

MTUBATUBA



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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 October 2017

Table of Contents

Part 1 Monthly Budget Statement

No	Description	Page
1.1.	Cover Page	1
1.2.	Table of Content	2
1.3.	Executive Summary	3
1.4.	Table C1 Monthly Budget Statement Summary	4
1.7.	Table C4 Monthly Budget Statement (Financial Performance Revenue and Expenditure)	5-7
1.8.	Table C5 Monthly Budget Statement- Capital Expenditure (Municipal Vote, Standard Classification and Funding)	8
1.9.	Table C6 Monthly Budget Statement- Financial Position	9
1.10.	Table C7 Monthly Budget Statement-Cash Flow	10

Part 2 Supporting Tables to Monthly Budget Statement

No	Description	Page
2.1.	Table SC8 Expenditure on Councillor and Staff Benefits	11
2.2.	Table SC3 Aged Debtors	12
2.3.	Table SC4 Aged Creditors	12
2.4.	Table SC5 Investment Portfolio Analysis	13
2.5.	Table SC6 Transfers and Grants Receipts	14
2.6.	Table SC7 (1) Transfers and Grant Expenditure	15
2.7.	Table SC12 Capital Expenditure Trend	16

2.1. Quality Certificate

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 October 2017 are summarised below.

Table C1 Monthly budget Statement Summary

KZN275 Mtubatuba - Table C1 Monthly Budget Statement Summary - M04 October

Description	2016/17	Budget Year 2017/18							
	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	-	38,099	-	2,193	13,093	12,700	393	3%	38,099
Service charges	-	7,776	-	600	2,424	2,592	(168)	-6%	7,776
Investment revenue	-	3,000	-	131	690	1,000	(310)	-31%	3,000
Transfers recognised - operational	-	140,480	-	626	66,475	46,827	19,649	42%	140,480
Other own revenue	-	13,444	-	413	1,342	4,481	(3,139)	-70%	13,444
Total Revenue (excluding capital transfers and contributions)	-	202,799	-	3,963	84,023	67,600	16,424	24%	202,799
Employee costs	-	67,875	-	5,947	20,492	22,625	(2,133)	-9%	67,875
Remuneration of Councillors	-	12,923	-	1,558	4,380	4,308	72	2%	12,923
Depreciation & asset impairment	-	21,600	-	2,388	9,653	7,200	2,453	34%	21,600
Finance charges	-	1,421	-	118	474	474	(0)	-0%	1,421
Materials and bulk purchases	-	14,510	-	1,238	9,556	4,837	4,719	98%	14,510
Transfers and grants	-	850	-	300	300	283	17	6%	850
Other expenditure	-	73,225	-	8,377	21,828	24,408	(2,580)	-11%	73,225
Total Expenditure	-	192,405	-	19,927	66,682	64,135	2,547	4%	192,405
Surplus/(Deficit)	-	10,395	-	(15,964)	17,341	3,465	13,876	400%	10,395
Transfers recognised - capital	-	47,832	-	478	18,403	19,930	(1,527)	-8%	47,832
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	58,227	-	(15,487)	35,744	23,395	12,349	53%	58,227
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	58,227	-	(15,487)	35,744	23,395	12,349	53%	58,227
Capital expenditure & funds sources									
Capital expenditure	-	55,870	-	637	19,040	24,277	(5,237)	-22%	55,870
Capital transfers recognised	-	47,832	-	478	18,881	19,930	(1,049)	-5%	47,832
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	8,038	-	159	159	4,346	(4,188)	-96%	8,038
Total sources of capital funds	-	55,870	-	637	19,040	24,277	(5,237)	-22%	55,870
Financial position									
Total current assets	-	66,674	-	-	113,720	-	-	-	66,674
Total non current assets	-	392,481	-	-	417,081	-	-	-	392,481
Total current liabilities	-	7,545	-	-	161,633	-	-	-	7,545
Total non current liabilities	-	25,914	-	-	686	-	-	-	25,914
Community wealth/Equity	-	425,696	-	-	368,483	-	-	-	425,696
Cash flows									
Net cash from (used) operating	-	73,281	-	(10,133)	38,655	18,320	(20,334)	-111%	73,281
Net cash from (used) investing	-	(52,995)	-	(8,025)	(16,792)	(13,249)	3,543	-27%	(52,995)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	28,682	-	-	29,438	13,468	(15,971)	-119%	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	2,229	1,899	-	1,395	5,517	84,282	16	-	95,338
Creditors Age Analysis									
Total Creditors	5,579	-	2,774	1,167	92	319	1,235	-	11,167

