

# Harry Gwala District Municipality

MFMA s71 report for the period ending 30 November 2018.

12/12/2018

Budget & Treasury Office

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## **REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 30 NOVEMBER 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 30 November 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 30 November 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 - M05 November

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	-	-	-	-	-	-		-
Service charges	67 394	59 157	4 790	27 436	24 649	2 788	11%	59 157
Investment revenue	8 716	6 946	902	4 628	2 894	1 733	60%	6 946
Transfers and subsidies	347 365	328 823	-	132 531	137 010	(4 479)	-3%	328 823
Other own revenue	17 421	14 576	1 202	5 748	6 073	(325)	-5%	14 576
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>440 896</b>	<b>409 502</b>	<b>6 893</b>	<b>170 343</b>	<b>170 626</b>	<b>(283)</b>	<b>-0%</b>	<b>409 502</b>
Employee costs	161 904	166 778	14 339	71 336	69 491	1 845	3%	166 778
Remuneration of Councillors	6 340	6 848	541	2 635	2 853	(219)	-8%	6 848
Depreciation & asset impairment	50 650	41 944	-	-	17 477	(17 477)	-100%	41 944
Finance charges	1 605	3 954	-	-	1 648	(1 648)	-100%	3 954
Materials and bulk purchases	16 225	15 000	-	4 084	6 250	(2 166)	-35%	15 000
Transfers and subsidies	-	-	-	-	-	-		-
Other expenditure	218 006	169 616	14 923	66 553	70 674	(4 121)	-6%	169 616
<b>Total Expenditure</b>	<b>454 729</b>	<b>404 141</b>	<b>29 803</b>	<b>144 607</b>	<b>168 392</b>	<b>(23 785)</b>	<b>-14%</b>	<b>404 141</b>
<b>Surplus/(Deficit)</b>	<b>(13 833)</b>	<b>5 361</b>	<b>(22 910)</b>	<b>25 736</b>	<b>2 234</b>	<b>23 502</b>	<b>1052%</b>	<b>5 361</b>
Transfers and subsidies - capital (monetary allocations)	343 397	341 982	-	-	142 493	(142 493)	-100%	341 982
Contributions & Contributed assets	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>329 564</b>	<b>347 343</b>	<b>(22 910)</b>	<b>25 736</b>	<b>144 726</b>	<b>(118 990)</b>	<b>-82%</b>	<b>347 343</b>
<b>Surplus/ (Deficit) for the year</b>	<b>329 564</b>	<b>347 343</b>	<b>(22 910)</b>	<b>25 736</b>	<b>144 726</b>	<b>(118 990)</b>	<b>-82%</b>	<b>347 343</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>351 350</b>	<b>349 789</b>	<b>44 154</b>	<b>101 474</b>	<b>145 746</b>	<b>(44 271)</b>	<b>-30%</b>	<b>349 789</b>
Capital transfers recognised	343 397	341 982	44 154	99 401	142 493	(43 091)	-30%	341 982
Internally generated funds	7 953	7 807	-	2 073	3 253	(1 180)	-36%	7 807
<b>Total sources of capital funds</b>	<b>351 350</b>	<b>349 789</b>	<b>44 154</b>	<b>101 474</b>	<b>145 746</b>	<b>(44 271)</b>	<b>-30%</b>	<b>349 789</b>
<b>Financial position</b>								
Total current assets	54 121	72 385		246 017				-
Total non current assets	2 129 037	2 436 371		2 000 896				-
Total current liabilities	176 239	212 563		242 696				-
Total non current liabilities	45 500	33 784		41 926				-
Community wealth/Equity	<b>1 945 150</b>	<b>2 247 140</b>		<b>1 962 291</b>				-
<b>Cash flows</b>								
Net cash from (used) operating	335 448	378 013	5 348	171 539	31 025	(140 515)	-453%	378 013
Net cash from (used) investing	(351 550)	(349 789)	(44 154)	(115 647)	(29 149)	86 498	-297%	(349 789)
Net cash from (used) financing	(3 130)	(3 496)	-	-	(308)	(308)	100%	(3 496)
<b>Cash/cash equivalents at the month/year end</b>	<b>5 041</b>	<b>67 750</b>	<b>-</b>	<b>152 854</b>	<b>44 590</b>	<b>(108 264)</b>	<b>-243%</b>	<b>121 689</b>
<b>Debtors &amp; creditors analysis</b>								
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>								
Total By Income Source	7 917	6 175	4 718	4 466	3 269	41 637	119 094	192 318
<b>Creditors Age Analysis</b>								
Total Creditors	6 962	956	1 631	-	-	-	-	9 551

## 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) - M05 November

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue - Functional</b>								
<b>Governance and administration</b>	307 943	330 749	953	137 519	137 812	(293)	0%	330 749
Executive and council	-	-	-	-	-	-	-	-
Finance and administration	307 943	330 749	953	137 519	137 812	(293)	0%	330 749
Internal audit	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	341	308	-	-	128	(128)	-100%	-
Planning and development	341	308	-	-	128	(128)	-100%	-
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	476 008	420 428	5 940	32 824	175 178	(142 354)	-81%	420 428
Energy sources	-	-	-	-	-	-	-	-
Water management	71 524	294 299	4 503	24 593	122 625	(98 032)	-80%	294 299
Waste water management	404 484	126 128	1 437	8 231	52 553	(44 323)	-84%	126 128
Waste management	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>784 293</b>	<b>751 484</b>	<b>6 893</b>	<b>170 343</b>	<b>313 118</b>	<b>(142 775)</b>	<b>-46%</b>	<b>751 177</b>
<b>Expenditure - Functional</b>								
<b>Governance and administration</b>	152 958	147 427	11 495	54 462	61 428	(6 966)	-11%	147 427
Executive and council	21 783	29 498	1 459	7 737	12 291	(4 553)	-37%	29 498
Finance and administration	131 175	117 929	10 036	46 724	49 137	(2 413)	-5%	117 929
Internal audit	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	41 777	51 538	5 129	17 980	21 474	(3 494)	-16%	51 538
Planning and development	41 777	51 538	5 129	17 980	21 474	(3 494)	-16%	51 538
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	259 994	205 177	13 178	72 165	85 490	(13 325)	-16%	205 177
Energy sources	-	-	-	-	-	-	-	-
Water management	174 092	173 388	11 282	59 408	72 245	(12 837)	-18%	173 388
Waste water management	85 902	31 789	1 896	12 757	13 245	(488)	-4%	31 789
Waste management	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>454 729</b>	<b>404 141</b>	<b>29 803</b>	<b>144 607</b>	<b>168 392</b>	<b>(23 785)</b>	<b>-14%</b>	<b>404 141</b>
<b>Surplus/ (Deficit) for the year</b>	<b>329 564</b>	<b>347 343</b>	<b>(22 910)</b>	<b>25 736</b>	<b>144 726</b>	<b>(118 990)</b>	<b>-82%</b>	<b>347 036</b>

This table assess the revenue by department and then the expenditure for the period ending 30 November 2018. Revenue receipts in November have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of November is 2%.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has largest expenditure by 34% in the period ending 30 November 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) -**

Vote Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue by Vote</b>								
Vote 1 - Council	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	307 943	330 749	953	137 519	137 812	(293)	-0,2%	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-
Vote 5 - Social Services & Development Planning	341	308	-	-	128	(128)	-100,0%	-
Vote 6 - Infrastructure Services	404 484	351 731	1 437	8 231	146 555	(138 324)	-94,4%	351 731
Vote 7 - Water Services	71 524	68 697	4 503	24 593	28 624	(4 031)	-14,1%	68 697
Vote 8 - NDZ	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>784 293</b>	<b>751 484</b>	<b>6 893</b>	<b>170 343</b>	<b>313 118</b>	<b>(142 775)</b>	<b>-45,6%</b>	<b>420 428</b>
<b>Expenditure by Vote</b>								
Vote 1 - Council	9 184	15 620	598	3 084	6 508	(3 424)	-52,6%	15 620
Vote 2 - Municipal Manager	12 599	13 878	861	4 653	5 782	(1 129)	-19,5%	13 878
Vote 3 - Budget & Treasury Office	70 508	64 802	3 299	17 993	27 001	(9 008)	-33,4%	64 802
Vote 4 - Corporate Services	60 668	53 127	6 736	28 732	22 136	6 596	29,8%	53 127
Vote 5 - Social Services & Development Planning	41 777	51 538	5 129	17 980	21 474	(3 494)	-16,3%	51 538
Vote 6 - Infrastructure Services	85 902	31 789	1 896	12 757	13 245	(488)	-3,7%	31 789
Vote 7 - Water Services	174 092	173 388	11 282	59 408	72 245	(12 837)	-17,8%	173 388
Vote 8 - NDZ	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>454 729</b>	<b>404 141</b>	<b>29 803</b>	<b>144 607</b>	<b>168 392</b>	<b>(23 785)</b>	<b>-14,1%</b>	<b>404 141</b>
<b>Surplus/ (Deficit) for the year</b>	<b>329 564</b>	<b>347 343</b>	<b>(22 910)</b>	<b>25 736</b>	<b>144 726</b>	<b>(118 990)</b>	<b>-82,2%</b>	<b>16 287</b>

## Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 November 2018.

