

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 July 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 July 2016 are summarised below.

Table C1 Monthly budget Statement Summary

KZN275 Mtubatuba - Table C1 Monthly Budget Statement Summary - M01 July

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
R thousands									
Financial Performance									
Property rates	-	30,455	-	2,214	2,214	2,538	(324)	-13%	30,455
Service charges	-	6,011	-	503	503	501	2	0%	6,011
Investment revenue	-	3,500	-	241	241	292	(51)	-18%	3,500
Transfers recognised - operational	-	127,839	-	51,982	51,982	10,653	41,328	388%	127,839
Other own revenue	-	12,646	-	847	847	1,054	(206)	-20%	12,646
Total Revenue (excluding capital transfers and contributions)	-	180,452	-	55,787	55,787	15,038	40,749	271%	180,452
Employee costs	-	48,318	-	3,496	3,496	4,027	(530)	-13%	48,318
Remuneration of Councillors	-	11,219	-	933	933	935	(1)	-0%	11,219
Depreciation & asset impairment	-	18,500	-	-	-	1,542	(1,542)	-100%	18,500
Finance charges	-	200	-	0	0	17	(16)	-99%	200
Materials and bulk purchases	-	18,330	-	5,020	5,020	1,528	3,493	229%	18,330
Transfers and grants	-	150	-	-	-	13	(13)	-100%	150
Other expenditure	-	61,677	-	7,619	7,619	5,140	2,479	48%	61,677
Total Expenditure	-	158,395	-	17,070	17,070	13,200	3,870	29%	158,395
Surplus/(Deficit)	-	22,057	-	38,717	38,717	1,838	36,879	2006%	22,057
Transfers recognised - capital	-	42,788	-	17,267	17,267	3,566	13,701	384%	42,788
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	64,845	-	55,984	55,984	5,404	50,580	936%	64,845
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	64,845	-	55,984	55,984	5,404	50,580	936%	64,845
Capital expenditure & funds sources									
Capital expenditure	-	58,590	-	3,536	3,536	4,883	(1,346)	-28%	58,590
Capital transfers recognised	-	42,788	-	707	707	3,566	(2,858)	-80%	42,788
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	15,802	-	2,829	2,829	1,317	1,512	115%	15,802
Total sources of capital funds	-	58,590	-	3,536	3,536	4,883	(1,346)	-28%	58,590
Financial position									
Total current assets	-	83,226	-	-	95,710	-	-	-	83,226
Total non current assets	-	372,645	-	-	390,275	-	-	-	372,645
Total current liabilities	-	16,724	-	-	11,834	-	-	-	16,724
Total non current liabilities	-	11,901	-	-	18,780	-	-	-	11,901
Community wealth/Equity	-	427,246	-	-	455,371	-	-	-	427,246
Cash flows									
Net cash from (used) operating	-	70,334	-	56,696	56,696	48,518	(8,178)	-17%	70,334
Net cash from (used) investing	-	(58,590)	-	(3,536)	(3,536)	(4,883)	(1,346)	28%	(58,590)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	25,868	-	-	69,276	57,759	(11,517)	-20%	27,861
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	3,623	5,814	1,573	2,293	2,277	853	46,169	15,651	78,253
Creditors Age Analysis									
Total Creditors	1,368	257	17	18	-	-	253	-	1,912

