



MBIZANA LOCAL MUNICIPALITY
MID YEAR REPORT

**REPORT IN TERMS OF s72 OF THE MFMA FOR THE PERIOD
ENDED 31 DECEMBER 2016**

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PART 1 – IN-YEAR REPORT

1. Executive Summary

The accounting officer is required by section 72 of the Municipal Finance Management Act No 56 of 2003, to assess the performance of the municipality for the first half of the financial year. This assessment is done taking into consideration all section 71 reports that have been prepared and tabled, the municipality's service delivery performance for the six months as set out in the service delivery and budget implementation plan and the past year's annual report.

All departments have done their respective assessments for the first half of the financial year, and this must at the end give an indication of whether there would be a requirement for a budget adjustment or not. Apart from this, in terms of the determined performance, departments also need to determine whether there are any adjustments that need to be made to the set targets as per the SDBIP.

To this end, a detailed report has been prepared and reviewed, with portfolio of evidence on the achieved targets, and for those that have not been achieved, remedial actions have been put in place. This of course is accompanied by an indication of the inevitable adjustments that must be made to the budget.

It is important to note that, although these adjustments need to be made, there are no new funds that the municipality envisages to receive, but rather, it is required to make do with the little available resources. Strategies still need to be put together in terms of the challenges faced by the municipality of electrification backlogs, road infrastructure backlogs and well as maintenance of those. The budget adjustment, must, to some extent be able to address those issues.

The distribution of electricity has seen some improvement in terms of revenue that is being generated. This is due to some initiatives that have been taken by the Engineering Services working together with the Budget and Treasury Office. This has seen at least the amount that have been budgeted for being achieved in the last six months of the financial year. This must however be seen in the backdrop of the electricity input costs, majorly impacted upon by electricity purchases, where an adjustment needs to be definitely made to accommodate all purchases and ensuring that no overspending is done.

The maintenance of municipal assets has seen a significant spike in the last six months and this may be due to a number of reasons. This has resulted in this expenditure item requiring a lot of attention and there will definitely be a need to make a budget adjustment as there is still going to be a need for the maintenance of such. The main culprits have been the vehicles, buildings and roads.

The table below shows a snapshot of the performances in terms of achieving the targets for the all departments of the municipality

DEPT/KPA	TOTAL NUMBER OF TARGETS	TARGETS REPORTED	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	COLOUR CODING FOR OVERALL PERFORMANCE
MUNICIPAL MANAGER'S OFFICE-GOOD GOVERNANCE & PUBLIC PARTICIPATION	26	26	19	07	MINOR DEVIATIONS
CORPORATE SERVICES- INSTITUTIONAL TRANSFORMATION & DEVELOPMENT	39	39	37	02	MINOR DEVIATIONS
ENGINEERING SERVICES- BASIC SERVICE DELIVERY 1	09	09	03	06	MINOR DEVIATIONS
COMMUNITY SERVICES- BASIC SERVICE DELIVERY 2	29	29	25	04	MINOR DEVIATIONS
DEVELOPMENT PLANNING-LOCAL ECONOMIC	14	14	08	06	MINOR DEVIATIONS
BUDGET & TREASURY- FINANCIAL VIABILITY	09	09	08	01	MINOR DEVIATIONS
TOTALS	126	126	100	26	MINOR DEVIATIONS

2. In-year budget statement tables

a) Budget Statement Summary

EC443 Mbizana - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	2015/16	Budget Year 2016/17							
	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	16,511	21,057	-	609	16,030	10,529	5,502	52%	21,057
Service charges	21,842	26,742	-	2,481	14,974	13,371	1,603	12%	26,742
Investment revenue	6,028	5,805	-	334	3,072	2,902	170	6%	5,805
Transfers recognised - operational	189,891	181,993	-	59,275	135,918	90,996	44,922	49%	181,993
Other own revenue	8,233	7,235	-	586	3,905	3,618	287	8%	7,235
Total Revenue (excluding capital transfers and contributions)	242,504	242,833	-	63,284	173,899	121,416	52,483	43%	242,833
Employee costs	71,790	87,843	-	7,605	38,941	43,921	(4,980)	-11%	77,882
Remuneration of Councillors	18,956	23,186	-	1,609	9,192	11,593	(2,401)	-21%	18,384
Depreciation & asset impairment	37,992	39,400	-	-	-	19,700	(19,700)	-100%	-
Finance charges	547	1,500	-	1	1,259	750	509	68%	2,519
Materials and bulk purchases	24,528	27,712	-	2,082	14,809	13,856	953	7%	29,618
Transfers and grants	3,455	3,881	-	566	1,281	1,940	(680)	-35%	2,521
Other expenditure	179,819	92,079	-	8,962	35,790	46,040	(10,250)	-22%	71,579
Total Expenditure	337,988	275,601	-	20,826	101,252	137,800	(36,549)	-27%	202,503
Surplus/(Deficit)	(94,583)	(32,768)	-	42,458	72,648	(16,384)	89,032	-543%	40,329
Transfers recognised - capital	69,511	68,851	-	6,540	46,594	34,426	12,168	35%	68,851
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(25,073)	36,083	-	48,999	119,241	18,042	101,200	561%	109,180
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(25,073)	36,083	-	48,999	119,241	18,042	101,200	561%	109,180
Capital expenditure & funds sources									
Capital expenditure	99,518	52,383	-	10,803	37,857	26,192	11,666	45%	75,714
Capital transfers recognised	54,540	43,851	-	6,023	19,512	21,926	(2,413)	-11%	39,025
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	17,067	-	-	3,872	15,503	-	15,503	#DIV/0!	31,006
Internally generated funds	27,911	8,532	-	908	2,842	4,266	(1,424)	-33%	5,684
Total sources of capital funds	99,518	52,383	-	10,803	37,857	26,192	11,666	45%	75,714
Financial position									
Total current assets	142,054	71,217	-	-	178,178	-	-	-	71,217
Total non current assets	581,826	555,352	-	-	539,155	-	-	-	555,352
Total current liabilities	68,540	32,084	-	-	37,467	-	-	-	32,084
Total non current liabilities	20,325	6,151	-	-	3,774	-	-	-	6,151
Community wealth/Equity	635,015	588,334	-	-	676,091	-	-	-	588,334
Cash flows									
Net cash from (used) operating	79,197	80,783	-	52,028	106,803	40,392	(66,412)	-164%	80,783
Net cash from (used) investing	(99,535)	(52,383)	-	(10,803)	(36,466)	(26,192)	10,275	-39%	(52,383)
Net cash from (used) financing	31,417	(25,000)	-	-	15,399	(12,500)	(27,899)	223%	15,400
Cash/cash equivalents at the month/year end	96,914	58,718	-	-	141,054	57,017	(84,036)	-147%	99,118
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	3,057	396	1,196	(1,078)	382	29,498	-	-	33,451
Creditors Age Analysis									
Total Creditors	3,115	60	-	5	45	-	-	-	3,226

