

# Harry Gwala District Municipality

MFMA s71 report for the period ending 31 July 2021.

8/11/2021

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 July 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,

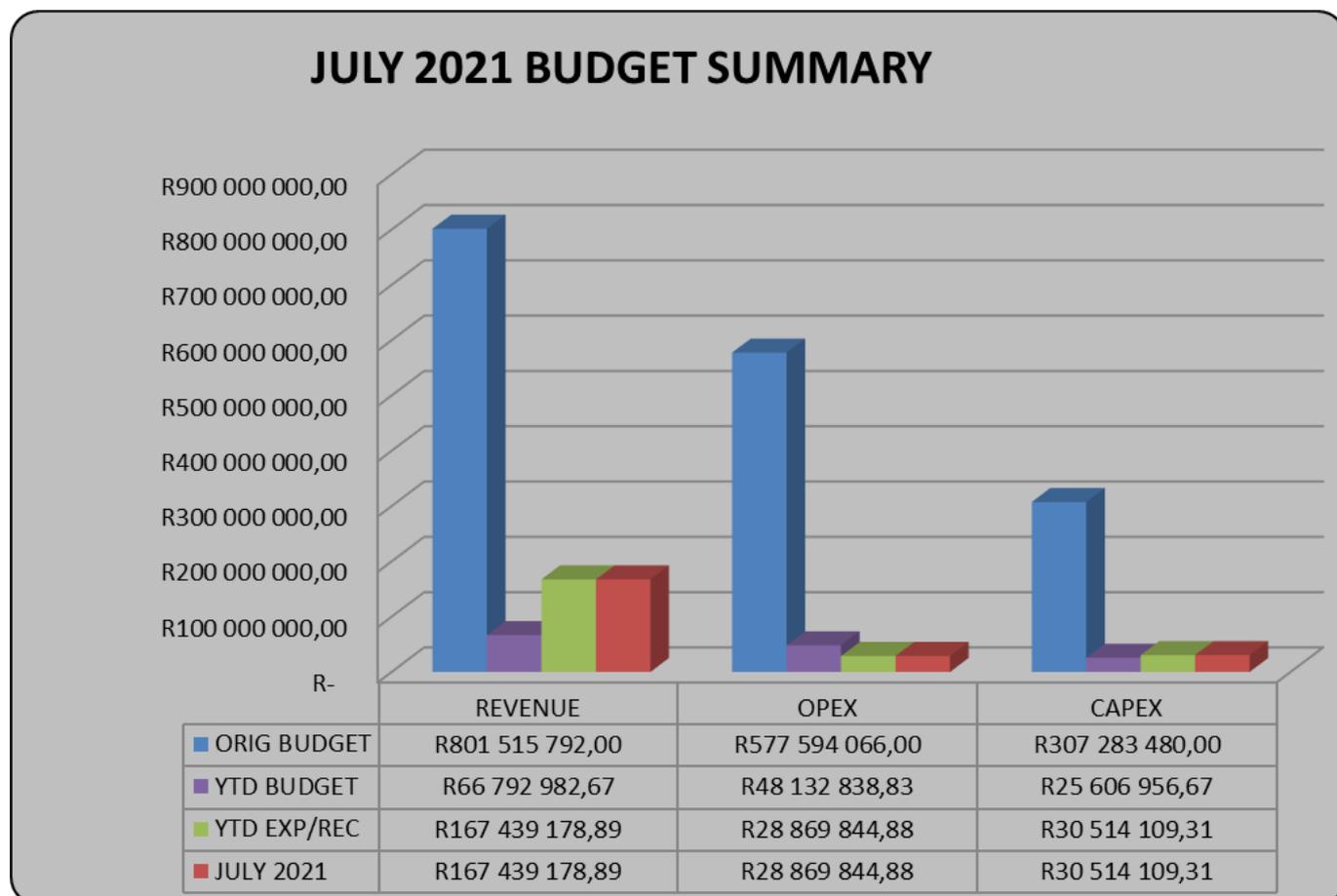
- Revenue
- Operational, and
- Capital Budgets

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 July 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 July 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 R801, 5m. The year to date actual revenue for the period ended 31 July 2021 amounted to R167, 4m which is 251% 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 July amounted to R28, 8m against a year to date (YTD) budget of R48, 1m. The actual YTD expenditure represented 60% of the planned.

## **Capital expenditure**

The total capital budget for the current year amounts to R307, 2m. The YTD expenditure on capital amounts to R30, 5million, or 119% 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 - M01 July

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	67 765	69 422	69 422	5 267	5 267	5 785	(518)	-9%	69 422
Investment revenue	3 011	5 682	5 682	121	121	474	(352)	-74%	5 682
Transfers and subsidies	430 342	417 406	417 406	161 255	161 255	34 784	126 471	364%	417 406
Other own revenue	10 879	10 748	10 748	795	795	896	(100)	-11%	10 748
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>511 997</b>	<b>503 258</b>	<b>503 258</b>	<b>167 439</b>	<b>167 439</b>	<b>41 938</b>	<b>125 501</b>	<b>299%</b>	<b>503 258</b>
Employee costs	211 900	237 156	237 156	18 225	18 225	19 763	(1 538)	-8%	237 156
Remuneration of Councillors	7 813	8 922	8 922	619	619	744	(125)	-17%	8 922
Depreciation & asset impairment	71 467	87 410	87 410	-	-	7 284	(7 284)	-100%	87 410
Finance charges	370	1 328	1 328	-	-	111	(111)	-100%	1 328
Materials and bulk purchases	26 730	31 249	31 249	148	148	2 604	(2 456)	-94%	31 249
Transfers and subsidies	17 000	17 000	17 000	-	-	1 417	(1 417)	-100%	17 000
Other expenditure	262 190	194 529	194 529	9 878	9 878	16 211	(6 333)	-39%	194 529
<b>Total Expenditure</b>	<b>597 471</b>	<b>577 594</b>	<b>577 594</b>	<b>28 870</b>	<b>28 870</b>	<b>48 133</b>	<b>(19 263)</b>	<b>-40%</b>	<b>577 594</b>
<b>Surplus/(Deficit)</b>	<b>(85 473)</b>	<b>(74 336)</b>	<b>(74 336)</b>	<b>138 569</b>	<b>138 569</b>	<b>(6 195)</b>	<b>144 764</b>	<b>-2337%</b>	<b>(74 336)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	298 258	-	-	24 855	(24 855)	-100%	298 258
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>217 384</b>	<b>223 922</b>	<b>223 922</b>	<b>138 569</b>	<b>138 569</b>	<b>18 660</b>	<b>119 909</b>	<b>643%</b>	<b>223 922</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>217 384</b>	<b>223 922</b>	<b>223 922</b>	<b>138 569</b>	<b>138 569</b>	<b>18 660</b>	<b>119 909</b>	<b>643%</b>	<b>223 922</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>280 394</b>	<b>307 283</b>	<b>307 283</b>	<b>30 514</b>	<b>30 514</b>	<b>25 607</b>	<b>4 907</b>	<b>19%</b>	<b>307 283</b>
Capital transfers recognised	263 224	298 258	298 258	30 514	30 514	24 855	5 659	23%	298 258
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	17 170	9 025	9 025	-	-	752	(752)	-100%	9 025
<b>Total sources of capital funds</b>	<b>280 394</b>	<b>307 283</b>	<b>307 283</b>	<b>30 514</b>	<b>30 514</b>	<b>25 607</b>	<b>4 907</b>	<b>19%</b>	<b>307 283</b>
<b>Financial position</b>									
Total current assets	1 161 936	1 076 619	1 076 619	-	313 926	-	-	-	1 076 619
Total non current assets	2 550 296	2 845 908	2 845 908	-	2 580 810	-	-	-	2 845 908
Total current liabilities	252 176	106 785	106 785	-	263 973	-	-	-	106 785
Total non current liabilities	32 336	25 676	25 676	-	20 622	-	-	-	25 676
Community wealth/Equity	<b>2 582 946</b>	<b>2 821 066</b>	<b>2 821 066</b>	-	<b>2 471 571</b>	-	-	-	<b>2 821 066</b>
<b>Cash flows</b>									
Net cash from (used) operating	(99 976)	313 261	313 261	265 745	265 745	240 650	(25 095)	-10%	307 465
Net cash from (used) investing	(233 320)	(307 283)	(307 283)	(30 514)	(30 514)	(25 607)	4 907	-19%	(307 283)
Net cash from (used) financing	(170)	(3 529)	(3 529)	-	-	(180)	(180)	100%	(2 155)
<b>Cash/cash equivalents at the month/year end</b>	<b>(292 796)</b>	<b>51 179</b>	<b>51 179</b>	<b>-</b>	<b>287 118</b>	<b>214 864</b>	<b>(72 255)</b>	<b>-34%</b>	<b>(1 973)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	7 389	6 185	5 223	4 515	4 195	4 687	24 990	177 527	234 711
<b>Creditors Age Analysis</b>									
Total Creditors	2 362	-	-	3 302	-	-	-	-	5 664

