



Monthly Budget Statement

November 2015

In-Year Report of the Municipality

Prepared in terms of Section 71 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 28 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 November 2009.

Table of Contents

Glossary.....	3
PART 1 – IN-YEAR REPORT.....	4
Mayor’s Report	4
Resolutions	5
Executive Summary.....	6 - 8
In-year budget statement tables	9 - 17
PART 2 – SUPPORTING DOCUMENTATION.....	18
Debtors' analysis	18
Creditors' analysis	19
Investment portfolio analysis	19
Allocation and grant receipts and expenditure	20 - 22
Councillor allowances and employee benefits	23
Material variances to the SDBIP.....	24
Municipal financial performance.....	25
Capital programme performance	26
Other supporting documentation	27 – 33
Debtors follow-up report MFIP II Support Programme	34 - 35
Municipal manager’s quality certification	36

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 monthly 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 – Monthly Budget Report

1.1.1 Implementation of the budget in accordance with the SDBIP

The results of the SDBIP for the month ended 30 November 2015 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 November 2015 is at 52.2% of the budgeted revenue. The expenditure reflects spending of 39.15% against the budgeted expenditure. Capital expenditure amounts to R13, 965m, or 24.38%, at the end of November 2015.

Outstanding consumer debtors remain stable and only reflect the year-on-year increase from increased tariffs as from 1 July 2015.

The positive cash flow remains stable.

Resolutions

IN-YEAR REPORTS 2015/2016

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

RECOMMENDATION:

1. That the report for the month ended 30 November 2015, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

Executive Summary

Revenue by Source

The Year-to-Date actual revenue is 25% more than the YTD budget projections at the end of November 2015 as a result of the annual rates that were levied in July 2015.

Borrowings

The balance of borrowings amounts to R2, 784,487.05 at the end of November 2015.

Operating expenditure by vote & type

Current expenditure is 6 % below YTD budget projections as at November 2015.

Capital expenditure

YTD Capital Expenditure amounts to R13, 965m, or 24.38%, of a total budget of R57, 273m.

Cash flows

The municipality started the year with a positive cashbook balance of R18.448 million. The November 2015 closing balance is R29, 952 million. Refer to Table C7 for more details on the cash position.

Allocations received (National & Provincial Grants)

Municipal Infrastructure Grant funding of R6.090m was received for the period ended 30 November 2015. Energy Efficiency and demand side management grant received to date is R4m.

Spending on Grants

Spending on grants amounts to R13.724m for the year to date ended November 2015 which includes Equitable Share, FMG, MSIG, EPWP and MIG.

Implementation of Supply Chain Management Policy:

Monthly report for the month of November 2015 on deviations within 10 working days in terms of SCM Regulation 36(2):

MONTHLY DEVIATION : NOVEMBER 2015					
DATE	SUPPLIER'NAME	DESCRIPTION DEPT	AMOUNT	ORDER NO	DEV NO
06/11/2015	High Voltage Technology	Tech services:Rpaired TransformRe	117 600.00	16598	1093
09/11/2015	John Williams Motors	Mayors: Service UMSO 1	16 456.60	15544	1094
17/11/2015	Assoc property valuers	Corporate dept:suplementary valuation roll	27 759.00	16709	1095
			<u>161 815.60</u>		

Monthly reports on contracts awarded above R100 000 within 15 calendar days of the new month:

Month	AMOUNT
November	R117 600.00

TENDERS AWARDED FOR MONTH: BID APPROVED

MONTHS	Name of Bid	Amount Tendered VAT inclusive	Bidder awarded to	Date awarded	Date approval
November 2015	None				

Material variances

The table below summarises variances for projected revenue and expenditure.

NC072 Umsobomvu - Supporting Table SC1 Material variance explanations - M05 November

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks	
R thousands				
Revenue By Source				
Property rates	907	Annual property rates are levied in July for the whole financial year.	The variance will decrease as monthly property rates are levied Credit control will be implemented in order to make follow ups. Meters are being inspected and changed were necessary.	
Property rates - penalties & collection charge	26	Some of the annual rates payers have not settled their accounts yet.		
Service charges - electricity revenue	(3 295)	This is due to consumers trying to save power.		
Service charges - water revenue	974			
Service charges - sanitation revenue	87			
Service charges - refuse revenue	9			
Service charges - other	-			
Rental of facilities and equipment	(0)			
Interest earned - external investments	(7)			
Interest earned - outstanding debtors	249	There has been a decrease in collection rate.		We have filled the vacancies that resulted in the decrease in collection rate
Dividends received	-			
Fines	1 098	Effective traffic services		Will be adjusted during adjustment budget
Licences and permits	577	More booking for learner's and driving licences.		Will be adjusted during adjustment budget
Agency services	-			
Transfers recognised - operational	13 312			
Other revenue	(1 531)			
Gains on disposal of PPE	-			
Expenditure By Type				
Employee related costs	(2 085)	There are still few vacancies.	This will improve as soon as we have filled the vacancies.	
Remuneration of councillors	(69)			
Debt impairment	(98)			
Depreciation & asset impairment	(4)			
Finance charges	2			
Bulk purchases	(431)			
Other materials	-			
Contracted services	-			
Transfers and grants	-			
Other expenditure	(717)			
Loss on disposal of PPE	(1)			
Capital Expenditure				
Governance and administration				
Executive and council	-			
Budget and treasury office	-			
Corporate services	-			
Community and public safety				
Community and social services	-			
Sport and recreation	-			
Public safety	-			
Housing	-			
Health	341			
Economic and environmental services				
Planning and development	341			
Road transport	-			
Environmental protection	(340)			
Trading services				
Electricity	(362)			
Water	-			
Waste water management	-			
Waste management	-			
Other	0			
Financial Position				
Cash Flow				
Measureable performance				
Municipal Entities				

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 - M05 November

Description	2014/15	Budget Year 2015/16							
	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	8 521	8 295	8 295	576	4 389	3 456	933	27%	8 295
Service charges	49 213	58 979	58 979	4 305	22 351	24 575	(2 224)	-9%	58 979
Investment revenue	532	422	422	38	168	176	(7)	-4%	422
Transfers recognised - operational	35 708	39 356	39 356	11 643	29 710	16 398	13 312	81%	39 356
Other own revenue	16 573	10 477	10 477	973	4 758	4 366	393	9%	10 477
Total Revenue (excluding capital transfers and contributions)	110 547	117 530	117 530	17 535	61 377	48 971	12 406	25%	117 530
Employee costs	34 412	40 680	40 680	3 079	14 865	16 950	(2 085)	-12%	40 680
Remuneration of Councillors	2 996	3 092	3 092	244	1 219	1 288	(69)	-5%	3 092
Depreciation & asset impairment	28 622	23 844	23 844	1 986	9 931	9 935	(4)	-0%	23 844
Finance charges	384	310	310	25	131	129	2	1%	310
Materials and bulk purchases	18 731	21 284	21 284	1 440	8 437	8 869	(431)	-5%	21 284
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	44 165	46 049	46 049	3 758	18 371	19 187	(816)	-4%	46 049
Total Expenditure	129 310	135 258	135 258	10 533	52 954	56 358	(3 403)	-6%	135 258
Surplus/(Deficit)	(18 763)	(17 728)	(17 728)	7 003	8 422	(7 387)	15 809	-214%	(17 728)
Transfers recognised - capital	38 236	56 126	56 126	-	-	23 386	(23 386)	-100%	56 126
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	19 473	38 398	38 398	7 003	8 422	15 999	(7 577)	-47%	38 398
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	19 473	38 398	38 398	7 003	8 422	15 999	(7 577)	-47%	38 398
Capital expenditure & funds sources									
Capital expenditure	46 841	57 273	-	3 583	13 965	13 936	30	0%	57 273
Capital transfers recognised	46 741	55 563	-	3 583	13 965	9 583	4 382	46%	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	100	1 710	-	-	-	-	-	-	-
Total sources of capital funds	46 841	57 273	-	3 583	13 965	9 583	4 382	46%	-
Financial position									
Total current assets	69 265	54 737	54 737	-	75 175	-	-	-	69 265
Total non current assets	515 047	597 522	597 522	-	521 943	-	-	-	515 047
Total current liabilities	34 477	-	-	-	39 282	-	-	-	36 329
Total non current liabilities	28 040	23 253	23 253	-	27 634	-	-	-	26 188
Community wealth/Equity	521 795	629 006	629 006	-	530 202	-	-	-	521 795
Cash flows									
Net cash from (used) operating	50 371	58 818	-	13 351	26 639	10 725	(15 914)	-148%	38 833
Net cash from (used) investing	(39 289)	(50 007)	-	(3 583)	(13 965)	(12 502)	1 464	-12%	(39 289)
Net cash from (used) financing	(1 043)	(670)	-	(78)	(1 170)	(168)	1 002	-596%	(286)
Cash/cash equivalents at the month/year end	44 448	17 452	15 612	9 690	29 952	13 668	(16 284)	-119%	2 142 877
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	2 970	2 751	2 430	2 295	83 469	-	-	-	93 916
Creditors Age Analysis									
Total Creditors	1 270	-	-	-	-	-	-	-	1 270

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

NC072 Umsobomvu - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M05 November

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Standard									
<i>Governance and administration</i>	47 517	50 600	50 600	12 286	33 703	21 083	12 619	60%	50 600
Executive and council	32 382	34 931	34 931	11 643	26 199	14 555	11 644	80%	34 931
Budget and treasury office	15 124	15 649	15 649	643	7 498	6 520	978	15%	15 649
Corporate services	12	20	20	0	6	8	(3)	-34%	20
<i>Community and public safety</i>	13 637	6 087	6 087	711	4 298	2 536	1 762	69%	6 087
Community and social services	5 802	2 834	2 834	101	1 261	1 181	81	7%	2 834
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	7 429	3 253	3 253	610	3 037	1 355	1 681	124%	3 253
Housing	406	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7 719	1 060	1 060	13	40	442	(402)	-91%	1 060
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	7 719	1 060	1 060	13	40	442	(402)	-91%	1 060
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	79 910	115 909	115 909	4 524	23 336	48 295	(24 959)	-52%	115 909
Electricity	25 025	38 927	38 927	1 694	9 975	16 219	(6 244)	-38%	38 927
Water	39 977	51 252	51 252	1 517	6 852	21 355	(14 503)	-68%	51 252
Waste water management	8 599	19 209	19 209	753	3 718	8 004	(4 286)	-54%	19 209
Waste management	6 309	6 521	6 521	560	2 791	2 717	74	3%	6 521
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	148 783	173 656	173 656	17 535	61 377	72 357	(10 980)	-15%	173 656
Expenditure - Standard									
<i>Governance and administration</i>	36 815	46 319	46 319	3 420	16 410	19 299	(2 889)	-15%	46 319
Executive and council	17 470	20 464	20 464	1 454	7 152	8 527	(1 375)	-16%	20 464
Budget and treasury office	13 658	20 270	20 270	1 382	6 571	8 446	(1 875)	-22%	20 270
Corporate services	5 687	5 584	5 584	583	2 687	2 327	361	15%	5 584
<i>Community and public safety</i>	13 963	13 414	13 414	923	5 303	5 589	(286)	-5%	13 414
Community and social services	5 486	5 872	5 872	369	2 219	2 447	(228)	-9%	5 872
Sport and recreation	925	2 745	2 745	74	368	1 144	(776)	-68%	2 745
Public safety	7 034	4 135	4 135	418	2 467	1 723	744	43%	4 135
Housing	518	661	661	63	250	276	(25)	-9%	661
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	16 286	11 080	11 080	867	4 441	4 617	(176)	-4%	11 080
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	16 286	11 080	11 080	867	4 441	4 617	(176)	-4%	11 080
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	62 245	64 446	64 446	5 323	26 800	26 853	(53)	0%	64 446
Electricity	23 576	27 466	27 466	2 089	11 057	11 444	(387)	-3%	27 466
Water	23 604	22 094	22 094	2 163	10 173	9 206	967	11%	22 094
Waste water management	8 935	9 814	9 814	647	3 421	4 089	(668)	-16%	9 814
Waste management	6 130	5 073	5 073	423	2 149	2 114	35	2%	5 073
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	129 310	135 258	135 258	10 533	52 954	56 358	(3 403)	-6%	135 258
Surplus/ (Deficit) for the year	19 473	38 398	38 398	7 003	8 422	15 999	(7 577)	-47%	38 398

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) - M05 November

Vote Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - EXECUTIVE & COUNCIL	32 382	34 931	-	11 643	26 199	14 555	11 644	80.0%	34 931
Vote 2 - FINANCE & ADMIN	15 135	15 669	-	643	7 504	6 529	975	14.9%	16 790
Vote 3 - COMMUNITY SERVICES	13 637	6 087	-	711	4 298	2 536	1 762	69.5%	4 966
Vote 4 - TECHNICAL SERVICES	87 629	116 969	-	4 537	23 376	48 737	(25 361)	-52.0%	116 969
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
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	148 783	173 656	-	17 535	61 377	72 357	(10 980)	-15.2%	173 656
Expenditure by Vote									
Vote 1 - EXECUTIVE & COUNCIL	17 470	20 464	-	1 454	7 152	8 527	(1 375)	-16.1%	20 464
Vote 2 - FINANCE & ADMIN	19 345	25 855	-	1 966	9 258	10 773	(1 514)	-14.1%	27 894
Vote 3 - COMMUNITY SERVICES	13 963	13 414	-	923	5 303	5 589	(286)	-5.1%	11 375
Vote 4 - TECHNICAL SERVICES	78 531	75 526	-	6 190	31 241	31 469	(228)	-0.7%	75 526
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
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	129 310	135 258	-	10 533	52 954	56 358	(3 403)	-6.0%	135 258
Surplus/ (Deficit) for the year	19 473	38 398	-	7 003	8 422	15 999	(7 577)	-47.4%	38 398

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) - M05 November

Description	2014/15	Budget Year 2015/16							
	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	8 313	8 117	8 117	554	4 289	3 382	907	27%	8 117
Property rates - penalties & collection charges	208	179	179	22	100	74	26	34%	179
Service charges - electricity revenue	23 163	31 276	31 276	1 635	9 737	13 032	(3 295)	-25%	31 276
Service charges - water revenue	12 260	13 110	13 110	1 424	6 437	5 463	974	18%	13 110
Service charges - sanitation revenue	7 816	8 259	8 259	715	3 529	3 441	87	3%	8 259
Service charges - refuse revenue	5 974	6 333	6 333	531	2 648	2 639	9	0%	6 333
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 046	1 103	1 103	97	459	459	(0)	0%	1 103
Interest earned - external investments	532	422	422	38	168	176	(7)	-4%	422
Interest earned - outstanding debtors	1 980	1 806	1 806	223	1 001	753	249	33%	1 806
Dividends received	-	-	-	-	-	-	-	-	-
Fines	4 685	2 521	2 521	426	2 149	1 050	1 098	105%	2 521
Licences and permits	2 774	757	757	184	892	315	577	183%	757
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	35 708	39 356	39 356	11 643	29 710	16 398	13 312	81%	39 356
Other revenue	6 089	4 290	4 290	43	257	1 788	(1 531)	-86%	4 290
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	110 547	117 530	117 530	17 535	61 377	48 971	12 406	25%	117 530
Expenditure By Type									
Employee related costs	34 412	40 680	40 680	3 079	14 865	16 950	(2 085)	-12%	40 680
Remuneration of councillors	2 996	3 092	3 092	244	1 219	1 288	(69)	-5%	3 092
Debt impairment	3 786	5 458	5 458	435	2 176	2 274	(98)	-4%	5 458
Depreciation & asset impairment	28 622	23 844	23 844	1 986	9 931	9 935	(4)	0%	23 844
Finance charges	384	310	310	25	131	129	2	1%	310
Bulk purchases	18 731	21 284	21 284	1 440	8 437	8 869	(431)	-5%	21 284
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	40 263	40 589	40 589	3 323	16 195	16 912	(717)	-4%	40 589
Loss on disposal of PPE	115	1	1	-	-	1	(1)	-100%	1
Total Expenditure	129 310	135 258	135 258	10 533	52 954	56 358	(3 403)	-6%	135 258
Surplus/(Deficit)									
Transfers recognised - capital	38 236	56 126	56 126	-	-	23 386	(23 386)	(0)	56 126
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	19 473	38 398	38 398	7 003	8 422	15 999			38 398
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	19 473	38 398	38 398	7 003	8 422	15 999			38 398
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	19 473	38 398	38 398	7 003	8 422	15 999			38 398
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	19 473	38 398	38 398	7 003	8 422	15 999			38 398

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 25% above the YTD budget and current expenditure is 6% below the YTD budget for 2015/2016.

