

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 October 2021.

11/15/2021

Budget & Treasury Office

1. PART 1 – MONTHLY REPORT

1.1 PURPOSE

To table a report on the Implementation of the current budget and the financial state of the Municipality in terms of Section 71 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 October 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,

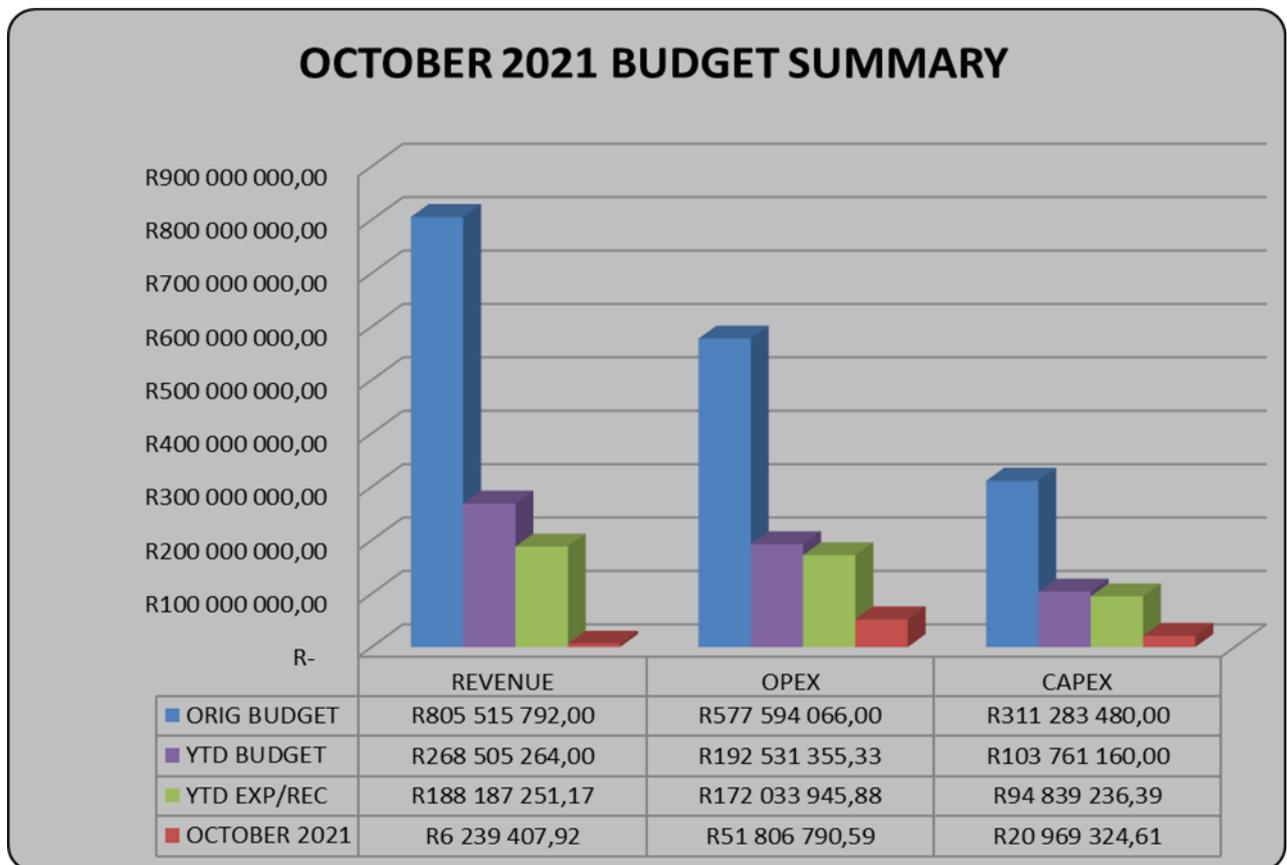
- Revenue
- Operational, and
- Capital Budgets

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 31 October 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 October as well as the Year to Date movements (YTD).

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 31 October 2021 amounted to R188, 1m which is 70% 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 31 October amounted to R172m against a year to date (YTD) budget of R192, 5m. The actual YTD expenditure represented 89% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R311, 2m. The YTD expenditure on capital amounts to R94, 8million, or 91% 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 - M04 October

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	4 828	22 008	23 140	(1 133)	-5%	69 422
Investment revenue	3 011	5 682	5 682	391	1 392	1 894	(502)	-27%	5 682
Transfers and subsidies	430 342	417 406	417 406	-	161 255	139 135	22 120	16%	417 406
Other own revenue	10 879	10 748	10 748	1 020	3 532	3 583	(50)	-1%	10 748
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	503 258	6 239	188 187	167 753	20 435	12%	503 258
Employee costs	217 969	237 156	237 156	20 665	76 026	79 053	(3 027)	-4%	237 156
Remuneration of Councillors	7 813	8 922	8 922	643	2 490	2 974	(484)	-16%	8 922
Depreciation & asset impairment	78 532	87 410	87 410	-	-	29 137	(29 137)	-100%	87 410
Finance charges	995	1 328	1 328	-	-	443	(443)	-100%	1 328
Inventory consumed and bulk purchases	26 303	31 249	31 249	2 505	9 844	10 416	(572)	-5%	31 249
Transfers and subsidies	17 000	17 000	17 000	-	5 600	5 667	(67)	-1%	17 000
Other expenditure	224 777	194 529	194 529	27 994	78 074	64 843	13 231	20%	194 529
Total Expenditure	573 389	577 594	577 594	51 807	172 034	192 533	(20 499)	-11%	577 594
Surplus/(Deficit)	(61 392)	(74 336)	(74 336)	(45 567)	16 153	(24 780)	40 933	-165%	(74 336)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	302 258	-	-	100 219	(100 219)	-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	246 158	223 922	227 922	(45 567)	16 153	75 439	(59 286)	-79%	227 922
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	246 158	223 922	227 922	(45 567)	16 153	75 439	(59 286)	-79%	227 922
Capital expenditure & funds sources									
Capital expenditure	296 457	307 283	311 283	20 969	94 839	103 228	(8 389)	-8%	311 283
Capital transfers recognised	268 028	298 258	302 258	20 969	92 999	100 219	(7 221)	-7%	302 258
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	9 025	-	1 840	3 009	(1 168)	-39%	9 025
Total sources of capital funds	296 457	307 283	311 283	20 969	94 839	103 228	(8 389)	-8%	311 283
Financial position									
Total current assets	1 195 433	1 076 619	1 076 619	-	206 210	-	-	-	1 076 619
Total non current assets	2 552 798	2 845 908	2 849 908	-	2 647 638	-	-	-	2 849 908
Total current liabilities	233 041	106 785	106 785	-	294 567	-	-	-	106 785
Total non current liabilities	42 646	25 676	25 676	-	28 398	-	-	-	25 676
Community wealth/Equity	2 597 331	2 821 066	2 821 066	-	2 392 313	-	-	-	2 821 066
Cash flows									
Net cash from (used) operating	(99 976)	313 261	317 261	(9 717)	228 871	240 650	11 779	5%	317 261
Net cash from (used) investing	(233 320)	(307 283)	(311 283)	(20 969)	(94 839)	(51 214)	43 625	-85%	(311 283)
Net cash from (used) financing	-	(3 529)	(3 529)	-	-	(882)	(882)	100%	(3 529)
Cash/cash equivalents at the month/year end	(292 626)	51 179	51 179	-	185 894	188 554	2 660	1%	2 448
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	6 110	4 941	4 856	4 197	3 942	4 669	24 280	185 611	238 605
Creditors Age Analysis									
Total Creditors	1 567	26	-	154	-	-	-	-	1 747

