

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 July 2020.

8/13/2020

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 2020/2021 budget for the period ending 31 July 2020

1.3 Resolutions

This report will be tabled to Finance 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,

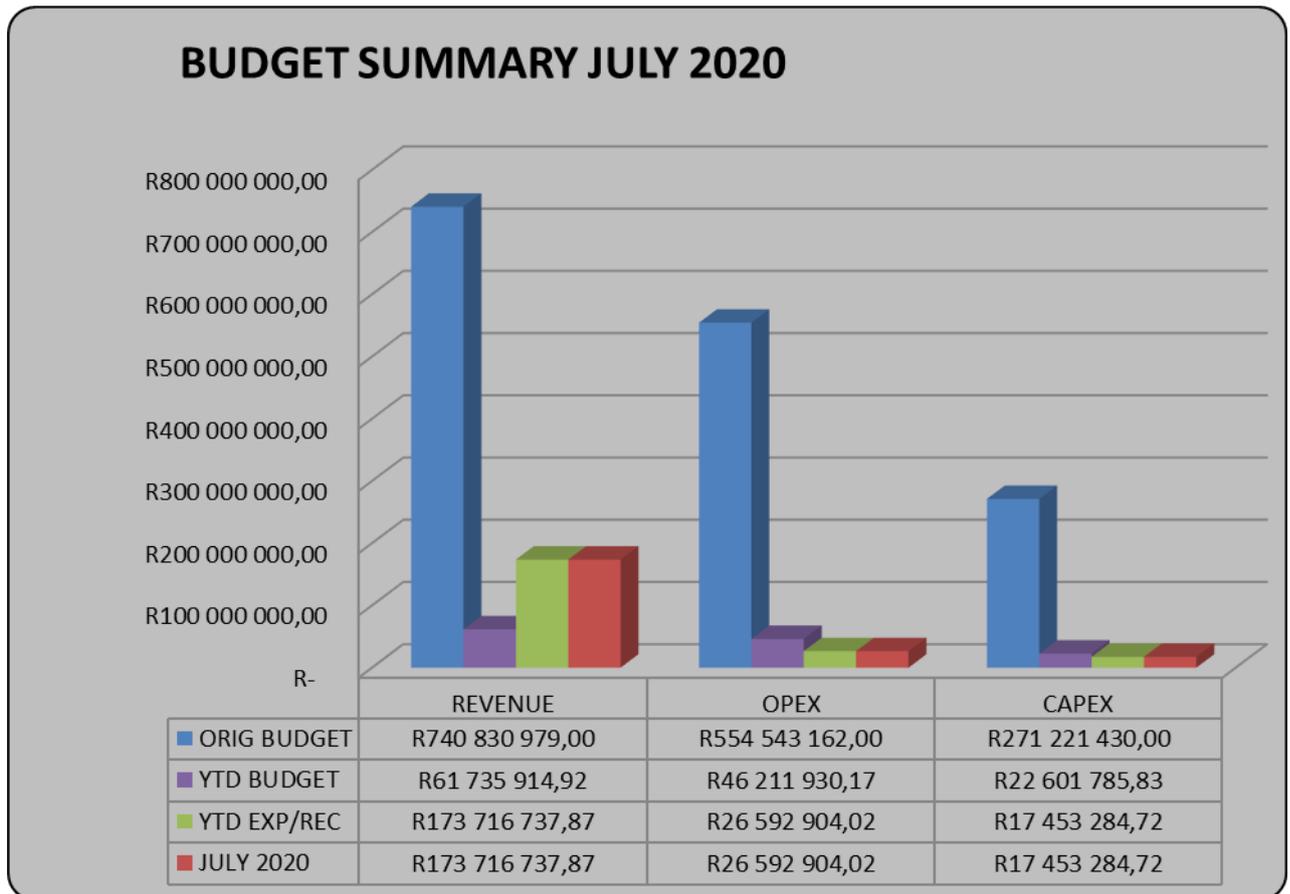
- Revenue
- Operational, and
- Capital Budgets

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 2020/2021 budget for the period ending 31 July 2020. 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



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
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	70 463	71 050	71 050	5 324	5 324	5 921	(597)	-10%	71 050
Investment revenue	5 905	7 681	7 681	-	-	640	(640)	-100%	7 681
Transfers and subsidies	370 045	387 266	387 266	167 553	167 553	32 272	135 281	419%	387 266
Other own revenue	15 463	11 345	11 345	840	840	945	(105)	-11%	11 345
Total Revenue (excluding capital transfers and contributions)	461 875	477 343	477 343	173 717	173 717	39 779	133 938	337%	477 343
Employee costs	188 647	222 746	222 746	16 377	16 377	18 562	(2 186)	-12%	222 746
Remuneration of Councillors	7 702	8 018	8 018	688	688	668	20	3%	8 018
Depreciation & asset impairment	71 033	84 249	84 249	-	-	7 021	(7 021)	-100%	84 249
Finance charges	2 730	4 385	4 385	-	-	365	(365)	-100%	4 385
Materials and bulk purchases	28 572	27 745	27 745	-	-	2 312	(2 312)	-100%	27 745
Transfers and subsidies	14 000	-	-	-	-	-	-	-	-
Other expenditure	193 333	207 401	207 401	9 528	9 528	17 283	(7 756)	-45%	207 401
Total Expenditure	506 016	554 543	554 543	26 593	26 593	46 212	(19 619)	-42%	554 543
Surplus/(Deficit)	(44 141)	(77 200)	(77 200)	147 124	147 124	(6 434)	153 557	-2387%	(77 200)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	496 194	263 488	263 488	-	-	21 957	(21 957)	-100%	263 488
Surplus/(Deficit) after capital transfers & contributions	457 917	186 288	186 288	147 124	147 124	15 524	131 600	848%	186 288
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	457 917	186 288	186 288	147 124	147 124	15 524	131 600	848%	186 288
Capital expenditure & funds sources									
Capital expenditure	238 989	271 221	271 221	17 453	17 453	22 602	(5 149)	-23%	271 221
Capital transfers recognised	234 502	263 488	263 488	17 453	17 453	21 957	(4 504)	-21%	263 488
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	3 192	7 734	7 734	-	-	644	(644)	-100%	7 734
Total sources of capital funds	238 989	271 221	271 221	17 453	17 453	22 602	(5 149)	-23%	271 221
Financial position									
Total current assets	144 585	54 206	54 206		181 462				54 206
Total non current assets	2 335 899	2 290 106	2 290 106		17 453				2 290 106
Total current liabilities	(90 876)	85 282	85 282		52 886				85 282
Total non current liabilities	42 652	27 811	27 811		(1 094)				27 811
Community wealth/Equity	2 311 862	2 231 219	2 231 219		147 124				2 231 219
Cash flows									
Net cash from (used) operating	233 262	269 092	269 092	198 670	198 670	21 784	(176 886)	-812%	269 092
Net cash from (used) investing	(279 405)	(271 221)	(271 221)	(17 453)	(17 453)	(22 602)	(5 149)	23%	(271 221)
Net cash from (used) financing	(12 528)	(4 555)	(4 555)	-	-	(380)	(380)	100%	(4 555)
Cash/cash equivalents at the month/year end	(308)	6 237	6 237	-	221 873	(1 197)	(223 070)	18633%	(6 685)
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	8 570	12 435	5 372	4 272	5 231	5 132	27 396	68 408
Creditors Age Analysis									
Total Creditors	13 573	-	-	-	-	-	-	-	13 573

