

REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 31 AUGUST 2016

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 31 August 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 2016/2017 budget for the period ending 31 August 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 2016/17 budget amounts to R686, 5m. The year to date actual revenue for the period ended 31 August 2016 amounted to R115, 4m which is 101% 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 August 2016 for ABSA loan. There was no movement in the month of August 2016.

Operating expenditure by vote & type

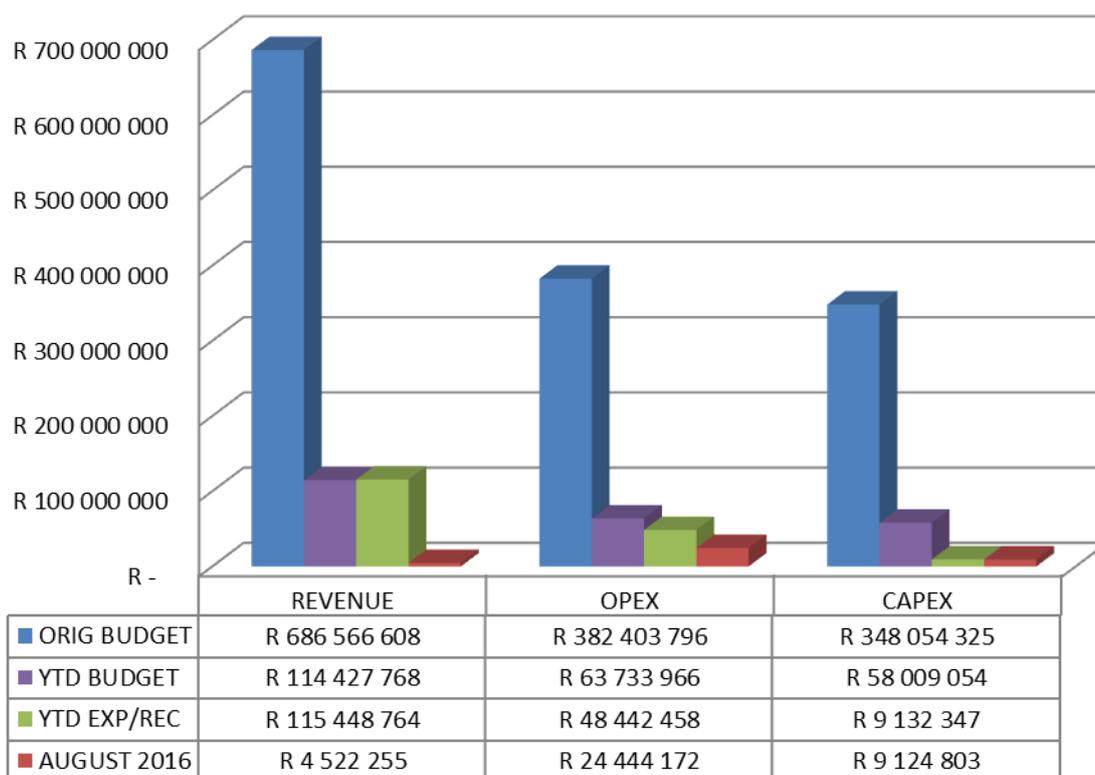
The total operating budget for the current year amounts to R382, 4m. The YTD Operating expenditure for the month ended 31 August amounted to R48, 4m against a year to date (YTD) budget of R63, 7m. The actual YTD expenditure represented 76% of the planned expenditure.

Capital expenditure

The total capital budget for the current year amounts to R348m. The YTD expenditure on capital amounts to R9million, or 16% 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 AUGUST 2016



Cash flows

The municipality started the year with a positive cashbook balance of R5, 8 million and the closing cash and cash equivalents as at the end of August 2016 was R109, 4million. Refer to Supporting Table C6 for more detail on the cash position.

Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2016/2017 first Quarter have been received as per payment schedule. Total grants receipts amounted to R283, 2million, being made up of R108, 3million operational and R174, 9million 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 Harry Gwala - Table C1 Monthly Budget Statement Summary - M01 July

Description	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	-	-	-	-	-	-		-
Service charges	55 822	60 553	2 978	4 213	10 092	(5 879)	-58%	60 553
Investment revenue	3 375	3 500	102	286	583	(297)	-51%	3 500
Transfers recognised - operational	260 403	277 632	-	108 362	46 272	62 090	134%	277 632
Other own revenue	9 098	9 109	1 442	2 587	1 518	1 069	70%	9 109
Total Revenue (excluding capital transfers and contributions)	328 699	350 794	4 522	115 449	58 466	56 983	97%	350 794
Employee costs	116 031	125 313	11 568	22 253	20 886	1 368	7%	125 313
Remuneration of Councillors	7 321	7 906	432	929	1 318	(389)	-30%	7 906
Depreciation & asset impairment	30 000	31 874	-	-	5 312	(5 312)	-100%	31 874
Finance charges	1 114	1 926	-	-	321	(321)	-100%	1 926
Materials and bulk purchases	9 852	10 709	599	599	1 785	(1 185)	-66%	10 709
Transfers and grants	18 096	20 000	-	6 667	3 333	3 333	100%	20 000
Other expenditure	204 636	184 675	11 845	17 994	30 779	(12 785)	-42%	184 675
Total Expenditure	387 050	382 404	24 444	48 442	63 734	(15 292)	-24%	382 404
Surplus/(Deficit)	(58 351)	(31 610)	(19 922)	67 006	(5 268)	72 275	-1372%	(31 610)
Transfers recognised - capital	244 290	335 772	-	-	55 962	(55 962)	-100%	335 772
Contributions & Contributed assets	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	185 939	304 163	(19 922)	67 006	50 694	16 313	32%	304 163
Surplus/ (Deficit) for the year	185 939	304 163	(19 922)	67 006	50 694	16 313	32%	304 163
Capital expenditure & funds sources								
Capital expenditure	250 238	348 054	9 125	9 132	58 009	(48 877)	-84%	348 054
Capital transfers recognised	244 290	335 772	9 125	9 125	55 962	(46 837)	-84%	335 772
Internally generated funds	5 948	12 282	-	8	2 047	(2 039)	-100%	12 282
Total sources of capital funds	250 238	348 054	9 125	9 132	58 009	(48 877)	-84%	348 054
Financial position								
Total current assets	65 577	96 627		157 560				96 627
Total non current assets	1 572 358	1 914 112		1 669 183				1 914 112
Total current liabilities	108 886	60 999		373 172				60 999
Total non current liabilities	31 018	29 859		37 298				29 859
Community wealth/Equity	1 498 031	1 919 882		1 416 272				1 919 882
Cash flows								
Net cash from (used) operating	263 590	329 265	(45 859)	112 755	54 877	(57 878)	-105%	329 265
Net cash from (used) investing	(276 912)	(310 943)	(9 125)	(9 132)	(51 824)	(42 691)	82%	(310 943)
Net cash from (used) financing	(2 694)	(2 822)	-	-	(470)	(470)	100%	178
Cash/cash equivalents at the month/year end	9 855	35 377	-	123 500	22 460	(101 040)	-450%	38 377
Debtors & creditors analysis								
	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	5 241	3 682	2 735	2 480	2 528	17 095	112 591	149 207
Creditors Age Analysis								
Total Creditors	5 869	957	212	-	-	-	-	7 383

Financial Performance

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

DC43 Harry Gwala - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M01 July

Description	2015/16	Budget Year 2016/17						Full Year Forecast
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
Revenue - Standard								
<i>Governance and administration</i>	255 059	274 973	1 474	111 110	45 829	65 281	142%	274 973
Executive and council	-	-	-	-	-	-	-	-
Budget and treasury office	255 059	274 973	1 474	111 110	45 829	65 281	142%	274 973
Corporate services	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	1 100	400	-	-	67	(67)	-100%	400
Planning and development	1 100	400	-	-	67	(67)	-100%	400
<i>Trading services</i>	316 829	411 194	3 049	4 339	68 532	(64 193)	-94%	411 194
Electricity	-	-	-	-	-	-	-	-
Water	56 539	60 550	3 049	4 339	10 092	(5 752)	-57%	60 550
Waste water management	260 290	350 644	-	-	58 441	(58 441)	-100%	350 644
Waste management	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-
Total Revenue - Standard	572 988	686 567	4 522	115 449	114 428	1 021	1%	686 567
Expenditure - Standard								
<i>Governance and administration</i>	131 608	143 616	8 109	14 621	23 936	(9 315)	-39%	143 616
Executive and council	24 484	29 224	1 719	3 090	4 871	(1 780)	-37%	29 224
Budget and treasury office	63 444	64 031	3 100	4 934	10 672	(5 738)	-54%	64 031
Corporate services	43 680	50 362	3 290	6 597	8 394	(1 796)	-21%	50 362
<i>Economic and environmental services</i>	52 428	58 937	2 547	11 425	9 823	1 602	16%	58 937
Planning and development	52 428	58 937	2 547	11 425	9 823	1 602	16%	58 937
<i>Trading services</i>	203 013	179 851	13 788	22 396	29 975	(7 579)	-25%	179 851
Water	159 142	146 344	10 142	17 449	24 391	(6 942)	-28%	146 344
Waste water management	43 872	33 506	3 646	4 947	5 584	(637)	-11%	33 506
Waste management	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-
Total Expenditure - Standard	387 050	382 404	24 444	48 442	63 734	(15 292)	-24%	382 404
Surplus/ (Deficit) for the year	185 939	304 163	(19 922)	67 006	50 694	16 313	32%	304 163

This table assess the revenue by department and then the expenditure for the period ending 31 August 2016. Revenue receipts in May have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of May is 1%.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has largest expenditure by 6% in the period ending 31 August 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 Harry Gwala - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - Mayor	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager Admin	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Administration	255 059	274 973	1 474	111 110	45 829	65 281	142,4%	274 973
Vote 4 - Corporate services admin	-	-	-	-	-	-	-	-
Vote 5 - Social economic & development planning admin	1 100	400	-	-	67	(67)	-100,0%	400
Vote 6 - Infrastructure services admin	260 290	350 644	-	-	58 441	(58 441)	-100,0%	350 644
Vote 7 - Water services admin	56 539	60 550	3 049	4 339	10 092	(5 752)	-57,0%	60 550
Total Revenue by Vote	572 988	686 567	4 522	115 449	114 428	1 021	0,9%	686 567
Expenditure by Vote								
Vote 1 - Mayor	12 024	12 382	871	1 478	2 064	(586)	-28,4%	12 382
Vote 2 - Municipal Manager Admin	12 460	16 841	848	1 612	2 807	(1 194)	-42,6%	16 841
Vote 3 - Budget & Treasury Administration	63 444	64 031	3 100	4 934	10 672	(5 738)	-53,8%	64 031
Vote 4 - Corporate services admin	43 680	50 362	3 290	6 597	8 394	(1 796)	-21,4%	50 362
Vote 5 - Social economic & development planning admin	52 428	58 937	2 547	11 425	9 823	1 602	16,3%	58 937
Vote 6 - Infrastructure services admin	43 872	34 982	3 646	4 947	5 830	(883)	-15,1%	34 982
Vote 7 - Water services admin	159 142	144 869	10 142	17 449	24 145	(6 696)	-27,7%	144 869
Total Expenditure by Vote	387 050	382 404	24 444	48 442	63 734	(15 292)	-24,0%	382 404
Surplus/ (Deficit) for the year	185 939	304 163	(19 922)	67 006	50 694	16 313	32,2%	304 163

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 August 2016.

DC43 Harry Gwala - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	2015/16	Budget Year 2016/17						Full Year Forecast
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
Revenue By Source								
Property rates						-		
Service charges - water revenue	38 329	40 714	2 084	2 949	6 786	(3 836)	-57%	40 714
Service charges - sanitation revenue	16 461	17 449	893	1 264	2 908	(1 644)	-57%	17 449
Service charges - refuse revenue	-	-			-	-		-
Service charges - other	1 032	2 391			398	(398)	-100%	2 391
Rental of facilities and equipment					-	-		
Interest earned - external investments	3 375	3 500	102	286	583	(297)	-51%	3 500
Interest earned - outstanding debtors	8 000	8 500	1 311	2 614	1 417	1 197	85%	8 500
Transfers recognised - operational	260 403	277 632	-	108 362	46 272	62 090	134%	277 632
Other revenue	1 098	609	131	(27)	102	(128)	-126%	609
Gains on disposal of PPE						-		
Total Revenue (excluding capital transfers and contributions)	328 699	350 794	4 522	115 449	58 466	56 983	97%	350 794
Expenditure By Type								
Employee related costs	116 031	125 313	11 568	22 253	20 886	1 368	7%	125 313
Remuneration of councillors	7 321	7 906	432	929	1 318	(389)	-30%	7 906
Debt impairment	24 692	25 394			4 232	(4 232)	-100%	25 394
Depreciation & asset impairment	30 000	31 874			5 312	(5 312)	-100%	31 874
Finance charges	1 114	1 926			321	(321)	-100%	1 926
Bulk purchases	9 852	10 709	599	599	1 785	(1 185)	-66%	10 709
Contracted services	53 356	44 923	1 238	2 264	7 487	(5 223)	-70%	44 923
Transfers and grants	18 096	20 000	-	6 667	3 333	3 333	100%	20 000
Other expenditure	126 589	114 358	10 608	15 730	19 060	(3 329)	-17%	114 358
Loss on disposal of PPE						-		
Total Expenditure	387 050	382 404	24 444	48 442	63 734	(15 292)	-24%	382 404
Surplus/(Deficit)	(58 351)	(31 610)	(19 922)	67 006	(5 268)	72 275	(0)	(31 610)
Transfers recognised - capital	244 290	335 772			55 962	(55 962)	(0)	335 772
Surplus/(Deficit) after capital transfers & contributions	185 939	304 163	(19 922)	67 006	50 694			304 163
Surplus/(Deficit) after taxation	185 939	304 163	(19 922)	67 006	50 694			304 163
Surplus/(Deficit) attributable to municipality	185 939	304 163	(19 922)	67 006	50 694			304 163
Surplus/ (Deficit) for the year	185 939	304 163	(19 922)	67 006	50 694			304 163

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.

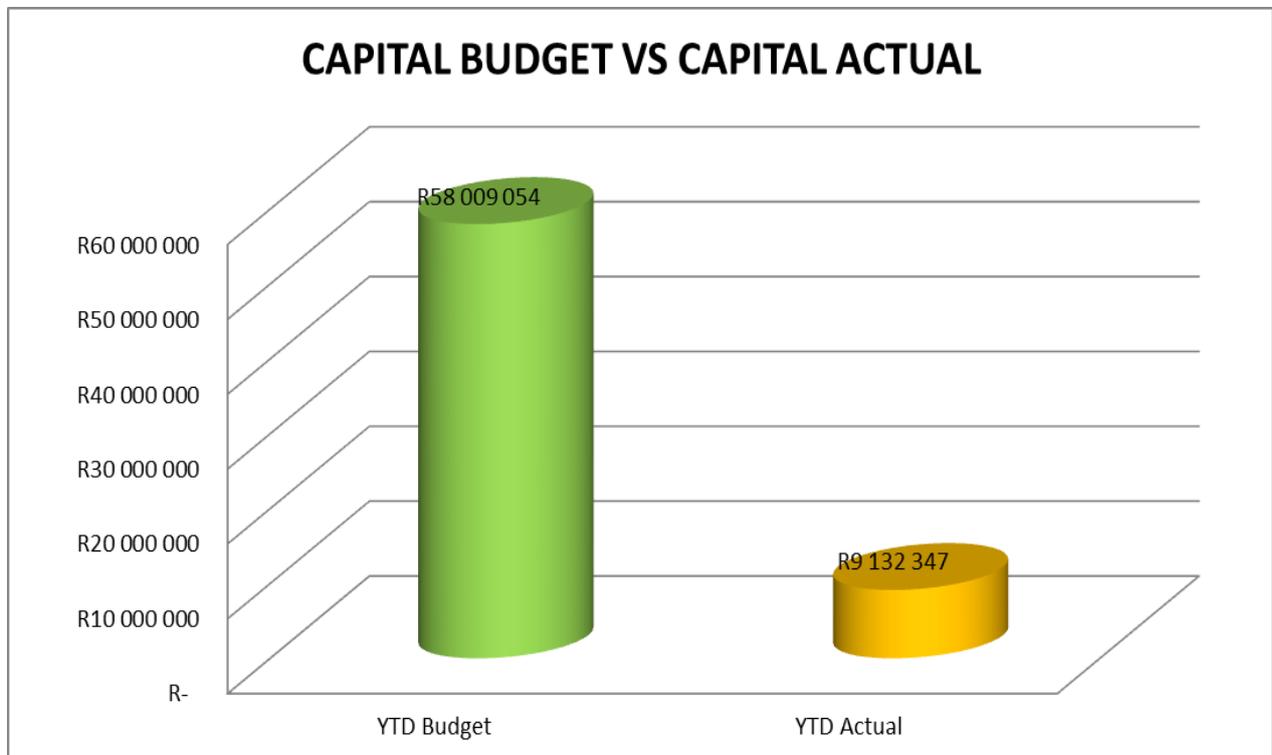
DC43 Harry Gwala - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M01 July

Vote Description	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - Mayor	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager Admin	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury Administration	-	-	-	-	-	-	-	-
Vote 4 - Corporate services admin	1 643	4 624	-	8	771	(763)	-99%	4 624
Vote 5 - Social economic & development planning admin	400	1 117	-	-	186	(186)	-100%	1 117
Vote 6 - Infrastructure services admin	244 590	337 272	9 125	9 125	56 212	(47 087)	-84%	337 272
Vote 7 - Water services admin	3 605	5 042	-	-	840	(840)	-100%	5 042
Total Capital Multi-year expenditure	250 238	348 054	9 125	9 132	58 009	(48 877)	-84%	348 054
Total Capital Expenditure	250 238	348 054	9 125	9 132	58 009	(48 877)	-84%	348 054
Capital Expenditure - Standard Classification								
Governance and administration	1 643	4 624	-	8	771	(763)	-99%	4 624
Executive and council	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-
Corporate services	1 643	4 624	-	8	771	(763)	-99%	4 624
Economic and environmental services	400	1 117	-	-	186	(186)	-100%	1 117
Planning and development	400	1 117	-	-	186	(186)	-100%	1 117
Trading services	248 195	342 314	9 125	9 125	57 052	(47 928)	-84%	342 314
Water	3 605	5 042	-	-	840	(840)	-100%	5 042
Waste water management	244 590	337 272	9 125	9 125	56 212	(47 087)	-84%	337 272
Total Capital Expenditure - Standard Classification	250 238	348 054	9 125	9 132	58 009	(48 877)	-84%	348 054
Funded by:								
National Government	244 290	335 772	9 125	9 125	55 962	(46 837)	-84%	335 772
Provincial Government	-	-	-	-	-	-	-	-
Transfers recognised - capital	244 290	335 772	9 125	9 125	55 962	(46 837)	-84%	335 772
Internally generated funds	5 948	12 282	-	8	2 047	(2 039)	-100%	12 282
Total Capital Funding	250 238	348 054	9 125	9 132	58 009	(48 877)	-84%	348 054

As alluded to above, the capital expenditure programme for the month ending 31 August 2016 was R9m which represents 16% 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: 2016/2017 CAPEX YTD BUDGET & YTD ACTUAL



As at 31 August 2016, the year to date actual expenditure was R9m against a YTD budget of R58million. In monetary terms, these figures represent 16% per cent performance against the capital development programme as at 31 August 2016.

Table C6 displays the financial position of the municipality as at 31 August 2016.

DC43 Harry Gwala - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	2015/16	Budget Year 2016/17		
	Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands				
<u>ASSETS</u>				
Current assets				
Cash	9 855	35 377	109 442	35 377
Consumer debtors	39 061	48 078	28 595	48 078
Other debtors	12 065	12 789	19 332	12 789
Current portion of long-term receivables	4 246	-	-	-
Inventory	349	384	192	384
Total current assets	65 577	96 627	157 560	96 627
Non current assets				
Investments in Associate	-	-	-	-
Property, plant and equipment	1 571 174	1 912 816	1 668 875	1 912 816
Intangible assets	1 184	1 296	307	1 296
Other non-current assets	-	-	-	-
Total non current assets	1 572 358	1 914 112	1 669 183	1 914 112
TOTAL ASSETS	1 637 935	2 010 739	1 826 743	2 010 739
<u>LIABILITIES</u>				
Current liabilities				
Bank overdraft	-	-	-	-
Borrowing	3 592	3 330	4 926	3 330
Consumer deposits	1 415	1 593	1 346	1 593
Trade and other payables	95 710	51 770	364 344	51 770
Provisions	8 169	4 305	2 557	4 305
Total current liabilities	108 886	60 999	373 172	60 999
Non current liabilities				
Borrowing	16 683	12 353	15 683	12 353
Provisions	14 334	17 506	21 615	17 506
Total non current liabilities	31 018	29 859	37 298	29 859
TOTAL LIABILITIES	139 904	90 858	410 471	90 858
NET ASSETS	1 498 031	1 919 882	1 416 272	1 919 882
<u>COMMUNITY WEALTH/EQUITY</u>				
Accumulated Surplus/(Deficit)	1 498 031	1 919 882	1 416 272	1 919 882
Reserves				
TOTAL COMMUNITY WEALTH/EQUITY	1 498 031	1 919 882	1 416 272	1 919 882

Table C7 below display the Cash Flow Statement for the period ending 31 August 2016.

DC43 Harry Gwala - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	2015/16	Budget Year 2016/17						
	Audited Outcome	Original 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	30 746	32 408	1 577	3 567	5 401	(1 834)	-34%	32 408
Other revenue	2 034	305	131	(27)	51	(77)	-153%	305
Government - operating	260 403	277 632	1 250	109 612	46 272	63 340	137%	277 632
Government - capital	244 290	335 772	841	173 676	55 962	117 714	210%	335 772
Interest	8 294	3 500	1 413	2 900	583	2 317	397%	3 500
Payments								
Suppliers and employees	(262 968)	(298 426)	(51 071)	(170 306)	(49 738)	120 569	-242%	(298 426)
Finance charges	(1 114)	(1 926)	-	-	(321)	(321)	100%	(1 926)
Transfers and Grants	(18 096)	(20 000)	-	(6 667)	(3 333)	3 333	-100%	(20 000)
NET CASH FROM/(USED) OPERATING ACTIVITIES	263 590	329 265	(45 859)	112 755	54 877	(57 878)	-105%	329 265
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Decrease (increase) other non-current receivables						-		
Payments								
Capital assets	(276 912)	(310 943)	(9 125)	(9 132)	(51 824)	(42 691)	82%	(310 943)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(276 912)	(310 943)	(9 125)	(9 132)	(51 824)	(42 691)	82%	(310 943)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Increase (decrease) in consumer deposits	151	178			30	(30)	-100%	178
Payments								
Repayment of borrowing	(2 845)	(3 000)			(500)	(500)	100%	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 694)	(2 822)	-	-	(470)	(470)	100%	178
NET INCREASE/ (DECREASE) IN CASH HELD	(16 016)	15 500	(54 984)	103 623	2 583			18 500
Cash/cash equivalents at beginning:	25 871	19 877		19 877	19 877			19 877
Cash/cash equivalents at month/year end:	9 855	35 377		123 500	22 460			38 377

The billing vs Collection ratio for the month of August was 40% (July: 67%) showing a decrease in collection by 27% as compared to previous month

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 August 2016.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

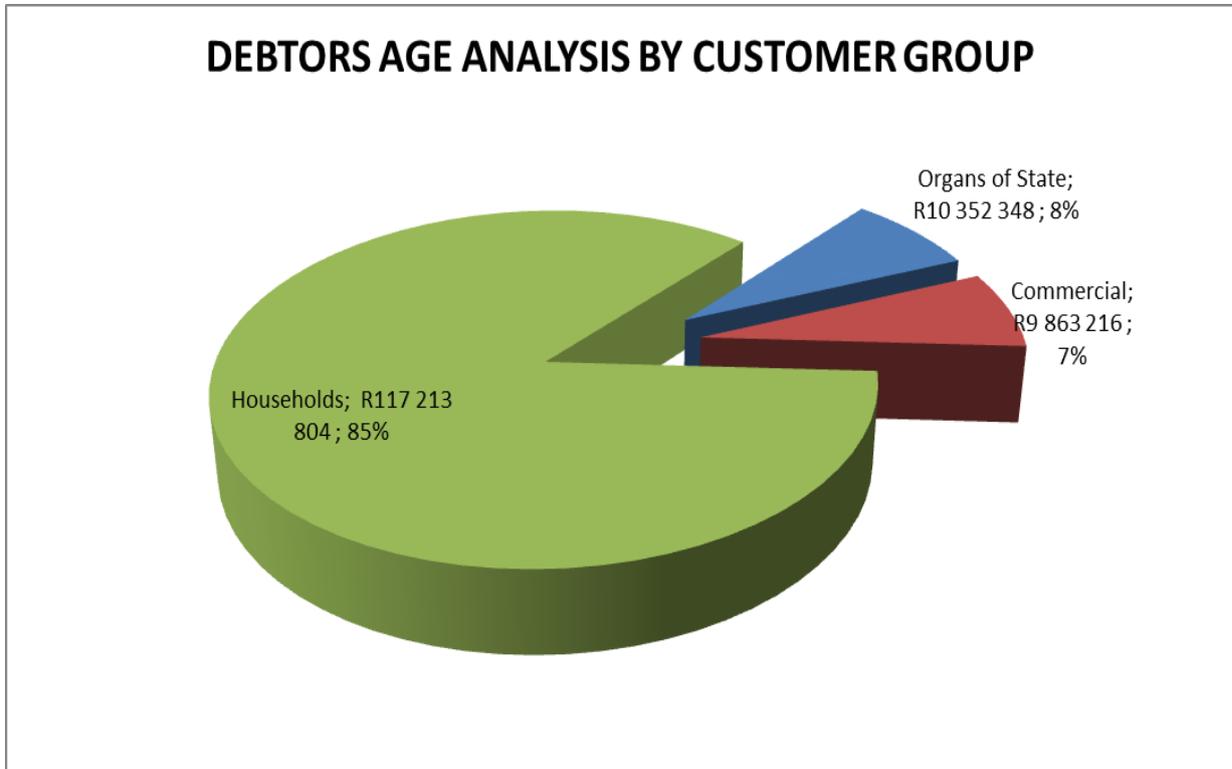
Description	Budget Year 2016/17									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	3 364	2 363	1 833	1 756	1 592	1 623	10 974	72 275	95 779	88 219
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 314	923	716	686	622	634	4 287	28 235	37 417	34 464
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	562	395	306	294	266	271	1 834	12 081	16 010	14 746
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	5 241	3 682	2 855	2 735	2 480	2 528	17 095	112 591	149 207	137 429
2015/16 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	1 225	767	572	434	330	316	1 724	7 549	12 916	10 352
Commercial	426	306	230	203	139	229	1 310	7 983	10 824	9 863
Households	3 590	2 609	2 053	2 098	2 011	1 983	14 062	97 059	125 466	117 214
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	5 241	3 682	2 855	2 735	2 480	2 528	17 095	112 591	149 207	137 429

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: 85%
- ✓ Government 8%
- ✓ Business 7%



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

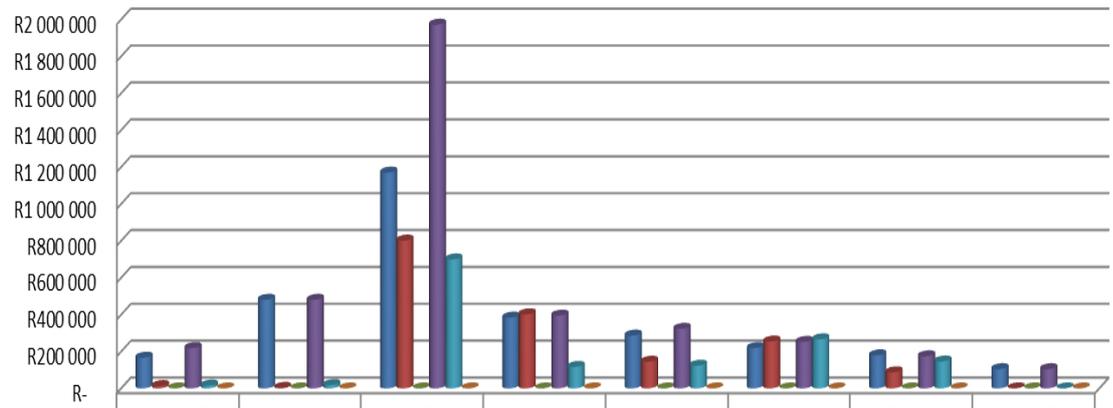
The table that follows below unpacks the revenue receipts per Local Municipality in the District

REVENUE RECEIPTS**Revenue receipts per Area**

AREA	AMOUNT		
		AUGUST 2016	JULY 2016
Unallocated receipts	R 193 422,43	12%	14%
Bhongweni	R 15 105,25	1%	40%
Shayamoya	R 17 468,42	1%	1%
Kokstad	R 699 179,18	44%	0%
Ixopo	R 116 293,35	7%	20%
Kwasani	R 123 272,02	8%	0%
Ingwe	R 265 764,58	17%	7%
Umzimkulu	R 145 920,28	9%	13%
Fairview	R 542,50	0%	4%
TOTAL RECEIPTS INCL VAT	R 1 576 968,01	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 August is R1, 5million. 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 44% followed by Ingwe at 17%. These statistics confirm dependency on Kokstad as the greatest contributor to the District Municipality's revenue. The Unallocated receipts for the month of August amounting to 12% which still need to be allocated according to the local municipalities.

AUGUST 2016 BILLING VS COLLECTION



	BHONGWENI	SHAYAMOYA	KOKSTAD	IXOPO	KWASANI	INGWE	UMZIMKULU	FAIRVIEW
■ JULY 2016 BILLING	R166 136	R479 909	R1 169 733	R383 413	R286 015	R218 244	R179 202	R104 449
■ JULY 2016 COLLECTION	R12 874	R2 878	R801 057	R401 610	R144 413	R254 123	R86 993	R134
■ PERCENTAGE	8%	1%	68%	105%	50%	116%	49%	0%
■ AUGUST 2016 BILLING	R218 342	R480 048	R1 971 212	R394 249	R322 911	R252 190	R173 820	R104 449
■ AUGUST 2016 COLLECTION	R15 105	R17 468	R699 179	R116 293	R123 272	R265 765	R145 920	R543
■ PERCENTAGE	7%	4%	35%	29%	38%	105%	84%	1%

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 August 2016.

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	Budget Year 2016/17								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	269	395	-	212	-	-	-	-	876
PAYE deductions	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	5 601	562	345						6 507
Auditor General									-
Total By Customer Type	5 869	957	345	212	-	-	-	-	7 383

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 August 2016.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

Investments by maturity Name of institution & investment ID	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							
R thousands								
Municipality								
FIRST NATIONAL BANK		CALL ACCOUNT		193		35 617	(16 408)	19 402
FIRST NATIONAL BANK		CALL ACCOUNT		231		82 830	(30 048)	53 012
FIRST NATIONAL BANK		ADMIN CALL		72		8 365	(8 244)	194
INVESTEC		FIXED DEPOSIT		29		5 228		5 257
FIRST NATIONAL BANK		FIXED DEPOSIT		42		3 197	(2 302)	937
FIRST NATIONAL BANK		CALL ACCOUNT		130		28 389	(884)	27 636
FIRST NATIONAL BANK		CALL ACCOUNT		0		5	(0)	5
FIRST NATIONAL BANK		CALL ACCOUNT		1		12	841	854
FIRST NATIONAL BANK		FIXED DEPOSIT		0		3	(0)	3
Municipality sub-total				698		163 646	(57 045)	107 299
TOTAL INVESTMENTS AND INTEREST				698		163 646	(57 045)	107 299

2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

DC43 Harry Gwala - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	259 223	277 232	1 250	109 612	46 205	65 017	140,7%	277 232
Local Government Equitable Share	241 033	260 069	-	108 362	43 345	65 017	150,0%	260 069
Finance Management	1 250	1 250	1 250	1 250	208			1 250
Municipal Systems Improvement	940	1 041	-	-	174			1 041
Municipal Infrastructure Grant (PMU)	9 460	4 777	-	-	796			4 777
Energy Efficiency And Demand Side Management Grant	-	8 000	-	-	1 333			8 000
Water Services Operating Subsidy	-	-	-	-	-			-
Rural Roads Asset Management Grant	2 040	2 095	-	-	349			2 095
Rural Household Infrastructure Grant	4 500	-	-	-	-			-
Energy Efficiency and Demand Management Grant	-	-	-	-	-			-
Provincial Government:	1 180	400	-	-	67	(67)	-100,0%	400
Infrastructure Sport Facilities	-	-	-	-	-	-		-
LG Seta	80	-	-	-	-			-
Development Planning Shared Services	1 100	400	-	-	67	(67)	-100,0%	400
Tourism route	-	-	-	-	-	-		-
Total Operating Transfers and Grants	260 403	277 632	1 250	109 612	46 272	64 951	140,4%	277 632
Capital Transfers and Grants								
National Government:	244 290	335 772	841	173 676	55 962	85 952	153,6%	335 772
Municipal Infrastructure Grant (MIG)	183 324	186 290	-	117 000	31 048	85 952	276,8%	186 290
Regional Bulk Infrastructure	14 000	60 000	-	30 000	10 000			60 000
Municipal Water Infrastructure Grant	43 500	86 118	-	25 835	14 353			86 118
Expanded public works programme incentive grant	3 466	3 364	841	841	561			3 364
Rural Household Infrastructure Grant	-	-	-	-	-			-
Total Capital Transfers and Grants	244 290	335 772	841	173 676	55 962	85 952	153,6%	335 772
TOTAL RECEIPTS OF TRANSFERS & GRANTS	504 693	613 404	2 091	283 288	102 234	150 902	147,6%	613 404

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 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

Description	2015/16	Budget Year 2016/17						Full Year Forecast
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	259 223	277 232	21 672	43 345	46 205	(349)	-0,8%	277 232
Local Government Equitable Share	241 033	260 069	21 672	43 345	43 345	-		260 069
Finance Management	1 250	1 250	-	-	208			1 250
Municipal Systems Improvement	940	1 041	-	-	174			1 041
Municipal Infrastructure Grant (PMU)	9 460	4 777	-	-	796			4 777
Energy Efficiency And Demand Side Management Grant	-	8 000	-	-	1 333			8 000
Water Services Operating Subsidy	-	-	-	-	-	-		-
Rural Roads Asset Management Grant	2 040	2 095	-	-	349	(349)	-100,0%	2 095
Rural Household Infrastructure Grant	4 500	-	-	-	-	-		-
Energy Efficiency and Demand Management Grant	-	-	-	-	-	-		-
Other transfers and grants [insert description]	-	-	-	-	-	-		-
Provincial Government:	1 180	400	-	-	67	-		400
Infrastructure Sport Facilities	-	-	-	-	-	-		-
LG Seta	80	-	-	-	-	-		-
Community Development Project	-	-	-	-	-	-		-
District Growth Development Summit	-	-	-	-	-	-		-
Accredited Councillors Training	-	-	-	-	-	-		-
Development Planning Shared Services	1 100	400	-	-	67			400
Tourism route	-	-	-	-	-	-		-
[insert description]	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:	260 403	277 632	21 672	43 345	46 272	(349)	-0,8%	277 632
Capital expenditure of Transfers and Grants								
National Government:	244 290	335 772	9 125	9 132	55 962	(23 817)	-42,6%	335 772
Municipal Infrastructure Grant (MIG)	183 324	186 290	7 224	7 231	31 048	(23 817)	-76,7%	186 290
Regional Bulk Infrastructure	14 000	60 000	-	-	10 000			60 000
Municipal Water Infrastructure Grant	43 500	86 118	1 901	1 901	14 353			86 118
Expanded public works programme incentive grant	3 466	3 364	-	-	561			3 364
Rural Household Infrastructure Grant	-	-	-	-	-			-
Total capital expenditure of Transfers and Grants	244 290	335 772	9 125	9 132	55 962	(23 817)	-42,6%	335 772
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	504 693	613 404	30 797	52 477	102 234	(24 166)	-23,6%	613 404

2.5 Councillor and Staff Benefits

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

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	2015/16	Budget Year 2016/17						Full Year Forecast
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	A	B					%	D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	621	5 361	293	630	893	(264)	-30%	5 361
Pension and UIF Contributions	311	399	22	47	66	(20)	-30%	399
Medical Aid Contributions	771	94	5	11	16	(5)	-30%	94
Motor Vehicle Allowance	621	1 178	64	138	196	(58)	-30%	1 178
Cellphone Allowance	2 636	259	14	30	43	(13)	-30%	259
Housing Allowances	1 618	-	-	-	-	-	-	-
Other benefits and allowances	742	616	34	72	103	(30)	-30%	616
Sub Total - Councillors	7 321	7 906	432	929	1 318	(389)	-30%	7 906
% increase		8,0%						8,0%
Senior Managers of the Municipality								
Basic Salaries and Wages	5 551	5 995	486	935	999	(64)	-6%	5 995
Pension and UIF Contributions	3	3	0		1	0	7%	3
Medical Aid Contributions	5	6	1	1	1	0	7%	6
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	-	-	67	129	-	129	#DIV/0!	-
Motor Vehicle Allowance	3 049	3 293	304	585	549	36	7%	3 293
Cellphone Allowance	143	154	14	27	26	2	7%	154
Other benefits and allowances	4	5	0	1	1	0	7%	5
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	8 755	9 455	873	1 679	1 576	103	7%	9 455
% increase		8,0%						8,0%
Other Municipal Staff								
Basic Salaries and Wages	77 494	83 693	7 726	14 862	13 949	913	7%	83 693
Pension and UIF Contributions	13 103	14 151	1 306	2 513	2 358	154	7%	14 151
Medical Aid Contributions	1 811	1 955	181	347	326	21	7%	1 955
Overtime	1 618	1 747	161	310	291	19	7%	1 747
Performance Bonus	7 180	7 755	716	1 377	1 292	85	7%	7 755
Motor Vehicle Allowance	3 300	3 564	329	633	594	39	7%	3 564
Cellphone Allowance	563	608	56	108	101	7	7%	608
Housing Allowances	49	53	5	9	9	1	7%	53
Other benefits and allowances	2 158	2 331	215	414	389	25	7%	2 331
Sub Total - Other Municipal Staff	107 276	115 858	10 695	20 574	19 310	1 264	7%	115 858
% increase		8,0%						8,0%
Total Parent Municipality	123 351	133 219	12 000	23 182	22 203	979	4%	133 219
		8,0%						8,0%
TOTAL SALARY, ALLOWANCES & BENEFITS	123 351	133 219	12 000	23 182	22 203	979	4%	133 219
% increase		8,0%						8,0%
TOTAL MANAGERS AND STAFF	116 031	125 313	11 568	22 253	20 886	1 368	7%	125 313

2.6 Material Variances to the SDBIP

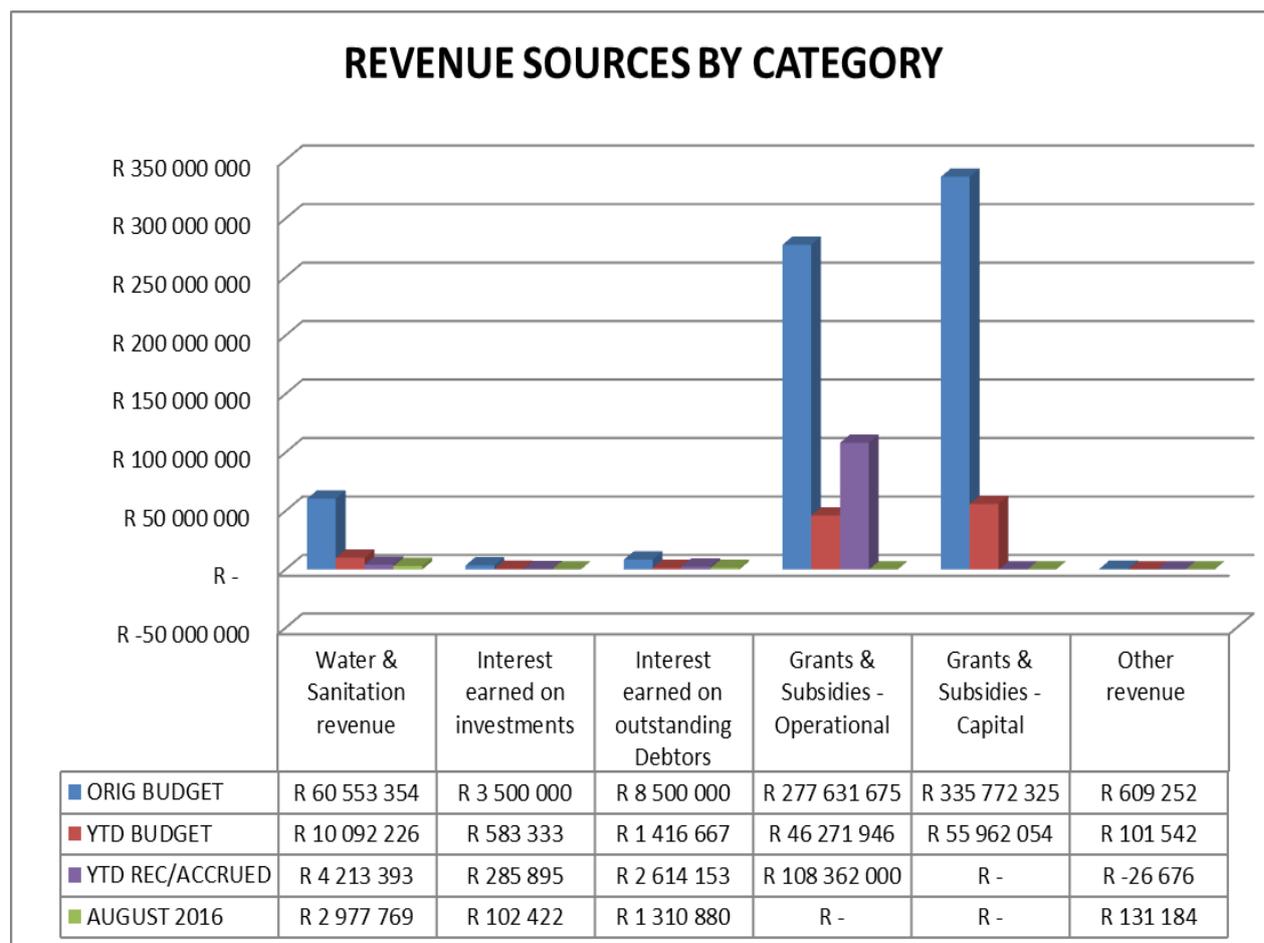
The following section analyses material variances between the actual targets as at 31 August 2016 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2016/17 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 31 August 2016 was R4, 2million against a year to date **budget** of R10million.

Interest Earned on External Investments

The year to date actual interest earned on external investments as at 31 August 2016 is R 285 895 against year to date budget of R583 333. This represents 49% of actual against year to date budget.

Transfers Recognised – Operational

The YTD operational grants revenue for August R108, 8million against a year to date budget of R238, 6million and is largely attributable to the YTD equitable share. Financial Management Grant received in the month of August 2016.

Transfers Recognised – Capital

The year to date actual for capital expenditure is R9m (against a YTD budget of R9million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 16% performance in Conditional Capital grant funding expenditures.

Other Revenue

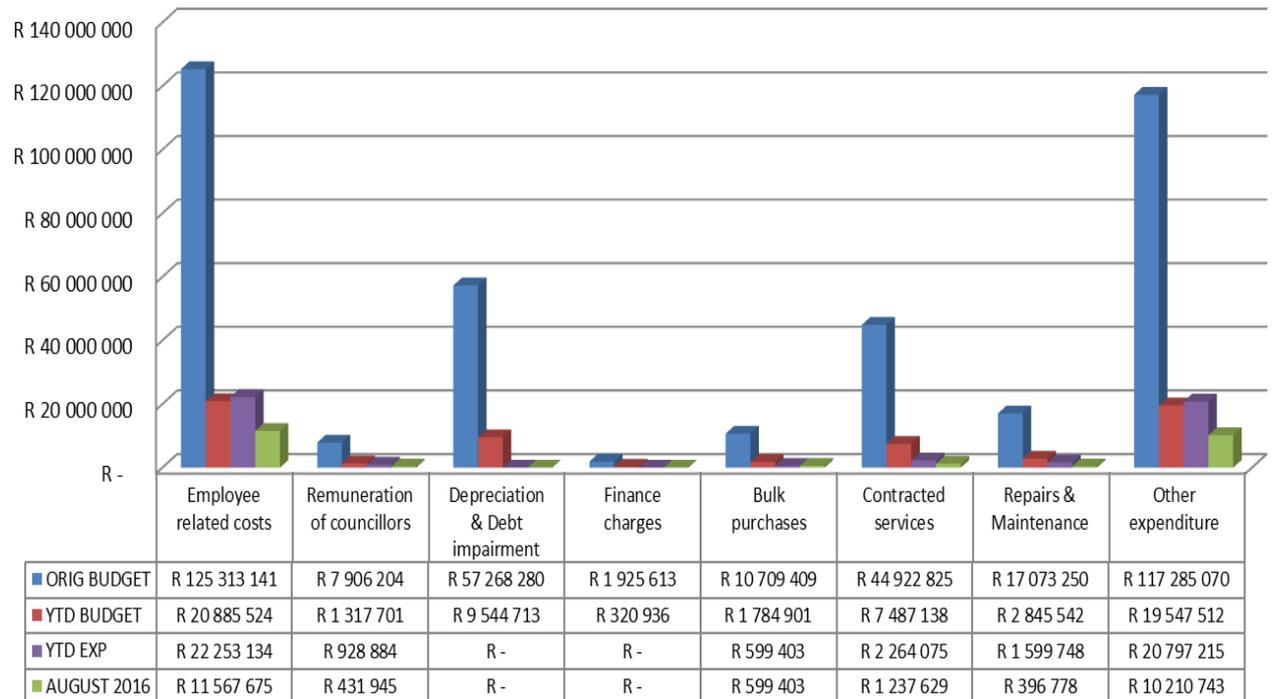
The August 2014 performance of other revenue is R 131 184k against YTD budget of R 101 542k.

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: 2016/17 Financial year Opex

OPERATIONAL EXPENDITURE BY TYPE



Employee Related Costs

The YTD budget for employee related costs is R20, 8million against a YTD actual of R22, 2million representing an expenditure performance of 70%.

Remuneration of Councillors

The remuneration of councillor’s expenditure as at 31 August 2016 was R928 884k against a YTD budget of R1, 3m representing an expenditure performance of 82%.

Finance Charges

As at 31 August 2016, year to date budget for finance charges is R320 936k and there was no movement in August 2016.

Bulk Purchases

The YTD budget for bulk purchases was at R1, 7m against a YTD expenditure of R599 403k representing an expenditure performance of 34%.

Other Expenditure

The YTD budget for other expenditure was at R19, 5million against a YTD expenditure of R20, 7million.

Actual and revised targets for cash receipts

Harry Gwala District Municipality

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M01 July

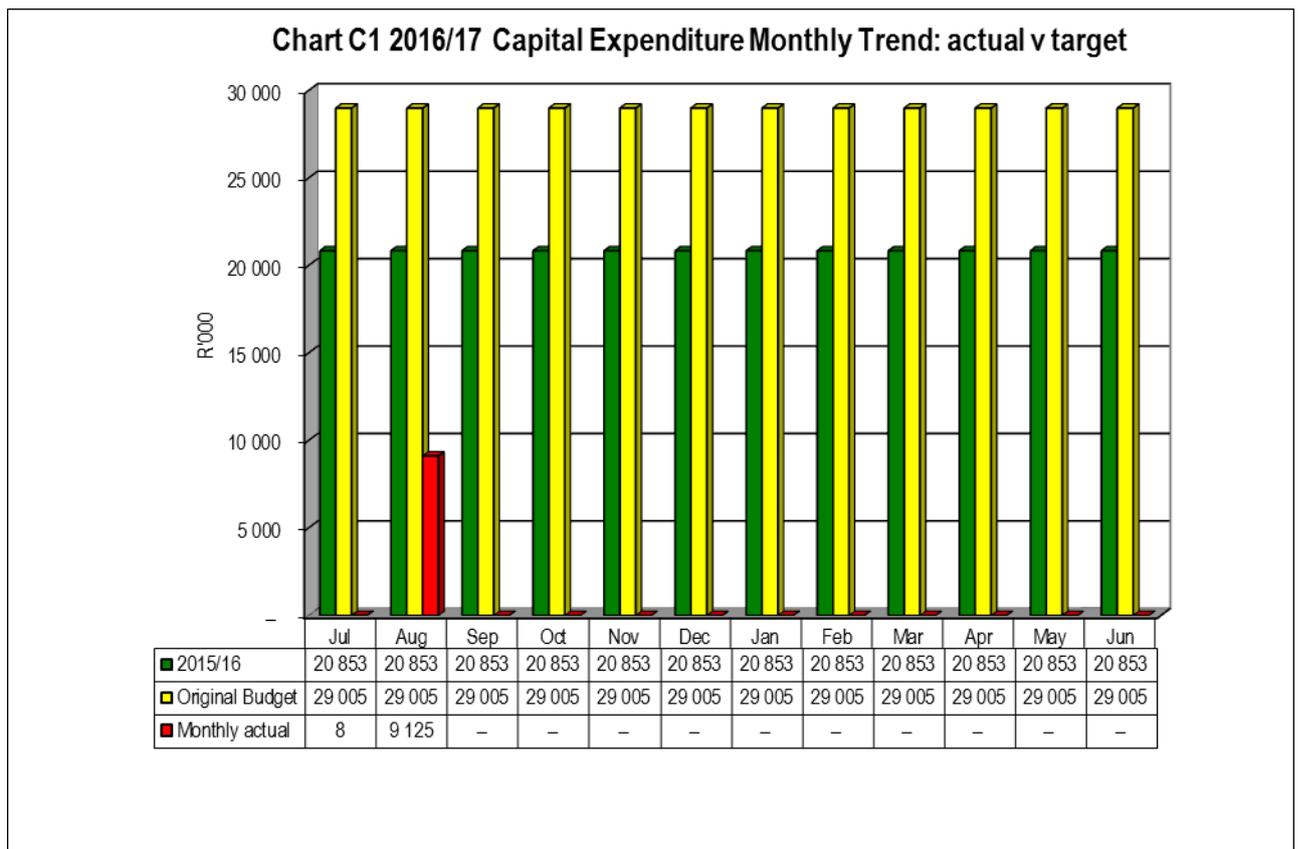
Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework			
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Cash Receipts By Source																
Property rates																
Service charges - water revenue	1 393	1 104										20 489	22 985	23 305	24 703	
Service charges - sanitation revenue	597	473										8 352	9 422	9 988	10 587	
Service charges - refuse	-	-										-	-	-	-	
Service charges - other	-	-										-	-	-	-	
Rental of facilities and equipment	-	-										-	-	-	-	
Interest earned - external investments	183	102										3 214	3 500	3 710	3 933	
Interest earned - outstanding debtors	1 303	1 311										(2 614)	-	-	-	
Dividends received	-	-										-	-	-	-	
Transfer receipts - operating	108 362	1 250										168 020	277 632	294 948	317 863	
Other revenue	(158)	131										331	305	323	342	
Cash Receipts by Source	111 681	4 371										197 792	313 844	332 273	357 428	
Other Cash Flows by Source																
Transfer receipts - capital	172 835	841										162 096	335 772	401 643	373 080	
Increase in consumer deposits	-	-										178	178	200	226	
Total Cash Receipts by Source	284 516	5 212										360 066	649 794	734 117	730 733	
Cash Payments by Type																
Employee related costs	10 685	11 968										103 060	125 313	135 338	146 165	
Remuneration of councillors	497	432										6 977	7 906	8 539	9 222	
Interest paid	-	-										1 926	1 926	1 595	1 229	
Bulk purchases - Electricity	-	-										-	-	-	-	
Bulk purchases - Water & Sewer	-	599										10 110	10 709	11 641	12 654	
Contracted services	1 026	1 238										42 659	44 923	46 016	50 272	
Grants and subsidies paid - other municipalities	6 667	-										(6 667)	-	-	-	
Grants and subsidies paid - other	-	-										20 000	20 000	22 218	23 551	
General expenses	107 026	37 235										(34 686)	109 575	109 032	114 494	
Cash Payments by Type	125 902	51 071										143 379	320 352	334 380	357 588	
Other Cash Flows/Payments by Type																
Capital assets	8	9 125										310 943	310 943	365 496	340 017	
Repayment of borrowing	-	-										3 000	3 000	3 330	3 697	
Other Cash Flows/Payments	-	-										-	-	-	-	
Total Cash Payments by Type	125 909	60 196										448 189	634 294	703 206	701 302	
NET INCREASE/(DECREASE) IN CASH HELD	158 606	(54 984)										(88 123)	15 500	30 910	29 431	
Cash/cash equivalents at the month/year beginning:	5 819	164 425	109 442	109 442	109 442	109 442	109 442	109 442	109 442	109 442	109 442	109 442	109 442	5 819	21 319	52 229
Cash/cash equivalents at the month/year end:	164 425	109 442	109 442	109 442	109 442	109 442	109 442	109 442	109 442	109 442	109 442	21 319	21 319	52 229	81 661	

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M01 July

Month	2015/16	Budget Year 2016/17							
	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	20 853	29 005		8	8	29 005	28 997	100,0%	0%
August	20 853	29 005		9 125	9 132	58 009	48 877	84,3%	3%
September	20 853	29 005				87 014	-		
October	20 853	29 005				116 018	-		
November	20 853	29 005				145 023	-		
December	20 853	29 005				174 027	-		
January	20 853	29 005				203 032	-		
February	20 853	29 005				232 036	-		
March	20 853	29 005				261 041	-		
April	20 853	29 005				290 045	-		
May	20 853	29 005				319 050	-		
June	20 853	29 005				348 054	-		
Total Capital expenditure	250 238	348 054	-	9 132					

YTD Capital Budget vs YTD Monthly Expenditure



Capital Expenditure on New Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M01 July

Description	2015/16	Budget Year 2016/17							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	232 188	331 272	-	8 622	8 622	55 212	46 590	84,4%	331 272
Infrastructure - Road transport	-	500	-	-	-	83	83	100,0%	500
<i>Roads, Pavements & Bridges</i>	-	500	-	-	-	83	83	100,0%	500
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Water	203 688	297 107	-	7 270	7 270	49 518	42 248	85,3%	297 107
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	203 688	297 107	-	7 270	7 270	49 518	42 248	85,3%	297 107
Infrastructure - Sanitation	28 500	33 666	-	1 352	1 352	5 611	4 259	75,9%	33 666
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	28 500	33 666	-	1 352	1 352	5 611	4 259	75,9%	33 666
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Other assets	9 950	10 533	-	-	8	1 755	1 748	99,6%	10 533
General vehicles	-	4 642	-	-	-	774	774	100,0%	4 642
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	4 600	2 600	-	-	-	433	433	100,0%	2 600
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	1 450	1 791	-	-	8	298	291	97,5%	1 791
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	600	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	3 300	1 500	-	-	-	250	250	100,0%	1 500
Intangibles	1 100	1 250	-	-	-	208	208	100,0%	1 250
Computers - software & programming	1 100	1 250	-	-	-	208	208	100,0%	1 250
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	243 238	343 054	-	8 622	8 629	57 176	48 546	84,9%	343 054
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M01 July

Description	2015/16	Budget Year 2016/17							
	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	7 000	5 000	-	503	503	833	330	39,6%	5 000
Infrastructure - Water	7 000	5 000	-	503	503	833	330	39,6%	5 000
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	7 000	5 000	-	503	503	833	330	39,6%	5 000
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	7 000	5 000	-	503	503	833	330	39,6%	5 000
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

Expenditure on Repairs and Maintenance

DC43 Harry Gwala - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M01 July

Description	2015/16	Budget Year 2016/17							
	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	70 190	84 362	-	-	-	-	-	-	-
Infrastructure - Water	48 590	58 400	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	48 590	58 400	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	21 600	25 961	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	21 600	25 961	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Other assets	3 686	4 430	-	-	-	-	-	-	-
General v vehicles	200	240	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	150	180	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	3 336	4 009	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	73 875	88 791	-	-	-	-	-	-	-
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 August 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 _____