



# Mid-Year Budget Statement

## December 2015

### **In-Year Report of the Municipality**

Prepared in terms of Section 71 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 28 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 December 2009.

## Table of Contents

Glossary.....	3
PART 1 – IN-YEAR REPORT.....	4
Mayor’s Report .....	4
Resolutions .....	5
Executive Summary.....	6 - 10
In-year budget statement tables .....	11 - 17
PART 2 – SUPPORTING DOCUMENTATION.....	18
Debtors' analysis .....	18
Creditors' analysis .....	19
Investment portfolio analysis .....	19
Allocation and grant receipts and expenditure .....	20 - 22
Councillor allowances and employee benefits .....	23
Material variances to the SDBIP.....	23
Municipal financial performance.....	24
Capital programme performance .....	25
Other supporting documentation .....	26 - 32
Report: Outstanding Debtors .....	33 - 34
Municipal Manager’s quality certification .....	35

## Glossary

**Adjustments budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Budget** – The financial plan of the Municipality.

**Capital expenditure** - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable share** – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

**FMG** – Financial Management Grant.

**GFS** – Government Finance Statistics. An internationally recognized classification system that facilitates like for like comparison between municipalities.

**GRAP** – Generally Recognised Accounting Practice. The standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality.

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

**MIG** – Municipal Infrastructure Grant.

**MTREF** – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

**Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP** – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information.

**Strategic objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Vote** – A main appropriation segment of the budget. In Umsobomvu Municipality this relates to the directorate level for operating expenditure and the GFS classification for capital expenditure.

**YTD** – Year to date

## **PART 1 – IN-YEAR REPORT**

### **Mayor's Report**

#### ***1.1 In-Year Report – Monthly Budget Report***

##### **1.1.1 Implementation of the budget in accordance with the SDBIP**

The results of the SDBIP for the fourth quarter ended 31 December 2015 will be tabled in a separate comprehensive report to council.

##### **1.1.2 Financial problems or risks facing the municipality**

None. All the major sources of revenue are currently within acceptable norms.

##### **1.1.3 Other relevant information**

Actual operating revenue at the end of December 2015 is at 31.3% of the budgeted revenue. The expenditure reflects spending of 23.44% against the budgeted expenditure. Capital expenditure amounts to R19.140m, or 33.42%, at the end of December 2015.

Outstanding consumer debtors remain stable and only reflect the year-on-year increase from increased tariffs as from 1 July 2015.

The positive cash flow remains stable.

## **Resolutions**

### ***IN-YEAR REPORTS 2015/2016***

This is the resolution that will be presented to Council when the In-Year Report is tabled:

#### ***RECOMMENDATION:***

1. That the report for the quarter ended December 2015, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

## **Executive Summary**

### **Revenue by Source**

The Year-to-Date actual revenue is 29% more than the YTD budget projections at the end of December 2015 as a result of the annual rates that were levied in July 2015.

### **Borrowings**

The balance of borrowings amounts to R2, 700,803 at the end of December 2015.

### **Operating expenditure by vote & type**

Current expenditure is 6 % below YTD budget projections as at December 2015.

### **Capital expenditure**

YTD Capital Expenditure amounts to R19 140, or 33.42% of a total budget of R57, 273m.

### **Cash flows**

The municipality started the year with a positive cashbook balance of R18.448 million. The December 2015 closing balance is R34.488. Refer to Table C7 for more details on the cash position.

### **Allocations received (National & Provincial Grants)**

Municipal Infrastructure Grant funding of R4.329m was received during the second quarter ended December 2015 and the year to date amounted to R6.090m. Energy efficiency and demand side management grant received year to date R4m and the EPWP grant received year to date R400 000.

### **Spending on Grants**

Spending on grants amounts to R26.223m for the year to date ended December 2015 which includes Equitable Share, FMG, MSIG, EPWP and MIG.

## Implementation of Supply Chain Management Policy:

Six monthly report ended 31 December 2015 on deviations within 10 working days in terms of SCM Regulation 36(2):

MONTHLY REPORT: DEVIATION FOR JULY 2015					
DATE	SUPPLIER NAME	DESCRIPTION AND DEPT	AMOUNT	ORDER NO	DEV NO
01/07/2015	Japan Engines	Tech dept:2Engines &1 gearbox (Exceptional)	R 50 000.00	15735	1056
04/07/2015	De Aar Stone crushers cc	Corporate services: Cemeteries	R 20 591.82	15704	1905
28/7/2015	Elster kent metering(Pty)Ltd	Tech dept:Elec meters(Exceptional)	R 68 435.30	15729	1057
09/07/2015	Non-Stop Tyre Solution	3 TryresBXX149NC(Exceptional)	R 44 114.00	16198	1058
15/7/2015	C&S Suppliers	Cleaning material(Exceptional)	R 10 908.65	16209	1059
16/7/2015	Eddi's	Indigent support:Paraffin(Exceptional)	R 21 924.00	15686	1060
17/7/2015	Route Management	Tech dept: Repairs trailer(Exceptional)	R 35 625.55	15711	1061
20/7/2015	Motor Mech	Repairs&Major serviceBDC691NC(Exceptional)	R 13 003.00	15694	1062
21/7/2015	S.A Post Office	Envelopes (sole)	R 67 200.00	15699	1063
23/7/2015	Colas	Tech dept: Roads Catmix & Ani ss(Exceptional)	R 60 579.60	15717	1064
23/7/2015	Barlows Equipment	Service D5 Dozer(Exceptional)	R 33 820.35	15718	1065
			<b>R 426 202.27</b>		

## MONTHLY REPORT: DEVIATION AUGUST 2015

MONTHLY REPORT: AUGUST 2015 DEVIATION CERTIFICATES					
DATE	SUPPLIER'S NAME	DESCRIPTION/DEPT	AMOUNT	ORDER NO	DEV NO
01/08/2015	Sol Plaatjie Munic	Inspec flamable registr	16 574.20	15857	1067
12/08/2015	De Aar stone crusher	Corporate: cemeteries	35 680.00	15742	1906
14/8/2015	Volksblad	Advert:Norv Townplan	10 827.50	15852	1068
14/8/2015	llectro	Colesberg WWTP	13 019.94	15746	1069
14/8/2015	llectro	Colesberg WTWP	16 273.50	15747	1070
18/8/2015	Cashbuild	Noupoort properties	12 076.30	14949	1071
24/8/2015	UD Trucks	Repairs BSF215NC	11 341.85	15829	1072
24/8/2015	Komatsu	BXX149NC	39 701.45	15827	1073
24/8/2015	Komatsu	BSF214NC Service	19 604.71	15826	1074
28/08/2015	High Voltage Technology	Stepup TRFR6.611KV 800KVAB	249 660.00	16324	1075
			424 759.45		

MONTHLY REPORT: SEPTEMBER 2015 DEVIATION CERTIFICATES					
DATE	SUPPLIER'S NAME	DESCRIPTION/DEPT	AMOUNT	ORDER NO	DEV NO
03/09/2015	Ubertech	Finance: 6Gbps	15 532.50	15886	1076
14/9/2015	UD Trucks Aliwal north	Repairs: BSF216NC	10 920.06	16911	1077
15/9/2015	High Voltage Tech	Transformer	64 285.00	16562	1078
18/9/2015	Ceatup	Tech: Project manager	13 170.00		1079
			<b>103 907.56</b>		

MONTHLY DEVIATION : OCTOBER 2015					
DATE	SUPPLIER'NAME	DESCRIPTION DEPT	AMOUNT	ORDER NO	DEV NO
08/10/2015	Motor Mech	Tech:repairs BSF209NC	13 438.00	16596	1081
14/10/2015	FG Uniforms	Traffic: Uniforms	11 008.93	14343	1082
15/10/2015	CAS Bande CCT/Fit	1Tyre BSF 241NC	12 601.00	16756	1083
16/10/2015	Heholdt's elect wholes	Tech: Electric network	11 692.44	16580	1084
20/10/2015	High Voltage Technology	Elec: 50KVA Transformer	73 284.90	16590	1085
27/10/2015	Conlog	Elect:Cards	52 330.56	16828	1086
29/10/2015	Ubertech	Finance: Server & install printer	23 058.78	16832	1087
29/10/2015	De Wits Instalers	Server:Install new aircon	11 142.23	16568	1088
09/10/2015	Fujitsu	Finance:implementation plan MSCOA	178 752.00	16817	1089
12/10/2015	OVK	Water services:Tools	10 233.78	16578	1090
			<u>397 542.62</u>		

MONTHLY DEVIATION : NOVEMBER 2015					
DATE	SUPPLIER'NAME	DESCRIPTION DEPT	AMOUNT	ORDER NO	DEV NO
06/11/2015	High Voltage Technology	Tech services: Repair Transformer	117 600.00	16598	1093
09/11/2015	John Williams Motors	Mayors: Service UMSO 1 (Sole)	16 456.60	15544	1094
17/11/2015	Assoc property valuers	Corporate dept:supplementary valuation roll	27 759.00	16709	1095
23/11/2015	Colesberg Electric	Electricity Network (Emergency)	19 699.20	17107	1096
			<u>181 514.80</u>		

DECEMBER 2015 DEVIATION CERTIFICATES					
DATE	SUPPLIER'NAME	DESCRIPTION DEPT	AMOUNT	ORDER NO.	DEV. NO.
01/12/2015	Colesberg Electric	Tech Dept: Elec material	22 794.66	17113	1908
01/12/2015	Herholdt Electrical	Tech Dept: Elec material	64 630.70		1909
08/12/2015	Brownrygg Trading T/A Precision Hydraulics	Tech Dept: maintenance & repairs BSF 213NC	34 816.74	16721	1910
04/12/2015	Ignite	Mid year performance assessment and S72 report	29 500.00	16850	1911
04/12/2015	Barlows Equipment	Tech Services: BSF237NC: Repairs	20 654.50	17121	1912
04/12/2015	Komatsu	BSF214NC: Repairs & Maitenance	47 761.85	17120	1913
10/12/2015	High Voltage Technology	Repairs transformer	33 510.00	17128	1914
17/12/2015	Hannes Vorster	Repair BHK826NC	30 500.00	17137	1915
			<u>284 168.45</u>		

**Monthly reports on contracts awarded above R100 000 within 15 calendar days of the new month:**

Month	AMOUNT
July	Nil
August	R249 660.00
September	R166 371.03
October	R345 123.00
November	R117 600.00
December	None



**TENDERS AWARDED FOR THE FIRST SIX MONTHS: BIDS APPROVED**

<b>MONTHS</b>	<b>Name of Bid</b>	<b>Amount Tendered VAT inclusive</b>	<b>Bidder awarded to</b>	<b>Date awarded</b>	<b>Date approval</b>
July	None				
August	None				
September	Request for price leasing of photocopier machines (4)	<b>R81 251.22</b> <b>R76 189.62</b> <b>R109 050.35</b> <b>R31 701.12</b>	N.R.G Office Solution(Pty)Ltd	30/9/2015	30/9/2015
October	None				
November	None				
December	Project no 1/8/2015 Upgrading of the Sewer reticulation in Norvalspont	<b>R9 910 000.00</b>	Ruwacon (Pty) Ltd	02/12/2015	11/12/2015
	Upgrading of Kemper Street from Gravel to Concrete Block Paved Road Project no 01/10/2015	<b>R290 870.00</b>	Yirha Construction (Pty) Ltd	02/12/2015	15/12/2015
	Review IDP 2015/2016 bid no 2/11/2015	<b>R124 000.00 VAT Exclusive</b>	Ignite Advisory	11/12/2015	17/12/2015

**Material variances**

The table below summarises variances for projected revenue and expenditure.

NC072 Umsobomvu - Supporting Table SC1 Material variance explanations - M06 December

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>R thousands</b>			
<b>Revenue By Source</b>			
Property rates	786	Annual property rates are levied in July for the whole financial year.	The variance will decrease as monthly property rates are levied.
Property rates - penalties & collection charges	11	Some of the annual rates payers have not settled their accounts.	Credit control will be implemented in order to make follow ups.
Service charges - electricity revenue	(4 086)	This is due to consumers trying to save power.	Meters are being inspected and changed where necessary.
Service charges - water revenue	9 881	There was an error on one of the consumers accounts.	This will be corrected in January 2016.
Service charges - sanitation revenue	112		
Service charges - refuse revenue	10		
Service charges - other	-		
Rental of facilities and equipment	(6)		
Interest earned - external investments	(32)		
Interest earned - outstanding debtors	98	There has been a decrease in collection rate.	We have filled the vacancies that resulted in the decrease in collection rate.
Dividends received	-		
Fines	1 261	Effective traffic services	Will be adjusted during adjustment budget.
Licences and permits	846	More booking for learner's and driving licences.	Will be adjusted during adjustment budget.
Agency services	-		
Transfers recognised - operational	10 013		
Other revenue	(1 845)		
Gains on disposal of PPE	-		
<b>Expenditure By Type</b>			
Employee related costs	(2 437)	There are still few vacancies.	This will improve as soon as we have filled the vacancies.
Remuneration of councillors	(83)		
Debt impairment	(118)		
Depreciation & asset impairment	(5)		
Finance charges	(0)		
Bulk purchases	(812)		
Other materials	-		
Contracted services	-		
Transfers and grants	(1 488)		
Other expenditure	822		
Loss on disposal of PPE	(1)		
<b>Capital Expenditure</b>			
Executive and council			
Budget and treasury office	-		
Corporate services	-		
Community and public safety	-		
Community and social services			
Sport and recreation	-		
Public safety	-		
Housing	-		
Health	-		
Economic and environmental services	-		
Planning and development			
Road transport	-		
Environmental protection	-		
Trading services	56		
Electricity			
Water	56		
Waste water management	-		
Waste management	-		
Waste management	-		
Other			
<b>Financial Position</b>			
<b>Cash Flow</b>			
<b>Measureable performance</b>			
<b>Municipal Entities</b>			

**Performance in relation to SDBIP targets**

See the comprehensive report tabled in Council.

**Remedial or corrective steps**

No remedial or corrective steps are required at this time.

# In-year budget statement tables

## Table C1: s71 Monthly Budget Statement Summary

NC072 Umsobomvu - Table C1 Monthly Budget Statement Summary - M06 December

Description	2014/15	Budget Year 2015/16							
	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	8 521	8 295	-	556	4 945	4 148	797	19%	8 295
Service charges	49 213	58 979	-	13 056	35 407	29 490	5 917	20%	58 979
Investment revenue	532	422	-	10	179	211	(32)	-15%	422
Transfers recognised - operational	35 708	39 919	-	(19)	29 691	19 678	10 013	51%	39 356
Other own revenue	16 573	10 478	-	835	5 593	5 239	355	7%	10 477
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>110 547</b>	<b>118 093</b>	<b>-</b>	<b>14 438</b>	<b>75 814</b>	<b>58 765</b>	<b>17 049</b>	<b>29%</b>	<b>117 530</b>
Employee costs	34 412	40 628	-	3 038	17 903	20 340	(2 437)	-12%	40 680
Remuneration of Councillors	2 996	3 092	-	244	1 463	1 546	(83)	-5%	3 092
Depreciation & asset impairment	28 622	23 844	-	1 986	11 917	11 922	(5)	-0%	23 844
Finance charges	384	310	-	24	155	155	(0)	-0%	310
Materials and bulk purchases	18 731	21 284	-	1 393	9 830	10 642	(812)	-8%	21 284
Transfers and grants	-	8 967	-	520	2 995	4 483	(1 488)	-33%	-
Other expenditure	44 165	37 134	-	3 349	19 245	18 541	704	4%	46 049
<b>Total Expenditure</b>	<b>129 310</b>	<b>135 258</b>	<b>-</b>	<b>10 554</b>	<b>63 508</b>	<b>67 629</b>	<b>(4 121)</b>	<b>-6%</b>	<b>135 258</b>
<b>Surplus/(Deficit)</b>	<b>(18 763)</b>	<b>(17 166)</b>	<b>-</b>	<b>3 884</b>	<b>12 306</b>	<b>(8 864)</b>	<b>21 170</b>	<b>-239%</b>	<b>(17 728)</b>
Transfers recognised - capital	38 236	55 563	56 126	-	-	28 063	(28 063)	-100%	56 126
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>19 473</b>	<b>38 398</b>	<b>56 126</b>	<b>3 884</b>	<b>12 306</b>	<b>19 199</b>	<b>(6 893)</b>	<b>-36%</b>	<b>38 398</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>19 473</b>	<b>38 398</b>	<b>56 126</b>	<b>3 884</b>	<b>12 306</b>	<b>19 199</b>	<b>(6 893)</b>	<b>-36%</b>	<b>38 398</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>8 241</b>	<b>57 273</b>	<b>-</b>	<b>5 174</b>	<b>19 140</b>	<b>19 083</b>	<b>56</b>	<b>0%</b>	<b>57 273</b>
Capital transfers recognised	46 741	55 563	-	5 174	19 140	19 083	56	0%	55 563
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	100	1 710	-	-	-	-	-	-	1 710
<b>Total sources of capital funds</b>	<b>46 841</b>	<b>57 273</b>	<b>-</b>	<b>5 174</b>	<b>19 140</b>	<b>19 083</b>	<b>56</b>	<b>0%</b>	<b>57 273</b>
<b>Financial position</b>									
Total current assets	69 265	54 737	-	-	76 960	-	-	-	54 737
Total non current assets	515 047	597 522	-	-	524 699	-	-	-	597 522
Total current liabilities	34 477	-	-	-	40 022	-	-	-	-
Total non current liabilities	28 040	23 253	-	-	27 550	-	-	-	23 253
<b>Community wealth/Equity</b>	<b>521 795</b>	<b>629 006</b>	<b>-</b>	<b>-</b>	<b>534 086</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>629 006</b>
<b>Cash flows</b>									
Net cash from (used) operating	50 371	58 818	-	9 667	36 182	29 409	(6 773)	-23%	58 818
Net cash from (used) investing	(39 289)	(50 007)	-	(4 925)	(18 891)	(25 003)	(6 113)	24%	(50 007)
Net cash from (used) financing	(1 043)	(670)	-	(81)	(1 251)	(335)	916	-273%	(286)
<b>Cash/cash equivalents at the month/year end</b>	<b>44 448</b>	<b>17 452</b>	<b>-</b>	<b>4 661</b>	<b>34 488</b>	<b>4 071</b>	<b>(30 417)</b>	<b>-747%</b>	<b>2 142 877</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	13 145	3 003	2 532	2 246	85 155	-	-	-	106 080
<b>Creditors Age Analysis</b>									
Total Creditors	2 419	-	-	-	-	-	-	-	2 419

**Table C2: Monthly Budget Statement – Financial Performance (standard classification)**

NC072 Umsobomvu - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	2014/15	Budget Year 2015/16							
	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 - Standard</b>									
<i>Governance and administration</i>	47 517	50 600	50 600	574	34 277	25 300	8 977	35%	50 600
Executive and council	32 382	34 931	34 931	–	26 199	17 466	8 734	50%	34 931
Budget and treasury office	15 124	15 649	15 649	574	8 072	7 824	248	3%	15 649
Corporate services	12	20	20	0	6	10	(4)	-42%	20
<i>Community and public safety</i>	13 637	6 087	6 087	797	5 095	3 043	2 051	67%	6 087
Community and social services	5 802	2 834	2 834	92	1 353	1 417	(64)	-4%	2 834
Sport and recreation	–	–	–	–	–	–	–	–	–
Public safety	7 429	3 253	3 253	705	3 742	1 627	2 115	130%	3 253
Housing	406	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	7 719	1 060	1 060	10	50	530	(480)	-91%	1 060
Planning and development	–	–	–	–	–	–	–	–	–
Road transport	7 719	1 060	1 060	10	50	530	(480)	-91%	1 060
Environmental protection	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	79 910	115 909	115 909	13 057	36 392	57 954	(21 562)	-37%	115 909
Electricity	25 025	38 927	38 927	1 814	11 789	19 463	(7 674)	-39%	38 927
Water	39 977	51 252	51 252	10 001	16 852	25 626	(8 774)	-34%	51 252
Waste water management	8 599	19 209	19 209	713	4 431	9 605	(5 174)	-54%	19 209
Waste management	6 309	6 521	6 521	529	3 320	3 260	60	2%	6 521
<i>Other</i>	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Standard</b>	<b>148 783</b>	<b>173 656</b>	<b>173 656</b>	<b>14 438</b>	<b>75 814</b>	<b>86 828</b>	<b>(11 014)</b>	<b>-13%</b>	<b>173 656</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	36 815	46 319	46 319	3 524	19 934	23 159	(3 225)	-14%	46 319
Executive and council	17 470	20 464	20 464	1 366	8 518	10 232	(1 714)	-17%	20 464
Budget and treasury office	13 658	20 270	20 270	1 592	8 163	10 135	(1 972)	-19%	20 270
Corporate services	5 687	5 584	5 584	566	3 253	2 792	461	17%	5 584
<i>Community and public safety</i>	13 963	13 414	13 414	1 113	6 417	6 707	(290)	-4%	13 414
Community and social services	5 486	5 872	5 872	309	2 528	2 936	(408)	-14%	5 872
Sport and recreation	925	2 745	2 745	66	434	1 373	(938)	-68%	2 745
Public safety	7 034	4 135	4 135	696	3 162	2 067	1 095	53%	4 135
Housing	518	661	661	42	292	331	(39)	-12%	661
Health	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	16 286	11 080	11 080	1 068	5 509	5 540	(31)	-1%	11 080
Planning and development	–	–	–	–	–	–	–	–	–
Road transport	16 286	11 080	11 080	1 068	5 509	5 540	(31)	-1%	11 080
Environmental protection	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	62 245	64 446	64 446	4 849	31 648	32 223	(575)	-2%	64 446
Electricity	23 576	27 466	27 466	1 957	13 014	13 733	(719)	-5%	27 466
Water	23 604	22 094	22 094	1 789	11 962	11 047	915	8%	22 094
Waste water management	8 935	9 814	9 814	675	4 096	4 907	(811)	-17%	9 814
Waste management	6 130	5 073	5 073	427	2 576	2 536	40	2%	5 073
<i>Other</i>	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Standard</b>	<b>129 310</b>	<b>135 258</b>	<b>135 258</b>	<b>10 554</b>	<b>63 508</b>	<b>67 629</b>	<b>(4 121)</b>	<b>-6%</b>	<b>135 258</b>
<b>Surplus/ (Deficit) for the year</b>	<b>19 473</b>	<b>38 398</b>	<b>38 398</b>	<b>3 884</b>	<b>12 306</b>	<b>19 199</b>	<b>(6 893)</b>	<b>-36%</b>	<b>38 398</b>

This table reflects the operating budget (Financial Performance) in the standard classifications which are the GFS Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions. The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

## Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

NC072 Umsobomvu - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	2014/15	Budget Year 2015/16							
	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 Vote</b>									
Vote 1 - EXECUTIVE & COUNCIL	32 382	34 931	-	-	26 199	17 466	8 734	50.0%	34 931
Vote 2 - FINANCE & ADMIN	15 135	15 669	-	574	8 078	7 835	243	3.1%	16 790
Vote 3 - COMMUNITY SERVICES	13 637	6 087	-	797	5 095	3 043	2 051	67.4%	4 966
Vote 4 - TECHNICAL SERVICES	87 629	116 969	-	13 067	36 442	58 484	(22 042)	-37.7%	116 969
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
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]	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>148 783</b>	<b>173 656</b>	<b>-</b>	<b>14 438</b>	<b>75 814</b>	<b>86 828</b>	<b>(11 014)</b>	<b>-12.7%</b>	<b>173 656</b>
<b>Expenditure by Vote</b>									
Vote 1 - EXECUTIVE & COUNCIL	17 470	20 464	-	1 366	8 518	10 232	(1 714)	-16.7%	20 464
Vote 2 - FINANCE & ADMIN	19 345	25 855	-	2 158	11 416	12 927	(1 511)	-11.7%	27 894
Vote 3 - COMMUNITY SERVICES	13 963	13 414	-	1 113	6 417	6 707	(290)	-4.3%	11 375
Vote 4 - TECHNICAL SERVICES	78 531	75 526	-	5 916	37 157	37 763	(606)	-1.6%	75 526
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
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]	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>129 310</b>	<b>135 258</b>	<b>-</b>	<b>10 554</b>	<b>63 508</b>	<b>67 629</b>	<b>(4 121)</b>	<b>-6.1%</b>	<b>135 258</b>
<b>Surplus/ (Deficit) for the year</b>	<b>19 473</b>	<b>38 398</b>	<b>-</b>	<b>3 884</b>	<b>12 306</b>	<b>19 199</b>	<b>(6 893)</b>	<b>-35.9%</b>	<b>38 398</b>

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Council; Municipal Manager; Finance & Admin; Community Services; Technical Services.

Unauthorised expenditure by year end would occur either for the municipality as a whole if the adjusted budget for 'Total Expenditure by Vote' or if any of the individual budgets for any specific vote/s were overspent. During the financial year some of the figures are influenced by transactions that occur annually only.

## Table C4: Monthly Budget Statement – Financial Performance (revenue and expenditure)

NC072 Umsobomvu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2014/15	Budget Year 2015/16							
	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	8 313	8 117		556	4 845	4 058	786	19%	8 117
Property rates - penalties & collection charges	208	179		-	100	89	11	12%	179
Service charges - electricity revenue	23 163	31 258		1 815	11 552	15 638	(4 086)	-26%	31 276
Service charges - water revenue	12 260	13 128		9 999	16 436	6 555	9 881	151%	13 110
Service charges - sanitation revenue	7 816	8 259		713	4 241	4 130	112	3%	8 259
Service charges - refuse revenue	5 974	6 333		529	3 177	3 167	10	0%	6 333
Service charges - other	-	-		-	-	-	-	-	-
Rental of facilities and equipment	1 046	1 103		87	546	551	(6)	-1%	1 103
Interest earned - external investments	532	422		10	179	211	(32)	-15%	422
Interest earned - outstanding debtors	1 980	1 806		(0)	1 001	903	98	11%	1 806
Dividends received	-	-		-	-	-	-	-	-
Fines	4 685	2 521		373	2 521	1 260	1 261	100%	2 521
Licences and permits	2 774	757		332	1 224	379	846	223%	757
Agency services	-	-		-	-	-	-	-	-
Transfers recognised - operational	35 708	39 919		(19)	29 691	19 678	10 013	51%	39 356
Other revenue	6 089	4 291		44	300	2 145	(1 845)	-86%	4 290
Gains on disposal of PPE	-	-		-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>110 547</b>	<b>118 093</b>	<b>-</b>	<b>14 438</b>	<b>75 814</b>	<b>58 765</b>	<b>17 049</b>	<b>29%</b>	<b>117 530</b>
<b>Expenditure By Type</b>									
Employee related costs	34 412	40 628		3 038	17 903	20 340	(2 437)	-12%	40 680
Remuneration of councillors	2 996	3 092		244	1 463	1 546	(83)	-5%	3 092
Debt impairment	3 786	5 458		435	2 611	2 729	(118)	-4%	5 458
Depreciation & asset impairment	28 622	23 844		1 986	11 917	11 922	(5)	0%	23 844
Finance charges	384	310		24	155	155	(0)	0%	310
Bulk purchases	18 731	21 284		1 393	9 830	10 642	(812)	-8%	21 284
Other materials	-	-		-	-	-	-	-	-
Contracted services	-	-		-	-	-	-	-	-
Transfers and grants	-	8 967		520	2 995	4 483	(1 488)	-33%	-
Other expenditure	40 263	31 674		2 914	16 633	15 811	822	5%	40 589
Loss on disposal of PPE	115	1		-	-	1	(1)	-100%	1
<b>Total Expenditure</b>	<b>129 310</b>	<b>135 258</b>	<b>-</b>	<b>10 554</b>	<b>63 508</b>	<b>67 629</b>	<b>(4 121)</b>	<b>-6%</b>	<b>135 258</b>
<b>Surplus/(Deficit)</b>									
Transfers recognised - capital	38 236	55 563	56 126	-	-	28 063	(28 063)	(0)	56 126
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>19 473</b>	<b>38 398</b>	<b>56 126</b>	<b>3 884</b>	<b>12 306</b>	<b>19 199</b>			<b>38 398</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>19 473</b>	<b>38 398</b>	<b>56 126</b>	<b>3 884</b>	<b>12 306</b>	<b>19 199</b>			<b>38 398</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>19 473</b>	<b>38 398</b>	<b>56 126</b>	<b>3 884</b>	<b>12 306</b>	<b>19 199</b>			<b>38 398</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>19 473</b>	<b>38 398</b>	<b>56 126</b>	<b>3 884</b>	<b>12 306</b>	<b>19 199</b>			<b>38 398</b>

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 25% above the YTD budget and current expenditure is 6% below the YTD budget for 2015/2016.

**Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)**

NC072 Umsobomvu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06  
December

Vote Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
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]	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>									
Vote 1 - EXECUTIVE & COUNCIL	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN	100	1 710	-	-	-	-	-	-	1 710
Vote 3 - COMMUNITY SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES	8 141	55 563	-	5 174	19 140	19 083	56	0%	55 563
Vote 5 - Community	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-	-
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]	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	8 241	57 273	-	5 174	19 140	19 083	56	0%	57 273
<b>Total Capital Expenditure</b>	8 241	57 273	-	5 174	19 140	19 083	56	0%	57 273
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>	100	1 710	-	-	-	-	-	-	1 550
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	100	1 550	-	-	-	-	-	-	1 550
Corporate services	-	160	-	-	-	-	-	-	-
<b>Community and public safety</b>	5 000	-	-	-	-	-	-	-	-
Community and social services	5 000	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	6 641	1 000	-	249	886	886	-	-	1 000
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	6 641	1 000	-	249	886	886	-	-	1 000
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	35 100	54 563	-	4 925	18 254	18 197	56	0%	43 872
Electricity	1 500	7 000	-	-	21	21	-	-	7 000
Water	33 600	36 872	-	4 925	17 662	17 606	56	0%	36 872
Waste water management	-	10 691	-	-	570	570	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	46 841	57 273	-	5 174	19 140	19 083	56	0%	46 422
<b>Funded by:</b>									
National Government	46 741	55 563	-	5 174	19 140	19 083	56	0%	55 563
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	46 741	55 563	-	5 174	19 140	19 083	56	0%	55 563
<b>Public contributions &amp; donations</b>	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	100	1 710	-	-	-	-	-	-	1 710
<b>Total Capital Funding</b>	46 841	57 273	-	5 174	19 140	19 083	56	0%	57 273

Capital expenditure is 49% below the YTD budget at December 2015.

