

MTUBATUBA



UMASIPALA . MUNICIPALITY . MUNISIPALITEIT

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**CONSOLIDATED BUDGET IMPLEMENTATION REPORTS IN TERMS
OF SEC72, SEC54 OF THE MFMA AND REGULATION 28 OF THE
MBRR FOR THE PERIOD ENDED**

31 December 2016

Table of Contents

PART 1-IN YEAR REPORT

NO	DESCRIPTION	PAGE
1.1.	Mayor's Report	3
1.2.	Resolutions	None
1.3.	Executive Summary	4-5
1.4.	In-Year Budget Statements	6-19

PART 2-SUPPORTING DOCUMENTATION

NO	DESCRIPTION	PAGE
2.1.	Debtors' Analysis	20
2.2.	Creditor's Analysis	20
2.3.	Investment Portfolio Analysis	21
2.4.	Allocation of Grant receipts and Expenditure	22-23
2.5.	Councillors and board Member Allowances and Employee Benefits	24-25
2.6.	Material Variances to Service Delivery and Budget Implementation Plan	26
2.7.	Parent Municipality Financial Performance	27
2.8.	Municipal Entity Financial Performance	27
2.9.	Capital Programme Performance	28
2.10.	Other Supporting Documents	Attached
2.11.	General Items	29
2.12.	In-Year Report of the Municipal Entity	29
2.13.	Municipal Manager Quality Certification	30

Mayor's Report

- This report will be tabled to council on the 31 January 2017, therefore the Mayors report will follow after the council meeting.
- The council resolution will follow thereafter.

EXECUTIVE SUMMARY

Purpose

The Purpose of this report is to comply with section 52(d) and Sec72 (1) (a) 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 72 of the MFMA (Act No: 56 of 2003) state that:

(1) The accounting officer of a municipality must by 25 January of each year—

(a) Assess the performance of the municipality during the first half of the financial year, taking into account—

(i) The monthly statements referred to in section 71 for the first half of the financial year;

(ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;

(iii) The past year's annual report, and progress on resolving problems identified in the annual report; and

(iv) The performance of every municipal entity under the sole or shared Control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) Submit a report on such assessment to—

(i) The mayor of the municipality;

(ii) The National Treasury; and

(iii) The relevant provincial treasury.

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.

(3) The accounting officer must, as part of the review—

(a) Make recommendations as to whether an adjustments budget is necessary; and

(b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Section 54 of the MFMA (Act No: 56 of 2003) state that:

(1) On receipt of a statement or report submitted by the accounting officer of the Municipality in terms of section 71 or 72, the mayor must—

(a) Consider the statement or report;

(b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;

(c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

(d) Issue any appropriate instructions to the accounting officer to ensure—

(i) That the budget is implemented in accordance with the service delivery

- and budget implementation plan; and
 - (ii) That spending of funds and revenue collection proceed in accordance with the budget;
 - (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
 - (f) In the case of a section 72 report, submit the report to the council by 31 January of each year.
- (2) If the municipality faces any serious financial problems, the mayor must—
- (a) Promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—
 - (i) Steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
 - (ii) The tabling of an adjustments budget; or
 - (iii) Steps in terms of Chapter 13; and
 - (b) Alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

The Mid-Year Report and supporting tables of Mtubatuba Municipality is prepared in accordance with the Municipal Budget and Reporting Regulations.

Table C1 Monthly budget Statement Summary

KZN275 Mtubatuba - Table C1 Monthly Budget Statement Summary - M06 December

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	28 739	30 455	-	2 136	17 968	15 228	2 741	18%	30 455
Service charges	5 087	6 011	-	496	2 989	3 006	(17)	-1%	6 011
Investment revenue	1 678	3 500	-	152	1 172	1 750	(578)	-33%	3 500
Transfers recognised - operational	126 119	127 839	-	39 554	95 343	63 920	31 424	49%	127 839
Other own revenue	11 112	12 646	-	876	5 293	6 323	(1 030)	-16%	12 646
Total Revenue (excluding capital transfers and contributions)	172 735	180 452	-	43 214	122 766	90 226	32 540	36%	180 452
Employee costs	40 510	48 318	-	6 544	25 353	24 159	1 194	5%	48 318
Remuneration of Councillors	11 801	11 219	-	993	5 882	5 610	272	5%	11 219
Depreciation & asset impairment	21 480	18 500	-	4 398	12 632	9 250	3 382	37%	18 500
Finance charges	6 655	200	-	-	470	100	370	370%	200
Materials and bulk purchases	18 834	18 330	-	190	8 645	9 165	(520)	-6%	18 330
Transfers and grants	80	150	-	-	60	75	(15)	-19%	150
Other expenditure	78 136	61 677	-	6 968	43 975	30 838	13 136	43%	61 677
Total Expenditure	177 497	158 395	-	19 093	97 016	79 197	17 819	22%	158 395
Surplus/(Deficit)	(4 762)	22 057	-	24 121	25 750	11 029	14 721	133%	22 057
Transfers recognised - capital	31 348	42 788	-	15 594	33 133	21 394	11 739	55%	42 788
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	26 587	64 845	-	39 715	58 883	32 423	26 460	82%	64 845
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	26 587	64 845	-	39 715	58 883	32 423	26 460	82%	64 845
Capital expenditure & funds sources									
Capital expenditure	48 956	58 590	-	4 320	37 697	29 295	8 402	29%	58 590
Capital transfers recognised	31 348	42 788	-	2 797	28 056	21 394	6 662	31%	42 788
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	17 608	15 802	-	1 523	9 641	7 901	1 740	22%	15 802
Total sources of capital funds	48 956	58 590	-	4 320	37 697	29 295	8 402	29%	58 590
Financial position									
Total current assets	49 897	83 226	-	-	82 534	-	-	-	83 226
Total non current assets	364 411	372 645	-	-	387 501	-	-	-	372 645
Total current liabilities	25 162	16 724	-	-	24 535	-	-	-	16 724
Total non current liabilities	25 432	11 901	-	-	24 574	-	-	-	11 901
Community wealth/Equity	363 714	427 246	-	-	420 925	-	-	-	427 246
Cash flows									
Net cash from (used) operating	54 630	70 334	-	37 742	63 672	66 148	2 476	4%	70 334
Net cash from (used) investing	(48 956)	(58 590)	-	(15 594)	(44 272)	(29 295)	14 977	-51%	(58 590)
Net cash from (used) financing	(3 357)	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	16 161	25 868	-	-	35 561	50 976	15 416	30%	27 905
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	4 167	6 688	1 809	2 637	2 619	981	53 105	18 002	90 008
Creditors Age Analysis									
Total Creditors	983	97	(19)	79	91	123	166	-	1 520

