(8,008)	(0)	944
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>11,535</b>	<b>93,630</b>	<b>8,952</b>	<b>-</b>	<b>944</b>	<b>8,952</b>	<b>(8,008)</b>	<b>(0)</b>	<b>944</b>
<b>Financial position</b>									
Total current assets	16,744	-	-	-	9,378	-	-	-	-
Total non current assets	368	-	-	-	247	-	-	-	-
Total current liabilities	15,895	-	-	-	8,399	-	-	-	-
Total non current liabilities	-	-	-	-	-	-	-	-	-
<b>Community wealth/Equity</b>	<b>1,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows</b>									
Net cash from (used) operating	1,005	120,509	8,952	1,009	(7,204)	8,952	(16,157)	(0)	(7,204)
Net cash from (used) investing	(134)	(120,124)	(8,952)	-	-	(8,952)	8,952	(0)	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>16,311</b>	<b>15,824</b>	<b>15,439</b>	<b>1,009</b>	<b>(7,204)</b>	<b>-</b>	<b>(7,204)</b>	<b>#DIV/0!</b>	<b>8,235</b>
<b>Debtors &amp; creditors analysis</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 - 120 Days</b>	<b>121 - 150 Days</b>	<b>151 - 180 Days</b>	<b>181 Days - 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Revenue Source	-	-	-	-	-	-	150	-	150
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

## 4.2 Financial Performance (revenue and expenditure)

Amathole Economic Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	2015/16	Current Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	150	17	184	-	184	#DIV/0!	184
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	18,558	17,501	12,521	-	12,521	12,521	-	-	12,521
Other revenue	18,976	2,500	10,777	767	7,346	10,777	(3,431)	-31.8%	7,346
Gains on disposal of PPE	3	-	-	-	-	-	-	-	-
								-13.9%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>37,537</b>	<b>20,001</b>	<b>23,449</b>	<b>784</b>	<b>20,051</b>	<b>23,299</b>	<b>(3,247)</b>		<b>20,051</b>
<b>Expenditure By Type</b>									
Employee related costs	14,989	13,168	10,503	723	10,354	10,503	(149)	-1.4%	10,354
Remuneration of Directors	960	653	740	73	749	740	9	1.2%	749
Debt impairment	-	-	-	-	-	-	-	-	-
Collection costs	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	184	385	169	-	127	169	(42)	-25.0%	127
Finance charges	3	-	-	-	43	-	43	#DIV/0!	43
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	20,833	125,919	12,036	829	8,768	12,036	(3,268)	-27.2%	8,768
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>36,969</b>	<b>140,125</b>	<b>23,449</b>	<b>1,625</b>	<b>20,040</b>	<b>23,449</b>	<b>(3,408)</b>	<b>-14.5%</b>	<b>20,040</b>
<b>Surplus/(Deficit)</b>	<b>568</b>	<b>(120,124)</b>	<b>-</b>	<b>(841)</b>	<b>11</b>	<b>(150)</b>	<b>161</b>	<b>-107.2%</b>	<b>11</b>
Transfers recognised - capital	-	120,124	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributions of PPE	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>	<b>568</b>	<b>-</b>	<b>-</b>	<b>(841)</b>	<b>11</b>	<b>(150)</b>	<b>161</b>	<b>-107.2%</b>	<b>11</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>568</b>	<b>-</b>	<b>-</b>	<b>(841)</b>	<b>11</b>	<b>(150)</b>	<b>161</b>		<b>11</b>

## 4.3 Capital Expenditure

Amathole Economic Development Agency - Table F3 Monthly Budget Statement - Capital Expenditure - M12 June

