

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 August 2020.

9/9/2020

Budget & Treasury Office

1. PART 1 – MONTHLY REPORT

1.1 PURPOSE

To table a report on the Implementation of the current budget and the financial state of the Municipality in terms of Section 71 of the Municipal Finance Management Act (MFMA)

LEGAL FRAMEWORK

- Local Government: Municipal Finance Management Act, 56 of 2003
- SCM Regulations
- SCM Policy
- Municipal Budget Reporting Regulation
- Division of Revenue Act

1.2 Executive Summary or Background

Legislative Requirements

In terms of the section 71 of the MFMA the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a)* Actual revenue, per revenue source;
- (b)* actual borrowings;

- (c)* actual expenditure, per vote;
- (d)* actual capital expenditure, per vote;
- (e)* the amount of any allocations received;
- (f)* actual expenditure on those allocations, excluding expenditure on—
 - (i)* its share of the local government equitable share; and
 - (ii)* allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g)* when necessary, an explanation of—
 - (i)* any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii)* any material variances from the service delivery and budget implementation plan; and
 - (iii)* any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's

DELIBERATION/DISCUSSION

The discussion that follows, in terms of MFMA Section 71 above, intends to inform the Budget & Treasury Committee on the progress made thus far in terms of implementing the 2020/2021 budget for the period ending 31 August 2020

1.3 Resolutions

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

This report analysis the three main components of the budget against actual results with,

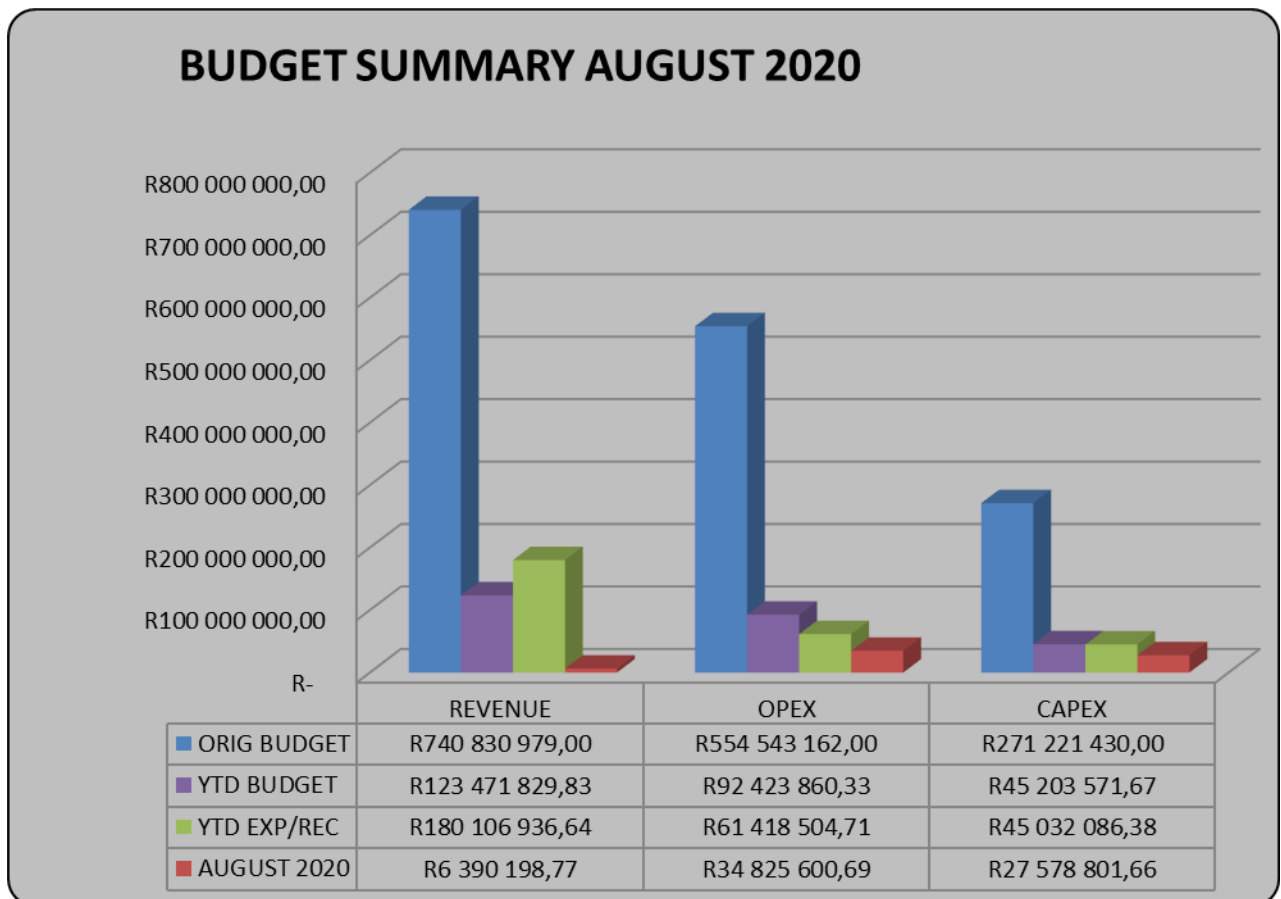
- Revenue
- Operational, and
- Capital Budgets

It further looks at other reportable matters in terms of section 71 of the MFMA.

Budget summary

The budget summary is intended to give an overall summary with regards to the implementation of the 2020/2021 budget for the period ending 31 August 2020. Chart 1 presented below gives a summary of the budgeted Revenue, Operating as well as Capital expenditure and the movements for the month of August as well as the Year to Date movements (YTD).

Chart 1: Budget vs. Expenditure Summary



1.4 Monthly Budget Statement Tables

Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance in the Municipality and is unpacked in the sections that follow.

DC43 Harry Gwala - Table C1 Consolidated Monthly Budget Statement Summary - M02 August

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	5 506	10 829	11 842	(1 012)	-9%	71 050
Investment revenue	5 905	7 681	7 681	–	–	1 280	(1 280)	-100%	7 681
Transfers and subsidies	379 660	387 266	387 266	–	167 553	64 544	103 009	160%	387 266
Other own revenue	16 463	11 345	11 345	884	1 725	1 891	(166)	-9%	11 345
Total Revenue (excluding capital transfers and contributions)	472 490	477 343	477 343	6 390	180 107	79 557	100 550	126%	477 343
Employee costs	190 402	222 746	222 746	16 069	32 445	37 125	(4 679)	-13%	222 746
Remuneration of Councillors	7 702	8 018	8 018	627	1 315	1 336	(22)	-2%	8 018
Depreciation & asset impairment	71 033	84 249	84 249	–	–	14 041	(14 041)	-100%	84 249
Finance charges	4 284	4 385	4 385	–	–	731	(731)	-100%	4 385
Materials and bulk purchases	28 605	27 745	27 745	1 981	1 981	4 624	(2 643)	-57%	27 745
Transfers and subsidies	14 000	–	–	–	–	–	–	–	–
Other expenditure	239 376	207 401	207 401	16 149	25 677	34 567	(8 890)	-26%	207 401
Total Expenditure	555 401	554 543	554 543	34 826	61 419	92 424	(31 006)	-34%	554 543
Surplus/(Deficit)	(82 911)	(77 200)	(77 200)	(28 435)	118 688	(12 867)	131 556	-1022%	(77 200)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	263 488	–	–	43 915	(43 915)	-100%	263 488
Surplus/(Deficit) after capital transfers & contributions	185 468	186 288	186 288	(28 435)	118 688	31 047	87 641	282%	186 288
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	185 468	186 288	186 288	(28 435)	118 688	31 047	87 641	282%	186 288
Capital expenditure & funds sources									
Capital expenditure	239 175	271 221	271 221	27 579	45 032	45 204	(172)	-0%	271 221
Capital transfers recognised	234 687	263 488	263 488	19 921	37 374	43 915	(6 541)	-15%	263 488
Borrowing	1 296	–	–	–	–	–	–	–	–
Internally generated funds	3 192	7 734	7 734	7 658	7 658	1 289	6 369	494%	7 734
Total sources of capital funds	239 175	271 221	271 221	27 579	45 032	45 204	(172)	-0%	271 221
Financial position									
Total current assets	105 433	54 206	54 206		240 758				54 206
Total non current assets	2 336 085	2 290 106	2 290 106		2 381 117				2 290 106
Total current liabilities	123 085	85 282	85 282		185 163				85 282
Total non current liabilities	44 949	27 811	27 811		44 539				27 811
Community wealth/Equity	2 323 086	2 231 219	2 231 219		2 377 172				2 231 219
Cash flows									
Net cash from (used) operating	233 262	269 092	269 092	(26 284)	172 386	44 849	(127 537)	-284%	269 092
Net cash from (used) investing	(279 405)	(271 221)	(271 221)	(27 579)	(45 032)	(22 602)	22 430	-99%	(271 221)
Net cash from (used) financing	(12 528)	(4 555)	(4 555)	–	–	(380)	(380)	100%	(4 555)
Cash/cash equivalents at the month/year end	(308)	6 237	6 237	–	168 010	21 867	(146 142)	-668%	(6 685)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	7 851	8 327	11 283	4 205	4 072	5 011	28 144	140 496	209 388
Creditors Age Analysis									
Total Creditors	1 833	–	–	–	–	–	–	–	1 833