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) - M06 December

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>		77 973	108 104	-	18 631	131 502	54 052	77 450	143%	108 104
Executive and council		12 943	30 583	-	30 583	30 583	15 291	15 291	100%	30 583
Budget and treasury office		52 087	67 521	-	(21 952)	90 919	33 760	57 158	169%	67 521
Corporate services		12 943	10 000	-	10 000	10 000	5 000	5 000	100%	10 000
<i>Community and public safety</i>		49 688	25 950	-	11 434	15 357	12 975	2 381	18%	25 950
Community and social services		32 917	16 086	-	11 254	14 178	8 043	6 135	76%	16 086
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		16 771	9 864	-	180	1 178	4 932	(3 754)	-76%	9 864
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		60 044	72 581	-	15 857	36 712	36 291	421	1%	72 581
Planning and development		12 943	6 870	-	3 639	10 477	3 435	7 042	205%	6 870
Road transport		47 101	65 711	-	12 219	26 235	32 856	(6 620)	-20%	65 711
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		16 379	16 604	-	12 887	14 560	8 302	6 258	75%	16 604
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		16 379	16 604	-	12 887	14 560	8 302	6 258	75%	16 604
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	204 083	223 240	-	58 808	198 130	111 620	86 510	78%	223 240
Expenditure - Standard										
<i>Governance and administration</i>		101 759	89 452	-	7 381	40 315	44 726	(4 410)	-10%	44 196
Executive and council		27 083	28 881	-	3 685	20 290	14 441	5 849	41%	28 881
Budget and treasury office		62 750	45 255	-	2 547	13 220	22 628	(9 407)	-42%	-
Corporate services		11 927	15 315	-	1 149	6 805	7 657	(852)	-11%	15 315
<i>Community and public safety</i>		31 187	25 716	-	6 170	28 403	12 858	15 545	121%	25 716
Community and social services		21 280	20 001	-	4 528	22 478	10 000	12 478	125%	20 001
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		9 907	5 716	-	1 642	5 925	2 858	3 067	107%	5 716
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		26 478	28 622	-	4 124	22 028	14 311	7 717	54%	28 622
Planning and development		7 882	7 351	-	362	1 858	3 675	(1 817)	-49%	7 351
Road transport		18 596	21 271	-	3 761	20 170	10 636	9 534	90%	21 271
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		18 072	14 604	-	1 419	6 187	7 302	(1 115)	-15%	14 604
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		18 072	14 604	-	1 419	6 187	7 302	(1 115)	-15%	14 604
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	177 497	158 395	-	19 093	96 934	79 197	17 737	22%	113 139
Surplus/ (Deficit) for the year		26 587	64 845	-	39 715	101 196	32 423	68 774	212%	110 100

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) - M06 December

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	1									
Vote 1 - Executive and council		12 943	30 583	-	30 583	30 583	15 291	15 291	100.0%	30 583
Vote 2 - Budget and Treasury		52 087	67 521	-	(21 952)	90 919	33 760	57 158	169.3%	67 521
Vote 3 - Corporate Services		12 943	10 000	-	10 000	10 000	5 000	5 000	100.0%	10 000
Vote 4 - Community Services		19 809	12 277	-	10 181	11 136	6 138	4 997	81.4%	12 277
Vote 5 - Libraries and archives		13 107	3 810	-	1 072	3 043	1 905	1 138	59.7%	3 810
Vote 6 - Planning and Economic Development		12 943	6 870	-	3 639	10 477	3 435	7 042	205.0%	6 870
Vote 7 - Roads		47 101	65 711	-	12 219	26 235	32 856	(6 620)	-20.1%	65 711
Vote 8 - Licences and permits		16 771	9 864	-	180	1 178	4 932	(3 754)	-76.1%	9 864
Vote 9 - Solid Waste		16 379	16 604	-	12 887	14 560	8 302	6 258	75.4%	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	204 083	223 240	-	58 808	198 130	111 620	86 510	77.5%	223 240
Expenditure by Vote	1									
Vote 1 - Executive and council		27 083	28 881	-	3 685	20 290	14 441	5 849	40.5%	28 881
Vote 2 - Budget and Treasury		62 750	45 255	-	2 547	13 220	22 628	(9 407)	-41.6%	45 255
Vote 3 - Corporate Services		11 927	15 315	-	1 149	6 805	7 657	(852)	-11.1%	15 315
Vote 4 - Community Services		15 281	16 039	-	4 096	20 819	8 020	12 800	159.6%	16 039
Vote 5 - Libraries and archives		5 999	3 961	-	432	1 658	1 981	(322)	-16.3%	3 961
Vote 6 - Planning and Economic Development		7 882	7 351	-	362	1 858	3 675	(1 817)	-49.4%	7 351
Vote 7 - Roads		18 596	21 271	-	3 761	20 170	10 636	9 534	89.6%	21 271
Vote 8 - Licences and permits		9 907	5 716	-	1 642	5 925	2 858	3 067	107.3%	5 716
Vote 9 - Solid Waste		18 072	14 604	-	1 419	6 187	7 302	(1 115)	-15.3%	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	177 497	158 395	-	19 093	96 934	79 197	17 737	22.4%	158 395
Surplus/ (Deficit) for the year	2	26 587	64 845	-	39 715	101 196	32 423	68 774	212.1%	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) - M06 December