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
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	368 064	391 887	391 887	167 742	167 742	32 657	135 085	414%	391 887
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	368 064	391 887	391 887	167 742	167 742	32 657	135 085	414%	391 887
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7 332	6 966	6 966	-	-	581	(581)	-100%	6 966
Planning and development	7 332	6 966	6 966	-	-	581	(581)	-100%	6 966
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	588 537	341 978	341 978	5 975	5 975	28 498	(22 523)	-79%	341 978
Energy sources	-	-	-	-	-	-	-	-	-
Water management	566 231	321 468	321 468	4 609	4 609	26 789	(22 180)	-83%	321 468
Waste water management	22 305	20 510	20 510	1 366	1 366	1 709	(343)	-20%	20 510
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	963 933	740 831	740 831	173 717	173 717	61 736	111 981	181%	740 831
Expenditure - Functional									
<i>Governance and administration</i>	199 781	240 522	240 522	14 097	14 097	20 044	(5 947)	-30%	240 522
Executive and council	18 888	24 234	24 234	3 081	3 081	2 020	1 062	53%	24 234
Finance and administration	173 381	208 209	208 209	10 383	10 383	17 351	(6 968)	-40%	208 209
Internal audit	7 512	8 078	8 078	632	632	673	(41)	-6%	8 078
<i>Community and public safety</i>	16 674	18 788	18 788	1 218	1 218	1 566	(348)	-22%	18 788
Community and social services	16 674	18 788	18 788	1 218	1 218	1 566	(348)	-22%	18 788
<i>Economic and environmental services</i>	136 556	148 577	148 577	2 382	2 382	12 381	(9 999)	-81%	148 577
Planning and development	136 556	148 577	148 577	2 382	2 382	12 381	(9 999)	-81%	148 577
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	153 006	146 657	146 657	8 896	8 896	12 221	(3 325)	-27%	146 657
Energy sources	-	-	-	-	-	-	-	-	-
Water management	150 432	145 857	145 857	8 841	8 841	12 155	(3 314)	-27%	145 857
Waste water management	2 574	800	800	55	55	67	(12)	-17%	800
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	506 016	554 543	554 543	26 593	26 593	46 212	(19 619)	-42%	554 543
Surplus/ (Deficit) for the year	457 917	186 288	186 288	147 124	147 124	15 524	131 600	848%	186 288

This table assess the revenue by department and then the expenditure for the period ending 31 July 2020. 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 23%.

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 R20m.

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
R thousands									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	366 909	391 887	391 887	167 727	167 727	32 657	135 069	413,6%	391 887
Vote 04 - Summary Corporate Services	1 049	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	332	6 966	6 966	-	-	581	(581)	-100,0%	6 966
Vote 06 - Summary Infrastructure Services	505 850	270 928	270 928	178	178	22 577	(22 400)	-99,2%	270 928
Vote 07 - Summary Water Services	89 793	71 050	71 050	5 813	5 813	5 921	(108)	-1,8%	71 050
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	963 933	740 831	740 831	173 717	173 717	61 736	111 981	181,4%	740 831
Expenditure by Vote									
Vote 01 - Summary Council	10 296	15 677	15 677	2 793	2 793	1 306	1 486	113,7%	15 677
Vote 02 - Summary Municipal Manager	16 104	16 635	16 635	921	921	1 386	(465)	-33,6%	16 635
Vote 03 - Summary Budget And Treasury Office	54 370	84 548	84 548	4 454	4 454	7 046	(2 591)	-36,8%	84 548
Vote 04 - Summary Corporate Services	80 492	81 310	81 310	4 786	4 786	6 776	(1 989)	-29,4%	81 310
Vote 05 - Summary Social Services & Development Planning	49 926	58 793	58 793	2 240	2 240	4 899	(2 659)	-54,3%	58 793
Vote 06 - Summary Infrastructure Services	111 597	112 989	112 989	1 708	1 708	9 416	(7 708)	-81,9%	112 989
Vote 07 - Summary Water Services	183 230	184 590	184 590	9 691	9 691	15 383	(5 692)	-37,0%	184 590
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	506 016	554 543	554 543	26 593	26 593	46 212	(19 619)	-42,5%	554 543
Surplus/ (Deficit) for the year	457 917	186 288	186 288	147 124	147 124	15 524	131 600	847,7%	186 288

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 2020.

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
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue									
Service charges - water revenue	54 157	50 540	50 540	4 135	4 135	4 212	(77)	-2%	50 540
Service charges - sanitation revenue	16 305	20 510	20 510	1 189	1 189	1 709	(520)	-30%	20 510
Rental of facilities and equipment									
Interest earned - external investments	5 905	7 681	7 681	-	-	640	(640)	-100%	7 681
Interest earned - outstanding debtors	12 923	10 238	10 238	674	674	853	(180)	-21%	10 238
Dividends received									
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Transfers and subsidies	370 045	387 266	387 266	167 553	167 553	32 272	135 281	419%	387 266
Other revenue	1 477	1 107	1 107	167	167	92	74	80%	1 107
Gains	1 062	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	461 875	477 343	477 343	173 717	173 717	39 779	133 938	337%	477 343
Expenditure By Type									
Employee related costs	188 647	222 746	222 746	16 377	16 377	18 562	(2 186)	-12%	222 746
Remuneration of councillors	7 702	8 018	8 018	688	688	668	20	3%	8 018
Debt impairment	-	26 556	26 556	-	-	2 213	(2 213)	-100%	26 556
Depreciation & asset impairment	71 033	84 249	84 249	-	-	7 021	(7 021)	-100%	84 249
Finance charges	2 730	4 385	4 385	-	-	365	(365)	-100%	4 385
Bulk purchases	22 799	18 632	18 632	-	-	1 553	(1 553)	-100%	18 632
Other materials	5 772	9 113	9 113	-	-	759	(759)	-100%	9 113
Contracted services	140 068	118 356	118 356	5 441	5 441	9 863	(4 422)	-45%	118 356
Transfers and subsidies	14 000	-	-	-	-	-	-	-	-
Other expenditure	52 886	62 488	62 488	4 086	4 086	5 207	(1 121)	-22%	62 488
Losses	379	-	-	-	-	-	-	-	-
Total Expenditure	506 016	554 543	554 543	26 593	26 593	46 212	(19 619)	-42%	554 543
Surplus/(Deficit)	(44 141)	(77 200)	(77 200)	147 124	147 124	(6 434)	153 557	(0)	(77 200)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	496 194	263 488	263 488	-	-	21 957	(21 957)	(0)	263 488
Transfers and subsidies - capital (in-kind - all)	5 863	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	457 917	186 288	186 288	147 124	147 124	15 524			186 288
Taxation									
Surplus/(Deficit) after taxation	457 917	186 288	186 288	147 124	147 124	15 524			186 288
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	457 917	186 288	186 288	147 124	147 124	15 524			186 288
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	457 917	186 288	186 288	147 124	147 124	15 524			186 288

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.

