

# THABAZIMBI LOCAL MUNICIPALITY



## MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 28 February 2014

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## PART 1: THE MONTHLY REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 3. **Reports attached:**

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

## 4. **Supporting tables :**

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

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

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

### **RECOMMENDATION**

#### **It is recommended that the council:**

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

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**Adv ME Ntsoane**

*(Accounting Officer of Thabazimbi Local Municipality)*

**DATE:** \_\_\_\_ / \_\_\_\_ / 2014

## EXECUTIVE SUMMARY

**Table 1 MBRR C1 Monthly Budget Statement Summary – M08 February 2014**

Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	12,076	23,658	16,936	1,375	11,273	15,772	(4,499)	-29%	16,936
Service charges	90,135	133,288	143,314	7,472	59,132	88,535	(29,403)	-33%	143,314
Investment revenue	185	45	45	1	8	30	(22)	-73%	4,600
Transfers recognised - operational	77,521	67,686	67,686	600	36,152	36,152	-		67,686
Other own revenue	32,704	16,706	18,764	2,918	8,117	11,138	(3,021)	-27%	18,764
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>212,621</b>	<b>241,383</b>	<b>246,745</b>	<b>12,365</b>	<b>114,681</b>	<b>151,626</b>	<b>(36,945)</b>	<b>-24%</b>	<b>251,299</b>
Employee costs	75,672	82,900	87,419	8,518	67,448	62,767	4,682	7%	87,419
Remuneration of Councillors	5,692	6,933	7,376	685	4,739	4,622	117	3%	7,376
Depreciation & asset impairment	54,763	16,123	19,873	4,516	36,126	10,749	25,377	236%	19,873
Finance charges	8,675	3,500	3,451	107	541	2,333	(1,792)	-77%	3,451
Materials and bulk purchases	58,571	58,803	58,803	7,727	34,321	37,202	(2,881)	-8%	58,803
Transfers and grants	-	-	-	-	-	-	-		-
Other expenditure	56,413	52,740	53,986	14,179	37,267	29,660	7,607	26%	53,986
<b>Total Expenditure</b>	<b>259,786</b>	<b>220,999</b>	<b>230,908</b>	<b>35,730</b>	<b>180,442</b>	<b>147,333</b>	<b>33,110</b>	<b>22%</b>	<b>230,908</b>
<b>Surplus/(Deficit)</b>	<b>(47,165)</b>	<b>20,384</b>	<b>15,837</b>	<b>(23,365)</b>	<b>(65,761)</b>	<b>4,294</b>	<b>(70,055)</b>	<b>-1632%</b>	<b>20,391</b>
Transfers recognised - capital	42,150	40,019	40,019	-	27,261	27,261	-		40,019
Contributions & Contributed assets	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(5,015)</b>	<b>60,403</b>	<b>55,856</b>	<b>(23,365)</b>	<b>(38,500)</b>	<b>31,555</b>	<b>(70,055)</b>	<b>-222%</b>	<b>60,410</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>(5,015)</b>	<b>60,403</b>	<b>55,856</b>	<b>(23,365)</b>	<b>(38,500)</b>	<b>31,555</b>	<b>(70,055)</b>	<b>-222%</b>	<b>60,410</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>26,448</b>	<b>57,029</b>	<b>58,929</b>	<b>-</b>	<b>17,760</b>	<b>17,760</b>	<b>-</b>		<b>57,029</b>
Capital transfers recognised	24,074	40,019	40,019	-	15,038	15,038	-		40,019
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	2,374	17,010	18,910	-	2,722	2,722	-		17,010
<b>Total sources of capital funds</b>	<b>26,448</b>	<b>57,029</b>	<b>58,929</b>	<b>-</b>	<b>17,760</b>	<b>17,760</b>	<b>-</b>		<b>57,029</b>
<b>Financial position</b>									
Total current assets	59,451	58,423	99,485		86,408				99,485
Total non current assets	105,231	1,639,682	938,083		1,312,290				938,083
Total current liabilities	97,879	71,205	95,855		127,281				95,855
Total non current liabilities	29,162	35,012	46,319		52,042				46,319
<b>Community wealth/Equity</b>	<b>37,641</b>	<b>1,591,887</b>	<b>895,394</b>		<b>1,219,375</b>				<b>895,394</b>
<b>Cash flows</b>									
Net cash from (used) operating	21,759	50,036	50,036	(4,099)	16,515	27,711	(11,196)	-40%	50,036
Net cash from (used) investing	(19,742)	(50,601)	(50,601)	-	(15,104)	(15,245)	140	-1%	(50,601)
Net cash from (used) financing	(670)	9,998	9,998	-	(2,273)	6,665	(8,939)	-134%	9,998
<b>Cash/cash equivalents at the month/year end</b>	<b>5,805</b>	<b>10,788</b>	<b>5,441</b>	<b>-</b>	<b>(5,969)</b>	<b>20,487</b>	<b>(26,456)</b>	<b>-129%</b>	<b>4,326</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	9,612	7,433	3,463	7,651	3,762	109,476	-	-	141,397
<b>Creditors Age Analysis</b>									
Total Creditors	12,152	7,993	14,853	9,989	3,641	3,279	25,511	37,961	115,379

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

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

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

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

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

#### **Deviation from and ratification of minor breaches of procurement process**

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

## MONTHLY BUDGET STATEMENT TABLES

The table below shows monthly financial performance, by revenue source and expenditure item, for the period ended 28 February 2014.