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) - M02 August

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	391 887	89	167 831	65 314	102 517	157%	391 887
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	368 784	391 887	391 887	89	167 831	65 314	102 517	157%	391 887
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7 332	6 966	6 966	-	-	1 161	(1 161)	-100%	6 966
Planning and development	7 332	6 966	6 966	-	-	1 161	(1 161)	-100%	6 966
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	364 753	341 978	341 978	6 301	12 276	56 996	(44 721)	-78%	341 978
Energy sources	-	-	-	-	-	-	-	-	-
Water management	348 448	321 468	321 468	5 123	9 732	53 578	(43 846)	-82%	321 468
Waste water management	16 305	20 510	20 510	1 178	2 544	3 418	(874)	-26%	20 510
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	740 869	740 831	740 831	6 390	180 107	123 472	56 635	46%	740 831
Expenditure - Functional									
<i>Governance and administration</i>	248 835	240 522	240 522	15 986	30 082	40 087	(10 005)	-25%	240 522
Executive and council	18 818	24 234	24 234	888	3 969	4 039	(70)	-2%	24 234
Finance and administration	220 217	208 209	208 209	14 347	24 730	34 702	(9 972)	-29%	208 209
Internal audit	9 799	8 078	8 078	751	1 384	1 346	37	3%	8 078
<i>Community and public safety</i>	16 687	18 788	18 788	1 320	2 539	3 131	(593)	-19%	18 788
Community and social services	16 687	18 788	18 788	1 320	2 539	3 131	(593)	-19%	18 788
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	136 559	148 577	148 577	7 592	9 975	24 763	(14 788)	-60%	148 577
Planning and development	136 559	148 577	148 577	7 592	9 975	24 763	(14 788)	-60%	148 577
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	153 321	146 657	146 657	9 927	18 823	24 443	(5 620)	-23%	146 657
Energy sources	-	-	-	-	-	-	-	-	-
Water management	150 747	145 857	145 857	9 872	18 713	24 310	(5 597)	-23%	145 857
Waste water management	2 574	800	800	56	111	133	(23)	-17%	800
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	555 401	554 543	554 543	34 826	61 419	92 424	(31 006)	-34%	554 543
Surplus/ (Deficit) for the year	185 468	186 288	186 288	(28 435)	118 688	31 047	87 641	282%	186 288

This table assess the revenue by department and then the expenditure for the period ending 31 August 2020. Revenue receipts in August have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of August is 5%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department as the department responsible for the repairs and maintenance of the municipal assets and also with the largest staff complement, shares the greatest bulk of this budget and hence the expenditure of R12, 5m.

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

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

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	367 230	391 887	391 887	74	167 801	65 314	102 486	156,9%	391 887
Vote 04 - Summary Corporate Services	1 447	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	332	6 966	6 966	-	-	1 161	(1 161)	-100,0%	6 966
Vote 06 - Summary Infrastructure Services	287 979	270 928	270 928	213	391	45 155	(44 764)	-99,1%	270 928
Vote 07 - Summary Water Services	83 881	71 050	71 050	6 103	11 915	11 842	74	0,6%	71 050
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	740 869	740 831	740 831	6 390	180 107	123 472	56 635	45,9%	740 831
Expenditure by Vote									
Vote 01 - Summary Council	10 296	15 677	15 677	627	3 419	2 613	806	30,9%	15 677
Vote 02 - Summary Municipal Manager	18 321	16 635	16 635	1 012	1 933	2 773	(839)	-30,3%	16 635
Vote 03 - Summary Budget And Treasury Office	96 784	84 548	84 548	3 599	8 054	14 091	(6 038)	-42,8%	84 548
Vote 04 - Summary Corporate Services	84 915	81 310	81 310	7 785	12 571	13 552	(980)	-7,2%	81 310
Vote 05 - Summary Social Services & Development Planning	49 943	58 793	58 793	7 309	9 550	9 799	(249)	-2,5%	58 793
Vote 06 - Summary Infrastructure Services	111 597	112 989	112 989	1 951	3 659	18 832	(15 172)	-80,6%	112 989
Vote 07 - Summary Water Services	183 545	184 590	184 590	12 541	22 232	30 765	(8 533)	-27,7%	184 590
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	555 401	554 543	554 543	34 826	61 419	92 424	(31 006)	-33,5%	554 543
Surplus/ (Deficit) for the year	185 468	186 288	186 288	(28 435)	118 688	31 047	87 641	282,3%	186 288

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 August 2020.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

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	4 583	8 717	8 423	294	3%	50 540
Service charges - sanitation revenue	16 305	20 510	20 510	923	2 112	3 418	(1 306)	-38%	20 510
Interest earned - external investments	5 905	7 681	7 681	-	-	1 280	(1 280)	-100%	7 681
Interest earned - outstanding debtors	12 923	10 238	10 238	841	1 515	1 706	(191)	-11%	10 238
Transfers and subsidies	379 660	387 266	387 266	-	167 553	64 544	103 009	160%	387 266
Other revenue	2 478	1 107	1 107	43	209	185	25	13%	1 107
Gains	1 062	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	472 490	477 343	477 343	6 390	180 107	79 557	100 550	126%	477 343
Expenditure By Type									
Employee related costs	190 402	222 746	222 746	16 069	32 445	37 125	(4 679)	-13%	222 746
Remuneration of councillors	7 702	8 018	8 018	627	1 315	1 336	(22)	-2%	8 018
Debt impairment	40 231	26 556	26 556	-	-	4 426	(4 426)	-100%	26 556
Depreciation & asset impairment	71 033	84 249	84 249	-	-	14 041	(14 041)	-100%	84 249
Finance charges	4 284	4 385	4 385	-	-	731	(731)	-100%	4 385
Bulk purchases	22 833	18 632	18 632	1 896	1 896	3 105	(1 209)	-39%	18 632
Other materials	5 772	9 113	9 113	85	85	1 519	(1 434)	-94%	9 113
Contracted services	143 159	118 356	118 356	6 474	11 915	19 726	(7 811)	-40%	118 356
Transfers and subsidies	14 000	-	-	-	-	-	-	-	-
Other expenditure	55 607	62 488	62 488	9 676	13 762	10 415	3 347	32%	62 488
Losses	379	-	-	-	-	-	-	-	-
Total Expenditure	555 401	554 543	554 543	34 826	61 419	92 424	(31 006)	-34%	554 543
Surplus/(Deficit)	(82 911)	(77 200)	(77 200)	(28 435)	118 688	(12 867)	131 556	(0)	(77 200)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	263 488	-	-	43 915	(43 915)	(0)	263 488
Transfers and subsidies - capital (in-kind - all)	5 863	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	185 468	186 288	186 288	(28 435)	118 688	31 047			186 288
Taxation									
Surplus/(Deficit) after taxation	185 468	186 288	186 288	(28 435)	118 688	31 047			186 288
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	185 468	186 288	186 288	(28 435)	118 688	31 047			186 288
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	185 468	186 288	186 288	(28 435)	118 688	31 047			186 288

