

# Harry Gwala District Municipality

MFMA s71 & s52 (d) report for the period ending 31 March 2020.

4/23/2020

Budget & Treasury Office

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## Glossary

**Adjustments budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**AFS** – Annual Financial Statements

**Budget** – The financial plan of the Municipality.

**Capital expenditure** - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

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

**Equitable share** – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

**FMG** – Financial Management Grant.

**GRAP** – Generally Recognised Accounting Practice. The standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality.

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

**MIG** – Municipal Infrastructure Grant.

**MTREF** – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

**Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

**SDBIP** – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information. Harry Gwala District Municipality MFMA s71 Monthly Report Page 5

**Strategic objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Vote** – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. .

**YTD** – Year to date

**YoY** – Year on Year

**DBSA** – Development Bank of South Africa

## **1. PART 1 – MONTHLY AND QUARTERLY 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 and Section 52(d) 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

### **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

## **1.2 Mayors Report**

In accordance with Section 52(d) of the Municipal Finance Management Act, The mayor submit a report to the council within 30 days after the end of each quarter which is the third quarter of 2019/20, on the implementation of the budget and the financial state of affairs of the Harry Gwala District Municipality.

This report forms part of the general responsibilities of the Mayor of a Municipality, and is intended to inform and enable the council to fulfil its oversight responsibility.

### **1.2.1 Implementation of the budget in accordance with the SDBIP**

A comprehensive report detailing the implementation for the third quarter ended 31 March 2020 will be tabled in a separate report to council.

### **1.2.2 Financial problems or risks facing the municipality**

The cash flow position as at 31 March 2020 of the Municipality shows an improvement when compared to the previous financial year. However, the municipality will seek to improve more in order for the municipality to be stable and continue to show great improvements and close the financial year with positive bank balance.

The municipality also need to improve more in collection in order to reduce consumer debts because it will contribute towards the municipality's cash flow. Improving the debt collection will continue to rank high in the municipality's priorities as we seek to improve financial sustainability

## **1.2 Executive Summary**

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

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

OPERATING AND CAPITAL EXPENDITURE FOR THE THID QUARTER								
Description	Budget Year 2019/20							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<b>Revenue By Source</b>								
Total Revenue (Excluding Capital transfers and Contributions)	476 396	474 984	103 863	428 222	349 179	79 043	23%	474 984
Transfers and subsidies-Operating	366 404	382 508	96 600	358 546	286 881	71 664	25%	382 508
Transfers and subsidies-Capital	275 839	274 335	155 773	155 773	205 751	(50 505)	-24%	274 335

## Revenue by Source

The Year-to-Date actual revenue is 104% below the YTD budget. All the allocated conditional grants receipted as per Division of Revenue Bill, However the recognition as revenue only occur when the expenditure is incurred.

## Borrowings

The balance of borrowings amounts to R8m at the end of March 2020 for ABSA loan. There was no movement in the month of March. The next payment will be made in June 2020 as per ABSA amortisation.

## **Operating expenditure by vote & type**

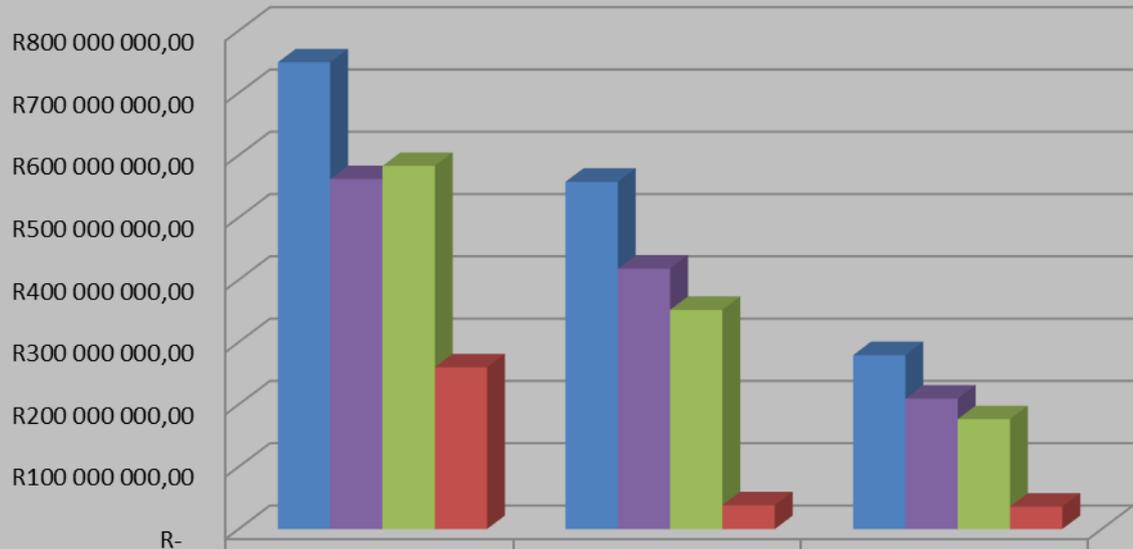
The total operating budget for the current year amounts to R557, 4m. The YTD Operating expenditure for the month ended 31 March amounted to R351, 8m against a year to date (YTD) budget of R418m. The actual YTD expenditure represented 84% of the planned.

## **Capital expenditure**

The total capital budget for the current year amounts to R279, 2m. The YTD expenditure on capital amounts to R176, 5million, or 84% of the planned expenditure. Capital expenditure is mainly funded by means of National.

## **Chart 1: Budget vs. Expenditure Summary**

### BUDGET SUMMARY FOR THE THIRD QUARTER



	REVENUE	OPEX	CAPEX
ORIG BUDGET	R749 318 351,00	R557 454 183,00	R279 230 002,00
YTD BUDGET	R561 988 763,25	R418 090 637,25	R209 422 501,50
YTD EXP/REC	R582 932 941,03	R351 885 985,10	R176 554 910,32
MARCH 2020	R259 635 969,52	R38 243 002,81	R36 072 085,19

### Cash flows

The municipality started the year with a positive cashbook balance of R96,6million. The closing cash and cash equivalents as at the end of March 2020 was R182,5million refer to the table below for cash and cash equivalent register for more detail on the municipality’s cash position.

## CASH AND CASH EQUIVALENT AS AT 31 MARCH 2020

Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
	Yrs/Months					
<b>Municipality</b>						
FIRST NATIONAL BANK	CALL ACCOUNT	108		24 034	50 024	51 108
FIRST NATIONAL BANK	CALL ACCOUNT	80		25 544	75 387	48 328
FIRST NATIONAL BANK	ADMIN CALL	73		20 667	43 160	45 850
INVESTEC	FIXED DEPOSIT	10		2 086		2 096
FIRST NATIONAL BANK	FIXED DEPOSIT	0		21	15 000	11 508
FIRST NATIONAL BANK	CALL ACCOUNT	11		5 142		1 307
FIRST NATIONAL BANK	CALL ACCOUNT	22		7 566		5 391
FIRST NATIONAL BANK	CALL ACCOUNT	7		1 951		1 958
FIRST NATIONAL BANK	FIXED DEPOSIT	3		1 029		752
FIRST NATIONAL BANK	CURRENT ACCOUNT	-		696	-	14 298
<b>Municipality sub-total</b>		314		88 736	183 570	182 597
<b>TOTAL INVESTMENTS AND INTEREST</b>		314		88 736	183 570	182 597

### Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2019/2020 have been received as per payment schedule. The total conditional grants received as at 31 March 2020 was R311, 5million and the equitable share is R302million. Four grants received in the month of March 2020.

### Transfers Recognised – Operational

- Equitable Share - R 86 327 000

### Transfers Recognised – Capital

- Municipal Infrastructure Grant - R 70 860 000
- Rural Infrastructure Grant- R 5 000 000
- Water Services Infrastructure Grant- R 15 000 000

Refer to the Table SC6 below for more detail on the grants receipts as at 31 March 2020.

## **Spending on Grants**

Spending on grants amounted to R176, 5million or 84% for 2019/20 third quarter.

### **1.3 Resolutions**

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

### **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 - M09 March

Description	2018/19	Budget Year 2019/20							
	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>									
Service charges	58 421	88 392	67 065	6 076	51 992	52 076	(84)	-0%	67 065
Investment revenue	9 202	11 161	7 257	-	4 519	6 809	(2 290)	-34%	7 257
Transfers and subsidies	366 165	366 404	382 508	96 600	358 546	279 378	79 167	28%	382 508
Other own revenue	11 587	10 440	18 153	1 187	13 165	10 915	2 250	21%	18 153
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>445 375</b>	<b>476 396</b>	<b>474 984</b>	<b>103 863</b>	<b>428 222</b>	<b>349 179</b>	<b>79 043</b>	<b>23%</b>	<b>474 984</b>
Employee costs	173 695	205 726	206 398	15 757	141 898	154 563	(12 665)	-8%	206 398
Remuneration of Councillors	6 952	7 574	7 574	668	4 939	5 681	(741)	-13%	7 574
Depreciation & asset impairment	69 605	38 192	80 294	-	45 133	56 154	(11 020)	-20%	80 294
Finance charges	3 752	3 522	4 180	-	2 372	2 905	(533)	-18%	4 180
Materials and bulk purchases	50 227	30 443	33 827	1 764	17 265	22 907	(5 643)	-25%	33 827
Transfers and subsidies	14 000	-	-	-	11 000	-	11 000	-	-
Other expenditure	222 568	184 141	225 181	20 053	129 279	159 767	(30 488)	-19%	225 181
<b>Total Expenditure</b>	<b>540 800</b>	<b>469 599</b>	<b>557 454</b>	<b>38 243</b>	<b>351 886</b>	<b>401 977</b>	<b>(50 091)</b>	<b>-12%</b>	<b>557 454</b>
<b>Surplus/(Deficit)</b>	<b>(95 425)</b>	<b>6 798</b>	<b>(82 470)</b>	<b>65 620</b>	<b>76 336</b>	<b>(52 798)</b>	<b>129 134</b>	<b>-245%</b>	<b>(82 470)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	275 839	274 335	155 773	155 773	206 277	(50 505)	-24%	274 335
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>240 350</b>	<b>282 636</b>	<b>191 864</b>	<b>221 393</b>	<b>232 109</b>	<b>153 479</b>	<b>78 629</b>	<b>51%</b>	<b>191 864</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>240 350</b>	<b>282 636</b>	<b>191 864</b>	<b>221 393</b>	<b>232 109</b>	<b>153 479</b>	<b>78 629</b>	<b>51%</b>	<b>191 864</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>266 785</b>	<b>282 624</b>	<b>279 230</b>	<b>36 072</b>	<b>176 555</b>	<b>210 152</b>	<b>(33 597)</b>	<b>-16%</b>	<b>279 230</b>
Capital transfers recognised	134 240	276 203	274 385	36 072	175 051	206 394	(31 343)	-15%	274 385
Internally generated funds	14 442	6 421	4 845	-	1 504	3 759	(2 254)	-60%	4 845
<b>Total sources of capital funds</b>	<b>148 683</b>	<b>282 624</b>	<b>279 230</b>	<b>36 072</b>	<b>176 555</b>	<b>210 152</b>	<b>(33 597)</b>	<b>-16%</b>	<b>279 230</b>
<b>Financial position</b>									
Total current assets	118 976	282 609	98 469	-	275 082	-	-	-	98 469
Total non current assets	2 171 694	2 165 144	2 161 750	-	2 302 737	-	-	-	2 161 750
Total current liabilities	170 317	138 272	95 293	-	202 881	-	-	-	95 293
Total non current liabilities	56 670	36 242	36 490	-	47 145	-	-	-	36 490
Community wealth/Equity	2 063 683	2 273 239	2 128 435	-	2 327 792	-	-	-	2 128 435
<b>Cash flows</b>									
Net cash from (used) operating	280 806	295 470	233 262	158 928	289 554	155 508	(134 047)	-86%	233 262
Net cash from (used) investing	(364 374)	(275 839)	(279 405)	(36 072)	(176 555)	(186 270)	(9 715)	5%	(279 405)
Net cash from (used) financing	(3 493)	(3 868)	(12 528)	-	(1 995)	(8 352)	(6 357)	76%	(12 528)
<b>Cash/cash equivalents at the month/year end</b>	<b>25 275</b>	<b>128 099</b>	<b>12 922</b>	<b>-</b>	<b>182 597</b>	<b>(39 114)</b>	<b>(221 711)</b>	<b>567%</b>	<b>(58 671)</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	8 370	6 922	6 382	5 128	5 339	4 935	27 392	146 034	210 502
<b>Creditors Age Analysis</b>									
Total Creditors	1 200	-	96	-	-	-	-	-	1 296

