

Harry Gwala District Municipality

MFMA s71 report for the period ending 28 February 2019.

3/12/2019

Budget & Treasury Office

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REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 28 FEBRUARY 2019

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 28 February 2019 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 28 February 2019.

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 - M08 February

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									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	67 394	59 157	82 841	(5 857)	33 458	55 227	(21 769)	-39%	59 157
Investment revenue	8 716	6 946	9 945	500	6 447	6 630	(183)	-3%	6 946
Transfers and subsidies	347 365	328 823	361 595	-	191 339	241 063	(49 724)	-21%	328 823
Other own revenue	17 421	14 576	9 854	1 491	9 714	6 570	3 145	48%	14 576
Total Revenue (excluding capital transfers and contributions)	440 896	409 502	464 235	(3 866)	240 959	309 490	(68 531)	-22%	409 502
Employee costs	161 904	166 778	188 491	14 996	116 087	125 661	(9 574)	-8%	166 778
Remuneration of Councillors	6 340	6 848	7 013	665	4 290	4 675	(386)	-8%	6 848
Depreciation & asset impairment	50 650	41 944	37 856	-	37 244	25 237	12 007	48%	41 944
Finance charges	1 605	3 954	3 963	-	1 041	2 642	(1 601)	-61%	3 954
Materials and bulk purchases	16 225	15 000	34 165	444	6 484	22 777	(16 292)	-72%	15 000
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	218 006	169 616	188 212	12 366	99 842	125 475	(25 633)	-20%	169 616
Total Expenditure	454 729	404 141	459 701	28 471	264 989	306 467	(41 478)	-14%	404 141
Surplus/(Deficit)	(13 833)	5 361	4 534	(32 337)	(24 030)	3 022	(27 052)	-895%	5 361
Transfers and subsidies - capital (monetary allocations)	343 397	341 982	322 016	3 866	240 959	214 678	26 282	12%	341 982
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	329 564	347 343	326 550	(28 471)	216 929	217 700	(771)	-0%	347 343
Surplus/ (Deficit) for the year	329 564	347 343	326 550	(28 471)	216 929	217 700	(771)	-0%	347 343
Capital expenditure & funds sources									
Capital expenditure	351 350	349 789	327 989	17 570	159 066	218 660	(59 594)	-27%	349 789
Capital transfers recognised	343 397	341 982	-	12 038	139 232	199 490	(60 257)	-30%	341 982
Internally generated funds	7 953	7 807	-	190	2 485	4 554	(2 069)	-45%	7 807
Total sources of capital funds	351 350	349 789	-	12 229	141 718	204 044	(62 326)	-31%	349 789
Financial position									
Total current assets	54 121	72 385	48 119	-	153 925	-	-	-	48 119
Total non current assets	2 129 037	2 436 371	2 256 977	-	2 104 022	-	-	-	2 256 977
Total current liabilities	176 239	212 563	194 287	-	299 191	-	-	-	194 287
Total non current liabilities	45 500	33 784	29 547	-	49 599	-	-	-	29 547
Community wealth/Equity	1 945 150	2 262 409	2 081 262	-	1 909 157	-	-	-	2 081 262
Cash flows									
Net cash from (used) operating	335 448	378 013	294 806	(22 192)	142 731	196 537	53 806	27%	378 013
Net cash from (used) investing	(351 550)	(349 789)	(364 374)	(17 570)	(172 227)	(204 044)	(31 817)	16%	(349 789)
Net cash from (used) financing	(3 130)	(3 496)	(3 130)	-	-	(2 023)	(2 023)	100%	(3 496)
Cash/cash equivalents at the month/year end	5 041	67 750	27 306	-	67 466	90 474	23 007	25%	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	8 444	48 619	4 891	4 102	4 440	3 881	18 481	96 667	189 526
Creditors Age Analysis									
Total Creditors	8 618	1 145	3	1 878	-	-	-	-	11 644

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) - M08 February

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									
<i>Governance and administration</i>	307 943	330 749	407 243	(971)	197 269	271 495	(74 227)	-27%	330 749
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	307 943	330 749	407 243	(971)	197 269	271 495	(74 227)	-27%	330 749
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	341	308	3 635	-	326	179	147	82%	-
Planning and development	341	308	3 635	-	326	179	147	82%	-
<i>Trading services</i>	476 008	420 428	375 373	4 837	43 691	250 249	(206 558)	-83%	420 428
Energy sources	-	-	-	-	-	-	-	-	-
Water management	71 524	294 299	361 537	-	1 527	241 025	(239 498)	-99%	294 299
Waste water management	404 484	126 128	13 836	4 837	42 164	9 224	32 940	357%	126 128
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	784 293	751 484	786 251	3 866	241 286	521 923	(280 638)	-54%	751 177
Expenditure - Functional									
<i>Governance and administration</i>	152 958	147 427	200 721	13 061	97 652	133 814	(36 162)	-27%	147 427
Executive and council	21 783	29 498	20 370	1 787	12 777	13 580	(803)	-6%	29 498
Finance and administration	131 175	117 929	180 351	11 275	84 875	120 234	(35 359)	-29%	117 929
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	41 777	51 538	86 464	3 065	29 581	57 643	(28 062)	-49%	51 538
Planning and development	41 777	51 538	86 464	3 065	29 581	57 643	(28 062)	-49%	51 538
<i>Trading services</i>	259 994	205 177	167 944	12 344	145 010	111 963	33 047	30%	205 177
Energy sources	-	-	15 031	-	-	10 021	(10 021)	-100%	-
Water management	174 092	173 388	126 105	1 447	50 869	84 070	(33 201)	-39%	173 388
Waste water management	85 902	31 789	26 808	10 897	94 141	17 872	76 269	427%	31 789
Waste management	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	454 729	404 141	455 130	28 471	272 242	303 420	(31 178)	-10%	404 141
Surplus/ (Deficit) for the year	329 564	347 343	331 121	(24 605)	(30 956)	218 504	(249 460)	-114%	347 036

This table assess the revenue by department and then the expenditure for the period ending 28 February 2019. Revenue receipts in February have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of February is 1%.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has largest expenditure by 38% in the period ending 28 February 2019. 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) - M08 February

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 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	307 943	330 749	343 777	(971)	197 269	229 185	(31 916)	-13,9%	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Social Services & Development Planning	341	308	3 635	-	326	2 423	(2 097)	-86,5%	-
Vote 6 - Infrastructure Services	404 484	351 731	361 537	-	1 527	241 025	(239 498)	-99,4%	351 731
Vote 7 - Water Services	71 524	68 697	77 302	4 837	42 164	51 535	(9 371)	-18,2%	68 697
Vote 8 - NDZ	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	784 293	751 484	786 251	3 866	241 286	524 167	(282 882)	-54,0%	420 428
Expenditure by Vote									
Vote 1 - Council	9 184	15 620	9 611	848	5 144	6 408	(1 263)	-19,7%	15 620
Vote 2 - Municipal Manager	12 599	13 878	15 330	939	7 633	3 151	4 481	142,2%	13 878
Vote 3 - Budget & Treasury Office	70 508	64 802	62 932	4 637	32 845	6 809	26 036	382,4%	64 802
Vote 4 - Corporate Services	60 668	53 127	71 292	6 637	52 030	47 528	4 502	9,5%	53 127
Vote 5 - Social Services & Development Planning	41 777	51 538	58 675	3 065	29 581	39 117	(9 536)	-24,4%	51 538
Vote 6 - Infrastructure Services	85 902	31 789	100 285	1 447	50 869	66 857	(15 988)	-23,9%	31 789
Vote 7 - Water Services	174 092	173 388	141 575	10 897	94 141	94 384	(243)	-0,3%	173 388
Vote 8 - NDZ	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	454 729	404 141	459 701	28 471	272 242	264 253	7 988	3,0%	404 141
Surplus/ (Deficit) for the year	329 564	347 343	326 550	(24 605)	(30 956)	259 914	(290 870)	-111,9%	16 287

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 28 February 2019.

