

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 September 2017

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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 September 2017 are summarised below.

Table C1 Monthly budget Statement Summary

KZN275 Mtubatuba - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

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	-	2 199	10 900	9 525	1 375	14%	38 099
Service charges	-	7 776	-	574	1 722	1 944	(223)	-11%	7 776
Investment revenue	-	3 000	-	143	396	750	(354)	-47%	3 000
Transfers recognised - operational	-	140 480	-	6 311	66 475	49 115	17 361	35%	140 480
Other own revenue	-	13 444	-	7	289	3 361	(3 072)	-91%	13 444
Total Revenue (excluding capital transfers and contributions)	-	202 799	-	9 234	79 782	64 695	15 087	23%	202 799
Employee costs	-	67 875	-	5 189	15 073	16 969	(1 896)	-11%	67 875
Remuneration of Councillors	-	12 923	-	1 055	3 165	3 231	(66)	-2%	12 923
Depreciation & asset impairment	-	21 600	-	1 800	5 400	5 400	-	-	21 600
Finance charges	-	1 421	-	118	355	355	(0)	-0%	1 421
Materials and bulk purchases	-	14 510	-	-	-	3 628	(3 628)	-100%	14 510
Transfers and grants	-	850	-	-	-	213	(213)	-100%	850
Other expenditure	-	73 225	-	5 867	10 944	18 306	(7 362)	-40%	73 225
Total Expenditure	-	192 405	-	14 029	34 937	48 101	(13 164)	-27%	192 405
Surplus/(Deficit)	-	10 395	-	(4 795)	44 845	16 593	28 251	170%	10 395
Transfers recognised - capital	-	47 832	-	-	-	15 944	(15 944)	-100%	47 832
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	58 227	-	(4 795)	44 845	32 538	12 307	38%	58 227
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	58 227	-	(4 795)	44 845	32 538	12 307	38%	58 227
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Capital transfers recognised	-	47 832	-	6 235	8 767	11 958	(3 191)	-27%	47 832
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	8 038	-	-	-	2 009	(2 009)	-100%	8 038
Total sources of capital funds	-	55 870	-	6 235	8 767	13 967	(5 200)	-37%	55 870
Financial position									
Total current assets	-	66 674	-	-	1 462	-	-	-	66 674
Total non current assets	-	392 481	-	-	548 161	-	-	-	392 481
Total current liabilities	-	7 545	-	-	159 969	-	-	-	7 545
Total non current liabilities	-	25 914	-	-	686	-	-	-	25 914
Community wealth/Equity	-	425 696	-	-	388 967	-	-	-	425 696
Cash flows									
Net cash from (used) operating	-	73 281	-	(8 671)	48 787	18 320	(30 467)	-166%	73 281
Net cash from (used) investing	-	(52 995)	-	(6 235)	(8 767)	(13 249)	(4 482)	34%	(52 995)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	28 682	-	-	47 595	13 468	(34 128)	-253%	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	4 404	7 068	1 912	2 787	2 768	1 037	56 122	19 024	95 122
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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.

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

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 per source and Expenditure per type.

KZN275 Mtubatuba - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

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		2 199	10 900	9 525	1 375	14%	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		391	1 174	1 305	(131)	-10%	5 220
Service charges - other			2 556		182	547	639	(92)	-14%	2 556
Rental of facilities and equipment			198		4	7	50	(42)	-85%	198
Interest earned - external investments			3 000		143	396	750	(354)	-47%	3 000
Interest earned - outstanding debtors			7 907		-	-	1 977	(1 977)	-100%	7 907
Dividends received		-	-	-	-	-	-	-	-	-
Fines			2 710		4	9	677	(669)	-99%	2 710
Licences and permits			2 405		0	273	601	(328)	-55%	2 405
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational			140 480		6 311	66 475	49 115	17 361	35%	140 480
Other revenue			224		-	-	56	(56)	-100%	224
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	202 799	-	9 234	79 782	64 695	15 087	23%	202 799
Expenditure By Type										
Employee related costs			67 875		5 189	15 073	16 969	(1 896)	-11%	67 875
Remuneration of councillors			12 923		1 055	3 165	3 231	(66)	-2%	12 923
Debt impairment			11 224		935	2 806	2 806	-	-	11 224
Depreciation & asset impairment			21 600		1 800	5 400	5 400	-	-	21 600
Finance charges			1 421		118	355	355	(0)	0%	1 421
Bulk purchases			-		-	-	-	-	-	-
Other materials			14 510		-	-	3 628	(3 628)	-100%	14 510
Contracted services			20 610		1 079	1 448	5 153	(3 704)	-72%	20 610
Transfers and grants			850		-	-	213	(213)	-100%	850
Other expenditure			41 391		3 852	6 690	10 348	(3 658)	-35%	41 391
Loss on disposal of PPE			-		-	-	-	-	-	-
Total Expenditure		-	192 405	-	14 029	34 937	48 101	(13 164)	-27%	192 405
Surplus/(Deficit)		-	10 395	-	(4 795)	44 845	16 593	28 251	0	10 395
Transfers recognised - capital			47 832		-	-	15 944	(15 944)	(0)	47 832
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	58 227	-	(4 795)	44 845	32 538			58 227
Taxation										
Surplus/(Deficit) after taxation		-	58 227	-	(4 795)	44 845	32 538			58 227
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	58 227	-	(4 795)	44 845	32 538			58 227
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	58 227	-	(4 795)	44 845	32 538			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. The following has variances.

