Ndwedwe Local Municipality

Ndwedwe Umkhandlu Kamasipala

2018/2019

MID YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

CONTENTS:

PART 1

1.1 Mayors Report

- Mayors report to be tabled in the meeting.

1.2 Resolutions

Section 72 mid-year budget and performance assessment resolutions

- Hereunder are the resolutions in terms of the Municipal Budget and Reporting Regulations which are required to be considered by Council.

  1. **THAT** the Mid Term Budget Assessment as required in terms of Section 72 of the MFMA be noted.
  2. **THAT** acting in accordance with S72 (3) (a) the Accounting Officer hereby recommends to Council that an Adjustments Budget in terms of S28 of the MFMA is necessary.
  3. **THAT** the findings and recommendations as outlined in the executive summary of this report be dealt with during the Adjustments Budget process.
  4. **THAT** the Adjustments Budget referred to above be tabled to full Council by no later than 28th February 2019.
  5. **THAT** the Budget and Treasury Office appreciates the support received from all Business Units during the compilation of the mid-year budget assessment report.

1.3 Executive Summary

Budget implementation overview

Implementation of the 2018/2019 annual budget

The 2018/2019 annual budget is implemented in accordance with the Municipal budget and Reporting Regulations and also within the Council approved budget as tabled at Council meeting in May 2018.

The municipality mSCOA compliance status

The municipality is committed in ensuring that is full complied will mSCOA requirement. However, the approved 2018/2019 A Schedule annually budget has not been full aligned with the data strings submitted to National Treasury, however the Council also to note that this challenge is faced by all municipalities across the country.

In trying to address such issue, National treasury offered the municipalities the opportunity to correct data string to be in line with the council approved A Schedule by 12 October 2018 should the financial system configured in a way that the changes can be effected or if not then the correction be done during the adjustment budget stage, in such cases the municipalities were advised to inform the National Treasury and Provincial Treasury respective in written of their intention to correct the data string via an adjustment budget.

Due to material changes that were required to correct the data strings, the municipality opted to write to National Treasury requesting that such correction be effected in terms of section 28 of the Municipal Finance Management Act. **As a result, the adjustment budget is recommended to ensure that such corrections are effected so that the municipality do comply with the National Treasury mSCOA requirement.**

Indigent Support

The municipality has the indigent policy in place however there is no existing indigent register in place where all beneficiaries are captured to ensure that whoever benefiting is indeed qualified to be under indigent. In trying to address the matter, the municipality approached the Department of Cooperative Governance and Traditional Affairs in trying to source funding for this project. The Department has since agreed to fund the project with a condition that the municipality also co-fund project.

The council in it sitting in December 2018 agreed to contribute toward this project. Section 23(3) of the Municipal Budget and Reporting Regulation state that if the municipality receives new allocation from National or Provincial Treasury, the Mayor of the municipality must in the next Council meeting, but within 60 days of the approval of the transfer by the National or Provincial Treasury, table the adjustment budget referred to in terms of section 28(2)(b) of the MFMA in the municipal council to appropriate such additional revenue. This will require the municipality to adjust the budget to ensure that the reallocation from the approved budget to contribute towards the project as approved by the Council is done and also to recognise the allocation from CoGTA to the budget as required by the Act.

There are other votes where the budget allocated has not been utilised and in others the funds allocated are almost exhausted and therefore Council is requested to consider adjusting such votes.

Operating budget

The operating budget as reflected in Table C1 of the Budget Statement Tables can be summarised as follows:

Description	2018/2019 ANNUAL BUDGET	BUDGET AS AT 31/12/2018 R'000	ACTUALS AS AT 31/12/2018 R'000	Variance	%
Total Revenue	163 975 174	74 568 000	115 621 288	41 053 288	55%
Total Expenditure	(191 571 246)	(94 747 796)	(78 874 198)	(15 873 598)	-17%
Operating Surplus/deficit	**(27 596 072)**	**(20 179 796)**	**36 747 090**	**56 926 886**	
Capital Transfers	29 267 000	12 030 000	19 806 093	7 776 093	
Surplus for the year	**1 670 928**	**(8 149 796)**	**56 553 183**	**64 702 979**	

The above table shows that as at Mid-term review assessment, the municipality has performed very well exceeding the budgeted revenue by R41.1million (R115,6 Million-R74,6 Million) and the reasons for this variance follows below.

On the other hand, the actual expenditure of the municipality for Mid-term review assessment has shown a negative variance of R15,9 Million (R94,7

Million-R78,9 Million) due to different reasons which will be discussed more in detail later in this report.

For the purposes of this report, the operating budget will be discussed under the following broad headings:

- Revenue
- Expenditure

The following table c4: financial performance reflects the overall financial performance as at 31 December 2018

TABLE C4: FINANCIAL PERFORMANCE

KZN293 Ndwedwe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		13 668	15 731		131	13 713	7 866	5 847	74%	15 731
Service charges - electricity revenue								–		
Service charges - water revenue								–		
Service charges - sanitation revenue								–		
Service charges - refuse revenue								–		
Service charges - other								–		
Rental of facilities and equipment		641	426		28	221	213	8	4%	426
Interest earned - external investments		10 484	12 500		819	4 765	6 252	(1 487)	-24%	12 500
Interest earned - outstanding debtors		695	786		–	263	396	(133)	-34%	786
Dividends received								–		
Fines, penalties and forfeits								–		
Licences and permits					1	1		1	#DIV/0!	
Agency services								–		
Transfers and subsidies		123 976	134 412		38 843	95 809	59 781	36 028	60%	134 412
Other revenue		112	120		63	850	60	790	1316%	120
Gains on disposal of PPE								–		
Total Revenue (excluding capital transfers and contributions)		149 577	163 975	–	39 886	115 621	74 568	41 053	55%	163 975
Expenditure By Type										
Employee related costs		35 407	62 307		4 093	24 395	30 113	(5 718)	-19%	62 307
Remuneration of councillors		17 011	14 324		1 261	7 699	7 164	535	7%	14 324
Debt impairment		2 372	2 600		766	766	1 302	(536)	-41%	2 600
Depreciation & asset impairment		17 760	20 000		8 868	8 868	10 000	(1 132)	-11%	20 000
Finance charges		117					–	–		
Bulk purchases			–				–	–		–
Other materials		104					–	–		
Contracted services		34 003	41 046		8 887	33 265	27 023	6 242	23%	41 046
Transfers and subsidies		1 620	13 000		601	2 476	–	2 476	#DIV/0!	13 000
Other expenditure		36 103	38 294		1 426	11 040	19 146	(8 106)	-42%	38 294
Loss on disposal of PPE		633						–		
Total Expenditure		145 131	191 571	–	25 901	88 508	94 748	(6 240)	-7%	191 571
Surplus/(Deficit)		4 446	(27 596)	–	13 984	27 114	(20 180)	47 293	(0)	(27 596)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		32 678	29 267		155	19 806	12 030	7 776	0	29 267
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)								–		
Transfers and subsidies - capital (in-kind - all)								–		
Surplus/(Deficit) after capital transfers & contributions		37 124	1 671	–	14 140	46 920	(8 150)			1 671
Taxation								–		
Surplus/(Deficit) after taxation		37 124	1 671	–	14 140	46 920	(8 150)			1 671
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		37 124	1 671	–	14 140	46 920	(8 150)			1 671
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		37 124	1 671	–	14 140	46 920	(8 150)			1 671

Discussion

Revenue

The Second Quarter Budgeted Operating Revenue for 2018/19 was R74,6Million. The actual revenue recognised as at 31 December 2018 amounts to R115,6Million, 5m which implies that the municipality has realised a positive variance of approximately R41, 1million in revenue.

The reasons for the variances will be discussed with reference to Table C4 of the Budget Statement Tables, and is explained as follows:

Property rates

- Property Rates reflect a positive variance of R5, 8million as at the end of December 2018.
- This positive variance is due to councils' approved Rates Policy which allows the ratepayers the option of paying their rates on an annual basis, as a result many ratepayers chose to settle their accounts in advance.
- To ensure that the actuals speak to Year to Date Budget, the Year to Date Budget has to be revised during the adjustment budget as a result the property rates variance is expected to decrease after the adjustment budget.

Interest earned - external investments

- The Interest earned - external investments revealed a negative/under collection of R1,5 million. It must be noted that the municipality is only recognising the interest on the investment once the investment reaches it maturity date.
- As at 31 December 2018 only R4,8million that was recognised, however it is anticipated that once other investments reach their maturity date, the interest will be recognised and the variance will be eliminated.
- Council should note that in as much as the actual recognition is below what was anticipated as at 31 December 2018, the municipality is optimistic that the entire budget will be realised by the end of the financial year as a result no adjustment will be effected in this revenue category unless the circumstances change prior to adjustment budget approval.

Interest earned - outstanding debtors

- Interest earned - interest is charged on outstanding consumer accounts, as at 31 December the municipality billed R0,3 million which is below by 34% of anticipated budget of R0,4 million.
- Council should note that even though this variance is not significant, further analysis will be conducted in this revenue category to determine if the adjustment is necessary or not.

Transfers and subsidies

- Transfers and Subsidies show a positive variance of R39,0 million as at 31 December 2018. This positive variance is due to equitable share grant being received in advance of the anticipated timing.
- To ensure that the actuals speaks to Year to Date Budget, the Year to Date Budget has to be revised during the adjustment budget as a result the variance is expected to decrease after the adjustment budget.

Other revenue

- Other expenditure shows an over collection of R0,8 million as at the end of December 2018.
- This variance is as a result of insurance refund that has been received by the municipality which was not budget for and the budget will be brought in during the adjustment budget which will subsequently reduce the variance.
- Another reason that contributed to this variance is in relation to administration handling fee that relate to the money received from Department of Transport for the payment made by the municipality to School Kids attendances. The municipality will have to decide on the correct accounting treatment for this transaction thereafter make necessary changes during the adjustment budget.
- Therefore, it is anticipated that once the budget for insurance refund has been brought in and the decision regarding the treatment of funding from Department of Transport has been made the variance will reduce as a result this positive variance will continue until adjustment budget time.

Focus areas on revenue

- Co-operative Governance and Traditional Affairs transferred R3million to support the municipality to develop credible indigent register as discussed above.
- The year to date budget for all revenue category will have to be revised to reflect more realistic estimate.
- Provision for Hall hire and TLB hire will have to be made during adjustment budget.

Operating Expenditure

The Second Quarter Budgeted Operating Expenditure for the 2018/19 financial year was R94,7 Million. The actual expenditure recognised as at 31 December 2018 was R78,9 Million which implies that the municipality has realised a negative variance of approximately R15,9 million in expenditure.

The reasons for the variances will also be discussed with reference to Table C4 of the Budget Statement Tables, and are explained as follows:

Employee related costs

- The employee related costs shows a negative variance or savings of almost R5,7 m as at the end of December 2018. Delays in filling the budgeted posts as well as resignation of employees remain the main contributing factors into this variance.
- The Human Resource Section is working tirelessly in ensuring that all budgeted posts are filled as soon as possible to ensure that services delivery is not compromised due to personnel capacity constraints.
- However, the Employee related costs will have to be adjusted downwards by the amount equivalent to unfilled posts for the past six months of the financial year.

Remuneration of councilors

- The Remuneration of councilors shows an overspending of R0, 5million as at 31 December 2018. This variance is due to the misallocation on the item level for traveling claims from councilors, Payroll section together with the payroll service provider will correct this misallocation before the end of the third quarter.

- As a result, it is anticipated that once that error is corrected the variance will reduce.

Debt impairment

- Debt Impairment shows a negative variance of R536 thousands as at the end of December 2018. GRAP requires the municipalities to budget for non-cash items during the budget stage so that should the necessity to write off any debtor, the municipality does not incur any unauthorised expenditure as a result a budget was made available to take of such circumstances.
- Debt impairment as at the end of December 2018, is 41% of the amount budgeted for the year.
- Should Council decide to write off any debtors in future this will affect this budget which will subsequently reduce the variance.

Depreciation & asset impairment

- Depreciation and asset impairment shows a negative variance of R1.1 million as at 31 December 2018.
- This variance is due to some assets that were anticipated to have been purchased / completed by this time but unfortunately they have not been purchased or completed and transferred to assets so that they may be depreciated.

Contracted services

- Contracted Services shows an overspending of almost R6, 2million as at 31 December 2018 when compared to targeted budget. However, the council to note that this target is based on the approved budget with error due to item level where some of the projects that were supposed to be on contracted service expenditure category were misallocated to other expenditure category as a result the budget on the financial system was not aligned to the approved budget on the A Schedule.
- This error will be corrected during the adjustment budget as a result it is expected that the variance will be eliminated after the adjustment budget.

Transfers and subsidies

- Transfers and subsidies revealed an overspending of R2,5 million as at 31 December 2018 when compared to the approved year to date target. Included in this expenditure category is the Electrification in four wards within the municipality which are subsidies by the municipality and also funded by INEP grant.
- During the annual budget stage, no monthly target that was set aside for these projects and this has since been identified as an error that occurred during the annual budget which will need to be corrected using section 28 (2)(f) of the Municipal Finance Management Act as a result it is anticipated that once this error has been corrected (which will be after the adjustment budget) the variance will reduce.

Other expenditure

- Other expenditure shows an underspending of almost R8,1 million as at 31 December 2018 when compared to targeted budget, however the Council to note that this target is based on the approved budget with error due to item level where some of the projects that were supposed to be on contracted service expenditure category were misallocated to other expenditure category as a result the budget on the financial system was not aligned to the approved budget on the A Schedule.

- This error will be corrected during the adjustment budget in terms of section 28 (2)(f) of the Municipal Finance Management Act as a result it is expected that the variance will be eliminated after the adjustment budget.

Focus areas on expenditure

- Given that the above analysis is conducted as per the C4 categories there may be further line items which exhibit significant variances.
- The highest risk factors are those line items which may be overspent by the financial year end if the current expenditure trend continues.
- The emphasis will have to be on indigent register vote where the internal funding will have to be identified and transfer to this project as approved by the council in its sitting in December 2018 which amount to just above R3 million.
- Fuel and oil vote also indicates some challenges due to the high prices of fuel in the past five months than anticipated. The estimated R1milion increase in this vote is proposed to ensure that the service delivery is not disturbed due to fuel issues.
- The municipality has applied to CoGTA for council remunerations increases of 4% as from 1 July 2018, should the MEC for COGTA agrees to the request, the municipality has adequate budget to cover this increase in its budget.

Capital budget

- Reference is made to Part One – (C Schedule Table C5) for a detailed breakdown of amounts pertaining to the capital budget, per Department.
- The municipality has the following seven Departments for the purposes of budget reporting:
    - Executive and Council
    - Municipal Manager
    - Corporate Services
    - Budget ad Treasury Office
    - Economic Development and Planning
    - Community Services
    - Technical Services
- The municipality approved R71, 5Million as a capital budget in the current financial year, with the majority of the funding being allocated towards road, infrastructure projects and community Services projects such as Sport filed and Community Halls.
- The capital expenditure report is based on Table C5 which is a prescribed format required by National Treasury and it is categorised by municipal vote and standard classification. The Capital Budget is funded by the following funding sources:

  Government Grants

  Internally generated funds

CAPITAL BUDGET FUNDING SUMMARY

Vote Description	Budget Year 2018/19							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Total Capital Expenditure - Functional Classification	**71 491**	**–**	**1 146**	**15 748**	**35 466**	**(19 718)**	**-56%**	**71 491**
Funded by:								
National Government	29 267		969	14 441	14 628	(187)	-1%	29 267
Provincial Government						–		
District Municipality						–		
Other transfers and grants						–		
Transfers recognised - capital	**29 267**	**–**	**969**	**14 441**	**14 628**	**(187)**	**-1%**	**29 267**
Public contributions & donations						–		
Borrowing						–		
Internally generated funds	42 224		176	1 307	21 108	(19 801)	-94%	42 224
Total Capital Funding	**71 491**	**–**	**1 146**	**15 748**	**35 736**	**(19 988)**	**-56%**	**71 491**

- The above table illustrates how the year to date expenditure has been funded, as at 31 December 2018 the municipality spent R14,4 million on capital projects funded by grant against the year to date budget of R14,6 million which implies that the municipality is almost on par on grant funded project.
- However, on the other side, the municipal internal funded projects have shown a significant low expenditure when compared to what was set aside to be spent by December 2018. The municipality planned to spend R21,1million by the mid-term period however only R1,3million has been reported as at 31 December 2018 which is 94% negative variance. The reasons for this low expenditure will be explained later in this report.

EXPENDITURE PER STANDARD CLASSIFICATION

The table below provides a budget versus expenditure as per the standard classification Table C5 of the in-year reports. Based on this table, as at 31 December 2018 council has spent R 15, 7million of the year to date budget of R35, 9Million.

Vote Description	Budget Year 2018/19							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							**%**	
Capital Expenditure - Functional Classification								
Governance and administration	**1 380**	**–**	**–**	**419**	**690**	(271)	-39%	**1 380**
Executive and council			–	–		–		
Finance and administration	1 380		–	419	690	(271)	-39%	1 380
Internal audit						–		
Community and public safety	**5 270**	**–**	**150**	**216**	**2 634**	(2 418)	-92%	**5 270**
Community and social services	4 970		150	216	2 484	(2 268)	-91%	4 970
Sport and recreation	300				150	(150)	-100%	300
Public safety						–		
Housing						–		
Health						–		
Economic and environmental services	**34 467**	**–**	**995**	**14 925**	**17 232**	(2 307)	-13%	**34 467**
Planning and development	4 200		26	231	2 100	(1 869)	-89%	4 200
Road transport	30 267		969	14 695	15 132	(437)	-3%	30 267
Environmental protection						–		
Trading services	**–**	**–**	**–**	**188**	**–**	188	#DIV/0!	**–**
Energy sources						–		
Water management						–		
Waste water management						–		
Waste management				188		188	#DIV/0!	
Other	30 374				14 910	(14 910)	-100%	30 374
Total Capital Expenditure - Functional Classification	**71 491**	**–**	**1 146**	**15 748**	**35 466**	**(19 718)**	**-56%**	**71 491**

Governance and Administration – Finance & Administration

Governance and Administration – Finance & Administration includes the following Department:

- **Budget and Treasury Office Department** with a budget of R0, 3Million to purchase Furniture, equipment and computers with an expenditure of R64 thousands reflected as at the end of the second quarter. The remaining budget for this department will be utilised in the second half of the financial year. As a result, this underspending is expected to decrease as the year progress.

- **Corporate Services Department** with a budget of R1,1 Million, and the department has managed to spend only R355 thousand against the target budget of R552 thousands as at 31 December 2018 which implies that the department underspent by 36% when compared to its half yearly anticipated budget. The items under this department are with SCM for finalisation of appointment of service providers. As a result, it is anticipated that the variance will reduce as the year progresses.

- **Community and public safety**
  Community & Social Services include the budget related to Community Services Department with a budget of R4,8 Million to procure the following items: Furniture, Office Equipment, Motor Vehicles and Buyback Centre - Structure and as at the end of the second quarter the department had only managed to spend R216 thousands against the targeted budget of R2,5 million which indicate that the department has underspent by 91% as at the end of period under review. The services of the service provider for Buyback Centre have been engaged and as a result the expenditure is anticipated to increase as the year progresses which will reduce the variance. The procurement of other items within this department is underway.

Sports and Recreation

Sports and Recreation is in relation to the Mary Gray Sports Field phase two project. The project has not yet kicked off and it still within the SCM processes are underway.

Economic & Environmental Services

Economic & Environmental Services function has a budget of R34,5 Million and is from the following departments:

- Planning and development (Economic Development and Planning) with a budget of R4,2 Million with the expenditure of R231 thousands recorded as at the end of the second quarter of 2018/2019 financial year against the targeted budget of R2,1 million. The procurement plan for some of the projects within this department will be reviewed during the adjustment budget to ascertain if the time will be enough to be procured before the end of the financial year.

- Road transport (Technical Services) with a budget of R30,3 Million for road infrastructure, Sport field and community halls projects and the expenditure to date amounts to R14,6 million against the target budget of R15,1 million. However, the majority of the projects under this department are still under the SCM process and the expenditure is expected to come through as soon as the implementation kicks off.

Trading services

- Trading services includes different projects from Technical Services Department which amongst others includes projects related to:
    - Civic Centre Offices
    - Backup Generator Installation
    - Ndwedwe/ Bhamshela Street lights upgrade
    - Augmentation of Water Supply to Ndwedwe Main Office
    - Testing Centre

- As at 31 December 2018 no expenditure has been recorded by the municipality as a result a negative variance of R14,6 million is reflected under this function.
- Civic centre offices and testing services projects have been delayed due to many issues, however the Council has since resolved to redirect some of the budget from those projects to upgrade the electrical infrastructure within the municipality to allow more households electricity connection in some of the wards within the municipality.
- Other projects within this function are still within the SCM process and it is anticipated that as soon as they kicked off the variance will reduce.

Conclusion

- **Due to different variances discussed above, an Adjustments Budget, in terms of S 28(2)(d) & (b) of the MFMA, is recommended.**

- Council and departments are urged to exercise caution and prudence in the utilization of the available budget, as it is highly unlikely that additional funding can be sourced.

- **<u>It is also recommended that the expenditure be reduced in an effort to reduce the R27.5 million budget loss on the original budget.</u>**

1.4 In-Year Budget Statement Tables

In year budget statement tables

The following tables are included as part of the Mid-Year Budget and Performance Assessment:

- C1 - S71 Monthly Budget Statement Summary
- C2 - Monthly Budget Statement; Financial Performance (Standard Classification)
- C3 - Monthly Budget Statement; Financial Performance (Revenue and Expenditure by municipal vote)
- C4 - Monthly Budget Statement; Financial Performance (Revenue and Expenditure)
- C5 - Monthly Budget Statement; Capital Expenditure (Municipal vote, Standard classification and Funding)
- C6 - Consolidated Monthly Budget Statement; Financial Position
- C7 - Consolidated Monthly Budget Statement; Cash Flow

A detail narrative explanation of the above schedules and other supporting documentation is contained in this document.

KZN293 Ndwedwe - Table C1 Monthly Budget Statement Summary - M06 December

Description R thousands	2017/18 Audited Outcome	Budget Year 2018/19 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	13 668	15 731	–	131	13 713	7 866	5 847	74%	15 731
Service charges	–	–	–	–	–	–	–		–
Investment revenue	10 484	12 500	–	819	4 765	6 252	(1 487)	-24%	12 500
Transfers and subsidies	123 976	134 412	–	38 843	95 809	59 781	36 028	60%	134 412
Other own revenue	1 449	1 332	–	92	1 335	669	666	100%	1 332
Total Revenue (excluding capital transfers and contributions)	**149 577**	**163 975**	**–**	**39 886**	**115 621**	**74 568**	**41 053**	**55%**	**163 975**
Employee costs	35 407	62 307	–	4 093	24 395	30 113	(5 718)	-19%	62 307
Remuneration of Councillors	17 011	14 324	–	1 261	7 699	7 164	535	7%	14 324
Depreciation & asset impairment	17 760	20 000	–	8 868	8 868	10 000	(1 132)	-11%	20 000
Finance charges	117	–	–	–	–	–	–		–
Materials and bulk purchases	104	–	–	–	–	–	–		–
Transfers and subsidies	1 620	13 000	–	601	2 476	–	2 476	#DIV/0!	13 000
Other expenditure	73 110	81 940	–	11 078	45 071	47 471	(2 400)	-5%	81 940
Total Expenditure	**145 131**	**191 571**	**–**	**25 901**	**88 508**	**94 748**	**(6 240)**	**-7%**	**191 571**
Surplus/(Deficit)	**4 446**	**(27 596)**	**–**	**13 984**	**27 114**	**(20 180)**	**47 293**	**-234%**	**(27 596)**
Transfers and subsidies - capital (monetary allocations	32 678	29 267	–	155	19 806	12 030	7 776	65%	29 267
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**37 124**	**1 671**	**–**	**14 140**	**46 920**	**(8 150)**	**55 070**	**-676%**	**1 671**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**37 124**	**1 671**	**–**	**14 140**	**46 920**	**(8 150)**	**55 070**	**-676%**	**1 671**
Capital expenditure & funds sources									
Capital expenditure	**54 501**	**71 491**	**–**	**1 146**	**15 748**	**35 744**	**(19 996)**	**-56%**	**71 491**
Capital transfers recognised	32 678	29 267	–	969	14 441	14 628	(187)	-1%	29 267
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**21 823**	**42 224**	**–**	**176**	**1 307**	**21 108**	**(19 801)**	**-94%**	**42 224**
Total sources of capital funds	**54 501**	**71 491**	**–**	**1 146**	**15 748**	**35 736**	**(19 988)**	**-56%**	**71 491**
Financial position									
Total current assets	133 347	121 691	–		192 122				121 691
Total non current assets	276 515	243 368	–		292 300				243 368
Total current liabilities	30 976	21 494	–		49 875				21 494
Total non current liabilities	1 397	1 091	–		–				1 091
Community wealth/Equity	**377 490**	**342 474**	**–**		**434 547**				**342 474**
Cash flows									
Net cash from (used) operating	65 053	24 636	–	34 141	56 831	11 322	(45 509)	-402%	24 636
Net cash from (used) investing	(54 501)	(71 491)	–	(1 146)	(18 105)	(35 742)	(17 637)	49%	(71 491)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	122 283	64 876	–	–	161 008	87 311	(73 698)	-84%	75 428

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	175	176	23	263	159	3 348	1 840	11 832	17 815
Creditors Age Analysis									
Total Creditors	(79)	(1 289)	889	177	(664)	150	1 007	(19)	172

KZN293 Ndwedwe - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		**145 900**	**161 388**	**–**	**39 795**	**114 356**	**80 694**	33 662	42%	**161 388**
Executive and council		–	–	–	(154)	1 245	–	1 245	#DIV/0!	–
Finance and administration		145 900	161 388	–	39 949	113 110	80 694	32 416	40%	161 388
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**1 325**	**1 392**	**–**	**90**	**1 264**	**696**	568	82%	**1 392**
Community and social services		1 325	1 392	–	90	1 264	696	568	82%	1 392
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**35 030**	**30 462**	**–**	**156**	**19 807**	**15 228**	4 579	30%	**30 462**
Planning and development		740	–	–	1	1	–	1	#DIV/0!	–
Road transport		34 290	30 462	–	155	19 806	15 228	4 578	30%	30 462
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**182 255**	**193 242**	**–**	**40 041**	**135 427**	**96 618**	**38 809**	**40%**	**193 242**
Expenditure - Functional										
Governance and administration		**112 061**	**122 807**	**–**	**19 900**	**58 425**	**61 398**	(2 973)	-5%	**122 807**
Executive and council		47 764	36 932	–	5 144	22 875	18 462	4 413	24%	36 932
Finance and administration		64 297	85 875	–	14 756	35 551	42 936	(7 385)	-17%	85 875
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**1 470**	**19 370**	**–**	**3 527**	**9 944**	**9 684**	260	3%	**19 370**
Community and social services		1 470	19 370	–	3 527	9 944	9 684	260	3%	19 370
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**31 600**	**36 394**	**–**	**2 474**	**20 138**	**24 690**	(4 552)	-18%	**36 394**
Planning and development		8 139	11 717	–	1 626	6 080	5 856	224	4%	11 717
Road transport		23 461	24 677	–	848	14 059	18 834	(4 775)	-25%	24 677
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**–**	**13 000**	**–**	**–**	**–**	**–**	–		**13 000**
Energy sources		–	13 000	–	–	–	–	–		13 000
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	3	**145 131**	**191 571**	**–**	**25 901**	**88 508**	**95 772**	**(7 264)**	**-8%**	**191 571**
Surplus/ (Deficit) for the year		**37 124**	**1 671**	**–**	**14 140**	**46 920**	**846**	**46 074**	**5446%**	**1 671**

KZN293 Ndwedwe - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Municipal governance and administration		**145 900**	**161 388**	**–**	**39 795**	**114 356**	**80 694**	33 662	42%	**161 388**
Executive and council		–	–	–	(154)	1 245	–	1 245	#DIV/0!	–
Mayor and Council					–	–		–		
Municipal Manager, Town Secretary and Chief Executive		–			(154)	1 245		1 245	#DIV/0!	
Finance and administration		145 900	161 388	–	39 949	113 110	80 694	32 416	0	161 388
Administrative and Corporate Support								–		
Asset Management								–		
Budget and Treasury Office		145 900	161 388		39 949	113 110	80 694	32 416	0	161 388
Finance								–		
Fleet Management								–		
Human Resources								–		
Information Technology								–		
Legal Services								–		
Marketing, Customer Relations, Publicity and Media Co-ordination								–		
Property Services								–		
Risk Management								–		
Security Services								–		
Supply Chain Management								–		
Valuation Service								–		
Internal audit		–	–	–	–	–	–	–		–
Governance Function								–		
Community and public safety		**1 325**	**1 392**	**–**	**90**	**1 264**	**696**	**568**	**0**	**1 392**
Community and social services		**1 325**	**1 392**	**–**	**90**	**1 264**	**696**	**568**	**0**	**1 392**
Aged Care								–		
Agricultural								–		
Animal Care and Diseases								–		
Cemeteries, Funeral Parlours and Crematoriums								–		
Child Care Facilities								–		
Community Halls and Facilities								–		
Consumer Protection								–		
Cultural Matters								–		
Disaster Management								–		
Education								–		
Indigenous and Customary Law								–		
Industrial Promotion								–		
Language Policy								–		
Libraries and Archives		1 325	1 392		90	1 264	696	568	0	1 392
Literacy Programmes								–		
Media Services								–		
Museums and Art Galleries								–		
Population Development								–		
Provincial Cultural Matters								–		
Theatres								–		
Zoo's								–		
Sport and recreation		–	–	–	–	–	–	–		–
Beaches and Jetties								–		
Casinos, Racing, Gambling, Wagering								–		
Community Parks (including Nurseries)								–		
Recreational Facilities								–		
Sports Grounds and Stadiums								–		
Public safety		–		–	–	–	–	–		–
Civil Defence								–		
Cleansing								–		
Control of Public Nuisances								–		
Fencing and Fences								–		
Fire Fighting and Protection								–		
Licensing and Control of Animals								–		
Housing		–	–	–	–	–	–	–		–
Housing								–		
Informal Settlements								–		
Health		–	–	–	–	–	–	–		–
Ambulance								–		
Health Services								–		
Laboratory Services								–		
Food Control								–		
Health Surveillance and Prevention of Communicable Diseases including immunizations								–		

Vector Control								–		
Chemical Safety								–		
Economic and environmental services		**35 030**	**30 462**	**–**	**156**	**19 807**	**15 228**	**4 579**	**0**	**30 462**
Planning and development		**740**	**–**	**–**	**1**	**1**	**–**	**1**	**#DIV/0!**	**–**
Billboards								–		
Corporate Wide Strategic Planning (IDPs, LEDs)										
Central City Improvement District								–		
Development Facilitation								–		
Economic Development/Planning								–		
Regional Planning and Development		740			1	1		1	#DIV/0!	
Town Planning, Building Regulations and Enforcement, and City Engineer								–		
Project Management Unit								–		
Provincial Planning								–		
Support to Local Municipalities								–		
Road transport		**34 290**	**30 462**	**–**	**155**	**19 806**	**15 228**	**4 578**	**0**	**30 462**
Police Forces, Traffic and Street Parking Control								–		
Pounds								–		
Public Transport								–		
Road and Traffic Regulation								–		
Roads		34 290	30 462		155	19 806	15 228	4 578	0	30 462
Taxi Ranks								–		
Environmental protection		–	–	–	–	–	–	–		–
Biodiversity and Landscape								–		
Coastal Protection								–		
Indigenous Forests								–		
Nature Conservation								–		
Pollution Control								–		
Soil Conservation								–		
Trading services		–	–	–	–	–	–	–		–
Energy sources		–	–	–	–	–	–	–		–
Electricity								–		
Street Lighting and Signal Systems								–		
Nonelectric Energy								–		
Water management		–	–	–	–	–	–	–		–
Water Treatment								–		
Water Distribution								–		
Water Storage								–		
Waste water management		–	–	–	–	–	–	–		–
Public Toilets								–		
Sewerage								–		
Storm Water Management								–		
Waste Water Treatment								–		
Waste management		–	–	–	–	–	–	–		–
Recycling								–		
Solid Waste Disposal (Landfill Sites)								–		
Solid Waste Removal								–		
Street Cleaning								–		
Other		–	–	–	–	–	–	–		–
Abattoirs								–		
Air Transport								–		
Forestry								–		
Licensing and Regulation								–		
Markets								–		
Tourism								–		
Total Revenue - Functional	2	**182 255**	**193 242**	**–**	**40 041**	**135 427**	**96 618**	**38 809**	**0**	**193 242**
Expenditure - Functional										
Municipal governance and administration		**112 061**	**122 807**	**–**	**19 900**	**58 425**	**61 398**	**(2 973)**	**(0)**	**122 807**
Executive and council		47 764	36 932	–	5 144	22 875	18 462	4 413	0	36 932
Mayor and Council		18 925	17 904		1 413	9 123	8 950	173	0	17 904
Municipal Manager, Town Secretary and Chief Executive		28 838	19 028		3 731	13 752	9 512	4 240	0	19 028
Finance and administration		64 297	85 875	–	14 756	35 551	42 936	(7 385)	(0)	85 875
Administrative and Corporate Support		25 064	37 508		896	6 439	18 753	(12 314)	(0)	37 508
Asset Management							–	–		
Budget and Treasury Office		39 233	48 367		13 859	29 111	24 183	4 929	0	48 367
Finance								–		
Fleet Management								–		
Human Resources								–		
Information Technology								–		
Legal Services								–		
Marketing, Customer Relations, Publicity and Media Co-ordination								–		
Property Services								–		

Risk Management							–		
Security Services							–		
Supply Chain Management							–		
Valuation Service							–		
Internal audit	–	–	–	–	–	–	–		–
Governance Function							–		
Community and public safety	**1 470**	**19 370**	**–**	**3 527**	**9 944**	**9 684**	**260**	**0**	**19 370**
Community and social services	**1 470**	**19 370**	**–**	**3 527**	**9 944**	**9 684**	**260**	**0**	**19 370**
Aged Care							–		
Agricultural							–		
Animal Care and Diseases							–		
Cemeteries, Funeral Parlours and Crematoriums							–		
Child Care Facilities							–		
Community Halls and Facilities	1 470	19 370		3 527	9 944	9 684	260	0	19 370
Consumer Protection							–		
Cultural Matters							–		
Disaster Management							–		
Education							–		
Indigenous and Customary Law							–		
Industrial Promotion							–		
Language Policy							–		
Libraries and Archives							–		
Literacy Programmes							–		
Media Services							–		
Museums and Art Galleries							–		
Population Development							–		
Provincial Cultural Matters							–		
Theatres							–		
Zoo's							–		
Sport and recreation	–	–	–	–	–	–	–		–
Beaches and Jetties							–		
Casinos, Racing, Gambling, Wagering							–		
Community Parks (including Nurseries)							–		
Recreational Facilities							–		
Sports Grounds and Stadiums							–		
Public safety	–	–	–	–	–	–	–		–
Civil Defence							–		
Cleansing							–		
Control of Public Nuisances							–		
Fencing and Fences							–		
Fire Fighting and Protection							–		
Licensing and Control of Animals							–		
Housing	–	–	–	–	–	–	–		–
Housing							–		
Informal Settlements							–		
Health	–	–	–	–	–	–	–		–
Ambulance							–		
Health Services							–		
Laboratory Services							–		
Food Control							–		
Health Surveillance and Prevention of Communicable Diseases including immunizations							–		
Vector Control							–		
Chemical Safety							–		
Economic and environmental services	**31 600**	**36 394**	**–**	**2 474**	**20 138**	**24 690**	**(4 552)**	**(0)**	**36 394**
Planning and development	**8 139**	**11 717**	**–**	**1 626**	**6 080**	**5 856**	**224**	**0**	**11 717**
Billboards							–		
Corporate Wide Strategic Planning (IDPs, LEDs)							–		
Central City Improvement District							–		
Development Facilitation							–		
Economic Development/Planning	8 139	11 717		1 626	6 080	5 856	224	0	11 717
Regional Planning and Development							–		
Town Planning, Building Regulations and Enforcement, and City Engineer							–		
Project Management Unit							–		
Provincial Planning							–		
Support to Local Municipalities							–		
Road transport	**23 461**	**24 677**	**–**	**848**	**14 059**	**18 834**	**(4 775)**	**(0)**	**24 677**
Police Forces, Traffic and Street Parking Control							–		
Pounds							–		
Public Transport							–		
Road and Traffic Regulation							–		24 677
Roads	23 461	24 677		848	14 059	18 834	(4 775)	(0)	
Taxi Ranks							–		

Environmental protection		–	–	–	–	–	–	–		–
Biodiversity and Landscape								–		
Coastal Protection								–		
Indigenous Forests								–		
Nature Conservation								–		
Pollution Control								–		
Soil Conservation								–		
Trading services		–	**13 000**	–	–	–	–	–		**13 000**
Energy sources		–	**13 000**	–	–	–	–	–		**13 000**
Electricity			13 000					–		13 000
Street Lighting and Signal Systems								–		
Nonelectric Energy								–		
Water management		–		–	–	–	–	–		–
Water Treatment								–		
Water Distribution								–		
Water Storage								–		
Waste water management		–	–	–	–	–	–	–		–
Public Toilets								–		
Sewerage								–		
Storm Water Management								–		
Waste Water Treatment								–		
Waste management		–	–	–	–	–	–	–		–
Recycling								–		
Solid Waste Disposal (Landfill Sites)								–		
Solid Waste Removal								–		
Street Cleaning								–		
Other		–	–	–	–	–	–	–		–
Abattoirs								–		
Air Transport								–		
Forestry								–		
Licensing and Regulation								–		
Markets								–		
Tourism								–		
Total Expenditure - Functional	3	**145 131**	**191 571**	**–**	**25 901**	**88 508**	**95 772**	**(7 264)**	**(0)**	**191 571**
Surplus/ (Deficit) for the year		**37 124**	**1 671**	**–**	**14 140**	**46 920**	**846**	**46 074**	**0**	**1 671**

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison

2. Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)

3. Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)

4. All amounts must be classified under a Functional classification. The function 'Other' is only for Abbatoirs, Air Transport, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

check oprev balance	2	-	-	-	-	10 020 000	38 809 381		-
check opexp balance	2	-152	-	-	-	1 024 204	-1 024 204		-152

KZN293 Ndwedwe - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2017/18	Budget Year 2018/19							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–		–
Vote 2 - Municipal Manager		–	–	–	(154)	1 245	696	549	78.9%	–
Vote 3 - BUDGET AND TREASURY OFFICE		145 900	161 388	–	39 949	113 110	80 694	32 416	40.2%	161 388
Vote 4 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 5 - TECHNICAL SERVICES		34 290	30 462	–	155	19 806	18 234	1 572	8.6%	30 462
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		740	–	–	1	1	–	1	#DIV/0!	–
Vote 7 - COMMUNITY SERVICES		1 325	1 392	–	90	1 264	–	1 264	#DIV/0!	1 392
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**182 255**	**193 242**	–	**40 041**	**135 427**	**99 624**	**35 803**	**35.9%**	**193 242**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		18 925	17 904	–	1 413	9 123	8 952	171	1.9%	17 904
Vote 2 - Municipal Manager		28 838	19 028	–	3 731	13 752	9 516	4 236	44.5%	19 028
Vote 3 - BUDGET AND TREASURY OFFICE		39 233	48 367	–	13 859	29 111	24 162	4 949	20.5%	48 367
Vote 4 - CORPORATE SERVICES		25 064	37 508	–	896	6 439	18 750	(12 311)	-65.7%	37 508
Vote 5 - TECHNICAL SERVICES		23 461	37 677	–	848	14 059	18 834	(4 775)	-25.4%	37 677
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		8 139	11 717	–	1 626	6 080	5 856	224	3.8%	11 717
Vote 7 - COMMUNITY SERVICES		1 470	19 370	–	3 527	9 944	9 684	260	2.7%	19 370
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**145 131**	**191 571**	–	**25 901**	**88 508**	**95 754**	**(7 246)**	**-7.6%**	**191 571**
Surplus/ (Deficit) for the year	2	**37 124**	**1 671**	–	**14 140**	**46 920**	**3 870**	**43 050**	**1112.4%**	**1 671**

KZN293 Ndwedwe - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - A - M06 December

Vote Description	Ref	2017/18	Budget Year 2018/19							
R thousand		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–		–
1.1 - Executive and Council								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
Vote 2 - Municipal Manager		–	–	–	(154)	1 245	696	549	79%	–
2.1 - Municipal Manager					(154)	1 245	696	549	79%	
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
Vote 3 - BUDGET AND TREASURY OFFICE		145 900	161 388	–	39 949	113 110	80 694	32 416	40%	161 388
3.1 - Finance		145 900	161 388		39 949	113 110	80 694	32 416	40%	161 388
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
Vote 4 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
4.1 - Corporate Services								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
Vote 5 - TECHNICAL SERVICES		34 290	30 462	–	155	19 806	18 234	1 572	9%	30 462
5.1 - Technical Services		34 290	30 462		155	19 806	18 234	1 572	9%	30 462
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
								–		
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		740	–	–	1	1	–	1	#DIV/0!	–
6.1 - Economic Development and Planning		740			1	1		1	#DIV/0!	
								–		
								–		
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Vote 7 - COMMUNITY SERVICES		1 325	1 392	–	90	1 264	–	1 264	#DIV/0!	1 392
7.1 - COMMUNITY SERVICES		1 325	1 392		90	1 264		1 264		1 392
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Total Revenue by Vote	2	182 255	193 242	–	40 041	135 427	99 624	35 803	36%	193 242
Expenditure by Vote	1							–		
Vote 1 - EXECUTIVE AND COUNCIL		18 925	17 904	–	1 413	9 123	8 952	171	2%	17 904
1.1 - Executive and Council		18 925	17 904		1 413	9 123	8 952	171	2%	17 904
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Vote 2 - Municipal Manager		**28 838**	**19 028**	–	**3 731**	**13 752**	9 516	4 236	45%	19 028
2.1 - Municipal Manager		28 838	19 028		3 731	13 752	9 516	4 236	45%	19 028
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Vote 3 - BUDGET AND TREASURY OFFICE		**39 233**	**48 367**	–	**13 859**	**29 111**	**24 162**	4 949	20%	48 367
3.1 - Finance		39 233	48 367		13 859	29 111	24 162	4 949	20%	48 367
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Vote 4 - CORPORATE SERVICES		**25 064**	**37 508**	–	896	**6 439**	18 750	(12 311)	-66%	37 508
4.1 - Corporate Services		25 064	37 508		896	6 439	18 750	(12 311)	-66%	37 508
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Vote 5 - TECHNICAL SERVICES		**23 461**	**37 677**	–	**848**	**14 059**	**18 834**	(4 775)	-25%	37 677
5.1 - Technical Services		23 461	37 677		848	14 059	18 834	(4 775)	-25%	37 677
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Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		**8 139**	**11 717**	–	**1 626**	**6 080**	5 856	224	4%	11 717
6.1 - Economic Development and Planning		8 139	11 717		1 626	6 080	5 856	224	4%	11 717
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Vote 7 - COMMUNITY SERVICES		**1 470**	**19 370**	–	**3 527**	**9 944**	**9 684**	260	3%	19 370
7.1 - COMMUNITY SERVICES		1 470	19 370		3 527	9 944	9 684	260	3%	19 370
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Total Expenditure by Vote	2	**145 131**	**191 571**	–	**25 901**	**88 508**	**95 754**	(7 246)	(0)	191 571
Surplus/ (Deficit) for the year	2	**37 124**	**1 671**	–	**14 140**	**46 920**	**3 870**	43 050	0	1 671

References

1. Insert 'Vote', e.g. Department, if different to standard structure

2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')

3. Assign share in 'associate' to relevant Vote

check revenue

check expenditure

KZN293 Ndwedwe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		13 668	15 731		131	13 713	7 866	5 847	74%	15 731
Service charges - electricity revenue								–		
Service charges - water revenue								–		
Service charges - sanitation revenue								–		
Service charges - refuse revenue								–		
Service charges - other								–		
Rental of facilities and equipment		641	426		28	221	213	8	4%	426
Interest earned - external investments		10 484	12 500		819	4 765	6 252	(1 487)	-24%	12 500
Interest earned - outstanding debtors		695	786		–	263	396	(133)	-34%	786
Dividends received								–		
Fines, penalties and forfeits								–		
Licences and permits					1	1		1	#DIV/0!	
Agency services								–		
Transfers and subsidies		123 976	134 412		38 843	95 809	59 781	36 028	60%	134 412
Other revenue		112	120		63	850	60	790	1316%	120
Gains on disposal of PPE								–		
Total Revenue (excluding capital transfers and contributions)		**149 577**	**163 975**	**–**	**39 886**	**115 621**	**74 568**	**41 053**	**55%**	**163 975**
Expenditure By Type										
Employee related costs		35 407	62 307		4 093	24 395	30 113	(5 718)	-19%	62 307
Remuneration of councillors		17 011	14 324		1 261	7 699	7 164	535	7%	14 324
Debt impairment		2 372	2 600		766	766	1 302	(536)	-41%	2 600
Depreciation & asset impairment		17 760	20 000		8 868	8 868	10 000	(1 132)	-11%	20 000
Finance charges		117					–	–		
Bulk purchases			–				–	–		–
Other materials		104					–	–		
Contracted services		34 003	41 046		8 887	33 265	27 023	6 242	23%	41 046
Transfers and subsidies		1 620	13 000		601	2 476	–	2 476	#DIV/0!	13 000
Other expenditure		36 103	38 294		1 426	11 040	19 146	(8 106)	-42%	38 294
Loss on disposal of PPE		633						–		
Total Expenditure		**145 131**	**191 571**	**–**	**25 901**	**88 508**	**94 748**	**(6 240)**	**-7%**	**191 571**
Surplus/(Deficit)		**4 446**	**(27 596)**	**–**	**13 984**	**27 114**	**(20 180)**	**47 293**	**(0)**	**(27 596)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		32 678	29 267		155	19 806	12 030	7 776	0	29 267
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)								–		
Transfers and subsidies - capital (in-kind - all)								–		
Surplus/(Deficit) after capital transfers & contributions		**37 124**	**1 671**	**–**	**14 140**	**46 920**	**(8 150)**			**1 671**
Taxation								–		
Surplus/(Deficit) after taxation		**37 124**	**1 671**	**–**	**14 140**	**46 920**	**(8 150)**			**1 671**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**37 124**	**1 671**	**–**	**14 140**	**46 920**	**(8 150)**			**1 671**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**37 124**	**1 671**	**–**	**14 140**	**46 920**	**(8 150)**			**1 671**

KZN293 Ndwedwe - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2017/18	Budget Year 2018/19							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–		–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–		–
Vote 3 - BUDGET AND TREASURY OFFICE		–	–	–	–	–	–	–		–
Vote 4 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 5 - TECHNICAL SERVICES		–	–	–	–	–	–	–		–
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		–	–	–	–	–	–	–		–
Vote 7 - COMMUNITY SERVICES		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–		–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–		–
Vote 3 - BUDGET AND TREASURY OFFICE		–	280	–	–	64	140	(76)	-54%	280
Vote 4 - CORPORATE SERVICES		1 463	1 100	–	–	355	552	(197)	-36%	1 100
Vote 5 - TECHNICAL SERVICES		52 961	60 941	–	969	14 883	30 468	(15 585)	-51%	60 941
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		–	4 200	–	26	231	2 100	(1 869)	-89%	4 200
Vote 7 - COMMUNITY SERVICES		77	4 970	–	150	216	2 484	(2 268)	-91%	4 970
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	54 501	71 491	–	1 146	15 748	35 744	(19 996)	-56%	71 491
Total Capital Expenditure		54 501	71 491	–	1 146	15 748	35 744	(19 996)	-56%	71 491
Capital Expenditure - Functional Classification										
Governance and administration		1 463	1 380	–	–	419	690	(271)	-39%	1 380
Executive and council					–	–		–		
Finance and administration		1 463	1 380		–	419	690	(271)	-39%	1 380
Internal audit								–		
Community and public safety		77	5 270	–	150	216	2 634	(2 418)	-92%	5 270
Community and social services		77	4 970		150	216	2 484	(2 268)	-91%	4 970
Sport and recreation			300				150	(150)	-100%	300
Public safety								–		
Housing								–		
Health								–		
Economic and environmental services		52 961	34 467	–	995	14 925	17 232	(2 307)	-13%	34 467
Planning and development			4 200		26	231	2 100	(1 869)	-89%	4 200
Road transport		52 961	30 267		969	14 695	15 132	(437)	-3%	30 267
Environmental protection								–		
Trading services		–	–	–	–	188	–	188	#DIV/0!	–
Energy sources								–		
Water management								–		
Waste water management								–		
Waste management						188		188	#DIV/0!	
Other			30 374				14 910	(14 910)	-100%	30 374
Total Capital Expenditure - Functional Classification	3	54 501	71 491	–	1 146	15 748	35 466	(19 718)	-56%	71 491
Funded by:										
National Government		32 678	29 267		969	14 441	14 628	(187)	-1%	29 267
Provincial Government								–		
District Municipality								–		
Other transfers and grants								–		
Transfers recognised - capital		32 678	29 267	–	969	14 441	14 628	(187)	-1%	29 267
Public contributions & donations	5							–		
Borrowing	6							–		
Internally generated funds		21 823	42 224		176	1 307	21 108	(19 801)	-94%	42 224
Total Capital Funding		54 501	71 491	–	1 146	15 748	35 736	(19 988)	-56%	71 491

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).

2. Include capital component of PPP unitary payment

3. Capital expenditure by functional classification must reconcile to the total of multi-year and single year appropriations

4. Include expenditure on investment property, intangible and biological assets

5. Must reconcile to Monthly Budget Statement Financial Performance (revenue and expenditure)

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

KZN293 Ndwedwe - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - A - M06 December

Vote Description	Ref	2017/18	Budget Year 2018/19							
R thousand		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<u>Capital expenditure - Municipal Vote</u>										
<u>Expenditure of multi-year capital appropriation</u>	1									
Vote 1 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–		–
1.1 - Executive and Council								–		
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Vote 2 - Municipal Manager		–	–	–	–	–	–	–		–
2.1 - Municipal Manager								–		
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Vote 3 - BUDGET AND TREASURY OFFICE		–	–	–	–	–	–	–		–
3.1 - Finance								–		
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Vote 4 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
4.1 - Corporate Services								–		
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Vote 5 - TECHNICAL SERVICES		–	–	–	–	–	–	–		–
5.1 - Technical Services								–		
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Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		–	–	–	–	–	–	–		–
6.1 - Economic Development and Planning								–		
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Vote 7 - COMMUNITY SERVICES		–	–	–	–	–	–	–		–
7.1 - COMMUNITY SERVICES								–		
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Total multi-year capital expenditure		–	–	–	–	–	–	–		–
<u>Capital expenditure - Municipal Vote</u>										
<u>Expenditue of single-year capital appropriation</u>	1									
Vote 1 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–		–

1.1 - Executive and Council				–			–		
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Vote 2 - Municipal Manager	–	–	–	–	–	–	–		–
2.1 - Municipal Manager				–			–		
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Vote 3 - BUDGET AND TREASURY OFFICE	–	**280**	–	–	64	**140**	(76)	-54%	**280**
3.1 - Finance		280		–	64	140	(76)	-54%	280
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Vote 4 - CORPORATE SERVICES	**1 463**	**1 100**	–	–	**355**	**552**	(197)	-36%	**1 100**
4.1 - Corporate Services	1 463	1 100		–	355	552	(197)	-36%	1 100
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Vote 5 - TECHNICAL SERVICES	**52 961**	**60 941**	–	**969**	**14 883**	**30 468**	(15 585)	-51%	**60 941**
5.1 - Technical Services	52 961	60 941		969	14 883	30 468	(15 585)	-51%	60 941
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Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING	–	**4 200**	–	**26**	**231**	**2 100**	(1 869)	-89%	**4 200**
6.1 - Economic Development and Planning		4 200		26	231	2 100	(1 869)	-89%	4 200
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Vote 7 - COMMUNITY SERVICES	**77**	**4 970**	–	**150**	**216**	**2 484**	(2 268)	-91%	**4 970**
7.1 - COMMUNITY SERVICES	77	4 970		150	216	2 484	(2 268)	-91%	4 970
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							–		
Total single-year capital expenditure	**54 501**	**71 491**	–	**1 146**	**15 748**	**35 744**	**(19 996)**	(0)	**71 491**
Total Capital Expenditure	**54 501**	**71 491**	–	**1 146**	**15 748**	**35 744**	**(19 996)**	(0)	**71 491**

References

1. Insert 'Vote'; e.g. Department, if different to standard structure

KZN293 Ndwedwe - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2017/18	Budget Year 2018/19			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash		17 623	3 122			3 122
Call investment deposits		104 660	108 609		161 008	108 609
Consumer debtors		7 892	4 306		22 995	4 306
Other debtors		3 172	5 654		8 098	5 654
Current portion of long-term receivables						
Inventory					21	
Total current assets		133 347	121 691	–	192 122	121 691
Non current assets						
Long-term receivables						
Investments						
Investment property						
Investments in Associate						
Property, plant and equipment		275 926	242 605		291 537	242 605
Agricultural						
Biological						
Intangible		589	763		763	763
Other non-current assets						
Total non current assets		276 515	243 368	–	292 300	243 368
TOTAL ASSETS		409 863	365 059	–	484 422	365 059
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing						
Consumer deposits					(34)	
Trade and other payables		30 957	21 183		38 311	21 183
Provisions		19	311		11 598	311
Total current liabilities		30 976	21 494	–	49 875	21 494
Non current liabilities						
Borrowing						
Provisions		1 397	1 091			1 091
Total non current liabilities		1 397	1 091	–	–	1 091
TOTAL LIABILITIES		32 373	22 585	–	49 875	22 585
NET ASSETS	2	377 490	342 474	–	434 547	342 474
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		377 490	307 814		336 228	307 814
Reserves			34 659		98 319	34 659
TOTAL COMMUNITY WEALTH/EQUITY	2	377 490	342 474	–	434 547	342 474

KZN293 Ndwedwe - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		12 222	7 866		366	11 142	3 933	7 209	183%	7 866
Service charges			–			–		–		–
Other revenue		753	546		92	3 690	273	3 417	1252%	546
Government - operating		169 233	134 412		38 843	97 420	67 206	30 214	45%	134 412
Government - capital			29 267		13 267	35 267	14 628	20 639	141%	29 267
Interest		10 484	13 286		819	6 112	6 648	(536)	-8%	13 286
Dividends			–					–		–
Payments										
Suppliers and employees		(127 522)	(160 740)		(19 246)	(96 674)	(81 366)	15 308	-19%	(160 740)
Finance charges		(117)						–		
Transfers and Grants						(127)		127	#DIV/0!	
NET CASH FROM/(USED) OPERATING ACTIVITIES		65 053	24 636	–	34 141	56 831	11 322	(45 509)	-402%	24 636
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (Increase) in non-current debtors								–		
Decrease (increase) other non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(54 501)	(71 491)		(1 146)	(18 105)	(35 742)	(17 637)	49%	(71 491)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(54 501)	(71 491)	–	(1 146)	(18 105)	(35 742)	(17 637)	49%	(71 491)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing								–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		10 552	(46 855)	–	32 995	38 725	(24 420)			(46 855)
Cash/cash equivalents at beginning:		111 731	111 731			122 283	111 731			122 283
Cash/cash equivalents at month/year end:		122 283	64 876	–		161 008	87 311			75 428

PART 2

2.1 Debtors Analysis

KZN293 Ndwedwe - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2018/19											
R thousands		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–		
Receivables from Non-exchange Transactions - Property Rates	1400	129	116	(14)	204	102	3 270	1 414	8 882	14 104	13 873		
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–		
Receivables from Exchange Transactions - Waste Management	1600	–	–	–	–	–	–	–	–	–	–		
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	21	122	143	143		
Interest on Arrear Debtor Accounts	1810	50	50	49	56	56	59	388	2 824	3 534	3 385		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–		
Other	1900	(5)	10	(13)	3	1	18	16	3	34	40		
Total By Income Source	**2000**	**175**	**176**	**23**	**263**	**159**	**3 348**	**1 840**	**11 832**	**17 815**	**17 442**	**–**	**–**
2017/18 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	12	10	(10)	19	14	2 993	104	3 626	6 768	6 756		
Commercial	2300	128	115	21	205	119	124	1 347	5 458	7 518	7 253		
Households	2400	18	18	10	26	18	18	311	2 000	2 421	2 374		
Other	2500	16	32	2	13	7	212	78	748	1 108	1 059		
Total By Customer Group	**2600**	**175**	**176**	**23**	**263**	**159**	**3 348**	**1 840**	**11 832**	**17 815**	**17 442**	**–**	**–**

- The above table reflects the municipal debtors by income sources as well as by customer group.
- Property rates remain the main debtors of the municipality for infrastructure owned by National Public Works Department followed by the interest charged on outstanding debtors.