

MTUBATUBA



UMASIPALA . MUNICIPALITY . MUNISIPALITEIT

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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**

**31 August 2016**

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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, Act no 56 of 2003) and other requirements as introduced in the Government Gazette No:32141 of 17 April 2009 regarding Municipal Budget and Reporting Regulation (MBRR), 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 Mtubatuba 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 31 August 2016 are summarised below.

**Table C1 Monthly budget Statement Summary**

**KZN275 Mtubatuba - Table C1 Monthly Budget Statement Summary - M02 August**

Description	2015/16	Budget Year 2016/17							
	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	28,739	30,455	-	2,202	4,416	5,076	(659)	-13%	30,455
Service charges	5,087	6,011	-	502	1,005	1,002	4	0%	6,011
Investment revenue	1,678	3,500	-	311	551	583	(32)	-5%	3,500
Transfers recognised - operational	125,824	127,839	-	329	57,498	42,613	14,885	35%	127,839
Other own revenue	11,270	12,646	-	843	1,690	2,108	(418)	-20%	12,646
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>172,598</b>	<b>180,452</b>	<b>-</b>	<b>4,187</b>	<b>65,161</b>	<b>51,382</b>	<b>13,779</b>	<b>27%</b>	<b>180,452</b>
Employee costs	40,495	48,318	-	3,767	7,260	8,053	(793)	-10%	48,318
Remuneration of Councillors	11,801	11,219	-	945	1,879	1,870	9	0%	11,219
Depreciation & asset impairment	21,260	18,500	-	2,058	4,117	3,083	1,034	34%	18,500
Finance charges	66,555	200	-	1	1	33	(32)	-96%	200
Materials and bulk purchases	18,834	18,330	-	498	1,063	3,055	(1,992)	-65%	18,330
Transfers and grants	80	150	-	50	60	25	35	142%	150
Other expenditure	76,891	61,677	-	6,681	11,646	10,279	1,366	13%	61,677
<b>Total Expenditure</b>	<b>235,916</b>	<b>158,395</b>	<b>-</b>	<b>14,000</b>	<b>26,027</b>	<b>26,399</b>	<b>(372)</b>	<b>-1%</b>	<b>158,395</b>
<b>Surplus/(Deficit)</b>	<b>(63,318)</b>	<b>22,057</b>	<b>-</b>	<b>(9,812)</b>	<b>39,134</b>	<b>24,983</b>	<b>14,152</b>	<b>57%</b>	<b>22,057</b>
Transfers recognised - capital	31,348	42,788	-	8,697	4,777	7,131	(2,354)	-33%	42,788
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(31,970)</b>	<b>64,845</b>	<b>-</b>	<b>(1,115)</b>	<b>43,911</b>	<b>32,114</b>	<b>11,797</b>	<b>37%</b>	<b>64,845</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(31,970)</b>	<b>64,845</b>	<b>-</b>	<b>(1,115)</b>	<b>43,911</b>	<b>32,114</b>	<b>11,797</b>	<b>37%</b>	<b>64,845</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>48,956</b>	<b>58,590</b>	<b>-</b>	<b>10,083</b>	<b>13,620</b>	<b>9,765</b>	<b>3,855</b>	<b>39%</b>	<b>58,590</b>
Capital transfers recognised	31,349	42,788	-	10,033	10,741	7,131	3,610	51%	42,788
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	17,608	15,802	-	50	2,879	2,634	245	9%	15,802
<b>Total sources of capital funds</b>	<b>48,956</b>	<b>58,590</b>	<b>-</b>	<b>10,083</b>	<b>13,620</b>	<b>9,765</b>	<b>3,855</b>	<b>39%</b>	<b>58,590</b>
<b>Financial position</b>									
Total current assets	49,891	83,226	-	-	86,104	-	-	-	83,226
Total non current assets	368,753	372,645	-	-	375,797	-	-	-	372,645
Total current liabilities	25,460	16,724	-	-	28,349	-	-	-	16,724
Total non current liabilities	25,432	11,901	-	-	25,464	-	-	-	11,901
<b>Community wealth/Equity</b>	<b>367,752</b>	<b>427,246</b>	<b>-</b>	<b>-</b>	<b>408,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>427,246</b>
<b>Cash flows</b>									
Net cash from (used) operating	53,314	70,334	-	(830)	55,821	40,160	(15,661)	-39%	70,334
Net cash from (used) investing	(48,956)	(58,590)	-	(10,083)	(13,620)	(9,765)	3,855	-39%	(58,590)
Net cash from (used) financing	(2,042)	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>16,161</b>	<b>25,868</b>	<b>-</b>	<b>-</b>	<b>58,362</b>	<b>44,519</b>	<b>(13,843)</b>	<b>-31%</b>	<b>27,905</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	4,079	6,546	1,771	2,581	2,564	960	51,977	17,619	88,096
<b>Creditors Age Analysis</b>									
Total Creditors	2,773	(2,546)	61	-	-	-	250	-	538

Table C1 summarises the Revenue and Expenditure Operational, Capital Expenditure and Source of Funding, Financial Position, Cash Flow, Aged Debtors and Aged Creditors.