## 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) - M01 July

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue - Functional</b>									
<i>Governance and administration</i>	422 901	404 553	404 553	161 379	161 379	33 713	127 666	379%	404 553
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	404 553	404 553	161 379	161 379	33 713	127 666	379%	404 553
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	3 875	22 412	22 412	-	-	1 868	(1 868)	-100%	22 412
Planning and development	3 875	22 412	22 412	-	-	1 868	(1 868)	-100%	22 412
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	388 078	374 551	374 551	6 060	6 060	31 213	(25 153)	-81%	374 551
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	360 199	360 199	5 024	5 024	30 017	(24 993)	-83%	360 199
Waste water management	29 226	14 352	14 352	1 036	1 036	1 196	(160)	-13%	14 352
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>814 855</b>	<b>801 516</b>	<b>801 516</b>	<b>167 439</b>	<b>167 439</b>	<b>66 793</b>	<b>100 646</b>	<b>151%</b>	<b>801 516</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>	226 685	251 534	251 534	13 191	13 191	20 961	(7 771)	-37%	251 534
Executive and council	27 920	24 745	24 745	1 507	1 507	2 062	(555)	-27%	24 745
Finance and administration	189 262	217 553	217 553	11 119	11 119	18 130	(7 010)	-39%	217 553
Internal audit	9 503	9 236	9 236	564	564	770	(206)	-27%	9 236
<i>Community and public safety</i>	16 199	18 501	18 501	1 464	1 464	1 542	(77)	-5%	18 501
Community and social services	16 199	18 501	18 501	1 464	1 464	1 542	(77)	-5%	18 501
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	113 434	154 812	154 812	2 764	2 764	12 901	(10 137)	-79%	154 812
Planning and development	113 434	154 812	154 812	2 764	2 764	12 901	(10 137)	-79%	154 812
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	241 153	152 747	152 747	11 451	11 451	12 729	(1 278)	-10%	152 747
Energy sources	-	-	-	-	-	-	-	-	-
Water management	240 291	151 849	151 849	11 354	11 354	12 654	(1 300)	-10%	151 849
Waste water management	862	898	898	97	97	75	22	30%	898
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>597 471</b>	<b>577 594</b>	<b>577 594</b>	<b>28 870</b>	<b>28 870</b>	<b>48 133</b>	<b>(19 263)</b>	<b>-40%</b>	<b>577 594</b>
<b>Surplus/ (Deficit) for the year</b>	<b>217 384</b>	<b>223 922</b>	<b>223 922</b>	<b>138 569</b>	<b>138 569</b>	<b>18 660</b>	<b>119 909</b>	<b>643%</b>	<b>223 922</b>

This table assess the revenue by department and then the expenditure for the period ending 31 July 2021. Revenue receipts in July have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of July is 21%.

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 R13, 1m.

Table C3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Harry Gwala - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	422 192	404 553	404 553	161 379	161 379	33 713	127 666	378,7%	404 553
Vote 04 - Summary Corporate Services	665	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	3 875	22 412	22 412	-	-	1 868	(1 868)	-100,0%	22 412
Vote 06 - Summary Infrastructure Services	300 745	311 333	311 333	333	333	25 944	(25 612)	-98,7%	311 333
Vote 07 - Summary Water Services	87 377	63 218	63 218	5 727	5 727	5 268	459	8,7%	63 218
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>814 855</b>	<b>801 516</b>	<b>801 516</b>	<b>167 439</b>	<b>167 439</b>	<b>66 793</b>	<b>100 646</b>	<b>150,7%</b>	<b>801 516</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	14 956	16 256	16 256	1 079	1 079	1 355	(276)	-20,4%	16 256
Vote 02 - Summary Municipal Manager	22 466	17 726	17 726	993	993	1 477	(485)	-32,8%	17 726
Vote 03 - Summary Budget And Treasury Office	51 332	85 267	85 267	3 417	3 417	7 106	(3 688)	-51,9%	85 267
Vote 04 - Summary Corporate Services	85 710	89 530	89 530	5 636	5 636	7 461	(1 825)	-24,5%	89 530
Vote 05 - Summary Social Services & Development Planning	46 613	68 717	68 717	2 723	2 723	5 726	(3 003)	-52,4%	68 717
Vote 06 - Summary Infrastructure Services	87 249	109 078	109 078	1 858	1 858	9 090	(7 232)	-79,6%	109 078
Vote 07 - Summary Water Services	289 144	191 021	191 021	13 165	13 165	15 918	(2 754)	-17,3%	191 021
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>597 471</b>	<b>577 594</b>	<b>577 594</b>	<b>28 870</b>	<b>28 870</b>	<b>48 133</b>	<b>(19 263)</b>	<b>-40,0%</b>	<b>577 594</b>
<b>Surplus/ (Deficit) for the year</b>	<b>217 384</b>	<b>223 922</b>	<b>223 922</b>	<b>138 569</b>	<b>138 569</b>	<b>18 660</b>	<b>119 909</b>	<b>642,6%</b>	<b>223 922</b>

## Statement of financial Performance

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

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue									
Service charges - water revenue	54 003	48 866	48 866	4 195	4 195	4 072	123	3%	48 866
Service charges - sanitation revenue	13 762	20 555	20 555	1 072	1 072	1 713	(641)	-37%	20 555
Interest earned - external investments	3 011	5 682	5 682	121	121	474	(352)	-74%	5 682
Interest earned - outstanding debtors	10 100	10 198	10 198	795	795	850	(54)	-6%	10 198
Transfers and subsidies	430 342	417 406	417 406	161 255	161 255	34 784	126 471	364%	417 406
Other revenue	778	549	549	-	-	46	(46)	-100%	549
Gains	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>511 997</b>	<b>503 258</b>	<b>503 258</b>	<b>167 439</b>	<b>167 439</b>	<b>41 938</b>	<b>125 501</b>	<b>299%</b>	<b>503 258</b>
<b>Expenditure By Type</b>									
Employee related costs	211 900	237 156	237 156	18 225	18 225	19 763	(1 538)	-8%	237 156
Remuneration of councillors	7 813	8 922	8 922	619	619	744	(125)	-17%	8 922
Debt impairment	68 766	27 645	27 645	-	-	2 304	(2 304)	-100%	27 645
Depreciation & asset impairment	71 467	87 410	87 410	-	-	7 284	(7 284)	-100%	87 410
Finance charges	370	1 328	1 328	-	-	111	(111)	-100%	1 328
Bulk purchases	20 598	-	-	(1)	(1)	-	(1)	#DIV/0!	-
Other materials	6 132	31 249	31 249	149	149	2 604	(2 455)	-94%	31 249
Contracted services	139 021	105 296	106 296	6 008	6 008	8 858	(2 850)	-32%	106 296
Transfers and subsidies	17 000	17 000	17 000	-	-	1 417	(1 417)	-100%	17 000
Other expenditure	54 402	61 589	60 589	3 870	3 870	5 049	(1 180)	-23%	60 589
Losses	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>597 471</b>	<b>577 594</b>	<b>577 594</b>	<b>28 870</b>	<b>28 870</b>	<b>48 133</b>	<b>(19 263)</b>	<b>-40%</b>	<b>577 594</b>
<b>Surplus/(Deficit)</b>	<b>(85 473)</b>	<b>(74 336)</b>	<b>(74 336)</b>	<b>138 569</b>	<b>138 569</b>	<b>(6 195)</b>	<b>144 764</b>	<b>(0)</b>	<b>(74 336)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	298 258	-	-	24 855	(24 855)	(0)	298 258
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>217 384</b>	<b>223 922</b>	<b>223 922</b>	<b>138 569</b>	<b>138 569</b>	<b>18 660</b>			<b>223 922</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>217 384</b>	<b>223 922</b>	<b>223 922</b>	<b>138 569</b>	<b>138 569</b>	<b>18 660</b>			<b>223 922</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>217 384</b>	<b>223 922</b>	<b>223 922</b>	<b>138 569</b>	<b>138 569</b>	<b>18 660</b>			<b>223 922</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>217 384</b>	<b>223 922</b>	<b>223 922</b>	<b>138 569</b>	<b>138 569</b>	<b>18 660</b>			<b>223 922</b>

## Capital Expenditure

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

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

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	500	500	-	-	42	(42)	-100%	500
Vote 04 - Summary Corporate Services	5 065	4 031	4 031	-	-	336	(336)	-100%	4 031
Vote 05 - Summary Social Services & Development Planning	7 355	1 870	1 870	-	-	156	(156)	-100%	1 870
Vote 06 - Summary Infrastructure Services	32 258	16 300	16 300	774	774	1 358	(585)	-43%	16 300
Vote 07 - Summary Water Services	235 715	284 583	284 583	29 741	29 741	23 715	6 025	25%	284 583
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>280 394</b>	<b>307 283</b>	<b>307 283</b>	<b>30 514</b>	<b>30 514</b>	<b>25 607</b>	<b>4 907</b>	<b>19%</b>	<b>307 283</b>
<b>Total Capital Expenditure</b>	<b>280 394</b>	<b>307 283</b>	<b>307 283</b>	<b>30 514</b>	<b>30 514</b>	<b>25 607</b>	<b>4 907</b>	<b>19%</b>	<b>307 283</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	<b>5 065</b>	<b>5 110</b>	<b>5 110</b>	-	-	<b>426</b>	<b>(426)</b>	<b>-100%</b>	<b>5 110</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	5 065	5 110	5 110	-	-	426	(426)	-100%	5 110
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>7 355</b>	<b>1 021</b>	<b>1 021</b>	-	-	<b>85</b>	<b>(85)</b>	<b>-100%</b>	<b>1 021</b>
Community and social services	7 355	1 021	1 021	-	-	85	(85)	-100%	1 021
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>4 750</b>	<b>1 270</b>	<b>1 270</b>	-	-	<b>106</b>	<b>(106)</b>	<b>-100%</b>	<b>1 270</b>
Planning and development	4 750	1 270	1 270	-	-	106	(106)	-100%	1 270
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>263 224</b>	<b>299 883</b>	<b>299 883</b>	<b>30 514</b>	<b>30 514</b>	<b>24 990</b>	<b>5 524</b>	<b>22%</b>	<b>299 883</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	248 586	244 033	244 033	18 982	18 982	20 336	(1 354)	-7%	244 033
Waste water management	14 637	55 850	55 850	11 532	11 532	4 654	6 878	148%	55 850
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>280 394</b>	<b>307 283</b>	<b>307 283</b>	<b>30 514</b>	<b>30 514</b>	<b>25 607</b>	<b>4 907</b>	<b>19%</b>	<b>307 283</b>
<b>Funded by:</b>									
National Government	249 178	298 258	298 258	30 514	30 514	24 855	5 659	23%	298 258
Provincial Government	14 046	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>263 224</b>	<b>298 258</b>	<b>298 258</b>	<b>30 514</b>	<b>30 514</b>	<b>24 855</b>	<b>5 659</b>	<b>23%</b>	<b>298 258</b>
<b>Borrowing</b>	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	<b>17 170</b>	<b>9 025</b>	<b>9 025</b>	-	-	<b>752</b>	<b>(752)</b>	<b>-100%</b>	<b>9 025</b>
<b>Total Capital Funding</b>	<b>280 394</b>	<b>307 283</b>	<b>307 283</b>	<b>30 514</b>	<b>30 514</b>	<b>25 607</b>	<b>4 907</b>	<b>19%</b>	<b>307 283</b>