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

NC072 Umsobomvu - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	2014/15	Budget Year 2015/16			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	12 505	20 040		28 435	20 040
Call investment deposits	5 943	6 000		6 053	6 000
Consumer debtors	43 345	28 697		64 722	28 697
Other debtors	7 078			(22 645)	-
Current portion of long-term receivables	-			-	-
Inventory	394	-		394	-
<b>Total current assets</b>	<b>69 265</b>	<b>54 737</b>	<b>-</b>	<b>76 960</b>	<b>54 737</b>
<b>Non current assets</b>					
Long-term receivables	-				-
Investments	-				-
Investment property	2 061	1 655		2 061	1 655
Investments in Associate	-				-
Property, plant and equipment	512 927	594 317		522 574	594 317
Agricultural	-				-
Biological assets	-				-
Intangible assets	59	1 550		64	1 550
Other non-current assets	-	-			-
<b>Total non current assets</b>	<b>515 047</b>	<b>597 522</b>	<b>-</b>	<b>524 699</b>	<b>597 522</b>
<b>TOTAL ASSETS</b>	<b>584 312</b>	<b>652 259</b>	<b>-</b>	<b>601 659</b>	<b>652 259</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-				-
Borrowing	-				-
Consumer deposits	742			759	-
Trade and other payables	33 735			39 263	-
Provisions	-				-
<b>Total current liabilities</b>	<b>34 477</b>	<b>-</b>	<b>-</b>	<b>40 022</b>	<b>-</b>
<b>Non current liabilities</b>					
Borrowing	3 190	3 658		2 701	3 658
Provisions	24 850	19 596		24 850	19 596
<b>Total non current liabilities</b>	<b>28 040</b>	<b>23 253</b>	<b>-</b>	<b>27 550</b>	<b>23 253</b>
<b>TOTAL LIABILITIES</b>	<b>62 517</b>	<b>23 253</b>	<b>-</b>	<b>67 573</b>	<b>23 253</b>
<b>NET ASSETS</b>	<b>521 795</b>	<b>629 006</b>	<b>-</b>	<b>534 086</b>	<b>629 006</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	521 795	629 006		534 086	629 006
Reserves	-	-			
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>521 795</b>	<b>629 006</b>	<b>-</b>	<b>534 086</b>	<b>629 006</b>

The statement of financial position is in line with expectations for the financial year.



## Table C7: Monthly Budget Statement - Cash Flow

NC072 Umsobomvu - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	8 117	8 295		373	3 394	4 148	(753)	-18%	8 295
Service charges	40 814	50 096		2 765	19 021	25 048	(6 027)	-24%	50 096
Other revenue	5 327	8 671		721	13 528	4 336	9 192	212%	8 671
Government - operating	36 664	39 919		(19)	29 691	19 959	9 731	49%	39 919
Government - capital	46 841	55 563		14 916	43 195	27 782	15 413	55%	55 563
Interest	5 289	2 228		10	179	1 114	(935)	-84%	2 228
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(92 298)	(96 678)		(8 556)	(69 636)	(48 339)	21 297	-44%	(96 678)
Finance charges	(384)	(310)		(24)	(155)	(155)	(0)	0%	(310)
Transfers and Grants		(8 967)		(520)	(3 035)	(4 483)	(1 449)	32%	(8 967)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>50 371</b>	<b>58 818</b>	<b>-</b>	<b>9 667</b>	<b>36 182</b>	<b>29 409</b>	<b>(6 773)</b>	<b>-23%</b>	<b>58 818</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	(39 289)	(50 007)		(4 925)	(18 891)	(25 003)	(6 113)	24%	(50 007)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(39 289)</b>	<b>(50 007)</b>	<b>-</b>	<b>(4 925)</b>	<b>(18 891)</b>	<b>(25 003)</b>	<b>(6 113)</b>	<b>24%</b>	<b>(50 007)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-		-	-	-	-	-	-
Borrowing long term/refinancing	-	-		-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	130		2	41	65	(24)	-37%	130
<b>Payments</b>									
	(1 043)	(800)		(84)	(1 292)	(400)	892	-223%	(800)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(1 043)</b>	<b>(670)</b>	<b>-</b>	<b>(81)</b>	<b>(1 251)</b>	<b>(335)</b>	<b>916</b>	<b>-273%</b>	<b>(286)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>10 038</b>	<b>8 141</b>	<b>-</b>	<b>4 661</b>	<b>16 040</b>	<b>4 071</b>			<b>2 124 429</b>
Cash/cash equivalents at beginning:	34 410	9 310		-	18 448	-			18 448
Cash/cash equivalents at month/year end:	44 448	17 452		4 661	34 488	4 071			2 142 877

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R34.488 million.

The municipality started the year with a positive cashbook balance of R18.448 million. The December closing balance is R34.488 million. Refer to Supporting Table SC9 for more details on the cash position.

### Supporting Table SC9: Monthly Budget Statement – Actual & revised targets for cash receipts & cash flows

This supporting table gives details of information summarised in Table C7.

## PART 2 – SUPPORTING DOCUMENTATION

### Debtors' analysis

#### Supporting Table SC3 Debtors' age analysis

NC072 Umsobomvu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2015/16								Total	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				
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	10 440	1 235	1 090	965	31 450				45 181	32 415		15 303
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 664	544	373	270	3 516				6 368	3 786		2 126
Receivables from Non-exchange Transactions - Property Rates	1400	302	284	216	188	6 779				7 770	6 967		2 991
Receivables from Exchange Transactions - Waste Water Management	1500	545	498	433	408	14 602				16 487	15 010		7 676
Receivables from Exchange Transactions - Waste Management	1600	212	360	341	328	18 804				20 045	19 132		9 393
Receivables from Exchange Transactions - Property Rental Debtors	1700	(11)	80	77	86	2 980				3 212	3 066		420
Interest on Arrear Debtor Accounts	1810	-	-	-	-	7 010				7 010	7 010		-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-				-	-		-
Other	1900	(7)	1	0	0	13				7	13		1 090
<b>Total By Income Source</b>	<b>2000</b>	<b>13 145</b>	<b>3 003</b>	<b>2 532</b>	<b>2 246</b>	<b>85 155</b>				<b>106 080</b>	<b>87 401</b>		<b>38 999</b>
<b>2014/15 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	670	310	226	141	1 338				2 685	1 480		-
Commercial	2300	1 565	848	617	528	4 162				7 720	4 691		-
Households	2400	10 909	1 846	1 689	1 576	79 654				95 675	81 230		38 999
Other	2500	-	-	-	-	-				-	-		-
<b>Total By Customer Group</b>	<b>2600</b>	<b>13 145</b>	<b>3 003</b>	<b>2 532</b>	<b>2 246</b>	<b>85 155</b>				<b>106 080</b>	<b>87 401</b>		<b>38 999</b>

The increased debtors results primarily from the year-on-year increase in billings from increased tariffs at the start of the new financial year. Also a contributing factor are the increased of unemployment as more household applied for indigent support during the annual review process.

#### Summary of Indigent Households

Indigent Household Statistics					
	Indigent Households	Amount	Other Households	Total Households	
<b>2015</b>					
July	2 784	10 529 095	68 518 253	79 047 348	13.32%
August	2 784	10 996 188	69 220 829	80 217 017	13.71%
September	2 784	11 294 951	70 198 189	81 493 140	13.86%
October	2 784	11 689 724	71 264 054	82 953 778	14.09%
November	2 746	12 092 836	72 403 626	84 496 462	14.31%
December	2 746	7 855 960	87 818 697	95 674 657	8.21%

#### Summary of Debtors Age Analysis

MONTH	< 30 Days	< 60 Days	< 90 Days	< 120 Days	< 150 Days	Total -	Older than 30 Days	Older than 90 days
<b>2015/16</b>								
July	4 384 900	2 222 704	1 987 809	1 926 556	76 806 362	87 328 332	2 222 704	78 732 919
August	2 998 513	4 213 982	2 020 680	1 861 707	78 245 687	89 340 568	4 213 982	80 107 394
September	2 936 586	2 783 764	3 666 044	1 771 923	79 705 432	90 863 748	2 783 764	81 477 354
October	3 142 269	2 739 443	2 383 141	3 120 266	80 578 086	91 963 204	2 739 443	83 698 352
November	2 970 305	2 751 457	2 430 465	2 294 812	83 469 242	93 916 281	2 751 457	85 764 053
December	13 144 609	3 003 205	2 531 615	2 246 044	85 154 905	106 080 378	3 003 205	87 400 948
January						0	0	0

## Creditors' analysis

### Supporting Table SC4

NC072 Umsobomvu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2015/16								
		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	1 890								1 890
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700									-
Auditor General	0800									-
Other	0900	529								529
<b>Total By Customer Type</b>	<b>1000</b>	<b>2 419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 419</b>

Supporting Table SC4 reflects current creditors at the end of December 2015.

The payment of creditors is within requirements of the MFMA.

## Investment portfolio analysis

### Supporting Table SC5

NC072 Umsobomvu - 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							
<b>Municipality</b>								
CAPITAL REPLACEMENT 1	Call	Notice	Call		0.0%	84	-	84
HOUSING DEVELOPMENT	Call	Notice	Call		0.0%	151	-	151
HOUSING DEVELOPMENT	Call	Notice	Call			24	-	24
CAPITAL REPLACEMENT 4	3 Months	Notice	3 Months			124	-	124
CAPITAL REPLACEMENT	Call	Notice	Call			11	-	11
CAPITAL REPLACEMENT 5	Call	Notice	Call			394	-	394
20-7482-3674	Call	Notice	Call			5 279	-	5 279
<b>Municipality sub-total</b>				-		6 068	-	6 068
<b>Entities</b>								
<b>Entities sub-total</b>				-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>				-		6 068	-	6 068

Surplus cash not immediately required is invested in 32 day deposits.

The municipality has no long term investments.

# Allocation and grant receipts and expenditure

## Supporting Table SC6 – Grant receipts

NC072 Umsobomvu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	35 673	38 234	-	-	28 939	28 939	-		38 234
Equitable share	32 382	34 931		-	26 199	26 199	-		34 931
FINANCE MANAGEMENT	1 800	1 800		-	1 800	1 800	-		1 800
MSIG	934	940		-	940	940			940
MIG ADMIN - PMU	557	563			-	-			563
Energy Efficiency and Demand Management		-					-		-
SUBSIDY STATE							-		-
Other transfers and grants [insert description]							-		-
<b>Provincial Government:</b>	991	1 685	-	-	771	771	-		1 685
DEPT ART & CULTURE (LIBRARY)	991	1 685		-	771	771	-		1 685
YOUTH PROGRAMS	-	-	-				-		-
IMMUNISATION GRANT	-	-	-				-		-
Other transfers and grants [insert description]	-	-	-				-		-
<b>District Municipality:</b>	-	-	-	-	-	-	-		-
DISTRICT MUNICIPALITY	-	-	-				-		-
Other transfers and grants [insert description]	-	-	-				-		-
<b>Other grant providers:</b>	-	-	-	-	-	-	-		-
IEC INFRASTRUCTURE	-	-	-				-		-
Other transfers and grants [insert description]	-	-	-				-		-
<b>Total Operating Transfers and Grants</b>	<b>36 664</b>	<b>39 919</b>	<b>-</b>	<b>-</b>	<b>29 710</b>	<b>29 710</b>	<b>-</b>		<b>39 919</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	43 091	55 563	-	-	10 490	10 490	-		55 563
RBIG - DWAF	30 000	36 872			-	-	-		36 872
HOUSING PROJECTS		-							-
EEDG	-	7 000		-	4 000	4 000			7 000
MIG - CAPITAL	10 591	10 691		-	6 090	6 090			10 691
INEP	1 500	-							-
EPWP	1 000	1 000		-	400	400	-		1 000
<b>Provincial Government:</b>	-	-	-	-	-	-	-		-
DISASTER	-	-	-				-		-
DEPRT OF SAFETY	-	-	-				-		-
EPWP	-	-	-				-		-
<b>District Municipality:</b>	-	-	-	-	-	-	-		-
	-	-	-				-		-
<b>Other grant providers:</b>	-	-	-	-	-	-	-		-
Kgotso Pula Nala	-	-	-				-		-
<b>Total Capital Transfers and Grants</b>	<b>43 091</b>	<b>55 563</b>	<b>-</b>	<b>-</b>	<b>10 490</b>	<b>10 490</b>	<b>-</b>		<b>55 563</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>79 755</b>	<b>95 482</b>	<b>-</b>	<b>-</b>	<b>40 200</b>	<b>40 200</b>	<b>-</b>		<b>95 482</b>

Grant receipts are monitored according to the payment schedules.

## Supporting Table SC7(1) – Grant expenditure

NC072 Umsobomvu - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	2014/15	Budget Year 2015/16							
	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>									
<b>National Government:</b>	35 673	38 234	-	659	5 236	6 135	(617)	-10.1%	38 234
Equitable share	32 382	34 931	-	488	3 379	4 483	(1 104)	-24.6%	34 931
FINANCE MANAGEMENT	1 800	1 800	-	166	1 218	900	318	35.4%	1 800
MSIG	934	940	-	5	639	470	169	35.9%	940
MIG ADMIN - PMU	557	563	-	-	-	281	-	-	563
Energy Efficiency and Demand Management	-	-	-	-	-	-	-	-	-
SUBSIDY STATE	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	-	1 685	-	31	277	767	(490)	-63.9%	1 685
DEPT ART & CULTURE (LIBRARY)	-	1 685	-	31	277	767	(490)	-63.9%	1 685
YOUTH PROGRAMS	-	-	-	-	-	-	-	-	-
IMMUNISATION GRANT	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
DISTRICT MUNICIPALITY	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
IEC INFRASTRUCTURE	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>35 673</b>	<b>39 919</b>	<b>-</b>	<b>690</b>	<b>5 513</b>	<b>6 902</b>	<b>(1 107)</b>	<b>-16.0%</b>	<b>39 919</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	43 091	55 563	-	6 012	20 709	26 952	431	1.6%	55 563
RBIG - DWAF	30 000	36 872	-	4 925	17 662	17 606	56	0.3%	36 872
HOUSING PROJECTS	-	-	-	-	-	-	-	-	-
EEDG	-	7 000	-	-	-	3 500	-	-	7 000
MIG - CAPITAL	10 591	10 691	-	885	2 173	5 346	-	-	10 691
INEP	1 500	-	-	-	-	-	-	-	-
EPWP	1 000	1 000	-	202	874	500	374	74.9%	1 000
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
DISASTER	-	-	-	-	-	-	-	-	-
DEPRT OF SAFETY	-	-	-	-	-	-	-	-	-
EPWP	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	2 600	-	-	-	-	-	-	-	-
Kgotso Pula Nala	2 600	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>45 691</b>	<b>55 563</b>	<b>-</b>	<b>6 012</b>	<b>20 709</b>	<b>26 952</b>	<b>431</b>	<b>1.6%</b>	<b>55 563</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>81 364</b>	<b>95 482</b>	<b>-</b>	<b>6 703</b>	<b>26 223</b>	<b>33 853</b>	<b>(676)</b>	<b>-2.0%</b>	<b>95 482</b>

Grant expenditure is monitored against grant receipts.

## Supporting Table SC7(2) – Expenditure against approved rollovers

NC072 Umsobomvu - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 December

Description	Budget Year 2015/16				
	Approved Rollover 2014/15	Monthly actual	YearTD actual	YTD variance	YTD variance %
<b>R thousands</b>					
<b>EXPENDITURE</b>					
<b>Operating expenditure of Approved Roll-overs</b>					
<b>National Government:</b>	<b>132</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>100.0%</b>
Equitable share				-	
FINANCE MANAGEMENT	132			132	100.0%
Energy Efficiency and Demand Management				-	
SUBSIDY STATE				-	
Other transfers and grants [insert description]				-	
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
DEPT ART & CULTURE (LIBRARY)				-	
IMMUNISATION GRANT				-	
Other transfers and grants [insert description]				-	
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>DISTRICT MUNICIPALITY</i>				-	
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>IEC INFRASTRUCTURE</i>				-	
<b>Total operating expenditure of Approved Roll-overs</b>	<b>132</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>100.0%</b>
<b>Capital expenditure of Approved Roll-overs</b>					
<b>National Government:</b>	<b>6 944</b>	<b>-</b>	<b>6 944</b>	<b>-</b>	
MIG - CAPITAL	6 944		6 944	-	
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total capital expenditure of Approved Roll-overs</b>	<b>6 944</b>	<b>-</b>	<b>6 944</b>	<b>-</b>	
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>	<b>7 076</b>	<b>-</b>	<b>6 944</b>	<b>132</b>	<b>1.9%</b>

A Roll over application was submitted to Provincial Treasury by the end of August 2015 for the unspent MIG (R6.9 million) and FMG (R132 thousand). Approval letter was received on the 01st of October 2015 from National Treasury for both grants. The MIG roll-over had been spent by the end of November 2015. The FMG roll-over has been done we are only waiting for the final report before payment.

# Expenditure on councillor allowances and employee benefits

## Supporting Table SC8

NC072 Umsobomvu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	2014/15	Budget Year 2015/16							
	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
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	2 563	3 092		244	1 463	1 546	(83)	-5%	2 945
Pension and UIF Contributions	-	-					-		-
Medical Aid Contributions	-	-					-		-
Motor Vehicle Allowance	224	-					-		-
Cellphone Allowance	209	-					-		-
Housing Allowances	-	-					-		-
Other benefits and allowances	-	-					-		-
<b>Sub Total - Councillors</b>	<b>2 996</b>	<b>3 092</b>	<b>-</b>	<b>244</b>	<b>1 463</b>	<b>1 546</b>	<b>(83)</b>	<b>-5%</b>	<b>2 945</b>
% increase		3.2%							-1.7%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3 084	2 850		238	1 425	1 425	-		-
Pension and UIF Contributions	-	-					-		-
Medical Aid Contributions	-	-					-		-
Overtime	-	-					-		-
Performance Bonus	348	336					-		-
Motor Vehicle Allowance	556	513		38	229	257	(28)	-11%	-
Cellphone Allowance	-	-					-		-
Housing Allowances	12	13		5	27	6	21	327%	-
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>4 000</b>	<b>3 712</b>	<b>-</b>	<b>281</b>	<b>1 680</b>	<b>1 688</b>	<b>(7)</b>	<b>0%</b>	<b>-</b>
% increase		-7.2%							
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	22 868	27 361		2 061	12 104	13 375	(1 271)	-10%	25 952
Pension and UIF Contributions	4 088	4 770		358	2 102	2 385	(283)	-12%	3 809
Medical Aid Contributions	828	847		64	354	423	(70)	-16%	828
Overtime	1 217	1 050		97	623	525	98	19%	1 217
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	-	-					-		556
Cellphone Allowance	-	-					-		-
Housing Allowances	-	-					-		12
Other benefits and allowances	537	577		44	261	289	(27)	-10%	6 369
Payments in lieu of leave	5 204	1 970		132	769	985	(216)	-22%	-
Long service awards	-	-					-		-
Post-retirement benefit obligations	341	341		-	-	-	-		201
<b>Sub Total - Other Municipal Staff</b>	<b>35 084</b>	<b>36 916</b>	<b>-</b>	<b>2 756</b>	<b>16 214</b>	<b>17 982</b>	<b>(1 768)</b>	<b>-10%</b>	<b>38 944</b>
% increase		5.2%							11.0%
<b>Total Parent Municipality</b>	<b>42 080</b>	<b>43 719</b>	<b>-</b>	<b>3 281</b>	<b>19 358</b>	<b>21 216</b>	<b>(1 858)</b>	<b>-9%</b>	<b>41 889</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>42 080</b>	<b>43 719</b>	<b>-</b>	<b>3 281</b>	<b>19 358</b>	<b>21 216</b>	<b>(1 858)</b>	<b>-9%</b>	<b>41 889</b>
% increase		3.9%							-0.5%
<b>TOTAL MANAGERS AND STAFF</b>	<b>39 084</b>	<b>40 628</b>	<b>-</b>	<b>3 037</b>	<b>17 894</b>	<b>19 670</b>	<b>(1 775)</b>	<b>-9%</b>	<b>38 944</b>

## SDBIP

The results of the SDBIP for the second quarter ended 31 December 2015 will be included in a separate comprehensive report to be tabled in Council in January 2016.

# Financial Performance

## Supporting Table SC2

NC072 Umsobomvu - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

Description of financial indicator	Basis of calculation	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	-0.5%	17.9%	0.0%	0.2%	2.5%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	7.1%	0.6%	0.0%	7.9%	0.6%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>						
Current Ratio	Current assets/current liabilities	200.9%	0.0%	0.0%	192.3%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities	53.5%	0.0%	0.0%	86.2%	0.0%
<b>Revenue Management</b>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	45.6%	24.3%	0.0%	55.5%	24.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))					
<b>Funding of Provisions</b>						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
<b>Other Indicators</b>						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated				21.9%	
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source				46.7%	
Employee costs	Employee costs/Total Revenue - capital revenue	31.1%	34.4%	0.0%	23.6%	34.6%
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	26.2%	20.5%	0.0%	0.2%	2.9%
<b>IDP regulation financial viability indicators</b>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year					
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services					
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure					
Monetary assets		18 448	26 040		34 488	26 040
Total Revenue (excluding capital transfers and contributions)		110 547	118 093		75 814	117 530
Transfers recognised - operational		35 708	39 919		29 691	39 356
Transfers recognised - capital		38 236	55 563	56 126		56 126
Debt service payments		4 246	1 428		(1 447)	(1 110)
Outstanding debtors (receivables)		50 423	28 697		42 078	28 697
Annual services revenue		49 213	58 979		35 407	
Cash + investments	Including LT investments	18 448	26 040		34 488	26 040
Fixed operational expend. (monthly)						
Longstanding debtors outstanding						
Longstanding debtors recovered						
Attorney collections						



# Capital programme performance

## Supporting Table SC12

NC072 Umsobomvu - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2014/15	Budget Year 2015/16							
	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	4 733	3 250	3 250	1 148	1 148	3 250	2 102	64.7%	3%
August	4 733	3 167	3 167	1 288	2 435	6 417	3 981	62.0%	6%
September	4 733	3 167	3 167	2 459	4 895	9 583	4 689	48.9%	12%
October	4 733	3 167	3 167	5 488	10 383	12 750	2 367	18.6%	26%
November	4 733	3 167	3 167	3 583	13 965	15 917	1 951	12.3%	34%
December	4 733	3 167	3 167	5 174	19 140	19 083	(56)	-0.3%	47%
January	4 733	3 167	3 167			22 250	-		
February	4 733	3 667	3 667			25 917	-		
March	4 733	3 667	3 667			29 583	-		
April	4 733	3 717	3 717			33 300	-		
May	4 733	3 167	3 167			36 467	-		
June	4 733	4 083	4 083			40 550	-		
<b>Total Capital expenditure</b>	<b>56 792</b>	<b>40 550</b>	<b>40 550</b>	<b>19 140</b>					

## Other supporting documentation

### Supporting Table SC13a

NC072 Umsobomvu - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	41 741	55 563	-	5 174	19 140	19 083	(56)	-0.3%	55 563
Infrastructure - Road transport	6 641	1 000	-	249	886	886	-		1 000
Roads, Pavements & Bridges	6 641	1 000	-	249	886	886	-		1 000
Storm water	-	-	-	-	-	-	-		-
Infrastructure - Electricity	1 500	7 000	-	-	21	21	-		7 000
Generation	-	-	-	-	-	-	-		-
Transmission & Reticulation	1 500	7 000	-	-	21	21	-		7 000
Street Lighting	-	-	-	-	-	-	-		-
Infrastructure - Water	33 600	36 872	-	4 925	17 662	17 606	(56)	-0.3%	36 872
Dams & Reservoirs	-	-	-	-	-	-	-		-
Water purification	33 600	36 872	-	4 925	17 662	17 606	(56)	-0.3%	36 872
Reticulation	-	-	-	-	-	-	-		-
Infrastructure - Sanitation	-	10 691	-	-	570	570	-		10 691
Reticulation	-	-	-	-	-	-	-		-
Sewerage purification	-	10 691	-	-	570	570	-		10 691
Infrastructure - Other	-	-	-	-	-	-	-		-
Waste Management	-	-	-	-	-	-	-		-
Transportation	-	-	-	-	-	-	-		-
Gas	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
<b>Community</b>	5 000	-	-	-	-	-	-		-
Parks & gardens	-	-	-	-	-	-	-		-
Sportsfields & stadia	-	-	-	-	-	-	-		-
Swimming pools	-	-	-	-	-	-	-		-
Community halls	5 000	-	-	-	-	-	-		-
Libraries	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
<b>Heritage assets</b>	-	-	-	-	-	-	-		-
Buildings	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
<b>Investment properties</b>	-	-	-	-	-	-	-		-
Housing development	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
<b>Other assets</b>	85	160	-	-	-	-	-		160
General vehicles	-	160	-	-	-	-	-		160
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment	-	-	-	-	-	-	-		-
Computers - hardware/equipment	85	-	-	-	-	-	-		-
Furniture and other office equipment	-	-	-	-	-	-	-		-
Other	-	-	-	-	-	-	-		-
<b>Agricultural assets</b>	-	-	-	-	-	-	-		-
List sub-class	-	-	-	-	-	-	-		-
<b>Biological assets</b>	-	-	-	-	-	-	-		-
List sub-class	-	-	-	-	-	-	-		-
<b>Intangibles</b>	15	1 550	-	-	-	1 550	1 550	100.0%	1 550
Computers - software & programming	-	-	-	-	-	-	-		-
Other	15	1 550	-	-	-	1 550	1 550	100.0%	1 550
<b>Total Capital Expenditure on new assets</b>	<b>46 841</b>	<b>57 273</b>	<b>-</b>	<b>5 174</b>	<b>19 140</b>	<b>20 633</b>	<b>1 494</b>	<b>7.2%</b>	<b>57 273</b>

# Supporting Table SC13b

NC072 Umsobomvu - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class -

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges									
Storm water									
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Generation									
Transmission & Reticulation									
Street Lighting									
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Dams & Reservoirs									
Water purification									
Reticulation									
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation									
Sewerage purification									
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management									
Transportation									
Gas									
Other									
<b>Community</b>	-	-	-	-	-	-	-	-	-
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Buildings									
Other									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development									
Other									
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
General vehicles									
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
List sub-class									
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
List sub-class									
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other									
<b>Total Capital Expenditure on renewal of existing ass</b>	-	-	-	-	-	-	-	-	-

# Supporting Table SC13c

NC072 Umsobomvu - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06  
December

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>2 046</b>	<b>1 831</b>	<b>1 831</b>	<b>94</b>	<b>986</b>	<b>916</b>	<b>(70)</b>	<b>-7.7%</b>	<b>1 831</b>
Infrastructure - Road transport	422	370	370	1	136	185	49	26.2%	370
Roads, Pavements & Bridges	422	370	370	1	136	185	49	26.2%	370
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	1 050	811	811	91	492	406	(87)	-21.4%	811
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	916	591	591	91	492	296	(197)	-66.5%	591
Street Lighting	134	220	220	-	-	110	110	100.0%	220
Infrastructure - Water	351	350	350	(20)	325	175	(150)	-85.5%	350
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	351	350	350	(20)	325	175	(150)	-85.5%	350
Infrastructure - Sanitation	224	300	300	22	33	150	117	78.2%	300
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	224	300	300	22	33	150	117	78.2%	300
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Community</b>	<b>9</b>	<b>30</b>	<b>30</b>	<b>-</b>	<b>6</b>	<b>15</b>	<b>9</b>	<b>62.3%</b>	<b>30</b>
Parks & gardens	6	10	10	-	2	5	3	60.1%	10
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	3	20	20	-	4	10	6	63.4%	20
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	<b>1 818</b>	<b>1 364</b>	<b>1 364</b>	<b>228</b>	<b>774</b>	<b>682</b>	<b>(91)</b>	<b>-13.4%</b>	<b>1 364</b>
General vehicles	686	854	854	216	573	427	(146)	-34.2%	854
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	167	298	298	6	34	149	115	77.0%	298
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	9	44	44	-	1	22	21	95.5%	44
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	955	165	165	6	165	83	(83)	-100.2%	165
Other Land	1	3	3	-	-	2	2	100.0%	3
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
List sub-class	-	-	-	-	-	-	-	-	-
<b>Intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>3 874</b>	<b>3 225</b>	<b>3 225</b>	<b>322</b>	<b>1 765</b>	<b>1 612</b>	<b>(153)</b>	<b>-9.5%</b>	<b>3 225</b>

