

THABAZIMBI LOCAL MUNICIPALITY



QUARTERLY BUDGET STATEMENT FOR THE PERIOD ENDED 31 March 2014

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PART 1: THE QUARTERLY REPORT

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

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

The accounting officer of a municipality must by no later than 30 days after the end of each quarter 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 quarter and for the financial year up to the end of that quarter:

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

2. **Publication of the Quarterly 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 Quarterly 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 Quarterly budget statement, including
 - (a) Summaries of the Quarterly budget statements in alternate languages predominant in the community; and
 - (b) Information relevant to each ward in the municipality.

3. **Reports attached:**

Table 1 Quarterly Budget Statement ó Summary;
Table 2 Quarterly Budget Statement ó Financial Performance per standard classification;
Table 3 Quarterly Budget Statement ó Financial Performance (Revenue and Expenditure by vote);
Table 4 Quarterly Budget Statement ó Financial Performance (Revenue and Expenditure by source);
Table 5 Quarterly Budget Statement ó Capital Expenditure (municipal vote; standard classification and funding);
Table 6 Quarterly Budget Statements ó Financial Position;
Table 7 Quarterly 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 quarter to March 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 Quarterly budget statements as reported by the mayor under Table C 1 to 7 and the supporting tables SC 1 to 13;
2. approves the remedial and corrective steps as recommended under Supporting Table SC 1 to be implemented with immediate effect; and
3. Takes note of the explanations and ratify the deviations from the procurement process in terms of subparagraph 36(1) (a) and (b) of the Supply Chain Management Regulations; as detailed on Table 20.
4. takes note that each departmental head were informed of the budget statement applicable to their department and that they were instructed to exercise more effective control over the authorization and payment of all expenditure in their departments;

Adv ME Ntsoane

(Accounting Officer of Thabazimbi Local Municipality)

DATE: ____ / ____ / 2014

EXECUTIVE SUMMARY

Table 1 MBRR C1 Quarterly Budget Statement Summary – M08 March 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	4,131	12,651	12,702	(51)	-0%	16,936
Service charges	90,135	133,288	143,314	18,164	85,213	89,966	(4,753)	-5%	143,314
Investment revenue	185	45	45	1	8	34	(26)	-76%	4,600
Transfers recognised - operational	77,521	67,686	67,686	15,632	51,184	64,184	(13,000)	-20%	67,686
Other own revenue	32,704	16,706	18,764	4,966	9,087	12,530	(3,443)	-27%	18,764
Total Revenue (excluding capital transfers and contributions)	212,621	241,383	246,745	42,894	158,143	179,415	(21,272)	-12%	251,299
Employee costs	75,672	82,900	87,419	25,994	73,451	62,175	11,276	18%	87,419
Remuneration of Councillors	5,692	6,933	7,376	2,283	5,707	5,200	507	10%	7,376
Depreciation & asset impairment	54,763	16,123	19,873	13,547	40,641	12,093	28,549	236%	19,873
Finance charges	8,675	3,500	3,451	165	573	2,625	(2,052)	-78%	3,451
Materials and bulk purchases	58,571	58,803	58,803	10,206	36,376	44,102	(7,726)	-18%	58,803
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	56,413	52,740	53,986	14,138	30,520	39,555	(9,035)	-23%	53,986
Total Expenditure	259,786	220,999	230,908	66,332	187,268	165,749	21,519	13%	230,908
Surplus/(Deficit)	(47,165)	20,384	15,837	(23,438)	(29,126)	13,666	(42,792)	-313%	20,391
Transfers recognised - capital	42,150	40,019	40,019	-	27,261	27,261	-	-	40,019
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(5,015)	60,403	55,856	(23,438)	(1,865)	40,927	(42,792)	-105%	60,410
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(5,015)	60,403	55,856	(23,438)	(1,865)	40,927	(42,792)	-105%	60,410
Capital expenditure & funds sources									
Capital expenditure	26,448	57,029	58,929	-	17,760	17,760	-	-	57,029
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
Total sources of capital funds	26,448	57,029	58,929	-	17,760	17,760	-	-	57,029
Financial position									
Total current assets	59,451	58,423	99,485		90,295				99,485
Total non current assets	105,231	1,639,682	938,083		1,316,115				938,083
Total current liabilities	97,879	71,205	95,855		114,514				95,855
Total non current liabilities	29,162	35,012	46,319		54,014				46,319
Community wealth/Equity	37,641	1,591,887	895,394		1,237,882				895,394
Cash flows									
Net cash from (used) operating	21,759	50,036	50,036	11,390	24,060	50,855	(26,795)	-53%	50,036
Net cash from (used) investing	(19,742)	(50,601)	(50,601)	-	(15,104)	(25,245)	10,140	-40%	(50,601)
Net cash from (used) financing	(670)	9,998	9,998	(1,001)	(2,636)	6,665	(9,301)	-140%	9,998
Cash/cash equivalents at the month/year end	5,805	10,788	5,441	-	350	33,631	(33,281)	-99%	3,464
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	12,628	5,780	5,175	3,309	7,165	112,433	-	-	146,489
Creditors Age Analysis									
Total Creditors	23,358	6,871	16,006	3,205	2,585	1,928	4,626	49,990	108,568

