

Harry Gwala District Municipality

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

12/10/2020

Budget & Treasury Office

Table of Contents

1.1 PURPOSE	3
1.2 EXECUTIVE SUMMARY	3
DELIBERATION	4
1.3 Resolutions	5
1.4 Monthly Budget Statement Tables	5
2.1 Debtors Analysis	15
2.2 Creditors Analysis	20
2.3 Investment Portfolio Analysis	21
2.4 Allocation and Grant receipts and Expenditure	21
2.5 Councillor and Staff Benefits	23
2.6 Material Variances to the SDBIP	25
2.7 Municipal Manager’s Quality’s Certificate	37

REPORT ON S71 AND S52 (d) OF THE MFMA FOR THE PERIOD ENDING 30 SEPTEMBER 2020

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

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 and Section 52 (d) above, intends to inform the Budget and Treasury Committee on the progress made thus far in terms of implementing the 2020/2021 budget for the period ending 30 September 2020.

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 - M03 September

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	5 134	15 963	17 763	(1 800)	-10%	71 050
Investment revenue	5 905	7 681	7 681	732	732	1 920	(1 189)	-62%	7 681
Transfers and subsidies	379 660	387 266	431 049	-	167 553	101 195	66 358	66%	431 049
Other own revenue	16 463	11 345	11 345	772	2 496	2 836	(340)	-12%	11 345
Total Revenue (excluding capital transfers and contributions)	472 490	477 343	521 126	6 637	186 744	123 714	63 030	51%	521 126
Employee costs	190 401	222 746	222 746	15 673	48 119	55 687	(7 568)	-14%	222 746
Remuneration of Councillors	7 702	8 018	8 018	673	1 987	2 005	(17)	-1%	8 018
Depreciation & asset impairment	71 944	84 249	84 249	-	-	21 062	(21 062)	-100%	84 249
Finance charges	4 284	4 385	4 385	-	-	1 096	(1 096)	-100%	4 385
Materials and bulk purchases	28 232	27 745	28 745	2 619	4 600	7 036	(2 436)	-35%	28 745
Transfers and subsidies	14 000	-	-	-	5 000	-	5 000	#DIV/0!	-
Other expenditure	241 057	207 401	210 851	22 396	43 073	52 195	(9 122)	-17%	210 851
Total Expenditure	557 621	554 543	558 993	41 361	102 779	139 082	(36 302)	-26%	558 993
Surplus/(Deficit)	(85 131)	(77 200)	(37 867)	(34 724)	83 965	(15 368)	99 332	-64%	(37 867)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	263 488	-	-	65 872	(65 872)	-100%	263 488
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	5 863	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	183 248	186 288	225 621	(34 724)	83 965	50 504	33 460	66%	225 621
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	183 248	186 288	225 621	(34 724)	83 965	50 504	33 460	66%	225 621
Capital expenditure & funds sources									
Capital expenditure	240 195	271 221	280 780	34 472	79 504	68 761	10 743	16%	280 780
Capital transfers recognised	234 687	263 488	263 488	34 472	71 846	65 872	5 974	9%	263 488
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	17 292	-	7 658	2 889	4 769	165%	17 292
Total sources of capital funds	240 195	271 221	280 780	34 472	79 504	68 761	10 743	16%	280 780
Financial position									
Total current assets	105 433	54 206	101 768	-	194 512	-	-	-	101 768
Total non current assets	2 341 377	2 290 106	2 576 729	-	2 420 881	-	-	-	2 576 729
Total current liabilities	123 085	85 282	105 190	-	209 045	-	-	-	105 190
Total non current liabilities	44 948	27 811	37 425	-	43 608	-	-	-	37 425
Community wealth/Equity	2 330 599	2 231 219	2 496 549	-	2 347 741	-	-	-	2 496 549
Cash flows									
Net cash from (used) operating	232 930	269 092	291 320	(2 620)	175 045	48 553	(126 492)	-261%	291 320
Net cash from (used) investing	(279 405)	(271 221)	(280 780)	(34 472)	(79 504)	(23 398)	56 106	-240%	(280 780)
Net cash from (used) financing	(12 528)	(4 555)	(9 741)	-	-	(812)	(812)	100%	(9 741)
Cash/cash equivalents at the month/year end	(640)	6 237	41 471	-	136 212	24 343	(111 868)	-460%	800
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	7 895	7 314	6 380	9 054	3 827	3 761	27 450	143 830	209 512
Creditors Age Analysis									
Total Creditors	628	8 672	-	-	-	-	-	-	9 299

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) - M03 September

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>	368 784	391 887	437 170	778	168 609	102 500	66 109	64%	437 170
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	368 784	391 887	437 170	778	168 609	102 500	66 109	64%	437 170
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7 332	6 966	5 466	-	-	1 592	(1 592)	-100%	5 466
Planning and development	7 332	6 966	5 466	-	-	1 592	(1 592)	-100%	5 466
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	364 753	341 978	341 978	5 859	18 135	85 495	(67 359)	-79%	341 978
Energy sources	-	-	-	-	-	-	-	-	-
Water management	348 448	321 468	321 468	4 872	14 604	80 367	(65 763)	-82%	321 468
Waste water management	16 305	20 510	20 510	987	3 531	5 128	(1 597)	-31%	20 510
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	740 869	740 831	784 614	6 637	186 744	189 586	(2 842)	-1%	784 614
Expenditure - Functional									
<i>Governance and administration</i>	248 312	240 522	243 972	18 830	48 913	60 476	(11 563)	-19%	243 972
Executive and council	18 818	24 234	24 234	1 281	5 249	6 059	(809)	-13%	24 234
Finance and administration	219 694	208 209	211 659	16 990	41 720	52 398	(10 678)	-20%	211 659
Internal audit	9 799	8 078	8 078	559	1 943	2 020	(76)	-4%	8 078
<i>Community and public safety</i>	16 687	18 788	18 788	1 297	3 836	4 697	(861)	-18%	18 788
Community and social services	16 687	18 788	18 788	1 297	3 836	4 697	(861)	-18%	18 788
<i>Economic and environmental services</i>	139 476	148 577	147 377	2 647	12 622	37 024	(24 403)	-66%	147 377
Planning and development	139 476	148 577	147 377	2 647	12 622	37 024	(24 403)	-66%	147 377
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	153 146	146 657	148 857	18 587	37 410	36 884	525	1%	148 857
Energy sources	-	-	-	-	-	-	-	-	-
Water management	150 572	145 857	148 057	18 530	37 243	36 684	558	2%	148 057
Waste water management	2 574	800	800	57	167	200	(33)	-16%	800
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	557 621	554 543	558 993	41 361	102 779	139 082	(36 302)	-26%	558 993
Surplus/ (Deficit) for the year	183 248	186 288	225 621	(34 724)	83 965	50 504	33 460	66%	225 621

This table assess the revenue by department and then the expenditure for the period ending 30 September 2020. Revenue receipts in September have largely constituted of equitable share followed by service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of September is 3%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has largest expenditure by 26% in the period ending 31 September 2020. This being largely attributable to the backlog demand of operations and maintenance of water schemes in the District.

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) - M03

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	367 230	391 887	437 170	768	168 569	102 500	66 069	64,5%	437 170
Vote 04 - Summary Corporate Services	1 447	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	332	6 966	5 466	-	-	1 592	(1 592)	-100,0%	5 466
Vote 06 - Summary Infrastructure Services	287 979	270 928	270 928	237	628	67 732	(67 104)	-99,1%	270 928
Vote 07 - Summary Water Services	83 881	71 050	71 050	5 632	17 548	17 763	(215)	-1,2%	71 050
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	740 869	740 831	784 614	6 637	186 744	189 586	(2 842)	-1,5%	784 614
Expenditure by Vote									
Vote 01 - Summary Council	10 296	15 677	15 677	673	4 092	3 919	172	4,4%	15 677
Vote 02 - Summary Municipal Manager	18 321	16 635	16 635	1 167	3 101	4 159	(1 058)	-25,4%	16 635
Vote 03 - Summary Budget And Treasury Office	96 783	84 548	84 548	2 694	10 748	21 137	(10 389)	-49,2%	84 548
Vote 04 - Summary Corporate Services	84 932	81 310	81 760	7 412	19 983	20 373	(389)	-1,9%	81 760
Vote 05 - Summary Social Services & Development Planning	49 942	58 793	57 293	2 439	11 989	14 548	(2 560)	-17,6%	57 293
Vote 06 - Summary Infrastructure Services	114 515	112 989	113 289	1 854	5 514	28 277	(22 764)	-80,5%	113 289
Vote 07 - Summary Water Services	182 831	184 590	189 790	25 121	47 353	46 668	685	1,5%	189 790
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	557 621	554 543	558 993	41 361	102 779	139 082	(36 302)	-26,1%	558 993
Surplus/ (Deficit) for the year	183 248	186 288	225 621	(34 724)	83 965	50 504	33 460	66,3%	225 621