## 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) - M09 March

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Revenue - Functional</b>									
<i>Governance and administration</i>	331 363	367 364	363 811	86 485	353 897	274 102	79 796	29%	363 811
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	331 363	367 364	363 811	86 485	353 897	274 102	79 796	29%	363 811
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	382 421	946	7 908	-	-	3 494	(3 494)	-100%	7 908
Planning and development	382 421	946	7 908	-	-	3 494	(3 494)	-100%	7 908
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	67 365	383 925	377 599	173 151	230 097	277 860	(47 763)	-17%	377 599
Energy sources	-	7 000	7 000	-	-	3 383	(3 383)	-100%	7 000
Water management	49 012	351 168	336 240	171 047	213 157	253 424	(40 268)	-16%	336 240
Waste water management	18 353	25 757	34 359	2 104	16 941	21 052	(4 112)	-20%	34 359
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>781 150</b>	<b>752 235</b>	<b>749 318</b>	<b>259 636</b>	<b>583 995</b>	<b>555 456</b>	<b>28 539</b>	<b>5%</b>	<b>749 318</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>	213 051	212 801	227 550	8 515	140 435	174 547	(34 113)	-20%	227 550
Executive and council	18 266	25 782	18 280	1 429	11 903	16 112	(4 209)	-26%	18 280
Finance and administration	188 610	182 707	201 823	7 061	123 648	153 946	(30 298)	-20%	201 823
Internal audit	6 175	4 312	7 447	25	4 883	4 489	394	9%	7 447
<i>Community and public safety</i>	13 823	11 180	15 908	2 193	12 006	10 196	1 810	18%	15 908
Community and social services	13 823	11 180	15 908	2 193	12 006	10 196	1 810	18%	15 908
<i>Economic and environmental services</i>	167 800	131 383	167 307	13 310	92 989	119 301	(26 312)	-22%	167 307
Planning and development	167 800	131 383	167 307	13 310	92 989	119 301	(26 312)	-22%	167 307
<i>Trading services</i>	146 125	114 236	146 690	14 225	106 456	97 933	8 524	9%	146 690
Energy sources	35	-	-	-	-	-	-	-	-
Water management	145 347	113 919	140 024	12 602	104 329	95 155	9 174	10%	140 024
Waste water management	742	317	6 665	1 623	2 128	2 778	(650)	-23%	6 665
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>540 800</b>	<b>469 599</b>	<b>557 454</b>	<b>38 243</b>	<b>351 886</b>	<b>401 977</b>	<b>(50 091)</b>	<b>-12%</b>	<b>557 454</b>
<b>Surplus/ (Deficit) for the year</b>	<b>240 350</b>	<b>282 636</b>	<b>191 864</b>	<b>221 393</b>	<b>232 109</b>	<b>153 479</b>	<b>78 629</b>	<b>51%</b>	<b>191 864</b>

This table assesses the revenue by department and then the expenditure for the period ending 31 March 2020. Revenue receipts in March have largely constituted of equitable share and service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of March is 46%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of March 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 R14, 2m followed by the Infrastructure Services department.

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	2018/19	Budget Year 2019/20							
	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	330 039	367 364	363 811	86 484	352 265	274 102	78 163	28,5%	363 811
Vote 04 - Summary Corporate Services	445	-	-	-	1 181	-	1 181	#DIV/0!	-
Vote 05 - Summary Social Services & Development Planning	346	946	7 908	-	-	3 494	(3 494)	-100,0%	7 908
Vote 06 - Summary Infrastructure Services	382 076	295 533	285 530	157 530	160 255	215 782	(55 527)	-25,7%	285 530
Vote 07 - Summary Water Services	68 244	88 392	92 069	15 622	70 294	62 078	8 216	13,2%	92 069
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>781 150</b>	<b>752 235</b>	<b>749 318</b>	<b>259 636</b>	<b>583 995</b>	<b>555 456</b>	<b>28 539</b>	<b>5,1%</b>	<b>749 318</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	8 421	12 958	11 050	694	7 018	8 425	(1 407)	-16,7%	11 050
Vote 02 - Summary Municipal Manager	16 020	17 136	14 677	761	4 884	12 176	(7 292)	-59,9%	14 677
Vote 03 - Summary Budget And Treasury Office	72 227	76 953	78 530	2 954	45 298	59 589	(14 291)	-24,0%	78 530
Vote 04 - Summary Corporate Services	85 564	67 212	83 231	4 106	78 350	60 268	18 082	30,0%	83 231
Vote 05 - Summary Social Services & Development Planning	47 553	64 727	59 828	2 193	92 989	45 347	47 642	105,1%	59 828
Vote 06 - Summary Infrastructure Services	134 106	77 835	123 387	13 310	34 241	84 150	(49 909)	-59,3%	123 387
Vote 07 - Summary Water Services	176 909	152 777	186 751	14 225	89 106	132 022	(42 916)	-32,5%	186 751
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>540 800</b>	<b>469 599</b>	<b>557 454</b>	<b>38 243</b>	<b>351 886</b>	<b>401 977</b>	<b>(50 091)</b>	<b>-12,5%</b>	<b>557 454</b>
<b>Surplus/ (Deficit) for the year</b>	<b>240 350</b>	<b>282 636</b>	<b>191 864</b>	<b>221 393</b>	<b>232 109</b>	<b>153 479</b>	<b>78 629</b>	<b>51,2%</b>	<b>191 864</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 March 2020.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	2018/19	Budget Year 2019/20							
	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	43 001	62 635	47 706	4 369	38 383	37 024	1 359	4%	47 706
Service charges - sanitation revenue	15 419	25 757	19 359	1 708	13 609	15 052	(1 444)	-10%	19 359
Interest earned - external investments	9 202	11 161	7 257	-	4 519	6 809	(2 290)	-34%	7 257
Interest earned - outstanding debtors	10 556	9 658	9 658	1 111	10 120	7 244	2 876	40%	9 658
Dividends received									
Fines, penalties and forfeits	694	-	-	-	-	-	-	-	-
Transfers and subsidies	366 165	366 404	382 508	96 600	358 546	279 378	79 167	28%	382 508
Other revenue	337	781	8 495	76	1 984	3 671	(1 347)	-37%	8 495
Gains	-	-	-	-	1 062	-	1 062	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>445 375</b>	<b>476 396</b>	<b>474 984</b>	<b>103 863</b>	<b>428 222</b>	<b>349 179</b>	<b>79 043</b>	<b>23%</b>	<b>474 984</b>
<b>Expenditure By Type</b>									
Employee related costs	173 695	205 726	206 398	15 757	141 898	154 563	(12 665)	-8%	206 398
Remuneration of councillors	6 952	7 574	7 574	668	4 939	5 681	(741)	-13%	7 574
Debt impairment	19 111	25 315	25 315	-	-	18 987	(18 987)	-100%	25 315
Depreciation & asset impairment	69 605	38 192	80 294	-	45 133	56 154	(11 020)	-20%	80 294
Finance charges	3 752	3 522	4 180	-	2 372	2 905	(533)	-18%	4 180
Bulk purchases	19 221	15 000	17 762	1 521	13 189	13 091	98	1%	17 762
Other materials	31 006	15 443	16 065	243	4 076	9 816	(5 740)	-58%	16 065
Contracted services	156 547	101 502	140 820	16 218	91 538	95 962	(4 424)	-5%	140 820
Transfers and subsidies	14 000	-	-	-	11 000	-	11 000	#DIV/0!	-
Other expenditure	37 963	57 324	59 046	3 835	37 362	44 818	(7 456)	-17%	59 046
Losses	8 948	-	-	-	379	-	379	#DIV/0!	-
<b>Total Expenditure</b>	<b>540 800</b>	<b>469 599</b>	<b>557 454</b>	<b>38 243</b>	<b>351 886</b>	<b>401 977</b>	<b>(50 091)</b>	<b>-12%</b>	<b>557 454</b>
<b>Surplus/(Deficit)</b>	<b>(95 425)</b>	<b>6 798</b>	<b>(82 470)</b>	<b>65 620</b>	<b>76 336</b>	<b>(52 798)</b>	<b>129 134</b>	<b>(0)</b>	<b>(82 470)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	275 839	274 335	155 773	155 773	206 277	(50 505)	(0)	274 335
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>240 350</b>	<b>282 636</b>	<b>191 864</b>	<b>221 393</b>	<b>232 109</b>	<b>153 479</b>			<b>191 864</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>240 350</b>	<b>282 636</b>	<b>191 864</b>	<b>221 393</b>	<b>232 109</b>	<b>153 479</b>			<b>191 864</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>240 350</b>	<b>282 636</b>	<b>191 864</b>	<b>221 393</b>	<b>232 109</b>	<b>153 479</b>			<b>191 864</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>240 350</b>	<b>282 636</b>	<b>191 864</b>	<b>221 393</b>	<b>232 109</b>	<b>153 479</b>			<b>191 864</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 funding - M09)

