



THEMBELIHLE

LOCAL MUNICIPALITY
PLAASLIKE MUNISIPALITEIT
U-MASIPALA WASEKUHALENI

MID-YEAR MONITORING REPORT

2014/2015



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INTRODUCTION:

In terms of Section 72(1), (2) and (3) of the Municipal Finance Management Act No.56, 2003 Chapter 8, the mid-year budget and performance assessment report for the period ended 31 December 2014 is submitted for your consideration.

In terms of the Section 54 (1), (2) and (3) of the Municipal Finance Management Act No. 56, 2003 Chapter 7, the following applies:-

“(1) on receipt of a statement or report submitted by the accounting officer of the Municipality;

In terms of section 72, the mayor must –

- (a) Consider the statement or report;
- (b) Check whether the municipality’s approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (d) Issue any appropriate instruction to the accounting offices to ensure –
 - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) That spending of funds and revenue collection proceed in accordance with the budget;

FOREWORD...

We have reached the halfway stage of the 2014/2015 Financial Year and it is time to reflect on all that has happened on the “home-front”

The Municipality of Thembelihle entered into the new financial year of 2014/15 on a bumpy road and started the year with a positive bank balance of R3,359,632.

Challenges existed to still be able to render the minimum services as required by the Constitution of the Republic of South Africa with the limited resources at our disposal.

We did manage to approve and subsequently adopt a cash-funded Operational & Capital Budget for the 2014/15 financial year together with the Integrated Development Plan and Service Delivery Budget Implementation Plan for 2014/15. This was adopted by the Council of Thembelihle Municipality on Friday, 13 June 2014.

Even though there is a marked improvement, the Finance Directorate remains under-staffed and some compliance issues with regards to the Municipal Finance Management Act, No. 56 of 2003 remains a hurdle to overcome and manage effectively and efficiently. We did manage to report on a monthly basis all relevant matters to the various departments which include the Provincial- & National Treasury as well as the Department responsible for Co-operative Governance-, Traditional Affairs-, & Human Settlements, at their provincial office situated in Kimberley.

Monitoring and regular management of the SDBIP is still a challenge as the shortage of skilled staff is putting more pressure on the current officials. The Performance Management System which should flow from the SDBIP, has not been developed or implemented, but this aspect is receiving attention. Most of the items in our SDBIP have been met despite the lack of a Performance Management System.

Where funding becomes available, albeit a very limited contribution from own funds, prioritised projects as per the IDP are being implemented. Our Capital Expenditure is also in line with or are being planned to be in line with grant funding; mainly MIG and RBIG; and we do not expect to apply for a roll-over of grant funding. One challenge is that the Water Treatment Works in Hopetown was funded by RBIG with a large portion of own funding (+-R14 million) required. The Municipality did not have own funds to pay for these and the Accounting Officer had to take a decision whether to stop or continue with the project. Due to the fact that the project was 90% complete, the decision was taken to use MIG funds for the additional funding. This aspect is at the moment being discussed with the Office of the Minister Water & Sanitation who has indicated at the opening of the Treatment Works that there should not be a problem with the Municipality having used MIG funds to finalise the project.

An amount of R 2,8 million was withheld for MIG funding not rolled over which is negatively impacting on our cash flow.

Our biggest challenge remains cash flow. We have implemented a number of interventions to improve on our cash flow position and some of the more important ones are:

- ✓ Implemented an Incentive Scheme which has already resulted in an additional R1 million of debt recovered.
- ✓ We have appointed a company to do debt collection, but progress was very slow and the contract has been cancelled.
- ✓ We have obtained authority from the Public Protector to again do speed law enforcement. Although speed fines to the value of R900 000 are issued monthly, only R100 000 per month is being recovered at the moment. We are investigating on how to improve the payment ratio to ensure maximum revenue.
- ✓ Debt collection has not taken place for a number of years and Council took a decision to fully implement our Debt Control Policy. The condition is that we have a communication campaign to ensure the community is aware of the steps we will be taking to recover debt

and also why it is necessary. The Communications Officer will launch this campaign on 1 March 2015.

- ✓ We will start installing pre-paid electricity meters by 1 April 2015 which will also result in an improved payment ratio.
- ✓ We are busy identifying all property development opportunities to broaden our income base.
- ✓ We are investigating the possible selling of staff houses as we do not see this as a critical municipal function.

Based on the information reported, it is evident that there are significant variances between the budget and actual figures for the first half of the financial year. It is therefore recommended that the current budget as adopted by Council on Friday, 27 February 2015, be reviewed and subsequently adjusted.

In identifying certain aspects from the SDBIP, the following is a summary thereof:

ASSESSMENT OF THE SDBIP

The following as identified in the SDBIP were executed during the past six months from July 2014 to December 2014:

1. Six (6) Monthly budget controls, reconciliation of the General ledger accounts were completed. These reports were communicated to the Municipal Manager and the Council.
2. The finalisation of the Annual report of 2013/2014 remains a challenge due to capacity constraints as a result of a number of resignations at management level. The Annual Report will be presented by the Mayor to the Council as soon as it has been completed.
3. The MFMA quarterly reports were submitted to the Provincial Treasury and the Council for quarter ending September 2014.
4. The SDBIP was prepared and adopted by Council within the time limit as set out in legislation.
5. Council meetings took place as per the schedule and Special Council meetings as and when required.
6. The following were prepared and adopted by Council:
 - ✚ Annual Financial Statements according the GRAP standards were submitted to the Office of the Auditor-General on 30 August 2014.

✚ These statements were adopted by Council and subsequently submitted to the office of the Auditor-General.

The outcomes of the Audit Report will be discussed in the Annual Report for 2013/14.

There are also areas that are currently a concern as it is hampering progress and development.

AREAS OF CONCERN IN THE SDBIP (SLOW PROGRESS AREAS)

1. The proper implementation of by-laws and policies.
2. Development and approval of a Tourism strategy for the Municipality
3. Development and approval of the LED strategy.
4. Review and report on the equity plan.
5. Implementation of the training plan.
6. Health and safety aspects within the workplace;
7. Attendance by communities at Ward committee meetings;
8. Building plans control inspections;
9. Construction of a taxi rank and other identified projects;
10. Development and implementation of a proper Asset Management Plan;
11. Housing development plan;
12. Development and implementation of Spatial Development Plan;
13. Construction of a fully fletched Traffic Station;
14. Lack of an effective Performance Management System;
15. Other issues are addressed on an ongoing basis.

✚ Please note that the progress on the above-mentioned matters has been slow mainly because of the funding of such projects and initiatives.

- ✚ This has led to the municipality delaying purposefully on the progress of identified matters.

- ✚ We have decided that we cannot accept to continue using a lack of funding as a reason to not implement these objectives. We had a meeting with all Councillors and Managers where a Financial Recovery Plan was developed to improve on our cash flow situation. This plan covers projects such as:
 - Maximising revenue earned from speed law enforcement,
 - Fully implement debt control policy to ensure people that can pay do pay and address indigents as a matter of urgency,
 - Consider pre-paid water meters, but on a proof of concept basis only at this stage,
 - Installing pre-paid electricity meters,
 - Do a land audit to enable us to initiate property development in the Municipality,
 - Consider selling of staff houses,
 - Implementing more stringent measures to reduce Traveling and Subsistence allowances,
 - Fully investigate the most economical way to manage fleet of vehicles, plant and equipment,
 - Implement control measures to ensure that companies appointed to implement LED projects are delivering, and
 - Develop and implement job descriptions for all staff to be used as an integral part of the Performance Management System.

THEMBELIHLE MUNICIPALITY (NC076)

Quality certificate in term of Section 5 of the Municipal Budget Regulations; Government Gazette 32141, 17 April 2009...

I Abraham Mpho Mogale, Municipal Manager of Thembelihle Municipality hereby certify that the S72 Report has been prepared in accordance with the Municipal Financial Management Act No 56 of 2003 and the regulations made under the Act.

The S72 Report is submitted to the Mayor, National Treasury and Relevant Provincial Treasury.

AM Mogale

Municipal Manager

Date

D Jonas

Received

The Budget schedules received by Mayor on 22 January 2015:
Table 1 - Budget Summary

NC076 Thembelihle - Table C1 Monthly Budget Statement Summary - M06 December

Description	2013/14	Budget Year 2014/15							
	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	2 093	3 401	-	(18)	2 793	1 403	1 391	99%	3 401
Service charges	14 347	17 223	-	891	7 023	9 018	(1 995)	-22%	17 223
Investment revenue	660	347	-	3	200	79	121	153%	347
Transfers recognised - operational	16 852	21 532	-	2 968	15 734	19 068	(3 334)	-17%	21 532
Other own revenue	3 262	8 787	-	472	2 247	2 648	(401)	-15%	8 787
Total Revenue (excluding capital transfers and contributions)	37 214	51 290	-	4 316	27 997	32 216	(4 219)	-13%	51 290
Employee costs	15 587	21 325	-	2 271	10 232	10 732	(500)	-5%	21 325
Remuneration of Councillors	1 933	2 380	-	190	1 259	1 185	74	6%	2 380
Depreciation & asset impairment	10 756	3 291	-	-	-	1 780	(1 780)	-100%	3 291
Finance charges	143	393	-	61	649	449	199	44%	393
Materials and bulk purchases	11 497	8 186	-	91	1 264	3 942	(2 678)	-68%	8 186
Transfers and grants	849	1 313	-	92	506	564	(58)	-10%	1 313
Other expenditure	16 402	18 249	-	590	4 324	10 205	(5 881)	-58%	18 249
Total Expenditure	57 167	55 137	-	3 295	18 234	28 858	(10 624)	-37%	55 137
Surplus/(Deficit)	(19 953)	(3 847)	-	1 021	9 763	3 358	6 405	191%	(3 847)
Transfers recognised - capital	11 930	21 088	-	2 628	8 845	14 043	(5 198)	-37%	12 787
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(8 023)	17 241	-	3 649	18 608	17 401	1 207	7%	8 940
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(8 023)	17 241	-	3 649	18 608	17 401	1 207	7%	8 940
Capital expenditure & funds sources									
Capital expenditure	11 930	21 088	-	2 628	8 845	14 043	(5 198)	-37%	12 787
Capital transfers recognised	11 930	20 007	-	2 628	8 845	13 073	(4 228)	-32%	12 787
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	1 081	-	-	-	970	(970)	-100%	-
Total sources of capital funds	11 930	21 088	-	2 628	8 845	14 043	(5 198)	-37%	12 787
Financial position									
Total current assets	12 253	10 461	-	-	17 343	-	-	-	8 227
Total non current assets	196 746	215 692	-	-	202 780	-	-	-	214 019
Total current liabilities	40 740	31 621	-	-	27 970	-	-	-	35 421
Total non current liabilities	10 506	16 603	-	-	34 403	-	-	-	35 372
Community wealth/Equity	157 753	177 928	-	-	157 750	-	-	-	151 453
Cash flows									
Net cash from (used) operating	14 007	21 842	-	1 558	6 302	23 123	16 821	73%	19 799
Net cash from (used) investing	(11 533)	(18 370)	-	(2 612)	(8 866)	(15 395)	(6 530)	42%	(18 370)
Net cash from (used) financing	(730)	(33)	-	9	(40)	-	40	#DIV/0!	(472)
Cash/cash equivalents at the month/year end	8 406	7 912	-	-	971	12 201	11 230	92%	4 531
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	1 532	748	718	582	616	41 392	-	-	45 587
Creditors Age Analysis									
Total Creditors	1 800	2 254	983	765	239	12 136	-	-	18 176

Table 1: Budget Summary (Table C1)
Table 2 – Budgeted Financial Performance (Revenue and Expenditure by standard classification)