Statement of financial Performance

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

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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	4 411	13 128	12 635	493	4%	50 540
Service charges - sanitation revenue	16 305	20 510	20 510	723	2 835	5 128	(2 293)	-45%	20 510
Interest earned - external investments	5 905	7 681	7 681	732	732	1 920	(1 189)	-62%	7 681
Interest earned - outstanding debtors	12 923	10 238	10 238	746	2 261	2 559	(299)	-12%	10 238
Fines, penalties and forfeits	-	-	-	(1)	183	-	183	#DIV/0!	-
Transfers and subsidies	379 660	387 266	431 049	-	167 553	101 195	66 358	66%	431 049
Other revenue	2 478	1 107	1 107	27	52	277	(224)	-81%	1 107
Gains	1 062	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	472 490	477 343	521 126	6 637	186 744	123 714	63 030	51%	521 126
Expenditure By Type									
Employee related costs	190 401	222 746	222 746	15 673	48 119	55 687	(7 568)	-14%	222 746
Remuneration of councillors	7 702	8 018	8 018	673	1 987	2 005	(17)	-1%	8 018
Debt impairment	40 231	26 556	26 556	-	-	6 639	(6 639)	-100%	26 556
Depreciation & asset impairment	71 944	84 249	84 249	-	-	21 062	(21 062)	-100%	84 249
Finance charges	4 284	4 385	4 385	-	-	1 096	(1 096)	-100%	4 385
Bulk purchases	22 833	18 632	18 632	1 889	3 786	4 658	(872)	-19%	18 632
Other materials	5 400	9 113	10 113	729	815	2 378	(1 564)	-66%	10 113
Contracted services	142 512	118 356	120 856	17 835	29 750	29 839	(89)	0%	120 856
Transfers and subsidies	14 000	-	-	-	5 000	-	5 000	#DIV/0!	-
Other expenditure	55 607	62 488	63 438	4 561	13 323	15 717	(2 394)	-15%	63 438
Losses	2 707	-	-	-	-	-	-	-	-
Total Expenditure	557 621	554 543	558 993	41 361	102 779	139 082	(36 302)	-26%	558 993
Surplus/(Deficit)	(85 131)	(77 200)	(37 867)	(34 724)	83 965	(15 368)	99 332	(0)	(37 867)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	263 488	-	-	65 872	(65 872)	(0)	263 488
Transfers and subsidies - capital (in-kind - all)	5 863	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	183 248	186 288	225 621	(34 724)	83 965	50 504			225 621
Taxation									
Surplus/(Deficit) after taxation	183 248	186 288	225 621	(34 724)	83 965	50 504			225 621
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	183 248	186 288	225 621	(34 724)	83 965	50 504			225 621
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	183 248	186 288	225 621	(34 724)	83 965	50 504			225 621

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.

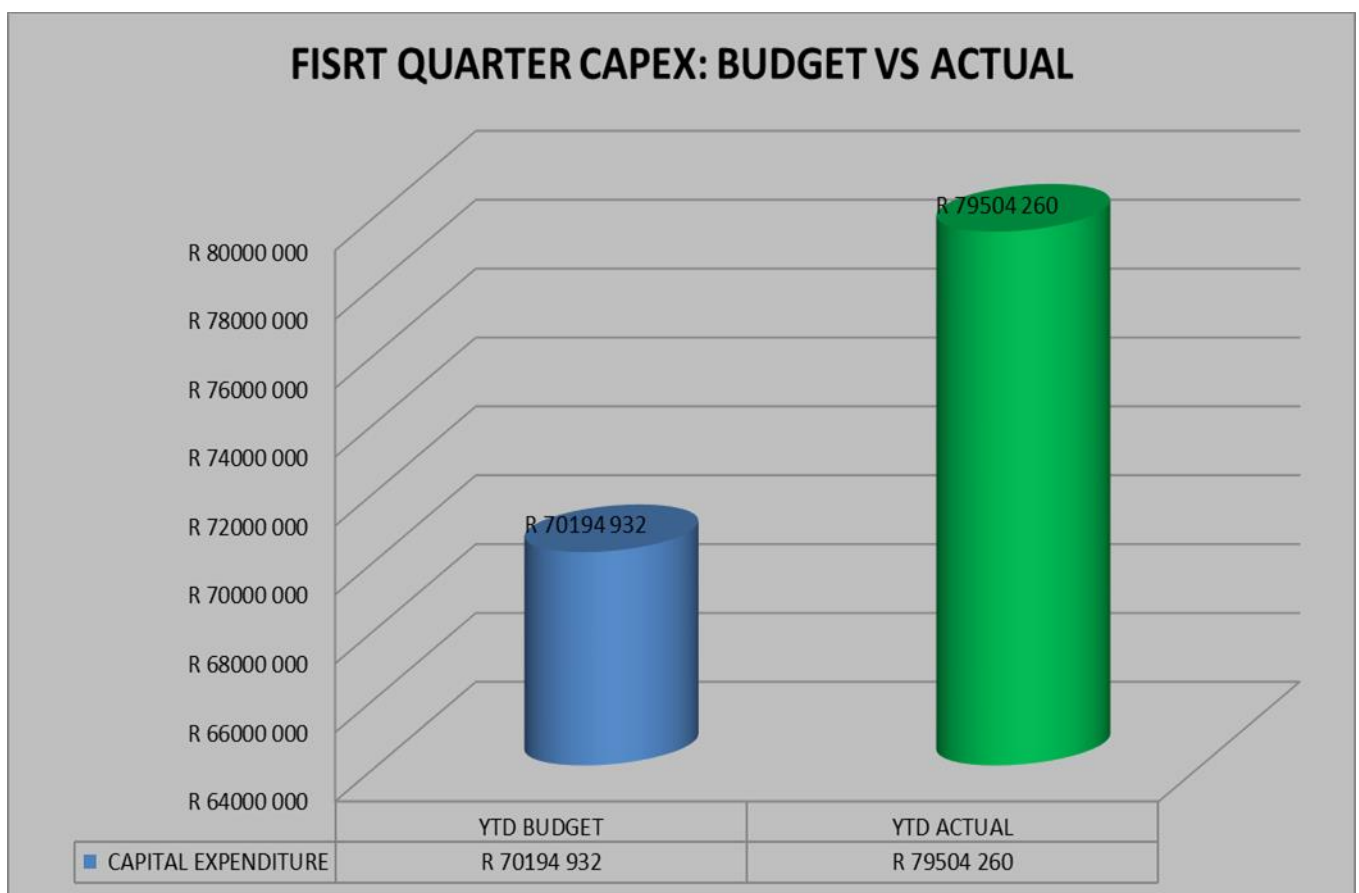
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and

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	-	-	81	(81)	-100%	324
Vote 04 - Summary Corporate Services	3 814	2 350	3 450	-	303	698	(394)	-57%	3 450
Vote 05 - Summary Social Services & Development Planning	-	3 060	11 518	-	7 355	1 611	5 744	357%	11 518
Vote 06 - Summary Infrastructure Services	223 225	9 026	9 026	3 856	9 383	2 257	7 127	316%	9 026
Vote 07 - Summary Water Services	11 855	256 462	256 462	30 616	62 463	64 116	(1 653)	-3%	256 462
Total Capital Multi-year expenditure	239 175	271 221	280 780	34 472	79 504	68 761	10 743	16%	280 780
Single Year expenditure appropriation									
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	1 020	-	-	-	-	-	-	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	1 020	-	-	-	-	-	-	-	-
Total Capital Expenditure	240 195	271 221	280 780	34 472	79 504	68 761	10 743	16%	280 780
Capital Expenditure - Functional Classification									
Governance and administration	4 095	2 964	4 064	-	303	851	(548)	-64%	4 064
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 095	2 964	4 064	-	303	851	(548)	-64%	4 064
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	2 500	10 958	-	7 355	1 471	5 884	400%	10 958
Community and social services	-	2 500	10 958	-	7 355	1 471	5 884	400%	10 958
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	1 693	270	270	-	-	68	(68)	-100%	270
Planning and development	1 693	270	270	-	-	68	(68)	-100%	270
Trading services	234 406	265 488	265 488	34 472	71 846	66 372	5 474	8%	265 488
Energy sources	-	-	-	-	-	-	-	-	-
Water management	198 896	220 615	220 615	33 721	69 494	55 154	14 340	26%	220 615
Waste water management	35 511	44 873	44 873	751	2 352	11 218	(8 866)	-79%	44 873
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	240 195	271 221	280 780	34 472	79 504	68 761	10 743	16%	280 780
Funded by:									
National Government	222 832	263 488	263 488	34 472	71 846	65 872	5 974	9%	263 488
Provincial Government	11 855	-	-	-	-	-	-	-	-
Transfers recognised - capital	234 687	263 488	263 488	34 472	71 846	65 872	5 974	9%	263 488
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	17 292	-	7 658	2 889	4 769	165%	17 292
Total Capital Funding	240 195	271 221	280 780	34 472	79 504	68 761	10 743	16%	280 780

As alluded to above, the capital expenditure programme for the month ending 30 September was R34, 4m of capital expenditure against year to date budget.

