

# Harry Gwala District Municipality

MFMA s71 & s52 (d) report for the period ending 30 June 2020.

7/23/2020

Budget & Treasury Office

## Table of Contents

<b>1.1 PURPOSE</b> .....	5
1.2 Mayors Report.....	6
1.2 Executive Summary.....	7
1.3 Resolutions .....	11
1.4 Monthly Budget Statement Tables.....	11
2.1 Debtors Analysis .....	21
2.2 Creditors Analysis .....	26
2.3 Investment Portfolio Analysis .....	27
2.4 Allocation and Grant receipts and Expenditure.....	27
2.5 Councillor and Staff Benefits.....	29
2.6 Material Variances to the SDBIP.....	31
2.7 Municipal Manager’s Quality’s Certificate.....	40

## 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 Fourth 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 fourth quarter ended 30 June 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 30 June 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).

## **Revenue by Source**

The Year-to-Date actual revenue is 95% 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 R6m at the end of June 2020 for ABSA loan. The next payment will be made in December 2020 as per ABSA amortisation.

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

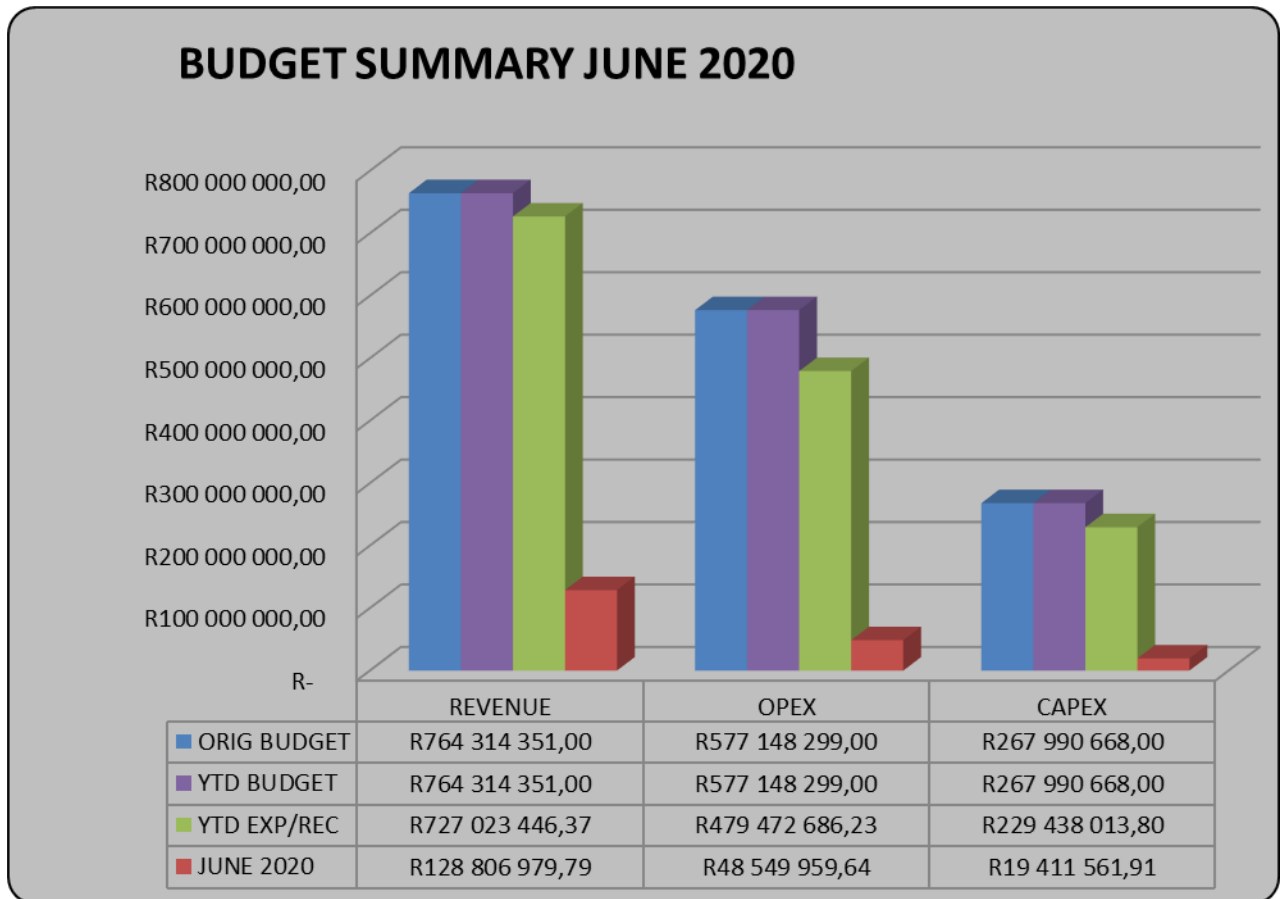
The total operating budget for the current year amounts to R577, 1m. The YTD Operating expenditure for the month ended 30 June amounted to R479, 4m against a year to date (YTD) budget of R577, 1m. The actual YTD expenditure represented 83% of the planned.

## **Capital expenditure**

The total capital budget for the current year amounts to R267, 9m. The YTD expenditure on capital amounts to R229, 4million, or 86% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.



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



### 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 June 2020 was R40, 6million refer to the table below for cash and cash equivalent register for more detail on the municipality’s cash position.

## CASH AND INVESTMENT REGISTER FOR THE PERIOD ENDED 30 JUNE 2020

Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Type of Investment	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	Yrs/Months								
<b>Municipality</b>									
FIRST NATIONAL BANK		CALL ACCOUNT			24 587	58	(22 890)	-	1 755
FIRST NATIONAL BANK		CALL ACCOUNT			31 599	51	(30 259)	2 195	3 585
FIRST NATIONAL BANK		ADMIN CALL			40 106	67	(25 325)	-	14 849
INVESTEC		FIXED DEPOSIT			2 111	6	-	-	2 117
FIRST NATIONAL BANK		FIXED DEPOSIT			7 763	21	(7 782)	-	2
FIRST NATIONAL BANK		CALL ACCOUNT			1 313	2	(1 311)	-	4
FIRST NATIONAL BANK		CALL ACCOUNT			5 416	10	(2 185)	5 148	8 390
FIRST NATIONAL BANK		CALL ACCOUNT			6 987	12	(6 985)	-	14
FIRST NATIONAL BANK		FIXED DEPOSIT			756	1	(421)	-	336
CURRENT ACCOUNT					4 645	-	-	4 957	9 602
<b>Municipality sub-total</b>					<b>125 282</b>	<b>230</b>	<b>(97 156)</b>	<b>12 300</b>	<b>40 656</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>					<b>125 282</b>		<b>(97 156)</b>	<b>12 300</b>	<b>40 656</b>

### 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 30 June 2020 was R295, 8million and the Operational grants is R317, 7million.

### Spending on Grants

Spending on grants amounted to R229, 4million or 86% for 2019/20 fourth 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 - M12 June

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>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	58 421	88 392	67 065	5 135	69 322	67 065	2 257	3%	67 065
Investment revenue	9 202	11 161	7 257	230	5 905	7 257	(1 351)	-19%	7 257
Transfers and subsidies	366 165	366 404	392 130	11 218	369 764	392 130	(22 366)	-6%	392 130
Other own revenue	11 587	10 440	18 153	167	15 265	18 153	(2 889)	-16%	18 153
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>445 375</b>	<b>476 396</b>	<b>484 605</b>	<b>16 751</b>	<b>460 256</b>	<b>484 605</b>	<b>(24 349)</b>	<b>-5%</b>	<b>484 605</b>
Employee costs	173 695	205 726	206 160	15 275	188 552	206 160	(17 608)	-9%	206 160
Remuneration of Councillors	6 952	7 574	7 574	167	7 130	7 574	(444)	-6%	7 574
Depreciation & asset impairment	69 605	38 192	80 287	-	61 843	80 287	(18 444)	-23%	80 287
Finance charges	3 752	3 522	4 180	356	2 730	4 180	(1 450)	-35%	4 180
Materials and bulk purchases	50 227	30 443	31 709	4 049	27 027	31 709	(4 682)	-15%	31 709
Transfers and subsidies	14 000	-	-	-	14 000	-	14 000	#DIV/0!	-
Other expenditure	222 131	184 141	247 238	28 702	178 570	247 238	(68 669)	-28%	247 238
<b>Total Expenditure</b>	<b>540 363</b>	<b>469 599</b>	<b>577 148</b>	<b>48 550</b>	<b>479 851</b>	<b>577 148</b>	<b>(97 297)</b>	<b>-17%</b>	<b>577 148</b>
<b>Surplus/(Deficit)</b>	<b>(94 988)</b>	<b>6 798</b>	<b>(92 543)</b>	<b>(31 799)</b>	<b>(19 595)</b>	<b>(92 543)</b>	<b>72 948</b>	<b>-79%</b>	<b>(92 543)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	275 839	279 709	112 056	267 829	279 709	(11 880)	-4%	279 709
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>240 787</b>	<b>282 636</b>	<b>187 166</b>	<b>80 257</b>	<b>248 234</b>	<b>187 166</b>	<b>61 068</b>	<b>33%</b>	<b>187 166</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>240 787</b>	<b>282 636</b>	<b>187 166</b>	<b>80 257</b>	<b>248 234</b>	<b>187 166</b>	<b>61 068</b>	<b>33%</b>	<b>187 166</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>265 346</b>	<b>282 624</b>	<b>267 991</b>	<b>19 412</b>	<b>229 438</b>	<b>267 991</b>	<b>(38 553)</b>	<b>-14%</b>	<b>267 991</b>
Capital transfers recognised	132 801	276 203	266 030	18 233	226 755	266 030	(39 275)	-15%	266 030
Internally generated funds	14 442	6 421	1 961	1 179	2 683	1 961	722	37%	1 961
<b>Total sources of capital funds</b>	<b>147 243</b>	<b>282 624</b>	<b>267 991</b>	<b>19 412</b>	<b>229 438</b>	<b>267 991</b>	<b>(38 553)</b>	<b>-14%</b>	<b>267 991</b>
<b>Financial position</b>									
Total current assets	118 695	282 609	75 863	-	144 544	-	-	-	75 863
Total non current assets	2 170 255	2 165 144	1 870 330	-	2 338 910	-	-	-	1 870 330
Total current liabilities	168 160	138 272	61 550	-	113 421	-	-	-	61 550
Total non current liabilities	56 670	36 242	36 490	-	43 116	-	-	-	36 490
Community wealth/Equity	<b>2 068 644</b>	<b>1 990 615</b>	<b>1 580 162</b>	-	<b>2 313 753</b>	-	-	-	<b>1 580 162</b>
<b>Cash flows</b>									
Net cash from (used) operating	308 163	293 923	233 269	(44 760)	202 603	233 269	30 666	13%	1 136 959
Net cash from (used) investing	(364 374)	(275 839)	(279 405)	(19 412)	(229 438)	(279 405)	(49 967)	18%	(279 405)
Net cash from (used) financing	(3 330)	(3 896)	(12 528)	(2 107)	(4 102)	(12 528)	(8 426)	67%	(12 528)
<b>Cash/cash equivalents at the month/year end</b>	<b>52 795</b>	<b>126 524</b>	<b>12 929</b>	<b>-</b>	<b>40 656</b>	<b>(58 663)</b>	<b>(99 319)</b>	<b>169%</b>	<b>845 026</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	180	13 655	7 302	5 930	5 636	5 306	5 265	26 852	70 127
<b>Creditors Age Analysis</b>									
Total Creditors	1 068	-	-	225	-	-	-	-	1 293