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) - M04 October

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									
Governance and administration	422 901	404 553	404 553	500	162 806	134 851	27 955	21%	404 553
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	404 553	404 553	500	162 806	134 851	27 955	21%	404 553
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	8 568	22 412	22 412	-	-	7 471	(7 471)	-100%	22 412
Planning and development	8 568	22 412	22 412	-	-	7 471	(7 471)	-100%	22 412
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	388 078	374 551	378 551	5 739	25 381	125 650	(100 269)	-80%	378 551
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	360 199	360 199	4 722	21 076	120 066	(98 990)	-82%	360 199
Waste water management	29 226	14 352	18 352	1 017	4 305	5 584	(1 279)	-23%	18 352
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	801 516	805 516	6 239	188 187	267 972	(79 785)	-30%	805 516
Expenditure - Functional									
Governance and administration	233 309	251 534	251 134	23 979	77 940	83 801	(5 861)	-7%	251 134
Executive and council	27 920	24 745	24 745	2 085	12 617	8 248	4 369	53%	24 745
Finance and administration	195 887	217 553	217 153	21 073	62 608	72 474	(9 866)	-14%	217 153
Internal audit	9 503	9 236	9 236	822	2 715	3 079	(364)	-12%	9 236
Community and public safety	17 674	18 501	18 501	1 641	6 028	6 167	(139)	-2%	18 501
Community and social services	17 674	18 501	18 501	1 641	6 028	6 167	(139)	-2%	18 501
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	122 485	154 812	154 812	4 376	19 728	51 604	(31 877)	-62%	154 812
Planning and development	122 485	154 812	154 812	4 376	19 728	51 604	(31 877)	-62%	154 812
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	199 921	152 747	153 147	21 810	68 338	50 960	17 378	34%	153 147
Energy sources	-	-	-	-	-	-	-	-	-
Water management	199 059	151 849	152 249	21 688	67 962	50 661	17 301	34%	152 249
Waste water management	862	898	898	122	377	299	77	26%	898
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	573 389	577 594	577 594	51 807	172 034	192 533	(20 499)	-11%	577 594
Surplus/ (Deficit) for the year	246 158	223 922	227 922	(45 567)	16 153	75 439	(59 286)	-79%	227 922

This table assess the revenue by department and then the expenditure for the period ending 31 October 2021. Revenue receipts in October have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of October 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 R28, 3m.

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) - M04 October

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 BudgetAnd Treasury Office	422 192	404 553	404 553	500	162 765	134 851	27 914	20,7%	404 553
Vote 04 - Summary Corporate Services	665	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planing	3 875	22 412	22 412	-	-	7 471	(7 471)	-100,0%	22 412
Vote 06 - Summary Infrastructure Services	305 438	311 333	311 333	273	1 286	103 778	(102 492)	-98,8%	311 333
Vote 07 - Summary Water Services	87 377	63 218	67 218	5 466	24 136	21 873	2 264	10,3%	67 218
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	801 516	805 516	6 239	188 187	267 972	(79 785)	-29,8%	805 516
Expenditure by Vote									
Vote 01 - Summary Council	14 956	16 256	16 256	1 230	7 657	5 419	2 239	41,3%	16 256
Vote 02 - Summary Municipal Manager	22 466	17 726	17 726	1 677	7 675	5 909	1 766	29,9%	17 726
Vote 03 - Summary BudgetAnd Treasury Office	59 812	85 267	85 267	5 925	17 275	28 423	(11 148)	-39,2%	85 267
Vote 04 - Summary Corporate Services	89 619	89 530	89 530	8 235	24 725	29 844	(5 119)	-17,2%	89 530
Vote 05 - Summary Social Services & Development Planing	48 107	68 717	68 717	3 112	16 507	22 906	(6 399)	-27,9%	68 717
Vote 06 - Summary Infrastructure Services	96 281	109 078	109 078	3 288	13 762	36 359	(22 597)	-62,1%	109 078
Vote 07 - Summary Water Services	242 148	191 021	191 021	28 342	84 433	63 674	20 759	32,6%	191 021
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	573 389	577 594	577 594	51 807	172 034	192 533	(20 499)	-10,6%	577 594
Surplus/ (Deficit) for the year	246 158	223 922	227 922	(45 567)	16 153	75 439	(59 286)	-78,6%	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 31 October 2021.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

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	48 866	3 838	17 585	16 289	1 296	8%	48 866
Service charges - sanitation revenue	13 762	20 555	20 555	990	4 423	6 852	(2 429)	-35%	20 555
Rental of facilities and equipment									
Interest earned - external investments	3 011	5 682	5 682	391	1 392	1 894	(502)	-27%	5 682
Interest earned - outstanding debtors	10 100	10 198	10 198	914	3 426	3 399	26	1%	10 198
Transfers and subsidies	430 342	417 406	417 406	-	161 255	139 135	22 120	16%	417 406
Other revenue	778	549	549	106	107	183	(77)	-42%	549
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	503 258	6 239	188 187	167 753	20 435	12%	503 258
Expenditure By Type									
Employee related costs	217 969	237 156	237 156	20 665	76 026	79 053	(3 027)	-4%	237 156
Remuneration of councillors	7 813	8 922	8 922	643	2 490	2 974	(484)	-16%	8 922
Debt impairment	31 734	27 645	27 645	-	-	9 215	(9 215)	-100%	27 645
Depreciation & asset impairment	78 532	87 410	87 410	-	-	29 137	(29 137)	-100%	87 410
Finance charges	995	1 328	1 328	-	-	443	(443)	-100%	1 328
Bulk purchases - electricity	20 458	-	-	-	(1)	-	(1)	#DIV/0!	-
Inventory consumed	5 845	31 249	31 249	2 505	9 845	10 416	(571)	-5%	31 249
Contracted services	129 640	105 296	106 096	18 907	55 554	35 410	20 144	57%	106 096
Transfers and subsidies	17 000	17 000	17 000	-	5 600	5 667	(67)	-1%	17 000
Other expenditure	56 907	61 589	60 789	9 087	22 520	20 219	2 301	11%	60 789
Losses	6 496	-	-	-	-	-	-	-	-
Total Expenditure	573 389	577 594	577 594	51 807	172 034	192 533	(20 499)	-11%	577 594
Surplus/(Deficit)	(61 392)	(74 336)	(74 336)	(45 567)	16 153	(24 780)	40 933	(0)	(74 336)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	302 258	-	-	100 219	(100 219)	(0)	302 258
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	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	246 158	223 922	227 922	(45 567)	16 153	75 439			227 922
Taxation									
Surplus/(Deficit) after taxation	246 158	223 922	227 922	(45 567)	16 153	75 439			227 922
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	246 158	223 922	227 922	(45 567)	16 153	75 439			227 922
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	246 158	223 922	227 922	(45 567)	16 153	75 439			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 - M04)

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	-	-	167	(167)	-100%	500
Vote 04 - Summary Corporate Services	7 226	4 031	4 031	-	1 805	1 344	461	34%	4 031
Vote 05 - Summary Social Services & Development Planning	7 355	1 870	1 870	-	47	623	(576)	-92%	1 870
Vote 06 - Summary Infrastructure Services	46 050	16 300	16 300	-	7 213	5 433	1 780	33%	16 300
Vote 07 - Summary Water Services	235 826	284 583	288 583	20 969	85 774	96 194	(10 420)	-11%	288 583
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	296 457	307 283	311 283	20 969	94 839	103 761	(8 922)	-9%	311 283
Total Capital Expenditure	296 457	307 283	311 283	20 969	94 839	103 761	(8 922)	-9%	311 283
Capital Expenditure - Functional Classification									
Governance and administration	7 226	5 110	5 110	-	1 805	1 703	101	6%	5 110
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	7 226	5 110	5 110	-	1 805	1 703	101	6%	5 110
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	7 355	1 021	1 021	-	47	340	(293)	-86%	1 021
Community and social services	7 355	1 021	1 021	-	47	340	(293)	-86%	1 021
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	18 541	1 270	1 270	-	-	423	(423)	-100%	1 270
Planning and development	18 541	1 270	1 270	-	-	423	(423)	-100%	1 270
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	263 335	299 883	303 883	20 969	92 987	101 294	(8 307)	-8%	303 883
Energy sources	-	-	-	-	-	-	-	-	-
Water management	248 698	244 033	243 033	15 913	69 915	81 011	(11 096)	-14%	243 033
Waste water management	14 637	55 850	60 850	5 056	23 072	20 283	2 789	14%	60 850
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	296 457	307 283	311 283	20 969	94 839	103 761	(8 922)	-9%	311 283
Funded by:									
National Government	249 289	298 258	298 258	20 969	92 952	99 419	(6 468)	-7%	298 258
Provincial Government	18 739	-	4 000	-	-	1 333	(1 333)	-100%	4 000
District Municipality	-	-	-	-	47	-	47	#DIV/0!	-
Transfers recognised - capital	268 028	298 258	302 258	20 969	92 999	100 753	(7 754)	-8%	302 258
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	9 025	-	1 840	3 009	(1 168)	-39%	9 025
Total Capital Funding	296 457	307 283	311 283	20 969	94 839	103 761	(8 922)	-9%	311 283

