



In-Year Report of the Municipality

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

Monthly Budget Statement December 2014

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Part 1 – 2nd Quarter December Report

1.1 PURPOSE

The purpose of this report is to comply with MFMA reporting requirements and the Municipal Budgeting and Reporting Regulations.

1.2 BACKGROUND

In terms of the MFMA the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant Provincial Treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month.

1.3 DISCUSSION

For the month ending 30 December 2014, the Council has operated financially as follows:

1.3.1 Monthly Budget Statement: Financial Position

The **total assets** are R 573,4m whereas the **total liabilities** are (R 117m) Therefore the financial position of the municipality has the **accumulated surplus** of R 456,3m as stated in the Monthly budget statement report.

1.3.2 Monthly Budget Statement: Financial Performance

The **total expenditure** for the quarter ended 30 December 2014 is R (63,5m) as compared to the **total revenue** of R 112,7m which resulted to an **operating surplus** of R 49,2m.

When comparing financial performance with the approved budget as at 30 December 2014 which is three month of the financial year, the operating results have been achieved as stated in the Monthly budget statement report.

1.3.3 Monthly Budget Statement: Councillor and Staff benefits

The total councillor and staff remuneration as at end December 2014 amounted to R 33,5m

- Councillors Salaries is R 6,9m
- Senior Managers salaries is R 3,1m and
- Other Municipal staff salaries is R 21,42m

1.3.4. Monthly Budget Statement: Cash Flow

The cash flow statement for six months period ending 30 December 2014 reflects the positive cash and cash equivalent of R 61,5m.

Bank and cash

The opening balance as per bank statement as at 1 December 2014 has a favourable balance of R4, 369, 187.16 and the closing balance as per balance as at 30 December 2014 is R22, 780, 069.70.

Investments

The Council has investments of R53, 5 m as at 30 Decemeber 2014. The investments balance is inclusive of conditional grants funding like MIG, INEG, FMG, Housing, and MSIG etc.

1.3.5 Monthly Budget Statement: Transfers and Grants

The closing balance on transfers and grants as at the end of the December 2014 amounted to R 16, 8 m. The opening balance on transfers and grants as at July 2014 amounted to R 1, 5 m. Grants received as at December amounted to R 48,5m and expenditure incurred during the year amounted to R 33,1m.

1.3.6 Monthly Budget Statement: Borrowings

External Loans

- The external loan has a balance of R 50m as at 30 June 2014. Repayment is done yearly in August amounting to R 18,9m.
- The ending term of DBSA loan is in August 2016.

1.4. LEGAL IMPLICATIONS

Section 71 of the Municipal Finance Management Act, No 56 of 2003 reads as follows: The Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the council of the municipality and the relevant Provincial Treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
- (b) Actual borrowings;
- (c) Actual expenditure, per vote;
- (d) Actual capital expenditure, per vote;
- (e) The amount of any allocations received;
- (f) Actual expenditure on those allocations gazetted in terms of Division of Revenue Act

The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

1.5 LABOUR IMPLICATIONS

There are no additional labour implications.

1.6 FINANCIAL IMPLICATIONS

Financial implications are as detailed in the report.

1.7 RISKS

The risk of non-submitting the report to the Council, Provincial and National Treasury will result to non-compliance which might lead to qualification by Auditor General and withholding of funds by National Treasury

Section 2 – 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 Monthly budget statement report of the Budget and Treasury Office in terms of the Section 71 of the Municipal Finance Management Act and Monthly financial statements for the month ending 30 December 2014 be noted and accepted by the council.

Section 3 – Executive Summary

3.1 Introduction

As stated Mayor's report May has been prepared in accordance with the Municipal Budget and Reporting Regulations.

3.2 Consolidated performance

3.2.1 Against annual budget (original approved) Revenue by Source

The performance of revenue is good as this period under reporting we have received part of grants transfers, which resulted to an achievement of 60% for revenue.

Operating Expenditure

Current expenditure is 36%, R63, 6 million below year-to-date budget projections for the current month, which is as the result of the non-cash items.

Capital expenditure

Year-to-date expenditure on capital amounts to 46% millions which is a good performance.

3.2.2 Performance of municipal entities

The municipality has no entities

3.3 Material variances from SDBIP

Reporting against performance targets will be reported to the council by the end of December 2014

3.4 Remedial or corrective steps

No remedial or corrective steps as the situation is still as per the planned

3.5 Conclusion

Performance of revenue by source compared to budget is good.

Operating expenditure currently reflects a variance of 18% below YTD budget

Capital expenditure performance currently reflects a variance of 4% below YTD budget

Table 1 Consolidated Overview of the MFMA S72 Mid- year Assessment

R thousands	Budget Year 2014/15	Monthly Actuals	YTD Actuals 2014/15	YTD Variance %
Total operating Revenue	249,466,000	9,973,000	149,931,000	60%
Total operating Expenditure	187,797,000	11,403,000	60,444,000	32%
Surplus (deficit) before capital and non- cash items	51,669,000	(1,430,000)	89,487,000	173%
Total Non- cash items (depreciation, debt impairment)	43,754,000	-	-	
Surplus(deficit) for the year	95,423,000	(1,430,000)	89,487,000	94%
Total Capital Expenditure	(80,423,000)	(8,746,000)	(37,132,000)	46%
Surplus (deficit) for the year	15,000,000	(10,176,000)	52,355,000	

Total year to date operating revenue is 60 per cent or R149, 9million for the December 2014 when compared to the 2014/15 Original Budget.

Total year to date operating expenditure for December 2014 is R60, 4million and translates into a budgeted surplus of R89million. When compared to the 2014/15 Original Budget, operational expenditure is 32 per cent. The surplus will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

1.1 Operating Revenue Framework– S71 Quarter 2 Report

For Umzimvubu Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The following table is a summary of the MFMA Section 71 Report (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

EC442 Umzimvubu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

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		8 468	10 000	10 000	419	6 432	5 000	1 432	29%	10 000
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		1 326	2 500	2 500	118	719	1 250	(531)	-42%	2 500
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 804	1 497	1 497	9	51	748	(697)	-93%	1 497
Interest earned - external investments		3 173	1 900	1 900	141	982	950	32	3%	1 900
Interest earned - outstanding debtors		1 139	1 300	1 300	128	736	650	86	13%	1 300
Dividends received		-	-	-	-	-	-	-	-	-
Fines		7 011	800	800	54	217	400	(183)	-46%	800
Licences and permits		2 681	2 557	2 557	190	1 093	1 279	(186)	-15%	2 557
Agency services		1 393	1 310	1 310	125	695	655	40	6%	1 310
Transfers recognised - operational		122 934	136 804	136 804	-	99 292	68 402	30 890	45%	136 804
Other revenue		1 947	17 615	17 615	44	394	8 807	(8 414)	-96%	17 615
Gains on disposal of PPE		397	262	262	-	2 188	131	2 058	1572%	262
Total Revenue (excluding capital transfers and contributions)		152 274	176 545	176 545	1 227	112 799	88 272	24 527	28%	176 545

Table 3 Percentage growth in revenue by main revenue source

Description	Current Year 2013/14		Monthly Budget Statement M06 December			
	Original Budget	%	Monthly actual	%	YTD Actual	%
R thousands						
Revenue By Source						
Property rates	10 000	6%	419	34%	6 432	6%
Property rates - penalties & collection charges	-	0%	-	0%	-	0%
Service charges - electricity revenue	-	0%	-	0%	-	0%
Service charges - water revenue	-	0%	-	0%	-	0%
Service charges - sanitation revenue	-	0%	-	0%	-	0%
Service charges - refuse revenue	2 500	1%	118	10%	719	1%
Service charges - other	-	0%	-	0%	-	0%
Rental of facilities and equipment	1 497	1%	9	1%	51	0%
Interest earned - external investments	1 900	1%	141	12%	982	1%
Interest earned - outstanding debtors	1 300	1%	128	10%	736	1%
Dividends received	-	0%	-	0%	-	0%
Fines	800	0%	54	4%	217	0%
Licences and permits	2 557	1%	190	15%	1 093	1%
Agency services	1 310	1%	125	10%	695	1%
Transfers recognised - operational	136 804	77%	-	0%	99 292	88%
Other revenue	17 615	10%	44	4%	394	0%
Gains on disposal of PPE	262	0%	-	0%	2 188	2%
Total Revenue (excluding capital transfers and contributions)	176 545	100	1 227	100	112 799	100
Total Revenue from rates and service charges	12 500	7%	537	44%	7 151	6%

in line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise of 6% of the total revenue mix. A notable trend is the increase in the total percentage revenue generated from rates and services charges which is 6 per cent.

Property rates are the first largest revenue source totalling 6 per cent or R6,4 million rand. The second largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, vat refundable, rental fees, transport fees and advertisement fees totaling to 5,6% or R6.3million rand. The third largest revenue source is service charges amounting to R719 thousand.

