

LIM 476
Fetakgomo / Greater Tubatse Local Municipality
Monthly Budget Statement
(Section 71 Report)
30 September 2017

South Africa's first democratic platinum city

The GTM
GREATER TUBATSE
MUNICIPALITY



FETAKGOMO - GREATER TUBATSE
LOCAL MUNICIPALITY



Municipal Manager Quality Certification

I, **NP Busane**, the Acting Municipal Manager of Fetakgomo / Greater Tubatse Local Municipality, hereby

Certify that -

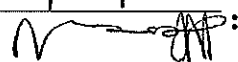
- the monthly budget statement report on the implementation of the budget and financial state affairs of the municipality

For the period ended **30 September 2017** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Margot Noutse Phahle

Municipal Manager of Fetakgomo / Tubatse Local Municipality

Signature



Date

14/10/2017

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

“71(1)The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the implementation of the municipality’s approved budget.

“The mayor of a municipality-

compliance. particulars be reported on and in the format prescribed, hence this report to meet legislative April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” necessitates that specific financial Section 71 of the MFMA and in terms of Section 28 of the Government Notice 32141 dated 17

BACKGROUND

To provide up to date financial and non-financial information to all interested parties as prescribed by MFMA.

STRATEGIC OBJECTIVE

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 (Municipal Budgeting Monitoring and Reporting Regulations: MBMRR).

PURPOSE

SUBJECT: MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017.

- To : The Mayor
- : Provincial Treasury
- : National Treasury
- : Cooperative Governance Human Settlement and Traditional Affairs
- : All Strategic Managers
- : Staff
- : Interested Members of the Community
- : Any other stakeholder

BUDGET AND TREASURY OFFICE

The annual budget for 2017/18 has an operating deficit of R 36,308 million. There is no movement in the adjusted budget. Revenue to date excluding capital receipts amounted to R 199 million while operating expenditure amounted to R 115 million.

Statement of Financial Performance					
Description	ANNUAL	ADJUSTED	Budget YTD (R'000)	Actual YTD (R'000)	Variance% (R'000)
Total Revenue excluding capital receipts	547,939	-	136,985	199,286	45%
Total Operating Expenditure	584,247	-	146,062	115,052	-21%
Operating surplus / (deficit)	(36,308)	-	(9,077)	84,234	-10%

The monthly budget statement is prescribed in the MFMA and seeks to report on the implementation of the adopted IDP and budget. The report covers revenue performance, operating expenditure performance, capital expenditure performance, and grant received and grants spent, cash flow, financial position and debtors and creditors age analysis. The tables are also prescribed by the MFMA with intention to bring comparability of financial and non-financial information across all municipalities. The report must be read together with the SDBIP for better understanding. The budget monitoring and reporting office relies on various internal stakeholders to provide information for these reports.

1. INTRODUCTION

EXECUTIVE SUMMARY

The Budget and Treasury Office has met the timelines for this reporting period. For the reporting period ending **30 September 2017**, the ten working day reporting limit expires on **13 October 2017**.

1.2 REVENUE PER SOURCE

LIM476 LIM476 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Rel	Budget Year 2017/18						Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	
Property rates		123,856	7,939	45,415	30,964	14,451	47%	
Service charges - electricity revenue		-	-	-	-	-	-	
Service charges - water revenue		-	-	-	-	-	-	
Service charges - sanitation revenue		-	-	-	-	-	-	
Service charges - refuse revenue		11,479	1,132	2,200	2,870	(670)	-23%	
Service charges - other		-	-	-	-	-	-	
Rental of facilities and equipment		575	1	4	144	(140)	-97%	
Interest earned - external investments		11,519	1,244	5,215	2,880	2,335	81%	
Interest earned - outstanding debtors		11,719	-	1,882	2,930	(1,047)	-36%	
Dividends received		-	-	-	-	-	-	
Fines, penalties and forfeits		14,436	22	87	3,609	(3,522)	-98%	
Licences and permits		13,846	1,333	1,333	3,461	(2,129)	-62%	
Agency services		4,274	1,271	2,465	1,069	1,396	131%	
Transfers and subsidies		352,892	55,089	140,563	88,223	52,330	59%	
Other revenue		3,342	65	134	836	(702)	-84%	
Gains on disposal of PPE		-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		547,939	68,076	199,286	136,985	62,302	45%	

The table above shows revenue performance per source. The figures are based on the accounting concept of accrual basis where revenue is recognised as the transaction occurs not when revenue is received.