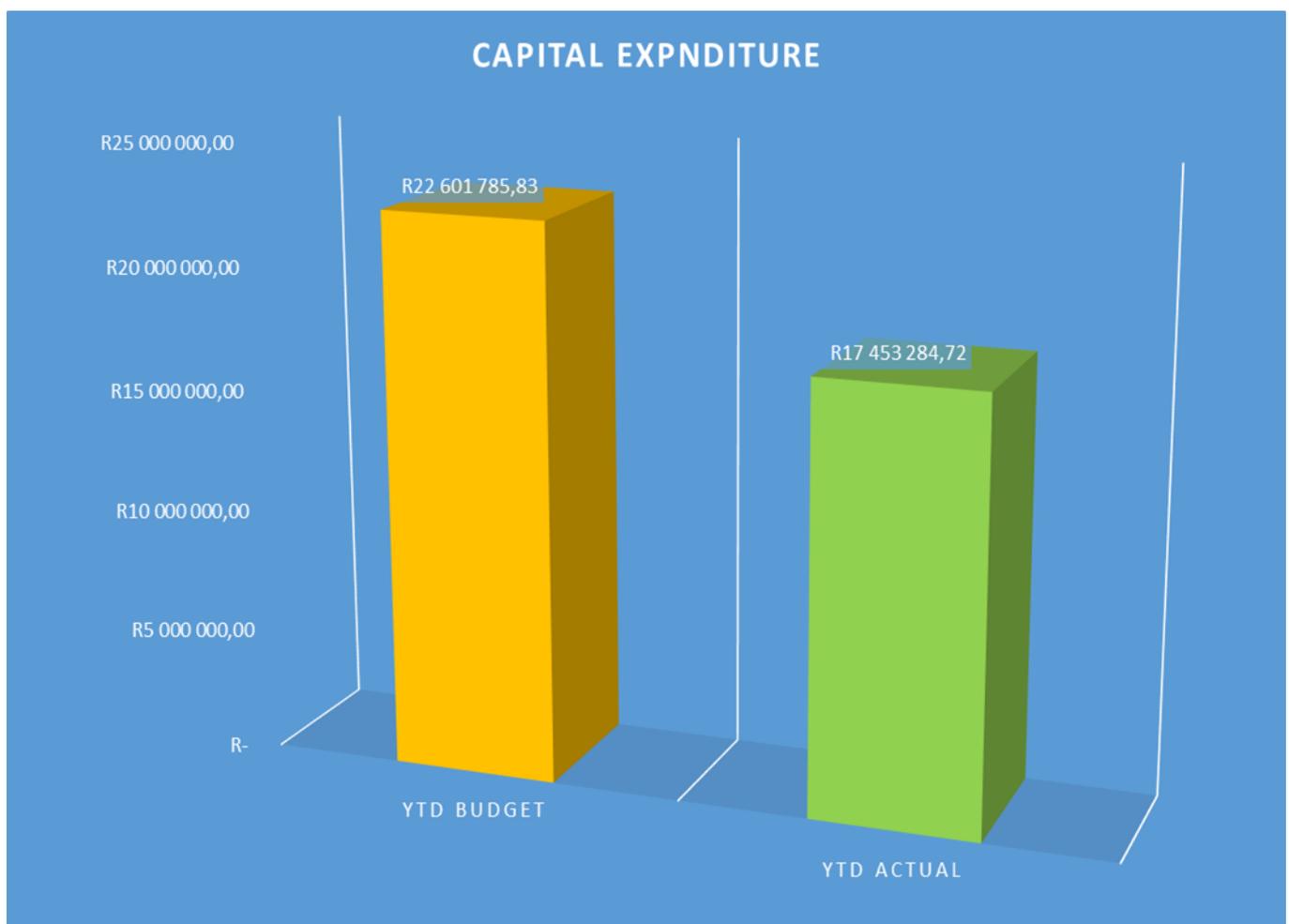
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and

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
R thousands									
Multi-Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	281	324	324	-	-	27	(27)	-100%	324
Vote 04 - Summary Corporate Services	3 814	2 350	2 350	-	-	196	(196)	-100%	2 350
Vote 05 - Summary Social Services & Development Planning	-	3 060	3 060	-	-	255	(255)	-100%	3 060
Vote 06 - Summary Infrastructure Services	223 039	9 026	9 026	2 464	2 464	752	1 712	228%	9 026
Vote 07 - Summary Water Services	11 855	256 462	256 462	14 989	14 989	21 372	(6 382)	-30%	256 462
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	238 989	271 221	271 221	17 453	17 453	22 602	(5 149)	-23%	271 221
Total Capital Expenditure	238 989	271 221	271 221	17 453	17 453	22 602	(5 149)	-23%	271 221
Capital Expenditure - Functional Classification									
Governance and administration	4 095	2 964	2 964	-	-	247	(247)	-100%	2 964
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 095	2 964	2 964	-	-	247	(247)	-100%	2 964
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	2 500	2 500	-	-	208	(208)	-100%	2 500
Community and social services	-	2 500	2 500	-	-	208	(208)	-100%	2 500
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	673	270	270	-	-	23	(23)	-100%	270
Planning and development	673	270	270	-	-	23	(23)	-100%	270
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	234 221	265 488	265 488	17 453	17 453	22 124	(4 671)	-21%	265 488
Energy sources	-	-	-	-	-	-	-	-	-
Water management	198 710	220 615	220 615	17 453	17 453	18 385	(931)	-5%	220 615
Waste water management	35 511	44 873	44 873	-	-	3 739	(3 739)	-100%	44 873
Total Capital Expenditure - Functional Classification	238 989	271 221	271 221	17 453	17 453	22 602	(5 149)	-23%	271 221
Funded by:									
National Government	222 646	263 488	263 488	17 453	17 453	21 957	(4 504)	-21%	263 488
Provincial Government	11 855	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	234 502	263 488	263 488	17 453	17 453	21 957	(4 504)	-21%	263 488
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	3 192	7 734	7 734	-	-	644	(644)	-100%	7 734
Total Capital Funding	238 989	271 221	271 221	17 453	17 453	22 602	(5 149)	-23%	271 221

As alluded to above, the capital expenditure programme for the period ending 31 July 2020 was R 17, 4m which represents 77% of capital expenditure against year to date budget of R17, 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: 2020/2021 CAPEX



As at 31 July 2020, the year to date actual expenditure was R 17, 4million against a YTD budget of R22, 6million. In monetary terms, these figures represent 77 per cent performance against the capital development programme as at 31 July 2020.

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

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
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	23 704	1 720	1 720	5 748	1 720
Call investment deposits	16 967	4 517	4 517	170 583	4 517
Consumer debtors	71 092	33 454	33 454	4 670	33 454
Other debtors	32 575	14 334	14 334	461	14 334
Inventory	248	181	181	-	181
Total current assets	144 585	54 206	54 206	181 462	54 206
Non current assets					
Investments in Associate					
Property, plant and equipment	2 335 065	2 288 618	2 288 618	17 453	2 288 618
Intangible	834	1 489	1 489	-	1 489
Other non-current assets	0	0	0	-	0
Total non current assets	2 335 899	2 290 106	2 290 106	17 453	2 290 106
TOTAL ASSETS	2 480 485	2 344 313	2 344 313	198 916	2 344 313
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	(1 081)	4 555	4 555	(42)	4 555
Consumer deposits	1 865	1 845	1 845	3	1 845
Trade and other payables	(102 660)	68 734	68 734	52 925	68 734
Provisions	11 000	10 148	10 148	-	10 148
Total current liabilities	(90 876)	85 282	85 282	52 886	85 282
Non current liabilities					
Borrowing	23 712	3 485	3 485	(1 094)	3 485
Provisions	18 940	24 326	24 326	-	24 326
Total non current liabilities	42 652	27 811	27 811	(1 094)	27 811
TOTAL LIABILITIES	(48 224)	113 094	113 094	51 792	113 094
NET ASSETS	2 528 709	2 231 219	2 231 219	147 124	2 231 219
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	2 311 862	2 231 219	2 231 219	147 124	2 231 219
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 311 862	2 231 219	2 231 219	147 124	2 231 219

