

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 August 2018.

9/13/2018

Budget & Treasury Office

Table of Contents

1.1 PURPOSE Error! Bookmark not defined.

1.2 Executive Summary 3

DELIBERATION 4

1.3 Resolutions 4

1.4 Monthly Budget Statement Tables 4

2.1 Debtors Analysis 13

2.2 Creditors Analysis 17

2.3 Investment Portfolio Analysis 17

2.4 Allocation and Grant receipts and Expenditure 18

2.5 Councillor and Staff Benefits 19

2.6 Material Variances to the SDBIP 21

2.7 Municipal Manager’s Quality’s Certificate 32

REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 31 AUGUST 2018

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 August 2018 to Finance and Corporate Services 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

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 Finance & Corporate services committee and Executive committee on the progress made thus far in terms of implementing the 2018/2019 budget for the period ending 31 August 2018.

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.

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 - M02 August

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Service charges	53 962	63 466	63 466	6 089	11 995	10 578	1 418	13%	63 466
Investment revenue	8 599	6 946	6 946	1 214	1 657	1 158	499	43%	6 946
Transfers and subsidies	300 806	321 592	321 592	-	132 531	53 599	78 932	147%	321 592
Other own revenue	12 673	10 268	10 268	857	1 630	1 711	(81)	-5%	10 268
Total Revenue (excluding capital transfers and contributions)	376 041	402 271	402 271	8 160	147 813	67 045	80 768	120%	402 271
Employee costs	152 144	162 678	162 678	13 781	26 912	27 113	(201)	-1%	162 678
Remuneration of Councillors	4 087	6 848	6 848	487	1 021	1 141	(120)	-11%	6 848
Depreciation & asset impairment	67 129	41 276	41 276	-	-	6 879	(6 879)	-100%	41 276
Finance charges	4 497	3 954	3 954	-	-	659	(659)	-100%	3 954
Materials and bulk purchases	49 288	37 465	38 015	2 864	9 760	6 336	3 424	54%	38 015
Transfers and subsidies	11 851	16 830	16 830	2 000	2 000	2 805	(805)	-29%	16 830
Other expenditure	212 367	132 643	132 093	6 069	12 571	22 015	(9 444)	-43%	132 093
Total Expenditure	501 363	401 695	401 695	25 202	52 264	66 949	(14 685)	-22%	401 695
Surplus/(Deficit)	(125 322)	576	576	(17 041)	95 549	96	95 453	98999%	576
Transfers and subsidies - capital (monetary allocations)	2 221	349 213	349 213	-	-	58 202	(58 202)	-100%	349 213
Contributions & Contributed assets	333 809	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	210 707	349 789	349 789	(17 041)	95 549	58 299	37 251	64%	349 789
Surplus/ (Deficit) for the year	210 707	349 789	349 789	(17 041)	95 549	58 299	37 251	64%	349 789
Capital expenditure & funds sources									
Capital expenditure	222 253	349 789	349 789	10 900	25 789	58 298	(32 509)	-56%	349 789
Capital transfers recognised	11 369	187 820	187 820	9 021	9 583	31 303	(21 720)	-69%	187 820
Internally generated funds	210 883	161 970	161 970	1 878	16 206	26 995	(10 789)	-40%	161 970
Total sources of capital funds	222 253	349 789	349 789	10 900	25 789	58 298	(32 509)	-56%	349 789
Financial position									
Total current assets	93 311	100 031	100 031		135 396				100 031
Total non current assets	139 269	2 298 440	2 298 440		25 789				2 298 440
Total current liabilities	51 200	222 742	222 742		38 856				222 742
Total non current liabilities	(8 280)	64 488	64 488		(1 108)				64 488
Community wealth/Equity	(21 046)	1 761 451	1 761 451		-				1 761 451
Cash flows									
Net cash from (used) operating	335 448	378 013	-	(29 077)	195 966	31 025	(164 942)	-532%	378 013
Net cash from (used) investing	(351 550)	(349 789)	-	(10 900)	(39 621)	(29 149)	10 472	-36%	(349 789)
Net cash from (used) financing	(3 130)	(3 496)	-	-	-	(308)	(308)	100%	(3 496)
Cash/cash equivalents at the month/year end	5 041	67 750	-	-	253 307	44 590	(208 717)	-468%	121 689
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	8 353	6 331	4 094	3 661	3 099	3 284	65 466	90 147	184 435
Creditors Age Analysis									
Total Creditors	9 374	2 242	35	4 328	-	-	-	-	15 979

Financial Performance

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

DC43 Harry Gwala - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
Governance and administration	302 187	399 753	336 288	1 422	134 526	56 048	78 478	140%	336 288
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	302 187	399 753	336 288	1 422	134 526	56 048	78 478	140%	336 288
Internal audit	-	-	-	-	-	-	-	-	-
Economic and environmental services	345 748	351 731	351 731	-	-	58 622	(58 622)	-100%	351 731
Planning and development	345 748	351 731	351 731	-	-	58 622	(58 622)	-100%	351 731
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	64 136	-	63 466	6 738	13 287	10 578	2 710	26%	63 466
Energy sources	-	-	-	-	-	-	-	-	-
Water management	43 483	-	44 755	5 124	10 268	7 459	2 809	38%	44 755
Waste water management	20 653	-	18 711	1 615	3 020	3 118	(99)	-3%	18 711
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	712 070	751 484	751 484	8 160	147 813	125 247	22 566	18%	751 484
Expenditure - Functional									
Governance and administration	213 348	190 758	190 758	9 321	19 443	31 793	(12 350)	-39%	190 758
Executive and council	24 505	24 926	25 076	1 627	2 892	4 179	(1 287)	-31%	25 076
Finance and administration	184 459	161 261	161 261	7 668	16 344	26 877	(10 533)	-39%	161 261
Internal audit	4 384	4 571	4 421	26	207	737	(530)	-72%	4 421
Community and public safety	12 990	9 270	9 270	7	7	1 545	(1 538)	-100%	9 270
Community and social services	12 990	9 270	9 270	7	7	1 545	(1 538)	-100%	9 270
Economic and environmental services	169 430	70 057	70 057	4 589	6 607	11 676	(5 069)	-43%	70 057
Planning and development	169 430	70 057	70 057	4 589	6 607	11 676	(5 069)	-43%	70 057
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	105 596	131 610	131 610	11 284	26 207	21 935	4 272	19%	131 610
Energy sources	10 790	7 850	7 850	880	2 188	1 308	880	67%	7 850
Water management	92 259	122 256	122 256	9 253	21 958	20 376	1 582	8%	122 256
Waste water management	2 547	1 504	1 504	1 151	2 060	251	1 810	722%	1 504
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	501 363	401 695	401 695	25 202	52 264	66 949	(14 685)	-22%	401 695
Surplus/ (Deficit) for the year	210 707	349 789	349 789	(17 041)	95 549	58 299	37 251	64%	349 789

This table assesses the revenue by department and then the expenditure for the period ending 31 August 2018. Revenue receipts in August have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of August is 7%.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has largest expenditure by 8% in the period ending 31 August 2018. 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) - M02 August

