



Emadlangeni Municipality

Section 52 Report for the quarter ended 30 September 2015

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MAYOR'S REPORT

Councillors I present to you the first quarter report for the 2015/16 financial year on the implementation of the budget and the financial state of affairs of the municipality. The aforesaid budget is being implemented in line with the service delivery and budget implementation plan.

Revenue collection still remains as a challenge to the municipality due to the high unemployment and limited economic activity which characterizes the municipality. To this end debtors stood at R29 991 197 as at the end of September 2015 which is relatively high considering the size of the municipality. More effective and rigorous collection methods have to be employed to arrest the situation.

The municipality's revenue sources are limited and the municipality is mainly dependent on government grants capital expenditure more so. Municipal Infrastructure Grant is the main source of funding. Economic stimulation is of paramount importance in Emadlangeni in order to broaden the revenue base.

Property rates revenue contribute significantly to the limited revenue base, nevertheless, the municipality relies solely on ward 2 as far as property rates revenue is concerned. In light of the above the long term strategies should include making use of the vast land on the municipality's disposal in embarking on middle income housing projects on the periphery of the municipality's boundaries with Newcastle. By so doing the municipality's revenue base is increased in the form of property rates and increased economic activity.

The reports for the first quarter in overall depict a slow spending pattern. Improvements are envisaged in the 2nd quarter.

V.C. Ndlovu

ACTING MAYOR

RESOLUTIONS

EXECUTIVE SUMMARY

Revenue

The budgeted total revenue for the 1st quarter was R21 987 527 compared to actual accrued and billed for the same period of R27 756 088. The 26% favourable variance can chiefly be attributed to the annual property rates billings done in the first quarter, the budget is smoothed out in contrast to the actual billings on property rates. Nevertheless on certain line items the variance between budget and actual has been negative, notably rental of facilities and equipment which recorded a negative variance.

Operational Expenditure

The overall operational budget for the 1st quarter was R17 166 563 in contrast to actual expenditure of R14 357 052 representing a variance of 16%. This is partly explained by vacant key positions which have not been filled. Other non-cash accounting entries also contribute.

Capital Expenditure

The total capital expenditure budget for the 1st quarter amounts to R6 223 940 compared to the actual expenditure of R2 653 806.5 which translates to 57% negative variance. The variance is attributed chiefly to infrastructure projects and major contracts which have yet started in earnest. Appointments are expected to be finalised in the 2nd quarter.

