

UMSOBOMVU MUNICIPALITY



Quarterly Budget Report

September 2014

In-Year Report of the Municipality

Prepared in terms of Section 52(d) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 31 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009.

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Budget – The financial plan of the Municipality.

Capital expenditure - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant.

GFS – Government Finance Statistics. An internationally recognized classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Vote – A main appropriation segment of the budget. In Umsobomvu Municipality this relates to the directorate level for operating expenditure and the GFS classification for capital expenditure.

YTD – Year to date

PART 1 – IN-YEAR REPORT

Mayor's Report

1.1 In-Year Report – Quarterly Budget Report

1.1.1 Implementation of the budget in accordance with the SDBIP

The results of the SDBIP for the first quarter ended 30 September 2014 will be tabled in a separate comprehensive report to council.

1.1.2 Financial problems or risks facing the municipality

None. All the major sources of revenue are currently within acceptable norms.

1.1.3 Other relevant information

Actual operating revenue at the end of the first quarter for 2014/2015 is at 22.93% of the budgeted revenue. The expenditure reflects spending of 23.62% against the budgeted expenditure. Capital expenditure amounts to R2.82m, or 6.95%, at the end of September 2014.

Outstanding consumer debtors remain stable and only reflect the year-on-year increase from increased tariffs as from 1 July 2014.

The positive cash flow remains stable.

Resolutions

IN-YEAR REPORTS 2014/2015

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

That the report for the quarter ended September 2014, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

Executive Summary

As the Auditor General has not yet completed the audit of the 2013/2014 financial statements the 'Audited Outcome' for 2013/2014 are not the audited figures but pre-audited.

Revenue by Source

The Year-to-Date actual revenue is 31% higher than YTD budget projections at the end of September 2014.

Borrowings

The balance of borrowings amounts to R4.4m at the end of September 2014.

Operating expenditure by vote & type

Current expenditure is 8.3% below YTD budget projections as at September 2014.

Capital expenditure

YTD Capital Expenditure amounts to R2.82m or 6, 95% of a total budget of R40.55m.

Cash flows

The municipality started the year with a positive cashbook balance of R19.9 million. The September closing balance is R20.480 million. Refer to Supporting Table SC9 for more details on the cash position.

Allocations received (National & Provincial Grants)

Municipal Infrastructure Grant funding of R4.451m was received during the quarter ended September 2014. Expanded Public Works Programme Integrated Grant (Municipality) of R400 000 was received during the quarter ended September 2014.

Spending on Grants

Spending on grants amounts to R3.3m for during the quarter ended September 2014 which includes FMG, MSIG, INEP, EPWP and MIG.

Material variances

The table below summarises variances for projected revenue and expenditure.

NC072 Umsobomvu - Supporting Table SC1 Material variance explanations - M03 September

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<u>Revenue By Source</u>	-8.26%	Not material	
2	<u>Expenditure By Type</u>	-6%	Not material	
3	<u>Capital Expenditure</u>	-71%	Waiting for the approval of the roll-over by National Treasury	
4	<u>Financial Position</u>		In order	
5	<u>Cash Flow</u>		In order	

Performance in relation to SDBIP targets

See the comprehensive report tabled in Council.

Remedial or corrective steps

No remedial or corrective steps are required at this time.

In-year budget statement tables

Table C1: s71 Monthly Budget Statement Summary

NC072 Umsobomvu - Table C1 Monthly Budget Statement Summary - M03 September

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	4 905	5 199	-	569	3 449	1 300	2 150	165%	5 199
Service charges	47 295	50 828	-	3 913	11 834	12 707	(872)	-7%	50 828
Investment revenue	512	312	-	117	181	78	103	132%	312
Transfers recognised - operational	39 930	36 664	-	496	16 047	9 027	7 020	78%	36 664
Other own revenue	8 165	8 297	-	456	1 603	2 074	(472)	-23%	8 297
Total Revenue (excluding capital transfers and contributions)	100 806	101 301	-	5 551	33 114	25 186	7 928	31%	101 301
Employee costs	34 610	39 057	-	2 668	8 101	9 764	(1 663)	-17%	39 057
Remuneration of Councillors	3 039	2 945	-	255	748	736	12	2%	2 945
Depreciation & asset impairment	27 588	23 834	-	1 986	5 959	5 959	(0)	-0%	23 834
Finance charges	342	296	-	34	102	74	28	38%	296
Materials and bulk purchases	17 310	18 670	-	2 390	4 982	4 668	315	7%	18 670
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	46 365	41 228	-	4 022	9 871	10 307	(436)	-4%	41 228
Total Expenditure	129 254	126 029	-	11 356	29 762	31 507	(1 745)	-6%	126 029
Surplus/(Deficit)	(28 448)	(24 728)	-	(5 805)	3 351	(6 321)	9 673	-153%	(24 728)
Transfers recognised - capital	64 585	43 091	-	-	-	10 912	(10 912)	-100%	43 091
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	36 137	18 363	-	(5 805)	3 351	4 591	(1 239)	-27%	18 363
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	36 137	18 363	-	(5 805)	3 351	4 591	(1 239)	-27%	18 363
Capital expenditure & funds sources									
Capital expenditure	56 792	40 550	-	1 338	2 818	9 583	(6 766)	-71%	40 550
Capital transfers recognised	47 725	39 000	-	1 338	2 818	9 583	(6 766)	-71%	-
Public contributions & donations	5 100	-	-	-	-	-	-	-	-
Borrowing	629	-	-	-	-	-	-	-	-
Internally generated funds	3 339	1 550	-	-	-	-	-	-	-
Total sources of capital funds	56 792	40 550	-	1 338	2 818	9 583	(6 766)	-71%	-
Financial position									
Total current assets	36 291	68 499	-	-	60 765	-	-	-	68 499
Total non current assets	549 826	602 823	-	-	499 407	-	-	-	602 823
Total current liabilities	728	800	-	-	26 963	-	-	-	800
Total non current liabilities	3 646	36 893	-	-	34 258	-	-	-	36 893
Community wealth/Equity	581 743	633 628	-	-	498 951	-	-	-	633 628
Cash flows									
Net cash from (used) operating	75 956	52 182	-	(6 175)	1 426	10 546	9 120	86%	52 182
Net cash from (used) investing	(61 793)	(47 898)	-	(1 338)	(2 818)	(9 583)	(6 766)	71%	(0)
Net cash from (used) financing	(452)	(728)	-	2 046	1 925	(182)	(2 107)	1158%	(728)
Cash/cash equivalents at the month/year end	39 308	19 168	-	-	20 480	16 393	(4 087)	-25%	71 400
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	2 561	3 555	2 358	1 469	62 273	-	-	-	72 216
Creditors Age Analysis									
Total Creditors	2 312	-	-	-	-	-	-	-	2 312

Table C2: Monthly Budget Statement – Financial Performance (standard classification)

NC072 Umsobomvu - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M03 September

