

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**

**30 November 2017**

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## **EXECUTIVE SUMMARY**

### **Purpose**

The Purpose of this report is to comply with section 71 of the Municipal Finance Management Act (MFMA, Act no 56 of 2003) and other requirements as introduced in the Government Gazette No:32141 of 17 April 2009 regarding Municipal Budget and Reporting Regulation (MBRR), which requires that specific financial particulars be reported on and in the prescribe format.

### **Background**

Section 71(1) of the MFMA state that the Accounting Office of a Municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and other provincial treasury a statement in the prescribe format on the state of the municipal budget.

Section 71(4) further state that the statement must be in a format of a sign document and in an electronic format.

Section 71(6) state that the Provincial Treasury must by no later than 22 working days after the end of each month submit to National Treasury a consolidated statement in a prescribe format on the state of the municipal budget per municipality and per municipal entity.

Section 71(7) state that the provincial treasury must within 30 days of each quarter, make public as may be prescribe, a consolidate statement in a prescribe format on the state of municipal budget per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

The Monthly Budget Statement and supporting tables of Mtubatuba Municipality is prepared in accordance with the Municipal Budget and Reporting Regulations. This report is based upon financial information available at the time of preparation. The financial results for the month ended 30 November 2017 are summarised below.

**Table C1 Monthly Budget Statement Summary**

KZN275 Mtubatuba - Table C1 Monthly Budget Statement Summary - M05 November

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	38,099	-	2,281	15,373	15,875	(502)	-3%	38,099
Service charges	-	7,776	-	592	3,016	3,240	(224)	-7%	7,776
Investment revenue	-	3,000	-	3	448	1,250	(802)	-64%	3,000
Transfers recognised - operational	-	140,480	-	195	76,462	58,533	17,929	31%	140,480
Other own revenue	-	13,444	-	310	2,608	5,602	(2,993)	-53%	13,444
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>202,799</b>	-	<b>3,381</b>	<b>97,908</b>	<b>84,500</b>	<b>13,408</b>	<b>16%</b>	<b>202,799</b>
Employee costs	-	67,875	-	5,945	27,859	28,281	(422)	-1%	67,875
Remuneration of Councillors	-	12,923	-	1,337	5,703	5,385	319	6%	12,923
Depreciation & asset impairment	-	21,600	-	2,389	12,045	9,000	3,045	34%	21,600
Finance charges	-	1,421	-	43	474	592	(118)	-20%	1,421
Materials and bulk purchases	-	14,510	-	1,612	9,556	6,046	3,510	58%	14,510
Transfers and grants	-	850	-	-	300	354	(54)	-15%	850
Other expenditure	-	73,225	-	8,856	21,828	30,511	(8,682)	-28%	73,225
<b>Total Expenditure</b>	-	<b>192,405</b>	-	<b>20,182</b>	<b>77,764</b>	<b>80,169</b>	<b>(2,404)</b>	<b>-3%</b>	<b>192,405</b>
<b>Surplus/(Deficit)</b>	-	<b>10,395</b>	-	<b>(16,801)</b>	<b>20,144</b>	<b>4,331</b>	<b>15,813</b>	<b>365%</b>	<b>10,395</b>
Transfers recognised - capital	-	47,832	-	1,276	18,403	19,930	(1,527)	-8%	47,832
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>58,227</b>	-	<b>(15,525)</b>	<b>38,547</b>	<b>24,261</b>	<b>14,286</b>	<b>59%</b>	<b>58,227</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>58,227</b>	-	<b>(15,525)</b>	<b>38,547</b>	<b>24,261</b>	<b>14,286</b>	<b>59%</b>	<b>58,227</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>55,870</b>	-	<b>6,270</b>	<b>25,310</b>	<b>24,277</b>	<b>1,033</b>	<b>4%</b>	<b>55,870</b>
Capital transfers recognised	-	47,832	-	6,270	25,151	19,930	5,220	26%	47,832
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	8,038	-	-	159	4,346	(4,188)	-96%	8,038
<b>Total sources of capital funds</b>	-	<b>55,870</b>	-	<b>6,270</b>	<b>25,310</b>	<b>24,277</b>	<b>1,033</b>	<b>4%</b>	<b>55,870</b>
<b>Financial position</b>									
Total current assets	-	66,674	-	-	115,080	-	-	-	66,674
Total non current assets	-	392,481	-	-	404,702	-	-	-	392,481
Total current liabilities	-	7,545	-	-	160,831	-	-	-	7,545
Total non current liabilities	-	25,914	-	-	-	-	-	-	25,914
<b>Community wealth/Equity</b>	-	<b>425,696</b>	-	-	<b>358,951</b>	-	-	-	<b>425,696</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	73,281	-	(7,131)	31,524	38,249	6,725	18%	73,281
Net cash from (used) investing	-	(52,995)	-	(1,276)	(18,068)	(22,081)	(4,013)	18%	(52,995)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	-	<b>28,682</b>	-	-	<b>21,031</b>	<b>24,563</b>	<b>3,532</b>	<b>14%</b>	<b>27,861</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	25	1,821	1,644	-	1,252	5,437	83,506	-	93,685
<b>Creditors Age Analysis</b>									
Total Creditors	12,989	5,386	1,305	1,097	781	395	417	-	22,371