Vote Description	2017/18	Budget Year 2018/19							
	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 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	301 139	336 288	336 288	1 354	134 385	56 048	78 337	139,8%	336 288
Vote 04 - Summary Corporate Services	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	345 748	351 731	351 731	-	-	58 622	(58 622)	-100,0%	351 731
Vote 07 - Summary Water Services	65 184	63 466	63 466	6 807	13 428	10 578	2 850	26,9%	63 466
Total Revenue by Vote	712 070	751 484	751 484	8 160	147 813	125 247	22 566	18,0%	751 484
Expenditure by Vote									
Vote 01 - Summary Council	10 097	15 620	15 620	606	1 150	2 603	(1 454)	-55,8%	15 620
Vote 02 - Summary Municipal Manager	18 792	13 878	13 878	1 047	1 949	2 313	(364)	-15,7%	13 878
Vote 03 - Summary Budget And Treasury Office	81 217	66 802	66 802	3 966	6 304	11 134	(4 829)	-43,4%	66 802
Vote 04 - Summary Corporate Services	76 031	48 332	48 332	3 594	9 708	8 055	1 653	20,5%	48 332
Vote 05 - Summary Social Services & Development Planning	36 713	51 538	51 538	4 288	6 306	8 590	(2 283)	-26,6%	51 538
Vote 06 - Summary Infrastructure Services	156 497	35 639	35 639	2 333	4 550	5 940	(1 390)	-23,4%	35 639
Vote 07 - Summary Water Services	122 016	169 887	169 887	9 366	22 296	28 314	(6 018)	-21,3%	169 887
Total Expenditure by Vote	501 363	401 695	401 695	25 202	52 264	66 949	(14 685)	-21,9%	401 695
Surplus/ (Deficit) for the year	210 707	349 789	349 789	(17 041)	95 549	58 299	37 251	63,9%	349 789

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 August 2018.

DC43 Harry Gwala - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - water revenue	38 197	44 755	44 755	4 681	9 375	7 459	1 916	26%	44 755
Service charges - sanitation revenue	15 766	18 711	18 711	1 408	2 620	3 118	(499)	-16%	18 711
Interest earned - external investments	8 599	6 946	6 946	1 214	1 657	1 158	499	43%	6 946
Interest earned - outstanding debtors	11 963	9 540	9 540	856	1 584	1 590	(6)	0%	9 540
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	576	716	716	0	45	119	(74)	-62%	716
Transfers and subsidies	300 806	321 592	321 592	-	132 531	53 599	78 932	147%	321 592
Other revenue	135	12	12	1	1	2	(1)	-51%	12
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	376 041	402 271	402 271	8 160	147 813	67 045	80 768	120%	402 271
Expenditure By Type									
Employee related costs	152 144	162 678	162 678	13 781	26 912	27 113	(201)	-1%	162 678
Remuneration of councillors	4 087	6 848	6 848	487	1 021	1 141	(120)	-11%	6 848
Debt impairment	24 717	25 266	25 266	-	-	4 211	(4 211)	-100%	25 266
Depreciation & asset impairment	67 129	41 276	41 276	-	-	6 879	(6 879)	-100%	41 276
Finance charges	4 497	3 954	3 954	-	-	659	(659)	-100%	3 954
Bulk purchases	25 225	22 850	22 850	1 955	3 662	3 808	(146)	-4%	22 850
Other materials	24 064	14 615	15 165	910	6 098	2 527	3 570	141%	15 165
Contracted services	150 854	75 453	73 140	3 140	8 652	12 190	(3 538)	-29%	73 140
Transfers and subsidies	11 851	16 830	16 830	2 000	2 000	2 805	(805)	-29%	16 830
Other expenditure	34 525	31 924	33 687	2 929	3 919	5 614	(1 695)	-30%	33 687
Loss on disposal of PPE	2 270	-	-	-	-	-	-	-	-
Total Expenditure	501 363	401 695	401 695	25 202	52 264	66 949	(14 685)	-22%	401 695
Surplus/(Deficit)	(125 322)	576	576	(17 041)	95 549	96	95 453	1	576
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 221	349 213	349 213	-	-	58 202	(58 202)	(0)	349 213
Transfers and subsidies - capital (in-kind - all)	333 809	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	210 707	349 789	349 789	(17 041)	95 549	58 299			349 789
Taxation									
Surplus/(Deficit) after taxation	210 707	349 789	349 789	(17 041)	95 549	58 299			349 789
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	210 707	349 789	349 789	(17 041)	95 549	58 299			349 789
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	210 707	349 789	349 789	(17 041)	95 549	58 299			349 789

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.

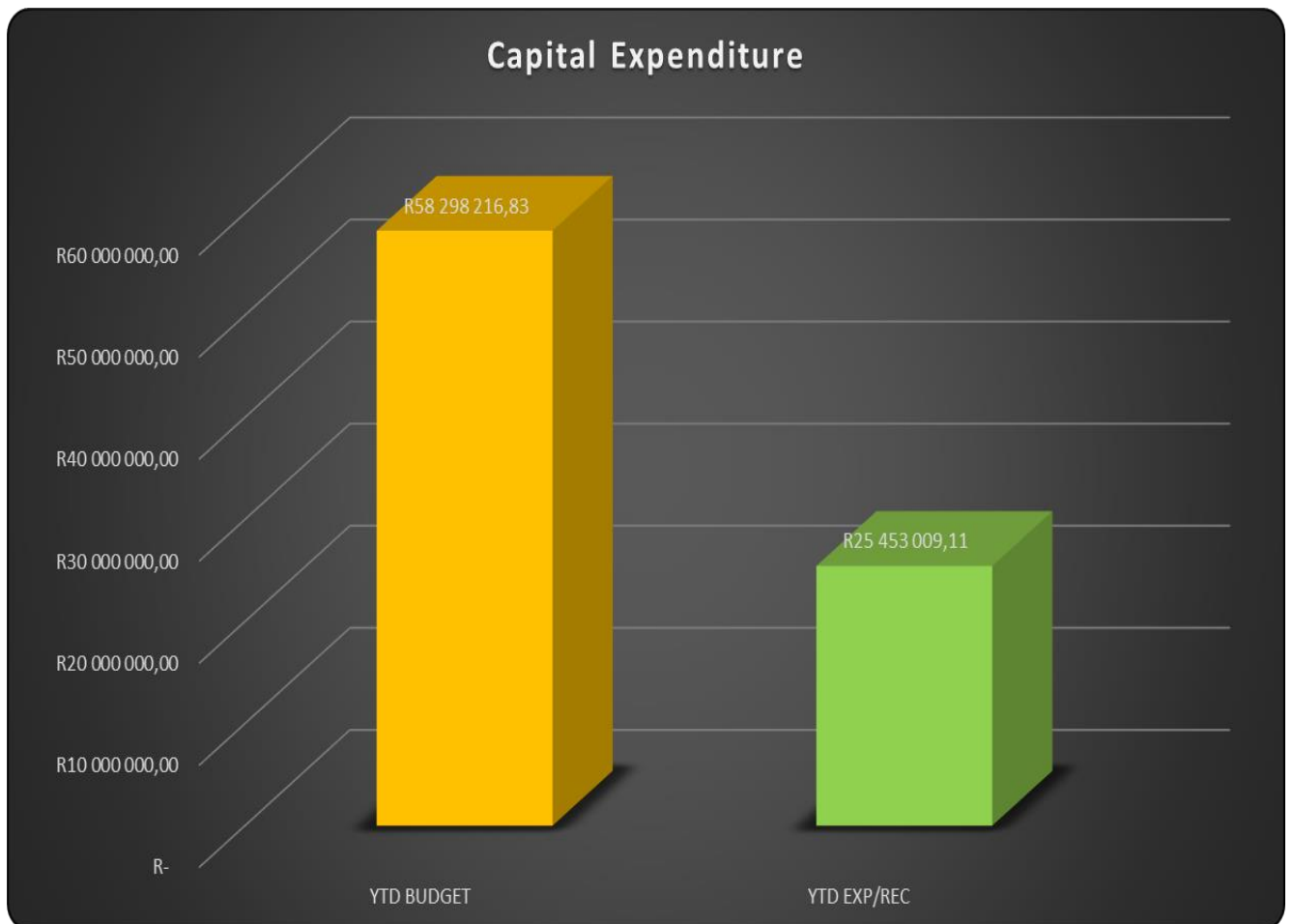
DC43 Harry Gwala - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	220 626	344 482	344 482	10 564	25 453	57 414	(31 961)	-56%	344 482
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	220 626	344 482	344 482	10 564	25 453	57 414	(31 961)	-56%	344 482
Single Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	250	250	-	-	42	(42)	-100%	250
Vote 04 - Summary Corporate Services	-	497	497	-	-	83	(83)	-100%	497
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	1 627	4 260	4 260	336	336	710	(374)	-53%	4 260
Vote 07 - Summary Water Services	-	300	300	-	-	50	(50)	-100%	300
Total Capital single-year expenditure	1 627	5 307	5 307	336	336	885	(548)	-62%	5 307
Total Capital Expenditure	222 253	349 789	349 789	10 900	25 789	58 298	(32 509)	-56%	349 789
Capital Expenditure - Functional Classification									
Governance and administration	-	747	747	-	-	125	(125)	-100%	747
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	-	747	747	-	-	125	(125)	-100%	747
Internal audit	-	-	-	-	-	-	-	-	-
Economic and environmental services	222 253	348 742	348 742	10 900	25 789	58 124	(32 335)	-56%	348 742
Planning and development	222 253	348 742	348 742	10 900	25 789	58 124	(32 335)	-56%	348 742
Trading services	-	300	300	-	-	50	(50)	-100%	300
Energy sources	-	-	-	-	-	-	-	-	-
Water management	-	300	300	-	-	50	(50)	-100%	300
Total Capital Expenditure - Functional Classification	222 253	349 789	349 789	10 900	25 789	58 298	(32 509)	-56%	349 789
Funded by:									
National Government	11 369	187 820	187 820	9 021	9 583	31 303	(21 720)	-69%	187 820
Transfers recognised - capital	11 369	187 820	187 820	9 021	9 583	31 303	(21 720)	-69%	187 820
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	210 883	161 970	161 970	1 878	16 206	26 995	(10 789)	-40%	161 970
Total Capital Funding	222 253	349 789	349 789	10 900	25 789	58 298	(32 509)	-56%	349 789

