

THABAZIMBI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

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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 – Summary;
Table 2 Monthly Budget Statement – Financial Performance per standard classification;
Table 3 Monthly Budget Statement – Financial Performance (Revenue and Expenditure by vote);
Table 4 Monthly Budget Statement – Financial Performance (Revenue and Expenditure by source);
Table 5 Monthly Budget Statement – Capital Expenditure (municipal vote; standard classification and funding);
Table 6 Monthly Budget Statements – Financial Position;
Table 7 Monthly Budget Statements – 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 of September 2013 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*)
2013

DATE: ____ / ____ /

EXECUTIVE SUMMARY

Table 1 MBRR C1 Quarterly Budget Statement Summary – M03 September 2013

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	14,721	23,658	23,658	1,377	4,130	5,913	(1,782)	-30%	23,658
Service charges	130,105	133,288	133,288	9,354	30,186	30,376	(189)	-1%	133,288
Investment revenue	185	45	45	1	4	11	(7)	-63%	4,600
Transfers recognised - operational	56,514	67,686	67,686	38	15,427	15,427	-		67,686
Other own revenue	11,124	16,706	16,706	1,324	3,345	4,277	(932)	-22%	16,706
Total Revenue (excluding capital transfers and contributions)	212,649	241,383	241,383	12,094	53,092	56,004	(2,911)	-5%	245,938
Employee costs	76,944	82,900	82,900	9,398	21,535	20,725	810	4%	82,900
Remuneration of Councillors	6,516	6,933	6,933	1,372	2,487	2,733	(246)	-9%	6,933
Depreciation & asset impairment	7	16,123	16,123	4,470	13,409	6,031	7,378	122%	16,123
Finance charges	1,015	3,500	3,500	29	59	875	(816)	-93%	3,500
Materials and bulk purchases	56,741	58,803	58,803	4,968	13,075	13,701	(625)	-5%	58,803
Transfers and grants	-	-	-	-	-	-	-		-
Other expenditure	56,794	52,740	52,740	3,639	10,926	14,610	(3,685)	-25%	52,740
Total Expenditure	198,017	220,999	220,999	23,875	61,491	58,675	2,816	5%	220,999
Surplus/(Deficit)	14,632	20,384	20,384	(11,781)	(8,399)	(2,672)	(5,727)	214%	24,939
Transfers recognised - capital	38,834	40,019	40,019	-	12,776	12,776	-		40,019
Contributions & Contributed assets	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	53,466	60,403	60,403	(11,781)	4,377	10,104	(5,727)	-57%	64,958
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	53,466	60,403	60,403	(11,781)	4,377	10,104	(5,727)	-57%	64,958
Capital expenditure & funds sources									
Capital expenditure	26,448	57,029	57,029	30	3,386	3,386	-		57,029
Capital transfers recognised	24,074	40,019	40,019	30	3,386	3,386	-		40,019
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	2,374	17,010	17,010	-	-	-	-		17,010
Total sources of capital funds	26,448	57,029	57,029	30	3,386	3,386	-		57,029
Financial position									
Total current assets	59,451	58,423	58,423		164,016				58,423
Total non current assets	105,231	1,639,682	1,639,682		1,307,449				1,639,682
Total current liabilities	95,502	68,855	68,855		96,281				68,855
Total non current liabilities	31,540	37,362	37,362		117,666				37,362
Community wealth/Equity	37,641	1,591,887	1,591,887		1,257,518				1,591,887
Cash flows									
Net cash from (used) operating	21,759	50,036	50,036	(6,690)	8,240	10,813	(2,573)	-24%	50,036
Net cash from (used) investing	(19,742)	(50,601)	(50,601)	-	(8,530)	(4,217)	(4,313)	102%	(50,601)
Net cash from (used) financing	(670)	9,998	9,998	-	(561)	833	(1,395)	-167%	9,998
Cash/cash equivalents at the month/year end	5,805	10,788	13,448	-	7,303	8,784	(1,481)	-17%	17,587
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	12,420	7,912	4,902	3,825	3,959	117,583	-	-	150,601
Creditors Age Analysis									
Total Creditors	25,829	10,096	1,551	20,930	19,859	-	4,255	7,961	90,482

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 – 7 as well as supporting tables that follow.