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

Table C4 Monthly Budget Statement (Financial Performance) Revenue and

KZN275 Mtubatuba - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	2016/17	Budget Year 2017/18								
		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			38,099			2,193	13,093	12,700	393	3%	38,099
Property rates - penalties & collection charges			-			-	-	-	-		-
Service charges - electricity revenue			-			-	-	-	-		-
Service charges - water revenue			-			-	-	-	-		-
Service charges - sanitation revenue			-			-	-	-	-		-
Service charges - refuse revenue			5,220			396	1,581	1,740	(159)	-9%	5,220
Service charges - other			2,556			204	842	852	(10)	-1%	2,556
Rental of facilities and equipment			198			2	9	66	(57)	-86%	198
Interest earned - external investments			3,000			131	690	1,000	(310)	-31%	3,000
Interest earned - outstanding debtors			7,907			71	71	2,636	(2,565)	-97%	7,907
Dividends received			-			-	-	-	-		-
Fines			2,710			20	68	903	(836)	-93%	2,710
Licences and permits			2,405			320	1,194	802	392	49%	2,405
Agency services			-			-	-	-	-		-
Transfers recognised - operational			140,480			626	66,475	46,827	19,649	42%	140,480
Other revenue			224			-	-	75	(75)	-100%	224
Gains on disposal of PPE			-			-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)			202,799			3,963	84,023	67,600	16,424	24%	202,799
Expenditure By Type											
Employee related costs			67,875			5,947	20,492	22,625	(2,133)	-9%	67,875
Remuneration of councillors			12,923			1,558	4,380	4,308	72	2%	12,923
Debt impairment			11,224			-	2,806	3,741	(935)	-25%	11,224
Depreciation & asset impairment			21,600			2,388	9,653	7,200	2,453	34%	21,600
Finance charges			1,421			118	474	474	(0)	0%	1,421
Bulk purchases			-			-	-	-	-		-
Other materials			14,510			1,238	9,556	4,837	4,719	98%	14,510
Contracted services			20,610			1,738	5,213	6,870	(1,657)	-24%	20,610
Transfers and grants			850			300	300	283	17	6%	850
Other expenditure			41,391			6,639	13,809	13,797	12	0%	41,391
Loss on disposal of PPE			-			-	-	-	-		-
Total Expenditure			192,405			19,927	66,682	64,135	2,547	4%	192,405
Surplus/(Deficit)			10,395			(15,964)	17,341	3,465	13,876	0	10,395
Transfers recognised - capital			47,832			478	18,403	19,930	(1,527)	(0)	47,832
Contributions recognised - capital			-			-	-	-	-		-
Contributed assets			-			-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions			58,227			(15,487)	35,744	23,395			58,227
Taxation			-			-	-	-	-		-
Surplus/(Deficit) after taxation			58,227			(15,487)	35,744	23,395			58,227
Attributable to minorities			-			-	-	-	-		-
Surplus/(Deficit) attributable to municipality			58,227			(15,487)	35,744	23,395			58,227
Share of surplus/ (deficit) of associate			-			-	-	-	-		-
Surplus/ (Deficit) for the year			58,227			(15,487)	35,744	23,395			58,227

The Statement of Financial Performance shown in Table C4, is prepared on the similar basis to the prescribed budget format, detailing Revenue by Source and Expenditure by Type. There were no material variances in the income components of Property Rates, Service Charge: Refuse, Service Charge: Other. The following income components has the variances:

Rentals of Facilities and Equipment

- Rentals of Facilities reflect adverse variance of 86 percent and a rand value of R57 000. This is because rentals of facilities are booked more during holidays. The municipality will monitor performance in this line item for the next two months.

Interest Earned External Investments

- Interest Earned External Investment reflect an adverse variance of 31 percent and a rand value of R310 000. This is because of high expenditure which result in decrease in investment accounts. The Municipality will monitor performance in this line item for the next two months

Interest outstanding debtors

- Interest Earned Outstanding debtors reflect an adverse variance of 97 percent and a rand value of R2 565 000. This is because system technicalities that the municipality has experience in the first quarter due to mSCOA implementation however this is now resolve. The Municipality run interest in those months in which it was not run and there would no material variance afterwards.