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

KZN275 Mtubatuba - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M02 August

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		<b>78,131</b>	<b>108,104</b>	-	<b>3,206</b>	<b>56,499</b>	<b>18,017</b>	38,482	214%	<b>40,583</b>
Executive and council		12,943	30,583	-	-	-	5,097	(5,097)	-100%	30,583
Budget and treasury office		52,245	67,521	-	3,206	56,499	11,253	45,246	402%	-
Corporate services		12,943	10,000	-	-	-	1,667	(1,667)	-100%	10,000
<i><b>Community and public safety</b></i>		<b>49,688</b>	<b>25,950</b>	-	<b>416</b>	<b>833</b>	<b>4,325</b>	(3,492)	-81%	<b>25,950</b>
Community and social services		32,917	16,086	-	222	449	2,681	(2,232)	-83%	16,086
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		16,771	9,864	-	194	384	1,644	(1,260)	-77%	9,864
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>59,748</b>	<b>72,581</b>	-	<b>8,927</b>	<b>11,936</b>	<b>12,097</b>	(161)	-1%	<b>72,581</b>
Planning and development		12,943	6,870	-	6,830	6,834	1,145	5,689	497%	6,870
Road transport		46,805	65,711	-	2,097	5,102	10,952	(5,850)	-53%	65,711
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>16,379</b>	<b>16,604</b>	-	<b>335</b>	<b>670</b>	<b>2,767</b>	(2,097)	-76%	<b>16,604</b>
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		16,379	16,604	-	335	670	2,767	(2,097)	-76%	16,604
<i><b>Other</b></i>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Standard</b>	<b>2</b>	<b>203,946</b>	<b>223,240</b>	<b>-</b>	<b>12,884</b>	<b>69,938</b>	<b>37,207</b>	<b>32,732</b>	<b>88%</b>	<b>155,719</b>
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		<b>94,372</b>	<b>89,452</b>	-	<b>6,378</b>	<b>10,241</b>	<b>14,909</b>	(4,668)	-31%	<b>44,196</b>
Executive and council		27,083	28,881	-	2,755	4,875	4,814	61	1%	28,881
Budget and treasury office		55,358	45,255	-	2,830	3,980	7,543	(3,563)	-47%	-
Corporate services		11,932	15,315	-	792	1,386	2,552	(1,166)	-46%	15,315
<i><b>Community and public safety</b></i>		<b>31,187</b>	<b>25,716</b>	-	<b>3,849</b>	<b>8,644</b>	<b>4,286</b>	4,358	102%	<b>25,716</b>
Community and social services		21,280	20,001	-	3,107	7,164	3,333	3,831	115%	20,001
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		9,907	5,716	-	742	1,479	953	527	55%	5,716
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>32,385</b>	<b>28,622</b>	-	<b>2,723</b>	<b>5,364</b>	<b>4,770</b>	593	12%	<b>28,622</b>
Planning and development		7,882	7,351	-	354	487	1,225	(738)	-60%	7,351
Road transport		24,503	21,271	-	2,369	4,877	3,545	1,331	38%	21,271
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>18,072</b>	<b>14,604</b>	-	<b>1,050</b>	<b>1,738</b>	<b>2,434</b>	(696)	-29%	<b>14,604</b>
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		18,072	14,604	-	1,050	1,738	2,434	(696)	-29%	14,604
<i><b>Other</b></i>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>176,016</b>	<b>158,395</b>	<b>-</b>	<b>14,000</b>	<b>25,987</b>	<b>26,399</b>	<b>(412)</b>	<b>-2%</b>	<b>113,139</b>
<b>Surplus/ (Deficit) for the year</b>		<b>27,930</b>	<b>64,845</b>	<b>-</b>	<b>(1,115)</b>	<b>43,952</b>	<b>10,808</b>	<b>33,144</b>	<b>307%</b>	<b>42,579</b>

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.