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
Governance and administration		42 759	44 747	-	714	19 285	11 187	8 099	72%	44 747
Executive and council		30 684	32 382	-	-	12 817	8 096	4 722	58%	32 382
Budget and treasury office		12 057	12 345	-	713	6 466	3 086	3 380	110%	12 345
Corporate services		18	19	-	1	2	5	(3)	-58%	19
Community and public safety		6 882	3 697	-	873	1 511	924	586	63%	3 697
Community and social services		4 708	1 414	-	585	768	353	414	117%	1 414
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 174	2 283	-	288	743	571	172	30%	2 283
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6 160	1 060	-	1	2	265	(263)	-99%	1 060
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		6 160	1 060	-	1	2	265	(263)	-99%	1 060
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		109 590	94 888	-	3 963	12 315	23 722	(11 407)	-48%	94 888
Electricity		33 840	29 831	-	1 655	5 677	7 458	(1 780)	-24%	29 831
Water		62 922	51 499	-	1 070	2 996	12 875	(9 879)	-77%	51 499
Waste water management		7 166	7 662	-	686	2 051	1 915	136	7%	7 662
Waste management		5 662	5 896	-	552	1 591	1 474	117	8%	5 896
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	165 391	144 391	-	5 551	33 114	36 098	(2 984)	-8%	144 391
Expenditure - Standard										
Governance and administration		41 766	44 488	-	3 181	9 476	11 122	(1 646)	-15%	44 488
Executive and council		20 619	19 628	-	1 363	4 335	4 907	(572)	-12%	19 628
Budget and treasury office		15 871	19 315	-	1 414	3 932	4 829	(897)	-19%	19 315
Corporate services		5 275	5 544	-	404	1 209	1 386	(177)	-13%	5 544
Community and public safety		11 527	8 864	-	1 006	2 526	2 216	310	14%	8 864
Community and social services		7 653	4 543	-	626	1 449	1 136	314	28%	4 543
Sport and recreation		1 219	1 338	-	84	270	334	(65)	-19%	1 338
Public safety		2 186	2 511	-	248	683	628	55	9%	2 511
Housing		469	473	-	49	124	118	6	5%	473
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		10 644	11 111	-	1 040	2 924	2 778	146	5%	11 111
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		10 644	11 111	-	1 040	2 924	2 778	146	5%	11 111
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		65 318	61 566	-	6 129	14 837	15 392	(555)	-4%	61 566
Electricity		27 935	24 705	-	3 204	6 650	6 176	474	8%	24 705
Water		23 483	21 289	-	1 781	4 986	5 322	(337)	-6%	21 289
Waste water management		7 954	9 236	-	675	1 982	2 309	(326)	-14%	9 236
Waste management		5 947	6 336	-	470	1 219	1 584	(365)	-23%	6 336
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	129 254	126 029	-	11 356	29 762	31 507	(1 745)	-6%	126 029
Surplus/ (Deficit) for the year		36 137	18 363	-	(5 805)	3 351	4 591	(1 239)	-27%	18 363

This table reflects the operating budget (Financial Performance) in the standard classifications which are the GFS Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.

The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

NC072 Umsobomvu - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		30 684	32 382	-	-	12 817	8 096	4 722	58.3%	32 382
Vote 2 - FINANCE & ADMIN		12 451	12 763	-	801	6 734	3 191	3 543	111.0%	12 763
Vote 3 - COMMUNITY SERVICES		12 168	9 194	-	1 337	2 836	2 299	537	23.4%	9 194
Vote 4 - TECHNICAL SERVICES		110 088	90 052	-	3 412	10 727	22 513	(11 786)	-52.4%	90 052
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	165 391	144 391	-	5 551	33 114	36 098	(2 984)	-8.3%	144 391
Expenditure by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		20 619	19 628	-	1 363	4 335	4 907	(572)	-11.7%	19 628
Vote 2 - FINANCE & ADMIN		22 691	26 487	-	2 273	6 139	6 622	(482)	-7.3%	26 487
Vote 3 - COMMUNITY SERVICES		15 929	13 573	-	1 021	2 746	3 393	(647)	-19.1%	13 573
Vote 4 - TECHNICAL SERVICES		70 015	66 341	-	6 699	16 542	16 585	(44)	-0.3%	66 341
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	129 254	126 029	-	11 356	29 762	31 507	(1 745)	-5.5%	126 029
Surplus/ (Deficit) for the year	2	36 137	18 363	-	(5 805)	3 351	4 591	(1 239)	-27.0%	18 363

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Council; Municipal Manager; Finance & Admin; Community Services; Technical Services.

Unauthorised expenditure by year end would occur either for the municipality as a whole if the adjusted budget for 'Total Expenditure by Vote' or if any of the individual budgets for any specific vote/s were overspent. During the financial year some of the figures are influenced by transactions that occur annually only.

Table C4: Monthly Budget Statement – Financial Performance (revenue and expenditure)

NC072 Umsobomvu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		4 746	5 031		556	3 408	1 258	2 150	171%	5 031
Property rates - penalties & collection charges		159	169		14	41	42	(1)	-2%	169
Service charges - electricity revenue		25 758	27 753		1 742	5 571	6 942	(1 371)	-20%	27 753
Service charges - water revenue		9 180	9 931		1 002	2 813	2 479	335	14%	9 931
Service charges - sanitation revenue		6 935	7 418		648	1 946	1 854	92	5%	7 418
Service charges - refuse revenue		5 422	5 726		521	1 504	1 431	72	5%	5 726
Service charges - other		-	-		-	-	-	-	-	-
Rental of facilities and equipment		375	396		84	256	99	157	159%	396
Interest earned - external investments		512	312		117	181	78	103	132%	312
Interest earned - outstanding debtors		1 325	1 427		49	479	357	122	34%	1 427
Dividends received		-	-		-	-	-	-	-	-
Fines		1 500	1 575		121	382	394	(12)	-3%	1 575
Licences and permits		593	710		173	373	178	195	110%	710
Agency services		84	-		-	-	-	-	-	-
Transfers recognised - operational		39 930	36 664		496	16 047	9 027	7 020	78%	36 664
Other revenue		4 289	4 190		30	114	1 047	(934)	-89%	4 190
Gains on disposal of PPE		-	-		-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		100 806	101 301	-	5 551	33 114	25 186	7 928	31%	101 301
Expenditure By Type										
Employee related costs		34 610	39 057		2 668	8 101	9 764	(1 663)	-17%	39 057
Remuneration of councillors		3 039	2 945		255	748	736	12	2%	2 945
Debt impairment		4 849	5 238		437	1 309	1 310	(0)	0%	5 238
Depreciation & asset impairment		27 588	23 834		1 986	5 959	5 959	(0)	0%	23 834
Finance charges		342	296		34	102	74	28	38%	296
Bulk purchases		17 310	18 670		2 390	4 982	4 668	315	7%	18 670
Other materials		-	-		-	-	-	-	-	-
Contracted services		672	4 562		-	-	-	-	-	4 562
Transfers and grants		-	-		-	-	-	-	-	-
Other expenditure		40 843	31 426		3 585	8 561	8 997	(436)	-5%	31 426
Loss on disposal of PPE		1	1		-	-	0	(0)	-100%	1
Total Expenditure		129 254	126 029	-	11 356	29 762	31 507	(1 745)	-6%	126 029
Surplus/(Deficit)		(28 448)	(24 728)	-	(5 805)	3 351	(6 321)	9 673	(0)	(24 728)
Transfers recognised - capital		64 585	43 091		-	-	10 912	(10 912)	(0)	43 091
Contributions recognised - capital		-	-		-	-	-	-	-	-
Contributed assets		-	-		-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		36 137	18 363	-	(5 805)	3 351	4 591			18 363
Taxation		-	-		-	-	-	-	-	-
Surplus/(Deficit) after taxation		36 137	18 363	-	(5 805)	3 351	4 591			18 363
Attributable to minorities		-	-		-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		36 137	18 363	-	(5 805)	3 351	4 591			18 363
Share of surplus/ (deficit) of associate		-	-		-	-	-	-	-	-
Surplus/ (Deficit) for the year		36 137	18 363	-	(5 805)	3 351	4 591			18 363

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 31.5% above the YTD budget and current expenditure is 6% below the YTD budget for 2014/2015.

Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

NC072 Umsobomvu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M03 September

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN		-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		28 750	31 500	-	10	778	7 333	(6 555)	-89%	31 500
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	28 750	31 500	-	10	778	7 333	(6 555)	-89%	31 500
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN		-	1 550	-	-	-	-	-	-	1 550
Vote 3 - COMMUNITY SERVICES		153	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		27 889	7 500	-	1 328	2 040	2 250	(210)	-9%	7 500
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	28 042	9 050	-	1 328	2 040	2 250	(210)	-9%	9 050
Total Capital Expenditure		56 792	40 550	-	1 338	2 818	9 583	(6 766)	-71%	40 550
Capital Expenditure - Standard Classification										
Governance and administration		-	1 550	-	-	-	-	-	-	1 550
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	1 550	-	-	-	-	-	-	1 550
Corporate services		-	-	-	-	-	-	-	-	-
Community and public safety		153	-	-	-	-	-	-	-	-
Community and social services		153	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		8 729	6 000	-	97	809	1 000	(191)	-19%	6 000
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		8 729	6 000	-	97	809	1 000	(191)	-19%	6 000
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		47 911	33 000	-	1 240	2 009	8 583	(6 575)	-77%	33 000
Electricity		3 353	1 500	-	1 231	1 231	1 250	(19)	-2%	1 500
Water		43 058	31 500	-	10	778	7 333	(6 555)	-89%	31 500
Waste water management		1 500	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	56 792	40 550	-	1 338	2 818	9 583	(6 766)	-71%	40 550
Funded by:										
National Government		47 725	39 000	-	1 338	2 818	9 583	(6 766)	-71%	-
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		47 725	39 000	-	1 338	2 818	9 583	(6 766)	-71%	-
Public contributions & donations	5	5 100	-	-	-	-	-	-	-	-
Borrowing	6	629	-	-	-	-	-	-	-	-
Internally generated funds		3 339	1 550	-	-	-	-	-	-	-
Total Capital Funding		56 792	40 550	-	1 338	2 818	9 583	(6 766)	-71%	-

Capital expenditure is 70.59% below the YTD budget at September 2014.

Table C6: Monthly Budget Statement - Financial Position

NC072 Umsobomvu - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			33 524		9 357	33 524
Call investment deposits		12 000	6 000		9 708	6 000
Consumer debtors		24 291	28 975		35 185	28 975
Other debtors					6 117	
Current portion of long-term receivables						
Inventory					398	
Total current assets		36 291	68 499	-	60 765	68 499
Non current assets						
Long-term receivables					-	
Investments					-	
Investment property		1 655	1 655		1 655	1 655
Investments in Associate					-	
Property, plant and equipment		546 621	599 618		497 679	599 618
Agricultural					-	
Biological assets						
Intangible assets		1 550	1 550		73	1 550
Other non-current assets					-	
Total non current assets		549 826	602 823	-	499 407	602 823
TOTAL ASSETS		586 117	671 322	-	560 172	671 322
LIABILITIES						
Current liabilities						
Bank overdraft					-	
Borrowing		728	800		-	800
Consumer deposits					714	
Trade and other payables					7 929	
Provisions					18 320	
Total current liabilities		728	800	-	26 963	800
Non current liabilities						
Borrowing		3 646	3 585		4 015	3 585
Provisions		-	33 308		30 243	33 308
Total non current liabilities		3 646	36 893	-	34 258	36 893
TOTAL LIABILITIES		4 374	37 693	-	61 221	37 693
NET ASSETS	2	581 743	633 628	-	498 951	633 628
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		581 743	633 628		498 951	633 628
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	581 743	633 628	-	498 951	633 628

The statement of financial position is in line with expectations for the financial year.

Table C7: Monthly Budget Statement - Cash Flow

NC072 Umsobomvu - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		51 913	59 480		4 003	12 634	12 370	264	2%	59 480
Government - operating		39 930	36 664		496	16 047	9 166	6 881	75%	36 664
Government - capital		64 585	43 091		566	10 112	10 773	(661)	-6%	43 091
Interest		1 350	1 739		117	181	435	(254)	-58%	1 739
Dividends		-	-					-		-
Payments										
Suppliers and employees		(81 457)	(88 438)		(11 322)	(37 444)	(22 109)	15 335	-69%	(88 438)
Finance charges		(364)	(354)		(34)	(102)	(89)	14	-16%	(354)
Transfers and Grants		-	-					-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		75 956	52 182	-	(6 175)	1 426	10 546	9 120	86%	52 182
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(0)	(0)					-		(0)
Decrease (Increase) in non-current debtors		-						-		
Decrease (increase) other non-current receivables		-						-		
Decrease (increase) in non-current investments		-						-		
Payments										
Capital assets		(61 792)	(47 898)		(1 338)	(2 818)	(9 583)	(6 766)	71%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(61 793)	(47 898)	-	(1 338)	(2 818)	(9 583)	(6 766)	71%	(0)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits					15	40		40	#DIV/0!	
Payments										
Repayment of borrowing		(452)	(728)		2 031	1 885	(182)	(2 067)	1136%	(728)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(452)	(728)	-	2 046	1 925	(182)	(2 107)	1158%	(728)
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		25 596	15 612			19 947	15 612			19 947
Cash/cash equivalents at month/year end:		39 308	19 168			20 480	16 393			71 400

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R20.48 million.

The municipality started the year with a positive cashbook balance of R19.95 million. The September closing balance is R20.48 million. Refer to Supporting Table SC9 for more details on the cash position.

Supporting Table SC9: Monthly Budget Statement – Actual & revised targets for cash receipts & cash flows

NC072 Umsobomvu - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M03 September

Description	Ref	Budget Year 2014/15											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget
Cash Receipts By Source													
Property rates		328	384	532	293	312	545	393	380	367	354	341	801
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	169
Service charges - electricity revenue		1 987	1 719	1 923	1 626	2 064	2 064	2 064	2 064	2 064	2 064	2 064	4 940
Service charges - water revenue		373	315	388	812	812	1 030	1 030	1 030	812	812	669	854
Service charges - sanitation revenue		326	239	275	590	590	590	590	590	590	590	590	1 118
Service charges - refuse		136	127	136	438	438	438	438	438	438	438	438	1 250
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		7	3	4	5	11	1	4	4	3	5	11	338
Interest earned - external investments		7	57	117	26	26	26	26	26	26	26	26	(77)
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	1 427
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		126	135	121	131	131	131	131	131	131	131	131	143
Licences and permits		211	(37)	154	59	59	59	59	59	59	59	59	(92)
Agency services		-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating		14 617	934	496	354	2 832	-	-	-	15 928	-	-	1 504
Other revenue		974	1 277	470	349	349	349	349	349	349	349	349	(1 324)
Cash Receipts by Source		19 092	5 154	4 615	4 683	7 625	5 234	5 084	5 072	20 767	4 829	4 678	11 050
Other Cash Flows by Source													
Transfer receipts - capital		8 133	1 413	566	2 912	-	1 971	3 797	5 330	2 912	-	-	16 057
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		16	9	15	-	-	-	-	-	-	-	-	(40)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		27 241	6 576	5 196	7 595	7 625	7 205	8 881	10 401	23 679	4 829	4 678	27 067
Cash Payments by Type													
Employee related costs		2 746	2 686	2 668	3 255	3 255	3 255	3 255	3 255	3 255	3 255	3 255	2 664
Remuneration of councillors		249	244	255	245	245	245	245	245	245	245	245	233
Interest paid		34	34	34	437	437	437	437	437	437	437	437	(3 240)
Bulk purchases - Electricity		-	2 542	2 364	1 986	1 986	1 986	1 986	1 986	1 986	1 986	1 986	(3 066)
Bulk purchases - Water & Sewer		25	24	27	25	25	25	25	25	25	25	25	36
Other materials		-	-	-	1 000	1 000	1 000	1 000	1 000	1 000	1 556	1 556	(9 112)
Contracted services		-	-	312	-	-	-	-	-	-	-	-	401
Grants and subsidies paid - other municipalities		383	552	535	380	380	380	380	380	380	380	380	(4 511)
Grants and subsidies paid - other		-	-	-	-	-	-	-	-	-	-	-	-
General expenses		4 327	4 559	5 162	2 595	2 595	2 595	2 595	2 595	2 595	2 595	2 595	(3 384)
Cash Payments by Type		7 764	10 642	11 356	9 923	9 923	10 479	10 479	(19 978)				
Other Cash Flows/Payments by Type													
Capital assets		604	876	1 338	2 750	2 750	2 750	2 750	3 250	3 250	3 300	2 750	21 530
Repayment of borrowing		73	72	73	61	61	61	61	61	61	61	61	24
Other Cash Flows/Payments		7 865	(81)	(2 103)	-	-	-	-	-	-	-	-	(5 680)
Total Cash Payments by Type		16 306	11 510	10 663	12 734	12 734	12 734	12 734	13 234	13 234	13 839	13 289	(4 103)
NET INCREASE/(DECREASE) IN CASH HELD		10 935	(4 934)	(5 467)	(5 138)	(5 109)	(5 529)	(3 852)	(2 832)	10 446	(9 010)	(8 611)	31 170
Cash/cash equivalents at the month/year beginning:		19 991	30 926	25 992	20 524	15 386	10 277	4 749	896	(1 936)	8 510	(500)	(9 112)
Cash/cash equivalents at the month/year end:		30 926	25 992	20 524	15 386	10 277	4 749	896	(1 936)	8 510	(500)	(9 112)	22 058

