

THABAZIMBI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 30 June 2014

TABLE OF CONTENTS

PART 1 - THE IN-YEAR REPORT

- Executive summary 7
- Monthly budget statement tables 9

PART 2 – SUPPORTING DOCUMENTATION

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

MUNICIPAL MANAGER’S QUALITY CERTIFICATION 25

LIST OF TABLES AND FIGURES

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

PART 1: THE MONTHLY REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. **Reports attached:**

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

4. **Supporting tables :**

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

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

The deviations from, and ratification of minor breaches of the procurement process for the year 2013/14 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;

MR C.G BOOYSEN

(Accounting Officer of Thabazimbi Local Municipality)

DATE: ____ / ____ / **2014**

EXECUTIVE SUMMARY

Table 1 MBRR C1 Quarterly Budget Statement Summary – M12 June 2014

Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	12,076	23,658	16,936	1,366	16,711	16,936	(225)	-1%	16,936
Service charges	90,135	133,288	143,314	5,601	95,539	143,314	(47,775)	-33%	143,314
Investment revenue	185	45	45	-	8	45	(37)	-82%	4,600
Transfers recognised - operational	77,521	67,686	67,686	-	51,184	67,295	(16,111)	-24%	67,686
Other own revenue	32,704	16,706	18,764	1,103	12,483	18,764	(6,280)	-33%	18,764
Total Revenue (excluding capital transfers and contributions)	212,621	241,383	246,745	8,070	175,925	246,354	(70,429)	-29%	251,299
Employee costs	75,672	82,900	87,419	9,431	100,279	87,419	12,860	15%	87,419
Remuneration of Councillors	5,692	6,933	7,376	738	7,915	7,376	539	7%	7,376
Depreciation & asset impairment	54,763	16,123	19,873	4,516	54,188	19,873	34,315	173%	19,873
Finance charges	8,675	3,500	3,451	1,041	1,430	3,451	(2,021)	-59%	3,451
Materials and bulk purchases	58,571	58,803	58,803	12,956	57,098	58,803	(1,705)	-3%	58,803
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	56,413	52,740	53,986	9,431	38,782	53,986	(15,204)	-28%	53,986
Total Expenditure	259,786	220,999	230,908	38,112	259,692	230,908	28,784	12%	230,908
Surplus/(Deficit)	(47,165)	20,384	15,837	(30,042)	(83,768)	15,446	(99,214)	-642%	20,391
Transfers recognised - capital	42,150	40,019	40,019	-	27,261	40,019	(12,758)	-32%	40,019
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(5,015)	60,403	55,856	(30,042)	(56,507)	55,465	(111,972)	-202%	60,410
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(5,015)	60,403	55,856	(30,042)	(56,507)	55,465	(111,972)	-202%	60,410
Capital expenditure & funds sources									
Capital expenditure	26,448	57,029	58,929	-	17,760	58,929	(41,169)	-70%	57,029
Capital transfers recognised	24,074	40,019	40,019	-	8,412	40,019	(31,607)	-79%	40,019
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	2,374	17,010	18,910	-	9,348	18,910	(9,562)	-51%	17,010
Total sources of capital funds	26,448	57,029	58,929	-	17,760	58,929	(41,169)	-70%	57,029
Financial position									
Total current assets	59,451	58,423	99,485		94,476				99,485
Total non current assets	105,231	1,639,682	938,083		1,322,503				938,083
Total current liabilities	97,879	71,205	95,855		163,655				95,855
Total non current liabilities	29,162	35,012	46,319		53,139				46,319
Community wealth/Equity	37,641	1,591,887	895,394		1,200,185				895,394
Cash flows									
Net cash from (used) operating	21,759	50,036	50,036	(2,301)	21,141	50,036	(28,895)	-58%	50,036
Net cash from (used) investing	(19,742)	(50,601)	(50,601)	-	(15,104)	(50,601)	35,497	-70%	(50,601)
Net cash from (used) financing	(670)	9,998	(5,002)	-	(2,636)	(5,002)	2,366	-47%	9,998
Cash/cash equivalents at the month/year end	5,805	10,788	(9,559)	-	(1,682)	(4,212)	2,530	-60%	4,350
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	6,604	6,683	4,388	7,001	3,192	122,814	-	-	150,682
Creditors Age Analysis									
Total Creditors	39,488	6,916	12,009	16,439	8,392	5,766	23,045	43,939	155,994

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 R175.9 million against a target of R246.3 million. This is equivalent to an underachievement of R70.4 million or 29%. Expenditure incurred year to date amounts R259.6 million excluding capital expenditure. A total percentage variance of approximately 12% results in an operating deficit of R28.7 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 million which is as per the National Treasury payment schedule for 2013/14 financial year. The municipality need to apply for roll over for unspent MIG funds before end of August. It must be noted that the unspent funds received were misused and the municipality would need to come up with a plan to refund the registered projects internally. 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 June 2014 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 June 2014.

