

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 30 September 2016, the ten working day reporting limit expires on 14 October 2016.

3. BACKGROUND

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

2. STRATEGIC OBJECTIVE

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.

1. PURPOSE

LOCAL MUNICIPALITY



THABA CHWEU

www.thabachweu.gov.za

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 Tel: 013 767 7448
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All Correspondence to be directed to the Municipal Manager

PO Box 61
 Lydenburg 1120
 Cnr. Viljoen & Sentraal Streets

24 Hours Emergency no:
 Tel: 013 235 1788
 013 235 7370
 Toll free: 0800 007 222

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 196 560 200	R 355 965 980
Total Expenditure	R 571 164 053	(R 130 343 368)	R 440 820 685
Surplus/(Deficit)	R (18 637 873)	R 93 807 979	

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 22 743 334	40%	R 34 612 566
Financial Services	R 96 904 047	R 24 655 910	25%	R 72 248 137
Corporate Services	R 32 220 010	R 14 430 292	45%	R 17 789 718
Community & Social Services	R 80 257 889	R 25 731 908	32%	R 54 525 981
Technical & Engineering Services	R 233 253 057	R 68 864 955	30%	R 164 388 102
Total	R 499 990 903	R 156 426 399	31%	R 343 564 504

2. Expenditure on staff benefits	Approved Budget for the year	Actual to date	% Spent	Available Budget
Salaries : Permanent staff	R 82 619 328	R 22 855 434	28%	R 59 763 893
Bonuses	R 6 807 217	R 1 560 527	23%	R 5 246 689
Overtime, Standby, Shift Allowance, etc	R 5 597 064	R 3 228 846	58%	R 2 368 217
Allowance: Cell Phone	R 2 130 505	R 586 436	28%	R 1 544 069
Subsidy: Housing	R 969 667	R 163 554	17%	R 806 113
Council Contribution: Medical Aid	R 7 001 057	R 1 329 792	19%	R 5 671 265
Council Contribution: Pension Fund	R 16 196 380	R 4 509 532	28%	R 11 686 847
Insurance: Group Life	R 338 795	R 98 475	29%	R 240 320
Travel Allowances	R 10 498 004	R 2 956 336	18%	R 7 541 668
Total	R 132 903 750	R 35 728 408	28%	R 94 869 081

5. Repairs and Maintenance	Approved Budget for the Year	R 23 322 257	R 9 266 481	40%
	YTD Expenditure			Percentage

4. Capital Grants and subsidies	Approved Budget for the year	R 9 421 683.60	R 36 603 316	80%
	YTD Expenditure		Unspent	% Unspent

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

3. Operating income by source	Approved Budget for the year	Actual to date	% Received
Rates	R 93 796 360	R 89 977 966	96%
Service Charges: Electricity	R 159 141 101	R 37 338 932	23%
Service Charges: Water	R 35 656 181	R 9 352 346	26%
Service Charges: Sewerage	R 14 263 065	R 3 376 476	24%
Service Charges: Refuse	R 17 073 647	R 4 079 485	24%
Rental of Facilities	R 3 040 732	R 744 673	24%
Interest Earned	R 18 099 932	R 4 439 087	25%
Fines	R 2 524 400	R 322 568	13%
Income for agency services	R 32 993 649	R 24 074	0.1%
Other Income	R 56 090 113	R -1 077 207	-0%
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 196 560 200	36%

Table C 1: Monthly Budget Statement Summary

† Operational revenue to the amount of R 18 533 224 was realized.
 † The year to date operating and capital revenue amounts to R 196 560 200 against the approved revenue of R 552 526 180 and reflects 36 % of the total budget.

† Property Rates for September 2016 (R 52 309)

† The total service charge is R 16 651 947

Electricity R 11 585 614

Water R 2 593 460

Sanitation R 1 104 356

Refuse R 1 368 517

Other income R 1 933 586

† Expenditure for the month of September is R 46 583 897

Employee Related Costs R 12 884 342

Remuneration to Council R 756 750

Finance Charges R 443 000

Bulk Purchases R 9 017 697

Other Expenditure R 23 482 110

† The municipality had a deficit of R 20 246 000 . The total outstanding debtors are R 234 884 312 and Creditors is R 393 796 934