As alluded to above, the capital expenditure programme for the period ending 31 July 2021 was R 35, 5m which represents 119% of capital expenditure against year to date budget of R25, 6million. 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**

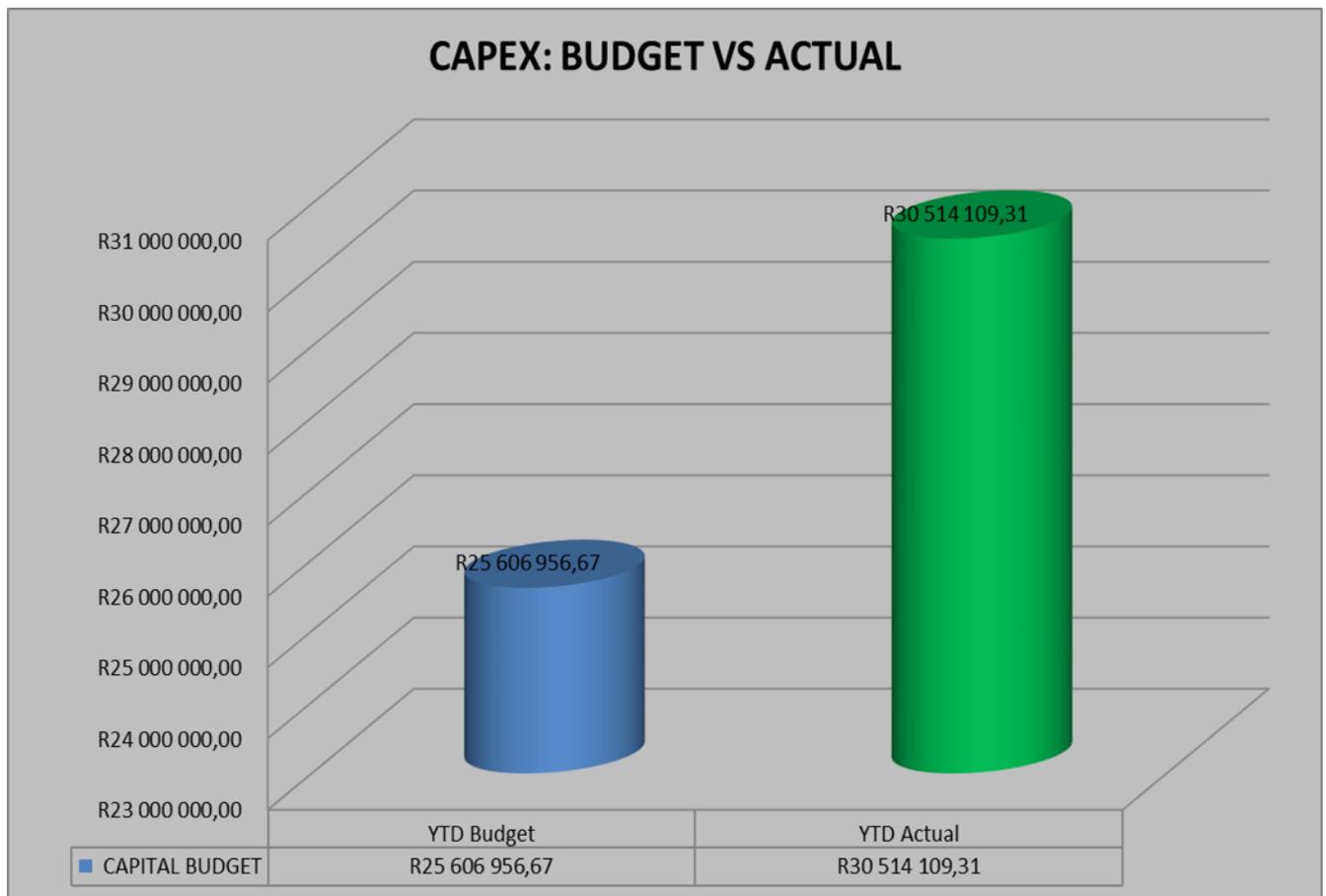


Table C6 displays the financial position of the municipality as at 31 July 2021.

**DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M01 July**

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash	355 843	11 058	11 058	4 066	11 058
Call investment deposits	787 515	40 121	40 121	281 680	40 121
Consumer debtors	(4 376)	30 951	30 951	(361)	30 951
Other debtors	22 686	25 222	25 222	28 274	25 222
Inventory	267	267	267	267	267
<b>Total current assets</b>	<b>1 161 936</b>	<b>107 619</b>	<b>107 619</b>	<b>313 926</b>	<b>107 619</b>
<b>Non current assets</b>					
Property, plant and equipment	2 549 718	2 843 962	2 843 962	2 580 232	2 843 962
Intangible	578	1 946	1 946	578	1 946
Other non-current assets	0	0	0	0	0
<b>Total non current assets</b>	<b>2 550 296</b>	<b>2 845 908</b>	<b>2 845 908</b>	<b>2 580 810</b>	<b>2 845 908</b>
<b>TOTAL ASSETS</b>	<b>3 712 231</b>	<b>2 953 527</b>	<b>2 953 527</b>	<b>2 894 736</b>	<b>2 953 527</b>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>					
Borrowing	-	-	-	11 661	-
Consumer deposits	2 034	2 155	2 155	2 044	2 155
Trade and other payables	235 055	91 336	91 336	235 180	91 336
Provisions	15 088	13 294	13 294	15 088	13 294
<b>Total current liabilities</b>	<b>252 176</b>	<b>106 785</b>	<b>106 785</b>	<b>263 973</b>	<b>106 785</b>
<b>Non current liabilities</b>					
Borrowing	13 857	1 878	1 878	2 143	1 878
Provisions	18 479	23 797	23 797	18 479	23 797
<b>Total non current liabilities</b>	<b>32 336</b>	<b>25 676</b>	<b>25 676</b>	<b>20 622</b>	<b>25 676</b>
<b>TOTAL LIABILITIES</b>	<b>284 513</b>	<b>132 461</b>	<b>132 461</b>	<b>284 596</b>	<b>132 461</b>
<b>NET ASSETS</b>	<b>3 427 719</b>	<b>2 821 066</b>	<b>2 821 066</b>	<b>2 610 140</b>	<b>2 821 066</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>					
Accumulated Surplus/(Deficit)	3 427 719	2 821 066	2 821 066	2 610 140	2 821 066
Reserves	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 427 719</b>	<b>2 821 066</b>	<b>2 821 066</b>	<b>2 610 140</b>	<b>2 821 066</b>

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

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M01 July

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates							-		
Service charges	130 189	53 905	53 905	2 483	2 483	4 492	(2 009)	-45%	53 905
Other revenue	307	549	549	-	-	46	(46)	-100%	549
Transfers and Subsidies - Operational	234 355	395 084	395 084	162 848	162 848	32 441	130 407	402%	389 288
Transfers and Subsidies - Capital	215 028	303 580	303 580	124 700	124 700	240 326	(115 626)	-48%	303 580
Interest	3 011	5 682	5 682	121	121	474	(352)	-74%	5 682
Dividends							-		
<b>Payments</b>									
Suppliers and employees	(682 380)	(444 212)	(444 212)	(24 407)	(24 407)	(37 018)	(12 611)	34%	(444 212)
Finance charges	-	(1 328)	(1 328)	-	-	(111)	(111)	100%	(1 328)
Transfers and Grants	(486)	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(99 976)</b>	<b>313 261</b>	<b>313 261</b>	<b>265 745</b>	<b>265 745</b>	<b>240 650</b>	<b>(25 095)</b>	<b>-10%</b>	<b>307 465</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments							-		
<b>Payments</b>									
Capital assets	(233 320)	(307 283)	(307 283)	(30 514)	(30 514)	(25 607)	4 907	-19%	(307 283)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(233 320)</b>	<b>(307 283)</b>	<b>(307 283)</b>	<b>(30 514)</b>	<b>(30 514)</b>	<b>(25 607)</b>	<b>4 907</b>	<b>-19%</b>	<b>(307 283)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	(170)	147	147	-	-	(180)	180	-100%	(2 155)
<b>Payments</b>									
Repayment of borrowing		(3 676)	(3 676)	-	-	-	-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(170)</b>	<b>(3 529)</b>	<b>(3 529)</b>	<b>-</b>	<b>-</b>	<b>(180)</b>	<b>(180)</b>	<b>100%</b>	<b>(2 155)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(333 467)</b>	<b>2 448</b>	<b>2 448</b>	<b>235 231</b>	<b>235 231</b>	<b>214 864</b>			<b>(1 973)</b>
Cash/cash equivalents at beginning:	40 671	48 731	48 731		51 887				
Cash/cash equivalents at month/year end:	(292 796)	51 179	51 179		287 118	214 864			(1 973)

