

REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 31 MAY 2017

1. PART 1 – MONTHLY REPORT

1.1 PURPOSE

To table the monthly expenditure report in terms of s71 of the MFMA for the period ending 31 May 2017 to Executive Committee.

LEGAL FRAMEWORK

- Local Government: Municipal Finance Management Act, 56 of 2003
- SCM Regulations
- SCM Policy
- Municipal Budget Reporting Regulation
- Division of Revenue Act

1.2 Executive Summary or Background

Legislative Requirements

In terms of the section 71 of the MFMA the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a)* Actual revenue, per revenue source;
- (b)* actual borrowings;
- (c)* actual expenditure, per vote;
- (d)* actual capital expenditure, per vote;
- (e)* the amount of any allocations received;

- (f) actual expenditure on those allocations, excluding expenditure on—
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of—
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's

DELIBERATION

The discussion that follows, in terms of MFMA Section 71 above, intends to inform the Executive Committee on the progress made thus far in terms of implementing the 2016/2017 budget for the period ending 31 May 2017.

1.3 Resolutions

This report will be tabled to Executive committee and therefore the resolution will be available once it tabled to council in terms of Sec 52 (d) of the MFMA.

Revenue by Source

The original approved revenue for the 2016/17 budget amounts to R684, 9m. The year to date actual revenue for the period ended 31 May 2017 amounted to R704, 6m which is 112% of the Year to Date (YTD) budget. The year to date revenue is largely constituted of the Operational & Capital grant receipts with the Water & Sanitation Revenue contributing to the balance.

Borrowings

The balance of borrowings amounts to R19m at the end of May 2017 for ABSA loan.

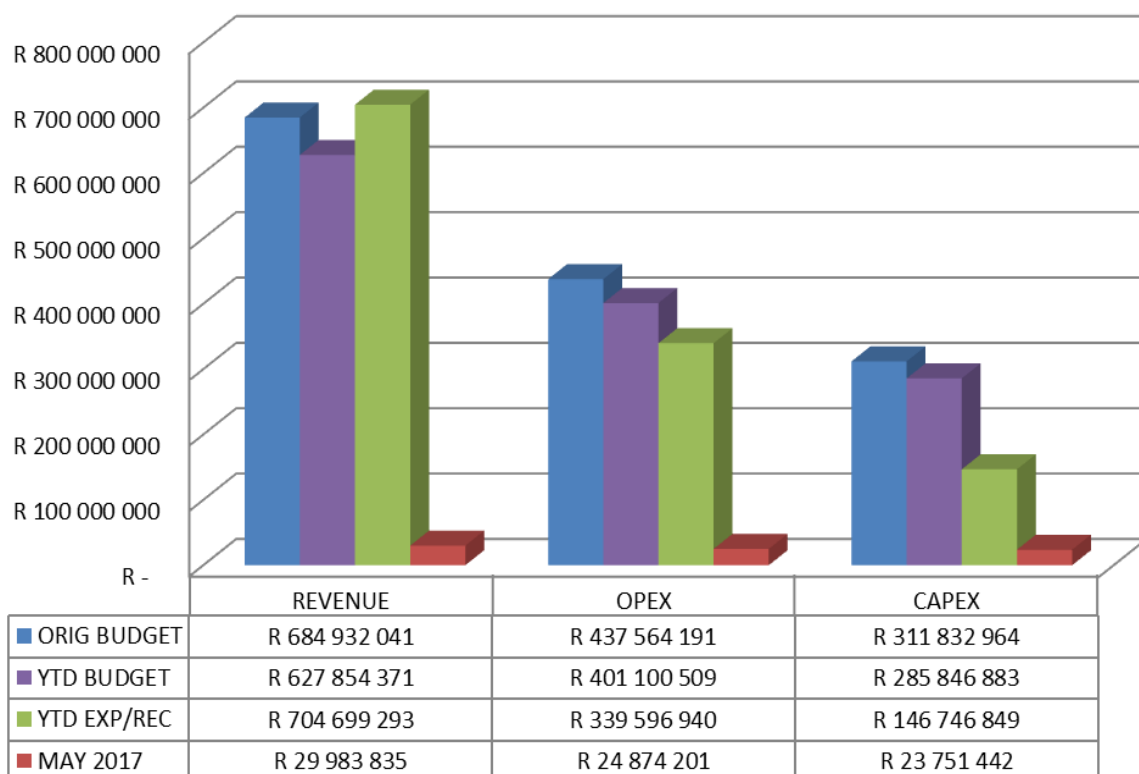
Operating expenditure by vote & type

The total operating budget for the current year amounts to R437, 5m. The YTD Operating expenditure for the month ended 31 May amounted to R339, 5m against a year to date (YTD) budget of R401m. The actual YTD expenditure represented 85% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R311, 8m. The YTD expenditure on capital amounts to R146, 7million, or 51% of the planned expenditure. Capital expenditure is mainly funded by means of national grants in the form of Municipal Infrastructure Grant.

Chart 1: Budget vs. Expenditure Summary

BUDGET SUMMARY MAY 2017**Cash flows**

The municipality started the year with a positive cashbook balance of R5, 8 million and the closing cash and cash equivalents as at the end of May 2017 was R41, 2million. Refer to Supporting Table C6 for more detail on the cash position.

Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2016/2017 first quarter have been received as per payment schedule. Total grants receipts amounted to R610million, being made up of R266, 6million operational and R343, 4million capital grants. Operational grants are largely defined by the Equitable Share while capital grants are largely constituted of the Municipal Infrastructure Grant.

1.4 Monthly Budget Statement Tables

Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance in the Municipality and is unpacked in the sections that follow.

DC43 Harry Gwala - Table C1 Monthly Budget Statement Summary - M11 May

Description	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									
Financial Performance									
Property rates	-	-	-	-	-	-	-		-
Service charges	55 822	60 553	52 255	3 756	73 997	47 900	26 097	54%	52 255
Investment revenue	3 375	3 500	5 500	359	5 071	5 042	29	1%	5 500
Transfers recognised - operational	260 403	277 632	300 862	-	265 513	275 790	(10 277)	-4%	300 862
Other own revenue	9 098	9 109	17 215	1 699	16 712	15 780	932	6%	17 215
Total Revenue (excluding capital transfers and contributions)	328 699	350 794	375 831	5 815	361 293	344 512	16 781	5%	375 831
Employee costs	116 031	125 313	133 598	10 933	119 188	122 465	(3 277)	-3%	133 598
Remuneration of Councillors	7 321	7 906	7 906	450	5 010	7 247	(2 237)	-31%	7 906
Depreciation & asset impairment	30 000	31 874	42 534	3 357	36 956	38 989	(2 034)	-5%	42 534
Finance charges	1 114	1 926	2 010	-	1 010	1 842	(833)	-45%	2 010
Materials and bulk purchases	9 852	10 709	10 709	-	5 909	9 817	(3 908)	-40%	10 709
Transfers and grants	18 096	20 000	17 333	-	17 333	15 889	1 444	9%	17 333
Other expenditure	204 636	184 675	223 474	10 134	154 192	204 851	(50 659)	-25%	223 474
Total Expenditure	387 050	382 404	437 564	24 874	339 597	401 101	(61 504)	-15%	437 564
Surplus/(Deficit)	(58 351)	(31 610)	(61 733)	(19 059)	21 696	(56 588)	78 285	-138%	(61 733)
Transfers recognised - capital	244 290	335 772	9 560	24 169	343 406	7 966	335 440	4211%	309 101
Surplus/(Deficit) after capital transfers & contributions	185 939	304 163	(52 173)	5 110	365 102	(48 622)	413 725	-851%	247 368
Surplus/ (Deficit) for the year	185 939	304 163	(52 173)	5 110	365 102	(48 622)	413 725	-851%	247 368
Capital expenditure & funds sources									
Capital expenditure	250 238	348 054	311 833	23 751	146 747	285 847	(139 100)	-49%	311 833
Capital transfers recognised	244 290	335 772	309 101	23 808	137 732	283 342	(145 611)	-51%	309 101
Internally generated funds	5 948	12 282	2 732	(57)	958	2 505	(1 547)	-62%	2 732
Total sources of capital funds	250 238	348 054	311 833	23 751	138 690	285 847	(147 157)	-51%	311 833
Financial position									
Total current assets	65 577	96 627	67 392		154 193				96 627
Total non current assets	1 572 358	1 914 112	1 877 891		1 774 612				1 914 112
Total current liabilities	108 886	60 999	233 003		56 093				60 999
Total non current liabilities	31 018	29 859	29 859		43 199				29 859
Community wealth/Equity	1 498 031	1 919 882	1 682 421		1 829 513				1 919 882
Cash flows									
Net cash from (used) operating	263 590	329 265	279 413	(18 423)	170 646	232 844	62 198	27%	279 413
Net cash from (used) investing	(276 912)	(310 943)	(274 721)	(23 751)	(133 797)	(228 934)	(95 137)	42%	(274 721)
Net cash from (used) financing	(2 694)	(2 822)	(4 369)	-	(1 453)	(3 641)	(2 188)	60%	(4 369)
Cash/cash equivalents at the month/year end	9 855	35 377	6 142	-	41 214	6 088	(35 126)	-577%	6 142
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	6 769	8 343	5 387	13 199	3 914	3 428	17 761	126 677	185 477
Creditors Age Analysis									
Total Creditors	7 249	1 112	1 190	3 462	-	-	-	-	13 012

Financial Performance

Table C2 provides the statement of financial performance by standard classification.

DC43 Harry Gwala - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M11 May

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									
Revenue - Standard									
Governance and administration	255 059	274 973	284 037	1 890	281 088	260 367	20 721	8%	284 037
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	255 059	274 973	284 037	1 890	281 088	260 367	20 721	8%	284 037
Corporate services	-	-	-	-	-	-	-	-	-
Economic and environmental services	1 100	400	-	-	-	-	-	-	-
Planning and development	1 100	400	-	-	-	-	-	-	-
Trading services	316 829	411 194	400 895	28 094	423 611	367 487	56 124	15%	400 895
Electricity	-	-	-	-	-	-	-	-	-
Water	56 539	60 550	62 251	24 169	348 671	57 063	291 607	511%	62 251
Waste water management	260 290	350 644	338 644	3 925	74 940	310 424	(235 483)	-76%	338 644
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	572 988	686 567	684 932	29 984	704 699	627 854	76 845	12%	684 932
Expenditure - Standard									
Governance and administration	131 608	143 616	137 169	10 886	99 857	125 738	(25 881)	-21%	137 169
Executive and council	24 484	29 224	22 463	1 260	16 724	20 591	(3 867)	-19%	22 463
Budget and treasury office	63 444	64 031	59 112	2 409	29 881	54 186	(24 305)	-45%	59 112
Corporate services	43 680	50 362	55 594	7 218	53 252	50 961	2 291	4%	55 594
Economic and environmental services	52 428	58 937	50 845	1 923	43 412	46 607	(3 196)	-7%	50 845
Planning and development	52 428	58 937	50 845	1 923	43 412	46 607	(3 196)	-7%	50 845
Trading services	203 013	179 851	249 551	12 065	196 328	228 755	(32 427)	-14%	249 551
Electricity	-	-	-	-	-	-	-	-	-
Water	159 142	146 344	182 845	7 936	122 255	167 608	(45 353)	-27%	182 845
Waste water management	43 872	33 506	66 705	4 129	74 073	61 147	12 927	21%	66 705
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	387 050	382 404	437 564	24 874	339 597	401 101	(61 504)	-15%	437 564
Surplus/ (Deficit) for the year	185 939	304 163	247 368	5 110	365 102	226 754	138 348	61%	247 368

This table assess the revenue by department and then the expenditure for the period ending 31 May 2017. Revenue receipts in May have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of May is 5%.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has largest expenditure by 6% in the period ending 31 May 2017. This being largely attributable to the backlog demand of operations and maintenance of water schemes in the District.

Table C3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Harry Gwala - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote 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									
Revenue by Vote									
Vote 1 - Mayor	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager Admin	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Administration	255 059	274 973	284 037	1 890	281 088	260 367	20 721	8,0%	284 037
Vote 4 - Corporate services admin	-	-	-	-	-	-	-	-	-
Vote 5 - Social economic & development planning admin	1 100	400	-	-	-	-	-	-	-
Vote 6 - Infrastructure services admin	260 290	350 644	338 644	3 925	74 940	310 424	(235 483)	-75,9%	338 644
Vote 7 - Water services admin	56 539	60 550	62 251	24 169	348 671	57 063	291 607	511,0%	62 251
Total Revenue by Vote	572 988	686 567	684 932	29 984	704 699	627 854	76 845	12,2%	684 932
Expenditure by Vote									
Vote 1 - Mayor	12 024	12 382	9 763	453	6 610	8 949	(2 339)	-26,1%	9 763
Vote 2 - Municipal Manager Admin	12 460	16 841	12 700	806	10 114	11 642	(1 528)	-13,1%	12 700
Vote 3 - Budget & Treasury Administration	63 444	64 031	59 112	2 409	29 881	54 186	(24 305)	-44,9%	59 112
Vote 4 - Corporate services admin	43 680	50 362	55 594	7 218	53 252	50 961	2 291	4,5%	55 594
Vote 5 - Social economic & development planning admin	52 428	58 937	50 845	1 923	43 412	46 607	(3 196)	-6,9%	50 845
Vote 6 - Infrastructure services admin	43 872	34 982	66 705	4 129	74 073	61 147	12 927	21,1%	66 705
Vote 7 - Water services admin	159 142	144 869	182 845	7 936	122 255	167 608	(45 353)	-27,1%	182 845
Total Expenditure by Vote	387 050	382 404	437 564	24 874	339 597	401 101	(61 504)	-15,3%	437 564
Surplus/ (Deficit) for the year	185 939	304 163	247 368	5 110	365 102	226 754	138 348	61,0%	247 368

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 May 2017.

DC43 Harry Gwala - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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									
Revenue By Source									
Service charges - water revenue	38 329	40 714	35 488	2 630	51 798	32 530	19 268	59%	35 488
Service charges - sanitation revenue	16 461	17 449	15 209	1 127	22 199	13 942	8 258	59%	15 209
Service charges - other	1 032	2 391	1 558	-	-	1 428	(1 428)	-100%	1 558
Interest earned - external investments	3 375	3 500	5 500	359	5 071	5 042	29	1%	5 500
Interest earned - outstanding debtors	8 000	8 500	15 158	1 478	14 926	13 895	1 031	7%	15 158
Transfers recognised - operational	260 403	277 632	300 862	-	265 513	275 790	(10 277)	-4%	300 862
Other revenue	1 098	609	2 057	221	1 786	1 885	(99)	-5%	2 057
Gains on disposal of PPE							-		
Total Revenue (excluding capital transfers and contributions)	328 699	350 794	375 831	5 815	361 293	344 512	16 781	5%	375 831
Expenditure By Type									
Employee related costs	116 031	125 313	133 598	10 933	119 188	122 465	(3 277)	-3%	133 598
Remuneration of councillors	7 321	7 906	7 906	450	5 010	7 247	(2 237)	-31%	7 906
Debt impairment	24 692	25 394	25 394	-	-	23 278	(23 278)	-100%	25 394
Depreciation & asset impairment	30 000	31 874	42 534	3 357	36 956	38 989	(2 034)	-5%	42 534
Finance charges	1 114	1 926	2 010	-	1 010	1 842	(833)	-45%	2 010
Bulk purchases	9 852	10 709	10 709	-	5 909	9 817	(3 908)	-40%	10 709
Contracted services	53 356	44 923	28 075	2 632	21 917	25 735	(3 818)	-15%	28 075
Transfers and grants	18 096	20 000	17 333	-	17 333	15 889	1 444	9%	17 333
Other expenditure	126 589	114 358	170 006	7 502	132 275	155 838	(23 564)	-15%	170 006
Loss on disposal of PPE							-		
Total Expenditure	387 050	382 404	437 564	24 874	339 597	401 101	(61 504)	-15%	437 564
Surplus/(Deficit)	(58 351)	(31 610)	(61 733)	(19 059)	21 696	(56 588)	78 285	(0)	(61 733)
Transfers recognised - capital	244 290	335 772	9 560	24 169	343 406	7 966	335 440	0	309 101
Surplus/(Deficit) after capital transfers & contributions	185 939	304 163	(52 173)	5 110	365 102	(48 622)			247 368
Surplus/(Deficit) after taxation	185 939	304 163	(52 173)	5 110	365 102	(48 622)			247 368
Surplus/(Deficit) attributable to municipality	185 939	304 163	(52 173)	5 110	365 102	(48 622)			247 368
Surplus/ (Deficit) for the year	185 939	304 163	(52 173)	5 110	365 102	(48 622)			247 368

Capital Expenditure

Table C5 below reports on the capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

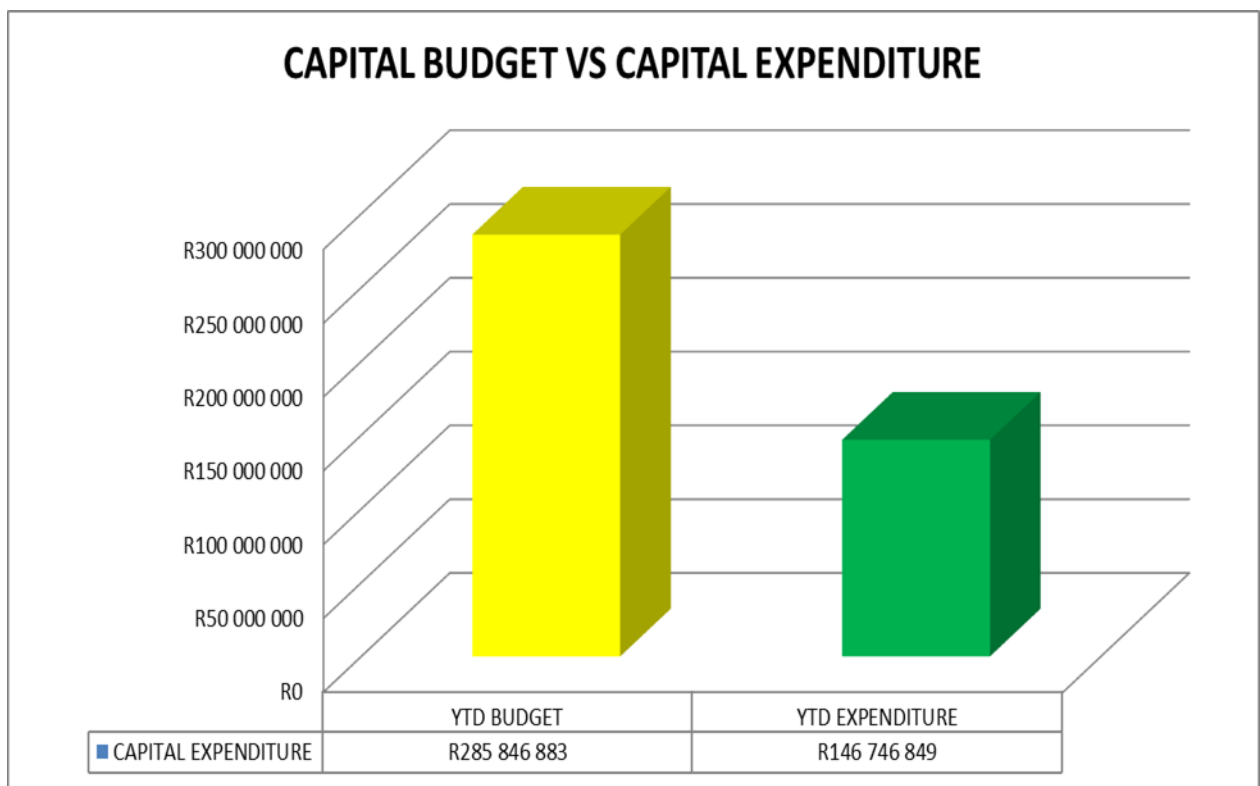
DC43 Harry Gwala - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M11 May

Vote Description	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									
Multi-Year expenditure appropriation									
Vote 1 - Mayor	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager Admin	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Administration	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate services admin	1 643	4 624	2 732	(57)	958	2 505	(1 547)	-62%	2 732
Vote 5 - Social economic & development planning admin	400	1 117	-	-	-	-	-	-	-
Vote 6 - Infrastructure services admin	244 590	337 272	299 101	23 808	137 732	274 176	(136 444)	-50%	299 101
Vote 7 - Water services admin	3 605	5 042	10 000	-	8 057	9 167	(1 109)	-12%	10 000
Total Capital Multi-year expenditure	250 238	348 054	311 833	23 751	146 747	285 847	(139 100)	-49%	311 833
Total Capital Expenditure	250 238	348 054	311 833	23 751	146 747	285 847	(139 100)	-49%	311 833
Capital Expenditure - Standard Classification									
Governance and administration	1 643	4 624	2 732	(57)	958	2 505	(1 547)	-62%	2 732
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-
Corporate services	1 643	4 624	2 732	(57)	958	2 505	(1 547)	-62%	2 732
Economic and environmental services	400	1 117	-	-	-	-	-	-	-
Planning and development	400	1 117	-	-	-	-	-	-	-
Trading services	248 195	342 314	309 101	23 808	145 789	283 342	(137 553)	-49%	309 101
Electricity	-	-	-	-	-	-	-	-	-
Water	3 605	5 042	10 000	-	8 057	9 167	(1 109)	-12%	10 000
Waste water management	244 590	337 272	299 101	23 808	137 732	274 176	(136 444)	-50%	299 101
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	250 238	348 054	311 833	23 751	146 747	285 847	(139 100)	-49%	311 833
Funded by:									
National Government	244 290	335 772	309 101	23 808	137 732	283 342	(145 611)	-51%	309 101
Transfers recognised - capital	244 290	335 772	309 101	23 808	137 732	283 342	(145 611)	-51%	309 101
Internally generated funds	5 948	12 282	2 732	(57)	958	2 505	(1 547)	-62%	2 732
Total Capital Funding	250 238	348 054	311 833	23 751	138 690	285 847	(147 157)	-51%	311 833

As alluded to above, the capital expenditure programme for the month ending 31 May 2017 was R146, 7m which represents 51% of capital expenditure against year to date budget and thus shows a great improvement on expenditures reflected on National grant funding.

The chart below presents a high level analysis of YTD capital expenditure budget against the YTD actual expenditure.

Chart 1: 2016/2017 CAPEX YTD BUDGET & YTD ACTUAL



As at 31 May 2017, the year to date actual expenditure was R146, 7m against a YTD budget of R285, 8million. In monetary terms, these figures represent 51% per cent performance against the capital development programme as at 31 May 2017.

Table C6 displays the financial position of the municipality as at 31 May 2017.

DC43 Harry Gwala - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	2015/16	Budget Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	9 855	35 377	6 142	41 214	35 377
Call investment deposits	-	-	-	-	-
Consumer debtors	39 061	48 078	48 078	98 257	48 078
Other debtors	12 065	12 789	12 789	14 530	12 789
Current portion of long-term receivables	4 246	-	-	-	-
Inventory	349	384	384	192	384
Total current assets	65 577	96 627	67 392	154 193	96 627
Non current assets					
Investments in Associate	-	-	-	-	-
Property, plant and equipment	1 571 174	1 912 816	1 876 595	1 774 304	1 912 816
Intangible assets	1 184	1 296	1 296	307	1 296
Other non-current assets	-	-	-	-	-
Total non current assets	1 572 358	1 914 112	1 877 891	1 774 612	1 914 112
TOTAL ASSETS	1 637 935	2 010 739	1 945 283	1 928 805	2 010 739
<u>LIABILITIES</u>					
Current liabilities					
Borrowing	3 592	3 330	3 330	2 463	3 330
Consumer deposits	1 415	1 593	1 593	1 437	1 593
Trade and other payables	95 710	51 770	223 775	49 532	51 770
Provisions	8 169	4 305	4 305	2 661	4 305
Total current liabilities	108 886	60 999	233 003	56 093	60 999
Non current liabilities					
Borrowing	16 683	12 353	12 353	15 750	12 353
Provisions	14 334	17 506	17 506	27 449	17 506
Total non current liabilities	31 018	29 859	29 859	43 199	29 859
TOTAL LIABILITIES	139 904	90 858	262 862	99 292	90 858
NET ASSETS	1 498 031	1 919 882	1 682 421	1 829 513	1 919 882
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	1 498 031	1 919 882	1 682 421	1 829 513	1 919 882
Reserves					
TOTAL COMMUNITY WEALTH/EQUITY	1 498 031	1 919 882	1 682 421	1 829 513	1 919 882

Table C7 below display the Cash Flow Statement for the period ending 31 May 2017.

DC43 Harry Gwala - Table C7 Monthly Budget Statement - Cash Flow - M11 May

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									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Service charges	30 746	32 408	42 081	4 129	23 970	35 067	(11 097)	-32%	42 081
Other revenue	2 034	305	305	221	1 702	254	1 449	571%	305
Government - operating	260 403	277 632	300 862	-	269 339	250 719	18 621	7%	300 862
Government - capital	244 290	335 772	309 101	-	340 456	257 584	82 872	32%	309 101
Interest	8 294	3 500	6 538	1 838	20 030	5 449	14 582	268%	6 538
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(262 968)	(298 426)	(360 131)	(24 611)	(466 510)	(300 109)	166 401	-55%	(360 131)
Finance charges	(1 114)	(1 926)	(2 010)	-	(1 010)	(1 675)	(665)	40%	(2 010)
Transfers and Grants	(18 096)	(20 000)	(17 333)	-	(17 333)	(14 444)	2 889	-20%	(17 333)
NET CASH FROM/(USED) OPERATING ACTIVITIES	263 590	329 265	279 413	(18 423)	170 646	232 844	62 198	27%	279 413
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(276 912)	(310 943)	(274 721)	(23 751)	(133 797)	(228 934)	(95 137)	42%	(274 721)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(276 912)	(310 943)	(274 721)	(23 751)	(133 797)	(228 934)	(95 137)	42%	(274 721)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	151	178	178	-	-	148	(148)	-100%	178
Payments									
Repayment of borrowing	(2 845)	(3 000)	(4 547)	-	(1 453)	(3 789)	(2 336)	62%	(4 547)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 694)	(2 822)	(4 369)	-	(1 453)	(3 641)	(2 188)	60%	(4 369)
NET INCREASE/ (DECREASE) IN CASH HELD	(16 016)	15 500	323	(42 174)	35 395	269			323
Cash/cash equivalents at beginning:	25 871	19 877	5 819		5 819	5 819			5 819
Cash/cash equivalents at month/year end:	9 855	35 377	6 142		41 214	6 088			6 142

The billing vs Collection ratio for the month of May was 77% (April: 15%) showing a great improvement in collection by 62% as compared to previous month

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 May 2017.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

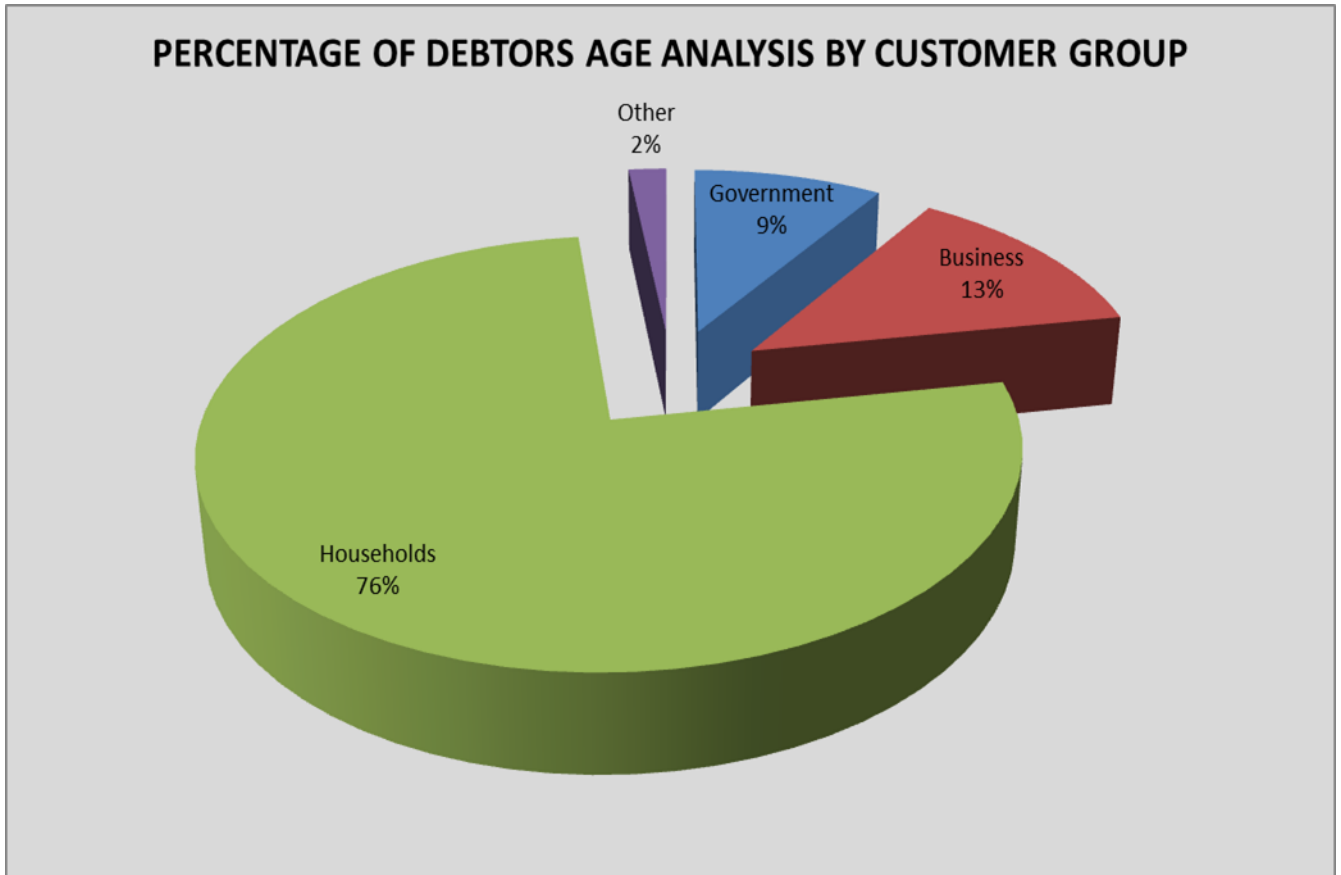
Description	Budget Year 2016/17									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	4 345	5 356	3 458	8 472	2 512	2 201	11 401	81 317	119 062	105 903
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 698	2 092	1 351	3 310	981	860	4 454	31 767	46 513	41 372
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	726	895	578	1 416	420	368	1 906	13 593	19 902	17 703
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	6 769	8 343	5 387	13 199	3 914	3 428	17 761	126 677	185 477	164 978
2015/16 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	1 333	926	834	1 074	476	429	1 735	6 930	13 737	10 644
Commercial	1 088	951	417	6 019	582	175	996	8 046	18 276	15 819
Households	4 348	6 465	4 136	6 105	2 855	2 825	15 029	111 701	153 464	138 516
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	6 769	8 343	5 387	13 199	3 914	3 428	17 761	126 677	185 477	164 978

The municipal consumer debt is currently increasing citing rigorous actions to ensure that this trend is prevented from continuing as it has a direct negative impact on municipal cash flows.

Chart 2: Debtors Age Analysis by Customer Group

The information presented in the chart above ranks total debt owed to the municipality from highest to the lowest,

- ✓ Households: 76%
- ✓ Government 9%
- ✓ Business 13%
- ✓ Other 2%



The chart above shows that for each debtor type the amounts owing to the municipality have increased on a year to year basis.

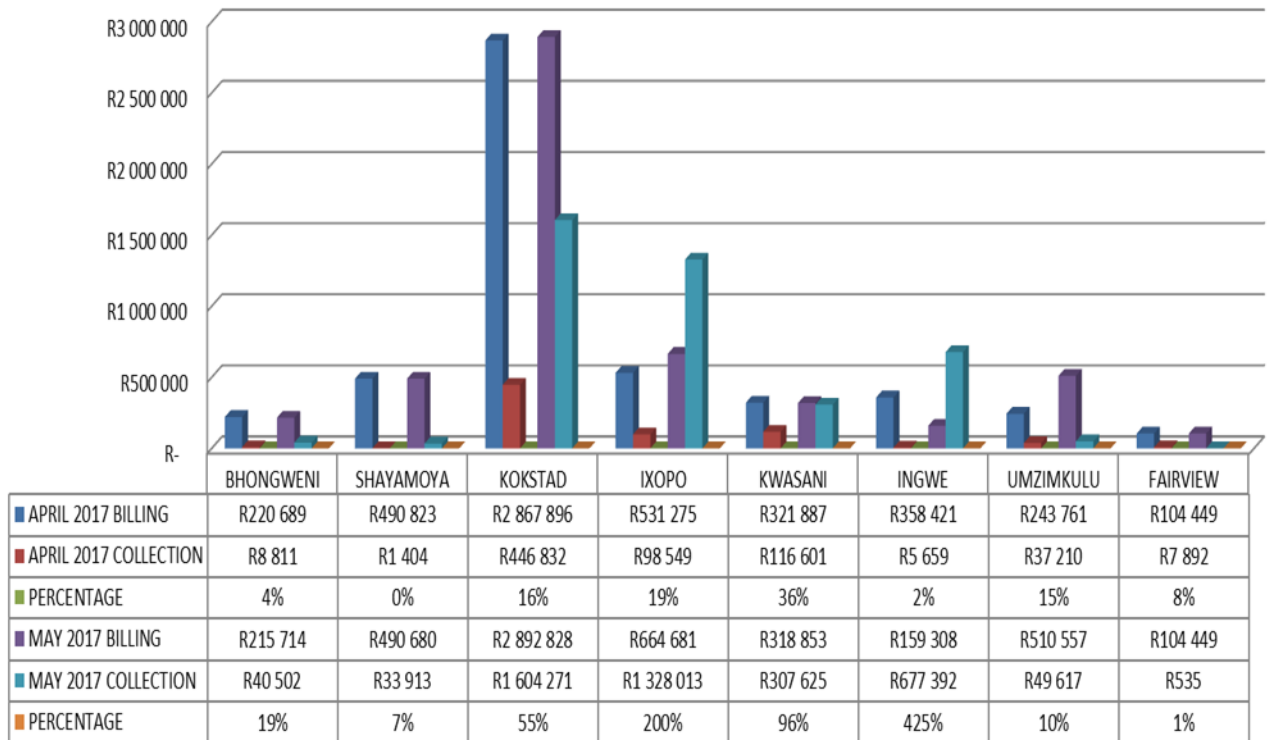
The table that follows below unpacks the revenue receipts per Local Municipality in the District

REVENUE RECEIPTS**Revenue receipts per Area**

AREA	AMOUNT		
		MAY 2017	APRIL 2017
Unallocated receipts	R 87 142,48	2%	8%
Kokstad	R 1 604 270,92	39%	1%
Bhongweni	R 40 501,53	1%	0%
Shayamoya	R 33 912,87	1%	57%
Ixopo	R 1 328 013,24	32%	13%
Fairview	R 535,00	0%	16%
NDZ	R 985 017,85	24%	5%
Umzimkhulu	R 49 617,07	1%	1%
TOTAL RECEIPTS INCL VAT	R 4 129 010,96	100%	100%

The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for May is R4, 1million. It is evident from the figures presented above that the largest percentage receipts of the revenue per local municipality as was the previous month in May is from Kokstad at 39% followed by Ixopo at 32%. These statistics confirm dependency on Kokstad as the greatest contributor to the District Municipality's revenue. The Unallocated receipts for the month of May amounting to 2% which still need to be allocated according to the local municipalities.

BILLING VS COLLECTION



2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 May 2017.

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	Budget Year 2016/17								Total
	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									-
Bulk Water	1 284	561	702	1 329					3 877
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	5 800	550	488	2 132					8 971
Auditor General	165	-	-	-					165
Other									-
Total By Customer Type	7 249	1 112	1 190	3 462	-	-	-	-	13 012

2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short term investments balances broken down per investment type as at 31 May 2017.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
	R thousands							
Municipality								
FIRST NATIONAL BANK		CALL ACCOUNT		150		30 635	(12 402)	18 383
FIRST NATIONAL BANK		CALL ACCOUNT		29		7 457	(6 282)	1 204
FIRST NATIONAL BANK		ADMIN CALL		42		7 987	(5 683)	2 346
INVESTEC		FIXED DEPOSIT		32		11 736	(8 500)	3 268
FIRST NATIONAL BANK		FIXED DEPOSIT		85		16 776	(4 712)	12 149
FIRST NATIONAL BANK		CALL ACCOUNT		8		4 338	(3 683)	663
FIRST NATIONAL BANK		CALL ACCOUNT		0		6	-	6
FIRST NATIONAL BANK		CALL ACCOUNT		5		1 953	(975)	983
FIRST NATIONAL BANK		CURRENT ACCOUNT						1 170
FIRST NATIONAL BANK		FIXED DEPOSIT		4		1 040	-	1 044
Municipality sub-total				355		81 927	(42 237)	41 214
TOTAL INVESTMENTS AND INTEREST				355		81 927	(42 237)	41 214

2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

DC43 Harry Gwala - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

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									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	259 223	277 232	300 862	-	266 778	266 624	21 672	8,1%	300 862
Local Government Equitable Share	241 033	260 069	260 069	-	260 069	238 397	21 672	9,1%	260 069
Finance Management	1 250	1 250	1 250	-	1 250	1 146	-	-	1 250
Municipal Systems Improvement	940	1 041	-	-	-	-	-	-	-
Municipal Infrastructure Grant (PMU)	9 460	4 777	16 084	-	-	14 744	-	-	16 084
Energy Efficiency And Demand Side Management Grant	-	8 000	8 000	-	-	7 333	-	-	8 000
Rural Roads Asset Management Grant	2 040	2 095	2 095	-	2 095	1 920	-	-	2 095
Rural Household Infrastructure Grant	4 500	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant	-	-	10 000	-	-	-	-	-	10 000
Expanded public works programme incentive grant	-	-	3 364	-	3 364	3 084	-	-	3 364
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	1 180	400	-	-	-	-	-	-	-
Infrastructure Sport Facilities	-	-	-	-	-	-	-	-	-
LG Seta	80	-	-	-	-	-	-	-	-
Development Planning Shared Services	1 100	400	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	260 403	277 632	300 862	-	266 778	266 624	21 672	8,1%	300 862
Capital Transfers and Grants									
National Government:	244 290	335 772	309 101	-	325 185	274 176	30 666	11,2%	309 101
Municipal Infrastructure Grant (MIG)	183 324	186 290	174 983	-	191 067	160 401	30 666	19,1%	174 983
Regional Bulk Infrastructure	14 000	60 000	48 000	-	48 000	44 000	-	-	48 000
Municipal Water Infrastructure Grant	43 500	86 118	76 118	-	86 118	69 775	-	-	76 118
Expanded public works programme incentive grant	3 466	3 364	-	-	-	-	-	-	-
Rural Household Infrastructure Grant	-	-	-	-	-	-	-	-	-
Drought Relief	-	-	10 000	-	-	-	-	-	10 000
Other capital transfers [insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	244 290	335 772	309 101	-	325 185	274 176	30 666	11,2%	309 101
TOTAL RECEIPTS OF TRANSFERS & GRANTS	504 693	613 404	609 963	-	591 963	540 799	52 339	9,7%	609 963

It is clear from the chart above that the bulk of the grants received by the municipality are from the National Treasury.

Table SC7 track the expenditure on Conditional grant funding.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

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									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	259 223	277 232	300 862	239 392	255 137	250 719	22 067	8,8%	300 862
Local Government Equitable Share	241 033	260 069	260 069	238 397	238 397	216 724	21 672	10,0%	260 069
Finance Management	1 250	1 250	1 250	790	1 181	1 042	-	-	1 250
Municipal Systems Improvement	940	1 041	-	-	-	-	-	-	-
Municipal Infrastructure Grant (PMU)	9 460	4 777	16 084	-	-	13 404	-	-	16 084
Energy Efficiency And Demand Side Management Grant	-	8 000	8 000	769	3 554	6 667	-	-	8 000
Water Services Operating Subsidy	-	-	-	-	-	-	-	-	-
Rural Roads Asset Management Grant	2 040	2 095	2 095	(1 078)	473	1 746	(1 273)	-72,9%	2 095
Rural Household Infrastructure Grant	4 500	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant	-	-	10 000	-	10 000	8 333	1 667	20,0%	10 000
Expanded public works programme incentive grant	-	-	3 364	513	1 532	2 803	-	-	3 364
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	1 180	400	-	-	-	-	-	-	-
Infrastructure Sport Facilities	-	-	-	-	-	-	-	-	-
LG Seta	80	-	-	-	-	-	-	-	-
Development Planning Shared Services	1 100	400	-	-	-	-	-	-	-
Tourism route [insert description]	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	260 403	277 632	300 862	239 392	255 137	250 719	22 067	8,8%	300 862
Capital expenditure of Transfers and Grants									
National Government:	244 290	335 772	309 101	25 726	169 331	257 584	(53 555)	-20,8%	309 101
Municipal Infrastructure Grant (MIG)	183 324	186 290	174 983	9 475	92 264	145 819	(53 555)	-36,7%	174 983
Regional Bulk Infrastructure	14 000	60 000	48 000	8 258	22 562	40 000	-	-	48 000
Municipal Water Infrastructure Grant	43 500	86 118	76 118	7 994	46 448	63 432	-	-	76 118
Expanded public works programme incentive grant	3 466	3 364	-	-	-	-	-	-	-
Rural Household Infrastructure Grant	-	-	-	-	-	-	-	-	10 000
Drought Relief	-	-	10 000	-	8 057	8 333	-	-	-
Total capital expenditure of Transfers and Grants	244 290	335 772	309 101	25 726	169 331	257 584	(53 555)	-20,8%	309 101
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	504 693	613 404	609 963	265 118	424 468	508 303	(31 488)	-6,2%	609 963

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 May 2017.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	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	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	621	5 361	5 361	305	3 397	4 914	(1 517)	-31%	5 361
Pension and UIF Contributions	311	399	399	23	253	366	(113)	-31%	399
Medical Aid Contributions	771	94	94	5	60	86	(27)	-31%	94
Motor Vehicle Allowance	621	1 178	1 178	67	746	1 080	(333)	-31%	1 178
Cellphone Allowance	2 636	259	259	15	164	237	(73)	-31%	259
Housing Allowances	1 618	-	-	-	-	-	-	-	-
Other benefits and allowances	742	616	616	35	390	565	(174)	-31%	616
Sub Total - Councillors	7 321	7 906	7 906	450	5 010	7 247	(2 237)	-31%	7 906
% increase		8,0%	8,0%						8,0%
Senior Managers of the Municipality									
Basic Salaries and Wages	5 551	5 995	6 391	523	5 702	6 505	(803)	-12%	5 615
Pension and UIF Contributions	3	3	3	0	3	3	(0)	-3%	3
Medical Aid Contributions	5	6	6	0	5	5	(0)	-3%	6
Performance Bonus	-	-	-	-	-	-	-	-	776
Motor Vehicle Allowance	3 049	3 293	3 511	287	3 132	3 218	(86)	-3%	3 511
Cellphone Allowance	143	154	164	13	147	151	(4)	-3%	164
Other benefits and allowances	4	5	5	0	4	5	(0)	-3%	5
Sub Total - Senior Managers of Municipality	8 755	9 455	10 080	825	8 993	9 886	(894)	-9%	10 080
% increase		8,0%	15,1%						15,1%
Other Municipal Staff									
Basic Salaries and Wages	77 494	83 693	89 226	7 302	79 602	81 791	(2 189)	-3%	89 226
Pension and UIF Contributions	13 103	14 151	15 087	1 235	13 459	13 829	(370)	-3%	15 087
Medical Aid Contributions	1 811	1 955	2 085	171	1 860	1 911	(51)	-3%	2 085
Overtime	1 618	1 747	1 863	152	1 662	1 708	(46)	-3%	1 863
Performance Bonus	7 180	7 755	8 267	677	7 376	7 579	(203)	-3%	8 267
Motor Vehicle Allowance	3 300	3 564	3 800	311	3 390	3 483	(93)	-3%	3 800
Cellphone Allowance	563	608	648	53	578	594	(16)	-3%	648
Housing Allowances	49	53	56	5	50	52	(1)	-3%	56
Other benefits and allowances	2 158	2 331	2 485	203	2 217	2 278	(61)	-3%	2 485
Sub Total - Other Municipal Staff	107 276	115 858	123 518	10 108	110 195	113 225	(3 030)	-3%	123 518
% increase		8,0%	15,1%						15,1%
Total Parent Municipality	123 351	133 219	141 504	11 383	124 198	130 358	(6 160)	-5%	141 504
		8,0%	14,7%						14,7%
Unpaid salary, allowances & benefits in arrears:									
TOTAL SALARY, ALLOWANCES & BENEFITS	123 351	133 219	141 504	11 383	124 198	130 358	(6 160)	-5%	141 504
% increase		8,0%	14,7%						14,7%
TOTAL MANAGERS AND STAFF	116 031	125 313	133 598	10 933	119 188	123 111	(3 923)	-3%	133 598

2.6 Material Variances to the SDBIP

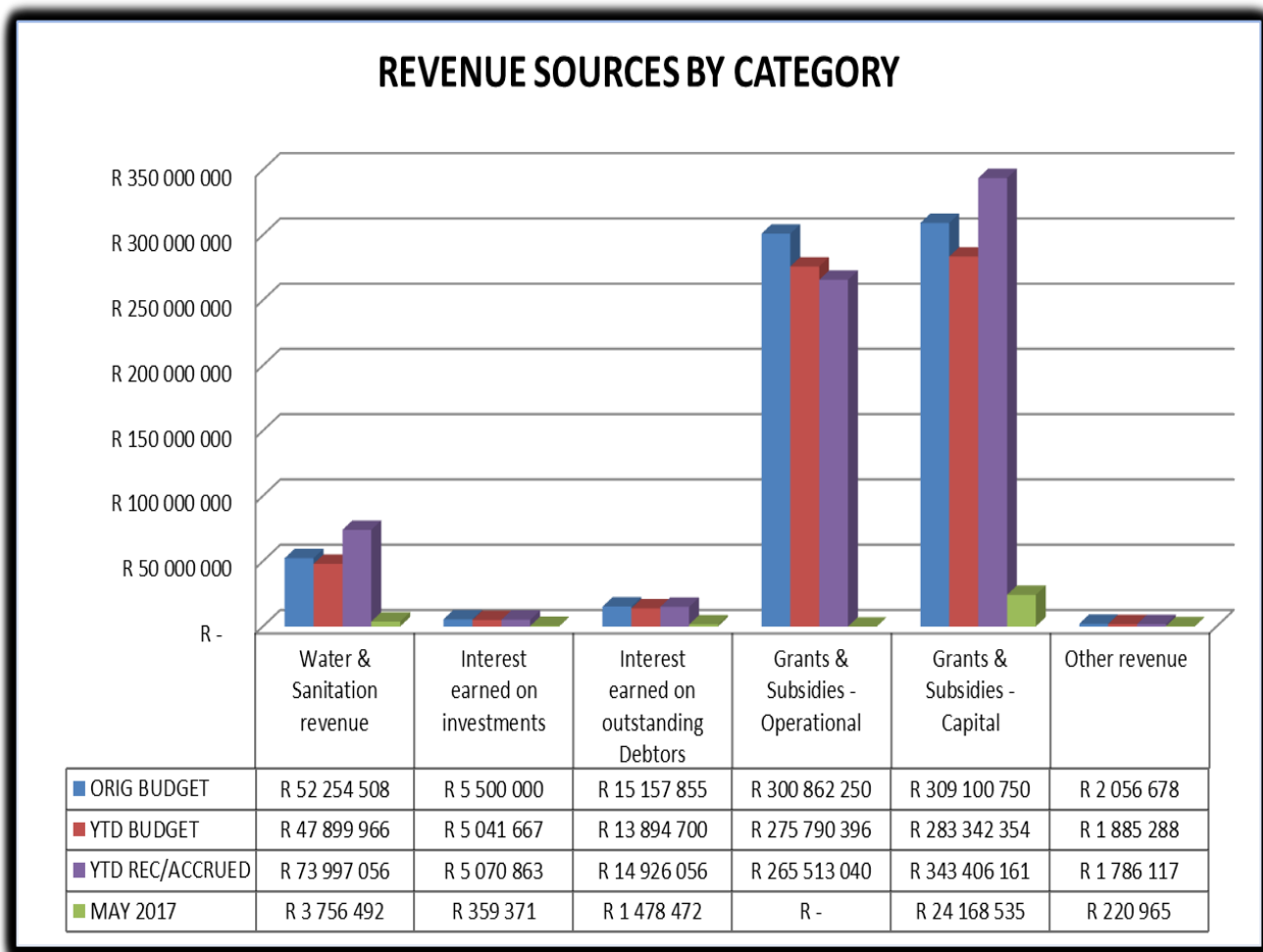
The following section analyses material variances between the actual targets as at 31 May 2017 and the budget for the same period. This report analyses each major component under following headings;

- ✓ Revenue by Source
- ✓ Operational Expenditure by Type, and
- ✓ Capital Expenditure
- ✓ Financial Position
- ✓ Cash Flows

REVENUE

The chart displays a comparison between the 2016/17 financial year revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to "performance" rather than "cash movements" in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

Chart 3: Revenue Analysis



Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 31 May 2017 was R73, 9million against a year to date **budget** of R47, 8million.

Interest Earned on External Investments

The year to date actual interest earned on external investments as at 31 May 2017 is R 5m against year to date budget of R5m.

Transfers Recognised – Operational

The YTD operational grants revenue for May R265, 5million against a year to date budget of R275, 7million and is largely attributable to the YTD equitable share.

Transfers Recognised – Capital

The year to date actual for capital expenditure is R343, 4m (against a YTD budget of R283, 3million) represent the conditions met in capital expenditures against the conditional grant allocation received. No Capital grant received in the month of May 2017.

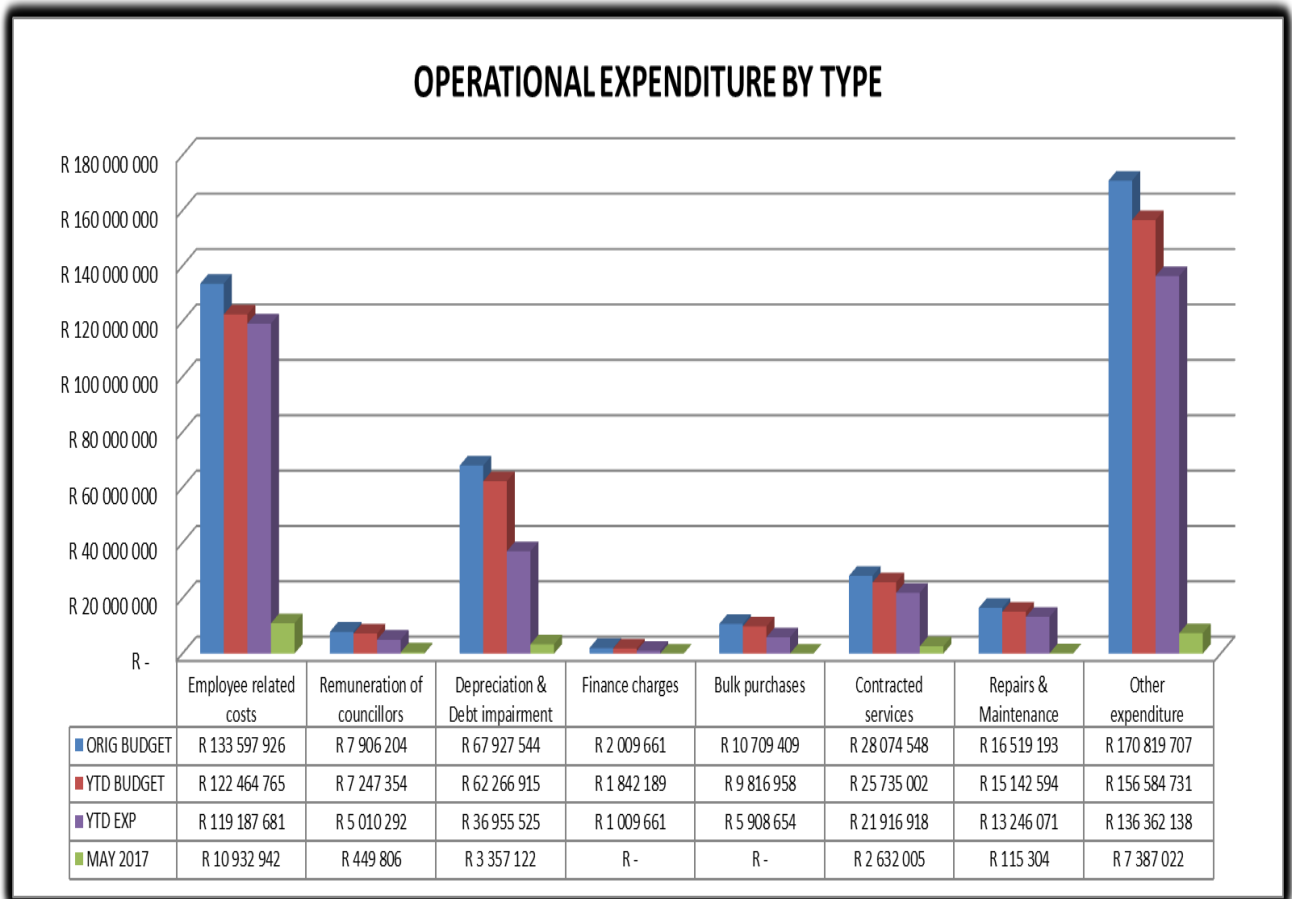
Other Revenue

The YTD performance of other revenue is R 1, 7m against YTD budget of R1, 8m of YTD budget.

OPERATIONAL EXPENDITURE

The chart below presents the YTD operational expenditure movements against the YTD budgets. An analysis of each expenditure line item category is discussed below.

Chart 4: 2016/17 Financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R122, 4million against a YTD actual of R119, 1million which is 97% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor’s expenditure as at 31 May 2017 was R5m against a YTD budget of R7, 2m representing an expenditure performance of 69%.

Finance Charges

As at 31 May 2017, year to date budget for finance charges is R1, 8m against year to actual of R1m.

Bulk Purchases

The YTD budget for bulk purchases was at R9, 8m against a YTD expenditure of R5, 9m representing over performance by 60%.

Other Expenditure

The YTD budget for other expenditure was at R156, 5million against a YTD expenditure of R136, 3million. The performance for other expenditure in the month of May is at 87%.

Actual and revised targets for cash receipts

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M11 May

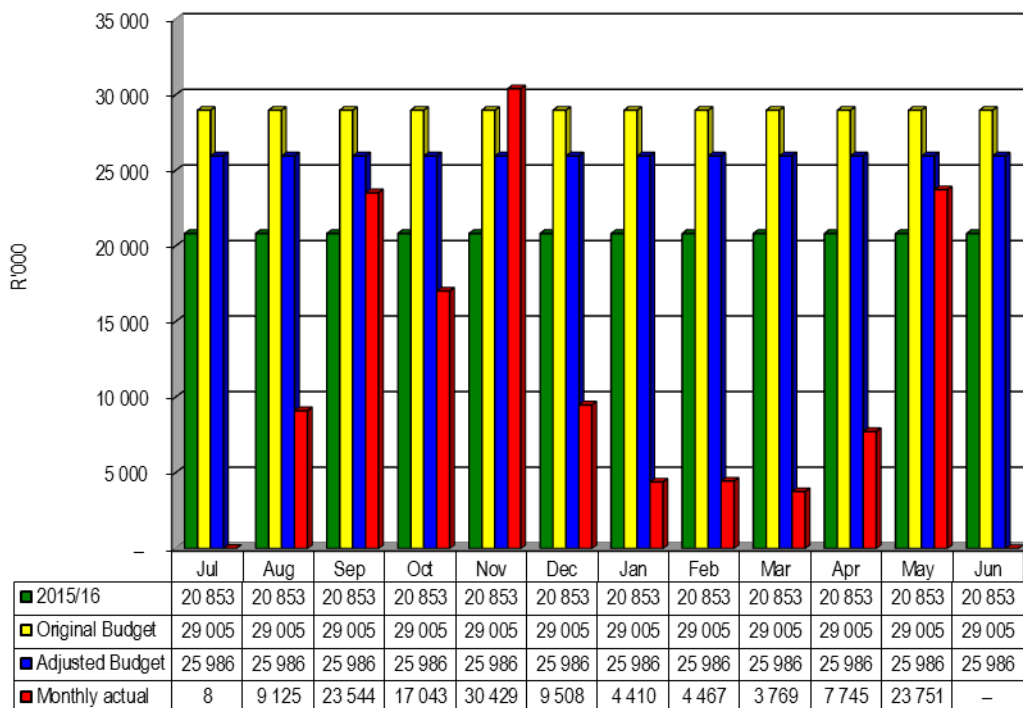
Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source															
Property rates															
Service charges - water revenue	1 393	1 104	1 470	2 138	1 845	1 490	964	1 580	1 182	548	2 890	6 382	22 985	23 305	24 703
Service charges - sanitation revenue	597	473	630	916	791	639	413	677	507	235	1 239	2 307	9 422	9 988	10 587
Service charges - refuse															
Interest earned - external investments	183	102	700	734	414	334	700	588	461	528	359	(1 604)	3 500	3 710	3 933
Interest earned - outstanding debtors	1 303	1 311	1 322	1 312	1 325	1 356	1 357	1 381	1 388	1 394	1 478	(14 926)			
Agency services															
Transfer receipts - operating	108 362	1 250	1 095	2 000		86 817		3 000	66 899			8 209	277 632	294 948	317 863
Other revenue	(158)	131	658	242	107	31	189	157	134	74	221	(1 481)	305	323	342
Cash Receipts by Source	111 681	4 371	5 876	7 342	4 481	90 665	3 623	7 382	70 571	2 779	6 188	(1 114)	313 844	332 273	357 428
Other Cash Flows by Source															
Transfer receipts - capital	172 835	841		61 059		78 561	27 224					(4 768)	335 772	401 643	373 080
Contributions & Contributed assets															
Increase in consumer deposits												178	178	200	226
Change in non-current investments															
Total Cash Receipts by Source	284 516	5 212	5 876	68 401	4 481	169 246	30 847	7 382	70 571	2 779	6 188	(5 704)	649 794	734 117	730 733
Cash Payments by Type															
Employee related costs	10 685	11 568	10 613	10 810	10 884	12 785	11 374	11 012	10 647	10 676	10 933	3 325	125 313	135 338	146 165
Remuneration of councillors	497	432	378	393	491	498	421	489	480	481	450	2 896	7 906	8 539	9 222
Interest paid					1 010							916	1 926	1 595	1 229
Bulk purchases - Water & Sewer		599			949	628	703	1 551	689	789		4 801	10 709	11 641	12 654
Contracted services	1 026	1 238	237	1 819	4 890	3 003	310	1 217	7 356	1 215	2 632	19 980	44 923	46 016	50 272
Grants and subsidies paid - other municipalities	6 667						6 667			4 000		(17 333)			
Grants and subsidies paid - other												20 000	20 000	22 218	23 551
General expenses	107 026	37 235	27 895	(6 831)	14 941	62 853	3 347	4 543	31 009	16 047	10 596	(199 085)	109 575	109 032	114 494
Cash Payments by Type	125 902	51 071	39 123	6 191	33 164	79 768	22 821	18 812	50 182	33 208	24 611	(164 501)	320 352	334 380	357 588
Other Cash Flows/Payments by Type															
Capital assets	8	9 125	23 544	17 043	30 429	9 508	4 410	4 467	3 769	7 745	23 751	177 146	310 943	365 456	340 017
Repayment of borrowing					1 453							1 547	3 000	3 330	3 697
Other Cash Flows/Payments															
Total Cash Payments by Type	125 909	60 196	62 666	23 234	65 046	89 276	27 231	23 279	53 951	40 953	48 362	14 192	634 294	703 206	701 302
NET INCREASE/(DECREASE) IN CASH HELD	158 606	(54 984)	(56 790)	45 167	(60 586)	79 970	3 616	(15 897)	16 621	(38 174)	(42 174)	(19 895)	15 500	30 910	29 431
Cash/cash equivalents at the monthly year beginning:	5 819	164 425	109 442	52 651	97 819	37 253	117 223	120 839	104 942	121 563	83 389	41 214	5 819	21 319	52 229
Cash/cash equivalents at the monthly year end:	164 425	109 442	52 651	97 819	37 253	117 223	120 839	104 942	121 563	83 389	41 214	21 319	21 319	52 229	81 661

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M11 May

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	20 853	29 005	25 986	8	8	25 986	25 979	100,0%	0%
August	20 853	29 005	25 986	9 125	9 132	51 972	42 840	82,4%	3%
September	20 853	29 005	25 986	23 544	32 676	77 958	45 282	58,1%	9%
October	20 853	29 005	25 986	17 043	49 718	103 944	54 226	52,2%	14%
November	20 853	29 005	25 986	30 429	80 147	129 930	49 783	38,3%	23%
December	20 853	29 005	25 986	9 508	89 656	155 916	66 261	42,5%	26%
January	20 853	29 005	25 986	4 410	94 065	181 903	87 838	48,3%	27%
February	20 853	29 005	25 986	4 467	98 532	207 889	109 357	52,6%	28%
March	20 853	29 005	25 986	3 769	102 301	233 875	131 574	56,3%	29%
April	20 853	29 005	25 986	7 745	110 046	259 861	149 815	57,7%	0
May	20 853	29 005	25 986	23 751	133 797	285 847	152 050	53,2%	0
June	20 853	29 005	25 986			311 833	-		
Total Capital expenditure	250 238	348 054	311 833	133 797					

Chart C1 2016/17 Capital Expenditure Monthly Trend: actual v target



Capital Expenditure on New Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M11 May

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									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	232 188	331 272	306 251	23 808	144 873	280 730	135 857	48,4%	306 251
Infrastructure - Road transport	-	500	-	-	-	-	-	-	-
Roads, Pavements & Bridges	-	500	-	-	-	-	-	-	-
Infrastructure - Water	203 688	297 107	282 804	23 676	141 351	259 237	117 886	45,5%	282 804
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	203 688	297 107	282 804	23 676	141 351	259 237	117 886	45,5%	282 804
Infrastructure - Sanitation	28 500	33 666	23 447	132	3 522	21 493	17 971	83,6%	23 447
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	28 500	33 666	23 447	132	3 522	21 493	17 971	83,6%	23 447
Other assets	9 950	10 533	1 783	(31)	506	1 634	1 129	69,1%	1 783
General vehicles	-	4 642	1 000	-	-	917	917	100,0%	1 000
Specialised v ehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	4 600	2 600	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	1 450	1 791	783	(31)	506	717	212	29,5%	783
Other Buildings	600	-	-	-	-	-	-	-	-
Other	3 300	1 500	-	-	-	-	-	-	-
Intangibles	1 100	1 250	950	(26)	452	870	418	48,0%	950
Computers - software & programming	1 100	1 250	950	(26)	452	870	418	48,0%	950
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	243 238	343 054	308 983	23 751	145 831	283 234	137 404	48,5%	308 983
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

2.7 Municipal Manager's Quality's Certificate

Quality Certificate

I, Adelaide Nomnandi Dlamini, the Municipal Manager of Harry Gwala District Municipality, hereby certify that-

- The monthly budget statement

For the month of May 2017 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Adelaide Nomnandi Dlamini

Municipal Manager of: Harry Gwala District Municipality

Signed _____

Date _____