Table 2 MBRR C2 Monthly Budget Statement - Financial Performance (revenue and expenditure) – M12 June 2014

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		100,785	100,362	95,606	2,360	75,246	91,375	(16,129)	-18%	95,606
Executive and council		90,729	94,477	87,756	1,366	66,615	81,641	(15,026)	-18%	87,756
Budget and treasury office		8,691	3,646	4,307	954	8,162	6,514	1,648	25%	4,307
Corporate services		1,365	2,238	3,544	40	469	3,220	(2,751)	-85%	3,544
<i>Community and public safety</i>		4,657	5,235	5,324	(16)	3,654	9,717	(6,062)	-62%	5,324
Community and social services		281	675	714	31	274	314	(40)	-13%	714
Sport and recreation		-	-	-	-	-	4	(4)	-100%	-
Public safety		4,376	4,560	4,610	(47)	3,381	9,399	(6,019)	-64%	4,610
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		567	2,499	2,501	124	486	2,434	(1,948)	-80%	2,501
Planning and development		567	2,499	2,501	124	486	2,434	(1,948)	-80%	2,501
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		92,429	133,288	143,314	5,601	95,539	142,829	(47,290)	-33%	143,314
Electricity		44,089	53,184	62,026	3,590	47,239	62,026	(14,786)	-24%	62,026
Water		28,517	57,104	53,888	2,954	22,893	53,888	(30,995)	-58%	53,888
Waste water management		11,655	13,612	18,012	(1,666)	13,078	17,527	(4,449)	-25%	18,012
Waste management		8,168	9,388	9,388	724	12,328	9,388	2,940	31%	9,388
<i>Other</i>	4	56,332	40,019	40,019	0	28,261	40,019	(11,758)	-29%	40,019
Total Revenue - Standard	2	254,771	281,402	286,764	8,070	203,186	286,373	(83,187)	-29%	286,764
Expenditure - Standard										
<i>Governance and administration</i>		77,936	63,898	71,429	10,968	89,360	60,218	29,142	48%	71,429
Executive and council		21,413	22,688	25,566	2,782	30,704	23,564	7,140	30%	25,566
Budget and treasury office		36,374	20,165	23,443	4,920	30,890	15,440	15,451	100%	23,443
Corporate services		20,149	21,045	22,421	3,266	27,766	21,214	6,552	31%	22,421
<i>Community and public safety</i>		16,872	17,590	18,143	3,010	25,591	22,770	2,821	12%	18,143
Community and social services		2,809	5,013	5,564	1,113	6,002	6,545	(543)	-8%	5,564
Sport and recreation		5,290	1,946	2,839	582	7,787	6,330	1,457	23%	2,839
Public safety		8,773	10,631	9,740	1,314	11,802	9,895	1,907	19%	9,740
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		53,327	36,143	35,890	6,641	48,031	40,348	7,682	19%	35,890
Planning and development		4,166	6,166	6,400	500	5,447	5,724	(277)	-5%	6,400
Road transport		48,808	29,977	29,490	6,112	42,195	33,841	8,354	25%	29,490
Environmental protection		352	-	-	29	388	783	(395)	-50%	-
<i>Trading services</i>		111,651	103,368	105,446	17,493	96,710	107,571	(10,861)	-10%	105,446
Electricity		58,744	48,742	48,742	12,245	59,508	51,255	8,253	16%	48,742
Water		30,234	34,478	34,968	3,869	21,079	37,055	(15,977)	-43%	34,968
Waste water management		9,002	7,799	9,387	705	8,993	9,387	(394)	-4%	9,387
Waste management		13,671	12,349	12,349	674	7,131	9,874	(2,743)	-28%	12,349
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	259,786	220,999	230,908	38,112	259,692	230,908	28,784	12%	230,908
Surplus/(Deficit) for the year		(5,015)	60,403	55,856	(30,042)	(56,507)	55,465	(111,972)	-202%	55,856

The above table shows financial performance for the period ended 30 June 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 30 June 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) - M12 June 2014