Operating grants and transfers totals R99.2 million. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

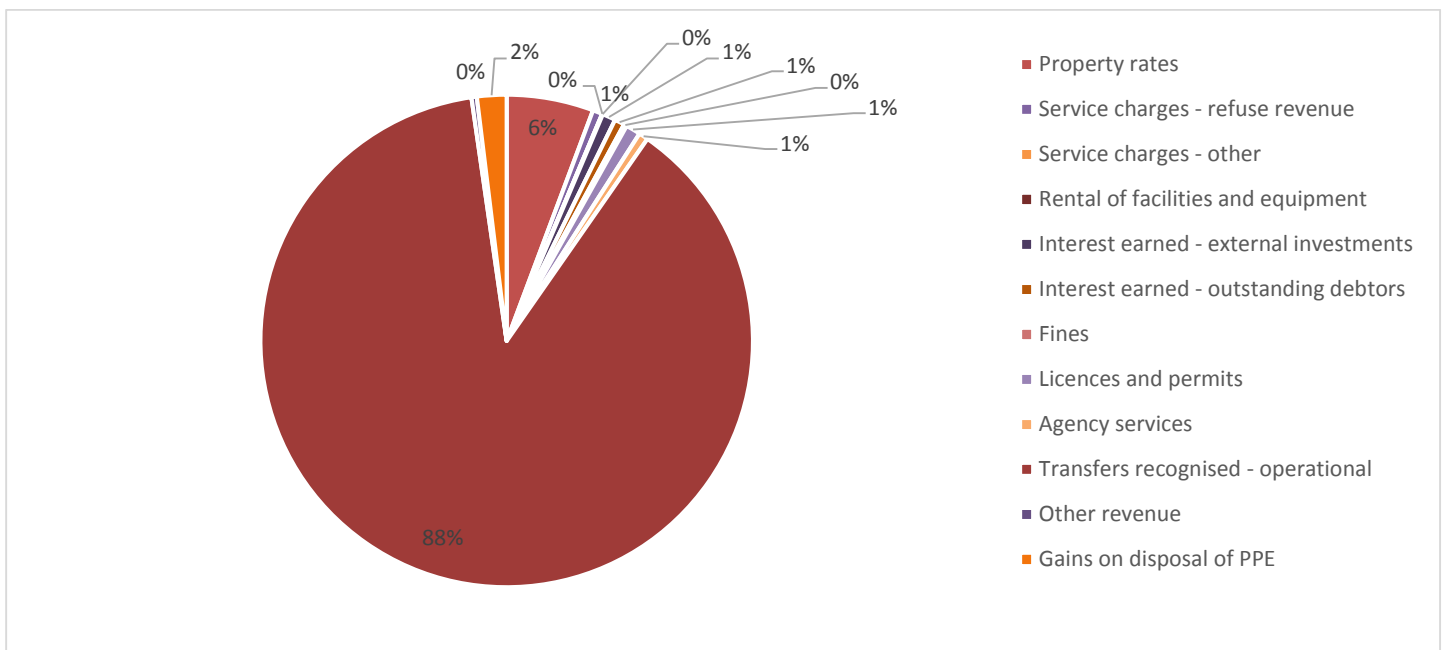


Table 4 Operating Transfers and Grant Receipts

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:		138 343	140 294	117 834	-	102 938	18 333	84 605	461.5%	136 167
EQUITABLE SHARE		106 043	136 167	117 834	-	99 289	18 333	80 956	441.6%	136 167
FINANCE MANAGEMENT GRANT MUNICIPAL SYSTEMS IMPLEMENTATION GRANT (MSIG)		1 500	1 600	-	-	1 600	-	1 600	#DIV/0!	-
DEPT MINERALS & ENERGY (DME)		800	934	-	-	934	-	934	#DIV/0!	-
DEPT OF PUBLIC WORKS		30 000	-	-	-	-	-	-	-	-
		-	1 593	-	-	1 115	-	1 115	#DIV/0!	-
Provincial Government:		2 858	362	-	35	-	-	-		-
DEPT COOPERATIVE GOVERNMENT & TRADITIONAL AFFAIRS (COGTA)		2 858	362	-	35	-	-	-		-
Other grant providers:		150	-	-	-	-	(150)	150	-100.0%	150
<i>Community Based Planning</i>		150	-	-	-	-	(150)	150	-100.0%	150
Total Operating Transfers and Grants	5	141 351	140 656	117 834	35	102 938	18 183	84 755	466.1%	136 317

1.2 Operating Expenditure Framework

The Municipality's monthly expenditure framework for December 2014 is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.
- The following table is a high level summary of the MFMA S71 budget report (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

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									
Expenditure By Type									
Employee related costs	45 599	52 380	52 380	3 775	21 278	26 190	(4 912)	-19%	52 380
Remuneration of councillors	13 848	14 658	14 658	1 150	6 912	7 329	(417)	-6%	14 658
Debt impairment	2 250	11 894	11 894	–	–	5 947	(5 947)	-100%	11 894
Depreciation & asset impairment	30 206	31 860	31 860	–	–	15 930	(15 930)	-100%	31 860
Finance charges	1 915	21	21	–	3	11	(8)	-74%	21
Bulk purchases	–	–	–	–	–	–	–		–
Other materials									
Contracted services	5 646	6 203	6 203	804	3 137	3 101	36	1%	6 203
Transfers and grants	3 371	4 559	4 559	55	1 552	2 279	(727)	-32%	4 559
Other expenditure	63 623	66 222	66 222	5 618	27 562	33 111	(5 549)	-17%	66 222
Loss on disposal of PPE	325	–	–	–	–	–	–		–
Total Expenditure	166 784	187 797	187 797	11 403	60 444	93 898	(33 455)	-36%	187 797

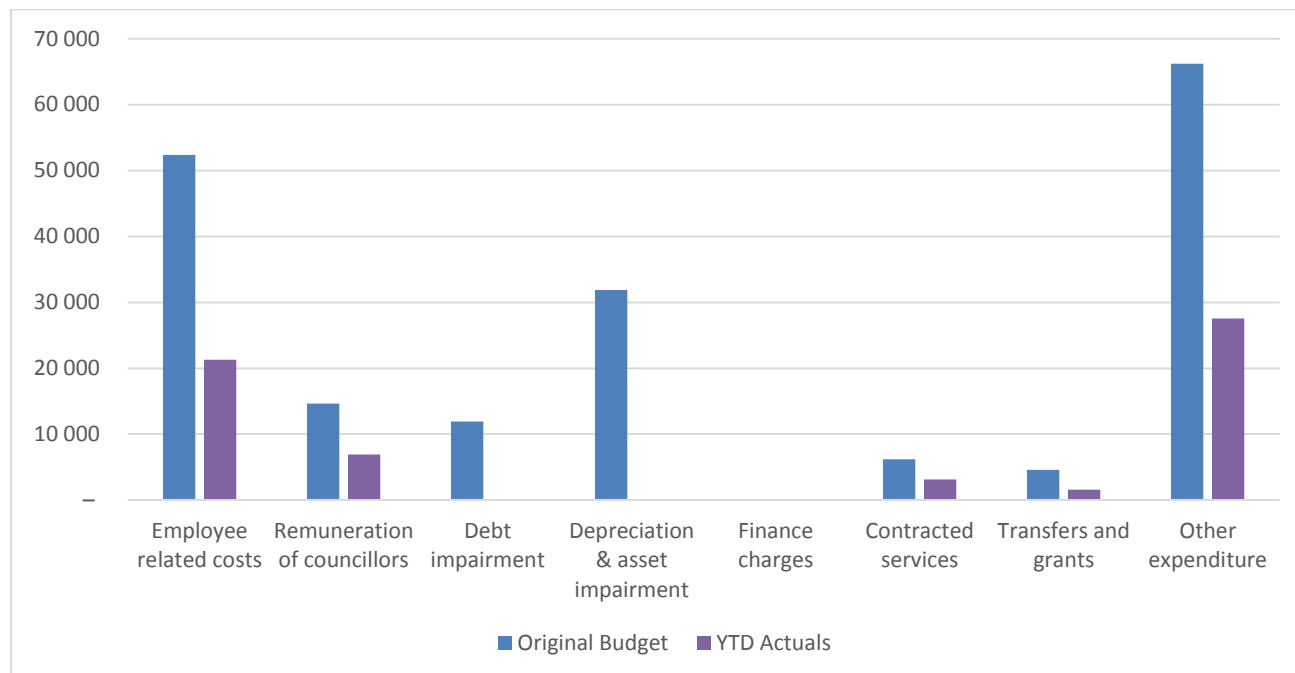
The budgeted allocation for employee related costs is R52, 3 million, which equals 28 per cent of the total operating expenditure. As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards. As part of the planning assumptions and interventions all vacancies were originally removed from the budget and a report was compiled by the Corporate Services Department relating to the prioritization of critical vacancies within the Municipality. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The provision of debt impairment was determined based on an annual collection rate of 75 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R31 million for the 2014/15 financial and equates to 17 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Other material comprises of amongst others the purchase of materials for maintenance, cleaning materials and chemicals.