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) - M05 November

Vote Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN	5 000	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES	33 600	-	-	-	-	-	-	-	-
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
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	38 600	-	-	-	-	-	-	-	-
Single Year expenditure appropriation									
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN	100	1 710	-	-	-	-	-	-	1 710
Vote 3 - COMMUNITY SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES	8 141	55 563	-	3 583	13 965	13 936	30	0%	55 563
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
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	8 241	57 273	-	3 583	13 965	13 936	30	0%	57 273
Total Capital Expenditure	46 841	57 273	-	3 583	13 965	13 936	30	0%	57 273
Capital Expenditure - Standard Classification									
Governance and administration	100	1 710	-	-	-	-	-	-	-
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	100	1 550	-	-	-	-	-	-	-
Corporate services	-	160	-	-	-	-	-	-	-
Community and public safety	5 000	-	-	-	-	-	-	-	-
Community and social services	5 000	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	6 641	1 000	-	29	637	296	341	115%	-
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	6 641	1 000	-	29	637	296	341	115%	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	35 100	54 563	-	3 553	13 329	13 669	(340)	-2%	-
Electricity	1 500	7 000	-	21	21	-	21	#DIV/0!	-
Water	33 600	36 872	-	3 263	12 737	13 099	(362)	-3%	-
Waste water management	-	10 691	-	269	570	570	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	46 841	57 273	-	3 583	13 965	13 965	0	0%	-

Capital expenditure is 49% below the YTD budget at November 2015.

Table C6: Monthly Budget Statement - Financial Position

NC072 Umsobomvu - Table C6 Monthly Budget Statement - Financial Position - M05 November

Description	2014/15	Budget Year 2015/16			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	12 505	20 040	20 040	23 884	12 505
Call investment deposits	5 943	6 000	6 000	6 068	5 943
Consumer debtors	43 345	28 697	28 697	52 729	43 345
Other debtors	7 078			(7 900)	7 075
Current portion of long-term receivables	-			-	3
Inventory	394	-	-	394	394
Total current assets	69 265	54 737	54 737	75 175	69 265
Non current assets					
Long-term receivables	-			-	-
Investments	-			-	-
Investment property	2 061	1 655	1 655	2 061	2 061
Investments in Associate	-			-	-
Property, plant and equipment	512 927	594 317	594 317	519 818	512 927
Agricultural	-			-	-
Biological assets	-			-	-
Intangible assets	59	1 550	1 550	64	59
Other non-current assets	-	-	-	-	-
Total non current assets	515 047	597 522	597 522	521 943	515 047
TOTAL ASSETS	584 312	652 259	652 259	597 118	584 312
LIABILITIES					
Current liabilities					
Bank overdraft	-			-	-
Borrowing	-		-	-	911
Consumer deposits	742			757	742
Trade and other payables	33 735			38 525	33 735
Provisions	-			-	941
Total current liabilities	34 477	-	-	39 282	36 329
Non current liabilities					
Borrowing	3 190	3 658	3 658	2 784	2 279
Provisions	24 850	19 596	19 596	24 850	23 909
Total non current liabilities	28 040	23 253	23 253	27 634	26 188
TOTAL LIABILITIES	62 517	23 253	23 253	66 916	62 517
NET ASSETS	521 795	629 006	629 006	530 202	521 795
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	521 795	629 006	629 006	530 202	521 795
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	521 795	629 006	629 006	530 202	521 795

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 - M05 November

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	8 117	8 295		406	3 021	3 114	(93)	-3%	6 358
Service charges	40 814	50 096		2 823	16 256	11 632	4 624	40%	33 237
Other revenue	5 327	8 671		836	12 807	2 042	10 765	527%	16 151
Government - operating	36 664	39 919		11 643	29 710	11 976	17 734	148%	34 314
Government - capital	46 841	55 563		7 757	28 279	7 885	20 393	259%	38 942
Interest	5 289	2 228		38	168	565	(397)	-70%	2 512
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(92 298)	(96 678)		(9 476)	(60 955)	(24 170)	36 786	-152%	(91 962)
Finance charges	(384)	(310)		(25)	(131)	(78)	54	-69%	(384)
Transfers and Grants		(8 967)		(651)	(2 515)	(2 242)	273	-12%	(336)
NET CASH FROM/(USED) OPERATING ACTIVITIES	50 371	58 818	-	13 351	26 639	10 725	(15 914)	-148%	38 833
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(39 289)	(50 007)		(3 583)	(13 965)	(12 502)	1 464	-12%	(39 289)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(39 289)	(50 007)	-	(3 583)	(13 965)	(12 502)	1 464	-12%	(39 289)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-		-	-	-	-	-	-
Borrowing long term/refinancing	-	-		-	-	-	-	-	(1 043)
Increase (decrease) in consumer deposits	-	130		4	39	32	7	21%	-
Payments									
	(1 043)	(800)		(82)	(1 209)	(200)	1 009	-504%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 043)	(670)	-	(78)	(1 170)	(168)	1 002	-596%	(286)
NET INCREASE/ (DECREASE) IN CASH HELD	10 038	8 141	-	9 690	11 504	(1 944)			2 124 429
Cash/cash equivalents at beginning:	34 410	9 310	15 612	-	18 448	15 612			18 448
Cash/cash equivalents at month/year end:	44 448	17 452	15 612	9 690	29 952	13 668			2 142 877

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R29. 952 million.

The municipality started the year with a positive cashbook balance of R18.448 million. The November closing balance is R29.952 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 - M05 November

Description	Budget Year 2015/16												2015/16 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands															
Cash Receipts By Source															
Property rates	407	522	522	1 164	406							5 096	8 117	8 604	9 120
Property rates - penalties & collection charges	-	-	-	-	-							179	179	188	201
Service charges - electricity revenue	3 635	1 551	2 481	2 244	2 001							17 784	29 695	31 855	33 879
Service charges - water revenue	357	489	489	504	417							8 246	10 503	11 164	11 834
Service charges - sanitation revenue	229	362	261	376	284							4 270	5 781	6 128	6 496
Service charges - refuse	13	150	145	147	121							3 541	4 117	4 364	4 626
Service charges - other	-	-	-	-	-							-	-	-	-
Rental of facilities and equipment	5	4	6	7	9							1 071	1 103	1 167	1 235
Interest earned - external investments	5	73	42	10	38							254	422	422	422
Interest earned - outstanding debtors	-	-	-	-	-							1 806	1 806	1 788	1 866
Dividends received	-	-	-	-	-							-	-	-	-
Fines	458	370	423	472	426							372	2 521	2 646	2 777
Licences and permits	32	382	43	203	184							(87)	757	795	834
Agency services	-	-	-	-	-							-	-	-	-
Transfer receipts - operating	17 296	-	-	771	11 643							10 209	39 919	41 019	42 197
Other revenue	321	298	8 765	183	216							(5 493)	4 291	4 695	4 701
Cash Receipts by Source	22 757	4 201	13 176	6 082	15 746	-	-	-	-	-	-	47 248	109 210	114 836	120 189
Other Cash Flows by Source															
Transfer receipts - capital	592	7 294	-	12 636	7 757							27 285	55 563	26 948	22 832
Contributions & Contributed assets	-	-	-	-	-							-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-							-	-	-	-
Short term loans	-	-	-	-	-							-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-							-	-	-	-
Increase in consumer deposits	16	2	10	6	4							91	130	145	160
Receipt of non-current debtors	-	-	-	-	-							-	-	-	-
Receipt of non-current receivables	-	-	-	-	-							-	-	-	-
Change in non-current investments	-	-	-	-	-							-	-	-	-
Total Cash Receipts by Source	23 365	11 497	13 186	18 724	23 507	-	-	-	-	-	-	74 624	164 903	141 928	143 180
Cash Payments by Type															
Employee related costs	2 796	3 049	2 958	2 983	3 079							25 763	40 628	45 351	49 420
Remuneration of councillors	244	244	244	244	244							1 872	3 092	3 246	3 246
Interest paid	27	27	27	25	25							179	310	290	290
Bulk purchases - Electricity	-	2 765	2 705	1 425	1 420							12 659	20 974	22 652	24 465
Bulk purchases - Water & Sewer	21	33	26	22	20							188	310	310	310
Other materials	-	-	-	-	-							-	-	-	-
Contracted services	-	221	45	109	45							(421)	-	-	-
Grants and subsidies paid - other municipalities	-	-	-	-	-							-	-	-	-
Grants and subsidies paid - other	448	649	662	66	651							6 491	8 967	9 537	10 107
General expenses	1 369	4 714	5 745	3 444	3 063							13 339	31 674	28 749	29 491
Cash Payments by Type	4 904	11 703	12 413	8 317	8 547	-	-	-	-	-	-	60 071	105 955	110 135	117 329
Other Cash Flows/Payments by Type															
Capital assets	1 148	1 288	2 459	5 488	3 583							36 042	50 007	24 255	20 548
Repayment of borrowing	84	880	80	82	82							(409)	800	800	800
Other Cash Flow s/Payments	8 677	2 320	4 106	1 010	1 605							18 940	-	-	-
Total Cash Payments by Type	14 813	16 190	19 058	14 897	13 817	-	-	-	-	-	-	114 644	156 762	135 188	138 677
NET INCREASE/(DECREASE) IN CASH HELD	8 552	(4 693)	(5 872)	3 827	9 690	-	-	-	-	-	-	(40 021)	8 141	6 740	4 503
Cash/cash equivalents at the monthly ear beginning:	18 448	27 000	22 307	16 434	20 261	29 952	29 952	29 952	29 952	29 952	29 952	29 952	18 448	26 589	33 329
Cash/cash equivalents at the monthly ear end:	27 000	22 307	16 434	20 261	29 952	29 952	29 952	29 952	29 952	29 952	29 952	(10 069)	26 589	33 329	37 832

