

Harry Gwala District Municipality

MFMA s71 report for the period ending 28 February 2021.

8/3/2021

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 28 February 2021

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,

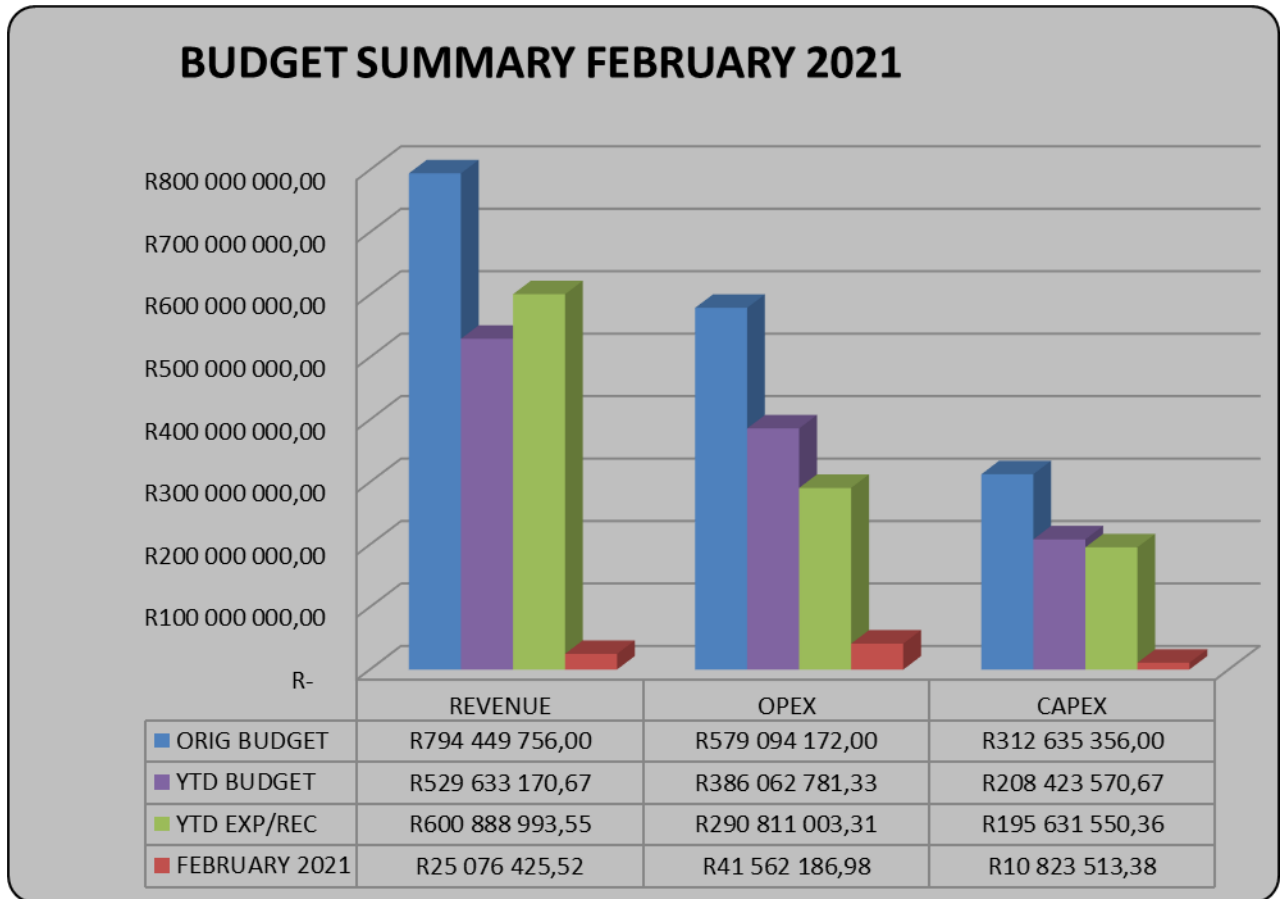
- Revenue
- Operational, and
- Capital Budgets

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 28 February 2021. Chart 1 presented below gives a summary of the budgeted Revenue, Operating as well as Capital expenditure and the movements for the month of February 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 - M08 February

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	65 492	6 459	46 854	46 255	599	1%	65 492
Investment revenue	6 196	7 681	5 372	294	1 883	4 659	(2 776)	-60%	5 372
Transfers and subsidies	380 256	387 266	451 926	459	331 634	288 623	43 011	15%	451 926
Other own revenue	15 464	11 345	10 172	863	7 050	7 329	(279)	-4%	10 172
Total Revenue (excluding capital transfers and contributions)	472 379	477 343	532 962	8 074	387 421	346 866	40 555	12%	532 962
Employee costs	190 401	222 746	222 446	18 650	137 880	148 439	(10 558)	-7%	222 446
Remuneration of Councillors	7 702	8 018	8 339	639	5 325	5 410	(84)	-2%	8 339
Depreciation & asset impairment	71 944	84 249	84 149	-	-	56 146	(56 146)	-100%	84 149
Finance charges	4 284	4 385	1 507	-	246	2 348	(2 101)	-90%	1 507
Materials and bulk purchases	28 232	27 745	28 674	384	14 138	19 083	(4 945)	-26%	28 674
Transfers and subsidies	14 000	-	17 000	-	10 000	3 400	6 600	194%	17 000
Other expenditure	243 894	207 401	233 979	21 888	123 221	144 963	(21 742)	-15%	233 979
Total Expenditure	560 458	554 543	596 094	41 562	290 811	379 788	(88 977)	-23%	596 094
Surplus/(Deficit)	(88 079)	(77 200)	(63 132)	(33 488)	96 610	(32 922)	129 532	-393%	(63 132)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	278 488	17 002	213 468	178 659	34 810	19%	278 488
Surplus/(Deficit) after capital transfers & contributions	180 299	186 288	215 356	(16 486)	310 078	145 736	164 342	113%	215 356
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	180 299	186 288	215 356	(16 486)	310 078	145 736	164 342	113%	215 356
Capital expenditure & funds sources									
Capital expenditure	240 195	271 221	312 635	10 824	195 632	192 921	2 711	1%	312 635
Capital transfers recognised	234 687	263 488	278 588	10 824	185 788	178 679	7 109	4%	278 588
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	34 048	-	9 844	14 242	(4 398)	-31%	34 048
Total sources of capital funds	240 195	271 221	312 635	10 824	195 632	192 921	2 711	1%	312 635
Financial position									
Total current assets	101 841	54 206	70 796		232 208				70 796
Total non current assets	2 341 369	2 290 106	2 608 585		2 537 001				2 608 585
Total current liabilities	122 351	85 282	106 482		142 020				106 482
Total non current liabilities	44 948	27 811	37 425		38 197				37 425
Community wealth/Equity	2 330 681	2 231 219	2 507 698		2 570 988				2 507 698
Cash flows									
Net cash from (used) operating	232 930	269 092	298 379	(16 087)	304 804	174 054	(130 750)	-75%	298 379
Net cash from (used) investing	(279 405)	(271 221)	(312 635)	(10 824)	(195 826)	(182 371)	13 456	-7%	(312 635)
Net cash from (used) financing	(12 528)	(4 555)	(9 741)	-	(2 217)	(5 682)	(3 466)	61%	(9 741)
Cash/cash equivalents at the month/year end	(640)	6 237	16 674	-	147 432	(13 998)	(161 430)	1153%	(23 997)
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	2	8 185	7 764	5 037	4 761	4 721	4 789	28 493	63 752
Creditors Age Analysis									
Total Creditors	9 290	1 550	981	-	-	-	-	-	11 821

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) - M08 February

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>	368 076	391 887	434 454	361	327 377	287 884	39 493	14%	434 454
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	368 076	391 887	434 454	361	327 377	287 884	39 493	14%	434 454
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7 928	6 966	25 576	-	2 508	7 766	(5 258)	-68%	25 576
Planning and development	7 928	6 966	25 576	-	2 508	7 766	(5 258)	-68%	25 576
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	364 753	341 978	351 420	24 716	271 043	229 874	41 169	18%	351 420
Energy sources	-	-	-	-	-	-	-	-	-
Water management	348 448	321 468	317 028	19 906	254 227	213 424	40 803	19%	317 028
Waste water management	16 305	20 510	34 392	4 809	16 816	16 450	367	2%	34 392
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	740 757	740 831	811 450	25 076	600 929	525 524	75 404	14%	811 450
Expenditure - Functional									
<i>Governance and administration</i>	251 148	240 522	257 226	22 374	137 417	165 370	(27 953)	-17%	257 226
Executive and council	18 818	24 234	25 142	3 501	18 577	16 338	2 239	14%	25 142
Finance and administration	222 531	208 209	223 745	18 295	113 722	143 594	(29 872)	-21%	223 745
Internal audit	9 799	8 078	8 338	578	5 117	5 438	(320)	-6%	8 338
<i>Community and public safety</i>	16 687	18 788	16 826	1 408	10 695	12 133	(1 438)	-12%	16 826
Community and social services	16 687	18 788	16 826	1 408	10 695	12 133	(1 438)	-12%	16 826
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	139 476	148 577	152 248	3 255	32 616	99 306	(66 690)	-67%	152 248
Planning and development	139 476	148 577	152 248	3 255	32 616	99 306	(66 690)	-67%	152 248
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	153 146	146 657	169 793	14 526	110 083	102 979	7 105	7%	169 793
Energy sources	-	-	-	-	-	-	-	-	-
Water management	150 572	145 857	168 951	14 465	109 570	102 437	7 133	7%	168 951
Waste water management	2 574	800	842	61	513	542	(29)	-5%	842
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	560 458	554 543	596 094	41 562	290 811	379 788	(88 977)	-23%	596 094
Surplus/ (Deficit) for the year	180 299	186 288	215 356	(16 486)	310 118	145 736	164 381	113%	215 356

