

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 January 2021.

9/1/2021

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 31 January 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,

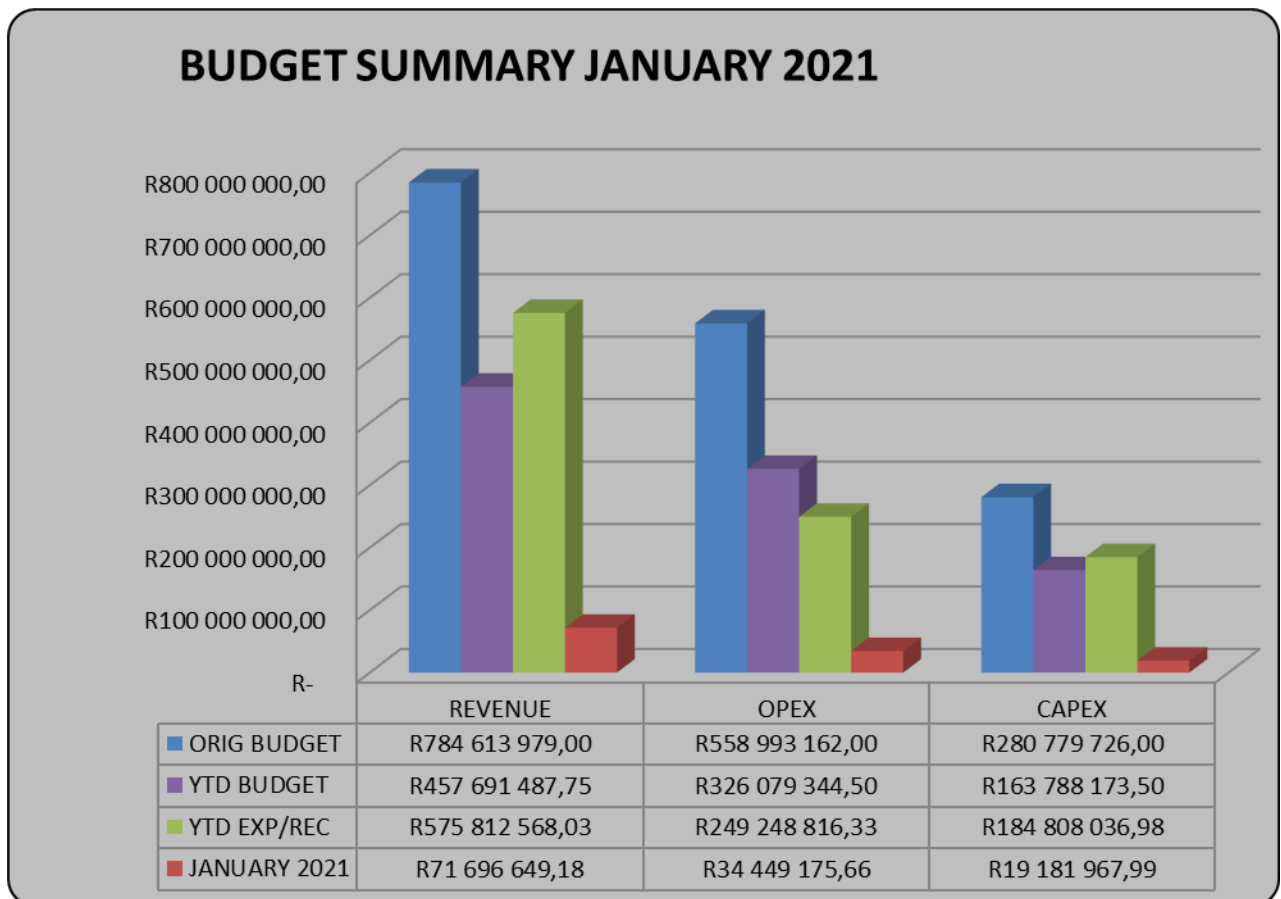
- Revenue
- Operational, and
- Capital Budgets

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 31 January 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 January 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 - M07 January

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	7 046	40 396	41 446	(1 050)	-3%	71 050
Investment revenue	6 196	7 681	7 681	480	1 629	4 481	(2 852)	-64%	7 681
Transfers and subsidies	380 256	387 266	431 049	3 841	331 175	251 445	79 729	32%	431 049
Other own revenue	15 464	11 345	11 345	897	6 370	6 618	(248)	-4%	11 345
Total Revenue (excluding capital transfers and contributions)	472 379	477 343	521 126	12 263	379 569	303 990	75 579	25%	521 126
Employee costs	190 401	222 746	222 746	18 740	124 974	129 935	(4 961)	-4%	222 746
Remuneration of Councillors	7 702	8 018	8 018	651	4 686	4 677	9	0%	8 018
Depreciation & asset impairment	71 944	84 249	84 249	-	272	49 145	(48 873)	-99%	84 249
Finance charges	4 284	4 385	4 385	-	252	2 558	(2 306)	-90%	4 385
Materials and bulk purchases	28 232	27 745	28 745	1 159	13 753	16 768	(3 015)	-18%	28 745
Transfers and subsidies	14 000	-	-	-	-	-	-	-	-
Other expenditure	243 894	207 401	210 851	13 900	105 256	122 996	(17 740)	-14%	210 851
Total Expenditure	560 458	554 543	558 993	34 449	249 194	326 079	(76 886)	-24%	558 993
Surplus/(Deficit)	(88 079)	(77 200)	(37 867)	(22 186)	130 375	(22 089)	152 464	-690%	(37 867)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	263 488	59 433	196 466	153 701	42 765	28%	263 488
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	5 863	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	180 299	186 288	225 621	37 247	326 841	131 612	195 229	148%	225 621
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	180 299	186 288	225 621	37 247	326 841	131 612	195 229	148%	225 621
Capital expenditure & funds sources									
Capital expenditure	240 195	271 221	280 780	19 182	185 003	163 788	21 215	13%	280 780
Capital transfers recognised	234 687	263 488	263 488	18 562	174 964	153 701	21 263	14%	263 488
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	17 292	620	10 039	10 087	(48)	-0%	17 292
Total sources of capital funds	240 195	271 221	280 780	19 182	185 003	163 788	21 215	13%	280 780
Financial position									
Total current assets	101 841	54 206	101 768		270 584				101 768
Total non current assets	2 341 369	2 290 106	2 576 729		2 526 178				2 576 729
Total current liabilities	122 351	85 282	105 190		158 094				105 190
Total non current liabilities	44 948	27 811	37 425		38 303				37 425
Community wealth/Equity	2 330 681	2 231 219	2 496 549		2 587 474				2 496 549
Cash flows									
Net cash from (used) operating	232 930	269 092	291 320	(31 205)	313 559	169 937	(143 622)	-85%	291 320
Net cash from (used) investing	(279 405)	(271 221)	(280 780)	(19 182)	(185 003)	(163 788)	21 215	-13%	(280 780)
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	41 471	-	167 010	467	(166 544)	-35700%	800
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	9 167	5 726	5 099	4 904	4 969	4 443	29 058	158 334	221 700
Creditors Age Analysis									
Total Creditors	-	343	1 865	-	-	-	-	-	2 207

