

Harry Gwala District Municipality

MFMA S 71 & s52 (d) report for the period ending 30 June 2014.

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

AFS – Annual Financial Statements

Budget – The financial plan of the Municipality.

Capital expenditure - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant.

GRAP – Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

SDBIP – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Vote – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. .

YTD – Year to date

YoY – Year on Year

DBSA – Development Bank of South Africa

1. PART 1 – MONTHLY REPORT

1.1 Mayors Report

1.1.1 Implementation of the budget in accordance with the SDBIP

A comprehensive report detailing the implementation for the fourth quarter ended 30 June 2014 will be tabled in a separate report to council.

1.1.2 Financial problems or risks facing the municipality

The cash flow position as at 30 June 2014 of the Municipality shows an improvement when compared to the cash balances as at 30 June 2013. However, in its 2014/15 budget, the municipality will seek to achieve great improvements in this regard by continuing to implement the “belt-tightening” measures as resolved by Council.

The increasing consumer debts continue to contribute towards the municipality’s liquidity risks. Improving the debt collection will continue to rank high in the municipality’s priorities as we seek to improve financial sustainability.

1.2 Executive Summary

Legislative Requirements

In terms of the section 71 of the MFMA the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
- (b) actual borrowings;
- (c) actual expenditure, per vote;
- (d) actual capital expenditure, per vote;
- (e) the amount of any allocations received;
- (f) actual expenditure on those allocations, excluding expenditure on—
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of—
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's

DELIBERATION

The discussion that follows, in terms of MFMA Section 71 & Section 52 (d) above, intends to inform the Council on the progress made thus far in terms of implementing the 2013/2014 budget for the period ending 30 June 2014.

Revenue by Source

The Year-to-Date actual revenue is 7% below the YTD budget.

Borrowings

The balance of borrowings amounts to R24m at the end of June 2014. This balance is made up of R23m due to ABSA Bank and R1m due to the DBSA.

Operating expenditure by vote & type

Operating expenditure is 19% below YTD budget projections for the period ending June 2014.

Capital expenditure

The YTD expenditure on capital amounts to R203 million, or 96%, of a total budget of R210, 4m Capital expenditure is mainly funded by means of national grants in the form of Municipal Infrastructure Grant.

Cash flows

The municipality started the year with a positive cashbook balance of R29 million. Refer to Supporting Table C6 for more detail on the cash position.

Allocations received (National & Provincial Grants)

All DORA allocations for 2013/2014 have been received as Gazetted. Details of the grants have been presented in SC6.

Spending on Grants

Spending on grants amounted to R477, 9million for 2013/14 financial year.

1.3 Resolutions

The following recommendations are linked to the responsibilities of the Mayor as contained in s54 of the MFMA.

It is recommended that the Mayor;

1. Notes the monthly budget statement and any other supporting documentation
2. Notes the quarterly report on the implementation of the budget in terms of s52(d) MFMA
3. Noting the in- year report of the Sisonke Development Agency.

1.4 Monthly Budget Statement Tables

Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance in the Municipality and is unpacked in the sections that follow.

DC43 Sisonke - Table C1 Monthly Budget Statement Summary - M12 June									
Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Service charges	41 037	44 748	42 748	4 089	47 579	42 748	4 831	11%	42 748
Investment revenue	2 753	2 000	2 500	(89)	3 344	2 500	844	34%	7 679
Transfers recognised - operational	217 640	220 563	220 607	3	220 829	220 607	222	0%	220 607
Other own revenue	6 567	500	29 722	5 581	12 348	29 722	(17 374)	-58%	29 722
Total Revenue (excluding capital transfers and contributions)	267 997	267 811	295 577	9 584	284 099	295 577	(11 478)	-4%	300 756
Employee costs	81 571	90 434	94 837	8 544	96 949	94 837	2 111	2%	94 837
Remuneration of Councillors	4 622	6 181	6 162	445	5 249	6 162	(913)	-15%	6 162
Depreciation & asset impairment	18 000	20 000	25 000	17 069	(2 535)	25 000	(27 535)	-110%	25 000
Finance charges	3 680	3 500	3 521	1 908	3 449	3 521	(72)	-2%	3 521
Materials and bulk purchases	9 422	7 800	9 598	2 867	9 697	9 598	99	1%	9 598
Transfers and grants	9 569	12 000	13 768	2 716	15 448	13 768	1 679		13 768
Other expenditure	149 206	115 081	184 045	(31 639)	144 829	184 045	(39 216)	-21%	184 045
Total Expenditure	276 070	254 996	336 932	1 911	273 085	336 932	(63 847)	-19%	336 932
Surplus/(Deficit)	(8 072)	12 816	(41 355)	7 673	11 014	(41 355)	52 369	-127%	(36 175)
Transfers recognised - capital	178 591	210 486	236 103	-	152 761	236 103	(83 342)	-35%	236 103
Surplus/(Deficit) after capital transfers & contributions	170 519	223 302	194 748	7 673	163 775	194 748	(30 973)	-16%	199 928
Surplus/ (Deficit) for the year	170 519	223 302	194 748	7 673	163 775	194 748	(30 973)	-16%	199 928
Capital expenditure & funds sources									
Capital expenditure	148 388	227 234	210 496	25 717	221 518	210 496	11 022	5%	227 234
Capital transfers recognised	148 388	210 486	186 885	24 790	218 512	186 885	31 628	17%	210 486
Internally generated funds	-	16 748	23 611	927	3 006	23 611	(20 606)	-87%	16 748
Total sources of capital funds	148 388	227 234	210 496	25 717	221 518	210 496	11 022	5%	227 234
Financial position									
Total current assets	26 042	63 318	71 256		135 830				71 256
Total non current assets	1 083 502	1 517 343	1 336 519		1 129 654				1 336 519
Total current liabilities	81 782	34 740	39 863		59 066				39 863
Total non current liabilities	38 018	33 101	33 101		34 356				33 101
Community wealth/Equity	989 745	1 512 820	1 334 811		1 172 063				1 334 811
Cash flows									
Net cash from (used) operating	167 559	253 556	210 347	(17 970)	216 375	210 347	6 028	3%	184 187
Net cash from (used) investing	(148 471)	(226 772)	(168 236)	(7 291)	(211 085)	(168 236)	(42 848)	25%	(168 236)
Net cash from (used) financing	(2 652)	(2 482)	(5 337)	(1 136)	(3 405)	(1 173)	(2 232)	190%	125
Cash/cash equivalents at the month/year end	19 970	54 303	56 960	-	22 072	70 938	(48 866)	-69%	36 261
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	6 338	4 598	3 590	3 208	3 385	3 067	14 983	62 238	101 407
Creditors Age Analysis									
Total Creditors	2 952	-	-	-	-	-	-	-	2 952

Financial Performance

Table C2 provides the statement of financial performance by standard classification.

DC43 Sisonke - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M12 June									
Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Revenue - Standard									
Governance and administration	214 469	220 696	221 867	540	226 711	221 867	4 845	2%	220 696
Budget and treasury office	214 469	220 696	220 898	540	226 668	220 898	5 770	3%	220 696
Corporate services	–	–	969	–	44	969	(925)	-96%	–
Economic and environmental services	90	–	6 831	–	3 171	6 831	(3 660)	-54%	–
Planning and development	90	–	6 831	–	3 171	6 831	(3 660)	-54%	–
Trading services	229 276	255 601	302 982	9 044	206 978	302 982	(96 004)	-32%	56 748
Water	44 642	56 748	48 957	9 044	53 251	48 957	4 293	9%	56 748
Waste water management	184 635	198 853	254 025	–	153 727	254 025	(100 298)	-39%	–
Total Revenue - Standard	443 835	476 297	531 680	9 584	436 860	531 680	(94 820)	-18%	277 444
Expenditure - Standard									
Governance and administration	100 756	121 481	130 147	10 043	89 198	130 147	(40 949)	-31%	121 481
Executive and council	12 415	18 956	18 718	1 346	17 441	18 718	(1 278)	-7%	18 956
Budget and treasury office	54 930	63 431	66 283	4 994	33 149	66 283	(33 133)	-50%	63 431
Corporate services	33 411	39 094	45 146	3 704	38 608	45 146	(6 538)	-14%	39 094
Economic and environmental services	35 122	45 047	48 030	5 566	44 146	48 030	(3 884)	-8%	45 047
Planning and development	35 122	33 047	34 262	2 851	28 699	34 262	(5 563)	-16%	33 047
Environmental protection	–	12 000	13 768	2 716	15 448	13 768	1 679	12%	12 000
Trading services	140 192	88 467	158 754	(13 699)	139 740	158 754	(19 014)	-12%	88 467
Water	34 630	78 651	101 232	(45 921)	65 015	101 232	(36 217)	-36%	78 651
Waste water management	105 562	9 816	57 522	32 222	74 725	57 522	17 203	30%	9 816
Total Expenditure - Standard	276 070	254 996	336 932	1 911	273 085	336 932	(63 847)	-19%	254 996
Surplus/ (Deficit) for the year	167 766	221 302	194 748	7 673	163 775	194 748	(30 973)	-16%	22 449

This table assesses the revenue by department and then the expenditure for the period ending 30 June 2014. Overall the budgeted revenue has been less than the budget by only 19%. It proves that 2013/2014 budgeted revenue was received and monitored accordingly.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has seen over expenditure by 30% in the 2013/2014 financial year. This being largely attributable to the backlog demand of operations and maintenance of water schemes in the District.