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

Chart 1: 2020/2021 CAPEX YTD BUDGET & YTD ACTUAL



As at 30 September 2020, the year to date actual expenditure was R79, 5million against a YTD budget of R70, 1million. In monetary terms, these

figures represent 113% per cent performance against the capital development programme as at 30 September 2020.

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

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M03

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	23 308	(61 368)	23 308
Call investment deposits	16 967	4 517	18 163	175 938	18 163
Consumer debtors	31 029	33 454	37 114	39 884	37 114
Other debtors	33 466	14 334	22 917	39 791	22 917
Current portion of long-term receivables	-	-	-	-	-
Inventory	267	181	267	267	267
Total current assets	105 433	54 206	101 768	194 512	101 768
Non current assets					
Investments in Associate	-	-	-	-	-
Property, plant and equipment	2 340 502	2 288 618	2 575 900	2 420 006	2 575 900
Biological					
Intangible	875	1 489	829	875	829
Other non-current assets	0	0	0	0	0
Total non current assets	2 341 377	2 290 106	2 576 729	2 420 881	2 576 729
TOTAL ASSETS	2 446 810	2 344 313	2 678 497	2 615 393	2 678 497
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	4 555	-	(58)	-
Consumer deposits	1 865	1 845	2 008	1 895	2 008
Trade and other payables	107 926	68 734	89 888	193 914	89 888
Provisions	13 294	10 148	13 294	13 294	13 294
Total current liabilities	123 085	85 282	105 190	209 045	105 190
Non current liabilities					
Borrowing	26 469	3 485	16 040	25 129	16 040
Provisions	18 479	24 326	21 385	18 479	21 385
Total non current liabilities	44 948	27 811	37 425	43 608	37 425
TOTAL LIABILITIES	168 034	113 094	142 615	252 652	142 615
NET ASSETS	2 278 776	2 231 219	2 535 882	2 362 741	2 535 882
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	2 330 599	2 231 219	2 496 549	2 347 741	2 496 549
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 330 599	2 231 219	2 496 549	2 347 741	2 496 549

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

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M03 September

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	46 183	7 983	14 268	7 697	6 571	85%	46 183
Other revenue	11 626	1 107	7 732	26	235	1 289	(1 053)	-82%	7 732
Transfers and Subsidies - Operational	339 907	387 266	431 049	-	171 424	71 842	99 582	139%	431 049
Transfers and Subsidies - Capital	274 335	263 488	263 488	30 000	107 026	43 915	63 111	144%	263 488
Interest	7 257	7 681	7 681	732	732	1 280	(548)	-43%	7 681
Payments									
Suppliers and employees	(447 672)	(439 354)	(460 428)	(41 361)	(118 640)	(76 738)	41 902	-55%	(460 428)
Finance charges	(4 180)	(4 385)	(4 385)	-	-	(731)	(731)	100%	(4 385)
Transfers and Grants	(332)	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	232 930	269 092	291 320	(2 620)	175 045	48 553	(126 492)	-261%	291 320
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(279 405)	(271 221)	(280 780)	(34 472)	(79 504)	(23 398)	56 106	-240%	(280 780)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(279 405)	(271 221)	(280 780)	(34 472)	(79 504)	(23 398)	56 106	-240%	(280 780)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	(12 528)	(4 555)	(9 741)	-	-	(812)	(812)	100%	(9 741)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(12 528)	(4 555)	(9 741)	-	-	(812)	(812)	100%	(9 741)
NET INCREASE/ (DECREASE) IN CASH HELD	(59 003)	(6 685)	800	(37 092)	95 541	24 343			800
Cash/cash equivalents at beginning:	58 363	12 922	40 671		40 671				
Cash/cash equivalents at month/year end:	(640)	6 237	41 471		136 212	24 343			800

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 30 September 2020.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

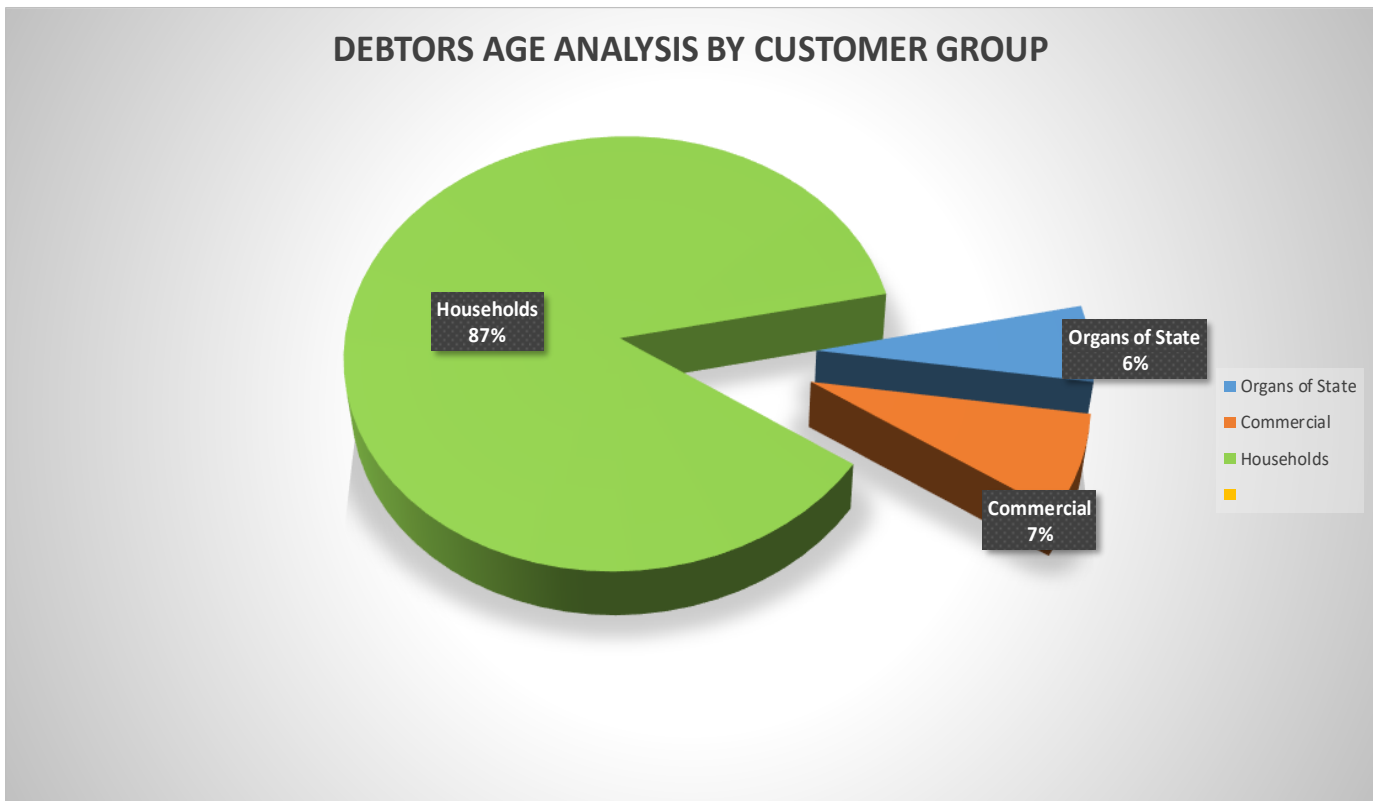
Description	Budget Year 2020/21									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	5 068	4 695	4 095	5 812	2 457	2 414	17 621	92 328	134 491	120 632
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 980	1 834	1 600	2 271	960	943	6 884	36 069	52 540	47 126
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	847	785	685	972	411	404	2 945	15 433	22 481	20 165
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	7 895	7 314	6 380	9 054	3 827	3 761	27 450	143 830	209 512	187 923
2019/20 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	2 682	2 565	1 282	693	160	116	979	3 289	11 766	5 237
Commercial	873	631	677	992	325	357	2 650	8 487	14 994	12 812
Households	4 340	4 118	4 421	7 369	3 342	3 287	23 821	132 054	182 752	169 874
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	7 895	7 314	6 380	9 054	3 827	3 761	27 450	143 830	209 512	187 923

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

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 87%
- ✓ Government 6%
- ✓ Business 7%



The chart above shows that for each debtor type the amounts owing to the municipality have increased on a year to year basis.