**Table 2 MBRR C2 Monthly Budget Statement - Financial Performance (revenue and expenditure) – M08 February 2014**

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		<b>100,785</b>	<b>100,362</b>	<b>95,606</b>	<b>2,277</b>	<b>51,027</b>	<b>55,630</b>	(4,602)	-8%	<b>95,606</b>
Executive and council		90,729	94,477	87,756	1,375	46,145	50,251	(4,107)	-8%	87,756
Budget and treasury office		8,691	3,646	4,307	873	4,528	3,902	626	16%	4,307
Corporate services		1,365	2,238	3,544	29	354	1,476	(1,122)	-76%	3,544
<b>Community and public safety</b>		<b>4,657</b>	<b>5,235</b>	<b>5,324</b>	<b>1,987</b>	<b>3,228</b>	<b>6,417</b>	(3,189)	-50%	<b>5,324</b>
Community and social services		281	675	714	27	172	183	(11)	-6%	714
Sport and recreation		-	-	-	-	-	1	(1)	-100%	-
Public safety		4,376	4,560	4,610	1,960	3,056	6,233	(3,177)	-51%	4,610
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>567</b>	<b>2,499</b>	<b>2,501</b>	<b>29</b>	<b>294</b>	<b>45</b>	249	556%	<b>2,501</b>
Planning and development		567	2,499	2,501	29	294	45	249	556%	2,501
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>92,429</b>	<b>133,288</b>	<b>143,314</b>	<b>7,472</b>	<b>59,132</b>	<b>88,535</b>	(29,403)	-33%	<b>143,314</b>
Electricity		44,089	53,184	62,026	3,794	32,458	35,456	(2,998)	-8%	62,026
Water		28,517	57,104	53,888	1,859	9,336	38,070	(28,733)	-75%	53,888
Waste water management		11,655	13,612	18,012	1,087	11,502	8,751	2,751	31%	18,012
Waste management		8,168	9,388	9,388	732	5,836	6,259	(423)	-7%	9,388
<b>Other</b>	<b>4</b>	<b>56,332</b>	<b>40,019</b>	<b>40,019</b>	<b>600</b>	<b>28,261</b>	<b>28,261</b>	-	-	<b>40,019</b>
<b>Total Revenue - Standard</b>	<b>2</b>	<b>254,771</b>	<b>281,402</b>	<b>286,764</b>	<b>12,365</b>	<b>141,942</b>	<b>178,887</b>	<b>(36,945)</b>	<b>-21%</b>	<b>286,764</b>
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		<b>77,936</b>	<b>63,898</b>	<b>71,429</b>	<b>7,926</b>	<b>55,844</b>	<b>35,125</b>	20,720	59%	<b>71,429</b>
Executive and council		21,413	22,688	25,566	2,539	19,853	13,791	6,063	44%	25,566
Budget and treasury office		36,374	20,165	23,443	3,046	19,555	8,108	11,448	141%	23,443
Corporate services		20,149	21,045	22,421	2,341	16,436	13,226	3,210	24%	22,421
<b>Community and public safety</b>		<b>16,872</b>	<b>17,590</b>	<b>18,143</b>	<b>2,060</b>	<b>15,511</b>	<b>13,499</b>	2,012	15%	<b>18,143</b>
Community and social services		2,809	5,013	5,564	171	3,239	2,683	555	21%	5,564
Sport and recreation		5,290	1,946	2,839	854	5,541	3,625	1,917	53%	2,839
Public safety		8,773	10,631	9,740	1,035	6,731	7,191	(460)	-6%	9,740
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>53,327</b>	<b>36,143</b>	<b>35,890</b>	<b>10,242</b>	<b>45,662</b>	<b>27,067</b>	18,595	69%	<b>35,890</b>
Planning and development		4,166	6,166	6,400	653	15,392	3,662	11,731	320%	6,400
Road transport		48,808	29,977	29,490	9,562	29,226	22,885	6,341	28%	29,490
Environmental protection		352	-	-	27	1,043	520	523	100%	-
<b>Trading services</b>		<b>111,651</b>	<b>103,368</b>	<b>105,446</b>	<b>15,502</b>	<b>63,425</b>	<b>71,642</b>	(8,217)	-11%	<b>105,446</b>
Electricity		58,744	48,742	48,742	10,418	40,931	34,170	6,762	20%	48,742
Water		30,234	34,478	34,968	2,440	10,403	24,377	(13,974)	-57%	34,968
Waste water management		9,002	7,799	9,387	2,104	7,337	5,200	2,137	41%	9,387
Waste management		13,671	12,349	12,349	541	4,754	7,896	(3,142)	-40%	12,349
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>259,786</b>	<b>220,999</b>	<b>230,908</b>	<b>35,730</b>	<b>180,442</b>	<b>147,333</b>	<b>33,110</b>	<b>22%</b>	<b>230,908</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(5,015)</b>	<b>60,403</b>	<b>55,856</b>	<b>(23,365)</b>	<b>(38,500)</b>	<b>31,555</b>	<b>(70,055)</b>	<b>-222%</b>	<b>55,856</b>

The above table shows financial performance for the period ended 28 February 2014 by standard classification. Details and explanations of the variances reported are given on Table 8 that follows.