NC076 Thembelihle - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		18 471	24 183	-	2 707	12 661	11 446	1 215	11%	24 183
Executive and council		12 914	16 735	-	2 611	9 234	8 326	908	11%	16 735
Budget and treasury office		5 023	6 893	-	62	3 074	2 874	201	7%	6 893
Corporate services		534	555	-	34	353	247	106	43%	555
<i>Community and public safety</i>		1 388	1 288	-	71	119	564	(445)	-79%	1 288
Community and social services		1 388	1 288	-	71	119	564	(445)	-79%	1 288
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		7 353	16 921	-	3 140	10 125	15 280	(5 155)	-34%	13 221
Planning and development		6 863	11 616	-	3 131	9 825	12 274	(2 449)	-20%	8 816
Road transport		491	5 305	-	9	299	3 005	(2 706)	-90%	4 405
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		21 931	29 986	-	1 026	13 936	18 969	(5 033)	-27%	25 385
Electricity		8 409	15 170	-	675	5 095	9 191	(4 096)	-45%	10 650
Water		9 728	9 686	-	103	6 983	7 781	(799)	-10%	9 686
Waste water management		2 484	3 129	-	170	1 232	1 245	(13)	-1%	3 129
Waste management		1 310	2 001	-	78	626	752	(125)	-17%	1 920
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	49 143	72 378	-	6 943	36 842	46 259	(9 418)	-20%	64 077
Expenditure - Standard										
<i>Governance and administration</i>		20 994	26 321	-	1 555	9 041	13 156	(4 115)	-31%	26 321
Executive and council		5 092	5 843	-	470	2 898	2 910	(11)	0%	5 843
Budget and treasury office		10 617	16 040	-	499	4 051	8 039	(3 988)	-50%	16 040
Corporate services		5 285	4 438	-	586	2 091	2 207	(115)	-5%	4 438
<i>Community and public safety</i>		1 466	1 225	-	87	471	617	(147)	-24%	1 225
Community and social services		1 443	1 171	-	86	462	590	(128)	-22%	1 171
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		23	54	-	1	9	27	(19)	-68%	54
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		11 793	12 350	-	937	4 236	7 282	(3 046)	-42%	12 350
Planning and development		9 905	9 750	-	790	3 603	4 958	(1 355)	-27%	9 750
Road transport		1 888	2 600	-	148	633	2 324	(1 691)	-73%	2 600
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		22 914	15 245	-	715	4 486	7 802	(3 316)	-43%	15 245
Electricity		13 402	8 271	-	73	1 282	4 125	(2 843)	-69%	8 271
Water		4 802	3 823	-	439	2 038	1 949	88	5%	3 823
Waste water management		2 157	1 687	-	113	623	844	(221)	-26%	1 687
Waste management		2 552	1 464	-	90	544	884	(341)	-39%	1 464
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	57 167	55 140	-	3 295	18 234	28 858	(10 624)	-37%	55 140
Surplus/ (Deficit) for the year		(8 023)	17 238	-	3 649	18 607	17 401	1 206	7%	8 937

Table 2 Budgeted Financial Performance (standard classification) Table C2

Table 3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC076 Thembelihle - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		12 914	16 735	-	2 611	9 234	8 326	908	10.9%	16 735
Vote 2 - Budget & Treasury		5 023	6 893	-	62	3 074	2 874	201	7.0%	6 893
Vote 3 - Corporate Service		534	555	-	34	353	247	106	42.9%	555
Vote 4 - Community & Social Service		1 388	1 288	-	71	119	564	(445)	-78.8%	1 288
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Planning & Development		6 863	11 616	-	3 131	9 825	12 274	(2 449)	-19.9%	8 816
Vote 7 - Road Transport		491	5 305	-	9	299	3 005	(2 706)	-90.0%	4 405
Vote 8 - Electricity		8 409	15 170	-	675	5 095	9 191	(4 096)	-44.6%	10 650
Vote 9 - Water		9 728	9 686	-	103	6 983	7 781	(799)	-10.3%	9 686
Vote 10 - Waste Water Management		2 484	3 129	-	170	1 232	1 245	(13)	-1.0%	3 129
Vote 11 - Waste Management		1 310	2 001	-	78	626	752	(125)	-16.7%	1 920
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 Revenue by Vote	2	49 143	72 378	-	6 943	36 842	46 259	(9 418)	-20.4%	64 077
Expenditure by Vote	1									
Vote 1 - Executive Council		5 092	5 843	-	470	2 898	2 910	(11)	-0.4%	5 843
Vote 2 - Budget & Treasury		10 617	16 040	-	499	4 051	8 039	(3 988)	-49.6%	16 040
Vote 3 - Corporate Service		5 285	4 438	-	586	2 091	2 207	(115)	-5.2%	4 438
Vote 4 - Community & Social Service		1 443	1 171	-	86	462	590	(128)	-21.7%	1 171
Vote 5 - Public Safety		23	54	-	1	9	27	(19)	-68.5%	54
Vote 6 - Planning & Development		9 905	9 750	-	790	3 603	4 958	(1 355)	-27.3%	9 750
Vote 7 - Road Transport		1 888	2 600	-	148	633	2 324	(1 691)	-72.8%	2 600
Vote 8 - Electricity		13 402	8 271	-	73	1 282	4 125	(2 843)	-68.9%	8 271
Vote 9 - Water		4 802	3 823	-	439	2 038	1 949	88	4.5%	3 823
Vote 10 - Waste Water Management		2 157	1 687	-	113	623	844	(221)	-26.2%	1 687
Vote 11 - Waste Management		2 552	1 464	-	90	544	884	(341)	-38.5%	1 464
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 Expenditure by Vote	2	57 167	55 140	-	3 295	18 234	28 858	(10 624)	-36.8%	55 140
Surplus/ (Deficit) for the year	2	(8 023)	17 238	-	3 649	18 607	17 401	1 206	6.9%	8 937

Tale 3: Budgeted Financial Performance (revenue and expenditure by municipal vote) (Table C3)

Table 4 – Budgeted Financial Performance (revenue and expenditure)

NC076 Thembelihle - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2013/14	Budget Year 2014/15							
	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	2 093	3 401		(18)	2 793	1 403	1 391	99%	3 401
Property rates - penalties & collection charges							-		
Service charges - electricity revenue	7 902	9 925		701	4 894	5 168	(274)	-5%	9 925
Service charges - water revenue	3 007	3 438		(34)	419	1 928	(1 509)	-78%	3 438
Service charges - sanitation revenue	2 245	2 492		155	1 135	1 241	(106)	-9%	2 492
Service charges - refuse revenue	1 193	1 368		68	575	681	(107)	-16%	1 368
Service charges - other							-		
Rental of facilities and equipment	306	488		35	247	213	34	16%	488
Interest earned - external investments	660	347		3	200	79	121	153%	347
Interest earned - outstanding debtors	669	3 178		75	452	211	241	114%	3 178
Dividends received							-		
Fines	466	4 021		1	5	63	(57)	-91%	4 021
Licences and permits	22	280		9	88	106	(18)	-17%	280
Agency services							-		
Transfers recognised - operational	16 852	21 532		2 968	15 734	19 068	(3 334)	-17%	21 532
Other revenue	1 799	819		351	1 455	2 056	(601)	-29%	819
Gains on disposal of PPE							-		
Total Revenue (excluding capital transfers and contributions)	37 214	51 290	-	4 316	27 997	32 216	(4 219)	-13%	51 290
Expenditure By Type									
Employee related costs	15 587	21 325		2 271	10 232	10 732	(500)	-5%	21 325
Remuneration of councillors	1 933	2 380		190	1 259	1 185	74	6%	2 380
Debt impairment	4 854	8 749				4 357	(4 357)	-100%	8 749
Depreciation & asset impairment	10 756	3 291				1 780	(1 780)	-100%	3 291
Finance charges	143	393		61	649	449	199	44%	393
Bulk purchases	9 596	6 898		35	853	3 435	(2 582)	-75%	6 898
Other materials	1 902	1 288		56	411	507	(96)	-19%	1 288
Contracted services		161		117	500	403	97	24%	161
Transfers and grants	849	1 313		92	506	564	(58)	-10%	1 313
Other expenditure	11 548	9 339		474	3 824	5 445	(1 621)	-30%	9 339
Loss on disposal of PPE							-		
Total Expenditure	57 167	55 137	-	3 295	18 234	28 858	(10 624)	-37%	55 137
Surplus/(Deficit)	(19 953)	(3 847)	-	1 021	9 763	3 358	6 405	0	(3 847)
Transfers recognised - capital	11 930	21 088		2 628	8 845	14 043	(5 198)	(0)	12 787
Contributions recognised - capital							-		
Contributed assets							-		
Surplus/(Deficit) after capital transfers & contributions	(8 023)	17 241	-	3 649	18 608	17 401			8 940
Taxation							-		
Surplus/(Deficit) after taxation	(8 023)	17 241	-	3 649	18 608	17 401			8 940
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	(8 023)	17 241	-	3 649	18 608	17 401			8 940
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	(8 023)	17 241	-	3 649	18 608	17 401			8 940

Table 4: Budgeted Financial Performance (revenue and expenditure) (Table C4)

Table 5 – Budgeted Capital Expenditure by vote, standard classification and funding

**NC076 Thembelihle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06
December**

Vote Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Multi-Year expenditure appropriation</u>									
Vote 1 - Executive Council	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Service	-	-	-	-	-	-	-	-	-
Vote 4 - Community & Social Service	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety	-	-	-	-	-	-	-	-	-
Vote 6 - Planning & Development	10 442	10 060	-	2 577	3 861	7 060	(3 199)	-45%	7 260
Vote 7 - Road Transport	-	-	-	-	-	-	-	-	-
Vote 8 - Electricity	-	-	-	-	-	-	-	-	-
Vote 9 - Water	-	-	-	-	-	-	-	-	-
Vote 10 - Waste Water Management	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management	-	-	-	-	-	-	-	-	-
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	10 442	10 060	-	2 577	3 861	7 060	(3 199)	-45%	7 260
<u>Single Year expenditure appropriation</u>									
Vote 1 - Executive Council	9	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury	656	70	-	-	-	-	-	-	70
Vote 3 - Corporate Service	8	-	-	-	-	-	-	-	-
Vote 4 - Community & Social Service	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety	-	-	-	-	-	-	-	-	-
Vote 6 - Planning & Development	96	8	-	-	-	8	(8)	-100%	8
Vote 7 - Road Transport	-	1 000	-	-	-	900	(900)	-100%	-
Vote 8 - Electricity	-	4 470	-	-	24	3 847	(3 823)	-99%	50
Vote 9 - Water	38	5 399	-	51	4 960	2 158	2 802	130%	5 399
Vote 10 - Waste Water Management	682	-	-	-	-	-	-	-	-
Vote 11 - Waste Management	-	81	-	-	-	70	(70)	-100%	-
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	1 487	11 028	-	51	4 983	6 983	(1 999)	-29%	5 527
Total Capital Expenditure	11 930	21 088	-	2 628	8 845	14 043	(5 198)	-37%	12 787

Capital Expenditure - Standard Classification									
Governance and administration	672	70	-	-	-	-	-		70
Executive and council	9								
Budget and treasury office	656	70							70
Corporate services	8								
Community and public safety	-	-	-	-	-	-	-		-
Community and social services									
Sport and recreation									
Public safety									
Housing									
Health									
Economic and environmental services	10 538	11 068	-	2 577	3 861	7 968	(4 107)	-52%	7 268
Planning and development	10 538	10 068		2 577	3 861	7 068	(3 207)	-45%	7 268
Road transport		1 000				900	(900)	-100%	
Environmental protection									
Trading services	720	9 950	-	51	4 983	6 075	(1 091)	-18%	5 449
Electricity		4 470			24	3 847	(3 823)	-99%	50
Water	38	5 399		51	4 960	2 158	2 802	130%	5 399
Waste water management	682								
Waste management		81				70	(70)	-100%	
Other									
Total Capital Expenditure - Standard Classification	11 930	21 088	-	2 628	8 845	14 043	(5 198)	-37%	12 787
Funded by:									
National Government	8 605	20 007		2 628	8 845	13 073	(4 228)	-32%	12 787
Provincial Government	3 324								
District Municipality									
Other transfers and grants									
Transfers recognised - capital	11 930	20 007	-	2 628	8 845	13 073	(4 228)	-32%	12 787
Public contributions & donations									
Borrowing									
Internally generated funds		1 081				970	(970)	-100%	
Total Capital Funding	11 930	21 088	-	2 628	8 845	14 043	(5 198)	-37%	12 787

Table 5: Budget Capital Expenditure by vote, standard classification and funding (Table C5)

Table 6 – Budgeted Financial Position

NC076 Thembelihle - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	2013/14	Budget Year 2014/15			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	8 406	7 912		5 984	4 531
Call investment deposits		-			
Consumer debtors	1 330	1 193		8 762	1 193
Other debtors	2 372	1 306		2 453	2 453
Current portion of long-term receivables					
Inventory	145	50		145	50
Total current assets	12 253	10 461	-	17 343	8 227
Non current assets					
Long-term receivables	941			941	941
Investments					
Investment property	5 433	4 773		5 433	5 433
Investments in Associate					
Property, plant and equipment	190 094	210 919		195 962	207 131
Agricultural					
Biological assets					
Intangible assets	278			444	514
Other non-current assets					
Total non current assets	196 746	215 692	-	202 780	214 019
TOTAL ASSETS	208 999	226 153	-	220 123	222 246
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	61	80		130	472
Consumer deposits	391	299		369	434
Trade and other payables	32 276	23 444		19 833	25 716
Provisions	8 012	7 798		7 638	8 798
Total current liabilities	40 740	31 621	-	27 970	35 421
Non current liabilities					
Borrowing	621	5 462		6 876	7 845
Provisions	9 885	11 141		27 527	27 527
Total non current liabilities	10 506	16 603	-	34 403	35 372
TOTAL LIABILITIES	51 246	48 225	-	62 373	70 793
NET ASSETS	157 753	177 928	-	157 750	151 453
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	126 300	146 267		126 296	120 000
Reserves	31 453	31 661		31 453	31 453
TOTAL COMMUNITY WEALTH/EQUITY	157 753	177 928	-	157 750	151 453