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 R158 million against a target of R179 million. This is equivalent to an underachievement of R21 million or -12%. Expenditure incurred year to date amounts R187 million excluding capital expenditure. A total percentage variance of approximately +13% on overspent operating expenditure results in a deficit of R 29 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, the difference is temporarily held pending minor clarifications by the National Treasury. 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 debtorø book remains 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. Effort is 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 March 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.

QUARTERLY BUDGET STATEMENT TABLES

The table below shows Quarterly financial performance, by revenue source and expenditure item, for the period ended 31 March 2014.

Table 2 MBRR C2 Quarterly Budget Statement - Financial Performance (revenue and expenditure) – M08 March 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										
Governance and administration		100,785	100,362	95,606	21,852	68,347	74,984	(6,637)	-9%	95,606
Executive and council		90,729	94,477	87,756	19,163	62,555	68,933	(6,378)	-9%	87,756
Budget and treasury office		8,691	3,646	4,307	2,618	5,423	4,390	1,033	24%	4,307
Corporate services		1,365	2,238	3,544	71	369	1,661	(1,292)	-78%	3,544
Community and public safety		4,657	5,235	5,324	2,180	3,273	2,021	1,252	62%	5,324
Community and social services		281	675	714	98	196	206	(10)	-5%	714
Sport and recreation		-	-	-	-	-	3	(3)	-100%	-
Public safety		4,376	4,560	4,610	2,083	3,077	1,812	1,265	70%	4,610
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		567	2,499	2,501	98	1,310	50	1,259	2497%	2,501
Planning and development		567	2,499	2,501	98	1,310	50	1,259	2497%	2,501
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		92,429	133,288	143,314	18,764	85,212	89,602	(4,390)	-5%	143,314
Electricity		44,089	53,184	62,026	5,176	36,482	39,888	(3,406)	-9%	62,026
Water		28,517	57,104	53,888	3,961	25,910	32,828	(6,918)	-21%	53,888
Waste water management		11,655	13,612	18,012	3,782	12,596	9,845	2,751	28%	18,012
Waste management		8,168	9,388	9,388	5,845	10,225	7,041	3,184	45%	9,388
Other	4	56,332	40,019	40,019	-	27,261	40,019	(12,758)	-32%	40,019
Total Revenue - Standard	2	254,771	281,402	286,764	42,894	185,403	206,676	(21,273)	-10%	286,764
Expenditure - Standard										
Governance and administration		77,936	63,898	71,429	20,789	64,475	39,515	24,960	63%	71,429
Executive and council		21,413	22,688	25,566	6,590	22,491	15,515	6,977	45%	25,566
Budget and treasury office		36,374	20,165	23,443	7,013	21,912	9,121	12,791	140%	23,443
Corporate services		20,149	21,045	22,421	7,185	20,072	14,879	5,192	35%	22,421
Community and public safety		16,872	17,590	18,143	6,940	18,629	15,186	3,443	23%	18,143
Community and social services		2,809	5,013	5,564	1,298	4,189	3,019	1,170	39%	5,564
Sport and recreation		5,290	1,946	2,839	2,174	6,318	4,078	2,240	55%	2,839
Public safety		8,773	10,631	9,740	3,468	8,123	8,090	33	0%	9,740
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		53,327	36,143	35,890	15,631	35,783	30,450	5,333	18%	35,890
Planning and development		4,166	6,166	6,400	1,566	3,850	4,119	(269)	-7%	6,400
Road transport		48,808	29,977	29,490	13,979	31,663	25,746	5,918	23%	29,490
Environmental protection		352	-	-	87	270	586	(316)	-54%	-
Trading services		111,651	103,368	105,446	22,972	68,381	80,598	(12,217)	-15%	105,446
Electricity		58,744	48,742	48,742	12,632	42,176	38,441	3,735	10%	48,742
Water		30,234	34,478	34,968	5,566	12,993	27,425	(14,432)	-53%	34,968
Waste water management		9,002	7,799	9,387	2,807	7,774	6,588	1,186	18%	9,387
Waste management		13,671	12,349	12,349	1,967	5,439	8,144	(2,705)	-33%	12,349
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	259,786	220,999	230,908	66,332	187,268	165,749	21,519	13%	230,908
Surplus/ (Deficit) for the year		(5,015)	60,403	55,856	(23,438)	(1,865)	40,927	(42,792)	-105%	55,856

