

# **THABAZIMBI LOCAL MUNICIPALITY**

## **C-Schedule Sec 52(d)**



**QUARTERLY BUDGET STATEMENT FOR THE PERIOD ENDED 30  
SEPTEMBER 2015 (QTR 1)**

## **TABLE OF CONTENTS**

### **PART 1 - THE IN-YEAR REPORT**

- Executive summary 7
- Quarterly budget statement tables 9

### **PART 2 – SUPPORTING DOCUMENTATION**

- Material variance explanations 16
- Performance indicators 17
- Debtors' Ageing Analysis 19
- Creditors' Ageing 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 27**

## 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 QUARTERLY REPORT**

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### **THE MUNICIPAL MANAGER**

#### **MUNICIPAL FINANCE MANAGEMENT ACT (MFMA) BUDGET AND PERFORMANCE ASSESSMENT REPORT IN TERMS OF THE MFMA, SECTION 52 (d), FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

##### **1. PURPOSE**

The purpose of this report is to inform the Mayor, Provincial Treasury and National Treasury of the municipality's first quarter performance as at 30 September 2015 against the approved budget and section 52 (d) of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009, by providing a statement on the implementation of the budget and financial state of affairs of the municipality to the Mayor, as legislated.

##### **2. STRATEGIC OBJECTIVE**

To ensure good governance, financial viability, compliance to the legislative prescripts and optimal institutional transformation with capacity to execute its mandate.

##### **3. BACKGROUND**

Section 52(d) of the MFMA and Section 28 of Government Gazette Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act of 2003 and Municipal Budget and Reporting Regulations" necessitates that specific financial particulars be reported on and in a prescribed format, hence this report to meet legislative compliance.

In terms of section 52(d) of the MFMA, "The mayor of a municipality –

(d) must, within 30 days of the end of each quarter, submit a report to the Mayor on the implementation of the budget and the financial state of affairs of the municipality;"

##### **REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

This report is based upon financial information, as at 30 September 2015 and available at the time of preparation. All variances are calculated against the approved budget figures. The results for the quarter ended 30 September 2015 are summarized as follows:

**a. Section 52(d). (1) 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

#### **4. 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 52(d) (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.

#### **5. Publication of the Quarterly Budget Statements**

Regulation 30 of the Budget Regulations per Government Gazette, Notice number 31804(read with Section 52(d), 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.

## **6. 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 of September 2015 as required in terms of subparagraph 36(1)(a) and (b) of the Supply Chain Management Regulations and Policy is herewith attached.

### **COMMENTS OF HEAD: LEGAL SERVICES/CORPORATE SERVICES**

- The above mentioned report as such does not call for legal clarification.
- The implication of approval of this report is compliance to legislative requirements
- In compliance to legislative requirements this document is provided to all stakeholders by placing it on the Municipality's website ([www.thabazimbi.gov.za](http://www.thabazimbi.gov.za))

### **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;

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**Mr C.G Booysen** (*Acting Accounting Officer*)  
*Thabazimbi Local Municipality*

**DATE:** \_\_\_\_ / \_\_\_\_ / 2015

## EXECUTIVE SUMMARY

**Table 1 MBRR C1 Quarterly Budget Statement Summary – QTR1 September 2015**

Description	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b><u>Financial Performance</u></b>								
Property rates	13,708	31,392	98,617	98,617	7,848	90,769	1157%	31,392
Service charges	89,764	191,677	37,799	37,799	47,919	(10,120)	-21%	191,677
Investment revenue	1,231	–	27	27	–	27	#DIV/0!	6,250
Transfers recognised - operational	72,470	64,841	26,782	26,782	26,782	–		64,841
Other own revenue	26,448	23,481	4,469	4,469	5,870	(1,401)	-24%	23,481
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>203,622</b>	<b>311,390</b>	<b>167,693</b>	<b>167,693</b>	<b>88,419</b>	<b>79,274</b>	<b>90%</b>	<b>317,640</b>
Employee costs	101,944	100,461	25,675	25,675	25,115	560	2%	100,461
Remuneration of Councillors	6,237	8,399	2,238	2,238	2,100	139	7%	8,399
Depreciation & asset impairment	67,509	32,500	8,125	8,125	8,125	–		32,500
Finance charges	11,893	838	105	105	209	(105)	-50%	838
Materials and bulk purchases	64,861	69,908	17,791	17,791	17,477	314	2%	69,908
Transfers and grants	–	–	–	–	–	–		–
Other expenditure	84,405	71,280	12,991	12,991	17,820	(4,829)	-27%	71,280
<b>Total Expenditure</b>	<b>336,850</b>	<b>283,386</b>	<b>66,926</b>	<b>66,926</b>	<b>70,847</b>	<b>(3,921)</b>	<b>-6%</b>	<b>283,386</b>
<b>Surplus/(Deficit)</b>	<b>(133,228)</b>	<b>28,003</b>	<b>100,768</b>	<b>100,768</b>	<b>17,572</b>	<b>83,195</b>	<b>473%</b>	<b>34,253</b>
Transfers recognised - capital	–	29,172	–	–	–	–		39,172
Contributions & Contributed assets	–	10,000	–	–	–	–		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(133,228)</b>	<b>67,175</b>	<b>100,768</b>	<b>100,768</b>	<b>17,572</b>	<b>83,195</b>	<b>473%</b>	<b>73,425</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–		–
<b>Surplus/ (Deficit) for the year</b>	<b>(133,228)</b>	<b>67,175</b>	<b>100,768</b>	<b>100,768</b>	<b>17,572</b>	<b>83,195</b>	<b>473%</b>	<b>73,425</b>
<b><u>Capital expenditure &amp; funds sources</u></b>								
<b>Capital expenditure</b>	<b>31,097</b>	<b>72,689</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>75,189</b>
Capital transfers recognised	8,621	29,172	–	–	–	–		29,172
Public contributions & donations	22,476	10,000	–	–	–	–		10,000
Borrowing	–	–	–	–	–	–		–
Internally generated funds	–	33,517	–	–	–	–		33,517
<b>Total sources of capital funds</b>	<b>31,097</b>	<b>72,689</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>72,689</b>
<b><u>Financial position</u></b>								
Total current assets	90,511	50,089		179,935				50,089
Total non current assets	1,105,842	1,311,446		1,454,765				1,311,446
Total current liabilities	245,852	98,653		268,810				98,653
Total non current liabilities	54,032	31,287		53,467				31,287
<b>Community wealth/Equity</b>	<b>896,469</b>	<b>1,231,594</b>		<b>1,349,422</b>				<b>1,231,594</b>
<b><u>Cash flows</u></b>								
Net cash from (used) operating	25,922	18,823	341	341	6,047	(5,706)	-94%	45,913
Net cash from (used) investing	(31,010)	(19,200)	–	–	(4,800)	4,800	-100%	(19,200)
Net cash from (used) financing	–	(2,014)	–	–	–	–		(2,014)
<b>Cash/cash equivalents at the month/year end</b>	<b>(1,951)</b>	<b>1,709</b>	<b>–</b>	<b>376</b>	<b>5,347</b>	<b>(4,972)</b>	<b>-93%</b>	<b>24,733</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b><u>Debtors Age Analysis</u></b>								
Total By Income Source	42,764	33,341	27,687	2,947	3,676	170,697	–	281,546
<b><u>Creditors Age Analysis</u></b>								
Total Creditors	15,591	10,145	6,917	8,217	8,638	230,556	–	280,064

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

Total operating revenue achieved to date amounts to R167 million against a target of R88 million. This is equivalent to an underachievement of R79 million or 90%. Expenditure incurred year to date amounts R66 million excluding capital expenditure. A total percentage variance of approximately 6% results in an operating surplus of R100 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.