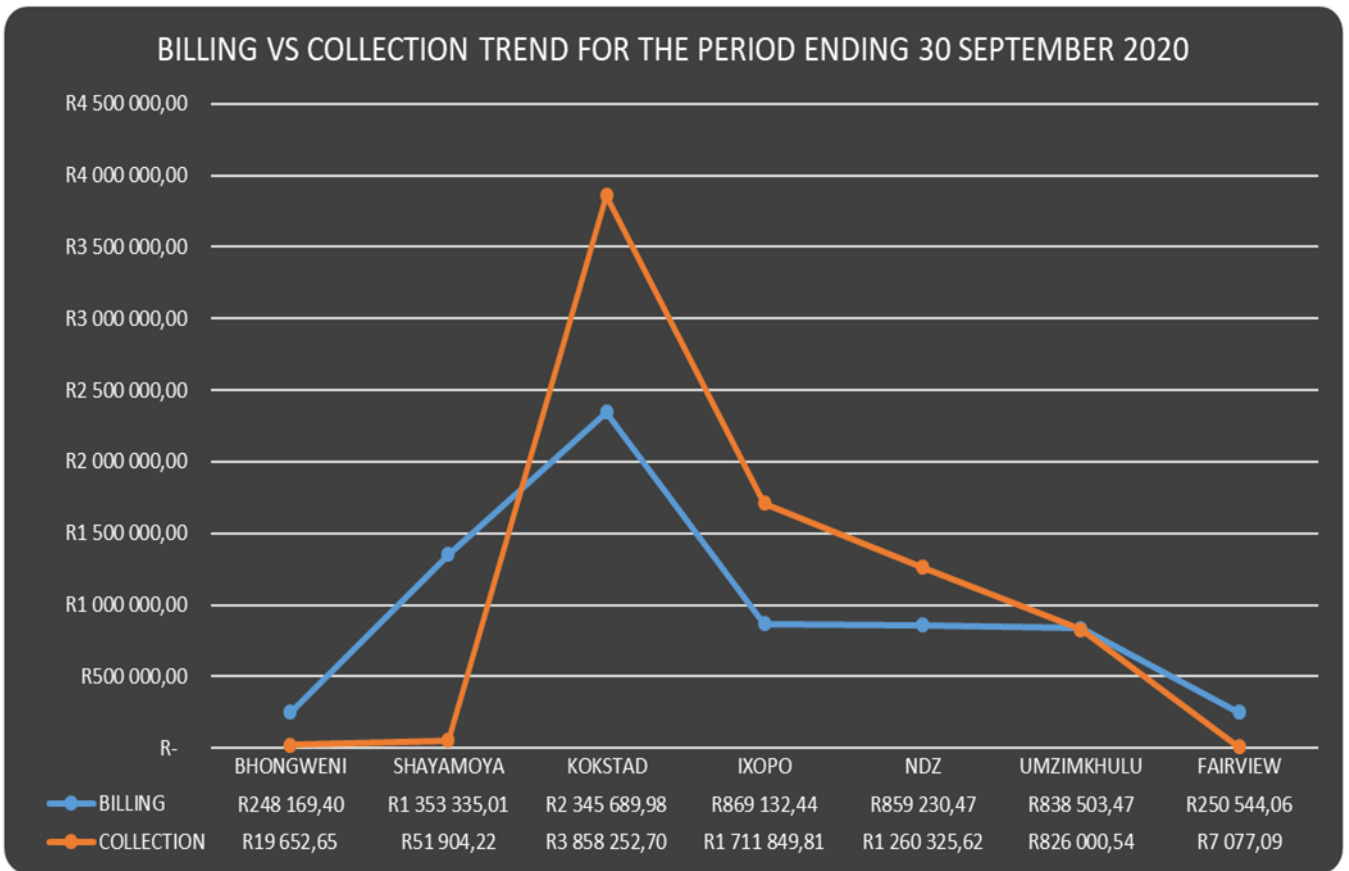
The table that follows below unpacks the revenue receipts per Local Municipality in the District

REVENUE RECEIPTS**Revenue receipts per Area**

AREA	AMOUNT		
		SEPTEMBER 2020	AUGUST 2020
Unallocated receipts	R 248 180	3%	16%
Bhongweni	R 19 653	0%	1%
Shayamoya	R 51 904	1%	1%
Kokstad	R 3 858 253	48%	22%
Ixopo	R 1 711 850	21%	30%
NDZ	R 1 260 326	16%	16%
Umzimkhulu	R 826 001	10%	15%
Fairview	R 7 077	0%	0%
TOTAL RECEIPTS INCL VAT	R 7 983 243	100%	100%

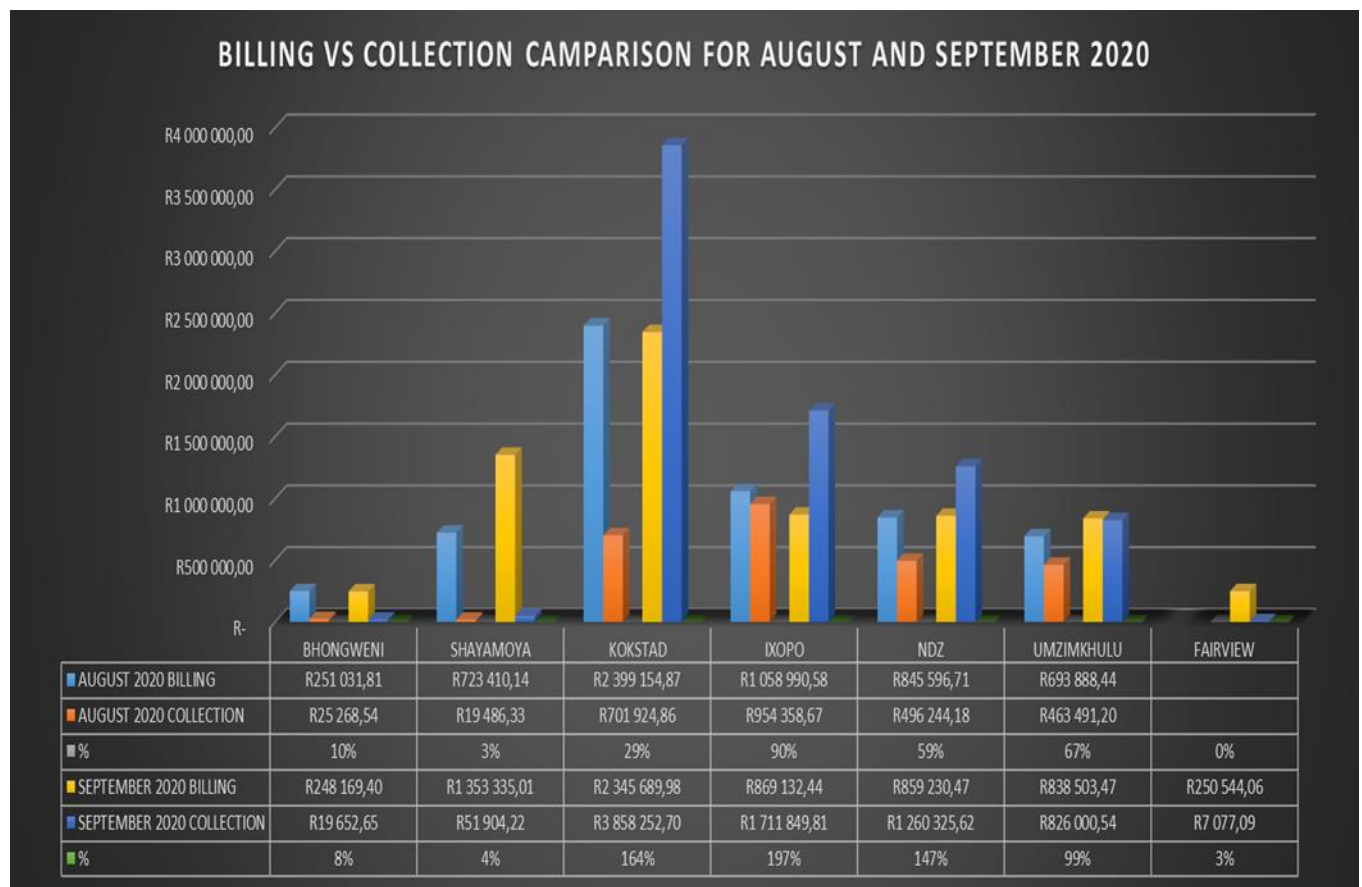
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for September 2020 is R7, 9million. The total billing for the first quarter is R 20, 7million against collection of R 14, 2million representing 69 per cent.

BILLING VS COLLECTION TREND FOR SEPTEMBER 2020



BILLING VS COLLECTION

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



Debtors age analysis per service

The municipality’s total outstanding debtors amounted to R 189 161 572 as at 30 September 2020 compared with the R 209 388 164 as at 31 August 2020. Current debt represent 5% of the total outstanding debt compared with the 4% of August 2020; 30 days and older debt 4% compared with the 4% for August 2020; 60 days and older debt 2% compared with the 5% of August 2020; and 90 days 3% compared with the 2% of August 2020; 120 days to History and older 86% compared with the 87% for August 2020.

Current debt Decreased with R 20,226,592 to R 189,161,572 compared with the R 209,388,164 as at 30 August 2020; 30 days + debt decreased with R 1,005,703; 60 days + Decreased with R 6,114,166; 90 days + debt Increased with R 1,080,183 and 120 + days and older debt as at 30 September 2020 has Increased with R 14,979,436 to R 162,743,139 compared with the R 177,722,575 as at 31 August 2020.

