

# Sisonke District Municipality

MFMA s71 report for the period ending 31 July 2013.

8/16/2013

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

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 July 2013.

### **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 - M01 July									
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	-	3 714	3 714	3 714	-		44 748
Transfers recognised - operational	217 640	220 563	-	90 023	90 023	94 047	(4 024)	-4%	220 563
Other own revenue	6 567	500	-	497	497	470	27	6%	500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>265 244</b>	<b>265 811</b>	<b>-</b>	<b>94 234</b>	<b>94 234</b>	<b>98 231</b>	<b>(3 997)</b>	<b>-4%</b>	<b>265 811</b>
Employee costs	81 571	90 434	-	7 713	7 713	7 536	177	2%	90 434
Remuneration of Councillors	4 622	6 181	-	340	340	515	(175)	-34%	6 181
Depreciation & asset impairment	18 000	20 000	-	-	-	-	-		20 000
Finance charges	3 680	3 500	-	-	-	292	(292)	-100%	3 500
Materials and bulk purchases	9 422	7 800	-	-	-	650	(650)	-100%	7 800
Transfers and grants	9 569	12 000	-	4 000	4 000	-	4 000		12 000
Other expenditure	149 206	115 081	-	4 324	4 324	9 550	(5 226)	-55%	115 081
<b>Total Expenditure</b>	<b>276 070</b>	<b>254 996</b>	<b>-</b>	<b>16 377</b>	<b>16 377</b>	<b>18 542</b>	<b>(2 165)</b>	<b>-12%</b>	<b>254 996</b>
<b>Surplus/(Deficit)</b>	<b>(10 825)</b>	<b>10 816</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>79 689</b>	<b>(1 832)</b>	<b>-2%</b>	<b>10 816</b>
Transfers recognised - capital	178 591	210 486	-	-	-	4 007	(4 007)	-100%	210 486
Contributions & Contributed assets	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>83 695</b>	<b>(5 838)</b>	<b>-7%</b>	<b>221 302</b>
<b>Surplus/ (Deficit) for the year</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>83 695</b>	<b>(5 838)</b>	<b>-7%</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>12 069</b>	<b>12 069</b>	<b>18 936</b>	<b>(6 867)</b>	<b>-36%</b>	<b>227 234</b>
Capital transfers recognised	148 388	210 486	-	12 069	12 069	18 936	(6 867)	-36%	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>12 069</b>	<b>12 069</b>	<b>18 936</b>	<b>(6 867)</b>	<b>-36%</b>	<b>227 234</b>
<b>Financial position</b>									
Total current assets	26 042	63 318	-	-	171 929	-	-		63 318
Total non current assets	1 083 502	1 517 343	-	-	1 120 797	-	-		1 517 343
Total current liabilities	81 782	34 740	-	-	152 914	-	-		34 740
Total non current liabilities	38 018	33 101	-	-	34 965	-	-		33 101
<b>Community wealth/Equity</b>	<b>989 745</b>	<b>1 512 820</b>	<b>-</b>	<b>-</b>	<b>1 104 848</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	-	144 872	144 872	21 129	123 743	586%	253 556
Net cash from (used) investing	(148 471)	(226 772)	-	(12 069)	(12 069)	(18 897)	6 827	-36%	(226 772)
Net cash from (used) financing	(2 652)	(2 482)	-	-	-	-	-		-
<b>Cash/cash equivalents at the month/year end</b>	<b>19 970</b>	<b>54 303</b>	<b>-</b>	<b>-</b>	<b>152 988</b>	<b>32 232</b>	<b>120 756</b>	<b>375%</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	4 245	3 764	2 790	2 621	2 892	2 333	11 390	46 627	76 663
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

**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) - M01 July									
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	-	90 460	90 460	94 522	(4 062)	-4%	90 460
Budget and treasury office	214 469	220 696	-	90 460	90 460	94 522	(4 062)	-4%	90 460
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	90	-	-	-	-	-	-	-	-
Planning and development	90	-	-	-	-	-	-	-	-
<i>Trading services</i>	229 276	255 601	-	3 774	3 774	7 715	(3 942)	-51%	56 748
Water	44 642	56 748	-	3 774	3 774	3 709	65	2%	56 748
Waste water management	184 635	198 853	-	-	-	4 007	(4 007)	-100%	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>443 835</b>	<b>476 297</b>	<b>-</b>	<b>94 234</b>	<b>94 234</b>	<b>102 238</b>	<b>(8 004)</b>	<b>-8%</b>	<b>147 209</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	100 756	121 481	-	5 742	5 742	10 123	(4 382)	-43%	121 481
Executive and council	12 415	18 956	-	943	943	1 580	(637)	-40%	18 956
Budget and treasury office	54 930	63 431	-	1 187	1 187	5 286	(4 099)	-78%	63 431
Corporate services	33 411	39 094	-	3 612	3 612	3 258	354	11%	39 094
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	35 122	45 047	-	5 784	5 784	3 754	2 030	54%	45 047
Planning and development	35 122	33 047	-	1 784	1 784	3 754	(1 970)	-52%	33 047
Environmental protection	-	12 000	-	4 000	4 000	-	4 000	#DIV/0!	12 000
<i>Trading services</i>	140 192	88 467	-	4 851	4 851	7 372	(2 521)	-34%	88 467
Water	34 630	78 651	-	4 144	4 144	6 554	(2 410)	-37%	78 651
Waste water management	105 562	9 816	-	707	707	818	(111)	-14%	9 816
<b>Total Expenditure - Standard</b>	<b>276 070</b>	<b>254 996</b>	<b>-</b>	<b>16 377</b>	<b>16 377</b>	<b>21 250</b>	<b>(4 872)</b>	<b>-23%</b>	<b>254 996</b>
<b>Surplus/ (Deficit) for the year</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>80 988</b>	<b>(3 131)</b>	<b>-4%</b>	<b>(107 787)</b>

This table assess the revenue by department and then the expenditure for the period ending 31 July 2013. Revenue receipts in July has largely constituted of operational grants in the form of the Equitable Share.