**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) - M02 August

Vote Description	Ref	2015/16	Budget Year 2016/17							
		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	12,943	30,583	-	-	-	5,097	(5,097)	-100.0%	30,583
Vote 2 - Budget and Treasury		52,245	67,521	-	3,206	56,499	11,253	45,246	402.1%	67,521
Vote 3 - Corporate Services		12,943	10,000	-	-	-	1,667	(1,667)	-100.0%	10,000
Vote 4 - Community Services		19,809	12,277	-	189	385	2,046	(1,662)	-81.2%	12,277
Vote 5 - Libraries and archives		13,107	3,810	-	32	65	635	(570)	-89.8%	3,810
Vote 6 - Planning and Economic Development		12,943	6,870	-	6,830	6,834	1,145	5,689	496.8%	6,870
Vote 7 - Roads		46,805	65,711	-	2,097	5,102	10,952	(5,850)	-53.4%	65,711
Vote 8 - Licences and permits		16,771	9,864	-	194	384	1,644	(1,260)	-76.7%	9,864
Vote 9 - Solid Waste		16,379	16,604	-	335	670	2,767	(2,097)	-75.8%	16,604
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>203,946</b>	<b>223,240</b>	<b>-</b>	<b>12,884</b>	<b>69,938</b>	<b>37,207</b>	<b>32,732</b>	<b>88.0%</b>	<b>223,240</b>
<b>Expenditure by Vote</b>										
Vote 1 - Executive and council	1	27,083	28,881	-	2,755	4,875	4,814	61	1.3%	28,881
Vote 2 - Budget and Treasury		55,358	45,255	-	2,830	3,980	7,543	(3,563)	-47.2%	45,255
Vote 3 - Corporate Services		11,932	15,315	-	792	1,386	2,552	(1,166)	-45.7%	15,315
Vote 4 - Community Services		15,281	16,039	-	2,861	6,701	2,673	4,028	150.7%	16,039
Vote 5 - Libraries and archives		5,999	3,961	-	246	464	660	(197)	-29.8%	3,961
Vote 6 - Planning and Economic Development		7,882	7,351	-	354	487	1,225	(738)	-60.3%	7,351
Vote 7 - Roads		24,503	21,271	-	2,369	4,877	3,545	1,331	37.6%	21,271
Vote 8 - Licences and permits		9,907	5,716	-	742	1,479	953	527	55.3%	5,716
Vote 9 - Solid Waste		18,072	14,604	-	1,050	1,738	2,434	(696)	-28.6%	14,604
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>176,016</b>	<b>158,395</b>	<b>-</b>	<b>14,000</b>	<b>25,987</b>	<b>26,399</b>	<b>(412)</b>	<b>-1.6%</b>	<b>158,395</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>27,930</b>	<b>64,845</b>	<b>-</b>	<b>(1,115)</b>	<b>43,952</b>	<b>10,808</b>	<b>33,144</b>	<b>306.7%</b>	<b>64,845</b>

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.

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

**KZN275 Mtubatuba - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August**

Description	Ref	2015/16	Budget Year 2016/17							
		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		28,739	30,455		2,202	4,416	5,076	(659)	-13%	30,455
Property rates - penalties & collection charges		-	-		-	-	-	-	-	-
Service charges - electricity revenue		-	-		-	-	-	-	-	-
Service charges - water revenue		-	-		-	-	-	-	-	-
Service charges - sanitation revenue		-	-		-	-	-	-	-	-
Service charges - refuse revenue		3,436	4,051		335	670	675	(5)	-1%	4,051
Service charges - other		1,650	1,961		167	335	327	8	3%	1,961
Rental of facilities and equipment		214	206		23	41	34	6	18%	206
Interest earned - external investments		1,678	3,500		311	551	583	(32)	-5%	3,500
Interest earned - outstanding debtors		6,153	7,302		620	1,241	1,217	24	2%	7,302
Dividends received		-	-		-	-	-	-	-	-
Fines		1,645	1,356		-	0	226	(226)	-100%	1,356
Licences and permits		2,348	3,336		194	384	556	(172)	-31%	3,336
Agency services		-	-		-	-	-	-	-	-
Transfers recognised - operational		125,824	127,839		329	55,271	42,613	12,658	30%	127,839
Other revenue		911	445		6	25	74	(49)	-66%	445
Gains on disposal of PPE		-	-		-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>172,598</b>	<b>180,452</b>	<b>-</b>	<b>4,187</b>	<b>62,935</b>	<b>51,382</b>	<b>11,553</b>	<b>22%</b>	<b>180,452</b>
<b>Expenditure By Type</b>										
Employee related costs		40,495	48,318		3,767	7,260	8,053	(793)	-10%	48,318
Remuneration of councillors		11,801	11,219		945	1,879	1,870	9	0%	11,219
Debt impairment		17,536	9,124		(50)	174	1,521	(1,347)	-89%	9,124
Depreciation & asset impairment		21,260	18,500		2,058	4,117	3,083	1,034	34%	18,500
Finance charges		66,555	200		1	1	33	(32)	-96%	200
Bulk purchases		-	-		-	-	-	-	-	-
Other materials		18,834	18,330		498	1,063	3,055	(1,992)	-65%	18,330
Contracted services		16,747	18,817		1,388	2,436	3,136	(700)	-22%	18,817
Transfers and grants		80	150		50	60	25	35	142%	150
Other expenditure		35,687	33,735		5,343	9,036	5,623	3,414	61%	33,735
Loss on disposal of PPE		6,921	-		-	-	-	-	-	-
<b>Total Expenditure</b>		<b>235,916</b>	<b>158,395</b>	<b>-</b>	<b>14,000</b>	<b>26,027</b>	<b>26,399</b>	<b>(372)</b>	<b>-1%</b>	<b>158,395</b>
<b>Surplus/(Deficit)</b>										
Transfers recognised - capital		31,348	42,788		8,697	4,777	7,131	(2,354)	(0)	42,788
Contributions recognised - capital		-	-		-	-	-	-	-	-
Contributed assets		-	-		-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(31,970)</b>	<b>64,845</b>	<b>-</b>	<b>(1,115)</b>	<b>41,685</b>	<b>32,114</b>			<b>64,845</b>
Taxation		-	-		-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(31,970)</b>	<b>64,845</b>	<b>-</b>	<b>(1,115)</b>	<b>41,685</b>	<b>32,114</b>			<b>64,845</b>
Attributable to minorities		-	-		-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(31,970)</b>	<b>64,845</b>	<b>-</b>	<b>(1,115)</b>	<b>41,685</b>	<b>32,114</b>			<b>64,845</b>
Share of surplus/ (deficit) of associate		-	-		-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(31,970)</b>	<b>64,845</b>	<b>-</b>	<b>(1,115)</b>	<b>41,685</b>	<b>32,114</b>			<b>64,845</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 Service Charge: Refuse, Service Charge: Other, Interest Earned: External Investments and Interest earned: Outstanding Debtors. The following income components have the variances:

### **Property Rates**

- Property Rates reflect an adverse variance of 13 percent which equals to R659 000. This is because it the start of the financial year. The Municipality will monitor performance in this line item.

### **Rentals of Facilities and Equipment**

- Rentals of Facilities reflect a favourable variance of 18 percent and a rand value of R6 000. This is because of upgrade of community facilities that attracts more customers. The municipality will monitors performance in this line item.

### **Fines**

- Fines reflect an adverse variance of 100 percent and rand value of R226 000, this is due to Traffic fines being accounted for at year end. Fines include both traffic and library fines. The municipality will monitor performance in this line item.

### **Licence and Permits**

- Licence and permits has an adverse variance of 31 percent and a rand value of R172 000. This is due to less numbers of applicants in past two months than anticipated number of license and permit compared to actual. The municipality will monitor performance.

### **Transfers Recognised-Operating**

- Transfers recognised operating reflect a favourable variance of 30 percent and a rand value of R12 658 000. This is due to a more than anticipated transfers of equitable share, Expanded public works, Provincialization of Libraries Grant and once of receipts of Finance Management Grant.

### **Other Revenue**

- Other Revenue reflect an adverse variance of 66 percent and rand value of R49 000. Other revenue is a combination of building plan fees, burial fees, rates clearance certificate, sale of documents and search fees. All of the above mention items are non-recurring transaction and the income receipt from other revenue is fluctuating on the month to month basis. The municipality will monitor performance in this line item.



There were no material variance in the expenditure component of Remuneration of councillors. The following expenditure components has the variances.

**Employee Related Costs**

- Employee Related Cost has a favourable variance of 10 percent and a rand value of R793 000. This is because it the start of the financial year and budget vacant post are not yet filled. The Municipality will monitor performance.

**Debt Impairment**

- Debt impairment reflect a favourable variance of 89 percent which amounts to R1 347 000. The Municipality thoroughly reviews and perform debt impairment at year end.

**Depreciation and Assets Impairment**

- Depreciation and Assets Impairment reflect an adverse variance of 34 percent and a rand value of R1 034 000. This due to actual depreciation cost being lower than anticipated owing to assets completed and capitalized at year end. The municipality will monitor performance.

**Finance Charges**

- Finance charges reflect a favourable variance of 96 percent and a rand value of R32 000. Finance cost relates bank charges in all municipal accounts. The municipality will monitor performance in this line item.

**Other Material**

- Other Material reflect a favourable variance of 65 percent and a rand value of R1 992 000. This is due to repairs and maintenance cost being lower than forecast as we await procurement processes to unfold.

**Contracted Services**

- Contracted services has a favourable variance of 22 percent and a rand value of R700 000. This is due to the new council coming in and only appointing the VIP protection services later in the month of August.

**Transfers and Grants**

- Transfers and Grants reflect an adverse variance of 142 percent and a rand value of R35 000. Transfers and Grants relate to free basic electricity provided to Mtubatuba residents as per Eskom listing.

## Other Expenditure

- Other Expenditure has an adverse variance of 61 percent and a rand value of R3 414 000. Some of other expenditure relate to commitments raised at year end. The municipality will monitor performance in this line item.