**DC43 Harry Gwala - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November**

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates						-		
Service charges - electricity revenue						-		
Service charges - water revenue	47 671	41 410	3 353	19 205	17 254	1 951	11%	41 410
Service charges - sanitation revenue	19 723	17 747	1 437	8 231	7 395	836	11%	17 747
Interest earned - external investments	8 716	6 946	902	4 628	2 894	1 733	60%	6 946
Interest earned - outstanding debtors	12 606	9 540	805	3 896	3 975	(79)	-2%	9 540
Transfers and subsidies	347 365	328 823	-	132 531	137 010	(4 479)	-3%	328 823
Other revenue	4 815	5 036	397	1 852	2 098	(246)	-12%	5 036
Gains on disposal of PPE			-	-	-	-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>440 896</b>	<b>409 502</b>	<b>6 893</b>	<b>170 343</b>	<b>170 626</b>	<b>(283)</b>	<b>0%</b>	<b>409 502</b>
<b>Expenditure By Type</b>								
Employee related costs	161 904	166 778	14 339	71 336	69 491	1 845	3%	166 778
Remuneration of councillors	6 340	6 848	541	2 635	2 853	(219)	-8%	6 848
Debt impairment	34 098	25 266	-	-	10 528	(10 528)	-100%	25 266
Depreciation & asset impairment	50 650	41 944	-	-	17 477	(17 477)	-100%	41 944
Finance charges	1 605	3 954	-	-	1 648	(1 648)	-100%	3 954
Bulk purchases	16 225	15 000	-	4 084	6 250	(2 166)	-35%	15 000
Other materials								
Contracted services	24 505	34 510	3 604	13 142	14 379	(1 237)	-9%	34 510
Transfers and subsidies	-	-						
Other expenditure	159 403	109 840	11 319	53 411	45 767	7 644	17%	109 840
Loss on disposal of PPE			-	-	-	-		
<b>Total Expenditure</b>	<b>454 729</b>	<b>404 141</b>	<b>29 803</b>	<b>144 607</b>	<b>168 392</b>	<b>(23 785)</b>	<b>-14%</b>	<b>404 141</b>
<b>Surplus/(Deficit)</b>	<b>(13 833)</b>	<b>5 361</b>	<b>(22 910)</b>	<b>25 736</b>	<b>2 234</b>	<b>23 502</b>	<b>0</b>	<b>5 361</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	343 397	341 982	-		142 493	(142 493)	(0)	341 982
Transfers and subsidies - capital (in-kind - all)								
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>329 564</b>	<b>347 343</b>	<b>(22 910)</b>	<b>25 736</b>	<b>144 726</b>			<b>347 343</b>
Taxation								
<b>Surplus/(Deficit) after taxation</b>	<b>329 564</b>	<b>347 343</b>	<b>(22 910)</b>	<b>25 736</b>	<b>144 726</b>			<b>347 343</b>
Attributable to minorities								
<b>Surplus/(Deficit) attributable to municipality</b>	<b>329 564</b>	<b>347 343</b>	<b>(22 910)</b>	<b>25 736</b>	<b>144 726</b>			<b>347 343</b>
Share of surplus/ (deficit) of associate								
<b>Surplus/ (Deficit) for the year</b>	<b>329 564</b>	<b>347 343</b>	<b>(22 910)</b>	<b>25 736</b>	<b>144 726</b>			<b>347 343</b>



## 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.

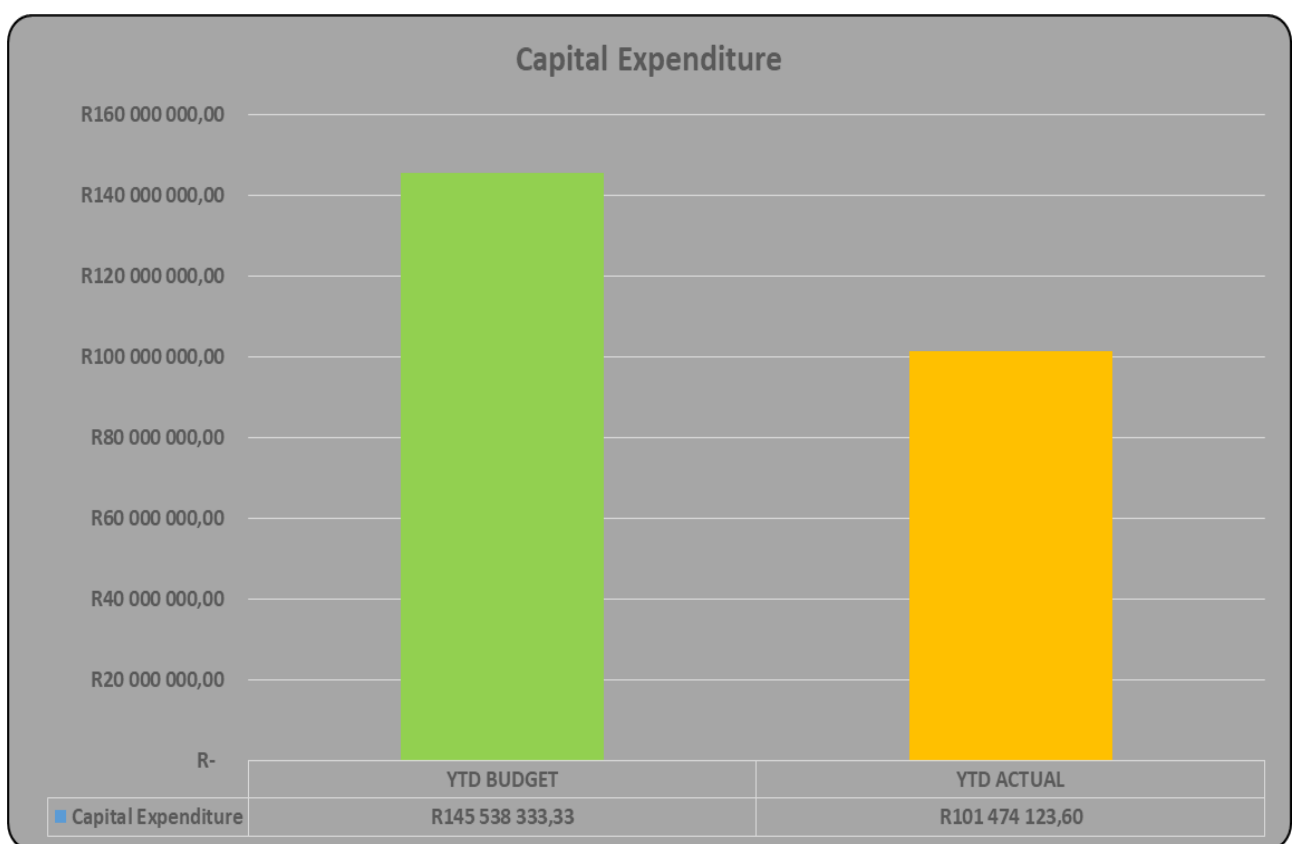
**DC43 Harry Gwala - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and**

Vote Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Multi-Year expenditure appropriation</b>								
Vote 1 - Council	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	-	550	-	-	229	(229)	-100%	550
Vote 4 - Corporate Services	6 153	3 760	-	2 073	1 567	506	32%	3 760
Vote 5 - Social Services & Development Planning	300	497	-	-	207	(207)	-100%	497
Vote 6 - Infrastructure Services	349 297	342 482	44 154	99 401	142 701	(43 299)	-30%	342 482
Vote 7 - Water Services	(4 400)	2 500	-	-	1 042	(1 042)	-100%	2 500
Vote 8 - NDZ	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>351 350</b>	<b>349 789</b>	<b>44 154</b>	<b>101 474</b>	<b>145 746</b>	<b>(44 271)</b>	<b>-30%</b>	<b>349 789</b>
<b>Total Capital Expenditure</b>	<b>351 350</b>	<b>349 789</b>	<b>44 154</b>	<b>101 474</b>	<b>145 746</b>	<b>(44 271)</b>	<b>-30%</b>	<b>349 789</b>
<b>Capital Expenditure - Functional Classification</b>								
<b>Governance and administration</b>	<b>6 153</b>	<b>4 310</b>	<b>-</b>	<b>2 073</b>	<b>1 796</b>	<b>277</b>	<b>15%</b>	<b>4 310</b>
Executive and council	-	-	-	-	-	-	-	-
Finance and administration	6 153	4 310	-	2 073	1 796	277	15%	4 310
Internal audit	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>300</b>	<b>497</b>	<b>-</b>	<b>-</b>	<b>207</b>	<b>(207)</b>	<b>-100%</b>	<b>497</b>
Planning and development	300	497	-	-	207	(207)	-100%	497
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>343 397</b>	<b>342 482</b>	<b>44 154</b>	<b>99 401</b>	<b>142 701</b>	<b>(43 299)</b>	<b>-30%</b>	<b>342 482</b>
Energy sources	-	-	-	-	-	-	-	-
Water management	343 397	342 482	44 154	99 401	142 701	(43 299)	-30%	342 482
Waste water management	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-
<b>Other</b>	<b>1 500</b>	<b>2 500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 500</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>351 350</b>	<b>349 789</b>	<b>44 154</b>	<b>101 474</b>	<b>144 704</b>	<b>(43 230)</b>	<b>-30%</b>	<b>349 789</b>
<b>Funded by:</b>								
National Government	343 397	341 982	44 154	99 401	142 493	(43 091)	-30%	341 982
Other transfers and grants	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>343 397</b>	<b>341 982</b>	<b>44 154</b>	<b>99 401</b>	<b>142 493</b>	<b>(43 091)</b>	<b>-30%</b>	<b>341 982</b>
<b>Internally generated funds</b>	<b>7 953</b>	<b>7 807</b>	<b>-</b>	<b>2 073</b>	<b>3 253</b>	<b>(1 180)</b>	<b>-36%</b>	<b>7 807</b>
<b>Total Capital Funding</b>	<b>351 350</b>	<b>349 789</b>	<b>44 154</b>	<b>101 474</b>	<b>145 746</b>	<b>(44 271)</b>	<b>-30%</b>	<b>349 789</b>

As alluded to above, the capital expenditure programme for the period ending 30 November was R44, 1m year to date expenditure is at R101, 4million of capital expenditure against year to date budget of R 145, 7million.