As alluded to above, the capital expenditure programme for the period ending 31 October 2021 was R 94, 8m which represents 91% of capital expenditure against year to date budget of R103, 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

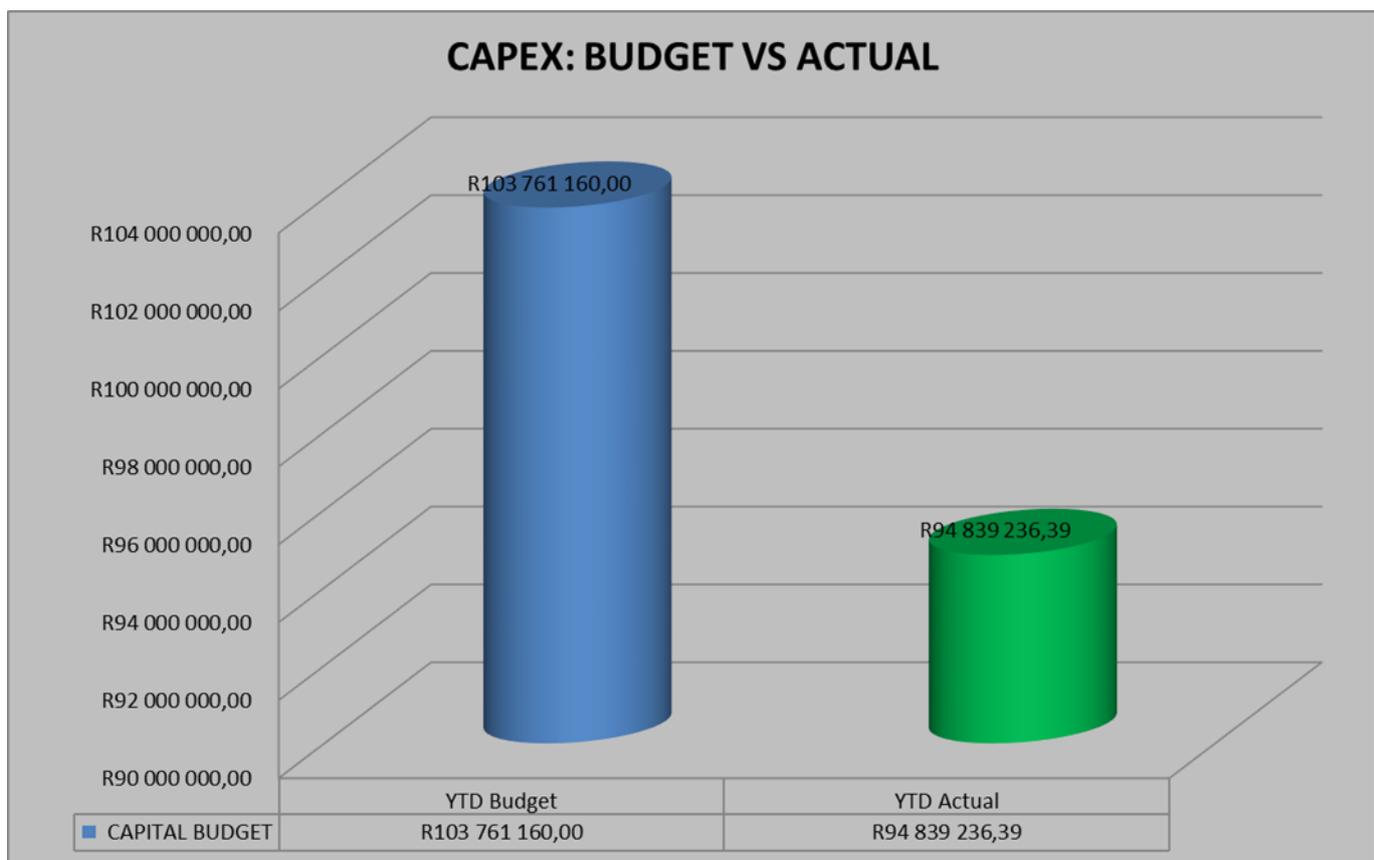


Table C6 displays the financial position of the municipality as at 31 October 2021.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M04

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	3 457	11 058
Call investment deposits	787 515	40 121	40 121	185 097	40 121
Consumer debtors	29 191	30 951	30 951	38 063	30 951
Other debtors	22 475	25 222	25 222	28 479	25 222
Current portion of long-term receivables	-	-	-	-	-
Inventory	408	267	267	408	267
Total current assets	1 195 433	107 619	107 619	255 503	107 619
Non current assets					
Investments in Associate					
Property, plant and equipment	2 552 221	2 843 962	2 847 962	2 647 060	2 847 962
Biological	-	-	-	-	-
Intangible	578	1 946	1 946	578	1 946
Other non-current assets	-	-	-	-	-
Total non current assets	2 552 798	2 845 908	2 849 908	2 647 638	2 849 908
TOTAL ASSETS	3 748 231	2 953 527	2 957 527	2 903 141	2 957 527
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	-	13 194	-
Consumer deposits	2 034	2 155	2 155	2 101	2 155
Trade and other payables	215 920	91 336	91 336	264 185	91 336
Provisions	15 088	13 294	13 294	15 088	13 294
Total current liabilities	233 041	106 785	106 785	294 567	106 785
Non current liabilities					
Borrowing	18 098	1 878	1 878	3 850	1 878
Provisions	24 548	23 797	23 797	24 548	23 797
Total non current liabilities	42 646	25 676	25 676	28 398	25 676
TOTAL LIABILITIES	275 687	132 461	132 461	322 965	132 461
NET ASSETS	3 472 544	2 821 066	2 825 066	2 580 176	2 825 066
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	3 472 544	2 821 066	2 825 066	2 580 176	2 825 066
TOTAL COMMUNITY WEALTH/EQUITY	3 472 544	2 821 066	2 825 066	2 580 176	2 825 066

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

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M04 October

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	6 593	18 827	4 492	14 334	319%	53 905
Other revenue	307	549	549	106	107	46	61	133%	549
Transfers and Subsidies - Operational	234 355	395 084	395 084	-	165 197	32 441	132 756	409%	395 084
Transfers and Subsidies - Capital	215 028	303 580	307 580	35 000	221 700	240 326	(18 626)	-8%	307 580
Interest	3 011	5 682	5 682	391	1 392	474	918	194%	5 682
Dividends							-		
Payments									
Suppliers and employees	(682 380)	(444 212)	(444 212)	(51 807)	(178 351)	(37 018)	141 334	-382%	(444 212)
Finance charges	-	(1 328)	(1 328)	-	-	(111)	(111)	100%	(1 328)
Transfers and Grants	(486)	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 976)	313 261	317 261	(9 717)	228 871	240 650	11 779	5%	317 261
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)	(20 969)	(94 839)	(51 214)	43 625	-85%	(311 283)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(233 320)	(307 283)	(311 283)	(20 969)	(94 839)	(51 214)	43 625	-85%	(311 283)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	147	147	-	-	37	(37)	-100%	147
Payments									
Repayment of borrowing		(3 676)	(3 676)	-	-	(919)	(919)	100%	(3 676)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(3 529)	(3 529)	-	-	(882)	(882)	100%	(3 529)
NET INCREASE/ (DECREASE) IN CASH HELD	(333 296)	2 448	2 448	(30 686)	134 031	188 554			2 448
Cash/cash equivalents at beginning:	40 671	48 731	48 731	-	51 862				
Cash/cash equivalents at month/year end:	(292 626)	51 179	51 179	-	185 894	188 554			2 448