Property Rates

- Property Rates reflect a favourable variance of 14 percent which equals to R1 375 000. This is because it the start of the financial year. The Municipality will monitor performance in this line item.

Refuse Revenue

- Refuse revenue has an adverse of 10 percent and the rand value of R131 000. This is because it the start of the financial year. The Municipality will monitor performance and recommend an adjustment if necessary.

Service Charge Other

- Service Charge Other has an adverse of 14 percent and the rand value of R92 000. This is because it the start of the financial year. The Municipality will monitor performance and recommend an adjustment if necessary.

Rentals of Facilities and Equipment

- Rentals of Facilities reflect an adverse variance of 85 percent and a rand value of R42 000. This is because rental revenue is received mostly in December. The municipality will monitors performance in this line item.

Interest Earned on External Investments

- Interest Earned on External Investments has an adverse variance of 47 percent and a rand value of R354 000. This is because it the start of the financial year. The municipality will monitors performance in this line item.

Interest Earned on Outstanding debtors

- Interest Earned on outstanding debtors has an adverse variance of 100 percent and a rand value of R1 977 000. This is because of system technical problem. The consultants from the CCG system are working on it.

Fines

- Fines reflect an adverse variance of 99 percent and rand value of R669 000. This is due to Traffic fines being accounted for at year end. Fines include both traffic and library fines. The municipality will request schedule for fines from traffic department and capture those to the financial system.

Licence and Permits

- Licence and permits has an adverse variance of 55 percent and a rand value of R328 000. This is due to less numbers of applicants in past three months than anticipated number of license and permit compared to actual. The municipality will monitor performance.

Other Revenue

- Other Revenue reflect an adverse variance of 100 percent and rand value of R56 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 Remuneration of councillors and Finance Charges, Debt Impairment, Depreciation and Assets Impairment. The following expenditure components has the variances.

Employee Related Cost

- Employee Related Cost reflect a favourable variance of 11 percent which amount to R1 896 000. This is because of budget vacant post that result in savings. The Municipality fast track the process of appointing in critical vacant post.

Contracted Services

- Contracted Services has an adverse variance of 72 percent and a rand value of R3 704 000. This is because of no appointment being made to some of the contracted services like assets protection contractor. The municipality will fast track the SCM processes so that there would be appointments.

Transfers and Grants

- Transfers and Grants has a favourable variance of 100 percent and a rand value of R213 000. Transfers and Grants relate to free basic electricity provided to mtubatuba residents. No invoices has been captured with FBE resulting in this variance. The municipality will check all invoices from Eskom that has FBE portion and capture to the financial system.

Other Expenditure

- Other Expenditure has an adverse variance of 35 percent and a rand value of R3 658 000. This is because of high expenditure in special programs, subsistence and travelling and other operational cost. The municipality will monitor performance in this line item.

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

KZN275 Mtubatuba - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q1 First Quarter

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									
Capital Expenditure - Standard Classification										
<i>Governance and administration</i>		-	700	-	-	-	175	(175)	-100%	700
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	300	-	-	-	75	(75)	-100%	300
Corporate services		-	400	-	-	-	100	(100)	-100%	400
<i>Community and public safety</i>		-	800	-	-	-	200	(200)	-100%	800
Community and social services		-	700	-	-	-	175	(175)	-100%	700
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	100	-	-	-	25	(25)	-100%	100
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	53 570	-	6 235	8 767	13 392	(4 625)	-35%	53 570
Planning and development		-	210	-	-	-	53	(53)	-100%	210
Road transport		-	53 360	-	6 235	8 767	13 340	(4 573)	-34%	53 360
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	800	-	-	-	200	(200)	-100%	800
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	800	-	-	-	200	(200)	-100%	800
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	-	55 870	-	6 235	8 767	13 967	(5 200)	-37%	55 870
Funded by:										
National Government		-	44 640	-	6 235	8 767	11 160	(2 393)	-21%	44 640
Provincial Government		-	3 192	-	-	-	798	(798)	-100%	3 192
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	47 832	-	6 235	8 767	11 958	(3 191)	-27%	47 832
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	8 038	-	-	-	2 009	(2 009)	-100%	8 038
Total Capital Funding		-	55 870	-	6 235	8 767	13 967	(5 200)	-37%	55 870

Capital Expenditure reflect an overall adverse variance of 37 percent due to lower expenditure than budget for purchase of vehicle, computer equipment, furniture and fitting. Also there is low expenditure on Infrastructure roads for contraction, KwaMsane Civic centre and Mtuba town CBD road, testing station, community halls. The municipality will fast track SCM processes relating to these budgeted projects. .