Total operating revenue achieved to date amounts to R53 million against a target of R56 million. This is equivalent to an underachievement of R2.9 million or 5%. Expenditure incurred year to date amounts R61 million excluding capital expenditure. A total percentage variance of approximately 5% results in an operating surplus of R4 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 R12.8 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 funds and rolled-over funds from 2011/12 financial year; hence no application of MIG roll-overs was necessary into 2013/14 year end.

Debtors book remain very high as a result of balances accumulated from prior years. An impairment provision was raised at the end of June 2013 but no bad debts have been written off. There is, however, need to consider writing off some of these debts as it is highly unlikely that any recoveries will materialize. This includes approximately R25 million debt for services provided to the Municipal offices over the past years. 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 September 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 30 September 2013.

Table 2 MBRR C2 Monthly Budget Statement - Financial Performance (revenue and expenditure) – M03 September 2013

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		75,953	100,362	100,362	2,290	21,799	23,538	(1,739)	-7%	100,362
Executive and council		70,024	94,477	94,477	1,377	18,959	20,459	(1,500)	-7%	94,477
Budget and treasury office		5,697	3,646	3,646	856	2,659	2,677	(18)	-1%	3,646
Corporate services		232	2,238	2,238	57	181	403	(222)	-55%	2,238
Community and public safety		4,807	5,235	5,235	434	630	1,617	(987)	-61%	5,235
Community and social services		224	675	675	19	55	58	(3)	-6%	675
Sport and recreation		-	-	-	-	-	1	(1)	-100%	-
Public safety		4,583	4,560	4,560	415	575	1,558	(983)	-63%	4,560
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		38,608	2,499	2,499	16	77	67	10	15%	2,499
Planning and development		683	2,499	2,499	16	77	67	10	15%	2,499
Road transport		37,925	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		132,114	133,288	133,288	9,354	30,186	30,376	(189)	-1%	133,288
Electricity		51,335	53,184	53,184	4,111	13,727	13,296	431	3%	53,184
Water		61,789	57,104	57,104	3,461	11,129	11,451	(322)	-3%	57,104
Waste water management		10,823	13,612	13,612	1,053	3,143	3,282	(139)	-4%	13,612
Waste management		8,167	9,388	9,388	729	2,188	2,347	(159)	-7%	9,388
Other	4	-	40,019	40,019	-	13,176	13,182	(6)	0%	40,019
Total Revenue - Standard	2	251,483	281,402	281,402	12,094	65,868	68,780	(2,911)	-4%	281,402
Expenditure - Standard										
Governance and administration		57,980	63,898	63,898	7,962	18,408	13,172	5,236	40%	63,898
Executive and council		38,098	22,688	22,688	3,035	7,116	5,172	1,945	38%	22,688
Budget and treasury office		3,693	20,165	20,165	3,071	6,016	3,040	2,976	98%	20,165
Corporate services		16,189	21,045	21,045	1,855	5,275	4,960	315	6%	21,045
Community and public safety		14,445	17,590	17,590	2,084	5,121	5,554	(434)	-8%	17,590
Community and social services		2,453	5,013	5,013	442	1,037	1,499	(462)	-31%	5,013
Sport and recreation		3,727	1,946	1,946	652	1,734	1,359	374	28%	1,946
Public safety		8,265	10,631	10,631	990	2,350	2,697	(346)	-13%	10,631
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		36,084	36,143	36,143	4,420	12,973	13,576	(602)	-4%	36,143
Planning and development		4,795	6,166	6,166	392	1,086	1,373	(287)	-21%	6,166
Road transport		30,953	29,977	29,977	3,996	11,805	12,007	(202)	-2%	29,977
Environmental protection		336	-	-	32	83	195	(112)	-58%	-
Trading services		89,508	103,368	103,368	9,409	24,989	26,373	(1,384)	-5%	103,368
Electricity		40,629	48,742	48,742	5,203	15,933	12,814	3,120	24%	48,742
Water		33,302	34,478	34,478	1,845	4,894	9,142	(4,248)	-46%	34,478
Waste water management		8,205	7,799	7,799	1,762	2,470	1,950	520	27%	7,799
Waste management		7,372	12,349	12,349	600	1,692	2,468	(776)	-31%	12,349
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	198,017	220,999	220,999	23,875	61,491	58,675	2,816	5%	220,999
Surplus/ (Deficit) for the year		53,466	60,403	60,403	(11,781)	4,377	10,104	(5,727)	-57%	60,403