The summary given above shows the performance of the municipality against the budget for the month of December 2016. The further details of the performances against the budget are detailed in the paragraphs that follow.

b) Financial performance by standard classification

EC443 Mbizana - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Mid-Year Assessment

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Standard	1									
<i>Governance and administration</i>		209,376	207,556	-	59,955	153,093	103,778	49,315	48%	207,556
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		209,138	207,349	-	59,946	153,046	103,675	49,371	48%	207,349
Corporate services		237	207	-	8	47	104	(56)	-54%	207
<i>Community and public safety</i>		1,771	776	-	2	357	388	(31)	-8%	776
Community and social services		334	333	-	2	70	167	(96)	-58%	333
Sport and recreation		-	-	-	-	0	-	0	#DIV/0!	-
Public safety		1,404	443	-	-	280	221	59	27%	443
Housing		33	-	-	-	6	-	6	#DIV/0!	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		52,782	50,170	-	7,161	25,720	25,085	636	3%	50,170
Planning and development		167	730	-	12	122	365	(244)	-67%	730
Road transport		49,536	49,439	-	7,002	24,762	24,720	43	0%	49,439
Environmental protection		3,079	-	-	147	836	-	836	#DIV/0!	-
<i>Trading services</i>		48,086	53,182	-	2,708	41,324	26,591	14,733	55%	53,182
Electricity		46,078	50,061	-	2,381	39,432	25,031	14,402	58%	50,061
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2,008	3,121	-	327	1,891	1,560	331	21%	3,121
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	312,015	311,684	-	69,825	220,494	155,842	64,652	41%	311,684
Expenditure - Standard										
<i>Governance and administration</i>		167,959	166,792	-	11,475	54,239	83,396	(29,157)	-35%	166,792
Executive and council		55,781	65,131	-	7,555	29,895	32,565	(2,670)	-8%	65,131
Budget and treasury office		82,210	63,438	-	1,124	9,024	31,719	(22,695)	-72%	63,438
Corporate services		29,968	38,223	-	2,796	15,320	19,111	(3,792)	-20%	38,223
<i>Community and public safety</i>		20,646	25,367	-	1,768	10,227	12,683	(2,456)	-19%	25,367
Community and social services		16,505	21,569	-	1,408	8,489	10,785	(2,296)	-21%	21,569
Sport and recreation		153	253	-	-	93	126	(34)	-27%	253
Public safety		3,988	3,544	-	360	1,645	1,772	(127)	-7%	3,544
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		28,904	34,923	-	3,749	13,409	17,462	(4,052)	-23%	34,923
Planning and development		12,328	15,416	-	1,254	5,086	7,708	(2,622)	-34%	15,416
Road transport		12,278	18,371	-	2,197	6,962	9,185	(2,223)	-24%	18,371
Environmental protection		4,299	1,137	-	298	1,362	569	793	140%	1,137
<i>Trading services</i>		119,579	48,519	-	3,834	23,376	24,259	(883)	-4%	48,519
Electricity		110,240	36,073	-	2,923	17,706	18,036	(330)	-2%	36,073
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		9,339	12,446	-	911	5,670	6,223	(553)	-9%	12,446
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	337,088	275,601	-	20,826	101,252	137,800	(36,549)	-27%	275,601
Surplus/ (Deficit) for the year		(25,073)	36,083	-	48,999	119,243	18,042	101,201	561%	109,180

The table above shows the same information as the first table, but considering the departments that are responsible for either the revenue or expenditure as indicated.