Table C6 Monthly Budget Statement- Financial Position

KZN275 Mtubatuba - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

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	-	25 873	3 682	
Call investment deposits			25 000	-		25 000	
Consumer debtors			34 516	-	83 841	34 516	
Other debtors			1 142	-	(108 252)	1 142	
Current portion of long-term receivables			2 333	-		2 333	
Inventory			-	-	-	-	
Total current assets			-	66 674	-	1 462	66 674
Non current assets							
Long-term receivables			-	-	-	-	
Investments			-	-	-	-	
Investment property			41 936	-	41 634	41 936	
Investments in Associate			-	-	-	-	
Property, plant and equipment			350 272	-	502 406	350 272	
Agricultural			-	-	-	-	
Biological assets			-	-	-	-	
Intangible assets			109	-	4 121	109	
Other non-current assets			165	-		165	
Total non current assets			-	392 481	-	548 161	392 481
TOTAL ASSETS			-	459 155	-	549 623	459 155
LIABILITIES							
Current liabilities							
Bank overdraft			-	-	-	-	
Borrowing			49	-	-	49	
Consumer deposits			-	-	77	-	
Trade and other payables			4 968	-	-	4 968	
Provisions			2 528	-	159 892	2 528	
Total current liabilities			-	7 545	-	159 969	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	-	160 656	33 459
NET ASSETS	2		-	425 696	-	388 967	425 696
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)			425 696	-	388 967	425 696	
Reserves			-	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	2		-	425 696	-	388 967	425 696

The above statement of financial position show the net decrease in community wealth or Equity by 8 percent when compared to the approved budget. The decrease is insignificant.

Table C7 Monthly Budget Statement- Cash Flow

KZN275 Mtubatuba - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

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		1 779	4 966	6 477	(1 511)	-23%	25 908	
Service charges			5 288		306	667	1 322	(655)	-50%	5 288	
Other revenue			3 900		277	890	975	(85)	-9%	3 900	
Government - operating			140 480		-	60 786	35 120	25 666	73%	140 480	
Government - capital			47 832		-	18 983	11 958	7 025	59%	47 832	
Interest			3 000		143	396	750	(354)	-47%	3 000	
Dividends			-		-	-	-	-		-	
Payments											
Suppliers and employees			(152 134)		(11 175)	(37 900)	(38 033)	(133)	0%	(152 134)	
Finance charges			(142)		-	-	(36)	(36)	100%	(142)	
Transfers and Grants			(850)		-	-	(213)	(213)	100%	(850)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	73 281	-	(8 671)	48 787	18 320	(30 467)	-166%	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)		(6 235)	(8 767)	(13 249)	(4 482)	34%	(52 995)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(52 995)	-	(6 235)	(8 767)	(13 249)	(4 482)	34%	(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	-	(14 906)	40 020	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	-		47 595	13 468		27 861	

The above table reflect the statement of Cash flow of the municipality. The Municipality's Cash flow position has decrease by R14 906 000 in September when compared to August closing cash balance. This relate to spending on operational project.

PART 2- SUPPORTING DOCUMENTS

The following tables support the monthly budget statements

Table SC8 Expenditure on Councillor and Staff Benefits.

There were no variance material variance in remuneration of councillors as explained under Table C4 on page eight.

Table SC3 Aged Debtors

KZN275 Mtubatuba - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2016/17										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to 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	Total	Total over 90 days			
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	3 098	4 971	1 345	1 960	1 947	729	39 475	13 381	66 907	57 493	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	981	1 574	426	621	617	231	12 500	4 237	21 187	18 206	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	256	410	111	162	161	60	3 257	1 104	5 521	4 744	-	-	
Total By Income Source	2000	4 334	6 956	1 882	2 743	2 724	1 020	55 232	18 723	93 614	80 443	-	-	
2015/16 - totals only		3 631	5 826	1 576	2 298	2 282	855	2 983	3 866	23 316	12 283	0	0	
Debtors Age Analysis By Customer Group														
Organs of State	2200	41	65	18	26	25	10	516	175	875	752	-	-	
Commercial	2300	734	1 178	319	465	462	173	9 357	3 172	15 859	13 628	-	-	
Households	2400	2 836	4 552	1 231	1 795	1 783	668	36 143	12 252	61 260	52 641	-	-	
Other	2500	723	1 161	314	458	455	170	9 216	3 124	15 620	13 422	-	-	
Total By Customer Group	2600	4 334	6 956	1 882	2 743	2 724	1 020	55 232	18 723	93 614	80 443	-	-	

- The percentage of debtors sitting from 90 days to over a year is 86 percent. Long outstanding debtors are as a result of no write-off of long outstanding debtors arising from the past financial year. No designated person within revenue who deals with credit control.