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

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
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates							-		
Service charges	51 990	53 288	53 288	3 120	3 120	4 441	(1 320)	-30%	53 288
Other revenue	11 626	1 107	1 107	-	-	92	(92)	-100%	1 107
Transfers and Subsidies - Operational	339 907	387 266	387 266	169 125	169 125	32 272	136 853	424%	387 266
Transfers and Subsidies - Capital	274 335	263 488	263 488	68 000	68 000	21 957	46 043	210%	263 488
Interest	7 257	7 681	7 681	-	-	-	-		7 681
Dividends	-	-	-	-	-	-	-		-
Payments									
Suppliers and employees	(447 672)	(439 354)	(439 354)	(41 575)	(41 575)	(36 613)	4 962	-14%	(439 354)
Finance charges	(4 180)	(4 385)	(4 385)	-	-	(365)	(365)	100%	(4 385)
Transfers and Grants	-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	233 262	269 092	269 092	198 670	198 670	21 784	(176 886)	-812%	269 092
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Decrease (increase) in non-current receivables							-		
Decrease (increase) in non-current investments							-		
Payments									
Capital assets	(279 405)	(271 221)	(271 221)	(17 453)	(17 453)	(22 602)	(5 149)	23%	(271 221)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(279 405)	(271 221)	(271 221)	(17 453)	(17 453)	(22 602)	(5 149)	23%	(271 221)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-		-
Payments									
Repayment of borrowing	(12 528)	(4 555)	(4 555)	-	-	(380)	(380)	100%	(4 555)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(12 528)	(4 555)	(4 555)	-	-	(380)	(380)	100%	(4 555)
NET INCREASE/ (DECREASE) IN CASH HELD	(58 671)	(6 685)	(6 685)	181 217	181 217	(1 197)			(6 685)
Cash/cash equivalents at beginning:	58 363	12 922	12 922		40 656				
Cash/cash equivalents at month/year end:	(308)	6 237	6 237		221 873	(1 197)			(6 685)

The interest earned on investments and on outstanding debtors for the period ending 31 July is R 673 651 which is representing 45% 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 July 2020.

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									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water		5 502	7 982	3 448	2 742	3 358	3 294	17 586	43 913	30 429
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	-	2 149	3 118	1 347	1 071	1 312	1 287	6 870	17 155	11 887
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	-	920	1 334	576	458	561	551	2 940	7 340	5 086
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
Total By Income Source	-	8 570	12 435	5 372	4 272	5 231	5 132	27 396	68 408	47 403
2019/20 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	-	2 919	3 505	1 532	481	587	469	1 365	10 857	4 433
Commercial	-	918	1 206	393	408	442	501	2 628	6 495	4 371
Households	-	4 733	7 724	3 447	3 383	4 203	4 162	23 403	51 055	38 598
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	-	8 570	12 435	5 372	4 272	5 231	5 132	27 396	68 408	47 403

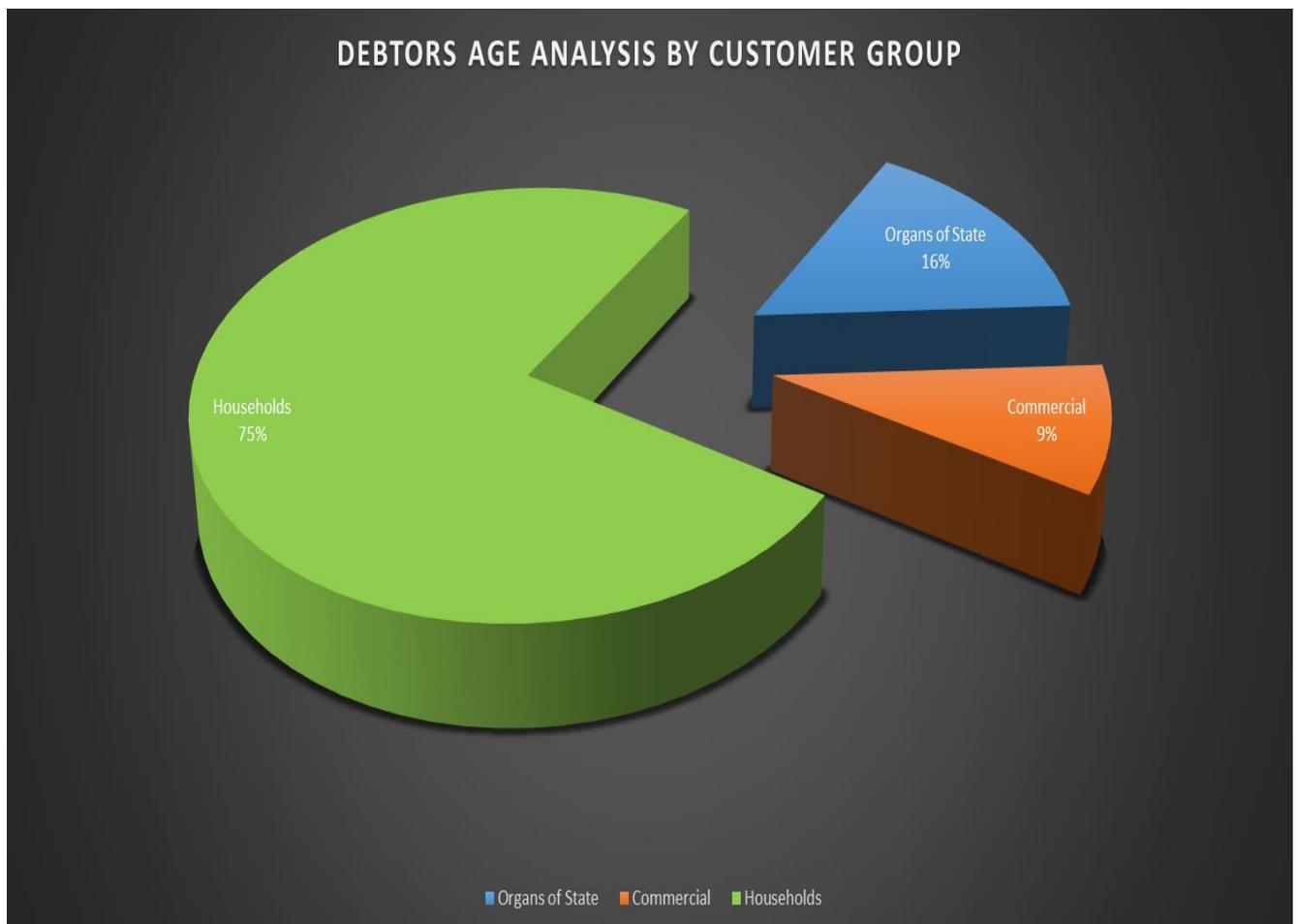
Table 2.1.2: Debtors Age Analysis by Customer Category

