



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 OCTOBER 2016

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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 September 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. This concern continues to haunt the overall sustainability of the entity due to the following reasons:

- ✓ Whilst the board approved and submitted an operating budget totaling to R17,5 million to the parent municipality, the total amount included as approved budget for the entity by the parent municipality only equals to R12,5 million.
- ✓ Payroll costs alone for the year are budgeted at R13,1 million. Current expenditure trends reflect that if the entity’s budget is not adjusted upwards by the parent municipality during the year, the entity will not be able to continue to operate from the beginning of the third quarter.
- ✓ The entity is a registered VAT Vendor with SARS and all revenue/drawdowns received from the parent municipality attract Output VAT. However the total operational budget allocation approved by the parent municipality already includes output VAT at 14% resulting in the actual approved budget available being reduced to only R10,9 million.
- ✓ Whilst the current anticipated revenue to be received from third party grants totals R120,1 million, these funds were however not confirmed in writing prior being brought into the budget. Failure to receive these funds will likely result in the budget being adjusted downwards during the mid-year budget review.
- ✓ 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. Whilst ADM has progressed with Phase 1A and 1B implementation of SAP (General Ledger, SCM, Accounts payable and Document Management, HR and Personnel module), ASPIRE was left out of this process. There does not seem to be a tangible roll-out plan received from ADM regarding both the mSCOA reform as well as SAP rollout.
- ✓ Failure by the ADM to process Q2 allocation will result in ASPIRE being unable to effect both payroll and operational payments for the month of November 2016.

Section 2 – Resolutions

IN-YEAR REPORTS 2015/2016

That the board take note of the contents in the in-year monthly report for October 2016 as set out in the schedules contained in Section 4

RECOMMENDATION:

That Board notes the monthly budget statement and supporting documentation for October 2016.

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 October 2016, operating revenue collections depict an under-collection of 32% (R1.8 million). Whilst the first quarter allocation from ADM was transferred in July, however this allocation was not in line with the actual anticipated receipts from ADM. An invoice for Q2 allocation was submitted to ADM in October but we still await transfer of these funds.

Other revenue (Budgeted Grants) – No transfers have been received in this component of revenue. Anticipated funds from the various funders did not come true. Requests for funding have been submitted to the following institutions:

- Wholesale and Retail SETA
- National Skills Fund – Rural Development
- National Lottery (Funding Proposal submitted was subsequently declined)
- Sports, Recreation, Arts and Culture (Still awaiting a response)
- Department of Economic Development, Environment and Tourism (Funding Proposal was subsequently declined)

Regarding NDPG Grant, these funds are already on our bank account. However, a roll-over application was submitted to NT. The application was subsequently rejected by NT in September and ADM required that these funds be transferred back to their account. Full transfer was then effected in November returning the unspent funds to ADM.

Operating Expenditure

Operating expenditure for the month of October 2016 depicts an under-expenditure of 84% (R39.4 million). This is as a result of a 92% under-expenditure on the budget provision made on projects. Current indications are that most of these funds will not be received during the year.

Capital expenditure

The agency has budgeted R300 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 R1.1 million 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.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

Amathole Economic Development Agency - Table F1 Monthly Budget Statement Summary - M04 October