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 Chwen - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2015/16		Budget Year 2016/17		YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Budget	Adjusted Budget	Monthly actual			
Revenue By Source								
Property rates		89 438	(52)	89 977	93 796	(3 819)	-4%	96 610
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		157 782	11 686	37 229	159 141	(121 912)	-77%	169 326
Service charges - water revenue		30 652	2 693	9 352	35 656	(26 304)	-74%	37 724
Service charges - sanitation revenue		13 015	1 104	3 376	14 263	(10 687)	-76%	15 090
Service charges - refuse revenue		17 074	1 369	4 079	17 074	(12 934)	-76%	18 064
Service charges - other		146	-	-	146	(146)	-100%	159
Rental of facilities and equipment		3 041	252	745	3 041	(2 296)	-76%	3 344
Interest earned - external investments		616	25	384	616	(232)	-38%	652
Interest earned - outstanding debtors		17 484	1 414	4 055	17 484	(13 428)	-77%	18 498
Dividends received		-	-	-	-	-	-	-
Fines		2 524	76	323	2 524	(2 202)	-87%	2 671
Licences and permits		-	-	-	-	-	-	-
Agency services		32 994	8	24	32 994	(32 970)	-100%	136 413
Transfers recognised - operational		118 547	-	47 939	118 547	(70 608)	-60%	136 413
Other revenue		2 989	158	(1 258)	57 244	(58 502)	-102%	76 275
Gains on disposal of PPE		-	-	334	-	334	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		486 502	18 533	196 560	552 526	(355 966)	-64%	574 827
Expenditure By Type								
Employee related costs		132 904	12 684	37 674	132 904	(95 230)	-72%	135 497
Remuneration of councillors		8 657	757	2 169	8 657	(6 658)	-76%	9 326
Debt impairment		14 191	8	8	14 191	(14 184)	-100%	12 088
Depreciation & asset impairment		33 596	-	-	33 596	(33 596)	-100%	17 225
Finance charges		17 934	443	1 111	17 934	(16 823)	-94%	19 741
Bulk purchases		138 479	9 018	44 444	138 479	(94 035)	-68%	154 437
Other materials		-	-	-	-	-	-	-
Contracted services		50 481	2 742	6 893	50 481	(43 588)	-86%	37 625
Transfers and grants		8 730	215	609	8 730	(8 121)	-93%	9 237
Other expenditure		99 966	20 517	37 436	94 819	(57 383)	-61%	97 982
Loss on disposal of PPE		-	-	-	-	-	-	-
Total Expenditure		505 138	46 684	130 343	499 991	(369 648)	-74%	493 158
Surplus/(Deficit)		-	-	-	-	-	-	-
Transfers recognised - capital		66 025	7 805	8 182	66 025	(57 843)	(0)	81 669
Contributions recognised - capital		-	-	-	-	-	-	85 697
Contributed assets		-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		47 388	(20 246)	74 399	118 560	-	-	167 366
Taxation		-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		47 388	(20 246)	74 399	118 560	-	-	167 366
Attributable to minorities		-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		47 388	(20 246)	74 399	118 560	-	-	167 366
Share of surplus/ (deficit) of associates		-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		47 388	(20 246)	74 399	118 560	-	-	167 366

* 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 9 421 683 (including administration fees for PMU)