## 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) - M12 June

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 - Functional</b>									
<i>Governance and administration</i>	331 363	367 364	363 811	242	355 386	363 811	(8 424)	-2%	363 811
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	331 363	367 364	363 811	242	355 386	363 811	(8 424)	-2%	363 811
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	382 421	946	22 904	7 332	7 332	22 904	(15 572)	-68%	22 904
Planning and development	382 421	946	22 904	7 332	7 332	22 904	(15 572)	-68%	22 904
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	67 365	383 925	377 599	121 233	365 367	377 599	(12 232)	-3%	377 599
Energy sources	-	7 000	7 000	-	-	7 000	(7 000)	-100%	7 000
Water management	49 012	351 168	336 240	121 622	344 865	336 240	8 624	3%	336 240
Waste water management	18 353	25 757	34 359	(389)	20 502	34 359	(13 857)	-40%	34 359
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>781 150</b>	<b>752 235</b>	<b>764 314</b>	<b>128 807</b>	<b>728 085</b>	<b>764 314</b>	<b>(36 229)</b>	<b>-5%</b>	<b>764 314</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>	213 051	212 801	237 452	17 265	188 808	237 452	(48 644)	-20%	237 452
Executive and council	18 266	25 782	16 784	4 073	18 217	16 784	1 433	9%	16 784
Finance and administration	188 610	182 707	213 263	12 453	163 085	213 263	(50 177)	-24%	213 263
Internal audit	6 175	4 312	7 405	739	7 505	7 405	100	1%	7 405
<i>Community and public safety</i>	13 823	11 180	17 421	1 996	16 446	17 421	(974)	-6%	17 421
Community and social services	13 823	11 180	17 421	1 996	16 446	17 421	(974)	-6%	17 421
<i>Economic and environmental services</i>	167 800	131 383	161 833	8 452	127 255	161 833	(34 578)	-21%	161 833
Planning and development	167 800	131 383	161 833	8 452	127 255	161 833	(34 578)	-21%	161 833
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	145 688	114 236	160 443	20 837	147 343	160 443	(13 100)	-8%	160 443
Energy sources	35	-	-	-	-	-	-	-	-
Water management	144 911	113 919	153 777	18 944	144 768	153 777	(9 009)	-6%	153 777
Waste water management	742	317	6 665	1 893	2 574	6 665	(4 091)	-61%	6 665
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>540 363</b>	<b>469 599</b>	<b>577 148</b>	<b>48 550</b>	<b>479 851</b>	<b>577 148</b>	<b>(97 297)</b>	<b>-17%</b>	<b>577 148</b>
<b>Surplus/ (Deficit) for the year</b>	<b>240 787</b>	<b>282 636</b>	<b>187 166</b>	<b>80 257</b>	<b>248 234</b>	<b>187 166</b>	<b>61 068</b>	<b>33%</b>	<b>187 166</b>

This table assess the revenue by department and then the expenditure for the period ending 30 June 2020. Revenue receipts in June have largely constituted of equitable share and service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of June is 17%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of June 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 R17, 8million 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	232	353 739	363 811	(10 072)	-2,8%	363 811
Vote 04 - Summary Corporate Services	445	-	-	-	1 181	-	1 181	#DIV/0!	-
Vote 05 - Summary Social Services & Development Planning	346	946	22 904	332	332	22 904	(22 572)	-98,6%	22 904
Vote 06 - Summary Infrastructure Services	382 076	295 533	285 530	122 247	282 503	285 530	(3 028)	-1,1%	285 530
Vote 07 - Summary Water Services	68 244	88 392	92 069	5 996	90 331	92 069	(1 738)	-1,9%	92 069
<b>Total Revenue by Vote</b>	<b>781 150</b>	<b>752 235</b>	<b>764 314</b>	<b>128 807</b>	<b>728 085</b>	<b>764 314</b>	<b>(36 229)</b>	<b>-4,7%</b>	<b>764 314</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	8 421	12 958	10 823	397	9 724	10 823	(1 099)	-10,2%	10 823
Vote 02 - Summary Municipal Manager	16 020	17 136	13 367	4 414	15 999	13 367	2 632	19,7%	13 367
Vote 03 - Summary Budget And Treasury Office	72 227	76 953	86 307	5 749	49 830	86 307	(36 476)	-42,3%	86 307
Vote 04 - Summary Corporate Services	85 564	67 212	86 534	5 080	77 703	86 534	(8 831)	-10,2%	86 534
Vote 05 - Summary Social Services & Development Planning	47 553	64 727	52 150	2 495	49 709	52 150	(2 441)	-4,7%	52 150
Vote 06 - Summary Infrastructure Services	149 530	80 431	136 251	12 594	102 286	136 251	(33 965)	-24,9%	136 251
Vote 07 - Summary Water Services	161 048	150 182	191 717	17 820	174 601	191 717	(17 116)	-8,9%	191 717
<b>Total Expenditure by Vote</b>	<b>540 363</b>	<b>469 599</b>	<b>577 148</b>	<b>48 550</b>	<b>479 851</b>	<b>577 148</b>	<b>(97 297)</b>	<b>-16,9%</b>	<b>577 148</b>
<b>Surplus/ (Deficit) for the year</b>	<b>240 787</b>	<b>282 636</b>	<b>187 166</b>	<b>80 257</b>	<b>248 234</b>	<b>187 166</b>	<b>61 068</b>	<b>32,6%</b>	<b>187 166</b>

## Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 June 2020.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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 - water revenue	43 001	62 635	47 706	5 798	53 046	47 706	5 340	11%	47 706
Service charges - sanitation revenue	15 419	25 757	19 359	(663)	16 276	19 359	(3 083)	-16%	19 359
Interest earned - external investments	9 202	11 161	7 257	230	5 905	7 257	(1 351)	-19%	7 257
Interest earned - outstanding debtors	10 556	9 658	9 658	871	12 923	9 658	3 265	34%	9 658
Fines, penalties and forfeits	694	-	-	3	343	-	343	#DIV/0!	-
Transfers and subsidies	366 165	366 404	392 130	11 218	369 764	392 130	(22 366)	-6%	392 130
Other revenue	337	781	8 495	(706)	937	8 495	(7 558)	-89%	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>484 605</b>	<b>16 751</b>	<b>460 256</b>	<b>484 605</b>	<b>(24 349)</b>	<b>-5%</b>	<b>484 605</b>
<b>Expenditure By Type</b>									
Employee related costs	173 695	205 726	206 160	15 275	188 552	206 160	(17 608)	-9%	206 160
Remuneration of councillors	6 952	7 574	7 574	167	7 130	7 574	(444)	-6%	7 574
Debt impairment	19 111	25 315	25 315	-	-	25 315	(25 315)	-100%	25 315
Depreciation & asset impairment	69 605	38 192	80 287	-	61 843	80 287	(18 444)	-23%	80 287
Finance charges	3 752	3 522	4 180	356	2 730	4 180	(1 450)	-35%	4 180
Bulk purchases	19 221	15 000	23 134	3 942	20 549	23 134	(2 585)	-11%	23 134
Other materials	31 006	15 443	8 575	107	6 478	8 575	(2 097)	-24%	8 575
Contracted services	156 110	101 502	161 842	23 905	128 372	161 842	(33 470)	-21%	161 842
Transfers and subsidies	14 000	-	-	-	14 000	-	14 000	#DIV/0!	-
Other expenditure	37 963	57 324	60 081	4 797	49 819	60 081	(10 262)	-17%	60 081
Losses	8 948	-	-	-	379	-	379	#DIV/0!	-
<b>Total Expenditure</b>	<b>540 363</b>	<b>469 599</b>	<b>577 148</b>	<b>48 550</b>	<b>479 851</b>	<b>577 148</b>	<b>(97 297)</b>	<b>-17%</b>	<b>577 148</b>
<b>Surplus/(Deficit)</b>	<b>(94 988)</b>	<b>6 798</b>	<b>(92 543)</b>	<b>(31 799)</b>	<b>(19 595)</b>	<b>(92 543)</b>	<b>72 948</b>	<b>(0)</b>	<b>(92 543)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	275 839	279 709	112 056	267 829	279 709	(11 880)	(0)	279 709
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>240 787</b>	<b>282 636</b>	<b>187 166</b>	<b>80 257</b>	<b>248 234</b>	<b>187 166</b>			<b>187 166</b>
Taxation							-		
<b>Surplus/(Deficit) after taxation</b>	<b>240 787</b>	<b>282 636</b>	<b>187 166</b>	<b>80 257</b>	<b>248 234</b>	<b>187 166</b>			<b>187 166</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>240 787</b>	<b>282 636</b>	<b>187 166</b>	<b>80 257</b>	<b>248 234</b>	<b>187 166</b>			<b>187 166</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>240 787</b>	<b>282 636</b>	<b>187 166</b>	<b>80 257</b>	<b>248 234</b>	<b>187 166</b>			<b>187 166</b>