DC43 Harry Gwala - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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							-		
Service charges - water revenue	47 671	41 410	58 703	(4 100)	23 421	39 135	(15 715)	-40%	41 410
Service charges - sanitation revenue	19 723	17 747	24 137	(1 757)	10 038	16 092	(6 054)	-38%	17 747
Interest earned - external investments	8 716	6 946	9 945	500	6 447	6 630	(183)	-3%	6 946
Interest earned - outstanding debtors	12 606	9 540	9 112	805	6 490	6 075	416	7%	9 540
Fines, penalties and forfeits			716			477	(477)	-100%	
Transfers and subsidies	347 365	328 823	361 595	-	191 339	241 063	(49 724)	-21%	328 823
Other revenue	4 815	5 036	27	686	3 224	18	3 206	17969%	5 036
Gains on disposal of PPE				-	-	-	-		
Total Revenue (excluding capital transfers and contributions)	440 896	409 502	464 235	(3 866)	240 959	309 490	(68 531)	-22%	409 502
Expenditure By Type									
Employee related costs	161 904	166 778	188 491	14 996	116 087	125 661	(9 574)	-8%	166 778
Remuneration of councillors	6 340	6 848	7 013	665	4 290	4 675	(386)	-8%	6 848
Debt impairment	34 098	25 266	5 961	-	-	3 974	(3 974)	-100%	25 266
Depreciation & asset impairment	50 650	41 944	37 856	-	37 244	25 237	12 007	48%	41 944
Finance charges	1 605	3 954	3 963	-	1 041	2 642	(1 601)	-61%	3 954
Bulk purchases	16 225	15 000	12 876	444	6 484	8 584	(2 099)	-24%	15 000
Other materials			21 290			14 193	(14 193)	-100%	
Contracted services	24 505	34 510	139 387	2 183	20 291	92 925	(72 634)	-78%	34 510
Transfers and subsidies	-	-	-			-	-		
Other expenditure	159 403	109 840	42 864	10 184	79 552	28 576	50 976	178%	109 840
Loss on disposal of PPE				-	-	-	-		
Total Expenditure	454 729	404 141	459 701	28 471	264 989	306 467	(41 478)	-14%	404 141
Surplus/(Deficit)	(13 833)	5 361	4 534	(32 337)	(24 030)	3 022	(27 052)	(0)	5 361
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	343 397	341 982	322 016	3 866	240 959	214 678	26 282	0	341 982
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	329 564	347 343	326 550	(28 471)	216 929	217 700			347 343
Taxation							-		
Surplus/(Deficit) after taxation	329 564	347 343	326 550	(28 471)	216 929	217 700			347 343
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	329 564	347 343	326 550	(28 471)	216 929	217 700			347 343
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	329 564	347 343	326 550	(28 471)	216 929	217 700			347 343

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) - M08 February

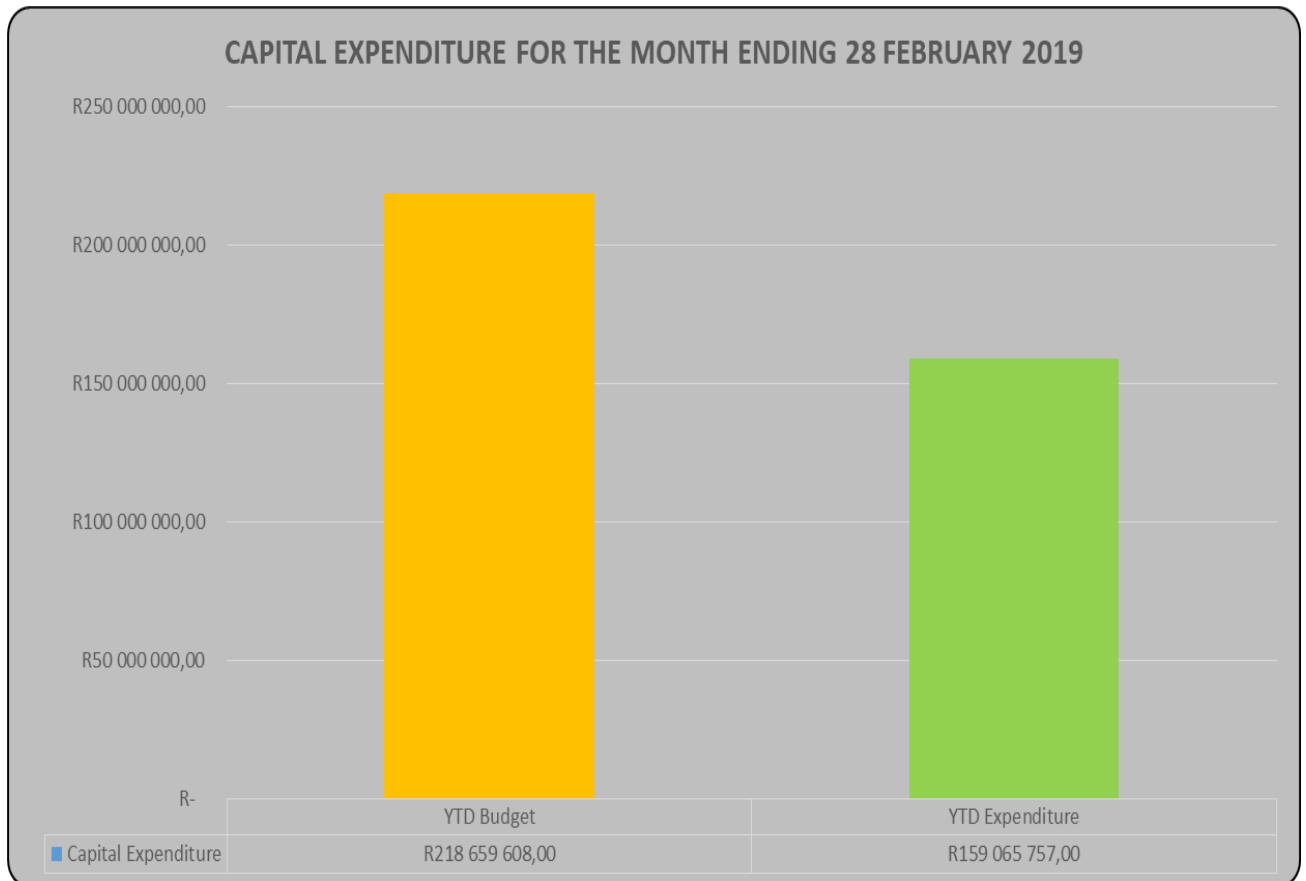
Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	-	550	250	-	-	167	(167)	-100%	550
Vote 4 - Corporate Services	6 153	3 760	3 374	65	2 329	2 249	79	4%	3 760
Vote 5 - Social Services & Development Planning	300	497	557	-	-	372	(372)	-100%	497
Vote 6 - Infrastructure Services	349 297	342 482	322 808	17 505	156 737	215 205	(58 468)	-27%	342 482
Vote 7 - Water Services	(4 400)	2 500	1 000	-	-	667	(667)	-100%	2 500
Vote 8 - NDZ	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	351 350	349 789	327 989	17 570	159 066	218 660	(59 594)	-27%	349 789
Total Capital Expenditure	351 350	349 789	327 989	17 570	159 066	218 660	(59 594)	-27%	349 789
Capital Expenditure - Functional Classification									
Governance and administration									
Executive and council	6 153	4 310	3 624	65	2 329	2 416	(87)	-4%	4 310
Finance and administration	6 153	4 310	3 624	65	2 329	2 416	(87)	-4%	4 310
Internal audit	-	-	-	-	-	-	-	-	-
Economic and environmental services									
Planning and development	300	497	557	-	-	372	(372)	-100%	497
Road transport	300	497	557	-	-	372	(372)	-100%	497
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services									
Energy sources	343 397	342 482	322 808	17 505	156 737	215 205	(58 468)	-27%	342 482
Water management	343 397	342 482	322 808	17 505	156 737	215 205	(58 468)	-27%	342 482
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
Other	1 500	2 500	1 000	-	-	667	(667)	-100%	2 500
Total Capital Expenditure - Functional Classification	351 350	349 789	327 989	17 570	159 066	218 660	(59 594)	-27%	349 789
Funded by:									
National Government	343 397	341 982	322 808	17 505	156 737	215 205	(58 468)	-27%	341 982
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	343 397	341 982	322 808	17 505	156 737	215 205	(58 468)	-27%	341 982
Internally generated funds	7 953	7 807	5 181	65	2 329	3 454	(1 126)	-33%	7 807
Total Capital Funding	351 350	349 789	327 989	17 570	159 066	218 660	(59 594)	-27%	349 789

References

As alluded to above, the capital expenditure programme for the period ending 28 February was R17, 5m year to date expenditure is at R159million of capital expenditure against year to date budget of R 218, 6million.