This table assess the revenue by department and then the expenditure for the period ending 28 February 2021. Revenue receipts in February have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of February 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 R14, 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) - M08

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	366 522	391 887	433 819	361	327 315	287 757	39 558	13,7%	433 819
Vote 04 - Summary Corporate Services	1 447	-	635	-	20	127	(107)	-84,1%	635
Vote 05 - Summary Social Services & Development Planning	928	6 966	25 576	-	2 469	7 766	(5 297)	-68,2%	25 576
Vote 06 - Summary Infrastructure Services	287 979	270 928	270 928	14 386	214 345	180 619	33 727	18,7%	270 928
Vote 07 - Summary Water Services	83 881	71 050	80 492	10 330	56 740	49 255	7 485	15,2%	80 492
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	740 757	740 831	811 450	25 076	600 889	525 524	75 365	14,3%	811 450
Expenditure by Vote									
Vote 01 - Summary Council	10 296	15 677	16 975	645	9 067	10 711	(1 644)	-15,4%	16 975
Vote 02 - Summary Municipal Manager	18 321	16 635	16 506	3 434	14 628	11 064	3 563	32,2%	16 506
Vote 03 - Summary Budget And Treasury Office	99 612	84 548	85 067	6 931	33 614	56 469	(22 855)	-40,5%	85 067
Vote 04 - Summary Corporate Services	84 939	81 310	89 784	6 681	51 275	56 082	(4 807)	-8,6%	89 784
Vote 05 - Summary Social Services & Development Planning	49 942	58 793	68 443	2 456	29 026	40 526	(11 500)	-28,4%	68 443
Vote 06 - Summary Infrastructure Services	114 515	112 989	104 820	2 591	17 113	73 812	(56 699)	-76,8%	104 820
Vote 07 - Summary Water Services	182 831	184 590	214 499	18 825	136 087	131 122	4 965	3,8%	214 499
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	560 458	554 543	596 094	41 562	290 811	379 788	(88 977)	-23,4%	596 094
Surplus/ (Deficit) for the year	180 299	186 288	215 356	(16 486)	310 078	145 736	164 342	112,8%	215 356

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 28 February 2021.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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	46 100	5 205	37 537	32 805	4 731	14%	46 100
Service charges - sanitation revenue	16 305	20 510	19 392	1 253	9 317	13 450	(4 132)	-31%	19 392
Rental of facilities and equipment									
Interest earned - external investments	6 196	7 681	5 372	294	1 883	4 659	(2 776)	-60%	5 372
Interest earned - outstanding debtors	12 632	10 238	9 621	863	6 571	6 702	(131)	-2%	9 621
Dividends received									
Fines, penalties and forfeits	-	-	-	-	183	-	183	#DIV/0!	-
Transfers and subsidies	380 256	387 266	451 926	459	331 634	288 623	43 011	15%	451 926
Other revenue	1 770	1 107	550	-	296	627	(330)	-53%	550
Gains	1 062	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)	472 379	477 343	532 962	8 074	387 421	346 866	40 555	12%	532 962
Expenditure By Type									
Employee related costs	190 401	222 746	222 446	18 650	137 880	148 439	(10 558)	-7%	222 446
Remuneration of councillors	7 702	8 018	8 339	639	5 325	5 410	(84)	-2%	8 339
Debt impairment	43 060	26 556	26 556	-	-	17 704	(17 704)	-100%	26 556
Depreciation & asset impairment	71 944	84 249	84 149	-	-	56 146	(56 146)	-100%	84 149
Finance charges	4 284	4 385	1 507	-	246	2 348	(2 101)	-90%	1 507
Bulk purchases	22 833	18 632	18 632	299	9 970	12 422	(2 451)	-20%	18 632
Other materials	5 400	9 113	10 042	85	4 167	6 661	(2 494)	-37%	10 042
Contracted services	142 512	118 356	141 244	16 875	89 332	84 470	4 862	6%	141 244
Transfers and subsidies	14 000	-	17 000	-	10 000	3 400	6 600	194%	17 000
Other expenditure	55 607	62 488	66 180	5 013	33 889	42 789	(8 900)	-21%	66 180
Losses	2 714	-	-	-	-	-	-		-
Total Expenditure	560 458	554 543	596 094	41 562	290 811	379 788	(88 977)	-23%	596 094
Surplus/(Deficit)	(88 079)	(77 200)	(63 132)	(33 488)	96 610	(32 922)	129 532	(0)	(63 132)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	278 488	17 002	213 468	178 659	34 810	0	278 488
Transfers and subsidies - capital (in-kind - all)	5 863	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	180 299	186 288	215 356	(16 486)	310 078	145 736			215 356
Taxation									
Surplus/(Deficit) after taxation	180 299	186 288	215 356	(16 486)	310 078	145 736			215 356
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	180 299	186 288	215 356	(16 486)	310 078	145 736			215 356
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	180 299	186 288	215 356	(16 486)	310 078	145 736			215 356

Capital Expenditure

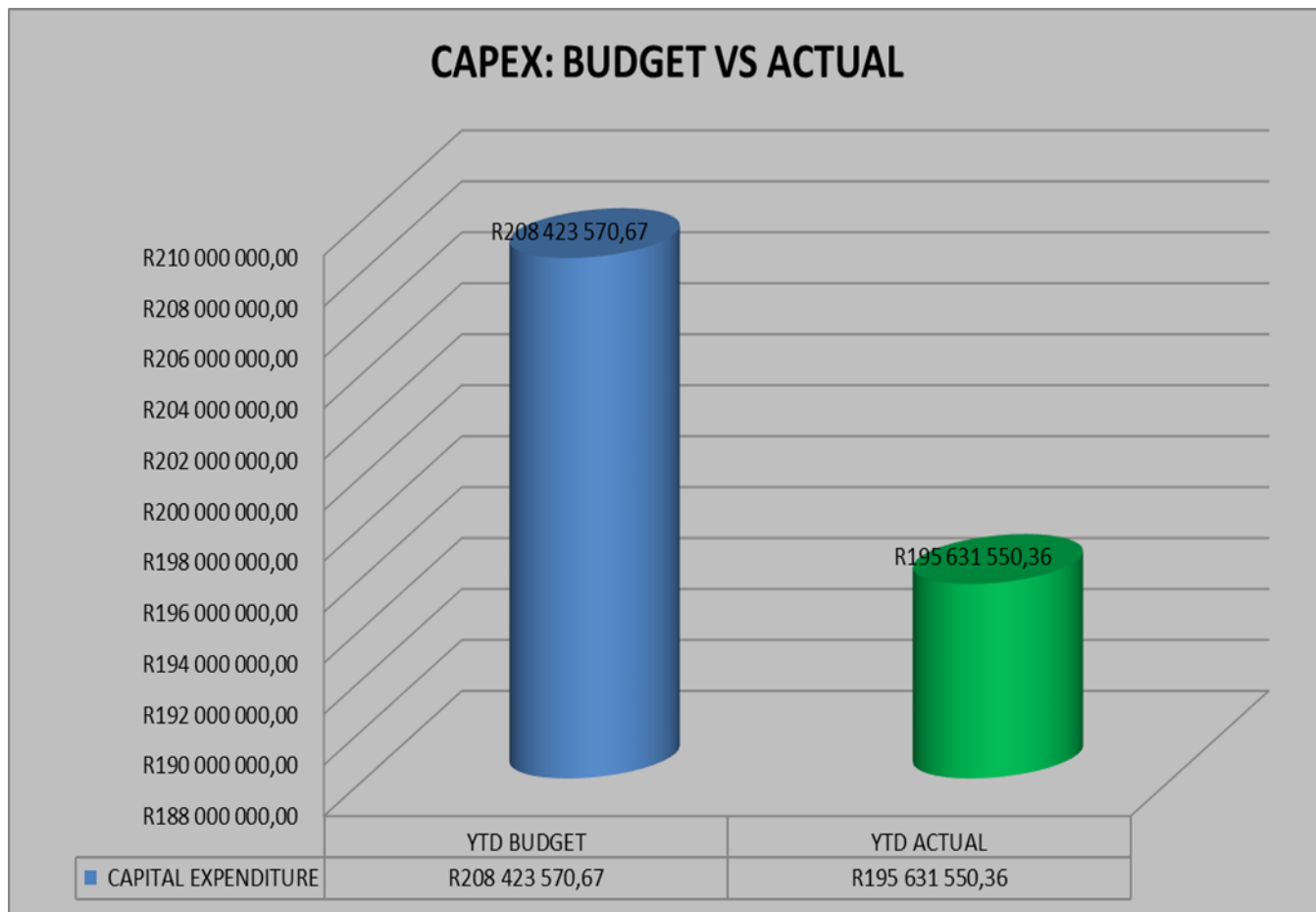
Table C5 below reports on the capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

