

THABAZIMBI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 30 November 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 ó Summary;
Table 2 Monthly Budget Statement ó Financial Performance per standard classification;
Table 3 Monthly Budget Statement ó Financial Performance (Revenue and Expenditure by vote);
Table 4 Monthly Budget Statement ó Financial Performance (Revenue and Expenditure by source);
Table 5 Monthly Budget Statement ó Capital Expenditure (municipal vote; standard classification and funding);
Table 6 Monthly Budget Statements ó Financial Position;
Table 7 Monthly Budget Statements ó Cash Flow;

4. **Supporting tables :**

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

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

The deviations from, and ratification of minor breaches of the procurement process for the month of November 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)

DATE: ____ / ____ / 2013

EXECUTIVE SUMMARY

Table 1 MBRR C1 Monthly Budget Statement Summary – M05 November 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	12,076	23,658	23,658	1,381	6,887	7,287	(400)	-5%	23,658
Service charges	90,135	133,288	133,288	15,675	56,071	55,537	535	1%	133,288
Investment revenue	185	45	45	0	6	19	(13)	-70%	4,600
Transfers recognised - operational	77,521	67,686	67,686	20,125	35,552	35,552	(0)	-0%	67,686
Other own revenue	32,704	16,706	16,706	1,045	5,382	7,056	(1,674)	-24%	16,706
Total Revenue (excluding capital transfers and contributions)	212,621	241,383	241,383	38,227	103,898	105,450	(1,552)	-1%	245,938
Employee costs	75,672	82,900	82,900	7,614	38,218	38,542	(323)	-1%	82,900
Remuneration of Councillors	5,692	6,933	6,933	609	2,885	2,889	(4)	-0%	6,933
Depreciation & asset impairment	54,763	16,123	16,123	4,470	22,348	6,718	15,630	233%	16,123
Finance charges	8,675	3,500	3,500	195	286	1,458	(1,172)	-80%	3,500
Materials and bulk purchases	58,571	58,803	58,803	4,236	21,179	24,501	(3,322)	-14%	58,803
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	56,413	52,740	52,740	4,187	12,972	19,502	(6,530)	-33%	52,740
Total Expenditure	259,786	220,999	220,999	21,311	97,888	93,610	4,278	5%	220,999
Surplus/(Deficit)	(47,165)	20,384	20,384	16,916	6,010	11,840	(5,830)	-49%	24,939
Transfers recognised - capital	42,150	40,019	40,019	14,485	27,261	27,261	-	-	40,019
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(5,015)	60,403	60,403	31,401	33,271	39,101	(5,830)	-15%	64,958
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(5,015)	60,403	60,403	31,401	33,271	39,101	(5,830)	-15%	64,958
Capital expenditure & funds sources									
Capital expenditure	26,448	57,029	57,029	-	6,847	6,847	-	-	57,029
Capital transfers recognised	24,074	40,019	40,019	-	6,847	6,847	-	-	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	-	6,847	6,847	-	-	57,029
Financial position									
Total current assets	59,451	58,423	58,423		112,236				58,423
Total non current assets	105,231	1,639,682	1,639,682		1,300,879				1,639,682
Total current liabilities	97,879	71,205	71,205		116,893				71,205
Total non current liabilities	29,162	35,012	35,012		52,669				35,012
Community wealth/Equity	37,641	1,591,887	1,591,887		1,243,552				1,591,887
Cash flows									
Net cash from (used) operating	21,759	50,036	50,036	8,065	18,982	20,456	(1,474)	-7%	50,036
Net cash from (used) investing	(19,742)	(50,601)	(50,601)	-	(8,530)	(5,852)	(2,678)	46%	(50,601)
Net cash from (used) financing	(670)	9,998	9,998	(1,634)	(1,634)	(834)	(800)	96%	9,998
Cash/cash equivalents at the month/year end	5,805	10,788	13,448	-	6,365	15,125	(8,760)	-58%	6,981
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	18,847	6,503	4,992	4,370	3,973	123,142	-	-	161,826
Creditors Age Analysis									
Total Creditors	20,589	19,991	11,362	43,500	3,401	1,017	894	7,961	108,714

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

Total operating revenue achieved to date amounts to R104 million against a target of R105 million. This is equivalent to an underachievement of R1.5 million or 1%. Expenditure incurred year to date amounts R98 million excluding capital expenditure. A total percentage variance of approximately 5% results in an operating surplus of R6 million. However it must be noted that this is before incorporating expenditure on some of our accounting estimates ie provisions for long service award, post employment benefit and increase in receivables provision for impairment.