The above table shows financial performance for the period ended 31 March 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 31 March 2014 categorised by municipal vote. Details of the variances indicated are given on Table 8 that follows.

Table 3 MBRR C3 Quarterly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 March 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
R thousands										
Revenue by Vote	1									
Vote 1 - 100 Political Office Bearers		90,729	88,363	81,641	19,163	62,555	67,691	(5,136)	-7.6%	81,641
Vote 2 - 200 Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - 300 Budget & Treasury		8,691	5,853	6,514	2,618	5,423	4,390	1,033	23.5%	6,514
Vote 4 - 400 Corporate Services		1,365	2,238	3,544	71	369	1,661	(1,292)	-77.8%	3,544
Vote 5 - 500 Planning and Development		567	2,499	2,501	98	310	50	259	514.3%	2,501
Vote 6 - 600 Community Services		12,825	19,016	19,105	8,025	13,498	9,062	4,436	49.0%	19,105
Vote 7 - 700 Technical Services		140,593	163,434	173,460	12,919	103,249	123,822	(20,573)	-16.6%	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	42,894	185,403	206,676	(21,273)	-10.3%	286,764
Expenditure by Vote	1									
Vote 1 - 100 Political Office Bearers		15,576	14,589	15,852	4,822	14,933	10,942	3,991	36.5%	15,852
Vote 2 - 200 Municipal Manager		5,837	6,097	7,712	1,768	7,558	4,572	2,985	65.3%	7,712
Vote 3 - 300 Budget & Treasury		36,374	12,162	15,440	7,013	21,912	9,121	12,791	140.2%	15,440
Vote 4 - 400 Corporate Services		20,149	19,839	21,214	7,185	20,072	14,879	5,192	34.9%	21,214
Vote 5 - 500 Planning and Development		4,519	6,273	6,507	1,652	4,120	4,705	(585)	-12.4%	6,507
Vote 6 - 600 Community Services		30,543	32,092	32,644	8,907	24,068	24,069	(1)	0.0%	32,644
Vote 7 - 700 Technical Services		146,788	129,947	131,539	34,984	94,606	97,461	(2,855)	-2.9%	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	66,332	187,268	165,749	21,519	13.0%	230,908
Surplus/ (Deficit) for the year	2	(5,015)	60,403	55,856	(23,438)	(1,865)	40,927	(42,792)	-104.6%	55,856