c) Revenue by Source

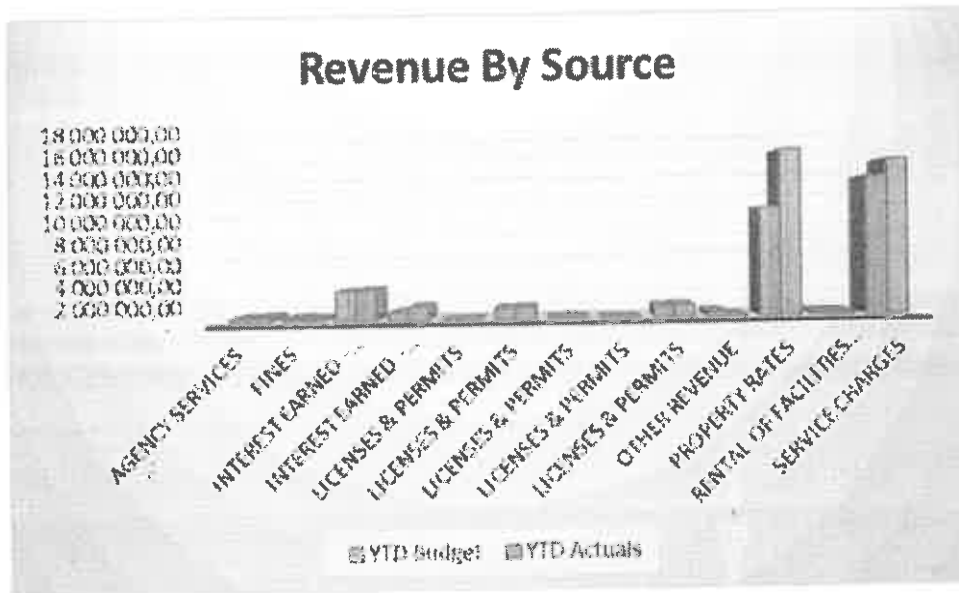
EC443 Mbizana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	Budget Year 2016/17								
		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		16,511	21,057		609	16,030	10,529	5,502	52%	21,057
Property rates - penalties & collection charges								-		
Service charges - electricity revenue		20,805	24,731		2,380	14,392	12,365	2,027	16%	24,731
Service charges - water revenue			-					-		
Service charges - sanitation revenue			-					-		
Service charges - refuse revenue		1,008	2,001		100	580	1,001	(421)	-42%	2,001
Service charges - other		29	10		1	2	5	(3)	-67%	10
Rental of facilities and equipment		608	721		65	336	361	(25)	-7%	721
Interest earned - external investments		6,028	5,805		334	3,072	2,902	170	6%	5,805
Interest earned - outstanding debtors		2,415	1,673		263	1,337	836	500	60%	1,673
Dividends received								-		
Fines		1,659	775		-	311	388	(76)	-20%	775
Licences and permits		2,442	2,236		180	1,229	1,118	111	10%	2,236
Agency services			814		76	496	407	90	22%	814
Transfers recognised - operational		189,891	181,993		59,275	135,918	90,996	44,922	49%	181,993
Other revenue		1,109	1,016		3	195	508	(313)	-62%	1,016
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		242,504	242,833	-	63,284	173,899	121,416	52,483	43%	242,833

The municipality has various sources of revenue and these are shown in the table above. Further details and information is shared in the paragraphs that follow:-

- PROPERTY RATES:** The municipality levies property rates on all rateable properties as provided in the Municipal Property Rates Act. The levying of rates has yielded R609 000 for December 2016 which has resulted in amounts to the end of the 6 months being just above R16 million. This still shows some positivity as we are performing within the expected range. Management still needs to ensure that all rateable properties are billed and the income due to the municipality is accounted for.
- ELECTRICITY REVENUE:** The municipality is responsible for electricity distribution within the town area of Mbizana. This is a trading service and as such there is an expectation that there needs to be at least a coverage of the input costs that go into providing it. For December 2016, R2,3 million was generated from electricity distribution resulting in R14 million having been generated to date. This has resulted in 16% variance, and this is a welcome variance as the expected outcome has been exceeded. The municipality had budgeted to have generated just above R12 million at this point.
- Solid Waste Removal:** Mbizana Local Municipality also generates revenue on solid waste removal and continues to show signs of poor performance. For December 2016, this revenue stream shows a 42% under performance which is a continuing trend from the previous months.

- Interest on Investments:** For November 2016, we have received an amount of R334 000. This has resulted in R3 million year to date amount resulting in 6% achievement compared to the budgeted amount. This is expected to improve in the next few months as there is some short term investments that have been made with the available cash not immediately required.



d) Expenditure by Type

EC443 Mbizana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

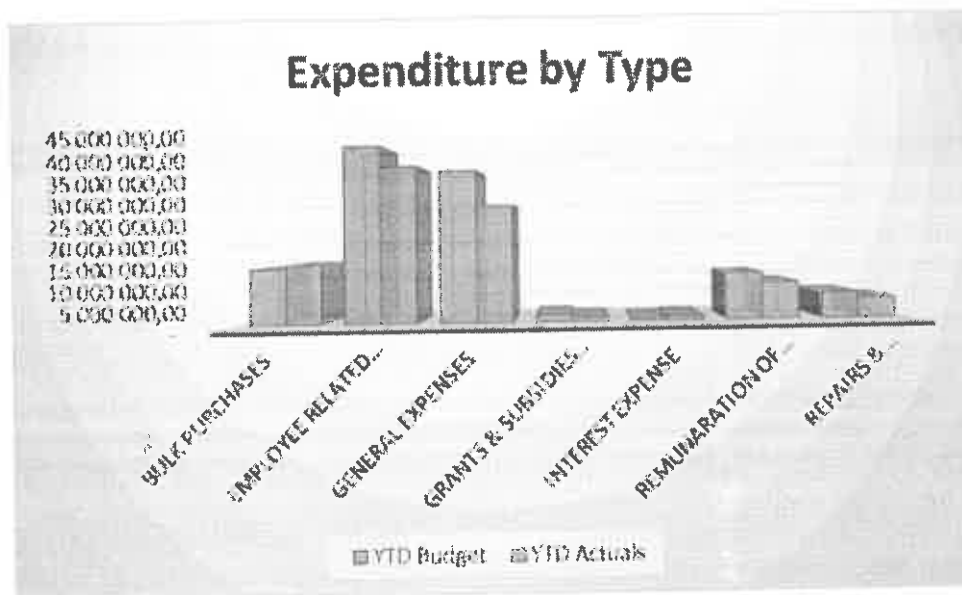
Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		71,790	87,843		7,605	38,941	43,921	(4,980)	-11%	77,882
Remuneration of councillors		18,956	23,186		1,609	9,132	11,593	(2,401)	-21%	18,384
Debt impairment		4,569	1,900		-	-	950	(950)	-100%	
Depreciation & asset impairment		37,992	39,400		-	-	19,700	(19,700)	-100%	
Finance charges		547	1,500		1	1,259	750	509	68%	2,519
Bulk purchases		24,528	27,712		2,082	14,809	13,856	953	7%	29,618
Other materials										
Contracted services										
Transfers and grants		3,455	3,881		566	1,261	1,940	(680)	-35%	2,521
Other expenditure		175,250	90,179		8,962	35,790	45,090	(9,300)	-21%	71,579
Loss on disposal of PPE										
Total Expenditure		337,088	275,601	-	20,826	101,252	137,800	(36,548)	-27%	202,903
Surplus/(Deficit)		(94,583)	(32,768)	-	42,458	72,648	(16,384)	89,032	(0)	40,329
Transfers recognised - capital		69,511	68,851		6,540	46,594	34,426	12,168	0	68,851
Contributions recognised - capital										
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		(25,073)	36,083	-	48,999	119,241	18,042			109,180
Taxation										
Surplus/(Deficit) after taxation		(25,073)	36,083	-	48,999	119,241	18,042			109,180
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(25,073)	36,083	-	48,999	119,241	18,042			109,180
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(25,073)	36,083	-	48,999	119,241	18,042			109,180