Debtors age analysis per debtor type

Business debtors owes the municipality R 11,563,299 (6%); Municipal debtors R 852,562 (1%); domestic debtors R 137,616,345 (73%); Government accounts R 9,588,869 (5%); Indigent debtors R 26,397,800 (14%) and other debtors R 3,142,696 (2%) of the total outstanding debt of R 189,161,572.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 30 September 2020.

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

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									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors									-
Auditor General	628	8 672							9 299
Other									-
Total By Customer Type	628	8 672	-	-	-	-	-	-	9 299

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 September 2020.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality										
FIRST NATIONAL BANK		CALL ACCOUNT				64 755	109	(17 913)	-	46 952
FIRST NATIONAL BANK		CALL ACCOUNT				8 576	13	(13 783)	30 000	24 806
FIRST NATIONAL BANK		ADMIN CALL				61 188	97	(14 956)	-	46 329
INVESTEC		FIXED DEPOSIT				2 130	6	-	-	2 136
FIRST NATIONAL BANK		FIXED DEPOSIT				11 456	30	(2 064)	-	9 422
FIRST NATIONAL BANK		CALL ACCOUNT				4	-	-	-	4
FIRST NATIONAL BANK		CALL ACCOUNT				2	-	-	-	2
FIRST NATIONAL BANK		CALL ACCOUNT				9 051	12	(6 514)	-	2 549
FIRST NATIONAL BANK		FIXED DEPOSIT				2 576	4	-	-	2 581
CURRENT ACCOUNT						8 271		(6 840)		1 431
Municipality sub-total						168 010	272	(62 070)	30 000	136 212
TOTAL INVESTMENTS AND INTEREST						168 010		(62 070)	30 000	136 212

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 - M03 September

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:	379 328	385 766	431 049	-	171 424	100 970	70 454	69,8%	431 049
Energy Efficiency and Demand Side Management Grant	7 000	-	-	-	-	-	-	-	-
Equitable Share	345 309	372 340	417 623	-	167 553	97 613	69 940	71,6%	417 623
Expanded Public Works Programme Integrated Grant	5 316	5 195	5 195	-	1 299	1 299	0	0,0%	5 195
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 000	1 000	-	1 000	250	750	300,0%	1 000
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 808	4 986	4 986	-	-	1 247	(1 247)	-100,0%	4 986
Rural Road Asset Management Systems Grant	2 358	2 245	2 245	-	1 572	561	1 011	180,1%	2 245
Water Services Infrastructure Grant	8 537	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	332	1 500	1 500	-	-	225	(225)	-100,0%	1 500
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	332	1 500	1 500	-	-	225	(225)	-100,0%	1 500
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	379 660	387 266	432 549	-	171 424	101 195	70 229	69,4%	432 549
Capital Transfers and Grants									
National Government:	262 515	263 488	263 488	30 000	107 026	65 872	41 154	62,5%	263 488
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	191 052	194 462	194 462	30 000	80 000	48 615	31 385	64,6%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	20 000	9 026	9 026	-	9 026	2 256	6 770	300,0%	9 026
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 463	60 000	60 000	-	18 000	15 000	3 000	20,0%	60 000
Provincial Government:	5 863	-	-	-	-	-	-	-	-
Specify (Add grant description)	5 863	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	268 379	263 488	263 488	30 000	107 026	65 872	41 154	62,5%	263 488
TOTAL RECEIPTS OF TRANSFERS & GRANTS	648 038	650 754	696 037	30 000	278 450	167 067	111 383	66,7%	696 037

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 - M03 September

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:	511 347	467 489	469 439	32 969	89 371	117 068	(27 697)	-23,7%	469 439
Energy Efficiency and Demand Side Management Grant	6 087	-	-	-	-	-	-	-	-
Equitable Share	479 504	454 063	456 013	32 879	89 112	113 711	(24 599)	-21,6%	456 013
Expanded Public Works Programme Integrated Grant	5 218	5 195	5 195	39	116	1 299	(1 182)	-91,0%	5 195
Local Government Financial Management Grant	309	1 000	1 000	51	143	250	(107)	-42,9%	1 000
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	12 708	4 986	4 986	-	-	1 247	(1 247)	-100,0%	4 986
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 050	2 245	2 245	-	-	561	(561)	-100,0%	2 245
Water Services Infrastructure Grant	5 471	-	-	-	-	-	-	-	-
Provincial Government:	-	1 500	-	-	-	225	(225)	-100,0%	-
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	1 500	-	-	-	225	(225)	-100,0%	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	17 480	17 480	-	-	4 370	(4 370)	-100,0%	17 480
Other grant providers:	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	511 347	468 989	469 439	32 969	89 371	117 293	(27 922)	-23,8%	469 439
Capital expenditure of Transfers and Grants									
National Government:	222 832	263 488	263 488	34 472	71 846	65 872	5 974	9,1%	263 488
Local Government Financial Management Grant	281	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	155 868	194 462	194 462	20 797	53 847	48 616	5 232	10,8%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	19 379	9 026	9 026	3 856	3 856	2 257	1 600	70,9%	9 026
Water Services Infrastructure Grant	47 304	60 000	60 000	9 819	14 143	15 000	(857)	-5,7%	60 000
Provincial Government:	11 855	-	-	-	-	-	-	-	-
Specify (Add grant description)	11 855	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	234 687	263 488	263 488	34 472	71 846	65 872	5 974	9,1%	263 488
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	746 034	732 477	732 927	67 441	161 218	183 165	(21 947)	-12,0%	732 927

2.5 Councillor and Staff Benefits

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

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

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	1 351	1 461	(110)	-8%	5 844
Pension and UIF Contributions	507	319	319	43	128	80	48	60%	319
Medical Aid Contributions	54	48	48	5	14	12	2	18%	48
Cellphone Allowance	622	440	440	58	170	110	60	55%	440
Other benefits and allowances	1 478	1 367	1 367	111	324	342	(18)	-5%	1 367
Sub Total - Councillors	7 702	8 018	8 018	673	1 987	2 005	(17)	-1%	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	1 007	930	78	8%	3 719
Pension and UIF Contributions	10	10	10	1	3	3	0	6%	10
Medical Aid Contributions	122	117	117	14	42	29	13	44%	117
Performance Bonus	53	56	56	55	55	14	41	292%	56
Motor Vehicle Allowance	928	923	923	88	263	231	32	14%	923
Cellphone Allowance	108	104	104	10	29	26	3	12%	104
Housing Allowances	160	163	163	13	40	41	(1)	-2%	163
Other benefits and allowances	434	385	385	38	115	96	19	19%	385
Sub Total - Senior Managers of Municipality	5 452	5 478	5 478	555	1 555	1 370	185	14%	5 478
% increase		0,5%	0,5%						0,5%
Other Municipal Staff									
Basic Salaries and Wages	108 070	119 067	119 067	9 395	28 735	29 767	(1 032)	-3%	119 067
Pension and UIF Contributions	16 177	17 188	17 188	1 488	4 469	4 297	172	4%	17 188
Medical Aid Contributions	8 220	8 585	8 585	717	2 154	2 146	8	0%	8 585
Overtime	136	153	153	9	28	38	(10)	-27%	153
Performance Bonus	7 833	7 670	7 670	477	2 150	1 918	232	12%	7 670
Motor Vehicle Allowance	14 366	15 269	15 269	1 249	3 866	3 817	49	1%	15 269
Cellphone Allowance	781	833	833	68	203	208	(5)	-3%	833
Housing Allowances	487	510	510	46	137	127	9	7%	510
Other benefits and allowances	25 941	30 422	30 422	1 553	4 332	7 606	(3 274)	-43%	30 422
Payments in lieu of leave	3 208	780	780	33	293	195	98	50%	780
Long service awards	193	1 065	1 065	83	198	266	(68)	-26%	1 065
Post-retirement benefit obligations	(461)	3 125	3 125	-	-	781	(781)	-100%	3 125
Sub Total - Other Municipal Staff	184 950	204 667	204 667	15 118	46 564	51 167	(4 603)	-9%	204 667
% increase		10,7%	10,7%						10,7%
Total Parent Municipality	198 103	218 163	218 163	16 346	50 106	54 541	(4 435)	-8%	218 163
		10,1%	10,1%						10,1%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	93	(93)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	93	(93)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	2 130	2 130	-	-	533	(533)	-100%	2 130
Sub Total - Senior Managers of Entities	-	2 130	2 130	-	-	533	(533)	-100%	2 130
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 575	7 575	-	-	1 894	(1 894)	-100%	7 575
Pension and UIF Contributions	-	1 470	1 470	-	-	367	(367)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	120	(120)	-100%	479
Performance Bonus	-	533	533	-	-	133	(133)	-100%	533
Payments in lieu of leave	-	43	43	-	-	11	(11)	-100%	43
Sub Total - Other Staff of Entities	-	10 099	10 099	-	-	2 525	(2 525)	-100%	10 099
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 601	12 601	-	-	3 150	(3 150)	-100%	12 601
TOTAL SALARY, ALLOWANCES & BENEFITS	198 103	230 764	230 764	16 346	50 106	57 692	(7 585)	-13%	230 764
% increase		16,5%	16,5%						16,5%
TOTAL MANAGERS AND STAFF	190 401	222 374	222 374	15 673	48 119	55 594	(7 475)	-13%	222 374

