

Harry Gwala District Municipality



Monthly Budget Statement 30 November 2021.

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 30 November 2021

1.3 Resolutions

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

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

- Revenue
- Operational, and
- Capital Budgets

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

Budget summary

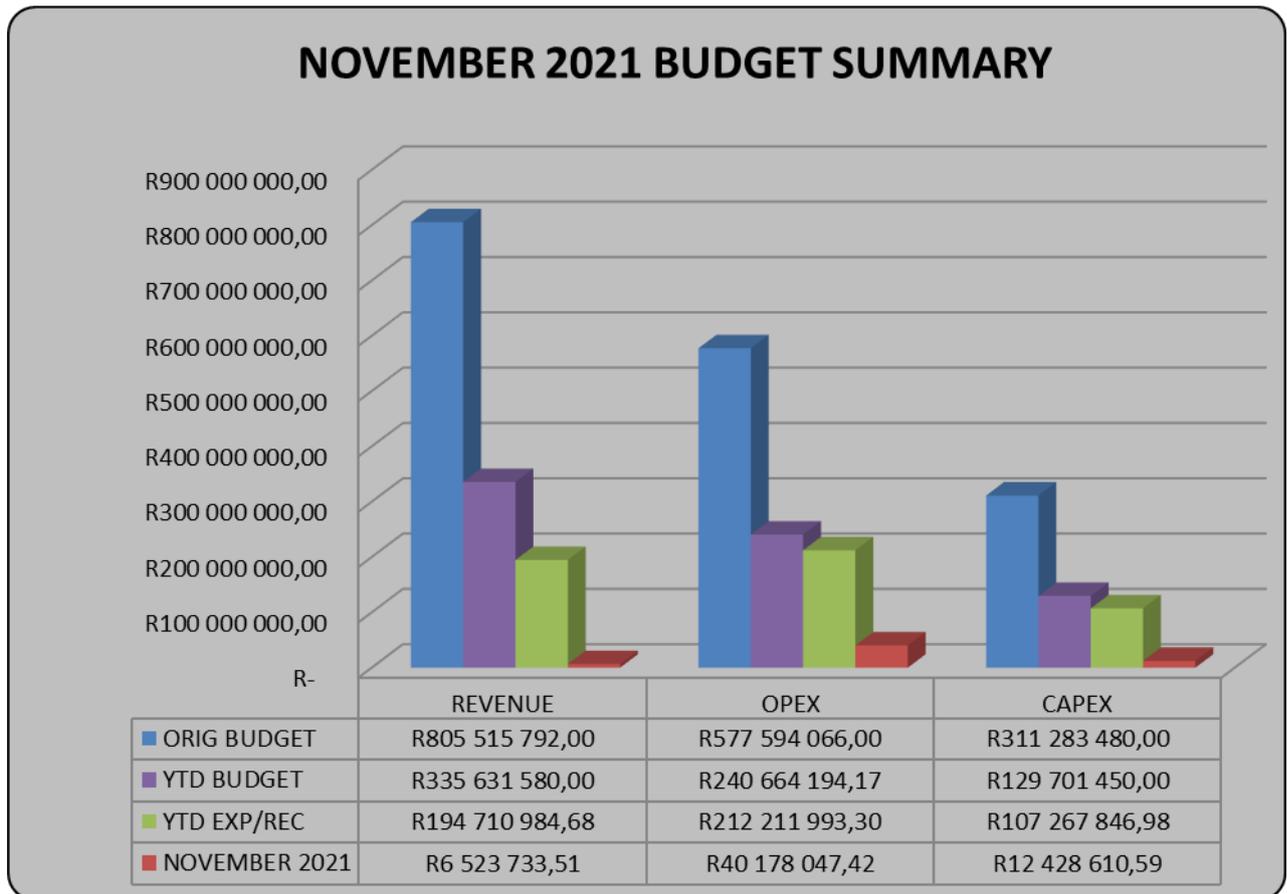
The budget summary is intended to give an overall summary with regards to the implementation of the 2021/2022 budget for the period ending 30 November 2021. Chart 1 presented below gives a summary of the budgeted Revenue, Operating as well as Capital expenditure and the movements for the month of November 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 R'000	Operating Expenditure R'000	Capital Expenditure R'000
Original Budget	503 258	577 594	307 283
Adjusted Budget	503 258	577 594	311 283
Monthly Actual	6 524	40 178	12 429
YTD Budget	209 691	240 664	129 701
YTD Actual	194 711	212 212	107 268
Variance	308 547	365 382	204 016
Variance % of Adjusted Budget	39%	37%	34%
Variance % of YTD Budget	93%	88%	83%

Chart 1: Budget vs. Expenditure Summary



Revenue by Source

The original approved revenue for the 2021/2022 budget amounts to R805, 5m. The year to date actual revenue for the period ended 30 November 2021 amounted to R194, 7m which is 58% 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 R577, 5m. The YTD Operating expenditure for the month ended 30 November amounted to R194, 7m against a year to date (YTD) budget of R240, 6m. The actual YTD expenditure represented 88% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R311, 2m. The YTD expenditure on capital amounts to R107, 2million, or 83% 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 - M05 November

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	69 422	5 084	27 092	28 926	(1 834)	-6%	69 422
Investment revenue	3 011	5 682	5 682	389	1 781	2 368	(587)	-25%	5 682
Transfers and subsidies	430 342	417 406	417 406	-	161 255	173 919	(12 664)	-7%	417 406
Other own revenue	10 879	10 748	10 748	1 051	4 583	4 478	105	2%	10 748
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	503 258	6 524	194 711	209 691	(14 980)	-7%	503 258
Employee costs	217 969	237 156	237 156	18 897	94 923	98 816	(3 893)	-4%	237 156
Remuneration of Councillors	7 813	8 922	8 922	279	2 769	3 718	(948)	-26%	8 922
Depreciation & asset impairment	79 359	87 410	87 410	-	-	36 421	(36 421)	-100%	87 410
Finance charges	995	1 328	1 328	-	-	553	(553)	-100%	1 328
Inventory consumed and bulk purchases	27 868	31 249	31 249	5 319	15 163	13 020	2 143	16%	31 249
Transfers and subsidies	17 000	17 000	17 000	-	5 600	7 083	(1 483)	-21%	17 000
Other expenditure	224 777	194 529	194 529	15 682	93 756	81 054	12 702	16%	194 529
Total Expenditure	575 782	577 594	577 594	40 178	212 212	240 666	(28 454)	-12%	577 594
Surplus/(Deficit)	(63 785)	(74 336)	(74 336)	(33 654)	(17 501)	(30 975)	13 474	-43%	(74 336)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	302 258	-	-	125 474	(125 474)	-100%	302 258
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	227 922	(33 654)	(17 501)	94 499	(112 000)	-119%	227 922
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	243 766	223 922	227 922	(33 654)	(17 501)	94 499	(112 000)	-119%	227 922
Capital expenditure & funds sources									
Capital expenditure	296 457	307 283	311 283	12 429	107 268	129 235	(21 967)	-17%	311 283
Capital transfers recognised	268 028	298 258	302 258	7 448	100 447	125 474	(25 028)	-20%	302 258
Internally generated funds	28 430	9 025	9 025	4 981	6 821	3 761	3 061	81%	9 025
Total sources of capital funds	296 457	307 283	311 283	12 429	107 268	129 235	(21 967)	-17%	311 283
Financial position									
Total current assets	1 195 666	1 076 619	1 076 619	-	223 094	-	-	-	1 076 619
Total non current assets	2 551 972	2 845 908	2 845 908	-	2 659 240	-	-	-	2 845 908
Total current liabilities	234 977	106 785	106 785	-	298 598	-	-	-	106 785
Total non current liabilities	42 646	25 676	25 676	-	28 064	-	-	-	25 676
Community wealth/Equity	2 597 195	2 821 066	2 821 066	-	2 356 130	-	-	-	2 821 066
Cash flows									
Net cash from (used) operating	(99 976)	307 375	311 375	(35 308)	212 418	129 740	(82 678)	-64%	311 375
Net cash from (used) investing	(233 320)	(307 283)	(311 283)	(12 429)	(107 268)	(129 701)	(22 434)	17%	(311 283)
Net cash from (used) financing	(170)	(122)	-	5	(2 114)	(898)	1 216	-135%	(2 155)
Cash/cash equivalents at the month/year end	(292 796)	48 701	48 823	-	154 898	(860)	(155 758)	18117%	(2 063)
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	6 600	5 344	4 359	4 313	3 922	3 769	24 792	188 863	241 962
Creditors Age Analysis									
Total Creditors	2 740	212	31	154	-	-	-	-	3 137