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	560	-	-	263	(263)	-100%	560
Vote 04 - Summary Corporate Services	3 814	2 350	19 950	-	2 489	5 527	(3 038)	-55%	19 950
Vote 05 - Summary Social Services & Development Planning	-	3 060	11 638	-	7 355	7 139	216	3%	11 638
Vote 06 - Summary Infrastructure Services	223 225	9 026	9 026	(1 933)	12 653	6 017	6 636	110%	9 026
Vote 07 - Summary Water Services	11 855	256 462	271 462	12 756	173 135	173 975	(840)	0%	271 462
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	239 175	271 221	312 635	10 824	195 632	192 921	2 711	1%	312 635
Single Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	1 020	-	-	-	-	-	-	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	-	-
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	1 020	-	-	-	-	-	-	-	-
Total Capital Expenditure	240 195	271 221	312 635	10 824	195 632	192 921	2 711	1%	312 635
Capital Expenditure - Functional Classification									
Governance and administration	4 095	2 964	21 089	-	2 489	6 041	(3 552)	-59%	21 089
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 095	2 964	21 089	-	2 489	6 041	(3 552)	-59%	21 089
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	2 500	11 058	-	7 355	6 762	593	9%	11 058
Community and social services	-	2 500	11 058	-	7 355	6 762	593	9%	11 058
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	1 693	270	-	(1 834)	-	126	(126)	-100%	-
Planning and development	1 693	270	-	(1 834)	-	126	(126)	-100%	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	234 406	265 488	280 488	12 658	185 788	179 992	5 796	3%	280 488
Energy sources	-	-	-	-	-	-	-	-	-
Water management	198 896	220 615	255 851	12 658	174 845	154 124	20 720	13%	255 851
Waste water management	35 511	44 873	24 637	-	10 943	25 868	(14 925)	-58%	24 637
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	240 195	271 221	312 635	10 824	195 632	192 921	2 711	1%	312 635
Funded by:									
National Government	222 832	263 488	263 488	7 976	181 106	175 659	5 447	3%	263 488
Provincial Government	11 855	-	15 000	2 847	4 682	3 000	1 682	56%	15 000
District Municipality	-	-	100	-	-	20	(20)	-100%	100
Transfers recognised - capital	234 687	263 488	278 588	10 824	185 788	178 679	7 109	4%	278 588
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	34 048	-	9 844	14 242	(4 398)	-31%	34 048
Total Capital Funding	240 195	271 221	312 635	10 824	195 632	192 921	2 711	1%	312 635

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 28 February 2021 was R 195, 6m which represents 94% of capital expenditure against year to date budget of R208, 4million. The capital expenditure programme has been improved and therefore the great expenditures reflected on National grant funding.

Table C6 displays the financial position of the municipality as at 28 February 2021.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M08 February

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	4 897	(354 254)	4 897
Call investment deposits	16 967	4 517	11 776	499 972	11 776
Consumer debtors	33 364	33 454	30 939	58 717	30 939
Other debtors	27 538	14 334	22 917	27 506	22 917
Current portion of long-term receivables	-	-	-	-	-
Inventory	267	181	267	267	267
Total current assets	101 841	54 206	70 796	232 208	70 796
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Investments in Associate	-	-	-	-	-
Property, plant and equipment	2 340 494	2 288 618	2 607 055	2 536 126	2 607 055
Biological	-	-	-	-	-
Intangible	875	1 489	1 529	875	1 529
Other non-current assets	0	0	0	0	0
Total non current assets	2 341 369	2 290 106	2 608 585	2 537 001	2 608 585
TOTAL ASSETS	2 443 210	2 344 313	2 679 381	2 769 209	2 679 381
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	4 555	-	(101)	-
Consumer deposits	1 863	1 845	2 008	1 938	2 008
Trade and other payables	107 194	68 734	91 180	126 889	91 180
Provisions	13 294	10 148	13 294	13 294	13 294
Total current liabilities	122 351	85 282	106 482	142 020	106 482
Non current liabilities					
Borrowing	26 469	3 485	16 040	19 718	16 040
Provisions	18 479	24 326	21 385	18 479	21 385
Total non current liabilities	44 948	27 811	37 425	38 197	37 425
TOTAL LIABILITIES	167 300	113 094	143 907	180 217	143 907
NET ASSETS	2 275 910	2 231 219	2 535 474	2 588 993	2 535 474
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	2 275 910	2 231 219	2 535 474	2 588 993	2 535 474
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 275 910	2 231 219	2 535 474	2 588 993	2 535 474

Table C7 below display the Cash Flow Statement for the period ending 28 February 2021.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M08 February

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	47 809	5 244	35 255	27 889	7 367	26%	47 809
Other revenue	11 626	1 107	550	-	479	321	158	49%	550
Transfers and Subsidies - Operational	339 907	387 266	434 549	2 231	332 978	253 487	79 491	31%	434 549
Transfers and Subsidies - Capital	274 335	263 488	278 488	18 000	239 026	162 451	76 575	47%	278 488
Interest	7 257	7 681	5 372	-	1 629	3 134	(1 505)	-48%	5 372
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(447 672)	(439 354)	(466 882)	(41 562)	(304 311)	(272 348)	31 963	-12%	(466 882)
Finance charges	(4 180)	(4 385)	(1 507)	-	(252)	(879)	(627)	71%	(1 507)
Transfers and Grants	(332)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	232 930	269 092	298 379	(16 087)	304 804	174 054	(130 750)	-75%	298 379
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)	(312 635)	(10 824)	(195 826)	(182 371)	13 456	-7%	(312 635)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(279 405)	(271 221)	(312 635)	(10 824)	(195 826)	(182 371)	13 456	-7%	(312 635)
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)	-	(2 217)	(5 682)	(3 466)	61%	(9 741)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(12 528)	(4 555)	(9 741)	-	(2 217)	(5 682)	(3 466)	61%	(9 741)
NET INCREASE/ (DECREASE) IN CASH HELD	(59 003)	(6 685)	(23 997)	(26 910)	106 761	(13 998)			(23 997)
Cash/cash equivalents at beginning:	58 363	12 922	40 671		40 671				
Cash/cash equivalents at month/year end:	(640)	6 237	16 674		147 432	(13 998)			(23 997)

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 28 February 2021.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

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	5 257	4 984	3 233	3 056	3 031	3 074	18 290	103 847	144 772	131 297
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	2 054	1 947	1 263	1 194	1 184	1 201	7 145	40 569	56 557	51 293
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	879	833	540	511	507	514	3 057	17 359	24 200	21 947
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	8 190	7 764	5 037	4 761	4 721	4 789	28 493	161 774	225 529	204 538
2019/20 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	2 921	2 661	1 070	553	530	386	942	3 735	12 796	6 146
Commercial	823	648	398	423	415	531	2 361	9 358	14 956	13 089
Households	4 446	4 456	3 569	3 784	3 776	3 872	25 190	148 681	197 773	185 303
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	8 190	7 764	5 037	4 761	4 721	4 789	28 493	161 774	225 529	204 538