2.6 Material Variances to the SDBIP

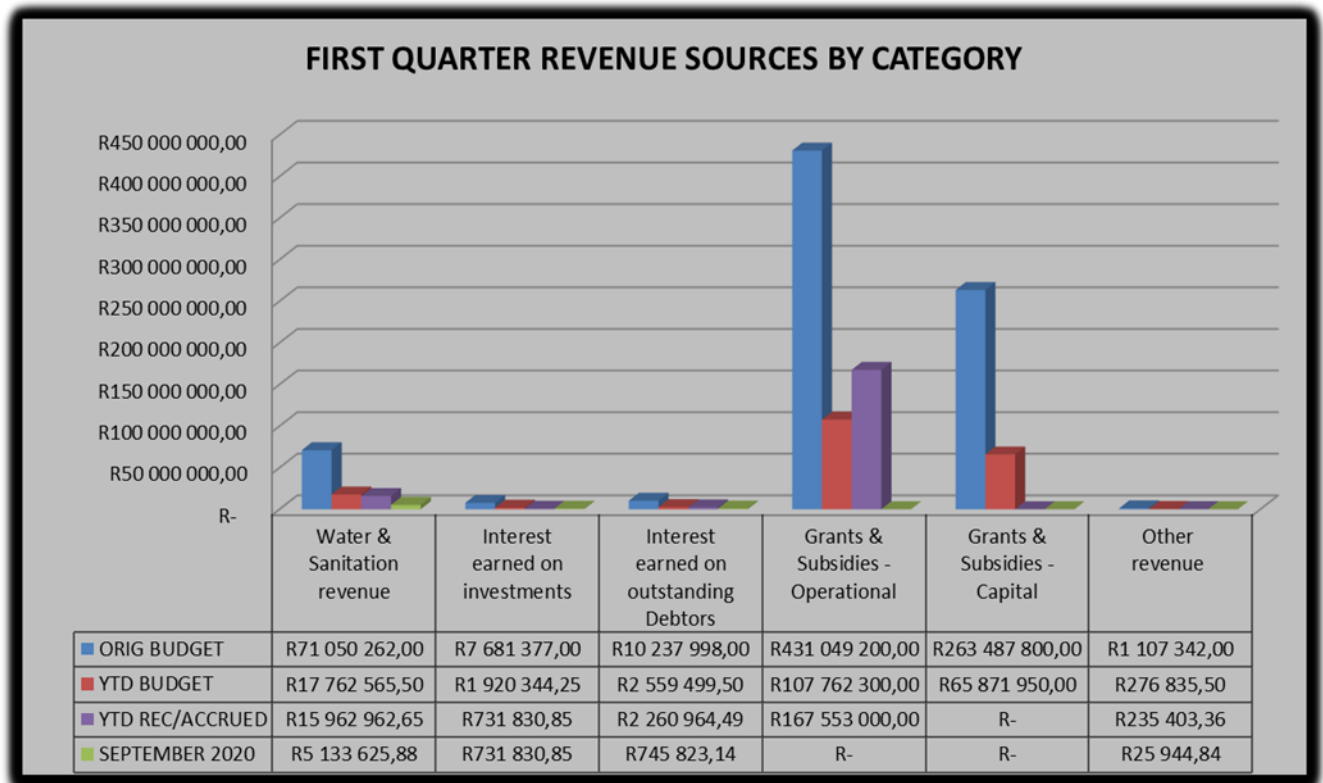
The following section analyses material variances between the actual targets as at 30 September 2020 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2020/21 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 September 2020 was R15, 9million against a year to date **budget** of R17, 7million or 90 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R731 831 against year to budget of R731 831 representing 30 per cent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R167, 5million against a year to date budget of R107, 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. There was no movement in the period ending 30 September 2020.

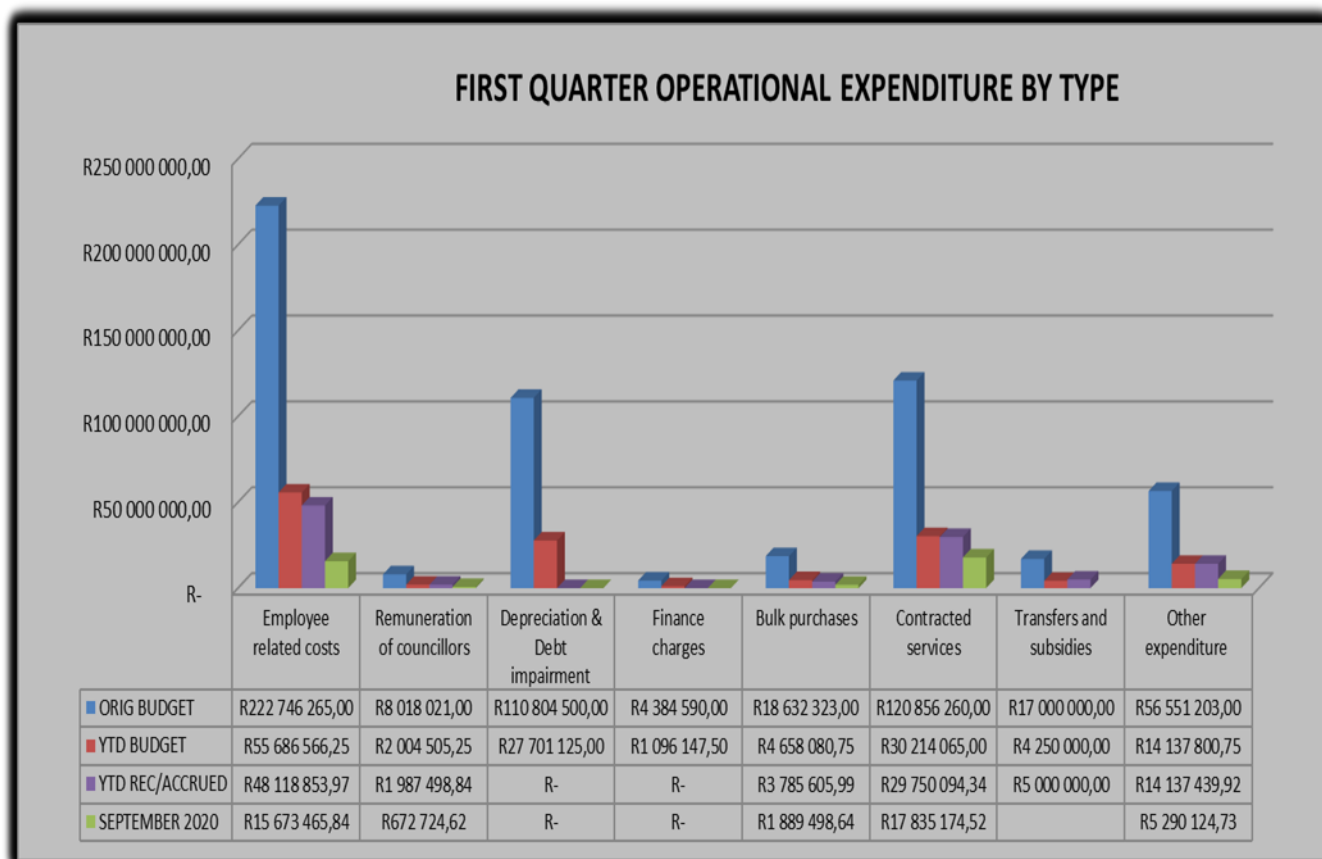
Other Revenue

The YTD performance of other revenue is R235 403 against YTD budget of R 276 836 which demonstrate 85 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: 2020/21 financial year Operational expenditure



Employee Related Costs

The YTD budget for employee related costs is R55, 6million against a YTD actual of R48, 1million which is 86% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor’s year to date expenditure is at R 1, 9million against a YTD budget of R 2million representing 99% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 30 September 2020.

Bulk Purchases

The expenditure on Bulk Water purchases has the budget of R18, 6m.

The year to date expenditure on bulk water purchases is R 3, 7m against a YTD budget of R 4, 6m representing 81% of the year to date budget.

Other Expenditure

The YTD budget for other expenditure was at R 14, 1million against a YTD expenditure of R 14, 1million and expenditure for the month of September 2020 is R5, 2million.

