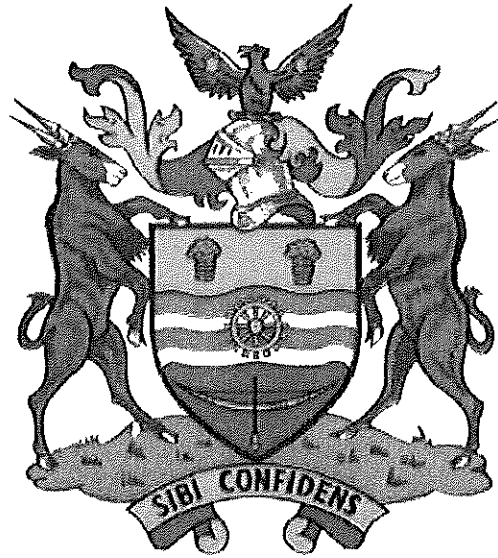


**UMTSHEZI
MUNICIPALITY
KZN234**



**MFMA SECTION 52(d)
REPORT – 2015/16
QUARTER 1**

Quarterly Financial Performance: 1st July 2015 – 30th September 2015**Executive summary**

To inform Committee of the financial status of the municipality for the Quarter 1 for the 2015/16 financial year in accordance with section 52(d) of the Municipal Finance Management Act 56 of 2003 which states "the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality".

The Municipal Budget and Reporting Regulations also put emphasise on the quarterly reporting with Regulation 31(1) which state that "the mayor's quarterly report on the implementation of the budget and the financial affairs of the municipality as required by section 52(d) of the MFMA must be –

- (a) In the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the MFMA; and
- (b) Consistent with the monthly budget statements for September, December, March and June as applicable; and
- (c) Submitted to the National Treasury and relevant provincial treasury within five days of tabling of the report in the council.

Overview of the current financial performance
KZN234 Umtshezi - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2014/15	Budget Year 2015/16							
	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	-	68 455	-	5 883	17 216	17 114	102	1%	68 863
Service charges	-	202 355	-	17 439	55 986	50 589	5 397	11%	223 945
Investment revenue	-	3 494	-	37	72	874	(802)	-92%	288
Transfers recognised - operational	-	58 152	-	361	24 044	14 538	9 506	65%	58 152
Other own revenue	-	16 500	-	430	1 878	4 125	(2 247)	-54%	7 512
Total Revenue (excluding capital transfers and contributions)	-	348 956	-	24 150	99 196	87 239	11 957	14%	358 760
Employee costs	-	79 739	-	1 447	20 340	19 935	405	2%	81 358
Remuneration of Councillors	-	5 326	-	-	1 346	1 331	15	1%	5 384
Depreciation & asset impairment	-	44 436	-	-	-	11 109	(11 109)	-100%	44 436
Finance charges	-	6 392	-	537	1 706	1 598	108	7%	6 826
Materials and bulk purchases	-	175 202	-	20 446	42 946	43 800	(855)	-2%	171 783
Transfers and grants	-	8 537	-	-	-	2 134	(2 134)	-100%	8 537
Other expenditure	-	73 946	-	5 744	12 036	18 487	(6 450)	-35%	61 053
Total Expenditure	-	393 579	-	28 174	78 374	98 395	(20 021)	-20%	379 377
Surplus/(Deficit)	-	(44 622)	-	(4 024)	20 822	(11 156)	31 977	-287%	(20 617)
Transfers recognised - capital	-	33 055	-	2 223	3 540	8 264	(4 723)	-57%	33 055
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	(11 567)	-	(1 801)	24 362	(2 892)	27 254	-942%	12 438
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	(11 567)	-	(1 801)	24 362	(2 892)	27 254	-942%	12 438
Capital expenditure & funds sources									
Capital expenditure	-	34 935	-	1 990	5 776	8 734	(2 958)	-34%	23 103
Capital transfers recognised	-	33 055	-	1 950	4 022	8 264	(4 242)	-51%	16 087
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	1 880	-	40	1 754	470	1 284	273%	7 016
Total sources of capital funds	-	34 935	-	1 990	5 776	8 734	(2 958)	-34%	23 103
Financial position									
Total current assets	-	67 086	139 320	-	136 222	-	-	-	67 086
Total non current assets	-	663 068	535 270	-	535 273	-	-	-	663 068
Total current liabilities	-	38 899	78 817	-	133 920	-	-	-	38 899
Total non current liabilities	-	30 154	38 659	-	38 712	-	-	-	30 154
Community wealth/Equity	-	661 101	557 114	-	498 663	-	-	-	661 101
Cash flows									
Net cash from (used) operating	-	33 894	-	1 223	4 469	8 474	4 005	47%	33 894
Net cash from (used) investing	-	(29 060)	-	(1 990)	(6 485)	(7 265)	(780)	11%	584
Net cash from (used) financing	-	(6 067)	-	(31)	(85)	(1 517)	(1 432)	94%	(6 067)
Cash/cash equivalents at the month/year end	-	7 768	-	-	5 668	8 692	3 024	35%	36 180
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5 644	3 666	3 114	66 690	-	-	-	-	79 114
Creditors Age Analysis									
Total Creditors	26 576	1 479	233	205	-	-	-	-	28 493