Vote Description	2015/16	Current Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure</b>									
<i>Insert programme/projects description</i>							-		
							-		
							-		
							-		
							-		
							-		
							-		
<b>Capital multi-year expenditure sub-total</b>	-	-	-	-	-	-	-		-
<b>Single Year expenditure</b>									
<i>Insert single year budgets and indicative estimates</i>							-		
NDPG	-	5,600	-	-	-	-	-		-
Adopt a Spot	-	6,666	3,802	-	126	3,802	(3,676)	-96.7%	126
Waste Management	-	15,000	-	-	-	-	-		-
Idutywa CBD Upgrade	-	67,000	-	-	-	-	-		-
Alice Transport Hub	11,535	11,000	239	-	239	239	(0)	0.0%	239
Emthonjeni Arts	-	30	-	-	-	-	-		-
Waste Management	-	750	754	-	-	754	(754)	-100.0%	-
Rural Development/Agriculture	-	5,000	-	-	-	-	-		-
Heritage, Culture and Tourism	-	5,000	-	-	-	-	-		-
Natural Resource Management	-	4,078	4,157	-	579	4,157	(3,579)	-86.1%	579
<b>Capital single-year expenditure sub-total</b>	11,535	120,124	8,952	-	944	8,952	(8,008)	-89.5%	944
<b>Total Capital expenditure</b>	11,535	120,124	8,952	-	944	8,952	(8,008)	-89.5%	944
<b>Funded by:</b>									
National Government	11,535	67,000	239	-	239	239	(0)	0.0%	239
Provincial Government		10,030	8,713	-	705	8,713	(8,008)	-91.9%	705
Parent Municipality		16,600	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>	11,535	93,630	8,952	-	944	8,952	(8,008)	-89.5%	944
<b>Public contributions &amp; Donations</b>							-		
<b>Borrowing</b>							-		
<b>Internally generated funds</b>							-		
<b>Total Capital Funding</b>	11,535	93,630	8,952	-	944	8,952	(8,008)	-89.5%	944



## 4.4 Financial Position

Amathole Economic Development Agency - Table F4 Monthly Budget Statement - Financial Position - M12 June

Vote Description	2015/16	Current Year 2016/17			Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	750	-	-	91	-
Call investment deposits	15,560	-	-	9,137	-
Consumer debtors	-	-	-	-	-
Other debtors	433	-	-	150	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<b>Total current assets</b>	<b>16,744</b>	<b>-</b>	<b>-</b>	<b>9,378</b>	<b>-</b>
<b>Non current assets</b>					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	358	-	-	247	-
Agricultural assets	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	10	-	-	-	-
<b>Total non current assets</b>	<b>368</b>	<b>-</b>	<b>-</b>	<b>247</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>17,112</b>	<b>-</b>	<b>-</b>	<b>9,626</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	-	-	-
Consumer deposits	-	-	-	-	-
Trade and other payables	15,895	-	-	7,957	-
Provisions	-	-	-	442	-
<b>Total current liabilities</b>	<b>15,895</b>	<b>-</b>	<b>-</b>	<b>8,399</b>	<b>-</b>
<b>Non current liabilities</b>					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
<b>Total non current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>15,895</b>	<b>-</b>	<b>-</b>	<b>8,399</b>	<b>-</b>
<b>NET ASSETS</b>	<b>1,216</b>	<b>-</b>	<b>-</b>	<b>1,227</b>	<b>-</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	1,215	-	-	1,226	-
Reserves	-	-	-	-	-
Share capital	1	-	-	1	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,216</b>	<b>-</b>	<b>-</b>	<b>1,227</b>	<b>-</b>

## 4.5 Cash Flows

Amathole Economic Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M12 June

Description	2015/16	Current Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	-	-	-	-	-	-	-	-	-
Government - operating	37,899	140,125	23,449	4,136	56,629	23,449	33,180	141.5%	56,629
Government - capital	-	-	-	-	-	-	-	-	-
Interest	58	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(36,951)	(19,616)	(14,496)	(3,126)	(63,833)	(14,496)	(49,337)	340.3%	(63,833)
Finance charges	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1,005</b>	<b>120,509</b>	<b>8,952</b>	<b>1,009</b>	<b>(7,204)</b>	<b>8,952</b>	<b>82,517</b>	<b>921.7%</b>	<b>(7,204)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	7	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(141)	(120,124)	(8,952)	-	-	(8,952)	8,952	-100.0%	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(134)</b>	<b>(120,124)</b>	<b>(8,952)</b>	<b>-</b>	<b>-</b>	<b>(8,952)</b>	<b>(8,952)</b>	<b>100.0%</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>871</b>	<b>385</b>	<b>-</b>	<b>1,009</b>	<b>(7,204)</b>	<b>-</b>	<b>(7,204)</b>	<b>#DIV/0!</b>	<b>(7,204)</b>
Cash/cash equivalents at the year begin:	15,439	15,439	15,439						15,439
Cash/cash equivalents at the year end:	16,311	15,824	15,439	1,009	(7,204)	-	(7,204)	#DIV/0!	8,235