Below is a table showing financial performance for the period ended 28 February 2014 categorised by municipal vote. Details of the variances indicated are given on Table 8 that follows.

**Table 3 MBRR C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February 2014**

Vote Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - 100 Political Office Bearers		90,729	88,363	81,641	1,375	46,145	50,251	(4,107)	-8.2%	81,641
Vote 2 - 200 Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - 300 Budget & Treasury		8,691	5,853	6,514	873	4,528	3,902	626	16.1%	6,514
Vote 4 - 400 Corporate Services		1,365	2,238	3,544	29	354	1,476	(1,122)	-76.0%	3,544
Vote 5 - 500 Planning and Development		567	2,499	2,501	29	294	45	249	555.6%	2,501
Vote 6 - 600 Community Services		12,825	19,016	19,105	2,718	9,064	12,675	(3,612)	-28.5%	19,105
Vote 7 - 700 Technical Services		140,593	163,434	173,460	7,341	81,557	110,537	(28,980)	-26.2%	173,460
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>254,771</b>	<b>281,402</b>	<b>286,764</b>	<b>12,365</b>	<b>141,942</b>	<b>178,887</b>	<b>(36,945)</b>	<b>-20.7%</b>	<b>286,764</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - 100 Political Office Bearers		15,576	14,589	15,852	1,970	12,999	9,726	3,272	33.6%	15,852
Vote 2 - 200 Municipal Manager		5,837	6,097	7,712	569	6,855	4,064	2,790	68.7%	7,712
Vote 3 - 300 Budget & Treasury		36,374	12,162	15,440	3,046	19,555	8,108	11,448	141.2%	15,440
Vote 4 - 400 Corporate Services		20,149	19,839	21,214	2,341	16,436	13,226	3,210	24.3%	21,214
Vote 5 - 500 Planning and Development		4,519	6,273	6,507	681	16,436	4,182	12,254	293.0%	6,507
Vote 6 - 600 Community Services		30,543	32,092	32,644	2,601	20,265	21,394	(1,130)	-5.3%	32,644
Vote 7 - 700 Technical Services		146,788	129,947	131,539	24,523	87,897	86,632	1,266	1.5%	131,539
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>259,786</b>	<b>220,999</b>	<b>230,908</b>	<b>35,730</b>	<b>180,442</b>	<b>147,333</b>	<b>33,110</b>	<b>22.5%</b>	<b>230,908</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(5,015)</b>	<b>60,403</b>	<b>55,856</b>	<b>(23,365)</b>	<b>(38,500)</b>	<b>31,555</b>	<b>(70,055)</b>	<b>-222.0%</b>	<b>55,856</b>