Table 6 – Budgeted Financial Position (Table C6)

Table 7 – Budgeted Cash Flows

NC076 Thembelihle - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	2013/14	Budget Year 2014/15							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	25 719	21 066		1 966	13 478	11 387	2 091	18%	26 959
Government - operating	16 272	21 602		3 002	17 105	14 307	2 797	20%	21 602
Government - capital	16 861	21 088			8 080	17 113	(9 033)	-53%	18 088
Interest	660	1 713					-		
Dividends							-		
Payments									
Suppliers and employees	(44 674)	(41 921)		(3 256)	(31 250)	(19 148)	12 103	-63%	(44 501)
Finance charges	(830)	(393)		(61)	(518)		518	#DIV/0!	(1 036)
Transfers and Grants		(1 313)		(92)	(592)	(537)	55	-10%	(1 313)
NET CASH FROM/(USED) OPERATING ACTIVITIES	14 007	21 842	-	1 558	6 302	23 123	16 821	73%	19 799
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	186						-		
Decrease (Increase) in non-current debtors				16	91		91	#DIV/0!	
Decrease (increase) other non-current receivables							-		
Decrease (increase) in non-current investments							-		
Payments									
Capital assets	(11 719)	(18 370)		(2 628)	(8 957)	(15 395)	(6 438)	42%	(18 370)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(11 533)	(18 370)	-	(2 612)	(8 866)	(15 395)	(6 530)	42%	(18 370)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits		47		9	91		91	#DIV/0!	
Payments									
Repayment of borrowing	(730)	(80)			(130)		130	#DIV/0!	(472)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(730)	(33)	-	9	(40)	-	40	#DIV/0!	(472)
NET INCREASE/ (DECREASE) IN CASH HELD	1 744	3 439	-	(1 045)	(2 603)	7 728			957
Cash/cash equivalents at beginning:	6 662	4 474			3 574	4 474			3 574
Cash/cash equivalents at month/year end:	8 406	7 912			971	12 201			4 531

Table 7: Budgeted cash Flow (Table C7)

Table 8 – Debtors' Analysis

NC076 Thembelihle - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2014/15									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			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	266	181	167	179	168	9 461			10 422	9 808		10 281
Trade and Other Receivables from Exchange Transactions - Electricity	1300	836	257	174	123	179	4 696			6 264	4 997		5 220
Receivables from Non-ex change Transactions - Property Rates	1400	142	88	74	76	68	4 164			4 613	4 308		4 428
Receivables from Exchange Transactions - Waste Water Management	1500	172	129	122	118	117	8 012			8 670	8 247		8 577
Receivables from Exchange Transactions - Waste Management	1600	92	70	67	66	64	4 529			4 888	4 659		4 846
Receivables from Exchange Transactions - Property Rental Debtors	1700	2	1	0	0	0	70			72	70		71
Interest on Arrear Debtor Accounts	1810									-	-		-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		-
Other	1900	23	22	113	20	21	10 460			10 658	10 501		10 649
Total By Income Source	2000	1 532	748	718	582	616	41 392	-	-	45 587	42 590	-	44 073
2013/14 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	4	3	3	2	2	14			28	17		27
Commercial	2300	54	35	31	29	28	570			747	627		718
Households	2400	1 474	710	683	552	586	40 809			44 813	41 947		43 328
Other	2500									-	-		
Total By Customer Group	2600	1 532	748	718	582	616	41 392	-	-	45 587	42 590	-	44 073

Table 8: Debtors' Analysis (Table SC3)

Table 9 – Creditors’ Analysis

NC076 Thembelihle - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2014/15									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		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	1 168	814	830	697	36	3 848			7 393	3 272	
Bulk Water	0200	29	42	42	14	75	715			917	495	
PAYE deductions	0300									-	-	
VAT (output less input)	0400									-	-	
Pensions / Retirement deductions	0500									-	-	
Loan repayments	0600									-	-	
Trade Creditors	0700	417	1 360	72	17	17	1 382			3 266	3 146	
Auditor General	0800	186	37	39	37	110	6 190			6 599	6 190	
Other	0900									-	-	
Total By Customer Type	1000	1 800	2 254	983	765	239	12 136	-	-	18 176	13 104	

Table 9: Creditors’ Analysis (Table SC4)

Table 10 – Investment Portfolio Analysis

NC076 Thembelihle - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	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							
R thousands								
<u>Municipality</u>								
Municipality sub-total				-		-	-	-
<u>Entities</u>								
Entities sub-total				-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	-
N/A								

Table 10 Investment Analysis (Table SC5)

Table 11 – Allocation and grant receipts and expenditure

NC076 Thembelihle - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	15 801	19 928	-	2 611	14 643	15 395	(752)	-4.9%	19 928
Local Government Equitable Share	12 914	16 735		2 611	11 450	12 202	(752)	-6.2%	16 735
Finance Management	1 508	1 730			1 730	1 730	-		1 730
Municipal Systems Improvement	799	934			934	934	-		934
Municipal Infrastructure Grant (MIG)	580	529			529	529	-		529
Provincial Government:	345	603	-	357	391	303	89	29.3%	603
Sport and Recreation	345	603		357	391	303	89	29.3%	603
District Municipality:	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
Other grant providers:	706	1 000	-	-	700	3 370	(2 670)	-79.2%	1 000
<i>Various Grants</i>	706	1 000			700	3 370	(2 670)	-79.2%	1 000
Total Operating Transfers and Grants	16 852	21 531	-	2 968	15 734	19 068	(3 334)	-17.5%	21 531
Capital Transfers and Grants									
National Government:	8 605	20 007	-	2 577	8 845	13 073	(3 207)	-24.5%	12 787
Municipal Infrastructure Grant (MIG)	5 264	10 068		988	3 861	7 068	(3 207)	-45.4%	7 268
Regional Bulk Infrastructure	3 105	5 399		1 589	4 960	2 158			5 399
Finance Management		70							70
Integrated National Electrification Programme	237	4 470			24	3 847			50
Provincial Government:	3 324	-	-	51	-	-	-	-	-
<i>ACIP</i>	3 324								
<i>DWA</i>				51					
District Municipality:	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
Other grant providers:	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	11 930	20 007	-	2 628	8 845	13 073	(3 207)	-24.5%	12 787
TOTAL RECEIPTS OF TRANSFERS & GRANTS	28 781	41 538	-	5 596	24 579	32 140	(6 540)	-20.3%	34 318