Table C1 is a financial performance summary and provides a concise overview of the Umtshezi municipality's performance from all major financial perspectives (operating, capital expenditure, financial position and cash flow).

Financial Performance (Revenue and Expenditure)

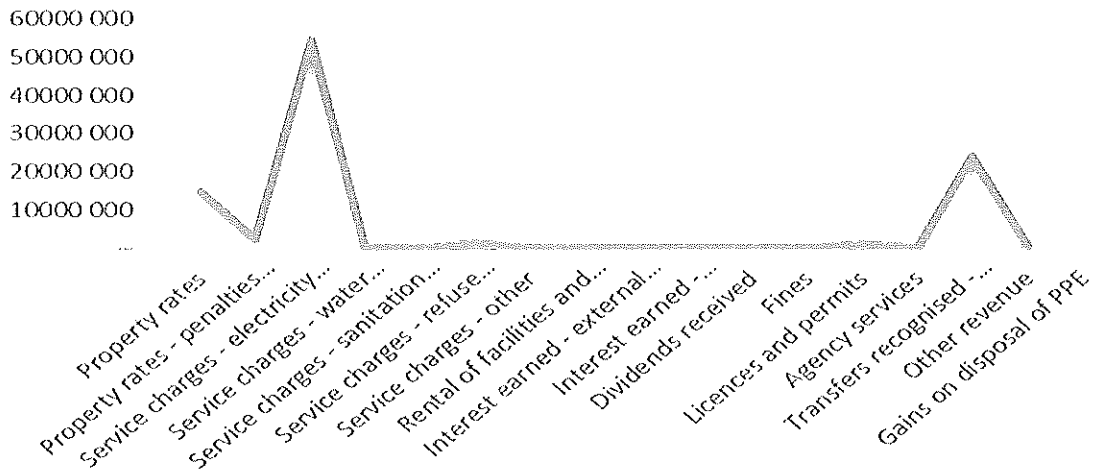
KZN234 Umtshezi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2014/15		Budget Year 2015/16						
		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			57 798		4 947	14 857	14 449	408	3%	59 430
Property rates - penalties & collection charges			10 657		935	2 358	2 664	(306)	-11%	9 433
Service charges - electricity revenue			196 549		16 904	54 414	49 137	5 277	11%	217 657
Service charges - water revenue			-		-	-	-	-	-	-
Service charges - sanitation revenue			-		-	-	-	-	-	-
Service charges - refuse revenue			5 806		535	1 572	1 452	120	8%	6 288
Service charges - other			-		-	-	-	-	-	-
Rental of facilities and equipment			351		17	62	88	(26)	-30%	247
Interest earned - external investments			3 494		37	72	874	(802)	-92%	288
Interest earned - outstanding debtors			2 027		4	82	507	(425)	-84%	327
Dividends received			-		-	-	-	-	-	-
Fines			87		8	21	22	(1)	-5%	83
Licences and permits			6 257		220	1 097	1 564	(468)	-30%	4 386
Agency services			-		-	-	-	-	-	-
Transfers recognised - operational			58 152		361	24 044	14 538	9 506	65%	58 152
Other revenue			7 778		182	617	1 945	(1 327)	-68%	2 470
Gains on disposal of PPE			-		-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			348 956		24 150	99 196	87 239	11 957	14%	358 760
Expenditure By Type										
Employee related costs			79 739		1 447	20 340	19 935	405	2%	81 358
Remuneration of councillors			5 326		-	1 346	1 331	15	1%	5 384
Debt impairment			12 908		-	-	3 227	(3 227)	-100%	12 908
Depreciation & asset impairment			44 436		-	-	11 109	(11 109)	-100%	44 436
Finance charges			6 392		537	1 706	1 598	108	7%	6 826
Bulk purchases			161 065		19 975	41 948	40 265	1 681	4%	167 790
Other materials			14 137		471	998	3 534	(2 536)	-72%	3 992
Contracted services			10 886		869	2 587	2 722	(134)	-5%	10 349
Transfers and grants			8 537		-	-	2 134	(2 134)	-100%	8 537
Other expenditure			50 152		4 875	9 449	12 538	(3 069)	-25%	37 797
Loss on disposal of PPE			-		-	-	-	-	-	-
Total Expenditure			393 579		28 174	78 374	98 395	(20 021)	-20%	379 377
Surplus/(Deficit)			(44 622)		(4 024)	20 822	(11 156)	31 977	(0)	(20 617)
Transfers recognised - capital			33 055		2 223	3 540	8 264	(4 723)	(0)	33 055
Surplus/ (Deficit) for the year			(11 567)		(1 801)	24 362	(2 892)			12 438