An aggregate negative variance of 10% 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 13% 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 Quarterly Budget Statement - Financial Performance (standard classification) – M08 March 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										
Revenue By Source										
Property rates		12,076	23,650	16,928	4,131	12,651	12,696	(45)	0%	16,928
Property rates - penalties & collection charges		-	8	8	-	-	6	(6)	-100%	8
Service charges - electricity revenue		43,622	53,184	62,026	5,176	36,482	39,888	(3,406)	-9%	62,026
Service charges - water revenue		26,712	57,104	53,888	3,961	25,910	32,828	(6,918)	-21%	53,888
Service charges - sanitation revenue		11,649	13,612	18,012	3,182	12,596	10,209	2,387	23%	18,012
Service charges - refuse revenue		8,152	9,388	9,388	5,845	10,225	7,041	3,184	45%	9,388
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		521	750	1,077	94	286	563	(276)	-49%	1,077
Interest earned - external investments		185	45	45	1	8	34	(26)	-76%	45
Interest earned - outstanding debtors		8,199	4,555	4,555	2,559	5,310	3,416	1,894	55%	4,555
Dividends received		-	-	-	-	-	-	-	-	-
Fines		1,078	1,026	629	129	212	770	(558)	-72%	629
Licences and permits		1,486	1,889	2,304	1,759	2,459	1,417	1,042	74%	2,304
Agency services		723	1,908	1,908	-	-	1,431	(1,431)	-100%	1,908
Transfers recognised - operational		77,521	67,686	67,686	15,632	51,184	64,184	(13,000)	-20%	67,686
Other revenue		20,469	6,579	8,292	425	819	4,934	(4,115)	-83%	8,292
Gains on disposal of PPE		228	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		212,621	241,383	246,745	42,894	158,143	179,415	(21,272)	-12%	246,745
Expenditure By Type										
Employee related costs		75,672	82,900	87,419	25,994	73,451	62,175	11,276	18%	87,419
Remuneration of councillors		5,692	6,933	7,376	2,283	5,707	5,200	507	10%	7,376
Debt impairment		6,979	2,000	2,000	-	-	1,500	(1,500)	-100%	2,000
Depreciation & asset impairment		54,763	16,123	19,873	13,547	40,641	12,093	28,549	236%	19,873
Finance charges		8,675	3,500	3,451	165	573	2,625	(2,052)	-78%	3,451
Bulk purchases		58,571	58,803	58,803	10,206	36,376	44,102	(7,726)	-18%	58,803
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		10,403	8,893	9,501	950	1,587	6,669	(5,082)	-76%	9,501
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		39,031	41,847	42,485	13,188	28,933	31,385	(2,453)	-8%	42,485
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		259,786	220,999	230,908	66,332	187,268	165,749	21,519	13%	230,908
Surplus/(Deficit)		(47,165)	20,384	15,837	(23,438)	(29,126)	13,666	(42,792)	(0)	15,837
Transfers recognised - capital		42,150	40,019	40,019	-	27,261	27,261	-	-	40,019
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(5,015)	60,403	55,856	(23,438)	(1,865)	40,927			55,856
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(5,015)	60,403	55,856	(23,438)	(1,865)	40,927			55,856
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(5,015)	60,403	55,856	(23,438)	(1,865)	40,927			55,856
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(5,015)	60,403	55,856	(23,438)	(1,865)	40,927			55,856

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 Quarterly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) – M08 March 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	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 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	26,448	57,029	58,929	-	17,760	17,760	-	-	57,029
Total Capital Expenditure		26,448	57,029	58,929	-	17,760	17,760	-	-	57,029
Capital Expenditure - Standard Classification										
Governance and administration		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
Community and public safety		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		-	-	-	-	-	-	-	-	-
Economic and environmental services		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		-	-	-	-	-	-	-	-	-
Trading services		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
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	26,448	57,029	58,929	-	17,760	17,760	-	-	57,029
Funded by:										
National Government		24,074	40,019	40,019	-	15,038	15,038	-	-	40,019
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		24,074	40,019	40,019	-	15,038	15,038	-	-	40,019
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		2,374	17,010	18,910	-	2,722	2,722	-	-	17,010
Total Capital Funding		26,448	57,029	58,929	-	17,760	17,760	-	-	57,029

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 last quarter of the year.