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) - M01 July

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
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		-	108,104	-	53,293	53,293	9,009	44,284	492%	40,583
Executive and council		-	30,583	-	-	-	2,549	(2,549)	-100%	30,583
Budget and treasury office		-	67,521	-	53,293	53,293	5,627	47,666	847%	-
Corporate services		-	10,000	-	-	-	833	(833)	-100%	10,000
<i>Community and public safety</i>		-	25,950	-	417	417	2,163	(1,745)	-81%	25,950
Community and social services		-	16,086	-	228	228	1,341	(1,113)	-83%	16,086
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	9,864	-	189	189	822	(633)	-77%	9,864
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	72,581	-	19,008	19,008	33,428	(14,420)	-43%	72,581
Planning and development		-	6,870	-	3	3	573	(569)	-99%	6,870
Road transport		-	65,711	-	19,005	19,005	32,856	(13,851)	-42%	65,711
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	16,604	-	335	335	1,384	(1,049)	-76%	16,604
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	16,604	-	335	335	1,384	(1,049)	-76%	16,604
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	223,240	-	73,054	73,054	45,983	27,071	59%	155,719
Expenditure - Standard										
<i>Governance and administration</i>		-	89,452	-	4,410	4,410	7,454	(3,045)	-41%	44,196
Executive and council		-	28,881	-	2,390	2,390	2,407	(17)	-1%	28,881
Budget and treasury office		-	45,255	-	1,275	1,275	3,771	(2,496)	-66%	-
Corporate services		-	15,315	-	745	745	1,276	(532)	-42%	15,315
<i>Community and public safety</i>		-	25,716	-	5,906	5,906	2,143	3,763	176%	25,716
Community and social services		-	20,001	-	5,169	5,169	1,667	3,502	210%	20,001
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	5,716	-	737	737	476	261	55%	5,716
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	28,622	-	5,552	5,552	2,385	3,167	133%	28,622
Planning and development		-	7,351	-	133	133	613	(479)	-78%	7,351
Road transport		-	21,271	-	5,419	5,419	1,773	3,647	206%	21,271
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	14,604	-	1,202	1,202	1,217	(15)	-1%	14,604
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	14,604	-	1,202	1,202	1,217	(15)	-1%	14,604
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	158,395	-	17,070	17,070	13,200	3,870	29%	113,139
Surplus/ (Deficit) for the year		-	64,845	-	55,984	55,984	32,783	23,201	71%	42,579

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) - M01 July

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
R thousands										
Revenue by Vote										
Vote 1 - Executive and council	1	-	30,583	-	-	-	2,549	(2,549)	-100.0%	30,583
Vote 2 - Budget and Treasury		-	67,521	-	53,293	53,293	5,627	47,666	847.1%	67,521
Vote 3 - Corporate Services		-	10,000	-	-	-	833	(833)	-100.0%	10,000
Vote 4 - Community Services		-	12,277	-	195	195	1,023	(828)	-80.9%	12,277
Vote 5 - Libraries and archives		-	3,810	-	33	33	317	(285)	-89.7%	3,810
Vote 6 - Planning and Economic Development		-	6,870	-	3	3	573	(569)	-99.4%	6,870
Vote 7 - Roads		-	65,711	-	19,005	19,005	32,856	(13,851)	-42.2%	65,711
Vote 8 - Licences and permits		-	9,864	-	189	189	822	(633)	-77.0%	9,864
Vote 9 - Solid Waste		-	16,604	-	335	335	1,384	(1,049)	-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]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	223,240	-	73,054	73,054	45,983	27,071	58.9%	223,240
Expenditure by Vote										
Vote 1 - Executive and council	1	-	28,881	-	2,390	2,390	2,407	(17)	-0.7%	28,881
Vote 2 - Budget and Treasury		-	45,255	-	1,275	1,275	3,771	(2,496)	-66.2%	45,255
Vote 3 - Corporate Services		-	15,315	-	745	745	1,276	(532)	-41.6%	15,315
Vote 4 - Community Services		-	16,039	-	4,951	4,951	1,337	3,614	270.4%	16,039
Vote 5 - Libraries and archives		-	3,961	-	218	218	330	(112)	-34.0%	3,961
Vote 6 - Planning and Economic Development		-	7,351	-	133	133	613	(479)	-78.3%	7,351
Vote 7 - Roads		-	21,271	-	5,419	5,419	1,773	3,647	205.7%	21,271
Vote 8 - Licences and permits		-	5,716	-	737	737	476	261	54.8%	5,716
Vote 9 - Solid Waste		-	14,604	-	1,202	1,202	1,217	(15)	-1.3%	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]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	158,395	-	17,070	17,070	13,200	3,870	29.3%	158,395
Surplus/ (Deficit) for the year	2	-	64,845	-	55,984	55,984	32,783	23,201	70.8%	64,845