Table SC5 Investment Portfolio Analysis

KZN275 Mtubatuba - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of	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	-	0.0%	192	-	192
FNB Money Market 1		1 year	Call Account	0	6	0.0%	1 360	-	1 366
FNB Money Market 2		1 year	Call Account	0	131	0.0%	30 964	-	31 095
FNB Money Market 3		1 year	Call Account	0	0	0.0%	34	-	341
Investec Fixed Deposit		1 year	Call Account	0	1	0.0%	146	-	147
Ithala Corporate Fixed Deposit		1 year	Call Account	0	4	0.0%	469	-	474
Nedbank Limited Investment		1 year	Call Account	0	1	0.0%	123	-	124
Municipality sub-total					143		33 288	-	33 738

- There has been no changes from investment account in September when compared to August. The change in market value at the end is the interest that the municipality obtain to the value of R143 000.

Table SC6 Transfers and Grants Receipts

KZN275 Mtubatuba - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

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:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	-	140 480	-	-	60 786	60 786	-	-	140 480
Capital Transfers and Grants										
National Government:		-	44 640	-	-	17 387	17 387	-	-	44 640
Municipal Infrastructure Grant (MIG)			30 640	-	-	13 387	13 387	-	-	30 640
National Electrification Programme			14 000	-	-	4 000	4 000	-	-	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	-	-	18 983	18 983	-	-	47 832
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	188 312	-	-	79 769	79 769	-	-	188 312

➤ Transfers receipts is in line with treasury transfers schedule.

Table SC7 (1) Transfers and Grant Expenditure

KZN275 Mtubatuba - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter

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	-	7 980	30 225	34 300	(4 076)	-11.9%	137 202
Local Government Equitable Share			132 131		7 846	29 434	33 033	(3 599)	-10.9%	132 131
Finance Management			1 900		19	551	475	76	16.0%	1 900
Municipal Systems Improvement			-		-	-	-	-		-
Energy Efficiency and Demand Management			-		-	-	-	-		-
EPWP Incentive			1 558		115	240	390	(150)	-38.5%	1 558
Municipal Infrastructure Grant Operational			1 613		-	-	403	(403)	-100.0%	1 613
#REF!			-		-	-	-	-		-
Provincial Government:		-	3 278	-	691	1 028	820	209	25.5%	3 278
Community Library Service			376		40	113	94	19	20.1%	376
Provincialisation Of Libraries			2 902		651	915	726	190	26.2%	2 902
Department of Sport Caretakers			-		-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
			-		-	-	-	-		-
Total operating expenditure of Transfers and Grants:		-	140 480	-	8 671	31 253	35 120	(3 867)	-11.0%	140 480
Capital expenditure of Transfers and Grants										
National Government:		-	44 640	-	6 235	8 767	11 160	(2 393)	-21.4%	44 640
Municipal Infrastructure Grant (MIG)			30 640		2 263	4 795	7 660	(2 865)	-37.4%	30 640
National Electrification Programme			14 000		3 972	3 972	3 500	472	13.5%	14 000
Provincial Government:		-	3 192	-	-	-	798	(798)	-100.0%	3 192
			3 192		-	-	798	(798)	-100.0%	3 192
District Municipality:		-	-	-	-	-	-	-		-
			-		-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
			-		-	-	-	-		-
Total capital expenditure of Transfers and Grants		-	47 832	-	6 235	8 767	11 958	(3 191)	-26.7%	47 832
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	188 312	-	14 906	40 020	47 078	(7 058)	-15.0%	188 312

- The performance in grant expenditure is low especially for Capital grants, The municipality will ensure that grants are spend as budget to avoid being withheld by the transferring departments.

Table SC12 Capital Expenditure Trend

KZN275 Mtubatuba - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q1 First Quarter

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	-	2 352	2 352	4 656	2 304	49.5%	4%
August		4 656	-	180	2 532	9 312	6 780	72.8%	5%
September		4 656	-	6 235	8 767	13 967	5 200	37.2%	16%
October		4 656	-			18 623	-		
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	-	8 767					

- The above table depict capital expenditure for the month of July, August and September 2017. The municipality has spent 16 percent from the start of the financial year to date as depicted by the above table. The municipality should have spent above 25 percent in the first quarter.

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



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September 2017

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

Date:

Signature:

Reviewed by: Mrs T.S Cele (Deputy Chief Financial Officer)

Date:

Signature:

Approved by: Mr 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: