

THABA CHWEU

Lydenburg Head Office:

Tel: 013 235 7300
Fax: 013 235 1108

Sabie Unit:

Tel: 013 235 7444
Fax: 013 764 1077

Graskop Unit:

Tel: 013 767 7448
Fax: 013 767 1611

www.thabachweu.gov.za



24 Hours Emergency no:

Tel: 013 235 1788
013 235 7370

Toll free: 0800 007 222

PO Box 61

Lydenburg 1120

Cnr. Viljoen & Sentraal Streets

All Correspondence to be directed
to the Municipal Manager

LOCAL MUNICIPALITY

1. PURPOSE

To comply with **Section 71** of the MFMA, the provision of a monthly budget statement to the Municipal Manager and the Executive Mayor containing detailed financial particulars, as legislated.

2. STRATEGIC OBJECTIVE

To ensure sound financial sustainability in terms of the municipal financial management

3. BACKGROUND

Section 71 of the MFMA requires that:

The accounting officer 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 the relevant **National and Provincial treasury**, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.

For the reporting period ending **29 July 2016**, the ten working day reporting limit expires on **12 August 2016**.

4. EXECUTIVE SUMMARY

BACKGROUND

To enable better analysis of the financial progress and situation of Council the following schedules are provided.

Summary	Approved Budget 2015-16	Actual 2015-16	Variance
Total Revenue	R 552 526 180	R 156 482 656	R 396 043 524
Total Expenditure	R 499 990 903	(R 20 729 659)	R 479 261 244
Surplus/(Deficit)	R 52 535 277	R 135 752 997	

1. Operating Expenditure by Vote	Approved Budget for the year	Actual to date	% Spent	Available Budget
Municipal Manager and council	R 57 355 900	R 2 220 123	3.8%	R 55 135 777
Financial Services	R 96 904 047	R 4 907 883	5%	R 91 996 164
Corporate Services	R 32 220 010	R 1 549 676	4.8%	R 30 670 334
Community & Social Services	R 80 257 889	R 4 763 908	5.9%	R 75 493 981
Technical & Engineering Services	R 233 253 057	R 7 288 069	3.1%	R 225 964 988
Total	R 499 990 903	R 20 729 659	22.6%	R 479 261 244

2. Expenditure on staff benefits	Approved Budget for the year	Actual to date	% Spent	Available Budget
Salaries : Permanent staff	R 82 619 328	R 6 898 517	8%	R 72 720 811
Bonuses	R 6 807 217	R 183 772	3%	R 6 623 445
Overtime, Standby, Shift Allowance, etc	R 5 597 064	R 1 265 757	23%	R 4 331 307
Allowance: Cell Phone	R 2 130 505	R 196 040	9%	R 1 934 465
Subsidy: Housing	R 969 667	R 82 393	8%	R 887 274
Council Contribution: Medical Aid	R 7 001 057	R 445 553	6%	R 6 555 504
Council Contribution: Pension Fund	R 16 196 380	R 1 368 711	8%	R 14 827 669
Insurance: Group Life	R 338 795	R 31 819	9%	R 306 976
Travel Allowances	R 10 498 004	R 946 848	9%	R 9 551 156
Total	R 132 903 750	R 13 385 167	10%	R 117 738 607

3. Operating income by source	Approved Budget for the year	Actual to date	% Received
Rates	R 93 796 360	R 87 731 842	94%
Service Charges: Electricity	R 159 141 101	R 12 336 646	8%
Service Charges: Water	R 35 656 181	R 3 828 513	11%
Service Charges: Sewerage	R 14 263 065	R 1 140 412	8%
Service Charges: Refuse	R 17 073 647	R 1 358 066	8%
Rental of Facilities	R 3 040 732	R 245 528	8%
Interest Earned	R 18 099 932	R 263 394	2%
Fines	R 2 524 400	R 129 627	5%
Income for agency services	R 32 993 649	R 2 000	0.01%
Other Income	R 56 090 113	R 1 464 737	3%
Equitable Share	R 115 054 000	R 47 939 000	42%
MSIG	R 1 300 000		0%
FMG	R 1 810 000	R 42 800	2%
Dept. of Public Works- EPWP	R 1 683 000		0%
Total	R 552 526 180	R 156 482 565	28%

- The Total revenue include revenue from conditional grants received but not yet recognised.