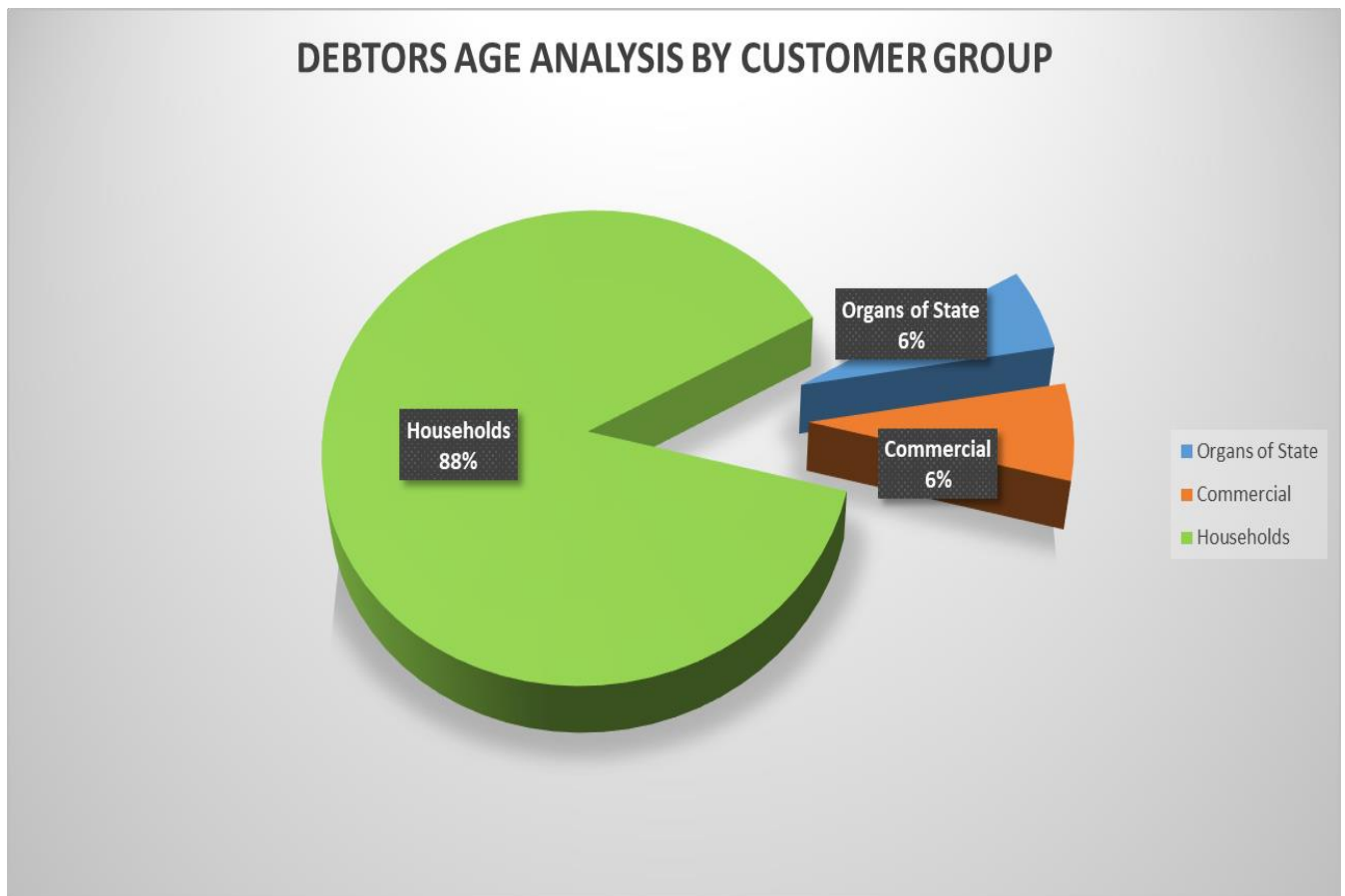
Table 2.1.2: Debtors Age Analysis by Customer Category

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

Chart 2: Debtors Age Analysis by Customer Group

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

- ✓ Households: 88%
- ✓ Government 6%
- ✓ Business 6%



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

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

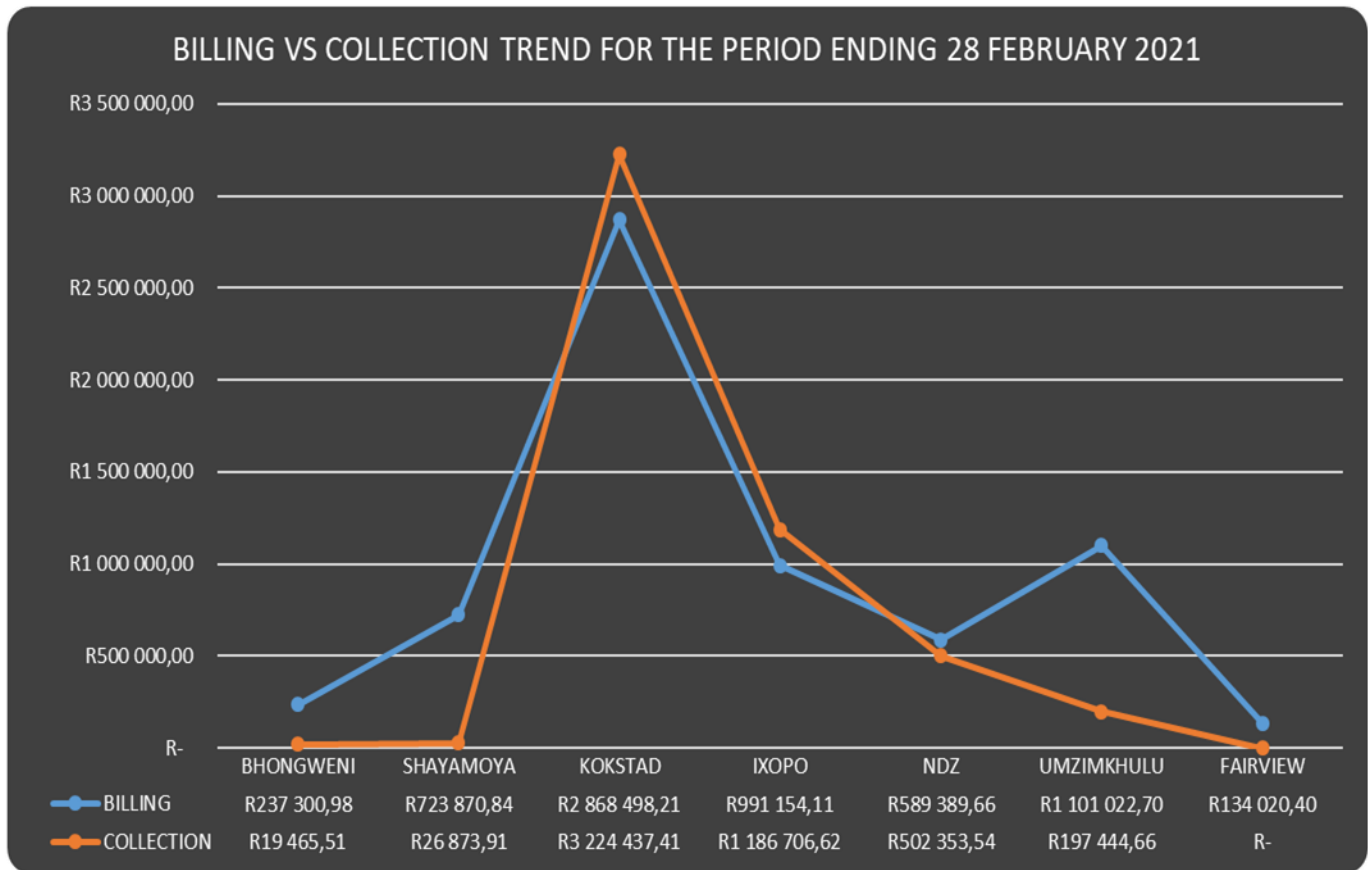
REVENUE RECEIPTS

Revenue receipts per Area

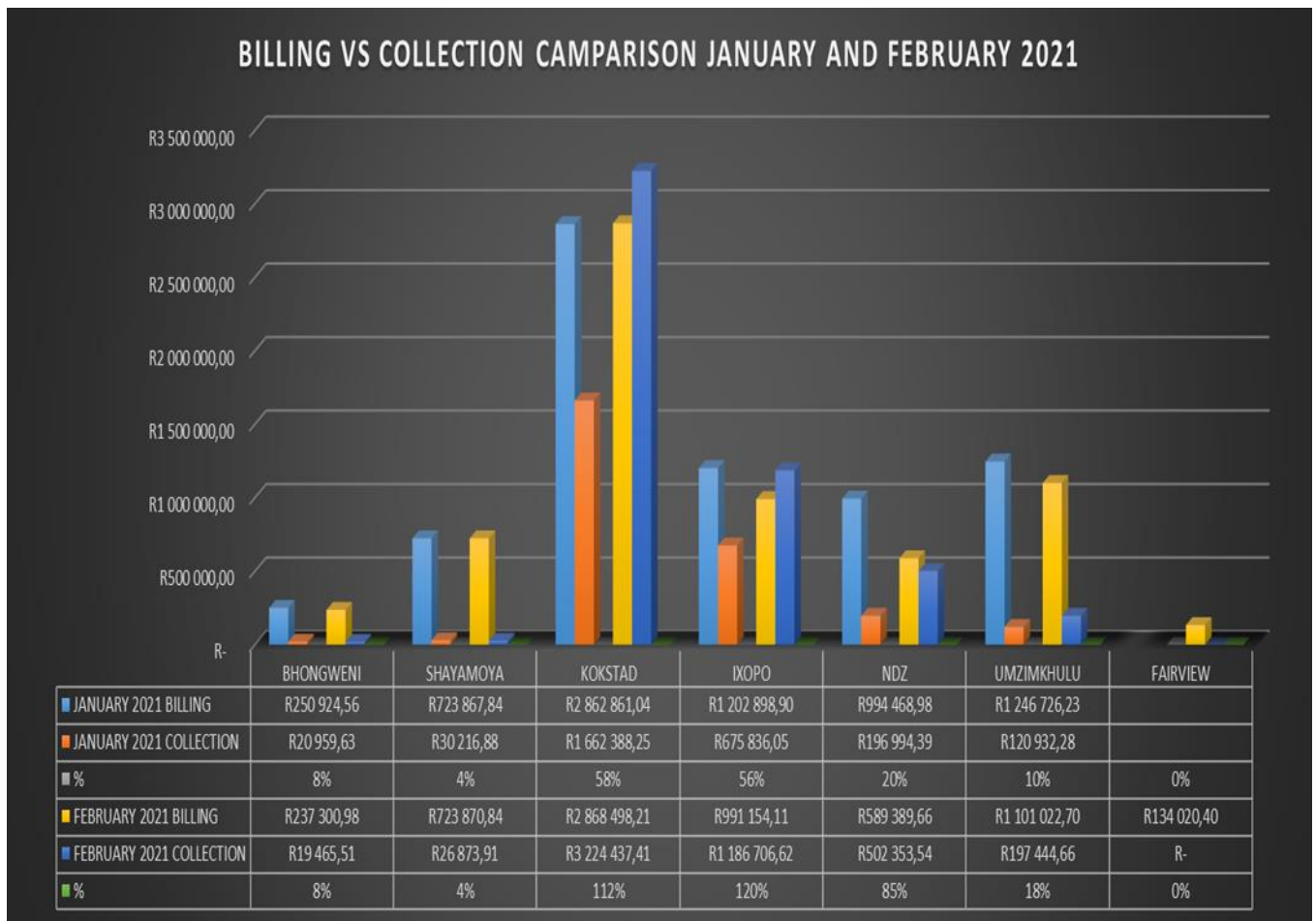
AREA	AMOUNT		
		FEBRUARY 2021	JANUARY 2021
Unallocated receipts	R 87 010,15	2%	2%
Bhongweni	R 19 465,51	0%	1%
Shayamoya	R 26 873,91	1%	1%
Kokstad	R 3 224 437,41	61%	60%
Ixopo	R 1 186 706,62	23%	24%
NDZ	R 502 353.54	10%	7%
Umzimkulu	R 197 444,66	4%	4%
Fairview	R 0,00	0%	0%
TOTAL RECEIPTS INCL VAT	R 5 244 291,80	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 February 2021 is R5, 2million. . The total billing for the period ending 28 February 2021 is R 52, 8million against collection of R 35, 2million representing 67 per cent collection rate.