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) - M05 November

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	404 553	563	163 369	168 564	(5 195)	-3%	404 553
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	404 553	404 553	563	163 369	168 564	(5 195)	-3%	404 553
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	8 568	22 412	22 412	-	-	9 338	(9 338)	-100%	22 412
Planning and development	8 568	22 412	22 412	-	-	9 338	(9 338)	-100%	22 412
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	388 078	374 551	378 551	5 961	31 342	157 263	(125 921)	-80%	378 551
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	360 199	360 199	4 900	25 975	150 083	(124 107)	-83%	360 199
Waste water management	29 226	14 352	18 352	1 061	5 366	7 180	(1 813)	-25%	18 352
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	801 516	805 516	6 524	194 711	335 165	(140 454)	-42%	805 516
Expenditure - Functional									
<i>Governance and administration</i>	233 309	251 534	251 134	16 023	93 962	104 718	(10 755)	-10%	251 134
Executive and council	27 920	24 745	24 745	1 979	14 596	10 310	4 285	42%	24 745
Finance and administration	195 887	217 553	217 153	13 378	75 986	90 559	(14 573)	-16%	217 153
Internal audit	9 503	9 236	9 236	666	3 381	3 849	(468)	-12%	9 236
<i>Community and public safety</i>	17 674	18 501	18 501	1 404	7 432	7 709	(277)	-4%	18 501
Community and social services	17 674	18 501	18 501	1 404	7 432	7 709	(277)	-4%	18 501
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	123 312	154 812	154 812	3 224	22 951	64 506	(41 554)	-64%	154 812
Planning and development	123 312	154 812	154 812	3 224	22 951	64 506	(41 554)	-64%	154 812
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	201 487	152 747	153 147	19 528	87 867	63 734	24 133	38%	153 147
Energy sources	-	-	-	-	-	-	-	-	-
Water management	200 625	151 849	152 249	19 387	87 348	63 359	23 989	38%	152 249
Waste water management	862	898	898	141	518	374	144	38%	898
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	575 782	577 594	577 594	40 178	212 212	240 666	(28 454)	-12%	577 594
Surplus/ (Deficit) for the year	243 766	223 922	227 922	(33 654)	(17 501)	94 499	(112 000)	-119%	227 922

This table assess the revenue by department and then the expenditure for the period ending 30 November 2021. Revenue receipts in November have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of November is 2%.

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 R21, 8m.

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) - M05

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	404 553	404	163 169	168 564	(5 394)	-3,2%	404 553
Vote 04 - Summary Corporate Services	665	-	-	159	159	-	159	#DIV/0!	-
Vote 05 - Summary Social Services & Development Planning	3 875	22 412	22 412	-	-	9 338	(9 338)	-100,0%	22 412
Vote 06 - Summary Infrastructure Services	305 438	311 333	311 333	281	1 567	129 722	(128 155)	-98,8%	311 333
Vote 07 - Summary Water Services	87 377	63 218	67 218	5 680	29 816	27 541	2 275	8,3%	67 218
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	801 516	805 516	6 524	194 711	335 165	(140 454)	-41,9%	805 516
Expenditure by Vote									
Vote 01 - Summary Council	14 956	16 256	16 256	1 221	8 879	6 773	2 105	31,1%	16 256
Vote 02 - Summary Municipal Manager	22 466	17 726	17 726	1 423	9 098	7 386	1 712	23,2%	17 726
Vote 03 - Summary Budget And Treasury Office	59 812	85 267	85 267	4 205	21 480	35 528	(14 048)	-39,5%	85 267
Vote 04 - Summary Corporate Services	89 619	89 530	89 530	6 520	31 245	37 304	(6 059)	-16,2%	89 530
Vote 05 - Summary Social Services & Development Planning	48 107	68 717	68 717	2 477	18 985	28 632	(9 648)	-33,7%	68 717
Vote 06 - Summary Infrastructure Services	97 107	109 078	109 078	2 497	16 259	45 449	(29 190)	-64,2%	109 078
Vote 07 - Summary Water Services	243 714	191 021	191 021	21 834	106 267	79 592	26 674	33,5%	191 021
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	575 782	577 594	577 594	40 178	212 212	240 666	(28 454)	-11,8%	577 594
Surplus/ (Deficit) for the year	243 766	223 922	227 922	(33 654)	(17 501)	94 499	(112 000)	-118,5%	227 922

Statement of financial Performance

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

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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	-	-	-	-	-	-	-	-	0
Service charges - water revenue	54 003	48 866	48 866	4 047	21 632	20 361	1 271	6%	48 866
Service charges - sanitation revenue	13 762	20 555	20 555	1 037	5 460	8 565	(3 105)	-36%	20 555
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	3 011	5 682	5 682	389	1 781	2 368	(587)	-25%	5 682
Interest earned - outstanding debtors	10 100	10 198	10 198	880	4 306	4 249	56	1%	10 198
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Transfers and subsidies	430 342	417 406	417 406	-	161 255	173 919	(12 664)	-7%	417 406
Other revenue	778	549	549	171	278	229	49	21%	549
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	503 258	6 524	194 711	209 691	(14 980)	-7%	503 258
Expenditure By Type									
Employee related costs	217 969	237 156	237 156	18 897	94 923	98 816	(3 893)	-4%	237 156
Remuneration of councillors	7 813	8 922	8 922	279	2 769	3 718	(948)	-26%	8 922
Debt impairment	31 734	27 645	27 645	-	-	11 519	(11 519)	-100%	27 645
Depreciation & asset impairment	79 359	87 410	87 410	-	-	36 421	(36 421)	-100%	87 410
Finance charges	995	1 328	1 328	-	-	553	(553)	-100%	1 328
Bulk purchases - electricity	22 023	-	-	-	(1)	-	(1)	#DIV/0!	-
Inventory consumed	5 845	31 249	31 249	5 319	15 164	13 020	2 144	16%	31 249
Contracted services	129 640	105 296	106 096	10 306	65 860	44 246	21 614	49%	106 096
Transfers and subsidies	17 000	17 000	17 000	-	5 600	7 083	(1 483)	-21%	17 000
Other expenditure	56 907	61 589	60 789	5 376	27 896	25 290	2 606	10%	60 789
Losses	6 496	-	-	-	-	-	-	-	-
Total Expenditure	575 782	577 594	577 594	40 178	212 212	240 666	(28 454)	-12%	577 594
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(63 785)	(74 336)	(74 336)	(33 654)	(17 501)	(30 975)	13 474	(0)	(74 336)
Transfers and subsidies - capital (in-kind - all)	302 857	298 258	302 258	-	-	125 474	(125 474)	(0)	302 258
Surplus/(Deficit) after capital transfers & contributions	4 693	-	-	-	-	-	-	-	-
Taxation	243 766	223 922	227 922	(33 654)	(17 501)	94 499	-	-	227 922
Surplus/(Deficit) after taxation	243 766	223 922	227 922	(33 654)	(17 501)	94 499	-	-	227 922
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	243 766	223 922	227 922	(33 654)	(17 501)	94 499	-	-	227 922
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	243 766	223 922	227 922	(33 654)	(17 501)	94 499	-	-	227 922

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 - M05

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	500	-	-	208	(208)	-100%	500
Vote 04 - Summary Corporate Services	7 226	4 031	4 031	4 017	5 822	1 679	4 143	247%	4 031
Vote 05 - Summary Social Services & Development Planning	7 355	1 870	1 870	-	47	779	(732)	-94%	1 870
Vote 06 - Summary Infrastructure Services	46 050	16 300	16 300	-	7 213	6 792	421	6%	16 300
Vote 07 - Summary Water Services	235 826	284 583	288 583	8 411	94 185	119 776	(25 591)	-21%	288 583
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	296 457	307 283	311 283	12 429	107 268	129 235	(21 967)	-17%	311 283
Total Capital Expenditure	296 457	307 283	311 283	12 429	107 268	129 235	(21 967)	-17%	311 283
Capital Expenditure - Functional Classification									
Governance and administration	7 226	5 110	5 110	4 017	5 822	2 129	3 693	173%	5 110
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	7 226	5 110	5 110	4 017	5 822	2 129	3 693	173%	5 110
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	7 355	1 021	1 021	-	47	425	(378)	-89%	1 021
Community and social services	7 355	1 021	1 021	-	47	425	(378)	-89%	1 021
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	18 541	1 270	1 270	-	-	529	(529)	-100%	1 270
Planning and development	18 541	1 270	1 270	-	-	529	(529)	-100%	1 270
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	263 335	299 883	303 883	8 411	101 399	126 151	(24 753)	-20%	303 883
Energy sources	-	-	-	-	-	-	-	-	-
Water management	248 698	244 033	243 033	8 411	78 326	101 769	(23 443)	-23%	243 033
Waste water management	14 637	55 850	60 850	-	23 072	24 382	(1 310)	-5%	60 850
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	296 457	307 283	311 283	12 429	107 268	129 235	(21 967)	-17%	311 283
Funded by:									
National Government	249 289	298 258	298 258	7 448	100 399	124 274	(23 875)	-19%	298 258
Provincial Government	18 739	-	4 000	-	-	1 200	(1 200)	-100%	4 000
District Municipality	-	-	-	-	47	-	47	#DIV/0!	-
Transfers recognised - capital	268 028	298 258	302 258	7 448	100 447	125 474	(25 028)	-20%	302 258
Internally generated funds	28 430	9 025	9 025	4 981	6 821	3 761	3 061	81%	9 025
Total Capital Funding	296 457	307 283	311 283	12 429	107 268	129 235	(21 967)	-17%	311 283