Capital Expenditure

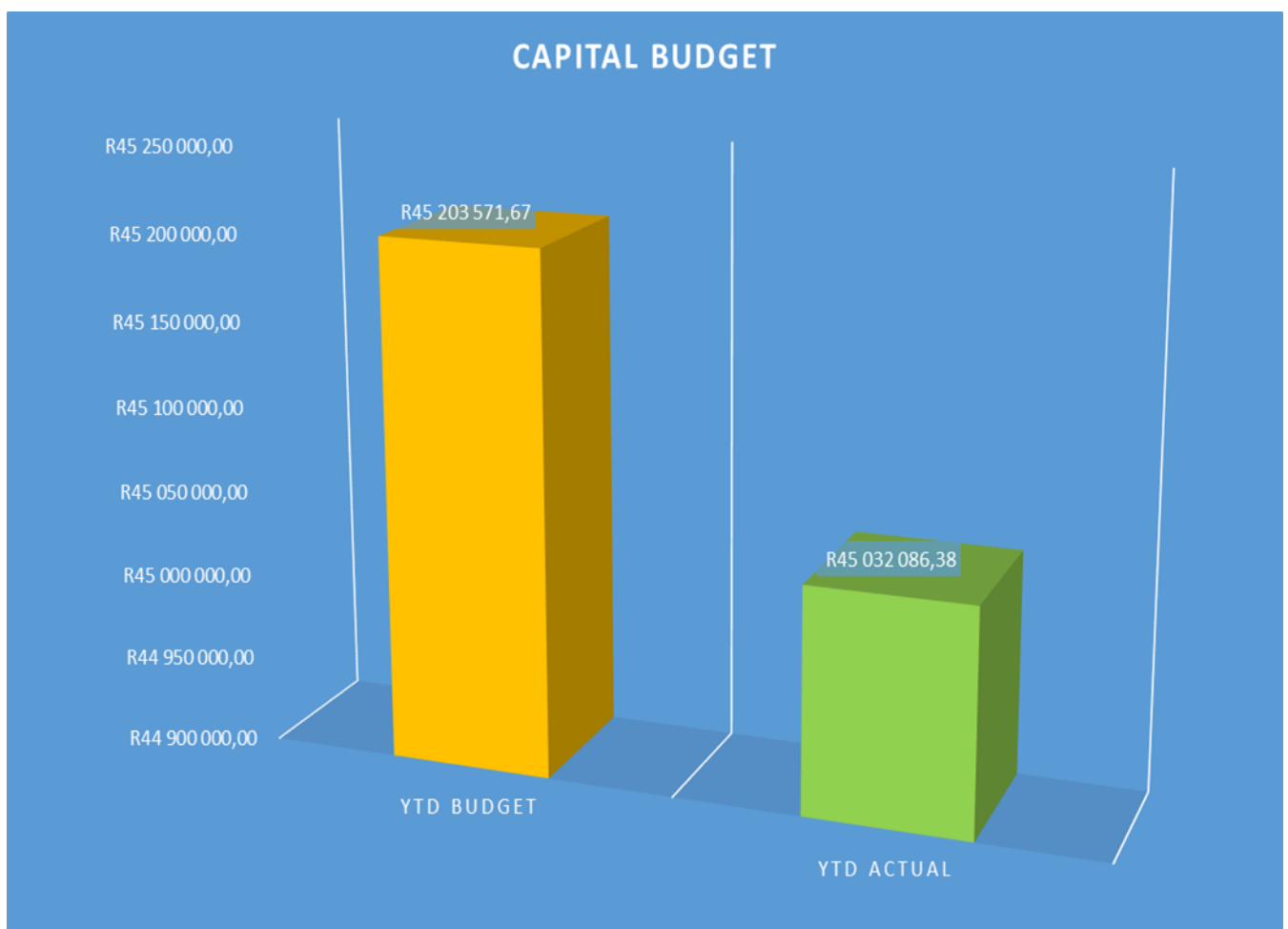
Table C5 below reports on the capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

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

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	-	-	54	(54)	-100%	324
Vote 04 - Summary Corporate Services	3 814	2 350	2 350	303	303	392	(89)	-23%	2 350
Vote 05 - Summary Social Services & Development Planning	-	3 060	3 060	7 355	7 355	510	6 845	1342%	3 060
Vote 06 - Summary Infrastructure Services	223 225	9 026	9 026	3 063	5 527	1 504	4 023	267%	9 026
Vote 07 - Summary Water Services	11 855	256 462	256 462	16 858	31 847	42 744	(10 897)	-25%	256 462
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	239 175	271 221	271 221	27 579	45 032	45 204	(172)	0%	271 221
Total Capital Expenditure	239 175	271 221	271 221	27 579	45 032	45 204	(172)	0%	271 221
Capital Expenditure - Functional Classification									
Governance and administration	4 095	2 964	2 964	303	303	494	(191)	-39%	2 964
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 095	2 964	2 964	303	303	494	(191)	-39%	2 964
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	2 500	2 500	7 355	7 355	417	6 938	1665%	2 500
Community and social services	-	2 500	2 500	7 355	7 355	417	6 938	1665%	2 500
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	673	270	270	-	-	45	(45)	-100%	270
Planning and development	673	270	270	-	-	45	(45)	-100%	270
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	234 406	265 488	265 488	19 921	37 374	44 248	(6 874)	-16%	265 488
Energy sources	-	-	-	-	-	-	-	-	-
Water management	198 896	220 615	220 615	18 320	35 773	36 769	(996)	-3%	220 615
Waste water management	35 511	44 873	44 873	1 601	1 601	7 479	(5 878)	-79%	44 873
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	239 175	271 221	271 221	27 579	45 032	45 204	(172)	0%	271 221
Funded by:									
National Government	222 832	263 488	263 488	19 921	37 374	43 915	(6 541)	-15%	263 488
Provincial Government	11 855	-	-	-	-	-	-	-	-
Transfers recognised - capital	234 687	263 488	263 488	19 921	37 374	43 915	(6 541)	-15%	263 488
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	3 192	7 734	7 734	7 658	7 658	1 289	6 369	494%	7 734
Total Capital Funding	239 175	271 221	271 221	27 579	45 032	45 204	(172)	0%	271 221

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

Chart 1: 2020/2021 CAPEX



As alluded to above, the capital expenditure programme for the period ending 31 August 2020 was R 45m which represents 100% of capital expenditure against year to date budget of R45, 2million. The capital expenditure programme has started on a rather slower footing and thus the low expenditures reflected on National grant funding

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

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M02 August

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	23 704	1 720	1 720	23 311	1 720
Call investment deposits	16 967	4 517	4 517	145 645	4 517
Consumer debtors	31 029	33 454	33 454	39 760	33 454
Other debtors	33 466	14 334	14 334	31 774	14 334
Inventory	267	181	181	267	181
Total current assets	105 433	54 206	54 206	240 758	54 206
Non current assets					
Investment property	-	-	-	-	-
Property, plant and equipment	2 335 251	2 288 618	2 288 618	2 380 283	2 288 618
Intangible	834	1 489	1 489	834	1 489
Other non-current assets	0	0	0	0	0
Total non current assets	2 336 085	2 290 106	2 290 106	2 381 117	2 290 106
TOTAL ASSETS	2 441 518	2 344 313	2 344 313	2 621 875	2 344 313
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	4 555	4 555	(50)	4 555
Consumer deposits	1 865	1 845	1 845	1 883	1 845
Trade and other payables	107 926	68 734	68 734	170 036	68 734
Provisions	13 294	10 148	10 148	13 294	10 148
Total current liabilities	123 085	85 282	85 282	185 163	85 282
Non current liabilities					
Borrowing	26 469	3 485	3 485	26 060	3 485
Provisions	18 479	24 326	24 326	18 479	24 326
Total non current liabilities	44 949	27 811	27 811	44 539	27 811
TOTAL LIABILITIES	168 034	113 094	113 094	229 702	113 094
NET ASSETS	2 273 484	2 231 219	2 231 219	2 392 172	2 231 219
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	2 323 086	2 231 219	2 231 219	2 377 172	2 231 219
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 323 086	2 231 219	2 231 219	2 377 172	2 231 219

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

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M02 August

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates							-		
Service charges	51 990	53 288	53 288	3 165	6 285	8 881	(2 596)	-29%	53 288
Other revenue	11 626	1 107	1 107	209	209	185	25	13%	1 107
Transfers and Subsidies - Operational	339 907	387 266	387 266	2 299	171 424	64 544	106 880	166%	387 266
Transfers and Subsidies - Capital	274 335	263 488	263 488	9 026	77 026	43 915	33 111	75%	263 488
Interest	7 257	7 681	7 681	-	-	1 280	(1 280)	-100%	7 681
Dividends							-		
Payments									
Suppliers and employees	(447 672)	(439 354)	(439 354)	(40 983)	(82 559)	(73 226)	9 333	-13%	(439 354)
Finance charges	(4 180)	(4 385)	(4 385)	-	-	(731)	(731)	100%	(4 385)
Transfers and Grants	-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	233 262	269 092	269 092	(26 284)	172 386	44 849	(127 537)	-284%	269 092
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE							-		
Decrease (increase) in non-current receivables							-		
Decrease (increase) in non-current investments							-		
Payments									
Capital assets	(279 405)	(271 221)	(271 221)	(27 579)	(45 032)	(22 602)	22 430	-99%	(271 221)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(279 405)	(271 221)	(271 221)	(27 579)	(45 032)	(22 602)	22 430	-99%	(271 221)
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)	(4 555)	-	-	(380)	(380)	100%	(4 555)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(12 528)	(4 555)	(4 555)	-	-	(380)	(380)	100%	(4 555)
NET INCREASE/ (DECREASE) IN CASH HELD	(58 671)	(6 685)	(6 685)	(53 863)	127 354	21 867			(6 685)
Cash/cash equivalents at beginning:	58 363	12 922	12 922		40 656				
Cash/cash equivalents at month/year end:	(308)	6 237	6 237		168 010	21 867			(6 685)