As alluded to above, the capital expenditure programme for the month ending 31 August was R10, 9m of capital expenditure against year to date budget.

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

Chart 1: 2018/2019 CAPEX YTD BUDGET & YTD ACTUAL



As at 31 August 2018, the year to date actual expenditure was R25, 4million against a YTD budget of R58, 2million. In monetary terms, these figures represent 44% per cent performance against the capital development programme as at 31 August 2018.

Table C6 displays the financial position of the municipality as at 31 August 2018.

DC43 Harry Gwala - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	2017/18	Budget Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	43 713	22 666	22 666	172 426	22 666
Call investment deposits	28 966	3 549	3 549	(39 757)	3 549
Consumer debtors	(566)	30 991	30 991	6 281	30 991
Other debtors	21 207	42 632	42 632	(3 555)	42 632
Inventory	(9)	194	194	-	194
Total current assets	93 311	100 031	100 031	135 396	100 031
Non current assets					
Property, plant and equipment	139 410	2 297 711	2 297 711	25 789	2 297 711
Agricultural					
Biological assets					
Intangible assets	(141)	728	728	-	728
Other non-current assets	0	-	-	-	-
Total non current assets	139 269	2 298 440	2 298 440	25 789	2 298 440
TOTAL ASSETS	232 580	2 398 471	2 398 471	161 185	2 398 471
<u>LIABILITIES</u>					
Current liabilities					
Borrowing	(682)	-	-	(204)	-
Consumer deposits	164	1 557	1 557	32	1 557
Trade and other payables	53 127	209 323	209 323	39 028	209 323
Provisions	(1 410)	11 863	11 863	-	11 863
Total current liabilities	51 200	222 742	222 742	38 856	222 742
Non current liabilities					
Borrowing	(8 949)	59 572	59 572	(1 108)	59 572
Provisions	669	4 916	4 916	-	4 916
Total non current liabilities	(8 280)	64 488	64 488	(1 108)	64 488
TOTAL LIABILITIES	42 919	287 231	287 231	37 748	287 231
NET ASSETS	189 661	2 111 240	2 111 240	123 437	2 111 240
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	(21 046)	1 761 451	1 761 451	-	1 761 451
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	(21 046)	1 761 451	1 761 451	-	1 761 451

Table C7 below display the Cash Flow Statement for the period ending 31 August 2018.

DC43 Harry Gwala - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates						-		
Service charges	42 411	31 945	4 176	8 209	2 662	5 547	208%	31 945
Other revenue	4 779	2 522	1	386	210	176	84%	2 522
Government - operating	301 213	328 823	3 188	135 719	27 402	108 317	395%	328 823
Government - capital	343 397	341 982	25 000	154 467	28 499	125 969	442%	341 982
Interest	8 816	6 946				-		6 946
Payments								
Suppliers and employees	(361 210)	(332 976)	(61 442)	(102 814)	(27 748)	75 066	-271%	(332 976)
Finance charges	(3 958)	(1 229)	-			-		(1 229)
Transfers and Grants						-		
NET CASH FROM/(USED) OPERATING ACTIVITIES	335 448	378 013	(29 077)	195 966	31 025	(164 942)	-532%	378 013
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Decrease (increase) other non-current receivables						-		
Payments								
Capital assets	(351 550)	(349 789)	(10 900)	(39 621)	(29 149)	10 472	-36%	(349 789)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(351 550)	(349 789)	(10 900)	(39 621)	(29 149)	10 472	-36%	(349 789)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans						-		
Borrowing long term/refinancing						-		
Increase (decrease) in consumer deposits	200	200				-		200
Payments								
Repayment of borrowing	(3 330)	(3 697)	-		(308)	(308)	100%	(3 697)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 130)	(3 496)	-	-	(308)	(308)	100%	(3 496)
NET INCREASE/ (DECREASE) IN CASH HELD								
	(19 232)	24 727	(39 976)	156 345	1 567			24 727
Cash/cash equivalents at beginning:	24 273	43 023		96 962	43 023			96 962
Cash/cash equivalents at month/year end:	5 041	67 750		253 307	44 590			121 689

The billing vs Collection ratio for the month of August was 57% (July: 54%) showing an increase in collection by 3% 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 August 2018.