Table 11 Allocation and grant receipts and expenditure (Table SC6)

NC076 Thembelihle - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	2013/14	Budget Year 2014/15							
	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:	15 801	19 928	-	2 611	14 643	15 395	(752)	-4.9%	19 928
Local Government Equitable Share	12 914	16 735		2 611	11 450	12 202	(752)	-6.2%	16 735
Finance Management	1 508	1 730			1 730	1 730	-		1 730
Municipal Systems Improvement	799	934			934	934	-		934
Municipal Infrastructure Grant (MIG)	580	529			529	529	-		529
Provincial Government:	345	603	-	357	391	303	89	29.3%	603
Sport and Recreation	345	603		357	391	303	89	29.3%	603
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	706	1 000	-	-	700	3 370	(2 670)	-79.2%	1 000
Various Grants	706	1 000			700	3 370	(2 670)	-79.2%	1 000
Total operating expenditure of Transfers and Grants:	16 852	21 531	-	2 968	15 734	19 068	(3 334)	-17.5%	21 531
Capital expenditure of Transfers and Grants									
National Government:	8 605	20 007	-	2 577	8 845	13 073	(4 228)	-32.3%	12 787
Municipal Infrastructure Grant (MIG)	5 264	10 068		988	3 861	7 068	(3 207)	-45.4%	7 268
Regional Bulk Infrastructure	3 105	5 399		1 589	4 960	2 158	2 802	129.8%	5 399
Finance Management		70					-		70
Integrated National Electrification Programme	237	4 470			24	3 847	(3 823)	-99.4%	50
Provincial Government:	3 324	-	-	51	-	-	-	-	-
ACIP	3 324	-	-	-	-	-	-	-	-
DWA				51					
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	11 930	20 007	-	2 628	8 845	13 073	(4 228)	-32.3%	12 787
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	28 781	41 538	-	5 596	24 579	32 140	(7 562)	-23.5%	34 318

Table 11 Allocation and grant receipts and expenditure (Table SC7(1))

NC076 Thembelihle - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 December

Description	Budget Year 2014/15				
	Approved Rollover 2013/14	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands					
<u>EXPENDITURE</u>					
<u>Operating expenditure of Approved Roll-overs</u>					
National Government:	-	-	-	-	
Local Government Equitable Share				-	
Finance Management				-	
Municipal Systems Improvement				-	
Municipal Infrastructure Grant (MIG)				-	
Other transfers and grants [insert description]				-	
Provincial Government:	-	-	-	-	
Sport and Recreation				-	
District Municipality:	-	-	-	-	
Other grant providers:	522	-	-	522	100.0%
<i>Various Grants</i>	522			522	100.0%
Total operating expenditure of Approved Roll-overs	522	-	-	522	100.0%
<u>Capital expenditure of Approved Roll-overs</u>					
National Government:	8 155	-	-	8 155	100.0%
Municipal Infrastructure Grant (MIG)	8 155			8 155	100.0%
Provincial Government:	-	-	-	-	
District Municipality:	-	-	-	-	
Other grant providers:	-	-	-	-	
Total capital expenditure of Approved Roll-overs	8 155	-	-	8 155	100.0%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	8 676	-	-	8 676	100.0%

Table 11 Allocation and grant receipts and expenditure (Table SC7(2))

Table 12 – Councillor and Board Member allowances and Employee benefits

NC076 Thembelihle - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	1 270	1 618		126	813	806	8	1%	1 618
Pension and UIF Contributions	190	243		19	114	121	(7)	-6%	243
Medical Aid Contributions	102	125		10	60	62	(2)	-3%	125
Motor Vehicle Allowance	307	258		20	121	129	(8)	-6%	258
Cellphone Allowance	63	136		14	151	68	83	123%	136
Housing Allowances							-		
Other benefits and allowances							-		
Sub Total - Councillors	1 933	2 380	-	190	1 259	1 185	74	6%	2 380
% increase		23.1%							23.1%
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	1 648	1 932		188	723	789	(66)	-8%	1 932
Pension and UIF Contributions	187	263		9	53	50	3	6%	263
Medical Aid Contributions							-		
Overtime							-		
Performance Bonus							-		
Motor Vehicle Allowance	440	540		21	160	165	(5)	-3%	540
Cellphone Allowance	15	40				20	(20)	-100%	40
Housing Allowances							-		
Other benefits and allowances	394			0	0		0	#DIV/0!	
Payments in lieu of leave							-		
Long service awards							-		
Post-retirement benefit obligations							-		
Sub Total - Senior Managers of Municipality	2 684	2 775	-	218	936	1 024	(88)	-9%	2 775
% increase		3.4%							3.4%
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	9 268	12 695		1 154	6 203	6 495	(292)	-4%	12 695
Pension and UIF Contributions	1 927	2 330		188	1 092	1 324	(233)	-18%	2 330
Medical Aid Contributions	549	801		50	314	405	(91)	-22%	801
Overtime	1 097	1 042		147	722	519	203	39%	1 042
Performance Bonus	824	1 219		488	652	607	45	7%	1 219
Motor Vehicle Allowance	523	87		8	65	149	(84)	-56%	87
Cellphone Allowance	39			2	16	(9)	25	-277%	
Housing Allowances	18	5		2	15	63	(47)	-75%	5
Other benefits and allowances	6	93		1	3	4	(0)	-8%	93
Payments in lieu of leave	13	212				71	(71)	-100%	212
Long service awards		10		13	216	105	110	105%	10
Post-retirement benefit obligations	(1 363)	55				(25)	25	-100%	55
Sub Total - Other Municipal Staff	12 903	18 550	-	2 053	9 298	9 708	(410)	-4%	18 550
% increase		43.8%							43.8%
Total Parent Municipality	17 520	23 705	-	2 460	11 493	11 917	(424)	-4%	23 705
TOTAL SALARY, ALLOWANCES & BENEFITS	17 520	23 705	-	2 460	11 493	11 917	(424)	-4%	23 705
% increase		35.3%							35.3%
TOTAL MANAGERS AND STAFF	15 587	21 325	-	2 271	10 234	10 732	(498)	-5%	21 325

Table 12 Councillor and Board Member allowances and Employee benefits (Table SC8)

