

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 October 2020.

11/11/2020

Budget & Treasury Office

1. PART 1 – MONTHLY REPORT

1.1 PURPOSE

To table a report on the Implementation of the current budget and the financial state of the Municipality in terms of Section 71 of the Municipal Finance Management Act (MFMA)

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/DISCUSSION

The discussion that follows, in terms of MFMA Section 71 above, intends to inform the Budget & Treasury Committee on the progress made thus far in terms of implementing the 2020/2021 budget for the period ending 31 October 2020

1.3 Resolutions

This report will be tabled to Finance committee and Executive Committee therefore the resolution will be available once it tabled to council in terms of Sec 52 (d) of the MFMA.

This report analysis the three main components of the budget against actual results with,

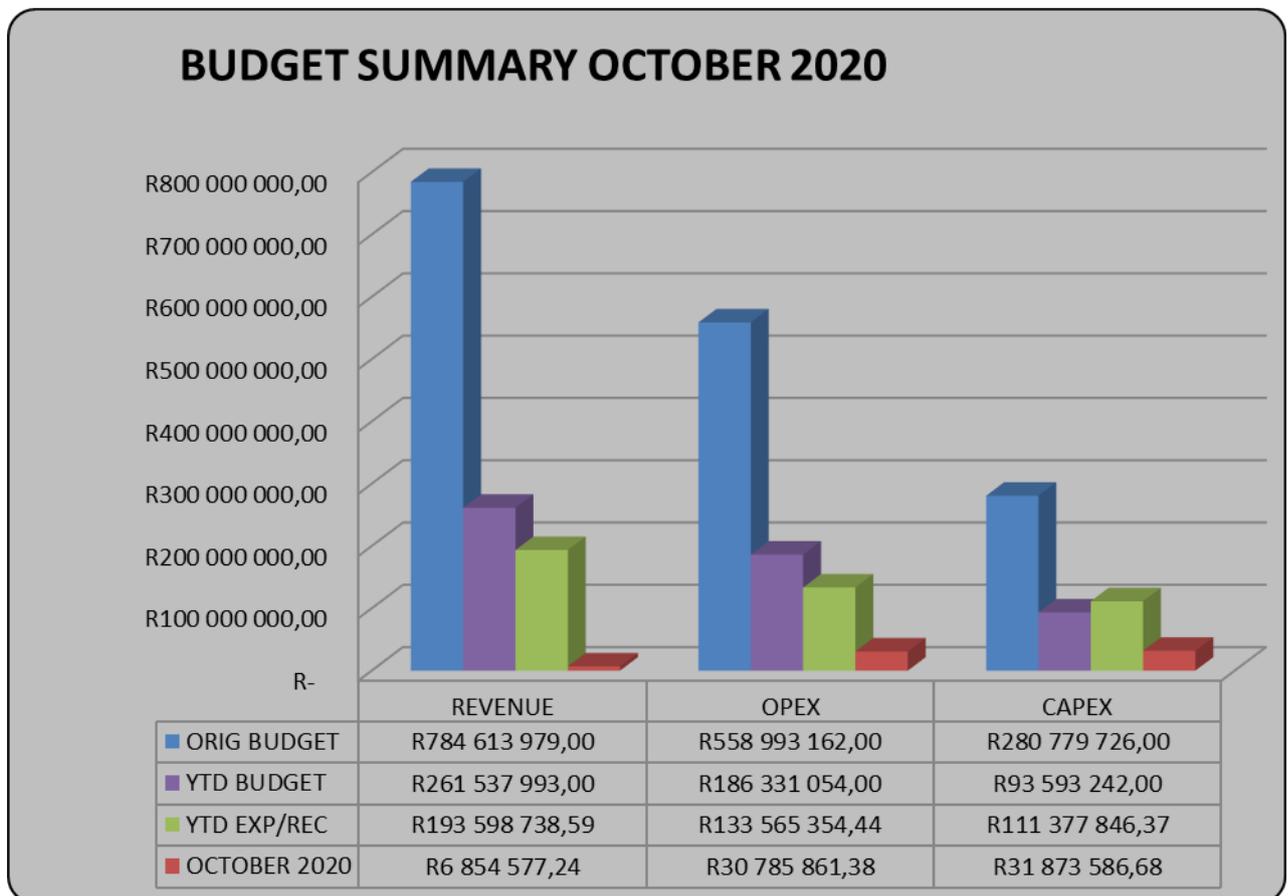
- Revenue
- Operational, and
- Capital Budgets

It further looks at other reportable matters in terms of section 71 of the MFMA.

Budget summary

The budget summary is intended to give an overall summary with regards to the implementation of the 2020/2021 budget for the period ending 31 October 2020. Chart 1 presented below gives a summary of the budgeted Revenue, Operating as well as Capital expenditure and the movements for the month of October as well as the Year to Date movements (YTD).

Chart 1: Budget vs. Expenditure Summary



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 Consolidated Monthly Budget Statement Summary - M04 October

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	70 463	71 050	71 050	5 758	21 721	23 683	(1 962)	-8%	71 050
Investment revenue	6 196	7 681	7 681	203	935	2 560	(1 626)	-63%	7 681
Transfers and subsidies	380 256	387 266	431 049	-	167 553	137 845	29 708	22%	431 049
Other own revenue	15 464	11 345	11 345	893	3 390	3 782	(392)	-10%	11 345
Total Revenue (excluding capital transfers and contributions)	472 379	477 343	521 126	6 855	193 599	167 871	25 728	15%	521 126
Employee costs	190 401	222 746	222 746	18 134	66 253	74 249	(7 997)	-11%	222 746
Remuneration of Councillors	7 702	8 018	8 018	682	2 670	2 673	(3)	-0%	8 018
Depreciation & asset impairment	71 944	84 249	84 249	-	-	28 083	(28 083)	-100%	84 249
Finance charges	4 284	4 385	4 385	-	-	1 462	(1 462)	-100%	4 385
Materials and bulk purchases	28 232	27 745	28 745	1 740	6 340	9 448	(3 108)	-33%	28 745
Transfers and subsidies	14 000	-	-	-	5 000	-	5 000	#DIV/0!	-
Other expenditure	243 894	207 401	210 851	10 229	53 302	69 824	(16 522)	-24%	210 851
Total Expenditure	560 458	554 543	558 993	30 786	133 565	185 739	(52 173)	-28%	558 993
Surplus/(Deficit)	(88 079)	(77 200)	(37 867)	(23 931)	60 033	(17 868)	77 901	-436%	(37 867)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	263 488	-	-	87 829	(87 829)	-100%	263 488
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	5 863	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	180 299	186 288	225 621	(23 931)	60 033	69 961	(9 928)	-14%	225 621
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	180 299	186 288	225 621	(23 931)	60 033	69 961	(9 928)	-14%	225 621
Capital expenditure & funds sources									
Capital expenditure	240 195	271 221	280 780	31 874	111 378	92 319	19 059	21%	280 780
Capital transfers recognised	234 687	263 488	263 488	31 874	103 720	87 829	15 890	18%	263 488
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	17 292	-	7 658	4 490	3 169	71%	17 292
Total sources of capital funds	240 195	271 221	280 780	31 874	111 378	92 319	19 059	21%	280 780
Financial position									
Total current assets	101 841	54 206	101 768	-	173 433	-	-	-	101 768
Total non current assets	2 341 369	2 290 106	2 576 729	-	2 452 747	-	-	-	2 576 729
Total current liabilities	122 351	85 282	105 190	-	247 623	-	-	-	105 190
Total non current liabilities	44 948	27 811	37 425	-	42 613	-	-	-	37 425
Community wealth/Equity	2 330 681	2 231 219	2 496 549	-	2 320 944	-	-	-	2 496 549
Cash flows									
Net cash from (used) operating	232 930	269 092	291 320	44	154 415	97 107	(57 308)	-59%	291 320
Net cash from (used) investing	(279 405)	(271 221)	(280 780)	(31 874)	(111 378)	(93 593)	17 785	-19%	(280 780)
Net cash from (used) financing	(12 528)	(4 555)	(9 741)	-	-	(3 247)	(3 247)	100%	(9 741)
Cash/cash equivalents at the month/year end	(640)	6 237	41 471	-	83 708	267	(83 441)	-31301%	800
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	7 818	5 881	5 054	5 175	8 512	3 750	26 358	147 094	209 642
Creditors Age Analysis									
Total Creditors	2 103	7 989	-	-	-	-	-	-	10 092

Financial Performance

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

DC43 Harry Gwala - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M04 October