## Capital Expenditure

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

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

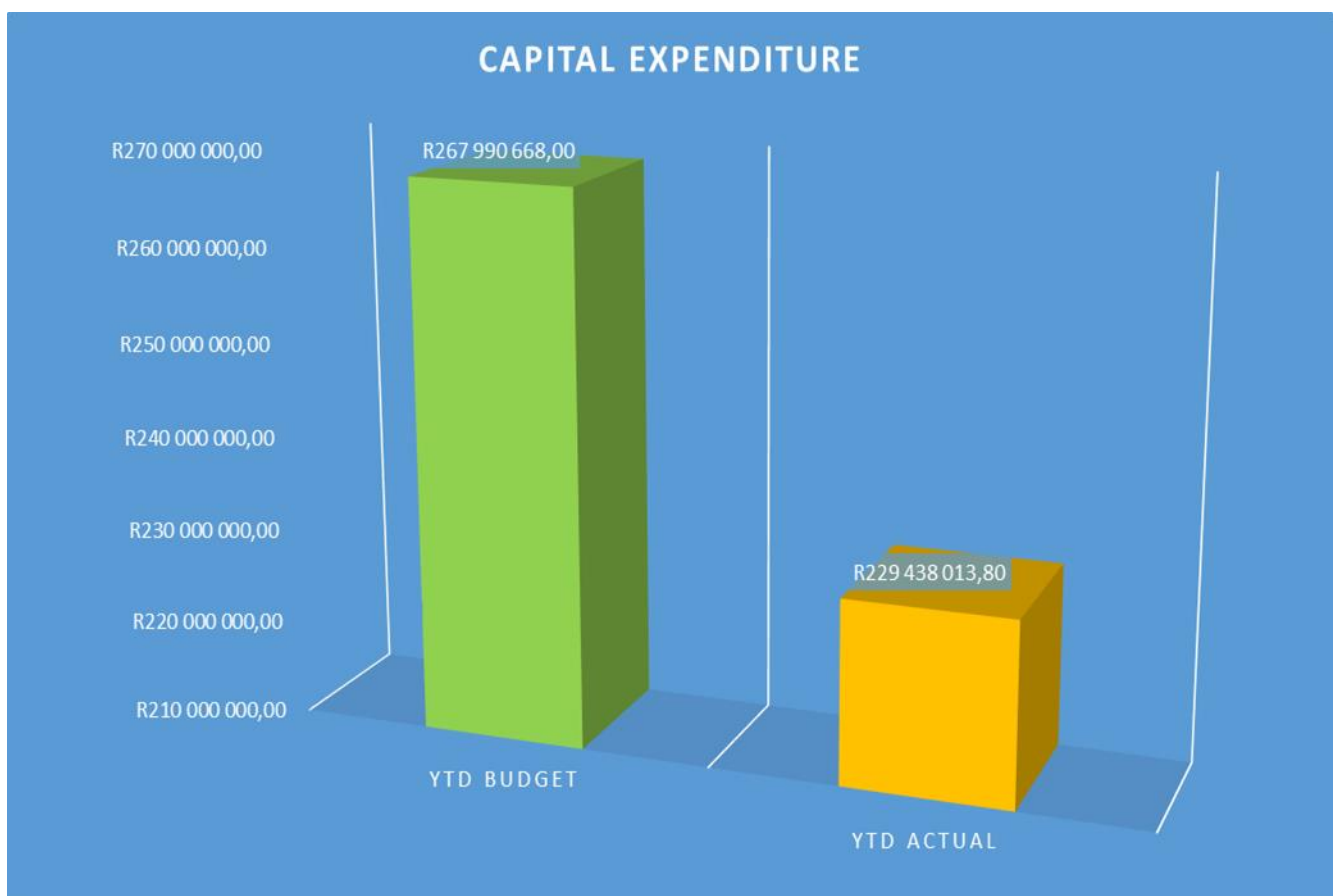
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	250 904	165 243	140 255	5 426	127 159	140 255	(13 095)	-9%	140 255
Vote 07 - Summary Water Services	-	-	15 000	1 060	6 000	15 000	(9 000)	-60%	15 000
<b>Total Capital Multi-year expenditure</b>	<b>250 904</b>	<b>165 243</b>	<b>155 255</b>	<b>6 486</b>	<b>133 159</b>	<b>155 255</b>	<b>(22 095)</b>	<b>-14%</b>	<b>155 255</b>
<b>Single Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	38	140	321	281	281	321	(40)	-13%	321
Vote 04 - Summary Corporate Services	10 203	4 942	1 911	1 179	2 683	1 911	772	40%	1 911
Vote 05 - Summary Social Services & Development Planning	62	383	50	-	-	50	(50)	-100%	50
Vote 06 - Summary Infrastructure Services	4 140	110 859	110 454	11 466	93 315	110 454	(17 139)	-16%	110 454
Vote 07 - Summary Water Services	-	1 056	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>14 442</b>	<b>117 381</b>	<b>112 736</b>	<b>12 926</b>	<b>96 279</b>	<b>112 736</b>	<b>(16 457)</b>	<b>-15%</b>	<b>112 736</b>
<b>Total Capital Expenditure</b>	<b>265 346</b>	<b>282 624</b>	<b>267 991</b>	<b>19 412</b>	<b>229 438</b>	<b>267 991</b>	<b>(38 553)</b>	<b>-14%</b>	<b>267 991</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	<b>10 240</b>	<b>5 082</b>	<b>2 282</b>	<b>1 460</b>	<b>2 964</b>	<b>2 282</b>	<b>682</b>	<b>30%</b>	<b>2 282</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	10 240	5 082	2 282	1 460	2 964	2 282	682	30%	2 282
Internal audit	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>212 808</b>	<b>383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Planning and development	212 808	383	-	-	-	-	-	-	-
<b>Trading services</b>	<b>42 298</b>	<b>277 158</b>	<b>265 709</b>	<b>17 952</b>	<b>226 474</b>	<b>265 709</b>	<b>(39 235)</b>	<b>-15%</b>	<b>265 709</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	43 737	213 071	222 769	21 813	191 274	222 769	(31 494)	-14%	222 769
Waste water management	(1 439)	64 088	42 940	(3 861)	35 200	42 940	(7 741)	-18%	42 940
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>265 346</b>	<b>282 624</b>	<b>267 991</b>	<b>19 412</b>	<b>229 438</b>	<b>267 991</b>	<b>(38 553)</b>	<b>-14%</b>	<b>267 991</b>
<b>Funded by:</b>									
National Government	132 801	275 978	251 030	17 172	220 755	251 030	(30 275)	-12%	251 030
Provincial Government	-	-	15 000	1 060	6 000	15 000	(9 000)	-60%	15 000
District Municipality	-	225	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>132 801</b>	<b>276 203</b>	<b>266 030</b>	<b>18 233</b>	<b>226 755</b>	<b>266 030</b>	<b>(39 275)</b>	<b>-15%</b>	<b>266 030</b>
<b>Internally generated funds</b>	<b>14 442</b>	<b>6 421</b>	<b>1 961</b>	<b>1 179</b>	<b>2 683</b>	<b>1 961</b>	<b>722</b>	<b>37%</b>	<b>1 961</b>
<b>Total Capital Funding</b>	<b>147 243</b>	<b>282 624</b>	<b>267 991</b>	<b>19 412</b>	<b>229 438</b>	<b>267 991</b>	<b>(38 553)</b>	<b>-14%</b>	<b>267 991</b>



As alluded to above, the capital expenditure programme for the period ending 30 June 2020 was R229, 4m which represents 86% of capital expenditure against year to date budget of R267, 9million. 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 FOURTH QUARTER CAPEX**



As at 30 June 2020, the year to date actual expenditure was R229, 4million against a YTD budget of R267, 9million. In monetary terms,

these figures represent 86 per cent performance against the capital development programme as at 30 June 2020.

Table C6 displays the financial position of the municipality as at 30 June 2020.

**DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M12 June**

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash	53 026	169 975	22 012	21 837	22 012
Call investment deposits	5 337	37 087	6 648	16 967	6 648
Consumer debtors	26 933	42 739	28 017	71 092	28 017
Other debtors	33 151	32 638	19 014	34 401	19 014
Inventory	248	171	171	248	171
<b>Total current assets</b>	<b>118 695</b>	<b>282 609</b>	<b>75 863</b>	<b>144 544</b>	<b>75 863</b>
<b>Non current assets</b>					
Investments in Associate					
Property, plant and equipment	2 169 063	2 163 828	1 869 115	2 337 882	1 869 115
Intangible	1 191	1 316	1 216	1 028	1 216
Other non-current assets	0	0	0	0	0
<b>Total non current assets</b>	<b>2 170 255</b>	<b>2 165 144</b>	<b>1 870 330</b>	<b>2 338 910</b>	<b>1 870 330</b>
<b>TOTAL ASSETS</b>	<b>2 288 950</b>	<b>2 447 753</b>	<b>1 946 193</b>	<b>2 483 454</b>	<b>1 946 193</b>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>					
Borrowing	-	(4 290)	4 290	(1 081)	4 290
Consumer deposits	1 768	1 740	1 740	1 865	1 740
Trade and other payables	155 391	131 248	45 945	101 637	45 945
Provisions	11 000	9 574	9 574	11 000	9 574
<b>Total current liabilities</b>	<b>168 160</b>	<b>138 272</b>	<b>61 550</b>	<b>113 421</b>	<b>61 550</b>
<b>Non current liabilities</b>					
Borrowing	37 730	13 292	13 541	24 176	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>43 116</b>	<b>36 490</b>
<b>TOTAL LIABILITIES</b>	<b>224 830</b>	<b>174 514</b>	<b>98 040</b>	<b>156 538</b>	<b>98 040</b>
<b>NET ASSETS</b>	<b>2 064 120</b>	<b>2 273 239</b>	<b>1 848 153</b>	<b>2 326 916</b>	<b>1 848 153</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>					
Accumulated Surplus/(Deficit)	2 068 644	1 990 615	1 580 162	2 313 753	1 580 162
Reserves	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 068 644</b>	<b>1 990 615</b>	<b>1 580 162</b>	<b>2 313 753</b>	<b>1 580 162</b>

Table C7 below display the Cash Flow Statement for the period ending 30 June 2020.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M12 June