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 30 November 2018, the year to date actual expenditure was R101, 4million against a YTD budget of R145, 5million. In monetary terms, these figures represent 70% per cent performance against the capital development programme as at 30 November 2018.

Table C6 displays the financial position of the municipality as at 30 November 2018.

**DC43 Harry Gwala - Table C6 Monthly Budget Statement - Financial Position - M05**

Description	2017/18	Budget Year 2018/19		
	Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>				
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash	12 394	28 182	191 659	28 182
Consumer debtors	34 358	38 849	20 531	38 849
Other debtors	7 107	5 174	33 656	5 174
Inventory	263	180	171	180
<b>Total current assets</b>	<b>54 121</b>	<b>72 385</b>	<b>246 017</b>	<b>72 385</b>
<b>Non current assets</b>				
Property, plant and equipment	2 125 417	2 431 162	1 999 549	2 431 162
Intangible	3 619	5 209	1 347	5 209
Other non-current assets				
<b>Total non current assets</b>	<b>2 129 037</b>	<b>2 436 371</b>	<b>2 000 896</b>	<b>2 436 371</b>
<b>TOTAL ASSETS</b>	<b>2 183 158</b>	<b>2 508 756</b>	<b>2 246 913</b>	<b>2 508 756</b>
<b><u>LIABILITIES</u></b>				
<b>Current liabilities</b>				
Bank overdraft				
Borrowing	11 604	11 716	6 429	11 716
Consumer deposits	1 794	1 524	1 671	1 524
Trade and other payables	161 822	197 890	233 864	197 890
Provisions	1 019	1 433	732	1 433
<b>Total current liabilities</b>	<b>176 239</b>	<b>212 563</b>	<b>242 696</b>	<b>212 563</b>
<b>Non current liabilities</b>				
Borrowing	19 046	7 330	19 709	7 330
Provisions	26 454	26 454	22 217	26 454
<b>Total non current liabilities</b>	<b>45 500</b>	<b>33 784</b>	<b>41 926</b>	<b>33 784</b>
<b>TOTAL LIABILITIES</b>	<b>221 738</b>	<b>246 347</b>	<b>284 622</b>	<b>246 347</b>
<b>NET ASSETS</b>	<b>1 961 419</b>	<b>2 262 409</b>	<b>1 962 291</b>	<b>2 262 409</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>				
Accumulated Surplus/(Deficit)	1 961 419	2 262 409	1 962 291	2 262 409
Reserves				
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1 961 419</b>	<b>2 262 409</b>	<b>1 962 291</b>	<b>2 262 409</b>

Table C7 below display the Cash Flow Statement for the period ending 30 November 2018.

DC43 Harry Gwala - Table C7 Monthly Budget Statement - Cash Flow - M05 November

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates						-		
Service charges	42 411	31 945	3 920	22 581	2 662	19 919	748%	31 945
Other revenue	4 779	2 522	397	1 854	210	1 644	782%	2 522
Government - operating	301 213	328 823	1 133	136 852	27 402	109 450	399%	328 823
Government - capital	343 397	341 982	35 000	209 467	28 499	180 969	635%	341 982
Interest	8 816	6 946	4 628	9 255		9 255	#DIV/0!	6 946
Dividends						-		
<b>Payments</b>								
Suppliers and employees	(361 210)	(332 976)	(39 729)	(208 470)	(27 748)	180 722	-651%	(332 976)
Finance charges	(3 958)	(1 229)	-			-		(1 229)
Transfers and Grants	-	-				-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>335 448</b>	<b>378 013</b>	<b>5 348</b>	<b>171 539</b>	<b>31 025</b>	<b>(140 515)</b>	<b>-453%</b>	<b>378 013</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Decrease (increase) in non-current investments						-		
<b>Payments</b>								
Capital assets	(351 550)	(349 789)	(44 154)	(115 647)	(29 149)	86 498	-297%	(349 789)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(351 550)</b>	<b>(349 789)</b>	<b>(44 154)</b>	<b>(115 647)</b>	<b>(29 149)</b>	<b>86 498</b>	<b>-297%</b>	<b>(349 789)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Increase (decrease) in consumer deposits	200	200	-			-		200
<b>Payments</b>								
Repayment of borrowing	(3 330)	(3 697)	-		(308)	(308)	100%	(3 697)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 130)</b>	<b>(3 496)</b>	<b>-</b>	<b>-</b>	<b>(308)</b>	<b>(308)</b>	<b>100%</b>	<b>(3 496)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(19 232)</b>	<b>24 727</b>	<b>(38 805)</b>	<b>55 892</b>	<b>1 567</b>			<b>24 727</b>
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		152 854	44 590			121 689

The billing vs Collection for the month of November was 58% (October: 63%) showing a decrease in collection by 5% as compared to previous month

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 30 November 2018.

**Table 2.1.1: Debtors Age Analysis by Income Source**

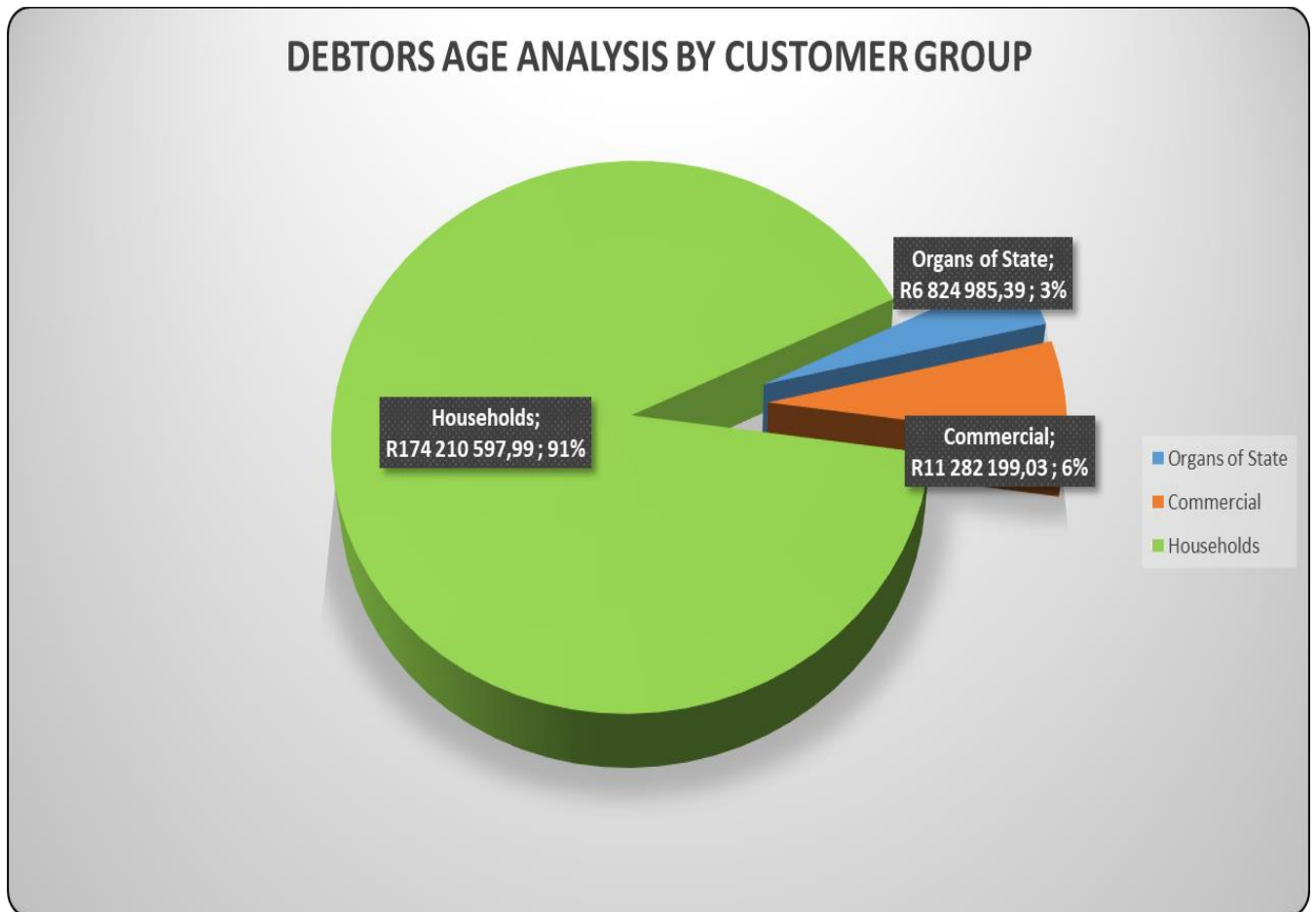
DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