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) - M05 November

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates			38,099		2,281	15,373	15,875	(502)	-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		395	1,977	2,175	(198)	-9%	5,220
Service charges - other			2,556		197	1,039	1,065	(26)	-2%	2,556
Rental of facilities and equipment			198		21	34	83	(48)	-59%	198
Interest earned - external investments			3,000		3	448	1,250	(802)	-64%	3,000
Interest earned - outstanding debtors			7,907		-	71	3,295	(3,223)	-98%	7,907
Dividends received		-	-	-	-	-	-	-	-	-
Fines			2,710		18	1,309	1,129	180	16%	2,710
Licences and permits			2,405		270	1,194	1,002	192	19%	2,405
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational			140,480		195	76,462	58,533	17,929	31%	140,480
Other revenue			224		-	-	93	(93)	-100%	224
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>202,799</b>	-	<b>3,381</b>	<b>97,908</b>	<b>84,500</b>	<b>13,408</b>	<b>16%</b>	<b>202,799</b>
<b>Expenditure By Type</b>										
Employee related costs			67,875		5,945	27,859	28,281	(422)	-1%	67,875
Remuneration of councillors			12,923		1,337	5,703	5,385	319	6%	12,923
Debt impairment			11,224		-	2,806	4,677	(1,871)	-40%	11,224
Depreciation & asset impairment			21,600		2,389	12,045	9,000	3,045	34%	21,600
Finance charges			1,421		43	474	592	(118)	-20%	1,421
Bulk purchases			-		-	-	-	-	-	-
Other materials			14,510		1,612	9,556	6,046	3,510	58%	14,510
Contracted services			20,610		1,667	5,213	8,588	(3,374)	-39%	20,610
Transfers and grants			850		-	300	354	(54)	-15%	850
Other expenditure			41,391		7,189	13,809	17,246	(3,437)	-20%	41,391
Loss on disposal of PPE			-		-	-	-	-	-	-
<b>Total Expenditure</b>		-	<b>192,405</b>	-	<b>20,182</b>	<b>77,764</b>	<b>80,169</b>	<b>(2,404)</b>	<b>-3%</b>	<b>192,405</b>
<b>Surplus/(Deficit)</b>		-	<b>10,395</b>	-	<b>(16,801)</b>	<b>20,144</b>	<b>4,331</b>	<b>15,813</b>	<b>0</b>	<b>10,395</b>
Transfers recognised - capital			47,832		1,276	18,403	19,930	(1,527)	(0)	47,832
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	<b>58,227</b>	-	<b>(15,525)</b>	<b>38,547</b>	<b>24,261</b>			<b>58,227</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>		-	<b>58,227</b>	-	<b>(15,525)</b>	<b>38,547</b>	<b>24,261</b>			<b>58,227</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		-	<b>58,227</b>	-	<b>(15,525)</b>	<b>38,547</b>	<b>24,261</b>			<b>58,227</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		-	<b>58,227</b>	-	<b>(15,525)</b>	<b>38,547</b>	<b>24,261</b>			<b>58,227</b>

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

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

- Rentals of Facilities reflect adverse variance of 59 percent and a rand value of R48 000. This is because rentals of facilities are booked mostly during holidays. There has been an improvement in rentals when compared to the past three month. The municipality will monitor performance in this line item for the next months.

### **Interest Earned External Investments**

- Interest Earned External Investment reflect an adverse variance of 64 percent and a rand value of R802 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 months.

### **Interest outstanding debtors**

- Interest Earned Outstanding debtors reflect an adverse variance of 98 percent and a rand value of R3 223 000. This is because system technicalities that the municipality has experience in the first quarter due to mSCOA implementation. The Municipality will investigate this variance.

