

MTUBATUBA



UMASIPALA . MUNICIPALITY . MUNISIPALITEIT

*Physical Address:* Lot 105 INkosi Mtubatuba Road, Mtubatuba, 3935



52 Mtubatuba 3935



(035) 550 0069



Fax (035) 550 0060

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**CONSOLIDATED BUDGET IMPLEMENTATION REPORTS IN TERMS  
OF SEC71 OF THE MFMA AND REGULATION 28 OF THE MBRR  
FOR THE PERIOD ENDED**

**28 February 2015**

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## **EXECUTIVE SUMMARY**

### **Purpose**

The Purpose of this report is to comply with section 71 of the Municipal Finance Management Act (MFMA) and other requirements as introduced in the Government Gazette No:32141 of 17 April 2009 regarding Municipal Budget and Regulation, which requires that specific financial particulars be reported on and in the prescribe format.

### **Background**

Section 71(1) of the MFMA state that the Accounting Office 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 other provincial treasury a statement in the prescribe format on the state of the municipal budget.

Section 71(4) further state that the statement must be in a format of a sign document and in an electronic format.

Section 71(6) state that the Provincial Treasury must by no later than 22 working days after the end of each month submit to National Treasury a consolidated statement in a prescribe format on the state of the municipal budget per municipality and per municipal entity.

Section 71(7) state that the provincial treasury must within 30 days of each quarter, make public as may be prescribe, a consolidate statement in a prescribe format on the state of municipal budget per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

The Monthly Budget Statement and supporting tables of UMtubatuba Municipality is prepared in accordance with the Municipal Budget and Reporting Regulations. This report is based upon financial information available at the time of preparation. The financial results for the month ended 28 February 2015 are summarised below.

The following table summarises the Revenue and Expenditure Operational, Capital Expenditure and Source of Funding, Financial Position, Cash Flow, Aged Debtors and Aged Creditors.

**Table C1 Monthly budget Statement Summary**

KZN275 Mtubatuba - Table C1 Monthly Budget Statement Summary - M08 February

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	19,262	23,585	21,734	1,803	14,932	14,489	442	3%	21,734
Service charges	4,501	5,692	5,039	466	3,405	3,359	46	1%	5,039
Investment revenue	517	424	633	46	467	422	45	11%	633
Transfers recognised - operational	66,869	90,448	90,700	1,256	64,836	60,467	4,369	7%	90,700
Other own revenue	11,972	15,806	9,241	854	7,016	6,161	855	14%	9,241
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>103,121</b>	<b>135,956</b>	<b>127,347</b>	<b>4,424</b>	<b>90,656</b>	<b>84,898</b>	<b>5,758</b>	<b>7%</b>	<b>127,347</b>
Employee costs	39,181	43,017	45,859	4,896	30,307	30,573	(266)	-1%	45,859
Remuneration of Councillors	10,594	10,502	10,502	413	5,810	7,001	(1,191)	-17%	10,502
Depreciation & asset impairment	13,030	7,791	7,791	-	24,107	5,194	18,913	364%	7,791
Finance charges	1,077	541	541	0	15	360	(345)	-96%	541
Materials and bulk purchases	3,829	10,348	8,778	209	2,626	5,852	(3,226)	-55%	8,778
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	52,766	35,531	38,160	1,227	19,687	25,440	(5,753)	-23%	38,160
<b>Total Expenditure</b>	<b>120,478</b>	<b>107,729</b>	<b>111,631</b>	<b>6,746</b>	<b>82,552</b>	<b>74,421</b>	<b>8,131</b>	<b>11%</b>	<b>111,631</b>
<b>Surplus/(Deficit)</b>	<b>(17,357)</b>	<b>28,226</b>	<b>15,716</b>	<b>(2,322)</b>	<b>8,104</b>	<b>10,477</b>	<b>(2,374)</b>	<b>-23%</b>	<b>15,716</b>
Transfers recognised - capital	35,173	30,148	30,633	1,703	14,952	20,422	(5,471)	-27%	30,633
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>17,816</b>	<b>58,374</b>	<b>46,349</b>	<b>(619)</b>	<b>23,055</b>	<b>30,900</b>	<b>(7,844)</b>	<b>-25%</b>	<b>46,349</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>17,816</b>	<b>58,374</b>	<b>46,349</b>	<b>(619)</b>	<b>23,055</b>	<b>30,900</b>	<b>(7,844)</b>	<b>-25%</b>	<b>46,349</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>34,554</b>	<b>45,807</b>	<b>37,009</b>	<b>3,497</b>	<b>15,910</b>	<b>24,672</b>	<b>(8,763)</b>	<b>-36%</b>	<b>37,009</b>
Capital transfers recognised	34,554	30,148	30,633	3,029	15,615	20,422	(4,808)	-24%	30,633
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	15,659	6,376	468	295	4,250	(3,955)	-93%	6,376
<b>Total sources of capital funds</b>	<b>34,554</b>	<b>45,807</b>	<b>37,009</b>	<b>3,497</b>	<b>15,910</b>	<b>24,672</b>	<b>(8,763)</b>	<b>-36%</b>	<b>37,009</b>
<b>Financial position</b>									
Total current assets	14,804	49,049	60,236		48,924				60,236
Total non current assets	326,743	332,122	356,878		319,710				356,878
Total current liabilities	31,433	18,974	18,974		33,925				18,974
Total non current liabilities	5,232	1,212	6,371		4,650				6,371
<b>Community wealth/Equity</b>	<b>304,883</b>	<b>360,986</b>	<b>391,770</b>		<b>330,059</b>				<b>391,770</b>
<b>Cash flows</b>									
Net cash from (used) operating	34,141	57,652	48,350	9,307	32,646	56,045	23,400	42%	48,350
Net cash from (used) investing	(34,537)	(41,382)	(36,509)	(3,497)	(23,938)	(20,691)	3,247	-16%	(36,509)
Net cash from (used) financing	(342)	(1,700)	(1,700)	-	(446)	(1,700)	(1,254)	74%	(1,700)
<b>Cash/cash equivalents at the month/year end</b>	<b>895</b>	<b>92,163</b>	<b>11,036</b>	<b>-</b>	<b>9,156</b>	<b>34,549</b>	<b>25,393</b>	<b>73%</b>	<b>11,036</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	2,688	4,313	1,167	1,701	1,689	633	34,251	11,611	58,053
<b>Creditors Age Analysis</b>									
Total Creditors	717	403	174	32	136	86	794	-	2,344

