

Witzenberg Municipality



2017/18

*Mid-year
Budget Statement
and
Performance Assessment
for the period
1 July to 31 December 2017*

Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

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GLOSSARY

Adjustments Budgets – Prescribed in Section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.



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MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

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

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of the budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality



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LEGAL REQUIREMENTS

In terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

(1) The accounting officer of a municipality must by 25 January of each year –

(a) assess the performance of the municipality during the first half of the financial year, taking into account –

- (i) the monthly statements referred to in section 71 for the first half of the financial year;
- (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to –

- (i) the mayor of the municipality
- (ii) the National Treasury; and
- (iii) the relevant Provincial Treasury.

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

(3) The accounting officer must, as part of the review –

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Thereafter, the mayor must, in terms of Section 54(1) of the act:

- (a) Consider the report;
- (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
- (d) Issue any appropriate instructions to the accounting officer to ensure-
 - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and



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- (ii) That spending of funds and revenue collection proceed in accordance with the budget;
- (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) Submit the report to the council by 31 January of each year.

The following regulations of the Local Government: Municipal Finance Management Act Municipal Budget and Reporting Regulations are relevant:

33. Format of a mid-year budget and performance assessment.—A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168 (1) of the Act.¹⁹
34. Publication of mid-year budget and performance assessments.—
- (1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.
 - (2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including—
 - (a) summaries in alternate languages predominant in the community; and
 - (b) Information relevant to each ward in the municipality.
35. Submission of mid-year budget and performance assessments.—The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form—
- (a) the mid-year budget and performance assessment by 25 January of each year; and
 - (b) Any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury.



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1. PART 1 - IN-YEAR REPORT

1.1 MAYORS REPORT

Speaker
Deputy Executive Mayor
Members of the Mayoral Committee
Councillors
Representatives of Provincial Government
Municipal Manager
Directors and officials
Distinguished guests
Members of the media

It is my privilege to present to you Mid-Year Budget Statement and Performance Assessment Report for the six months 1 July 2017 to 31 December 2017.

The process of value for money spending is always a challenge for capital projects. The amended capital budget amounts to R 89.0 million of which R 20.1 million was already expended as at 31 December 2017.

The main contributing factors to the low spending on the capital budget are:

- R11.7 million forecast expenditure which could not be utilised as the Department of Water affairs failed to pay over the funding. At this current moment the status of the gazetted amount is unknown, meaning that it may be possible that it will never be paid over to Witzenberg Municipality. Steps will be implemented to increase spending on capital projects.
- Vredebes Housing Project – Serviced sites budget. Originally it was indicated by the Department of Human Settlements that 500 sites will be approved for implementation and thus provision for 500 sites was made in the municipal budget. In the approval letter dated November 2017 it was indicated that only 300 sites will be budgeted for by the Department.
- Vredebes Housing Project – Serviced sites implementation. Official budget approval was only received in November 2017. The Implementing agent also indicated that the budget need to be increased due to the geotechnical conditions of the area. The planned expenditure to date was R 15 million which did not realise due to the abovementioned issues.

Credit control for various reasons remains a challenge for the municipality. I will recommend to Council to appoint a special task team to assist Council in obtaining a solution for the collection of outstanding debt.

The current drought situation is a concern as it will have a negative impact on the economic output of the region, unemployment will increase and the demand for free municipal service is expected to increase to exceed the budgeted provision.

With the exception of Tulbagh it is expected that sufficient water will be available to meet the demand of municipal consumers, on condition that the current water sources are being used sparingly.

An adjustment budget will be compiled and submitted to Council for consideration due to operational requirements and amendments to allocations to Witzenberg Municipality as per the Provincial and National Adjustment Budgets.

The municipality for the last eight years received Unqualified Audits from the Auditor General of South Africa of which five is consecutive "Clean Audits"



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The audit report put emphasised on the impairment of debtors and the restatement of prior year figures as per the following table.

Auditor-General Report on Financial Performance 2016/17	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Material impairments</u>	
As disclosed in notes 3 to the financial statements, the municipality has provided for the impairment of receivables from exchange transactions amounting to R129,4 million (2015-16: R106,3 million)	A report will be submitted to Council to consider the write off of irrecoverable debt.
As disclosed in note 4 to the financial statements, the municipality has provided for impairment of receivables from non-exchange transactions amounting to R54,4 million (2015-16: R38,9 million).	New service provider appointed for the collection of traffic fines
<u>Restatement of corresponding figures</u>	
As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during 2016-17 in the financial statements of the municipality for the year ended 30 June 2016.	None

COUNCILLOR BC KLAASEN

EXECUTIVE MAYOR



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

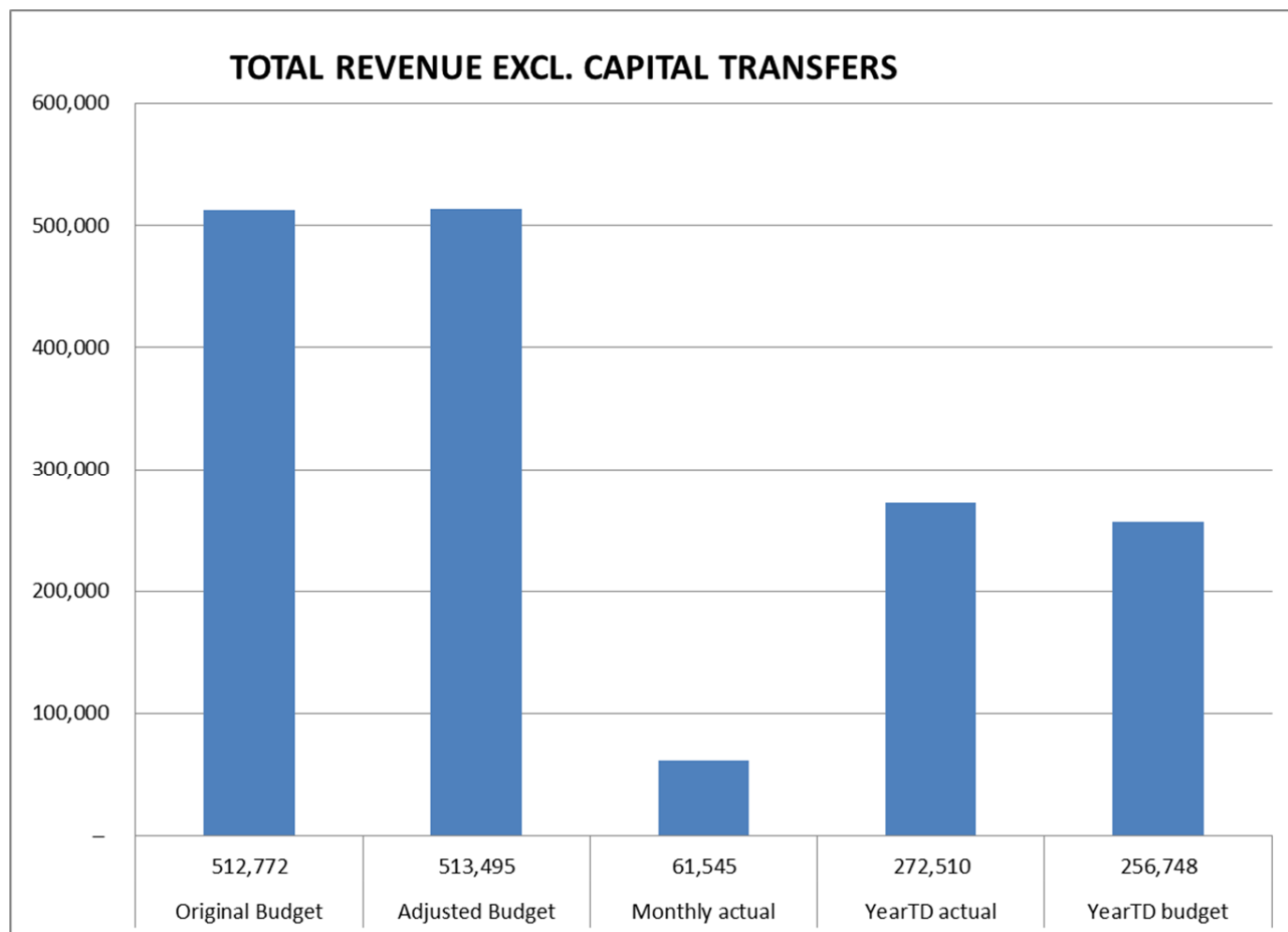
1.2 RESOLUTION

It is recommended that council take cognisance of the mid-year budget and performance assessment for the period 1 July to 31 December 2017.



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

1.3 EXECUTIVE SUMMARY

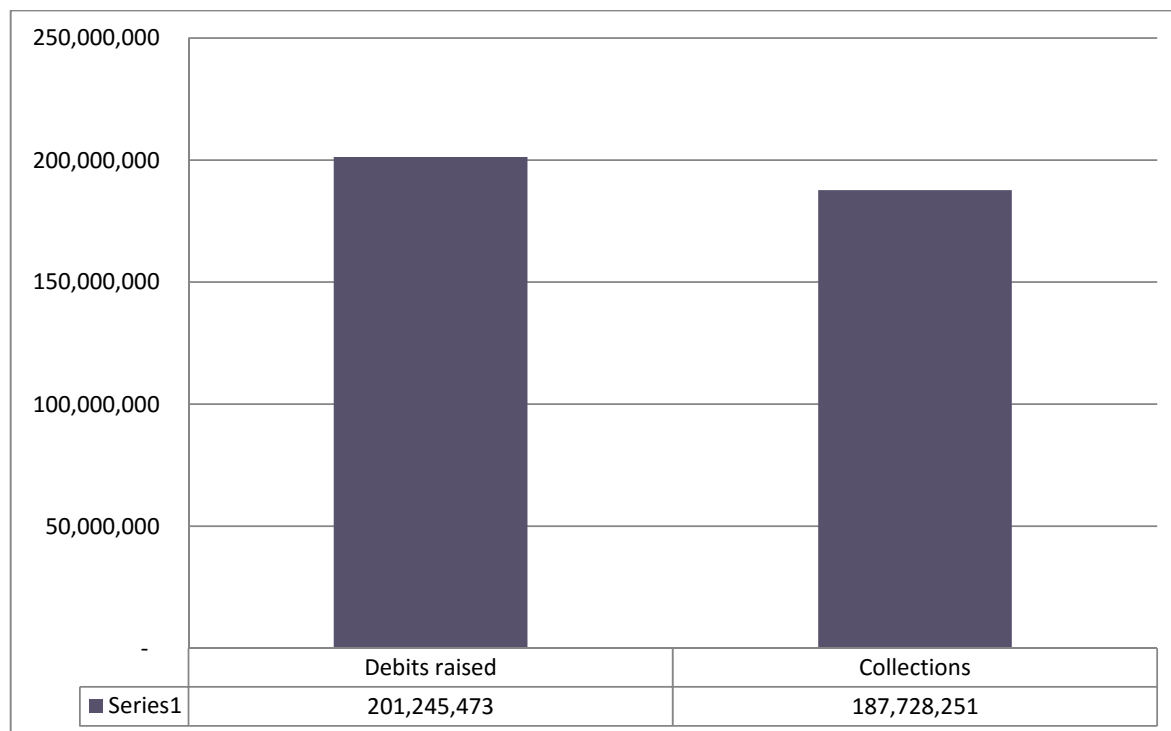


53% of the budgeted revenue excluding capital transfers was levied for the six months until 31 December 2017. The rates for the full financial year for property owners that prefer to pay their rates annually were levied during July 2017. The consumption of services such as water and electricity are expected to increase during the next months due to the agricultural season.