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	368 076	391 887	437 170	249	168 858	139 685	29 173	21%	437 170
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	368 076	391 887	437 170	249	168 858	139 685	29 173	21%	437 170
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7 928	6 966	5 466	-	-	2 022	(2 022)	-100%	5 466
Planning and development	7 928	6 966	5 466	-	-	2 022	(2 022)	-100%	5 466
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	364 753	341 978	341 978	6 605	24 740	113 993	(89 252)	-78%	341 978
Energy sources	-	-	-	-	-	-	-	-	-
Water management	348 448	321 468	321 468	4 924	19 528	107 156	(87 628)	-82%	321 468
Waste water management	16 305	20 510	20 510	1 681	5 212	6 837	(1 625)	-24%	20 510
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	740 757	740 831	784 614	6 855	193 599	255 700	(62 101)	-24%	784 614
Expenditure - Functional									
<i>Governance and administration</i>	251 148	240 522	244 816	14 264	63 177	80 958	(17 781)	-22%	244 816
Executive and council	18 818	24 234	24 234	946	6 196	8 078	(1 883)	-23%	24 234
Finance and administration	222 531	208 209	212 504	12 639	54 359	70 187	(15 828)	-23%	212 504
Internal audit	9 799	8 078	8 078	679	2 622	2 693	(71)	-3%	8 078
<i>Community and public safety</i>	16 687	18 788	18 788	1 344	5 180	6 263	(1 083)	-17%	18 788
Community and social services	16 687	18 788	18 788	1 344	5 180	6 263	(1 083)	-17%	18 788
Sport and recreation	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	139 476	148 577	147 377	2 503	15 124	49 286	(34 161)	-69%	147 377
Planning and development	139 476	148 577	147 377	2 503	15 124	49 286	(34 161)	-69%	147 377
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	153 146	146 657	148 012	12 674	50 084	49 232	852	2%	148 012
Energy sources	-	-	-	-	-	-	-	-	-
Water management	150 572	145 857	147 212	12 615	49 858	48 965	893	2%	147 212
Waste water management	2 574	800	800	59	226	267	(41)	-15%	800
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	560 458	554 543	558 993	30 786	133 565	185 739	(52 173)	-28%	558 993
Surplus/ (Deficit) for the year	180 299	186 288	225 621	(23 931)	60 033	69 961	(9 928)	-14%	225 621

This table assess the revenue by department and then the expenditure for the period ending 31 October 2020. Revenue receipts in October have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of October is 3%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department as the department responsible for the repairs and maintenance of the municipal assets and also with the largest staff complement, shares the greatest bulk of this budget and hence the expenditure of R12, 6m.

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

DC43 Harry Gwala - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-		-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-		-
Vote 03 - Summary Budget And Treasury Office	366 522	391 887	437 170	229	168 797	139 685	29 112	20,8%	437 170
Vote 04 - Summary Corporate Services	1 447	-	-	20	20	-	20	#DIV/0!	-
Vote 05 - Summary Social Services & Development Planning	928	6 966	5 466	-	-	2 022	(2 022)	-100,0%	5 466
Vote 06 - Summary Infrastructure Services	287 979	270 928	270 928	276	904	90 309	(89 405)	-99,0%	270 928
Vote 07 - Summary Water Services	83 881	71 050	71 050	6 330	23 877	23 683	194	0,8%	71 050
Vote 15 - Other	-	-	-	-	-	-	-		-
Total Revenue by Vote	740 757	740 831	784 614	6 855	193 599	255 700	(62 101)	-24,3%	784 614
Expenditure by Vote									
Vote 01 - Summary Council	10 296	15 677	15 677	688	4 780	5 226	(446)	-8,5%	15 677
Vote 02 - Summary Municipal Manager	18 321	16 635	16 635	937	4 038	5 545	(1 507)	-27,2%	16 635
Vote 03 - Summary Budget And Treasury Office	99 612	84 548	84 548	4 088	14 836	28 183	(13 347)	-47,4%	84 548
Vote 04 - Summary Corporate Services	84 939	81 310	81 760	6 770	26 753	27 194	(441)	-1,6%	81 760
Vote 05 - Summary Social Services & Development Planning	49 942	58 793	57 293	2 209	14 198	19 298	(5 100)	-26,4%	57 293
Vote 06 - Summary Infrastructure Services	114 515	112 989	113 289	1 988	7 502	37 723	(30 221)	-80,1%	113 289
Vote 07 - Summary Water Services	182 831	184 590	189 790	14 107	61 460	62 570	(1 111)	-1,8%	189 790
Vote 15 - Other	-	-	-	-	-	-	-		-
Total Expenditure by Vote	560 458	554 543	558 993	30 786	133 565	185 739	(52 173)	-28,1%	558 993
Surplus/ (Deficit) for the year	180 299	186 288	225 621	(23 931)	60 033	69 961	(9 928)	-14,2%	225 621

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 October 2020.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - water revenue	54 157	50 540	50 540	4 354	17 482	16 847	635	4%	50 540
Service charges - sanitation revenue	16 305	20 510	20 510	1 404	4 239	6 837	(2 598)	-38%	20 510
Interest earned - external investments	6 196	7 681	7 681	203	935	2 560	(1 626)	-63%	7 681
Interest earned - outstanding debtors	12 632	10 238	10 238	854	3 115	3 413	(298)	-9%	10 238
Fines, penalties and forfeits	-	-	-	-	183	-	183	#DIV/0!	-
Transfers and subsidies	380 256	387 266	431 049	-	167 553	137 845	29 708	22%	431 049
Other revenue	1 770	1 107	1 107	39	92	369	(277)	-75%	1 107
Gains	1 062	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	472 379	477 343	521 126	6 855	193 599	167 871	25 728	15%	521 126
Expenditure By Type									
Employee related costs	190 401	222 746	222 746	18 134	66 253	74 249	(7 997)	-11%	222 746
Remuneration of councillors	7 702	8 018	8 018	682	2 670	2 673	(3)	0%	8 018
Debt impairment	43 060	26 556	26 556	-	-	8 852	(8 852)	-100%	26 556
Depreciation & asset impairment	71 944	84 249	84 249	-	-	28 083	(28 083)	-100%	84 249
Finance charges	4 284	4 385	4 385	-	-	1 462	(1 462)	-100%	4 385
Bulk purchases	22 833	18 632	18 632	1 380	5 166	6 211	(1 045)	-17%	18 632
Other materials	5 400	9 113	10 113	360	1 175	3 238	(2 063)	-64%	10 113
Contracted services	142 512	118 356	120 856	4 846	34 596	39 952	(5 356)	-13%	120 856
Transfers and subsidies	14 000	-	-	-	5 000	-	5 000	#DIV/0!	-
Other expenditure	55 607	62 488	63 438	5 384	18 707	21 020	(2 313)	-11%	63 438
Losses	2 714	-	-	-	-	-	-	-	-
Total Expenditure	560 458	554 543	558 993	30 786	133 565	185 739	(52 173)	-28%	558 993
Surplus/(Deficit)	(88 079)	(77 200)	(37 867)	(23 931)	60 033	(17 868)	77 901	(0)	(37 867)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	263 488	-	-	87 829	(87 829)	(0)	263 488
Transfers and subsidies - capital (in-kind - all)	5 863	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	180 299	186 288	225 621	(23 931)	60 033	69 961			225 621
Taxation							-		
Surplus/(Deficit) after taxation	180 299	186 288	225 621	(23 931)	60 033	69 961			225 621
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	180 299	186 288	225 621	(23 931)	60 033	69 961			225 621
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	180 299	186 288	225 621	(23 931)	60 033	69 961			225 621

Capital Expenditure

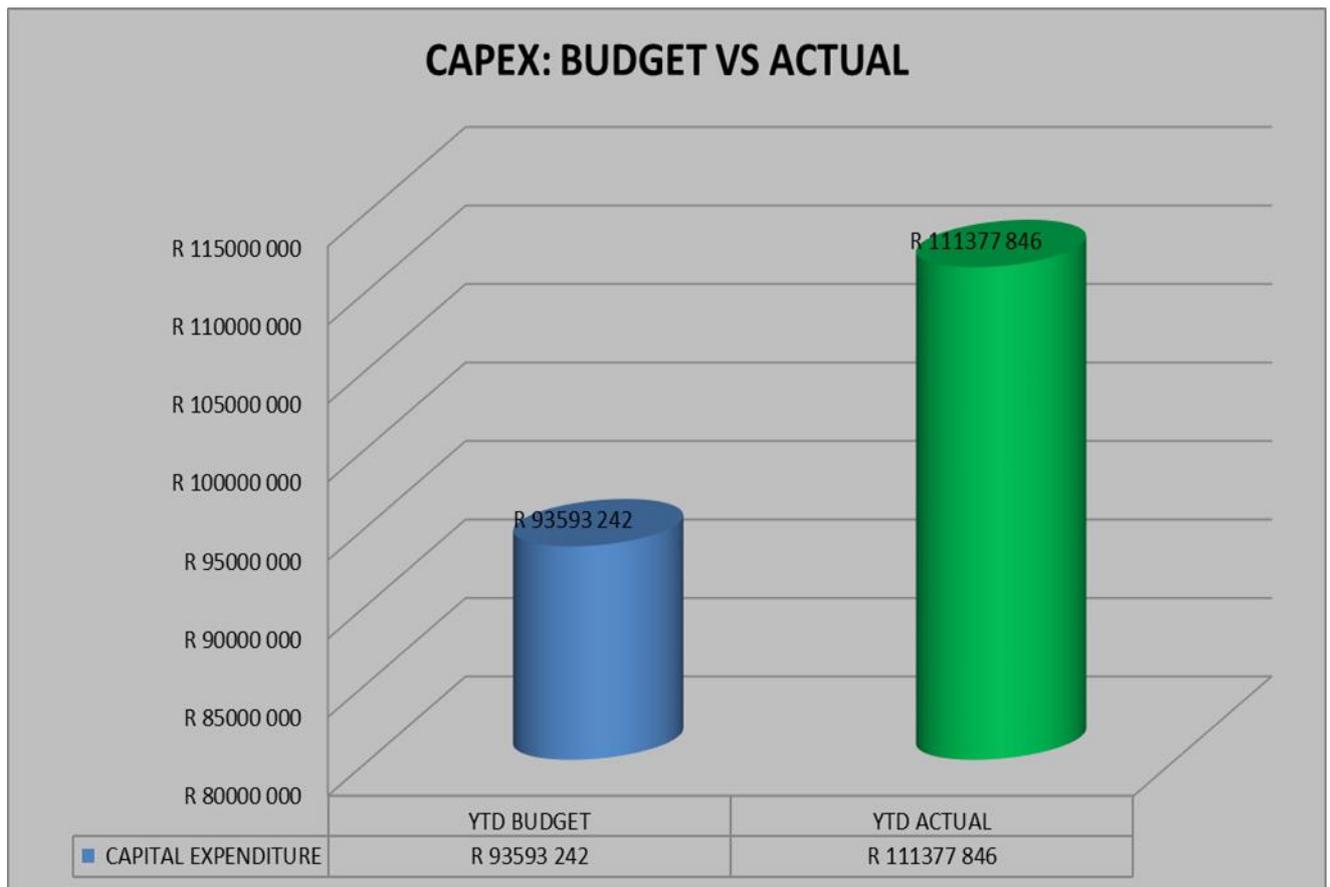
Table C5 below reports on the capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	281	324	324	-	-	108	(108)	-100%	324
Vote 04 - Summary Corporate Services	3 814	2 350	3 450	-	303	1 003	(700)	-70%	3 450
Vote 05 - Summary Social Services & Development Planning	-	3 060	11 518	-	7 355	2 712	4 643	171%	11 518
Vote 06 - Summary Infrastructure Services	223 225	9 026	9 026	931	10 314	3 009	7 306	243%	9 026
Vote 07 - Summary Water Services	11 855	256 462	256 462	30 942	93 405	85 487	7 918	9%	256 462
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	239 175	271 221	280 780	31 874	111 378	92 319	19 059	21%	280 780
Single Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	1 020	-	-	-	-	-	-	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	1 020	-	-	-	-	-	-	-	-
Total Capital Expenditure	240 195	271 221	280 780	31 874	111 378	92 319	19 059	21%	280 780
Capital Expenditure - Functional Classification									
Governance and administration	4 095	2 964	4 064	-	303	1 208	(905)	-75%	4 064
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 095	2 964	4 064	-	303	1 208	(905)	-75%	4 064
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	2 500	10 958	-	7 355	2 525	4 830	191%	10 958
Community and social services	-	2 500	10 958	-	7 355	2 525	4 830	191%	10 958
Economic and environmental services	1 693	270	270	-	-	90	(90)	-100%	270
Planning and development	1 693	270	270	-	-	90	(90)	-100%	270
Trading services	234 406	265 488	265 488	31 874	103 720	88 496	15 224	17%	265 488
Energy sources	-	-	-	-	-	-	-	-	-
Water management	198 896	220 615	220 615	29 746	99 240	73 539	25 701	35%	220 615
Waste water management	35 511	44 873	44 873	2 128	4 480	14 958	(10 478)	-70%	44 873
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	240 195	271 221	280 780	31 874	111 378	92 319	19 059	21%	280 780
Funded by:									
National Government	222 832	263 488	263 488	31 874	103 720	87 829	15 890	18%	263 488
Provincial Government	11 855	-	-	-	-	-	-	-	-
Transfers recognised - capital	234 687	263 488	263 488	31 874	103 720	87 829	15 890	18%	263 488
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	17 292	-	7 658	4 490	3 169	71%	17 292
Total Capital Funding	240 195	271 221	280 780	31 874	111 378	92 319	19 059	21%	280 780

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

Chart 1: 2020/2021 CAPEX



As alluded to above, the capital expenditure programme for the period ending 31 October 2020 was R 111, 3m which represents 119% of capital expenditure against year to date budget of R93, 5million. The capital expenditure programme has been improved and therefore the great expenditures reflected on National grant funding.

Table C6 displays the financial position of the municipality as at 31 October 2020.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M04 October

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	23 704	1 720	23 308	(86 224)	23 308
Call investment deposits	16 967	4 517	18 163	176 021	18 163
Consumer debtors	33 364	33 454	37 114	42 768	37 114
Other debtors	27 538	14 334	22 917	40 600	22 917
Current portion of long-term receivables	-	-	-	-	-
Inventory	267	181	267	267	267
Total current assets	101 841	54 206	101 768	173 433	101 768
Non current assets					
Investment property	-	-	-	-	-
Investments in Associate	-	-	-	-	-
Property, plant and equipment	2 340 494	2 288 618	2 575 900	2 451 872	2 575 900
Biological					
Intangible	875	1 489	829	875	829
Other non-current assets	0	0	0	0	0
Total non current assets	2 341 369	2 290 106	2 576 729	2 452 747	2 576 729
TOTAL ASSETS	2 443 210	2 344 313	2 678 497	2 626 180	2 678 497
<u>LIABILITIES</u>					
Current liabilities					
Borrowing	-	4 555	-	(68)	-
Consumer deposits	1 863	1 845	2 008	1 905	2 008
Trade and other payables	107 194	68 734	89 888	232 492	89 888
Provisions	13 294	10 148	13 294	13 294	13 294
Total current liabilities	122 351	85 282	105 190	247 623	105 190
Non current liabilities					
Borrowing	26 469	3 485	16 040	24 134	16 040
Provisions	18 479	24 326	21 385	18 479	21 385
Total non current liabilities	44 948	27 811	37 425	42 613	37 425
TOTAL LIABILITIES	167 300	113 094	142 615	290 236	142 615
NET ASSETS	2 275 910	2 231 219	2 535 882	2 335 944	2 535 882
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	2 330 681	2 231 219	2 496 549	2 320 944	2 496 549
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 330 681	2 231 219	2 496 549	2 320 944	2 496 549

Table C7 below display the Cash Flow Statement for the period ending 31 October 2020.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M04 October

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates							-		
Service charges	51 990	53 288	46 183	6 588	20 856	15 394	5 462	35%	46 183
Other revenue	11 626	1 107	7 732	39	275	2 577	(2 303)	-89%	7 732
Transfers and Subsidies - Operational	339 907	387 266	431 049	-	171 424	143 683	27 741	19%	431 049
Transfers and Subsidies - Capital	274 335	263 488	263 488	24 000	131 026	87 829	43 197	49%	263 488
Interest	7 257	7 681	7 681	203	935	2 560	(1 626)	-63%	7 681
Dividends							-		-
Payments									
Suppliers and employees	(447 672)	(439 354)	(460 428)	(30 786)	(170 101)	(153 476)	16 625	-11%	(460 428)
Finance charges	(4 180)	(4 385)	(4 385)	-	-	(1 462)	(1 462)	100%	(4 385)
Transfers and Grants	(332)	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	232 930	269 092	291 320	44	154 415	97 107	(57 308)	-59%	291 320
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(279 405)	(271 221)	(280 780)	(31 874)	(111 378)	(93 593)	17 785	-19%	(280 780)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(279 405)	(271 221)	(280 780)	(31 874)	(111 378)	(93 593)	17 785	-19%	(280 780)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits							-		
Payments									
Repayment of borrowing	(12 528)	(4 555)	(9 741)	-	-	(3 247)	(3 247)	100%	(9 741)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(12 528)	(4 555)	(9 741)	-	-	(3 247)	(3 247)	100%	(9 741)
NET INCREASE/ (DECREASE) IN CASH HELD	(59 003)	(6 685)	800	(31 829)	43 037	267			800
Cash/cash equivalents at beginning:	58 363	12 922	40 671		40 671				
Cash/cash equivalents at month/year end:	(640)	6 237	41 471		83 708	267			800

