

Harry Gwala District Municipality



Monthly Budget Statement 31 May 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 31 May 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

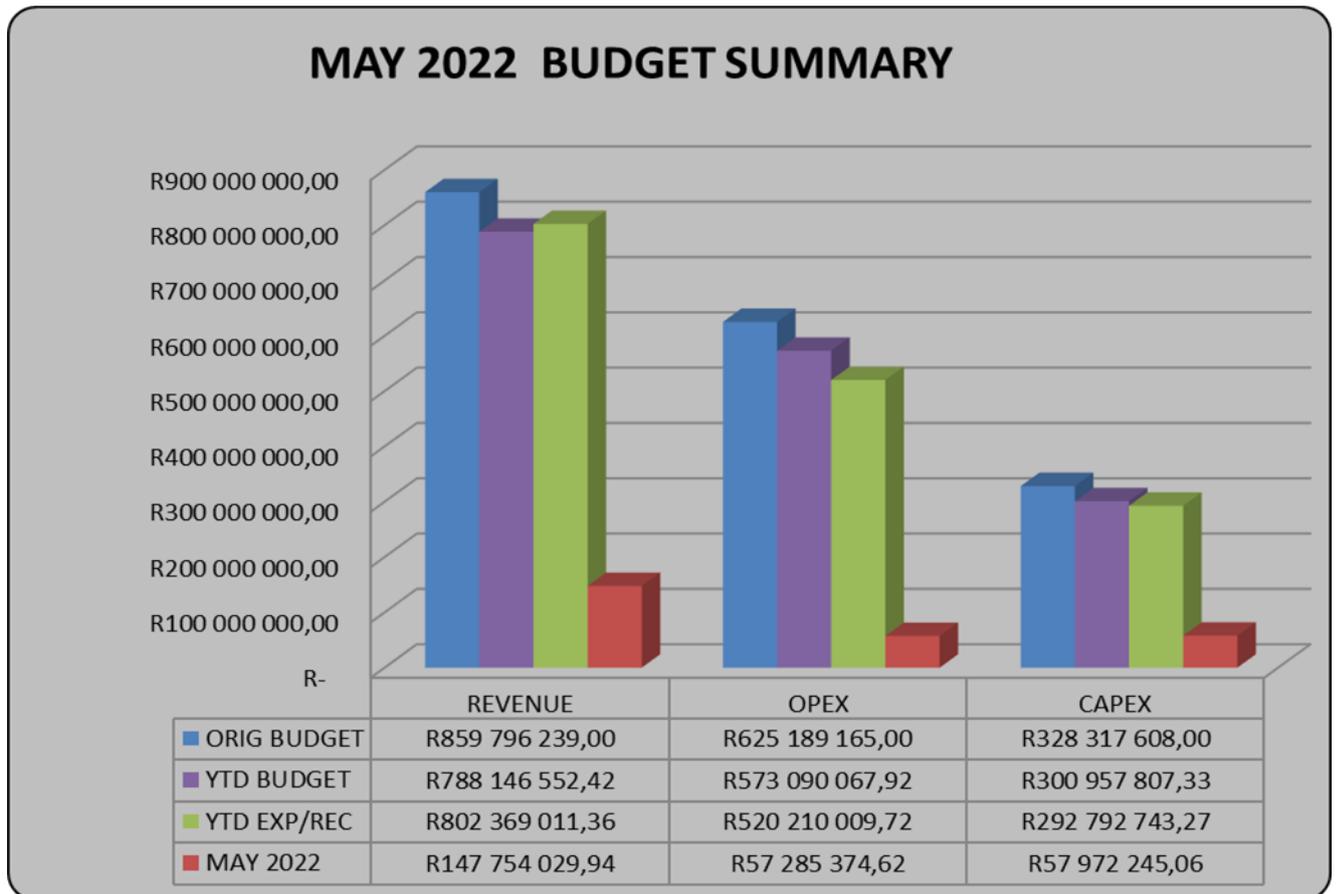
The budget summary is intended to give an overall summary with regards to the implementation of the 2021/2022 budget for the period ending 31 May 2022. Chart 1 presented below gives a summary of the budgeted Revenue, Operating as well as Capital expenditure and the movements for the month of May as well 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	R 577 594 066	R 307 283 480
Adjusted Budget	R 494 538 239	R 625 189 165	R 328 317 608
YearTD budget	R 454 213 763	R 566 073 190	R 292 411 309
Monthly actual	R 39 681 984	R 57 285 375	R 57 972 245
YearTD actual	R 508 500 821	R 520 210 010	R 292 792 743
YTD variance	R 54 287 059	-R 45 863 180	R 381 434
YTD variance %	12%	-8%	0%

Chart 1: Budget vs. Expenditure Summary



Revenue by Source

The original approved revenue for the 2021/2022 budget amounts to R859, 7m. The year to date actual revenue for the period ended 31 May 2022 amounted to R802, 3m which is 102% 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 R625, 1m. The YTD Operating expenditure for the month ended 31 May amounted to R520, 2m against a year to date (YTD) budget of R573m. The actual YTD expenditure represented 91% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R328, 3m. The YTD expenditure on capital amounts to R292, 7million, or 97% 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 - M11 May

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	61 063	6 249	56 560	56 819	(260)	-0%	61 063
Investment revenue	3 011	5 682	4 504	530	4 530	4 267	264	6%	4 504
Transfers and subsidies	430 342	417 406	417 406	31 816	436 479	382 622	53 857	14%	417 406
Other own revenue	10 879	10 748	11 565	1 086	10 932	10 506	426	4%	11 565
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	494 538	39 682	508 501	454 214	54 287	12%	494 538
Employee costs	217 969	237 156	243 395	19 628	211 937	222 386	(10 449)	-5%	243 395
Remuneration of Councillors	7 813	8 922	8 538	649	6 643	7 871	(1 228)	-16%	8 538
Depreciation & asset impairment	79 359	87 410	88 415	18 943	70 707	80 930	(10 223)	-13%	88 415
Finance charges	995	1 328	415	-	-	487	(487)	-100%	415
Inventory consumed and bulk purchases	27 868	31 249	41 337	4 665	39 980	36 765	3 214	9%	41 337
Transfers and subsidies	17 000	17 000	17 000	2 500	13 100	15 583	(2 483)	-16%	17 000
Other expenditure	224 777	194 529	226 090	10 901	177 843	202 050	(24 207)	-12%	226 090
Total Expenditure	575 782	577 594	625 189	57 285	520 210	566 073	(45 863)	-8%	625 189
Surplus/(Deficit)	(63 785)	(74 336)	(130 651)	(17 603)	(11 709)	(111 859)	100 150	-90%	(130 651)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	365 258	95 291	281 087	323 003	(41 916)	-13%	365 258
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	4 693	-	-	12 781	12 781	-	12 781	#DIV/0!	-
Surplus/(Deficit) after capital transfers & contributions	243 766	223 922	234 607	90 469	282 159	211 144	71 015	34%	234 607
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	243 766	223 922	234 607	90 469	282 159	211 144	71 015	34%	234 607
Capital expenditure & funds sources									
Capital expenditure	296 457	307 283	328 318	57 972	292 793	292 411	381	0%	328 318
Capital transfers recognised	268 028	298 258	317 616	57 925	285 795	282 811	2 984	1%	317 616
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	10 702	47	6 997	9 600	(2 603)	-27%	10 702
Total sources of capital funds	296 457	307 283	328 318	57 972	292 793	292 411	381	0%	328 318
Financial position									
Total current assets	1 178 200	1 07 619	105 932	-	204 236	-	-	-	105 932
Total non current assets	2 551 972	2 845 908	2 791 875	-	2 774 058	-	-	-	2 791 875
Total current liabilities	235 122	106 785	102 202	-	159 688	-	-	-	102 202
Total non current liabilities	42 646	25 676	28 756	-	26 051	-	-	-	28 756
Community wealth/Equity	2 597 195	2 821 066	2 756 163	-	2 794 132	-	-	-	2 756 163
Cash flows									
Net cash from (used) operating	(99 192)	307 375	251 946	-	311 194	230 950	(80 243)	-35%	251 946
Net cash from (used) investing	(251 425)	(307 283)	(328 318)	-	(234 820)	(300 958)	(66 137)	22%	(328 318)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	(309 947)	48 823	(24 509)	-	128 236	(70 007)	(198 243)	283%	(76 372)
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	13 350	3 761	3 844	3 795	2 450	2 706	15 462	194 148	239 516
Creditors Age Analysis									
Total Creditors	2 740	154	-	-	-	-	-	-	2 893

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) - M11 May

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	914	393 249	362 071	31 178	9%	393 591
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	404 553	393 591	914	393 249	362 071	31 178	9%	393 591
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	-	-	2	28	-	28	#DIV/0!	-
Community and social services	-	-	-	2	28	-	28	#DIV/0!	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	8 568	22 412	17 090	12 781	24 249	16 287	7 963	49%	17 090
Planning and development	8 568	22 412	17 090	12 781	24 249	16 287	7 963	49%	17 090
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	388 078	374 551	449 115	134 057	384 843	398 859	(14 017)	-4%	449 115
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	360 199	402 709	114 665	349 241	359 660	(10 419)	-3%	402 709
Waste water management	29 226	14 352	46 406	19 392	35 602	39 199	(3 597)	-9%	46 406
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	801 516	859 796	147 754	802 369	777 217	25 152	3%	859 796
Expenditure - Functional									
<i>Governance and administration</i>	233 309	251 534	258 065	20 032	207 367	234 720	(27 353)	-12%	258 065
Executive and council	27 920	24 745	41 476	2 432	34 784	35 235	(450)	-1%	41 476
Finance and administration	195 887	217 553	208 299	16 968	165 172	191 789	(26 617)	-14%	208 299
Internal audit	9 503	9 236	8 289	631	7 410	7 696	(286)	-4%	8 289
<i>Community and public safety</i>	17 674	18 501	19 197	1 844	17 904	17 516	388	2%	19 197
Community and social services	17 674	18 501	19 197	1 844	17 904	17 516	388	2%	19 197
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	123 312	154 812	153 528	21 159	108 884	140 858	(31 973)	-23%	153 528
Planning and development	123 312	154 812	153 528	21 159	108 884	140 858	(31 973)	-23%	153 528
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	201 487	152 747	194 399	14 251	186 055	172 980	13 075	8%	194 399
Energy sources	-	-	-	-	-	-	-	-	-
Water management	200 625	151 849	193 287	14 165	185 126	171 986	13 140	8%	193 287
Waste water management	862	898	1 111	86	929	994	(65)	-7%	1 111
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	575 782	577 594	625 189	57 285	520 210	566 073	(45 863)	-8%	625 189
Surplus/ (Deficit) for the year	243 766	223 922	234 607	90 469	282 159	211 144	71 015	34%	234 607

This table assesses the revenue by the department and then the expenditure for the period ending 31 May 2022. Revenue receipts in May have largely constituted of service charges which are water and sanitation. The overall budgeted revenue cash receipt for the month of May is 19%.

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 R15m.

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	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	777	392 807	361 776	31 032	8,6%	393 222
Vote 04 - Summary Corporate Services	665	-	290	127	359	232	127	54,6%	290
Vote 05 - Summary Social Services & Development Planning	3 875	22 412	17 090	2	11 496	16 287	(4 791)	-29,4%	17 090
Vote 06 - Summary Infrastructure Services	305 438	311 333	347 169	95 206	283 760	309 657	(25 897)	-8,4%	347 169
Vote 07 - Summary Water Services	87 377	63 218	102 025	51 643	113 947	89 265	24 682	27,6%	102 025
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	801 516	859 796	147 754	802 369	777 217	25 152	3,2%	859 796
Expenditure by Vote									
Vote 01 - Summary Council	14 956	16 256	23 199	1 795	18 590	20 090	(1 500)	-7,5%	23 199
Vote 02 - Summary Municipal Manager	22 466	17 726	26 567	1 269	23 605	22 840	764	3,3%	26 567
Vote 03 - Summary Budget And Treasury Office	59 812	85 267	80 317	4 961	48 623	74 196	(25 573)	-34,5%	80 317
Vote 04 - Summary Corporate Services	89 619	89 530	80 640	9 190	74 277	74 906	(629)	-0,8%	80 640
Vote 05 - Summary Social Services & Development Planning	48 107	68 717	68 597	5 499	44 422	62 868	(18 446)	-29,3%	68 597
Vote 06 - Summary Infrastructure Services	97 107	109 078	108 396	17 851	86 244	99 443	(13 199)	-13,3%	108 396
Vote 07 - Summary Water Services	243 714	191 021	237 473	16 720	224 450	211 730	12 719	6,0%	237 473
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	575 782	577 594	625 189	57 285	520 210	566 073	(45 863)	-8,1%	625 189
Surplus/ (Deficit) for the year	243 766	223 922	234 607	90 469	282 159	211 144	71 015	33,6%	234 607

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 May 2022.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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	48 598	5 277	45 323	44 449	874	2%	48 598
Service charges - sanitation revenue	13 762	20 555	12 465	973	11 237	12 370	(1 133)	-9%	12 465
Interest earned - external investments	3 011	5 682	4 504	530	4 530	4 267	264	6%	4 504
Interest earned - outstanding debtors	10 100	10 198	10 715	957	10 142	9 762	380	4%	10 715
Transfers and subsidies	430 342	417 406	417 406	31 816	436 479	382 622	53 857	14%	417 406
Other revenue	778	549	850	129	789	744	45	6%	850
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	494 538	39 682	508 501	454 214	54 287	12%	494 538
Expenditure By Type									
Employee related costs	217 969	237 156	243 395	19 628	211 937	222 386	(10 449)	-5%	243 395
Remuneration of councillors	7 813	8 922	8 538	649	6 643	7 871	(1 228)	-16%	8 538
Debt impairment	31 734	27 645	27 645	-	-	25 341	(25 341)	-100%	27 645
Depreciation & asset impairment	79 359	87 410	88 415	18 943	70 707	80 930	(10 223)	-13%	88 415
Finance charges	995	1 328	415	-	-	487	(487)	-100%	415
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	27 868	31 249	41 337	4 665	39 980	36 765	3 214	9%	41 337
Contracted services	129 640	105 296	136 357	5 478	122 121	120 130	1 991	2%	136 357
Transfers and subsidies	17 000	17 000	17 000	2 500	13 100	15 583	(2 483)	-16%	17 000
Other expenditure	56 907	61 589	62 088	5 423	55 722	56 579	(857)	-2%	62 088
Losses	6 496	-	-	-	-	-	-	-	-
Total Expenditure	575 782	577 594	625 189	57 285	520 210	566 073	(45 863)	-8%	625 189
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(63 785)	(74 336)	(130 651)	(17 603)	(11 709)	(111 859)	100 150	(0)	(130 651)
Transfers and subsidies - capital (in-kind - all)	302 857	298 258	365 258	95 291	281 087	323 003	(41 916)	(0)	365 258
Surplus/(Deficit) after capital transfers & contributions	243 766	223 922	234 607	90 469	282 159	211 144		#DIV/0!	234 607
Taxation							-		
Surplus/(Deficit) after taxation	243 766	223 922	234 607	90 469	282 159	211 144			234 607
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	243 766	223 922	234 607	90 469	282 159	211 144			234 607
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	243 766	223 922	234 607	90 469	282 159	211 144			234 607

Capital Expenditure

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

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

Vote Description	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 BudgetAnd Treasury Office	-	500	24	-	-	78	(78)	-100%	24
Vote 04 - Summary Corporate Services	7 226	4 031	8 051	-	5 846	6 911	(1 065)	-15%	8 051
Vote 05 - Summary Social Services & Development Planning	7 355	1 870	627	-	47	720	(672)	-93%	627
Vote 06 - Summary Infrastructure Services	46 050	16 300	40 114	22 151	49 069	28 963	20 106	69%	40 114
Vote 07 - Summary Water Services	235 826	284 583	279 502	35 821	237 830	255 740	(17 910)	-7%	279 502
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	296 457	307 283	328 318	57 972	292 793	292 411	381	0%	328 318
Total Capital Expenditure	296 457	307 283	328 318	57 972	292 793	292 411	381	0%	328 318
Capital Expenditure - Functional Classification									
Governance and administration	7 226	5 110	8 655	-	5 846	7 520	(1 674)	-22%	8 655
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	7 226	5 110	8 655	-	5 846	7 520	(1 674)	-22%	8 655
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	7 355	1 021	47	-	47	157	(110)	-70%	47
Community and social services	7 355	1 021	47	-	47	157	(110)	-70%	47
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	18 541	1 270	-	12 781	12 781	148	12 633	8525%	-
Planning and development	18 541	1 270	-	12 781	12 781	148	12 633	8525%	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	263 335	299 883	319 616	45 191	274 118	284 586	(10 468)	-4%	319 616
Energy sources	-	-	-	-	-	-	-	-	-
Water management	248 698	244 033	246 321	32 294	205 456	223 182	(17 726)	-8%	246 321
Waste water management	14 637	55 850	73 295	12 898	68 663	61 404	7 259	12%	73 295
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	296 457	307 283	328 318	57 972	292 793	292 411	381	0%	328 318
Funded by:									
National Government	249 289	298 258	288 050	28 226	250 487	258 745	(8 258)	-3%	288 050
Provincial Government	18 739	-	29 565	29 746	35 309	24 052	11 256	47%	29 565
District Municipality	-	-	-	(47)	-	14	(14)	-100%	-
Transfers recognised - capital	268 028	298 258	317 616	57 925	285 795	282 811	2 984	1%	317 616
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	10 702	47	6 997	9 600	(2 603)	-27%	10 702
Total Capital Funding	296 457	307 283	328 318	57 972	292 793	292 411	381	0%	328 318

As alluded to above, the capital expenditure programme for the period ending 31 May 2022 was R 292, 7m which represents 97% of capital expenditure against year to date budget of R300, 9million. 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

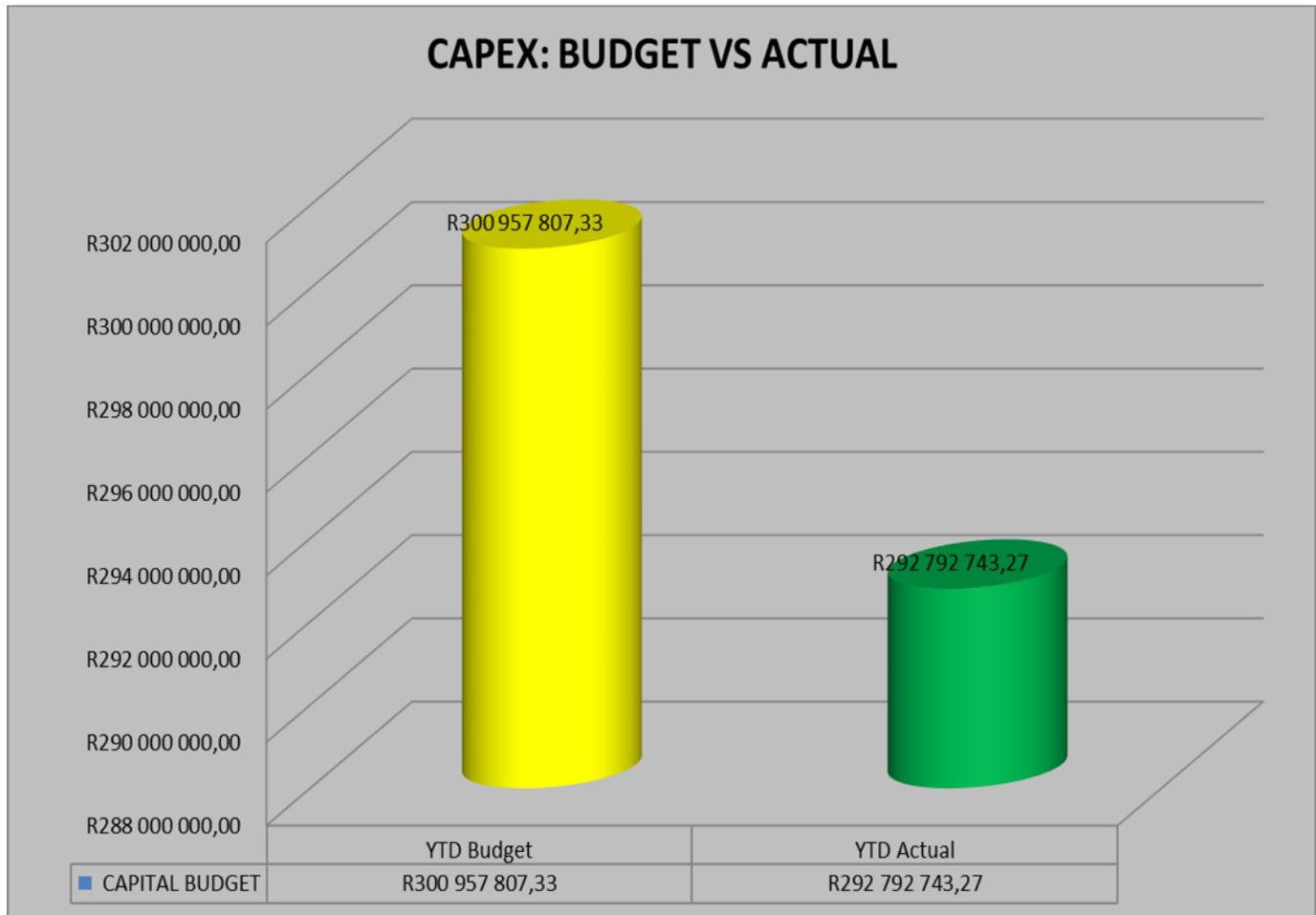


Table C6 displays the financial position of the municipality as at 31 May 2022.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M11 May

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	37 239	492 447	37 239
Call investment deposits	787 515	40 121	22 036	(367 301)	22 036
Consumer debtors	29 191	30 951	28 157	44 925	28 157
Other debtors	22 709	25 222	18 092	35 335	18 092
Current portion of long-term receivables	-	-	-	-	-
Inventory	408	267	408	408	408
Total current assets	1 178 200	107 619	105 932	205 814	105 932
Non current assets					
Long-term receivables	-	-	-	-	-
Investments					
Investment property	-	-	-	-	-
Investments in Associate					
Property, plant and equipment	2 551 394	2 843 962	2 791 052	2 773 664	2 791 052
Biological					
Intangible	578	1 946	822	394	822
Other non-current assets	0	0	0	0	0
Total non current assets	2 551 972	2 845 908	2 791 875	2 774 058	2 791 875
TOTAL ASSETS	3 730 172	2 953 527	2 897 806	2 979 871	2 897 806
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	13 194	12 794	13 194
Consumer deposits	2 034	2 155	2 182	2 170	2 182
Trade and other payables	218 001	91 336	71 738	129 636	71 738
Provisions	15 088	13 294	15 088	15 088	15 088
Total current liabilities	235 122	106 785	102 202	159 688	102 202
Non current liabilities					
Borrowing	18 098	1 878	1 796	1 503	1 796
Provisions	24 548	23 797	26 960	24 548	26 960
Total non current liabilities	42 646	25 676	28 756	26 051	28 756
TOTAL LIABILITIES	277 768	132 461	130 958	185 739	130 958
NET ASSETS	3 452 404	2 821 066	2 766 848	2 794 132	2 766 848
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	3 452 404	2 821 066	2 766 848	2 794 132	2 766 848
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 452 404	2 821 066	2 766 848	2 794 132	2 766 848

Table C7 below display the Cash Flow Statement for the period ending 31 May 2022.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M11 May

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	5 845	65 261	53 537	11 724	22%	58 404
Other revenue	307	549	549	2	420	504	(83)	-17%	549
Transfers and Subsidies - Operational	234 993	389 288	400 406	17 547	609 516	367 039	242 478	66%	400 406
Transfers and Subsidies - Capital	215 028	303 580	365 258	-	369 601	334 820	34 781	10%	365 258
Interest	3 011	5 592	4 414	530	4 530	4 047	484	12%	4 414
Dividends							-		
Payments									
Suppliers and employees	(682 369)	(444 212)	(576 536)	(85 557)	(799 765)	(528 492)	271 274	-51%	(576 536)
Finance charges	-	(1 328)	(415)	-	-	(380)	(380)	100%	(415)
Transfers and Grants	(352)	-	(135)	-	-	(124)	(124)	100%	(135)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 192)	307 375	251 946	(61 631)	249 563	230 950	(18 612)	-8%	251 946
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)	(328 318)	(57 972)	(292 793)	(300 958)	(8 165)	3%	(328 318)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(251 425)	(307 283)	(328 318)	(57 972)	(292 793)	(300 958)	(8 165)	3%	(328 318)
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	(76 372)	(119 603)	(43 230)	(70 007)			(76 372)
Cash/cash equivalents at beginning:	40 671	48 731	51 862	-	51 862				
Cash/cash equivalents at month/year end:	(309 947)	48 823	(24 509)		8 632	(70 007)			(76 372)

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 May 2022.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	Budget Year 2021/22									Total over 90 days	
	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		
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	9 433	1 552	1 341	1 284	1 148	977	5 529	96 856	118 119	105 793	
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1 887	1 552	1 341	1 284	1 148	977	5 529	47 671	61 388	56 608	
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	2 030	657	1 163	1 228	154	753	4 403	49 621	60 008	56 159	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Total By Income Source	13 350	3 761	3 844	3 795	2 450	2 706	15 462	194 148	239 516	218 560	
2020/21 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	5 542	1 178	598	429	169	139	928	3 981	12 965	5 647	
Commercial	1 885	435	518	839	309	460	1 543	12 585	18 574	15 736	
Households	5 923	2 148	2 728	2 526	1 972	2 107	12 991	177 581	207 977	197 178	
Other	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	13 350	3 761	3 844	3 795	2 450	2 706	15 462	194 148	239 516	218 560	

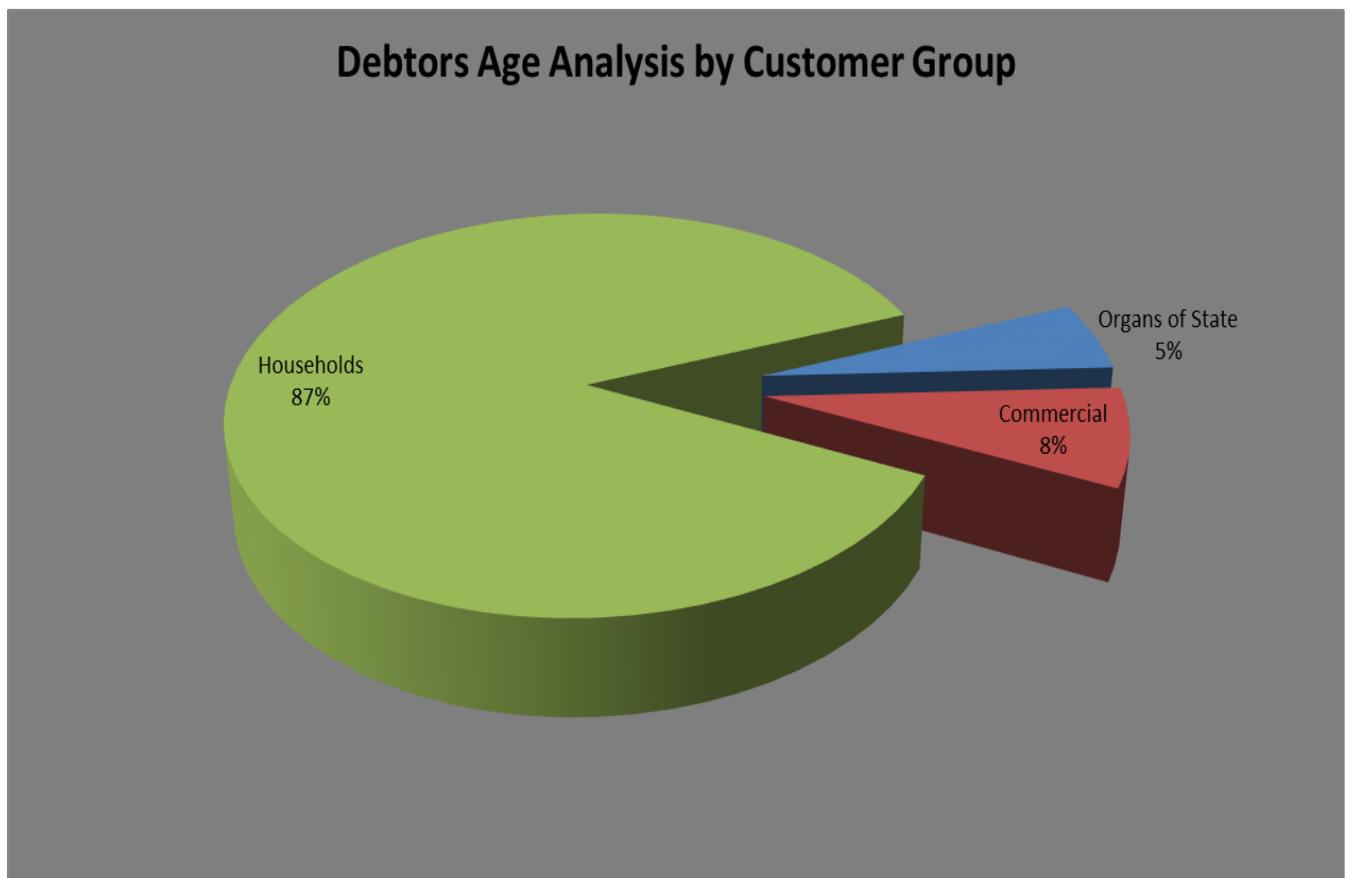
Table 2.1.2: Debtors Age Analysis by Customer Category

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: 87%
- ✓ Government 5%
- ✓ Business 8%



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

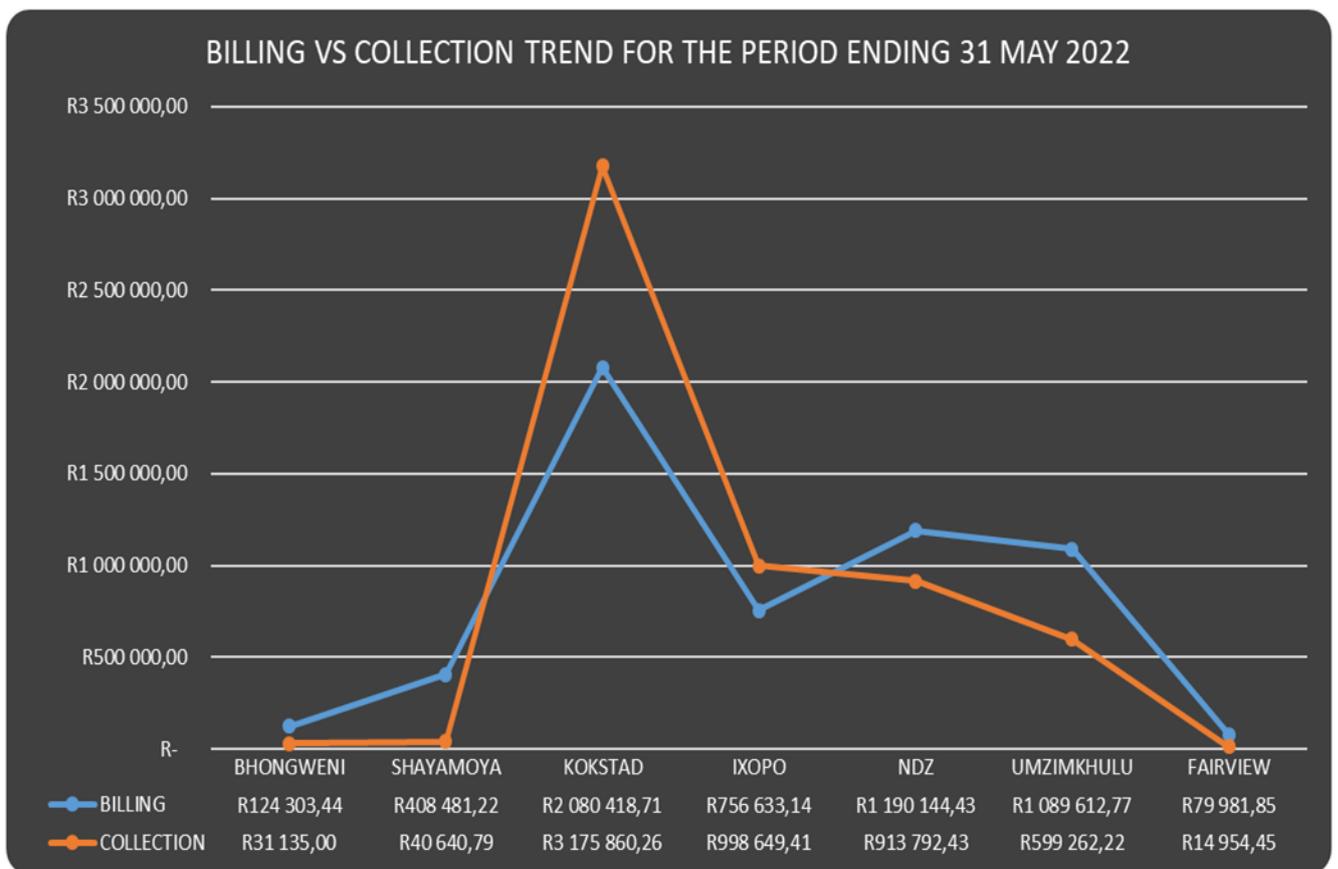
Revenue receipts per Area

AREA	AMOUNT		
		MAY 2022	APRIL 2022
Unallocated receipts	R 39 045,28	1%	1%
Bhongweni	R 31 135,00	1%	1%
Shayamoya	R 40 640,79	1%	1%
Kokstad	R 3 175 860,26	55%	33%
Ixopo	R 998 649,41	17%	40%
NDZ	R 913 792,43	16%	18%
Umzimkhulu	R 599 262,22	6%	6%
Fairview	R 14 954,45	0%	0%
TOTAL RECEIPTS INCL VAT	R 5 813 339,84	100%	100%

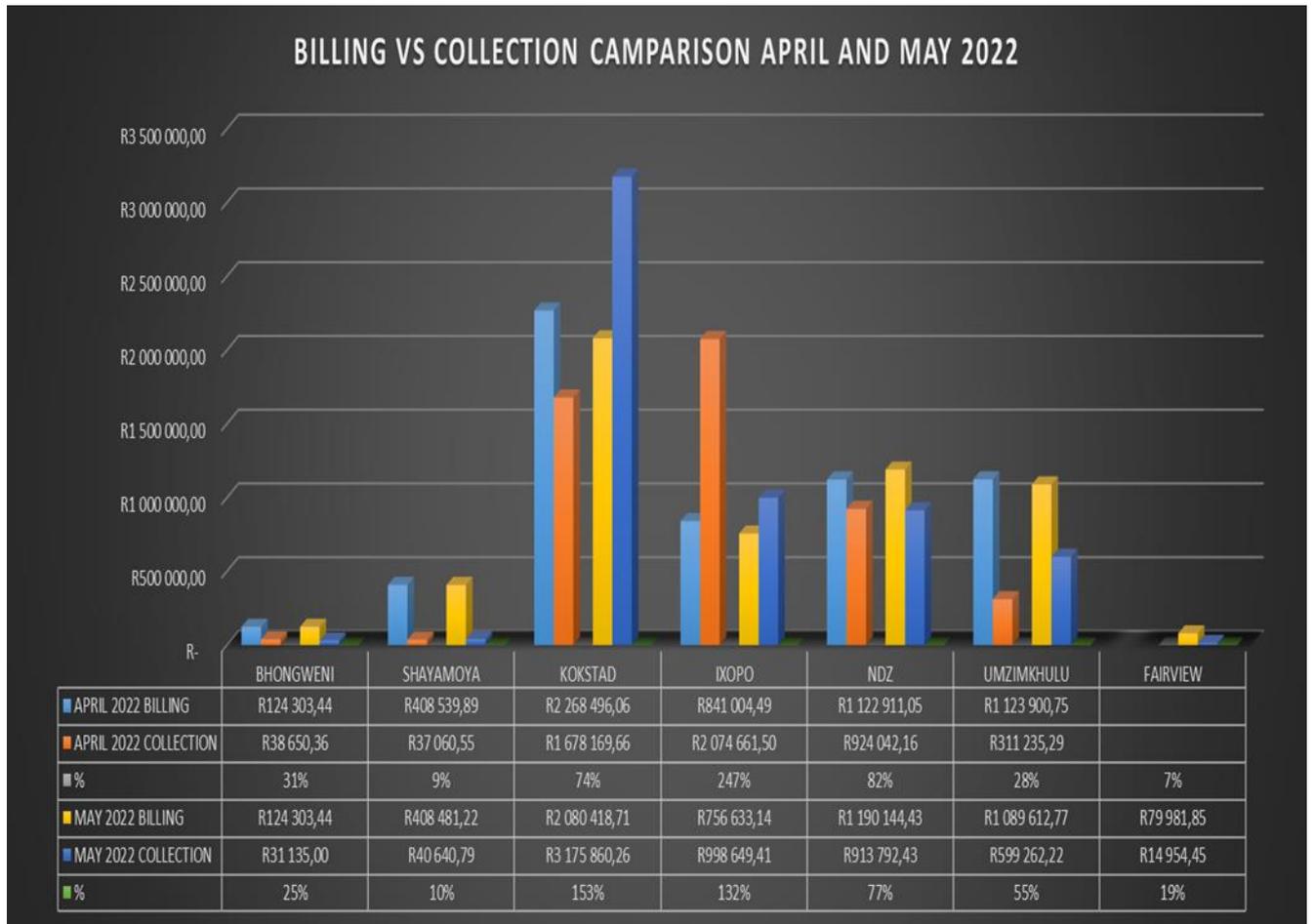
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for May 2022 is R5, 8million. The total

billing for the period ending 31 May 2022 is R 60, 1million against the collection of R 51, 3million representing 85 percent.

The chart that follows below shows the comparison between billing and collection trend for the period ending 31 May 2022.



The chart that follows below shows the comparison between billing, collection together with percentage for the period ending 31 May 2022



Debtors' age analysis per service

The municipality's total outstanding debtors amounted to R 239 515 847 as at 31 May 2022 compared with the R 239 075 249 as at 30 April 2022. Current debt represents 3% of the total outstanding debt compared with the 2% of April 2022; 30 days and older debt 3% compared with the 2% for April 2022; 60 days and older debt 2% compared with the 2% of April 2022; and 90 days 2% compared with the 2% of April 2022; 120 days to History and older 91% compared with the 91% for April 2022.

Current debt decreased with R 440,598 to R 239,515,847 compared with the R 238,075,249 as at 31 May 2022; 30 days + debt increased with R 1,310,349; 60 days + decreased with R 579,545; 90 days + debt increased with R 169,151 and 120 + days and older debt as at 31 May 2022 has increased with R 1,745,885 to R 218,560,214 compared with the R 216,814,329 as at 30 April 2022.

Debtors age analysis per debtor type

Business debtors owes the municipality R 13,592,523 (6%); Municipal debtors R 793,855 (0%); domestic debtors R 195,827,581 (82%); Government accounts R 12,171,354 (5%); Indigent debtors R 9,568,572 (5%) and other debtors R 7,561,962 (3%) of the total outstanding debt of R 239,515,847.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 May 2022

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

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	2 740	154	-	-					2 893
Auditor General									-
Other									-
Total By Customer Type	2 740	154	-	-	-	-	-	-	2 893

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 May 2022.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Type of Investment	Capital Guarantee (Yes/ No)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands									
Municipality									
FIRST NATIONAL BANK	CALL ACCOUNT				47 924	115	(20 284)	-	27 756
FIRST NATIONAL BANK	CALL ACCOUNT				43 692	106	(7 773)	-	36 026
FIRST NATIONAL BANK	ADMIN CALL				11 246	26	(8 199)		3 073
INVESTEC	FIXED DEPOSIT				1 582	6		-	1 588
FIRST NATIONAL BANK	FIXED DEPOSIT				36 468	132	(13 362)	-	23 238
FIRST NATIONAL BANK	CALL ACCOUNT				4 324	10	-	-	4 335
FIRST NATIONAL BANK	CALL ACCOUNT				28 450	54	(11 453)		17 052
FIRST NATIONAL BANK	CALL ACCOUNT				2	1	-	1 578	1 581
FIRST NATIONAL BANK	FIXED DEPOSIT				214	0	-		215
NEDBANK	FIXED DEPOSIT				21 570	73	-	-	21 643
FIRST NATIONAL BANK	CURRENT ACCOUNT				1 426			11 743	13 169
Municipality sub-total					196 899	524	(61 071)	13 321	149 673
TOTAL INVESTMENTS AND INTEREST					196 899		(61 071)	13 321	149 673

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 - M11 May

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	31 816	436 479	367 039	69 441	18,9%	400 406
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	417 623	387 013	387 013	-	387 013	354 762	32 251	9,1%	387 013
Expanded Public Works Programme Integrated Grant	5 195	4 596	4 596	-	4 596	4 213	383	9,1%	4 596
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	243	829	1 100	(271)	-24,6%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	5 322	5 322	4 824	16 292	4 879	11 414	234,0%	5 322
Rural Road Asset Management Systems Grant	2 245	2 275	2 275	400	1 400	2 085	(685)	-32,9%	2 275
Water Services Infrastructure Grant	-	-	-	26 349	26 349	-	26 349		-
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	-	-	15 583	(15 583)	-100,0%	17 000
Specify (Add grant description)	-	17 000	17 000	-	-	15 583	(15 583)	-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	31 816	436 479	382 622	53 857	14,1%	417 406
Capital Transfers and Grants									
National Government:	287 857	298 258	331 258	76 925	256 791	295 403	(38 612)	-13,1%	331 258
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	207 558	215 558	47 335	176 384	195 595	(19 211)	-9,8%	215 558
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	22 381	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	60 000	90 700	115 700	29 590	80 408	99 808	(19 400)	-19,4%	115 700
Provincial Government:	19 693	-	34 000	31 147	37 077	27 600	9 477	34,3%	34 000
Infrastructure Grant	19 693	-	34 000	31 147	37 077	27 600	9 477	34,3%	34 000
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Human Settlement Re-development Programme	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	307 550	298 258	365 258	108 072	293 868	323 003	(29 135)	-9,0%	365 258
TOTAL RECEIPTS OF TRANSFERS & GRANTS	737 892	715 664	782 664	139 888	730 348	705 625	24 722	3,5%	782 664

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 - M11 May

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	550 465	55 126	467 494	498 008	(30 514)	-6,1%	550 465
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	478 059	492 327	535 351	54 516	459 349	484 346	(24 997)	-5,2%	535 351
Expanded Public Works Programme Integrated Grant	5 467	5 976	6 613	478	6 035	5 834	201	3,4%	6 613
Local Government Financial Management Grant	836	1 117	1 200	132	893	1 102	(209)	-19,0%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	5 322	5 322	-	-	4 878	(4 878)	-100,0%	5 322
Rural Road Asset Management Systems Grant	1 952	2 275	1 978	-	1 217	1 848	(631)	-34,1%	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	-	-	14 752	(14 752)	-100,0%	16 032
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	487 163	507 017	550 465	55 126	467 494	498 008	(30 514)	-6,1%	550 465
Capital expenditure of Transfers and Grants									
National Government:	249 289	298 258	288 050	28 226	250 487	258 745	(8 258)	-3,2%	288 050
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	178 208	207 558	187 442	6 095	152 664	170 574	(17 910)	-10,5%	187 442
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	90 700	100 609	22 131	97 822	88 170	9 652	10,9%	100 609
Provincial Government:	18 739	-	29 565	29 746	35 309	24 052	11 256	46,8%	29 565
Infrastructure Grant	18 739	-	29 565	29 746	35 309	24 052	11 256	46,8%	29 565
District Municipality:	-	-	-	(47)	-	14	(14)	-100,0%	-
Specify (Add grant description)	-	-	-	(47)	-	14	(14)	-100,0%	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	268 028	298 258	317 616	57 925	285 795	282 811	2 984	1,1%	317 616
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	755 191	805 275	868 080	113 051	753 289	780 819	(27 530)	-3,5%	868 080

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 May 2022.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

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	4 121	4 779	(658)	-14%	5 094
Pension and UIF Contributions	498	698	725	42	425	661	(236)	-36%	725
Medical Aid Contributions	57	61	61	14	71	56	15	26%	61
Cellphone Allowance	663	875	935	41	475	850	(375)	-44%	935
Other benefits and allowances	1 271	1 262	1 723	237	1 552	1 525	26	2%	1 723
Sub Total - Councillors	7 813	8 922	8 538	649	6 643	7 871	(1 228)	-16%	8 538
% increase		14,2%	9,3%						9,3%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 029	4 281	4 028	269	3 625	3 722	(97)	-3%	4 028
Pension and UIF Contributions	11	11	13	1	12	12	(0)	-1%	13
Medical Aid Contributions	171	182	173	11	156	160	(4)	-3%	173
Performance Bonus	106	56	95	-	106	82	24	29%	95
Motor Vehicle Allowance	1 052	1 153	1 052	63	940	976	(37)	-4%	1 052
Cellphone Allowance	117	125	117	8	105	108	(3)	-2%	117
Housing Allowances	160	177	160	11	144	148	(5)	-3%	160
Other benefits and allowances	459	492	460	32	415	425	(10)	-2%	460
Payments in lieu of leave	-	-	-	25	25	-	25	#DIV/0!	-
Sub Total - Senior Managers of Municipality	6 105	6 477	6 097	418	5 527	5 633	(107)	-2%	6 097
% increase		6,1%	-0,1%						-0,1%
Other Municipal Staff									
Basic Salaries and Wages	126 815	136 771	137 712	11 216	125 496	126 127	(630)	0%	137 712
Pension and UIF Contributions	18 955	19 567	20 519	1 742	18 888	18 698	190	1%	20 519
Medical Aid Contributions	9 177	9 338	9 848	844	9 111	8 968	143	2%	9 848
Overtime	15 879	16 264	18 008	1 693	16 876	16 304	572	4%	18 008
Performance Bonus	8 464	7 716	8 519	1 067	8 137	7 715	422	5%	8 519
Motor Vehicle Allowance	16 182	17 160	20 268	1 771	18 758	18 217	541	3%	20 268
Cellphone Allowance	851	858	974	85	903	879	24	3%	974
Housing Allowances	570	586	585	49	536	536	0	0%	585
Other benefits and allowances	4 715	4 761	5 635	525	5 268	5 064	204	4%	5 635
Payments in lieu of leave	3 207	1 204	1 885	177	1 462	1 648	(187)	-11%	1 885
Long service awards	981	810	1 044	41	975	930	45	5%	1 044
Post-retirement benefit obligations	6 069	3 343	-	-	-	390	(390)	-100%	-
Sub Total - Other Municipal Staff	211 864	218 378	224 997	19 209	206 410	205 476	934	0%	224 997
% increase		3,1%	6,2%						6,2%
Total Parent Municipality	225 782	233 777	239 631	20 277	218 580	218 981	(401)	0%	239 631
		3,5%	6,1%						6,1%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	342	(342)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	342	(342)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	1 730	1 730	-	-	1 586	(1 586)	-100%	1 730
Sub Total - Senior Managers of Entities	-	1 730	1 730	-	-	1 586	(1 586)	-100%	1 730
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 675	7 675	-	-	7 035	(7 035)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	1 347	(1 347)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	439	(439)	-100%	479
Performance Bonus	-	533	533	-	-	488	(488)	-100%	533
Payments in lieu of leave	-	43	43	-	-	39	(39)	-100%	43
Sub Total - Other Staff of Entities	-	10 199	10 199	-	-	9 349	(9 349)	-100%	10 199
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 301	12 301	-	-	11 276	(11 276)	-100%	12 301
TOTAL SALARY, ALLOWANCES & BENEFITS	225 782	246 079	251 933	20 277	218 580	230 257	(11 677)	-5%	251 933
% increase		9,0%	11,6%						11,6%
TOTAL MANAGERS AND STAFF	217 969	236 784	243 022	19 628	211 937	222 044	(10 108)	-5%	243 022

2.6 Material Variances to the SDBIP

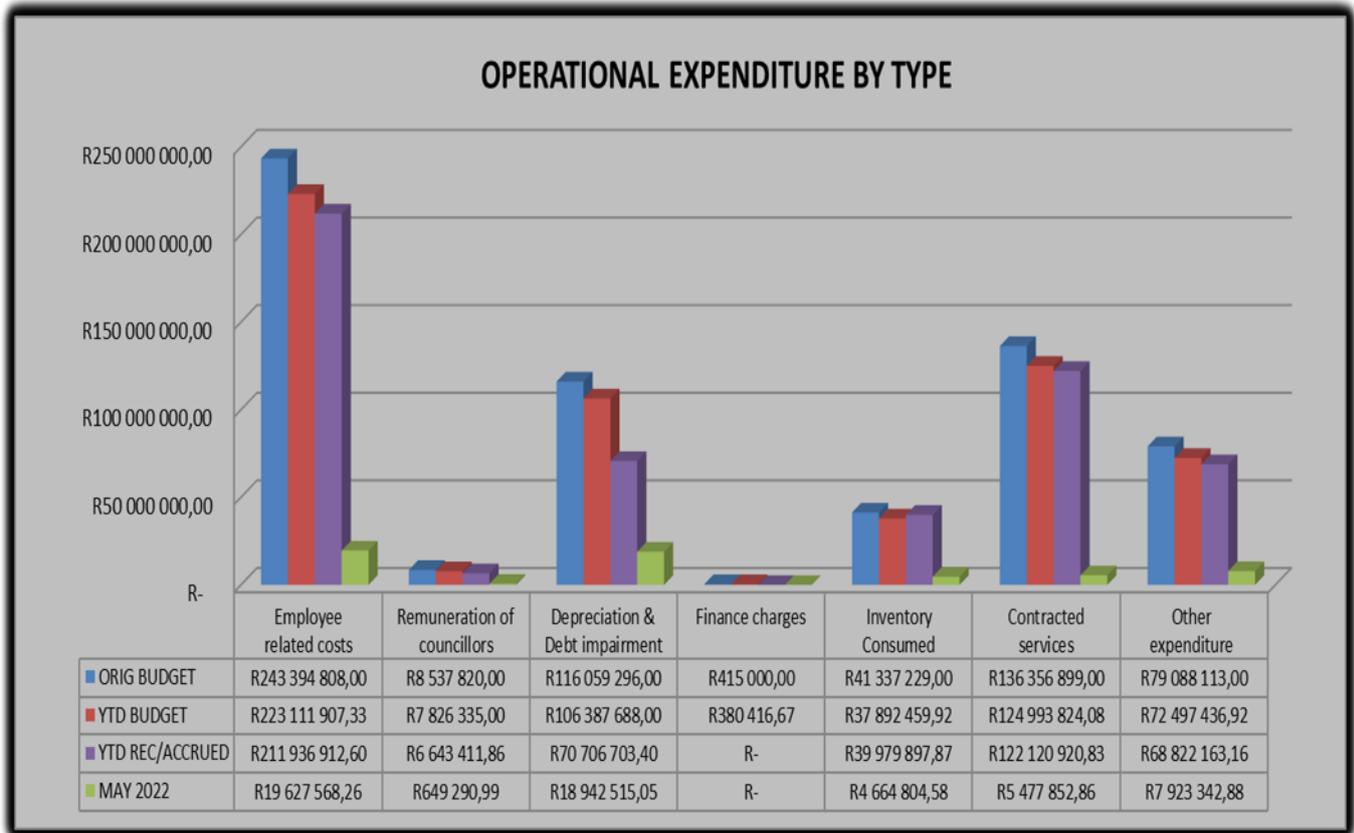
The following section analyses material variances between the actual targets as at 31 May 2022 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 of 31 May 2022 was R56, 5million against a year-to-date **budget** of R55, 9million or 101 percent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R4, 5m against year to budget of R4, 1m representing 110 percent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R436, 4million against a year-to-date budget of R382, 6million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The operational grants revenue of R293, 8million against a year to date budget of R334, 8million is largely attributable to the expenditure on conditional grants such as Municipal Infrastructure Grant and Water Services Infrastructure Grant.

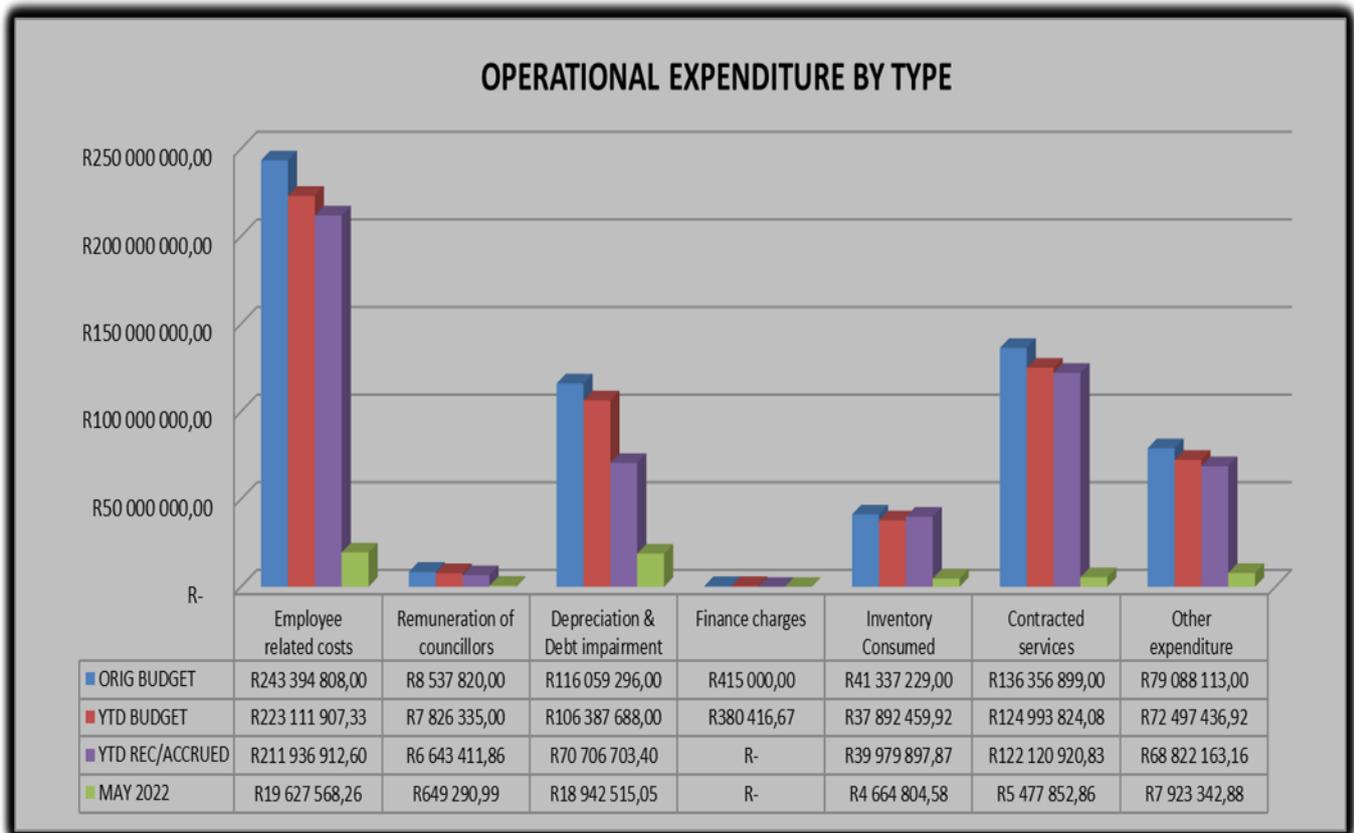
Other Revenue

The YTD performance of other revenue is R789 240 against the YTD budget of R778 950 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 R223, 1million against a YTD actual of R211, 9million which is 95% of the YTD budget.

Remuneration of Councillors

The remuneration of the councillor’s year to date expenditure is at R 6, 6million against a YTD budget of R 7, 8million representing 85% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 31 May 2022.

Inventory/Bulk Purchases

Inventory consumed has a budget of R41, 3m. The year to date expenditure on inventory consumed including bulk water purchases is R35, 3m against a YTD budget of R34, 4m representing 103% of the year to date budget and contributes to unauthorized expenditure if the remaining budget is not carefully monitored.

Contracted Services

The YTD budget for contracted services was at R 124, 9million against a YTD expenditure of R122, 1million and expenditure for the month of May 2022 is R5, 4million.

Other Expenditure

The YTD budget for other expenditures was at R 72, 4million against a YTD expenditure of R 68, 8million which is 95% of the YTD budget, and expenditure for the month of May 2022 is R7, 9million.

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 - M11 May

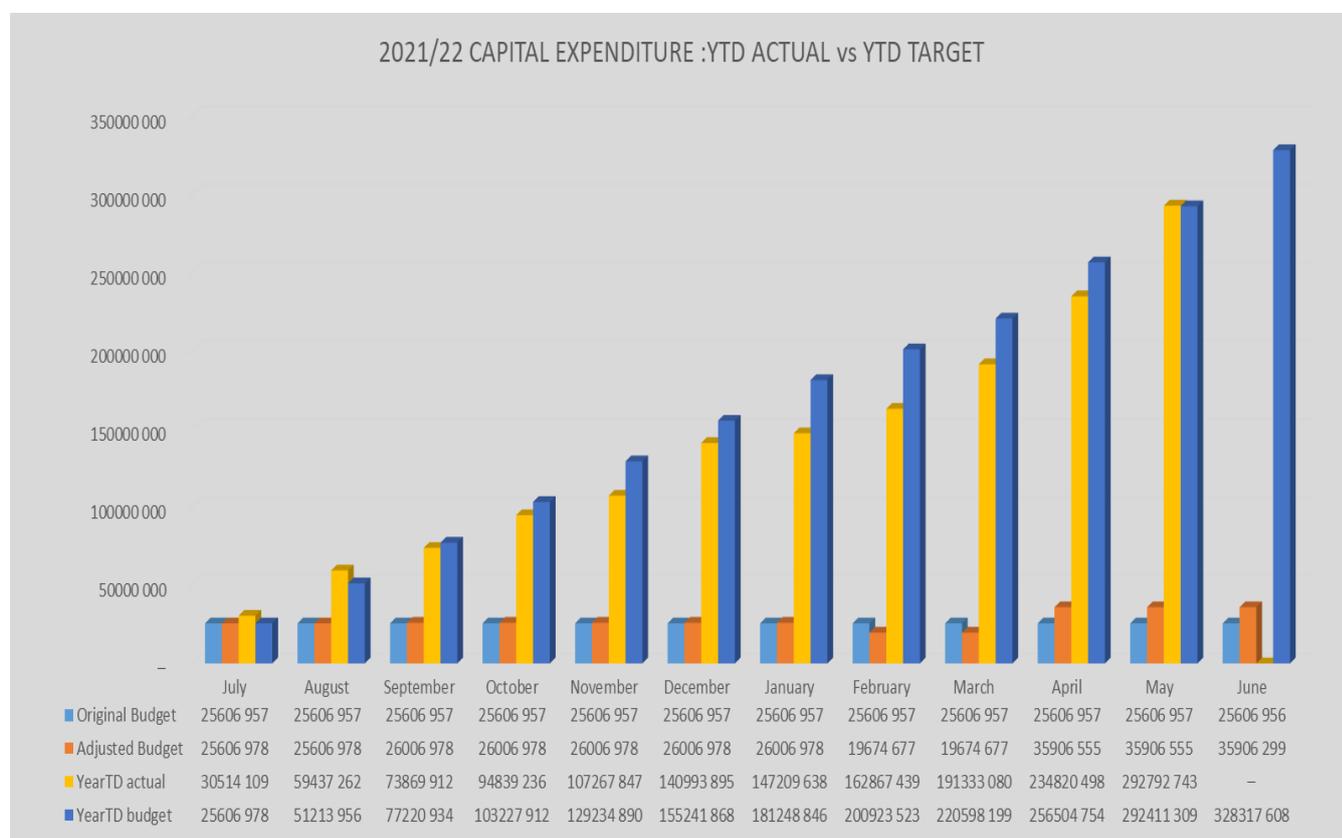
Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands															
Cash Receipts By Source															
Service charges - water revenue	2 919	6 943	3 372	6 405	3 267	6 009	5 921	4 086	4 577	6 620	4 772	(5 447)	49 445	46 921	49 623
Service charges - sanitation revenue	557	988	495	1 262	472	1 232	1 316	888	999	1 087	1 073	(1 410)	8 959	13 009	13 733
Rental of facilities and equipment												-			
Interest earned - external investments	121	502	377	391	389	326	464	470	336	622	530	(116)	4 414	4 859	4 867
Interest earned - outstanding debtors												-			
Licences and permits	-	-	-	-	-	-	-	7	12	7	2	(28)	-	-	-
Agency services												-			
Transfers and Subsidies - Operational	160 611	2 493	-	19 997	8 914	129 203	1 209	12 907	222 102	34 532	17 547	(209 110)	400 406	446 738	410 477
Other revenue	-	0	0	96	12	-	13	270	0	0	1	157	549	56 447	62 477
Cash Receipts by Source	164 209	10 925	4 245	28 151	13 055	136 769	8 923	18 628	228 027	42 870	23 926	(215 954)	463 774	567 975	541 177
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	-	78 380	-	-	(4 343)	365 258	320 236	360 787
Increase (decrease) in consumer deposits												-			
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	18 628	306 407	42 870	23 926	(220 296)	829 032	888 211	901 964
Cash Payments by Type															
Employee related costs	-	29 184	20 564	20 623	19 979	26 527	15 154	20 210	19 762	19 640	20 313	39 977	251 932	258 891	271 689
Remuneration of councillors												-			
Interest paid	-	-	-	-	-	-	-	-	-	-	-	415	415	-	-
Acquisitions - water & other inventory	-	-	-	-	-	-	-	-	-	-	-	25 875	25 875	23 000	24 012
Contracted services	-	-	-	-	-	-	-	-	-	-	-	159 987	159 987	(163 319)	(188 549)
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	135	135	-	-
General expenses	54 121	66 381	50 366	53 979	36 436	86 619	21 635	34 807	50 055	68 169	65 243	(449 069)	138 741	132 164	113 637
Cash Payments by Type	54 121	95 565	70 930	74 601	56 415	113 146	36 789	55 017	69 816	87 809	85 557	(222 679)	577 086	250 736	220 789
Other Cash Flows/Payments by Type															
Capital assets	30 514	28 923	14 433	20 969	12 429	33 726	6 216	15 658	28 466	43 487	57 972	35 525	328 318	298 180	329 536
Repayment of borrowing												-			
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	15 896	15 896
Total Cash Payments by Type	84 635	124 488	85 363	95 571	68 843	146 872	43 005	70 674	98 282	131 296	143 529	(187 155)	905 404	564 813	566 221
NET INCREASE/(DECREASE) IN CASH HELD	205 867	(113 563)	(24 097)	(69 013)	(55 789)	60 398	4 918	(52 047)	208 125	(88 426)	(119 603)	(33 142)	(76 372)	323 398	335 743
Cash/cash equivalents at the month/year beginning:	51 862	257 729	144 166	120 070	51 057	(4 732)	55 665	60 584	8 537	216 662	128 236	8 632	51 862	(24 509)	298 889
Cash/cash equivalents at the month/year end:	257 729	144 166	120 070	51 057	(4 732)	55 665	60 584	8 537	216 662	128 236	8 632	(24 509)	(24 509)	298 889	634 632

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M11 May

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	24 571	25 607	25 607	30 514	30 514	25 607	(4 907)	-19,2%	10%
August	24 571	25 607	25 607	28 923	59 437	51 214	(8 223)	-16,1%	19%
September	24 571	25 607	26 007	14 433	73 870	77 221	3 351	4,3%	24%
October	24 571	25 607	26 007	20 969	94 839	103 228	8 389	8,1%	31%
November	24 571	25 607	26 007	12 429	107 268	129 235	21 967	17,0%	35%
December	24 571	25 607	26 007	33 726	140 994	155 242	14 248	9,2%	46%
January	24 571	25 607	26 007	6 216	147 210	181 249	34 039	18,8%	48%
February	24 571	25 607	19 675	15 658	162 867	200 924	38 056	18,9%	53%
March	24 571	25 607	19 675	28 466	191 333	220 598	29 265	13,3%	62%
April	24 571	25 607	35 907	43 487	234 820	256 505	21 684	8,5%	0
May	24 571	25 607	35 907	57 972	292 793	292 411	(381)	-0,1%	0
June	26 181	25 607	35 906	-	-	328 318	-	-	-
Total Capital expenditure	296 457	307 283	328 318	292 793					

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 - M11

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 new assets by Asset Class/Sub-class									
Infrastructure	245 738	283 958	239 608	34 376	232 300	224 345	(7 955)	-3,5%	239 608
<i>Capital Spares</i>							-		
Water Supply Infrastructure	237 781	228 108	186 851	28 110	183 365	176 166	(7 199)	-4,1%	186 851
Dams and Weirs	24 469	25 000	4 805	-	4 720	6 502	1 781	27,4%	4 805
Boreholes	23 814	57 275	52 812	17 882	65 839	50 775	(15 064)	-29,7%	52 812
Reservoirs	870	7 000	3 315	-	3 315	3 468	153	4,4%	3 315
Pump Stations	30 873	31 000	26 217	-	21 875	24 144	2 269	9,4%	26 217
Water Treatment Works	4 539	7 500	8 585	-	8 400	7 863	(537)	-6,8%	8 585
Bulk Mains	77 052	26 508	16 764	889	14 858	15 550	692	4,4%	16 764
Distribution	76 164	73 825	74 353	9 340	64 358	67 865	3 507	5,2%	74 353
Distribution Points							-		
PRV Stations							-		
Capital Spares	-	-	-	-	-	-	-		-
Sanitation Infrastructure	7 958	55 850	52 756	6 267	48 935	48 178	(757)	-1,6%	52 756
Pump Station	1 580	30 000	15 388	827	13 963	16 161	2 199	13,6%	15 388
Reticulation	6 378	20 000	19 737	2 701	19 097	17 983	(1 114)	-6,2%	19 737
Waste Water Treatment Works	-	-	-	-	-	-	-		-
Outfall Sewers	-	-	6 213	2 739	6 152	3 773	(2 379)	-63,1%	6 213
Toilet Facilities	-	5 850	11 418	-	9 723	10 262	538	5,2%	11 418
Capital Spares							-		
Other assets	1 610	-	-	-	-	-	-		-
Operational Buildings	1 610	-	-	-	-	-	-		-
Municipal Offices	1 610	-	-	-	-	-	-		-
Pay/Enquiry Points							-		
Intangible Assets	-	1 418	450	-	-	525	525	100,0%	450
Servitudes							-		
Licences and Rights	-	1 418	450	-	-	525	525	100,0%	450
Water Rights							-		
Effluent Licenses							-		
Solid Waste Licenses							-		
Computer Software and Applications	-	1 418	450	-	-	525	525	100,0%	450
Load Settlement Software Applications							-		
Unspecified							-		
Computer Equipment	1 566	2 130	1 409	-	779	1 375	597	43,4%	1 409
Computer Equipment	1 566	2 130	1 409	-	779	1 375	597	43,4%	1 409
Furniture and Office Equipment	1 768	3 057	1 400	-	671	1 477	806	54,6%	1 400
Furniture and Office Equipment	1 768	3 057	1 400	-	671	1 477	806	54,6%	1 400
Machinery and Equipment	9 099	220	47	-	47	63	16	25,6%	47
Machinery and Equipment	9 099	220	47	-	47	63	16	25,6%	47
Transport Assets	7 355	-	-	-	-	-	-		-
Transport Assets	7 355	-	-	-	-	-	-		-
Total Capital Expenditure on new assets	267 136	290 783	242 913	34 376	233 797	227 785	(6 011)	-2,6%	242 913

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 - M10

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	56 928	1 696	15 970	33 654	17 683	52,5%	56 928
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	982	15 800	27 363	1 696	10 408	15 115	4 707	31,1%	27 363
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	500	14 500	-	-	4 950	4 950	100,0%	14 500
Distribution	982	15 300	12 863	1 696	10 408	10 165	(243)	-2,4%	12 863
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 128	-	29 565	-	5 563	18 539	12 977	70,0%	29 565
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	7 128	-	29 565	-	5 563	18 539	12 977	70,0%	29 565
Machinery and Equipment	-	200	150	-	-	137	137	100,0%	150
Machinery and Equipment	-	200	150	-	-	137	137	100,0%	150
Transport Assets	7 032	-	5 246	-	4 396	3 148	(1 249)	-39,7%	5 246
Transport Assets	7 032	-	5 246	-	4 396	3 148	(1 249)	-39,7%	5 246
Total Capital Expenditure on renewal of existing assets	15 142	16 000	62 324	1 696	20 367	36 938	16 572	44,9%	62 324

2.7 Municipal Manager's Quality's Certificate

Quality Certificate

I, Thobile Thelma Magaqa, the Acting Municipal Manager of Harry Gwala District Municipality, hereby certify that-

- The monthly budget statement

For the month of May 2022 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Thobile Thelma Magaqa

Municipal Manager of: Harry Gwala District Municipality

Signed _____

Date _____