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 - M05 November

Description	NT Code	Budget Year 2015/16									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	636	1 117	1 021	999	30 635					34 408	31 633		15 150
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 279	496	356	307	3 375					5 814	3 683		2 080
Receivables from Non-exchange Transactions - Property Rates	1400	302	247	209	183	6 676					7 617	6 859		2 941
Receivables from Exchange Transactions - Waste Water Management	1500	553	460	423	402	14 289					16 128	14 691		7 567
Receivables from Exchange Transactions - Waste Management	1600	214	352	335	327	18 498					19 727	18 825		9 334
Receivables from Exchange Transactions - Property Rental Debtors	1700	(8)	78	86	77	2 905					3 138	2 982		420
Interest on Arrear Debtor Accounts	1810	-	-	-	-	7 078					7 078	7 078		-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-					-	-		-
Other	1900	(6)	0	0	-	13					7	13		1 071
Total By Income Source	2000	2 970	2 751	2 430	2 295	83 469					93 916	85 764		38 562
2014/15 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	209	279	259	233	1 335					2 316	1 568		
Commercial	2300	1 609	703	554	506	3 732					7 104	4 239		
Households	2400	1 152	1 770	1 617	1 556	78 402					84 496	79 957		38 562
Other	2500	-	-	-	-	-					-	-		-
Total By Customer Group	2600	2 970	2 751	2 430	2 295	83 469					93 916	85 764		38 562

Notes

The increased debtors results primarily from the year-on-year increase in billings from increased tariffs at the start of the new financial year. Also a contributing factor are the increased of unemployment as more household applied for indigent support during the annual review process.

Summary of Indigent Households

Indigent Household Statistics					
	Indigent Households	Amount	Other Households	Total Households	
2015					
July	2 784	10 529 095	68 518 253	79 047 348	13.32%
August	2 784	10 996 188	69 220 829	80 217 017	13.71%
September	2 784	11 294 951	70 198 189	81 493 140	13.86%
October	2 784	11 689 724	71 264 054	82 953 778	14.09%
November		12 092 836	72 403 626	84 496 462	14.31%

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
2015/16											
July	4 384 900	2 222 704	1 987 809	1 926 556	76 806 362				87 328 332	2 222 704	78 732 919
August	2 998 513	4 213 982	2 020 680	1 861 707	78 245 687				89 340 568	4 213 982	80 107 394
September	2 936 586	2 783 764	3 666 044	1 771 923	79 705 432				90 863 748	2 783 764	81 477 354
October	3 142 269	2 739 443	2 383 141	3 120 266	80 578 086				91 963 204	2 739 443	83 698 352
November	2 970 305	2 751 457	2 430 465	2 294 812	83 469 242				93 916 281	2 751 457	85 764 053

Creditors' analysis

Supporting Table SC4

NC072 Umsobomvu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

Description	NT Code	Budget Year 2015/16								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700									-
Auditor General	0800	711								711
Other	0900	559								559
Total By Customer Type	1000	1 270	-	-	-	-	-	-	-	1 270

Supporting Table SC4 reflects current creditors at the end of November 2015.

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 - M05 November

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
Municipality								
CAPITAL REPLACEMENT 1	Call	Notice	Call		0.0%	84	-	84
HOUSING DEVELOPMENT	Call	Notice	Call		0.0%	151	-	151
HOUSING DEVELOPMENT	Call	Notice	Call			24	-	24
CAPITAL REPLACEMENT 4	3 Months	Notice	3 Months			124	-	124
CAPITAL REPLACEMENT	Call	Notice	Call	0		11	0	11
CAPITAL REPLACEMENT 5	Call	Notice	Call	-		394	-	394
20-7482-3674	Call	Notice	Call	30		5 249	30	5 279
Municipality sub-total				30		6 037	30	6 068
TOTAL INVESTMENTS AND INTEREST				30		6 037	30	6 068

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 - M05 November

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	35 673	38 234	-	-	17 296	4 196	13 100	312.2%	35 673
Equitable share	32 382	34 931	-	-	14 556	1 456	13 100	900.0%	32 382
FINANCE MANAGEMENT	1 800	1 800	-	-	1 800	1 800	-	-	1 800
MSIG	934	940	-	-	940	940	-	-	934
MIG ADMIN - PMU	557	563	-	-	-	-	-	-	557
Energy Efficiency and Demand Management	-	-	-	-	-	-	-	-	-
SUBSIDY STATE	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	991	1 685	-	-	-	-	-	-	991
DEPT ART & CULTURE (LIBRARY)	991	1 685	-	-	-	-	-	-	991
YOUTH PROGRAMS	-	-	-	-	-	-	-	-	-
IMMUNISATION GRANT	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
DISTRICT MUNICIPALITY	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
IEC INFRASTRUCTURE	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	36 664	39 919	-	-	17 296	4 196	13 100	312.2%	36 664
Capital Transfers and Grants									
National Government:	43 091	55 563	-	2 000	10 090	1 761	-	-	43 091
RBIG - DWAF	30 000	36 872	-	-	-	-	-	-	30 000
HOUSING PROJECTS	-	-	-	-	-	-	-	-	-
EEDG	-	7 000	-	2 000	4 000	-	-	-	-
MIG - CAPITAL	10 591	10 691	-	-	6 090	1 761	-	-	10 591
INEP	1 500	-	-	-	-	-	-	-	1 500
EPWP	1 000	1 000	-	-	-	-	-	-	1 000
Provincial Government:	-	-	-	-	-	-	-	-	-
DISASTER	-	-	-	-	-	-	-	-	-
DEPRT OF SAFETY	-	-	-	-	-	-	-	-	-
EPWP	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Kgotso Pula Nala	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	43 091	55 563	-	2 000	10 090	1 761	-	-	43 091
TOTAL RECEIPTS OF TRANSFERS & GRANTS	79 755	95 482	-	2 000	27 386	5 957	13 100	219.9%	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 - M05 November

