

# Harry Gwala District Municipality

MFMA s71 & s52 (d) report for the period ending 30 June 2021.

12/7/2021

Budget & Treasury Office

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## Glossary

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

**AFS** – Annual Financial Statements

**Budget** – The financial plan of the Municipality.

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

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

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

**FMG** – Financial Management Grant.

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

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

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

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

**MIG** – Municipal Infrastructure Grant.

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

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

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

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

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

**YTD** – Year to date

**YoY** – Year on Year

**DBSA** – Development Bank of South Africa

## **1.1 Mayors Report**

In accordance with Section 52(d) of the Municipal Finance Management Act, I submit a report to the council within 30 days after the end of the Fourth quarter of 2020/21, on the implementation of the budget and the financial state of affairs of the Harry Gwala District Municipality.

The submission of this report forms part of the general responsibilities of the Mayor of a Municipality, and is intended to inform and enable the council to fulfil its oversight responsibility.

### **1.1.2 Implementation of the budget in accordance with the SDBIP**

A comprehensive report detailing the implementation for the fourth quarter ended 30 June 2021 will be tabled in a separate report to council.

### **1.1.3 Financial problems or risks facing the municipality**

The cash flow position as at 30 June 2021 of the Municipality again shows a massive improvement when compared to the previous financial year. In the 2019/20 financial year, the municipality monitored the expenditure for the whole financial year and consider reducing non-essential expenditure by implementing cost containment measures as per Municipal Finance Management Act circular 82 to improve cash position and continue to implement the "belt-tightening" measures.

The municipality also has a revenue enhancement strategy that assist the municipality in improving more in collection and also assist to reduce consumer debts as this it immensely contribute towards the municipality's cash flow. Improving the debt collection will continue to rank high in the municipality's priorities as we seek to improve financial sustainability.

## **LEGAL FRAMEWORK**

- Local Government: Municipal Finance Management Act, 56 of 2003
- SCM Regulations
- SCM Policy
- Municipal Budget Reporting Regulation
- Division of Revenue Act

## **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

## **1.2 Executive Summary**

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

## **Revenue by Source**

The Year-to-Date actual revenue is 97% above the YTD budget. All the allocated conditional grants receipted as per Division of Revenue Bill, However the recognition as revenue only occur when the expenditure is incurred.

## **Borrowings**

The last payment for ABSA loan was made in June 2021 and the municipality settled ABSA loan as per amortisation.

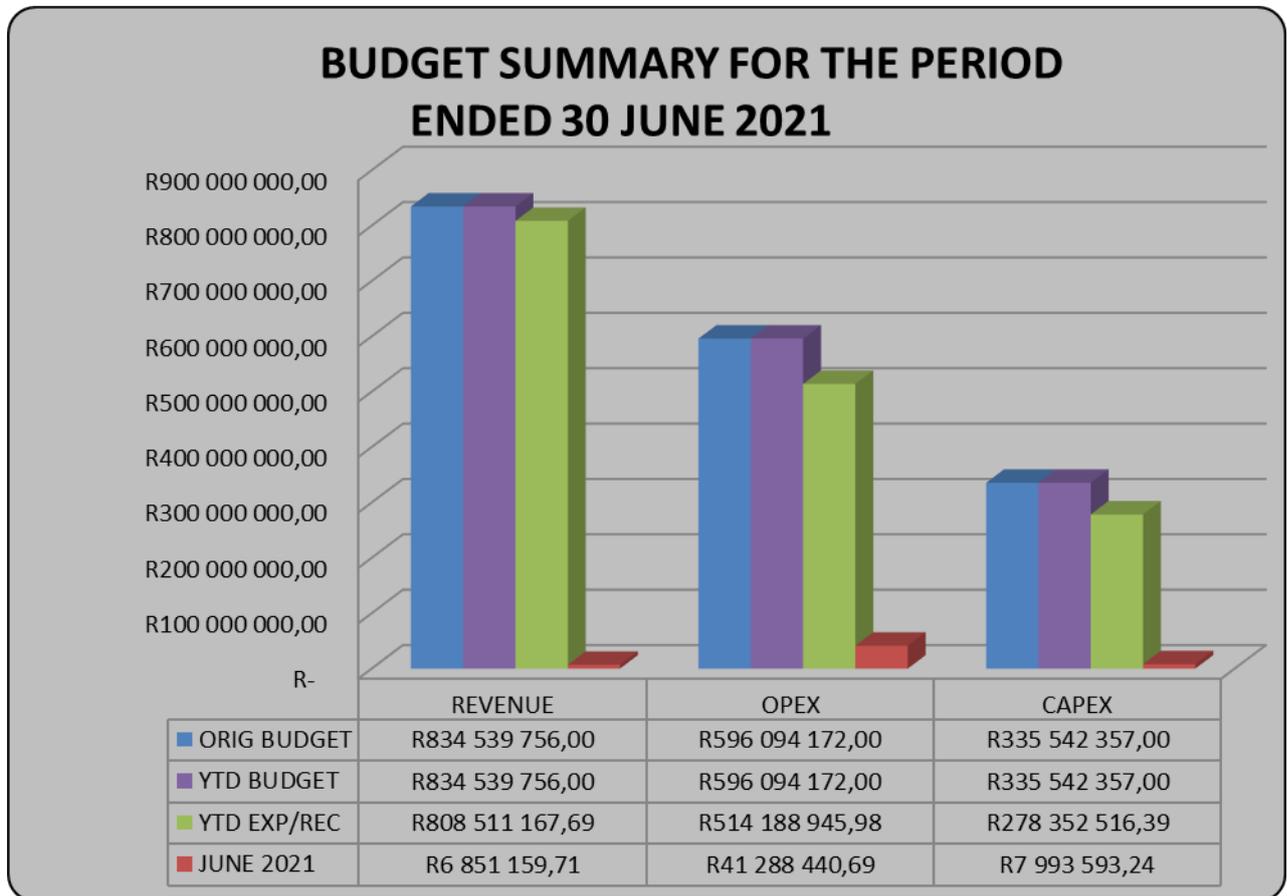
## **Operating expenditure by vote & type**

The total operating budget for the current year amounts to R596m. The YTD Operating expenditure for the month ended 30 June amounted to R514, 1m against a year to date (YTD) budget of R596m. The actual YTD expenditure represented 86% of the year to date budget.

## **Capital expenditure**

The total capital budget for the current year amounts to R335, 5m. The YTD expenditure on capital amounts to R278, 3million against year to date budget of R335, 5million, or 83% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

**Chart 1: Budget vs. Expenditure Summary**



### Cash flows

The municipality started the year with a positive cashbook balance of R40, 6million. The closing cash and cash equivalents as at the end of June 2021 was R56, 7million refer to the table below for cash and cash equivalent register for more detail on the municipality’s cash position

CASH AND INVESTMENT REGISTER AS AT 30 JUNE 2021						
Investments by maturity Name of institution & investment ID	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands						
<b>Municipality</b>						
FIRST NATIONAL BANK	CALL ACCOUNT	25 307	48	(25 153)	-	202
FIRST NATIONAL BANK	CALL ACCOUNT	2	0	-	-	2
FIRST NATIONAL BANK	ADMIN CALL	28 668	48	(15 984)	-	12 732
INVESTEC	FIXED DEPOSIT	17 217	50	-	3 000	20 267
FIRST NATIONAL BANK	FIXED DEPOSIT	2 835	6	(2 839)	-	2
FIRST NATIONAL BANK	CALL ACCOUNT	3 933	6	(3 931)	-	8
FIRST NATIONAL BANK	CALL ACCOUNT	361	1	(359)	-	3
FIRST NATIONAL BANK	CALL ACCOUNT	80	0	(78)	-	2
FIRST NATIONAL BANK	FIXED DEPOSIT	2 824	4	(2 822)	-	6
NEDBANK	FIXED DEPOSIT	20 925	74	-	-	20 999
FIRST NATIONAL BANK	ENT ACCOUNT	3 294		(814)	-	2 479
					-	
<b>Municipality sub-total</b>		<b>105 446</b>	<b>237</b>	<b>(51 981)</b>	<b>3 000</b>	<b>56 702</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>		<b>105 446</b>		<b>(51 981)</b>	<b>3 000</b>	<b>56 702</b>

## Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2020/2021 have been received as per payment schedule. The total conditional grants received as at 30 June 2021 was R709, 9million and the equitable share is R417, 6million. No grants received in the month of June 2021

## Spending on Grants

Spending on grants amounted to R278, 3million or 83% for 2020/21 financial year

### **1.3 Resolutions**

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

### **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 - M12 June

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	70 463	71 050	65 492	5 751	67 765	65 492	2 273	3%	65 492
Investment revenue	6 196	7 681	5 372	204	2 898	5 372	(2 475)	-46%	5 372
Transfers and subsidies	380 256	387 266	451 926	-	427 548	451 926	(24 379)	-5%	451 926
Other own revenue	15 464	11 345	10 355	896	10 770	10 355	416	4%	10 355
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>472 379</b>	<b>477 343</b>	<b>533 145</b>	<b>6 851</b>	<b>508 980</b>	<b>533 145</b>	<b>(24 165)</b>	<b>-5%</b>	<b>533 145</b>
Employee costs	190 401	222 746	222 446	18 164	210 107	222 446	(12 339)	-6%	222 446
Remuneration of Councillors	7 702	8 018	8 339	622	7 813	8 339	(526)	-6%	8 339
Depreciation & asset impairment	71 944	84 249	84 149	-	65 645	84 149	(18 503)	-22%	84 149
Finance charges	2 396	4 385	1 507	124	370	1 507	(1 137)	-75%	1 507
Materials and bulk purchases	28 232	27 745	29 053	2 590	27 106	29 053	(1 947)	-7%	29 053
Transfers and subsidies	14 000	-	17 000	-	17 000	17 000	-	-	17 000
Other expenditure	246 086	207 401	233 600	19 788	186 148	233 600	(47 452)	-20%	233 600
<b>Total Expenditure</b>	<b>560 762</b>	<b>554 543</b>	<b>596 094</b>	<b>41 288</b>	<b>514 189</b>	<b>596 094</b>	<b>(81 905)</b>	<b>-14%</b>	<b>596 094</b>
<b>Surplus/(Deficit)</b>	<b>(88 384)</b>	<b>(77 200)</b>	<b>(62 949)</b>	<b>(34 437)</b>	<b>(5 209)</b>	<b>(62 949)</b>	<b>57 740</b>	<b>-92%</b>	<b>(62 949)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	301 395	-	299 531	301 395	(1 864)	-1%	301 395
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	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>179 995</b>	<b>186 288</b>	<b>238 446</b>	<b>(34 437)</b>	<b>294 322</b>	<b>238 446</b>	<b>55 877</b>	<b>23%</b>	<b>238 446</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>179 995</b>	<b>186 288</b>	<b>238 446</b>	<b>(34 437)</b>	<b>294 322</b>	<b>238 446</b>	<b>55 877</b>	<b>23%</b>	<b>238 446</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>240 195</b>	<b>271 221</b>	<b>335 542</b>	<b>7 994</b>	<b>278 353</b>	<b>335 542</b>	<b>(57 190)</b>	<b>-17%</b>	<b>335 542</b>
Capital transfers recognised	234 687	237 174	301 495	6 268	260 002	301 495	(41 493)	-14%	301 495
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	34 048	1 726	18 351	34 048	(15 697)	-46%	34 048
<b>Total sources of capital funds</b>	<b>240 195</b>	<b>244 908</b>	<b>335 542</b>	<b>7 994</b>	<b>278 353</b>	<b>335 542</b>	<b>(57 190)</b>	<b>-17%</b>	<b>335 542</b>
<b>Financial position</b>									
Total current assets	101 536	54 206	70 441	-	145 352	-	-	-	70 441
Total non current assets	2 341 369	2 290 106	2 631 492	-	2 554 077	-	-	-	2 631 492
Total current liabilities	137 351	85 282	105 190	-	117 077	-	-	-	105 190
Total non current liabilities	44 948	27 811	37 425	-	32 618	-	-	-	37 425
Community wealth/Equity	<b>2 330 681</b>	<b>2 231 219</b>	<b>2 507 160</b>	-	<b>2 584 171</b>	-	-	-	<b>2 507 160</b>
<b>Cash flows</b>									
Net cash from (used) operating	232 930	269 092	291 320	(34 240)	290 879	242 767	(48 112)	-20%	291 320
Net cash from (used) investing	(279 405)	(271 221)	(335 542)	(7 994)	(278 353)	(279 619)	(1 266)	0%	(335 542)
Net cash from (used) financing	(12 528)	(4 555)	(9 741)	(2 338)	(4 555)	(8 118)	(3 562)	44%	(9 741)
<b>Cash/cash equivalents at the month/year end</b>	<b>(640)</b>	<b>6 237</b>	<b>(5 232)</b>	<b>-</b>	<b>56 702</b>	<b>(44 969)</b>	<b>(101 671)</b>	<b>226%</b>	<b>(53 963)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	7 007	6 068	4 586	4 249	4 756	4 993	24 759	174 759	231 178
<b>Creditors Age Analysis</b>									
Total Creditors	3 302	25	-	2	-	-	-	-	3 329