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>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates							-		
Service charges	50 033	47 732	51 990	3 561	49 897	51 990	(2 093)	-4%	51 990
Other revenue	3 816	781	11 626	-	1 989	11 626	(9 637)	-83%	11 626
Transfers and Subsidies - Operational	361 595	366 004	339 907	-	319 074	339 907	(20 833)	-6%	339 907
Transfers and Subsidies - Capital	312 210	275 839	274 335	-	295 860	274 335	21 525	8%	274 335
Interest	9 645	9 658	7 257	230	5 917	7 257	(1 340)	-18%	7 257
<b>Payments</b>									
Suppliers and employees	(425 384)	(402 569)	(447 664)	(48 194)	(467 404)	(447 664)	19 739	-4%	447 664
Finance charges	(3 752)	(3 522)	(4 180)	(356)	(2 730)	(4 180)	(1 450)	35%	4 180
Transfers and Grants	-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>308 163</b>	<b>293 923</b>	<b>233 269</b>	<b>(44 760)</b>	<b>202 603</b>	<b>233 269</b>	<b>30 666</b>	<b>13%</b>	<b>1 136 959</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(364 374)	(275 839)	(279 405)	(19 412)	(229 438)	(279 405)	(49 967)	18%	(279 405)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(364 374)</b>	<b>(275 839)</b>	<b>(279 405)</b>	<b>(19 412)</b>	<b>(229 438)</b>	<b>(279 405)</b>	<b>(49 967)</b>	<b>18%</b>	<b>(279 405)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-		-
<b>Payments</b>									
Repayment of borrowing	(3 330)	(3 896)	(12 528)	(2 107)	(4 102)	(12 528)	(8 426)	67%	(12 528)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 330)</b>	<b>(3 896)</b>	<b>(12 528)</b>	<b>(2 107)</b>	<b>(4 102)</b>	<b>(12 528)</b>	<b>(8 426)</b>	<b>67%</b>	<b>(12 528)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(59 540)</b>	<b>14 188</b>	<b>(58 663)</b>	<b>(66 278)</b>	<b>(30 937)</b>	<b>(58 663)</b>			<b>845 026</b>
Cash/cash equivalents at beginning:	112 336	112 336	71 593		71 593				
Cash/cash equivalents at month/year end:	52 795	126 524	12 929		40 656	(58 663)			845 026

The interest earned on investments and on outstanding debtors for the period ending 30 June is R 18, 8million which is representing 111% 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 30 June 2020.

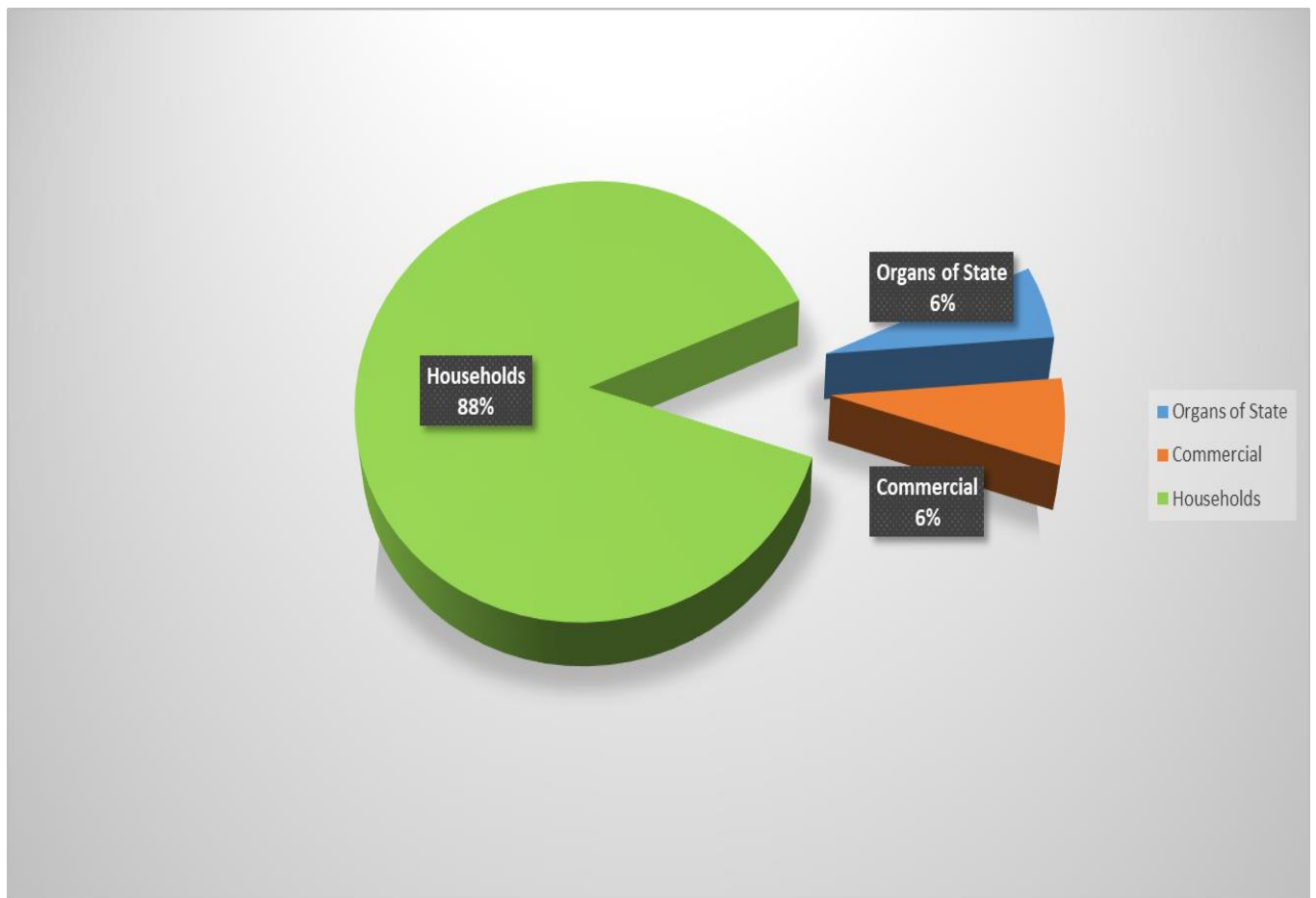
**Table 2.1.1: Debtors Age Analysis by Income Source**

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June										
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	116	8 766	4 687	3 807	3 618	3 406	3 380	17 237	45 016	31 448
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	45	3 424	1 831	1 487	1 413	1 331	1 320	6 734	17 586	12 285
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	19	1 465	784	636	605	569	565	2 881	7 525	5 257
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
<b>Total By Income Source</b>	<b>180</b>	<b>13 655</b>	<b>7 302</b>	<b>5 930</b>	<b>5 636</b>	<b>5 306</b>	<b>5 265</b>	<b>26 852</b>	<b>70 127</b>	<b>48 990</b>
<b>2018/19 - totals only</b>									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	-	3 611	3 259	1 992	835	552	416	1 149	11 815	4 945
Commercial	0	1 570	512	492	524	524	525	2 542	6 689	4 608
Households	180	8 475	3 531	3 446	4 277	4 230	4 324	23 160	51 623	39 437
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>180</b>	<b>13 655</b>	<b>7 302</b>	<b>5 930</b>	<b>5 636</b>	<b>5 306</b>	<b>5 265</b>	<b>26 852</b>	<b>70 127</b>	<b>48 990</b>

## 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

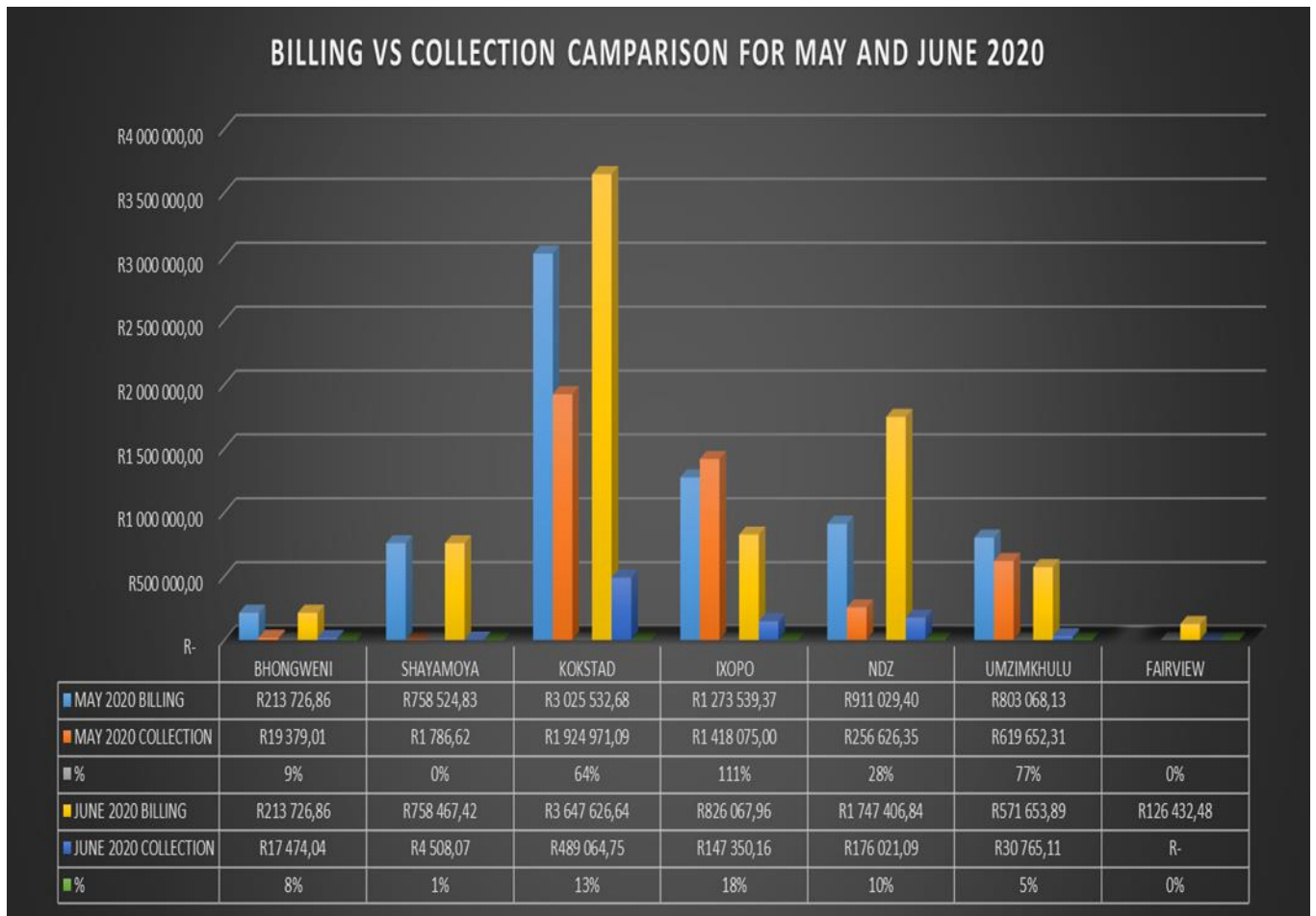
## REVENUE RECEIPTS

### Revenue receipts per Area

AREA	AMOUNT		
		JUNE 2020	MAY 2020
Unallocated receipts	R 2 695 331	76%	9%
Bhongweni	R 17 474	0%	2%
Shayamoya	R 4 508	0%	0%
Kokstad	R 489 065	14%	52%
Ixopo	R 147 350	4%	12%
NDZ	R 176 021	4%	21%
Umzimkhulu	R 30 765	0%	4%
Fairview	R 0	1%	0%
<b>TOTAL RECEIPTS INCL VAT</b>	<b>R 3 560 514</b>	100%	100%