The expenditure incurred by the municipality during December 2016 and amounts year to date are detailed in the table above.

- EMPLOYEE RELATED COSTS:** The municipality pays employees for work done by providing services to the municipality. For December 2016, the municipality paid R7,6 million and this has resulted in a year to date amount paid of R38,9 million. This has resulted in a 11% underspending on the amounts budgeted for employee costs as a result of vacant positions that have not been filled. The slight increase in the amount spent on a month to month basis is as a result of a back pay that was paid to the Ward Clerks as a result of an award by the Bargaining Council after a ruling favoured them.
- REMUNERATION OF COUNCILORS:** Councillors are remunerated on a monthly basis for work performed at the communities they serve as well as attending to oversight at the

municipality. The remuneration is regulated as is indicated in the gazette on the upper limits of the remuneration of office bearers. For December 2016, R1,6 million was spent for exactly this purpose and this resulted in the amount spent to date on councillor remuneration to R9,1 million. This has resulted in a 21% underspending. This is expected to increase in the following months as the new gazette will be implemented, effecting increments from July 2016 to date.

- Bulk Purchases:** The municipality purchases Electricity from Eskom and distributes it to communities in the town area of Mbizana. An amount of just above R2 million was spent on the purchase of electricity for December 2016, resulting in a year to date amount of R14,8 million and an overspent percentage of 7%. This is an indication that there will be shortages to the end of the financial year and as such a budget adjustment needs to be made. It is pleasing to note that at least, as far as the purchases are concerned, the municipality is beginning to break even, but this must still be seen in the context of all input costs that need to be considered on ensuring surpluses on electricity distribution.



e) Revenue by municipal vote

EC443 Mbizana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment

Vote Description	Ref	Budget Year 2016/17								
		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										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		209,138	207,349	-	59,946	153,046	103,675	49,371	47.6%	207,349
Vote 3 - CORPORATE SERVICES		237	207	-	8	47	104	(56)	-54.3%	207
Vote 4 - COMMUNITY & SOCIAL SERVICES		9,253	6,762	-	714	4,665	3,381	1,284	38.0%	6,762
Vote 5 - ENGINEERING SERVICES		93,237	96,685	-	9,144	62,636	48,343	14,294	29.6%	96,685
Vote 6 - DEVELOPMENT PLANNING		149	680	-	12	100	340	(240)	-70.7%	680
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]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	312,015	311,684	-	69,825	220,494	155,842	64,652	41.5%	311,684

The table above shows departments of the municipality that have generated revenue as stated in the revenue by type above.

f) Expenditure by municipal vote

EC443 Mbizana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment

Vote Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure by Vote										
Vote 1 - EXECUTIVE & COUNCIL		55,781	65,131	-	7,555	29,895	32,585	(2,670)	-8.2%	59,790
Vote 2 - BUDGET & TREASURY		81,451	63,438	-	1,124	9,024	31,719	(22,695)	-71.6%	18,048
Vote 3 - CORPORATE SERVICES		28,423	38,223	-	2,796	15,320	19,111	(3,792)	-19.8%	30,639
Vote 4 - COMMUNITY & SOCIAL SERVICES		36,973	41,967	-	3,372	18,074	20,984	(2,909)	-13.9%	36,148
Vote 5 - ENGINEERING SERVICES		120,717	52,087	-	4,725	23,917	26,048	(2,131)	-8.2%	47,834
Vote 6 - DEVELOPMENT PLANNING		12,743	14,745	-	1,254	5,022	7,372	(2,350)	-31.9%	10,044
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]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	337,088	275,601	-	20,826	101,252	137,800	(36,549)	-26.5%	202,503
Surplus/ (Deficit) for the year	2	(25,073)	36,083	-	48,999	119,243	18,042	101,201	560.9%	109,180

The table above shows the expenditure by departments. The total expenditure for December 2016 amounted to just above R20,8 million. R4,7 million of this was from the Engineering Services department where most of our expenditure on service delivery is located. The Executive and Council amount spent comes to just above R7,5 million as the highest amount spent. The spending on the Executive Council department has been spiked

by payments that have been processed relating to the Mayoral Imbizos as well as other events that have been recently held.

3. Expenditure on Councillor and board members allowances and employee benefits

a) Expenditure on councillor allowances

EC443 Mbizana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration	Ref	Budget Year 2016/17								
		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		12,101	14,046		1,064	6,066	7,023	(957)	-14%	12,132
Pension and UIF Contributions						-	-	-		-
Medical Aid Contributions						-	-	-		-
Motor Vehicle Allowance		4,273	6,424		360	2,067	3,212	(1,145)	-36%	4,134
Cellphone Allowance		1,329	1,426		113	645	713	(68)	-9%	1,291
Housing Allowances						-	-	-		
Other benefits and allowances		1,253	1,289		72	413	645	(231)	-36%	827
Sub Total - Councillors		18,956	23,186	-	1,609	9,192	11,593	(2,401)	-21%	18,384

The table above gives further details on the breakdown of the salaries and allowances that are paid to councillors. The total amount spent on this was R1,6 million, and as shown, the amount were broken into basic salaries, car allowance, cell phone allowance and other allowances. For the first half of the financial year, R9,1 million has been spent, and this is before any increments that maybe expected because of the new gazette.

b) Expenditure on municipal executive allowances

EC443 Mbizana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment										
Summary of Employee and Councillor remuneration	Ref	2015/16	Budget Year 2016/17							
		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	
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4,371	4,262		336	2,014	2,131	(117)	-5%	4,028
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance		1,259			15	90	95	(5)	-5%	179
Cellphone Allowance			190					-		
Housing Allowances					172	1,032	1,092	(60)	-5%	2,064
Other benefits and allowances		892	2,184					-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations	2							-		
Sub Total - Senior Managers of Municipality		6,522	6,635	-	523	3,136	3,318	(182)	-5%	6,271

The table above shows the breakdown of the amounts paid to senior management officials of the municipality and this amounted to R523, 000.00 for December 2016. R3,1 million has been spent for the six months of the 2016/17 financial period.

c) Expenditure on other municipal employees

EC443 Mbizana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration	Ref	Budget Year 2016/17								
		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
Other Municipal Staff										
Basic Salaries and Wages		46,585	52,108		5,273	24,563	26,054	(1,491)	-6%	49,126
Pension and UIF Contributions		4,462	6,032		435	2,541	3,016	(475)	-16%	5,082
Medical Aid Contributions		3,252	3,858		302	1,795	1,929	(134)	-7%	3,590
Overtime		411	761		59	381	380	0	0%	761
Performance Bonus		-								
Motor Vehicle Allowance		4,872	7,534		560	3,346	3,767	(420)	-11%	6,693
Cellphone Allowance		620	630		26	175	315	(141)	-45%	349
Housing Allowances		2,435	3,131		243	1,422	1,566	(143)	-9%	2,845
Other benefits and allowances		2,631	7,154		186	2,105	3,577	(1,472)	-41%	4,210
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations	2							-		
Sub Total - Other Municipal Staff		65,268	81,208	-	7,083	36,328	40,604	(4,276)	-11%	72,656
% increase	4		24.4%							11.3%
Total Parent Municipality		90,746	111,029	-	9,214	48,656	55,514	(6,859)	-12%	97,311
TOTAL SALARY, ALLOWANCES & BENEFITS		90,746	111,029	-	9,214	48,656	55,514	(6,859)	-12%	97,311
% increase	4		22.4%							7.2%
TOTAL MANAGERS AND STAFF		71,790	87,843	-	7,605	39,464	43,921	(4,458)	-10%	78,928

The municipal employees also get remunerated for their services they provide to the municipality. The table above shows the breakdown of the amounts that have been paid to the employees for December 2016. For the period up to December 2016, the municipality has spent R39 million on payment of these salaries and allowances.

4. Municipality's financial performance

EC443 Mbizana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	Budget Year 2016/17								
		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		16,511	21,057		609	16,030	10,529	5,502	52%	21,057
Property rates - penalties & collection charges										
Service charges - electricity revenue		20,805	24,731		2,380	14,392	12,365	2,027	16%	24,731
Service charges - water revenue										
Service charges - sanitation revenue										
Service charges - refuse revenue		1,008	2,001		100	580	1,001	(421)	-42%	2,001
Service charges - other		29	10		1	2	5	(3)	-67%	10
Rental of facilities and equipment		608	721		65	336	361	(25)	-7%	721
Interest earned - external investments		6,028	5,805		334	3,072	2,902	170	6%	5,805
Interest earned - outstanding debtors		2,415	1,673		263	1,337	836	500	60%	1,673
Dividends received										
Fines		1,659	775			311	388	(76)	-20%	775
Licences and permits		2,442	2,236		180	1,229	1,118	111	10%	2,236
Agency services			814		76	496	407	90	22%	814
Transfers recognised - operational		189,891	181,993		59,275	135,918	90,996	44,922	49%	181,993
Other revenue		1,109	1,016		3	195	508	(313)	-62%	1,016
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		242,504	242,833	-	63,284	173,899	121,416	52,483	43%	242,833
Expenditure By Type										
Employee related costs		71,790	87,843		7,605	38,941	43,921	(4,980)	-11%	77,882
Remuneration of councillors		18,956	23,186		1,609	9,192	11,593	(2,401)	-21%	18,384
Debt impairment		4,569	1,900				950	(950)	-100%	
Depreciation & asset impairment		37,992	39,400				19,700	(19,700)	-100%	
Finance charges		547	1,500		1	1,259	750	509	68%	2,519
Bulk purchases		24,528	27,712		2,082	14,809	13,856	953	7%	29,618
Other materials										
Contracted services										
Transfers and grants		3,455	3,881		566	1,261	1,940	(680)	-35%	2,521
Other expenditure		175,250	90,179		8,962	35,790	45,090	(9,300)	-21%	71,579
Loss on disposal of PPE										
Total Expenditure		337,088	275,601	-	20,826	101,252	137,800	(36,549)	-27%	202,503
Surplus/(Deficit)		(94,583)	(32,768)	-	42,458	72,648	(16,384)	89,032	(0)	40,329
Transfers recognised - capital		69,511	68,851		6,540	46,594	34,426	12,168	0	68,851
Contributions recognised - capital										
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		(25,073)	36,083	-	48,999	119,241	18,042			109,180
Taxation										
Surplus/(Deficit) after taxation		(25,073)	36,083	-	48,999	119,241	18,042			109,180
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(25,073)	36,083	-	48,999	119,241	18,042			109,180
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(25,073)	36,083	-	48,999	119,241	18,042			109,180

The municipality has seen a surplus of R119 million for the first half of the financial period. This must be seen in the correct perspective as there has been a receipt of the expected grants from the national purse. The municipality is still heavily reliant of grant funding and as such the surpluses still need to be seen in that perspective. Work needs to be done to shift the municipality towards self-reliance.

5. Capital programme performance

a) Capital expenditure by asset class and sub-class

EC443 Mbizana - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Mid-Year Assessment

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcomes	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		85,817	45,951	-	10,821	36,557	22,976	(13,582)	-59.1%	73,114
Infrastructure - Road transport		55,706	43,851	-	6,749	21,054	21,928	871	4.0%	42,109
Roads, Pavements & Bridges		55,706	43,851	-	6,749	21,054	21,928	871	4.0%	42,109
Storm water		24,907	1,500	-	3,872	15,503	750	(14,753)	-1967.1%	31,006
Infrastructure - Electricity		24,907	1,500	-	3,872	15,503	750	(14,753)	-1967.1%	31,006
Generation		24,907	1,500	-	-	-	-	-	-	-
Transmission & Retiulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Retiulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Retiulation		-	-	-	-	-	-	-	-	-
Sewerage purification		5,204	600	-	-	-	300	300	100.0%	-
Infrastructure - Other		5,204	600	-	-	-	300	300	100.0%	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
		9,286	242	-	183	261	121	(140)	-116.3%	523
Community		2,353	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		6,932	-	-	183	183	-	(183)	#DIV/0!	365
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	242	-	-	79	121	42	34.9%	157
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		4,415	6,181	-	-	1,039	3,095	2,057	66.4%	2,077
Housing development		-	-	-	-	-	-	-	-	-
Other		-	2,000	-	-	749	1,000	251	25.1%	1,497
Other assets		-	-	-	-	-	-	-	-	-
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	1,599	-	-	30	800	770	96.3%	59
Computers - hardware/equipment		3,909	533	-	-	260	267	6	2.3%	521
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		82	500	-	-	-	250	250	100.0%	-
Civic Land and Buildings		425	767	-	-	-	383	383	100.0%	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	792	-	-	-	396	396	100.0%	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	99,518	52,383	-	10,803	37,857	26,192	(11,666)	-44.5%	75,714

A total of R10, 8 million has been spent on capital expenditure with R6,7 million spent on roads and other infrastructure whilst R3,8 million was spent on electrification of villages. A mayoral vehicle was also purchased which cost the municipality R748 000.

b) Capital Expenditure by Municipal Vote, Standard Class and Funding)

EC443 Mbilzana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Mid-Year Assessment

Vote Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET & TREASURY		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - ENGINEERING SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - DEVELOPMENT PLANNING		-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	250	(250)	-100%	-
Vote 2 - BUDGET & TREASURY		4,415	500	-	-	1,039	2,066	(1,027)	-50%	2,077
Vote 3 - CORPORATE SERVICES		-	4,132	-	-	79	804	(725)	-90%	157
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	1,808	-	-	-	504	(425)	-84%	157
Vote 5 - ENGINEERING SERVICES		95,103	45,351	-	10,803	36,740	22,676	14,064	62%	73,480
Vote 6 - DEVELOPMENT PLANNING		-	792	-	-	-	396	(396)	-100%	-
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]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	99,518	52,383	-	10,803	37,857	26,192	11,668	45%	75,714
Total Capital Expenditure		99,518	52,383	-	10,803	37,857	26,192	11,668	45%	75,714
Capital Expenditure - Standard Classification										
Governance and administration		4,415	4,632	-	-	1,039	2,316	(1,277)	-55%	2,077
Executive and council		-	-	-	-	-	250	(250)	-100%	-
Budget and treasury office		4,415	500	-	-	1,039	2,066	(1,027)	-50%	2,077
Corporate services		-	4,132	-	-	79	804	(725)	-84%	157
Community and public safety		-	1,008	-	-	-	504	(425)	-100%	-
Community and social services		-	767	-	-	-	383	(383)	-100%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	242	-	-	79	121	(42)	-35%	157
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		70,196	44,643	-	6,932	21,237	22,322	(1,085)	-5%	42,474
Planning and development		-	792	-	-	-	396	(396)	-100%	-
Road transport		70,196	43,851	-	6,932	21,237	21,926	(889)	-3%	42,474
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		24,907	2,100	-	3,872	15,503	1,050	14,453	1376%	31,006
Electricity		24,907	1,500	-	3,872	15,503	750	14,753	1967%	31,006
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	600	-	-	-	300	(300)	-100%	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	99,518	52,383	-	10,803	37,857	26,192	11,668	45%	75,714
Funded by:										
National Government		54,540	43,851	-	6,023	19,512	21,926	(2,413)	-11%	39,025
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		54,540	43,851	-	6,023	19,512	21,926	(2,413)	-11%	39,025
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing	5	17,067	-	-	3,872	15,503	-	15,503	#DIV/0!	31,006
Internally generated funds	6	27,911	8,532	-	908	2,842	4,268	(1,424)	-33%	5,664
Total Capital Funding		99,518	52,383	-	10,803	37,857	26,192	11,668	45%	75,714

This table shows the departments who have been responsible for the capital expenditure. The Engineering Services department is responsible for most of the infrastructural development.

PART 2 – SUPPORTING DOCUMENTATION

1. Debtors' analysis

EC443 Mbizana - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2016/17									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	1,799	600	564	184	143	3,543	-	-	6,834	3,870	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	609	156	154	146	133	19,600	-	-	20,797	19,879	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	100	70	63	59	57	2,535	-	-	2,884	2,651	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	263	258	289	285	-	3,287	-	-	4,381	3,571	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	287	(688)	126	(1,751)	50	533	-	-	(1,444)	(1,169)	-	-	-
Total By Income Source	2000	3,057	396	1,196	(1,078)	382	28,498	-	-	33,451	28,803	-	-	-
2015/16 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	576	(80)	651	(1,164)	106	14,669	-	-	14,956	13,810	-	-	-
Commercial	2300	2,238	303	362	278	161	6,424	-	-	9,765	6,862	-	-	-
Households	2400	237	167	178	433	114	8,140	-	-	9,269	8,687	-	-	-
Other	2500	6	5	5	(625)	1	66	-	-	(541)	(557)	-	-	-
Total By Customer Group	2600	3,057	396	1,196	(1,078)	382	28,498	-	-	33,451	28,803	-	-	-

2. Creditors' analysis

EC443 Mbizana - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Description	NT Code	Budget Year 2016/17									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				
R thousands													
Creditors Age Analysis By Customer Type													
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-	-
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	3,115	60	-	5	45	-	-	-	-	3,226	-	-
Total By Customer Type	1000	3,115	60	-	5	45	-	-	-	-	3,226	-	-

3. Investment portfolio analysis

EC443 Mbizana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment

Investments by maturity Name of institution & Investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
FNB CALL DEPOSIT ACCOUNT		Not fixed	Call Deposit	Not fixed	7	#DIV/0!	-	2,107	2,107
FNB CALL DEPOSIT ACCOUNT		Not fixed	Call Deposit	Not fixed	61	0.9%	7,081	3,304	10,385
FNB CALL DEPOSIT ACCOUNT		Not fixed	Call Deposit	Not fixed	0	0.1%	70	(0)	70
FNB CALL DEPOSIT ACCOUNT		Not fixed	Call Deposit	Not fixed	1	0.3%	392	(0)	392
FNB CALL DEPOSIT ACCOUNT		Not fixed	Call Deposit	Not fixed	2	0.3%	630	-	630
FNB CALL DEPOSIT ACCOUNT		Not fixed	Call Deposit	Not fixed	1	0.4%	337	1	338
FNB CALL DEPOSIT ACCOUNT		Not fixed	Call Deposit	Not fixed	238	0.3%	86,274	36,739	123,013
Municipality sub-total					310		94,785	42,150	136,935
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				310		94,785	42,150	136,935

4. Allocation and grant receipts and expenditure

a) Transfers & Grants Receipts

EC443 Mbizana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		209,919	203,804	-	58,636	159,500	135,869	14,858	10.8%	203,804
Local Government Equitable Share		181,314	175,910	-	58,636	131,931	117,273	14,658	12.5%	175,910
Finance Management		1,675	1,810	-	-	1,810	1,207	-	-	1,810
Municipal Systems Improvement		930	-	-	-	-	-	-	-	-
EPWP Incentive		1,000	1,084	-	-	759	723	-	-	1,084
Integrated National Electrification Programme		25,000	25,000	-	-	25,000	16,667	-	-	25,000
	3									
Other transfers and grants [insert description]										
		250	381	-	-	-	254	(254)	-100.0%	381
Provincial Government:		250	283	-	-	-	175	(175)	-100.0%	283
Sport and Recreation										
	4									
LED Assistance Grant			118	-	-	-	79	(79)	-100.0%	118
District Municipality:		100	400	-	-	-	267	(267)	-100.0%	400
Integrated Development Planning		100	100	-	-	-	67	(67)	-100.0%	100
Spatial Development Framework			300	-	-	-	200	(200)	-100.0%	300
Other grant providers:		-	100	-	-	-	67	(67)	-100.0%	100
GIS Shared Services			100	-	-	-	67	(67)	-100.0%	100
Total Operating Transfers and Grants	5	210,269	204,685	-	58,636	159,500	136,457	14,070	10.3%	204,685
Capital Transfers and Grants										
National Government:		46,783	46,159	-	12,626	28,292	30,773	(2,481)	-8.1%	46,159
Municipal Infrastructure Grant (MIG)		46,783	46,159	-	12,626	28,292	30,773	(2,481)	-8.1%	46,159
Other capital transfers [insert description]										
Provincial Government:										
[insert description]										
District Municipality:										
[insert description]										
Other grant providers:										
[insert description]										
Total Capital Transfers and Grants	5	46,783	46,159	-	12,626	28,292	30,773	(2,481)	-8.1%	46,159
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	257,052	250,844	-	71,262	187,792	167,229	11,560	6.9%	250,844