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		28 739	30 455		2 136	17 968	15 228	2 741	18%	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		333	2 000	2 025	(25)	-1%	4 051
Service charges - other		1 650	1 961		163	989	980	9	1%	1 961
Rental of facilities and equipment		214	206		14	121	103	19	18%	206
Interest earned - external investments		1 678	3 500		152	1 172	1 750	(578)	-33%	3 500
Interest earned - outstanding debtors		6 153	7 302		674	3 922	3 651	271	7%	7 302
Dividends received		-	-		-	-	-	-		-
Fines		1 645	1 356		1	3	678	(675)	-100%	1 356
Licences and permits		2 348	3 336		180	1 178	1 668	(490)	-29%	3 336
Agency services		-	-		-	-	-	-		-
Transfers recognised - operational		126 119	127 839		39 554	95 343	63 920	31 424	49%	127 839
Other revenue		753	445		7	69	223	(154)	-69%	445
Gains on disposal of PPE		-	-		-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		172 735	180 452	-	43 214	122 766	90 226	32 540	36%	180 452
Expenditure By Type										
Employee related costs		40 510	48 318		6 544	25 353	24 159	1 194	5%	48 318
Remuneration of councillors		11 801	11 219		993	5 882	5 610	272	5%	11 219
Debt impairment		17 518	9 124		8	389	4 562	(4 173)	-91%	9 124
Depreciation & asset impairment		21 480	18 500		4 398	12 632	9 250	3 382	37%	18 500
Finance charges		6 655	200		-	470	100	370	370%	200
Bulk purchases		-	-		-	-	-	-		-
Other materials		18 834	18 330		190	8 645	9 165	(520)	-6%	18 330
Contracted services		16 747	18 817		3 231	11 712	9 409	2 304	24%	18 817
Transfers and grants		80	150		-	60	75	(15)	-19%	150
Other expenditure		35 682	33 735		3 729	31 873	16 868	15 005	89%	33 735
Loss on disposal of PPE		8 189	-		-	-	-	-		-
Total Expenditure		177 497	158 395	-	19 093	97 016	79 197	17 819	22%	158 395
Surplus/(Deficit)		(4 762)	22 057	-	24 121	25 750	11 029	14 721	0	22 057
Transfers recognised - capital		31 348	42 788		15 594	33 133	21 394	11 739	0	42 788
Contributions recognised - capital		-	-		-	-	-	-		-
Contributed assets		-	-		-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		26 587	64 845	-	39 715	58 883	32 423			64 845
Taxation		-	-		-	-	-	-		-
Surplus/(Deficit) after taxation		26 587	64 845	-	39 715	58 883	32 423			64 845
Attributable to minorities		-	-		-	-	-	-		-
Surplus/(Deficit) attributable to municipality		26 587	64 845	-	39 715	58 883	32 423			64 845
Share of surplus/ (deficit) of associate		-	-		-	-	-	-		-
Surplus/ (Deficit) for the year		26 587	64 845	-	39 715	58 883	32 423			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, Interest Earned: Outstanding Debtors and Service Charge: Other. The following income components have the variances:

Property Rates

- Property Rates reflect a favourable variance of 18 percent and a rand value of R2 741 000, this is due to the implementation of the supplementary valuation roll. This means that the municipality has billed more on property rates when compared to the budget. The municipality recommends an adjustment against this line item.

Rentals of Facilities and Equipment

- Rental of facilities and Equipment reflect a favourable variance of 18 percent and a rand value of R19 000, this is due to an increase in a number of bookings for community facilities as well as second quarter being a festive season. The recent upgrades seem to attract more customers. The municipality recommends an upwards adjustment in this line item.

Interest Earned External Investments

- Interest Earned External Investment reflect an adverse variance of 33 percent and a rand value of R578 000. This is due to no surplus funds available for investment and an increase in withdrawals from investments accounts, resulting to a decrease in interest earned from investments. The Municipality recommends a downwards adjustment to this line item.

Fines

- Fines reflect an adverse variance of 100 percent and rand value of R675 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 this line item and there will be no adjustments.

Licence and Permits

- Licence and permits reflect an adverse variance of 29 percent and a rand value of R490 000. This is due to a decrease in a number of applicants in the past six months for licence and permit the municipality has been received. The municipality recommends a downwards adjustment in this line item.

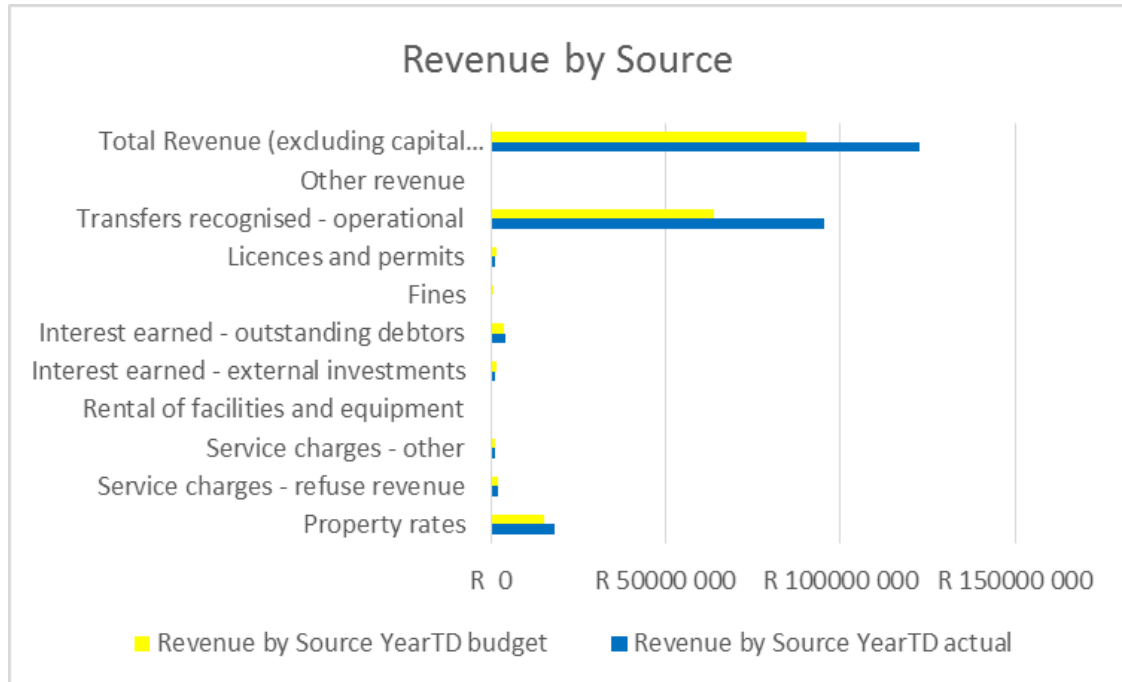
Transfers Recognised-Operational

- Transfers Recognised-Operational has a favourable variance of 49 percent and a rand value of R31, 424,000 million. This because of once-off receipts grants of FMG, and Quarterly receipts of Equitable Share. The municipality will ensure that grants are spent as budgeted. The municipality recommends adjustment in this line item to accommodate the R914 000, which was docked on the December equitable share.

Other Revenue

- Other Revenue has an adverse variance of 69 percent and rand of R154, 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 fluctuate on the month to month basis. The municipality recommend downwards an adjustment in this line item.