### **Fines**

- Fines reflect a favourable variance of 16 percent and rand value of R180 000. Fines include both traffic and library fines. The municipality will monitor performance in this line item.

### **Licence and Permits**

- Licence and Permits has a favourable variance of 19 percent and a rand value of R192 000. This is because of the increase number of application for licences in the first four months. The Municipality will monitor performance and the next month.

### **Other Revenue**

- Other Revenue reflect an adverse variance of 100 percent and rand value of R93 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 municipality will 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. The following expenditure components has the variances.

#### **Debt Impairment**

- Debt impairment reflect a favourable variance of 40 percent which amounts to R1 871 000. 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 R3 045 0000. This is because the depreciation on new item which were capitalized at the start of the financial year and the under allocation of depreciation. The municipality will monitor performance and recommend and adjustment if necessary.

#### **Finance Charges**

- Finance Charges reflect a favourable variance of 20 percent and a rand value of R118 000. Finance charge relate to the provision for landfill site rehabilitation at the end of its useful life. The municipality will review this provision and recommend an adjustment if necessary.

#### **Other Materials**

- Other Materials reflect an adverse variance of 58 percent and a rand value of R3 510 000. There has been improvement in this variance when compared to the past month. This relates to repairs of storm water upgrade, community hall and other repairs on municipal buildings.

#### **Contracted Services**

- Contracted Services reflect a favourable variance of 39 percent and a rand value of R3 374 000. 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.

#### **Transfers and Grants**

- Transfers and grants has a favourable variance of 15 percent and a rand value of R54 000. Transfers and grants relates to group of individuals in the form of free basic electricity, bursaries, study assistance and learnerships. The municipality will monitor performance in this line item.

### **Other Expenditure**

- Other Expenditure has a favourable variance of 20 percent and a rand value of R3 437 000. This is because of cost cutting measures on other items of an operational nature. There has been improvement 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) - M05 November

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									
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	300	-	-	-	300	(300)	-100%	300
Vote 3 - Corporate Services		-	400	-	-	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	-	6,270	25,151	22,233	2,917	13%	53,360
Vote 8 - Licences and permits		-	100	-	-	-	100	(100)	-100%	100
Vote 9 - Solid Waste		-	800	-	-	-	333	(333)	-100%	800
<b>Total Capital single-year expenditure</b>	4	-	55,870	-	6,270	25,310	24,277	1,033	4%	55,870
<b>Total Capital Expenditure</b>		-	55,870	-	6,270	25,310	24,277	1,033	4%	55,870

Capital Expenditure reflect an overall adverse variance of 4 percent, this is because of high expenditure on infrastructure project which are funded by Municipal Infrastructure Grant and Integrated National Electrification Program. The Municipality has not yet procured one off asset relating to plant and equipment because it's still monitoring the cash flow for those projects since they are funded internal.

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

**KZN275 Mtubatuba - Table C6 Monthly Budget Statement - Financial Position - M05 November**

Description	Ref	2016/17	Budget Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash			3,682	-	8,382	3,682
Call investment deposits			25,000	-	12,649	25,000
Consumer debtors			34,516	-	83,506	34,516
Other debtors			1,142	-	10,543	1,142
Current portion of long-term receivables			2,333	-	-	2,333
Inventory			-	-	-	-
<b>Total current assets</b>			<b>66,674</b>	<b>-</b>	<b>115,080</b>	<b>66,674</b>
<b>Non current assets</b>						
Long-term receivables			-	-	-	-
Investments			-	-	-	-
Investment property			41,936	-	41,631	41,936
Investments in Associate			-	-	-	-
Property, plant and equipment			350,272	-	362,450	350,272
Agricultural			-	-	-	-
Biological assets			-	-	-	-
Intangible assets			109	-	-	109
Other non-current assets			165	-	621	165
<b>Total non current assets</b>			<b>392,481</b>	<b>-</b>	<b>404,702</b>	<b>392,481</b>
<b>TOTAL ASSETS</b>			<b>459,155</b>	<b>-</b>	<b>519,783</b>	<b>459,155</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft			-	-	-	-
Borrowing			49	-	4,038	49
Consumer deposits			-	-	-	-
Trade and other payables			4,968	-	28,825	4,968
Provisions			2,528	-	127,968	2,528
<b>Total current liabilities</b>			<b>7,545</b>	<b>-</b>	<b>160,831</b>	<b>7,545</b>
<b>Non current liabilities</b>						
Borrowing			-	-	-	-
Provisions			25,914	-	-	25,914
<b>Total non current liabilities</b>			<b>25,914</b>	<b>-</b>	<b>-</b>	<b>25,914</b>
<b>TOTAL LIABILITIES</b>			<b>33,459</b>	<b>-</b>	<b>160,831</b>	<b>33,459</b>
<b>NET ASSETS</b>	2		<b>425,696</b>	<b>-</b>	<b>358,951</b>	<b>425,696</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)			425,696	-	358,951	425,696
Reserves			-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2		<b>425,696</b>	<b>-</b>	<b>358,951</b>	<b>425,696</b>