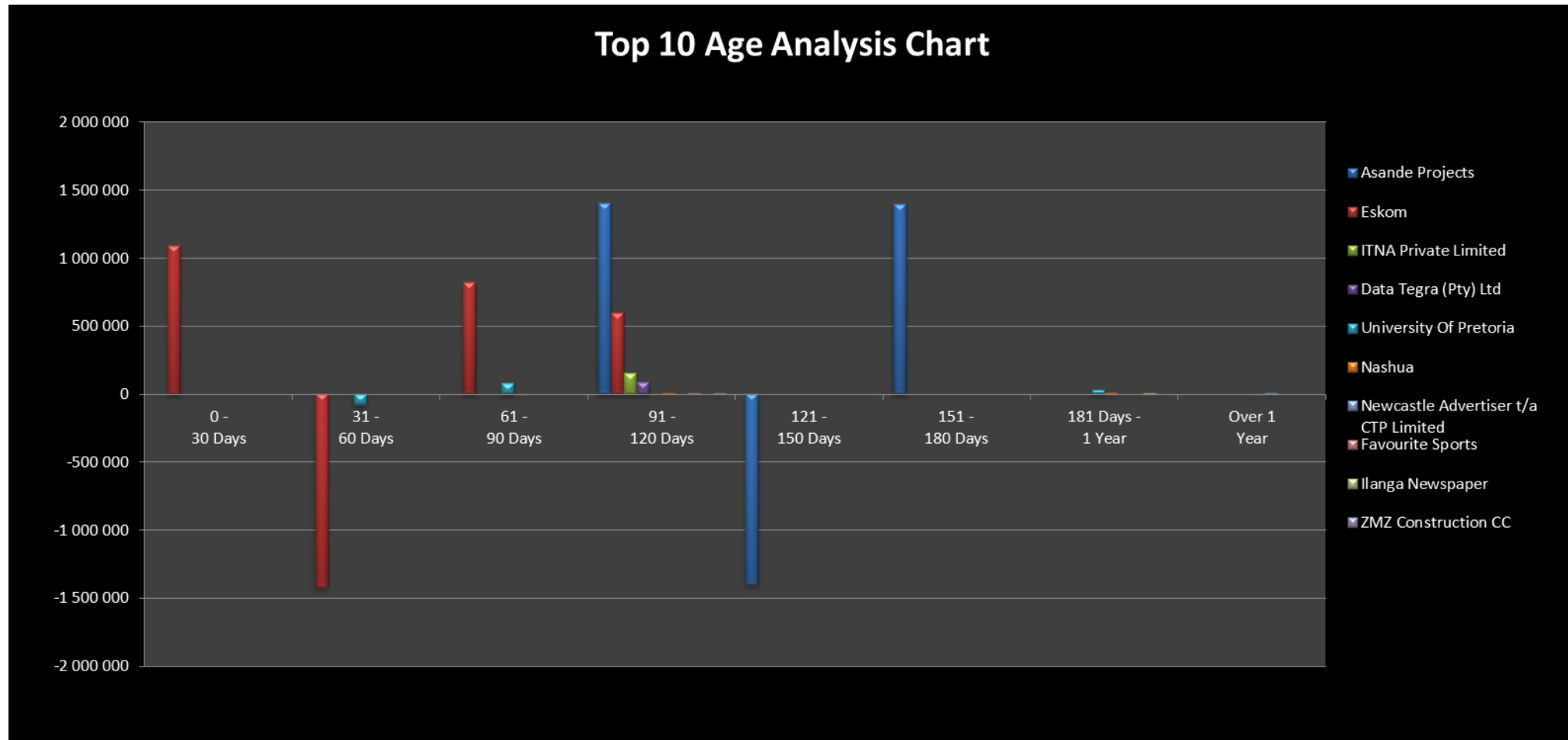
IN YEAR BUDGET STATEMENT TABLES

DEBTORS ANALYSIS

DEBTORS ANALYSIS

Year End	Month End	Mun	Item	Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
2016	M03	KZN253	1100	Debtors Age Analysis By Income Source									
			1200	Trade and Other Receivables from Exchange Transactions - Water	0	0	0	0	0	0	0	0	0
			1300	Trade and Other Receivables from Exchange Transactions - Electricity	769 737	588 534	454 509	422 361	349 720	328 714	1 593 439	3 713 182	8 220 196
			1400	Receivables from Non-exchange Transactions - Property Rates	852 224	289 482	5 280 327	188 992	177 972	169 427	1 032 344	6 119 871	14 110 639
			1500	Receivables from Exchange Transactions - Waste Water Management	0	0	0	0	0	0	0	0	0
			1600	Receivables from Exchange Transactions - Waste Management	133 733	100 074	85 680	72 278	63 577	60 893	367 901	2 035 204	2 919 340
			1700	Receivables from Exchange Transactions - Property Rental Debtors	44 812	17 473	21 343	14 722	11 296	12 172	65 316	799 668	986 802
			1810	Interest on Arrear Debtor Accounts	196 806	172 562	143 387	117 083	114 829	112 549	1 020 663	2 159 776	4 037 655
			1820	Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	0	0	0	0	0	0	0	0	0
			1900	Other	-505 689	-222 038	-55 943	-9 973	-3 817	-7 114	-18 730	539 929	-283 375
			2000	Total By Income Source	1 491 623	946 087	5 929 303	805 463	713 577	676 641	4 060 933	15 367 630	29 991 257
			2100	Debtors Age Analysis By Customer Group									
			2200	Organs of State	370 563	375 330	5 344 380	290 871	270 267	246 923	1 363 331	3 489 620	11 751 285
			2300	Commercial	373 267	151 714	121 314	103 222	78 678	80 332	500 246	1 899 080	3 307 853
			2400	Households	471 279	261 434	223 904	228 311	195 624	183 770	1 211 443	6 088 987	8 864 752
			2500	Other	276 514	157 609	239 705	183 059	169 008	165 616	985 913	3 889 943	6 067 367
			2600	Total By Customer Group	1 491 623	946 087	5 929 303	805 463	713 577	676 641	4 060 933	15 367 630	29 991 257