**Table C2 Monthly budget statement (Financial Performance) standard Classifications.**

KZN275 Mtubatuba - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

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									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		89,098	118,604	112,521	2,534	79,746	69,186	10,560	15%	112,521
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office	89,098	118,604	112,494	112,494	2,534	79,746	69,186	10,560	15%	112,494
Corporate services		-	-	27	-	-	-	-	-	27
<i>Community and public safety</i>		9,420	11,324	9,393	1,380	4,720	6,606	(1,886)	-29%	9,393
Community and social services	5,101	6,342	6,831	6,831	1,159	2,995	3,700	(705)	-19%	6,831
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety	4,319	4,982	2,562	2,562	220	1,725	2,906	(1,181)	-41%	2,562
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		36,933	32,141	32,656	1,898	19,222	18,749	473	3%	32,656
Planning and development	55	58	87	87	17	1,437	34	1,403	4132%	87
Road transport	36,878	32,083	32,568	32,568	1,881	17,785	18,715	(930)	-5%	32,568
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2,843	4,034	3,411	315	2,394	2,353	41	2%	3,411
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management	2,843	4,034	3,411	3,411	315	2,394	2,353	41	2%	3,411
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	138,294	166,103	157,980	6,127	106,081	96,894	9,187	9%	157,980
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		72,769	62,482	65,833	3,827	52,116	36,448	15,668	43%	65,833
Executive and council	21,312	23,065	23,234	23,234	2,799	15,876	13,455	2,421	18%	23,234
Budget and treasury office	43,856	28,155	31,826	31,826	471	28,516	16,424	12,092	74%	31,826
Corporate services	7,601	11,262	10,774	10,774	557	7,724	6,569	1,154	18%	10,774
<i>Community and public safety</i>		29,368	26,750	22,999	1,644	18,216	15,604	2,611	17%	22,999
Community and social services	19,745	17,332	14,161	14,161	966	11,864	10,110	1,754	17%	14,161
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety	9,623	9,418	8,838	8,838	678	6,352	5,494	858	16%	8,838
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		12,076	60,906	12,632	757	17,120	35,529	(18,409)	-52%	12,632
Planning and development	3,866	4,213	2,353	2,353	139	1,473	2,457	(984)	-40%	2,353
Road transport	8,210	56,693	10,279	10,279	618	15,647	33,071	(17,424)	-53%	10,279
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		6,265	10,386	10,171	518	5,718	6,059	(341)	-6%	10,171
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management	6,265	10,386	10,171	10,171	518	5,718	6,059	(341)	-6%	10,171
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	120,478	160,525	111,635	6,746	93,169	93,639	(470)	-1%	111,635
<b>Surplus/ (Deficit) for the year</b>		17,816	5,579	46,346	(619)	12,912	3,254	9,657	297%	46,346