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

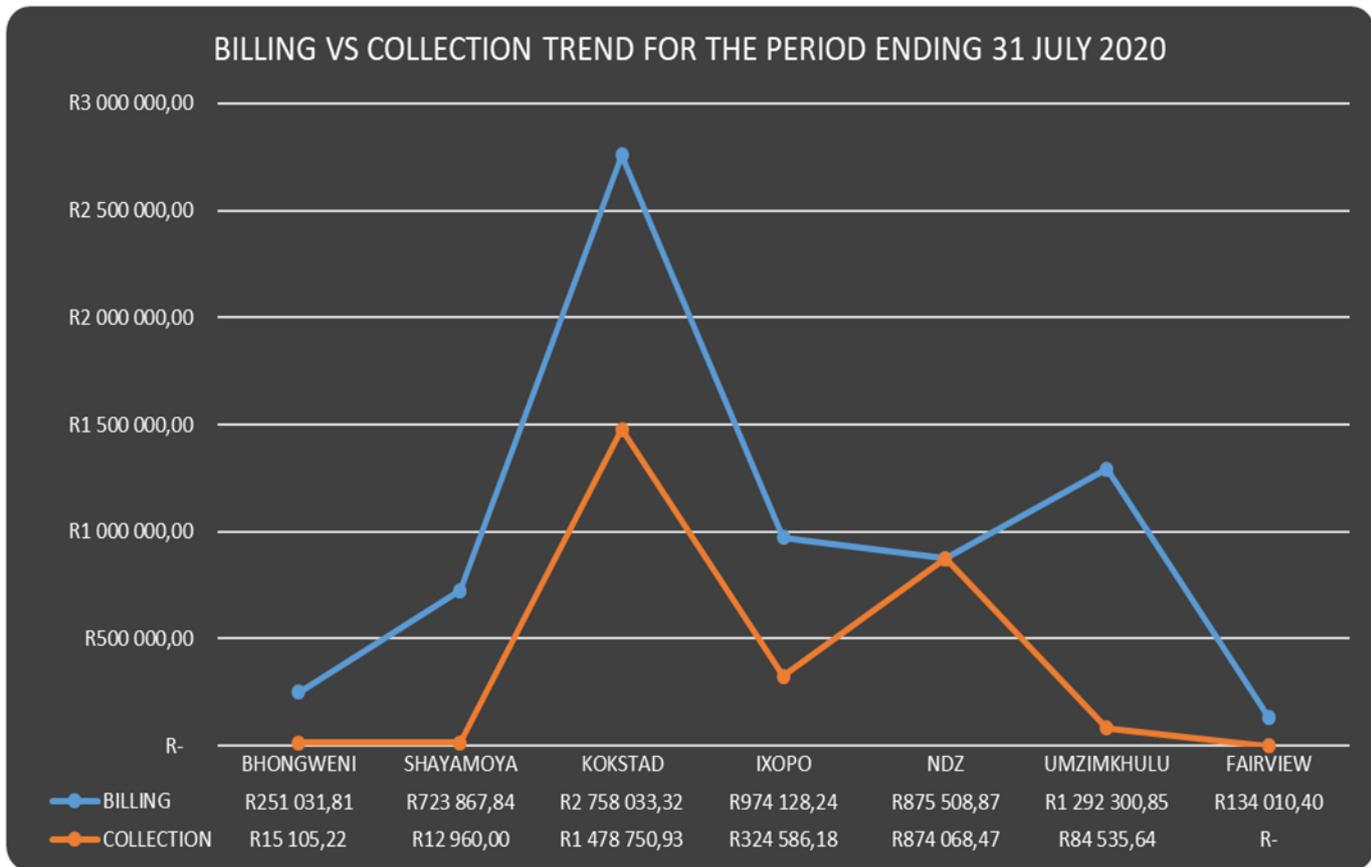
AREA	AMOUNT		
		JULY 2020	JUNE 2020
Unallocated receipts	R 330 291,97	3%	76%
Bhongweni	R 15 105,22	0%	0%
Shayamoya	R 12 960,00	0%	0%
Kokstad	R 1 478 750,93	44%	14%
Ixopo	R 324 586,18	33%	4%
NDZ	R 874 068,47	6%	4%
Umzimkhulu	R 84 535,64	14%	0%
Fairview	R 0	0%	1%
TOTAL RECEIPTS INCL VAT	R 3 309 943	100%	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 2020 is R3, 3million. The total billing for July 2020 amount to R 7million against total collection of R 3, 3million representing 47 per cent.

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



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



Debtors age analysis per service

The municipality’s total outstanding debtors amounted to R 197 170 240 as at 30 June 2020 compared with the R 196 723 846 as at 30 June 2020. Current debt represent 4% of the total outstanding debt compared with the 4% of June 2020; 30 days and older debt 6% compared with the 3% for June 2020; 60 days and older debt 3% compared with the 3% of June 2020; and 90 days 2% compared with the 3% of June 2020; 120 days to History and older 87% compared with the 87% for June 2020.

Current debt Increased with R 446,394 to R 197,170,240 compared with the R 196,723,846 as at 30 June 2020; 30 days + debt Increased with R 5,132,557; 60 days + Decreased with R 558,465; 90 days + debt Decreased with R 1,364,258 and 120 + days and older debt as at June 2020 has Decreased with R 10,719,824 to R 166,521,616 compared with the R 171,241,440 as at 30 June 2020.

Debtors age analysis per debtor type

Business debtors owes the municipality R 13,878,858 (7%); Municipal debtors R 1,212,308 (1%); domestic debtors R 160,233,842 (81%); Government accounts R 11,853,562 (6%); Indigent debtors R 5,926,696 (3%) and other debtors R 4,064,974 (2%) of the total outstanding debt of R 197,170,240.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 July 2020

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	Budget Year 2020/21								
	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	Total
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water	2 362	-							2 362
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	11 211								11 211
Auditor General	-								-
Other									-
Total By Customer Type	13 573	-	-	-	-	-	-	-	13 573

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 2020.

Cash and Bank Balances (Investments)

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

Investments by maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands									
Municipality									
FIRST NATIONAL BANK		CALL ACCOUNT			1 755	21	(10 138)	90 000	81 639
FIRST NATIONAL BANK		CALL ACCOUNT			3 585	12	(6 070)	50 000	47 527
FIRST NATIONAL BANK		ADMIN CALL			14 849	57	(22 494)	77 553	69 966
INVESTEC		FIXED DEPOSIT			2 117	6	-	-	2 124
FIRST NATIONAL BANK		FIXED DEPOSIT			2	7	-	-	9
FIRST NATIONAL BANK		CALL ACCOUNT			4	-	-	-	4
FIRST NATIONAL BANK		CALL ACCOUNT			8 390	-	(8 388)	-	2
FIRST NATIONAL BANK		CALL ACCOUNT			14	0	-	-	14
FIRST NATIONAL BANK		FIXED DEPOSIT			336	-	(334)	-	2
CURRENT ACCOUNT					9 602			10 984	20 585
Municipality sub-total					40 656	104	(47 424)	228 537	221 873
TOTAL INVESTMENTS AND INTEREST					40 656		(47 424)	228 537	221 873

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
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	369 713	385 766	385 766	169 125	169 125	32 147	136 978	426,1%	385 766
Energy Efficiency and Demand Side Management Grant	7 000	-	-	-	-	-	-	-	-
Equitable Share	345 309	372 340	372 340	167 553	167 553	31 028	136 525	440,0%	372 340
Expanded Public Works Programme Integrated Grant	5 316	5 195	5 195	-	-	433	(433)	-100,0%	5 195
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 281	1 000	1 000	-	-	83	(83)	-100,0%	1 000
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	-	4 986	4 986	-	-	416	(416)	-100,0%	4 986
Rural Road Asset Management Systems Grant	2 358	2 245	2 245	1 572	1 572	187	1 385	740,3%	2 245
Water Services Infrastructure Grant	8 449	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	332	1 500	1 500	-	-	125	(125)	-100,0%	1 500
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	332	1 500	1 500	-	-	125	(125)	-100,0%	1 500
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	370 045	387 266	387 266	169 125	169 125	32 272	136 853	424,1%	387 266
Capital Transfers and Grants									
National Government:	490 194	263 488	263 488	68 000	68 000	21 957	46 043	209,7%	263 488
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	351 960	194 462	194 462	50 000	50 000	16 205	33 795	208,5%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	39 379	9 026	9 026	-	-	752	(752)	-100,0%	9 026
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	98 855	60 000	60 000	18 000	18 000	5 000	13 000	260,0%	60 000
Provincial Government:	11 863	-	-	-	-	-	-	-	-
Specify (Add grant description)	11 863	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	502 058	263 488	263 488	68 000	68 000	21 957	46 043	209,7%	263 488
TOTAL RECEIPTS OF TRANSFERS & GRANTS	872 102	650 754	650 754	237 125	237 125	54 229	182 896	337,3%	650 754