Description	2014/15	Budget Year 2015/16							
	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:	35 673	38 234	-	802	4 820	4 591	228	5.0%	35 673
Equitable share	32 382	34 931		651	2 410	2 242	168	7.5%	32 382
FINANCE MANAGEMENT	1 800	1 800		92	1 052	1 052	-		1 800
MSIG	934	940		60	634	573	60	10.5%	934
MIG ADMIN - PMU	557	563			724	724			557
Energy Efficiency and Demand Management		-							-
SUBSIDY STATE									-
Other transfers and grants [insert description]									-
Provincial Government:	-	1 685	-	-	-	-	-	-	-
DEPT ART & CULTURE (LIBRARY)		1 685							-
YOUTH PROGRAMS	-	-	-						-
IMMUNISATION GRANT	-	-	-						-
Other transfers and grants [insert description]	-	-	-						-
District Municipality:	-	-	-	-	-	-	-	-	-
DISTRICT MUNICIPALITY	-	-	-						-
Other transfers and grants [insert description]	-	-	-						-
Other grant providers:	-	-	-	-	-	-	-	-	-
IEC INFRASTRUCTURE	-	-	-						-
Other transfers and grants [insert description]	-	-	-						-
Total operating expenditure of Transfers and Grants:	35 673	39 919	-	802	4 820	4 591	228	5.0%	35 673
Capital expenditure of Transfers and Grants									
National Government:	43 091	55 563	-	(5 460)	1 960	4 917	304	6.2%	43 091
RBIG - DWAF	30 000	36 872							30 000
HOUSING PROJECTS		-							-
EEDG	-	7 000							-
MIG - CAPITAL	10 591	10 691		(5 490)	1 287	4 548			10 591
INEP	1 500	-							1 500
EPWP	1 000	1 000		29	673	369	304	82.4%	1 000
Provincial Government:	-	-	-	-	-	-	-	-	2 500
DISASTER	-	-	-						2 500
DEPRT OF SAFETY	-	-	-						-
EPWP	-	-	-						-
District Municipality:	-	-	-	-	-	-	-	-	-
	-	-	-						-
	-	-	-						-
Other grant providers:	2 600	-	-	-	-	-	-	-	-
Kgotso Pula Nala	2 600								-
Total capital expenditure of Transfers and Grants	45 691	55 563	-	(5 460)	1 960	4 917	304	6.2%	45 591
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	81 364	95 482	-	(4 658)	6 780	9 508	532	5.6%	81 264

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 - M05 November

Description	Budget Year 2015/16				
	Approved Rollover 2014/15	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands					
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
National Government:	132	-	-	132	100.0%
Equitable share				-	
FINANCE MANAGEMENT	132			132	100.0%
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:	-	-	-	-	
<i>DISTRICT MUNICIPALITY</i>				-	
Other grant providers:	-	-	-	-	
<i>IEC INFRASTRUCTURE</i>				-	
Total operating expenditure of Approved Roll-overs	132	-	-	132	100.0%
Capital expenditure of Approved Roll-overs					
National Government:	6 944	6 944	6 944	-	
MIG	6 944	6 944	6 944	-	
Provincial Government:	-	-	-	-	
District Municipality:	-	-	-	-	
Other grant providers:	-	-	-	-	
Total capital expenditure of Approved Roll-overs	6 944	6 944	6 944	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	7 076	6 944	6 944	132	1.9%

A Roll over application was submitted to Provincial Treasury by the end of August 2015 for the unspent MIG (R6.9 million) and FMG (R132 thousand). Approval letter was received on the 01st of October 2015 from National Treasury for both grants.

Expenditure on councillor allowances and employee benefits

Supporting Table SC8

NC072 Umsobomvu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 November

Summary of Employee and Councillor remuneration	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	2 563	3 092	3 092	212	1 062	1 288	(226)	-18%	3 092
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	224	-	-	14	70	-	70	#DIV/0!	-
Cellphone Allowance	209	-	-	17	87	-	87	#DIV/0!	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Sub Total - Councillors	2 996	3 092	3 092	244	1 219	1 288	(69)	-5%	3 092
% increase		3.2%	3.2%						3.2%
Senior Managers of the Municipality									
Basic Salaries and Wages	-	-	-	-	-	-	-	-	-
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	-	-	-	-	-	-	-	-	-
% increase									
Other Municipal Staff									
Basic Salaries and Wages	25 244	29 600	29 600	2 271	11 230	12 333	(1 103)	-9%	29 600
Pension and UIF Contributions	3 674	4 474	4 474	337	1 646	1 864	(218)	-12%	4 474
Medical Aid Contributions	736	894	894	62	290	373	(83)	-22%	894
Overtime	1 307	1 050	1 050	103	526	438	89	20%	1 050
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	462	438	438	38	191	182	8	4%	438
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	48	13	13	8	21	5	16	310%	13
Other benefits and allowances	2 533	3 871	3 871	261	960	1 613	(653)	-40%	3 871
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	298	201	201	-	-	84	(84)	-100%	201
Sub Total - Other Municipal Staff	34 302	40 540	40 540	3 079	14 865	16 892	(2 027)	-12%	40 540
% increase		18.2%	18.2%						18.2%
Total Parent Municipality	37 298	43 631	43 631	3 323	16 084	18 180	(2 096)	-12%	43 631
Unpaid salary, allowances & benefits in arrears:									
TOTAL SALARY, ALLOWANCES & BENEFITS	37 298	43 631	43 631	3 323	16 084	18 180	(2 096)	-12%	43 631
% increase		17.0%	17.0%						17.0%
TOTAL MANAGERS AND STAFF	34 302	40 540	40 540	3 079	14 865	16 892	(2 027)	-12%	40 540

SDBIP

The results of the SDBIP for the fourth month ended 30 November 2015 will be included in a separate comprehensive report to be tabled in Council in January 2016.

Financial Performance

Supporting Table SC2

NC072 Umsobomvu - Supporting Table SC2 Monthly Budget Statement - performance indicators - M05 November

Description of financial indicator	Basis of calculation	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	-0.5%	17.9%	17.9%	0.2%	2.5%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	7.1%	0.6%	0.6%	7.8%	7.1%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity						
Current Ratio	Current assets/current liabilities	200.9%	0.0%	0.0%	191.4%	190.7%
Liquidity Ratio	Monetary Assets/Current Liabilities	53.5%	0.0%	0.0%	76.2%	50.8%
Revenue Management						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	45.6%	24.4%	24.4%	73.0%	42.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))					
Funding of Provisions						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
Other Indicators						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated				20.0%	
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source				45.0%	
Employee costs	Employee costs/Total Revenue - capital revenue	31.1%	34.6%	34.6%	24.2%	34.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	26.2%	20.6%	20.6%	0.2%	2.9%
IDP regulation financial viability indicators						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year					
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services					
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure					
Monetary assets		18 448	26 040	26 040	29 952	18 448
Total Revenue (excluding capital transfers and contributions)		110 547	117 530	117 530	61 377	117 530
Transfers recognised - operational		35 708	39 356	39 356	29 710	39 356
Transfers recognised - capital		38 236	56 126	56 126		56 126
Debt service payments		4 246	1 428		(1 340)	(384)
Outstanding debtors (receivables)		50 423	28 697	28 697	44 830	50 423
Annual services revenue		49 213	58 979	58 979	22 351	
Cash + investments	Including LT investments	18 448	26 040	26 040	29 952	18 448
Fixed operational expend. (monthly)						
Longstanding debtors outstanding						
Longstanding debtors recovered						
Attorney collections						

Capital programme performance

Supporting Table SC12

NC072 Umsobomvu - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M05 November

Month	2014/15	Budget Year 2015/16							
	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	4 733	3 250	3 250	1 148	1 148	3 250	2 102	64.7%	3%
August	4 733	3 167	3 167	1 288	2 435	6 417	3 981	62.0%	6%
September	4 733	3 167	3 167	2 459	4 895	9 583	4 689	48.9%	12%
October	4 733	3 167	3 167	5 488	10 383	12 750	2 367	18.6%	26%
November	4 733	3 167	3 167	3 583	13 965	15 917	1 951	12.3%	34%
December	4 733	3 167	3 167			19 083	-		
January	4 733	3 167	3 167			22 250	-		
February	4 733	3 667	3 667			25 917	-		
March	4 733	3 667	3 667			29 583	-		
April	4 733	3 717	3 717			33 300	-		
May	4 733	3 167	3 167			36 467	-		
June	4 733	4 083	4 083			40 550	-		
Total Capital expenditure	56 792	40 550	40 550	13 965					

Other supporting documentation

Supporting Table SC13a

NC072 Umsobomvu - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M05 November

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	41 741	55 563	-	3 583	13 965	13 965	(0)	0.0%	55 563
Infrastructure - Road transport	6 641	1 000	-	29	637	296	(341)	-114.9%	1 000
Roads, Pavements & Bridges	6 641	1 000	-	29	637	296	(341)	-114.9%	1 000
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	1 500	7 000	-	21	21	-	(21)	#DIV/0!	7 000
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	1 500	7 000	-	21	21	-	(21)	#DIV/0!	7 000
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	33 600	36 872	-	3 263	12 737	13 099	362	2.8%	36 872
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	33 600	36 872	-	3 263	12 737	13 099	362	2.8%	36 872
Reticulation	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	10 691	-	269	570	570	-	-	10 691
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	10 691	-	269	570	570	-	-	10 691
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	5 000	-	-	-	-	-	-	-	-
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	5 000	-	-	-	-	-	-	-	-
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	85	160	-	-	-	-	-	-	160
General vehicles	-	160	-	-	-	-	-	-	160
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	85	-	-	-	-	-	-	-	-
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	15	1 550	-	-	-	1 550	1 550	100.0%	1 550
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	15	1 550	-	-	-	1 550	1 550	100.0%	1 550
Total Capital Expenditure on new assets	46 841	57 273	-	3 583	13 965	15 515	1 550	10.0%	57 273