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 October 2021.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	Budget Year 2021/22									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	3 922	3 171	3 117	2 694	2 530	2 997	15 586	119 148	153 166	142 955
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 532	1 239	1 218	1 052	989	1 171	6 089	46 547	59 836	55 847
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	656	530	521	450	423	501	2 605	19 916	25 603	23 896
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	6 110	4 941	4 856	4 197	3 942	4 669	24 280	185 611	238 605	222 698
2020/21 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	2 788	1 468	1 169	643	422	298	1 043	3 694	11 524	6 100
Commercial	738	465	549	449	337	867	1 779	9 798	14 982	13 231
Households	2 585	3 008	3 138	3 104	3 182	3 504	21 458	172 120	212 098	203 368
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	6 110	4 941	4 856	4 197	3 942	4 669	24 280	185 611	238 605	222 698

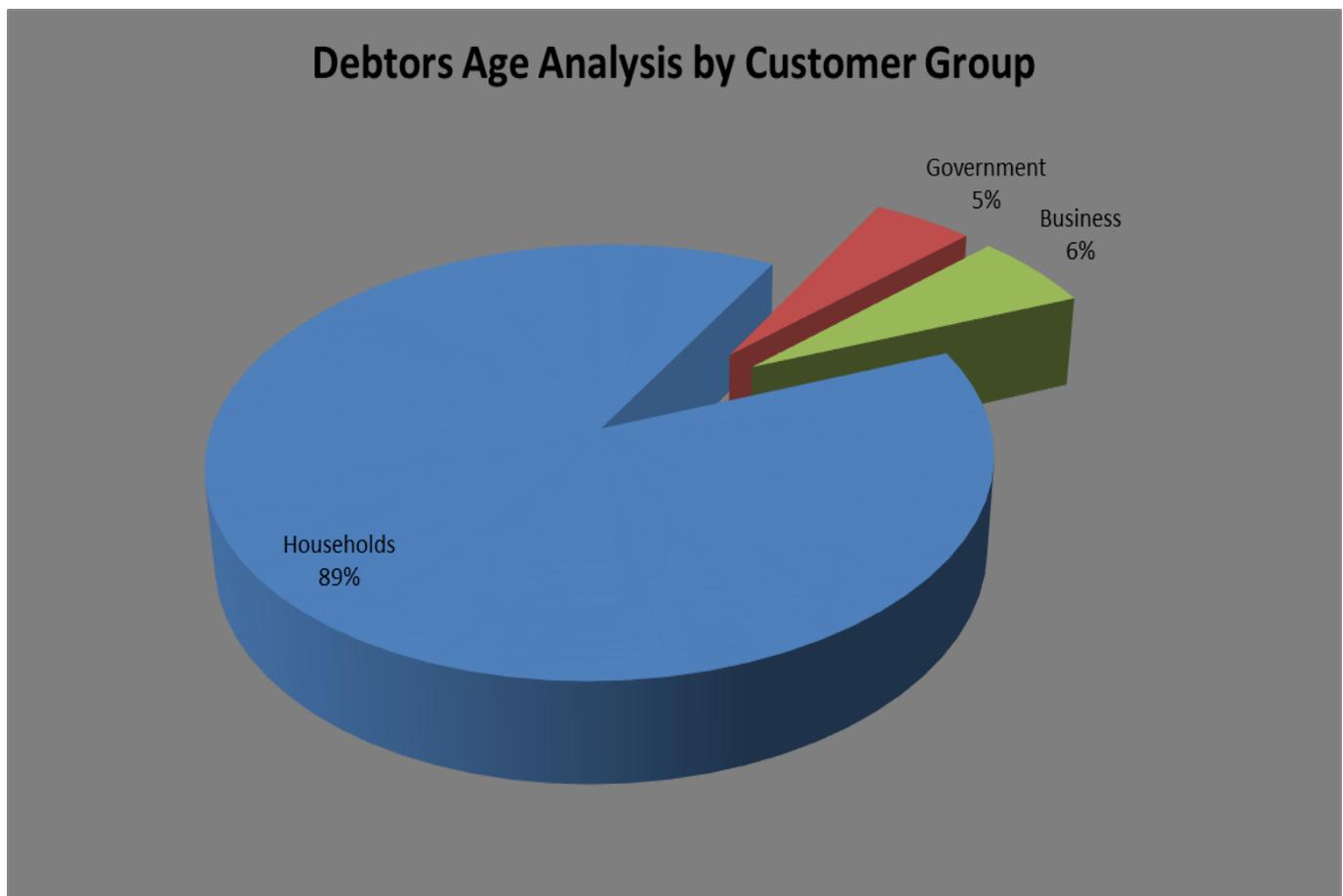
Table 2.1.2: Debtors Age Analysis by Customer Category

