

Harry Gwala District Municipality

MFMA s71 & s52 (d) report for the period ending 31 March 2016.

11/4/2016

Budget & Treasury Office

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

AFS – Annual Financial Statements

Budget – The financial plan of the Municipality.

Capital expenditure - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant.

GRAP – Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

SDBIP – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information. Harry Gwala District Municipality MFMA s71 Monthly Report Page 5

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Vote – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. .

YTD – Year to date

YoY – Year on Year

DBSA – Development Bank of South Africa

1. PART 1 – MONTHLY REPORT

1.1 Mayors Report

1.2.1 Implementation of the budget in accordance with the SDBIP

A comprehensive report detailing the implementation for the third quarter ended 31 March 2016 will be tabled in a separate report to council.

1.2.2 Financial problems or risks facing the municipality

The cash flow position as at 31 March 2016 of the Municipality shows a decline when compared to the previous financial year. The municipality will seek to prioritise or reduce the unnecessary expenditure in order for the municipality to be stable and close the financial year with positive bank balance.

The municipality also need to improve more in collection in order to reduce consumer debts because it will contribute towards the municipality's cash flow. Improving the debt collection will continue to rank high in the municipality's priorities as we seek to improve financial sustainability.

1.2 Executive Summary

Legislative Requirements

In terms of the section 71 of the MFMA the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
- (b) actual borrowings;
- (c) actual expenditure, per vote;
- (d) actual capital expenditure, per vote;
- (e) the amount of any allocations received;
- (f) actual expenditure on those allocations, excluding expenditure on—
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of—
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's

DELIBERATION

The discussion that follows, in terms of MFMA Section 71 & Section 52 (d) above, intends to inform the Finance and Corporate Service Committee on the progress made thus far in terms of implementing the 2015/2016 budget for the period ending 31 March 2016.

Revenue by Source

The Year-to-Date actual revenue is 124% above the YTD budget.

Borrowings

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

Operating expenditure by vote & type

Operating expenditure is at 108% above YTD budget for the period ending March 2016.

Capital expenditure

The YTD expenditure on capital amounts to R155, 5 million, or 83%, of a total budget of R187, 6million. Capital expenditure is mainly funded by means of national grants in the form of Municipal Infrastructure Grant.

Cash flows

The municipality started the year with a positive cashbook balance of R25, 8 million. Refer to Supporting Table C6 for more detail on the cash position.

Allocations received (National & Provincial Grants)

All DORA allocations for 2015/2016 third Quarter have been received as per payment schedule. Details of the grants have been presented in SC6.

Spending on Grants

Spending on grants amounted to R155, 5 million or 83% for 2015/16 third quarter.

1.3 Resolutions

The following recommendations are linked to the responsibilities of the Mayor as contained in s54 of the MFMA.

It is recommended that the Mayor;

1. Notes the monthly budget statement and any other supporting documentation
2. Notes the quarterly report on the implementation of the budget in terms of s52 (d) of the MFMA

1.4 Monthly Budget Statement Tables

Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance in the Municipality and is unpacked in the sections that follow.

DC43 Sisonke - Table C1 Monthly Budget Statement Summary - 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
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-		-
Service charges	52 603	55 902	55 822	2 799	36 298	41 867	(5 569)	-13%	55 822
Investment revenue	3 500	4 375	3 375	108	2 566	2 531	35	1%	8 000
Transfers recognised - operational	263 824	249 823	260 403	60 258	238 822	195 303	43 519	22%	1 098
Other own revenue	16 229	7 328	9 098	(181)	7 446	6 824	622	9%	264 746
Total Revenue (excluding capital transfers and contributions)	336 155	317 429	328 699	62 984	285 132	246 524	38 608	16%	329 667
Employee costs	104 700	114 031	116 031	9 801	87 556	87 023	533	1%	116 031
Remuneration of Councillors	6 655	7 321	7 321	500	4 520	5 490	(970)	-18%	7 321
Depreciation & asset impairment	35 000	30 000	30 000	29 519	44 519	22 500	22 019	98%	30 000
Finance charges	3 200	2 228	1 114	-	2 341	836	1 505	180%	1 114
Materials and bulk purchases	8 009	8 706	9 852	593	6 893	7 389	(496)	-7%	9 852
Transfers and grants	21 400	20 000	18 096	4 000	16 096	13 572	2 524	19%	18 096
Other expenditure	197 317	163 336	204 636	19 322	150 230	153 477	(3 247)	-2%	204 636
Total Expenditure	376 281	345 621	387 050	63 736	312 155	290 287	21 868	8%	387 050
Surplus/(Deficit)	(40 126)	(28 193)	(58 351)	(752)	(27 024)	(43 763)	16 740	-38%	(57 383)
Transfers recognised - capital	252 033	270 790	244 290	137 842	245 999	183 217	62 782	34%	244 290
Contributions & Contributed assets	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	211 907	242 597	185 939	137 090	218 976	139 454	79 522	57%	186 907
Surplus/ (Deficit) for the year	211 907	242 597	185 939	137 090	218 976	139 454	79 522	57%	186 907
Capital expenditure & funds sources									
Capital expenditure	264 342	278 540	250 238	34 405	155 531	187 679	(32 147)	-17%	250 238
Capital transfers recognised	257 533	270 790	244 290	34 788	153 838	183 217	(29 380)	-16%	244 290
Internally generated funds	6 809	7 750	5 948	(383)	1 693	4 461	(2 768)	-62%	5 948
Total sources of capital funds	264 342	278 540	250 238	34 405	155 531	187 679	(32 147)	-17%	250 238
Financial position									
Total current assets	41 940	85 442	42 606		103 450				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		83 796				108 886
Total non current liabilities	31 936	31 018	31 018		43 465				31 018
Community wealth/Equity	1 485 976	1 598 198	1 475 060		1 540 749				1 475 060
Cash flows									
Net cash from (used) operating	290 047	268 665	263 590	82 692	214 251	197 692	(16 559)	-8%	263 590
Net cash from (used) investing	(279 846)	(248 610)	(276 912)	(34 405)	(148 507)	(207 684)	(59 177)	28%	(276 912)
Net cash from (used) financing	(3 356)	(3 684)	(2 694)	-	-	(2 020)	(2 020)	100%	(2 694)
Cash/cash equivalents at the month/year end	32 717	42 242	9 855	-	91 615	13 859	(77 756)	-561%	9 855
Debtors & creditors analysis									
	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
Debtors Age Analysis									
Total By Income Source	4 281	4 363	4 004	2 421	3 471	3 042	18 422	100 162	140 167
Creditors Age Analysis									
Total Creditors	4 792	400	372	3 376	-	-	-	-	8 939

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
R thousands									
Revenue - Standard									
<i>Governance and administration</i>	252 538	249 598	255 059	60 439	248 283	191 295	56 988	30%	255 059
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	252 538	249 598	255 059	60 439	248 283	191 295	56 988	30%	255 059
<i>Economic and environmental services</i>	750	1 100	1 100	-	-	825	(825)	-100%	1 100
Planning and development	750	1 100	1 100	-	-	825	(825)	-100%	1 100
<i>Trading services</i>	334 901	337 520	316 829	140 387	282 848	237 622	45 226	19%	316 829
Electricity	-	-	-	-	-	-	-	-	-
Water	52 600	61 230	56 539	2 545	36 849	42 404	(5 555)	-13%	56 539
Waste water management	282 301	276 290	260 290	137 842	245 999	195 218	50 782	26%	260 290
Total Revenue - Standard	588 189	588 218	572 988	200 826	531 131	429 741	101 390	24%	572 988
Expenditure - Standard									
<i>Governance and administration</i>	123 447	133 932	131 608	11 459	97 834	89 361	8 473	9%	131 608
Executive and council	23 099	28 719	24 484	1 622	16 806	9 018	7 787	86%	24 484
Budget and treasury office	58 787	59 527	63 444	2 532	43 561	47 583	(4 022)	-8%	63 444
Corporate services	41 561	45 686	43 680	7 305	37 468	32 760	4 708	14%	43 680
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	52 368	54 286	52 428	10 035	40 122	39 321	801	2%	52 428
Planning and development	52 368	54 286	52 428	10 035	40 122	39 321	801	2%	52 428
<i>Trading services</i>	200 466	157 403	203 013	42 242	174 199	152 260	21 938	14%	203 013
Electricity	-	-	-	-	-	-	-	-	-
Water	150 528	134 197	159 142	17 603	130 693	119 356	11 337	9%	159 142
Waste water management	49 938	23 206	43 872	24 639	43 505	32 904	10 602	32%	43 872
Total Expenditure - Standard	376 281	345 621	387 050	63 736	312 155	280 943	31 213	11%	387 050
Surplus/ (Deficit) for the year	211 907	242 597	185 939	137 090	218 976	148 799	70 177	47%	185 939

This table assess the revenue by department and then the expenditure for the period ending 31 March 2015. Revenue receipts in March have largely constituted of equitable share, conditional grants and service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of March is 22%.

Expenditure by standard classification presents the expenditures by the departments. Infrastructure Services has largest expenditure by 75% in the month of March 2016 caused by the projects that were moved from capex to opex followed by Waste Water Management (Water Services) by 7% in the period ending 31 March 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
R thousands									
Revenue by Vote									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	252 538	249 598	255 059	60 439	248 283	191 295	56 988	29,8%	255 059
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Social & Development Planning	750	1 100	1 100	-	-	825	(825)	-100,0%	1 100
Vote 6 - Infrastructure Services	282 301	276 290	260 290	137 842	245 999	195 218	50 782	26,0%	260 290
Vote 7 - Water Services	52 600	61 230	56 539	2 545	36 849	42 404	(5 555)	-13,1%	56 539
Total Revenue by Vote	588 189	588 218	572 988	200 826	531 131	429 741	101 390	23,6%	572 988
Expenditure by Vote									
Vote 1 - Council	10 517	13 164	12 024	694	8 382	9 018	(635)	-7,0%	12 024
Vote 2 - Municipal Manager	12 582	15 555	12 460	928	8 423	9 345	(922)	-9,9%	12 460
Vote 3 - Budget & Treasury Office	58 787	59 527	63 444	2 532	43 561	47 583	(4 022)	-8,5%	63 444
Vote 4 - Corporate Services	41 561	45 686	43 680	7 305	37 468	32 760	4 708	14,4%	43 680
Vote 5 - Social & Development Planning	52 368	54 286	52 428	10 035	40 122	39 321	801	2,0%	52 428
Vote 6 - Infrastructure Services	49 938	23 206	43 872	24 639	43 505	32 904	10 602	32,2%	43 872
Vote 7 - Water Services	150 528	134 197	159 142	17 603	130 693	100 648	30 045	29,9%	159 142
Total Expenditure by Vote	376 281	345 621	387 050	63 736	312 155	271 579	40 577	14,9%	387 050
Surplus/ (Deficit) for the year	211 907	242 597	185 939	137 090	218 976	158 162	60 813	38,4%	185 939

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 March 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
R thousands									
Revenue By Source									
Property rates			-				-		
Service charges - water revenue	36 235	38 409	38 329	1 959	25 408	28 747	(3 338)	-12%	38 329
Service charges - sanitation revenue	15 529	16 461	16 461	840	10 889	12 346	(1 457)	-12%	16 461
Service charges - refuse revenue			-	-	-	-	-		
Service charges - other	839	1 032	1 032	-	-	774	(774)	-100%	1 032
Rental of facilities and equipment				-	-	-	-		
Interest earned - external investments	3 500	4 375	3 375	108	2 566	2 531	35	1%	3 375
Interest earned - outstanding debtors	6 000	6 360	8 000	36	6 367	6 000	367	6%	8 000
Transfers recognised - operational	263 824	249 823	260 403	60 258	238 822	195 303	43 519	22%	260 403
Other revenue	10 229	968	1 098	(218)	1 078	824	255	31%	1 098
Gains on disposal of PPE						-	-		
Total Revenue (excluding capital transfers and contributions)	336 155	317 429	328 699	62 984	285 132	246 524	38 608	16%	328 699
Expenditure By Type									
Employee related costs	104 700	114 031	116 031	9 801	87 556	87 023	533	1%	116 031
Remuneration of councillors	6 655	7 321	7 321	500	4 520	5 490	(970)	-18%	7 321
Debt impairment	23 000	24 692	24 692	-	12 346	18 519	(6 173)	-33%	24 692
Depreciation & asset impairment	35 000	30 000	30 000	29 519	44 519	22 500	22 019	98%	30 000
Finance charges	3 200	2 228	1 114	-	2 341	836	1 505	180%	1 114
Bulk purchases	8 009	8 706	9 852	593	6 893	7 389	(496)	-7%	9 852
Contracted services	37 057	32 015	53 356	2 524	33 931	40 017	(6 086)	-15%	53 356
Transfers and grants	21 400	20 000	18 096	4 000	16 096	13 572	2 524	19%	18 096
Other expenditure	137 260	106 629	126 589	16 798	103 954	94 941	9 012	9%	126 589
Loss on disposal of PPE				-		-	-		
Total Expenditure	376 281	345 621	387 050	63 736	312 155	290 287	21 868	8%	387 050
Surplus/(Deficit)	(40 126)	(28 193)	(58 351)	(752)	(27 024)	(43 763)	16 740	(0)	(58 351)
Transfers recognised - capital	252 033	270 790	244 290	137 842	245 999	183 217	62 782	0	244 290
Surplus/(Deficit) after capital transfers & contributions	211 907	242 597	185 939	137 090	218 976	139 454			185 939
Surplus/(Deficit) after taxation	211 907	242 597	185 939	137 090	218 976	139 454			185 939
Surplus/(Deficit) attributable to municipality	211 907	242 597	185 939	137 090	218 976	139 454			185 939
Surplus/ (Deficit) for the year	211 907	242 597	185 939	137 090	218 976	139 454			185 939

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.

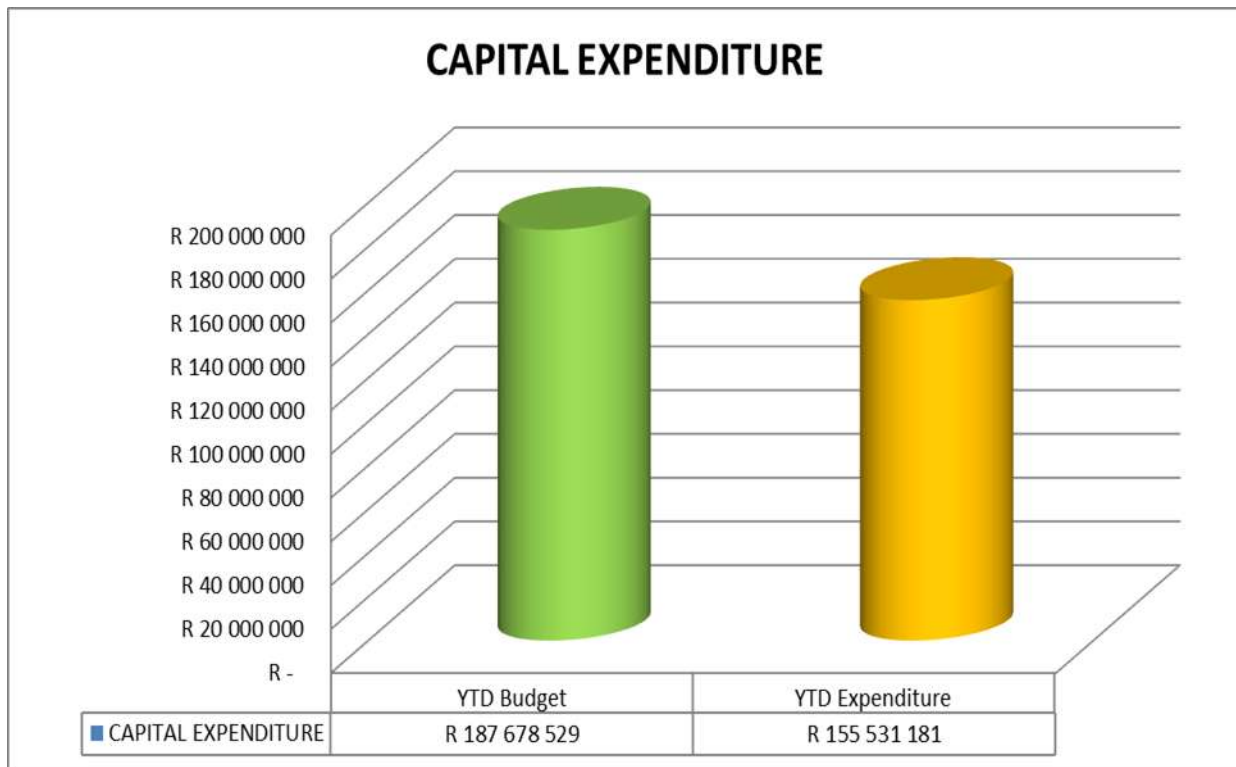
DC43 Sisonke - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M09 March

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
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	2 104	2 650	1 643	(383)	188	1 232	(1 044)	-85%	1 643
Vote 5 - Social & Development Planning	800	800	400	-	400	300	100	33%	400
Vote 6 - Infrastructure Services	257 533	270 790	244 590	34 788	151 781	183 443	(31 662)	-17%	244 590
Vote 7 - Water Services	3 905	4 300	3 605	-	3 163	2 704	459	17%	3 605
Total Capital Multi-year expenditure	264 342	278 540	250 238	34 405	155 531	187 679	(32 147)	-17%	250 238
Total Capital Expenditure	264 342	278 540	250 238	34 405	155 531	187 679	(32 147)	-17%	250 238
Capital Expenditure - Standard Classification									
Governance and administration	2 104	2 650	1 643	(383)	188	1 232	(1 044)	-85%	1 643
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-
Corporate services	2 104	2 650	1 643	(383)	188	1 232	(1 044)	-85%	1 643
Economic and environmental services	800	800	400	-	400	300	100	33%	400
Planning and development	800	800	400	-	400	300	100	33%	400
Trading services	261 438	275 090	248 195	34 788	154 943	186 146	(31 203)	-17%	248 195
Water	3 905	4 300	3 605	-	3 163	2 704	459	17%	3 605
Waste water management	257 533	270 790	244 590	34 788	151 781	183 443	(31 662)	-17%	244 590
Total Capital Expenditure - Standard Classification	264 342	278 540	250 238	34 405	155 531	187 679	(32 147)	-17%	250 238
Funded by:									
National Government	257 533	270 790	244 290	34 788	153 838	183 217	(29 380)	-16%	244 290
Transfers recognised - capital	257 533	270 790	244 290	34 788	153 838	183 217	(29 380)	-16%	244 290
Internally generated funds	6 809	7 750	5 948	(383)	1 693	4 461	(2 768)	-62%	5 948
Total Capital Funding	264 342	278 540	250 238	34 405	155 531	187 679	(32 147)	-17%	250 238

As alluded to above, the capital expenditure programme for the month ending 31 March 2016 was R155m which represents 83% 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 THIRD QUARTER CAPEX



As at 31 March 2016, the year to date actual expenditure was R155, 5million against a YTD budget of R187, 6million. In monetary terms, these figures represent 83% per cent performance against the capital development programme as at 31 March 2016.

Table C6 displays the financial position of the municipality as at 31 March 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
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	30 347	52 691	9 855	49 050	9 855
Call investment deposits	-	-	-	-	-
Consumer debtors	307	16 091	16 091	35 981	16 091
Other debtors	10 968	12 065	12 065	18 166	12 065
Current portion of long-term receivables	-	4 246	4 246	-	4 246
Inventory	318	349	349	253	349
Total current assets	41 940	85 442	42 606	103 450	42 606
Non current assets					
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
Total non current assets	1 540 924	1 600 660	1 572 358	1 564 559	1 572 358
TOTAL ASSETS	1 582 864	1 686 102	1 614 964	1 668 010	1 614 964
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	3 266	3 592	3 592	2 843	3 592
Consumer deposits	1 265	1 415	1 415	1 333	1 415
Trade and other payables	53 128	43 710	95 710	76 679	95 710
Provisions	7 293	8 169	8 169	2 941	8 169
Total current liabilities	64 952	56 886	108 886	83 796	108 886
Non current liabilities					
Borrowing	18 683	16 683	16 683	20 755	16 683
Provisions	13 253	14 334	14 334	22 710	14 334
Total non current liabilities	31 936	31 018	31 018	43 465	31 018
TOTAL LIABILITIES	96 888	87 904	139 904	127 261	139 904
NET ASSETS	1 485 976	1 598 198	1 475 060	1 540 749	1 475 060
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	1 485 976	1 598 198	1 475 060	1 540 749	1 475 060
TOTAL COMMUNITY WEALTH/EQUITY	1 485 976	1 598 198	1 475 060	1 540 749	1 475 060

Table C7 below display the Cash Flow Statement for the period ending 31 March 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
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges			-				-		
Service charges	37 270	30 746	30 746	2 689	22 563	23 060	(497)	-2%	30 746
Other revenue	844	581	2 034	(218)	967	1 525	(558)	-37%	2 034
Government - operating	263 824	249 823	260 403	60 330	243 419	195 303	48 116	25%	260 403
Government - capital	252 033	270 790	244 290	59 452	249 147	183 217	65 929	36%	244 290
Interest	6 636	7 654	8 294	144	8 147	6 221	1 926	31%	8 294
Payments									
Suppliers and employees	(245 959)	(268 701)	(262 968)	(35 706)	(293 866)	(197 226)	96 640	-49%	(262 968)
Finance charges	(3 200)	(2 228)	(1 114)	-	(29)	(836)	(806)	96%	(1 114)
Transfers and Grants	(21 400)	(20 000)	(18 096)	(4 000)	(16 096)	(13 572)	2 524	-19%	(18 096)
NET CASH FROM/(USED) OPERATING ACTIVITIES	290 047	268 665	263 590	82 692	214 251	197 692	(16 559)	-8%	263 590
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Decrease (increase) other non-current receivables							-		
Payments									
Capital assets	(279 846)	(248 610)	(276 912)	(34 405)	(148 507)	(207 684)	(59 177)	28%	(276 912)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(279 846)	(248 610)	(276 912)	(34 405)	(148 507)	(207 684)	(59 177)	28%	(276 912)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	130	151	151			113	(113)	-100%	151
Payments									
Repayment of borrowing	(3 486)	(3 835)	(2 845)			(2 133)	(2 133)	100%	(2 845)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 356)	(3 684)	(2 694)	-	-	(2 020)	(2 020)	100%	(2 694)
NET INCREASE/ (DECREASE) IN CASH HELD	6 846	16 371	(16 016)	48 287	65 744	(12 012)			(16 016)
Cash/cash equivalents at beginning:	25 871	25 871	25 871		25 871	25 871			25 871
Cash/cash equivalents at month/year end:	32 717	42 242	9 855		91 615	13 859			9 855

There has been an increase in collection levels signalled by a collection ratio of 76% (Jan to March 2016). The interest earned on investments and on outstanding debtors for the period ending 31 March is R 108 237k which is representing 1% of the year to date budget.

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 March 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
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	2 748	2 801	2 570	1 554	2 228	1 953	11 826	64 296	89 976	81 857
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 074	1 094	1 004	607	870	763	4 620	25 118	35 150	31 978
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	459	468	430	260	372	326	1 977	10 748	15 040	13 683
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	4 281	4 363	4 004	2 421	3 471	3 042	18 422	100 162	140 167	127 519
2014/15 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	1 318	951	1 052	558	572	288	2 497	6 613	13 849	10 528
Commercial	738	394	295	215	272	320	1 447	7 485	11 165	9 738
Households	2 224	3 018	2 657	1 648	2 627	2 434	14 479	86 064	115 152	107 253
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	4 281	4 363	4 004	2 421	3 471	3 042	18 422	100 162	140 167	127 519

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

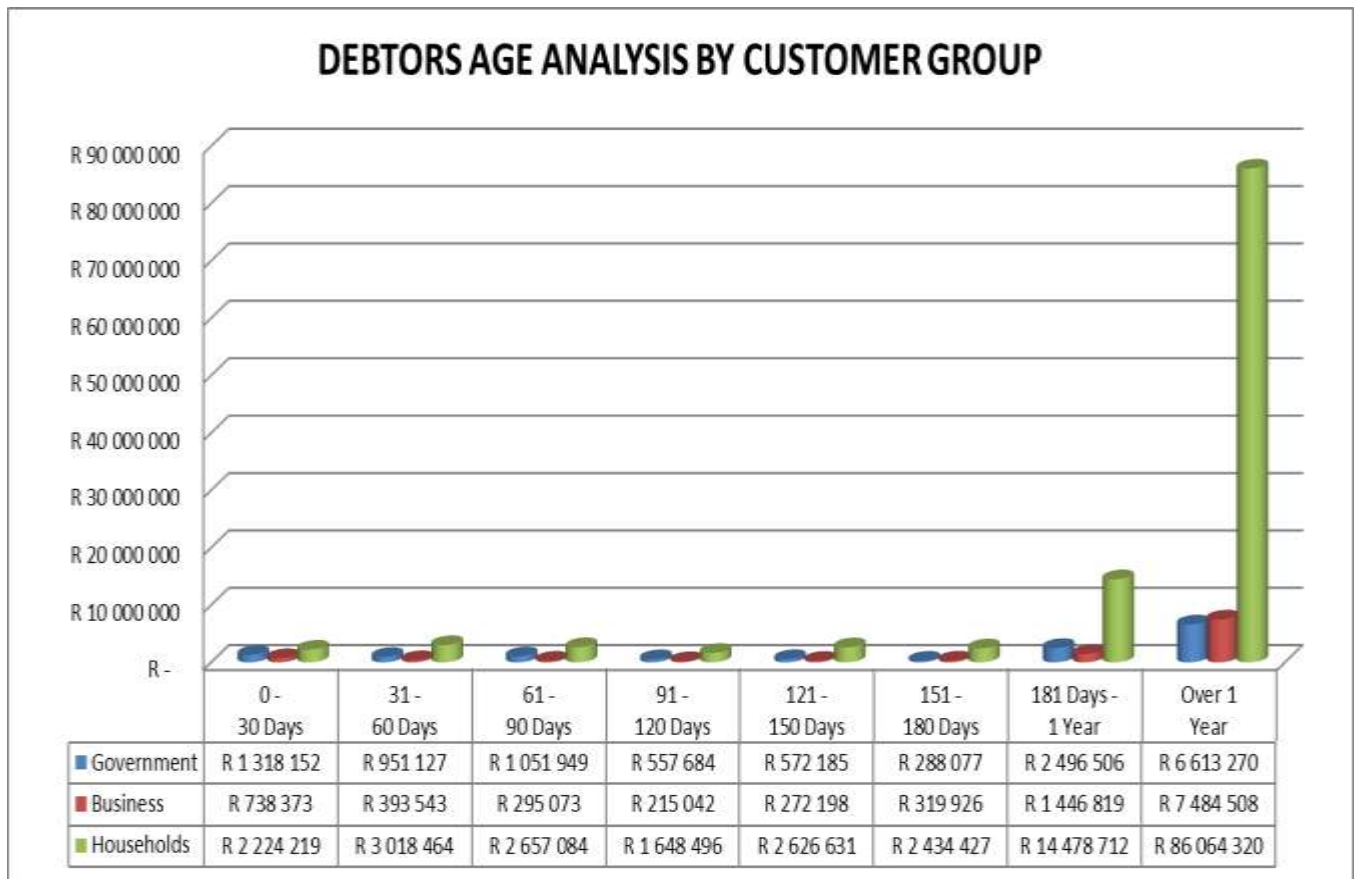


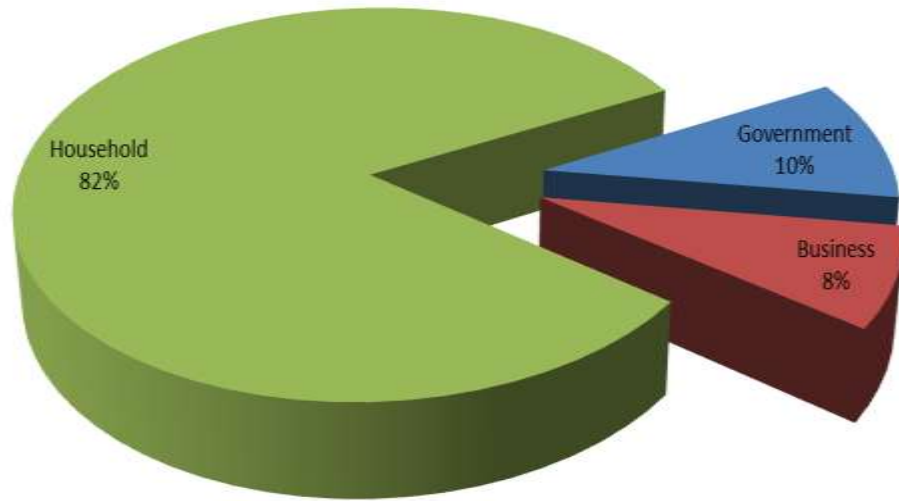
Table 2.1.2 analyses consumer debt by Category. A further analysis in the form of a chart is provided below.

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: 82%
- ✓ Government 10%
- ✓ Business 8%

DEBTORS AGE ANALYSIS BY CUSTOMER GROUP



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

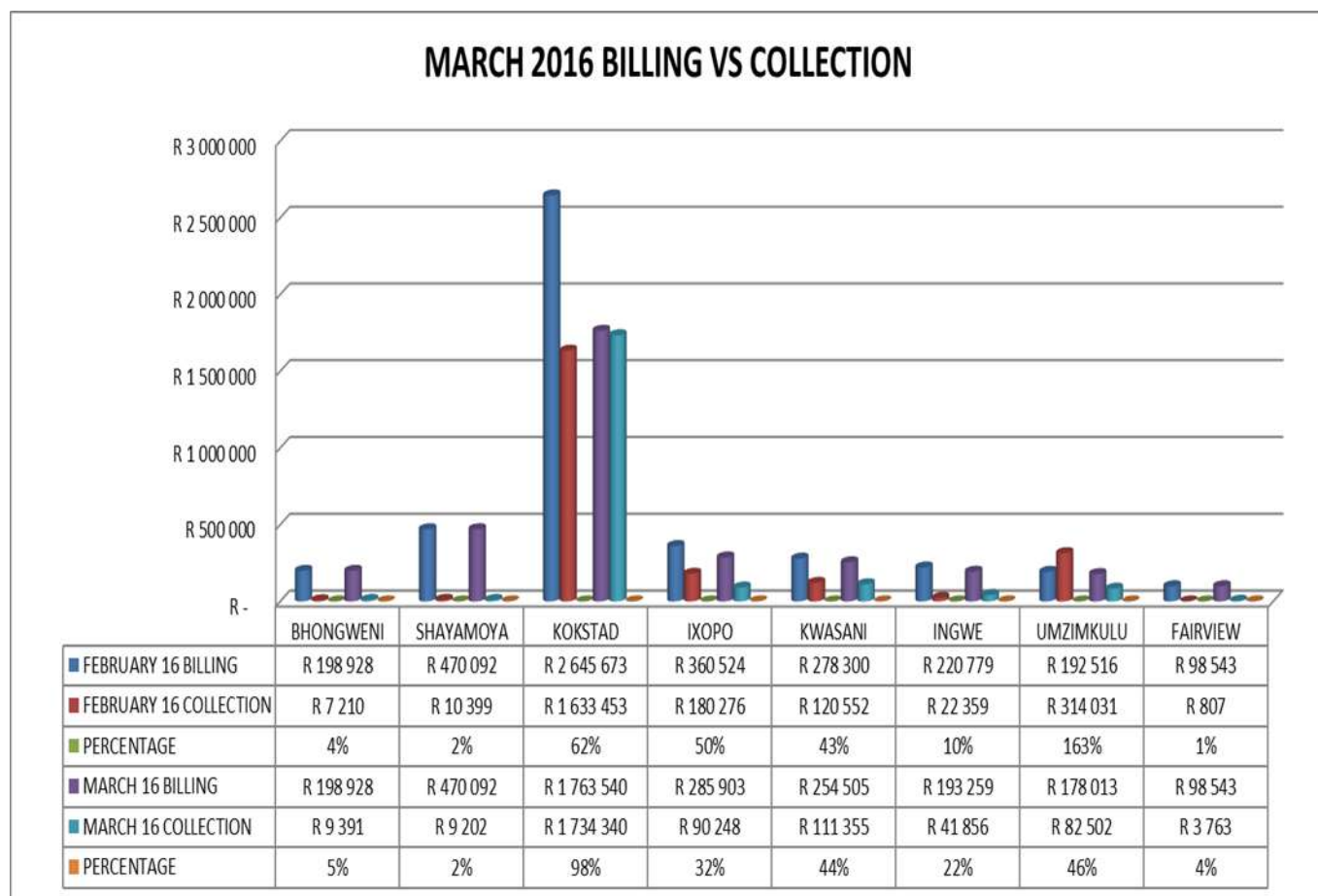
The table that follows below unpacks the revenue receipts per Local Municipality in the District

REVENUE RECEIPTS**Revenue receipts per Area**

AREA	AMOUNT		
		FEBRUARY 2016	JANUARY 2016
Unallocated receipts	R 606 069	23%	2%
Bhongweni	R 9 391	0%	0%
Shayamoya	R 9 202	0%	0%
Kokstad	R 1 734 340	65%	70%
Ixopo	R 90 248	3%	8%
Kwasani	R 111 355	4%	5%
Ingwe	R 41 856	2%	1%
Umzimkulu	R 82 501	3%	13%
Fairview	R 3 763	0%	0%
TOTAL RECEIPTS INCL VAT	R 2 688 726	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 March is R2, 6million. 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 June is from Kokstad at 65% followed by Kwasani at 4%. These statistics confirm dependency on Kokstad as the greatest contributor to the District Municipality's revenue. The Unallocated receipts for the month of March amounting to 23% which still need to be allocated according to the local municipalities.

The chart that follows below shows the comparison between billing and collection for the period ending 31 March 2016.



2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 March 2016

DC43 Sisonke - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	Budget Year 2015/16								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	4 792	400	372	3 376					8 939
Auditor General									-
Other									-
Total By Customer Type	4 792	400	372	3 376	-	-	-	-	8 939

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 March 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 Yrs/Months	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
Municipality									
FIRST NATIONAL BANK	62095523281	N/a	MONEY MARKET	N/a	19	0,4%	260	28 504	28 783
FIRST NATIONAL BANK	62138538692	N/a	CALL ACCOUNT	N/a	0	0,3%	43	608	651
FIRST NATIONAL BANK	62032587331	N/a	CALL ACCOUNT	N/a	0	1,9%	128		128
INVESTEC	50006688425	N/a	FIXED DEPOSIT	N/a	66	0,5%	12 029		12 095
FIRST NATIONAL BANK	62398395204	N/a	CALL ACCOUNT	N/a	3	0,4%	6	1 427	1 436
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	3	0,3%	207	9 000	9 210
FIRST NATIONAL BANK	62434147072	N/a	CALL ACCOUNT	N/a	2	0,2%	235	1 000	1 237
FIRST NATIONAL BANK	62434145331	N/a	CALL ACCOUNT	N/a	1	0,3%	305	700	1 006
Municipality sub-total					94		13 222	41 238	54 554
TOTAL INVESTMENTS AND INTEREST	2				94		13 222	41 238	54 554

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
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	263 074	248 723	259 223	60 258	252 420	191 042	66 984	35,1%	259 223
Local Government Equitable Share	230 622	241 033	241 033	60 258	241 033	180 775	60 258	33,3%	241 033
Finance Management	1 250	1 250	1 250	-	1 250	938			1 250
Municipal Systems Improvement	934	940	940	-	940	705			940
Municipal Infrastructure Grant (PMU)	18 724	3 460	9 460	-		7 095			9 460
Water Services Operating Subsidy	-	-	-	-	942	-			-
Rural Roads Asset Management Grant	2 044	2 040	2 040	-	2 040	1 530	510	33,3%	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				-	1 716	-	1 716	#DIV/0!	
Provincial Government:	750	1 100	1 180	72	1 253	885	367	41,5%	1 180
Development Planning Shared Services	250	1 100	1 100	-	1 100	825	275	33,3%	1 100
Tourism route	500					-			
LGSETA			80	72	153	60	92	153,2%	80
Drought Relief									
Total Operating Transfers and Grants	263 824	249 823	260 403	60 330	253 673	191 928	67 351	35,1%	260 403
Capital Transfers and Grants									
National Government:	267 611	270 790	244 290	59 452	239 361	183 217	45 831	25,0%	244 290
Municipal Infrastructure Grant (MIG)	183 882	189 324	183 324	42 784	183 324	137 493	45 831	33,3%	183 324
Regional Bulk Infrastructure	58 200	30 000	14 000	8 628	12 946	10 500			14 000
Energy Efficiency And Demand Side Management Grant	-	-	-	7 000	7 000	-			-
Municipal Water Infrastructure Grant	22 800	43 500	43 500	-	32 625	32 625			43 500
Expanded public works programme incentive grant	2 729	3 466	3 466	1 040	3 466	2 600			3 466
Rural Household Infrastructure Grant		4 500	-	-	-	-			-
Total Capital Transfers and Grants	267 611	270 790	244 290	59 452	239 361	183 217	45 831	25,0%	244 290
TOTAL RECEIPTS OF TRANSFERS & GRANTS	531 435	520 613	504 693	119 782	493 034	375 145	113 182	30,2%	504 693

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
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	263 074	248 723	259 223	20 118	201 588	194 417	10 546	5,4%	259 223
Local Government Equitable Share	230 622	241 033	241 033	20 086	200 861	180 775	20 086	11,1%	241 033
Finance Management	1 250	1 250	1 250	32	379	938	(559)	-59,6%	1 250
Municipal Systems Improvement	934	940	940	-	349	705	(356)	-50,5%	940
Municipal Infrastructure Grant (PMU)	18 724	3 460	9 460	-	-	7 095	(7 095)	-100,0%	9 460
Water Services Operating Subsidy	4 500	-	-	-	-	-	-	-	-
Rural Roads Asset Management Grant	2 044	2 040	2 040	-	-	1 530	(1 530)	-100,0%	2 040
Rural Household Infrastructure Grant	5 000	-	4 500	-	-	3 375	-	-	4 500
Energy Efficiency and Demand Management Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	750	1 100	1 180	-	-	885	(885)	-100,0%	1 180
Development Planning Shared Services	250	1 100	1 100	-	-	825	(825)	-100,0%	1 100
Tourism route	500	-	-	-	-	-	-	-	-
LGSETA	-	-	80	-	-	60	(60)	-100,0%	80
Total operating expenditure of Transfers and Grants:	263 824	249 823	260 403	20 118	201 588	195 303	9 661	4,9%	260 403
Capital expenditure of Transfers and Grants									
National Government:	267 611	270 790	244 290	38 165	167 406	183 217	(13 212)	-7,2%	244 290
Municipal Infrastructure Grant (MIG)	183 882	189 324	183 324	24 015	119 213	137 493	(18 279)	-13,3%	183 324
Regional Bulk Infrastructure	58 200	30 000	14 000	6 543	11 563	10 500	1 063	10,1%	14 000
Energy Efficiency And Demand Side Management Grant	-	-	-	-	1 098	-	1 098	#DIV/0!	-
Municipal Water Infrastructure Grant	22 800	43 500	43 500	7 607	35 532	32 625	2 907	8,9%	43 500
Expanded public works programme incentive grant	2 729	3 466	3 466	-	-	2 600	-	-	3 466
Rural Household Infrastructure Grant	-	4 500	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	267 611	270 790	244 290	38 165	167 406	183 217	(13 212)	-7,2%	244 290
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	531 435	520 613	504 693	58 283	368 995	378 520	(3 551)	-0,9%	504 693

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 March 2016.

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

Summary of Employee and Councillor remuneration	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
R thousands	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	3 351	621	621	339	3 065	466	2 599	558%	621
Pension and UIF Contributions	441	311	311	25	228	233	(5)	-2%	311
Medical Aid Contributions	104	771	771	6	54	578	(525)	-91%	771
Motor Vehicle Allowance	1 301	621	621	75	673	466	207	44%	621
Cellphone Allowance	286	2 636	2 636	16	148	1 977	(1 829)	-93%	2 636
Housing Allowances	-	1 618	1 618	-	-	1 214	(1 214)	-100%	1 618
Other benefits and allowances	680	742	742	39	352	556	(204)	-37%	742
Sub Total - Councillors	6 162	7 321	7 321	500	4 520	5 490	(970)	-18%	7 321
% increase		18,8%	18,8%						18,8%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 828	4 159	4 877	412	3 680	3 658	22	1%	4 159
Pension and UIF Contributions	2	3	3	0	2	2	0	1%	3
Medical Aid Contributions	4	4	5	0	4	4	0	1%	4
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	525	-	674	57	508	505	3	1%	-
Motor Vehicle Allowance	2 376	2 600	3 049	258	2 301	2 287	14	1%	2 600
Cellphone Allowance	111	122	143	12	108	107	1	1%	122
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	4	4	0	3	3	0	1%	4
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 850	6 892	8 755	740	6 606	6 566	40	1%	6 892
% increase		0,6%	27,8%						0,6%
Other Municipal Staff									
Basic Salaries and Wages	71 041	78 009	77 494	6 546	58 476	58 120	356	1%	77 494
Pension and UIF Contributions	11 674	12 724	13 103	1 107	9 887	9 827	60	1%	13 103
Medical Aid Contributions	1 613	1 758	1 811	153	1 366	1 358	8	1%	1 811
Overtime	1 441	1 779	1 618	137	1 221	1 213	7	1%	1 618
Performance Bonus	6 397	6 973	7 180	607	5 418	5 385	33	1%	7 180
Motor Vehicle Allowance	2 940	3 205	3 300	279	2 491	2 475	15	1%	3 300
Cellphone Allowance	502	547	563	48	425	422	3	1%	563
Housing Allowances	44	48	49	4	37	37	0	1%	49
Other benefits and allowances	1 923	2 096	2 158	182	1 629	1 619	10	1%	2 158
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	97 575	107 138	107 276	9 062	80 950	80 457	493	1%	107 276
% increase		9,8%	9,9%						9,9%
Total Parent Municipality	110 587	121 351	123 351	10 302	92 076	92 513	(437)	0%	121 489
		9,7%	11,5%						9,9%
Unpaid salary, allowances & benefits in arrears:									
TOTAL SALARY, ALLOWANCES & BENEFITS	110 587	121 351	123 351	10 302	92 076	92 513	(437)	0%	121 489
% increase		9,7%	11,5%						9,9%
TOTAL MANAGERS AND STAFF	104 425	114 030	116 031	9 801	87 556	87 023	533	1%	114 168

2.6 Material Variances to the SDBIP

The following section analyses material variances between the actual targets as at 31 March 2016 and the budget for the same period. This report analyses each major component under following headings;

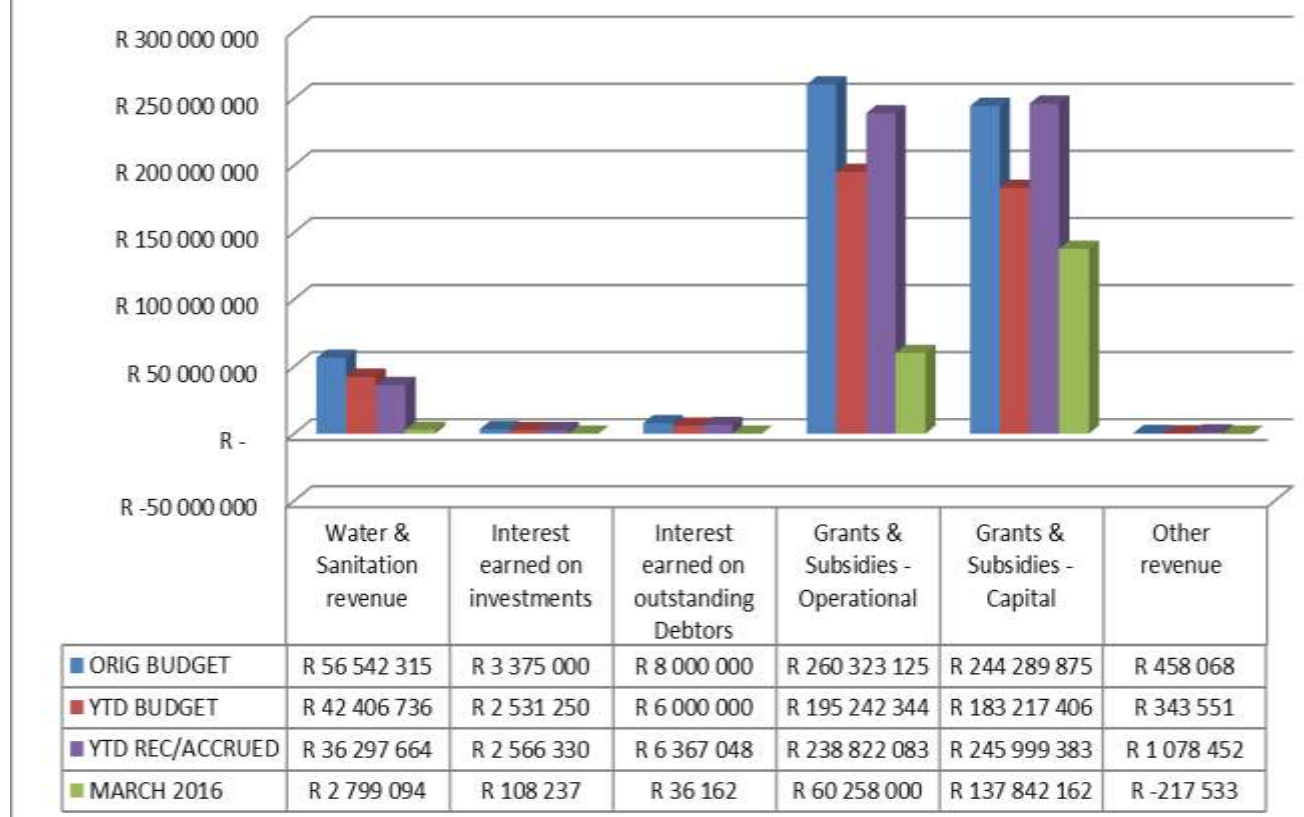
- ✓ Revenue by Source
- ✓ Operational Expenditure by Type, and
- ✓ Capital Expenditure
- ✓ Financial Position
- ✓ Cash Flows

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

THIRD QUARTER REVENUE SOURCES BY CATEGORY



Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 31 March 2016 was R36million against a year to date **budget** of R42million.

Interest Earned on External Investments

The year to date actual interest earned on external investments for the period ended March 2016 is R2, 5m more than the year to date budget. The interest earned on external investments over performed by 1% for the third quarter when comparing year date budget against year to date actual.

Transfers Recognised - Operational

The equitable share last trench was received in March 2016 amounting to R60, 2m.

Transfers Recognised – Capital

The expenditure trends on grant funded expenditure had resulted in a positive way as expected against the set targets. The actual R155, 5million (against a YTD budget of R187, 6million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 83% performance in Conditional Capital grant funding expenditures.

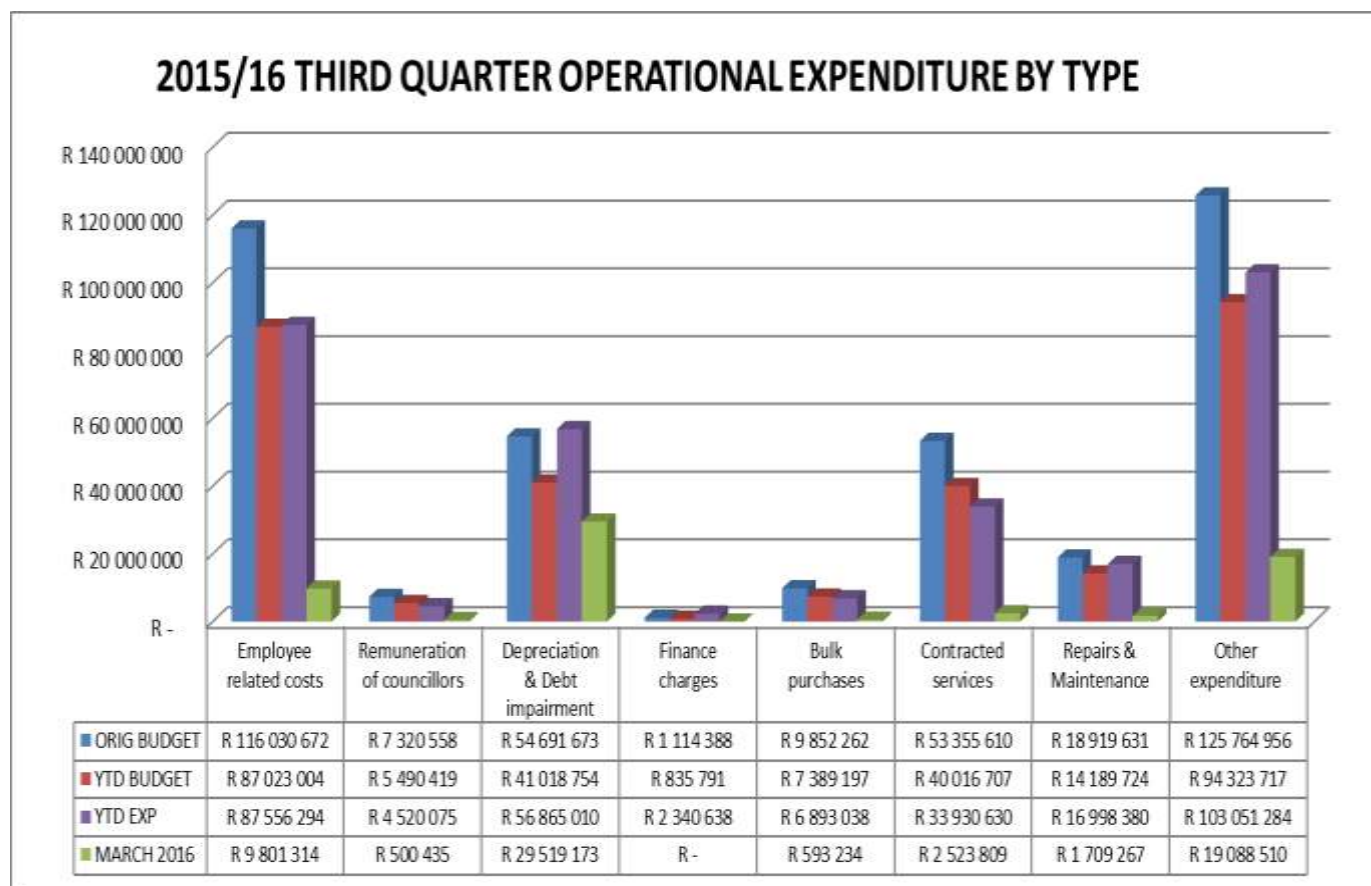
Other Revenue

The YTD performance of other revenue is R1million against YTD budget of R343 551k representing over performance of 242% per cent.

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 R87million against a YTD actual of R87, 5million which is 101% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor’s year to date expenditure is at R 4, 5million against a YTD budget of R5, 4million representing 82% of the year to date budget.

Finance Charges

As at 31 March 2016, the year to date expenditure for finance charges is R2, 3m against the Year to Date budget of R 835 791 represent 280%.

Bulk Purchases

The expenditure on Bulk Water purchases has the budget of R7, 3m and the expenditure for the month ending 31 March was R 593 234k.

Other Expenditure

The YTD budget for other expenditure was at R 94, 3million against a YTD expenditure of R 103million and expenditure for the month of March 2016 is R19m.

Performance assessment

The Performance Assessment Report will be available on the fourth 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 - M09 March

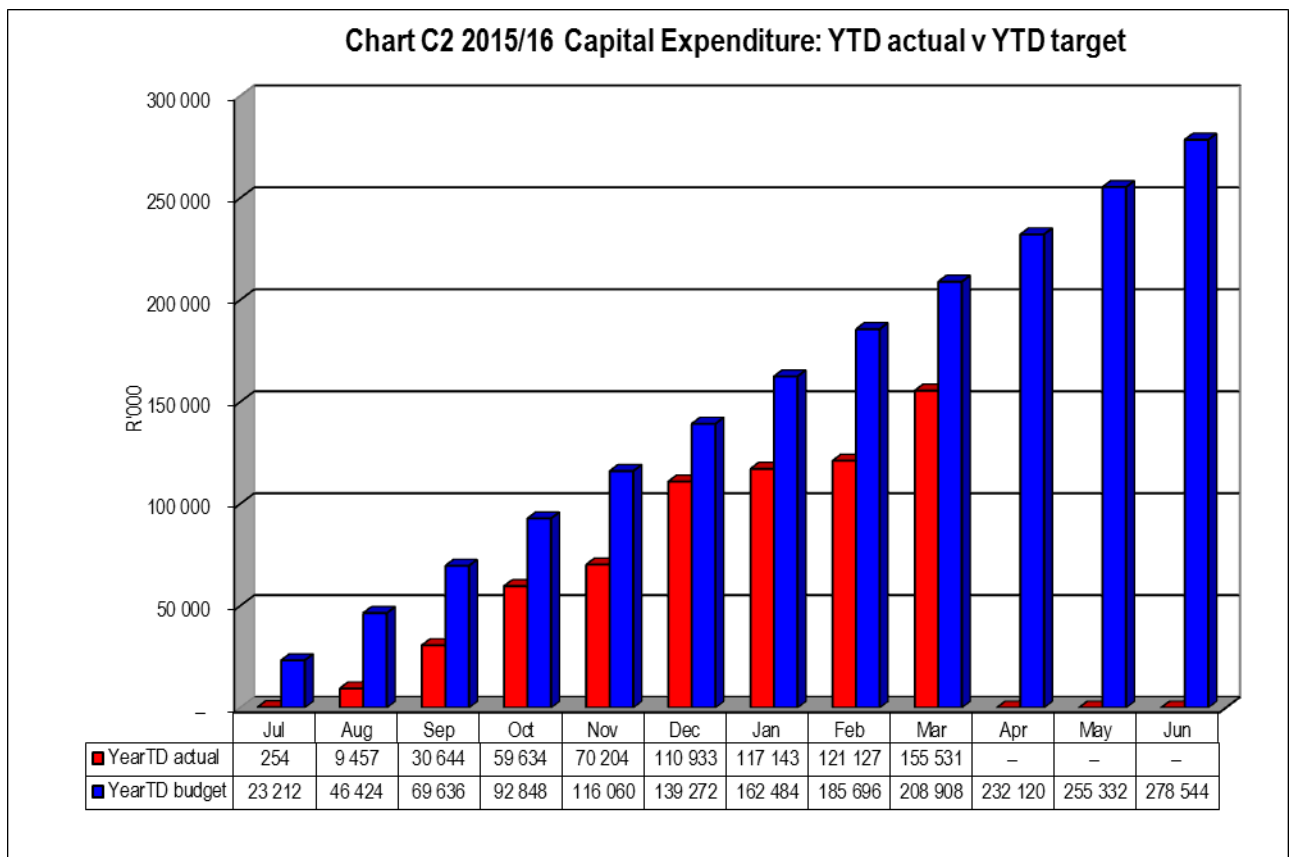
Description	Budget Year 2015/16												2015/16 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source															
Service charges - water revenue	3 183	3 502	1 560	1 759	1 845	1 409	2 649	1 641	1 882			2 093	21 522	22 757	24 516
Service charges - sanitation revenue	1 364	1 501	669	754	791	604	1 135	703	807			897	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			657	3 235	4 571	5 029
Interest earned - outstanding debtors	656	668	680	687	708	724	734	1 484	36			(1 317)	5 059	3 708	3 930
Transfer receipts - operating	100 434	-	1 764	442	80 384	2 074	-	-	60 330			14 975	260 403	265 226	283 723
Other revenue	158	102	172	76	101	91	108	485	(218)			959	2 034	613	646
Cash Receipts by Source	105 958	6 307	5 312	4 130	84 171	5 101	4 700	4 716	62 946	-	-	18 138	301 478	307 240	329 009
Other Cash Flows by Source															
Transfer receipts - capital	-	123 677	-	59 973	2 250	1 040	13 533	2 754	59 452			(18 389)	244 290	321 768	424 117
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-			-	-	-	-
Increase in consumer deposits	-	-	-	-	-	-	-	-	-			151	151	166	166
Total Cash Receipts by Source	105 958	129 984	5 312	64 103	86 421	6 141	18 232	7 470	122 397	-	-	(100)	545 919	629 174	753 293
Cash Payments by Type															
Employee related costs	8 602	8 905	10 397	9 356	9 308	10 343	10 494	10 346	9 801			28 479	116 031	122 747	131 339
Remuneration of councillors	472	471	474	478	472	506	637	510	500			2 800	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			2 959	9 852	9 463	10 286
Contracted services	2 095	8 367	2 049	5 100	3 478	5 205	2 764	2 348	2 524			19 425	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			(128 137)	76 408	108 843	113 645
Cash Payments by Type	23 847	103 501	16 765	43 707	46 282	26 984	20 417	32 358	39 706	-	-	(71 388)	282 178	305 330	322 284
Other Cash Flows/Payments by Type															
Capital assets	92	9 040	21 024	28 827	10 407	40 729	6 209	3 984	34 405			122 196	276 912	294 380	385 851
Repayment of borrowing	-	-	569	-	-	-	1 307	-	-			968	2 845	4 218	4 640
Other Cash Flows/Payments															
Total Cash Payments by Type	23 938	112 541	38 357	72 534	56 689	67 712	27 934	36 342	74 110	-	-	51 927	562 086	603 929	712 774
NET INCREASE/(DECREASE) IN CASH HELD	82 020	17 443	(33 045)	(8 431)	29 731	(61 572)	(9 701)	(28 872)	48 287	-	-	(52 027)	(16 167)	25 246	40 518
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	61 731	61 731	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	61 731	61 731	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	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
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				232 120	-		
May	22 680	23 212				255 332	-		
June	22 680	23 212				278 544	-		
Total Capital expenditure	264 342	278 544	-	155 531					

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 %	
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	258 462	260 490	232 188	33 267	147 941	174 141	26 200	15,0%	260 490
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	1 830	-	-	-	1 098	-	(1 098)	#DIV/0!	-
Transmission & Reticulation	1 830	-	-	-	1 098	-	(1 098)	#DIV/0!	-
Infrastructure - Water	222 520	231 990	203 688	30 317	133 423	152 766	19 343	12,7%	231 990
Dams & Reservoirs	28 200	-	-	-	-	-	-	-	-
Water purification	3 000	-	-	-	-	-	-	-	-
Reticulation	191 320	231 990	203 688	30 317	133 423	152 766	19 343	12,7%	231 990
Infrastructure - Sanitation	34 112	28 500	28 500	2 950	13 420	21 375	7 955	37,2%	28 500
Reticulation	28 169	-	-	-	-	-	-	-	-
Sewerage purification	5 943	28 500	28 500	2 950	13 420	21 375	7 955	37,2%	28 500
Other assets	18 162	9 950	9 950	49	2 645	7 463	4 817	64,6%	9 950
General vehicles	-	-	-	-	-	-	-	-	-
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	49	188	1 088	899	82,7%	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
Intangibles	200	1 100	1 100	(432)	1 105	825	(280)	-34,0%	1 100
Computers - software & programming	200	1 100	1 100	(432)	1 105	825	(280)	-34,0%	1 100
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	276 825	271 540	243 238	32 883	151 691	182 429	30 737	16,8%	271 540
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Sisonke - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - 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
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	4 580	7 000	7 000	1 521	3 840	5 250	1 410	26,9%	7 000
Infrastructure - Water	4 580	7 000	7 000	1 521	3 840	5 250	1 410	26,9%	7 000
Dams & Reservoirs							-		
Water purification							-		
Reticulation	4 580	7 000	7 000	1 521	3 840	5 250	1 410	26,9%	7 000
Total Capital Expenditure on renewal of existing assets	4 580	7 000	7 000	1 521	3 840	5 250	1 410	26,9%	7 000
Specialised vehicles									
Refuse	-	-	-	-	-	-	-		-
Fire							-		
Conservancy							-		
Ambulances							-		

Expenditure on repairs and maintenance 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							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	68 706	70 190	70 190	1 628	16 194	52 642	36 448	69,2%	70 190
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
Other assets	953	3 486	3 486	81	824	2 614	1 790	68,5%	3 486
General v ehicles					20		(20)	#DIV/0!	
Computers - hardware/equipment	357	150	150	3	35	113	78	69,2%	150
Furniture and other office equipment	-	-	-				-		
Other Buildings	596	3 336	3 336	77	770	2 502	1 732	69,2%	3 336
Total Repairs and Maintenance Expenditure	69 659	73 675	73 675	1 709	17 018	55 256	38 238	69,2%	73 675
Specialised vehicles									
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 March of 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_____