This supporting table gives details of information summarised in Table C7.

PART 2 – SUPPORTING DOCUMENTATION

Debtors' analysis

Supporting Table SC3 Debtors' age analysis

NC072 Umsobomvu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2014/15							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	Total				
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	186	804	693	582	25 286	27 550	25 868		11 699	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 239	567	220	172	2 629	4 827	2 801		2 040	
Receivables from Non-exchange Transactions - Property Rates	1400	377	1 303	611	91	4 795	7 176	4 885		2 360	
Receivables from Exchange Transactions - Waste Water Management	1500	538	447	406	300	11 446	13 137	11 747		6 322	
Receivables from Exchange Transactions - Waste Management	1600	237	358	351	269	16 155	17 370	16 424		6 886	
Receivables from Exchange Transactions - Property Rental Debtors	1700	(13)	69	69	33	1 624	1 782	1 657		308	
Interest on Arrear Debtor Accounts	1810						-	-		-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820						-	-		-	
Other	1900	(3)	9	8	21	338	373	359		597	
Total By Income Source	2000	2 561	3 555	2 358	1 469	62 273	72 216	63 742	-	30 212	
2013/14 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	87	1 054	461	100	887	2 589	987			
Commercial	2300	1 009	319	163	135	2 427	4 053	2 562			
Households	2400	1 465	2 182	1 734	1 233	58 959	65 574	60 193		30 212	
Other	2500						-	-			
Total By Customer Group	2600	2 561	3 555	2 358	1 469	62 273	72 216	63 742	-	30 212	

The increased debtors results primarily from the year-on-year increase in billings from increased tariffs at the start of the new financial year. This conclusion can be drawn from the increase in the 0-30 days (current) debtors.

Summary of Indigent Households

Indigent Household Statistics					
	Indigent Households	Amount	Other Households	Total Households	
2014					
July	2 423	3 916 878	59 791 109	63 707 987	6.15%
August	2 423	4 912 253	59 305 125	64 217 378	7.65%
September	2 494	4 718 309	60 855 718	65 574 027	7.20%
October					
November					
December					
2015					
January					
February					
March					
April					
May					
June					

Summary of Debtors Age Analysis

MONTH	< 30 Days	< 60 Days	< 90 Days	< 120 Days	< 150 Days	<180 Days	<365 Days	>365 Days	Total -	Older than 30 Days	Older than 90 days
2014/15											
June											
May											
April											
March											
February											
January											
December											
November											
October											
September	2 561 129	3 555 394	2 358 062	1 468 689	62 273 027				72 216 301	3 555 394	63 741 716
Augustus	3 789 087	2 671 964	1 578 717	1 423 410	61 300 318				70 763 496	2 671 964	62 723 728
July	4 271 991	1 798 409	1 474 793	1 384 492	60 033 656				68 963 341	1 798 409	61 418 148

Creditors' analysis

Supporting Table SC4

NC072 Umsobomvu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2014/15								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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	1 527								1 527
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700									-
Auditor General	0800									-
Other	0900	785								785
Total By Customer Type	1000	2 312	-	-	-	-	-	-	-	2 312

Supporting Table SC4 reflects current creditors at the end of September 2014.

The payment of creditors is within requirements of the MFMA.

Investment portfolio analysis

Supporting Table SC5

NC072 Umsobomvu - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
CAPITAL REPLACEMENT 1		3 MONTHS	32 DAY		-		84	-	84
HOUSING DEVELOPMENT		3 MONTHS	32 DAY		-		151	-	151
HOUSING DEVELOPMENT		3 MONTHS	32 DAY		-		24	-	24
CAPITAL REPLACEMENT 4		3 MONTHS	32 DAY		1		116	1	118
CAPITAL REPLACEMENT		3 MONTHS	32 DAY		0		10	0	11
CAPITAL REPLACEMENT 5		3 MONTHS	32 DAY		-		370	-	370
INVESTMENT		3 MONTHS	32 DAY		2		8 798	2	8 800
Municipality sub-total					99		9 554	3	9 558
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				99		9 554	3	9 558

Surplus cash not immediately required is invested in 32 day deposits.

The municipality has no long term investments.

Allocation and grant receipts and expenditure

Supporting Table SC6 – Grant receipts

NC072 Umsobomvu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		34 152	35 673	-	-	15 551	15 551	-		35 673
Equitable share		30 684	32 382		-	12 817	12 817	-		32 382
FINANCE MANAGEMENT		1 650	1 800		-	1 800	1 800			1 800
MSIG		890	934		-	934	934			934
MIG ADMIN - PMU		678	557			-				557
Energy Efficiency and Demand Management		250								
SUBSIDY STATE	3							-		
Provincial Government:		708	991	-	-	-	-	-		991
DEPT ART & CULTURE (LIBRARY)		708	991			-	-	-		991
District Municipality:		-	-	-	-	-	-	-		-
DISTRICT MUNICIPALITY								-		
Other grant providers:		3 600	-	-	-	-	-	-		-
IEC INFRASTRUCTURE		3 600						-		
Total Operating Transfers and Grants	5	38 460	36 664	-	-	15 551	15 551	-		36 664
Capital Transfers and Grants										
National Government:		47 473	43 091	-	-	4 851	4 900	-		43 091
RBIG - DWAF		31 000	30 000			-		-		30 000
HOUSING PROJECTS		-								
EEDG		-								
MIG - CAPITAL		12 873	10 591		-	4 451	4 500			10 591
INEP		2 600	1 500			-				1 500
EPWP		1 000	1 000		-	400	400	-		1 000
Provincial Government:		-	-	-	-	-	-	-		-
DISASTER								-		
DEPRT OF SAFETY										
EPWP										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
Kgotso Pula Nala								-		
Total Capital Transfers and Grants	5	47 473	43 091	-	-	4 851	4 900	-		43 091
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	85 932	79 755	-	-	20 402	20 451	-		79 755

Grant receipts are monitored according to the payment schedules.