Fines

- Fines reflect an adverse variance of 93 percent and rand value of R836 000. Fines include both traffic and library fines. The municipality has not captured traffic fines on the system resulting in this huge variance. The municipality will collect schedule of fines from traffic department and capture traffic fines.

Other Revenue

- Other Revenue reflect an adverse variance of 100 percent and rand value of R75 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 received from other revenue is fluctuating on the month to month basis. The also check the allocation of these line items on the financial system.

There were no material variance in the expenditure component of Employee Related Cost and Remuneration of councillors, finance charges, other materials, Transfers and Grants and Other Expenditure. The following expenditure components has the variances.

Debt Impairment

- Debt impairment reflect a favourable variance of 25 percent which amounts to R935 000. The Municipality thoroughly reviews and perform debt impairment at year end. The municipality will monitor performance in this line item.

Depreciation and Assets Impairment

- Depreciation and Assets Impairment reflect an adverse variance of 34 percent and a rand value of R2 453 0000. This is because the depreciation new item which are capitalized at the start of the financial year which arise from the past financial year and the under allocation of depreciation. The municipality will monitor performance and recommend and adjustment if necessary.

Other Materials

- Other Materials reflect an adverse variance of 98 percent and a rand value of R4 837 000. This relates to storm water upgrade, community hall and other repairs on land and buildings.

Contracted Services

- Contracted Services reflect a favourable variance of 24 percent and a rand value of R1 657 000. This is because of the delay in the appointment of other contractors that were budgeted under contracted services. The municipality will fast track processes for appointment and also monitor performance in this line item.

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

KZN275 Mtubatuba - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M04 October

Vote Description	Ref	2016/17	Budget Year 2017/18							
		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		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	300	-	-	-	300	(300)	-100%	300
Vote 3 - Corporate Services		-	400	-	159	159	400	(241)	-60%	400
Vote 4 - Community Services		-	700	-	-	-	700	(700)	-100%	700
Vote 5 - Libraries and archives		-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	210	-	-	-	210	(210)	-100%	210
Vote 7 - Roads		-	53,360	-	478	18,881	22,233	(3,352)	-15%	53,360
Vote 8 - Licences and permits		-	100	-	-	-	100	(100)	-100%	100
Vote 9 - Solid Waste		-	800	-	-	-	333	(333)	-100%	800
Total Capital single-year expenditure	4	-	55,870	-	637	19,040	24,277	(5,237)	-22%	55,870
Total Capital Expenditure		-	55,870	-	637	19,040	24,277	(5,237)	-22%	55,870

Capital Expenditure reflect an overall adverse variance of 22 percent, this is because of capital project that will be funded internal which are not yet procured or implemented. This is because the municipality is still monitoring the cash flow for those projects.

Table C6 Monthly Budget Statement- Financial Position

KZN275 Mtubatuba - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	Ref	2016/17	Budget Year 2017/18				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
R thousands	1						
ASSETS							
Current assets							
Cash			3,682	-	4,070	3,682	
Call investment deposits			25,000	-	25,368	25,000	
Consumer debtors			34,516	-	67,980	34,516	
Other debtors			1,142	-	16,302	1,142	
Current portion of long-term receivables			2,333	-	-	2,333	
Inventory			-	-	-	-	
Total current assets			-	66,674	-	113,720	66,674
Non current assets							
Long-term receivables			-	-	-	-	
Investments			-	-	-	-	
Investment property			41,936	-	41,633	41,936	
Investments in Associate			-	-	-	-	
Property, plant and equipment			350,272	-	371,328	350,272	
Agricultural			-	-	-	-	
Biological assets			-	-	-	-	
Intangible assets			109	-	-	109	
Other non-current assets			165	-	4,121	165	
Total non current assets			-	392,481	-	417,081	392,481
TOTAL ASSETS			-	459,155	-	530,801	459,155
LIABILITIES							
Current liabilities							
Bank overdraft			-	-	-	-	
Borrowing			49	-	3,453	49	
Consumer deposits			-	-	77	-	
Trade and other payables			4,968	-	30,911	4,968	
Provisions			2,528	-	127,192	2,528	
Total current liabilities			-	7,545	-	161,633	7,545
Non current liabilities							
Borrowing			-	-	-	-	
Provisions			25,914	-	686	25,914	
Total non current liabilities			-	25,914	-	686	25,914
TOTAL LIABILITIES			-	33,459	-	162,319	33,459
NET ASSETS	2		-	425,696	-	368,483	425,696
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)			425,696	-	368,483	425,696	
Reserves			-	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	2		-	425,696	-	368,483	425,696

