

# Harry Gwala District Municipality

MFMA s71 report for the period ending 28 February 2014.

11/3/2014

Budget & Treasury Office

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## 1. PART 1 – MONTHLY REPORT

### 1.1 Mayors Report

This report will be tabled to Executive committee and hence the mayor's report will be available when this report is tabled to Council in terms of Sec 52 (d) of the Municipal Finance Management 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 2013/2014 budget for the period ending 28 February 2014.

### 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 Sisonke - Table C1 Consolidated Monthly Budget Statement Summary - M08 February									
Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Financial Performance</b>									
Service charges	41 037	44 748	42 748	4 701	30 838	23 989	6 850	29%	44 748
Investment revenue	2 753	2 000	2 500	303	2 297	1 206	1 090	90%	-
Transfers recognised - operational	217 640	220 563	220 607	1	166 809	164 341	2 468	2%	220 563
Other own revenue	6 567	500	29 722	626	4 771	250	4 521	1808%	500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>267 997</b>	<b>267 811</b>	<b>295 577</b>	<b>5 632</b>	<b>204 715</b>	<b>189 786</b>	<b>14 929</b>	<b>8%</b>	<b>265 811</b>
Employee costs	81 571	90 434	94 837	8 110	64 243	45 753	18 490	40%	90 434
Remuneration of Councillors	4 622	6 181	6 162	431	3 260	3 090	170	5%	6 181
Depreciation & asset impairment	18 000	20 000	25 000	335	335	9 500	(9 165)	-96%	20 000
Finance charges	3 680	3 500	3 521	-	1 427	1 250	177	14%	3 500
Materials and bulk purchases	9 422	7 800	9 598	352	4 487	3 900	587	15%	7 800
Transfers and grants	9 569	12 000	13 768	732	8 987	6 000	2 987		12 000
Other expenditure	149 206	115 081	184 045	1 806	70 213	55 520	14 693	26%	115 081
<b>Total Expenditure</b>	<b>276 070</b>	<b>254 996</b>	<b>336 932</b>	<b>11 765</b>	<b>152 951</b>	<b>125 013</b>	<b>27 938</b>	<b>22%</b>	<b>254 996</b>
<b>Surplus/(Deficit)</b>	<b>(8 072)</b>	<b>12 816</b>	<b>(41 355)</b>	<b>(6 134)</b>	<b>51 764</b>	<b>64 773</b>	<b>(13 009)</b>	<b>-20%</b>	<b>10 816</b>
Transfers recognised - capital	178 591	210 486	236 103	4 007	152 761	150 300	2 461	2%	210 486
Contributions & Contributed assets	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>170 519</b>	<b>223 302</b>	<b>194 748</b>	<b>(2 127)</b>	<b>204 525</b>	<b>215 073</b>	<b>(10 548)</b>	<b>-5%</b>	<b>221 302</b>
<b>Surplus/ (Deficit) for the year</b>	<b>170 519</b>	<b>223 302</b>	<b>194 748</b>	<b>(2 127)</b>	<b>204 525</b>	<b>215 073</b>	<b>(10 548)</b>	<b>-5%</b>	<b>221 302</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>148 388</b>	<b>227 234</b>	<b>210 496</b>	<b>16 194</b>	<b>145 142</b>	<b>150 300</b>	<b>(5 158)</b>	<b>-3%</b>	<b>227 234</b>
Capital transfers recognised	148 388	210 486	186 885	16 185	143 063	150 300	(7 237)	-5%	210 486
Internally generated funds	-	16 748	23 611	9	2 079	-	2 079	#DIV/0!	16 748
<b>Total sources of capital funds</b>	<b>148 388</b>	<b>227 234</b>	<b>210 496</b>	<b>16 194</b>	<b>145 142</b>	<b>150 300</b>	<b>(5 158)</b>	<b>-3%</b>	<b>227 234</b>
<b>Financial position</b>									
Total current assets	26 042	63 318	71 256		121 214				63 318
Total non current assets	1 083 502	1 517 343	1 336 519		1 176 325				1 517 343
Total current liabilities	81 782	34 740	39 863		77 382				34 740
Total non current liabilities	38 018	33 101	33 101		34 356				33 101
<b>Community wealth/Equity</b>	<b>989 745</b>	<b>1 512 820</b>	<b>1 334 811</b>		<b>1 185 801</b>				<b>1 512 820</b>
<b>Cash flows</b>									
Net cash from (used) operating	167 559	253 556	210 347	(22 318)	197 206	197 206	-		253 556
Net cash from (used) investing	(148 471)	(226 772)	(16 194)	(153 620)	(137 426)	(137 426)	-		(226 772)
Net cash from (used) financing	(2 652)	(2 482)	-	(1 297)	(1 297)	(1 297)	-		-
<b>Cash/cash equivalents at the month/yea</b>	<b>19 970</b>	<b>54 303</b>	<b>214 339</b>	<b>-</b>	<b>58 483</b>	<b>88 483</b>	<b>(30 000)</b>	<b>-34%</b>	<b>26 784</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	5 826	4 730	3 234	3 303	3 063	2 539	12 049	56 717	91 461
<b>Creditors Age Analysis</b>									
Total Creditors	3 772	-	-	-	-	-	-	-	3 772

## Financial Performance

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

DC43 Sisonke - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M08 February									
Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	214 469	220 696	221 867	828	169 220	165 797	3 423	2%	220 696
Budget and treasury office	214 469	220 696	220 898	828	169 176	165 797	3 379	2%	220 696
Corporate services	-	-	969	-	44	-	44	#DIV/0!	-
<i>Economic and environmental services</i>	90	-	6 831	-	3 171	-	3 171	#DIV/0!	-
Planning and development	90	-	6 831	-	3 171	-	3 171	#DIV/0!	-
<i>Trading services</i>	229 276	255 601	302 982	8 810	185 085	174 288	10 796	6%	56 748
Water	44 642	56 748	48 957	4 803	31 358	23 989	7 369	31%	56 748
Waste water management	184 635	198 853	254 025	4 007	153 727	150 300	3 427	2%	-
<b>Total Revenue - Standard</b>	<b>443 835</b>	<b>476 297</b>	<b>531 680</b>	<b>9 638</b>	<b>357 476</b>	<b>340 086</b>	<b>17 390</b>	<b>5%</b>	<b>277 444</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	100 756	121 481	130 147	3 223	57 046	59 557	(2 511)	-4%	121 481
Executive and council	12 415	18 956	18 718	977	10 897	9 293	1 603	17%	18 956
Budget and treasury office	54 930	63 431	66 283	1 471	21 396	31 097	(9 702)	-31%	63 431
Corporate services	33 411	39 094	45 146	776	24 754	19 166	5 588	29%	39 094
<i>Economic and environmental services</i>	35 122	45 047	48 030	2 295	29 960	22 084	7 875	36%	45 047
Planning and development	35 122	33 047	48 030	1 563	20 972	14 646	6 326	43%	33 047
Environmental protection	-	12 000	-	732	8 987	7 438	1 549	21%	12 000
<i>Trading services</i>	140 192	88 467	158 754	6 247	65 945	43 372	22 574	52%	88 467
Water	34 630	78 651	101 232	5 180	58 134	38 559	19 575	51%	78 651
Waste water management	105 562	9 816	57 522	1 066	7 812	4 813	2 999	62%	9 816
<b>Total Expenditure - Standard</b>	<b>276 070</b>	<b>254 996</b>	<b>336 932</b>	<b>11 765</b>	<b>152 951</b>	<b>125 013</b>	<b>27 938</b>	<b>22%</b>	<b>254 996</b>
<b>Surplus/ (Deficit) for the year</b>	<b>167 766</b>	<b>221 302</b>	<b>194 748</b>	<b>(2 127)</b>	<b>204 525</b>	<b>215 073</b>	<b>(10 548)</b>	<b>-5%</b>	<b>22 449</b>

This table assess the revenue by department and then the expenditure for the period ending 28 February 2014. 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 5%.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has largest expenditure by 62% in the period ending 28 February 2014. 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 Sisonke - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February									
Vote Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-		-
Vote 2 - Finance	214 469	220 696	220 898	828	169 176	165 797	3 379	2.0%	220 696
Vote 3 - Corporate Services	-	-	969	-	44	-	44	#DIV/0!	-
Vote 4 - Economic &Community Services	90	-	6 831	-	3 171	-	3 171	#DIV/0!	-
Vote 5 - Infrastructure Services	184 635	198 853	254 025	4 007	153 727	150 300	3 427	2.3%	198 853
Vote 6 - Water Services	44 642	56 748	48 957	4 803	31 358	23 989	7 369	30.7%	56 748
<b>Total Revenue by Vote</b>	<b>443 835</b>	<b>476 297</b>	<b>531 680</b>	<b>9 638</b>	<b>357 476</b>	<b>340 086</b>	<b>17 390</b>	<b>5.1%</b>	<b>476 297</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	12 415	18 956	18 718	977	10 897	9 293	1 603	17.3%	18 956
Vote 2 - Finance	54 930	63 431	66 283	1 471	21 396	31 097	(9 702)	-31.2%	63 431
Vote 3 - Corporate Services	33 411	39 094	45 146	776	24 754	19 166	5 588	29.2%	39 094
Vote 4 - Economic &Community Services	35 122	45 047	48 030	2 295	29 960	22 084	7 875	35.7%	45 047
Vote 5 - Infrastructure Services	34 630	9 816	57 522	1 066	7 812	4 813	2 999	62.3%	78 651
Vote 6 - Water Services	105 562	78 651	101 232	5 180	58 134	38 559	19 575	50.8%	9 816
<b>Total Expenditure by Vote</b>	<b>276 070</b>	<b>254 996</b>	<b>336 932</b>	<b>11 765</b>	<b>152 951</b>	<b>125 013</b>	<b>27 938</b>	<b>22.3%</b>	<b>254 996</b>
<b>Surplus/ (Deficit) for the year</b>	<b>167 766</b>	<b>221 302</b>	<b>194 748</b>	<b>(2 127)</b>	<b>204 525</b>	<b>215 073</b>	<b>(10 548)</b>	<b>-4.9%</b>	<b>221 302</b>

**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 2014.

DC43 Sisonke - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February									
Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Service charges - water revenue	26 799	30 697	30 697	3 291	21 587	15 971	5 616	35%	30 697
Service charges - sanitation revenue	11 485	12 052	12 052	1 410	9 252	8 018	1 233	15%	12 052
Service charges - other			-				-		2 000
Interest earned - external investments	2 753	2 000	2 500	303	2 297	1 206	1 090	90%	
Interest earned - outstanding debtors			5 179	498	3 519	-	3 519	#DIV/0!	
Transfers recognised - operational	217 640	220 563	220 607	1	166 809	164 341	2 468	2%	220 563
Other revenue	6 567	500	24 543	129	1 252	250	1 002	401%	500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>265 244</b>	<b>265 811</b>	<b>295 577</b>	<b>5 632</b>	<b>204 715</b>	<b>189 786</b>	<b>14 929</b>	<b>8%</b>	<b>265 811</b>
<b>Expenditure By Type</b>									
Employee related costs	81 571	90 434	94 837	8 110	64 243	45 753	18 490	40%	90 434
Remuneration of councillors	4 622	6 181	6 162	431	3 260	3 090	170	5%	6 181
Debt impairment	8 000	12 000	12 000	-	-	5 622	(5 622)	-100%	12 000
Depreciation & asset impairment	18 000	20 000	25 000	335	335	9 500	(9 165)	-96%	20 000
Finance charges	3 680	3 500	3 521	-	1 427	1 250	177	14%	3 500
Bulk purchases	9 422	7 800	9 598	352	4 487	3 900	587	15%	7 800
Contracted services	17 492	36 317	34 999	1 036	14 614	16 999	(2 385)	-14%	36 317
Transfers and grants	9 569	12 000	13 768	732	8 987	6 000	2 987	50%	12 000
Other expenditure	123 714	66 763	137 045	769	55 599	32 898	22 700	69%	66 763
Loss on disposal of PPE	-	-	-						-
<b>Total Expenditure</b>	<b>276 070</b>	<b>254 996</b>	<b>336 932</b>	<b>11 765</b>	<b>152 951</b>	<b>125 013</b>	<b>27 938</b>	<b>22%</b>	<b>254 996</b>
<b>Surplus/(Deficit)</b>	<b>(10 825)</b>	<b>10 816</b>	<b>(41 355)</b>	<b>(6 134)</b>	<b>51 764</b>	<b>64 773</b>	<b>(13 009)</b>	<b>(0)</b>	<b>10 816</b>
Transfers recognised - capital	178 591	210 486	236 103	4 007	152 761	150 300	2 461	0	210 486
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>167 766</b>	<b>221 302</b>	<b>194 748</b>	<b>(2 127)</b>	<b>204 525</b>	<b>215 073</b>			<b>221 302</b>
<b>Surplus/(Deficit) after taxation</b>	<b>167 766</b>	<b>221 302</b>	<b>194 748</b>	<b>(2 127)</b>	<b>204 525</b>	<b>215 073</b>			<b>221 302</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>167 766</b>	<b>221 302</b>	<b>194 748</b>	<b>(2 127)</b>	<b>204 525</b>	<b>215 073</b>			<b>221 302</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>167 766</b>	<b>221 302</b>	<b>194 748</b>	<b>(2 127)</b>	<b>204 525</b>	<b>215 073</b>			<b>221 302</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.



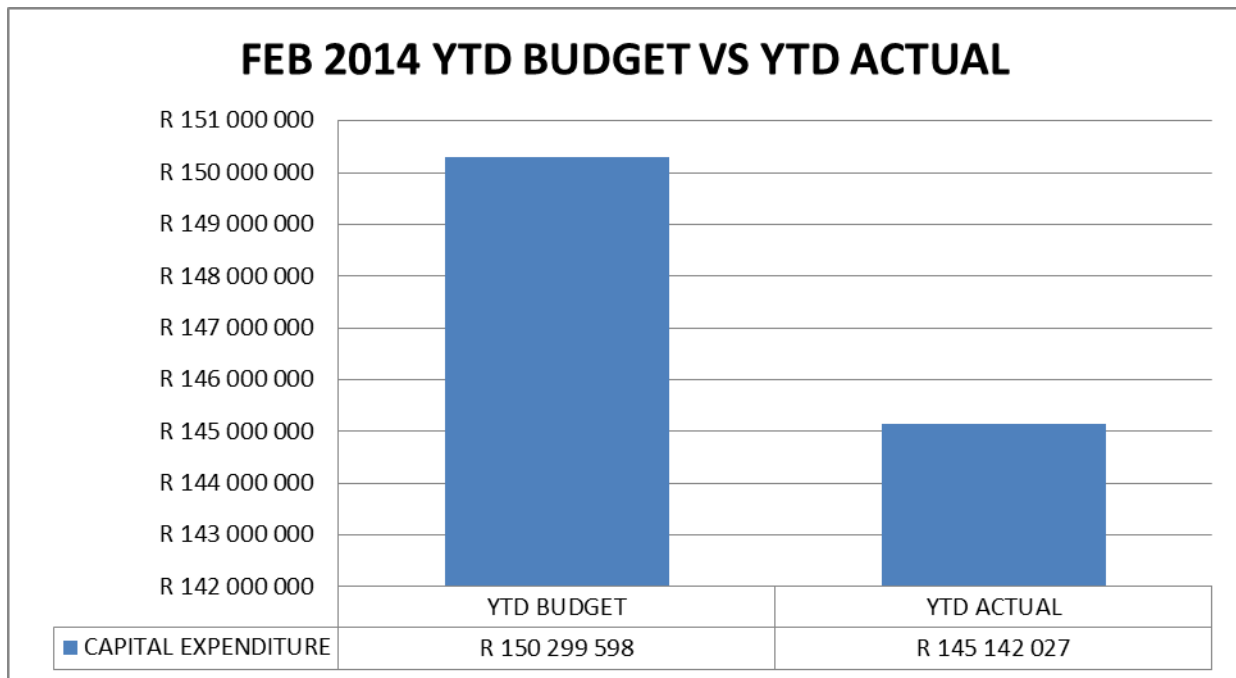
DC43 Sisonke - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M08 February

Vote Description	2012/13	Budget Year 2013/14							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 2 - Finance	136	130	200	-	-	130	(130)	-100%	130
Vote 3 - Corporate Services	368	3 256	2 433	87	2 440	1 628	812	50%	3 256
Vote 4 - Economic & Community Services	-	-	409	-	-	-	-	-	-
Vote 5 - Infrastructure Services	147 884	223 248	205 332	16 107	142 702	148 242	(5 540)	-4%	223 248
Vote 6 - Water Services	-	600	2 122	-	-	300	(300)	-100%	600
<b>Total Capital Multi-year expenditure</b>	<b>148 388</b>	<b>227 234</b>	<b>210 496</b>	<b>16 194</b>	<b>145 142</b>	<b>150 300</b>	<b>(5 158)</b>	<b>-3%</b>	<b>227 234</b>
<b>Total Capital Expenditure</b>	<b>148 388</b>	<b>227 234</b>	<b>210 496</b>	<b>16 194</b>	<b>145 142</b>	<b>150 300</b>	<b>(5 158)</b>	<b>-3%</b>	<b>227 234</b>
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>	<b>504</b>	<b>3 386</b>	<b>2 633</b>	<b>87</b>	<b>2 440</b>	<b>1 758</b>	<b>682</b>	<b>39%</b>	<b>3 386</b>
Budget and treasury office	136	130	200	-	-	130	(130)	-100%	130
Corporate services	368	3 256	2 433	87	2 440	1 628	812	50%	3 256
<b>Community and public safety</b>	<b>-</b>	<b>-</b>	<b>409</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services	-	-	409	-	-	-	-	-	-
<b>Trading services</b>	<b>147 884</b>	<b>223 848</b>	<b>207 454</b>	<b>16 107</b>	<b>142 702</b>	<b>148 542</b>	<b>(5 840)</b>	<b>-4%</b>	<b>223 848</b>
Water	-	600	2 122	-	-	300	(300)	-100%	600
Waste water management	147 884	223 248	205 332	16 107	142 702	148 242	(5 540)	-4%	223 248
<b>Total Capital Expenditure - Standard Classification</b>	<b>148 388</b>	<b>227 234</b>	<b>210 496</b>	<b>16 194</b>	<b>145 142</b>	<b>150 300</b>	<b>(5 158)</b>	<b>-3%</b>	<b>227 234</b>
<b>Funded by:</b>									
National Government	128 865	210 486	183 268	16 109	134 988	137 822	(2 833)	-2%	210 486
Provincial Government	19 523	-	3 617	76	8 075	9 835	(1 761)	-18%	
District Municipality	-	-	-	-	-	2 642	(2 642)	-100%	
<b>Transfers recognised - capital</b>	<b>148 388</b>	<b>210 486</b>	<b>186 885</b>	<b>16 185</b>	<b>143 063</b>	<b>150 300</b>	<b>(7 237)</b>	<b>-5%</b>	<b>210 486</b>
<b>Internally generated funds</b>		<b>16 748</b>	<b>23 611</b>	<b>9</b>	<b>2 079</b>		<b>2 079</b>	<b>#DIV/0!</b>	<b>16 748</b>
<b>Total Capital Funding</b>	<b>148 388</b>	<b>227 234</b>	<b>210 496</b>	<b>16 194</b>	<b>145 142</b>	<b>150 300</b>	<b>(5 158)</b>	<b>-3%</b>	<b>227 234</b>

As alluded to above, the capital expenditure programme for the month ending 28 February was R16 million which represents 12% of capital expenditure and thus shows the improvement on expenditures reflected on National grant funding.

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

**Chart 1: 2013/2014 CAPEX YTD BUDGET & YTD ACTUAL**



As at 28 February 2014, the year to date actual expenditure was R145million against a YTD budget of R150, 2million. In monetary terms, these figures represent 97% per cent performance against the capital development programme as at 28 February 2014.

Table C6 displays the financial position of the municipality as at 28 February 2014.

<b>DC43 Sisonke - Table C6 Consolidated Monthly Budget Statement - Financial Position - M08</b>					
Description	2012/13	Budget Year 2013/14			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	19 970	54 303	56 960	100 986	54 303
Consumer debtors	5 957	2 505	7 786	11 498	2 505
Other debtors		6 510	6 510	8 614	6 510
Inventory	116	-	-	116	
<b>Total current assets</b>	<b>26 042</b>	<b>63 318</b>	<b>71 256</b>	<b>121 214</b>	<b>63 318</b>
<b>Non current assets</b>					
Property, plant and equipment	1 083 316	1 516 798	1 335 034	1 176 139	1 516 798
Intangible assets	186	545	1 484	186	545
<b>Total non current assets</b>	<b>1 083 502</b>	<b>1 517 343</b>	<b>1 336 519</b>	<b>1 176 325</b>	<b>1 517 343</b>
<b>TOTAL ASSETS</b>	<b>1 109 545</b>	<b>1 580 661</b>	<b>1 407 775</b>	<b>1 297 539</b>	<b>1 580 661</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowing	3 333	3 174	3 174	3 297	3 174
Consumer deposits	949	1 012	1 135	1 010	1 012
Trade and other payables	71 899	30 555	35 555	66 334	30 555
Provisions	5 600	-	-	6 742	
<b>Total current liabilities</b>	<b>81 782</b>	<b>34 740</b>	<b>39 863</b>	<b>77 382</b>	<b>34 740</b>
<b>Non current liabilities</b>					
Borrowing	30 591	25 384	25 384	24 987	25 384
Provisions	7 427	7 717	7 717	9 369	7 717
<b>Total non current liabilities</b>	<b>38 018</b>	<b>33 101</b>	<b>33 101</b>	<b>34 356</b>	<b>33 101</b>
<b>TOTAL LIABILITIES</b>	<b>119 800</b>	<b>67 841</b>	<b>72 964</b>	<b>111 738</b>	<b>67 841</b>
<b>NET ASSETS</b>	<b>989 745</b>	<b>1 512 820</b>	<b>1 334 811</b>	<b>1 185 801</b>	<b>1 512 820</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	989 745	1 512 820	1 334 811	1 185 801	1 512 820
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>989 745</b>	<b>1 512 820</b>	<b>1 334 811</b>	<b>1 185 801</b>	<b>1 512 820</b>

Table C7 below display the Cash Flow Statement for the period ending 28 February 2014.

DC43 Sisonke - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M08 February									
Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted 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>									
Ratepayers and other	30 752	30 424	30 424	4 479	24 103	24 103	-		30 424
Government - operating	231 660	220 563	220 607	-	172 266	172 266	-		220 563
Government - capital	168 745	210 486	236 103	3 399	198 938	198 938	-		210 486
Interest	2 456	2 000	2 500	801	5 365	5 365	-		2 000
<b>Payments</b>									
Suppliers and employees	(264 286)	(194 417)	(261 997)	(30 264)	(193 052)	(193 052)	-		(194 417)
Finance charges	(1 768)	(3 500)	(3 521)	-	(1 427)	(1 427)	-		(3 500)
Transfers and Grants	-	(12 000)	(13 768)	(732)	(8 987)	(8 987)	-		(12 000)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>167 559</b>	<b>253 556</b>	<b>210 347</b>	<b>(22 318)</b>	<b>197 206</b>	<b>197 206</b>	<b>-</b>		<b>253 556</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Payments</b>									
Capital assets	(148 471)	(226 772)	(16 194)	(153 620)	(137 426)	(137 426)	-		(226 772)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(148 471)</b>	<b>(226 772)</b>	<b>(16 194)</b>	<b>(153 620)</b>	<b>(137 426)</b>	<b>(137 426)</b>	<b>-</b>		<b>(226 772)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Increase (decrease) in consumer deposits	-	12	-	-	-	-	-		-
<b>Payments</b>									
Repayment of borrowing	(2 652)	(2 482)	-	(1 297)	(1 297)	(1 297)	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(2 652)</b>	<b>(2 482)</b>	<b>-</b>	<b>(1 297)</b>	<b>(1 297)</b>	<b>(1 297)</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>16 436</b>	<b>24 303</b>	<b>194 153</b>	<b>(177 235)</b>	<b>58 483</b>	<b>58 483</b>			<b>26 784</b>
Cash/cash equivalents at beginning:	3 535	30 000	20 186	-	-	30 000	-		-
Cash/cash equivalents at month/year end:	19 970	54 303	214 339	-	58 483	88 483	-		26 784

There has been an increase in collection levels signalled by a collection ratio of 81% (January 2014: 43%). The interest earned on investments for the period ending 28 February is R 800 827.

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 28 February 2014.

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

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

Description	Budget Year 2013/14									Total	Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
<b>R thousands</b>											
<b>Debtors Age Analysis By Income Source</b>											
Trade and Other Receivables from Exchange Transactions - Water	3 740	3 036	2 076	2 120	1 966	1 630	7 735	36 408	58 711	49 859	
Receivables from Exchange Transactions - Waste Water Management	1 461	1 186	811	828	768	637	3 022	14 223	22 936	19 478	
Interest on Arrear Debtor Accounts	625	508	347	354	329	272	1 293	6 086	9 814	8 334	
<b>Total By Income Source</b>	<b>5 826</b>	<b>4 730</b>	<b>3 234</b>	<b>3 303</b>	<b>3 063</b>	<b>2 539</b>	<b>12 049</b>	<b>56 717</b>	<b>91 461</b>	<b>77 671</b>	
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	1 837	1 451	832	485	342	200	635	5 326	11 108	6 988	
Commercial	900	578	255	315	247	254	1 218	5 400	9 168	7 434	
Households	3 088	2 701	2 147	2 502	2 474	2 085	10 196	45 991	71 185	63 249	
<b>Total By Customer Group</b>	<b>5 826</b>	<b>4 730</b>	<b>3 234</b>	<b>3 303</b>	<b>3 063</b>	<b>2 539</b>	<b>12 049</b>	<b>56 717</b>	<b>91 461</b>	<b>77 671</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: 77%
- ✓ Government 06%
- ✓ Business 10%
- ✓ Other 2%

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

## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 28 February 2014.

DC43 Sisonke - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February									
Description	Budget Year 2013/14								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									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water	725								725
PAYE deductions	2 687								2 687
Trade Creditors	295								295
Auditor General	65								65
<b>Total By Customer Type</b>	<b>3 772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 772</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 28 February 2014.

### Cash and Bank Balances (Investments)

DC43 Sisonke - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February								
Investments by maturity Name of institution & investment ID	Ref	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands								
<b>Municipality</b>								
FIRST NATIONAL BANK	62095523281	MONEY MARKET		73		23 065	(9 151)	13 986
FIRST NATIONAL BANK	62138538692	CALL ACCOUNT		120		39 735	(24 043)	15 812
FIRST NATIONAL BANK	62032587331	CALL ACCOUNT		25		16 066	(5 877)	10 215
INVESTEC	50006688425	FIXED DEPOSIT		42		10 749		10 791
FIRST NATIONAL BANK	62398395204	CALL ACCOUNT		27		6 157		6 184
FIRST NATIONAL BANK	62414264797	CALL ACCOUNT		5		2 099		2 104
FIRST NATIONAL BANK	62434151239	CALL ACCOUNT		2		966		968
FIRST NATIONAL BANK	62434147072	CALL ACCOUNT		2		896		898
FIRST NATIONAL BANK	62434145331	CALL ACCOUNT		3		1 261		1 264
<b>Municipality sub-total</b>				300		100 994	(39 071)	62 223
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>			<b>300</b>		<b>100 994</b>	<b>(39 071)</b>	<b>62 223</b>

## 2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

DC43 Sisonke - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February									
Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted 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>217 200</b>	<b>220 310</b>	<b>220 310</b>	<b>-</b>	<b>167 166</b>	<b>166 171</b>	<b>-</b>		<b>220 010</b>
Local Government Equitable Share	203 556	216 056	216 056	-	162 042	162 042	-		216 056
Finance Management	1 250	1 250	1 250	-	1 250	1 250			1 250
Municipal Systems Improvement	1 000	890	890	-	890	890			890
WATER SERVICES OPERATING SUBSIDY GRANT	9 618	-	-	-	-	-			-
WATER SERVICES OPERATING SUBSIDY	-	300	300	-	1 170	175			
Rural Transport Services and Infrastructure Grant	1 776	1 814	1 814	-	1 814	1 814	-		1 814
<b>Provincial Government:</b>	<b>600</b>	<b>253</b>	<b>297</b>	<b>-</b>	<b>3 661</b>	<b>253</b>	<b>3 408</b>	<b>1346.9%</b>	<b>253</b>
Infrastructure Sport Facilities		253	253	-	-	253	(253)	-100.0%	253
District Growth Development Summit	400								
Accredited Councillors Training	200								
Ig seta			44	-	44		44	#DIV/0!	
Disaster management Cogta				-	3 000		3 000	#DIV/0!	
Cogta ubuhlebezwe-Water Infra					617		617	#DIV/0!	
<b>Total Operating Transfers and Grants</b>	<b>217 800</b>	<b>220 563</b>	<b>220 607</b>	<b>-</b>	<b>170 827</b>	<b>166 424</b>	<b>3 408</b>	<b>2.0%</b>	<b>220 263</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>173 813</b>	<b>210 486</b>	<b>232 486</b>	<b>3 399</b>	<b>200 377</b>	<b>177 328</b>	<b>821</b>	<b>0.5%</b>	<b>210 486</b>
Municipal Infrastructure Grant (MIG)	165 717	173 618	173 618	-	156 452	156 452	-		173 618
Regional Bulk Infrastructure	302	15 429	37 429	-	28 579	8 929			15 429
Neighbourhood Development Partnership	-	-	-	-	-	-			-
ENERGY EFFICIENCY AND DEMAND SIDE MANAGE	-	5 000	5 000	2 578	5 000	2 422			5 000
MUNICIPAL WATER INFRASTRUCTURE GRANT	-	13 700	13 700	-	7 607	7 607			13 700
Expanded public works programme incentive grant	4 594	2 739	2 739	821	2 739	1 918	821	42.8%	2 739
Farmers Market	3 200	-	-	-	-	-	-		-
<b>Provincial Government:</b>	<b>21 420</b>	<b>-</b>	<b>3 617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
ACIP Grant	620	-	-	-	-	-	-		-
Massification	20 800	-	-	-	-	-	-		-
Disaster Management Grant			3 000						
Ubhuhlebezwe Grant			617						
<b>Total Capital Transfers and Grants</b>	<b>195 233</b>	<b>210 486</b>	<b>236 103</b>	<b>3 399</b>	<b>200 377</b>	<b>177 328</b>	<b>821</b>	<b>0.5%</b>	<b>210 486</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>413 033</b>	<b>431 049</b>	<b>456 710</b>	<b>3 399</b>	<b>371 204</b>	<b>343 752</b>	<b>4 229</b>	<b>1.2%</b>	<b>430 749</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 Sisonke - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February									
Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted 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>	213 282	220 310	220 310	18 055	146 153	164 341	(18 188)	-11.1%	217 246
Local Government Equitable Share	203 556	216 056	216 056	18 005	144 037	162 441	(18 404)	-11.3%	216 056
Finance Management	1 250	1 250	1 250	50	521	600	(79)	-13.1%	
Municipal Systems Improvement	1 000	890	890	-	114	400	(286)	-71.5%	890
WATER SERVICES OPERATING SUBSIDY GRANT	5 700	-	-	-	-	-	-		-
WATER SERVICES OPERATING SUBSIDY		300	300	-	617	300	317	105.7%	300
Rural Transport Services and Infrastructure Grant	1 776	1 814	1 814	-	863	600	263	43.9%	-
<b>Provincial Government:</b>	90	253	297	-	-	-	-		253
Infrastructure Sport Facilities		253	253	-	-	-	-		253
Accredited Councillors Training	90								
lg seta			44						
<b>Total operating expenditure of Transfers and Grants:</b>	<b>213 372</b>	<b>220 563</b>	<b>220 607</b>	<b>18 055</b>	<b>146 153</b>	<b>164 341</b>	<b>(18 188)</b>	<b>-11.1%</b>	<b>217 499</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	172 982	210 486	232 486	16 991	119 843	146 293	(27 725)	-19.0%	195 057
Municipal Infrastructure Grant (MIG)	165 717	173 618	173 618	15 948	88 106	113 124	(25 018)	-22.1%	173 618
Regional Bulk Infrastructure	302	15 429	37 429	1 022	23 215	15 429	7 786	50.5%	
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT		5 000	5 000	-	367	2 500	(2 133)	-85.3%	5 000
MUNICIPAL WATER INFRASTRUCTURE GRANT		13 700	13 700	21	5 340	13 700	(8 360)	-61.0%	13 700
Expanded public works programme incentive grant	3 763	2 739	2 739	-	2 815	1 540			2 739
Farmers Market	3 200								
<b>Provincial Government:</b>	1 125	-	3 617	-	-	4 006	(4 006)	-100.0%	-
ACIP Grant	620								
Massification	505			-	-	4 006	(4 006)	-100.0%	
Disaster Management Grant			3 000						
Ubuhlebezwe Grant			617						
<b>Total capital expenditure of Transfers and Grants</b>	<b>174 107</b>	<b>210 486</b>	<b>236 103</b>	<b>16 991</b>	<b>119 843</b>	<b>150 300</b>	<b>(31 732)</b>	<b>-21.1%</b>	<b>195 057</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>387 479</b>	<b>431 049</b>	<b>456 710</b>	<b>35 046</b>	<b>265 996</b>	<b>314 641</b>	<b>(49 920)</b>	<b>-15.9%</b>	<b>412 556</b>



## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 28 February 2014.

DC43 Sisonke - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February									
Summary of Employee and Councillor remuneration	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	3 894	3 370	-	292	2 210	697	1 513	217%	3 370
Pension and UIF Contributions	-	441	-	22	165	73	92	126%	441
Medical Aid Contributions	-	104	-	5	39	17	22	126%	104
Motor Vehicle Allowance	498	1 301	-	64	486	215	271	126%	1 301
Cellphone Allowance	180	286	-	14	107	47	59	126%	286
Other benefits and allowances	50	680	-	34	254	112	142	126%	680
<b>Sub Total - Councillors</b>	<b>4 622</b>	<b>6 181</b>	<b>-</b>	<b>431</b>	<b>3 260</b>	<b>1 162</b>	<b>2 098</b>	<b>181%</b>	<b>6 181</b>
<b>% increase</b>		<b>33.7%</b>							<b>33.7%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	2 127	3 801	-	341	2 700	1 001	1 699	170%	3 801
Pension and UIF Contributions	7	2	-	0	2	1	1	170%	2
Medical Aid Contributions	47	4	-	0	3	1	2	170%	4
Performance Bonus	-	525	-	47	373	138	235	170%	525
Motor Vehicle Allowance	754	2 376	-	213	1 688	626	1 062	170%	2 376
Cellphone Allowance	65	111	-	10	79	29	50	170%	111
Housing Allowances	277	-	-	-	-	-	-	-	-
Other benefits and allowances	2	3	-	0	2	1	2	170%	3
<b>Sub Total - Senior Managers of Municipality</b>	<b>3 279</b>	<b>6 823</b>	<b>-</b>	<b>612</b>	<b>4 847</b>	<b>1 796</b>	<b>3 051</b>	<b>170%</b>	<b>6 823</b>
<b>% increase</b>		<b>108.1%</b>							<b>108.1%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	53 145	60 398	-	5 416	42 906	15 902	27 004	170%	60 398
Pension and UIF Contributions	8 267	10 212	-	916	7 255	2 689	4 566	170%	10 212
Medical Aid Contributions	3 206	1 411	-	127	1 002	372	631	170%	1 411
Overtime	4 674	1 261	-	113	896	332	564	170%	1 261
Performance Bonus	3 301	5 596	-	502	3 976	1 473	2 502	170%	5 596
Motor Vehicle Allowance	3 950	2 572	-	231	1 827	677	1 150	170%	2 572
Cellphone Allowance	307	439	-	39	312	116	196	170%	439
Housing Allowances	218	38	-	3	27	10	17	170%	38
Other benefits and allowances	22	1 682	-	151	1 195	443	752	170%	1 682
Payments in lieu of leave	1 054	-	-	-	-	-	-	-	-
Long service awards	167	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	<b>78 311</b>	<b>83 611</b>	<b>-</b>	<b>7 498</b>	<b>59 396</b>	<b>22 013</b>	<b>37 383</b>	<b>170%</b>	<b>83 611</b>
<b>% increase</b>		<b>6.8%</b>							<b>6.8%</b>
<b>Total Parent Municipality</b>	<b>86 212</b>	<b>96 615</b>	<b>-</b>	<b>8 541</b>	<b>67 503</b>	<b>24 971</b>	<b>42 532</b>	<b>170%</b>	<b>96 615</b>
		<b>12.1%</b>							<b>12.1%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>86 212</b>	<b>96 615</b>	<b>-</b>	<b>8 541</b>	<b>67 503</b>	<b>24 971</b>	<b>42 532</b>	<b>170%</b>	<b>96 615</b>
<b>% increase</b>		<b>12.1%</b>							<b>12.1%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>81 590</b>	<b>90 434</b>	<b>-</b>	<b>8 110</b>	<b>64 243</b>	<b>23 809</b>	<b>40 434</b>	<b>170%</b>	<b>90 434</b>

## 2.6 Material Variances to the SDBIP

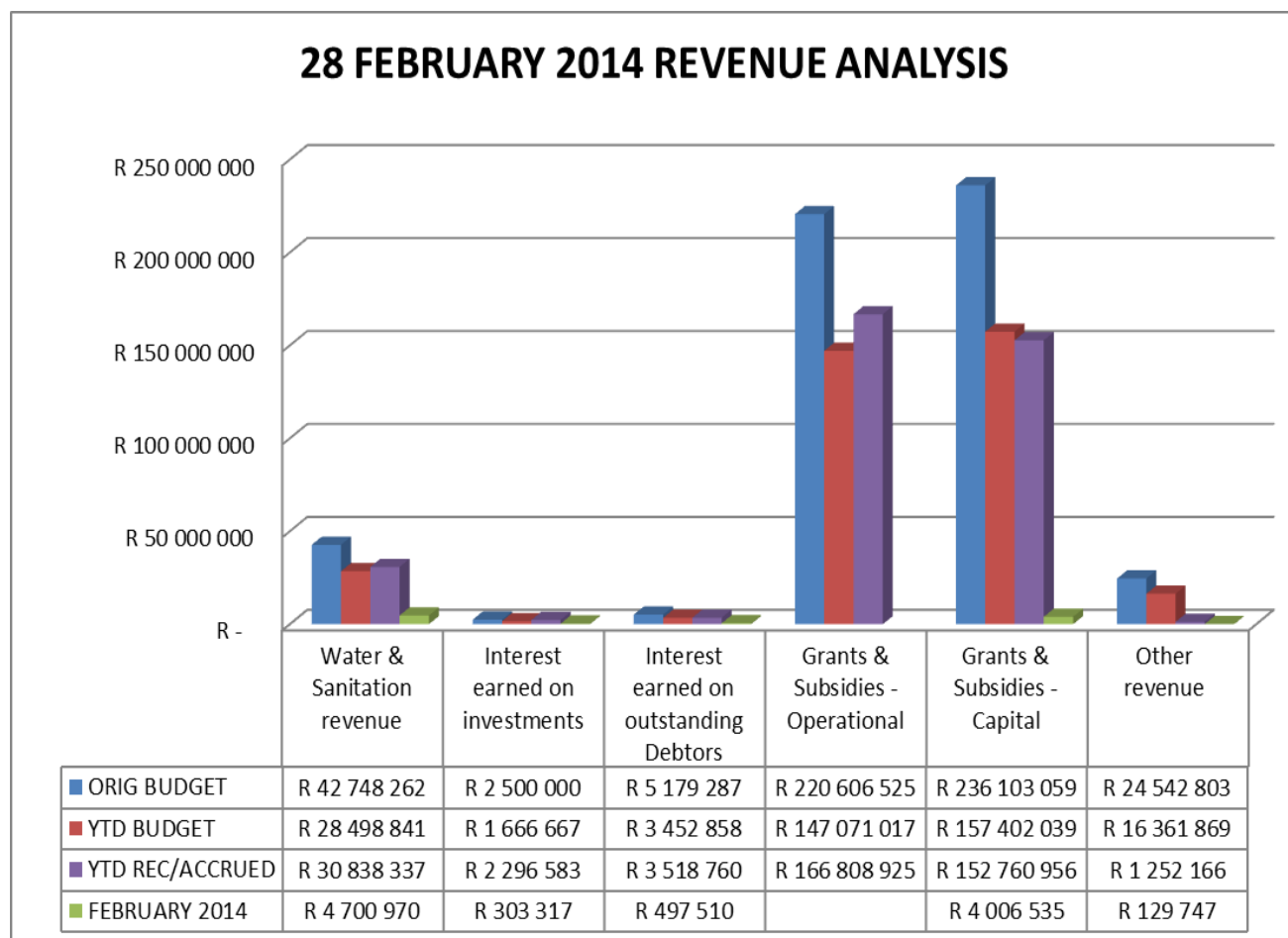
The following section analyses material variances between the actual targets as at 28 February 2014 and the budget for the same period. This report analyses each major component under following headings;

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

### REVENUE

The chart displays a comparison between the 2013/14 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 2014 was R5, 3million against a year to date **budget** of R28, 4million.

#### Interest Earned on External Investments

The actual interest earned on external investments as at 28 February 2014 is R 800 827 against year to date budget of R 5, 1m. This represent 16% of monthly received against year to date budget.

#### Transfers Recognised - Operational

There is no operational grants revenue received for the period ending 28 February 2014.

#### Transfers Recognised – Capital

The expenditure trends on grant funded expenditure had resulted in a positive way as expected against the set targets. The expenditure for the month ending 28 February was R 4m and YTD actual was R152, 7million (against a YTD budget of R157, 4 million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 97% performance in Conditional Capital grant funding expenditures.

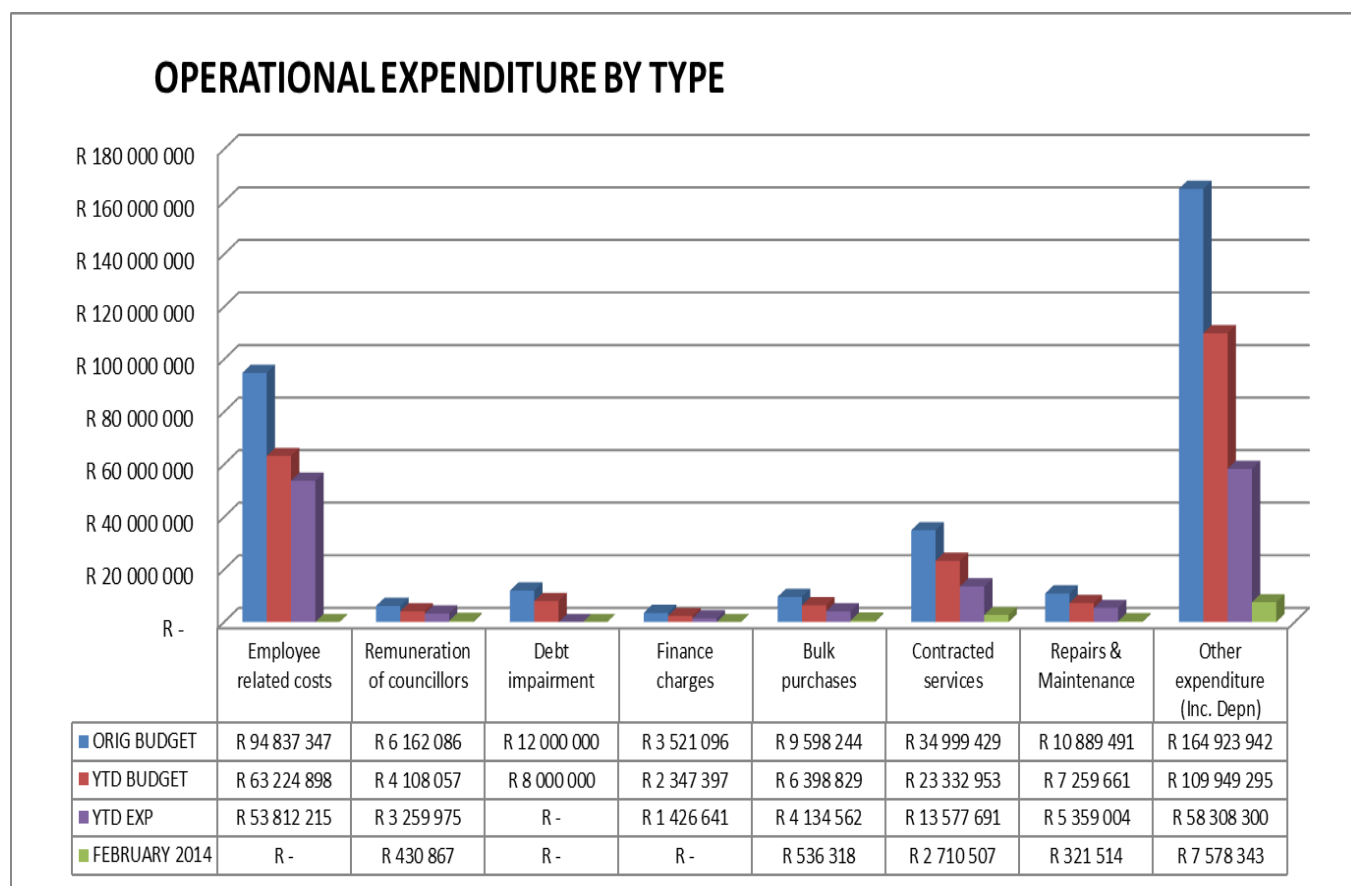
**Other Revenue**

The YTD performance of other revenue is R1, 2m against YTD budget of R16, 3m 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: 2013/14 Financial year Opex**



**Employee Related Costs**

The YTD budget for employee related costs is R63, 2million against a YTD actual of R53, 8million which is 85% of the YTD budget.

**Remuneration of Councillors**

The remuneration of councillor’s expenditure as at 28 February 2014 was R430 867 against a YTD budget of R 4 million.

### **Finance Charges**

As at 28 February 2014, the finance charges YTD budget is R2, 3m against YTD movement of R 1, 4m and there were no movements.

### **Bulk Purchases**

The YTD expenditure on Bulk Water purchases is R4, 1m against a YTD budget of R 6, 3m and the expenditure for the month ending 28 February was R 536 318.

### **Other Expenditure**

The YTD budget for other expenditure was at R109, 9million against a YTD expenditure of R58million.

### **Performance assessment**

The Performance Assessment Report will be available on the last quarter of 2013/2014 financial year in terms of mid-term performance assessment in accordance with the Municipal Finance Management Act.

### **Actual and revised targets for cash receipts**

# Harry Gwala District Municipality

DC43 Sisonke - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M08 February													2013/14 Medium Term Revenue & Expenditure Framework				
Description	Budget Year 2013/14												Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget					
<b>Cash Receipts By Source</b>																	
Service charges - water revenue	2 287	842	1 731	929	4 214	1 494	1 469	3 045	1 746	1 746	1 746	(300)	20 947	22 622	18 054		
Service charges - sanitation revenue	980	361	742	398	1 806	640	629	1 305	748	748	748	(129)	8 977	9 695	7 738		
Interest earned - external investments	5	379	46	277	191	262	383	303	249	165	84	(345)	2 000	2 000	2 000		
Interest earned - outstanding debtors	428	442	352	443	437	453	465	498				(3 519)					
Transfer receipts - operating	94 047	1 869	-	-	72 019	4 331	-	-	51 582	-	-	(3 284)	220 563	242 058	252 948		
Other revenue	69	278	242	303	85	59	67	129	83	-	83	(898)	500	500	500		
<b>Cash Receipts by Source</b>	<b>97 816</b>	<b>4 172</b>	<b>3 112</b>	<b>2 351</b>	<b>78 751</b>	<b>7 239</b>	<b>3 014</b>	<b>5 280</b>	<b>54 407</b>	<b>2 659</b>	<b>2 661</b>	<b>(8 475)</b>	<b>252 987</b>	<b>276 876</b>	<b>281 240</b>		
<b>Other Cash Flows by Source</b>																	
Transfer receipts - capital	89 209	5 671	13 621	7 158	79 880	-	-	3 399	47 747	-	989	(37 188)	210 486	243 163	274 050		
<b>Total Cash Receipts by Source</b>	<b>187 025</b>	<b>9 843</b>	<b>16 733</b>	<b>9 509</b>	<b>158 631</b>	<b>7 239</b>	<b>3 014</b>	<b>8 679</b>	<b>102 154</b>	<b>2 659</b>	<b>3 650</b>	<b>(45 663)</b>	<b>463 473</b>	<b>520 039</b>	<b>555 290</b>		
<b>Cash Payments by Type</b>																	
Employee related costs	7 713	7 945	8 152	7 847	7 638	8 339	8 500	8 110	7 625	7 625	7 625	3 314	90 434	98 831	105 730		
Remuneration of councillors	340	340	481	414	405	424	425	431	515	515	515	1 376	6 181	6 576	7 037		
Interest paid	-	-	0	-	208	1 427	-	-	208	208	208	1 240	3 500	2 800	2 500		
Bulk purchases - Water & Sewer	-	478	529	1 278	650	459	512	352	650	650	650	1 592	7 800	8 221	8 665		
Contracted services	699	987	1 500	2 681	1 015	3 661	1 179	1 036	2 833	2 833	2 833	15 060	36 317	37 923	37 699		
Grants and subsidies paid - other	4 000	-	-	-	-	4 255	-	732	1 000	1 000	1 000	13	12 000	12 672	13 382		
General expenses	29 402	1 854	19 993	14 960	9 584	7 057	5 140	20 335	4 474	4 474	4 474	(68 061)	53 685	54 805	57 765		
<b>Cash Payments by Type</b>	<b>42 153</b>	<b>11 605</b>	<b>30 655</b>	<b>27 179</b>	<b>19 501</b>	<b>25 622</b>	<b>15 755</b>	<b>30 996</b>	<b>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>(45 467)</b>	<b>209 917</b>	<b>221 829</b>	<b>232 779</b>		
<b>Other Cash Flows/Payments by Type</b>																	
Capital assets	12 069	24 855	21 379	18 085	19 502	37 466	4 070	16 194	18 898	18 898	18 898	16 459	226 772	252 706	285 691		
Repayment of borrowing	-	-	-	-	-	1 297	-	-	208	208	208	573	2 494	2 735	2 997		
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	(1)	(1)	(1)	(9)	(12)	(14)	(17)		
<b>Total Cash Payments by Type</b>	<b>54 223</b>	<b>36 460</b>	<b>52 034</b>	<b>45 264</b>	<b>39 002</b>	<b>64 386</b>	<b>19 825</b>	<b>47 190</b>	<b>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>(28 444)</b>	<b>439 170</b>	<b>477 256</b>	<b>521 449</b>		
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>																	
	132 802	(26 817)	(35 301)	(35 755)	119 629	(57 146)	(16 811)	(38 511)	65 744	(33 751)	(32 760)	(17 219)	24 303	42 783	33 841		
Cash/cash equivalents at the monthly year beginn	20 186	152 988	126 371	91 070	55 315	174 944	117 797	100 986	62 475	128 219	94 468	61 708	20 186	44 489	87 272		
Cash/cash equivalents at the monthly year end:	152 988	126 371	91 070	55 315	174 944	117 797	100 986	62 475	128 219	94 468	61 708	44 469	44 469	87 272	121 113		

## Parent Municipal financial performance

DC43 Sisonke - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M08 February

Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Service charges - water revenue	26 799	30 697	30 697	3 291	21 587	15 971	5 616	35%	30 697
Service charges - sanitation revenue	11 485	12 052	12 052	1 410	9 252	8 018	1 233	15%	12 052
Interest earned - external investments	2 753	2 000	2 500	303	2 297	1 206	1 090	90%	2 000
Interest earned - outstanding debtors			5 179	498	3 519	-	3 519	#DIV/0!	
Transfers recognised - operational	217 640	220 563	220 607	1	166 809	164 341	2 468	2%	220 563
Other revenue	6 567	500	24 543	129	1 252	250	1 002	401%	500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>265 244</b>	<b>265 811</b>	<b>295 577</b>	<b>5 632</b>	<b>204 715</b>	<b>189 786</b>	<b>14 929</b>	<b>8%</b>	<b>265 811</b>
<b>Expenditure By Type</b>									
Employee related costs	81 571	90 434	94 837	8 110	64 243	45 753	18 490	40%	90 434
Remuneration of councillors	4 622	6 181	6 162	431	3 260	3 090	170	5%	6 181
Debt impairment	8 000	12 000	12 000	-	-	5 622	(5 622)	-100%	12 000
Depreciation & asset impairment	18 000	20 000	25 000	335	335	9 500	(9 165)	-96%	20 000
Finance charges	3 680	3 500	3 521	-	1 427	1 250	177	14%	3 500
Bulk purchases	9 422	7 800	9 598	352	4 487	3 900	587	15%	7 800
Contracted services	17 492	36 317	34 999	1 036	14 614	16 999	(2 385)	-14%	36 317
Transfers and grants	9 569	12 000	13 768	732	8 987	6 000	2 987	50%	12 000
Other expenditure	123 714	66 763	137 045	769	55 599	32 898	22 700	69%	66 763
<b>Total Expenditure</b>	<b>276 070</b>	<b>254 996</b>	<b>336 932</b>	<b>11 765</b>	<b>152 951</b>	<b>125 013</b>	<b>27 938</b>	<b>22%</b>	<b>254 996</b>
<b>Surplus/(Deficit)</b>	<b>(10 825)</b>	<b>10 816</b>	<b>(41 355)</b>	<b>(6 134)</b>	<b>51 764</b>	<b>64 773</b>	<b>(13 009)</b>	<b>-20%</b>	<b>10 816</b>
Transfers recognised - capital	178 591	210 486	236 103	4 007	152 761	150 300	2 461	2%	15 449
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>167 766</b>	<b>221 302</b>	<b>194 748</b>	<b>(2 127)</b>	<b>204 525</b>	<b>215 073</b>	<b>(10 548)</b>	<b>-5%</b>	<b>26 264</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>167 766</b>	<b>221 302</b>	<b>194 748</b>	<b>(2 127)</b>	<b>204 525</b>	<b>215 073</b>	<b>(10 548)</b>	<b>-5%</b>	<b>26 264</b>

## Capital Expenditure Trend

DC43 Sisonke - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M08 February

Month	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted 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	7 595	18 898	-	12 069	12 069	18 898	6 828	36.1%	5%
August	8 947	18 898	-	24 855	36 925	37 795	871	2.3%	16%
September	8 497	18 898	-	13 839	50 764	56 693	5 929	10.5%	22%
October	10 497	18 898	-	18 085	68 849	75 591	6 742	8.9%	30%
November	14 172	18 898	-	19 502	88 350	94 488	6 138	6.5%	39%
December	19 194	18 898	-	37 466	125 817	113 386	(12 431)	-11.0%	55%
January	11 905	18 898	-	4 070	129 886	132 283	2 397	1.8%	57%
February	7 877	18 898	-	16 194	146 080	151 181	5 101	3.4%	64%
March	4 980	18 898	-			170 079	-		
April	11 806	18 898	-			188 976	-		
May	24 362	18 898	-			207 874	-		
June	18 556	19 360	-			227 234	-		
<b>Total Capital expenditure</b>	<b>148 388</b>	<b>227 234</b>	<b>-</b>	<b>146 080</b>					

## Capital Expenditure on New Assets by Asset Class

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

Description	2012/13	Budget Year 2013/14							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	136 252	217 762	-	15 280	137 080	143 153	6 073	4.2%	217 762
Infrastructure - Electricity	2 935	580	-	-	1 402	1 109	(293)	-26.4%	580
<i>Transmission &amp; Reticulation</i>	2 935	580	-	-	1 402	1 109	(293)	-26.4%	580
Infrastructure - Water	96 364	166 970	-	7 738	96 355	104 565	8 209	7.9%	166 970
<i>Reticulation</i>	96 364	166 970	-	7 738	96 355	104 565	8 209	7.9%	166 970
Infrastructure - Sanitation	36 953	50 012	-	7 542	39 322	37 479	(1 843)	-4.9%	50 012
<i>Sewerage purification</i>	36 953	50 012	-	7 542	39 322	37 479	(1 843)	-4.9%	50 012
Infrastructure - Other	-	200	-	-	-	-	-		200
<i>Other</i>	-	200	-	-	-	-	-		200
<b>Community</b>	6 157	2 000	-	827	1 124	297	(827)	-278.9%	2 000
Other	6 157	2 000	-	827	1 124	297	(827)	-278.9%	2 000
<b>Other assets</b>	808	4 252	-	24	5 305	5 281	(24)	-0.4%	4 252
General v vehicles	277	2 739	-	-	5 006	5 006	-		2 739
Furniture and other office equipment	230	798	-	24	284	260	(24)	-9.1%	798
Other Buildings	301	700	-	-	-	-	-		700
Other	-	15	-	-	15	15	-		15
<b>Intangibles</b>	385	572	-	54	62	6	(56)	-904.0%	572
Computers - software & programming	385	572	-	54	62	6	(56)	-904.0%	572
<b>Total Capital Expenditure on new assets</b>	143 601	224 587	-	16 185	143 571	148 737	5 166	3.5%	224 587
<b>Specialised vehicles</b>	-	-	-	-	-	-	-		-
Refuse	-	-	-	-	-	-	-		-
Fire	-	-	-	-	-	-	-		-
Conservancy	-	-	-	-	-	-	-		-
Ambulances	-	-	-	-	-	-	-		-



## Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Sisonke - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M08 February									
Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	4 787	2 647	-	-	492	492	-		2 647
Infrastructure - Water	2 402	1 378	-	-	492	492	-		1 378
<i>Reticulation</i>	2 402	1 378	-	-	492	492	-		1 378
Infrastructure - Sanitation	2 385	1 269	-	-	-	-	-		1 269
<i>Sewerage purification</i>	2 385	1 269	-	-	-	-	-		1 269
<b>Intangibles</b>	-	-	-	9	1 079	1 071	(9)	-0.8%	-
Computers - software & programming				9	1 079	1 071	(9)	-0.8%	
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>4 787</b>	<b>2 647</b>	<b>-</b>	<b>9</b>	<b>1 571</b>	<b>1 563</b>	<b>(9)</b>	<b>-0.6%</b>	<b>2 647</b>
<b>Specialised vehicles</b>	-	-	-	-	-	-	-		-
Refuse							-		
Fire							-		
Conservancy							-		
Ambulances							-		

## 2.7 Municipal Manager's Quality's Certificate

### Quality Certificate

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

- The monthly budget statement

For the month of February 2014 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 \_\_\_\_\_