No capital funds have been received to date and the municipality expects to receive the MIG allocation during the month of March 2016 as per the National Treasury payment schedule for 2015/16 financial year. The total spending on MIG funds in the 2014/15 financial year was 55% inclusive of committed funds and rolled-over funds from 2013/14 financial year. An application for R7.8million MIG roll over was declined by the National Treasury, a total of R14 million is currently being owed to National Treasury adding the declined applications of prior year.

The Municipality is facing serious cash flow challenges due to various factors amongst others, the aged and dysfunctional water and electricity metering systems in place. The three smart metering for electricity installed within Thabazimbi two (Grinpal and Cash power systems) are completely dysfunctional and would need to be changed as a matter of urgency. Forty percent of our water meters are not functional hence the Municipality is unable to recover the cost of providing the service. A benchmarking exercise was done on the municipal tariffs for trading services and the outcome showed that Thabazimbi Local Municipality Tariffs are too low and not cost recovery. Efforts to catch up with other municipalities will result in very huge tariff increments for our consumers.

The Department of Co-operative Governance and Traditional Affairs advised the Municipality to gradually increase the tariff to try and cushion our community.

In addition the municipality has received a number of Litigations by various companies and to date the Municipality has lost the Cases against Quanti-bulid and the Likely financial implications could be more than R28 million. Cases against Makaula Zilwa , Psyco gem and Others would also amount to more than R4 million. Numerous other court cases are still being litigated. (Municipal Litigations Register to give more detail please refer to Annexure A attached.).

Due to the above the Municipal primary/ trading account has been garnished by these creditors and some municipal assets were auctioned during this quarter.

Debtors book remain very high as a result of balances accumulated from prior years. An impairment provision was raised at the end of June 2015 but no bad debts have been written off. 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. Other income and expenditure details on Annexure B.



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

The deviations from, and ratification of minor breaches of the procurement process for the period to September 2015 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

**Table 2 MBRR C2 Quarterly Budget Statement - Financial Performance (revenue and expenditure) – QTR1 September 2015**

Description	2014/15	Budget Year 2015/16						Full Year Forecast
	Audited Outcome	Original Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>								
<b>Revenue - Standard</b>								
<b>Governance and administration</b>	<b>89,287</b>	<b>123,749</b>	<b>125,895</b>	<b>125,895</b>	<b>38,352</b>	87,542	228%	<b>123,749</b>
Executive and council	77,705	105,232	122,049	122,049	33,723	88,326	262%	105,232
Budget and treasury office	8,273	9,253	3,584	3,584	2,313	1,271	55%	9,253
Corporate services	3,310	9,263	261	261	2,316	(2,055)	-89%	9,263
<b>Community and public safety</b>	<b>7,316</b>	<b>4,029</b>	<b>758</b>	<b>758</b>	<b>1,007</b>	(249)	-25%	<b>4,029</b>
Community and social services	274	371	84	84	93	(9)	-10%	371
Sport and recreation	–	–	–	–	–	–	–	–
Public safety	7,043	3,657	675	675	914	(239)	-26%	3,657
Housing	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	<b>755</b>	<b>185</b>	<b>85</b>	<b>85</b>	<b>46</b>	39	83%	<b>185</b>
Planning and development	755	185	85	85	46	39	83%	185
Road transport	–	–	–	–	–	–	–	–
Environmental protection	–	–	–	–	–	–	–	–
<b>Trading services</b>	<b>96,642</b>	<b>191,677</b>	<b>39,861</b>	<b>39,861</b>	<b>47,919</b>	(8,058)	-17%	<b>191,677</b>
Electricity	47,260	81,613	20,820	20,820	20,403	417	2%	81,613
Water	23,797	68,804	8,006	8,006	17,201	(9,195)	-53%	68,804
Waste water management	13,078	31,068	7,673	7,673	7,767	(94)	-1%	31,068
Waste management	12,507	10,192	3,363	3,363	2,548	815	32%	10,192
<b>Other</b>	<b>9,621</b>	<b>30,922</b>	<b>1,094</b>	<b>1,094</b>	<b>1,094</b>	–	–	<b>30,922</b>
<b>Total Revenue - Standard</b>	<b>203,622</b>	<b>350,562</b>	<b>167,693</b>	<b>167,693</b>	<b>88,419</b>	<b>79,274</b>	<b>90%</b>	<b>350,562</b>
<b>Expenditure - Standard</b>								
<b>Governance and administration</b>	<b>108,278</b>	<b>80,407</b>	<b>19,330</b>	<b>19,330</b>	<b>20,102</b>	(772)	-4%	<b>80,407</b>
Executive and council	30,661	24,024	6,467	6,467	6,006	461	8%	24,024
Budget and treasury office	43,595	34,374	8,018	8,018	8,593	(575)	-7%	34,374
Corporate services	34,022	22,010	4,845	4,845	5,502	(658)	-12%	22,010
<b>Community and public safety</b>	<b>26,343</b>	<b>23,744</b>	<b>5,312</b>	<b>5,312</b>	<b>5,936</b>	(624)	-11%	<b>23,744</b>
Community and social services	6,446	2,396	393	393	599	(206)	-34%	2,396
Sport and recreation	10,087	4,310	904	904	1,077	(174)	-16%	4,310
Public safety	9,811	17,037	4,015	4,015	4,259	(244)	-6%	17,037
Housing	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	<b>66,611</b>	<b>35,667</b>	<b>11,179</b>	<b>11,179</b>	<b>8,927</b>	2,251	25%	<b>35,667</b>
Planning and development	5,411	6,719	1,434	1,434	1,680	(245)	-15%	6,719
Road transport	60,811	28,561	9,645	9,645	7,151	2,495	35%	28,561
Environmental protection	388	387	99	99	97	2	2%	387
<b>Trading services</b>	<b>135,619</b>	<b>143,568</b>	<b>31,106</b>	<b>31,106</b>	<b>35,881</b>	(4,776)	-13%	<b>143,568</b>
Electricity	68,418	67,102	24,573	24,573	16,776	7,797	46%	67,102
Water	39,622	59,017	4,387	4,387	14,744	(10,357)	-70%	59,017
Waste water management	18,566	9,340	604	604	2,335	(1,731)	-74%	9,340
Waste management	9,012	8,109	1,542	1,542	2,027	(485)	-24%	8,109
<b>Other</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Expenditure - Standard</b>	<b>336,850</b>	<b>283,386</b>	<b>66,926</b>	<b>66,926</b>	<b>70,847</b>	<b>(3,921)</b>	<b>-6%</b>	<b>283,386</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(133,228)</b>	<b>67,175</b>	<b>100,768</b>	<b>100,768</b>	<b>17,572</b>	<b>83,195</b>	<b>473%</b>	<b>67,175</b>

The above table shows financial performance for the period ended 30 September 2015 by standard classification. Details and explanations of the variances reported are given on Table 8 that follows.