Vote Description	Ref	Budget Year 2013/14								
		2012/13 Au dited 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	81,641	1,366	66,615	81,641	(15,026)	-18.4%	81,641
Vote 2 - 200 Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - 300 Budget & Treasury		8,691	5,853	6,514	954	8,162	6,514	1,648	25.3%	6,514
Vote 4 - 400 Corporate Services		1,365	2,238	3,544	40	469	3,220	(2,751)	-85.4%	3,544
Vote 5 - 500 Planning and Development		567	2,499	2,501	124	486	2,434	(1,948)	-80.0%	2,501
Vote 6 - 600 Community Services		12,825	19,016	19,105	708	15,982	19,105	(3,122)	-16.3%	19,105
Vote 7 - 700 Technical Services		140,593	163,434	173,460	4,877	111,472	173,460	(61,988)	-35.7%	173,460
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	286,764	8,070	203,186	286,373	(83,187)	-29.0%	286,764
Expenditure by Vote	1									
Vote 1 - 100 Political Office Bearers		15,576	14,589	15,852	1,565	19,542	15,852	3,691	23.3%	15,852
Vote 2 - 200 Municipal Manager		5,837	6,097	7,712	1,217	11,162	7,712	3,450	44.7%	7,712
Vote 3 - 300 Budget & Treasury		36,374	12,162	15,440	4,920	30,890	15,440	15,451	100.1%	15,440
Vote 4 - 400 Corporate Services		20,149	19,839	21,214	3,266	27,766	21,214	6,552	30.9%	21,214
Vote 5 - 500 Planning and Development		4,519	6,273	6,507	529	5,835	6,507	(672)	-10.3%	6,507
Vote 6 - 600 Community Services		30,543	32,092	32,644	3,683	32,722	32,644	78	0.2%	32,644
Vote 7 - 700 Technical Services		146,788	129,947	131,539	22,931	131,775	131,539	236	0.2%	131,539
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	230,908	38,112	259,692	230,908	28,784	12.5%	230,908
Surplus/(Deficit) for the year	2	(5,015)	60,403	55,856	(30,042)	(56,507)	55,465	(111,972)	-201.9%	55,856

An aggregate negative variance of 29% 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 12.5% on operating expenditure over the first month of the fourth 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 fourth quarter has been incorporated onto the financial reporting system.

Table 4 MBRR C4 Monthly Budget Statement - Financial Performance (standard classification) – M12 June 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
R thousands										
Revenue By Source										
Property rates		12,076	23,650	16,928	1,366	16,711	16,928	(217)	-1%	16,928
Property rates - penalties & collection charges		-	8	8	-	-	8	(8)	-100%	8
Service charges - electricity revenue		43,622	53,184	62,026	3,590	47,239	62,026	(14,786)	-24%	62,026
Service charges - water revenue		26,712	57,104	53,888	2,954	22,893	53,888	(30,995)	-58%	53,888
Service charges - sanitation revenue		11,649	13,612	18,012	(1,666)	13,078	18,012	(4,934)	-27%	18,012
Service charges - refuse revenue		8,152	9,388	9,388	724	12,328	9,388	2,940	31%	9,388
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		521	750	1,077	32	380	1,077	(696)	-65%	1,077
Interest earned - external investments		185	45	45	-	8	45	(37)	-82%	45
Interest earned - outstanding debtors		8,199	4,555	4,555	930	7,986	4,555	3,431	75%	4,555
Dividends received		-	-	-	-	-	-	-	-	-
Fines		1,078	1,026	629	66	441	629	(188)	-30%	629
Licences and permits		1,486	1,889	2,304	0	2,464	2,304	160	7%	2,304
Agency services		723	1,908	1,908	-	-	1,908	(1,908)	-100%	1,908
Transfers recognised - operational		77,521	67,686	67,686	-	51,184	67,295	(16,111)	-24%	67,686
Other revenue		20,469	6,579	8,292	74	1,213	8,292	(7,079)	-85%	8,292
Gains on disposal of PPE		228	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		212,621	241,383	246,745	8,070	175,925	246,354	(70,429)	-29%	246,745
Expenditure By Type										
Employee related costs		75,672	82,900	87,419	9,431	100,279	87,419	12,860	15%	87,419
Remuneration of councillors		5,692	6,933	7,376	738	7,915	7,376	539	7%	7,376
Debt impairment		6,979	2,000	2,000	-	-	2,000	(2,000)	-100%	2,000
Depreciation & asset impairment		54,763	16,123	19,873	4,516	54,188	19,873	34,315	173%	19,873
Finance charges		8,675	3,500	3,451	1,041	1,430	3,451	(2,021)	-59%	3,451
Bulk purchases		58,571	58,803	58,803	12,956	57,098	58,803	(1,705)	-3%	58,803
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		10,403	8,893	9,501	20	1,999	9,501	(7,502)	-79%	9,501
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		39,031	41,847	42,485	9,411	36,783	42,485	(5,702)	-13%	42,485
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		259,786	220,999	230,908	38,112	259,692	230,908	28,784	12%	230,908
Surplus/(Deficit)		(47,165)	20,384	15,837	(30,042)	(83,768)	15,446	(99,214)	(0)	15,837
Transfers recognised - capital		42,150	40,019	40,019	-	27,261	40,019	(12,758)	(0)	40,019
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(5,015)	60,403	55,856	(30,042)	(56,507)	55,465			55,856
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(5,015)	60,403	55,856	(30,042)	(56,507)	55,465			55,856
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(5,015)	60,403	55,856	(30,042)	(56,507)	55,465			55,856
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(5,015)	60,403	55,856	(30,042)	(56,507)	55,465			55,856

Overall, the insignificant magnitudes of variances for both revenue and expenditure are expected, mainly due to the seasonal demand for basic services.