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 October 2020.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October										
Description	Budget Year 2020/21									
	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	5 019	3 775	3 244	3 322	5 464	2 407	16 920	94 423	134 574	122 536
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 961	1 475	1 267	1 298	2 135	940	6 610	36 887	52 573	47 870
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	839	631	542	555	913	402	2 828	15 784	22 495	20 483
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	7 818	5 881	5 054	5 175	8 512	3 750	26 358	147 094	209 642	190 889
2019/20 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	2 925	974	536	212	325	116	883	3 197	9 170	4 734
Commercial	785	732	532	634	953	311	2 366	8 450	14 763	12 714
Households	4 108	4 174	3 986	4 329	7 234	3 323	23 109	135 447	185 709	173 442
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	7 818	5 881	5 054	5 175	8 512	3 750	26 358	147 094	209 642	190 889

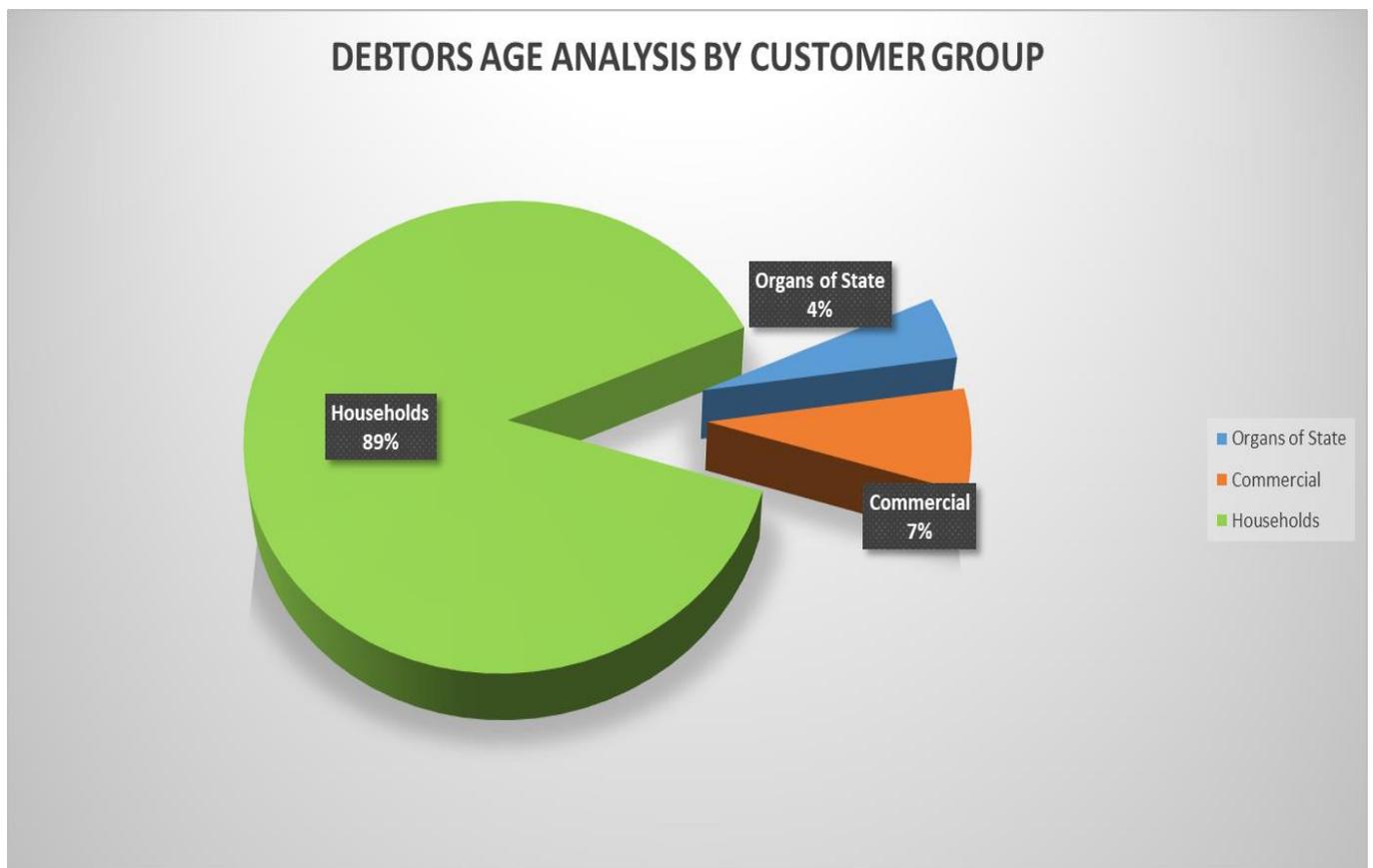
Table 2.1.2: Debtors Age Analysis by Customer Category

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

Chart 2: Debtors Age Analysis by Customer Group

The information presented in the chart above ranks total debt owed to the municipality from highest to the lowest,

- ✓ Households: 89%
- ✓ Government 4%
- ✓ 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

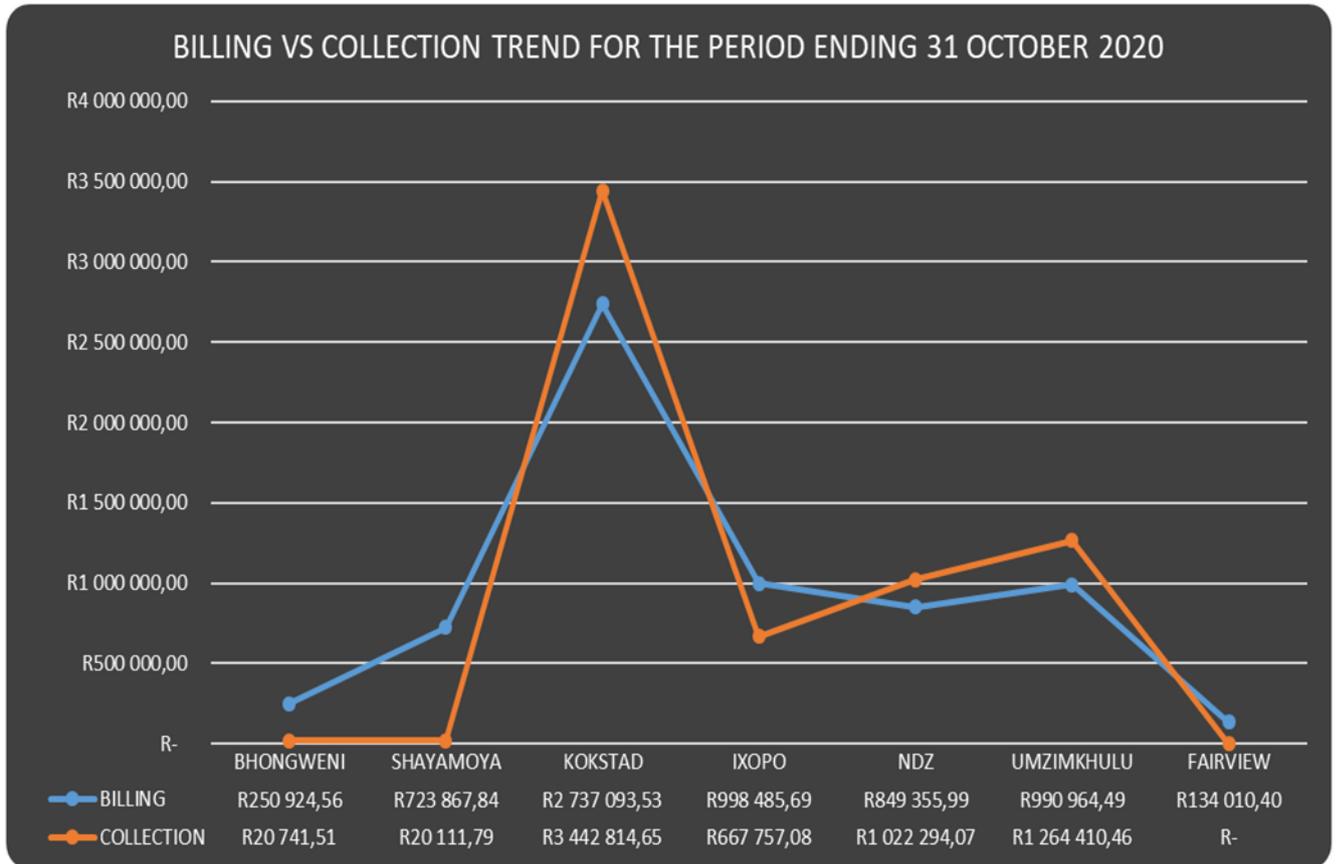
REVENUE RECEIPTS

Revenue receipts per Area

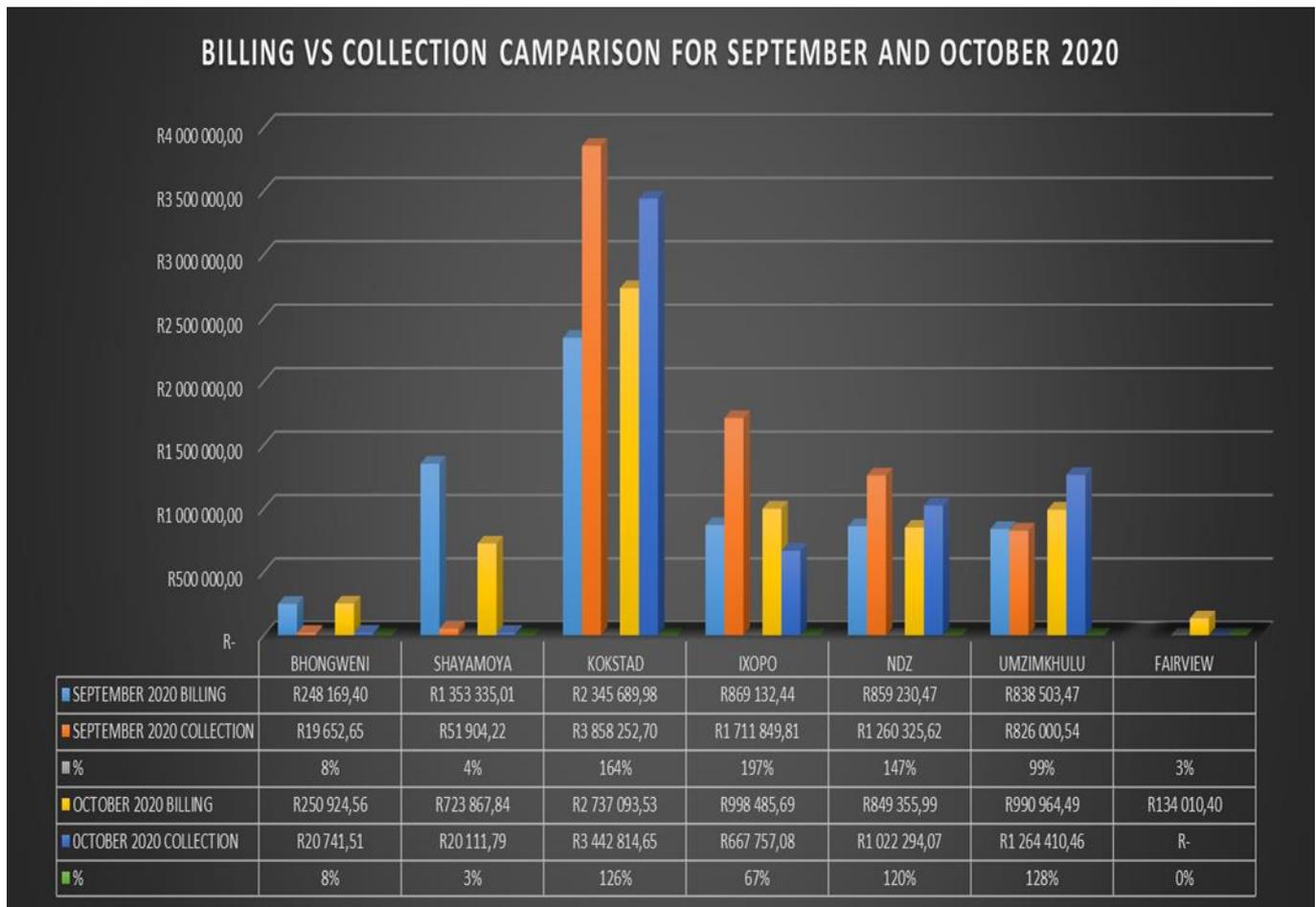
AREA	AMOUNT	OCTOBER	SEPTEMBER
		2020	2020
Unallocated receipts	R 149 816	2%	3%
Bhongweni	R 20 742	0%	0%
Shayamoya	R 20 112	0%	1%
Kokstad	R 3 442 815	52%	48%
Ixopo	R 667 757	10%	21%
NDZ	R 1 022 294	16%	16%
Umzimkhulu	R 1 264 410	19%	10%
Fairview	R 0	0%	0%
TOTAL RECEIPTS INCL VAT	R 6 587 946	100%	100%

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 October 2020 is R6, 5million. The total billing for the period ending 31 October 2020 is R 26, 5million against collection of R 20, 8million representing 79 per cent collection rate

The chart that follows below shows the comparison between billing and collection trend for the period ending 31 October 2020



The chart that follows below shows the comparison between billing and collection for the period ending 31 October 2020.



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 209 642 403 as at 31 October 2020 compared with the R 209 512 006 as at 30 September 2020. Current debt represent 4% of the total outstanding debt compared with the 5% of September 2020; 30 days and older debt 3% compared with the 4% for September 2020; 60 days and older debt 2% compared with the 2% of September 2020; and 90 days 2% compared with the 3% of September 2020; 120 days to History and older 89% compared with the 85% for September 2020.

Current debt Increased with R 130,397 to R 209,642,403 compared with the R 209,512,006 as at 30 September 2020; 30 days + debt decreased with R 1,433,459; 60 days + Decreased with R 1,325,758; 90 days + debt Decreased with R 3,879,801 and 120 + days and older debt as at 31 October 2020 has Increased with R 6,846,481 to R 185,714,663 compared with the R 178,868,182 as at 30 September 2020.

Debtors age analysis per debtor type

Business debtors owes the municipality R 14,544,808 (7%); Municipal debtors R 829,870 (1%); domestic debtors R 175,181,563 (84%); Government accounts R 7,915,392 (4%); Indigent debtors R 6,959,847 (3%) and other debtors R 4,210,924 (2%) of the total outstanding debt of R 209,642,403.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 October 2020

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description	Budget Year 2020/21								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	1 682								1 682
Auditor General	421	7 989							8 410
Other									-
Total By Customer Type	2 103	7 989	-	-	-	-	-	-	10 092

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 October 2020.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October								
Investments by maturity Name of institution & investment ID	Type of Investment	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands								
Municipality								
FIRST NATIONAL BANK	CALL ACCOUNT			46 952	84	(17 600)	-	29 436
FIRST NATIONAL BANK	CALL ACCOUNT			24 806	19	(22 556)	-	2 268
FIRST NATIONAL BANK	ADMIN CALL			46 329	77	(15 968)	-	30 438
INVESTEC	FIXED DEPOSIT			2 136	6	-	-	2 142
FIRST NATIONAL BANK	FIXED DEPOSIT			9 422	11	(9 420)	-	13
FIRST NATIONAL BANK	CALL ACCOUNT			4	-	-	-	4
FIRST NATIONAL BANK	CALL ACCOUNT			2	-	-	-	2
FIRST NATIONAL BANK	CALL ACCOUNT			2 549	3	(2 515)	-	37
FIRST NATIONAL BANK	FIXED DEPOSIT			2 581	4	-	-	2 585
CURRENT ACCOUNT				1 431		-	15 353	16 784
Municipality sub-total				136 212	203	(68 060)	15 353	83 708
TOTAL INVESTMENTS AND INTEREST				136 212		(68 060)	15 353	83 708

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 - M04 October

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	379 924	385 766	431 049	-	167 553	137 645	29 908	21,7%	431 049
Energy Efficiency and Demand Side Management Grant	7 000	-	-	-	-	-	-	-	-
Equitable Share	345 309	372 340	417 623	-	167 553	133 170	34 383	25,8%	417 623
Expanded Public Works Programme Integrated Grant	5 316	5 195	5 195	-	-	1 732	(1 732)	-100,0%	5 195
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 000	1 000	-	-	333	(333)	-100,0%	1 000
Municipal Disaster Relief Grant	596	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 808	4 986	4 986	-	-	1 662	(1 662)	-100,0%	4 986
Rural Road Asset Management Systems Grant	2 358	2 245	2 245	-	-	748	(748)	-100,0%	2 245
Water Services Infrastructure Grant	8 537	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	332	1 500	1 500	-	-	200	(200)	-100,0%	1 500
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	332	1 500	1 500	-	-	200	(200)	-100,0%	1 500
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	380 256	387 266	432 549	-	167 553	137 845	29 708	21,6%	432 549
Capital Transfers and Grants									
National Government:	262 515	263 488	263 488	-	-	87 829	(87 829)	-100,0%	263 488
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	191 052	194 462	194 462	-	-	64 821	(64 821)	-100,0%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	20 000	9 026	9 026	-	-	3 009	(3 009)	-100,0%	9 026
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 463	60 000	60 000	-	-	20 000	(20 000)	-100,0%	60 000
Provincial Government:	5 863	-	-	-	-	-	-	-	-
Specify (Add grant description)	5 863	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	268 379	263 488	263 488	-	-	87 829	(87 829)	-100,0%	263 488
TOTAL RECEIPTS OF TRANSFERS & GRANTS	648 634	650 754	696 037	-	167 553	225 675	(58 122)	-25,8%	696 037

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 - M04 October

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	514 184	467 489	475 299	26 780	116 151	156 872	(40 721)	-26,0%	475 299
Energy Efficiency and Demand Side Management Grant	6 087	-	-	-	-	-	-	-	-
Equitable Share	482 340	454 063	461 873	26 671	115 783	152 396	(36 614)	-24,0%	461 873
Expanded Public Works Programme Integrated Grant	5 218	5 195	5 195	58	175	1 732	(1 557)	-89,9%	5 195
Local Government Financial Management Grant	309	1 000	1 000	51	194	333	(140)	-41,8%	1 000
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	12 708	4 986	4 986	-	-	1 662	(1 662)	-100,0%	4 986
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 050	2 245	2 245	-	-	748	(748)	-100,0%	2 245
Water Services Infrastructure Grant	5 471	-	-	-	-	-	-	-	-
Provincial Government:	-	1 500	-	-	-	200	(200)	-100,0%	-
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	1 500	-	-	-	200	(200)	-100,0%	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	17 480	17 480	-	-	5 827	(5 827)	-100,0%	17 480
Other grant providers:	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	514 184	468 989	475 299	26 780	116 151	157 072	(40 921)	-26,1%	475 299
Capital expenditure of Transfers and Grants									
National Government:	222 832	263 488	263 488	31 874	103 720	87 829	15 890	18,1%	263 488
Local Government Financial Management Grant	281	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	155 868	194 462	194 462	22 968	76 815	64 821	11 994	18,5%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	19 379	9 026	9 026	139	3 995	3 009	987	32,8%	9 026
Water Services Infrastructure Grant	47 304	60 000	60 000	8 767	22 910	20 000	2 910	14,5%	60 000
Provincial Government:	11 855	-	-	-	-	-	-	-	-
Specify (Add grant description)	11 855	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	234 687	263 488	263 488	31 874	103 720	87 829	15 890	18,1%	263 488
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	748 871	732 477	738 787	58 653	219 871	244 901	(25 030)	-10,2%	738 787

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 October 2020.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

Summary of Employee and Councillor remuneration	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	5 041	5 844	5 700	457	1 808	1 932	(124)	-6%	5 700
Pension and UIF Contributions	507	319	370	43	171	112	59	52%	370
Medical Aid Contributions	54	48	48	5	19	16	3	18%	48
Cellphone Allowance	622	440	461	58	228	149	79	53%	461
Other benefits and allowances	1 478	1 367	1 439	120	445	464	(19)	-4%	1 439
Sub Total - Councillors	7 702	8 018	8 018	682	2 670	2 673	(3)	0%	8 018
% increase		4,1%	4,1%						4,1%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 637	3 719	3 719	336	1 343	1 240	103	8%	3 719
Pension and UIF Contributions	10	10	10	1	4	3	0	6%	10
Medical Aid Contributions	122	117	165	14	56	44	12	27%	165
Performance Bonus	53	56	56	-	55	19	37	194%	56
Motor Vehicle Allowance	928	923	1 110	88	351	328	22	7%	1 110
Cellphone Allowance	108	104	104	10	39	35	4	12%	104
Housing Allowances	160	163	163	13	53	54	(1)	-2%	163
Other benefits and allowances	434	385	428	38	153	133	20	15%	428
Sub Total - Senior Managers of Municipality	5 452	5 478	5 756	500	2 055	1 857	198	11%	5 756
% increase		0,5%	5,6%						5,6%
Other Municipal Staff									
Basic Salaries and Wages	108 070	119 067	115 427	11 468	40 203	39 285	918	2%	115 427
Pension and UIF Contributions	16 177	17 188	17 545	1 541	6 010	5 769	241	4%	17 545
Medical Aid Contributions	8 220	8 585	8 666	735	2 889	2 871	18	1%	8 666
Overtime	136	153	153	7	35	51	(16)	-32%	153
Performance Bonus	7 833	7 670	7 858	527	2 677	2 578	100	4%	7 858
Motor Vehicle Allowance	14 366	15 269	15 452	1 300	5 166	5 110	56	1%	15 452
Cellphone Allowance	781	833	833	67	270	278	(8)	-3%	833
Housing Allowances	487	510	510	46	183	170	13	8%	510
Other benefits and allowances	25 941	30 422	31 655	1 700	6 032	10 278	(4 246)	-41%	31 655
Payments in lieu of leave	3 208	780	2 040	203	496	400	96	24%	2 040
Long service awards	193	1 065	1 124	40	238	362	(123)	-34%	1 124
Post-retirement benefit obligations	(461)	3 125	3 125	-	-	1 042	(1 042)	-100%	3 125
Sub Total - Other Municipal Staff	184 950	204 667	204 389	17 634	64 198	68 192	(3 994)	-6%	204 389
% increase		10,7%	10,5%						10,5%
Total Parent Municipality	198 103	218 163	218 163	18 816	68 923	72 722	(3 799)	-5%	218 163
		10,1%	10,1%						10,1%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	124	(124)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	124	(124)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	2 130	2 130	-	-	710	(710)	-100%	2 130
Sub Total - Senior Managers of Entities	-	2 130	2 130	-	-	710	(710)	-100%	2 130
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 575	7 575	-	-	2 525	(2 525)	-100%	7 575
Pension and UIF Contributions	-	1 470	1 470	-	-	490	(490)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	160	(160)	-100%	479
Performance Bonus	-	533	533	-	-	178	(178)	-100%	533
Payments in lieu of leave	-	43	43	-	-	14	(14)	-100%	43
Sub Total - Other Staff of Entities	-	10 099	10 099	-	-	3 366	(3 366)	-100%	10 099
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 601	12 601	-	-	4 200	(4 200)	-100%	12 601
TOTAL SALARY, ALLOWANCES & BENEFITS	198 103	230 764	230 764	18 816	68 923	76 922	(7 999)	-10%	230 764
% increase		16,5%	16,5%						16,5%
TOTAL MANAGERS AND STAFF	190 401	222 374	222 374	18 134	66 253	74 125	(7 872)	-11%	222 374

2.6 Material Variances to the SDBIP

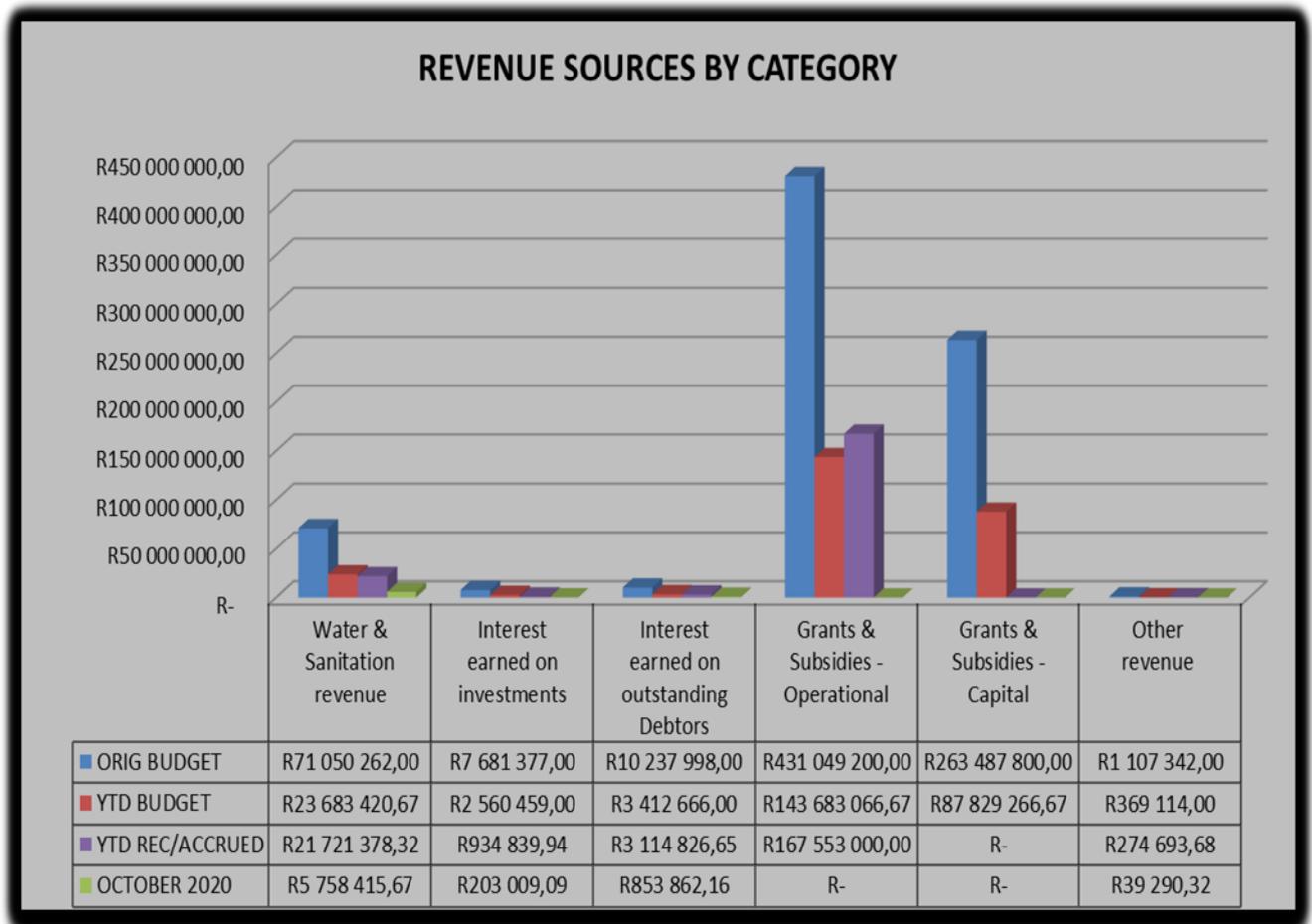
The following section analyses material variances between the actual targets as at 31 October 2020 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2020/2021 financial year revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to “performance” rather than “cash movements” in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

Chart 3: Revenue Analysis



Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 31 October 2020 was R21, 7million against a year to date **budget** of R23, 6million or 92 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R934 840 against year to budget of R2, 5m representing 37 per cent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R167, 5million against a year to date budget of R143, 6million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The low expenditure trends on grant funded expenditure had resulted in a rather lower than expected recognition of Income against the set targets. There was no movement in the period ending 31 October 2020.

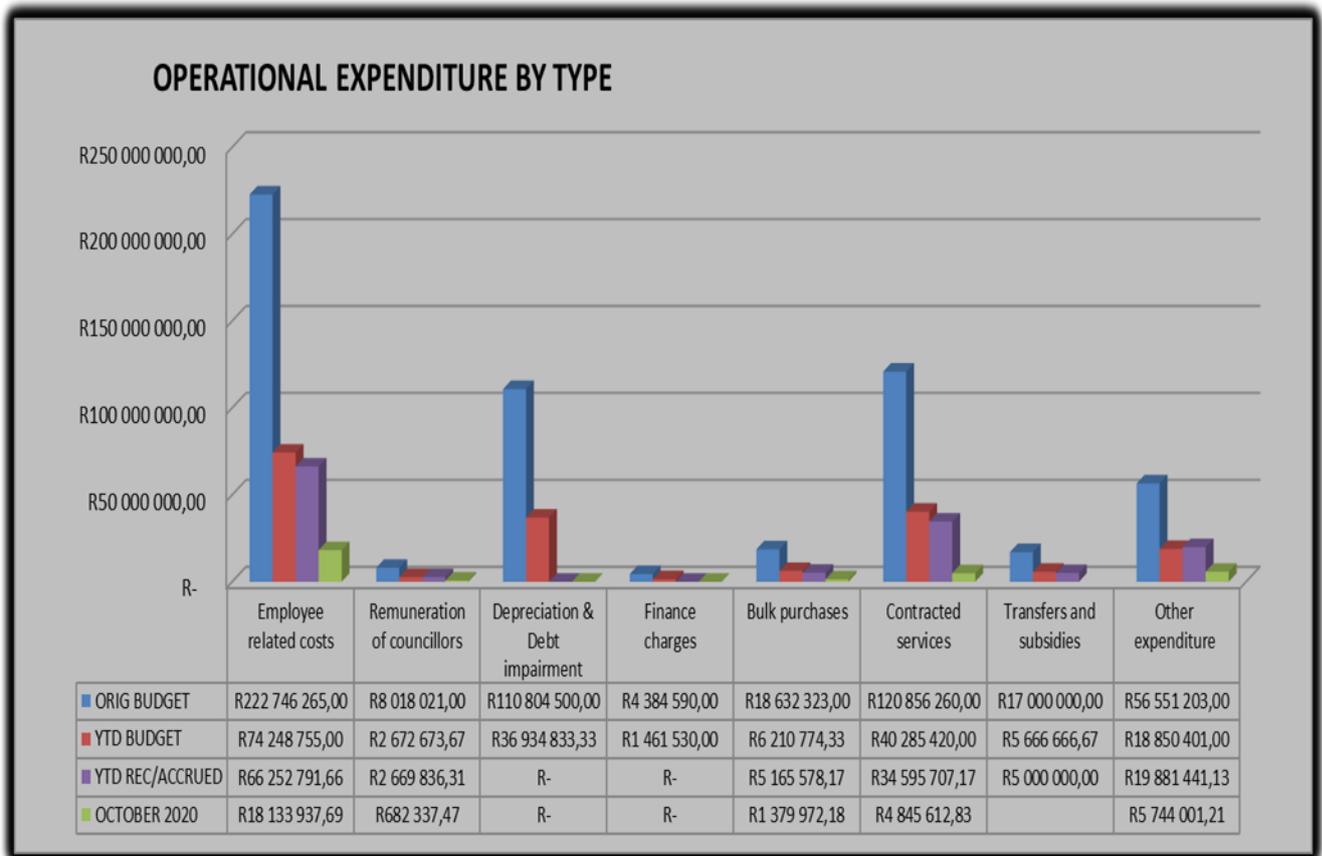
Other Revenue

The YTD performance of other revenue is R274 694 against YTD budget of R 369 114 which demonstrate 74 per cent performance.

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: 2020/2021 financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R74, 2million against a YTD actual of R66, 2million which is 89% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 2, 6million against a YTD budget of R 2, 6million representing 100% of the year to date budget.

Finance Charges

There was no movement for finance charges in the period ending 31 October 2020.

Bulk Purchases

The expenditure on Bulk Water purchases has the budget of R18, 6m. The year to date expenditure on bulk water purchases is R 5, 1m against a YTD budget of R 6, 2m representing 83% of the year to date budget.

Contracted Services

The YTD budget for contracted services was at R 40, 2million against a YTD expenditure of R 34, 5million and expenditure for the month of October 2020 is R4, 8million which demonstrate 86 per cent performance.

Other Expenditure

The YTD budget for other expenditure was at R 18, 8million against a YTD expenditure of R 19, 8million and expenditure for the month of October 2020 is R5, 7million.

Performance assessment

The Performance Assessment Report will be available on the fourth quarter in terms of Sec 52 (d) of the Municipal Finance Management Act.

Actual and revised targets for cash receipts

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M04 October

Description	Budget Year 2020/21												2020/21 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands															
Cash Receipts By Source															
Property rates															
Service charges - electricity revenue															
Service charges - water revenue	2 184	2 215	5 588	4 612	2 937	2 799	2 930	2 915	2 998	2 619	2 981	3 127	37 905	40 157	42 530
Service charges - sanitation revenue	936	949	2 395	1 976	1 214	1 217	1 144	1 426	1 394	1 202	1 368	161	15 383	16 297	17 262
Rental of facilities and equipment															
Interest earned - external investments	-	-	732	203	539	517	-	1 168	585	515	1 212	2 209	7 681	8 140	8 627
Transfers and Subsidies - Operational	169 125	2 299	-	-	72 388	-	-	646	138 874	-	131	3 803	387 266	411 458	441 097
Other revenue	-	209	26	39	92	92	92	92	92	92	92	187	1 107	1 165	1 224
Cash Receipts by Source	172 245	5 673	8 741	6 830	77 171	4 625	4 166	6 248	143 943	4 429	5 785	9 486	449 343	477 218	510 740
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	68 000	9 026	30 000	24 000	57 289	-	-	-	75 173	-	-	-	263 488	277 232	293 486
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	240 245	14 699	38 741	30 830	134 460	4 625	4 166	6 248	219 115	4 429	5 785	9 486	712 830	754 450	804 226
Cash Payments by Type															
Employee related costs	16 377	16 069	15 673	18 134	18 562	18 562	18 562	18 562	18 562	18 562	18 562	26 558	222 746	232 810	248 842
Remuneration of councillors	688	627	673	682	668	668	668	668	668	668	668	671	8 018	8 579	9 180
Interest paid	-	-	-	-	365	365	365	365	365	365	365	1 827	4 385	4 595	4 816
Bulk purchases - Water & Sewer	-	1 896	1 889	1 380	1 553	1 553	1 553	1 553	1 553	1 553	1 553	2 598	18 632	19 527	20 464
Other materials	-	85	729	360	759	759	759	759	759	759	759	2 622	9 113	9 432	9 885
Contracted services	12 933	6 474	17 835	4 846	9 863	9 863	9 863	9 863	9 863	9 863	9 863	7 228	118 356	132 296	138 735
General expenses	11 578	15 834	4 561	5 384	5 207	5 207	5 207	5 207	5 207	5 207	5 207	(11 319)	62 488	63 093	66 228
Cash Payments by Type	41 575	40 983	41 361	30 786	36 978	36 978	36 978	36 978	36 978	36 978	36 978	30 186	443 739	470 332	498 150
Other Cash Flows/Payments by Type															
Capital assets	17 453	27 579	34 472	31 874	22 602	22 602	22 602	22 602	22 602	22 602	22 602	1 631	271 221	281 421	297 885
Repayment of borrowing	-	-	-	-	-	4 871	-	-	-	-	-	4 871	9 741	1 287	1 365
Total Cash Payments by Type	59 029	68 562	75 833	62 659	59 580	64 451	59 580	59 580	59 580	59 580	59 580	36 687	724 701	753 041	797 399
NET INCREASE/(DECREASE) IN CASH HELD	181 217	(53 863)	(37 092)	(31 829)	74 880	(59 825)	(55 414)	(53 332)	159 535	(55 151)	(53 795)	(27 201)	(11 871)	1 409	6 827
Cash/cash equivalents at the month/year beginning:	40 671	221 888	168 025	130 932	99 103	173 983	114 158	58 744	5 412	164 947	109 796	56 001	40 671	28 800	30 209
Cash/cash equivalents at the month/year end:	221 888	168 025	130 932	99 103	173 983	114 158	58 744	5 412	164 947	109 796	56 001	28 800	28 800	30 209	37 036

Capital Expenditure on New Assets by Asset Class

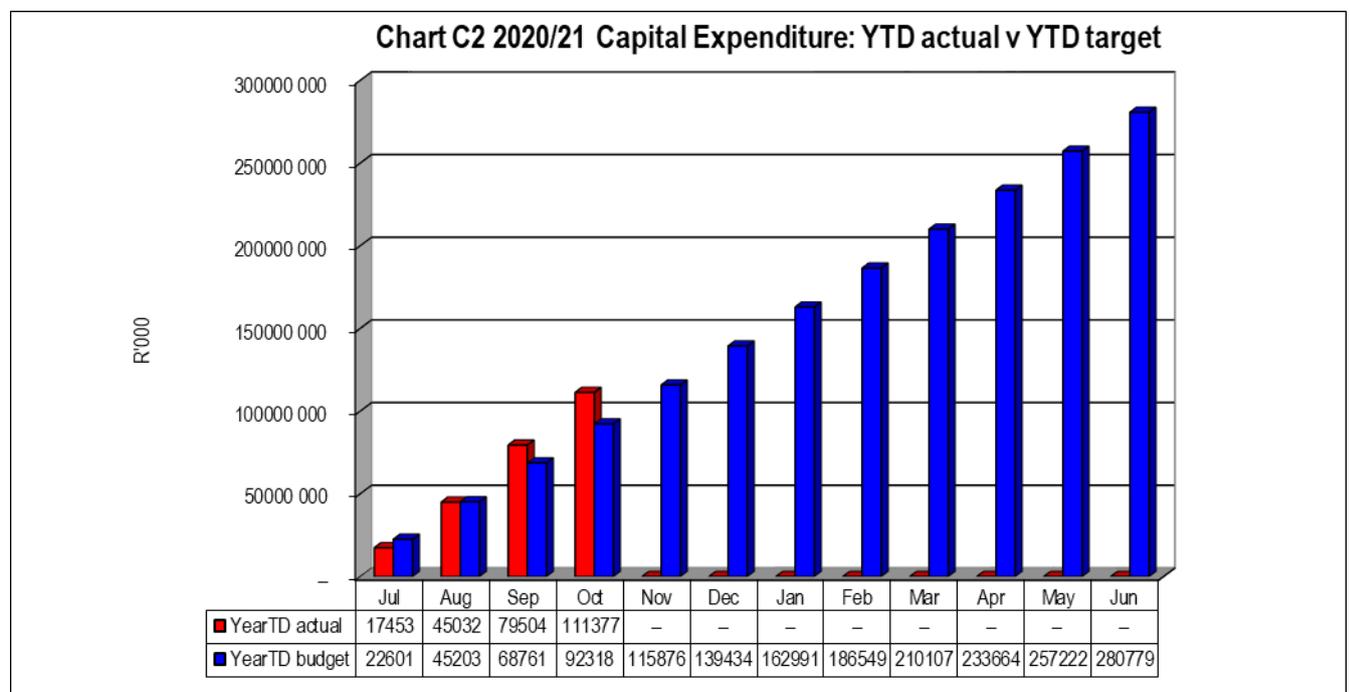
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M04

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted 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	105 103	248 033	248 033	28 984	98 813	82 678	(16 135)	-19,5%	248 033
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	105 103	213 161	213 161	28 984	98 258	71 054	(27 205)	-38,3%	213 161
Dams and Weirs	32 289	16 526	16 526	139	6 710	5 509	(1 202)	-21,8%	16 526
Boreholes	12 718	31 965	31 965	31	8 589	10 655	2 066	19,4%	31 965
Reservoirs	15 642	6 900	6 900	(1 808)	870	2 300	1 430	62,2%	6 900
Pump Stations	-	21 437	21 437	3 196	5 942	7 146	1 204	16,8%	21 437
Water Treatment Works	-	12 000	12 000	-	1 668	4 000	2 332	58,3%	12 000
Bulk Mains	20 996	27 669	27 669	21 181	33 496	9 223	(24 273)	-263,2%	27 669
Distribution	23 458	95 963	95 963	6 245	40 983	31 988	(8 995)	-28,1%	95 963
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	700	700	-	-	233	233	100,0%	700
Sanitation Infrastructure	-	34 873	34 873	-	555	11 624	11 070	95,2%	34 873
Pump Station	-	8 700	8 700	-	-	2 900	2 900	100,0%	8 700
Reticulation	-	19 506	19 506	-	555	6 502	5 947	91,5%	19 506
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	6 667	6 667	-	-	2 222	2 222	100,0%	6 667
Capital Spares	-	-	-	-	-	-	-	-	-
Intangible Assets	-	200	200	-	-	67	67	100,0%	200
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	200	200	-	-	67	67	100,0%	200
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	200	200	-	-	67	67	100,0%	200
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	3 504	1 590	1 690	-	-	550	550	100,0%	1 690
Computer Equipment	3 504	1 590	1 690	-	-	550	550	100,0%	1 690
Furniture and Office Equipment	1 264	910	1 210	-	303	363	60	16,6%	1 210
Furniture and Office Equipment	1 264	910	1 210	-	303	363	60	16,6%	1 210
Machinery and Equipment	1 020	484	484	-	-	161	161	100,0%	484
Machinery and Equipment	1 020	484	484	-	-	161	161	100,0%	484
Transport Assets	5 855	2 500	10 958	-	7 355	2 525	(4 830)	-191,3%	10 958
Transport Assets	5 855	2 500	10 958	-	7 355	2 525	(4 830)	-191,3%	10 958
Total Capital Expenditure on new assets	116 746	253 717	262 575	28 984	106 471	86 344	(20 127)	-23,3%	262 575

Capital Expenditure on Renewal of Existing Assets by Asset Class

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	76 976	780	780	761	1 370	260	(1 110)	-427,1%	780
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	38 675	780	780	761	982	260	(722)	-277,7%	780
Pump Stations	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	780	780	-	-	260	260	100,0%	780
Distribution	38 675	-	-	761	982	-	(982)	#DIV/0!	-
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	38 302	-	-	-	388	-	(388)	#DIV/0!	-
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	38 302	-	-	-	388	-	(388)	#DIV/0!	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	50	50	-	-	17	17	100,0%	50
Machinery and Equipment	-	50	50	-	-	17	17	100,0%	50
Transport Assets	-	-	700	-	-	140	140	100,0%	700
Transport Assets	-	-	700	-	-	140	140	100,0%	700
Total Capital Expenditure on renewal of existing assets	76 976	830	1 530	761	1 370	417	(953)	-228,8%	1 530



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 October 2020 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 _____