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

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

**Table 4 MBRR C4 Monthly Budget Statement - Financial Performance (standard classification) – M08 February 2014**

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		12,076	23,650	16,928	1,375	11,273	15,767	(4,494)	-29%	16,928
Property rates - penalties & collection charges		-	8	8	-	-	5	(5)	-100%	8
Service charges - electricity revenue		43,622	53,184	62,026	3,794	32,458	35,456	(2,998)	-8%	62,026
Service charges - water revenue		26,712	57,104	53,888	1,859	9,336	38,070	(28,733)	-75%	53,888
Service charges - sanitation revenue		11,649	13,612	18,012	1,087	11,502	8,751	2,751	31%	18,012
Service charges - refuse revenue		8,152	9,388	9,388	731	5,835	6,259	(423)	-7%	9,388
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		521	750	1,077	31	256	500	(244)	-49%	1,077
Interest earned - external investments		185	45	45	1	8	30	(22)	-73%	45
Interest earned - outstanding debtors		8,199	4,555	4,555	852	4,436	3,036	1,399	46%	4,555
Dividends received		-	-	-	-	-	-	-	-	-
Fines		1,078	1,026	629	12	193	684	(491)	-72%	629
Licences and permits		1,486	1,889	2,304	1,756	2,457	1,259	1,198	95%	2,304
Agency services		723	1,908	1,908	-	-	1,272	(1,272)	-100%	1,908
Transfers recognised - operational		77,521	67,686	67,686	600	36,152	36,152	-	-	67,686
Other revenue		20,469	6,579	8,292	267	776	4,386	(3,610)	-82%	8,292
Gains on disposal of PPE		228	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>212,621</b>	<b>241,383</b>	<b>246,745</b>	<b>12,365</b>	<b>114,681</b>	<b>151,626</b>	<b>(36,945)</b>	<b>-24%</b>	<b>246,745</b>
<b>Expenditure By Type</b>										
Employee related costs		75,672	82,900	87,419	8,518	67,448	62,767	4,682	7%	87,419
Remuneration of councillors		5,692	6,933	7,376	685	4,739	4,622	117	3%	7,376
Debt impairment		6,979	2,000	2,000	-	-	1,333	(1,333)	-100%	2,000
Depreciation & asset impairment		54,763	16,123	19,873	4,516	36,126	10,749	25,377	236%	19,873
Finance charges		8,675	3,500	3,451	107	541	2,333	(1,792)	-77%	3,451
Bulk purchases		58,571	58,803	58,803	7,727	34,321	37,202	(2,881)	-8%	58,803
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		10,403	8,893	9,501	377	1,224	2,428	(1,204)	-50%	9,501
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		39,031	41,847	42,485	13,802	36,043	25,898	10,145	39%	42,485
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>259,786</b>	<b>220,999</b>	<b>230,908</b>	<b>35,730</b>	<b>180,442</b>	<b>147,333</b>	<b>33,110</b>	<b>22%</b>	<b>230,908</b>
<b>Surplus/(Deficit)</b>										
		<b>(47,165)</b>	<b>20,384</b>	<b>15,837</b>	<b>(23,365)</b>	<b>(65,761)</b>	<b>4,294</b>	<b>(70,055)</b>	<b>(0)</b>	<b>15,837</b>
Transfers recognised - capital		42,150	40,019	40,019	-	27,261	27,261	-	-	40,019
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(5,015)</b>	<b>60,403</b>	<b>55,856</b>	<b>(23,365)</b>	<b>(38,500)</b>	<b>31,555</b>			<b>55,856</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(5,015)</b>	<b>60,403</b>	<b>55,856</b>	<b>(23,365)</b>	<b>(38,500)</b>	<b>31,555</b>			<b>55,856</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(5,015)</b>	<b>60,403</b>	<b>55,856</b>	<b>(23,365)</b>	<b>(38,500)</b>	<b>31,555</b>			<b>55,856</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(5,015)</b>	<b>60,403</b>	<b>55,856</b>	<b>(23,365)</b>	<b>(38,500)</b>	<b>31,555</b>			<b>55,856</b>

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

**Table 5 MBRR C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) – M08 February 2014**

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	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 -		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	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	10,350	-	594	594	-	-	8,450
Vote 5 - 500 Planning and Development		-	-	-	-	-	-	-	-	-
Vote 6 - 600 Community Services		209	8,160	8,160	-	2,611	2,611	-	-	8,160
Vote 7 - 700 Technical Services		23,865	37,819	37,819	-	14,427	14,427	-	-	37,819
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	26,448	57,029	58,929	-	17,760	17,760	-	-	57,029
<b>Total Capital Expenditure</b>		<b>26,448</b>	<b>57,029</b>	<b>58,929</b>	<b>-</b>	<b>17,760</b>	<b>17,760</b>	<b>-</b>	<b>-</b>	<b>57,029</b>
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		2,374	11,050	12,950	-	722	722	-	-	11,050
Executive and council		-	100	100	-	98	98	-	-	100
Budget and treasury office		-	2,500	2,500	-	30	30	-	-	2,500
Corporate services		2,374	8,450	10,350	-	594	594	-	-	8,450
<b>Community and public safety</b>		209	6,160	6,160	-	2,611	2,611	-	-	6,160
Community and social services		209	2,100	2,100	-	125	125	-	-	2,100
Sport and recreation		-	4,000	4,000	-	2,486	2,486	-	-	4,000
Public safety		-	60	60	-	-	-	-	-	60
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		6,944	1,819	1,819	-	1,582	1,582	-	-	1,819
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		6,944	1,819	1,819	-	1,582	1,582	-	-	1,819
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		16,921	38,000	38,000	-	12,845	12,845	-	-	38,000
Electricity		1,623	1,500	1,500	-	-	-	-	-	1,500
Water		-	-	-	-	-	-	-	-	-
Waste water management		15,298	34,500	34,500	-	12,845	12,845	-	-	34,500
Waste management		-	2,000	2,000	-	-	-	-	-	2,000
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	3	<b>26,448</b>	<b>57,029</b>	<b>58,929</b>	<b>-</b>	<b>17,760</b>	<b>17,760</b>	<b>-</b>	<b>-</b>	<b>57,029</b>
<b>Funded by:</b>										
National Government		24,074	40,019	40,019	-	15,038	15,038	-	-	40,019
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>24,074</b>	<b>40,019</b>	<b>40,019</b>	<b>-</b>	<b>15,038</b>	<b>15,038</b>	<b>-</b>	<b>-</b>	<b>40,019</b>
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		2,374	17,010	18,910	-	2,722	2,722	-	-	17,010
<b>Total Capital Funding</b>		<b>26,448</b>	<b>57,029</b>	<b>58,929</b>	<b>-</b>	<b>17,760</b>	<b>17,760</b>	<b>-</b>	<b>-</b>	<b>57,029</b>