Supporting Table SC7(1) – Grant expenditure

NC072 Umsobomvu - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		34 152	35 673	-	206	1 255	925	330	35.7%	35 673
Equitable share		30 684	32 382			350		350	#DIV/0!	32 382
FINANCE MANAGEMENT		1 650	1 800		206	432	450	(18)	-4.0%	1 800
MSIG		890	934		-	473	475	(3)	-0.5%	934
MIG ADMIN - PMU		678	557			-		-		557
Energy Efficiency and Demand Management		250						-		
SUBSIDY STATE								-		
Other transfers and grants [insert description]								-		
Provincial Government:		708	991	-	-	32	-	32	#DIV/0!	991
DEPT ART & CULTURE (LIBRARY)		708	991			32		32	#DIV/0!	991
IMMUNISATION GRANT								-		
								-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
<i>DISTRICT MUNICIPALITY</i>								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
<i>IEC INFRASTRUCTURE</i>								-		
Total operating expenditure of Transfers and Grants:		34 860	36 664	-	206	1 287	925	362	39.1%	36 664
Capital expenditure of Transfers and Grants										
National Government:		47 473	43 091	-	1 007	2 507	2 730	(223)	-8.2%	43 091
RBIG - DWAF		31 000	30 000			-		-		30 000
HOUSING PROJECTS		-						-		
EEDG		-						-		
MIG - CAPITAL		12 873	10 591		-	1 241	1 500	(259)	-17.2%	10 591
INEP		2 600	1 500		910	910	900	10	1.1%	1 500
EPWP		1 000	1 000		97	356	330	26	7.7%	1 000
Provincial Government:		-	-	-	-	-	-	-		-
								-		
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
								-		
Total capital expenditure of Transfers and Grants		47 473	43 091	-	1 007	2 507	2 730	(223)	-8.2%	43 091
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		82 332	79 755	-	1 213	3 794	3 655	139	3.8%	79 755

Grant expenditure is monitored against grant receipts.

Supporting Table SC7(2) – Expenditure against approved rollovers

NC072 Umsobomvu - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M03 September

Description	Ref	Budget Year 2014/15				
		Approved Rollover 2013/14	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Equitable share						
FINANCE MANAGEMENT						
MSIG						
MIG ADMIN - PMU						
Energy Efficiency and Demand Management						
SUBSIDY STATE						
Other transfers and grants [insert description]						
Provincial Government:		-	-	-	-	
DEPT ART & CULTURE (LIBRARY)						
IMMUNISATION GRANT						
Other transfers and grants [insert description]						
District Municipality:		-	-	-	-	
DISTRICT MUNICIPALITY						
Other grant providers:		-	-	-	-	
IEC INFRASTRUCTURE						
Total operating expenditure of Approved Roll-overs		-	-	-	-	
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
RBIG - DWAF						
EPWP						
Other capital transfers [insert description]						
Provincial Government:		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		-	-	-	-	

A Roll over application was submitted to Provincial Treasury by the end of August 2014 for the unspent MIG and EPWP funds. The approval from National Treasury is expected in October 2014.

Expenditure on councillor allowances and employee benefits

Supporting Table SC8

NC072 Umsobomvu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2 694	2 945		255	748	749	(1)	0%	2 945
Pension and UIF Contributions		-						-		
Medical Aid Contributions		-						-		
Motor Vehicle Allowance		205						-		
Cellphone Allowance		140						-		
Housing Allowances								-		
Other benefits and allowances								-		
Sub Total - Councillors		3 039	2 945	-	255	748	749	(1)	0%	2 945
% increase	4		-3.1%							-3.1%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 727	3 084		257	771	771	-		3 084
Pension and UIF Contributions		-						-		
Medical Aid Contributions		-						-		
Overtime		-						-		
Performance Bonus		301	348			-		-		348
Motor Vehicle Allowance		362	401		38	114	114	-		401
Cellphone Allowance		-						-		
Housing Allowances		10	11		4	12	11	1	9%	11
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Senior Managers of Municipality		3 401	3 844	-	300	898	897	1	0%	3 844
% increase	4		13.0%							13.0%
Other Municipal Staff										
Basic Salaries and Wages		19 812	22 885		1 768	3 326	5 721	(2 395)	-42%	22 885
Pension and UIF Contributions		3 872	4 492		314	945	1 123	(178)	-16%	4 492
Medical Aid Contributions		752	758		63	193	190	4	2%	758
Overtime		999	1 060		118	308	2 112	(1 804)	-85%	1 060
Performance Bonus		(301)	-			-		-		-
Motor Vehicle Allowance		(0)						-		
Cellphone Allowance		-						-		
Housing Allowances		0						-		
Other benefits and allowances		690	474		(10)	73	118	(45)	-38%	474
Payments in lieu of leave		5 045	5 204		116	332	601	(269)	-45%	5 204
Long service awards		-						-		
Post-retirement benefit obligations		341	341					-		341
Sub Total - Other Municipal Staff		31 209	35 213	-	2 368	5 178	9 865	(4 687)	-48%	35 213
% increase	4		12.8%							12.8%
Total Parent Municipality		37 649	42 001	-	2 923	6 824	11 511	(4 687)	-41%	42 001
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		37 649	42 001	-	2 923	6 824	11 511	(4 687)	-41%	42 001
% increase	4		11.6%							11.6%
TOTAL MANAGERS AND STAFF		34 610	39 057	-	2 668	6 076	10 762	(4 686)	-44%	39 057

SDBIP

The results of the SDBIP for the first quarter ended 30 September 2014 will be included in a separate comprehensive report to be tabled in Council.

Financial Performance

Supporting Table SC2

NC072 Umsobomvu - Supporting Table SC2 Monthly Budget Statement - performance indicators - M03 September

Description of financial indicator	Basis of calculation	Ref	2013/14	Budget Year 2014/15			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-0.1%	19.1%	0.0%	0.3%	2.6%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		1.1%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		0.8%	0.7%	0.0%	2.4%	0.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	4985.6%	8560.8%	0.0%	225.4%	8560.8%
Liquidity Ratio	Monetary Assets/Current Liabilities		1648.5%	4939.6%	0.0%	70.7%	4939.6%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		24.1%	28.6%	0.0%	124.7%	28.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		34.3%	38.6%	0.0%	24.5%	38.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	2.2%	0.0%	0.5%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		27.7%	23.8%	0.0%	0.3%	3.2%
<u>IDP regulation financial viability indicators</u>							
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						

Capital programme performance

Supporting Table SC12

NC072 Umsobomvu - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

Month	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July		3 250		604	604	3 250	2 646	81.4%	1%
August		3 167		876	1 480	6 417	4 937	76.9%	4%
September		3 167		1 338	2 818	9 583	6 766	70.6%	7%
October		3 167				12 750	-		
November		3 167				15 917	-		
December		3 167				19 083	-		
January		3 167				22 250	-		
February		3 667				25 917	-		
March		3 667				29 583	-		
April		3 717				33 300	-		
May		3 167				36 467	-		
June		4 083				40 550	-		
Total Capital expenditure	-	40 550	-	2 818					

Other supporting documentation

Supporting Table SC13a

NC072 Umsobomvu - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		48 145	39 000	-	1 338	2 818	9 583	6 766	70.6%	39 000
Infrastructure - Road transport		5 100	6 000	-	97	809	1 000	191	19.1%	6 000
<i>Roads, Pavements & Bridges</i>		5 100	6 000	-	97	809	1 000	191	19.1%	6 000
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		2 920	1 500	-	1 231	1 231	1 250	19	1.6%	1 500
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>		2 600	1 500	-	1 231	1 231	1 250	19	1.6%	1 500
<i>Street Lighting</i>		320	-	-	-	-	-	-	-	-
Infrastructure - Water		38 625	31 500	-	10	778	7 333	6 555	89.4%	31 500
<i>Dams & Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		38 625	31 500	-	10	778	7 333	6 555	89.4%	31 500
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		1 500	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		1 500	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		8 647	-	-	-	-	-	-	-	-
General vehicles		1 647	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		2 000	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		5 000	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	1 550	-	-	-	-	-	-	1 550
<i>List sub-class</i>		-	1 550	-	-	-	-	-	-	1 550
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	56 792	40 550	-	1 338	2 818	9 583	6 766	70.6%	40 550