| 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 |
| R thousands | | | | | | | | | |
| Financial Performance | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - | - | - | - |
| Investment revenue | - | - | - | 8 | 61 | - | 0 | #DIV/0! | 242 |
| Transfers recognised - operational | 18,558 | 17,501 | - | 312 | 3,967 | 5,834 | (2) | -32% | 15,869 |
| Other own revenue | 18,979 | 2,500 | - | - | 1,932 | 833 | 1 | 132% | 7,729 |
| Total Revenue (excluding capital transfers and contributions) | 37,537 | 20,001 | - | 320 | 5,960 | 6,667 | (707) | (0) | 23,840 |
| Employee costs | 14,989 | 13,168 | - | 939 | 3,836 | 4,389 | (553) | (0) | 15,344 |
| Remuneration of Board Members | 845 | 653 | - | 56 | 197 | 218 | (21) | (0) | 788 |
| Depreciation and asset impairment | 184 | 385 | - | - | 42 | 128 | (86) | (0) | 170 |
| Finance charges | 3 | - | - | - | 0 | - | 0 | #DIV/0! | - |
| Materials and bulk purchases | - | - | - | - | - | - | - | - | - |
| Transfers and grants | - | - | - | - | - | - | - | - | - |
| Other expenditure | 21,055 | 125,919 | - | 289 | 3,192 | 41,973 | (38,781) | (0) | 12,769 |
| Total Expenditure | 37,076 | 140,125 | - | 1,283 | 7,268 | 46,708 | (39,440) | (0) | 29,071 |
| Surplus/(Deficit) | 460 | (120,124) | - | (963) | (1,308) | (40,041) | 38,734 | (0) | (5,230) |
| Transfers recognised - capital | - | 120,124 | - | - | - | - | - | - | 120,124 |
| Contributions recognised - capital & contributed assets | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 460 | - | - | (963) | (1,308) | (40,041) | 38,734 | (0) | 114,893 |
| Taxation | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 460 | - | - | (963) | (1,308) | (40,041) | 38,734 | (0) | 114,893 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | | | | | | | | | |
| Transfers recognised - capital | - | 93,630 | - | - | - | 31,210 | (31,210) | (0) | 93,630 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | - | - | - | - | - | - | - | - | - |
| Total sources of capital funds | - | 93,630 | - | - | - | 31,210 | (31,210) | (0) | 93,630 |
| Financial position | | | | | | | | | |
| Total current assets | 16,871 | - | - | - | 15,888 | - | - | - | - |
| Total non current assets | 368 | - | - | - | 332 | - | - | - | - |
| Total current liabilities | 15,938 | - | - | - | 16,777 | - | - | - | - |
| Total non current liabilities | - | - | - | - | - | - | - | - | - |
| Community wealth/Equity | 1,301 | 1 | - | - | (558) | - | - | - | 1 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 1,005 | 120,509 | - | - | - | 40,170 | (40,170) | (0) | - |
| Net cash from (used) investing | (134) | (120,124) | - | - | - | (40,041) | 40,041 | (0) | (120,124) |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the year end | 16,311 | 15,824 | 15,439 | - | - | 128 | (128) | (0) | (104,685) |
| Debtors & creditors analysis | 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 |
| Debtors Age Analysis | | | | | | | | | |
| Total By Revenue Source | - | - | - | - | - | - | - | - | - |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | (1) | 0 | 1 | 123 | 12 | - | - | - | 135 |

4.2 Financial Performance (revenue and expenditure)

Amathole Economic Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

| 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 |
| R thousands | | | | | | | | | |
| Revenue By Source | | | | | | | | | |
| 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 | - | - | - | 8 | 61 | - | 61 | #DIV/0! | 242 |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - |
| Dividends received | - | - | - | - | - | - | - | - | - |
| Fines | - | - | - | - | - | - | - | - | - |
| Licences and permits | - | - | - | - | - | - | - | - | - |
| Agency services | - | - | - | - | - | - | - | - | - |
| Transfers recognised - operational | 18,558 | 17,501 | - | 312 | 3,967 | 5,834 | (1,866) | -32.0% | 15,869 |
| Other revenue | 18,976 | 2,500 | - | - | 1,932 | 833 | 1,099 | 131.9% | 7,729 |
| Gains on disposal of PPE | 3 | - | - | - | - | - | - | - | - |
| | | | | | | | | -10.6% | |
| Total Revenue (excluding capital transfers and contributions) | 37,537 | 20,001 | - | 320 | 5,960 | 6,667 | (707) | | 23,840 |
| Expenditure By Type | | | | | | | | | |
| Employee related costs | 14,989 | 13,168 | - | 939 | 3,836 | 4,389 | (553) | -12.6% | 15,344 |
| Remuneration of Directors | 845 | 653 | - | 56 | 197 | 218 | (21) | -9.5% | 788 |
| Debt impairment | - | - | - | - | - | - | - | - | - |
| Collection costs | - | - | - | - | - | - | - | - | - |
| Depreciation & asset impairment | 184 | 385 | - | - | 42 | 128 | (86) | -66.9% | 170 |
| Finance charges | 3 | - | - | - | 0 | - | 0 | #DIV/0! | - |
| Bulk purchases | - | - | - | - | - | - | - | - | - |
| Other materials | - | - | - | - | - | - | - | - | - |
| Contracted services | - | - | - | - | - | - | - | - | - |
| Transfers and grants | - | - | - | - | - | - | - | - | - |
| Other expenditure | 21,055 | 125,919 | - | 289 | 3,192 | 41,973 | (38,781) | -92.4% | 12,769 |
| Loss on disposal of PPE | - | - | - | - | - | - | - | - | - |
| Total Expenditure | 37,076 | 140,125 | - | 1,283 | 7,268 | 46,708 | (39,440) | -84.4% | 29,071 |
| Surplus/(Deficit) | 460 | (120,124) | - | (963) | (1,308) | (40,041) | 38,734 | -96.7% | (5,230) |
| Transfers recognised - capital | - | 120,124 | - | - | - | - | - | - | 120,124 |
| Contributions recognised - capital | - | - | - | - | - | - | - | - | - |
| Contributions of PPE | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) before taxation | 460 | - | - | (963) | (1,308) | (40,041) | 38,734 | -96.7% | 114,893 |
| Taxation | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 460 | - | - | (963) | (1,308) | (40,041) | 38,734 | | 114,893 |