4. Capital Grants and subsidies	Approved Adjustment Budget for the year	YTD Expenditure	Unspent	%
MIG	R 46 025 000	R 125 227.45	R 45 899 772.55	0.27%

5. Repairs and Maintenance	Approved Adjustment Budget for the Year	YTD Expenditure	Percentage
Total Repairs	R 23 322 257	R 379 066	2%

Table C 1: Monthly Budget Statement Summary

- ✦ Operational revenue to the amount of **R 156 482 656** was realized.
- ✦ The year to date operating and capital revenue amounts to R 156 482 656 against the approved revenue of R 552 526 180 and reflects 28.3 % of the total budget.

✦ Property Rates for **July 2016** R 89 723 365

✦ The total service charge is **R 18 663 637**

Electricity	R 12 336 646
Water	R 3 828 513
Sanitation	R 1 140 412
Refuse	R 1 358 066

✦ Expenditure for the month of **July** is **R 20 729 659**

Employee Related Costs	R 11 537 559
Remuneration to Council	R 760 789
Finance Charges	R 100 648
Bulk Purchases	R 1 124 411
Other	R 7 206 252

- ✦ The municipality had a surplus of **R 135 882 000** .The total outstanding debtors are R 225 432 334.40 and Creditors is R 392 511 059

Note: The above is based on accrual accounting.

Table C4: Monthly Financial Performance by Revenue Source and Expenditure Type.

This table provides the monthly details for revenue by source and expenditure by type. For the purpose of reporting, Table C4 will be used to provide explanations on deviations. Reasons for deviations will only be provided in cases where the percentages differ with more than 10 % and can be viewed in supporting table SC1.

MP321 Thaba Chweu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		-	89 438	-	89 723	89 723	93 796	(4 073)	-4%	91 999
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	157 782	-	12 337	12 337	159 141	(146 804)	-92%	167 888
Service charges - water revenue		-	30 852	-	3 829	3 829	35 656	(31 828)	-89%	32 476
Service charges - sanitation revenue		-	13 015	-	1 140	1 140	14 263	(13 123)	-92%	13 770
Service charges - refuse revenue		-	17 074	-	1 358	1 358	17 074	(15 716)	-92%	18 064
Service charges - other		-	146	-	-	-	146	(146)	-100%	159
Rental of facilities and equipment		-	3 041	-	246	246	3 041	(2 795)	-92%	3 344
Interest earned - external investments		-	616	-	18	18	616	(598)	-97%	652
Interest earned - outstanding debtors		-	17 484	-	1 318	1 318	17 484	(16 166)	-92%	18 498
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	2 524	-	130	130	2 524	(2 395)	-95%	2 671
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		-	32 994	-	2	2	32 994	(32 992)	-100%	-
Transfers recognised - operational		-	118 547	-	47 939	47 939	118 547	(70 608)	-60%	136 413
Other revenue		-	2 989	-	(1 657)	(1 657)	57 244	(58 902)	-103%	3 196
Gains on disposal of PPE		-	-	-	105	105	-	105	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		-	486 502	-	156 487	156 487	552 526	(396 039)	-72%	489 130
Expenditure By Type										
Employee related costs		-	132 904	-	11 538	11 538	132 904	(121 366)	-91%	135 498
Remuneration of councillors		-	8 857	-	761	761	8 857	(8 096)	-91%	9 326
Debt impairment		-	14 191	-	-	-	14 191	(14 191)	-100%	12 088
Depreciation & asset impairment		-	33 596	-	-	-	33 596	(33 596)	-100%	17 225
Finance charges		-	17 934	-	101	101	17 934	(17 834)	-99%	19 741
Bulk purchases		-	138 479	-	1 124	1 124	138 479	(137 354)	-99%	154 437
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		-	50 481	-	2 351	2 351	50 481	(48 130)	-95%	37 814
Transfers and grants		-	8 730	-	190	190	8 730	(8 541)	-98%	9 237
Other expenditure		-	99 966	-	4 666	4 666	94 819	(90 153)	-95%	103 824
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		-	505 138	-	20 730	20 730	499 991	(479 261)	-96%	499 190
Surplus/(Deficit)										
Transfers recognised - capital		-	(18 636)	-	135 757	135 757	52 535	83 222	0	(10 061)
Contributions recognised - capital		-	66 025	-	125	125	32 895	(32 770)	(0)	85 697
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	47 389	-	135 882	135 882	85 430			75 636
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		-	47 389	-	135 882	135 882	85 430			75 636
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	47 389	-	135 882	135 882	85 430			75 636
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		-	47 389	-	135 882	135 882	85 430			75 636

Table C5: Monthly Capital Expenditure by Vote

✦ Table C 5 indicates the monthly actuals on capital expenditure for all votes and measures the year to date actuals against the year to date Budget (Budget) figures.