The above statement of financial position depicts the net decrease in community wealth or Equity by 16 percent when compared to the approved budget. Although the decrease is insignificant, the municipality will look at items that cause decrease in the next month and recommend an adjustment to those items if necessary.

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

KZN275 Mtubatuba - Table C7 Monthly Budget Statement - Cash Flow - M05 November

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	
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges			25,908		4,565	11,585	10,795	790	7%	25,908	
Service charges			5,288		221	1,302	2,203	(902)	-41%	5,288	
Other revenue			3,900		347	1,600	1,625	(25)	-2%	3,900	
Government - operating			140,480		701	61,487	61,487	-		140,480	
Government - capital			47,832		-	23,983	23,983	-		47,832	
Interest			3,000		89	617	1,250	(633)	-51%	3,000	
Dividends			-		-	-	-	-		-	
<b>Payments</b>											
Suppliers and employees			(152,134)		(13,053)	(68,750)	(63,389)	5,361	-8%	(152,134)	
Finance charges			(142)		-	-	(59)	(59)	100%	(142)	
Transfers and Grants			(850)		-	(300)	354	654	185%	(850)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>-</b>		<b>-</b>	<b>(7,131)</b>	<b>31,524</b>	<b>38,249</b>	<b>6,725</b>	<b>18%</b>	<b>73,281</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			-		-	-	-	-		-	
Decrease (Increase) in non-current debtors			-		-	-	-	-		-	
Decrease (increase) other non-current receivables			-		-	-	-	-		-	
Decrease (increase) in non-current investments			-		-	-	-	-		-	
<b>Payments</b>											
Capital assets			(52,995)		(1,276)	(18,068)	(22,081)	(4,013)	18%	(52,995)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>-</b>		<b>(1,276)</b>	<b>(18,068)</b>	<b>(22,081)</b>	<b>(4,013)</b>	<b>18%</b>	<b>(52,995)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans			-		-	-	-	-		-	
Borrowing long term/refinancing			-		-	-	-	-		-	
Increase (decrease) in consumer deposits			-		-	-	-	-		-	
<b>Payments</b>											
Repayment of borrowing			-		-	-	-	-		-	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			<b>-</b>		<b>(8,407)</b>	<b>13,456</b>	<b>16,167</b>			<b>20,286</b>	
Cash/cash equivalents at beginning:			8,396		-	7,575	8,396			7,575	
Cash/cash equivalents at month/year end:			28,682		-	21,031	24,563			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 28 percent in November when compared to October closing cash balance. There has been an improvement in spending when compared to the past months due to application of cost cutting measures on items of an 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 - M05 November