Table 13 - Material Variances

NC076 Thembehlile - Supporting Table SC1 Material variance explanations - M06 December			
Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands			
Revenue By Source			
Property rates	1 391	Tax payers have the choice to pay monthly or annually in advance. More people chose to pay annually in advance and thus this better than	Adjustment Budget
Service charges - electricity revenue	(274)	Actual payments is less than expected.	Install pre-paid electricity meters.
Service charges - water revenue	(1 509)	Actual payments is less than expected.	All non-paying accounts will now be handed over to Attorney to ensure improved collection
Service charges - sanitation revenue	(106)	Actual payments is less than expected.	All non-paying accounts will now be handed over to Attorney to ensure improved collection
Service charges - refuse revenue	(107)	Actual payments is less than expected.	All non-paying accounts will now be handed over to Attorney to ensure improved collection
Rental of facilities and equipment	34	More people make use of facilities than anticipated.	Adjustment Budget
Interest earned - external investments	121	Improved investment strategy is bearing fruit	Adjustment Budget
Interest earned - outstanding debtors	241	Due to slow payment, more interest was raised	Adjustment Budget
Fines	(57)	Collection is less than anticipated	Adjustment Budget
Licences and permits	(18)	Collection is less than anticipated	Adjustment Budget
Transfers recognised - operational	(3 334)	An amount of R2.8 million was deducted from our ES due to low spending on MIG. EPWP funds were also received later than anticipated.	Corrective steps were implemented in January 2015.
Other revenue	(601)	Speed Law Enforcement was implemented later than expected.	Adjustment Budget
Expenditure By Type			
Employee related costs	(500)	Due to vacancies as only critical posts are being filled.	Adjustment Budget
Remuneration of councillors	74	The Government Gazette approving allowance increases to Councillors has not been published as yet.	Adjustments will be made when GG is published.
Debt impairment	(4 357)	Our debt impairment is done annually when AFS is compiled.	Corrected when AFS is compiled.
Depreciation & asset impairment	(1 780)	Our depreciation is done annually when AFS is compiled.	Corrected when AFS is compiled.
Finance charges	199	Due to cash flow restraints creditors cannot be paid on 30 days resulting in finance charges.	Adjustment Budget
Bulk purchases	(2 582)	The actual amount only reflects actual payments been made and not invoices received.	Will change processes to process invoices.
Other materials	(96)	Due to cash flow constraints every expense is scrutinised before approval. This resulted in an under-expenditure.	Adjustment Budget
Contracted services	97	Even though this item is more than budget for the first 6 months, the cost for the year will remain within budget.	No action required
Transfers and grants	(58)	Indigents was not done in two wards.	Corrective steps were implemented in January 2015.
Other expenditure	(1 621)	Due to cash flow constraints every expense is scrutinised before approval. This resulted in an under-expenditure.	Adjustment Budget
Capital Expenditure			
Planning and development	(3 207)	MIG project did not progress as planned	Adjustment Budget
Road transport	(900)	Lack of own funding	Adjustment Budget
Electricity	(3 823)	ESCOM does not pay as DORA indicated	Adjustment Budget
Water	2 802	Water Project progress faster than planned	
Waste management	(70)	Lack of own funding	Adjustment Budget
Financial Position			
Cash Flow			
		The municipality experience cash flow constrain.	
Measureable performance			

Table 13 Material variances (Table SC1)

Table 14 – Performance Indicators

NC076 Thembelihle - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

Description of financial indicator	Basis of calculation	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	-1.0%	6.7%	0.0%	3.6%	5.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	20.9%	16.3%	0.0%	17.0%	22.5%
Gearing	Long Term Borrowing/ Funds & Reserves	2.0%	17.3%	0.0%	21.9%	24.9%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	30.1%	33.1%	0.0%	62.0%	23.2%
Liquidity Ratio	Monetary Assets/Current Liabilities	20.6%	25.0%	0.0%	21.4%	12.8%
<u>Revenue Management</u>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.5%	4.9%	0.0%	43.4%	8.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))				2.0%	
<u>Funding of Provisions</u>						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
<u>Other Indicators</u>						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	42.0%			25.0%	25.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	52.0%			51.0%	35.0%
Employee costs	Employee costs/Total Revenue - capital revenue	41.9%	41.6%	0.0%	36.5%	41.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	29.3%	7.2%	0.0%	2.3%	5.4%

IDP regulation financial viability indicators					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)			11.4%	
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services			2.0%	
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure			0.3%	
Monetary assets		8 406	7 912	5 984	4 531
Total Revenue (excluding capital transfers and contributions)		37 214	51 290	27 997	51 290
Transfers recognised - operational		16 852	21 532	15 734	21 532
Transfers recognised - capital		11 930	21 088	8 845	12 787
Debt service payments		(70)	1 633	(648)	(1 508)
Outstanding debtors (receivables)		4 643	2 499	12 156	4 587
Annual services revenue		14 347	17 223	7 023	
Cash + investments	Including LT investments	8 406	7 912	5 984	4 531
Fixed operational expend. (monthly)					
Longstanding debtors outstanding		941		941	941
Longstanding debtors recovered					
Attorney collections					

Table 14 Performance Indicators (Table SC2)

Table 15 – Capital programme Performance

NC076 Thembelihle - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2013/14	Budget Year 2014/15							
	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		3 145		485	485	3 145	2 660	84.6%	2%
August		441				3 586	–		
September		10 570		986	986	14 156	13 170	93.0%	5%
October		726		4 395	4 395	14 883	10 488	70.5%	21%
November		749		350	350	15 632	15 282	97.8%	2%
December		1 481		2 628	2 628	17 113	14 485	84.6%	12%
January		734				17 847	–		
February						17 847	–		
March						17 847	–		
April		3 241				21 088	–		
May						21 088	–		
June						21 088	–		
Total Capital expenditure	–	21 088	–	8 844					

Table 15 Capital Programme Performance (Table SC12)