Table 2.1.1: Debtors Age Analysis by Income Source

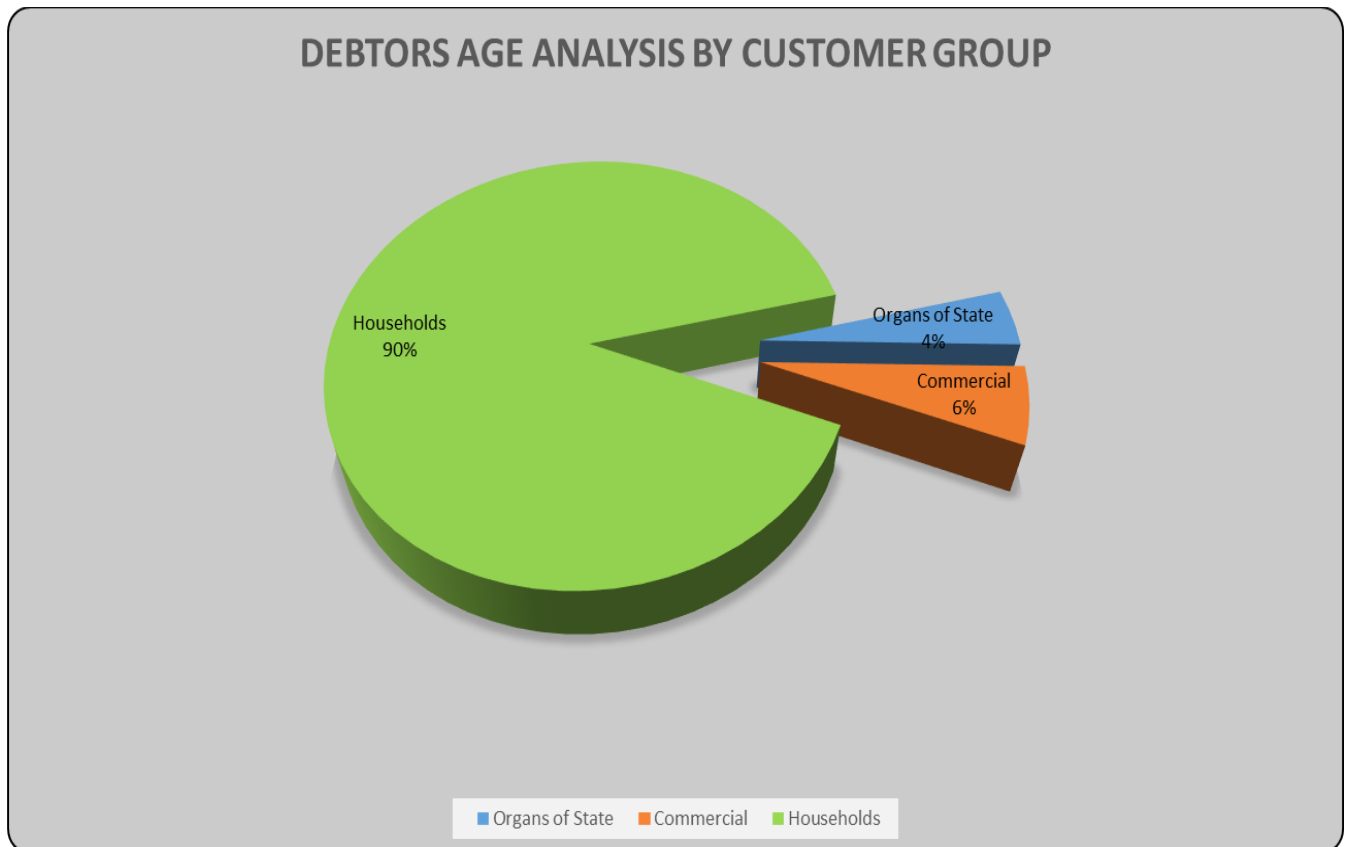
DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	Budget Year 2018/19								Total	Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr		
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	5 362	4 064	2 628	2 350	1 989	2 108	42 024	57 868	118 393	106 339
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-exchange Transactions - Property Rates									-	-
Receivables from Exchange Transactions - Waste Water Management	2 095	1 588	1 027	918	777	824	16 417	22 607	46 252	41 543
Receivables from Exchange Transactions - Waste Management									-	-
Receivables from Exchange Transactions - Property Rental Debtors									-	-
Interest on Arrear Debtor Accounts	896	679	439	393	333	352	7 025	9 673	19 790	17 775
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
Total By Income Source	8 353	6 331	4 094	3 661	3 099	3 284	65 466	90 147	184 435	165 657
2017/18 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	2 932	1 382	606	282	163	144	1 249	969	7 728	2 807
Commercial	771	487	289	239	215	195	3 787	4 458	10 441	8 894
Households	4 650	4 462	3 198	3 140	2 721	2 945	60 431	84 720	166 266	153 957
Other									-	-
Total By Customer Group	8 353	6 331	4 094	3 661	3 099	3 284	65 466	90 147	184 435	165 657

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: 90%
- ✓ Government 4%
- ✓ Business 6%

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

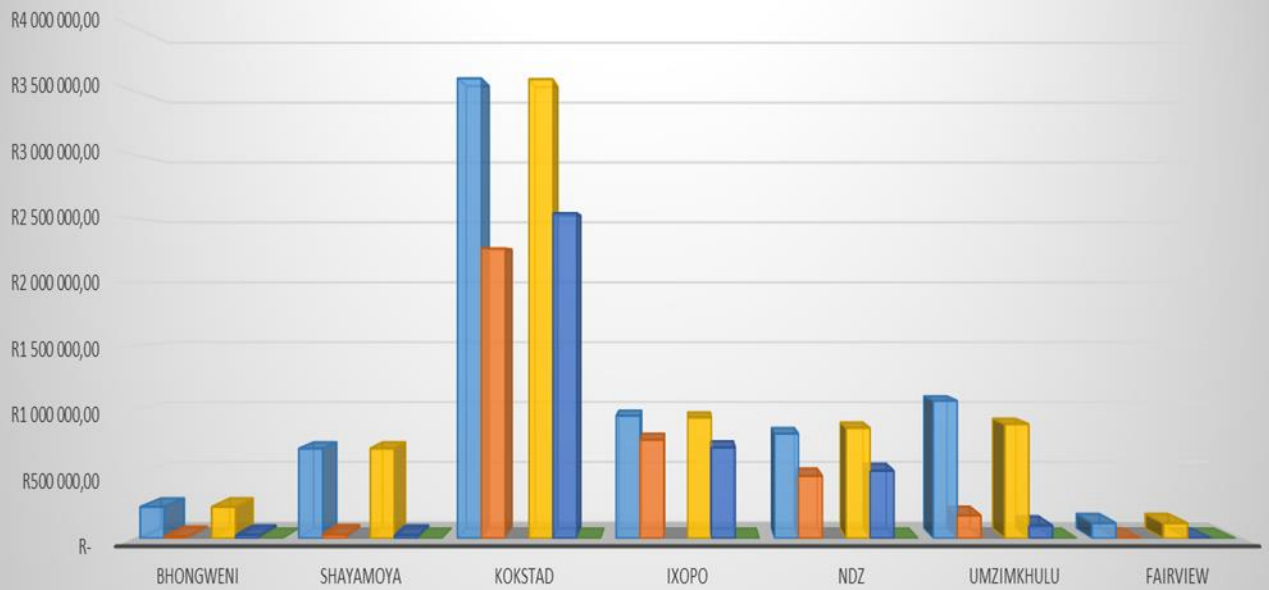
The table that follows below unpacks the revenue receipts per Local Municipality in the District

REVENUE RECEIPTS PER AREA

AREA	AMOUNT		
		AUGUST 2018	JULY 2018
Unallocated receipts	R 246 045 .78	6%	7%
Bhongweni	R 26 179.99	1%	0%
Shayamoya	R 25 285.56	1%	1%
Kokstad	R 2 540 808.31	61%	56%
Ixopo	R 709 620.30	17%	19%
NDZ	R 527 191.89	13%	12%
Umzimkulu	R 99 918.77	2%	4%
Fairview	R 1 197.60	0%	0%
TOTAL RECEIPTS INCL VAT	R 4 176 247.20	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 August 2018 is R4, 1million

BILLING VS COLLECTION-AUGUST 2018



	BHONGWENI	SHAYAMOYA	KOKSTAD	IXOPO	NDZ	UMZIMKHULU	FAIRVIEW
2018 JULY BILLING	R246 351,07	R701 701,55	R3 593 328,87	R957 923,23	R817 673,10	R1 074 982,97	R119 285,76
2018 JULY COLLECTION	R15 146,13	R28 653,75	R2 265 912,60	R770 365,22	R487 579,45	R178 733,80	R2 352,94
PERCENTAGE	6%	4%	63%	80%	60%	17%	2%
2018 AUGUST BILLING	R246 507,82	R702 026,69	R3 586 451,30	R943 914,75	R861 900,91	R892 398,06	R119 285,76
2018 AUGUST COLLECTION	R26 179,99	R25 285,56	R2 540 808,31	R709 620,30	R527 190,89	R99 918,77	R1 197,60
PERCENTAGE	11%	4%	71%	75%	61%	11%	1%

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 August 2018.