Revenue by Source		
	YearTD actual	YearTD budget
Property rates	R 17 968 495	R 15 227 520
Service charges - refuse revenue	R 2 000 269	R 2 025 366
Service charges - other	R 988 823	R 980 279
Rental of facilities and equipment	R 121 454	R 102 783
Interest earned - external investments	R 1 171 656	R 1 750 000
Interest earned - outstanding debtors	R 3 922 341	R 3 651 179
Fines	R 2 742	R 678 184
Licences and permits	R 1 178 178	R 1 668 235
Transfers recognised - operational	R 95 343 279	R 63 919 575
Other revenue	R 68 661	R 222 721
Total Revenue (excluding capital transfers and contributions)	R 122 765 898	R 90 225 841



The above bar graph depict the year to date actuals represented by blue colour versus the year to date Budget represented by yellow.

There were no material variance in the expenditure component of Employee related cost, Remuneration of Councillors and Other Materials. The following expenditure components has the variances.

Debt Impairment

➤ Debt impairment has a favourable variance of 91 percent and a rand value of R 4,173,000. This is due to only a portion of 50 percent amnesty being implemented until end of July 2016, however impairments are only accounted for at year end. The municipality is finalising a comprehensive register of indigent households, this will clearly identify customers whose debts will be written off as per the municipality's policy. The municipality will not recommend the adjustment in this line item because the amount budgeted is reasonable.

Depreciation and Assets Impairment

➤ Depreciation and Assets Impairment reflect an adverse variance of 37 percent and a rand value of R3 382 0000, this is due to other assets being procured earlier than forecast. The municipality has under budget for this line item and would recommend the upwards adjustment in this line item.

Finance Charges

➤ Finance charges has an adverse variance of 370 percent and a rand value of R370 000. Finance cost relates to a provision for finance cost in the landfill site which is a non cash item as well as lease costs. The municipality recommend an adjustment to this line item.

Contracted Services

➤ Contracted Services has an adverse variance of 29 percent and a rand value of R2 773 000, this is largely due to an increase in bodyguard services required by councillors. The contracted services include among other things Lucia maintenance, Security: Body guard services and Assets protection. The Municipality recommend an upwards adjustment to this line item.

Transfers and Grants

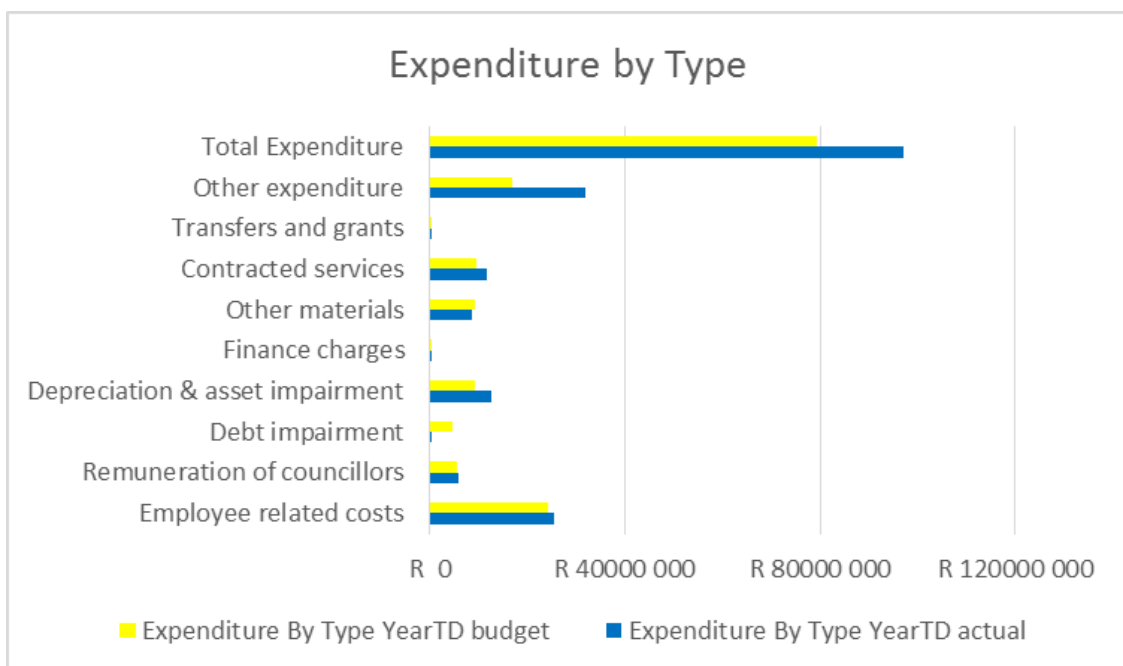
➤ Transfers and Grants has a variance of 19 percent and a rand value of R15 000. Transfers and Grants relate to free basic electricity provided to mtubatuba residents. With the finalisation of the indigent register, this will increase beneficiaries of free basic electricity as this information will be shared with Eskom. The municipality recommend an adjustment in this line item.

Other Expenditure

➤ Other Expenditure has an adverse variance of 89 percent and a rand value of R16 868 000. This is largely due to water and sewerage services rendered by the municipality during the drought season owing the district municipality being unable to attend to these services within mtubatuba municipality. Other

expenditure include expenditure in special programs, subsistence and travelling, public participation, IDP Expenditure, Fuel and Oil Disaster management relief, Electricity, Legal cost, membership fees, publicity and advertising and Councillors trainings. The municipality recommends an adjustment to some items of other expenditure.

Expenditure By Type		
	YearTD actual	YearTD budget
Employee related costs	R 25 352 932	R 24 159 138
Remuneration of councillors	R 5 881 627	R 5 609 624
Debt impairment	R 389 481	R 4 562 232
Depreciation & asset impairment	R 12 632 247	R 9 250 000
Finance charges	R 469 782	R 100 000
Other materials	R 8 644 646	R 9 165 000
Contracted services	R 11 712 233	R 9 408 534
Transfers and grants	R 60 486	R 75 000
Other expenditure	R 31 872 874	R 16 867 732
Total Expenditure	R 97 016 308	R 79 197 260



The above bar graph depicts the year to date expenditure represented by blue colour versus the year to date Budget represented by yellow colour.