Expenditure by standard classification presents the expenditures by the departments. Economic and Environmental Services has the largest expenditure for the month of July because of R4m which is transferred for LED projects to Sisonke Development Agency. This is followed by the Waste Water Management (Water Services) has largest expenditure by 5% in the period ending 31 July 2013. 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 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July									
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	-	90 460	90 460	94 522	(4 062)	-4.3%	220 696
Vote 4 - Economic &Community Services	90	-	-	-	-	-	-	-	-
Vote 5 - Infrastructure Services	184 635	198 853	-	-	-	4 007	(4 007)	-100.0%	198 853
Vote 6 - Water Services	44 642	56 748	-	3 774	3 774	3 709	65	1.8%	56 748
<b>Total Revenue by Vote</b>	<b>443 835</b>	<b>476 297</b>	<b>-</b>	<b>94 234</b>	<b>94 234</b>	<b>102 238</b>	<b>(8 004)</b>	<b>-7.8%</b>	<b>476 297</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	12 415	18 956	-	943	943	1 580	(637)	-40.3%	18 956
Vote 2 - Finance	54 930	63 431	-	1 187	1 187	5 286	(4 099)	-77.5%	63 431
Vote 3 - Corporate Services	33 411	39 094	-	3 612	3 612	3 258	354	10.9%	39 094
Vote 4 - Economic &Community Services	35 122	45 047	-	5 784	5 784	3 754	2 030	54.1%	45 047
Vote 5 - Infrastructure Services	34 630	78 651	-	4 144	4 144	818	3 326	406.6%	78 651
Vote 6 - Water Services	105 562	9 816	-	707	707	6 554	(5 847)	-89.2%	9 816
<b>Total Expenditure by Vote</b>	<b>276 070</b>	<b>254 996</b>	<b>-</b>	<b>16 377</b>	<b>16 377</b>	<b>21 250</b>	<b>(4 872)</b>	<b>-22.9%</b>	<b>254 996</b>
<b>Surplus/ (Deficit) for the year</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>80 988</b>	<b>(3 131)</b>	<b>-3.9%</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 31 July 2013.

DC43 Sisonke - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July									
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	-	2 225	2 225	2 225	-	0%	30 697
Service charges - sanitation revenue	11 485	12 052	-	1 484	1 484	1 484	-	0%	12 052
Service charges - other	2 753	2 000	-	5	5	5	-	0%	2 000
Interest earned - outstanding debtors	-	-	-	428	428	428	-	0%	-
Transfers recognised - operational	217 640	220 563	-	90 023	90 023	94 047	(4 024)	-4%	220 563
Other revenue	6 567	500	-	69	69	42	27	65%	500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>265 244</b>	<b>265 811</b>	<b>-</b>	<b>94 234</b>	<b>94 234</b>	<b>98 231</b>	<b>(3 997)</b>	<b>-4%</b>	<b>265 811</b>
<b>Expenditure By Type</b>									
Employee related costs	81 571	90 434	-	7 713	7 713	7 536	177	2%	90 434
Remuneration of councillors	4 622	6 181	-	340	340	515	(175)	-34%	6 181
Debt impairment	8 000	12 000	-	-	-	1 000	(1 000)	-100%	12 000
Depreciation & asset impairment	18 000	20 000	-	-	-	-	-	-	20 000
Finance charges	3 680	3 500	-	-	-	292	(292)	-100%	3 500
Bulk purchases	9 422	7 800	-	-	-	650	(650)	-100%	7 800
Contracted services	17 492	36 317	-	699	699	3 026	(2 328)	-77%	36 317
Transfers and grants	9 569	12 000	-	4 000	4 000	-	4 000	#DIV/0!	12 000
Other expenditure	123 714	66 763	-	3 625	3 625	5 523	(1 898)	-34%	66 763
Loss on disposal of PPE	-	-	-	-	-	-	-	0%	-
<b>Total Expenditure</b>	<b>276 070</b>	<b>254 996</b>	<b>-</b>	<b>16 377</b>	<b>16 377</b>	<b>18 542</b>	<b>(2 165)</b>	<b>-12%</b>	<b>254 996</b>
<b>Surplus/(Deficit)</b>	<b>(10 825)</b>	<b>10 816</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>79 689</b>	<b>(1 832)</b>	<b>(0)</b>	<b>10 816</b>
Transfers recognised - capital	178 591	210 486	-	-	-	4 007	(4 007)	(0)	210 486
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>83 695</b>			<b>221 302</b>
<b>Surplus/(Deficit) after taxation</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>83 695</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>77 857</b>	<b>77 857</b>	<b>83 695</b>			<b>221 302</b>
<b>Surplus/ (Deficit) for the year</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>83 695</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.

