

# Harry Gwala District Municipality

MFMA s71 report for the period ending 31 January 2014.

11/2/2014

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 31 January 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 Monthly Budget Statement Summary - M07 January									
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	-	4 185	26 137	23 989	2 149	9%	44 748
Investment revenue	2 753	2 000	-	383	1 993	1 206	787	65%	-
Transfers recognised - operational	217 640	220 563	-	-	166 808	164 341	2 467	2%	220 563
Other own revenue	6 567	500	-	533	4 145	250	3 895	1558%	500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>267 997</b>	<b>267 811</b>	<b>-</b>	<b>5 101</b>	<b>199 083</b>	<b>189 786</b>	<b>9 297</b>	<b>5%</b>	<b>265 811</b>
Employee costs	81 571	90 434	-	8 500	56 133	45 753	10 380	23%	90 434
Remuneration of Councillors	4 622	6 181	-	425	2 829	3 090	(261)	-8%	6 181
Depreciation & asset impairment	18 000	20 000	-	-	-	9 500	(9 500)	-100%	20 000
Finance charges	3 680	3 500	-	-	1 427	1 250	177	14%	3 500
Materials and bulk purchases	9 422	7 800	-	512	3 598	3 900	(302)	-8%	7 800
Transfers and grants	9 569	12 000	-	-	8 255	6 000	2 255		12 000
Other expenditure	149 206	115 081	-	7 737	58 379	55 520	2 860	5%	115 081
<b>Total Expenditure</b>	<b>276 070</b>	<b>254 996</b>	<b>-</b>	<b>17 174</b>	<b>130 622</b>	<b>125 013</b>	<b>5 609</b>	<b>4%</b>	<b>254 996</b>
<b>Surplus/(Deficit)</b>	<b>(8 072)</b>	<b>12 816</b>	<b>-</b>	<b>(12 073)</b>	<b>68 461</b>	<b>64 773</b>	<b>3 688</b>	<b>6%</b>	<b>10 816</b>
Transfers recognised - capital	178 591	210 486	-	-	148 754	150 300	(1 545)	-1%	210 486
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>170 519</b>	<b>223 302</b>	<b>-</b>	<b>(12 073)</b>	<b>217 216</b>	<b>215 073</b>	<b>2 143</b>	<b>1%</b>	<b>221 302</b>
<b>Surplus/ (Deficit) for the year</b>	<b>170 519</b>	<b>223 302</b>	<b>-</b>	<b>(12 073)</b>	<b>217 216</b>	<b>215 073</b>	<b>2 143</b>	<b>1%</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>-</b>	<b>11 194</b>	<b>128 948</b>	<b>150 300</b>	<b>(21 351)</b>	<b>-14%</b>	<b>227 234</b>
Capital transfers recognised	148 388	210 486	-	11 194	128 948	150 300	(21 351)	-14%	210 486
Internally generated funds	-	16 748	-	-	-	-	-		16 748
<b>Total sources of capital funds</b>	<b>148 388</b>	<b>227 234</b>	<b>-</b>	<b>11 194</b>	<b>128 948</b>	<b>150 300</b>	<b>(21 351)</b>	<b>-14%</b>	<b>227 234</b>
<b>Financial position</b>									
Total current assets	26 042	63 318	-	-	133 305	-	-		63 318
Total non current assets	1 083 502	1 517 343	-	-	1 222 183	-	-		1 517 343
Total current liabilities	81 782	34 740	-	-	113 639	-	-		34 740
Total non current liabilities	38 018	33 101	-	-	35 634	-	-		33 101
<b>Community wealth/Equity</b>	<b>989 745</b>	<b>1 512 820</b>	<b>-</b>	<b>-</b>	<b>1 206 215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 512 820</b>
<b>Cash flows</b>									
Net cash from (used) operating	167 559	253 556	-	(12 741)	217 210	148 718	68 492	46%	253 556
Net cash from (used) investing	(148 471)	(226 772)	-	(4 070)	(137 426)	(132 283)	(5 142)	4%	(226 772)
Net cash from (used) financing	(2 652)	(2 482)	-	-	(1 297)	-	(1 297)	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>19 970</b>	<b>54 303</b>	<b>-</b>	<b>-</b>	<b>98 673</b>	<b>46 435</b>	<b>52 239</b>	<b>112%</b>	<b>46 970</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	4 572	4 784	4 005	3 303	2 847	-	-	-	19 511
<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 Monthly Budget Statement - Financial Performance (standard classification) - M07 January									
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 - Standard</b>									
<b>Governance and administration</b>	214 469	220 696	–	852	168 392	165 797	2 594	2%	220 696
Budget and treasury office	214 469	220 696	–	852	168 348	165 797	2 551	2%	220 696
Corporate services	–	–	–	–	44	–	44	#DIV/0!	–
<b>Economic and environmental services</b>	90	–	–	–	3 171	–	3 171	#DIV/0!	–
Planning and development	90	–	–	–	3 171	–	3 171	#DIV/0!	–
<b>Trading services</b>	229 276	255 601	–	4 249	176 275	174 288	1 987	1%	56 748
Water	44 642	56 748	–	4 249	26 555	23 989	2 566	11%	56 748
Waste water management	184 635	198 853	–	–	149 720	150 300	(579)	0%	–
<b>Total Revenue - Standard</b>	<b>443 835</b>	<b>476 297</b>	<b>–</b>	<b>5 101</b>	<b>347 838</b>	<b>340 086</b>	<b>7 752</b>	<b>2%</b>	<b>277 444</b>
<b>Expenditure - Standard</b>									
<b>Governance and administration</b>	100 756	121 481	–	6 056	48 969	59 557	(10 588)	-18%	121 481
Executive and council	12 415	18 956	–	1 471	9 632	9 293	338	4%	18 956
Budget and treasury office	54 930	63 431	–	1 485	17 990	31 097	(13 107)	-42%	63 431
Corporate services	33 411	39 094	–	3 100	21 347	19 166	2 181	11%	39 094
<b>Economic and environmental services</b>	35 122	45 047	–	2 446	26 956	22 084	4 872	22%	45 047
Planning and development	35 122	33 047	–	2 446	18 701	14 646	4 055	28%	33 047
Environmental protection	–	12 000	–	–	8 255	7 438	817	11%	12 000
<b>Trading services</b>	140 192	88 467	–	8 672	54 696	43 372	11 325	26%	88 467
Water	34 630	78 651	–	7 910	48 221	38 559	9 662	25%	78 651
Waste water management	105 562	9 816	–	762	6 475	4 813	1 663	35%	9 816
<b>Total Expenditure - Standard</b>	<b>276 070</b>	<b>254 996</b>	<b>–</b>	<b>17 174</b>	<b>130 622</b>	<b>125 013</b>	<b>5 609</b>	<b>4%</b>	<b>254 996</b>
<b>Surplus/ (Deficit) for the year</b>	<b>167 766</b>	<b>221 302</b>	<b>–</b>	<b>(12 073)</b>	<b>217 216</b>	<b>215 073</b>	<b>2 143</b>	<b>1%</b>	<b>22 449</b>

This table assess the revenue by department and then the expenditure for the period ending 31 January 2014. Revenue receipts in January have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of January is 8%.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has largest expenditure by 33% in the period ending 31 January 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 its by Municipal vote.

DC43 Sisonke - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January									
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 2 - Finance	214 469	220 696	-	852	168 348	165 797	2 551	1.5%	220 696
Vote 3 - Corporate Services	-	-	-	-	44	-	44	#DIV/0!	-
Vote 4 - Economic & Community Services	90	-	-	-	3 171	-	3 171	#DIV/0!	-
Vote 5 - Infrastructure Services	184 635	198 853	-	-	149 720	150 300	(579)	-0.4%	198 853
Vote 6 - Water Services	44 642	56 748	-	4 249	26 555	23 989	2 566	10.7%	56 748
<b>Total Revenue by Vote</b>	<b>443 835</b>	<b>476 297</b>	<b>-</b>	<b>5 101</b>	<b>347 838</b>	<b>340 086</b>	<b>7 752</b>	<b>2.3%</b>	<b>476 297</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	12 415	18 956	-	1 471	9 632	9 293	338	3.6%	18 956
Vote 2 - Finance	54 930	63 431	-	1 485	17 990	31 097	(13 107)	-42.1%	63 431
Vote 3 - Corporate Services	33 411	39 094	-	3 100	21 347	19 166	2 181	11.4%	39 094
Vote 4 - Economic & Community Services	35 122	45 047	-	2 446	26 956	22 084	4 872	22.1%	45 047
Vote 5 - Infrastructure Services	34 630	9 816	-	762	6 475	4 813	1 663	34.6%	78 651
Vote 6 - Water Services	105 562	78 651	-	7 910	48 221	38 559	9 662	25.1%	9 816
<b>Total Expenditure by Vote</b>	<b>276 070</b>	<b>254 996</b>	<b>-</b>	<b>17 174</b>	<b>130 622</b>	<b>125 013</b>	<b>5 609</b>	<b>4.5%</b>	<b>254 996</b>
<b>Surplus/ (Deficit) for the year</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>(12 073)</b>	<b>217 216</b>	<b>215 073</b>	<b>2 143</b>	<b>1.0%</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 31 January 2014.

DC43 Sisonke - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

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>Revenue By Source</b>									
Service charges - water revenue	26 799	30 697	-	2 929	18 296	15 971	2 325	15%	30 697
Service charges - sanitation revenue	11 485	12 052	-	1 255	7 841	8 018	(177)	-2%	12 052
Service charges - other			-				-		2 000
Interest earned - external investments	2 753	2 000		383	1 993	1 206	787	65%	
Interest earned - outstanding debtors				465	3 021	-	3 021	#DIV/0!	
Transfers recognised - operational	217 640	220 563	-	-	166 808	164 341	2 467	2%	220 563
Other revenue	6 567	500	-	67	1 123	250	873	349%	500
Gains on disposal of PPE							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>265 244</b>	<b>265 811</b>	<b>-</b>	<b>5 101</b>	<b>199 083</b>	<b>189 786</b>	<b>9 297</b>	<b>5%</b>	<b>265 811</b>
<b>Expenditure By Type</b>									
Employee related costs	81 571	90 434	-	8 500	56 133	45 753	10 380	23%	90 434
Remuneration of councillors	4 622	6 181	-	425	2 829	3 090	(261)	-8%	6 181
Debt impairment	8 000	12 000	-	-	-	5 622	(5 622)	-100%	12 000
Depreciation & asset impairment	18 000	20 000	-	-	-	9 500	(9 500)	-100%	20 000
Finance charges	3 680	3 500	-	-	1 427	1 250	177	14%	3 500
Bulk purchases	9 422	7 800	-	512	3 598	3 900	(302)	-8%	7 800
Contracted services	17 492	36 317	-	1 179	11 721	16 999	(5 278)	-31%	36 317
Transfers and grants	9 569	12 000	-	-	8 255	6 000	2 255	38%	12 000
Other expenditure	123 714	66 763	-	6 558	46 658	32 898	13 760	42%	66 763
<b>Total Expenditure</b>	<b>276 070</b>	<b>254 996</b>	<b>-</b>	<b>17 174</b>	<b>130 622</b>	<b>125 013</b>	<b>5 609</b>	<b>4%</b>	<b>254 996</b>
<b>Surplus/(Deficit)</b>	<b>(10 825)</b>	<b>10 816</b>	<b>-</b>	<b>(12 073)</b>	<b>68 461</b>	<b>64 773</b>	<b>3 688</b>	<b>0</b>	<b>10 816</b>
Transfers recognised - capital	178 591	210 486	-	-	148 754	150 300	(1 545)	(0)	210 486
Contributed assets							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>(12 073)</b>	<b>217 216</b>	<b>215 073</b>			<b>221 302</b>
<b>Surplus/(Deficit) after taxation</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>(12 073)</b>	<b>217 216</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>-</b>	<b>(12 073)</b>	<b>217 216</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>-</b>	<b>(12 073)</b>	<b>217 216</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.

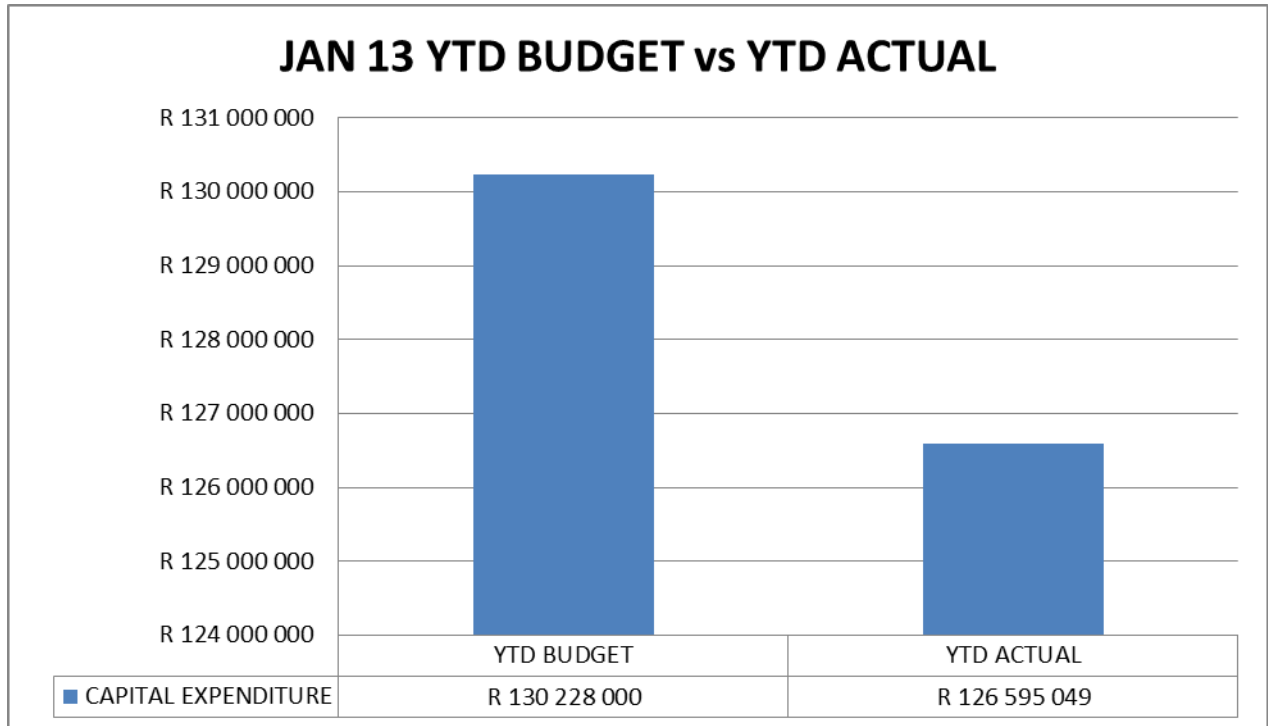


DC43 Sisonke - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M07 January									
Vote Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 2 - Finance	136	130	-	-	-	130	(130)	-100%	130
Vote 3 - Corporate Services	368	3 256	-	2	2 353	1 628	725	45%	3 256
Vote 5 - Infrastructure Services	147 884	223 248	-	11 193	126 595	148 242	(21 647)	-15%	223 248
Vote 6 - Water Services	-	600	-	-	-	300	(300)	-100%	600
<b>Total Capital Multi-year expenditure</b>	<b>148 388</b>	<b>227 234</b>	<b>-</b>	<b>11 194</b>	<b>128 948</b>	<b>150 300</b>	<b>(21 351)</b>	<b>-14%</b>	<b>227 234</b>
<b>Total Capital Expenditure</b>	<b>148 388</b>	<b>227 234</b>	<b>-</b>	<b>11 194</b>	<b>128 948</b>	<b>150 300</b>	<b>(21 351)</b>	<b>-14%</b>	<b>227 234</b>
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>	<b>504</b>	<b>3 386</b>	<b>-</b>	<b>2</b>	<b>2 353</b>	<b>1 758</b>	<b>595</b>	<b>34%</b>	<b>3 386</b>
Budget and treasury office	136	130	-	-	-	130	(130)	-100%	130
Corporate services	368	3 256	-	2	2 353	1 628	725	45%	3 256
<b>Trading services</b>	<b>147 884</b>	<b>223 848</b>	<b>-</b>	<b>11 193</b>	<b>126 595</b>	<b>148 542</b>	<b>(21 947)</b>	<b>-15%</b>	<b>223 848</b>
Water	-	600	-	-	-	300	(300)	-100%	600
Waste water management	147 884	223 248	-	11 193	126 595	148 242	(21 647)	-15%	223 248
<b>Total Capital Expenditure - Standard Classification</b>	<b>148 388</b>	<b>227 234</b>	<b>-</b>	<b>11 194</b>	<b>128 948</b>	<b>150 300</b>	<b>(21 351)</b>	<b>-14%</b>	<b>227 234</b>
<b>Funded by:</b>									
National Government	128 865	210 486	-	10 901	118 879	137 822	(18 943)	-14%	210 486
Provincial Government	19 523	-	-	293	7 999	9 835	(1 837)	-19%	
District Municipality	-	-	-	-	2 070	2 642	(572)	-22%	
<b>Transfers recognised - capital</b>	<b>148 388</b>	<b>210 486</b>	<b>-</b>	<b>11 194</b>	<b>128 948</b>	<b>150 300</b>	<b>(21 351)</b>	<b>-14%</b>	<b>210 486</b>
<b>Internally generated funds</b>		<b>16 748</b>							<b>16 748</b>
<b>Total Capital Funding</b>	<b>148 388</b>	<b>227 234</b>	<b>-</b>	<b>11 194</b>	<b>128 948</b>	<b>150 300</b>	<b>(21 351)</b>	<b>-14%</b>	<b>227 234</b>

As alluded to above, the capital expenditure programme for the month ending 31 January was R11 m which represents 8% 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 31 January 2014, the year to date actual expenditure was R126, 5million against a YTD budget of R130, 2million. In monetary terms, these figures represent 97% per cent performance against the capital development programme as at 31 January 2014.

Table C6 displays the financial position of the municipality as at 31 January 2014.

<b>DC43 Sisonke - Table C6 Consolidated Monthly Budget Statement - Financial Position - M07 January</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	–	100 986	54 303
Consumer debtors	5 957	2 505	–	11 498	2 505
Other debtors		6 510	–	8 614	6 510
Inventory	116	–	–	116	
<b>Total current assets</b>	<b>26 042</b>	<b>63 318</b>	<b>–</b>	<b>121 214</b>	<b>63 318</b>
<b>Non current assets</b>					
Property, plant and equipment	1 083 316	1 516 798	–	1 176 139	1 516 798
Intangible assets	186	545	–	186	545
<b>Total non current assets</b>	<b>1 083 502</b>	<b>1 517 343</b>	<b>–</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>–</b>	<b>1 297 539</b>	<b>1 580 661</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowing	3 333	3 174	–	3 297	3 174
Consumer deposits	949	1 012	–	1 010	1 012
Trade and other payables	71 899	30 555	–	66 334	30 555
Provisions	5 600	–	–	6 742	
<b>Total current liabilities</b>	<b>81 782</b>	<b>34 740</b>	<b>–</b>	<b>77 382</b>	<b>34 740</b>
<b>Non current liabilities</b>					
Borrowing	30 591	25 384	–	24 987	25 384
Provisions	7 427	7 717	–	9 369	7 717
<b>Total non current liabilities</b>	<b>38 018</b>	<b>33 101</b>	<b>–</b>	<b>34 356</b>	<b>33 101</b>
<b>TOTAL LIABILITIES</b>	<b>119 800</b>	<b>67 841</b>	<b>–</b>	<b>111 738</b>	<b>67 841</b>
<b>NET ASSETS</b>	<b>989 745</b>	<b>1 512 820</b>	<b>–</b>	<b>1 185 801</b>	<b>1 512 820</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	989 745	1 512 820	–	1 185 801	1 512 820
Reserves					
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>989 745</b>	<b>1 512 820</b>	<b>–</b>	<b>1 185 801</b>	<b>1 512 820</b>

Table C7 below display the Cash Flow Statement for the period ending 31 January 2014.

DC43 Sisonke - Table C7 Monthly Budget Statement - Cash Flow - M07 January									
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	-	2 166	19 624	17 747	1 877	11%	30 424
Government - operating	231 660	220 563	-	-	172 266	128 662	43 604	34%	220 563
Government - capital	168 745	210 486	-	-	195 539	122 784	72 756	59%	210 486
Interest	2 456	2 000	-	848	4 564	1 394	3 171	227%	2 000
<b>Payments</b>									
Suppliers and employees	(264 286)	(194 417)	-	(15 755)	(165 101)	(113 410)	51 691	-46%	(194 417)
Finance charges	(1 768)	(3 500)	-	-	(1 427)	(1 458)	(32)	2%	(3 500)
Transfers and Grants	-	(12 000)	-	-	(8 255)	(7 000)	1 255	-18%	(12 000)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>167 559</b>	<b>253 556</b>	<b>-</b>	<b>(12 741)</b>	<b>217 210</b>	<b>148 718</b>	<b>68 492</b>	<b>46%</b>	<b>253 556</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Payments</b>									
Capital assets	(148 471)	(226 772)	-	(4 070)	(137 426)	(132 283)	5 142	-4%	(226 772)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(148 471)</b>	<b>(226 772)</b>	<b>-</b>	<b>(4 070)</b>	<b>(137 426)</b>	<b>(132 283)</b>	<b>5 142</b>	<b>-4%</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)	(2 494)	-	-	(1 297)	-	1 297	#DIV/0!	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(2 652)</b>	<b>(2 482)</b>	<b>-</b>	<b>-</b>	<b>(1 297)</b>	<b>-</b>	<b>1 297</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>16 436</b>	<b>24 303</b>	<b>-</b>	<b>(16 811)</b>	<b>78 487</b>	<b>16 435</b>			<b>26 784</b>
Cash/cash equivalents at beginning:	3 535	30 000	-		20 186	30 000			20 186
Cash/cash equivalents at month/year end:	19 970	54 303	-		98 673	46 435			46 970

There has been a decrease in collection levels signalled by a collection ratio of 39% (December 2013: 46%). The interest earned on investments for the period ending 31 January is R 848 097.

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 January 2014.

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

DC43 Sisonke - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January											
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	2 978	3 125	2 564	2 050	1 692					12 408	3 741
Receivables from Exchange Transactions - Waste Water Management	1 141	1 223	999	823	725					4 911	1 548
Interest on Arrear Debtor Accounts	453	437	442	430	430					2 192	861
<b>Total By Income Source</b>	<b>4 572</b>	<b>4 784</b>	<b>4 005</b>	<b>3 303</b>	<b>2 847</b>	-	-	-	-	<b>19 511</b>	<b>6 150</b>
<b>2012/13 - totals only</b>										-	-
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	1 460	1 591	1 122	865	477					5 516	1 342
Commercial	678	444	314	295	265					1 996	560
Households	2 434	2 749	2 569	2 143	2 105					12 000	4 248
Other										-	-
<b>Total By Customer Group</b>	<b>4 572</b>	<b>4 784</b>	<b>4 005</b>	<b>3 303</b>	<b>2 847</b>	-	-	-	-	<b>19 511</b>	<b>6 150</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: 75%
- ✓ Government 15%
- ✓ Business 10%
- ✓ Other 0%

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 31 January 2014.

DC43 Sisonke - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January									
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 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 31 January 2014.

### Cash and Bank Balances (Investments)

DC43 Sisonke - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January									
Investments by maturity Name of institution & investment ID	Ref	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
R thousands		Yrs/Months							
<b>Municipality</b>									
FIRST NATIONAL BANK	62095523281		MONEY MARKET		98		29 144	(6 178)	23 065
FIRST NATIONAL BANK	62138538692		CALL ACCOUNT		158		54 572	(14 995)	39 735
FIRST NATIONAL BANK	62032587331		CALL ACCOUNT		6		1 287	14 773	16 066
INVESTEC	50006688425		FIXED DEPOSIT		42		10 707		10 749
FIRST NATIONAL BANK	62398395204		CALL ACCOUNT		29		7 689	(1 561)	6 157
FIRST NATIONAL BANK	62414264797		CALL ACCOUNT		5		2 094		2 099
FIRST NATIONAL BANK	62434151239		CALL ACCOUNT		2		965		966
FIRST NATIONAL BANK	62434147072		CALL ACCOUNT		2		894		896
FIRST NATIONAL BANK	62434145331		CALL ACCOUNT		3		1 258		1 261
<b>Municipality sub-total</b>					<b>346</b>		<b>108 609</b>	<b>(7 961)</b>	<b>100 994</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>346</b>		<b>108 609</b>	<b>(7 961)</b>	<b>100 994</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 - M07 January									
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>-</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	-	-	162 042	162 042	-		216 056
Finance Management	1 250	1 250	-	-	1 250	1 250			1 250
Municipal Systems Improvement	1 000	890	-	-	890	890			890
WATER SERVICES OPERATING SUBSIDY GRANT	9 618	-	-	-	-	-			-
WATER SERVICES OPERATING SUBSIDY	-	300	-	-	1 170	175			
Rural Transport Services and Infrastructure Grant	1 776	1 814	-	-	1 814	1 814			1 814
<b>Provincial Government:</b>	<b>600</b>	<b>253</b>	<b>-</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)	-100.0%	253
District Growth Development Summit	400								
Accredited Councillors Training	200								
Ig seta				-	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>-</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>-</b>	<b>-</b>	<b>196 978</b>	<b>177 328</b>	<b>-</b>		<b>210 486</b>
Municipal Infrastructure Grant (MIG)	165 717	173 618	-	-	156 452	156 452	-		173 618
Regional Bulk Infrastructure	302	15 429	-	-	28 579	8 929			15 429
Neighbourhood Development Partnership	-	-	-	-	-	-			-
ENERGY EFFICIENCY AND DEMAND SIDE MANAGE	-	5 000	-	-	2 422	2 422			5 000
MUNICIPAL WATER INFRASTRUCTURE GRANT	-	13 700	-	-	7 607	7 607			13 700
Expanded public works programme incentive grant	4 594	2 739	-	-	1 918	1 918	-		2 739
Farmers Market	3 200	-	-	-	-	-	-		-
<b>Provincial Government:</b>	<b>21 420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
ACIP Grant	620	-	-	-	-	-	-		-
Massification	20 800	-	-	-	-	-	-		-
<b>Total Capital Transfers and Grants</b>	<b>195 233</b>	<b>210 486</b>	<b>-</b>	<b>-</b>	<b>196 978</b>	<b>177 328</b>	<b>-</b>		<b>210 486</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>413 033</b>	<b>431 049</b>	<b>-</b>	<b>-</b>	<b>367 805</b>	<b>343 752</b>	<b>3 408</b>	<b>1.0%</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 - M07 January									
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	-	18 055	199 937	164 341	35 596	21.7%	217 246
Local Government Equitable Share	203 556	216 056	-	18 005	198 051	162 441	35 610	21.9%	216 056
Finance Management	1 250	1 250	-	50	471	600	(129)	-21.5%	
Municipal Systems Improvement	1 000	890	-	-	114	400	(286)	-71.5%	890
WATER SERVICES OPERATING SUBSIDY GRANT	5 700	-	-	-	-	-	-		-
WATER SERVICES OPERATING SUBSIDY		300	-	-	617	300	317	105.7%	300
Rural Transport Services and Infrastructure Grant	1 776	1 814	-	-	683	600	83	13.8%	-
Other transfers and grants [insert description]									
<b>Provincial Government:</b>	90	253	-	-	-	-	-		253
Infrastructure Sport Facilities		253	-	-	-	-	-		253
Accredited Councillors Training	90								
<b>Total operating expenditure of Transfers and Grants:</b>	<b>213 372</b>	<b>220 563</b>	<b>-</b>	<b>18 055</b>	<b>199 937</b>	<b>164 341</b>	<b>35 596</b>	<b>21.7%</b>	<b>217 499</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	172 982	210 486	-	11 182	124 513	146 293	(23 115)	-15.8%	195 057
Municipal Infrastructure Grant (MIG)	165 717	173 618	-	4 752	108 229	113 124	(4 895)	-4.3%	173 618
Regional Bulk Infrastructure	302	15 429	-	6 184	11 294	15 429	(4 135)	-26.8%	
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT		5 000	-	-	418	2 500	(2 082)	-83.3%	5 000
MUNICIPAL WATER INFRASTRUCTURE GRANT		13 700	-	246	1 696	13 700	(12 004)	-87.6%	13 700
Expanded public works programme incentive grant	3 763	2 739	-	-	2 875	1 540			2 739
Farmers Market	3 200								
<b>Provincial Government:</b>	1 125	-	-	-	-	4 006	(4 006)	-100.0%	-
ACIP Grant	620								
Massification	505					4 006	(4 006)	-100.0%	
<b>Total capital expenditure of Transfers and Grants</b>	<b>174 107</b>	<b>210 486</b>	<b>-</b>	<b>11 182</b>	<b>124 513</b>	<b>150 300</b>	<b>(27 122)</b>	<b>-18.0%</b>	<b>195 057</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>387 479</b>	<b>431 049</b>	<b>-</b>	<b>29 236</b>	<b>324 450</b>	<b>314 641</b>	<b>8 474</b>	<b>2.7%</b>	<b>412 556</b>



## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 January 2014.

DC43 Sisonke - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January									
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	-	288	1 918	697	1 221	175%	3 370
Pension and UIF Contributions	-	441	-	21	143	73	70	96%	441
Medical Aid Contributions	-	104	-	5	34	17	16	96%	104
Motor Vehicle Allowance	498	1 301	-	63	421	215	206	96%	1 301
Cellphone Allowance	180	286	-	14	93	47	45	96%	286
Other benefits and allowances	50	680	-	33	220	112	108	96%	680
<b>Sub Total - Councillors</b>	<b>4 622</b>	<b>6 181</b>	<b>-</b>	<b>425</b>	<b>2 829</b>	<b>1 162</b>	<b>1 667</b>	<b>143%</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	-	357	2 359	1 001	1 359	136%	3 801
Pension and UIF Contributions	7	2	-	0	1	1	1	136%	2
Medical Aid Contributions	47	4	-	0	3	1	1	136%	4
Performance Bonus	-	525	-	49	326	138	188	136%	525
Motor Vehicle Allowance	754	2 376	-	223	1 475	626	849	136%	2 376
Cellphone Allowance	65	111	-	10	69	29	40	136%	111
Housing Allowances	277	-	-	-	-	-	-	-	-
Other benefits and allowances	2	3	-	0	2	1	1	136%	3
<b>Sub Total - Senior Managers of Municipality</b>	<b>3 279</b>	<b>6 823</b>	<b>-</b>	<b>641</b>	<b>4 235</b>	<b>1 796</b>	<b>2 439</b>	<b>136%</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	-	5 677	37 490	15 902	21 588	136%	60 398
Pension and UIF Contributions	8 267	10 212	-	960	6 339	2 689	3 650	136%	10 212
Medical Aid Contributions	3 206	1 411	-	133	876	372	504	136%	1 411
Overtime	4 674	1 261	-	119	783	332	451	136%	1 261
Performance Bonus	3 301	5 596	-	526	3 474	1 473	2 000	136%	5 596
Motor Vehicle Allowance	3 950	2 572	-	242	1 597	677	919	136%	2 572
Cellphone Allowance	307	439	-	41	272	116	157	136%	439
Housing Allowances	218	38	-	4	24	10	14	136%	38
Other benefits and allowances	22	1 682	-	158	1 044	443	601	136%	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>7 859</b>	<b>51 898</b>	<b>22 013</b>	<b>29 885</b>	<b>136%</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>8 925</b>	<b>58 962</b>	<b>24 971</b>	<b>33 991</b>	<b>136%</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>8 925</b>	<b>58 962</b>	<b>24 971</b>	<b>33 991</b>	<b>136%</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>8 500</b>	<b>56 133</b>	<b>23 809</b>	<b>32 324</b>	<b>136%</b>	<b>90 434</b>

## 2.6 Material Variances to the SDBIP

The following section analyses material variances between the actual targets as at 31 January 2014 and the budget for the same period. This report analyses each major component under following headings;

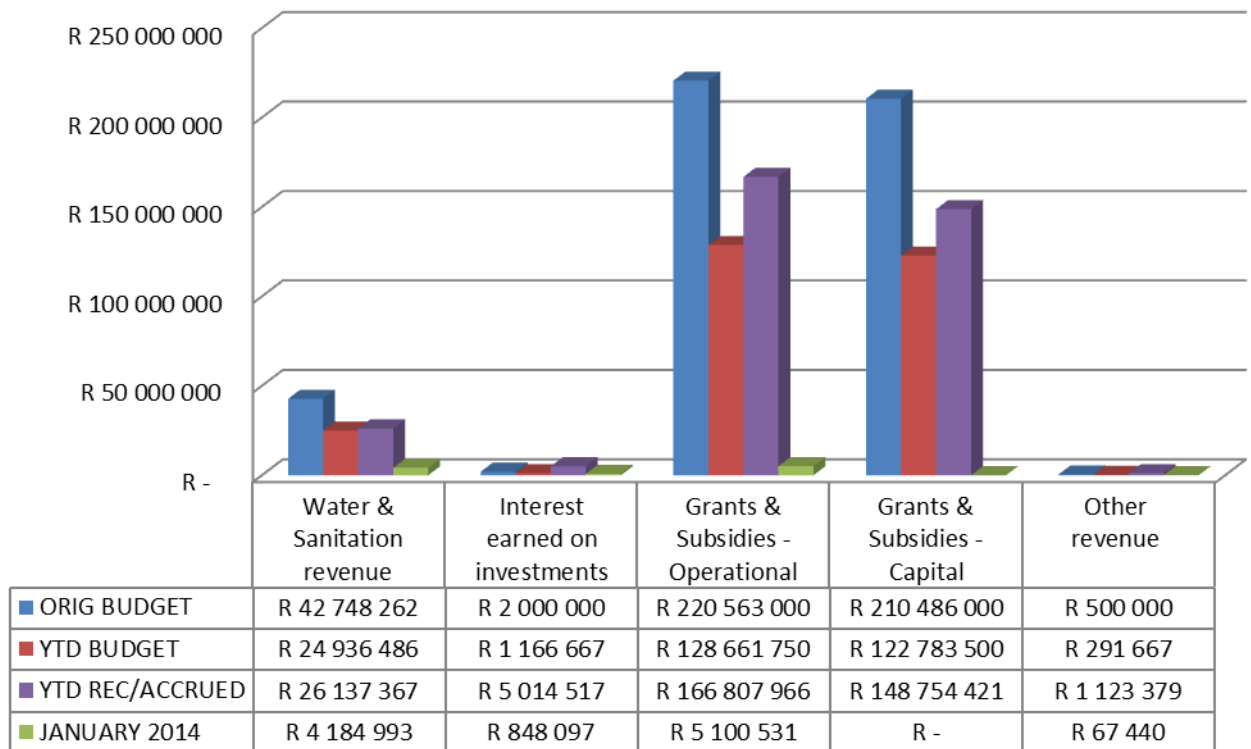
- ✓ Revenue by Source
- ✓ Operational Expenditure by Type, and
- ✓ Capital Expenditure
- ✓ Financial Position
- ✓ Cash Flows

### 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

### 31 JANUARY 14 REVENUE ANALYSIS



#### Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 31 January 2014 was R5,3million against a year to date **budget** of R24, 9million.

#### Interest Earned on External Investments

The actual interest earned on external investments as at 31 January 2014 is R 848 097 against year to date budget of R 1, 1m. This represent 73% of monthly received against year to date budget.

#### Transfers Recognised - Operational

There is no operational grants revenue received for the period ending 31 January 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 31 January was R 11m and YTD actual

was R128million (against a YTD budget of R132 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.

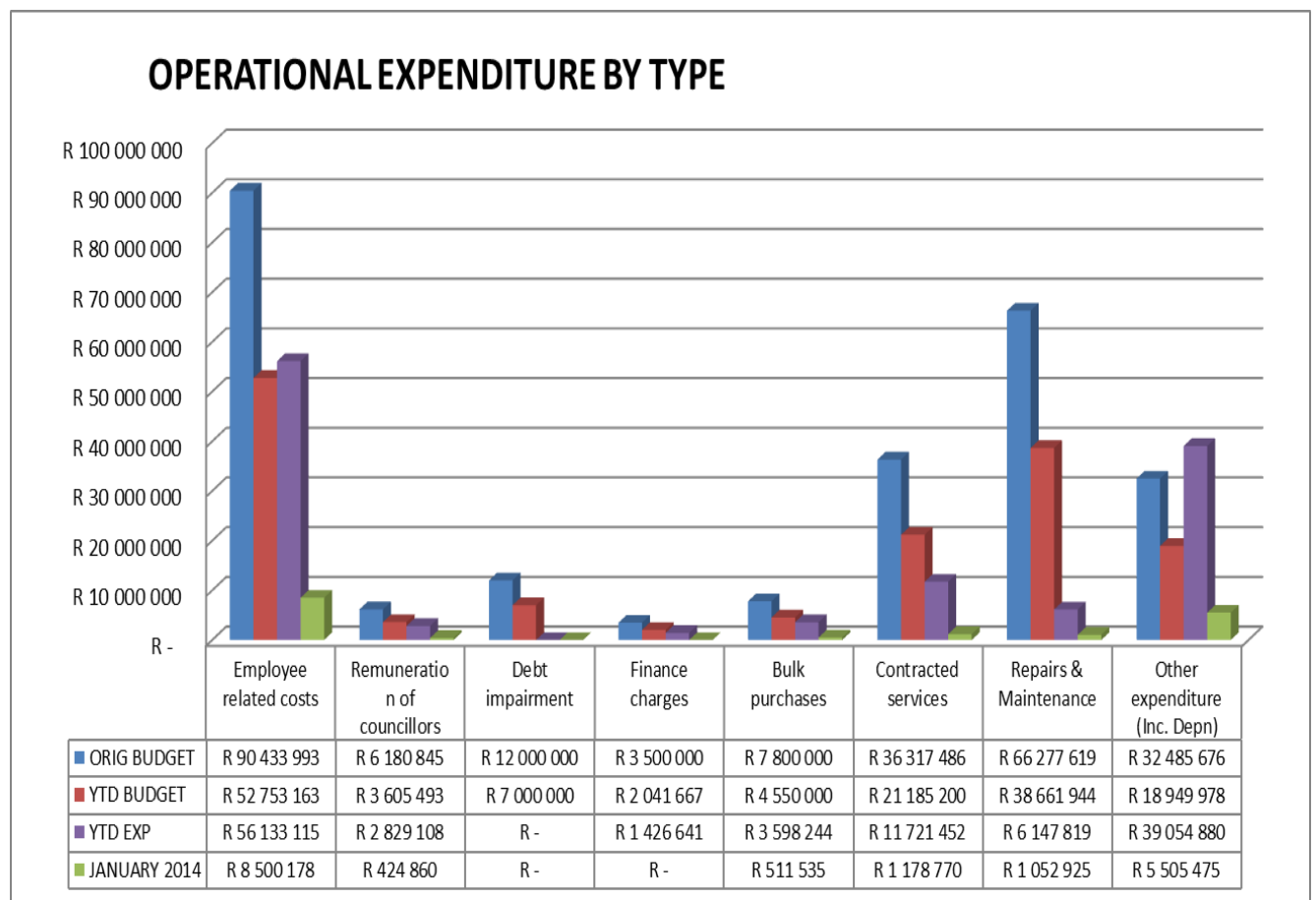
**Other Revenue**

The YTD performance of other revenue is R1, 1m against original budget of R 500 000.

**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 R52million against a YTD actual of R56million which is 106% of the YTD budget.

### **Remuneration of Councillors**

The remuneration of councillor's expenditure as at 31 January 2014 was R424 860 against a YTD budget of R 3, 6 million.

### **Finance Charges**

As at 31 January 2014, the finance charges budget has been R3, 5m and there were no movements.

### **Bulk Purchases**

The YTD expenditure on Bulk Water purchases is R3, 5m against a YTD budget of R 4, 5m and the expenditure for the month ending 31 January was R511 535.

### **Other Expenditure**

The YTD budget for other expenditure was at R18, 9million against a YTD expenditure of R39million.

### **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**

DC43 Sisonke - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M07 January

Description	Budget Year 2013/14												2013/14 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2	
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget				
<b>Cash Receipts By Source</b>																
Service charges - water revenue	2 287	842	1 731	929	4 214	1 494	1 469	1 746	1 746	1 746	1 746	999	20 947	22 622	18 054	
Service charges - sanitation revenue	980	361	742	398	1 806	640	629	748	748	748	748	428	8 977	9 695	7 738	
Interest earned - external investments	5	379	46	277	191	262	383	101	249	165	84	(142)	2 000	2 000	2 000	
Interest earned - outstanding debtors	428	442	352	443	437	453	465					(3 021)				
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	-	83	-	83	(770)	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>2 595</b>	<b>54 407</b>	<b>2 659</b>	<b>2 661</b>	<b>(5 790)</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	-	-	7 155	47 747	-	989	(40 944)	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>9 750</b>	<b>102 154</b>	<b>2 659</b>	<b>3 650</b>	<b>(46 734)</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	7 625	7 625	7 625	7 625	3 798	90 434	98 831	105 730	
Remuneration of councillors	340	340	481	414	405	424	425	515	515	515	515	1 291	6 181	6 576	7 037	
Interest paid	-	-	0	-	208	1 427	-	208	208	208	208	1 032	3 500	2 800	2 500	
Bulk purchases - Water & Sewer	-	478	529	1 278	650	459	512	650	650	650	650	1 295	7 800	8 221	8 665	
Contracted services	699	987	1 500	2 681	1 015	3 661	1 179	2 833	2 833	2 833	2 833	13 263	36 317	37 923	37 699	
Grants and subsidies paid - other	4 000	-	-	-	-	4 255	-	1 000	1 000	1 000	1 000	(255)	12 000	12 672	13 382	
General expenses	29 402	1 854	19 993	14 960	9 584	7 057	5 140	4 474	4 474	4 474	4 474	(52 200)	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>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>(31 776)</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	18 898	18 898	18 898	18 898	13 755	226 772	252 706	285 691	
Repayment of borrowing	-	-	-	-	-	1 297	-	208	208	208	208	365	2 494	2 735	2 997	
Other Cash Flows/Payments	-	-	-	-	-	-	-	(1)	(1)	(1)	(1)	(8)	(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>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>(17 664)</b>	<b>439 170</b>	<b>477 256</b>	<b>521 449</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>132 802</b>	<b>(26 617)</b>	<b>(35 301)</b>	<b>(35 755)</b>	<b>119 629</b>	<b>(57 146)</b>	<b>(16 811)</b>	<b>(26 660)</b>	<b>65 744</b>	<b>(33 751)</b>	<b>(32 760)</b>	<b>(29 070)</b>	<b>24 303</b>	<b>42 783</b>	<b>33 841</b>	
Cash/cash equivalents at the month/year beginning	20 186	152 988	126 371	91 070	55 315	174 944	117 797	100 986	74 326	140 070	106 319	73 558	20 186	44 489	87 272	
Cash/cash equivalents at the month/year end:	152 988	126 371	91 070	55 315	174 944	117 797	100 986	74 326	140 070	106 319	73 558	44 489	44 489	87 272	121 113	

Parent Municipal financial performance

DC43 Sisonke - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M07 January									
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	-	2 929	18 296	15 971	2 325	15%	30 697
Service charges - sanitation revenue	11 485	12 052	-	1 255	7 841	8 018	(177)	-2%	12 052
Interest earned - external investments	2 753	2 000	-	383	1 993	1 206	787	65%	2 000
Interest earned - outstanding debtors				465	3 021	-	3 021	#DIV/0!	
Transfers recognised - operational	217 640	220 563	-	-	166 808	164 341	2 467	2%	220 563
Other revenue	6 567	500	-	67	1 123	250	873	349%	500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>265 244</b>	<b>265 811</b>	<b>-</b>	<b>5 101</b>	<b>199 083</b>	<b>189 786</b>	<b>9 297</b>	<b>5%</b>	<b>265 811</b>
<b>Expenditure By Type</b>									
Employee related costs	81 571	90 434	-	8 500	56 133	45 753	10 380	23%	90 434
Remuneration of councillors	4 622	6 181	-	425	2 829	3 090	(261)	-8%	6 181
Debt impairment	8 000	12 000	-	-	-	5 622	(5 622)	-100%	12 000
Depreciation & asset impairment	18 000	20 000	-	-	-	9 500	(9 500)	-100%	20 000
Finance charges	3 680	3 500	-	-	1 427	1 250	177	14%	3 500
Bulk purchases	9 422	7 800	-	512	3 598	3 900	(302)	-8%	7 800
Contracted services	17 492	36 317	-	1 179	11 721	16 999	(5 278)	-31%	36 317
Transfers and grants	9 569	12 000	-	-	8 255	6 000	2 255	38%	12 000
Other expenditure	123 714	66 763	-	6 558	46 658	32 898	13 760	42%	66 763
<b>Total Expenditure</b>	<b>276 070</b>	<b>254 996</b>	<b>-</b>	<b>17 174</b>	<b>130 622</b>	<b>125 013</b>	<b>5 609</b>	<b>4%</b>	<b>254 996</b>
<b>Surplus/(Deficit)</b>	<b>(10 825)</b>	<b>10 816</b>	<b>-</b>	<b>(12 073)</b>	<b>68 461</b>	<b>64 773</b>	<b>3 688</b>	<b>6%</b>	<b>10 816</b>
Transfers recognised - capital	178 591	210 486	-	-	148 754	150 300	(1 545)	-1%	15 449
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>(12 073)</b>	<b>217 216</b>	<b>215 073</b>	<b>2 143</b>	<b>1%</b>	<b>26 264</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>(12 073)</b>	<b>217 216</b>	<b>215 073</b>	<b>2 143</b>	<b>1%</b>	<b>26 264</b>

## Capital Expenditure Trend

DC43 Sisonke - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January									
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	-			151 181	-		
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>129 886</b>					

### Capital Expenditure on New Assets by Asset Class

DC43 Sisonke - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M07 January									
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>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>136 252</b>	<b>217 762</b>	<b>-</b>	<b>11 193</b>	<b>121 800</b>	<b>143 153</b>	<b>21 353</b>	<b>14.9%</b>	<b>217 762</b>
Infrastructure - Electricity	2 935	580	-	293	1 402	1 109	(293)	-26.4%	580
<i>Transmission &amp; Reticulation</i>	2 935	580	-	293	1 402	1 109	(293)	-26.4%	580
Infrastructure - Water	96 364	166 970	-	8 011	88 618	104 565	15 947	15.3%	166 970
<i>Reticulation</i>	96 364	166 970	-	8 011	88 618	104 565	15 947	15.3%	166 970
Infrastructure - Sanitation	36 953	50 012	-	2 888	31 780	37 479	5 699	15.2%	50 012
<i>Sewerage purification</i>	36 953	50 012	-	2 888	31 780	37 479	5 699	15.2%	50 012
Infrastructure - Other	-	200	-	-	-	-	-	-	200
<i>Other</i>	-	200	-	-	-	-	-	-	200
<b>Community</b>	<b>6 157</b>	<b>2 000</b>	<b>-</b>	<b>-</b>	<b>297</b>	<b>297</b>	<b>-</b>	<b>-</b>	<b>2 000</b>
Other	6 157	2 000	-	-	297	297	-	-	2 000
<b>Other assets</b>	<b>808</b>	<b>4 252</b>	<b>-</b>	<b>-</b>	<b>5 281</b>	<b>5 281</b>	<b>-</b>	<b>-</b>	<b>4 252</b>
General v vehicles	277	2 739	-	-	5 006	5 006	-	-	2 739
Furniture and other office equipment	230	798	-	-	260	260	-	-	798
Other Buildings	301	700	-	-	-	-	-	-	700
Other	-	15	-	-	15	15	-	-	15
<b>Intangibles</b>	<b>385</b>	<b>572</b>	<b>-</b>	<b>2</b>	<b>8</b>	<b>6</b>	<b>(2)</b>	<b>-29.0%</b>	<b>572</b>
Computers - software & programming	385	572	-	2	8	6	(2)	-29.0%	572
<b>Total Capital Expenditure on new assets</b>	<b>143 601</b>	<b>224 587</b>	<b>-</b>	<b>11 194</b>	<b>127 385</b>	<b>148 737</b>	<b>21 351</b>	<b>14.4%</b>	<b>224 587</b>
<b>Specialised vehicles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-



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

DC43 Sisonke - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M07 January									
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>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>	-	-	-	-	1 071	1 071	-		-
Computers - software & programming					1 071	1 071	-		
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>4 787</b>	<b>2 647</b>	<b>-</b>	<b>-</b>	<b>1 563</b>	<b>1 563</b>	<b>-</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 January 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 \_\_\_\_\_