**Table 5 MBRR C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)
- M12 June 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
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	100	(2)	-2%	100
Vote 3 - 300 Budget & Treasury		-	2,500	2,500	-	30	2,500	(2,470)	-99%	2,500
Vote 4 - 400 Corporate Services		2,374	8,450	10,350	-	594	10,350	(9,756)	-94%	8,450
Vote 5 - 500 Planning and Development		-	-	-	-	-	-	-	-	-
Vote 6 - 600 Community Services		209	8,160	8,160	-	2,611	8,160	(5,549)	-68%	8,160
Vote 7 - 700 Technical Services		23,865	37,819	37,819	-	14,427	37,819	(23,392)	-62%	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	58,929	-	17,760	58,929	(41,169)	-70%	57,029
Total Capital Expenditure		26,448	57,029	58,929	-	17,760	58,929	(41,169)	-70%	57,029
Capital Expenditure - Standard Classification										
Governance and administration		2,374	11,050	12,950	-	722	12,950	(12,228)	-94%	11,050
Executive and council		-	100	100	-	98	100	(2)	-2%	100
Budget and treasury office		-	2,500	2,500	-	30	2,500	(2,470)	-99%	2,500
Corporate services		2,374	8,450	10,350	-	594	10,350	(9,756)	-94%	8,450
Community and public safety		209	6,160	6,160	-	2,611	6,100	(3,489)	-57%	6,160
Community and social services		209	2,100	2,100	-	125	2,100	(1,975)	-94%	2,100
Sport and recreation		-	4,000	4,000	-	2,486	4,000	(1,514)	-38%	4,000
Public safety		-	60	60	-	-	-	-	-	60
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6,944	1,819	1,819	-	1,582	1,819	(237)	-13%	1,819
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		6,944	1,819	1,819	-	1,582	1,819	(237)	-13%	1,819
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		16,921	38,000	38,000	-	12,845	34,500	(21,655)	-63%	38,000
Electricity		1,623	1,500	1,500	-	-	-	-	-	1,500
Water		-	-	-	-	-	-	-	-	-
Waste water management		15,298	34,500	34,500	-	12,845	34,500	(21,655)	-63%	34,500
Waste management		-	2,000	2,000	-	-	-	-	-	2,000
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	26,448	57,029	58,929	-	17,760	55,369	(37,609)	-68%	57,029
Funded by:										
National Government		24,074	40,019	40,019	-	8,412	40,019	(31,607)	-79%	40,019
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		24,074	40,019	40,019	-	8,412	40,019	(31,607)	-79%	40,019
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2,374	17,010	18,910	-	9,348	18,910	(9,562)	-51%	17,010
Total Capital Funding		26,448	57,029	58,929	-	17,760	58,929	(41,169)	-70%	57,029

Overall spending on MIG, capital projects are currently at R8million.

Table 6 MBRR C 6: Financial Position as at 30 June 2014

Description	Ref	2012/13	Budget Year 2013/14			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		5,628	5,441	1,941	–	1,941
Call investment deposits		221	2,625	2,625	3,308	2,625
Consumer debtors		50,462	47,000	91,450	87,387	91,450
Other debtors		1,342	–	23	–	23
Current portion of long-term receivables		–	–	–	–	–
Inventory		1,798	3,357	3,447	3,782	3,447
Total current assets		59,451	58,423	99,485	94,476	99,485
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		0	–	–	–	–
Investments in Associates		–	–	–	–	–
Property, plant and equipment		105,127	1,639,682	936,348	1,320,599	936,348
Agricultural		0	–	–	–	–
Biological assets		–	–	610	610	610
Intangible assets		104	–	1,125	1,294	1,125
Other non-current assets		–	–	–	–	–
Total non current assets		105,231	1,639,682	938,083	1,322,503	938,083
TOTAL ASSETS		164,682	1,698,105	1,037,569	1,416,979	1,037,569
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	1,682	–
Borrowing		2,377	2,350	–	10	–
Consumer deposits		3,233	3,348	3,348	3,563	3,348
Trade and other payables		78,319	21,049	48,049	155,994	48,049
Provisions		13,950	44,458	44,458	2,405	44,458
Total current liabilities		97,879	71,205	95,855	163,655	95,855
Non current liabilities						
Borrowing		4,121	3,490	5,840	6,215	5,840
Provisions		25,041	31,523	40,480	46,924	40,480
Total non current liabilities		29,162	35,012	46,319	53,139	46,319
TOTAL LIABILITIES		127,041	106,218	142,175	216,794	142,175
NET ASSETS	2	37,641	1,591,887	895,394	1,200,185	895,394
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus /(Deficit)		37,641	1,591,887	895,394	1,200,185	895,394
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	37,641	1,591,887	895,394	1,200,185	895,394

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 backed reserves increase with the same magnitude.