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

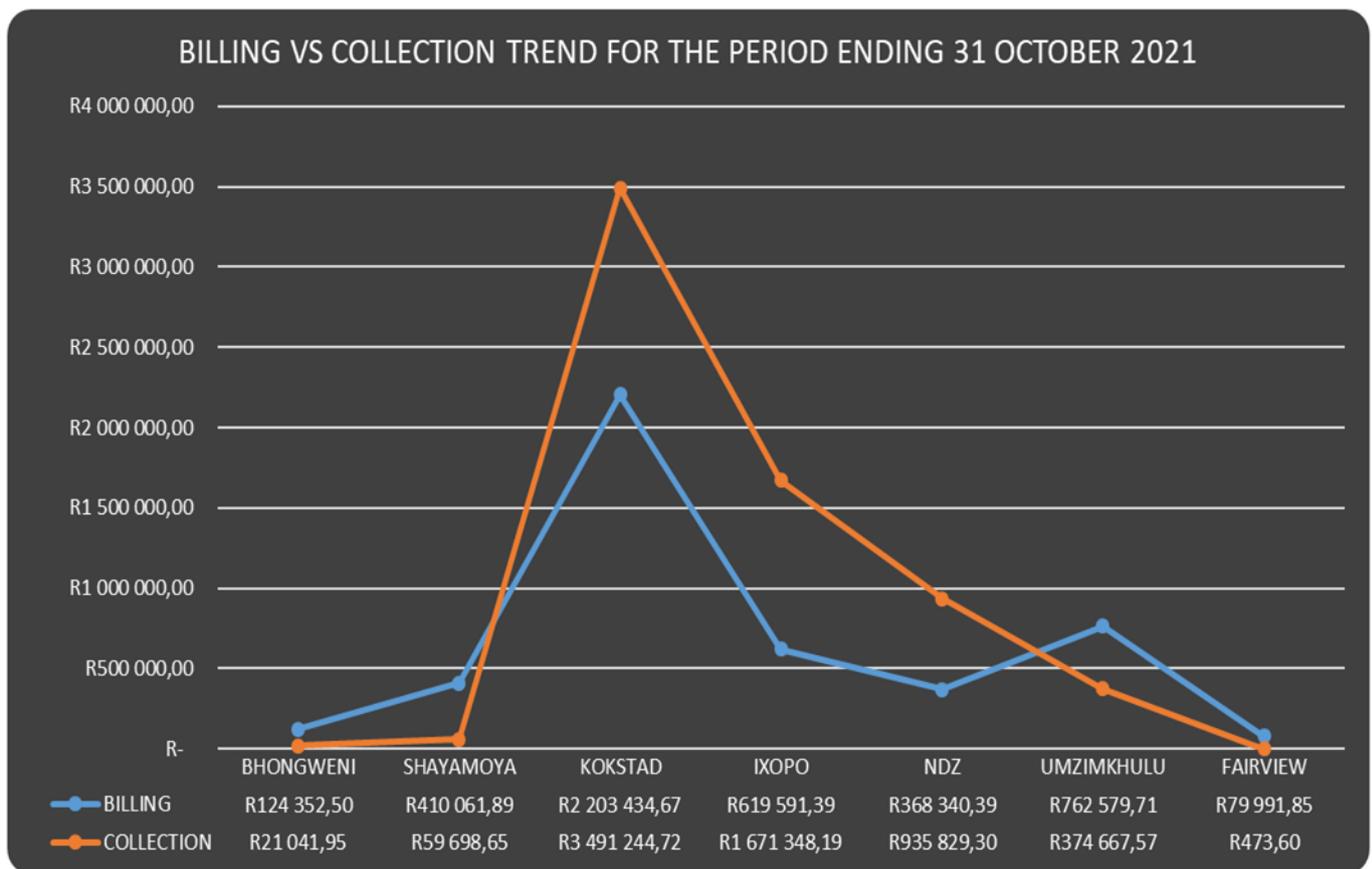
REVENUE RECEIPTS

Revenue receipts per Area

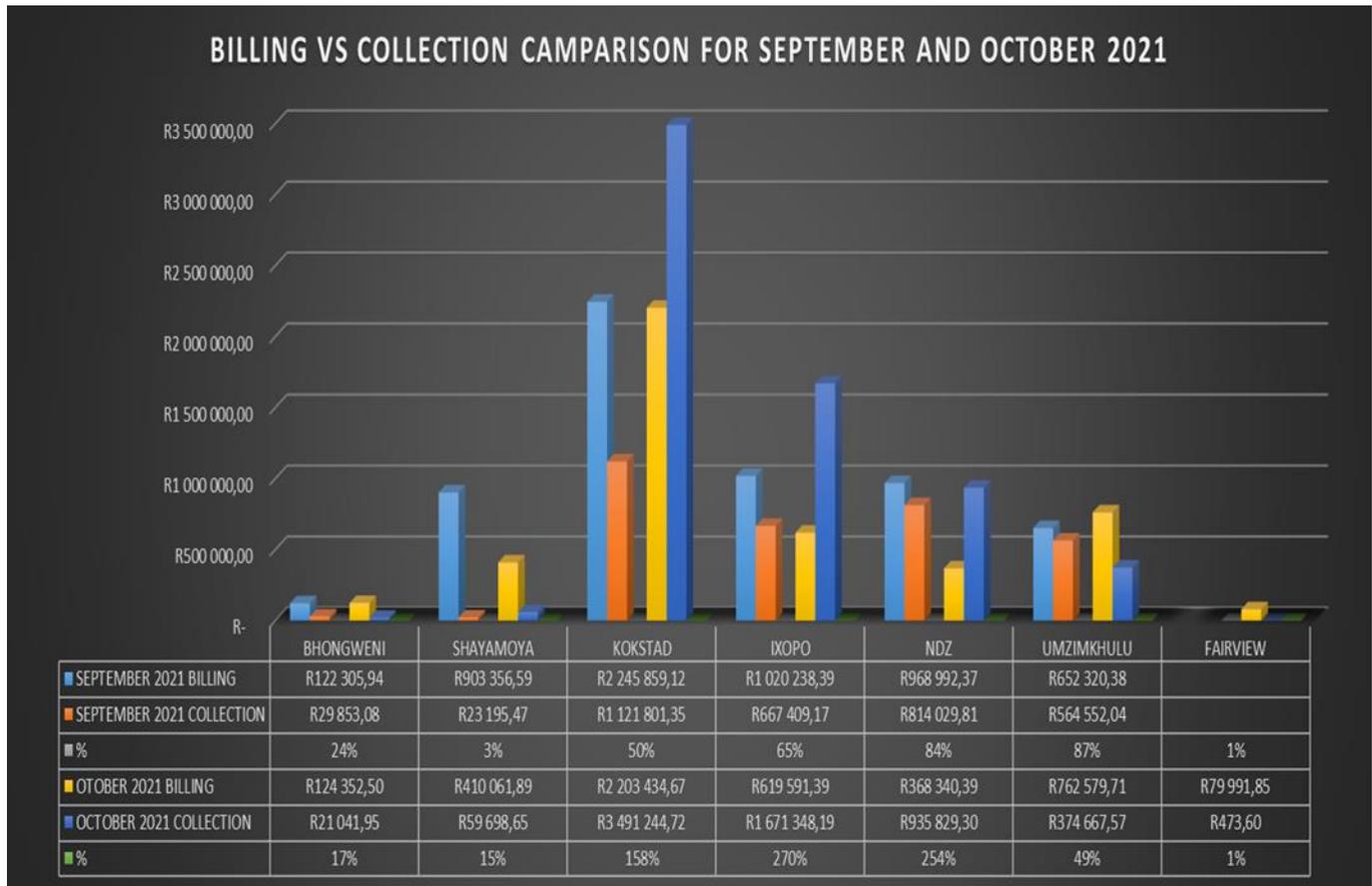
AREA	AMOUNT		
		OCTOBER 2021	SEPTEMBER 2021
Unallocated receipts	R 38 330,61	1%	6%
Bhongweni	R 21 041,95	0%	1%
Shayamoya	R 59 698,65	1%	1%
Kokstad	R 3 491 244,72	53%	33%
Ixopo	R 1 671 348,19	25%	20%
NDZ	R 935 829,30	14%	24%
Umzimkhulu	R 374 667,57	6%	17%
Fairview	R 473,60	0%	0%
TOTAL RECEIPTS INCL VAT	R 6 592 634,59	100%	100%

The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for October 2021 is R6, 5million. The total billing for the first quarter is R 25, 6million against collection of R 18, 8million representing 73 per cent.

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



The chart that follows below shows the comparison between billing, collection together with percentage for the period ending 31 October 2021



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 238 604 984 as at 31 October 2021 compared with the R 240 421 323 as at 30 September 2021. Current debt represent 3% of the total outstanding debt compared with the 3% of September 2021; 30 days and older debt 2% compared with the 3% for September 2021; 60 days and older debt 2% compared with the 2% of September 2021; and 90 days 2% compared with the 2% of September 2021; 120 days to History and older 92% compared with the 90% for September 2021.

Current debt decreased with R 1,816,338 to R 238,604,984 compared with the R 240,421,323 as at 31 October 2021; 30 days + debt decreased with R 2,060,505; 60 days + decreased with R 153,700; 90 days + debt decreased with R 904,720 and 120 + days and older debt as at 31 October 2021 has Increased with R 1,627,231 to R 218,501,619 compared with the R 216,874,388 as at 30 September 2021.

Debtors age analysis per debtor type

Business debtors owes the municipality R 14,774,748 (6%); Municipal debtors R 1,032,561 (0%); domestic debtors R 198,432,695 (83%); Government accounts R 10,018,575 (4%); Indigent debtors R 8,897,152 (4%) and other debtors R 5,449,253 (2%) of the total outstanding debt of R 238,604,984.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 October 2021

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

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	1 567	26	-	154					1 747
Auditor General									-
Other									-
Total By Customer Type	1 567	26	-	154	-	-	-	-	1 747

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 October 2021.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

Investments by maturity Name of institution & investment ID	Type of Investment	Capital Guarantee (Yes/ No)	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands							
Municipality							
FIRST NATIONAL BANK	CALL ACCOUNT		48 073	82	(44 041)	12 987	17 101
FIRST NATIONAL BANK	CALL ACCOUNT		85 441	94	(8 408)	-	77 128
FIRST NATIONAL BANK	ADMIN CALL		8 295	13	(6 507)	-	1 800
INVESTEC	FIXED DEPOSIT		23 450	67	-	-	23 517
FIRST NATIONAL BANK	FIXED DEPOSIT		18 656	42	(14 384)	35 000	39 314
FIRST NATIONAL BANK	CALL ACCOUNT		1 160	2	-	-	1 162
FIRST NATIONAL BANK	CALL ACCOUNT		3	-	-	-	3
FIRST NATIONAL BANK	CALL ACCOUNT		2	-	-	-	2
FIRST NATIONAL BANK	FIXED DEPOSIT		1 208	2	-	-	1 210
NEDBANK	FIXED DEPOSIT		21 124	75	-	-	21 199
FIRST NATIONAL BANK	ENT ACCOUNT		6 771	-	(3 314)	-	3 457
			-				
Municipality sub-total			214 183	377	(76 654)	47 987	185 894
TOTAL INVESTMENTS AND INTEREST			214 183		(76 654)	47 987	185 894