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	Budget Year 2018/19								
	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	Total
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water	2 445	59	32	4 328					6 865
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	6 455	2 181	-	-					8 636
Auditor General	474	3	3						479
Other									-
Total By Customer Type	9 374	2 242	35	4 328	-	-	-	-	15 979

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 August 2018.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

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	234		62 128	14 096	48 266
FIRST NATIONAL BANK			CALL ACCOUNT	442		109 772	22 399	87 814
FIRST NATIONAL BANK			ADMIN CALL	228		50 468	31 619	19 077
INVESTEC			FIXED DEPOSIT	174		32 244	-	32 418
FIRST NATIONAL BANK			FIXED DEPOSIT	106		4 902	1 888	33 520
FIRST NATIONAL BANK			CALL ACCOUNT	2		10	-	642
FIRST NATIONAL BANK			CALL ACCOUNT	4		69	-	1 631
FIRST NATIONAL BANK			CALL ACCOUNT	23		2 485	-	27 508
FIRST NATIONAL BANK			FIXED DEPOSIT	2		3	-	1 004
FIRST NATIONAL BANK			CURRENT ACCOUNT			31 203		1 426
Municipality sub-total				1 214		293 284	70 002	253 307
TOTAL INVESTMENTS AND INTEREST				1 214		293 284	70 002	253 307

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 - M02 August

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	302 056	325 110	1 630	134 161	53 599	80 562	150,3%	325 110
Energy Efficiency and Demand-side [Schedule 5B]	8 000	-	-	-	-	-	-	-
Equitable Share	291 088	321 592	-	132 531	53 599	78 932	147,3%	321 592
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 718	2 518	630	630	-	630	-	2 518
Local Government Financial Management Grant [Schedule 5B]	1 250	1 000	1 000	1 000	-	1 000	-	1 000
Municipal Infrastructure Grant (PMU)	49 148	5 005	-	-	-	-	-	5 005
Rural Roads Asset Management Grant	2 221	2 226	1 558	1 558	-	-	-	2 226
Total Operating Transfers and Grants	302 056	325 110	1 630	134 161	53 599	80 562	150,3%	325 110
Capital Transfers and Grants								
National Government:	387 544	341 982	25 000	154 467	28 499	125 969	442,0%	341 982
Municipal Infrastructure Grant (MIG)	199 544	191 582	-	99 067	15 965	83 102	520,5%	191 582
Regional Bulk Infrastructure	90 000	70 000	25 000	25 000	5 833	19 167	328,6%	70 000
Municipal Water Infrastructure Grant	98 000	80 400	-	30 400	6 700	23 700	353,7%	80 400
	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	387 544	341 982	25 000	154 467	28 499	125 969	442,0%	341 982
TOTAL RECEIPTS OF TRANSFERS & GRANTS	689 600	667 092	26 630	288 628	82 097	206 531	251,6%	667 092

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 - M02 August

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original 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:	353 425	332 341	27 593	53 909	55 390	(1 481)	-2,7%	332 341
Energy Efficiency and Demand-side [Schedule 5B]	8 000	-	-	-	-	-	-	-
Equitable Share	291 088	321 592	27 332	53 599	53 599	-	0,0%	321 592
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 718	2 518	211	211	420	(209)	-49,8%	2 518
Local Government Financial Management Grant [Schedule 5B]	1 250	1 000	50	100	167	(67)	-40,0%	1 000
Municipal Infrastructure Grant (PMU)	49 148	5 005	-	-	834	(834)	-100,0%	5 005
Rural Roads Asset Management Grant	2 221	2 226	-	-	371	(371)	-100,0%	2 226
	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	353 425	332 341	27 593	53 909	55 390	(1 481)	-2,7%	332 341
Capital expenditure of Transfers and Grants								
National Government:	387 544	341 982	11 895	26 784	56 997	(30 213)	-53,0%	107 420
Municipal Infrastructure Grant (MIG)	199 544	191 582	3 353	17 680	31 930	(14 250)	-44,6%	37 420
Regional Bulk Infrastructure	90 000	70 000	6 736	6 736	11 667	(4 931)	-42,3%	-
Municipal Water Infrastructure Grant	98 000	80 400	1 806	2 368	13 400	(11 032)	-82,3%	70 000
	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	387 544	341 982	11 895	26 784	56 997	(30 213)	-53,0%	107 420
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	740 969	674 323	39 487	80 693	112 387	(31 694)	-28,2%	439 761

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 August 2018.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B						D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	3 795	4 098	330	692	342	351	103%	4 098
Pension and UIF Contributions	399	431	25	52	36	16	43%	431
Medical Aid Contributions	94	101	6	12	8	4	43%	101
Motor Vehicle Allowance	1 178	1 272	72	152	106	46	43%	1 272
Cellphone Allowance	259	279	16	33	23	10	43%	279
Other benefits and allowances	616	665	38	80	55	24	43%	665
Sub Total - Councillors	6 340	6 847	487	1 021	571	450	79%	6 847
% increase		8,0%						8,0%
Senior Managers of the Municipality	182	2 859			477			2 859
Basic Salaries and Wages	4 509	4 870	657	1 285	406	879	217%	4 870
Pension and UIF Contributions	4	4	0	1	0	0	107%	4
Medical Aid Contributions	6	7	1	1	1	1	107%	7
Motor Vehicle Allowance	3 797	4 101	361	706	342	364	107%	4 101
Cellphone Allowance	178	192	17	33	16	17	107%	192
Other benefits and allowances	5	6	1	1	0	1	107%	6
Sub Total - Senior Managers of Municipality	8 500	9 180	1 036	2 027	765	1 262	165%	9 180
% increase		8,0%						8,0%
Other Municipal Staff	90 433	86 060			14 343			86 060
Basic Salaries and Wages	10 738	9 453	9 175	17 944	1 576	16 368	1039%	9 453
Pension and UIF Contributions	7 533	3 666	1 551	3 034	611	2 423	397%	3 666
Medical Aid Contributions	17 064	2 775	214	419	463	(43)	-9%	2 775
Overtime	6 565	6 524	192	375	1 087	(713)	-66%	6 524
Performance Bonus	11 027	8 277	850	1 663	1 379	283	21%	8 277
Motor Vehicle Allowance	651	544	391	764	91	674	743%	544
Cellphone Allowance	718	1 124	67	130	187	(57)	-30%	1 124
Housing Allowances	3 020	36 290	6	11	6 048	(6 037)	-100%	36 290
Other benefits and allowances	1 532	495	256	500	82	417	506%	495
Payments in lieu of leave	515	-	-	-	-	-	-	-
Long service awards	1 434	1 944	-	-	324	(324)	-100%	1 944
Sub Total - Other Municipal Staff	60 798	71 093	12 701	24 840	11 849	12 991	110%	71 093
% increase		16,9%						16,9%
Total Parent Municipality	75 638	87 119	14 224	27 888	13 184	14 704	112%	87 119
		15,2%						15,2%
Unpaid salary, allowances & benefits in arrears:								
TOTAL SALARY, ALLOWANCES & BENEFITS	75 638	87 119	14 224	27 888	13 184	14 704	112%	87 119
% increase		15,2%						15,2%
TOTAL MANAGERS AND STAFF	69 298	80 272	13 737	26 867	12 614	14 253	113%	80 272