Capital receipts received to date amounts to R27.3 million which is as per the National Treasury payment schedule for 2013/14 financial year. The total spending on MIG funds in the 2012/13 financial year was 100% inclusive of committed 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 November 2013 as required in terms of subparagraph 36(1)(a) and (b) of the Supply Chain Management Regulations and Policy is herewith attached in Table 20 in this report.

MONTHLY BUDGET STATEMENT TABLES

The table below shows monthly financial performance, by revenue source and expenditure item, for the period ended 30 November 2013.

Table 2 MBRR C2 Monthly Budget Statement - Financial Performance (revenue and expenditure) – M05 November 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		100,785	100,362	100,362	22,372	46,115	47,662	(1,547)	-3%	100,362
Executive and council		90,729	94,477	94,477	21,424	41,759	43,290	(1,531)	-4%	94,477
Budget and treasury office		8,691	3,646	3,646	876	4,066	3,439	627	18%	3,646
Corporate services		1,365	2,238	2,238	71	290	933	(643)	-69%	2,238
Community and public safety		4,657	5,235	5,235	146	1,113	2,013	(900)	-45%	5,235
Community and social services		281	675	675	31	102	116	(14)	-12%	675
Sport and recreation		-	-	-	-	-	1	(1)	-100%	-
Public safety		4,376	4,560	4,560	115	1,010	1,896	(885)	-47%	4,560
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		567	2,499	2,499	33	199	28	171	611%	2,499
Planning and development		567	2,499	2,499	33	199	28	171	611%	2,499
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		92,429	133,288	133,288	15,675	56,071	55,334	737	1%	133,288
Electricity		44,089	53,184	53,184	3,169	22,469	22,160	310	1%	53,184
Water		28,517	57,104	57,104	10,279	24,267	23,793	473	2%	57,104
Waste water management		11,655	13,612	13,612	1,462	5,657	5,469	188	3%	13,612
Waste management		8,168	9,388	9,388	765	3,678	3,912	(233)	-6%	9,388
Other	4	56,332	40,019	40,019	14,485	27,661	27,675	(13)	0%	40,019
Total Revenue - Standard	2	254,771	281,402	281,402	52,712	131,159	132,711	(1,552)	-1%	281,402
Expenditure - Standard										
Governance and administration		77,936	63,898	63,898	9,216	33,001	23,480	9,522	41%	63,898
Executive and council		21,413	22,688	22,688	2,345	11,850	11,146	704	6%	22,688
Budget and treasury office		36,374	20,165	20,165	4,453	12,263	5,067	7,196	142%	20,165
Corporate services		20,149	21,045	21,045	2,419	8,888	7,266	1,622	22%	21,045
Community and public safety		16,872	17,590	17,590	1,573	8,347	9,257	(911)	-10%	17,590
Community and social services		2,809	5,013	5,013	381	1,860	2,498	(638)	-26%	5,013
Sport and recreation		5,290	1,946	1,946	499	2,737	2,265	472	21%	1,946
Public safety		8,773	10,631	10,631	693	3,750	4,494	(745)	-17%	10,631
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		53,327	36,143	36,143	4,200	19,494	16,917	2,577	15%	36,143
Planning and development		4,166	6,166	6,166	2,309	3,748	2,288	1,460	64%	6,166
Road transport		48,808	29,977	29,977	1,864	15,611	14,303	1,307	9%	29,977
Environmental protection		352	-	-	26	135	325	(190)	-58%	-
Trading services		111,651	103,368	103,368	6,322	37,046	43,956	(6,910)	-16%	103,368
Electricity		58,744	48,742	48,742	4,391	20,897	21,356	(459)	-2%	48,742
Water		30,234	34,478	34,478	418	9,622	15,236	(5,614)	-37%	34,478
Waste water management		9,002	7,799	7,799	997	3,761	3,250	511	16%	7,799
Waste management		13,671	12,349	12,349	516	2,765	4,114	(1,349)	-33%	12,349
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	259,786	220,999	220,999	21,311	97,888	93,610	4,278	5%	220,999
Surplus/ (Deficit) for the year		(5,015)	60,403	60,403	31,401	33,271	39,101	(5,830)	-15%	60,403