4.3 Capital Expenditure

Amathole Economic Development Agency - Table F3 Monthly Budget Statement - Capital Expenditure - M04 October

| 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 |
| R thousands | | | | | | | | | |
| Multi-Year expenditure | | | | | | | | | |
| <i>Insert programme/projects description</i> | | | | | | | - | | |
| | | | | | | | - | | |
| | | | | | | | - | | |
| | | | | | | | - | | |
| | | | | | | | - | | |
| | | | | | | | - | | |
| | | | | | | | - | | |
| Capital multi-year expenditure sub-total | - | - | - | - | - | - | - | | - |
| Single Year expenditure | | | | | | | | | |
| <i>Insert single year budgets and indicative estimates</i> | | | | | | | - | | |
| NDPG | - | 5,600 | - | - | 239 | 1,867 | (1,627) | -87.2% | 5,600 |
| Adopt a Spot | - | 6,666 | - | - | 227 | 2,222 | (1,995) | -89.8% | 6,666 |
| Waste Management | - | 15,000 | - | - | - | 5,000 | (5,000) | -100.0% | 15,000 |
| Idutywa CBD Upgrade | - | 67,000 | - | - | - | 22,333 | (22,333) | -100.0% | 67,000 |
| Alice Transport Hub | - | 11,000 | - | - | - | 3,667 | (3,667) | -100.0% | 11,000 |
| Emthonjeni Arts | - | 30 | - | - | - | 10 | (10) | -100.0% | 30 |
| Waste Management | - | 750 | - | - | - | 250 | (250) | -100.0% | 750 |
| Rural Development/Agriculture | - | 5,000 | - | - | - | 1,667 | (1,667) | -100.0% | 5,000 |
| Heritage, Culture and Tourism | - | 5,000 | - | - | - | 1,667 | (1,667) | -100.0% | 5,000 |
| Natural Resource Management | - | 4,078 | - | - | 579 | 1,359 | (781) | -57.4% | 4,078 |
| Capital single-year expenditure sub-total | - | 120,124 | - | - | 1,045 | 40,041 | (38,996) | -97.4% | 120,124 |
| Total Capital expenditure | - | 120,124 | - | - | 1,045 | 40,041 | (38,996) | -97.4% | 120,124 |
| Funded by: | | | | | | | | | |
| National Government | - | 67,000 | - | - | - | 22,333 | (22,333) | -100.0% | 67,000 |
| Provincial Government | - | 10,030 | - | - | - | 3,343 | (3,343) | -100.0% | 10,030 |
| Parent Municipality | - | 16,600 | - | - | - | 5,533 | (5,533) | -100.0% | 16,600 |
| District Municipality | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | - | 93,630 | - | - | - | 31,210 | (31,210) | -100.0% | 93,630 |
| Public contributions & Donations | | | | | | | - | | |
| Borrowing | | | | | | | - | | |
| Internally generated funds | | | | | | | - | | |
| Total Capital Funding | - | 93,630 | - | - | - | 31,210 | (31,210) | -100.0% | 93,630 |