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Debits raised compared to collections.



The year to date recovery rate is 93%

Some consumers used council's gesture to enable them to purchase electricity although their accounts are in arrears during the holiday season as an excuse to not pay their municipal accounts due in December. The collection rate for December was only 78%, forcing the year to date collection rate down to 93% from the 96% achieved at the end of November.

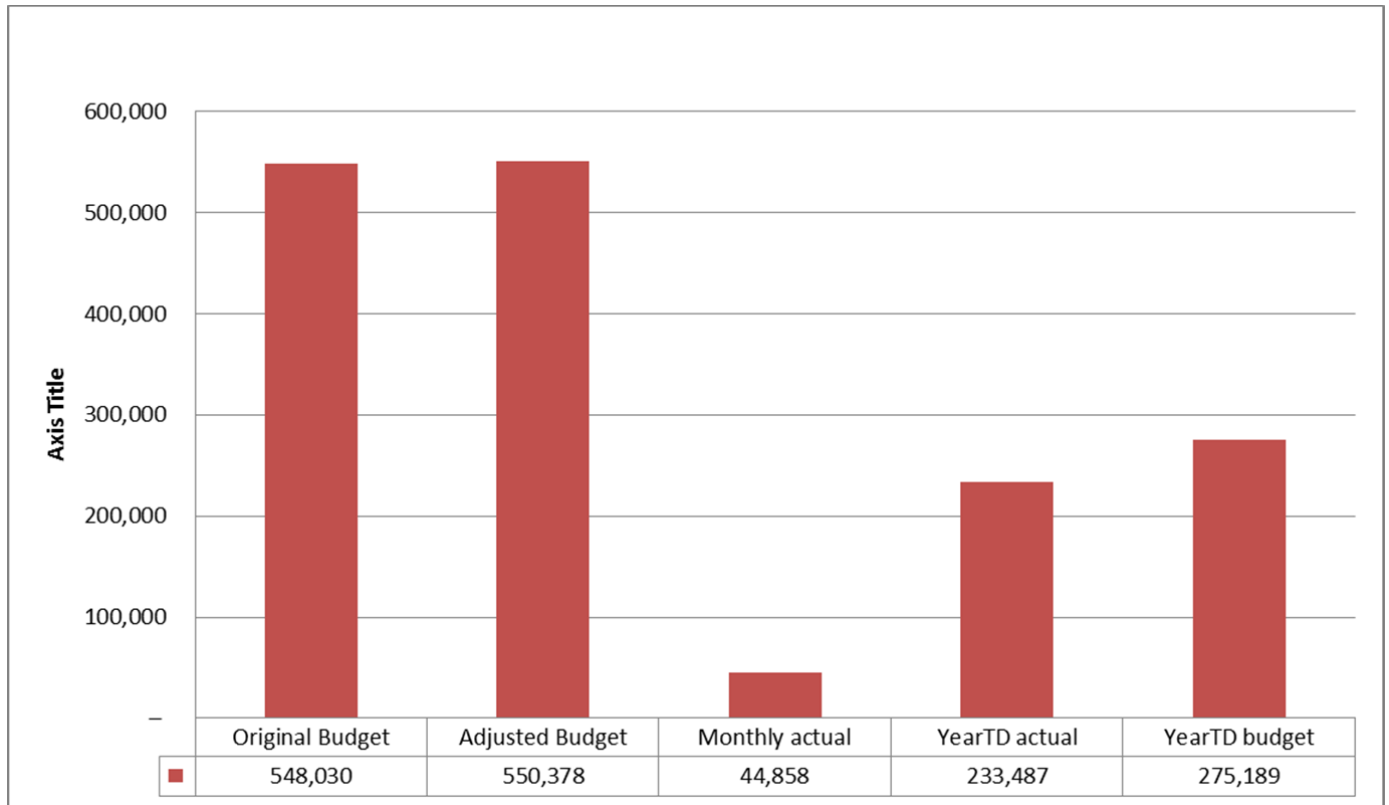
For the six months until 31 December 2016 36% of the budgeted expenditure for the financial year was incurred.

It is expected that the bulk purchases from Eskom will increase in the latter half of the financial year due to the agricultural season.



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

TOTAL OPERATIONAL EXPENDITURE

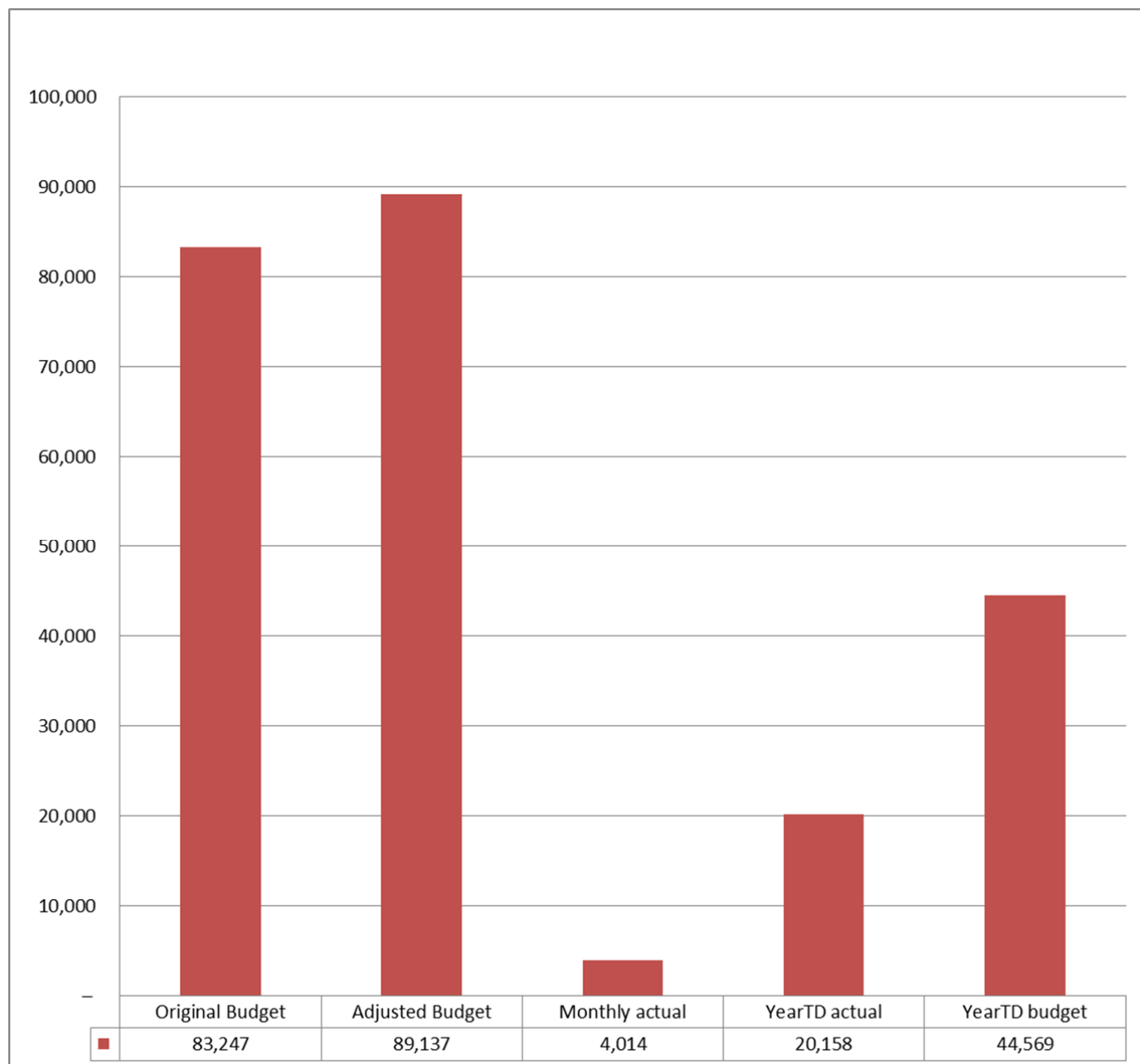


For the period 1 July 2017 to 31 December 2017, 42.42% of the budgeted operational expenditure was incurred. This figure will increase as some invoices are still outstanding.



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

CAPITAL EXPENDITURE



For the period 1 July 2017 to 31 December 2017, 22.61% of the budgeted capital expenditure was incurred.

The main contributing factors to this is the R11.7 million forecast expenditure which could not be utilised as the Department of Water affairs failed to pay over the funding. At this current moment the status of the gazetted amount is unknown, meaning that it may be possible that it will never be paid over to Witzenberg Municipality.