The above table shows financial performance for the period ended 30 November 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 November 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) - M05 November 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		90,729	88,363	88,363	21,424	41,759	43,290	(1,531)	-3.5%	88,363
Vote 2 - 200 Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - 300 Budget & Treasury		8,691	5,853	5,853	876	4,066	3,439	627	18.2%	5,853
Vote 4 - 400 Corporate Services		1,365	2,238	2,238	71	290	933	(643)	-68.9%	2,238
Vote 5 - 500 Planning and Development		567	2,499	2,499	33	199	28	171	611.2%	2,499
Vote 6 - 600 Community Services		12,825	19,016	19,016	912	4,791	5,924	(1,133)	-19.1%	19,016
Vote 7 - 700 Technical Services		140,593	163,434	163,434	29,395	80,054	79,097	957	1.2%	163,434
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	254,771	281,402	281,402	52,712	131,159	132,711	(1,552)	-1.2%	281,402
Expenditure by Vote	1									
Vote 1 - 100 Political Office Bearers		15,576	14,589	14,589	1,392	7,608	6,079	1,529	25.2%	14,589
Vote 2 - 200 Municipal Manager		5,837	6,097	6,097	953	4,242	5,067	(826)	-16.3%	6,097
Vote 3 - 300 Budget & Treasury		36,374	12,162	12,162	4,453	12,263	5,067	7,196	142.0%	12,162
Vote 4 - 400 Corporate Services		20,149	19,839	19,839	2,419	8,888	7,266	1,622	22.3%	19,839
Vote 5 - 500 Planning and Development		4,519	6,273	6,273	2,335	3,883	2,614	1,270	48.6%	6,273
Vote 6 - 600 Community Services		30,543	32,092	32,092	2,089	11,112	13,371	(2,259)	-16.9%	32,092
Vote 7 - 700 Technical Services		146,788	129,947	129,947	7,671	49,891	54,145	(4,254)	-7.9%	129,947
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	259,786	220,999	220,999	21,311	97,888	93,610	4,278	4.6%	220,999
Surplus/ (Deficit) for the year	2	(5,015)	60,403	60,403	31,401	33,271	39,101	(5,830)	-14.9%	60,403

