

THABAZIMBI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 31 JANUARY 2014

TABLE OF CONTENTS

PART 1 - THE IN-YEAR REPORT

- Executive summary 7
- Monthly budget statement tables 9

PART 2 – SUPPORTING DOCUMENTATION

- Material variance explanations 16
- Performance indicators 17
- Debtorsø Analysis 19
- Creditorsø Analysis 19
- Investment portfolio analysis 19
- Allocation and grant receipts and expenditure 20-21
- Councilor allowances and employee benefits 22
- Capital programme performance 23
- Other supporting documents 24

MUNICIPAL MANAGER’S QUALITY CERTIFICATION 25

LIST OF TABLES AND FIGURES

Table 1 MBRR C 1: Summary	7
Table 2 MBRR C 2: Financial Performance per standard classification	9
Table 3 MBRR C 3: Financial Performance (Revenue and Expenditure by vote)	10
Table 4 MBRR C 4: Financial Performance (Revenue and Expenditure by source)	11
Table 5 MBRR C 5: Capital Expenditure (municipal vote; standard classification and funding)	12
Table 6 MBRR C 6: Financial Position	13
Table 7 MBRR C 7: Cash Flow	14
Table 8 MBRR SC 1: Material variance explanations	15
Table 9 MBRR SC 2: Performance Indicators	16
Table 10 MBRR SC 3: Debtors age analysis	18
Table 11 MBRR SC 4: Creditors age analysis	18
Table 12 MBRR SC 5: Investment portfolio	18
Table 13 MBRR SC 6: Transfers and Grants received	19
Table 14 MBRR SC 7: Transfers and Grants expenditure	20
Table 15 MBRR SC 8: Councilor and staff benefits	21
Table 17 MBRR SC 12 Capital expenditure trend	22
Table 18 MBRR SC 13a Capital expenditure on new assets by asset class	23
Table 19 MBRR SC 13c Expenditure on repairs and maintenance by asset class	24
Table 20: -Deviations from supply chain policy	24

PART 1: THE MONTHLY REPORT

The purpose of this report is to adhere to the requirements of the legislation and regulations as quoted below.

a. Section 71. (1) of the MFMA, stipulates that :

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 approved budget.

b. Section 66 of the MFMA, stipulates further that :

The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely:

- (a) Salaries and wages;
- (b) Contributions for pensions and medical aid;
- (c) Travel, motor car, accommodation, subsistence and other allowances;
- (d) Housing benefits and allowances;
- (e) Overtime payments;
- (f) Loans and advances; and
- (g) Any other type of benefit or allowance related to staff.

c. Deviation from and ratification of minor breaches of procurement processes : Regulation 36 (2) of the Supply Chain Management Regulations per Government Gazette, Notice number 27636, dated 30 May 2005 stipulates that :

The accounting officer must record the reasons for any deviations in terms of sub-regulation 1(a) and (b) and report them to the next meeting of the council and include as a note to the financial statements

1. **Tabling of the Monthly Budget Statements**

Regulation 29 of the Budget Regulations per Government Gazette, Notice number 31804, dated 23 January 2009 stipulates that:

The mayor may table in the municipal council a monthly budget statement submitted to the mayor in terms of section 71 (1) of the Act. If the mayor does so, the monthly budget statement must be accompanied by a mayor's report in a format set out in schedule C.

2. **Publication of the Monthly Budget Statements**

Regulation 30 of the Budget Regulations per Government Gazette, Notice number 31804(read with Section 71, MFMA), dated 23 January 2009 stipulates that:

- (1) The monthly budget statement of a municipality must be placed on the municipality's website;
- (2) The municipal manager must publish on the municipal website any other information that the municipal council considers appropriate to facilitate public awareness of the monthly budget statement, including
 - (a) Summaries of the monthly budget statements in alternate languages predominant in the community; and
 - (b) Information relevant to each ward in the municipality.

3. **Reports attached:**

Table 1 Monthly Budget Statement ó Summary;
Table 2 Monthly Budget Statement ó Financial Performance per standard classification;
Table 3 Monthly Budget Statement ó Financial Performance (Revenue and Expenditure by vote);
Table 4 Monthly Budget Statement ó Financial Performance (Revenue and Expenditure by source);
Table 5 Monthly Budget Statement ó Capital Expenditure (municipal vote; standard classification and funding);
Table 6 Monthly Budget Statements ó Financial Position;
Table 7 Monthly Budget Statements ó Cash Flow;

4. **Supporting tables :**

Table 8: Material variance explanations;
Table 9: Performance Indicators;
Table 10: Debtors age analysis;
Table 11: Creditors age analysis;
Table 12: Investment portfolio;
Table 13: Transfers and Grants received;
Table 14: Transfers and Grants expenditure;
Table 15: Councilor and staff benefits;
Table 17: Capital expenditure trend
Table 18: Capital expenditure on new assets by asset class
Table 19: Expenditure on repairs by asset class
Table 20: Deviations from supply chain policy

5. Deviation from and ratification of minor breaches of procurement process

The deviations from, and ratification of minor breaches of the procurement process for the month to January 2014 as required in terms of subparagraph 36(1)(a) and (b) of the Supply Chain Management Regulations and Policy is herewith attached.

RECOMMENDATION

It is recommended that the council:

1. takes note of the monthly budget statements as reported by the mayor under Table C 1 to 7 and the supporting tables SC 1 to 13;
2. approves the remedial and corrective steps as recommended under Supporting Table SC 1 to be implemented with immediate effect; and
3. Takes note of the explanations and ratify the deviations from the procurement process in terms of subparagraph 36(1) (a) and (b) of the Supply Chain Management Regulations; as detailed on Table 20.
4. takes note that each departmental head were informed of the budget statement applicable to their department and that they were instructed to exercise more effective control over the authorization and payment of all expenditure in their departments;

Adv ME Ntsoane

(Accounting Officer of Thabazimbi Local Municipality)