Performance assessment

The Performance Assessment Report will be available on the second quarter of 2020/2021 financial year in terms of mid-term performance assessment in accordance with 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 - M03 September

Description	Budget Year 2020/21												2020/21 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	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															
<u>Cash Receipts By Source</u>															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	2 184	2 215	5 588	3 115	2 937	2 799	2 930	2 915	2 998	2 619	2 981	4 623	37 905	40 157	42 530
Service charges - sanitation revenue	936	949	2 395	1 204	1 214	1 217	1 144	1 426	1 394	1 202	1 368	933	15 383	16 297	17 262
Interest earned - external investments	-	-	732	520	539	517	-	1 168	585	515	1 212	1 892	7 681	8 140	8 627
Transfers and Subsidies - Operational	169 125	2 299	-	3 803	72 388	-	-	646	161 062	-	131	(22 188)	387 266	411 458	441 097
Other revenue	-	209	26	92	92	92	92	92	92	92	92	134	1 107	1 165	1 224
Cash Receipts by Source	172 245	5 673	8 741	8 735	77 171	4 625	4 166	6 248	166 130	4 429	5 785	(14 606)	449 343	477 218	510 740
<u>Other Cash Flows by Source</u>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	68 000	9 026	30 000	-	57 289	-	-	87 829	-	-	-	11 344	263 488	277 232	293 486
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	(52)	117
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	240 245	14 699	38 741	8 735	134 460	4 625	4 166	94 077	166 130	4 429	5 785	(3 262)	712 830	754 398	804 343
<u>Cash Payments by Type</u>															
Employee related costs	16 377	16 069	15 673	18 562	18 562	18 562	18 562	18 562	18 562	18 562	18 562	26 130	222 746	232 810	248 842
Remuneration of councillors	688	627	673	668	668	668	668	668	668	668	668	685	8 018	8 579	9 180
Interest paid	-	-	-	365	365	365	365	365	365	365	365	1 462	4 385	4 595	4 816
Bulk purchases - Water & Sewer	-	1 896	1 889	1 553	1 553	1 553	1 553	1 553	1 553	1 553	1 553	2 425	18 632	19 527	20 464
Other materials	-	85	729	759	759	759	759	759	759	759	759	2 223	9 113	9 432	9 885
Contracted services	12 933	6 474	17 835	9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	2 211	118 356	132 296	138 735
General expenses	11 578	15 834	4 561	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	(11 142)	62 488	63 093	66 228
Cash Payments by Type	41 575	40 983	41 361	36 978	36 978	36 978	36 978	36 978	36 978	36 978	36 978	23 993	443 739	470 332	498 150
<u>Other Cash Flows/Payments by Type</u>															
Capital assets	17 453	27 579	34 472	22 602	22 602	22 602	22 602	22 602	22 602	22 602	22 602	10 903	271 221	281 421	297 885
Repayment of borrowing	-	-	-	-	-	4 871	-	-	-	-	-	4 871	9 741	1 287	1 365
Other Cash Flows/Payments												4 871	4 871		
Total Cash Payments by Type	59 029	68 562	75 833	59 580	59 580	64 451	59 580	59 580	59 580	59 580	59 580	44 637	729 572	753 041	797 399
NET INCREASE/(DECREASE) IN CASH HELD	181 217	(53 863)	(37 092)	(50 845)	74 880	(59 825)	(55 414)	34 497	106 550	(55 151)	(53 795)	(47 899)	(16 741)	1 357	6 944
Cash/cash equivalents at the month/year beginning:	40 671	221 888	168 025	130 932	80 087	154 967	95 142	39 728	74 225	180 776	125 624	71 829	40 671	6 237	7 646
Cash/cash equivalents at the month/year end:	221 888	168 025	130 932	80 087	154 967	95 142	39 728	74 225	180 776	125 624	71 829	23 930	23 930	7 594	14 591

Parent Municipal financial performance

DC43 Harry Gwala - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M03 September

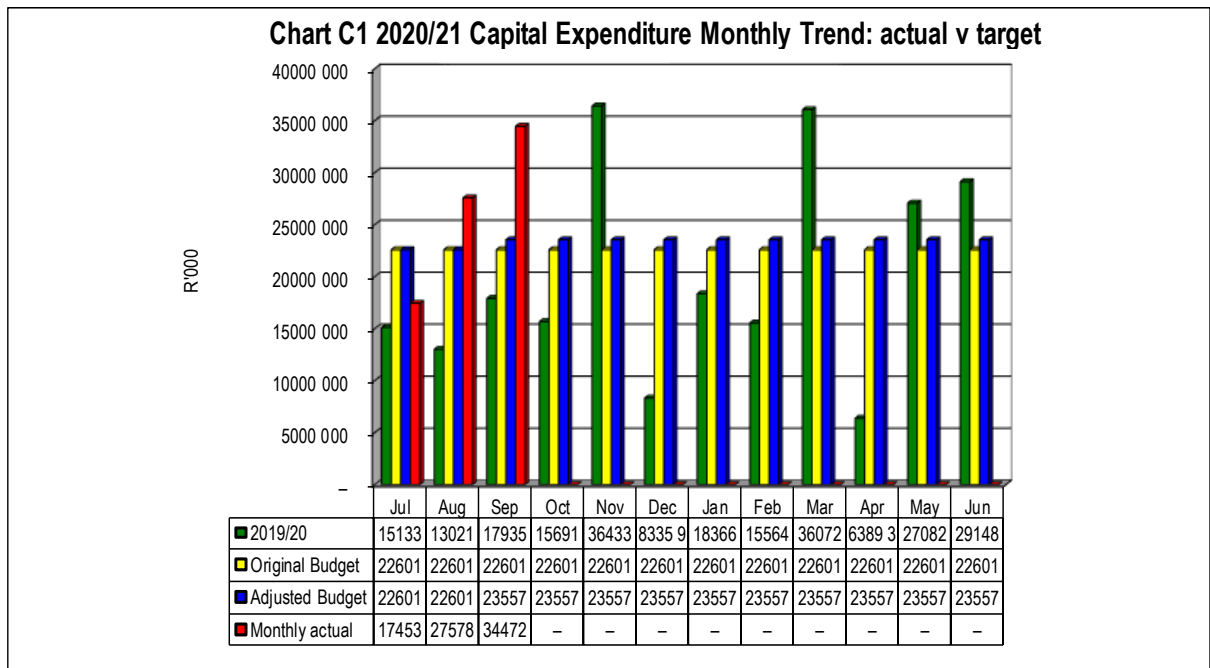
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - water revenue	54 157	50 540	50 540	4 411	13 128	12 635	493	4%	50 540
Service charges - sanitation revenue	16 305	20 510	20 510	723	2 835	5 128	(2 293)	-45%	20 510
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	5 905	7 501	7 501	732	732	1 875	(1 144)	-61%	7 501
Interest earned - outstanding debtors	12 923	10 238	10 238	746	2 261	2 559	(299)	-12%	10 238
Fines, penalties and forfeits	-	-	-	(1)	183	-	183	#DIV/0!	-
Transfers and subsidies	379 660	387 266	431 049	-	167 553	101 195	66 358	66%	431 049
Other revenue	2 478	807	807	27	52	202	(149)	-74%	807
Gains	1 062	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	472 490	476 863	520 646	6 637	186 744	123 594	63 150	51%	520 646
Expenditure By Type									
Employee related costs	190 401	210 145	210 145	15 673	48 119	52 537	(4 418)	-8%	210 145
Remuneration of councillors	7 702	8 018	8 018	673	1 987	2 005	(17)	-1%	8 018
Debt impairment	40 231	26 556	26 556	-	-	6 639	(6 639)	-100%	26 556
Depreciation & asset impairment	71 944	83 624	83 624	-	-	20 906	(20 906)	-100%	83 624
Finance charges	4 284	4 373	4 373	-	-	1 093	(1 093)	-100%	4 373
Bulk purchases	22 833	18 632	18 632	1 889	3 786	4 658	(872)	-19%	18 632
Other materials	5 400	8 815	9 815	729	815	2 304	(1 489)	-65%	9 815
Contracted services	142 512	117 356	119 856	17 835	29 750	29 589	161	1%	119 856
Transfers and subsidies	14 000	-	-	-	5 000	-	5 000	#DIV/0!	-
Other expenditure	55 607	59 545	60 495	4 561	13 323	14 981	(1 658)	-11%	60 495
Losses	2 707	-	-	-	-	-	-	-	-
Total Expenditure	557 621	537 063	541 513	41 361	102 779	134 712	(31 932)	-24%	541 513
Surplus/(Deficit)	(85 131)	(60 200)	(20 867)	(34 724)	83 965	(11 117)	95 082	-855%	(20 867)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	263 488	-	-	65 872	(65 872)	-100%	263 488
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	183 248	203 288	242 621	(34 724)	83 965	54 754	29 210	53%	242 621
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	183 248	203 288	242 621	(34 724)	83 965	54 754	29 210	53%	242 621