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 28 February 2019, the year to date actual expenditure was R159million against a YTD budget of R218, 6million. In monetary terms, these figures represent 73% per cent performance against the capital development programme as at 28 February 2019.

Table C6 displays the financial position of the municipality as at 28 February 2019.

DC43 Harry Gwala - Table C6 Monthly Budget Statement - Financial Position - M08 February

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	12 394	28 182	9 757	83 127	9 757
Call investment deposits			3 549		3 549
Consumer debtors	34 358	38 849	29 459	36 313	29 459
Other debtors	7 107	5 174	5 174	34 313	5 174
Inventory	263	180	180	171	180
Total current assets	54 121	72 385	48 119	153 925	48 119
Non current assets					
Long-term receivables					
Property, plant and equipment	2 125 417	2 431 162	2 255 501	2 102 998	2 255 501
Intangible	3 619	5 209	1 476	1 024	1 476
Other non-current assets					
Total non current assets	2 129 037	2 436 371	2 256 977	2 104 022	2 256 977
TOTAL ASSETS	2 183 158	2 508 756	2 305 096	2 257 947	2 305 096
<u>LIABILITIES</u>					
Current liabilities					
Borrowing	11 604	11 716	11 716	3 287	11 716
Consumer deposits	1 794	1 524	1 524	1 700	1 524
Trade and other payables	161 822	197 890	180 314	288 983	180 314
Provisions	1 019	1 433	732	5 221	732
Total current liabilities	176 239	212 563	194 287	299 191	194 287
Non current liabilities					
Borrowing	19 046	7 330	7 330	10 558	7 330
Provisions	26 454	26 454	22 217	39 041	22 217
Total non current liabilities	45 500	33 784	29 547	49 599	29 547
TOTAL LIABILITIES	221 738	246 347	223 834	348 790	223 834
NET ASSETS	1 961 419	2 262 409	2 081 262	1 909 157	2 081 262
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	1 945 150	2 262 409	2 081 262	1 909 157	2 081 262
Reserves					
TOTAL COMMUNITY WEALTH/EQUITY	1 945 150	2 262 409	2 081 262	1 909 157	2 081 262

Table C7 below display the Cash Flow Statement for the period ending 28 February 2019.

DC43 Harry Gwala - Table C7 Monthly Budget Statement - Cash Flow - M08 February

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									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates							-		
Service charges	42 411	31 945	50 033	3 952	34 243	33 355	887	3%	31 945
Other revenue	4 779	2 522	3 816	402	565	2 544	(1 979)	-78%	2 522
Government - operating	301 213	328 823	361 595	1 423	193 611	241 063	(47 452)	-20%	328 823
Government - capital	343 397	341 982	312 210	-	224 467	208 140	16 327	8%	341 982
Interest	8 816	6 946	9 645	500	6 447	6 430	17	0%	6 946
Dividends							-		
Payments									
Suppliers and employees	(361 210)	(332 976)	(438 539)	(28 470)	(316 602)	(292 359)	24 242	-8%	(332 976)
Finance charges	(3 958)	(1 229)	(3 954)	-	-	(2 636)	(2 636)	100%	(1 229)
Transfers and Grants	-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	335 448	378 013	294 806	(22 192)	142 731	196 537	53 806	27%	378 013
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Decrease (increase) in non-current investments							-		
Payments									
Capital assets	(351 550)	(349 789)	(364 374)	(17 570)	(172 227)	(204 044)	(31 817)	16%	(349 789)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(351 550)	(349 789)	(364 374)	(17 570)	(172 227)	(204 044)	(31 817)	16%	(349 789)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	200	200	200	-	-	134	(134)	-100%	200
Payments									
Repayment of borrowing	(3 330)	(3 697)	(3 330)	-	-	(2 156)	(2 156)	100%	(3 697)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 130)	(3 496)	(3 130)	-	-	(2 023)	(2 023)	100%	(3 496)
NET INCREASE/ (DECREASE) IN CASH HELD	(19 232)	24 727	(72 697)	(39 763)	(29 496)	(9 529)			24 727
Cash/cash equivalents at beginning:	24 273	43 023	100 003		96 962	100 003			96 962
Cash/cash equivalents at month/year end:	5 041	67 750	27 306		67 466	90 474			121 689

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 28 February 2019.

Table 2.1.1: Debtors Age Analysis by Income Source

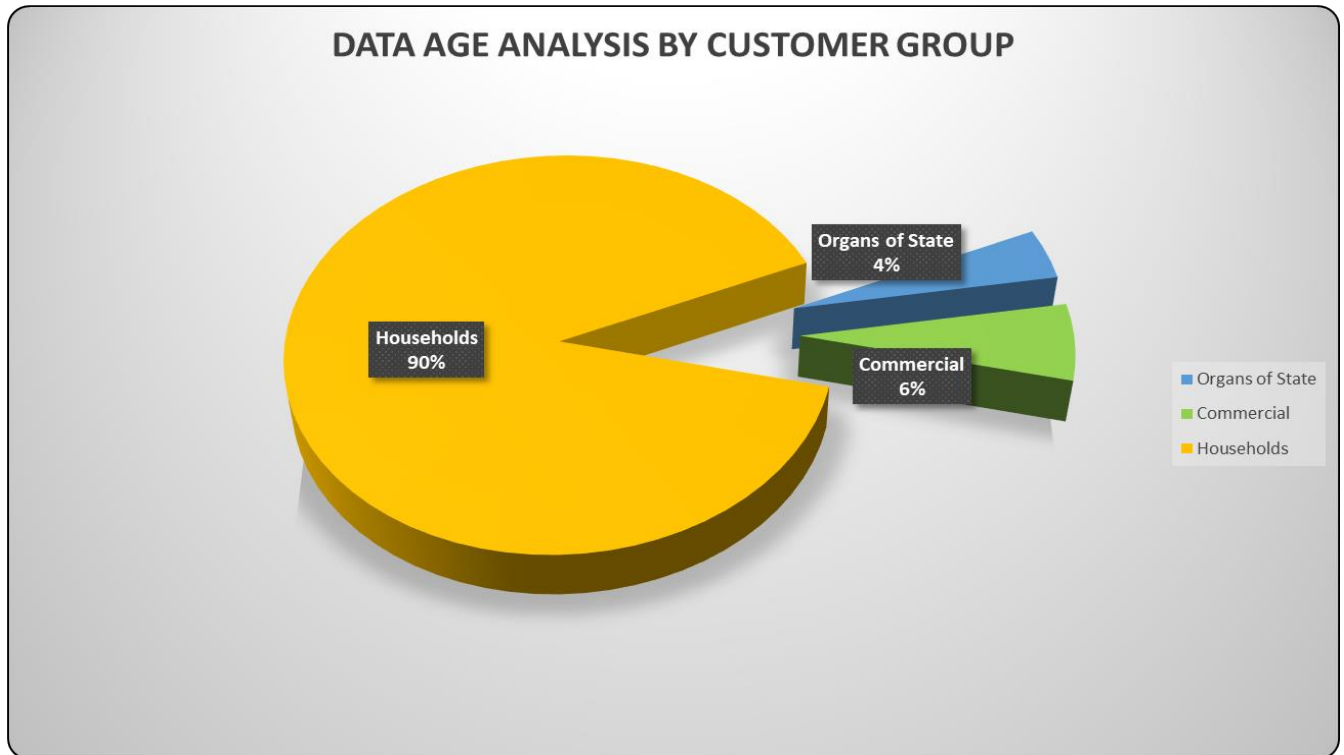
DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	Budget Year 2018/19									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	5 420	31 210	3 140	2 633	2 850	2 492	11 863	62 053	121 661	81 891
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	2 118	12 193	1 227	1 029	1 113	973	4 634	24 242	47 528	31 992
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	906	5 217	525	440	476	416	1 983	10 373	20 337	13 689
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	8 444	48 619	4 891	4 102	4 440	3 881	18 481	96 667	189 526	127 571
2017/18 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	3 096	1 468	387	202	306	131	697	1 435	7 722	2 772
Commercial	847	3 053	686	383	353	289	1 134	4 985	11 729	7 144
Households	4 502	44 099	3 819	3 517	3 781	3 461	16 650	90 246	170 074	117 655
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	8 444	48 619	4 891	4 102	4 440	3 881	18 481	96 667	189 526	127 571

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.

