

Harry Gwala District Municipality



Monthly Budget Statement 28 February 2022.

In-Year Report of the Municipality

Prepared in terms of Section 71 of the Local Government Municipal Finance Management Act, (Act 56 of 2003) and the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 June 2009.

Budget & Treasury Office

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Glossary

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

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

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new 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 April 2009

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

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.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget. In Harry Gwala District Municipality means a directorate level.

1.1 PURPOSE

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

LEGAL FRAMEWORK

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

1.2 Executive Summary or Background

Legislative Requirements

In terms of the section 71 of the MFMA the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a)* Actual revenue, per revenue source;
- (b)* actual borrowings;
- (c)* actual expenditure, per vote;

- (d)* actual capital expenditure, per vote;
- (e)* the amount of any allocations received;
- (f)* actual expenditure on those allocations, excluding expenditure on—
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g)* when necessary, an explanation of—
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's

DELIBERATION/DISCUSSION

The discussion that follows, in terms of MFMA Section 71 above, intends to inform the Budget & Treasury Committee on the progress made thus far in terms of implementing the 2021/2022 budget for the period ending 28 February 2022

1.3 Resolutions

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

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

- Revenue
- Operational, and
- Capital Budgets

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

Budget summary

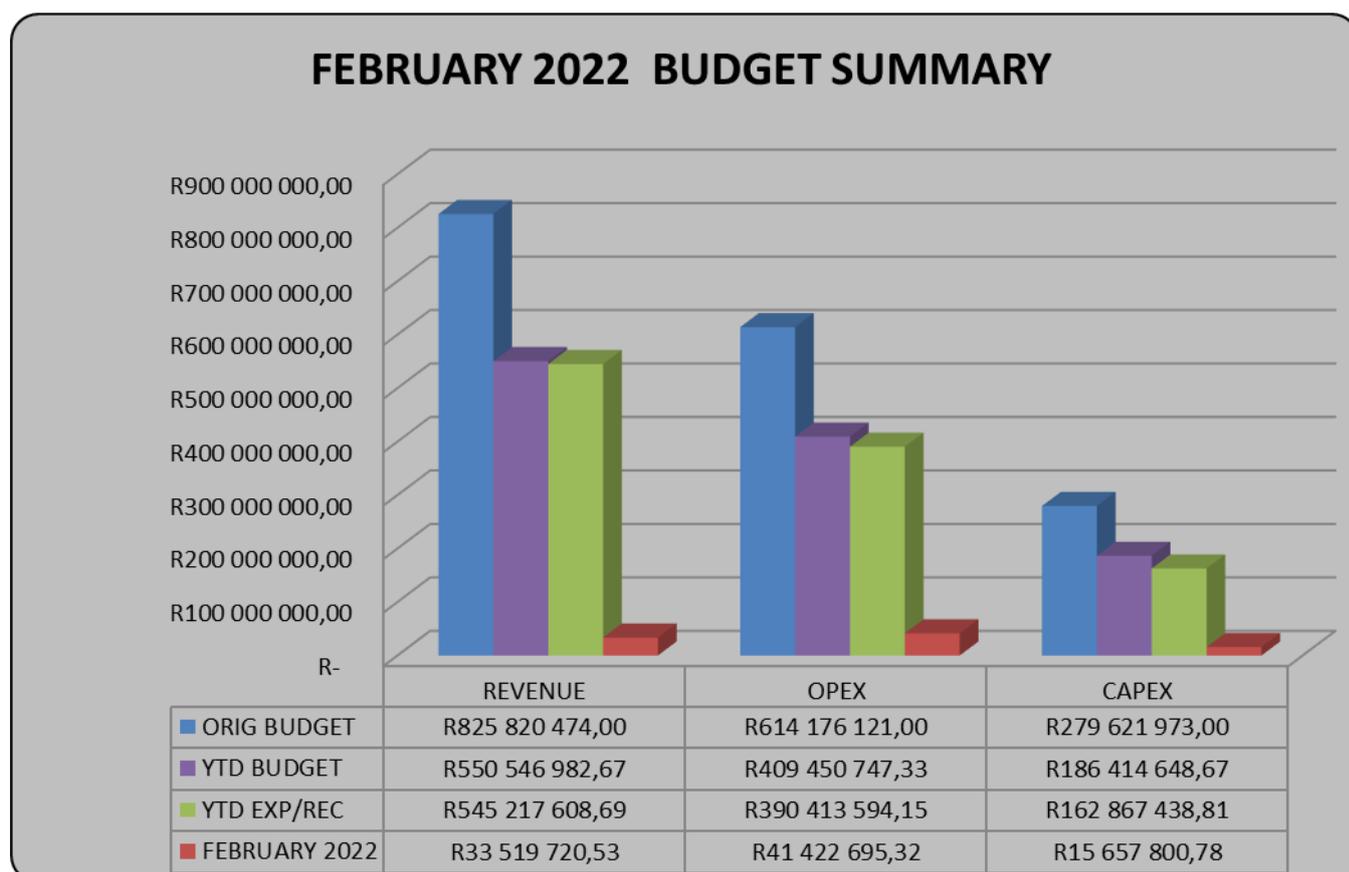
The budget summary is intended to give an overall summary with regards to the implementation of the 2021/2022 budget for the period ending 28 February 2022. Chart 1 presented below gives a summary of the budgeted Revenue, Operating as well as Capital expenditure and the movements for the month of February as well as the Year to Date movements (YTD).

Overall financial position on the capital and operating budget

The following table summarises the overall financial position on the capital and operating budgets:

DESCRIPTION	OPERATING REVENUE	OPERATING EXPENDITURE	CAPITAL EXPENDITURE
Original Budget	R 503 257 792,00	R 577 594 066,00	R 307 283 480,00
Adjusted Budget	R 493 562 474,00	R 614 176 121,00	R 279 621 973,00
Monthly actual	R 10 285 811,45	R 41 422 695,32	R 15 657 800,78
YearTD actual	R 359 421 464,78	R 390 413 594,15	R 162 867 438,81
YearTD budget	R 333 566 032,40	R 392 381 451,00	R 200 923 522,60
YTD variance	R 25 855 432,38	-R 1 967 856,85	-R 38 056 083,79
YTD variance	8%	-1%	-19%

Chart 1: Budget vs. Expenditure Summary



Revenue by Source

The original approved revenue for the 2021/2022 budget amounts to R825, 8m. The year to date actual revenue for the period ended 28 February 2022 amounted to R550, 5m which is 99% of the Year to Date (YTD) budget. The year to date revenue is largely constituted of the Operational & Capital grant receipts with the Water & Sanitation Revenue contributing to the balance.

Operating expenditure by vote & type

The total operating budget for the current year amounts to R614, 1m. The YTD Operating expenditure for the month ended 28 February amounted to R390, 4m against a year to date (YTD) budget of R409, 4m. The actual YTD expenditure represented 95% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R279, 6m. The YTD expenditure on capital amounts to R162, 8million, or 87% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

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 - M08 February

Description	2020/21	Budget Year 2021/22							
	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	67 765	69 422	60 087	5 527	40 578	44 414	(3 836)	-9%	60 087
Investment revenue	3 011	5 682	4 504	470	3 041	3 553	(512)	-14%	4 504
Transfers and subsidies	430 342	417 406	417 406	2 936	307 909	278 271	29 639	11%	417 406
Other own revenue	10 879	10 748	11 565	1 352	7 893	7 329	564	8%	11 565
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	493 562	10 286	359 421	333 566	25 855	8%	493 562
Employee costs	217 969	237 156	243 395	19 387	154 191	159 353	(5 162)	-3%	243 395
Remuneration of Councillors	7 813	8 922	8 538	582	4 663	5 871	(1 209)	-21%	8 538
Depreciation & asset impairment	79 359	87 410	88 415	6 869	51 764	58 474	(6 710)	-11%	88 415
Finance charges	995	1 328	415	-	-	703	(703)	-100%	415
Inventory consumed and bulk purchases	27 868	31 249	42 337	1 029	24 095	23 050	1 045	5%	42 337
Transfers and subsidies	17 000	17 000	17 000	-	10 600	11 333	(733)	-6%	17 000
Other expenditure	224 777	194 529	214 077	13 556	145 100	133 596	11 504	9%	214 077
Total Expenditure	575 782	577 594	614 176	41 423	390 414	392 381	(1 968)	-1%	614 176
Surplus/(Deficit)	(63 785)	(74 336)	(120 614)	(31 137)	(30 992)	(58 815)	27 823	-47%	(120 614)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	332 258	23 234	185 796	207 239	(21 443)	-10%	332 258
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)	4 693	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	243 766	223 922	211 644	(7 903)	154 804	148 423	6 381	4%	211 644
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	243 766	223 922	211 644	(7 903)	154 804	148 423	6 381	4%	211 644
Capital expenditure & funds sources									
Capital expenditure	296 457	307 283	279 622	15 658	162 867	200 924	(38 056)	-19%	279 622
Capital transfers recognised	268 028	298 258	268 967	15 658	156 022	194 581	(38 559)	-20%	268 967
Internally generated funds	28 430	9 025	10 655	-	6 845	6 343	502	8%	10 655
Total sources of capital funds	296 457	307 283	279 622	15 658	162 867	200 924	(38 056)	-19%	279 622
Financial position									
Total current assets	1 178 200	107 619	107 226		230 656				107 226
Total non current assets	2 551 972	2 845 908	2 743 179		2 663 075				2 743 179
Total current liabilities	235 122	106 785	102 502		198 873				102 502
Total non current liabilities	42 646	25 676	28 756		27 625				28 756
Community wealth/Equity	2 597 195	2 821 066	2 731 424		2 391 330				2 731 424
Cash flows									
Net cash from (used) operating	(99 192)	307 375	231 596	(33 259)	286 224	154 397	(131 827)	-85%	231 596
Net cash from (used) investing	(251 425)	(307 283)	(279 622)	(15 658)	(162 867)	(186 415)	(23 547)	13%	(279 622)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	(309 947)	48 823	3 836	-	175 219	(32 017)	(207 236)	647%	(48 026)
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	6 684	5 852	3 607	3 661	2 989	3 323	21 973	192 236	240 325
Creditors Age Analysis									
Total Creditors	37 404	9 645	-	39 394	-	-	-	-	86 443

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) - M08 February

Description	2020/21	Budget Year 2021/22							
	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>	422 901	404 553	393 591	1 052	294 594	267 510	27 085	10%	393 591
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	404 553	393 591	1 052	294 594	267 510	27 085	10%	393 591
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	-	-	7	7	-	7	0%	-
Community and social services	-	-	-	7	7	-	7	0%	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	8 568	22 412	17 090	1 327	11 468	13 877	(2 409)	-17%	17 090
Planning and development	8 568	22 412	17 090	1 327	11 468	13 877	(2 409)	-17%	17 090
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	388 078	374 551	415 139	31 134	239 148	259 418	(20 270)	-8%	415 139
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	360 199	368 733	27 288	224 959	241 839	(16 881)	-7%	368 733
Waste water management	29 226	14 352	46 406	3 845	14 189	17 579	(3 390)	-19%	46 406
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	801 516	825 820	33 520	545 218	540 805	4 413	1%	825 820
Expenditure - Functional									
<i>Governance and administration</i>	233 309	251 534	249 599	17 105	155 147	167 161	(12 014)	-7%	249 599
Executive and council	27 920	24 745	35 223	5 619	25 165	18 593	6 572	35%	35 223
Finance and administration	195 887	217 553	206 186	10 819	124 548	142 621	(18 073)	-13%	206 186
Internal audit	9 503	9 236	8 189	667	5 435	5 948	(513)	-9%	8 189
<i>Community and public safety</i>	17 674	18 501	19 197	1 657	13 268	12 473	795	6%	19 197
Community and social services	17 674	18 501	19 197	1 657	13 268	12 473	795	6%	19 197
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	123 312	154 812	153 324	8 490	81 251	102 911	(21 660)	-21%	153 324
Planning and development	123 312	154 812	153 324	8 490	81 251	102 911	(21 660)	-21%	153 324
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	201 487	152 747	192 056	14 170	140 747	109 836	30 912	28%	192 056
Energy sources	-	-	-	-	-	-	-	-	-
Water management	200 625	151 849	190 944	14 104	140 033	109 194	30 839	28%	190 944
Waste water management	862	898	1 111	66	714	641	73	11%	1 111
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	575 782	577 594	614 176	41 423	390 414	392 381	(1 968)	-1%	614 176
Surplus/ (Deficit) for the year	243 766	223 922	211 644	(7 903)	154 804	148 423	6 381	4%	211 644

This table assesses the revenue by the department and then the expenditure for the period ending 28 February 2022. Revenue receipts in February have largely constituted of service charges which are water and sanitation. The overall budgeted revenue cash receipt for the month of February is 6%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department as the department responsible for the repairs and maintenance of the municipal assets and also with the largest staff complement, shares the greatest bulk of this budget and hence the expenditure of R19, 1m.

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) - M08

Vote Description	2020/21	Budget Year 2021/22							
	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	422 192	404 553	393 222	973	294 311	267 436	26 875	10,0%	393 222
Vote 04 - Summary Corporate Services	665	-	290	74	233	58	174	300,4%	290
Vote 05 - Summary Social Services & Development Planning	3 875	22 412	17 090	1 334	11 476	13 877	(2 401)	-17,3%	17 090
Vote 06 - Summary Infrastructure Services	305 438	311 333	314 169	22 089	187 930	208 122	(20 192)	-9,7%	314 169
Vote 07 - Summary Water Services	87 377	63 218	101 049	9 050	51 269	51 311	(43)	-0,1%	101 049
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	801 516	825 820	33 520	545 218	540 805	4 413	0,8%	825 820
Expenditure by Vote									
Vote 01 - Summary Council	14 956	16 256	20 456	1 680	13 240	11 677	1 562	13,4%	20 456
Vote 02 - Summary Municipal Manager	22 466	17 726	22 957	4 606	17 360	12 864	4 496	35,0%	22 957
Vote 03 - Summary Budget And Treasury Office	59 812	85 267	80 264	1 099	36 114	55 844	(19 731)	-35,3%	80 264
Vote 04 - Summary Corporate Services	89 619	89 530	80 250	7 514	55 169	57 831	(2 663)	-4,6%	80 250
Vote 05 - Summary Social Services & Development Planning	48 107	68 717	68 393	3 142	33 867	45 747	(11 880)	-26,0%	68 393
Vote 06 - Summary Infrastructure Services	97 107	109 078	108 396	4 261	63 489	72 582	(9 094)	-12,5%	108 396
Vote 07 - Summary Water Services	243 714	191 021	233 460	19 121	171 176	135 836	35 340	26,0%	233 460
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	575 782	577 594	614 176	41 423	390 414	392 381	(1 968)	-0,5%	614 176
Surplus/ (Deficit) for the year	243 766	223 922	211 644	(7 903)	154 804	148 423	6 381	4,3%	211 644

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 28 February 2022.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	2020/21	Budget Year 2021/22							
	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 - electricity revenue									
Service charges - water revenue	54 003	48 866	47 622	4 529	32 308	32 329	(20)	0%	47 622
Service charges - sanitation revenue	13 762	20 555	12 465	999	8 270	12 085	(3 816)	-32%	12 465
Interest earned - external investments	3 011	5 682	4 504	470	3 041	3 553	(512)	-14%	4 504
Interest earned - outstanding debtors	10 100	10 198	10 715	1 001	7 252	6 902	350	5%	10 715
Dividends received									
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits									
Transfers and subsidies	430 342	417 406	417 406	2 936	307 909	278 271	29 639	11%	417 406
Other revenue	778	549	850	351	641	426	215	50%	850
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	493 562	10 286	359 421	333 566	25 855	8%	493 562
Expenditure By Type									
Employee related costs	217 969	237 156	243 395	19 387	154 191	159 353	(5 162)	-3%	243 395
Remuneration of councillors	7 813	8 922	8 538	582	4 663	5 871	(1 209)	-21%	8 538
Debt impairment	31 734	27 645	27 645	-	-	18 430	(18 430)	-100%	27 645
Depreciation & asset impairment	79 359	87 410	88 415	6 869	51 764	58 474	(6 710)	-11%	88 415
Finance charges	995	1 328	415	-	-	703	(703)	-100%	415
Bulk purchases - electricity	22 023	-	-	1	-	-	-	-	-
Inventory consumed	5 845	31 249	42 337	1 028	24 095	23 050	1 045	5%	42 337
Contracted services	129 640	105 296	125 821	10 220	101 186	74 693	26 493	35%	125 821
Transfers and subsidies	17 000	17 000	17 000	-	10 600	11 333	(733)	-6%	17 000
Other expenditure	56 907	61 589	60 611	3 336	43 914	40 473	3 441	9%	60 611
Losses	6 496	-	-	-	-	-	-	-	-
Total Expenditure	575 782	577 594	614 176	41 423	390 414	392 381	(1 968)	-1%	614 176
Surplus/(Deficit)	(63 785)	(74 336)	(120 614)	(31 137)	(30 992)	(58 815)	27 823	(0)	(120 614)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	332 258	23 234	185 796	207 239	(21 443)	(0)	332 258
Transfers and subsidies - capital (in-kind - all)	4 693	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	243 766	223 922	211 644	(7 903)	154 804	148 423			211 644
Taxation									
Surplus/(Deficit) after taxation	243 766	223 922	211 644	(7 903)	154 804	148 423			211 644
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	243 766	223 922	211 644	(7 903)	154 804	148 423			211 644
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	243 766	223 922	211 644	(7 903)	154 804	148 423			211 644

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	2020/21	Budget Year 2021/22							
	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	-	500	24	-	-	238	(238)	-100%	24
Vote 04 - Summary Corporate Services	7 226	4 031	8 051	-	5 846	3 491	2 355	67%	8 051
Vote 05 - Summary Social Services & Development Planning	7 355	1 870	627	-	47	998	(951)	-95%	627
Vote 06 - Summary Infrastructure Services	46 050	16 300	8 652	-	7 839	9 337	(1 498)	-16%	8 652
Vote 07 - Summary Water Services	235 826	284 583	262 268	15 658	149 135	186 859	(37 724)	-20%	262 268
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	296 457	307 283	279 622	15 658	162 867	200 924	(38 056)	-19%	279 622
Total Capital Expenditure	296 457	307 283	279 622	15 658	162 867	200 924	(38 056)	-19%	279 622
Capital Expenditure - Functional Classification									
Governance and administration	7 226	5 110	8 655	-	5 846	4 116	1 730	42%	8 655
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	7 226	5 110	8 655	-	5 846	4 116	1 730	42%	8 655
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	7 355	1 021	47	-	47	486	(438)	-90%	47
Community and social services	7 355	1 021	47	-	47	486	(438)	-90%	47
Economic and environmental services	18 541	1 270	-	-	-	593	(593)	-100%	-
Planning and development	18 541	1 270	-	-	-	593	(593)	-100%	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	263 335	299 883	270 920	15 658	156 974	195 729	(38 755)	-20%	270 920
Energy sources	-	-	-	-	-	-	-	-	-
Water management	248 698	244 033	220 614	13 207	125 997	157 827	(31 830)	-20%	220 614
Waste water management	14 637	55 850	50 306	2 451	30 978	37 902	(6 925)	-18%	50 306
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	296 457	307 283	279 622	15 658	162 867	200 924	(38 056)	-19%	279 622
Funded by:									
National Government	249 289	298 258	239 355	15 658	150 819	187 058	(36 240)	-19%	239 355
Provincial Government	18 739	-	29 565	-	5 156	7 513	(2 357)	-31%	29 565
District Municipality	-	-	47	-	47	9	38	400%	47
Transfers recognised - capital	268 028	298 258	268 967	15 658	156 022	194 581	(38 559)	-20%	268 967
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	10 655	-	6 845	6 343	502	8%	10 655
Total Capital Funding	296 457	307 283	279 622	15 658	162 867	200 924	(38 056)	-19%	279 622

As alluded to above, the capital expenditure programme for the period ending 28 February 2022 was R 162, 8m which represents 87% of capital expenditure against year to date budget of R186, 4million. The capital expenditure programme has slightly decreased and thus the low 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: 2021/2022 CAPEX

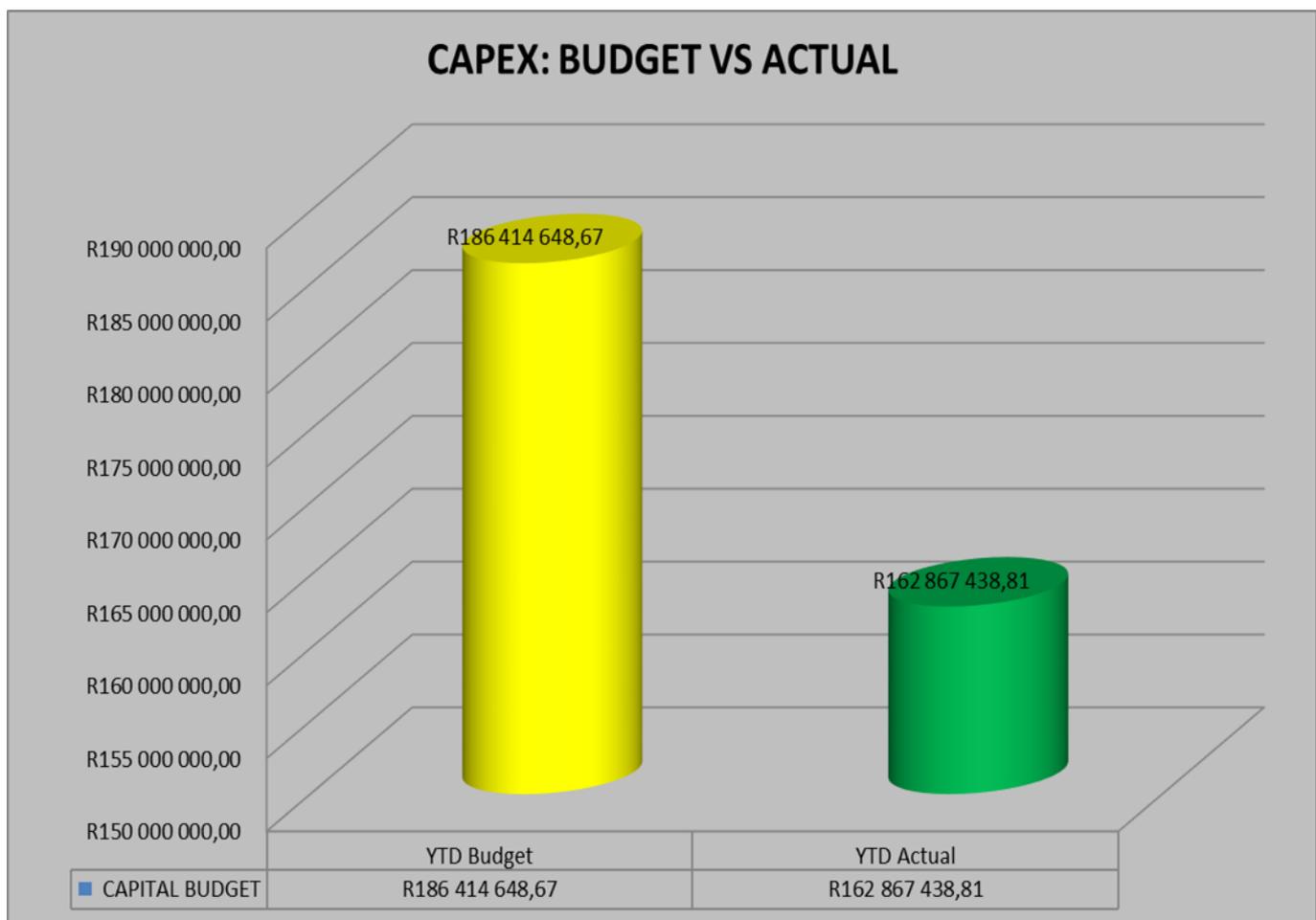


Table C6 displays the financial position of the municipality as at 28 February 2022.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M08

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	338 377	11 058	38 534	5 197	38 534
Call investment deposits	787 515	40 121	22 036	164 160	22 036
Consumer debtors	29 191	30 951	28 157	42 262	28 157
Other debtors	22 709	25 222	18 092	29 250	18 092
Current portion of long-term receivables	-	-	-	-	-
Inventory	408	267	408	408	408
Total current assets	1 178 200	107 619	107 226	241 277	107 226
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Investments in Associate	-	-	-	-	-
Property, plant and equipment	2 551 394	2 843 962	2 742 357	2 662 631	2 742 357
Biological	-	-	-	-	-
Intangible	578	1 946	822	444	822
Other non-current assets	0	0	0	0	0
Total non current assets	2 551 972	2 845 908	2 743 179	2 663 075	2 743 179
TOTAL ASSETS	3 730 172	2 953 527	2 850 405	2 904 352	2 850 405
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	13 194	12 994	13 194
Consumer deposits	2 034	2 155	2 182	2 140	2 182
Trade and other payables	218 001	91 336	72 038	168 652	72 038
Provisions	15 088	13 294	15 088	15 088	15 088
Total current liabilities	235 122	106 785	102 502	198 873	102 502
Non current liabilities					
Borrowing	18 098	1 878	1 796	3 077	1 796
Provisions	24 548	23 797	26 960	24 548	26 960
Total non current liabilities	42 646	25 676	28 756	27 625	28 756
TOTAL LIABILITIES	277 768	132 461	131 258	226 498	131 258
NET ASSETS	3 452 404	2 821 066	2 719 147	2 677 853	2 719 147
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	3 452 404	2 821 066	2 719 147	2 677 853	2 719 147
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 452 404	2 821 066	2 719 147	2 677 853	2 719 147

Table C7 below display the Cash Flow Statement for the period ending 28 February 2022.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M08 February

Description	2020/21	Budget Year 2021/22							
	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	130 189	53 905	58 404	4 974	41 157	38 936	2 221	6%	58 404
Other revenue	307	549	549	351	641	366	275	75%	549
Transfers and Subsidies - Operational	234 993	389 288	400 406	682	298 330	266 937	31 393	12%	400 406
Transfers and Subsidies - Capital	215 028	303 580	332 258	-	292 200	221 505	70 695	32%	332 258
Interest	3 011	5 592	4 414	470	3 041	2 943	98	3%	4 414
Dividends							-		
Payments									
Suppliers and employees	(682 369)	(444 212)	(563 886)	(39 736)	(349 146)	(375 924)	(26 779)	7%	(563 886)
Finance charges	-	(1 328)	(415)	-	-	(277)	(277)	100%	(415)
Transfers and Grants	(352)	-	(135)	-	-	(90)	(90)	100%	(135)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 192)	307 375	231 596	(33 259)	286 224	154 397	(131 827)	-85%	231 596
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	(251 425)	(307 283)	(279 622)	(15 658)	(162 867)	(186 415)	(23 547)	13%	(279 622)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(251 425)	(307 283)	(279 622)	(15 658)	(162 867)	(186 415)	(23 547)	13%	(279 622)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing							-		
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD	(350 618)	92	(48 026)	(48 917)	123 357	(32 017)			(48 026)
Cash/cash equivalents at beginning:	40 671	48 731	51 862	-	51 862				
Cash/cash equivalents at month/year end:	(309 947)	48 823	3 836		175 219	(32 017)			(48 026)

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 28 February 2022.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	Budget Year 2021/22									
	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	4 291	3 757	2 315	2 350	1 919	2 133	14 105	123 401	154 270	143 907
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-exchange Transactions - Property Rates									-	-
Receivables from Exchange Transactions - Waste Water Management	1 676	1 468	904	918	750	833	5 510	48 208	60 267	56 219
Receivables from Exchange Transactions - Waste Management									-	-
Receivables from Exchange Transactions - Property Rental Debtors									-	-
Interest on Arrear Debtor Accounts	717	628	387	393	321	357	2 358	20 627	25 787	24 055
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
Total By Income Source	6 684	5 852	3 607	3 661	2 989	3 323	21 973	192 236	240 325	224 181
2020/21 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	2 950	2 227	1 122	898	386	232	1 318	3 907	13 039	6 740
Commercial	701	814	322	450	290	282	2 131	9 025	14 015	12 178
Households	3 033	2 812	2 163	2 313	2 313	2 809	18 524	179 304	213 271	205 263
Other									-	-
Total By Customer Group	6 684	5 852	3 607	3 661	2 989	3 323	21 973	192 236	240 325	224 181

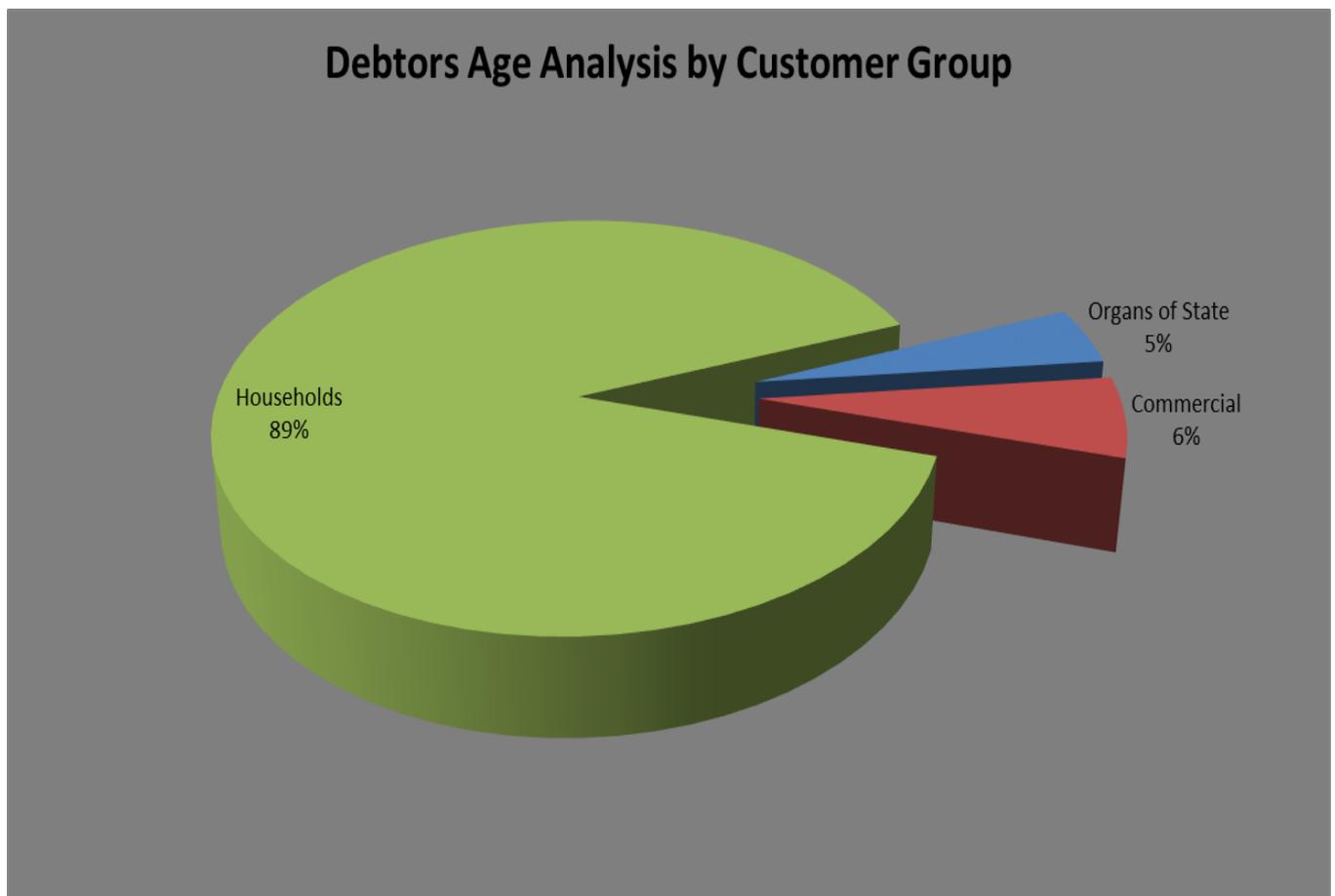
Table 2.1.2: Debtors Age Analysis by Customer Category

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

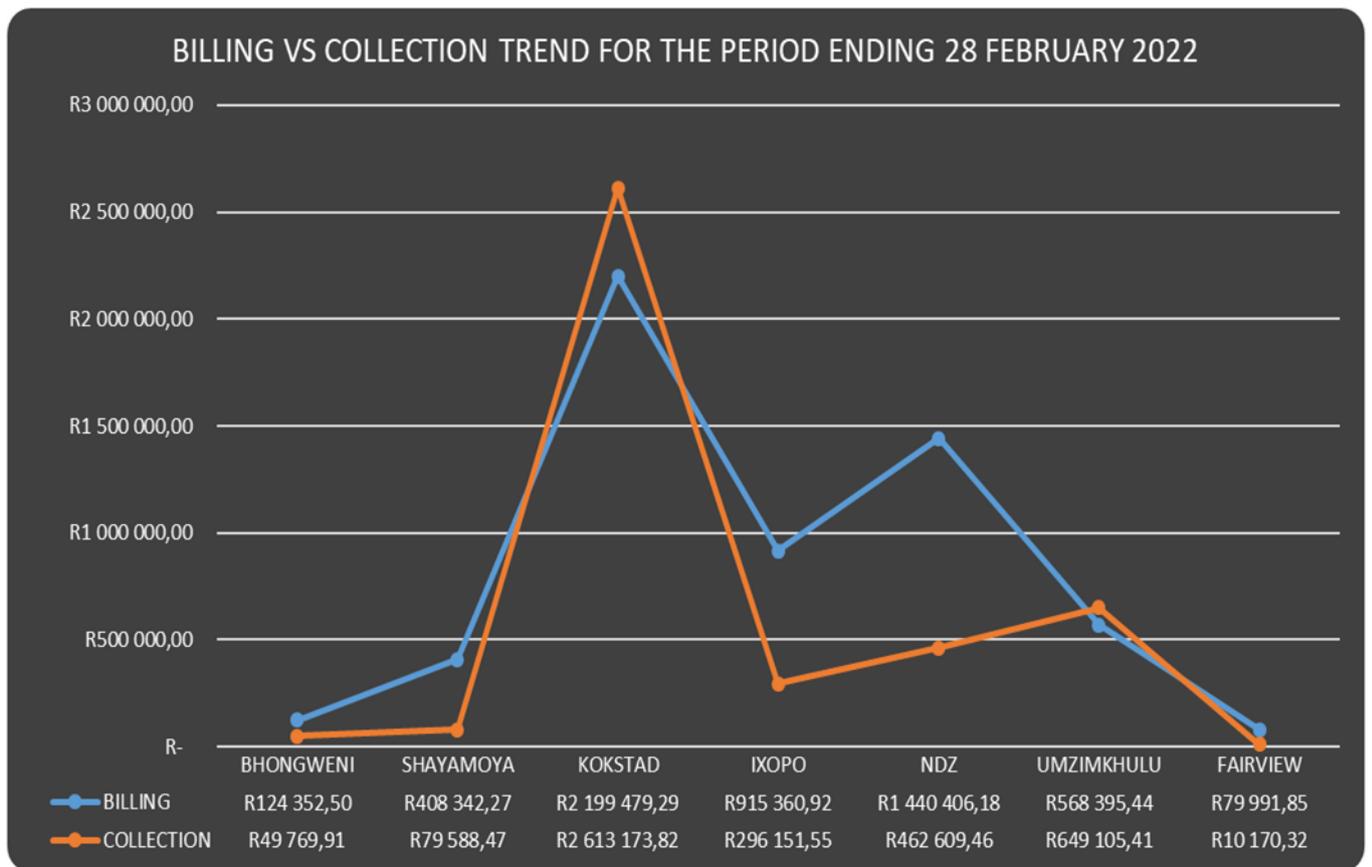
REVENUE RECEIPTS

Revenue receipts per Area

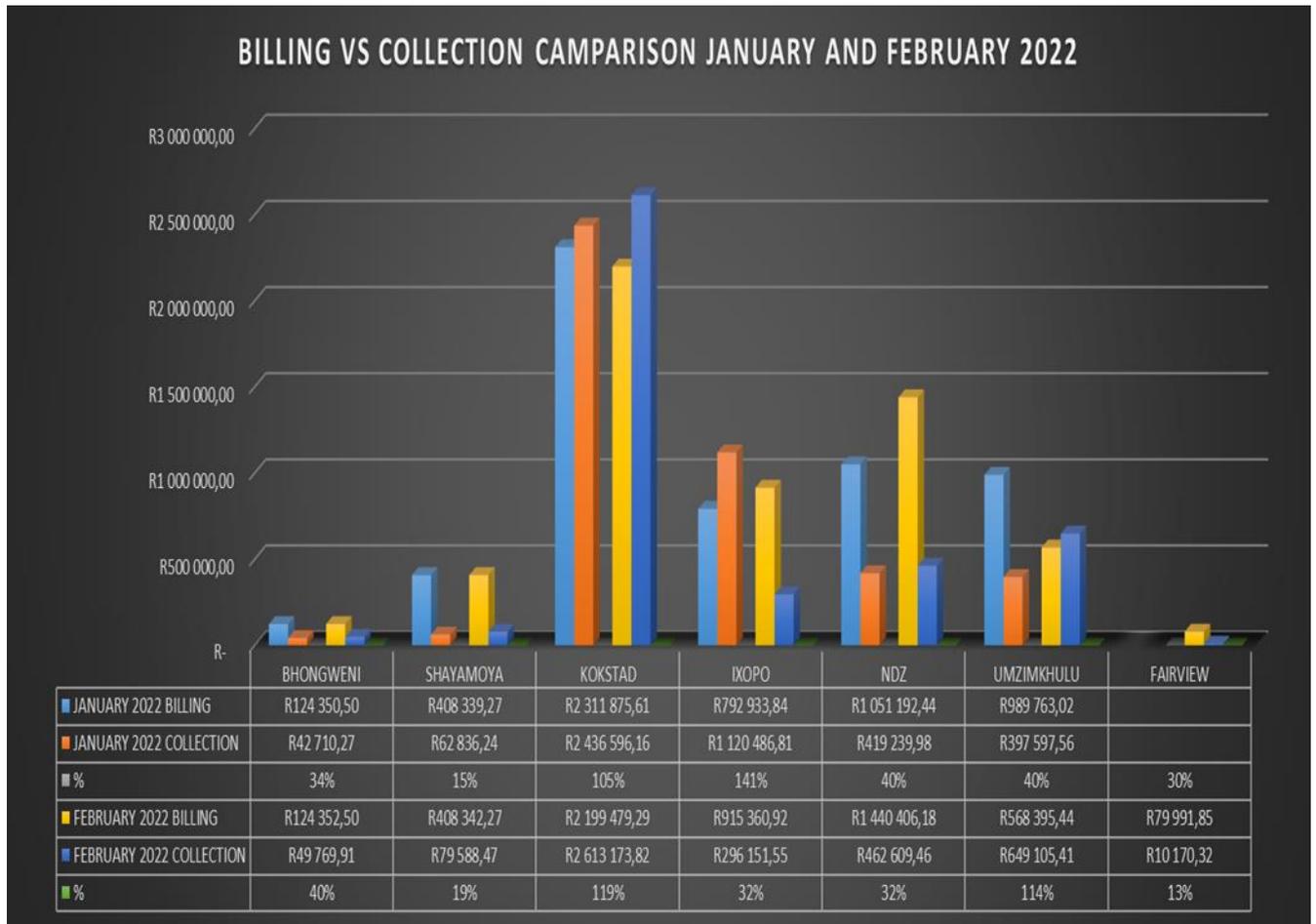
AREA	AMOUNT	FEBRUARY	JANUARY
		2022	2022
Unallocated receipts	R 92 603,65	2%	2%
Bhongweni	R 49 769,91	1%	1%
Shayamoya	R 79 588,47	1%	1%
Kokstad	R 2 613 173,82	61%	53%
Ixopo	R 296 151,55	7%	24%
NDZ	R 462 609,46	11%	9%
Umzimkhulu	R 649 105,41	9%	9%
Fairview	R 10 170,32	1%	1%
TOTAL RECEIPTS INCL VAT	R 4 253 172,59	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 February 2022 is R4, 2million. The total billing for the past 8 months is R 43, 8million against the collection of R 36, 3million representing 83 per cent

The chart that follows below shows the comparison between billing and collection trend for the period ending 28 February 2022.



The chart that follows below shows the comparison between billing, collection together with percentage for the period ending 28 February 2022



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 240 324 655 as at 28 February 2022 compared with the R 238 793 077 as at 31 January 2022. Current debt represents 3% of the total outstanding debt compared with the 3% of January 2022; 30 days and older debt 2% compared with the 2% for January 2022; 60 days and older debt 2% compared with the 2% of January 2022; and 90 days 2% compared with the 1% of January 2022; 120 days to History and older 92% compared with the 92% for January 2022.

Current debt increased with R 1,531,578 to R 240,324,655 compared with the R 238,793,077 as at 31 January 2021; 30 days + debt increased with R 1,967,651; 60 days + decreased with R 342,593; 90 days + debt increased with R 534,251 and 120 + days and older debt as at 28 February 2022 has increased with R 338,231 to R 220,520,566 compared with the R 220,182,335 as at 31 January 2021.

Debtors age analysis per debtor type

Business debtors owes the municipality R 13,752,761 (6%); Municipal debtors R 1,064,987 (0%); domestic debtors R 198,776,258 (83%); Government accounts R 11,694,115 (5%); Indigent debtors R 9,402,647 (4%) and other debtors R 5,633,886 (2%) of the total outstanding debt of R 240,324,655.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 28 February 2022

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	Budget Year 2021/22								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	37 404	9 645	-	39 394	-	-	-	-	86 443
Auditor General									-
Other									-
Total By Customer Type	37 404	9 645	-	39 394	-	-	-	-	86 443

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 28 February 2022.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	Yrs/Months										
R thousands											
Municipality											
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	0	47 140	96	(20 204)	-	27 032
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	0	71 137	134	(10 424)	-	60 846
FIRST NATIONAL BANK	12	ADMIN CALL	No	Fixed	9,25	0	4 523	11	(9 794)	7 500	2 240
INVESTEC	12	FIXED DEPOSIT	No	Fixed	9,25	0	1 567	5	-	-	1 571
FIRST NATIONAL BANK	12	FIXED DEPOSIT	No	Fixed	9,25	0	26 149	73	(2 132)	-	24 090
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	0	2 239	6	-	1 379	3 624
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	0	28 859	57	-	-	28 916
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	0	2	-	-	-	2
FIRST NATIONAL BANK	12	FIXED DEPOSIT	No	Fixed	9,25	0	213	0	-	-	213
NEDBANK		FIXED DEPOSIT					21 415	71	-	-	21 486
FIRST NATIONAL BANK		ENT ACCOUNT					2 066	-		3 131	5 197
Municipality sub-total							205 309		(42 554)	8 879	175 219
TOTAL INVESTMENTS AND INTEREST							205 309		(42 554)	8 879	175 219

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 - M08 February

Description	2020/21	Budget Year 2021/22							
	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:	429 587	400 406	400 406	2 936	307 909	266 937	40 972	15,3%	400 406
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	417 623	387 013	387 013	-	290 259	258 009	32 250	12,5%	387 013
Expanded Public Works Programme Integrated Grant	5 195	4 596	4 596	1 379	4 596	3 064	1 532	50,0%	4 596
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	230	586	800	(214)	-26,8%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	5 322	5 322	1 327	11 468	3 548	7 920	223,2%	5 322
Rural Road Asset Management Systems Grant	2 245	2 275	2 275	-	1 000	1 517	(517)	-34,1%	2 275
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	352	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	352	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	17 000	17 000	-	-	11 333	(11 333)	-100,0%	17 000
Specify (Add grant description)	-	17 000	17 000	-	-	11 333	(11 333)	-100,0%	17 000
Other grant providers:	404	-	-	-	-	-	-	-	-
Chemical Industry Seta	404	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	430 342	417 406	417 406	2 936	307 909	278 271	29 639	10,7%	417 406
Capital Transfers and Grants									
National Government:	287 857	298 258	298 258	20 411	179 866	198 839	(18 972)	-9,5%	298 258
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	207 558	207 558	12 271	129 048	138 372	(9 324)	-6,7%	207 558
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	22 381	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	60 000	90 700	90 700	8 140	50 818	60 467	(9 648)	-16,0%	90 700
Provincial Government:	19 693	-	34 000	2 823	5 930	8 400	(2 470)	-29,4%	34 000
Infrastructure Grant	19 693	-	34 000	2 823	5 930	8 400	(2 470)	-29,4%	34 000
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	307 550	298 258	332 258	23 234	185 796	207 239	(21 443)	-10,3%	332 258
TOTAL RECEIPTS OF TRANSFERS & GRANTS	737 892	715 664	749 664	26 170	493 705	485 509	8 196	1,7%	749 664

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 - M08 February

Description	2020/21	Budget Year 2021/22							
	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:	487 163	507 017	539 162	36 900	347 427	344 585	2 842	0,8%	539 162
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	478 059	492 327	523 972	36 193	341 453	335 308	6 145	1,8%	523 972
Expanded Public Works Programme Integrated Grant	5 467	5 976	6 613	588	4 446	3 495	951	27,2%	6 613
Local Government Financial Management Grant	836	1 117	1 276	119	658	776	(118)	-15,2%	1 276
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	5 322	5 322	-	-	3 548	(3 548)	-100,0%	5 322
Rural Road Asset Management Systems Grant	1 952	2 275	1 978	-	870	1 457	(588)	-40,3%	1 978
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	16 510	16 032	-	-	10 911	(10 911)	-100,0%	16 032
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	487 163	507 017	539 162	36 900	347 427	344 585	2 842	0,8%	539 162
Capital expenditure of Transfers and Grants									
National Government:	249 289	298 258	239 355	15 658	150 819	187 058	(36 240)	-19,4%	239 355
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	178 208	207 558	160 485	11 302	107 112	128 958	(21 846)	-16,9%	160 485
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	90 700	78 870	4 356	43 707	58 101	(14 394)	-24,8%	78 870
Provincial Government:	18 739	-	29 565	-	5 156	7 513	(2 357)	-31,4%	29 565
Infrastructure Grant	18 739	-	29 565	-	5 156	7 513	(2 357)	-31,4%	29 565
District Municipality:	-	-	47	-	47	9	38	400,0%	47
Specify (Add grant description)	-	-	47	-	47	9	38	400,0%	47
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	268 028	298 258	268 967	15 658	156 022	194 581	(38 559)	-19,8%	268 967
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	755 191	805 275	808 129	52 557	503 449	539 165	(35 716)	-6,6%	808 129

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 28 February 2022.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	2020/21	Budget Year 2021/22							
	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	5 324	6 027	5 094	316	2 982	3 832	(849)	-22%	5 094
Pension and UIF Contributions	498	698	725	42	300	471	(171)	-36%	725
Medical Aid Contributions	57	61	61	7	31	41	(10)	-24%	61
Cellphone Allowance	663	875	935	41	353	595	(242)	-41%	935
Other benefits and allowances	1 271	1 262	1 723	176	997	933	63	7%	1 723
Sub Total - Councillors	7 813	8 922	8 538	582	4 663	5 871	(1 209)	-21%	8 538
% increase		14,2%	9,3%						9,3%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 029	4 281	4 028	336	2 685	2 804	(118)	-4%	4 028
Pension and UIF Contributions	11	11	13	1	9	8	1	7%	13
Medical Aid Contributions	171	182	173	15	116	119	(4)	-3%	173
Performance Bonus	106	56	95	-	55	45	10	23%	95
Motor Vehicle Allowance	1 052	1 153	1 052	88	702	748	(47)	-6%	1 052
Cellphone Allowance	117	125	117	10	78	82	(4)	-5%	117
Housing Allowances	160	177	160	13	106	115	(8)	-7%	160
Other benefits and allowances	459	492	460	38	306	321	(15)	-5%	460
Sub Total - Senior Managers of Municipality	6 105	6 477	6 097	500	4 057	4 242	(185)	-4%	6 097
% increase		6,1%	-0,1%						-0,1%
Other Municipal Staff									
Basic Salaries and Wages	126 815	136 771	137 712	11 300	91 632	91 369	263	0%	137 712
Pension and UIF Contributions	18 955	19 567	20 519	1 730	13 699	13 235	464	4%	20 519
Medical Aid Contributions	9 177	9 338	9 848	840	6 585	6 328	257	4%	9 848
Overtime	129	119	149	15	102	85	17	20%	149
Performance Bonus	8 464	7 716	8 519	892	5 861	5 305	557	10%	8 519
Motor Vehicle Allowance	16 182	17 160	20 268	1 744	13 568	12 062	1 506	12%	20 268
Cellphone Allowance	851	858	974	82	650	595	55	9%	974
Housing Allowances	570	586	585	49	390	390	(1)	0%	585
Other benefits and allowances	20 465	20 906	23 494	2 014	15 719	14 455	1 263	9%	23 494
Payments in lieu of leave	3 207	1 204	1 885	87	1 186	939	247	26%	1 885
Long service awards	981	810	1 044	134	743	587	156	27%	1 044
Post-retirement benefit obligations	6 069	3 343	-	-	-	1 560	(1 560)	-100%	-
Sub Total - Other Municipal Staff	211 864	218 378	224 997	18 887	150 134	146 910	3 224	2%	224 997
% increase		3,1%	6,2%						6,2%
Total Parent Municipality	225 782	233 777	239 631	19 969	158 854	157 024	1 830	1%	239 631
Unpaid salary, allowances & benefits in arrears:		3,5%	6,1%						6,1%
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	249	(249)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	249	(249)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	1 730	1 730	-	-	1 153	(1 153)	-100%	1 730
Sub Total - Senior Managers of Entities	-	1 730	1 730	-	-	1 153	(1 153)	-100%	1 730
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 675	7 675	-	-	5 116	(5 116)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	980	(980)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	320	(320)	-100%	479
Performance Bonus	-	533	533	-	-	355	(355)	-100%	533
Payments in lieu of leave	-	43	43	-	-	28	(28)	-100%	43
Sub Total - Other Staff of Entities	-	10 199	10 199	-	-	6 799	(6 799)	-100%	10 199
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 301	12 301	-	-	8 201	(8 201)	-100%	12 301
TOTAL SALARY, ALLOWANCES & BENEFITS	225 782	246 079	251 933	19 969	158 854	165 225	(6 371)	-4%	251 933
% increase		9,0%	11,6%						11,6%
TOTAL MANAGERS AND STAFF	217 969	236 784	243 022	19 387	154 191	159 105	(4 914)	-3%	243 022

2.6 Material Variances to the SDBIP

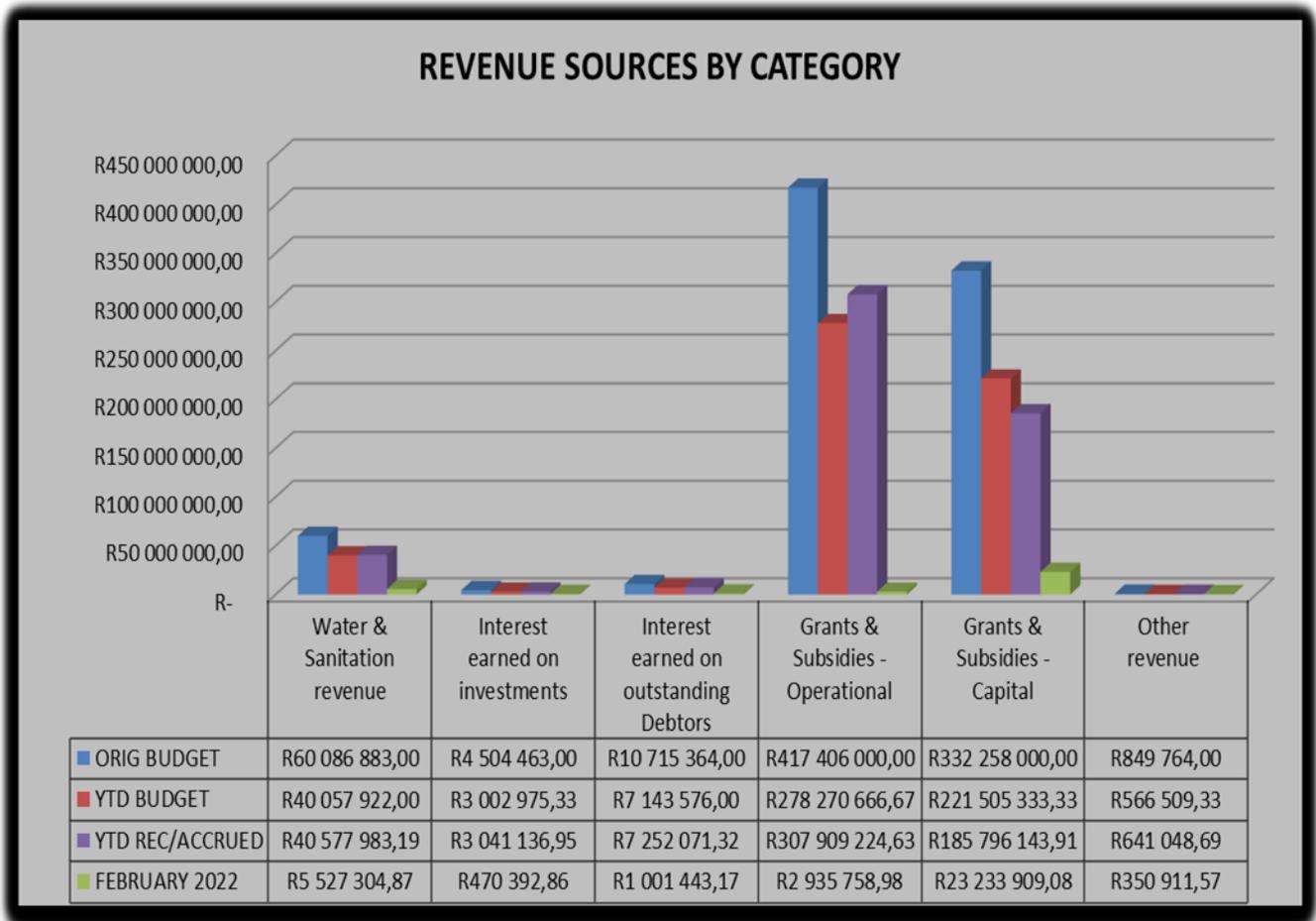
The following section analyses material variances between the actual targets as at 28 February 2022 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2021/2022 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 28 February 2022 was R40, 5million against a year to date **budget** of R40, million or 101 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R3m against year to budget of R3m representing 100 per cent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R307, 9million against a year to date budget of R278, 2million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The operational grants revenue of R162, 8million against a year to date budget of R221, 5million is largely attributable to the YTD equitable share received

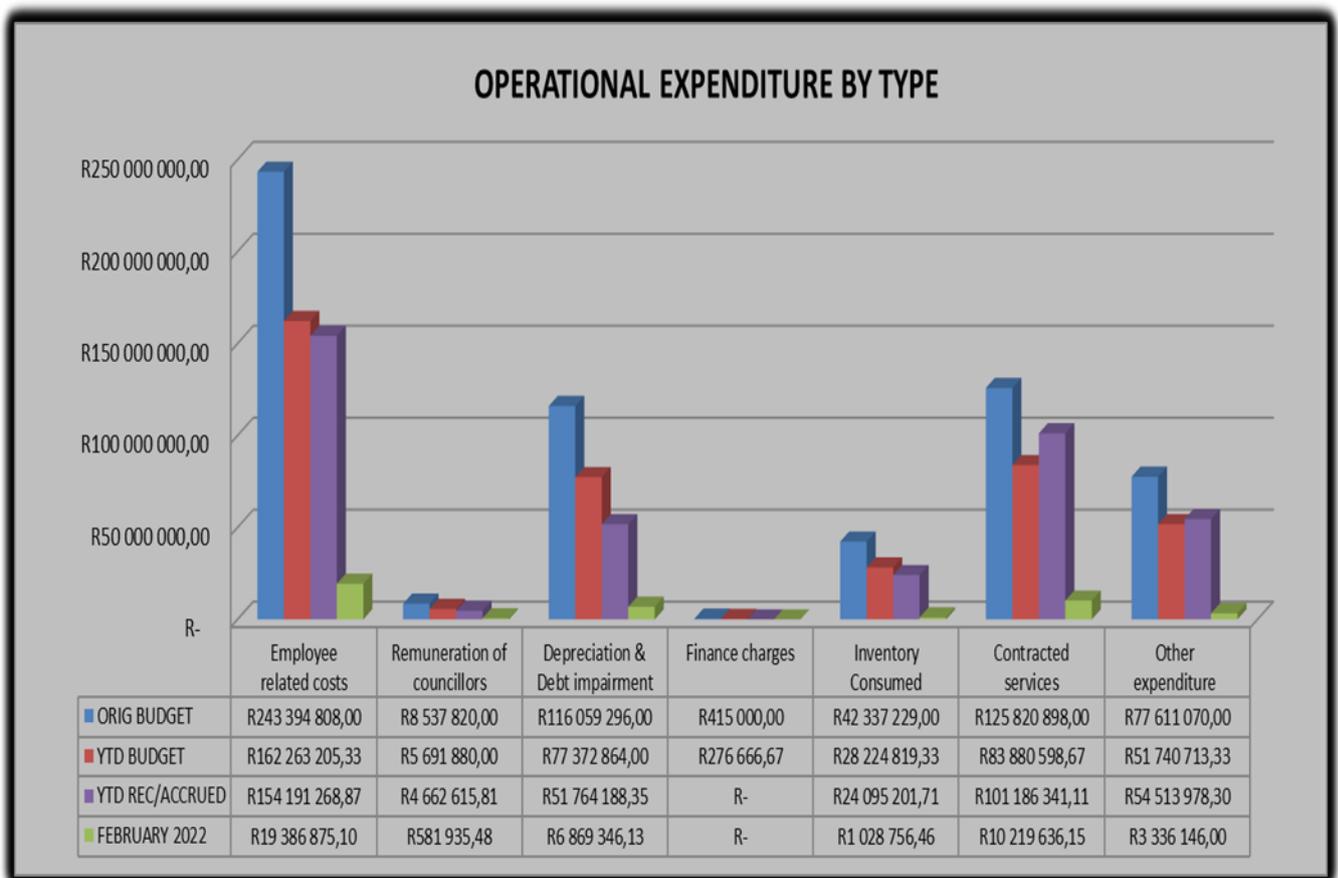
Other Revenue

The YTD performance of other revenue is R641 049 against YTD budget of R566 509 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: 2021/2022 financial year Opex



Employee Related Costs

The YTD budget for employee-related costs is R162, 2million against a YTD actual of R154, 1million which is 95% of the YTD budget.

Remuneration of Councillors

The remuneration of the councillor's year to date expenditure is at R 4, 6million against a YTD budget of R 5, 6million representing 82% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 28 February 2022.

Inventory/Bulk Purchases

The expenditure on Bulk Water purchases has a budget of R42, 3m. The year to date expenditure on inventory consumed including bulk water purchases is R24m against a YTD budget of R28, 2m representing 85% of the year to date budget.

Contracted Services

The YTD budget for contracted services was at R 125, 8million against a YTD expenditure of R101, 6million and expenditure for the month of February 2022 is R10, 2million.

Other Expenditure

The YTD budget for other expenditure was at R 54, 5million against a YTD expenditure of R 51, 7million and expenditure for the month of February 2022 is R3, 3million over-performed by 4 per cent.

Performance assessment

The Performance Assessment Report will be available in 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 - M08 February

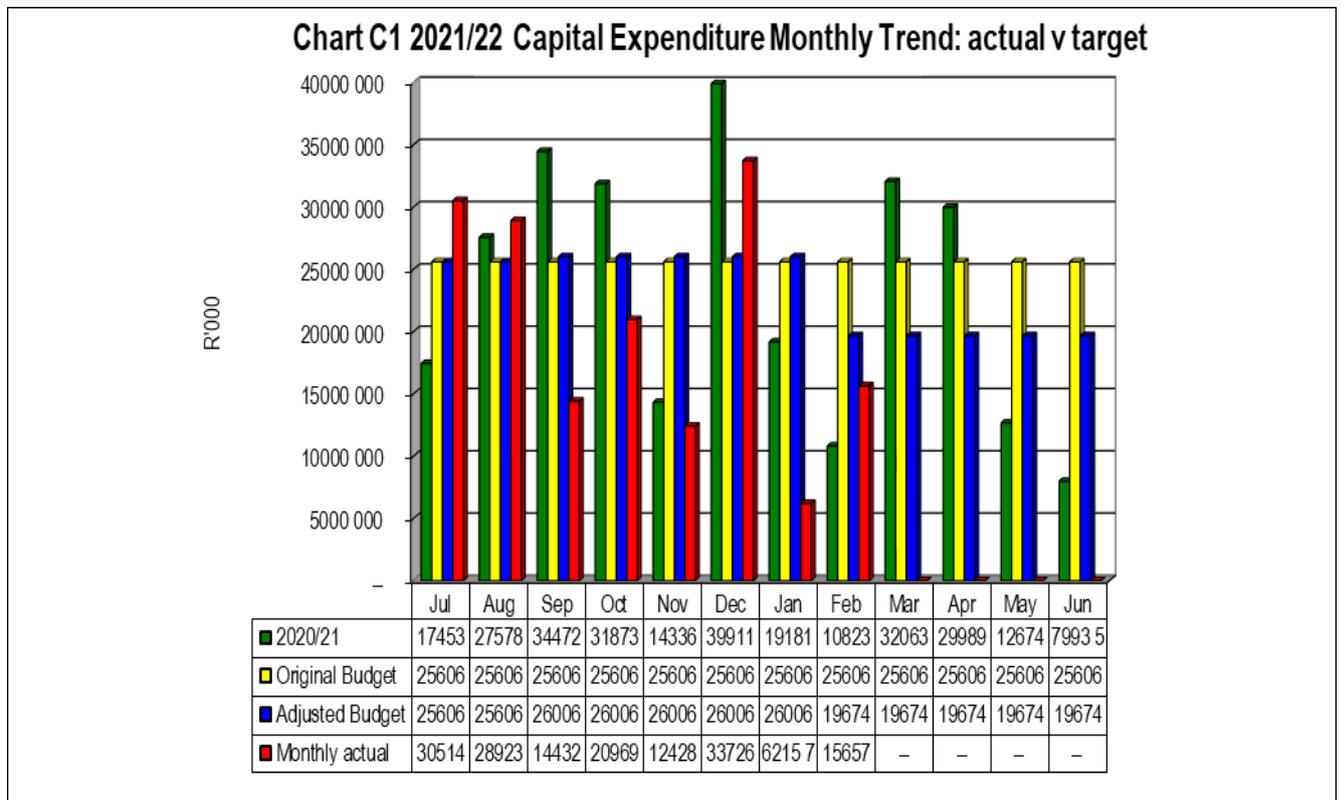
Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Budget	April Budget	May Budget	June Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands															
Cash Receipts By Source															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2 919	6 943	3 372	6 405	3 267	6 009	5 921	4 086	4 120	4 120	4 120	(1 838)	49 445	41 881	44 214
Service charges - sanitation revenue	557	988	495	1 262	472	1 232	1 316	888	747	747	747	(490)	8 959	15 078	15 983
Interest earned - external investments	121	502	377	391	389	326	464	470	368	368	368	270	4 414	5 838	6 101
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	160 611	2 493	-	19 997	8 914	129 203	1 209	682	33 367	33 367	33 367	(22 805)	400 406	413 194	416 811
Other revenue	-	0	0	96	12	-	13	351	46	46	46	(60)	549	574	599
Cash Receipts by Source	164 209	10 925	4 245	28 151	13 055	136 769	8 923	6 477	38 648	38 648	38 648	(24 924)	463 774	476 565	483 708
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	126 293	-	57 021	(1 593)	-	70 500	39 000	-	27 688	27 688	27 688	(42 027)	332 258	346 011	361 833
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	149	149	122	143
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	290 502	10 925	61 266	26 558	13 055	207 269	47 923	6 477	66 336	66 336	66 336	(66 802)	796 181	822 698	845 684
Cash Payments by Type															
Employee related costs	-	29 184	20 564	20 623	19 979	26 527	15 154	19 387	20 994	20 994	20 994	37 532	251 932	262 443	279 953
Remuneration of councillors	-	-	-	-	-	-	-	582	-	-	-	(582)	-	-	-
Interest paid	-	-	-	-	-	-	-	-	35	35	35	311	415	1 385	1 447
Acquisitions - water & other inventory	-	-	-	-	-	-	-	1 028	2 156	2 156	2 156	18 378	25 875	20 250	21 161
Contracted services	-	-	-	-	-	-	-	10 220	12 399	12 399	12 399	101 374	148 791	110 111	114 923
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	11	11	11	101	135	-	-
General expenses	54 121	66 381	50 366	53 979	36 436	86 619	21 635	3 336	11 441	11 441	11 441	(269 907)	137 288	78 948	82 195
Cash Payments by Type	54 121	95 565	70 930	74 601	56 415	113 146	36 789	34 552	47 036	47 036	47 036	(112 792)	564 436	473 136	499 679
Other Cash Flows/Payments by Type															
Capital assets	30 514	28 923	14 433	20 969	12 429	33 726	6 216	15 658	23 302	23 302	23 302	46 849	279 622	347 620	363 499
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	84 635	124 488	85 363	95 571	68 843	146 872	43 005	50 210	70 338	70 338	70 338	(65 943)	844 058	820 757	863 177
NET INCREASE/(DECREASE) IN CASH HELD	205 867	(113 563)	(24 097)	(69 013)	(55 789)	60 398	4 918	(43 733)	(4 002)	(4 002)	(4 002)	(859)	(47 877)	1 941	(17 493)
Cash/cash equivalents at the month/year beginning:	51 862	257 729	144 166	120 070	51 057	(4 732)	55 665	60 584	16 850	12 848	8 846	4 844	51 862	3 985	5 926
Cash/cash equivalents at the month/year end:	257 729	144 166	120 070	51 057	(4 732)	55 665	60 584	16 850	12 848	8 846	4 844	3 985	3 985	5 926	(11 567)

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M08 February

Month	2020/21	Budget Year 2021/22							
	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	17 453	25 607	25 607	30 514	30 514	25 607	(4 907)	-19,2%	10%
August	27 579	25 607	25 607	28 923	59 437	51 214	(8 223)	-16,1%	19%
September	34 472	25 607	26 007	14 433	73 870	77 221	3 351	4,3%	24%
October	31 874	25 607	26 007	20 969	94 839	103 228	8 389	8,1%	31%
November	14 337	25 607	26 007	12 429	107 268	129 235	21 967	17,0%	35%
December	39 911	25 607	26 007	33 726	140 994	155 242	14 248	9,2%	46%
January	19 182	25 607	26 007	6 216	147 210	181 249	34 039	18,8%	48%
February	10 824	25 607	19 675	15 658	162 867	200 924	38 056	18,9%	53%
March	32 063	25 607	19 675	-	-	220 598	-	-	-
April	29 990	25 607	19 675	-	-	240 273	-	-	-
May	12 674	25 607	19 675	-	-	259 948	-	-	-
June	7 994	25 607	19 674	-	-	279 622	-	-	-
Total Capital expenditure	278 353	307 283	279 622	162 867					

YTD Capital Budget vs. YTD Capital Expenditure



Capital Expenditure on New Assets by Asset Class

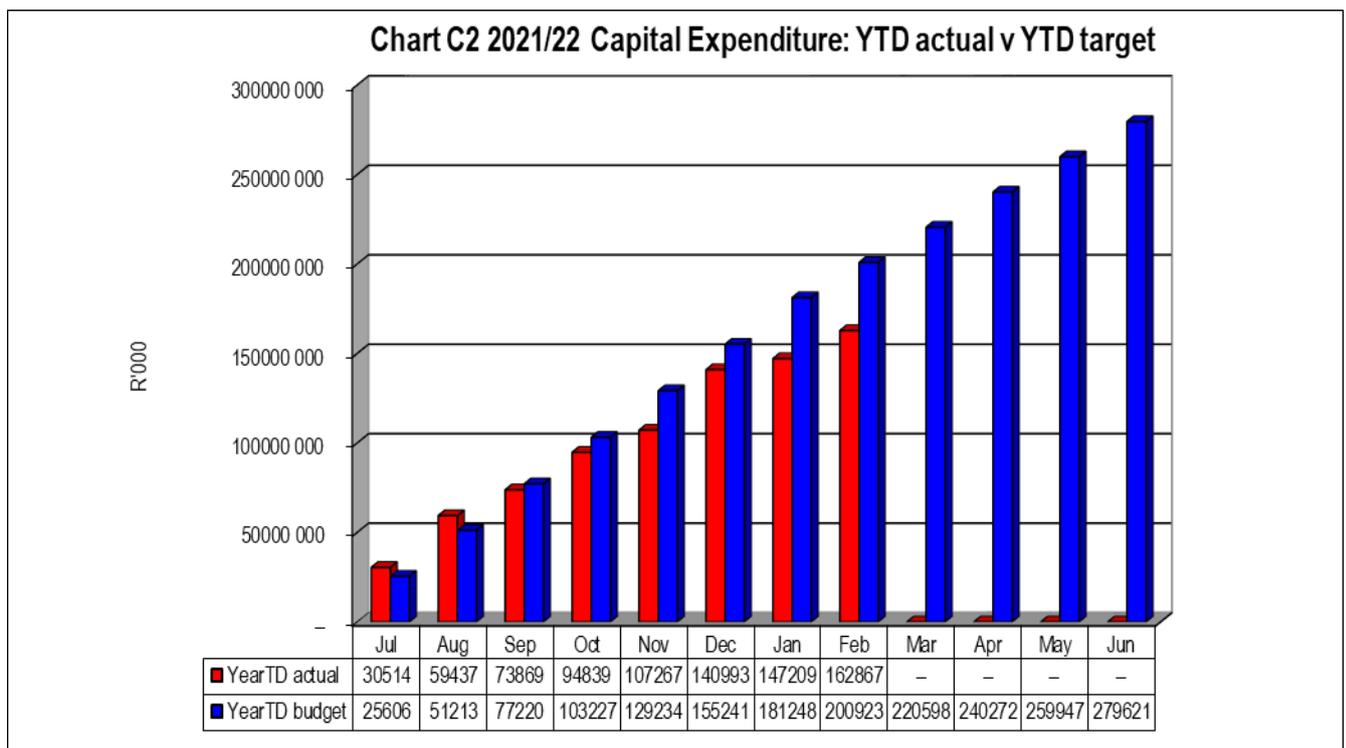
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M08

Description	2020/21	Budget Year 2021/22							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	245 738	283 958	232 580	15 658	143 837	179 030	35 193	19,7%	232 580
Water Supply Infrastructure	237 781	228 108	182 274	13 207	112 860	141 128	28 268	20,0%	182 274
Dams and Weirs	24 469	25 000	7 507	-	3 634	11 390	7 757	68,1%	7 507
Boreholes	23 814	57 275	58 899	4 356	38 944	38 508	(436)	-1,1%	58 899
Reservoirs	870	7 000	3 310	1 291	3 310	3 929	619	15,8%	3 310
Pump Stations	30 873	31 000	22 217	1 764	17 612	18 910	1 298	6,9%	22 217
Water Treatment Works	4 539	7 500	10 985	3 091	7 989	5 697	(2 292)	-40,2%	10 985
Bulk Mains	77 052	26 508	9 514	-	4 801	14 273	9 472	66,4%	9 514
Distribution	76 164	73 825	69 842	2 705	36 571	48 420	11 849	24,5%	69 842
Sanitation Infrastructure	7 958	55 850	50 306	2 451	30 978	37 902	6 925	18,3%	50 306
Pump Station	1 580	30 000	17 393	1 079	10 008	17 479	7 471	42,7%	17 393
Reticulation	6 378	20 000	20 870	218	13 704	13 507	(197)	-1,5%	20 870
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	5 850	12 043	1 154	7 265	6 916	(349)	-5,0%	12 043
Other assets	1 610	-	-	-	-	-	-	-	-
Operational Buildings	1 610	-	-	-	-	-	-	-	-
Municipal Offices	1 610	-	-	-	-	-	-	-	-
Intangible Assets	-	1 418	450	-	-	752	752	100,0%	450
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1 418	450	-	-	752	752	100,0%	450
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	1 418	450	-	-	752	752	100,0%	450
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	1 566	2 130	1 409	-	779	1 276	497	39,0%	1 409
Computer Equipment	1 566	2 130	1 409	-	779	1 276	497	39,0%	1 409
Furniture and Office Equipment	1 768	3 057	1 400	-	671	1 707	1 036	60,7%	1 400
Furniture and Office Equipment	1 768	3 057	1 400	-	671	1 707	1 036	60,7%	1 400
Machinery and Equipment	9 099	220	47	-	47	112	65	57,9%	47
Machinery and Equipment	9 099	220	47	-	47	112	65	57,9%	47
Transport Assets	7 355	-	-	-	-	-	-	-	-
Transport Assets	7 355	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	267 136	290 783	235 885	15 658	145 334	182 876	37 542	20,5%	235 885

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	2020/21	Budget Year 2021/22							
	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	8 110	15 800	38 217	-	12 996	16 617	3 621	21,8%	38 217
Water Supply Infrastructure	982	15 800	8 652	-	7 839	9 104	1 265	13,9%	8 652
Dams and Weirs	-	-	-	-	-	-	-	-	-
Bulk Mains	-	500	-	-	-	233	233	100,0%	-
Distribution	982	15 300	8 652	-	7 839	8 870	1 031	11,6%	8 652
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 128	-	29 565	-	5 156	7 513	2 357	31,4%	29 565
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	7 128	-	29 565	-	5 156	7 513	2 357	31,4%	29 565
Machinery and Equipment	-	200	150	-	-	123	123	100,0%	150
Machinery and Equipment	-	200	150	-	-	123	123	100,0%	150
Transport Assets	7 032	-	5 246	-	4 396	1 049	(3 347)	-319,0%	5 246
Transport Assets	7 032	-	5 246	-	4 396	1 049	(3 347)	-319,0%	5 246
Total Capital Expenditure on renewal of existing assets	15 142	16 000	43 614	-	17 392	17 789	397	2,2%	43 614



2.7 Municipal Manager's Quality's Certificate

Quality Certificate

I, Adelaide Nomnandi Dlamini, the Municipal Manager of Harry Gwala District Municipality, hereby certify that-

- The monthly budget statement

For the month of February 2022 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_____