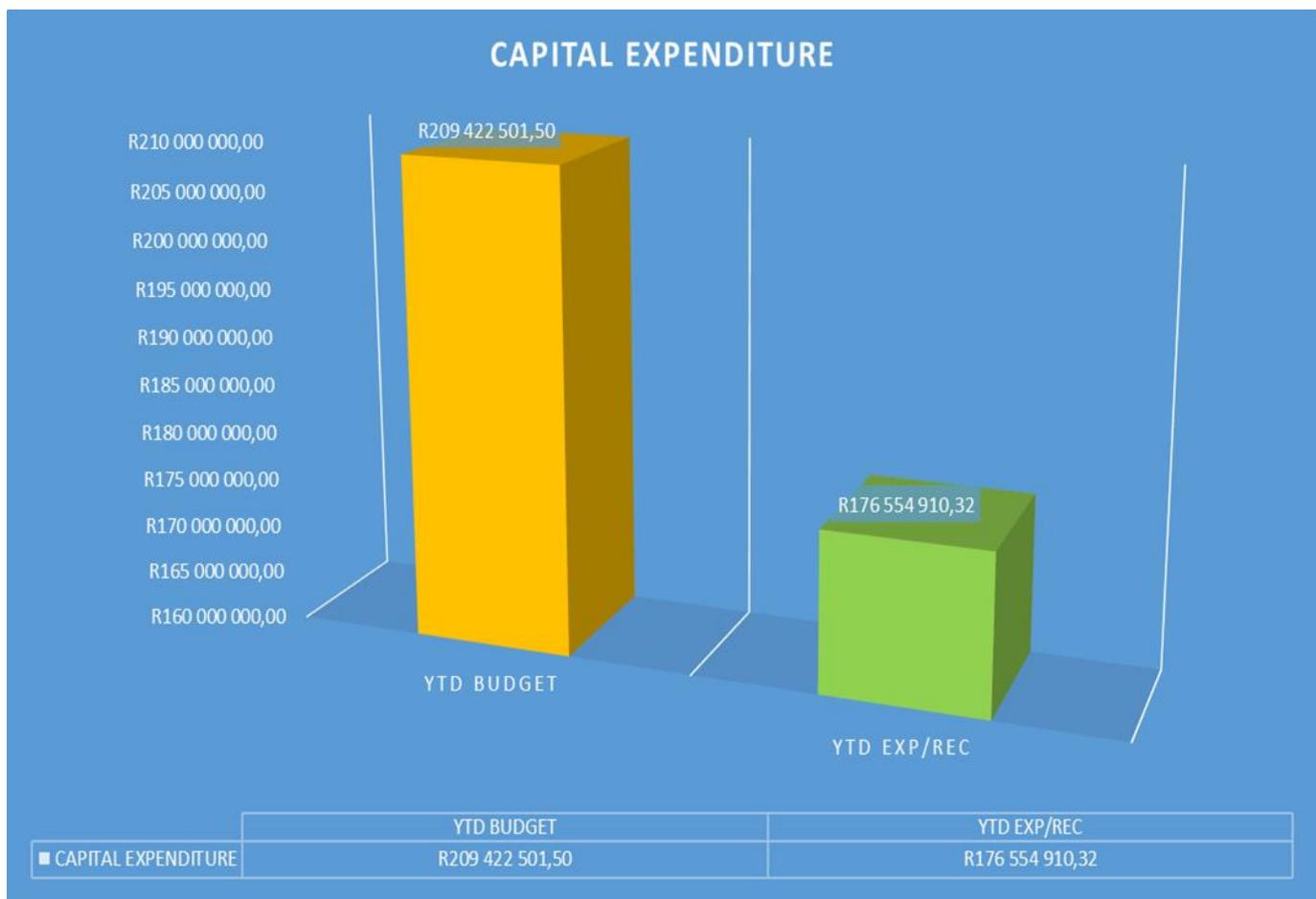
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 04 - Summary Corporate Services	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	216 818	20 000	20 000	5 883	17 391	15 000	2 391	16%	20 000
Vote 07 - Summary Water Services	35 525	145 243	145 348	11 999	94 348	109 974	(15 626)	-14%	145 348
<b>Total Capital Multi-year expenditure</b>	<b>252 343</b>	<b>165 243</b>	<b>165 348</b>	<b>17 882</b>	<b>111 740</b>	<b>124 974</b>	<b>(13 235)</b>	<b>-11%</b>	<b>165 348</b>
<b>Single Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	38	404	-	-	-	110	(110)	-100%	-
Vote 04 - Summary Corporate Services	10 203	4 942	3 631	-	1 504	2 755	(1 251)	-45%	3 631
Vote 05 - Summary Social Services & Development Planning	62	383	208	-	-	218	(218)	-100%	208
Vote 06 - Summary Infrastructure Services	4 140	-	-	-	-	-	-	-	-
Vote 07 - Summary Water Services	-	111 651	110 043	18 190	63 311	82 095	(18 784)	-23%	110 043
<b>Total Capital single-year expenditure</b>	<b>14 442</b>	<b>117 381</b>	<b>113 882</b>	<b>18 190</b>	<b>64 815</b>	<b>85 178</b>	<b>(20 363)</b>	<b>-24%</b>	<b>113 882</b>
<b>Total Capital Expenditure</b>	<b>266 785</b>	<b>282 624</b>	<b>279 230</b>	<b>36 072</b>	<b>176 555</b>	<b>210 152</b>	<b>(33 597)</b>	<b>-16%</b>	<b>279 230</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	<b>10 240</b>	<b>5 346</b>	<b>3 631</b>	<b>-</b>	<b>1 504</b>	<b>2 865</b>	<b>(1 361)</b>	<b>-47%</b>	<b>3 631</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	10 240	5 346	3 631	-	1 504	2 865	(1 361)	-47%	3 631
Internal audit	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>212 808</b>	<b>383</b>	<b>208</b>	<b>-</b>	<b>-</b>	<b>218</b>	<b>(218)</b>	<b>-100%</b>	<b>208</b>
Planning and development	212 808	383	208	-	-	218	(218)	-100%	208
<b>Trading services</b>	<b>43 737</b>	<b>276 894</b>	<b>275 391</b>	<b>36 072</b>	<b>175 051</b>	<b>207 069</b>	<b>(32 019)</b>	<b>-15%</b>	<b>275 391</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	43 737	213 071	229 763	42 447	141 960	165 480	(23 520)	-14%	229 763
Waste water management	-	63 824	45 628	(6 375)	33 091	41 589	(8 498)	-20%	45 628
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>266 785</b>	<b>282 624</b>	<b>279 230</b>	<b>36 072</b>	<b>176 555</b>	<b>210 152</b>	<b>(33 597)</b>	<b>-16%</b>	<b>279 230</b>
<b>Funded by:</b>									
National Government	134 240	275 978	259 335	34 089	173 068	200 295	(27 227)	-14%	259 335
Provincial Government	-	-	15 000	1 983	1 983	6 000	(4 017)	-67%	15 000
District Municipality	-	225	50	-	-	99	(99)	-100%	50
<b>Transfers recognised - capital</b>	<b>134 240</b>	<b>276 203</b>	<b>274 385</b>	<b>36 072</b>	<b>175 051</b>	<b>206 394</b>	<b>(31 343)</b>	<b>-15%</b>	<b>274 385</b>
Internally generated funds	14 442	6 421	4 845	-	1 504	3 759	(2 254)	-60%	4 845
<b>Total Capital Funding</b>	<b>148 683</b>	<b>282 624</b>	<b>279 230</b>	<b>36 072</b>	<b>176 555</b>	<b>210 152</b>	<b>(33 597)</b>	<b>-16%</b>	<b>279 230</b>

As alluded to above, the capital expenditure programme for the period ending 31 March 2020 was R176, 5m which represents 84% of capital expenditure against year to date budget of R209, 4million. The capital

expenditure programme has started on a rather slower footing and thus the low expenditures reflected on National grant funding

The chart below presents a high level analysis of YTD capital expenditure budget against the YTD actual expenditure.

**Chart 1: 2019/2020 THIRD QUARTER CAPEX**



As at 31 March 2020, the year to date actual expenditure was R176, 5million against a YTD budget of R209, 4million. In monetary terms, these figures represent 84 per cent performance against the capital development programme as at 31 March 2020.

Table C6 displays the financial position of the municipality as at 31 March 2020.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M09 March

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	53 026	169 975	9 590	134 734	9 590
Call investment deposits	5 337	37 087	3 331	47 863	3 331
Consumer debtors	26 933	42 739	42 739	59 840	42 739
Other debtors	33 432	32 638	42 638	32 396	42 638
Current portion of long-term receivables	-	-	-	-	-
Inventory	248	171	171	248	171
<b>Total current assets</b>	<b>118 976</b>	<b>282 609</b>	<b>98 469</b>	<b>275 082</b>	<b>98 469</b>
<b>Non current assets</b>					
Investment property	-	-	-	-	-
Property, plant and equipment	2 170 503	2 163 828	2 160 534	2 301 676	2 160 534
Intangible	1 191	1 316	1 216	1 060	1 216
Other non-current assets	0	0	0	0	0
<b>Total non current assets</b>	<b>2 171 694</b>	<b>2 165 144</b>	<b>2 161 750</b>	<b>2 302 737</b>	<b>2 161 750</b>
<b>TOTAL ASSETS</b>	<b>2 290 670</b>	<b>2 447 753</b>	<b>2 260 219</b>	<b>2 577 819</b>	<b>2 260 219</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowing	-	(4 290)	(4 290)	(965)	(4 290)
Consumer deposits	1 768	1 740	1 740	1 858	1 740
Trade and other payables	157 549	131 248	88 269	190 988	88 269
Provisions	11 000	9 574	9 574	11 000	9 574
<b>Total current liabilities</b>	<b>170 317</b>	<b>138 272</b>	<b>95 293</b>	<b>202 881</b>	<b>95 293</b>
<b>Non current liabilities</b>					
Borrowing	37 730	13 292	13 541	28 205	13 541
Provisions	18 940	22 949	22 949	18 940	22 949
<b>Total non current liabilities</b>	<b>56 670</b>	<b>36 242</b>	<b>36 490</b>	<b>47 145</b>	<b>36 490</b>
<b>TOTAL LIABILITIES</b>	<b>226 987</b>	<b>174 514</b>	<b>131 783</b>	<b>250 026</b>	<b>131 783</b>
<b>NET ASSETS</b>	<b>2 063 683</b>	<b>2 273 239</b>	<b>2 128 435</b>	<b>2 327 792</b>	<b>2 128 435</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	2 063 683	2 273 239	2 128 435	2 327 792	2 128 435
Reserves	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 063 683</b>	<b>2 273 239</b>	<b>2 128 435</b>	<b>2 327 792</b>	<b>2 128 435</b>

Table C7 below display the Cash Flow Statement for the period ending 31 March 2020.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M09 March

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates							-		
Service charges	50 033	47 732	51 990	4 433	41 220	34 660	6 560	19%	51 990
Other revenue	3 816	781	11 626	76	1 989	7 750	(5 762)	-74%	11 626
Transfers and Subsidies - Operational	361 595	366 004	339 907	86 327	319 074	226 605	92 469	41%	339 907
Transfers and Subsidies - Capital	312 210	275 839	274 335	105 860	295 860	182 890	112 970	62%	274 335
Interest	9 645	9 658	7 257	-	4 531	4 838	(307)	-6%	7 257
Dividends							-		
<b>Payments</b>									
Suppliers and employees	(452 539)	(401 033)	(447 672)	(37 768)	(370 278)	(298 448)	71 830	-24%	(447 672)
Finance charges	(3 954)	(3 510)	(4 180)	-	(2 841)	(2 787)	54	-2%	(4 180)
Transfers and Grants	-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>280 806</b>	<b>295 470</b>	<b>233 262</b>	<b>158 928</b>	<b>289 554</b>	<b>155 508</b>	<b>(134 047)</b>	<b>-86%</b>	<b>233 262</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	(364 374)	(275 839)	(279 405)	(36 072)	(176 555)	(186 270)	(9 715)	5%	(279 405)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(364 374)</b>	<b>(275 839)</b>	<b>(279 405)</b>	<b>(36 072)</b>	<b>(176 555)</b>	<b>(186 270)</b>	<b>(9 715)</b>	<b>5%</b>	<b>(279 405)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(162)	28	-	-	-	-	-	-	-
<b>Payments</b>									
Repayment of borrowing	(3 330)	(3 896)	(12 528)		(1 995)	(8 352)	(6 357)	76%	(12 528)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 493)</b>	<b>(3 868)</b>	<b>(12 528)</b>	<b>-</b>	<b>(1 995)</b>	<b>(8 352)</b>	<b>(6 357)</b>	<b>76%</b>	<b>(12 528)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(87 060)</b>	<b>15 764</b>	<b>(58 671)</b>	<b>122 856</b>	<b>111 005</b>	<b>(39 114)</b>			<b>(58 671)</b>
Cash/cash equivalents at beginning:	112 336	112 336	71 593		71 593				
Cash/cash equivalents at month/year end:	25 275	128 099	12 922		182 597	(39 114)			(58 671)

The interest earned on investments and on outstanding debtors for the period ending 31 March is R 4, 5million which is representing 83% of the year to date budget.