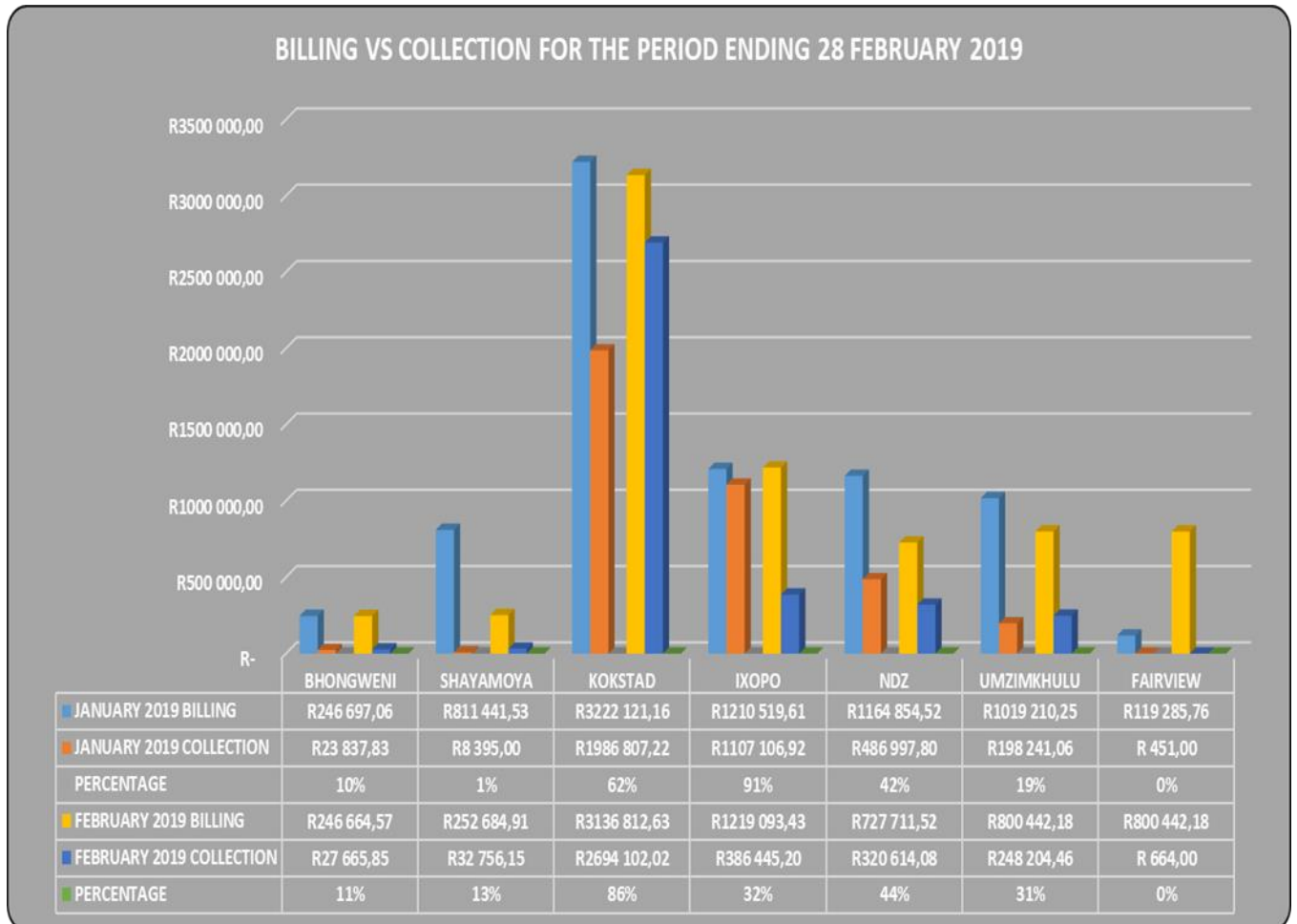
The table that follows below unpacks the revenue receipts per Local Municipality in the District

REVENUE RECEIPTS PER AREA

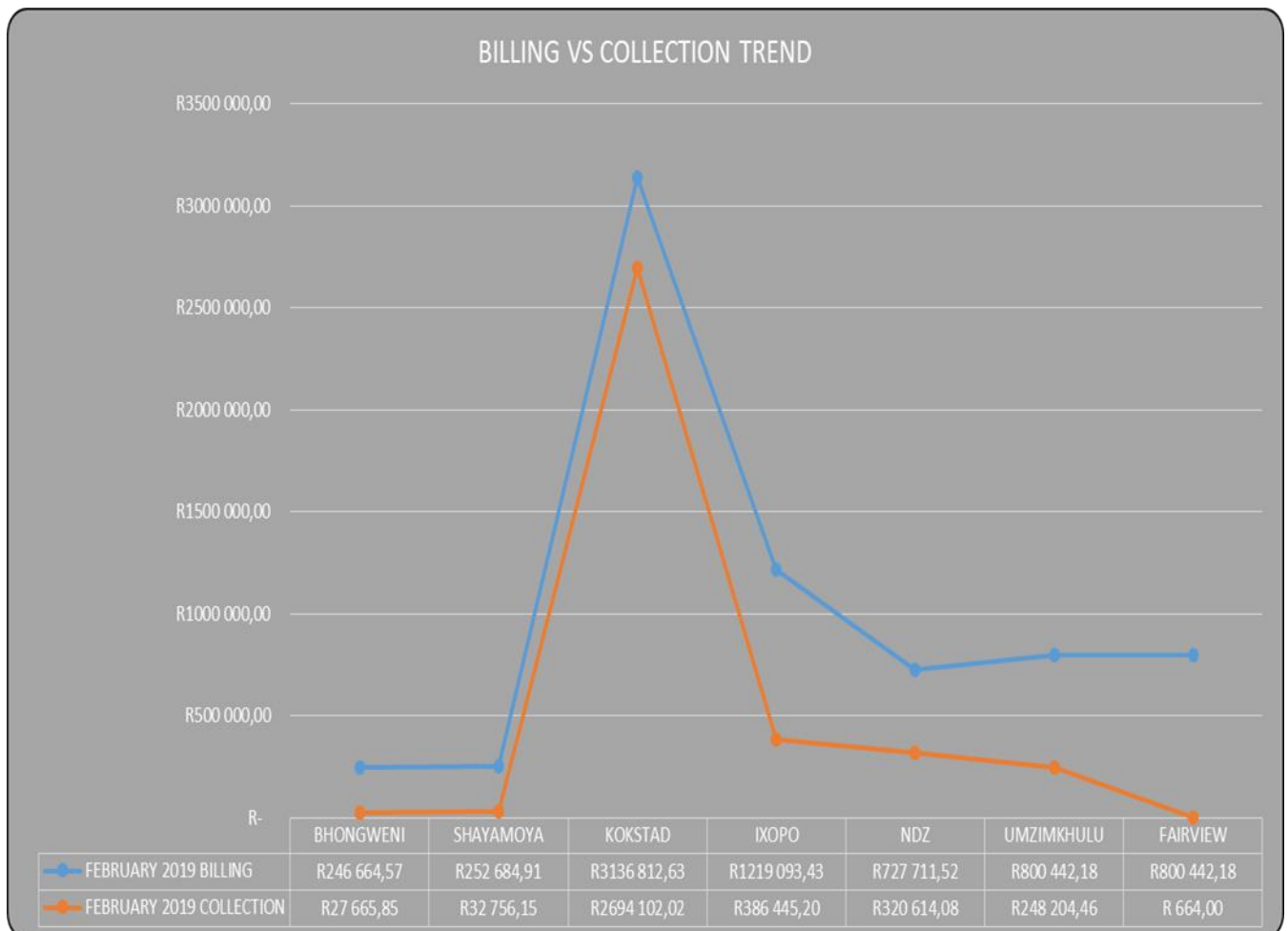
AREA	AMOUNT		
		FEBRUARY 2019	JANUARY 2019
Unallocated receipts	R 241 217,86	6%	7%
Bhongweni	R 27 665,85	1%	1%
Shayamoya	R 32 756,15	1%	0%
Kokstad	R 2 694 102,02	68%	49%
Ixopo	R 386 445,20	10%	27%
NDZ	R 320 614,08	8	12
Umzimkulu	R 248 204,46	6%	5%
Fairview	R 664,00	0%	0%
TOTAL RECEIPTS INCL VAT	R 3 951 669,62	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 February 2019 is R3, 9million.