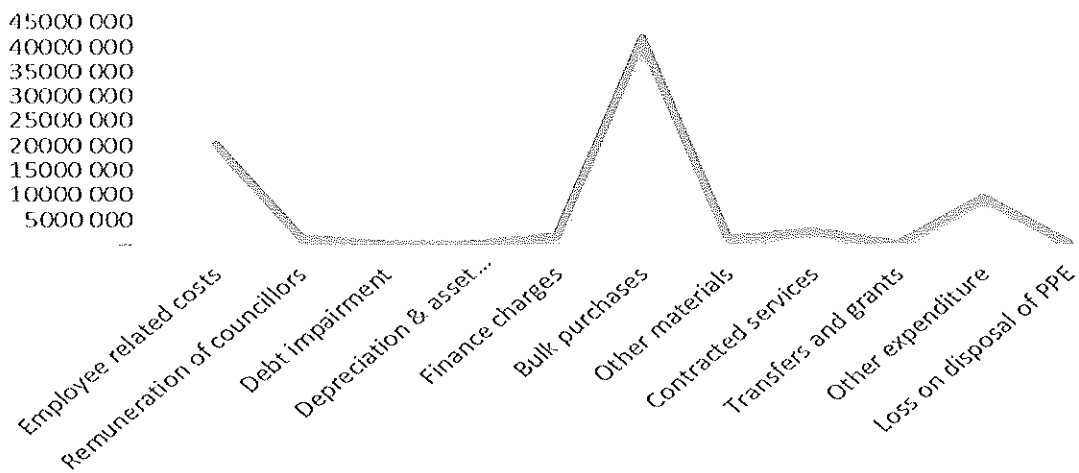
Table C4 explanatory notes:

Total operating revenue to date is R99 million which is more by 14% from the budgeted target of R87 million. In terms of the percentage of total operating revenue by source actual to total budgeted operating revenue is 114%. Total operating expenditure which is accumulated from July 2015 is at R78 million which is 20% lesser than the budgeted amount of R96 million. While this be seen as good news from finance perspective, it is still a challenge for the municipality to further reduce spending as much as possible, but not to the detriment of service delivery, just to stabilise the cash flow position of the municipality.

Revenue by source - Q1



Expenditure by type - Q1



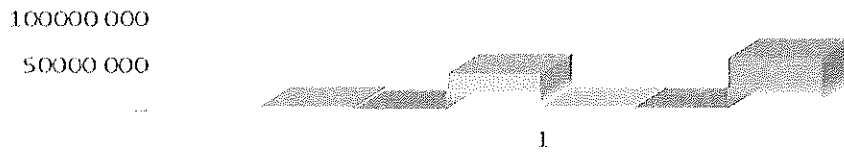
Financial Performance (Revenue and Expenditure by vote)