Table C3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Sisonke - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June									
Vote Description	2012/13	Budget Year 2013/14							
	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 2 - Finance	214 469	220 696	220 898	540	226 668	220 898	5 770	2.6%	220 696
Vote 3 - Corporate Services	-	-	969	-	44	969	(925)	-95.5%	-
Vote 4 - Economic &Community Services	90	-	6 831	-	3 171	6 831	(3 660)	-53.6%	-
Vote 5 - Infrastructure Services	184 635	198 853	254 025	-	153 727	254 025	(100 298)	-39.5%	198 853
Vote 6 - Water Services	44 642	56 748	48 957	9 044	53 251	48 957	4 293	8.8%	56 748
Total Revenue by Vote	443 835	476 297	531 680	9 584	436 860	531 680	(94 820)	-17.8%	476 297
Expenditure by Vote									
Vote 1 - Executive & Council	12 415	18 956	18 718	1 346	17 441	18 718	(1 278)	-6.8%	18 956
Vote 2 - Finance	54 930	63 431	66 283	4 994	33 149	66 283	(33 133)	-50.0%	63 431
Vote 3 - Corporate Services	33 411	39 094	45 146	3 704	38 608	45 146	(6 538)	-14.5%	39 094
Vote 4 - Economic &Community Services	35 122	45 047	48 030	5 566	44 146	48 030	(3 884)	-8.1%	45 047
Vote 5 - Infrastructure Services	34 630	9 816	57 522	32 222	74 725	57 522	17 203	29.9%	78 651
Vote 6 - Water Services	105 562	78 651	101 232	(45 921)	65 015	101 232	(36 217)	-35.8%	9 816
Total Expenditure by Vote	276 070	254 996	336 932	1 911	273 085	336 932	(63 847)	-18.9%	254 996
Surplus/ (Deficit) for the year	167 766	221 302	194 748	7 673	163 775	194 748	(30 973)	-15.9%	221 302

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 June 2014.

DC43 Sisonke - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June									
Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Service charges - water revenue	26 799	30 697	30 697	2 862	33 305	30 697	2 609	8%	30 697
Service charges - sanitation revenue	11 485	12 052	12 052	1 227	14 274	12 052	2 222	18%	12 052
Interest earned - external investments	2 753	2 000	2 500	(89)	3 344	2 500	844	34%	2 500
Interest earned - outstanding debtors			5 179	540	5 638	5 179	459	9%	5 179
Transfers recognised - operational	217 640	220 563	220 607	3	220 829	220 607	222	0%	220 607
Other revenue	6 567	500	24 543	5 041	6 710	24 543	(17 833)	-73%	24 543
Total Revenue (excluding capital transfers and contributions)	265 244	265 811	295 577	9 584	284 099	295 577	(11 478)	-4%	295 577
Expenditure By Type									
Employee related costs	81 571	90 434	94 837	8 544	96 949	94 837	2 111	2%	94 837
Remuneration of councillors	4 622	6 181	6 162	445	5 249	6 162	(913)	-15%	6 162
Debt impairment	8 000	12 000	12 000	-	-	12 000	(12 000)	-100%	12 000
Depreciation & asset impairment	18 000	20 000	25 000	17 069	(2 535)	25 000	(27 535)	-110%	25 000
Finance charges	3 680	3 500	3 521	1 908	3 449	3 521	(72)	-2%	3 521
Bulk purchases	9 422	7 800	9 598	2 867	9 697	9 598	99	1%	9 598
Contracted services	17 492	36 317	34 999	5 268	29 261	34 999	(5 738)	-16%	34 999
Transfers and grants	9 569	12 000	13 768	2 716	15 448	13 768	1 679	12%	13 768
Other expenditure	123 714	66 763	137 045	(36 907)	115 568	137 045	(21 478)	-16%	137 045
Total Expenditure	276 070	254 996	336 932	1 911	273 085	336 932	(63 847)	-19%	336 932
Surplus/(Deficit)	(10 825)	10 816	(41 355)	7 673	11 014	(41 355)	52 369	(0)	(41 355)
Transfers recognised - capital	178 591	210 486	236 103	-	152 761	236 103	(83 342)	(0)	236 103
Surplus/(Deficit) after capital transfers & contributions	167 766	221 302	194 748	7 673	163 775	194 748			194 748
Surplus/(Deficit) after taxation	167 766	221 302	194 748	7 673	163 775	194 748			194 748
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	167 766	221 302	194 748	7 673	163 775	194 748			194 748
Surplus/ (Deficit) for the year	167 766	221 302	194 748	7 673	163 775	194 748			194 748

A detailed analysis of the anomalies is provided under "2.6 Material Variances in the SDBIP"

Capital Expenditure

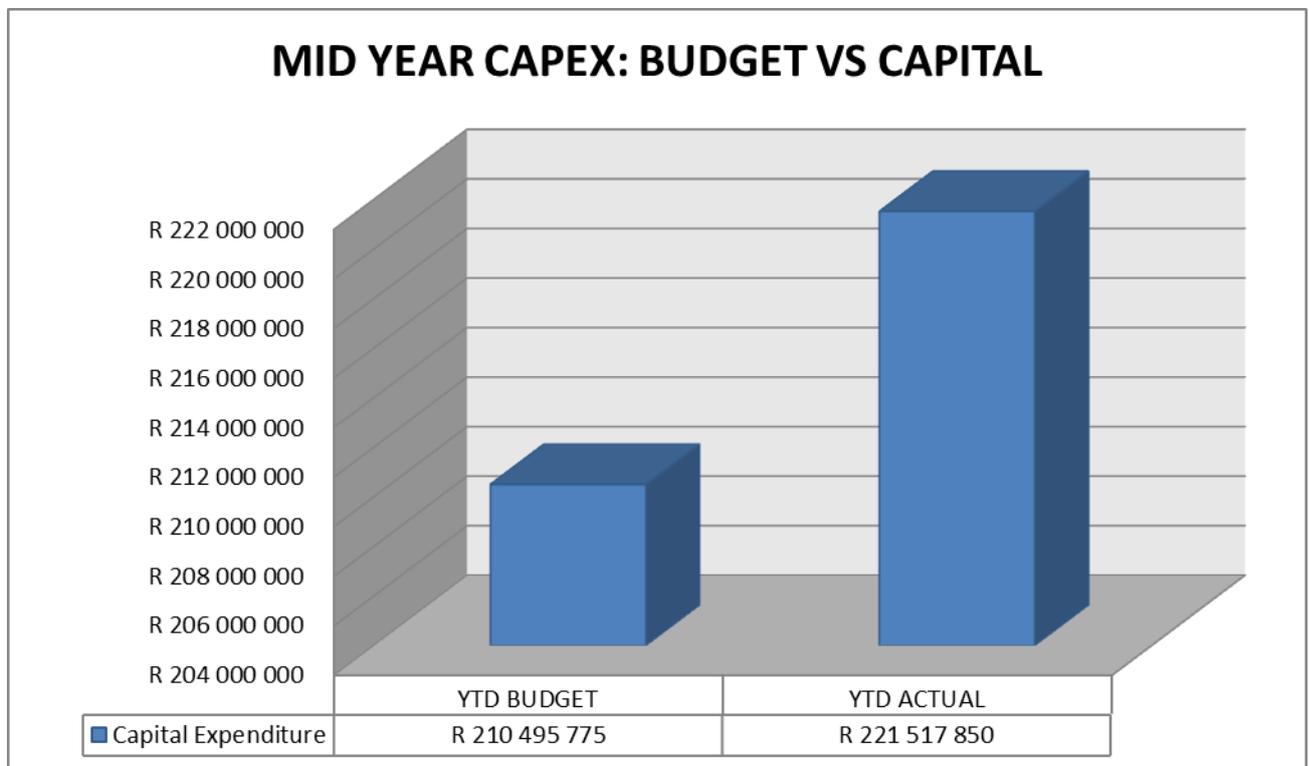
Table C5 below reports on the capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