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										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	5 082	3 964	3 236	3 028	2 867	2 099	26 728	76 449	123 453	111 171
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-exchange Transactions - Property Rates									-	-
Receivables from Exchange Transactions - Waste Water Management	1 985	1 549	1 264	1 183	1 120	820	10 441	29 866	48 228	43 430
Receivables from Exchange Transactions - Waste Management									-	-
Receivables from Exchange Transactions - Property Rental Debtors									-	-
Interest on Arrear Debtor Accounts	850	663	541	506	479	351	4 468	12 779	20 636	18 583
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
<b>Total By Income Source</b>	<b>7 917</b>	<b>6 175</b>	<b>5 042</b>	<b>4 718</b>	<b>4 466</b>	<b>3 269</b>	<b>41 637</b>	<b>119 094</b>	<b>192 318</b>	<b>173 184</b>
2017/18 - totals only									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2 587	835	581	270	155	165	930	1 302	6 825	2 823
Commercial	851	646	447	375	328	205	2 307	6 123	11 282	9 339
Households	4 480	4 695	4 014	4 072	3 982	2 900	38 399	111 669	174 211	161 022
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>7 917</b>	<b>6 175</b>	<b>5 042</b>	<b>4 718</b>	<b>4 466</b>	<b>3 269</b>	<b>41 637</b>	<b>119 094</b>	<b>192 318</b>	<b>173 184</b>

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: 91%
- ✓ Government 3%
- ✓ 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.

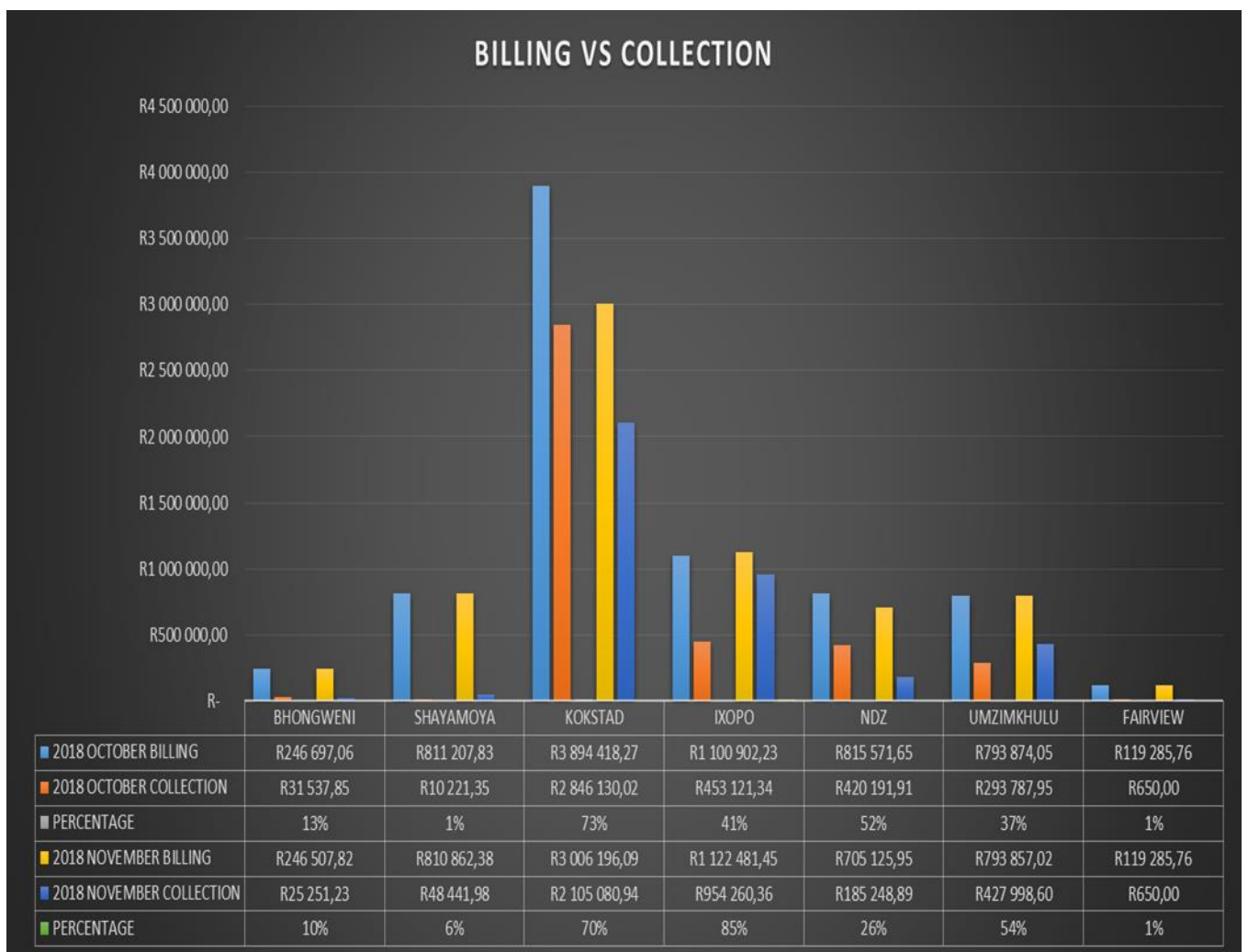
The table that follows below unpacks the revenue receipts per Local Municipality in the District

### REVENUE RECEIPTS PER AREA

AREA	AMOUNT		
		NOVEMBER 2018	OCTOBER 2018
Unallocated receipts	R 173 173,18	4%	17%
Bhongweni	R 25 251,23	1%	1%
Shayamoya	R 48 441,98	1%	0%
Kokstad	R 2 105 080,94	54%	58%
Ixopo	R 954 260,36	24%	9%
NDZ	R 185 248,89	5%	9%
Umzimkulu	R 427 998,60	11%	6%
Fairview	R 650,00	0%	0%
<b>TOTAL RECEIPTS INCL VAT</b>	<b>R 3 920 105,18</b>	100%	100%

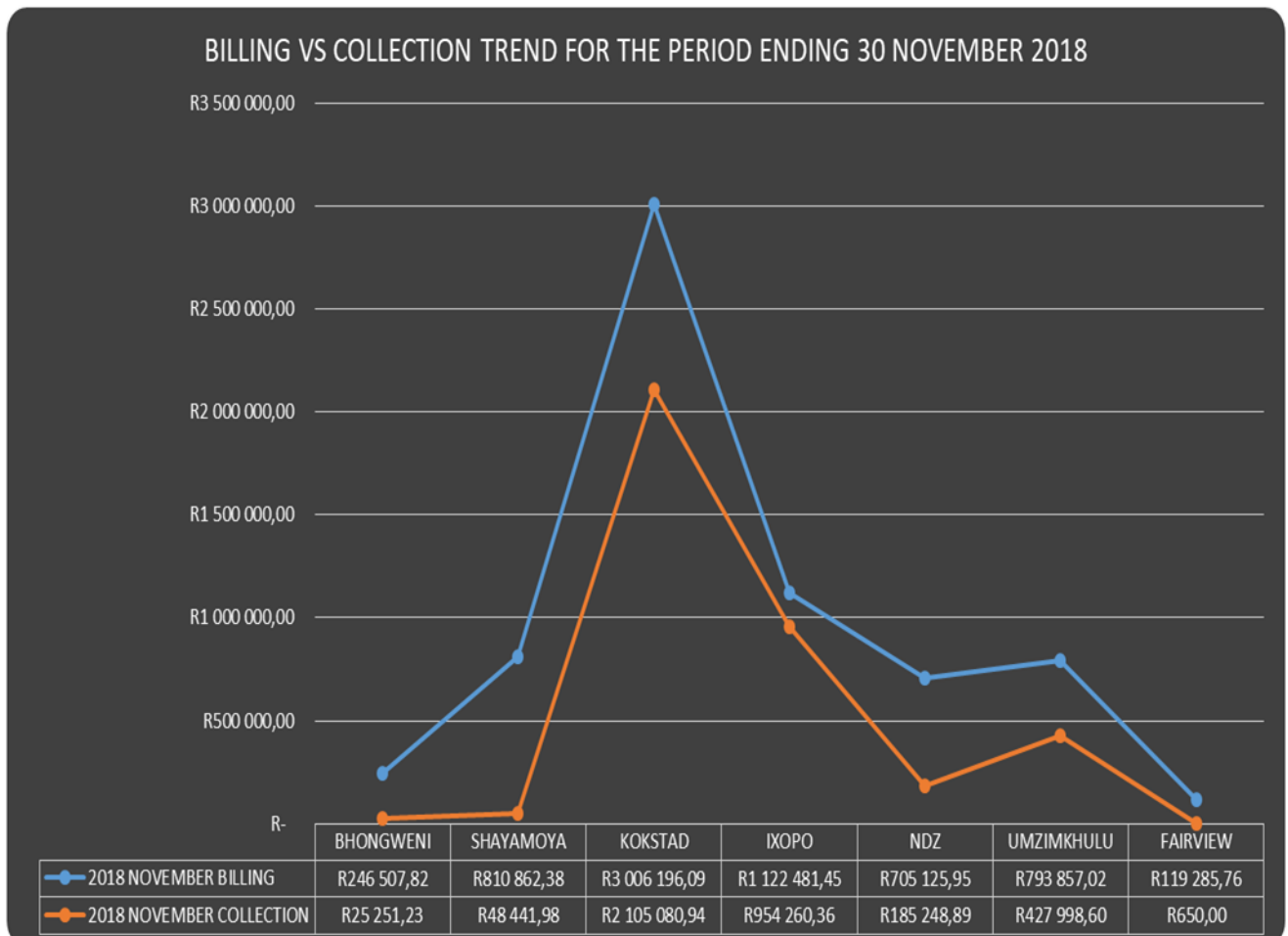
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for November 2018 is R3, 9million