4.4 Financial Position

Amathole Economic Development Agency - Table F4 Monthly Budget Statement - Financial Position - M04 Octobe

| Vote Description | 2015/16 | Current Year 2016/17 | | | |
|--|-----------------|----------------------|-----------------|---------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | | | | | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash | 750 | - | - | 1,023 | - |
| Call investment deposits | 15,560 | - | - | 14,187 | - |
| Consumer debtors | - | - | - | - | - |
| Other debtors | 560 | - | - | 678 | - |
| Current portion of long-term receivables | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| Total current assets | 16,871 | - | - | 15,888 | - |
| Non current assets | | | | | |
| Long-term receivables | - | - | - | - | - |
| Investments | - | - | - | - | - |
| Investment property | - | - | - | - | - |
| Property, plant and equipment | 358 | - | - | 332 | - |
| Agricultural assets | - | - | - | - | - |
| Biological assets | - | - | - | - | - |
| Intangible assets | 10 | - | - | - | - |
| Total non current assets | 368 | - | - | 332 | - |
| TOTAL ASSETS | 17,239 | - | - | 16,220 | - |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Bank overdraft | - | - | - | - | - |
| Borrowing | - | - | - | - | - |
| Consumer deposits | - | - | - | - | - |
| Trade and other payables | 15,938 | - | - | 16,777 | - |
| Provisions | - | - | - | - | - |
| Total current liabilities | 15,938 | - | - | 16,777 | - |
| Non current liabilities | | | | | |
| Borrowing | - | - | - | - | - |
| Provisions | - | - | - | - | - |
| Total non current liabilities | - | - | - | - | - |
| TOTAL LIABILITIES | 15,938 | - | - | 16,777 | - |
| NET ASSETS | 1,301 | - | - | (558) | - |
| COMMUNITY WEALTH/EQUITY | | | | | |
| Accumulated Surplus/(Deficit) | 1,300 | - | - | (559) | - |
| Reserves | - | - | - | - | - |
| Share capital | 1 | 1 | - | 1 | 1 |
| TOTAL COMMUNITY WEALTH/EQUITY | 1,301 | 1 | - | (558) | 1 |

4.5 Cash Flows

Amathole Economic Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M04 October

| 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 |
| R thousands | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | |
| Receipts | | | | | | | | | |
| Ratepayers and other | - | - | - | - | - | - | - | - | - |
| Government - operating | 39,133 | 140,125 | - | 4,180 | 17,472 | 46,708 | (29,236) | -62.6% | 52,417 |
| Government - capital | - | - | - | - | - | - | - | - | - |
| Interest | 58 | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | |
| Suppliers and employees | (38,185) | (19,616) | - | (2,829) | (18,580) | (6,539) | (12,042) | 184.2% | (55,741) |
| Finance charges | - | - | - | - | - | - | - | - | - |
| Dividends paid | - | - | - | - | - | - | - | - | - |
| Transfers and Grants | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 1,005 | 120,509 | - | 1,351 | (1,108) | 40,170 | (17,194) | -42.8% | (3,324) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | |
| Receipts | | | | | | | | | |
| Proceeds on disposal of PPE | 7 | - | - | - | - | - | - | - | - |
| Decrease (Increase) in non-current debtors | - | - | - | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | |
| Capital assets | (141) | (120,124) | - | - | - | (40,041) | 40,041 | -100.0% | (120,124) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (134) | (120,124) | - | - | - | (40,041) | (40,041) | 100.0% | (120,124) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | |
| Receipts | | | | | | | | | |
| Short term loans | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | |
| Repayment of borrowing | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | - | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | 871 | 385 | - | 1,351 | (1,108) | 128 | (1,236) | -963.3% | (123,448) |
| Cash/cash equivalents at the year begin: | 15,439 | 15,439 | 15,439 | 15,439 | 15,439 | 15,439 | 15,439 | 15,439 | 15,439 |
| Cash/cash equivalents at the year end: | 16,311 | 15,824 | 15,439 | 1,351 | (1,108) | 128 | (1,236) | -963.3% | (108,009) |

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Amathole Economic Development Agency - Supporting Table F3 Entity Aged debtors - M04 October

