

NXUBA MUNICIPALITY



BUDGET STATEMENT FOR THE MONTH ENDING 31 AUGUST 2015

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Part 1 IN YEAR REPORT

Section 1 – PURPOSE

PURPOSE:

The purpose of this report is to comply with section 71 of the Municipal Finance Management Act and section 28 of the Municipal Budgeting Reporting Regulations.

BACKGROUND

The MFMA states that “the accounting officer of a municipality must not later than 10 working days after the end of each month submit to the mayor and the relevant Provincial Treasury in the prescribed format on the state of the municipality`s budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- Actual revenue per revenue source
- Actual expenditure per vote
- Actual capital expenditure
- Amount of any allocations received and the expenditure

Section 2-RESOLUTIONS

Council noting the monthly budget statement and any supporting documents.

Section 3 –Executive summary

The financial performance for the month is as following:

FINANCIAL PERFORMANCE FOR THE MONTH ENDING 31 AUGUST 2015							
Vote Description	Budget Year 2015/16						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands						%	
Total Revenue by Vote	94,410	1,611	27,518	15,735	11,783	74.9%	94,410
Total Expenditure by Vote	75,448	9,336	13,889	12,575	1,314	10.5%	75,448
Surplus/ (Deficit) for the year	18,962	(7,725)	13,629	3,160	10,469	331.3%	18,962

Revenue

The year to date budgeted revenue is R 15, 7 million, year to date actual amounts to R27, 5 million, variance amounts to R11,8 million. The variance is due to transfers received in the month of July. In the month of August the municipality received own revenue amounting to R1, 6 million. The municipality collected 3.3% of the overall budgeted own revenue.

The comparative debtor's collection rate for main services are as follows:

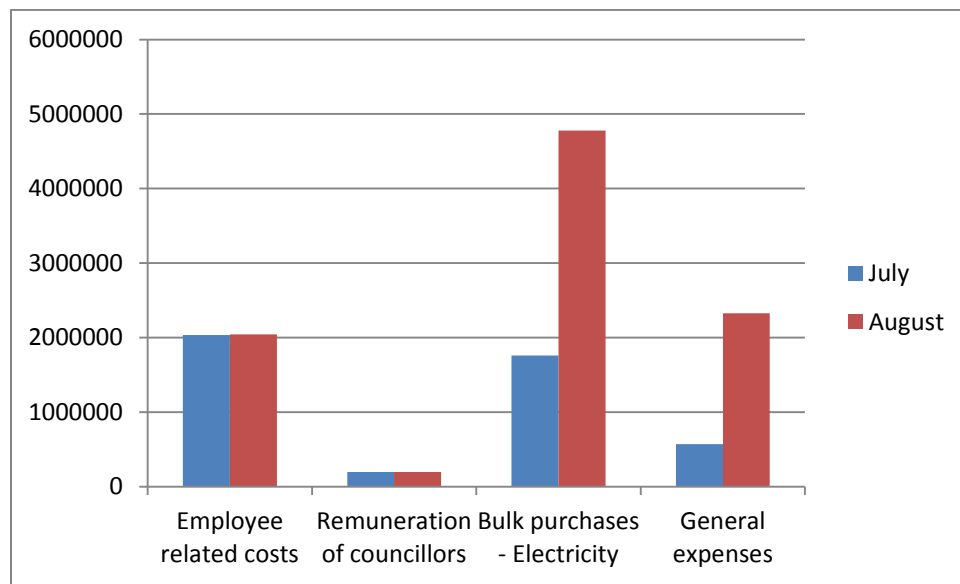
	BILLED	RECEIVED	% VARIANCE
RATES	409,247.72	213,400.11	52%
ELECTRICTY	1,148,190.68	655,297.49	57%
REFUSE	626,126.77	136,308.06	22%
TOTAL	2,183,565.17	1,005,005.66	46%

The collection rate for main services is 46%; compared to previous month the collection rate has improved from 43%-46%.Collection of property rates attributes to the increase as it increased from 43%-52%.

Expenditure

The year to date budgeted operating expenditure for August amounts to R12,5 million ,year to date actual expenditure amounts to R13,8 million, variance amounts to R 1,3 million. Expenditure for the month amounted to R9, 3 million.