The above table shows financial performance for the period ended 30 September 2013 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 30 September 2013 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) - M03 September 2013

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		70,024	88,363	88,363	1,377	18,959	20,459	(1,500)	-7.3%	88,363
Vote 2 - 200 Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - 300 Budget & Treasury		5,697	5,853	5,853	856	2,659	2,677	(18)	-0.7%	5,853
Vote 4 - 400 Corporate Services		420	2,238	2,238	57	181	403	(222)	-55.1%	2,238
Vote 5 - 500 Planning and Development		683	2,499	2,499	16	77	67	10	15.2%	2,499
Vote 6 - 600 Community Services		12,787	19,016	19,016	1,163	2,818	3,964	(1,146)	-28.9%	19,016
Vote 7 - 700 Technical Services		161,872	163,434	163,434	8,625	41,175	41,210	(36)	-0.1%	163,434
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	251,483	281,402	281,402	12,094	65,868	68,780	(2,911)	-4.2%	281,402
Expenditure by Vote	1									
Vote 1 - 100 Political Office Bearers		18,339	14,589	14,589	2,176	4,896	3,647	1,249	34.2%	14,589
Vote 2 - 200 Municipal Manager		3,694	6,097	6,097	859	2,220	1,524	696	45.7%	6,097
Vote 3 - 300 Budget & Treasury		23,983	12,162	12,162	3,071	6,016	3,040	2,976	97.9%	12,162
Vote 4 - 400 Corporate Services		16,189	19,839	19,839	1,855	5,275	4,960	315	6.4%	19,839
Vote 5 - 500 Planning and Development		5,131	6,273	6,273	424	1,168	1,568	(400)	-25.5%	6,273
Vote 6 - 600 Community Services		21,817	32,092	32,092	2,683	6,813	8,023	(1,210)	-15.1%	32,092
Vote 7 - 700 Technical Services		108,864	129,947	129,947	12,805	35,102	35,912	(810)	-2.3%	129,947
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	198,017	220,999	220,999	23,875	61,491	58,675	2,816	4.8%	220,999
Surplus/ (Deficit) for the year	2	53,466	60,403	60,403	(11,781)	4,377	10,104	(5,727)	-56.7%	60,403

An aggregate negative variance of 4% is largely contributed by 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 overspending of 4.8% on operating expenditure over the first quarter, 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) – M03 September 2013