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) - M06 December

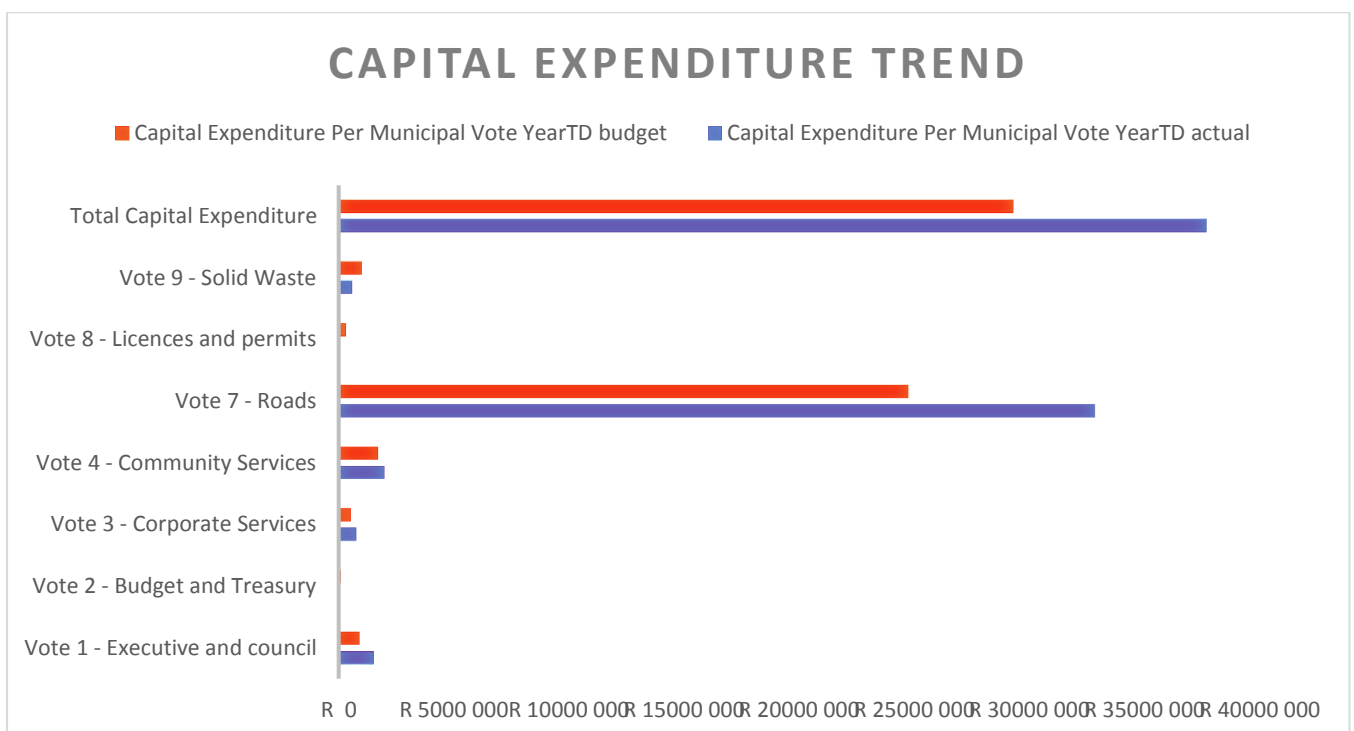
Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		-	1 800	-	1 523	1 523	900	623	69%	1 800
Vote 2 - Budget and Treasury		-	200	-	-	-	100	(100)	-100%	200
Vote 3 - Corporate Services		1 984	1 050	-	-	769	525	244	46%	1 050
Vote 4 - Community Services		4 681	3 430	-	-	1 980	1 715	265	15%	3 430
Vote 5 - Libraries and archives		-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 7 - Roads		36 382	49 460	-	2 797	32 845	24 730	8 115	33%	49 460
Vote 8 - Licences and permits		363	650	-	-	-	325	(325)	-100%	650
Vote 9 - Solid Waste		5 547	2 000	-	-	580	1 000	(420)	-42%	2 000
Total Capital single-year expenditure	4	48 956	58 590	-	4 320	37 697	29 295	8 402	29%	58 590
Total Capital Expenditure		48 956	58 590	-	4 320	37 697	29 295	8 402	29%	58 590

- The capital expenditure is in line with the budget under executive department. The budget was for the procurement of office bears vehicles.
- No expenditure has been made under Budget and Treasury Office for the procurement of the vehicle.
- There has been an excess expenditure under corporate services. The excess expenditure relates to the procurement of computers, procurement of office equipment, furniture and fittings.
- There has been excess expenditure under community for the procurement of truck and TLB
- There has been excess in capital expenditure in road department. The excess expenditure arise from the construction of KwaMsane internal roads, Mtuba Town urban roads and KwaMsane civic centre and electrification projects.
- No expenditure has been under public safety for the procurement of the vehicle.
- No expenditure has been made under solid waste for the procurement of plant and equipment, motor vehicle and weigh bridge.

The municipality recommend an adjustment under each department when no expenditure has been incurred and those funds must be transfered to departments where there is excess expenditure.

Table C5C

Capital Expenditure Per Municipal Vote		
	Year TD actual	Year TD budget
Vote 1 - Executive and council	R 1 523 010	R 900 000
Vote 2 - Budget and Treasury	R 0	R 100 000
Vote 3 - Corporate Services	R 768 826	R 525 000
Vote 4 - Community Services	R 1 980 000	R 1 715 000
Vote 7 - Roads	R 32 845 229	R 24 730 000
Vote 8 - Licences and permits	R 0	R 325 000
Vote 9 - Solid Waste	R 580 000	R 1 000 000
Total Capital Expenditure	R 37 697 065	R 29 295 000



The above graph show the year to date actual represented by green and year to date budget represent by red. If expenditure was equal to budget, then the bar representing Actual and budget was going to on the same level. The municipality has spent on more of the capital expenditure in the first half of the financial year.

Table C6 Monthly Budget Statement- Financial Position

KZN275 Mtubatuba - Table C6 Monthly Budget Statement - Financial Position - M06 December

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		14 471	5 868		13 053	5 868
Call investment deposits		1 690	20 000		22 507	20 000
Consumer debtors		23 316	57 359		30 262	57 359
Other debtors		1 088	-		16 711	-
Current portion of long-term receivables		9 333	-		-	-
Inv entory		-	-		-	-
Total current assets		49 897	83 226	-	82 534	83 226
Non current assets						
Long-term receivables		-	-		-	-
Inv estments		-	-		-	-
Inv estment property		41 936	45 832		41 936	45 832
Inv estments in Associate		-	-		-	-
Property, plant and equipment		321 272	326 387		345 292	326 387
Agricultural		-	-		-	-
Biological assets		-	-		-	-
Intangible assets		178	165		109	165
Other non-current assets		1 025	262		165	262
Total non current assets		364 411	372 645	-	387 501	372 645
TOTAL ASSETS		414 308	455 872	-	470 035	455 872
LIABILITIES						
Current liabilities						
Bank overdraft		-	-		-	-
Borrowing		49	100		49	100
Consumer deposits		2 343	-		8 949	-
Trade and other payables		22 705	7 500		9 685	7 500
Provisions		64	9 124		5 853	9 124
Total current liabilities		25 162	16 724	-	24 535	16 724
Non current liabilities						
Borrowing		-	-		-	-
Provisions		25 432	11 901		24 574	11 901
Total non current liabilities		25 432	11 901	-	24 574	11 901
TOTAL LIABILITIES		50 594	28 625	-	49 110	28 625
NET ASSETS	2	363 714	427 246	-	420 925	427 246
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		363 714	427 246		420 925	427 246
Reserves		-	-		-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	363 714	427 246	-	420 925	427 246