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) - M01 July

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 %		
R thousands											
Revenue By Source											
Property rates			30,455		2,214	2,214	2,538	(324)	-13%	30,455	
Property rates - penalties & collection charges			-		-	-	-	-		-	
Service charges - electricity revenue			-		-	-	-	-		-	
Service charges - water revenue			-		-	-	-	-		-	
Service charges - sanitation revenue			-		-	-	-	-		-	
Service charges - refuse revenue			4,051		335	335	338	(2)	-1%	4,051	
Service charges - other			1,961		168	168	163	5	3%	1,961	
Rental of facilities and equipment			206		18	18	17	1	4%	206	
Interest earned - external investments			3,500		241	241	292	(51)	-18%	3,500	
Interest earned - outstanding debtors			7,302		621	621	609	12	2%	7,302	
Dividends received			-		-	-	-	-		-	
Fines			1,356		0	0	113	(113)	-100%	1,356	
Licences and permits			3,336		189	189	278	(89)	-32%	3,336	
Agency services			-		-	-	-	-		-	
Transfers recognised - operational			127,839		51,982	51,982	42,613	9,369	22%	127,839	
Other revenue			445		19	19	37	(18)	-49%	445	
Gains on disposal of PPE			-		-	-	-	-		-	
Total Revenue (excluding capital transfers and contributions)			-	180,452	-	55,787	55,787	46,997	8,790	19%	180,452
Expenditure By Type											
Employee related costs			48,318		3,496	3,496	4,027	(530)	-13%	48,318	
Remuneration of councillors			11,219		933	933	935	(1)	0%	11,219	
Debt impairment			9,124		223	223	760	(537)	-71%	9,124	
Depreciation & asset impairment			18,500		-	-	1,542	(1,542)	-100%	18,500	
Finance charges			200		0	0	17	(16)	-99%	200	
Bulk purchases			-		-	-	-	-		-	
Other materials			18,330		5,020	5,020	1,528	3,493	229%	18,330	
Contracted services			18,817		1,773	1,773	1,568	205	13%	18,817	
Transfers and grants			150		-	-	13	(13)	-100%	150	
Other expenditure			33,735		5,623	5,623	2,811	2,811	100%	33,735	
Loss on disposal of PPE			-		-	-	-	-		-	
Total Expenditure			-	158,395	-	17,070	17,070	13,200	3,870	29%	158,395
Surplus/(Deficit)			-	22,057	-	38,717	38,717	33,798	4,920	0	22,057
Transfers recognised - capital			42,788		17,267	17,267	3,566	13,701	0	42,788	
Contributions recognised - capital			-		-	-	-	-		-	
Contributed assets			-		-	-	-	-		-	
Surplus/(Deficit) after capital transfers & contributions			-	64,845	-	55,984	55,984	37,364		64,845	
Taxation			-		-	-	-	-		-	
Surplus/(Deficit) after taxation			-	64,845	-	55,984	55,984	37,364		64,845	
Attributable to minorities			-		-	-	-	-		-	
Surplus/(Deficit) attributable to municipality			-	64,845	-	55,984	55,984	37,364		64,845	
Share of surplus/ (deficit) of associate			-		-	-	-	-		-	
Surplus/ (Deficit) for the year			-	64,845	-	55,984	55,984	37,364		64,845	

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, Rentals of Facilities and Equipment 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 R324 000. This is because of the fact that it the start of the financial year. The Municipality will monitor performance in this line item.

Interest Earned-External Investments

- Interest Earned- External Investments reflect an adverse variance of 18 percent and a rand value of R51 000. This is because the municipality invested funds during the month of July not in the beginning of July after the receipt of grants. The municipality will monitor performance in this line item.

Fines

- Fines reflect an adverse variance of 100 percent and rand value of R113 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 32 percent and a rand value of R89 000. This is due to less number of applicant received in July than anticipated number of license and permit applications received. The municipality will monitor performance.

Transfers Recognised-Operating

- Transfers recognised operating reflect a favourable variance of R9 369 000. This is due to a quarterly receipts of equitable share. Most of municipal grants are not once off transfers. The transfers will be in line with the budget on the third quarter when the all grants are received.

Other Revenue

- Other Revenue reflect an adverse variance of 49 percent and rand value of R18 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, Contracted services and Other Expenditure. The following expenditure components has the variances.