2.6 Material Variances to the SDBIP

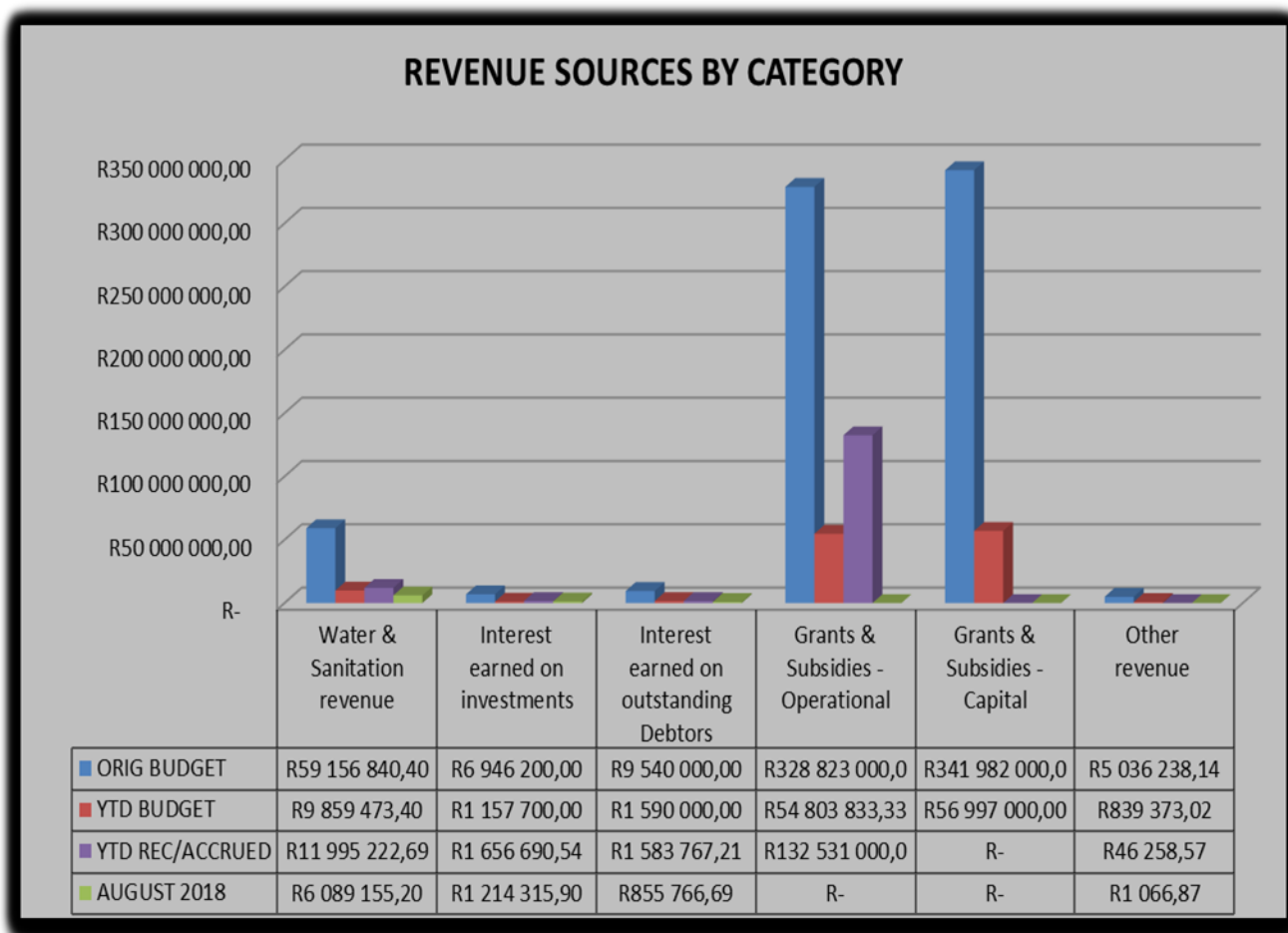
The following section analyses material variances between the actual targets as at 31 August 2018 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2018/19 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 August 2018 was R11, 9million against a year to date **budget** of R6million.

Interest Earned on External Investments

The actual interest earned on external investments as at 31 August 2018 is R1, 2m against year to date budget of R1, 1million.

Transfers Recognised – Operational

Three operational grants received for the month of August 2018 namely

- Expanded Public Works R 630 000
- Rural Roads Assets Management R 1 558 000
- Financial Management Grant R 1 000 000

Transfers Recognised – Capital

The actual R10, 5million (against a YTD budget of R58, 2million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 44% performance in Conditional Capital grant funding expenditures.

One Capital grants received namely:

- Regional Bulk Infrastructure Grant- R 25 000 000

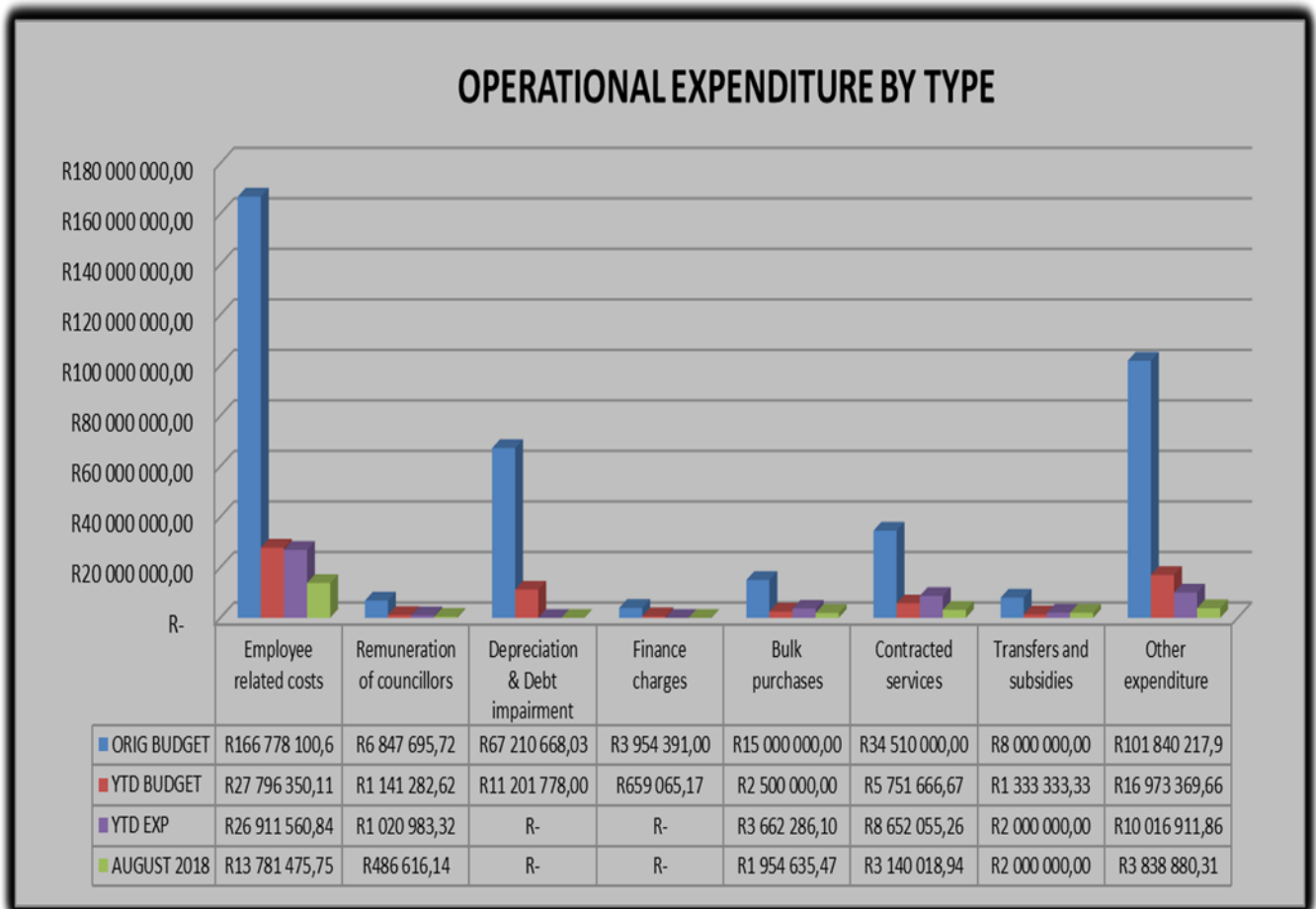
Other Revenue

The YTD performance of other revenue is R1million against YTD budget of R839 373k 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: 2018/19 Financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R166, 7million against a YTD actual of R26, 9million which is 16% of the original budget.