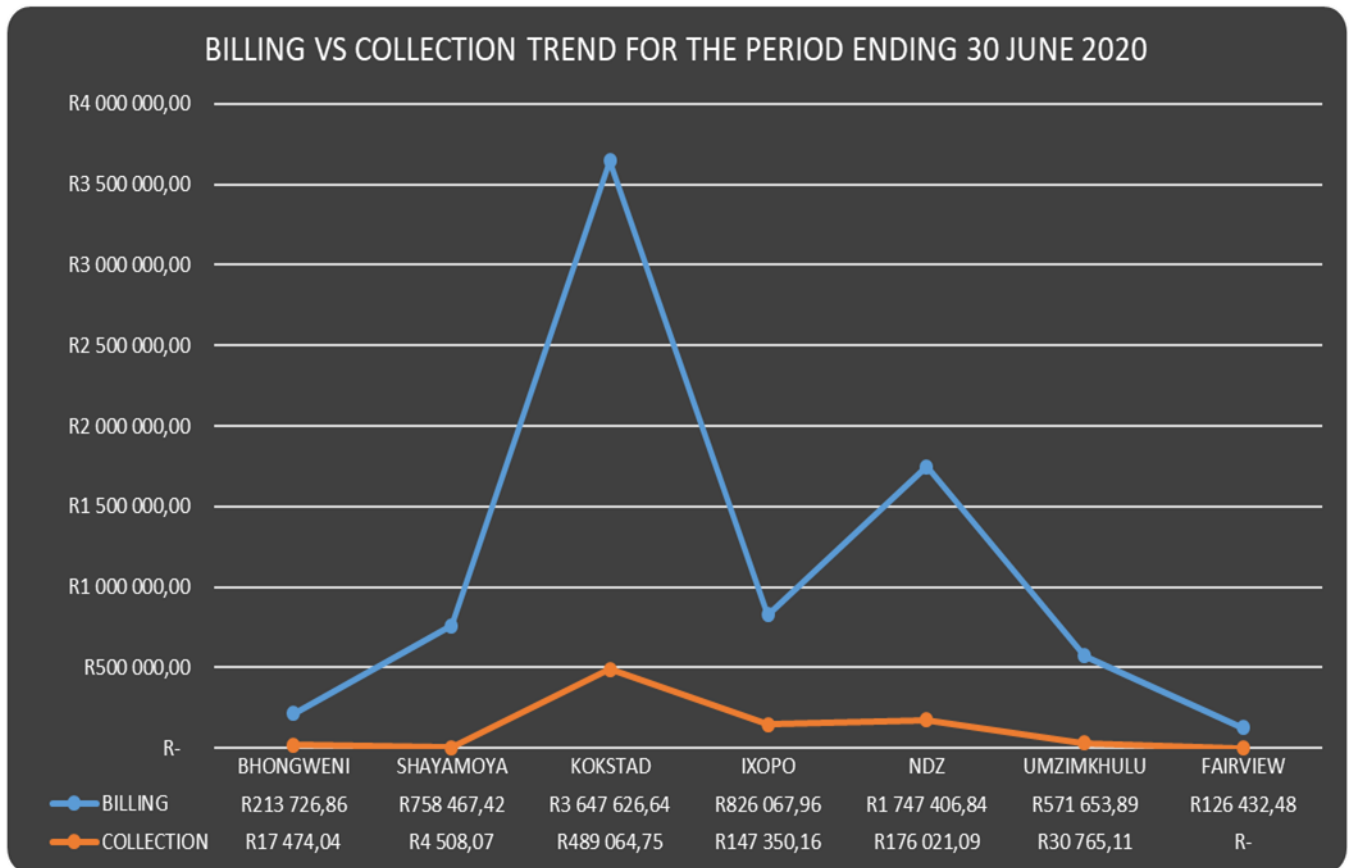
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for June is R3, 5million. The total billing as at 30 June 2020 amount to R 67million against total collection of R 48, 4million representing 72 per cent.

The chart that follows below shows the comparison between billing and collection for the period ending 30 June 2020.





The chart that follows below shows the comparison between billing and collection trend for the period ending 30 June 2020



### Debtors age analysis per service

The municipality’s total outstanding debtors amounted to R 196 723 846 as at 30 June 2020 compared with the R 198 100 486 as at 31 May 2020. Current debt represent 4% of the total outstanding debt compared with the 4% of May 2020; 30 days and older debt 3% compared with the 3% for May 2020; 60 days and older debt 3% compared with the 3% of May 2020; and 90 days 3% compared with the 3% of May 2020; 120 days to History and older 87% compared with the 86% for May 2020.

Current debt Decreased with R 1,376,640 to R 196,723,846 compared with the R 198,100,486 as at 31 May 2020; 30 days + debt Decreased with R 562,974; 60 days + decreased with R 369,040; 90 days + debt decreased with R 278,706 and 120 + days and older debt as at June 2020 has increased with R 542,549 to R 171,241,440 compared with the R 170,698,891 as at 31 May 2020.

### Debtors age analysis per debtor type

Business debtors owes the municipality R 13,990,569 (7%); Municipal debtors R 1,130,718 (1%); domestic debtors R 159,201,173 (81%); Government accounts R 12,938,031 (7%); Indigent debtors R 5,525,538 (3%) and other debtors R 3,937,817 (2%) of the total outstanding debt of R 196,723,846.

## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 30 June 2020

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

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	1 068			225					1 293
Auditor General									-
Other									-
<b>Total By Customer Type</b>	<b>1 068</b>	<b>-</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 293</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 30 June 2020.

### Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June									
Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	Yrs/Months								
<b>R thousands</b>									
<b>Municipality</b>									
FIRST NATIONAL BANK		CALL ACCOUNT			24 587	58	(22 890)	-	1 755
FIRST NATIONAL BANK		CALL ACCOUNT			31 599	51	(30 259)	2 195	3 585
FIRST NATIONAL BANK		ADMIN CALL			40 106	67	(25 325)	-	14 849
INVESTEC		FIXED DEPOSIT			2 111	6	-	-	2 117
FIRST NATIONAL BANK		FIXED DEPOSIT			7 763	21	(7 782)	-	2
FIRST NATIONAL BANK		CALL ACCOUNT			1 313	2	(1 311)	-	4
FIRST NATIONAL BANK		CALL ACCOUNT			5 416	10	(2 185)	5 148	8 390
FIRST NATIONAL BANK		CALL ACCOUNT			6 987	12	(6 985)	-	14
FIRST NATIONAL BANK		FIXED DEPOSIT			756	1	(421)	-	336
CURRENT ACCOUNT					4 645	-	-	4 957	9 602
<b>Municipality sub-total</b>					<b>125 282</b>	<b>230</b>	<b>(97 156)</b>	<b>12 300</b>	<b>40 656</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>					<b>125 282</b>		<b>(97 156)</b>	<b>12 300</b>	<b>40 656</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 - M12 June

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>321 592</b>	<b>366 004</b>	<b>391 730</b>	<b>-</b>	<b>391 730</b>	<b>391 730</b>	<b>(0)</b>	<b>0,0%</b>	<b>391 730</b>
Energy Efficiency and Demand Side Management Grant	-	-	-	-	7 000	-	7 000		-
Equitable Share	318 074	345 309	345 309	-	345 309	345 309	(0)	0,0%	345 309
Expanded Public Works Programme Integrated Grant	2 518	5 316	5 316	-	5 316	5 316	-	0,0%	5 316
Integrated National Electrification Programme Grant	-	7 000	7 000	-	-	7 000	(7 000)	-100,0%	7 000
Local Government Financial Management Grant	1 000	1 000	1 000	-	1 000	1 000	-	0,0%	1 000
Municipal Disaster Relief Grant	-	-	596	-	596	596	-	0,0%	596
Municipal Infrastructure Grant	-	5 022	20 147	-	20 147	20 147	-	0,0%	20 147
Rural Road Asset Management Systems Grant	-	2 357	2 358	-	2 358	2 358	-	0,0%	2 358
Water Services Infrastructure Grant	-	-	10 004	-	10 004	10 004	-	0,0%	10 004
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>-</b>	<b>400</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>(400)</b>	<b>-100,0%</b>	<b>400</b>
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	400	400	-	-	400	(400)	-100,0%	400
<b>Total Operating Transfers and Grants</b>	<b>321 592</b>	<b>366 404</b>	<b>392 130</b>	<b>-</b>	<b>391 730</b>	<b>392 130</b>	<b>(400)</b>	<b>-0,1%</b>	<b>392 130</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>335 775</b>	<b>275 839</b>	<b>250 709</b>	<b>-</b>	<b>250 709</b>	<b>250 709</b>	<b>-</b>	<b>0,0%</b>	<b>250 709</b>
Equitable Share	47 223	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	152 755	195 839	180 713	-	180 713	180 713	-	0,0%	180 713
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	70 000	20 000	20 000	-	20 000	20 000	-	0,0%	20 000
Rural Road Asset Management Systems Grant	2 226	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	63 571	60 000	49 996	-	49 996	49 996	-	0,0%	49 996
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>15 000</b>	<b>-</b>	<b>-</b>	<b>15 000</b>	<b>(15 000)</b>	<b>-100,0%</b>	<b>15 000</b>
Specify (Add grant description)	-	-	15 000	-	-	15 000	(15 000)	-100,0%	15 000
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>14 000</b>	<b>-</b>	<b>-</b>	<b>14 000</b>	<b>(14 000)</b>	<b>-100,0%</b>	<b>14 000</b>
Specify (Add grant description)	-	-	14 000	-	-	14 000	(14 000)	-100,0%	14 000
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]	-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>335 775</b>	<b>275 839</b>	<b>279 709</b>	<b>-</b>	<b>250 709</b>	<b>279 709</b>	<b>(29 000)</b>	<b>-10,4%</b>	<b>279 709</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>657 367</b>	<b>642 242</b>	<b>671 839</b>	<b>-</b>	<b>642 439</b>	<b>671 839</b>	<b>(29 400)</b>	<b>-4,4%</b>	<b>671 839</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 - M12 June