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 - M04 October

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	-	161 255	133 469	27 786	20,8%	400 406
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	417 623	387 013	387 013	-	161 255	129 004	32 251	25,0%	387 013
Expanded Public Works Programme Integrated Grant	5 195	4 596	4 596	-	-	1 532	(1 532)	-100,0%	4 596
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	-	-	400	(400)	-100,0%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	5 322	5 322	-	-	1 774	(1 774)	-100,0%	5 322
Rural Road Asset Management Systems Grant	2 245	2 275	2 275	-	-	758	(758)	-100,0%	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	-	-	5 667	(5 667)	-100,0%	17 000
Specify (Add grant description)	-	17 000	17 000	-	-	5 667	(5 667)	-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	-	161 255	139 135	22 120	15,9%	417 406
Capital Transfers and Grants									
National Government:	287 857	298 258	298 258	-	-	99 419	(99 419)	-100,0%	298 258
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	207 558	207 558	-	-	69 186	(69 186)	-100,0%	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	-	-	30 233	(30 233)	-100,0%	90 700
Provincial Government:	19 693	-	4 000	-	-	800	(800)	-100,0%	4 000
Infrastructure Grant	19 693	-	4 000	-	-	800	(800)	-100,0%	4 000
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	307 550	298 258	302 258	-	-	100 219	(100 219)	-100,0%	302 258
TOTAL RECEIPTS OF TRANSFERS & GRANTS	737 892	715 664	719 664	-	161 255	239 355	(78 100)	-32,6%	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 - M04 October

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:	484 771	507 017	507 417	42 008	146 251	169 051	(22 801)	-13,5%	507 417
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	475 667	492 327	494 048	41 369	143 743	164 595	(20 852)	-12,7%	494 048
Expanded Public Works Programme Integrated Grant	5 467	5 976	4 655	588	2 215	1 552	663	42,8%	4 655
Local Government Financial Management Grant	836	1 117	1 117	51	293	372	(79)	-21,3%	1 117
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	5 322	5 322	-	-	1 774	(1 774)	-100,0%	5 322
Rural Road Asset Management Systems Grant	1 952	2 275	2 275	-	-	758	(758)	-100,0%	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	-	-	5 504	(5 504)	-100,0%	16 510
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	484 771	507 017	507 417	42 008	146 251	169 051	(22 801)	-13,5%	507 417
Capital expenditure of Transfers and Grants									
National Government:	249 289	298 258	298 258	20 969	92 952	99 419	(6 468)	-6,5%	298 258
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	178 208	207 558	207 558	8 971	65 544	69 186	(3 642)	-5,3%	207 558
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	90 700	90 700	11 998	27 408	30 233	(2 826)	-9,3%	90 700
Provincial Government:	18 739	-	4 000	-	-	800	(800)	-100,0%	4 000
Infrastructure Grant	18 739	-	4 000	-	-	800	(800)	-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	20 969	92 999	100 219	(7 221)	-7,2%	302 258
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	752 798	805 275	809 675	62 977	239 250	269 271	(30 021)	-11,1%	809 675

2.5 Councillor and Staff Benefits

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

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

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	6 027	422	1 687	2 009	(322)	-16%	6 027
Pension and UIF Contributions	498	698	698	40	159	233	(73)	-32%	698
Medical Aid Contributions	57	61	61	5	19	20	(1)	-5%	61
Cellphone Allowance	663	875	875	51	204	292	(88)	-30%	875
Other benefits and allowances	1 271	1 262	1 262	125	421	421	(0)	0%	1 262
Sub Total - Councillors	7 813	8 922	8 922	643	2 490	2 974	(484)	-16%	8 922
% increase		14,2%	14,2%						14,2%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 029	4 281	4 281	336	1 343	1 427	(85)	-6%	4 281
Pension and UIF Contributions	11	11	11	1	4	4	0	11%	11
Medical Aid Contributions	171	182	182	14	58	61	(3)	-5%	182
Performance Bonus	106	56	56	-	55	19	37	196%	56
Motor Vehicle Allowance	1 052	1 153	1 153	88	351	384	(33)	-9%	1 153
Cellphone Allowance	117	125	125	10	39	42	(3)	-7%	125
Housing Allowances	160	177	177	13	53	59	(6)	-10%	177
Other benefits and allowances	459	492	492	38	153	164	(11)	-7%	492
Sub Total - Senior Managers of Municipality	6 105	6 477	6 477	500	2 056	2 159	(103)	-5%	6 477
% increase		6,1%	6,1%						6,1%
Other Municipal Staff									
Basic Salaries and Wages	126 815	136 771	136 771	12 419	45 028	45 590	(563)	-1%	136 771
Pension and UIF Contributions	18 955	19 567	19 567	1 874	6 784	6 522	262	4%	19 567
Medical Aid Contributions	9 177	9 338	9 338	812	3 279	3 113	166	5%	9 338
Overtime	129	119	119	13	49	40	9	24%	119
Performance Bonus	8 464	7 716	7 716	679	3 188	2 572	616	24%	7 716
Motor Vehicle Allowance	16 182	17 160	17 160	1 950	6 591	5 720	870	15%	17 160
Cellphone Allowance	851	858	858	91	317	286	31	11%	858
Housing Allowances	570	586	586	50	193	195	(2)	-1%	586
Other benefits and allowances	20 465	20 906	20 906	2 011	7 638	6 969	669	10%	20 906
Payments in lieu of leave	3 207	1 204	1 204	100	545	401	143	36%	1 204
Long service awards	981	810	810	166	358	270	88	33%	810
Post-retirement benefit obligations	6 069	3 343	3 343	-	-	1 114	(1 114)	-100%	3 343
Sub Total - Other Municipal Staff	211 864	218 378	218 378	20 165	73 970	72 793	1 177	2%	218 378
% increase		3,1%	3,1%						3,1%
Total Parent Municipality	225 782	233 777	233 777	21 307	78 516	77 927	589	1%	233 777
		3,5%	3,5%						3,5%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	124	(124)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	124	(124)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	1 730	1 730	-	-	577	(577)	-100%	1 730
Sub Total - Senior Managers of Entities	-	1 730	1 730	-	-	577	(577)	-100%	1 730
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 675	7 675	-	-	2 558	(2 558)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	490	(490)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	160	(160)	-100%	479
Performance Bonus	-	533	533	-	-	178	(178)	-100%	533
Payments in lieu of leave	-	43	43	-	-	14	(14)	-100%	43
Sub Total - Other Staff of Entities	-	10 199	10 199	-	-	3 400	(3 400)	-100%	10 199
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 301	12 301	-	-	4 100	(4 100)	-100%	12 301
TOTAL SALARY, ALLOWANCES & BENEFITS	225 782	246 079	246 079	21 307	78 516	82 027	(3 511)	-4%	246 079
% increase		9,0%	9,0%						9,0%
TOTAL MANAGERS AND STAFF	217 969	236 784	236 784	20 665	76 026	78 929	(2 903)	-4%	236 784