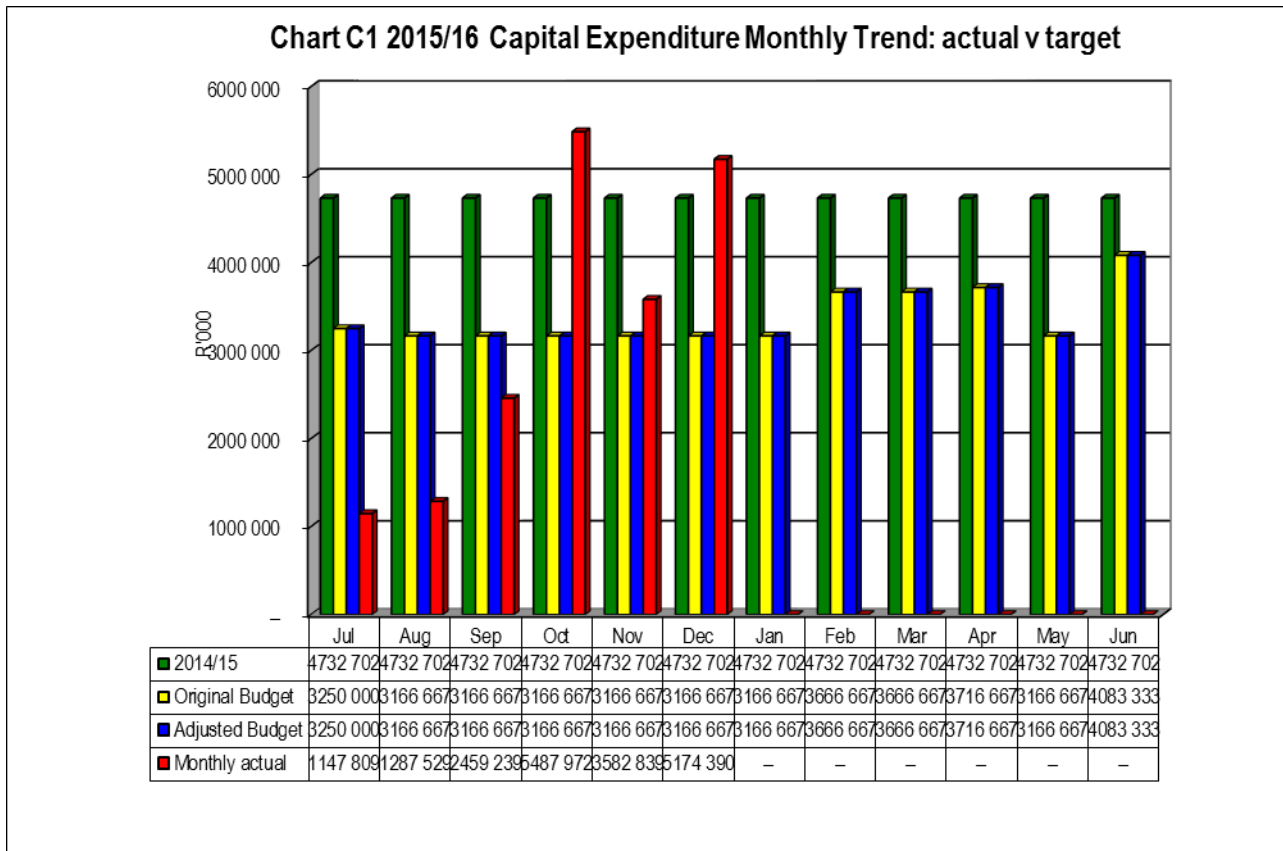
# Supporting Table SC13d

NC072 Umsobomvu - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

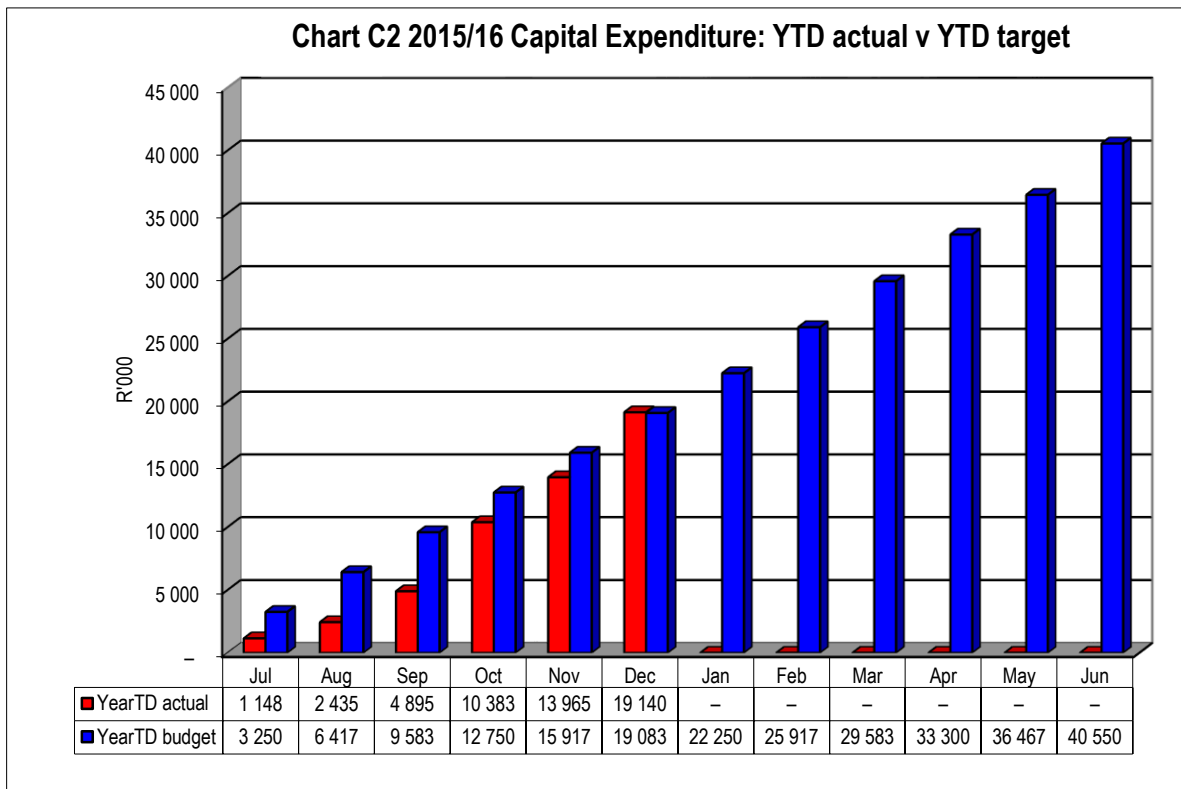
Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	18 576	18 576	-	1 548	9 288	9 288	-		18 576
Infrastructure - Road transport	-	-	-	-	-	-	-		-
Roads, Pavements & Bridges									
Storm water									
Infrastructure - Electricity	2 785	2 785	-	232	1 393	1 393	-		2 785
Generation									
Transmission & Reticulation	2 785	2 785		232	1 393	1 393	-		2 785
Street Lighting									
Infrastructure - Water	12 351	12 351	-	1 029	6 176	6 176	-		12 351
Dams & Reservoirs									
Water purification									
Reticulation	12 351	12 351		1 029	6 176	6 176	-		12 351
Infrastructure - Sanitation	2 828	2 828	-	236	1 414	1 414	-		2 828
Reticulation	2 828	2 828		236	1 414	1 414	-		2 828
Sewerage purification									
Infrastructure - Other	612	612	-	51	306	306	-		612
Waste Management	612	612		51	306	306	-		612
Transportation									
Gas									
Other									
<b>Community</b>	2	2	-	0	1	1	-		2
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries	2	2		0	1	1	-		2
Social rental housing									
Other									
<b>Heritage assets</b>	-	-	-	-	-	-	-		-
Buildings									
Other									
<b>Investment properties</b>	-	-	-	-	-	-	-		-
Housing development									
Other									
<b>Other assets</b>	5 256	5 265	-	439	2 633	2 633	-		5 265
General v ehicles									
Specialised v ehicles	-	-	-	-	-	-	-		-
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings	4 379	4 389		366	2 194	2 194	-		4 389
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	877	877		73	438	438	-		877
<b>Agricultural assets</b>	-	-	-	-	-	-	-		-
List sub-class									
<b>Biological assets</b>	-	-	-	-	-	-	-		-
List sub-class									
<b>Intangibles</b>	-	-	-	-	-	-	-		-
Computers - softw are & programming									
Other									
<b>Total Depreciation</b>	<b>23 834</b>	<b>23 844</b>	<b>-</b>	<b>1 987</b>	<b>11 922</b>	<b>11 922</b>	<b>-</b>		<b>23 844</b>

**Other supporting documentation Section 71 charts**

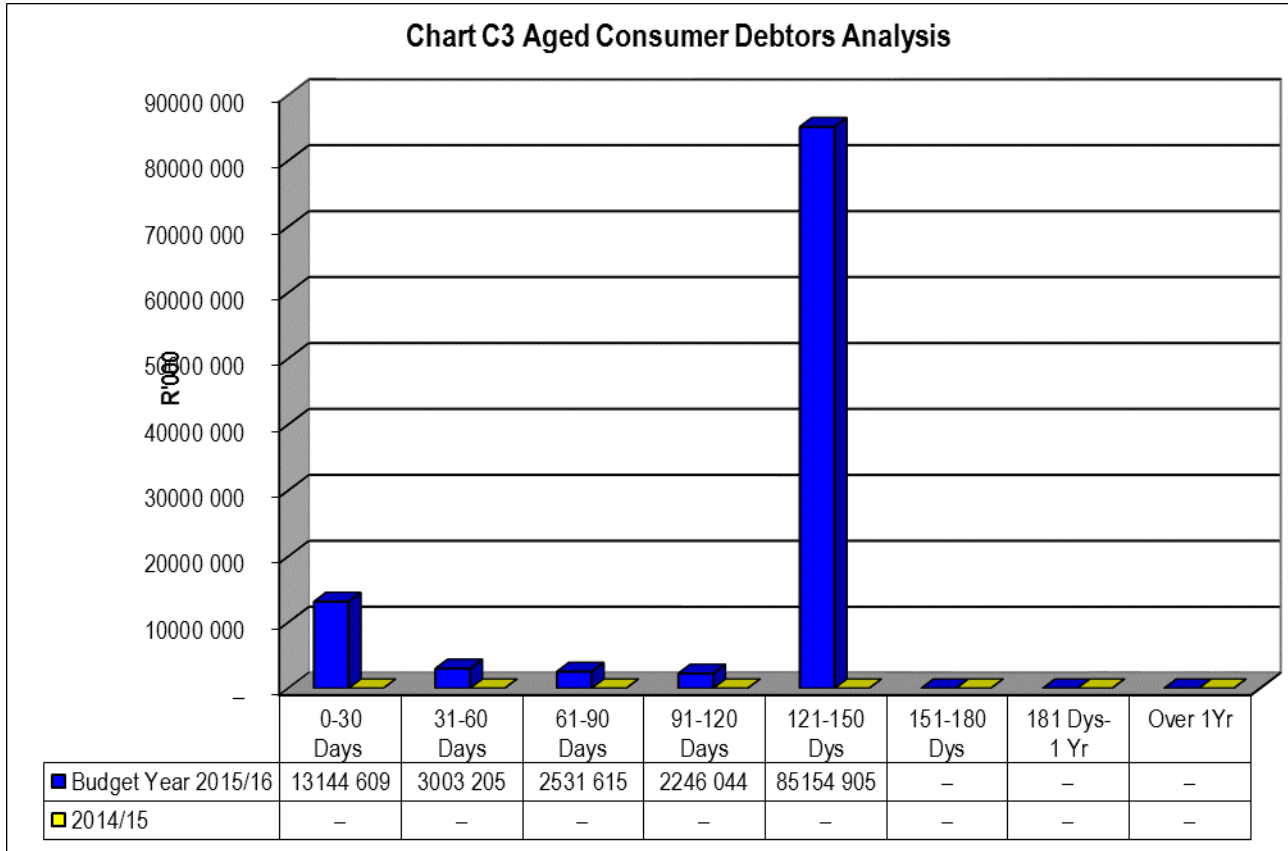
**Capital expenditure monthly trend - actual vs target**



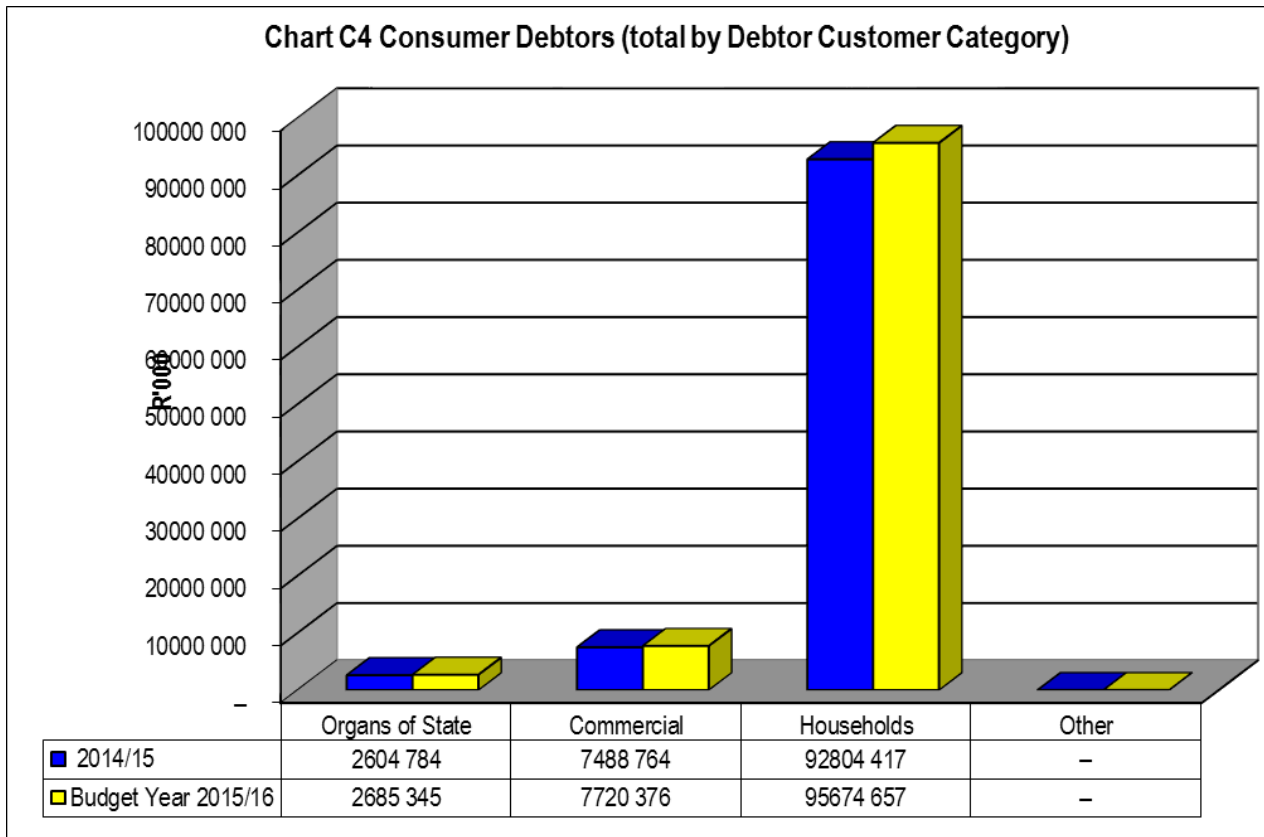
**Capital expenditure – YTD actual vs YTD trend**



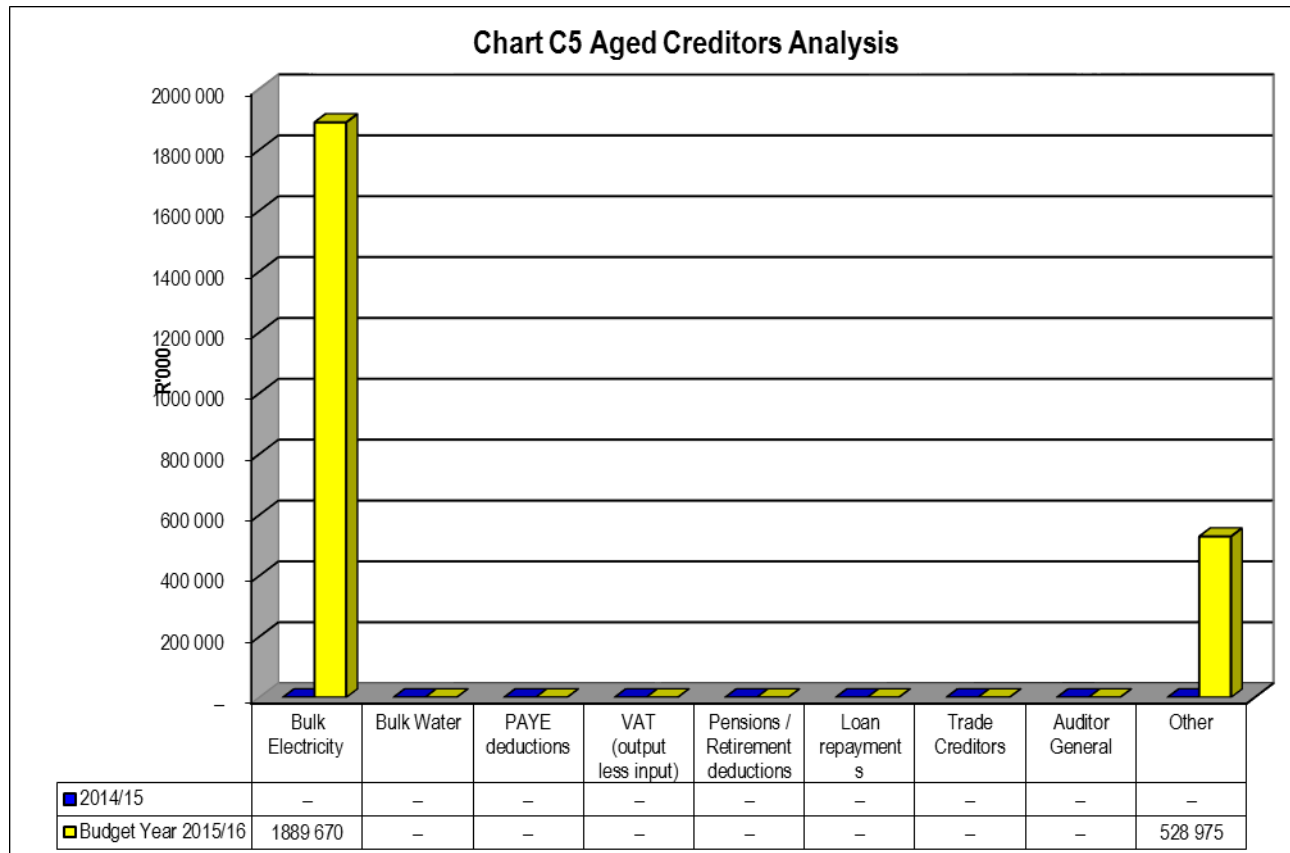
### Debtors Age Analysis



### Debtors by Type



## Creditor Payments





## **REPORT ON THE FOLLOW-UP OF OUTSTANDING DEBTORS**

### **Background**

On requesting assistance from the MFIPII Programme the municipality indicated as follows in its expression of interest:

“The Umsobomvu municipal area is experiencing a sharp decline in economic activity due to major upgrades to the N1 and Doringkloof Nature Reserve that created 400 jobs that has been completed. This sudden increase in indigent consumers and the decline in consumption by business have placed the municipality’s finances under severe pressure. The council needs guidance and assistance to innovate new ways to create jobs and to adapt its own finances to the decline in cash-flow due to payment levels that is declining. Part of this problem is the data of the municipality that is incomplete and not all possible billing is done. It is estimated that approximately 2000 consumers are not on the database or are not billed for all services delivered. The municipality requires guidance and advice on how to implement remedial action as although the finance staff is financially qualified they lack the practical experience to address a problem of this nature.”

The municipality therefore identified the following strategy to address the challenge:

“The advisor to provide guidance and advice on policy and procedures to update consumer database and to assist and guide procedures to ensure that all data and consumers is manage and captured on the financial billing system. The advisor to provide training on maintaining a complete debtor consumer database and to establish procedures for new debtor/new household management.”

### **Discussions**

To understand the processes the advisor have several meetings and interviews with the CFO, Deputy CFO and chief clerk: credit control. The following assessment was made by the advisor:

A rates reconciliation was compiled by the service provider responsible for compiling the AFS for the 2013-2014 financial year and was audited by the Auditor-General with no exceptions. The audit opinion will therefore for the interim period be used as assurance that all erven in the municipal area are billed for property rates.

### **Current Debt Collection Processes**

Debt collection is currently done by the chief clerk: credit control and three credit controllers for Colesberg, two credit controllers for Noupoot and one for Norvalspont. The following processes are followed by the credit control section:

A disconnection/cut-off report, B650/000643, in hardcopy is printed on a monthly basis by the Section Head: Budget and Credit Control. The credit controllers are compiling the disconnection / cut-off lists per ward from the printed list that is been followed up by the credit controllers.

### **Proposed amended debt collection procedures**

The disconnection/cut-off report, B650/000643 includes all outstanding debtors above R500 and therefore also indigents. To have effective debt collection there should be a split between indigent debtors and debtors that are able to pay. The identification of the indigent debtors are completed.

The following schedule reflected the indigents that apply for the 2015-2016 financial year as per the attached Annexure A:

Area	Total on ABAKUS	Billed for 2015-2016	Billed for four services	Not billed for four services	Not billed for 2015-2016
Colesberg Municipal	1304	962	924	38	342
Colesberg Eskom	655	413	322	91	242
Colesberg 99 Indigents	120	5	3	2	115
Noupoort Municipal	79	71	66	5	8
Noupoort Eskom	396	291	277	14	105
Noupoort 99 Indigents	123	3	0	3	120
Norvalspont	160	126	117	9	34
<b>Total</b>	<b>2837</b>	<b>1871</b>	<b>1709</b>	<b>162</b>	<b>966</b>

The comparison between the indigent applications and indigent register could not be completed by the time this report was finalised. All forms are loaded on the ABAKUS system and is therefore used to give a true reflection of the approved indigents.

During the process the following challenges aroused:

- Indigents from previous years (966) still on the financial system ABAKUS (no new applications received for these consumers).
- 162 indigents not subsidised for at least four services (water sanitation, refuse and garden refuse) and should be investigated and rectified.

### Other Challenges

The following challenges needs to be addressed to enable effective debt collection:

- A more holistic approach should be taken on follow-up actions for example start with accounts with no payment history, accounts of deceased consumers (1700), and accounts of consumers that is not traceable (, consumers not paying their current accounts).
- The compilation of the cut-off lists should be done by the Section Head: Budget and Credit Control and Chief Clerk: Credit Control.
- Better coordination of the follow-up actions should be implemented.
- Better managing of the accounts handed over to attorneys.
- Monthly follow-ups of all accounts with arrangements.

### Actions already implemented

- Follow-up lists are compiled by chief clerk: credit control
- Weekly meetings between chief clerk: credit control and credit controllers of Colesberg facilitated by the MFIP II Technical Advisor are held every Friday.
- Credit controllers are in the process of finalising the indigent register to reflect all indigent applications.
- The B550 ABAKUS report will be using to compile follow-up lists
- Follow-ups of consumers handed over to the attorneys will be done on a monthly basis by the chief clerk: credit control.

# MUNICIPAL MANAGER'S QUALITY CERTIFICATION

## QUALITY CERTIFICATE

I, **AMOS CHINA MPELA**, the Municipal Manager of Umsobomvu Local Municipality, hereby certify that: -

(Mark as appropriate)

Quarterly report on the implementation of the budget and financial state of affairs of the municipality.

For the quarter ending 31 December 2015 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print Name: AC MPELA

Municipal Manager of Umsobomvu Local Municipality (NC072)

Signature: 

Date: 14 JANUARY 2016