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>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	509 122	448 944	516 661	46 158	437 810	516 661	(78 851)	-15,3%	516 661
Energy Efficiency and Demand Side Management Grant	-	7 000	7 000	1 900	3 510	7 000	(3 490)	-49,9%	7 000
Equitable Share	476 416	425 735	470 543	30 978	409 178	470 543	(61 366)	-13,0%	470 543
Expanded Public Works Programme Integrated Grant	179	7 939	5 334	2 823	5 218	5 334	(115)	-2,2%	5 334
Local Government Financial Management Grant	685	891	679	-	309	679	(370)	-54,4%	679
Municipal Disaster Relief Grant	-	-	596	-	-	596	(596)	-100,0%	596
Municipal Infrastructure Grant	29 839	5 022	20 147	8 305	12 708	20 147	(7 440)	-36,9%	20 147
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 003	2 357	2 358	315	1 416	2 358	(942)	-39,9%	2 358
Water Services Infrastructure Grant	-	-	10 004	1 837	5 471	10 004	(4 532)	-45,3%	10 004
<b>Provincial Government:</b>	1 332	-	-	-	-	-	-	-	-
Development Planning and Shared Services	1 332	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	15 709	14 255	-	-	14 255	(14 255)	-100,0%	14 255
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>510 455</b>	<b>448 944</b>	<b>516 661</b>	<b>46 158</b>	<b>437 810</b>	<b>516 661</b>	<b>(78 851)</b>	<b>-15,3%</b>	<b>516 661</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	132 801	275 978	251 030	17 172	220 755	251 030	(30 275)	-12,1%	251 030
Local Government Financial Management Grant	-	140	321	281	281	321	(40)	-12,5%	321
Municipal Infrastructure Grant	10 090	195 838	180 713	17 276	153 974	180 713	(26 738)	-14,8%	180 713
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	65 476	20 000	20 000	1 987	19 379	20 000	(621)	-3,1%	20 000
Water Services Infrastructure Grant	57 235	60 000	49 996	(2 371)	47 121	49 996	(2 875)	-5,8%	49 996
<b>Provincial Government:</b>	-	-	15 000	1 060	6 000	15 000	(9 000)	-60,0%	15 000
Specify (Add grant description)	-	-	15 000	1 060	6 000	15 000	(9 000)	-60,0%	15 000
<b>District Municipality:</b>	-	225	-	-	-	-	-	-	-
Specify (Add grant description)	-	225	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>132 801</b>	<b>276 203</b>	<b>266 030</b>	<b>18 233</b>	<b>226 755</b>	<b>266 030</b>	<b>(39 275)</b>	<b>-14,8%</b>	<b>266 030</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>643 256</b>	<b>725 148</b>	<b>782 691</b>	<b>64 390</b>	<b>664 565</b>	<b>782 691</b>	<b>(118 126)</b>	<b>-15,1%</b>	<b>782 691</b>

## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 30 June 2020.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

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	93	4 678	5 533	(855)	-15%	5 533
Pension and UIF Contributions	581	254	300	7	471	300	171	57%	300
Medical Aid Contributions	96	45	45	-	49	45	4	9%	45
Motor Vehicle Allowance	45	-	-	-	-	-	-	-	-
Cellphone Allowance	534	372	413	17	581	413	169	41%	413
Other benefits and allowances	1 159	1 212	1 284	50	1 350	1 284	66	5%	1 284
<b>Sub Total - Councillors</b>	<b>6 952</b>	<b>7 574</b>	<b>7 574</b>	<b>167</b>	<b>7 130</b>	<b>7 574</b>	<b>(444)</b>	<b>-6%</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	336	3 637	3 492	146	4%	3 492
Pension and UIF Contributions	10	8	9	1	10	9	0	1%	9
Medical Aid Contributions	91	1 021	110	14	122	110	12	11%	110
Performance Bonus	146	-	53	-	53	53	0	0%	53
Motor Vehicle Allowance	883	941	866	88	928	866	61	7%	866
Cellphone Allowance	91	785	98	10	108	98	10	11%	98
Housing Allowances	129	110	153	13	160	153	6	4%	153
Other benefits and allowances	110	117	361	38	434	361	73	20%	361
Payments in lieu of leave	22	353	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 488</b>	<b>8 095</b>	<b>5 144</b>	<b>500</b>	<b>5 452</b>	<b>5 144</b>	<b>308</b>	<b>6%</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	111 309	9 144	107 813	111 309	(3 496)	-3%	111 309
Pension and UIF Contributions	14 873	12 905	16 184	1 370	16 184	16 184	1	0%	16 184
Medical Aid Contributions	7 261	5 136	8 061	708	8 252	8 061	191	2%	8 061
Overtime	22 215	19 704	24 200	995	21 578	24 200	(2 622)	-11%	24 200
Performance Bonus	6 855	9 704	7 202	796	7 833	7 202	631	9%	7 202
Motor Vehicle Allowance	13 814	12 641	14 337	1 203	14 366	14 337	28	0%	14 337
Cellphone Allowance	699	734	782	65	781	782	(1)	0%	782
Housing Allowances	413	1 442	479	42	487	479	9	2%	479
Other benefits and allowances	3 514	18 178	4 772	390	4 718	4 772	(54)	-1%	4 772
Payments in lieu of leave	1 967	1 419	653	41	915	653	261	40%	653
Long service awards	626	314	1 000	21	174	1 000	(825)	-83%	1 000
Post-retirement benefit obligations	(4 009)	2 099	2 934	-	-	2 934	(2 934)	-100%	2 934
<b>Sub Total - Other Municipal Staff</b>	<b>168 207</b>	<b>187 528</b>	<b>191 913</b>	<b>14 776</b>	<b>183 100</b>	<b>191 913</b>	<b>(8 813)</b>	<b>-5%</b>	<b>191 913</b>
% increase		11,5%	14,1%						14,1%
<b>Total Parent Municipality</b>	<b>180 647</b>	<b>203 197</b>	<b>204 631</b>	<b>15 443</b>	<b>195 681</b>	<b>204 631</b>	<b>(8 949)</b>	<b>-4%</b>	<b>204 631</b>
		12,5%	13,3%						13,3%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages	-	350	350	-	-	350	(350)	-100%	350
<b>Sub Total - Board Members of Entities</b>	<b>-</b>	<b>350</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>350</b>	<b>(350)</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	-	-	1 000	(1 000)	-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>1 000</b>	<b>(1 000)</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	-	-	5 283	(5 283)	-100%	5 283
Pension and UIF Contributions	-	1 380	1 380	-	-	1 380	(1 380)	-100%	1 380
Medical Aid Contributions	-	450	450	-	-	450	(450)	-100%	450
Performance Bonus	-	500	500	-	-	500	(500)	-100%	500
Other benefits and allowances	-	100	100	-	-	100	(100)	-100%	100
Payments in lieu of leave	-	40	40	-	-	40	(40)	-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>7 753</b>	<b>(7 753)</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>9 103</b>	<b>(9 103)</b>	<b>-100%</b>	<b>9 103</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>180 647</b>	<b>213 300</b>	<b>213 734</b>	<b>15 443</b>	<b>195 681</b>	<b>213 734</b>	<b>(18 052)</b>	<b>-8%</b>	<b>213 734</b>
% increase		18,1%	18,3%						18,3%
<b>TOTAL MANAGERS AND STAFF</b>	<b>173 695</b>	<b>205 376</b>	<b>205 810</b>	<b>15 275</b>	<b>188 552</b>	<b>205 810</b>	<b>(17 258)</b>	<b>-8%</b>	<b>205 810</b>