1.3 OPERATING EXPENDITURE PERFORMANCE

The year to date expenditure per type is as follows:

LIM476 LIM476 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Rel	Budget Year 2017/18						Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	
Employee related costs		163,899	30,308	42,792	40,975	1,817	4%	
Remuneration of councillors		24,099	4,884	7,315	6,025	1,290	21%	
Debt impairment		30,000	2,500	7,500	7,500	-	-	
Depreciation & asset impairment		90,600	7,600	22,500	22,500	-	-	
Finance charges		1,725	520	520	431	88	20%	
Bulk purchases		-	-	-	-	-	-	
Other materials		72,748	73	2,035	18,187	(16,152)	-89%	
Contracted services		79,838	12,845	17,331	19,959	(2,629)	-13%	
Transfers and subsidies		4,000	925	1,550	1,000	550	55%	
Other expenditure		117,938	5,514	13,511	29,484	(15,974)	-54%	
Loss on disposal of PPE		-	-	-	-	-	-	
Total Expenditure		584,247	65,069	115,852	146,062	(31,010)	-21%	

Total expenditure for the month amounted to R 65,069 million. The spending to date is 20% of the year budget.

1.4. Capital Budget Performance

LIM476 LIM476 - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2016/17		Budget Year 2017/18					
		Audited Outcome	Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Capital Expenditure - Functional Classification	1	Outcome	Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<i>Government and administration</i>		-	4,020	-	107	196	1,005	(809)	-80%
Executive and council		-	4,020	-	107	196	1,005	(809)	-80%
Finance and administration		-	4,020	-	107	196	1,005	(809)	-80%
Internal audit		-	-	-	-	-	-	-	-
Community and public safety		-	45,345	-	1,300	1,300	11,336	(10,036)	-89%
Community and social services		-	45,345	-	1,300	1,300	11,336	(10,036)	-89%
Sport and recreation		-	10,345	-	-	-	2,586	(2,586)	-100%
Public safety		-	9,500	-	1,300	1,300	2,375	(1,075)	-45%
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Economic and environmental services		-	90,074	-	6,326	17,595	22,518	(4,924)	-22%
Planting and development		-	6,000	-	-	-	1,500	(1,500)	-100%
Road transport		-	84,074	-	6,326	17,595	21,018	(3,424)	-16%
Environmental protection		-	1,000	-	-	-	250	(250)	-100%
Trading services		-	1,000	-	-	-	250	(250)	-100%
Energy sources		-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	140,438	-	6,433	19,091	35,110	(16,019)	-46%
Funded by:									
National Government			81,478		4,355	15,624	20,370	(4,746)	-23%
Provincial Government			-		-	-	-	-	-
District Municipality			-		-	-	-	-	-
Other transfers and grants			-		-	-	-	-	-
Transfers recognised - capital			-		-	-	-	-	-
Public contributions & donations	5		81,478		4,355	15,624	20,370	(4,746)	-23%
Borrowing	6		-		-	-	-	-	-
Internally generated funds			58,960		2,078	3,467	14,740	(11,273)	-76%
Total Capital Funding			140,438		6,433	19,091	35,110	(16,019)	-46%

- Project from own funding expenditure to date amounts to R3,467 million and percentage spent is 6% of the total budget of R58,960 million.
- Capital grant expenditure MIG year to date amounts to R26.618m and shows 31% spending of the total budget of R85,863.

5 CASH FLOW

LIM476 LIM476 - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	2016/17		Budget Year 2017/18		Budget	Actual	Budget	Actual	Variance	%
	Audited	Outcome	Original	Adjusted						
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts	74,314	383	3,870	8,324	18,578	(10,254)	-56%	74,314	8,099	111%
Property taxes	8,099	383	4,275	2,025	2,250	111%	111%	15,927	8,099	111%
Service charges	15,927	1,690	2,208	3,982	(1,774)	-45%	-45%	343,882	15,927	-45%
Government - operating	343,882	1,522	144,675	85,971	58,705	60%	60%	95,863	343,882	60%
Government - capital	95,863	-	47,665	23,968	23,699	99%	99%	13,878	95,863	99%
Interest	13,878	1,036	2,573	3,469	(897)	-26%	-26%	13,878	13,878	-26%
Dividends	-	-	-	-	-	-	-	-	-	-
Payments	(439,794)	(56,371)	(82,983)	(109,948)	(26,965)	25%	25%	(439,794)	(439,794)	25%
Suppliers and employees	(1,726)	(520)	(343)	(863)	(1,725)	40%	40%	(1,725)	(1,725)	40%
Finance charges	(4,000)	(925)	(49,314)	(1,550)	(1,000)	-55%	-55%	(4,000)	(4,000)	-55%
Transfers and Grants	-	-	-	-	-	-	-	108,444	-	-76%
NET CASH FROM/(USED) OPERATING ACTIVITIES										
Receipts	142,622	(142,622)	(8,156)	(19,091)	(35,655)	(16,565)	46%	(142,622)	(142,622)	46%
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
Payments	(142,622)	(142,622)	(8,156)	(19,091)	(35,655)	(16,565)	46%	(142,622)	(142,622)	46%
Capital assets	(142,622)	(142,622)	(8,156)	(19,091)	(35,655)	(16,565)	46%	(142,622)	(142,622)	46%
CASH FLOW FROM INVESTING ACTIVITIES										
Receipts	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-
Payments	(1,100)	(1,100)	(1,004)	(1,004)	(550)	454	-82%	(1,100)	(1,100)	-82%
Repayment of borrowing	(1,100)	(1,100)	(1,004)	(1,004)	(550)	454	-82%	(1,100)	(1,100)	-82%
CASH FLOWS FROM FINANCING ACTIVITIES										
NET INCREASE/(DECREASE) IN CASH HELD	(37,278)	(37,278)	(58,474)	104,573	(10,026)	158,208		(37,278)	209,529	
Cash/cash equivalents at beginning	168,234	168,234	168,234	209,529	168,234	158,208		168,234	209,529	
Cash/cash equivalents at monthly year end:	130,956	130,956	109,760	314,102	158,208	172,251		130,956	209,529	