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

The following table provides a summary of the financial performance and financial position of the municipality as at 31 December 2017.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	64,827	64,827	3,093	45,006	32,413	12,593	39%	64,827
Service charges	302,714	302,714	22,489	146,129	151,357	(5,228)	-3%	302,714
Investment revenue	4,565	4,565	645	3,504	2,283	1,222	54%	14,661
Transfers recognised - operational	97,846	98,571	30,315	63,488	49,285	14,203	29%	98,571
Other own revenue	42,820	42,818	5,003	14,382	21,409	(7,027)	-33%	42,818
Total Revenue (excluding capital)	512,772	513,495	61,545	272,510	256,748	15,762	6%	523,591
Employee costs	163,628	163,805	10,774	76,703	81,902	(5,199)	-6%	163,805
Remuneration of Councillors	10,083	10,083	670	4,097	5,041	(945)	-19%	10,083
Depreciation & asset impairment	46,045	46,045	3,837	23,023	23,023	-	-	46,045
Finance charges	3,710	3,670	339	569	1,835	(1,265)	-69%	3,670
Materials and bulk purchases	201,738	201,165	13,376	81,414	100,583	(19,169)	-19%	201,165
Transfers and grants	15,763	15,738	32	9,975	7,869	2,106	27%	15,738
Other expenditure	107,063	109,872	15,830	37,707	54,936	(17,229)	-31%	109,872
Total Expenditure	548,030	550,378	44,858	233,487	275,189	(41,702)	-15%	550,378
Surplus/(Deficit)	(35,258)	(36,883)	16,687	39,023	(18,442)	57,464	-312%	(26,787)
Transfers recognised - capital	63,230	68,692	381	9,249	34,346	(25,096)	-73%	68,692
Contributions & Contributed assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	27,972	31,809	17,068	48,272	15,904	32,368	204%	41,905
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	27,972	31,809	17,068	48,272	15,904	32,368	204%	41,905
Capital expenditure & funds sources								
Capital expenditure	83,247	89,137	4,014	20,158	44,569	(24,410)	-55%	89,137
Capital transfers recognised	58,858	64,320	2,721	13,941	32,160	(18,219)	-57%	64,320
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	3,500	3,526	-	396	1,763	(1,367)	-78%	3,526
Internally generated funds	20,889	21,291	1,293	5,821	10,645	(4,824)	-45%	21,291
Total sources of capital funds	83,247	89,137	4,014	20,158	44,569	(24,410)	-55%	89,137
Financial position								
Total current assets	79,257	84,962		122,876				122,876
Total non current assets	37,201	43,092		(2,849)				(2,849)
Total current liabilities	69,636	77,357		(7,587)				(7,587)
Total non current liabilities	18,851	18,889		3,019				3,019
Community wealth/Equity	27,972	31,808		124,596				124,596
Cash flows								
Net cash from (used) operating	161,618	161,618	59,147	53,854	80,809	(26,956)	-33%	161,618
Net cash from (used) investing	-	-	13,500	(17,011)	-	(17,011)	-	-
Net cash from (used) financing	3,500	3,500	(86)	(931)	1,750	(2,681)	-153%	3,500
Cash/cash equivalents at the month	165,118	165,118	-	35,912	82,559	(46,647)	-57%	165,118
Debtors & creditors analysis	31-60 Days	61-90 Days	91-120	121-150	151-180	181 Dys-1	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	3,998	3,690	2,792	5,266	2,385	12,816	133,419	190,992
Creditors Age Analysis								
Total Creditors	881	13	0	-	-	-	-	3,331

No historic data were available to accurately determine the monthly projections for the income and expenditure items in terms of MSCOA that was implemented from 1 July 2017 as a totally new chart of accounts was implemented. The actual monthly information for six months are now available. Revised monthly projections will be submitted to council for consideration with the adjustment budget.

The budgeted deficit for the financial year excluding capital transfer revenue is R 37 million. The deficit includes the following non cash transactions:
 Depreciation: R 46 million
 Provision for Rehabilitation of Landfill Sites: R2.4 million
 Contributions to Post Employment Medical Benefits: R 10 million

Mid-Year Budget Statement and Performance Assessment

for the period 1 July to 31 December 2017

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Mid-Year Assessment

Description	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Standard								
Governance and administration	81,085	81,085	7,357	54,490	40,543	13,948	34%	81,085
Executive and council	4	4	–	–	2	(2)	-100%	4
Finance and administration	81,082	81,082	7,357	54,490	40,541	13,950	34%	81,082
Internal audit	–	–	–	–	–	–		–
Community and public safety	118,693	119,417	30,664	65,954	59,709	6,246	10%	119,417
Community and social services	90,126	90,850	23,804	54,238	45,425	8,813	19%	90,850
Sport and recreation	11,045	11,045	284	2,197	5,523	(3,326)	-60%	11,045
Public safety	6	6	0	1	3	(2)	-75%	6
Housing	17,516	17,516	6,575	9,519	8,758	761	9%	17,516
Health	–	–	–	–	–	–		–
Economic and environmental services	31,252	31,251	288	4,384	15,625	(11,242)	-72%	31,251
Planning and development	2,202	2,202	139	726	1,101	(375)	-34%	2,202
Road transport	29,039	29,038	150	3,658	14,519	(10,861)	-75%	29,038
Environmental protection	11	11	–	–	6	(6)	-100%	11
Trading services	390,117	395,580	24,990	141,638	197,790	(56,152)	-28%	395,580
Energy sources	237,351	237,351	15,507	107,822	118,675	(10,854)	-9%	237,351
Water management	78,737	81,850	4,713	4,713	40,925	(36,212)	-88%	81,850
Waste water management	47,175	49,525	2,495	15,313	24,762	(9,449)	-38%	49,525
Waste management	26,854	26,854	2,275	13,790	13,427	363	3%	26,854
Other	–	–	–	–	–	–		–
Total Revenue - Standard	621,147	627,332	63,299	266,466	313,666	(47,200)	-15%	627,332
Expenditure - Standard								
Governance and administration	116,609	116,630	9,173	48,232	58,315	(10,084)	-17%	116,630
Executive and council	24,419	24,438	1,946	10,816	12,219	(1,403)	-11%	24,438
Finance and administration	90,336	90,301	7,068	36,361	45,151	(8,790)	-19%	90,301
Internal audit	1,854	1,891	159	1,055	946	109	12%	1,891
Community and public safety	87,501	88,507	6,349	40,705	44,254	(3,548)	-8%	88,507
Community and social services	33,018	33,787	2,031	11,551	16,893	(5,343)	-32%	33,787
Sport and recreation	28,228	28,126	3,327	13,978	14,063	(85)	-1%	28,126
Public safety	8,246	8,286	707	4,072	4,143	(71)	-2%	8,286
Housing	18,009	18,309	284	11,105	9,154	1,950	21%	18,309
Health	–	–	–	–	–	–		–
Economic and environmental services	58,287	59,859	4,522	22,177	29,930	(7,753)	-26%	59,859
Planning and development	10,158	10,290	687	3,977	5,145	(1,168)	-23%	10,290
Road transport	46,473	47,898	3,733	17,620	23,949	(6,329)	-26%	47,898
Environmental protection	1,657	1,672	101	580	836	(256)	-31%	1,672
Trading services	329,913	329,664	26,187	131,318	164,832	(33,514)	-20%	329,664
Energy sources	225,313	225,073	15,003	87,808	112,537	(24,728)	-22%	225,073
Water management	30,429	30,427	3,189	11,505	15,214	(3,708)	-24%	30,427
Waste water management	33,671	33,667	3,913	15,874	16,834	(960)	-6%	33,667
Waste management	40,501	40,497	4,081	16,130	20,248	(4,118)	-20%	40,497
Other	864	862	2	400	431	(31)	-7%	862
Total Expenditure - Standard	593,175	595,524	46,232	242,831	297,762	(54,930)	-18%	595,524
Surplus/ (Deficit) for the year	27,972	31,809	17,068	23,635	15,904	7,730	49%	31,809

Mid-Year Budget Statement and Performance Assessment for the period
1 July to 31 December 2017

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Mid-Year Assessment

Description	Budget Year 2017/18							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
Revenue - Standard								
Municipal governance and administration	81,085	81,085	7,357	54,490	40,543	13,948	34%	81,085
Executive and council	4	4	-	-	2	(2)	-100%	4
<i>Mayor and Council</i>	0	0	-	-	0	(0)	-100%	0
<i>Municipal Manager</i>	4	4	-	-	2	(2)	-100%	4
Finance and administration	81,082	81,082	7,357	54,490	40,541	13,950	34%	81,082
<i>Administrative and Corporate Support</i>	2,832	2,832	-	-	1,416	(1,416)	-100%	2,832
<i>Asset Management</i>	-	-	-	-	-	-	-	-
<i>Budget and Treasury Office</i>	4,802	4,802	3,428	4,765	2,401	2,364	98%	4,802
<i>Finance</i>	72,816	72,816	3,927	49,708	36,408	13,300	37%	72,816
<i>Fleet Management</i>	36	36	-	-	18	(18)	-100%	36
<i>Human Resources</i>	574	574	-	-	287	(287)	-100%	574
<i>Information Technology</i>	0	0	-	-	0	(0)	-100%	0
<i>Legal Services</i>	1	1	-	-	1	(1)	-100%	1
<i>Marketing, Customer Relations, Publicity and Media</i>	4	4	-	-	2	(2)	-100%	4
<i>Property Services</i>	2	2	-	-	1	(1)	-100%	2
<i>Risk Management</i>	-	-	-	-	-	-	-	-
<i>Security Services</i>	-	-	-	-	-	-	-	-
<i>Supply Chain Management</i>	15	15	1	18	8	10	131%	15
<i>Valuation Service</i>	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-
<i>Governance Function</i>	-	-	-	-	-	-	-	-
Community and public safety	118,693	119,417	30,664	65,954	59,709	6,246	10%	119,417
Community and social services	90,126	90,850	23,804	54,238	45,425	8,813	19%	90,850
<i>Aged Care</i>	80,496	80,496	23,723	53,862	40,248	13,614	34%	80,496
<i>Agricultural</i>	-	-	-	-	-	-	-	-
<i>Animal Care and Diseases</i>	-	-	-	-	-	-	-	-
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	238	238	21	132	119	13	11%	238
<i>Child Care Facilities</i>	-	-	-	-	-	-	-	-
<i>Community Halls and Facilities</i>	745	1,045	57	202	522	(320)	-61%	1,045
<i>Consumer Protection</i>	-	-	-	-	-	-	-	-
<i>Cultural Matters</i>	-	-	-	-	-	-	-	-
<i>Disaster Management</i>	-	-	-	-	-	-	-	-
<i>Education</i>	-	-	-	-	-	-	-	-
<i>Indigenous and Customary Law</i>	-	-	-	-	-	-	-	-
<i>Industrial Promotion</i>	-	-	-	-	-	-	-	-
<i>Language Policy</i>	-	-	-	-	-	-	-	-
<i>Libraries and Archives</i>	8,647	9,071	4	43	4,536	(4,493)	-99%	9,071
<i>Literacy Programmes</i>	-	-	-	-	-	-	-	-
<i>Media Services</i>	-	-	-	-	-	-	-	-
<i>Museums and Art Galleries</i>	-	-	-	-	-	-	-	-
<i>Population Development</i>	-	-	-	-	-	-	-	-
<i>Provincial Cultural Matters</i>	-	-	-	-	-	-	-	-
<i>Theatres</i>	-	-	-	-	-	-	-	-
<i>Zoo's</i>	-	-	-	-	-	-	-	-
Sport and recreation	11,045	11,045	284	2,197	5,523	(3,326)	-60%	11,045
<i>Beaches and Jetties</i>	-	-	-	-	-	-	-	-
<i>Casinos, Racing, Gambling, Wagering</i>	-	-	-	-	-	-	-	-
<i>Community Parks (including</i>	561	561	-	-	281	(281)	-100%	561
<i>Recreational Facilities</i>	9,761	9,761	282	2,153	4,881	(2,728)	-56%	9,761
<i>Sports Grounds and Stadiums</i>	723	723	2	43	361	(318)	-88%	723