**BILLING VS COLLECTION FOR OCTOBER 2018 AND NOVEMBER 2018  
(COMPARISON BETWEEN OCTOBER 2018 AND NOVEMBER 2018)**





**BILLING VS COLLECTION TREND FOR NOVEMBER 2018**



**Debtors age analysis per service**

The municipality’s total outstanding debtors amounted to R 192 317 782 as at 30 November 2018 compared with the R 189 824 702 as at 31 October 2018. Current debt represent 4% of the total outstanding debt compared with the 5% again of October 2018; 30 days and older debt 3% compared with the 3% for October 2018; 60 days and older debt 3% compared with the 3% of October 2018; and 90 days and older debt 2% compared with the 2% of October 2018.

Current debt increased with R 2,493,081 to R 192,317,782 compared with the R 189,824,702 as at 31 October 2018; 30 days + debt Decreased with R 798,168K; 60 days + Increased with R 16,329k and 90 days and older debt as at November 2018 has increased with R 3,209,791 to R 173,183,868 compared with the R 169,974,077 as at 31 October 2018.

## Debtors age analysis per debtor type

Business debtors owes the municipality R 10,898,784 (6%); Municipal debtors R 707,352 (0.01%); domestic debtors R 155,057,210 (81%); Government accounts R 6,000,093 (3%); Indigent debtors R 16, 134, 867 (8%) and other debtors R 3,519,477 (2%) of the total outstanding debt of R 192,317,782. 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 30 November 2018.

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

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	
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water	2 192	-	0	38					2 229
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	3 218	956	-	1 590					5 764
Auditor General	1 552	0	3	3					1 558
Other									-
<b>Total By Customer Type</b>	<b>6 962</b>	<b>956</b>	<b>3</b>	<b>1 631</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 551</b>

## 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 30 November 2018.

### Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November

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							
<b>Municipality</b>								
FIRST NATIONAL BANK	CALL ACCOUNT			92		17 682	(14 877)	2 896
FIRST NATIONAL BANK	CALL ACCOUNT			238		57 903	(30 695)	27 446
FIRST NATIONAL BANK	ADMIN CALL			24		7 313	(6 992)	345
INVESTEC	FIXED DEPOSIT			173		32 763	-	32 936
FIRST NATIONAL BANK	FIXED DEPOSIT			234		50 731	(2 458)	48 506
FIRST NATIONAL BANK	CALL ACCOUNT			4		552	505	1 061
FIRST NATIONAL BANK	CALL ACCOUNT			5		1 642	(264)	1 384
FIRST NATIONAL BANK	CALL ACCOUNT			138		17 477	16 713	34 328
FIRST NATIONAL BANK	FIXED DEPOSIT			3		1 012	(200)	814
<b>Municipality sub-total</b>				909		187 074	(38 267)	149 716
<b>TOTAL INVESTMENTS AND INTEREST</b>				909		187 074	(38 267)	149 716

## 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 - M05 November

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>RECEIPTS:</b>								
<b>Operating Transfers and Grants</b>								
<b>National Government:</b>	<b>347 365</b>	<b>328 823</b>	<b>1 133</b>	<b>136 852</b>	<b>109 608</b>	<b>28 246</b>	<b>25,8%</b>	<b>328 823</b>
Local Government Equitable Share	285 028	318 074	-	132 531	106 025	26 506	25,0%	318 074
Finance Management	1 250	1 000	-	1 000	333			1 000
Municipal Systems Improvement	-	-	-	-	-			-
Municipal Infrastructure Grant (PMU)	49 148	5 005	-	-	1 668			5 005
Energy Efficiency And Demand Side Management Grant	8 000	-	-	-	-			-
Water Services Operating Subsidy	-	-	-	-	-			-
Rural Roads Asset Management Grant	2 221	2 226	-	1 558	742	816	110,0%	2 226
Rural Household Infrastructure Grant	-	-	-	-	-			-
Expanded public works programme incentive grant	1 718	2 518	1 133	1 763	839	924	110,0%	2 518
Other transfers and grants [insert description]								
<b>Total Operating Transfers and Grants</b>	<b>347 365</b>	<b>328 823</b>	<b>1 133</b>	<b>136 852</b>	<b>109 608</b>	<b>28 246</b>	<b>25,8%</b>	<b>328 823</b>
<b>Capital Transfers and Grants</b>								
<b>National Government:</b>	<b>387 544</b>	<b>341 982</b>	<b>35 000</b>	<b>209 467</b>	<b>113 994</b>	<b>35 206</b>	<b>30,9%</b>	<b>341 982</b>
Municipal Infrastructure Grant (MIG)	199 544	191 582	-	99 067	63 861	35 206	55,1%	191 582
Regional Bulk Infrastructure	90 000	70 000	35 000	60 000	23 333			70 000
Municipal Water Infrastructure Grant	98 000	80 400	-	50 400	26 800			80 400
Expanded public works programme incentive grant	-	-						
Rural Household Infrastructure Grant	-	-						
Drought Relief								
Other capital transfers [insert description]								
<b>Total Capital Transfers and Grants</b>	<b>387 544</b>	<b>341 982</b>	<b>35 000</b>	<b>209 467</b>	<b>113 994</b>	<b>35 206</b>	<b>30,9%</b>	<b>341 982</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>734 909</b>	<b>670 805</b>	<b>36 133</b>	<b>346 319</b>	<b>223 602</b>	<b>63 452</b>	<b>28,4%</b>	<b>670 805</b>

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 - M05 November

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>EXPENDITURE</b>								
<b>Operating expenditure of Transfers and Grants</b>								
<b>National Government:</b>	<b>347 365</b>	<b>328 823</b>	<b>132 795</b>	<b>137 124</b>	<b>136 114</b>	<b>1 530</b>	<b>1,1%</b>	<b>328 823</b>
Local Government Equitable Share	285 028	318 074	132 531	132 531	132 531	-		318 074
Finance Management	1 250	1 000	50	408	333	74	22,3%	1 000
Municipal Systems Improvement	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (PMU)	49 148	5 005	-	3 124	1 668	1 456	87,3%	5 005
Energy Efficiency And Demand Side Management Grant	8 000	-	-	-	-	-	-	-
Water Services Operating Subsidy	-	-	-	-	-	-	-	-
Rural Roads Asset Management Grant	2 221	2 226	-	229	742	-	-	2 226
Rural Household Infrastructure Grant	-	-	-	-	-	-	-	-
Expanded public works programme incentive grant	1 718	2 518	214	832	839	-	-	2 518
0	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>347 365</b>	<b>328 823</b>	<b>132 795</b>	<b>137 124</b>	<b>136 114</b>	<b>1 530</b>	<b>1,1%</b>	<b>328 823</b>
<b>Capital expenditure of Transfers and Grants</b>								
<b>National Government:</b>	<b>387 544</b>	<b>341 982</b>	<b>49 717</b>	<b>111 926</b>	<b>113 994</b>	<b>11 531</b>	<b>10,1%</b>	<b>341 982</b>
Municipal Infrastructure Grant (MIG)	199 544	191 582	23 725	70 829	63 861	6 969	10,9%	191 582
Regional Bulk Infrastructure	90 000	70 000	17 905	27 896	23 333	4 562	19,6%	70 000
Municipal Water Infrastructure Grant	98 000	80 400	8 087	13 201	26 800	-	-	80 400
Expanded public works programme incentive grant	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>387 544</b>	<b>341 982</b>	<b>49 717</b>	<b>111 926</b>	<b>113 994</b>	<b>11 531</b>	<b>10,1%</b>	<b>341 982</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>734 909</b>	<b>670 805</b>	<b>182 512</b>	<b>249 050</b>	<b>250 108</b>	<b>13 061</b>	<b>5,2%</b>	<b>670 805</b>

## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 30 November 2018.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 November