Receivables have increased due to low collection rates which average approximately 77%. This has a direct knock-on effect on our efficiency to service our creditors.

Table 7 MBRR C7 Monthly Budget Statement - Cash Flow – M12 June 2014

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		120,756	150,825	150,825	7,270	111,131	150,825	(39,694)	-26%	150,825
Government - operating		55,801	63,569	63,569	-	51,184	63,569	(12,385)	-19%	63,569
Government - capital		23,685	40,019	40,019	-	27,261	40,019	(12,758)	-32%	40,019
Interest		228	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(174,670)	(203,375)	(203,375)	(9,571)	(167,687)	(203,375)	(35,688)	18%	(203,375)
Finance charges		(4,041)	(1,002)	(1,002)	-	(748)	(1,002)	(254)	25%	(1,002)
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		21,759	50,036	50,036	(2,301)	21,141	50,036	(28,895)	-58%	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	-	-	6,428	(6,428)	-100%	6,428
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(20,232)	(57,029)	(57,029)	-	(15,104)	(57,029)	(41,925)	74%	(57,029)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(19,742)	(50,601)	(50,601)	-	(15,104)	(50,601)	(35,497)	70%	(50,601)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		498	15,000	-	-	-	-	-	-	15,000
Increase (decrease) in consumer deposits		128	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(1,297)	(5,002)	(5,002)	-	(2,636)	(5,002)	(2,366)	47%	(5,002)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(670)	9,998	(5,002)	-	(2,636)	(5,002)	(2,366)	47%	9,998
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		4,458	1,355	(3,992)		(5,083)	1,355			(5,083)
Cash/cash equivalents at month/year end:		5,805	10,788	(9,559)		(1,682)	(4,212)			4,350

The Municipality's cash flow position is fairly healthy; however continuous efforts to improve the revenue collection rate and to broaden revenue streams through implementation of revenue enhancement plans continue to be pursued. The cash balances reflected above does not represent the bank balance at end of June, it contains valid reconciling items in the form of payments made to various suppliers in the month of May yet to be recorded on the system when Munsoft was closed. The bank balance amounted to R859 590.70 at the end of June 2014.

PART 2 – SUPPORTING DOCUMENTATION

Table 8 MBRR SC1 Monthly Budget Statement – Material variances explanations – M12 June 2014

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

Table 9 MBRR SC2 Monthly Budget Statement - performance indicators - M12 June 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
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.8%	8.9%	10.1%	0.6%	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%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		225.3%	1.7%	6.0%	0.6%	6.0%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	60.7%	82.0%	103.8%	1233.2%	103.8%
Liquidity Ratio	Monetary Assets/Current Liabilities		6.0%	11.3%	4.8%	43.2%	4.8%
Revenue Management							
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%	49.7%	37.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		60.0%	95.0%	70.0%	45.0%	80.0%
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
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%	57.0%	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%	0.8%	4.4%
IDP regulation financial viability indicators							
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 10MBRRC 3: Debtors age analysis –M12 June 2014

Description	NT Code	Budget Year 2013/14									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i. To Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	(9)	2381	958	1,762	589	38,354	-	-	44,035	40,705		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2,526	1,037	819	619	371	5,369	-	-	10,741	6,359		
Receivables from Non-exchange Transactions - Property Rates	1400	1,202	724	576	476	440	10,397	-	-	13,816	11,313		
Receivables from Exchange Transactions - Waste Water Management	1500	954	627	529	476	426	12,318	-	-	15,329	13,220		
Receivables from Exchange Transactions - Waste Management	1600	648	440	592	2,161	265	8,630	-	-	12,736	11,056		
Receivables from Exchange Transactions - Property Rental Debtors	1700	20	13	11	10	9	2,284	-	-	2,347	2,303		
Interest on Arrear Debtor Accounts	1810	933	898	871	840	819	13,411	-	-	17,773	15,070		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	329	562	32	656	273	32,052	-	-	33,904	32,981		
Total By Income Source	2000	6,604	6,683	4,388	7,001	3,192	122,814	-	-	150,682	133,007	-	-
2012/13 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	721	2,199	554	672	244	9,735	-	-	14,125	10,651		
Commercial	2300	1,854	563	337	1,119	270	8,149	-	-	12,291	9,538		
Households	2400	4,799	3,071	2,730	4,369	2,158	89,011	-	-	106,138	95,538		
Other	2500	(769)	850	767	841	521	15,919	-	-	18,128	17,281		
Total By Customer Group	2600	6,604	6,683	4,388	7,001	3,192	122,814	-	-	150,682	133,007	-	-