An aggregate negative variance of 1.2% 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 over spending of 4.6% on operating expenditure over the first month of the second 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) – M05 November 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		12,076	23,650	23,650	1,381	6,887	7,283	(396)	-5%	23,650
Property rates - penalties & collection charges		-	8	8	-	-	3	(3)	-100%	8
Service charges - electricity revenue		43,622	53,184	53,184	3,169	22,469	22,160	310	1%	53,184
Service charges - water revenue		26,712	57,104	57,104	10,279	24,267	23,793	473	2%	57,104
Service charges - sanitation revenue		11,649	13,612	13,612	1,462	5,657	5,672	(14)	0%	13,612
Service charges - refuse revenue		8,152	9,388	9,388	765	3,678	3,912	(233)	-6%	9,388
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		521	750	750	37	163	313	(150)	-48%	750
Interest earned - external investments		185	45	45	0	6	19	(13)	-70%	45
Interest earned - outstanding debtors		8,199	4,555	4,555	861	4,027	3,898	129	3%	4,555
Dividends received		-	-	-	-	-	-	-	-	-
Fines		1,078	1,026	1,026	36	98	428	(330)	-77%	1,026
Licences and permits		1,486	1,889	1,889	11	697	787	(90)	-11%	1,889
Agency services		723	1,908	1,908	-	-	795	(795)	-100%	1,908
Transfers recognised - operational		77,521	67,686	67,686	20,125	35,552	35,552	(0)	0%	67,686
Other revenue		20,469	6,579	6,579	100	397	836	(439)	-53%	6,579
Gains on disposal of PPE		228	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		212,621	241,383	241,383	38,227	103,898	105,450	(1,552)	-1%	241,383
Expenditure By Type										
Employee related costs		75,672	82,900	82,900	7,614	38,218	38,542	(323)	-1%	82,900
Remuneration of councillors		5,692	6,933	6,933	609	2,885	2,889	(4)	0%	6,933
Debt impairment		6,979	2,000	2,000	-	-	833	(833)	-100%	2,000
Depreciation & asset impairment		54,763	16,123	16,123	4,470	22,348	6,718	15,630	233%	16,123
Finance charges		8,675	3,500	3,500	195	286	1,458	(1,172)	-80%	3,500
Bulk purchases		58,571	58,803	58,803	4,236	21,179	24,501	(3,322)	-14%	58,803
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		10,403	8,893	8,893	39	170	3,705	(3,536)	-95%	8,893
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		39,031	41,847	41,847	4,148	12,802	14,963	(2,161)	-14%	41,847
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		259,786	220,999	220,999	21,311	97,888	93,610	4,278	5%	220,999
Surplus/(Deficit)		(47,165)	20,384	20,384	16,916	6,010	11,840	(5,830)	(0)	20,384
Transfers recognised - capital		42,150	40,019	40,019	14,485	27,261	27,261	-	-	40,019
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(5,015)	60,403	60,403	31,401	33,271	39,101			60,403
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(5,015)	60,403	60,403	31,401	33,271	39,101			60,403
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(5,015)	60,403	60,403	31,401	33,271	39,101			60,403
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(5,015)	60,403	60,403	31,401	33,271	39,101			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) – M05 November 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	-	98	98	-	-	100
Vote 3 - 300 Budget & Treasury		-	2,500	2,500	-	30	30	-	-	2,500
Vote 4 - 400 Corporate Services		2,374	8,450	8,450	-	273	273	-	-	8,450
Vote 5 - 500 Planning and Development		-	-	-	-	-	-	-	-	-
Vote 6 - 600 Community Services		209	8,160	8,160	-	1,059	1,059	-	-	8,160
Vote 7 - 700 Technical Services		23,865	37,819	37,819	-	5,387	5,387	-	-	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	-	6,847	6,847	-	-	57,029
Total Capital Expenditure		26,448	57,029	57,029	-	6,847	6,847	-	-	57,029
Capital Expenditure - Standard Classification										
Governance and administration		2,374	11,050	11,050	-	401	401	-	-	11,050
Executive and council		-	100	100	-	98	98	-	-	100
Budget and treasury office		-	2,500	2,500	-	30	30	-	-	2,500
Corporate services		2,374	8,450	8,450	-	273	273	-	-	8,450
Community and public safety		209	6,160	6,160	-	1,059	1,059	-	-	6,160
Community and social services		209	2,100	2,100	-	125	125	-	-	2,100
Sport and recreation		-	4,000	4,000	-	934	934	-	-	4,000
Public safety		-	60	60	-	-	-	-	-	60
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6,944	1,819	1,819	-	754	754	-	-	1,819
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		6,944	1,819	1,819	-	754	754	-	-	1,819
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		16,921	38,000	38,000	-	4,633	4,633	-	-	38,000
Electricity		1,623	1,500	1,500	-	-	-	-	-	1,500
Water		-	-	-	-	-	-	-	-	-
Waste water management		15,298	34,500	34,500	-	4,633	4,633	-	-	34,500
Waste management		-	2,000	2,000	-	-	-	-	-	2,000
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	26,448	57,029	57,029	-	6,847	6,847	-	-	57,029
Funded by:										
National Government		24,074	40,019	40,019	-	6,847	6,847	-	-	40,019
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		24,074	40,019	40,019	-	6,847	6,847	-	-	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	-	6,847	6,847	-	-	57,029

Overall spending on MIG, capital projects is currently at R6.8 million, there has been a general delay in implementing projects thus regular spending is expected in second and third quarter representing work certified.

Table 6 MBRR C 6: Financial Position as at 30 November 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	6,365	5,441
Call investment deposits		221	2,625	2,625	2,823	2,625
Consumer debtors		50,462	47,000	47,000	98,530	47,000
Other debtors		1,342	-	-	-	-
Current portion of long-term receivables		-	-	-	-	-
Inventory		1,798	3,357	3,357	4,518	3,357
Total current assets		59,451	58,423	58,423	112,236	58,423
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		0	-	-	-	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		105,127	1,639,682	1,639,682	1,299,585	1,639,682
Agricultural		0	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		104	-	-	1,294	-
Other non-current assets		-	-	-	-	-
Total non current assets		105,231	1,639,682	1,639,682	1,300,879	1,639,682
TOTAL ASSETS		164,682	1,698,105	1,698,105	1,413,114	1,698,105
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		2,377	2,350	2,350	2,350	2,350
Consumer deposits		3,233	3,348	3,348	3,424	3,348
Trade and other payables		78,319	21,049	21,049	108,715	21,049
Provisions		13,950	44,458	44,458	2,405	44,458
Total current liabilities		97,879	71,205	71,205	116,893	71,205
Non current liabilities						
Borrowing		4,121	3,490	3,490	4,499	3,490
Provisions		25,041	31,523	31,523	48,170	31,523
Total non current liabilities		29,162	35,012	35,012	52,669	35,012
TOTAL LIABILITIES		127,041	106,218	106,218	169,562	106,218
NET ASSETS	2	37,641	1,591,887	1,591,887	1,243,552	1,591,887
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		37,641	1,591,887	1,591,887	1,243,552	1,591,887
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	37,641	1,591,887	1,591,887	1,243,552	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 – M05 November 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	9,940	42,850	62,844	(19,994)	-32%	150,825
Government - operating		55,801	63,569	63,569	82	15,509	15,509	-		63,569
Government - capital		23,685	40,019	40,019	14,485	27,261	27,261	-		40,019
Interest		228	-	-	-	-	-	-		-
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(174,670)	(203,375)	(203,375)	(16,438)	(65,898)	(84,740)	(18,842)	22%	(203,375)
Finance charges		(4,041)	(1,002)	(1,002)	(4)	(740)	(418)	322	-77%	(1,002)
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		21,759	50,036	50,036	8,065	18,982	20,456	(1,474)	-7%	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	-	-	2,678	(2,678)	-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)	(5,852)	2,678	-46%	(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)	(1,634)	(1,634)	(2,084)	(450)	22%	(5,002)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(670)	9,998	9,998	(1,634)	(1,634)	(834)	800	-96%	9,998
NET INCREASE/ (DECREASE) IN CASH HELD		1,347	9,433	9,433	6,431	8,818	13,771			9,433
Cash/cash equivalents at beginning:		4,458	1,355	4,015		(2,452)	1,355			(2,452)
Cash/cash equivalents at month/year end:		5,805	10,788	13,448		6,365	15,125			6,981

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

PART 2 – SUPPORTING DOCUMENTATION

Table 8 MBRR SC1 Monthly Budget Statement – Material variances explanations – M05 November 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>Acceptable alternative assets that could give a better return on our investment would be sought on the market.</i>
<i>Other revenue</i>		<i>Projects such as parking fees, traffic fines etc are not performing as consistently to their potential.</i>	<i>Management to find a suitable ways to optimize revenue collection on currently existing income generating projects and also find new sources thereon.</i>
<i>Basic Services</i>		<i>The variances noted on basic services after the first quarter of reporting are considered insignificant and merely represent the seasonal demand of the Municipal services from spring, summer and winter and a clearer trend will be analyzed over time.</i>	<i>None needed, performance is as forecasted. Smart metering is expected to ease our billing and collection challenges immensely.</i>
<i>Grants</i>		<i>Grants from National treasury were received as anticipated and communicated through the NT payment schedule for 2013/14.</i>	<i>None needed.</i>
Expenditure By Type			
<i>Accounting estimates</i>		<i>Deprecation was incorporated onto the financial reporting system. However, Grap 25 provisions are yet to included as the valuations are done annually.</i>	<i>The sizeable magnitude on depreciation would be rectified and aligned to our FAR during the Adj budget process.</i>
<i>Other expenditure</i>		<i>There are general savings on expenditure partly due to expenditure management and cash-flow constraints.</i>	<i>None needed.</i>
Capital Expenditure			
<i>All</i>		<i>Our 2013/14 allocation of MIG was received during the last week of the month of July and we expect spending to improve during the second and third qtr.</i>	<i>Ring fencing of the MIG funds to commence in the second quarter to ensure effective management of funds for the intended purpose.</i>

Table 9 MBRR SC2 Monthly Budget Statement - performance indicators - M05 November 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		2.8%	8.9%	8.9%	0.3%	4.7%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		225.3%	1.7%	1.7%	9.3%	1.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	60.7%	82.0%	82.0%	96.0%	82.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		6.0%	11.3%	11.3%	7.9%	11.3%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		24.4%	19.5%	19.5%	94.8%	19.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		60.0%	95.0%		45.0%	80.0%
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	22.0%	30.0%	22.0%	22.0%	22.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	10.0%	10.0%	30.0%	30.0%	30.0%
Employee costs	Employee costs/Total Revenue - capital revenue		35.6%	34.3%	34.3%	36.8%	34.3%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		29.8%	8.1%	8.1%	0.3%	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 –M05 November 2013