## 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) - M12 June

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
<b>R thousands</b>									
<b>Revenue - Functional</b>									
<i>Governance and administration</i>	368 076	391 887	434 637	218	421 831	434 637	(12 805)	-3%	434 637
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	368 076	391 887	434 637	218	421 831	434 637	(12 805)	-3%	434 637
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7 928	6 966	25 576	-	3 524	25 576	(22 053)	-86%	25 576
Planning and development	7 928	6 966	25 576	-	3 524	25 576	(22 053)	-86%	25 576
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	364 753	341 978	374 327	6 633	383 156	374 327	8 830	2%	374 327
Energy sources	-	-	-	-	-	-	-	-	-
Water management	348 448	321 468	339 935	5 219	351 134	339 935	11 199	3%	339 935
Waste water management	16 305	20 510	34 392	1 414	32 022	34 392	(2 370)	-7%	34 392
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>740 757</b>	<b>740 831</b>	<b>834 540</b>	<b>6 851</b>	<b>808 511</b>	<b>834 540</b>	<b>(26 029)</b>	<b>-3%</b>	<b>834 540</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>	229 394	240 522	260 823	19 430	220 293	260 823	(40 530)	-16%	260 823
Executive and council	20 706	24 234	26 529	2 218	27 509	26 529	979	4%	26 529
Finance and administration	198 889	208 209	225 955	16 421	185 075	225 955	(40 880)	-18%	225 955
Internal audit	9 799	8 078	8 338	791	7 709	8 338	(629)	-8%	8 338
<i>Community and public safety</i>	16 687	18 788	17 024	1 359	16 199	17 024	(825)	-5%	17 024
Community and social services	16 687	18 788	17 024	1 359	16 199	17 024	(825)	-5%	17 024
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	139 476	148 577	149 063	3 697	107 266	149 063	(41 797)	-28%	149 063
Planning and development	139 476	148 577	149 063	3 697	107 266	149 063	(41 797)	-28%	149 063
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	175 205	146 657	169 185	16 802	170 431	169 185	1 246	1%	169 185
Energy sources	-	-	-	-	-	-	-	-	-
Water management	172 630	145 857	168 342	16 706	169 569	168 342	1 227	1%	168 342
Waste water management	2 574	800	842	96	862	842	20	2%	842
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>560 762</b>	<b>554 543</b>	<b>596 094</b>	<b>41 288</b>	<b>514 189</b>	<b>596 094</b>	<b>(81 905)</b>	<b>-14%</b>	<b>596 094</b>
<b>Surplus/ (Deficit) for the year</b>	<b>179 995</b>	<b>186 288</b>	<b>238 446</b>	<b>(34 437)</b>	<b>294 322</b>	<b>238 446</b>	<b>55 877</b>	<b>23%</b>	<b>238 446</b>

This table assesses the revenue by department and then the expenditure for the period ending 30 June 2021. Revenue receipts in June have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of June is 1%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of June 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 R24million followed by the Corporate Services department.

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) -

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
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	366 522	391 887	434 002	217	421 635	434 002	(12 367)	-2,8%	434 002
Vote 04 - Summary Corporate Services	1 447	-	635	-	153	635	(482)	-75,9%	635
Vote 05 - Summary Social Services & Development Planning	928	6 966	25 576	-	3 524	25 576	(22 053)	-86,2%	25 576
Vote 06 - Summary Infrastructure Services	287 979	270 928	293 835	-	293 026	293 835	(809)	-0,3%	293 835
Vote 07 - Summary Water Services	83 881	71 050	80 492	6 634	90 174	80 492	9 682	12,0%	80 492
<b>Total Revenue by Vote</b>	<b>740 757</b>	<b>740 831</b>	<b>834 540</b>	<b>6 851</b>	<b>808 511</b>	<b>834 540</b>	<b>(26 029)</b>	<b>-3,1%</b>	<b>834 540</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	10 296	15 677	16 003	1 677	14 881	16 003	(1 122)	-7,0%	16 003
Vote 02 - Summary Municipal Manager	20 209	16 635	18 865	1 332	20 337	18 865	1 472	7,8%	18 865
Vote 03 - Summary Budget And Treasury Office	74 417	84 548	85 067	3 582	51 112	85 067	(33 955)	-39,9%	85 067
Vote 04 - Summary Corporate Services	86 493	81 310	89 774	5 246	83 640	89 774	(6 134)	-6,8%	89 774
Vote 05 - Summary Social Services & Development Planning	49 942	58 793	68 455	2 585	46 586	68 455	(21 869)	-31,9%	68 455
Vote 06 - Summary Infrastructure Services	114 515	112 989	101 820	2 824	81 108	101 820	(20 712)	-20,3%	101 820
Vote 07 - Summary Water Services	204 889	184 590	216 110	24 044	216 525	216 110	415	0,2%	216 110
<b>Total Expenditure by Vote</b>	<b>560 762</b>	<b>554 543</b>	<b>596 094</b>	<b>41 288</b>	<b>514 189</b>	<b>596 094</b>	<b>(81 905)</b>	<b>-13,7%</b>	<b>596 094</b>
<b>Surplus/ (Deficit) for the year</b>	<b>179 995</b>	<b>186 288</b>	<b>238 446</b>	<b>(34 437)</b>	<b>294 322</b>	<b>238 446</b>	<b>55 877</b>	<b>23,4%</b>	<b>238 446</b>

## Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 June 2021.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue									
Service charges - water revenue	54 157	50 540	46 100	4 625	54 003	46 100	7 903	17%	46 100
Service charges - sanitation revenue	16 305	20 510	19 392	1 126	13 762	19 392	(5 630)	-29%	19 392
Rental of facilities and equipment									
Interest earned - external investments	6 196	7 681	5 372	204	2 898	5 372	(2 475)	-46%	5 372
Interest earned - outstanding debtors	12 632	10 238	9 621	886	10 100	9 621	479	5%	9 621
Transfers and subsidies	380 256	387 266	451 926	-	427 548	451 926	(24 379)	-5%	451 926
Other revenue	1 770	1 107	733	10	670	733	(64)	-9%	733
Gains	1 062	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>472 379</b>	<b>477 343</b>	<b>533 145</b>	<b>6 851</b>	<b>508 980</b>	<b>533 145</b>	<b>(24 165)</b>	<b>-5%</b>	<b>533 145</b>
<b>Expenditure By Type</b>									
Employee related costs	190 401	222 746	222 446	18 164	210 107	222 446	(12 339)	-6%	222 446
Remuneration of councillors	7 702	8 018	8 339	622	7 813	8 339	(526)	-6%	8 339
Debt impairment	43 365	26 556	26 556	-	-	26 556	(26 556)	-100%	26 556
Depreciation & asset impairment	71 944	84 249	84 149	-	65 645	84 149	(18 503)	-22%	84 149
Finance charges	2 396	4 385	1 507	124	370	1 507	(1 137)	-75%	1 507
Bulk purchases	22 833	18 632	21 432	1 865	20 991	21 432	(441)	-2%	21 432
Other materials	5 400	9 113	7 621	725	6 115	7 621	(1 506)	-20%	7 621
Contracted services	144 400	118 356	141 162	16 235	134 283	141 162	(6 879)	-5%	141 162
Transfers and subsidies	14 000	-	17 000	-	17 000	17 000	-	-	17 000
Other expenditure	55 607	62 488	65 882	3 553	51 865	65 882	(14 017)	-21%	65 882
Losses	2 714	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>560 762</b>	<b>554 543</b>	<b>596 094</b>	<b>41 288</b>	<b>514 189</b>	<b>596 094</b>	<b>(81 905)</b>	<b>-14%</b>	<b>596 094</b>
<b>Surplus/(Deficit)</b>	<b>(88 384)</b>	<b>(77 200)</b>	<b>(62 949)</b>	<b>(34 437)</b>	<b>(5 209)</b>	<b>(62 949)</b>	<b>57 740</b>	<b>(0)</b>	<b>(62 949)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	301 395	-	299 531	301 395	(1 864)	(0)	301 395
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	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>179 995</b>	<b>186 288</b>	<b>238 446</b>	<b>(34 437)</b>	<b>294 322</b>	<b>238 446</b>			<b>238 446</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>179 995</b>	<b>186 288</b>	<b>238 446</b>	<b>(34 437)</b>	<b>294 322</b>	<b>238 446</b>			<b>238 446</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>179 995</b>	<b>186 288</b>	<b>238 446</b>	<b>(34 437)</b>	<b>294 322</b>	<b>238 446</b>			<b>238 446</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>179 995</b>	<b>186 288</b>	<b>238 446</b>	<b>(34 437)</b>	<b>294 322</b>	<b>238 446</b>			<b>238 446</b>