The cash and cash equivalents balance as at September 2017 shows R 314 million. The positive cash and cash equivalent of R 314 million is as a result of net cash used from operating activities amounting to R 124 million, cash used for investing activities amounting to R19 million.

1.6 DEBTORS

The debtors report has been prepared on the basis of the format required to be lodged electronically with the National Treasury. This format provides an extended aged analysis, as well as an aged analysis by debtor type. The summary report indicates that customers owe the municipality an amount of R 332 million of which R 318 million is more than 90 days old. The bulk of the debt relates to refuse removal and property rates.

LIM476 LIM476 - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2017/18											Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L Council Polic		
		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																
Trade and Other Receivables from Exchange Transactions - Electricity	1300																
Receivables from Non-exchange Transactions - Property Rates	1400	(6,146)	10,639	8,070	36,037	7,597	6,503	6,575	203,497	272,772	-	280,209	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500																
Receivables from Exchange Transactions - Waste Management	1600	4	355	189	168	110	100	99	48,443	49,469	-	48,921	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700																
Interest on Arrear Debtor Accounts	1810	16	365	274	232	197	188	187	2,208	3,666	-	3,011	-	-	-	-	
Recoverable unauthorised, irregular, fullless and wasteful expenditure	1820																
Other	1900	(3)	174	126	119	209	147	146	5,522	6,441	-	6,143	-	-	-	-	
Total By Income Source	2000	(6,129)	11,533	8,659	36,557	8,113	6,937	7,007	259,670	332,347	-	318,284	-	-	-	-	
2016/17 - totals only																	
Debtors Age Analysis By Customer Group																	
Organs of State	2200	(1,196)	1,603	1,387	26,536	1,356	1,172	1,168	107,729	139,755	-	137,961	-	-	-	-	-
Commercial	2300	(4,950)	9,036	6,683	9,501	6,240	5,331	5,408	141,268	178,517	-	167,748	-	-	-	-	-
Households	2400	4	355	189	168	110	100	99	2,943	3,969	-	3,421	-	-	-	-	-
Other	2500	13	539	400	351	406	334	332	7,730	10,105	-	9,154	-	-	-	-	-
Total By Customer Group	2600	(6,129)	11,533	8,659	36,557	8,113	6,937	7,007	259,670	332,347	-	318,284	-	-	-	-	-

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1.7 CREDITORS

LIM476 LIM476 - Supporting Table S4 Monthly Budget Statement - aged creditors - M03 September

Description	NT	Budget Year 2017/18							Total	Prior Year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	Over 1 Year		
R thousands	Code									
Age Analysis By Customer Type										
Bulk Electricity	0100									
Bulk Water	0200									
PAYE deductions	0300									
VAT (output less input)	0400									
Pensions / Retirement deductions	0500									
Loan repayments	0600									
Trade Creditors	0700	1,414							1,612	
Auditor General	0800									
Other	0900									
Total By Customer Type	1000	1,414	198						1,612	

The Creditors balance amounted to R 1,612 million.

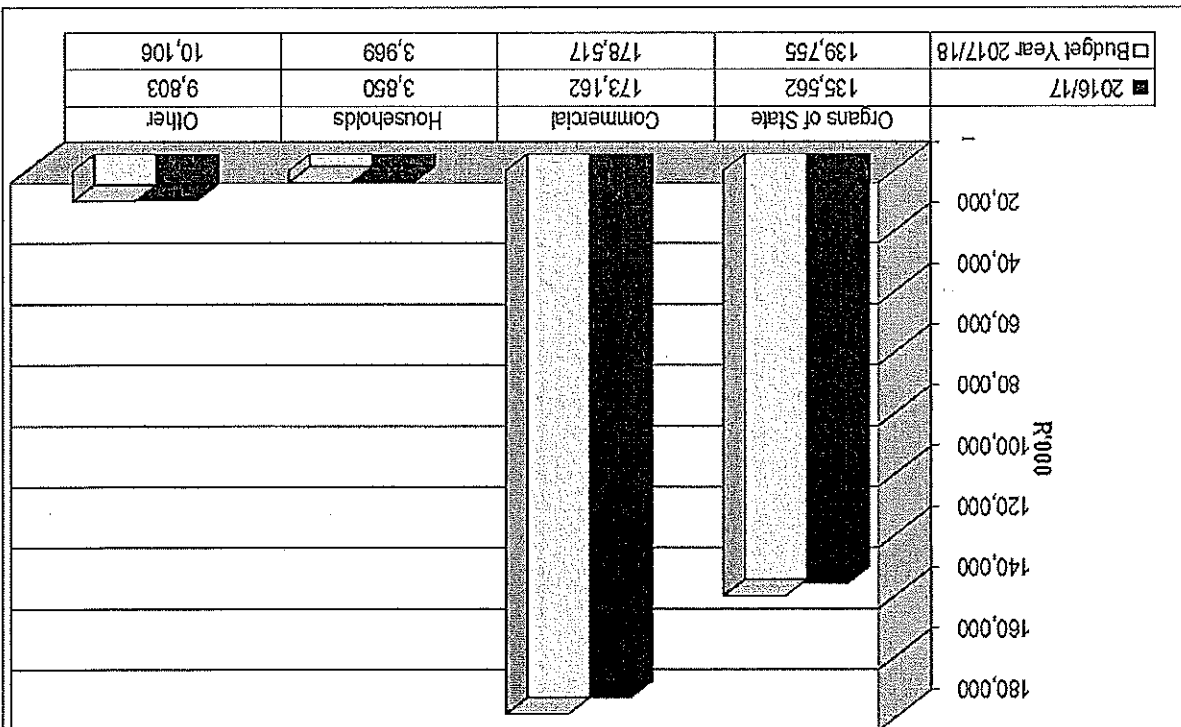


Chart C4 Consumer Debtors (total by Debtor Customer Category)

Debtors Chart

1.8 RISKS AND CHALLENGES

This report shows various risk which must be attended early in the year. This includes the following;

1. Implementation of forward planning which shows recurring under expenditure on capital and operating budget.
2. The report must be read with the SDBIP.

1.9 CONCLUSION

This report meets the requirements of the MFMA; Section 71 requires a financial and non-financial report to Council on the implementation of the budget and the financial status of the municipality.

1.10 RECOMMENDATIONS

- (1) That, the report is in compliance with, Section 71 of the MFMA regarding the "Local Government: Municipal Finance Management Act 2003 and Municipal Budget and Reporting Regulations" monthly financial results regarding the operating and capital budgets.
- (2) This report is submitted to the Mayor of the municipality, the Provincial treasury and National Treasury within ten working days.
- (3) That all unit/divisions in the Municipality should review service delivery targets in line with the 1st quarter performance.
- (4) That the report is made public in compliance to section 75 of the MFMA by being placed on the Municipal Website.

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PART 2

MONTHLY BUDGET STATEMENT TABLES

The monthly financial results for the period ended 30 September 2017 are attached consisting of the following tables, in Annexure A:

- (a) Table C1: Consolidated Monthly Budget Statement – Summary
 - (b) Table C2: Consolidated Monthly Budget Statement – Financial Performance (standard Classification)
 - (c) Table C3: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure by Municipal vote)
 - (d) Table C4: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure)
 - (e) Table C5: Consolidated Monthly Budget Statement – Capital Expenditure by vote, standard classification and funding
 - (f) Table C6: Consolidated Monthly Budget Statement – Financial Position
 - (g) Table C7: Consolidated Monthly Budget Statement – Cash Flow
- Part 2*
- (a) Table SC1: Material variance explanations
 - (b) Table SC2: Monthly Budget Statement – Performance Indicators
 - (c) Table SC3: Monthly Budget Statement – Aged Debtors
 - (d) Table SC4: Monthly Budget Statement – Aged Creditors
 - (e) Table SC5: Monthly Budget Statement – Investment Portfolio
 - (f) Table SC6: Monthly Budget Statement – Transfers and grant receipts
 - (g) Table SC7: Monthly Budget Statement – Transfers and grant expenditures
 - (h) Table SC8: Monthly Budget Statement – Councillor and Staff Benefits
 - (i) Table SC9: Monthly Budget Statement – Actual and Revised targets for cash receipts
 - (j) Table SC12: Monthly Budget Statement – Capital Expenditure Trend
 - (k) Table SC13a: Monthly Budget Statement – Capital expenditure on new assets by asset class
 - (l) Table SC13c: Monthly Budget Statement – Capital expenditure on repairs and maintenance by asset class
 - (m) Municipal manager's quality certification