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) - M07 January

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									
Governance and administration	368 076	391 887	437 170	633	327 016	255 016	72 001	28%	437 170
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	368 076	391 887	437 170	633	327 016	255 016	72 001	28%	437 170
Internal audit	-	-	-	-	-	-	-	-	-
Economic and environmental services	7 928	6 966	5 466	2 469	2 508	3 189	(680)	-21%	5 466
Planning and development	7 928	6 966	5 466	2 469	2 508	3 189	(680)	-21%	5 466
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	364 753	341 978	341 978	68 595	246 327	199 487	46 840	23%	341 978
Energy sources	-	-	-	-	-	-	-	-	-
Water management	348 448	321 468	321 468	64 838	234 320	187 523	46 797	25%	321 468
Waste water management	16 305	20 510	20 510	3 757	12 007	11 964	43	0%	20 510
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	740 757	740 831	784 614	71 697	575 852	457 691	118 161	26%	784 614
Expenditure - Functional									
Governance and administration	251 148	240 522	244 816	18 795	115 043	142 809	(27 766)	-19%	244 816
Executive and council	18 818	24 234	24 234	5 830	15 076	14 137	939	7%	24 234
Finance and administration	222 531	208 209	212 504	12 434	95 428	123 960	(28 533)	-23%	212 504
Internal audit	9 799	8 078	8 078	530	4 540	4 712	(172)	-4%	8 078
Community and public safety	16 687	18 788	18 788	1 619	9 287	10 960	(1 673)	-15%	18 788
Community and social services	16 687	18 788	18 788	1 619	9 287	10 960	(1 673)	-15%	18 788
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	139 476	148 577	147 377	2 566	29 306	85 970	(56 663)	-66%	147 377
Planning and development	139 476	148 577	147 377	2 566	29 306	85 970	(56 663)	-66%	147 377
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	153 146	146 657	148 012	11 470	95 557	86 340	9 217	11%	148 012
Energy sources	-	-	-	-	-	-	-	-	-
Water management	150 572	145 857	147 212	11 410	95 105	85 874	9 231	11%	147 212
Waste water management	2 574	800	800	59	452	467	(14)	-3%	800
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	560 458	554 543	558 993	34 449	249 194	326 079	(76 886)	-24%	558 993
Surplus/ (Deficit) for the year	180 299	186 288	225 621	37 247	326 658	131 612	195 046	148%	225 621

This table assess the revenue by department and then the expenditure for the period ending 31 January 2021. Revenue receipts in January have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of January is 3%.

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, 4m.

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

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

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	366 522	391 887	437 170	633	326 975	255 016	71 959	28,2%	437 170
Vote 04 - Summary Corporate Services	1 447	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	928	6 966	5 466	2 469	2 508	3 189	(680)	-21,3%	5 466
Vote 06 - Summary Infrastructure Services	287 979	270 928	270 928	58 775	199 959	158 041	41 918	26,5%	270 928
Vote 07 - Summary Water Services	83 881	71 050	71 050	9 819	46 410	41 446	4 964	12,0%	71 050
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	740 757	740 831	784 614	71 697	575 852	457 691	118 161	25,8%	784 614
Expenditure by Vote									
Vote 01 - Summary Council	10 296	15 677	15 677	1 403	8 422	9 145	(723)	-7,9%	15 677
Vote 02 - Summary Municipal Manager	18 321	16 635	16 635	4 957	11 193	9 704	1 489	15,3%	16 635
Vote 03 - Summary Budget And Treasury Office	99 612	84 548	84 548	3 702	26 684	49 320	(22 636)	-45,9%	84 548
Vote 04 - Summary Corporate Services	84 939	81 310	81 760	5 414	44 594	47 693	(3 099)	-6,5%	81 760
Vote 05 - Summary Social Services & Development Planning	49 942	58 793	57 293	2 831	26 515	33 421	(6 906)	-20,7%	57 293
Vote 06 - Summary Infrastructure Services	114 515	112 989	113 289	1 704	14 522	66 085	(51 563)	-78,0%	113 289
Vote 07 - Summary Water Services	182 831	184 590	189 790	14 438	117 263	110 711	6 552	5,9%	189 790
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	560 458	554 543	558 993	34 449	249 194	326 079	(76 886)	-23,6%	558 993
Surplus/ (Deficit) for the year	180 299	186 288	225 621	37 247	326 658	131 612	195 046	148,2%	225 621