DATE: ____ / ____ / **2014**

EXECUTIVE SUMMARY

Table 1 MBRR C1 Monthly Budget Statement Summary – M07 January 2014

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									
Property rates	12,076	23,658	23,658	1,377	9,898	13,799	(3,901)	-28%	23,658
Service charges	90,135	133,288	133,288	8,030	65,650	77,751	(12,101)	-16%	133,288
Investment revenue	185	45	45	-	8	26	(19)	-71%	4,600
Transfers recognised - operational	77,521	67,686	67,686	-	35,552	35,552	-		67,686
Other own revenue	32,704	16,706	16,706	1,091	5,234	8,713	(3,479)	-40%	16,706
Total Revenue (excluding capital transfers and contributions)	212,621	241,383	241,383	10,499	116,342	135,841	(19,500)	-14%	245,938
Employee costs	75,672	82,900	82,900	8,533	54,758	48,358	6,400	13%	82,900
Remuneration of Councillors	5,692	6,933	6,933	630	4,055	4,044	11	0%	6,933
Depreciation & asset impairment	54,763	16,123	16,123	4,516	31,610	9,405	22,205	236%	16,123
Finance charges	8,675	3,500	3,500	27	435	2,042	(1,607)	-79%	3,500
Materials and bulk purchases	58,571	58,803	58,803	4,625	35,420	34,302	1,118	3%	58,803
Transfers and grants	-	-	-	-	-	-	-		-
Other expenditure	56,413	52,740	52,740	1,842	14,791	30,765	(15,974)	-52%	52,740
Total Expenditure	259,786	220,999	220,999	20,172	141,068	128,916	12,152	9%	220,999
Surplus/(Deficit)	(47,165)	20,384	20,384	(9,673)	(24,726)	6,925	(31,652)	-457%	24,939
Transfers recognised - capital	42,150	40,019	40,019	-	27,261	27,261	-		40,019
Contributions & Contributed assets	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(5,015)	60,403	60,403	(9,673)	2,535	34,186	(31,652)	-93%	64,958
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(5,015)	60,403	60,403	(9,673)	2,535	34,186	(31,652)	-93%	64,958
Capital expenditure & funds sources									
Capital expenditure	26,448	57,029	57,029	-	17,760	17,760	-		57,029
Capital transfers recognised	24,074	40,019	40,019	-	15,038	15,038	-		40,019
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	2,374	17,010	17,010	-	2,722	2,722	-		17,010
Total sources of capital funds	26,448	57,029	57,029	-	17,760	17,760	-		57,029
Financial position									
Total current assets	59,451	58,423	58,423		85,207				58,423
Total non current assets	105,231	1,639,682	1,639,682		1,311,792				1,639,682
Total current liabilities	97,879	71,205	71,205		122,236				71,205
Total non current liabilities	29,162	35,012	35,012		52,676				35,012
Community wealth/Equity	37,641	1,591,887	1,591,887		1,222,087				1,591,887
Cash flows									
Net cash from (used) operating	21,759	50,036	50,036	(817)	27,498	31,574	(4,076)	-13%	50,036
Net cash from (used) investing	(19,742)	(50,601)	(50,601)	-	(15,104)	(14,780)	(324)	2%	(50,601)
Net cash from (used) financing	(670)	9,998	9,998	(639)	(2,273)	(1,668)	(605)	36%	9,998
Cash/cash equivalents at the month/year end	5,805	10,788	13,448	-	(5,107)	16,481	(21,588)	-131%	(5,794)
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	11,771	4,820	8,205	4,168	4,327	107,174	-	-	140,464
Creditors Age Analysis									
Total Creditors	7,970	24,631	13,271	6,328	17,185	8,113	15,828	17,961	111,289

This summary is based on financial information available at the time of preparation and is unaudited. The table above only shows summarized data; details are depicted on the Tables 1 ó 7 as well as supporting tables that follow.

Total operating revenue achieved to date amounts to R143 million against a target of R167 million. This is equivalent to an underachievement of R20 million or -14%. Expenditure incurred year to date amounts R141 million excluding capital expenditure. A total percentage variance of approximately +9% on overspent operating expenditure results in a deficit of R 2.5 million. However it must be noted that this is before incorporating expenditure on some of our accounting estimates ie provisions for long service award, post employment benefit and increase in receivables provision for impairment.

Capital receipts received to date amounts to R27.3 million which is as per the National Treasury payment schedule for 2013/14 financial year. The total spending on MIG funds in the 2012/13 financial year was 100% inclusive of committed and rolled-over funds from 2011/12 financial year; hence no application of MIG roll-overs was necessary into 2013/14 year end. The current spending for MIG is R15 million which represent 56% spending to date on actual receipts. Project Implementation is lagging behind and managers need to speed up implementation of the planned projects to expedite timeous provision of service delivery.

The debtors book remain very high as a result of outstanding balances and interest accumulated from prior years. An impairment provision was raised at the end of June 2013; however no bad debts or impairment assessment has been conducted since then. There is, however need to consider writing off some of these debts as it is highly unlikely that any recoveries will materialize. Efforts are being made with the assistance of COGHSTA to try and recover all sector department debts and Government debts.

Details of the variances shown on the table above as well as tables that follow are explained in Table 8 on page 16.

Deviation from and ratification of minor breaches of procurement process

The deviations from, and ratification of minor breaches of the procurement process for the period to November 2013 as required in terms of subparagraph 36(1)(a) and (b) of the Supply Chain Management Regulations and Policy is herewith attached in Table 20 in this report.

MONTHLY BUDGET STATEMENT TABLES

The table below shows monthly financial performance, by revenue source and expenditure item, for the period ended 31 January 2014.

Table 2 MBRR C2 Monthly Budget Statement - Financial Performance (revenue and expenditure) – M07 January 2014