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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages			8,900		826	3,998	3,708	290	8%	8,900
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	-	-	-	-	-	-		-
Motor Vehicle Allowance			2,967		428	1,321	1,236	85	7%	2,967
Cellphone Allowance			1,056		84	384	440	(56)	-13%	1,056
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
<b>Sub Total - Councillors</b>		-	<b>12,923</b>	-	<b>1,337</b>	<b>5,703</b>	<b>5,385</b>	<b>319</b>	<b>6%</b>	<b>12,923</b>
<b>% increase</b>	4		<b>#DIV/0!</b>							<b>#DIV/0!</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages			7,964		313	204	3,319	(3,114)	-94%	7,964
Pension and UIF Contributions			179		-	-	74	(74)	-100%	179
Medical Aid Contributions			147		9	23	61	(38)	-62%	147
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	218	-	-	-	91	(91)	-100%	218
Motor Vehicle Allowance			613		81	218	255	(38)	-15%	613
Cellphone Allowance			-		2	11	-	11	#DIV/0!	-
Housing Allowances			163		24	83	68	15	22%	163
Other benefits and allowances			-		-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards			-		-	-	-	-		-
Post-retirement benefit obligations			-		-	-	-	-		-
<b>Sub Total - Senior Managers of Municipality</b>		-	<b>9,283</b>	-	<b>429</b>	<b>538</b>	<b>3,868</b>	<b>(3,330)</b>	<b>-86%</b>	<b>9,283</b>
<b>% increase</b>	4		<b>#DIV/0!</b>							<b>#DIV/0!</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			41,198		3,169	17,758	17,166	592	3%	41,198
Pension and UIF Contributions			6,598		474	2,445	2,749	(305)	-11%	6,598
Medical Aid Contributions			3,487		474	1,545	1,453	92	6%	3,487
Overtime			1,001		537	2,104	417	1,687	405%	1,001
Performance Bonus			-		-	-	-	-		-
Motor Vehicle Allowance			3,324		602	2,363	1,385	977	71%	3,324
Cellphone Allowance			30		7	24	12	11	92%	30
Housing Allowances			612		17	66	255	(189)	-74%	612
Other benefits and allowances			2,343		238	783	976	(194)	-20%	2,343
Payments in lieu of leave			-		-	-	-	-		-
Long service awards			-		-	-	-	-		-
Post-retirement benefit obligations			-		-	-	-	-		-
<b>Sub Total - Other Municipal Staff</b>		-	<b>58,592</b>	-	<b>5,517</b>	<b>27,085</b>	<b>24,413</b>	<b>2,672</b>	<b>11%</b>	<b>58,592</b>
<b>% increase</b>	4		<b>#DIV/0!</b>							<b>#DIV/0!</b>
<b>Total Parent Municipality</b>		-	<b>80,798</b>	-	<b>7,283</b>	<b>33,327</b>	<b>33,666</b>	<b>(339)</b>	<b>-1%</b>	<b>80,798</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										

The above table depict the councillors and staff benefits. There were no material variance to employee related cost and remuneration to councillors as explained under table C4.

### Table SC3 Aged Debtors

KZN275 Mtubatuba - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

Description	NT Code	Budget Year 2017/18									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	Total			
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
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	9	1,202	1,144	-	930	5,143	83,490	-	91,917	89,562	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	10	296	281	-	228	213	-	-	1,027	440	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	1	207	126	-	-	-	16	-	350	16	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	5	116	93	-	94	81	-	-	390	176	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>25</b>	<b>1,821</b>	<b>1,644</b>	<b>-</b>	<b>1,252</b>	<b>5,437</b>	<b>83,506</b>	<b>-</b>	<b>93,685</b>	<b>90,195</b>	<b>-</b>	<b>-</b>
<b>2016/17 - totals only</b>											0		0
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	9	146	106	-	58	4,278	7,826	-	12,423	12,161	-	-
Commercial	2300	10	635	496	-	355	333	13,096	-	14,926	13,784	-	-
Households	2400	1	1,087	992	-	785	777	60,158	-	63,799	61,720	-	-
Other	2500	5	(47)	50	-	54	49	2,426	-	2,537	2,530	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>25</b>	<b>1,821</b>	<b>1,644</b>	<b>-</b>	<b>1,252</b>	<b>5,437</b>	<b>83,506</b>	<b>-</b>	<b>93,685</b>	<b>90,195</b>	<b>-</b>	<b>-</b>

- The percentage of debtors sitting from 90 days to a year is 96 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 - M05 November

Description	NT Code	Budget Year 2017/18									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	Total		
<b>R thousands</b>												
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	12,464	5,386	1,305	1,097	781	395	417	-	21,846	-	-
Auditor General	0800	525	-	-	-	-	-	-	-	525	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>12,989</b>	<b>5,386</b>	<b>1,305</b>	<b>1,097</b>	<b>781</b>	<b>395</b>	<b>417</b>	<b>-</b>	<b>22,371</b>	<b>-</b>	<b>-</b>

- The percentage of creditors sitting at more than 90 days is 12 percent. The Municipality is trying by all means to settle those creditors sitting at more than 90 days. Included in creditors sitting at 90 days is one for auditor general. The municipality has paid auditor general I the beginning month of December.