**Table C3 Monthly Budget Statement (Financial Performance) Revenue and Expenditure by Municipal Vote**

KZN275 Mtubatuba - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

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
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - Executive and council	1	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		89,098	118,604	112,494	2,534	79,746	69,186	10,560	15.3%	112,494
Vote 3 - Corporate Services		-	-	27	-	-	-	-	-	27
Vote 4 - Community Services		2,646	4,039	4,273	170	1,519	2,356	(837)	-35.5%	4,273
Vote 5 - Libraries and archives		2,455	2,303	2,557	989	1,476	1,344	132	9.9%	2,557
Vote 6 - Planning and Economic Development		55	58	87	17	1,437	34	1,403	4132.4%	87
Vote 7 - Roads		36,878	32,083	32,568	1,881	17,784	18,715	(931)	-5.0%	32,568
Vote 8 - Licences and permits		4,319	4,982	2,562	220	1,725	2,906	(1,181)	-40.6%	2,562
Vote 9 - Solid Waste		2,843	4,034	3,411	315	2,394	2,353	41	1.7%	3,411
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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>138,294</b>	<b>166,103</b>	<b>157,980</b>	<b>6,127</b>	<b>106,080</b>	<b>96,894</b>	<b>9,187</b>	<b>9.5%</b>	<b>157,980</b>
<b>Expenditure by Vote</b>										
Vote 1 - Executive and council	1	21,312	23,065	23,234	2,799	15,876	13,455	2,421	18.0%	23,234
Vote 2 - Budget and Treasury		43,856	28,155	31,826	471	28,516	16,424	12,092	73.6%	31,826
Vote 3 - Corporate Services		7,601	11,262	10,774	557	7,724	6,569	1,154	17.6%	10,774
Vote 4 - Community Services		17,760	15,211	12,037	799	10,250	8,873	1,377	15.5%	12,037
Vote 5 - Libraries and archives		1,985	2,121	2,124	167	1,614	1,237	377	30.5%	2,124
Vote 6 - Planning and Economic Development		3,866	4,213	2,353	139	1,473	2,457	(984)	-40.1%	2,353
Vote 7 - Roads		8,210	56,693	10,279	618	15,647	33,071	(17,424)	-52.7%	10,279
Vote 8 - Licences and permits		9,623	9,418	8,838	678	6,352	5,494	858	15.6%	8,838
Vote 9 - Solid Waste		6,265	10,386	10,171	518	5,718	6,059	(341)	-5.6%	10,171
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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>120,478</b>	<b>160,525</b>	<b>111,635</b>	<b>6,746</b>	<b>93,169</b>	<b>93,639</b>	<b>(470)</b>	<b>-0.5%</b>	<b>111,635</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>17,816</b>	<b>5,579</b>	<b>46,346</b>	<b>(619)</b>	<b>12,911</b>	<b>3,254</b>	<b>9,657</b>	<b>296.7%</b>	<b>46,346</b>

**Table C4 Monthly Budget Statement (Financial Performance) Revenue and Expenditure.**

KZN275 Mtubatuba - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		19,262	23,585	21,734	1,803	14,932	14,489	442	3%	21,734
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - w ater revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		2,843	4,034	3,411	315	2,305	2,274	31	1%	3,411
Service charges - other		1,658	1,658	1,628	151	1,100	1,085	15	1%	1,628
Rental of facilities and equipment		221	817	312	14	196	208	(12)	-6%	312
Interest earned - external investments		517	424	633	46	467	422	45	11%	633
Interest earned - outstanding debtors		5,688	4,311	5,151	581	4,337	3,434	903	26%	5,151
Dividends received		-	-	-	-	-	-	-	-	-
Fines		1,531	1,745	194	3	118	129	(11)	-9%	194
Licences and permits		2,790	3,240	2,373	218	1,686	1,582	104	7%	2,373
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		66,869	90,448	90,700	1,256	64,836	60,467	4,369	7%	90,700
Other revenue		1,740	1,269	1,210	39	678	807	(129)	-16%	1,210
Gains on disposal of PPE		-	4,425	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>103,121</b>	<b>135,956</b>	<b>127,347</b>	<b>4,424</b>	<b>90,656</b>	<b>84,898</b>	<b>5,758</b>	<b>7%</b>	<b>127,347</b>
<b>Expenditure By Type</b>										
Employee related costs		39,181	43,017	45,859	4,896	30,307	30,573	(266)	-1%	45,859
Remuneration of councillors		10,594	10,502	10,502	413	5,810	7,001	(1,191)	-17%	10,502
Debt impairment		12,139	5,159	5,159	246	676	3,439	(2,763)	-80%	5,159
Depreciation & asset impairment		13,030	7,791	7,791	-	24,107	5,194	18,913	364%	7,791
Finance charges		1,077	541	541	0	15	360	(345)	-96%	541
Bulk purchases		-	-	-	-	-	-	-	-	-
Other materials		3,829	10,348	8,778	209	2,626	5,852	(3,226)	-55%	8,778
Contracted services		9,772	11,632	10,047	450	6,134	6,698	(564)	-8%	10,047
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		29,361	18,740	22,954	531	12,877	15,303	(2,426)	-16%	22,954
Loss on disposal of PPE		1,494	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>120,478</b>	<b>107,729</b>	<b>111,631</b>	<b>6,746</b>	<b>82,552</b>	<b>74,421</b>	<b>8,131</b>	<b>11%</b>	<b>111,631</b>
<b>Surplus/(Deficit)</b>		<b>(17,357)</b>	<b>28,226</b>	<b>15,716</b>	<b>(2,322)</b>	<b>8,104</b>	<b>10,477</b>	<b>(2,374)</b>	<b>(0)</b>	<b>15,716</b>
Transfers recognised - capital		35,173	30,148	30,633	1,703	14,952	20,422	(5,471)	(0)	30,633
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>17,816</b>	<b>58,374</b>	<b>46,349</b>	<b>(619)</b>	<b>23,055</b>	<b>30,900</b>			<b>46,349</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>17,816</b>	<b>58,374</b>	<b>46,349</b>	<b>(619)</b>	<b>23,055</b>	<b>30,900</b>			<b>46,349</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>17,816</b>	<b>58,374</b>	<b>46,349</b>	<b>(619)</b>	<b>23,055</b>	<b>30,900</b>			<b>46,349</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>17,816</b>	<b>58,374</b>	<b>46,349</b>	<b>(619)</b>	<b>23,055</b>	<b>30,900</b>			<b>46,349</b>

The Statement of Financial Performance shown in Table C4, is prepared on the similar basis to the prescribed budget format, detailing Revenue by Source and Expenditure by Type. There were no material variances in the income components of Property Rates, Service Charges: Refuse, Service Charge Other, Rentals of Facilities and Equipment, Fines, Licences and Permits and Transfers Recognised-Operational. The following income components have the variances:

### **Interest Earned-External Investments**

- Interest Earned- External Investments has a high variance of 11% and a rand value of R45, 000. The municipality is generating more interest on operational account because of which is sting with the favourable balance which includes grants. As the Municipality spend the grants, there will be no interest on investment.

