

# **REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 30 APRIL 2016**

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## **1. PART 1 – MONTHLY REPORT**

### **1.1 PURPOSE**

To table the monthly expenditure report in terms of s71 of the MFMA for the period ending 30 April 2016 to Finance and Corporate Services Committee.

### **LEGAL FRAMEWORK**

- Local Government: Municipal Finance Management Act, 56 of 2003
- SCM Regulations
- SCM Policy
- Municipal Budget Reporting Regulation
- Division of Revenue Act

### **1.2 Executive Summary or Background**

#### **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 and Corporate Services Committee on the progress made thus far in terms of implementing the 2015/2016 budget for the period ending 30 April 2016.

### **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.

### **Revenue by Source**

The original approved revenue for the 2015/16 budget amounts to R588, 2m. The year to date actual revenue for the period ended 30 April 2015 amounted to R534, 3m which is 124% of the Year to Date (YTD) budget. The year to date revenue is largely constituted of the Operational & Capital grant receipts with the Water & Sanitation Revenue contributing to the balance.

## **Borrowings**

The balance of borrowings amounts to R20m at the end of April 2016 for ABSA loan. There was no movement in the month of April 2016.

## **Operating expenditure by vote & type**

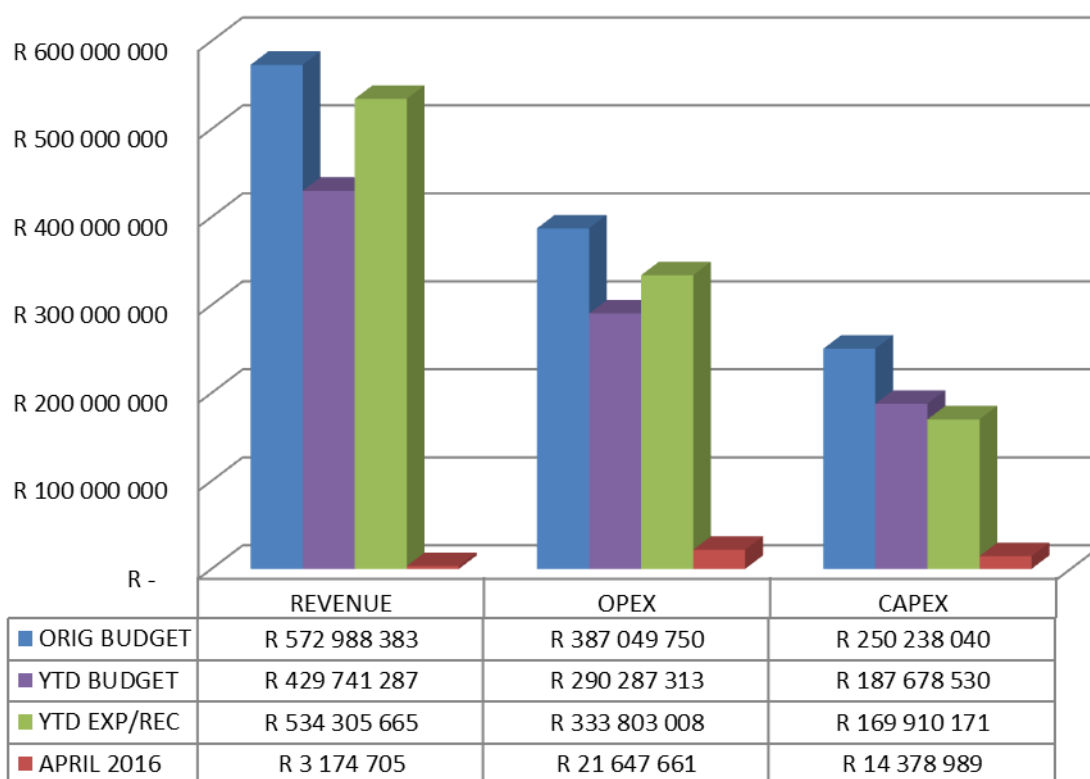
The total operating budget for the current year amounts to R345, 6m. The YTD Operating expenditure for the month ended 30 April amounted to R333, 8m against a year to date (YTD) budget of R290, 2m. The actual YTD expenditure represented 115% of the planned expenditure.

## **Capital expenditure**

The total capital budget for the current year amounts to R278, 5m. The YTD expenditure on capital amounts to R169million, or 81% of the planned expenditure. Capital expenditure is mainly funded by means of national grants in the form of Municipal Infrastructure Grant.

## **Chart 1: Budget vs. Expenditure Summary**

### BUDGET SUMMARY APRIL 2016



### Cash flows

The municipality started the year with a positive cashbook balance of R25, 8 million and the closing cash and cash equivalents as at the end of April 2016 was R31million. Refer to Supporting Table C6 for more detail on the cash position.

### Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2015/2016 third Quarter have been received as per payment schedule. Total grants receipts amounted to R532, 4million, being made up of R244, 2million operational and R288million capital grants. Operational grants are largely defined by the Equitable Share while capital grants are largely constituted of the Municipal Infrastructure Grant.

## 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 - M09 March

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	52 603	55 902	55 822	2 074	38 372	46 518	(8 146)	-18%	55 822
Investment revenue	3 500	4 375	3 375	244	2 810	2 813	(2)	-0%	8 000
Transfers recognised - operational	263 824	249 823	260 403	-	238 822	217 003	21 819	10%	1 098
Other own revenue	16 229	7 328	9 098	856	8 302	7 582	720	9%	264 746
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>336 155</b>	<b>317 429</b>	<b>328 699</b>	<b>3 175</b>	<b>288 306</b>	<b>273 915</b>	<b>14 391</b>	<b>5%</b>	<b>329 667</b>
Employee costs	104 700	114 031	116 031	9 907	97 463	96 692	771	1%	116 031
Remuneration of Councillors	6 655	7 321	7 321	512	5 032	6 100	(1 068)	-18%	7 321
Depreciation & asset impairment	35 000	30 000	30 000	-	44 519	25 000	19 519	78%	30 000
Finance charges	3 200	2 228	1 114	-	2 341	929	1 412	152%	1 114
Materials and bulk purchases	8 009	8 706	9 852	1 176	8 069	8 210	(141)	-2%	9 852
Transfers and grants	21 400	20 000	18 096	-	16 096	15 080	1 016	7%	18 096
Other expenditure	197 317	163 336	204 636	10 052	160 282	170 530	(10 248)	-6%	204 636
<b>Total Expenditure</b>	<b>376 281</b>	<b>345 621</b>	<b>387 050</b>	<b>21 648</b>	<b>333 803</b>	<b>322 541</b>	<b>11 262</b>	<b>3%</b>	<b>387 050</b>
<b>Surplus/(Deficit)</b>	<b>(40 126)</b>	<b>(28 193)</b>	<b>(58 351)</b>	<b>(18 473)</b>	<b>(45 497)</b>	<b>(48 626)</b>	<b>3 129</b>	<b>-6%</b>	<b>(57 383)</b>
Transfers recognised - capital	252 033	270 790	244 290	-	245 999	203 575	42 424	21%	244 290
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>211 907</b>	<b>242 597</b>	<b>185 939</b>	<b>(18 473)</b>	<b>200 503</b>	<b>154 949</b>	<b>45 554</b>	<b>29%</b>	<b>186 907</b>
<b>Surplus/ (Deficit) for the year</b>	<b>211 907</b>	<b>242 597</b>	<b>185 939</b>	<b>(18 473)</b>	<b>200 503</b>	<b>154 949</b>	<b>45 554</b>	<b>29%</b>	<b>186 907</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>264 342</b>	<b>278 540</b>	<b>250 238</b>	<b>14 379</b>	<b>169 910</b>	<b>208 532</b>	<b>(38 622)</b>	<b>-19%</b>	<b>250 238</b>
Capital transfers recognised	257 533	270 790	244 290	14 300	168 138	203 575	(35 437)	-17%	244 290
Internally generated funds	6 809	7 750	5 948	79	1 772	4 957	(3 185)	-64%	5 948
<b>Total sources of capital funds</b>	<b>264 342</b>	<b>278 540</b>	<b>250 238</b>	<b>14 379</b>	<b>169 910</b>	<b>208 532</b>	<b>(38 622)</b>	<b>-19%</b>	<b>250 238</b>
<b>Financial position</b>									
Total current assets	41 940	85 442	42 606	-	76 757	-	-	-	42 606
Total non current assets	1 540 924	1 600 660	1 572 358	-	1 564 559	-	-	-	1 572 358
Total current liabilities	64 952	56 886	108 886	-	90 094	-	-	-	108 886
Total non current liabilities	31 936	31 018	31 018	-	43 326	-	-	-	31 018
<b>Community wealth/Equity</b>	<b>1 485 976</b>	<b>1 598 198</b>	<b>1 475 060</b>	-	<b>1 507 897</b>	-	-	-	<b>1 475 060</b>
<b>Cash flows</b>									
Net cash from (used) operating	290 047	268 665	263 590	(16 348)	197 903	219 658	21 755	10%	263 590
Net cash from (used) investing	(279 846)	(248 610)	(276 912)	(14 379)	(162 886)	(230 760)	(67 874)	29%	(276 912)
Net cash from (used) financing	(3 356)	(3 684)	(2 694)	-	-	(2 245)	(2 245)	100%	(2 694)
<b>Cash/cash equivalents at the month/year end</b>	<b>32 717</b>	<b>42 242</b>	<b>9 855</b>	<b>-</b>	<b>60 888</b>	<b>12 524</b>	<b>(48 364)</b>	<b>-386%</b>	<b>9 855</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	3 585	3 258	3 744	3 331	2 078	3 143	17 943	102 601	139 683
<b>Creditors Age Analysis</b>									
Total Creditors	638	322	4 094	2 618	-	-	-	-	7 672