LM476 LIM476 - Table C1 Monthly Budget Statement Summary - M03 September

Description	R thousands				Budget Year 2017/18				
	2016/17 Audited	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Forecast Full Year
Financial Performance									
Property rates	123,856	7,938	45,416	30,984	14,461	30,984	14,461	47%	123,856
Service charges	11,479	2,200	2,870	2,870	(670)	2,870	(670)	-23%	11,479
Investment revenue	11,519	1,244	5,215	2,880	2,335	2,880	2,335	81%	11,519
Transfers and subsidies	352,892	55,069	140,553	88,223	52,330	88,223	52,330	59%	352,892
Other own revenue	48,193	2,692	5,904	12,048	(6,144)	12,048	(6,144)	-51%	48,193
Total Revenue (excluding capital transfers and contributions)	547,939	68,076	199,286	136,985	62,302	136,985	62,302	45%	547,939
Employee costs	163,999	30,308	42,792	40,975	1,817	40,975	1,817	4%	163,999
Remuneration of Councilors	24,099	4,884	7,316	6,026	1,290	6,026	1,290	21%	24,099
Depreciation & asset impairment	90,000	-	-	22,500	(22,500)	22,500	(22,500)	-100%	90,000
Finance charges	1,725	520	520	431	88	431	88	20%	1,725
Materials and bulk purchases	72,748	73	2,035	18,187	(16,152)	18,187	(16,152)	-89%	72,748
Transfers and subsidies	4,000	925	1,500	1,000	500	1,000	500	55%	4,000
Other expenditure	227,775	18,360	30,841	58,944	(26,102)	58,944	(26,102)	-46%	227,775
Total Expenditure	584,247	55,069	85,052	146,082	(61,010)	146,082	(61,010)	-42%	584,247
Surplus/(Deficit)	(36,308)	(13,007)	114,234	(9,077)	123,311	(9,077)	123,311	-1358%	(36,308)
Transfers and subsidies - capital (monetary alloc	85,863	-	4,355	15,624	21,466	15,624	(5,842)	-27%	85,863
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	49,555	17,363	129,858	12,389	117,469	12,389	117,469	948%	49,555
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	49,555	17,363	129,858	12,389	117,469	12,389	117,469	948%	49,555
Capital expenditure & funds sources									
Capital expenditure	140,438	6,433	19,091	35,110	(16,019)	35,110	(16,019)	-46%	140,438
Capital transfers recognised	81,478	4,355	15,624	20,370	(4,746)	20,370	(4,746)	-23%	81,478
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	58,960	2,078	3,467	14,740	(11,273)	14,740	(11,273)	-76%	58,960
Total sources of capital funds	140,438	6,433	19,091	35,110	(16,019)	35,110	(16,019)	-46%	140,438
Financial position									
Total current assets	300,562	805,116	1,518,488	805,116	-	805,116	-	-	300,562
Total non current assets	1,530,531	1,518,488	1,518,488	1,518,488	-	1,518,488	-	-	1,530,531
Total current liabilities	53,927	77,216	69,856	69,856	-	69,856	-	-	53,927
Total non current liabilities	50,104	50,104	50,104	50,104	-	50,104	-	-	50,104
Community wealth/Equity	1,727,062	2,176,531	2,176,531	2,176,531	-	2,176,531	-	-	1,727,062
Cash flows									
Net cash from (used) operating	106,444	(48,315)	123,220	26,180	(97,040)	26,180	(97,040)	-371%	106,444
Net cash from (used) investing	(142,622)	(6,433)	(19,091)	(35,655)	(16,565)	(35,655)	(16,565)	46%	(142,622)
Net cash from (used) financing	(1,100)	(484)	(484)	(50)	(69)	(50)	(69)	12%	(1,100)
Cash/cash equivalents at the monthly/year end	-	-	-	158,208	(154,966)	158,208	(154,966)	-98%	172,251
Debtors & creditors analysis									
0-30 Days	-	-	-	-	-	-	-	-	-
31-60 Days	-	-	-	-	-	-	-	-	-
61-90 Days	-	-	-	-	-	-	-	-	-
91-120 Days	-	-	-	-	-	-	-	-	-
121-150 Days	-	-	-	-	-	-	-	-	-
151-180 Days	-	-	-	-	-	-	-	-	-
181 DYS-Over 1Yr	-	-	-	-	-	-	-	-	-
Total	(6,129)	11,533	8,659	36,557	8,113	6,937	7,007	259,670	332,347
Debtors Age Analysts									
Total By Income Source									
Creditors Age Analysts									
Total Creditors	139	-	-	-	-	-	-	-	139

