

Harry Gwala District Municipality

MFMA s71 & s52 (d) report for the period ending 31 March 2021.

9/4/2021

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. PART 1 – MONTHLY AND QUARTERLY 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 and Section 52(d) 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

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 Mayors Report

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

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.

1.2.1 Implementation of the budget in accordance with the SDBIP

A comprehensive report detailing the implementation for the third quarter ended 31 March 2021 will be tabled in a separate report to council.

1.2.2 Financial problems or risks facing the municipality

The cash flow position as at 31 March 2021 of the Municipality shows an improvement when compared to the previous financial year. However, the municipality will seek to improve more in order for the municipality to be stable and continue to show great improvements and close the financial year with positive bank balance.

The municipality also need to improve more in collection in order to reduce consumer debts because it will 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

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 105% 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 balance of borrowings amounts to R2, 4m at the end of 31 March 2021 for ABSA loan. The next payment will be made in June 2021 and the last payment as the loan will be settled as per ABSA amortisation.

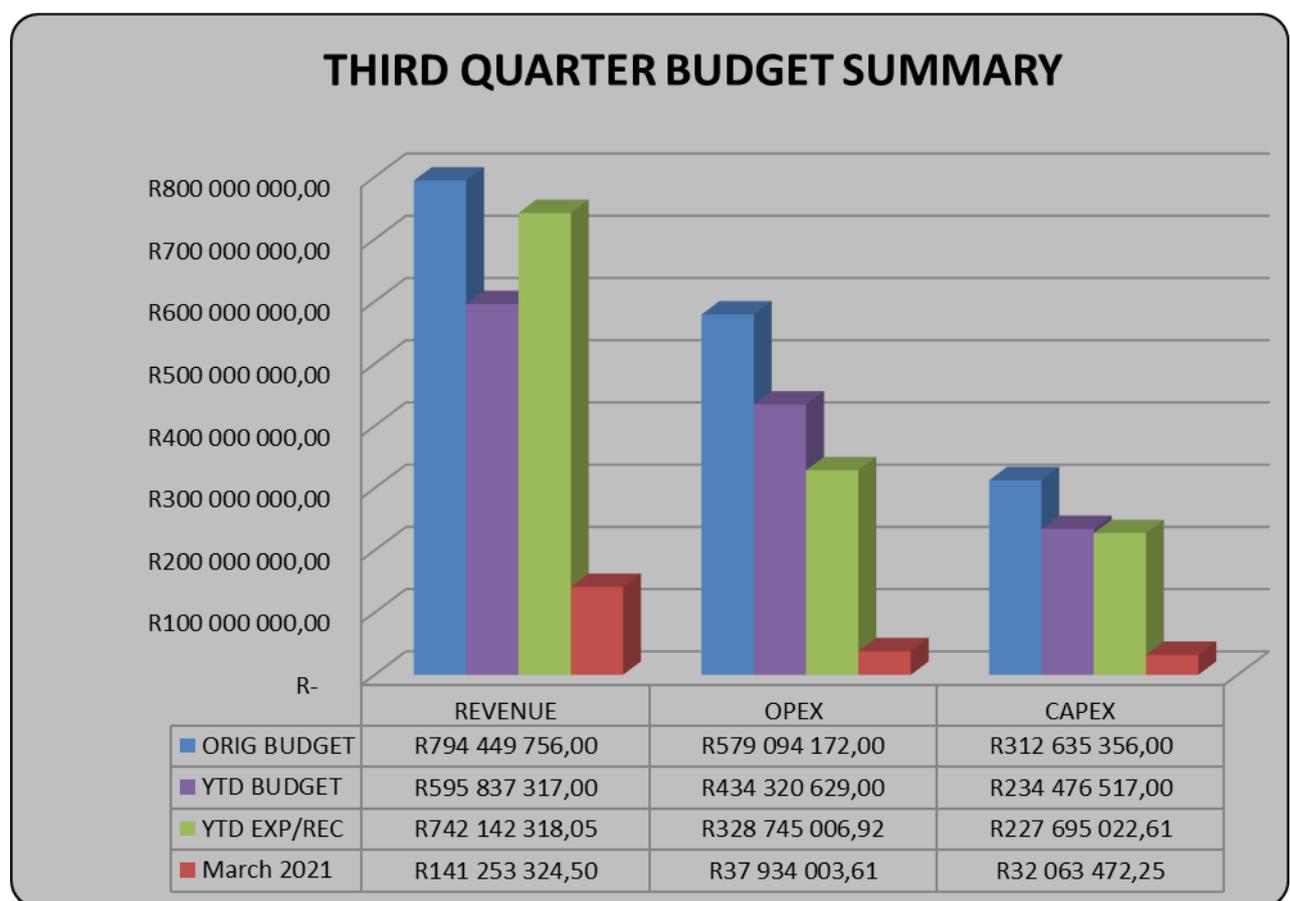
Operating expenditure by vote & type

The total operating budget for the current year amounts to R579m. The YTD Operating expenditure for the month ended 31 March amounted to R328, 7m against a year to date (YTD) budget of R434, 7m. The actual YTD expenditure represented 76% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R312, 6m. The YTD expenditure on capital amounts to R227, 6million, or 97% 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 March 2021 was R173million 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 31 MARCH 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 | | | | | | |
| Municipality | | | | | | |
| FIRST NATIONAL BANK | CALL ACCOUNT | 16 021 | 32 | (18 631) | 62 417 | 59 840 |
| FIRST NATIONAL BANK | CALL ACCOUNT | 18 413 | 21 | (36 610) | 39 000 | 20 824 |
| FIRST NATIONAL BANK | ADMIN CALL | 83 178 | 111 | (21 170) | | 62 119 |
| INVESTEC | FIXED DEPOSIT | 2 166 | 6 | | | 2 172 |
| FIRST NATIONAL BANK | FIXED DEPOSIT | 17 377 | 40 | (3 673) | | 13 744 |
| FIRST NATIONAL BANK | CALL ACCOUNT | 2 356 | 6 | | 1 558 | 3 921 |
| FIRST NATIONAL BANK | CALL ACCOUNT | 2 | 15 | (3 274) | 12 891 | 9 633 |
| FIRST NATIONAL BANK | CALL ACCOUNT | 3 532 | 6 | | 13 355 | 16 893 |
| FIRST NATIONAL BANK | FIXED DEPOSIT | 3 119 | 5 | (177) | | 2 947 |
| CURRENT ACCOUNT | | 1 267 | | | - | (19 014) |
| Municipality sub-total | | 147 432 | 242 | (83 535) | 129 221 | 173 079 |
| TOTAL INVESTMENTS AND INTEREST | | 147 432 | | (83 535) | 129 221 | 173 079 |

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 31 March 2021 was R292, 3million and the operational grants is R417, 6million. Four grants received in the month of March 2021.

Transfers Recognised – Operating

Two Operating grants received for the month of March 2021 namely:

- Expanded Public Works Programme- R 1 558 000
- Equitable Share - R 93 085 000

Transfers Recognised – Capita

Two capital grants received for the month of March 2021 namely:

- Municipal Infrastructure Grant- R 39 000 000
- Regional Bulk Infrastructure Grant-R 13 355 000

There is an additional funding for Municipal Infrastructure Grant amount to R 12 million and Regional Bulk Infrastructure Grant amount to R13, 3million that was received in March 2021. The adjustment budget will be prepared and tabled to Council.

Spending on Grants

Spending on grants amounted to R254, 1million or 97% for 2020/21 third quarter.

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 - M09 March

| 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 | 65 492 | 4 772 | 51 626 | 51 064 | 562 | 1% | 65 492 |
| Investment revenue | 6 196 | 7 681 | 5 372 | 5 | 1 887 | 4 837 | (2 950) | -61% | 5 372 |
| Transfers and subsidies | 380 256 | 387 266 | 451 926 | 94 825 | 426 459 | 329 449 | 97 010 | 29% | 451 926 |
| Other own revenue | 15 464 | 11 345 | 10 172 | 1 015 | 8 065 | 8 039 | 26 | 0% | 10 172 |
| Total Revenue (excluding capital transfers and contributions) | 472 379 | 477 343 | 532 962 | 100 617 | 488 038 | 393 390 | 94 648 | 24% | 532 962 |
| Employee costs | 190 401 | 222 746 | 222 446 | 17 802 | 155 682 | 166 941 | (11 259) | -7% | 222 446 |
| Remuneration of Councillors | 7 702 | 8 018 | 8 339 | 612 | 5 938 | 6 142 | (204) | -3% | 8 339 |
| Depreciation & asset impairment | 71 944 | 84 249 | 84 149 | - | - | 63 147 | (63 147) | -100% | 84 149 |
| Finance charges | 2 396 | 4 385 | 1 507 | - | 246 | 2 138 | (1 891) | -88% | 1 507 |
| Materials and bulk purchases | 28 232 | 27 745 | 28 674 | 4 249 | 18 387 | 21 480 | (3 093) | -14% | 28 674 |
| Transfers and subsidies | 14 000 | - | 17 000 | - | 10 000 | 6 800 | 3 200 | 47% | 17 000 |
| Other expenditure | 246 058 | 207 401 | 233 979 | 15 270 | 138 492 | 167 217 | (28 726) | -17% | 233 979 |
| Total Expenditure | 560 734 | 554 543 | 596 094 | 37 934 | 328 745 | 433 865 | (105 120) | -24% | 596 094 |
| Surplus/(Deficit) | (88 355) | (77 200) | (63 132) | 62 683 | 159 293 | (40 475) | 199 769 | -494% | (63 132) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 262 515 | 263 488 | 278 488 | 40 636 | 254 104 | 203 616 | 50 488 | 25% | 278 488 |
| 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 | 180 023 | 186 288 | 215 356 | 103 319 | 413 397 | 163 140 | 250 257 | 153% | 215 356 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 180 023 | 186 288 | 215 356 | 103 319 | 413 397 | 163 140 | 250 257 | 153% | 215 356 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 240 195 | 271 221 | 312 635 | 32 063 | 227 695 | 222 849 | 4 846 | 2% | 312 635 |
| Capital transfers recognised | 234 687 | 263 488 | 278 588 | 27 314 | 213 101 | 203 656 | 9 445 | 5% | 278 588 |
| Borrowing | 1 296 | - | - | - | - | - | - | - | - |
| Internally generated funds | 4 211 | 7 734 | 34 048 | 4 750 | 14 594 | 19 193 | (4 600) | -24% | 34 048 |
| Total sources of capital funds | 240 195 | 271 221 | 312 635 | 32 063 | 227 695 | 222 849 | 4 846 | 2% | 312 635 |
| Financial position | | | | | | | | | |
| Total current assets | 101 298 | 54 026 | 70 529 | | 310 319 | | | | 70 529 |
| Total non current assets | 2 341 369 | 2 290 106 | 2 608 585 | | 2 569 064 | | | | 2 608 585 |
| Total current liabilities | 137 351 | 85 282 | 105 190 | | 157 996 | | | | 105 190 |
| Total non current liabilities | 44 948 | 27 811 | 37 425 | | 35 961 | | | | 37 425 |
| Community wealth/Equity | 2 330 681 | 2 231 219 | 2 507 698 | | 2 674 031 | | | | 2 507 698 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 232 930 | 269 092 | 291 320 | 116 409 | 389 719 | 194 214 | (195 505) | -101% | 291 320 |
| Net cash from (used) investing | (279 405) | (271 221) | (280 780) | (32 063) | (217 066) | (187 186) | 29 880 | -16% | (280 780) |
| Net cash from (used) financing | (12 528) | (4 555) | (9 741) | - | (2 217) | (6 494) | (4 277) | 66% | (9 741) |
| Cash/cash equivalents at the month/year end | (640) | 6 237 | 41 471 | - | 211 106 | 533 | (210 573) | -39496% | 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 | 6 341 | 6 335 | 5 852 | 4 214 | 4 350 | 4 289 | 28 249 | 164 528 | 224 159 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 5 034 | 2 299 | - | 4 215 | - | - | - | - | 11 548 |

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) - M09 March

| 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 | 434 454 | 93 287 | 420 664 | 324 527 | 96 137 | 30% | 434 454 |
| Executive and council | - | - | - | - | - | - | - | - | - |
| Finance and administration | 368 076 | 391 887 | 434 454 | 93 287 | 420 664 | 324 527 | 96 137 | 30% | 434 454 |
| Internal audit | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | 7 928 | 6 966 | 25 576 | 1 055 | 3 524 | 12 219 | (8 695) | -71% | 25 576 |
| Planning and development | 7 928 | 6 966 | 25 576 | 1 055 | 3 524 | 12 219 | (8 695) | -71% | 25 576 |
| Road transport | - | - | - | - | - | - | - | - | - |
| Environmental protection | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | 364 753 | 341 978 | 351 420 | 46 912 | 317 955 | 260 260 | 57 695 | 22% | 351 420 |
| Energy sources | - | - | - | - | - | - | - | - | - |
| Water management | 348 448 | 321 468 | 317 028 | 40 639 | 294 866 | 239 325 | 55 541 | 23% | 317 028 |
| Waste water management | 16 305 | 20 510 | 34 392 | 6 273 | 23 089 | 20 935 | 2 154 | 10% | 34 392 |
| Waste management | - | - | - | - | - | - | - | - | - |
| <i>Other</i> | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 740 757 | 740 831 | 811 450 | 141 253 | 742 142 | 597 006 | 145 137 | 24% | 811 450 |
| Expenditure - Functional | | | | | | | | | |
| <i>Governance and administration</i> | 251 424 | 240 522 | 257 226 | 18 076 | 155 493 | 188 334 | (32 841) | -17% | 257 226 |
| Executive and council | 20 706 | 24 234 | 25 142 | 2 833 | 21 410 | 18 539 | 2 871 | 15% | 25 142 |
| Finance and administration | 220 919 | 208 209 | 223 745 | 14 678 | 128 401 | 163 632 | (35 232) | -22% | 223 745 |
| Internal audit | 9 799 | 8 078 | 8 338 | 565 | 5 682 | 6 163 | (481) | -8% | 8 338 |
| <i>Community and public safety</i> | 16 687 | 18 788 | 16 826 | 1 255 | 11 950 | 13 306 | (1 356) | -10% | 16 826 |
| Community and social services | 16 687 | 18 788 | 16 826 | 1 255 | 11 950 | 13 306 | (1 356) | -10% | 16 826 |
| Sport and recreation | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | 139 476 | 148 577 | 152 248 | 2 844 | 35 460 | 112 542 | (77 082) | -68% | 152 248 |
| Planning and development | 139 476 | 148 577 | 152 248 | 2 844 | 35 460 | 112 542 | (77 082) | -68% | 152 248 |
| Road transport | - | - | - | - | - | - | - | - | - |
| Environmental protection | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | 153 146 | 146 657 | 169 793 | 15 758 | 125 842 | 119 682 | 6 159 | 5% | 169 793 |
| Energy sources | - | - | - | - | - | - | - | - | - |
| Water management | 150 572 | 145 857 | 168 951 | 15 701 | 125 271 | 119 065 | 6 206 | 5% | 168 951 |
| Waste water management | 2 574 | 800 | 842 | 58 | 571 | 617 | (46) | -7% | 842 |
| Waste management | - | - | - | - | - | - | - | - | - |
| <i>Other</i> | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 560 734 | 554 543 | 596 094 | 37 934 | 328 745 | 433 865 | (105 120) | -24% | 596 094 |
| Surplus/ (Deficit) for the year | 180 023 | 186 288 | 215 356 | 103 319 | 413 397 | 163 140 | 250 257 | 153% | 215 356 |

This table assesses the revenue by department and then the expenditure for the period ending 31 March 2021. Revenue receipts in March have largely constituted of equitable share and service charges which is water

and sanitation. The overall budgeted revenue cash receipt for the month of March is 24%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of March 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 R20, 6million 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 |
| 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 | 433 819 | 93 154 | 420 469 | 324 273 | 96 196 | 29,7% | 433 819 |
| Vote 04 - Summary Corporate Services | 1 447 | - | 635 | 133 | 153 | 254 | (101) | -39,8% | 635 |
| Vote 05 - Summary Social Services & Development Planning | 928 | 6 966 | 25 576 | 1 055 | 3 524 | 12 219 | (8 695) | -71,2% | 25 576 |
| Vote 06 - Summary Infrastructure Services | 287 979 | 270 928 | 270 928 | 36 826 | 251 172 | 203 196 | 47 976 | 23,6% | 270 928 |
| Vote 07 - Summary Water Services | 83 881 | 71 050 | 80 492 | 10 086 | 66 825 | 57 064 | 9 761 | 17,1% | 80 492 |
| Vote 15 - Other | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 740 757 | 740 831 | 811 450 | 141 253 | 742 142 | 597 006 | 145 137 | 24,3% | 811 450 |
| Expenditure by Vote | | | | | | | | | |
| Vote 01 - Summary Council | 10 296 | 15 677 | 16 975 | 1 484 | 10 551 | 12 277 | (1 727) | -14,1% | 16 975 |
| Vote 02 - Summary Municipal Manager | 20 209 | 16 635 | 16 506 | 1 914 | 16 542 | 12 425 | 4 117 | 33,1% | 16 506 |
| Vote 03 - Summary Budget And Treasury Office | 96 447 | 84 548 | 85 067 | 3 717 | 37 332 | 63 619 | (26 287) | -41,3% | 85 067 |
| Vote 04 - Summary Corporate Services | 86 493 | 81 310 | 89 784 | 5 737 | 57 012 | 64 508 | (7 495) | -11,6% | 89 784 |
| Vote 05 - Summary Social Services & Development Planning | 49 942 | 58 793 | 68 443 | 2 478 | 31 504 | 47 505 | (16 001) | -33,7% | 68 443 |
| Vote 06 - Summary Infrastructure Services | 114 515 | 112 989 | 104 820 | 1 971 | 19 084 | 81 564 | (62 480) | -76,6% | 104 820 |
| Vote 07 - Summary Water Services | 182 831 | 184 590 | 214 499 | 20 633 | 156 720 | 151 967 | 4 754 | 3,1% | 214 499 |
| Vote 15 - Other | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 560 734 | 554 543 | 596 094 | 37 934 | 328 745 | 433 865 | (105 120) | -24,2% | 596 094 |
| Surplus/ (Deficit) for the year | 180 023 | 186 288 | 215 356 | 103 319 | 413 397 | 163 140 | 250 257 | 153,4% | 215 356 |

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 March 2021.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

| 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 | 46 100 | 3 655 | 41 192 | 36 129 | 5 063 | 14% | 46 100 |
| Service charges - sanitation revenue | 16 305 | 20 510 | 19 392 | 1 117 | 10 435 | 14 935 | (4 501) | -30% | 19 392 |
| Interest earned - external investments | 6 196 | 7 681 | 5 372 | 5 | 1 887 | 4 837 | (2 950) | -61% | 5 372 |
| Interest earned - outstanding debtors | 12 632 | 10 238 | 9 621 | 872 | 7 442 | 7 432 | 11 | 0% | 9 621 |
| Dividends received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | 183 | - | 183 | #DIV/0! | - |
| Transfers and subsidies | 380 256 | 387 266 | 451 926 | 94 825 | 426 459 | 329 449 | 97 010 | 29% | 451 926 |
| Other revenue | 1 770 | 1 107 | 550 | 144 | 440 | 608 | (168) | -28% | 550 |
| Gains | 1 062 | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 472 379 | 477 343 | 532 962 | 100 617 | 488 038 | 393 390 | 94 648 | 24% | 532 962 |
| Expenditure By Type | | | | | | | | | |
| Employee related costs | 190 401 | 222 746 | 222 446 | 17 802 | 155 682 | 166 941 | (11 259) | -7% | 222 446 |
| Remuneration of councillors | 7 702 | 8 018 | 8 339 | 612 | 5 938 | 6 142 | (204) | -3% | 8 339 |
| Debt impairment | 43 337 | 26 556 | 26 556 | - | - | 19 917 | (19 917) | -100% | 26 556 |
| Depreciation & asset impairment | 71 944 | 84 249 | 84 149 | - | - | 63 147 | (63 147) | -100% | 84 149 |
| Finance charges | 2 396 | 4 385 | 1 507 | - | 246 | 2 138 | (1 891) | -88% | 1 507 |
| Bulk purchases | 22 833 | 18 632 | 18 632 | 3 751 | 13 721 | 13 974 | (253) | -2% | 18 632 |
| Other materials | 5 400 | 9 113 | 10 042 | 499 | 4 666 | 7 506 | (2 840) | -38% | 10 042 |
| Contracted services | 144 400 | 118 356 | 141 244 | 10 417 | 99 749 | 98 664 | 1 085 | 1% | 141 244 |
| Transfers and subsidies | 14 000 | - | 17 000 | - | 10 000 | 6 800 | 3 200 | 47% | 17 000 |
| Other expenditure | 55 607 | 62 488 | 66 180 | 4 854 | 38 743 | 48 637 | (9 894) | -20% | 66 180 |
| Losses | 2 714 | - | - | - | - | - | - | - | - |
| Total Expenditure | 560 734 | 554 543 | 596 094 | 37 934 | 328 745 | 433 865 | (105 120) | -24% | 596 094 |
| Surplus/(Deficit) | (88 355) | (77 200) | (63 132) | 62 683 | 159 293 | (40 475) | 199 769 | (0) | (63 132) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 262 515 | 263 488 | 278 488 | 40 636 | 254 104 | 203 616 | 50 488 | 0 | 278 488 |
| Transfers and subsidies - capital (in-kind - all) | 5 863 | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 180 023 | 186 288 | 215 356 | 103 319 | 413 397 | 163 140 | | | 215 356 |
| Taxation | | | | | | | - | | |
| Surplus/(Deficit) after taxation | 180 023 | 186 288 | 215 356 | 103 319 | 413 397 | 163 140 | | | 215 356 |
| Attributable to minorities | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | 180 023 | 186 288 | 215 356 | 103 319 | 413 397 | 163 140 | | | 215 356 |
| Share of surplus/ (deficit) of associate | | | | | | | | | |
| Surplus/ (Deficit) for the year | 180 023 | 186 288 | 215 356 | 103 319 | 413 397 | 163 140 | | | 215 356 |

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.

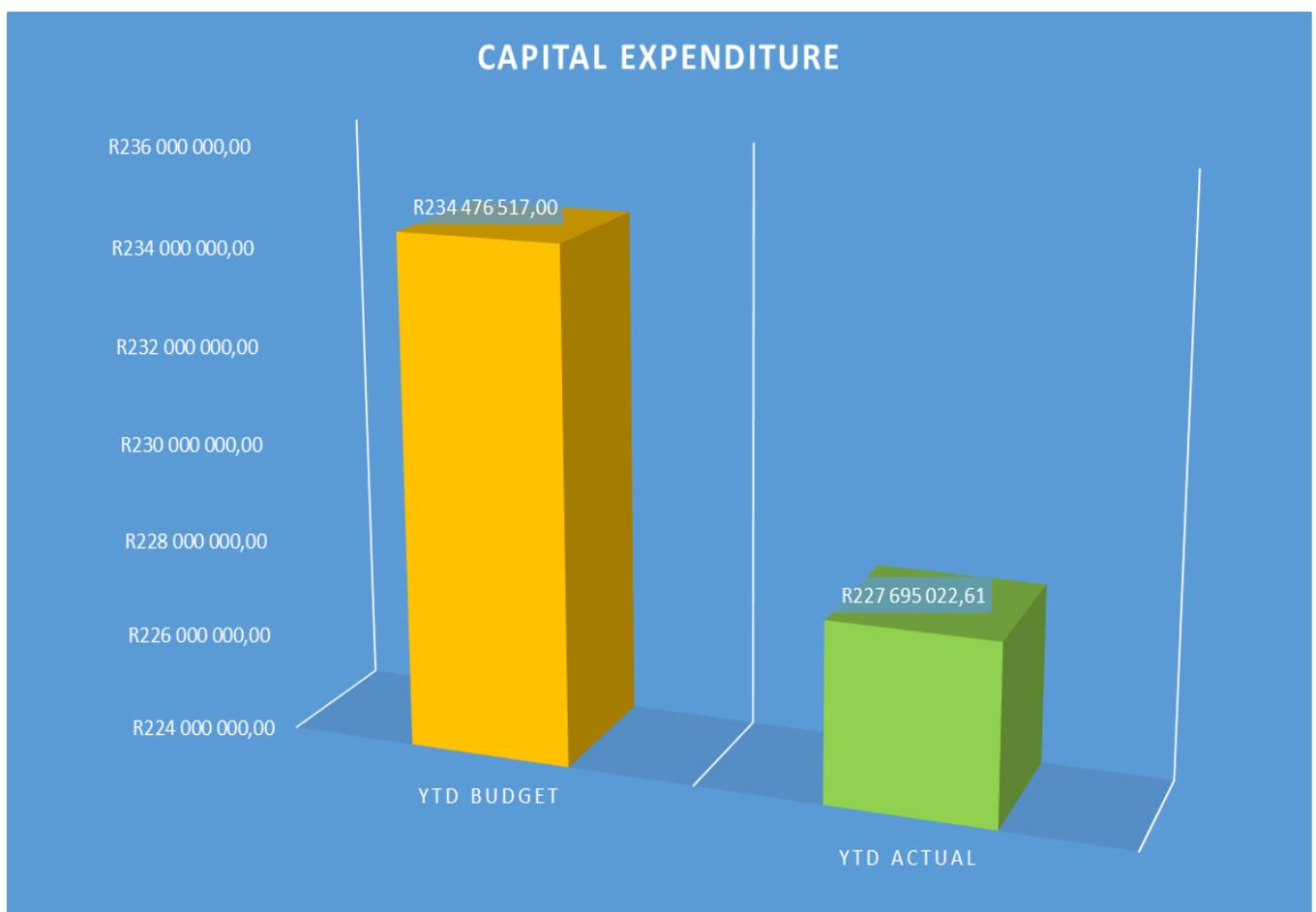
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding -

| 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 |
| R thousands | | | | | | | | | |
| Multi-Year expenditure appropriation | | | | | | | | | |
| Vote 01 - Summary Council | - | - | - | - | - | - | - | - | - |
| Vote 02 - Summary Municipal Manager | - | - | - | - | - | - | - | - | - |
| Vote 03 - Summary Budget And Treasury Office | 281 | 324 | 560 | - | - | 337 | (337) | -100% | 560 |
| Vote 04 - Summary Corporate Services | 3 814 | 2 350 | 19 950 | - | 2 489 | 9 133 | (6 644) | -73% | 19 950 |
| Vote 05 - Summary Social Services & Development Planning | - | 3 060 | 11 638 | - | 7 355 | 8 263 | (908) | -11% | 11 638 |
| Vote 06 - Summary Infrastructure Services | 223 225 | 9 026 | 9 026 | 4 750 | 17 403 | 6 770 | 10 633 | 157% | 9 026 |
| Vote 07 - Summary Water Services | 11 855 | 256 462 | 271 462 | 27 314 | 200 449 | 198 347 | 2 102 | 1% | 271 462 |
| Total Capital Multi-year expenditure | 239 175 | 271 221 | 312 635 | 32 063 | 227 695 | 222 849 | 4 846 | 2% | 312 635 |
| 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 | 312 635 | 32 063 | 227 695 | 222 849 | 4 846 | 2% | 312 635 |
| Capital Expenditure - Functional Classification | | | | | | | | | |
| Governance and administration | 4 095 | 2 964 | 21 089 | - | 2 489 | 9 803 | (7 314) | -75% | 21 089 |
| Executive and council | - | - | - | - | - | - | - | - | - |
| Finance and administration | 4 095 | 2 964 | 21 089 | - | 2 489 | 9 803 | (7 314) | -75% | 21 089 |
| Internal audit | - | - | - | - | - | - | - | - | - |
| Community and public safety | - | 2 500 | 11 058 | - | 7 355 | 7 836 | (481) | -6% | 11 058 |
| Community and social services | - | 2 500 | 11 058 | - | 7 355 | 7 836 | (481) | -6% | 11 058 |
| Sport and recreation | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | 1 693 | 270 | - | 4 750 | 4 750 | 95 | 4 655 | 4926% | - |
| Planning and development | 1 693 | 270 | - | 4 750 | 4 750 | 95 | 4 655 | 4926% | - |
| Road transport | - | - | - | - | - | - | - | - | - |
| Environmental protection | - | - | - | - | - | - | - | - | - |
| Trading services | 234 406 | 265 488 | 280 488 | 27 314 | 213 101 | 205 116 | 7 985 | 4% | 280 488 |
| Energy sources | - | - | - | - | - | - | - | - | - |
| Water management | 198 896 | 220 615 | 255 851 | 26 539 | 201 384 | 179 556 | 21 828 | 12% | 255 851 |
| Waste water management | 35 511 | 44 873 | 24 637 | 774 | 11 717 | 25 560 | (13 843) | -54% | 24 637 |
| Waste management | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 240 195 | 271 221 | 312 635 | 32 063 | 227 695 | 222 849 | 4 846 | 2% | 312 635 |
| Funded by: | | | | | | | | | |
| National Government | 222 832 | 263 488 | 263 488 | 23 077 | 204 183 | 197 616 | 6 567 | 3% | 263 488 |
| Provincial Government | 11 855 | - | 15 000 | 4 237 | 8 918 | 6 000 | 2 918 | 49% | 15 000 |
| District Municipality | - | - | 100 | - | - | 40 | (40) | -100% | 100 |
| Transfers recognised - capital | 234 687 | 263 488 | 278 588 | 27 314 | 213 101 | 203 656 | 9 445 | 5% | 278 588 |
| Borrowing | 1 296 | - | - | - | - | - | - | - | - |
| Internally generated funds | 4 211 | 7 734 | 34 048 | 4 750 | 14 594 | 19 193 | (4 600) | -24% | 34 048 |
| Total Capital Funding | 240 195 | 271 221 | 312 635 | 32 063 | 227 695 | 222 849 | 4 846 | 2% | 312 635 |

As alluded to above, the capital expenditure programme for the period ending 31 March 2021 was R227, 6m which represents 97% of capital expenditure against year to date budget of R234, 4million. 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



As at 31 March 2021, the year to date actual expenditure was R227,6million against a YTD budget of R234,4million. In monetary terms, these figures represent 97 per cent performance against the capital development programme as at 31 March 2021.

Table C6 displays the financial position of the municipality as at 31 March 2021.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M09 March

| 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 | (561 564) | (328 148) | (561 564) |
| Call investment deposits | 16 967 | 4 517 | 578 237 | 547 374 | 578 237 |
| Consumer debtors | 33 088 | 33 454 | 30 939 | 57 073 | 30 939 |
| Other debtors | 27 538 | 14 334 | 22 917 | 34 019 | 22 917 |
| Current portion of long-term receivables | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| Total current assets | 101 298 | 54 026 | 70 529 | 310 319 | 70 529 |
| Non current assets | | | | | |
| Long-term receivables | - | - | - | - | - |
| Investments | - | - | - | - | - |
| Investment property | - | - | - | - | - |
| Investments in Associate | - | - | - | - | - |
| Property, plant and equipment | 2 340 494 | 2 288 618 | 2 607 055 | 2 568 189 | 2 607 055 |
| Intangible | 875 | 1 489 | 1 529 | 875 | 1 529 |
| Other non-current assets | 0 | 0 | 0 | 0 | 0 |
| Total non current assets | 2 341 369 | 2 290 106 | 2 608 585 | 2 569 064 | 2 608 585 |
| TOTAL ASSETS | 2 442 667 | 2 344 132 | 2 679 114 | 2 879 384 | 2 679 114 |
| <u>LIABILITIES</u> | | | | | |
| Current liabilities | | | | | |
| Bank overdraft | - | - | - | - | - |
| Borrowing | - | 4 555 | - | (109) | - |
| Consumer deposits | 1 863 | 1 845 | 2 008 | 1 965 | 2 008 |
| Trade and other payables | 122 194 | 68 734 | 89 888 | 142 845 | 89 888 |
| Provisions | 13 294 | 10 148 | 13 294 | 13 294 | 13 294 |
| Total current liabilities | 137 351 | 85 282 | 105 190 | 157 996 | 105 190 |
| Non current liabilities | | | | | |
| Borrowing | 26 469 | 3 485 | 16 040 | 17 482 | 16 040 |
| Provisions | 18 479 | 24 326 | 21 385 | 18 479 | 21 385 |
| Total non current liabilities | 44 948 | 27 811 | 37 425 | 35 961 | 37 425 |
| TOTAL LIABILITIES | 182 300 | 113 094 | 142 615 | 193 957 | 142 615 |
| NET ASSETS | 2 260 367 | 2 231 038 | 2 536 498 | 2 685 427 | 2 536 498 |
| <u>COMMUNITY WEALTH/EQUITY</u> | | | | | |
| Accumulated Surplus/(Deficit) | 2 330 681 | 2 231 219 | 2 507 698 | 2 674 031 | 2 507 698 |
| Reserves | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 330 681 | 2 231 219 | 2 507 698 | 2 674 031 | 2 507 698 |

Table C7 below display the Cash Flow Statement for the period ending 31 March 2021.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M09 March

| 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 | 7 196 | 37 207 | 30 788 | 6 419 | 21% | 46 183 |
| Other revenue | 11 626 | 1 107 | 7 732 | 144 | 623 | 5 155 | (4 532) | -88% | 7 732 |
| Transfers and Subsidies - Operational | 339 907 | 387 266 | 431 049 | 94 643 | 425 390 | 287 366 | 138 024 | 48% | 431 049 |
| Transfers and Subsidies - Capital | 274 335 | 263 488 | 263 488 | 52 355 | 273 381 | 175 659 | 97 722 | 56% | 263 488 |
| Interest | 7 257 | 7 681 | 7 681 | 5 | 1 633 | 5 121 | (3 488) | -68% | 7 681 |
| Dividends | | | | | | | | | |
| Payments | | | | | | | | | |
| Suppliers and employees | (447 672) | (439 354) | (460 428) | (37 934) | (348 264) | (306 952) | 41 312 | -13% | (460 428) |
| Finance charges | (4 180) | (4 385) | (4 385) | - | (252) | (2 923) | (2 671) | 91% | (4 385) |
| Transfers and Grants | (332) | - | - | - | - | - | - | | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 232 930 | 269 092 | 291 320 | 116 409 | 389 719 | 194 214 | (195 505) | -101% | 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) | (32 063) | (217 066) | (187 186) | 29 880 | -16% | (280 780) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (279 405) | (271 221) | (280 780) | (32 063) | (217 066) | (187 186) | 29 880 | -16% | (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) | - | (2 217) | (6 494) | (4 277) | 66% | (9 741) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (12 528) | (4 555) | (9 741) | - | (2 217) | (6 494) | (4 277) | 66% | (9 741) |
| NET INCREASE/(DECREASE) IN CASH HELD | (59 003) | (6 685) | 800 | 84 345 | 170 436 | 533 | | | 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 | | 211 106 | 533 | | | 800 |

The interest earned on investments and on outstanding debtors for the period ending 31 March is R 9, 3million which is representing 83% 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 31 March 2021.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

| 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 | 4 071 | 4 066 | 3 757 | 2 705 | 2 793 | 2 753 | 18 134 | 105 614 | 143 893 | 131 999 |
| Trade and Other Receivables from Exchange Transactions - Electricity | - | - | - | - | - | - | - | - | - | - |
| Receivables from Non-exchange Transactions - Property Rates | - | - | - | - | - | - | - | - | - | - |
| Receivables from Exchange Transactions - Waste Water Management | 1 590 | 1 589 | 1 468 | 1 057 | 1 091 | 1 075 | 7 084 | 41 259 | 56 213 | 51 567 |
| Receivables from Exchange Transactions - Waste Management | - | - | - | - | - | - | - | - | - | - |
| Receivables from Exchange Transactions - Property Rental Debtors | - | - | - | - | - | - | - | - | - | - |
| Interest on Arrear Debtor Accounts | 680 | 680 | 628 | 452 | 467 | 460 | 3 031 | 17 654 | 24 053 | 22 065 |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total By Income Source | 6 341 | 6 335 | 5 852 | 4 214 | 4 350 | 4 289 | 28 249 | 164 528 | 224 159 | 205 630 |
| 2019/20 - totals only | | | | | | | | | - | - |
| Debtors Age Analysis By Customer Group | | | | | | | | | | |
| Organs of State | 1 800 | 1 369 | 1 014 | 366 | 236 | 182 | 890 | 3 732 | 9 589 | 5 405 |
| Commercial | 822 | 613 | 499 | 340 | 380 | 370 | 2 478 | 9 307 | 14 810 | 12 875 |
| Households | 3 718 | 4 353 | 4 339 | 3 508 | 3 735 | 3 736 | 24 881 | 151 489 | 199 760 | 187 350 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total By Customer Group | 6 341 | 6 335 | 5 852 | 4 214 | 4 350 | 4 289 | 28 249 | 164 528 | 224 159 | 205 630 |

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.

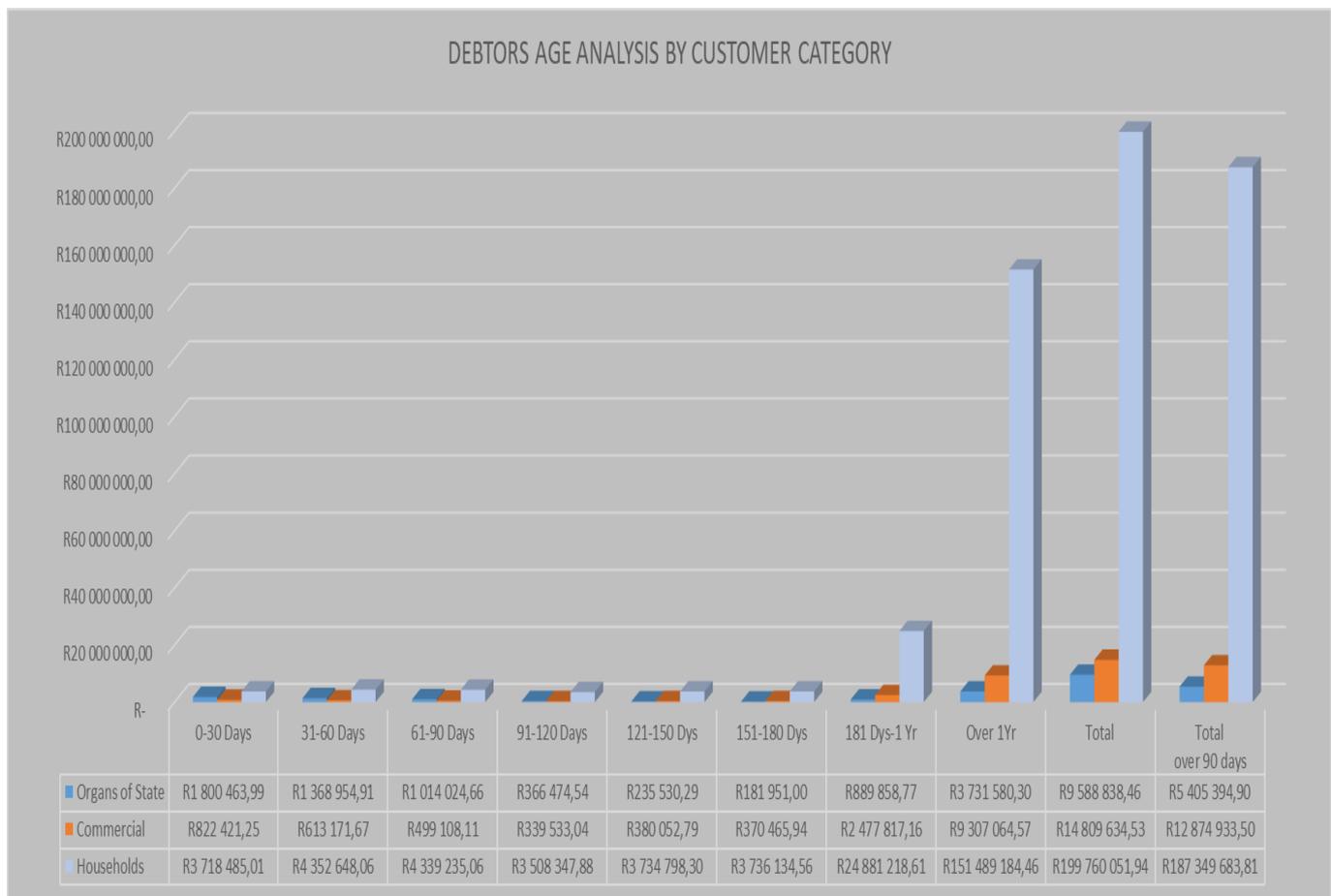
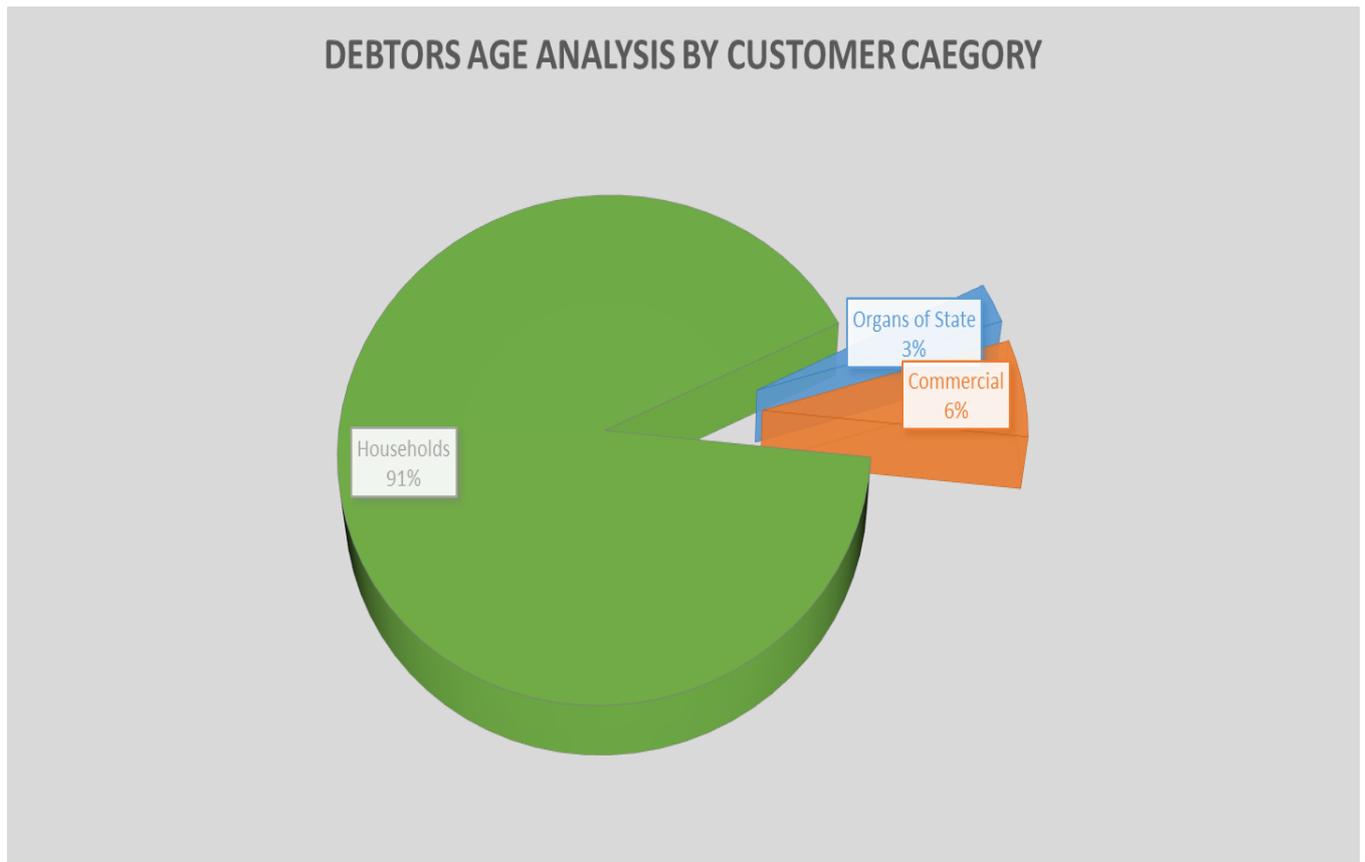


Chart 2: Debtors Age Analysis by Customer Group

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

- ✓ Households: 91%
- ✓ Government 3%
- ✓ 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.

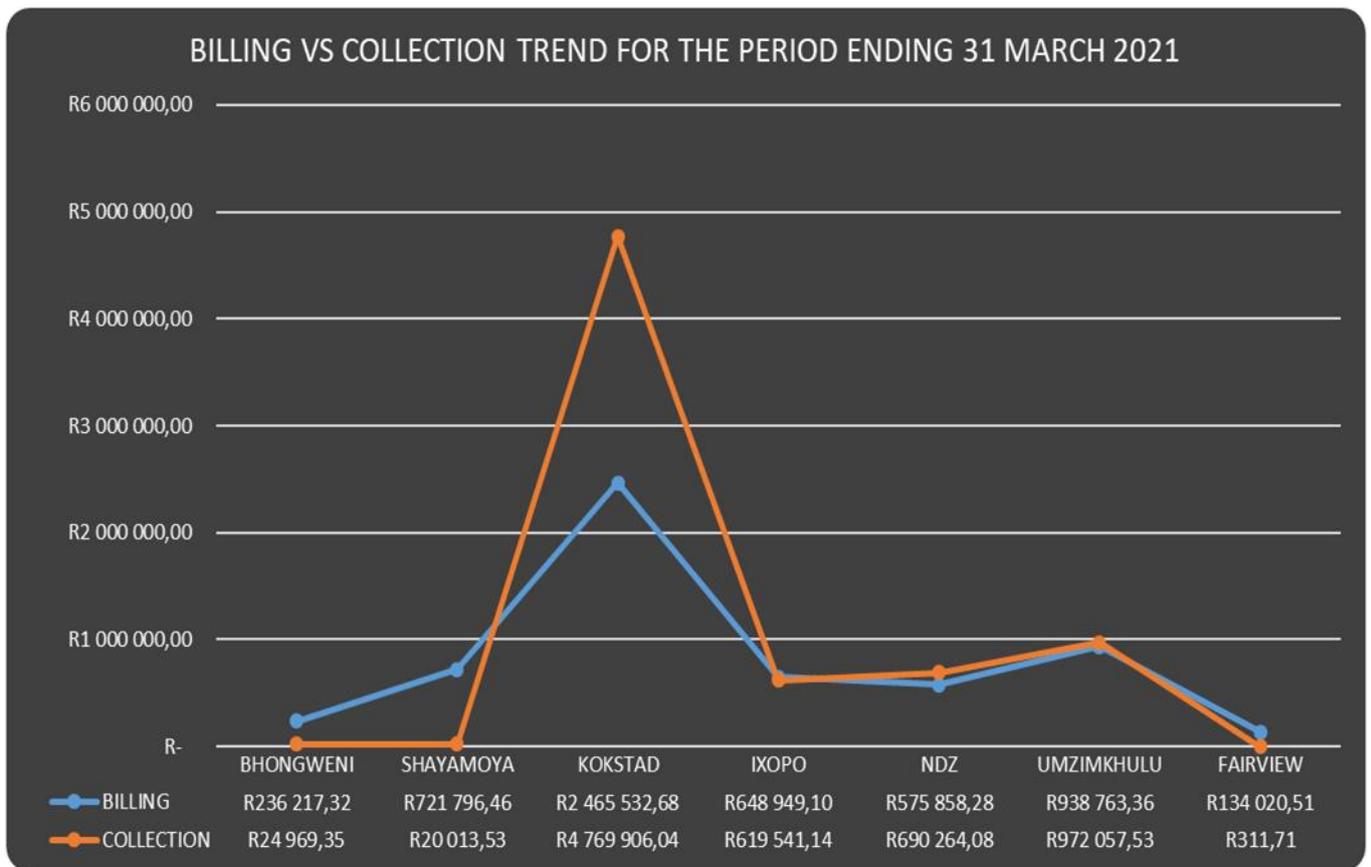
The table that follows below unpacks the revenue receipts per Local Municipality in the District

Revenue receipts per Area

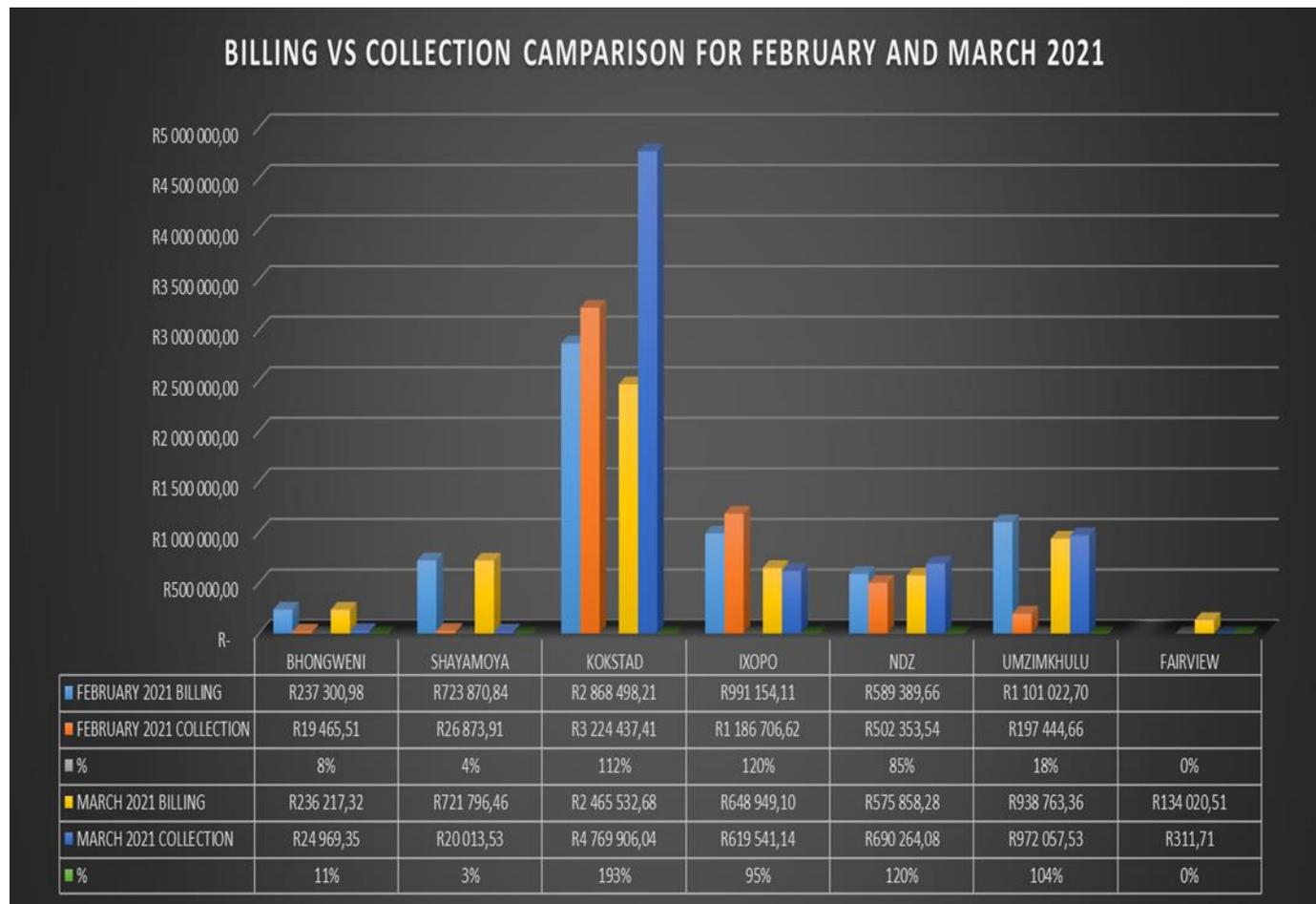
| AREA | AMOUNT | | |
|------------------------------------|-----------------------|---------------|------------------|
| | | MARCH 2021 | FEBRUARY 2021 |
| Unallocated receipts | R 99 095,44 | 1% | 2% |
| Bhongweni | R 24 969,35 | 0% | 0% |
| Shayamoya | R 20 013,53 | 0% | 1% |
| Kokstad | R 4 769 906,04 | 66% | 61% |
| Ixopo | R 619 541,14 | 9% | 23% |
| NDZ | R 690 264.08 | 10% | 10% |
| Umzimkulu | R 972 057,53 | 14% | 4% |
| Fairview | R 311,71 | 0% | 0% |
| TOTAL RECEIPTS INCL VAT | R 7 196 158,82 | 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 March is R7, 1million. The total billing for the period ending 31 March 2021 is R 58, 5million against collection of R 42, 4million representing 73 per cent collection rate.

The chart that follows below shows the comparison between billing and collection trend for the period ending 31 March 2021.



The chart that follows below shows the comparison between billing and collection for the period ending 31 March 2021



Debtors age analysis per service

The municipality’s total outstanding debtors amounted to R 224 158 525 as at 31 March 2021 compared with the R 225 526 234 as at 28 February 2021. Current debt represent 3% of the total outstanding debt compared with the 4% of February 2020; 30 days and older debt 3% compared with the 3% for February 2021; 60 days and older debt 3% compared with the 2% of February 2021; and 90 days 2% compared with the 2% of February

2021; 120 days to History and older 90% compared with the 89% for February 2021.

Current debt decreased with R 1,367,709 to R 224,158,525 compared with the R 225,526,234 as at 28 February 2021; 30 days + debt decreased with R 1,850,292; 60 days + decreased with R 1,911,898; 90 days + debt decreased with R 822,659 and 120 + days and older debt as at 31 March 2021 has increased with R 1,638,873 to R 201,415,657 compared with the R 199,776,874 as at 31 March 2021.

Debtors age analysis per debtor type

Business debtors owes the municipality R 14,649,343 (7%); Municipal debtors R 869,356 (0%); domestic debtors R 187,496,065 (84%); Government accounts R 8,253,517 (4%); Indigent debtors R 8,416,290 (4%) and other debtors R 4,473,954 (2%) of the total outstanding debt of R 224,158,525.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 March 2021

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

| Description | Budget Year 2020/21 | | | | | | | | |
|--|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|---------------|
| | 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 | Total |
| 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 | 5 034 | 2 299 | - | 4 215 | | | | | 11 548 |
| Auditor General | | | | | | | | | - |
| Other | | | | | | | | | - |
| Total By Customer Type | 5 034 | 2 299 | - | 4 215 | - | - | - | - | 11 548 |

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 March 2021.

Cash and Bank Balances (Investments)

CASH AND INVESTMENT REGISTER AS AT 31 MARCH 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 | | | | | | |
| Municipality | | | | | | |
| FIRST NATIONAL BANK | CALL ACCOUNT | 16 021 | 32 | (18 631) | 62 417 | 59 840 |
| FIRST NATIONAL BANK | CALL ACCOUNT | 18 413 | 21 | (36 610) | 39 000 | 20 824 |
| FIRST NATIONAL BANK | ADMIN CALL | 83 178 | 111 | (21 170) | | 62 119 |
| INVESTEC | FIXED DEPOSIT | 2 166 | 6 | | | 2 172 |
| FIRST NATIONAL BANK | FIXED DEPOSIT | 17 377 | 40 | (3 673) | | 13 744 |
| FIRST NATIONAL BANK | CALL ACCOUNT | 2 356 | 6 | | 1 558 | 3 921 |
| FIRST NATIONAL BANK | CALL ACCOUNT | 2 | 15 | (3 274) | 12 891 | 9 633 |
| FIRST NATIONAL BANK | CALL ACCOUNT | 3 532 | 6 | | 13 355 | 16 893 |
| FIRST NATIONAL BANK | FIXED DEPOSIT | 3 119 | 5 | (177) | | 2 947 |
| CURRENT ACCOUNT | | 1 267 | | | - | (19 014) |
| Municipality sub-total | | 147 432 | 242 | (83 535) | 129 221 | 173 079 |
| TOTAL INVESTMENTS AND INTEREST | | 147 432 | | (83 535) | 129 221 | 173 079 |

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 - M09 March

| 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 | 94 825 | 426 459 | 321 023 | 105 436 | 32,8% | 431 049 |
| Energy Efficiency and Demand Side Management Grant | 7 000 | - | - | - | - | - | - | - | - |
| Equitable Share | 345 309 | 372 340 | 417 623 | 93 085 | 417 623 | 310 953 | 106 670 | 34,3% | 417 623 |
| Expanded Public Works Programme Integrated Grant | 5 316 | 5 195 | 5 195 | 458 | 3 917 | 3 896 | 21 | 0,5% | 5 195 |
| Integrated National Electrification Programme Grant | - | - | - | - | - | - | - | - | - |
| Local Government Financial Management Grant | 1 000 | 1 000 | 1 000 | 50 | 457 | 750 | (293) | -39,1% | 1 000 |
| Municipal Disaster Relief Grant | 596 | - | - | - | - | - | - | - | - |
| Municipal Infrastructure Grant | 9 808 | 4 986 | 4 986 | 1 055 | 3 524 | 3 740 | (216) | -5,8% | 4 986 |
| Rural Road Asset Management Systems Grant | 2 358 | 2 245 | 2 245 | 177 | 939 | 1 684 | (745) | -44,2% | 2 245 |
| Water Services Infrastructure Grant | 8 537 | - | - | - | - | - | - | - | - |
| Other transfers and grants [insert description] | - | - | - | - | - | - | - | - | - |
| Provincial Government: | 332 | 1 500 | 1 500 | - | - | 75 | (75) | -100,0% | 1 500 |
| Other | - | - | - | - | - | - | - | - | - |
| Rural Development Grant | - | - | - | - | - | - | - | - | - |
| Specify (Add grant description) | 332 | 1 500 | 1 500 | - | - | 75 | (75) | -100,0% | 1 500 |
| Other transfers and grants [insert description] | - | - | - | - | - | - | - | - | - |
| District Municipality: | - | - | 17 000 | - | - | 6 800 | (6 800) | -100,0% | 17 000 |
| Specify (Add grant description) | - | - | 17 000 | - | - | 6 800 | (6 800) | -100,0% | 17 000 |
| Other grant providers: | - | - | 3 877 | - | - | 1 551 | (1 551) | -100,0% | 3 877 |
| Chemical Industry Seta | - | - | 377 | - | - | 151 | (151) | -100,0% | 377 |
| Parent Municipality | - | - | - | - | - | - | - | - | - |
| Unspecified | - | - | 3 500 | - | - | 1 400 | (1 400) | -100,0% | 3 500 |
| Total Operating Transfers and Grants | 380 256 | 387 266 | 453 426 | 94 825 | 426 459 | 329 449 | 97 010 | 29,4% | 453 426 |
| Capital Transfers and Grants | | | | | | | | | |
| National Government: | 262 515 | 263 488 | 263 488 | 35 764 | 243 849 | 197 616 | 46 233 | 23,4% | 263 488 |
| Equitable Share | - | - | - | - | - | - | - | - | - |
| Integrated National Electrification Programme Grant | - | - | - | - | - | - | - | - | - |
| Municipal Infrastructure Grant | 191 052 | 194 462 | 194 462 | 29 675 | 190 872 | 145 846 | 45 026 | 30,9% | 194 462 |
| Municipal Water Infrastructure Grant | - | - | - | - | - | - | - | - | - |
| Neighbourhood Development Partnership Grant | - | - | - | - | - | - | - | - | - |
| Regional Bulk Infrastructure Grant | 20 000 | 9 026 | 9 026 | - | 5 549 | 6 769 | (1 220) | -18,0% | 9 026 |
| Rural Road Asset Management Systems Grant | - | - | - | - | - | - | - | - | - |
| Water Services Infrastructure Grant | 51 463 | 60 000 | 60 000 | 6 089 | 47 427 | 45 000 | 2 427 | 5,4% | 60 000 |
| Provincial Government: | 5 863 | - | 15 000 | 4 872 | 10 256 | 6 000 | 4 256 | 70,9% | 15 000 |
| Specify (Add grant description) | 5 863 | - | 15 000 | 4 872 | 10 256 | 6 000 | 4 256 | 70,9% | 15 000 |
| District Municipality: | - | - | - | - | - | - | - | - | - |
| Specify (Add grant description) | - | - | - | - | - | - | - | - | - |
| Other grant providers: | - | - | - | - | - | - | - | - | - |
| [insert description] | - | - | - | - | - | - | - | - | - |
| Total Capital Transfers and Grants | 268 379 | 263 488 | 278 488 | 40 636 | 254 104 | 203 616 | 50 488 | 24,8% | 278 488 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 648 634 | 650 754 | 731 914 | 135 461 | 680 563 | 533 064 | 147 499 | 27,7% | 731 914 |

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 - M09 March

| 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: | 514 460 | 467 489 | 513 604 | 29 296 | 281 444 | 371 213 | (89 769) | -24,2% | 513 604 |
| Energy Efficiency and Demand Side Management Grant | 6 087 | - | - | - | - | - | - | - | - |
| Equitable Share | 482 617 | 454 063 | 500 290 | 28 616 | 276 533 | 361 188 | (84 655) | -23,4% | 500 290 |
| Expanded Public Works Programme Integrated Grant | 5 218 | 5 195 | 5 195 | 474 | 3 634 | 3 896 | (263) | -6,7% | 5 195 |
| Local Government Financial Management Grant | 309 | 1 000 | 888 | 51 | 461 | 705 | (244) | -34,6% | 888 |
| Municipal Disaster Relief Grant | - | - | - | - | - | - | - | - | - |
| Municipal Infrastructure Grant | 12 708 | 4 986 | 4 986 | - | - | 3 740 | (3 740) | -100,0% | 4 986 |
| Municipal Systems Improvement Grant | - | - | - | - | - | - | - | - | - |
| Rural Road Asset Management Systems Grant | 2 050 | 2 245 | 2 245 | 154 | 816 | 1 684 | (867) | -51,5% | 2 245 |
| Water Services Infrastructure Grant | 5 471 | - | - | - | - | - | - | - | - |
| Provincial Government: | - | 1 500 | - | - | - | 75 | (75) | -100,0% | - |
| Development Planning and Shared Services | - | - | - | - | - | - | - | - | - |
| Rural Development Grant | - | - | - | - | - | - | - | - | - |
| Specify (Add grant description) | - | 1 500 | - | - | - | 75 | (75) | -100,0% | - |
| District Municipality: | - | - | - | - | - | - | - | - | - |
| Specify (Add grant description) | - | 17 480 | 20 190 | - | - | 14 194 | (14 194) | -100,0% | 20 190 |
| Other grant providers: | - | - | - | - | - | - | - | - | - |
| Chemical Industry Seta | - | - | 377 | - | - | 151 | (151) | -100,0% | 377 |
| Total operating expenditure of Transfers and Grants: | 514 460 | 468 989 | 513 604 | 29 296 | 281 444 | 371 288 | (89 844) | -24,2% | 513 604 |
| Capital expenditure of Transfers and Grants | | | | | | | | | |
| National Government: | 222 832 | 263 488 | 263 488 | 23 077 | 204 183 | 197 616 | 6 567 | 3,3% | 263 488 |
| Local Government Financial Management Grant | 281 | - | - | - | - | - | - | - | - |
| Municipal Infrastructure Grant | 155 868 | 194 462 | 194 462 | 17 783 | 158 483 | 145 847 | 12 636 | 8,7% | 194 462 |
| Municipal Water Infrastructure Grant | - | - | - | - | - | - | - | - | - |
| Regional Bulk Infrastructure Grant | 19 379 | 9 026 | 9 026 | - | 4 826 | 6 770 | (1 944) | -28,7% | 9 026 |
| Water Services Infrastructure Grant | 47 304 | 60 000 | 60 000 | 5 295 | 40 875 | 45 000 | (4 125) | -9,2% | 60 000 |
| Provincial Government: | 11 855 | - | 15 000 | 4 237 | 8 918 | 6 000 | 2 918 | 48,6% | 15 000 |
| Specify (Add grant description) | 11 855 | - | 15 000 | 4 237 | 8 918 | 6 000 | 2 918 | 48,6% | 15 000 |
| District Municipality: | - | - | 100 | - | - | 40 | (40) | -100,0% | 100 |
| Specify (Add grant description) | - | - | 100 | - | - | 40 | (40) | -100,0% | 100 |
| Other grant providers: | - | - | - | - | - | - | - | - | - |
| Total capital expenditure of Transfers and Grants | 234 687 | 263 488 | 278 588 | 27 314 | 213 101 | 203 656 | 9 445 | 4,6% | 278 588 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | 749 147 | 732 477 | 792 192 | 56 610 | 494 545 | 574 944 | (80 399) | -14,0% | 792 192 |

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 March 2021.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

| 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 | 6 021 | 422 | 4 059 | 4 416 | (357) | -8% | 6 021 |
| Pension and UIF Contributions | 507 | 319 | 370 | 40 | 378 | 273 | 105 | 38% | 370 |
| Medical Aid Contributions | 54 | 48 | 48 | 5 | 43 | 36 | 7 | 19% | 48 |
| Cellphone Allowance | 622 | 440 | 461 | 51 | 510 | 344 | 166 | 48% | 461 |
| Other benefits and allowances | 1 478 | 1 367 | 1 439 | 95 | 948 | 1 073 | (126) | -12% | 1 439 |
| Sub Total - Councillors | 7 702 | 8 018 | 8 339 | 612 | 5 938 | 6 142 | (204) | -3% | 8 339 |
| % increase | | 4,1% | 8,3% | | | | | | 8,3% |
| Senior Managers of the Municipality | | | | | | | | | |
| Basic Salaries and Wages | 3 637 | 3 719 | 4 229 | 336 | 3 022 | 2 993 | 28 | 1% | 4 229 |
| Pension and UIF Contributions | 10 | 10 | 11 | 1 | 8 | 8 | 0 | 3% | 11 |
| Medical Aid Contributions | 122 | 117 | 170 | 14 | 128 | 122 | 6 | 5% | 170 |
| Performance Bonus | 53 | 56 | 111 | 51 | 106 | 64 | 42 | 66% | 111 |
| Motor Vehicle Allowance | 928 | 923 | 1 052 | 88 | 789 | 794 | (5) | -1% | 1 052 |
| Cellphone Allowance | 108 | 104 | 117 | 10 | 88 | 83 | 4 | 5% | 117 |
| Housing Allowances | 160 | 163 | 160 | 13 | 120 | 121 | (1) | -1% | 160 |
| Other benefits and allowances | 434 | 385 | 459 | 38 | 345 | 330 | 15 | 4% | 459 |
| Sub Total - Senior Managers of Municipality | 5 452 | 5 478 | 6 308 | 551 | 4 605 | 4 515 | 90 | 2% | 6 308 |
| % increase | | 0,5% | 15,7% | | | | | | 15,7% |
| Other Municipal Staff | | | | | | | | | |
| Basic Salaries and Wages | 108 070 | 119 067 | 127 568 | 10 674 | 94 524 | 91 730 | 2 794 | 3% | 127 568 |
| Pension and UIF Contributions | 16 177 | 17 188 | 18 286 | 1 580 | 14 146 | 13 426 | 720 | 5% | 18 286 |
| Medical Aid Contributions | 8 220 | 8 585 | 8 728 | 801 | 6 753 | 6 517 | 236 | 4% | 8 728 |
| Overtime | 22 043 | 26 225 | 15 200 | 1 333 | 11 559 | 15 496 | (3 937) | -25% | 15 200 |
| Performance Bonus | 7 833 | 7 670 | 7 211 | 716 | 5 890 | 5 619 | 271 | 5% | 7 211 |
| Motor Vehicle Allowance | 14 366 | 15 269 | 16 038 | 1 362 | 12 023 | 11 808 | 215 | 2% | 16 038 |
| Cellphone Allowance | 781 | 833 | 802 | 68 | 630 | 612 | 18 | 3% | 802 |
| Housing Allowances | 487 | 510 | 548 | 46 | 426 | 397 | 29 | 7% | 548 |
| Other benefits and allowances | 4 034 | 4 351 | 4 450 | 391 | 3 382 | 3 394 | (12) | 0% | 4 450 |
| Payments in lieu of leave | 3 208 | 780 | 1 125 | 61 | 1 077 | 1 059 | 18 | 2% | 1 125 |
| Long service awards | 193 | 1 065 | 757 | 221 | 666 | 691 | (25) | -4% | 757 |
| Post-retirement benefit obligations | (461) | 3 125 | 3 125 | - | - | 2 343 | (2 343) | -100% | 3 125 |
| Sub Total - Other Municipal Staff | 184 950 | 204 667 | 203 836 | 17 251 | 151 077 | 153 095 | (2 018) | -1% | 203 836 |
| % increase | | 10,7% | 10,2% | | | | | | 10,2% |
| Total Parent Municipality | 198 103 | 218 163 | 218 484 | 18 414 | 161 620 | 163 752 | (2 132) | -1% | 218 484 |
| | | 10,1% | 10,3% | | | | | | 10,3% |
| Unpaid salary, allowances & benefits in arrears: | | | | | | | | | |
| Board Members of Entities | | | | | | | | | |
| Basic Salaries and Wages | - | 373 | 373 | - | - | 280 | (280) | -100% | 373 |
| Sub Total - Board Members of Entities | - | 373 | 373 | - | - | 280 | (280) | -100% | 373 |
| % increase | | #DIV/0! | #DIV/0! | | | | | | #DIV/0! |
| Senior Managers of Entities | | | | | | | | | |
| Basic Salaries and Wages | - | 2 130 | 1 730 | - | - | 1 438 | (1 438) | -100% | 1 730 |
| Sub Total - Senior Managers of Entities | - | 2 130 | 1 730 | - | - | 1 438 | (1 438) | -100% | 1 730 |
| % increase | | #DIV/0! | #DIV/0! | | | | | | #DIV/0! |
| Other Staff of Entities | | | | | | | | | |
| Basic Salaries and Wages | - | 7 575 | 7 675 | - | - | 5 721 | (5 721) | -100% | 7 675 |
| Pension and UIF Contributions | - | 1 470 | 1 470 | - | - | 1 102 | (1 102) | -100% | 1 470 |
| Medical Aid Contributions | - | 479 | 479 | - | - | 359 | (359) | -100% | 479 |
| Performance Bonus | - | 533 | 533 | - | - | 399 | (399) | -100% | 533 |
| Payments in lieu of leave | - | 43 | 43 | - | - | 32 | (32) | -100% | 43 |
| Sub Total - Other Staff of Entities | - | 10 099 | 10 199 | - | - | 7 614 | (7 614) | -100% | 10 199 |
| % increase | | #DIV/0! | #DIV/0! | | | | | | #DIV/0! |
| Total Municipal Entities | - | 12 601 | 12 301 | - | - | 9 331 | (9 331) | -100% | 12 301 |
| TOTAL SALARY, ALLOWANCES & BENEFITS | 198 103 | 230 764 | 230 785 | 18 414 | 161 620 | 173 083 | (11 463) | -7% | 230 785 |
| % increase | | 16,5% | 16,5% | | | | | | 16,5% |
| TOTAL MANAGERS AND STAFF | 190 401 | 222 374 | 222 074 | 17 802 | 155 682 | 166 662 | (10 979) | -7% | 222 074 |

2.6 Material Variances to the SDBIP

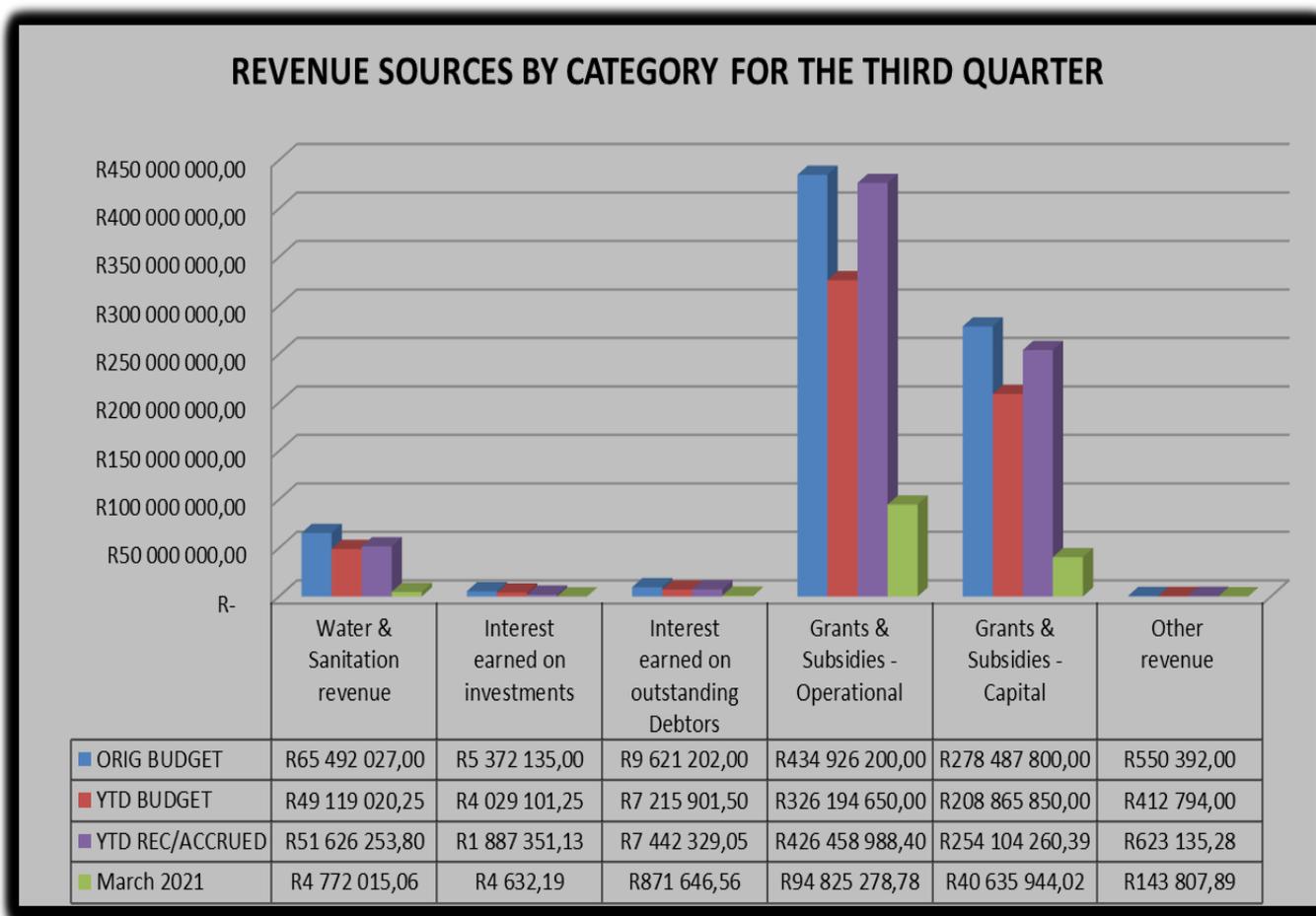
The following section analyses material variances between the actual targets as at 31 March 2021 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 31 March 2021 was R51, 6million against a year to date **budget** of R49, 1million or 105 per cent over performed by 5 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R1, 8million against year to budget of R4m representing 47 per cent of the year to date budget.

Transfers Recognised - Operational

The operational grants revenue of R426, 4million against a year to date budget of R326, 1million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The actual R254, 1million (against a YTD budget of R208, 8million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 122% over performance in Conditional Capital grant funding expenditures.

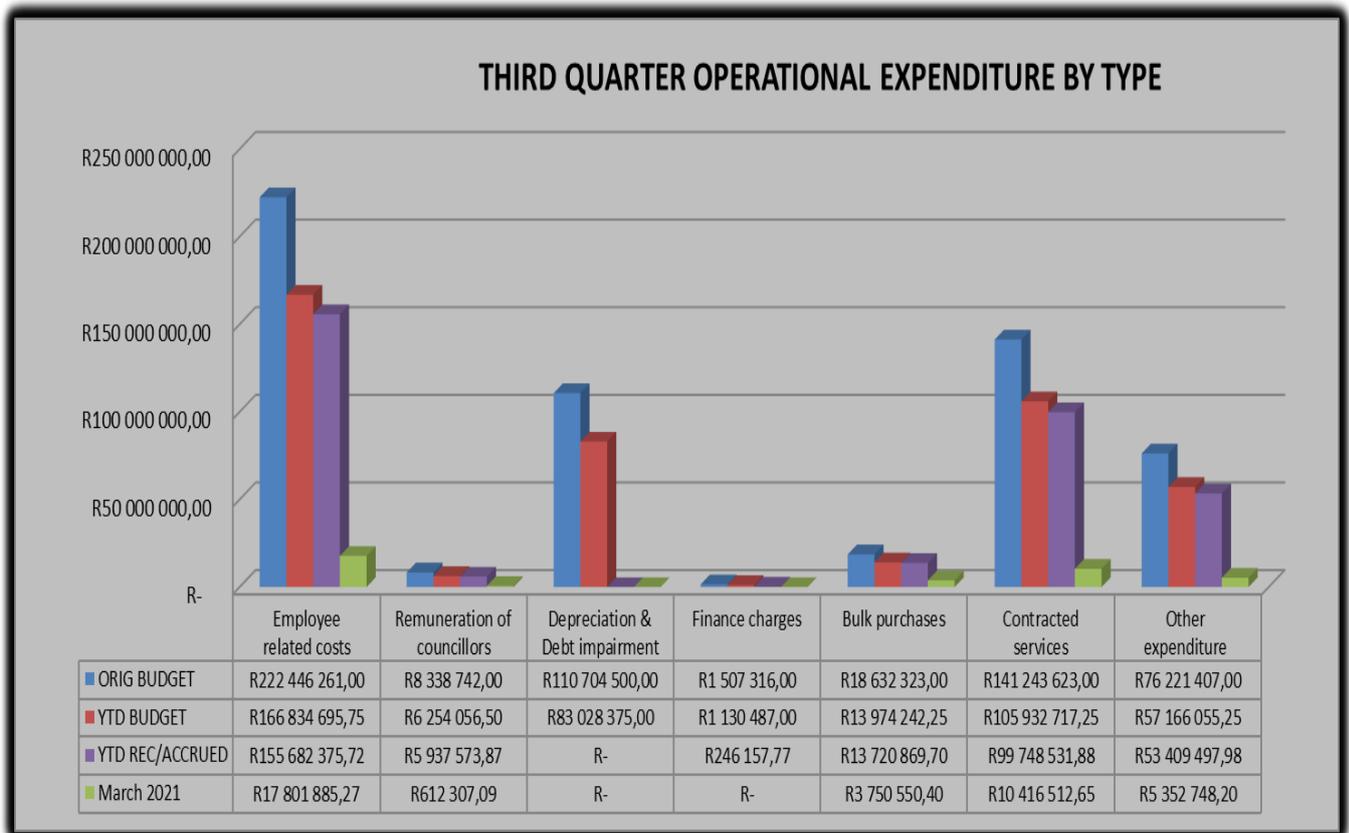
Other Revenue

The YTD performance of other revenue is R623 135 against YTD budget of R 412 794 which demonstrate 151 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 R166, 8million against a YTD actual of R155, 6million.

Remuneration of Councillors

The remuneration of councillor’s expenditure as at 31 March 2021 was R5, 9million against a year to budget of R6, 2million.

Finance Charges

The expenditure for finance charges at 31 March is at R 246 158 against year to date budget of R1, 1million.

Bulk Purchases

The expenditure on Bulk Water purchases has underspent by 7 per cent when relating to the year to date actual of R 13, 9million against year to budget of R 13, 7million.

Contracted Services

The year to date actual for contracted services is R99, 7million against year to date budget of R 105, 9million representing 94 per cent performance.

Other Expenditure

The year to date actual is R53, 4million against year to date budget of R 57, 1million and the expenditure for the month of March 2021 is at R 5, 3million.

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 - M09 March

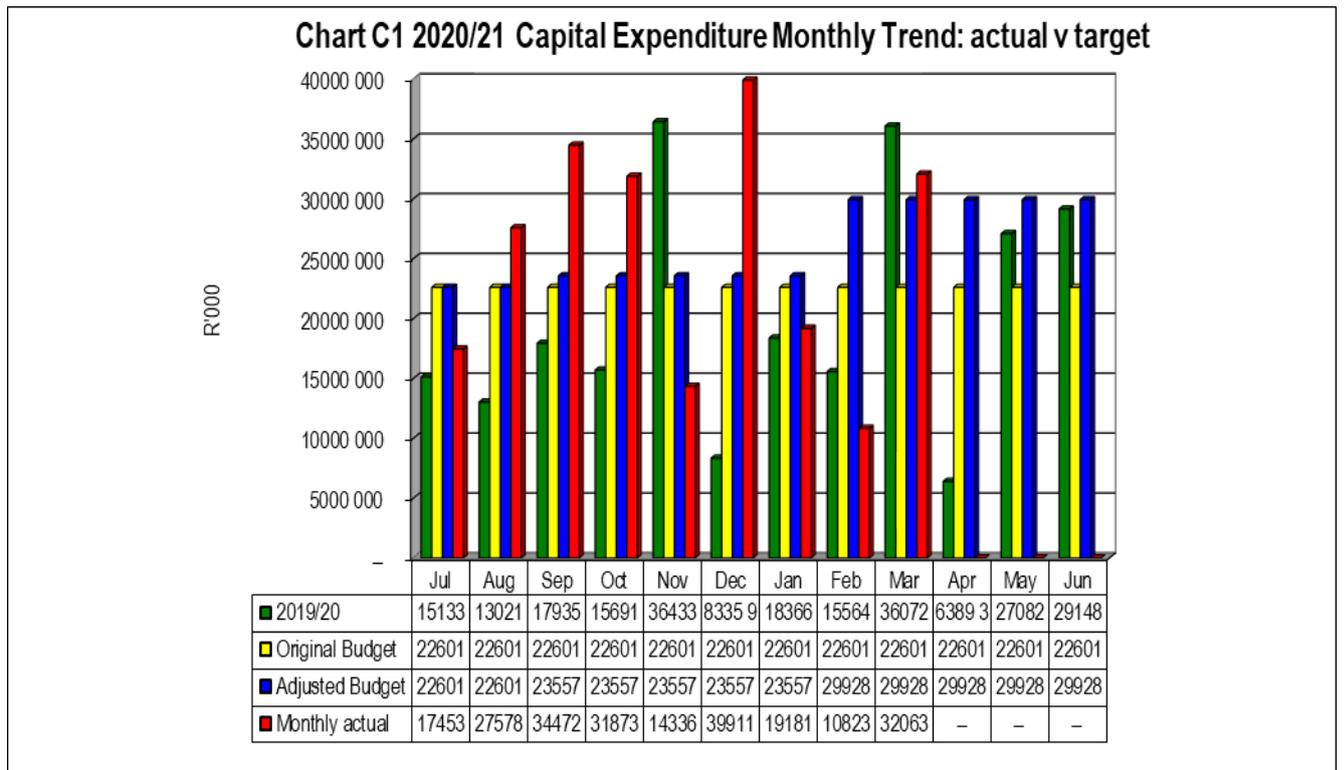
| Description | Budget Year 2020/21 | | | | | | | | | | | | 2020/21 Medium Term Revenue & Expenditure Framework | | | |
|---|---------------------|-------------------|-----------------|--------------------|----------------|----------------|--------------------|-----------------|------------------|-----------------|-----------------|------------------|---|---------------------------|---------------------------|---|
| | July Outcome | August Outcome | Sept Outcome | October Outcome | Nov Outcome | Dec Outcome | January Outcome | Feb Outcome | March Outcome | April 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 | 2 170 | 2 304 | 1 935 | 2 915 | 5 037 | 3 626 | 1 626 | 3 694 | 37 905 | 40 157 | 42 530 | |
| Service charges - sanitation revenue | 936 | 949 | 2 395 | 1 976 | 930 | 987 | 829 | 1 426 | 2 159 | 1 401 | 393 | 1 000 | 15 383 | 16 297 | 17 262 | |
| Service charges - refuse | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest earned - external investments | - | - | 732 | 203 | 168 | 46 | 480 | 1 168 | 5 | 515 | 1 212 | 3 153 | 7 681 | 8 140 | 8 627 | |
| Transfers and Subsidies - Operational | 169 125 | 2 299 | - | - | 34 | 156 985 | - | 646 | 94 643 | - | - | (36 466) | 387 266 | 411 458 | 441 097 | |
| Other revenue | - | 209 | 26 | 39 | 94 | 2 415 | - | 92 | 144 | 92 | 92 | (2 096) | 1 107 | 1 165 | 1 224 | |
| Cash Receipts by Source | 172 245 | 5 673 | 8 741 | 6 830 | 3 396 | 162 737 | 3 244 | 6 248 | 101 988 | 5 634 | 3 323 | (30 716) | 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 | 90 000 | - | - | 52 355 | 45 120 | 45 120 | (157 422) | 263 488 | 277 232 | 293 486 | |
| Increase (decrease) in consumer deposits | - | - | - | - | - | - | - | - | - | - | - | 145 | 145 | 149 | 149 | |
| Decrease (increase) in non-current receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | 240 245 | 14 699 | 38 741 | 30 830 | 60 685 | 252 737 | 3 244 | 6 248 | 154 343 | 50 754 | 48 443 | (187 993) | 712 975 | 754 599 | 804 375 | |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | 16 377 | 16 069 | 15 673 | 18 134 | 17 067 | 22 915 | 18 740 | 18 562 | 17 802 | 18 562 | 18 562 | 24 284 | 222 746 | 232 810 | 248 842 | |
| Remuneration of councillors | 688 | 627 | 673 | 682 | 712 | 653 | 651 | 668 | 612 | 668 | 668 | 715 | 8 018 | 8 579 | 9 180 | |
| Interest paid | - | - | - | - | - | 252 | - | - | - | - | - | 4 132 | 4 385 | 4 595 | 4 816 | |
| Bulk purchases - Water & Sewer | - | 1 896 | 1 889 | 1 380 | 2 302 | 1 627 | 576 | 1 553 | 3 751 | 1 553 | 1 553 | 553 | 18 632 | 19 527 | 20 464 | |
| Other materials | - | 85 | 729 | 360 | 51 | 2 275 | 582 | 759 | 499 | 759 | 759 | 2 253 | 9 113 | 9 432 | 9 885 | |
| Contracted services | 12 933 | 6 474 | 17 835 | 4 846 | 14 297 | 14 352 | 9 705 | 9 863 | 10 417 | 9 863 | 9 863 | (2 090) | 118 356 | 132 296 | 138 735 | |
| General expenses | 11 578 | 15 834 | 4 561 | 5 384 | 3 471 | 10 934 | 4 194 | 5 207 | 4 854 | 5 207 | 5 207 | (13 943) | 62 488 | 63 093 | 66 228 | |
| Cash Payments by Type | 41 575 | 40 983 | 41 361 | 30 786 | 37 899 | 53 008 | 34 449 | 36 613 | 37 934 | 36 613 | 36 613 | 15 904 | 443 739 | 470 332 | 498 150 | |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | 17 453 | 27 579 | 34 472 | 31 874 | 14 337 | 40 106 | 19 182 | 22 602 | 32 063 | 22 602 | 22 602 | (13 650) | 271 221 | 281 421 | 297 885 | |
| Repayment of borrowing | - | - | - | - | - | 2 217 | - | - | - | - | - | 7 524 | 9 741 | 1 287 | 1 365 | |
| Other Cash Flows/Payments | | | | | | | | | | | | | | | | |
| Total Cash Payments by Type | 59 029 | 68 562 | 75 833 | 62 659 | 52 236 | 95 331 | 53 631 | 59 215 | 69 997 | 59 215 | 59 215 | 9 779 | 724 701 | 753 041 | 797 399 | |
| NET INCREASE/(DECREASE) IN CASH HELD | 181 217 | (53 863) | (37 092) | (31 829) | 8 449 | 157 406 | (50 387) | (52 967) | 84 345 | (8 461) | (10 772) | (197 772) | (11 726) | 1 558 | 6 976 | |
| Cash/cash equivalents at the month/year beginning: | 40 671 | 221 888 | 168 024 | 130 932 | 99 103 | 107 552 | 264 958 | 214 571 | 161 604 | 245 949 | 237 488 | 226 717 | 40 671 | 28 945 | 30 503 | |
| Cash/cash equivalents at the month/year end: | 221 888 | 168 024 | 130 932 | 99 103 | 107 552 | 264 958 | 214 571 | 161 604 | 245 949 | 237 488 | 226 717 | 28 945 | 28 945 | 30 503 | 37 479 | |

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M09 March

| 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 |
| R thousands | | | | | | | | | |
| Monthly expenditure performance trend | | | | | | | | | |
| 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 | 29 929 | - | - | 252 778 | - | - | - |
| May | 27 082 | 22 602 | 29 929 | - | - | 282 707 | - | - | - |
| June | 29 148 | 22 602 | 29 928 | - | - | 312 635 | - | - | - |
| Total Capital expenditure | 239 175 | 271 221 | 312 635 | 227 695 | | | | | |

YTD Capital Budget vs. YTD Capital Expenditure



Capital Expenditure on New Assets by Asset Class

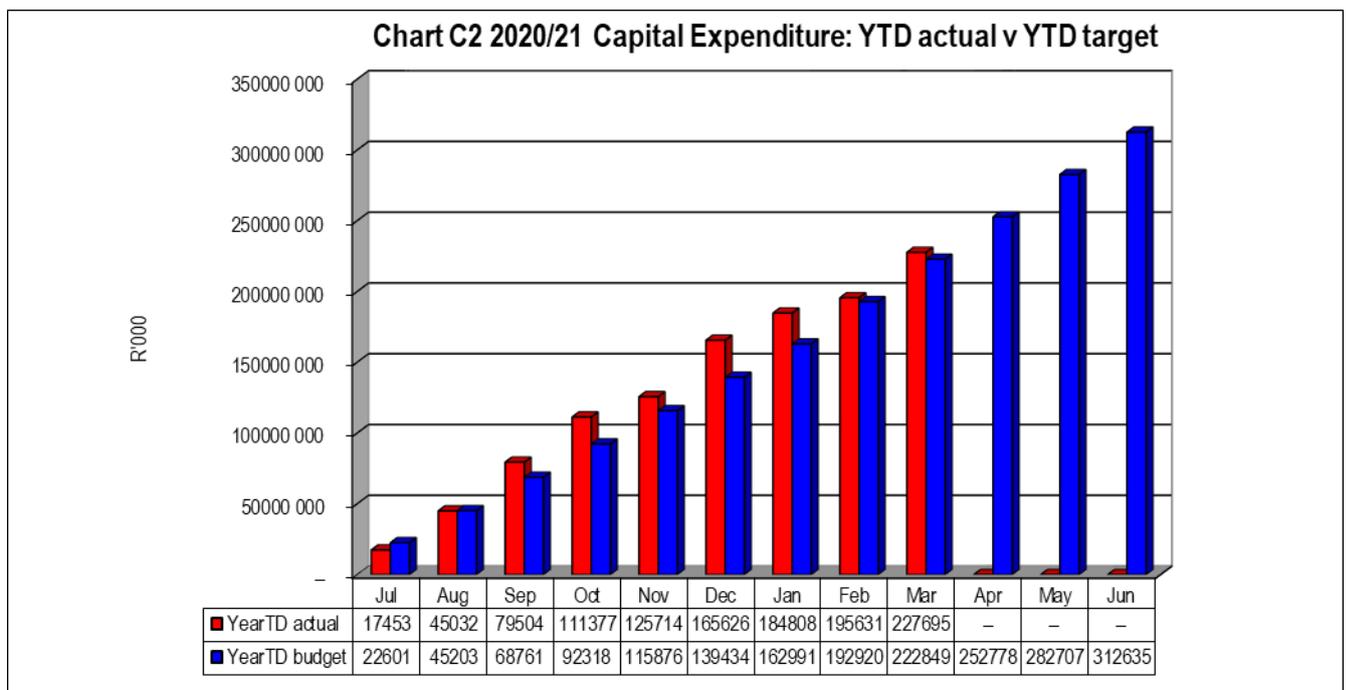
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M09

| 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 | 265 488 | 23 077 | 195 940 | 193 007 | (2 933) | -1,5% | 265 488 |
| Water Supply Infrastructure | 105 103 | 213 161 | 240 851 | 22 303 | 190 902 | 170 947 | (19 955) | -11,7% | 240 851 |
| Dams and Weirs | 32 289 | 16 526 | 16 653 | 356 | 9 613 | 12 445 | 2 832 | 22,8% | 16 653 |
| Boreholes | 12 718 | 31 965 | 21 901 | - | 11 931 | 19 351 | 7 420 | 38,3% | 21 901 |
| Reservoirs | 15 642 | 6 900 | 1 000 | - | 870 | 2 815 | 1 945 | 69,1% | 1 000 |
| Pump Stations | - | 21 437 | 65 051 | 10 212 | 24 697 | 34 121 | 9 424 | 27,6% | 65 051 |
| Water Treatment Works | - | 12 000 | 25 080 | - | 2 663 | 14 232 | 11 569 | 81,3% | 25 080 |
| Bulk Mains | 20 996 | 27 669 | 38 398 | 3 204 | 71 798 | 25 043 | (46 754) | -186,7% | 38 398 |
| Distribution | 23 458 | 95 963 | 72 770 | 8 530 | 69 332 | 62 695 | (6 636) | -10,6% | 72 770 |
| Distribution Points | - | - | - | - | - | - | - | - | - |
| PRV Stations | - | - | - | - | - | - | - | - | - |
| Capital Spares | - | 700 | - | - | - | 245 | 245 | 100,0% | - |
| Sanitation Infrastructure | - | 34 873 | 24 637 | 774 | 5 038 | 22 060 | 17 022 | 77,2% | 24 637 |
| Pump Station | - | 8 700 | 11 300 | - | 477 | 7 565 | 7 088 | 93,7% | 11 300 |
| Reticulation | - | 19 506 | 10 861 | 774 | 3 712 | 11 171 | 7 460 | 66,8% | 10 861 |
| Waste Water Treatment Works | - | - | - | - | - | - | - | - | - |
| Outfall Sewers | - | - | - | - | - | - | - | - | - |
| Toilet Facilities | - | 6 667 | 2 476 | - | 849 | 3 324 | 2 475 | 74,5% | 2 476 |
| Capital Spares | - | - | - | - | - | - | - | - | - |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - |
| Intangible Assets | - | 200 | 900 | - | - | 430 | 430 | 100,0% | 900 |
| Servitudes | - | - | - | - | - | - | - | - | - |
| Licences and Rights | - | 200 | 900 | - | - | 430 | 430 | 100,0% | 900 |
| Water Rights | - | - | - | - | - | - | - | - | - |
| Effluent Licenses | - | - | - | - | - | - | - | - | - |
| Solid Waste Licenses | - | - | - | - | - | - | - | - | - |
| Computer Software and Applications | - | 200 | 900 | - | - | 430 | 430 | 100,0% | 900 |
| Load Settlement Software Applications | - | - | - | - | - | - | - | - | - |
| Unspecified | - | - | - | - | - | - | - | - | - |
| Computer Equipment | 3 504 | 1 590 | 1 779 | - | 1 566 | 1 298 | (268) | -20,6% | 1 779 |
| Computer Equipment | 3 504 | 1 590 | 1 779 | - | 1 566 | 1 298 | (268) | -20,6% | 1 779 |
| Furniture and Office Equipment | 1 264 | 910 | 1 710 | - | 355 | 1 093 | 737 | 67,5% | 1 710 |
| Furniture and Office Equipment | 1 264 | 910 | 1 710 | - | 355 | 1 093 | 737 | 67,5% | 1 710 |
| Machinery and Equipment | 1 020 | 484 | 100 | - | - | 209 | 209 | 100,0% | 100 |
| Machinery and Equipment | 1 020 | 484 | 100 | - | - | 209 | 209 | 100,0% | 100 |
| Transport Assets | 5 855 | 2 500 | 10 958 | - | 7 355 | 7 796 | 441 | 5,7% | 10 958 |
| Transport Assets | 5 855 | 2 500 | 10 958 | - | 7 355 | 7 796 | 441 | 5,7% | 10 958 |
| Total Capital Expenditure on new assets | 116 746 | 253 717 | 280 935 | 23 077 | 205 216 | 203 833 | (1 383) | -0,7% | 280 935 |

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 | 6 500 | 2 504 | 6 634 | 2 873 | (3 761) | -130,9% | 6 500 |
| Water Supply Infrastructure | 38 675 | 780 | - | - | 982 | 273 | (709) | -259,7% | - |
| Dams and Weirs | - | - | - | - | - | - | - | - | - |
| Water Treatment Works | - | - | - | - | - | - | - | - | - |
| Bulk Mains | - | 780 | - | - | - | 273 | 273 | 100,0% | - |
| Distribution | 38 675 | - | - | - | 982 | - | (982) | #DIV/0! | - |
| Distribution Points | - | - | - | - | - | - | - | - | - |
| PRV Stations | - | - | - | - | - | - | - | - | - |
| Capital Spares | - | - | - | - | - | - | - | - | - |
| Sanitation Infrastructure | 38 302 | - | 6 500 | 2 504 | 5 653 | 2 600 | (3 053) | -117,4% | 6 500 |
| Pump Station | - | - | - | - | - | - | - | - | - |
| Reticulation | - | - | - | - | - | - | - | - | - |
| Waste Water Treatment Works | 38 302 | - | 6 500 | 2 504 | 5 653 | 2 600 | (3 053) | -117,4% | 6 500 |
| Machinery and Equipment | - | 50 | - | - | - | 18 | 18 | 100,0% | - |
| Machinery and Equipment | - | 50 | - | - | - | 18 | 18 | 100,0% | - |
| Transport Assets | - | - | 16 700 | 4 750 | 5 318 | 6 890 | 1 572 | 22,8% | 16 700 |
| Transport Assets | - | - | 16 700 | 4 750 | 5 318 | 6 890 | 1 572 | 22,8% | 16 700 |
| Total Capital Expenditure on renewal of existing assets | 76 976 | 830 | 23 200 | 7 254 | 11 952 | 9 780 | (2 172) | -22,2% | 23 200 |



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 March 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 _____