Supporting Table SC13b

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

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
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 vehicles									
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 ass	-	-	-	-	-	-	-	-	-

Supporting Table SC13c

NC072 Umsobomvu - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M05

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	2 046	1 831	1 831	306	892	763	(129)	-16.9%	1 831
Infrastructure - Road transport	422	370	370	1	136	154	18	12.0%	370
<i>Roads, Pavements & Bridges</i>	422	370	370	1	136	154	18	12.0%	370
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	1 050	811	811	134	401	338	(63)	-18.7%	811
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	916	591	591	134	401	246	(155)	-62.8%	591
<i>Street Lighting</i>	134	220	220	-	-	92	92	100.0%	220
Infrastructure - Water	351	350	350	170	344	146	(199)	-136.2%	350
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	351	350	350	170	344	146	(199)	-136.2%	350
Infrastructure - Sanitation	224	300	300	-	11	125	114	91.4%	300
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	224	300	300	-	11	125	114	91.4%	300
Infrastructure - Other	-	-	-	-	-	-	-	-	-
<i>Waste Management</i>	-	-	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Community	9	30	30	1	6	12	7	54.7%	30
Parks & gardens	6	10	10	1	2	4	2	52.1%	10
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	3	20	20	-	4	8	5	56.1%	20
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	1 818	1 364	1 364	106	546	568	22	3.9%	1 364
General vehicles	686	854	854	71	357	356	(1)	-0.4%	854
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	167	298	298	0	29	124	96	77.0%	298
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	9	44	44	-	1	18	17	94.7%	44
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	955	165	165	35	159	69	(91)	-131.6%	165
Other Land	1	3	3	-	-	1	1	100.0%	3
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	3 874	3 225	3 225	413	1 443	1 344	(100)	-7.4%	3 225

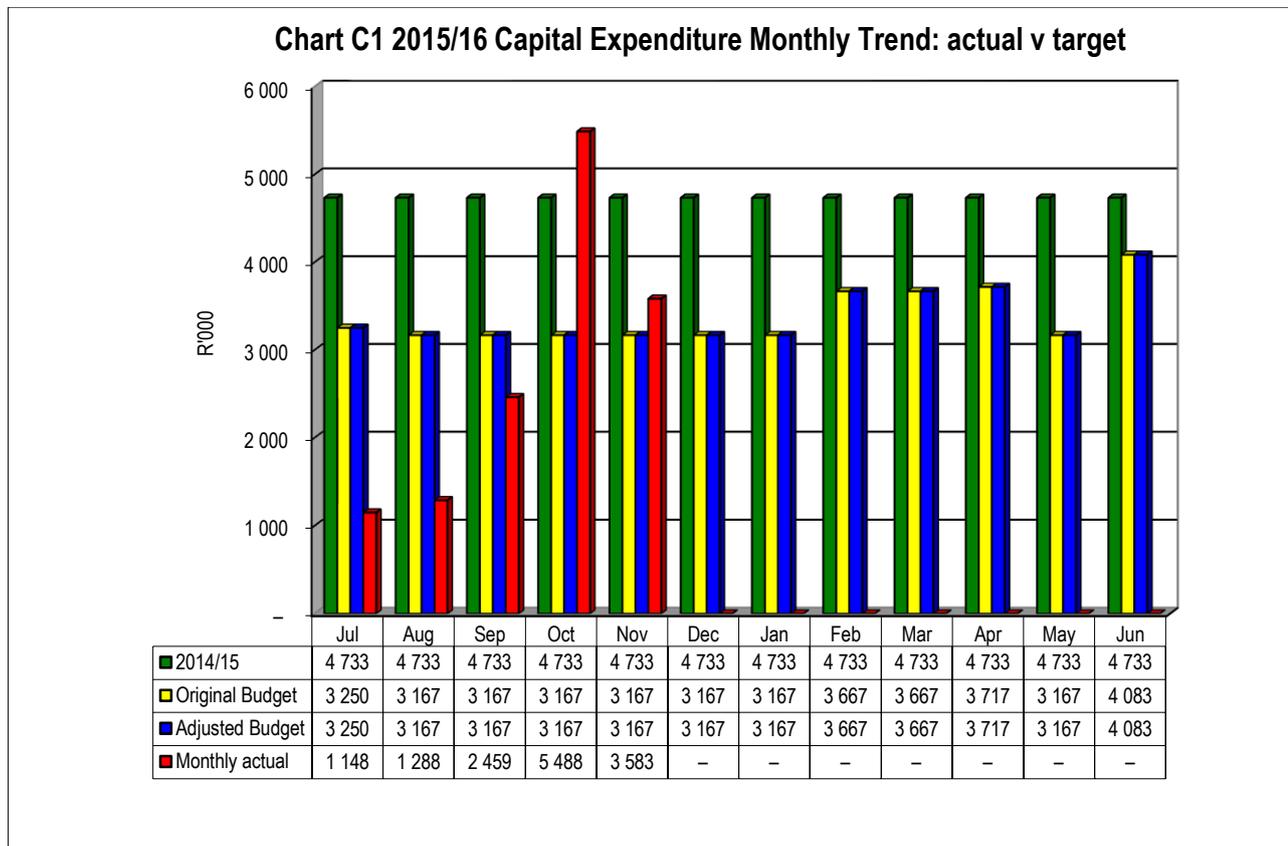
Supporting Table SC13d

NC072 Umsobomvu - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M05 November

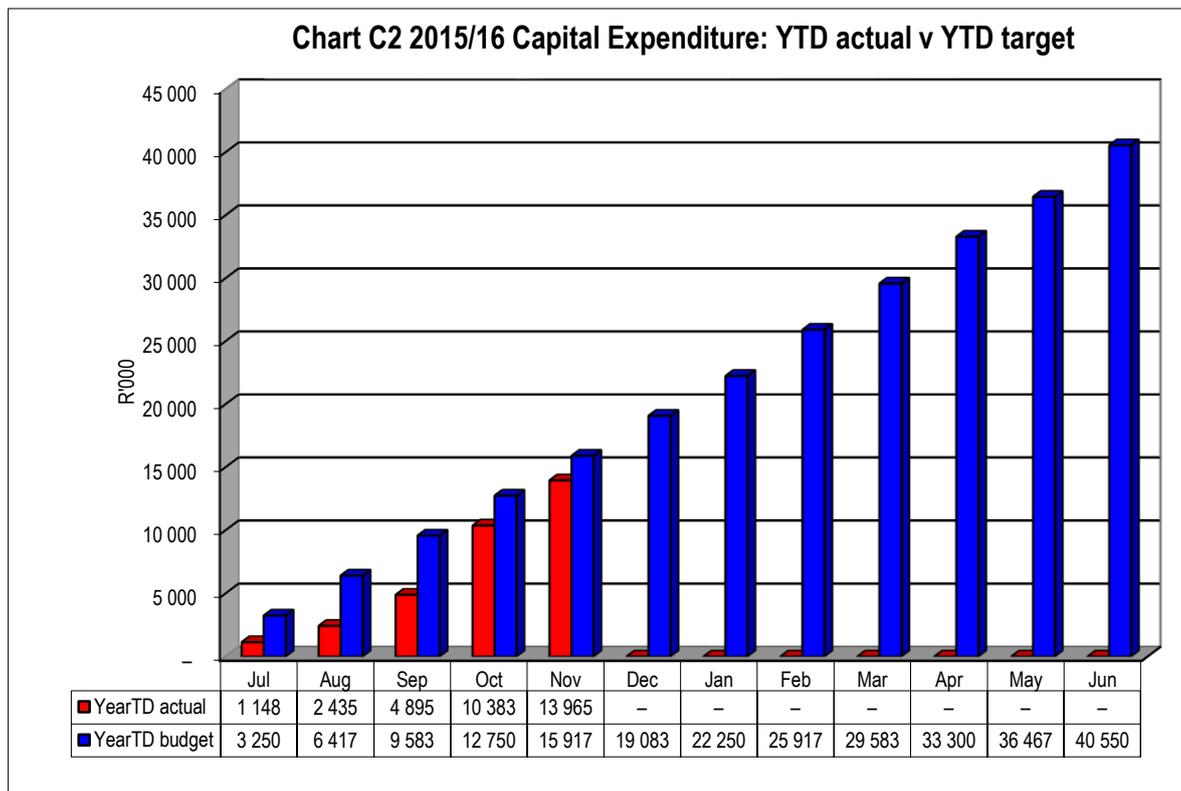
Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Depreciation by Asset Class/Sub-class									
Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure - 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 vehicles	-	-	-	-	-	-	-	-	-
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 Depreciation	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