As alluded to above, the capital expenditure programme for the period ending 30 November 2021 was R 107, 2m which represents 83% of capital expenditure against year to date budget of R129, 7million. The capital expenditure programme has started on a positive footing and thus the high 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

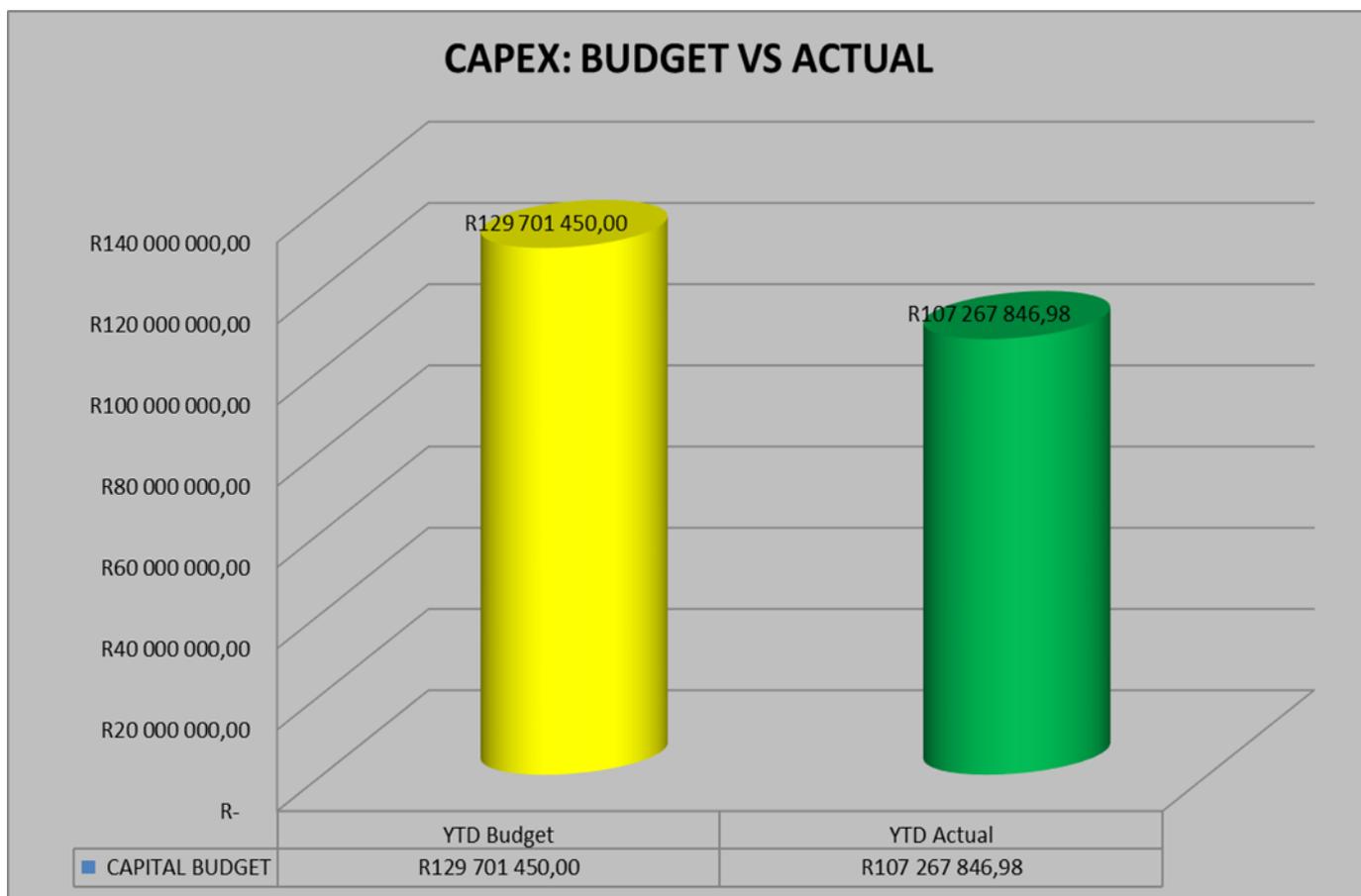


Table C6 displays the financial position of the municipality as at 30 November 2021.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M05

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	355 843	11 058	11 058	15 900	11 058
Call investment deposits	787 515	40 121	40 121	138 998	40 121
Consumer debtors	29 191	30 951	30 951	41 521	30 951
Other debtors	22 709	25 222	25 222	26 267	25 222
Current portion of long-term receivables	-	-	-	-	-
Inventory	408	267	267	408	267
Total current assets	1 195 666	107 619	107 619	223 094	107 619
Non current assets					
Property, plant and equipment	2 551 394	2 843 962	2 847 962	2 658 662	2 847 962
Biological					
Intangible	578	1 946	1 946	578	1 946
Other non-current assets	0	0	0	0	0
Total non current assets	2 551 972	2 845 908	2 849 908	2 659 240	2 849 908
TOTAL ASSETS	3 747 638	2 953 527	2 957 527	2 882 333	2 957 527
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	-	13 194	-
Consumer deposits	2 034	2 155	2 155	2 114	2 155
Trade and other payables	217 856	91 336	91 336	268 203	91 336
Provisions	15 088	13 294	13 294	15 088	13 294
Total current liabilities	234 977	106 785	106 785	298 598	106 785
Non current liabilities					
Borrowing	18 098	1 878	1 878	3 516	1 878
Provisions	24 548	23 797	23 797	24 548	23 797
Total non current liabilities	42 646	25 676	25 676	28 064	25 676
TOTAL LIABILITIES	277 622	132 461	132 461	326 662	132 461
NET ASSETS	3 470 016	2 821 066	2 825 066	2 555 671	2 825 066
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	3 470 016	2 821 066	2 825 066	2 555 671	2 825 066
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 470 016	2 821 066	2 825 066	2 555 671	2 825 066

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

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M05 November

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	53 905	2 242	21 069	22 460	(1 392)	-6%	53 905
Other revenue	307	549	549	171	278	229	49	21%	549
Transfers and Subsidies - Operational	234 355	389 288	389 288	2 068	167 265	162 203	5 062	3%	389 288
Transfers and Subsidies - Capital	215 028	303 580	307 580	-	221 700	128 158	93 542	73%	307 580
Interest	3 011	5 592	5 592	389	1 781	2 330	(549)	-24%	5 592
Dividends							-		
Payments									
Suppliers and employees	(682 380)	(444 212)	(444 212)	(40 178)	(199 675)	(185 088)	14 586	-8%	(444 212)
Finance charges	-	(1 328)	(1 328)	-	-	(553)	(553)	100%	(1 328)
Transfers and Grants	(486)	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 976)	307 375	311 375	(35 308)	212 418	129 740	(82 678)	-64%	311 375
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	(233 320)	(307 283)	(311 283)	(12 429)	(107 268)	(129 701)	(22 434)	17%	(311 283)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(233 320)	(307 283)	(311 283)	(12 429)	(107 268)	(129 701)	(22 434)	17%	(311 283)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	(170)	(122)	-	5	(2 114)	(898)	(1 216)	135%	(2 155)
Payments									
Repayment of borrowing							-		
NET CASH FROM/(USED) FINANCING ACTIVITIES	(170)	(122)	-	5	(2 114)	(898)	1 216	-135%	(2 155)
NET INCREASE/ (DECREASE) IN CASH HELD	(333 467)	(30)	92	(47 731)	103 036	(860)			(2 063)
Cash/cash equivalents at beginning:	40 671	48 731	48 731	-	51 862	103 036			
Cash/cash equivalents at month/year end:	(292 796)	48 701	48 823		154 898	102 176			(2 063)