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

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

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

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	5 040	5 345	7 243	2 699	2 614	3 217	18 066	90 188	134 411	116 783
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 969	2 088	2 829	1 054	1 021	1 257	7 058	35 233	52 509	45 623
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	842	893	1 211	451	437	538	3 020	15 076	22 468	19 521
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	7 851	8 327	11 283	4 205	4 072	5 011	28 144	140 496	209 388	181 928
2019/20 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	2 714	2 821	2 638	433	327	410	1 508	3 172	14 023	5 850
Commercial	835	843	1 063	354	387	429	2 721	8 453	15 084	12 344
Households	4 302	4 663	7 582	3 418	3 358	4 172	23 915	128 871	180 281	163 734
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	7 851	8 327	11 283	4 205	4 072	5 011	28 144	140 496	209 388	181 928

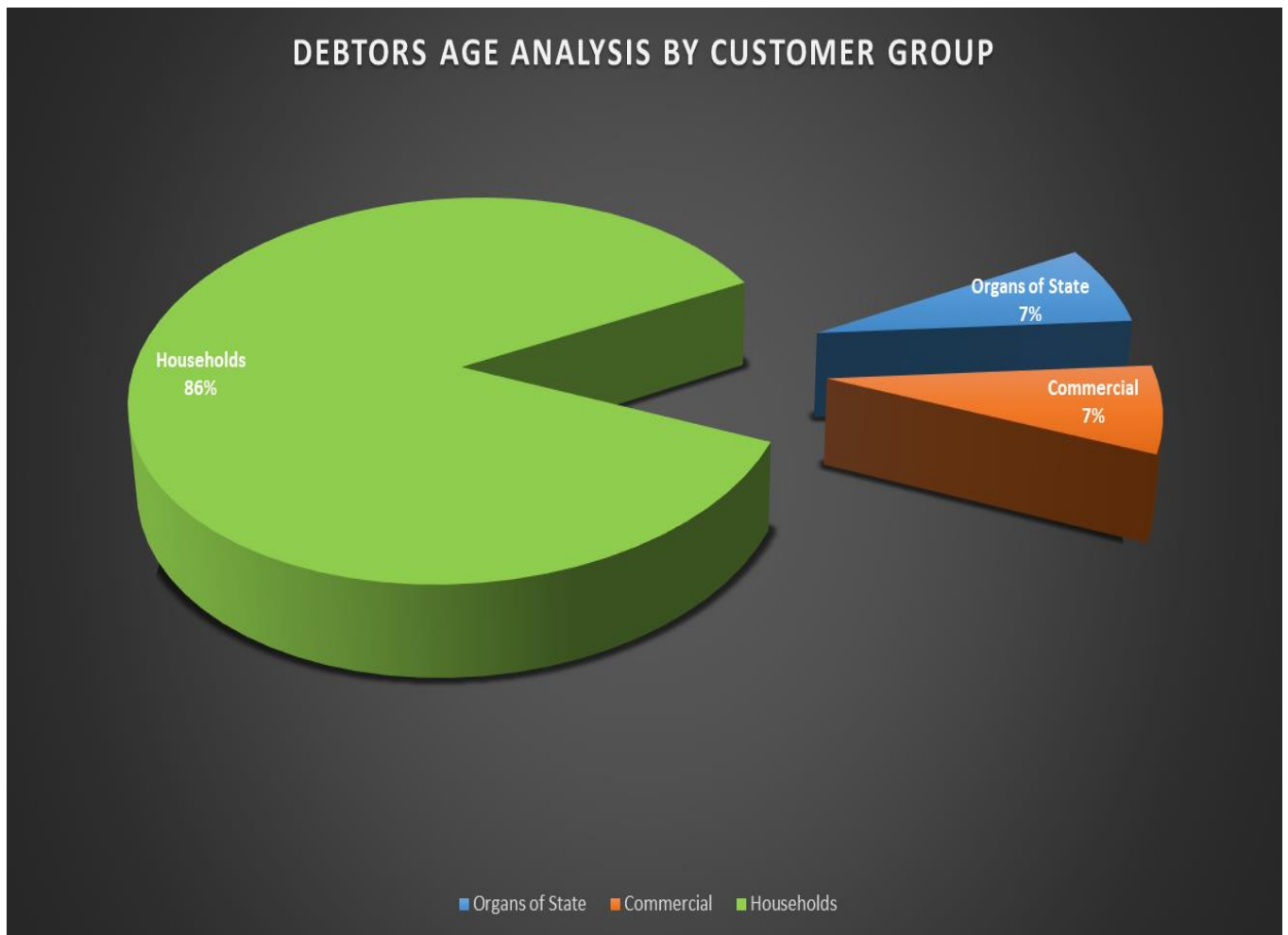
Table 2.1.2: Debtors Age Analysis by Customer Category

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

Chart 2: Debtors Age Analysis by Customer Group

The information presented in the chart above ranks total debt owed to the municipality from highest to the lowest,

- ✓ Households: 86%
- ✓ Government 7%
- ✓ 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