DC43 Sisonke - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M12 June									
Vote Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 2 - Finance	136	130	200	-	-	200	(200)	-100%	130
Vote 3 - Corporate Services	368	3 256	2 433	988	3 580	2 433	1 148	47%	3 256
Vote 4 - Economic & Community Services	-	-	409	-	-	409	(409)	-100%	-
Vote 5 - Infrastructure Services	147 884	223 248	205 332	24 729	217 938	205 332	12 606	6%	223 248
Vote 6 - Water Services	-	600	2 122	-	-	2 122	(2 122)	-100%	600
Total Capital Multi-year expenditure	148 388	227 234	210 496	25 717	221 518	210 496	11 022	5%	227 234
Total Capital Expenditure	148 388	227 234	210 496	25 717	221 518	210 496	11 022	5%	227 234
Capital Expenditure - Standard Classification									
Governance and administration	504	3 386	2 633	988	3 580	2 633	948	36%	3 386
Budget and treasury office	136	130	200	-	-	200	(200)	-100%	130
Corporate services	368	3 256	2 433	988	3 580	2 433	1 148	47%	3 256
Community and public safety	-	-	409	-	-	409	(409)	-100%	-
Community and social services	-	-	409	-	-	409	(409)	-100%	-
Trading services	147 884	223 848	207 454	24 729	217 938	207 454	10 484	5%	223 848
Water	-	600	2 122	-	-	2 122	(2 122)	-100%	600
Waste water management	147 884	223 248	205 332	24 729	217 938	205 332	12 606	6%	223 248
Total Capital Expenditure - Standard Classification	148 388	227 234	210 496	25 717	221 518	210 496	11 022	5%	227 234
Funded by:									
National Government	128 865	210 486	183 268	22 264	207 647	183 268	24 379	13%	210 486
Provincial Government	19 523	-	3 617	2 526	10 866	3 617	7 249	200%	-
Transfers recognised - capital	148 388	210 486	186 885	24 790	218 512	186 885	31 628	17%	210 486
Public contributions & donations							-		
Internally generated funds		16 748	23 611	927	3 006	23 611	(20 606)	-87%	16 748
Total Capital Funding	148 388	227 234	210 496	25 717	221 518	210 496	11 022	5%	227 234

As compared to the 2012/13 capital expenditure the 2013/14 capital expenditure has improved by 5% from underspending of 34% to overspending of 33%, there is improvement in the expenditure of 2013/2014 CAPEX.

The chart below presents a high level analysis of YTD capital expenditure budget against the YTD actual expenditure.

Chart 1: Midyear Capex



As at midyear, the year to date actual expenditure was R221, 5million against a YTD budget of R210, 4million. In monetary terms, these figures represent 105% percent performance against the capital development programme as at midyear.

Table C6 displays the financial position of the municipality as at 30 June 2014.

As at 30 June 2014, the current ratio has improved to 0.85:1 compared to 0.61:1 as at the end of the last financial year. The norm for this ratio is 2:1, meaning for every R1 of debt obligations you ought to have R2 of current assets to meet those debt commitments.

DC43 Sisonke - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	2012/13	Current Year 2013/14			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	19 970	54 303	56 960	29 474	56 960
Consumer debtors	5 957	2 505	7 786	5 412	7 786
Other debtors		6 510	6 510	48 774	6 510
Inventory	116	–	–	269	–
Total current assets	26 042	63 318	71 256	83 929	71 256
Non current assets					
Property, plant and equipment	1 083 316	1 516 798	1 335 034	1 337 020	1 335 034
Intangible assets	186	545	1 484	1 196	1 484
Total non current assets	1 083 502	1 517 343	1 336 519	1 338 216	1 336 519
TOTAL ASSETS	1 109 545	1 580 661	1 407 775	1 422 145	1 407 775
LIABILITIES					
Current liabilities					
Borrowing	3 333	3 174	3 174	3 415	3 174
Consumer deposits	949	1 012	1 135	1 114	1 135
Trade and other payables	71 899	30 555	35 555	68 408	35 555
Provisions	5 600	–	–	10 841	–
Total current liabilities	81 782	34 740	39 863	83 778	39 863
Non current liabilities					
Borrowing	30 591	25 384	25 384	22 064	25 384
Provisions	7 427	7 717	7 717	13 928	7 717
Total non current liabilities	38 018	33 101	33 101	35 992	33 101
TOTAL LIABILITIES	119 800	67 841	72 964	119 770	72 964
NET ASSETS	989 745	1 512 820	1 334 811	1 302 375	1 334 811
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	989 745	1 512 820	1 334 811	1 280 407	1 334 811
TOTAL COMMUNITY WEALTH/EQUITY	989 745	1 512 820	1 334 811	1 280 407	1 334 811

This ratio means that for one rand (R1) of monies owed, the municipality only had eighty five cents (R0.85c) to meet those short term debt obligations signalling liquidity risk.

Table C7 below display the Cash Flow Statement for the mid-year.

DC43 Sisonke - Table C7 Monthly Budget Statement - Cash Flow - M12 June									
Description	2012/13	Budget Year 2013/14							
	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	30 752	30 424	30 424	5 668	37 504	30 424	7 080	23%	30 424
Government - operating	231 660	220 563	220 607	3	226 896	220 607	6 289	3%	220 563
Government - capital	168 745	210 486	236 103	-	241 937	236 103	5 834	2%	210 486
Interest	2 456	2 000	2 500	540	8 620	2 500	6 120	245%	2 000
Payments									
Suppliers and employees	(264 286)	(194 417)	(261 997)	(18 865)	(278 261)	(261 997)	16 264	-6%	(261 997)
Finance charges	(1 768)	(3 500)	(3 521)	(1 326)	(2 867)	(3 521)	(654)	19%	(3 521)
Transfers and Grants	-	(12 000)	(13 768)	(3 990)	(17 453)	(13 768)	3 685	-27%	(13 768)
NET CASH FROM/(USED) OPERATING ACTIVITIES	167 559	253 556	210 347	(17 970)	216 375	210 347	6 028	3%	184 187
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Payments									
Capital assets	(148 471)	(226 772)	(168 236)	(7 291)	(211 085)	(168 236)	42 848	-25%	(168 236)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(148 471)	(226 772)	(168 236)	(7 291)	(211 085)	(168 236)	42 848	-25%	(168 236)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits		12	125	-	-	125	(125)	-100%	125
Payments									
Repayment of borrowing	(2 652)	(2 494)	(5 462)	(1 136)	(3 405)	(1 297)	2 107	-162%	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 652)	(2 482)	(5 337)	(1 136)	(3 405)	(1 173)	2 232	-190%	125
NET INCREASE/ (DECREASE) IN CASH HELD	16 436	24 303	36 774	(26 398)	1 886	40 938			16 075
Cash/cash equivalents at beginning:	3 535	30 000	20 186		20 186	30 000			20 186
Cash/cash equivalents at month/year end:	19 970	54 303	56 960		22 072	70 938			36 261

There has been an improvement even though it is lower than expected in 2013/2014 financial year collection levels signalled by a collection ratio of 62% (June 2013: 58%). These low collection levels for the 2013/2014 financial year has put a strain on the cash flow levels of the Municipality. Interest earned on investments has been more than budgeted which was influenced by the investments account that were opened this financial year. The interest on outstanding debtors was not budgeted for and this will be corrected in the adjustment budget and it has improved the revenue of the Municipality.