Description	Ref	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	1									
Revenue - Standard										
Governance and administration		100,785	100,362	100,362	2,256	48,751	51,966	(3,216)	-6%	100,362
Executive and council		90,729	94,477	94,477	1,377	44,770	47,613	(2,843)	-6%	94,477
Budget and treasury office		8,691	3,646	3,646	850	3,655	3,414	241	7%	3,646
Corporate services		1,365	2,238	2,238	28	326	939	(613)	-65%	2,238
Community and public safety		4,657	5,235	5,235	125	1,236	5,615	(4,379)	-78%	5,235
Community and social services		281	675	675	24	140	160	(21)	-13%	675
Sport and recreation		-	-	-	-	-	1	(1)	-100%	-
Public safety		4,376	4,560	4,560	101	1,096	5,454	(4,358)	-80%	4,560
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		567	2,499	2,499	53	265	392	(128)	-33%	2,499
Planning and development		567	2,499	2,499	53	265	392	(128)	-33%	2,499
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		92,429	133,288	133,288	8,065	65,690	77,468	(11,778)	-15%	133,288
Electricity		44,089	53,184	53,184	4,325	28,704	31,024	(2,320)	-7%	53,184
Water		28,517	57,104	57,104	1,980	21,468	33,311	(11,843)	-36%	57,104
Waste water management		11,655	13,612	13,612	1,036	10,415	7,657	2,758	36%	13,612
Waste management		8,168	9,388	9,388	724	5,104	5,476	(372)	-7%	9,388
Other	4	56,332	40,019	40,019	-	27,661	27,661	-	-	40,019
Total Revenue - Standard	2	254,771	281,402	281,402	10,499	143,603	163,102	(19,500)	-12%	281,402
Expenditure - Standard										
Governance and administration		77,936	63,898	63,898	4,576	48,262	30,734	17,528	57%	63,898
Executive and council		21,413	22,688	22,688	1,757	17,658	12,067	5,591	46%	22,688
Budget and treasury office		36,374	20,165	20,165	1,610	16,510	7,094	9,415	133%	20,165
Corporate services		20,149	21,045	21,045	1,208	14,095	11,573	2,522	22%	21,045
Community and public safety		16,872	17,590	17,590	1,761	13,451	11,811	1,639	14%	17,590
Community and social services		2,809	5,013	5,013	177	3,068	2,348	720	31%	5,013
Sport and recreation		5,290	1,946	1,946	543	4,687	3,171	1,515	48%	1,946
Public safety		8,773	10,631	10,631	1,041	5,696	6,292	(596)	-9%	10,631
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		53,327	36,143	36,143	6,160	22,606	23,684	(1,078)	-5%	36,143
Planning and development		4,166	6,166	6,166	443	2,727	3,204	(477)	-15%	6,166
Road transport		48,808	29,977	29,977	5,685	19,664	20,024	(360)	-2%	29,977
Environmental protection		352	-	-	32	215	455	(240)	-53%	-
Trading services		111,651	103,368	103,368	7,675	56,749	62,687	(5,938)	-9%	103,368
Electricity		58,744	48,742	48,742	5,170	34,714	29,899	4,816	16%	48,742
Water		30,234	34,478	34,478	2,168	12,588	21,330	(8,742)	-41%	34,478
Waste water management		9,002	7,799	7,799	267	5,233	5,699	(465)	-8%	7,799
Waste management		13,671	12,349	12,349	69	4,213	5,760	(1,546)	-27%	12,349
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	259,786	220,999	220,999	20,172	141,068	128,916	12,152	9%	220,999
Surplus/ (Deficit) for the year		(5,015)	60,403	60,403	(9,673)	2,535	34,186	(31,652)	-93%	60,403

The above table shows financial performance for the period ended 31 January 2014 by standard classification. Details and explanations of the variances reported are given on Table 8 that follows.

Below is a table showing financial performance for the period ended 31 January 2014 categorised by municipal vote. Details of the variances indicated are given on Table 8 that follows.

Table 3 MBRR C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January 2014

Vote Description	Ref	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	1									
Vote 1 - 100 Political Office Bearers		90,729	88,363	88,363	1,377	44,770	47,613	(2,843)	-6.0%	88,363
Vote 2 - 200 Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - 300 Budget & Treasury		8,691	5,853	5,853	850	3,655	3,414	241	7.1%	5,853
Vote 4 - 400 Corporate Services		1,365	2,238	2,238	28	326	939	(613)	-65.3%	2,238
Vote 5 - 500 Planning and Development		567	2,499	2,499	53	265	392	(128)	-32.5%	2,499
Vote 6 - 600 Community Services		12,825	19,016	19,016	850	6,340	11,091	(4,751)	-42.8%	19,016
Vote 7 - 700 Technical Services		140,593	163,434	163,434	7,341	88,247	99,653	(11,406)	-11.4%	163,434
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	254,771	281,402	281,402	10,499	143,603	163,102	(19,500)	-12.0%	281,402
Expenditure by Vote	1									
Vote 1 - 100 Political Office Bearers		15,576	14,589	14,589	1,262	11,373	8,511	2,862	33.6%	14,589
Vote 2 - 200 Municipal Manager		5,837	6,097	6,097	496	6,285	3,556	2,729	76.7%	6,097
Vote 3 - 300 Budget & Treasury		36,374	12,162	12,162	1,610	16,510	7,094	9,415	132.7%	12,162
Vote 4 - 400 Corporate Services		20,149	19,839	19,839	1,208	14,095	11,573	2,522	21.8%	19,839
Vote 5 - 500 Planning and Development		4,519	6,273	6,273	474	2,942	3,659	(717)	-19.6%	6,273
Vote 6 - 600 Community Services		30,543	32,092	32,092	1,831	17,664	18,720	(1,056)	-5.6%	32,092
Vote 7 - 700 Technical Services		146,788	129,947	129,947	13,291	72,200	75,803	(3,603)	-4.8%	129,947
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	259,786	220,999	220,999	20,172	141,068	128,916	12,152	9.4%	220,999
Surplus/ (Deficit) for the year	2	(5,015)	60,403	60,403	(9,673)	2,535	34,186	(31,652)	-92.6%	60,403

An aggregate negative variance of 12% on revenue by vote is largely contributed to an underachievement in basic services, however due to the seasonal demands of our services; we anticipate the trend to even out after the full calendar circle.

Overall, there is a general over spending of 9.4% on operating expenditure, it is worth noting that some of accounting estimates such as GRAP 25 provisions and Debt impairment and write off are subject to the necessary reviews and approvals and are not part of this report. However depreciation for the first quarter has been incorporated onto the financial reporting system.

Table 4 MBRR C4 Monthly Budget Statement - Financial Performance (standard classification) – M07 January 2014