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		14,721	23,650	23,650	1,377	4,130	5,913	(1,782)	-30%	23,650
Property rates - penalties & collection charges		-	8	8	-	-	-	-	-	8
Service charges - electricity revenue		49,656	53,184	53,184	4,111	13,727	13,296	431	3%	53,184
Service charges - water revenue		61,720	57,104	57,104	3,461	11,129	11,451	(322)	-3%	57,104
Service charges - sanitation revenue		10,786	13,612	13,612	1,053	3,143	3,282	(139)	-4%	13,612
Service charges - refuse revenue		7,944	9,388	9,388	729	2,188	2,347	(159)	-7%	9,388
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		215	750	750	31	94	188	(93)	-50%	750
Interest earned - external investments		185	45	45	1	4	11	(7)	-63%	45
Interest earned - outstanding debtors		4,678	4,555	4,555	832	2,661	1,139	1,522	134%	4,555
Dividends received		-	-	-	-	-	-	-	-	-
Fines		1,078	1,026	1,026	13	49	257	(208)	-81%	1,026
Licences and permits		2,486	1,889	1,889	364	380	472	(93)	-20%	1,889
Agency services		540	1,908	1,908	-	-	477	(477)	-100%	1,908
Transfers recognised - operational		56,514	67,686	67,686	38	15,427	15,427	-	-	67,686
Other revenue		1,947	6,579	6,579	84	161	1,745	(1,584)	-91%	6,579
Gains on disposal of PPE		180	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		212,649	241,383	241,383	12,094	53,092	56,004	(2,911)	-5%	241,383
Expenditure By Type										
Employee related costs		76,944	82,900	82,900	9,398	21,535	20,725	810	4%	82,900
Remuneration of councillors		6,516	6,933	6,933	1,372	2,487	2,733	(246)	-9%	6,933
Debt impairment		-	2,000	2,000	-	-	500	(500)	-100%	2,000
Depreciation & asset impairment		7	16,123	16,123	4,470	13,409	6,031	7,378	122%	16,123
Finance charges		1,015	3,500	3,500	29	59	875	(816)	-93%	3,500
Bulk purchases		56,741	58,803	58,803	4,968	13,075	13,701	(625)	-5%	58,803
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		17,763	8,893	8,893	23	99	223	(124)	-56%	8,893
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		39,031	41,847	41,847	3,616	10,827	13,887	(3,060)	-22%	41,847
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		198,017	220,999	220,999	23,875	61,491	58,675	2,816	5%	220,999
Surplus/(Deficit)		14,632	20,384	20,384	(11,781)	(8,399)	(2,672)	(5,727)	0	20,384
Transfers recognised - capital		38,834	40,019	40,019	-	12,776	12,776	-	-	40,019
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		53,466	60,403	60,403	(11,781)	4,377	10,104			60,403
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		53,466	60,403	60,403	(11,781)	4,377	10,104			60,403
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		53,466	60,403	60,403	(11,781)	4,377	10,104			60,403
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		53,466	60,403	60,403	(11,781)	4,377	10,104			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 calendar year.

**Table 5 MBRR C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)
- M03 September 2013**

Vote Description	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									
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	-	-	-	-	-	100
Vote 3 - 300 Budget & Treasury		-	2,500	2,500	30	30	30	-	-	2,500
Vote 4 - 400 Corporate Services		2,374	8,450	8,450	-	273	273	-	-	8,450
Vote 5 - 500 Planning and Development		-	-	-	-	-	-	-	-	-
Vote 6 - 600 Community Services		209	8,160	8,160	-	-	-	-	-	8,160
Vote 7 - 700 Technical Services		23,865	37,819	37,819	-	3,083	3,083	-	-	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	30	3,386	3,386	-	-	57,029
Total Capital Expenditure		26,448	57,029	57,029	30	3,386	3,386	-	-	57,029
Capital Expenditure - Standard Classification										
Governance and administration		2,374	11,050	11,050	30	303	303	-	-	11,050
Executive and council		-	100	100	-	-	-	-	-	100
Budget and treasury office		-	2,500	2,500	30	30	30	-	-	2,500
Corporate services		2,374	8,450	8,450	-	273	273	-	-	8,450
Community and public safety		209	6,160	6,160	-	-	-	-	-	6,160
Community and social services		209	2,100	2,100	-	-	-	-	-	2,100
Sport and recreation		-	4,000	4,000	-	-	-	-	-	4,000
Public safety		-	60	60	-	-	-	-	-	60
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6,944	1,819	1,819	-	-	-	-	-	1,819
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		6,944	1,819	1,819	-	-	-	-	-	1,819
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		16,921	38,000	38,000	-	3,083	3,083	-	-	38,000
Electricity		1,623	1,500	1,500	-	-	-	-	-	1,500
Water		-	-	-	-	-	-	-	-	-
Waste water management		15,298	34,500	34,500	-	3,083	3,083	-	-	34,500
Waste management		-	2,000	2,000	-	-	-	-	-	2,000
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	26,448	57,029	57,029	30	3,386	3,386	-	-	57,029
Funded by:										
National Government		24,074	40,019	40,019	30	3,386	3,386	-	-	40,019
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		24,074	40,019	40,019	30	3,386	3,386	-	-	40,019
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2,374	17,010	17,010	-	-	-	-	-	17,010
Total Capital Funding		26,448	57,029	57,029	30	3,386	3,386	-	-	57,029

Overall spending on MIG, capital projects is currently at R3.3million as MIG funds were only received during the last week of July 2013, thus regular spending is expected in second and third quarter representing work certified.