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

SUNDRY DEBTORS

VAT Control : R335 051

Income Tax Prov R 291 620

Deposits R 44 000

Sundry Debtors R 7 473

The entity only has debtors totaling **R678k** in respect of VAT Control; Income Tax Provision; 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 - M04 October

| 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 | |
| R thousands | | | | | | | | | | |
| Creditors Age Analysis By Customer Type | | | | | | | | | | |
| 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) | 0 | 1 | 123 | 12 | - | - | - | 135 |
| Total By Customer Type | 2600 | (1) | 0 | 1 | 123 | 12 | - | - | - | 135 |

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 - M04 October

| 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 | | | | | | 2,758 |
| BCM Waste Call | | Call | | | | | | 754 |
| NRM Call | | Call | | | | | | 80 |
| AEDA Call | | Call | | | | | | 120 |
| NDPG Call | | Call | | | | | | 10,462 |
| Bwattle Call | | Call | | | | | | 6 |
| EA Operations | | Call | | | | | | 7 |
| Total investments | | | | | | | | 14,187 |

Section 8 – Allocation and grant receipts and expenditure

The entity has budgeted to receive both capital and operational grants, however, during the month of September no receipts have been realized from both these categories with the exception of the ADM grant receipt totaling R3,6 million that was transferred in July. Whilst an invoice was submitted to ADM for the second quarter allocation, however no transfer has been effected by ADM.

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.

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

Amathole Economic Development Agency - Supporting Table F6 Entity Board member allowances & staff benefits - M04 October

| 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 |
| Remuneration | | | | | | | | | |
| Board Members of Entities | | | | | | | | | |
| Basic Salaries | - | - | - | - | - | - | - | - | - |
| Pension Contributions | - | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | - | - | - | - | - | - | - | - | - |
| Motor vehicle allowance | - | - | - | - | - | - | - | - | - |
| Cell phone allowance | - | - | - | - | - | - | - | - | - |
| Housing allowance | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | - | - | - | - | - | - | - | - | - |
| In-kind benefits | - | - | - | - | - | - | - | - | - |
| Board Fees | 845 | 653 | - | 56 | 197 | 218 | (21) | -9.5% | 2,363 |
| Sub Total - Board Members of Entities | 845 | 653 | - | 56 | 197 | 218 | (21) | -9.5% | 2,363 |
| % increase | | -22.8% | | | | | | | 179.7% |
| Senior Managers of Entities | | | | | | | | | |
| Basic Salaries | 6,766 | 4,308 | - | 288 | 1,162 | 1,436 | (275) | -19.1% | 6,970 |
| Pension Contributions | - | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | - | - | - | - | - | - | - | - | - |
| Motor vehicle allowance | - | - | - | 22 | 45 | - | 45 | #DIV/0! | - |
| Cell phone allowance | - | - | - | - | - | - | - | - | - |
| Housing allowance | - | - | - | - | - | - | - | - | - |
| Other benefits or allowances | 197 | - | - | 32 | 115 | - | 115 | #DIV/0! | 692 |
| Performance Bonus | - | - | - | - | - | - | - | - | - |
| In-kind benefits | - | - | - | - | - | - | - | - | - |
| Sub Total - Senior Managers of Entities | 6,963 | 4,308 | - | 342 | 1,322 | 1,436 | (114) | -8.0% | 7,661 |
| % increase | | -38.1% | | | | | | | 10.0% |
| Other Staff of Entities | | | | | | | | | |
| Basic Salaries | 6,783 | 8,980 | - | 497 | 2,111 | 2,993 | (882) | -29.5% | 12,669 |
| Pension Contributions | 767 | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | - | - | - | - | - | - | - | - | - |
| Motor vehicle allowance | - | - | - | 12 | 48 | - | 48 | #DIV/0! | 288 |
| Cell phone allowance | - | - | - | - | - | - | - | - | - |
| Housing allowance | - | - | - | - | - | - | - | - | - |
| Overtime | - | - | - | - | - | - | - | - | - |
| Performance Bonus | - | - | - | - | - | - | - | - | - |
| Other benefits or allowances | 476 | - | - | 34 | 34 | - | 34 | #DIV/0! | - |
| In-kind benefits | - | - | - | - | - | - | - | - | - |
| Sub Total - Other Staff of Entities | 8,026 | 8,980 | - | 542 | 2,193 | 2,993 | (800) | -26.7% | 12,957 |
| % increase | | 11.9% | | | | | | | 61.4% |
| Total Municipal Entities remuneration | 15,834 | 13,941 | - | 940 | 3,712 | 4,647 | (935) | -20.1% | 22,980 |
| Unpaid salary, allowances & benefits in arrears: | | | | | | | | | |