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

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

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

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	4 237	3 430	2 798	2 768	2 518	2 420	15 915	121 235	155 321	144 856	
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1 655	1 340	1 093	1 082	984	945	6 217	47 362	60 678	56 590	
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	708	573	468	463	421	404	2 660	20 265	25 963	24 214	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Total By Income Source	6 600	5 344	4 359	4 313	3 922	3 769	24 792	188 863	241 962	225 659	
2020/21 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	3 155	2 375	1 024	718	419	286	1 074	3 645	12 697	6 143	
Commercial	886	443	394	515	427	311	2 334	10 012	15 323	13 600	
Households	2 559	2 525	2 941	3 080	3 075	3 172	21 384	175 206	213 942	205 916	
Other	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	6 600	5 344	4 359	4 313	3 922	3 769	24 792	188 863	241 962	225 659	

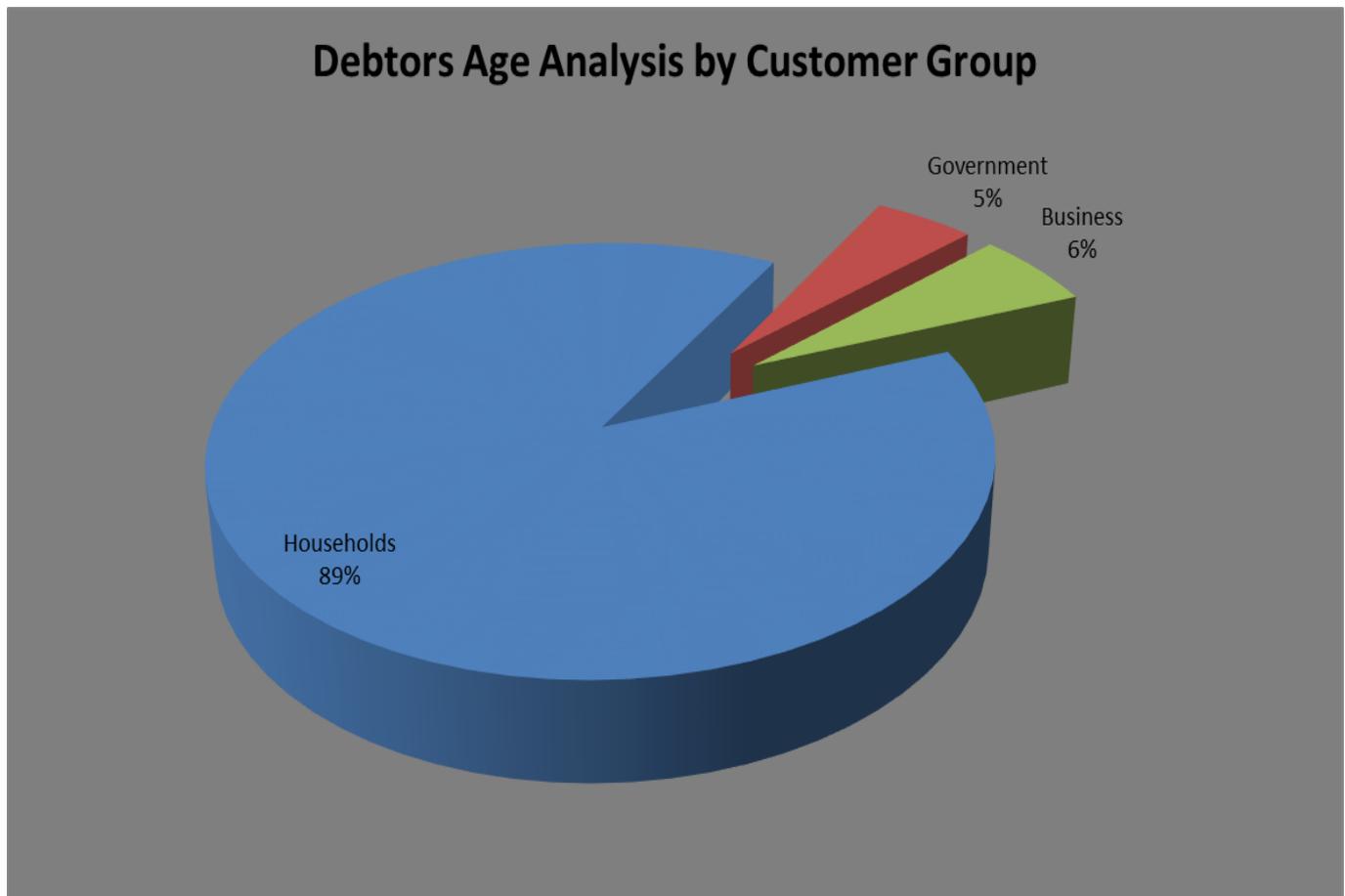
Table 2.1.2: Debtors Age Analysis by Customer Category