**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) - M02 August

Vote Description	Ref	2015/16	Budget Year 2016/17							
		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>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		-	1,800	-	-	-	300	(300)	-100%	1,800
Vote 2 - Budget and Treasury		-	200	-	-	-	33	(33)	-100%	200
Vote 3 - Corporate Services		1,984	1,050	-	50	183	175	8	5%	1,050
Vote 4 - Community Services		4,681	3,430	-	-	1,980	572	1,408	246%	3,430
Vote 5 - Libraries and archives		-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 7 - Roads		36,382	49,460	-	10,033	11,457	8,243	3,213	39%	49,460
Vote 8 - Licences and permits		363	650	-	-	-	108	(108)	-100%	650
Vote 9 - Solid Waste		5,547	2,000	-	-	-	333	(333)	-100%	2,000
<b>Total Capital single-year expenditure</b>	4	<b>48,956</b>	<b>58,590</b>	<b>-</b>	<b>10,083</b>	<b>13,620</b>	<b>9,765</b>	<b>3,855</b>	<b>39%</b>	<b>58,590</b>
<b>Total Capital Expenditure</b>		<b>48,956</b>	<b>58,590</b>	<b>-</b>	<b>10,083</b>	<b>13,620</b>	<b>9,765</b>	<b>3,855</b>	<b>39%</b>	<b>58,590</b>

The municipality is in line in expenditure on capital project. The significant amount spend this month was for electrification project and municipal infrastructure grant. Other capital expenditure are undergoing SCM processes.

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

**KZN275 Mtubatuba - Table C6 Monthly Budget Statement - Financial Position - M02 August**

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		14,471	5,868		3,389	5,868
Call investment deposits		1,690	20,000		54,973	20,000
Consumer debtors		23,309	57,359		23,938	57,359
Other debtors		1,088	-		3,803	-
Current portion of long-term receivables		9,333	-		-	-
Inventory		-	-		-	-
<b>Total current assets</b>		<b>49,891</b>	<b>83,226</b>	<b>-</b>	<b>86,104</b>	<b>83,226</b>
<b>Non current assets</b>						
Long-term receivables		-	-		-	-
Investments		-	-		-	-
Investment property		44,448	45,832		41,936	45,832
Investments in Associate		-	-		-	-
Property, plant and equipment		323,101	326,387		333,541	326,387
Agricultural		-	-		-	-
Biological assets		-	-		-	-
Intangible assets		179	165		155	165
Other non-current assets		1,025	262		165	262
<b>Total non current assets</b>		<b>368,753</b>	<b>372,645</b>	<b>-</b>	<b>375,797</b>	<b>372,645</b>
<b>TOTAL ASSETS</b>		<b>418,644</b>	<b>455,872</b>	<b>-</b>	<b>461,900</b>	<b>455,872</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-		-	-
Borrowing		49	100		49	100
Consumer deposits		836	-		3,044	-
Trade and other payables		24,511	7,500		13,178	7,500
Provisions		64	9,124		12,077	9,124
<b>Total current liabilities</b>		<b>25,460</b>	<b>16,724</b>	<b>-</b>	<b>28,349</b>	<b>16,724</b>
<b>Non current liabilities</b>						
Borrowing		-	-		-	-
Provisions		25,432	11,901		25,464	11,901
<b>Total non current liabilities</b>		<b>25,432</b>	<b>11,901</b>	<b>-</b>	<b>25,464</b>	<b>11,901</b>
<b>TOTAL LIABILITIES</b>		<b>50,892</b>	<b>28,625</b>	<b>-</b>	<b>53,813</b>	<b>28,625</b>
<b>NET ASSETS</b>	2	<b>367,752</b>	<b>427,246</b>	<b>-</b>	<b>408,088</b>	<b>427,246</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		367,752	427,246		408,088	427,246
Reserves		-	-		-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>367,752</b>	<b>427,246</b>	<b>-</b>	<b>408,088</b>	<b>427,246</b>

The above statement of financial position show the net decrease in community wealth or Equity by 4 percent when compared to the approved budget. The decrease is insignificant.