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 March 2020.

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

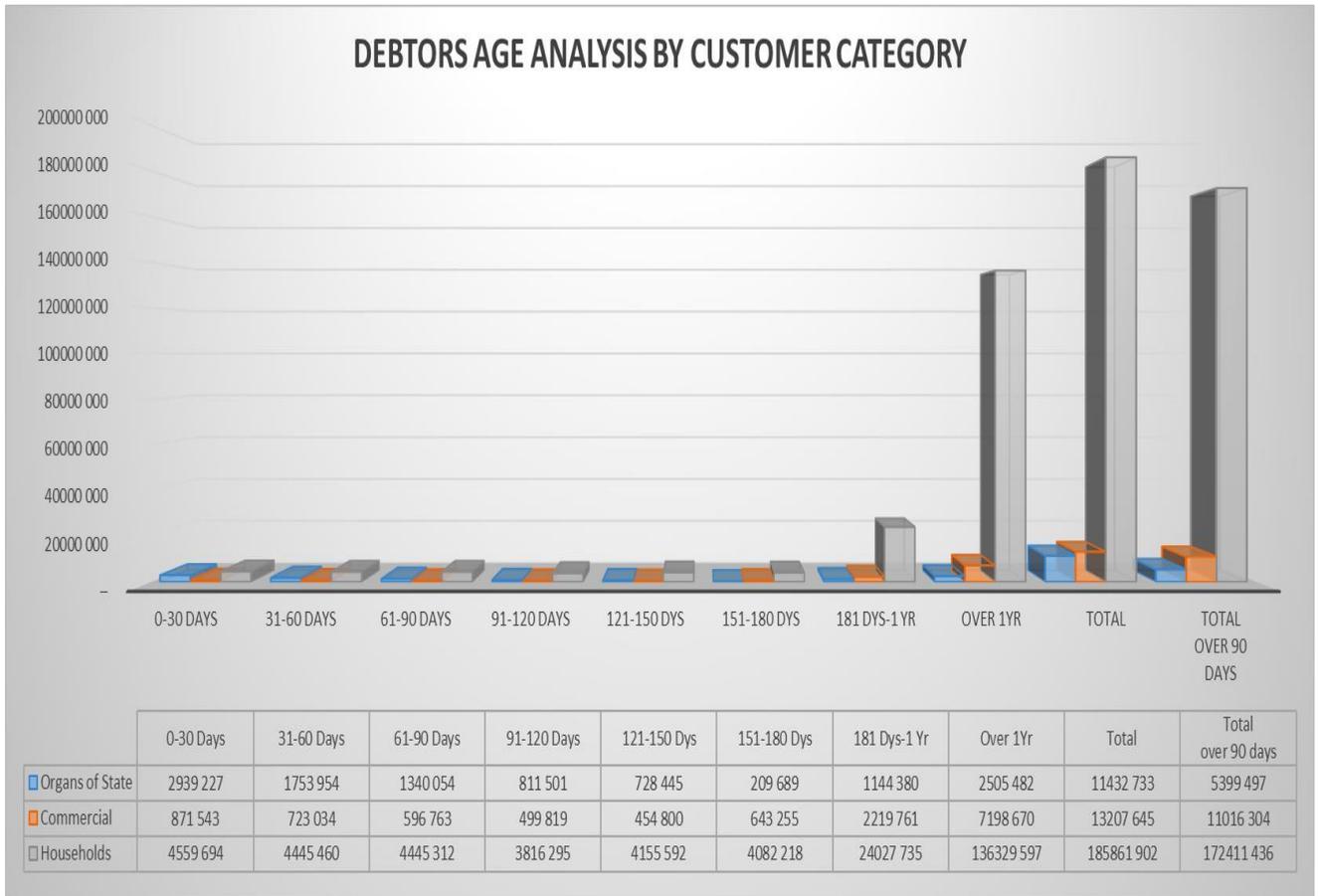
DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	Budget Year 2019/20									
	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
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	5 373	4 444	4 097	3 292	3 427	3 168	17 583	93 742	135 126	121 213
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	2 099	1 736	1 600	1 286	1 339	1 238	6 869	36 622	52 789	47 353
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	898	743	685	550	573	530	2 939	15 670	22 587	20 262
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Income Source</b>	<b>8 370</b>	<b>6 922</b>	<b>6 382</b>	<b>5 128</b>	<b>5 339</b>	<b>4 935</b>	<b>27 392</b>	<b>146 034</b>	<b>210 502</b>	<b>188 827</b>
<b>2018/19 - totals only</b>									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2 939	1 754	1 340	812	728	210	1 144	2 505	11 433	5 399
Commercial	872	723	597	500	455	643	2 220	7 199	13 208	11 016
Households	4 560	4 445	4 445	3 816	4 156	4 082	24 028	136 330	185 862	172 411
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>8 370</b>	<b>6 922</b>	<b>6 382</b>	<b>5 128</b>	<b>5 339</b>	<b>4 935</b>	<b>27 392</b>	<b>146 034</b>	<b>210 502</b>	<b>188 827</b>

The municipal consumer debt is currently increasing citing rigorous actions to ensure that this trend is prevented from continuing as it has a direct negative impact on municipal cash flows.

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

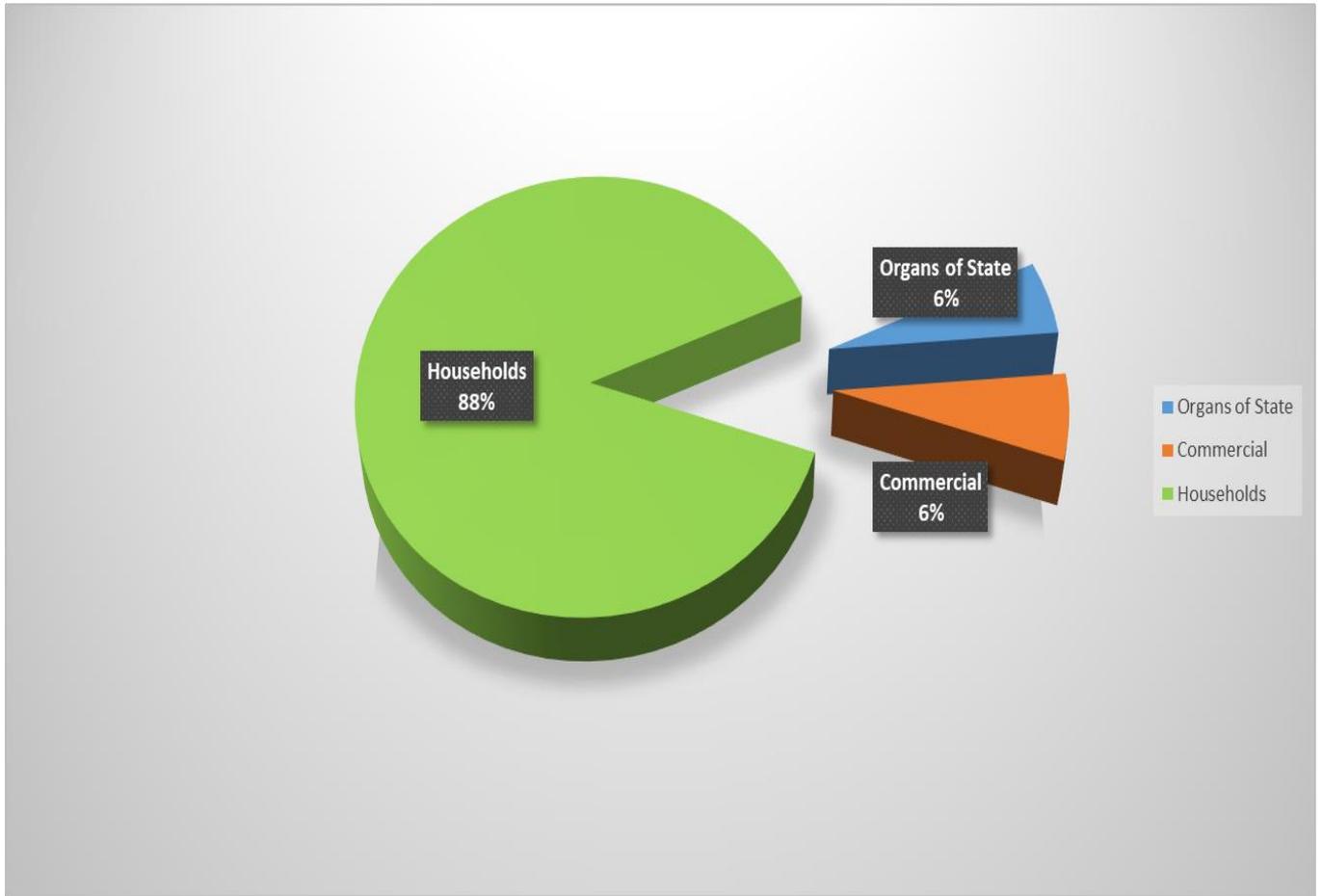
Table 2.1.2 analyses consumer debt by Category. A further analysis in the form of a chart is provided below.



**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: 88%
- ✓ Government 6%
- ✓ 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