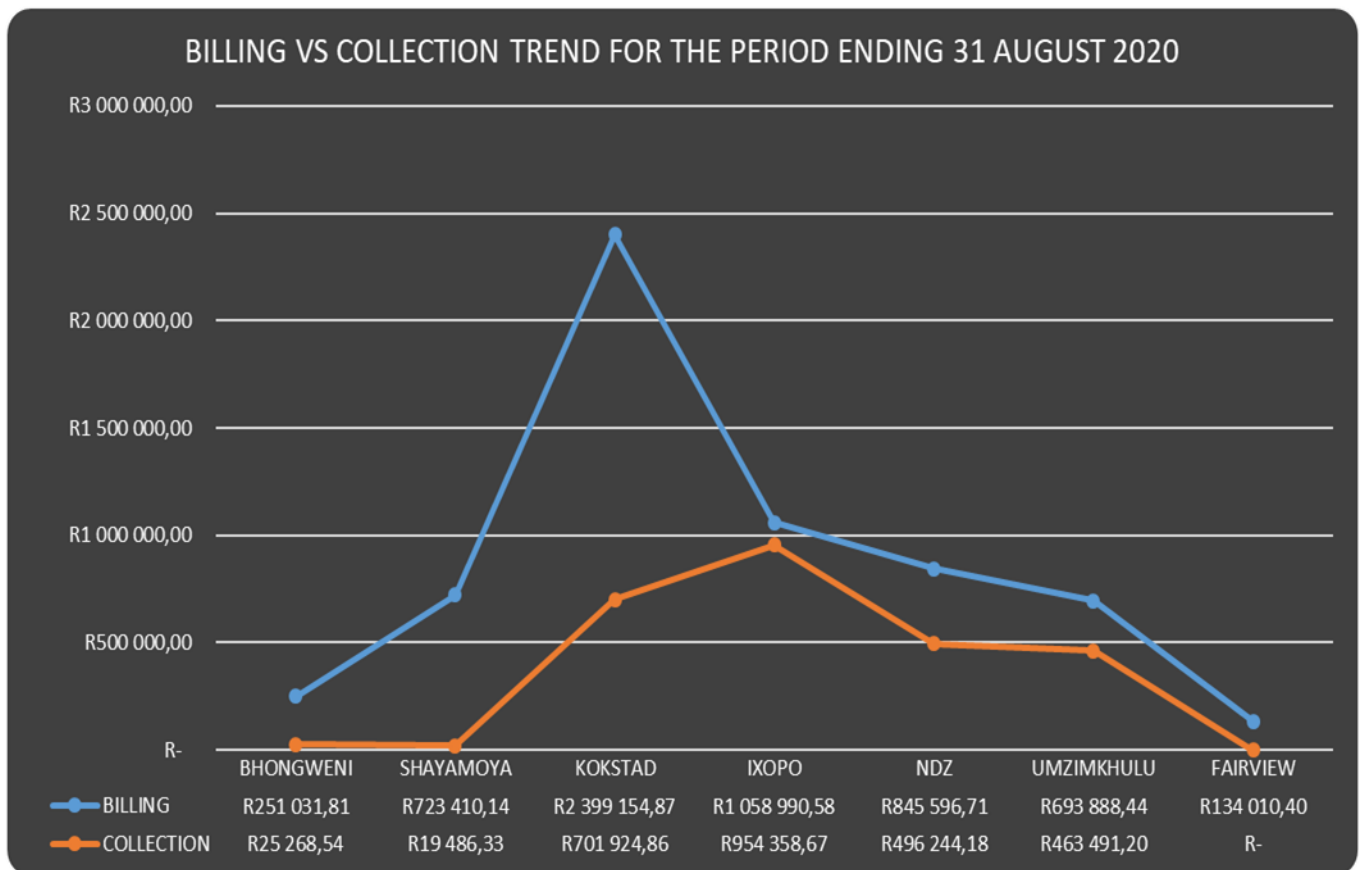
REVENUE RECEIPTS

Revenue receipts per Area

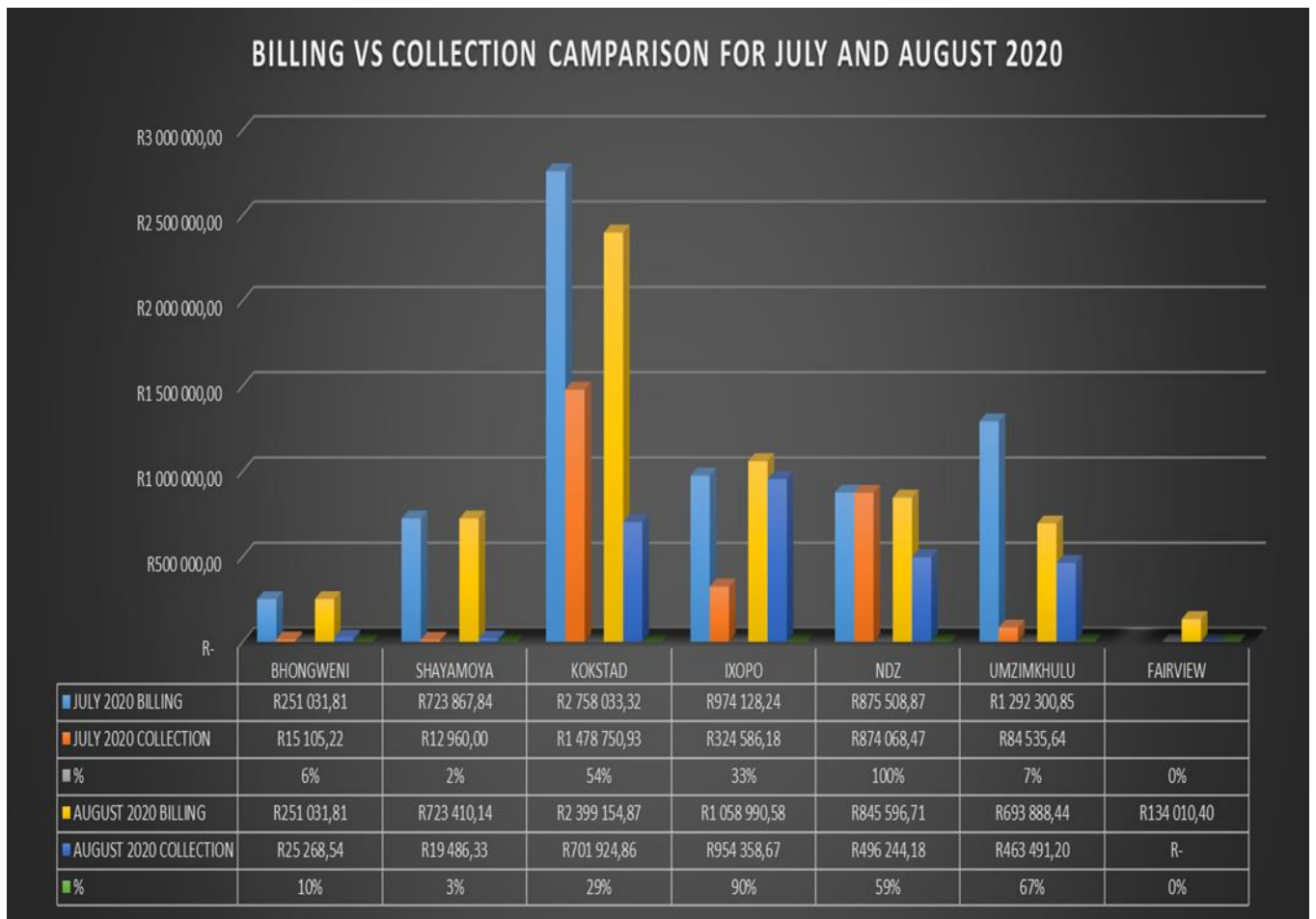
AREA	AMOUNT		
		AUGUST 2020	JULY 2020
Unallocated receipts	R 503 891.20	16%	3%
Bhongweni	R 25 268.54	1%	0%
Shayamoya	R 19 486.33	1%	0%
Kokstad	R 701 924.86	22%	44%
Ixopo	R 954 358.67	30%	33%
NDZ	R 496 244.18	16%	6%
Umzimkhulu	R 463 491.20	15%	14%
Fairview	R 0	0%	0%
TOTAL RECEIPTS INCL VAT	R 3 164 664.98	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 August 2020 is R3, 1million. The total billing for the period ending August 2020 amount to R 13, 1million against total collection of R 6, 2million representing 48 per cent.

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



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



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 209 388 164 as at 31 August 2020 compared with the R 197 170 240 as at 31 July 2020. Current debt represent 4% of the total outstanding debt compared with the 4% of July 2020; 30 days and older debt 4% compared with the 6% for July 2020; 60 days and older debt 5% compared with the 3% of July 2020; and 90 days 2% compared with the 2% of July 2020; 120 days to History and older 87% compared with the 87% for July 2020.

Current debt Increased with R 12,217,925 to R 209,388,164 compared with the R 197,170,240 as at 31 July 2020; 30 days + debt decreased with R 4,108,070; 60 days + Increased with R 5,911,353; 90 days + debt Decreased with R 67,102 and 120 + days and older debt as at 31 August 2020 has Increased with R 3,044,162 to R 177,722,575 compared with the R 174,678,413 as at 31 July 2020.

Debtors age analysis per debtor type

Business debtors owes the municipality R 14,861,941 (7%); Municipal debtors R 1,345,024 (1%); domestic debtors R 170,386,271 (81%); Government accounts R 12,239,619 (6%); Indigent debtors R 6,275,662 (3%) and other debtors R 4,279,647 (2%) of the total outstanding debt of R 209,388,164.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 August 2020

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	Budget Year 2020/21								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
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	1 833								1 833
Auditor General									-
Other									-
Total By Customer Type	1 833	-	-	-	-	-	-	-	1 833

2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short term investments balances broken down per investment type as at 31 August 2020.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & investment ID	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands										
<u>Municipality</u>										
FIRST NATIONAL BANK	CALL ACCOUNT					81 639	134	(17 018)	-	64 755
FIRST NATIONAL BANK	CALL ACCOUNT					47 527	63	(39 014)	-	8 576
FIRST NATIONAL BANK	ADMIN CALL					69 966	121	(8 899)	-	61 188
INVESTEC	FIXED DEPOSIT					2 124	6	-	-	2 130
FIRST NATIONAL BANK	FIXED DEPOSIT					9	19	(6 572)	18 000	11 456
FIRST NATIONAL BANK	CALL ACCOUNT					4	-	-	-	4
FIRST NATIONAL BANK	CALL ACCOUNT					2	-	-	-	2
FIRST NATIONAL BANK	CALL ACCOUNT					14	11	-	9 026	9 051
FIRST NATIONAL BANK	FIXED DEPOSIT					2	2	-	2 572	2 576
CURRENT ACCOUNT						20 585		(12 315)		8 271
Municipality sub-total						221 873	356	(83 817)	29 598	168 010
TOTAL INVESTMENTS AND INTEREST						221 873		(83 817)	29 598	168 010