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

KZN275 Mtubatuba - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2015/16		Budget Year 2016/17						
		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>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges		16,482	18,273		1,416	2,801	3,046	(245)	-8%	18,273
Service charges		2,828	3,607		184	434	601	(167)	-28%	3,607
Other revenue		2,862	3,636		223	449	606	(157)	-26%	3,636
Government - operating		125,824	127,839		3,620	55,271	42,613	12,658	30%	127,839
Government - capital		31,348	42,788		-	14,485	14,263	222	2%	42,788
Interest		1,678	2,450		457	698	408	289	71%	2,450
Dividends		-	-		-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(120,962)	(127,909)		(6,680)	(18,266)	(21,318)	(3,052)	14%	(127,909)
Finance charges		(6,655)	(200)		(1)	(1)	(33)	(32)	96%	(200)
Transfers and Grants		(91)	(150)		(50)	(50)	(25)	25	-98%	(150)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>53,314</b>	<b>70,334</b>	<b>-</b>	<b>(830)</b>	<b>55,821</b>	<b>40,160</b>	<b>(15,661)</b>	<b>-39%</b>	<b>70,334</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-		-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-		-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-		-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-		-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(48,956)	(58,590)		(10,083)	(13,620)	(9,765)	3,855	-39%	(58,590)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(48,956)</b>	<b>(58,590)</b>	<b>-</b>	<b>(10,083)</b>	<b>(13,620)</b>	<b>(9,765)</b>	<b>3,855</b>	<b>-39%</b>	<b>(58,590)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-		-	-	-	-	-	-
Borrowing long term/refinancing		-	-		-	-	-	-	-	-
Increase (decrease) in consumer deposits		181	-		-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		(2,223)	-		-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(2,042)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>2,316</b>	<b>11,744</b>	<b>-</b>	<b>(10,914)</b>	<b>42,201</b>	<b>30,395</b>			<b>11,744</b>
Cash/cash equivalents at beginning:		13,845	14,124			16,161	14,124			16,161
Cash/cash equivalents at month/year end:		16,161	25,868			58,362	44,519			27,905

The above table reflect the statement of Cash flow of the municipality. The Municipality's Cash flow position has decrease by 16 percent in August when compared to July closing cash balance. This is because major expenditure on capital projects.

**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 - M02 August

Summary of Employee and Councillor remuneration	Ref	2015/16		Budget Year 2016/17						
		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		8,224	7,636		649	1,203	1,273	(69)	-5%	7,636
Pension and UIF Contributions		-	-		-	-	-	-		-
Medical Aid Contributions		-	-		-	-	-	-		-
Motor Vehicle Allowance		2,629	2,629		216	518	438	80	18%	2,629
Cellphone Allowance		954	954		80	158	159	(1)	-1%	954
Housing Allowances		-	-		-	-	-	-		-
Other benefits and allowances		-	-		-	-	-	-		-
<b>Sub Total - Councillors</b>		<b>11,807</b>	<b>11,219</b>	<b>-</b>	<b>945</b>	<b>1,879</b>	<b>1,870</b>	<b>9</b>	<b>0%</b>	<b>11,219</b>
<b>% increase</b>	4		<b>-5.0%</b>							<b>-5.0%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		1,663	5,163		106	209	861	(652)	-76%	5,163
Pension and UIF Contributions		91	91		-	-	15	(15)	-100%	91
Medical Aid Contributions		-	-		6	11	-	11	#DIV/0!	-
Overtime		-	-		-	-	-	-		-
Performance Bonus		-	-		-	-	-	-		-
Motor Vehicle Allowance		386	386		27	66	64	1	2%	386
Cellphone Allowance		51	51		2	4	9	(4)	-52%	51
Housing Allowances		188	188		13	25	31	(7)	-21%	188
Other benefits and allowances		203	203		13	71	34	37	109%	203
Payments in lieu of leave		-	-		-	-	-	-		-
Long service awards		-	-		-	-	-	-		-
Post-retirement benefit obligations		-	-		-	-	-	-		-
<b>Sub Total - Senior Managers of Municipality</b>		<b>2,583</b>	<b>6,083</b>	<b>-</b>	<b>166</b>	<b>385</b>	<b>1,014</b>	<b>(629)</b>	<b>-62%</b>	<b>6,083</b>
<b>% increase</b>	4		<b>135.5%</b>							<b>135.5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		21,671	24,671		2,734	4,902	4,112	790	19%	24,671
Pension and UIF Contributions		2,767	5,767		60	363	361	2	0%	5,767
Medical Aid Contributions		1,861	2,861		58	361	477	(116)	-24%	2,861
Overtime		850	850		293	504	142	362	256%	850
Performance Bonus		2,383	2,383		-	-	-	-		2,383
Motor Vehicle Allowance		2,277	2,696		231	490	449	41	9%	2,696
Cellphone Allowance		4	4		1	1	1	1	76%	4
Housing Allowances		790	790		33	65	132	(67)	-51%	790
Other benefits and allowances		4,197	8,197		151	189	1,349	(1,160)	-86%	8,197
Payments in lieu of leave		-	-		-	-	-	-		-
Long service awards		100	100		-	-	17	(17)	-100%	100
Post-retirement benefit obligations		-	-		-	-	-	-		-
<b>Sub Total - Other Municipal Staff</b>		<b>36,900</b>	<b>48,318</b>	<b>-</b>	<b>3,562</b>	<b>6,875</b>	<b>7,039</b>	<b>(164)</b>	<b>-2%</b>	<b>48,318</b>
<b>% increase</b>	4		<b>30.9%</b>							<b>30.9%</b>
<b>Total Parent Municipality</b>		<b>51,290</b>	<b>65,621</b>	<b>-</b>	<b>4,673</b>	<b>9,138</b>	<b>9,923</b>	<b>(784)</b>	<b>-8%</b>	<b>65,621</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										

The above table depict the councillors and staff benefits. There were no variance material variance in councillor allowance. Employee related cost has a variance and was explained under table C4 on page nine.