## Financial Performance

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

DC43 Sisonke - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M09 March

Description	2014/15	Budget Year 2015/16							
	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>									
<i>Governance and administration</i>	252 538	249 598	255 059	1 045	249 328	212 550	36 778	17%	255 059
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	252 538	249 598	255 059	1 045	249 328	212 550	36 778	17%	255 059
Corporate services	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	750	1 100	1 100	-	-	917	(917)	-100%	1 100
Planning and development	750	1 100	1 100	-	-	917	(917)	-100%	1 100
<i>Trading services</i>	334 901	337 520	316 829	2 130	284 978	264 024	20 954	8%	316 829
Electricity	-	-	-	-	-	-	-	-	-
Water	52 600	61 230	56 539	2 130	38 978	47 116	(8 137)	-17%	56 539
Waste water management	282 301	276 290	260 290	-	245 999	216 908	29 091	13%	260 290
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>588 189</b>	<b>588 218</b>	<b>572 988</b>	<b>3 175</b>	<b>534 306</b>	<b>477 490</b>	<b>56 815</b>	<b>12%</b>	<b>572 988</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	123 447	133 932	131 608	7 785	105 620	109 673	(4 053)	-4%	131 608
Executive and council	23 099	28 719	24 484	2 541	19 346	20 403	(1 057)	-5%	24 484
Budget and treasury office	58 787	59 527	63 444	1 793	45 354	52 870	(7 516)	-14%	63 444
Corporate services	41 561	45 686	43 680	3 452	40 919	36 400	4 520	12%	43 680
<i>Economic and environmental services</i>	52 368	54 286	52 428	2 200	42 322	43 690	(1 368)	-3%	52 428
Planning and development	52 368	54 286	52 428	2 200	42 322	43 690	(1 368)	-3%	52 428
<i>Trading services</i>	200 466	157 403	203 013	11 663	185 861	169 178	16 683	10%	203 013
Water	150 528	134 197	159 142	9 429	140 122	132 618	7 504	6%	159 142
Waste water management	49 938	23 206	43 872	2 233	45 739	36 560	9 179	25%	43 872
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>376 281</b>	<b>345 621</b>	<b>387 050</b>	<b>21 648</b>	<b>333 803</b>	<b>322 541</b>	<b>11 262</b>	<b>3%</b>	<b>387 050</b>
<b>Surplus/ (Deficit) for the year</b>	<b>211 907</b>	<b>242 597</b>	<b>185 939</b>	<b>(18 473)</b>	<b>200 503</b>	<b>154 949</b>	<b>45 554</b>	<b>29%</b>	<b>185 939</b>

This table assess the revenue by department and then the expenditure for the period ending 30 April 2016. Revenue receipts in April have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of April is 1%.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has largest expenditure by 7% in the period ending 30 April 2016. This being largely attributable to the backlog demand of operations and maintenance of water schemes in the District.

Table C3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Sisonke - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description	2014/15	Budget Year 2015/16							
	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 Vote</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	252 538	249 598	255 059	1 045	249 328	212 550	36 778	17,3%	255 059
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Social & Development Planning	750	1 100	1 100	-	-	917	(917)	-100,0%	1 100
Vote 6 - Infrastructure Services	282 301	276 290	260 290	-	245 999	216 908	29 091	13,4%	260 290
Vote 7 - Water Services	52 600	61 230	56 539	2 130	38 978	47 116	(8 137)	-17,3%	56 539
<b>Total Revenue by Vote</b>	<b>588 189</b>	<b>588 218</b>	<b>572 988</b>	<b>3 175</b>	<b>534 306</b>	<b>477 490</b>	<b>56 815</b>	<b>11,9%</b>	<b>572 988</b>
<b>Expenditure by Vote</b>									
Vote 1 - Council	10 517	13 164	12 024	1 136	9 518	10 020	(501)	-5,0%	12 024
Vote 2 - Municipal Manager	12 582	15 555	12 460	1 405	9 828	10 384	(556)	-5,4%	12 460
Vote 3 - Budget & Treasury Office	58 787	59 527	63 444	1 793	45 354	52 870	(7 516)	-14,2%	63 444
Vote 4 - Corporate Services	41 561	45 686	43 680	3 452	40 919	36 400	4 520	12,4%	43 680
Vote 5 - Social & Development Planning	52 368	54 286	52 428	2 200	42 322	43 690	(1 368)	-3,1%	52 428
Vote 6 - Infrastructure Services	49 938	23 206	43 872	2 233	45 739	36 560	9 179	25,1%	43 872
Vote 7 - Water Services	150 528	134 197	159 142	9 429	140 122	132 618	7 504	5,7%	159 142
<b>Total Expenditure by Vote</b>	<b>376 281</b>	<b>345 621</b>	<b>387 050</b>	<b>21 648</b>	<b>333 803</b>	<b>322 541</b>	<b>11 262</b>	<b>3,5%</b>	<b>387 050</b>
<b>Surplus/ (Deficit) for the year</b>	<b>211 907</b>	<b>242 597</b>	<b>185 939</b>	<b>(18 473)</b>	<b>200 503</b>	<b>154 949</b>	<b>45 554</b>	<b>29,4%</b>	<b>185 939</b>

## Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 April 2016.

DC43 Sisonke - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	2014/15	Budget Year 2015/16							
	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 - electricity revenue			-				-		38 329
Service charges - water revenue	36 235	38 409	38 329	1 452	26 860	31 941	(5 080)	-16%	16 461
Service charges - sanitation revenue	15 529	16 461	16 461	622	11 512	13 718	(2 206)	-16%	-
Service charges - refuse revenue			-	-	-	-	-		1 032
Service charges - other	839	1 032	1 032	-	-	860	(860)	-100%	
Rental of facilities and equipment				-	-	-	-		3 375
Interest earned - external investments	3 500	4 375	3 375	244	2 810	2 813	(2)	0%	8 000
Interest earned - outstanding debtors	6 000	6 360	8 000	760	7 128	6 667	461	7%	
Agency services				-	-	-	-		260 403
Transfers recognised - operational	263 824	249 823	260 403	-	238 822	217 003	21 819	10%	1 098
Other revenue	10 229	968	1 098	96	1 174	915	259	28%	968
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>336 155</b>	<b>317 429</b>	<b>328 699</b>	<b>3 175</b>	<b>288 306</b>	<b>273 915</b>	<b>14 391</b>	<b>5%</b>	<b>329 667</b>
<b>Expenditure By Type</b>									
Employee related costs	104 700	114 031	116 031	9 907	97 463	96 692	771	1%	116 031
Remuneration of councillors	6 655	7 321	7 321	512	5 032	6 100	(1 068)	-18%	7 321
Debt impairment	23 000	24 692	24 692	-	12 346	20 576	(8 231)	-40%	24 692
Depreciation & asset impairment	35 000	30 000	30 000	-	44 519	25 000	19 519	78%	30 000
Finance charges	3 200	2 228	1 114	-	2 341	929	1 412	152%	1 114
Bulk purchases	8 009	8 706	9 852	1 176	8 069	8 210	(141)	-2%	9 852
Contracted services	37 057	32 015	53 356	1 560	35 491	44 463	(8 972)	-20%	53 356
Transfers and grants	21 400	20 000	18 096	-	16 096	15 080	1 016	7%	18 096
Other expenditure	137 260	106 629	126 589	8 492	112 446	105 490	6 955	7%	126 589
Loss on disposal of PPE				-					
<b>Total Expenditure</b>	<b>376 281</b>	<b>345 621</b>	<b>387 050</b>	<b>21 648</b>	<b>333 803</b>	<b>322 541</b>	<b>11 262</b>	<b>3%</b>	<b>387 050</b>
<b>Surplus/(Deficit)</b>	<b>(40 126)</b>	<b>(28 193)</b>	<b>(58 351)</b>	<b>(18 473)</b>	<b>(45 497)</b>	<b>(48 626)</b>	<b>3 129</b>	<b>(0)</b>	<b>(57 383)</b>
Transfers recognised - capital	252 033	270 790	244 290	-	245 999	203 575	42 424	0	244 290
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>211 907</b>	<b>242 597</b>	<b>185 939</b>	<b>(18 473)</b>	<b>200 503</b>	<b>154 949</b>			<b>186 907</b>
<b>Surplus/(Deficit) after taxation</b>	<b>211 907</b>	<b>242 597</b>	<b>185 939</b>	<b>(18 473)</b>	<b>200 503</b>	<b>154 949</b>			<b>186 907</b>
<b>Surplus/(Deficit) attributable to municipality</b>	<b>211 907</b>	<b>242 597</b>	<b>185 939</b>	<b>(18 473)</b>	<b>200 503</b>	<b>154 949</b>			<b>186 907</b>
<b>Surplus/ (Deficit) for the year</b>	<b>211 907</b>	<b>242 597</b>	<b>185 939</b>	<b>(18 473)</b>	<b>200 503</b>	<b>154 949</b>			<b>186 907</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.



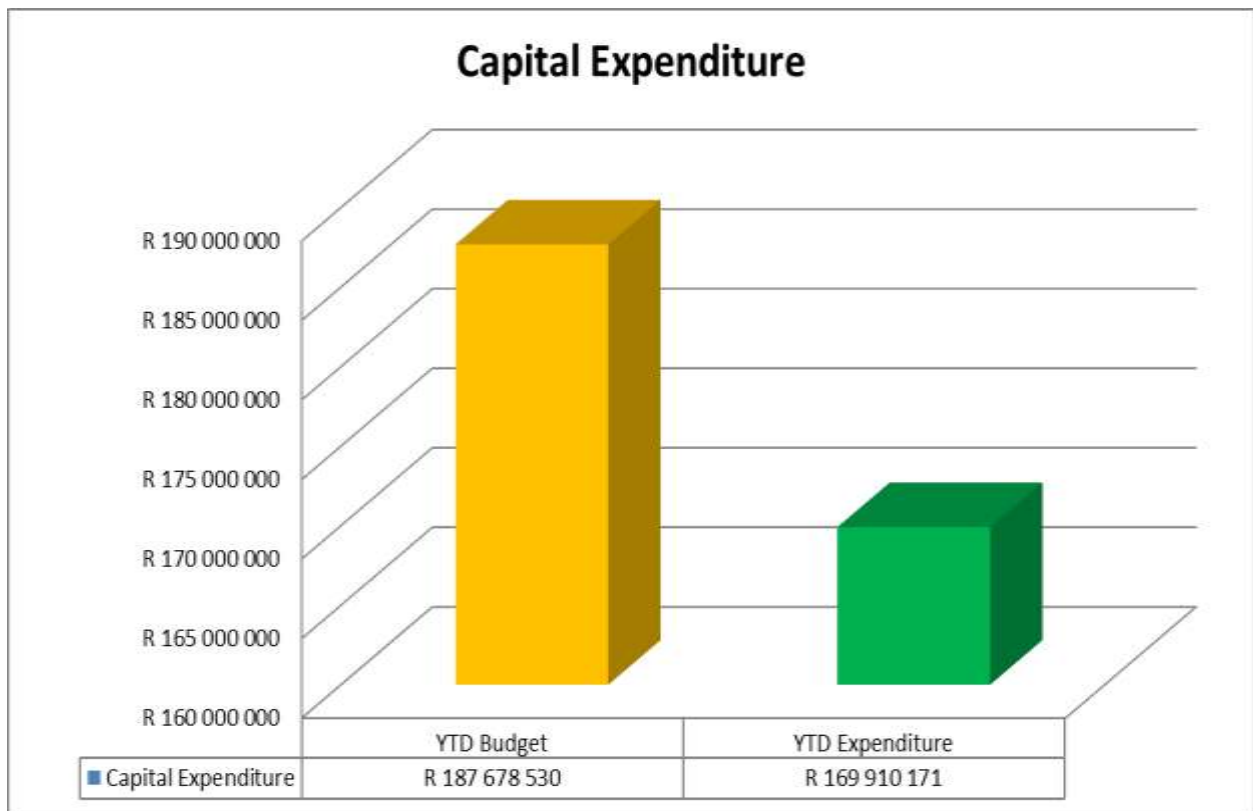
DC43 Sisonke - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M09 March

Vote Description	2014/15	Budget Year 2015/16							
	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 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	2 104	2 650	1 643	79	267	1 369	(1 102)	-80%	1 643
Vote 5 - Social & Development Planning	800	800	400	-	400	333	67	20%	400
Vote 6 - Infrastructure Services	257 533	270 790	244 590	14 300	166 081	203 825	(37 744)	-19%	244 590
Vote 7 - Water Services	3 905	4 300	3 605	-	3 163	3 004	158	5%	3 605
<b>Total Capital Multi-year expenditure</b>	<b>264 342</b>	<b>278 540</b>	<b>250 238</b>	<b>14 379</b>	<b>169 910</b>	<b>208 532</b>	<b>(38 622)</b>	<b>-19%</b>	<b>250 238</b>
<b>Total Capital Expenditure</b>	<b>264 342</b>	<b>278 540</b>	<b>250 238</b>	<b>14 379</b>	<b>169 910</b>	<b>208 532</b>	<b>(38 622)</b>	<b>-19%</b>	<b>250 238</b>
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>	<b>2 104</b>	<b>2 650</b>	<b>1 643</b>	<b>79</b>	<b>267</b>	<b>1 369</b>	<b>(1 102)</b>	<b>-80%</b>	<b>1 643</b>
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-
Corporate services	2 104	2 650	1 643	79	267	1 369	(1 102)	-80%	1 643
<b>Economic and environmental services</b>	<b>800</b>	<b>800</b>	<b>400</b>	<b>-</b>	<b>400</b>	<b>333</b>	<b>67</b>	<b>20%</b>	<b>400</b>
Planning and development	800	800	400	-	400	333	67	20%	400
<b>Trading services</b>	<b>261 438</b>	<b>275 090</b>	<b>248 195</b>	<b>14 300</b>	<b>169 243</b>	<b>206 829</b>	<b>(37 586)</b>	<b>-18%</b>	<b>248 195</b>
Electricity	-	-	-	-	-	-	-	-	-
Water	3 905	4 300	3 605	-	3 163	3 004	158	5%	3 605
Waste water management	257 533	270 790	244 590	14 300	166 081	203 825	(37 744)	-19%	244 590
<b>Total Capital Expenditure - Standard Classification</b>	<b>264 342</b>	<b>278 540</b>	<b>250 238</b>	<b>14 379</b>	<b>169 910</b>	<b>208 532</b>	<b>(38 622)</b>	<b>-19%</b>	<b>250 238</b>
<b>Funded by:</b>									
National Government	257 533	270 790	244 290	14 300	168 138	203 575	(35 437)	-17%	244 290
Other transfers and grants	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>257 533</b>	<b>270 790</b>	<b>244 290</b>	<b>14 300</b>	<b>168 138</b>	<b>203 575</b>	<b>(35 437)</b>	<b>-17%</b>	<b>244 290</b>
<b>Internally generated funds</b>	<b>6 809</b>	<b>7 750</b>	<b>5 948</b>	<b>79</b>	<b>1 772</b>	<b>4 957</b>	<b>(3 185)</b>	<b>-64%</b>	<b>5 948</b>
<b>Total Capital Funding</b>	<b>264 342</b>	<b>278 540</b>	<b>250 238</b>	<b>14 379</b>	<b>169 910</b>	<b>208 532</b>	<b>(38 622)</b>	<b>-19%</b>	<b>250 238</b>

As alluded to above, the capital expenditure programme for the month ending 30 April 2016 was R169, 9m which represents 81% of capital expenditure against year to date budget. 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: 2015/2016 CAPEX YTD BUDGET & YTD ACTUAL**



As at 30 April 2016, the year to date actual expenditure was R169m against a YTD budget of R187,6million. In monetary terms, these figures represent 81% per cent performance against the capital development programme as at 30 April 2016.

Table C6 displays the financial position of the municipality as at 30 April 2016.

## DC43 Sisonke - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	2014/15	Budget Year 2015/16			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash	30 347	52 691	9 855	20 041	9 855
Consumer debtors	307	16 091	16 091	32 264	16 091
Other debtors	10 968	12 065	12 065	24 199	12 065
Current portion of long-term receivables	–	4 246	4 246	–	4 246
Inventory	318	349	349	253	349
<b>Total current assets</b>	<b>41 940</b>	<b>85 442</b>	<b>42 606</b>	<b>76 757</b>	<b>42 606</b>
<b>Non current assets</b>					
Property, plant and equipment	1 539 540	1 599 476	1 571 174	1 563 702	1 571 174
Intangible assets	1 384	1 184	1 184	857	1 184
Other non-current assets			–		
<b>Total non current assets</b>	<b>1 540 924</b>	<b>1 600 660</b>	<b>1 572 358</b>	<b>1 564 559</b>	<b>1 572 358</b>
<b>TOTAL ASSETS</b>	<b>1 582 864</b>	<b>1 686 102</b>	<b>1 614 964</b>	<b>1 641 317</b>	<b>1 614 964</b>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>					
Borrowing	3 266	3 592	3 592	2 501	3 592
Consumer deposits	1 265	1 415	1 415	1 337	1 415
Trade and other payables	53 128	43 710	95 710	83 316	95 710
Provisions	7 293	8 169	8 169	2 941	8 169
<b>Total current liabilities</b>	<b>64 952</b>	<b>56 886</b>	<b>108 886</b>	<b>90 094</b>	<b>108 886</b>
<b>Non current liabilities</b>					
Borrowing	18 683	16 683	16 683	20 616	16 683
Provisions	13 253	14 334	14 334	22 710	14 334
<b>Total non current liabilities</b>	<b>31 936</b>	<b>31 018</b>	<b>31 018</b>	<b>43 326</b>	<b>31 018</b>
<b>TOTAL LIABILITIES</b>	<b>96 888</b>	<b>87 904</b>	<b>139 904</b>	<b>133 420</b>	<b>139 904</b>
<b>NET ASSETS</b>	<b>1 485 976</b>	<b>1 598 198</b>	<b>1 475 060</b>	<b>1 507 897</b>	<b>1 475 060</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>					
Accumulated Surplus/(Deficit)	1 485 976	1 598 198	1 475 060	1 507 897	1 475 060
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1 485 976</b>	<b>1 598 198</b>	<b>1 475 060</b>	<b>1 507 897</b>	<b>1 475 060</b>

Table C7 below display the Cash Flow Statement for the period ending 30 April 2016.

DC43 Sisonke - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	2014/15	Budget Year 2015/16							
	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>									
Service charges	37 270	30 746	30 746	3 481	26 044	25 622	422	2%	30 746
Other revenue	844	581	2 034	96	1 063	1 695	(632)	-37%	2 034
Government - operating	263 824	249 823	260 403	2 372	245 791	217 003	28 788	13%	260 403
Government - capital	252 033	270 790	244 290	6 524	255 670	203 575	52 095	26%	244 290
Interest	6 636	7 654	8 294	1 005	9 151	6 912	2 239	32%	8 294
<b>Payments</b>									
Suppliers and employees	(245 959)	(268 701)	(262 968)	(29 825)	(323 691)	(219 140)	104 551	-48%	(262 968)
Finance charges	(3 200)	(2 228)	(1 114)	-	(29)	(929)	(899)	97%	(1 114)
Transfers and Grants	(21 400)	(20 000)	(18 096)	-	(16 096)	(15 080)	1 016	-7%	(18 096)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>290 047</b>	<b>268 665</b>	<b>263 590</b>	<b>(16 348)</b>	<b>197 903</b>	<b>219 658</b>	<b>21 755</b>	<b>10%</b>	<b>263 590</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(279 846)	(248 610)	(276 912)	(14 379)	(162 886)	(230 760)	(67 874)	29%	(276 912)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(279 846)</b>	<b>(248 610)</b>	<b>(276 912)</b>	<b>(14 379)</b>	<b>(162 886)</b>	<b>(230 760)</b>	<b>(67 874)</b>	<b>29%</b>	<b>(276 912)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Increase (decrease) in consumer deposits	130	151	151			126	(126)	-100%	151
<b>Payments</b>									
Repayment of borrowing	(3 486)	(3 835)	(2 845)			(2 370)	(2 370)	100%	(2 845)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 356)</b>	<b>(3 684)</b>	<b>(2 694)</b>	<b>-</b>	<b>-</b>	<b>(2 245)</b>	<b>(2 245)</b>	<b>100%</b>	<b>(2 694)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>6 846</b>	<b>16 371</b>	<b>(16 016)</b>	<b>(30 727)</b>	<b>35 017</b>	<b>(13 347)</b>			<b>(16 016)</b>
Cash/cash equivalents at beginning:	25 871	25 871	25 871		25 871	25 871			25 871
Cash/cash equivalents at monthly year end:	32 717	42 242	9 855		60 888	12 524			9 855

The billing vs Collection ratio for the month of April was 119% (March: 78%) showing an increase in collection by 41% as compared to previous month

**PART 2 – SUPPORTING DOCUMENTATION****2.1 Debtors Analysis**

The table presented below summarises the Debtors Age Analysis as at 30 April 2016.

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

DC43 Sisonke - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

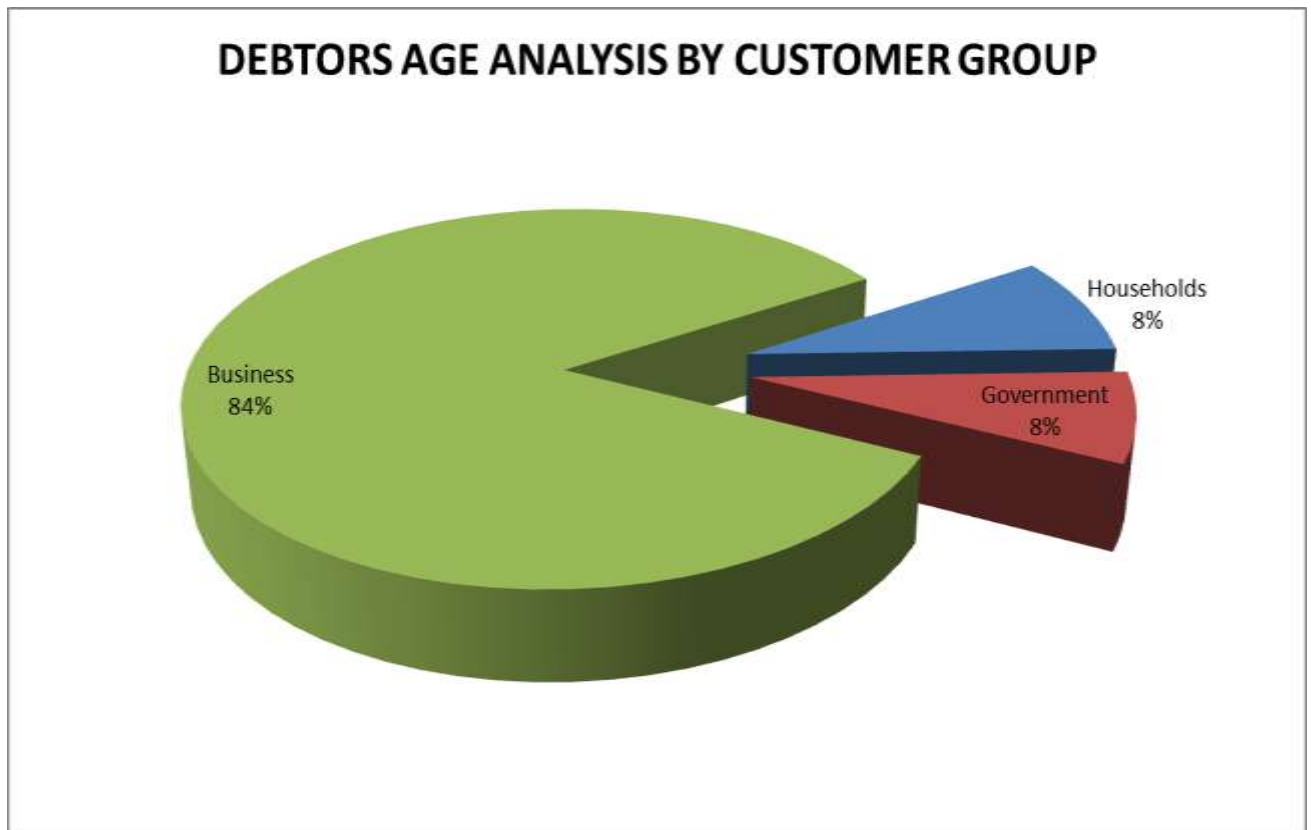
Description	Budget Year 2015/16									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	2 301	2 091	2 404	2 139	1 334	2 018	11 518	65 862	89 666	82 870
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	899	817	939	835	521	788	4 500	25 730	35 029	32 374
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	385	350	402	357	223	337	1 925	11 009	14 988	13 852
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Income Source</b>	<b>3 585</b>	<b>3 258</b>	<b>3 744</b>	<b>3 331</b>	<b>2 078</b>	<b>3 143</b>	<b>17 943</b>	<b>102 601</b>	<b>139 683</b>	<b>129 096</b>
<b>2014/15 - totals only</b>										
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	1 035	879	493	471	243	279	2 046	6 707	12 153	9 746
Commercial	321	274	316	265	206	263	1 571	7 635	10 852	9 940
Households	2 229	2 104	2 935	2 595	1 629	2 602	14 326	88 258	116 678	109 409
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>3 585</b>	<b>3 258</b>	<b>3 744</b>	<b>3 331</b>	<b>2 078</b>	<b>3 143</b>	<b>17 943</b>	<b>102 601</b>	<b>139 683</b>	<b>129 096</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: 84%
- ✓ Government 8%
- ✓ Business 8%



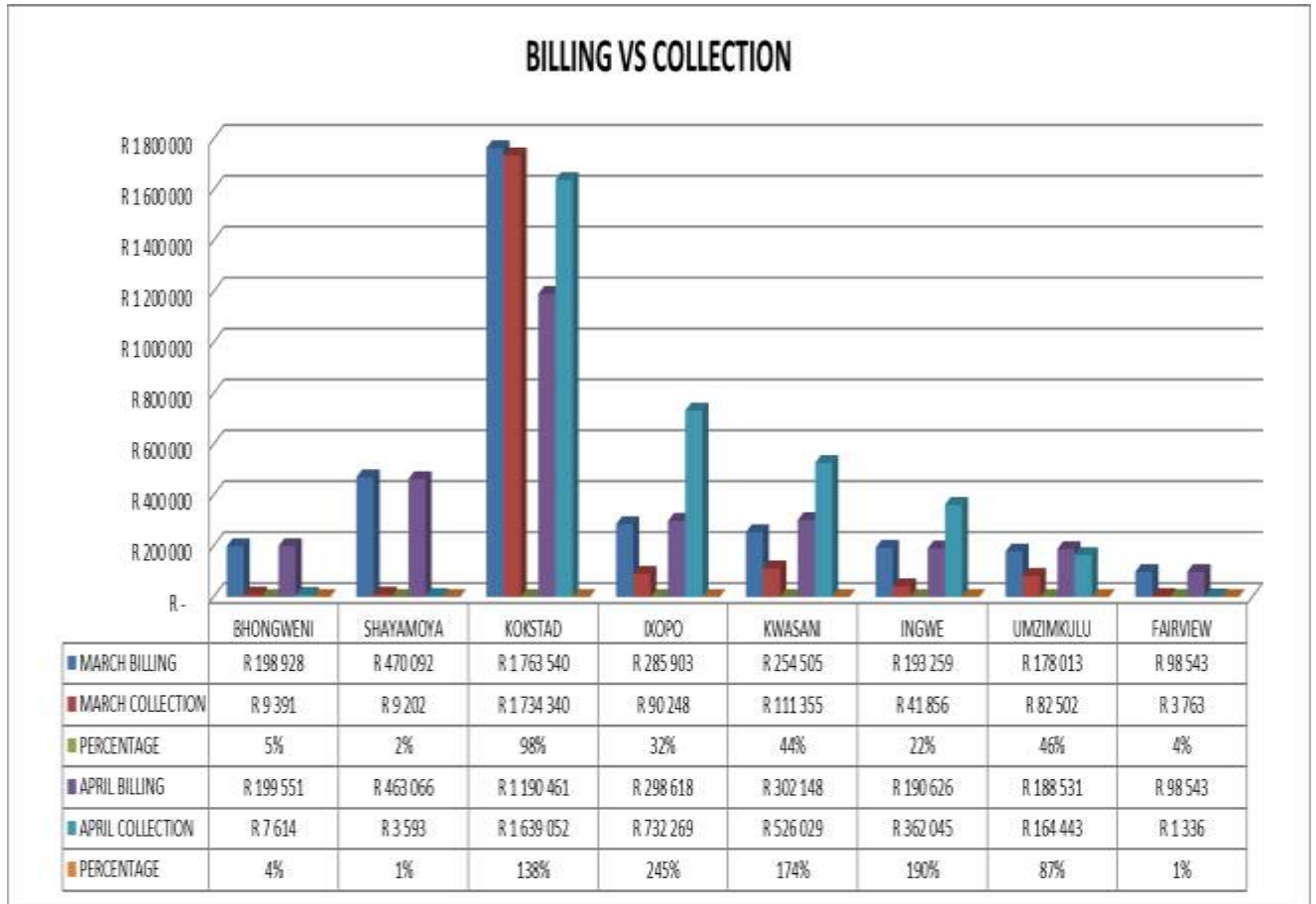
The chart above shows that for each debtor type the amounts owing to the municipality have increased on a year to year basis.

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

**REVENUE RECEIPTS****Revenue receipts per Area**

AREA	AMOUNT		
		APRIL 2016	MARCH 2016
Unallocated receipts	R 44 727,02	1%	23%
Bhongweni	R 7 613,86	0%	0%
Shayamoya	R 3 593,00	0%	0%
Kokstad	R 1 639 052,22	47%	65%
Ixopo	R 732 268,56	21%	3%
Kwasani	R 526 029,04	15%	4%
Ingwe	R 362 044,98	10%	2%
Umzimkulu	R 164 443,08	5%	3%
Fairview	R 1 336,34	0%	0%
<b>TOTAL RECEIPTS INCL VAT</b>	<b>R 3 481 108,10</b>	100%	100%

The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for April is R3, 4million. It is evident from the figures presented above that the largest percentage receipts of the revenue per local municipality as was the previous month in March is from Kokstad at 47% followed by Ixopo at 21%. These statistics confirm dependency on Kokstad as the greatest contributor to the District Municipality's revenue. The Unallocated receipts for the month of April amounting to 1% which still need to be allocated according to the local municipalities.



## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 30 April 2016.

DC43 Sisonke - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March									
Description	Budget Year 2015/16								
	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>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	638	322	4 094	2 618					7 672
Auditor General	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>638</b>	<b>322</b>	<b>4 094</b>	<b>2 618</b>					<b>7 672</b>



## 2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short term investments balances broken down per investment type as at 30 April 2016.

### Cash and Bank Balances (Investments)

DC43 Sisonke - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

Investments by maturity Name of institution & investment ID R thousands	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
		Yrs/Months							
<b>Municipality</b>									
FIRST NATIONAL BANK	62095523281	N/a	MONEY MARKET	N/a	76	0,4%	28 783	(11 492)	17 366
FIRST NATIONAL BANK	62138538692	N/a	CALL ACCOUNT	N/a	13	0,3%	651	(323)	340
FIRST NATIONAL BANK	62032587331	N/a	CALL ACCOUNT	N/a	0	1,9%	128		129
INVESTEC	50006688425	N/a	FIXED DEPOSIT	N/a	49	0,5%	12 095	(7 000)	5 144
FIRST NATIONAL BANK	62398395204	N/a	CALL ACCOUNT	N/a	7	0,4%	1 436	(372)	1 071
FIRST NATIONAL BANK	62414264797	N/a	CALL ACCOUNT	N/a	0	0,4%	9		9
FIRST NATIONAL BANK	62434151239	N/a	CALL ACCOUNT	N/a	29	0,3%	9 210	(6 136)	3 102
FIRST NATIONAL BANK	62434147072	N/a	CALL ACCOUNT	N/a	5	0,2%	1 237		1 242
FIRST NATIONAL BANK	62434145331	N/a	CALL ACCOUNT	N/a	4	0,3%	1 006		1 010
<b>Municipality sub-total</b>					<b>183</b>		<b>54 554</b>	<b>(25 323)</b>	<b>29 413</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>183</b>		<b>54 554</b>	<b>(25 323)</b>	<b>29 413</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 - M09 March

Description	2014/15	Budget Year 2015/16							
	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>	263 074	248 723	259 223	1 352	255 125	212 269	49 433	23,3%	259 223
Local Government Equitable Share	230 622	241 033	241 033	-	241 033	200 861	40 172	20,0%	241 033
Finance Management	1 250	1 250	1 250	-	1 250	1 042			1 250
Municipal Systems Improvement	934	940	940	-	940	783			940
Municipal Infrastructure Grant (PMU)	18 724	3 460	9 460	-		7 883			9 460
Water Services Operating Subsidy	-	-	-	-	942	-			-
Rural Roads Asset Management Grant	2 044	2 040	2 040	-	2 040	1 700	340	20,0%	2 040
Rural Household Infrastructure Grant	4 500	-	4 500	-	4 500	-	4 500	#DIV/0!	4 500
Energy Efficiency and Demand Management Grant	5 000								
Drought Relief				1 352	4 421		4 421	#DIV/0!	
<b>Provincial Government:</b>	750	1 100	1 180	1 020	2 272	984	1 288	131,0%	1 180
Development Planning Shared Services	250	1 100	1 100	-	1 100	917	183	20,0%	1 100
Tourism route	500								
Economic Development				1 000	1 000		1 000	#DIV/0!	
LGSETA			80	20	172	67	105	157,0%	80
Drought Relief									
<b>Total Operating Transfers and Grants</b>	<b>263 824</b>	<b>249 823</b>	<b>260 403</b>	<b>2 372</b>	<b>257 397</b>	<b>213 253</b>	<b>50 721</b>	<b>23,8%</b>	<b>260 403</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	267 611	270 790	244 290	6 524	245 885	203 575	30 554	15,0%	244 290
Municipal Infrastructure Grant (MIG)	183 882	189 324	183 324	-	183 324	152 770	30 554	20,0%	183 324
Regional Bulk Infrastructure	58 200	30 000	14 000	6 524	19 470	11 667			14 000
Energy Efficiency And Demand Side Management Grant	-	-	-	-	7 000	-			-
Municipal Water Infrastructure Grant	22 800	43 500	43 500	-	32 625	36 250			43 500
Expanded public works programme incentive grant	2 729	3 466	3 466	-	3 466	2 888			3 466
Rural Household Infrastructure Grant		4 500	-	-	-	-			-
<b>Total Capital Transfers and Grants</b>	<b>267 611</b>	<b>270 790</b>	<b>244 290</b>	<b>6 524</b>	<b>245 885</b>	<b>203 575</b>	<b>30 554</b>	<b>15,0%</b>	<b>244 290</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>531 435</b>	<b>520 613</b>	<b>504 693</b>	<b>8 896</b>	<b>503 282</b>	<b>416 828</b>	<b>81 275</b>	<b>19,5%</b>	<b>504 693</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 - M09 March

Description	2014/15	Budget Year 2015/16							
	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>263 074</b>	<b>248 723</b>	<b>259 223</b>	<b>20 439</b>	<b>222 027</b>	<b>216 019</b>	<b>9 758</b>	<b>4,5%</b>	<b>259 223</b>
Local Government Equitable Share	230 622	241 033	241 033	20 086	220 947	200 861	20 086	10,0%	241 033
Finance Management	1 250	1 250	1 250	353	731	1 042	(310)	-29,8%	1 250
Municipal Systems Improvement	934	940	940	-	349	783	(434)	-55,4%	940
Municipal Infrastructure Grant (PMU)	18 724	3 460	9 460	-	-	7 883	(7 883)	-100,0%	9 460
Water Services Operating Subsidy	4 500	-	-	-	-	-	-	-	-
Rural Roads Asset Management Grant	2 044	2 040	2 040	-	-	1 700	(1 700)	-100,0%	2 040
Rural Household Infrastructure Grant	5 000	-	4 500	-	-	3 750	-	-	4 500
Energy Efficiency and Demand Management Grant	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	<b>750</b>	<b>1 100</b>	<b>1 180</b>	<b>-</b>	<b>-</b>	<b>984</b>	<b>(984)</b>	<b>-100,0%</b>	<b>1 180</b>
Development Planning Shared Services	250	1 100	1 100	-	-	917	(917)	-100,0%	1 100
Tourism route	500	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
LGSETA	-	-	80	-	-	67	(67)	-100,0%	80
Drought Relief	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>263 824</b>	<b>249 823</b>	<b>260 403</b>	<b>20 439</b>	<b>222 027</b>	<b>217 003</b>	<b>8 774</b>	<b>4,0%</b>	<b>260 403</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>267 611</b>	<b>270 790</b>	<b>244 290</b>	<b>17 463</b>	<b>185 996</b>	<b>203 575</b>	<b>(17 636)</b>	<b>-8,7%</b>	<b>244 290</b>
Municipal Infrastructure Grant (MIG)	183 882	189 324	183 324	13 725	132 939	152 770	(19 831)	-13,0%	183 324
Regional Bulk Infrastructure	58 200	30 000	14 000	-	11 563	11 667	(104)	-0,9%	14 000
Energy Efficiency And Demand Side Management Grant	-	-	-	1 590	2 688	-	2 688	#DIV/0!	-
Municipal Water Infrastructure Grant	22 800	43 500	43 500	330	35 861	36 250	(389)	-1,1%	43 500
Expanded public works programme incentive grant	2 729	3 466	3 466	1 818	2 945	2 888	-	-	3 466
Rural Household Infrastructure Grant	-	4 500	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>267 611</b>	<b>270 790</b>	<b>244 290</b>	<b>17 463</b>	<b>185 996</b>	<b>203 575</b>	<b>(17 636)</b>	<b>-8,7%</b>	<b>244 290</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>531 435</b>	<b>520 613</b>	<b>504 693</b>	<b>37 902</b>	<b>408 023</b>	<b>420 578</b>	<b>(8 861)</b>	<b>-2,1%</b>	<b>504 693</b>

## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 30 April 2016.

DC43 Sisonke - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration R thousands	2014/15	Budget Year 2015/16							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	3 351	621	621	347	3 412	518	2 895	559%	621
Pension and UIF Contributions	441	311	311	26	254	259	(5)	-2%	311
Medical Aid Contributions	104	771	771	6	60	643	(583)	-91%	771
Motor Vehicle Allowance	1 301	621	621	76	750	518	232	45%	621
Cellphone Allowance	286	2 636	2 636	17	165	2 197	(2 032)	-93%	2 636
Housing Allowances	-	1 618	1 618	-	-	1 349	(1 349)	-100%	1 618
Other benefits and allowances	680	742	742	40	392	618	(226)	-37%	742
<b>Sub Total - Councillors</b>	<b>6 162</b>	<b>7 321</b>	<b>7 321</b>	<b>512</b>	<b>5 032</b>	<b>6 100</b>	<b>(1 068)</b>	<b>-18%</b>	<b>7 321</b>
<b>% increase</b>		<b>18,8%</b>	<b>18,8%</b>						<b>18,8%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3 828	4 159	4 877	416	4 097	4 064	32	1%	4 159
Pension and UIF Contributions	2	3	3	0	3	2	0	1%	3
Medical Aid Contributions	4	4	5	0	4	4	0	1%	4
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	525	-	674	58	566	561	4	1%	-
Motor Vehicle Allowance	2 376	2 600	3 049	260	2 561	2 541	20	1%	2 600
Cellphone Allowance	111	122	143	12	120	119	1	1%	122
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	4	4	0	4	4	0	1%	4
<b>Sub Total - Senior Managers of Municipality</b>	<b>6 850</b>	<b>6 892</b>	<b>8 755</b>	<b>747</b>	<b>7 354</b>	<b>7 296</b>	<b>58</b>	<b>1%</b>	<b>6 892</b>
<b>% increase</b>		<b>0,6%</b>	<b>27,8%</b>						<b>0,6%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	71 041	78 009	77 494	6 617	65 093	64 578	515	1%	77 494
Pension and UIF Contributions	11 674	12 724	13 103	1 119	11 006	10 919	87	1%	13 103
Medical Aid Contributions	1 613	1 758	1 811	155	1 521	1 509	12	1%	1 811
Overtime	1 441	1 779	1 618	138	1 359	1 348	11	1%	1 618
Performance Bonus	6 397	6 973	7 180	613	6 031	5 984	48	1%	7 180
Motor Vehicle Allowance	2 940	3 205	3 300	282	2 772	2 750	22	1%	3 300
Cellphone Allowance	502	547	563	48	473	469	4	1%	563
Housing Allowances	44	48	49	4	41	41	0	1%	49
Other benefits and allowances	1 923	2 096	2 158	184	1 813	1 799	14	1%	2 158
<b>Sub Total - Other Municipal Staff</b>	<b>97 575</b>	<b>107 138</b>	<b>107 276</b>	<b>9 159</b>	<b>90 109</b>	<b>89 397</b>	<b>713</b>	<b>1%</b>	<b>107 276</b>
<b>% increase</b>		<b>9,8%</b>	<b>9,9%</b>						<b>9,9%</b>
<b>Total Parent Municipality</b>	<b>110 587</b>	<b>121 351</b>	<b>123 351</b>	<b>10 419</b>	<b>102 496</b>	<b>102 793</b>	<b>(297)</b>	<b>0%</b>	<b>121 489</b>
		<b>9,7%</b>	<b>11,5%</b>						<b>9,9%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>110 587</b>	<b>121 351</b>	<b>123 351</b>	<b>10 419</b>	<b>102 496</b>	<b>102 793</b>	<b>(297)</b>	<b>0%</b>	<b>121 489</b>
<b>% increase</b>		<b>9,7%</b>	<b>11,5%</b>						<b>9,9%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>104 425</b>	<b>114 030</b>	<b>116 031</b>	<b>9 907</b>	<b>97 463</b>	<b>96 692</b>	<b>771</b>	<b>1%</b>	<b>114 168</b>

## 2.6 Material Variances to the SDBIP

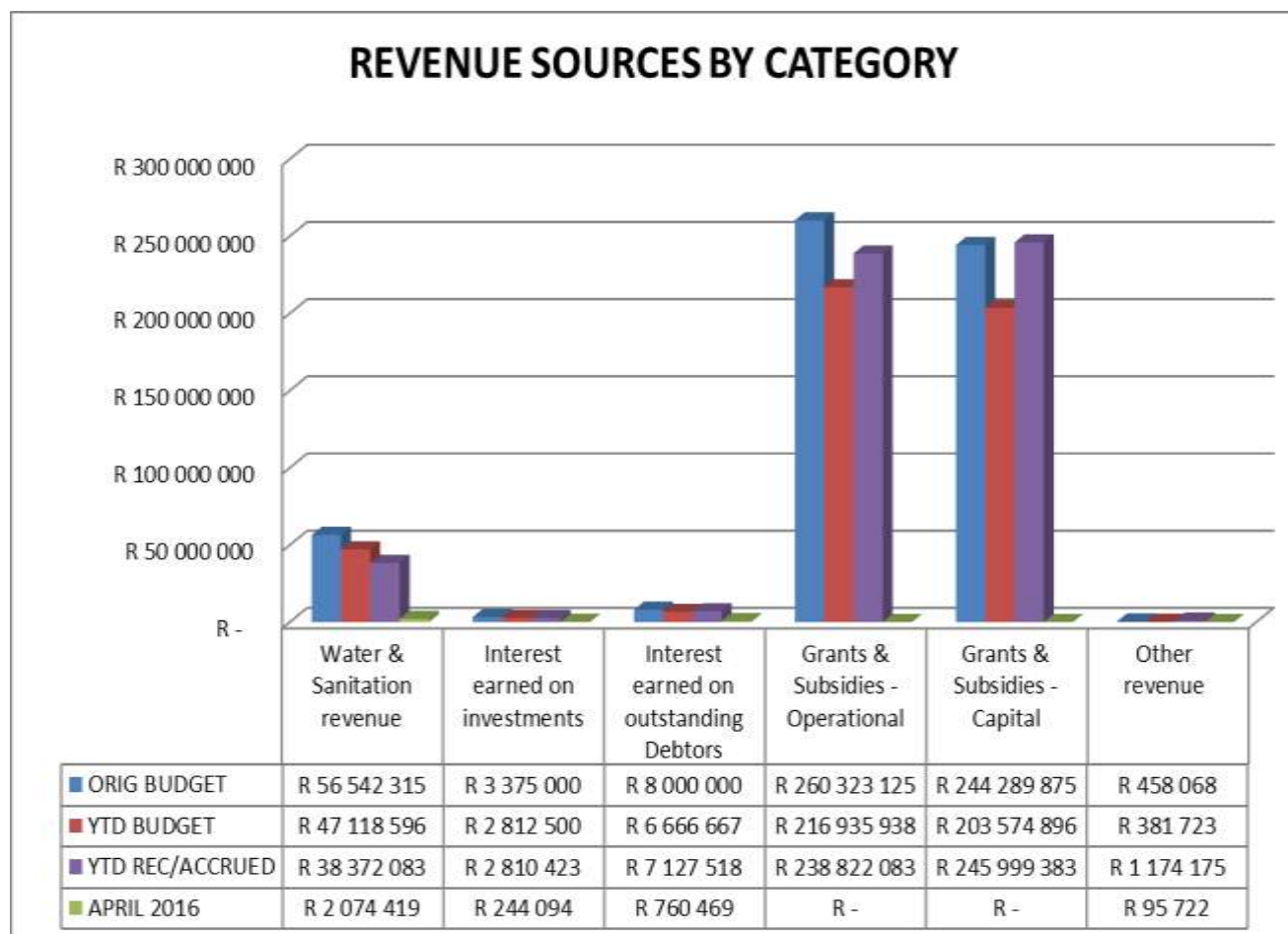
The following section analyses material variances between the actual targets as at 29 February 2016 and the budget for the same period. This report analyses each major component under following headings;

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

### REVENUE

The chart displays a comparison between the 201516 financial year revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to "performance" rather than "cash movements" in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

### Chart 3: Revenue Analysis



### Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 30 April 2016 was R38, 3million against a year to date **budget** of R47million.

### Interest Earned on External Investments

The year to date actual interest earned on external investments as at 30 April 2016 is R 2, 8m against year to date budget of R2, 8m. This represents 100% of actual against year to date budget.

### Transfers Recognised – Operational

The YTD operational grants revenue for April R238, 8million against a year to date budget of R216, 9million and is largely attributable to the YTD equitable share.

Operational Grants Received in the month of April 2016 is as follows:

- Drought Relief - R 1 352 458
- Economic development - R 1 000 000

### **Transfers Recognised – Capital**

The year to date actual for capital expenditure is R169m (against a YTD budget of R180million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 81% performance in Conditional Capital grant funding expenditures.

One Capital grant received namely:

- Rural Bulk Infrastructure Grant-R 6 523 577

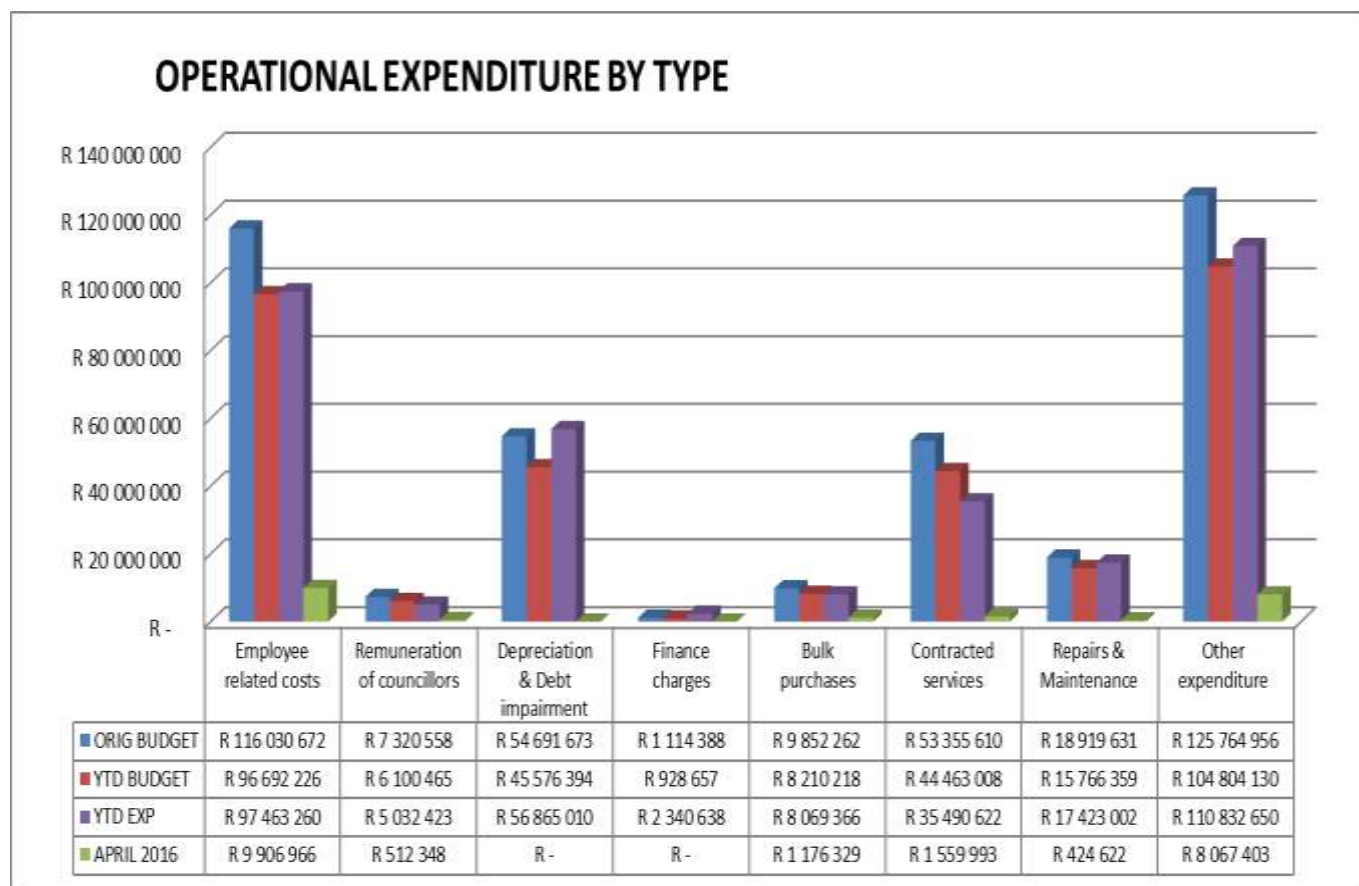
### **Other Revenue**

The YTD performance of other revenue is R 1, 1m against YTD budget of R 381 723k. The other revenue shows an over performance of 25%.

### **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: 2015/16 Financial year Opex**



### Employee Related Costs

The YTD budget for employee related costs is R96, 6million against a YTD actual of R94, 4million representing an expenditure performance of 101%.

### Remuneration of Councillors

The remuneration of councillor’s expenditure as at 30 April 2016 was R5m against a YTD budget of R6m representing an expenditure performance of 82%.

### Finance Charges

As at 30 April 2016, year to date budget for finance charges is R928k against year to actual of R2, 4m.



## Bulk Purchases

The YTD budget for bulk purchases was at R8, 2m against a YTD expenditure of R8m representing an expenditure performance of 98%.

## Other Expenditure

The YTD budget for other expenditure was at R104, 8million against a YTD expenditure of R110, 8million. The other expenditure for the month of April is over performed by 6%.

## Actual and revised targets for cash receipts

DC43 Sisonke - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M09 March

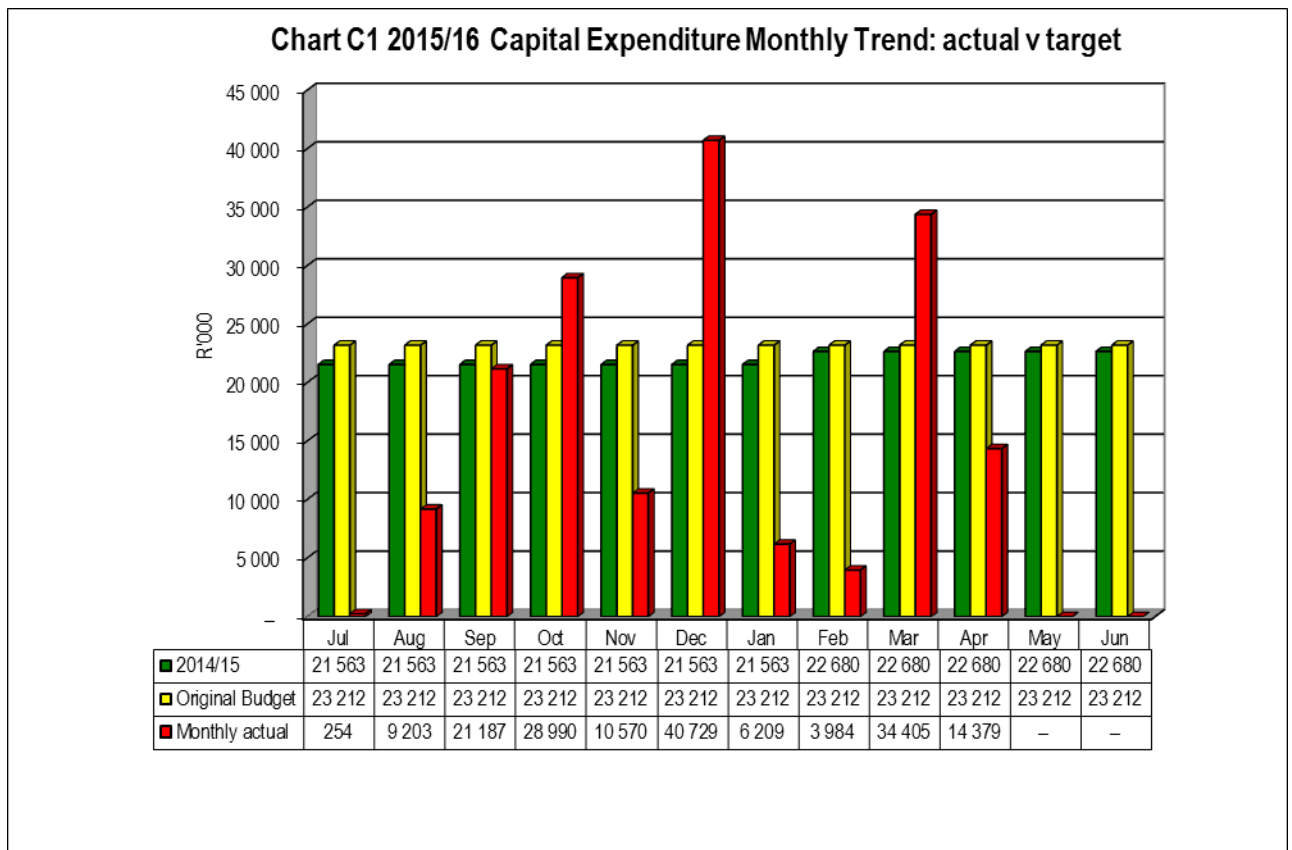
Description	Budget Year 2015/16												2015/16 Medium Term Revenue & Expenditure Framework			
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
<b>R thousands</b>																
<b>Cash Receipts By Source</b>																
Service charges - electricity revenue																
Service charges - water revenue	3 183	3 502	1 560	1 759	1 845	1 409	2 649	1 641	1 882	2 437		(344)	21 522	22 757	24 516	
Service charges - sanitation revenue	1 364	1 501	669	754	791	604	1 135	703	807	1 044		(147)	9 224	9 753	10 507	
Service charges - refuse	-	-	-	-	-	-	-	-	-	-		-	-	-	-	
Service charges - other	-	-	-	63	63	-	-	-	-	-		(126)	-	611	659	
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-		-	-	-	-	
Interest earned - external investments	163	534	468	349	280	200	73	403	108	244		413	3 235	4 571	5 029	
Interest earned - outstanding debtors	656	668	680	687	708	724	734	1 484	36	760		(2 078)	5 059	3 708	3 930	
Agency services	-	-	-	-	-	-	-	-	-	-		-	-	-	-	
Transfer receipts - operating	100 434	-	1 764	442	80 384	2 074	-	-	60 330	2 372		12 604	260 403	265 226	283 723	
Other revenue	158	102	172	76	101	91	108	485	(218)	96		863	2 034	613	646	
<b>Cash Receipts by Source</b>	<b>105 958</b>	<b>6 307</b>	<b>5 312</b>	<b>4 130</b>	<b>84 171</b>	<b>5 101</b>	<b>4 700</b>	<b>4 716</b>	<b>62 946</b>	<b>6 953</b>	<b>-</b>	<b>11 185</b>	<b>301 478</b>	<b>307 240</b>	<b>329 009</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	-	123 677	-	59 973	2 250	1 040	13 533	2 754	59 452	6 524		(24 913)	244 290	321 768	424 117	
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-		-	-	-	-	
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-		151	151	166	166	
<b>Total Cash Receipts by Source</b>	<b>105 958</b>	<b>129 984</b>	<b>5 312</b>	<b>64 103</b>	<b>86 421</b>	<b>6 141</b>	<b>18 232</b>	<b>7 470</b>	<b>122 397</b>	<b>13 477</b>	<b>-</b>	<b>(13 577)</b>	<b>545 919</b>	<b>629 174</b>	<b>753 293</b>	
<b>Cash Payments by Type</b>																
Employee related costs	8 602	8 905	10 397	9 356	9 308	10 343	10 494	10 346	9 801	9 907		18 572	116 031	122 747	131 339	
Remuneration of councillors	472	471	474	478	472	506	637	510	500	512		2 288	7 321	7 723	8 133	
Interest paid	-	-	29	-	-	-	-	-	-	-		1 085	1 114	1 926	1 595	
Bulk purchases - Water & Sewer	-	894	1 291	754	765	1 277	747	572	593	1 176		1 783	9 852	9 463	10 286	
Other materials	-	-	-	-	-	-	-	-	-	-		-	-	-	-	
Contracted services	2 095	8 367	2 049	5 100	3 478	5 205	2 764	2 348	2 524	1 560		17 865	53 356	33 528	35 067	
Grants and subsidies paid - other	8 144	-	-	-	-	3 952	-	-	4 000	-		2 000	18 096	21 100	22 218	
General expenses	4 533	84 865	2 525	28 019	32 258	5 701	5 775	18 583	22 287	16 869		(144 806)	76 408	108 843	113 645	
<b>Cash Payments by Type</b>	<b>23 847</b>	<b>103 501</b>	<b>16 765</b>	<b>43 707</b>	<b>46 282</b>	<b>26 984</b>	<b>20 417</b>	<b>32 358</b>	<b>39 706</b>	<b>29 825</b>	<b>-</b>	<b>(101 213)</b>	<b>282 178</b>	<b>305 330</b>	<b>322 284</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	92	9 040	21 024	28 827	10 407	40 729	6 209	3 984	34 405	14 379		107 817	276 912	294 380	385 851	
Repayment of borrowing	-	-	569	-	-	-	1 307	-	-	-		968	2 845	4 218	4 640	
<b>Other Cash Flows/Payments</b>																
<b>Total Cash Payments by Type</b>	<b>23 938</b>	<b>112 541</b>	<b>38 357</b>	<b>72 534</b>	<b>56 689</b>	<b>67 712</b>	<b>27 934</b>	<b>36 342</b>	<b>74 110</b>	<b>44 204</b>	<b>-</b>	<b>7 723</b>	<b>562 086</b>	<b>603 929</b>	<b>712 774</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>82 020</b>	<b>17 443</b>	<b>(33 045)</b>	<b>(8 431)</b>	<b>29 731</b>	<b>(61 572)</b>	<b>(9 701)</b>	<b>(28 872)</b>	<b>48 287</b>	<b>(30 727)</b>	<b>-</b>	<b>(21 300)</b>	<b>(16 167)</b>	<b>25 246</b>	<b>40 518</b>	
Cash/cash equivalents at the month/year beginning:	25 871	107 891	125 334	92 288	83 857	113 588	52 017	42 316	13 444	61 731	31 004	31 004	25 871	9 704	34 949	
Cash/cash equivalents at the month/year end:	107 891	125 334	92 288	83 857	113 588	52 017	42 316	13 444	61 731	31 004	31 004	9 704	9 704	34 949	75 468	

### Capital Expenditure Trend

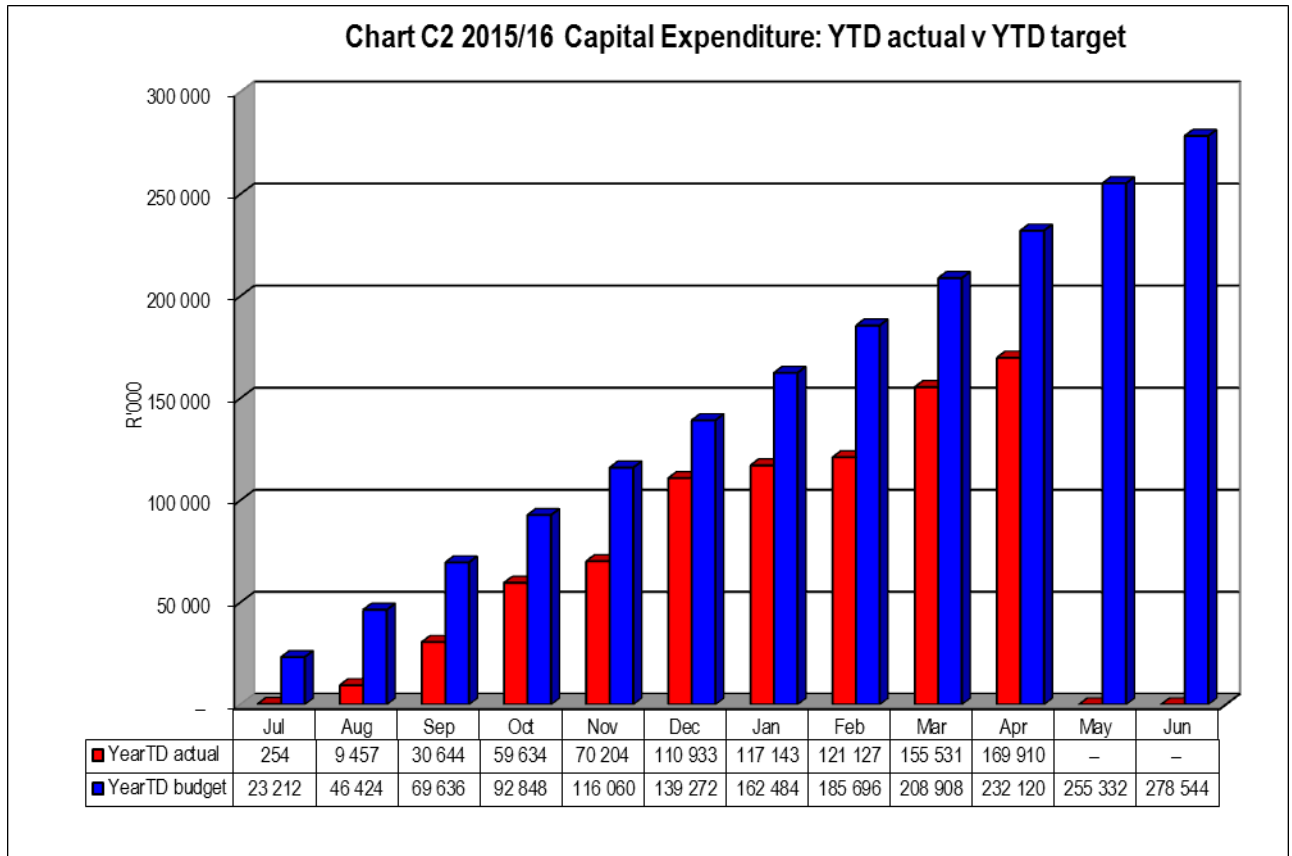
DC43 Sisonke - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M09 March

Month	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>								
<b>Monthly expenditure performance trend</b>								
July	21 563	23 212	254	254	23 212	22 958	98,9%	0%
August	21 563	23 212	9 203	9 457	46 424	36 967	79,6%	3%
September	21 563	23 212	21 187	30 644	69 636	38 992	56,0%	11%
October	21 563	23 212	28 990	59 634	92 848	33 214	35,8%	21%
November	21 563	23 212	10 570	70 204	116 060	45 856	39,5%	25%
December	21 563	23 212	40 729	110 933	139 272	28 339	20,3%	40%
January	21 563	23 212	6 209	117 143	162 484	45 341	27,9%	42%
February	22 680	23 212	3 984	121 127	185 696	64 569	34,8%	43%
March	22 680	23 212	34 405	155 531	208 908	53 377	25,6%	56%
April	22 680	23 212	14 379	169 910	232 120	62 210	26,8%	0
May	22 680	23 212			255 332	-		
June	22 680	23 212			278 544	-		
<b>Total Capital expenditure</b>	<b>264 342</b>	<b>278 544</b>	<b>169 910</b>					

### Capital Budget vs Monthly Expenditure



**YTD Capital Budget vs. YTD Capital Expenditure**



### Capital Expenditure on New Assets by Asset Class

DC43 Sisonke - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M09 March

Description	2014/15	Budget Year 2015/16							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>	258 462	260 490	232 188	14 300	162 241	174 141	11 900	6,8%	260 490
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	1 830	-	-	1 590	2 688	-	(2 688)	#DIV/0!	-
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>	1 830	-	-	1 590	2 688	-	(2 688)	#DIV/0!	-
<i>Street Lighting</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Water	222 520	231 990	203 688	9 459	142 882	152 766	9 885	6,5%	231 990
<i>Dams &amp; Reservoirs</i>	28 200	-	-	-	-	-	-	-	-
<i>Water purification</i>	3 000	-	-	-	-	-	-	-	-
<i>Reticulation</i>	191 320	231 990	203 688	9 459	142 882	152 766	9 885	6,5%	231 990
Infrastructure - Sanitation	34 112	28 500	28 500	3 252	16 672	21 375	4 703	22,0%	28 500
<i>Reticulation</i>	28 169	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	5 943	28 500	28 500	3 252	16 672	21 375	4 703	22,0%	28 500
<b>Other assets</b>	18 162	9 950	9 950	50	2 695	7 463	4 767	63,9%	9 950
General v ehicles	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	6 025	4 600	4 600	-	2 457	3 450	993	28,8%	4 600
Computers - hardware/equipment	1 380	-	-	-	-	-	-	-	-
Furniture and other office equipment	2 179	1 450	1 450	50	238	1 088	849	78,1%	1 450
Other Buildings	8 578	600	600	-	-	450	450	100,0%	600
Other	-	3 300	3 300	-	-	2 475	2 475	100,0%	3 300
<b>Intangibles</b>	200	1 100	1 100	29	1 134	825	(309)	-37,5%	1 100
Computers - software & programming	200	1 100	1 100	29	1 134	825	(309)	-37,5%	1 100
<b>Total Capital Expenditure on new assets</b>	<b>276 825</b>	<b>271 540</b>	<b>243 238</b>	<b>14 379</b>	<b>166 070</b>	<b>182 429</b>	<b>16 358</b>	<b>9,0%</b>	<b>271 540</b>
<b>Specialised vehicles</b>	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

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

DC43 Sisonke - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M09 March

Description	2014/15	Budget Year 2015/16							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>68 706</b>	<b>70 190</b>	<b>70 190</b>	<b>1 628</b>	<b>16 194</b>	<b>52 642</b>	<b>36 448</b>	<b>69,2%</b>	<b>70 190</b>
Infrastructure - Water	40 716	48 590	48 590	1 127	11 211	36 442	25 232	69,2%	48 590
Dams & Reservoirs					-		-		
Water purification	40 716	48 590	48 590	1 127	11 211	36 442	25 232	69,2%	48 590
Reticulation							-		
Infrastructure - Sanitation	27 990	21 600	21 600	501	4 984	16 200	11 216	69,2%	21 600
Reticulation							-		
Sewerage purification	27 990	21 600	21 600	501	4 984	16 200	11 216	69,2%	21 600
<b>Other assets</b>	<b>953</b>	<b>3 486</b>	<b>3 486</b>	<b>81</b>	<b>824</b>	<b>2 614</b>	<b>1 790</b>	<b>68,5%</b>	<b>3 486</b>
General v ehicles					20		(20)	#DIV/0!	
Computers - hardware/equipment	357	150	150	3	35	113	78	69,2%	150
Other Buildings	596	3 336	3 336	77	770	2 502	1 732	69,2%	3 336
<b>Total Repairs and Maintenance Expenditure</b>	<b>69 659</b>	<b>73 675</b>	<b>73 675</b>	<b>1 709</b>	<b>17 018</b>	<b>55 256</b>	<b>38 238</b>	<b>69,2%</b>	<b>73 675</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 April 2016 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 \_\_\_\_\_