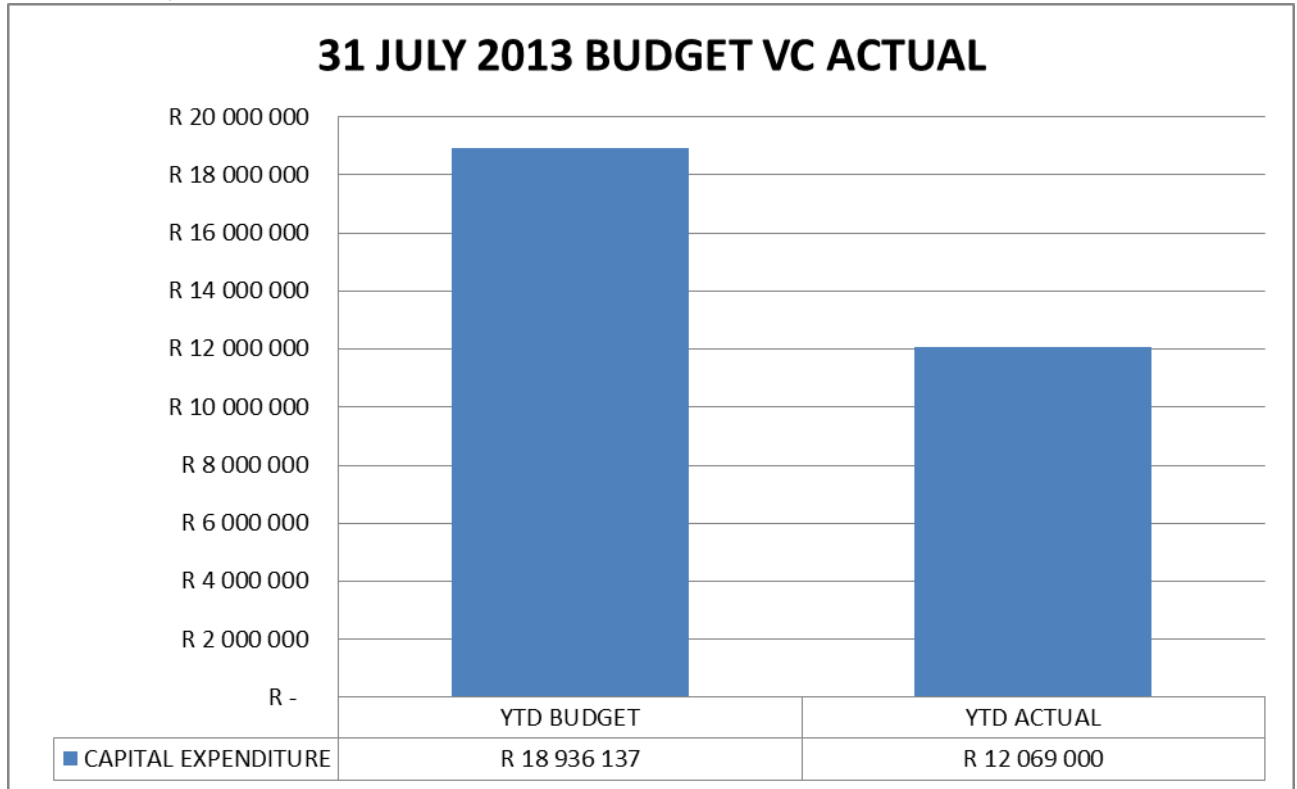


DC43 Sisonke - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M01 July)									
Vote Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Multi-Year expenditure appropriation</b>									
Vote 2 - Finance	136	130	-	-	-	11	(11)	-100%	130
Vote 3 - Corporate Services	368	3 256	-	-	-	271	(271)	-100%	3 256
Vote 5 - Infrastructure Services	147 884	223 248	-	12 069	12 069	18 604	(6 535)	-35%	223 248
Vote 6 - Water Services	-	600	-	-	-	50	(50)	-100%	600
<b>Total Capital Multi-year expenditure</b>	<b>148 388</b>	<b>227 234</b>	<b>-</b>	<b>12 069</b>	<b>12 069</b>	<b>18 936</b>	<b>(6 867)</b>	<b>-36%</b>	<b>227 234</b>
<b>Total Capital Expenditure</b>	<b>148 388</b>	<b>227 234</b>	<b>-</b>	<b>12 069</b>	<b>12 069</b>	<b>18 936</b>	<b>(6 867)</b>	<b>-36%</b>	<b>227 234</b>
<b>Capital Expenditure - Standard Classification</b>									
<i>Governance and administration</i>	504	3 386	-	-	-	282	(282)	-100%	3 386
Budget and treasury office	136	130	-	-	-	11	(11)	-100%	130
Corporate services	368	3 256	-	-	-	271	(271)	-100%	3 256
<i>Trading services</i>	147 884	223 848	-	12 069	12 069	18 654	(6 585)	-35%	223 848
Water	-	600	-	-	-	50	(50)	-100%	600
Waste water management	147 884	223 248	-	12 069	12 069	18 604	(6 535)	-35%	223 248
<b>Total Capital Expenditure - Standard Classification</b>	<b>148 388</b>	<b>227 234</b>	<b>-</b>	<b>12 069</b>	<b>12 069</b>	<b>18 936</b>	<b>(6 867)</b>	<b>-36%</b>	<b>227 234</b>
<b>Funded by:</b>									
National Government	128 865	210 486	-	8 063	8 063	18 936	(10 873)	-57%	210 486
Provincial Government	19 523	-	-	4 006	4 006	-	4 006	#DIV/0!	
<b>Transfers recognised - capital</b>	<b>148 388</b>	<b>210 486</b>	<b>-</b>	<b>12 069</b>	<b>12 069</b>	<b>18 936</b>	<b>(6 867)</b>	<b>-36%</b>	<b>210 486</b>
<b>Internally generated funds</b>		16 748							16 748
<b>Total Capital Funding</b>	<b>148 388</b>	<b>227 234</b>	<b>-</b>	<b>12 069</b>	<b>12 069</b>	<b>18 936</b>	<b>(6 867)</b>	<b>-36%</b>	<b>227 234</b>

As alluded to above, the capital expenditure programme has started on a rather slower footing and thus the low 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: 2012/2013 YEAR END CAPEX**



As at 31 July 2013, the year to date actual expenditure was R12million against a YTD budget of R18million. In monetary terms, these figures represent 64% per cent performance against the capital development programme as at 31 July 2013.

Table C6 displays the financial position of the municipality as at 31 July 2013.

DC43 Sisonke - Table C6 Consolidated Monthly Budget Statement - Financial Position - M01					
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	-	152 988	54 303
Consumer debtors	5 957	2 505	-	6 863	2 505
Other debtors		6 510	-	11 963	6 510
Inventory	116	-	-	116	
<b>Total current assets</b>	<b>26 042</b>	<b>63 318</b>	<b>-</b>	<b>171 929</b>	<b>63 318</b>
<b>Non current assets</b>					
Property, plant and equipment	1 083 316	1 516 798	-	1 120 611	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>1 120 797</b>	<b>1 517 343</b>
<b>TOTAL ASSETS</b>	<b>1 109 545</b>	<b>1 580 661</b>	<b>-</b>	<b>1 292 726</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	-	141 865	30 555
Provisions	5 600	-	-	6 742	
<b>Total current liabilities</b>	<b>81 782</b>	<b>34 740</b>	<b>-</b>	<b>152 914</b>	<b>34 740</b>
<b>Non current liabilities</b>					
Borrowing	30 591	25 384	-	25 596	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>34 965</b>	<b>33 101</b>
<b>TOTAL LIABILITIES</b>	<b>119 800</b>	<b>67 841</b>	<b>-</b>	<b>187 878</b>	<b>67 841</b>
<b>NET ASSETS</b>	<b>989 745</b>	<b>1 512 820</b>	<b>-</b>	<b>1 104 848</b>	<b>1 512 820</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	989 745	1 512 820	-	1 104 848	1 512 820
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>989 745</b>	<b>1 512 820</b>	<b>-</b>	<b>1 104 848</b>	<b>1 512 820</b>

Table C7 below display the Cash Flow Statement for the period ending 31 July 2013.