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

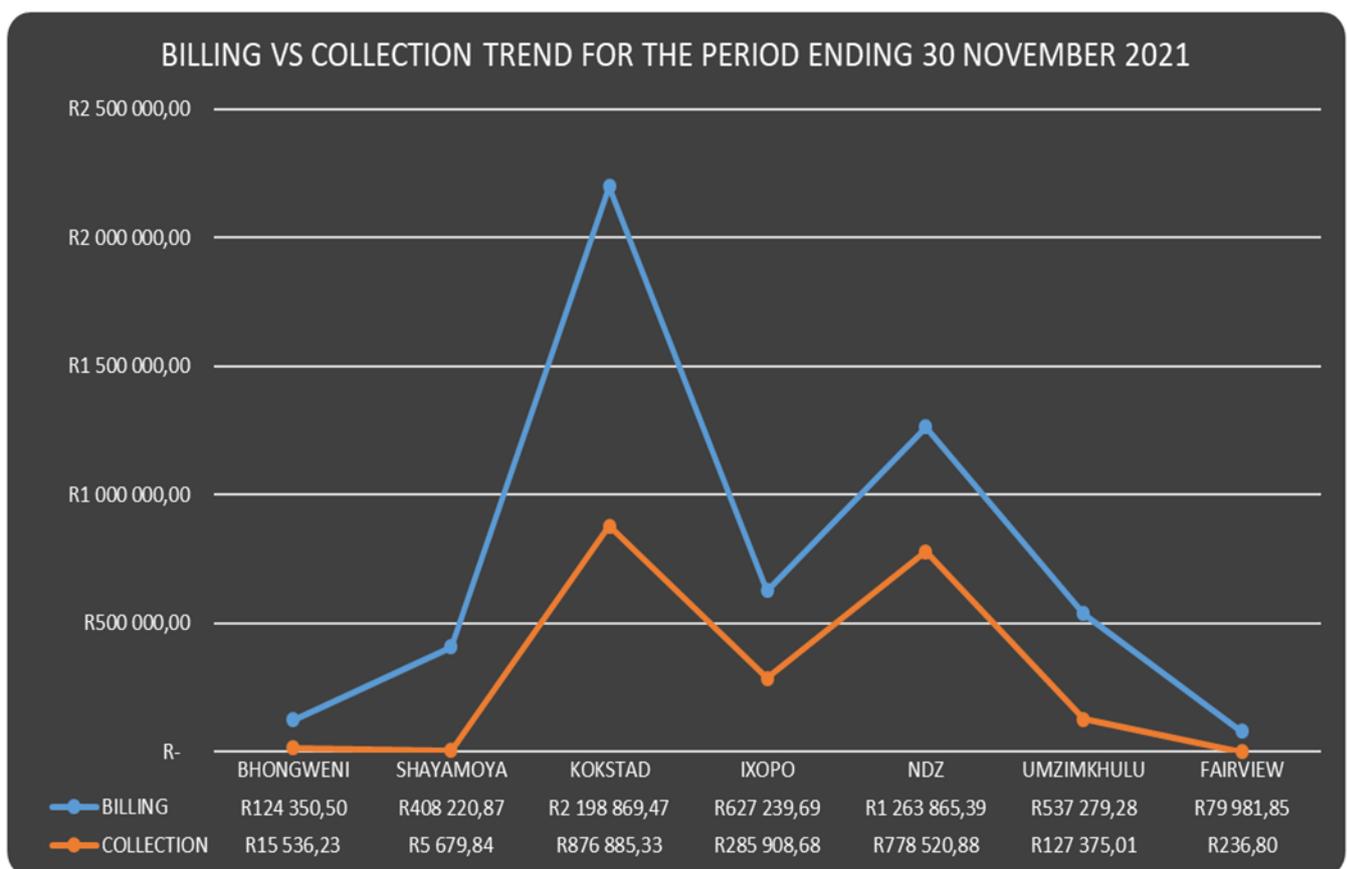
REVENUE RECEIPTS

Revenue receipts per Area

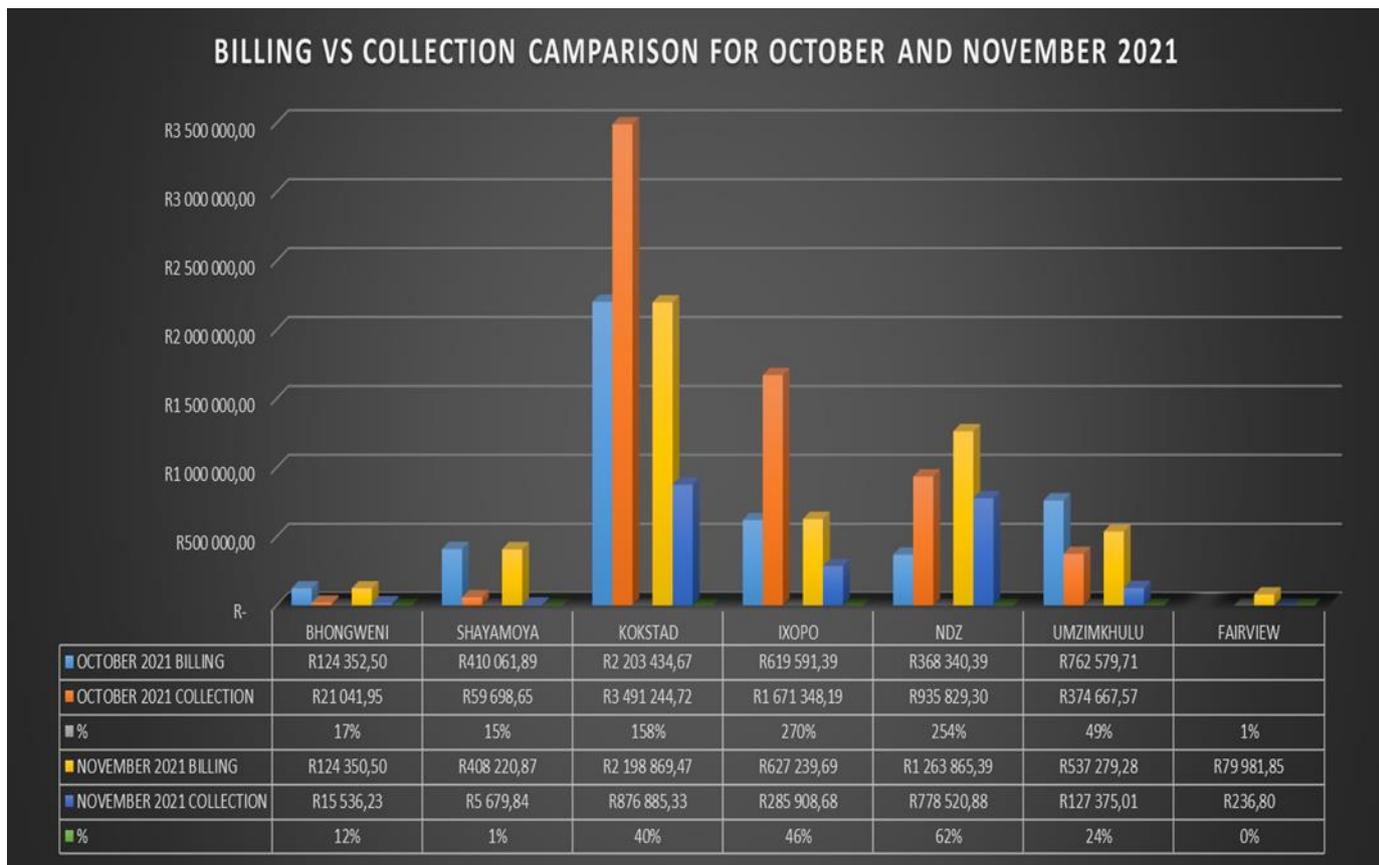
AREA	AMOUNT	NOVEMBER	OCTOBER
		2021	2021
Unallocated receipts	R 151 894,67	1%	1%
Bhongweni	R 15 536,23	0%	0%
Shayamoya	R 5 679,84	0%	1%
Kokstad	R 876 885,33	39%	53%
Ixopo	R 285 908,68	13%	25%
NDZ	R 778 520,88	35%	14%
Umzimkhulu	R 127 375,01	6%	6%
Fairview	R 236,80	0%	0%
TOTAL RECEIPTS INCL VAT	R 2 242 037,44	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 November 2021 is R2, 2million. The total billing for the first quarter is R 30, 8million against collection of R 21million representing 68 per cent.

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



The chart that follows below shows the comparison between billing, collection together with percentage for the period ending 30 November 2021



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 241 962 204 as at 30 November 2021 compared with the R 238 604 984 as at 31 October 2021. Current debt represent 3% of the total outstanding debt compared with the 3% of October 2021; 30 days and older debt 2% compared with the 2% for October 2021; 60 days and older debt 2% compared with the 2% of October 2021; and 90 days 2% compared with the 2% of October 2021; 120 days to History and older 91% compared with the 92% for October 2021.

Current debt increased with R 3,357,220 to R 241,962,204 compared with the R 238,604,984 as at 30 November 2021; 30 days + debt increased with R 489,831; 60 days + increased with R 403,124; 90 days + debt decreased with R 497,345 and 120 + days and older debt as at 30 31 October 2021 has Increased with R 2,844,525 to R 221,346,144 compared with the R 218,501,619 as at 31 October 2021.

Debtors age analysis per debtor type

Business debtors owes the municipality R 15,092,828 (6%); Municipal debtors R 1,095,638 (0%); domestic debtors R 200,053,734 (83%); Government accounts R 11,352,323 (5%); Indigent debtors R 9,033,059 (4%) and other debtors R 5,334,621 (2%) of the total outstanding debt of R 241,962,204.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 30 November 2021

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

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	212	31	154					3 137
Auditor General									-
Other									-
Total By Customer Type	2 740	212	31	154	-	-	-	-	3 137

2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short term investments balances broken down per investment type as at 30 November 2021.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November

Investments by maturity Name of institution & investment ID	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands								
Municipality								
FIRST NATIONAL BANK	CALL ACCOUNT			17 101	45	(13 687)	-	3 459
FIRST NATIONAL BANK	CALL ACCOUNT			77 128	126	(10 664)		66 590
FIRST NATIONAL BANK	ADMIN CALL			1 800	3	-	-	1 803
INVESTEC	FIXED DEPOSIT			23 517	40	(22 000)	-	1 557
FIRST NATIONAL BANK	FIXED DEPOSIT			39 314	79	(1 470)	-	37 923
FIRST NATIONAL BANK	CALL ACCOUNT			1 162	2	-	-	1 164
FIRST NATIONAL BANK	CALL ACCOUNT			4 009	7	-	-	4 016
FIRST NATIONAL BANK	CALL ACCOUNT			2	-	-	-	2
FIRST NATIONAL BANK	FIXED DEPOSIT			1 210	2	-		1 212
NEDBANK	FIXED DEPOSIT			21 199	2	-	73	21 275
FIRST NATIONAL BANK	ENT ACCOUNT			3 457		12 440		15 898
								-
Municipality sub-total				189 900	306	(35 380)	73	154 898
TOTAL INVESTMENTS AND INTEREST				189 900		(35 380)	73	154 898