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
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	459 246	467 489	467 489	25 658	25 658	38 958	(13 299)	-34,1%	467 489
Energy Efficiency and Demand Side Management Grant	6 087	-	-	-	-	-	-	-	-
Equitable Share	427 402	454 063	454 063	25 576	25 576	37 839	(12 263)	-32,4%	454 063
Expanded Public Works Programme Integrated Grant	5 218	5 195	5 195	39	39	433	(394)	-91,0%	5 195
Local Government Financial Management Grant	309	1 000	1 000	43	43	83	(40)	-48,1%	1 000
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	12 708	4 986	4 986	-	-	416	(416)	-100,0%	4 986
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 050	2 245	2 245	-	-	187	(187)	-100,0%	2 245
Water Services Infrastructure Grant	5 471	-	-	-	-	-	-	-	-
Provincial Government:	-	1 500	1 500	-	-	125	(125)	-100,0%	1 500
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	1 500	1 500	-	-	125	(125)	-100,0%	1 500
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	17 480	17 480	-	-	1 457	(1 457)	-100,0%	17 480
Other grant providers:	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	459 246	468 989	468 989	25 658	25 658	39 083	(13 424)	-34,3%	468 989
Capital expenditure of Transfers and Grants									
National Government:	222 646	263 488	263 488	17 453	17 453	21 957	(4 504)	-20,5%	263 488
Local Government Financial Management Grant	281	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	155 683	194 462	194 462	16 173	16 173	16 205	(32)	-0,2%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	19 379	9 026	9 026	-	-	752	(752)	-100,0%	9 026
Water Services Infrastructure Grant	47 304	60 000	60 000	1 280	1 280	5 000	(3 720)	-74,4%	60 000
Provincial Government:	11 855	-	-	-	-	-	-	-	-
Specify (Add grant description)	11 855	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	234 502	263 488	263 488	17 453	17 453	21 957	(4 504)	-20,5%	263 488
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	693 747	732 477	732 477	43 111	43 111	61 040	(17 929)	-29,4%	732 477

2.5 Councillor and Staff Benefits

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

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
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	5 041	5 844	5 844	457	457	487	(30)	-6%	5 844
Pension and UIF Contributions	507	319	319	43	43	27	16	60%	319
Medical Aid Contributions	54	48	48	5	5	4	1	18%	48
Cellphone Allowance	622	440	440	58	58	37	21	58%	440
Other benefits and allowances	1 478	1 367	1 367	126	126	114	12	11%	1 367
Sub Total - Councillors	7 702	8 018	8 018	688	688	668	20	3%	8 018
% increase		4,1%	4,1%						4,1%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 637	3 719	3 719	336	336	310	26	8%	3 719
Pension and UIF Contributions	10	10	10	1	1	1	0	6%	10
Medical Aid Contributions	122	117	117	14	14	10	4	42%	117
Performance Bonus	53	56	56	-	-	5	(5)	-100%	56
Motor Vehicle Allowance	928	923	923	88	88	77	11	14%	923
Cellphone Allowance	108	104	104	10	10	9	1	12%	104
Housing Allowances	160	163	163	13	13	14	(0)	-2%	163
Other benefits and allowances	434	385	385	38	38	32	6	19%	385
Sub Total - Senior Managers of Municipality	5 452	5 478	5 478	500	500	457	43	9%	5 478
% increase		0,5%	0,5%						0,5%
Other Municipal Staff									
Basic Salaries and Wages	108 070	119 067	119 067	9 983	9 983	9 922	60	1%	119 067
Pension and UIF Contributions	16 184	17 188	17 188	1 494	1 494	1 432	62	4%	17 188
Medical Aid Contributions	8 291	8 585	8 585	711	711	715	(5)	-1%	8 585
Overtime	136	153	153	9	9	13	(4)	-30%	153
Performance Bonus	7 833	7 670	7 670	763	763	639	123	19%	7 670
Motor Vehicle Allowance	14 366	15 269	15 269	1 294	1 294	1 272	21	2%	15 269
Cellphone Allowance	781	833	833	67	67	69	(2)	-3%	833
Housing Allowances	487	510	510	45	45	42	3	6%	510
Other benefits and allowances	25 941	30 422	30 422	1 341	1 341	2 535	(1 194)	-47%	30 422
Payments in lieu of leave	915	780	780	149	149	65	84	130%	780
Long service awards	193	1 065	1 065	22	22	89	(67)	-76%	1 065
Post-retirement benefit obligations	-	3 125	3 125	-	-	260	(260)	-100%	3 125
Sub Total - Other Municipal Staff	183 195	204 667	204 667	15 877	15 877	17 056	(1 178)	-7%	204 667
% increase		11,7%	11,7%						11,7%
Total Parent Municipality	196 349	218 163	218 163	17 065	17 065	18 180	(1 115)	-6%	218 163
		11,1%	11,1%						11,1%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	31	(31)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	31	(31)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	2 130	2 130	-	-	178	(178)	-100%	2 130
Sub Total - Senior Managers of Entities	-	2 130	2 130	-	-	178	(178)	-100%	2 130
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 575	7 575	-	-	631	(631)	-100%	7 575
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
Sub Total - Other Staff of Entities	-	10 099	10 099	-	-	842	(842)	-100%	10 099
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 601	12 601	-	-	1 050	(1 050)	-100%	12 601
TOTAL SALARY, ALLOWANCES & BENEFITS	196 349	230 764	230 764	17 065	17 065	19 231	(2 165)	-11%	230 764
% increase		17,5%	17,5%						17,5%
TOTAL MANAGERS AND STAFF	188 647	222 374	222 374	16 377	16 377	18 531	(2 154)	-12%	222 374

2.6 Material Variances to the SDBIP

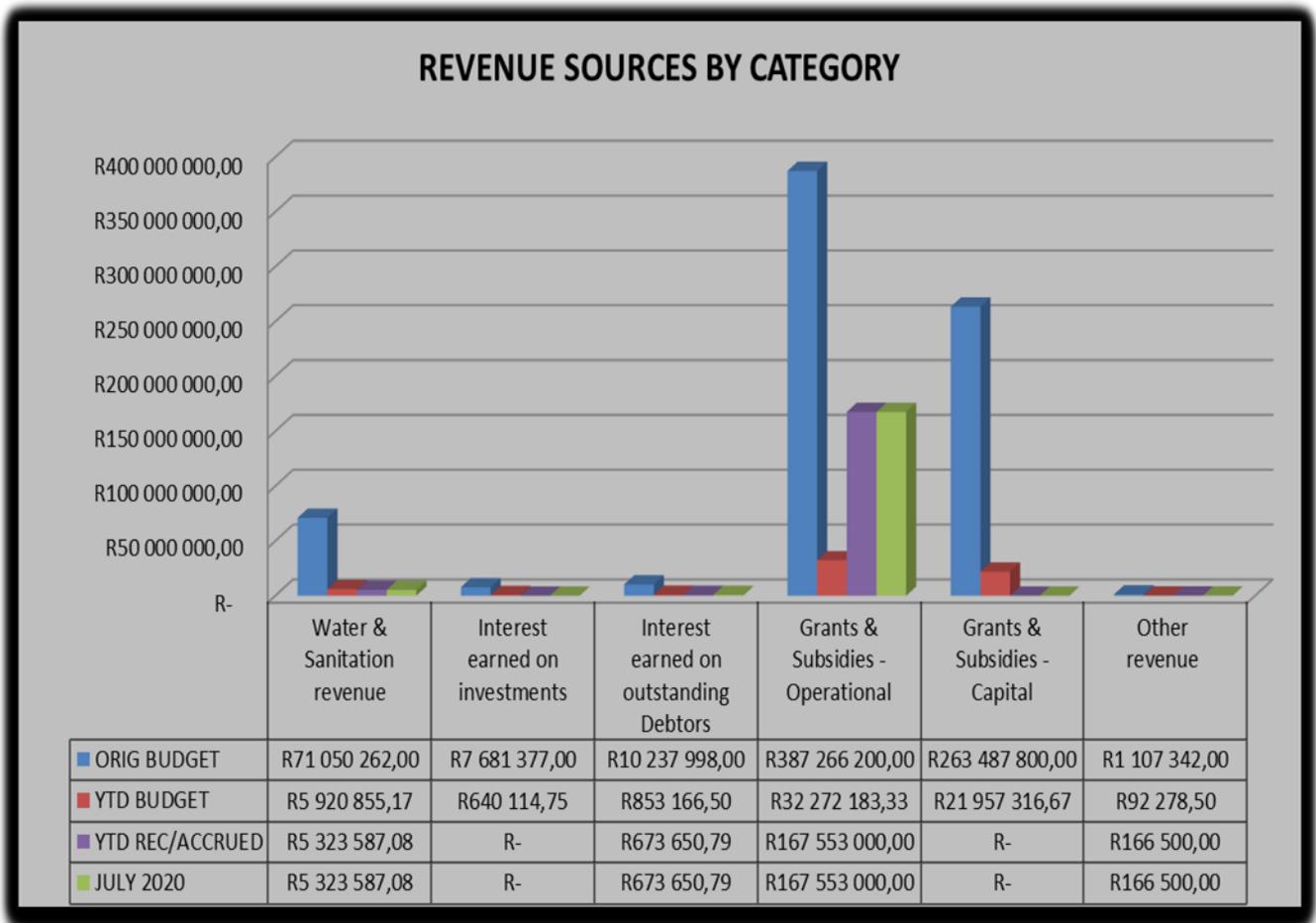
The following section analyses material variances between the actual targets as at 31 July 2020 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2020/2021 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 2020 was R5, 3million against a year to date **budget** of R5, 9million.