Section 11 – SCM Report

| ASPIRE PROCUREMENT LISTING: OCTOBER 2016 | | | | |
|---|-------------------------------|----------------|---|-------------------|
| RANGE : >R2 000 <R30 000 (FORMAL WRITTEN PRICE QUOTATIONS) | | | | |
| Date | Name of Supplier | Vote no | Description | Amount |
| 03/10/2016 | U-Rent Car Rental | 4650/000 | Accomodation for Mr Khaya Njinglo Sites Visit | 2,024.56 |
| 03/10/2016 | Sure Travel | 4650/000 | Travel for Mr Njingolo Sites Visit | 885.96 |
| 05/10/2016 | U-Rent Car Rental | 4650/000 | Travel for Mr Luthando Tyala attending Saymor | 1,309.65 |
| 07/10/2016 | Kempston Group Car Rental | 4292/030 | Travel for Mr Maphem Adopt a Sport Site Vits | 1,149.12 |
| 10/10/2016 | A2A Kopano Inc | 3230/000 | Preparation and Submission of Board Resignation | 1,350.00 |
| 10/10/2016 | Kempston Group Car Rental | 4292/030 | Travel for Mr Maphem Adopt a Sport Site Vits | 1,149.12 |
| 13/10/2016 | H2O International | 4300/030 | Rental Water Dispenser | 4,480.00 |
| 14/10/2016 | Open Form Studio | 4292/010 | Adopt a Sport Project Exp | 12,250.00 |
| 14/10/2016 | U-Rent Car Rental | 4292/030 | Travel for Mr Maphem Adopt a Sport Site Vits | 6,096.49 |
| 20/10/2016 | Kempston Group Car Rental | 4650/000 | Travel Expense for Mr Bonke Tyhulu | 1,105.26 |
| 24/10/2016 | Safety & Safety Project 73 cc | 4292/010 | Adopt a Sport Project Exp | 16,000.00 |
| 24/10/2016 | Four Winds Plant Hire | 4292/010 | Adopt a Sport Project Exp | 18,024.00 |
| 24/10/2016 | Samihle Business Solutions | 4292/010 | Adopt a Sport Project Exp | 10,000.00 |
| 24/10/2016 | Puhlisa Building Solutions | 4292/010 | Adopt a Sport Project Exp | 6,230.00 |
| 24/10/2016 | Phumelisa Multiservices | 4292/010 | Adopt a Sport Project Exp | 952.00 |
| 24/10/2016 | Mayedwa Incorporated | 4292/010 | Adopt a Sport Project Exp | 6,000.00 |
| 24/10/2016 | Compusys | 4200/000 | Printing & Stationery | 2,122.81 |
| 24/10/2016 | Goldern Office Reward | 4200/000 | Printing & Stationery | 1,509.60 |
| 25/10/2016 | Thubalathu General Trading | 4292/010 | Adopt a Sport Project Exp | 6,500.00 |
| 31/10/2016 | U-Rent Car Rental | 4650/000 | Travel for Mr Shenxane & Mr Tyhulu | 1,430.26 |
| TOTAL EXPENDITURE: OCTOBER- 2016 | | | | 100,568.83 |
| RANGE : >R30 000 <R200 000 (COMPETITIVE BIDDING)- N/A | | | | |
| | | | | |
| | | | | |
| | | | | |

NB: NO PROCUREMENT ABOVE R200K WAS DONE DURING THE REPORTING PERIOD.

Chief Executive Officer's quality certification

I, Thabo Shenxane, the Acting Chief Executive Officer of Amathole Economic Development Agency, hereby certify that –

- the monthly budget statement

for the month of October (M04) of 2016/ 2017 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name _____

Amathole Economic Development Agency

Signature _____

Date _____