**PART 2 – SUPPORTING DOCUMENTATION****2.1 Debtors Analysis**

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

**Table 2.1.1: Debtors Age Analysis by Income Source**

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	Budget Year 2020/21									Total	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			
<b>R thousands</b>											
<b>Debtors Age Analysis By Income Source</b>											
Trade and Other Receivables from Exchange Transactions - Water	4 743	3 970	3 353	2 898	2 693	3 009	16 041	113 959	150 666	138 600	
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1 853	1 551	1 310	1 132	1 052	1 175	6 267	44 519	58 859	54 146	
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	793	664	560	484	450	503	2 681	19 049	25 185	23 168	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
<b>Total By Income Source</b>	<b>7 389</b>	<b>6 185</b>	<b>5 223</b>	<b>4 515</b>	<b>4 195</b>	<b>4 687</b>	<b>24 990</b>	<b>177 527</b>	<b>234 711</b>	<b>215 914</b>	
<b>2019/20 - totals only</b>									-	-	
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	3 300	2 444	680	671	289	189	1 147	3 919	12 639	6 215	
Commercial	776	436	924	333	477	419	1 934	9 129	14 428	12 292	
Households	3 313	3 305	3 619	3 511	3 429	4 079	21 909	164 479	207 644	197 407	
Other	-	-	-	-	-	-	-	-	-	-	
<b>Total By Customer Group</b>	<b>7 389</b>	<b>6 185</b>	<b>5 223</b>	<b>4 515</b>	<b>4 195</b>	<b>4 687</b>	<b>24 990</b>	<b>177 527</b>	<b>234 711</b>	<b>215 914</b>	

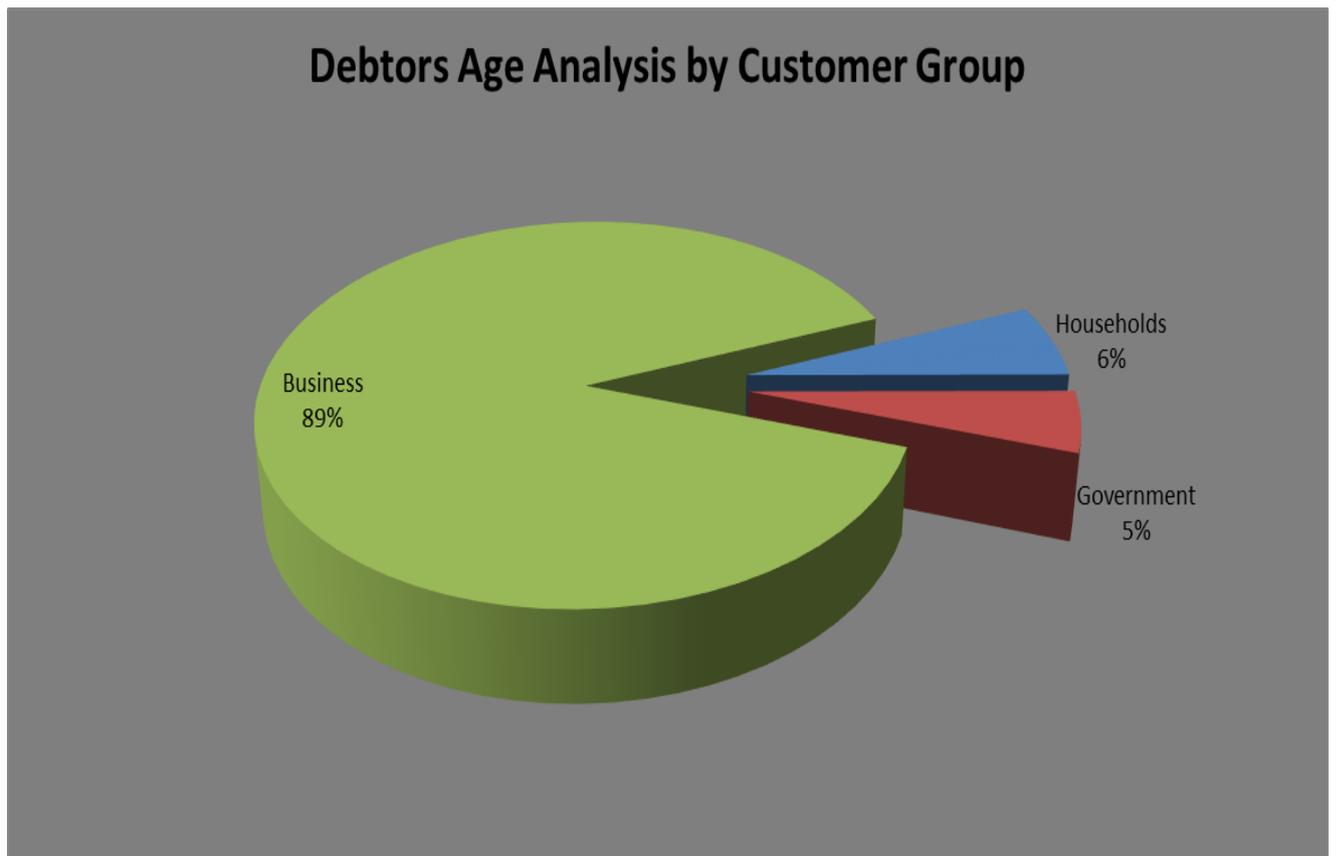
**Table 2.1.2: Debtors Age Analysis by Customer Category**

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: 75%
- ✓ Government 16%
- ✓ Business 9%