Interest Earned on External Investments

There was no movement in the month of July for interest earned on external investments.

Transfers Recognised - Operational

The operational grants revenue of R167, 5million against a year to date budget of R32, 2million 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. There was no movement in the period ending 31 July 2020.

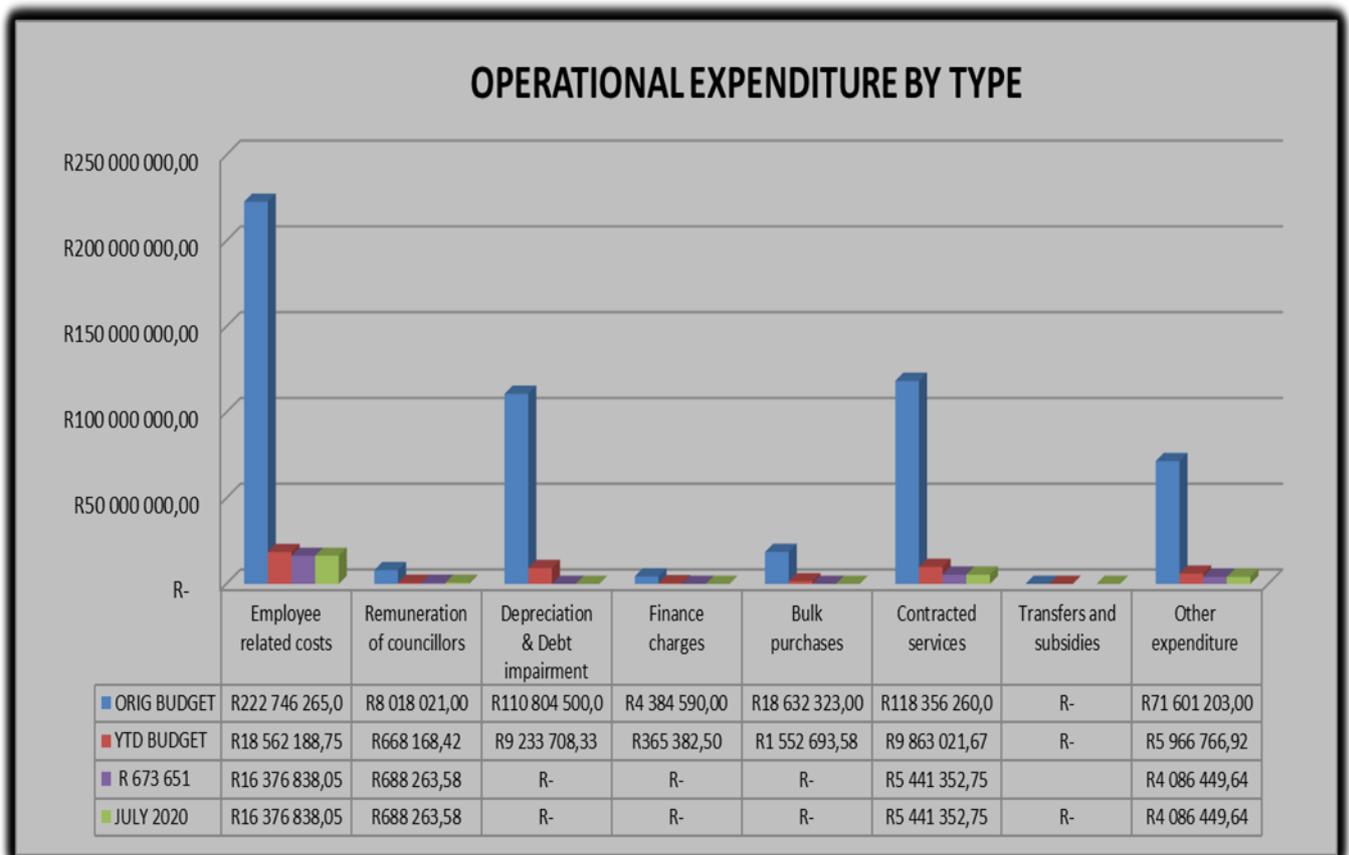
Other Revenue

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: 2020/2021 financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R16, 3million against a YTD actual of R18, 5million which is 88% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 688 264 against a YTD budget of R 668 168 representing 103% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 31 July 2020.

Bulk Purchases

The expenditure on Bulk Water purchases has the budget of R18, 6m and there is no movement in the period ending 31 July 2020

Other Expenditure

The YTD budget for other expenditure was at R 5, 9million against a YTD expenditure of R 4million and expenditure for the month of July 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 - 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
R thousands															
Cash Receipts By Source															
Service charges - water revenue	2 184	2 986	4 009	3 115	2 937	2 799	2 930	2 915	2 998	2 619	2 981	5 430	37 905	40 157	42 530
Service charges - sanitation revenue	936	1 170	1 225	1 204	1 214	1 217	1 144	1 426	1 394	1 202	1 368	1 883	15 383	16 297	17 262
Interest earned - external investments	-	551	564	520	539	517	-	1 168	585	515	1 212	1 509	7 681	8 140	8 627
Transfers and Subsidies - Operational	169 125	20 220	-	3 803	72 388	-	-	646	161 062	-	131	(40 109)	387 266	411 458	441 097
Other revenue	-	92	92	92	92	92	92	92	92	92	92	185	1 107	1 165	1 224
Cash Receipts by Source	172 245	25 019	5 891	8 735	77 171	4 625	4 166	6 248	166 130	4 429	5 785	(31 102)	449 343	477 218	510 740
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	68 000	-	-	-	87 829	-	-	87 829	-	-	-	19 829	263 488	277 232	293 486
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	240 245	25 019	5 891	8 735	165 000	4 625	4 166	94 077	166 130	4 429	5 785	(11 273)	712 830	754 450	804 226
Cash Payments by Type															
Employee related costs	16 377	18 562	18 562	18 562	18 562	18 562	18 562	18 562	18 562	18 562	18 562	20 748	222 746	232 810	248 842
Remuneration of councillors	688	668	668	668	668	668	668	668	668	668	668	648	8 018	8 579	9 180
Interest paid	-	365	365	365	365	365	365	365	365	365	365	731	4 385	4 595	4 816
Bulk purchases - Water & Sewer	-	1 553	1 553	1 553	1 553	1 553	1 553	1 553	1 553	1 553	1 553	3 105	18 632	19 527	20 464
Other materials	-	759	759	759	759	759	759	759	759	759	759	1 519	9 113	9 432	9 885
Contracted services	12 933	9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	6 793	118 356	132 296	138 735
General expenses	11 578	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	(1 163)	62 488	63 093	66 228
Cash Payments by Type	41 575	36 978	36 978	36 978	36 978	36 978	36 978	36 978	36 978	36 978	36 978	32 381	443 739	470 332	498 150
Other Cash Flows/Payments by Type															
Capital assets	17 453	22 602	22 602	22 602	22 602	22 602	22 602	22 602	22 602			72 954	271 221	281 421	297 885
Repayment of borrowing	-	380	380	380	380	380	380	380	380	(114)	(114)	(4 178)	(1 370)	(1 287)	(1 365)
Other Cash Flows/Payments															
Total Cash Payments by Type	59 029	59 960	59 960	59 960	59 960	59 960	59 960	59 960	59 960	36 864	36 864	101 157	713 590	750 466	794 670
NET INCREASE/(DECREASE) IN CASH HELD	181 217	(34 940)	(54 069)	(51 225)	105 040	(55 334)	(55 793)	34 118	106 171	(32 435)	(31 079)	(112 429)	(760)	3 984	9 556
Cash/cash equivalents at the month/year beginning:	40 656	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	(30 002)	12 922	6 237	7 646
Cash/cash equivalents at the month/year end:	221 873	(33 864)	(52 992)	(50 148)	106 117	(54 257)	(54 717)	35 194	107 248	(31 359)	(30 002)	(142 432)	12 162	10 221	17 202