The table above provides a high-level summation of the Municipality's operating – and capital budgets, actual to date and financial position.

The table below is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

LIM476 LIM476 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	2016/17		Budget Year 2017/18				Full Year Forecast
	Actual	Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	
Revenue By Source	123,856	7,938	45,415	30,964	14,451	47%	123,856
Property rates	--	--	--	--	--	--	--
Service charges - electricity revenue	--	--	--	--	--	--	--
Service charges - water revenue	--	--	--	--	--	--	--
Service charges - sanitation revenue	--	--	--	--	--	--	--
Service charges - refuse revenue	11,479	1,132	2,280	2,870	(670)	-23%	11,479
Service charges - other	--	--	--	--	--	--	--
Service charges - other	575	4	144	(140)	--	-97%	575
Rent of facilities and equipment	11,519	4,244	5,215	2,880	2,335	81%	11,519
Interest earned - external investments	11,719	--	1,882	2,930	(1,047)	-36%	11,719
Dividends received	14,436	22	87	3,609	(3,522)	-96%	14,436
Fines, penalties and forfeits	13,846	1,333	3,461	(2,129)	--	-82%	13,846
Licences and permits	4,274	1,271	2,465	1,069	1,396	131%	4,274
Agency services	352,892	55,069	140,553	88,233	52,330	59%	352,892
Transfers and subsidies	3,342	65	134	836	(782)	-84%	3,342
Gains on disposal of PPE	--	--	--	--	--	--	--
Total Revenue (excluding capital transfers and contributions)	547,939	69,076	199,286	136,985	62,302	45%	547,939
Expenditure By Type	163,899	30,308	42,792	40,975	1,817	4%	163,899
Employee related costs	24,099	4,884	7,315	6,025	1,290	21%	24,099
Remuneration of councillors	30,000	2,500	7,500	7,500	--	--	30,000
Depreciation & asset impairment	90,000	7,500	22,500	22,500	--	--	90,000
Finance charges	1,725	520	520	431	88	20%	1,725
Build purchases	72,748	73	2,035	18,187	(16,152)	-89%	72,748
Other materials	79,938	12,845	17,331	19,959	(2,629)	-13%	79,938
Contracted services	4,000	926	1,550	1,000	550	55%	4,000
Transfers and subsidies	117,938	5,514	13,511	29,484	(15,974)	-54%	117,938
Less on disposal of PPE	--	--	--	--	--	--	--
Total Expenditure	584,247	65,089	116,052	146,062	(31,010)	-21%	584,247
Surplus/(Deficit)	(36,308)	3,007	84,234	(9,077)	93,311	(9)	(36,308)
(National / Provincial and District)	85,863	4,355	15,824	21,466	(5,842)	(0)	85,863
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	--	--	--	--	--	--	--
Transfers and subsidies - capital (in-kind - all)	49,555	7,363	99,858	12,389	--	--	49,555
Surplus/(Deficit) after taxation	49,555	7,363	99,858	12,389	--	--	49,555
contributions	--	--	--	--	--	--	--
Taxation	49,555	7,363	99,858	12,389	--	--	49,555
Surplus/(Deficit) attributable to municipality	49,555	7,363	99,858	12,389	--	--	49,555
Attributable to minorities	--	--	--	--	--	--	--
Share of surplus/(deficit) of associate	--	--	--	--	--	--	--
Surplus/(Deficit) for the year	49,555	7,363	99,858	12,389	--	--	49,555

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The table below reflects the performance to date in relation to the financial position of the Municipality.