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 January 2021.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - water revenue	54 157	50 540	50 540	5 691	32 332	29 482	2 850	10%	50 540
Service charges - sanitation revenue	16 305	20 510	20 510	1 355	8 064	11 964	(3 900)	-33%	20 510
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	6 196	7 681	7 681	480	1 629	4 481	(2 852)	-64%	7 681
Interest earned - outstanding debtors	12 632	10 238	10 238	897	5 707	5 972	(265)	-4%	10 238
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	183	-	183	#DIV/0!	-
Transfers and subsidies	380 256	387 266	431 049	3 841	331 175	251 445	79 729	32%	431 049
Other revenue	1 770	1 107	1 107	-	479	646	(167)	-26%	1 107
Gains	1 062	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	472 379	477 343	521 126	12 263	379 569	303 990	75 579	25%	521 126
Expenditure By Type									
Employee related costs	190 401	222 746	222 746	18 740	124 974	129 935	(4 961)	-4%	222 746
Remuneration of councillors	7 702	8 018	8 018	651	4 686	4 677	9	0%	8 018
Debt impairment	43 060	26 556	26 556	-	-	15 491	(15 491)	-100%	26 556
Depreciation & asset impairment	71 944	84 249	84 249	-	272	49 145	(48 873)	-99%	84 249
Finance charges	4 284	4 385	4 385	-	252	2 558	(2 306)	-90%	4 385
Bulk purchases	22 833	18 632	18 632	576	9 671	10 869	(1 198)	-11%	18 632
Other materials	5 400	9 113	10 113	582	4 082	5 899	(1 817)	-31%	10 113
Contracted services	142 512	118 356	120 806	9 705	72 949	70 470	2 479	4%	120 806
Transfers and subsidies	14 000	-	-	-	-	-	-	-	-
Other expenditure	55 607	62 488	63 488	4 194	32 307	37 035	(4 728)	-13%	63 488
Losses	2 714	-	-	-	-	-	-	-	-
Total Expenditure	560 458	554 543	558 993	34 449	249 194	326 079	(76 886)	-24%	558 993
Surplus/(Deficit)	(88 079)	(77 200)	(37 867)	(22 186)	130 375	(22 089)	152 464	(0)	(37 867)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	263 488	59 433	196 466	153 701	42 765	0	263 488
Transfers and subsidies - capital (in-kind - all)	5 863	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	180 299	186 288	225 621	37 247	326 841	131 612			225 621
Taxation									
Surplus/(Deficit) after taxation	180 299	186 288	225 621	37 247	326 841	131 612			225 621
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	180 299	186 288	225 621	37 247	326 841	131 612			225 621
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	180 299	186 288	225 621	37 247	326 841	131 612			225 621