Capital Expenditure on New Assets by Asset Class

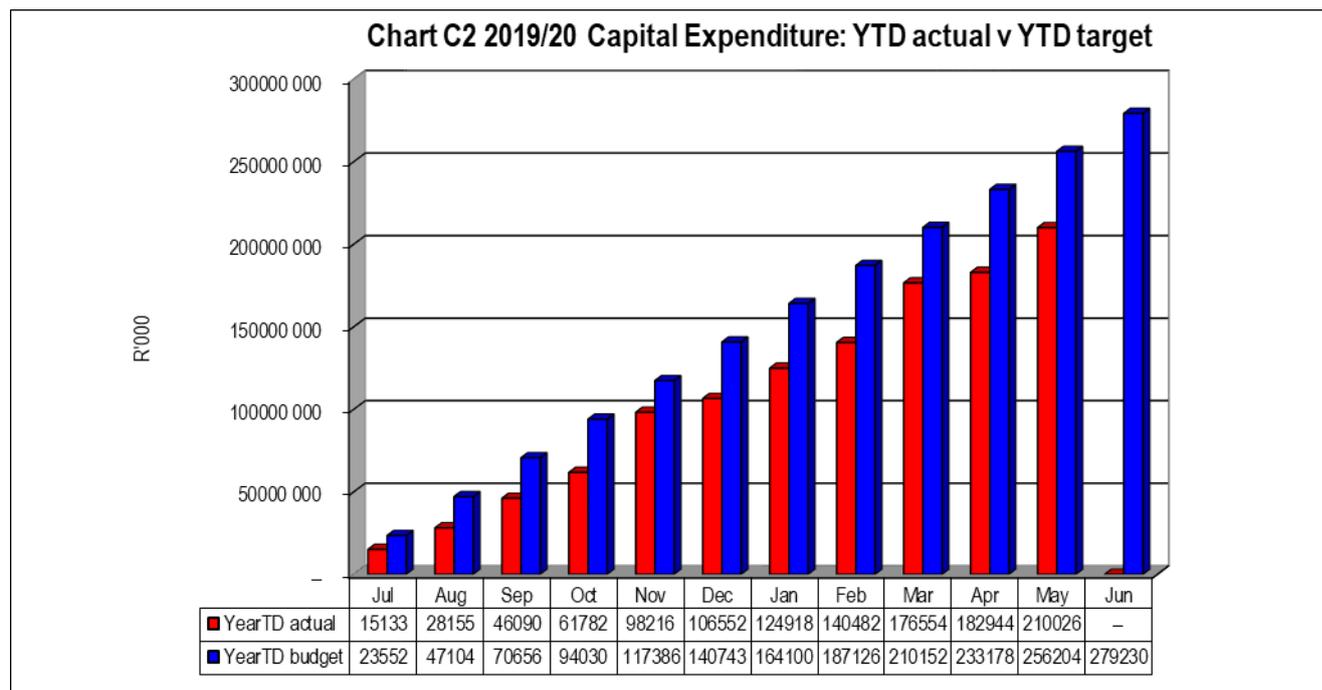
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M01 July

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
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	105 103	248 033	248 033	17 233	17 233	20 669	3 436	16,6%	248 033
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	105 103	213 161	213 161	17 233	17 233	17 763	530	3,0%	213 161
Dams and Weirs	32 289	16 526	16 526	-	-	1 377	1 377	100,0%	16 526
Boreholes	12 718	31 965	31 965	-	-	2 664	2 664	100,0%	31 965
Reservoirs	15 642	6 900	6 900	-	-	575	575	100,0%	6 900
Pump Stations	-	21 437	21 437	-	-	1 786	1 786	100,0%	21 437
Water Treatment Works	-	12 000	12 000	811	811	1 000	189	18,9%	12 000
Bulk Mains	20 996	27 669	27 669	4 496	4 496	2 306	(2 191)	-95,0%	27 669
Distribution	23 458	95 963	95 963	11 925	11 925	7 997	(3 928)	-49,1%	95 963
Capital Spares	-	700	700	-	-	58	58	100,0%	700
Sanitation Infrastructure	-	34 873	34 873	-	-	2 906	2 906	100,0%	34 873
Pump Station	-	8 700	8 700	-	-	725	725	100,0%	8 700
Reticulation	-	19 506	19 506	-	-	1 625	1 625	100,0%	19 506
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	6 667	6 667	-	-	556	556	100,0%	6 667
Capital Spares	-	-	-	-	-	-	-	-	-
Intangible Assets	-	200	200	-	-	17	17	100,0%	200
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	200	200	-	-	17	17	100,0%	200
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	200	200	-	-	17	17	100,0%	200
Computer Equipment	3 504	1 590	1 590	-	-	132	132	100,0%	1 590
Computer Equipment	3 504	1 590	1 590	-	-	132	132	100,0%	1 590
Furniture and Office Equipment	1 264	910	910	-	-	76	76	100,0%	910
Furniture and Office Equipment	1 264	910	910	-	-	76	76	100,0%	910
Machinery and Equipment	-	484	484	-	-	40	40	100,0%	484
Machinery and Equipment	-	484	484	-	-	40	40	100,0%	484
Transport Assets	5 855	2 500	2 500	-	-	208	208	100,0%	2 500
Transport Assets	5 855	2 500	2 500	-	-	208	208	100,0%	2 500
Total Capital Expenditure on new assets	115 726	253 717	253 717	17 233	17 233	21 143	3 910	18,5%	253 717

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
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	76 976	780	780	220	220	65	(155)	-239,1%	780
<i>Capital Spares</i>							-		
Water Supply Infrastructure	38 675	780	780	220	220	65	(155)	-239,1%	780
<i>Dams and Weirs</i>	-	-	-	-	-	-	-	-	-
<i>Bulk Mains</i>	-	780	780	-	-	65	65	100,0%	780
<i>Distribution</i>	38 675	-	-	220	220	-	(220)	#DIV/0!	-
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	38 302	-	-	-	-	-	-	-	-
<i>Pump Station</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	38 302	-	-	-	-	-	-	-	-
<i>Outfall Sewers</i>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	50	50	-	-	4	4	100,0%	50
Machinery and Equipment	-	50	50	-	-	4	4	100,0%	50
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	76 976	830	830	220	220	69	(151)	-218,7%	830



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 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 _____