Table 6 MBRR C 6: Financial Position as at 31 March 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	350	1,941
Call investment deposits		221	2,625	2,625	2,825	2,625
Consumer debtors		50,462	47,000	91,450	83,194	91,450
Other debtors		1,342	–	23	–	23
Current portion of long-term receivables		–	–	–	–	–
Inventory		1,798	3,357	3,447	3,927	3,447
Total current assets		59,451	58,423	99,485	90,295	99,485
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		0	–	–	–	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		105,127	1,639,682	936,348	1,314,211	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	1,316,115	938,083
TOTAL ASSETS		164,682	1,698,105	1,037,569	1,406,411	1,037,569
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		2,377	2,350	–	–	–
Consumer deposits		3,233	3,348	3,348	3,541	3,348
Trade and other payables		78,319	21,049	48,049	108,568	48,049
Provisions		13,950	44,458	44,458	2,405	44,458
Total current liabilities		97,879	71,205	95,855	114,514	95,855
Non current liabilities						
Borrowing		4,121	3,490	5,840	5,463	5,840
Provisions		25,041	31,523	40,480	48,551	40,480
Total non current liabilities		29,162	35,012	46,319	54,014	46,319
TOTAL LIABILITIES		127,041	106,218	142,175	168,528	142,175
NET ASSETS	2	37,641	1,591,887	895,394	1,237,882	895,394
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		37,641	1,591,887	895,394	1,237,882	895,394
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	37,641	1,591,887	895,394	1,237,882	895,394

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 Quarterly Budget Statement - Cash Flow – M08 March 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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		120,756	150,825	150,825	24,411	94,900	100,550	(5,650)	-6%	150,825
Government - operating		55,801	63,569	63,569	15,632	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)	(28,652)	(148,538)	(152,531)	(3,993)	3%	(203,375)
Finance charges		(4,041)	(1,002)	(1,002)	(1)	(747)	(752)	(4)	1%	(1,002)
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		21,759	50,036	50,036	11,390	24,060	50,855	(26,795)	-53%	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	-	-	4,285	(4,285)	-100%	6,428
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(20,232)	(57,029)	(57,029)	-	(15,104)	(29,530)	(14,426)	49%	(57,029)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(19,742)	(50,601)	(50,601)	-	(15,104)	(25,245)	(10,140)	40%	(50,601)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
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	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(1,297)	(5,002)	(5,002)	(1,001)	(2,636)	(3,335)	(699)	21%	(5,002)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(670)	9,998	9,998	(1,001)	(2,636)	6,665	9,301	140%	9,998
NET INCREASE/ (DECREASE) IN CASH HELD		1,347	9,433	9,433	10,388	6,320	32,276			9,433
Cash/cash equivalents at beginning:		4,458	1,355	(3,992)		(5,969)	1,355			(5,969)
Cash/cash equivalents at month/year end:		5,805	10,788	5,441		350	33,631			3,464