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

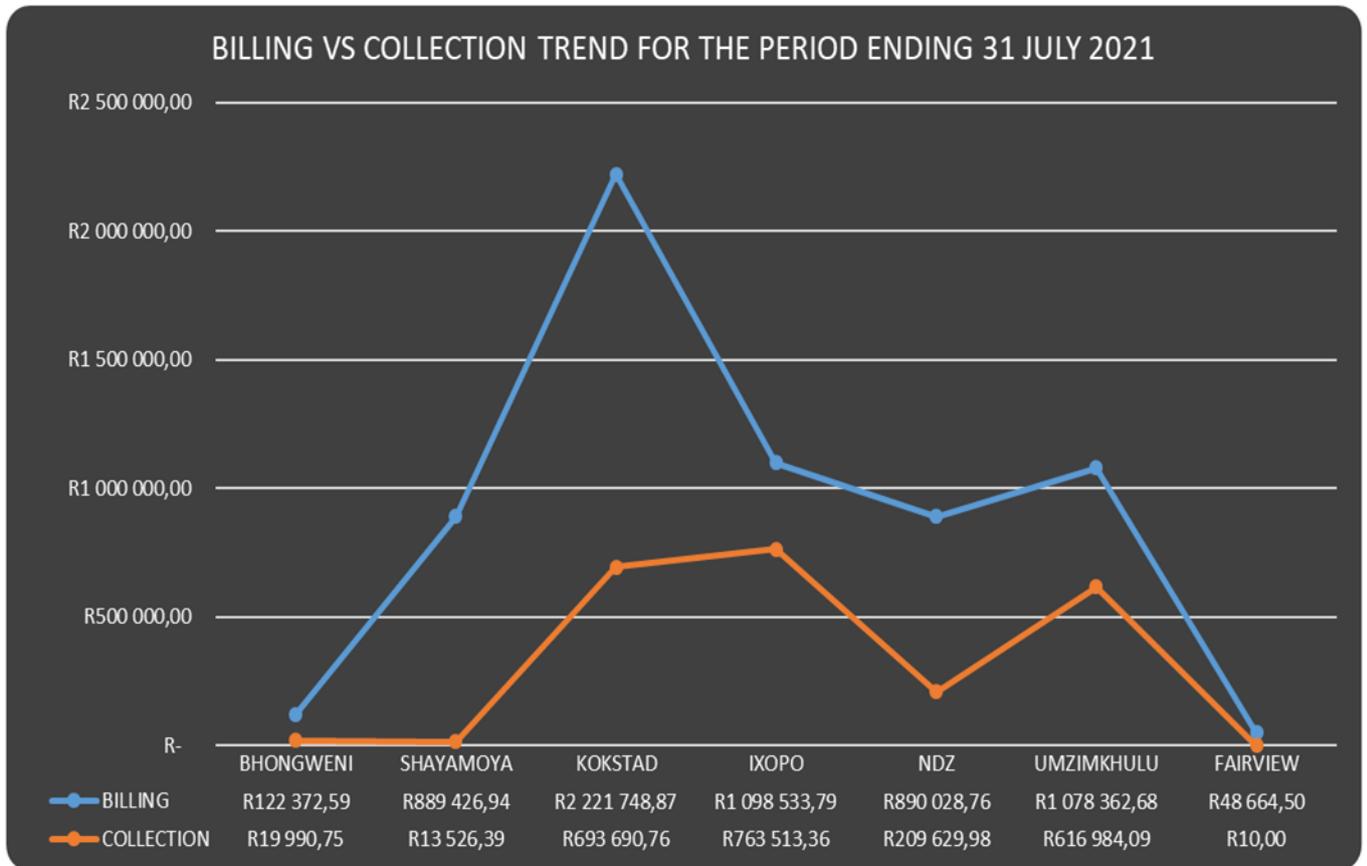
## REVENUE RECEIPTS

### Revenue receipts per Area

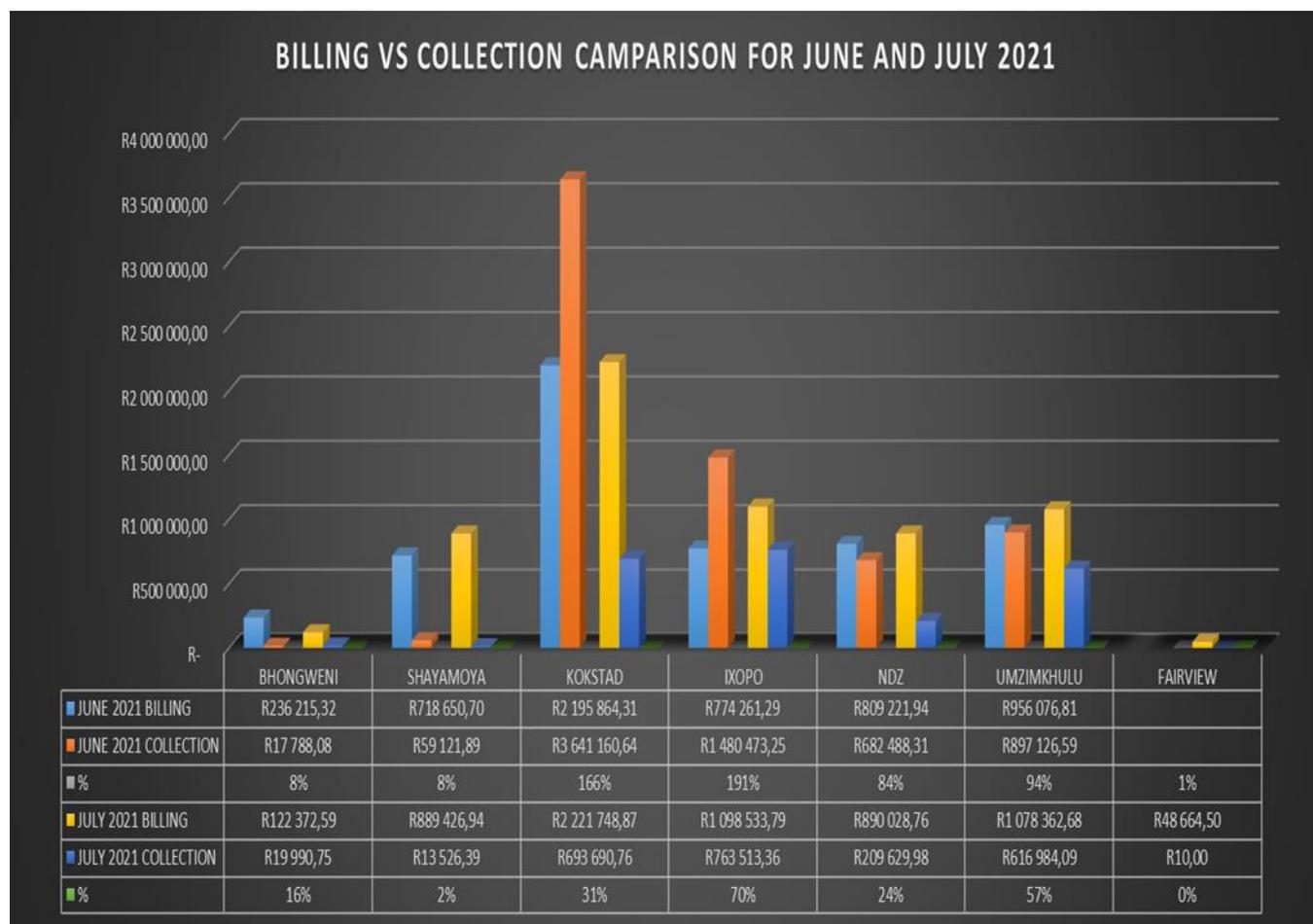
AREA	AMOUNT		
		JULY 2021	JUNE 2021
Unallocated receipts	R 165 405,32	7%	1%
Bhongweni	R 19 990,75	1%	0%
Shayamoya	R 13 526,39	1%	1%
Kokstad	R 693 690,76	28%	53%
Ixopo	R 763 513,36	31%	22%
NDZ	R 209 629,98	8%	10%
Umzimkulu	R 616 984,09	25%	13%
Fairview	R 10, 00	0%	0%
<b>TOTAL RECEIPTS INCL VAT</b>	<b>R 2 482 750,65</b>	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 July 2021 is R2, 4million. The total billing for July 2021 amount to R 6, 3million against total collection of R 2, 4million representing 39 per cent.

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



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



### Debtors age analysis per service

The municipality’s total outstanding debtors amounted to R 234 710 793 as at 30 July 2021 compared with the R 231 178 406 as at 30 June 2021. Current debt represent 3% of the total outstanding debt compared with the 3% of June 2020; 30 days and older debt 3% compared with the 3% for June 2021; 60 days and older debt 2% compared with the 2% of June 2021; and 90 days 2% compared with the 2% of June 2021; 120 days to History and older 90% compared with the 90% for June 2021.

Current debt increased with R 3,532,386 to R 234,710,793 compared with the R 231,178,406 as at 30 June 2021; 30 days + debt Increased with R 116,559; 60 days + Increased with R637, 149; 90 days + debt decreased with R 265,528 and 120 + days and older debt as at 31 July 2021 has increased with R 2,131,747 to R 211,399,066 compared with the R 209,267,319 as at 30 June 2021.

### **Debtors age analysis per debtor type**

Business debtors owes the municipality R 14,254,399 (6%); Municipal debtors R 1,040,492 (0%); domestic debtors R 194,392,518 (83%); Government accounts R 11,115,292 (5%); Indigent debtors R 9,516,704 (4%) and other debtors R 4,391,388 (2%) of the total outstanding debt of R 234,710,793.

## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 July 2021

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July									
Description	Budget Year 2020/21								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	
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	2 362			3 302					5 664
Auditor General									-
Other									-
<b>Total By Customer Type</b>	<b>2 362</b>	<b>-</b>	<b>-</b>	<b>3 302</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 664</b>

## 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 July 2021.

## Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

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								
<b>Municipality</b>								
FIRST NATIONAL BANK	CALL ACCOUNT			202	19	-	83 678	83 898
FIRST NATIONAL BANK	CALL ACCOUNT			2	0	(18 090)	89 700	71 612
FIRST NATIONAL BANK	ADMIN CALL			7 782	26	-	42 000	49 808
INVESTEC	FIXED DEPOSIT			20 267	58	-	-	20 324
FIRST NATIONAL BANK	FIXED DEPOSIT			2	0	-	35 000	35 002
FIRST NATIONAL BANK	CALL ACCOUNT			8	0	-	-	8
FIRST NATIONAL BANK	CALL ACCOUNT			3	-	-	-	3
FIRST NATIONAL BANK	CALL ACCOUNT			2	-	-	-	2
FIRST NATIONAL BANK	FIXED DEPOSIT			6	0	-	-	6
NEDBANK	FIXED DEPOSIT			20 999	17	-	-	21 016
FIRST NATIONAL BANK	ENT ACCOUNT			2 479			2 959	5 438
								-
<b>Municipality sub-total</b>				<b>51 752</b>	<b>119</b>	<b>(18 090)</b>	<b>253 336</b>	<b>287 118</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>51 752</b>		<b>(18 090)</b>	<b>253 336</b>	<b>287 118</b>

## 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 - M01 July

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	429 587	400 406	400 406	161 255	161 255	33 367	127 888	383,3%	400 406
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	417 623	387 013	387 013	161 255	161 255	32 251	129 004	400,0%	387 013
Expanded Public Works Programme Integrated Grant	5 195	4 596	4 596	-	-	383	(383)	-100,0%	4 596
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	-	-	100	(100)	-100,0%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	5 322	5 322	-	-	444	(444)	-100,0%	5 322
Rural Road Asset Management Systems Grant	2 245	2 275	2 275	-	-	190	(190)	-100,0%	2 275
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	352	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	352	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	17 000	17 000	-	-	1 417	(1 417)	-100,0%	17 000
Specify (Add grant description)	-	17 000	17 000	-	-	1 417	(1 417)	-100,0%	17 000
<b>Other grant providers:</b>	404	-	-	-	-	-	-	-	-
Chemical Industry Seta	404	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>430 342</b>	<b>417 406</b>	<b>417 406</b>	<b>161 255</b>	<b>161 255</b>	<b>34 784</b>	<b>126 471</b>	<b>363,6%</b>	<b>417 406</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	287 857	298 258	298 258	-	-	24 855	(24 855)	-100,0%	298 258
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	207 558	207 558	-	-	17 297	(17 297)	-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	-	-	7 558	(7 558)	-100,0%	90 700
<b>Provincial Government:</b>	15 000	-	-	-	-	-	-	-	-
Infrastructure Grant	15 000	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>302 857</b>	<b>298 258</b>	<b>298 258</b>	<b>-</b>	<b>-</b>	<b>24 855</b>	<b>(24 855)</b>	<b>-100,0%</b>	<b>298 258</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>733 200</b>	<b>715 664</b>	<b>715 664</b>	<b>161 255</b>	<b>161 255</b>	<b>59 639</b>	<b>101 616</b>	<b>170,4%</b>	<b>715 664</b>