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance, equates to R302 thousand.

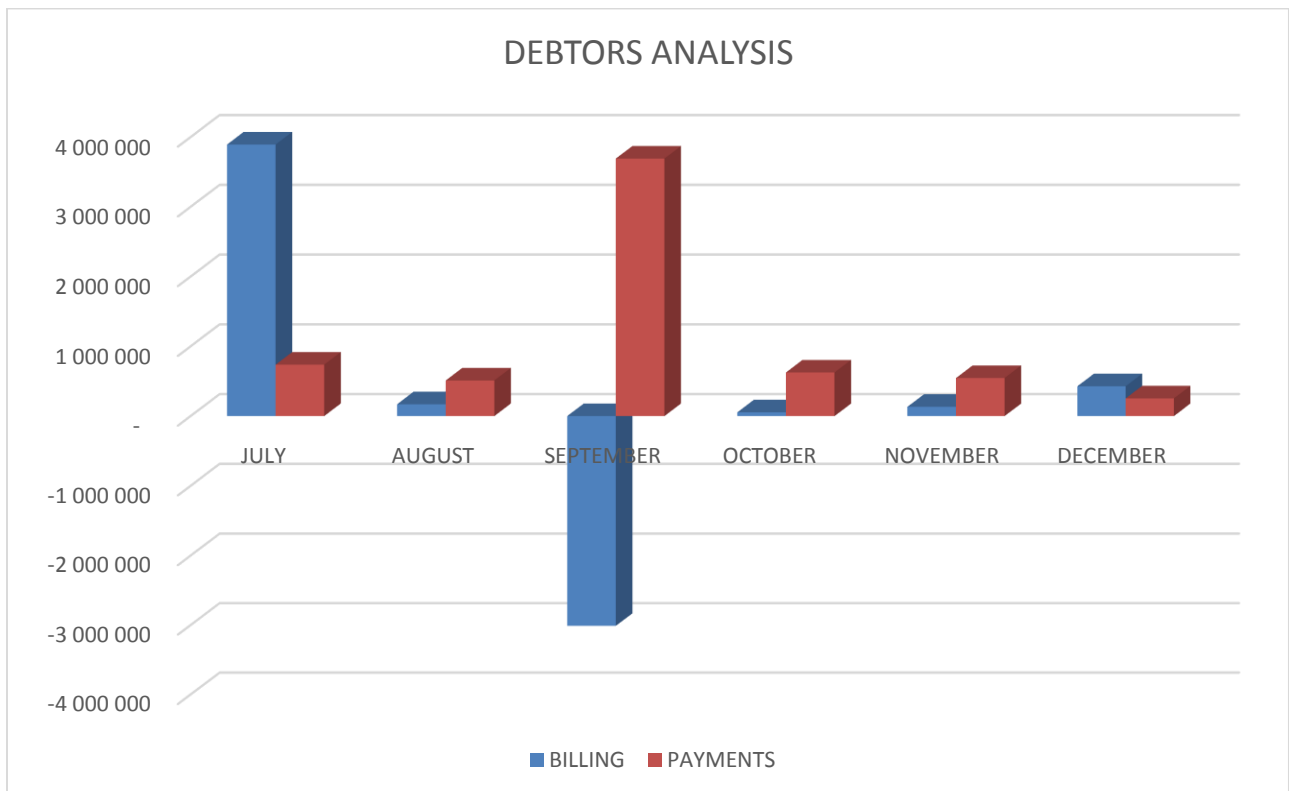


1.2.1 Monthly Budgeted Statement - Age Debtors

Description	NT Code	Age Debtors					Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys		
R thousands								
Debtors Age Analysis By Income Source								
Receivables from Non-exchange Transactions - Property Rates	1400	370	330	310	292	24 008	25 311	24 300
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	104	95	89	86	5 003	5 378	5 089
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	1 617	764	-	-	-	2 380	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-
Other	1900	(6)	(14)	(63)	(672)	337	(419)	(335)
Total By Income Source	2000	2 085	1 175	336	(293)	29 348	32 650	29 054
2013/14 - totals only								
Debtors Age Analysis By Customer Group								
Organs of State	2200	653	22	21	(498)	6 185	6 384	5 687
Commercial	2300	156	894	66	116	9 063	10 295	9 180
Households	2400	1 275	259	249	89	14 099	15 971	14 188
Other	2500	-	-	-	-	-	-	-
Total By Customer Group	2600	2 085	1 175	336	(293)	29 348	32 650	29 054

SUMMARY DEBTORS ANALYSIS 2014/2015

PAYMENT RATE	%	BILLING	PAYMENTS	CLOSING BALANCE
OPENING BALANCE				30 982 538
14-Jul	19%	3 893 080	737 114	34 138 504
14-Aug	300%	170 276	510 412	33 798 367
14-Sep	-123%	-3 011 167	3 691 477	27 095 723
14-Oct	1159%	53 889	624 808	26 524 804
14-Nov	410%	133 156	545 668	26 112 292
14-Dec	59%	427 914	253 439	26 286 767
Totals	382%	1 667 148	6 362 919	21 590 996



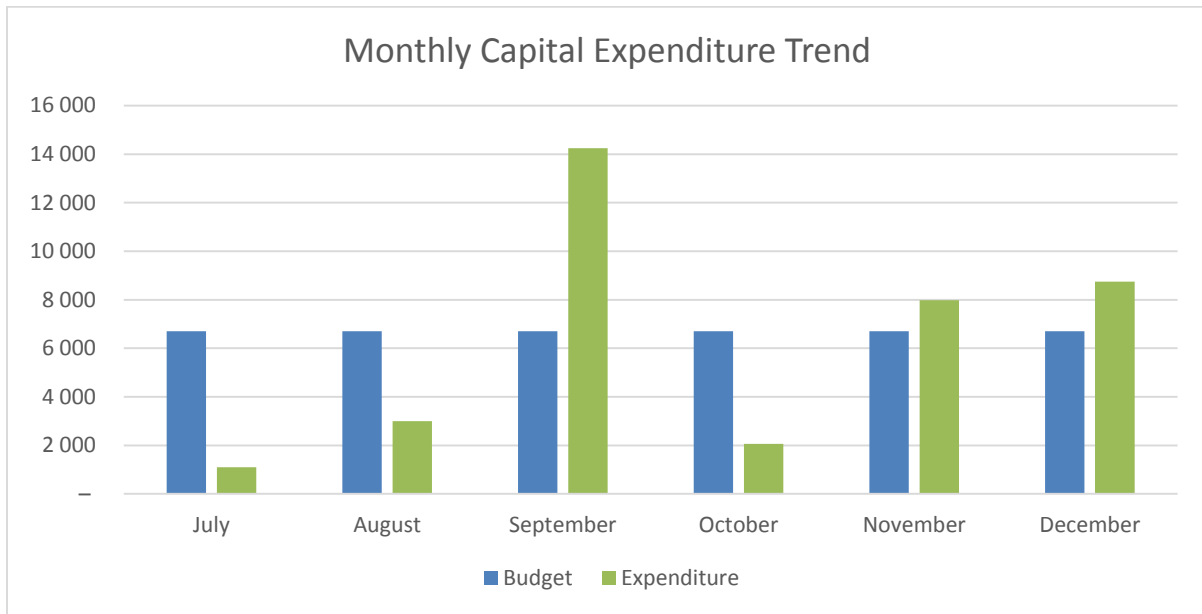
1.5.2. Monthly Budgeted Statement - Age Creditors

Description R thousands	NT Code	Budget Year 2013/14					Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	
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	560	19	259	517		1,352
Auditor General	0800	-				-	
Other	0900					-	
Total By Customer Type	1000	560	19	259	517	-	1,352

1.5.3. Monthly Budgeted Statement – Capital Expenditure

Month R thousands	Budget Year 2014/15							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend								
July	6 702	6 702	1 097	1 097	6 702	5 605	83.6%	1%
August	6 702	6 702	3 001	4 098	13 404	9 306	69.4%	5%
September	6 702	6 702	14 247	18 345	20 106	1 760	8.8%	23%
October	6 702	6 702	2 061	20 406	26 808	6 402	23.9%	25%
November	6 702	6 702	7 980	28 386	33 510	5 124	15.3%	35%
December	6 702	6 702	8 746	37 132	40 212	3 080	7.7%	46%
January	6 702	6 702	-		46 914	-		
February	6 702	6 702	-		53 615	-		
March	6 702	6 702	-		60 317	-		
April	6 702	6 702	-		67 019	-		
May	6 702	6 702	-		73 721	-		
June	6 702	6 702	-		80 423	-		
Total Capital expenditure	80 423	80 423	37 132					

The budgeted allocation for capital projects is R80, 4 million, which equals 32 per cent of the total budget. . As part of the Municipality's cost reprioritization and cash management strategy most of the projects are up and running, hence only R37,1million spent as at end December 2014.