Description	Ref	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										
Property rates		12,076	23,650	23,650	1,377	9,898	13,796	(3,898)	-28%	23,650
Property rates - penalties & collection charges		-	8	8	-	-	3	(3)	-100%	8
Service charges - electricity revenue		43,622	53,184	53,184	4,325	28,663	31,024	(2,360)	-8%	53,184
Service charges - water revenue		26,712	57,104	57,104	1,980	21,468	33,311	(11,843)	-36%	57,104
Service charges - sanitation revenue		11,649	13,612	13,612	1,001	10,415	7,940	2,475	31%	13,612
Service charges - refuse revenue		8,152	9,388	9,388	725	5,104	5,476	(372)	-7%	9,388
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		521	750	750	32	224	438	(213)	-49%	750
Interest earned - external investments		185	45	45	-	8	26	(19)	-71%	45
Interest earned - outstanding debtors		8,199	4,555	4,555	833	3,584	2,657	927	35%	4,555
Dividends received		-	-	-	-	-	-	-	-	-
Fines		1,078	1,026	1,026	99	181	599	(417)	-70%	1,026
Licences and permits		1,486	1,889	1,889	1	701	1,102	(401)	-36%	1,889
Agency services		723	1,908	1,908	-	-	81	(81)	-100%	1,908
Transfers recognised - operational		77,521	67,686	67,686	-	35,552	35,552	-	-	67,686
Other revenue		20,469	6,579	6,579	127	509	3,838	(3,329)	-87%	6,579
Gains on disposal of PPE		228	-	-	-	35	-	35	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		212,621	241,383	241,383	10,499	116,342	135,841	(19,500)	-14%	241,383
Expenditure By Type										
Employee related costs		75,672	82,900	82,900	8,533	54,758	48,358	6,400	13%	82,900
Remuneration of councillors		5,692	6,933	6,933	630	4,055	4,044	11	0%	6,933
Debt impairment		6,979	2,000	2,000	-	-	-	-	-	2,000
Depreciation & asset impairment		54,763	16,123	16,123	4,516	31,610	9,405	22,205	236%	16,123
Finance charges		8,675	3,500	3,500	27	435	2,042	(1,607)	-79%	3,500
Bulk purchases		58,571	58,803	58,803	4,625	35,420	34,302	1,118	3%	58,803
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		10,403	8,893	8,893	210	847	5,187	(4,340)	-84%	8,893
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		39,031	41,847	41,847	1,632	13,943	25,577	(11,634)	-45%	41,847
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		259,786	220,999	220,999	20,172	141,068	128,916	12,152	9%	220,999
Surplus/(Deficit)										
		(47,165)	20,384	20,384	(9,673)	(24,726)	6,925	(31,652)	(0)	20,384
Transfers recognised - capital		42,150	40,019	40,019	-	27,261	27,261	-	-	40,019
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(5,015)	60,403	60,403	(9,673)	2,535	34,186			60,403
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(5,015)	60,403	60,403	(9,673)	2,535	34,186			60,403
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(5,015)	60,403	60,403	(9,673)	2,535	34,186			60,403
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(5,015)	60,403	60,403	(9,673)	2,535	34,186			60,403

Overall, the insignificant magnitudes of variances for both revenue and expenditure are expected, mainly due to the seasonal demand for basic services, we expect the trend to even out after the full financial cycle.

Table 5 MBRR C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) – M07 January 2014

Vote Description	Ref	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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - 100 Political Office Bearers		-	-	-	-	-	-	-	-	-
Vote 2 - 200 Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - 300 Budget & Treasury		-	-	-	-	-	-	-	-	-
Vote 4 - 400 Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - 500 Planning and Development		-	-	-	-	-	-	-	-	-
Vote 6 - 600 Community Services		-	-	-	-	-	-	-	-	-
Vote 7 - 700 Technical Services		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - 100 Political Office Bearers		-	-	-	-	-	-	-	-	-
Vote 2 - 200 Municipal Manager		-	100	100	-	98	98	-	-	100
Vote 3 - 300 Budget & Treasury		-	2,500	2,500	-	30	30	-	-	2,500
Vote 4 - 400 Corporate Services		2,374	8,450	8,450	-	594	594	-	-	8,450
Vote 5 - 500 Planning and Development		-	-	-	-	-	-	-	-	-
Vote 6 - 600 Community Services		209	8,160	8,160	-	2,611	2,611	-	-	8,160
Vote 7 - 700 Technical Services		23,865	37,819	37,819	-	14,427	14,427	-	-	37,819
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	26,448	57,029	57,029	-	17,760	17,760	-	-	57,029
Total Capital Expenditure		26,448	57,029	57,029	-	17,760	17,760	-	-	57,029
Capital Expenditure - Standard Classification										
Governance and administration		2,374	11,050	11,050	-	722	722	-	-	11,050
Executive and council		-	100	100	-	98	98	-	-	100
Budget and treasury office		-	2,500	2,500	-	30	30	-	-	2,500
Corporate services		2,374	8,450	8,450	-	594	594	-	-	8,450
Community and public safety		209	6,160	6,160	-	2,611	2,611	-	-	6,160
Community and social services		209	2,100	2,100	-	125	125	-	-	2,100
Sport and recreation		-	4,000	4,000	-	2,486	2,486	-	-	4,000
Public safety		-	60	60	-	-	-	-	-	60
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6,944	1,819	1,819	-	1,582	1,582	-	-	1,819
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		6,944	1,819	1,819	-	1,582	1,582	-	-	1,819
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		16,921	38,000	38,000	-	12,845	12,845	-	-	38,000
Electricity		1,623	1,500	1,500	-	-	-	-	-	1,500
Water		-	-	-	-	-	-	-	-	-
Waste water management		15,298	34,500	34,500	-	12,845	12,845	-	-	34,500
Waste management		-	2,000	2,000	-	-	-	-	-	2,000
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	26,448	57,029	57,029	-	17,760	17,760	-	-	57,029
Funded by:										
National Government		24,074	40,019	40,019	-	15,038	15,038	-	-	40,019
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		24,074	40,019	40,019	-	15,038	15,038	-	-	40,019
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2,374	17,010	17,010	-	2,722	2,722	-	-	17,010
Total Capital Funding		26,448	57,029	57,029	-	17,760	17,760	-	-	57,029

Overall spending on MIG, capital projects is currently at R15 million, there has been a general delay in implementing projects and managers are expected to speed up implementation of projects in the second half of the year.

Table 6 MBRR C 6: Financial Position as at 31 January 2014

Description	Ref	2012/13	Budget Year 2013/14			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		5,628	5,441	5,441	–	5,441
Call investment deposits		221	2,625	2,625	2,825	2,625
Consumer debtors		50,462	47,000	47,000	77,168	47,000
Other debtors		1,342	–	–	–	–
Current portion of long-term receivables		–	–	–	–	–
Inventory		1,798	3,357	3,357	5,214	3,357
Total current assets		59,451	58,423	58,423	85,207	58,423
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		0	–	–	–	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		105,127	1,639,682	1,639,682	1,310,498	1,639,682
Agricultural		0	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		104	–	–	1,294	–
Other non-current assets		–	–	–	–	–
Total non current assets		105,231	1,639,682	1,639,682	1,311,792	1,639,682
TOTAL ASSETS		164,682	1,698,105	1,698,105	1,396,999	1,698,105
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	5,107	–
Borrowing		2,377	2,350	2,350	10	2,350
Consumer deposits		3,233	3,348	3,348	3,425	3,348
Trade and other payables		78,319	21,049	21,049	111,289	21,049
Provisions		13,950	44,458	44,458	2,405	44,458
Total current liabilities		97,879	71,205	71,205	122,236	71,205
Non current liabilities						
Borrowing		4,121	3,490	3,490	5,746	3,490
Provisions		25,041	31,523	31,523	46,929	31,523
Total non current liabilities		29,162	35,012	35,012	52,676	35,012
TOTAL LIABILITIES		127,041	106,218	106,218	174,912	106,218
NET ASSETS	2	37,641	1,591,887	1,591,887	1,222,087	1,591,887
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		37,641	1,591,887	1,591,887	1,222,087	1,591,887
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	37,641	1,591,887	1,591,887	1,222,087	1,591,887