Current Assets

- *Cash* has a favourable variance of 55 percent. The reason is that cash is volatile rather than stable. The high variance is as a result of Transfers and Grants.
- *Call on Investment Deposits* has a favourable variance of 11 percent. There is an improvement in investment deposits when compared to budget. A top up of fifteen million has been made for investment in the month of December.
- *Consumer Debtors* has an adverse variance of 47 percent. The reason for this variance is the provision for debt impairment which offset the total debtors balance.

Non-Current Assets

- *Intangible assets* has a decreased by 33 percent due to depreciation.
- *Other Non-current assets* decreased by 37 percent due to depreciation.

Non-Current Liabilities

- *Provision* has a variance of 51 percent.
- The above table of Statement of Financial Position shows that the Community wealth or Equity for the municipality has decrease by 1.5 percent in the first half from R427 246 000 to R420 925 000. The variance is insignificant because it is less than five percent.

Table C7 Monthly Budget Statement- Cash Flow

KZN275 Mtubatuba - Table C7 Monthly Budget Statement - Cash Flow - M06 December

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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		17 133	18 273		3 460	10 692	9 137	1 555	17%	18 273
Service charges		2 828	3 607		125	1 369	1 803	(435)	-24%	3 607
Other revenue		2 862	3 636		202	1 390	1 818	(428)	-24%	3 636
Government - operating		126 119	127 839		39 195	96 900	94 900	2 000	2%	127 839
Government - capital		31 348	42 788		12 000	29 818	21 394	8 424	39%	42 788
Interest		1 678	2 450		152	1 284	1 225	59	5%	2 450
Dividends		-	-		-	-	-	-	-	-
Payments										
Suppliers and employees		(126 101)	(127 909)		(17 393)	(77 717)	(63 955)	13 762	-22%	(127 909)
Finance charges		(1 147)	(200)		-	(3)	(100)	(97)	97%	(200)
Transfers and Grants		(91)	(150)		-	(60)	(75)	(15)	19%	(150)
NET CASH FROM/(USED) OPERATING ACTIVITIES		54 630	70 334	-	37 742	63 672	66 148	2 476	4%	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		(48 956)	(58 590)		(15 594)	(44 272)	(29 295)	14 977	-51%	(58 590)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(48 956)	(58 590)	-	(15 594)	(44 272)	(29 295)	14 977	-51%	(58 590)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-		-	-	-	-	-	-
Borrowing long term/refinancing		-	-		-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-		-	-	-	-	-	-
Payments										
Repayment of borrowing		(3 357)	-		-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3 357)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		2 316	11 744	-	22 148	19 400	36 853			11 744
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			35 561	50 976			27 905

Property Rates, Penalties and Collection Charges

- Property rates has a favourable variance of 17 percent because of the supplementary valuation roll. The municipality recommend the adjustment in this line item.

Service Charge

- Service charge has an adverse variance of 24 percent. The municipality has over budgeted in this line items and recommends an adjustment.

Government Capital

- Government operating has a favourable variance of 39 percent because of once-off receipts and quarterly receipts of grants. The municipality has also received a grant from Department of Sports and recreation for KwaMsane sports field, which was not budgeted for, this. The municipality recommends an adjustment in this line item.

Suppliers and Employees

- Supplier and Employees has an adverse variance of 22 percent. This was also explained on page nine.

Finance Charges

- Finance charges has a variance of 97 percent.

Transfers and Grants

- Transfers and grants has a variance of 19 percent because of incorrect allocation of Eskom accounts for free basic electricity.

Capital Assets

- Capital assets has adverse variance of 51 due to high spending on capital project and this was explain under table C5 on page 14 through 15.

The above table reflect the statement of Cash flow of the municipality. The Municipality's Cash flow position has increase by 62 percent in December when compared to the November closing cash balance. This is due to transfer receipt of equitable share in December.

PART 2- SUPPORTING DOCUMENTS

The following tables support the monthly budget statements

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.Lo Council Policy
2017	M06	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	2 988 509	4 795 815	1 297 388	1 891 217	1 878 307	703 558	38 082 517	12 909 328	64 546 639	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	941 236	1 510 450	408 615	595 642	591 576	221 587	11 994 154	4 065 815	20 329 075	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	237 608	381 301	103 151	150 365	149 339	55 938	3 027 830	1 026 383	5 131 915	0	0
			2000	Total By Income Source	4 167 353	6 687 566	1 809 154	2 637 224	2 619 222	981 083	53 104 501	18 001 526	90 007 629	0	0
			2100	Debtors Age Analysis By Customer Group											
			2200	Organs of State	350 125	561 863	151 998	221 569	220 060	82 426	4 461 632	1 512 417	7 562 090	0	0
			2300	Commercial	625 541	1 003 839	271 563	395 861	393 159	147 266	7 971 262	2 702 123	13 510 614	0	0
			2400	Households	2 730 049	4 381 051	1 185 183	1 727 655	1 715 863	642 711	34 788 967	11 792 870	58 964 349	0	0
			2500	Other	461 638	740 813	200 410	292 139	290 140	108 680	5 882 640	1 994 116	9 970 576	0	0
			2600	Total By Customer Group	4 167 353	6 687 566	1 809 154	2 637 224	2 619 222	981 083	53 104 501	18 001 526	90 007 629	0	0

- The percentage of debtors sitting from 90 to over the year is 86 percent. Long outstanding debtors are as a result of no write-off of long outstanding debtors and no Revenue Manager to oversee the whole section. A single reason alone as mention above has much impact on collection rate.

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	M06	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	982 656	97 397	-18 656	78 917	90 914	122 778	166 461	0	1 520 467
			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	982 656	97 397	-18 656	78 917	90 914	122 778	166 461	0	1 520 467

- The percentage of creditors sitting at more than ninety days is 30 percent. The municipality is trying by all mean to settle those creditors sitting at more than ninety day.