Description	NT Code	Budget Year 2013/14										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o 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	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	10,646	1,712	1,475	1,691	1,082	45,103	-	-	61,709	47,876			
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,315	1,815	978	409	604	5,437	-	-	12,557	6,450			
Receivables from Non-exchange Transactions - Property Rates	1400	1,354	738	566	470	468	8,605	-	-	12,200	9,543			
Receivables from Exchange Transactions - Waste Water Management	1500	1,401	566	449	407	384	10,236	-	-	13,443	11,027			
Receivables from Exchange Transactions - Waste Management	1600	693	370	298	273	255	7,472	-	-	9,362	8,001			
Receivables from Exchange Transactions - Property Rental Debtors	1700	27	14	11	10	8	2,248	-	-	2,318	2,266			
Interest on Arrear Debtor Accounts	1810	863	827	799	839	835	10,394	-	-	14,556	12,068			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	548	461	416	271	337	33,646	-	-	35,679	34,254			
Total By Income Source	2000	18,847	6,503	4,992	4,370	3,973	123,142	-	-	161,826	131,484	-	-	
2012/13 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	205	302	209	97	82	7,803	-	-	8,697	7,981			
Commercial	2300	249	39	13	20	11	243	-	-	574	273			
Households	2400	11,328	3,223	3,035	3,040	2,633	76,124	-	-	99,384	81,798			
Other	2500	7,065	2,938	1,736	1,212	1,247	38,972	-	-	53,171	41,431			
Total By Customer Group	2600	18,847	6,503	4,992	4,370	3,973	123,142	-	-	161,826	131,484	-	-	

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 – M05 November 2013

Description	NT Code	Budget Year 2013/14									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	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	3,131	7,902	5,170	37,134	498	-	-	-	53,835	-
Bulk Water	0200	1,012	1,407	1,777	1,728	1,340	1,017	-	-	8,281	-
PAYE deductions	0300	929	-	-	-	-	-	-	-	929	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	15,517	10,681	4,415	4,638	1,564	-	894	7,961	45,670	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	20,589	19,991	11,362	43,500	3,401	1,017	894	7,961	108,714	-

Table 12 MBRR SC5 Monthly Budget Statement - investment portfolio – M05 November 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%	165	3	168
Sanlam Investment		1 Month	Unit trusts	-	-	0.0%	26	1	27
Sanlam Investment		1 Month	Unit trusts	-	-	0.0%	43	1	44
Old Mutual Investment		1 Month	Unit trusts	-	-	0.0%	2,584	-	2,584
Municipality sub-total					-		2,819	4	2,823

Table 13 MBRR SC6 Monthly Budget Statement - transfers and grant receipts – M05 November 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										
RECEIPTS:										
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	82	280	1,715	(1,436)	-83.7%	4,117
Waterberg District Fire Subsidy		713	2,117	2,117	60	190	882	(692)	-78.5%	2,117
LG SETA		232	2,000	2,000	22	90	833	(743)	-89.2%	2,000
Other grant providers:		–	–	–	–	–	–	–		–
		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	56,603	67,686	67,686	82	15,509	16,944	(1,436)	-8.5%	67,686
Capital Transfers and Grants										
National Government:		22,474	40,019	40,019	14,485	27,261	27,261	–		40,019
Municipal Infrastructure Grant (MIG)		22,474	40,019	40,019	14,485	27,261	27,261	–		40,019
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	22,474	40,019	40,019	14,485	27,261	27,261	–		40,019
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	79,077	107,705	107,705	14,567	42,770	44,205	(1,436)	-3.2%	107,705

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

Table 14: Transfers and Grants expenditure-M05 November 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	583	14,782	13,822	960	6.9%	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	552	1,134	646	488	75.6%	1,550
Municipal Systems Improvement		790	890	890	30	890	371	519	140.0%	890
EPWP Incentive		536	1,000	1,000	–	369	417	(47)	-11.4%	1,000
Other transfers and grants [insert description]		–	–	–	–	–	–	–		–
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		945	4,117	4,117	82	280	1,715	(1,436)	-83.7%	4,117
Waterberg District Fire Subsidy		713	2,117	2,117	60	190	882	(692)	-78.5%	2,117
LG SETA		232	2,000	2,000	22	90	833	(743)	-89.2%	2,000
Other grant providers:		–	–	–	–	–	–	–		–
		–	–	–	–	–	–	–		–
[insert description]		–	–	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants:		56,603	67,686	67,686	664	15,062	15,538	(476)	-3.1%	67,686
Capital expenditure of Transfers and Grants										
National Government:		22,474	40,019	40,019	–	5,998	27,261	(21,263)	-78.0%	40,019
Municipal Infrastructure Grant (MIG)		22,474	40,019	40,019	–	5,998	27,261	(21,263)	-78.0%	40,019
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
		–	–	–	–	–	–	–		–
Total capital expenditure of Transfers and Grants		22,474	40,019	40,019	–	5,998	27,261	(21,263)	-78.0%	40,019
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		79,077	107,705	107,705	664	21,060	42,799	(21,738)	-50.8%	107,705

Table 15 MBRR SC8 Monthly Budget Statement – Councillors and Employee Benefits – M05 November 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)										
Basic Salaries and Wages		4,098	4,373	4,373	340	1,717	2,186	(469)	-21%	4,373
Pension and UIF Contributions		252	530	530	47	234	265	(31)	-12%	530
Medical Aid Contributions		121	302	302	9	36	151	(114)	-76%	302
Motor Vehicle Allowance		1,537	1,247	1,247	112	560	624	(64)	-10%	1,247
Cellphone Allowance		303	289	289	26	107	145	(38)	-26%	289
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		207	193	193	76	230	96	134	139%	193
Sub Total - Councillors		6,516	6,934	6,934	609	2,885	3,467	(582)	-17%	6,934
% increase	4		6.4%	6.4%						6.4%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	4,608	5,576	5,576	496	3,269	2,788	481	17%	5,576
Pension and UIF Contributions		–	–	–	38	189	–	189	#DIV/0!	–
Medical Aid Contributions		21	–	–	17	74	–	74	#DIV/0!	–
Overtime		–	–	–	18	90	–	90	#DIV/0!	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		928	1,000	1,000	86	429	500	(71)	-14%	1,000
Cellphone Allowance		44	16	16	3	13	8	5	63%	16
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		41	59	59	202	688	30	658	2228%	59
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		5,642	6,652	6,652	860	4,752	3,326	1,426	43%	6,652
% increase	4		17.9%	17.9%						17.9%
Other Municipal Staff										
Basic Salaries and Wages		43,917	43,990	43,990	5,014	22,868	21,995	873	4%	43,990
Pension and UIF Contributions		10,222	10,669	10,669	744	3,713	5,334	(1,622)	-30%	10,669
Medical Aid Contributions		2,838	2,709	2,709	213	1,090	1,354	(264)	-19%	2,709
Overtime		2,701	3,145	3,145	338	1,578	1,572	5	0%	3,145
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		3,456	9,052	9,052	312	1,475	4,526	(3,051)	-67%	9,052
Cellphone Allowance		240	264	264	17	86	132	(46)	-35%	264
Housing Allowances		49	75	75	5	26	37	(11)	-31%	75
Other benefits and allowances		4,256	6,476	6,476	111	2,631	3,238	(607)	-19%	6,476
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		3,623	821	821	–	–	410	(410)	-100%	821
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		71,302	77,199	77,199	6,754	33,466	38,600	(5,133)	-13%	77,199
% increase	4		8.3%	8.3%						8.3%
Total Parent Municipality		83,460	90,785	90,785	8,224	41,103	45,392	(4,289)	-9%	90,785

Table 17 MBRR SC12 Monthly Budget Statement - capital expenditure trend – M05 November 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	-	-	3,461	#VALUE!	21,206	#VALUE!	#VALUE!	#VALUE!
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	6,847					

Other supporting documents

Table 18 MBRR SC13a Monthly Budget Statement - capital expenditure on new assets by asset class – M05 November 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	-	5,387	5,387	-		39,700
Infrastructure - Road transport		6,944	-	-	-	754	754	-		-
Roads, Pavements & Bridges		6,944	-	-	-	754	754	-		-
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	-	4,633	4,633	-		34,500
Reticulation		15,298	34,500	34,500	-	4,633	4,633	-		34,500
Sewerage purification		-	-	-	-	-	-	-		-
Infrastructure - Other		-	1,200	1,200	-	-	-	-		1,200
Waste Management		-	1,200	1,200	-	-	-	-		1,200
Transportation		-	-	-	-	-	-	-		-
Gas		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Community		-	60	60	-	-	-	-		60
Parks & gardens		-	-	-	-	-	-	-		-
Sportsfields & stadia		-	-	-	-	-	-	-		-
Swimming pools		-	-	-	-	-	-	-		-
Community halls		-	-	-	-	-	-	-		-
Libraries		-	-	-	-	-	-	-		-
Recreational facilities		-	-	-	-	-	-	-		-
Fire, safety & emergency		-	60	60	-	-	-	-		60
Security and policing		-	-	-	-	-	-	-		-
Buses		-	-	-	-	-	-	-		-
Clinics		-	-	-	-	-	-	-		-
Museums & Art Galleries		-	-	-	-	-	-	-		-
Cemeteries		-	-	-	-	-	-	-		-
Social rental housing		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Heritage assets		-	-	-	-	-	-	-		-
Investment properties		-	-	-	-	-	-	-		-
Housing development		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Other assets		2,583	7,450	7,450	-	1,459	1,459	-		7,450
General vehicles		750	-	-	-	-	-	-		-
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment		190	-	-	-	30	30	-		-
Computers - hardware/equipment		333	450	450	-	496	496	-		450
Furniture and other office equipment		100	-	-	-	-	-	-		-
Abattoirs		-	-	-	-	-	-	-		-
Markets		-	-	-	-	-	-	-		-
Civic Land and Buildings		1,210	5,000	5,000	-	-	-	-		5,000
Other Buildings		-	-	-	-	-	-	-		-
Other Land		-	2,000	2,000	-	934	934	-		2,000
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Agricultural assets		-	-	-	-	-	-	-		-
Biological assets		-	-	-	-	-	-	-		-
Intangibles		-	-	-	-	-	-	-		-
Total Capital Expenditure on new assets	1	26,448	47,210	47,210	-	6,847	6,847	-		47,210
Specialised vehicles		-	-	-	-	-	-	-		-
Refuse		-	-	-	-	-	-	-		-
Fire		-	-	-	-	-	-	-		-
Conservancy		-	-	-	-	-	-	-		-
Ambulances		-	-	-	-	-	-	-		-

Table 19MBRRSC 13c Expenditure on repairs and maintenance by asset class-M05 November 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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		9,629	18,252	18,252	493	3,160	6,084	2,924	48.1%	18,252
Infrastructure - Road transport		3,602	6,417	6,417	37	133	2,139	2,006	93.8%	6,417
<i>Roads, Pavements & Bridges</i>		3,027	6,417	6,417	37	133	2,139	2,006	93.8%	6,417
<i>Storm water</i>		574	-	-	-	-	-	-	-	-
Infrastructure - Electricity		1,099	3,988	3,988	50	535	1,329	794	59.7%	3,988
<i>Generation</i>		-	3,988	3,988	50	535	1,329	794	59.7%	3,988
<i>Transmission & Reticulation</i>		1,080	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		19	-	-	-	-	-	-	-	-
Infrastructure - Water		2,979	4,890	4,890	3	1,020	1,630	610	37.4%	4,890
<i>Dams & Reservoirs</i>		-	4,890	4,890	3	1,020	1,630	610	37.4%	4,890
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		2,979	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		1,949	2,956	2,956	403	1,472	985	(487)	-49.4%	2,956
<i>Reticulation</i>		1,949	2,956	2,956	403	1,472	985	(487)	-49.4%	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	4	439	33	(406)	-1217.8%	100
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	50	50	4	439	17	(423)	-2535.6%	50
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		461	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	50	50	-	-	17	17	100.0%	50
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		2,608	3,948	3,948	6	300	1,316	1,016	77.2%	3,948
General vehicles		-	1,734	1,734	-	-	578	578	100.0%	1,734
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		2,357	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	100	100	-	-	33	33	100.0%	100
Furniture and other office equipment		4	14	14	-	-	5	5	100.0%	14
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		191	100	100	-	-	33	33	100.0%	100
Other Buildings		-	2,000	2,000	6	300	667	366	55.0%	2,000
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		56	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
Biological assets		13	-	-	-	-	5	5	100.0%	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		12,710	22,300	22,300	503	3,900	7,438	3,538	47.6%	22,300
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

Table 20: -Deviations from supply chain policy-M05 November 2013

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

Quality certificate

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