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 - M01 July

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	463 866	507 017	507 017	27 266	27 266	42 252	(14 985)	-35,5%	507 017
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	454 762	492 327	493 648	26 863	26 863	41 138	(14 275)	-34,7%	493 648
Expanded Public Works Programme Integrated Grant	5 467	5 976	4 655	352	352	388	(36)	-9,2%	4 655
Local Government Financial Management Grant	836	1 117	1 117	51	51	93	(42)	-45,2%	1 117
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	5 322	5 322	-	-	444	(444)	-100,0%	5 322
Rural Road Asset Management Systems Grant	1 952	2 275	2 275	-	-	190	(190)	-100,0%	2 275
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	16 510	16 510	-	-	1 376	(1 376)	-100,0%	16 510
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>463 866</b>	<b>507 017</b>	<b>507 017</b>	<b>27 266</b>	<b>27 266</b>	<b>42 252</b>	<b>(14 985)</b>	<b>-35,5%</b>	<b>507 017</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	249 178	298 258	298 258	30 514	30 514	24 855	5 659	22,8%	298 258
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	178 097	207 558	207 558	24 711	24 711	17 297	7 414	42,9%	207 558
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	90 700	90 700	5 803	5 803	7 558	(1 755)	-23,2%	90 700
<b>Provincial Government:</b>	<b>14 046</b>	-	-	-	-	-	-	-	-
Infrastructure Grant	<b>14 046</b>	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>263 224</b>	<b>298 258</b>	<b>298 258</b>	<b>30 514</b>	<b>30 514</b>	<b>24 855</b>	<b>5 659</b>	<b>22,8%</b>	<b>298 258</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>727 090</b>	<b>805 275</b>	<b>805 275</b>	<b>57 780</b>	<b>57 780</b>	<b>67 107</b>	<b>(9 326)</b>	<b>-13,9%</b>	<b>805 275</b>

## 2.5 Councillor and Staff Benefits

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

# Harry Gwala District Municipality

## DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	5 324	6 027	6 027	422	422	502	(81)	-16%	6 027
Pension and UIF Contributions	498	698	698	40	40	58	(18)	-32%	698
Medical Aid Contributions	57	61	61	5	5	5	(0)	-5%	61
Cellphone Allowance	663	875	875	51	51	73	(22)	-30%	875
Other benefits and allowances	1 271	1 262	1 262	101	101	105	(4)	-3%	1 262
<b>Sub Total - Councillors</b>	<b>7 813</b>	<b>8 922</b>	<b>8 922</b>	<b>619</b>	<b>619</b>	<b>744</b>	<b>(125)</b>	<b>-17%</b>	<b>8 922</b>
% increase		14,2%	14,2%						14,2%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4 029	4 281	4 281	336	336	357	(21)	-6%	4 281
Pension and UIF Contributions	11	11	11	1	1	1	0	11%	11
Medical Aid Contributions	171	182	182	14	14	15	(1)	-5%	182
Performance Bonus	106	56	56	-	-	5	(5)	-100%	56
Motor Vehicle Allowance	1 052	1 153	1 153	88	88	96	(8)	-9%	1 153
Cellphone Allowance	117	125	125	10	10	10	(1)	-7%	125
Housing Allowances	160	177	177	13	13	15	(1)	-10%	177
Other benefits and allowances	459	492	492	38	38	41	(3)	-7%	492
<b>Sub Total - Senior Managers of Municipality</b>	<b>6 105</b>	<b>6 477</b>	<b>6 477</b>	<b>500</b>	<b>500</b>	<b>540</b>	<b>(40)</b>	<b>-7%</b>	<b>6 477</b>
% increase		6,1%	6,1%						6,1%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	126 815	136 771	136 771	10 650	10 650	11 398	(748)	-7%	136 771
Pension and UIF Contributions	18 955	19 567	19 567	1 621	1 621	1 631	(10)	-1%	19 567
Medical Aid Contributions	9 177	9 338	9 338	821	821	778	43	5%	9 338
Overtime	129	119	119	12	12	10	2	22%	119
Performance Bonus	8 464	7 716	7 716	881	881	643	238	37%	7 716
Motor Vehicle Allowance	16 182	17 160	17 160	1 436	1 436	1 430	6	0%	17 160
Cellphone Allowance	851	858	858	71	71	72	(1)	-1%	858
Housing Allowances	570	586	586	48	48	49	(1)	-2%	586
Other benefits and allowances	20 465	20 906	20 906	1 851	1 851	1 742	109	6%	20 906
Payments in lieu of leave	3 207	1 204	1 204	288	288	100	187	187%	1 204
Long service awards	981	810	810	48	48	67	(20)	-29%	810
Post-retirement benefit obligations	-	3 343	3 343	-	-	279	(279)	-100%	3 343
<b>Sub Total - Other Municipal Staff</b>	<b>205 795</b>	<b>218 378</b>	<b>218 378</b>	<b>17 725</b>	<b>17 725</b>	<b>18 198</b>	<b>(473)</b>	<b>-3%</b>	<b>218 378</b>
% increase		6,1%	6,1%						6,1%
<b>Total Parent Municipality</b>	<b>219 713</b>	<b>233 777</b>	<b>233 777</b>	<b>18 844</b>	<b>18 844</b>	<b>19 482</b>	<b>(637)</b>	<b>-3%</b>	<b>233 777</b>
		6,4%	6,4%						6,4%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages	-	373	373	-	-	31	(31)	-100%	373
<b>Sub Total - Board Members of Entities</b>	<b>-</b>	<b>373</b>	<b>373</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>(31)</b>	<b>-100%</b>	<b>373</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages	-	1 730	1 730	-	-	144	(144)	-100%	1 730
<b>Sub Total - Senior Managers of Entities</b>	<b>-</b>	<b>1 730</b>	<b>1 730</b>	<b>-</b>	<b>-</b>	<b>144</b>	<b>(144)</b>	<b>-100%</b>	<b>1 730</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Other Staff of Entities</b>									
Basic Salaries and Wages	-	7 675	7 675	-	-	640	(640)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	122	(122)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	40	(40)	-100%	479
Performance Bonus	-	533	533	-	-	44	(44)	-100%	533
Payments in lieu of leave	-	43	43	-	-	4	(4)	-100%	43
<b>Sub Total - Other Staff of Entities</b>	<b>-</b>	<b>10 199</b>	<b>10 199</b>	<b>-</b>	<b>-</b>	<b>850</b>	<b>(850)</b>	<b>-100%</b>	<b>10 199</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Total Municipal Entities</b>	<b>-</b>	<b>12 301</b>	<b>12 301</b>	<b>-</b>	<b>-</b>	<b>1 025</b>	<b>(1 025)</b>	<b>-100%</b>	<b>12 301</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>219 713</b>	<b>246 079</b>	<b>246 079</b>	<b>18 844</b>	<b>18 844</b>	<b>20 507</b>	<b>(1 662)</b>	<b>-8%</b>	<b>246 079</b>
% increase		12,0%	12,0%						12,0%
<b>TOTAL MANAGERS AND STAFF</b>	<b>211 900</b>	<b>236 784</b>	<b>236 784</b>	<b>18 225</b>	<b>18 225</b>	<b>19 732</b>	<b>(1 507)</b>	<b>-8%</b>	<b>236 784</b>