Below is a table showing financial performance for the period ended 30 September 2015 (QTR 1) 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) - QTR1 September 2015**

Vote Description	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue by Vote</b>								
Vote 1 - 100 Political Office Bearers	77,705	105,232	122,049	122,049	33,723	88,326	261.9%	105,232
Vote 2 - 200 Municipal Manager	–	–	–	–	–	–		–
Vote 3 - 300 Budget & Treasury	8,273	9,253	3,584	3,584	2,313	1,271	54.9%	9,253
Vote 4 - 400 Corporate Services	3,310	9,263	261	261	2,316	(2,055)	-88.7%	9,263
Vote 5 - 500 Planning and Development	755	185	85	85	46	39	83.4%	185
Vote 6 - 600 Community Services	19,823	14,221	4,121	4,121	3,555	566	15.9%	14,221
Vote 7 - 700 Technical Services	93,757	212,407	37,593	37,593	46,465	(8,872)	-19.1%	212,407
Vote 8 - Public Safety and Protection Services 800	–	–	–	–	–	–		–
<b>Total Revenue by Vote</b>	<b>203,622</b>	<b>350,562</b>	<b>167,693</b>	<b>167,693</b>	<b>88,419</b>	<b>79,274</b>	<b>89.7%</b>	<b>350,562</b>
<b>Expenditure by Vote</b>								
Vote 1 - 100 Political Office Bearers	19,499	17,448	5,007	5,007	4,362	645	14.8%	17,448
Vote 2 - 200 Municipal Manager	11,162	6,575	1,460	1,460	1,644	(184)	-11.2%	6,575
Vote 3 - 300 Budget & Treasury	43,595	34,374	8,018	8,018	8,593	(575)	-6.7%	34,374
Vote 4 - 400 Corporate Services	34,022	22,010	4,845	4,845	5,502	(658)	-12.0%	22,010
Vote 5 - 500 Planning and Development	5,799	7,106	1,533	1,533	1,776	(243)	-13.7%	7,106
Vote 6 - 600 Community Services	35,355	31,852	6,854	6,854	7,963	(1,109)	-13.9%	31,852
Vote 7 - 700 Technical Services	187,418	164,020	39,210	39,210	41,005	(1,796)	-4.4%	164,020
<b>Total Expenditure by Vote</b>	<b>336,850</b>	<b>283,386</b>	<b>66,926</b>	<b>66,926</b>	<b>70,847</b>	<b>(3,921)</b>	<b>-5.5%</b>	<b>283,386</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(133,228)</b>	<b>67,175</b>	<b>100,768</b>	<b>100,768</b>	<b>17,572</b>	<b>83,195</b>	<b>473.4%</b>	<b>67,175</b>

An aggregate negative variance of 4% is largely contributed by an underachievement in basic services, however due to the seasonal demands of our services; we anticipate the trend to even out after the full calendar circle.

Overall, there is a general overspending of 4.8% on operating expenditure over the first quarter, it is worth noting that some of accounting estimates such as GRAP 25 provisions and Debt impairment and write off are subject to the necessary reviews and approvals and are not part of this report. However depreciation for the first quarter has been incorporated onto the financial reporting system.

**Table 4 MBRR C4 Quarterly Budget Statement - Financial Performance (standard classification) – QTR1 September 2015**

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

Description	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates	13,708	31,392	98,617	98,617	7,848	90,769	1157%	31,392
Property rates - penalties & collection charges	—	—	—	—	—	—		—
Service charges - electricity revenue	47,195	81,613	18,796	18,796	20,403	(1,607)	-8%	81,613
Service charges - water revenue	20,952	68,804	8,311	8,311	17,201	(8,890)	-52%	68,804
Service charges - sanitation revenue	13,001	31,068	7,350	7,350	7,767	(417)	-5%	31,068
Service charges - refuse revenue	8,615	10,192	3,342	3,342	2,548	794	31%	10,192
Service charges - other	—	—	—	—	—	—		—
Rental of facilities and equipment	381	1,219	50	50	305	(254)	-83%	1,219
Interest earned - external investments	1,231	—	27	27	—	27	#DIV/0!	—
Interest earned - outstanding debtors	7,252	6,250	3,516	3,516	1,563	1,954	125%	6,250
Dividends received	—	—	—	—	—	—		—
Fines	1,002	904	72	72	226	(154)	-68%	904
Licences and permits	1,425	3,149	220	220	787	(567)	-72%	3,149
Agency services	—	2,653	—	—	663	(663)	-100%	2,653
Transfers recognised - operational	72,470	64,841	26,782	26,782	26,782	—		64,841
Other revenue	14,222	9,305	571	571	2,326	(1,756)	-75%	9,305
Gains on disposal of PPE	2,167	—	39	39	—	39	#DIV/0!	—
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>203,622</b>	<b>311,390</b>	<b>167,693</b>	<b>167,693</b>	<b>88,419</b>	<b>79,274</b>	<b>90%</b>	<b>311,390</b>
<b>Expenditure By Type</b>								
Employee related costs	101,944	100,461	25,675	25,675	25,115	560	2%	100,461
Remuneration of councillors	6,237	8,399	2,238	2,238	2,100	139	7%	8,399
Debt impairment	12,632	14,530	3,633	3,633	3,633	1	0%	14,530
Depreciation & asset impairment	67,509	32,500	8,125	8,125	8,125	—		32,500
Finance charges	11,893	838	105	105	209	(105)	-50%	838
Bulk purchases	64,861	69,908	17,791	17,791	17,477	314	2%	69,908
Other materials	—	—	—	—	—	—		—
Contracted services	—	—	—	—	—	—		—
Transfers and grants	—	—	—	—	—	—		—
Other expenditure	71,773	56,750	9,358	9,358	14,188	(4,830)	-34%	56,750
Loss on disposal of PPE	—	—	—	—	—	—		—
<b>Total Expenditure</b>	<b>336,850</b>	<b>283,386</b>	<b>66,926</b>	<b>66,926</b>	<b>70,847</b>	<b>(3,921)</b>	<b>-6%</b>	<b>283,386</b>
<b>Surplus/(Deficit)</b>	<b>(133,228)</b>	<b>28,003</b>	<b>100,768</b>	<b>100,768</b>	<b>17,572</b>	<b>83,195</b>	<b>0</b>	<b>28,003</b>
Transfers recognised - capital	—	29,172	—	—	—	—		39,172
Contributions recognised - capital	—	—	—	—	—	—		—
Contributed assets	—	10,000	—	—	—	—		—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(133,228)</b>	<b>67,175</b>	<b>100,768</b>	<b>100,768</b>	<b>17,572</b>			<b>67,175</b>
Taxation	—	—	—	—	—	—		—
<b>Surplus/(Deficit) after taxation</b>	<b>(133,228)</b>	<b>67,175</b>	<b>100,768</b>	<b>100,768</b>	<b>17,572</b>			<b>67,175</b>
Attributable to minorities	—	—	—	—	—			—
	<b>(133,228)</b>	<b>67,175</b>	<b>100,768</b>	<b>100,768</b>	<b>17,572</b>			<b>67,175</b>
<b>Surplus/(Deficit) attributable to municipality</b>								
Share of surplus/ (deficit) of associate	—	—	—	—	—			—
<b>Surplus/ (Deficit) for the year</b>	<b>(133,228)</b>	<b>67,175</b>	<b>100,768</b>	<b>100,768</b>	<b>17,572</b>			<b>67,175</b>