Section 4 – In-year budget statement tables

Monthly Budget Statement Tables

The following pages present the seven main monthly budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 6 MBRR Table C1 – Monthly Budget Statement Summary

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	8 468	10 000	10 000	419	6 432	5 000	1 432	29%	10 000
Service charges	1 326	2 500	2 500	118	719	1 250	(531)	-42%	2 500
Investment revenue	3 173	1 900	1 900	141	982	950	32	3%	1 900
Transfers recognised - operational	122 934	136 804	136 804	-	99 292	68 402	30 890	45%	136 804
Other own revenue	16 373	25 341	25 341	549	5 374	12 670	(7 296)	-58%	25 341
Total Revenue (excluding capital transfers and contributions)	152 274	176 545	176 545	1 227	112 799	88 272	24 527	28%	176 545
Employee costs	45 599	52 380	52 380	3 775	21 278	26 190	(4 912)	-19%	52 380
Remuneration of Councillors	13 848	14 658	14 658	1 150	6 912	7 329	(417)	-6%	14 658
Depreciation & asset impairment	30 206	31 860	31 860	-	-	15 930	(15 930)	-100%	31 860
Finance charges	1 915	21	21	-	3	11	(8)	-74%	21
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	3 371	4 559	4 559	55	1 552	2 279	(727)	-32%	4 559
Other expenditure	71 844	84 319	84 319	6 423	30 699	42 159	(11 461)	-27%	84 319
Total Expenditure	166 784	187 797	187 797	11 403	60 444	93 898	(33 455)	-36%	187 797
Surplus/(Deficit)	(14 510)	(11 252)	(11 252)	(10 175)	52 356	(5 626)	57 982	-1031%	(11 252)
Transfers recognised - capital	94 214	72 921	72 921	8 746	37 132	36 461	671	2%	72 921
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	79 704	61 669	61 669	(1 430)	89 487	30 834	58 653	190%	61 669
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	79 704	61 669	61 669	(1 430)	89 487	30 834	58 653	190%	61 669
Capital expenditure & funds sources									
Capital expenditure	(0)	80 423	80 423	8 746	37 132	40 212	(3 080)	-8%	80 423
Capital transfers recognised	(0)	80 423	80 423	8 746	37 132	40 212	(3 080)	-8%	80 423
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	(0)	80 423	80 423	8 746	37 132	40 212	(3 080)	-8%	80 423
Financial position									
Total current assets	64 979	69 187	69 187	-	121 796	-	-	-	69 187
Total non current assets	410 359	263 246	216 902	-	451 643	-	-	-	263 246
Total current liabilities	35 253	33 055	33 055	-	80 426	-	-	-	33 055
Total non current liabilities	39 996	28 164	28 164	-	36 635	-	-	-	28 164
Community wealth/Equity	400 090	271 214	224 870	-	456 377	-	-	-	271 214
Cash flows									
Net cash from (used) operating	75 567	105 161	105 161	(10 021)	50 409	52 581	2 172	4%	201 636
Net cash from (used) investing	(124 980)	(80 161)	(80 161)	(8 746)	(31 906)	(40 081)	(8 175)	20%	(127 623)
Net cash from (used) financing	49 619	(17 626)	(17 626)	-	-	(8 813)	(8 813)	100%	-
Cash/cash equivalents at the month/year end	49 717	90 470	90 470	-	68 015	86 783	18 768	22%	123 524
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	2 085	1 175	336	(293)	29 348	-	-	-	32 650
Creditors Age Analysis									
Total Creditors	560	16	259	517	-	-	-	-	1 352

Explanatory notes to MBRR Table C1 – Monthly Budget Statement Summary

1. Table C1 is a monthly budget statement summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2014/15, when a small surplus is reflected.

Table 7 MBRR Table C2 – Monthly Budgeted Financial Performance (revenue and expenditure by standard classification)

		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		140 365	170 057	170 057	688	108 025	85 029	22 997	27%	170 057
Executive and council		150	150	150	–	–	75	(75)	-100%	150
Budget and treasury office		140 038	169 517	169 517	688	107 988	84 758	23 229	27%	169 517
Corporate services		177	391	391	–	38	195	(158)	-81%	391
Community and public safety		11 416	5 746	5 746	397	2 185	2 873	(687)	-24%	5 746
Community and social services		125	652	652	16	67	326	(259)	-79%	652
Public safety		11 291	5 094	5 094	381	2 118	2 547	(429)	-17%	5 094
Economic and environmental services		86 067	70 913	70 913	25	1 869	35 456	(33 587)	-95%	70 913
Planning and development		1 788	340	340	1	28	170	(142)	-84%	340
Road transport		84 279	70 572	70 572	23	1 841	35 286	(33 445)	-95%	70 572
Trading services		8 641	2 750	2 750	118	719	1 375	(656)	-48%	2 750
Waste management		8 641	2 750	2 750	118	719	1 375	(656)	-48%	2 750
Total Revenue - Standard	2	246 488	249 466	249 466	1 227	112 799	124 733	(11 933)	-10%	249 466
Expenditure - Standard	-									
Governance and administration		97 821	118 318	118 318	5 679	34 525	59 159	(24 634)	-42%	118 318
Executive and council		29 696	33 151	33 151	2 222	15 470	16 576	(1 105)	-7%	33 151
Budget and treasury office		53 150	68 848	68 848	1 901	11 933	34 424	(22 491)	-65%	68 848
Corporate services		14 975	16 319	16 319	1 556	7 122	8 160	(1 038)	-13%	16 319
Community and public safety		29 165	26 196	26 196	2 435	12 794	13 098	(305)	-2%	26 196
Community and social services		10 509	11 028	11 028	1 110	5 632	5 514	118	2%	11 028
Public safety		18 656	15 169	15 169	1 326	7 162	7 584	(423)	-6%	15 169
Economic and environmental services		27 619	30 574	30 574	2 527	11 077	15 287	(4 210)	-28%	30 574
Planning and development		9 633	14 132	14 132	1 293	4 975	7 066	(2 091)	-30%	14 132
Road transport		17 986	16 442	16 442	1 233	6 102	8 221	(2 119)	-26%	16 442
Trading services		12 179	12 709	12 709	762	5 196	6 354	(1 158)	-18%	12 709
Waste management		12 179	12 709	12 709	762	5 196	6 354	(1 158)	-18%	12 709
Total Expenditure - Standard	3	166 784	187 797	187 797	11 403	63 592	93 898	(30 307)	-32%	187 797
Surplus/ (Deficit) for the year		79 704	61 669	61 669	(10 175)	49 208	30 834	18 373	60%	61 669

Explanatory notes to MBRR Table C2 – Monthly Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table C2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table C4.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue.

Table 8 MBRR Table C3 – Monthly Budgeted Financial Performance (revenue and expenditure by municipal vote)

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										
Revenue by Vote	1									
Vote 1 - Executive and Council		152	650	650	5	5	325	(320)	-98.4%	650
Vote 2 - Budget and Treasury		140 038	169 517	169 517	688	107 988	84 758	23 229	27.4%	169 517
Vote 3 - Corporate Services		177	391	391	-	38	195	(158)	-80.8%	391
Vote 4 - Local Economic Development		1 788	340	340	1	28	170	(142)	-83.5%	340
Vote 5 - Infrastructure and Planning		84 279	70 572	70 572	23	1 841	35 286	(33 445)	-94.8%	70 572
Vote 6 - Community and Social Services		123	152	152	11	62	76	(14)	-18.2%	152
Vote 7 - Waste Management		8 641	2 750	2 750	118	719	1 375	(656)	-47.7%	2 750
Vote 8 - Public Safety		11 291	5 094	5 094	381	2 118	2 547	(429)	-16.8%	5 094
Total Revenue by Vote	2	246 488	249 466	249 466	1 227	112 799	124 733	(11 933)	-9.6%	249 466
Expenditure by Vote	1									
Vote 1 - Executive and Council		37 525	41 699	41 699	2 952	19 454	20 850	(1 396)	-6.7%	41 699
Vote 2 - Budget and Treasury		53 150	68 848	68 848	1 901	11 933	34 424	(22 491)	-65.3%	68 848
Vote 3 - Corporate Services		14 975	16 319	16 319	1 556	7 122	8 160	(1 038)	-12.7%	16 319
Vote 4 - Local Economic Development		9 633	14 132	14 132	1 293	4 975	7 066	(2 091)	-29.6%	14 132
Vote 5 - Infrastructure and Planning		17 986	16 442	16 442	1 233	6 102	8 221	(2 119)	-25.8%	16 442
Vote 6 - Community and Social Services		2 680	2 479	2 479	380	1 648	1 240	409	33.0%	2 479
Vote 7 - Waste Management		12 179	12 709	12 709	762	5 196	6 354	(1 158)	-18.2%	12 709
Vote 8 - Public Safety		18 656	15 169	15 169	1 326	7 162	7 584	(423)	-5.6%	15 169
Total Expenditure by Vote	2	166 784	187 797	187 797	11 403	63 592	93 898	(30 307)	-32.3%	187 797
Surplus/ (Deficit) for the year	2	79 704	61 669	61 669	(10 175)	49 208	30 834	18 373	59.6%	61 669