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 - M02 August

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	385 766	2 299	171 424	64 294	107 130	166,6%	385 766
Energy Efficiency and Demand Side Management Grant	7 000	-	-	-	-	-	-	-	-
Equitable Share	345 309	372 340	372 340	-	167 553	62 057	105 496	170,0%	372 340
Expanded Public Works Programme Integrated Grant	5 316	5 195	5 195	1 299	1 299	866	433	50,0%	5 195
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 000	1 000	1 000	1 000	167	833	500,0%	1 000
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 808	4 986	4 986	-	-	831	(831)	-100,0%	4 986
Rural Road Asset Management Systems Grant	2 358	2 245	2 245	-	1 572	374	1 198	320,1%	2 245
Water Services Infrastructure Grant	8 537	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	332	1 500	1 500	-	-	250	(250)	-100,0%	1 500
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	332	1 500	1 500	-	-	250	(250)	-100,0%	1 500
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	379 660	387 266	387 266	2 299	171 424	64 544	106 880	165,6%	387 266
Capital Transfers and Grants									
National Government:	262 515	263 488	263 488	9 026	77 026	43 915	33 111	75,4%	263 488
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	191 052	194 462	194 462	-	50 000	32 410	17 590	54,3%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	20 000	9 026	9 026	9 026	9 026	1 504	7 522	500,0%	9 026
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 463	60 000	60 000	-	18 000	10 000	8 000	80,0%	60 000
Provincial Government:	5 863	-	-	-	-	-	-	-	-
Specify (Add grant description)	5 863	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	268 379	263 488	263 488	9 026	77 026	43 915	33 111	75,4%	263 488
TOTAL RECEIPTS OF TRANSFERS & GRANTS	648 038	650 754	650 754	11 325	248 450	108 459	139 991	129,1%	650 754

It is clear from the chart above that the bulk of the grants received by the municipality are from the National Treasury.

Table SC7 track the expenditure on Conditional grant funding.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

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:	508 631	467 489	467 489	30 745	56 403	77 915	(21 512)	-27,6%	467 489
Energy Efficiency and Demand Side Management Grant	6 087	-	-	-	-	-	-	-	-
Equitable Share	476 788	454 063	454 063	30 657	56 233	75 678	(19 445)	-25,7%	454 063
Expanded Public Works Programme Integrated Grant	5 218	5 195	5 195	39	78	866	(788)	-91,0%	5 195
Local Government Financial Management Grant	309	1 000	1 000	49	92	167	(74)	-44,6%	1 000
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	12 708	4 986	4 986	-	-	831	(831)	-100,0%	4 986
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 050	2 245	2 245	-	-	374	(374)	-100,0%	2 245
Water Services Infrastructure Grant	5 471	-	-	-	-	-	-	-	-
Provincial Government:	-	1 500	1 500	-	-	250	(250)	-100,0%	1 500
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	1 500	1 500	-	-	250	(250)	-100,0%	1 500
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	17 480	17 480	-	-	2 913	(2 913)	-100,0%	17 480
Other grant providers:	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	508 631	468 989	468 989	30 745	56 403	78 165	(21 762)	-27,8%	468 989
Capital expenditure of Transfers and Grants									
National Government:	222 832	263 488	263 488	19 921	37 374	43 915	(6 541)	-14,9%	263 488
Local Government Financial Management Grant	281	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	155 868	194 462	194 462	16 877	33 050	32 410	640	2,0%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	19 379	9 026	9 026	-	-	1 504	(1 504)	-100,0%	9 026
Water Services Infrastructure Grant	47 304	60 000	60 000	3 044	4 324	10 000	(5 676)	-56,8%	60 000
Provincial Government:	11 855	-	-	-	-	-	-	-	-
Specify (Add grant description)	11 855	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	234 687	263 488	263 488	19 921	37 374	43 915	(6 541)	-14,9%	263 488
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	743 318	732 477	732 477	50 665	93 777	122 080	(28 303)	-23,2%	732 477

2.5 Councillor and Staff Benefits

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

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

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	438	894	974	(80)	-8%	5 844
Pension and UIF Contributions	507	319	319	43	85	53	32	60%	319
Medical Aid Contributions	54	48	48	5	9	8	1	18%	48
Cellphone Allowance	622	440	440	54	112	73	39	53%	440
Other benefits and allowances	1 478	1 367	1 367	87	213	228	(15)	-6%	1 367
Sub Total - Councillors	7 702	8 018	8 018	627	1 315	1 336	(22)	-2%	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	672	620	52	8%	3 719
Pension and UIF Contributions	10	10	10	1	2	2	0	6%	10
Medical Aid Contributions	122	117	117	14	28	20	9	44%	117
Performance Bonus	53	56	56	-	-	9	(9)	-100%	56
Motor Vehicle Allowance	928	923	923	88	175	154	22	14%	923
Cellphone Allowance	108	104	104	10	19	17	2	12%	104
Housing Allowances	160	163	163	13	27	27	(1)	-2%	163
Other benefits and allowances	434	385	385	38	77	64	12	19%	385
Sub Total - Senior Managers of Municipality	5 452	5 478	5 478	500	999	913	86	9%	5 478
% increase		0,5%	0,5%						0,5%
Other Municipal Staff									
Basic Salaries and Wages	108 070	119 067	119 067	9 357	19 340	19 845	(505)	-3%	119 067
Pension and UIF Contributions	16 177	17 188	17 188	1 487	2 981	2 865	116	4%	17 188
Medical Aid Contributions	8 220	8 585	8 585	726	1 437	1 431	6	0%	8 585
Overtime	136	153	153	10	19	26	(6)	-25%	153
Performance Bonus	7 833	7 670	7 670	910	1 673	1 278	394	31%	7 670
Motor Vehicle Allowance	14 366	15 269	15 269	1 324	2 617	2 545	72	3%	15 269
Cellphone Allowance	781	833	833	67	135	139	(4)	-3%	833
Housing Allowances	487	510	510	46	91	85	6	7%	510
Other benefits and allowances	25 941	30 422	30 422	1 437	2 779	5 070	(2 292)	-45%	30 422
Payments in lieu of leave	3 208	780	780	111	261	130	131	100%	780
Long service awards	193	1 065	1 065	93	115	178	(63)	-35%	1 065
Post-retirement benefit obligations	(461)	3 125	3 125	-	-	521	(521)	-100%	3 125
Sub Total - Other Municipal Staff	184 950	204 667	204 667	15 569	31 446	34 111	(2 665)	-8%	204 667
% increase		10,7%	10,7%						10,7%
Total Parent Municipality	198 103	218 163	218 163	16 695	33 760	36 361	(2 601)	-7%	218 163
		10,1%	10,1%						10,1%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	62	(62)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	62	(62)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	2 130	2 130	-	-	355	(355)	-100%	2 130
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities	-	2 130	2 130	-	-	355	(355)	-100%	2 130
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 575	7 575	-	-	1 262	(1 262)	-100%	7 575
Pension and UIF Contributions	-	1 470	1 470	-	-	245	(245)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	80	(80)	-100%	479
Performance Bonus	-	533	533	-	-	89	(89)	-100%	533
Payments in lieu of leave	-	43	43	-	-	7	(7)	-100%	43
Sub Total - Other Staff of Entities	-	10 099	10 099	-	-	1 683	(1 683)	-100%	10 099
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 601	12 601	-	-	2 100	(2 100)	-100%	12 601
TOTAL SALARY, ALLOWANCES & BENEFITS	198 103	230 764	230 764	16 695	33 760	38 461	(4 701)	-12%	230 764
% increase		16,5%	16,5%						16,5%
TOTAL MANAGERS AND STAFF	190 402	222 374	222 374	16 069	32 445	37 063	(4 617)	-12%	222 374