Description	Budget Year 2017/18						YTD variance %	Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
R thousands								
Public safety	6	6	0	1	3	(2)	-75%	6
<i>Fire Fighting and Protection</i>	6	6	0	1	3	(2)	-75%	6
<i>Licensing and Control of Animals</i>	-	-	-	-	-	-		-
Housing	17,516	17,516	6,575	9,519	8,758	761	9%	17,516
<i>Housing</i>	17,516	17,516	6,575	9,519	8,758	761	9%	17,516
<i>Informal Settlements</i>	-	-	-	-	-	-		-
Economic and environmental services	31,252	31,251	288	4,384	15,625	(11,242)	-72%	31,251
Planning and development	2,202	2,202	139	726	1,101	(375)	-34%	2,202
<i>Billboards</i>	-	-	-	-	-	-		-
<i>Corporate Wide Strategic Planning (IDPs, LEDS)</i>	10	10	-	-	5	(5)	-100%	10
<i>Central City Improvement District</i>	-	-	-	-	-	-		-
<i>Development Facilitation</i>	-	-	-	-	-	-		-
<i>Economic Development/Planning</i>	-	-	-	-	-	-		-
<i>Regional Planning and Development</i>	-	-	-	-	-	-		-
<i>Town Planning, Building Regulations and Enforcement</i>	1,650	1,650	139	726	825	(99)	-12%	1,650
<i>Project Management Unit</i>	542	542	-	-	271	(271)	-100%	542
<i>Provincial Planning</i>	-	-	-	-	-	-		-
<i>Support to Local Municipalities</i>	-	-	-	-	-	-		-
Road transport	29,039	29,038	150	3,658	14,519	(10,861)	-75%	29,038
<i>Police Forces, Traffic and Street Parking Control</i>	18,338	18,337	158	1,148	9,168	(8,021)	-87%	18,337
<i>Pounds</i>	-	-	-	-	-	-		-
<i>Public Transport</i>	-	-	-	-	-	-		-
<i>Road and Traffic Regulation</i>	-	-	-	-	-	-		-
<i>Roads</i>	10,701	10,701	(8)	2,510	5,350	(2,840)	-53%	10,701
<i>Taxi Ranks</i>	-	-	-	-	-	-		-
Environmental protection	11	11	-	-	6	(6)	-100%	11
<i>Biodiversity and Landscape</i>	11	11	-	-	6	(6)	-100%	11
<i>Coastal Protection</i>	-	-	-	-	-	-		-
<i>Indigenous Forests</i>	-	-	-	-	-	-		-
<i>Nature Conservation</i>	-	-	-	-	-	-		-
<i>Pollution Control</i>	-	-	-	-	-	-		-
<i>Soil Conservation</i>	-	-	-	-	-	-		-
Trading services	390,117	395,580	24,990	141,638	197,790	(56,152)	-28%	395,580
Energy sources	237,351	237,351	15,507	107,822	118,675	(10,854)	-9%	237,351
<i>Electricity</i>	230,894	230,894	15,202	105,667	115,447	(9,780)	-8%	230,894
<i>Street Lighting and Signal Systems</i>	6,457	6,457	305	2,154	3,228	(1,074)	-33%	6,457
<i>Nonelectric Energy</i>	-	-	-	-	-	-		-
Water management	78,737	81,850	4,713	4,713	40,925	(36,212)	-88%	81,850
<i>Water Treatment</i>	-	-	-	-	-	-		-
<i>Water Distribution</i>	78,737	81,850	4,713	4,713	40,925	(36,212)	-88%	81,850
<i>Water Storage</i>	-	-	-	-	-	-		-
Waste water management	47,175	49,525	2,495	15,313	24,762	(9,449)	-38%	49,525
<i>Public Toilets</i>	0	0	-	-	0	(0)	-100%	0
<i>Sewerage</i>	41,165	43,515	2,495	15,313	21,757	(6,444)	-30%	43,515
<i>Storm Water Management</i>	6,010	6,010	-	-	3,005	(3,005)	-100%	6,010
<i>Waste Water Treatment</i>	-	-	-	-	-	-		-
Waste management	26,854	26,854	2,275	13,790	13,427	363	3%	26,854
<i>Recycling</i>	-	-	-	-	-	-		-
<i>Solid Waste Disposal (Landfill Sites)</i>	36	36	-	-	18	(18)	-100%	36
<i>Solid Waste Removal</i>	26,818	26,818	2,275	13,790	13,409	381	3%	26,818
<i>Street Cleaning</i>	-	-	-	-	-	-		-

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Mid-Year Assessment

Description	Budget Year 2017/18							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
Expenditure - Standard								
Municipal governance and administration	116,609	116,630	9,173	48,232	58,315	(10,084)	-17%	116,630
Executive and council	24,419	24,438	1,946	10,816	12,219	(1,403)	-11%	24,438
Mayor and Council	15,162	15,185	1,264	6,309	7,592	(1,283)	-17%	15,185
Municipal Manager, Town Secretary and Chief Execut	9,257	9,253	682	4,507	4,626	(120)	-3%	9,253
Finance and administration	90,336	90,301	7,068	36,361	45,151	(8,790)	-19%	90,301
Administrative and Corporate Support	9,039	9,626	1,139	4,659	4,813	(154)	-3%	9,626
Asset Management	5,149	5,149	0	45	2,575	(2,529)	-98%	5,149
Budget and Treasury Office	16,725	15,849	1,966	6,604	7,924	(1,320)	-17%	15,849
Finance	18,079	18,079	2,372	7,022	9,039	(2,018)	-22%	18,079
Fleet Management	2,939	2,929	152	736	1,465	(728)	-50%	2,929
Human Resources	18,169	17,969	(620)	8,933	8,985	(51)	-1%	17,969
Information Technology	3,616	4,376	227	1,417	2,188	(771)	-35%	4,376
Legal Services	2,508	2,218	318	1,001	1,109	(108)	-10%	2,218
Marketing, Customer Relations, Publicity and Media	3,401	3,406	322	1,415	1,703	(288)	-17%	3,406
Property Services	3,361	3,351	250	1,523	1,676	(153)	-9%	3,351
Risk Management	384	384	-	3	192	(188)	-98%	384
Security Services	-	-	-	-	-	-	-	-
Supply Chain Management	5,433	5,433	524	2,481	2,716	(236)	-9%	5,433
Valuation Service	1,532	1,532	418	521	766	(245)	-32%	1,532
Internal audit	1,854	1,891	159	1,055	946	109	12%	1,891
Governance Function	1,854	1,891	159	1,055	946	109	12%	1,891
Community and public safety	87,501	88,507	6,349	40,705	44,254	(3,548)	-8%	88,507
Community and social services	33,018	33,787	2,031	11,551	16,893	(5,343)	-32%	33,787
Aged Care	12,554	12,805	476	2,625	6,402	(3,777)	-59%	12,805
Agricultural	-	-	-	-	-	-	-	-
Animal Care and Diseases	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums	2,922	2,907	217	1,296	1,453	(157)	-11%	2,907
Child Care Facilities	722	722	-	26	361	(335)	-93%	722
Community Halls and Facilities	5,886	5,991	519	2,838	2,996	(158)	-5%	5,991
Consumer Protection	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-
Disaster Management	53	53	5	13	26	(14)	-52%	53
Education	619	619	-	8	310	(302)	-98%	619
Indigenous and Customary Law	-	-	-	-	-	-	-	-
Industrial Promotion	-	-	-	-	-	-	-	-
Language Policy	-	-	-	-	-	-	-	-
Libraries and Archives	10,262	10,689	814	4,745	5,345	(600)	-11%	10,689
Literacy Programmes	-	-	-	-	-	-	-	-
Media Services	-	-	-	-	-	-	-	-
Museums and Art Galleries	-	-	-	-	-	-	-	-
Population Development	-	-	-	-	-	-	-	-
Provincial Cultural Matters	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-
Zoo's	-	-	-	-	-	-	-	-
Sport and recreation	28,228	28,126	3,327	13,978	14,063	(85)	-1%	28,126
Beaches and Jetties	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)	7,175	7,175	583	3,158	3,588	(430)	-12%	7,175
Recreational Facilities	16,095	15,992	2,305	8,314	7,996	318	4%	15,992
Sports Grounds and Stadiums	4,958	4,958	439	2,506	2,479	27	1%	4,958
Public safety	8,246	8,286	707	4,072	4,143	(71)	-2%	8,286
Fire Fighting and Protection	8,246	8,286	707	4,072	4,143	(71)	-2%	8,286
Licensing and Control of Animals	-	-	-	-	-	-	-	-
Housing	18,009	18,309	284	11,105	9,154	1,950	21%	18,309
Housing	16,509	16,788	284	11,090	8,394	2,696	32%	16,788
Informal Settlements	1,500	1,521	-	15	761	(745)	-98%	1,521

Description	Budget Year 2017/18						YTD variance %	Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
R thousands								
Economic and environmental services	58,287	59,859	4,522	22,177	29,930	(7,753)	-26%	59,859
Planning and development	10,158	10,290	687	3,977	5,145	(1,168)	-23%	10,290
<i>Billboards</i>	—	—	—	—	—	—	—	—
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	2,191	2,180	161	856	1,090	(234)	-21%	2,180
<i>Central City Improvement District</i>	—	—	—	—	—	—	—	—
<i>Development Facilitation</i>	—	—	—	—	—	—	—	—
<i>Economic Development/Planning</i>	2,087	2,267	110	598	1,133	(535)	-47%	2,267
<i>Regional Planning and Development</i>	—	—	—	—	—	—	—	—
<i>Town Planning, Building Regulations and Enforcement</i>	3,565	3,565	294	1,770	1,783	(13)	-1%	3,565
<i>Project Management Unit</i>	2,315	2,278	123	753	1,139	(386)	-34%	2,278
<i>Provincial Planning</i>	—	—	—	—	—	—	—	—
<i>Support to Local Municipalities</i>	—	—	—	—	—	—	—	—
Road transport	46,473	47,898	3,733	17,620	23,949	(6,329)	-26%	47,898
<i>Police Forces, Traffic and Street Parking Control</i>	24,339	24,464	1,501	7,091	12,232	(5,141)	-42%	24,464
<i>Pounds</i>	—	—	—	—	—	—	—	—
<i>Public Transport</i>	—	—	—	—	—	—	—	—
<i>Road and Traffic Regulation</i>	—	—	—	—	—	—	—	—
<i>Roads</i>	22,134	23,434	2,233	10,529	11,717	(1,188)	-10%	23,434
<i>Taxi Ranks</i>	—	—	—	—	—	—	—	—
Environmental protection	1,657	1,672	101	580	836	(256)	-31%	1,672
<i>Biodiversity and Landscape</i>	1,657	1,672	27	136	836	(700)	-84%	1,672
<i>Coastal Protection</i>	—	—	—	—	—	—	—	—
<i>Indigenous Forests</i>	—	—	—	—	—	—	—	—
<i>Nature Conservation</i>	—	—	—	—	—	—	—	—
<i>Pollution Control</i>	—	—	74	444	—	444	—	—
<i>Soil Conservation</i>	—	—	—	—	—	—	—	—
Trading services	329,913	329,664	26,187	131,318	164,832	(33,514)	-20%	329,664
Energy sources	225,313	225,073	15,003	87,808	112,537	(24,728)	-22%	225,073
<i>Electricity</i>	217,699	217,459	14,832	86,364	108,730	(22,366)	-21%	217,459
<i>Street Lighting and Signal Systems</i>	7,614	7,614	170	1,445	3,807	(2,363)	-62%	7,614
<i>Nonelectric Energy</i>	—	—	—	—	—	—	—	—
Water management	30,429	30,427	3,189	11,505	15,214	(3,708)	-24%	30,427
<i>Water Treatment</i>	1,365	1,365	2	18	683	(665)	-97%	1,365
<i>Water Distribution</i>	25,680	25,678	2,990	9,635	12,839	(3,205)	-25%	25,678
<i>Water Storage</i>	3,383	3,383	197	1,853	1,692	161	10%	3,383
Waste water management	33,671	33,667	3,913	15,874	16,834	(960)	-6%	33,667
<i>Public Toilets</i>	1,550	1,550	127	659	775	(116)	-15%	1,550
<i>Sewerage</i>	24,625	24,626	3,252	12,479	12,313	166	1%	24,626
<i>Storm Water Management</i>	5,329	5,324	530	2,711	2,662	49	2%	5,324
<i>Waste Water Treatment</i>	2,167	2,167	4	25	1,084	(1,059)	-98%	2,167
Waste management	40,501	40,497	4,081	16,130	20,248	(4,118)	-20%	40,497
<i>Recycling</i>	—	—	—	—	—	—	—	—
<i>Solid Waste Disposal (Landfill Sites)</i>	13,936	13,932	1,063	5,461	6,966	(1,505)	-22%	13,932
<i>Solid Waste Removal</i>	25,404	25,404	2,922	10,145	12,702	(2,557)	-20%	25,404
<i>Street Cleaning</i>	1,161	1,161	96	524	581	(56)	-10%	1,161
Other	864	862	2	400	431	(31)	-7%	862
Licensing and Regulation	97	95	2	16	47	(31)	-66%	95
Tourism	767	767	0	384	384	—	—	767
Total Expenditure - Functional	593,175	595,524	46,232	242,831	297,762	(54,930)	-18%	595,524
Surplus/ (Deficit) for the year	27,972	31,809	17,068	23,635	15,904	7,730	49%	31,809

Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

The table provides detail of revenue and expenditure according to municipal votes.

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment

Vote Description	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									
<u>Revenue by Vote</u>									
Vote 1 - Financial Services	–	74,641	74,641	7,151	53,322	37,320	16,002	42.9%	74,641
Vote 2 - Community Services	–	137,581	138,304	30,857	67,315	69,152	(1,837)	-2.7%	138,304
Vote 3 - Corporate Services	–	3,506	3,506	–	–	1,753	(1,753)	-100.0%	3,506
Vote 4 - Technical Services	–	404,086	409,548	25,263	170,200	204,774	(34,574)	-16.9%	409,548
Vote 5 - Municipal Manager	–	1,333	1,333	29	266	667	(401)	-60.1%	1,333
Total Revenue by Vote	–	621,147	627,332	63,299	291,103	313,666	(22,563)	-7.2%	627,332
<u>Expenditure by Vote</u>									
Vote 1 - Financial Services	–	48,438	47,561	5,411	17,535	23,781	(6,245)	-26.3%	47,561
Vote 2 - Community Services	–	116,832	118,050	8,144	49,564	59,025	(9,461)	-16.0%	118,050
Vote 3 - Corporate Services	–	55,927	56,959	2,739	25,652	28,479	(2,828)	-9.9%	56,959
Vote 4 - Technical Services	–	359,932	361,217	28,982	145,119	180,609	(35,489)	-19.6%	361,217
Vote 5 - Municipal Manager	–	12,047	11,736	957	4,961	5,868	(907)	-15.5%	11,736
Total Expenditure by Vote	–	593,175	595,524	46,232	242,831	297,762	(54,930)	-18.4%	595,524
Surplus/ (Deficit) for the year	–	27,972	31,809	17,068	48,272	15,904	32,368	203.5%	31,809

Mid-Year Budget Statement and Performance Assessment for the period

1 July to 31 December 2017

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	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									
<u>Revenue By Source</u>									
Property rates	-	64,827	64,827	3,093	45,006	32,413	12,593	39%	64,827
Service charges - electricity revenue	-	219,007	219,007	14,339	100,033	109,503	(9,470)	-9%	219,007
Service charges - water revenue	-	41,086	41,086	4,005	20,670	20,543	127	1%	41,086
Service charges - sanitation revenue	-	20,933	20,933	2,166	13,744	10,466	3,278	31%	20,933
Service charges - refuse revenue	-	21,689	21,689	1,979	11,681	10,844	837	8%	21,689
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	9,650	9,650	264	1,876	4,825	(2,949)	-61%	9,650
Interest earned - external investments	-	4,565	4,565	645	3,504	2,283	1,222	54%	4,565
Interest earned - outstanding debtors	-	10,096	10,096	643	5,259	5,048	211	4%	10,096
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	14,668	14,668	75	470	7,334	(6,864)	-94%	14,668
Licences and permits	-	154	152	105	831	76	754	990%	152
Agency services	-	4,614	4,614	-	-	2,307	(2,307)	-100%	4,614
Transfers recognised - operational	-	97,846	98,571	30,315	63,488	49,285	14,203	29%	98,571
Other revenue	-	3,637	3,637	3,915	5,947	1,819	4,128	227%	3,637
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	512,772	513,495	61,545	272,510	256,748	15,762	6%	513,495
<u>Expenditure By Type</u>									
Employee related costs	-	163,628	163,805	10,774	76,703	81,902	(5,199)	-6%	163,805
Remuneration of councillors	-	10,083	10,083	670	4,097	5,041	(945)	-19%	10,083
Debt impairment	-	27,125	27,125	6,523	6,693	13,562	(6,870)	-51%	27,125
Depreciation & asset impairment	-	46,045	46,045	3,837	23,023	23,023	-	-	46,045
Finance charges	-	3,710	3,670	339	569	1,835	(1,265)	-69%	3,670
Bulk purchases	-	183,215	182,975	12,231	73,820	91,488	(17,668)	-19%	182,975
Other materials	-	18,523	18,190	1,144	7,594	9,095	(1,501)	-17%	18,190
Contracted services	-	38,605	39,816	6,204	15,036	19,908	(4,873)	-24%	39,816
Transfers and grants	-	15,763	15,738	32	9,975	7,869	2,106	27%	15,738
Other expenditure	-	41,333	42,931	3,102	15,978	21,465	(5,487)	-26%	42,931
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	-	548,030	550,378	44,858	233,487	275,189	(41,702)	-15%	550,378
<u>Surplus/(Deficit)</u>	-	(35,258)	(36,883)	16,687	39,023	(18,442)	57,464	(0)	(36,883)
Transfers recognised - capital	-	63,230	68,692	381	9,249	34,346	(25,096)	(0)	68,692
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	27,972	31,809	17,068	48,272	15,904			31,809
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	-	27,972	31,809	17,068	48,272	15,904			31,809
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to	-	27,972	31,809	17,068	48,272	15,904			31,809
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	27,972	31,809	17,068	48,272	15,904			31,809

The revenue and expenditure figures excludes internal charges.

Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Mid-Year Assessment

Vote Description	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									
<u>Multi-Year expenditure appropriation</u>									
Vote 1 - Financial Services	–	–	–	–	–	–	–		–
Vote 2 - Community Services	–	–	–	–	–	–	–		–
Vote 3 - Corporate Services	–	–	–	–	–	–	–		–
Vote 4 - Technical Services	–	22,442	24,217	1,363	8,265	12,109	(3,843)	-32%	24,217
Vote 5 - Muncipal Manager	–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	–	22,442	24,217	1,363	8,265	12,109	(3,843)	-32%	24,217
<u>Single Year expenditure appropriation</u>									
Vote 1 - Financial Services	–	180	180	7	42	90	(48)	-53%	180
Vote 2 - Community Services	–	3,695	5,863	265	1,330	2,932	(1,601)	-55%	5,863
Vote 3 - Corporate Services	–	1,972	2,022	–	330	1,011	(681)	-67%	2,022
Vote 4 - Technical Services	–	54,903	56,800	2,378	10,190	28,400	(18,210)	-64%	56,800
Vote 5 - Muncipal Manager	–	55	55	–	–	28	(28)	-100%	55
Total Capital single-year expenditure	–	60,805	64,920	2,651	11,893	32,460	(20,567)	-63%	64,920
Total Capital Expenditure	–	83,247	89,137	4,014	20,158	44,569	(24,410)	-55%	89,137

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Mid-Year Assessment

Vote Description	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									
Capital Expenditure - Standard Classification									
Governance and administration	–	2,304	2,354	7	376	1,177	(801)	-68%	2,354
Executive and council	–	295	295	–	18	148	(130)	-88%	295
Finance and administration	–	2,009	2,059	7	358	1,030	(671)	-65%	2,059
Internal audit	–	–	–	–	–	–	–		–
Community and public safety	–	3,495	3,695	265	1,326	1,848	(522)	-28%	3,695
Community and social services	–	535	543	111	222	271	(50)	-18%	543
Sport and recreation	–	2,260	2,452	154	1,104	1,226	(122)	-10%	2,452
Public safety	–	500	500	–	–	250	(250)	-100%	500
Housing	–	200	200	–	–	100	(100)	-100%	200
Health	–	–	–	–	–	–	–		–
Economic and environmental services	–	17,050	16,098	93	2,985	8,049	(5,064)	-63%	16,098
Planning and development	–	20	20	–	–	10	(10)	-100%	20
Road transport	–	17,030	16,078	93	2,985	8,039	(5,054)	-63%	16,078
Environmental protection	–	–	–	–	–	–	–		–
Trading services	–	60,398	66,990	3,649	15,472	33,495	(18,023)	-54%	66,990
Energy sources	–	3,327	3,327	290	1,374	1,664	(290)	-17%	3,327
Water management	–	31,597	36,695	1,503	8,934	18,348	(9,413)	-51%	36,695
Waste water management	–	22,169	23,662	1,678	4,836	11,831	(6,995)	-59%	23,662
Waste management	–	3,305	3,305	177	327	1,652	(1,325)	-80%	3,305
Other	–	–	–	–	–	–	–		–
Total Capital Expenditure - Standard Classification	–	83,247	89,137	4,014	20,158	44,569	(24,410)	-55%	89,137
Funded by:									
National Government	–	31,226	31,226	2,675	13,468	15,613	(2,146)	-14%	31,226
Provincial Government	–	27,632	33,094	46	473	16,547	(16,074)	-97%	33,094
District Municipality	–	–	–	–	–	–	–		–
Other transfers and grants	–	–	–	–	–	–	–		–
Transfers recognised - capital	–	58,858	64,320	2,721	13,941	32,160	(18,219)	-57%	64,320
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	3,500	3,526	–	396	1,763	(1,367)	-78%	3,526
Internally generated funds	–	20,889	21,291	1,293	5,821	10,645	(4,824)	-45%	21,291
Total Capital Funding	–	83,247	89,137	4,014	20,158	44,569	(24,410)	-55%	89,137

Mid-Year Budget Statement and Performance Assessment for the period 1 u 2017

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	2016/17	Budget Year 2017/18			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	–	93,458	98,966	88,297	88,297
Call investment deposits	–	(0)	(0)	17,000	17,000
Consumer debtors	–	(30,388)	(16,707)	10,772	10,772
Other debtors	–	13,682	–	9,024	9,024
Current portion of long-term receivables	–	–	–	–	–
Inventory	–	2,505	2,703	(2,216)	(2,216)
Total current assets	–	79,257	84,962	122,876	122,876
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	–	(596)	(596)	(298)	(298)
Investments in Associate	–	–	–	–	–
Property, plant and equipment	–	37,866	43,757	(2,469)	(2,469)
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	(69)	(69)	(81)	(81)
Other non-current assets	–	–	–	–	–
Total non current assets	–	37,201	43,092	(2,849)	(2,849)
TOTAL ASSETS	–	116,458	128,054	120,027	120,027
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	–	–	–	427	427
Trade and other payables	–	61,739	69,073	(8,955)	(8,955)
Provisions	–	7,897	8,284	941	941
Total current liabilities	–	69,636	77,357	(7,587)	(7,587)
Non current liabilities					
Borrowing	–	6,324	6,362	(1,530)	(1,530)
Provisions	–	12,527	12,527	4,549	4,549
Total non current liabilities	–	18,851	18,889	3,019	3,019
TOTAL LIABILITIES	–	88,487	96,246	(4,569)	(4,569)
NET ASSETS	–	27,972	31,808	124,596	124,596
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	–	27,972	31,808	124,596	124,596
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	–	27,972	31,808	124,596	124,596

Mid-Year Budget Statement and Performance Assessment for the period

1 July to 31 December 2017

The cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

Description	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									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	–	61,689	61,689	(22)	14,527	30,845	(16,318)	-53%	61,689
Government - operating	–	291,601	291,601	7,167	162,821	145,800	17,021	12%	291,601
Government - capital	–	17,246	17,246	197	55,662	8,623	47,039	545%	17,246
Interest	–	97,846	97,846	24,138	60,898	48,923	11,975	24%	97,846
Dividends	–	63,230	63,230	11,257	23,870	31,615	(7,744)	-24%	63,230
Payments									
Suppliers and employees	–	–	–	–	–	–	–		–
Finance charges	–	–	–	–	–	–	–		–
Transfers and Grants	–	(369,994)	(369,994)	16,410	(263,925)	(184,997)	78,928	-43%	(369,994)
NET CASH FROM/(USED) OPERATING ACTIVITIES	–	161,618	161,618	59,147	53,854	80,809	(26,956)	-33%	161,618
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	–	–	–	13,500	(17,011)	–	17,011		–
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	–	–	13,500	(17,011)	–	17,011		–
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–		–
Borrowing long term/refinancing	–	3,500	3,500	–	–	1,750	(1,750)	-100%	3,500
Increase (decrease) in consumer deposits	–	–	–	23	91	–	91		–
Payments									
Repayment of borrowing	–	–	–	(109)	(1,022)	–	1,022		–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	3,500	3,500	(86)	(931)	1,750	2,681	153%	3,500
NET INCREASE/ (DECREASE) IN CASH HELD	–	165,118	165,118	72,561	35,912	82,559			165,118
Cash/cash equivalents at beginning:	–	–	–		–	–			–
Cash/cash equivalents at month/year end:	–	165,118	165,118		35,912	82,559			165,118

Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2017/18									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	Total	
R thousands											
Debtors Age Analysis By Income Source											
Water	1200	6,889	1,523	1,382	948	932	931	5,047	41,839	59,490	49,697
Electricity	1300	12,308	675	737	287	254	184	859	2,464	17,766	4,047
Property Rates	1400	3,684	217	180	156	2,812	129	692	12,818	20,686	16,606
Waste Water Management	1500	3,287	619	573	527	499	456	2,604	19,021	27,586	23,107
Waste Management	1600	3,320	810	675	675	632	456	2,407	23,251	32,226	27,421
Property Rental Debtors	1700	45	18	17	74	16	16	93	997	1,275	1,196
Interest on Arrear Accounts	1810	69	64	85	81	96	108	946	31,872	33,322	33,103
Recoverable expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	(2,973)	72	42	45	25	104	168	1,157	(1,360)	1,500
Total By Income Source	2000	26,627	3,998	3,690	2,792	5,266	2,385	12,816	133,419	190,992	156,677
2016/17 - totals only										–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	1,947	696	558	136	505	70	108	2,380	6,400	3,199
Commercial	2300	11,254	249	218	267	1,083	225	930	6,329	20,555	8,833
Households	2400	12,161	2,821	2,679	2,194	2,670	1,917	10,632	117,085	152,159	134,498
Other	2500	1,264	232	236	195	1,008	172	1,146	7,626	11,878	10,147
Total By Customer Group	2600	26,627	3,998	3,690	2,792	5,266	2,385	12,816	133,419	190,992	156,677

Some consumers used council's gesture to enable them to purchase electricity although their accounts are in arrears during the holiday season as an excuse to not pay their municipal accounts due in December. The collection rate for December was only 78%, forcing the year to date collection rate down to 93% from the 96% achieved at the end of November.

Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment

Investments by maturity Name of institution & investment ID R thousands	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 month	Change in market value	Market value at end of the month
	Yrs/Months							
<u>Municipality</u>								
ABSA	-	-	-	-		-	-	-
Investec	-	-	-	-		-	-	-
Nedbank	-	-	-	-		-	-	-
Standard Bank	-	-	-	-		-	-	17,000
	-	-	-	-		-	-	-
Municipality sub-total				-		-	-	17,000
<u>Entities</u>								
Entities sub-total				-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	17,000

Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

Operating and Capital transfers received are indicated in the following table:

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	Budget Year 2017/18							
		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:		73,960	73,960	23,748	53,988	36,980	17,008	46.0%	73,960
Equitable Share		70,412	70,412	23,470	52,809	35,206	17,603	50.0%	70,412
Local Government Financial Management Grant [Sche		1,550	1,550	27	167	775	(608)	-78.4%	1,550
Expanded Public Works Programme Integrated Grant f		1,485	1,485	251	1,012	743	269	36.2%	1,485
Municipal Infrastructure Grant [Schedule 5B]		513	513	–	–	257	(257)	-100.0%	513
		–	–	–	–	–	–		–
	3	–	–	–	–	–	–		–
Provincial Government:		23,886	24,311	6,567	11,109	12,155	(1,047)	-8.6%	24,311
Human Settlement Development		14,328	14,328	6,565	9,459	7,164	2,295	32.0%	14,328
Financial Management		240	240	–	–	120	(120)	-100.0%	240
Replacement Funding for most vulnerable B3 municip		5,450	5,874	–	1,608	2,937	(1,329)	-45.3%	5,874
Library Service Conditional Grant	4	2,600	2,600	–	–	1,300	(1,300)	-100.0%	2,600
Community Development Workers		148	148	2	41	74	(33)	-44.4%	148
Regional Socio-economic Project/Violence Preventio		1,000	1,000	–	–	500	(500)	-100.0%	1,000
Maintenance of Main Roads		120	120	–	–	60	(60)	-100.0%	120
Total Operating Transfers and Grants	5	97,846	98,271	30,315	65,096	49,135	15,961	32.5%	98,271
Capital Transfers and Grants							–		
National Government:		35,598	35,598	375	9,220	17,799	(8,579)	-48.2%	35,598
Municipal Infrastructure Grant [Schedule 5B]		22,226	22,226	366	9,212	11,113	(1,901)	-17.1%	22,226
Regional Bulk Infrastructure Grant (Schedule 5B)		13,372	13,372	9	9	6,686	(6,677)	-99.9%	13,372
Integrated National Electrification Programme (Mun		–	–	–	–	–	–		–
Provincial Government:		27,632	32,632	6	29	16,316	(16,287)	-99.8%	32,632
Human Settlement\		27,632	32,632	6	29	16,316	(16,287)	-99.8%	32,632
		–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	63,230	68,230	381	9,249	34,115	(24,865)	-72.9%	68,230
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	161,076	166,500	30,696	74,346	83,250	(8,904)	-10.7%	166,500

Mid-Year Budget Statement and Performance Assessment for the period

1 July to 31 December 2017

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Description	Ref	Budget Year 2017/18							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>EXPENDITURE</u>									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:		73,960	73,915	3,536	19,280	36,958	(17,677)	-47.8%	73,915
Equitable Share		70,412	70,367	3,309	18,114	35,184	(17,069)	-48.5%	70,367
Local Government Financial Management Grant [Sche		1,550	1,550	27	161	775	(614)	-79.2%	1,550
Expanded Public Works Programme Integrated Grant f		1,485	1,485	200	1,005	743	263	35.4%	1,485
Municipal Infrastructure Grant [Schedule 5B]		513	513	–	–	257	(257)	-100.0%	513
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–
Provincial Government:		43,284	48,284	40	9,511	24,142	(14,631)	-60.6%	48,284
Human Settlement Development		41,960	46,960	29	9,459	23,480	(14,021)	-59.7%	46,960
Replacement Funding for most vulnerable B3 municip		–	–	–	–	–	–	–	–
Library Service Conditional Grant		–	–	–	–	–	–	–	–
Community Development Workers		204	204	2	39	102	(63)	-62.0%	204
Regional Socio-economic Project/Violence Preventio		1,000	1,000	9	12	500	(488)	-97.5%	1,000
Maintenance of Main Roads		120	120	–	–	60	(60)	-100.0%	120
Other grant providers:		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
Other capital transfers [insert description]		–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		117,244	122,199	3,576	28,791	61,100	(32,309)	-52.9%	122,199
<u>Capital expenditure of Transfers and Grants</u>									
National Government:		31,226	31,226	2,675	13,468	15,613	(2,146)	-13.7%	31,226
Municipal Infrastructure Grant [Schedule 5B]		19,496	19,496	2,614	13,407	9,748	3,658	37.5%	19,496
Regional Bulk Infrastructure Grant (Schedule 5B)		11,730	11,730	61	61	5,865	(5,804)	-99.0%	11,730
Integrated National Electrification Programme (Mun		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		31,226	31,226	2,675	13,468	15,613	(2,146)	-13.7%	31,226
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		148,470	153,426	6,251	42,259	76,713	(34,454)	-44.9%	153,426

Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2017

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C					%	D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	7,196	7,196	537	3,246	3,598	(352)	-10%	7,196
Pension and UIF Contributions	1,003	1,003	78	471	502	(30)	-6%	1,003
Medical Aid Contributions	201	201	9	62	100	(38)	-38%	201
Motor Vehicle Allowance	651	651	–	–	325	(325)	-100%	651
Cellphone Allowance	556	556	43	266	278	(13)	-5%	556
Housing Allowances	425	425	3	51	213	(162)	-76%	425
Other benefits and allowances	50	50	–	1	25	(24)	-96%	50
Sub Total - Councillors	10,083	10,083	670	4,097	5,041	(945)	-19%	10,083
% increase								
Senior Managers of the Municipality								
Basic Salaries and Wages	4,260	4,260	347	2,032	2,130	(98)	-5%	4,260
Pension and UIF Contributions	704	704	46	271	352	(81)	-23%	704
Medical Aid Contributions	131	131	8	50	65	(16)	-24%	131
Overtime	–	–	–	–	–	–	–	–
Performance Bonus	805	805	–	321	403	(81)	-20%	805
Motor Vehicle Allowance	945	945	31	126	473	(347)	-73%	945
Cellphone Allowance	64	64	2	11	32	(21)	-65%	64
Housing Allowances	138	138	–	–	69	(69)	-100%	138
Other benefits and allowances	158	125	57	354	63	291	464%	125
Payments in lieu of leave	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–
Sub Total - Senior Managers	7,205	7,172	492	3,165	3,586	(422)	-12%	7,172
% increase								
Other Municipal Staff								
Basic Salaries and Wages	97,371	97,693	7,292	42,536	48,846	(6,310)	-13%	97,693
Pension and UIF Contributions	15,318	15,321	1,169	6,944	7,660	(717)	-9%	15,321
Medical Aid Contributions	6,806	6,806	525	3,167	3,403	(237)	-7%	6,806
Overtime	10,974	10,971	1,085	7,211	5,486	1,725	31%	10,971
Performance Bonus	7,091	7,091	581	3,611	3,546	66	2%	7,091
Motor Vehicle Allowance	4,092	3,978	332	1,807	1,989	(182)	-9%	3,978
Cellphone Allowance	378	380	35	251	190	61	32%	380
Housing Allowances	1,490	1,490	120	717	745	(28)	-4%	1,490
Other benefits and allowances	1,596	1,596	235	1,403	798	604	76%	1,596
Payments in lieu of leave	791	791	(2,069)	(134)	396	(530)	-134%	791
Long service awards	388	388	69	441	194	247	127%	388
Post-retirement benefit obligations	10,126	10,126	908	5,585	5,063	522	10%	10,126
Sub Total - Other Municipal Staff	156,422	156,632	10,283	73,539	78,316	(4,777)	-6%	156,632
% increase								
Total Parent Municipality	173,711	173,888	11,445	80,800	86,944	(6,144)	-7%	173,888
#DIV/0!	#DIV/0!	#DIV/0!						#DIV/0!
Unpaid salary, allowances & benefits in arrears:								
Total Municipal Entities	–	–	–	–	–	–		–
TOTAL SALARY, ALLOWANCES & % increase	173,711	173,888	11,445	80,800	86,944	(6,144)	-7%	173,888
TOTAL MANAGERS AND STAFF	163,628	163,805	10,774	76,703	81,902	(5,199)	-6%	163,805

Mid-Year Budget Statement and Performance Assessment for the period

1 July to 31 December 2017

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Mid-Year Assessment

Description	Ref	Budget Year 2017/18											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget
Cash Receipts By Source													
Property rates		3,345	12,935	5,490	12,707	4,868	3,463	5,141	5,141	5,141	5,141	5,141	16,296
Service charges - electricity revenue		18,142	20,502	15,447	17,251	14,535	12,109	18,169	18,169	18,169	18,169	18,169	57,360
Service charges - water revenue		2,316	3,051	2,526	2,851	3,597	2,663	2,951	2,951	2,951	2,951	2,951	11,747
Service charges - sanitation revenue		4,300	2,031	1,676	1,668	1,745	1,311	1,605	1,605	1,605	1,605	1,605	5,844
Service charges - refuse		1,483	2,094	1,671	1,804	1,828	1,291	1,488	1,488	1,488	1,488	1,488	2,129
Service charges - other		2,075	1,341	1,346	1,974	3,604	605	87	87	87	87	87	(86,934)
Rental of facilities and equipment		66	32	816	144	206	804	804	804	804	804	804	3,560
Interest earned - external investments		10	1,053	(0)	1,234	549	380	380	380	380	380	380	(565)
Interest earned - outstanding debtors		-	13	-	-	-	713	713	713	713	713	713	4,262
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		6	13	18	144	217	248	248	248	248	248	248	1,092
Licences and permits		21	-	(1,491)	(206)	394	-	-	-	-	-	-	1,283
Agency services		-	-	-	-	-	385	385	385	385	385	385	2,307
Transfer receipts - operating		-	29,339	354	7,046	21	8,154	8,154	8,154	8,154	8,154	8,154	12,163
Other revenue		8	50,632	715	3,298	432	-	-	-	-	-	-	(55,085)
Cash Receipts by Source		31,771	123,036	28,567	49,915	31,998	32,126	40,125	40,125	40,125	40,125	40,125	(24,540)
Other Cash Flows by Source													
Transfer receipts - capital		-	12,613	-	-	-	5,269	5,269	5,269	5,269	5,269	5,269	19,001
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	3,500
Increase in consumer deposits		(24)	(54)	61	76	10	-	-	-	-	-	-	(69)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		-	-	(11)	-	-	-	-	-	-	-	-	11
Total Cash Receipts by Source		31,747	135,595	28,618	49,991	32,008	37,395	45,394	45,394	45,394	45,394	45,394	(2,096)
Cash Payments by Type													
Employee related costs		8,269	8,312	11,092	11,416	18,403	12,029	12,029	12,029	12,029	12,029	12,029	14,681
Remuneration of councillors		698	752	729	752	728	840	840	840	840	840	840	1,381
Interest paid		-	-	231	-	-	78	78	78	78	78	78	238
Bulk purchases - Electricity		187	351	44,688	13,080	11,853	13,579	13,579	13,579	13,579	13,579	13,579	11,314
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		46	0	919	2,045	2,077	625	625	625	625	625	625	(1,338)
Contracted services		446	13	1,252	507	3,925	1,634	1,634	1,634	1,634	1,634	1,634	3,660
Grants and subsidies paid - other municipalities		203	-	-	-	-	-	-	-	-	-	-	(203)
Grants and subsidies paid - other		-	-	46	3,120	6,550	49	49	49	49	49	49	(9,423)
General expenses		19,162	34,537	6,267	3,147	7,724	2,084	2,084	2,084	2,084	2,084	2,084	(57,832)
Cash Payments by Type		29,012	43,966	65,225	34,069	51,261	30,918	30,918	30,918	30,918	30,918	30,918	(37,523)
Other Cash Flows/Payments by Type													
Capital assets		12,297	6,429	3,599	2,293	2,583	5,778	2,214	2,996	8,489	9,348	8,272	19,383
Repayment of borrowing		32,576	14,453	(9,193)	(1,353)	30,471	-	-	-	-	-	-	(66,954)
Other Cash Flows/Payments		21,681	(300)	5,687	89,274	(4,385)	(17,494)	(47,237)	78,727	(64,560)	(18,751)	(14,902)	24,741
Total Cash Payments by Type		95,566	64,547	65,317	124,283	79,929	19,202	(14,105)	112,641	(25,153)	21,516	24,287	(60,352)
NET INCREASE/(DECREASE) IN CASH HELD		(63,819)	71,048	(36,699)	(74,291)	(47,922)	18,192	59,499	(67,247)	70,546	23,878	21,106	58,256
Cash/cash equivalents at the month/year beginning:		45,875	(17,944)	53,104	16,405	(57,887)	(105,808)	(87,616)	(28,117)	(95,364)	(24,817)	(939)	20,167
Cash/cash equivalents at the month/year end:		(17,944)	53,104	16,405	(57,887)	(105,808)	(87,616)	(28,117)	(95,364)	(24,817)	(939)	20,167	78,423

WITZENBERG MUNICIPALITY

SDBIP TOP LAYER MID-YEAR REPORT 2017/18

Key Performance Area	Strategic Objective	Ref Nr	Key Performance Indicator	Annual Target	2nd Quarter	
					Target	Result
Essential services	Sustainable provision & maintenance of basic services	TecDir1	Percentage expenditure on maintenance budget by Technical Directorate.	99%	50%	44%
		TecDir3	Percentage expenditure on capital budget by Technical Directorate.	96%	40%	23%
		TecRo7	Kilometres of roads upgraded & rehabilitated.	3	0,5	1,16
		TecWat21	Percentage compliance with drinking water quality standards	98%	98%	100%
		TecWat20	Decrease unaccounted water losses.	18%	18%	16%
		TecEl37	Decrease unaccounted electricity losses.	8%	8%	8,8%
		FinInc17	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	<1%	<1%	0%
		FinInc18	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	<1%	<1%	0%
		FinInc19	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	<1%	<1%	0,4%
		FinInc20	Number of outstanding valid applications for waste removal services expressed as a % of total number of billings for the service.	<1%	<1%	0%
	Provide for the needs of informal settlements through improved services	TecDir2	Number of subsidised serviced sites developed.	500	150	0
		TecWat22	Provide basic services - number of informal areas with sufficient communal water service points (taps).	3	3	3
		TecSan13	Provide basic services - number of informal areas with sufficient communal sanitation service points(toilets).	3	3	3
		TecRef31	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area cleaning service.	3	3	3
		TecEl36	Number of subsidised electricity connections installed.	309	50	187
Governance	Support institutional development & transformation	CorpHR12	Percentage of people from employment equity target groups employed in the three highest levels of management.	75%	75%	71%
		CorpHR13	Percentage budget spend on the implementation of the Workplace Skills Plan	96%	50%	37%
	Financial Viability	MM1	Percentage spend on maintenance for the whole municipality.	99%	50%	44%
		MM2	Percentage spend on Capital Budget for the whole municipality.	96%	40%	23%
		FinDir3	Opinion of the Auditor-General on annual financial statements of the previous year.	Unqualified		1
		FinFAdm9	Financial viability expressed as Cost-Coverage ratio	2,8	2,8	3,7
		FinFAdm10	Financial viability expressed as Debt-Coverage ratio	30	30	101
		FinFAdm11	Financial viability expressed outstanding service debtors	44%	44%	85,83%
		FinInc15	Increased revenue collection	95%	95%	93%
	Strengthen relations	MMIDP9	Number of IDP community meetings held.	14	7	7
		ComSoc49	Number of meetings with intergovernmental partners.	12	6	6

Key Performance Area	Strategic Objective	Ref Nr	Key Performance Indicator	Annual Target	2nd Quarter	
					Target	Result
Communal services	Provide & maintain facilities	ComDir1	Percentage expenditure on maintenance budget by Community Directorate.	99%	50%	68%
		ComDir2	Percentage expenditure on capital budget by Community Directorate.	96%	40%	35%
		ComAm34	Customer satisfaction survey on community facilities (score 1 - 5)	2,5		
Socio-Economic Support Services	Support the poor & vulnerable	ComLed8	The number of jobs created through the municipality's local economic development initiatives including capital projects.	390	200	200
		ComHS14	Number of housing opportunities provided per year - top structures.	309	50	107
		ComHS15	Number of rental stock transferred.	60	30	6
		ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	2750	2750	2296
		ComSoc42	Bi-annual HIV/AIDS awareness programmes	3	1	1
		ComSoc43	Arrange workshops for youth per twinning agreement	2	2	2
		ComSoc44	Implement substance abuse programmes	5	3	3
		ComSoc45	Implementation of child protection programmes	2		
		ComSoc46	Implementation of early childhood development programmes	4	2	2
		ComSoc47	Implementation of gender programmes	2	1	1
		ComSoc48	Implementation of projects for persons with disabilities	2	1	1
	Create an enabling environment to attract investment & support local economy.	MMPProp21	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards.	Phase 4 Implement		
		ComLed4	Compile & Implementation of LED Strategy.	Review of plan		

Targets not achieved:

TecDir1 – Percentage expenditure on maintenance budget by Technical Directorate.

Reason for target not achieved:

- The contractor who does some of the maintenance work on the Roads & Storm water, had cash flow problems.

Corrective measures:

- The contractor was issued with 2 rate of progress letters, as per the General Conditions of Contract, the progress of the contractor has since increased and will the expenditure also be improving now.

TecDir3 – Percentage expenditure on capital budget by Technical Directorate.

Reason for target not achieved:

- This underspending is due to the late start of the Vredebes internal services housing project. The layout was amended which had the effect that the services plans could not be approved. The layout has been approved and the services plans approved in the meantime. The number of sites to be serviced has also been reduced to 300. Vredebes Housing Project – R25 000 000,00. Asla was given approval to commence with the services of Vredbes phase F1 on 6 October 2017 already, Asla submitted an application to dept. of Human Settlements for additional funding due to Geotechnical

conditions, Asla indicated they need clarity from dept. Human Settlements on the additional funding before they can establish site.

- Tulbagh Construction of Dam - R11 729 824,00 . DWS has not approved the funding , to enable us to commence with the project.
- Total of these two projects – R36 729 824.00

Corrective measures:

- Reduced amount to be corrected with adjustment budget. Vredebes Housing Project – Follow up with Asla & dept. Human Settlements on the approval of the additional geotech funding.
- Tulbagh Construction of Dam – Follow up with DWS on approval of funding. I am already following up with DWS on a monthly basis on the progress of the release of the RBIG funding.

TecEl37 – *Decrease unaccounted electricity losses.*

Reason for target not achieved:

- Technical losses is actual losses that occur when transferring power in dsitribution system. This can only be optimised and is not always practical due to budget constraints.
- Electricity theft. Connections can be removed but the safety of personnel are at risk as well as the possibality of riots.
- Unmetered installations and meters will be addressed once the challenges with the GIS as reported seperately have been addressed.
- The identification of faulty and inaccurate meters is a challenge due to staff and equipment constraints.

Corrective measures:

- A load-flow study to identify upgrades and possible switching to increase network performance and reduce technical losses will be completed by June 2018.
- An illegal strategy connection will be drafted by February 2018
- Using GIS to determine anomalies
- Investigation on the erven identified with possible annomalies in order to address electricity losses.
- Appoint a consultant by June 2018 to do a complete meter audit.

TecDir2 – *Number of subsidised serviced sites developed.*

Reason for target not achieved:

- Engineering drawings for the internal services of the Vredebes phase F1 was approved on 1 November 2017. Asla has not started on site yet, as they submitted a geotechnical variance application for additional funds to Human Settlements, the outcome of the geotechnical funding are currently awaited.

Corrective measures:

- The geotechnical variance application must be finalised by Human Settlements, to allow the Contractor to commence on site.

CorpHR12 – *Percentage of people from employment equity target groups employed in the three highest levels of management.*

Reason for target not achieved:

- Vacant positions has been advertised but appointments has not been made due to a lack of suitable candidates.

Corrective measures:

- Positions to be re-advertised.

CorpHR13 – *Percentage budget spent on the Implementation of the Workplace Skills Plan .*

Reason for target not achieved:

- Bidders did not comply in terms of pre-Bid Specifications

Corrective measures:

- Bid will be re-advertised
- Orders to the amount of 53% of budget has been issued.

MM1 – *Percentage expenditure on maintenance budget for the whole Municipality.*

Reason for target not achieved:

- The contractor who does some of the maintenance work on the Roads & Storm water, had cash flow problems.
- Orders was not issued timeously by Finance for various R&M votes, due to MSCOA.

Corrective measures:

- R&M votes and orders have been received and spending will increase now.
- The roads contractor was issued with 2 rate of progress letters, as per the General Conditions of Contract, the progress of the contractor has since increased and will the expenditure also be improving now.

MM2 – *Percentage expenditure on capital budget for the whole municipality..*

Reason for target not achieved:

- This underspending is due to the late start of the Vredebes internal services housing project. The layout was amended which had the effect that the services plans could not be approved. The layout has been approved and the services plans approved in the meantime. The number of sites to be serviced has also been reduced to 300. Vredebes Housing Project – R25 000 000,00. Asla was given approval to commence with the services of Vredebes phase F1 on 6 October 2017 already, Asla submitted an application to dept. of Human Settlements for additional funding due to Geotechnical conditions, Asla indicated they need clarity from dept. Human Settlements on the additional funding before they can establish site.
- Tulbagh Construction of Dam - R11 729 824,00 . DWS has not approved the funding , to enable us to commence with the project.
- Total of these two projects – R36 729 824.00

Corrective measures:

- Reduced amount to be corrected with adjustment budget. Vredebes Housing Project – Follow up with Asla & dept. Human Settlements on the approval of the additional geotech funding.
- Tulbagh Construction of Dam – Follow up with DWS on approval of funding. I am already following up with DWS on a monthly basis on the progress of the release of the RBIG funding.

FinAdm11 – *Financial viability expressed as outstanding service debtors..*

Reason for target not achieved:

- Credit control measures are limited in areas where electricity is supplied by Eskom. This concern has been addressed by SALGA but no workable solution has been reached to date.
- An additional contributing factor to the none achievement of the KPI is due to limited applications for indigent support within these areas.

Corrective measures:

- Implementation of water management meters to limit water consumption and to address the non-payment for the water service.

FinInc15 – Increased revenue collection

Reason for target not achieved:

- Credit control measures are limited in areas where electricity is supplied by Eskom. This concern has been addressed by SALGA but no workable solution has been reached to date.
- An additional contributing factor to the none achievement of the KPI is due to limited applications for indigent support within these areas.

Corrective measures:

- Implementation of water management meters to limit water consumption and to address the non-payment for the water service.

ComDir2 – Percentage expenditure on capital budget by Community Directorate.

Reason for target not achieved:

- Capital projects base on the availability of the municipal loan has not being finalized.

Corrective measures:

- In terms of Amenities some tenders has been re-advertised.

ComHS15 – Number of rental stock transferred.

Reason for target not achieved:

- Attorney indicated that he struggled to get documents signed by beneficiaries who did not show for their appointments.
- Extended RCC (rates clearance certificates) were required for 9 properties from the Finance Department and was delayed.
- Registration of N'duli properties are linked to lost VA for certain titles at the deeds office

Corrective measures:

- Lost VA's were found, RCC again requested and received by Agent (Dykes Van Heerden) and Attorney and will be lodge by middle November 2017
- 4 applications lodge on 3 October 2017 – registration 3 weeks after lodgement – Attorney
- Signed documents already handed in for signature of MM and send back) – Attorney needs to expedite lodgement

*Mid-Year Budget Statement and Performance Assessment for the period
1 July to 31 December 2017*

4 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the mid-year budget and performance assessment have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print name: **Mr. D NASSON**

Municipal Manager of WITZENBERG MUNICIPALITY

Signature:



Date: **17 January 2018**