Explanatory notes to MBRR Table C3 - Monthly Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table C3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
2. Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and are not used to cross-subsidise other municipal services.*

Table 9 MBRR Table C4 – Monthly Budgeted Financial Performance (revenue & expenditure)

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									
Revenue By Source									
Property rates	8 468	10 000	10 000	419	6 432	5 000	1 432	29%	10 000
Service charges - refuse revenue	1 326	2 500	2 500	118	719	1 250	(531)	-42%	2 500
Rental of facilities and equipment	1 804	1 497	1 497	9	51	748	(697)	-93%	1 497
Interest earned - external investments	3 173	1 900	1 900	141	982	950	32	3%	1 900
Interest earned - outstanding debtors	1 139	1 300	1 300	128	736	650	86	13%	1 300
Fines	7 011	800	800	54	217	400	(183)	-46%	800
Licences and permits	2 681	2 557	2 557	190	1 093	1 279	(186)	-15%	2 557
Agency services	1 393	1 310	1 310	125	695	655	40	6%	1 310
Transfers recognised - operational	122 934	136 804	136 804	–	99 292	68 402	30 890	45%	136 804
Other revenue	1 947	17 615	17 615	44	394	8 807	(8 414)	-96%	17 615
Gains on disposal of PPE	397	262	262	–	2 188	131	2 058	1572%	262
Total Revenue (excluding capital transfers and contributions)	152 274	176 545	176 545	1 227	112 799	88 272	24 527	28%	176 545
Expenditure By Type									
Employee related costs	45 599	52 380	52 380	3 775	21 278	26 190	(4 912)	-19%	52 380
Remuneration of councillors	13 848	14 658	14 658	1 150	6 912	7 329	(417)	-6%	14 658
Debt impairment	2 250	11 894	11 894	–	–	5 947	(5 947)	-100%	11 894
Depreciation & asset impairment	30 206	31 860	31 860	–	–	15 930	(15 930)	-100%	31 860
Finance charges	1 915	21	21	–	3	11	(8)	-74%	21
Contracted services	5 646	6 203	6 203	804	3 137	3 101	36	1%	6 203
Transfers and grants	3 371	4 559	4 559	55	1 552	2 279	(727)	-32%	4 559
Other expenditure	63 623	66 222	66 222	5 618	27 562	33 111	(5 549)	-17%	66 222
Loss on disposal of PPE	325	–	–	–	–	–	–	–	–
Total Expenditure	166 784	187 797	187 797	11 403	60 444	93 898	(33 455)	-36%	187 797
Surplus/(Deficit)	(14 510)	(11 252)	(11 252)	(10 175)	52 356	(5 626)	57 982	(0)	(11 252)
Transfers recognised - capital	94 214	72 921	72 921	8 746	37 132	36 461	671	0	72 921
Surplus/(Deficit) after capital transfers & contributions	79 704	61 669	61 669	(1 430)	89 487	30 834			61 669
Surplus/ (Deficit) for the year	79 704	61 669	61 669	(1 430)	89 487	30 834			61 669

Explanatory notes to Table C4 – Monthly Budgeted Financial Performance (revenue & expenditure)

1. Total revenue is R112 million as at December 2014. Revenue generated from property rates is 6 million which represents 6 per cent of the operating revenue base of the Municipality.
2. Services charges relating to refuse removal constitutes the smallest component of the revenue basket of the Municipality totalling R1,2 million as at of December 2014.
3. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government and therefore it remains the main source of revenue for the municipality.
4. Employee related costs, debt impairment and depreciation are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage increases in future years

Table 10 MBRR Table C5 – Monthly Budget Capital Expenditure by vote, standard classification and funding source

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									
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		0	840	840	–	414	420	(6)	-1%	840
Vote 2 - Budget and Treasury		(0)	1 300	1 300	–	95	650	(555)	-85%	1 300
Vote 3 - Corporate Services		(0)	4 240	4 240	64	208	2 120	(1 912)	-90%	4 240
Vote 4 - Local Economic Development		0	5 126	5 126	–	185	2 563	(2 377)	-93%	5 126
Vote 5 - Infrastructure and Planning		(0)	62 447	62 447	8 682	35 681	31 223	4 458	14%	62 447
Vote 6 - Community and Social Services		0	30	30	–	(0)	15	(15)	-100%	30
Vote 7 - Waste Management		0	3 590	3 590	–	70	1 795	(1 725)	-96%	3 590
Vote 8 - Public Safety		(0)	2 851	2 851	–	478	1 426	(947)	-66%	2 851
Total Capital single-year expenditure	4	(0)	80 423	80 423	8 746	37 132	40 212	(3 080)	-8%	80 423
Total Capital Expenditure		(0)	80 423	80 423	8 746	37 132	40 212	(3 080)	-8%	80 423
Capital Expenditure - Standard Classification										
Governance and administration		(0)	6 380	6 380	64	716	3 190	(2 473)	-78%	6 380
Executive and council		0	840	840	–	414	420	(6)	-1%	840
Budget and treasury office		(0)	1 300	1 300	–	95	650	(555)	-85%	1 300
Corporate services		(0)	4 240	4 240	64	208	2 120	(1 912)	-90%	4 240
Community and public safety		(0)	2 881	2 881	–	478	1 441	(962)	-67%	2 881
Community and social services		0	30	30	–	(0)	15	(15)	-100%	30
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		(0)	2 851	2 851	–	478	1 426	(947)	-66%	2 851
Economic and environmental services		(0)	67 572	67 572	8 682	35 866	33 786	2 080	6%	67 572
Planning and development		0	5 126	5 126	–	185	2 563	(2 377)	-93%	5 126
Road transport		(0)	62 447	62 447	8 682	35 681	31 223	4 458	14%	62 447
Trading services		0	3 590	3 590	–	70	1 795	(1 725)	-96%	3 590
Waste management		0	3 590	3 590	–	70	1 795	(1 725)	-96%	3 590
Total Capital Expenditure - Standard Classification	3	(0)	80 423	80 423	8 746	37 132	40 212	(3 080)	-8%	80 423
Funded by:										
National Government		(0)	80 423	80 423	8 746	37 132	40 212	(3 080)	-8%	80 423
Transfers recognised - capital		(0)	80 423	80 423	8 746	37 132	40 212	(3 080)	-8%	80 423
Internally generated funds		–	–	–	–	–	–	–	–	–
Total Capital Funding		(0)	80 423	80 423	8 746	37 132	40 212	(3 080)	-8%	80 423

Explanatory notes to Table C5 – Monthly Budgeted Capital Expenditure by vote, standard classification and funding source

- Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality.
- The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses.

Table 11 MBRR Table C6 – Monthly Budgeted Financial Position

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		22 674	32 235	32 235	23 553	32 235
Call investment deposits		20 313	31 471	31 471	77 547	31 471
Consumer debtors		4 263	3 479	3 479	8 333	3 479
Other debtors		17 230	1 437	1 437	11 099	1 437
Current portion of long-term receivables		121	113	113	121	113
Inventory		378	452	452	1 142	452
Total current assets		64 979	69 187	69 187	121 796	69 187
Non current assets						
Investment property		20 412	29 922	14 286	20 412	29 922
Property, plant and equipment		388 551	230 935	201 601	429 583	230 935
Intangible assets		1 379	2 371	997	1 631	2 371
Other non-current assets		18	18	18	18	18
Total non current assets		410 359	263 246	216 902	451 643	263 246
TOTAL ASSETS		475 339	332 433	286 089	573 439	332 433
LIABILITIES						
Current liabilities						
Borrowing		17 593	15 863	15 863	17 593	15 863
Trade and other payables		17 525	17 119	17 119	62 699	17 119
Provisions		135	73	73	135	73
Total current liabilities		35 253	33 055	33 055	80 426	33 055
Non current liabilities						
Borrowing		32 995	17 375	17 375	32 995	17 375
Provisions		7 001	10 789	10 789	3 640	10 789
Total non current liabilities		39 996	28 164	28 164	36 635	28 164
TOTAL LIABILITIES		75 249	61 219	61 219	117 062	61 219
NET ASSETS	2	400 090	271 214	224 870	456 377	271 214
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		400 090	271 214	224 870	456 377	271 214
TOTAL COMMUNITY WEALTH/EQUITY	2	400 090	271 214	224 870	456 377	271 214