**Table SC5 Investment Portfolio Analysis**

**KZN275 Mtubatuba - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November**

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							
<b>Municipality</b>									
FNB Fixed Deposit		1 year	Security	0	-	0.0%	192	-	192
FNB Money Market 1		1 year	Call Account	0	6	0.0%	1,372	-	1,378
FNB Money Market 2		1 year	Call Account	0	77	0.0%	23,212	(13,000)	10,290
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%	148	-	149
Ithala Corporate Fixed Deposit		1 year	Call Account	0	4	0.0%	478	-	482
Nedbank Limited Investment		1 year	Call Account	0	1	0.0%	124	-	125
<b>Municipality sub-total</b>					89		25,560	(13,000)	12,649

- The municipal investments have decrease by R12 911 000 in November. These was done to fund mostly operational expenditure. The municipality top up investment in the month of December once it receives equitable share.

### Table SC6 Transfers and Grants Receipts

KZN275 Mtubatuba - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M05 November

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
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	137,202	-	701	59,660	59,660	-		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		701	1,091	1,091			1,558
Municipal Infrastructure Grant Operational	3		1,613		-	1,613	1,613	-		1,613
Sport Caretaker			-		-	-	-			-
<b>Provincial Government:</b>		-	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		-	-	-	-	-	-		-
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
<b>Total Operating Transfers and Grants</b>	5	-	140,480	-	701	61,487	61,487	-		140,480
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	44,640	-	-	22,387	20,387	-		44,640
Municipal Infrastructure Grant (MIG)			30,640		-	13,387	13,387	-		30,640
National Electrification Programme			14,000		-	9,000	7,000			14,000
Energy Efficiency and Demand Management			-		-	-	-			-
			-		-	-	-			-
<b>Provincial Government:</b>		-	3,192	-	-	1,596	1,596	-		3,192
<i>DSR-Sport facilities(Infrastructure)</i>			3,192		-	1,596	1,596	-		3,192
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
<i>[insert description]</i>										
<b>Total Capital Transfers and Grants</b>	5	-	47,832	-	-	23,983	21,983	-		47,832
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	188,312	-	701	85,470	83,470	-		188,312

- Transfers grant receipts is in line with transfer's schedule. The municipality has received Expanded Public Works Program grant to the value of R701 000 in the month of November.

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

KZN275 Mtubatuba - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M05 November

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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		-	137,202	-	12,705	43,078	57,167	(14,090)	-24.6%	137,202
Local Government Equitable Share			132,131		12,554	41,988	55,055	(13,067)	-23.7%	132,131
Finance Management			1,900		37	624	792	(167)	-21.1%	1,900
Municipal Systems Improvement			-		-	-	-	-		-
Energy Efficiency and Demand Management			-		-	-	-	-		-
EPWP Incentive			1,558		114	466	649	(183)	-28.3%	1,558
Municipal Infrastructure Grant Operational			1,613		-	-	672	(672)	-100.0%	1,613
#REF!			-		-	-	-	-		-
Provincial Government:		-	3,278	-	348	1,660	1,366	294	21.5%	3,278
Community Library Service			376		44	187	157	31	19.6%	376
Provincialisation Of Libraries			2,902		304	1,472	1,209	263	21.8%	2,902
Department of Sport Caretakers			-		-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
			-		-	-	-	-		-
<b>Total operating expenditure of Transfers and Grants:</b>		-	140,480	-	13,053	44,738	58,533	(13,796)	-23.6%	140,480
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	44,640	-	1,276	19,679	18,600	1,079	5.8%	44,640
Municipal Infrastructure Grant (MIG)			30,640		1,276	15,708	12,767	2,941	23.0%	30,640
National Electrification Programme			14,000		-	3,972	5,833	(1,862)	-31.9%	14,000
Provincial Government:		-	3,192	-	-	478	1,330	(852)	-64.1%	3,192
			3,192		-	478	1,330	(852)	-64.1%	3,192
District Municipality:		-	-	-	-	-	-	-		-
			-		-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
			-		-	-	-	-		-
<b>Total capital expenditure of Transfers and Grants</b>		-	47,832	-	1,276	20,157	19,930	227	1.1%	47,832
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	188,312	-	14,330	64,895	78,463	(13,569)	-17.3%	188,312

- The spending in terms of the capital and operational grant is in line with the budget.



**Table SC12 Capital Expenditure Trend**

KZN275 Mtubatuba - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M05 November

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
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
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	-	6,270	25,310	23,279	(2,030)	-8.7%	45%
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	-		
<b>Total Capital expenditure</b>	-	55,870	-	25,310					

- The above table depict capital expenditure for the month of July, August, September, October and November 2017. The municipality has spent 45 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

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



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**30 November 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:** .....