Remuneration of Councillors

The remuneration of councillor’s year to date expenditure is at R 486 616k against a YTD budget of R1, 1million representing 15% of the original budget.

Finance Charges

As at 31 August 2018, there was no expenditure incurred for finance charges. The budgeted amount for finance charges was R3, 9million.

Bulk Purchases

The year to date expenditure on Bulk Water purchases has the budget of R3, 6million and the year to date expenditure is at R 2, 5million. The expenditure for bulk water purchases is at 13% as at 31 August 2018.

Other Expenditure

The YTD budget for other expenditure was at R 10million against a YTD expenditure of R 16, 9million and expenditure for the month of August 2018 representing 4 per cent of the original budget.

Performance assessment

The Performance Assessment Report will be available on the second quarter of 2018/2019 financial year in terms of mid-term performance assessment in accordance with 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 - M02 August

Description	Budget Year 2018/19												2018/19 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands															
Cash Receipts By Source															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	2 823	2 923	2 243	2 000	1 643	2 500	1 639	1 631	1 677	1 465	1 668	149	22 361	23 882	25 506
Service charges - sanitation revenue	1 210	1 253	693	681	1 200	689	648	807	789	680	774	159	9 583	10 235	10 931
Rental of facilities and equipment			-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments			458	422	437	419	950	948	475	418	983	1 137	6 646	7 098	7 577
Transfer receipts - operating	132 531	3 188	-	2 980	56 498	-	-	506	126 198	-	103	6 819	328 823	353 324	383 130
Other revenue	385	1	142	376	73	186	146	69	393	262	424	(144)	2 314	2 649	2 790
Cash Receipts by Source	136 949	7 365	3 536	6 459	59 852	3 794	3 383	3 960	129 532	2 826	3 952	8 121	369 728	397 188	429 934
Other Cash Flows by Source															
Transfer receipts - capital	129 467	25 000	7 547	29 726	57 071	15 188	58 260	13 720	61 733			(55 730)	341 982	343 859	378 480
Contributions & Contributed assets												-			
Change in non-current investments												-			
Total Cash Receipts by Source	266 416	32 365	11 083	36 185	116 923	18 982	61 642	17 680	191 265	2 826	3 952	(47 609)	711 710	741 047	808 414
Cash Payments by Type															
Employee related costs	13 633	13 781	12 304	19 076	13 477	12 577	12 776	14 567	11 066	13 218	13 086	17 218	166 778	179 780	193 955
Remuneration of councillors	509	487	579	579	577	577	577	577	577	577	577	652	6 848	7 396	7 987
Interest paid			204	204	204	617	204	204	204	204	204	1 699	3 945	4 356	1 668
Bulk purchases - Water & Sewer	1 300	1 955	1 150	-	2 232	1 132	1 163	1 136	1 103	1 193	1 152	1 485	15 000	15 810	16 680
Contracted services	1 100	3 140	3 591	3 000	3 164	4 317	3 500	3 069	1 856	1 701	1 869	4 202	34 510	46 914	49 494
Grants and subsidies paid - other			-	-	5 000	-	-	-	5 000	-	-	5 000	15 000	17 000	20 000
General expenses	24 830	42 079	5 999	1 370	9 500	8 500	4 996	4 427	20 100	4 527	5 631	(38 576)	93 384	87 193	110 937
Cash Payments by Type	41 373	61 442	23 828	24 229	34 153	27 720	23 216	23 979	39 906	21 420	22 520	(8 321)	335 465	358 448	400 720
Other Cash Flows/Payments by Type															
Capital assets	28 722	10 900	28 499	28 499	28 499	28 499	28 499	28 499	28 499	28 499	28 499	45 874	341 982	338 858	373 429
Total Cash Payments by Type	70 094	72 341	52 326	52 728	62 652	56 218	51 715	52 478	68 405	49 919	51 018	37 554	677 447	697 306	774 149
NET INCREASE/(DECREASE) IN CASH HELD	196 322	(39 976)	(41 243)	(16 542)	54 271	(37 236)	9 928	(34 798)	122 860	(47 093)	(47 067)	(85 163)	34 263	43 741	34 264
Cash/cash equivalents at the month/year beginning:	96 962	293 284	253 307	212 064	195 522	249 793	212 557	222 485	187 687	310 547	263 455	216 388	96 962	131 225	174 966
Cash/cash equivalents at the month/year end:	293 284	253 307	212 064	195 522	249 793	212 557	222 485	187 687	310 547	263 455	216 388	131 225	131 225	174 966	209 230

Parent Municipal financial performance

DC43 Harry Gwala - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M02 August