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 – M12 June 2014

Description	NT Code	Budget Year 2013/14									Prior year btals 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	6,105	123	111	22	5,000	5,000	10,000	35,978	62,339	-
Bulk Water	0200	-	374	848	1,716	881	765	6,158	1,000	11,741	-
PAYE deductions	0300	2,118	-	-	-	-	-	-	-	2,118	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	371	-	-	-	587	-	-	-	958	-
Trade Creditors	0700	30,894	6,419	11,050	14,701	1,924	1	6,888	6,961	78,838	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	39,488	6,916	12,009	16,439	8,392	5,766	23,045	43,939	155,994	-

Table 12 MBRR SC5 Monthly Budget Statement - investment portfolio – M12 June 2014

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands									
Municipality									
ABSA Investment		1 Month	Fixed deposit	-	-	0.0%	165	7	172
Sanlam Investment		1 Month	Unit trusts	-	-	0.0%	26	1	28
Sanlam Investment		1 Month	Unit trusts	-	-	0.0%	43	2	45
Old Mutual Investment		1 Month	Unit trusts	-	-	0.0%	2,584	479	3,063
Municipality sub-total					-		2,819	489	3,308

Table 13 MBRR SC6 Monthly Budget Statement - transfers and grant receipts – M12 June 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
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		55,658	63,569	63,569	–	50,904	63,569	(12,665)	-19.9%	63,569
Local Government Equitable Share		52,832	60,129	60,129	–	47,464	60,129	(12,665)	-21.1%	60,129
Finance Management		1,500	1,550	890	–	1,550	890			890
Municipal Systems Improvement		790	890	1,550	–	890	1,550			1,550
EPWP Incentive		536	1,000	1,000	–	1,000	1,000			1,000
		–	–	–	–	–	–			–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		945	4,117	4,117	–	280	4,117	(3,837)	-93.2%	4,117
Waterberg District Fire Subsidy		713	2,117	2,117	–	190	2,117	(1,927)	-91.0%	2,117
LG SETA		232	2,000	2,000	–	90	2,000	(1,910)	-95.5%	2,000
Other grant providers:		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	56,603	67,686	67,686	–	51,184	67,686	(16,502)	-24.4%	67,686
Capital Transfers and Grants										
National Government:		22,474	40,019	40,019	–	27,261	40,019	(12,758)	-31.9%	40,019
Municipal Infrastructure Grant (MIG)		22,474	40,019	40,019	–	27,261	40,019	(12,758)	-31.9%	40,019
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	22,474	40,019	40,019	–	27,261	40,019	(12,758)	-31.9%	40,019
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	79,077	107,705	107,705	–	78,445	107,705	(29,260)	-27.2%	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-M12 June 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
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		55,658	63,569	63,569	154	50,904	63,569	(12,665)	-19.9%	63,569
Local Government Equitable Share		52,832	60,129	60,129	–	47,464	60,129	(12,665)	-21.1%	60,129
Finance Management		1,500	1,550	1,550	34	1,550	1,550	0	0.0%	1,550
Municipal Systems Improvement		790	890	890	–	890	890	–	–	890
EPWP Incentive		536	1,000	1,000	120	1,000	1,000	–	–	1,000
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		945	4,117	4,117	–	280	4,117	(3,837)	-93.2%	4,117
Waterberg District Fire Subsidy		713	2,117	2,117	–	190	2,117	(1,927)	-91.0%	2,117
LG SETA		232	2,000	2,000	–	90	2,000	(1,910)	-95.5%	2,000
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		56,603	67,686	67,686	154	51,184	67,686	(16,502)	-24.4%	67,686
Capital expenditure of Transfers and Grants										
National Government:		22,474	40,019	40,019	–	8,412	40,019	(31,607)	-79.0%	40,019
Municipal Infrastructure Grant (MIG)		22,474	40,019	40,019	–	8,412	40,019	(31,607)	-79.0%	40,019
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		22,474	40,019	40,019	–	8,412	40,019	(31,607)	-79.0%	40,019
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		79,077	107,705	107,705	154	59,596	107,705	(48,109)	-44.7%	107,705

Table 15 MBRR SC8 Monthly Budget Statement – Councillors and Employee Benefits – M12 June 2014

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	357	4,329	4,373	(43)	-1%	4,373
Pension and UIF Contributions		252	530	561	49	592	561	30	5%	530
Medical Aid Contributions		121	302	302	8	96	302	(206)	-68%	302
Motor Vehicle Allowance		1,537	1,247	1,344	117	1,411	1,344	68	5%	1,247
Cellphone Allowance		303	289	289	35	414	289	125	43%	289
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		207	193	509	171	1,072	509	564	111%	193
Sub Total - Councillors		6,516	6,934	7,377	738	7,915	7,377	538	7%	6,934
% increase	4		6.4%	13.2%						6.4%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	4,608	5,576	7,839	684	8,095	7,839	257	3%	5,576
Pension and UIF Contributions		-	-	426	43	466	426	40	10%	-
Medical Aid Contributions		21	-	99	25	261	99	161	162%	-
Overtime		-	-	132	8	152	132	20	15%	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		928	1,000	1,000	114	1,199	1,000	199	20%	1,000
Cellphone Allowance		44	16	24	-	-	24	(24)	-100%	16
Housing Allowances		-	-	7	-	5	7	(1)	-21%	-
Other benefits and allowances		41	59	(1,261)	83	1,443	(1,261)	2,705	-214%	59
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5,642	6,652	8,264	956	11,621	8,264	3,357	41%	6,652
% increase	4		17.9%	46.5%						17.9%
Other Municipal Staff										
Basic Salaries and Wages		43,917	43,990	51,185	5,365	60,125	51,185	8,940	17%	43,990
Pension and UIF Contributions		10,222	10,669	10,724	883	9,765	10,724	(959)	-9%	10,669
Medical Aid Contributions		2,838	2,709	2,886	282	2,960	2,886	73	3%	2,709
Overtime		2,701	3,145	3,746	433	4,270	3,746	523	14%	3,145
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3,456	9,052	9,150	365	3,850	9,150	(5,300)	-58%	9,052
Cellphone Allowance		240	264	278	21	234	278	(44)	-16%	264
Housing Allowances		49	75	85	5	63	85	(22)	-26%	75
Other benefits and allowances		4,256	6,476	7,822	1,123	7,392	7,822	(431)	-6%	6,476
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		3,623	821	821	-	-	821	(821)	-100%	821
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		71,302	77,199	86,698	8,475	88,658	86,698	1,961	2%	77,199
% increase	4		8.3%	21.6%						8.3%
Total Parent Municipality		83,460	90,785	102,339	10,169	108,194	102,339	5,855	6%	90,785

Table 17 MBRR SC12 Monthly Budget Statement - capital expenditure trend – M12 June 2014

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

Other supporting documents

Table 18 MBRR SC13a Monthly Budget Statement - capital expenditure on new assets by asset class – M12 June 2014

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		23,865	39,700	39,700	-	14,427	39,700	25,273	63.7%	39,700
Infrastructure - Road transport		6,944	-	-	-	1,582	-	(1,582)	#DIV/0!	-
Roads, Pavements & Bridges		6,944	-	-	-	1,582	-	(1,582)	#DIV/0!	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		1,623	2,500	2,500	-	-	2,500	2,500	100.0%	2,500
Generation		-	2,500	2,500	-	-	2,500	2,500	100.0%	2,500
Transmission & Reticulation		1,623	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	1,500	1,500	-	-	1,500	1,500	100.0%	1,500
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	1,500	1,500	-	-	1,500	1,500	100.0%	1,500
Infrastructure - Sanitation		15,298	34,500	34,500	-	12,845	34,500	21,655	62.8%	34,500
Reticulation		15,298	34,500	34,500	-	12,845	34,500	21,655	62.8%	34,500
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	1,200	1,200	-	-	1,200	1,200	100.0%	1,200
Waste Management		-	1,200	1,200	-	-	1,200	1,200	100.0%	1,200
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	60	60	-	-	60	60	100.0%	60
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	60	60	-	-	60	60	100.0%	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	9,350	-	3,333	9,350	6,017	64.4%	7,450
General vehicles		750	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		190	-	-	-	351	-	(351)	#DIV/0!	-
Computers - hardware/equipment		333	450	450	-	496	450	(46)	-10.2%	450
Furniture and other office equipment		100	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		1,210	5,000	6,900	-	-	6,900	6,900	100.0%	5,000
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	2,000	2,000	-	2,486	2,000	(486)	-24.3%	2,000
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	26,448	47,210	49,110	-	17,760	49,110	31,350	63.8%	47,210
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

Table 19MBRRSC 13c Expenditure on repairs and maintenance by asset class-M12 June 2014

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		9,629	18,252	18,252	822	8,245	12,168	3,923	32.2%	18,252
Infrastructure - Road transport		3,602	6,417	6,417	283	1,240	4,278	3,038	71.0%	6,417
<i>Roads, Pavements & Bridges</i>		3,027	6,417	6,417	283	1,240	4,278	3,038	71.0%	6,417
<i>Storm water</i>		574	-	-	-	-	-	-	-	-
Infrastructure - Electricity		1,099	3,988	3,988	130	1,776	2,659	882	33.2%	3,988
<i>Generation</i>		-	3,988	3,988	130	1,776	2,659	882	33.2%	3,988
<i>Transmission & Reticulation</i>		1,080	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		19	-	-	-	-	-	-	-	-
Infrastructure - Water		2,979	4,890	4,890	461	2,048	3,260	1,212	37.2%	4,890
<i>Dams & Reservoirs</i>		-	4,890	4,890	461	2,048	3,260	1,212	37.2%	4,890
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		2,979	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		1,949	2,956	2,956	(52)	3,180	1,971	(1,209)	-61.3%	2,956
<i>Reticulation</i>		1,949	2,956	2,956	(52)	3,180	1,971	(1,209)	-61.3%	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	(12)	1,876	67	(1,810)	-2714.7%	100
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	50	50	(45)	1,797	33	(1,763)	-5289.7%	50
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		461	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	50	50	33	80	33	(47)	-139.6%	50
Security and policing		-	-	-	-	-	-	#VALUE!	#VALUE!	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		2,608	3,948	3,948	2	436	2,632	2,196	83.4%	3,948
General vehicles		-	1,734	1,734	-	-	1,156	1,156	100.0%	1,734
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		2,357	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	100	100	-	-	67	67	100.0%	100
Furniture and other office equipment		4	14	14	-	-	9	9	100.0%	14
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		191	100	100	-	-	67	67	100.0%	100
Other Buildings		-	2,000	2,000	2	405	1,333	929	69.7%	2,000
Other Land		-	-	-	-	31	-	(31)	#DIV/0!	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		56	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
Biological assets		13	-	-	-	-	5	5	100.0%	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		12,710	22,300	22,300	812	10,557	14,872	4,315	29.0%	22,300

Table 20: -Deviations from supply chain policy-M12 June 2014

DATE	DETAILS	VALUE (R)	REASONS
25/07/2013	Catering	17700.34	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	9800	Lunch for 350 attendees ,transport and sound system for domestics workers employment day.
16/09/2013	Transporting the community members	9500	Transporting community members to participate in programme.
31/12/2013	Legal advice on Credit Control and Debt Collection Tender Evaluation	269092	Evaluation Committee had to seat for evaluations as the municipality couldnt advertise for invitation for tender and experience a serious challenge with revenue collect
06/01/2014	Diggings of grave in the cemeteries	17600	Subsequently numbers of burials at Regorogile cemetery that leads to the shortage of graves and the high costs of machinery use to dig the graves . So deviation occurs due to the facts that municipality had to hire the contract Ramathoba Cleaning and Grave Yard Projects to come to assistance.
22/01/2014	Cable Fault Location , 11kv XLPR from Thaba - Village to Sentral Substation	16810.13	Power failure in Thabazimbi town from Thaba -Village to Sentral blew up substation blew up and the cable was stolen and the switch box was total stripped that left half of the customers with no electricity for more than 24 hours.
28/01/2014	Repair of Lawmowers	73023.84	Challenges on the issue of machinery to perform its daily duties efficiently.
28/01/2014	Uniforms for Disaster Management Cordinators	6800	Two new Disasters Management cordinators has been appointed and they need uniforms.
18/02/2014	Payment of Service Provider for TNT	8245.55	The Service Provider of TNT who is Marce Marketing CC required a payment before they can service the TNT
19/02/2014	45 KW Pump with Motor and 3*50 kva 6.6 KV/400V Pole	370993.1	Inspection was conducted on borehole fields and it was discovered that three of the four boreholes equiped in Group12 were vandalized and three transformers were
20/02/2014	Hiring of a high pressure jet truck - Unblocking if Northam and Rooiberg	47500	Due to the excessive rain in both Northam and Rooiberg storm water overflowed in the sewer networks, the sands and foreign objects caused obstruction within the network and resulting excessive blockages in both towns dismantled from the poles and scrapped.
25/02/2014	Waste Water Treatment Works Clarifier Motor 5.5kw	26200	Clarifiers are setting tanks built with mechanicals means for continuous removal of solids being deposited by sedimentation
19/03/2014	Purchase 500 of cement for routine maintenance	45942	The 500 bags cements was needed for routine maintenance
20/03/2014	Replacement of compressor and installation of new air conditioner	13500	Air conditioner in finance department in TLM blew motor compressor due to old life span.
25/03/2014	Aeration Basin Motor 22kw flange mounted	44118	An aeration basin is holding or treatment pond provided with artificial aeration to promote the biological oxidant of the Waste Waters
27/03/2014	Purchasing and transport of 315KVA 22000/415V transformer	81425	Power failure in Rooiberg occured due to the 315 KVA transformer that was faulty due to the lightning, the department was compelled to purchase the new transformer to maintain good service delivery.
31/03/2014	Power failure due to burnt transformer	101210	The transformer Ring Main Unit around Jakaranda Street was burnt and left the residents stranded with no electricity for more than 24 hours
03/04/2014	Hiring cherry picker	20425	The streetlightspoles for high masts lights are too long and that hampered the Electrical Department to do maintenance of streetslights . Therefore the Electrical Department had to request the deviate from supply chain by hiring the 16m long cherry picker for five days to do maintenance as it

Quality certificate

I, Mr C.G Booyesen, the Municipal Manager of Thabazimbi Local Municipality, hereby certify that the Monthly budget statement for the period ended 30 June 2014 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Mr C.G Booyesen

Municipal manager of Thabazimbi Local Municipality (LIM361)

Signature.....

Date.....

End of report