CREDITORS' ANALYSIS



INVESTMENT PORTFOLIO

No.	Investment Account Description	Bank Account No.	Vote	Balance as at 1 July 2015	Receipts 2015/2016	Withdrawals 2015/2016	Interest 2015/2016	Bank Charges 2015/2016	Balance as at 30 September 2015
1	Housing Operating Account	06 850 094 7-033	7000/7004	512 270.00	-	-	6 919.19	-	519 189.19
4	Municipal Systems Implementation Grant 4	06 850 094 7 - 032	7000/7042	270 697.88	-	-	3 656.29	-	274 354.17
5	Municipal Infrastructure Grant	26 858 661 6 - 001	7000/7031	4 381 894.73	-	-	61 415.11	-	4 443 309.84
6	Repair of 376 Houses	06 850 418 7 - 001	7000/7012	1 879 969.84	-	-	25 853.11	-	1 905 822.95
7	Equitable Share (General Investments)	06 850 094 7 - 030	7000/7004	1 259 038.25	-	-	17 207.61	-	1 276 245.86
8	Small Town Rehabilitation Grant	06 850 094 7 - 034	7000/7052	308 568.07	-	-	4 167.80	-	312 735.87
9	Library Grant	06 850 094 7 - 036	7000/7061	141 676.48	-	-	1 913.61	-	143 590.09
10	Infrastructure Sports Facilities	42 880 052 1 - 001	7000/7067	73 932.91	-	-	923.42	-	74 856.33
11	VAT Refund Account	42 880 052 1 - 002	7000/7068	5 762 094.07	-	-	78 746.09	-	5 840 840.16
12	Nguni Cattle	42 880 052 1 - 003	7000/7071	99 934.31	-	-	1 315.55	-	101 249.86
14	FMG 2012/2013	06 850 094 7 - 038	7000/7075	449 695.61	-	-	6 302.78	-	455 998.39
16	Infrastructure Sports Facilities 2012/2013	06 850 094 7 - 041	7000/7081	44 051.44	-	-	596.70	-	44 648.14
17	Municipal Infrastructure 2012/2013	06 850 094 7 - 042	7000/7083	35 253.39	-	-	477.53	-	35 730.92
18	Fixed Deposit Account	03 7165 019 - 073	7000/7085	-	-	-	-	-	300 000.00
22	Library 2013/2014	06 850 094 7 - 046	7000/7093	324 245.94	-	-	4 544.52	-	328 790.46
24	Integrated Electrification Grant 2013/2014	06 850 0947 - 048	7000/7097	674 646.15	-	584 000.00	1 314.22	-	91 960.37
25	Infrastructure Sports Facilities 2014/2015	06 850 0947 - 049	7000/7098	72 813.69	-	-	986.31	-	73 800.00
26	Proceeds From Auction	06 850 0947 - 050	7000/7099	644 203.31	-	-	9 028.93	-	653 232.24
32	INEG 2014/2015	06 850 0947 - 061	7000/7070	706 789.85	-	-	9 906.11	-	716 695.96
33	Library Grant 2014/2015	06 850 0947 - 062	7000/7072	255 680.75	-	-	3 583.53	-	259 264.28
34	Bensdorp Sportsfield 2014/2015	06 850 0947 - 063	7000/7080	1 015 552.06	-	-	14 233.62	-	1 029 785.68
37	MSIG 2015/2016	428800521 - 005	7000/7064	-	930 000.00	-	5 857.30	-	935 857.30
38	MIG 2015/2015	06 850 0947 -064	7000/7063	-	5 000 000.00	-	31 490.90	-	5 031 490.90
				16 934 986.07	5 930 000.00	584 000.00	290 440.23	-	24 849 448.96

ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants Register Summary 2015/2016									
Conditional Grant Listing					Balance as at	Receipts	Expenditure	Balance as at	Balance per ledger
No.	Grant Type	General Ledger Vote no.	WP Ref.	Investments WP Ref.	1 July 2015	2015/2016	2015/2016	30 September 2015	30 September 2015
1	Finance Management Grant	9400/9402			-	1 800 000.00	273 502.67	1 526 497.33	1 526 497.33
4	MSIG 08/09	9400/9415			-	930 000.00	78 000.00	852 000.00	852 000.00
7	Municipal Infrastructure Grant	9400/9411			0.02	5 000 000.00	3 191 176.08	1 808 823.94	1 808 823.90
9	Repair of 376 Houses	9400/9401			903 525.28	-	-	903 525.28	903 525.28
12	Library Grant	9400/9424			95.59	723 000.00	129 783.49	593 312.10	593 312.10
13	Sports Grant	9400/9425			-	-	30 000.00	(30 000.00)	(30 000.00)
14	EPWP Grant	9400/9427			-	412 000.00	199 900.00	212 100.00	212 100.00
15	Integrated National Electrification Grant	9400/9432			-	1 500 000.00	709 455.26	790 544.74	790 544.74
16	Sportfields Grant	9400/9433				-		801 702.13	801 702.13
TOTALS					903 620.89	10 365 000.00	4 611 817.50	7 458 505.51	7 458 505.48

ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

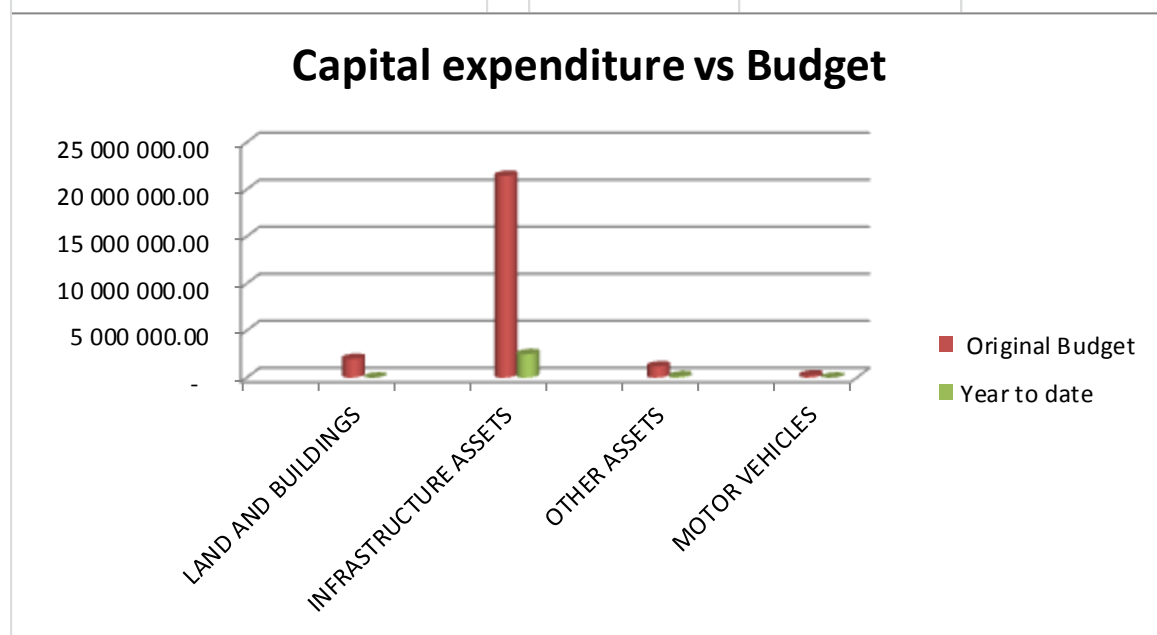
COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

MATERIAL VARIANCES TO SDBIP

Refer to Organisational Scorecard

CAPITAL PROGRAMME PERFORMANCE

Capital expenditure vs Budget			
	Original Budget	Year to date	% of budget spent
LAND AND BUILDINGS	2 000 000.00	-	0.00
INFRASTRUCTURE ASSETS	21 445 760.00	2 498 055.83	11.65
OTHER ASSETS	1 200 000.00	155 750.67	12.98
MOTOR VEHICLES	250 000.00	-	0.00
	-		
	24 895 760.00	2 653 806.50	



MUNICIPAL MANAGER QUALITY CERTIFICATION

I, **GPN Ntshangase**, Municipal Manager of **Emadlangeni Municipality**, hereby certify that the quarterly report on the implementation of the budget and financial state affairs of the municipality for the month of September 2015 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name : GPN NTSHANGASE
Municipal Manager of : EMADLANGENI MUNICIPALITY(KZN253)
Signature :
Date :