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

**Table 6 MBRR C 6: Financial Position as at 28 February 2014**

Description	Ref	2012/13	Budget Year 2013/14			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		5,628	5,441	1,941	–	1,941
Call investment deposits		221	2,625	2,625	2,825	2,625
Consumer debtors		50,462	47,000	91,450	78,101	91,450
Other debtors		1,342	–	23	–	23
Current portion of long-term receivables		–	–	–	–	–
Inventory		1,798	3,357	3,447	5,481	3,447
<b>Total current assets</b>		<b>59,451</b>	<b>58,423</b>	<b>99,485</b>	<b>86,408</b>	<b>99,485</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		0	–	–	–	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		105,127	1,639,682	936,348	1,310,996	936,348
Agricultural		0	–	–	–	–
Biological assets		–	–	610	–	610
Intangible assets		104	–	1,125	1,294	1,125
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>105,231</b>	<b>1,639,682</b>	<b>938,083</b>	<b>1,312,290</b>	<b>938,083</b>
<b>TOTAL ASSETS</b>		<b>164,682</b>	<b>1,698,105</b>	<b>1,037,569</b>	<b>1,398,698</b>	<b>1,037,569</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	5,969	–
Borrowing		2,377	2,350	–	10	–
Consumer deposits		3,233	3,348	3,348	3,518	3,348
Trade and other payables		78,319	21,049	48,049	115,379	48,049
Provisions		13,950	44,458	44,458	2,405	44,458
<b>Total current liabilities</b>		<b>97,879</b>	<b>71,205</b>	<b>95,855</b>	<b>127,281</b>	<b>95,855</b>
<b>Non current liabilities</b>						
Borrowing		4,121	3,490	5,840	5,826	5,840
Provisions		25,041	31,523	40,480	46,217	40,480
<b>Total non current liabilities</b>		<b>29,162</b>	<b>35,012</b>	<b>46,319</b>	<b>52,042</b>	<b>46,319</b>
<b>TOTAL LIABILITIES</b>		<b>127,041</b>	<b>106,218</b>	<b>142,175</b>	<b>179,323</b>	<b>142,175</b>
<b>NET ASSETS</b>	2	<b>37,641</b>	<b>1,591,887</b>	<b>895,394</b>	<b>1,219,375</b>	<b>895,394</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		37,641	1,591,887	895,394	1,219,375	895,394
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>37,641</b>	<b>1,591,887</b>	<b>895,394</b>	<b>1,219,375</b>	<b>895,394</b>

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

Despite the slight improvement in collection rates, due to improved debt collection strategies, interest on outstanding balances on various accounts continue to increase the debtor's book. Receivables have increased

due to capitalisation of interest rather than non payment of current services, current collection rates approximates above 75% on average. This has a direct knock-on effect on our efficiency to service our creditors in the short to medium term.

**Table 7 MBRR C7 Monthly Budget Statement - Cash Flow – M08 February 2014**

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		120,756	150,825	150,825	7,669	87,080	100,550	(13,470)	-13%	150,825
Government - operating		55,801	63,569	63,569	600	36,152	36,152	-		63,569
Government - capital		23,685	40,019	40,019	-	27,261	27,261	-		40,019
Interest		228	-	-	-	-	-	-		-
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(174,670)	(203,375)	(203,375)	(12,367)	(133,231)	(135,583)	(2,353)	2%	(203,375)
Finance charges		(4,041)	(1,002)	(1,002)	(1)	(747)	(668)	79	-12%	(1,002)
Transfers and Grants		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>21,759</b>	<b>50,036</b>	<b>50,036</b>	<b>(4,099)</b>	<b>16,515</b>	<b>27,711</b>	<b>(11,196)</b>	<b>-40%</b>	<b>50,036</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		180	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		310	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	6,428	6,428	-	-	4,285	(4,285)	-100%	6,428
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(20,232)	(57,029)	(57,029)	-	(15,104)	(19,530)	(4,426)	23%	(57,029)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(19,742)</b>	<b>(50,601)</b>	<b>(50,601)</b>	<b>-</b>	<b>(15,104)</b>	<b>(15,245)</b>	<b>(140)</b>	<b>1%</b>	<b>(50,601)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		498	15,000	15,000	-	-	10,000	(10,000)	-100%	15,000
Increase (decrease) in consumer deposits		128	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		(1,297)	(5,002)	(5,002)	-	(2,273)	(3,335)	(1,061)	32%	(5,002)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(670)</b>	<b>9,998</b>	<b>9,998</b>	<b>-</b>	<b>(2,273)</b>	<b>6,665</b>	<b>8,939</b>	<b>134%</b>	<b>9,998</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1,347</b>	<b>9,433</b>	<b>9,433</b>	<b>(4,099)</b>	<b>(862)</b>	<b>19,132</b>			<b>9,433</b>
Cash/cash equivalents at beginning:		4,458	1,355	(3,992)		(5,107)	1,355			(5,107)
Cash/cash equivalents at month/year end:		5,805	10,788	5,441		(5,969)	20,487			4,326