The balance sheet size is evidenced by minor fluctuations in assets and liability components compared to prior year unaudited outcome. The increase in the net community wealth is mainly due to a revaluation of all Municipal assets as required by GRAP 17, the subsequent revaluation surplus (Accumulated Surplus) also saw our asset backed reserves increase with the same magnitude.

Despite the slight improvement in collection rates, due to improved debt collection strategies, interest on outstanding balances on various accounts continue to increase the debtor's book. Receivables have increased due to capitalisation of interest rather than non payment of current services, current collection rates approximates above 75% on average. This has a direct knock-on effect on our efficiency to service our creditors in the short to medium term.

Table 7 MBRR C7 Monthly Budget Statement - Cash Flow – M07 January 2014

Description	Ref	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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		120,756	150,825	150,825	8,922	79,411	87,981	(8,570)	-10%	150,825
Government - operating		55,801	63,569	63,569	-	35,552	35,552	-		63,569
Government - capital		23,685	40,019	40,019	-	27,261	27,261	-		40,019
Interest		228	-	-	-	-	-	-		-
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(174,670)	(203,375)	(203,375)	(9,736)	(113,980)	(118,635)	(4,655)	4%	(203,375)
Finance charges		(4,041)	(1,002)	(1,002)	(3)	(746)	(585)	162	-28%	(1,002)
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		21,759	50,036	50,036	(817)	27,498	31,574	(4,076)	-13%	50,036
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		180	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		310	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	6,428	6,428	-	-	3,750	(3,750)	-100%	6,428
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(20,232)	(57,029)	(57,029)	-	(15,104)	(18,530)	(3,426)	18%	(57,029)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(19,742)	(50,601)	(50,601)	-	(15,104)	(14,780)	324	-2%	(50,601)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		498	15,000	15,000	-	-	1,250	(1,250)	-100%	15,000
Increase (decrease) in consumer deposits		128	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(1,297)	(5,002)	(5,002)	(639)	(2,273)	(2,918)	(645)	22%	(5,002)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(670)	9,998	9,998	(639)	(2,273)	(1,668)	605	-36%	9,998
NET INCREASE/ (DECREASE) IN CASH HELD		1,347	9,433	9,433	(1,456)	10,120	15,126			9,433
Cash/cash equivalents at beginning:		4,458	1,355	4,015		(15,227)	1,355			(15,227)
Cash/cash equivalents at month/year end:		5,805	10,788	13,448		(5,107)	16,481			(5,794)

The Municipality's cash flow position is fairly healthy; however continuous efforts to improve the revenue collection rate and to broaden revenue streams through implementation of revenue enhancement plans continue to be pursued.

PART 2 – SUPPORTING DOCUMENTATION

Table 8 MBRR SC1 Monthly Budget Statement – Material variances explanations – M07 January 2014

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
<i>Investment Income</i>		<i>The returns on investments are meager; this is also reflective of the magnitude of available funds for investing.</i>	<i>Acceptable alternative assets that could give a better return on our investment would be sought on the market.</i>
<i>Other revenue</i>		<i>Projects such as parking fees, traffic fines etc are not performing as consistently to their potential.</i>	<i>Management to find a suitable ways to optimize revenue collection on currently existing income generating projects and also find new sources thereon.</i>
<i>Basic Services</i>		<i>The variances noted on basic services after the first quarter of reporting are considered insignificant and merely represent the seasonal demand of the Municipal services from spring, summer and winter and a clearer trend will be analyzed over time.</i>	<i>None needed, performance is as forecasted. Smart metering is expected to ease our billing and collection challenges immensely.</i>
<i>Grants</i>		<i>Grants from National treasury were received as anticipated and communicated through the NT payment schedule for 2013/14.</i>	<i>None needed.</i>
Expenditure By Type			
<i>Accounting estimates</i>		<i>Deprecation was incorporated onto the financial reporting system. However, Grap 25 provisions are yet to included as the valuations are done annually.</i>	<i>The sizeable magnitude on depreciation would be rectified and aligned to our FAR during the Adj budget process.</i>
<i>Other expenditure</i>		<i>There are general savings on expenditure partly due to expenditure management and cash-flow constraints.</i>	<i>None needed.</i>
Capital Expenditure			
<i>All</i>		<i>Our 2013/14 allocation of MIG was received during the last week of the month of July and we expect spending to improve during the second and third qtr.</i>	<i>Ring fencing of the MIG funds to commence in the second quarter to ensure effective management of funds for the intended purpose.</i>

Table 9 MBRR SC2 Monthly Budget Statement - performance indicators - M07 January 2014

Description of financial indicator	Basis of calculation	Ref	2012/13	Budget Year 2013/14			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.8%	8.9%	8.9%	0.3%	4.7%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		225.3%	1.7%	1.7%	10.0%	1.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	60.7%	82.0%	82.0%	69.7%	82.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		6.0%	11.3%	11.3%	2.3%	11.3%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		24.4%	19.5%	19.5%	66.3%	19.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		60.0%	95.0%		45.0%	80.0%
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	22.0%	30.0%	22.0%	22.0%	22.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	10.0%	10.0%	30.0%	30.0%	30.0%
Employee costs	Employee costs/Total Revenue - capital revenue		35.6%	34.3%	34.3%	47.1%	34.3%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		29.8%	8.1%	8.1%	0.4%	4.3%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

Explanations of significant statistics

Borrowing management

Borrowing levels remain low, even lower than prior audited year, although expected to rise if the plans to acquire vehicles on vehicle finance proceed. Capital charges refers to total installment to repay loans (comprising of capital and interest portions) and this remains a very small proportion of total operating expenditure to date.