**Table 5 MBRR C5 Quarterly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) – QTR1 September 2015**

Vote Description	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Single Year expenditure appropriation</b>								
Vote 1 - 100 Political Office Bearers	–	–	–	–	–	–		–
Vote 2 - 200 Municipal Manager	–	–	–	–	–	–		–
Vote 3 - 300 Budget & Treasury	–	–	–	–	–	–		2,500
Vote 4 - 400 Corporate Services	9,354	5,750	–	–	–	–		5,750
Vote 5 - 500 Planning and Development	–	–	–	–	–	–		–
Vote 6 - 600 Community Services	–	9,689	–	–	–	–		9,689
Vote 7 - 700 Technical Services	21,743	55,000	–	–	–	–		55,000
Vote 8 - Public Safety and Protection Services 800	–	2,250	–	–	–	–		2,250
<b>Total Capital single-year expenditure</b>	<b>31,097</b>	<b>72,689</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>75,189</b>
<b>Total Capital Expenditure</b>	<b>31,097</b>	<b>72,689</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>75,189</b>
<b>Capital Expenditure - Standard Classification</b>								
<b>Governance and administration</b>	<b>9,354</b>	<b>5,750</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>5,750</b>
Executive and council	–	–	–	–	–	–		–
Budget and treasury office	–	–	–	–	–	–		–
Corporate services	9,354	5,750	–	–	–	–		5,750
<b>Community and public safety</b>	<b>–</b>	<b>6,739</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>6,739</b>
Community and social services	–	–	–	–	–	–		–
Sport and recreation	–	4,489	–	–	–	–		4,489
Public safety	–	2,250	–	–	–	–		2,250
Housing	–	–	–	–	–	–		–
Health	–	–	–	–	–	–		–
<b>Economic and environmental services</b>	<b>1,864</b>	<b>18,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>18,000</b>
Planning and development	–	–	–	–	–	–		–
Road transport	1,864	18,000	–	–	–	–		18,000
Environmental protection	–	–	–	–	–	–		–
<b>Trading services</b>	<b>19,879</b>	<b>42,200</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>42,200</b>
Electricity	–	27,000	–	–	–	–		27,000
Water	449	10,000	–	–	–	–		10,000
Waste water management	19,430	5,200	–	–	–	–		5,200
Waste management	–	–	–	–	–	–		–
<b>Other</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>Total Capital Expenditure - Standard Classification</b>	<b>31,097</b>	<b>72,689</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>72,689</b>
<b>Funded by:</b>								
National Government	8,621	29,172	–	–	–	–		29,172
Provincial Government	–	–	–	–	–	–		–
District Municipality	–	–	–	–	–	–		–
Other transfers and grants	–	–	–	–	–	–		–
<b>Transfers recognised - capital</b>	<b>8,621</b>	<b>29,172</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>29,172</b>
<b>Public contributions &amp; donations</b>	<b>22,476</b>	<b>10,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>10,000</b>
<b>Borrowing</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>Internally generated funds</b>	<b>–</b>	<b>33,517</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>33,517</b>
<b>Total Capital Funding</b>	<b>31,097</b>	<b>72,689</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>72,689</b>

All capital projects for 201516 have not yet commenced, MIG funds are expected to be received in March 2016. SCM processes are being finalised for commencement.

**Table 6 MBRR C 6: Financial Position as at 30 September 2015 (QTR 1)**

Description	2014/15	Budget Year 2015/16			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	3,156	1,709	–	7,559	1,709
Call investment deposits	172	250	–	260	250
Consumer debtors	71,781	46,351	–	169,118	46,351
Other debtors	–	–	–	–	–
Current portion of long-term receivables	12,758	–	–	–	–
Inventory	2,645	1,780	–	2,997	1,780
<b>Total current assets</b>	<b>90,511</b>	<b>50,089</b>	<b>–</b>	<b>179,935</b>	<b>50,089</b>
<b>Non current assets</b>					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	–	–	–	–	–
Investments in Associate	–	–	–	–	–
Property, plant and equipment	1,101,827	1,311,446	–	1,454,765	1,311,446
Agricultural	–	–	–	–	–
Biological assets	880	–	–	–	–
Intangible assets	–	–	–	–	–
Other non-current assets	3,136	–	–	–	–
<b>Total non current assets</b>	<b>1,105,842</b>	<b>1,311,446</b>	<b>–</b>	<b>1,454,765</b>	<b>1,311,446</b>
<b>TOTAL ASSETS</b>	<b>1,196,353</b>	<b>1,361,535</b>	<b>–</b>	<b>1,634,699</b>	<b>1,361,535</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–	–	–	–
Borrowing	2,818	9,350	–	1,059	9,350
Consumer deposits	3,563	3,824	–	3,631	3,824
Trade and other payables	228,444	37,950	–	280,063	37,950
Provisions	11,027	47,529	–	3,006	47,529
<b>Total current liabilities</b>	<b>245,852</b>	<b>98,653</b>	<b>–</b>	<b>287,760</b>	<b>98,653</b>
<b>Non current liabilities</b>					
Borrowing	8,606	4,783	–	4,812	4,783
Provisions	45,426	26,505	–	48,656	26,505
<b>Total non current liabilities</b>	<b>54,032</b>	<b>31,287</b>	<b>–</b>	<b>53,467</b>	<b>31,287</b>
<b>TOTAL LIABILITIES</b>	<b>299,884</b>	<b>129,941</b>	<b>–</b>	<b>341,227</b>	<b>129,941</b>
<b>NET ASSETS</b>	<b>896,469</b>	<b>1,231,594</b>	<b>–</b>	<b>1,293,472</b>	<b>1,231,594</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	896,469	1,231,594	–	1,293,472	1,231,594
Reserves	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>896,469</b>	<b>1,231,594</b>	<b>–</b>	<b>1,293,472</b>	<b>1,231,594</b>

The balance sheet size was evidenced by minor fluctuations in assets and liabilities components compared to prior year unaudited outcome. The increase in the net community wealth is mainly due to a revaluation of all

Municipal assets as required by GRAP 17, the subsequent revaluation surplus (Accumulated Surplus) also saw our asset based reserves increase with the same magnitude.

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

**Table 7 MBRR C7 Quarterly Budget Statement - Cash Flow – QTR1 September 2015**

Description	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Ratepayers and other	93,634	209,908	33,405	33,405	52,477	(19,072)	-36%	151,181
Government - operating	72,470	64,841	24,782	24,782	24,782	–		69,092
Government - capital	18,640	29,172	–	–	–	–		32,926
Interest	8,483	5,625	2	2	1,406	(1,404)	-100%	5,625
Dividends	–	–	–	–	–	–		–
<b>Payments</b>								
Suppliers and employees	(155,412)	(290,284)	(57,791)	(57,791)	(72,571)	(14,780)	20%	(212,550)
Finance charges	(11,893)	(438)	(57)	(57)	(46)	10	-22%	(361)
Transfers and Grants	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) OPERATING ACT</b>	<b>25,922</b>	<b>18,823</b>	<b>341</b>	<b>341</b>	<b>6,047</b>	<b>(5,706)</b>	<b>-94%</b>	<b>45,913</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	300	–	–	–	–	–		–
Decrease (Increase) in non-current debtors	(213)	–	–	–	–	–		–
Decrease (increase) other non-current receivables	–	9,972	–	–	2,493	(2,493)	-100%	9,972
Decrease (increase) in non-current investments	–	–	–	–	–	–		–
<b>Payments</b>								
Capital assets	(31,097)	(29,172)	–	–	(7,293)	(7,293)	100%	(29,172)
<b>NET CASH FROM/(USED) INVESTING ACTI</b>	<b>(31,010)</b>	<b>(19,200)</b>	<b>–</b>	<b>–</b>	<b>(4,800)</b>	<b>(4,800)</b>	<b>100%</b>	<b>(19,200)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	–	–	–	–	–	–		–
Borrowing long term/refinancing	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits	–	–	–	–	–	–		–
<b>Payments</b>								
Repayment of borrowing	–	(2,014)	–	–	–	–		(2,014)
<b>NET CASH FROM/(USED) FINANCING ACTI</b>	<b>–</b>	<b>(2,014)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>(2,014)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HEL</b>	<b>(5,088)</b>	<b>(2,391)</b>	<b>341</b>	<b>341</b>	<b>1,247</b>			<b>24,699</b>
Cash/cash equivalents at beginning:	3,137	4,100		34	4,100			34
Cash/cash equivalents at month/year end:	(1,951)	1,709		376	5,347			24,733

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

## PART 2 – SUPPORTING DOCUMENTATION

**Table 8 MBRR SC1 Quarterly Budget Statement – Material variances explanations – QTR1 September 2015**

<b>Description</b>	<b>Variance</b>	<b>Reasons for material deviations</b>	<b>Remedial or corrective steps/remarks</b>
<b>Revenue By Source</b>			
<i>Investment Income</i>		<i>The returns on investments are meager; this is also reflective of the magnitude of available funds for investing.</i>	<i>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>Damaged and dysfunctional meters are also contributing immensely to the negative outlook.</i>	<i>Replacement of all damaged and dysfunctional meters for both water and electricity needs to be done as a matter of urgency.</i>
<i>Grants</i>		<i>Grants from National treasury were received as anticipated and communicated through the NT payment schedule for 2015/16.</i>	<i>None needed.</i>
<b>Expenditure By Type</b>			
<i>Accounting estimates</i>		<i>Deprecation was incorporated onto the financial reporting system. However, Grap 25 provisions are yet to included as the valuations are done annually.</i>	<i>The sizeable magnitude on depreciation would be rectified and aligned to our FAR during the Adj budget process.</i>
<i>Other expenditure</i>		<i>There is general saving on expenditure due to effective expenditure management and cash flow constraints.</i>	<i>None needed.</i>
<b>Capital Expenditure</b>			
<i>All</i>		<i>Our MIG funds for 201516 financial year will only be received in March 2016. However the SCM processes have already commenced.</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 - QTR1 September 2015**

Description of financial indicator	Basis of calculation	Ref	2014/15	Budget Year 2015/16			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		3.5%	11.8%	0.0%	0.2%	3.3%
Borrowed funding of 'own n' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		26.8%	4.2%	0.0%	17.0%	4.2%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	36.8%	50.8%	0.0%	77.6%	50.8%
Liquidity Ratio	Monetary Assets/Current Liabilities		1.4%	2.0%	0.0%	3.4%	2.0%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		41.5%	14.9%	0.0%	100.8%	14.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		60.0%	95.0%	70.0%	45.0%	80.0%
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	22.0%	30.0%	22.0%	22.0%	22.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	10.0%	10.0%	30.0%	30.0%	30.0%
Employee costs	Employee costs/Total Revenue - capital revenue		50.1%	32.3%	0.0%	15.3%	32.3%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		39.0%	10.7%	0.0%	0.1%	3.0%
<b><u>IDP regulation financial viability indicators</u></b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						



## **Explanations of significant statistics**

### *Borrowing management*

Borrowing levels remain low, even lower than prior audited year, although expected to rise if the plans to acquire vehicles on vehicle finance proceed. Capital charges refers to total installment to repay loans (comprising of capital and interest portions) and this remains a very small proportion of total operating expenditure to date.

### *Safety of capital*

Municipal reserves remain greater than the liabilities as indicated by the low gearing level of only 5.6%. However the high level of unpaid creditors remains a threat to the overall debt to equity ratio. If compliance with section 65(2)(e) of MFMA is observed, this ratio could be managed within the acceptable range.

### *Liquidity*

The municipality is facing serious financial challenges due to significant distribution losses, dysfunctional metering, non cost recovery tariffs and bloated salary bill. The Municipality needs massive financial inflow to revamp the metering infrastructure and find ways of responding to the current salary bill vis-a vi the size of municipality thereon.

### *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 R160 million of the R280 million 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. The municipality is performing very poorly in this regard due to the liquidity challenges highlighted 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.

### *Contingent Liabilities*

The municipality is currently facing a number of litigation cases due to nonpayment of suppliers, financial planning becomes very difficult to forecast due to the uncertainties surrounding the asset attachments and payment of statutory financial obligations. The institution needs to have a solid mechanism to defended these legal cases, respond financially to the cases already been concluded favour of third parties and map way for adequate future financial planning.(Please refer to Annexure A for litigation cases).

**Table 10MBRRSC 3: Debtors age analysis – QTR1 September 2015**

Description	Budget Year 2015/16							Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	Total			
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	3,843	1,425	1,185	764	622	41,920	49,758	43,306		43,306
Trade and Other Receivables from Exchange Transactions - Electricity	3,345	1,014	545	269	199	14,120	19,493	6,588		6,588
Receivables from Non-exchange Transactions - Property Rates	31,174	28,063	23,002	444	417	17,819	100,918	13,680		13,680
Receivables from Exchange Transactions - Waste Water Management	4,033	1,602	921	1,040	847	20,073	28,517	21,960		21,960
Receivables from Exchange Transactions - Waste Management	341	1,566	465	408	394	13,587	16,761	14,389		14,389
Receivables from Exchange Transactions - Property Rental Debtors	28	19	18	9	8	2,407	2,489	2,424		2,424
Interest on Arrear Debtor Accounts	-	1,240	1,041	999	1,000	23,809	29,583	25,808		25,808
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-		-
Other	-	(1,588)	510	(986)	189	36,961	34,028	33,165		28,165
<b>Total By Income Source</b>	<b>42,764</b>	<b>33,341</b>	<b>27,687</b>	<b>2,947</b>	<b>3,676</b>	<b>170,697</b>	<b>281,546</b>	<b>161,320</b>	<b>-</b>	<b>156,320</b>
<b>2014/15 - totals only</b>							-	-		
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	954	480	293	136	177	5,121	7,161	5,434		5,434
Commercial	31,591	28,251	23,490	(272)	302	10,197	95,559	12,227		12,227
Households	9,719	4,173	3,971	3,259	2,804	154,485	177,510	125,548		125,548
Other	535	437	4	(176)	493	703	1,313	13,620		13,620
<b>Total By Customer Group</b>	<b>42,799</b>	<b>33,341</b>	<b>27,758</b>	<b>2,947</b>	<b>3,776</b>	<b>170,505</b>	<b>281,543</b>	<b>156,828</b>	<b>-</b>	<b>156,828</b>

The debtors' balance above is a gross amount. An impairment provision has already been raised that has reduced the debtors balance significantly, following a recommendation by the Auditor General of South Africa.

**Table 11 MBRR SC4 Quarterly Budget Statement - aged creditors – QTR1 September 2015**

Description	Budget Year 2015/16								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity	6,674	3,200	2,993	4,301	5,100	3,800	2,418	97,500	125,987
Bulk Water	1,450	1,833	1,165	1,200	801	1,165	1,165	19,202	27,980
PAYE deductions	4,050	2,386	-	-	-	-	-	-	6,436
VAT (output less input)	477	-	-	-	-	-	-	-	477
Loan repayments	584	-	-	-	-	-	1,248	-	1,833
Trade Creditors	2,356	2,726	2,759	2,716	2,737	2,712	16,883	83,013	115,901
Auditor General	-	-	-	-	-	-	-	1,450	1,450
<b>Total By Customer Type</b>	<b>15,591</b>	<b>10,145</b>	<b>6,917</b>	<b>8,217</b>	<b>8,638</b>	<b>7,676</b>	<b>21,714</b>	<b>201,165</b>	<b>280,063</b>

The Municipal payables show us that the municipality's ability to service its creditors and suppliers as legislated is very poor. Most of the financial obligations are over 12 months old.

**Table 12 MBRR SC5 Quarterly Budget Statement - investment portfolio – QTR1 September 2015**

Investments by maturity Name of institution & investment ID	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	Yrs/Months							
<b>Municipality</b>								
ABSA Investment	1 Month	Fixed deposit	–	–	0.0%	174	1	174
Sanlam Investment	1 Month	Unit trusts	–	–	0.0%	28	1	28
Sanlam Investment	1 Month	Unit trusts	–	–	0.0%	45	1	46
Old Mutual Investment	1 Month	Unit trusts	14/12/2014	–	0.0%	–	–	–
<b>Municipality sub-total</b>				–		247	2	249
<b>TOTAL INVESTMENTS AND INTEREST</b>				–		247	2	249

The Municipal investment portfolio needs re-capitalisation; the remaining funds are too little to bear a significant return.

**Table 13 MBRR SC6 Quarterly Budget Statement - transfers and grant receipts – QTR1 September 2015**

Description	2014/15	Budget Year 2015/16							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	63,569	64,841	–	24,526	24,526	24,526	–		64,753
Local Government Equitable Share	60,129	60,064		20,827	20,827	20,827	–		60,733
Finance Management	1,550	1,675		1,675	1,675	1,675			934
Municipal Systems Improvement	890	2,102		930	930	930			1,600
EPWP Incentive	1,000	1,000		1,094	1,094	1,094			1,486
<b>Provincial Government:</b>	–	–	–	–	–	–	–		–
<b>District Municipality:</b>	280	1,500	–	278	278	278	–		1,500
Waterberg District Fire Subsidy	190	–		256	256	256	–		–
LG SETA	90	1,500		23	23	23	–		1,500
<b>Other grant providers:</b>	–	–	–	2,000	2,000	2,000	–		–
Department of Energy SANEDI	–	–		2,000	2,000	2,000	–		
<b>Total Operating Transfers and Grants</b>	63,849	66,341	–	26,804	26,804	26,804	–		66,253
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	27,261	29,172	–	–	–	–	–		29,172
Municipal Infrastructure Grant (MIG)	27,261	29,172		–	–	–	–		29,172
<b>Provincial Government:</b>	–	–	–	–	–	–	–		–
<b>District Municipality:</b>	–	–	–	–	–	–	–		–
<b>Total Capital Transfers and Grants</b>	27,261	29,172	–	–	–	–	–		29,172
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	91,110	95,513	–	26,804	26,804	26,804	–		95,425

All grants have been received as allocated in the 2015/16 Division of Revenue Act payment schedule.

**Table 14: Transfers and Grants expenditure-QTR1 September 2015**

Description	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>EXPENDITURE</b>								
<b>Operating expenditure of Transfers and Grants</b>								
<b>National Government:</b>	63,569	64,841	21,765	21,765	21,765	-		64,753
Local Government Equitable Share	60,129	60,064	20,827	20,827	20,827	-		60,733
Finance Management	1,550	1,675	188	188	188	-		934
Municipal Systems Improvement	890	2,102	22	22	22	-		1,600
EPWP Incentive	1,000	1,000	729	729	729	-		1,486
<b>Provincial Government:</b>	-	-	-	-	-	-		-
Other transfers and grants [insert description]						-		
<b>District Municipality:</b>	280	1,500	278	278	278	-		4,339
Waterberg District Fire Subsidy	190	-	256	256	256	-		2,231
LG SETA	90	1,500	23	23	23	-		2,108
<b>Other grant providers:</b>	-	-	2,000	2,000	2,000	-		-
<b>Department of Energy SANEDI</b>			2,000	2,000	2,000	-		
[insert description]						-		
<b>Total operating expenditure of Transfers and Grants:</b>	63,849	66,341	24,044	24,044	24,044	-		69,092
<b>Capital expenditure of Transfers and Grants</b>								
<b>National Government:</b>	8,621	29,172	-	-	-	-		29,172
Municipal Infrastructure Grant (MIG)	8,621	29,172				-		29,172
<b>Total capital expenditure of Transfers and Grants</b>	8,621	29,172	-	-	-	-		29,172
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	72,470	95,513	24,044	24,044	24,044	-		98,264

All the Municipal Grants were received as per the published National Treasury payment schedule. It must be noted that the Municipality is still repaying the portion of unspent MIG funds from prior years. A new and revised repayment schedule must be entered into due to the recently declined MIG roll-over application.

**Table 15 MBRR SC8 Quarterly Budget Statement – Councillors and Employee Benefits – QTR1 September 2015**

Summary of Employee and Councillor remuneration  R thousands	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Quarterly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	A	B						D
<b><u>Councillors (Political Office Bearers plus Other)</u></b>								
Basic Salaries and Wages	4,580	4,952	1,397	1,397	1,238	159	13%	4,952
Pension and UIF Contributions	592	668	198	198	167	31	19%	668
Medical Aid Contributions	96	115	22	22	29	(7)	-25%	115
Motor Vehicle Allowance	1,411	1,526	438	438	482	(44)	-9%	1,526
Cellphone Allowance	414	327	116	116	82	34	41%	327
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	182	210	69	69	79	(10)	-13%	810
<b>Sub Total - Councillors</b>	<b>7,276</b>	<b>7,799</b>	<b>2,238</b>	<b>2,238</b>	<b>2,076</b>	<b>162</b>	<b>8%</b>	<b>8,399</b>
<b>% increase</b>		<b>7.2%</b>						<b>15.4%</b>
<b><u>Senior Managers of the Municipality</u></b>								
Basic Salaries and Wages	6,340	6,720	1,680	1,680	1,550	130	8%	6,720
Pension and UIF Contributions	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	–	–	–	–		–
Overtime	–	–	–	–	–	–		–
Performance Bonus	–	–	–	–	–	–		–
Motor Vehicle Allowance	–	–	–	–	–	–		–
Cellphone Allowance	–	–	–	–	–	–		–
Housing Allowances	–	–	–	–	–	–		–
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,340</b>	<b>6,720</b>	<b>1,680</b>	<b>1,680</b>	<b>1,550</b>	<b>130</b>	<b>8%</b>	<b>6,720</b>
<b>% increase</b>		<b>6.0%</b>						<b>6.0%</b>
<b><u>Other Municipal Staff</u></b>								
Basic Salaries and Wages	60,401	58,330	14,538	14,538	14,583	(45)	0%	54,330
Pension and UIF Contributions	9,765	11,825	2,678	2,678	2,956	(278)	-9%	11,825
Medical Aid Contributions	2,960	3,998	956	956	999	(43)	-4%	3,998
Overtime	5,736	5,903	1,366	1,366	1,476	(110)	-7%	4,903
Performance Bonus	–	–	–	–	–	–		–
Motor Vehicle Allowance	3,383	3,994	1,307	1,307	1,250	57	5%	7,094
Cellphone Allowance	234	547	59	59	69	(10)	-15%	547
Housing Allowances	63	190	18	18	28	(10)	-37%	190
Other benefits and allowances	7,388	8,106	912	912	956	(44)	-5%	9,106
Payments in lieu of leave	–	–	–	–	–	–		–
Long service awards	–	–	–	–	–	–		–
Post-retirement benefit obligations	–	–	–	–	–	–		–
<b>Sub Total - Other Municipal Staff</b>	<b>89,929</b>	<b>92,894</b>	<b>21,833</b>	<b>21,833</b>	<b>22,317</b>	<b>(484)</b>	<b>-2%</b>	<b>91,994</b>
<b>% increase</b>		<b>3.3%</b>						<b>2.3%</b>
<b>Total Parent Municipality</b>	<b>103,544</b>	<b>107,413</b>	<b>25,751</b>	<b>25,751</b>	<b>25,944</b>	<b>(193)</b>	<b>-1%</b>	<b>107,113</b>
		<b>3.7%</b>						<b>3.4%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>103,544</b>	<b>107,413</b>	<b>25,751</b>	<b>25,751</b>	<b>25,944</b>	<b>(193)</b>	<b>-1%</b>	<b>107,113</b>
<b>% increase</b>		<b>3.7%</b>						<b>3.4%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>96,269</b>	<b>99,614</b>	<b>23,513</b>	<b>23,513</b>	<b>23,867</b>	<b>(355)</b>	<b>-1%</b>	<b>98,714</b>

An increase of 6% was used during the forecasting period and a 7.1% increment was awarded during the negotiations between SALGA wage negotiations.

**Table 17 MBRR SC12 Quarterly Budget Statement - capital expenditure trend – QTR1 September 2015**

Month	2014/15	Budget Year 2015/16					
	Audited Outcome	Original Budget	Adjusted Budget	Quarterly actual	YearTD actual	YearTD budget	% spend of Original Budget
<b>R thousands</b>							
<b>Monthly expenditure performance trend</b>							
July	–	15,000	–	–		15,000	
August	–	5,000	–	–		20,000	
September	–	2,470	–	–		22,470	
October	353	984	–	–		23,454	
November	6,000	8,451	–	–		31,905	
December	3,000	12,000	–	–		43,905	
January	1,864	4,510	–	–		48,415	
February	–	3,000	–	–		51,415	
March	19,430	15,240	–	–		66,655	
April	–	–	–	–		66,655	
May	0	5,140	–	–		71,795	
June	449	894	–	–		72,689	
<b>Total Capital expenditure</b>	<b>31,097</b>	<b>72,689</b>	<b>–</b>	<b>–</b>			

Municipal Infrastructure Grant funds for 2015/16 financial year is expected to be received in March 2016, no capital projects have commenced yet for the year with the majority of them still in various stages of planning and Supply Chain Management processes.

**Table 20: -Deviations from supply chain policy-QTR1 September 2015**

16/03/2015	<b>DEV001/01/2015</b>	KTS GENERAL TRADING	R 224,861.32	Northam construction of a new waste water treatment works-security services	Material to the value of almost R1m is stored at the new Northam WWTW. Due to the fact that the contractors have withdrawn from site, security is needed to prevent theft and vandalism.
18/03/2015	<b>DEV002/03/2015</b>	MAEMO MOTORS P/L	R 31,628.20	Repairing of brake system for compactor truck (CTS 492L)	The truck experienced mechanical breakdown and it is the only truck that empties 6m Bulk container in Northam, Thabazimbi & Leeupoort.
26/03/2015	<b>DEV003/03/2015</b>	YSTERBERG ELEKTRIES BK	R 7,634.81	Request to purchase Borehole materials	Leeupoort residences are without water because borehole control panel is burnt , the control panel was burnt due to loose connection and all electrical equipment needs to be replaced.
07/04/2015	<b>DEV004/04/2015</b>	BANATJE BUSINESS ENTERPRISE P/L	R 181,600.00	45kw Franklin motor at Zandriverspoort Rooiberg water supply system	The pump at Zandriverspoort is supplying the entire Rooiberg with potable water and operated approximately 24 hours due to unavailability of standby pump.
14/04/2015	<b>DEV005/04/2015</b>	UD TRUCKS	R 6,715.51	Servicing of a compactor truck	The 15m UD Waste Compactor Truck has not been serviced since it has been donated in July 2014 by Anglo american Platinum Swarok Mine. Upon inspection by Fleet Management and Mechanical Workshop, it was then realized that the vehicle needs to be taken to Nissan for a service
15/06/20145	<b>DEV006/2015</b>	MykaTrade 201 CC	R 348,931.20	Appointment of service provider	The deviation is raised due to uncontrollable huge amount of dumps at the landfill sites both (Thabazimbi and Northam) that poses a threat to the Municipality of losing its permit and for the community at large in terms of health. The above mentioned service provider was appointed to manage the landsfills sites
<b>20/027/2015</b>	<b>DEV006/07/2015</b>	<b>RESQUE ROD PTY LTD</b>	R 25,718	Cleaning of sewer lines	The deviation is raised due to sewer lines blockages in Thabazimbi, Regorogile and Northam of which the municipality does not have special tools to unblock the sewer lines.
06/08/2015	<b>DEV007/08/2015</b>	RAMATHOBA CLEANING & GRAVEYARD PROJECTS	R 47,000	Appointment of Ramathoba and Grave	Parks and R ecreations division of the Community Services Department is experiencing challenges on the issue of graves due to high rate of burials , specifically in Regorogile cemetery . The are lots of burials every weekend and during the week at times which leads to the shortage oaves . As we are now approaching December holidays ,Municipality Office will close early and the standby Personnel will have a problem regarding the shortage of graves during the holiday's time,so a request is made for Ramathoba Cleaning and Graveyard Projects to dig yhe following graves for standby : 35 Regorogile Adults, 05 Regorogile Children , 10 Northam Adults , 05 Northam Children , 05 Rooiberg Adults, 05 Rooiberg Children 19 Thabazimbi A dults and the Removal of top/ rocky soil.

The above table shows transactions that were procured as deviations through the SCM policy and were duly approved by the Acting Accounting Officer.

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**Quality certificate**

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I, *CG Booysen*, the Acting Municipal Manager of Thabazimbi Local Municipality, hereby certify that the Quarterly budget statement for the period ended 30 September 2015 (QTR 1) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

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*CG Booysen*

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Acting Municipal manager of Thabazimbi Local Municipality (LIM361)

**Signature.....**

**Date.....**

***End of report***



ANNEXXURE A										
No	Case detail (e.g SALBC v Thabazimbi Local Municipality)	Date when case started	Case number	Description of the case	Attorney handling the case	Attorney physical address	Attorney Postal Address	Attorney mobile Number	Present status of the Case	Estimated Financial Impact (in Rands)
1	Batshabi vs TLM	11/23/2012	366/14	Failure to pay service provider as agreed	Gumbo & Co	Suite 219-224	P.O. Box 1390 Mogwase 0314	014 555 5283	Ongoing	106,590.00
2	Polokwane Surfacing (Pty) LTD	12/1/2014	6632/14	Outstanding Payment in respect of service rendered	Thomas Grobler	14 Landdros Mare Street, Polokwane	P.O. Box 4379, Polokwane 0699	015 295 6046/53	Ongoing	2,910,628.43
3	Enviro Facilities Management	8/27/2014	495/15	Payment in respect of service rendered	Tracy Sischy Attorneys	44 Olympic Road	P.O. Box 1974, Mokopane 0600	011 8860 242	Ongoing	155,000.00
4	Fawcett Security	3/31/2015	Letter of demand	Outstanding Payment in respect of service rendered	Muthray & Associates Incorporated	7 Vindhella Road, Balhalla, Centurion, 0185	P.O. Box 34236,, Erasmia 0023	012 651 9000	Ongoing	2,364,650.20
5	Makaulazilwa Incorporated	6/18/2015	1183/2015	Payment in respect of service rendered	Mashishi Attorneys	Suite 6, 88 Hans van Rensburg Street, Polokwane	88 Hans van Rensburg Street Polokwane	011 262 0840	Ongoing	1,186,372.41
6	Tlou Mokgalaka Investments	11/19/2014	Letter of demand	Payment in respect of service rendered	Couzyn Hertzog & Horak Attorney	321 Middel Street Brooklyn, Pretoria	P.O. Box 2509, Brooklyn Square 0075	012 460 5090	Ongoing	183,837.00
7	Messrs Mmathoka Trading Enterprise cc	2/16/2015	551/15	Payment in respect of service rendered	Joubert & May Attorneys	50 Boundary Street, Grensstraat 50, Tzaneen	P.O. Box 35, Tzaneen 0850, Docex 1 Tzaneen	015 307 3360	Ongoing	194,734.80
8	Delta Built Environment Consultants (PTY) LTD	7/20/2015	1049/2015	Payment in respect of service rendered	Vezi & De Beer Incorporated Attorneys	319 Alpine Road, Lynnwood	P.O. Box 13461, Pretoria	012 361 2746	Ongoing	89,549.58
9	AURECON South Africa	10/23/2014	28308/2015	Payment in respect of service rendered	Summoned from the Registrar of the High Court of South Africa Gauteng Division, Pretoria	Private Bage X67, Pretoria 0001	Private Bage X67, Pretoria 0001	012 315 7711	Ongoing	3,000,000.00
10	Mmathoka Trading Enterprise CC	3/13/2015	1151/14	Payment in respect of service rendered	C/O Joubert & May	50 Boundary Street, Tzaneen	50 Boundary Street, Tzaneen	015 307 3660	Ongoing	194,734.80
11	African Hardware	10/24/2012	Letter of demand.	Payment in respect of service rendered	SJ Pienaar Attorney	Rietbokstraat 2, Thabazimbi	P.O. Box 298, 0380 Thabazimbi	014 777 1618	Ongoing	13,415.81
12	QUANTIBUILT	26-03-2014	18879/2015	Demand Payment for service	VAN VELDEN - DUFFEY	Office, corner of Kock & Brink Street.	Private Bag 82082, Rustenburg 03000	014 592 1365	Ongoing	32,000,000.00
13	Blue Sand Trading 854 CC	6/23/2015	495/15	Payment in respect of service rendered	C/O Makgafela Attorneys	Shop 4, Kwagga Street, Thabazimbi	P.O. Box 1974, Mokopane 0600	014 491 3421	Ongoing	200,000.00
14	Auditor- General of South Africa	2/12/2015	1005/11/15	Payment in respect of service rendered	C/O Hack Stupel, Ross Attorneys	7th Floor, Braamfontein Centre, 23 Jorissen Street, Johannesburg	P.O. Box 30894, Braamfontein 2017	011 403 2765	Ongoing	2,097,758.42
15	PSYCO-JAM DEVELOPMENTS	15-05-2015	4885/2015	Outstanding Payment	Hack Stupel & Ross	2nd Floor Church Square, Pretoria	2nd Floor Church Square, Pretoria	012 325 4185	Ongoing	3,244,880.04