## 2.6 Material Variances to the SDBIP

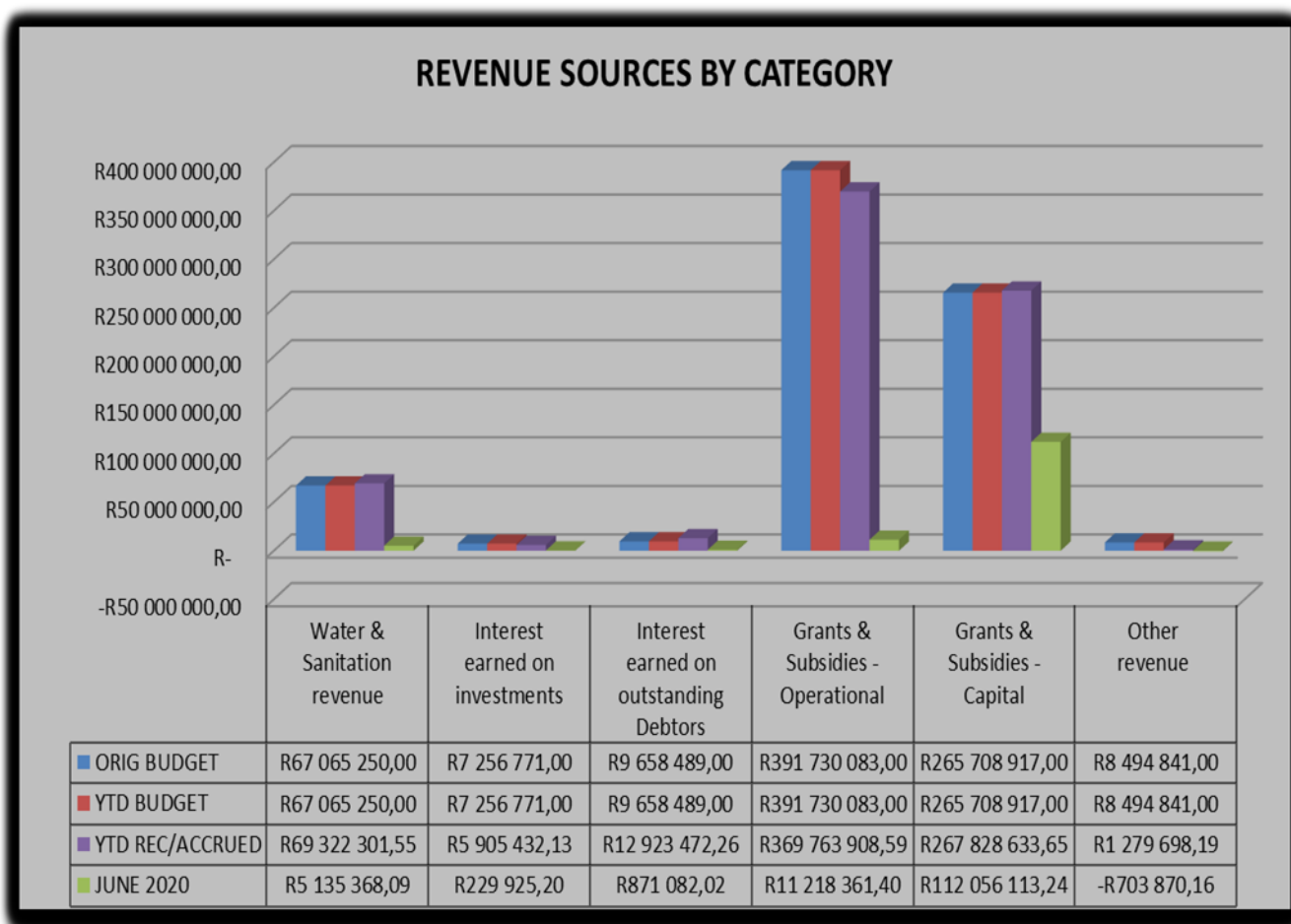
The following section analyses material variances between the actual targets as at 30 June 2020 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 30 June 2020 was R69, 3million against a year to date **budget** of R67million.

### Interest Earned on External Investments

The year to date actual interest earned on external investments for the period ended June 2020 is R5, 9m or 81% actual against year to date budget of R7, 2million.



## **Transfers Recognised - Operational**

The operational grants revenue of R369, 7million against a year to date budget of R391, 7million 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 R229, 4million (against a YTD budget of R267, 9million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 86% performance in Conditional Capital grant funding expenditures

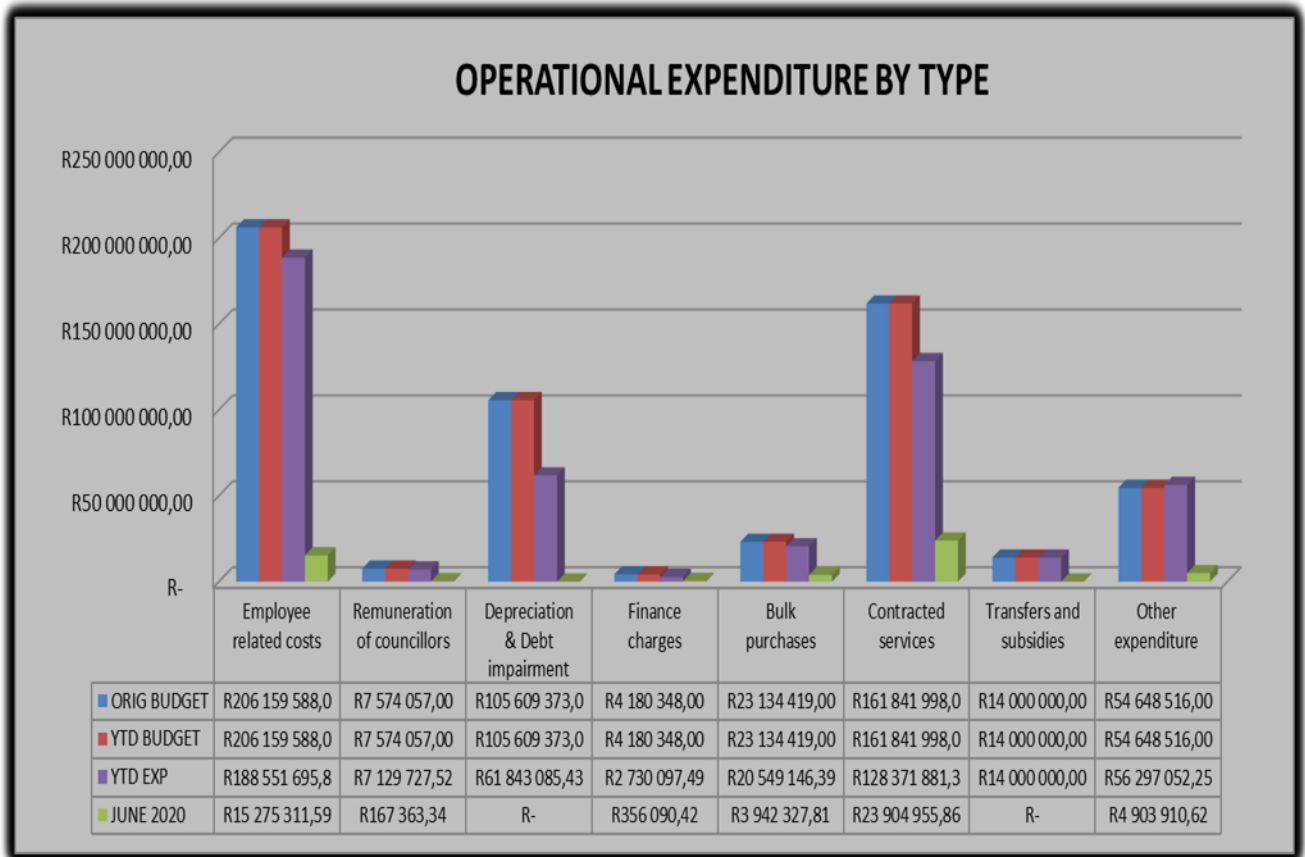
## **Other Revenue**

The YTD performance of other revenue is R1, 2million against YTD budget of R8, 4million representing over performance of 15 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 R206, 1million against a YTD actual of R188, 5million which is 91% of the YTD budget.

### Remuneration of Councillors

The remuneration of councillor’s year to date expenditure is at R 7, 1million against a YTD budget of R7, 5million representing 94% of the year to date budget.

## **Finance Charges**

As at 30 June 2020, the year to date expenditure for finance charges is R2, 7million against the Year to Date budget of R4, 1million representing performance of 65 per cent.

## **Bulk Purchases**

The expenditure on Bulk Water purchases has the budget of R23, 1million and the year to date expenditure is at R 20, 5million against a year to budget of R23, 1million.

## **Other Expenditure**

The YTD budget for other expenditure was at R 54, 6million against a YTD expenditure of R 56, 2million and expenditure for the month of June 2020 is R4, 9million.

## **Performance assessment**

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

## **Actual and revised targets for cash receipts**

**DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M12 June**

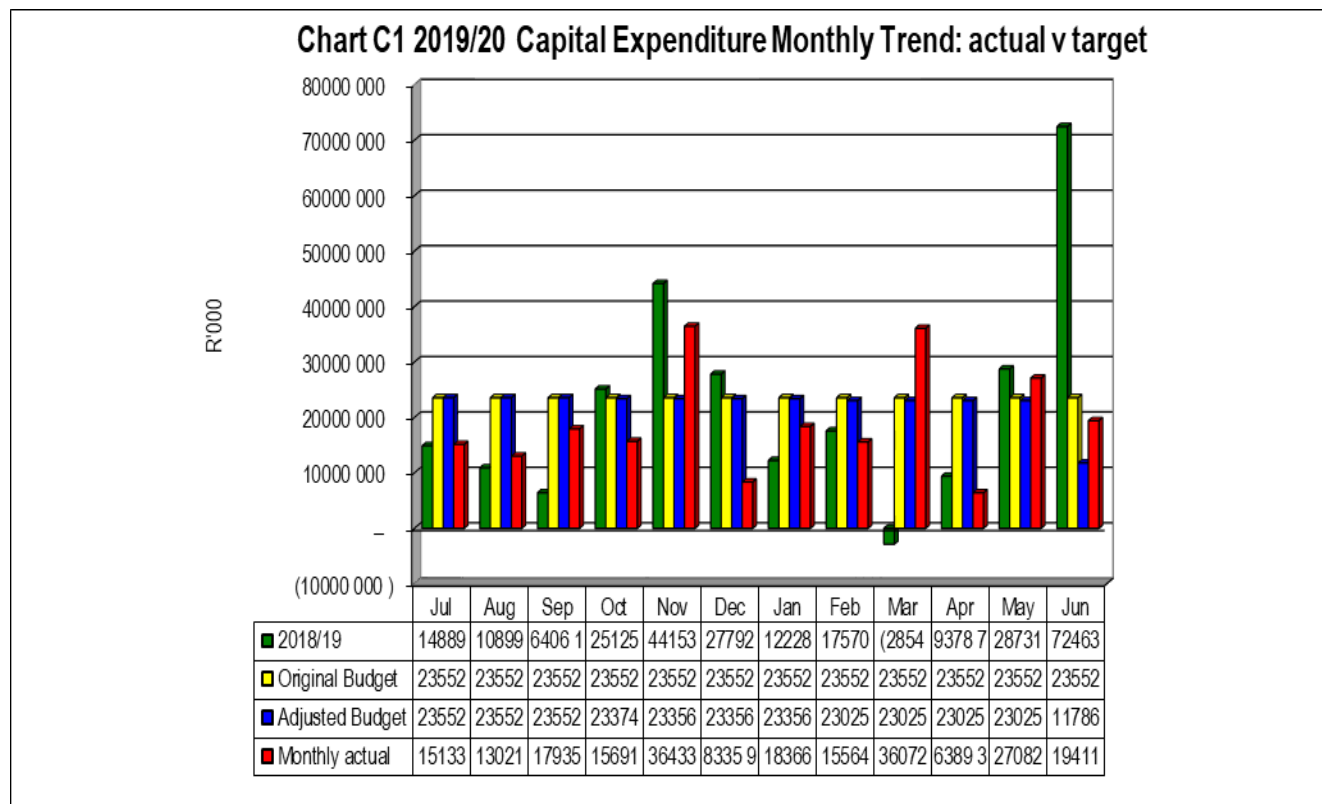
Description	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Outcome	Budget Year 2019/20	Budget Year +1 2020/21	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	3 053	2 400	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	1 308	1 005	15 597	14 842	15 838
Interest earned - external investments	354	969	910	673	565	390	293	378	-	713	372	1 641	7 257	10 238	10 852
Transfers and Subsidies - Operational	145 208	3 980		3 000	2 393	71 865	-	6 301	86 327	-	-	20 833	339 907	381 076	411 995
Other revenue		276		-	858	-	35		76	3 901		6 480	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>4 734</b>	<b>32 358</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
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	104	111
Decrease (increase) in non-current investments															
<b>Total Cash Receipts by Source</b>	<b>200 335</b>	<b>49 700</b>	<b>5 768</b>	<b>8 703</b>	<b>28 651</b>	<b>75 620</b>	<b>84 784</b>	<b>11 134</b>	<b>196 696</b>	<b>8 157</b>	<b>4 734</b>	<b>10 833</b>	<b>685 114</b>	<b>746 043</b>	<b>837 116</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	-	31 799	15 337	33 122	206 398	222 746	232 810
Remuneration of councillors	443	461	602	663	686	648	604	638	-	1 339	878	612	7 574	8 018	8 579
Interest paid	-	-	-	-	1 904	-	468	-	-	-	2	1 806	4 180	4 385	4 595
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	839	3 601	(993)	-	3 061	937	4 223	1 521	-	3 418	1 155	17 762	18 632	19 527
Other materials	-	23	462	1 366	1 796	1 543	(2 173)	816	243	749	1 547	9 694	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	4 168	8 761	36 353	140 820	118 356	132 296
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	5 000	6 000	-	-	3 000	(14 000)	-	-	-
General expenses	5 994	2 946	5 273	4 685	2 595	6 092	2 910	3 032	3 835	1 486	6 174	14 024	59 046	62 488	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>21 817</b>	<b>39 541</b>	<b>39 116</b>	<b>82 765</b>	<b>451 845</b>	<b>443 739</b>	<b>470 332</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	6 389	27 082	(187 894)	-	271 221	281 421
Repayment of borrowing	-	251	136	-	247	112	99	121	-	-	47	(2 158)	(1 146)	(1 370)	(1 287)
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>35 790</b>	<b>45 930</b>	<b>66 245</b>	<b>(107 287)</b>	<b>450 699</b>	<b>713 590</b>	<b>750 466</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>152 191</b>	<b>10 151</b>	<b>(46 187)</b>	<b>(39 753)</b>	<b>(37 981)</b>	<b>27 154</b>	<b>36 862</b>	<b>(47 763)</b>	<b>160 906</b>	<b>(37 774)</b>	<b>(61 511)</b>	<b>118 120</b>	<b>234 415</b>	<b>32 452</b>	<b>86 650</b>
Cash/cash equivalents at the month/year beginning:	71 593	223 784	233 935	187 748	147 995	110 014	137 169	174 031	126 267	287 173	249 400	187 888	47 431	12 922	6 237
Cash/cash equivalents at the month/year end:	223 784	233 935	187 748	147 995	110 014	137 169	174 031	126 267	287 173	249 400	187 888	306 008	281 846	45 374	92 887

## Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M12 June

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
<b>R thousands</b>									
<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	6 389	182 944	233 178	50 234	21,5%	0
May	28 732	23 552	23 026	27 082	210 026	256 204	46 178	18,0%	0
June	72 464	23 552	11 787	19 412	229 438	267 991	38 553	14,4%	0
<b>Total Capital expenditure</b>	<b>266 785</b>	<b>282 624</b>	<b>267 991</b>	<b>229 438</b>					

## YTD Capital Budget vs. YTD Capital Expenditure



### Capital Expenditure on New Assets by Asset Class

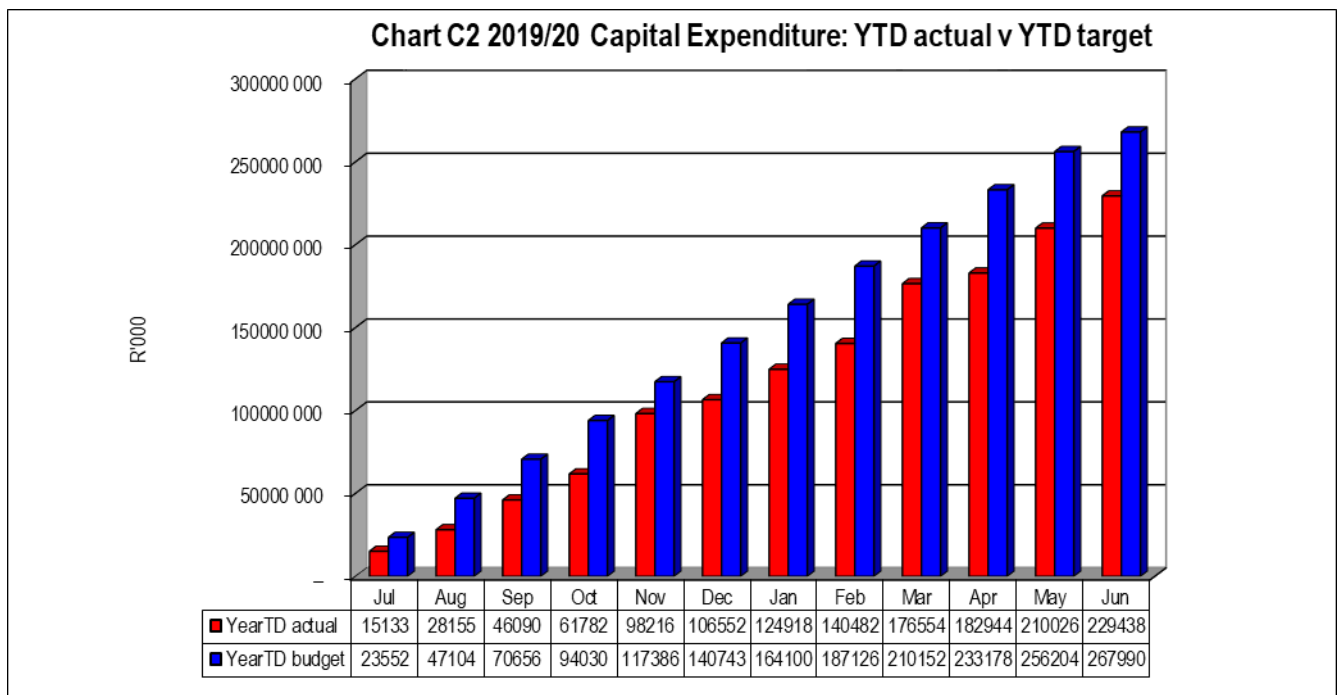
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M12

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	108 294	18 597	103 755	108 294	4 539	4,2%	108 294
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	70 959	96 344	108 294	18 597	103 755	108 294	4 539	4,2%	108 294
Dams and Weirs	65 476	24 250	27 537	7 863	32 289	27 537	(4 752)	-17,3%	27 537
Boreholes	3 203	2 000	12 740	4 808	12 269	12 740	471	3,7%	12 740
Reservoirs	-	13 680	18 170	2 313	14 825	18 170	3 346	18,4%	18 170
Pump Stations	-	-	-	-	-	-	-	-	-
Water Treatment Works	2 281	-	-	-	-	-	-	-	-
Bulk Mains	-	24 200	25 953	1 274	21 040	25 953	4 913	18,9%	25 953
Distribution	-	31 614	23 893	2 338	23 331	23 893	562	2,4%	23 893
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	600	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	1 728	-	-	-	-	-	-	-	-
Data Centres	1 728	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	25	-	-	-	-	-	-	-
Community Facilities	-	25	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	25	-	-	-	-	-	-	-
<b>Other assets</b>	-	211	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	211	-	-	-	-	-	-	-
Staff Housing	-	211	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	100	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	100	-	-	-	-	-	-	-
Computer Software and Applications	-	100	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	1 450	1 450	987	2 208	1 450	(758)	-52,3%	1 450
Computer Equipment	-	1 450	1 450	987	2 208	1 450	(758)	-52,3%	1 450
<b>Furniture and Office Equipment</b>	1 120	1 996	832	472	756	832	76	9,1%	832
Furniture and Office Equipment	1 120	1 996	832	472	756	832	76	9,1%	832
<b>Machinery and Equipment</b>	38	289	-	-	-	-	-	-	-
Machinery and Equipment	38	289	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	<b>73 845</b>	<b>100 415</b>	<b>110 576</b>	<b>20 056</b>	<b>106 719</b>	<b>110 576</b>	<b>3 857</b>	<b>3,5%</b>	<b>110 576</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>	179 945	95 857	91 726	(1 830)	76 437	91 726	15 288	16,7%	91 726
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	41 249	53 887	44 165	(909)	38 447	44 165	5 718	12,9%	44 165
Dams and Weirs	-	-	-	-	-	-	-	-	-
Bulk Mains	-	-	-	-	-	-	-	-	-
Distribution	26 126	53 887	44 165	(909)	38 447	44 165	5 718	12,9%	44 165
Distribution Points	15 123	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	138 696	41 970	47 561	(921)	37 991	47 561	9 570	20,1%	47 561
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	(1 439)	-	-	-	-	-	-	-	-
Waste Water Treatment Works	140 135	41 970	47 561	(921)	37 991	47 561	9 570	20,1%	47 561
Outfall Sewers	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	85	158	-	-	-	-	-	-	-
Machinery and Equipment	85	158	-	-	-	-	-	-	-
<b>Transport Assets</b>	11 472	1 500	-	-	-	-	-	-	-
Transport Assets	11 472	1 500	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>191 501</b>	<b>97 515</b>	<b>91 726</b>	<b>(1 830)</b>	<b>76 437</b>	<b>91 726</b>	<b>15 288</b>	<b>16,7%</b>	<b>91 726</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 June 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 \_\_\_\_\_