The Municipality's cash flow position is heavily suppressed citing significant immediate financial obligations that may not be able to be honored. 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 Quarterly Budget Statement – Material variances explanations – M08 March 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>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 for third quarter were withheld for MIG and a portion of Equitable share due to minor clarifications being sought.</i>	<i>Resolve the issues causing funds transfer to stall.</i>
Expenditure By Type			
<i>Accounting estimates</i>		<i>Deprecation was incorporated onto the financial reporting system. However, Grap 25 provisions are yet to included as the valuations are done annually.</i>	<i>The sizeable magnitude on depreciation would be rectified and aligned to our FAR during the Adj budget process.</i>
<i>Other expenditure</i>		<i>There are several instances of overspending and this needs to be controlled.</i>	<i>Effective expenditure management.</i>
Capital Expenditure			
<i>All</i>		<i>MIG spending is behind and the third trench from NT were held delaying implementation.</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 Quarterly Budget Statement - performance indicators - M08 March 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%	0.3%	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%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		225.3%	1.7%	6.0%	9.2%	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%	78.9%	103.8%
Liquidity Ratio	Monetary Assets/Current Liabilities		6.0%	11.3%	4.8%	2.8%	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%	52.6%	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%	46.4%	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%	0.4%	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 0%. 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 not sufficient to cover current liabilities with more than the recommended (2;1 times). 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 March 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 R90 million of the R148million of gross debtors book is more than 12 quarters old. This reduces the overall revenue collection rate to approximately 60%.

Creditors' management

The creditors efficiency rate of 45% is below budget figures of 80% 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 March 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	4,602	1,223	4,132	662	4,803	30,877	-	-	46,299	36,342		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,156	1,314	635	365	345	4,977	-	-	10,791	5,686		
Receivables from Non-exchange Transactions - Property Rates	1400	1,357	861	536	466	451	9,699	-	-	13,371	10,616		
Receivables from Exchange Transactions - Waste Water Management	1500	1,029	703	498	427	591	11,333	-	-	14,581	12,351		
Receivables from Exchange Transactions - Waste Management	1600	677	448	317	277	274	8,178	-	-	10,172	8,729		
Receivables from Exchange Transactions - Property Rental Debtors	1700	27	13	11	10	9	2,268	-	-	2,338	2,288		
Interest on Arrear Debtor Accounts	1810	873	851	773	950	817	11,110	-	-	15,374	12,877		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	908	367	(1,726)	153	(125)	33,990	-	-	33,564	34,017		
Total By Income Source	2000	12,628	5,780	5,175	3,309	7,165	112,433	-	-	146,489	122,907	-	-
2012/13 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	388	175	217	119	80	8,407	-	-	9,385	8,605		
Commercial	2300	8,271	1,114	615	537	(191)	10,494	-	-	20,842	10,841		
Households	2400	6,486	2,899	2,629	2,126	6,330	81,786	-	-	102,256	90,242		
Other	2500	(2,517)	1,592	1,713	527	946	11,745	-	-	14,006	13,218		
Total By Customer Group	2600	12,628	5,780	5,175	3,309	7,165	112,433	-	-	146,489	122,907	-	-

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 Quarterly Budget Statement - aged creditors – M08 March 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			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	279	3,925	1,581	1,217	1,851	519	497	42,028	51,898	-	
Bulk Water	0200	-	-	1,857	1,488	-	1,407	1,777	-	6,530	-	
PAYE deductions	0300	1,084	-	-	-	-	-	-	-	1,084	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	587	-	-	-	-	-	-	-	587	-	
Trade Creditors	0700	20,874	2,946	12,567	500	734	1	2,352	7,961	47,936	-	
Auditor General	0800	533	-	-	-	-	-	-	-	533	-	
Other	0900	-	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	23,358	6,871	16,006	3,205	2,585	1,928	4,626	49,990	108,568	-	

The municipality's immediate financial obligations by far outweigh the possible financial means currently available to honor them. Drastic measures need to be undertaken to improve this situation as a matter of urgency.

Table 12 MBRR SC5 Quarterly Budget Statement - investment portfolio – M08 March 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
Municipality									
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
Municipality sub-total					-		2,819	6	2,825

Table 13 MBRR SC6 Quarterly Budget Statement - transfers and grant receipts – M08 March 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										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		55,658	63,569	63,569	15,632	50,904	63,569	(12,665)	-19.9%	63,569
Local Government Equitable Share		52,832	60,129	60,129	15,032	47,464	60,129	(12,665)	-21.1%	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	3,087	(2,808)	-90.9%	4,117
Waterberg District Fire Subsidy		713	2,117	2,117	-	190	1,587	(1,398)	-88.1%	2,117
LG SETA		232	2,000	2,000	-	90	1,500	(1,410)	-94.0%	2,000
Other grant providers:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	56,603	67,686	67,686	15,632	51,184	66,656	(15,473)	-23.2%	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	15,632	78,445	106,675	(28,231)	-26.5%	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 March 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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		55,658	63,569	63,569	15,482	50,303	34,725	15,578	44.9%	63,569
Local Government Equitable Share		52,832	60,129	60,129	15,032	47,464	32,432	15,032	46.3%	60,129
Finance Management		1,500	1,550	1,550	180	1,309	1,033	276	26.7%	1,550
Municipal Systems Improvement		790	890	890	-	890	593	297	50.0%	890
EPWP Incentive		536	1,000	1,000	271	640	667	(27)	-4.0%	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]		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		56,603	67,686	67,686	15,482	50,583	37,470	13,113	35.0%	67,686
Capital expenditure of Transfers and Grants										
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:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		22,474	40,019	40,019	-	15,038	15,038	-	-	40,019
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		79,077	107,705	107,705	15,482	65,621	52,508	13,113	25.0%	107,705

Table 15 MBRR SC8 Quarterly Budget Statement – Councillors and Employee Benefits – M08 March 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		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4,098	4,373	4,373	1,200	3,250	3,279	(29)	-1%	4,373
Pension and UIF Contributions		252	530	561	163	444	421	23	5%	530
Medical Aid Contributions		121	302	302	25	71	226	(155)	-69%	302
Motor Vehicle Allowance		1,537	1,247	1,344	385	1,057	1,008	49	5%	1,247
Cellphone Allowance		303	289	289	186	306	217	89	41%	289
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		207	193	509	322	578	381	197	52%	193
Sub Total - Councillors	4	6,516	6,934	7,377	2,283	5,707	5,533	174	3%	6,934
% increase			6.4%	13.2%						6.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4,608	5,576	7,839	827	6,035	5,879	155	3%	5,576
Pension and UIF Contributions		-	-	426	117	342	319	23	7%	-
Medical Aid Contributions		21	-	99	50	187	75	112	151%	-
Overtime		-	-	132	9	113	99	14	14%	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		928	1,000	1,000	331	856	750	106	14%	1,000
Cellphone Allowance		44	16	24	-	-	18	(18)	-100%	16
Housing Allowances		-	-	7	5	5	5	0	6%	-
Other benefits and allowances		41	59	(1,261)	464	684	(946)	1,631	-172%	59
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	2	5,642	6,652	8,264	1,804	8,222	6,198	2,024	33%	6,652
% increase	4		17.9%	46.5%						17.9%
Other Municipal Staff										
Basic Salaries and Wages		43,917	43,990	51,185	13,245	44,353	38,389	5,964	16%	43,990
Pension and UIF Contributions		10,222	10,669	10,724	5,766	7,119	8,043	(924)	-11%	10,669
Medical Aid Contributions		2,838	2,709	2,886	751	2,104	2,165	(61)	-3%	2,709
Overtime		2,701	3,145	3,746	1,199	2,951	2,810	141	5%	3,145
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3,456	9,052	9,150	1,007	2,760	6,863	(4,103)	-60%	9,052
Cellphone Allowance		240	264	278	62	173	208	(36)	-17%	264
Housing Allowances		49	75	85	16	47	64	(17)	-26%	75
Other benefits and allowances		4,256	6,476	7,822	2,144	5,723	5,867	(144)	-2%	6,476
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		3,623	821	821	-	-	616	(616)	-100%	821
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	2	71,302	77,199	86,698	24,191	65,229	65,023	206	0%	77,199
% increase	4		8.3%	21.6%						8.3%
Total Parent Municipality		83,460	90,785	102,339	28,277	79,158	76,754	2,404	3%	90,785
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities	2	-	-	-	-	-	-	-	-	-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities	2	-	-	-	-	-	-	-	-	-
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities	2	-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		83,460	90,785	102,339	28,277	79,158	76,754	2,404	3%	90,785
% increase	4		8.8%	22.6%						8.8%
TOTAL MANAGERS AND STAFF		76,944	83,851	94,962	25,994	73,451	71,221	2,230	3%	83,851