# PART 2 – SUPPORTING DOCUMENTATION

## Section 5 – Debtors' analysis

Amathole Economic Development Agency - Supporting Table F3 Entity Aged debtors - M12 June

Detail	NT Code	Current Year 2016/17									Total	Bad Debts	>90 days
		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				
<b>Debtors Age Analysis By Revenue Source</b>													
Rates	1200	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Water	1400	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage / Sanitation	1500	-	-	-	-	-	-	-	-	-	-	-	-
Refuse Removal	1600	-	-	-	-	-	-	-	-	-	-	-	-
Housing (Rental Revenue)	1700	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	150	-	150	-	150
<b>Total By Income Source</b>	<b>2000</b>	-	-	-	-	-	-	-	<b>150</b>	-	<b>150</b>	-	<b>150</b>
<b>Debtors Age Analysis By Customer Group</b>													
Government	2200	-	-	-	-	-	-	-	-	-	-	-	-
Business	2300	-	-	-	-	-	-	-	-	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	-	-	-	-	-	-	-	-	-	-	-	-

## SUNDRY DEBTORS

VAT Control : R 33 398

Deposits R 44 000

Sundry Debtors R 72 471

The entity only has debtors totaling **R150k** in respect of VAT Control; Deposits and Sundry Debtors. No major debtors exist as we do not provide services to communities but rather implement projects on behalf of either ADM and /or Sector Departments.

## Section 6 - Creditors' analysis

Amathole Economic Development Agency - Supporting Table F4 Entity Aged creditors - M12 June

Detail	NT Code	Current Year 2016/17								Total
		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	
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	(1)	(32)	(31)	60	8	8,395	-	-	8,399
<b>Total By Customer Type</b>	<b>2600</b>	<b>(1)</b>	<b>(32)</b>	<b>(31)</b>	<b>60</b>	<b>8</b>	<b>8,395</b>	<b>-</b>	<b>-</b>	<b>8,399</b>

## CREDITORS

Sundry Creditors: R 599 627

Provisions: R 441 997

Unspent Grants: R7 357 347

The entity only has creditors totaling **R8,4 million** in respect of Sundry Creditors; Provisions and Unspent Conditional Grants that are cash backed except for those emanating prior the 2015 financial year.

## Section 7 – Investment portfolio analysis

### 7.1 Supporting Table F5

Currently the municipal entity has no significant investments. Only call accounts opened on behalf of unspent conditionals grants exist.

Amathole Economic Development Agency - Supporting Table F5 Entity investment portfolio monthly statement - M12 June

Investments by maturity Name of institution & investment ID R thousands	Current Year 2016/17							
	Period of investment Months	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
						Begin	Change	End
Adopt a Spot Call		Call						1,141
BCM Waste Call		Call						53
NRM Call		Call						3,280
AEDA Call		Call						2,627
NDPG Call		Call						2,024
Bwattle Call		Call						6
EA Operations		Call						6
<b>Total investments</b>								<b>9,137</b>

**NB: EXCEPT FOR AEDA CALL, ALL THESE CALL ACCOUNTS ARE HELD IN LIEU OF UNSPENT GRANTS.**

## **Section 8 – Allocation and grant receipts and expenditure**

There has not been any allocations received during the reporting month.

## **Section 9 - Material variances from APP**

Reporting in line with targets as set out in the Annual Performance Plan is done separately and submitted to the Board on a Quarterly basis and are included as a separate report.

# Section 10 – Expenditure on board member’s allowances and employee benefits

Amathole Economic Development Agency - Supporting Table F6 Entity Board member allowances & staff benefits - M12 June