The above statement of financial position show the net decrease in community wealth or Equity by 13 percent when compared to the approved budget. Although the decrease is insignificant, the municipality will look at items that cause decrease in the next and recommend and adjustment if necessary.

Table C7 Monthly Budget Statement- Cash Flow

KZN275 Mtubatuba - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2016/17	Budget Year 2017/18								
		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			25,908		2,054	7,020	6,477	543	8%	25,908	
Service charges			5,288		414	1,081	1,322	(241)	-18%	5,288	
Other revenue			3,900		363	1,253	975	278	29%	3,900	
Government - operating			140,480		-	60,786	35,120	25,666	73%	140,480	
Government - capital			47,832		5,000	23,983	11,958	12,025	101%	47,832	
Interest			3,000		133	528	750	(222)	-30%	3,000	
Dividends			-		-	-	-	-		-	
Payments											
Suppliers and employees			(152,134)		(17,796)	(55,696)	(38,033)	17,663	-46%	(152,134)	
Finance charges			(142)		-	-	(36)	(36)	100%	(142)	
Transfers and Grants			(850)		(300)	(300)	(213)	88	-41%	(850)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	73,281	-	(10,133)	38,655	18,320	(20,334)	-111%	73,281
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			(52,995)		(8,025)	(16,792)	(13,249)	3,543	-27%	(52,995)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(52,995)	-	(8,025)	(16,792)	(13,249)	3,543	-27%	(52,995)
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			-	20,286	-	(18,157)	21,863	5,072		20,286	
Cash/cash equivalents at beginning:			8,396			7,575	8,396			7,575	
Cash/cash equivalents at month/year end:			28,682			29,438	13,468			27,861	

The above table reflect the statement of Cash flow of the municipality. The Municipality's Cash flow position has a net decrease of 38 percent in October when compared to September closing cash balance. This is because of excess expenditure to other items operational nature.

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 - M04 October

Summary of Employee and Councillor remuneration	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			8,900		788	3,187	3,044	143	5%	8,900
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	-	-	-	-	-	-		-
Motor Vehicle Allowance			2,967		674	893	912	(19)	-2%	2,967
Cellphone Allowance			1,056		96	300	352	(52)	-15%	1,056
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
Sub Total - Councillors		-	12,923	-	1,558	4,380	4,308	72	2%	12,923
% increase	4		#DIV/0!							#DIV/0!
Senior Managers of the Municipality										
Basic Salaries and Wages			7,964		258	1,701	2,655	(953)	-36%	7,964
Pension and UIF Contributions			179		-	-	60	(60)	-100%	179
Medical Aid Contributions			147		9	4	49	(45)	-92%	147
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	218	-	-	-	73	(73)	-100%	218
Motor Vehicle Allowance			613		50	137	204	(68)	-33%	613
Cellphone Allowance			-		4	8	-	8	#DIV/0!	-
Housing Allowances			163		24	59	54	5	9%	163
Other benefits and allowances		-	-	-	-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		-	9,283	-	345	1,910	3,094	(1,185)	-38%	9,283
% increase	4		#DIV/0!							#DIV/0!
Other Municipal Staff										
Basic Salaries and Wages			41,198		4,155	11,589	13,733	(2,144)	-16%	41,198
Pension and UIF Contributions			6,598		-	1,971	2,199	(228)	-10%	6,598
Medical Aid Contributions			3,487		-	1,071	1,162	(91)	-8%	3,487
Overtime			1,001		504	1,580	334	1,247	374%	1,001
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance			3,324		787	1,761	1,108	652	59%	3,324
Cellphone Allowance			30		6	17	10	7	72%	30
Housing Allowances			612		17	49	204	(155)	-76%	612
Other benefits and allowances			2,343		134	545	781	(236)	-30%	2,343
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		-	58,592	-	5,602	18,582	19,531	(948)	-5%	58,592
% increase	4		#DIV/0!							#DIV/0!
Total Parent Municipality		-	80,798	-	7,505	24,872	26,933	(2,061)	-8%	80,798
Unpaid salary, allowances & benefits in arrears:										

The above table depict the councillors and staff benefits. There were no material variance to employee related cost and remuneration to councillors.