**BILLING VS COLLECTION FOR JANUARY 2019 AND FEBRUARY 2019
(COMPARISON BETWEEN JANUARY AND FEBRUARY 2019)**



BILLING VS COLLECTION TREND FOR FEBRUARY 2019



Debtors age analysis per service

The municipality’s total outstanding debtors amounted to R 189 525 507 as at 28 February 2019 compared with the R 200 809 866 as at 31 January 2019. Current debt represent 4% of the total outstanding debt compared with the 28% of January 2019; 30 days and older debt 26% compared with the 3% for January 2019; 60 days and older debt 3% compared with the 2% of January 2019; and 90 days and older debt 2% compared with the 3% of January 2019; 160 days to History and older 65% compared with the 64% for January 2019.

Current debt decreased with R 11,284,359 to R 189,525,507 compared with the R 200,809,866 as at 31 January 2019; 30 days + debt Decreased with R 42,709,735K; 60 days + Decreased with R 78,065k and 90 days and older debt as at February 2019 has decreased with R 1,067,899 to R 123,468,885 compared with the R 129,357,069 as at 31 January 2019.

Debtors age analysis per debtor type

Business debtors owes the municipality R 11,387,425 (6%); Municipal debtors R 715,445 (0.01%); domestic debtors R 153,560,081 (81%); Government accounts R 6,884,093 (4%); Indigent debtors R 13, 360, 883 (7%) and other debtors R 3,617,578 (2%) of the total outstanding debt of R 189,525,507. Most of the domestic debt and other debt will be irrecoverable and most probably will have to be written off.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 28 February 2019.

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	Budget Year 2018/19								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	2 065	0	0	28	-	-	-	-	2 093
PAYE deductions	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	2 463	-	-	-	-	-	-	-	2 463
Trade Creditors	2 538	1 145	-	1 847	-	-	-	-	5 530
Auditor General	1 552	0	3	3	-	-	-	-	1 558
Other	-	-	-	-	-	-	-	-	-
Total By Customer Type	8 618	1 145	3	1 878	-	-	-	-	11 644

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 28 February 2019.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
	Yrs/Months							
Municipality								
FIRST NATIONAL BANK	CALL ACCOUNT			34		5 397	5 177	254
FIRST NATIONAL BANK	CALL ACCOUNT			64		17 929	4 454	13 539
FIRST NATIONAL BANK	ADMIN CALL			27		8 066	6 244	1 848
INVESTEC	FIXED DEPOSIT			166		33 306	6 664	26 808
FIRST NATIONAL BANK	FIXED DEPOSIT			85		19 880	13 278	6 687
FIRST NATIONAL BANK	CALL ACCOUNT			6		1 069	-	1 830
FIRST NATIONAL BANK	CALL ACCOUNT			1		491	-	492
FIRST NATIONAL BANK	CALL ACCOUNT			114		29 730	3 283	26 560
FIRST NATIONAL BANK	FIXED DEPOSIT			820		-	-	822
FIRST NATIONAL BANK	CURRENT ACCOUNT			-		2 867	-	4 286
Municipality sub-total				1 317		118 734	39 101	83 127
TOTAL INVESTMENTS AND INTEREST				1 317		118 734	39 101	83 127

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 - M08 February

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									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	347 365	328 823	361 595	1 423	195 034	241 063	(29 201)	-12,1%	328 823
Local Government Equitable Share	285 028	318 074	318 074	-	189 290	212 049	(22 759)	-10,7%	318 074
Finance Management	1 250	1 000	1 000	-	1 000	667			1 000
Municipal Systems Improvement	-	-	-	-	-	-			-
Municipal Infrastructure Grant (PMU)	49 148	5 005	25 742	-	-	17 162			5 005
Energy Efficiency And Demand Side Management Grant	8 000	-	-	-	-	-	(6 023)	-100,0%	-
Municipal Water Infrastructure Grant	-	-	9 034	-	-	6 023	(6 023)	-100,0%	-
Rural Roads Asset Management Grant	2 221	2 226	2 226	668	2 226	1 484	742	50,0%	2 226
Rural Household Infrastructure Grant	-	-	-	-	-	-	-	-	-
Expanded public works programme incentive grant	1 718	2 518	2 518	755	2 518	1 679	839	50,0%	2 518
Raset Grant	-	-	3 000	-	-	2 000	(2 000)	-100,0%	-
Total Operating Transfers and Grants	347 365	328 823	361 595	1 423	195 034	241 063	(29 201)	-12,1%	328 823
Capital Transfers and Grants									
National Government:	387 544	341 982	312 210	-	224 467	208 140	171	0,1%	341 982
Municipal Infrastructure Grant (MIG)	199 544	191 582	170 845	-	114 067	113 896	171	0,1%	191 582
Regional Bulk Infrastructure	90 000	70 000	70 000	-	60 000	46 667			70 000
Municipal Water Infrastructure Grant	98 000	80 400	71 366	-	50 400	47 577			80 400
Expanded public works programme incentive grant	-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant	-	-	-	-	-	-	-	-	-
Drought Relief	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	387 544	341 982	312 210	-	224 467	208 140	171	0,1%	341 982
TOTAL RECEIPTS OF TRANSFERS & GRANTS	734 909	670 805	673 805	1 423	419 501	449 203	(29 030)	-6,5%	670 805

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 - M08 February

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									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	347 365	328 823	361 595	186 399	191 510	241 063	(48 659)	-20,2%	328 823
Local Government Equitable Share	285 028	318 074	318 074	185 543	185 543	212 049	(26 506)	-12,5%	318 074
Finance Management	1 250	1 000	1 000	50	508	667	(159)	-23,9%	1 000
Municipal Systems Improvement	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (PMU)	49 148	5 005	25 742	-	3 191	17 162	(13 971)	-81,4%	5 005
Energy Efficiency And Demand Side Management Grant	8 000	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant	-	-	9 034	-	-	6 023	(6 023)	-100,0%	-
Rural Roads Asset Management Grant	2 221	2 226	2 226	592	1 009	1 484	-	-	2 226
Rural Household Infrastructure Grant	-	-	-	-	-	-	-	-	-
Expanded public works programme incentive grant	1 718	2 518	2 518	214	1 259	1 679	-	-	2 518
0	-	-	-	-	-	-	-	-	-
Raset Grant	-	-	3 000	-	-	2 000	(2 000)	-100,0%	-
Total operating expenditure of Transfers and Grants:	347 365	328 823	361 595	186 399	191 510	241 063	(48 659)	-20,2%	328 823
Capital expenditure of Transfers and Grants									
National Government:	387 544	341 982	312 210	-	160 790	208 140	(34 734)	-16,7%	341 982
Municipal Infrastructure Grant (MIG)	199 544	191 582	170 845	-	91 841	113 896	(22 056)	-19,4%	191 582
Regional Bulk Infrastructure	90 000	70 000	70 000	-	33 988	46 667	(12 679)	-27,2%	70 000
Municipal Water Infrastructure Grant	98 000	80 400	71 366	-	34 961	47 577	-	-	80 400
Expanded public works programme incentive grant	-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant	-	-	-	-	-	-	-	-	-
Drought Relief	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	387 544	341 982	312 210	-	160 790	208 140	(34 734)	-16,7%	341 982
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	734 909	670 805	673 805	186 399	352 299	449 203	(83 394)	-18,6%	670 805

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 28 February 2019.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