### **Interest Earned-Outstanding Debtors**

- Interest Earned-Outstanding Debtors have a variance of 26% and a rand value of R903, 000.This is because of the increase in long outstanding debtors in the Municipal debtor's book. The municipality currently hired attorneys to issue letters of demand to long outstanding debtors.

### **Other Revenue**

- Other Revenue has a variance of 16% and a rand value of R129, 000. The Municipality will investigate this variance.

There were no material variance in the expenditure components of Employee Related Cost and Contracted services. The following expenditure components have the variances.

#### **Remuneration to Councillors**

- Remuneration to Councillors has the variance of 17% and a rand value of R1, 191,000. The municipality has spent less to councillors than it has budgeted. This is due to cost cutting that was previously implemented in the first half of financial year and the dissolution of the council early this year.

#### **Debt Impairment**

- Debt impairment has a variance of 80% and a rand value of R2, 763,000. This is because the municipality hasn't assign a person who will cater for impairment using the correct procedure and policy on month to month basis. The municipality is in the process of hiring the Revenue Manager who will perform debt impairment as part of his/her duties.

#### **Depreciation and Assets Impairment**

- Depreciation has a variance of 364% and a rand value of R18, 913,000. Depreciation was under budgeted for in this financial year. The Municipality is still investigating the course of this depreciation which is twice than the previous year final depreciation as per financial statements.

#### **Finance Charges**

- Finance charges has a variance of 96% and a rand value of R345, 000. The most contributing factors on this item is finance leases, operational leases and



DBSA Loan. The interest on the above items is calculated annual which is the year-end process. Also in the items of Finance Charges. The municipality will assign a person to treat finance charges on the month to month. The major contributor to most of the above material aspect is the shortage of staff within finance side and lack of capacitation or training to the existing finance staff.

### **Other Material**

- Other Material has a variance of 55% and a rand value of R3, 226,000. Other Material variance have improved when compared to last month from 66% to 55%. Department are now spending in order to meet their commitments. The percentage improvement is 10% and the Municipality will monitor this month whether this improvement continues.

### **Other Expenditure**

- Other expenditure has a variance of 16% and the rand value of R2, 426,000. The Municipality have spent less than budgeted in the components of other Expenditure. The municipality will investigate the course of this variance.

**Table C5 Monthly Budget statement- Capital Expenditure (Municipal Vote, Standard Classification and Funding.**

KZN275 Mtubatuba - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M08 February

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
<b>R thousands</b>	1									
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		379	1,077	877	1	16	585	(569)	-97%	877
Vote 4 - Community Services		625	2,000	1,500	-	-	1,000	(1,000)	-100%	1,500
Vote 5 - Libraries and archives		-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 7 - Roads		33,380	41,700	33,602	3,497	15,745	22,401	(6,656)	-30%	33,602
Vote 8 - Licences and permits		170	580	580	-	-	387	(387)	-100%	580
Vote 9 - Solid Waste		-	450	450	-	150	300	(151)	-50%	450
<b>Total Capital single-year expenditure</b>	4	34,554	45,807	37,009	3,497	15,910	24,672	(8,763)	-36%	37,009
<b>Total Capital Expenditure</b>		34,554	45,807	37,009	3,497	15,910	24,672	(8,763)	-36%	37,009

The municipality hasn't yet spend the funds for capital project for other departments. It has only spend an insignificant portion of capital project on Corporate Services and Road departments. The percentage spending on capital projects is 39% as outlined in supporting table SC12 on page 17. The Municipality should have spent more than 67% by now. The following reasons are some of the problem areas.

- Delays in survey report for final design.
- Delay in the second trench release from National Treasury
- PMU is understaffed
- Poor performance by consultants and contractors which has impact on project implementation.
- Lack of resources in PMU like vehicles.
- Delays of Payment to services providers due to internal issues.

The following intervention will be implemented to ensure efficient and effective programme implementation.

- Proper Structure for PMU to be reconsidered.
- Existing consultants and contractors are already advised about the implementation of capital project projects.
- Complete communication to take place for all senior managers that deals directly with capital projects.