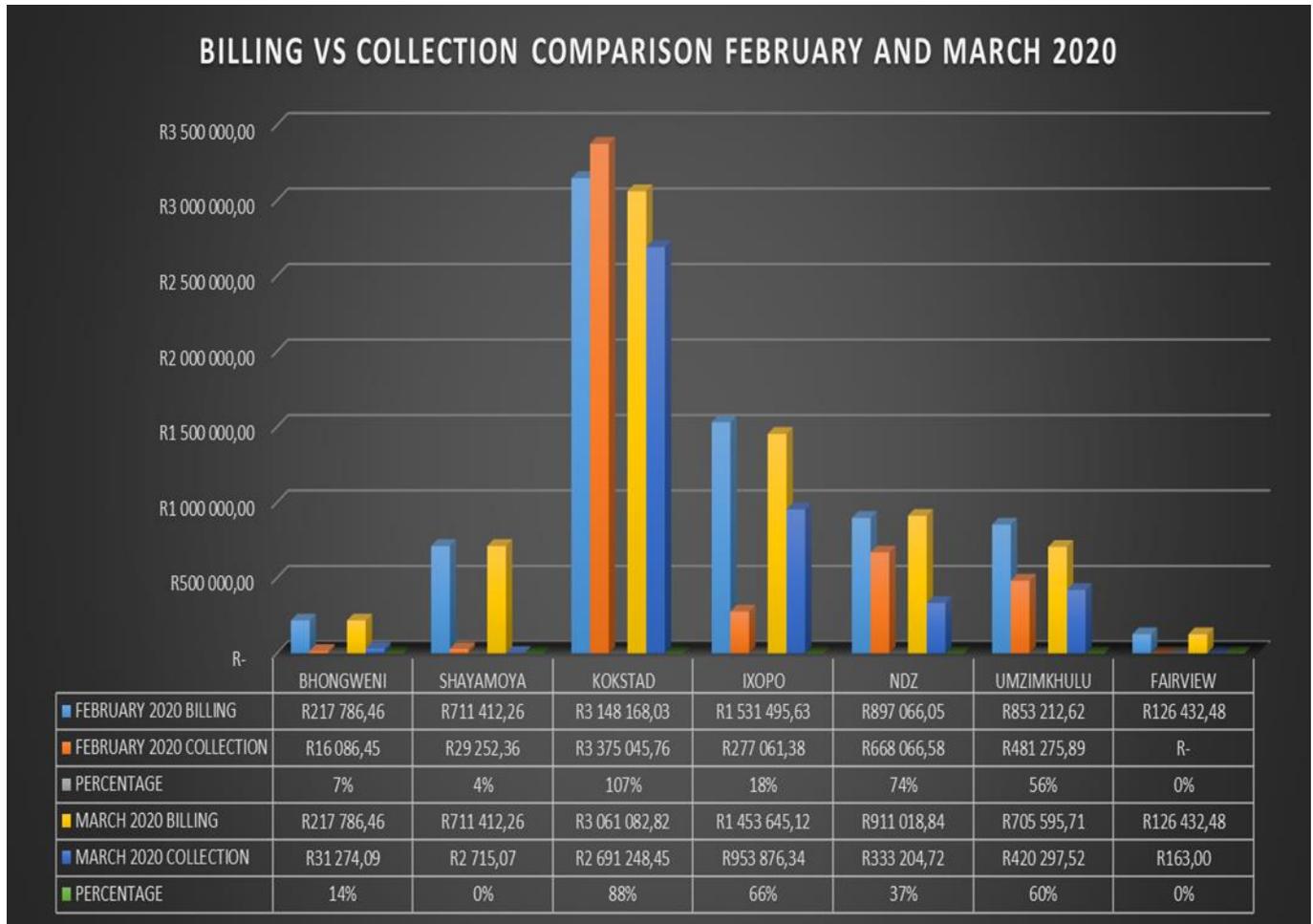
## REVENUE RECEIPTS

### Revenue receipts per Area

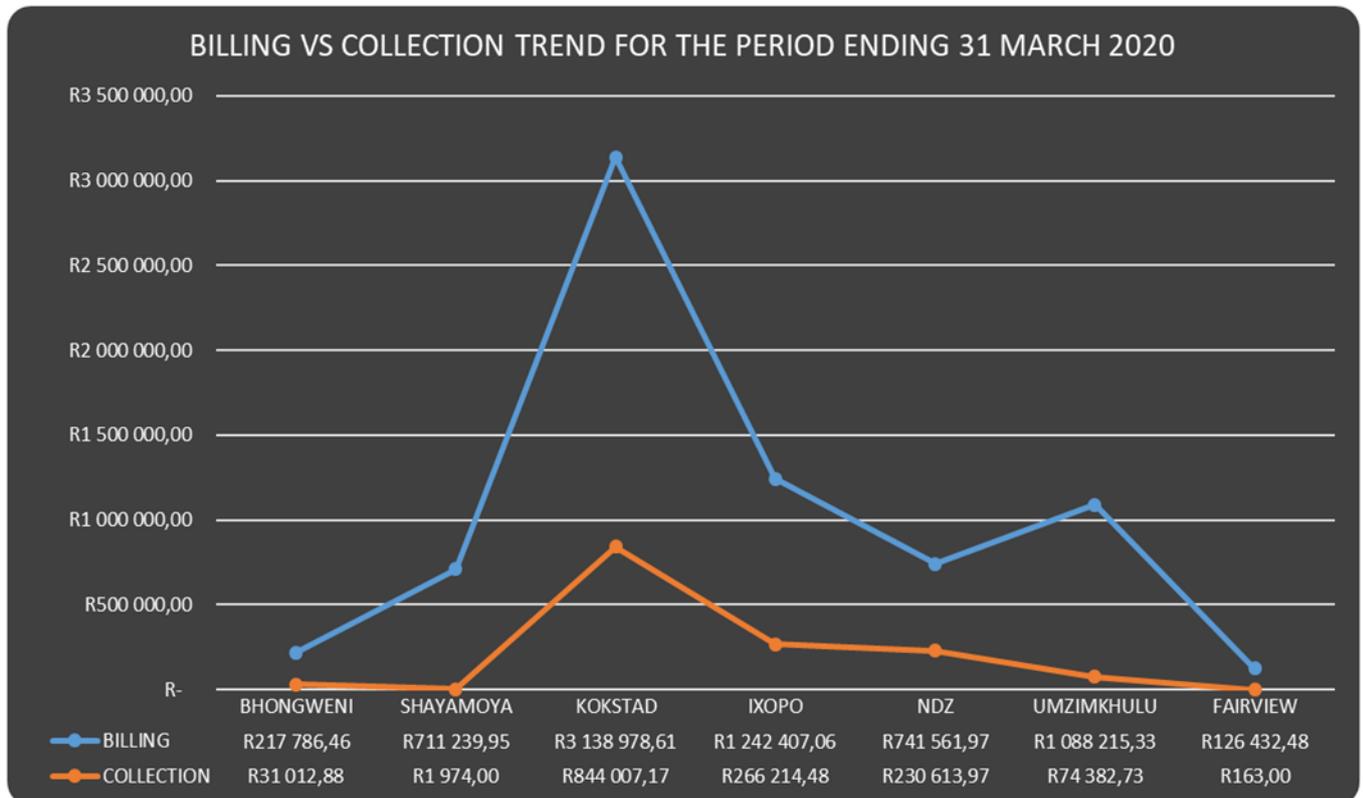
AREA	AMOUNT		
		MARCH 2020	FEBRUARY 2020
Bhongweni	R 31 274	1%	0%
Shayamoya	R 2 715	0%	1%
Kokstad	R 2 291 248	61%	67%
Ixopo	R 953 876	22%	9%
NDZ	R 333 205	8%	13%
Umzimkhulu	R 420 298	9%	10%
Fairview	R 163	0%	0%
<b>TOTAL RECEIPTS INCL VAT</b>	<b>R 4 432 779</b>	100%	100%

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 March is R4, 4million. The total billing as at 31 March 2020 third quarter amount to R 64, 5million against total collection of R 39, 7million representing 62 per cent

The chart that follows below shows the comparison between billing and collection for the period ending 31 March 2020.



The chart that follows below shows the comparison between billing and collection trend for the period ending 31 March 2020



### Debtors age analysis per service

The municipality’s total outstanding debtors amounted to R 210 502 280 as at 31 March 2020 compared with the R 206 644 228 as at 29 February 2020. Current debt represent 4% of the total outstanding debt compared with the 4% of February 2020; 30 days and older debt 3% compared with the 4% for February 2020; 60 days and older debt 3% compared with the 3% of February 2020; and 90 days 3% compared with the 3% of February 2020; 120 days to History and older 87% compared with the 87% for February 2020.

Current debt increased with R 3,858,051 to R 210,502,280 compared with the R 206,644,228 as at 31 March 2020; 30 days + debt decreased with R 465,577; 60 days + Increased with R 981,072; 90 days + debt decreased with R 530,859 and 120 + days and older debt as at March 2020 has increased with R 4,066,357 to R 183,699,623 compared with the R 179,633,266 as at 31 March 2020.

## Debtors age analysis per debtor type

Business debtors owes the municipality R 12,996,890 (6%); Municipal debtors R 939,796 (0.01%); domestic debtors R 153,382,025 (73%); Government accounts R 10,260,116 (5%); Indigent debtors R 29,367,539 (14%) and other debtors R 3,555,914 (2%) of the total outstanding debt of R 210,502,280. Furthermore most of the domestic debt and other debt will be irrecoverable and most probably will also have to be written off.

## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 March 2020

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	Budget Year 2019/20								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	1 200	-	-	-	-	-	-	-	1 200
Auditor General	-	-	-	-	-	-	-	-	-
Other	-	-	96	-	-	-	-	-	96
<b>Total By Customer Type</b>	<b>1 200</b>	<b>-</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 296</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 March 2020.

### Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

Investments by maturity Name of institution & investment ID	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Commission Recipient	Expiry date of investment	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					24 034	108	(23 058)	50 024	51 108
FIRST NATIONAL BANK	CALL ACCOUNT					25 544	80	(52 682)	75 387	48 328
FIRST NATIONAL BANK	ADMIN CALL					20 667	73	(18 050)	43 160	45 850
INVESTEC	FIXED DEPOSIT					2 086	10			2 096
FIRST NATIONAL BANK	FIXED DEPOSIT					21	0	(3 512)	15 000	11 508
FIRST NATIONAL BANK	CALL ACCOUNT					5 142	11	(3 846)		1 307
FIRST NATIONAL BANK	CALL ACCOUNT					7 566	22	(2 197)		5 391
FIRST NATIONAL BANK	CALL ACCOUNT					1 951	7			1 958
FIRST NATIONAL BANK	FIXED DEPOSIT					1 029	3	(280)		752
CURRENT ACCOUNT						696			13 602	14 298
										-
<b>Municipality sub-total</b>						<b>88 736</b>	<b>314</b>	<b>(103 625)</b>	<b>197 172</b>	<b>182 597</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>						<b>88 736</b>		<b>(103 625)</b>	<b>197 172</b>	<b>182 597</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 - M09 March

Description	2018/19	Budget Year 2019/20							
	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>	<b>351 431</b>	<b>366 004</b>	<b>382 508</b>	<b>86 327</b>	<b>380 914</b>	<b>286 881</b>	<b>94 033</b>	<b>32,8%</b>	<b>382 508</b>
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	318 074	345 309	345 309	86 327	345 309	258 982	86 327	33,3%	345 309
Expanded Public Works Programme Integrated Grant	2 518	5 316	5 316	-	3 722	3 987	(265)	-6,6%	5 316
Integrated National Electrification Programme Grant	-	7 000	7 000	-	7 000	5 250	1 750	33,3%	7 000
Local Government Financial Management Grant	1 000	1 000	1 000	-	1 000	750	250	33,3%	1 000
Municipal Infrastructure Grant	29 839	5 022	11 522	-	11 522	8 641	2 880	33,3%	11 522
Rural Road Asset Management Systems Grant	-	2 357	2 358	-	2 358	1 769	590	33,3%	2 358
Water Services Infrastructure Grant	-	-	10 004	-	10 004	7 503	2 501	33,3%	10 004
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	<b>43 783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other	43 783	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>791</b>	<b>400</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>(300)</b>	<b>-100,0%</b>	<b>400</b>
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	791	400	400	-	-	300	(300)	-100,0%	400
<b>Total Operating Transfers and Grants</b>	<b>396 005</b>	<b>366 404</b>	<b>382 908</b>	<b>86 327</b>	<b>380 914</b>	<b>287 181</b>	<b>93 733</b>	<b>32,6%</b>	<b>382 908</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>286 326</b>	<b>275 839</b>	<b>259 335</b>	<b>90 860</b>	<b>260 929</b>	<b>194 501</b>	<b>66 428</b>	<b>34,2%</b>	<b>259 335</b>
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	152 755	195 839	189 339	70 860	190 933	142 004	48 929	34,5%	189 339
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	70 000	20 000	20 000	5 000	35 000	15 000	20 000	133,3%	20 000
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	63 571	60 000	49 996	15 000	34 996	37 497	(2 501)	-6,7%	49 996
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>15 000</b>	<b>15 000</b>	<b>15 000</b>	<b>11 250</b>	<b>3 750</b>	<b>33,3%</b>	<b>15 000</b>
COGTA	-	-	15 000	15 000	15 000	11 250	3 750	33,3%	15 000
<b>Total Capital Transfers and Grants</b>	<b>286 326</b>	<b>275 839</b>	<b>274 335</b>	<b>105 860</b>	<b>275 929</b>	<b>205 751</b>	<b>70 178</b>	<b>34,1%</b>	<b>274 335</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>682 330</b>	<b>642 242</b>	<b>657 243</b>	<b>192 187</b>	<b>656 843</b>	<b>492 932</b>	<b>163 911</b>	<b>33,3%</b>	<b>657 243</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 - M09 March