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	323	2 461	1 366	1 095	80%	4 098
Pension and UIF Contributions	399	431	27	188	144	44	31%	431
Medical Aid Contributions	94	101	6	44	34	10	31%	101
Motor Vehicle Allowance	1 178	1 272	81	554	424	130	31%	1 272
Cellphone Allowance	259	279	18	122	93	28	31%	279
Other benefits and allowances	616	665	42	290	222	68	31%	665
Sub Total - Councillors	6 340	6 847	497	3 658	2 282	1 375	60%	6 847
% increase		8,0%						8,0%
Senior Managers of the Municipality								
Basic Salaries and Wages	4 509	4 870	704	4 839	1 623	3 215	198%	4 870
Pension and UIF Contributions	4	4	0	3	1	1	94%	4
Medical Aid Contributions	6	7	1	5	2	2	94%	7
Motor Vehicle Allowance	3 797	4 101	387	2 658	1 367	1 291	94%	4 101
Cellphone Allowance	178	192	18	124	64	60	94%	192
Other benefits and allowances	5	6	1	4	2	2	94%	6
Sub Total - Senior Managers of Municipality	8 500	9 180	1 111	7 632	3 060	4 572	149%	9 180
% increase		8,0%						8,0%
Other Municipal Staff								
Basic Salaries and Wages	101 821	102 213	10 236	68 561	34 071	34 490	101%	102 213
Pension and UIF Contributions	16 798	18 142	1 662	11 423	6 047	5 375	89%	18 142
Medical Aid Contributions	2 321	2 507	230	1 578	836	743	89%	2 507
Overtime	2 074	2 240	205	1 410	747	664	89%	2 240
Performance Bonus	9 205	9 942	911	6 260	3 314	2 946	89%	9 942
Motor Vehicle Allowance	4 231	4 570	419	2 877	1 523	1 354	89%	4 570
Cellphone Allowance	722	780	71	491	260	231	89%	780
Housing Allowances	63	68	6	43	23	20	89%	68
Other benefits and allowances	2 767	2 988	274	1 882	996	885	89%	2 988
Sub Total - Other Municipal Staff	140 002	143 449	14 014	94 524	47 816	46 708	98%	143 449
% increase		2,5%						2,5%
Total Parent Municipality	154 842	159 475	15 621	105 814	53 158	52 655	99%	159 475
		3,0%						3,0%
Board Members of Entities								
Other benefits and allowances	100							
Board Fees	200	350						350
Sub Total - Board Members of Entities	300	350	-	-	-	-	-	350
% increase		16,7%						16,7%
Senior Managers of Entities								
Basic Salaries and Wages	2 006	2 166						2 166
Motor Vehicle Allowance	288	311						311
Cellphone Allowance	55	59						59
Other benefits and allowances	55	59						59
Sub Total - Senior Managers of Entities	2 404	2 597	-	-	-	-	-	2 597
% increase		8,0%						8,0%
Other Staff of Entities								
Basic Salaries and Wages	10 160	10 973						10 973
Motor Vehicle Allowance	175	189						189
Other benefits and allowances	362	391						391
Sub Total - Other Staff of Entities	10 697	11 553	-	-	-	-	-	11 553
% increase		8,0%						8,0%
Total Municipal Entities	13 402	14 500	-	-	-	-	-	14 500
TOTAL SALARY, ALLOWANCES & BENEFITS	168 244	173 975	15 621	105 814	53 158	52 655	99%	173 975
% increase		3,4%						3,4%
TOTAL MANAGERS AND STAFF	161 604	166 778	15 124	102 156	50 876	51 280	101%	166 778

2.6 Material Variances to the SDBIP

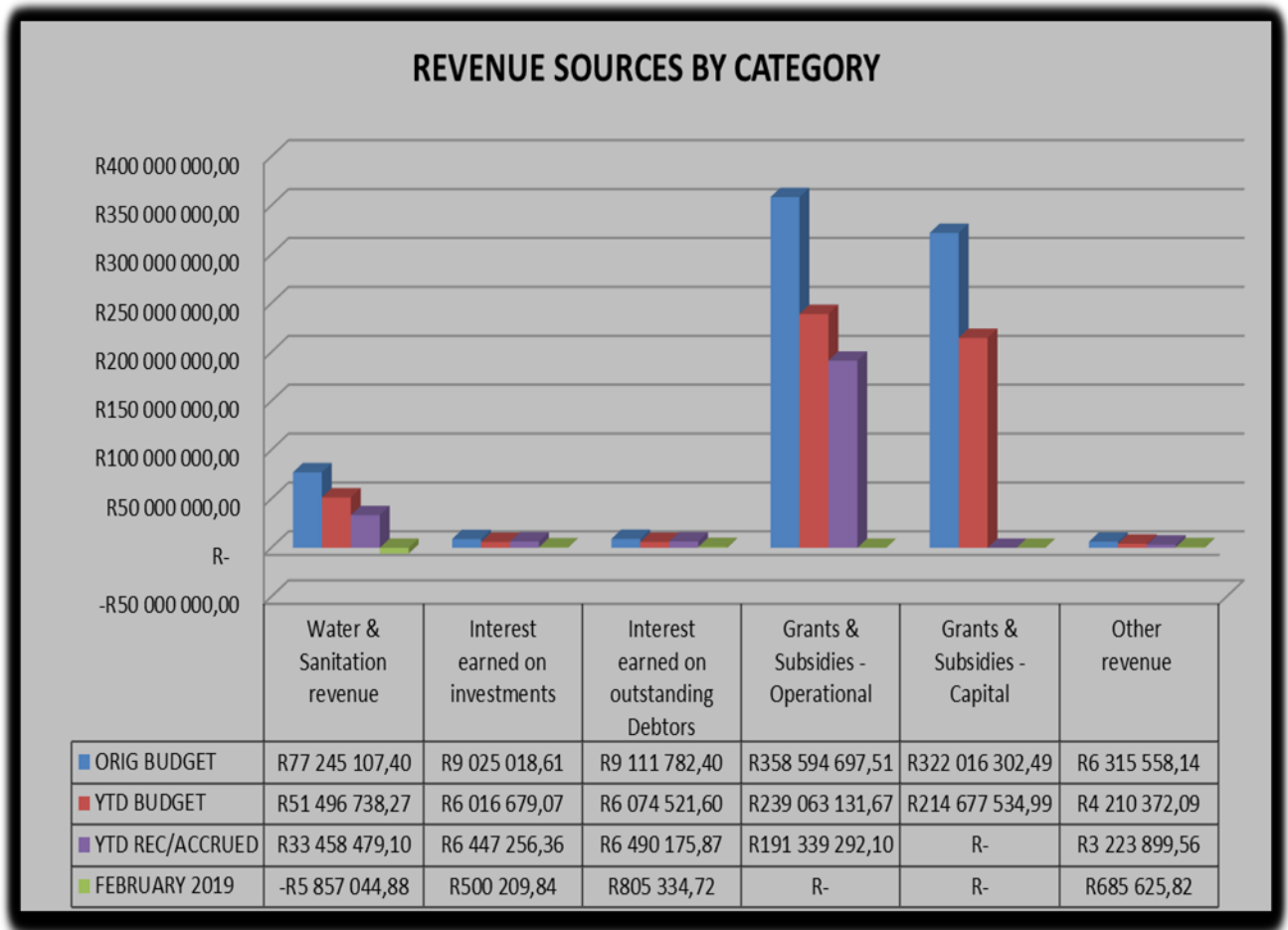
The following section analyses material variances between the actual targets as at 28 February 2019 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 201819 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 28 February 2019 was R33, 4million against a year to date **budget** of R51, 4million.

Interest Earned on External Investments

The year to date actual on interest earned on external investments as at 28 February 2019 is R6, 4m against year to date budget of R6million.

Transfers Recognised – Operational

Two Operational grants received in the month of January 2019 namely:

- Expanded Public Works Programme- R 755 000
- Rural Roads Assets Management- R 668 000

Transfers Recognised – Capital

The year to date actual R159million (against a YTD budget of R218, 6million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 73% performance in Conditional Capital grant funding expenditures. No Capital grants received in the month of February 2019