The table below provides a comparison of operating expenditure from July to August 2015. In the month of August bulk purchases and general expenses have increased by 37% and 24% respectively compared to previous month.



Capital expenditure

Capital expenditure for the month amounts to R1, 5 million. The year to date budget and year to date expenditure are equal at R 1, 6 million.

Section 4 Monthly budget statements.

4.1.1 Table C1: s71 Monthly Budget Statement Summary

EC128 Nxuba - Table C1 Monthly Budget Statement Summary - M02 August

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									
Financial Performance									
Property rates	-	4,190	-	409	846	698	147	21%	4,190
Service charges	-	34,610	-	1,774	3,531	5,768	(2,237)	-39%	34,610
Investment revenue	-	75	-	-	-	13	(13)	-100%	75
Transfers recognised - operational	-	35,813	-	-	20,700	5,969	14,731	247%	35,813
Other own revenue	-	10,161	-	606	1,694	1,694	1	0%	10,161
Total Revenue (excluding capital transfers and contributions)	-	84,850	-	2,790	26,771	14,142	12,629	89%	84,850
Employee costs	-	25,425	-	2,041	4,074	4,238	(164)	-4%	25,425
Remuneration of Councillors	-	2,474	-	195	390	412	(23)	-5%	2,474
Depreciation & asset impairment	-	3,000	-	-	-	500	(500)	-100%	3,000
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	22,208	-	4,777	6,534	3,701	2,833	77%	22,208
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	22,340	-	2,324	2,891	3,723	(832)	-22%	22,340
Total Expenditure	-	75,448	-	9,336	13,889	12,575	1,314	10%	75,448
Surplus/(Deficit)	-	9,402	-	(6,547)	12,882	1,567	11,315	722%	9,402
Transfers recognised - capital	-	9,560	-	-	3,186	797	2,389	300%	9,560
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	18,962	-	(6,547)	16,068	2,364	13,705	580%	18,962
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	18,962	-	(6,547)	16,068	2,364	13,705	580%	18,962
Capital expenditure & funds sources									
Capital expenditure	-	9,624	-	1,535	1,645	1,604	41	3%	9,624
Capital transfers recognised	-	9,224	-	1,535	1,645	1,537	108	7%	9,224
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	400	-	-	-	67	(67)	-100%	400
Total sources of capital funds	-	9,624	-	1,535	1,645	1,604	41	3%	9,624
Financial position									
Total current assets	-	31,947	-	-	63,832	-	-	-	31,947
Total non current assets	-	264,692	-	-	167,928	-	-	-	264,692
Total current liabilities	-	30,076	-	-	70,006	-	-	-	30,076
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	266,563	-	-	161,754	-	-	-	266,563
Cash flows									
Net cash from (used) operating	-	18,962	-	(7,725)	13,629	3,160	(10,469)	-331%	18,962
Net cash from (used) investing	-	(9,624)	-	(1,535)	(1,645)	(1,604)	41	-3%	(9,624)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	9,338	-	-	12,156	1,556	(10,600)	-681%	9,510
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	2,220	1,468	1,151	58,453	-	-	-	-	63,292
Creditors Age Analysis									
Total Creditors	6,160	1,339	7,187	2,269	52,654	-	-	-	69,609

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

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics 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 organizational structures used by the different institutions.

EC128 Nxuba - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M02 August

Description	Ref	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	1									
Revenue - Standard										
<i>Governance and administration</i>		–	25,183	–	646	11,611	4,197	7,414	177%	25,183
Executive and council		–	6,948	–	–	3,398	1,158	2,240	193%	6,948
Budget and treasury office		–	11,212	–	643	4,861	1,869	2,992	160%	11,212
Corporate services		–	7,023	–	3	3,352	1,170	2,181	186%	7,023
<i>Community and public safety</i>		–	10,025	–	169	1,231	1,671	(440)	-26%	10,025
Community and social services		–	2,044	–	–	739	341	399	117%	2,044
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	7,981	–	169	492	1,330	(839)	-63%	7,981
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		–	14,438	–	5	5,073	2,406	2,667	111%	14,438
Planning and development		–	2,481	–	5	1,200	414	786	190%	2,481
Road transport		–	11,956	–	–	3,873	1,993	1,881	94%	11,956
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	44,764	–	792	9,603	7,461	2,143	29%	44,764
Electricity		–	37,324	–	655	7,956	6,221	1,735	28%	37,324
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	7,440	–	136	1,647	1,240	407	33%	7,440
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	–	94,410	–	1,611	27,518	15,735	11,783	75%	94,410
Expenditure - Standard										
<i>Governance and administration</i>		–	22,665	–	2,781	4,092	3,777	314	8%	22,665
Executive and council		–	6,722	–	557	1,003	1,120	(117)	-10%	6,722
Budget and treasury office		–	9,713	–	1,502	1,996	1,619	378	23%	9,713
Corporate services		–	6,230	–	722	1,092	1,038	54	5%	6,230
<i>Community and public safety</i>		–	6,861	–	552	1,094	1,143	(50)	-4%	6,861
Community and social services		–	3,125	–	280	566	521	45	9%	3,125
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	3,736	–	272	528	623	(95)	-15%	3,736
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		–	12,293	–	802	1,327	2,049	(721)	-35%	12,293
Planning and development		–	2,093	–	312	415	349	66	19%	2,093
Road transport		–	10,200	–	490	912	1,700	(788)	-46%	10,200
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	33,629	–	5,201	7,376	5,605	1,771	32%	33,629
Electricity		–	28,513	–	4,921	6,819	4,752	2,067	43%	28,513
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	5,116	–	281	557	853	(296)	-35%	5,116
<i>Other</i>		–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	–	75,448	–	9,336	13,889	12,575	1,314	10%	75,448
Surplus/ (Deficit) for the year		–	18,962	–	(7,725)	13,629	3,160	10,469	331%	18,962

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

The operating expenditure budget is approved by Council on the municipal vote level.

The municipal votes reflect the organizational structure of the municipality which is made up of the following directorates: Executive & Council; Corporate Services; Financial Services; Planning & Development; Community Services; Electrical Services; and Technical Services

EC128 Nxuba - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August										
Vote Description	Ref	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										
Revenue by Vote	1									
Vote 1 - Executive and council		-	6,948	-	-	3,398	1,158	2,240	193.4%	6,948
Vote 2 - Budget and Treasury		-	11,212	-	643	4,861	1,869	2,992	160.1%	11,212
Vote 3 - Corporate services		-	8,420	-	3	4,026	1,403	2,623	186.9%	8,420
Vote 4 - Community services		-	17,465	-	306	2,878	2,911	(33)	-1.1%	17,465
Vote 5 - Technical services		-	50,365	-	660	12,355	8,394	3,961	47.2%	50,365
Total Revenue by Vote	2	-	94,410	-	1,611	27,518	15,735	11,783	74.9%	94,410
Expenditure by Vote	1									
Vote 1 - Executive and council		-	6,722	-	557	1,003	1,120	(117)	-10.5%	6,722
Vote 2 - Budget and Treasury		-	9,713	-	1,502	1,996	1,619	378	23.3%	9,713
Vote 3 - Corporate services		-	7,260	-	984	1,406	1,210	196	16.2%	7,260
Vote 4 - Community services		-	11,977	-	832	1,651	1,996	(346)	-17.3%	11,977
Vote 5 - Technical services		-	39,776	-	5,461	7,833	6,629	1,203	18.2%	39,776
Total Expenditure by Vote	2	-	75,448	-	9,336	13,889	12,575	1,314	10.5%	75,448
Surplus/ (Deficit) for the year	2	-	18,962	-	(7,725)	13,629	3,160	10,469	331.3%	18,962

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

EC128 Nxuba - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	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										
Revenue By Source										
Property rates			4,190		409	846	698	147	21%	4,190
Property rates - penalties & collection charges								-		
Service charges - electricity revenue			30,050		1,148	2,370	5,008	(2,638)	-53%	30,050
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue			4,560		626	1,161	760	401	53%	4,560
Service charges - other								-		
Rental of facilities and equipment			153		3	6	26	(20)	-78%	153
Interest earned - external investments			75				13	(13)	-100%	75
Interest earned - outstanding debtors								-		
Dividends received								-		
Fines			50		3	8	8	0	1%	50
Licences and permits			6,500		158	463	1,083	(620)	-57%	6,500
Agency services			335		7	18	56	(38)	-88%	335
Transfers recognised - operational			35,813			20,700	5,969	14,731	247%	35,813
Other revenue			3,123		436	1,199	521	679	130%	3,123
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)			84,850		2,790	26,771	14,142	12,629	89%	84,850
Expenditure By Type										
Employee related costs			25,425		2,041	4,074	4,238	(164)	-4%	25,425
Remuneration of councillors			2,474		195	390	412	(23)	-5%	2,474
Debt impairment			500				83	(83)	-100%	500
Depreciation & asset impairment			3,000				500	(500)	-100%	3,000
Finance charges										
Bulk purchases			22,208		4,777	6,534	3,701	2,833	77%	22,208
Other materials										
Contracted services										
Transfers and grants										
Other expenditure			21,840		2,324	2,891	3,640	(749)	-21%	21,840
Loss on disposal of PPE										
Total Expenditure			75,448		9,336	13,889	12,575	1,314	10%	75,448
Surplus/(Deficit)			9,402		(6,547)	12,882	1,567	11,315	0	9,402
Transfers recognised - capital			9,560			3,186	797	2,389	0	9,560
Contributions recognised - capital										
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions			18,962		(6,547)	16,068	2,364			18,962
Taxation										
Surplus/(Deficit) after taxation			18,962		(6,547)	16,068	2,364			18,962
Attributable to minorities										
Surplus/(Deficit) attributable to municipality			18,962		(6,547)	16,068	2,364			18,962
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year			18,962		(6,547)	16,068	2,364			18,962

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

EC128 Nxuba - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M02 August										
Vote Description	Ref	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	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	70	-	-	-	12	(12)	-100%	70
Vote 3 - Corporate services		-	160	-	-	25	27	(2)	-7%	160
Vote 4 - Community services		-	4,992	-	1,341	1,426	832	594	71%	4,992
Vote 5 - Technical services		-	4,402	-	194	194	734	(540)	-74%	4,402
Total Capital single-year expenditure	4	-	9,624	-	1,535	1,645	1,604	41	3%	9,624
Total Capital Expenditure		-	9,624	-	1,535	1,645	1,604	41	3%	9,624
Capital Expenditure - Standard Classification										
Governance and administration		-	230	-	-	25	30	(13)	-35%	230
Executive and council										
Budget and treasury office			70				12	(12)	-100%	70
Corporate services			160			25	27	(2)	-7%	160
Community and public safety		-	4,992	-	1,341	1,426	832	594	71%	4,992
Community and social services			4,992		1,341	1,426	832	594	71%	4,992
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services		-	4,402	-	194	194	734	(540)	-74%	4,402
Planning and development										
Road transport			4,402		194	194	734	(540)	-74%	4,402
Environmental protection										
Total Capital Expenditure - Standard Classification	3	-	9,624	-	1,535	1,645	1,604	41	3%	9,624
Funded by:										
National Government			9,224		1,535	1,645	1,537	108	7%	9,224
Provincial Government										
District Municipality										
Other transfers and grants										
Transfers recognised - capital		-	9,224	-	1,535	1,645	1,537	108	7%	9,224
Public contributions & donations	5									
Borrowing	6									
Internally generated funds			400				67	(67)	-100%	400
Total Capital Funding		-	9,624	-	1,535	1,645	1,604	41	3%	9,624

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC128 Nxuba - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2014/15	Budget Year 2015/16				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
R thousands	1						
ASSETS							
Current assets							
Cash			-		172	-	
Call investment deposits			1,999			1,999	
Consumer debtors			14,798		47,915	14,798	
Other debtors			14,798		15,377	14,798	
Current portion of long-term receivables			-				
Inventory			352		368	352	
Total current assets			-	31,947	-	63,832	31,947
Non current assets							
Long-term receivables							
Investments							
Investment property			19,056		32,481	19,056	
Investments in Associate							
Property, plant and equipment			245,627		135,266	245,627	
Agricultural							
Biological assets							
Intangible assets			9		112	9	
Other non-current assets					70		
Total non current assets			-	264,692	-	167,928	264,692
TOTAL ASSETS			-	296,639	-	231,760	296,639
LIABILITIES							
Current liabilities							
Bank overdraft							
Borrowing							
Consumer deposits			424		397	424	
Trade and other payables			29,652		69,609	29,652	
Provisions							
Total current liabilities			-	30,076	-	70,006	30,076
Non current liabilities							
Borrowing							
Provisions							
Total non current liabilities			-	-	-	-	
TOTAL LIABILITIES			-	30,076	-	70,006	30,076
NET ASSETS	2		-	266,563	-	161,754	266,563
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)			266,563		161,754	266,563	
Reserves							
TOTAL COMMUNITY WEALTH/EQUITY	2		-	266,563	-	161,754	266,563

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

EC128 Nxuba - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	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	1										
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges			4,190		213	403	698	(296)	-42%	4,190	
Service charges			34,610		792	1,535	5,768	(4,233)	-73%	34,610	
Other revenue			10,161		606	1,694	1,694	1	0%	10,161	
Government - operating			35,813		-	20,700	5,969	14,731	247%	35,813	
Government - capital			9,560		-	3,186	1,593	1,593	100%	9,560	
Interest			75		-	-	13	(13)	-100%	75	
Dividends											
Payments											
Suppliers and employees			(75,448)		(9,336)	(13,889)	(12,575)	1,314	-10%	(75,448)	
Finance charges											
Transfers and Grants											
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	18,962	-	(7,725)	13,629	3,160	(10,469)	-331%	18,962
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets			(9,624)		(1,535)	(1,645)	(1,604)	41	-3%	(9,624)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(9,624)	-	(1,535)	(1,645)	41	-3%	(9,624)	
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	-	-	-	-	-	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD			-	9,338	-	(9,260)	11,984	1,556		9,338	
Cash/cash equivalents at beginning:							172			172	
Cash/cash equivalents at month/year end:				9,338			12,156	1,556		9,510	

The actual revenue received amount to R 1, 6 million and expenditure amounts to R9, 3 million. The cash at hand on the FNB account amounted to R171 767.85

PART 2 SUPPORTING TABLES

Section 5- Supporting Table SC9: Monthly Budget Statement – Actual and revised targets for cash receipts and cash flows. This supporting table gives a detailed breakdown of information summarized in Table C

EC128 Nxuba - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M02 August

Description	Ref	Budget Year 2015/16											2015/16 Medium Term Revenue & Expenditure Framework				
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousands	1																
Cash Receipts By Source																	
Property rates		189	213										3,788	4,190	4,438	4,686	
Property rates - penalties & collection charges													-				
Service charges - electricity revenue		646	655										28,749	30,050	31,823	33,605	
Service charges - water revenue													-				
Service charges - sanitation revenue													-				
Service charges - refuse		97	136										4,326	4,560	4,829	5,099	
Service charges - other													-				
Rental of facilities and equipment		3	3										147	153	162	171	
Interest earned - external investments													75	75	79	83	
Interest earned - outstanding debtors													-				
Dividends received													-				
Fines		5	3										42	50	53	56	
Licences and permits		305	158										6,037	6,500	6,884	7,269	
Agency services		11	7										318	335	355	375	
Transfer receipts - operating		20,700	-										15,113	35,813	34,813	33,678	
Other revenue		763	436										1,924	3,123	3,307	3,493	
Cash Receipts by Source		22,721	1,611	-	-	-	-	-	-	-	-	-	60,518	84,850	86,742	88,516	
Other Cash Flows by Source																	
Transfer receipts - capital		3,186	-										6,374	9,560	9,757	10,052	
Contributions & Contributed assets													-				
Proceeds on disposal of PPE													-				
Short term loans													-				
Borrowing long term/refinancing													-				
Increase in consumer deposits													-				
Receipt of non-current debtors													-				
Receipt of non-current receivables													-				
Change in non-current investments													-				
Total Cash Receipts by Source		25,907	1,611	-	-	-	-	-	-	-	-	-	66,892	94,410	96,499	98,568	
Cash Payments by Type																	
Employee related costs		2,033	2,041											21,352	25,425	26,965	28,433
Remuneration of councillors		195	195											2,084	2,474	2,620	2,767
Interest paid														-			
Bulk purchases - Electricity		1,757	4,777											15,674	22,208	23,518	24,835
Bulk purchases - Water & Sewer														-			
Other materials														-			
Contracted services														-			
Grants and subsidies paid - other municipalities														-			
Grants and subsidies paid - other														-			
General expenses		567	2,324											22,449	25,340	25,678	26,345
Cash Payments by Type		4,552	9,336	-	-	-	-	-	-	-	-	-	61,559	75,448	78,782	82,380	
Other Cash Flows/Payments by Type																	
Capital assets		110	1,535											7,979	9,624	9,182	9,445
Repayment of borrowing														-			
Other Cash Flows/Payments														-			
Total Cash Payments by Type		4,662	10,872	-	-	-	-	-	-	-	-	-	69,538	85,072	87,964	91,825	
NET INCREASE/(DECREASE) IN CASH HELD		21,245	(9,260)	-	-	-	-	-	-	-	-	-	(2,646)	9,338	8,535	6,743	
Cash/cash equivalents at the month/year beginning:		10,064	31,309	22,048	22,048	22,048	22,048	22,048	22,048	22,048	22,048	22,048	22,048	10,064	19,402	27,938	27,938
Cash/cash equivalents at the month/year end:		31,309	22,048	22,048	22,048	22,048	22,048	22,048	22,048	22,048	22,048	22,048	19,402	19,402	27,938	34,680	34,680

Section 6 – Material variances

6.1 Supporting table SC1

EC128 Nxuba - Supporting Table SC1 Material variance explanations - M02 August

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<u>Revenue By Source</u>			
	Refuse	0	ineffective implementation of credit control policy	Motivating community to pay for municipal services and awareness on impact of non payment. Acquisition of tools of trade that would assist in executing electrical duties
	Electricity	0	challenges pertaining to disconnection list ;staff shortage electrical equipment	
2	<u>Expenditure By Type</u>			
	General expenses			
3	<u>Capital Expenditure</u>			
4	<u>Financial Position</u>			
			The creditors of the municipality are a reflection of the continous financial predicament.If all current creditors would be paid; the municipality would not be able to function	
5	<u>Cash Flow</u>			
			The income generated was below expenditure incurred; for now due to the grants received in previos month the cash flow is favourable	
6	<u>Measureable performance</u>			
			At this stage there are no signs of barrier that could hinder the achievements of goals	
7	<u>Municipal Entities</u>			
			n/a	

Sector 7 Debtors' analysis

7.1 Supporting Table SC 3

EC128 Nxuba - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August												
Description	NT Code	Budget Year 2015/16									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200										-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,272	617	421	6,508						8,818	6,508
Receivables from Non-exchange Transactions - Property Rates	1400	302	243	172	9,953						10,670	9,953
Receivables from Exchange Transactions - Waste Water Management	1500										-	-
Receivables from Exchange Transactions - Waste Management	1600	299	273	235	27,621						28,427	27,621
Receivables from Exchange Transactions - Property Rental Debtors	1700										-	-
Interest on Arrear Debtor Accounts	1810										-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820										-	-
Other	1900	347	335	324	14,371						15,377	14,371
Total By Income Source	2000	2,220	1,468	1,151	58,453	-	-	-	-	-	63,292	58,453
2014/15 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	656	408	309	4,101						5,474	4,101
Commercial	2300	501	184	80	2,490						3,256	2,490
Households	2400	1,016	839	739	51,472						54,066	51,472
Other	2500	46	37	22	391						496	391
Total By Customer Group	2600	2,220	1,468	1,151	58,453	-	-	-	-	-	63,292	58,453

Debtor's age analysis amounts to R 63, 2 million, 86% pertains to households and the remainder organs of state, businesses and other. The table below further breaks down the debtors.

Department	Current	30 Days	60 Days	90 Days	Total
Agriculture	R 11,643.91	R 11,521.97	R 9,446.38	R 66,311.78	R 98,924.04
Education	R 195,924.55	R 44,172.01	R 48,450.26	R 317,701.81	R 606,248.63
Health	R 160,725.44	R 99,969.82	R 40,772.47	R 11,748.69	R 313,216.42
Provincial Public Works	R 48,567.30	R 48,069.30	R 28,806.06	R 494,752.02	R 620,194.68
Social Development	R 7,788.51	R 6,362.94	R 5,542.39	R 120,933.75	R 140,627.59
Spoornet	R 919.64	R 462.54	R 379.64	R 45,523.18	R 47,285.00
Transnet	R 887.81	R 876.55	R 626.98	R 32,746.86	R 35,138.20
National Public Works	R 175,436.07	R 146,982.85	R 108,068.66	R 394,637.13	R 825,124.71
Residents	R 1,016,377.16	R 838,640.97	R 739,233.98	R 51,471,525.01	R 54,065,777.12
Councillors	R 2,834.13	R 2,065.99	R 1,855.74	R 0.00	R 6,755.86
Municipal Officials	R 24,371.76	R 21,602.91	R 9,752.39	R 16,974.87	R 72,701.93
Business	R 501,423.09	R 184,009.72	R 80,376.83	R 2,489,833.79	R 3,255,643.43
Churches	R 17,155.09	R 11,934.63	R 9,770.59	R 295,715.84	R 334,576.15
ADM	R 55,461.41	R 51,113.30	R 68,383.81	R 2,694,847.57	R 2,869,806.09
Grand Total	R 2,219,515.87	R 1,467,785.50	R 1,151,466.18	R 58,453,252.30	R 63,292,019.85

Section 8 – Creditors' analysis

8.1 Supporting Table SC4

EC128 Nxuba - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	NT Code	Budget Year 2015/16								Total	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			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	5,336	-	7,029	2,162	33,939					48,466	
Bulk Water	0200					7,287					7,287	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700										-	
Auditor General	0800	372	80	78	79	8,099					8,706	
Other	0900	452	1,259	81	28	3,329					5,150	
Total By Customer Type	1000	6,160	1,339	7,187	2,269	52,654	-	-	-	-	69,609	-

The creditors for the month of August amounted to R69 million; compared to previous month they have decreased by R1.1 million.

Section 9 – Allocation and grant receipts and expenditure

9.1 Supporting Table SC6 – Grant receipts

EC128 Nxuba - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August										
Description	Ref	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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	35,291	-	-	20,700	5,882	8,543	145.2%	35,291
Local Government Equitable Share			26,561		-	12,970	4,427	8,543	193.0%	26,561
Finance Management			1,800		-	1,800	300			1,800
Municipal Systems Improvement			930		-	930	155			930
EPWP Incentive			1,000		-		167			1,000
Integrated National Electrification Programme			5,000		-	5,000	833			5,000
Provincial Government:		-	522	-	-	-	87	(87)	-100.0%	522
Sport and Recreation			522		-		87	(87)	-100.0%	522
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Operating Transfers and Grants	5	-	35,813	-	-	20,700	5,969	8,456	141.7%	35,813
Capital Transfers and Grants										
National Government:		-	9,560	-	-	3,186	1,593	1,593	100.0%	9,560
Municipal Infrastructure Grant (MIG)			9,560		-	3,186	1,593	1,593	100.0%	9,560
Other capital transfers [insert description]										
Total Capital Transfers and Grants	5	-	9,560	-	-	3,186	1,593	1,593	100.0%	9,560
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	45,373	-	-	23,886	7,562	10,049	132.9%	45,373

In the month of August no transfer were received.

9.2 Supporting Table SC7 – Grant expenditure

EC128 Nxuba - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August										
Description	Ref	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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	35,291	-	650	683	1,455	(772)	-53.1%	35,291
Local Government Equitable Share			26,561		-	-	-	-		26,561
Finance Management			1,800		556	590	300	290	96.6%	1,800
Municipal Systems Improvement			930		-	-	155	(155)	-100.0%	930
EPWP Incentive			1,000		79	79	167	(87)	-52.4%	1,000
Integrated National Electrification Programme			5,000		14	14	833	(819)	-98.3%	5,000
0										
Other transfers and grants [insert description]										
Provincial Government:		-	522	-	72	163	87	76	87.4%	522
Sport and Recreation			522		72	163	87	76	87.4%	522
Total operating expenditure of Transfers and Grants:		-	35,813	-	722	846	1,542	(696)	-45.1%	35,813
Capital expenditure of Transfers and Grants										
National Government:		-	9,560	-	1,579	1,709	1,593	115	7.2%	9,560
Municipal Infrastructure Grant (MIG)			9,560		1,579	1,709	1,593	115	7.2%	9,560
Provincial Government:		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		-	9,560	-	1,579	1,709	1,593	115	7.2%	9,560
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	45,373	-	2,301	2,555	3,135	(581)	-18.5%	45,373

The year to date budget amount to R3.1 million, year to date actual amounts to R 2.5 million, actual expenditure for the month amounts to R 2,3 million. No expenditure was incurred on MSIG.

Section 10 – Expenditure on councilor and Senior Managers allowances and employee benefits

EC128 Nxuba - Supporting Table SC8 Monthly Budget Statement - councilor and staff benefits - M02 August

Summary of Employee and Councilor remuneration	Ref	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	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			1,773		148	295	295	0	0%	1,773
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Motor Vehicle Allowance			505		31	62	84	(23)	-27%	505
Cellphone Allowance			167		14	28	28	0	0%	167
Housing Allowances								-		
Other benefits and allowances			29		2	5	5	-		29
Sub Total - Councillors		-	2,474	-	195	390	412	(23)	-5%	2,474
% increase	4		#DIV/0!							#DIV/0!
Senior Managers of the Municipality										
Basic Salaries and Wages			3,070		163	412	512	(100)	-19%	3,070
Pension and UIF Contributions			9		0	1	1	(0)	-30%	9
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus			255				43	(43)	-100%	255
Motor Vehicle Allowance			76		6	13	13	(0)	0%	76
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances			0				0	(0)	-100%	0
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Senior Managers of Municipality		-	3,410	-	170	426	568	(143)	-25%	3,410
% increase	4		#DIV/0!							#DIV/0!
Other Municipal Staff										
Basic Salaries and Wages			18,231		1,510	2,913	3,039	(125)	-4%	18,231
Pension and UIF Contributions			2,632		218	436	439	(2)	0%	2,632
Medical Aid Contributions			753		65	135	125	9	7%	753
Overtime					32	60	-	60	#DIV/0!	
Performance Bonus								-		
Motor Vehicle Allowance			32		3	5	5	(0)	-6%	32
Cellphone Allowance			5		0	1	1	(0)	-6%	5
Housing Allowances			16		1	3	3	-		16
Other benefits and allowances			347		43	88	58	30	52%	347
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Other Municipal Staff		-	22,015	-	1,873	3,641	3,669	(28)	-1%	22,015
% increase	4		#DIV/0!							#DIV/0!
Total Parent Municipality		-	27,899	-	2,238	4,456	4,650	(194)	-4%	27,899

Section 11 – Capital programme performance

11.1 Supporting Table SC12

EC128 Nxuba - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

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
R thousands									
Monthly expenditure performance trend									
July		802		110	110	802	692	86.3%	1%
August		802		1,535	1,645	1,604	(41)	-2.6%	17%
September		802				2,406	-		
October		802				3,208	-		
November		802				4,010	-		
December		802				4,812	-		
January		802				5,614	-		
February		802				6,416	-		
March		802				7,218	-		
April		802				8,020	-		
May		802				8,822	-		
June		802				9,624	-		
Total Capital expenditure	-	9,624	-	1,645					

Prepared by:

Date:

Signature:

Reviewed by:

Date:

Signature:

Section 12 – Municipal manager’s quality certification

QUALITY CERTIFICATE

I, _____, Municipal Manager of Nxuba Municipality hereby certify that

- The monthly budget statement

For the month of August 2015 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act

Print Name: _____

Municipal Manager of Nxuba Municipality (EC128)

Signature: _____

Date: _____

