

REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 31 JANUARY 2017

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 January 2017 to Executive 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 Executive Committee on the progress made thus far in terms of implementing the 2016/2017 budget for the period ending 31 January 2017.

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 January 2017 amounted to R420m which is 105% 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 R19m at the end of January 2017 for ABSA loan.

Operating expenditure by vote & type

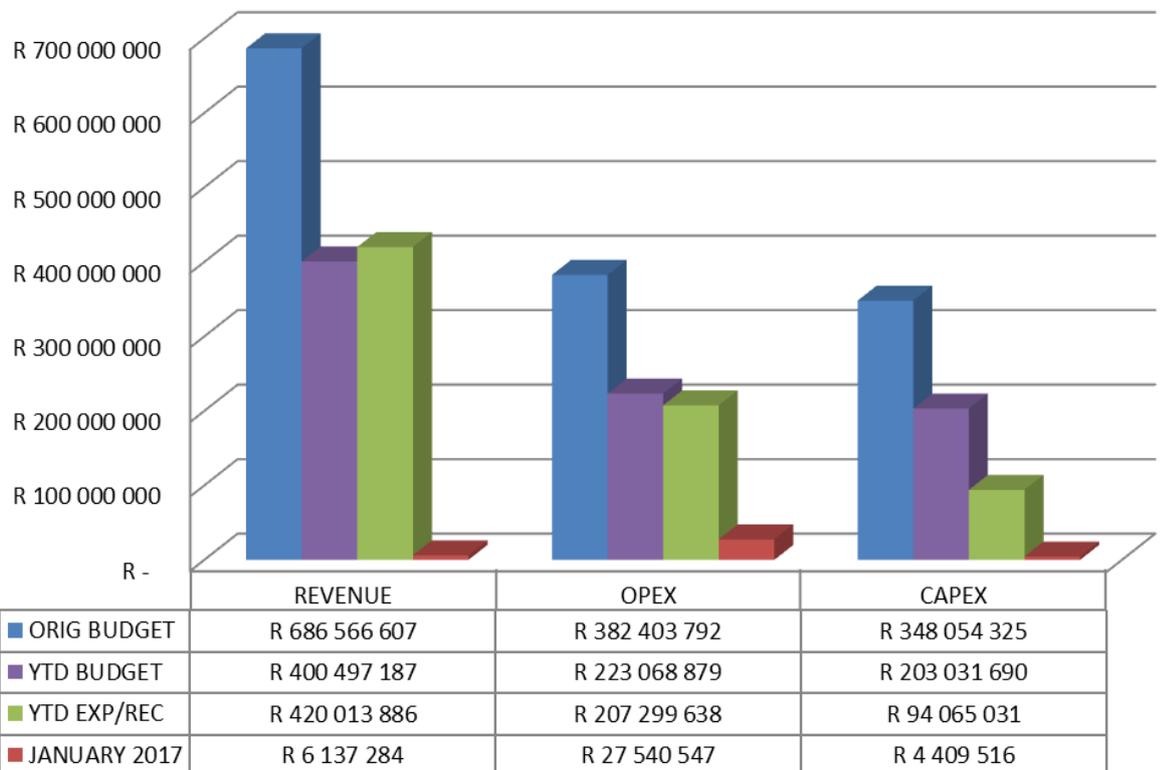
The total operating budget for the current year amounts to R382, 4m. The YTD Operating expenditure for the month ended 31 January amounted to R207, 2m against a year to date (YTD) budget of R223m. The actual YTD expenditure represented 93% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R348m. The YTD expenditure on capital amounts to R94million, or 46% 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 JANUARY 2017



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 January 2017 was R120, 8million. 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 R540million, being made up of R202, 5million operational and R337, 5million 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 - M07 January

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								
Service charges	55 822	60 553	2 955	17 983	35 323	(17 340)	-49%	60 553
Investment revenue	3 375	3 500	700	3 135	2 042	1 093	54%	3 500
Transfers recognised - operational	260 403	277 632	–	202 798	161 952	40 846	25%	277 632
Other own revenue	9 098	9 109	1 546	10 485	5 314	5 172	97%	9 109
Total Revenue (excluding capital transfers and contributions)	328 699	350 794	5 200	234 400	204 630	29 770	15%	350 794
Employee costs	116 031	125 313	11 374	78 720	73 099	5 620	8%	125 313
Remuneration of Councillors	7 321	7 906	421	3 110	4 612	(1 502)	-33%	7 906
Depreciation & asset impairment	30 000	31 874	3 351	23 531	18 593	4 937	27%	31 874
Finance charges	1 114	1 926	–	1 010	1 123	(114)	-10%	1 926
Materials and bulk purchases	9 852	10 709	703	2 879	6 247	(3 368)	-54%	10 709
Transfers and grants	18 096	20 000	6 667	13 333	11 667	1 667	14%	20 000
Other expenditure	204 636	184 675	5 025	100 831	107 727	(6 896)	-6%	184 675
Total Expenditure	387 050	382 404	27 541	223 413	223 069	344	0%	382 404
Surplus/(Deficit)	(58 351)	(31 610)	(22 340)	10 987	(18 439)	29 426	-160%	(31 610)
Transfers recognised - capital	244 290	335 772	937	188 788	167 886	20 902	12%	335 772
Surplus/(Deficit) after capital transfers & contributions	185 939	304 163	(21 403)	199 776	149 447	50 328	34%	304 163
Surplus/ (Deficit) for the year	185 939	304 163	(21 403)	199 776	149 447	50 328	34%	304 163
Capital expenditure & funds sources								
Capital expenditure	250 238	348 054	4 410	94 065	203 032	(108 967)	-54%	348 054
Capital transfers recognised	244 290	335 772	4 392	93 615	195 867	(102 252)	-52%	335 772
Internally generated funds	5 948	12 282	18	450	7 165	(6 714)	-94%	12 282
Total sources of capital funds	250 238	348 054	4 410	94 065	203 032	(108 967)	-54%	348 054
Financial position								
Total current assets	65 577	96 627		190 305				96 627
Total non current assets	1 572 358	1 914 112		1 725 412				1 914 112
Total current liabilities	108 886	60 999		206 854				60 999
Total non current liabilities	31 018	29 859		45 632				29 859
Community wealth/Equity	1 498 031	1 919 882		1 663 231				1 919 882
Cash flows								
Net cash from (used) operating	263 590	329 265	8 025	210 538	192 071	(18 467)	-10%	329 265
Net cash from (used) investing	(276 912)	(310 943)	(4 410)	(94 065)	(181 383)	(87 318)	48%	(310 943)
Net cash from (used) financing	(2 694)	(2 822)	–	(1 453)	(1 646)	(193)	12%	178
Cash/cash equivalents at the month/year end	9 855	35 377	–	120 839	28 918	(91 921)	-318%	24 319
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	5 018	4 859	3 401	3 293	3 052	15 918	120 391	159 445
Creditors Age Analysis								
Total Creditors	2 164	1 027	5 684	–	–	–	–	12 096

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) - M07 January

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 - Standard								
Governance and administration	255 059	274 973	2 194	207 434	160 401	47 033	29%	274 973
Executive and council	-	-	-	-	-	-	-	-
Budget and treasury office	255 059	274 973	2 194	207 434	160 401	47 033	29%	274 973
Economic and environmental services	1 100	400	-	-	233	(233)	-100%	400
Planning and development	1 100	400	-	-	233	(233)	-100%	400
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-
Trading services	316 829	411 194	3 944	215 755	239 863	(24 108)	-10%	411 194
Electricity	-	-	-	-	-	-	-	-
Water	56 539	60 550	3 007	18 527	35 321	(16 794)	-48%	60 550
Waste water management	260 290	350 644	937	197 228	204 542	(7 314)	-4%	350 644
Waste management	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue - Standard	572 988	686 567	6 137	423 189	400 497	22 692	6%	686 567
Expenditure - Standard								
Governance and administration	131 608	143 616	6 871	62 315	83 776	(21 461)	-26%	143 616
Executive and council	24 484	29 224	1 314	11 746	17 047	(5 301)	-31%	29 224
Budget and treasury office	63 444	64 031	2 121	19 989	37 352	(17 362)	-46%	64 031
Corporate services	43 680	50 362	3 435	30 580	29 378	1 202	4%	50 362
Economic and environmental services	52 428	58 937	8 832	30 788	34 380	(3 592)	-10%	58 937
Planning and development	52 428	58 937	8 832	30 788	34 380	(3 592)	-10%	58 937
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-
Trading services	203 013	179 851	11 837	114 197	104 913	9 284	9%	179 851
Electricity	-	-	-	-	-	-	-	-
Water	159 142	146 344	7 873	74 907	85 367	(10 460)	-12%	146 344
Waste water management	43 872	33 506	3 965	39 290	19 545	19 744	101%	33 506
Waste management	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditure - Standard	387 050	382 404	27 541	207 300	223 069	(15 769)	-7%	382 404
Surplus/ (Deficit) for the year	185 939	304 163	(21 403)	215 889	177 428	38 461	22%	304 163

This table assess the revenue by department and then the expenditure for the period ending 31 January 2017. Revenue receipts in January have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of January is 6%.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has largest expenditure by 12% in the period ending 31 January 2017. 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) - M07 January

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	2 194	207 434	160 401	47 033	29,3%	274 973
Vote 4 - Corporate services admin	-	-	-	-	-	-	-	-
Vote 5 - Social economic & development planning admin	1 100	400	-	-	233	(233)	-100,0%	400
Vote 6 - Infrastructure services admin	260 290	350 644	937	197 228	204 542	(7 314)	-3,6%	350 644
Vote 7 - Water services admin	56 539	60 550	3 007	18 527	35 321	(16 794)	-47,5%	60 550
Total Revenue by Vote	572 988	686 567	6 137	423 189	400 497	22 692	5,7%	686 567
Expenditure by Vote								
Vote 1 - Mayor	12 024	12 382	449	4 568	7 223	(2 655)	-36,8%	12 382
Vote 2 - Municipal Manager Admin	12 460	16 841	865	7 178	9 824	(2 646)	-26,9%	16 841
Vote 3 - Budget & Treasury Administration	63 444	64 031	2 121	19 989	37 352	(17 362)	-46,5%	64 031
Vote 4 - Corporate services admin	43 680	50 362	3 435	30 580	29 378	1 202	4,1%	50 362
Vote 5 - Social economic & development planning admin	52 428	58 937	8 832	30 788	34 380	(3 592)	-10,4%	58 937
Vote 6 - Infrastructure services admin	43 872	34 982	3 965	39 290	20 406	18 884	92,5%	34 982
Vote 7 - Water services admin	159 142	144 869	7 873	74 907	84 507	(9 600)	-11,4%	144 869
Total Expenditure by Vote	387 050	382 404	27 541	207 300	223 069	(15 769)	-7,1%	382 404
Surplus/ (Deficit) for the year	185 939	304 163	(21 403)	215 889	177 428	38 461	21,7%	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 January 2017.

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

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 Source								
Property rates						-		
Property rates - penalties & collection charges						-		
Service charges - electricity revenue						-		
Service charges - water revenue	38 329	40 714	2 068	12 588	23 750	(11 162)	-47%	40 714
Service charges - sanitation revenue	16 461	17 449	886	5 395	10 178	(4 784)	-47%	17 449
Service charges - refuse revenue	-	-	-	-	-	-		-
Service charges - other	1 032	2 391	-	-	1 395	(1 395)	-100%	2 391
Rental of facilities and equipment						-		
Interest earned - external investments	3 375	3 500	700	3 135	2 042	1 093	54%	3 500
Interest earned - outstanding debtors	8 000	8 500	1 357	9 286	4 958	4 327	87%	8 500
Transfers recognised - operational	260 403	277 632	-	202 798	161 952	40 846	25%	277 632
Other revenue	1 098	609	189	1 200	355	844	238%	609
Gains on disposal of PPE						-		
Total Revenue (excluding capital transfers and contributions)	328 699	350 794	5 200	234 400	204 630	29 770	15%	350 794
Expenditure By Type								
Employee related costs	116 031	125 313	11 374	78 720	73 099	5 620	8%	125 313
Remuneration of councillors	7 321	7 906	421	3 110	4 612	(1 502)	-33%	7 906
Debt impairment	24 692	25 394	-	-	14 813	(14 813)	-100%	25 394
Depreciation & asset impairment	30 000	31 874	3 351	23 531	18 593	4 937	27%	31 874
Finance charges	1 114	1 926	-	1 010	1 123	(114)	-10%	1 926
Bulk purchases	9 852	10 709	703	2 879	6 247	(3 368)	-54%	10 709
Other materials						-		
Contracted services	53 356	44 923	310	12 523	26 205	(13 682)	-52%	44 923
Transfers and grants	18 096	20 000	6 667	13 333	11 667	1 667	14%	20 000
Other expenditure	126 589	114 358	4 715	88 308	66 709	21 599	32%	114 358
Loss on disposal of PPE						-		
Total Expenditure	387 050	382 404	27 541	223 413	223 069	344	0%	382 404
Surplus/(Deficit)	(58 351)	(31 610)	(22 340)	10 987	(18 439)	29 426	(0)	(31 610)
Transfers recognised - capital	244 290	335 772	937	188 788	167 886	20 902	0	335 772
Contributions recognised - capital						-		
Contributed assets						-		
Surplus/(Deficit) after capital transfers & contributions	185 939	304 163	(21 403)	199 776	149 447			304 163
Taxation						-		
Surplus/(Deficit) after taxation	185 939	304 163	(21 403)	199 776	149 447			304 163
Attributable to minorities								
Surplus/(Deficit) attributable to municipality	185 939	304 163	(21 403)	199 776	149 447			304 163
Share of surplus/ (deficit) of associate								
Surplus/ (Deficit) for the year	185 939	304 163	(21 403)	199 776	149 447			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.

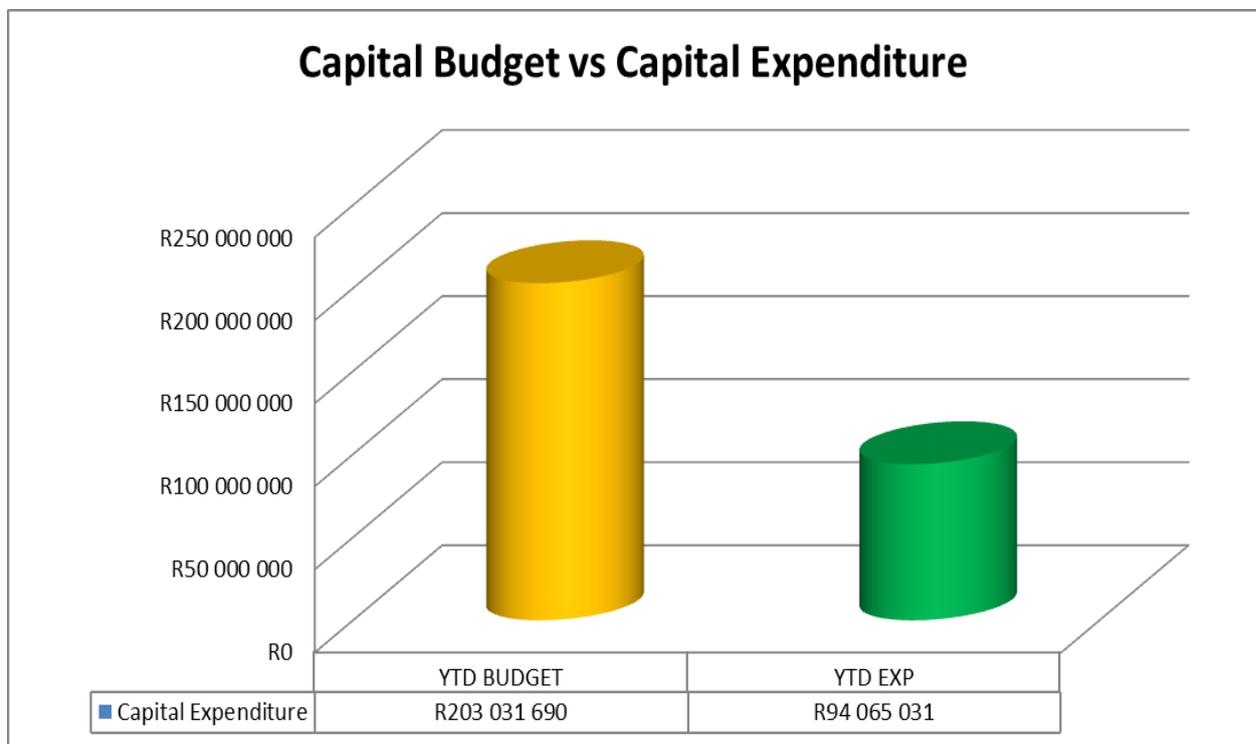
DC43 Harry Gwala - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M07 January

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	18	450	2 697	(2 247)	-83%	4 624
Vote 5 - Social economic & dev elopment planning admin	400	1 117	-	-	651	(651)	-100%	1 117
Vote 6 - Infrastructure services admin	244 590	337 272	4 392	93 615	196 742	(103 127)	-52%	337 272
Vote 7 - Water services admin	3 605	5 042	-	-	2 941	(2 941)	-100%	5 042
Total Capital Multi-year expenditure	250 238	348 054	4 410	94 065	203 032	(108 967)	-54%	348 054
Total Capital Expenditure	250 238	348 054	4 410	94 065	203 032	(108 967)	-54%	348 054
Capital Expenditure - Standard Classification								
Governance and administration	1 643	4 624	18	450	2 697	(2 247)	-83%	4 624
Executive and council	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-
Corporate services	1 643	4 624	18	450	2 697	(2 247)	-83%	4 624
Community and public safety	-	-	-	-	-	-	-	-
Economic and environmental services	400	1 117	-	-	651	(651)	-100%	1 117
Planning and development	400	1 117	-	-	651	(651)	-100%	1 117
Trading services	248 195	342 314	4 392	93 615	199 683	(106 069)	-53%	342 314
Water	3 605	5 042	-	-	2 941	(2 941)	-100%	5 042
Waste water management	244 590	337 272	4 392	93 615	196 742	(103 127)	-52%	337 272
Waste management	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	250 238	348 054	4 410	94 065	203 032	(108 967)	-54%	348 054
Funded by:								
National Government	244 290	335 772	4 392	93 615	195 867	(102 252)	-52%	335 772
Provincial Government	-	-	-	-	-	-	-	-
Transfers recognised - capital	244 290	335 772	4 392	93 615	195 867	(102 252)	-52%	335 772
Internally generated funds	5 948	12 282	18	450	7 165	(6 714)	-94%	12 282
Total Capital Funding	250 238	348 054	4 410	94 065	203 032	(108 967)	-54%	348 054

As alluded to above, the capital expenditure programme for the month ending 31 January 2017 was R94m which represents 46% of capital expenditure against year to date budget and thus shows a great improvement on expenditures reflected on National grant funding.

The chart below presents a high level analysis of YTD capital expenditure budget against the YTD actual expenditure.

Chart 1: 2016/2017 CAPEX YTD BUDGET & YTD ACTUAL



As at 31 January 2017, the year to date actual expenditure was R94m against a YTD budget of R203million. In monetary terms, these figures represent 46% per cent performance against the capital development programme as at 31 January 2017.

Table C6 displays the financial position of the municipality as at 31 January 2017.

DC43 Harry Gwala - Table C6 Monthly Budget Statement - Financial Position - M07 January

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	120 814	35 377
Call investment deposits	-	-	-	-
Consumer debtors	39 061	48 078	39 451	48 078
Other debtors	12 065	12 789	29 848	12 789
Current portion of long-term receivables	4 246	-	-	-
Inventory	349	384	192	384
Total current assets	65 577	96 627	190 305	96 627
Non current assets				
Long-term receivables	-	-	-	-
Property, plant and equipment	1 571 174	1 912 816	1 725 104	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	1 725 412	1 914 112
TOTAL ASSETS	1 637 935	2 010 739	1 915 716	2 010 739
<u>LIABILITIES</u>				
Current liabilities				
Borrowing	3 592	3 330	2 463	3 330
Consumer deposits	1 415	1 593	1 406	1 593
Trade and other payables	95 710	51 770	200 324	51 770
Provisions	8 169	4 305	2 661	4 305
Total current liabilities	108 886	60 999	206 854	60 999
Non current liabilities				
Borrowing	16 683	12 353	18 182	12 353
Provisions	14 334	17 506	27 449	17 506
Total non current liabilities	31 018	29 859	45 632	29 859
TOTAL LIABILITIES	139 904	90 858	252 485	90 858
NET ASSETS	1 498 031	1 919 882	1 663 231	1 919 882
<u>COMMUNITY WEALTH/EQUITY</u>				
Accumulated Surplus/(Deficit)	1 498 031	1 919 882	1 663 231	1 919 882
Reserves				
TOTAL COMMUNITY WEALTH/EQUITY	1 498 031	1 919 882	1 663 231	1 919 882

Table C7 below display the Cash Flow Statement for the period ending 31 January 2017.

DC43 Harry Gwala - Table C7 Monthly Budget Statement - Cash Flow - M07 January

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	1 377	14 861	18 905	(4 043)	-21%	32 408
Other revenue	2 034	305	189	1 200	178	1 022	575%	305
Government - operating	260 403	277 632	-	199 524	161 952	37 572	23%	277 632
Government - capital	244 290	335 772	27 224	340 540	195 867	144 673	74%	335 772
Interest	8 294	3 500	2 056	12 537	2 042	10 495	514%	3 500
Dividends	-	-			-	-		-
Payments								
Suppliers and employees	(262 968)	(298 426)	(16 155)	(343 781)	(174 082)	169 699	-97%	(298 426)
Finance charges	(1 114)	(1 926)	-	(1 010)	(1 123)	(114)	10%	(1 926)
Transfers and Grants	(18 096)	(20 000)	(6 667)	(13 333)	(11 667)	1 667	-14%	(20 000)
NET CASH FROM/(USED) OPERATING ACTIVITIES	263 590	329 265	8 025	210 538	192 071	(18 467)	-10%	329 265
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Decrease (increase) other non-current receivables						-		
Payments								
Capital assets	(276 912)	(310 943)	(4 410)	(94 065)	(181 383)	(87 318)	48%	(310 943)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(276 912)	(310 943)	(4 410)	(94 065)	(181 383)	(87 318)	48%	(310 943)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Increase (decrease) in consumer deposits	151	178			104	(104)	-100%	178
Payments								
Repayment of borrowing	(2 845)	(3 000)	-	(1 453)	(1 750)	(297)	17%	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 694)	(2 822)	-	(1 453)	(1 646)	(193)	12%	178
NET INCREASE/ (DECREASE) IN CASH HELD	(16 016)	15 500	3 616	115 020	9 042			18 500
Cash/cash equivalents at beginning:	25 871	19 877		5 819	19 877			5 819
Cash/cash equivalents at month/year end:	9 855	35 377		120 839	28 918			24 319

The billing vs Collection ratio for the month of January was 35% (Dec: 59%) showing a decrease in collection by 24% 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 January 2017.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

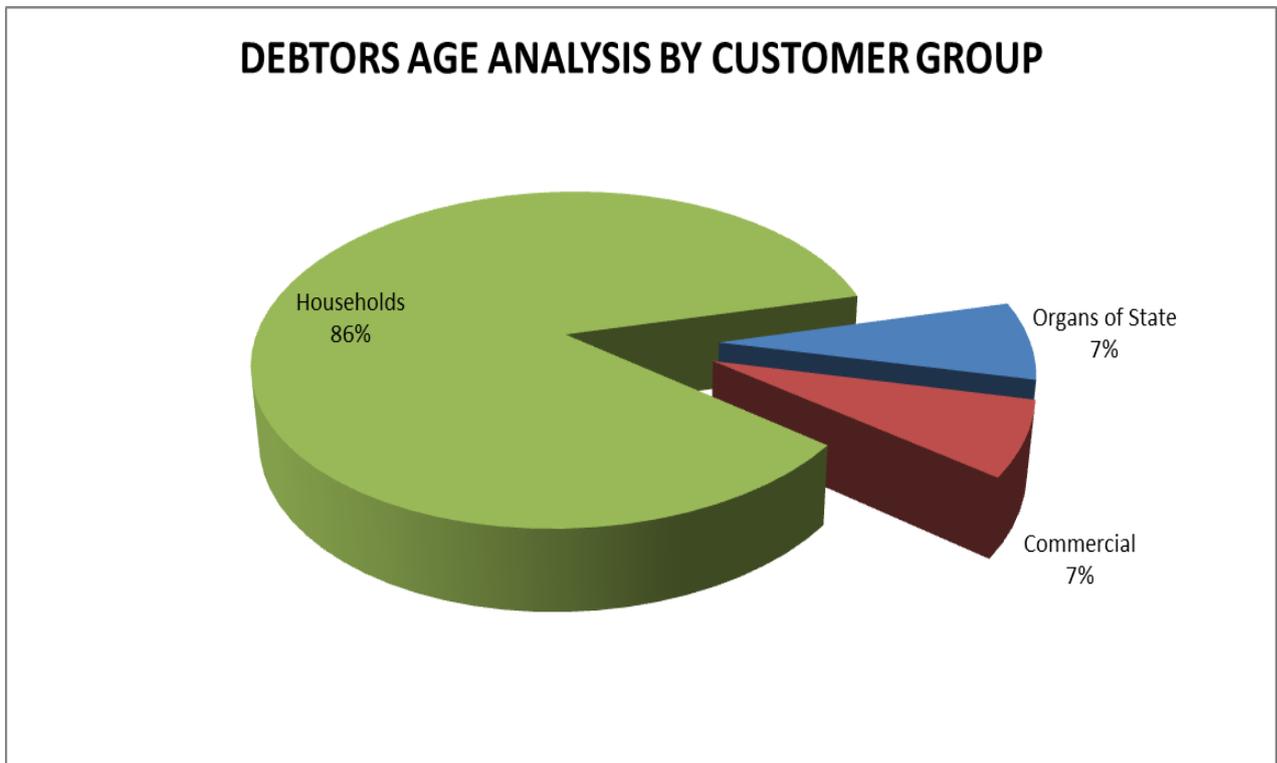
Description	Budget Year 2016/17									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	3 221	3 119	2 255	2 183	2 114	1 959	10 218	77 281	102 352	93 756
Receivables from Exchange Transactions - Waste Water Management	1 258	1 218	881	853	826	765	3 992	30 191	39 985	36 627
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	538	521	377	365	353	327	1 708	12 918	17 109	15 672
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	5 018	4 859	3 513	3 401	3 293	3 052	15 918	120 391	159 445	146 055
2015/16 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	1 229	965	755	598	482	395	1 711	7 569	13 703	10 754
Commercial	484	338	198	195	205	199	1 107	8 493	11 220	10 199
Households	3 305	3 555	2 560	2 609	2 607	2 458	13 100	104 328	134 523	125 102
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	5 018	4 859	3 513	3 401	3 293	3 052	15 918	120 391	159 445	146 055

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: 86%
- ✓ Government 7%
- ✓ 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.

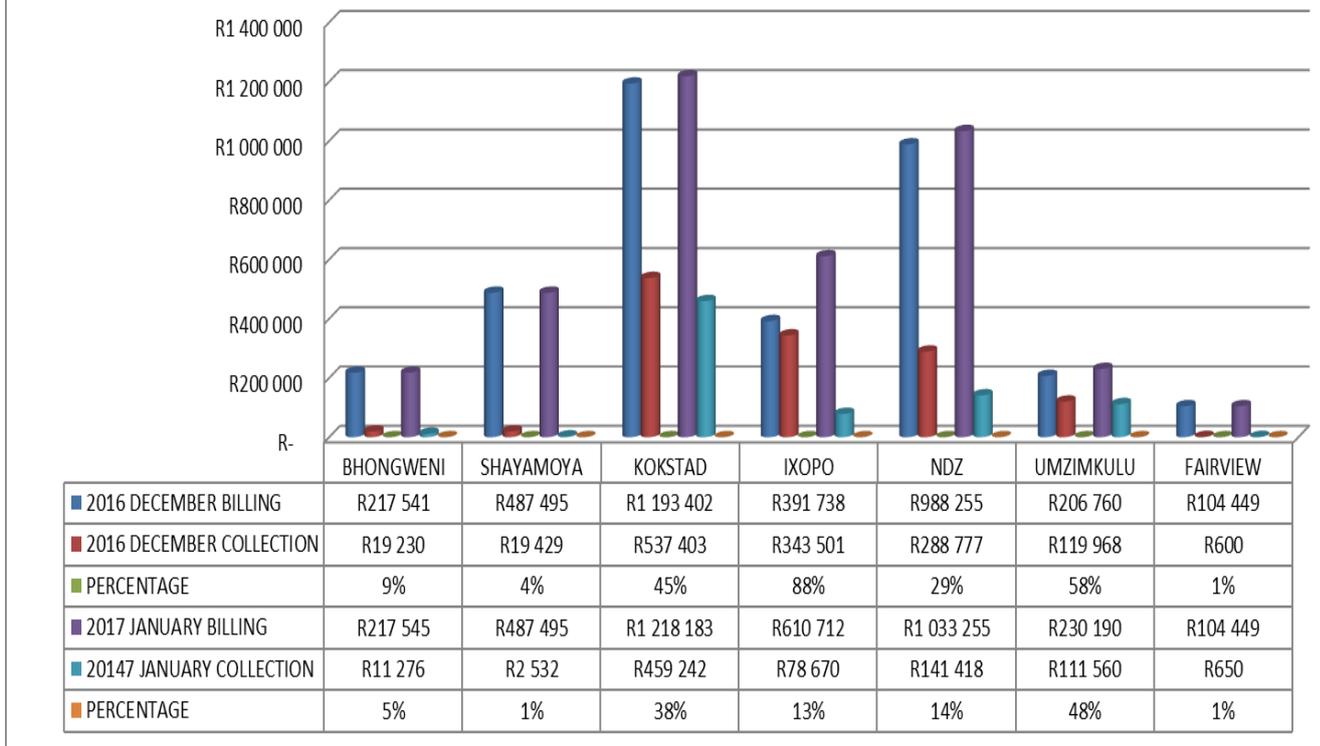
The table that follows below unpacks the revenue receipts per Local Municipality in the District

REVENUE RECEIPTS**Revenue receipts per Area**

AREA	AMOUNT		
		JANUARY 2017	DECEMBER 2016
Unallocated receipts	R 571 405,58	42%	38%
Bhongweni	R 11 276,38	1%	1%
Shayamoya	R 2 532,00	0%	1%
Kokstad	R 459 242,15	33%	25%
Ixopo	R 78 670,11	6%	16%
NDZ	R 121 880,90	10%	14%
Umzimkulu	R 111 560,00	8%	6%
Fairview	R 650,00	0%	0%
TOTAL RECEIPTS INCL VAT	R 1 376 753,94	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 January is R1, 3million. 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 January is from Kokstad at 33% followed by Doctor Nkosazana Dlamini Zuma at 10%. These statistics confirm dependency on Kokstad as the greatest contributor to the District Municipality's revenue. The Unallocated receipts for the month of January amounting to 42% which still need to be allocated according to the local municipalities.

BILLING VS COLLECTION



2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 January 2017.

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

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	502	398	334	321					1 554
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	1 663	630	2 886	5 364					10 542
Auditor General									-
Other									-
Total By Customer Type	2 164	1 027	3 220	5 684	-	-	-	-	12 096

2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short term investments balances broken down per investment type as at 31 January 2017.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

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
R thousands	Yrs/Months							
Municipality								
FIRST NATIONAL BANK		CALL ACCOUNT		135		33 128	(12 732)	20 530
FIRST NATIONAL BANK		CALL ACCOUNT		236		50 525	(10 093)	40 667
FIRST NATIONAL BANK		ADMIN CALL		0		9	-	9
INVESTEC		FIXED DEPOSIT		64		11 485		11 550
FIRST NATIONAL BANK		FIXED DEPOSIT		98		16 746	15 483	32 327
FIRST NATIONAL BANK		CALL ACCOUNT		9		2 118		2 127
FIRST NATIONAL BANK		CALL ACCOUNT		0		6	-	6
FIRST NATIONAL BANK		CALL ACCOUNT		14		865	10 000	10 879
FIRST NATIONAL BANK		FIXED DEPOSIT		5		1 273		1 278
Municipality sub-total				560		116 154	2 658	119 372
TOTAL INVESTMENTS AND INTEREST				560		116 154	2 658	119 372

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 - M07 January

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	-	202 524	161 718	42 472	26,3%	277 232
Local Government Equitable Share	241 033	260 069	-	194 179	151 707	42 472	28,0%	260 069
Finance Management	1 250	1 250	-	1 250	729			1 250
Municipal Systems Improvement	940	1 041	-	-	607			1 041
Municipal Infrastructure Grant (PMU)	9 460	4 777	-	-	2 786			4 777
Energy Efficiency And Demand Side Management Grant	-	8 000	-	-	4 667			8 000
Water Services Operating Subsidy	-	-	-	-	-			-
Rural Roads Asset Management Grant	2 040	2 095	-	2 095	1 222			2 095
Rural Household Infrastructure Grant	4 500	-	-	-	-			-
Energy Efficiency and Demand Management Grant	-	-	-	5 000	-			-
Other transfers and grants [insert description]						-		
Provincial Government:	1 180	400	-	-	233	(233)	-100,0%	400
Infrastructure Sport Facilities	-	-	-	-	-	-		-
LG Seta	80	-	-	-	-	-		-
Accredited Councillors Training	-	-	-	-	-	-		-
Development Planning Shared Services	1 100	400	-	-	233	(233)	-100,0%	400
Tourism route	-	-	-	-	-	-		-
Total Operating Transfers and Grants	260 403	277 632	-	202 524	161 952	42 239	26,1%	277 632
Capital Transfers and Grants								
National Government:	244 290	335 772	17 224	327 540	195 867	82 398	42,1%	335 772
Municipal Infrastructure Grant (MIG)	183 324	186 290	-	191 067	108 669	82 398	75,8%	186 290
Regional Bulk Infrastructure	14 000	60 000	-	48 000	35 000			60 000
Municipal Water Infrastructure Grant	43 500	86 118	17 224	86 118	50 236			86 118
Expanded public works programme incentive grant	3 466	3 364	-	2 355	1 962			3 364
Rural Household Infrastructure Grant	-	-	-	-	-			-
Total Capital Transfers and Grants	244 290	335 772	17 224	327 540	195 867	82 398	42,1%	335 772
TOTAL RECEIPTS OF TRANSFERS & GRANTS	504 693	613 404	17 224	530 064	357 819	124 636	34,8%	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 - M07 January

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								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	259 223	277 232	152 835	153 483	138 616	22 176	16,0%	277 232
Local Government Equitable Share	241 033	260 069	151 707	151 707	130 035	21 672	16,7%	260 069
Finance Management	1 250	1 250	50	225	625			1 250
Municipal Systems Improvement	940	1 041	-	-	521			1 041
Municipal Infrastructure Grant (PMU)	9 460	4 777	-	-	2 388			4 777
Energy Efficiency And Demand Side Management Grant	-	8 000	-	-	4 000			8 000
Water Services Operating Subsidy	-	-	-	-	-	-		-
Rural Roads Asset Management Grant	2 040	2 095	1 078	1 551	1 048	503	48,1%	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	-	-	200	-		400
Infrastructure Sport Facilities	-	-	-	-	-	-		-
LG Seta	80	-	-	-	-	-		-
Development Planning Shared Services	1 100	400	-	-	200	-		400
[insert description]	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:	260 403	277 632	152 835	153 483	138 816	22 176	16,0%	277 632
Capital expenditure of Transfers and Grants								
National Government:	244 290	335 772	4 410	103 262	167 886	(18 797)	-11,2%	335 772
Municipal Infrastructure Grant (MIG)	183 324	186 290	2 445	74 348	93 145	(18 797)	-20,2%	186 290
Regional Bulk Infrastructure	14 000	60 000	192	6 915	30 000			60 000
Municipal Water Infrastructure Grant	43 500	86 118	1 465	21 691	43 059			86 118
Expanded public works programme incentive grant	3 466	3 364	308	308	1 682			3 364
Rural Household Infrastructure Grant	-	-	-	-	-			-
Total capital expenditure of Transfers and Grants	244 290	335 772	4 410	103 262	167 886	(18 797)	-11,2%	335 772
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	504 693	613 404	157 244	256 745	306 702	3 379	1,1%	613 404

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 January 2017.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	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	A	B					%	D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	621	5 361	285	2 109	3 127	(1 018)	-33%	5 361
Pension and UIF Contributions	311	399	21	157	233	(76)	-33%	399
Medical Aid Contributions	771	94	5	37	55	(18)	-33%	94
Motor Vehicle Allowance	621	1 178	63	463	687	(224)	-33%	1 178
Cellphone Allowance	2 636	259	14	102	151	(49)	-33%	259
Housing Allowances	1 618	-	-	-	-	-	-	-
Other benefits and allowances	742	616	33	242	359	(117)	-33%	616
Sub Total - Councillors	7 321	7 906	421	3 110	4 612	(1 502)	-33%	7 906
% increase		8,0%						8,0%
Senior Managers of the Municipality								
Basic Salaries and Wages	5 551	5 995	478	3 309	3 497	(188)	-5%	5 995
Pension and UIF Contributions	3	3	0	2	2	0	8%	3
Medical Aid Contributions	5	6	1	4	3	0	8%	6
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	-	-	66	457	-	457	#DIV/0!	-
Motor Vehicle Allowance	3 049	3 293	299	2 069	1 921	148	8%	3 293
Cellphone Allowance	143	154	14	97	90	7	8%	154
Housing Allowances	-	-	-	-	-	-	-	-
Other benefits and allowances	4	5	0	3	3	0	8%	5
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	8 755	9 455	858	5 940	5 515	424	8%	9 455
% increase		8,0%						8,0%
Other Municipal Staff								
Basic Salaries and Wages	77 494	83 693	7 596	52 575	48 821	3 754	8%	83 693
Pension and UIF Contributions	13 103	14 151	1 284	8 889	8 255	635	8%	14 151
Medical Aid Contributions	1 811	1 955	177	1 228	1 141	88	8%	1 955
Overtime	1 618	1 747	159	1 098	1 019	78	8%	1 747
Performance Bonus	7 180	7 755	704	4 871	4 524	348	8%	7 755
Motor Vehicle Allowance	3 300	3 564	324	2 239	2 079	160	8%	3 564
Cellphone Allowance	563	608	55	382	355	27	8%	608
Housing Allowances	49	53	5	33	31	2	8%	53
Other benefits and allowances	2 158	2 331	212	1 464	1 360	105	8%	2 331
Sub Total - Other Municipal Staff	107 276	115 858	10 515	72 780	67 584	5 196	8%	115 858
% increase		8,0%						8,0%
Total Parent Municipality	123 351	133 219	11 794	81 830	77 711	4 118	5%	133 219
% increase		8,0%						8,0%
TOTAL SALARY, ALLOWANCES & BENEFITS	123 351	133 219	11 794	81 830	77 711	4 118	5%	133 219
% increase		8,0%						8,0%
TOTAL MANAGERS AND STAFF	116 031	125 313	11 374	78 720	73 099	5 620	8%	125 313

2.6 Material Variances to the SDBIP

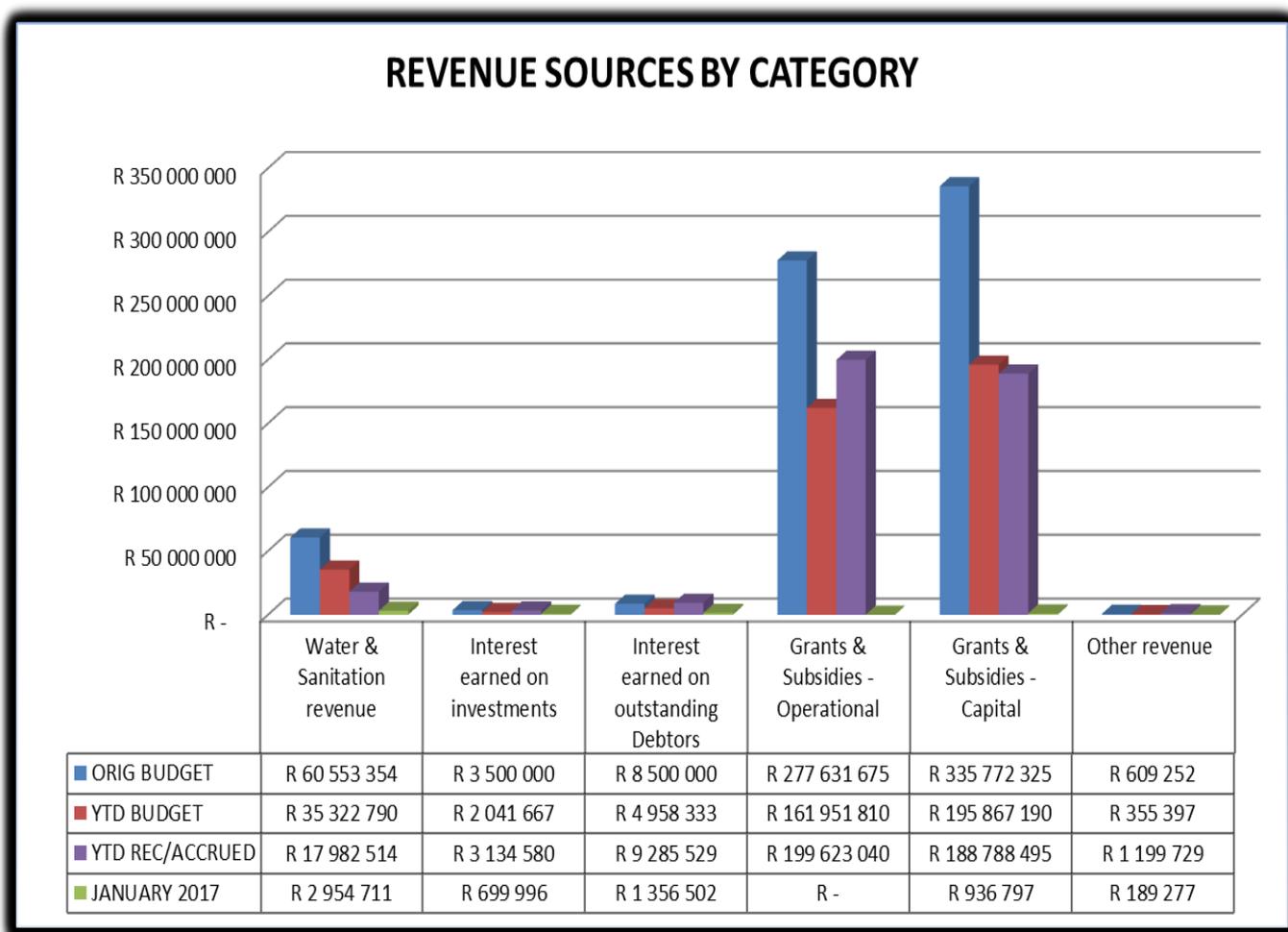
The following section analyses material variances between the actual targets as at 31 January 2017 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 201617 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 that "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 January 2017 was R17, 9million against a year to date **budget** of R35, 3million.

Interest Earned on External Investments

The year to date actual interest earned on external investments as at 31 January 2017 is R 3m against year to date budget of R2m. This represents 104% of actual against year to date budget.

Transfers Recognised – Operational

The YTD operational grants revenue for January R199, 6million against a year to date budget of R161, 9million and is largely attributable to the YTD equitable share. No Operational Grants Received in the month of January 2017.

Transfers Recognised – Capital

The year to date actual for capital expenditure is R188, 7m (against a YTD budget of R195, 8million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 96% performance in Conditional Capital grant funding expenditures.

Two Capital grant received namely:

- Water Services Infrastructure Grant- R17 224 000
- Draught Relief -R 10 000 000

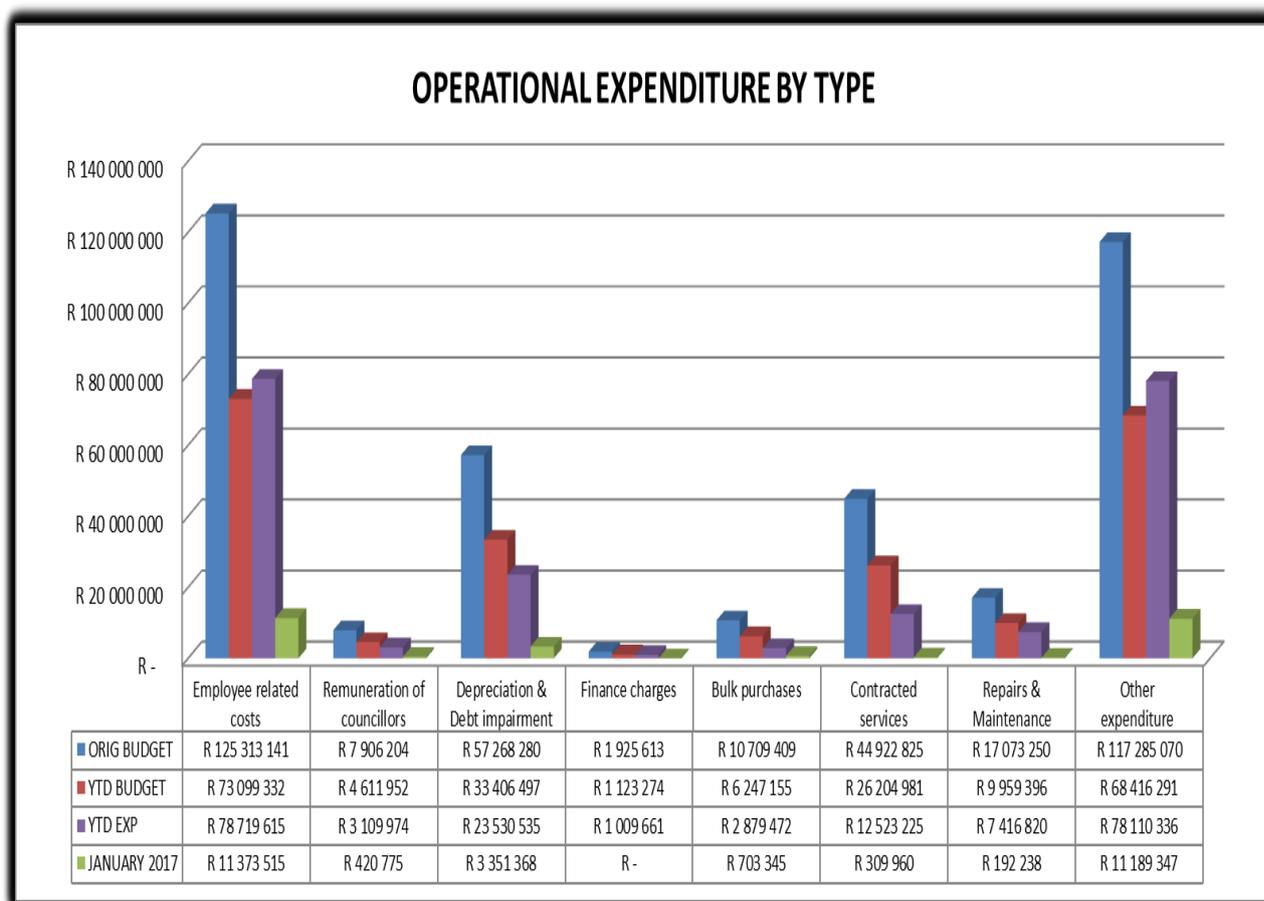
Other Revenue

The YTD performance of other revenue is R 1, 1m against YTD budget of R 355 397k of YTD budget.

OPERATIONAL EXPENDITURE

The chart below presents the YTD operational expenditure movements against the YTD budgets. An analysis of each expenditure line item category is discussed below.

Chart 4: 2016/17 Financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R73million against a YTD actual of R78, 7million which is 108% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor’s expenditure as at 31 January 2017 was R3, 1m against a YTD budget of R4, 6m representing an expenditure performance of 67%.

Finance Charges

As at 31 January 2017, year to date budget for finance charges is R1, 2m against year to actual of R1m.

Bulk Purchases

The YTD budget for bulk purchases was at R6, 2m against a YTD expenditure of R2, 8m representing over performance by 46%.

Other Expenditure

The YTD budget for other expenditure was at R68, 4million against a YTD expenditure of R78million. The other expenditure for the month of January is over performed by 14%.

Actual and revised targets for cash receipts

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

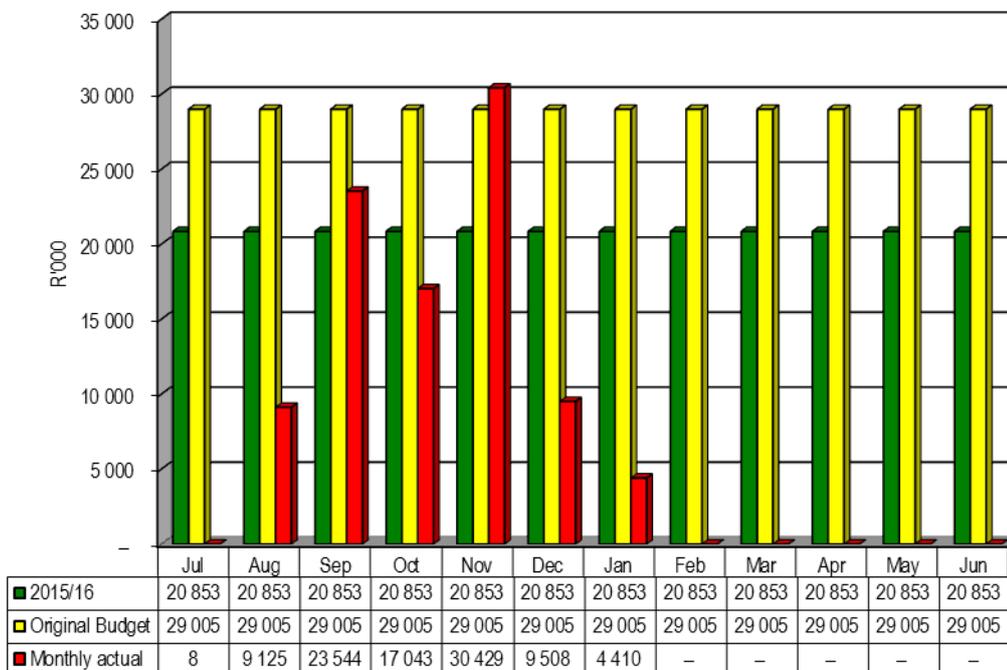
Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework			
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Cash Receipts By Source																
Service charges - water revenue	1 393	1 104	1 470	2 138	1 845	1 490	964					12 583	22 985	23 305	24 703	
Service charges - sanitation revenue	597	473	630	916	791	639	413					4 964	9 422	9 988	10 587	
Rental of facilities and equipment																
Interest earned - external investments	183	102	700	734	414	334	700					332	3 500	3 710	3 933	
Interest earned - outstanding debtors	1 303	1 311	1 322	1 312	1 325	1 356	1 357					(9 286)				
Transfer receipts - operating	108 362	1 250	1 095	2 000		86 817						78 108	277 632	294 948	317 863	
Other revenue	(158)	131	658	242	107	31	189					(895)	305	323	342	
Cash Receipts by Source	111 681	4 371	5 876	7 342	4 481	90 665	3 623					85 806	313 844	332 273	357 428	
Other Cash Flows by Source																
Transfer receipts - capital	172 835	841		61 059		78 581	27 224					(4 768)	335 772	401 643	373 080	
Contributions & Contributed assets																
Increase in consumer deposits												178	178	200	226	
Change in non-current investments																
Total Cash Receipts by Source	284 516	5 212	5 876	68 401	4 481	169 246	30 847					81 216	649 794	734 117	730 733	
Cash Payments by Type																
Employee related costs	10 685	11 568	10 613	10 810	10 884	12 785	11 374					46 594	125 313	135 338	146 165	
Remuneration of councillors	497	432	378	393	491	498	421					4 796	7 906	8 539	9 222	
Interest paid					1 010							916	1 926	1 595	1 229	
Bulk purchases - Water & Sewer		599			949	628	703					7 830	10 709	11 641	12 654	
Contracted services	1 026	1 238	237	1 819	4 890	3 003	310					32 400	44 923	46 016	50 272	
Grants and subsidies paid - other municipalities	6 667						6 667					(13 333)				
Grants and subsidies paid - other												20 000	20 000	22 218	23 551	
General expenses	107 026	37 235	27 895	(6 831)	14 941	62 853	3 347					(136 890)	109 575	109 032	114 494	
Cash Payments by Type	125 902	51 071	39 123	6 191	33 164	79 768	22 821					(37 688)	320 352	334 380	357 588	
Other Cash Flows/Payments by Type																
Capital assets	8	9 125	23 544	17 043	30 429	9 508	4 410					216 878	310 943	365 496	340 017	
Repayment of borrowing					1 453							1 547	3 000	3 330	3 697	
Other Cash Flows/Payments																
Total Cash Payments by Type	125 909	60 196	62 666	23 234	65 046	89 276	27 231					180 736	634 294	703 206	701 302	
NET INCREASE/(DECREASE) IN CASH HELD	158 606	(54 984)	(56 790)	45 167	(60 566)	79 970	3 616					(99 520)	15 500	30 910	29 431	
Cash/cash equivalents at the monthly ear beginning:	5 819	164 425	109 442	52 651	97 819	37 253	117 223	120 839	120 839	120 839	120 839	120 839	120 839	5 819	21 319	52 229
Cash/cash equivalents at the monthly ear end:	164 425	109 442	52 651	97 819	37 253	117 223	120 839	120 839	120 839	120 839	120 839	21 319	21 319	52 229	81 661	

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January

Month	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
<u>Monthly expenditure performance trend</u>								
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	23 544	32 676	87 014	54 338	62,4%	9%
October	20 853	29 005	17 043	49 718	116 018	66 300	57,1%	14%
November	20 853	29 005	30 429	80 147	145 023	64 875	44,7%	23%
December	20 853	29 005	9 508	89 656	174 027	84 372	48,5%	26%
January	20 853	29 005	4 410	94 065	203 032	108 967	53,7%	27%
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	94 065					

Chart C1 2016/17 Capital Expenditure Monthly Trend: actual v target



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 - M07 January

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								
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	232 188	331 272	4 392	92 720	165 636	72 916	44,0%	331 272
Infrastructure - Road transport	-	500	-	-	250	250	100,0%	500
<i>Roads, Pavements & Bridges</i>	-	500	-	-	250	250	100,0%	500
<i>Street Lighting</i>	-	-	-	-	-	-	-	-
Infrastructure - Water	203 688	297 107	3 167	71 810	148 553	76 743	51,7%	297 107
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-	-
<i>Reticulation</i>	203 688	297 107	3 167	71 810	148 553	76 743	51,7%	297 107
Infrastructure - Sanitation	28 500	33 666	1 225	20 910	16 833	(4 077)	-24,2%	33 666
<i>Reticulation</i>	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	28 500	33 666	1 225	20 910	16 833	(4 077)	-24,2%	33 666
Infrastructure - Other	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-
Other assets	9 950	10 533	18	81	5 266	5 185	98,5%	10 533
General v ehicles	-	4 642	-	-	2 321	2 321	100,0%	4 642
Specialised vehicles	-	-	-	-	-	-	-	-
Plant & equipment	4 600	2 600	-	-	1 300	1 300	100,0%	2 600
Computers - hardware/equipment	-	-	-	-	-	-	-	-
Furniture and other office equipment	1 450	1 791	18	81	895	814	91,0%	1 791
Other Buildings	600	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-
Other	3 300	1 500	-	-	750	750	100,0%	1 500
Intangibles	1 100	1 250	-	369	625	256	40,9%	1 250
Computers - software & programming	1 100	1 250	-	369	625	256	40,9%	1 250
Other	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	243 238	343 054	4 410	93 171	171 527	78 357	45,7%	343 054
Specialised vehicles	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-

Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 January

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								
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure	70 190	84 362	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-	-	-
Infrastructure - Water	48 590	58 400	-	-	-	-	-	-
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-	-
<i>Water purification</i>	48 590	58 400	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	21 600	25 961	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	21 600	25 961	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-
Other assets	3 686	4 430	-	-	-	-	-	-
General v ehicles	200	240	-	-	-	-	-	-
Specialised v ehicles	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-
Computers - hardware/equipment	150	180	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-	-
Other Buildings	3 336	4 009	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-
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 January 2017 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 _____