KZN234 Umtshezi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter

Vote Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - CORPORATE SERVICES	1	-	13 161	-	282	3 751	3 290	461	14,0%	15 005
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE DEPARTMENT		-	131 292	-	6 334	39 197	32 823	6 374	19,4%	147 993
Vote 4 - CIVIL SERVICES		-	18 637	-	1 720	2 481	4 672	(2 191)	-46,9%	9 924
Vote 5 - PLANNING, ECONOMIC & COMMUNITY SERVICE		-	6 101	-	551	1 632	1 525	107	7,0%	6 529
Vote 6 - ELECTRICAL SERVICES		-	212 770	-	17 485	55 675	53 193	2 483	4,7%	222 701
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	382 011	-	26 373	102 737	95 503	7 234	7,6%	402 152
Expenditure by Vote										
Vote 1 - CORPORATE SERVICES	1	-	47 678	-	2 069	12 027	11 919	108	0,9%	48 109
Vote 2 - MUNICIPAL MANAGER		-	1 340	-	1	4	335	(331)	-98,7%	17
Vote 3 - FINANCE DEPARTMENT		-	62 992	-	3 486	9 239	15 748	(6 509)	-41,3%	14 792
Vote 4 - CIVIL SERVICES		-	29 811	-	260	2 380	7 453	(5 073)	-68,1%	9 519
Vote 5 - PLANNING, ECONOMIC & COMMUNITY SERVICE		-	57 078	-	1 836	9 302	14 269	(4 968)	-34,8%	37 207
Vote 6 - ELECTRICAL SERVICES		-	194 680	-	20 522	45 423	48 670	(3 247)	-6,7%	269 733
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	393 579	-	28 174	78 375	98 395	(20 020)	-20,3%	379 377
Surplus/ (Deficit) for the year	2	-	(11 567)	-	(1 801)	24 362	(2 892)	27 254	-942,5%	22 775

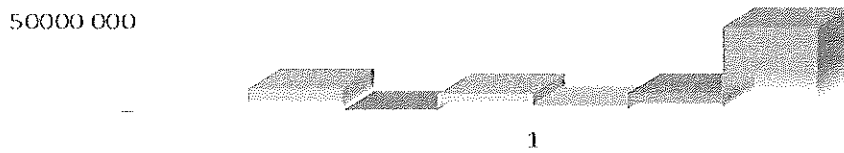
Table C3 provides financial information in terms of municipal votes. The only department that has collected satisfactory is finance department which exceeded its target by 19.4%, while others struggle with the challenge that has been stated under table C4 explanatory note in regard of debt collection.

REVENUE BY VOTE - Q1



- ☐ Vote 1 - CORPORATE SERVICES
- ☐ Vote 2 - MUNICIPAL MANAGER
- ☐ Vote 3 - FINANCE DEPARTMENT
- ☐ Vote 4 - CIVIL SERVICES
- ☐ Vote 5 - PLANNING, ECONOMIC & COMMUNITY SERVICES
- ☐ Vote 6 - ELECTRICAL SERVICES

EXPENDITURE BY VOTE - Q1



- ☐ Vote 1 - CORPORATE SERVICES
- ☐ Vote 2 - MUNICIPAL MANAGER
- ☐ Vote 3 - FINANCE DEPARTMENT
- ☐ Vote 4 - CIVIL SERVICES
- ☐ Vote 5 - PLANNING, ECONOMIC & COMMUNITY SERVICES
- ☐ Vote 6 - ELECTRICAL SERVICES

Financial Performance (Standard Classification)

KZN234 Umtshezi - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q1 First Quarter