Table SC5 Investment Portfolio Analysis

KZN275 Mtubatuba - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

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	-		192	-	192
FNB Money Market 1		1 year	Call Account	0	5		1 307	-	1 312
FNB Money Market 2		1 year	Call Account	0	33		492	15 000	15 525
FNB Money Market 3		1 year	Call Account	0	0		33	-	33
Investec Fixed Deposit		1 year	Call Account	0	1		139	-	140
Ithala Corporate Fixed Deposit		1 year	Call Account	0	49		5 140	-	5 189
Nedbank Limited Investment		1 year	Call Account	0	1		117	-	117
Municipality sub-total					89		7 418	15 000	22 507

- There is insignificant variance (Budgeted R20 million vs Actual R22 million) between the budgeted investments and actual investments. The Municipality has top-up an amount of fifteen million to FNB in the month of December as investments. The variance to date is less than one percent. The municipality will not recommend the adjustment to the investment portfolio.

Table SC6 Transfers and Grants Receipts

KZN275 Mtubatuba - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

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:										
Operating Transfers and Grants										
National Government:		121 731	125 076	-	39 195	93 656	83 505	9 870	11.8%	125 076
Local Government Equitable Share		116 487	120 328		39 195	89 331	80 219	9 112	11.4%	120 328
Finance Management		1 800	1 825		-	1 825	1 825			1 825
Municipal Systems Improvement		930	-		-	-	-			-
Energy Efficiency and Demand Management		86	-		-	-	-			-
EPWP Incentive		1 000	1 408		-	985	704			1 408
Municipal Infrastructure Grant Operational	3	1 428	1 515		-	1 515	758	758	100.0%	1 515
Sport Caretaker		-	-		-	-	-			-
Provincial Government:		2 740	2 763	-	-	3 244	1 382	179	13.0%	2 763
Community Library Service		362	358		-	358	179	179	100.0%	358
Provincialisation Of Libraries		2 378	2 405		-	2 886	1 203			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	124 471	127 839	-	39 195	96 900	84 887	10 049	11.8%	127 839
Capital Transfers and Grants										
National Government:		31 348	42 788	-	12 000	28 485	21 394	4 091	19.1%	42 788
Municipal Infrastructure Grant (MIG)		29 348	28 788		12 000	18 485	14 394	4 091	28.4%	28 788
National Electrification Programme		2 000	14 000		-	10 000	7 000			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	31 348	42 788	-	12 000	28 485	21 394	4 091	19.1%	42 788
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	155 819	170 627	-	51 195	125 385	106 281	14 140	13.3%	170 627

- Transfers and Grant receipts shown in the above table are in line with the National Treasury transfers. The municipality has received Equitable Share, Finance Management Grant, Municipal Infrastructure Grant, Provincialization of Libraries Grant, Community Service Library Grant, National Electrification Grant and Extended Public Works Programme Grant.

Table SC7 (1) Transfers and Grant Expenditure

KZN275 Mtubatuba - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

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:		121 731	125 076	-	6 236	34 884	62 538	(27 654)	-44.2%	125 076
Local Government Equitable Share		116 487	120 328		5 461	32 998	60 164	(27 166)	-45.2%	120 328
Finance Management		1 800	1 825		512	893	913	(20)	-2.2%	1 825
Municipal Systems Improvement		930	-		-	-	-	-		-
Energy Efficiency and Demand Management		86	-		-	-	-	-		-
EPWP Incentive		1 000	1 408		162	802	704	98	13.9%	1 408
Municipal Infrastructure Grant Operational		1 428	1 515		102	191	758	(567)	-74.8%	1 515
Sport Caretaker		-	-		-	-	-	-		-
Provincial Government:		2 740	2 763	-	432	1 424	1 382	(12)	-0.9%	2 763
Community Library Service		362	358		31	167	179	(12)	-6.9%	358
Department of Sport Caretakers		2 378	2 405		401	1 257	1 203			2 405
Other transfers and grants [insert description]		-	-		-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-		-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]		-	-		-	-	-	-		-
Total operating expenditure of Transfers and Grants:		124 471	127 839	-	6 668	36 308	63 920	(27 666)	-43.3%	127 839
Capital expenditure of Transfers and Grants										
National Government:		31 348	42 788	-	15 480	30 744	21 394	9 350	43.7%	42 788
Municipal Infrastructure Grant (MIG)		29 348	28 788		11 841	17 084	14 394	2 690	18.7%	28 788
#REF!		2 000	14 000		3 638	13 660	7 000	6 660	95.1%	14 000
Other capital transfers [insert description]		-	-		-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
		-	-		-	-	-	-		-
		-	-		-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
		-	-		-	-	-	-		-
		-	-		-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
		-	-		-	-	-	-		-
		-	-		-	-	-	-		-
Total capital expenditure of Transfers and Grants		31 348	42 788	-	15 480	30 744	21 394	9 350	43.7%	42 788
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		155 819	170 627	-	22 148	67 052	85 314	(18 316)	-21.5%	170 627

- The performance in terms of the grant expenditure is in line with the budget especially on conditional grants. The municipality will ensure that grants are spent as budgeted.

Table SC8 Expenditure on Councillor and Staff Benefits.