Table 17 MBRR SC12 Quarterly Budget Statement - capital expenditure trend – M08 March 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 Quarterly Budget Statement - capital expenditure on new assets by asset class – M08 March 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	14,427	-		39,700
Infrastructure - Road transport		6,944	-	-	-	1,582	1,582	-		-
<i>Roads, Pavements & 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 & Reticulation</i>		1,623	-	-	-	-	-	-		-
<i>Street Lighting</i>		-	-	-	-	-	-	-		-
Infrastructure - Water		-	1,500	1,500	-	-	-	-		1,500
<i>Dams & 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>		-	-	-	-	-	-	-		-
Community		-	60	60	-	-	-	-		60
Parks & gardens		-	-	-	-	-	-	-		-
Sportsfields & stadia		-	-	-	-	-	-	-		-
Swimming pools		-	-	-	-	-	-	-		-
Community halls		-	-	-	-	-	-	-		-
Libraries		-	-	-	-	-	-	-		-
Recreational facilities		-	-	-	-	-	-	-		-
Fire, safety & emergency		-	60	60	-	-	-	-		60
Security and policing		-	-	-	-	-	-	-		-
Buses		-	-	-	-	-	-	-		-
Clinics		-	-	-	-	-	-	-		-
Museums & Art Galleries		-	-	-	-	-	-	-		-
Cemeteries		-	-	-	-	-	-	-		-
Social rental housing		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Heritage assets		-	-	-	-	-	-	-		-
Investment properties		-	-	-	-	-	-	-		-
Housing development		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Other assets		2,583	7,450	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		-	-	-	-	-	-	-		-
Agricultural assets		-	-	-	-	-	-	-		-
Biological assets		-	-	-	-	-	-	-		-
Intangibles		-	-	-	-	-	-	-		-
Total Capital Expenditure on new assets	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 March 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	877	7,153	12,168	5,015	41.2%	18,252
Infrastructure - Road transport		3,602	6,417	6,417	141	514	4,278	3,764	88.0%	6,417
<i>Roads, Pavements & Bridges</i>		3,027	6,417	6,417	141	514	4,278	3,764	88.0%	6,417
<i>Storm water</i>		574	-	-	-	-	-	-	-	-
Infrastructure - Electricity		1,099	3,988	3,988	309	1,089	2,659	1,570	59.1%	3,988
<i>Generation</i>		-	3,988	3,988	309	1,089	2,659	1,570	59.1%	3,988
<i>Transmission & Reticulation</i>		1,080	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		19	-	-	-	-	-	-	-	-
Infrastructure - Water		2,979	4,890	4,890	274	2,365	3,260	895	27.5%	4,890
<i>Dams & Reservoirs</i>		-	4,890	4,890	274	2,365	3,260	895	27.5%	4,890
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		2,979	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		1,949	2,956	2,956	152	3,186	1,971	(1,215)	-61.7%	2,956
<i>Reticulation</i>		1,949	2,956	2,956	152	3,186	1,971	(1,215)	-61.7%	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	340	1,672	67	(1,605)	-2407.5%	100
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	50	50	319	1,651	33	(1,617)	-4851.9%	50
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		461	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	50	50	21	21	33	12	36.9%	50
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		2,608	3,948	3,948	-	370	2,632	2,262	85.9%	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	-	339	1,333	994	74.6%	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	1,216	9,195	14,872	5,676	38.2%	22,300

Table 20: -Deviations from supply chain policy-M08 March 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

I, *ME Ntsoane*, the Municipal Manager of Thabazimbi Local Municipality, hereby certify that the Quarterly budget statement for the period ended 31 March 2014 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Advocate. ME Ntsoane

Municipal manager of Thabazimbi Local Municipality (LIM361)

Signature.....

Date.....

End of report