2 PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 30 June 2014.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Sisonke - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June											
Description	NT Code	Budget Year 2013/14									
		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	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	4 069	2 951	2 304	2 059	2 173	1 969	9 618	39 952	65 096	55 771
Receivables from Exchange Transactions - Waste Water Management	1500	1 590	1 153	900	805	849	769	3 757	15 608	25 430	21 788
Interest on Arrear Debtor Accounts	1810	680	493	385	344	363	329	1 608	6 678	10 881	9 323
Total By Income Source	2000	6 338	4 598	3 590	3 208	3 385	3 067	14 983	62 238	101 407	86 881
2012/13 - totals only										-	-

Chart 2.1.2: Debtors Age Analysis by Customer Group

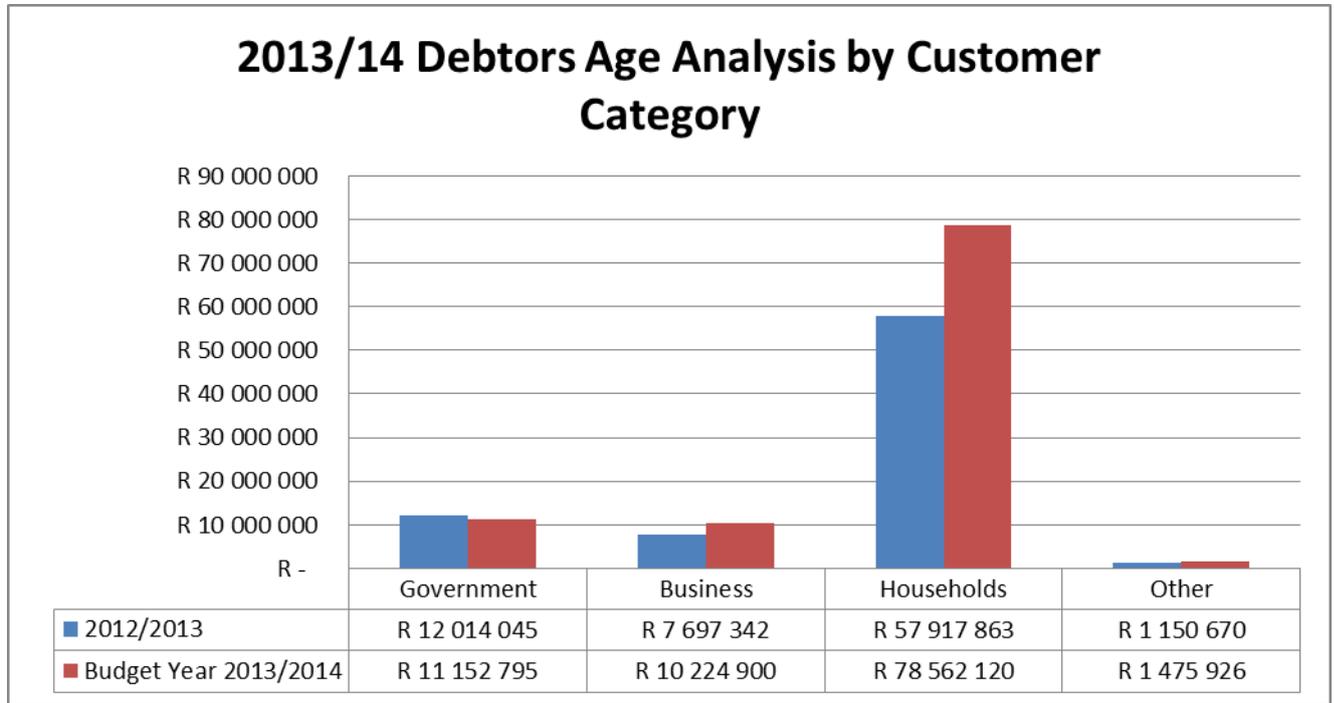
DC43 Sisonke - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June											
Description	NT Code	Budget Year 2013/14									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Customer Group											
Organs of State	2200	2 780	1 355	742	414	247	166	898	5 031	11 631	6 755
Commercial	2300	774	511	357	405	446	449	1 361	5 922	10 225	8 583
Households	2400	2 784	2 732	2 492	2 389	2 693	2 453	12 723	51 284	79 551	71 543
Total By Customer Group	2600	6 338	4 598	3 590	3 208	3 385	3 067	14 983	62 238	101 407	86 881

Table 2.1.3: Debtors Age Analysis by Customer Category

Description	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
Government	R 2 772 906	R 1 349 507	R 734 519	R 408 665	R 242 585	R 161 653	R 823 492	R 4 659 467	R 11 152 795
Business	R 774 449	R 510 542	R 356 505	R 405 156	R 445 836	R 448 584	R 1 361 360	R 5 922 467	R 10 224 900
Households	R 2 724 085	R 2 689 882	R 2 443 249	R 2 312 928	R 2 625 198	R 2 412 149	R 12 405 605	R 50 949 025	R 78 562 120
Other	R 52 287	R 61 321	R 59 623	R 85 703	R 75 767	R 42 096	R 386 478	R 712 651	R 1 475 926
TOTAL	R 6 342 955	R 4 595 335	R 3 586 548	R 3 208 936	R 3 388 102	R 3 064 089	R 14 978 178	R 62 242 216	R 101 406 358

Table 2.1.3 analyses consumer debt by Category. A further analysis in the form of a chart is provided below.

Chart 2: Debtors Age Analysis By Customer Group



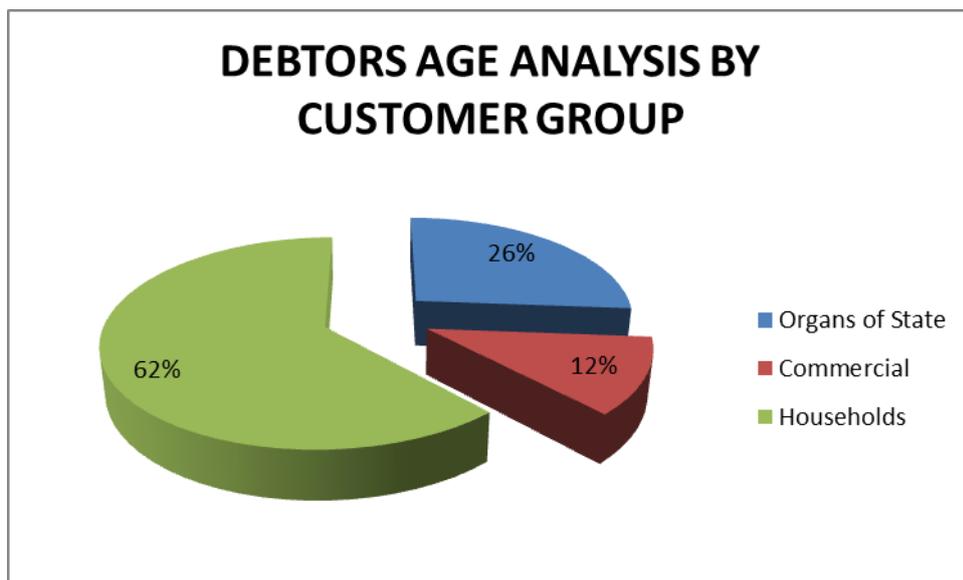
The chart above shows that for each debtor type the amounts owing to the municipality have increased on a year to year basis.

The information presented below ranks total debt owed to the municipality from highest to the lowest,

- ✓ Households: 77%
- ✓ Government 11%
- ✓ Business 10%
- ✓ Other 1%

The Year on Year comparison shows an increasing trend in each of the consumer categories presented above calling for the Municipality to improve its debt control initiatives.

Table 2.1.2 analyses consumer debt by Category. A further analysis in the form of a chart is provided below.



The information presented in the chart above ranks total debt owed to the municipality.

2.2 Creditors Analysis

Table SC4 presents the aged creditors as at 30 June 2014

Description	NT Code	Budget Year 2013/14	
		0 - 30 Days	Total
R thousands			
Creditors Age Analysis By Customer Type			
Bulk Water	0200	1 515	1 515
PAYE deductions	0300	1 222	1 222
Trade Creditors	0700	83	83
Auditor General	0800	132	132
Total By Customer Type	1000	2 952	2 952

2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short term investments balances broken down per investment type as at 30 June 2014.