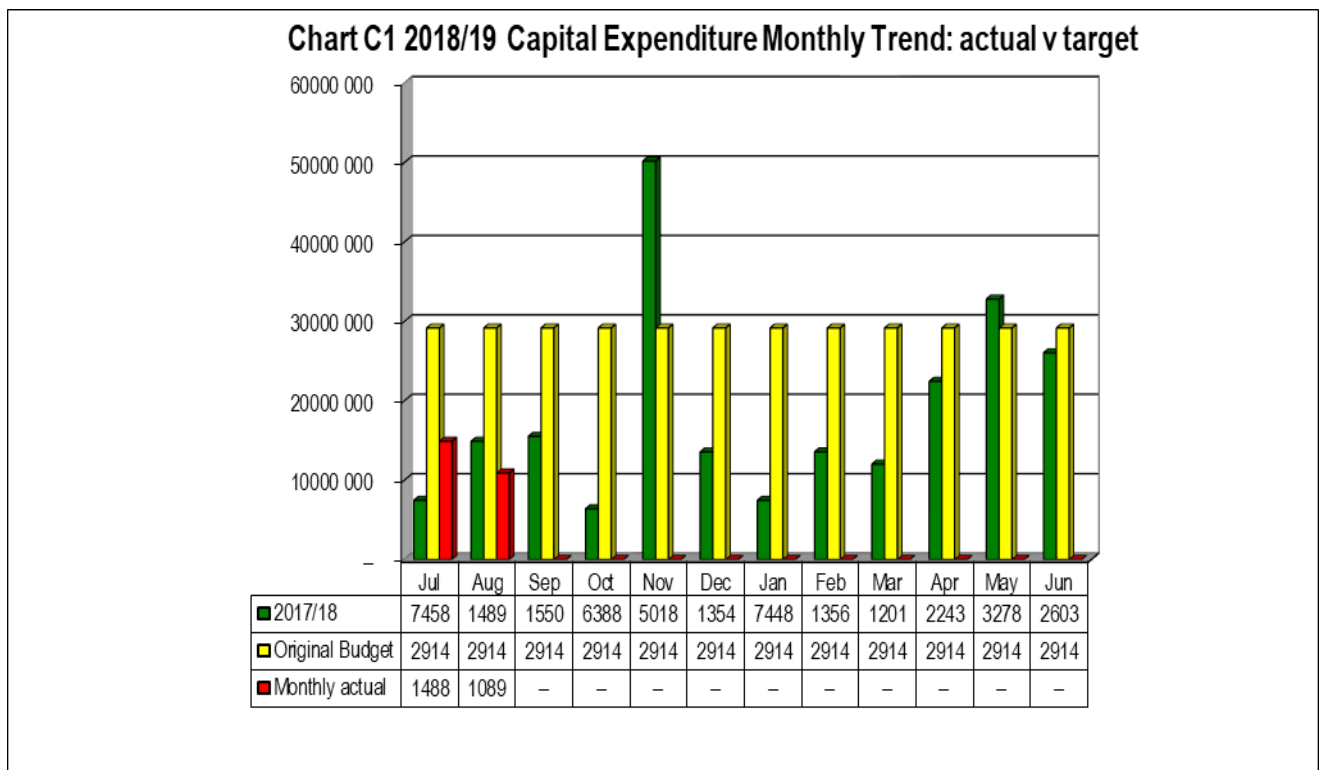
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates							-		
Service charges - electricity revenue	38 197	44 755	44 755	4 681	9 375	7 459	1 916	26%	44 755
Service charges - water revenue	15 766	18 711	18 711	1 408	2 620	3 118	(499)	-16%	18 711
Rental of facilities and equipment	8 599	6 946	6 946	1 214	1 657	1 158	499	43%	6 946
Interest earned - external investments	11 963	9 540	9 540	856	1 584	1 590	(6)	0%	9 540
Interest earned - outstanding debtors							-		
Dividends received	576	716	716	0	45	119	(74)	-62%	716
Agency services	300 806	321 592	321 592	-	132 531	53 599	78 932	147%	321 592
Transfers and subsidies	135	12	12	1	1	2	(1)	-51%	12
Other revenue							-		
Total Revenue (excluding capital transfers and contributions)	376 041	402 271	402 271	8 160	147 813	67 045	80 768	120%	402 271
Expenditure By Type									
Employee related costs	152 144	162 678	162 678	13 781	26 912	27 113	(201)	-1%	162 678
Remuneration of councillors	4 087	6 848	6 848	487	1 021	1 141	(120)	-11%	6 848
Debt impairment	24 717	25 266	25 266	-	-	4 211	(4 211)	-100%	25 266
Depreciation & asset impairment	67 129	41 276	41 276	-	-	6 879	(6 879)	-100%	41 276
Finance charges	4 497	3 954	3 954	-	-	659	(659)	-100%	3 954
Bulk purchases	25 225	22 850	22 850	1 955	3 662	3 808	(146)	-4%	22 850
Other materials	24 064	14 615	15 165	910	6 098	2 527	3 570	141%	15 165
Contracted services	150 854	75 453	73 140	3 140	8 652	12 190	(3 538)	-29%	73 140
Transfers and subsidies	11 851	16 830	16 830	2 000	2 000	2 805	(805)	-29%	16 830
Other expenditure	34 525	31 924	33 687	2 929	3 919	5 614	(1 695)	-30%	33 687
Loss on disposal of PPE	2 270	-	-	-	-	-	-		-
Total Expenditure	501 363	401 695	401 695	25 202	52 264	66 949	(14 685)	-22%	401 695
Surplus/(Deficit)	(125 322)	576	576	(17 041)	95 549	96	95 453	98999%	576
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 221	349 213	349 213	-	-	58 202	(58 202)	-100%	349 213
Transfers and subsidies - capital (in-kind - all)	333 809	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	210 707	349 789	349 789	(17 041)	95 549	58 299	37 251	64%	349 789
Taxation							-		
Surplus/(Deficit) after taxation	210 707	349 789	349 789	(17 041)	95 549	58 299	37 251	64%	349 789

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	7 458	29 149	29 149	14 889	14 889	29 149	14 260	48,9%	4%
August	14 892	29 149	29 149	10 900	25 789	58 298	32 509	55,8%	7%
September	15 501	29 149	29 149	-	-	87 447	-	-	-
October	6 389	29 149	29 149	-	-	116 596	-	-	-
November	50 180	29 149	29 149	-	-	145 745	-	-	-
December	13 547	29 149	29 149	-	-	174 895	-	-	-
January	7 449	29 149	29 149	-	-	204 044	-	-	-
February	13 561	29 149	29 149	-	-	233 193	-	-	-
March	12 013	29 149	29 149	-	-	262 342	-	-	-
April	22 436	29 149	29 149	-	-	291 491	-	-	-
May	32 789	29 149	29 149	-	-	320 640	-	-	-
June	26 037	29 149	29 149	-	-	349 789	-	-	-
Total Capital expenditure	222 253	349 789	349 789	25 789					

CAPITAL EXPENDITURE MONTHLY TREND



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 - M02 August

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original 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	5 498	79 800	7 417	7 417	13 300	5 883	44,2%	79 800
Roads Infrastructure	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
Water Supply Infrastructure	5 498	78 800	7 417	7 417	13 133	5 716	43,5%	78 800
<i>Dams and Weirs</i>	-	70 000	5 982	5 982	11 667	5 685	48,7%	70 000
<i>Boreholes</i>	3 638	6 000	1 435	1 435	1 000	(435)	-43,5%	6 000
<i>Reservoirs</i>	-	-	-	-	-	-	-	-
<i>Distribution</i>	1 860	2 800	-	-	467	467	100,0%	2 800
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	1 000	-	-	167	167	100,0%	1 000
<i>Data Centres</i>	-	1 000	-	-	167	167	100,0%	1 000
<i>Core Layers</i>	-	-	-	-	-	-	-	-
Other assets	902	500	-	-	83	83	100,0%	500
Operational Buildings	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
Housing	902	500	-	-	83	83	100,0%	500
<i>Staff Housing</i>	902	500	-	-	83	83	100,0%	500
<i>Social Housing</i>	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
Furniture and Office Equipment	725	1 607	336	336	268	(68)	-25,5%	1 607
Furniture and Office Equipment	725	1 607	336	336	268	(68)	-25,5%	1 607
Machinery and Equipment	-	250	-	-	42	42	100,0%	250
Machinery and Equipment	-	250	-	-	42	42	100,0%	250
Total Capital Expenditure on new assets	7 125	82 157	7 753	7 753	13 693	5 940	43,4%	82 157

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 - M02 August

Description	2017/18	Budget Year 2018/19							
	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	215 128	265 982	265 982	3 146	18 036	44 330	26 295	59,3%	265 982
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	53 400	53 400	678	678	8 900	8 222	92,4%	53 400
Dams and Weirs	-	3 000	3 000	-	-	500	500	100,0%	3 000
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	5 000	5 000	-	-	833	833	100,0%	5 000
Distribution	-	22 600	22 600	678	678	3 767	3 089	82,0%	22 600
Distribution Points	-	22 800	22 800	-	-	3 800	3 800	100,0%	22 800
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	215 128	212 582	212 582	2 468	17 358	35 430	18 072	51,0%	212 582
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	10 000	10 000	-	1 606	1 667	61	3,6%	10 000
Waste Water Treatment Works	215 128	202 582	202 582	2 468	15 752	33 764	18 012	53,3%	202 582
Outfall Sewers	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	150	150	-	-	25	25	100,0%	150
Machinery and Equipment	-	150	150	-	-	25	25	100,0%	150
Transport Assets	-	1 500	1 500	-	-	250	250	100,0%	1 500
Transport Assets	-	1 500	1 500	-	-	250	250	100,0%	1 500
Total Capital Expenditure on renewal of existing assets	215 128	267 632	267 632	3 146	18 036	44 605	26 570	59,6%	267 632

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 August 2018 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 _____