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M03 September

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	15 134	22 602	22 602	17 453	17 453	22 602	5 149	22,8%	6%
August	13 021	22 602	22 602	27 579	45 032	45 204	172	0,4%	17%
September	17 935	22 602	23 558	34 472	79 504	68 761	(10 743)	-15,6%	29%
October	15 692	22 602	23 558	-	-	92 319	-	-	-
November	36 434	22 602	23 558	-	-	115 877	-	-	-
December	8 336	22 602	23 558	-	-	139 434	-	-	-
January	18 366	22 602	23 558	-	-	162 992	-	-	-
February	15 564	22 602	23 558	-	-	186 550	-	-	-
March	36 072	22 602	23 558	-	-	210 107	-	-	-
April	6 389	22 602	23 558	-	-	233 665	-	-	-
May	27 082	22 602	23 558	-	-	257 223	-	-	-
June	29 148	22 602	23 557	-	-	280 780	-	-	-
Total Capital expenditure	239 175	271 221	280 780	79 504					

CAPITAL EXPENDITURE MONTHLY TREND



Capital Expenditure on New Assets by Asset Class

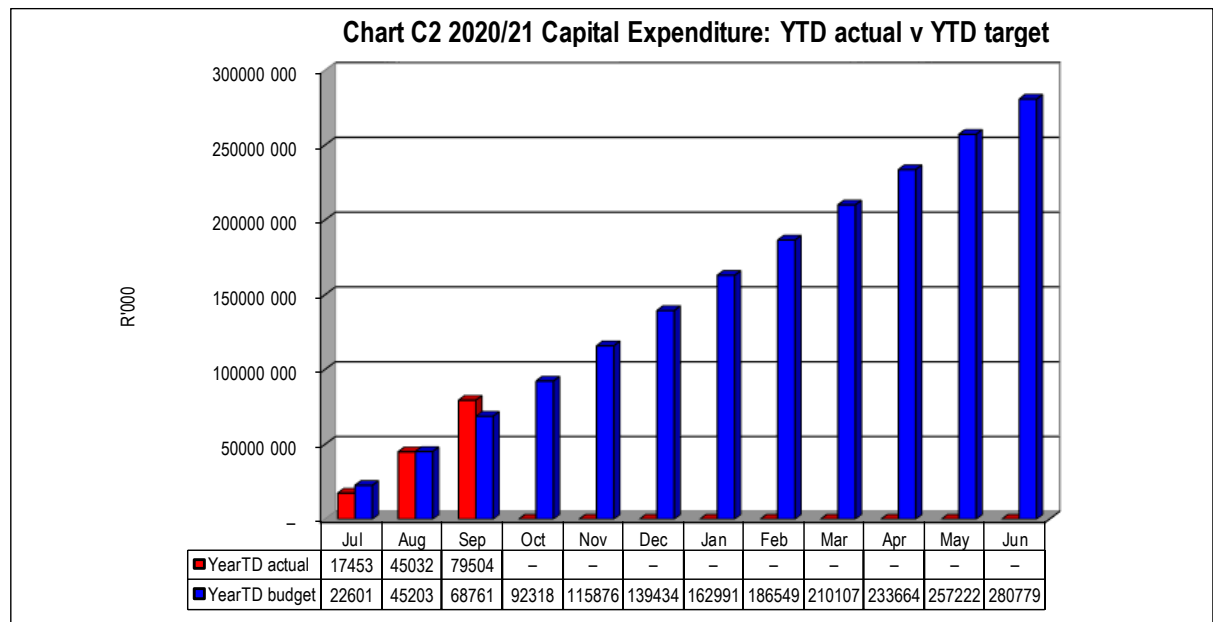
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M03

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	34 276	69 829	62 008	(7 820)	-12,6%	248 033
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	105 103	213 161	213 161	33 721	69 274	53 290	(15 984)	-30,0%	213 161
Dams and Weirs	32 289	16 526	16 526	6 571	6 571	4 132	(2 440)	-59,1%	16 526
Boreholes	12 718	31 965	31 965	7 790	8 558	7 991	(567)	-7,1%	31 965
Reservoirs	15 642	6 900	6 900	1 808	2 678	1 725	(953)	-55,2%	6 900
Pump Stations	-	21 437	21 437	470	2 745	5 359	2 614	48,8%	21 437
Water Treatment Works	-	12 000	12 000	158	1 668	3 000	1 332	44,4%	12 000
Bulk Mains	20 996	27 669	27 669	2 411	12 315	6 917	(5 398)	-78,0%	27 669
Distribution	23 458	95 963	95 963	14 512	34 738	23 991	(10 747)	-44,8%	95 963
Capital Spares	-	700	700	-	-	175	175	100,0%	700
Sanitation Infrastructure	-	34 873	34 873	555	555	8 718	8 164	93,6%	34 873
Pump Station	-	8 700	8 700	-	-	2 175	2 175	100,0%	8 700
Reticulation	-	19 506	19 506	555	555	4 876	4 322	88,6%	19 506
Toilet Facilities	-	6 667	6 667	-	-	1 667	1 667	100,0%	6 667
Capital Spares	-	-	-	-	-	-	-	-	-
Intangible Assets	-	200	200	-	-	50	50	100,0%	200
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	200	200	-	-	50	50	100,0%	200
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	200	200	-	-	50	50	100,0%	200
Computer Equipment	3 504	1 590	1 690	-	-	407	407	100,0%	1 690
Computer Equipment	3 504	1 590	1 690	-	-	407	407	100,0%	1 690
Furniture and Office Equipment	1 264	910	1 210	-	303	258	(46)	-17,7%	1 210
Furniture and Office Equipment	1 264	910	1 210	-	303	258	(46)	-17,7%	1 210
Machinery and Equipment	1 020	484	484	-	-	121	121	100,0%	484
Machinery and Equipment	1 020	484	484	-	-	121	121	100,0%	484
Transport Assets	5 855	2 500	10 958	-	7 355	1 471	(5 884)	-400,1%	10 958
Transport Assets	5 855	2 500	10 958	-	7 355	1 471	(5 884)	-400,1%	10 958
Total Capital Expenditure on new assets	116 746	253 717	262 575	34 276	77 487	64 315	(13 172)	-20,5%	262 575

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	-	609	195	(414)	-212,2%	780
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	38 675	780	780	-	220	195	(25)	-13,0%	780
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	780	780	-	-	195	195	100,0%	780
Distribution	38 675	-	-	-	220	-	(220)	#DIV/0!	-
Sanitation Infrastructure	38 302	-	-	-	388	-	(388)	#DIV/0!	-
Waste Water Treatment Works	38 302	-	-	-	388	-	(388)	#DIV/0!	-
Machinery and Equipment	-	50	50	-	-	13	13	100,0%	50
Machinery and Equipment	-	50	50	-	-	13	13	100,0%	50
Transport Assets	-	-	700	-	-	70	70	100,0%	700
Transport Assets	-	-	700	-	-	70	70	100,0%	700
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	1 530	-	609	277	(331)	-119,4%	1 530



Expenditure on Repairs and Maintenance by Asset Class

DC43 Harry Gwala - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03

Description	2019/20	Budget Year 2020/21							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	18 521	18 685	22 685	6 706	9 139	5 071	(4 067)	-80,2%	22 685
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	18 521	18 685	22 685	6 706	9 139	5 071	(4 067)	-80,2%	22 685
<i>Dams and Weirs</i>	-	-	-	-	-	-	-	-	-
<i>Boreholes</i>	-	-	-	-	-	-	-	-	-
<i>Reservoirs</i>	8 428	7 863	9 863	4 023	5 224	2 166	(3 059)	-141,2%	9 863
<i>Pump Stations</i>	6 698	7 034	8 034	1 768	2 591	1 859	(732)	-39,4%	8 034
<i>Water Treatment Works</i>	-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	3 395	3 788	4 788	915	1 323	1 047	(276)	-26,4%	4 788
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Community Assets	85	153	153	-	-	38	38	100,0%	153
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	85	153	153	-	-	38	38	100,0%	153
<i>Indoor Facilities</i>	85	153	153	-	-	38	38	100,0%	153
<i>Outdoor Facilities</i>	-	-	-	-	-	-	-	-	-
Other assets	1 497	2 500	2 500	342	691	625	(66)	-10,6%	2 500
Operational Buildings	1 497	2 500	2 500	342	691	625	(66)	-10,6%	2 500
<i>Municipal Offices</i>	1 497	2 500	2 500	342	691	625	(66)	-10,6%	2 500
<i>Pay/Enquiry Points</i>	-	-	-	-	-	-	-	-	-
Computer Equipment	165	520	520	2	2	130	129	98,8%	520
Computer Equipment	165	520	520	2	2	130	129	98,8%	520
Machinery and Equipment	196	724	724	403	403	181	(222)	-122,6%	724
Machinery and Equipment	196	724	724	403	403	181	(222)	-122,6%	724
Transport Assets	15	315	315	-	-	79	79	100,0%	315
Transport Assets	15	315	315	-	-	79	79	100,0%	315
Total Repairs and Maintenance Expenditure	20 479	22 897	26 897	7 452	10 234	6 124	(4 110)	-67,1%	26 897

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
- Quarterly report on the implementation of the budget and financial state of affairs of the municipality

For the month of September 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_____