ANNEXXURE A (Cont..d)										
No	Case detail (e.g SALBC v Thabazimbi Local Municipality)	Date when case started	Case number	Description of the case	Attorney handling the case	Attorney physical address	Attorney Postal Address	Attorney mobile Number	Present status of the Case	Estimated Financial Impact (in Rands)
16	Sunel Eloff	10/7/2014	761/14	Claims the relief and on the grounds set out in the particulars claim	Hardam & Associates Inc	4th Floor, Building 3 Outsurance Campus, 1241 Embankment Road Zwartkop Ext 7, Centurion	P.O. Box 11008, Centurion, Pretoria	012 336 3170	Ongoing	12,634.21
17	National Fund for Municipal Workers	10/20/2014	Letter of Demand	Arrears on Pension Fund Contribution	Van der Merwe Associates Incorporated	62 Rigel Avenue North, Waterkloof Ridge, Pretoria	P.O. Box 27756, Sunny side 0132, Pretoria	087 654 0209	Ongoing	8,634.41
19	Gert Thomas Van Rooyen	13-08-2015	582/15	Claims against the municipality	SJ Pienaar Attorney	2 Rietbokstreet, Thabazimbi	2 Rietbokstreet, Thabazimbi	014 777 1618	Ongoing	8,060.00
20	M E Ntsoane	7/22/2015	519/15	Representing TLM vs ME Ntsoane Case	Michael Popper & Associates Inc	111 Vander bijl Street, Thabazimbi	111 Vander bijl Street, Thabazimbi	014 777 2091	Ongoing	1,200,000.00
21	Ipes Utility v TLM	20/02/2013	7059/13	Demand Payment for Service	Mohale Incorporated	16 Thabo Mbeki DR, Mokopane	P.O. Box 415, Mokopane 0600	015 491 8071	On-going	108,211.00
22	Ingwe Waste Man	23-12-2012	Letter of Demand.	Demand Payment for Service	Nkonoane	50 VISA Rend Street, Pretoria	P.O. Box 26883, Pretoria	083 899 9241	On-going	1,200,000.00
23	African Innovative	10/3/2014	Letter of Demand.	Demand Payment for Service	Hills Incorporated Attorneys	107 Nicolson Street, Brooklyn Office	012 6549273	087 351 8330	Ongoing	998,304.09
24	Odirile Investment	7/1/2014	Letter of Demand.	Outstanding Invoices	ML MHLANGU ATTORNEY	507 Spuy Street, Sunnyside, Pretoria	P.O Box 302, Pretoria 0002	012928-12-29	Ongoing	3,111,708.99
25	DEBRA DESIGN v TLM	7/1/2014	Letter of Demand.	Demand Payment for services	Mogobu Attorneys	Thabo Mbeki Belabela	2 Oosthuizen St, The Circle - 0480	014 7364387	Ongoing	348,678.00
26	MAKGOKA DEVELOPMENT v TLM	10/24/2014	Letter of Demand.	Demand Payment for services	Moshokoa Attorneys	Office 225-226 Bank Towers, 190 Thabo Sehume Street, Pretoria	Bela Bela	0112 323 0549	Ongoing	237,283.10
27	Xakanaka Trading	4/14/2014	581/2014	Outstanding Payment in respect of service rendered	Gerrie Raubenheimer Attorneys	C/O Judith Street & 13 Avenue	P.O Box 150, Swartklip	083 226 8743	Ongoing	1,055,020.00
28	ITEBENG TRADING CC	13/01/2015	Letter of Demand.	Outstanding Payment	C/O SEROKOLO ATTORNEYS	OFFICE NO 502 ARCADIA CENTRE	OFFICE NO 502 ARCADIA CENTRE Pretoria 002	073 0224 933	Ongoing	136,800.00
29	Marieta Hendrina Bernard	7/1/2014	72668/12	Payment in respect of service rendered	Eric Marx Attorneys	Vanderbijl Street, Thabazimbi	97 Van der Bijl St, Thabazimbi	014 7771572	Ongoing	35,622.65
30	Millenium Waste Management	7/1/2014	8353/2010	Outstanding Payment	Duplessis De Heus	164 Totius Street	Ground floor, Suite 164, Totius Street, Thabazimbi	012 427 1962	Ongoing	170,831.77
<b>Totals</b>										<b>56,573,939.71</b>

<b>ANNEXXURE B</b>				
<b>Other EXPENDITURE</b>				
<b>Description</b>	<b>Amount</b>		<b>Other Income</b>	<b>Amount</b>
EXTERNAL AUDIT FEES	1,433,135.97		Rental of Facilities	(35,052.00)
OPERATION CLEAN AUDIT	2,664,615.00		Building Plan Fees	(53,604.99)
STATIONERY	32,907.00		Selling of Graves	(62,849.80)
PENALTIES AND INTEREST	3,224,521.96		New connections	(57,804.39)
SHORT TERM INSURANCE	82,340.61		Land fill site fees	(12,132.56)
CLEANING MATERIAL	12,556.00		Fire Services	(126,818.74)
LEGAL COSTS	2,522,132.37		Interest on Debtors	4,120,737.52
POSTAGE	194,284.85			<b>(4,469,000.00)</b>
LEASE PAYMENTS PRINTERS/RENTAL	508,237.84			
TELEPHONE COSTS	98,548.70			
VEHICLE COSTS	173,526.00			
PARKS MAINTENANCE	57,500.00			
VEHICLE COSTS	12,176.87			
TOOLS & EQUIPMENT	114,685.06			
SEWERAGE	176,000.00			
NETWORK WATER	237,448.67			
NETWORKS	217,207.10			
MACHINERY	142,740.00			
SALGA	1,086,436.00			
	<b>12,991,000.00</b>			