Table SC3 Aged Debtors

KZN275 Mtubatuba - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	NT Code	Budget Year 2017/18								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr				
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1,528	1,343	-	1,042	5,208	84,282	-	-	93,403	90,532	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	346	313	-	246	220	-	-	-	1,125	467	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	207	126	-	-	-	-	16	-	349	16	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	149	117	-	107	88	-	-	-	461	195	-	-
Total By Income Source	2000	2,229	1,899	-	1,395	5,517	84,282	16	-	95,338	91,211	-	-
2016/17 - totals only		-	-	-	-	-	-	-	-	-	-	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	2300	-	-	-	-	-	-	-	-	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-	-	-
Other	2500	2,229	1,899	-	1,395	5,517	84,282	16	-	95,338	91,211	-	-
Total By Customer Group	2600	2,229	1,899	-	1,395	5,517	84,282	16	-	95,338	91,211	-	-

- The percentage of debtors sitting from 90 days to a year is 95 percent. Long outstanding debtors are as a result of no write-off of long outstanding debtors arising from the past financial year and a shortage of staff in the collection section. The municipality has started the processes of putting additional resource to the revenue section.

Table SC4 Aged Creditors

KZN275 Mtubatuba - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description	NT Code	Budget Year 2017/18								Total	Prior year totals for chart (same period)
		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		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	5,579	-	2,774	1,167	92	319	1,235	-	11,167	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	5,579	-	2,774	1,167	92	319	1,235	-	11,167	-

- The percentage of creditors sitting at more than 90 days is 25 percent. The Municipality is trying by all means to settle those creditors sitting at more than 90 days.

Table SC5 Investment Portfolio Analysis

KZN275 Mtubatuba - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

Investments by maturity Name of institution & investment ID R thousands	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							
Municipality									
FNB Fixed Deposit		1 year	Security	0	-	0.0%	192	-	-
FNB Money Market 1		1 year	Call Account	0	6	0.0%	1,366	-	1,372
FNB Money Market 2		1 year	Call Account	0	117	0.0%	31,095	(8,000)	23,212
FNB Money Market 3		1 year	Call Account	0	0	0.0%	34	-	34
Investec Fixed Deposit		1 year	Call Account	0	1	0.0%	147	-	148
Ithala Corporate Fixed Deposit		1 year	Call Account	0	4	0.0%	474	-	478
Nedbank Limited Investment		1 year	Call Account	0	1	0.0%	124	-	124
Municipality sub-total					129		33,431	(8,000)	25,368

- The municipal investments has decrease by R 8 063 000 in October. These was done to fund operational expenditure which is higher than budgeted. The municipality will monitor the expenditure in the next two months and recommend a downwards adjustment to project of an operational nature.

Table SC6 Transfers and Grants Receipts

KZN275 Mtubatuba - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

Description	Ref	2016/17	Budget Year 2017/18							
		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:		-	137,202	-	-	58,959	58,959	-		137,202
Local Government Equitable Share			132,131		-	55,056	55,056	-		132,131
Finance Management			1,900		-	1,900	1,900			1,900
Municipal Systems Improvement			-		-	-	-			-
Energy Efficiency and Demand Management			-		-	-	-			-
EPWP Incentive			1,558		-	390	390			1,558
Municipal Infrastructure Grant Operational	3		1,613		-	1,613	1,613	-		1,613
Sport Caretaker			-		-	-	-			-
Provincial Government:		-	3,278	-	-	1,827	1,827	-		3,278
Community Library Service			376		-	376	376	-		376
Provincialisation Of Libraries			2,902		-	1,451	1,451			2,902
Department of Sport Caretakers	4		-		-	-	-			-
District Municipality:		-	-	-	-	-	-	-		-
<i>[insert description]</i>					-					
Other grant providers:		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	-	140,480	-	-	60,786	60,786	-		140,480
Capital Transfers and Grants										
National Government:		-	44,640	-	5,000	22,387	20,387	-		44,640
Municipal Infrastructure Grant (MIG)			30,640		-	13,387	13,387	-		30,640
National Electrification Programme			14,000		5,000	9,000	7,000			14,000
Energy Efficiency and Demand Management			-		-	-	-			-
			-		-	-	-			-
Provincial Government:		-	3,192	-	-	1,596	1,596	-		3,192
DSR-Sport facilities(Infrastructure)			3,192		-	1,596	1,596	-		3,192
District Municipality:		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	-	47,832	-	5,000	23,983	21,983	-		47,832
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	188,312	-	5,000	84,769	82,769	-		188,312