Table 6 MBRR C 6: Financial Position as at 30 September 2013

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	7,303	5,441
Call investment deposits		221	2,625	2,625	2,819	2,625
Consumer debtors		50,462	47,000	47,000	87,306	47,000
Other debtors		1,342	-	-	-	-
Current portion of long-term receivables		-	-	-	-	-
Inventory		1,798	3,357	3,357	3,293	3,357
Total current assets		59,451	58,423	58,423	100,721	58,423
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		0	-	-	7,034	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		105,127	1,638,388	1,638,388	1,298,511	1,638,388
Agricultural		0	-	-	-	-
Biological assets		-	-	-	610	-
Intangible assets		104	1,294	1,294	1,294	1,294
Other non-current assets		-	-	-	-	-
Total non current assets		105,231	1,639,682	1,639,682	1,307,449	1,639,682
TOTAL ASSETS		164,682	1,698,105	1,698,105	1,408,169	1,698,105
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		2,499	1,850	1,850	1,850	1,850
Consumer deposits		3,233	3,348	3,348	3,416	3,348
Trade and other payables		78,319	21,049	21,049	90,538	21,049
Provisions		13,950	44,458	44,458	2,383	44,458
Total current liabilities		98,001	70,705	70,705	98,187	70,705
Non current liabilities						
Borrowing		4,000	3,990	3,990	5,836	3,990
Provisions		25,041	31,523	31,523	46,685	31,523
Total non current liabilities		29,041	35,512	35,512	52,521	35,512
TOTAL LIABILITIES		127,041	106,218	106,218	150,708	106,218
NET ASSETS	2	37,641	1,591,887	1,591,887	1,257,461	1,591,887
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		37,641	1,591,887	1,591,887	1,257,461	1,591,887
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	37,641	1,591,887	1,591,887	1,257,461	1,591,887

The balance sheet size was evidenced by minor fluctuations in assets and liabilities 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 based reserves increase with the same magnitude.

Receivables have increased due to low collection rates which average approximately 60%. This has a direct knock-on effect on our efficiency to service our creditors.

Table 7 MBRR C7 Monthly Budget Statement - Cash Flow – M03 September 2013

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	8,422	24,377	25,412	(1,035)	-4%	150,825
Government - operating		55,801	63,569	63,569	38	15,427	15,427	-		63,569
Government - capital		23,685	40,019	40,019	-	12,776	12,776	-		40,019
Interest		228	-	-	-	-	-	-		-
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(174,670)	(203,375)	(203,375)	(15,149)	(43,600)	(50,844)	(7,244)	14%	(203,375)
Finance charges		(4,041)	(1,002)	(1,002)	(2)	(740)	(251)	489	-195%	(1,002)
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		21,759	50,036	50,036	(6,690)	8,240	2,521	5,719	227%	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	-	-	536	(536)	-100%	6,428
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(20,232)	(57,029)	(57,029)	-	(8,530)	(8,530)	-		(57,029)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(19,742)	(50,601)	(50,601)	-	(8,530)	(7,994)	536	-7%	(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)	-	(561)	(1,251)	(689)	55%	(5,002)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(670)	9,998	9,998	-	(561)	(1)	561	-112191%	9,998
NET INCREASE/(DECREASE) IN CASH HELD		1,347	9,433	9,433	(6,690)	(851)	(5,474)			9,433
Cash/cash equivalents at beginning:		4,458	1,355	4,015		8,154	1,355			8,154
Cash/cash equivalents at month/year end:		5,805	10,788	13,448		7,303	(4,119)			17,587

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. The cash balances reflected above does not represent the bank balance at end of quarter 1, it contains valid reconciling items in the form of payments made to various suppliers in the month of September yet to be recorded on the system when Munsoft was closed. The bank balance amounted to R 1m at the end of the first quarter.

PART 2 – SUPPORTING DOCUMENTATION

Table 8 MBRR SC1 Monthly Budget Statement – Material variances explanations – M03 September 2013

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>Alternative assets that could give a better return on our investment would be sought.</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 to out 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.</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 is general saving on expenditure due to effective expenditure management.</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 - M03 September 2013

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		-0.1%	8.9%	8.9%	0.1%	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%	6.6%	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	62.3%	84.8%	84.8%	192.3%	84.8%
Liquidity Ratio	Monetary Assets/Current Liabilities		6.1%	11.7%	11.7%	13.1%	11.7%
<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%	358.5%	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		36.2%	34.3%	34.3%	36.4%	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		0.5%	8.1%	8.1%	0.1%	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 –M03 September 2013

Description	NT Code	Budget Year 2013/14									Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	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	3,692	3,161	1,425	1,501	957	43,194	-	-	53,930	45,652			
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4,083	1,564	864	347	246	5,214	-	-	12,319	5,807			
Receivables from Non-exchange Transactions - Property Rates	1400	1,353	765	589	289	1,163	7,799	-	-	11,958	9,251			
Receivables from Exchange Transactions - Waste Water Management	1500	1,004	591	452	373	360	9,713	-	-	12,494	10,447			
Receivables from Exchange Transactions - Waste Management	1600	661	390	299	252	246	7,130	-	-	8,979	7,628			
Receivables from Exchange Transactions - Property Rental Debtors	1700	27	14	10	9	9	2,241	-	-	2,308	2,259			
Interest on Arrear Debtor Accounts	1810	834	860	854	808	789	8,937	-	-	13,082	10,534			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	766	568	409	247	188	33,354	-	-	35,532	33,789			
Total By Income Source	2000	12,420	7,912	4,902	3,825	3,959	117,583	-	-	150,601	125,367	-	-	
2012/13 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	398	272	109	264	130	7,501	-	-	8,673	7,895			
Commercial	2300	2,191	2,178	412	281	309	7,163	-	-	12,534	7,753			
Households	2400	6,559	4,100	3,303	2,362	2,506	72,393	-	-	91,223	77,261			
Other	2500	3,273	1,362	1,077	918	1,014	30,526	-	-	38,171	32,458			
Total By Customer Group	2600	12,420	7,912	4,902	3,825	3,959	117,583	-	-	150,601	125,367	-	-	

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 – M03 September 2013

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	5,170	9,547	304	3,073	16,442	-	4,255	7,961	46,753	-	
Bulk Water	0200	1,728	1,340	368	649	-	-	-	-	4,084	-	
PAYE deductions	0300	994	-	-	-	-	-	-	-	994	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	12,060	5,087	879	17,264	3,417	-	-	-	38,707	-	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	19,952	15,973	1,551	20,987	19,859	-	4,255	7,961	90,538	-	

Table 12 MBRR SC5 Monthly Budget Statement - investment portfolio – M03 September 2013

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%	162	3	165
Sanlam Investment		1 Month	Unit trusts	-	-	0.0%	26	1	26
Sanlam Investment		1 Month	Unit trusts	-	-	0.0%	42	1	43
Old Mutual Investment		1 Month	Unit trusts	-	-	0.0%	2,567	17	2,584
Municipality sub-total					-		2,797	21	2,818

Table 13 MBRR SC6 Monthly Budget Statement - transfers and grant receipts – M03 September 2013

Description	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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		55,658	63,569	63,569	–	15,229	15,229	–		63,569
Local Government Equitable Share		52,832	60,129	60,129	–	12,389	12,389	–		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	38	198	686	(488)	-71.1%	4,117
Waterberg District Fire Subsidy		713	2,117	2,117	38	130	353	(223)	-63.2%	2,117
LG SETA		232	2,000	2,000	–	68	333	(265)	-79.5%	2,000
Other grant providers:		–	–	–	–	–	–	–		–
		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	56,603	67,686	67,686	38	15,427	15,915	(488)	-3.1%	67,686
Capital Transfers and Grants										
National Government:		22,474	40,019	40,019	–	12,776	12,776	–		40,019
Municipal Infrastructure Grant (MIG)		22,474	40,019	40,019	–	12,776	12,776	–		40,019
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	22,474	40,019	40,019	–	12,776	12,776	–		40,019
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	79,077	107,705	107,705	38	28,203	28,691	(488)	-1.7%	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-M03 September 2013

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	720	13,972	13,041	932	7.1%	63,569
Local Government Equitable Share		52,832	60,129	60,129	-	12,389	12,389	-		60,129
Finance Management		1,500	1,550	1,550	340	524	103	420	407.1%	1,550
Municipal Systems Improvement		790	890	890	379	690	148	542	365.4%	890
EPWP Incentive		536	1,000	1,000	-	369	400	(31)	-7.7%	1,000
Other transfers and grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
Waterberg District Fire Subsidy										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total operating expenditure of Transfers and Grants:		55,658	63,569	63,569	720	13,972	13,041	932	7.1%	63,569
Capital expenditure of Transfers and Grants										
National Government:		22,474	40,019	40,019	-	3,356	12,776	(9,420)	-73.7%	40,019
Municipal Infrastructure Grant (MIG)		22,474	40,019	40,019	-	3,356	12,776	(9,420)	-73.7%	40,019
		-	-	-	-	-	-	-		
		-	-	-	-	-	-	-		
		-	-	-	-	-	-	-		
Other capital transfers [insert description]		-	-	-	-	-	-	-		
Provincial Government:		-	-	-	-	-	-	-		-
Other capital transfers [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
Other capital transfers [insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
Other capital transfers [insert description]										
Total capital expenditure of Transfers and Grants		22,474	40,019	40,019	-	3,356	12,776	(9,420)	-73.7%	40,019
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		78,132	103,588	103,588	720	17,328	25,817	(8,489)	-32.9%	103,588

Table 15 MBRR SC8 Monthly Budget Statement – Councillors and Employee Benefits – M03 September 2013

Summary of Employee and Councillor remuneration	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		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4,098	4,373	4,373	346	1,042	364	678	186%	4,373
Pension and UIF Contributions		252	530	530	47	141	44	96	218%	530
Medical Aid Contributions		121	302	302	7	20	25	(5)	-20%	302
Motor Vehicle Allowance		1,537	1,247	1,247	112	336	104	232	223%	1,247
Cellphone Allowance		303	289	289	18	56	24	32	131%	289
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		207	193	193	842	893	16	877	5452%	193
Sub Total - Councillors		6,516	6,934	6,934	1,372	2,487	578	1,909	330%	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	704	2,082	465	1,617	348%	5,576
Pension and UIF Contributions		-	-	-	42	113	-	113	#DIV/0!	-
Medical Aid Contributions		21	-	-	15	40	-	40	#DIV/0!	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		928	1,000	1,000	86	257	83	174	209%	1,000
Cellphone Allowance		44	16	16	2	7	1	6	452%	16
Housing Allowances		-	-	-	1	2	-	2	#DIV/0!	-
Other benefits and allowances		41	59	59	94	334	5	330	6693%	59
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5,642	6,652	6,652	943	2,837	554	2,283	412%	6,652
% increase	4		17.9%	17.9%						17.9%
Other Municipal Staff										
Basic Salaries and Wages		43,917	43,990	43,990	4,692	13,225	3,666	9,560	261%	43,990
Pension and UIF Contributions		10,222	10,669	10,669	826	2,231	889	1,341	151%	10,669
Medical Aid Contributions		2,838	2,709	2,709	233	671	226	445	197%	2,709
Overtime		2,701	3,145	3,145	307	922	262	660	252%	3,145
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3,456	9,052	9,052	307	883	754	129	17%	9,052
Cellphone Allowance		240	264	264	17	53	22	30	139%	264
Housing Allowances		49	75	75	5	16	6	10	155%	75
Other benefits and allowances		4,256	6,476	6,476	2,068	698	540	159	29%	6,476
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		3,623	821	821	-	-	68	(68)	-100%	821
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		71,302	77,199	77,199	8,455	18,698	6,433	12,265	191%	77,199
% increase	4		8.3%	8.3%						8.3%
Total Parent Municipality		83,460	90,785	90,785	10,769	24,022	7,565	16,457	218%	90,785
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		83,460	90,785	90,785	10,769	24,022	7,565	16,457	218%	90,785
% increase	4		8.8%	8.8%						8.8%
TOTAL MANAGERS AND STAFF		76,944	83,851	83,851	9,398	21,535	6,988	14,548	208%	83,851