Investments

DC43 Sisonke - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June						
Investments by maturity Name of institution & investment ID R thousands	Ref	Type of Investment	Accrued interest for the month	Market value at beginning of the month	Change in market value	Market value at end of the month
Municipality						
FIRST NATIONAL BANK	62095523281	MONEY MARKET	54	11 077	(10 931)	200
FIRST NATIONAL BANK	62138538692	CALL ACCOUNT	5	679		684
FIRST NATIONAL BANK	62032587331	CALL ACCOUNT	57	17 859	(10 093)	7 823
INVESTEC	50006688425	FIXED DEPOSIT	46	10 930		10 976
FIRST NATIONAL BANK	62398395204	CALL ACCOUNT	27	5 901	(458)	5 471
FIRST NATIONAL BANK	62414264797	CALL ACCOUNT	6	3 469	(1 434)	2 041
FIRST NATIONAL BANK	62434151239	CALL ACCOUNT	2	3 533	(2 896)	639
FIRST NATIONAL BANK	62434147072	CALL ACCOUNT	2	904	(903)	3
FIRST NATIONAL BANK	62434145331	CALL ACCOUNT	3	1 274	(1 273)	4
Municipality sub-total			201	55 627	(27 988)	27 840
TOTAL INVESTMENTS AND INTEREST	2		201	55 627	(27 988)	27 840

2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts

DC43 Sisonke - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June									
Description	2012/13	Current Year 2009/10			Budget Year 2013/14				
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	217 200	220 310	220 310	-	222 700	166 171	54 014	32.5%	220 010
Local Government Equitable Share	203 556	216 056	216 056	-	216 056	162 042	54 014	33.3%	216 056
Finance Management	1 250	1 250	1 250	-	1 250	1 250			1 250
Municipal Systems Improvement	1 000	890	890	-	890	890			890
WATER SERVICES OPERATING SUBSIDY GRANT	9 618	-	-	-	-	-			-
WATER SERVICES OPERATING SUBSIDY	-	300	300	-	2 690	175			
Rural Transport Services and Infrastructure Grant	1 776	1 814	1 814	-	1 814	1 814			1 814
Provincial Government:	600	253	297	133	3 802	253	3 549	1402.8%	253
Infrastructure Sport Facilities		253	253	-	-	253	(253)	-100.0%	253
District Growth Development Summit	400								
Accredited Councillors Training	200								
Ig seta			44	133	185		185	#DIV/0!	
Disaster management Cogta					3 000		3 000	#DIV/0!	
Cogta ubuhlebezwe-Water Infra					617		617	#DIV/0!	
Total Operating Transfers and Grants	217 800	220 563	220 607	133	226 502	166 424	57 563	34.6%	220 263
Capital Transfers and Grants									
National Government:	173 813	210 486	232 486	2 990	239 921	177 328	18 877	10.6%	210 486
Municipal Infrastructure Grant (MIG)	165 717	173 618	173 618	-	174 508	156 452	18 056	11.5%	173 618
Regional Bulk Infrastructure	302	15 429	37 429	2 990	43 975	8 929			15 429
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT	-	5 000	5 000	-	5 000	2 422			5 000
MUNICIPAL WATER INFRASTRUCTURE GRANT	-	13 700	13 700	-	13 700	7 607			13 700
Expanded public works programme incentive grant	4 594	2 739	2 739	-	2 739	1 918	821	42.8%	2 739
Farmers Market	3 200	-	-	-	-	-	-		-
Provincial Government:	21 420	-	3 617	-	-	-	-	-	-
ACIP Grant	620	-	-	-	-	-	-		-
Massification	20 800	-	-	-	-	-	-		-
Disaster Management Grant			3 000						
Ubhlebezwe Grant			617						
Total Capital Transfers and Grants	195 233	210 486	236 103	2 990	239 921	177 328	18 877	10.6%	210 486
TOTAL RECEIPTS OF TRANSFERS & GRANTS	413 033	431 049	456 710	3 124	466 423	343 752	76 440	22.2%	430 749

It is clear from the chart above that the bulk of the grants received by the municipality are from the National Treasury.

Table SC7 track the expenditure on Conditional grant funding.

DC43 Sisonke - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June									
Description	2012/13	Current Year 2009/10			Budget Year 2013/2014				
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	213 282	220 310	220 310	18 127	266 079	164 341	101 738	61.9%	217 246
Local Government Equitable Share	203 556	216 056	216 056	18 005	261 860	162 441	99 419	61.2%	216 056
Finance Management	1 250	1 250	1 250	122	1 250	600	650	108.3%	
Municipal Systems Improvement	1 000	890	890	-	890	400	490	122.5%	890
WATER SERVICES OPERATING SUBSIDY GRANT	5 700	-	-	-	-	-	-		-
WATER SERVICES OPERATING SUBSIDY		300	300	-	617	300	317	105.7%	300
Rural Transport Services and Infrastructure Grant	1 776	1 814	1 814	-	1 461	600	861	143.6%	-
Provincial Government:	90	253	297	-	-	-	-		253
Infrastructure Sport Facilities		253	253	-	-	-	-		253
Accredited Councillors Training	90								
Ig seta			44						
Total operating expenditure of Transfers and Grants:	213 372	220 563	220 607	18 127	266 079	164 341	101 738	61.9%	217 499
Capital expenditure of Transfers and Grants									
National Government:	172 982	210 486	232 486	17 962	237 371	146 293	89 233	61.0%	195 057
Municipal Infrastructure Grant (MIG)	165 717	173 618	173 618	11 898	189 242	113 124	76 118	67.3%	173 618
Regional Bulk Infrastructure	302	15 429	37 429	1 529	29 134	15 429	13 705	88.8%	
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT		5 000	5 000	2 383	4 361	2 500	1 861	74.4%	5 000
MUNICIPAL WATER INFRASTRUCTURE GRANT		13 700	13 700	2 152	11 249	13 700	(2 451)	-17.9%	13 700
Expanded public works programme incentive grant	3 763	2 739	2 739	0	3 385	1 540			2 739
Farmers Market	3 200								
Provincial Government:	1 125	-	3 617	-	-	4 006	(4 006)	-100.0%	-
ACIP Grant	620								
Massification	505					4 006	(4 006)	-100.0%	
Disaster Management Grant			3 000	182	1 732				
Ubuhlebezwe Grant			617	-	617				
Total capital expenditure of Transfers and Grants	174 107	210 486	236 103	17 962	237 371	150 300	85 227	56.7%	195 057
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	387 479	431 049	456 710	36 089	503 450	314 641	186 965	59.4%	412 556

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at midyear.

DC43 Sisonke - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June									
Summary of Employee and Councillor remuneration	2012/13	Budget Year 2013/14							
	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
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	3 894	3 370	4 178	302	3 559	3 559	-		3 370
Pension and UIF Contributions	-	441	311	22	265	265	-		441
Medical Aid Contributions	-	104	73	5	62	62	-		104
Motor Vehicle Allowance	498	1 301	918	66	782	782	-		1 301
Cellphone Allowance	180	286	202	15	172	172	-		286
Other benefits and allowances	50	680	480	35	409	409	-		680
Sub Total - Councillors	4 622	6 181	6 162	445	5 249	5 249	-		6 181
% increase		33.7%	33.3%						33.7%
Senior Managers of the Municipality									
Basic Salaries and Wages	2 127	3 801	3 986	359	4 075	4 075	-		3 801
Pension and UIF Contributions	7	2	2	0	2	2	-		2
Medical Aid Contributions	47	4	4	0	4	4	-		4
Performance Bonus	-	525	551	50	563	563	-		525
Motor Vehicle Allowance	754	2 376	2 492	225	2 548	2 548	-		2 376
Cellphone Allowance	65	111	117	11	119	119	-		111
Housing Allowances	277	-	-	-	-	-	-		-
Other benefits and allowances	2	3	4	0	4	4	-		3
Sub Total - Senior Managers of Municipality	3 279	6 823	7 156	645	7 315	7 315	-		6 823
% increase		108.1%	118.2%						108.1%
Other Municipal Staff									
Basic Salaries and Wages	53 145	60 398	63 339	5 706	64 749	64 749	-		60 398
Pension and UIF Contributions	8 267	10 212	10 709	965	10 948	10 948	-		10 212
Medical Aid Contributions	3 206	1 411	1 480	133	1 513	1 513	-		1 411
Overtime	4 674	1 261	1 322	119	1 352	1 352	-		1 261
Performance Bonus	3 301	5 596	5 869	529	5 999	5 999	-		5 596
Motor Vehicle Allowance	3 950	2 572	2 698	243	2 758	2 758	-		2 572
Cellphone Allowance	307	439	460	41	470	470	-		439
Housing Allowances	218	38	40	4	41	41	-		38
Other benefits and allowances	22	1 682	1 764	159	1 803	1 803	-		1 682
Payments in lieu of leave	1 054	-	-	-	-	-	-		-
Long service awards	167	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff	78 311	83 611	87 682	7 899	89 634	89 634	-		83 611
% increase		6.8%	12.0%						6.8%
Total Parent Municipality	86 212	96 615	100 999	8 990	102 197	102 197	-		96 615
		12.1%	17.2%						12.1%
TOTAL SALARY, ALLOWANCES & BENEFITS	86 212	96 615	100 999	8 990	102 197	102 197	-		96 615
% increase		12.1%	17.2%						12.1%
TOTAL MANAGERS AND STAFF	81 590	90 434	94 837	8 544	96 949	96 949	-		90 434