Table 16 – Charts

Chart C1 2014/15 Capital Expenditure Monthly Trend: actual v target

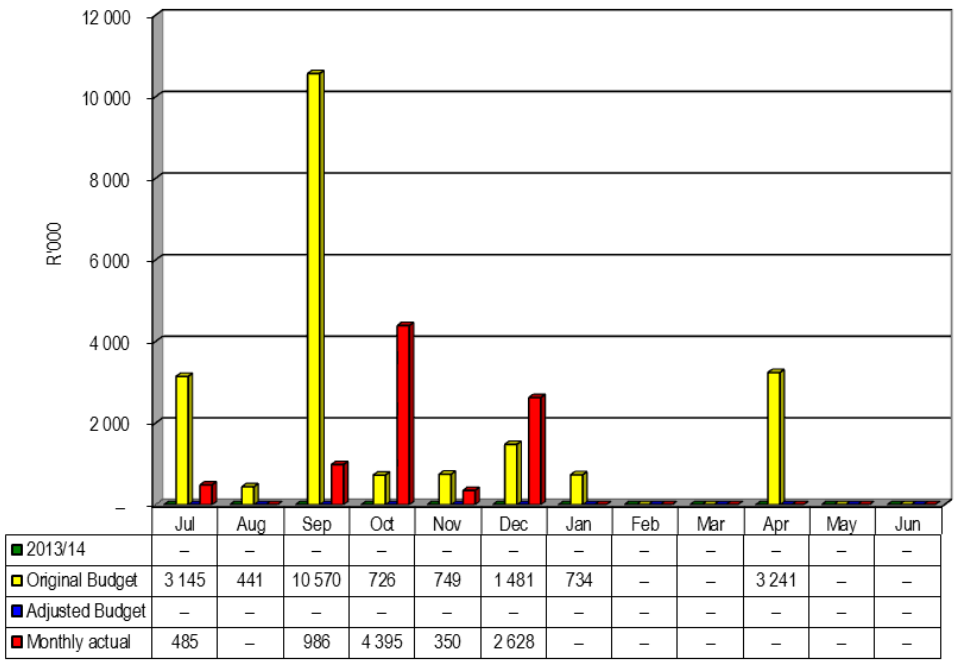
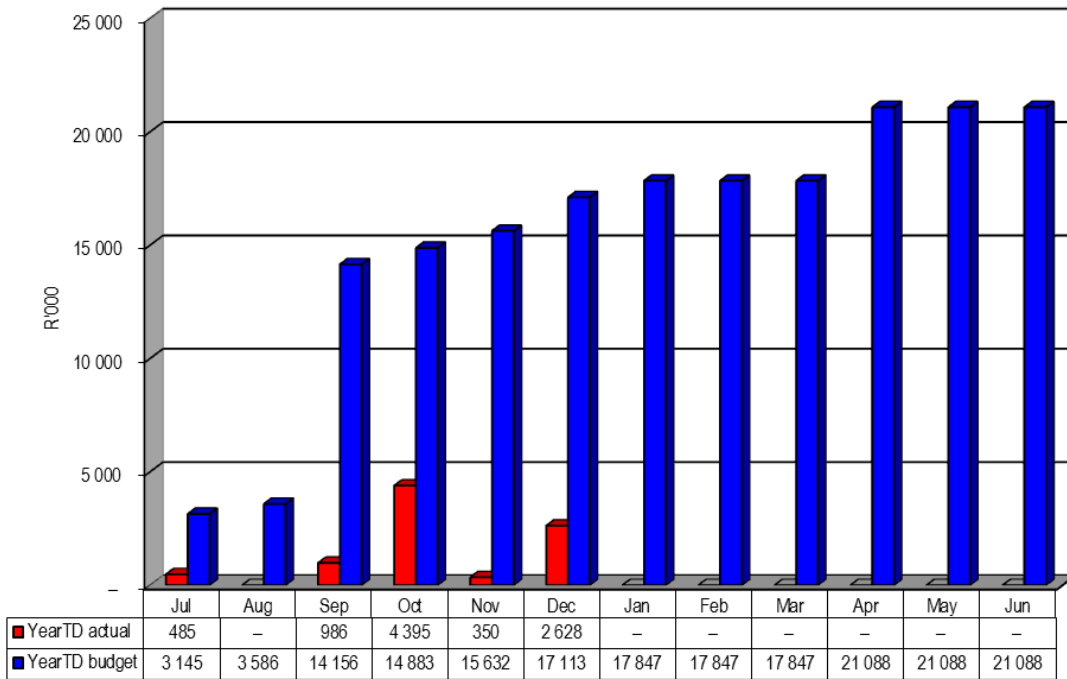
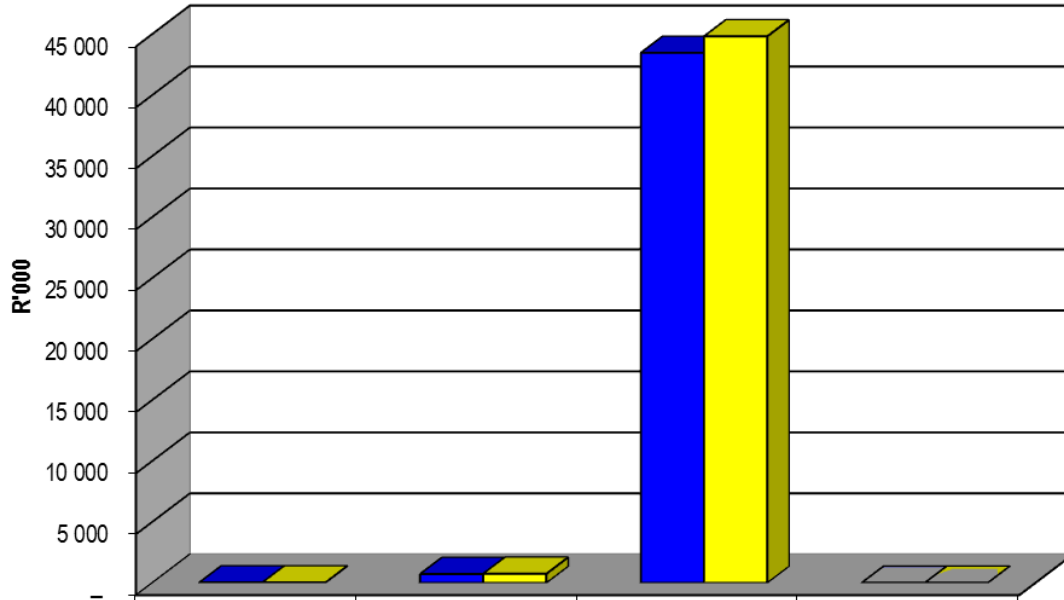


Chart C2 2014/15 Capital Expenditure: YTD actual v YTD target



AGE DEBTORS ANALYSIS



	Organs of State	Commercial	Households	Other
2013/14	27	725	43 468	-
Budget Year 2014/15	28	747	44 813	-

EXCEL MID YEAR REPORT