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		-	134 730	-	6 373	39 400	33 682	5 717	17%	148 802
Executive and council		-	3 261	-	39	117	815	(698)	-86%	470
Budget and treasury office		-	131 292	-	6 334	39 197	32 823	6 374	19%	147 993
Corporate services		-	177	-	(1)	85	44	41	92%	339
<i>Community and public safety</i>		-	3 534	-	34	2 473	884	1 590	180%	9 893
Community and social services		-	3 089	-	27	2 453	772	1 680	218%	9 810
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	445	-	8	21	111	(91)	-81%	83
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	25 169	-	1 944	3 614	6 292	(2 679)	-43%	14 454
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	25 169	-	1 944	3 614	6 292	(2 679)	-43%	14 454
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	218 578	-	18 023	57 251	54 645	2 606	5%	229 003
Electricity		-	212 770	-	17 485	55 675	53 193	2 483	5%	222 701
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	5 808	-	537	1 575	1 452	123	8%	6 302
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	382 011	-	26 373	102 737	95 503	7 234	8%	402 152
Expenditure - Standard										
<i>Governance and administration</i>		-	98 119	-	5 195	17 730	24 530	(6 799)	-28%	48 757
Executive and council		-	21 275	-	1 034	4 279	5 319	(1 040)	-20%	17 114
Budget and treasury office		-	62 992	-	3 486	9 239	15 748	(6 509)	-41%	14 792
Corporate services		-	13 852	-	676	4 213	3 463	750	22%	16 851
<i>Community and public safety</i>		-	45 936	-	815	6 223	11 484	(5 261)	-46%	24 894
Community and social services		-	35 121	-	456	3 760	8 780	(5 021)	-57%	15 038
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	10 815	-	360	2 464	2 704	(240)	-9%	9 856
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	47 926	-	1 277	6 271	11 982	(5 710)	-48%	25 086
Planning and development		-	16 365	-	970	3 454	4 091	(637)	-16%	13 816
Road transport		-	31 561	-	307	2 817	7 890	(5 073)	-64%	11 270
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	201 186	-	20 879	48 044	50 297	(2 252)	-4%	280 218
Electricity		-	194 660	-	20 522	45 423	48 670	(3 247)	-7%	269 733
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	6 507	-	357	2 621	1 627	995	61%	10 486
<i>Other</i>		-	410	-	6	105	103	3	3%	422
Total Expenditure - Standard	3	-	393 579	-	28 174	78 375	98 395	(20 020)	-20%	379 377
Surplus/ (Deficit) for the year		-	(11 567)	-	(1 801)	24 362	(2 892)	27 254	-942%	22 775

Table C2 provides financial information in terms of standard classification that is aligned with Government Financial Statistics by National Treasury. It is clear that Trading services contributes the most in terms of revenue as well as expenditure, which will necessitate extra effort from the management in supporting the relevant sections under Trading services.

Cash Flow Statement

KZN234 Umtshezi - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	Ref	2014/15	Budget Year 2015/16									
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast		
R thousands	1											
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges			56 133		16 557	21 994	14 033	7 961	57%	56 133		
Service charges			196 285		23 630	59 660	49 071	10 489	21%	196 285		
Other revenue			14 473		405	12 447	3 618	8 828	244%	14 473		
Government - operating			58 152		-	26 200	14 538	11 662	80%	58 152		
Government - capital			33 055		7 500	20 000	8 264	11 736	142%	33 055		
Interest			3 494		-	50	874	(824)	-94%	3 494		
Dividends			-		-	-	-	-	-	-		
Payments												
Suppliers and employees			(321 305)		(46 230)	(134 075)	(60 326)	53 748	-67%	(321 305)		
Finance charges			(6 392)		(537)	(1 707)	(1 593)	109	-7%	(6 392)		
Transfers and Grants			-		-	-	-	-	-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES			-		33 894	-	1 223	4 469	8 474	4 095	47%	33 894
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			-		-	-	-	-	-	-	-	
Decrease (increase) in non-current debtors			-		-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables			584		-	-	146	(146)	-100%	584		
Decrease (increase) in non-current investments			-		-	-	-	-	-	-	-	
Payments												
Capital assets			(29 644)		(1 990)	(6 485)	(7 411)	(926)	13%	-		
NET CASH FROM/(USED) INVESTING ACTIVITIES			-		(29 060)	-	(1 990)	(6 485)	(7 265)	(760)	11%	584
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			-		-	-	-	-	-	-	-	
Borrowing long term/refinancing			-		-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits			5		22	74	1	72	6143%	5		
Payments												
Repayment of borrowing			(6 072)		(53)	(158)	(1 518)	(1 360)	90%	(6 072)		
NET CASH FROM/(USED) FINANCING ACTIVITIES			-		(6 067)	-	(31)	(85)	(1 517)	(1 432)	94%	(6 067)
NET INCREASE/ (DECREASE) IN CASH HELD			-		(1 232)	-	(798)	(2 100)	(308)	-	-	28 412
Cash/cash equivalents at beginning:			9 000		-	-	7 768	9 000	-	-	-	7 768
Cash/cash equivalents at month/year end:			7 768		-	-	5 668	8 692	-	-	-	36 180

Umtshezi municipality's cash flow position has improved when considered month-by-month. The improvement has been the result of prioritisation of expenditure as per instruction by the Acting Municipal Manager.