**Table C6 Monthly Budget Statement- Financial Position**

**KZN275 Mtubatuba - Table C6 Monthly Budget Statement - Financial Position - M08 February**

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		895	8,708	11,036	29,629	11,036
Call investment deposits		-	8,500	359	358	359
Consumer debtors		13,277	31,841	48,841	18,937	48,841
Other debtors		632	-	-	-	-
Current portion of long-term receivables		-	-	-	-	-
Inventory		-	-	-	-	-
<b>Total current assets</b>		<b>14,804</b>	<b>49,049</b>	<b>60,236</b>	<b>48,924</b>	<b>60,236</b>
<b>Non current assets</b>						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		26,242	25,684	25,684	26,242	25,684
Investments in Associate		-	-	-	166	-
Property, plant and equipment		285,888	306,438	331,194	288,889	331,194
Agricultural		-	-	-	-	-
Biological assets		1,021	-	-	-	-
Intangible assets		424	-	-	-	-
Other non-current assets		13,168	-	-	4,413	-
<b>Total non current assets</b>		<b>326,743</b>	<b>332,122</b>	<b>356,878</b>	<b>319,710</b>	<b>356,878</b>
<b>TOTAL ASSETS</b>		<b>341,547</b>	<b>381,171</b>	<b>417,114</b>	<b>368,634</b>	<b>417,114</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		676	1,700	1,700	4,668	1,700
Consumer deposits		2,242	-	-	-	-
Trade and other payables		27,619	13,483	13,483	26,123	13,483
Provisions		895	3,791	3,791	3,134	3,791
<b>Total current liabilities</b>		<b>31,433</b>	<b>18,974</b>	<b>18,974</b>	<b>33,925</b>	<b>18,974</b>
<b>Non current liabilities</b>						
Borrowing		1,236	1,212	1,212	4,650	1,212
Provisions		3,996	-	5,159	-	5,159
<b>Total non current liabilities</b>		<b>5,232</b>	<b>1,212</b>	<b>6,371</b>	<b>4,650</b>	<b>6,371</b>
<b>TOTAL LIABILITIES</b>		<b>36,664</b>	<b>20,185</b>	<b>25,345</b>	<b>38,575</b>	<b>25,345</b>
<b>NET ASSETS</b>	2	<b>304,883</b>	<b>360,986</b>	<b>391,769</b>	<b>330,059</b>	<b>391,769</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		289,847	360,986	391,770	313,565	391,770
Reserves		15,036	-	-	16,495	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>304,883</b>	<b>360,986</b>	<b>391,770</b>	<b>330,059</b>	<b>391,770</b>

**Current Assets**

- Cash has a variance of 63%. The reason is that cash is volatile rather than stable. The high variance is as a result of Transfers and Grants. Consumer Debtors has a variance of 158%. The reason for this variance is that Consumer Debtors were under budgeted.

#### **Non-Current Assets**

- There were no material variances in investment property. Property, plant and equipment have a variance of 15%. The reason is that the PPE for the municipality is properly group in our financial system. Investment in associates has the variance of 100% and other Non-Current Assets has a variance of 100%. All of this variance are affected by the grouping. The municipality will organize a meeting with financial system guys to discuss this and come with the solution.

#### **Current liabilities**

- Borrowing has a variance of 64%. Trade and Other Payable has a variance of 48%. Trade and Other Payable also include the amount for Unspent conditional grants. Provisions has a variance of 21%.
- The above table of Statement of Financial Position shows that the Community wealth or Equity for the municipality to date has decrease by 19% from R391770 million to R330059 million.

**Table C7 Monthly Budget Statement- Cash Flow**

KZN275 Mtubatuba - Table C7 Monthly Budget Statement - Cash Flow - M08 February

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
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		21,602	36,348	23,576	1,731	16,003	18,174	(2,171)	-12%	23,576
Government - operating		66,869	90,448	90,850	1,489	66,418	60,299	6,119	10%	90,850
Government - capital		35,173	30,148	30,633	15,325	13,294	30,148	(16,854)	-56%	30,633
Interest		517	424	620	46	496	212	284	134%	620
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(88,943)	(94,538)	(97,319)	(9,283)	(63,558)	(50,198)	13,360	-27%	(97,319)
Finance charges		(1,077)	(541)	(11)	(0)	(7)	(270)	(264)	98%	(11)
Transfers and Grants		-	(4,637)	-	-	-	(2,319)	(2,319)	100%	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>34,141</b>	<b>57,652</b>	<b>48,350</b>	<b>9,307</b>	<b>32,646</b>	<b>56,045</b>	<b>23,400</b>	<b>42%</b>	<b>48,350</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		1,316	4,425	-	-	-	2,213	(2,213)	-100%	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(35,852)	(45,807)	(36,509)	(3,497)	(23,938)	(22,904)	1,035	-5%	(36,509)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(34,537)</b>	<b>(41,382)</b>	<b>(36,509)</b>	<b>(3,497)</b>	<b>(23,938)</b>	<b>(20,691)</b>	<b>3,247</b>	<b>-16%</b>	<b>(36,509)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		196	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		(538)	(1,700)	(1,700)	-	(446)	(1,700)	(1,254)	74%	(1,700)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(342)</b>	<b>(1,700)</b>	<b>(1,700)</b>	<b>-</b>	<b>(446)</b>	<b>(1,700)</b>	<b>(1,254)</b>	<b>74%</b>	<b>(1,700)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(738)</b>	<b>14,570</b>	<b>10,141</b>	<b>5,810</b>	<b>8,261</b>	<b>33,654</b>			<b>10,141</b>
Cash/cash equivalents at beginning:		1,633	77,593	895		895	895			895
Cash/cash equivalents at month/year end:		895	92,163	11,036		9,156	34,549			11,036

The above table reflect the statement of Cash flow for the municipality. The municipality's Cash flow position has Increase by 20% in February when compared to the previous month closing cash balance. This was as a result of receipts of grants for Extended Public Works Program, Provincialization of Libraries and Municipal Infrastructure Grant.