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 – M08 February 2014**

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
<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>
<b>Expenditure By Type</b>			
<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>
<b>Capital Expenditure</b>			
<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 - M08 February 2014**

Description of financial indicator	Basis of calculation	Ref	2012/13	Budget Year 2013/14			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.8%	8.9%	10.1%	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%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		225.3%	1.7%	6.0%	10.4%	6.0%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	60.7%	82.0%	103.8%	67.9%	103.8%
Liquidity Ratio	Monetary Assets/Current Liabilities		6.0%	11.3%	4.8%	2.2%	4.8%
<b><u>Revenue Management</u></b>							
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%	37.1%	68.1%	37.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		60.0%	95.0%	70.0%	45.0%	80.0%
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
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%	35.4%	58.8%	35.4%
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%	9.5%	0.5%	4.4%
<b><u>IDP regulation financial viability indicators</u></b>							
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 –M08 February 2014**

Description	NT Code	Budget Year 2013/14									Total over 90 days	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			
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	2,252	4,771	700	5,172	987	30,140	-	-	44,021	36,298		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,193	1,406	419	368	657	4,421	-	-	10,464	5,446		
Receivables from Non-exchange Transactions - Property Rates	1400	1,360	897	540	476	443	9,468	-	-	13,184	10,387		
Receivables from Exchange Transactions - Waste Water Management	1500	1,026	671	448	615	384	11,007	-	-	14,150	12,005		
Receivables from Exchange Transactions - Waste Management	1600	676	434	300	286	257	7,968	-	-	9,920	8,510		
Receivables from Exchange Transactions - Property Rental Debtors	1700	27	13	11	10	9	2,263	-	-	2,333	2,281		
Interest on Arrear Debtor Accounts	1810	874	794	958	821	798	10,362	-	-	14,607	11,981		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	204	(1,552)	86	(96)	228	33,849	-	-	32,719	33,981		
<b>Total By Income Source</b>	<b>2000</b>	<b>9,612</b>	<b>7,433</b>	<b>3,463</b>	<b>7,651</b>	<b>3,762</b>	<b>109,476</b>	<b>-</b>	<b>-</b>	<b>141,397</b>	<b>120,889</b>	<b>-</b>	<b>-</b>
<b>2012/13 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	344	222	55	82	175	8,283	-	-	9,161	8,541		
Commercial	2300	1,817	541	310	11	525	5,093	-	-	8,298	5,630		
Households	2400	4,722	3,119	2,267	6,717	2,209	80,446	-	-	99,480	89,371		
Other	2500	2,729	3,552	830	841	853	15,654	-	-	24,458	17,347		
<b>Total By Customer Group</b>	<b>2600</b>	<b>9,612</b>	<b>7,433</b>	<b>3,463</b>	<b>7,651</b>	<b>3,762</b>	<b>109,476</b>	<b>-</b>	<b>-</b>	<b>141,397</b>	<b>120,889</b>	<b>-</b>	<b>-</b>

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 – M08 February 2014**

Description	NT Code	Budget Year 2013/14									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
<b>R thousands</b>												
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	-	1,500	519	1,500	1,500	1,500	19,398	30,000	55,917	-	
Bulk Water	0200	-	1,857	1,488	1,217	1,407	1,777	3,761	-	11,508	-	
PAYE deductions	0300	956	1,211	-	-	-	-	-	-	2,168	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	363	-	-	-	-	-	-	363	-	
Trade Creditors	0700	11,196	3,061	12,313	7,272	734	1	2,352	7,961	44,891	-	
Auditor General	0800	-	-	533	-	-	-	-	-	533	-	
Other	0900	-	-	-	-	-	-	-	-	-	-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>12,152</b>	<b>7,993</b>	<b>14,853</b>	<b>9,989</b>	<b>3,641</b>	<b>3,279</b>	<b>25,511</b>	<b>37,961</b>	<b>115,379</b>	<b>-</b>	