Table C5: Monthly Capital Expenditure by Vote

Vote Description	Ref	2015/16		Budget Year 2016/17		Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget
Multi-Year expenditure appropriation	2	-	-	-	-	-	-
Single Year expenditure appropriation	4,7	-	-	-	-	-	-
Vob 1 - Municipal Manager	2	-	-	-	-	-	-
Vob 2 - Executive Council	2	-	-	-	-	-	-
Vob 3 - Finance Services Department	2	-	-	-	-	-	-
Vob 4 - Corporate Services Department	2	-	-	-	-	-	-
Vob 5 - Social Development Services Department	2	-	-	-	-	-	-
Vob 6 - Social Development Services Department	2	-	-	-	-	-	-
Vob 7 - Engineering Services	2	-	-	-	-	-	-
Vob 8 - Engineering Services	2	-	-	-	-	-	-
Vob 9 - (NAME OF VOTE 9)	2	-	-	-	-	-	-
Vob 10 - (NAME OF VOTE 10)	2	-	-	-	-	-	-
Vob 11 - (NAME OF VOTE 11)	2	-	-	-	-	-	-
Vob 12 - (NAME OF VOTE 12)	2	-	-	-	-	-	-
Vob 13 - (NAME OF VOTE 13)	2	-	-	-	-	-	-
Vob 14 - (NAME OF VOTE 14)	2	-	-	-	-	-	-
Vob 15 - (NAME OF VOTE 15)	2	-	-	-	-	-	-
Total Capital Multi-Year expenditure	4,7	-	-	-	-	-	-
Single Year expenditure appropriation	2	-	-	-	-	-	-
Vob 1 - Municipal Manager	2	-	-	-	-	-	-
Vob 2 - Executive Council	2	-	-	-	-	-	-
Vob 3 - Finance Services Department	2	-	-	-	-	-	-
Vob 4 - Corporate Services Department	2	-	-	-	-	-	-
Vob 5 - Social Development Services Department	2	-	-	-	-	-	-
Vob 6 - Social Development Services Department	2	-	-	-	-	-	-
Vob 7 - Engineering Services	2	-	-	-	-	-	-
Vob 8 - Engineering Services	2	-	-	-	-	-	-
Vob 9 - (NAME OF VOTE 9)	2	-	-	-	-	-	-
Vob 10 - (NAME OF VOTE 10)	2	-	-	-	-	-	-
Vob 11 - (NAME OF VOTE 11)	2	-	-	-	-	-	-
Vob 12 - (NAME OF VOTE 12)	2	-	-	-	-	-	-
Vob 13 - (NAME OF VOTE 13)	2	-	-	-	-	-	-
Vob 14 - (NAME OF VOTE 14)	2	-	-	-	-	-	-
Vob 15 - (NAME OF VOTE 15)	2	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	-	-	-	-	-
Total Capital Expenditure		66 025	66 025	66 025	66 025	66 025	(65 731) -100%
Capital Expenditure - Standard Classification		2 000	2 000	4 195	4 195	-	-
Governance and administration		2 000	2 000	4 195	4 195	-	-
Executive and council		-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-
Corporate services		2 000	2 000	-	-	-	-
Community and social services		-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-
Public safety		-	-	-	-	-	-
Housing		-	-	-	-	-	-
Health		-	-	-	-	-	-
Economic and environmental services		32 416	32 416	3 846	4 223	46 025	(41 802) -91%
Planning and development		-	-	-	-	-	-
Road transport		32 416	32 416	3 846	4 223	46 025	(41 802) -91%
Environmental protection		-	-	-	-	-	-
Trading services		29 521	29 521	3 959	3 959	20 000	(16 041) -80%
Electricity		5 100	5 100	-	-	-	-
Water		24 071	24 071	3 959	3 959	20 000	(16 041) -80%
Waste water management		-	-	-	-	-	-
Waste management		350	350	-	-	-	-
Other		-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	71 174	71 174	12 000	8 182	66 025	(57 843) -88%
Funded By:							
National Government		63 724	63 724	7 888	8 182	66 025	(57 843) -88%
Provincial Government		-	-	-	-	-	-
District Municipality		-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-
Transfers recognised - capital		63 724	63 724	7 888	8 182	66 025	(57 843) -88%
Public contributions & donations		-	-	-	-	-	-
Borrowing		7 450	7 450	4 195	-	-	-
Internally generated funds		-	-	-	-	-	-
Total Capital Funding		71 174	71 174	12 083	8 182	66 025	(57 843) -88%

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 9 421	Conditions to be Met	R 19 628
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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
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Table C6: Consolidated Monthly Budget Statement - Financial Position

Description	2015/16				Ref	R thousands
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual		
	Full Year	Forecast				
ASSETS						
Current assets						
Cash	4,072	19,518	-	5,500		
Call investment deposits	-	-	-	-		
Consumer debtors	500,000	234,884	-	93,531		
Other debtors	36,000	-	-	25,000		
Current portion of long-term receivables	1,560	2,103	-	1,701		
Inventory	-	-	-	-		
Total current assets	541,632	256,506	-	125,732		
Non current assets						
Long-term receivables	-	-	-	-		
Investments	-	-	-	-		
Investment property	534,460	336,657	-	582,561		
Investments in Associate	-	-	-	-		
Property, plant and equipment	2,201,876	2,001,900	-	2,257,716		
Agricultural	-	-	-	-		
Biological assets	49	11,051	-	53		
Intangible assets	-	-	-	-		
Other non-current assets	-	-	-	-		
Total non current assets	2,736,385	2,349,607	-	2,840,330		
TOTAL ASSETS	3,278,017	2,606,113	-	2,966,062		
LIABILITIES						
Current liabilities						
Bank overdraft	-	-	-	-		
Borrowing	-	-	-	-		
Consumer deposits	4,789	4,365	-	5,220		
Trade and other payables	75,000	393,797	-	117,000		
Provisions	17,647	4,009,701	-	19,235		
Total current liabilities	97,436	4,407,863	-	141,455		
Non current liabilities						
Borrowing	212,550	-	-	231,680		
Provisions	28,183	-	-	30,719		
Total non current liabilities	240,733	-	-	262,399		
TOTAL LIABILITIES	338,169	4,407,863	-	403,854		
NET ASSETS	2,939,848	(1,801,751)	-	2,562,208		
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)	2,489,848	-	-	2,562,208		
Reserves	-	-	-	-		
TOTAL COMMUNITY WEALTH/EQUITY	2,489,848	2,179	-	2,562,208		