Description	2018/19	Budget Year 2019/20							
	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>									
National Government:	351 431	366 004	382 508	240 229	242 435	367 816	(125 381)	-34,1%	490 154
Energy Efficiency and Demand Side Management Grant	-	7 000	7 000	1 610	1 610	3 383	(1 773)	-52,4%	7 000
Equitable Share	318 074	345 309	345 309	230 206	230 206	347 243	(117 037)	-33,7%	452 954
Expanded Public Works Programme Integrated Grant	2 518	5 316	5 316	572	1 171	4 906	(3 735)	-76,1%	5 316
Local Government Financial Management Grant	1 000	1 000	1 000	-	309	713	(404)	-56,6%	1 000
Municipal Infrastructure Grant	29 839	5 022	11 522	3 877	4 402	6 366	(1 964)	-30,8%	11 522
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	2 357	2 358	329	1 101	1 203	(101)	-8,4%	2 358
Water Services Infrastructure Grant	-	-	10 004	3 635	3 635	4 002	(367)	-9,2%	10 004
Provincial Government:	1 332	-	-	-	-	-	-	-	-
Development Planning and Shared Services	1 332	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	15 709	21 635	-	-	14 152	(14 152)	-100,0%	21 635
Other grant providers:	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>352 764</b>	<b>366 004</b>	<b>382 508</b>	<b>240 229</b>	<b>242 435</b>	<b>367 816</b>	<b>(125 381)</b>	<b>-34,1%</b>	<b>490 154</b>
<b>Capital expenditure of Transfers and Grants</b>									
National Government:	286 326	275 979	259 335	34 089	173 068	200 295	(27 227)	-13,6%	259 335
Local Government Financial Management Grant	-	140	-	-	-	18	(18)	-100,0%	-
Municipal Infrastructure Grant	152 755	195 839	189 339	27 514	109 951	144 279	(34 328)	-23,8%	189 338
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	70 000	20 000	20 000	5 883	17 391	15 000	2 391	15,9%	20 000
Water Services Infrastructure Grant	63 571	60 000	49 996	693	45 725	40 998	4 727	11,5%	49 996
Provincial Government:	-	-	15 000	1 983	1 983	6 000	(4 017)	-67,0%	15 000
COGTA	-	-	15 000	1 983	1 983	6 000	(4 017)	-67,0%	15 000
District Municipality:	-	225	50	-	-	99	(99)	-100,0%	50
Specify (Add grant description)	-	225	50	-	-	99	(99)	-100,0%	50
Other grant providers:	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>286 326</b>	<b>276 204</b>	<b>274 385</b>	<b>36 072</b>	<b>175 051</b>	<b>206 394</b>	<b>(31 343)</b>	<b>-15,2%</b>	<b>274 385</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>639 089</b>	<b>642 207</b>	<b>656 893</b>	<b>276 301</b>	<b>417 485</b>	<b>574 209</b>	<b>(156 724)</b>	<b>-27,3%</b>	<b>764 538</b>

## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 March 2020.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration	2018/19	Budget Year 2019/20							
	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	4 538	5 691	5 533	425	3 524	4 205	(681)	-16%	5 533
Pension and UIF Contributions	581	254	300	40	361	209	152	73%	300
Medical Aid Contributions	96	45	45	5	40	34	6	18%	45
Motor Vehicle Allowance	45	-	-	-	-	-	-	-	-
Cellphone Allowance	534	372	413	54	449	295	154	52%	413
Other benefits and allowances	1 159	1 212	1 284	144	1 041	938	103	11%	1 284
<b>Sub Total - Councillors</b>	<b>6 952</b>	<b>7 574</b>	<b>7 574</b>	<b>668</b>	<b>5 414</b>	<b>5 681</b>	<b>(266)</b>	<b>-5%</b>	<b>7 574</b>
% increase		8,9%	8,9%						8,9%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4 005	4 760	3 492	274	2 474	3 063	(589)	-19%	3 492
Pension and UIF Contributions	10	8	9	1	7	6	0	4%	9
Medical Aid Contributions	91	1 021	110	10	84	401	(317)	-79%	110
Performance Bonus	146	-	53	-	53	21	32	150%	53
Motor Vehicle Allowance	883	941	866	69	624	676	(52)	-8%	866
Cellphone Allowance	91	785	98	8	70	314	(244)	-78%	98
Housing Allowances	129	110	153	13	115	100	15	15%	153
Other benefits and allowances	110	117	361	30	271	185	85	46%	361
Payments in lieu of leave	22	353	-	-	-	124	(124)	-100%	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 488</b>	<b>8 095</b>	<b>5 144</b>	<b>405</b>	<b>3 697</b>	<b>4 891</b>	<b>(1 193)</b>	<b>-24%</b>	<b>5 144</b>
% increase		47,5%	-6,3%						-6,3%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	99 979	103 251	111 466	8 727	80 250	80 724	(474)	-1%	111 466
Pension and UIF Contributions	14 873	12 905	16 186	1 330	12 074	10 991	1 083	10%	16 186
Medical Aid Contributions	7 261	5 136	8 061	716	6 134	5 022	1 112	22%	8 061
Overtime	22 215	19 704	24 200	1 926	17 968	16 576	1 392	8%	24 200
Performance Bonus	6 855	9 704	7 202	880	5 960	6 277	(317)	-5%	7 202
Motor Vehicle Allowance	13 814	12 641	14 337	1 184	10 731	10 159	572	6%	14 337
Cellphone Allowance	699	734	782	63	582	570	12	2%	782
Housing Allowances	413	1 442	479	40	358	696	(338)	-49%	479
Other benefits and allowances	3 514	18 178	4 772	409	3 603	8 271	(4 669)	-56%	4 772
Payments in lieu of leave	1 967	1 419	732	79	584	790	(205)	-26%	732
Long service awards	626	314	1 000	-	100	510	(410)	-80%	1 000
Post-retirement benefit obligations	(4 009)	2 099	2 934	-	-	1 908	(1 908)	-100%	2 934
<b>Sub Total - Other Municipal Staff</b>	<b>168 207</b>	<b>187 528</b>	<b>192 151</b>	<b>15 353</b>	<b>138 345</b>	<b>142 496</b>	<b>(4 150)</b>	<b>-3%</b>	<b>192 151</b>
% increase		11,5%	14,2%						14,2%
<b>Total Parent Municipality</b>	<b>180 647</b>	<b>203 197</b>	<b>204 869</b>	<b>16 426</b>	<b>147 457</b>	<b>153 067</b>	<b>(5 610)</b>	<b>-4%</b>	<b>204 869</b>
		12,5%	13,4%						13,4%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages	-	350	350	-	-	263	(263)	-100%	350
<b>Sub Total - Board Members of Entities</b>	<b>-</b>	<b>350</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>263</b>	<b>(263)</b>	<b>-100%</b>	<b>350</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages	-	2 000	1 000	-	-	1 100	(1 100)	-100%	1 000
<b>Sub Total - Senior Managers of Entities</b>	<b>-</b>	<b>2 000</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>1 100</b>	<b>(1 100)</b>	<b>-100%</b>	<b>1 000</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Other Staff of Entities</b>									
Basic Salaries and Wages	-	5 283	5 283	-	-	3 962	(3 962)	-100%	5 283
Pension and UIF Contributions	-	1 380	1 380	-	-	1 035	(1 035)	-100%	1 380
Medical Aid Contributions	-	450	450	-	-	338	(338)	-100%	450
Performance Bonus	-	500	500	-	-	375	(375)	-100%	500
Other benefits and allowances	-	100	100	-	-	75	(75)	-100%	100
Payments in lieu of leave	-	40	40	-	-	30	(30)	-100%	40
<b>Sub Total - Other Staff of Entities</b>	<b>-</b>	<b>7 753</b>	<b>7 753</b>	<b>-</b>	<b>-</b>	<b>5 815</b>	<b>(5 815)</b>	<b>-100%</b>	<b>7 753</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Total Municipal Entities</b>	<b>-</b>	<b>10 103</b>	<b>9 103</b>	<b>-</b>	<b>-</b>	<b>7 177</b>	<b>(7 177)</b>	<b>-100%</b>	<b>9 103</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>180 647</b>	<b>213 300</b>	<b>213 972</b>	<b>16 426</b>	<b>147 457</b>	<b>160 244</b>	<b>(12 787)</b>	<b>-8%</b>	<b>213 972</b>
% increase		18,1%	18,4%						18,4%
<b>TOTAL MANAGERS AND STAFF</b>	<b>173 695</b>	<b>205 376</b>	<b>206 048</b>	<b>15 757</b>	<b>142 043</b>	<b>154 301</b>	<b>(12 258)</b>	<b>-8%</b>	<b>206 048</b>

## 2.6 Material Variances to the SDBIP

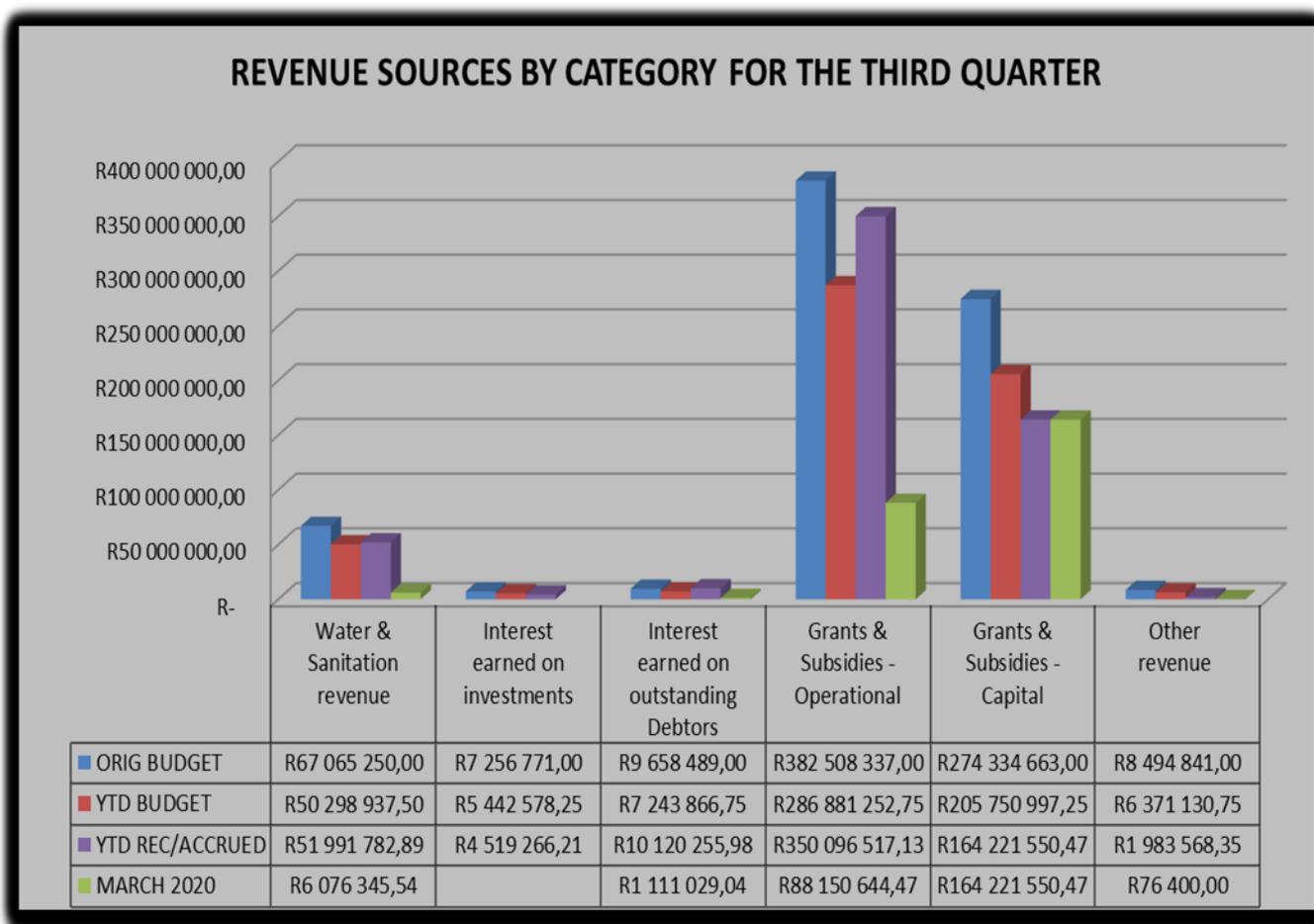
The following section analyses material variances between the actual targets as at 31 March 2020 and the budget for the same period. This report analyses each major component under following headings;

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

### REVENUE

The chart displays a comparison between the 2019/20 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 March 2020 was R51, 9million against a year to date **budget** of R50, 2million.