KZN275 Mtubatuba - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

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)										
Basic Salaries and Wages		8 230	7 636		691	3 799	3 818	(19)	0%	7 636
Pension and UIF Contributions		-	-		-	-	-	-		-
Medical Aid Contributions		-	-		-	-	-	-		-
Motor Vehicle Allowance		2 629	2 629		221	1 661	1 315	346	26%	2 629
Cellphone Allowance		954	954		82	422	477	(55)	-12%	954
Housing Allowances		-	-		-	-	-	-		-
Other benefits and allowances		-	-		-	-	-	-		-
Sub Total - Councillors		11 813	11 219	-	993	5 882	5 610	272	5%	11 219
% increase	4		-5.0%							-5.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		1 663	5 163		110	545	2 582	(2 037)	-79%	5 163
Pension and UIF Contributions		91	91		-	-	45	(45)	-100%	91
Medical Aid Contributions		-	-		6	29	-	29	#DIV/0!	-
Overtime		-	-		-	-	-	-		-
Performance Bonus		-	-		-	-	-	-		-
Motor Vehicle Allowance		386	386		27	174	193	(20)	-10%	386
Cellphone Allowance		51	51		4	18	26	(7)	-28%	51
Housing Allowances		188	188		13	63	94	(31)	-33%	188
Other benefits and allowances		203	203		28	111	102	9	9%	203
Payments in lieu of leave		-	-		-	-	-	-		-
Long service awards		-	-		-	-	-	-		-
Post-retirement benefit obligations		-	-		-	-	-	-		-
Sub Total - Senior Managers of Municipality		2 583	6 083	-	187	940	3 042	(2 102)	-69%	6 083
% increase	4		135.5%							135.5%
Other Municipal Staff										
Basic Salaries and Wages		22 698	24 671		2 899	13 943	12 335	1 607	13%	24 671
Pension and UIF Contributions		2 767	5 767		238	2 662	1 884	779	41%	5 767
Medical Aid Contributions		1 861	2 861		238	1 279	1 431	(152)	-11%	2 861
Overtime		850	850		310	1 084	425	659	155%	850
Performance Bonus		2 383	2 383		1 956	1 956	1 192	764	64%	2 383
Motor Vehicle Allowance		2 277	2 696		313	1 519	1 348	171	13%	2 696
Cellphone Allowance		4	4		1	5	2	3	140%	4
Housing Allowances		790	790		29	151	395	(244)	-62%	790
Other benefits and allowances		4 197	8 197		157	1 437	4 098	(2 661)	-65%	8 197
Payments in lieu of leave		-	-		215	378	-	378	#DIV/0!	-
Long service awards		100	100		-	-	50	(50)	-100%	100
Post-retirement benefit obligations		-	-		-	-	-	-		-
Sub Total - Other Municipal Staff		37 927	48 318	-	6 356	24 413	23 159	1 254	5%	48 318
% increase	4		27.4%							27.4%
Total Parent Municipality		52 324	65 621	-	7 537	31 235	31 810	(575)	-2%	65 621
Unpaid salary, allowances & benefits in arrears:										

Councillor and Staff Benefits

- The variance in Councillor Benefits is 5 percent which is insignificant, however since there was no provision on the increase of councillors allowances and the approval of MPAC and Whip to be fulltime councillors, it is therefore recommended that adjustment be effected in this line item.
- The variance to Senior Management is 69 percent. This is because of the vacant post of the Municipal Manager, The Chief Financial Officer, General Manager: Technical Services, General Manager Planning services and the General Manager: Community Services.

- Other Municipal staff has a variance of 5 percent. The municipality has high rate of budgeted vacant post, it has used those funds to process back pays to those employees that were under paid during the salary adjustments in the 2014/15 financial year. The municipality recommends that adjustment be effected in this line item.

- The municipality will not recommend the adjustment to senior management.

Table SC1- Material Variance Explanation

KZN275 Mtubatuba - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Property rates	18%	Property rates was because of under budgeted	The municipality will recommend an adjustment
	Investment revenue	-33%	This is because of huge amounts of withdrawals and unstable cashflow	The municipality will monitor performance
	Transfers recognised - operational	49%	This is because of once-off and quarterly transfers receipts	The municipality will monitor performance
	Other own revenue	-16%	This is because of non recurring transactions.	The municipality will recommend an adjustment
2	Expenditure By Type			
	Depreciation & asset impairment	37%	This item was under budgeted	The municipality will recommend an adjustment
	Finance charges	370%	This is because of the provision of landfill site which was not budgeted	The municipality will recommend an adjustment
	Transfers and grants	19%	Missallocation of some Eskom invoices with FBE	The municipality will monitor performance
	Other expenditure	43%	This is because of unbudgeted items like provision of water tanks	The municipality will recommend an adjustment
3	Capital Expenditure			
	Vote 1 - Executive and council	69%	This relates to the purchase of Mayor's, Deputy Mayor and Speaker	The municipality will monitor performance
	Vote 2 - Budget and Treasury	100%	The budgeted vehicle is not yet procured.	The municipality will monitor performance
	Vote 3 - Corporate Services	46%	This is because of excess expenditure on computers, furniture and fit	The municipality will recommend an adjustment
	Vote 4 - Community Services	15%	This relates to sportfield expenditure	The municipality will recommend an adjustment
	Vote 7 - Roads	33%	This is because of excess expenditure on roads infrastructure and kw	The municipality will recommend an adjustment
	Vote 8 - Licences and permits	100%	The budgeted vehicle is not yet procured.	The municipality will recommend an adjustment
	Vote 9 - Solid Waste	42%	The budgeted vehicle and equipment is not yet procured.	The municipality will recommend an adjustment
4	Financial Position			
	Cash	55%	This relates to transfers receipt of equitable share	The municipality will monitor performance
	Consumer Debtors	47%	This is because of the provision for debtors	The municipality will recommend an adjustment
	Provisions	106%	This is the provision for various items under non current liabilities	The municipality will recommend an adjustment
5	Cash Flow			
	Property Rates	17%	This is because of under budgeting in this line	The municipality will recommend an adjustment
	Service Charge	24%	This is because of under budgeting in this line	The municipality will recommend an adjustment
	Other Revenue	24%	This relates to non recurring transaction	The municipality will recommend an adjustment
	Government Capital	33%	This relates to quarterly receipt of MIG and electrification.	The municipality will monitor performance
	Suppliers and Employees	19%	This relates to high expenditure on contracted services and back pay	The municipality will recommend an adjustment
	Finance Costs	97%	No major finance cost raised to the accounting system	The municipality will recommend an adjustment
	Capital assets	51%	This relates to high expenditure on capital in the first half	The municipality will recommend an adjustment
6	Measureable performance			
7	Municipal Entities			

Parent Municipality Financial Performance

- Parent municipality financial performance was explained in page nine to page fourteen.

Municipal Entity Financial Performance

- The Municipality did not have the entity in the year under review.

Table SC12 Capital Expenditure Trend

KZN275 Mtubatuba - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

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	4 080	4 883		3 536	3 536	4 883	1 346	27.6%	6%
August	4 080	4 883		6 107	9 644	9 765	121	1.2%	16%
September	4 080	4 883		8 057	17 701	14 648	(3 053)	-20.8%	30%
October	4 080	4 883		5 151	22 852	19 530	(3 322)	-17.0%	39%
November	4 080	4 883		10 525	33 377	24 413	(8 965)	-36.7%	57%
December	4 080	4 883		4 320	37 697	29 295	(8 402)	-28.7%	64%
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	-		
Total Capital expenditure	48 956	58 590	-	37 697					

- The Capital Expenditure trends is high when compared to the budget. The total expenditure to date is 64 percent. The Municipality will recommend adjustment to other capital project to fund excess expenditure.

General items

1. The Municipality is in a process of implementation of mSCOA regulation as gazetted in 2014.

In year Report of the Municipal Entity

- There were no municipal entity in the year under review.

MTUBATUBA



UMASIPALA . MUNICIPALITY . MUNISIPALITEIT

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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