Supporting Table SC13b

NC072 Umsobomvu - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M03

Description	Ref	2013/14	Budget Year 2014/15								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands	1										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure		-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges											
Storm water											
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-
Generation											
Transmission & Reticulation											
Street Lighting											
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-
Reticulation											
Sewerage purification											
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-
Waste Management											
Transportation											
Gas											
Other											
Community		-	-	-	-	-	-	-	-	-	-
Parks & gardens											
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other											
Heritage assets		-	-	-	-	-	-	-	-	-	-
Buildings											
Other											
Investment properties		-	-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets		-	-	-	-	-	-	-	-	-	-
General v ehicles											
Specialised vehicles		-	-	-	-	-	-	-	-	-	-
Plant & equipment											
Computers - hardware/equipment											
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings											
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets		-	-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets		-	-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles		-	-	-	-	-	-	-	-	-	-
Computers - software & programming											
Other											
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	-	-	-	-	-	-

Supporting Table SC13c

NC072 Umsobomvu - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 September

Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1 141	1 034	-	222	398	258	(140)	-54.2%	1 034
Infrastructure - Road transport		10	26	-	60	111	6	(105)	-1634.6%	26
Roads, Pavements & Bridges		10	26	-	60	111	6	(105)	-1634.6%	26
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		541	621	-	96	184	155	(28)	-18.3%	621
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		361	421	-	96	184	105	(78)	-74.5%	421
Street Lighting		180	200	-	-	-	50	50	100.0%	200
Infrastructure - Water		500	337	-	50	52	84	32	38.3%	337
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		500	337	-	50	52	84	32	38.3%	337
Infrastructure - Sanitation		90	50	-	16	52	13	(39)	-313.7%	50
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		90	50	-	16	52	13	(39)	-313.7%	50
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Community		95	5	-	0	0	50	49	99.4%	5
Parks & gardens		15	5	-	-	-	1	1	100.0%	5
Fire, safety & emergency		80	-	-	0	0	49	48	99.4%	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		931	1 236	-	498	857	301	(557)	-185.0%	1 236
General vehicles		641	817	-	132	169	196	27	14.0%	817
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		242	353	-	20	39	88	49	55.7%	353
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		45	59	-	1	1	15	13	90.0%	59
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	346	648	-	(648)	#DIV/0!	-
Other Land		3	8	-	-	-	2	2	100.0%	8
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		2 167	2 275	-	720	1 256	609	(647)	-106.3%	2 275

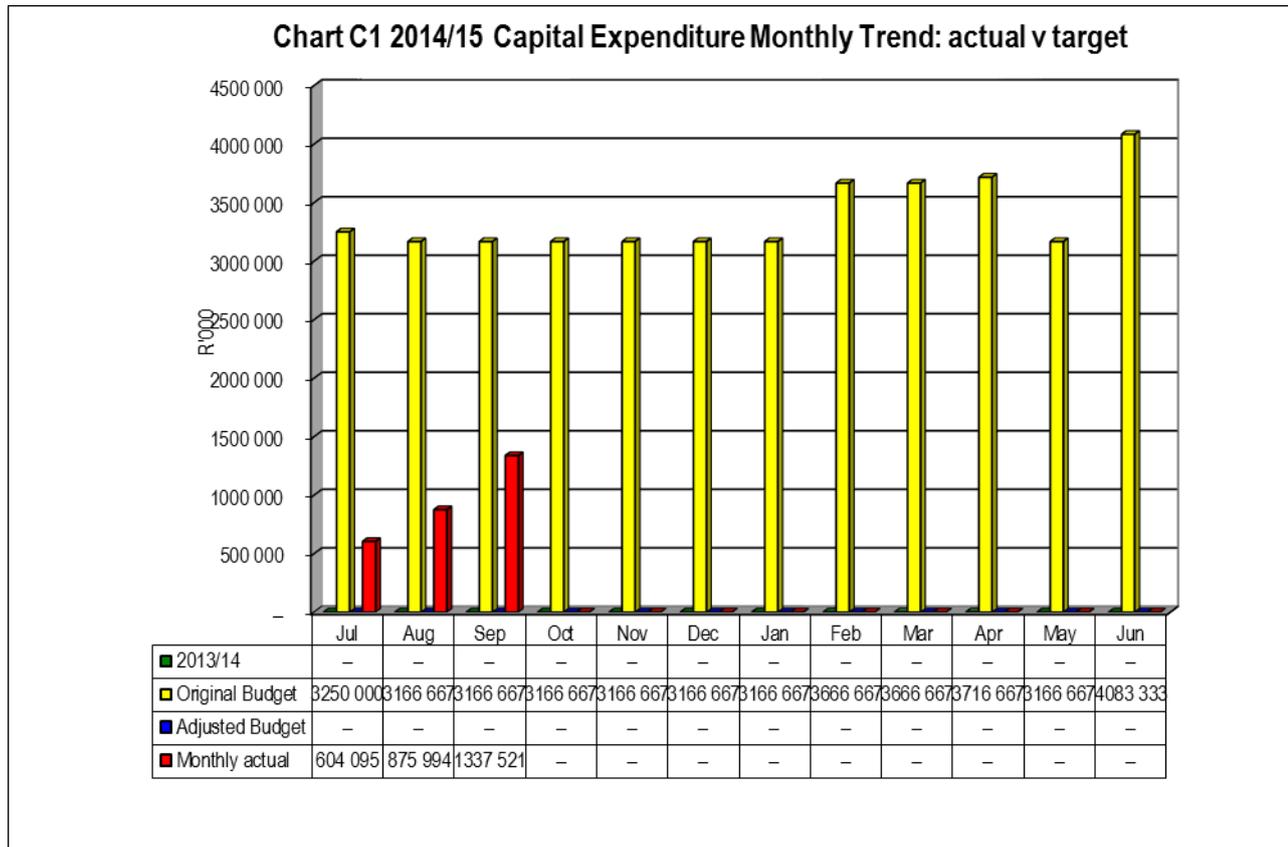
Supporting Table SC13d

NC072 Umsobomvu - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M03 September