2.6 Material Variances to the SDBIP

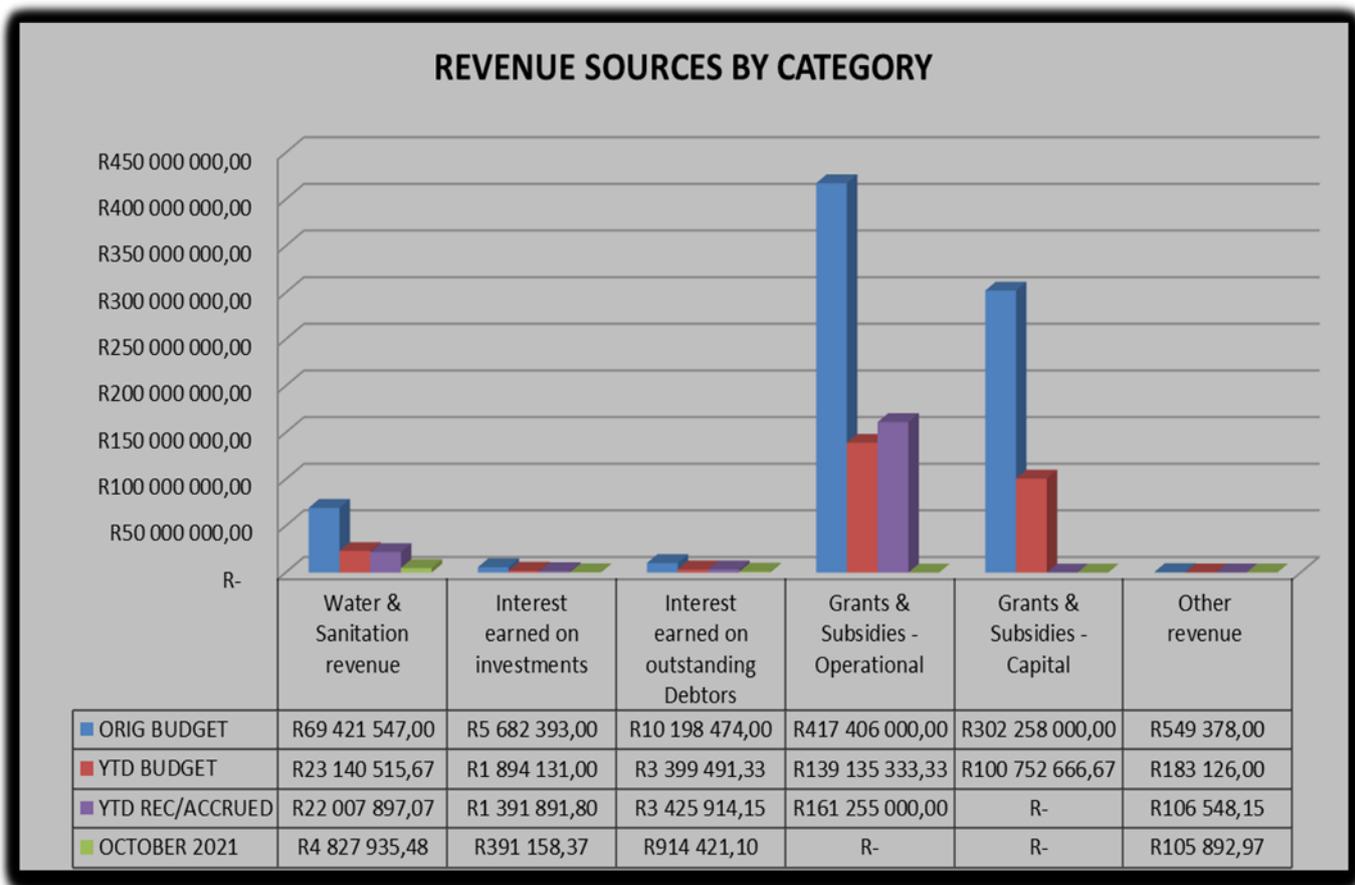
The following section analyses material variances between the actual targets as at 31 October 2021 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 31 October 2021 was R22million against a year to date **budget** of R23, 1million or 95 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R1, 3m against year to budget of R1, 8m representing 73 per cent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R161, 2million against a year to date budget of R139, 1million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

There was no revenue recognised in the period ending 31 October 2021.

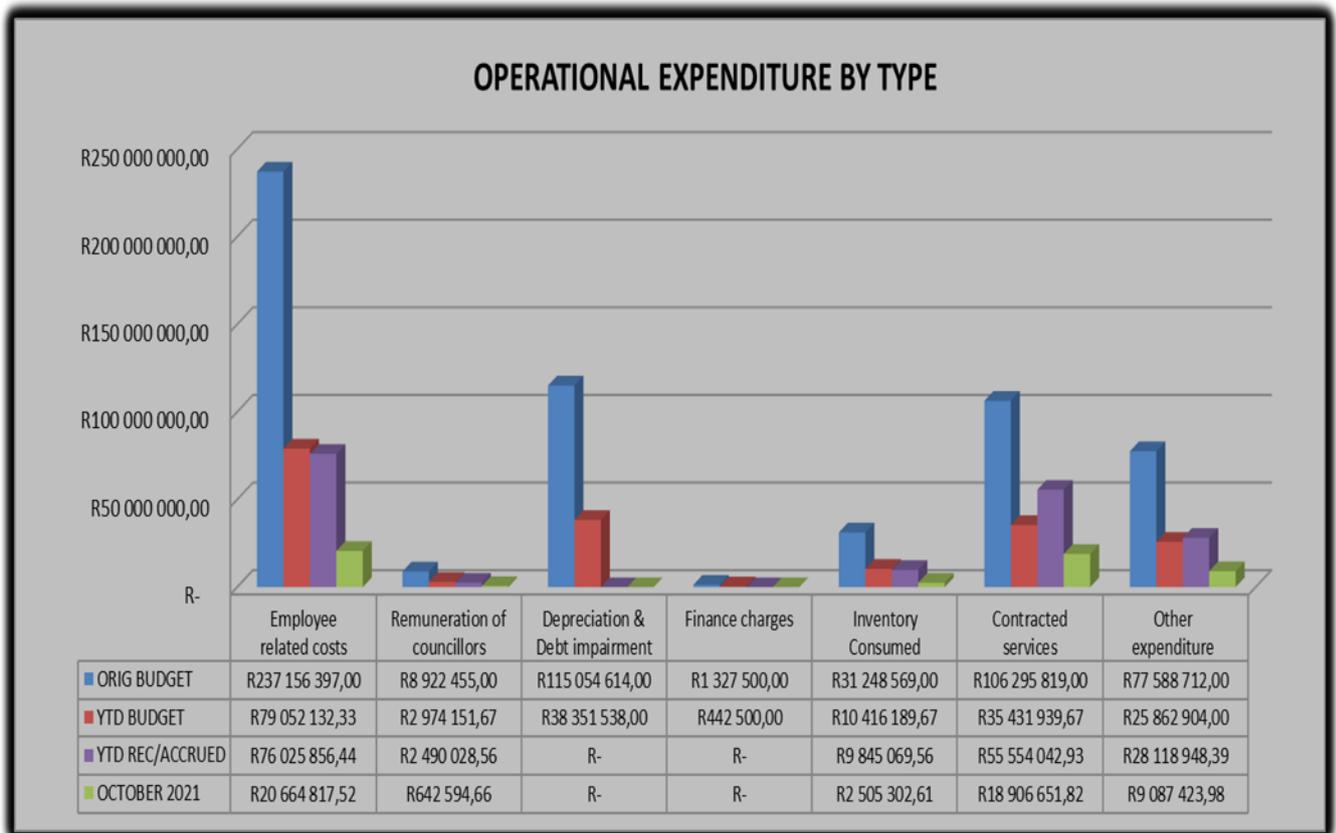
Other Revenue

The YTD performance of other revenue is R106 548 against YTD budget of R 181 126 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 R79million against a YTD actual of R76million which is 96% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 2, 4million against a YTD budget of R 2, 9million representing 84% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 31 October 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 R 9, 8m against a YTD budget of R10, 4m representing 95% of the year to date budget.

Contracted Services

The YTD budget for contracted services was at R 35, 4million against a YTD expenditure of R 55, 5million and expenditure for the month of October 2021 is R18, 9million.

Other Expenditure

The YTD budget for other expenditure was at R 25, 8million against a YTD expenditure of R 28, 1million and expenditure for the month of October 2021 is R4, 9million.