Explanatory notes to Table C6 - Budgeted Financial Position

- Table C6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

Table 12 MBRR Table C7 - Budgeted Cash Flow Statement

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		19 276	36 279	36 279	1 086	10 340	18 139	(7 799)	-43%	41 360
Government - operating		116 295	136 804	136 804	-	99 289	68 402	30 887	45%	397 156
Government - capital		94 247	72 921	72 921	-	-	36 461	(36 461)	-100%	-
Interest		3 173	3 200	3 200	141	982	1 600	(618)	-39%	3 927
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(153 101)	(139 463)	(139 463)	(11 193)	(58 647)	(69 731)	(11 084)	16%	(234 588)
Finance charges		(1 776)	(21)	(21)	-	(3)	(11)	(8)	74%	(11)
Transfers and Grants		(2 547)	(4 559)	(4 559)	(55)	(1 552)	(2 279)	(727)	32%	(6 208)
NET CASH FROM/(USED) OPERATING ACTIVITIES		75 567	105 161	105 161	(10 021)	50 409	52 581	(2 172)	-4%	201 636
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		3 030	262	262	-	-	131	(131)	-100%	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	5 226	-	5 226	#DIV/0!	20 903
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(128 010)	(80 423)	(80 423)	(8 746)	(37 132)	(40 212)	(3 080)	8%	(148 526)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(124 980)	(80 161)	(80 161)	(8 746)	(31 906)	(40 081)	(8 175)	20%	(127 623)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		49 619	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	(17 626)	(17 626)	-	-	(8 813)	(8 813)	100%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		49 619	(17 626)	(17 626)	-	-	(8 813)	(8 813)	100%	-
NET INCREASE/ (DECREASE) IN CASH HELD		206	7 374	7 374	(18 767)	18 503	3 687			74 012
Cash/cash equivalents at beginning:		49 512	83 095	83 095	-	43 050	83 095	-	-	43 050
Cash/cash equivalents at month/year end:		49 717	90 470	90 470	-	61 553	86 783	-	-	117 062

Explanatory notes to Table C7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

EC442 Umzimvubu - Supporting Table SC1 Material variance explanations - Mid-Year Assessment

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue By Source			
	Property rates	64%	Over Collection on arrear accounts	
	Service charges - refuse revenue	29%	Low Collection	Debtors collection drive will put in place
	Rental of facilities and equipment	3%	Low Collection	Sundry Debtors collection drive will put in place
	Interest earned - external investments	52%	Interest on investments is more than anticipated	Corrective measures will be taken care of in the mid term budget
	Interest earned - outstanding debtors	57%	Interest on outstanding debtors is more than anticipated	Corrective measures will be taken care of in the mid term budget
	Fines	27%	Traffic fines less than anticipated	Corrective measures will be taken care of in the mid term budget
	Licences and permits	43%	licences and permits less than anticipated	theres a drive to secure more customers to book thei tests in Umzimvubu
	Transfers recognised - operational	73%		
	Transfers recognised - capital	51%		
	Other revenue	2%		revenue control measures have been adopted to remedy situation
	Gains on disposal of PPE	836%	Gains on disposal of PPE is more than anticipated	Corrective measures will be taken care of in the mid term budget
2	Expenditure By Type			
	Employee related costs	41%	due to vacant posts that were encountered	
	Remuneration of councillors	47%	Backpay and increment not yet paid still waiting for circular	
	Debt impairment	0%	Due to prior write offs done so was underbudgeted for.	To be taken care of in the adjutment budget
	Depreciation & asset impairment	0%	Underbudgeted for to be adjusted	To be taken care of in the adjutment budget
	Finance charges	13%		To be taken care of in the adjutment budget
	Contracted services	51%		
	Transfers and grants	34%		To be taken care of in the adjutment budget
	Other expenditure	42%		To be taken care of in the adjutment budget
3	Capital Expenditure			
	Vote 1 - Executive & Council	49%		
	Vote 2 - Budget & Finance	7%		
	Vote 3 - Corporate	5%		
	Vote 4 - Development & Planning	4%		
	Vote 5 - Community	17%		
	Vote 6 - Infrastructure	57%		
	Vote 7- Waste Management	0		

Part 2 – Supporting Documentation

EC442 Umzimvubu - Supporting Table SC2 Monthly Budget Statement - performance indicators - Mid-Year Assessment

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	
Borrowing Management								
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		1.1%	17.0%	17.0%	0.0%	7.8%	
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		17.0%	18.6%	22.4%	24.8%	18.6%	
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%	
Liquidity								
Current Ratio	Current assets/current liabilities	1	184.3%	209.3%	209.3%	151.4%	209.3%	
Liquidity Ratio	Monetary Assets/Current Liabilities		121.9%	192.7%	192.7%	125.7%	192.7%	
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		14.2%	2.8%	2.8%	17.3%	2.8%	
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	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		29.9%	29.7%	29.7%	18.9%	29.7%	
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		21.1%	18.1%	18.1%	0.0%	8.3%	

EC442 Umzimvubu - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment

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									
OPERATING - DROUGHT RELIEVE		3 Months	Call Deposit	3 Months	-	0.0%	-	-	-
OPERATING - ELECTRICAL GUARANTEE		3 Months	Call Deposit	3 Months	-	0.0%	247	-	247
OPERATING - MUNICIPAL SUPPORT PROGRAMME		3 Months	Call Deposit	3 Months	-	0.0%	-	-	-
OPERATING - GENERAL		3 Months	Call Deposit	3 Months	-	0.0%	31 423	-	31 423
OPERATING - PLANNING & SURVEY		3 Months	Call Deposit	3 Months	-	0.0%	-	0	0
OPERATING - SERVICE DELIVERY RESERVE		3 Months	Call Deposit	3 Months	-	0.0%	45 035	-	45 035
UNSPENT GRANTS - DEDEA PROJECTS		3 Months	Call Deposit	3 Months	-	0.0%	483	-	483
UNSPENT GRANTS - FINANCIAL MANAGEMENT GRANT (FMG)		3 Months	Call Deposit	3 Months	-	0.0%	3	-	3
UNSPENT GRANTS - MUNICIPAL INFRASTRUCTURE GRANT (MIG)		3 Months	Call Deposit	3 Months	-	0.0%	4	-	4
UNSPENT GRANTS - MUNICIPAL SYSTEMS IMPROVEMENT GRANT (MSIG)		3 Months	Call Deposit	3 Months	-	0.0%	1	-	1
UNSPENT GRANTS - ELECTRIFICATION PROGRAMME		3 Months	Call Deposit	3 Months	-	0.0%	288	-	288
OPERATING ACCOUNT		3 Months	Notice Deposit	3 Months	-	0.0%	-	-	-
Municipality sub-total					-		77 484	0	77 484
TOTAL INVESTMENTS AND INTEREST	2				-		77 484	0	77 484

