

Harry Gwala District Municipality

MFMA s71 & s52 (d) report for the period ending 31 March 2017.

11/4/2017

Budget & Treasury Office

Table of Contents

1.1 Mayors Report..... 5

1.2 Executive Summary..... 6

DELIBERATION 6

1.3 Resolutions 9

1.4 Monthly Budget Statement Tables..... 9

2.1 Debtors Analysis 18

2.2 Creditors Analysis 22

2.3 Investment Portfolio Analysis 23

2.4 Allocation and Grant receipts and Expenditure..... 24

2.5 Councillor and Staff Benefits..... 26

2.6 Material Variances to the SDBIP..... 27

2.7 Municipal Manager’s Quality’s Certificate..... 35

Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

AFS – Annual Financial Statements

Budget – The financial plan of the Municipality.

Capital expenditure - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant.

GRAP – Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

SDBIP – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information. Harry Gwala District Municipality MFMA s71 Monthly Report Page 5

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

Vote – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. .

YTD – Year to date

YoY – Year on Year

DBSA – Development Bank of South Africa

1. PART 1 – MONTHLY REPORT

1.1 Mayors Report

1.2.1 Implementation of the budget in accordance with the SDBIP

A comprehensive report detailing the implementation for the third quarter ended 31 March 2017 will be tabled in a separate report to council.

1.2.2 Financial problems or risks facing the municipality

The cash flow position as at 31 March 2017 of the Municipality shows a slightly improvement when compared to the previous financial year even though we still need to continue implementing cost containment measures. The municipality will seek to prioritise or reduce the unnecessary expenditure in order for the municipality to be stable and close the financial year with positive bank balance.

The municipality also need to improve in collection as we see a decrease in the past quarter in order to reduce consumer debts because it will contribute towards the municipality's cash flow. Improving the debt collection will continue to rank high in the municipality's priorities as we seek to improve financial sustainability.

1.2 Executive Summary

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 & Section 52 (d) above, intends to inform the Finance and Corporate Service Committee on the progress made thus far in terms of implementing the 2016/2017 budget for the period ending 31 March 2017.

Revenue by Source

The Year-to-Date actual revenue is 124% above the YTD budget.

Borrowings

The balance of borrowings amounts to R19m at the end of March 2017 for ABSA loan. There was no movement in the month of March 2017.

Operating expenditure by vote & type

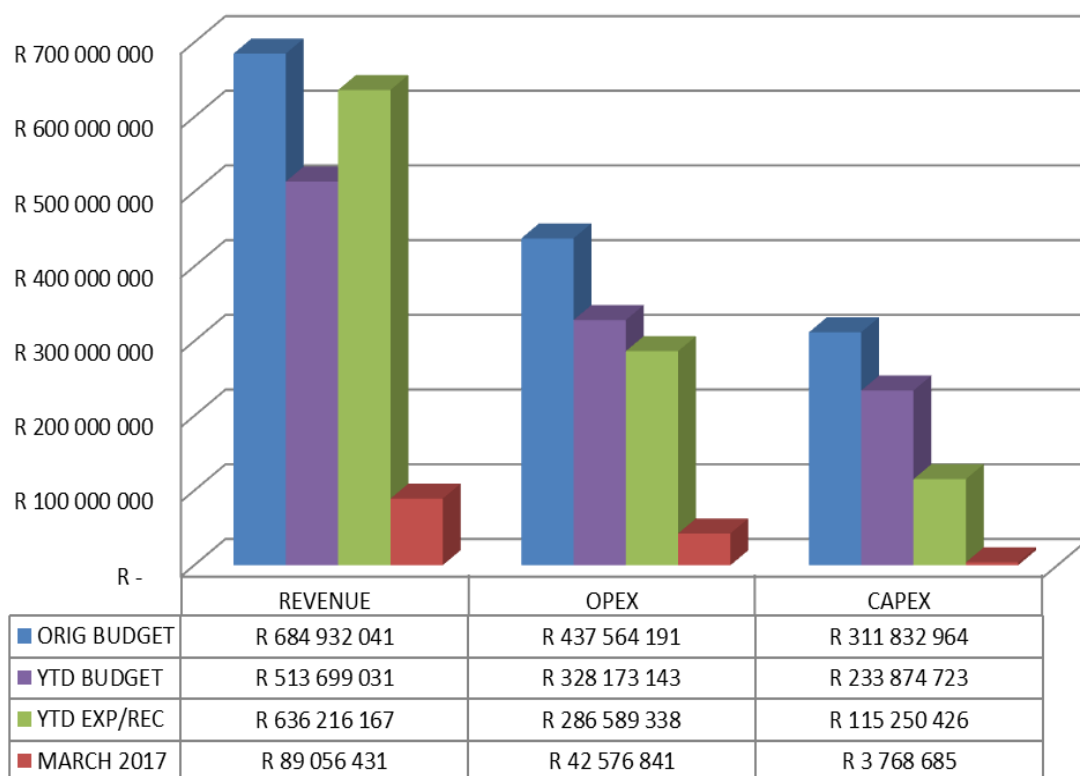
Operating expenditure is at 87% above YTD budget for the period ending March 2017.

Capital expenditure

The YTD expenditure on capital amounts to R115, 2 million, or 49%, of a total budget of R233, 8million. 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 MARCH 2017



Cash flows

The municipality started the year with a positive cashbook balance of R5, 8 million. The closing cash and cash equivalents as at the end of March 2017 was R121, 5million refer to Supporting Table C6 for more detail on the cash position.

Allocations received (National & Provincial Grants)

All DORA allocations for 2016/2017 third Quarter have been received as per payment schedule. Details of the grants have been presented in SC6.

Spending on Grants

Spending on grants amounted to R115, 2million or 49% for 2016/17 third quarter.

1.3 Resolutions

The following recommendations are linked to the responsibilities of the Mayor as contained in s54 of the MFMA.

It is recommended that the Mayor;

1. Notes the monthly budget statement and any other supporting documentation
2. Notes the quarterly report on the implementation of the budget in terms of s52 (d) of the MFMA

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 - M09 March

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	55 822	60 553	52 255	9 749	43 297	39 191	4 106	10%	52 255
Investment revenue	3 375	3 500	5 500	461	4 183	4 125	58	1%	5 500
Transfers recognised - operational	260 403	277 632	300 862	65 890	265 513	225 647	39 866	18%	300 862
Other own revenue	9 098	9 109	17 215	1 522	13 545	12 911	634	5%	17 215
Total Revenue (excluding capital transfers and contributions)	328 699	350 794	375 831	77 623	326 538	281 873	44 665	16%	375 831
Employee costs	116 031	125 313	133 598	10 647	100 379	100 198	181	0%	133 598
Remuneration of Councillors	7 321	7 906	7 906	480	4 079	5 930	(1 850)	-31%	7 906
Depreciation & asset impairment	30 000	31 874	42 534	3 356	30 238	31 900	(1 662)	-5%	42 534
Finance charges	1 114	1 926	2 010	-	1 010	1 507	(498)	-33%	2 010
Materials and bulk purchases	9 852	10 709	10 709	689	5 120	8 032	(2 912)	-36%	10 709
Transfers and grants	18 096	20 000	17 333	-	13 333	13 000	333	3%	17 333
Other expenditure	204 636	184 675	223 474	27 404	132 430	167 605	(35 175)	-21%	223 474
Total Expenditure	387 050	382 404	437 564	42 577	286 589	328 173	(41 584)	-13%	437 564
Surplus/(Deficit)	(58 351)	(31 610)	(61 733)	35 046	39 949	(46 300)	86 248	-186%	(61 733)
Transfers recognised - capital	244 290	335 772	309 101	11 434	309 678	231 826	77 853	34%	309 101
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	185 939	304 163	247 368	46 480	349 627	185 526	164 101	88%	247 368
Surplus/ (Deficit) for the year	185 939	304 163	247 368	46 480	349 627	185 526	164 101	88%	247 368
Capital expenditure & funds sources									
Capital expenditure	250 238	348 054	311 833	3 769	115 250	233 875	(118 624)	-51%	311 833
Capital transfers recognised	244 290	335 772	309 101	3 937	114 527	231 826	(117 299)	-51%	309 101
Internally generated funds	5 948	12 282	2 732	(169)	724	2 049	(1 326)	-65%	2 732
Total sources of capital funds	250 238	348 054	311 833	3 769	115 250	233 875	(118 624)	-51%	311 833
Financial position									
Total current assets	65 577	96 627	67 392		193 769				96 627
Total non current assets	1 572 358	1 914 112	1 877 891		1 747 439				1 914 112
Total current liabilities	108 886	60 999	233 003		87 115				60 999
Total non current liabilities	31 018	29 859	29 859		43 985				29 859
Community wealth/Equity	1 498 031	1 919 882	1 682 421		1 810 108				1 919 882
Cash flows									
Net cash from (used) operating	263 590	329 265	279 413	20 389	219 163	209 560	(9 604)	-5%	279 413
Net cash from (used) investing	(276 912)	(310 943)	(274 721)	(3 769)	(102 301)	(206 041)	(103 740)	50%	(274 721)
Net cash from (used) financing	(2 694)	(2 822)	(4 369)	-	(1 453)	(3 277)	(1 823)	56%	(4 369)
Cash/cash equivalents at the month/year end	9 855	35 377	6 142	-	121 228	6 061	(115 167)	-1900%	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	10 377	16 714	4 599	3 646	3 845	3 045	16 101	125 707	184 033
Creditors Age Analysis									
Total Creditors	3 225	1 314	336	3 902	-	-	-	-	8 778