**Table 12 MBRR SC5 Monthly Budget Statement - investment portfolio – M08 February 2014**

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

**Table 13 MBRR SC6 Monthly Budget Statement - transfers and grant receipts – M08 February 2014**

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
National Government:		55,658	63,569	63,569	20,643	35,872	35,872	-		63,569
Local Government Equitable Share		52,832	60,129	60,129	20,043	32,432	32,432	-		60,129
Finance Management		1,500	1,550	890	-	1,550	1,550			890
Municipal Systems Improvement		790	890	1,550	-	890	890			1,550
EPWP Incentive		536	1,000	1,000	600	1,000	1,000			1,000
		-	-	-	-	-	-			-
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		945	4,117	4,117	-	280	1,715	(1,435)	-83.7%	4,117
Waterberg District Fire Subsidy		713	2,117	2,117	-	190	882	(692)	-78.5%	2,117
LG SETA		232	2,000	2,000	-	90	833	(743)	-89.2%	2,000
Other grant providers:		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
<b>Total Operating Transfers and Grants</b>	5	56,603	67,686	67,686	20,643	36,152	37,587	(1,435)	-3.8%	67,686
<b>Capital Transfers and Grants</b>										
National Government:		22,474	40,019	40,019	-	27,261	27,261	-		40,019
Municipal Infrastructure Grant (MIG)		22,474	40,019	40,019	-	27,261	27,261	-		40,019
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
<b>Total Capital Transfers and Grants</b>	5	22,474	40,019	40,019	-	27,261	27,261	-		40,019
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	79,077	107,705	107,705	20,643	63,413	64,848	(1,435)	-2.2%	107,705

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

**Table 14: Transfers and Grants expenditure-M08 February 2014**

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		55,658	63,569	63,569	222	35,043	34,725	318	0.9%	63,569
Local Government Equitable Share		52,832	60,129	60,129	-	32,432	32,432	-		60,129
Finance Management		1,500	1,550	1,550	72	1,201	1,033	168	16.3%	1,550
Municipal Systems Improvement		790	890	890	-	890	593	297	50.0%	890
EPWP Incentive		536	1,000	1,000	151	520	667	(147)	-22.0%	1,000
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		945	4,117	4,117	-	280	2,745	(2,465)	-89.8%	4,117
Waterberg District Fire Subsidy		713	2,117	2,117	-	190	1,411	(1,222)	-86.6%	2,117
LG SETA		232	2,000	2,000	-	90	1,333	(1,243)	-93.2%	2,000
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
<b>Total operating expenditure of Transfers and Grants:</b>		56,603	67,686	67,686	222	35,323	37,470	(2,147)	-5.7%	67,686
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		22,474	40,019	40,019	-	15,038	15,038	-		40,019
Municipal Infrastructure Grant (MIG)		22,474	40,019	40,019	-	15,038	15,038	-		40,019
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
<b>Total capital expenditure of Transfers and Grants</b>		22,474	40,019	40,019	-	15,038	15,038	-		40,019
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		79,077	107,705	107,705	222	50,362	52,508	(2,147)	-4.1%	107,705

**Table 15 MBRR SC8 Monthly Budget Statement – Councillors and Employee Benefits – M08 February 2014**

Summary of Employee and Councillor remuneration	Ref	Budget Year 2013/14								
		2012/13 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		4,098	4,373	4,373	358	2,741	2,915	(174)	-6%	4,373
Pension and UIF Contributions		252	530	561	47	374	374	(0)	0%	530
Medical Aid Contributions		121	302	302	8	63	201	(138)	-69%	302
Motor Vehicle Allowance		1,537	1,247	1,344	112	896	896	(0)	0%	1,247
Cellphone Allowance		303	289	289	22	157	193	(36)	-19%	289
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		207	193	509	138	510	339	171	50%	193
<b>Sub Total - Councillors</b>		<b>6,516</b>	<b>6,934</b>	<b>7,377</b>	<b>685</b>	<b>4,739</b>	<b>4,918</b>	<b>(178)</b>	<b>-4%</b>	<b>6,934</b>
<b>% increase</b>	4		<b>6.4%</b>	<b>13.2%</b>						<b>6.4%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4,608	5,576	7,839	686	5,368	5,226	142	3%	5,576
Pension and UIF Contributions		-	-	426	38	301	284	17	6%	-
Medical Aid Contributions		21	-	99	17	169	66	103	155%	-
Overtime		-	-	132	88	109	88	21	24%	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		928	1,000	1,000	107	742	667	75	11%	1,000
Cellphone Allowance		44	16	24	-	-	16	(16)	-100%	16
Housing Allowances		-	-	7	-	-	4	(4)	-100%	-
Other benefits and allowances		41	59	(1,261)	103	354	(841)	1,195	-142%	59
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>5,642</b>	<b>6,652</b>	<b>8,264</b>	<b>1,039</b>	<b>7,043</b>	<b>5,509</b>	<b>1,534</b>	<b>28%</b>	<b>6,652</b>
<b>% increase</b>	4		<b>17.9%</b>	<b>46.5%</b>						<b>17.9%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		43,917	43,990	51,185	5,705	38,924	34,123	4,801	14%	43,990
Pension and UIF Contributions		10,222	10,669	10,724	856	6,238	7,150	(911)	-13%	10,669
Medical Aid Contributions		2,838	2,709	2,886	252	1,854	1,924	(71)	-4%	2,709
Overtime		2,701	3,145	3,746	325	2,628	2,498	130	5%	3,145
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3,456	9,052	9,150	353	2,413	6,100	(3,687)	-60%	9,052
Cellphone Allowance		240	264	278	21	153	185	(33)	-18%	264
Housing Allowances		49	75	85	5	42	57	(15)	-26%	75
Other benefits and allowances		4,256	6,476	7,822	(39)	3,874	5,215	(1,341)	-26%	6,476
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		3,623	821	821	-	-	547	(547)	-100%	821
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>71,302</b>	<b>77,199</b>	<b>86,698</b>	<b>7,479</b>	<b>56,125</b>	<b>57,799</b>	<b>(1,674)</b>	<b>-3%</b>	<b>77,199</b>
<b>% increase</b>	4		<b>8.3%</b>	<b>21.6%</b>						<b>8.3%</b>
<b>Total Parent Municipality</b>		<b>83,460</b>	<b>90,785</b>	<b>102,339</b>	<b>9,202</b>	<b>67,908</b>	<b>68,226</b>	<b>(318)</b>	<b>0%</b>	<b>90,785</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Board Members of Entities</b>										
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		-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4									
<b>Senior Managers of Entities</b>										
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		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4									
<b>Other Staff of Entities</b>										
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		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>83,460</b>	<b>90,785</b>	<b>102,339</b>	<b>9,202</b>	<b>67,908</b>	<b>68,226</b>	<b>(318)</b>	<b>0%</b>	<b>90,785</b>
<b>% increase</b>	4		<b>8.8%</b>	<b>22.6%</b>						<b>8.8%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>76,944</b>	<b>83,851</b>	<b>94,962</b>	<b>8,518</b>	<b>63,168</b>	<b>63,308</b>	<b>(140)</b>	<b>0%</b>	<b>83,851</b>