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
<b>Councillors (Political Office Bearers plus Other)</b>								
Basic Salaries and Wages	3 795	4 098	367	1 786	1 366	420	31%	4 098
Pension and UIF Contributions	399	431	27	133	144	(11)	-7%	431
Medical Aid Contributions	94	101	6	31	34	(3)	-7%	101
Motor Vehicle Allowance	1 178	1 272	81	392	424	(32)	-7%	1 272
Cellphone Allowance	259	279	18	86	93	(7)	-7%	279
Other benefits and allowances	616	665	42	205	222	(16)	-7%	665
<b>Sub Total - Councillors</b>	<b>6 340</b>	<b>6 847</b>	<b>541</b>	<b>2 635</b>	<b>2 282</b>	<b>352</b>	<b>15%</b>	<b>6 847</b>
% increase		8,0%						8,0%
<b>Senior Managers of the Municipality</b>								
Basic Salaries and Wages	4 509	4 870	704	3 431	1 623	1 807	111%	4 870
Pension and UIF Contributions	4	4	0	2	1	1	38%	4
Medical Aid Contributions	6	7	1	3	2	1	38%	7
Motor Vehicle Allowance	3 797	4 101	387	1 884	1 367	518	38%	4 101
Cellphone Allowance	178	192	18	88	64	24	38%	192
Other benefits and allowances	5	6	1	3	2	1	38%	6
<b>Sub Total - Senior Managers of Municipality</b>	<b>8 500</b>	<b>9 180</b>	<b>1 111</b>	<b>5 411</b>	<b>3 060</b>	<b>2 351</b>	<b>77%</b>	<b>9 180</b>
% increase		8,0%						8,0%
<b>Other Municipal Staff</b>								
Basic Salaries and Wages	101 821	102 213	9 451	47 517	34 071	13 446	39%	102 213
Pension and UIF Contributions	16 798	18 142	1 662	8 098	6 047	2 051	34%	18 142
Medical Aid Contributions	2 321	2 507	230	1 119	836	283	34%	2 507
Overtime	2 074	2 240	205	1 000	747	253	34%	2 240
Performance Bonus	9 205	9 942	911	4 438	3 314	1 124	34%	9 942
Motor Vehicle Allowance	4 231	4 570	419	2 040	1 523	517	34%	4 570
Cellphone Allowance	722	780	71	348	260	88	34%	780
Housing Allowances	63	68	6	30	23	8	34%	68
Other benefits and allowances	2 767	2 988	274	1 334	996	338	34%	2 988
<b>Sub Total - Other Municipal Staff</b>	<b>140 002</b>	<b>143 449</b>	<b>13 229</b>	<b>65 925</b>	<b>47 816</b>	<b>18 108</b>	<b>38%</b>	<b>143 449</b>
% increase		2,5%						2,5%
<b>Total Parent Municipality</b>	<b>154 842</b>	<b>159 475</b>	<b>14 880</b>	<b>73 970</b>	<b>53 158</b>	<b>20 812</b>	<b>39%</b>	<b>159 475</b>
		3,0%						3,0%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>								
Other benefits and allowances	100							
Board Fees	200	350						350
Payments in lieu of leave								
<b>Sub Total - Board Members of Entities</b>	<b>300</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350</b>
% increase		16,7%						16,7%
<b>Senior Managers of Entities</b>								
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
<b>Sub Total - Senior Managers of Entities</b>	<b>2 404</b>	<b>2 597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 597</b>
% increase		8,0%						8,0%
<b>Other Staff of Entities</b>								
Basic Salaries and Wages	10 160	10 973						10 973
Motor Vehicle Allowance	175	189						189
Other benefits and allowances	362	391						391
<b>Sub Total - Other Staff of Entities</b>	<b>10 697</b>	<b>11 553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 553</b>
% increase		8,0%						8,0%
<b>Total Municipal Entities</b>	<b>13 402</b>	<b>14 500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 500</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>168 244</b>	<b>173 975</b>	<b>14 880</b>	<b>73 970</b>	<b>53 158</b>	<b>20 812</b>	<b>39%</b>	<b>173 975</b>
% increase		3,4%						3,4%
<b>TOTAL MANAGERS AND STAFF</b>	<b>161 604</b>	<b>166 778</b>	<b>14 339</b>	<b>71 336</b>	<b>50 876</b>	<b>20 459</b>	<b>40%</b>	<b>166 778</b>

## 2.6 Material Variances to the SDBIP

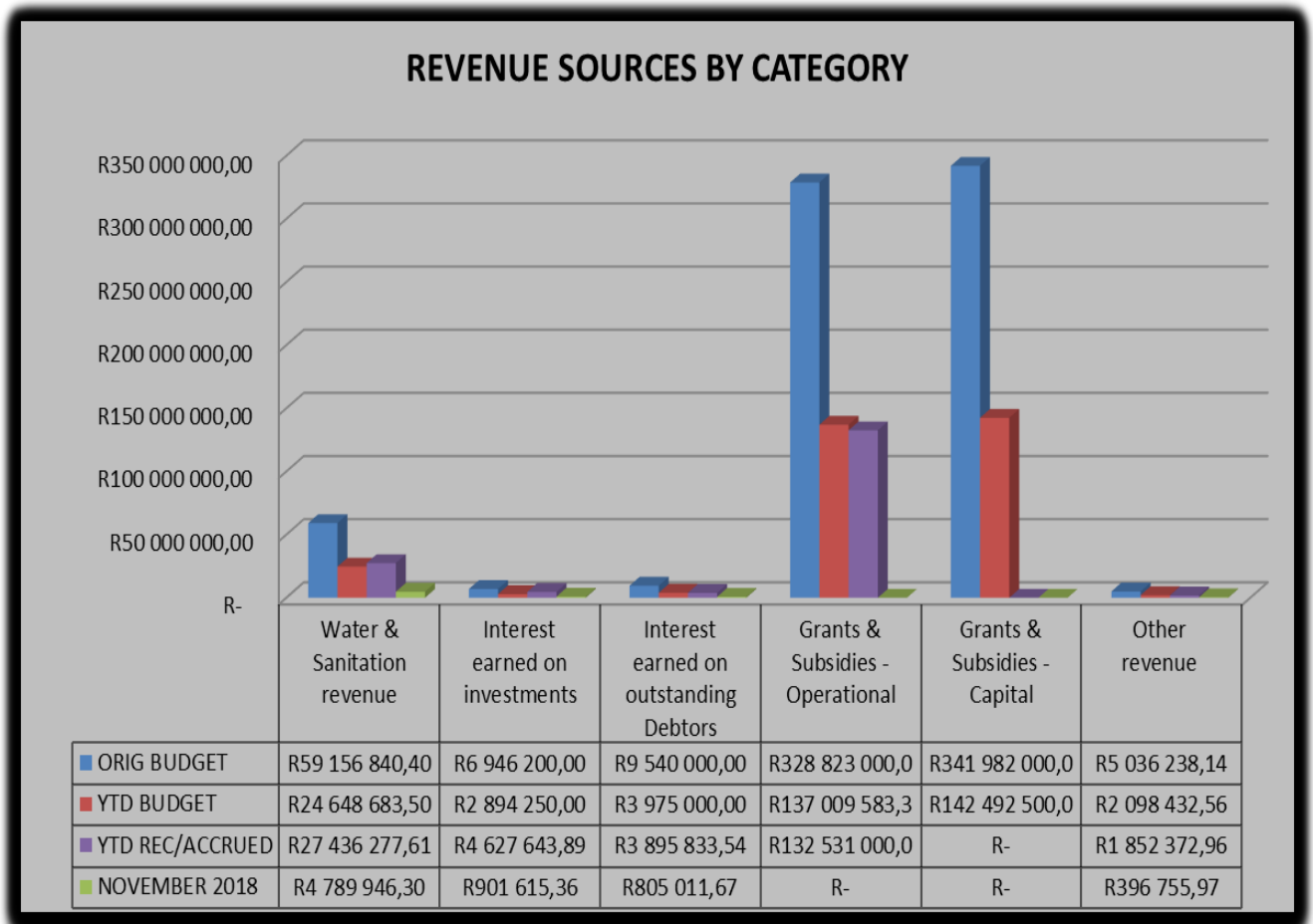
The following section analyses material variances between the actual targets as at 31 November 2018 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 30 November 2018 was R27, 4million against a year to date **budget** of R24, 6million.

**Interest Earned on External Investments**

The year to date actual on interest earned on external investments as at 30 November 2018 is R4, 6m against year to date budget of R2, 8million.



### **Transfers Recognised – Operational**

One Operational grant received for the month of November 2018 namely:

- Expanded Public Works Programme Grant- R 1 133 000

### **Transfers Recognised – Capital**

The year to date actual R101, 4million (against a YTD budget of R145, 7million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 70% performance in Conditional Capital grant funding expenditures.