## PART 2- SUPPORTING DOCUMENTS

The following tables support the monthly budget statements

**Table SC8 Expenditure on Councillor and Staff Benefits.**

KZN275 Mtubatuba - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	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		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		7,946	7,146	7,146	242	4,440	4,764	(324)	-7%	7,146
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2,119	2,379	2,379	94	1,302	1,586	(284)	-18%	2,379
Cellphone Allowance		530	976	976	77	3,917	651	3,266	502%	976
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>10,594</b>	<b>10,502</b>	<b>10,502</b>	<b>413</b>	<b>9,660</b>	<b>7,001</b>	<b>2,658</b>	<b>38%</b>	<b>10,502</b>
<b>% increase</b>	4		<b>-0.9%</b>	<b>-0.9%</b>						<b>-0.9%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		2,557	3,478	3,478	310	1,839	2,319	(480)	-21%	3,478
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	329	329	-	-	219	(219)	-100%	329
Motor Vehicle Allowance		920	411	411	81	634	274	360	131%	411
Cellphone Allowance		71	102	102	10	70	68	2	3%	102
Housing Allowances		805	218	218	43	299	145	154	106%	218
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4,354</b>	<b>4,538</b>	<b>4,538</b>	<b>443</b>	<b>2,842</b>	<b>3,025</b>	<b>(183)</b>	<b>-6%</b>	<b>4,538</b>
<b>% increase</b>	4		<b>4.2%</b>	<b>4.2%</b>						<b>4.2%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		23,105	13,000	14,952	3,475	13,309	9,968	3,341	34%	14,952
Pension and UIF Contributions		641	4,704	4,603	314	3,529	3,068	460	15%	4,603
Medical Aid Contributions		1,911	2,181	2,218	209	2,071	1,479	592	40%	2,218
Overtime		2,498	645	690	133	454	460	(6)	-1%	690
Performance Bonus		1,634	2,307	2,077	5	3,483	1,385	2,098	152%	2,077
Motor Vehicle Allowance		2,812	2,907	2,798	195	900	1,865	(965)	-52%	2,798
Cellphone Allowance		100	120	120	0	1	80	(79)	-98%	120
Housing Allowances		497	617	866	5	37	578	(541)	-94%	866
Other benefits and allowances		5,984	1,496	2,495	116	2,882	1,663	1,219	73%	2,495
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>39,181</b>	<b>27,977</b>	<b>30,819</b>	<b>4,452</b>	<b>26,666</b>	<b>20,546</b>	<b>6,120</b>	<b>30%</b>	<b>30,819</b>
<b>% increase</b>	4		<b>-28.6%</b>	<b>-21.3%</b>						<b>-21.3%</b>
<b>Total Parent Municipality</b>		<b>54,129</b>	<b>43,017</b>	<b>45,859</b>	<b>5,309</b>	<b>39,168</b>	<b>30,572</b>	<b>8,595</b>	<b>28%</b>	<b>45,859</b>

### Councillor and Staff Benefits

- The variance in Councillor Benefits is 38% and amount to R2, 658,000.
- The variance to Senior Management benefits is 6% and amount to R183, 000 in rand value. It also shows that we are still within the budget.

- The variance to Other Municipal Staff is 30% and R6, 120, 000 in rand value. The high variance in staff benefits is a result of changes in salaries made in December.

There has been an improvement in spending on salaries for councillors and senior management in the past months due to cost cutting in Travelling allowance, Overtime, Training and other cost savings related to Council and senior management.

### Table SC3 Aged Debtors

AD : AGE ANALYSIS OF DEBTORS (All values in Rand)  
 Save File as : Muncde\_AD\_ccyy\_Mnn.XLS (e.g.: GT411\_AD\_2005\_M10)  
 Change Year End (ccyy) to Financial Year End (e.g.: 2005 for year 2004/2005) and Month End (Mnn) to Active Month (M01=July...M12=June)(e.g.: M10)  
 Change Muncde to your own municipal code (e.g.: GT411)  
 To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S

Year End	Month End	Mun	Item	Detail	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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.o Council Policy
2015	M08	KZN275	1100	Debtors Age Analysis By Income Source											
			1200	Trade and Other Receivables from Exchange Transactions - Water	0	0	0	0	0	0	0	0	0	0	0
			1300	Trade and Other Receivables from Exchange Transactions - Electricity	0	0	0	0	0	0	0	0	0	0	0
			1400	Receivables from Non-exchange Transactions - Property Rates	2,026,379	3,251,836	879,703	1,282,352	1,273,599	477,052	25,822,113	8,753,259	43,766,293	0	0
			1500	Receivables from Exchange Transactions - Waste Water Management	0	0	0	0	0	0	0	0	0	0	0
			1600	Receivables from Exchange Transactions - Waste Management	513,554	824,127	222,947	324,992	322,773	120,901	6,544,209	2,218,375	11,091,878	0	0
			1700	Receivables from Exchange Transactions - Property Rental Debtors	0	0	0	0	0	0	0	0	0	0	0
			1810	Interest on Arrear Debtor Accounts	0	0	0	0	0	0	0	0	0	0	0
			1820	Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	0	0	0	0	0	0	0	0	0	0	0
			1900	Other	147,906	237,352	64,210	93,599	92,961	34,820	1,884,763	638,903	3,194,514	0	0
			2000	Total By Income Source	2,687,839	4,313,315	1,166,860	1,700,943	1,689,333	632,773	34,251,085	11,610,537	58,052,685	0	0
			2100	Debtors Age Analysis By Customer Group											
			2200	Organs of State	82,726	132,755	35,913	52,352	51,994	19,476	1,054,178	357,349	1,786,743	0	0
			2300	Commercial	412,557	662,051	179,101	261,078	259,296	97,124	5,257,199	1,782,101	8,910,507	0	0
			2400	Households	1,929,244	3,095,957	837,533	1,220,882	1,212,548	454,184	24,584,319	8,333,658	41,669,335	0	0
			2500	Other	263,312	422,552	114,313	166,631	165,495	61,989	3,355,389	1,137,419	5,037,100	0	0
			2600	Total By Customer Group	2,687,839	4,313,315	1,166,860	1,700,943	1,689,333	632,773	34,251,085	11,610,537	58,052,685	0	0