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 - M05 November

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	2 068	167 265	166 836	429	0,3%	400 406
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	417 623	387 013	387 013	-	161 255	161 255	(0)	0,0%	387 013
Expanded Public Works Programme Integrated Grant	5 195	4 596	4 596	2 068	3 217	1 915	1 302	68,0%	4 596
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	-	1 200	500	700	140,0%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	5 322	5 322	-	-	2 218	(2 218)	-100,0%	5 322
Rural Road Asset Management Systems Grant	2 245	2 275	2 275	-	1 593	948	645	68,1%	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	-	-	7 083	(7 083)	-100,0%	17 000
Specify (Add grant description)	-	17 000	17 000	-	-	7 083	(7 083)	-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	2 068	167 265	173 919	(6 654)	-3,8%	417 406
Capital Transfers and Grants									
National Government:	287 857	298 258	298 258	-	217 700	124 274	93 426	75,2%	298 258
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	207 558	207 558	-	147 700	86 483	61 218	70,8%	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	-	70 000	37 792	32 208	85,2%	90 700
Provincial Government:	19 693	-	4 000	-	4 000	1 667	2 333	140,0%	4 000
Infrastructure Grant	19 693	-	4 000	-	4 000	1 667	2 333	140,0%	4 000
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	307 550	298 258	302 258	-	221 700	125 941	95 759	76,0%	302 258
TOTAL RECEIPTS OF TRANSFERS & GRANTS	737 892	715 664	719 664	2 068	388 965	299 860	89 105	29,7%	719 664

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 - M05 November

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	507 417	36 422	182 672	211 347	(28 675)	-13,6%	507 417
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	478 059	492 327	494 048	35 219	178 962	205 777	(26 815)	-13,0%	494 048
Expanded Public Works Programme Integrated Grant	5 467	5 976	4 655	472	2 687	1 940	747	38,5%	4 655
Local Government Financial Management Grant	836	1 117	1 117	93	386	465	(79)	-17,1%	1 117
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	5 322	5 322	-	-	2 218	(2 218)	-100,0%	5 322
Rural Road Asset Management Systems Grant	1 952	2 275	2 275	638	638	948	(310)	-32,7%	2 275
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	16 510	-	-	6 879	(6 879)	-100,0%	16 510
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	487 163	507 017	507 417	36 422	182 672	211 347	(28 675)	-13,6%	507 417
Capital expenditure of Transfers and Grants									
National Government:	249 289	298 258	298 258	7 448	100 399	124 274	(23 875)	-19,2%	298 258
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	178 208	207 558	207 558	4 824	70 368	86 483	(16 115)	-18,6%	207 558
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	90 700	90 700	2 624	30 031	37 792	(7 760)	-20,5%	90 700
Provincial Government:	18 739	-	4 000	-	-	1 200	(1 200)	-100,0%	4 000
Infrastructure Grant	18 739	-	4 000	-	-	1 200	(1 200)	-100,0%	4 000
District Municipality:	-	-	-	-	47	-	47	#DIV/0!	-
Specify (Add grant description)	-	-	-	-	47	-	47	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	268 028	298 258	302 258	7 448	100 447	125 474	(25 028)	-19,9%	302 258
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	755 191	805 275	809 675	43 869	283 119	336 822	(53 703)	-15,9%	809 675

2.5 Councillor and Staff Benefits

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

2.6 Material Variances to the SDBIP

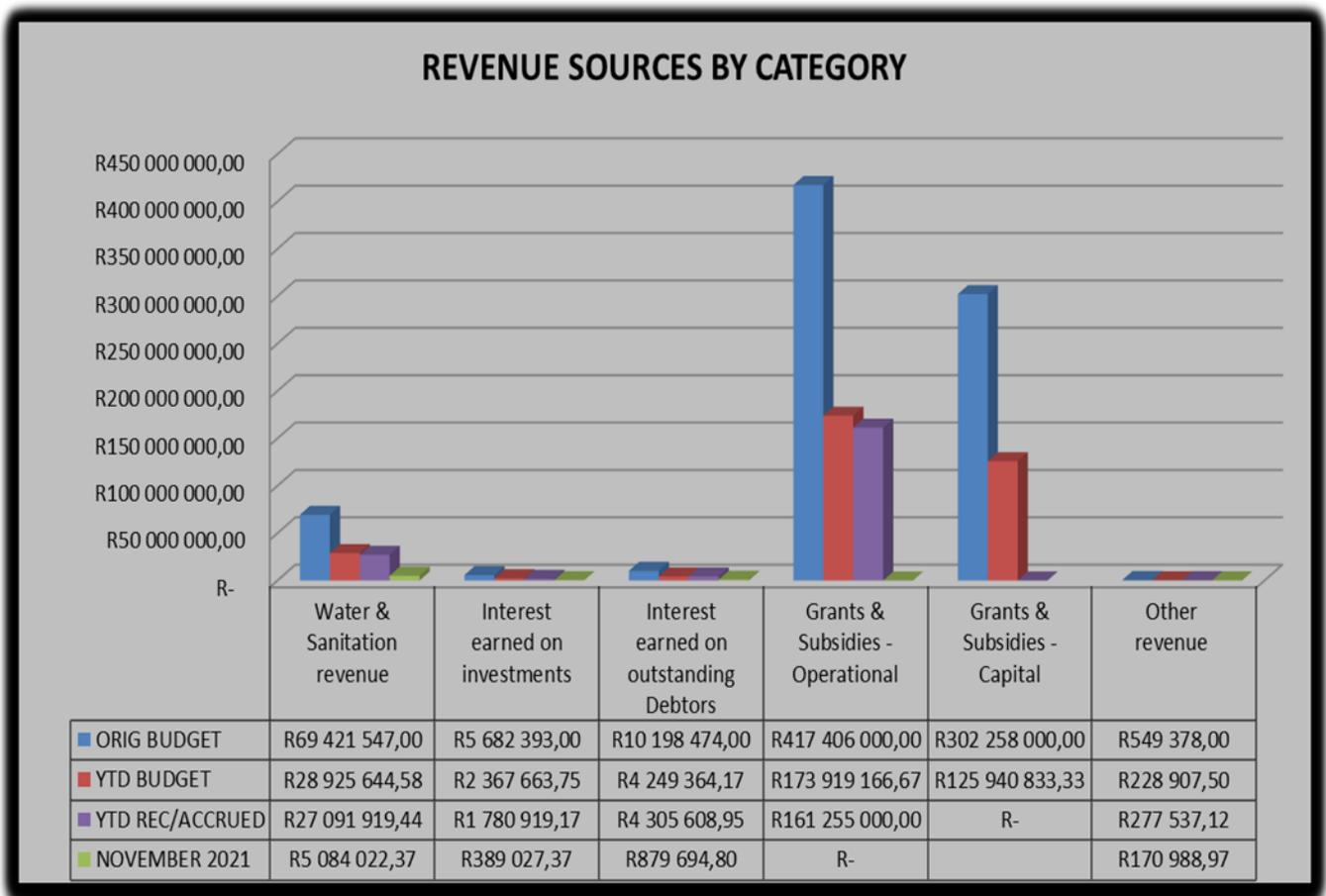
The following section analyses material variances between the actual targets as at 30 November 2021 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 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 30 November 2021 was R27million against a year to date **budget** of R28, 9million or 94 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R1, 7m against year to budget of R2, 3m representing 75 per cent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R161, 2million against a year to date budget of R173, 9million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

There was no revenue recognised in the period ending 30 November 2021.

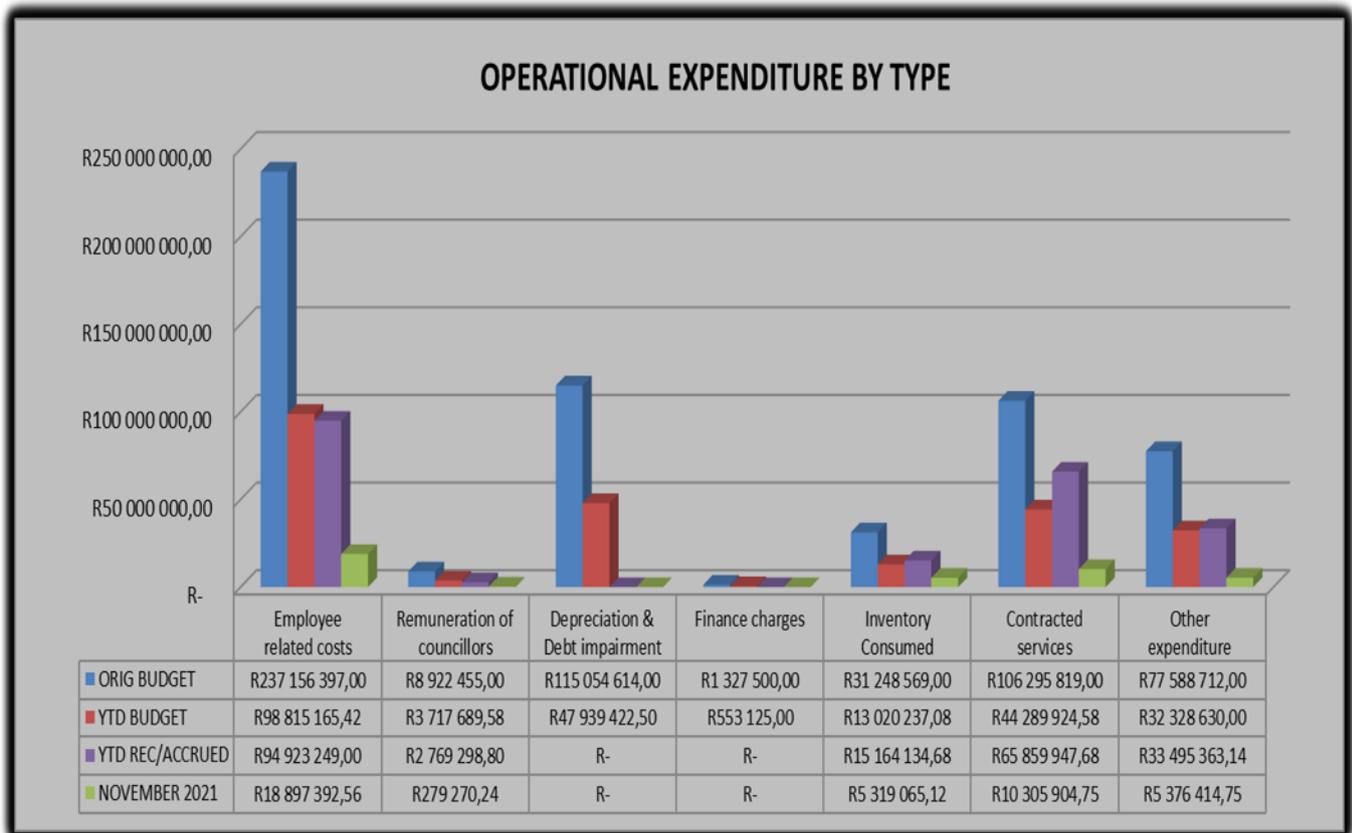
Other Revenue

The YTD performance of other revenue is R277 537 against YTD budget of R228 907 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 R98, 8million against a YTD actual of R94, 9million which is 96% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 2, 7million against a YTD budget of R 3, 7million representing 74% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 30 November 2021.

Inventory/Bulk Purchases

The expenditure on Bulk Water purchases has the budget of R31, 2m. The year to date expenditure on bulk water purchases is R15, 1m against a YTD budget of R13m representing 116% of the year to date budget over performed by 16 per cent.

Contracted Services

The YTD budget for contracted services was at R 44, 2million against a YTD expenditure of R65, 8million and expenditure for the month of November 2021 is R10, 3million. The year to date expenditure exceeded what was projected by 49 per cent.

Other Expenditure

The YTD budget for other expenditure was at R 32, 3million against a YTD expenditure of R 33, 4million and expenditure for the month of November 2021 is R4, 9million over performed by 4 per cent.

Performance assessment

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

Actual and revised targets for cash receipts

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M05 November

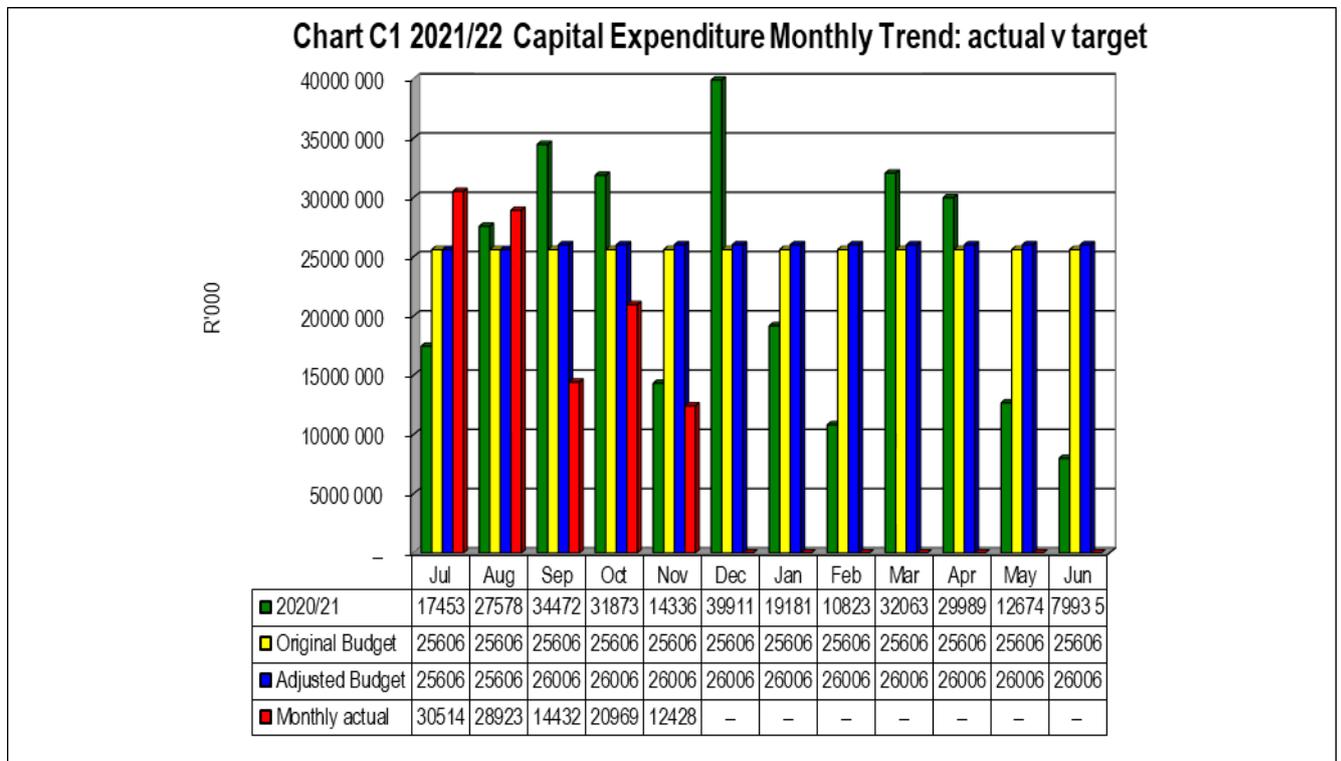
Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget 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	3 307	3 307	3 307	3 307	3 307	3 307	(3 066)	39 680	41 881	44 214
Service charges - sanitation revenue	557	988	495	1 262	472	1 185	1 185	1 185	1 185	1 185	1 185	3 338	14 225	15 078	15 983
Interest earned - external investments	121	502	377	391	389	466	466	466	466	466	466	1 015	5 592	5 838	6 101
Transfers and Subsidies - Operational	160 611	2 493	-	19 997	8 914	32 441	32 441	32 441	32 441	32 441	32 441	2 628	389 288	413 194	416 811
Other revenue	-	0	0	96	12	46	46	46	46	46	46	166	549	574	599
Cash Receipts by Source	164 209	10 925	4 245	28 151	13 055	37 445	37 445	37 445	37 445	37 445	37 445	4 082	449 335	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)	-	25 632	25 632	25 632	25 632	25 632	25 632	(27 931)	307 580	346 011	361 833
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	122	122	149	143
Total Cash Receipts by Source	290 502	10 925	61 266	26 558	13 055	63 076	63 076	63 076	63 076	63 076	63 076	(23 727)	757 036	822 725	845 684
Cash Payments by Type															
Employee related costs	-	29 184	20 564	20 623	19 979	20 507	20 507	20 507	20 507	20 507	20 507	32 690	246 079	262 443	279 953
Remuneration of councillors	619	606	622	643	279							6 153	8 922	9 547	10 215
Interest paid	-	-	-	-	-	111	111	111	111	111	111	664	1 328	1 385	1 447
Acquisitions - water & other inventory	-	4 588	2 603	2 505	5 319	1 616	1 616	1 616	1 616	1 616	1 616	(5 317)	19 396	20 250	21 161
Contracted services	6 008	12 347	18 293	18 907	10 306	8 775	8 775	8 775	8 775	8 775	8 775	(13 212)	105 296	110 111	114 923
General expenses	54 121	66 381	50 366	53 979	36 436	6 120	6 120	6 120	6 120	6 120	6 120	(224 563)	73 441	78 948	82 195
Cash Payments by Type	60 748	113 106	92 448	96 656	72 319	37 128	37 128	37 128	37 128	37 128	37 128	(203 585)	454 462	482 684	509 894
Other Cash Flows/Payments by Type															
Capital assets	30 514	28 923	14 433	20 969	12 429	25 940	25 940	25 940	25 940	25 940	25 940	48 374	311 283	347 620	363 499
Total Cash Payments by Type	91 262	142 029	106 880	117 625	84 748	63 069	63 069	63 069	63 069	63 069	63 069	(155 211)	765 745	830 304	873 393
NET INCREASE/(DECREASE) IN CASH HELD	199 240	(131 104)	(45 615)	(91 068)	(71 693)	8	8	8	8	8	8	131 484	(8 709)	(7 579)	(27 709)
Cash/cash equivalents at the month/year beginning:	51 862	251 102	119 999	74 384	(16 684)	(88 377)	(88 369)	(88 361)	(88 354)	(88 346)	(88 339)	(88 331)	51 862	43 153	35 575
Cash/cash equivalents at the month/year end:	251 102	119 999	74 384	(16 684)	(88 377)	(88 369)	(88 361)	(88 354)	(88 346)	(88 339)	(88 331)	43 153	43 153	35 575	7 866

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M05 November

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	-	-	155 242	-	-	-
January	19 182	25 607	26 007	-	-	181 249	-	-	-
February	10 824	25 607	26 007	-	-	207 256	-	-	-
March	32 063	25 607	26 007	-	-	233 263	-	-	-
April	29 990	25 607	26 007	-	-	259 270	-	-	-
May	12 674	25 607	26 007	-	-	285 277	-	-	-
June	7 994	25 607	26 007	-	-	311 283	-	-	-
Total Capital expenditure	278 353	307 283	311 283	107 268					

YTD Capital Budget vs. YTD Capital Expenditure



Capital Expenditure on New Assets by Asset Class

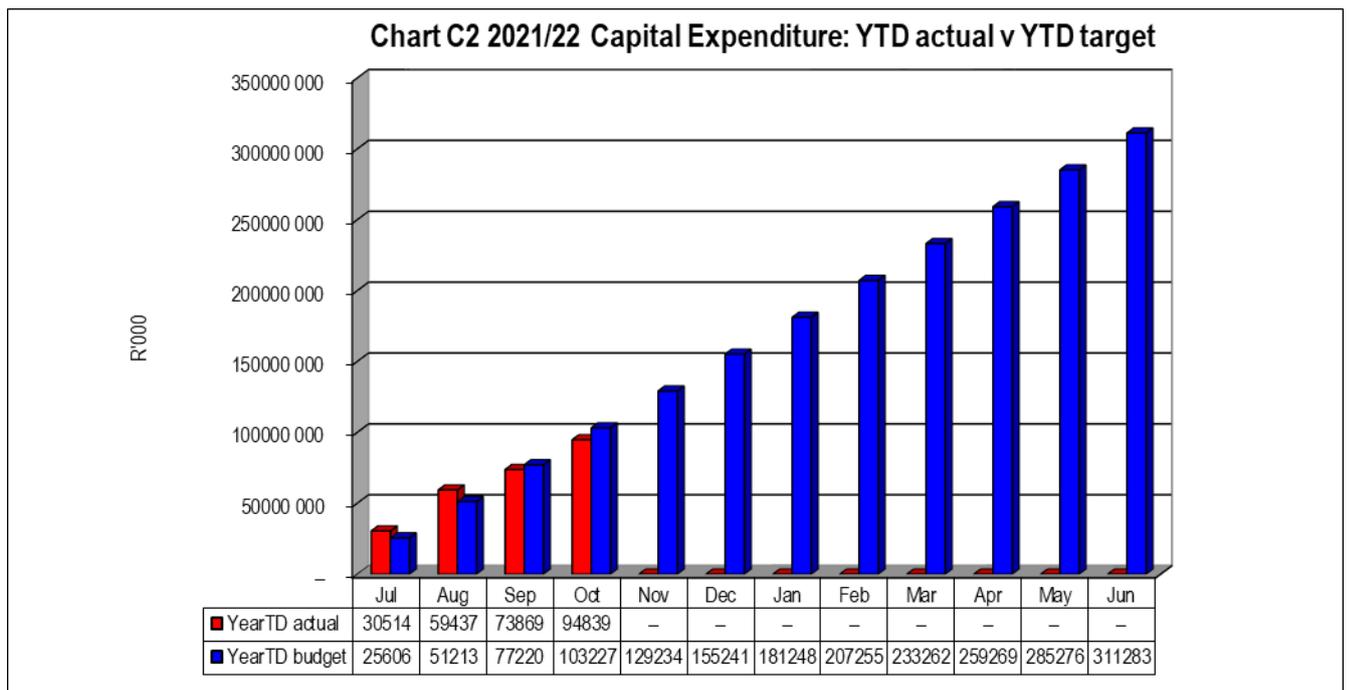
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M05

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	283 958	8 411	94 044	118 316	24 272	20,5%	283 958
Water Supply Infrastructure	237 781	228 108	223 108	8 411	70 972	93 934	22 962	24,4%	223 108
Dams and Weirs	24 469	25 000	20 000	-	2 058	9 306	7 248	77,9%	20 000
Boreholes	23 814	57 275	57 275	2 624	26 061	23 865	(2 196)	-9,2%	57 275
Reservoirs	870	7 000	7 000	209	1 562	2 917	1 355	46,5%	7 000
Pump Stations	30 873	31 000	31 000	743	10 227	12 917	2 690	20,8%	31 000
Water Treatment Works	4 539	7 500	7 500	-	4 050	3 125	(925)	-29,6%	7 500
Bulk Mains	77 052	26 508	26 508	-	4 801	11 045	6 244	56,5%	26 508
Distribution	76 164	73 825	73 825	4 836	22 214	30 760	8 546	27,8%	73 825
Sanitation Infrastructure	7 958	55 850	60 850	-	23 072	24 382	1 310	5,4%	60 850
Pump Station	1 580	30 000	30 000	-	6 858	12 500	5 642	45,1%	30 000
Reticulation	6 378	20 000	20 000	-	10 208	8 333	(1 875)	-22,5%	20 000
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	5 850	10 850	-	6 006	3 549	(2 457)	-69,2%	10 850
Other assets	1 610	-	-	-	-	-	-	-	-
Operational Buildings	1 610	-	-	-	-	-	-	-	-
Municipal Offices	1 610	-	-	-	-	-	-	-	-
Intangible Assets	-	1 418	1 418	-	-	591	591	100,0%	1 418
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1 418	1 418	-	-	591	591	100,0%	1 418
Computer Software and Applications	-	1 418	1 418	-	-	591	591	100,0%	1 418
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	1 566	2 130	2 130	779	779	888	109	12,3%	2 130
Computer Equipment	1 566	2 130	2 130	779	779	888	109	12,3%	2 130
Furniture and Office Equipment	1 768	3 057	3 057	647	647	1 274	627	49,2%	3 057
Furniture and Office Equipment	1 768	3 057	3 057	647	647	1 274	627	49,2%	3 057
Machinery and Equipment	9 099	220	220	-	47	92	44	48,5%	220
Machinery and Equipment	9 099	220	220	-	47	92	44	48,5%	220
Transport Assets	7 355	-	-	-	-	-	-	-	-
Transport Assets	7 355	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	267 136	290 783	290 783	9 837	95 517	121 160	25 643	21,2%	290 783

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	19 800	-	7 213	7 783	570	7,3%	19 800
Water Supply Infrastructure	982	15 800	15 800	-	7 213	6 583	(630)	-9,6%	15 800
<i>Bulk Mains</i>	-	500	500	-	-	208	208	100,0%	500
<i>Distribution</i>	982	15 300	15 300	-	7 213	6 375	(838)	-13,1%	15 300
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 128	-	4 000	-	-	1 200	1 200	100,0%	4 000
<i>Pump Station</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	7 128	-	4 000	-	-	1 200	1 200	100,0%	4 000
Machinery and Equipment	-	200	200	-	-	83	83	100,0%	200
Machinery and Equipment	-	200	200	-	-	83	83	100,0%	200
Transport Assets	7 032	-	-	2 592	4 396	-	(4 396)	#DIV/0!	-
Transport Assets	7 032	-	-	2 592	4 396	-	(4 396)	#DIV/0!	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	15 142	16 000	20 000	2 592	11 610	7 867	(3 743)	-47,6%	20 000



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 November 2021 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Adelaide Nomnandi Dlamini

Municipal Manager of: Harry Gwala District Municipality

Signed_____

Date_____