Employee Related Costs

- Employee Related Cost has a favourable variance of 13 percent and a rand value of R530 000. This is because at the start of the financial year and budget vacant posts are not yet filled. The Municipality will monitor performance.

Debt Impairment

- Debt impairment reflects a favourable variance of 71 percent which amounts to R537 000. The Municipality thoroughly reviews and performs debt impairment at year end.

Depreciation and Assets Impairment

- Depreciation and Assets Impairment reflect a favourable variance of 100 percent and a rand value of R1 542 000. The Municipality has not run depreciation due to delays in some adjustments that were supposed to be made.

Finance Charges

- Finance charges reflect a favourable variance of 99 percent and a rand value of R16 000. Finance costs relate to bank charges in all municipal accounts. The municipality will monitor performance in this line item.

Other Material

- Other Material reflects an adverse variance of 229 percent and a rand value of R3 493 000. Other Material variance relates to repairs and maintenance that must be done internally. This high variance relates to the work done in the previous financial year.

Contacted Services

- Contracted services show an adverse variance of 13 percent and a rand value of R205 000. This variance is also related to a contract from the last financial year.

Transfers and Grants

- Transfers and Grants reflect a favourable variance of 100 percent and a rand value of R13 000. Transfers and Grants relate to free basic electricity provided to Mtubatuba residents. No invoice for Eskom account has free basic electricity portion in the month of July.

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) - M01 July

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
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		-	1,800	-	-	-	150	(150)	-100%	1,800
Vote 2 - Budget and Treasury		-	200	-	-	-	17	(17)	-100%	200
Vote 3 - Corporate Services		-	1,050	-	133	133	88	46	52%	1,050
Vote 4 - Community Services		-	3,430	-	1,980	1,980	286	1,694	593%	3,430
Vote 5 - Libraries and archives		-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 7 - Roads		-	49,460	-	1,423	1,423	4,122	(2,699)	-65%	49,460
Vote 8 - Licences and permits		-	650	-	-	-	54	(54)	-100%	650
Vote 9 - Solid Waste		-	2,000	-	-	-	167	(167)	-100%	2,000
Total Capital single-year expenditure	4	-	58,590	-	3,536	3,536	4,883	(1,346)	-28%	58,590
Total Capital Expenditure		-	58,590	-	3,536	3,536	4,883	(1,346)	-28%	58,590

No Major capital project undertaken in July as it is the start of the financial year.

Table C6 Monthly Budget Statement- Financial Position

KZN275 Mtubatuba - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2015/16	Budget Year 2016/17				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
R thousands	1						
ASSETS							
Current assets							
Cash			5,868		9,399	5,868	
Call investment deposits			20,000		59,677	20,000	
Consumer debtors			57,359		22,625	57,359	
Other debtors			-		4,009	-	
Current portion of long-term receivables			-		-	-	
Inventory			-		-	-	
Total current assets			-	83,226	-	95,710	83,226
Non current assets							
Long-term receivables			326,387		345,483	326,387	
Investments			-		-	-	
Investment property			45,832		44,448	45,832	
Investments in Associate			-		-	-	
Property, plant and equipment			-		-	-	
Agricultural			-		-	-	
Biological assets			-		-	-	
Intangible assets			165		179	165	
Other non-current assets			262		165	262	
Total non current assets			-	372,645	-	390,275	372,645
TOTAL ASSETS			-	455,872	-	485,985	455,872
LIABILITIES							
Current liabilities							
Bank overdraft			-		-	-	
Borrowing			100		49	100	
Consumer deposits			-		4,826	-	
Trade and other payables			7,500		4,049	7,500	
Provisions			9,124		2,910	9,124	
Total current liabilities			-	16,724	-	11,834	16,724
Non current liabilities							
Borrowing			-		(17)	-	
Provisions			11,901		18,796	11,901	
Total non current liabilities			-	11,901	-	18,780	11,901
TOTAL LIABILITIES			-	28,625	-	30,614	28,625
NET ASSETS	2		-	427,246	-	455,371	427,246
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)			427,246		455,371	427,246	
Reserves			-		-	-	
TOTAL COMMUNITY WEALTH/EQUITY	2		-	427,246	-	455,371	427,246

The above statement of financial position show the increase in community wealth or Equity by 6 percent when compared to the approved budget. The increase is insignificant.