Safety of capital

Municipal reserves remain greater than the liabilities as indicated by the low gearing level of only 5.6%. However the high level of unpaid creditors remains a threat to the overall debt to equity ratio. If compliance with section 65(2)(e) of MFMA is observed, this ratio could be managed within the acceptable range.

Liquidity

The statistics indicate that the current assets are sufficient to cover current liabilities with more than the recommended (2;1 times). However it is important to note that if reconciling items are pushed through the cash book, this ratio may deteriorate. Also note that an increase in gross debtors to date has also contributed to the healthy liquidity, which may technically be doubtful.

Revenue management

The municipality is not doing very well in this particular aspect because of two main issues namely;

- The accounting system in use (prior to February 2012) did not allow filtering and categorizing receipts per revenue source. This implies accuracy of reported figures on this financial indicator maybe compromised.
- The debtors collection itself is generally low with debtors dating back from a decade ago. Approximately R88 million of the R142million of gross debtors book is more than 12 months old. This reduces the overall revenue collection rate to approximately 60%.

Creditors' management

The creditors efficiency rate of 45% is below budget figures of 95% and efforts need to be put in place to comply with the MFMA as regards payment of creditors. This of course depends on revenue collection which is considered low as mentioned under revenue management above.

Water and electricity losses

No accurate figures have been reported in this category as it is currently difficult to record losses. There are no meters that record units of either utility purchased and distributions. Figures reported in table 9 above are estimates based on invoices paid to utility providers as well as municipal billing system.

Table 10MBRRSC 3: Debtors age analysis –M07 January 2014

Description	NT Code	Budget Year 2013/14									Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr					
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	6,051	894	5,421	1,179	1,206	29,777	-	-	44,527	32,162			
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,235	1,188	504	739	837	3,752	-	-	10,256	5,328			
Receivables from Non-exchange Transactions - Property Rates	1400	1,432	718	521	470	452	9,280	-	-	12,873	10,203			
Receivables from Exchange Transactions - Waste Water Management	1500	1,006	541	674	413	395	10,803	-	-	13,832	11,611			
Receivables from Exchange Transactions - Waste Management	1600	668	366	321	276	265	7,856	-	-	9,753	8,397			
Receivables from Exchange Transactions - Property Rental Debtors	1700	27	13	11	10	9	2,257	-	-	2,327	2,276			
Interest on Arrear Debtor Accounts	1810	816	984	839	811	787	9,698	-	-	13,935	11,296			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	(1,464)	115	(86)	269	376	33,751	-	-	32,962	34,396			
Total By Income Source	2000	11,771	4,820	8,205	4,168	4,327	107,174	-	-	140,464	115,669	-	-	
2012/13 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	321	32	97	196	80	8,032	-	-	8,758	8,308			
Commercial	2300	2,211	820	73	629	233	5,163	-	-	9,129	6,025			
Households	2400	5,010	2,866	7,164	2,483	2,708	79,487	-	-	99,718	84,678			
Other	2500	4,228	1,102	871	859	1,306	14,492	-	-	22,858	16,658			
Total By Customer Group	2600	11,771	4,820	8,205	4,168	4,327	107,174	-	-	140,464	115,669	-	-	

The debtors balance above is a gross amount. An impairment provision has already been raised that has reduced the debtors balance significantly, following a recommendation by the Auditor General of South Africa.

Table 11 MBRR SC4 Monthly Budget Statement - aged creditors – M07 January 2014

Description	NT Code	Budget Year 2013/14									Total	Prior year totals for chart (same period)
		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	4,677	3,728	1,500	4,309	1,638	5,000	15,000	10,000	45,852	-	
Bulk Water	0200	-	1,488	1,407	1,777	2,486	2,492	-	-	9,651	-	
PAYE deductions	0300	-	953	-	-	-	-	-	-	953	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	3,293	18,461	10,364	242	13,061	622	828	7,961	54,832	-	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	7,970	24,631	13,271	6,328	17,185	8,113	15,828	17,961	111,289	-	

Table 12 MBRR SC5 Monthly Budget Statement - investment portfolio – M07 January 2014

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands									
Municipality									
ABSA Investment		1 Month	Fixed deposit	-	-	0.0%	165	4	170
Sanlam Investment		1 Month	Unit trusts	-	-	0.0%	26	1	27
Sanlam Investment		1 Month	Unit trusts	-	-	0.0%	43	1	44
Old Mutual Investment		1 Month	Unit trusts	-	-	0.0%	2,584	-	2,584
Municipality sub-total					-		2,819	6	2,825

Table 13 MBRR SC6 Monthly Budget Statement - transfers and grant receipts – M07 January 2014

Description	Ref	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										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		55,658	63,569	63,569	20,043	35,272	35,272	-		63,569
Local Government Equitable Share		52,832	60,129	60,129	20,043	32,432	32,432	-		60,129
Finance Management		1,500	1,550	1,550	-	1,550	1,550			1,550
Municipal Systems Improvement		790	890	890	-	890	890			890
EPWP Incentive		536	1,000	1,000	-	400	400			1,000
		-	-	-	-	-	-			-
Provincial Government:		-	-	-	-	-	-			-
District Municipality:		945	4,117	4,117	-	280	1,715	(1,436)	-83.7%	4,117
Waterberg District Fire Subsidy		713	2,117	2,117	-	190	882	(692)	-78.5%	2,117
LG SETA		232	2,000	2,000	-	90	833	(743)	-89.2%	2,000
Other grant providers:		-	-	-	-	-	-			-
		-	-	-	-	-	-			-
Total Operating Transfers and Grants	5	56,603	67,686	67,686	20,043	35,552	36,987	(1,436)	-3.9%	67,686
Capital Transfers and Grants										
National Government:		22,474	40,019	40,019	-	27,261	27,261	-		40,019
Municipal Infrastructure Grant (MIG)		22,474	40,019	40,019	-	27,261	27,261	-		40,019
Provincial Government:		-	-	-	-	-	-			-
District Municipality:		-	-	-	-	-	-			-
Other grant providers:		-	-	-	-	-	-			-
Total Capital Transfers and Grants	5	22,474	40,019	40,019	-	27,261	27,261	-		40,019
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	79,077	107,705	107,705	20,043	62,813	64,248	(1,436)	-2.2%	107,705

All grants have been received as allocated in the 2013/14 Division of Revenue Act payment schedule.