## 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 funding -

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
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	281	324	560	8	8	560	(552)	-99%	560
Vote 04 - Summary Corporate Services	3 814	2 350	19 950	1 151	4 551	19 950	(15 399)	-77%	19 950
Vote 05 - Summary Social Services & Development Planning	-	3 060	11 638	-	7 355	11 638	(4 283)	-37%	11 638
Vote 06 - Summary Infrastructure Services	224 244	9 026	32 811	-	30 391	32 811	(2 420)	-7%	32 811
Vote 07 - Summary Water Services	11 855	256 462	270 584	6 835	236 047	270 584	(34 536)	-13%	270 584
<b>Total Capital Multi-year expenditure</b>	<b>240 195</b>	<b>271 221</b>	<b>335 542</b>	<b>7 994</b>	<b>278 353</b>	<b>335 542</b>	<b>(57 190)</b>	<b>-17%</b>	<b>335 542</b>
<b>Total Capital Expenditure</b>	<b>240 195</b>	<b>271 221</b>	<b>335 542</b>	<b>7 994</b>	<b>278 353</b>	<b>335 542</b>	<b>(57 190)</b>	<b>-17%</b>	<b>335 542</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	<b>4 095</b>	<b>2 964</b>	<b>21 089</b>	<b>1 159</b>	<b>4 559</b>	<b>21 089</b>	<b>(16 530)</b>	<b>-78%</b>	<b>21 089</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 095	2 964	21 089	1 159	4 559	21 089	(16 530)	-78%	21 089
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>-</b>	<b>2 500</b>	<b>11 058</b>	<b>-</b>	<b>7 355</b>	<b>11 058</b>	<b>(3 703)</b>	<b>-33%</b>	<b>11 058</b>
Community and social services	-	2 500	11 058	-	7 355	11 058	(3 703)	-33%	11 058
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>1 693</b>	<b>270</b>	<b>-</b>	<b>-</b>	<b>4 750</b>	<b>-</b>	<b>4 750</b>	<b>#DIV/0!</b>	<b>-</b>
Planning and development	1 693	270	-	-	4 750	-	4 750	#DIV/0!	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>234 406</b>	<b>265 488</b>	<b>303 395</b>	<b>6 835</b>	<b>261 689</b>	<b>303 395</b>	<b>(41 706)</b>	<b>-14%</b>	<b>303 395</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	198 896	220 615	278 758	6 835	246 562	278 758	(32 197)	-12%	278 758
Waste water management	35 511	44 873	24 637	-	15 127	24 637	(9 509)	-39%	24 637
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>240 195</b>	<b>271 221</b>	<b>335 542</b>	<b>7 994</b>	<b>278 353</b>	<b>335 542</b>	<b>(57 190)</b>	<b>-17%</b>	<b>335 542</b>
<b>Funded by:</b>									
National Government	222 832	263 488	286 395	6 268	245 956	286 395	(40 439)	-14%	286 395
Provincial Government	11 855	-	15 000	-	14 046	15 000	(954)	-6%	15 000
District Municipality	-	-	100	-	-	100	(100)	-100%	100
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	(26 314)	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>234 687</b>	<b>237 174</b>	<b>301 495</b>	<b>6 268</b>	<b>260 002</b>	<b>301 495</b>	<b>(41 493)</b>	<b>-14%</b>	<b>301 495</b>
<b>Borrowing</b>	<b>1 296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>4 211</b>	<b>7 734</b>	<b>34 048</b>	<b>1 726</b>	<b>18 351</b>	<b>34 048</b>	<b>(15 697)</b>	<b>-46%</b>	<b>34 048</b>
<b>Total Capital Funding</b>	<b>240 195</b>	<b>244 908</b>	<b>335 542</b>	<b>7 994</b>	<b>278 353</b>	<b>335 542</b>	<b>(57 190)</b>	<b>-17%</b>	<b>335 542</b>

As alluded to above, the capital expenditure programme for the period ending 30 June 2021 was R278, 3m which represents 83% of capital expenditure against year to date budget of R335, 5million. The capital expenditure programme for the 2020/2021 financial year has started on a positive footing and thus the greater expenditures reflected on National grant funding

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

**Chart 1: 2020/2021 FOURTH QUARTER CAPEX**

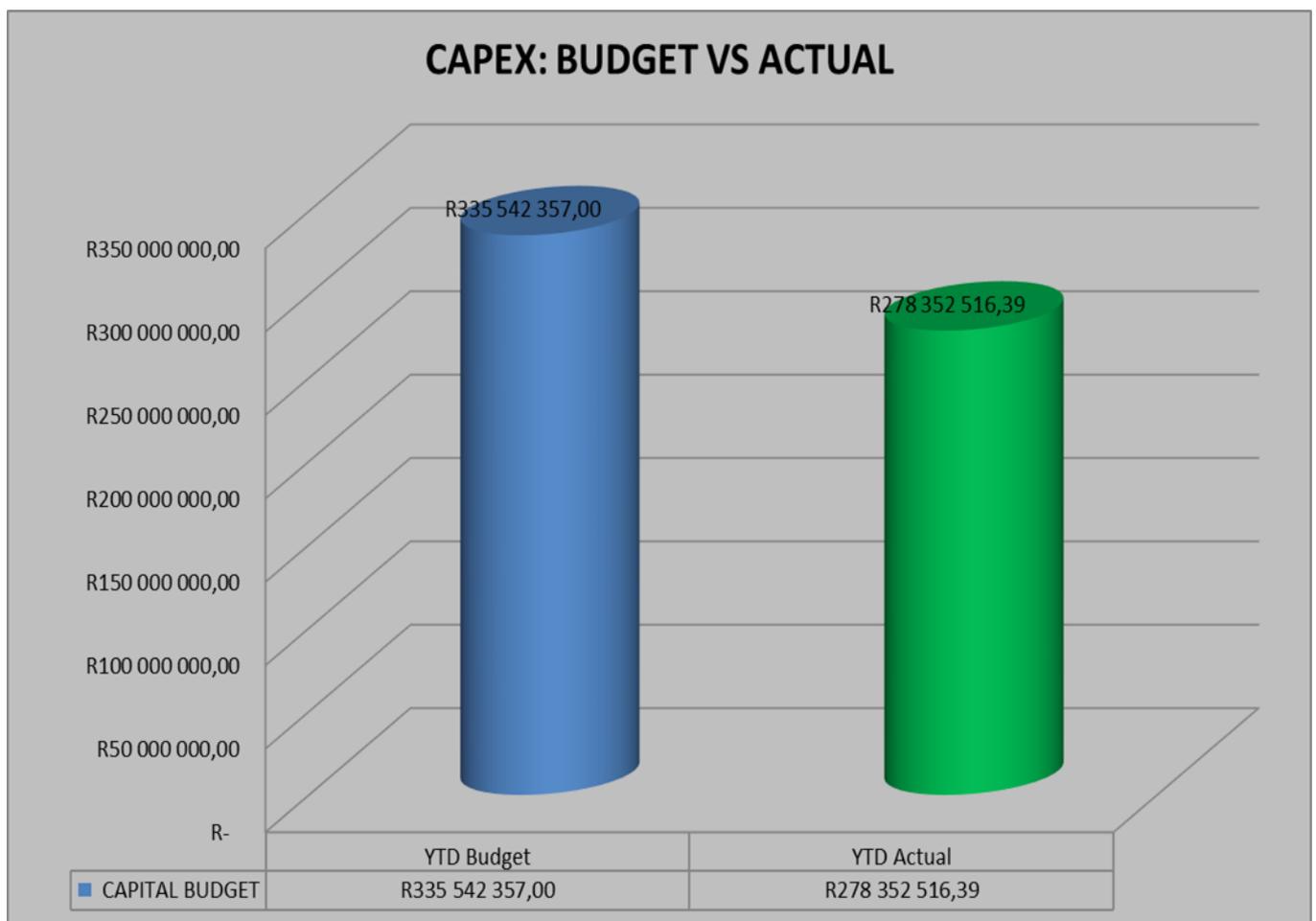


Table C6 displays the financial position of the municipality as at 30 June 2021.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M12 June

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash	23 704	568 181	8 812	(615 165)	8 812
Call investment deposits	16 967	(561 944)	11 239	668 994	11 239
Consumer debtors	33 060	33 454	27 208	64 391	27 208
Other debtors	27 538	14 334	22 917	26 865	22 917
Current portion of long-term receivables	-	-	-	-	-
Inventory	267	181	267	267	267
<b>Total current assets</b>	<b>101 536</b>	<b>54 206</b>	<b>70 441</b>	<b>145 352</b>	<b>70 441</b>
<b>Non current assets</b>					
Property, plant and equipment	2 340 494	2 288 618	2 629 962	2 553 474	2 629 962
Intangible	875	1 489	1 529	602	1 529
Other non-current assets	0	0	0	0	0
<b>Total non current assets</b>	<b>2 341 369</b>	<b>2 290 106</b>	<b>2 631 492</b>	<b>2 554 077</b>	<b>2 631 492</b>
<b>TOTAL ASSETS</b>	<b>2 442 906</b>	<b>2 344 313</b>	<b>2 701 933</b>	<b>2 699 428</b>	<b>2 701 933</b>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Borrowing	-	4 555	-	-	-
Consumer deposits	1 863	1 845	2 008	2 034	2 008
Trade and other payables	122 194	68 734	89 888	101 749	89 888
Provisions	13 294	10 148	13 294	13 294	13 294
<b>Total current liabilities</b>	<b>137 351</b>	<b>85 282</b>	<b>105 190</b>	<b>117 077</b>	<b>105 190</b>
<b>Non current liabilities</b>					
Borrowing	26 469	3 485	16 040	14 139	16 040
Provisions	18 479	24 326	21 385	18 479	21 385
<b>Total non current liabilities</b>	<b>44 948</b>	<b>27 811</b>	<b>37 425</b>	<b>32 618</b>	<b>37 425</b>
<b>TOTAL LIABILITIES</b>	<b>182 300</b>	<b>113 094</b>	<b>142 615</b>	<b>149 695</b>	<b>142 615</b>
<b>NET ASSETS</b>	<b>2 260 606</b>	<b>2 231 219</b>	<b>2 559 318</b>	<b>2 549 734</b>	<b>2 559 318</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>					
Accumulated Surplus/(Deficit)	2 260 606	2 231 219	2 559 318	2 549 734	2 559 318
Reserves	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 260 606</b>	<b>2 231 219</b>	<b>2 559 318</b>	<b>2 549 734</b>	<b>2 559 318</b>

Table C7 below display the Cash Flow Statement for the period ending 30 June 2021.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M12 June

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
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates							-		
Service charges	51 990	53 288	46 183	6 835	51 005	38 486	12 520	33%	46 183
Other revenue	11 626	1 107	7 732	10	670	6 444	(5 774)	-90%	7 732
Transfers and Subsidies - Operational	339 907	387 266	431 049	-	427 621	359 208	68 413	19%	431 049
Transfers and Subsidies - Capital	274 335	263 488	263 488	-	282 355	219 573	62 782	29%	263 488
Interest	7 257	7 681	7 681	204	2 898	6 401	(3 504)	-55%	7 681
Dividends							-		
<b>Payments</b>									
Suppliers and employees	(447 672)	(439 354)	(460 428)	(41 164)	(473 293)	(383 690)	89 603	-23%	(460 428)
Finance charges	(4 180)	(4 385)	(4 385)	(124)	(376)	(3 654)	(3 277)	90%	(4 385)
Transfers and Grants	(332)	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>232 930</b>	<b>269 092</b>	<b>291 320</b>	<b>(34 240)</b>	<b>290 879</b>	<b>242 767</b>	<b>(48 112)</b>	<b>-20%</b>	<b>291 320</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-		-
<b>Payments</b>									
Capital assets	(279 405)	(271 221)	(335 542)	(7 994)	(278 353)	(279 619)	(1 266)	0%	(335 542)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(279 405)</b>	<b>(271 221)</b>	<b>(335 542)</b>	<b>(7 994)</b>	<b>(278 353)</b>	<b>(279 619)</b>	<b>(1 266)</b>	<b>0%</b>	<b>(335 542)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-		-
Borrowing long term/refinancing	-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-		-
<b>Payments</b>									
Repayment of borrowing	(12 528)	(4 555)	(9 741)	(2 338)	(4 555)	(8 118)	(3 562)	44%	(9 741)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(12 528)</b>	<b>(4 555)</b>	<b>(9 741)</b>	<b>(2 338)</b>	<b>(4 555)</b>	<b>(8 118)</b>	<b>(3 562)</b>	<b>44%</b>	<b>(9 741)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(59 003)</b>	<b>(6 685)</b>	<b>(53 963)</b>	<b>(44 572)</b>	<b>7 971</b>	<b>(44 969)</b>			<b>(53 963)</b>
Cash/cash equivalents at beginning:	58 363	12 922	48 731		48 731				
Cash/cash equivalents at month/year end:	(640)	6 237	(5 232)		56 702	(44 969)			(53 963)

The interest earned on investments and on outstanding debtors for the period ending 30 June is R 12, 9million which is representing 87% of the year to date budget.

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 30 June 2021.

**Table 2.1.1: Debtors Age Analysis by Income Source**

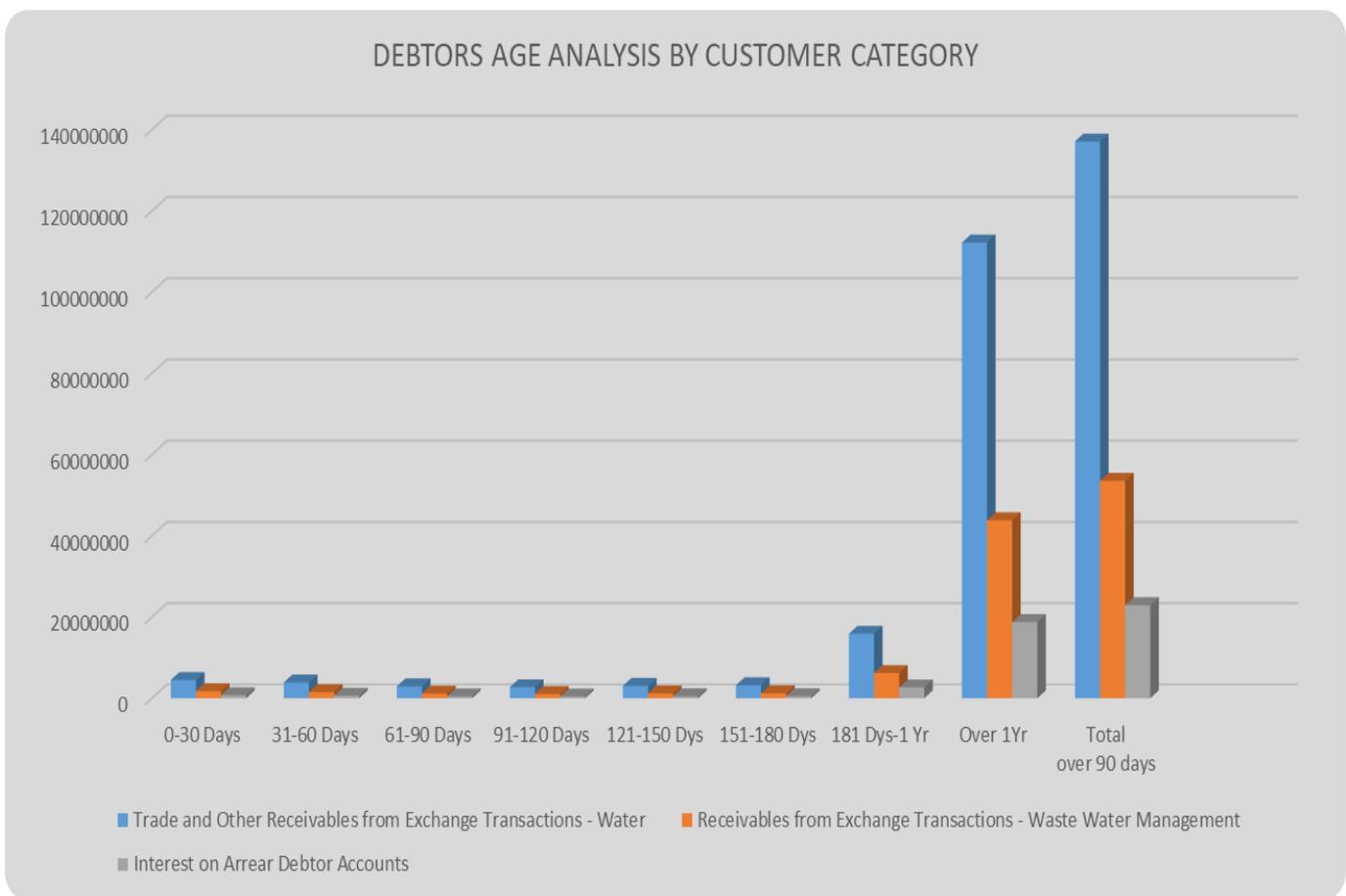
DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

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
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	4 498	3 895	2 944	2 728	3 053	3 205	15 893	112 182	148 399	137 061
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 757	1 522	1 150	1 066	1 193	1 252	6 209	43 825	57 974	53 545
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtbr Accounts	752	651	492	456	510	536	2 657	18 752	24 806	22 911
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Income Source</b>	<b>7 007</b>	<b>6 068</b>	<b>4 586</b>	<b>4 249</b>	<b>4 756</b>	<b>4 993</b>	<b>24 759</b>	<b>174 759</b>	<b>231 178</b>	<b>213 517</b>
<b>2019/20 - totals only</b>										
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2 959	1 385	680	290	189	449	808	3 814	10 574	5 550
Commercial	651	984	357	503	447	378	1 970	9 135	14 425	12 432
Households	3 397	3 699	3 549	3 457	4 121	4 165	21 982	161 810	206 180	195 534
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>7 007</b>	<b>6 068</b>	<b>4 586</b>	<b>4 249</b>	<b>4 756</b>	<b>4 993</b>	<b>24 759</b>	<b>174 759</b>	<b>231 178</b>	<b>213 517</b>

The municipal consumer debt is currently increasing citing rigorous actions to ensure that this trend is prevented from continuing as it has a direct negative impact on municipal cash flows.

**Table 2.1.2: Debtors Age Analysis By Customer Category**

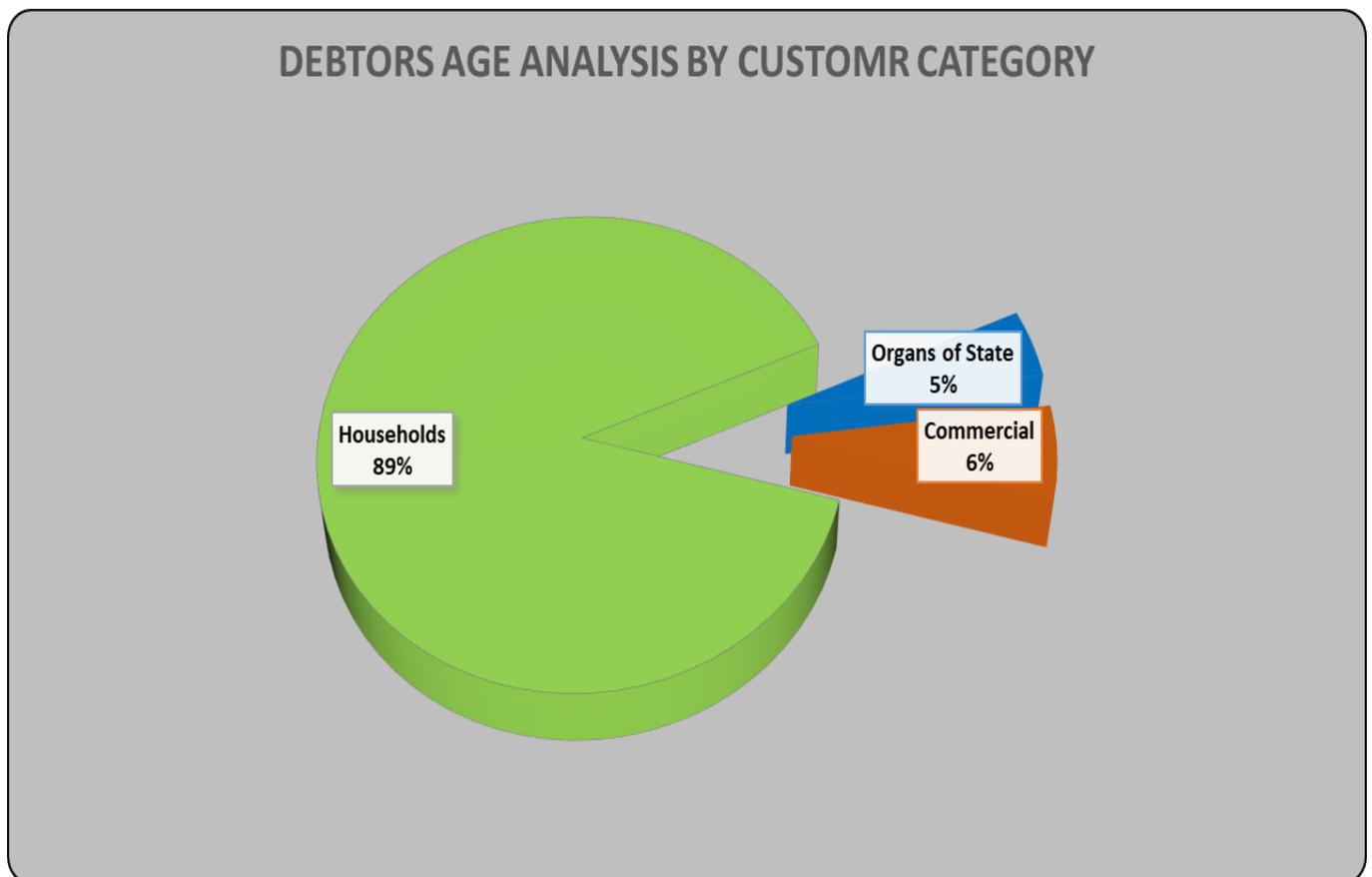
Table 2.1.2 analyses consumer debt by Category. A further analysis in the form of a chart is provided below.



## Chart 2: Debtors Age Analysis by Customer Group

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

- ✓ Households: 89%
- ✓ Government 5%
- ✓ Business 6%



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

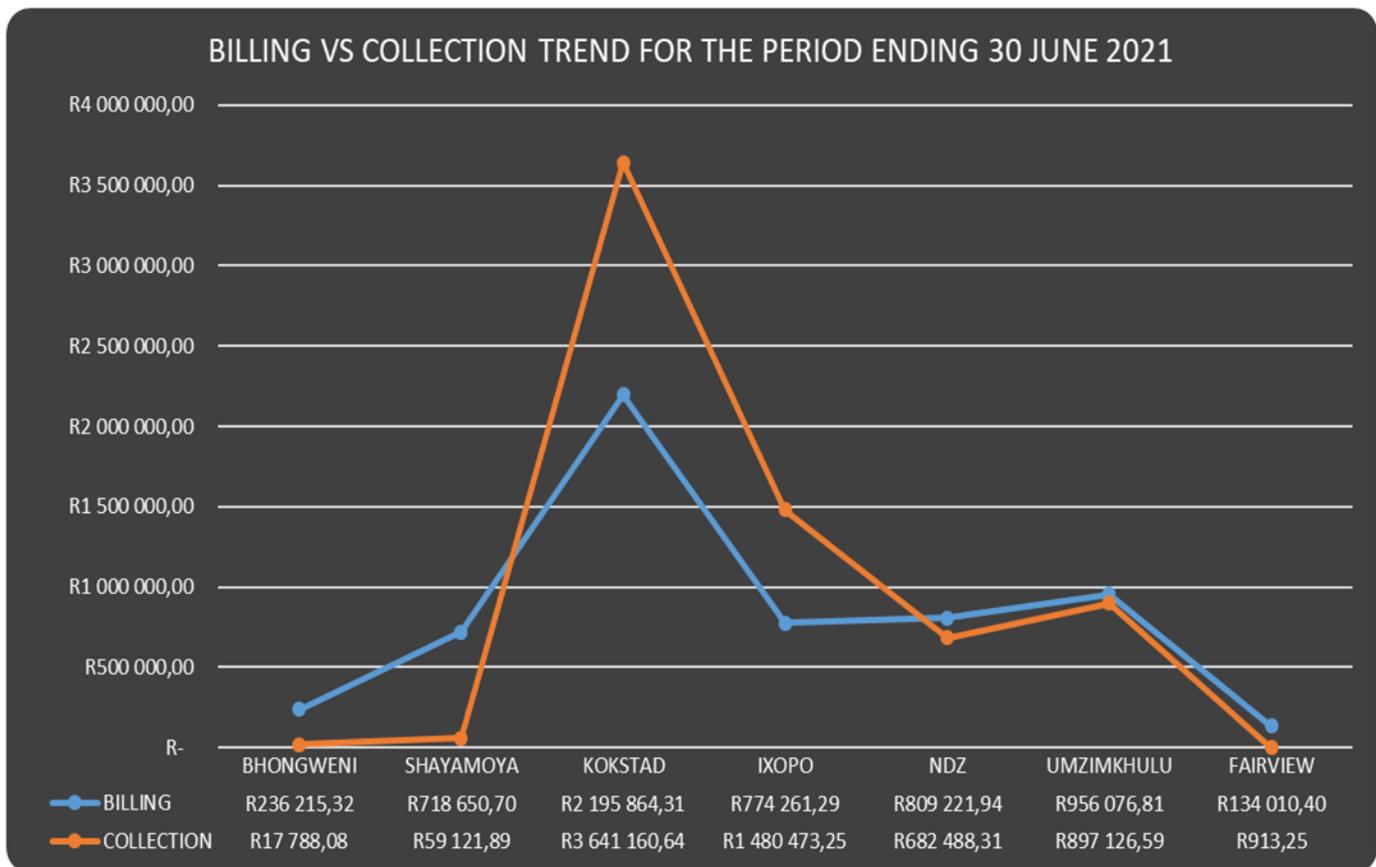
The table that follows below unpacks the revenue receipts per Local Municipality in the District

### Revenue receipts per Area

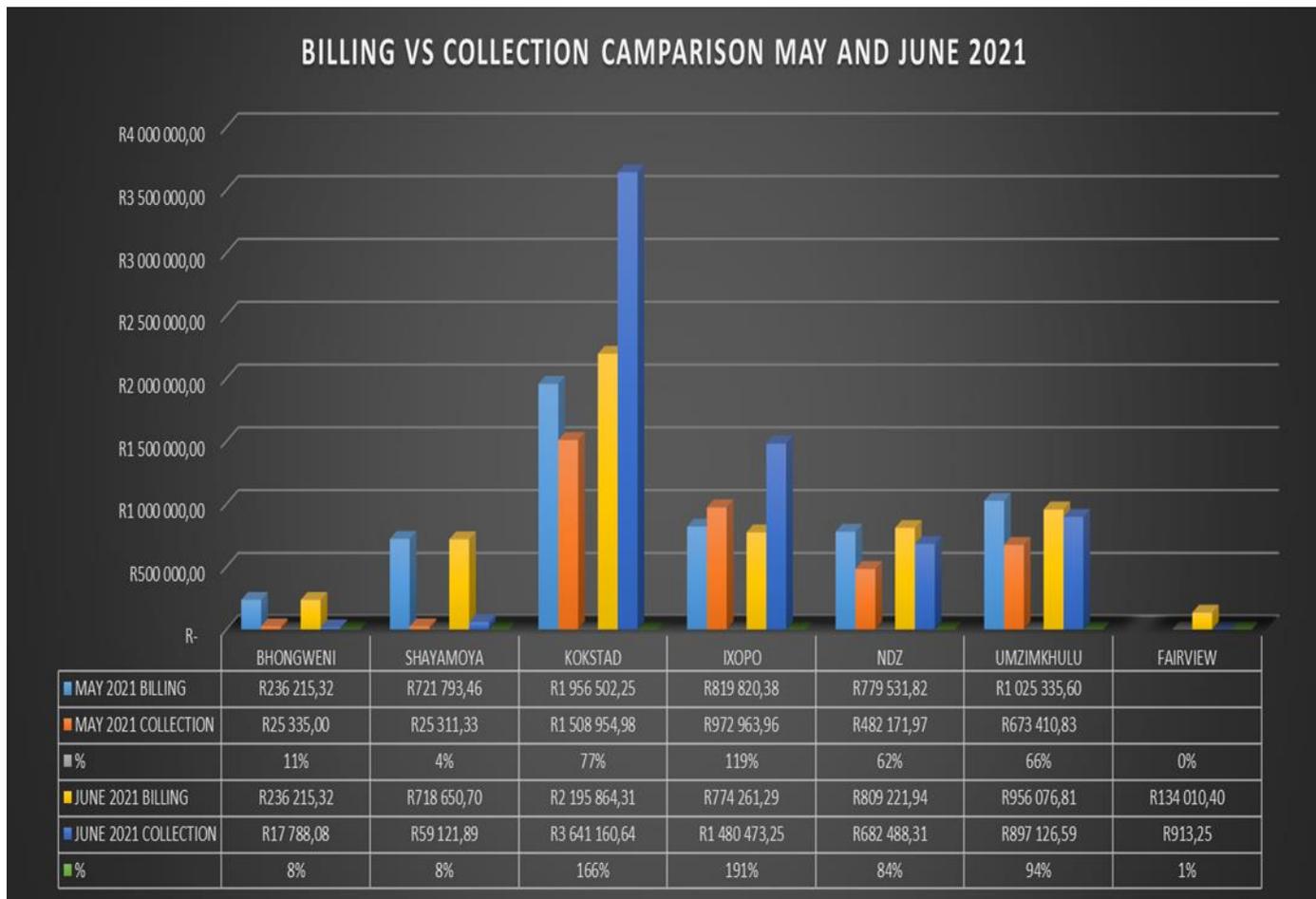
AREA	AMOUNT		
		JUNE 2021	MAY 2021
Unallocated receipts	R 55 857,72	1%	2%
Bhongweni	R 17 788,08	0%	1%
Shayamoya	R 59 121,89	1%	1%
Kokstad	R 3 641 160,64	53%	40%
Ixopo	R 1 480 473,25	22%	26%
NDZ	R 682 488,31	10%	13%
Umzimkulu	R 897 126,59	13%	18%
Fairview	R 9130,25	0%	0%
<b>TOTAL RECEIPTS INCL VAT</b>	<b>R 6 834 929,73</b>	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 June 2021 is R6, 8million. The total billing for the period ending 30 June 2021 is R 75, 8million against collection of R 56, 2million representing 74 per cent collection rate.

The chart that follows below shows the comparison between billing and collection trend for the period ending 30 June 2021.



The chart that follows below shows the comparison between billing and collection for the period ending 30 June 2021



### **Debtors age analysis per service**

The municipality's total outstanding debtors amounted to R 231 178 406 as at 30 June 2021 compared with the R 229 870 039 as at 31 May 2021. Current debt represent 3% of the total outstanding debt compared with the 3% of May 2020; 30 days and older debt 3% compared with the 3% for May 2021; 60 days and older debt 2% compared with the 2% of May 2021; and 90 days 2% compared with the 2% of May 2021; 120 days to History and older 91% compared with the 90% for May 2021.

Current debt increased with R 1,308,366 to R 231,178,406 compared with the R 229,870,039 as at 31 May 2021; 30 days + debt Increased with R 191,066; 60 days + Increased with R20, 532; 90 days + debt decreased with R 879,348 and 120 + days and older debt as at 30 June 2021 has increased with R 2,679,722 to R 209,267,319 compared with the R 203,713,418 as at 30 June 2021.

### **Debtors age analysis per debtor type**

Business debtors owes the municipality R 14,248,699 (6%); Municipal debtors R 928,792 (0%); domestic debtors R 193,157,455 (84%); Government accounts R 9,207,557 (4%); Indigent debtors R 9,328,674 (4%) and other debtors R 4,307,229 (2%) of the total outstanding debt of R 231,178,406.

## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 30 June 2021

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

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	
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	3 302	25	-	2					3 329
Auditor General									-
Other									-
<b>Total By Customer Type</b>	<b>3 302</b>	<b>25</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 329</b>

## 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 30 June 2021.

### Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

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				
<b>Municipality</b>								
FIRST NATIONAL BANK	CALL ACCOUNT			25 307	48	(25 153)		202
FIRST NATIONAL BANK	CALL ACCOUNT			2	0	-	-	2
FIRST NATIONAL BANK	ADMIN CALL			28 668	48	(15 984)	-	12 732
INVESTEC	FIXED DEPOSIT			10 217	50	-	-	10 267
FIRST NATIONAL BANK	FIXED DEPOSIT			941	6	(2 839)	3 000	1 108
FIRST NATIONAL BANK	CALL ACCOUNT			10 933	6	(3 931)	-	7 008
FIRST NATIONAL BANK	CALL ACCOUNT			2 256	1	(359)	-	1 897
FIRST NATIONAL BANK	CALL ACCOUNT			80	0	(78)	-	2
FIRST NATIONAL BANK	FIXED DEPOSIT			2 824	4	(2 822)	-	6
NEDBANK	FIXED DEPOSIT			20 925	74	-	-	20 999
FIRST NATIONAL BANK	ENT ACCOUNT			3 294	-	(814)	-	2 479
<b>Municipality sub-total</b>				<b>105 446</b>	<b>237</b>	<b>(51 981)</b>	<b>3 000</b>	<b>56 702</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>105 446</b>		<b>(51 981)</b>	<b>3 000</b>	<b>56 702</b>

## 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 - M12 June

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
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>379 924</b>	<b>385 766</b>	<b>431 049</b>	<b>-</b>	<b>427 548</b>	<b>431 049</b>	<b>(3 502)</b>	<b>-0,8%</b>	<b>431 049</b>
Energy Efficiency and Demand Side Management Grant	7 000	-	-	-	-	-	-	-	-
Equitable Share	345 309	372 340	417 623	-	417 623	417 623	-	0,0%	417 623
Expanded Public Works Programme Integrated Grant	5 316	5 195	5 195	-	4 773	5 195	(422)	-8,1%	5 195
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 000	1 000	-	557	1 000	(443)	-44,3%	1 000
Municipal Disaster Relief Grant	596	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 808	4 986	4 986	-	3 524	4 986	(1 463)	-29,3%	4 986
Rural Road Asset Management Systems Grant	2 358	2 245	2 245	-	1 071	2 245	(1 174)	-52,3%	2 245
Water Services Infrastructure Grant	8 537	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	<b>332</b>	<b>1 500</b>	<b>1 500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 500</b>
Capacity Building and Other Grants	332	1 500	1 500	-	-	-	-	-	1 500
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>17 000</b>	<b>-</b>	<b>-</b>	<b>17 000</b>	<b>(17 000)</b>	<b>-100,0%</b>	<b>17 000</b>
Specify (Add grant description)	-	-	17 000	-	-	17 000	(17 000)	-100,0%	17 000
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>3 877</b>	<b>-</b>	<b>-</b>	<b>3 877</b>	<b>(3 877)</b>	<b>-100,0%</b>	<b>3 877</b>
Chemical Industry Seta	-	-	377	-	-	377	(377)	-100,0%	377
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	3 500	-	-	3 500	(3 500)	-100,0%	3 500
<b>Total Operating Transfers and Grants</b>	<b>380 256</b>	<b>387 266</b>	<b>453 426</b>	<b>-</b>	<b>427 548</b>	<b>451 926</b>	<b>(24 379)</b>	<b>-5,4%</b>	<b>453 426</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>262 515</b>	<b>263 488</b>	<b>286 395</b>	<b>-</b>	<b>284 531</b>	<b>286 395</b>	<b>(1 864)</b>	<b>-0,7%</b>	<b>286 395</b>
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	191 052	194 462	204 014	-	205 476	204 014	1 463	0,7%	204 014
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	20 000	9 026	22 381	-	31 628	22 381	9 247	41,3%	22 381
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 463	60 000	60 000	-	47 427	60 000	(12 573)	-21,0%	60 000
<b>Provincial Government:</b>	<b>5 863</b>	<b>-</b>	<b>15 000</b>	<b>-</b>	<b>15 000</b>	<b>15 000</b>	<b>-</b>	<b>0,0%</b>	<b>15 000</b>
Infrastructure Grant	5 863	-	15 000	-	15 000	15 000	-	0,0%	15 000
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]	-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>268 379</b>	<b>263 488</b>	<b>301 395</b>	<b>-</b>	<b>299 531</b>	<b>301 395</b>	<b>(1 864)</b>	<b>-0,6%</b>	<b>301 395</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>648 634</b>	<b>650 754</b>	<b>754 821</b>	<b>-</b>	<b>727 079</b>	<b>753 321</b>	<b>(26 242)</b>	<b>-3,5%</b>	<b>754 821</b>

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 - M12 June

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									
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
National Government:	492 430	467 489	511 652	33 660	452 167	511 652	(59 485)	-11,6%	511 652
Energy Efficiency and Demand Side Management Grant	6 087	-	-	-	-	-	-	-	-
Equitable Share	460 586	454 063	498 226	32 367	444 311	498 226	(53 915)	-10,8%	498 226
Expanded Public Works Programme Integrated Grant	5 218	5 195	5 195	437	5 467	5 195	272	5,2%	5 195
Local Government Financial Management Grant	309	1 000	1 000	175	777	1 000	(223)	-22,3%	1 000
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	12 708	4 986	4 986	-	-	4 986	(4 986)	-100,0%	4 986
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 050	2 245	2 245	681	1 612	2 245	(633)	-28,2%	2 245
Water Services Infrastructure Grant	5 471	-	-	-	-	-	-	-	-
Provincial Government:	-	1 500	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	1 500	-	-	-	-	-	-	-
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	17 480	20 190	-	-	20 190	(20 190)	-100,0%	20 190
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	377	-	-	377	(377)	-100,0%	377
<b>Total operating expenditure of Transfers and Grants:</b>	<b>492 430</b>	<b>468 989</b>	<b>511 652</b>	<b>33 660</b>	<b>452 167</b>	<b>511 652</b>	<b>(59 485)</b>	<b>-11,6%</b>	<b>511 652</b>
<b>Capital expenditure of Transfers and Grants</b>									
National Government:	222 832	263 488	286 395	6 268	245 956	286 395	(40 439)	-14,1%	286 395
Local Government Financial Management Grant	281	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	155 868	194 462	204 014	2 920	177 427	204 014	(26 587)	-13,0%	204 014
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	19 379	9 026	22 381	-	17 814	22 381	(4 567)	-20,4%	22 381
Water Services Infrastructure Grant	47 304	60 000	60 000	3 348	50 714	60 000	(9 286)	-15,5%	60 000
Provincial Government:	11 855	-	15 000	-	14 046	15 000	(954)	-6,4%	15 000
Infrastructure Grant	11 855	-	15 000	-	14 046	15 000	(954)	-6,4%	15 000
District Municipality:	-	-	100	-	-	100	(100)	-100,0%	100
Specify (Add grant description)	-	-	100	-	-	100	(100)	-100,0%	100
Other grant providers:	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>234 687</b>	<b>263 488</b>	<b>301 495</b>	<b>6 268</b>	<b>260 002</b>	<b>301 495</b>	<b>(41 493)</b>	<b>-13,8%</b>	<b>301 495</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>727 117</b>	<b>732 477</b>	<b>813 147</b>	<b>39 928</b>	<b>712 169</b>	<b>813 147</b>	<b>(100 978)</b>	<b>-12,4%</b>	<b>813 147</b>

## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 30 June 2021.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

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
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	5 041	5 844	6 021	422	5 324	6 021	(697)	-12%	6 021
Pension and UIF Contributions	507	319	370	40	498	370	127	34%	370
Medical Aid Contributions	54	48	48	5	57	48	9	20%	48
Cellphone Allowance	622	440	461	51	663	461	202	44%	461
Other benefits and allowances	1 478	1 367	1 439	105	1 271	1 439	(168)	-12%	1 439
<b>Sub Total - Councillors</b>	<b>7 702</b>	<b>8 018</b>	<b>8 339</b>	<b>622</b>	<b>7 813</b>	<b>8 339</b>	<b>(526)</b>	<b>-6%</b>	<b>8 339</b>
% increase		4,1%	8,3%						8,3%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3 637	3 719	4 229	336	4 029	4 229	(201)	-5%	4 229
Pension and UIF Contributions	10	10	11	1	11	11	0	2%	11
Medical Aid Contributions	122	117	170	14	171	170	2	1%	170
Performance Bonus	53	56	111	-	106	111	(5)	-4%	111
Motor Vehicle Allowance	928	923	1 052	88	1 052	1 052	0	0%	1 052
Cellphone Allowance	108	104	117	10	117	117	-		117
Housing Allowances	160	163	160	13	160	160	0	0%	160
Other benefits and allowances	434	385	459	38	459	459	0	0%	459
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 452</b>	<b>5 478</b>	<b>6 308</b>	<b>500</b>	<b>6 105</b>	<b>6 308</b>	<b>(204)</b>	<b>-3%</b>	<b>6 308</b>
% increase		0,5%	15,7%						15,7%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	108 070	119 067	127 685	10 685	126 815	127 685	(870)	-1%	127 685
Pension and UIF Contributions	16 177	17 188	18 288	1 611	18 955	18 288	667	4%	18 288
Medical Aid Contributions	8 220	8 585	8 728	809	9 177	8 728	450	5%	8 728
Overtime	22 043	26 225	15 200	1 476	15 879	15 200	679	4%	15 200
Performance Bonus	7 833	7 670	7 211	1 075	8 464	7 211	1 253	17%	7 211
Motor Vehicle Allowance	14 366	15 269	16 038	1 373	16 182	16 038	144	1%	16 038
Cellphone Allowance	781	833	802	83	851	802	49	6%	802
Housing Allowances	487	510	548	48	570	548	22	4%	548
Other benefits and allowances	4 034	4 351	4 450	450	4 715	4 450	265	6%	4 450
Payments in lieu of leave	3 208	780	1 125	34	1 413	1 125	288	26%	1 125
Long service awards	193	1 065	757	21	981	757	224	30%	757
Post-retirement benefit obligations	(461)	3 125	3 006	-	-	3 006	(3 006)	-100%	3 006
<b>Sub Total - Other Municipal Staff</b>	<b>184 950</b>	<b>204 667</b>	<b>203 836</b>	<b>17 663</b>	<b>204 002</b>	<b>203 836</b>	<b>166</b>	<b>0%</b>	<b>203 836</b>
% increase		10,7%	10,2%						10,2%
<b>Total Parent Municipality</b>	<b>198 103</b>	<b>218 163</b>	<b>218 484</b>	<b>18 786</b>	<b>217 920</b>	<b>218 484</b>	<b>(564)</b>	<b>0%</b>	<b>218 484</b>
		10,1%	10,3%						10,3%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages	-	373	373	-	-	373	(373)	-100%	373
<b>Sub Total - Board Members of Entities</b>	<b>-</b>	<b>373</b>	<b>373</b>	<b>-</b>	<b>-</b>	<b>373</b>	<b>(373)</b>	<b>-100%</b>	<b>373</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages	-	2 130	1 730	-	-	1 730	(1 730)	-100%	1 730
<b>Sub Total - Senior Managers of Entities</b>	<b>-</b>	<b>2 130</b>	<b>1 730</b>	<b>-</b>	<b>-</b>	<b>1 730</b>	<b>(1 730)</b>	<b>-100%</b>	<b>1 730</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Other Staff of Entities</b>									
Basic Salaries and Wages	-	7 575	7 675	-	-	7 675	(7 675)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	1 470	(1 470)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	479	(479)	-100%	479
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	533	533	-	-	533	(533)	-100%	533
Payments in lieu of leave	-	43	43	-	-	43	(43)	-100%	43
<b>Sub Total - Other Staff of Entities</b>	<b>-</b>	<b>10 099</b>	<b>10 199</b>	<b>-</b>	<b>-</b>	<b>10 199</b>	<b>(10 199)</b>	<b>-100%</b>	<b>10 199</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Total Municipal Entities</b>	<b>-</b>	<b>12 601</b>	<b>12 301</b>	<b>-</b>	<b>-</b>	<b>12 301</b>	<b>(12 301)</b>	<b>-100%</b>	<b>12 301</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>198 103</b>	<b>230 764</b>	<b>230 785</b>	<b>18 786</b>	<b>217 920</b>	<b>230 785</b>	<b>(12 865)</b>	<b>-6%</b>	<b>230 785</b>
% increase		16,5%	16,5%						16,5%
<b>TOTAL MANAGERS AND STAFF</b>	<b>190 401</b>	<b>222 374</b>	<b>222 074</b>	<b>18 164</b>	<b>210 107</b>	<b>222 074</b>	<b>(11 967)</b>	<b>-5%</b>	<b>222 074</b>

## 2.6 Material Variances to the SDBIP

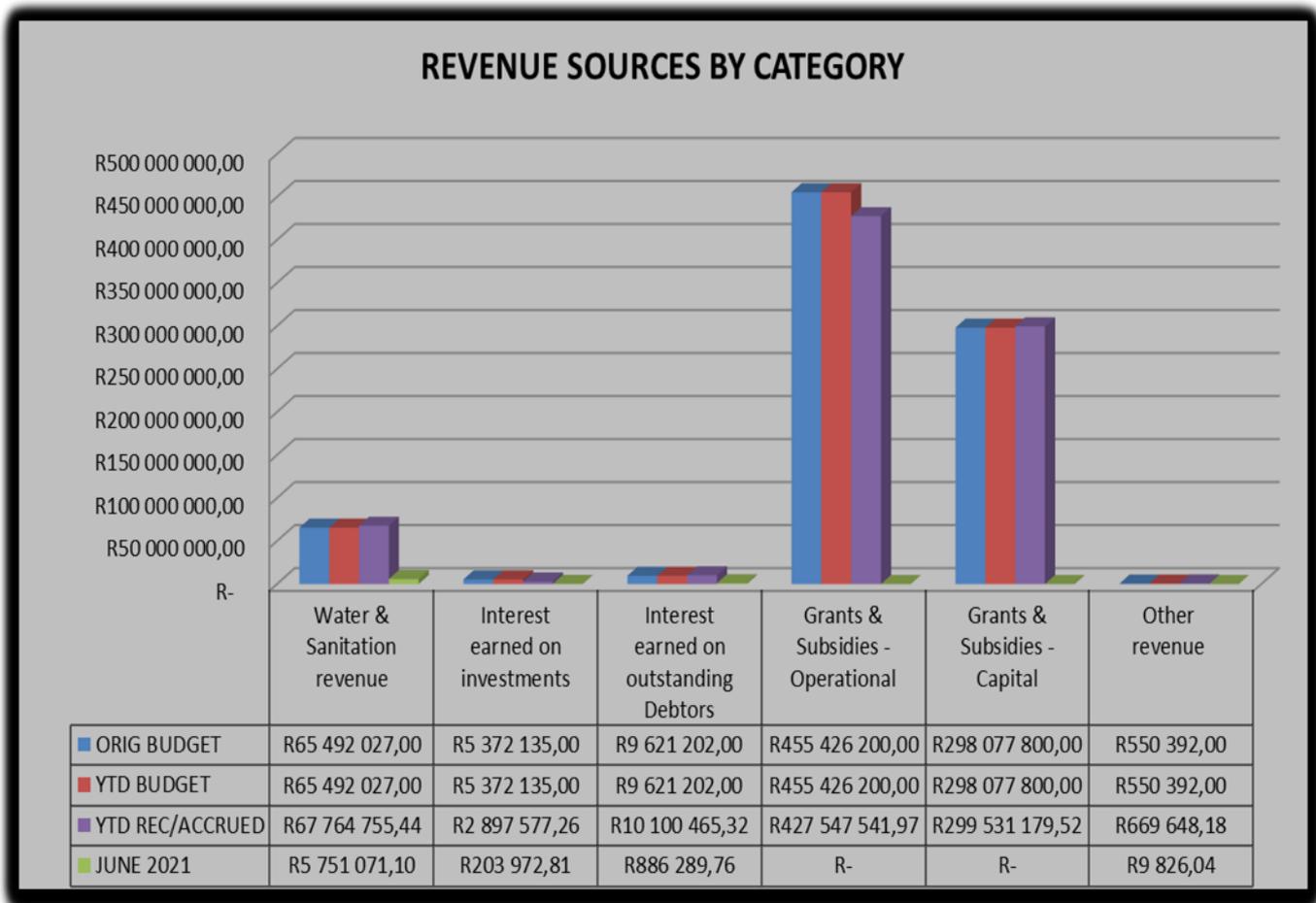
The following section analyses material variances between the actual targets as at 30 June 2021 and the budget for the same period. This report analyses each major component under following headings;

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

### **REVENUE**

The chart displays a comparison between the 202021 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 30 June 2021 was R67, 7million against a year to date **budget** of R65, 4million or 103 per cent over performed by 3 per cent.

### **Interest Earned on External Investments**

The interest earned on external investments year to date actual is R2, 8million against year to budget of R5, 3m representing 54 per cent of the year to date budget.

### **Transfers Recognised - Operational**

The operational grants revenue of R427, 5million against a year to date budget of R455, 4million is largely attributable to the YTD equitable share received. All the operational grants were received as per DORA the difference is caused by Development agency.

### **Transfers Recognised – Capital**

The actual R299, 5million (against a YTD budget of R298million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 100% performance in Conditional Capital grant funding expenditures.

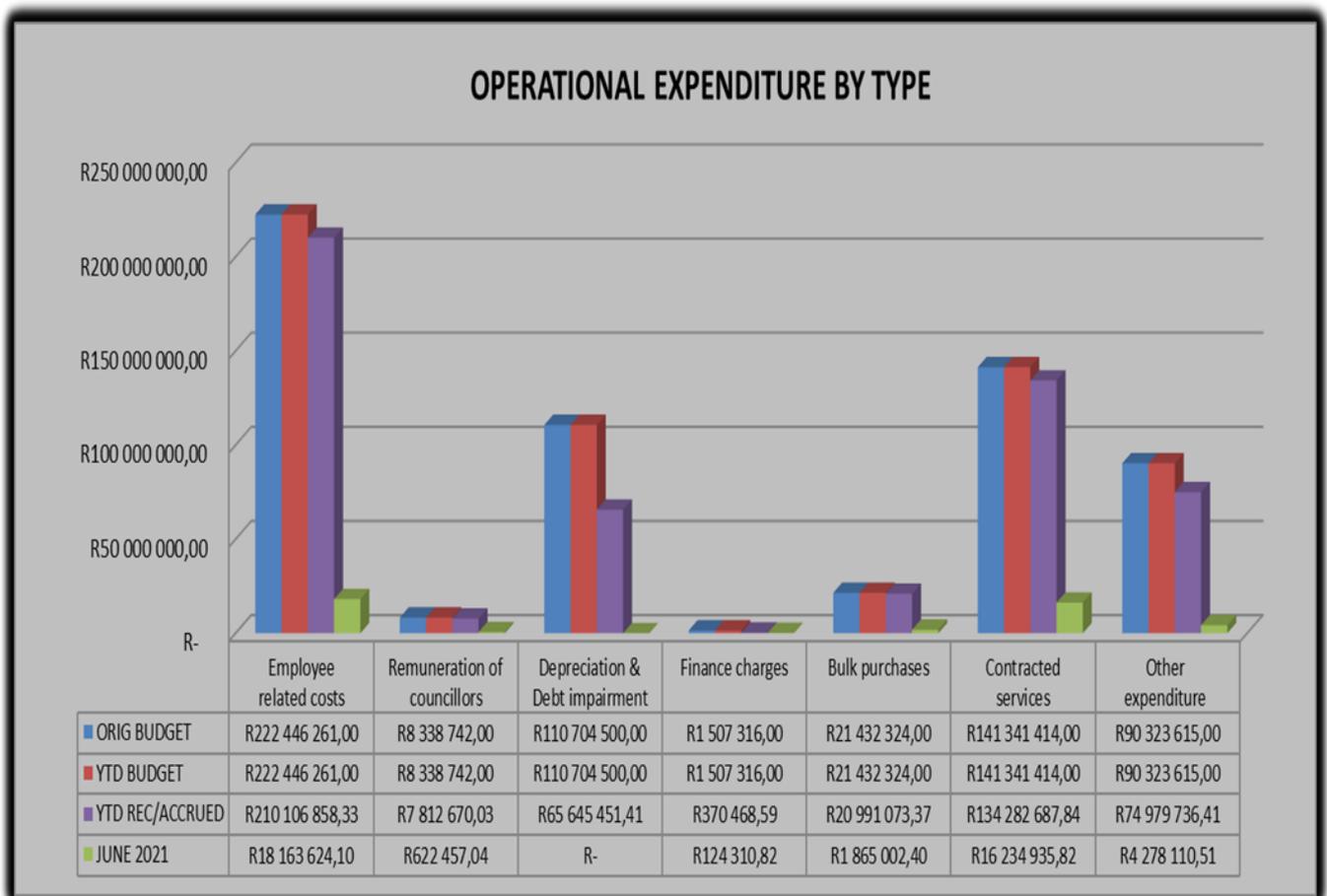
### **Other Revenue**

The YTD performance of other revenue is R669 648 against YTD budget of R 550 392 which demonstrate 122 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: 2020/21 financial year Opex**



### Employee Related Costs

The YTD budget for employee related costs is R222, 4million against a YTD actual of R210, 1million or 94 per cent performance.

## **Remuneration of Councillors**

The remuneration of councillor's expenditure as at 30 June 2021 was R7, 8million against a year to budget of R8, 3million also 94 per cent performance as at 30 June 2021.

## **Finance Charges**

The expenditure for finance charges at 30 June is at R 370 469 against year to date budget of R1, 5million. Finance charges underperformed by 75 per cent as at 30 June 2021.

## **Bulk Purchases**

The expenditure on Bulk Water purchases has underspent by 2 per cent when relating to the year to date actual of R 20, 9million against year to budget of R 21, 4million.

## **Contracted Services**

The year to date actual for contracted services is R134, 2million against year to date budget of R 141, 2million representing 95 per cent performance.

## **Other Expenditure**

The year to date actual is R74, 9million against year to date budget of R 90, 3million and the expenditure for the month of June 2021 is at R4, 2million.

## **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 - M12 June**

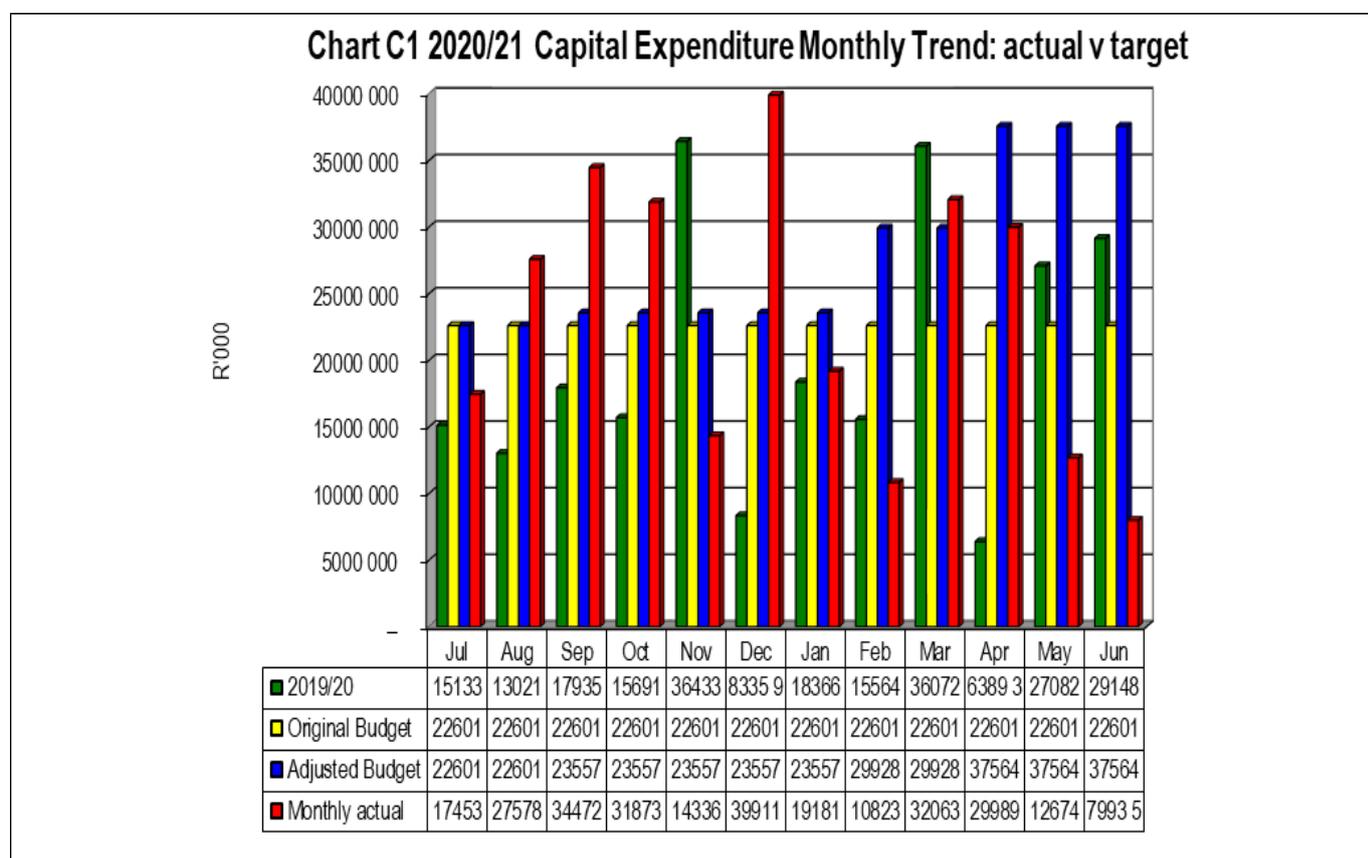
Description	Budget Year 2020/21												2020/21 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>															
<b>Cash Receipts By Source</b>															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	2 184	2 215	5 588	4 612	2 170	2 304	1 935	2 915	5 037	2 628	3 150	3 059	37 797	39 680	41 881
Service charges - sanitation revenue	936	949	2 395	1 976	930	987	829	1 426	2 159	1 126	1 307	657	15 678	14 225	15 078
Interest earned - external investments	-	-	732	203	168	46	480	1 168	319	487	448	1 321	5 372	5 682	6 018
Transfers and Subsidies - Operational	169 125	2 299	-	-	34	156 985	-	646	94 643	-	-	474	424 206	395 084	414 394
Other revenue	-	209	26	39	94	2 415	-	92	144	7	-	(2 550)	476	549	574
<b>Cash Receipts by Source</b>	<b>172 245</b>	<b>5 673</b>	<b>8 741</b>	<b>6 830</b>	<b>3 396</b>	<b>162 737</b>	<b>3 244</b>	<b>6 248</b>	<b>102 302</b>	<b>4 248</b>	<b>4 904</b>	<b>2 961</b>	<b>483 529</b>	<b>455 221</b>	<b>477 945</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	68 000	9 026	30 000	24 000	57 289	90 000	-	-	52 355	-	-	(37 044)	293 626	303 580	346 011
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>240 245</b>	<b>14 699</b>	<b>38 741</b>	<b>30 830</b>	<b>60 685</b>	<b>252 737</b>	<b>3 244</b>	<b>6 248</b>	<b>154 657</b>	<b>4 248</b>	<b>4 904</b>	<b>(34 083)</b>	<b>777 155</b>	<b>758 801</b>	<b>823 956</b>
<b>Cash Payments by Type</b>															
Employee related costs	16 377	16 069	15 673	18 134	17 067	22 915	18 740	18 562	17 802	17 961	19 232	32 254	230 785	246 079	262 443
Remuneration of councillors	688	627	673	682	712	653	651	668	612	629		(6 595)			
Interest paid	-	-	-	-	-	252	-	-	-	-	126	1 130	1 507	1 328	1 385
Bulk purchases - Water & Sewer	-	1 896	1 889	1 380	2 302	1 627	576	1 553	3 751	3 371	1 553	(1 265)	18 632	19 396	20 250
Other materials	-	85	729	360	51	2 275	582	759	499	680		(6 020)			
Contracted services	12 933	6 474	17 835	4 846	14 297	14 352	9 705	9 863	10 417	13 206	-	(113 926)	-	105 296	110 111
General expenses	11 578	15 834	4 561	5 384	3 471	10 934	4 194	5 207	4 854	5 218	18 199	128 952	218 386	73 441	78 948
<b>Cash Payments by Type</b>	<b>41 575</b>	<b>40 983</b>	<b>41 361</b>	<b>30 786</b>	<b>37 899</b>	<b>53 008</b>	<b>34 449</b>	<b>36 613</b>	<b>37 934</b>	<b>41 064</b>	<b>39 109</b>	<b>34 529</b>	<b>469 311</b>	<b>445 539</b>	<b>473 136</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	17 453	27 579	34 472	31 874	14 337	40 106	19 182	22 602	32 063	12 674	27 962	55 238	335 542	307 283	347 620
Repayment of borrowing	-	-	-	-	-	2 217	-	-	-	-	-	(2 217)	-	3 676	2 300
Other Cash Flows/Payments															
<b>Total Cash Payments by Type</b>	<b>59 029</b>	<b>68 562</b>	<b>75 833</b>	<b>62 659</b>	<b>52 236</b>	<b>95 331</b>	<b>53 631</b>	<b>59 215</b>	<b>69 997</b>	<b>53 738</b>	<b>67 071</b>	<b>87 551</b>	<b>804 853</b>	<b>756 499</b>	<b>823 057</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>181 217</b>	<b>(53 863)</b>	<b>(37 092)</b>	<b>(31 829)</b>	<b>8 449</b>	<b>157 406</b>	<b>(50 387)</b>	<b>(52 967)</b>	<b>84 659</b>	<b>(49 490)</b>	<b>(62 167)</b>	<b>(121 634)</b>	<b>(27 698)</b>	<b>2 301</b>	<b>899</b>
Cash/cash equivalents at the month/year beginning:	48 731	229 948	176 085	138 992	107 163	115 612	273 018	222 631	169 664	254 324	204 834	142 667	48 731	21 033	23 334
Cash/cash equivalents at the month/year end:	229 948	176 085	138 992	107 163	115 612	273 018	222 631	169 664	254 324	204 834	142 667	21 033	21 033	23 334	24 233

## Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M12 June

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	15 134	22 602	22 602	17 453	17 453	22 602	5 149	22,8%	6%
August	13 021	22 602	22 602	27 579	45 032	45 204	172	0,4%	17%
September	17 935	22 602	23 558	34 472	79 504	68 761	(10 743)	-15,6%	29%
October	15 692	22 602	23 558	31 874	111 378	92 319	(19 059)	-20,6%	41%
November	36 434	22 602	23 558	14 337	125 715	115 877	(9 838)	-8,5%	46%
December	8 336	22 602	23 558	39 911	165 626	139 434	(26 192)	-18,8%	61%
January	18 366	22 602	23 558	19 182	184 808	162 992	(21 816)	-13,4%	68%
February	15 564	22 602	29 929	10 824	195 632	192 921	(2 711)	-1,4%	72%
March	36 072	22 602	29 929	32 063	227 695	222 849	(4 846)	-2,2%	84%
April	6 389	22 602	37 564	29 990	257 685	260 414	2 729	1,0%	0
May	27 082	22 602	37 564	12 674	270 359	297 978	27 619	9,3%	0
June	29 148	22 602	37 564	7 994	278 353	335 542	57 190	17,0%	0
<b>Total Capital expenditure</b>	<b>239 175</b>	<b>271 221</b>	<b>335 542</b>	<b>278 353</b>					

## YTD Capital Budget vs. YTD Capital Expenditure



### 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 - M12

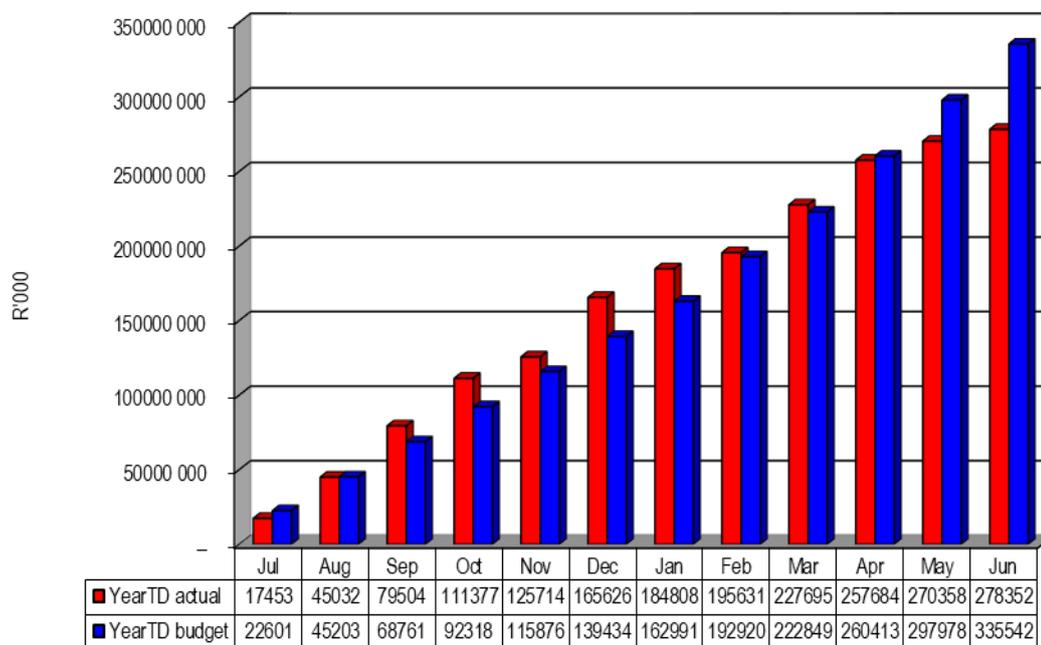
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>105 103</b>	<b>248 033</b>	<b>280 152</b>	<b>6 835</b>	<b>239 400</b>	<b>280 152</b>	<b>40 752</b>	<b>14,5%</b>	<b>280 152</b>
Water Supply Infrastructure	105 103	213 161	262 195	6 835	230 952	262 195	31 243	11,9%	262 195
Dams and Weirs	32 289	16 526	28 929	-	22 602	28 929	6 328	21,9%	28 929
Boreholes	12 718	31 965	22 246	1 601	18 592	22 246	3 655	16,4%	22 246
Reservoirs	15 642	6 900	1 870	-	870	1 870	1 000	53,5%	1 870
Pump Stations	-	21 437	35 541	2 043	29 921	35 541	5 620	15,8%	35 541
Water Treatment Works	-	12 000	7 075	-	4 414	7 075	2 660	37,6%	7 075
Bulk Mains	20 996	27 669	84 784	-	75 836	84 784	8 947	10,6%	84 784
Distribution	23 458	95 963	81 750	3 191	78 718	81 750	3 033	3,7%	81 750
Capital Spares	-	700	-	-	-	-	-	-	-
Sanitation Infrastructure	-	34 873	17 957	-	8 448	17 957	9 509	53,0%	17 957
Pump Station	-	8 700	5 210	-	1 494	5 210	3 716	71,3%	5 210
Reticulation	-	19 506	10 271	-	6 105	10 271	4 166	40,6%	10 271
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	6 667	2 476	-	849	2 476	1 627	65,7%	2 476
<b>Intangible Assets</b>	<b>-</b>	<b>200</b>	<b>900</b>	<b>-</b>	<b>-</b>	<b>900</b>	<b>900</b>	<b>100,0%</b>	<b>900</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	200	900	-	-	900	900	100,0%	900
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	200	900	-	-	900	900	100,0%	900
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	<b>4 084</b>	<b>1 590</b>	<b>1 779</b>	<b>-</b>	<b>1 566</b>	<b>1 779</b>	<b>214</b>	<b>12,0%</b>	<b>1 779</b>
Computer Equipment	4 084	1 590	1 779	-	1 566	1 779	214	12,0%	1 779
<b>Furniture and Office Equipment</b>	<b>684</b>	<b>910</b>	<b>1 860</b>	<b>59</b>	<b>1 325</b>	<b>1 860</b>	<b>534</b>	<b>28,7%</b>	<b>1 860</b>
Furniture and Office Equipment	684	910	1 860	59	1 325	1 860	534	28,7%	1 860
<b>Machinery and Equipment</b>	<b>-</b>	<b>484</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>100,0%</b>	<b>100</b>
Machinery and Equipment	-	484	100	-	-	100	100	100,0%	100
<b>Transport Assets</b>	<b>5 855</b>	<b>2 500</b>	<b>10 958</b>	<b>-</b>	<b>7 355</b>	<b>10 958</b>	<b>3 603</b>	<b>32,9%</b>	<b>10 958</b>
Transport Assets	5 855	2 500	10 958	-	7 355	10 958	3 603	32,9%	10 958
<b>Total Capital Expenditure on new assets</b>	<b>115 726</b>	<b>253 717</b>	<b>295 749</b>	<b>6 894</b>	<b>249 646</b>	<b>295 749</b>	<b>46 103</b>	<b>15,6%</b>	<b>295 749</b>

### 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
<b>R thousands</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	76 976	780	8 796	-	8 110	8 796	686	7,8%	8 796
Water Supply Infrastructure	38 675	780	982	-	982	982	0	0,0%	982
Dams and Weirs	-	-	-	-	-	-	-	-	-
Bulk Mains	-	780	-	-	-	-	-	-	-
Distribution	38 675	-	982	-	982	982	0	0,0%	982
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	38 302	-	7 814	-	7 128	7 814	686	8,8%	7 814
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	38 302	-	7 814	-	7 128	7 814	686	8,8%	7 814
Outfall Sewers	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	50	-	-	-	-	-	-	-
Machinery and Equipment	-	50	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	16 550	1 100	6 418	16 550	10 133	61,2%	16 550
Transport Assets	-	-	16 550	1 100	6 418	16 550	10 133	61,2%	16 550
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>76 976</b>	<b>830</b>	<b>25 346</b>	<b>1 100</b>	<b>14 527</b>	<b>25 346</b>	<b>10 819</b>	<b>42,7%</b>	<b>25 346</b>

Chart C2 2020/21 Capital Expenditure: YTD actual v YTD target



## 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
- the quarterly report on the implementation of the budget in terms of s52 (d) of the MFMA

For the month of June 2021 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 \_\_\_\_\_