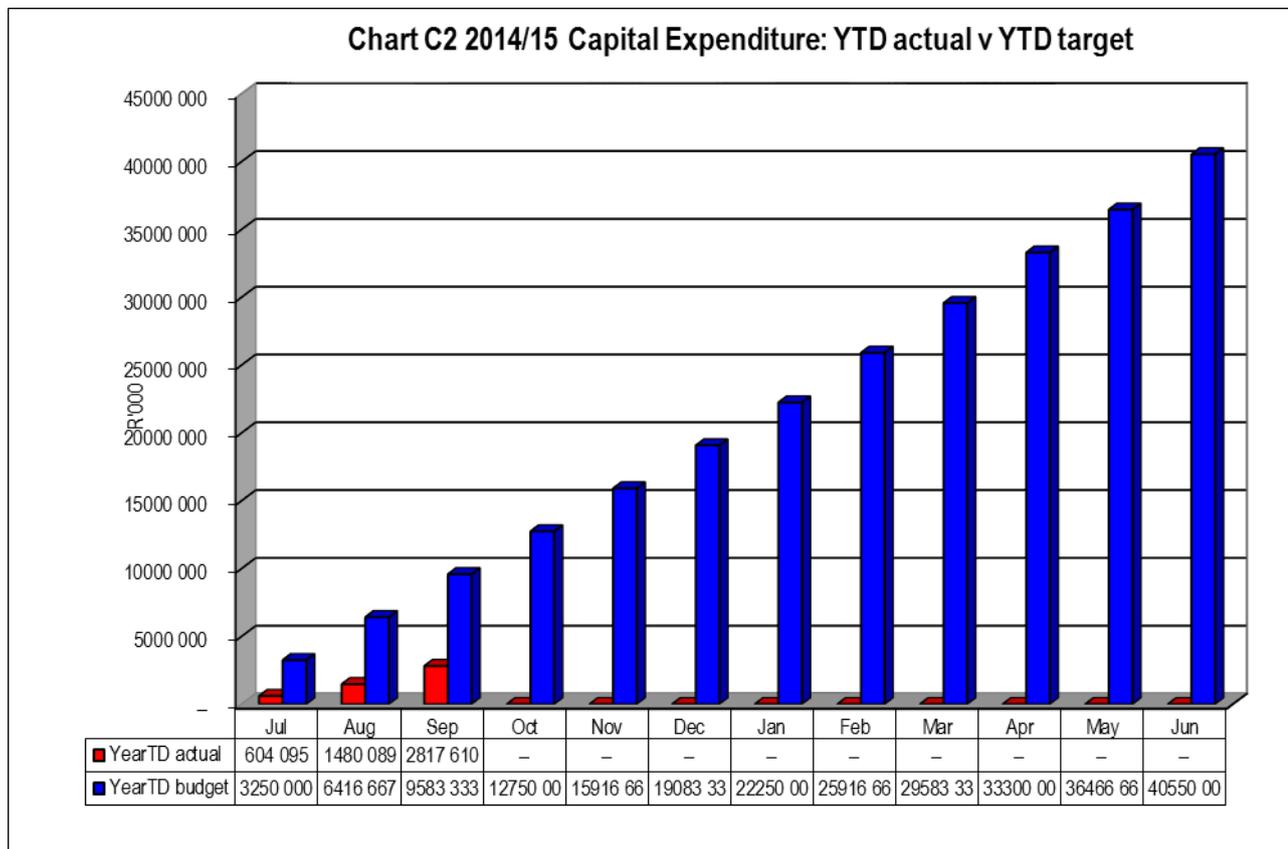
Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		18 591	18 576	-	-	3 096	-	(3 096)	#DIV/0!	18 576
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		2 785	2 785	-	-	464	-	(464)	#DIV/0!	2 785
Generation										
Transmission & Reticulation		2 785	2 785			464		(464)	#DIV/0!	2 785
Street Lighting										
Infrastructure - Water		12 351	12 351	-	-	2 059	-	(2 059)	#DIV/0!	12 351
Dams & Reservoirs										
Water purification										
Reticulation		12 351	12 351			2 059		(2 059)	#DIV/0!	12 351
Infrastructure - Sanitation		2 843	2 828	-	-	471	-	(471)	#DIV/0!	2 828
Reticulation		2 843	2 828			471		(471)	#DIV/0!	2 828
Sewerage purification										
Infrastructure - Other		612	612	-	-	102	-	(102)	#DIV/0!	612
Waste Management		612	612			102		(102)	#DIV/0!	612
Transportation										
Gas										
Other										
Community		3 800	2	-	-	0	-	(0)	#DIV/0!	2
Parks & gardens										
Museums & Art Galleries										
Cemeteries		3 800	2			0		(0)	#DIV/0!	2
Social rental housing										
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		5 179	5 256	-	-	876	-	(876)	#DIV/0!	5 256
General vehicles										
Specialised vehicles		-	-	-	-	-	-	-	-	-
Other Buildings		4 302	4 379			729		(729)	#DIV/0!	4 379
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		877	877			146		(146)	#DIV/0!	877
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other										
Total Depreciation		27 570	23 834	-	-	3 972	-	(3 972)	#DIV/0!	23 834

Other supporting documentation Section 71 charts

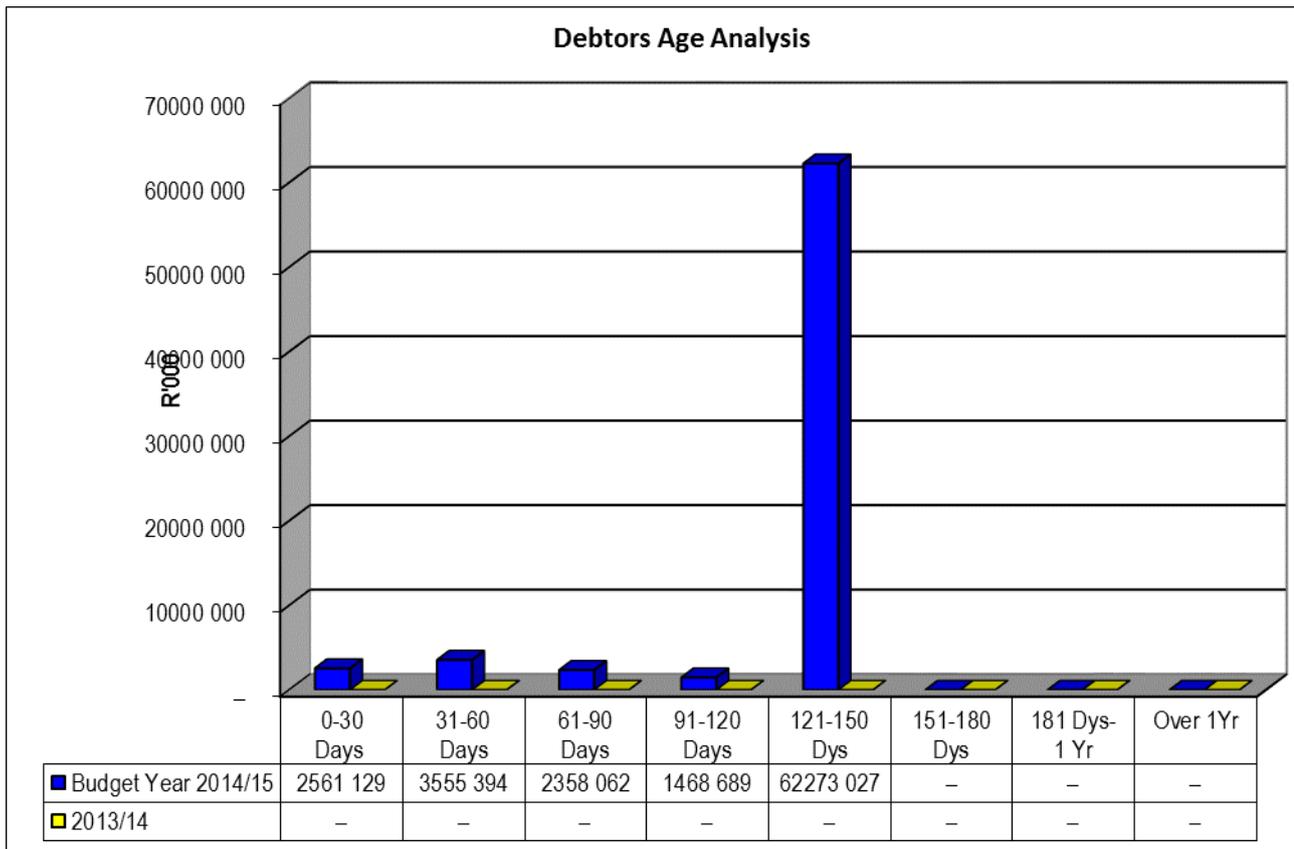
Capital expenditure monthly trend - actual vs target