2.6 Material Variances to the SDBIP

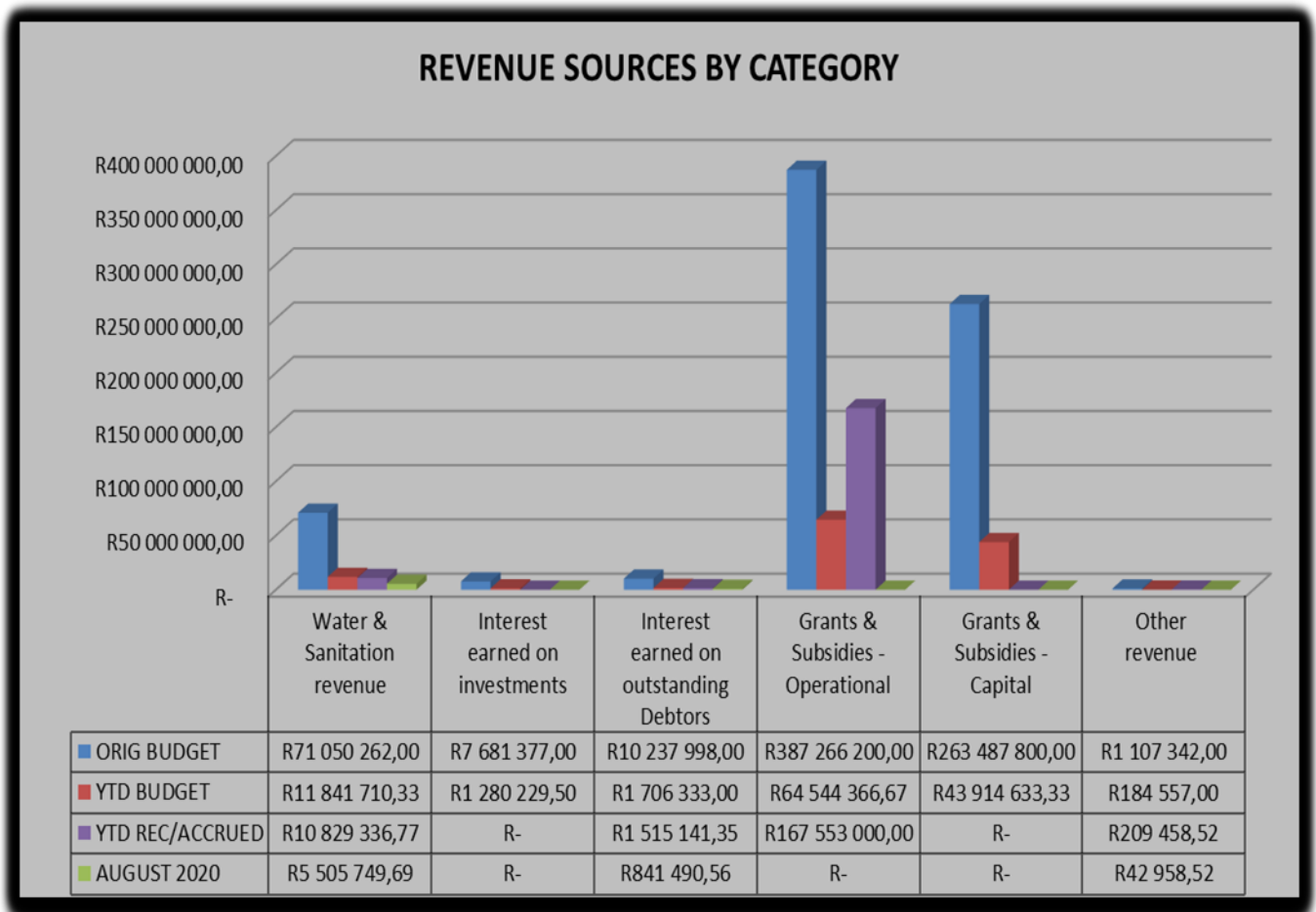
The following section analyses material variances between the actual targets as at 31 August 2020 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2020/2021 financial year revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to “performance” rather than “cash movements” in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

Chart 3: Revenue Analysis



Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 31 August 2020 was R10, 8million against a year to date **budget** of R11, 8million.

Interest Earned on External Investments

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

Transfers Recognised - Operational

The operational grants revenue of R167, 5million against a year to date budget of R64, 5million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The low expenditure trends on grant funded expenditure had resulted in a rather lower than expected recognition of Income against the set targets. There was no movement in the period ending 31 August 2020.

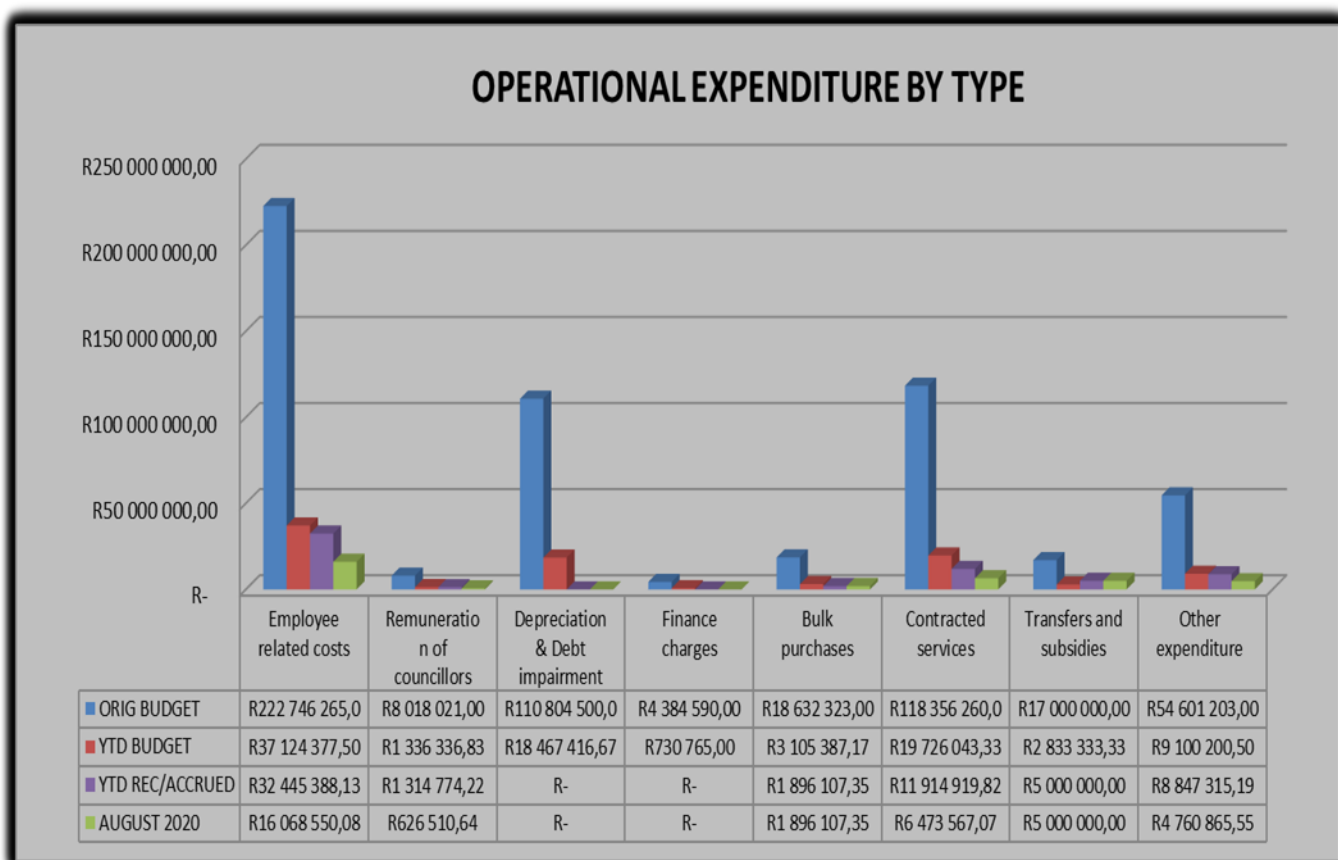
Other Revenue

The YTD performance of other revenue is R209 459 against YTD budget of R 184 557 representing 113 per cent performance.

OPERATIONAL EXPENDITURE

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

Chart 4: 2020/2021 financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R37, 1million against a YTD actual of R32, 4million which is 87% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 626 511 against a YTD budget of R 1, 3m representing 98% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 31 August 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 1, 8m against a YTD budget of R 3, 1m representing 61% of the year to date budget.

Other Expenditure

The YTD budget for other expenditure was at R 9, 1million against a YTD expenditure of R 8, 8million and expenditure for the month of August 2020 is R4, 7million.