The chart that follows below shows the comparison between billing and collection trend for the period ending 28 February 2021



The chart that follows below shows the comparison between billing and collection for the period ending 28 February 2021.



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 225 526 234 as at 31 January 2021 compared with the R 221 700 491 as at 31 January 2020. Current debt represent 4% of the total outstanding debt compared with the 4% of January 2020; 30 days and older debt 3% compared with the 3% for January 2020; 60 days and older debt 2% compared with the 2% of January 2020; and 90 days 2% compared with the 2% of January 2020; 120 days to History and older 89% compared with the 89% for January 2020.

Current debt Increased with R 3,825,742 to R 225,526,234 compared with the R 221,700,491 as at 31 January 2020; 30 days + debt increased with R 2,038,106; 60 days + Decreased with R 61,717; 90 days + debt Decreased with R 143,075 and 120 + days and older debt as at 28 February 2021 has Increased with R 2,972,390 to R 199,776,874 compared with the R 196,804,484 as at 31 January 2020.

Debtors age analysis per debtor type

Business debtors owes the municipality R 14,794,354 (7%); Municipal debtors R 1,122,487 (1%); domestic debtors R 185,615,597 (82%); Government accounts R 11,219,179 (5%); Indigent debtors R 8,344,404 (4%) and other debtors R 4,430,212 (2%) of the total outstanding debt of R 225,526,234.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 28 February 2021

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

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	9 290	1 550	981						11 821
Auditor General									-
Other									-
Total By Customer Type	9 290	1 550	981	-	-	-	-	-	11 821

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 28 February 2021.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

Investments by maturity Name of institution & investment ID	Type of Investment	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands									
Municipality									
FIRST NATIONAL BANK	CALL ACCOUNT				35 209	64	(19 252)	-	16 021
FIRST NATIONAL BANK	CALL ACCOUNT				22 789	39	(4 415)	-	18 413
FIRST NATIONAL BANK	ADMIN CALL				97 437	159	(15 097)	680	83 178
INVESTEC	FIXED DEPOSIT				2 160	6	-	-	2 166
FIRST NATIONAL BANK	FIXED DEPOSIT				43	10	(676)	18 000	17 377
FIRST NATIONAL BANK	CALL ACCOUNT				2 353	3	-	-	2 356
FIRST NATIONAL BANK	CALL ACCOUNT				2	-	-	-	2
FIRST NATIONAL BANK	CALL ACCOUNT				3 527	5	-	-	3 532
FIRST NATIONAL BANK	FIXED DEPOSIT				2 442	4	-	673	3 119
CURRENT ACCOUNT					1 048	-	-	219	1 267
Municipality sub-total					167 010	290	(39 440)	19 572	147 432
Entities									
Entities sub-total					-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST					167 010	-	(39 440)	19 572	147 432

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 - M08 February

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:	379 924	385 766	431 049	459	331 634	284 347	47 286	16,6%	431 049
Energy Efficiency and Demand Side Management Grant	7 000	-	-	-	-	-	-	-	-
Equitable Share	345 309	372 340	417 623	-	324 538	275 396	49 142	17,8%	417 623
Expanded Public Works Programme Integrated Grant	5 316	5 195	5 195	395	3 459	3 463	(5)	-0,1%	5 195
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 000	1 000	64	407	667	(260)	-39,0%	1 000
Municipal Disaster Relief Grant	596	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 808	4 986	4 986	-	2 469	3 324	(855)	-25,7%	4 986
Rural Road Asset Management Systems Grant	2 358	2 245	2 245	-	762	1 497	(735)	-49,1%	2 245
Water Services Infrastructure Grant	8 537	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	332	1 500	1 500	-	-	100	(100)	-100,0%	1 500
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	332	1 500	1 500	-	-	100	(100)	-100,0%	1 500
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	17 000	-	-	3 400	(3 400)	-100,0%	17 000
Specify (Add grant description)	-	-	17 000	-	-	3 400	(3 400)	-100,0%	17 000
Other grant providers:	-	-	3 877	-	-	775	(775)	-100,0%	3 877
Chemical Industry Seta	-	-	377	-	-	75	(75)	-100,0%	377
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	3 500	-	-	700	(700)	-100,0%	3 500
Total Operating Transfers and Grants	380 256	387 266	453 426	459	331 634	288 623	43 011	14,9%	453 426
Capital Transfers and Grants									
National Government:	262 515	263 488	263 488	13 728	208 085	175 659	32 426	18,5%	263 488
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	191 052	194 462	194 462	13 334	161 197	129 641	31 556	24,3%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	20 000	9 026	9 026	-	5 549	6 017	(468)	-7,8%	9 026
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 463	60 000	60 000	394	41 338	40 000	1 338	3,3%	60 000
Provincial Government:	5 863	-	15 000	3 274	5 384	3 000	2 384	79,5%	15 000
Specify (Add grant description)	5 863	-	15 000	3 274	5 384	3 000	2 384	79,5%	15 000
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	268 379	263 488	278 488	17 002	213 468	178 659	34 810	19,5%	278 488
TOTAL RECEIPTS OF TRANSFERS & GRANTS	648 634	650 754	731 914	17 461	545 102	467 281	77 821	16,7%	731 914

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 - M08 February

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									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	514 184	467 489	513 604	34 688	252 148	323 748	(71 600)	-22,1%	513 604
Energy Efficiency and Demand Side Management Grant	6 087	-	-	-	-	-	-	-	-
Equitable Share	482 340	454 063	500 290	31 759	247 916	314 820	(66 903)	-21,3%	500 290
Expanded Public Works Programme Integrated Grant	5 218	5 195	5 195	2 815	3 159	3 463	(304)	-8,8%	5 195
Local Government Financial Management Grant	309	1 000	888	114	410	644	(234)	-36,4%	888
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	12 708	4 986	4 986	-	-	3 324	(3 324)	-100,0%	4 986
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 050	2 245	2 245	-	662	1 497	(834)	-55,8%	2 245
Water Services Infrastructure Grant	5 471	-	-	-	-	-	-	-	-
Provincial Government:	-	1 500	-	-	-	100	(100)	-100,0%	-
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	1 500	-	-	-	100	(100)	-100,0%	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	17 480	20 190	-	-	12 195	(12 195)	-100,0%	20 190
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	377	-	-	75	(75)	-100,0%	377
Total operating expenditure of Transfers and Grants:	514 184	468 989	513 604	34 688	252 148	323 848	(71 700)	-22,1%	513 604
Capital expenditure of Transfers and Grants									
National Government:	222 832	263 488	263 488	7 976	181 106	175 659	5 447	3,1%	263 488
Local Government Financial Management Grant	281	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	155 868	194 462	194 462	7 976	140 700	129 641	11 059	8,5%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	19 379	9 026	9 026	-	4 826	6 017	(1 192)	-19,8%	9 026
Water Services Infrastructure Grant	47 304	60 000	60 000	-	35 581	40 000	(4 420)	-11,0%	60 000
Provincial Government:	11 855	-	15 000	2 847	4 682	3 000	1 682	56,1%	15 000
Specify (Add grant description)	11 855	-	15 000	2 847	4 682	3 000	1 682	56,1%	15 000
District Municipality:	-	-	100	-	-	20	(20)	-100,0%	100
Specify (Add grant description)	-	-	100	-	-	20	(20)	-100,0%	100
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	234 687	263 488	278 588	10 824	185 788	178 679	7 109	4,0%	278 588
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	748 871	732 477	792 192	45 512	437 936	502 527	(64 591)	-12,9%	792 192

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 28 February 2021.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