Other supporting documentation Section 71 charts

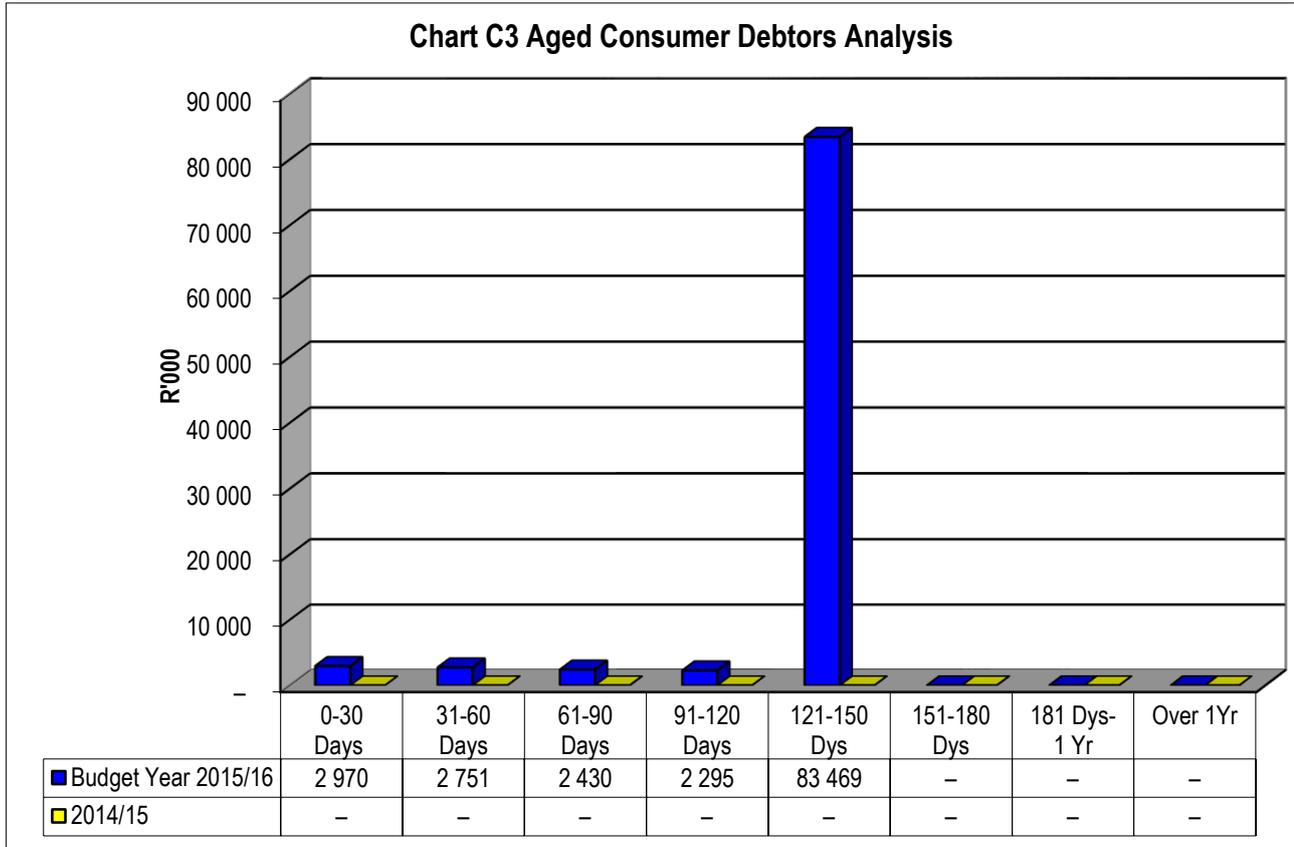
Capital expenditure monthly trend - actual vs target



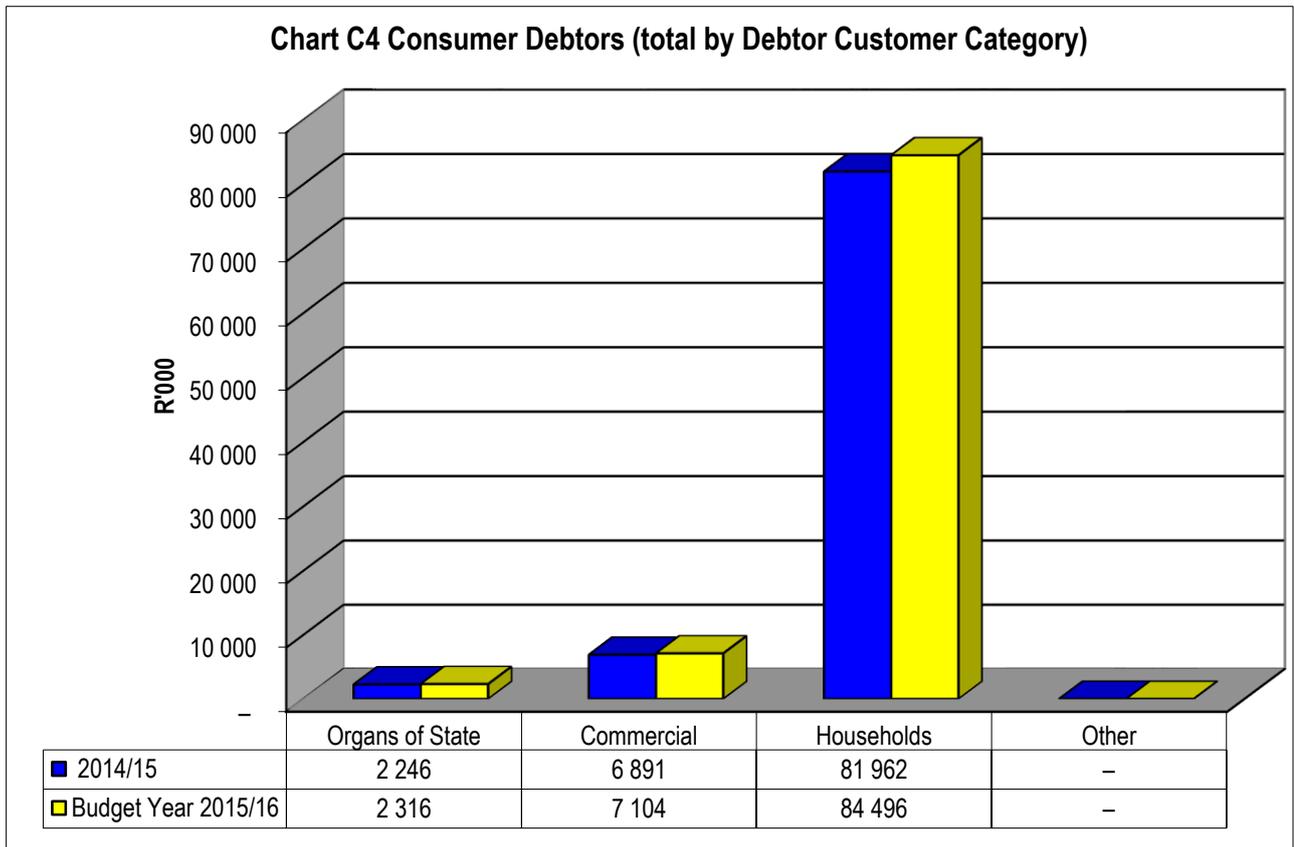
Capital expenditure – YTD actual vs YTD trend