**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
2017	M02	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	3,195,984	5,128,760	1,387,457	2,022,513	2,008,707	752,402	40,726,360	13,805,546	69,027,729	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	666,286	1,069,223	289,251	421,645	418,767	156,858	8,490,463	2,878,123	14,390,616	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	216,587	347,569	94,026	137,063	136,127	50,989	2,759,968	935,583	4,677,912	0	0
			2000	Total By Income Source	4,078,857	6,545,552	1,770,734	2,581,221	2,563,601	960,249	51,976,791	17,619,252	88,096,257	0	0
			2100	Debtors Age Analysis By Customer Group											
			2200	Organs of State	136,734	219,425	59,360	86,530	85,939	32,190	1,742,404	590,645	2,953,227	0	0
			2300	Commercial	522,588	838,624	226,869	330,709	328,452	123,028	6,659,333	2,257,401	11,287,004	0	0
			2400	Households	2,497,904	4,008,516	1,084,403	1,580,747	1,569,957	588,060	31,830,745	10,790,082	53,950,414	0	0
			2500	Other	921,631	1,478,987	400,102	583,235	579,253	216,971	11,744,309	3,981,124	19,905,612	0	0
			2600	Total By Customer Group	4,078,857	6,545,552	1,770,734	2,581,221	2,563,601	960,249	51,976,791	17,619,252	88,096,257	0	0

- The percentage of debtors sitting from 90 days to over a year is 86 percent. Long outstanding debtors are as a result of no write-off of long outstanding debtors arising from the past financial years and no revenue manager. A single reason alone as mention above has much impact on 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
2017	M02	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	2,773,390	-2,545,980	61,008	0	0	0	249,808	0	538,226
			0800	Auditor General	0	0	0	0	0	0	0	0	0
			0900	Other	0	0	0	0	0	0	0	0	0
			1000	Total	2,773,390	-2,545,980	61,008	0	0	0	249,808	0	538,226

- The percentage of creditors sitting at more than 90 days is 54 percent. The Municipality is trying by all mean to settle those creditors sitting at more than 90 days.

**Table SC5 Investment Portfolio Analysis**

**KZN275 Mtubatuba - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August**

Investments by maturity Name of institution & investment ID	Ref	Period of	Type of	Expiry date	Accrued	Yield for the	Market	Change in	Market
		Investment	Investment	of	interest for	month 1	value at	market	value at end
R thousands		Yrs/Months		investment	the month	(%)	beginning	value	of the
							of the		month
							month		
<b>Municipality</b>									
FNB Fixed Deposit		1 year	Security	0	-		192	-	192
FNB Money Market 1		1 year	Call Account	0	12		1,277	-	1,289
FNB Money Market 2		1 year	Call Account	0	363		42,970	5,000	38,333
FNB Money Market 3		1 year	Call Account	0	0		32	-	32
Investec Fixed Deposit		1 year	Call Account	0	51		5,000	-	5,051
Ithala Corporate Fixed Deposit		1 year	Call Account	0	45		5,000	-	5,045
Nedbank Limited Investment		1 year	Call Account	0	31		5,000	-	5,031
<b>Municipality sub-total</b>					502		59,471	5,000	54,973

- The municipality has invested more cash when compared to the approved budget. This is because of the continued positive cash flows. The Municipality has opened new investment portfolio with Investec, Ithala Corporate Bank and Nedbank Limited this is in line with the municipal cash and investment policy and has positive yield on interest rates. Interest from investment will be used to fund other project and improve service delivery for Mtubatuba communities.

### Table SC6 Transfers and Grants Receipts

KZN275 Mtubatuba - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		121,731	125,076	-	2,177	53,828	13,485	40,109	297.4%	125,076
Local Government Equitable Share		116,487	120,328		-	50,136	10,027	40,109	400.0%	120,328
Finance Management		1,800	1,825		1,825	1,825	1,825			1,825
Municipal Systems Improvement		930	-		-	-	-			-
Energy Efficiency and Demand Management		86	-		-	-	-			-
EPWP Incentive		1,000	1,408		352	352	117			1,408
Municipal Infrastructure Grant Operational	3	1,428	1,515		-	1,515	1,515	-		1,515
Sport Caretaker		-	-		-	-	-			-
<b>Provincial Government:</b>		4,093	2,763	-	1,443	1,443	230	328	142.5%	2,763
Community Library Service		362	358		358	358	30	328	1100.0%	358
Provincialisation Of Libraries		2,378	2,405		1,085	1,085	200			2,405
Department of Sport Caretakers		1,353								
Other transfers and grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	125,824	127,839	-	3,620	55,271	13,715	40,437	294.8%	127,839
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		31,348	42,788	-	-	14,485	14,485	-		42,788
Municipal Infrastructure Grant (MIG)		29,348	28,788		-	6,485	6,485			28,788
National Electrification Programme		2,000	14,000		-	8,000	8,000			14,000
Energy Efficiency and Demand Management		-	-		-	-	-			-
Other capital transfers [insert description]		-	-		-	-	-			-
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	31,348	42,788	-	-	14,485	14,485	-		42,788
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	157,172	170,627	-	3,620	69,756	28,200	40,437	143.4%	170,627

- The Municipality has received the operational grant of EPWP, FMG and Provincialization of Libraries Grant in August. Other operational grants for. The next scheduled receipts of grants will be in November 2016.