Table C7 Monthly Budget Statement- Cash Flow

KZN275 Mtubatuba - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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	
R thousands	1										
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges			18,273		1,385	1,385	1,523	(138)	-9%	18,273	
Service charges			3,607		250	250	301	(50)	-17%	3,607	
Other revenue			3,636		226	226	303	(77)	-25%	3,636	
Government - operating			127,839		51,651	51,651	42,613	9,038	21%	127,839	
Government - capital			42,788		14,485	14,485	14,263	222	2%	42,788	
Interest			2,450		241	241	204	36	18%	2,450	
Dividends			-		-	-	-	-	-	-	
Payments											
Suppliers and employees			(127,909)		(11,542)	(11,542)	(10,659)	883	-8%	(127,909)	
Finance charges			(200)		(0)	(0)	(17)	(16)	99%	(200)	
Transfers and Grants			(150)		-	-	(13)	(13)	100%	(150)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	70,334	-	56,696	56,696	48,518	(8,178)	-17%	70,334
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			-		-	-	-	-	-	-	
Decrease (Increase) in non-current debtors			-		-	-	-	-	-	-	
Decrease (increase) other non-current receivables			-		-	-	-	-	-	-	
Decrease (increase) in non-current investments			-		-	-	-	-	-	-	
Payments											
Capital assets			(58,590)		(3,536)	(3,536)	(4,883)	(1,346)	28%	(58,590)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(58,590)	-	(3,536)	(3,536)	(4,883)	(1,346)	28%	(58,590)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-		-	-	-	-	-	-	
Borrowing long term/refinancing			-		-	-	-	-	-	-	
Increase (decrease) in consumer deposits			-		-	-	-	-	-	-	
Payments											
Repayment of borrowing			-		-	-	-	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	-	-	-	-	-	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD			-	11,744	-	53,159	53,159	43,635		11,744	
Cash/cash equivalents at beginning:			14,124				16,117	14,124		16,117	
Cash/cash equivalents at month/year end:			25,868				69,276	57,759		27,861	

The above table reflect the statement of Cash flow of the municipality. The Municipality's Cash flow position has increase by 77 percent in July when compared to June closing cash balance. This is because of transfers of quarterly receipts for Equitable share, Municipal Infrastructure Grant and Integrated National Electrification Program.

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 - M01 July

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	
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages			7,636		553	553	636	(83)	-13%	7,636
Pension and UIF Contributions			-		-	-	-	-		-
Medical Aid Contributions			-		-	-	-	-		-
Motor Vehicle Allowance			2,629		302	302	219	83	38%	2,629
Cellphone Allowance			954		77	77	80	(2)	-3%	954
Housing Allowances			-		-	-	-	-		-
Other benefits and allowances			-		-	-	-	-		-
Sub Total - Councillors			11,219		933	933	935	(2)	0%	11,219
% increase	4		#DIV/0!							#DIV/0!
Senior Managers of the Municipality	3									
Basic Salaries and Wages			5,163		103	103	430	(327)	-76%	5,163
Pension and UIF Contributions			91		-	-	8	(8)	-100%	91
Medical Aid Contributions			-		6	6	-	6	#DIV/0!	-
Overtime			-		-	-	-	-		-
Performance Bonus			-		-	-	-	-		-
Motor Vehicle Allowance			386		39	39	32	7	21%	386
Cellphone Allowance			51		2	2	4	(2)	-53%	51
Housing Allowances			188		12	12	16	(4)	-23%	188
Other benefits and allowances			203		58	58	17	41	242%	203
Payments in lieu of leave			-		-	-	-	-		-
Long service awards			-		-	-	-	-		-
Post-retirement benefit obligations	2		-		-	-	-	-		-
Sub Total - Senior Managers of Municipality			6,083		220	220	507	(287)	-57%	6,083
% increase	4		#DIV/0!							#DIV/0!
Other Municipal Staff										
Basic Salaries and Wages			24,671		2,168	2,168	2,056	112	5%	24,671
Pension and UIF Contributions			5,767		285	285	481	(196)	-41%	5,767
Medical Aid Contributions			2,861		285	285	238	46	19%	2,861
Overtime			850		211	211	71	140	198%	850
Performance Bonus			2,383		-	-	199	(199)	-100%	2,383
Motor Vehicle Allowance			2,696		259	259	225	34	15%	2,696
Cellphone Allowance			4		0	0	0	-		4
Housing Allowances			790		32	32	66	(34)	-51%	790
Other benefits and allowances			8,197		38	38	683	(645)	-94%	8,197
Payments in lieu of leave			-		-	-	-	-		-
Long service awards			100		-	-	8	(8)	-100%	100
Post-retirement benefit obligations	2		-		-	-	-	-		-
Sub Total - Other Municipal Staff			48,318		3,277	3,277	4,027	(749)	-19%	48,318
% increase	4		#DIV/0!							#DIV/0!
Total Parent Municipality			65,621		4,429	4,429	5,468	(1,039)	-19%	65,621