LIM476 LIM476 - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2016/17			Budget Year 2017/18		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	R thousands
ASSETS							
Current assets							
Cash		52,193	345,142	170,000	78,762	52,193	
Call investment deposits		78,762	170,000	170,000	78,762	78,762	
Consumer debtors		157,786	236,121	236,121	157,786	157,786	
Other debtors		7,452	41,426	41,426	7,452	7,452	
Current portion of long-term receivables		2,012	10,542	10,542	2,012	2,012	
Inventory		2,357	1,886	1,886	2,357	2,357	
Total current assets		300,562	805,116	300,562	300,562	300,562	
Non current assets							
Long-term receivables							
Investments							
Investment property		149,335	138,435	149,335	149,335	149,335	
Investments in Associate							
Property, plant and equipment		1,380,808	1,379,447	1,380,808	1,380,808	1,380,808	
Agricultural							
Biological assets							
Intangible assets		283	501	283	283	283	
Other non-current assets		105	105	105	105	105	
Total non current assets		1,530,531	1,518,488	1,530,531	1,530,531	1,530,531	
TOTAL ASSETS		1,831,093	2,323,604	1,831,093	1,831,093	1,831,093	
LIABILITIES							
Current liabilities							
Bank overdraft							
Borrowing							
Consumer deposits		44,741	386	44,741	44,741	44,741	
Trade and other payables		9,186	76,830	9,186	9,186	9,186	
Provisions							
Total current liabilities		53,927	77,216	53,927	53,927	53,927	
Non current liabilities							
Borrowing		13,849	15,020	13,849	13,849	13,849	
Provisions		36,255	54,836	36,255	36,255	36,255	
Total non current liabilities		50,104	69,856	50,104	50,104	50,104	
TOTAL LIABILITIES		104,031	147,073	104,031	104,031	104,031	
NET ASSETS		1,727,062	2,176,531	1,727,062	1,727,062	1,727,062	
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)		1,727,062	2,176,531	1,727,062	1,727,062	1,727,062	
Reserves							
TOTAL COMMUNITY WEALTH/EQUITY		1,727,062	2,176,531	1,727,062	1,727,062	1,727,062	

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The table below reflects the performance to date in relation to the cash flow of the Municipality.

L1M476 L1M476 - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2018/17		Budget Year 2017/18		YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Budget	Actual	Budget			
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts		74,314	3,870	8,324	18,578	(10,254)	-55%	74,314
Property rates		8,099	383	4,275	2,025	2,250	111%	8,099
Service charges		15,927	1,690	2,208	3,992	(1,774)	-45%	15,927
Other revenue		343,882	1,522	144,675	85,971	58,705	68%	343,882
Government - operating		95,863	-	47,665	23,966	23,699	99%	95,863
Government - capital		13,878	1,036	2,573	3,469	(897)	-26%	13,878
Interest		-	-	-	-	-	-	-
Dividends		(439,794)	(58,371)	(82,983)	(109,948)	(26,965)	25%	(439,794)
Suppliers and employees		(1,725)	(520)	(520)	(863)	(343)	40%	(1,725)
Finance charges		(4,000)	(925)	(1,550)	(1,000)	550	-55%	(4,000)
Transfers and Grants		-	-	-	-	-	-	-
NET CASH FROM/USED OPERATING ACTIVITIES		108,444	(49,314)	124,668	26,180	(98,488)	-376%	108,444
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts		(142,622)	(8,158)	(18,091)	(35,859)	(16,565)	46%	(142,622)
Proceeds on disposal of PPE		-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-
Payments		(142,622)	(8,158)	(18,091)	(35,859)	(16,565)	46%	(142,622)
Capital assets		-	-	-	-	-	-	-
NET CASH FROM/USED INVESTING ACTIVITIES		-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts		-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-
Borrowing long term/financing		-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-
Payments		(1,100)	(1,004)	(1,004)	(550)	454	-82%	(1,100)
Repayment of borrowing		-	-	-	-	-	-	-
NET CASH FROM/USED FINANCING ACTIVITIES		(1,100)	(1,004)	(1,004)	(550)	454	-82%	(1,100)
NET INCREASE (DECREASE) IN CASH HELD		(37,278)	(58,474)	(104,573)	(10,026)	168,234		(37,278)
Cash/cash equivalents at beginning:		168,234		209,529		168,234		209,529
Cash/cash equivalents at month/year end:		130,956		314,102		158,208		172,251

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PART 2- SUPPORTING DOCUMENTATION

Table SC1 Material variance explanations

This being the third month of operations for the 2017/2018 financial year, initial projections have been conservative as it is too early in the year to notice any particular trend and pattern in respect of income and expenditure and comments on major variances will be made in the ensuing months.