- Transfers grant receipts is in line with transfer's schedule. The municipality has received Integrated National Electrification Program grant to the value of R5 000 000 in the month of October.

Table SC7 (1) Transfers and Grant Expenditure

KZN275 Mtubatuba - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

Description	Ref	2016/17	Budget Year 2017/18							
		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:		-	137,202	-	9,371	30,373	45,734	(15,361)	-33.6%	137,202
Local Government Equitable Share			132,131		9,224	29,434	44,044	(14,610)	-33.2%	132,131
Finance Management			1,900		36	587	633	(46)	-7.3%	1,900
Municipal Systems Improvement			-		-	-	-	-	-	-
Energy Efficiency and Demand Management			-		-	-	-	-	-	-
EPWP Incentive			1,558		112	352	519	(168)	-32.3%	1,558
Municipal Infrastructure Grant Operational			1,613		-	-	538	(538)	-100.0%	1,613
#REF!			-		-	-	-	-	-	-
Provincial Government:		-	3,278	-	283	1,281	1,093	188	17.2%	3,278
Community Library Service			376		31	113	125	(12)	-10.0%	376
Provincialisation Of Libraries			2,902		253	1,168	967	201	20.7%	2,902
Department of Sport Caretakers			-		-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]			-		-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
			-		-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		-	140,480	-	9,655	31,653	46,827	(15,173)	-32.4%	140,480
Capital expenditure of Transfers and Grants										
National Government:		-	44,640	-	8,025	18,403	14,880	3,523	23.7%	44,640
Municipal Infrastructure Grant (MIG)			30,640		8,025	14,432	10,213	4,218	41.3%	30,640
National Electrification Programme			14,000		-	3,972	4,667	(695)	-14.9%	14,000
Provincial Government:		-	3,192	-	478	478	1,064	(586)	-55.1%	3,192
			3,192		478	478	1,064	(586)	-55.1%	3,192
District Municipality:		-	-	-	-	-	-	-	-	-
			-		-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
			-		-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	47,832	-	8,502	18,881	15,944	2,937	18.4%	47,832
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	188,312	-	18,157	50,534	62,771	(12,236)	-19.5%	188,312

- The spending in terms of the capital grant is in line with the budget. There is excess expenditure in the operational grants.

Table SC12 Capital Expenditure Trend

KZN275 Mtubatuba - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M04 October

Month	2016/17	Budget Year 2017/18							
	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		4,656	-	11,387	11,387	4,656	(6,731)	-144.6%	20%
August		4,656	-	246	11,633	9,312	(2,322)	-24.9%	21%
September		4,656	-	6,770	18,403	13,967	(4,436)	-31.8%	33%
October		4,656	-	637	19,040	18,623	(417)	-2.2%	34%
November		4,656	-			23,279	-		
December		4,656	-			27,935	-		
January		4,656	-			32,591	-		
February		4,656	-			37,247	-		
March		4,656	-			41,902	-		
April		4,656	-	-		46,558	-		
May		4,656	-	-		51,214	-		
June		4,656	-			55,870	-		
Total Capital expenditure	-	55,870	-	19,040					

- The above table depict capital expenditure for the month of July, August, September and October 2017. The municipality has spent 34 percent from the start of the financial year to date as depicted by the above table. The spending pattern for capital expenditure is in line with the budget.

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

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October 2017

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

Date:

Signature:

Reviewed by: Mrs N.N Shandu (Chief Financial Officer)

Date:

Signature:

Approved by: Mr J A Mngomezulu (Municipal Manager)

Date:

Signature:

Received by Cllr M.Q Mkhwanazi' (Mayor)

Date:

Signature: