

THABAZIMBI LOCAL MUNICIPALITY



QUARTELY BUDGET STATEMENTS FOR THE PERIOD ENDED

31 MARCH 2011

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PART 1: EXECUTIVE SUMMARY

1.1 PURPOSE

Section 52 (d) of the MFMA, stipulates that:

The Mayor of a municipality must within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

The purpose of this report is therefore to provide Council with an update of the financial and performance information as regards the implementation of the 2010-2011 budget.

1.2 RECOMMENDATIONS

It is recommended that the council:

1. takes note of the quarterly budget statements as reported by the mayor under Table C 1 to 7 and the supporting tables SC 1 to 14;
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;
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;

APPROVAL: CHIEF FINANCIAL OFFICER

DATE: ____ / ____ / 2011

APPROVAL: MUNICIPAL MANAGER (ACCOUNTING OFFICER)

DATE: ____ / ____ / 2011

SUMMARY

The attached reports summarise the operations (financial and non financial) of the municipality for the period ending March 31 2011. Managers have reviewed their respective month end reports as at March 31 2011. Comments for the variances known to date as well the expected departmental results are included in on table SC1.

Based on the information available (not audited) on March 31 2011, there is a budget surplus of R59million. This surplus however has been arrived at before taking into account certain non cash items such as depreciation, impairment of assets and other provisions that should be charged to the statement of comprehensive income (formerly income statement). These figures are most likely to be available at year end but provision will always be made available in the statement of comprehensive income on a month on month basis.

The municipality management will be communicating updates on a monthly basis as part reporting in terms of Section 71 of the MFMA.

Table C1 below is a summary of financial performance for the period to end of the third quarter. Supporting tables are also provided later in this report, while reasons for material variances as well as remedial action are given on table SC1.

LIM361 Thabazimbi - Table C1 Quarterly Budget Statement Summary - Q3 Third Quarter

Description	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Financial Performance</u>									
Property rates	9,292	27,261	27,261	4,031	12,451	20,446	(7,995)	-29%	16,601
Service charges	66,222	90,170	90,170	12,864	50,059	67,627	(17,569)	-19%	66,745
Investment revenue	6,602	5,604	5,604	644	2,553	4,203	(1,650)	-29%	3,404
Transfers recognised - operational	35,286	48,850	51,997	13,497	49,983	49,983	–	–	51,997
Other own revenue	6,762	7,178	7,178	1,303	4,058	5,434	(1,375)	-19%	5,411
Total Revenue (excluding capital transfers and contributions)	124,163	179,063	182,210	32,339	119,104	147,693	(28,589)	-19%	144,158
Employee costs	48,087	58,681	57,453	16,083	44,154	43,090	1,065	2%	58,872
Remuneration of Councillors	5,757	4,872	4,403	1,260	3,657	3,302	355	8%	4,877
Depreciation & asset impairment	20	16,257	16,256	–	–	12,192	(12,192)	-75%	–
Finance charges	2,022	1,095	1,095	363	644	821	(178)	-16%	858
Materials and bulk purchases	30,225	31,773	31,773	8,275	29,215	23,830	5,385	17%	38,954
Other expenditure	66,042	91,585	71,408	(6,175)	16,170	53,556	(37,386)	-52%	21,560
Total Expenditure	152,153	204,263	182,388	19,807	93,841	136,791	(42,950)	-31%	125,121
Surplus/(Deficit)	(27,989)	(25,200)	(178)	12,532	25,263	10,902	14,361	132%	19,037
Transfers recognised - capital	25,843	28,892	33,892	8,892	33,892	33,892	–		33,892
Surplus/(Deficit) after capital transfers & contributions	(2,146)	3,692	33,714	21,424	59,155	44,794	14,361	43%	52,929
Surplus/ (Deficit) for the year	(2,146)	3,692	33,714	21,424	59,155	44,794	14,361	32%	52,929
<u>Capital expenditure & funds sources</u>									
Capital expenditure	24,832	49,039	52,713	8,924	27,654	47,117	(19,463)	-41%	52,713
Capital transfers recognised	24,483	33,892	33,892	8,923	24,987	34,568	(9,581)	-28%	33,892
Internally generated funds	349	15,147	18,821	1	2,667	12,549	(9,882)	-53%	18,821
Total sources of capital funds	24,832	49,039	52,713	8,924	27,654	47,117	(19,463)	-37%	52,713
<u>Financial position</u>									
Total current assets	32,151	81,256	79,730		33,357				44,477
Total non current assets	46,780	62,890	66,564		74,434				99,246
Total current liabilities	58,014	17,387	23,405		29,868				39,824
Total non current liabilities	7,563	6,765	6,765		9,054				12,072
Community wealth/Equity	13,354	119,994	116,124		68,870				91,827

Cash flows									
Net cash from (used) operating	12,393	68,948	65,304	10,218	45,842	49,784	(3,942)	-6%	32,385
Net cash from (used) investing	(9,056)	(61,039)	(64,713)	(16,850)	(24,661)	(42,599)	17,938	-28%	(32,882)
Net cash from (used) financing	(7,468)	(1,541)	(1,541)	(249)	(1,038)	(1,130)	93	-6%	(1,383)
Cash/cash equivalents at the month/year end	(10,729)	7,318	–	(6,880)	9,415	7,005	2,410	33%	(12,609)
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
<u>Debtors Age Analysis</u>									
Total By Revenue Source	3,7	2,389	1,366	1,793	58,494	–	–	–	67,200
<u>Creditors Age Analysis</u>									
Total Creditors	5,350	3,132	2,427	4,308	–	469	520	3,267	19,473

PART 2: SUPPORTING TABLES

LIM361 Thabazimbi - Table C2 Quarterly Budget Statement - Financial Performance (standard classification) - Q3 Third Quarter

Description R thousands	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
<u>Revenue - Standard</u>									
<i>Governance and administration</i>	52,977	80,079	83,226	18,504	66,312	74,706	(8,394)	-11%	71,797
Executive and council	43,292	71,469	74,616	18,465	62,997	68,248	(5,251)	-8%	67,378
Budget and treasury office	7,934	6,484	6,484	(202)	2,073	4,863	(2,790)	-57%	2,763
Corporate services	1,751	2,127	2,127	241	1,242	1,595	(353)	-22%	1,655
<i>Community and public safety</i>	3,051	4,353	4,353	1,000	2,234	3,264	(1,030)	-32%	2,979
Community and social services	282	393	393	52	170	294	(125)	-42%	226
Public safety	2,769	3,960	3,960	949	2,065	2,970	(905)	-30%	2,753
<i>Economic and environmental services</i>	425	838	838	74	211	629	(417)	-66%	282
Planning and development	426	778	778	74	211	583	(372)	-64%	282
Environmental protection	(1)	60	60	-	-	45	(45)	-100%	-
<i>Trading services</i>	66,551	93,732	98,732	(7,022)	55,568	74,049	(18,481)	-25%	74,090
Electricity	28,891	34,828	39,828	13,509	29,959	29,872	87	0%	39,945
Water	20,944	30,903	30,903	2,319	15,317	23,177	(7,860)	-34%	20,423
Waste water management	9,210	13,646	13,646	(23,847)	5,674	10,235	(4,561)	-45%	7,565
Waste management	7,506	14,354	14,354	997	4,618	10,766	(6,148)	-57%	6,157
<i>Other</i>	27,001	60	28,953	-	28,671	28,938	(267)	-1%	28,902
Total Revenue - Standard	150,006	179,063	216,102	41,231	152,996	181,585	(28,589)	-16%	178,050
<u>Expenditure - Standard</u>									
<i>Governance and administration</i>	68,245	75,477	74,130	9,353	30,386	55,598	(25,213)	-45%	40,514
Executive and council	27,535	37,313	35,387	2,217	7,989	26,541	(18,552)	-70%	10,652
Budget and treasury office	33,797	21,838	21,174	3,883	12,795	15,881	(3,086)	-19%	17,060
Corporate services	6,913	16,326	17,569	3,252	9,602	13,177	(3,575)	-27%	12,802
<i>Community and public safety</i>	12,191	17,004	16,515	4,737	12,445	12,656	(212)	-2%	16,593
Community and social services	3,679	4,936	4,385	1,162	2,995	3,289	(294)	-9%	3,994
Sport and recreation	3,062	4,526	4,677	1,344	3,527	3,778	(250)	-7%	4,703
Public safety	5,450	7,542	7,453	2,230	5,922	5,590	333	6%	7,896
<i>Economic and environmental services</i>	17,314	41,581	43,468	(7,741)	3,752	32,601	(28,849)	-88%	5,003
Planning and development	3,744	4,544	4,431	1,157	3,290	3,323	(33)	-1%	4,386
Road transport	13,424	36,429	38,521	(8,946)	311	28,891	(28,580)	-99%	414
Environmental protection	146	608	516	49	152	387	(235)	-61%	202
<i>Trading services</i>	48,047	37,700	44,644	10,041	43,845	33,213	10,632	32%	58,460
Electricity	26,257	13,080	13,653	5,759	25,283	10,240	15,043	147%	33,711
Water	15,991	16,037	19,110	1,552	10,763	14,333	(3,570)	-25%	14,350
Waste water management	2,719	3,697	4,733	1,610	3,601	3,550	51	1%	4,801
Waste management	3,080	4,886	7,148	1,120	4,198	5,091	(893)	-18%	5,598
<i>Other</i>	6,355	3,609	3,631	3,414	3,414	2,723	691	25%	4,552
Total Expenditure - Standard	152,153	175,371	182,388	19,807	93,841	136,791	(42,950)	-31%	125,121
Surplus/ (Deficit) for the year	(2,146)	3,692	33,714	21,424	59,155	44,794	(71,540)		52,929

LIM361 Thabazimbi - Table C3 Quarterly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third Quarter

Vote Description	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Revenue by Vote</u>									
Vote 1 - 100 Political Office Bearers	43,292	71,469	74,616	18,465	62,997	68,248	(5,251)	-7.7%	67,378
Vote 3 - 300 Budget & Treasury	7,934	6,484	6,484	(205)	2,072	4,863	(2,791)	-57.4%	2,763
Vote 4 - 400 Corporate Services	1,751	2,127	2,127	242	1,242	1,595	(353)	-22.2%	1,655
Vote 5 - 500 Planning and Economic Development	426	838	838	74	211	629	(417)	-66.4%	282
Vote 6 - 600 Community Services	10,557	18,707	18,707	1,999	6,852	14,030	(7,178)	-51.2%	9,137
Vote 7 - 700 Technical Services	86,046	79,438	113,331	20,654	79,622	92,221	(12,599)	-13.7%	96,835
Total Revenue by Vote	150,006	179,063	216,102	41,231	152,996	181,585	(28,589)	-15.7%	178,050
<u>Expenditure by Vote</u>									
Vote 1 - 100 Political Office Bearers	24,641	33,366	32,357	1,822	6,476	24,268	(17,791)	-73.3%	8,635
Vote 2 - 200 Municipal Manager	2,894	3,947	3,031	118	1,513	2,273	(760)	-33.4%	2,017
Vote 3 - 300 Budget & Treasury	33,797	21,838	21,174	3,880	12,795	15,881	(3,086)	-19.4%	17,060
Vote 4 - 400 Corporate Services	6,913	16,326	17,569	3,530	9,602	13,177	(3,575)	-27.1%	12,802
Vote 5 - 500 Planning and Economic Development	3,890	5,152	4,947	1,207	3,442	3,710	(269)	-7.2%	4,589
Vote 6 - 600 Community Services	15,271	21,890	23,663	5,859	16,643	17,747	(1,104)	-6.2%	22,191
Vote 7 - 700 Technical Services	64,746	72,852	79,647	3,389	43,371	59,735	(16,365)	-27.4%	57,828
Total Expenditure by Vote	152,153	175,371	182,388	19,807	93,841	136,791	(42,950)	-31.4%	125,121
Surplus/ (Deficit) for the year	(2,146)	3,692	33,714	21,424	59,155	44,794	(71,540)	-159.7%	52,929

LIM361 Thabazimbi - Table C4 Quarterly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter

Description	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Revenue By Source</u>									
Property rates	8,895	24,031	24,031	4,031	12,449	18,024	(5,575)	-31%	16,598
Property rates - penalties & collection charges	396	3,230	3,230	–	2	2,423	(2,421)	-100%	3
Service charges - electricity revenue	27,431	31,633	31,633	8,435	24,568	23,724	843	4%	32,757
Service charges - water revenue	20,883	30,566	30,566	2,298	15,259	22,925	(7,666)	-33%	20,345
Service charges - sanitation revenue	9,210	13,646	13,646	1,159	5,674	10,235	(4,561)	-45%	7,565
Service charges - refuse revenue	7,398	14,324	14,324	973	4,559	10,743	(6,184)	-58%	6,078
Service charges - other	1,300	–	–	–	–	–	–	–	–
Rental of facilities and equipment	592	1,787	1,787	144	400	1,340	(940)	-70%	533
Interest earned - external investments	1,488	804	804	12	27	603	(576)	-96%	36
Interest earned - outstanding debtors	5,114	4,800	4,800	632	2,526	3,600	(1,074)	-30%	3,368
Fines	145	234	234	131	580	175	405	231%	773
Licenses and permits	1,403	2,571	2,571	248	793	1,928	(1,135)	-59%	1,057
Agency services	637	300	300	281	332	225	107	48%	443
Transfers recognised - operational	35,286	48,850	51,997	13,497	49,983	49,983	–	0%	51,997
Other revenue	3,984	2,087	2,087	509	1,962	1,565	397	25%	2,616
Gains on disposal of PPE	–	200	200	(8)	(8)	200	(208)	-104%	(11)
Total Revenue (excluding capital transfers and contributions)	124,163	179,063	182,210	32,339	119,104	147,693	(28,589)	-19%	144,158
<u>Expenditure By Type</u>									
Employee related costs	48,087	58,681	57,453	16,083	44,154	43,090	1,065	2%	58,872
Remuneration of councilors	5,757	4,872	4,403	1,260	3,657	3,302	355	11%	4,877
Debt impairment	4,508	–	–	–	–	–	–	–	–
Depreciation & asset impairment	20	16,257	16,256	–	–	12,192	(12,192)	-100%	–
Finance charges	2,022	1,095	1,095	363	644	821	(178)	-22%	858
Bulk purchases	30,225	31,773	31,773	8,275	29,215	23,830	5,385	23%	38,954
Contracted services	7,049	2,500	2,500	1,181	5,442	1,875	3,567	190%	7,257
Other expenditure	54,484	89,085	68,908	(7,355)	10,728	51,681	(40,953)	-79%	14,304
Total Expenditure	152,153	204,263	182,388	19,807	93,841	136,791	(42,950)	-31%	125,121
Surplus/(Deficit)	(27,989)	(25,200)	(178)	12,532	25,263	10,902	(71,540)		19,037
Transfers recognised - capital	25,843	28,892	33,892	8,892	33,892	33,892			33,892
Surplus/ (Deficit) for the year	(2,146)	3,692	33,714	21,424	59,155	44,794			52,929

LIM361 Thabazimbi - Table C5 Quarterly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q3 Third Quarter

Vote Description	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Multi-Year expenditure appropriation</u>									
Vote 2 - 200 Municipal Manager	81	3,150	3,150	–	1,955	3,149	(1,194)	-38%	3,150
Vote 3 - 300 Budget & Treasury	–	150	150	–	–	150	(150)	-100%	150
Vote 4 - 400 Corporate Services	706	2,500	2,645	–	503	2,500	(1,997)	-80%	2,645
Vote 6 - 600 Community Services	232	9,250	9,250	66	3,735	9,250	(5,515)	-60%	9,250
Vote 7 - 700 Technical Services	23,812	33,989	37,518	8,858	21,461	32,068	(10,607)	-33%	37,518
Total Capital Multi-year expenditure	24,832	49,039	52,713	8,924	27,654	47,117	(19,463)	-41%	52,713
Total Capital Expenditure	24,832	49,039	52,713	8,924	27,654	47,117	(19,463)	-41%	52,713
<u>Capital Expenditure - Standard Classification</u>									
<i>Governance and administration</i>	787	5,800	5,945	–	2,458	5,799	(3,341)	-58%	5,945
Executive and council	81	3,150	3,150	–	1,955	3,149	(1,194)	-38%	3,150
Budget and treasury office	–	150	150	–	–	150	(150)	-100%	150
Corporate services	706	2,500	2,645	–	503	2,500	(1,997)	-80%	2,645
<i>Community and public safety</i>	232	6,750	6,750	66	3,735	6,750	(3,015)	-45%	6,750
Community and social services	232	2,555	2,555	–	1,948	6,650	(4,702)	-71%	2,555
Sport and recreation	–	4,195	4,195	66	1,787	100	1,687	1687%	4,195
<i>Economic and environmental services</i>	23,690	21,815	21,815	7,756	18,915	21,530	(2,615)	-12%	21,815
Road transport	23,690	21,815	21,815	7,756	18,915	21,530	(2,615)	-12%	21,815
<i>Trading services</i>	–	14,674	18,203	1,102	2,546	13,038	(10,492)	-80%	18,203
Electricity	–	7,419	7,906	1,101	2,338	7,322	(4,984)	-68%	7,906
Water	–	4,755	7,797	–	208	3,216	(3,008)	-94%	7,797
Waste management	–	2,500	2,500	–	–	2,500	(2,500)	-100%	2,500
<i>Other</i>	123	–	–	–	–	–	–		–
Total Capital Expenditure - Standard Classification	24,832	49,039	52,713	8,924	27,654	47,117	(19,463)	-41%	52,713
<u>Funded by:</u>									
National Government	24,483	28,892	28,892	379	15,206	27,246	(12,040)	-44%	28,892
Other transfers and grants	–	5,000	5,000	8,544	9,781	7,322	2,459	34%	5,000
Transfers recognised – capital	24,483	33,892	33,892	8,923	24,987	34,568	(9,581)	-28%	33,892
Internally generated funds	349	15,147	18,821	1	2,667	12,549	(9,882)	-79%	18,821
Total Capital Funding	24,832	49,039	52,713	8,924	27,654	47,117	(19,463)	-41%	52,713

**LIM361 Thabazimbi - Table C5 Quarterly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - A - Q3
Third Quarter**

Vote Description R thousand	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure - Municipal Vote									
Vote 2 - 200 Municipal Manager	81	3,150	3,150	–	1,955	3,149	(1,194)	-38%	3,150
201 Office of Municipal Manager	81	3,150	3,150	–	1,955	3,149	(1,194)	-38%	3,150
Vote 3 - 300 Budget & Treasury	–	150	150	–	–	150	(150)	-100%	150
301 Office of Chief Financial Officer	–	150	150	–	–	150	(150)	-100%	150
Vote 4 - 400 Corporate Services	706	2,500	2,645	–	503	2,500	(1,997)	-80%	2,645
401 Office of Corporate Services Manager	150	2,500	2,645	–	503	2,500	(1,997)	-80%	2,645
403 Administration & Council Support	556	–	–	–	–	–	–		–
Vote 6 - 600 Community Services	232	9,250	9,250	66	3,735	9,250	(5,515)	-60%	9,250
603 Cemeteries	232	2,555	2,555	–	1,948	6,650	(4,702)	-71%	2,555
604 Protection Services	–	3,845	3,845	66	1,787	100	1,687	1687%	3,845
605 Fire fighting	–	350	350	–	–	–	–		350
607 Waste Management	–	2,500	2,500	–	–	2,500	(2,500)	-100%	2,500
Vote 7 - 700 Technical Services	23,812	33,989	37,518	8,858	21,461	32,068	(10,607)	-33%	37,518
702 Civil, Roads & Storm-water	23,690	21,815	21,815	7,756	18,915	21,530	(2,615)	-12%	21,815
704 Water Distribution Services	–	4,755	7,797	–	208	3,216	(3,008)	-94%	7,797
705 Electricity Distribution Services	–	7,419	7,906	1,101	2,338	7,322	(4,984)	-68%	7,906
706 Mechanical Workshop	122	–	–	–	–	–	–		–
Total multi-year capital expenditure	24,832	49,039	52,713	8,924	27,654	47,117	(19,463)	-41%	52,713
Total Capital Expenditure	24,832	49,039	52,713	8,924	27,654	47,117	(19,463)	(0)	52,713

LIM361 Thabazimbi - Table C6 Quarterly Budget Statement - Financial Position - Q3 Third Quarter

Description	2009/10	Budget Year 2010/11			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	14	1,526	–	6,562	8,749
Call investment deposits	2,853	10,835	10,835	2,853	3,804
Consumer debtors	13,927	62,330	62,330	15,404	20,539
Other debtors	12,922	2,710	2,710	5,212	6,949
Inventory	2,434	3,855	3,855	3,327	4,436
Total current assets	32,151	81,256	79,730	33,357	44,477
Non current assets					
Investments	–	5,000	5,000	–	–
Investment property	–	15,905	15,905	–	–
Investments in Associate	–	–	–	–	–
Property, plant and equipment	46,676	41,985	45,659	74,331	99,108
Agricultural	–	–	–	–	–
Biological assets	0	–	–	0	0
Intangible assets	104	–	–	104	138
Other non-current assets	–	–	–	–	–
Total non current assets	46,780	62,890	66,564	74,434	99,246
TOTAL ASSETS	78,931	144,146	146,294	107,792	143,722
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	10,743	–	–	–	–
Borrowing	2,234	1,435	1,435	–	–
Consumer deposits	3,043	2,284	2,284	2,990	3,986
Trade and other payables	35,835	7,760	13,778	25,052	33,403
Provisions	6,159	5,908	5,908	1,826	2,435
Total current liabilities	58,014	17,387	23,405	29,868	39,824
Non current liabilities					
Borrowing	7,563	6,765	6,765	9,054	12,072
Provisions	–	–	–	–	–
Total non current liabilities	7,563	6,765	6,765	9,054	12,072
TOTAL LIABILITIES	65,578	24,152	30,170	38,922	51,896
NET ASSETS	13,354	119,994	116,124	68,870	91,827
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	13,354	113,613	109,743	68,870	91,827
Reserves	–	6,381	6,381	–	–
TOTAL COMMUNITY WEALTH/EQUITY	13,354	119,994	116,124	68,870	91,827

LIM361 Thabazimbi - Table C7 Quarterly Budget Statement - Cash Flow - Q3 Third Quarter

Description	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	74,350	27,261	27,261	(28,075)	53,875	66,774	(12,899)	-47%	71,834
Government – operating	34,684	47,438	50,585	19,931	51,019	42,066	8,953	18%	50,585
Government – capital	25,843	33,892	33,892	4,892	33,892	30,000	3,892	11%	33,892
Interest	1,488	804	804	40	43	416	(373)	-46%	57
Payments									
Suppliers and employees	(121,921)	(39,352)	(46,143)	13,476	(92,343)	(88,664)	(3,679)	8%	(123,124)
Finance charges	(2,051)	(1,095)	(1,095)	(46)	(644)	(808)	164	-15%	(858)
NET CASH FROM/(USED) OPERATING ACTIVITIES	12,393	68,948	65,304	10,218	45,842	49,784	(3,942)	-8%	32,385
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Decrease (increase) in non-current investments	15,776	(12,000)	(12,000)	10,000	–	–	–	0%	–
Payments									
Capital assets	(24,832)	(49,039)	(52,713)	(6,850)	(24,661)	(42,599)	17,938	-34%	(32,882)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(9,056)	(61,039)	(64,713)	(16,850)	(24,661)	(42,599)	(17,938)	42%	(32,882)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	–	27	27	(53)	(79)	16	(95)	-351%	(105)
Payments									
Repayment of borrowing	(7,468)	(1,568)	(1,568)	(197)	(959)	(1,146)	187	-12%	(1,278)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(7,468)	(1,541)	(1,541)	(249)	(1,038)	(1,130)	(93)	6%	(1,383)
NET INCREASE/ (DECREASE) IN CASH HELD	(4,131)	6,368	(950)	(6,881)	20,143	6,055			(1,880)
Cash/cash equivalents at beginning:	(6,598)	950	950		(10,729)	950			(10,729)
Cash/cash equivalents at month/year end:	(10,729)	7,318	–		9,415	7,005			(12,609)

LIM361 Thabazimbi - Supporting Table SC1 Material variance explanations - Q3 Third Quarter

Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
A variance is considered to be material if it is outside the range of +/- 10%			
<u>Revenue By Source</u>			
Property rates	-31%	Business properties incorrectly classified as agricultural have not been reclassified. As a result billing is still	The valuation roll must be restructured to reflect the true situation on the ground and to enable the municipality to bill consumers correctly.
Penalties	-100%	done on the incorrect zoning. There have not been any significant defaults in water and electricity consumers that would warrant imposing penalties. This reduction in penalties can also be explained by the efforts of the Service Provider responsible for disconnecting services that has encouraged consumers to pay timorously.	Scrutinize of records to ensure that there no possible defaults by consumers that might result in understatement of revenue from penalties.
Service revenue			
Water	-33%	Could be attributed to a lower number of new accounts opened as compared to expected figures.	Review data that gets into the billing system for reasonableness. Allost intensify the process of meter reading and limit estimating consumption.
Sanitation	-45%	May be a result of our inconsistent billing for sanitation revenue.	The formula for billing must be amended to be in line with water consumption to ensure consistency with budget.
Refuse	-58%	This is significant and could be related to the breakdown of the refuse removal truck. Refuse removal revenue also depends on frequency during the month and its inconsistent. One of the tenants(Foschin) has relocated and the premises	Nil as income is variable, depending on the number times refuse is removed
Rental revenue	-70%	has not been occupied since then. The majority of our parking space is not been billed despite being utilized on a daily basis.	There may be need to advertise the vacated premise for rental or adjust rental income if it is decided to use it for administrative purposes. All Municipal parking bays should be billed as a matter of urgency and as budgeted for.
Interest on investments	-96%	We have not received any statements from our investment institutions to determine our interest income for our significant investments. Our investment balance sheet has been going down	Obtain all investment statements and allocate any investment income accordingly.
Fines income	231%	materially of late. This income is recognized as it arises and it is rare to be in line with forecasts.	Nil as it varies with number of cases originated during the year.
Agency services	48%	This income is recognized as it arises and it is rare to be in line with forecasts.	Nil as the revenue varies with activities processed on behalf of third parties

<u>Expenditure By Type</u>			
Remuneration of Councillors	11%	Councillors remuneration includes travelling allowance This component is variable and depends on the amount of	Nil as this component will normalise because we will not pay them more than budgeted
Depreciation and impairment	-100%	claims by councilors Impairment will be carried out once at year end, while the process of depreciation will commence once GRAP 17 is fully implemented.	Implement GRAP immediately
Contracted services	190%	This arises from an inappropriate distinction of contracted services from other expenditure. Only contracted services for Budget and Treasury were included.	Nil will be addressed in the 2011-12 budget
<u>Capital Expenditure</u>			
Standard classification			
Governance and administration	-58%	The feasibility study for the Civic Centre was delayed only commenced in December. Furniture for the CFO has not been acquired yet while the chamber upgrading was also postponed to second half.	Implement the budgeted projects immediately as time is running out
Trading Services	-80%	Basically due to delays by the DME to transfer grants allocated for Capital projects. Also due to delays with water reticulation project at Raphuti.	Now that all the funds have been transferred implement all projects in the budget
By Municipal Vote			
Municipal Manager	-38%	The feasibility study for the new Civic Centre was delayed but has started on a high note	Implement the budgeted projects immediately as time is running out
Corporate Services	-80%	The email server budgeted for has not been purchased yet.	Purchase the servers as budgeted needed.
Community Services	-60%	The additional refuse removal truck has not been acquired yet.	Review the need to postpone the acquisition of the truck or purchase the truck immediately if funds permit.
Technical Services	-33%	Basically a result of delays by contractors to complete Capital projects.	Tighter monitoring of contractors to ensure projects are completed on time as budgeted to spearhead service delivery.
<u>Financial Position</u>			
Current assets			
Cash balances	#DIV/0!	Overdraft has been cleared	Bank reconciliations must be performed timely
Call investments	-74%	Investments withdrawn to pay suppliers. A provision has been raised that has reduced the debtors	No action
Consumer debtors	-75%		No action
Non-Current Assets			
Long term investments	no change	Cash flow constraints have forced the municipality to keep only call investments	No action until cash-flow position improves with large sums of excess cash realizing
Investment property	none	Municipal property(land and buildings) rented out has not yet	Speed up the process of GRAP conversion to comply

		been separated from rest of other assets.	with recommended reporting framework (GRAP)
Current liabilities			
Trade and other payables	82%	Temporary cash flow constraints have reduced rate of payment of creditors.	Council should encourage on better cash management, possibly prioritizing spending
Provisions	-69%	Other provisions still to be established i.e. Employee benefits and land fill site.	Establish the remaining components of provisions for reporting purposes
Cash Flow			
Receipts			
Ratepayers	-19%	This could have resulted from efforts by the Service	There maybe be need to review the cash-inflows in light of the new pattern of payments by consumers.
Interest from debtors	-100%	Provider responsible for debt collection. Due to the nature of the system, it not easy to allocate receipts from consumers between service and interest. The process of splitting these is still to be performed.	Program the receipts application in Promis to enable the split to be done automatically.
Payments			
Suppliers and employees	-4%	Cash flow constraints have reduced the rate of payment of suppliers resulting in accumulation of creditors	Council should encourage on better cash management, possibly prioritizing spending
No non current investments		Cash flow constraints have forced the municipality to keep only call investments	No action until cash-flow position improves with large sums of excess cash realizing
Repayment of borrowing	16%	Arises from the variation in interest rates during the year that affects the proportion of installment allocated to capital portion of the loans.	Nil

LIM361 Thabazimbi - Supporting Table SC2 Quarterly Budget Statement - performance indicators - Q3 Third Quarter

Description of financial indicator	Basis of calculation	2009/10	Budget Year 2010/11			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Percentage						
<u>Borrowing Management</u>						
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets	9.6%	4.7%	4.6%	8.4%	0.0%
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	1.3%	8.5%	9.5%	0.7%	4.6%
Borrowed funding of 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	422.2%	13.3%	18.9%	49.5%	49.5%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	106.0%	106.0%	0.0%	0.0%
<u>Liquidity</u>						
Current Ratio 1	Current assets/current liabilities	55.4%	467.3%	340.7%	111.7%	111.7%
Liquidity Ratio	Monetary Assets/Current Liabilities	-13.6%	99.9%	67.7%	31.5%	31.5%
<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	21.6%	36.3%	35.7%	17.3%	19.1%
Longstanding Debtors Reduction Due To Recovery	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))	0.0%	100.0%	0.0%	86.0%	100.0%
<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	0.0%	13.6%	0.0%	8.3%	8.3%

Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	0.0%	11.0%	0.0%	11.0%	11.0%
Employee costs	Employee costs/Total Revenue - capital revenue	38.7%	32.8%	31.5%	37.1%	40.8%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	3.4%	0.0%	8.5%	12.1%
Interest & Depreciation	I&D/Total Revenue - capital revenue	1.6%	9.7%	9.5%	0.5%	4.0%
IDP regulation financial viability indicators		-				
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0.0%	51.1%	0.0%	108.3%	50.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	54.6%	0.0%	118.5%	100.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	-52.4%	70.0%	0.0%	115.7%	70.0%

LIM361 Thabazimbi - Supporting Table SC3 Quarterly Budget Statement - aged debtors – Quarter 3

Description	NT Code	Budget Year 2010/11										>90 days
		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	Bad Debts	
R thousands												
Debtors Age Analysis By Revenue Source												
Rates	1200	633	527	447	451	9,753	–	–	–	11,811	–	10,203
Electricity	1300	293	111	63	84	1,467	–	–	–	2,017	–	1,551
Water	1400	896	819	438	490	10,245	–	–	–	12,888	–	10,735
Sewerage / Sanitation	1500	301	263	220	221	4,381	–	–	–	5,386	–	4,602
Refuse Removal	1600	242	208	173	172	3,345	–	–	–	4,140	–	3,518
Housing (Rental Revenue)	1700	27	24	9	8	2,089	–	–	–	2,159	–	2,098
Other	1900	767	436	16	367	27,214	–	–	–	28,799	–	27,580
Total By Revenue Source	2000	3,158	2,389	1,366	1,793	58,494	–	–	–	67,200	–	60,287
2010/11 - totals only		3,001	2,269	1,298	1,704	55,569	–	–	–	63,840		57,273

LIM361 Thabazimbi - Supporting Table SC4Quarterly Budget Statement - aged creditors - Quarter 3

Description R thousands	NT Code	Budget Year 2010/11								
		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
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	3,927	236	236	55	–	–	–	–	4,454
Bulk Water	0200	–	–	–	3,545	–	–	–	–	3,545
PAYE deductions	0300	608	–	–	–	–	–	–	–	608
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	812	2,896	1,109	707	–	469	520	3,267	9,781
Auditor General	0800	–	–	1,081	–	–	–	–	–	1,081
Other	0900	3	–	–	–	–	–	–	–	3
Total By Customer Type	2600	5,350	3,132	2,427	4,308	–	469	520	3,267	19,473

LIM361 Thabazimbi - Supporting Table SC5 Quarterly Budget Statement - investment portfolio - Quarter 3

Investments by maturity Name of institution & investment ID	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	Yrs/Months							
<u>Municipality</u>								
Sanlam 870/870/0880	1 month	Money market	–	–	0.0%	2,136	(136)	2,000
Sanlam 870/870/0881	1 month	Money market	–	–	0.0%	316	–	316
Sanlam 870/870/0882	1 month	Money market	–	–	0.0%	37	–	37
Absa 870/870/0883	1 month	Money market	–	–	0.0%	142	–	142
Sanlam 870/870/0884	1 month	Fund share	–	–	0.0%	–	–	–
Old-Mutual 870/870/0885	1 month	Money market	–	–	0.0%	358	–	358
Municipality sub-total				–		2,989	(136)	2,853
TOTAL INVESTMENTS AND INTEREST						2,989	(136)	2,853

LIM361 Thabazimbi - Supporting Table SC6 Quarterly Budget Statement - transfers and grant receipts - Q3 Third Quarter

Description R thousands	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>RECEIPTS:</u>									
<u>Operating Transfers and Grants</u>									
National Government:	34,397	47,438	50,585	14,435	50,546	50,545	1	0.0%	47,438
Equitable share	32,912	45,148	48,295	14,435	48,296	48,295	1	0.0%	45,148
Finance Management grant	750	1,500	1,500	–	1,500	1,500			1,500
Municipal Systems Improvement	735	790	790	–	750	750			790
Provincial Government:	601	500	500	7	140	375	(235)	-62.7%	1,680
LG SETA	601	500	500	7	140	375	(235)	-62.7%	1,680
District Municipality:	288	953	953	–	156	715	(559)	-78.2%	1,872
<i>Fire subsidy</i>	288	953	953	–	156	715	(559)	-78.2%	1,872
Total Operating Transfers and Grants	35,285	48,891	52,038	14,441	50,842	51,635	(793)	-1.5%	50,990
<u>Capital Transfers and Grants</u>									
National Government:	25,926	28,892	28,892	1,892	28,892	28,892	–		28,892
Municipal Infrastructure Grant (MIG)	25,926	28,892	28,892	1,892	28,892	28,892	–		28,892
Other grant providers:	1,000	5,000	5,000	3,000	5,000	5,000	–		5,000
Department of Mines and Energy	1,000	5,000	5,000	3,000	5,000	5,000	–		5,000
Total Capital Transfers and Grants	26,926	33,892	33,892	4,892	33,892	33,892	–		33,892
TOTAL RECEIPTS OF TRANSFERS & GRANTS	62,212	82,783	85,930	19,333	84,734	85,527	(793)	-0.9%	84,882

LIM361 Thabazimbi - Supporting Table SC7 Quarterly Budget Statement - transfers and grant expenditure - Q3 Third Quarter

Description	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>EXPENDITURE</u>									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	34,397	47,438	50,585	12,464	34,941	50,013	(15,071)	-30.1%	50,585
Equitable share	32,912	45,148	48,295	11,750	33,862	48,295	(14,433)	-29.9%	48,295
Finance Management grant	750	1,500	1,500	659	962	1,125	(163)	-14.5%	1,500
Municipal Systems Improvement	735	790	790	55	117	593	(475)	-80.2%	790
Provincial Government:	601	500	500	7	140	140	-		500
LG SETA	601	500	500	7	140	140	-		500
District Municipality:	288	953	953	-	156	715	(559)	-78.2%	953
Fire subsidy	288	953	953	-	156	715	(559)	-78.2%	953
Total operating expenditure of Transfers and Grants:	35,285	48,891	52,038	12,470	35,237	50,867	(15,630)	-30.7%	52,038
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	26,926	28,892	28,892	11,726	26,865	27,246	(381)	-1.4%	28,892
Municipal Infrastructure Grant (MIG)	26,926	28,892	28,892	11,726	26,865	27,246	(381)	-1.4%	28,892
Total capital expenditure of Transfers and Grants	26,926	28,892	28,892	11,726	26,865	27,246	(381)	-1.4%	28,892
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	62,212	77,783	80,930	24,197	62,102	78,113	(16,011)	-20.5%	80,930

LIM361 Thabazimbi - Supporting Table SC8 Quarterly Budget Statement - councillor and staff benefits - Q3 Third Quarter

Summary of Employee and Councillor remuneration R thousands	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Councillors (Political Office Bearers plus Other)</u>									
Salary	5,757	3,493	2,637	879	2,249	1,978	271	14%	2,998
Cell phone and other allowances	–	1,379	1,767	382	1,409	1,325			1,878
Sub Total - Councillors	5,757	4,872	4,404	1,260	3,657	3,303	354	11%	4,877
% increase		-15.4%	-23.5%						-15.3%
<u>Senior Managers of the Municipality</u>									
Salary	4,503	4,093	4,093	767	2,607	3,070	(463)	-15%	3,476
Pension Contributions	–	134	134	24	116	101	16	16%	155
Medical Aid Contributions	–	35	35	13	45	26	19	71%	60
Motor vehicle and cell phone	–	590	590	150	482	443	39	9%	642
Other benefits or allowances	–	83	83	194	260	62	198	318%	347
Sub Total - Senior Managers of Municipality	4,503	4,935	4,935	1,148	3,510	3,701	(191)	-5%	4,680
% increase		9.6%	9.6%						3.9%
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	25,151	34,821	34,336	8,913	25,505	25,752	(247)	-1%	34,007
Pension Contributions	5,794	7,408	7,297	1,659	4,826	5,473	(647)	-12%	6,434
Medical Aid Contributions	1,870	2,907	2,863	524	1,635	2,147	(513)	-24%	2,180
Motor vehicle and cell phone	4,491	1,760	1,431	846	2,456	1,073	1,382	129%	3,274
Housing allowance	1,918	1,440	1,440	23	278	1,080	(802)	-74%	371
Overtime	1,893	177	1,088	976	2,521	816	1,705	209%	3,362
Other benefits or allowances	1,350	4,063	4,063	1,993	3,422	3,047	375	12%	4,563
Sub Total - Other Municipal Staff	42,468	52,576	52,518	14,934	40,643	39,389	1,255	3%	54,191
% increase		23.8%	23.7%						27.6%
Total Parent Municipality	52,728	62,383	61,857	17,343	47,811	46,393	1,418	3%	63,748
		18.3%	17.3%						20.9%
TOTAL SALARY, ALLOWANCES & BENEFITS	52,728	62,383	61,857	17,343	47,811	46,393	1,418	3%	63,748
% increase		18.3%	17.3%						20.9%
TOTAL MANAGERS AND STAFF	46,971	57,511	57,453	16,082	44,153	43,090			58,871

LIM361 Thabazimbi - Supporting Table SC12 Quarterly Budget Statement - capital expenditure trend - Q3 Third Quarter

Month	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands								%	
<u>Monthly expenditure performance trend</u>									
July	8,426	16,640	16,640	810	810	16,640	15,830	95.1%	2%
August	3,066	6,055	6,055	180	990	22,695	21,705	95.6%	2%
September	3,066	6,055	6,055	4,143	5,133	28,750	23,617	82.1%	10%
October	534	1,055	1,055	2,639	7,772	29,805	22,033	73.9%	16%
November	3,492	6,897	6,897	5,732	13,504	36,702	23,198	63.2%	28%
December	2,986	5,897	5,897	5,226	18,730	42,599	23,869	56.0%	38%
January	215	425	425	379	19,109	43,024	23,915	55.6%	39%
February	–	–	–	2,650	21,759	43,024	21,265	49.4%	44%
March	2,073	4,093	4,093	5,894	27,653	47,117	19,464	41.3%	56%
April	215	425	2,262	–	–	49,379	–	–	–
May	–	–	1,837	–	–	51,216	–	–	–
June	758	1,497	1,497	–	–	52,713	–	–	–
Total Capital expenditure	24,832	49,039	52,713	27,653					

LIM361 Thabazimbi - Supporting Table SC13a Quarterly Budget Statement - capital expenditure on new assets by asset class - Q3 Third Quarter

Description	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>									
-									
<u>Infrastructure</u>	23,690	33,989	37,518	8,479	21,082	32,068	10,986	34.3%	37,518
Infrastructure - Road transport	23,690	21,815	21,815	7,377	18,536	21,530	2,994	13.9%	21,815
<i>Roads, Pavements & Bridges</i>	23,690	21,815	21,815	7,377	18,536	21,530	2,994	13.9%	21,815
Infrastructure - Electricity	-	7,419	7,419	1,101	2,338	7,322	4,984	68.1%	7,419
<i>Street Lighting</i>	-	7,419	7,419	1,101	2,338	7,322	4,984	68.1%	7,419
Infrastructure - Water	-	4,755	8,284	-	208	3,216	3,008	93.5%	8,284
<i>Water purification</i>	-	4,755	8,284	-	208	3,216	3,008	93.5%	8,284
<u>Community</u>	-	6,100	6,100	66	3,735	4,225	490	11.6%	6,100
Recreational facilities	-	4,195	4,195	66	1,787	2,320	533	23.0%	4,195
Other	-	1,905	1,905	-	1,948	1,905	(43)	-2.3%	1,905
<u>Other assets</u>	1,142	8,950	9,095	(1)	2,458	5,505	3,047	55.3%	9,095
General vehicles	-	300	300	-	168	300	132	44.0%	300
Specialised vehicles	-	2,500	2,500	-	-	2,500	2,500	100.0%	2,500
Plant & equipment	122	-	-	-	-	-	-	-	-
Computers - hardware/equipment	556	-	-	-	-	-	-	-	-
Furniture and other office equipment	232	3,000	3,145	-	335	500	165	33.0%	3,145
Civic Land and Buildings	-	3,150	3,150	-	1,955	2,205	250	11.3%	3,150
Other	231	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	24,832	49,039	52,713	8,545	27,275	41,798	14,523	34.7%	52,713

LIM361 Thabazimbi - Supporting Table SC13c Quarterly Budget Statement - expenditure on repairs and maintenance by asset class - Q3 Third Quarter

Description	2009/10	Budget Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>									
-									
<u>Infrastructure</u>	-	-	6,081	3,786	7,368	-	(7,368)	#DIV/0!	4,278
Infrastructure - Road transport	-	-	1,838	2,133	2,133	-	(2,133)	#DIV/0!	-
Storm water	-	-	1,838	2,133	2,133	-	(2,133)	#DIV/0!	-
Infrastructure - Electricity	-	-	500	203	916	-	(916)	#DIV/0!	-
Street Lighting	-	-	500	203	916	-	(916)	#DIV/0!	-
Infrastructure - Water	-	-	2,843	342	2,139	-	(2,139)	#DIV/0!	4,278
Water purification	-	-	2,843	342	2,139	-	(2,139)	#DIV/0!	4,278
Infrastructure - Sanitation	-	-	900	1,233	2,181	-	(2,181)	#DIV/0!	-
<u>Community</u>	1,623	653	653	505	995	327	(668)	-204.6%	1,989
Sportsfields & stadia	1,623	653	653	505	995	327	(668)	-204.6%	1,989
<u>Other assets</u>	14,619	5,880	6,901	96	1,804	2,940	1,136	38.7%	3,607
General vehicles	12,182	4,900	5,921	95	1,332	2,450	1,118	45.6%	2,663
Specialised vehicles	487	196	196	-	-	98	98	100.0%	-
Plant & equipment	326	131	131	1	472	66	(407)	-620.6%	944
Furniture and other office equipment	1,623	653	653	-	-	327	327	100.0%	-
Total Repairs and Maintenance Expenditure	16,242	6,533	13,635	4,386	10,167	3,267	(6,900)	-211.2%	9,874

LIM361 Thabazimbi – Supporting Table SC14 Quarterly Budget Statement

BORROWING MONITORING: EXTERNAL DEBT CREDITED, REPAYED OR REDEEMED AND EXPECTED BORROWING March 2011

Loan Number	Reference No	Start Date	Planned End Date	Term	Borrowing Institution	Interest Paid To Date	Balance at Begin of year	Debt Repaid to Date	Closing Balance
1	10719/101	1998/10	2018/09	20	DBSA	289,936	4,472,802	168,197	4,304,605
2	10916/303	1998/04	2018/03	20	DBSA	14,378	192,236	7,410	192,236
3	13523/101	1998/04	2018/03	20	DBSA	10,489	289,750	15,250	289,750
4	10916/203	1998/04	2018/03	20	DBSA	15,113	202,059	7,789	202,059
5	12945/101	1995/07	2015/06	20	DBSA		963,650		963,650
6	10916/103	1998/04	2018/03	20	DBSA	32,703	437,239	16,853	437,239
7	12386/101	1993/01	2012/12	19	DBSA		505,610		505,610
8	12391/5&6&7	1993/01	2012/12	19	DBSA		81,866		81,866
9	101958/1	2006/07	2016/06	10	DBSA		1,882,972		1,882,972
TOTAL						362,619	9,028,184	215,499	8,859,987

The table above shows the movements in the loans book of the municipality and indicates that the current loans from Development Bank of South Africa are gradually decreasing as repayments are made. No additional loans have been sought by the municipality and all loans on the register are long term dating back from at least 3 5 years ago. Each of the loans is repayable in bi-annual installments.

PART 3: PERFORMANCE INFORMATION

The table below is a department-wide assessment of actual performance to third quarter against targets as set out in the 2010-11 Service Delivery and Budget Implementation Plan (SDBIP) for the Budget and Treasury Office. The data given also includes problems encountered as well as possible solutions that can be employed to unblock limitations identified. In the majority of the instances external intervention from the Department of Local Government is sited.

PRIORITY AREA	BASELINE	INDICATORS	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
Access to basic (or higher) water		No. of households with access to basic (or higher) levels of water	12406	8981	Most of informal settlement are not yet proclaimed	Still in process of proclaiming those areas	DLGH should assist to fast track the process
Access to basic (or higher) sanitation		No. of households with access to basic (or higher) sanitation	12 641	9506	Most of informal settlement s are not yet proclaimed	Still in process of proclaiming those areas	DLGH should assist to fast track the process
Access to basic (or higher) electricity		Nr of households with access to basic (or higher) electricity	5500	1455	Most of informal settlement are not yet proclaimed	Still in process of proclaiming those areas	DLGH should assist to fast track the process
Access to basic (or higher) refuse removal and solid waste disposal	Refuse collected in Thabazimbi town and townlands,Nort ham Leeupoort,Koed oeskop and Rooiberg	Nr of households with access to basic (or higher) refuse removal	5	Collection of refuse at all the areas as per scheduled	Breakage of refuse trucks and thus disturbing the collection	The new waste truck is budgeted and to be purchased	Municipality is giving support
Repairs and maintenance		Service delivery Interruptions per type of service (time	100%	None	N/A	Conduct awareness and campaign	Engage WDM for assistance

PRIORITY AREA	BASELINE	INDICATORS	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		per month) and nr of households affected					
Revenue management		Monthly collection rate on billings	95%	65%	None payment by consumers	Appointed debt collector	Engage councillors to convince consumers in their wards to pay for services and taxes
		Percentage growth in revenue collected by the municipality as a % of projected revenue target.	46%	2%	Resistance by consumers to pay for services especially government departments	Appointed debt collector	Engage provincial treasury to assist recover debts from departments.
		% of budgeted revenue for property rates collected (Implementation of the Municipal Property Rates Act, 2004 (Act no. 6 of 2004))	50%	22%	The unavailability of farmers postal details also a challenge and most of them refuse to pay property rates	Municipal by-laws to be put in place and fully implemented	Engage the assistance from Ratepayers Association & MICB
		Grants as a % of revenue received	55%	55%	n/a	n/a	n/a

PRIORITY AREA	BASELINE	INDICATORS	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
Debt management		R debtors outstanding as a % of own revenue	5%	42%	Resistance by consumers to pay for services especially government department	Engage provincial treasury to assist recover debts from departments . Continue with the debt collection	See above comments
		% of debt over 90 days	56%	88%	N/A	N/A	DLG&H to intervene otherwise write off debts as bad debts.
		Debt collected as a percentage of money owed to the municipality	77.7%	70%	N/A	N/A	N/A
Expenditure Management		Monthly operational expenditure as a percentage of planned expenditure	55%	71%	N/A	N/A	N/A
		Monthly capital expenditure as a % of planned capital expenditure	55%	19%	Slow rate of consumer payment of bills has dwindled cash flows hence preventing project implementati	N/A	Seeking additional finance from National Government to finance other capital projects

PRIORITY AREA	BASELINE	INDICATORS	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
					on		
		% of operational budget spent on repairs and maintenance	55%	72%	N/A	N/A	N/A
		Monthly Repairs and maintenance expenditure (Rands)	R117,900 3	R943,202	Uneven cash flow streams result in uneven expenditure patterns	Ensure consumers pay on a timely basis.	N/A
		MIG expenditure a % of annual allocation	85%	51%	Late payment of service providers	Service providers must be paid on time	N/A
Unqualified audit		Audit opinion	Implementation of all issues raised by AG and internal audit	80% of AG findings were addressed and internal audit findings were partially implemented	Outstanding 20% of AG findings are the disclosure matters to be dealt with at the year end	N/A	N/A
Integrated development planning		Timeous adoption of IDP	To adopt the draft IDP 2011/12 by March	The draft IDP 2011/12 adopted by council on the 17 th March 2011	N/A	N/A	N/A

PRIORITY AREA	BASELINE	INDICATORS	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		Timeous adoption of budget	Not applicable for this quarter	N/A	N/A	N/A	N/A
		Timeous adoption of SDBIP	Not applicable for this quarter	N/A	N/A	N/A	N/A
		Reliable and credible IDPs	100%	100%	N/A	N/A	N/A
Administration		Timeous submission of annual financial statements	Adopted the draft annual report	The final annual report adopted	N/A	N/A	N/A
		Timeous submission of annual reports	100%	100%	N/A	N/A	N/A
		Updated and credible asset register	100%	60%	Asset to be unbundled	More personnel needed in the unit	None
Administration		Updated and credible indigent registers	100%	100%	N/A	N/A	N/A
		Financial controls applied to ensure usage is monitored / limited to indigent policy	Indigent policy in place	100%	N/A	N/A	N/A

PRIORITY AREA	BASELINE	INDICATORS	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
Reduced corruption		Functional supply chain management system	A transparent municipal supply chain management system	100%	N/A	N/A	N/A
		Anti-corruption strategy implemented by target date	Awareness campaign for the community	Resolve reported issues	Poor attendance by community for the meetings called	Conducting the awareness campaign for the community members	Engage the WDM to assist conducting the campaigns
Labour relations		% of critical posts filled	15 positions to be filled	15 positions filled	N/A	N/A	N/A
		% of critical posts with signed performance agreements	None	None	Performance agreements not cascaded to lower levels	N/A	N/A
		Level of functionality of Local Labour Forum (LLF)	2X Local labour forum meeting per quarter	2x Local Labour forum meetings held	N/A	N/A	N/A

PART 4: CAPITAL REAPPRAISAL

Capital Reappraisal	Project owner	Budget R'000	Planned exp R'001	Actual exp R'002	Projected exp R'003	Remarks
Basic Service Delivery						
Regorogile Ext.3 & 9 (Appiesdoorn) electrification of Informal Settlement	Technical	4 637	3 478	1 878	5 000	Funds transferred late
Northam & Regorogile installation of high mast and Street lights	Technical	2 500	1 875	2 479	2 500	Complete
Northam and Rooiberg upgrading of Sports Facilities	Technical	2 000	1 500	1 811	2 000	Complete
Regorogile ext 4 paving of internal street	Technical	14 350	10 763	11 954	14 350	Almost complete
Rooiberg development of new cemetery	Technical	2 155	1 616	1 948	2 155	Complete
Rooiberg upgrading of internal roads	Technical	6 000	4 500	2 418	6 000	Still in progress
PMU Fees	Technical	1 446	1 085	1 083	1 446	
Regorogile multipurpose centre	Technical	1 459	1 094	-	1 459	Tender Stage
Regorogile Ext 5 paving of internal street	Technical	428	321	266	266	Budget was revised to R 266, 108.93
Replacement of residential meters	Technical	900	675	-	900	
Regorogile Ext 5 & 9 conversion of meter	Technical	1 909	1 432	1 200	1 909	Still in progress
Water and reticulation system at Raphuti	Technical	3 042	2 282	-		
Electrification of Raphuti	Technical	487	365	-		
Speed control machine	Community	500	375	-	500	Still to be installed
Road marking machine	Community	10	8	-	10	Questions received
Traffic contravention machine	Community	50	38	-	50	Delivered in Jan 2011
Security bakkie	Community	150	113	-	150	Place d on tender
New licensing office	Community	1 343	1 007	-	1 343	Delayed to 2nd half
Security design	Community	100	75	-	100	Awaiting District action
Fire fighting agent	Community	50	38	-	50	Awaiting District action

LDV 4X4 Double cab	Community	300	225	-	300	Place d on tender
Refuse removal truck	Community	1 800	1 350	-	1 800	Place d on tender
Portable radios	Community	50	38	-	50	Awaiting District action
Chain saw	Community	50	38	-	50	Awaiting District action
Fire breaks	Community	250	188	-	250	Awaiting District action
Good governance Public Participation						
Software, hardware and website development	Corporate	850	850	-		Postponed to 2nd half
Server for email, Internet, Backup	Corporate	850	850	334	850	
Upgrading of Municipal Chamber	Corporate	350	263	-		Postponed to 2011/12
Office Furniture Community Services	Community	100	100	-	100	Delayed to 2nd half
Office Furniture Licensing	Community	200	200	-	200	Delayed to 2nd half
Erection of new Civic Centre	MM	3 150	2 363	1 955	3 150	In progress
Mayoral Vehicle	Corporate	500		-		Postponed to 2011/12
Financial viability						
CFO Furniture	Finance	150	150	-	150	
Total		52 116	39 249	27 326	47 088	