Statement of Financial Position

KZN234 Umtshezi - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

Description	Ref	2014/15	Budget Year 2015/16				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
R thousands	1						
ASSETS							
Current assets							
Cash			5 414	4 988	9 906	5 414	
Call investment deposits			4 073	24 301	8 732	4 073	
Consumer debtors			55 471	79 114	94 097	55 471	
Other debtors			297	30 481	23 391	297	
Current portion of long-term receivables			508			508	
Inventory			1 323	437	96	1 323	
Total current assets			-	67 086	139 320	136 222	67 086
Non current assets							
Long-term receivables			-	483	485		
Investments			-	96	96		
Investment property			-				
Investments in Associate			-				
Property, plant and equipment			654 607	534 692	534 692	654 607	
Agricultural			-				
Biological assets			-				
Intangible assets			216			216	
Other non-current assets			8 245			8 245	
Total non current assets			-	663 068	535 270	535 273	663 068
TOTAL ASSETS			-	730 154	674 590	671 495	730 154
LIABILITIES							
Current liabilities							
Bank overdraft			-			-	
Borrowing			5 777	4 061	4 061	5 777	
Consumer deposits			3 041	3 060	3 058	3 041	
Trade and other payables			25 091	46 533	101 638	25 091	
Provisions			4 991	25 163	25 163	4 991	
Total current liabilities			-	38 899	78 817	133 920	38 899
Non current liabilities							
Borrowing			14 491	38 659	38 712	14 491	
Provisions			15 663			15 663	
Total non current liabilities			-	30 154	38 659	30 154	
TOTAL LIABILITIES			-	69 053	117 476	172 632	69 053
NET ASSETS	2		-	661 101	557 114	498 863	661 101
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)			660 006	556 019	497 767	660 006	
Reserves			1 095	1 095	1 095	1 095	
TOTAL COMMUNITY WEALTH/EQUITY	2		-	661 101	557 114	498 863	661 101

Table C6 provides information about the Financial position of the municipality which is good taking into account the assets compared to the liabilities of the municipality. Any movement on the Financial Performance Actual or the Capital Expenditure will inevitably impact on the Financial Position Actual.

Capital Expenditure (Municipal Vote, Standard Classification & Funding)

KZN234 Umtshezi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q1 First Quarter

Vote Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - CORPORATE SERVICES		-	30	-	7	7	8	(0)	-3%	29
Vote 2 - MUNICIPAL MANAGER		-	30	-	-	-	8	(8)	-100%	-
Vote 3 - FINANCE DEPARTMENT		-	1 530	-	32	48	383	(334)	-87%	193
Vote 4 - CIVIL SERVICES		-	17 985	-	1 507	4 203	4 496	(293)	-7%	16 813
Vote 5 - PLANNING, ECONOMIC & COMMUNITY SERVICES		-	330	-	1	0	83	(82)	-100%	1
Vote 6 - ELECTRICAL SERVICES		-	15 030	-	443	1 517	3 759	(2 241)	-60%	6 066
Total Capital single-year expenditure	4	-	34 935	-	1 990	5 776	8 734	(2 958)	-34%	23 103
Total Capital Expenditure		-	34 935	-	1 990	5 776	8 734	(2 958)	-34%	23 103
Capital Expenditure - Standard Classification										
Governance and administration		-	1 590	-	40	56	398	(342)	-86%	222
Executive and council		-	30	-	-	-	8	(8)	-100%	-
Budget and treasury office		-	1 530	-	32	48	383	(334)	-87%	193
Corporate services		-	30	-	7	7	8	(0)	-3%	29
Community and public safety		-	330	-	0	-	83	(83)	-100%	-
Community and social services		-	330	-	0	-	83	(83)	-100%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	17 985	-	1 507	4 203	4 496	(293)	-7%	16 813
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	17 985	-	1 507	4 203	4 496	(293)	-7%	16 813
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	15 030	-	443	1 517	3 759	(2 241)	-60%	6 066
Electricity		-	15 030	-	443	1 517	3 759	(2 241)	-60%	6 066
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	-	34 935	-	1 990	5 775	8 734	(2 958)	-34%	23 102
Funded by:										
National Government		-	33 055	-	1 950	4 022	8 264	(4 242)	-51%	16 087
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	33 055	-	1 950	4 022	8 264	(4 242)	-51%	16 087
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	1 880	-	40	1 754	470	1 284	273%	16 813
Total Capital Funding		-	34 935	-	1 990	5 776	8 734	(2 958)	-34%	23 103