Table SC2 Monthly Budget Statement - performance indicators

LIM476 LIM476 - Supporting Table SC2 Monthly Budget Statement - performance indicators - M03 September

Description of financial indicator	Basis of calculation				Rel	2016/17	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
	Borrowing Management	Safety of Capital	Gearing	Liquidity							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	0.0%	15.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	4.4%
Borrowed funding of own capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	0.0%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	3.4%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity	Current assets/current liabilities	0.0%	557.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1042.7%	557.4%
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0%	242.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	667.1%	242.8%
Revenue Management	Last 12 Mths Receipts/ Last 12 Mths Billing	0.0%	30.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	144.6%	30.5%
Annual Debtors Collection Rate (Payment Level %)	Total Outstanding Debtors to Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management	% of Creditors Paid Within Terms (within MFMA s 65(e))	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Funding of Provisions Not Funded	Unfunded Provisions/Total Provisions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Indicators	% Volume (units purchased and generated less units sold)/Total units purchased and generated	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/Total units purchased and own source	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Distribution Losses	Employee costs/Total Revenue - capital revenue	0.0%	29.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	21.5%	29.9%
Rapids & Maintenance	R&M/Total Revenue - capital revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	IDL/Total Revenue - capital revenue	0.0%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	4.7%
IDP regulation financial liability indicators	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
I. Debt coverage	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
II. O/S Service Debtors to Revenue	(Available cash + investments)/monthly fixed operational expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
III. Cost coverage											

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Table SC6 Monthly Budget Statement – Transfers and grants receipts

LIM476 LIM476 - Supporting Table SC6 Monthly Budget Statement - Transfers and grant receipts - M03 September

Description	Budget Year 2017/18									
	2016/17	Audited	Original	Adjusted	Monthly	YearTD	YearTD	YearTD	YTD	Forecast
Receipts:	Outcome	Budget	Budget	Budget	actual	actual	actual	variance	variance	Forecast
R thousands								%		
Operating Transfers and Grants	352,892	352,892	352,892	-	149,161	149,161	144,319	1.522	1.1%	352,892
National Government:	-	-	333,002	-	139,752	139,752	139,752	-	-	333,002
Local Government (Equitable Share)	-	-	4,045	-	4,045	4,045	-	-	-	4,045
Finance Management	-	-	1,279	-	320	320	-	-	-	1,279
EPWP Incentive	-	-	10,000	-	-	-	-	-	-	10,000
Integrated National Electrification Programme	-	-	-	-	-	-	-	-	-	-
Municipal Demarcation Grant	4,566	4,566	-	-	3,044	4,522	1,522	100.0%	-	4,566
Provincial Government:	-	-	-	-	-	-	-	-	-	-
Other transfers and grants (insert description)	-	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-	-
Capital Transfers and Grants	85,863	85,863	85,863	-	47,665	47,665	47,665	-	-	85,863
National Government:	-	-	85,863	-	47,665	47,665	47,665	-	-	85,863
Municipal Infrastructure Grant (MIG)	-	-	-	-	-	-	-	-	-	-
Other capital transfers (insert description)	-	-	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	352,892	352,892	352,892	-	149,161	149,161	144,319	1.522	1.1%	352,892
Capital Transfers and Grants	85,863	85,863	85,863	-	47,665	47,665	47,665	-	-	85,863
Total Receipts of Transfers & Grants	438,755	438,755	438,755	-	193,826	193,826	191,984	1.522	0.8%	438,755

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Description	2016/17		Budget Year 2017/18		YTD	YTD Variance	YTD Variance %	Full Year Forecast
	Actual Outcome	Budget	YearTD actual	budget				
EXPENDITURE								
Operating expenditure of Transfers and Grants	352,892	352,892	99,818	88,223	11,595	13.1%	352,892	
National Government:								
Local Government Equitable Share	333,002	333,002	95,026	83,251	11,778	14.1%	333,002	
Finance Management	4,045	4,045	1,116	1,011	105	10.4%	4,046	
EPWP Incentive	1,279	1,279	320	320	717	224.2%	1,279	
Migrated National Electrification Programme	10,000	10,000	1,637	2,500	(863)	-34.5%	10,000	
Municipal Demarcation Grant	4,566	4,566	1,000	1,142	(142)	-12.4%	4,566	
Capital expenditure of Transfers and Grants	85,863	85,863	17,871	21,466	(3,595)	-16.7%	85,863	
National Government:								
Municipal Infrastructure Grant (MIG)	85,863	85,863	17,871	21,466	(3,595)	-16.7%	85,863	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	438,755	438,755	117,689	109,689	8,000	7.3%	438,755	
Total capital expenditure of Transfers and Grants	85,863	85,863	17,871	21,466	(3,595)	-16.7%	85,863	
Total operating expenditure of Transfers and Grants:	352,892	352,892	99,818	88,223	11,595	13.1%	352,892	

LIM476 LIM476 - Supporting Table SC(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