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.to Council Policy
2017	M01	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	2,758,200	4,426,225	1,197,405	1,745,470	1,733,555	649,338	35,147,683	11,914,469	59,572,345	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	654,055	1,049,595	283,942	413,905	411,080	153,978	8,334,606	2,825,290	14,126,451	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	210,844	338,352	91,533	133,428	132,517	49,637	2,686,779	910,773	4,553,863	0	0
			2000	Total By Income Source	3,623,099	5,814,172	1,572,880	2,292,803	2,277,152	852,953	46,169,068	15,650,532	78,252,659	0	0
			2100	Debtors Age Analysis By Customer Group											
			2200	Organs of State	105,015	168,523	45,589	66,456	66,003	24,723	1,338,200	453,627	2,268,136	0	0
			2300	Commercial	516,363	828,634	224,166	326,769	324,539	121,563	6,579,999	2,230,508	11,152,541	0	0
			2400	Households	2,413,588	3,873,209	1,047,799	1,527,389	1,516,963	588,209	30,756,303	10,425,866	52,129,326	0	0
			2500	Other	588,133	943,806	255,326	372,189	368,647	138,458	7,494,566	2,540,531	12,702,656	0	0
			2600	Total By Customer Group	3,623,099	5,814,172	1,572,880	2,292,803	2,277,152	852,953	46,169,068	15,650,532	78,252,659	0	0

- The percentage of debtors sitting from 90 days to over a year is 87 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	M01	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	1,367,758	256,542	17,180	17,584	0	0	252,808	0	1,911,872
			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	1,367,758	256,542	17,180	17,584	0	0	252,808	0	1,911,872

- The percentage of creditors sitting at more than 90 days is 14 percent. The Municipality is trying by all mean to settle those creditors sitting at more than 90 days. There is improvement in settling long outstanding creditors when compared to prior year.

Table SC5 Investment Portfolio Analysis

KZN275 Mtubatuba - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

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									
FNB Fixed Deposit		1 year	Security	0	1		192	-	193
FNB Money Market 1		1 year	Call Account	0	6		1,277	-	1,283
FNB Money Market 2		1 year	Call Account	0	166		12,970	30,000	43,136
FNB Money Market 3		1 year	Call Account	0	0		32	-	32
Investec Fixed Deposit		1 year	Call Account	0	18		-	5,000	5,018
Ithala Corporate Fixed Deposit		1 year	Call Account	0	-		-	5,000	5,000
Nedbank Limited Investment		1 year	Call Account	0	14		-	5,000	5,014
Municipality sub-total					205		14,471	45,000	59,677

- 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 from Investec, Ithala Corporate Bank and Nedbank Limited so to benefit in different 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 - M01 July