**Table 17 MBRR SC12 Monthly Budget Statement - capital expenditure trend – M08 February 2014**

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

## Other supporting documents

**Table 18 MBRR SC13a Monthly Budget Statement - capital expenditure on new assets by asset class – M08 February 2014**

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		23,865	39,700	39,700	-	14,427	14,427	-		39,700
Infrastructure - Road transport		6,944	-	-	-	1,582	1,582	-		-
<i>Roads, Pavements &amp; Bridges</i>		6,944	-	-	-	1,582	1,582	-		-
<i>Storm water</i>		-	-	-	-	-	-	-		-
Infrastructure - Electricity		1,623	2,500	2,500	-	-	-	-		2,500
<i>Generation</i>		-	2,500	2,500	-	-	-	-		2,500
<i>Transmission &amp; Reticulation</i>		1,623	-	-	-	-	-	-		-
<i>Street Lighting</i>		-	-	-	-	-	-	-		-
Infrastructure - Water		-	1,500	1,500	-	-	-	-		1,500
<i>Dams &amp; Reservoirs</i>		-	-	-	-	-	-	-		-
<i>Water purification</i>		-	-	-	-	-	-	-		-
<i>Reticulation</i>		-	1,500	1,500	-	-	-	-		1,500
Infrastructure - Sanitation		15,298	34,500	34,500	-	12,845	12,845	-		34,500
<i>Reticulation</i>		15,298	34,500	34,500	-	12,845	12,845	-		34,500
<i>Sewerage purification</i>		-	-	-	-	-	-	-		-
Infrastructure - Other		-	1,200	1,200	-	-	-	-		1,200
<i>Waste Management</i>		-	1,200	1,200	-	-	-	-		1,200
<i>Transportation</i>		-	-	-	-	-	-	-		-
<i>Gas</i>		-	-	-	-	-	-	-		-
<i>Other</i>		-	-	-	-	-	-	-		-
<b>Community</b>		-	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		-	-	-	-	-	-	-		-
<b>Heritage assets</b>		-	-	-	-	-	-	-		-
<b>Investment properties</b>		-	-	-	-	-	-	-		-
Housing development		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
<b>Other assets</b>		2,583	7,450	9,350	-	3,333	3,333	-		7,450
General vehicles		750	-	-	-	-	-	-		-
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment		190	-	-	-	351	351	-		-
Computers - hardware/equipment		333	450	450	-	496	496	-		450
Furniture and other office equipment		100	-	-	-	-	-	-		-
Abattoirs		-	-	-	-	-	-	-		-
Markets		-	-	-	-	-	-	-		-
Civic Land and Buildings		1,210	5,000	6,900	-	-	-	-		5,000
Other Buildings		-	-	-	-	-	-	-		-
Other Land		-	2,000	2,000	-	2,486	2,486	-		2,000
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
<b>Agricultural assets</b>		-	-	-	-	-	-	-		-
<b>Biological assets</b>		-	-	-	-	-	-	-		-
<b>Intangibles</b>		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure on new assets</b>	1	26,448	47,210	49,110	-	17,760	17,760	-		47,210

**Table 19MBRRSC 13c Expenditure on repairs and maintenance by asset class-M08 February 2014**

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

**Table 20: -Deviations from supply chain policy-M08 February 2014**

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

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

**Quality certificate**

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I, *ME Ntsoane*, the Municipal Manager of Thabazimbi Local Municipality, hereby certify that the Monthly budget statement for the period ended 28 February 2014 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

*Advocate. ME Ntsoane*

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Municipal manager of Thabazimbi Local Municipality (LIM361)

**Signature**.....

**Date**.....

*End of report*