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) - M09 March

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									
<i>Governance and administration</i>	255 059	274 973	284 037	67 775	277 238	213 028	64 210	30%	284 037
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	255 059	274 973	284 037	67 775	277 238	213 028	64 210	30%	284 037
Corporate services	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	1 100	400	-	-	-	-	-	-	-
Planning and development	1 100	400	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	316 829	411 194	400 895	21 281	358 978	300 671	58 307	19%	400 895
Electricity	-	-	-	-	-	-	-	-	-
Water	56 539	60 550	62 251	9 847	44 036	46 688	(2 653)	-6%	62 251
Waste water management	260 290	350 644	338 644	11 434	314 943	253 983	60 960	24%	338 644
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	572 988	686 567	684 932	89 056	636 216	513 699	122 517	24%	684 932
Expenditure - Standard									
<i>Governance and administration</i>	131 608	143 616	137 169	8 886	81 936	102 877	(20 941)	-20%	137 169
Executive and council	24 484	29 224	22 463	1 155	14 314	16 847	(2 534)	-15%	22 463
Budget and treasury office	63 444	64 031	59 112	2 125	25 429	44 334	(18 905)	-43%	59 112
Corporate services	43 680	50 362	55 594	5 606	42 193	41 696	498	1%	55 594
<i>Economic and environmental services</i>	52 428	58 937	50 845	1 768	35 706	38 133	(2 428)	-6%	50 845
Planning and development	52 428	58 937	50 845	1 768	35 706	38 133	(2 428)	-6%	50 845
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	203 013	179 851	249 551	31 922	168 948	187 163	(18 215)	-10%	249 551
Electricity	-	-	-	-	-	-	-	-	-
Water	159 142	146 344	182 845	9 168	102 488	137 134	(34 646)	-25%	182 845
Waste water management	43 872	33 506	66 705	22 755	66 460	50 029	16 431	33%	66 705
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	387 050	382 404	437 564	42 577	286 589	328 173	(41 584)	-13%	437 564
Surplus/ (Deficit) for the year	185 939	304 163	247 368	46 480	349 627	185 526	164 101	88%	247 368

This table assess the revenue by department and then the expenditure for the period ending 31 March 2017. Revenue receipts in March have largely constituted of equitable share, conditional grants and service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of March is 17%.

Expenditure by standard classification presents the expenditures by the departments. Infrastructure Services has largest expenditure by 45% in the month of March 2017 caused by the projects that were moved from capex to opex followed by Waste Water Management (Water Services) by 7% in the period ending 31 March 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) - M09 March

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	67 775	277 238	213 028	64 210	30,1%	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	11 434	314 943	253 983	60 960	24,0%	338 644
Vote 7 - Water services admin	56 539	60 550	62 251	9 847	44 036	46 688	(2 653)	-5,7%	62 251
Total Revenue by Vote	572 988	686 567	684 932	89 056	636 216	513 699	122 517	23,8%	684 932
Expenditure by Vote									
Vote 1 - Mayor	12 024	12 382	9 763	494	5 672	7 322	(1 650)	-22,5%	9 763
Vote 2 - Municipal Manager Admin	12 460	16 841	12 700	662	8 642	9 525	(884)	-9,3%	12 700
Vote 3 - Budget & Treasury Administration	63 444	64 031	59 112	2 125	25 429	44 334	(18 905)	-42,6%	59 112
Vote 4 - Corporate services admin	43 680	50 362	55 594	5 606	42 193	41 696	498	1,2%	55 594
Vote 5 - Social economic & development planning admin	52 428	58 937	50 845	1 768	35 706	38 133	(2 428)	-6,4%	50 845
Vote 6 - Infrastructure services admin	43 872	34 982	66 705	22 755	66 460	50 029	16 431	32,8%	66 705
Vote 7 - Water services admin	159 142	144 869	182 845	9 168	102 488	137 134	(34 646)	-25,3%	182 845
Total Expenditure by Vote	387 050	382 404	437 564	42 577	286 589	328 173	(41 584)	-12,7%	437 564
Surplus/ (Deficit) for the year	185 939	304 163	247 368	46 480	349 627	185 526	164 101	88,5%	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 March 2017.

DC43 Harry Gwala - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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	6 825	30 308	26 616	3 692	14%	35 488
Service charges - sanitation revenue	16 461	17 449	15 209	2 925	12 989	11 407	1 582	14%	15 209
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	1 032	2 391	1 558	-	-	1 168	(1 168)	-100%	1 558
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	3 375	3 500	5 500	461	4 183	4 125	58	1%	5 500
Interest earned - outstanding debtors	8 000	8 500	15 158	1 388	12 054	11 368	686	6%	15 158
Transfers recognised - operational	260 403	277 632	300 862	65 890	265 513	225 647	39 866	18%	300 862
Other revenue	1 098	609	2 057	134	1 491	1 543	(52)	-3%	2 057
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	328 699	350 794	375 831	77 623	326 538	281 873	44 665	16%	375 831
Expenditure By Type									
Employee related costs	116 031	125 313	133 598	10 647	100 379	100 198	181	0%	133 598
Remuneration of councillors	7 321	7 906	7 906	480	4 079	5 930	(1 850)	-31%	7 906
Debt impairment	24 692	25 394	25 394	-	-	19 045	(19 045)	-100%	25 394
Depreciation & asset impairment	30 000	31 874	42 534	3 356	30 238	31 900	(1 662)	-5%	42 534
Finance charges	1 114	1 926	2 010	-	1 010	1 507	(498)	-33%	2 010
Bulk purchases	9 852	10 709	10 709	689	5 120	8 032	(2 912)	-36%	10 709
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	53 356	44 923	28 075	2 356	18 070	21 056	(2 986)	-14%	28 075
Transfers and grants	18 096	20 000	17 333	-	13 333	13 000	333	3%	17 333
Other expenditure	126 589	114 358	170 006	25 048	114 360	127 504	(13 144)	-10%	170 006
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	387 050	382 404	437 564	42 577	286 589	328 173	(41 584)	-13%	437 564
Surplus/(Deficit)	(58 351)	(31 610)	(61 733)	35 046	39 949	(46 300)	86 248	(0)	(61 733)
Transfers recognised - capital	244 290	335 772	309 101	11 434	309 678	231 826	77 853	0	309 101
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	185 939	304 163	247 368	46 480	349 627	185 526			247 368
Surplus/(Deficit) after taxation	185 939	304 163	247 368	46 480	349 627	185 526			247 368
Surplus/(Deficit) attributable to municipality	185 939	304 163	247 368	46 480	349 627	185 526			247 368
Surplus/ (Deficit) for the year	185 939	304 163	247 368	46 480	349 627	185 526			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.

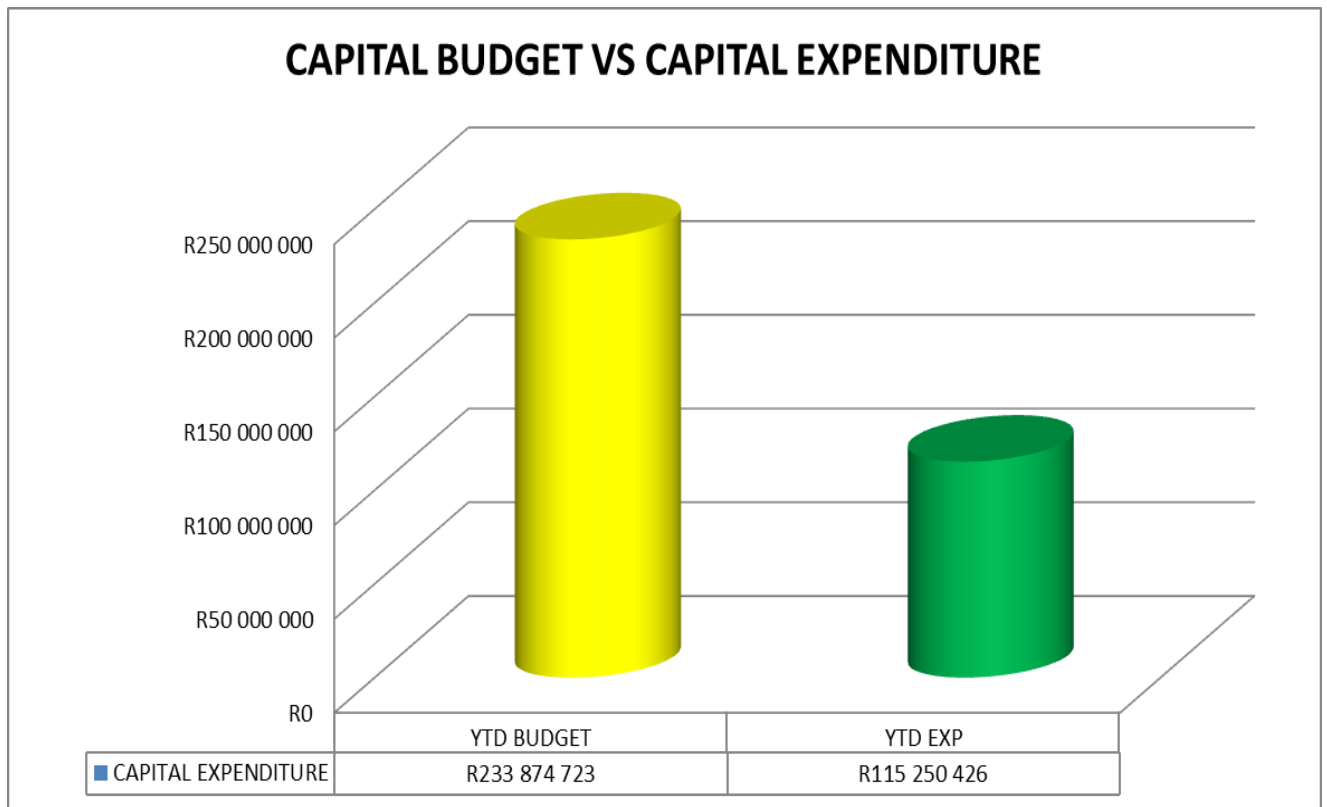
DC43 Harry Gwala - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M09 March

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	(169)	724	2 049	(1 326)	-65%	2 732
Vote 5 - Social economic & development planning admin	400	1 117	-	-	-	-	-	-	-
Vote 6 - Infrastructure services admin	244 590	337 272	299 101	(4 120)	106 470	224 326	(117 856)	-53%	299 101
Vote 7 - Water services admin	3 605	5 042	10 000	8 057	8 057	7 500	557	7%	10 000
Total Capital Multi-year expenditure	250 238	348 054	311 833	3 769	115 250	233 875	(118 624)	-51%	311 833
Total Capital Expenditure	250 238	348 054	311 833	3 769	115 250	233 875	(118 624)	-51%	311 833
Capital Expenditure - Standard Classification									
Governance and administration	1 643	4 624	2 732	(169)	724	2 049	(1 326)	-65%	2 732
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-
Corporate services	1 643	4 624	2 732	(169)	724	2 049	(1 326)	-65%	2 732
Community and public safety	-	-	-	-	-	-	-	-	-
Economic and environmental services	400	1 117	-	-	-	-	-	-	-
Planning and development	400	1 117	-	-	-	-	-	-	-
Trading services	248 195	342 314	309 101	3 937	114 527	231 826	(117 299)	-51%	309 101
Electricity	-	-	-	-	-	-	-	-	-
Water	3 605	5 042	10 000	8 057	8 057	7 500	557	7%	10 000
Waste water management	244 590	337 272	299 101	(4 120)	106 470	224 326	(117 856)	-53%	299 101
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	250 238	348 054	311 833	3 769	115 250	233 875	(118 624)	-51%	311 833
Funded by:									
National Government	244 290	335 772	309 101	3 937	114 527	231 826	(117 299)	-51%	309 101
Provincial Government	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	244 290	335 772	309 101	3 937	114 527	231 826	(117 299)	-51%	309 101
Internally generated funds	5 948	12 282	2 732	(169)	724	2 049	(1 326)	-65%	2 732
Total Capital Funding	250 238	348 054	311 833	3 769	115 250	233 875	(118 624)	-51%	311 833

As alluded to above, the capital expenditure programme for the month ending 31 March 2017 was R115m which represents 49% of capital expenditure against year to date budget. The capital expenditure programme has started on a rather slower footing and thus the low 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 THIRD QUARTER CAPEX



As at 31 March 2017, the year to date actual expenditure was R115, 2million against a YTD budget of R233, 8million. In monetary terms, these figures represent 49% per cent performance against the capital development programme as at 31 March 2017.

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

DC43 Harry Gwala - Table C6 Monthly Budget Statement - Financial Position - M09 March

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	121 563	35 377
Call investment deposits	-	-	-	-	-
Consumer debtors	39 061	48 078	48 078	69 189	48 078
Other debtors	12 065	12 789	12 789	8 612	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	199 556	96 627
Non current assets					
Property, plant and equipment	1 571 174	1 912 816	1 876 595	1 747 131	1 912 816
Agricultural	-	-	-	-	-
Biological assets	-	-	-	-	-
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	1 747 439	1 914 112
TOTAL ASSETS	1 637 935	2 010 739	1 945 283	1 946 994	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	1 422	1 593
Trade and other payables	95 710	51 770	223 775	80 570	51 770
Provisions	8 169	4 305	4 305	2 661	4 305
Total current liabilities	108 886	60 999	233 003	87 115	60 999
Non current liabilities					
Borrowing	16 683	12 353	12 353	16 536	12 353
Provisions	14 334	17 506	17 506	27 449	17 506
Total non current liabilities	31 018	29 859	29 859	43 985	29 859
TOTAL LIABILITIES	139 904	90 858	262 862	131 100	90 858
NET ASSETS	1 498 031	1 919 882	1 682 421	1 815 894	1 919 882
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	1 498 031	1 919 882	1 682 421	1 815 894	1 919 882
TOTAL COMMUNITY WEALTH/EQUITY	1 498 031	1 919 882	1 682 421	1 815 894	1 919 882

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

DC43 Harry Gwala - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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									
Property rates, penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges	30 746	32 408	42 081	1 689	18 724	31 560	(12 837)	-41%	42 081
Other revenue	2 034	305	305	134	1 407	228	1 179	516%	305
Government - operating	260 403	277 632	300 862	66 899	269 339	225 647	43 693	19%	300 862
Government - capital	244 290	335 772	309 101	-	340 456	231 826	108 631	47%	309 101
Interest	8 294	3 500	6 538	1 849	16 271	4 904	11 367	232%	6 538
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(262 968)	(298 426)	(360 131)	(50 182)	(412 691)	(270 098)	142 593	-53%	(360 131)
Finance charges	(1 114)	(1 926)	(2 010)	-	(1 010)	(1 507)	(498)	33%	(2 010)
Transfers and Grants	(18 096)	(20 000)	(17 333)	-	(13 333)	(13 000)	333	-3%	(17 333)
NET CASH FROM/(USED) OPERATING ACTIVITIES	263 590	329 265	279 413	20 389	219 163	209 560	(9 604)	-5%	279 413
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(276 912)	(310 943)	(274 721)	(3 769)	(102 301)	(206 041)	(103 740)	50%	(274 721)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(276 912)	(310 943)	(274 721)	(3 769)	(102 301)	(206 041)	(103 740)	50%	(274 721)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	151	178	178	-	-	133	(133)	-100%	178
Payments									
Repayment of borrowing	(2 845)	(3 000)	(4 547)	-	(1 453)	(3 410)	(1 957)	57%	(4 547)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 694)	(2 822)	(4 369)	-	(1 453)	(3 277)	(1 823)	56%	(4 369)
NET INCREASE/ (DECREASE) IN CASH HELD	(16 016)	15 500	323	16 621	115 409	242			323
Cash/cash equivalents at beginning:	25 871	19 877	5 819		5 819	5 819			5 819
Cash/cash equivalents at monthly ear end:	9 855	35 377	6 142		121 228	6 061			6 142

There has been a decrease in collection levels signalled by a collection ratio of 31% (Jan to March 2017). The interest earned on investments and on outstanding debtors for the period ending 31 March is R 1, 8million which is representing 12% of the year to date budget.

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

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

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

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
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	6 661	10 729	2 952	2 340	2 468	1 955	10 336	80 694	118 135	97 793
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	2 602	4 191	1 153	914	964	764	4 038	31 524	46 151	38 204
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1 113	1 793	494	391	413	327	1 728	13 489	19 747	16 347
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	10 377	16 714	4 599	3 646	3 845	3 045	16 101	125 707	184 033	152 344
2015/16 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	1 640	2 609	1 012	521	227	380	1 724	7 319	15 431	10 171
Commercial	2 449	6 245	650	245	256	170	917	8 335	19 267	9 923
Households	6 288	7 860	2 938	2 880	3 362	2 495	13 460	110 052	149 335	132 250
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	10 377	16 714	4 599	3 646	3 845	3 045	16 101	125 707	184 033	152 344

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.

Table 2.1.2: Debtors Age Analysis By Customer Category

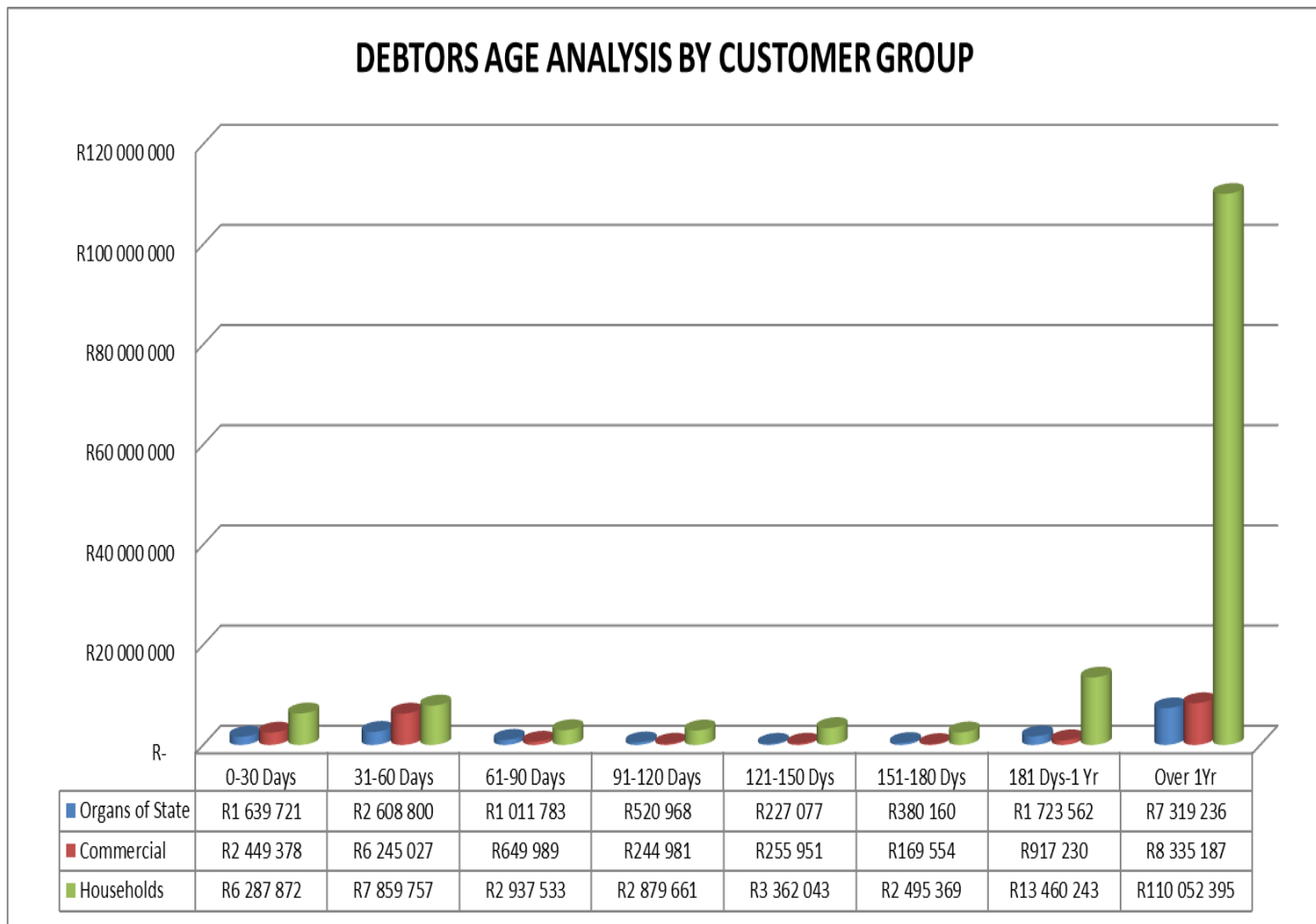


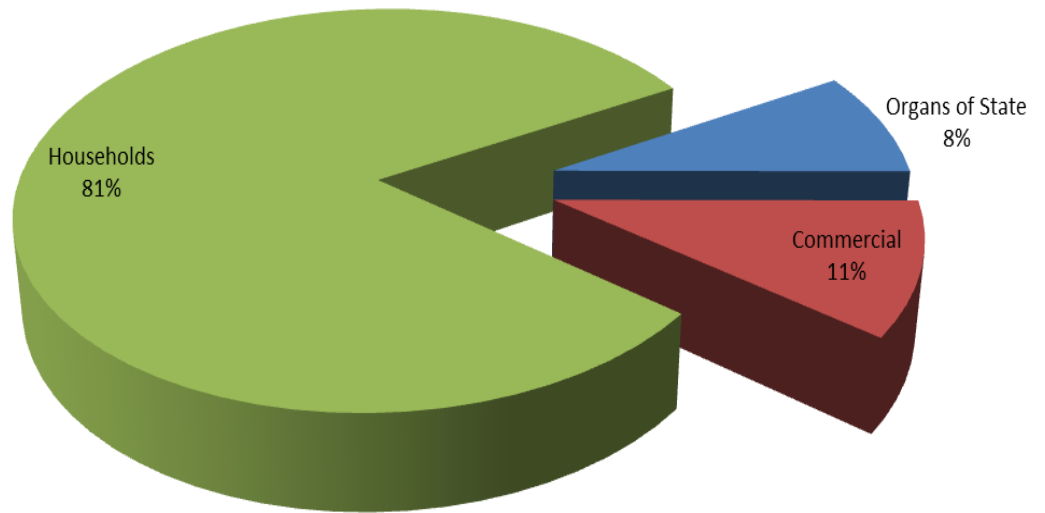
Table 2.1.2 analyses consumer debt by Category. A further analysis in the form of a chart is provided below.

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: 81%
- ✓ Government 11%
- ✓ Business 8%

PERCENTAGE OF DEBTORS AGE ANALYSIS BY CUSTOMER GROUP



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

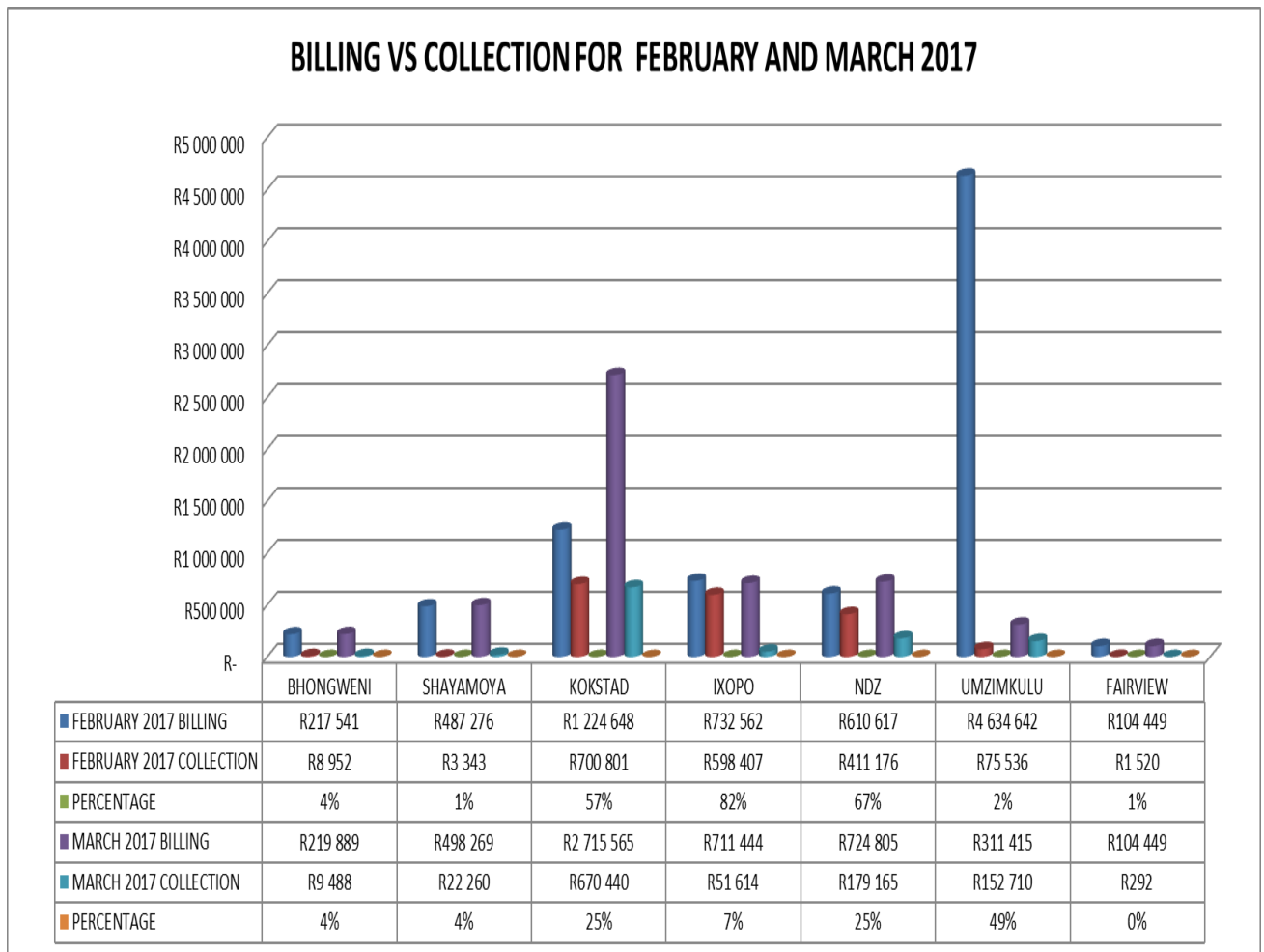
The table that follows below unpacks the revenue receipts per Local Municipality in the District

REVENUE RECEIPTS**Revenue receipts per Area**

AREA	AMOUNT		
		MARCH 2017	FEBRUARY 2017
Unallocated receipts	R 603 040	36%	20%
Bhongweni	R 9 488	1%	0%
Shayamoya	R 22 260	1%	0%
Kokstad	R 670 440	40%	31%
Ixopo	R 51 614	3%	27%
NDZ	R 179 165	11%	18%
Umzimkulu	R 152 710	9%	0%
Fairview	R 292	0%	0%
TOTAL RECEIPTS INCL VAT	R 1 689 008	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 March is R1, 6million. 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 March is from Kokstad at 40% followed by Doctor Nkosazana Zuma at 11%. These statistics confirm dependency on Kokstad as the greatest contributor to the District Municipality's revenue. The Unallocated receipts for the month of March amounting to 36% which still need to be allocated according to the local municipalities.

The chart that follows below shows the comparison between billing and collection for the period ending 31 March 2017.



2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 March 2017

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

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	1 090	655	-	192					1 937
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	2 069	650	336	3 708					6 762
Auditor General	67	9	0	2					78
Other									-
Total By Customer Type	3 225	1 314	336	3 902	-	-	-	-	8 778

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 March 2017.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

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
	Yrs/Months							
Municipality								
FIRST NATIONAL BANK		CALL ACCOUNT		47		11 666	29 122	40 835
FIRST NATIONAL BANK		CALL ACCOUNT		107		26 893	(5 557)	21 443
FIRST NATIONAL BANK		ADMIN CALL		10		5 607	13 663	19 280
INVESTEC		FIXED DEPOSIT		65		11 608	-	11 673
FIRST NATIONAL BANK		FIXED DEPOSIT		146		30 643	(11 604)	19 186
FIRST NATIONAL BANK		CALL ACCOUNT		19		5 137	(835)	4 321
FIRST NATIONAL BANK		CALL ACCOUNT		0		6	-	6
FIRST NATIONAL BANK		CALL ACCOUNT		44		10 926	(9 025)	1 945
FIRST NATIONAL BANK		CALL ACCOUNT		-		-	-	1 840
FIRST NATIONAL BANK		FIXED DEPOSIT		4		1 032	-	1 036
Municipality sub-total				443		103 517	15 764	121 563
TOTAL INVESTMENTS AND INTEREST				443		103 517	15 764	121 563

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 - M09 March

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	66 899	266 778	218 147	65 017	29,8%	300 862
Local Government Equitable Share	241 033	260 069	260 069	65 890	260 069	195 052	65 017	33,3%	260 069
Finance Management	1 250	1 250	1 250	-	1 250	938	-	-	1 250
Municipal Systems Improvement	940	1 041	-	-	-	-	-	-	-
Municipal Infrastructure Grant (PMU)	9 460	4 777	16 084	-	-	12 063	-	-	16 084
Energy Efficiency And Demand Side Management Grant	-	8 000	8 000	-	-	6 000	-	-	8 000
Water Services Operating Subsidy	-	-	-	-	-	-	-	-	-
Rural Roads Asset Management Grant	2 040	2 095	2 095	-	2 095	1 571	-	-	2 095
Rural Household Infrastructure Grant	4 500	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant	-	-	10 000	-	-	-	-	-	10 000
Expanded public works programme incentive grant	-	-	3 364	1 009	3 364	2 523	-	-	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	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	260 403	277 632	300 862	66 899	266 778	218 147	65 017	29,8%	300 862
Capital Transfers and Grants									
National Government:	244 290	335 772	309 101	-	325 185	224 326	59 830	26,7%	309 101
Municipal Infrastructure Grant (MIG)	183 324	186 290	174 983	-	191 067	131 237	59 830	45,6%	174 983
Regional Bulk Infrastructure	14 000	60 000	48 000	-	48 000	36 000	-	-	48 000
Municipal Water Infrastructure Grant	43 500	86 118	76 118	-	86 118	57 089	-	-	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	224 326	59 830	26,7%	309 101
TOTAL RECEIPTS OF TRANSFERS & GRANTS	504 693	613 404	609 963	66 899	591 963	442 472	124 847	28,2%	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 - M09 March									
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	206 034	210 723	225 647	2 480	1,1%	300 862
Local Government Equitable Share	241 033	260 069	260 069	195 052	195 052	195 052	-		260 069
Finance Management	1 250	1 250	1 250	50	336	938			1 250
Municipal Systems Improvement	940	1 041	-	-	-	-			-
Municipal Infrastructure Grant (PMU)	9 460	4 777	16 084	-	-	12 063			16 084
Energy Efficiency And Demand Side Management Grant	-	8 000	8 000	-	2 785	6 000			8 000
Water Services Operating Subsidy	-	-	-	-	-	-			-
Rural Roads Asset Management Grant	2 040	2 095	2 095	-	1 551	1 571	(20)	-1,3%	2 095
Rural Household Infrastructure Grant	4 500	-	-	-	-	-			-
Municipal Water Infrastructure Grant	-	-	10 000	10 000	10 000	7 500	2 500	33,3%	10 000
Expanded public works programme incentive grant	-	-	3 364	932	999	2 523			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	-	-	-	-			-
[insert description]	-	-	-	-	-	-			-
Total operating expenditure of Transfers and Grants:	260 403	277 632	300 862	206 034	210 723	225 647	2 480	1,1%	300 862
Capital expenditure of Transfers and Grants									
National Government:	244 290	335 772	309 101	22 943	135 212	231 826	(54 760)	-23,6%	309 101
Municipal Infrastructure Grant (MIG)	183 324	186 290	174 983	(2 282)	76 477	131 237	(54 760)	-41,7%	174 983
Regional Bulk Infrastructure	14 000	60 000	48 000	6 938	14 304	36 000			48 000
Municipal Water Infrastructure Grant	43 500	86 118	76 118	10 230	36 373	57 089			76 118
Expanded public works programme incentive grant	3 466	3 364	-	-	-	-			-
Rural Household Infrastructure Grant	-	-	-	-	-	-			10 000
Drought Relief	-	-	10 000	8 057	8 057	7 500			-
Total capital expenditure of Transfers and Grants	244 290	335 772	309 101	22 943	135 212	231 826	(54 760)	-23,6%	309 101
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	504 693	613 404	609 963	228 977	345 935	457 472	(52 280)	-11,4%	609 963

2.5 Councillor and Staff Benefits

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

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

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	326	2 766	4 021	(1 255)	-31%	5 361
Pension and UIF Contributions	311	399	399	24	206	299	(93)	-31%	399
Medical Aid Contributions	771	94	94	6	48	70	(22)	-31%	94
Motor Vehicle Allowance	621	1 178	1 178	72	608	883	(276)	-31%	1 178
Cellphone Allowance	2 636	259	259	16	133	194	(61)	-31%	259
Housing Allowances	1 618	-	-	-	-	-	-	-	-
Other benefits and allowances	742	616	616	37	318	462	(144)	-31%	616
Sub Total - Councillors	7 321	7 906	7 906	480	4 079	5 930	(1 850)	-31%	7 906
% increase		8,0%	8,0%						8,0%
Senior Managers of the Municipality									
Basic Salaries and Wages	5 551	5 995	5 615	448	4 219	4 212	8	0%	5 615
Pension and UIF Contributions	3	3	3	0	3	3	0	0%	3
Medical Aid Contributions	5	6	6	0	5	4	0	0%	6
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	776	62	583	582	1	0%	776
Motor Vehicle Allowance	3 049	3 293	3 511	280	2 638	2 633	5	0%	3 511
Cellphone Allowance	143	154	164	13	124	123	0	0%	164
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	4	5	5	0	4	4	0	0%	5
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	8 755	9 455	10 080	803	7 574	7 560	14	0%	10 080
% increase		8,0%	15,1%						15,1%
Other Municipal Staff									
Basic Salaries and Wages	77 494	83 693	89 226	7 111	67 040	66 920	121	0%	89 226
Pension and UIF Contributions	13 103	14 151	15 087	1 202	11 335	11 315	20	0%	15 087
Medical Aid Contributions	1 811	1 955	2 085	166	1 566	1 563	3	0%	2 085
Overtime	1 618	1 747	1 863	148	1 400	1 397	3	0%	1 863
Performance Bonus	7 180	7 755	8 267	659	6 212	6 201	11	0%	8 267
Motor Vehicle Allowance	3 300	3 564	3 800	303	2 855	2 850	5	0%	3 800
Cellphone Allowance	563	608	648	52	487	486	1	0%	648
Housing Allowances	49	53	56	4	42	42	0	0%	56
Other benefits and allowances	2 158	2 331	2 485	198	1 867	1 864	3	0%	2 485
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	107 276	115 858	123 518	9 844	92 805	92 638	167	0%	123 518
% increase		8,0%	15,1%						15,1%
Total Parent Municipality	123 351	133 219	141 504	11 128	104 458	106 128	(1 670)	-2%	141 504
Unpaid salary, allowances & benefits in arrears:		8,0%	14,7%						14,7%
TOTAL SALARY, ALLOWANCES & BENEFITS	123 351	133 219	141 504	11 128	104 458	106 128	(1 670)	-2%	141 504
% increase		8,0%	14,7%						14,7%
TOTAL MANAGERS AND STAFF	116 031	125 313	133 598	10 647	100 379	100 198	181	0%	133 598