UMZIMVUBU MUNICIPALITY INVESTMENT REGISTER- DECEMBER 2014

SERVICE PROVIDER	ACCOUNT NO	LEDGER DETAILS DETAIL	TRANSACTION			LEDGER		
			NOV 14 B/F	INTEREST	BANK COST	WITHDRAWN	DEC 14 BALANCE	
Fisrt National Bank	62029450715	OPERATIONAL INVESTMENT-B/F	12 774 069.75				12 774 069.75	
Fisrt National Bank	62029450715	OPERATIONAL INVESTMENT-INTEREST	3 071 419.84	108 142.33			3 179 562.17	
Fisrt National Bank	62029450715	OPERATIONAL INVESTMENT-BANK CHARGES	-1 287.50		-47.50		-1 335.00	
Fisrt National Bank	62029450715	OPERATIONAL INVESTMENT-DEPOSITS	237 333 468.57				237 333 468.57	
Fisrt National Bank	62029450715	OPERATIONAL INVESTMENT-WITHDRAWAL	-216 473 292.62			-5 000 000.00	-221 473 292.62	31 812 472.87
Fisrt National Bank	62033254723	SERVICES DELIVERY B/F	9 425 960.76				9 425 960.76	
Fisrt National Bank	62033254723	SERVICES DELIVERY -INTEREST	136 595.62	127.41			136 723.03	
Fisrt National Bank	62033254723	SERVICES DELIVERY -DEPOSIT	15 472 461.00				15 472 461.00	
Fisrt National Bank	62033254723	SERVICES DELIVERY -WITHDRAWAL	-25 000 000.00				-25 000 000.00	35 144.79
Fisrt National Bank	62086036714	MIG-B/F	669 912.15				669 912.15	
Fisrt National Bank	62086036714	MIG-INTEREST	928 980.57	15.00			928 995.57	
Fisrt National Bank	62086036714	MIG-DEPOSITS	46 727 000.00				46 727 000.00	
Fisrt National Bank	62086036714	MIG-WITHDRAWAL	-48 321 496.08				-48 321 496.08	4 411.64
Fisrt National Bank	62245288411	DEDEA PROJECTS-B/F	1 014 574.82				1 014 574.82	
Fisrt National Bank	62245288411	DEDEA PROJECTS-INTEREST	78 784.67	1 656.13			80 440.80	
Fisrt National Bank	62245288411	DEDEA PROJECTS-INVESTED	-156 437.38				-156 437.38	
Fisrt National Bank	62245288411	DEDEA PROJECTS-WITHDRAWAL	-451 388.78				-451 388.78	487 189.46
Fisrt National Bank	62068742157	GUARANTEE INVESTMENT-B/F	237 703.25				237 703.25	
Fisrt National Bank	62068742157	GUARANTEE INVESTMENT-INTEREST	9 741.58	-			9 741.58	247 444.83
Fisrt National Bank	62276187294	MSIG-INVESTMENT-B/F	1 526 903.02				1 526 903.02	
Fisrt National Bank	62276187294	MSIG-INVESTMENT-INTEREST	111 003.66	3.68			111 007.34	
Fisrt National Bank	62276187294	MSIG-INVESTMENT-WITHDRAWAL	-1 636 860.92				-1 636 860.92	1 049.44
Fisrt National Bank	62288560925	FMG-INVESTMENT-B/F	267 269.34				267 269.34	
Fisrt National Bank	62288560925	FMG-INVESTMENT-INTEREST	24 412.56	994.91			25 407.47	292 676.81
Fisrt National Bank	62276189018	ELECTRIFICATION PROGRAM B/F	848 953.26				848 953.26	
Fisrt National Bank	62276189018	ELECTRIFICATION PROGRAM INTEREST	61 702.47	3.60			61 706.07	
Fisrt National Bank	62276189018	ELECTRIFICATION PROGRAM WITHDRAWAL	-909 634.16				-909 634.16	1 025.17
Fisrt National Bank	62442023636	DBSA B/F	37 000 000.00				37 000 000.00	
Fisrt National Bank	62442023636	DBSA INTEREST	447 819.03				447 819.03	
Fisrt National Bank	62442023636	DBSA WITHDRAWAL	-37 446 819.03				-37 446 819.03	62 560.52
Nedbank	7881112786	Nedbank B/F	20 000 000.00				20 000 000.00	
	7881112786	Nedbank Interest	525 369.86	119 753.42			645 123.28	20 645 123.28

EC442 Umzimvubu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

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:		138 343	140 294	117 834	-	102 938	18 333	84 605	461.5%	136 167
EQUITABLE SHARE		106 043	136 167	117 834	-	99 289	18 333	80 956	441.6%	136 167
FINANCE MANAGEMENT GRANT		1 500	1 600	-	-	1 600	-	1 600	#DIV/0!	-
MUNICIPAL SYSTEMS IMPLEMENTATION GRANT (MSIG)		800	934	-	-	934	-	934	#DIV/0!	-
DEPT MINERALS & ENERGY (DME)		30 000	-	-	-	-	-	-	-	-
DEPT OF PUBLIC WORKS		-	1 593	-	-	1 115	-	1 115	#DIV/0!	-
Provincial Government:		2 858	362	-	35	-	-	-	-	-
DEPT COOPERATIVE GOVERNMENT & TRADITIONAL AFFAIRS (COGTA)		2 858	362	-	35	-	-	-	-	-
Other grant providers:		150	-	-	-	-	(150)	150	-100.0%	150
Community Based Planning		150	-	-	-	-	(150)	150	-100.0%	150
Total Operating Transfers and Grants	5	141 351	140 656	117 834	35	102 938	18 183	84 755	73%	136 317
Capital Transfers and Grants										
National Government:		37 795	68 294	-	-	62 132	-	62 132	91%	-
MUNICIPAL INFRASTRUCTURE GRANT (MIG)		37 795	43 294	-	-	37 132	-	37 132	86%	-
DEPT MINERALS & ENERGY (DME)		-	25 000	-	-	25 000	-	25 000	100%	-
Provincial Government:		521	-	-	-	-	-	-	-	-
DEPT OF EDUCATION & ENV. AFFAIRS (DEDEA)		521	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	38 316	68 294	-	-	62 132	-	62 132	91%	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	179 667	208 950	117 834	35	165 070	18 183	146 887	79%	136 317

EC442 Umzimvubu - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:	138 465	140 294	140 294	-	102 938	117 834	(14 896)	-12.6%	117 834	
EQUITABLE SHARE	106 043	136 167	136 167	-	99 289	117 834	(18 545)	-15.7%	117 834	
FINANCE MANAGEMENT GRANT	1 500	1 600	1 600	-	1 600	-	1 600	100.0%	-	
MUNICIPAL SYSTEMS IMPLEMENTATION GRANT (MSIG)	922	934	934	-	934	-	934	100.0%	-	
DEPT MINERALS & ENERGY (DME)	30 000	-	-	-	-	-	-	-	-	
DEPT OF PUBLIC WORKS	-	1 593	1 593	-	1 115	-	1 115	70.0%	-	
Provincial Government:	3 149	362	-	-	-	-	-	-	-	
DEPT COOPERATIVE GOVERNMENT & TRADITIONAL AFFAIRS (COGTA)	2 858	362	-	-	-	-	-	-	-	
DEPT OF EDUCATION & ENV. AFFAIRS (DEDEA)	291	-	-	-	-	-	-	-	-	
Other grant providers:	150	-	-	-	-	-	-	-	549	
Community Based Planning	150	-	-	-	-	-	-	-	150	
OTHER GRANTS	-	-	-	-	-	-	-	-	399	
Total operating expenditure of Transfers and Grants:	141 764	140 656	140 294	-	102 938	117 834	(14 896)	-12.6%	118 383	
Capital expenditure of Transfers and Grants										
National Government:	19 677	68 294	-	-	37 132	-	37 132	54.4%	-	
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	19 677	43 294	-	-	12 132	-	12 132	28.0%	-	
DEPT MINERALS & ENERGY (DME)	-	25 000	-	-	25 000	-	25 000	100.0%	-	
Provincial Government:	5 372	-	-	-	-	-	-	0.0%	-	
PROVINCIAL TREASURY	5 142	-	-	-	-	-	-	-	-	
DEPT COOPERATIVE GOVERNMENT & TRADITIONAL AFFAIRS (COGTA)	230	-	-	-	-	-	-	-	-	
Total capital expenditure of Transfers and Grants	25 049	68 294	-	-	37 132	-	37 132	#DIV/0!	-	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	166 812	208 950	140 294	-	140 070	117 834	22 236	18.9%	118 383	

EC442 Umzimvubu Municipality - Supporting Table SC8 Monthly Budget Statement - Councillor and staff benefits

Summary of Employee and Councillor remuneration	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	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	7 121	7 292	7 292	586	3 515	3 646	(131)	-4%	7 292
Pension and UIF Contributions	1 003	1 087	1 087	88	520	543	(24)	-4%	1 087
Medical Aid Contributions	343	394	394	38	226	197	29	15%	394
Motor Vehicle Allowance	3 191	3 375	3 375	255	1 530	1 688	(158)	-9%	3 375
Cellphone Allowance	57	-	-	-	20	-	20	#DIV/0!	-
Housing Allowances	2 024	2 437	2 437	174	1 042	1 218	(176)	-14%	2 437
Other benefits and allowances	119	73	73	10	59	36	22	61%	73
Sub Total - Councillors	13 857	14 658	14 658	1 150	6 912	7 329	(417)	-6%	14 658
% increase		5.8%	5.8%						5.8%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 912	4 230	4 230	319	1 783	2 115	(332)	-16%	4 230
Pension and UIF Contributions	306	491	491	27	153	246	(92)	-38%	491
Medical Aid Contributions	47	121	121	4	24	61	(37)	-60%	121
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	367	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	980	999	999	84	464	499	(35)	-7%	999
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	837	691	691	72	398	346	53	15%	691
Other benefits and allowances	264	348	348	1	325	174	151	87%	348
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 712	6 880	6 880	506	3 148	3 440	(292)	-8%	6 880
% increase		2.5%	2.5%						2.5%
Other Municipal Staff									
Basic Salaries and Wages	23 941	26 329	26 329	2 228	13 238	13 164	74	1%	26 329
Pension and UIF Contributions	3 011	3 428	3 428	282	1 685	1 714	(29)	-2%	3 428
Medical Aid Contributions	2 061	6 953	6 953	193	1 135	3 476	(2 341)	-67%	6 953
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	478	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	2 805	2 617	2 617	226	1 378	1 308	69	5%	2 617
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	1 241	2 160	2 160	125	718	1 080	(362)	-33%	2 160
Other benefits and allowances	3 043	3 160	3 160	112	2 664	1 580	1 084	69%	3 160
Payments in lieu of leave	2 265	669	669	35	392	335	58	17%	669
Long service awards	34	185	185	68	68	93	(25)	-27%	185
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	38 878	45 500	45 500	3 269	21 278	22 750	(1 472)	-6%	45 500
% increase		17.0%	17.0%						17.0%
Total Parent Municipality	59 447	67 038	67 038	4 925	31 338	33 519	(2 181)	-7%	67 038
		12.8%	12.8%						12.8%
TOTAL SALARY, ALLOWANCES & BENEFITS	59 447	67 038	67 038	4 925	31 338	33 519	(2 181)	-7%	67 038
% increase		12.8%	12.8%						12.8%
TOTAL MANAGERS AND STAFF	45 590	52 380	52 380	3 775	24 426	26 190	(1 764)	(0)	52 380