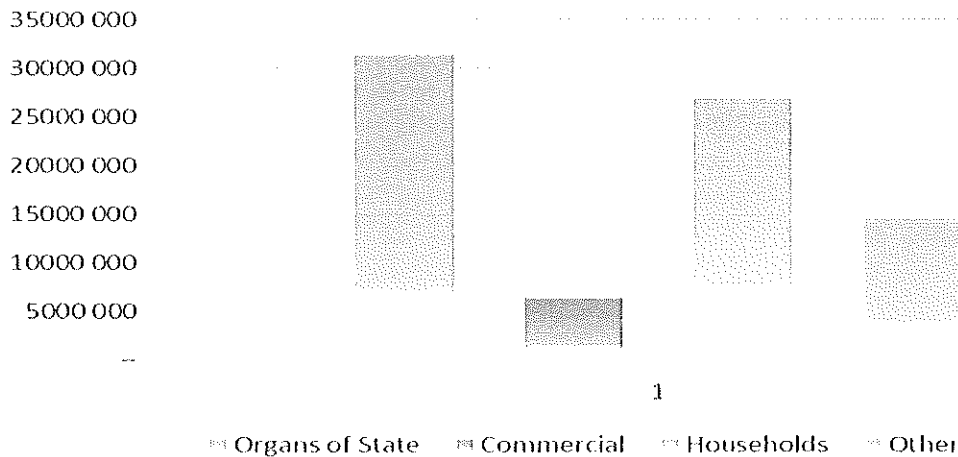
Table C5 shows information for Capital Expenditure. Expenditure trend on overall capital projects is not satisfactory, however, critical projects such as MIG and INEP are doing fairly well, which satisfy the conditions of the grants.

Debtors' Analysis

KZN234 Umtshezi - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter

Description	NT Code	Budget Year 2015/16					Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total			
R thousands									
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	1200								
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 224	748	296	11 743	14 012	11 743		
Receivables from Non-exchange Transactions - Property Rates	1400	3 930	2 578	2 440	48 815	57 763	48 815		
Receivables from Exchange Transactions - Waste Water Management	1500	440	323	282	5 193	6 238	5 193		
Receivables from Exchange Transactions - Waste Management	1600								
Receivables from Exchange Transactions - Property Rental Debtors	1700								
Interest on Anear Debtor Accounts	1810								
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820								
Other	1900	50	16	96	938	1 101	938		
Total By Income Source	2000	5 644	3 666	3 114	66 690	79 114	66 690	-	-
2014/15 - totals only									
Debtors Age Analysis By Customer Group									
Organs of State	2200	2 029	1 449	1 383	26 464	31 325	26 464		
Commercial	2300	1 967	630	366	3 410	6 374	3 410		
Households	2400	1 139	1 067	808	23 903	26 916	23 903		
Other	2500	508	521	557	12 913	14 459	12 913		
Total By Customer Group	2600	5 644	3 666	3 114	66 690	79 114	66 690	-	-

DEBTORS AGE ANALYSIS



The total outstanding debt by end of September 2015 is at R79 million. This amount has decrease by R15 million compared to end of August 2015 with outstanding amount of R94 million. More attention must be dedicated into Rates collection as it contributes 76% of the total.

Creditors' Analysis

CREDITORS AGE ANALYSIS-SEPTEMBER 2015

DESCRIPTION	0 - 30 Days	31 - 60 Days	61 - 90 days	91 - 120 Days	TOTAL
Bulk Electricity	23,033,268.00	0.00	0.00	0.00	23,033,268.00
VAT	0.00	0.00	0.00	0.00	0.00
Trade Creditors	1,905,958.00	890,904.00	184,000.00	89,612.00	3,070,474.00
CREDITORS	24,939,226.00	890,904.00	184,000.00	89,612.00	26,103,742.00

Umtshezi municipal creditors amounted to R26 million by the end of September 2015. It has decreased from end of August 2015 by R2 million, however, with the total amount of R1.1 million sitting over 30 days, it shows that the municipality do not comply with section 65(2)(e) of MFMA which states that "all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure".