### Interest Earned on External Investments

The year to date actual interest earned on external investments for the period ended March 2020 is R4, 5m or 83% actual against year to date budget of R5, 4million.

## **Transfers Recognised - Operational**

The operational grants revenue of R350million against a year to date budget of R286, 8million is largely attributable to the YTD equitable share received.

## **Transfers Recognised – Capital**

The low expenditure trends on grant funded expenditure had resulted in a rather lower than expected recognition of Income against the set targets. The actual R176, 5million (against a YTD budget of R209, 4million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 84% performance in Conditional Capital grant funding expenditures

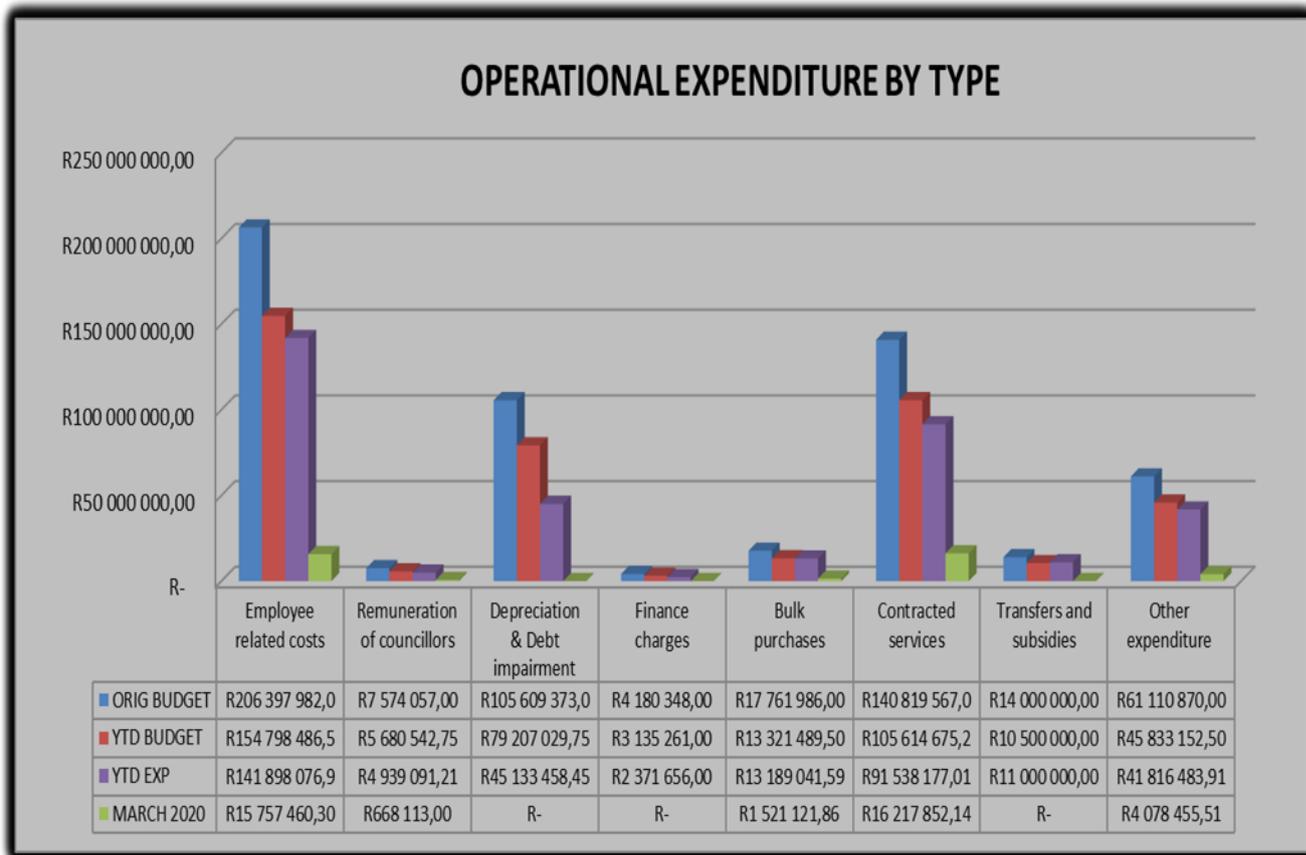
## **Other Revenue**

The YTD performance of other revenue is R1, 9million against YTD budget of R6, 3million representing over performance of 31 per cent.

## **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: 2019/20 financial year Opex**



### Employee Related Costs

The YTD budget for employee related costs is R154, 7million against a YTD actual of R141, 8million which is 92% of the YTD budget.

### Remuneration of Councillors

The remuneration of councillor’s year to date expenditure is at R 2, 3million against a YTD budget of R5, 6million representing 87% of the year to date budget.

## **Finance Charges**

As at 31 March 2020, the year to date expenditure for finance charges is R852 043k against the Year to Date budget of R 3, 1m representing performance of 76 per cent.

## **Bulk Purchases**

The expenditure on Bulk Water purchases has the budget of R17, 7m and the year to date expenditure is at R 13, 1million. The actual for the month ending 31 March was R 1, 5million. The expenditure for bulk water purchases is at 99% as at 31 March 2020.

## **Other Expenditure**

The YTD budget for other expenditure was at R 45, 8million against a YTD expenditure of R 41, 8million and expenditure for the month of March 2020 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 - M09 March**

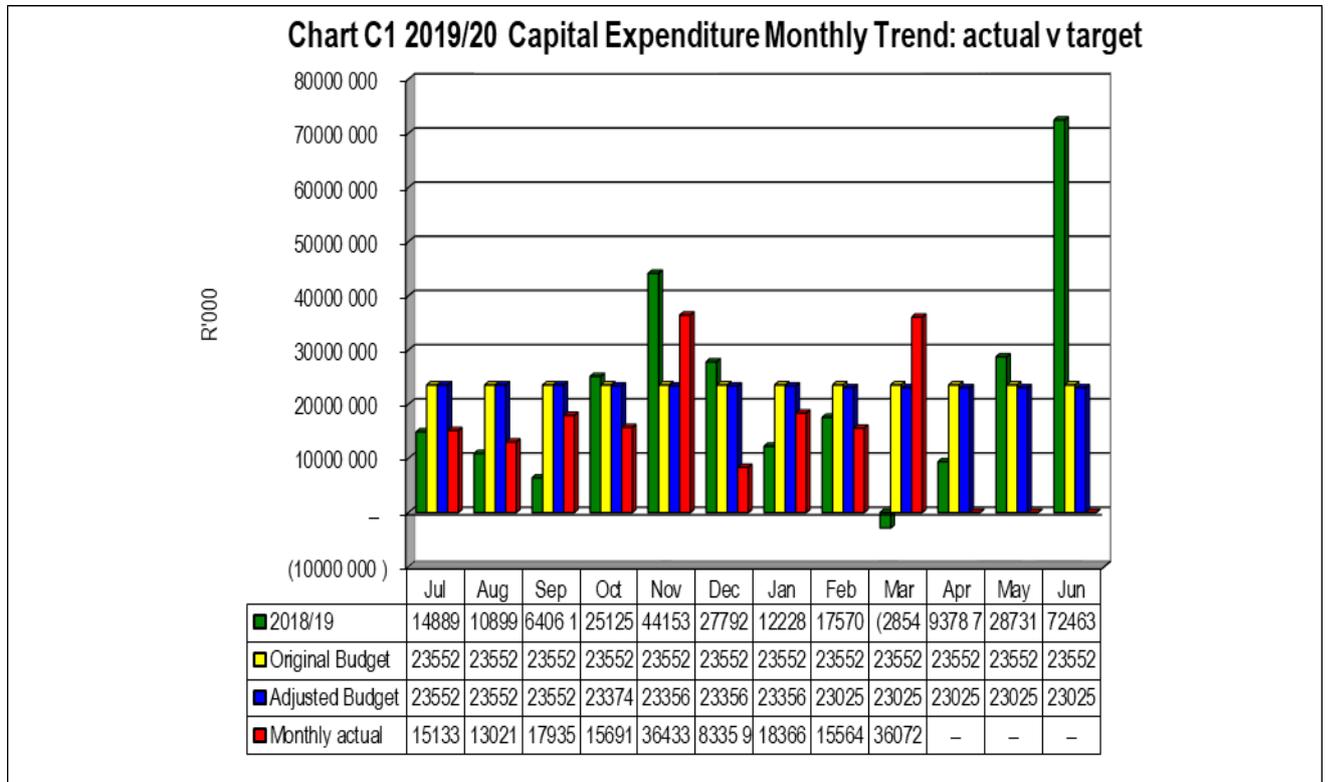
Description	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Budget	May Budget	June Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousands</b>															
<b>Cash Receipts By Source</b>															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	3 341	3 133	3 401	3 529	3 385	2 355	3 119	3 119	3 103	2 456	2 700	2 753	36 393	36 089	38 507
Service charges - sanitation revenue	1 432	1 343	1 457	1 502	1 451	1 009	1 337	1 337	1 330	1 087	1 100	1 213	15 597	14 842	15 838
Interest earned - external investments	354	969	910	673	565	390	293	378	-	713	1 203	810	7 257	10 238	10 852
Transfers and Subsidies - Operational	145 208	3 980		3 000	2 393	71 865	-	6 301	86 327	-	121	20 712	339 907	381 076	411 995
Other revenue		276		-	858	-	35		76	3 901	1 100	5 380	11 626	823	867
<b>Cash Receipts by Source</b>	<b>150 335</b>	<b>9 700</b>	<b>5 768</b>	<b>8 703</b>	<b>8 651</b>	<b>75 620</b>	<b>4 784</b>	<b>11 134</b>	<b>90 836</b>	<b>8 157</b>	<b>6 224</b>	<b>30 868</b>	<b>410 780</b>	<b>443 068</b>	<b>478 060</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	50 000	40 000	-	-	20 000		80 000	-	105 860			(21 525)	274 335	302 870	358 946
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	(18)	(14)	(18)	(5)	(10)	(4)	(6)	(12)	-	(145)	(145)	(1 364)	(1 740)	(1 845)	-
Decrease (increase) in non-current investments												-			
<b>Total Cash Receipts by Source</b>	<b>200 317</b>	<b>49 687</b>	<b>5 750</b>	<b>8 699</b>	<b>28 641</b>	<b>75 615</b>	<b>84 778</b>	<b>11 123</b>	<b>196 696</b>	<b>8 012</b>	<b>6 079</b>	<b>7 978</b>	<b>683 374</b>	<b>744 093</b>	<b>837 006</b>
<b>Cash Payments by Type</b>															
Employee related costs	20 661	16 041	15 717	15 786	15 422	15 817	10 794	15 902	15 757	17 278	17 278	29 943	206 398	222 746	232 810
Remuneration of councillors	443	461	602	663	686	648	604	638	193	631	631	1 373	7 574	8 018	8 579
Interest paid	-	-	-	-	1 904	-	468	-	-	425	425	958	4 180	4 385	4 595
Bulk purchases - Water & Sewer	-	839	3 601	(993)	-	3 061	937	4 223	1 521	1 557	1 557	1 459	17 762	18 632	19 527
Other materials	-	23	462	1 366	1 796	1 543	(2 173)	816	243	2 083	2 083	7 824	16 065	9 113	9 432
Contracted services	5 912	5 967	8 229	11 258	7 581	12 856	10 918	12 601	16 218	14 953	14 953	19 376	140 820	118 948	132 288
Grants and subsidies paid - other	-	-	-	-	-	-	5 000	6 000	-	-	-	(11 000)	-	-	-
General expenses	5 994	2 946	5 273	4 685	2 595	6 092	2 910	3 032	3 835	4 742	4 742	12 199	59 046	61 888	63 093
<b>Cash Payments by Type</b>	<b>33 011</b>	<b>26 277</b>	<b>33 884</b>	<b>32 765</b>	<b>29 984</b>	<b>40 017</b>	<b>29 457</b>	<b>43 212</b>	<b>37 768</b>	<b>41 670</b>	<b>41 670</b>	<b>62 132</b>	<b>451 845</b>	<b>443 731</b>	<b>470 324</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	15 134	13 021	17 935	15 692	36 401	8 336	18 366	15 564	13 973	29 714	28 234	67 035	279 405	276 162	326 406
Repayment of borrowing	-	251	136	-	247	112	99	121	-	358	358	2 610	4 290	(4 400)	-
Other Cash Flows/Payments												-			
<b>Total Cash Payments by Type</b>	<b>48 144</b>	<b>39 549</b>	<b>51 955</b>	<b>48 456</b>	<b>66 632</b>	<b>48 465</b>	<b>47 922</b>	<b>58 897</b>	<b>51 741</b>	<b>71 741</b>	<b>70 261</b>	<b>131 777</b>	<b>735 540</b>	<b>715 493</b>	<b>796 729</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>152 172</b>	<b>10 138</b>	<b>(46 205)</b>	<b>(39 758)</b>	<b>(37 991)</b>	<b>27 150</b>	<b>36 856</b>	<b>(47 775)</b>	<b>144 955</b>	<b>(63 730)</b>	<b>(64 182)</b>	<b>(123 798)</b>	<b>(52 166)</b>	<b>28 600</b>	<b>40 276</b>
Cash/cash equivalents at the month/year beginning:	(14 000)	-	-	-	-	-	14 000	-	-	(758)	(758)	(64 940)	52 767	55 933	-
Cash/cash equivalents at the month/year end:	138 172	10 138	(46 205)	(39 758)	(37 991)	27 150	50 856	(47 775)	144 955	(64 487)	(64 940)	(188 738)	601	84 533	40 276

## Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M09 March

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands								%	
<b>Monthly expenditure performance trend</b>									
July	14 889	23 552	23 552	15 134	15 134	23 552	8 418	35,7%	5%
August	10 900	23 552	23 552	13 021	28 155	47 104	18 949	40,2%	10%
September	6 406	23 552	23 552	17 935	46 091	70 656	24 565	34,8%	16%
October	25 125	23 552	23 374	15 692	61 782	94 030	32 248	34,3%	22%
November	44 154	23 552	23 357	36 434	98 216	117 387	19 171	16,3%	35%
December	27 793	23 552	23 357	8 336	106 552	140 744	34 192	24,3%	38%
January	12 229	23 552	23 357	18 366	124 919	164 100	39 182	23,9%	44%
February	17 570	23 552	23 026	15 564	140 483	187 126	46 644	24,9%	50%
March	(2 855)	23 552	23 026	36 072	176 555	210 152	33 597	16,0%	62%
April	9 379	23 552	23 026	-	-	233 178	-	-	-
May	28 732	23 552	23 026	-	-	256 204	-	-	-
June	72 464	23 552	23 026	-	-	279 230	-	-	-
<b>Total Capital expenditure</b>	<b>266 785</b>	<b>282 624</b>	<b>279 230</b>	<b>176 555</b>					

## YTD Capital Budget vs. YTD Capital Expenditure



### Capital Expenditure on New Assets by Asset Class

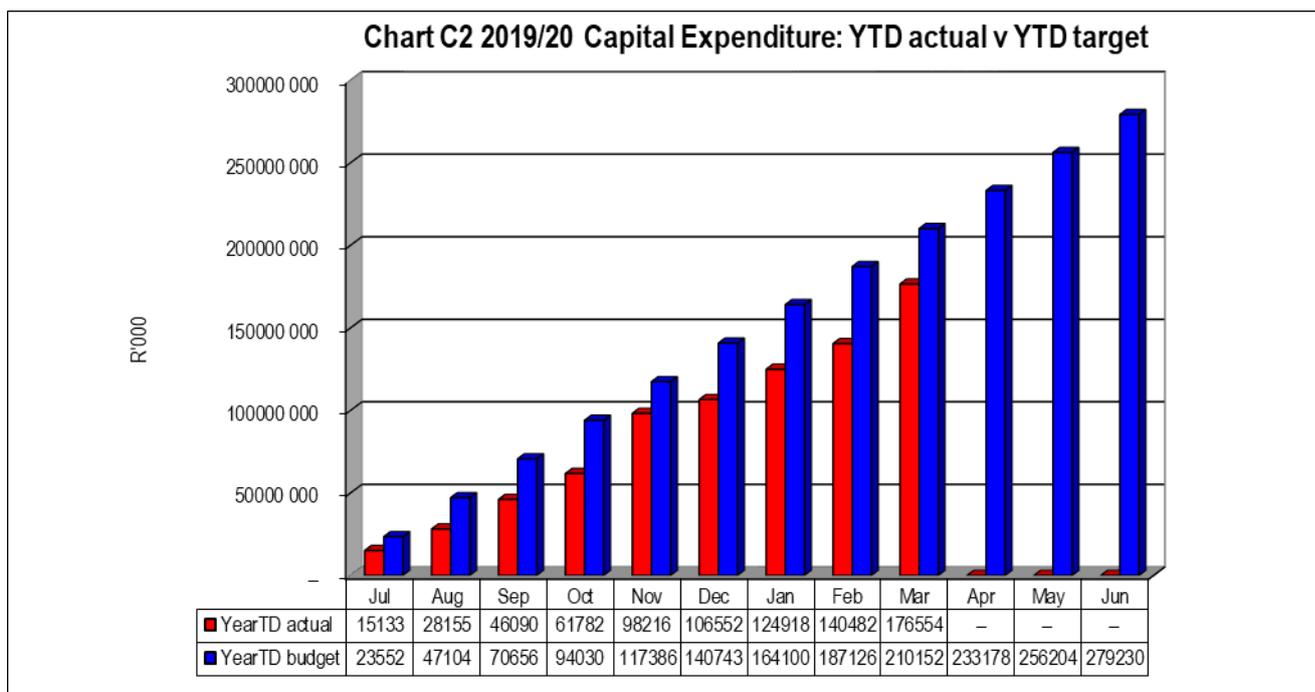
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M09

Description	2018/19	Budget Year 2019/20							
	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 new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	72 687	96 344	116 912	27 530	67 895	80 742	12 847	15,9%	116 912
Water Supply Infrastructure	70 959	96 344	116 912	27 530	67 895	80 742	12 847	15,9%	116 912
Dams and Weirs	65 476	24 250	36 250	12 918	24 426	22 987	(1 439)	-6,3%	36 250
Boreholes	3 203	2 000	10 000	5 104	6 703	4 700	(2 003)	-42,6%	10 000
Reservoirs	-	13 680	27 390	2 776	8 313	15 744	7 431	47,2%	27 390
Pump Stations	-	-	-	-	-	-	-	-	-
Water Treatment Works	2 281	-	-	-	-	-	-	-	-
Bulk Mains	-	24 200	19 321	1 671	14 707	16 456	1 749	10,6%	19 321
Distribution	-	31 614	23 952	5 061	13 746	20 646	6 899	33,4%	23 952
Capital Spares	-	600	-	-	-	210	210	100,0%	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	1 728	-	-	-	-	-	-	-	-
Data Centres	1 728	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	25	-	-	-	9	9	100,0%	-
Community Facilities	-	25	-	-	-	9	9	100,0%	-
Centres	-	25	-	-	-	9	9	100,0%	-
<b>Other assets</b>	-	211	-	-	-	74	74	100,0%	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	211	-	-	-	74	74	100,0%	-
Staff Housing	-	211	-	-	-	74	74	100,0%	-
<b>Intangible Assets</b>	-	100	-	-	-	35	35	100,0%	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	100	-	-	-	35	35	100,0%	-
Computer Software and Applications	-	100	-	-	-	35	35	100,0%	-
<b>Computer Equipment</b>	-	1 450	1 450	-	1 221	1 088	(133)	-12,3%	1 450
Computer Equipment	-	1 450	1 450	-	1 221	1 088	(133)	-12,3%	1 450
<b>Furniture and Office Equipment</b>	1 120	1 996	1 431	-	283	946	663	70,0%	1 431
Furniture and Office Equipment	1 120	1 996	1 431	-	283	946	663	70,0%	1 431
<b>Machinery and Equipment</b>	38	289	-	-	-	101	101	100,0%	-
Machinery and Equipment	38	289	-	-	-	101	101	100,0%	-
<b>Total Capital Expenditure on new assets</b>	<b>73 845</b>	<b>100 415</b>	<b>119 793</b>	<b>27 530</b>	<b>69 400</b>	<b>82 995</b>	<b>13 595</b>	<b>16,4%</b>	<b>119 793</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	2018/19	Budget Year 2019/20							
	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>	181 384	95 857	98 238	1 152	70 524	73 588	3 064	4,2%	98 238
<i>Capital Spares</i>							-		
Water Supply Infrastructure	41 249	53 887	46 864	3 968	38 915	37 349	(1 566)	-4,2%	46 864
Dams and Weirs	-	-	-	-	-	-	-		-
Bulk Mains	-	-	-	-	-	-	-		-
Distribution	26 126	53 887	46 864	3 968	38 915	37 349	(1 566)	-4,2%	46 864
Distribution Points	15 123	-	-	-	-	-	-		-
PRV Stations							-		
<i>Capital Spares</i>							-		
Sanitation Infrastructure	140 135	41 970	51 374	(2 816)	31 609	36 239	4 630	12,8%	51 374
Pump Station							-		
Reticulation	-	-	-	-	-	-	-		-
Waste Water Treatment Works	140 135	41 970	51 374	(2 816)	31 609	36 239	4 630	12,8%	51 374
Outfall Sewers							-		
<b>Machinery and Equipment</b>	85	158	158	-	-	119	119	100,0%	158
Machinery and Equipment	85	158	158	-	-	119	119	100,0%	158
<b>Transport Assets</b>	11 472	1 500	800	-	-	712	712	100,0%	800
Transport Assets	11 472	1 500	800	-	-	712	712	100,0%	800
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>192 941</b>	<b>97 515</b>	<b>99 196</b>	<b>1 152</b>	<b>70 524</b>	<b>74 418</b>	<b>3 895</b>	<b>5,2%</b>	<b>99 196</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
- the quarterly report on the implementation of the budget in terms of s52 (d) of the MFMA

For the month of March 2020 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 \_\_\_\_\_