Summary of Employee and Board Member remuneration	2015/16	Current Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C					%	D
<b>Remuneration</b>									
<b>Board Members of Entities</b>									
Basic Salaries	-	-	-	-	-	-	-	-	-
Pension Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	-	-	-	-	-	-	-	-
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
In-kind benefits	-	-	-	-	-	-	-	-	-
Board Fees	960	653	740	73	749	598	151	25.2%	749
<b>Sub Total - Board Members of Entities</b>	<b>960</b>	<b>653</b>	<b>740</b>	<b>73</b>	<b>749</b>	<b>598</b>	<b>151</b>	<b>25.2%</b>	<b>749</b>
% increase		-32.0%	-22.9%						-22.0%
<b>Senior Managers of Entities</b>									
Basic Salaries	6,766	4,308	3,349	278	3,139	3,949	(810)	-20.5%	3,139
Pension Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	-	-	22	225	-	225	#DIV/0!	225
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Other benefits or allowances	197	-	-	-	275	-	275	#DIV/0!	275
Performance Bonus	-	-	-	-	-	-	-	-	-
In-kind benefits	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>	<b>6,963</b>	<b>4,308</b>	<b>3,349</b>	<b>300</b>	<b>3,639</b>	<b>3,949</b>	<b>(310)</b>	<b>-7.8%</b>	<b>3,639</b>
% increase		-38.1%	-51.9%						-47.7%
<b>Other Staff of Entities</b>									
Basic Salaries	6,783	8,980	7,154	336	5,381	8,231	(2,850)	-34.6%	5,381
Pension Contributions	767	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	-	-	12	144	-	144	#DIV/0!	144
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Other benefits or allowances	476	-	-	-	84	-	84	#DIV/0!	84
In-kind benefits	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>	<b>8,026</b>	<b>8,980</b>	<b>7,154</b>	<b>348</b>	<b>5,609</b>	<b>8,231</b>	<b>(2,622)</b>	<b>-31.9%</b>	<b>5,609</b>
% increase		11.9%	-10.9%						-30.1%
<b>Total Municipal Entities remuneration</b>	<b>15,949</b>	<b>13,941</b>	<b>11,243</b>	<b>721</b>	<b>9,997</b>	<b>12,779</b>	<b>(2,782)</b>	<b>-21.8%</b>	<b>9,997</b>
Unpaid salary, allowances & benefits in arrears:									

## Section 11 – SCM Report

<b>RANGE : &gt;R2 000 &lt;R30 000 (FORMAL WRITTEN PRICE QUOTATIONS)</b>					
<b>Date</b>	<b>Name of Supplier</b>	<b>PO #</b>	<b>Vote no</b>	<b>Description</b>	<b>Amount</b>
6/6/2017	U-RENT	PO102280	4292/030	Adopt a spot project Expenditure	6,991
9/6/2017	Sure Travel	PO102282	4650/000	Traveling Exp for Ms Machaka	2,664
9/6/2017	Sure Travel	PO102285	4650/000	Traveling Exp for Mr Qunta	3,334
9/6/2017	Sure Travel	PO102286	4650/000	Travel for Ms Estelle Gautier	3,678
12/6/2017	Lelam Aphele Construction	PO102289	4292/010	Adopt a spot project Expenditure	13,600
14/06/2017	Rose Innes Auctions	PO102292	3010/000	Auction of Assets	6,140
26/06/2017	ARCT BLOX	PO102296	4000/000	Labour relations 4hr session	4,800
26/06/2017	Brain Wave projects	PO102298	4292/010	Adopt a spot project Expenditure	10,200
29/06/2017	Ziduli Trading	PO102302	4292/010	Adopt a spot project Expenditure	23,000
<b>TOTAL EXPENDITURE: JUNE- 2017</b>					<b>74,408</b>
<b>RANGE : &gt;R30 000 &lt;R200 000 (COMPETITIVE BIDDING)</b>					
21/06/2017	UFH Trading Solutions	PO102294	4460/000	Staff training	51,478
28/06/2017	Gubanca Somdaka Pty Ltd	PO102300	4292/010	Adopt a spot project Expenditure	98,000
28/06/2017	Striving to Satisfy	PO102301	4292/010	Adopt a spot project Expenditure	126,750
28/06/2017	Nkuthalo Pty Ltd	PO102299	4292/010	Adopt a spot project Expenditure	80,000
<b>TOTAL EXPENDITURE: JUNE- 2017</b>					<b>356,228</b>
					<b>430,636</b>

### **COMPETITIVE BIDDING: >R200 000**

Project Name : Alice Transport Hub

Procurement processes for this process have not as yet been finalized. It is anticipated that these will be finalized by 31 July.



# Chief Executive Officer's quality certification

I, Nomaxabiso Klaas, the Chief Executive Officer of Amathole Economic Development Agency, hereby certify that –

- the monthly budget statement

for the month of June (M12) of 2016/ 2017 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: **N. Klaas**

Amathole Economic Development Agency

Signature :



Date: 07 July 2017