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 - M02 August

Description	Budget Year 2020/21												2020/21 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands															
Cash Receipts By Source															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	2 184	2 215	4 009	3 115	2 937	2 799	2 930	2 915	2 998	2 619	2 981	6 202	37 905	40 157	42 530
Service charges - sanitation revenue	936	949	1 225	1 204	1 214	1 217	1 144	1 426	1 394	1 202	1 368	2 103	15 383	16 297	17 262
Interest earned - external investments	-	-	564	520	539	517	-	1 168	585	515	1 212	2 060	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	92	92	92	92	92	92	92	92	92	67	1 107	1 165	1 224
Cash Receipts by Source	172 245	5 673	5 891	8 735	77 171	4 625	4 166	6 248	166 130	4 429	5 785	(11 756)	449 343	477 218	510 740
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National/ Provincial and District)	68 000	9 026	-	-	87 829	-	-	87 829	-	-		10 803	263 488	277 232	293 486
Total Cash Receipts by Source	240 245	14 699	5 891	8 735	165 000	4 625	4 166	94 077	166 130	4 429	5 785	(953)	712 830	754 561	804 343
Cash Payments by Type															
Employee related costs	16 377	16 069	18 562	18 562	18 562	18 562	18 562	18 562	18 562	18 562	18 562	23 241	222 746	232 810	248 842
Remuneration of councillors	688	627	668	668	668	668	668	668	668	668	668	690	8 018	8 579	9 180
Interest paid	-	-	365	365	365	365	365	365	365	365	365	1 096	4 385	4 595	4 816
Bulk purchases - Water & Sewer	-	1 896	1 553	1 553	1 553	1 553	1 553	1 553	1 553	1 553	1 553	2 762	18 632	19 527	20 464
Other materials	-	85	759	759	759	759	759	759	759	759	759	2 193	9 113	9 432	9 885
Contracted services	12 933	6 474	9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	10 183	118 356	132 296	138 735
General expenses	11 578	15 834	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	5 207	(11 789)	62 488	63 093	66 228
Cash Payments by Type	41 575	40 983	36 978	36 978	36 978	36 978	36 978	36 978	36 978	36 978	36 978	28 376	443 739	470 332	498 150
Other Cash Flows/Payments by Type															
Capital assets	17 453	27 579	22 602	22 602	22 602	22 602	22 602	22 602	22 602	22 602	22 602	22 773	271 221	281 421	297 885
Repayment of borrowing	-	-	380	380	380	380	380	380	380	(114)	(114)	(3 799)	(1 370)	(1 287)	(1 365)
Other Cash Flows/Payments															
Total Cash Payments by Type	59 029	68 562	59 960	59 960	59 960	59 960	59 960	59 960	59 960	59 466	59 466	47 351	713 590	750 466	794 670
NET INCREASE/(DECREASE) IN CASH HELD	181 217	(53 863)	(54 069)	(51 225)	105 040	(55 334)	(55 793)	34 118	106 171	(55 037)	(53 681)	(48 303)	(760)	4 095	9 674
Cash/cash equivalents at the month/year beginning:	40 656	221 873	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	1 077	(52 604)	12 922	6 237	7 646
Cash/cash equivalents at the month/year end:	221 873	168 010	(52 992)	(50 148)	106 117	(54 257)	(54 717)	35 194	107 248	(53 960)	(52 604)	(100 907)	12 162	10 332	17 320

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 - M02 August

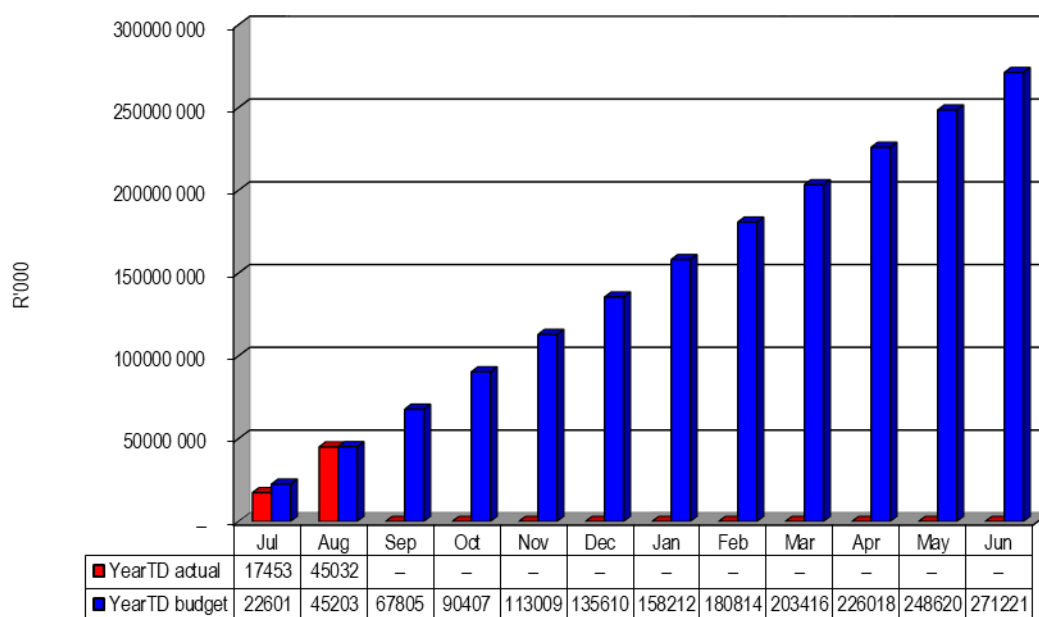
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	105 103	248 033	248 033	18 320	35 553	41 339	5 786	14,0%	248 033
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	105 103	213 161	213 161	18 320	35 553	35 527	(26)	-0,1%	213 161
<i>Dams and Weirs</i>	32 289	16 526	16 526	-	-	2 754	2 754	100,0%	16 526
<i>Boreholes</i>	12 718	31 965	31 965	768	768	5 328	4 559	85,6%	31 965
<i>Reservoirs</i>	15 642	6 900	6 900	870	870	1 150	280	24,4%	6 900
<i>Pump Stations</i>	-	21 437	21 437	2 275	2 275	3 573	1 298	36,3%	21 437
<i>Water Treatment Works</i>	-	12 000	12 000	699	1 510	2 000	490	24,5%	12 000
<i>Bulk Mains</i>	20 996	27 669	27 669	5 407	9 904	4 612	(5 292)	-114,8%	27 669
<i>Distribution</i>	23 458	95 963	95 963	8 301	20 226	15 994	(4 232)	-26,5%	95 963
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	700	700	-	-	117	117	100,0%	700
Sanitation Infrastructure	-	34 873	34 873	-	-	5 812	5 812	100,0%	34 873
<i>Pump Station</i>	-	8 700	8 700	-	-	1 450	1 450	100,0%	8 700
<i>Reticulation</i>	-	19 506	19 506	-	-	3 251	3 251	100,0%	19 506
<i>Waste Water Treatment Works</i>	-	-	-	-	-	-	-	-	-
<i>Outfall Sewers</i>	-	-	-	-	-	-	-	-	-
<i>Toilet Facilities</i>	-	6 667	6 667	-	-	1 111	1 111	100,0%	6 667
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Intangible Assets	-	200	200	-	-	33	33	100,0%	200
<i>Servitudes</i>	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>	-	200	200	-	-	33	33	100,0%	200
<i>Solid Waste Licenses</i>	-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>	-	200	200	-	-	33	33	100,0%	200
Computer Equipment	3 504	1 590	1 590	-	-	265	265	100,0%	1 590
<i>Computer Equipment</i>	3 504	1 590	1 590	-	-	265	265	100,0%	1 590
Furniture and Office Equipment	1 264	910	910	303	303	152	(151)	-99,8%	910
<i>Furniture and Office Equipment</i>	1 264	910	910	303	303	152	(151)	-99,8%	910
Machinery and Equipment	-	484	484	-	-	81	81	100,0%	484
<i>Machinery and Equipment</i>	-	484	484	-	-	81	81	100,0%	484
Transport Assets	5 855	2 500	2 500	7 355	7 355	417	(6 938)	-1665,2%	2 500
<i>Transport Assets</i>	5 855	2 500	2 500	7 355	7 355	417	(6 938)	-1665,2%	2 500
Total Capital Expenditure on new assets	115 726	253 717	253 717	25 978	43 211	42 286	(925)	-2,2%	253 717

Capital Expenditure on Renewal of Existing Assets by Asset Class

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

Description	Budget Year 2020/21								
	2019/20 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	388	609	130	(479)	-368,4%	780
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	38 675	780	780	-	220	130	(90)	-69,6%	780
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	780	780	-	-	130	130	100,0%	780
Distribution	38 675	-	-	-	220	-	(220)	#DIV/0!	-
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	38 302	-	-	388	388	-	(388)	#DIV/0!	-
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	38 302	-	-	388	388	-	(388)	#DIV/0!	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	50	50	-	-	8	8	100,0%	50
Machinery and Equipment	-	50	50	-	-	8	8	100,0%	50
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	76 976	830	830	388	609	138	(470)	-340,1%	830

Chart C2 2020/21 Capital Expenditure: YTD actual v YTD target



2.7 Municipal Manager's Quality's Certificate

Quality Certificate

I, Adelaide Nomnandi Dlamini, the Municipal Manager of Harry Gwala District Municipality, hereby certify that-

- The monthly budget statement

For the month of August 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_____