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	6 021	441	3 637	3 880	(243)	-6%	6 021
Pension and UIF Contributions	507	319	370	40	339	241	98	40%	370
Medical Aid Contributions	54	48	48	5	38	32	6	19%	48
Cellphone Allowance	622	440	461	54	459	305	154	51%	461
Other benefits and allowances	1 478	1 367	1 439	100	853	952	(99)	-10%	1 439
Sub Total - Councillors	7 702	8 018	8 339	639	5 325	5 410	(84)	-2%	8 339
% increase		4,1%	8,3%						8,3%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 637	3 719	4 229	336	2 686	2 581	105	4%	4 229
Pension and UIF Contributions	10	10	11	1	7	7	0	4%	11
Medical Aid Contributions	122	117	170	14	114	106	8	7%	170
Performance Bonus	53	56	111	-	55	49	7	14%	111
Motor Vehicle Allowance	928	923	1 052	88	702	708	(6)	-1%	1 052
Cellphone Allowance	108	104	117	10	78	72	6	8%	117
Housing Allowances	160	163	160	13	106	108	(2)	-2%	160
Other benefits and allowances	434	385	459	38	306	287	20	7%	459
Sub Total - Senior Managers of Municipality	5 452	5 478	6 308	500	4 054	3 917	137	4%	6 308
% increase		0,5%	15,7%						15,7%
Other Municipal Staff									
Basic Salaries and Wages	108 070	119 067	127 568	11 316	83 850	79 784	4 066	5%	127 568
Pension and UIF Contributions	16 177	17 188	18 286	1 700	12 566	11 806	760	6%	18 286
Medical Aid Contributions	8 220	8 585	8 728	803	5 952	5 781	172	3%	8 728
Overtime	136	153	111	11	78	94	(16)	-17%	111
Performance Bonus	7 833	7 670	7 211	888	5 174	5 088	86	2%	7 211
Motor Vehicle Allowance	14 366	15 269	16 038	1 358	10 662	10 398	263	3%	16 038
Cellphone Allowance	781	833	802	74	562	549	13	2%	802
Housing Allowances	487	510	548	49	380	347	33	9%	548
Other benefits and allowances	25 941	30 422	19 539	1 779	13 141	18 543	(5 403)	-29%	19 539
Payments in lieu of leave	3 208	780	1 125	121	1 017	1 037	(21)	-2%	1 125
Long service awards	193	1 065	757	51	445	670	(224)	-33%	757
Post-retirement benefit obligations	(461)	3 125	3 125	-	-	2 083	(2 083)	-100%	3 125
Sub Total - Other Municipal Staff	184 950	204 667	203 836	18 150	133 826	136 181	(2 354)	-2%	203 836
% increase		10,7%	10,2%						10,2%
Total Parent Municipality	198 103	218 163	218 484	19 290	143 206	145 507	(2 302)	-2%	218 484
		10,1%	10,3%						10,3%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	249	(249)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	249	(249)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	2 130	1 730	-	-	1 340	(1 340)	-100%	1 730
Sub Total - Senior Managers of Entities	-	2 130	1 730	-	-	1 340	(1 340)	-100%	1 730
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 575	7 675	-	-	5 070	(5 070)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	980	(980)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	320	(320)	-100%	479
Performance Bonus	-	533	533	-	-	355	(355)	-100%	533
Payments in lieu of leave	-	43	43	-	-	28	(28)	-100%	43
Sub Total - Other Staff of Entities	-	10 099	10 199	-	-	6 752	(6 752)	-100%	10 199
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 601	12 301	-	-	8 341	(8 341)	-100%	12 301
TOTAL SALARY, ALLOWANCES & BENEFITS	198 103	230 764	230 785	19 290	143 206	153 848	(10 643)	-7%	230 785
% increase		16,5%	16,5%						16,5%
TOTAL MANAGERS AND STAFF	190 401	222 374	222 074	18 650	137 880	148 190	(10 310)	-7%	222 074

2.6 Material Variances to the SDBIP

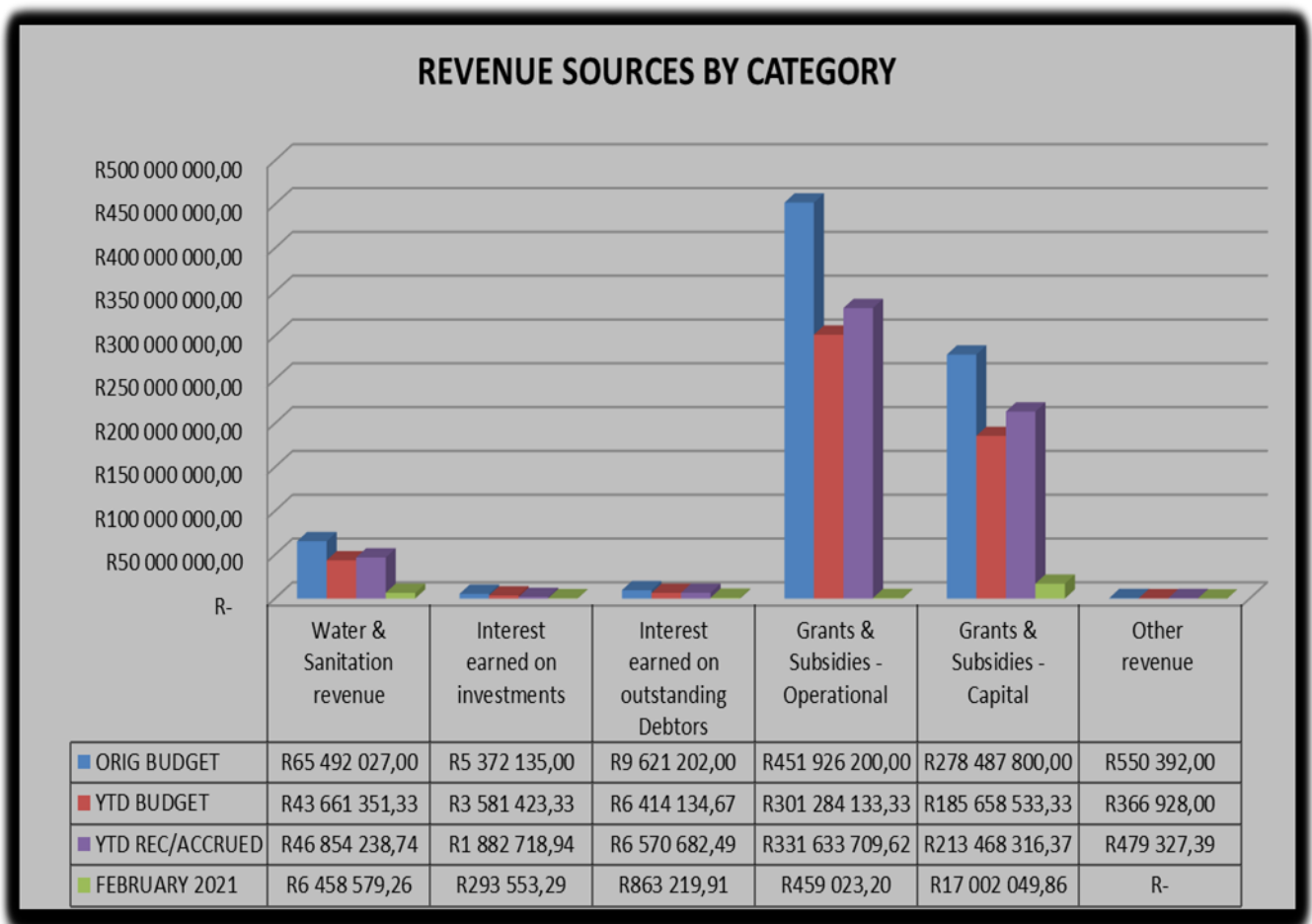
The following section analyses material variances between the actual targets as at 28 February 2021 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 20202021 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 28 February 2021 was R43, 6million against a year to date **budget** of R43, 6million or 107 per cent over performed by 7 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R1, 8million against year to budget of R3, 5m representing 53 per cent of the year to date budget.

Transfers Recognised - Operational

The operational grants revenue of R331, 6million against a year to date budget of R301, 2million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The actual R213, 4million (against a YTD budget of R185, 6million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 115% over performance in Conditional Capital grant funding expenditures.