2.6 Material Variances to the SDBIP

The following section analyses material variances between the actual targets as at Midyear and the budget for the same period. This report analyses each major component under following headings;

- ✓ Revenue by Source
- ✓ Operational Expenditure by Type, and
- ✓ Capital Expenditure
- ✓ Financial Position
- ✓ Cash Flows

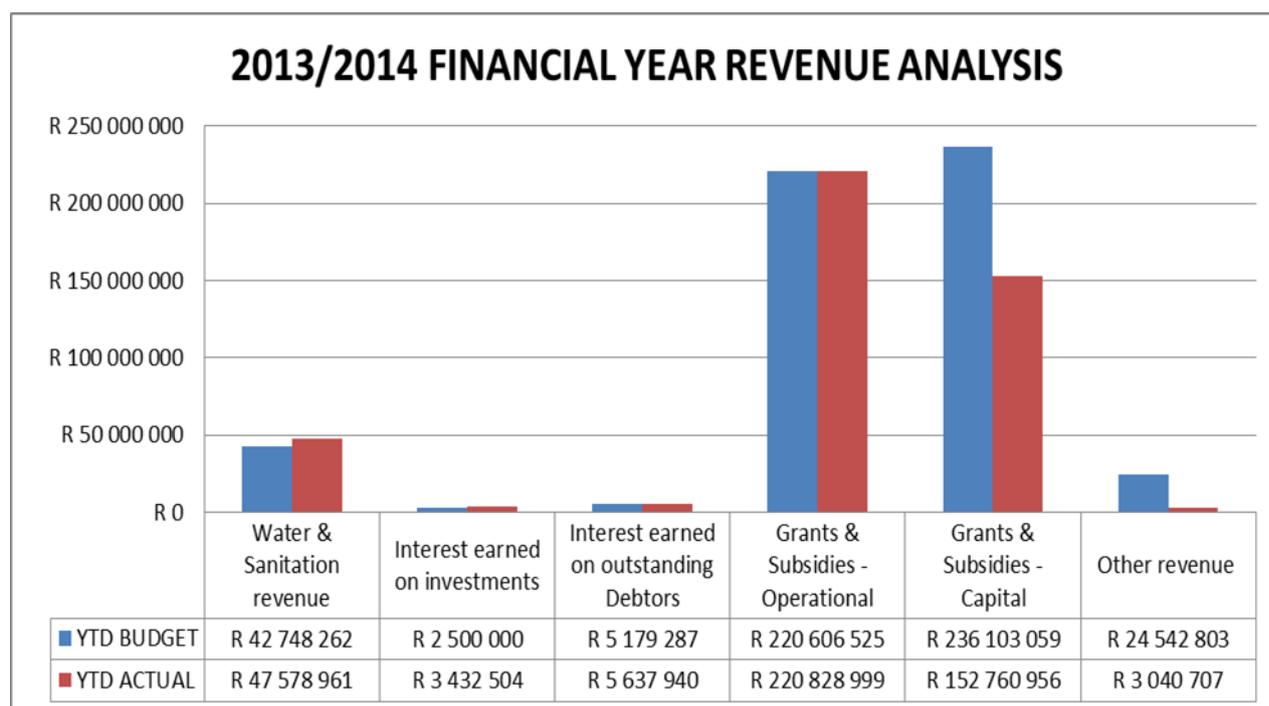
The analysis also provides a brief on the impact of this report on the adjustments budget.

The last section under this heading analyses the actual targets against the planned targets as at 30 June 2014.

REVENUE

The chart displays a comparison between the midyear revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to “performance” rather than “cash movements” in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

Chart 3: Revenue Analysis



Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 30 June 2014 was R45, 7million against a year to date **budget** of R42, 7million representing 111% in percentage terms. However, this percentage measures the municipal performance in terms of the ability to bill consumers that are receiving services from the municipality and **is not** a measure of the ability to collect outstanding consumer accounts.

Interest Earned on External Investments

The actual year to date interest earned on external investments as at 30 June 2014 is R3, 4million more than the year to date budget. This could be attributable to the interest earned on the higher than projected investment balances.

Transfers Recognised - Operational

The operational grants revenue of R220million against a budget of R220million is largely attributable to the YTD equitable share received of R216million while the balance relates to conditions met on conditional grant funding.

Transfers Recognised – Capital

There is an improvement in capital expenditure trends on grant funded expenditure and resulted in overspending on MIG and there is also improvement in the performance of Income against the set targets. The actual R172, 7million (against a YTD budget of R236million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 35% under performance in Conditional Capital grant funding expenditures.

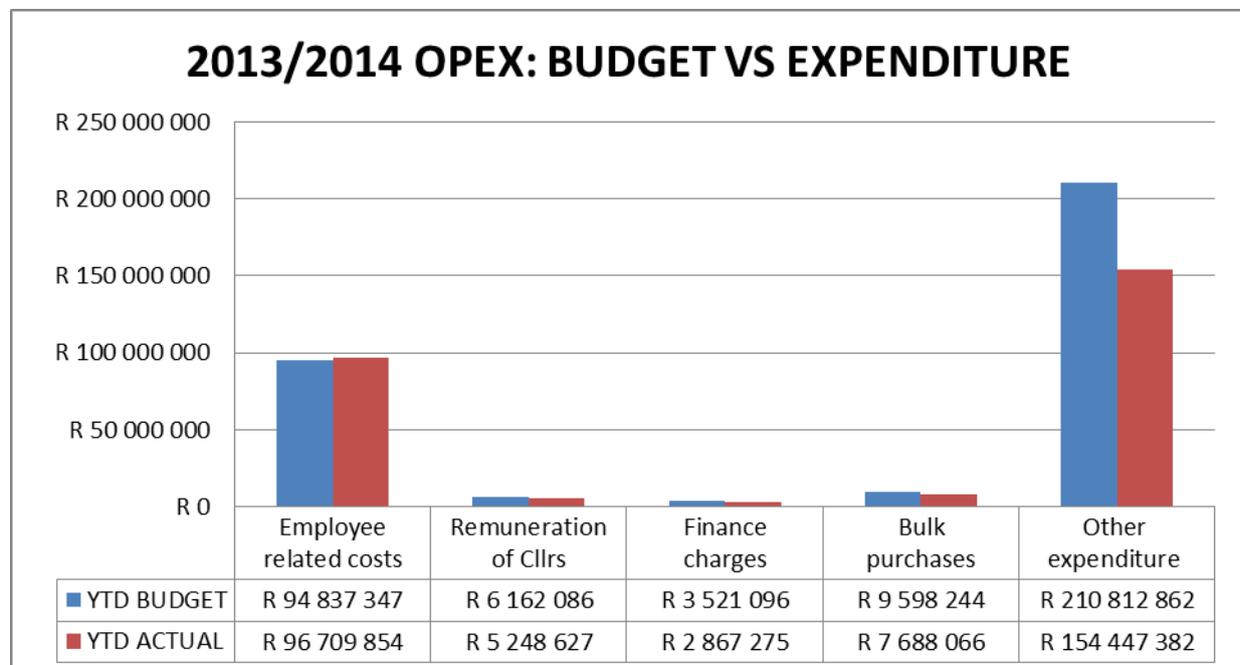
Other Revenue

The YTD performance of other revenue has been slack at a percentage of 12%. Other revenue is mainly constituted of unspent operational grants that were rolled over

OPERATIONAL EXPENDITURE

The chart below presents the YTD operational expenditure movements against the YTD budgets. An analysis of each expenditure line item category and the implications on the adjustments budget is discussed below.

Chart 4: 2013/14 Financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R94, 8million against a YTD actual of R96, 5million resulting in a variance of 2%.

Remuneration of Councillors

The remuneration of councillor's expenditure as at 30 June 2014 was R5, 2million against a budget of R6million resulting in a 15% under expenditure

Finance Charges

As at 30 June 2014, the finance charges budget was under spent by 19%. Year to date budget was R3, 5million and the year to date actual is R2, 8million.

Bulk Purchases

The expenditure on Bulk Water purchases has been within the budget. The year to budget is R9, 5million against year to date expenditure of R7, 6million or underspending by 20% for the period ending 30 June 2014.