One Capital grants received namely:

- Regional Bulk Infrastructure Grant- R 35 000 000

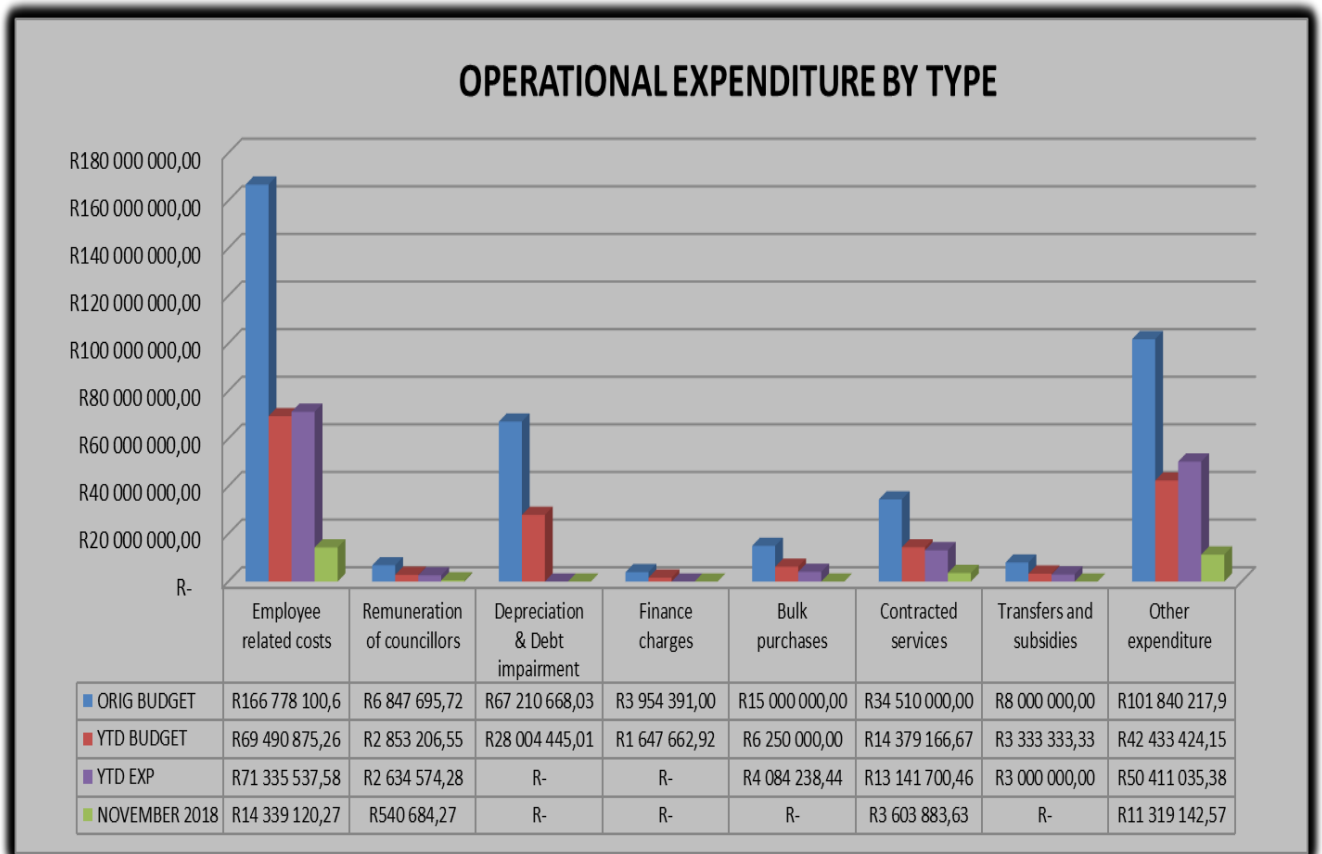
### **Other Revenue**

The YTD performance of other revenue is R1, 8million against YTD budget of R2million 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 R166, 7million and the year to date budget is R69, 4m against a YTD actual of R71, 3million which is 103%. Employee related costs over performed by 3 per cent.

**Remuneration of Councillors**

The remuneration of councillor’s year to date expenditure is at R 2, 6million against a YTD budget of R2, 8million representing 92% of the year to date budget.

### **Finance Charges**

As at 30 November 2018, there was no expenditure incurred for finance charges. The budgeted amount for finance charges was R3, 9million.

### **Bulk Purchases**

The original budget for Bulk Water purchases is R15million and the year to date expenditure is at R 4million against a year to date budget of R 6, 2million. The over performance is due to the payment arrangement that the municipality has with Umngeni water.

### **Other Expenditure**

The YTD budget for other expenditure was at R50, 4million against a YTD expenditure of R 42, 4million for the month of November 2018 representing 119 per cent of the year to date 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 - M05 November

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
<b>R thousands</b>															
<b>Cash Receipts By Source</b>															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	2 823	2 923	3 900	3 416	2 744	2 500	1 639	1 631	1 677	1 465	1 668	(4 025)	22 361	23 882	25 506
Service charges - sanitation revenue	1 210	1 253	1 672	1 464	1 176	689	648	807	789	680	774	(1 578)	9 583	10 235	10 931
Interest earned - external investments					4 628	419	950	948	475	418	983	(2 174)	6 646	7 098	7 577
Transfer receipts - operating	132 531	3 188	-	-	1 133	-	-	506	126 198	-	103	65 164	328 823	353 324	383 130
Other revenue	385	1	336	736	397	186	146	69	393	262	424	(1 020)	2 314	2 649	2 790
<b>Cash Receipts by Source</b>	<b>136 949</b>	<b>7 365</b>	<b>5 908</b>	<b>5 616</b>	<b>10 078</b>	<b>3 794</b>	<b>3 383</b>	<b>3 960</b>	<b>129 532</b>	<b>2 826</b>	<b>3 952</b>	<b>56 367</b>	<b>369 728</b>	<b>397 188</b>	<b>429 934</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	129 467	25 000	-	20 000	35 000	15 188	58 260	13 720	61 733	-	-	(16 386)	341 982	343 859	378 480
Contributions & Contributed assets												-			
Change in non-current investments												-			
<b>Total Cash Receipts by Source</b>	<b>266 416</b>	<b>32 365</b>	<b>5 908</b>	<b>25 616</b>	<b>45 078</b>	<b>18 982</b>	<b>61 642</b>	<b>17 680</b>	<b>191 265</b>	<b>2 826</b>	<b>3 952</b>	<b>39 982</b>	<b>711 710</b>	<b>741 047</b>	<b>808 414</b>
<b>Cash Payments by Type</b>															
Employee related costs	13 633	13 781	15 411	14 718	14 339	12 577	12 776	14 567	11 066	13 218	13 086	17 605	166 778	179 780	193 955
Remuneration of councillors	509	487	532	541	541	577	577	577	577	577	577	774	6 848	7 396	7 987
Interest paid						617	204	204	204	204	204	2 310	3 945	4 356	1 668
Bulk purchases - Water & Sewer	1 300	1 955	1 503	1 106		1 132	1 163	1 136	1 103	1 193	1 152	2 256	15 000	15 810	16 680
Contracted services	1 100	3 140	4 252	1 246	3 604	4 317	3 500	3 069	1 856	1 701	1 869	4 855	34 510	46 914	49 494
Grants and subsidies paid - other						-	-	-	5 000	-	-	10 000	15 000	17 000	20 000
General expenses	24 830	42 079	20 359	1 629	21 245	8 500	4 996	4 427	20 100	4 527	5 631	(64 939)	93 384	87 193	110 937
<b>Cash Payments by Type</b>	<b>41 373</b>	<b>61 442</b>	<b>42 058</b>	<b>19 241</b>	<b>39 729</b>	<b>27 720</b>	<b>23 216</b>	<b>23 979</b>	<b>39 906</b>	<b>21 420</b>	<b>22 520</b>	<b>(27 138)</b>	<b>335 465</b>	<b>358 448</b>	<b>400 720</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	28 722	10 900	6 406	25 466	44 154	28 499	28 499	28 499	28 499	28 499	28 499	55 344	341 982	338 858	373 429
Repayment of borrowing						2 615	-	-	-	-	-	3 009	5 624	3 226	5 658
<b>Total Cash Payments by Type</b>	<b>70 094</b>	<b>72 341</b>	<b>48 464</b>	<b>44 707</b>	<b>83 883</b>	<b>58 833</b>	<b>51 715</b>	<b>52 478</b>	<b>68 405</b>	<b>49 919</b>	<b>51 018</b>	<b>31 215</b>	<b>683 071</b>	<b>700 532</b>	<b>779 807</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>196 322</b>	<b>(39 976)</b>	<b>(42 556)</b>	<b>(19 091)</b>	<b>(38 805)</b>	<b>(39 851)</b>	<b>9 928</b>	<b>(34 798)</b>	<b>122 860</b>	<b>(47 093)</b>	<b>(47 067)</b>	<b>8 767</b>	<b>28 639</b>	<b>40 515</b>	<b>28 607</b>
Cash/cash equivalents at the month/year beginning:	96 962	293 284	253 307	210 751	191 659	152 854	113 003	122 931	88 133	210 993	163 901	116 834	96 962	125 601	166 116
Cash/cash equivalents at the month/year end:	293 284	253 307	210 751	191 659	152 854	113 003	122 931	88 133	210 993	163 901	116 834	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 - M05 November

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates						-		
Service charges - electricity revenue						-		
Service charges - water revenue	47 671	41 410	3 353	19 205	17 254	1 951	11%	41 410
Service charges - sanitation revenue	19 723	17 747	1 437	8 231	7 395	836	11%	17 747
Service charges - refuse revenue					-	-		
Interest earned - external investments	8 716	6 946	902	4 628	2 894	1 733	60%	6 946
Interest earned - outstanding debtors	12 606	9 540	805	3 896	3 975	(79)	-2%	9 540
Agency services					-	-		
Transfers and subsidies	347 365	328 823	-	132 531	137 010	(4 479)	-3%	328 823
Other revenue	4 815	5 036	397	1 852	2 098	(246)	-12%	5 036
Gains on disposal of PPE						-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>440 896</b>	<b>409 502</b>	<b>6 893</b>	<b>170 343</b>	<b>170 626</b>	<b>(283)</b>	<b>0%</b>	<b>409 502</b>
<b>Expenditure By Type</b>								
Employee related costs	161 904	166 778	14 339	71 336	69 491	1 845	3%	166 778
Remuneration of councillors	6 340	6 848	541	2 635	2 853	(219)	-8%	6 848
Debt impairment	34 098	25 266	-	-	10 528	(10 528)	-100%	25 266
Depreciation & asset impairment	50 650	41 944	-	-	17 477	(17 477)	-100%	41 944
Finance charges	1 605	3 954	-	-	1 648	(1 648)	-100%	3 954
Bulk purchases	16 225	15 000	-	4 084	6 250	(2 166)	-35%	15 000
Contracted services	24 505	34 510	3 604	13 142	14 379	(1 237)	-9%	34 510
Other expenditure	159 403	109 840	11 319	53 411	45 767	7 644	17%	109 840
Loss on disposal of PPE			-	-	-	-		
<b>Total Expenditure</b>	<b>454 729</b>	<b>404 141</b>	<b>29 803</b>	<b>144 607</b>	<b>168 392</b>	<b>(23 785)</b>	<b>-14%</b>	<b>404 141</b>
<b>Surplus/(Deficit)</b>								
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(13 833)	5 361	(22 910)	25 736	2 234	23 502	1052%	5 361
Transfers and subsidies - capital (in-kind - all)	343 397	341 982	-	-	142 493	(142 493)	-100%	341 982
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>329 564</b>	<b>347 343</b>	<b>(22 910)</b>	<b>25 736</b>	<b>144 726</b>	<b>(118 990)</b>	<b>-82%</b>	<b>347 343</b>
Taxation						-		
<b>Surplus/(Deficit) after taxation</b>	<b>329 564</b>	<b>347 343</b>	<b>(22 910)</b>	<b>25 736</b>	<b>144 726</b>	<b>(118 990)</b>	<b>-82%</b>	<b>347 343</b>

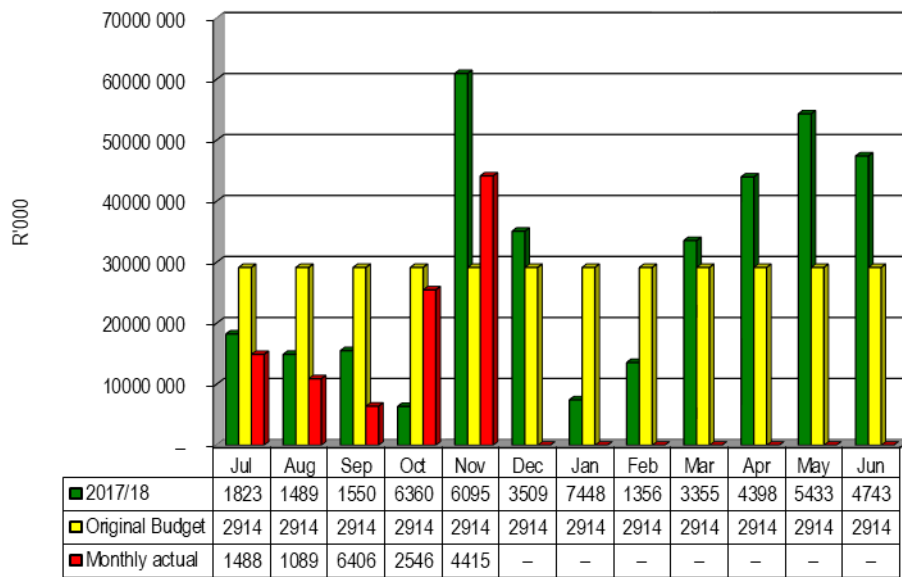
## Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M05 November

Month	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>								
<b>Monthly expenditure performance trend</b>								
July	18 231	29 149	14 889	14 889	29 149	14 260	48,9%	4%
August	14 892	29 149	10 900	25 789	58 298	32 509	55,8%	7%
September	15 501	29 149	6 406	32 195	87 447	55 252	63,2%	9%
October	6 361	29 149	25 466	57 661	116 596	58 935	50,5%	16%
November	60 953	29 149	44 154	101 815	145 746	43 931	30,1%	29%
December	35 093	29 149			174 895	-		
January	7 449	29 149			204 044	-		
February	13 561	29 149			233 193	-		
March	33 559	29 149			262 342	-		
April	43 982	29 149			291 491	-		
May	54 335	29 149			320 640	-		
June	47 433	29 149			349 789	-		
<b>Total Capital expenditure</b>	<b>351 350</b>	<b>349 789</b>	<b>101 815</b>					

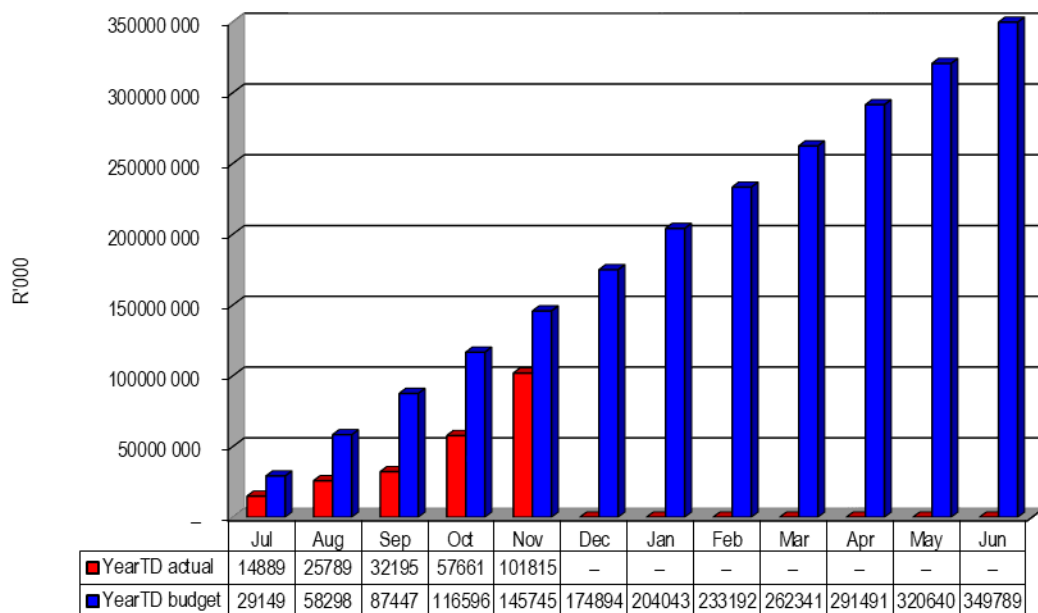
## CAPITAL EXPENDITURE MONTHLY TREND

**Chart C1 2018/19 Capital Expenditure Monthly Trend: actual v target**



**Capital Expenditure on New Assets by Asset Class**

**Chart C2 2018/19 Capital Expenditure: YTD actual v YTD target**







DC43 Harry Gwala - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M05

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	338 697	320 275	44 154	99 401	133 448	34 047	25,5%	320 275
Roads Infrastructure	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
Water Supply Infrastructure	280 553	257 732	35 137	72 985	107 388	34 403	32,0%	257 732
<i>Pump Stations</i>	-	-	-	-	-	-	-	-
<i>Water Treatment Works</i>	280 553	257 732	35 137	72 985	107 388	34 403	32,0%	257 732
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
Sanitation Infrastructure	58 143	62 543	9 016	26 416	26 060	(356)	-1,4%	62 543
<i>Pump Station</i>	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	58 143	62 543	9 016	26 416	26 060	(356)	-1,4%	62 543
<i>Outfall Sewers</i>	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	200	-	-	83	83	100,0%	200
Operational Buildings	-	200	-	-	83	83	100,0%	200
<i>Municipal Offices</i>	-	200	-	-	83	83	100,0%	200
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	2 100	2 100	-	-	875	875	100,0%	2 100
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	2 100	2 100	-	-	875	875	100,0%	2 100
<i>Solid Waste Licenses</i>	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>	2 100	2 100	-	-	875	875	100,0%	2 100
<b>Computer Equipment</b>	-	4 510	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	1 210	1 210	-	345	504	159	31,5%	1 210
Furniture and Office Equipment	1 210	1 210	-	345	504	159	31,5%	1 210
<b>Machinery and Equipment</b>	3 043	2 000	-	1 728	833	(894)	-107,3%	2 000
Machinery and Equipment	3 043	2 000	-	1 728	833	(894)	-107,3%	2 000
<b>Transport Assets</b>	1 300	1 300	-	-	542	542	100,0%	1 300
Transport Assets	1 300	1 300	-	-	542	542	100,0%	1 300
<b>Total Capital Expenditure on new assets</b>	346 350	327 085	44 154	101 474	136 286	34 811	25,5%	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 November 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 \_\_\_\_\_