Table 14: Transfers and Grants expenditure-M07 January 2014

Description	Ref	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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		55,658	63,569	63,569	-	34,821	34,439	383	1.1%	63,569
Local Government Equitable Share		52,832	60,129	60,129	-	32,432	32,432	-		60,129
Finance Management		1,500	1,550	1,550	-	1,130	904	226	25.0%	1,550
Municipal Systems Improvement		790	890	890	-	890	519	371	71.4%	890
EPWP Incentive		536	1,000	1,000	-	369	583	(214)	-36.7%	1,000
Other transfers and grants [insert description]		-	-	-	-	-	-			-
Provincial Government:		-	-	-	-	-	-			-
District Municipality:		945	4,117	4,117	-	280	2,402	(2,122)	-88.3%	4,117
Waterberg District Fire Subsidy		713	2,117	2,117	-	190	1,235	(1,045)	-84.6%	2,117
LG SETA		232	2,000	2,000	-	90	1,167	(1,077)	-92.3%	2,000
Other grant providers:		-	-	-	-	-	-			-
[insert description]		-	-	-	-	-	-			-
Total operating expenditure of Transfers and Grants:		56,603	67,686	67,686	-	35,101	36,840	(1,739)	-4.7%	67,686
Capital expenditure of Transfers and Grants										
National Government:		22,474	40,019	40,019	-	15,038	15,038	-		40,019
Municipal Infrastructure Grant (MIG)		22,474	40,019	40,019	-	15,038	15,038	-		40,019
Provincial Government:		-	-	-	-	-	-			-
District Municipality:		-	-	-	-	-	-			-
Other grant providers:		-	-	-	-	-	-			-
Total capital expenditure of Transfers and Grants		22,474	40,019	40,019	-	15,038	15,038	-		40,019
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		79,077	107,705	107,705	-	50,139	51,879	(1,739)	-3.4%	107,705

Table 15 MBRR SC8 Monthly Budget Statement – Councillors and Employee Benefits – M07 January 2014

Summary of Employee and Councillor remuneration	Ref	Budget Year 2013/14								
		2012/13 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4,098	4,373	4,373	333	2,383	2,551	(167)	-7%	4,373
Pension and UIF Contributions		252	530	530	47	327	309	18	6%	530
Medical Aid Contributions		121	302	302	8	54	176	(122)	-69%	302
Motor Vehicle Allowance		1,537	1,247	1,247	112	784	728	56	8%	1,247
Cellphone Allowance		303	289	289	15	135	169	(34)	-20%	289
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		207	193	193	115	372	113	259	230%	193
Sub Total - Councillors		6,516	6,934	6,934	630	4,055	4,045	10	0%	6,934
% increase	4		6.4%	6.4%						6.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4,608	5,576	5,576	705	4,682	3,253	1,429	44%	5,576
Pension and UIF Contributions		-	-	-	38	263	-	263	#DIV/0!	-
Medical Aid Contributions		21	-	-	15	152	-	152	#DIV/0!	-
Overtime		-	-	-	4	108	-	108	#DIV/0!	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		928	1,000	1,000	110	635	583	52	9%	1,000
Cellphone Allowance		44	16	16	4	21	9	12	126%	16
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		41	59	59	31	251	34	217	629%	59
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5,642	6,652	6,652	908	6,112	3,880	2,232	58%	6,652
% increase	4		17.9%	17.9%						17.9%
Other Municipal Staff										
Basic Salaries and Wages		43,917	43,990	43,990	5,307	33,219	25,661	7,558	29%	43,990
Pension and UIF Contributions		10,222	10,669	10,669	850	5,382	6,224	(842)	-14%	10,669
Medical Aid Contributions		2,838	2,709	2,709	249	1,602	1,580	22	1%	2,709
Overtime		2,701	3,145	3,145	551	2,303	1,835	468	26%	3,145
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3,456	9,052	9,052	308	2,061	5,280	(3,219)	-61%	9,052
Cellphone Allowance		240	264	264	20	131	154	(23)	-15%	264
Housing Allowances		49	75	75	5	36	43	(7)	-16%	75
Other benefits and allowances		4,256	6,476	6,476	333	3,913	3,778	135	4%	6,476
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		3,623	821	821	-	-	479	(479)	-100%	821
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		71,302	77,199	77,199	7,624	48,646	45,033	3,613	8%	77,199
% increase	4		8.3%	8.3%						8.3%
Total Parent Municipality		83,460	90,785	90,785	9,163	58,813	52,958	5,855	11%	90,785

Table 17 MBRR SC12 Monthly Budget Statement - capital expenditure trend – M07 January 2014

Month	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	187	10,969	10,969	-		10,969	-		
August	1,807	7,887	7,887	3,356	#VALUE!	18,856	#VALUE!	#VALUE!	#VALUE!
September	1,397	2,350	2,350	30	#VALUE!	21,206	#VALUE!	#VALUE!	#VALUE!
October	115	-	-	3,461	#VALUE!	21,206	#VALUE!	#VALUE!	#VALUE!
November	4,980	5,906	5,906	-		27,112	-		
December	3	6,500	6,500	10,913	#VALUE!	33,612	#VALUE!	#VALUE!	#VALUE!
January	4	-	-	-		33,612	-		
February	102	-	-	-		33,612	-		
March	97	10,918	10,918	-		44,530	-		
April	16,919	5,939	5,939	-		50,469	-		
May	0	-	-	-		50,469	-		
June	837	6,560	6,560	-		57,029	-		
Total Capital expenditure	26,448	57,029	57,029	17,760					

Other supporting documents

Table 18 MBRR SC13a Monthly Budget Statement - capital expenditure on new assets by asset class – M07 January 2014