Other Expenditure

The YTD expenditure for other expenditure was at R154, 4million against a budget of R210, 8million. An analysis of the ten (20) line items with the highest over expenditures is depicted in the table below.

TOP TEN OVER EXPENDITURES						
Votenummer	Description	Budget/OpenBal	Curr Mth Exp	Commitment	YTD Movement	Balance
0000-00-1-20-8055	EMERGENCY SEWER INTERVENTION	R 1 319 960	R 1 726 365	R -	R 2 455 925	R -1 135 965
0000-00-1-20-1220	FUEL & OIL	R 4 680 175	R 981 382	R -	R 5 279 108	R -598 933
0000-00-1-20-0120	PENALTIES	R -	R -	R -	R 340 928	R -340 928
0000-00-1-20-6610	TELEPHONE & FAXES	R 3 664 339	R 264 118	R -	R 4 004 764	R -340 425
0000-00-1-20-0540	CHEMICALS SUPPLY	R 2 832 783	R 193 006	R -	R 3 016 175	R -183 392
0000-00-1-20-6380	SUBSISTANCE & TRAVELLING	R 793 675	R 82 003	R -	R 905 097	R -111 422
0000-00-1-20-8102	EVENUS MUN FIN SYSTEMS MAINTENANCE	R 581 102	R 221 732	R -	R 690 346	R -109 244
0000-00-1-20-7430	WATER MONITORS	R 6 719 014	R 638 260	R -	R 6 810 360	R -91 346
0000-00-1-20-0160	AUDIT FEES	R 1 713 328	R 115 786	R -	R 1 783 650	R -70 322
0000-00-1-20-4000	RENTAL OFFICES	R 711 567	R 67 907	R -	R 775 056	R -63 489
		R 23 015 943	R 4 290 558	R -	R 26 061 408	R -3 045 465

Performance assessment

The section that follows takes a look at actual performance achieved against planned targets.

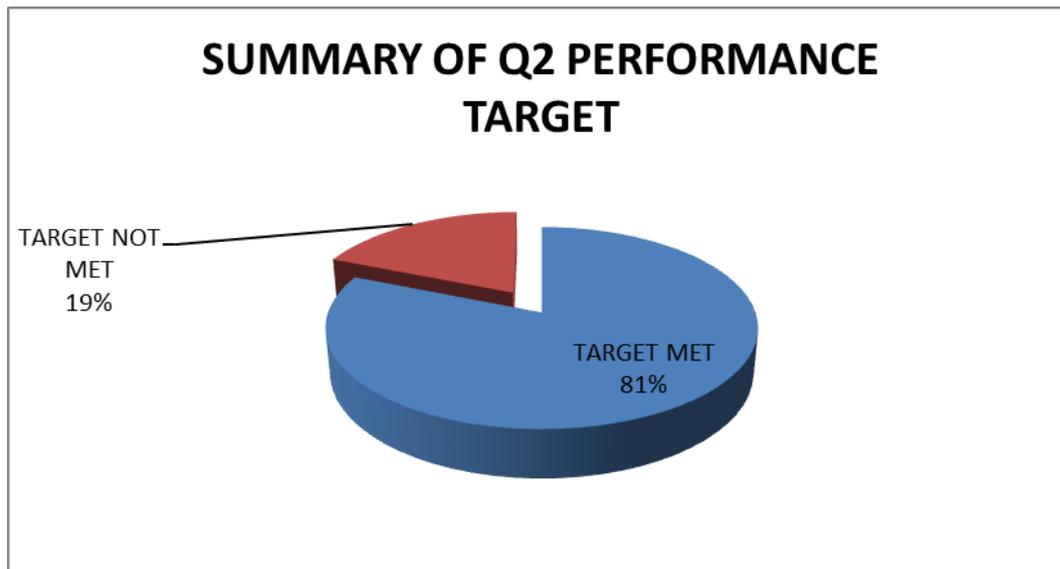


Chart 5 above provides a summary of the targets achieved or met (81%) as well the targets not met (19%). It can be stated that the performance of the municipality year ending 30 June 2014 is slightly above average; however there is still more room for improvement. There is a plethora of reasons why some of the targets could not be met, and as such, the Performance Management unit has listed all the possible challenges that have hindered/ contributed to non- performance or non -implementation of the 19% targets not met.

Chart 6 below provides an analysis of the planned targets versus the targets achieved and the ones not met.

Chart 6: Departmental performance targets

SDBIP:QUARTER 2 ACTUAL VS PLANNED TARGET

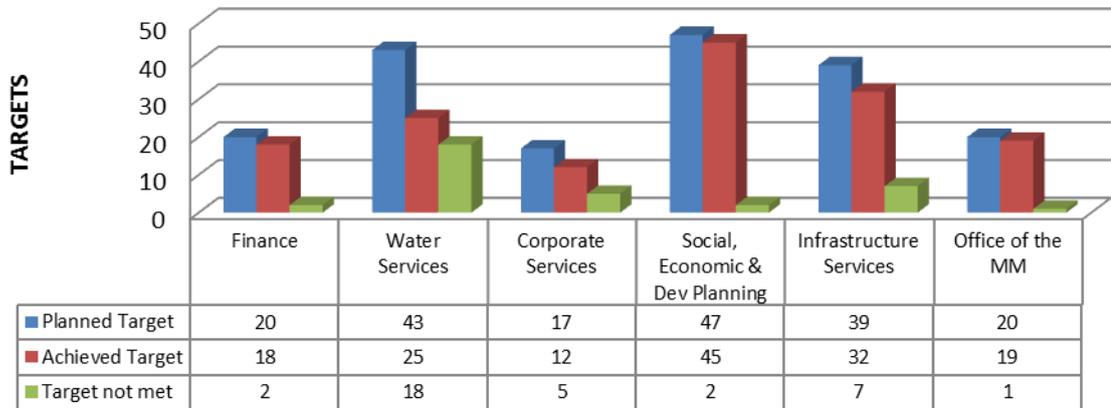
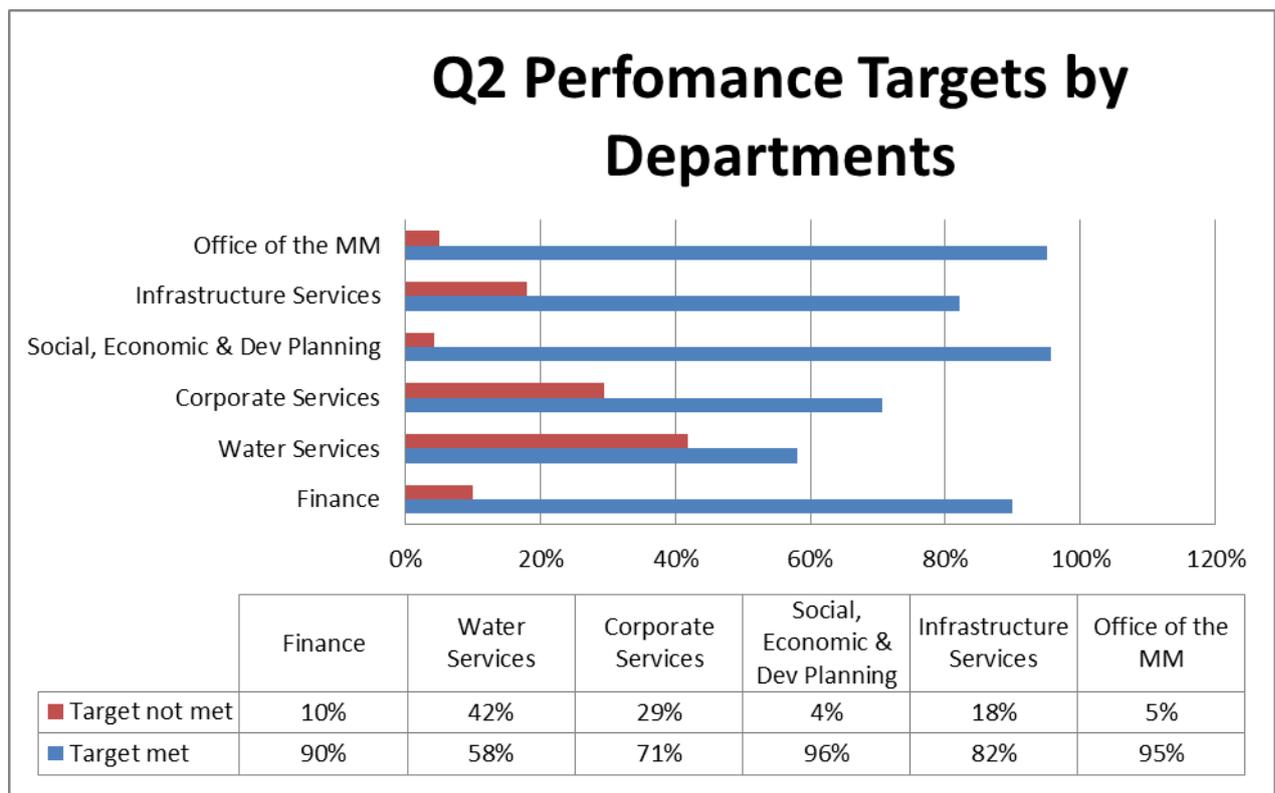


Chart 7 below analyses the extent to which performance targets, in percentage terms, were met by ranking departments from the highest (achieved) to the lowest.