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

KZN275 Mtubatuba - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2015/16	Budget Year 2016/17							
		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>		121,731	125,076	-	7,872	22,025	20,846	1,179	5.7%	125,076
Local Government Equitable Share		116,487	120,328		7,574	21,430	20,055	1,375	6.9%	120,328
Finance Management		1,800	1,825		67	142	304	(162)	-53.3%	1,825
Municipal Systems Improvement		930	-		-	-	-	-		-
Energy Efficiency and Demand Management		86	-		-	-	-	-		-
EPWP Incentive		1,000	1,408		166	325	235	90	38.4%	1,408
Municipal Infrastructure Grant Operational		1,428	1,515		64	128	253	(124)	-49.2%	1,515
Sport Caretaker		-	-		-	-	-	-		-
<b>Provincial Government:</b>		4,093	2,763	-	246	464	461	5	1.1%	2,763
Community Library Service		362	358		32	65	60	5	8.2%	358
Department of Sport Caretakers		2,378	2,405		214	399	401			2,405
Other transfers and grants [insert description]		1,353	-		-	-	-	-		-
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]		-	-		-	-	-	-		-
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
[insert description]		-	-		-	-	-	-		-
<b>Total operating expenditure of Transfers and Grants:</b>		125,824	127,839	-	8,117	22,488	21,307	1,184	5.6%	127,839
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		31,348	42,788	-	8,697	9,404	7,131	2,273	31.9%	42,788
Municipal Infrastructure Grant (MIG)		29,348	28,788		1,867	2,574	4,798	(2,224)	-46.3%	28,788
#REF!		2,000	14,000		6,830	6,830	2,333	4,497	192.7%	14,000
Other capital transfers [insert description]		-	-		-	-	-	-		-
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
		-	-		-	-	-	-		-
		-	-		-	-	-	-		-
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
		-	-		-	-	-	-		-
		-	-		-	-	-	-		-
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
		-	-		-	-	-	-		-
		-	-		-	-	-	-		-
<b>Total capital expenditure of Transfers and Grants</b>		31,348	42,788	-	8,697	9,404	7,131	2,273	31.9%	42,788
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		157,172	170,627	-	16,814	31,893	28,438	3,457	12.2%	170,627

- There is improvement in performance of both operational and conditional grant expenditure. The Municipality will ensure that conditional are spent as budgeted to avoid withholdings of funds.

**Table SC12 Capital Expenditure Trend**

KZN275 Mtubatuba - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

Month	2015/16	Budget Year 2016/17							
	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	4,080	4,883		3,536	3,536	4,883	1,346	27.6%	6%
August	4,080	4,883		10,083	13,620	9,765	(3,855)	-39.5%	23%
September	4,080	4,883		-		14,648	-		
October	4,080	4,883		-		19,530	-		
November	4,080	4,883		-		24,413	-		
December	4,080	4,883		-		29,295	-		
January	4,080	4,883		-		34,178	-		
February	4,080	4,883		-		39,060	-		
March	4,080	4,883		-		43,943	-		
April	4,080	4,883		-		48,825	-		
May	4,080	4,883		-		53,708	-		
June	4,080	4,883		-		58,590	-		
<b>Total Capital expenditure</b>	<b>48,956</b>	<b>58,590</b>	<b>-</b>	<b>13,620</b>					

- The above table depict capital expenditure for the month of July and August 2016. There is improvement in the spending in August.

MTUBATUBA



UMASIPALA . MUNICIPALITY . MUNISIPALITEIT

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



52 Mtubatuba 3935



(035) 550 0069



Fax (035) 550 0060

## 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 .....

MTUBATUBA



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52 Mtubatuba 3935



(035) 550 0069



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July 2016

Prepared by: Mr V.K Gumede (Accountant: Budget, Compliance and Reporting)

Date: .....

Signature: .....

Reviewed by: Mrs T.S Cele (Manager: Expenditure, Compliance and Reporting)

Date: .....

Signature: .....

Approved by: Mrs S.Z Soji (Acting Chief Financial Officer)

Date: .....

Signature: .....

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

Date: .....

Signature: .....

Received by Cllr M.Q Mkhwanazi' (Mayor)

Date: .....

Signature: .....