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

Harry Gwala District Municipality

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M04 October

Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Budget	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	4 615	3 307	3 307	3 307	3 307	3 307	3 307	3 307	(1 315)	39 680	41 881	44 214
Service charges - sanitation revenue	557	988	495	1 978	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 909	14 225	15 078	15 983
Interest earned - external investments	121	502	377	391	474	474	474	474	474	474	474	976	5 682	6 018	6 290
Interest earned - outstanding debtors												-			
Transfers and Subsidies - Operational	160 611	2 493	-	-	32 441	32 441	32 441	32 441	32 441	32 441	32 441	(901)	389 288	413 194	416 811
Other revenue	-	0	0	106	46	46	46	46	46	46	46	122	549	574	599
Cash Receipts by Source	164 209	10 925	4 245	7 090	37 452	37 452	37 452	37 452	37 452	37 452	37 452	791	449 425	476 745	483 897
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	126 293	-	57 021	35 000	25 632	25 632	25 632	25 632	25 632	25 632	25 632	(90 155)	307 580	346 011	361 833
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	122	122	149	143
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	290 502	10 925	61 266	42 090	63 084	63 084	63 084	63 084	63 084	63 084	63 084	(89 243)	757 126	822 905	845 873
Cash Payments by Type															
Employee related costs	18 225	18 517	18 618	20 665	20 507	20 507	20 507	20 507	20 507	20 507	20 507	26 507	246 079	262 443	279 953
Remuneration of councillors	619	606	622	643								(2 490)			
Interest paid	-	-	-	-	111	111	111	111	111	111	111	553	1 328	1 385	1 447
Acquisitions - water & other inventory	-	4 588	2 603	2 505	1 616	1 616	1 616	1 616	1 616	1 616	1 616	(1 614)	19 396	20 250	21 161
Contracted services	6 008	12 347	18 293	18 907	8 775	8 775	8 775	8 775	8 775	8 775	8 775	(11 681)	105 296	110 111	114 923
General expenses	4 017	10 244	4 919	9 087	6 120	6 120	6 120	6 120	6 120	6 120	6 120	2 333	73 441	78 948	82 195
Cash Payments by Type	28 870	46 302	45 055	51 807	37 128	37 128	37 128	37 128	37 128	37 128	37 128	13 607	445 539	473 136	499 679
Other Cash Flows/Payments by Type															
Capital assets	30 514	28 923	14 433	20 969	25 940	25 940	25 940	25 940	25 940	25 940	25 940	34 862	311 283	347 620	363 499
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
Total Cash Payments by Type	59 384	75 225	59 488	72 776	63 069	63 069	63 069	63 069	63 069	63 069	63 069	48 470	756 823	820 757	863 177
NET INCREASE/(DECREASE) IN CASH HELD	231 118	(64 300)	1 778	(30 686)	15	15	15	15	15	15	15	(137 712)	303	2 148	(17 304)
Cash/cash equivalents at the month/year beginning:	51 862	282 980	218 681	220 458	189 772	189 787	189 802	189 817	189 832	189 848	189 863	189 878	51 862	52 166	54 314
Cash/cash equivalents at the month/year end:	282 980	218 681	220 458	189 772	189 787	189 802	189 817	189 832	189 848	189 863	189 878	52 166	52 166	54 314	37 010

MIMAS 7 REPORT

Capital Expenditure on New Assets by Asset Class

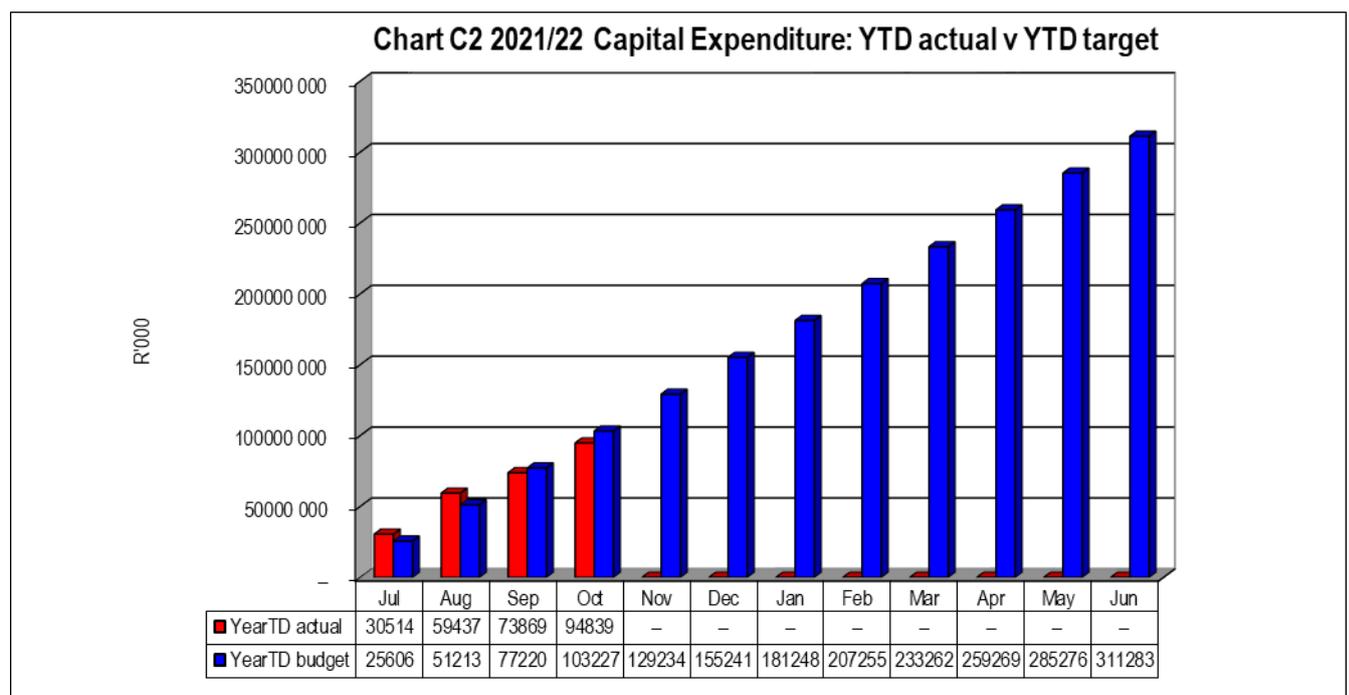
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M04

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	20 969	85 633	94 653	9 020	9,5%	283 958
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	237 781	228 108	223 108	15 913	62 560	75 480	12 920	17,1%	223 108
Dams and Weirs	24 469	25 000	20 000	-	2 058	7 778	5 720	73,5%	20 000
Boreholes	23 814	57 275	57 275	9 470	23 437	19 092	(4 345)	-22,8%	57 275
Reservoirs	870	7 000	7 000	-	1 353	2 333	981	42,0%	7 000
Pump Stations	30 873	31 000	31 000	2 940	9 484	10 333	849	8,2%	31 000
Water Treatment Works	4 539	7 500	7 500	132	4 050	2 500	(1 550)	-62,0%	7 500
Bulk Mains	77 052	26 508	26 508	1 147	4 801	8 836	4 035	45,7%	26 508
Distribution	76 164	73 825	73 825	2 222	17 378	24 608	7 230	29,4%	73 825
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 958	55 850	60 850	5 056	23 072	19 172	(3 900)	-20,3%	60 850
Pump Station	1 580	30 000	30 000	2 647	6 858	10 000	3 142	31,4%	30 000
Reticulation	6 378	20 000	20 000	344	10 208	6 667	(3 541)	-53,1%	20 000
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	5 850	10 850	2 066	6 006	2 506	(3 500)	-139,7%	10 850
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	1 610	-	-	-	-	-	-	-	-
Operational Buildings	1 610	-	-	-	-	-	-	-	-
Municipal Offices	1 610	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	1 418	1 418	-	-	473	473	100,0%	1 418
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1 418	1 418	-	-	473	473	100,0%	1 418
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	1 418	1 418	-	-	473	473	100,0%	1 418
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	1 566	2 130	2 130	-	-	710	710	100,0%	2 130
Computer Equipment	1 566	2 130	2 130	-	-	710	710	100,0%	2 130
Furniture and Office Equipment	1 768	3 057	3 057	-	-	1 019	1 019	100,0%	3 057
Furniture and Office Equipment	1 768	3 057	3 057	-	-	1 019	1 019	100,0%	3 057
Machinery and Equipment	9 099	220	220	-	47	73	26	35,6%	220
Machinery and Equipment	9 099	220	220	-	47	73	26	35,6%	220
Transport Assets	7 355	-	-	-	-	-	-	-	-
Transport Assets	7 355	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	267 136	290 783	290 783	20 969	85 680	96 928	11 248	11,6%	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 - M04

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	6 067	(1 146)	-18,9%	19 800
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	982	15 800	15 800	-	7 213	5 267	(1 946)	-37,0%	15 800
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	500	500	-	-	167	167	100,0%	500
Distribution	982	15 300	15 300	-	7 213	5 100	(2 113)	-41,4%	15 300
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 128	-	4 000	-	-	800	800	100,0%	4 000
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	7 128	-	4 000	-	-	800	800	100,0%	4 000
Outfall Sewers	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	200	200	-	-	67	67	100,0%	200
Machinery and Equipment	-	200	200	-	-	67	67	100,0%	200
Transport Assets	7 032	-	-	-	1 805	-	(1 805)	#DIV/0!	-
Transport Assets	7 032	-	-	-	1 805	-	(1 805)	#DIV/0!	-
Total Capital Expenditure on renewal of existing assets	15 142	16 000	20 000	-	9 018	6 133	(2 885)	-47,0%	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 October 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_____