Description	Ref	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	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		23,865	39,700	39,700	-	14,427	14,427	-		39,700
Infrastructure - Road transport		6,944	-	-	-	1,582	1,582	-		-
Roads, Pavements & Bridges		6,944	-	-	-	1,582	1,582	-		-
Storm water		-	-	-	-	-	-	-		-
Infrastructure - Electricity		1,623	2,500	2,500	-	-	-	-		2,500
Generation		-	2,500	2,500	-	-	-	-		2,500
Transmission & Reticulation		1,623	-	-	-	-	-	-		-
Street Lighting		-	-	-	-	-	-	-		-
Infrastructure - Water		-	1,500	1,500	-	-	-	-		1,500
Dams & Reservoirs		-	-	-	-	-	-	-		-
Water purification		-	-	-	-	-	-	-		-
Reticulation		-	1,500	1,500	-	-	-	-		1,500
Infrastructure - Sanitation		15,298	34,500	34,500	-	12,845	12,845	-		34,500
Reticulation		15,298	34,500	34,500	-	12,845	12,845	-		34,500
Sewerage purification		-	-	-	-	-	-	-		-
Infrastructure - Other		-	1,200	1,200	-	-	-	-		1,200
Waste Management		-	1,200	1,200	-	-	-	-		1,200
Transportation		-	-	-	-	-	-	-		-
Gas		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Community		-	60	60	-	-	-	-		60
Parks & gardens		-	-	-	-	-	-	-		-
Sportsfields & stadia		-	-	-	-	-	-	-		-
Swimming pools		-	-	-	-	-	-	-		-
Community halls		-	-	-	-	-	-	-		-
Libraries		-	-	-	-	-	-	-		-
Recreational facilities		-	-	-	-	-	-	-		-
Fire, safety & emergency		-	60	60	-	-	-	-		60
Security and policing		-	-	-	-	-	-	-		-
Buses		-	-	-	-	-	-	-		-
Clinics		-	-	-	-	-	-	-		-
Museums & Art Galleries		-	-	-	-	-	-	-		-
Cemeteries		-	-	-	-	-	-	-		-
Social rental housing		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Heritage assets		-	-	-	-	-	-	-		-
Investment properties		-	-	-	-	-	-	-		-
Housing development		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Other assets		2,583	7,450	7,450	-	3,333	3,333	-		7,450
General vehicles		750	-	-	-	-	-	-		-
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment		190	-	-	-	351	351	-		-
Computers - hardware/equipment		333	450	450	-	496	496	-		450
Furniture and other office equipment		100	-	-	-	-	-	-		-
Abattoirs		-	-	-	-	-	-	-		-
Markets		-	-	-	-	-	-	-		-
Civic Land and Buildings		1,210	5,000	5,000	-	-	-	-		5,000
Other Buildings		-	-	-	-	-	-	-		-
Other Land		-	2,000	2,000	-	2,486	2,486	-		2,000
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Agricultural assets		-	-	-	-	-	-	-		-
Biological assets		-	-	-	-	-	-	-		-
Intangibles		-	-	-	-	-	-	-		-
Total Capital Expenditure on new assets	1	26,448	47,210	47,210	-	17,760	17,760	-		47,210

Table 19MBRRSC 13c Expenditure on repairs and maintenance by asset class-M07 January 2014

Description	Ref	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	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		9,629	18,252	18,252	85	4,987	10,647	5,660	53.2%	18,252
Infrastructure - Road transport		3,602	6,417	6,417	9	368	3,743	3,375	90.2%	6,417
<i>Roads, Pavements & Bridges</i>		3,027	6,417	6,417	9	368	3,743	3,375	90.2%	6,417
<i>Storm water</i>		574	-	-	-	-	-	-	-	-
Infrastructure - Electricity		1,099	3,988	3,988	2	568	2,326	1,758	75.6%	3,988
<i>Generation</i>		-	3,988	3,988	2	568	2,326	1,758	75.6%	3,988
<i>Transmission & Reticulation</i>		1,080	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		19	-	-	-	-	-	-	-	-
Infrastructure - Water		2,979	4,890	4,890	74	1,739	2,853	1,114	39.0%	4,890
<i>Dams & Reservoirs</i>		-	4,890	4,890	74	1,739	2,853	1,114	39.0%	4,890
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		2,979	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		1,949	2,956	2,956	-	2,312	1,725	(587)	-34.1%	2,956
<i>Reticulation</i>		1,949	2,956	2,956	-	2,312	1,725	(587)	-34.1%	2,956
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>		-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Community		461	100	100	19	1,332	58	(1,274)	-2183.6%	100
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	50	50	19	1,332	29	(1,303)	-4467.3%	50
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		461	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	50	50	-	-	29	29	100.0%	50
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		2,608	3,948	3,948	6	366	2,158	1,792	83.0%	3,948
General vehicles		-	1,734	1,734	-	-	867	867	100.0%	1,734
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		2,357	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	100	100	-	-	58	58	100.0%	100
Furniture and other office equipment		4	14	14	-	-	8	8	100.0%	14
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		191	100	100	-	-	58	58	100.0%	100
Other Buildings		-	2,000	2,000	0	339	1,167	828	70.9%	2,000
Other Land		-	-	-	6	27	-	(27)	#DIV/0!	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		56	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
Biological assets		13	-	-	-	-	5	5	100.0%	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		12,710	22,300	22,300	109	6,686	12,869	6,183	48.0%	22,300

Table 20: -Deviations from supply chain policy-M07 January 2014

Type	Amount	Reason for the deviation	Response to deviation
Transportation	R 25 000	Transportation of members of the community to participate in various activities like community development programs	The supply chain management policy could not be followed due to late invitation
Purchase of Air conditioners	R 30 050.00	Air conditioner in manager's office broke down.	The supply chain management policy could not be followed due to late invitation

<i>DEVIATIONS 2013 / 2014</i>			
DATE	DETAILS	VALUE (R)	REASONS
25/07/2013	Catering	17,700.34	Catering for Mayoral Program as specified : The Mayoral Spiritual Outreached Program, The Elite Women Symposium , The Woman In Prayers Day, Woman municipal councillor and worker's Day
07/08/2013	Upgrading of the pump and motor station	175,390.40	Pumpstation at Zandrivierpoort is the only pump that can provide water to rooiberg residents.
14/09/2013	Lunch, Transportation and Sound System for domestics workers empowerment day and plenary day	9,800.00	Lunch for 350 attendees ,transport and sound system for domestics workers employment day.
16/09/2013	Transporting the community members	9,500.00	Transporting community members to participate in various activities like communities development programme.
16/09/2013	Transporting the community members	9,300.00	Transporting community members to participate in various activities like communities development programme.
16/09/2013	Transporting the community members	41,000.00	Transporting community members to participate in various activities like communities development programme.
16/09/2013	Transporting the community members	28,700.00	Transporting community members to participate in various activities like communities development programme.
25/09/2013	Sound System required for the event	10,000.00	It was vital to acquire sound system for the event so that the Mayoral Word of encouragement can well conveyed to the employees.
25/10/2013	Accomodation	450.00	Late accomodations bookings made by the secretary
07/11/2013	Transporting the community members	6,500.00	Transporting community members to participate in various activities like communities development programme.

Quality certificate

I, *ME Ntsoane*, the Municipal Manager of Thabazimbi Local Municipality, hereby certify that the Monthly budget statement for the period ended 31 January 2014 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Advocate. ME Ntsoane

Municipal manager of Thabazimbi Local Municipality (LIM361)

Signature.....

Date.....

End of report