EC442 Umzimvubu - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Mid-Year Assessment

Description	Ref	Budget Year 2014/15												2014/15 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 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands	1															
Cash Receipts By Source																
Property rates		4 342	414	420	419	419	419	833	833	833	833	833	(599)	10 000	-	-
Service charges - refuse		124	124	118	118	118	118	208	208	208	208	208	739	2 500	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		6	9	9	8	11	9	125	125	125	125	125	822	1 497	-	-
Interest earned - external investments		99	189	10	506	37	141	158	158	158	158	158	127	1 900	-	-
Interest earned - outstanding debtors		90	141	126	125	125	128	108	108	108	108	108	23	1 300	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		43	23	22	41	34	54	67	67	67	67	67	250	800	-	-
Licences and permits		258	216	189	125	114	190	213	213	213	213	213	399	2 557	-	-
Agency services		130	108	103	141	89	125	109	109	109	109	109	69	1 310	-	-
Transfer receipts - operating		53 900	-	-	-	45 389	-	11 390	11 390	11 390	11 390	11 390	(19 560)	136 679	-	-
Other revenue		86	48	84	63	72	44	1 478	1 478	1 478	1 478	1 478	9 951	17 740	-	-
Cash Receipts by Source		59 076	1 271	1 081	1 546	46 409	1 227	14 690	14 690	14 690	14 690	14 690	(7 779)	176 283	-	-
Other Cash Flows by Source																
Transfer receipts - capital		26 600	(26 600)	-	-	-	-	6 077	6 077	6 077	6 077	6 077	42 537	72 921	-	-
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		3 183	1 596	485	(37)	-	-	22	22	22	22	22	(5 073)	262	-	-
Total Cash Receipts by Source		88 859	(23 733)	1 565	1 509	46 409	1 227	20 789	20 789	20 789	20 789	20 789	29 685	249 466	-	-
Cash Payments by Type																
Employee related costs		3 784	12	3 719	7 247	5 910	3 775	4 365	4 365	4 365	4 365	4 365	6 108	52 380	-	-
Remuneration of councillors		1 142	1 149	-	2 300	1 150	1 150	1 221	1 221	1 221	1 221	1 221	1 659	14 658	-	-
Interest paid		-	-	0	2	0	-	2	2	2	2	2	10	21	-	-
Other materials		9	48	(214)	(184)	(237)	(57)	32	32	32	32	32	855	378	-	-
Contracted services		408	408	408	671	438	804	517	517	517	517	517	481	6 203	-	-
Grants and subsidies paid - other municipalities		(575)	(29 310)	(4 785)	(219)	(14 334)	575	215	215	215	215	215	50 150	2 575	-	-
Grants and subsidies paid - other		-	127	272	148	949	55	380	380	380	380	380	1 107	4 559	-	-
General expenses		1 541	2 732	4 813	5 255	4 368	5 464	4 905	4 905	4 905	4 905	4 905	10 164	58 861	-	-
Cash Payments by Type		6 308	(24 834)	4 213	15 220	(1 755)	11 767	11 636	11 636	11 636	11 636	11 636	70 535	139 636	-	-
Other Cash Flows/Payments by Type																
Capital assets		1 097	3 001	14 247	2 061	7 980	8 746	6 702	6 702	6 702	6 702	6 702	9 782	80 423	-	-
Repayment of borrowing		32 788	(32 788)	0	-	-	-	2 750	2 750	2 750	2 750	2 750	19 247	32 995	-	-
Other Cash Flows/Payments		(73 195)	77 485	5 119	(7 184)	5 357	2 091	570	570	570	570	570	(5 685)	6 835	-	-
Total Cash Payments by Type		(33 002)	22 864	23 579	10 097	11 582	22 603	21 657	21 657	21 657	21 657	21 657	93 879	259 889	-	-
NET INCREASE/(DECREASE) IN CASH HELD																
Cash/cash equivalents at the month/year beginning:		121 861	(46 597)	(22 014)	(8 588)	34 827	(21 376)	(869)	(869)	(869)	(869)	(869)	(64 194)	(10 423)	-	-
Cash/cash equivalents at the month/year end:		42 986	164 847	118 250	96 236	87 648	122 476	101 100	100 231	99 363	98 494	97 626	96 757	42 986	32 563	32 563
		164 847	118 250	96 236	87 648	122 476	101 100	100 231	99 363	98 494	97 626	96 757	32 563	32 563	32 563	32 563

EC442 Umzimvubu - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Mid-Year Assessment

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		(0)	63 653	63 653	8 682	35 922	31 826	(4 096)	-12.9%	63 653
Infrastructure - Road transport Roads, Pavements & Bridges		(0)	63 653	63 653	8 391	19 545	31 826	12 282	38.6%	63 653
Storm water		(0)	63 653	63 653	8 391	19 545	31 826	12 282	38.6%	63 653
Infrastructure - Electricity Generation		-	-	-	-	16 000	-	(16 000)	#DIV/0!	-
Infrastructure - Other Other		-	-	-	291	377	-	(377)	#DIV/0!	-
Community		0	5 521	5 521	-	454	2 760	2 307	83.6%	5 521
Parks & gardens		-	1 000	1 000	-	22	500	478	95.6%	1 000
Other		0	4 521	4 521	-	432	2 260	1 829	80.9%	4 521
Other assets		0	7 110	7 110	-	548	3 555	3 007	84.6%	7 110
General vehicles		0	2 750	2 750	-	-	1 375	1 375	100.0%	2 750
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment Computers - hardware/equipment		0	3 200	3 200	-	(120)	1 600	1 720	107.5%	3 200
Furniture and other office equipment		0	460	460	-	258	230	(28)	-12.0%	460
Other Buildings		0	100	100	-	0	50	50	100.0%	100
Other		0	-	-	-	62	-	(62)	#DIV/0!	-
		-	600	600	-	348	300	(48)	-16.1%	600
Intangibles		(0)	4 140	4 140	64	208	2 070	1 862	90.0%	4 140
Computers - software & programming		(0)	4 040	4 040	64	159	2 020	1 861	92.1%	4 040
Other		-	100	100	-	49	50	1	1.6%	100
Total Capital Expenditure on new assets	1	(0)	80 423	80 423	8 746	37 132	40 212	3 080	7.7%	80 423

EC442 Umzimvubu - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Mid-Year Assessment

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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
-										
Infrastructure		1 074	1 200	1 200	138	302	600	298	49.6%	1 200
Infrastructure - Road transport		1 074	1 200	1 200	138	302	600	298	49.6%	1 200
Roads, Pavements & Bridges		1 074	1 200	1 200	138	302	600	298	49.6%	1 200
Community		473	262	262	-	56	131	75	57.2%	262
Fire, safety & emergency		17	32	32	-	10	16	6	37.1%	32
Other		456	231	231	-	46	115	69	60.0%	231
Other assets		785	1 312	1 312	150	288	656	368	56.1%	1 312
General vehicles		95	397	397	-	30	198	168	84.7%	397
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		67	114	114	-	75	57	(18)	-31.3%	114
Computers - hardware/equipment		81	147	147	-	-	73	73	100.0%	147
Furniture and other office equipment		-	5	5	-	-	2	2	100.0%	5
Civic Land and Buildings		541	650	650	150	183	325	142	43.6%	650
Total Repairs and Maintenance Expenditure		2 332	2 775	2 775	289	647	1 387	741	53.4%	2 775

1.2.2 Performance indicators and benchmarks

1.2.2.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Umzimvubu Municipality's borrowing strategy is primarily informed by the affordability of debt repayments.

1.2.2.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

1.2.2.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2014/15 financial year the ratio was 5.2 and as part of the financial planning strategy it has increased to 22.7% at the end of December 2014.

1.2.2.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

1.2.2.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 14 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

1.2.2.6 Other Indicators

- The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- Employee costs as a percentage of operating revenue continues to increase over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

1.3 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
3. Audit Committee
An Audit Committee has been established and is fully functional.

Municipal manager's quality certification

I, GPT Nota, the Municipal Manager of Umzimvubu Municipality, hereby certify that –

- the December budget statement

for the month of September 2014 of 2014 / 2015 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name _____

Municipal Manager of Umzimvubu Municipality (EC442)

Signature _____

Date _____