DC43 Sisonke - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M01 July									
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	-	3 335	3 335	2 535	800	32%	30 424
Government - operating	231 660	220 563	-	94 047	94 047	18 380	75 667	412%	220 563
Government - capital	168 745	210 486	-	89 209	89 209	17 541	71 668	409%	210 486
Interest	2 456	2 000	-	434	434	166	268	162%	2 000
<b>Payments</b>									
Suppliers and employees	(264 286)	(194 417)	-	(38 153)	(38 153)	(16 201)	21 952	-135%	(194 417)
Finance charges	(1 768)	(3 500)	-	-	-	(292)	(292)	100%	(3 500)
Transfers and Grants	-	(12 000)	-	(4 000)	(4 000)	(1 000)	3 000	-300%	(12 000)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>167 559</b>	<b>253 556</b>	<b>-</b>	<b>144 872</b>	<b>144 872</b>	<b>21 129</b>	<b>123 743</b>	<b>586%</b>	<b>253 556</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Decrease (Increase) in non-current debtors						1	(1)	-100%	
<b>Payments</b>									
Capital assets	(148 471)	(226 772)	-	(12 069)	(12 069)	(18 898)	(6 828)	36%	(226 772)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(148 471)</b>	<b>(226 772)</b>	<b>-</b>	<b>(12 069)</b>	<b>(12 069)</b>	<b>(18 897)</b>	<b>(6 827)</b>	<b>36%</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)	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(2 652)</b>	<b>(2 482)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>16 436</b>	<b>24 303</b>	<b>-</b>	<b>132 802</b>	<b>132 802</b>	<b>2 232</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	-		152 988	32 232			46 970

There has been an increase in collection levels signalled by a collection ratio of 78% (June 2013: 47%). The interest earned on investments has been lower than expected which is 1% of total budget.

## 2. PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 July 2013.

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

DC43 Sisonke - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July										
Description	Budget Year 2013/14									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	3 074	2 874	1 993	1 838	2 244	1 652	7 720	32 868	54 263	46 323
Receivables from Exchange Transactions - Waste Water Management	1 171	890	797	783	648	681	3 670	13 759	22 400	19 542
Other	428	-	-	-	-	-	1	3 056	3 485	3 057
<b>Total By Income Source</b>	<b>4 673</b>	<b>3 764</b>	<b>2 790</b>	<b>2 621</b>	<b>2 892</b>	<b>2 333</b>	<b>11 391</b>	<b>49 684</b>	<b>80 148</b>	<b>68 921</b>
<b>2012/13 - totals only</b>									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	1 434	1 600	697	564	1 089	493	960	5 029	11 866	8 135
Commercial	740	326	304	276	168	187	1 022	4 761	7 783	6 412
Households	2 447	1 790	1 760	1 745	1 601	1 625	9 269	39 777	60 014	54 018
Other	52	48	29	37	34	29	140	117	485	356
<b>Total By Customer Group</b>	<b>4 673</b>	<b>3 764</b>	<b>2 790</b>	<b>2 621</b>	<b>2 892</b>	<b>2 333</b>	<b>11 391</b>	<b>49 684</b>	<b>80 148</b>	<b>68 921</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.

**Table 2.1.2: Debtors Age Analysis By Customer Category**

DESCRIPTION	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	TOTAL
<b>DEBTORS AGE ANALYSIS BY CUSTOMER CATEGORY</b>									
Government	R 1 434 230	R 1 600 072	R 696 951	R 564 251	R 1 088 802	R 493 392	R 959 770	R 5 028 963	R 11 866 431
Business	R 740 088	R 326 082	R 304 383	R 275 550	R 168 033	R 186 561	R 1 021 583	R 4 760 742	R 7 783 021
Households	R 2 447 298	R 1 789 634	R 1 759 753	R 1 744 720	R 1 601 151	R 1 624 932	R 9 269 437	R 39 777 469	R 60 014 394
Other	R 51 512	R 47 901	R 29 081	R 36 759	R 34 316	R 28 517	R 140 013	R 116 521	R 484 620
<b>TOTAL BY CUSTOMER CATEGORY</b>	<b>R 4 673 127</b>	<b>R 3 763 689</b>	<b>R 2 790 168</b>	<b>R 2 621 279</b>	<b>R 2 892 302</b>	<b>R 2 333 403</b>	<b>R 11 390 804</b>	<b>R 49 683 695</b>	<b>R 80 148 467</b>

Table 2.1.2 analyses consumer debt by Category. A further analysis in the form of a chart is provided below.

**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 1%

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 July 2013

DC43 Sisonke - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July										
Description	Budget Year 2013/14									Prior year totals for chart (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
<b>Total By Customer Type</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 July 2013.

### Cash and Bank Balances

<b>CASH &amp; BANK BALANCES</b>							
<b>SISONKE DISTRICT MUNICIPALITY</b>							
<b>CASH &amp; CASH EQUIVALENTS 2013/2014</b>							
<b>Jul-13</b>							
<b>BANK INSTITUTION</b>	<b>TYPE OF INVESTMENT</b>	<b>ACCOUNT NUMBER</b>	<b>OPENING BALANCES</b>	<b>DEPOSITS</b>	<b>INTEREST RECEIVED AND CAPITALISED</b>	<b>WITHDRAWALS</b>	<b>CLOSING BALANCE</b>
FIRST NATIONAL BANK	MONEY MARKET	62095523281	262 783	45 000 000	13 589	5 602 003	39 674 369
FIRST NATIONAL BANK	CALL ACCOUNT	62138538692	1 819	0	271	0	2 090
FIRST NATIONAL BANK	CALL ACCOUNT	62032587331	36 306	45 000 000	33 221	4 300 000	40 769 527
INVESTEC	FIXED DEPOSIT	50006688425	10 461 590	0	40 872	0	10 502 462
FIRST NATIONAL BANK	CALL ACCOUNT	62398395204	2 690 623	1 250 000	26 430	1 680 000	2 287 053
FIRST NATIONAL BANK	CALL ACCOUNT	62414264797	-1 684	1 814 000	957		1 813 273
<b>TOTAL</b>			<b>13 451 437</b>	<b>93 064 000</b>	<b>115 340</b>	<b>11 582 003</b>	<b>95 048 774</b>
<b>CURRENT ACCOUNT:</b>						<b>62022648169</b>	<b>57 939 293</b>
<b>TOTAL CASH AND BANK EQUIVALENTS</b>							<b>152 988 067</b>

## 2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

<b>DC43 Sisonke - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July</b>									
<b>Description</b>	<b>2012/13</b>		<b>Budget Year 2013/14</b>						
	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Monthly actual</b>	<b>YearTD actual</b>	<b>YearTD budget</b>	<b>YTD variance</b>	<b>YTD variance %</b>	<b>Full Year Forecast</b>
<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>94 047</b>	<b>94 047</b>	<b>92 163</b>	<b>1 814</b>	<b>2.0%</b>	<b>220 010</b>
Local Government Equitable Share	203 556	216 056	-	90 023	90 023	90 023	-		216 056
Finance Management	1 250	1 250	-	1 250	1 250	1 250			1 250
Municipal Systems Improvement	1 000	890	-	-	-	890			890
WATER SERVICES OPERATING SUBSIDY GRANT	9 618	-	-	-	-	-			-
WATER SERVICES OPERATING SUBSIDY	-	300	-	960	960				
Rural Transport Services and Infrastructure Grant	1 776	1 814	-	1 814	1 814		1 814	#DIV/0!	1 814
<b>Provincial Government:</b>	<b>600</b>	<b>253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>253</b>	<b>(253)</b>	<b>-100.0%</b>	<b>253</b>
Infrastructure Sport Facilities		253	-	-	-	253	(253)	-100.0%	253
District Growth Development Summit	400								
Accredited Councillors Training	200								
<b>Total Operating Transfers and Grants</b>	<b>217 800</b>	<b>220 563</b>	<b>-</b>	<b>94 047</b>	<b>94 047</b>	<b>92 416</b>	<b>1 561</b>	<b>1.7%</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>89 209</b>	<b>89 209</b>	<b>84 728</b>	<b>-</b>		<b>210 486</b>
Municipal Infrastructure Grant (MIG)	165 717	173 618	-	83 368	83 368	83 368	-		173 618
Regional Bulk Infrastructure	302	15 429	-	5 841	5 841	938			15 429
Neighbourhood Development Partnership	-	-	-	-	-	-			-
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT	-	5 000	-	-	-	422			5 000
MUNICIPAL WATER INFRASTRUCTURE GRANT	-	13 700	-	-	-	-			13 700
Expanded public works programme incentive grant	4 594	2 739	-	-	-	-			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>89 209</b>	<b>89 209</b>	<b>84 728</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>183 256</b>	<b>183 256</b>	<b>177 144</b>	<b>1 561</b>	<b>0.9%</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 - M01 July									
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>	<b>213 282</b>	<b>220 310</b>	<b>-</b>	<b>18 789</b>	<b>18 789</b>	<b>19 195</b>	<b>(406)</b>	<b>-2.1%</b>	<b>217 246</b>
Local Government Equitable Share	203 556	216 056	-	18 005	18 005	18 005	-		216 056
Finance Management	1 250	1 250	-	-	-	-	-		
Municipal Systems Improvement	1 000	890	-	-	-	890	(890)	-100.0%	890
WATER SERVICES OPERATING SUBSIDY GRANT	5 700	-	-	-	-	-	-		-
WATER SERVICES OPERATING SUBSIDY		300	-	784	784	300	484	161.4%	300
Rural Transport Services and Infrastructure Grant	1 776	1 814	-	-	-	-	-		-
<b>Provincial Government:</b>	<b>90</b>	<b>253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>253</b>
Infrastructure Sport Facilities		253	-	-	-	-	-		253
Accredited Councillors Training	90								
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>[insert description]</i>									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>213 372</b>	<b>220 563</b>	<b>-</b>	<b>18 789</b>	<b>18 789</b>	<b>19 195</b>	<b>(406)</b>	<b>-2.1%</b>	<b>217 499</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>172 982</b>	<b>210 486</b>	<b>-</b>	<b>8 063</b>	<b>8 063</b>	<b>29 502</b>	<b>(18 700)</b>	<b>-63.4%</b>	<b>195 057</b>
Municipal Infrastructure Grant (MIG)	165 717	173 618	-	8 063	8 063	8 063	-		173 618
Regional Bulk Infrastructure	302	15 429							
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT		5 000	-	-	-	5 000	(5 000)	-100.0%	5 000
MUNICIPAL WATER INFRASTRUCTURE GRANT		13 700	-	-	-	13 700	(13 700)	-100.0%	13 700
Expanded public works programme incentive grant	3 763	2 739	-	-	-	2 739			2 739
Farmers Market	3 200								
<b>Provincial Government:</b>	<b>1 125</b>	<b>-</b>	<b>-</b>	<b>4 006</b>	<b>4 006</b>	<b>4 006</b>	<b>-</b>	<b>-</b>	<b>-</b>
ACIP Grant	620								
Massification	505			4 006	4 006	4 006	-		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital expenditure of Transfers and Grants</b>	<b>174 107</b>	<b>210 486</b>	<b>-</b>	<b>12 069</b>	<b>12 069</b>	<b>33 508</b>	<b>(18 700)</b>	<b>-55.8%</b>	<b>195 057</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>387 479</b>	<b>431 049</b>	<b>-</b>	<b>30 858</b>	<b>30 858</b>	<b>52 703</b>	<b>(19 106)</b>	<b>-36.3%</b>	<b>412 556</b>



## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 July 2013.

DC43 Sisonke - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June							
Summary of Employee and Councillor remuneration	2011/12	Budget Year 2012/13					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Full Year Forecast
R thousands							
	A	B	C				D
<b>Councillors (Political Office Bearers plus Other)</b>							
Basic Salaries and Wages	3 169	4 595	3 021	330	3 894	3 021	3 894
Pension and UIF Contributions			395	-	-	395	-
Medical Aid Contributions			93	-	-	93	-
Motor Vehicle Allowance	991	556	1 166	40	498	1 166	498
Cellphone Allowance	172	269	256	15	180	256	180
Other benefits and allowances	82	121	610	-	50	610	50
<b>Sub Total - Councillors</b>	<b>4 413</b>	<b>5 541</b>	<b>5 541</b>	<b>385</b>	<b>4 622</b>	<b>5 541</b>	<b>4 622</b>
<b>% increase</b>		<b>25.5%</b>	<b>25.5%</b>				<b>4.7%</b>
<b>Senior Managers of the Municipality</b>							
Basic Salaries and Wages	3 430	3 818	3 818	248	2 127	3 818	2 127
Pension and UIF Contributions	10	2	2	1	7	2	7
Medical Aid Contributions	84	4	4	5	47	4	47
Performance Bonus		527	527	-	-	527	-
Motor Vehicle Allowance	1 878	2 387	2 387	65	754	2 387	754
Cellphone Allowance	104	112	112	7	65	112	65
Housing Allowances		-	-	42	277	-	277
Other benefits and allowances	0	3	3	0	2	3	2
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 505</b>	<b>6 853</b>	<b>6 853</b>	<b>368</b>	<b>3 279</b>	<b>6 853</b>	<b>3 279</b>
<b>% increase</b>		<b>24.5%</b>	<b>24.5%</b>				<b>-40.4%</b>
<b>Other Municipal Staff</b>							
Basic Salaries and Wages	43 413	52 943	52 943	4 888	53 145	52 943	53 145
Pension and UIF Contributions	5 907	9 891	9 891	667	8 267	9 891	8 267
Medical Aid Contributions	2 491	1 237	1 237	280	3 206	1 237	3 206
Overtime	4 624	1 105	1 105	397	4 674	1 105	4 674
Performance Bonus	2 859	4 906	4 906	204	3 301	4 906	3 301
Motor Vehicle Allowance	3 024	2 255	2 255	313	3 950	2 255	3 950
Cellphone Allowance	267	385	385	25	307	385	307
Housing Allowances	144	33	33	13	218	33	218
Other benefits and allowances	15	1 475	1 475	2	22	1 475	22
Payments in lieu of leave			-	22	1 054		1 054
Long service awards			-	52	167		167
<b>Sub Total - Other Municipal Staff</b>	<b>62 743</b>	<b>74 230</b>	<b>74 230</b>	<b>6 863</b>	<b>78 311</b>	<b>74 230</b>	<b>78 311</b>
<b>% increase</b>		<b>18.3%</b>	<b>18.3%</b>				<b>24.8%</b>
<b>Total Parent Municipality</b>	<b>72 661</b>	<b>86 624</b>	<b>86 624</b>	<b>7 616</b>	<b>86 212</b>	<b>86 624</b>	<b>86 212</b>
		<b>19.2%</b>	<b>19.2%</b>				<b>18.6%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>72 661</b>	<b>86 624</b>	<b>86 624</b>	<b>7 616</b>	<b>86 212</b>	<b>86 624</b>	<b>86 212</b>
<b>% increase</b>		<b>19.2%</b>	<b>19.2%</b>				<b>18.6%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>68 248</b>	<b>81 083</b>	<b>81 083</b>	<b>7 231</b>	<b>81 590</b>	<b>81 083</b>	<b>81 590</b>

## 2.6 Material Variances to the SDBIP

The following section analyses material variances between the actual targets as at 31 July 2013 and the budget for the same period. This report analyses each major component under following headings;

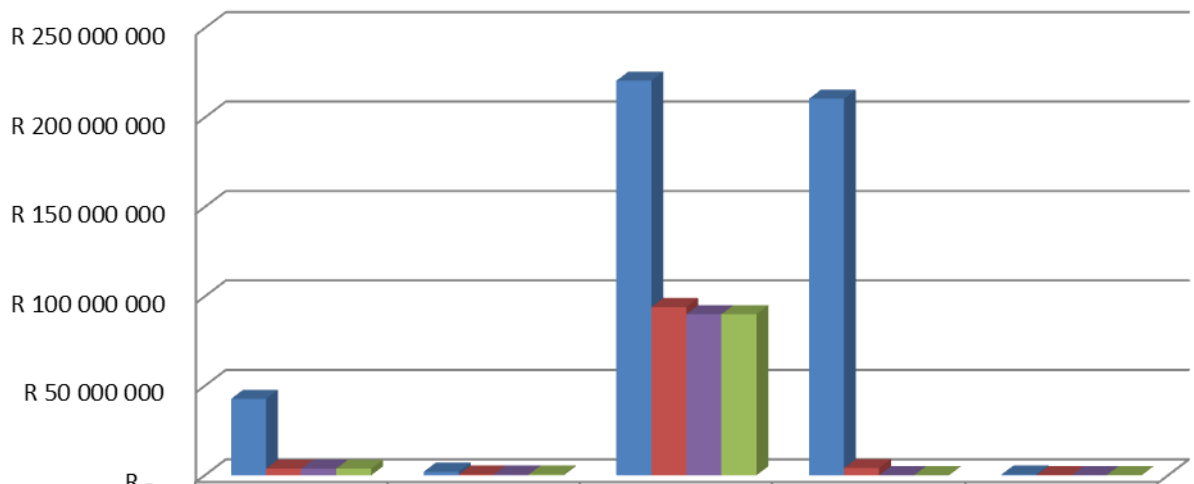
- ✓ Revenue by Source
- ✓ Operational Expenditure by Type, and
- ✓ Capital Expenditure
- ✓ Financial Position
- ✓ Cash Flows

### 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

### 201314 FIN YEAR ENDING 31 JULY REVENUE ANALYSIS



	Water & Sanitation revenue	Interest earned on investments	Grants & Subsidies - Operational	Grants & Subsidies - Capital	Other revenue
ORIG BUDGET	R 42 748 262	R 2 000 000	R 220 563 000	R 210 486 000	R 500 000
YTD BUDGET	R 3 708 752	R 433 665	R 94 046 954	R 4 006 535	R 41 667
YTD REC/ACCRUED	R 3 708 752	R 433 665	R 90 023 000	R -	R 68 616
JULY 2013	R 3 708 752	R 433 665	R 90 023 000	R -	R 68 616

#### Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 31 July 2013 was R3, 7million against a year to date **budget** of R3, 7million.

#### Interest Earned on External Investments

The actual interest earned on external investments as at 31 July 2013 is R 5 333 less than the year to date budget. This could be attributable to the large cash outflows at the beginning of the financial year to settle year end accruals and the low interest rate earned on the balance of the invested funds over this period.

### **Transfers Recognised - Operational**

The operational grants revenue of R94million against a budget of 220million is largely attributable to the YTD equitable share received of R90million while the balance relates to conditions met on conditional grant funding.

### **Transfers Recognised – Capital**

The low expenditure trends on grant funded expenditure had resulted in a rather lower than expected recognition of Income against the set targets. The actual R4million (against a YTD budget of R18million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 6% under performance in Conditional Capital grant funding expenditures.

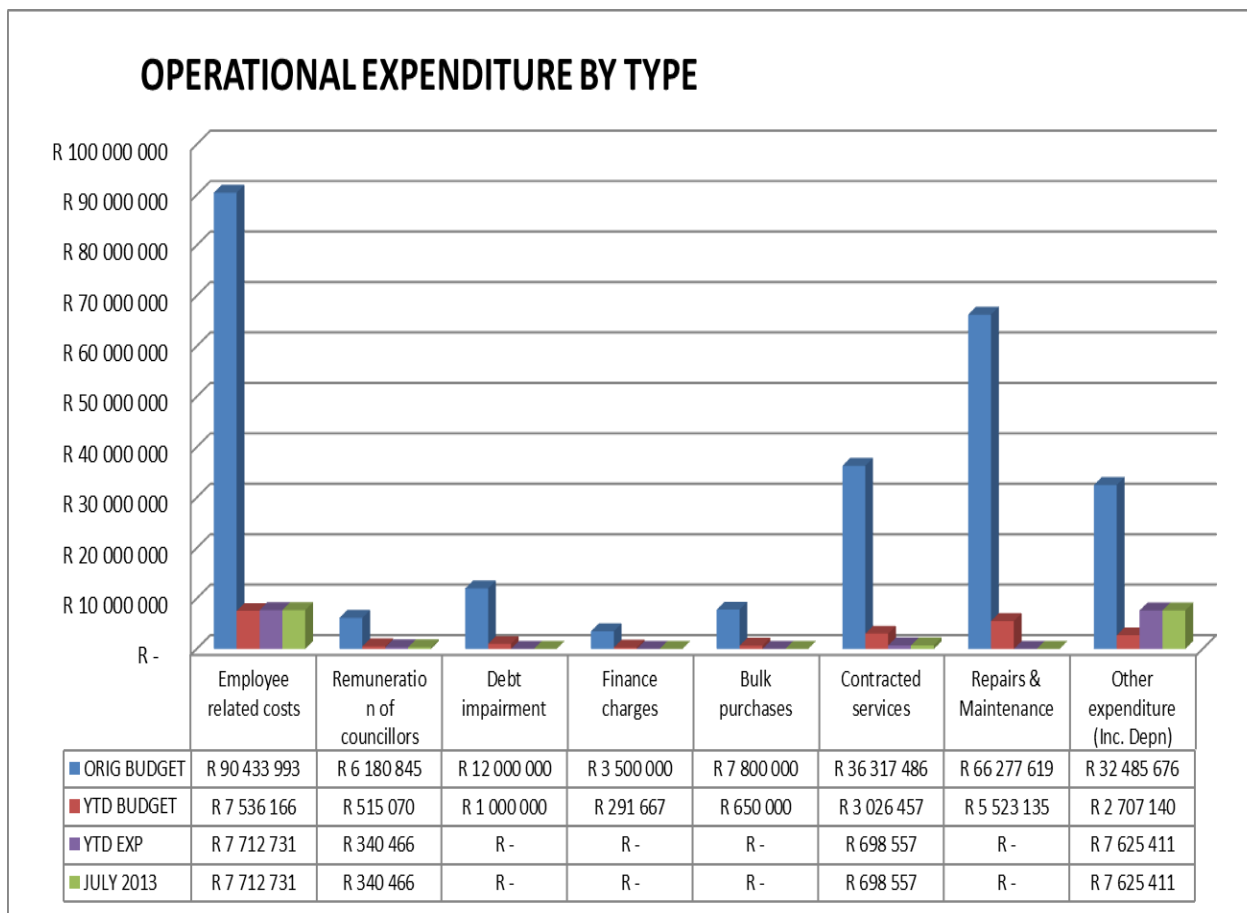
### **Other Revenue**

The YTD performance of other revenue is R68 616 against YTD budget of R41 667 of original 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 R7, 5million against a YTD actual of R7, 7million which is 3% of the YTD budget.

#### Remuneration of Councillors

The remuneration of councillor’s expenditure as at 31 July 2013 was R340 466 against a YTD budget of R515 070.

#### Finance Charges

As at 31 July 2013, the finance charges budget has been R3, 5m and there were no movements.

#### Bulk Purchases

The expenditure on Bulk Water purchases has the budget of R7, 8mand there is no expenditure incurred for the month of July 2013.

### Other Expenditure

The YTD budget for other expenditure was at R2, 7million against a YTD expenditure of R7, 6million.

### Performance assessment

The Performance Assessment Report will be available on the first quarter in terms of Sec 52 (d) of 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 - M01 July															
Description	Budget Year 2013/14												2013/14 Medium Term Revenue		
	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	1 746	1 746	1 746	1 746	1 746	1 746	1 746	1 746	1 746	1 746	1 204	20 947	22 622	18 054
Service charges - sanitation revenue	980	748	748	748	748	748	748	748	748	748	748	516	8 977	9 695	7 738
Interest earned - external investments	5	250	167	95	315	213	188	101	249	165	84	167	2 000	2 000	2 000
Interest earned - outstanding debtors	428											(428)			
Transfer receipts - operating	94 047	-	-	4 640	69 182	-	4 640	-	51 582	-	-	(3 528)	220 563	242 058	252 948
Other revenue	69	-	83	-	83	-	83	-	83	-	83	15	500	500	500
<b>Cash Receipts by Source</b>	<b>97 816</b>	<b>2 744</b>	<b>2 744</b>	<b>7 229</b>	<b>72 074</b>	<b>2 706</b>	<b>7 405</b>	<b>2 595</b>	<b>54 407</b>	<b>2 659</b>	<b>2 661</b>	<b>(2 054)</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	1 057	-	-	60 874	-	4 296	7 155	47 747	-	989	(841)	210 486	243 163	274 050
<b>Total Cash Receipts by Source</b>	<b>187 025</b>	<b>3 801</b>	<b>2 744</b>	<b>7 229</b>	<b>132 948</b>	<b>2 706</b>	<b>11 701</b>	<b>9 750</b>	<b>102 154</b>	<b>2 659</b>	<b>3 650</b>	<b>(2 895)</b>	<b>463 473</b>	<b>520 039</b>	<b>555 290</b>
<b>Cash Payments by Type</b>															
Employee related costs	7 713	7 625	7 625	7 625	7 625	7 625	7 625	7 625	7 625	7 625	7 625	6 467	90 434	98 831	105 730
Remuneration of councillors	340	515	515	515	515	515	515	515	515	515	515	690	6 181	6 576	7 037
Interest paid	-	208	208	208	208	208	208	208	208	208	208	1 417	3 500	2 800	2 500
Bulk purchases - Water & Sewer	-	650	650	650	650	650	650	650	650	650	650	1 300	7 800	8 221	8 665
Contracted services	699	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	7 287	36 317	37 923	37 699
Grants and subsidies paid - other	4 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	(2 000)	12 000	12 672	13 382
General expenses	29 402	4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	4 474	(20 454)	53 685	54 805	57 765
<b>Cash Payments by Type</b>	<b>42 153</b>	<b>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>17 306</b>	<b>(5 294)</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	18 898	18 898	18 898	18 898	18 898	18 898	18 898	18 898	18 898	18 898	25 726	226 772	252 706	285 691
Repayment of borrowing	-	208	208	208	208	208	208	208	208	208	208	416	2 494	2 735	2 997
Other Cash Flows/Payments	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(12)	(14)	(17)
<b>Total Cash Payments by Type</b>	<b>54 223</b>	<b>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>36 410</b>	<b>20 845</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>(32 609)</b>	<b>(33 666)</b>	<b>(29 181)</b>	<b>96 538</b>	<b>(33 704)</b>	<b>(24 710)</b>	<b>(26 660)</b>	<b>65 744</b>	<b>(33 751)</b>	<b>(32 760)</b>	<b>(23 740)</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	120 379	86 713	57 532	154 070	120 366	95 657	68 996	134 740	100 989	68 229	20 186	44 489	87 272
Cash/cash equivalents at the month/year end:	152 988	120 379	86 713	57 532	154 070	120 366	95 657	68 996	134 740	100 989	68 229	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) - M01 July**

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	-	2 225	2 225	2 410	(185)	-8%	30 697
Service charges - sanitation revenue	11 485	12 052	-	1 484	1 484	837	646	77%	12 052
Interest earned - external investments	2 753	2 000	-	5	5	166	(160)	-97%	2 000
Interest earned - outstanding debtors				428	428		428	#DIV/0!	
Transfers recognised - operational	217 640	220 563	-	90 023	90 023	90 519	(496)	-1%	220 563
Other revenue	6 567	500	-	69	69	83	(15)	-18%	500
Gains on disposal of PPE							-		
<b>Total Revenue (excluding capital transfers and</b>	<b>265 244</b>	<b>265 811</b>	<b>-</b>	<b>94 234</b>	<b>94 234</b>	<b>94 015</b>	<b>219</b>	<b>0%</b>	<b>265 811</b>
<b>Expenditure By Type</b>									
Employee related costs	81 571	90 434	-	7 713	7 713	7 625	87	1%	
Remuneration of councillors	4 622	6 181	-	340	340	515	(175)	-34%	
Debt impairment	8 000	12 000	-			937	(937)	-100%	
Depreciation & asset impairment	18 000	20 000	-			1 583	(1 583)	-100%	
Finance charges	3 680	3 500	-			208	(208)	-100%	
Bulk purchases	9 422	7 800	-			650	(650)	-100%	
Other materials						-	-		
Contracted services	17 492	36 317	-	699	699	2 833	(2 135)	-75%	
Transfers and grants	9 569	12 000	-	4 000	4 000	1 000	3 000	300%	
Other expenditure	123 714	66 763	-	3 625	3 625	5 483	(1 858)	-34%	
Loss on disposal of PPE	-						-		
<b>Total Expenditure</b>	<b>276 070</b>	<b>254 996</b>	<b>-</b>	<b>16 377</b>	<b>16 377</b>	<b>20 835</b>	<b>(4 458)</b>	<b>-21%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>	<b>(10 825)</b>	<b>10 816</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>73 180</b>	<b>4 677</b>	<b>6%</b>	<b>265 811</b>
Transfers recognised - capital	178 591	210 486	-	-	-	88 368	(88 368)	-100%	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>161 547</b>	<b>(83 691)</b>	<b>-52%</b>	<b>265 811</b>
Taxation							-		
<b>Surplus/(Deficit) after taxation</b>	<b>167 766</b>	<b>221 302</b>	<b>-</b>	<b>77 857</b>	<b>77 857</b>	<b>161 547</b>	<b>(83 691)</b>	<b>-52%</b>	<b>265 811</b>

## Capital Expenditure Trend



DC43 Sisonke - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M01 July									
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
R thousands								%	
<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	-			37 795	-		
September	8 497	18 898	-			56 693	-		
October	10 497	18 898	-			75 591	-		
November	14 172	18 898	-			94 488	-		
December	19 194	18 898	-			113 386	-		
January	11 905	18 898	-			132 283	-		
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>12 069</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 - M01 July

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	-	4 838	4 838	-	(4 838)	#DIV/0!	217 762
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>									
Infrastructure - Electricity	2 935	580	-	-	-	-	-	-	580
<i>Transmission &amp; Reticulation</i>	2 935	580							580
Infrastructure - Water	96 364	166 970	-	2 903	2 903	-	(2 903)	#DIV/0!	166 970
<i>Reticulation</i>	96 364	166 970		2 903	2 903		(2 903)	#DIV/0!	166 970
Infrastructure - Sanitation	36 953	50 012	-	1 935	1 935	-	(1 935)	#DIV/0!	50 012
<i>Sewerage purification</i>	36 953	50 012		1 935	1 935		(1 935)	#DIV/0!	50 012
Infrastructure - Other	-	200	-	-	-	-	-	-	200
<i>Waste Management</i>									
<i>Other</i>		200							200
<b>Community</b>	6 157	2 000	-	-	-	-	-	-	2 000
Other	6 157	2 000	-	-	-	-	-	-	2 000
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Buildings									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development									
Other									
<b>Other assets</b>	808	4 252	-	4 007	4 007	-	(4 007)	#DIV/0!	4 252
General vehicles	277	2 739		4 007	4 007		(4 007)	#DIV/0!	2 739
Specialised vehicles	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	230	798	-	-	-	-	-	-	798
Abattoirs									
Other Buildings	301	700	-	-	-	-	-	-	700
Other		15	-	-	-	-	-	-	15
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
<b>Intangibles</b>	385	572	-	-	-	-	-	-	572
Computers - software & programming	385	572							572
<b>Total Capital Expenditure on new assets</b>	143 601	224 587	-	8 844	8 844	-	(8 844)	#DIV/0!	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 - M01 July									
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	-	3 225	3 225	-	(3 225)	#DIV/0!	2 647
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>									
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>									
Infrastructure - Water	2 402	1 378	-	1 935	1 935	-	(1 935)	#DIV/0!	1 378
<i>Reticulation</i>	2 402	1 378	-	1 935	1 935	-	(1 935)	#DIV/0!	1 378
Infrastructure - Sanitation	2 385	1 269	-	1 290	1 290	-	(1 290)	#DIV/0!	1 269
<i>Reticulation</i>									
<i>Sewerage purification</i>	2 385	1 269	-	1 290	1 290	-	(1 290)	#DIV/0!	1 269
Infrastructure - Other	-	-	-	-	-	-	-	-	-
<i>Waste Management</i>									
<b>Community</b>	-	-	-	-	-	-	-	-	-
Parks & gardens									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Buildings									
Other									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development									
Other									
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
General v vehicles									
Specialised v vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardw are/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other									
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>4 787</b>	<b>2 647</b>	<b>-</b>	<b>3 225</b>	<b>3 225</b>	<b>-</b>	<b>(3 225)</b>	<b>#DIV/0!</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 Sisonke District Municipality, hereby certify that-

- The monthly budget statement

For the month of July of 2013 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: Sisonke District Municipality

Signed *Adelaide Nomnandi Dlamini*

Date 08 / 08 / 2013