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
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	125,076	-	51,651	51,651	10,423	41,498	398.1%	125,076
Local Government Equitable Share			120,328		50,136	50,136	10,027	40,109	400.0%	120,328
Finance Management			1,825		-	-	152			1,825
Municipal Systems Improvement			-		-	-	-			-
Energy Efficiency and Demand Management			-		-	-	-			-
EPWP Incentive			1,408		-	-	117			1,408
Municipal Infrastructure Grant Operational	3		1,515		1,515	1,515	126	1,389	1100.0%	1,515
Other transfers and grants [insert description]			-		-	-	-	-		-
Provincial Government:		-	2,763	-	-	-	230	(30)	-13.0%	2,763
Community Library Service			358		-	-	30	(30)	-100.0%	358
Provincialisation Of Libraries			2,405		-	-	200			2,405
Department of Sport Caretakers			-		-	-	-	-		-
Other transfers and grants [insert description]			-		-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
Total Operating Transfers and Grants	5	-	127,839	-	51,651	51,651	10,653	41,468	389.2%	127,839
Capital Transfers and Grants										
National Government:		-	42,788	-	14,485	14,485	3,566	4,086	114.6%	42,788
Municipal Infrastructure Grant (MIG)			28,788		6,485	6,485	2,399	4,086	170.3%	28,788
National Electrification Programme			14,000		8,000	8,000	1,167			14,000
Energy Efficiency and Demand Management			-		-	-	-			-
Other capital transfers [insert description]			-		-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
Total Capital Transfers and Grants	5	-	42,788	-	14,485	14,485	3,566	4,086	114.6%	42,788
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	170,627	-	66,136	66,136	14,219	45,554	320.4%	170,627

- The Municipality has received the operational grant of Equitable Share and Conditional grant of Municipal Infrastructure Grant and Integrated National Electrification Program. Other operational grants for FMG, EPWPG and Libraries grants will be received in the month of August.

Table SC7 (1) Transfers and Grant Expenditure

KZN275 Mtubatuba - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

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
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	125,076	-	14,153	14,153	10,423	3,730	35.8%	125,076
Local Government Equitable Share			120,328		13,855	13,855	10,027	3,828	38.2%	120,328
Finance Management			1,825		75	75	152	(77)	-50.8%	1,825
Municipal Systems Improvement			-		-	-	-	-		-
Energy Efficiency and Demand Management			-		-	-	-	-		-
EPWP Incentive			1,408		159	159	117	42	35.7%	1,408
Municipal Infrastructure Grant Operational			1,515		64	64	126	(62)	-49.2%	1,515
Other transfers and grants [insert description]			-		-	-	-	-		-
Provincial Government:		-	2,763	-	218	218	230	(12)	-5.4%	2,763
Community Library Service			358		32	32	30	3	8.6%	358
Department of Sport Caretakers			2,405		185	185	200	(15)	-7.5%	2,405
Other transfers and grants [insert description]			-		-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
Total operating expenditure of Transfers and Grants:		-	127,839	-	14,371	14,371	10,653	3,718	34.9%	127,839
Capital expenditure of Transfers and Grants										
National Government:		-	42,788	-	707	707	3,566	(2,858)	-80.2%	42,788
Municipal Infrastructure Grant (MIG)			28,788		707	707	2,399	(1,692)	-70.5%	28,788
#REF!			14,000		-	-	1,167	(1,167)	-100.0%	14,000
Other capital transfers [insert description]			-		-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
Total capital expenditure of Transfers and Grants		-	42,788	-	707	707	3,566	(2,858)	-80.2%	42,788
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	170,627	-	15,078	15,078	14,219	860	6.0%	170,627

- The performance in terms of conditional grant expenditure for MIG and Electrification is low. 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 - M01 July

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
R thousands									
Monthly expenditure performance trend									
July		4,883		3,536	3,536	4,883	1,346	27.6%	6%
August		4,883		-		9,765	-		
September		4,883		-		14,648	-		
October		4,883		-		19,530	-		
November		4,883		-		24,413	-		
December		4,883		-		29,295	-		
January		4,883		-		34,178	-		
February		4,883		-		39,060	-		
March		4,883		-		43,943	-		
April		4,883		-		48,825	-		
May		4,883		-		53,708	-		
June		4,883		-		58,590	-		
Total Capital expenditure	-	58,590	-	3,536					

➤ The above table depict capital expenditure for the first month of July 2016.

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



UMASIPALA . MUNICIPALITY . MUNISIPALITEIT

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



52 Mtubatuba 3935



(035) 550 0069



Fax (035) 550 0060

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: Ms N.Q Mzimela (Acting Municipal Manager)

Date:

Signature:

Received by Cllr M.Q Mkhwanazi' (Executive Mayor)

Date:

Signature: