

MONTHLY BUDGET STATEMENT FOR THE MONTH ENDING 31 JULY 2017

EXECUTIVE MAYORS REPORT

PURPOSE

To report on monthly actual performance of the municipality's budget for the period ending 31 July 2017

LEGAL/STATUTORY REQUIREMENT

Municipal Finance Management Act No. 56 of 2003.

Municipal Budget and Reporting Regulations gazette No 32141

BACKGROUND

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the financial performance of that municipality.

The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information of financial performance.

OVERALL OPERATING RESULTS

EC124 Amahlathi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2016/17	Budget Year 2017/18									
		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			16,771		1,686	1,686	1,398	289	21%	16,771		
Service charges - electricity revenue			41,643		1,938	1,938	3,470	(1,533)	-44%	41,643		
Service charges - water revenue			-		-	-	-	-	-	-		
Service charges - sanitation revenue			-		-	-	-	-	-	-		
Service charges - refuse revenue			10,032		529	529	836	(307)	-37%	10,032		
Service charges - other			127		-	-	11	(11)	-100%	127		
Rental of facilities and equipment			1,004		6	6	84	(78)	-93%	1,004		
Interest earned - external investments			6,800		517	517	567	(49)	-9%	6,800		
Interest earned - outstanding debtors			2,640		140	140	220	(80)	-36%	2,640		
Dividends received			-		-	-	-	-	-	-		
Fines, penalties and forfeits			53		0	0	4	(4)	-99%	53		
Licences and permits			-		-	-	-	-	-	-		
Agency services			4,066		676	676	339	337	99%	4,066		
Transfers and subsidies			101,164		39,770	39,770	8,430	31,340	372%	101,164		
Other revenue			41,320		65	65	3,443	(3,378)	-98%	41,320		
Gains on disposal of PPE			-		-	-	-	-	-	-		
Total Revenue (excluding capital transfers and contributions)			-		225,621	-	45,326	45,326	18,802	26,525	141%	225,621

EC124 Amahlathi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2016/17	Budget Year 2017/18								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
Expenditure By Type											
Employee related costs			113,568			9,519	9,519	9,464	55	1%	113,568
Remuneration of councillors			13,244			942	942	1,104	(161)	-15%	13,244
Debt impairment			5,000			-	-	417	(417)	-100%	5,000
Depreciation & asset impairment			26,000			-	-	2,167	(2,167)	-100%	26,000
Finance charges			100			-	-	8	(8)	-100%	100
Bulk purchases			28,000			-	-	2,333	(2,333)	-100%	28,000
Other materials			-			-	-	-	-	-	-
Contracted services			2,782			388	388	232	156	67%	2,782
Transfers and subsidies			-			-	-	-	-	-	-
Other expenditure			36,927			4,087	4,087	3,077	1,010	33%	36,927
Loss on disposal of PPE			-			-	-	-	-	-	-
Total Expenditure			-	225,621	-	14,936	14,936	18,802	(3,865)	-21%	225,621
Surplus/(Deficit)			-	-	-	30,390	30,390	(0)	30,390	(30,390)	-

The overall operating results of the municipality reflects that it generated operating revenue of R45 326 000 and incurred operating expenditure of R14 936 000, resulting in an operating surplus of R30 390 000 excluding capital transfers.

CAPITAL EXPENDITURE

The expenditure on capital projects (MIG and INEG Grant) as at 31 July 2017 amounts to R147 033.00 which is 0.46% of the approved budget of R32 145 300 for the 2017/18 financial year. Below is detailed expenditure.

Description	Original Budget	YTD Expenditure	%
INEG Grant	R5 000 000.00	R -	0.00%
MIG Projects	R27 145 300.00	R147 033.00	0.54%

COLLECTION RATE AND OUTSTANDING DEBTORS

Total debtor's book as at 31 July 2017 amounts to R40 410 000 and is detailed below.

EC124 Amahlathi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2017/18									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	933	668	466	321	193	178	483	-	3,242	1,175	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2,693	979	1,040	695	590	569	10,234	-	16,800	12,088	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	397	398	378	360	347	351	11,482	-	13,713	12,541	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	118	72	42	37	27	25	759	-	1,079	848	-	-
Interest on Arrear Debtor Accounts	1810	211	67	66	63	61	60	936	-	1,463	1,120	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	139	(102)	176	163	117	128	3,490	-	4,112	3,899	-	-
Total By Income Source	2000	4,492	2,081	2,168	1,638	1,336	1,310	27,385	-	40,410	31,669	-	-
2016/17 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	1,205	320	543	405	305	286	3,238	-	6,302	4,235	-	-
Commercial	2300	2,029	1,352	652	353	225	219	3,730	-	8,560	4,527	-	-
Households	2400	1,316	404	954	853	790	791	20,004	-	25,113	22,438	-	-
Other	2500	(59)	5	19	27	16	14	414	-	436	470	-	-
Total By Customer Group	2600	4,492	2,081	2,168	1,638	1,336	1,310	27,385	-	40,410	31,669	-	-

EXPENDITURE ON CONDITIONAL GRANTS

The 2017/18 financial year approved budget includes conditional grants allocation of R8 089 000. The total expenditure on conditional grants as at 31 July 2017 amounts R 26 666.52 which is 0.33% of the allocation.

Description	Budget	YTD Expenditure	%
FMG	R1 700 000.00	R26 666.52	1.57%
EPWP	R 1 389 000.00	R -	0.00%
Integrated Electrification Grant	R 5 000 000.00	R -	0.00%

INVESTMENTS

The interest generated on investments as at 31 July 2017 amounts to R332 000. The investments are detailed below.

EC124 Amahlathi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	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
R thousands									
Municipality									
INVESTEC - 456					171			50,000	50,171
NEDBANK					63			15,000	15,063
ABSA 1602					41			10,000	10,041
FNB 3770					6		1,565		1,571
FNB 9619					2		616		618
FNB 1351					1		242		242
FNB 9858					47		7,597		7,644
Municipality sub-total					332		10,021	75,000	85,352

RECOMMENDATION

1. That the monthly report for period ending 31 July 2017 **BE NOTED AND ACCEPTED.**

Cllr P Qaba

The Mayor

14/08/2017