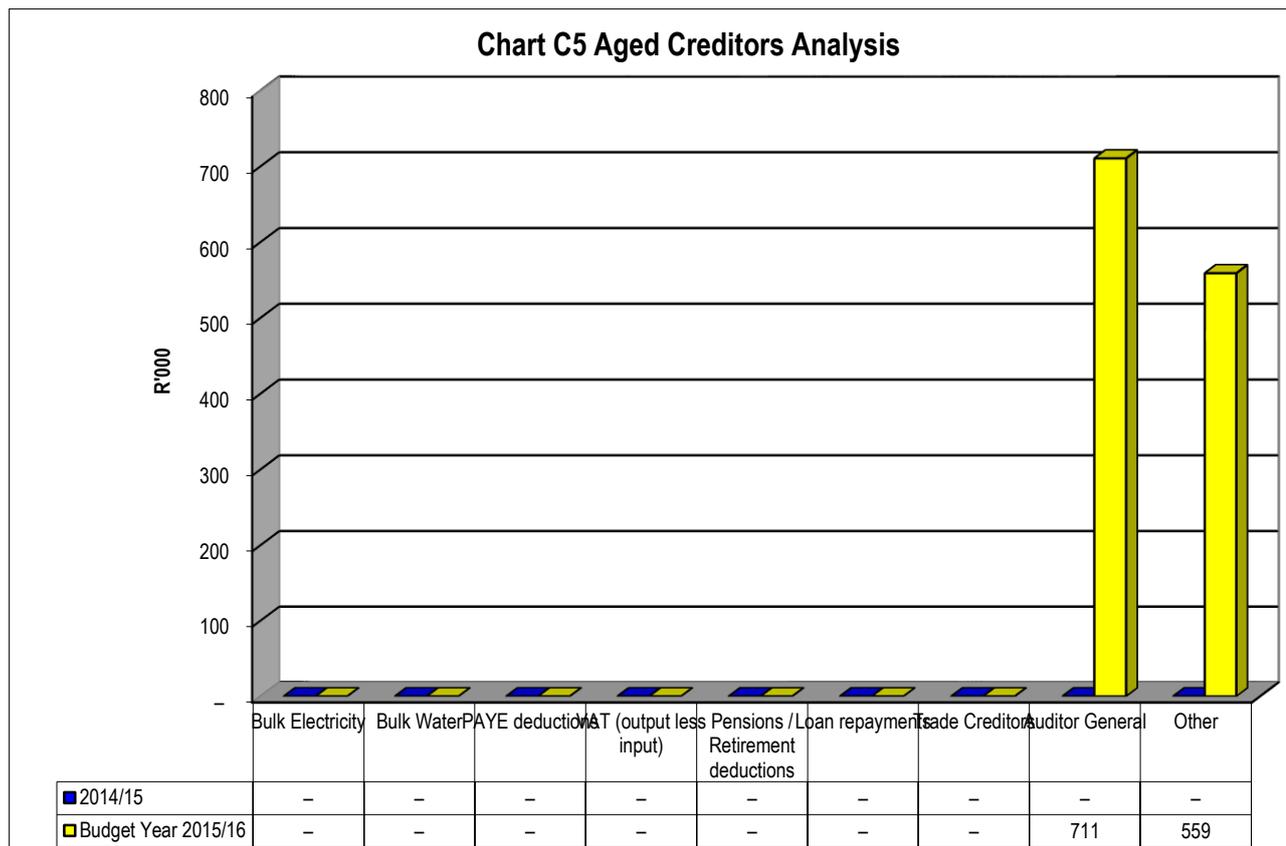
Debtors Age Analysis



Debtors by Type



Creditor Payments



REPORT ON THE FOLLOW-UP OF OUTSTANDING DEBTORS

Background

On requesting assistance from the MFIPII Programme the municipality indicated as follows in its expression of interest:

“The Umsobomvu municipal area is experiencing a sharp decline in economic activity due to major upgrades to the N1 and Doringkloof Nature Reserve that created 400 jobs that has been completed. This sudden increase in indigent consumers and the decline in consumption by business have placed the municipality’s finances under severe pressure. The council needs guidance and assistance to innovate new ways to create jobs and to adapt its own finances to the decline in cash-flow due to payment levels that is declining. Part of this problem is the data of the municipality that is incomplete and not all possible billing is done. It is estimated that approximately 2000 consumers are not on the database or are not billed for all services delivered. The municipality requires guidance and advice on how to implement remedial action as although the finance staff is financially qualified they lack the practical experience to address a problem of this nature.”

The municipality therefore identified the following strategy to address the challenge:

“The advisor to provide guidance and advice on policy and procedures to update consumer database and to assist and guide procedures to ensure that all data and consumers is manage and captured on the financial billing system. The advisor to provide training on maintaining a complete debtor consumer database and to establish procedures for new debtor/new household management.”

Discussions

To understand the processes the advisor have several meetings and interviews with the CFO, Deputy CFO and chief clerk: credit control. The following assessment was made by the advisor:

A rates reconciliation was compiled by the service provider responsible for compiling the AFS for the 2013-2014 financial year and was audited by the Auditor-General with no exceptions. The audit opinion will therefore for the interim period be used as assurance that all erven in the municipal area are billed for property rates.

Current Debt Collection Processes

Debt collection is currently done by the chief clerk: credit control and three credit controllers for Colesberg, two credit controllers for Noupoot and one for Norvalspont. The following processes are followed by the credit control section:

A disconnection/cut-off report, B650/000643, in hardcopy is printed on a monthly basis by the Section Head: Budget and Credit Control. The credit controllers are compiling the disconnection / cut-off lists per ward from the printed list that is been followed up by the credit controllers.

Proposed amended debt collection procedures

The disconnection/cut-off report, B650/000643 includes all outstanding debtors above R500 and therefore also indigents. To have effective debt collection there should be a split between indigent debtors and debtors that are able to pay. The identification of the indigent debtors are completed.

The following schedule reflected the indigents that apply for the 2015-2016 financial year as per the attached Annexure A:

Area	Total on ABAKUS	Billed for 2015-2016	Billed for four services	Not billed for four services	Not billed for 2015-2016
Colesberg Municipal	1304	962	924	38	342
Colesberg Eskom	655	413	322	91	242
Colesberg 99 Indigents	120	5	3	2	115
Noupoort Municipal	79	71	66	5	8
Noupoort Eskom	396	291	277	14	105
Noupoort 99 Indigents	123	3	0	3	120
Norvalspont	160	126	117	9	34
Total	2837	1871	1709	162	966

The comparison between the indigent applications and indigent register could not be completed by the time this report was finalised. All forms are loaded on the ABAKUS system and is therefore used to give a true reflection of the approved indigents.

During the process the following challenges aroused:

- Indigents from previous years (966) still on the financial system ABAKUS (no new applications received for these consumers).
- 162 indigents not subsidised for at least four services (water sanitation, refuse and garden refuse) and should be investigated and rectified.

Other Challenges

The following challenges needs to be addressed to enable effective debt collection:

- A more holistic approach should be taken on follow-up actions for example start with accounts with no payment history, accounts of deceased consumers (1700), and accounts of consumers that is not traceable (, consumers not paying their current accounts).
- The compilation of the cut-off lists should be done by the Section Head: Budget and Credit Control and Chief Clerk: Credit Control.
- Better coordination of the follow-up actions should be implemented.
- Better managing of the accounts handed over to attorneys.
- Monthly follow-ups of all accounts with arrangements.

Actions already implemented

- Follow-up lists are compiled by chief clerk: credit control
- Weekly meetings between chief clerk: credit control and credit controllers of Colesberg facilitated by the MFIP II Technical Advisor are held every Friday.
- Credit controllers are in the process of finalising the indigent register to reflect all indigent applications.
- The B550 ABAKUS report will be using to compile follow-up lists
- Follow-ups of consumers handed over to the attorneys will be done on a monthly basis by the chief clerk: credit control.

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

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

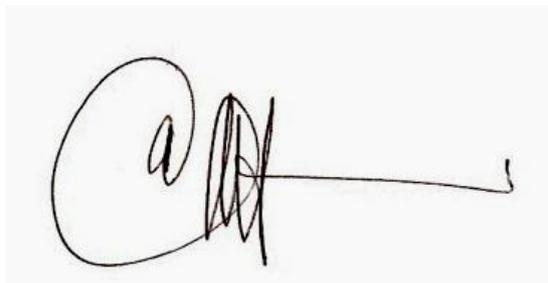
(Mark as appropriate)

Monthly report on the implementation of the budget and financial state of affairs of the municipality.

For the month ending 30 November 2015 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)

A handwritten signature in black ink, appearing to be 'AMOS CHINA MPELA', written over a light grey rectangular background.

Signature: _____

Date: 11 DECEMBER 2015