2.6 Material Variances to the SDBIP

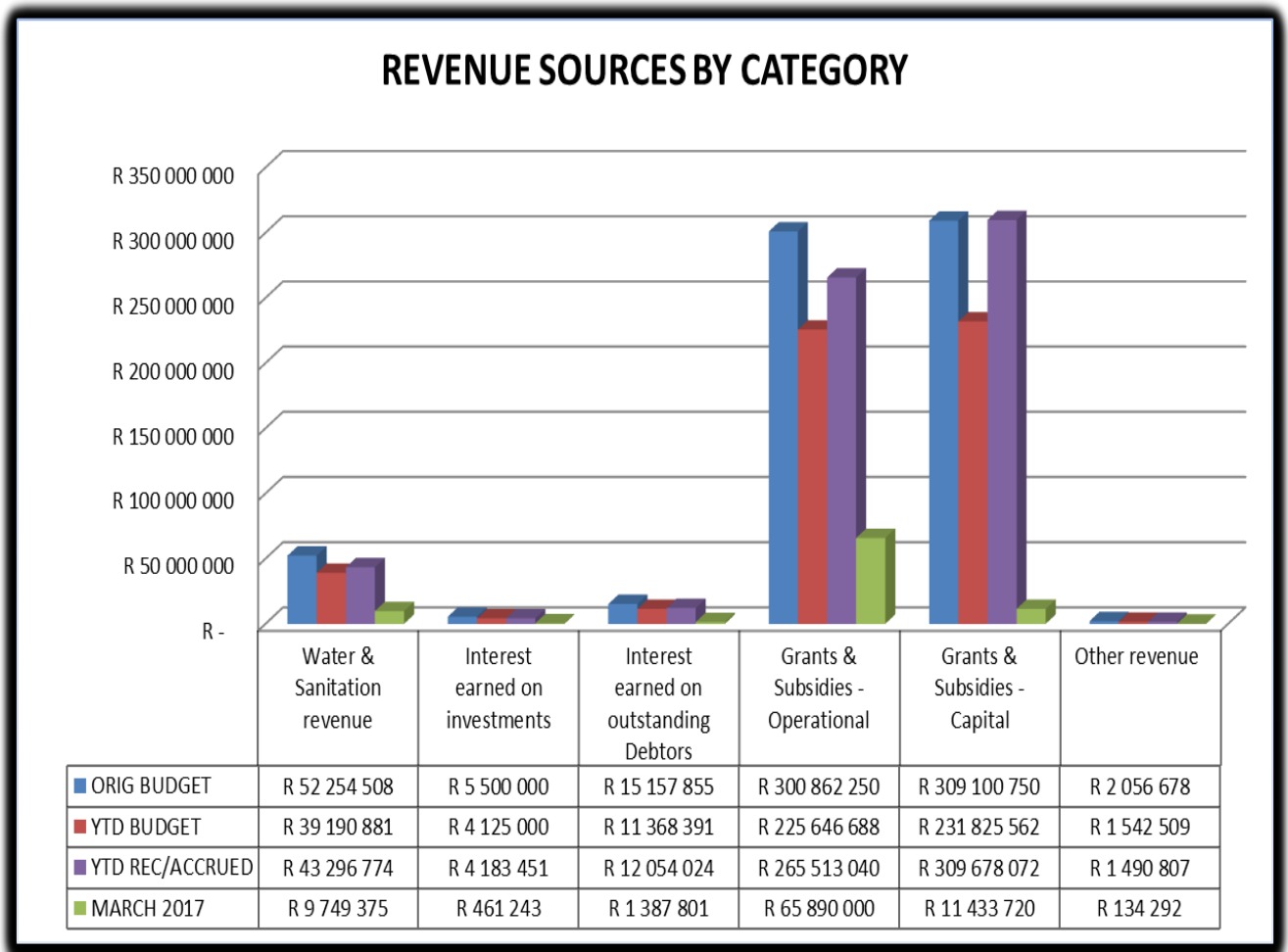
The following section analyses material variances between the actual targets as at 31 March 2017 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 March 2017 was R43million against a year to date **budget** of R39million.

Interest Earned on External Investments

The year to date actual interest earned on external investments for the period ended March 2017 is R4, 1m more than the year to date budget. The interest earned on external investments over performed by 1% for the third quarter when comparing year date budget against year to date actual.

Transfers Recognised - Operational

The equitable share last trench was received in March 2017 amounting to R65, 8m.

Transfers Recognised – Capital

The expenditure trends on grant funded expenditure had resulted in a positive way as expected against the set targets. The actual R306, 6million (against a YTD budget of R231, 8million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 134% performance in Conditional Capital grant funding expenditures.

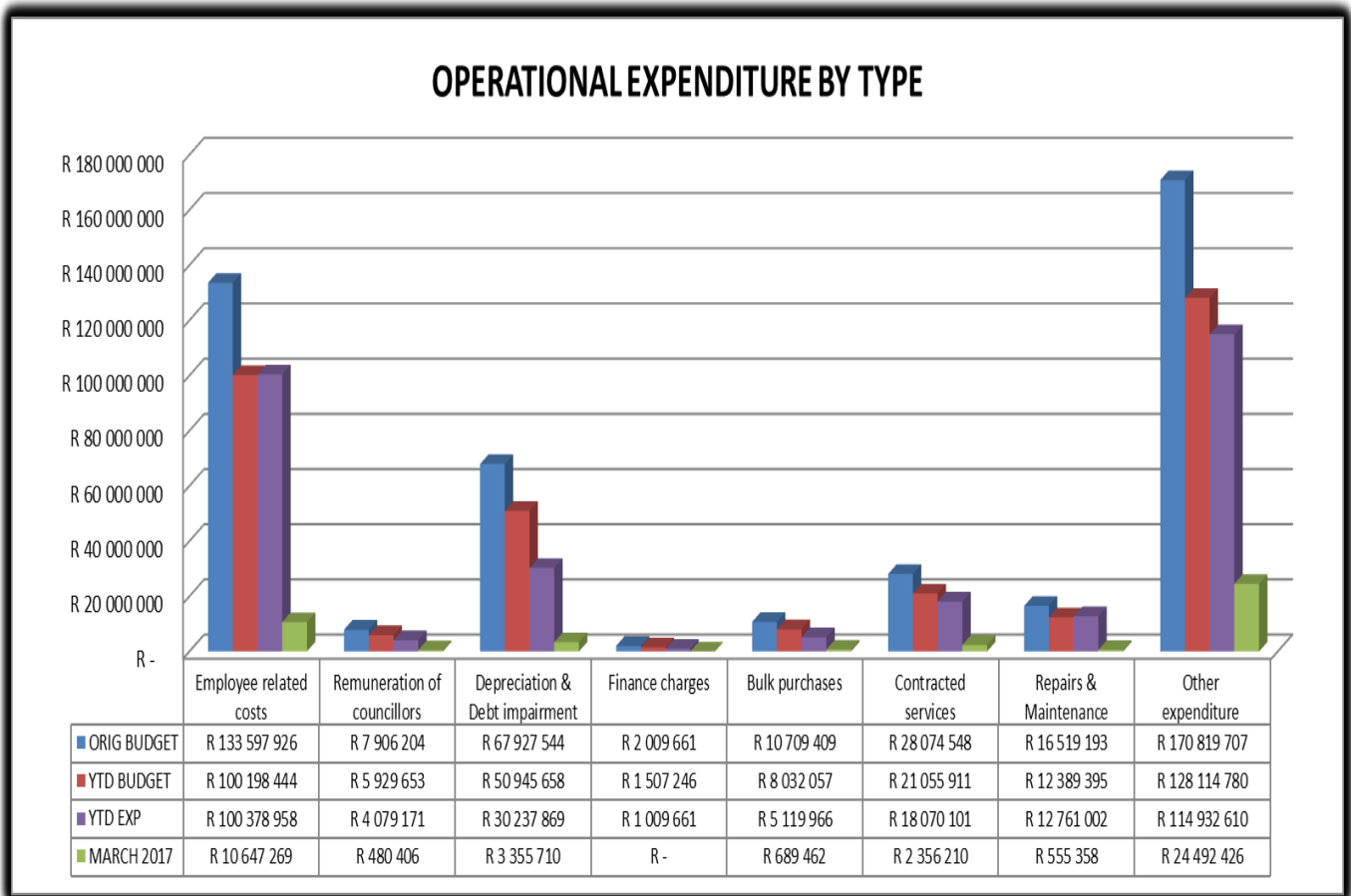
Other Revenue

The YTD performance of other revenue is R1, 4million against YTD budget of R1, 5million representing performance of 97% per cent.

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 R100million against a YTD actual of R100, 3million which is 100% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor’s year to date expenditure is at R 4million against a YTD budget of R5, 9million representing 69% of the year to date budget.

Finance Charges

As at 31 March 2017, the year to date expenditure for finance charges is R1m against the Year to Date budget of R 1, 5m representing performance of 67 per cent.

Bulk Purchases

The expenditure on Bulk Water purchases has the budget of R8m and the year to date expenditure for the month ending 31 March was R 5million. The expenditure for bulk water purchases is at 64% as at end March 2017.

Other Expenditure

The YTD budget for other expenditure was at R 128million against a YTD expenditure of R 114, 9million and expenditure for the month of March 2017 is R24, 4m.

Performance assessment

The Performance Assessment Report will be available on the fourth quarter in terms of Sec 52 (d) of the Municipal Finance Management Act.

Actual and revised targets for cash receipts

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M09 March

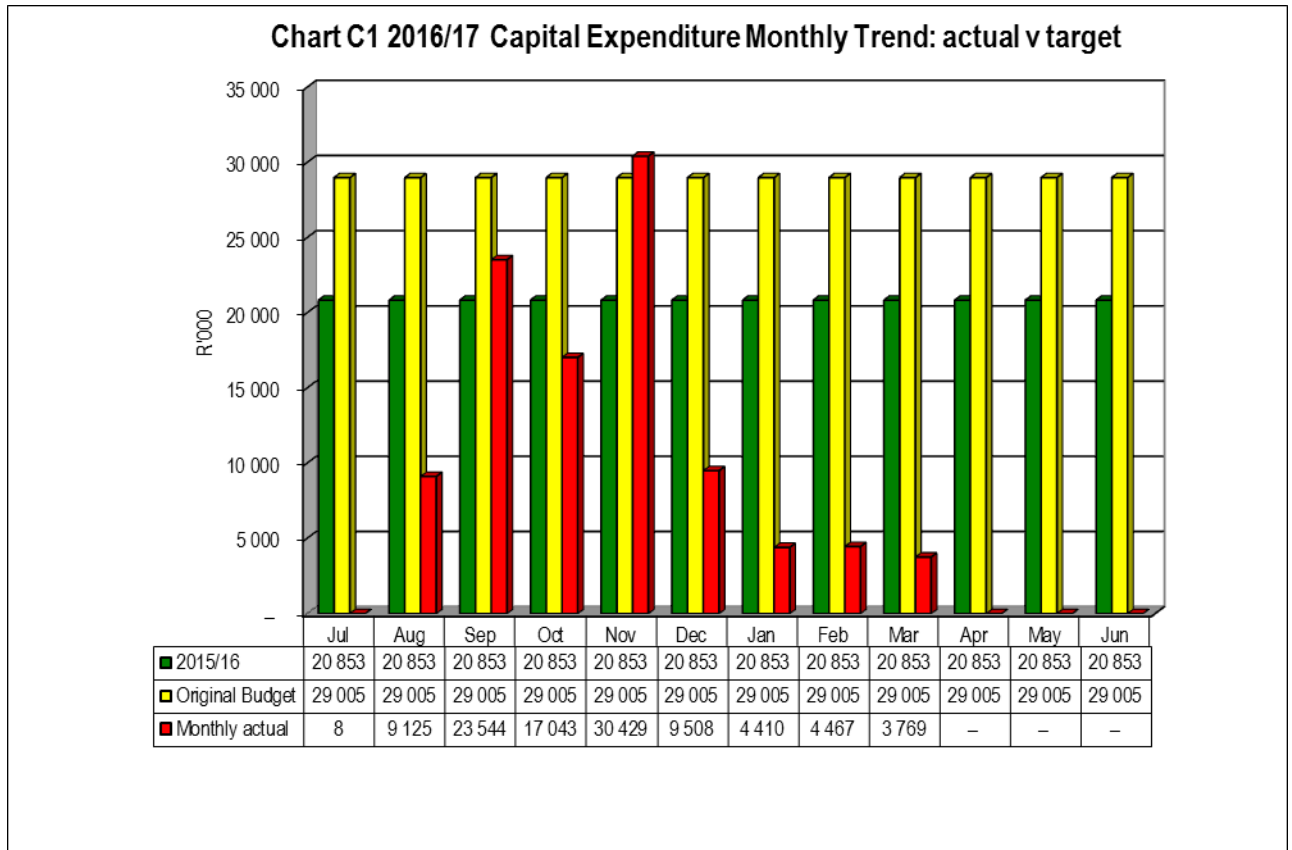
Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source															
Service charges - electricity revenue															
Service charges - water revenue	1 393	1 104	1 470	2 138	1 845	1 490	964	1 580	1 182			9 820	22 985	23 305	24 703
Service charges - sanitation revenue	597	473	630	916	791	639	413	677	507			3 780	9 422	9 988	10 587
Interest earned - external investments	183	102	700	734	414	334	700	588	461			(717)	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			(12 054)	-	-	-
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			(1 186)	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	-	-	7 852	313 844	332 273	357 428
Other Cash Flows by Source															
Transfer receipts - capital	172 835	841		61 059	-	78 581	27 224					(4 766)	335 772	401 643	373 080
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	-	-	3 263	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			24 934	125 313	135 338	146 165
Remuneration of councillors	497	432	378	393	491	498	421	489	480			3 827	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			5 589	10 709	11 641	12 654
Contracted services	1 026	1 238	237	1 819	4 890	3 003	310	1 217	7 356			23 827	44 923	46 016	50 272
Grants and subsidies paid - other municipalities	6 667						6 667					(13 333)			
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			(172 442)	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	-	-	(106 682)	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			208 642	310 943	365 496	340 017
Repayment of borrowing					1 453							1 547	3 000	3 330	3 687
Total Cash Payments by Type	125 909	60 196	62 666	23 234	65 046	89 276	27 231	23 279	53 951	-	-	103 507	634 294	703 206	701 302
NET INCREASE/(DECREASE) IN CASH HELD	158 606	(54 984)	(56 790)	45 167	(60 566)	79 970	3 616	(15 897)	16 621	-	-	(100 244)	15 500	30 910	29 431
Cash/cash equivalents at the monthly year beginnin	5 819	164 425	109 442	52 651	97 819	37 253	117 223	120 839	104 942	121 563	121 563	121 563	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	121 563	121 563	21 319	21 319	52 229	81 661

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M09 March

Month	2015/16	Budget Year 2016/17						
	Audited Outcome	Original 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	8	8	29 005	28 997	100,0%	0%
August	20 853	29 005	9 125	9 132	58 009	48 877	84,3%	3%
September	20 853	29 005	23 544	32 676	87 014	54 338	62,4%	9%
October	20 853	29 005	17 043	49 718	116 018	66 300	57,1%	14%
November	20 853	29 005	30 429	80 147	145 023	64 875	44,7%	23%
December	20 853	29 005	9 508	89 656	174 027	84 372	48,5%	26%
January	20 853	29 005	4 410	94 065	203 032	108 967	53,7%	27%
February	20 853	29 005	4 467	98 532	232 036	133 504	57,5%	28%
March	20 853	29 005	3 769	102 301	261 041	158 740	60,8%	29%
April	20 853	29 005			290 045	-		
May	20 853	29 005			319 050	-		
June	20 853	29 005			348 054	-		
Total Capital expenditure	250 238	348 054	102 301					

YTD Capital Budget vs. YTD Capital Expenditure



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 - M09 March

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	3 937	113 611	229 688	116 077	50,5%	306 251
Infrastructure - Road transport	-	500	-	-	-	-	-	-	-
Roads, Pavements & Bridges	-	500	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Water	203 688	297 107	282 804	22 302	110 221	212 103	101 882	48,0%	282 804
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	203 688	297 107	282 804	22 302	110 221	212 103	101 882	48,0%	282 804
Infrastructure - Sanitation	28 500	33 666	23 447	(18 364)	3 390	17 585	14 195	80,7%	23 447
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	28 500	33 666	23 447	(18 364)	3 390	17 585	14 195	80,7%	23 447
Other assets	9 950	10 533	1 783	259	521	1 337	816	61,0%	1 783
General vehicles	-	4 642	1 000	-	-	750	750	100,0%	1 000
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	4 600	2 600	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	1 450	1 791	783	259	521	587	66	11,2%	783
Other Buildings	600	-	-	-	-	-	-	-	-
Other	3 300	1 500	-	-	-	-	-	-	-
Intangibles	1 100	1 250	950	(427)	203	712	510	71,6%	950
Computers - software & programming	1 100	1 250	950	(427)	203	712	510	71,6%	950
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	243 238	343 054	308 983	3 769	114 334	231 737	117 403	50,7%	308 983
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M09 March

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 renewal of existing assets by Asset Class/Sub-class									
Infrastructure	7 000	5 000	2 850	-	916	2 138	1 221	57,1%	2 850
Infrastructure - Water	7 000	5 000	2 850	-	916	2 138	1 221	57,1%	2 850
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	7 000	5 000	2 850	-	916	2 138	1 221	57,1%	2 850
Total Capital Expenditure on renewal of existing assets	7 000	5 000	2 850	-	916	2 138	1 221	57,1%	2 850
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 March of 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_____