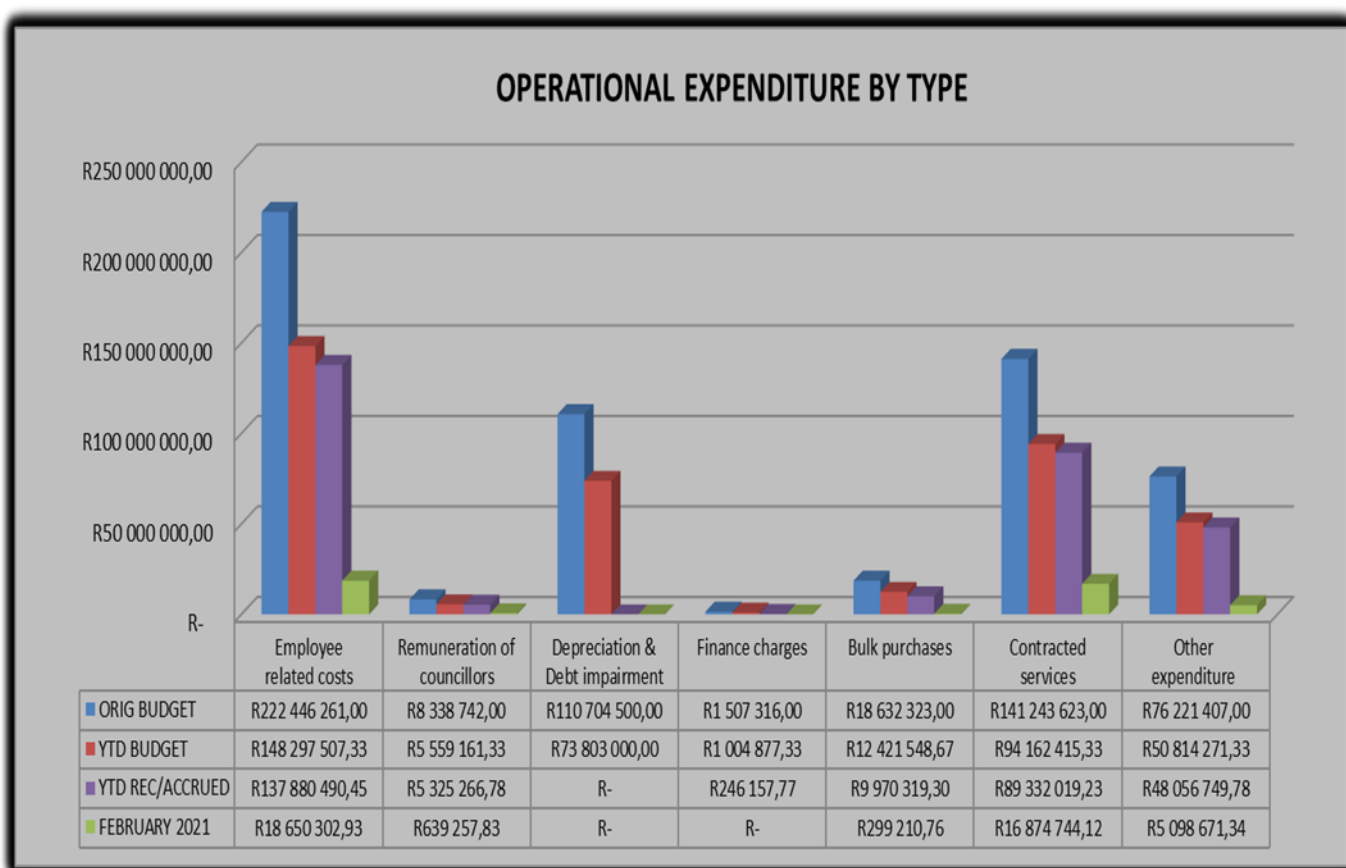
Other Revenue

The YTD performance of other revenue is R479 327 against YTD budget of R 366 928 which demonstrate 131 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 R148, 2million against a YTD actual of R137, 8million.

Remuneration of Councillors

The remuneration of councillor's expenditure as at 28 February 2021 was R5, 3million against a year to budget of R5, 5million.

Finance Charges

The expenditure for finance charges at 28 February is at R 246 158 against year to date budget of R1 million.

Bulk Purchases

The expenditure on Bulk Water purchases has underspent by 20 per cent when relating to the year to date actual of R 9, 9million against year to budget of R 12, 4million.

Contracted Services

The year to date actual for contracted services is R89, 3million against year to date budget of R 94, 1million representing 95 per cent performance.

Other Expenditure

The year to date actual is R48million against year to date budget of R 50, 8million and the expenditure for the month of February 2021 is at R 5million.

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 - M08 February

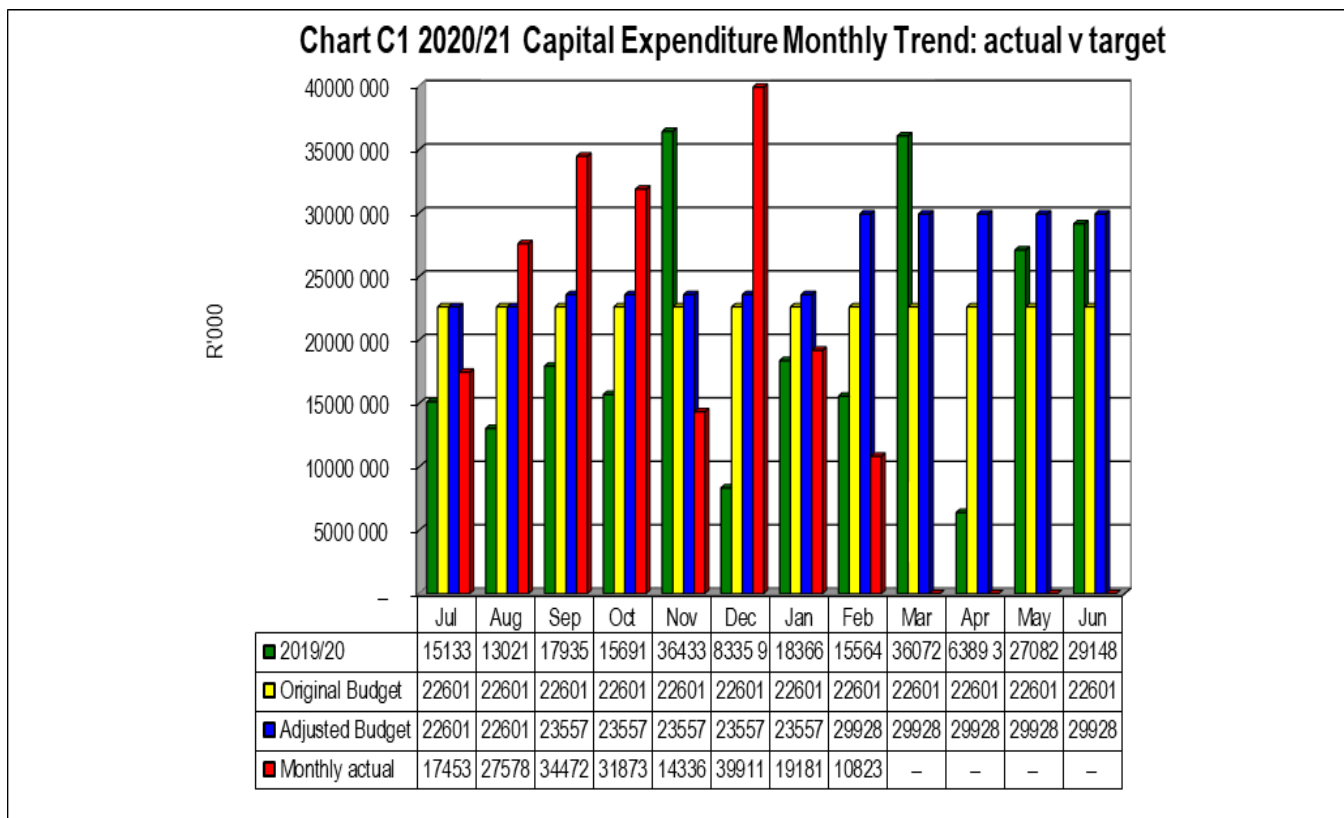
Description	Budget Year 2020/21												2020/21 Medium Term Revenue & Expenditure Framework			
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Budget	April Budget	May Budget	June Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousands																
Cash Receipts By Source																
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2 184	2 215	5 588	4 612	2 170	2 304	1 935	3 671	2 916	2 916	2 916	40	33 466	38 464	40 739	
Service charges - sanitation revenue	936	949	2 395	1 976	930	987	829	1 573	1 230	1 230	1 230	76	14 343	16 485	17 459	
Interest earned - external investments	-	-	732	203	168	46	480	294	448	448	448	2 107	5 372	8 140	8 627	
Transfers and Subsidies - Operational	169 125	2 299	-	-	34	156 985	-	2 231	10 014	10 014	10 014	73 834	434 549	411 458	441 097	
Other revenue	-	209	26	39	94	2 415	-	-	4 193	4 193	4 193	(14 813)	550	1 165	1 224	
Cash Receipts by Source	172 245	5 673	8 741	6 830	3 396	162 737	3 244	7 769	18 801	18 801	18 801	61 244	488 281	475 713	509 146	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	68 000	9 026	30 000	24 000	57 289	90 000	-	18 000	-	-	-	(17 827)	278 488	277 232	293 486	
Proceeds on Disposal of Fixed and Intangible Assets																
Total Cash Receipts by Source	240 245	14 699	38 741	30 830	60 685	252 737	3 244	25 769	18 801	18 801	18 801	43 417	766 769	752 945	802 632	
Cash Payments by Type																
Employee related costs	16 377	16 069	15 673	18 134	17 067	22 915	18 740	18 650	15 400	15 400	15 400	32 621	222 446	232 810	248 842	
Remuneration of councillors	688	627	673	682	712	653	651	639				3 013	8 339	8 579	9 180	
Interest paid	-	-	-	-	-	252	-	-	(496)	(496)	(496)	2 744	1 507	4 595	4 816	
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bulk purchases - Water & Sewer	-	1 896	1 889	1 380	2 302	1 627	576	299	1 553	1 553	1 553	4 004	18 632	19 527	20 464	
Other materials	-	85	729	360	51	2 275	582	85				5 874	10 042	9 432	9 885	
Contracted services	12 933	6 474	17 835	4 846	14 297	14 352	9 705	16 875				43 963	141 278	132 296	138 735	
Grants and subsidies paid - other	-	-	-	-	-	-	-	-				17 000	17 000	-	-	
General expenses	11 578	15 834	4 561	5 384	3 471	10 934	4 194	5 013	56 944	56 944	56 944	(165 656)	66 145	63 093	66 228	
Cash Payments by Type	41 575	40 983	41 361	30 786	37 899	53 008	34 449	41 562	73 401	73 401	73 401	(56 437)	485 390	470 332	498 150	
Other Cash Flows/Payments by Type																
Capital assets	17 453	27 579	34 472	31 874	14 337	40 106	19 182	10 824	26 053	26 053	26 053	38 360	312 346	281 421	299 635	
Repayment of borrowing						2 217						7 524	9 741	1 287	1 365	
Other Cash Flows/Payments																
Total Cash Payments by Type	59 029	68 562	75 833	62 659	52 236	95 331	53 631	52 386	99 454	99 454	99 454	(10 552)	807 476	753 041	799 149	
NET INCREASE/(DECREASE) IN CASH HELD	181 217	(53 863)	(37 092)	(31 829)	8 449	157 406	(50 387)	(26 617)	(80 653)	(80 653)	(80 653)	53 968	(40 708)	(96)	3 483	
Cash/cash equivalents at the month/year beginning:	40 671	-	-	-	-	-	-	-	(243)	(243)	(243)	(80 896)	20 196	6 237	7 646	
Cash/cash equivalents at the month/year end:	221 888	(53 863)	(37 092)	(31 829)	8 449	157 406	(50 387)	(26 617)	(80 896)	(80 896)	(80 896)	(26 928)	(20 511)	6 141	11 129	