## 2.6 Material Variances to the SDBIP

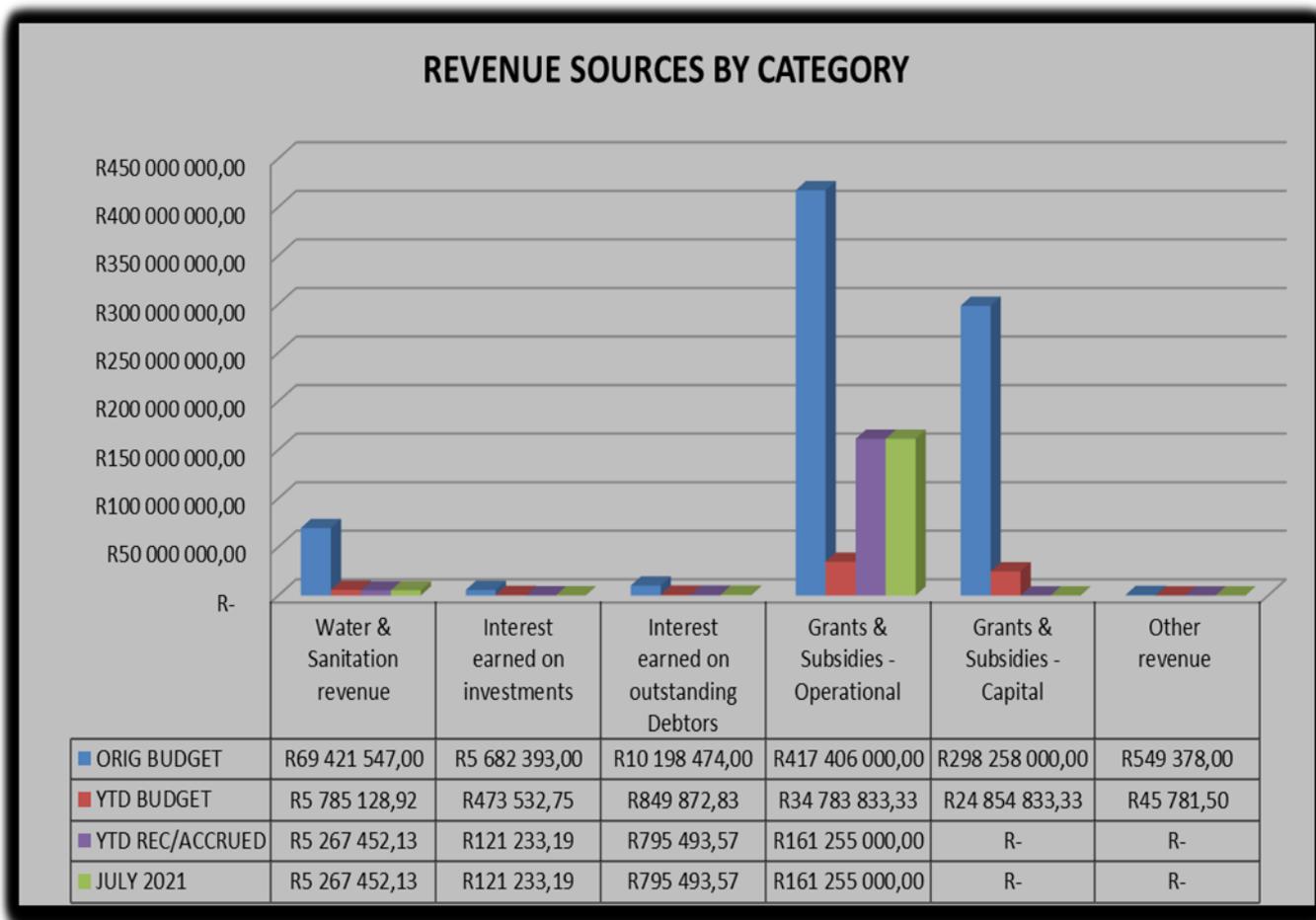
The following section analyses material variances between the actual targets as at 31 July 2021 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 July 2021 was R5, 2million against a year to date **budget** of R5, 7million.

## **Interest Earned on External Investments**

The interest earned on external investments year to date actual is R121 233 against year to budget of R473 533 representing 26 per cent of the year to date budget.

## **Transfers Recognised - Operational**

The operational grants revenue of R161, 2million against a year to date budget of R34, 7million is largely attributable to the YTD equitable share received.

## **Transfers Recognised – Capital**

There was no movement in the period ending 31 July 2021 for capital transfers.

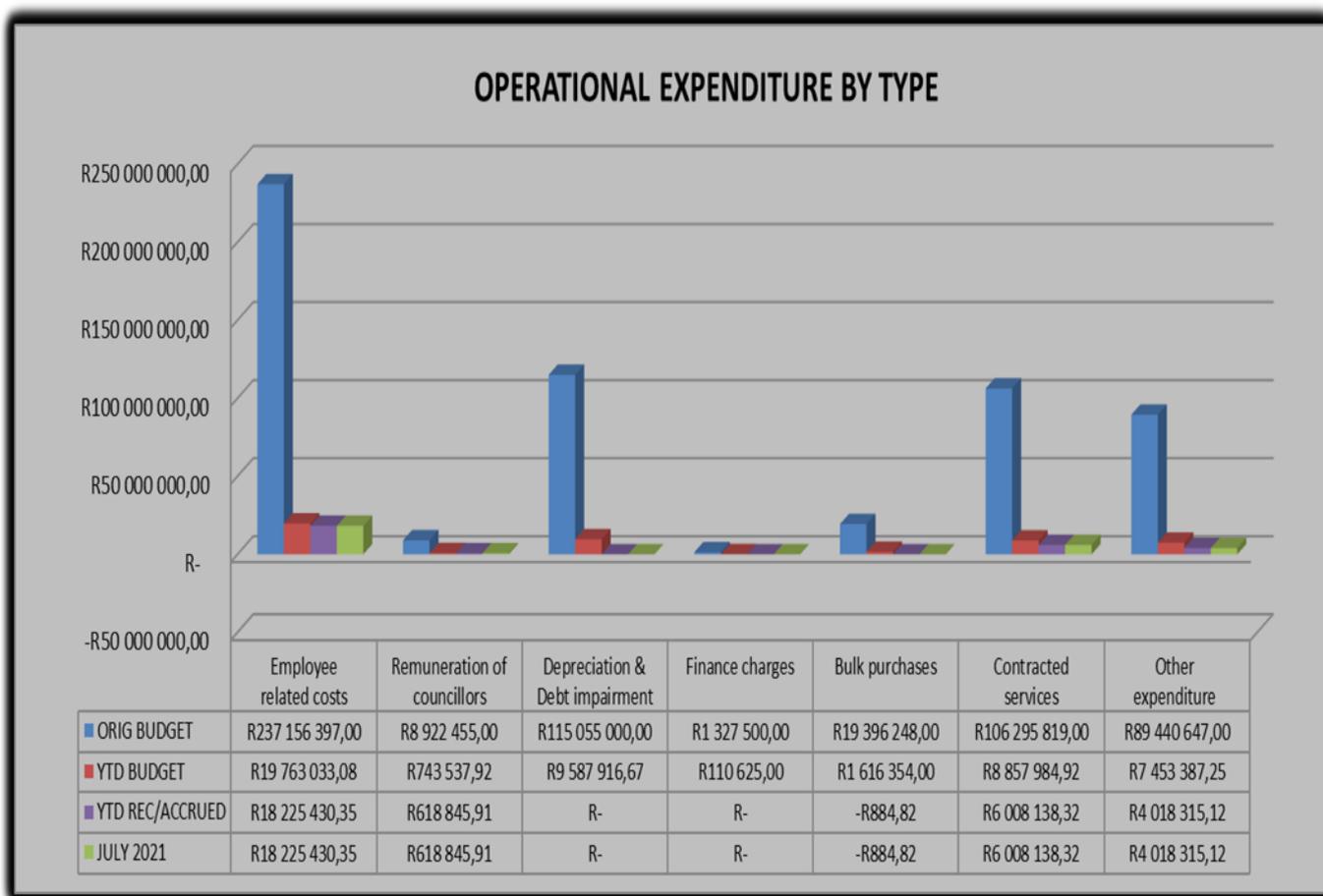
## **Other Revenue**

The YTD performance of other revenue is R 166 500 against YTD budget of R 92 279 representing 180 per cent performance.

## OPERATIONAL EXPENDITURE

The chart below presents the YTD operational expenditure movements against the YTD budgets. An analysis of each expenditure line item category is discussed below.

**Chart 4: 2021/2022 financial year Opex**



### Employee Related Costs

The YTD budget for employee related costs is R19, 7million against a YTD actual of R18, 2million which is 92% of the YTD budget.

## **Remuneration of Councillors**

The remuneration of councillor's year to date expenditure is at R 618 845 against a YTD budget of R 743 538 representing 83% of the year to date budget.

## **Finance Charges**

No movement for finance charges in the period ending 31 July 2021.

## **Bulk Purchases**

The expenditure on Bulk Water purchases has the budget of R19, 3m and there is no movement in the period ending 31 July 2021

## **Other Expenditure**

The YTD budget for other expenditure was at R 7, 4million against a YTD expenditure of R 4million and expenditure for the month of July 2021 is R4million.