✦ Year to date Receipts **R 32 895 000**

✦ Year to date Expenditure **R 125 227.45 (Administration fees for PMU)**

MP321 Thaba Chweu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M01 July

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 3 - Finance Services Department		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services Department		-	-	-	-	-	-	-	-	-
Vote 5 - Social Development Services Department		-	-	-	-	-	-	-	-	-
Vote 6 - Social Development Services Department		-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		-	-	-	-	-	-	-	-	-
Vote 8 - Engineering Services		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 3 - Finance Services Department		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services Department		-	-	-	-	-	-	-	-	-
Vote 5 - Social Development Services Department		-	5 003	-	-	-	-	-	-	-
Vote 6 - Social Development Services Department		-	2 234	-	-	-	-	-	-	-
Vote 7 - Engineering Services		-	26 784	-	125	125	27 895	(27 770)	-100%	44 160
Vote 8 - Engineering Services		-	37 153	-	-	-	5 000	(5 000)	-100%	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	71 174	-	125	125	32 895	(32 770)	-100%	44 160
Total Capital Expenditure		-	71 174	-	125	125	32 895	(32 770)	-100%	44 160
Capital Expenditure - Standard Classification										
Governance and administration		-	2 000	-	-	-	-	-	-	2 000
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		-	2 000	-	-	-	-	-	-	2 000
Community and public safety		-	7 237	-	-	-	-	-	-	5 107
Community and social services		-	7 237	-	-	-	-	-	-	5 107
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	32 416	-	125	125	32 895	(32 770)	-100%	41 766
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	32 416	-	125	125	32 895	(32 770)	-100%	41 766
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	29 521	-	-	-	-	-	-	-
Electricity		-	5 100	-	-	-	-	-	-	-
Water		-	24 071	-	-	-	-	-	-	-
Waste water management		-	350	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	-	71 174	-	125	125	32 895	(32 770)	-100%	48 873
Funded by:										
National Government		-	63 724	-	125	125	32 895	(32 770)	-100%	46 647
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	63 724	-	125	125	32 895	(32 770)	-100%	46 647
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	7 450	-	-	-	-	-	-	6 500
Total Capital Funding		-	71 174	-	125	125	32 895	(32 770)	-100%	53 147

Capital Expenditure by Funding Source is reflected in the table below:

2016/17 – ALLOCATION

Description	Capital Grants
	MIG
	R'000
Allocated per DoRA	R 46 025
YTD Receipts	R 27 895
YTD Conditions Met	R 125
Conditions to be Met	R 27 770

Description	Capital Grants
	WSIG
	R'000
Allocated per DoRA	R 20 000
YTD Receipts	R 5 000
YTD Conditions Met	R
Conditions to be Met	R

Table C6: Consolidated Monthly Budget Statement –Financial Position

MP321 Thaba Chweu - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		--	1 846	--	104 699	8 997
Call investment deposits				--	--	
Consumer debtors		--	224 192	--	225 432	110 000
Other debtors		--	18 367	--	55 942	94 192
Current portion of long-term receivables				--	--	
Inventory		--	1 723	--	1 729	460
Total current assets		--	246 128	--	387 802	213 650
Non current assets						
Long-term receivables				--		
Investments			15	--	(0)	
Investment property		--	430 784	--	430 784	430 784
Investments in Associate				--		
Property, plant and equipment		--	2 719 747	--	2 194 911	2 175 214
Agricultural				--		
Biological assets				--		
Intangible assets		--	11	--	11	11
Other non-current assets		--		--		
Total non current assets		--	3 150 558	--	2 625 706	2 606 009
TOTAL ASSETS		--	3 396 685	--	3 013 509	2 819 658
LIABILITIES						
Current liabilities						
Bank overdraft				--	--	
Borrowing				--	--	
Consumer deposits		--	4 734	--	(4 729)	4 393
Trade and other payables		--	464 000	--	392 511	398 609
Provisions		--	4 909	--	(16 660)	46 589
Total current liabilities		--	473 642	--	371 122	449 591
Non current liabilities						
Borrowing		--	--	--	--	
Provisions		--	41 680	--	--	
Total non current liabilities		--	41 680	--	--	--
TOTAL LIABILITIES		--	515 323	--	371 122	449 591
NET ASSETS	2	--	2 881 363	--	2 642 386	2 370 067
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		--	3 013	--	(2 252 581)	2 370 067
Reserves		--		--		
TOTAL COMMUNITY WEALTH/EQUITY	2	--	3 013	--	(2 252 581)	2 370 067