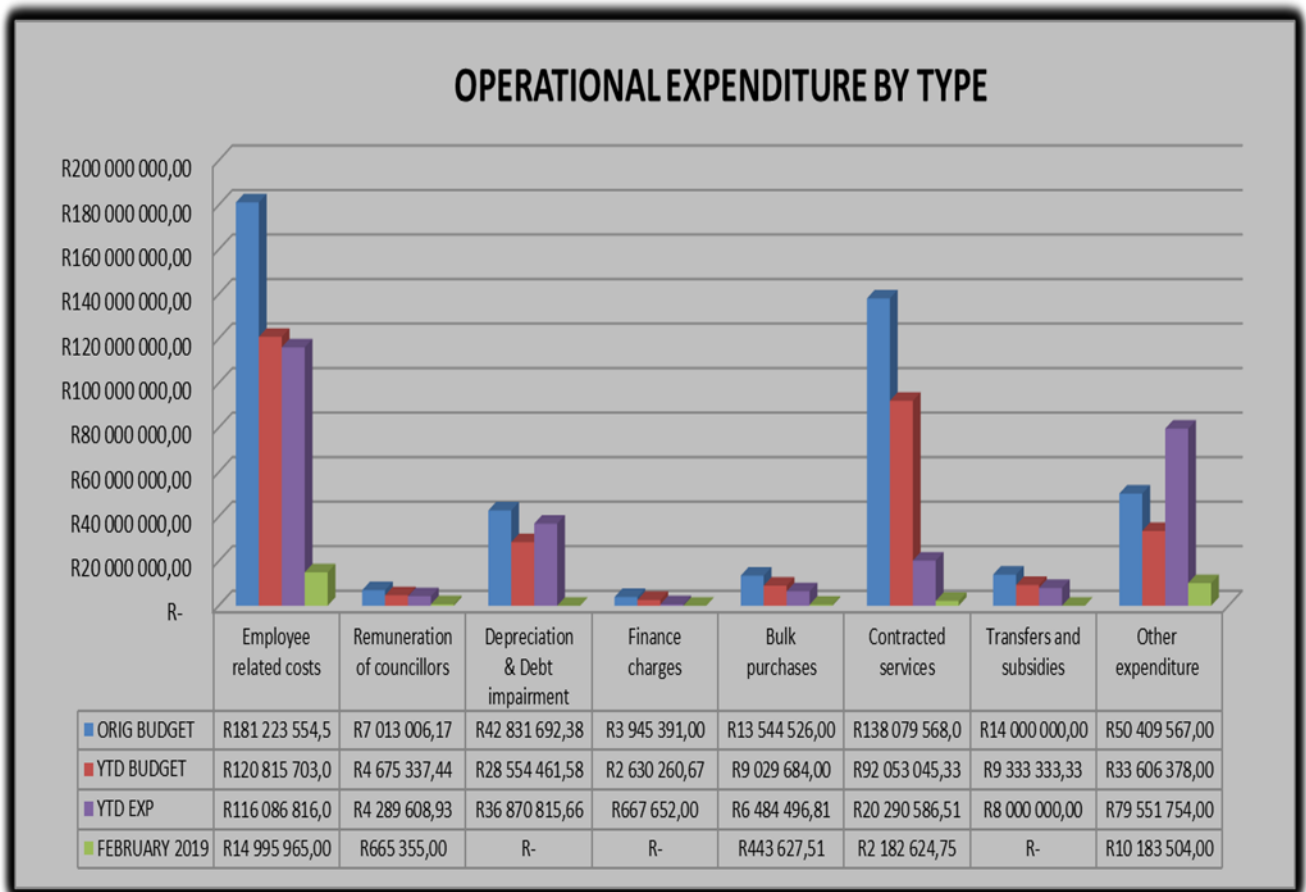
Other Revenue

The YTD performance of other revenue is R3, 2million against YTD budget of R4, 2million 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 Original budget for employee related costs is R181, 2million and the year to date budget is R120, 8million against a YTD actual of R116million which is 96% performance.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 4, 2million against a YTD budget of R 4, 6million representing 92% of the year to date budget.

Finance Charges

The original budget for finance charges is R3, 9million and the year to date expenditure is at R 667 652 against a year to date budget of R 2, 6million. The expenditure for finance charges is at 25% of the planned budget as at 28 February 2019.

Bulk Water Purchases

The original budget for Bulk Water purchases is R13, 5million and the year to date expenditure is at R6, 4million against a year to date budget of R9million. The expenditure for bulk water purchases is at 72% of the year to date budget as at 28 February 2019.

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 - M08 February

Description	Budget Year 2018/19												2018/19 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 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	3 900	3 416	2 744	2 532	2 865	(2 766)	958	958	958	1 051	22 361	23 882	25 506	
Service charges - sanitation revenue	1 210	1 253	1 672	1 464	1 176	1 085	1 228	(1 186)				1 682	9 583	10 235	10 931	
Interest earned - external investments							4 628	731	589	500	215	215	(445)	6 646	7 098	7 577
Transfer receipts - operating	132 531	3 188	-	-	1 133	56 759		1 423	22 535	22 535	22 535	66 183	328 823	353 324	383 130	
Other revenue	385	1	336	736	397	283	403	402	63	63	63	(817)	2 314	2 649	2 790	
Cash Receipts by Source	136 949	7 365	5 908	5 616	10 078	61 390	5 084	(1 626)	23 771	23 771	23 771	67 653	369 728	397 188	429 934	
Other Cash Flows by Source																
Transfer receipts - capital	129 467	25 000	-	20 000	35 000	15 000		-	19 586	19 586	19 586	58 758	341 982	343 859	378 480	
Change in non-current investments												-				
Total Cash Receipts by Source	266 416	32 365	5 908	25 616	45 078	76 390	5 084	(1 626)	43 356	43 356	43 356	126 411	711 710	741 047	808 414	
Cash Payments by Type																
Employee related costs	13 633	13 781	15 411	14 718	14 339	15 697	14 983	14 996	12 218	12 218	12 218	12 567	166 778	179 780	193 955	
Remuneration of councillors	509	487	532	541	541	526	497	665	614	614	614	707	6 848	7 396	7 987	
Interest paid							0	-	658	658	658	1 973	3 945	4 356	1 668	
Bulk purchases - Water & Sewer	1 300	1 955	1 503	1 106	-	810	1 146	444	2 500	2 500	2 500	(765)	15 000	15 810	16 680	
Contracted services	1 100	3 140	4 252	1 246	3 604	2 901	2 065	2 183	2 582	2 582	2 582	6 271	34 510	46 914	49 494	
Grants and subsidies paid - other												15 000	15 000	17 000	20 000	
General expenses	24 830	42 079	20 359	1 629	21 245	39 416	(2 277)	10 184	2 000	2 000	2 000	(70 082)	93 384	87 193	110 937	
Cash Payments by Type	41 373	61 442	42 058	19 241	39 729	59 351	16 415	28 471	20 572	20 572	20 572	(34 329)	335 465	358 448	400 720	
Other Cash Flows/Payments by Type																
Capital assets	28 722	10 900	6 406	25 466	44 154	31 781	7 229	17 570	32 426	32 426	32 426	72 478	341 982	338 858	373 429	
Repayment of borrowing							2 600					3 024	5 624	3 226	5 658	
Total Cash Payments by Type	70 094	72 341	48 464	44 707	83 883	91 132	26 243	46 041	52 998	52 998	52 998	41 173	683 071	700 532	779 807	
NET INCREASE/(DECREASE) IN CASH HELD	196 322	(39 976)	(42 556)	(19 091)	(38 805)	(14 741)	(21 159)	(47 667)	(9 641)	(9 641)	(9 641)	85 238	28 639	40 515	28 607	
Cash/cash equivalents at the month/year beginning:	96 962	293 284	253 307	210 751	191 659	152 854	138 113	116 954	69 286	59 645	50 004	40 363	96 962	125 601	166 116	
Cash/cash equivalents at the month/year end:	293 284	253 307	210 751	191 659	152 854	138 113	116 954	69 286	59 645	50 004	40 363	125 601	125 601	166 116	194 723	

Parent Municipal financial performance

DC43 Harry Gwala - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M08 February