- The percentage of debtors sitting from 30 to 90 days is 14%. Long outstanding debtors are as a result of low collection rate, no write off of long outstanding debtors and shortage of staff within revenue section. A single reason alone as mention above has much impact on collection rate. As mention in page ten under Table C4, the municipality is on process to recruit a revenue manager and enforcement of collection by issuing of letters of Demand to long outstanding debtors.

### Table SC4 Aged Creditors

AC : AGE ANALYSIS OF CREDITORS (All values in Rand)  
 Save File as : Muncde\_AC\_ccyy\_Mnn.XLS (e.g.: GT411\_AC\_2005\_M10)  
 Change Year End (ccyy) to Financial Year End (e.g.: 2005 for year 2004/2005) and Month End (Mnn) to Active Month (M01=July...M12=June)(e.g.: M10)  
 Change Muncde to your own municipal code (e.g.: GT411)  
 If (and only if) Creditors per function not available, list top 10 creditors by name  
 To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S

Year End	Month End	Mun	Item	Detail	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
2015	M08	KZN275	0100	Bulk Electricity	0	0	0	0	0	0	0	0	0
			0200	Bulk Water	0	0	0	0	0	0	0	0	0
			0300	PAYE deductions	0	0	0	0	0	0	0	0	0
			0400	VAT (output less input)	0	0	0	0	0	0	0	0	0
			0500	Pensions / Retirement deductions	0	0	0	0	0	0	0	0	0
			0600	Loan repayments	0	0	0	0	0	0	0	0	0
			0700	Trade Creditors	716,103	402,834	174,483	32,055	136,365	85,963	794,412	0	2,342,215
			0800	Auditor General	1,351	0	0	0	0	0	0	0	1,351
			0900	Other	0	0	0	0	0	0	0	0	0
			1000	Total	717,454	402,834	174,483	32,055	136,365	85,963	794,412	0	2,343,566

- The percentage of creditors sitting at more than 90 days is 55%. The municipality is trying by all mean to settle those creditors sitting at more than 90 day. Included in creditors owed for 30 days is the one for Auditor General, The municipality will settle the amount owing to Auditor general this month.



### Table SC5 Investment Portfolio Analysis

KZN275 Mtubatuba - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

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							
<b>R thousands</b>									
<b>Municipality</b>									
7000/7001-MONEY MARKET 1		0	Call Account		0	0.0%	51	-	52
7000/7003-MONEY MARKET 2		0	Call Account		0	0.0%	84	-	84
7000/7004-MONEY MARKET 3		0	Call Account		0	0.0%	30	-	30
7000/7002-Fixed Deposits		0	Fixed deposit		-	0.0%	192	-	192
<b>Municipality sub-total</b>					0		357	-	358

- There is no variance between the budgeted investments and actual investments.

**Table SC6 Transfers and Grants Receipts**

## MTUBATUBA LOCAL MUNICIPALITY-MONTHLY BUDGET STATEMENT-2014/15

**KZN275 Mtubatuba - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February**

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
<b>R thousands</b>										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		65,559	88,148	88,148	317	64,631	66,330	(1,699)	-2.6%	88,148
Local Government Equitable Share		60,744	81,379	81,379	-	59,338	60,299	(961)	-1.6%	81,379
Finance Management		1,650	1,800	1,800	-	1,800	1,800	-		1,800
Municipal Systems Improvement		890	934	934	-	934	934	-		934
Integrated National Electrification Programme		-	1,500	1,500	-	1,500	1,500	-		1,500
EPWP Incentive	3	1,000	1,059	1,059	317	1,059	1,059	-		1,059
Municipal infrastructure grant operational		1,275	1,476	1,476	-	-	738	(738)	-100.0%	1,476
<b>Provincial Government:</b>		2,605	2,300	2,552	1,172	2,552	2,552	-		2,552
Library Computer Assistant		240	-	252	252	252	252	-		252
Provincialisation of Libraries		-	-	-	-	-	-	-		-
Department of Sport	4	2,215	2,300	2,300	920	2,300	2,300	-		2,300
Other transfers and grants [insert description]		150	-	-	-	-	-	-		-
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
<b>Total Operating Transfers and Grants</b>	5	68,164	90,448	90,700	1,489	67,183	68,882	(1,699)	-2.5%	90,700
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		32,223	28,048	28,048	14,800	28,094	28,048	46	0.2%	28,048
Municipal Infrastructure Grant (MIG)		24,223	28,048	28,048	14,800	28,094	28,048	46	0.2%	28,048
National Electrification Program		8,000	-	-	-	-	-	-		-
Corridor Development (Unspend Conditional Grant)		-	-	-	-	-	-	-		-
Other capital transfers [insert description]		-	-	-	-	-	-	-		-
<b>Provincial Government:</b>		45	2,100	1,575	525	525	1,050	(525)	-50.0%	1,575
DSR-Sport Facilities (Infrastructure)		45	2,100	1,575	525	525	1,050	(525)	-50.0%	1,575
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
DSR-Sport facilities(Infrastructure)		-	-	-	-	-	-	-		-
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
<b>Total Capital Transfers and Grants</b>	5	32,268	30,148	29,623	15,325	28,619	29,098	(479)	-1.6%	29,623
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	100,432	120,596	120,323	16,814	95,802	97,980	(2,178)	-2.2%	120,323

➤ Transfers and grant receipts shown in the above table are in line with the National Treasury transfers schedule.