b) Transfers & Grants Expenditure

EC443 Mbizana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Description	Ref	2015/16	Budget Year 2016/17							
		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:		209,159	203,804	-	20,995	109,141	101,902	7,239	7.1%	203,804
Local Government Equitable Share		181,314	175,910		20,953	82,740	87,955	(5,215)	-5.9%	175,910
Finance Management		1,268	1,810		41	316	905	(589)	-65.0%	1,810
Municipal Systems Improvement		579	-		-	-	-	-		-
EPWP Incentive		1,000	1,084		-	1,084	542	542	100.0%	1,084
Integrated National Electrification Programme		24,998	25,000		-	25,001	12,500	12,501	100.0%	25,000
Other transfers and grants [insert description]										
Provincial Government:		3,319	381	-	-	575	191	385	201.8%	381
Sport and Recreation		240	263		-	43	132	(88)	-67.0%	263
		3,079				532		532	#DIV/0!	
LED Assistance Grant			118				59	(59)	-100.0%	118
District Municipality:		-	400	-	-	-	200	(200)	-100.0%	400
			100				50	(50)	-100.0%	100
Integrated Development Planning			300				150	(150)	-100.0%	300
Other grant providers:		-	100	-	-	-	50	(50)	-100.0%	100
GIS Shared Services			100				50	(50)	-100.0%	100
Total operating expenditure of Transfers and Grants:		212,478	204,685	-	20,995	109,716	102,343	7,373	7.2%	204,685
Capital expenditure of Transfers and Grants										
National Government:		46,783	46,159	-	6,763	22,978	23,080	(101)	-0.4%	46,159
Municipal Infrastructure Grant (MIG)		46,783	46,159		6,763	22,978	23,080	(101)	-0.4%	46,159
Other capital transfers [insert description]										
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		46,783	46,159	-	6,763	22,978	23,080	(101)	-0.4%	46,159
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		259,261	250,844	-	27,758	132,694	125,422	7,272	5.8%	250,844

5. Cash flow statement

EC443 Mbizana - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		5,157	24,616		609	19,964	12,308	7,656	62%	24,616
Service charges		21,842	26,742		2,481	18,175	13,371	4,804	36%	26,742
Other revenue		5,548	5,563		324	2,293	2,781	(489)	-18%	5,563
Government - operating		185,410	204,685		58,636	144,500	102,343	42,158	41%	204,685
Government - capital		71,883	46,159		12,626	43,292	23,080	20,213	88%	46,159
Interest		8,443	7,478		597	4,409	3,739	670	18%	7,478
Dividends								-		
Payments										
Suppliers and employees		(215,082)	(229,078)		(22,676)	(123,310)	(114,539)	8,770	-8%	(229,078)
Finance charges		(547)	(1,500)		(1)	(1,259)	(750)	509	-68%	(1,500)
Transfers and Grants		(3,455)	(3,881)		(566)	(1,261)	(1,940)	(680)	35%	(3,881)
NET CASH FROM/(USED) OPERATING ACTIVITIES		79,197	80,783	-	52,028	106,803	40,392	(66,412)	-164%	80,783
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		110						-		
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(99,645)	(52,383)		(10,803)	(36,466)	(26,192)	10,275	-39%	(52,383)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(99,535)	(52,383)	-	(10,803)	(36,466)	(26,192)	10,275	-39%	(52,383)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		23,850						-		
Borrowing long term/refinancing		24,526				40,400		40,400	#DIV/0!	40,400
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(16,959)	(25,000)			(25,001)	(12,500)	12,501	-100%	(25,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		31,417	(25,000)	-	-	15,399	(12,500)	(27,899)	223%	15,400
NET INCREASE/ (DECREASE) IN CASH HELD		11,079	3,400	-	41,225	85,736	1,700			43,800
Cash/cash equivalents at beginning:		85,835	55,317			55,317	55,317			55,317
Cash/cash equivalents at month/year end:		96,914	58,718			141,054	57,017			99,118

6. Financial Position

EC443 Mbizana - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		4,708	2,988		4,118	2,988
Call investment deposits		92,206	55,729		136,935	55,729
Consumer debtors		24,586	8,826		33,451	8,826
Other debtors		18,569	1,592		1,592	1,592
Current portion of long-term receivables		1,406	1,617		1,617	1,617
Inventory		579	465		465	465
Total current assets		142,054	71,217	-	178,178	71,217
Non current assets						
Long-term receivables						
Investments						
Investment property		6,626	8,297		6,626	8,297
Investments in Associate						
Property, plant and equipment		573,120	544,842		530,316	544,842
Agricultural						
Biological assets						
Intangible assets		2,081	2,213		2,213	2,213
Other non-current assets						
Total non current assets		581,826	555,352	-	539,155	555,352
TOTAL ASSETS		723,880	626,568	-	717,332	626,568
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		23,850	19,400		15,399	19,400
Consumer deposits		441	439		452	439
Trade and other payables		43,125	10,175		11,143	10,175
Provisions		1,125	2,070		10,473	2,070
Total current liabilities		68,540	32,084	-	37,467	32,084
Non current liabilities						
Borrowing		16,550	-		-	
Provisions		3,775	6,151		3,774	6,151
Total non current liabilities		20,325	6,151	-	3,774	6,151
TOTAL LIABILITIES		88,865	38,234	-	41,241	38,234
NET ASSETS	2	635,015	588,334	-	676,091	588,334
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		635,015	532,604		676,091	532,604
Reserves			55,729			55,729
TOTAL COMMUNITY WEALTH/EQUITY	2	635,015	588,334	-	676,091	588,334

7. Municipal Manager's quality certification

Quality Certificate

I, LUVUJO MAHLAKA, the municipal manager of Mbizana Local Municipality, hereby certify that –

The mid-year budget statement

for the mid-year ended 31 December 2016 has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.

Print name: LUVUJO MAHLAKA

Municipal manager of Mbizana Local Municipality (EC443)

Signature: 

Date: 25/01/2017