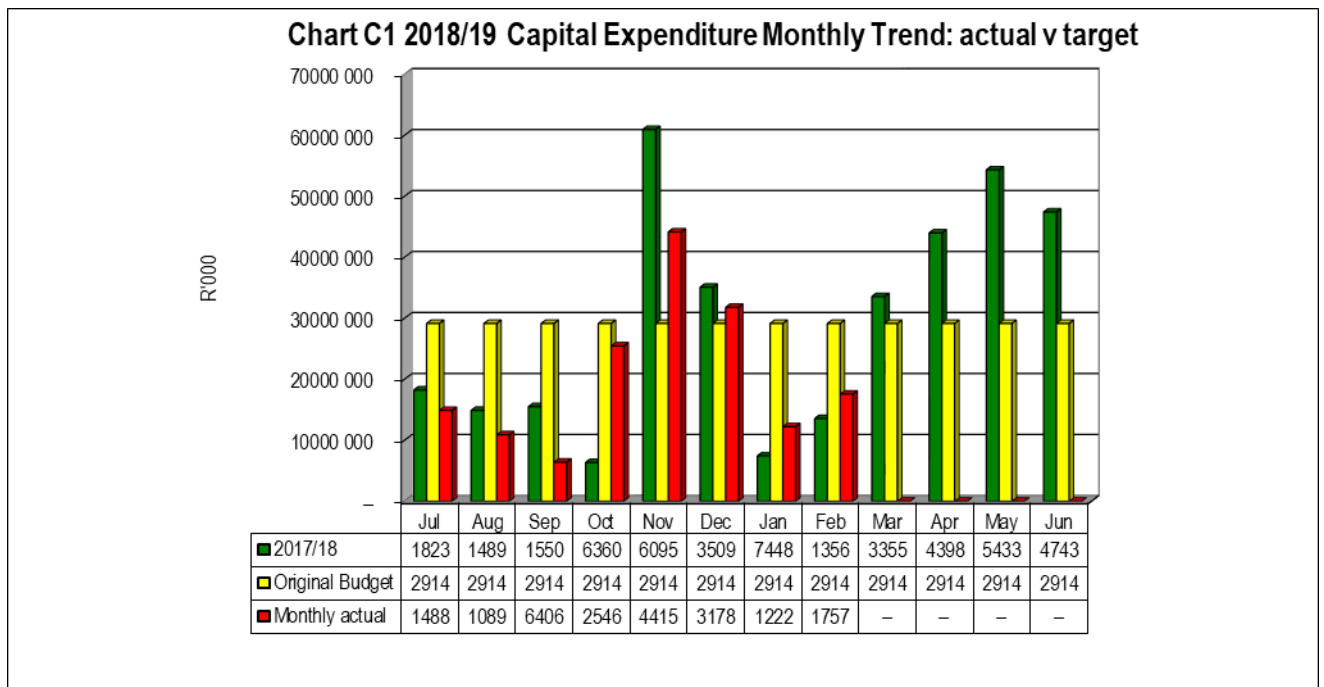
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates							-		
Service charges - electricity revenue							-		
Service charges - water revenue	47 671	41 410	58 703	(4 100)	23 421	39 135	(15 715)	-40%	58 703
Service charges - sanitation revenue	19 723	17 747	24 137	(1 757)	10 038	16 092	(6 054)	-38%	24 137
Interest earned - external investments	8 716	6 946	9 945	500	6 447	6 630	(183)	-3%	9 945
Interest earned - outstanding debtors	12 606	9 540	9 112	805	6 490	6 075	416	7%	9 112
Dividends received						-	-		
Fines, penalties and forfeits			716			477	(477)	-100%	716
Transfers and subsidies	347 365	328 823	361 595	-	191 339	241 063	(49 724)	-21%	361 595
Other revenue	4 815	5 036	27	686	3 224	18	3 206	17969%	27
Gains on disposal of PPE				-	-	-	-		
Total Revenue (excluding capital transfers and contributions)	440 896	409 502	464 235	(3 866)	240 959	309 490	(68 531)	-22%	464 235
Expenditure By Type									
Employee related costs	161 904	166 778	188 491	14 996	116 087	125 661	(9 574)	-8%	188 491
Remuneration of councillors	6 340	6 848	7 013	665	4 290	4 675	(386)	-8%	7 013
Debt impairment	34 098	25 266	5 961	-	-	3 974	(3 974)	-100%	5 961
Depreciation & asset impairment	50 650	41 944	37 856	-	37 244	25 237	12 007	48%	37 856
Finance charges	1 605	3 954	3 963	-	1 041	2 642	(1 601)	-61%	3 963
Bulk purchases	16 225	15 000	12 876	444	6 484	8 584	(2 099)	-24%	12 876
Other materials			21 290			14 193	(14 193)	-100%	21 290
Contracted services	24 505	34 510	139 387	2 183	20 291	92 925	(72 634)	-78%	139 387
Transfers and subsidies	-	-	-			-	-		-
Other expenditure	159 403	109 840	42 864	10 184	79 552	28 576	50 976	178%	42 864
Loss on disposal of PPE				-	-	-	-		
Total Expenditure	454 729	404 141	459 701	28 471	264 989	306 467	(41 478)	-14%	459 701
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(13 833)	5 361	4 534	(32 337)	(24 030)	3 022	(27 052)	-895%	4 534
Transfers and subsidies - capital (in-kind - all)	343 397	341 982	322 016	3 866	240 959	214 678	26 282	12%	322 016
Surplus/(Deficit) after capital transfers & contributions	329 564	347 343	326 550	(28 471)	216 929	217 700	(771)	0%	326 550
Taxation							-		
Surplus/(Deficit) after taxation	329 564	347 343	326 550	(28 471)	216 929	217 700	(771)	0%	326 550

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February

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									
Monthly expenditure performance trend									
July	18 231	29 149	23 183	14 889	14 889	23 183	8 294	35,8%	4%
August	14 892	29 149	19 193	10 900	25 789	42 376	16 587	39,1%	7%
September	15 501	29 149	14 700	6 406	32 195	57 076	24 881	43,6%	9%
October	6 361	29 149	33 419	25 466	57 661	90 495	32 834	36,3%	16%
November	60 953	29 149	52 447	44 154	101 815	142 942	41 127	28,8%	29%
December	35 093	29 149	36 086	31 781	133 596	179 029	45 432	25,4%	38%
January	7 449	29 149	20 522	12 229	145 825	199 551	53 726	26,9%	42%
February	13 561	29 149	20 506	17 570	163 395	220 057	56 662	25,7%	47%
March	33 559	29 149	32 915			252 972	-		
April	43 982	29 149	32 915			285 886	-		
May	54 335	29 149	32 915			318 801	-		
June	47 433	29 149	8 691			327 492	-		
Total Capital expenditure	351 350	349 789	327 492	163 395					

CAPITAL EXPENDITURE MONTHLY TREND



DC43 Harry Gwala - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M08 February

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 new assets by Asset Class/Sub-class									
Infrastructure	338 697	320 275	80 484	17 380	156 803	202 011	45 208	22,4%	320 275
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>									
Water Supply Infrastructure	280 553	257 732	75 753	15 374	125 239	170 739	45 500	26,6%	257 732
<i>Dams and Weirs</i>									
<i>Boreholes</i>			4 753						
<i>Reservoirs</i>									
<i>Water Treatment Works</i>	280 553	257 732	70 000	15 374	125 239	170 739	45 500	26,6%	257 732
<i>Bulk Mains</i>									
<i>Distribution</i>			1 000						
<i>Capital Spares</i>									
Sanitation Infrastructure	58 143	62 543	3 497	2 005	31 564	31 272	(292)	-0,9%	62 543
<i>Pump Station</i>									
<i>Reticulation</i>									
<i>Waste Water Treatment Works</i>	58 143	62 543	3 497	2 005	31 564	31 272	(292)	-0,9%	62 543
<i>Outfall Sewers</i>									
Information and Communication Infrastructure	-	-	1 234	-	-	-	-	-	-
<i>Data Centres</i>			1 234						
Other assets	-	200	260	-	-	100	100	100,0%	200
Operational Buildings	-	200	60	-	-	100	100	100,0%	200
<i>Municipal Offices</i>		200	60			100	100	100,0%	200
Housing	-	-	200	-	-	-	-	-	-
<i>Staff Housing</i>			200						
Intangible Assets	2 100	2 100	400	-	-	1 050	1 050	100,0%	2 100
Servitudes									
Licences and Rights	2 100	2 100	400	-	-	1 050	1 050	100,0%	2 100
<i>Water Rights</i>									
<i>Computer Software and Applications</i>	2 100	2 100	400			1 050	1 050	100,0%	2 100
<i>Load Settlement Software Applications</i>									
Computer Equipment	-	4 510	115	-	-	-	-	-	-
Computer Equipment			115						
Furniture and Office Equipment	1 210	1 210	557	190	535	605	70	11,5%	1 210
Furniture and Office Equipment	1 210	1 210	557	190	535	605	70	11,5%	1 210
Machinery and Equipment	3 043	2 000	260	-	1 728	1 000	(728)	-72,8%	2 000
Machinery and Equipment	3 043	2 000	260	-	1 728	1 000	(728)	-72,8%	2 000
Transport Assets	1 300	1 300	-	-	-	650	650	100,0%	1 300
Transport Assets	1 300	1 300				650	650	100,0%	1 300
Total Capital Expenditure on new assets	346 350	327 085	82 076	17 570	159 066	205 416	46 350	22,6%	327 085

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 February 2019 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 _____