Top 10 Outstanding Creditors

SUPPLIER	AMOUNT	DESCRIPTION	No
HMS HARDWARE	168,265.11	HARDWARE	10
SOUTH GATE ELECTRICAL	89,612.13	ELECTRIC EQUIPMENT	9
ABB POWER	62,364.84	REPAIRS TO SWITCH	8
TATI-CHAIN	27,863.88	REVIEW ASSETS	7
WORKWEAR	17,044.08	STAFF UNIFORM	6
EMA LE RONA TADING	17,000.00	REPLACER GATE AT F.HALL	5
MARWAAN INVESTMENTS	16,096.44	STATIONERY	4
CHUNUN SERVICES	9,863.75	ELECTRICAL EQUIPMENT	3
MAGEJA CONSTRUCTION	8,455.00	NYLON LINE	2
NGWANELISIWE TRADING	3,000.00	OFFICE FURNITURE	1

Investment Portfolio Analysis

Name of Bank	Account Number	Name of Account	Balance as at 30 SEPTEMBER 2015
ABSA	9106646490	Call Account	945.82
Nedbank	19542952	Fixed Deposit	22,062.70
FNB	62033811995	Call Account	16,057,928.51
FNB	71021254116	fixed Deposit	36,246.19
FNB	71048724530	Fixed Deposit	11,000.00
FNB	71066697123	Fixed Deposit	14,000.00
FNB: MSIG	62216024737	Call Account	938,851.23
FNB: LAND SALES	62216019019	Call Account	339,853.10
FNB: NDPG	62232266991	Money market	32,243.66
FNB: MIG	62281385130	Call Account	18,467.73
FNB: STR	62347582050	Money market	898,880.98
FNB: INEP	62347581060	Money market	3,729,670.95
FNB	74407973409	Notice Account	2,283,991.41
FNB: FMG	74489582327	Fixed Deposit	0.00
Standard Bank: Stanlib	75075646	Fixed Deposit	12,528.39
TOTAL			24,396,670.67

Umtshezi municipality has been consistent with the requirements of the Municipal Investment Regulations, 2005 in its dealings with investments exhibited in the above table.

Allocation and grant receipts and expenditure

	Details	Ref	Opening Balance	Funds Received	Expenditure	Closing Balance
	Conditional / CAPEX					
9101/03/3/05/0401	MG	G200	0.00	-5,000,000.00	4,412,203.04	-587,796.96
9101/03/3/08/0101	FMG	G300	0.00	-1,600,000.00	263,820.33	-1,336,179.67
9101/03/3/05/0201	NDPG	G400	0.00	0.00	0.00	0.00
9101/03/3/05/0201	INEP	G500	19,362.68	-15,000,000.00	1,728,644.64	-13,251,992.68
9101/03/3/06/0101	MSIG	G600	0.00	-930,000.00	124,500.00	-805,500.00
9101033050901	GOOD GOVERNANCE	G800	-84,547.37	0.00	0.00	-84,547.37
9101/03/3/08/0102	SMALL TOWN REHABILITATIO	G900	-2,344,648.55	0.00	368,941.80	-1,975,706.75
9101/03/3/05/1001	SPORT INFRASTRUCTURE	G901	1,912.16	0.00	0.00	1,912.16
	Sub-Total		(2,407,921.08)	(22,530,000.00)	6,898,109.81	(18,039,811.27)
	Unconditional / OPEX					
1016/01/2/12/1110	EQUITABLE SHARE	G2000	0.00	-20,890,000.00	0.00	-20,890,000.00
1005/08/2/12/1710	MUSEUM	G3000	0.00	0.00	0.00	0.00
1016/01/2/12/2025	EPWP	G4000	0.00	-4,200,000.00	88,200.00	-4,111,800.00
1025/02/2/12/1020	CARETAKER MAINTAINANCE	G5000	0.00	0.00	0.00	0.00
1005/07/2/12/2050	PROVINCIALISATION OF LIBRA	G6000	0.00	0.00	0.00	0.00
1005/07/2/12/2055	COMMUNITY LIBRARY SERVIC	G7000	0.00	-340,000.00	0.00	-340,000.00
	Sub-Total		0.00	(25,430,000.00)	88,200.00	(25,341,800.00)
	Grand total		-2,407,921.08	-47,960,000.00	6,986,309.81	-43,381,611.27

Municipal Manager's Quality Certificate

I, **EH DLADLA**, the acting municipal manager of Umtshezi Municipality hereby certify that-

- The monthly budget statement
- Quarterly report on the implementation of the budget and financial state affairs of the municipality
- Mid-year budget and performance assessment

For the Quarter 1, has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.

Print name: **EH DLADLA**

Municipal Manager of Umtshezi Municipality, KZN234

Signature: 

Date: 10/10/2015