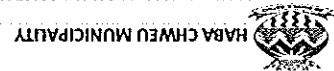
MP321 Thaba Chwen - Table C6 Monthly Budget Statement - Financial Position - M03 September Budget Year 2016/17

Table C7: Consolidated Monthly Budget Statement - Cash Flow

MP321 Thaba Chwen - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	2015/16		Budget Year 2016/17			
	Ref	1	Actual	Actual	YTD	YTD
	Audited	Outcome	Original	Adjusted	Month	Year
	Budget	Budget	Budget	Budget	Actual	Actual
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	83 384	--	--	10 180	22 750	93 796
Service charges	203 666	--	--	18 289	48 776	226 280
Other revenue	41 459	--	--	930	3 287	29 778
Government - operating	122 275	--	--	--	58 188	118 647
Government - capital	66 025	--	--	--	32 897	66 025
Interest	10 616	--	--	--	--	18 100
Dividends	--	--	--	--	--	--
Suppliers and employees	(439 943)	--	--	(32 736)	(136 666)	(482 057)
Finance charges	(19 792)	--	--	(475)	(5 572)	(17 934)
Transfers and Grants	(6 730)	--	--	--	--	--
NET CASH FROM/USED OPERATING ACTIVITIES	58 960	--	--	(3 811)	23 641	52 535
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	(73 475)	--	--	(12 083)	(12 083)	32 895
NET CASH FROM/USED INVESTING ACTIVITIES	(73 475)	--	--	(12 083)	(12 083)	32 895
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	(14 515)	--	--	(15 893)	11 558	85 430
Cash/cash equivalents at beginning:	8 990	--	--	--	17 083	94 420
Cash/cash equivalents at month/year end:	(5 525)	--	--	--	17 083	94 420
CASH FLOWS FROM FINANCING ACTIVITIES	--	--	--	--	--	--
NET CASH FROM/USED INVESTING ACTIVITIES	(73 475)	--	--	(12 083)	(12 083)	32 895
NET CASH FROM/USED OPERATING ACTIVITIES	58 960	--	--	(3 811)	23 641	52 535
NET CASH FROM/USED FINANCING ACTIVITIES	--	--	--	--	--	--
NET INCREASE/ (DECREASE) IN CASH HELD	(14 515)	--	--	(15 893)	11 558	85 430
Cash/cash equivalents at beginning:	8 990	--	--	--	17 083	94 420
Cash/cash equivalents at month/year end:	(5 525)	--	--	--	17 083	94 420

5.3 Grant Register



CONDITIONAL GRANTS REGISTER

MONTH 3 SEPTEMBER

Details		Dora	Funds Withheld	Received this	Expenditure	Closing Balance
		at 01 July 2016		Year	as at 30	September 2016
		Opening Balance as Allocation 2016/17				
FMG		1,810,000.00	-	1,810,000.00	129,425.00	1,680,575.00
INEG		-	-	-	-	-
MSIG		1,300,000.00	-	-	-	421,000.00
Expanded Public Works Programme (EPWP)		1,683,000.00	-	421,000.00	-	-
Municipal Wwaster Infrastructure Grant (MwIG)		20,000,000.00	-	5,000,000.00	9,421,683.60	18,473,316.40
Water Services Infrastructure Grant (WSIG)		46,025,000.00	-	27,895,000.00	9,551,108.60	25,574,891.40
		70,818,000.00	-	35,126,000.00	9,551,108.60	25,574,891.40

✦ Expenditure: For the month of September
 ✦ MIG R 9 127 332

✦ NO FUNDS RECEIVED FOR SEPTEMBER

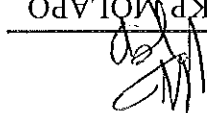
This report meets the MFMA requirement for the Executive Mayor to receive a Section 71 'monthly budget statement' within 10 working days of the end of the month, and a copy be submitted to Provincial and National Treasury.

7. CONCLUSION

As per the Approved IDP, Budget and SDBIP for 2015/16 FY.

6. IMPLEMENTATION PLAN

MISS KP MOLAPO



MANAGER BUDGET & TREASURY

Date/ty / 10 / 2016

MR MGT MNISI



ACTING CHIEF FINANCE OFFICER

Date/ty / 10 / 2016

Date 14/10/2016

Municipal manager of Thaba Chwen Local Municipality (MP 321)
Signature

Print Name Lesley Mokoena

I LM Mokoena, Acting Municipal manager of Thaba Chwen Local Municipality, hereby certify that the September 2016 budget statement and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

SEPTEMBER 2016 BUDGET STATEMENT CERTIFICATE

Eng: Budget Office

OFFICE OF THE MUNICIPAL MANAGER
MUNICIPALITY

THABA CHWEN



www.thabachwen.gov.za

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