## **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 - M01 July**

Description	Budget Year 2020/21												2020/21 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Budget	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>															
<b>Cash Receipts By Source</b>															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	1 738	3 307	3 307	3 307	3 307	3 307	3 307	3 307	3 307	3 307	3 307	4 875	39 680	41 881	44 214
Service charges - sanitation revenue	745	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 626	14 225	15 078	15 983
Interest earned - external investments	121	474	474	474	474	474	474	474	474	474	474	826	5 682	6 018	6 290
Transfers and Subsidies - Operational	162 848	32 441	32 441	32 441	32 441	32 441	32 441	32 441	32 441	32 441	32 441	(97 967)	389 288	413 194	416 811
Other revenue	-	46	46	46	46	46	46	46	46	46	46	92	549	574	599
<b>Cash Receipts by Source</b>	<b>165 452</b>	<b>37 452</b>	<b>37 452</b>	<b>37 452</b>	<b>37 452</b>	<b>37 452</b>	<b>37 452</b>	<b>37 452</b>	<b>37 452</b>	<b>37 452</b>	<b>37 452</b>	<b>(90 548)</b>	<b>449 425</b>	<b>476 745</b>	<b>483 897</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	124 700	25 298	25 298	25 298	25 298	25 298	25 298	25 298	25 298	25 298	25 298	(74 103)	303 580	346 011	361 833
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	122	122	149	143
<b>Total Cash Receipts by Source</b>	<b>290 152</b>	<b>62 750</b>	<b>62 750</b>	<b>62 750</b>	<b>62 750</b>	<b>62 750</b>	<b>62 750</b>	<b>62 750</b>	<b>62 750</b>	<b>62 750</b>	<b>62 750</b>	<b>(164 530)</b>	<b>753 126</b>	<b>822 905</b>	<b>845 873</b>
<b>Cash Payments by Type</b>															
Employee related costs	18 225	20 507	20 507	20 507	20 507	20 507	20 507	20 507	20 507	20 507	20 507	22 788	246 079	262 443	279 953
Remuneration of councillors	619											(619)			
Interest paid	-	111	111	111	111	111	111	111	111	111	111	221	1 328	1 385	1 447
Bulk purchases - Electricity												-			
Bulk purchases - Water & Sewer	-	1 616	1 616	1 616	1 616	1 616	1 616	1 616	1 616	1 616	1 616	3 233	19 396	20 250	21 161
Other materials												-			
Contracted services	6 008	8 775	8 775	8 775	8 775	8 775	8 775	8 775	8 775	8 775	8 775	11 541	105 296	110 111	114 923
General expenses	4 017	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	8 223	73 441	78 948	82 195
<b>Cash Payments by Type</b>	<b>28 870</b>	<b>37 128</b>	<b>37 128</b>	<b>37 128</b>	<b>37 128</b>	<b>37 128</b>	<b>37 128</b>	<b>37 128</b>	<b>37 128</b>	<b>37 128</b>	<b>37 128</b>	<b>45 387</b>	<b>445 539</b>	<b>473 136</b>	<b>499 679</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	30 514	25 607	25 607	25 607	25 607	25 607	25 607	25 607	25 607	25 607	25 607	20 700	307 283	347 620	363 499
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
<b>Total Cash Payments by Type</b>	<b>59 384</b>	<b>62 735</b>	<b>62 735</b>	<b>62 735</b>	<b>62 735</b>	<b>62 735</b>	<b>62 735</b>	<b>62 735</b>	<b>62 735</b>	<b>62 735</b>	<b>62 735</b>	<b>66 087</b>	<b>752 823</b>	<b>820 757</b>	<b>863 177</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>230 768</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>(230 616)</b>	<b>303</b>	<b>2 148</b>	<b>(17 304)</b>
Cash/cash equivalents at the month/year beginning:	51 887	282 655	282 670	282 686	282 701	282 716	282 731	282 746	282 761	282 776	282 792	282 807	51 887	52 191	54 339
Cash/cash equivalents at the month/year end:	282 655	282 670	282 686	282 701	282 716	282 731	282 746	282 761	282 776	282 792	282 807	52 191	52 191	54 339	37 035



### Capital Expenditure on New Assets by Asset Class

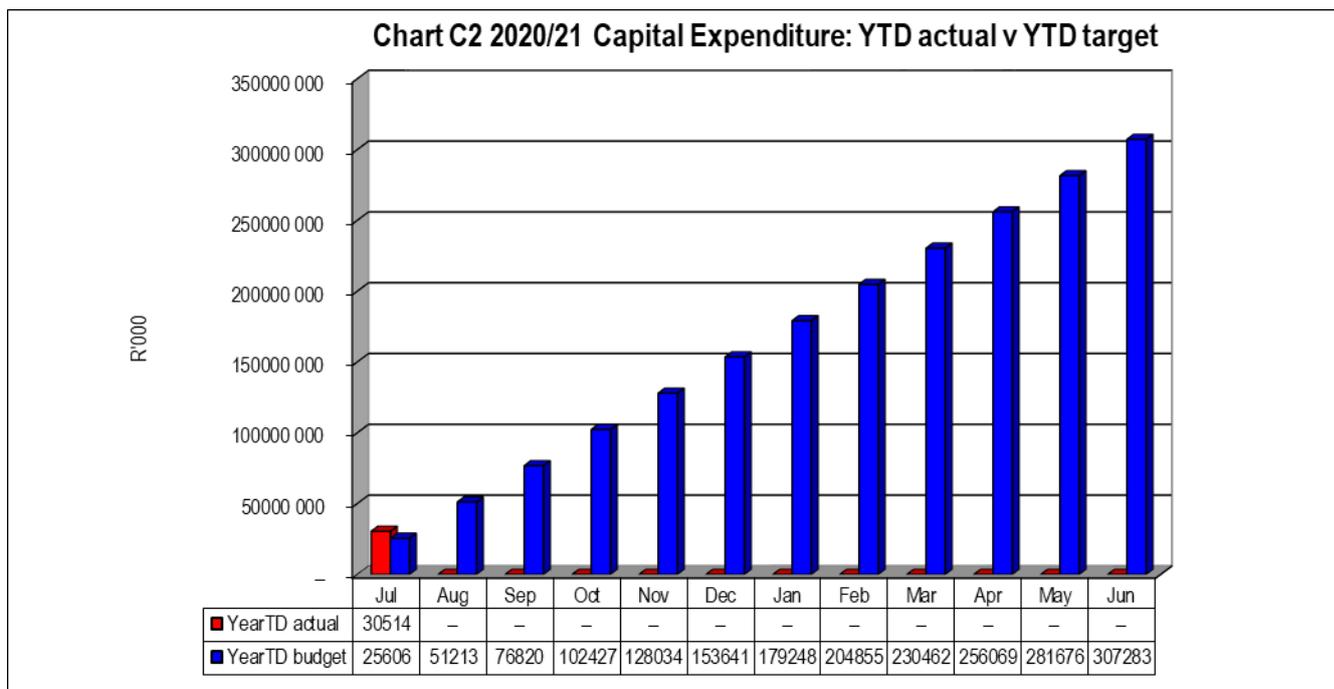
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M01

Description	2019/20	Budget Year 2020/21							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>240 934</b>	<b>283 958</b>	<b>283 958</b>	<b>29 599</b>	<b>29 599</b>	<b>23 663</b>	(5 936)	-25,1%	<b>283 958</b>
Water Supply Infrastructure	232 976	228 108	228 108	18 067	18 067	19 009	942	5,0%	228 108
Dams and Weirs	24 469	25 000	25 000	1 014	1 014	2 083	1 070	51,3%	25 000
Boreholes	19 121	57 275	57 275	5 263	5 263	4 773	(490)	-10,3%	57 275
Reservoirs	870	7 000	7 000	-	-	583	583	100,0%	7 000
Pump Stations	30 873	31 000	31 000	2 255	2 255	2 583	329	12,7%	31 000
Water Treatment Works	4 539	7 500	7 500	492	492	625	133	21,3%	7 500
Bulk Mains	77 052	26 508	26 508	3 103	3 103	2 209	(894)	-40,5%	26 508
Distribution	76 053	73 825	73 825	5 940	5 940	6 152	212	3,4%	73 825
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 958	55 850	55 850	11 532	11 532	4 654	(6 878)	-147,8%	55 850
Pump Station	1 580	30 000	30 000	1 805	1 805	2 500	695	27,8%	30 000
Reticulation	6 378	20 000	20 000	5 787	5 787	1 667	(4 120)	-247,2%	20 000
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	5 850	5 850	3 940	3 940	488	(3 453)	-708,3%	5 850
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>1 418</b>	<b>1 418</b>	<b>-</b>	<b>-</b>	<b>118</b>	<b>118</b>	<b>100,0%</b>	<b>1 418</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1 418	1 418	-	-	118	118	100,0%	1 418
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	1 418	1 418	-	-	118	118	100,0%	1 418
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	<b>1 566</b>	<b>2 130</b>	<b>2 130</b>	<b>-</b>	<b>-</b>	<b>178</b>	<b>178</b>	<b>100,0%</b>	<b>2 130</b>
Computer Equipment	1 566	2 130	2 130	-	-	178	178	100,0%	2 130
<b>Furniture and Office Equipment</b>	<b>1 217</b>	<b>3 057</b>	<b>3 057</b>	<b>-</b>	<b>-</b>	<b>255</b>	<b>255</b>	<b>100,0%</b>	<b>3 057</b>
Furniture and Office Equipment	1 217	3 057	3 057	-	-	255	255	100,0%	3 057
<b>Machinery and Equipment</b>	<b>-</b>	<b>220</b>	<b>220</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>18</b>	<b>100,0%</b>	<b>220</b>
Machinery and Equipment	-	220	220	-	-	18	18	100,0%	220
<b>Transport Assets</b>	<b>7 355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transport Assets	7 355	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	<b>251 072</b>	<b>290 783</b>	<b>290 783</b>	<b>29 599</b>	<b>29 599</b>	<b>24 232</b>	<b>(5 367)</b>	<b>-22,1%</b>	<b>290 783</b>

### Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class -

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	8 110	15 800	15 800	774	774	1 317	543	41,2%	15 800
<i>Capital Spares</i>							-		
Water Supply Infrastructure	982	15 800	15 800	774	774	1 317	543	41,2%	15 800
<i>Bulk Mains</i>	-	500	500	-	-	42	42	100,0%	500
<i>Distribution</i>	982	15 300	15 300	774	774	1 275	501	39,3%	15 300
<i>Distribution Points</i>	-	-	-	-	-	-	-		-
<i>PRV Stations</i>							-		
<i>Capital Spares</i>							-		
Sanitation Infrastructure	7 128	-	-	-	-	-	-		-
<i>Pump Station</i>							-		
<i>Reticulation</i>							-		
<i>Waste Water Treatment Works</i>	7 128	-	-	-	-	-	-		-
<b>Machinery and Equipment</b>	-	200	200	-	-	17	17	100,0%	200
Machinery and Equipment	-	200	200	-	-	17	17	100,0%	200
<b>Transport Assets</b>	7 032	-	-	-	-	-	-		-
Transport Assets	7 032	-	-	-	-	-	-		-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>15 142</b>	<b>16 000</b>	<b>16 000</b>	<b>774</b>	<b>774</b>	<b>1 333</b>	<b>560</b>	<b>42,0%</b>	<b>16 000</b>



## 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 July 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 \_\_\_\_\_