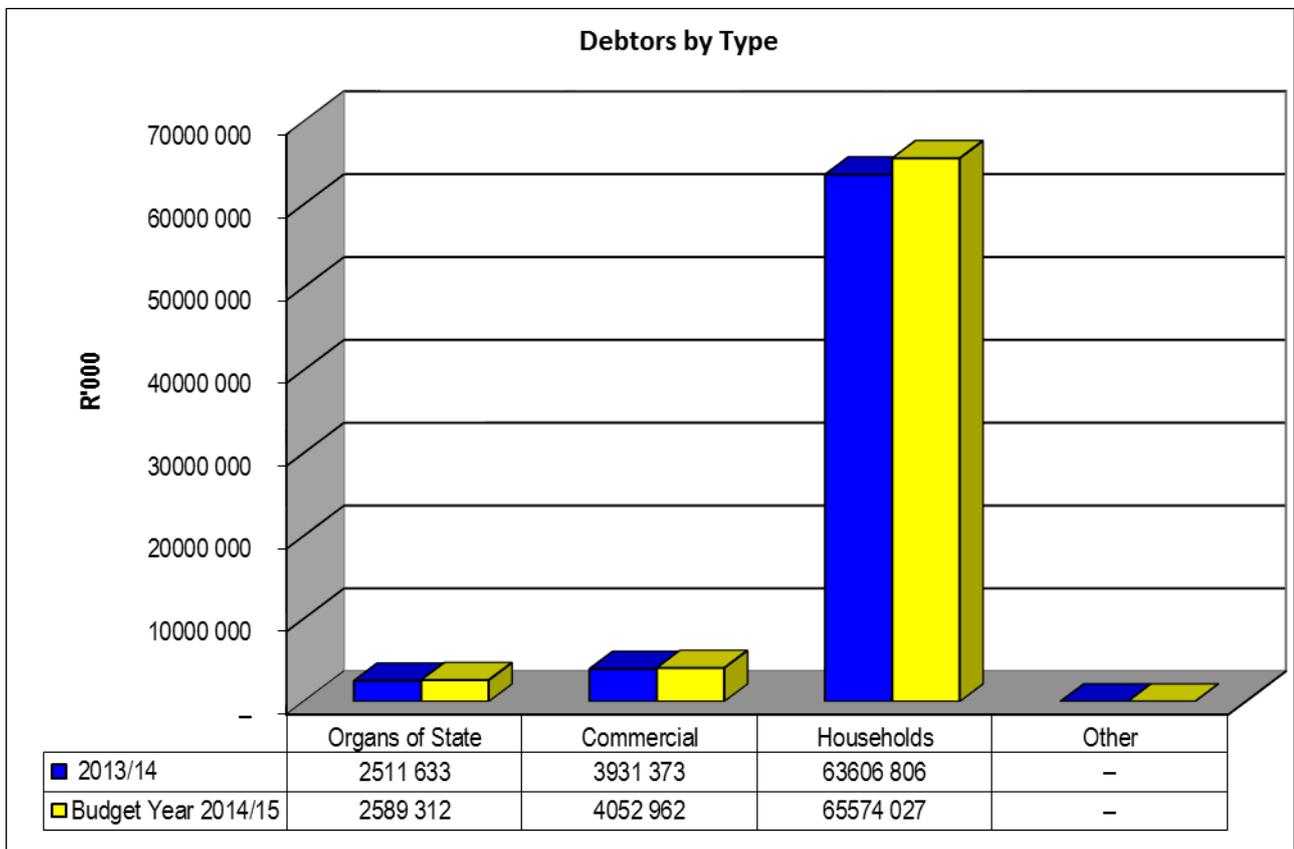
Capital expenditure – YTD actual vs YTD trend



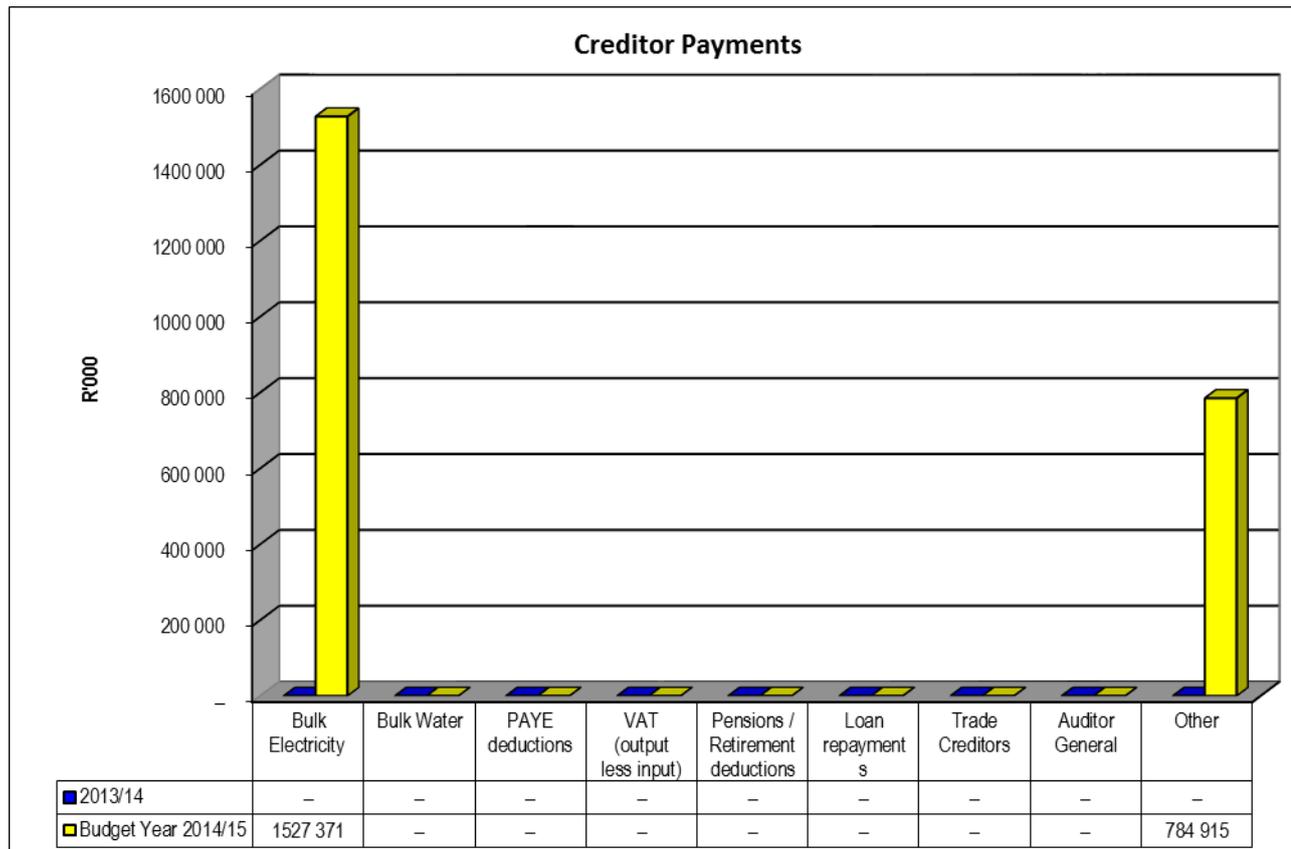
Debtors Age Analysis



Debtors by Type



Creditor Payments



MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, **AMOS CHINA MPELA**, the Municipal Manager of Umsobomvu Local Municipality, hereby certify that: -

Quarterly budget report

For the period ending September 2014 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print Name: AC MPELA

Municipal Manager of Umsobomvu Local Municipality (NCO72)



Signature: _____

Date: 15 OCTOBER 2014