Table 17 MBRR SC12 Monthly Budget Statement - capital expenditure trend – M03 September 2013

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	–	–			21,206	–		
November	4,980	5,906	5,906			27,112	–		
December	3	6,500	6,500			33,612	–		
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	3,386					

Other supporting documents

Table 18 MBRR SC13a Monthly Budget Statement - capital expenditure on new assets by asset class – M03 September 2013

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	-	3,083	3,083	-		39,700
Infrastructure - Road transport		6,944	-	-	-	-	-	-		-
Roads, Pavements & Bridges		6,944	-	-	-	-	-	-		-
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	-	3,083	3,083	-		34,500
Reticulation		15,298	34,500	34,500	-	3,083	3,083	-		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		-	-	-	-	-	-	-		-
Buildings		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Investment properties		-	-	-	-	-	-	-		-
Housing development		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Other assets		2,583	7,450	7,450	30	303	303	-		7,450
General vehicles		750	-	-	-	-	-	-		-
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment		190	-	-	30	30	30	-		-
Computers - hardware/equipment		333	450	450	-	273	273	-		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	-	-	-	-		2,000
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class		-	-	-	-	-	-	-		-
Biological assets		-	-	-	-	-	-	-		-
List sub-class		-	-	-	-	-	-	-		-
Intangibles		-	-	-	-	-	-	-		-
Computers - software & programming		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure on new assets	1	26,448	47,210	47,210	30	3,386	3,386	-		47,210

Table 19MBRRSC 13c Expenditure on repairs and maintenance by asset class-M03 September 2013

Description	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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		9,629	18,252	18,252	1,665	1,995	1,222	(773)	-63.3%	18,252
Infrastructure - Road transport		3,602	6,417	6,417	25	37	236	199	84.2%	6,417
<i>Roads, Pavements & Bridges</i>		3,027	6,417	6,417	25	37	236	199	84.2%	6,417
<i>Storm water</i>		574	-	-	-	-	-	-	-	-
Infrastructure - Electricity		1,099	3,988	3,988	431	478	332	(146)	-43.9%	3,988
<i>Generation</i>		-	3,988	3,988	431	478	332	(146)	-43.9%	3,988
<i>Transmission & Reticulation</i>		1,080	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		19	-	-	-	-	-	-	-	-
Infrastructure - Water		2,979	4,890	4,890	576	847	408	(440)	-107.9%	4,890
<i>Dams & Reservoirs</i>		-	4,890	4,890	576	847	408	(440)	-107.9%	4,890
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		2,979	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		1,949	2,956	2,956	633	633	246	(386)	-156.8%	2,956
<i>Reticulation</i>		1,949	2,956	2,956	633	633	246	(386)	-156.8%	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	61	310	8	(302)	-3622.4%	100
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	50	50	61	310	4	(306)	-7344.9%	50
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		461	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	50	50	-	-	4	4	100.0%	50
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		2,608	3,948	3,948	190	190	329	139	42.3%	3,948
General vehicles		-	1,734	1,734	-	-	144	144	100.0%	1,734
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		2,357	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	100	100	-	-	8	8	100.0%	100
Furniture and other office equipment		4	14	14	-	-	1	1	100.0%	14
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		191	100	100	-	-	8	8	100.0%	100
Other Buildings		-	2,000	2,000	190	190	167	(23)	-13.8%	2,000
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		56	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Biological assets		13	-	-	-	-	5	5	100.0%	-
<i>List sub-class</i>		13	-	-	-	-	5	5	100.0%	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		12,710	22,300	22,300	1,916	2,495	1,565	(931)	-59.5%	22,300

Table 20: -Deviations from supply chain policy-M03 September 2013

There is one known incidence of Supply Chain management Deviation dated the 6th of September 2013 , for the purchase of two air conditioners amounting to R30 050.00.

Quality certificate

I, *ME Ntsoane*, the Municipal Manager of Thabazimbi Local Municipality, hereby certify that the Monthly budget statement for the period ended 30 September 2013 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