Chart 7: Performance targets Departments



Below, the PMS unit has further rendered possible remedies to all the challenges as we move the second half of the year.

GENERAL OBSERVATION BY THE MUNICIPAL MANAGER

1. Looking at the findings above it is noted that performance exceeds non -performance even though it is not with a substantial margin.
2. The department of Water Services performance and that of Corporate Services impacted adversely on the performance of the organization as a whole.
3. The Social Services and Development Planning and the Office of the Municipal Manager successfully performed their duties with little or immaterial challenges.

RECOMMENDATIONS BY THE MUNICIPAL MANAGER

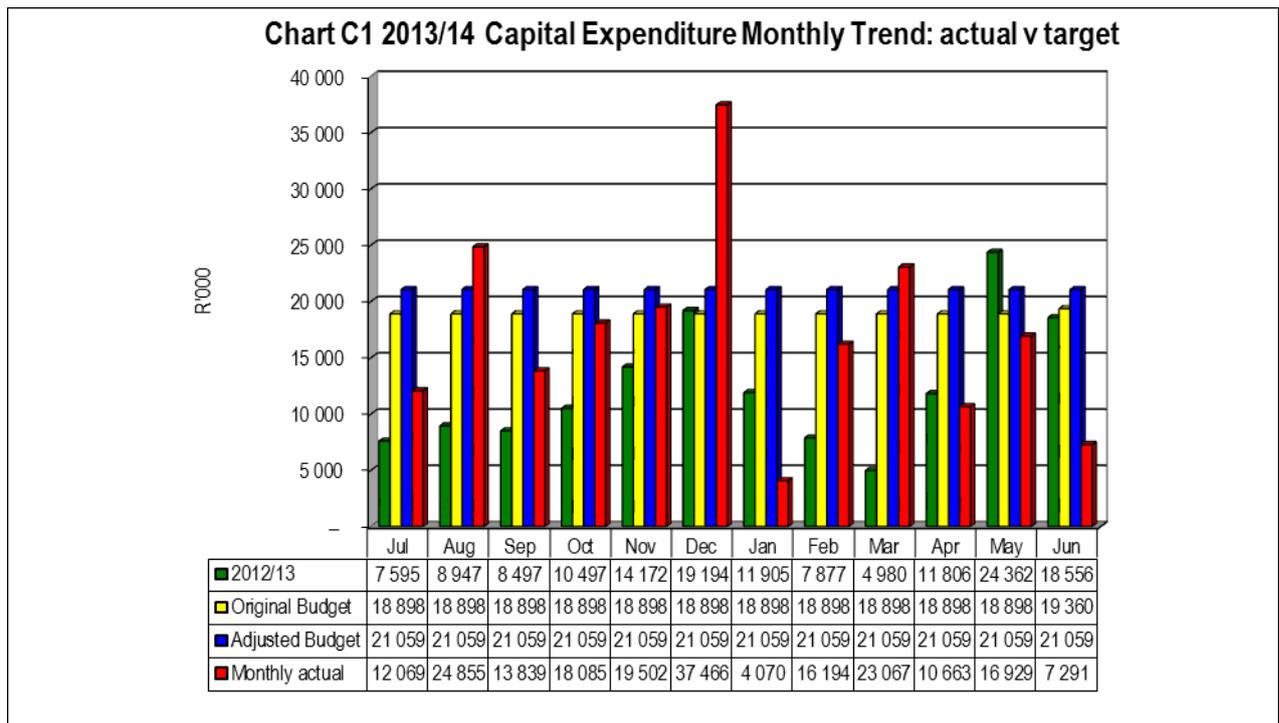
1. In order to give effect to the material challenges observed above, particular in the Water and Corporate Service Department, It is recommended that the Council of Harry Gwala District Municipality considers review the performance targets and performance indicators downwards in last half of the 2013-2014 Service Delivery and Budget Implementation Plan.
2. The recommendation above should also take into account the financial performance of the municipality in the first half of the year. It is anticipated that material challenges in the financial performance will either have positive or negative on none financial service delivery targets and indicators.

2.7 Capital Programme Performance

This next section looks at the performance of the capital expenditure programme. This performance is best illustrated in the charts that follow.

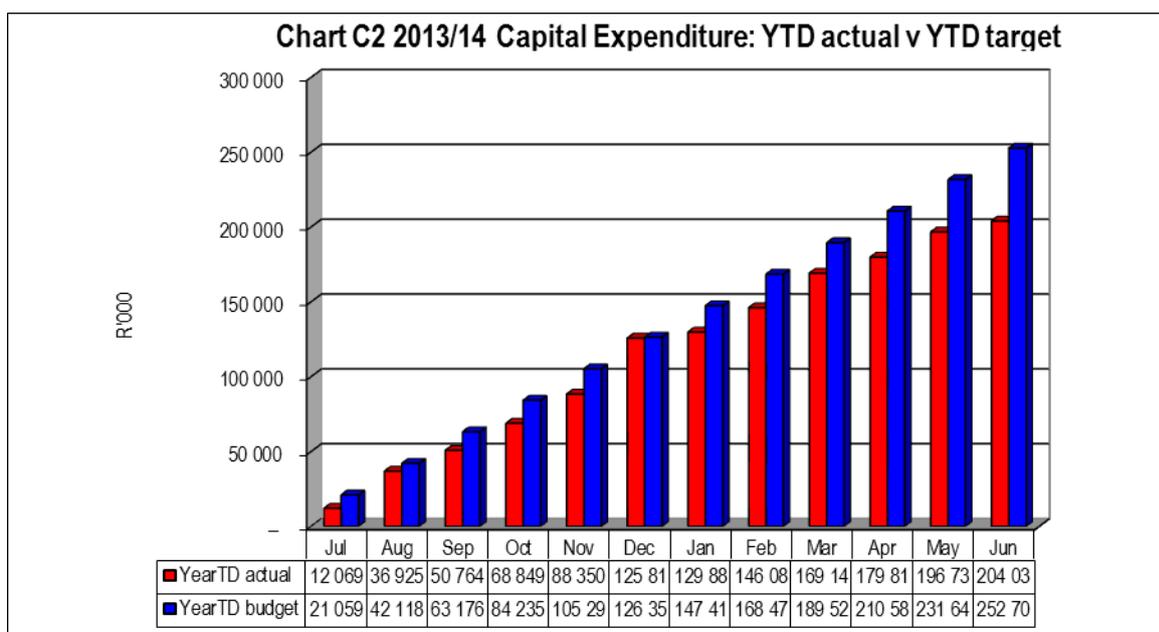
Chart C1 below display a comparison between the previous year's capital expenditure performance to that of the current year for the period under review. A comparison between the monthly expenditure for the periods January to June 2014 and the planned monthly targets is also displayed.

Chart C1: Capital Expenditure Monthly Trend: Actual v Target



The chart below, on the other hand, track the capital expenditure’s cumulative balances budget versus actual. It is clearly that expenditure started on a rather slower trend but showed acceleration towards the end of the mid-year.

Chart C2: Capital Expenditure: YTD Actual v YTD Target



In order for the municipality to reach its annual targets in the capital development programme, expenditure in this budget would have to be maintained or increased at the trends experienced in June 2014.

2.8 Municipal Manager's Quality's Certification

Quality Certificate

I, **Adelaide Nomandi Dlamini**, the Municipal Manager of **Harry Gwala District Municipality**, hereby certify that –

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state affairs of the municipality

For the month of **June** of **2014** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name _____

Municipal Manager of _____

Signature _____

Date _____