**Table SC7 (1) Transfers and Grant Expenditure**

KZN275 Mtubatuba - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

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
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		65,553	88,148	88,148	4,572	80,725	51,420	29,305	57.0%	88,148
Local Government Equitable Share		60,744	81,379	81,379	4,349	77,639	47,471	30,168	63.5%	81,379
Finance Management		1,650	1,800	1,800	44	1,125	1,050	75	7.1%	1,800
Municipal Systems Improvement		890	934	934	46	756	545	212	38.8%	934
Integrated National Electrification Programme		-	1,500	1,500	-	-	875	(875)	-100.0%	1,500
EPWP Incentive		995	-	-	-	-	-	-	-	-
Municipal infrastructure grant operational		1,275	1,476	1,476	134	855	618	237	38.4%	1,059
<b>Provincial Government:</b>		2,848	2,300	2,552	143	1,280	1,510	(229)	-15.2%	2,552
Library Computer Assistant		175	-	252	23	179	168	11	6.7%	252
Provincialisation of Libraries		1,690	2,300	2,300	120	1,101	1,342	(240)	-17.9%	2,300
Department of Sport		150	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		833	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		68,402	90,448	90,700	4,715	82,005	52,929	29,076	54.9%	90,700
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		39,495	34,530	21,565	1,747	17,646	18,699	(1,053)	-5.6%	28,048
Municipal Infrastructure Grant (MIG)		25,498	28,048	28,048	1,747	17,646	18,699	(1,053)	-5.6%	28,048
National Electrification Program		7,515	-	-	-	-	-	-	-	-
Corridor Development (Unspend Conditional Grant)		6,483	6,483	(6,483)	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		570	2,100	1,575	38	-	1,050	(1,050)	-100.0%	1,575
		570	2,100	1,575	38	-	1,050	(1,050)	-100.0%	1,575
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
DSR-Sport facilities(Infrastructure)		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		40,065	36,630	23,140	1,785	17,646	19,749	(2,103)	-10.6%	29,623
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		108,467	127,079	113,840	6,499	99,651	72,678	26,973	37.1%	120,323

- The performance in terms of the grant expenditure is poor especially on capital projects. The municipality will improve performance in ensuring that grant are spent as budgeted.

**Table SC12 Capital Expenditure Trend**

## MTUBATUBA LOCAL MUNICIPALITY-MONTHLY BUDGET STATEMENT-2014/15

**KZN275 Mtubatuba - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February**

Month	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	2,879	3,817	3,042	2,420	2,420	3,042	623	20.5%	5%
August	2,879	3,817	3,042	606	3,025	6,085	3,059	50.3%	7%
September	2,879	3,817	3,042	1,005	4,030	9,127	5,097	55.8%	9%
October	2,879	3,817	3,042	3,539	7,569	12,170	4,600	37.8%	17%
November	2,879	3,817	3,042	2,755	10,324	15,212	4,888	32.1%	23%
December	2,879	3,817	3,042	2,024	12,348	18,254	5,906	32.4%	27%
January	2,879	3,817	3,042	1,800	14,148	21,297	7,148	33.6%	31%
February	2,879	3,817	3,042	3,497	17,646	24,339	6,693	27.5%	39%
March	2,879	3,817	3,042			27,382	-		
April	2,879	3,817	3,042			30,424	-		
May	2,879	3,817	3,042			33,466	-		
June	2,879	3,817	3,042			36,509	-		
<b>Total Capital expenditure</b>	<b>34,554</b>	<b>45,807</b>	<b>36,509</b>	<b>17,646</b>					

- The Capital Expenditure trends is low when compared to the budget. The variance to date is 27.5%. There is improvement in the spending of Capital Expenditure when compared to the previous months.

### Quality certificate

I, ....., the municipal manager of

....., hereby certify that (mark as appropriate)

The monthly budget statement

Quarterly report on the implementation of the budget and financial state of affairs of the municipality

Mid-year budget and performance assessment

For the month of ..... of has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Municipal Manager of ..... (Name and demarcation code)

Signature .....

Date .....

**Prepared by: Mr Vukani Kenneth Gumede (Accountant: Budget)**

**Date:** .....

**Signature:** .....

**Reviewed by: Mr T.S Cele (Manager Expenditure and Compliance)**

**Date:** .....

**Signature:** .....

**Approved by: Mr B.M Thusi (Chief Financial Officer)**

**Date:** .....

**Signature:** .....

**Approved by: Mrs N.H Dladla (Acting Municipal Manager)**

**Date:** .....

**Signature:** .....

**Ratify by: Mr B Ndwandwe (Administrator)**

**Date:** .....

**Signature:** .....