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M08 February

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	31 874	111 378	92 319	(19 059)	-20.6%	41%
November	36 434	22 602	23 558	14 337	125 715	115 877	(9 838)	-8.5%	46%
December	8 336	22 602	23 558	39 911	165 626	139 434	(26 192)	-18.8%	61%
January	18 366	22 602	23 558	19 182	184 808	162 992	(21 816)	-13.4%	68%
February	15 564	22 602	29 929	10 824	195 632	192 921	(2 711)	-1.4%	72%
March	36 072	22 602	29 929	-	-	222 849	-	-	-
April	6 389	22 602	29 929	-	-	252 778	-	-	-
May	27 082	22 602	29 929	-	-	282 707	-	-	-
June	29 148	22 602	29 928	-	-	312 635	-	-	-
Total Capital expenditure	239 175	271 221	312 635	195 632					

YTD Capital Budget vs. YTD Capital Expenditure



Capital Expenditure on New Assets by Asset Class

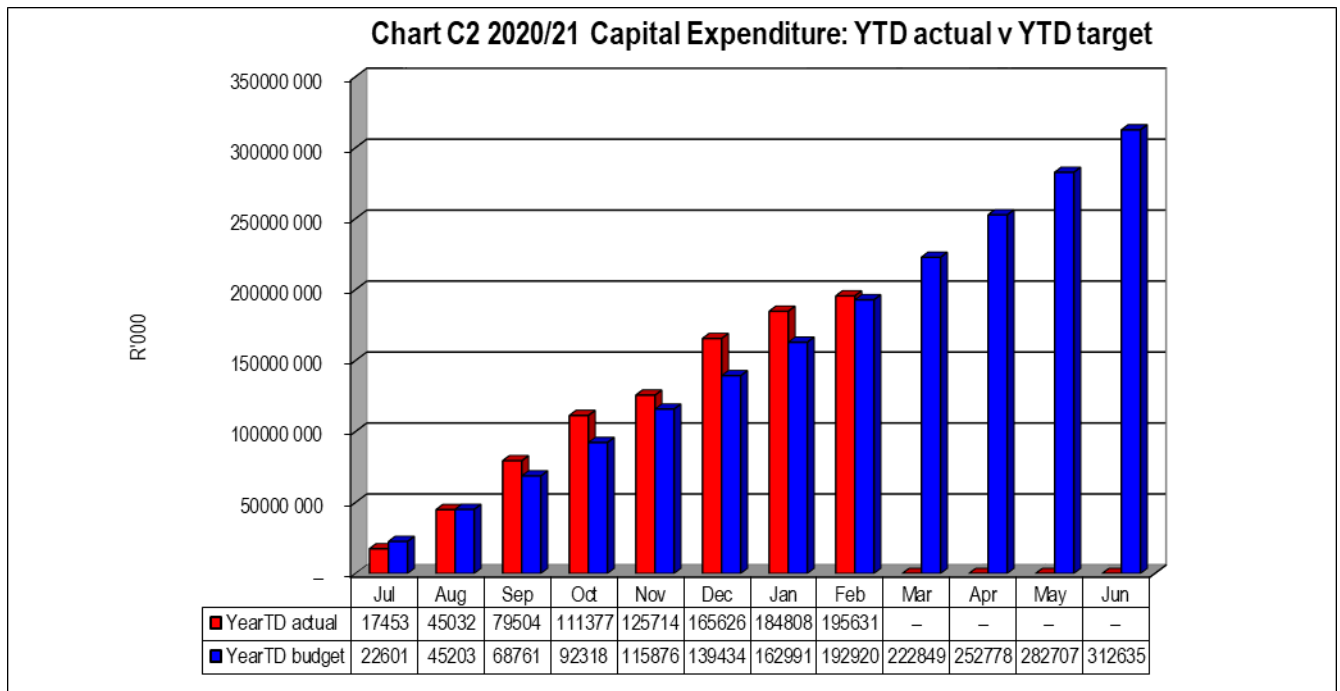
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M08

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	265 488	6 240	172 863	168 847	(4 016)	-2,4%	265 488
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	105 103	213 161	240 851	6 240	168 600	147 645	(20 954)	-14,2%	240 851
Dams and Weirs	32 289	16 526	16 653	-	9 257	11 043	1 786	16,2%	16 653
Boreholes	12 718	31 965	21 901	(1 834)	11 931	18 500	6 570	35,5%	21 901
Reservoirs	15 642	6 900	1 000	-	870	3 420	2 550	74,6%	1 000
Pump Stations	-	21 437	65 051	-	14 485	23 811	9 326	39,2%	65 051
Water Treatment Works	-	12 000	25 080	417	2 663	10 616	7 953	74,9%	25 080
Bulk Mains	20 996	27 669	38 398	5 159	68 593	20 592	(48 001)	-233,1%	38 398
Distribution	23 458	95 963	72 770	2 499	60 802	59 337	(1 465)	-2,5%	72 770
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	700	-	-	-	327	327	100,0%	-
Sanitation Infrastructure	-	34 873	24 637	-	4 263	21 201	16 938	79,9%	24 637
Pump Station	-	8 700	11 300	-	477	6 320	5 843	92,4%	11 300
Reticulation	-	19 506	10 861	-	2 937	11 275	8 338	73,9%	10 861
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	6 667	2 476	-	849	3 606	2 758	76,5%	2 476
Capital Spares	-	-	-	-	-	-	-	-	-
Intangible Assets	-	200	900	-	-	273	273	100,0%	900
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	200	900	-	-	273	273	100,0%	900
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	200	900	-	-	273	273	100,0%	900
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	3 504	1 590	1 779	-	1 566	1 138	(428)	-37,6%	1 779
Computer Equipment	3 504	1 590	1 779	-	1 566	1 138	(428)	-37,6%	1 779
Furniture and Office Equipment	1 264	910	1 710	-	355	887	531	59,9%	1 710
Furniture and Office Equipment	1 264	910	1 710	-	355	887	531	59,9%	1 710
Machinery and Equipment	1 020	484	100	-	-	246	246	100,0%	100
Machinery and Equipment	1 020	484	100	-	-	246	246	100,0%	100
Transport Assets	5 855	2 500	10 958	-	7 355	6 742	(613)	-9,1%	10 958
Transport Assets	5 855	2 500	10 958	-	7 355	6 742	(613)	-9,1%	10 958
Total Capital Expenditure on new assets	116 746	253 717	280 935	6 240	182 139	178 132	(4 007)	-2,2%	280 935

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 - M08

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	6 500	1 834	4 130	1 664	(2 466)	-148,2%	6 500
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	38 675	780	-	-	982	364	(618)	-169,8%	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	780	-	-	-	364	364	100,0%	-
Distribution	38 675	-	-	-	982	-	(982)	#DIV/0!	-
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	38 302	-	6 500	1 834	3 149	1 300	(1 849)	-142,2%	6 500
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	38 302	-	6 500	1 834	3 149	1 300	(1 849)	-142,2%	6 500
Outfall Sewers	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	50	-	-	-	23	23	100,0%	-
Machinery and Equipment	-	50	-	-	-	23	23	100,0%	-
Transport Assets	-	-	16 700	-	568	3 620	3 052	84,3%	16 700
Transport Assets	-	-	16 700	-	568	3 620	3 052	84,3%	16 700
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	76 976	830	23 200	1 834	4 698	5 307	609	11,5%	23 200



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 February 2021 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_____