Capital Expenditure

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

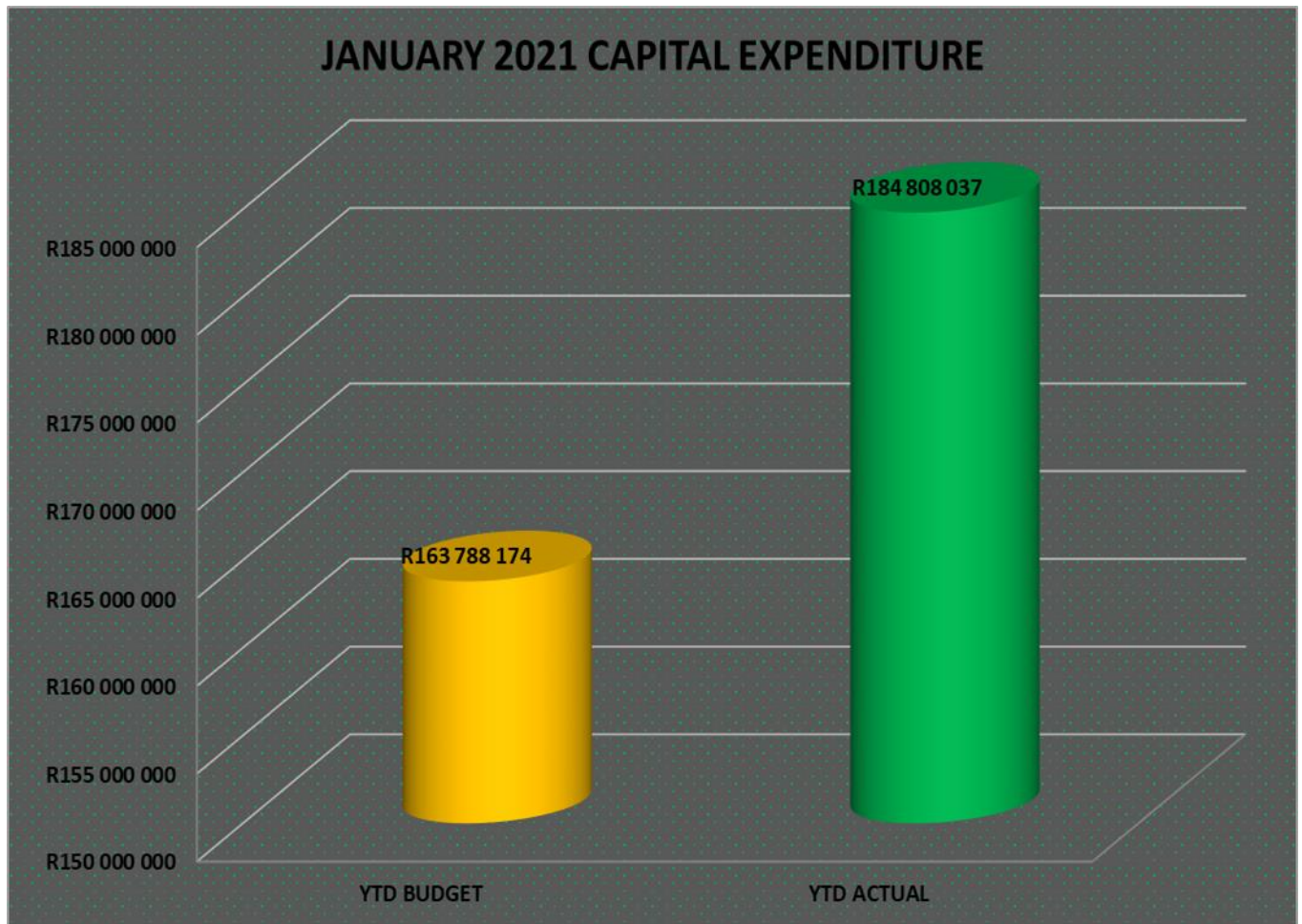
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	281	324	324	-	-	189	(189)	-100%	324
Vote 04 - Summary Corporate Services	3 814	2 350	3 450	620	2 489	2 013	476	24%	3 450
Vote 05 - Summary Social Services & Development Planning	-	3 060	11 518	-	7 550	6 719	831	12%	11 518
Vote 06 - Summary Infrastructure Services	223 225	9 026	9 026	1 474	14 585	5 265	9 320	177%	9 026
Vote 07 - Summary Water Services	11 855	256 462	256 462	17 088	160 379	149 603	10 776	7%	256 462
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	239 175	271 221	280 780	19 182	185 003	163 788	21 215	13%	280 780
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	280 780	19 182	185 003	163 788	21 215	13%	280 780
Capital Expenditure - Functional Classification									
Governance and administration	4 095	2 964	4 064	620	2 489	2 370	118	5%	4 064
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 095	2 964	4 064	620	2 489	2 370	118	5%	4 064
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	2 500	10 958	-	7 355	6 392	963	15%	10 958
Community and social services	-	2 500	10 958	-	7 355	6 392	963	15%	10 958
Sport and recreation	-	-	-	-	-	-	-	-	-
Economic and environmental services	1 693	270	270	1 834	2 029	158	1 872	1188%	270
Planning and development	1 693	270	270	1 834	2 029	158	1 872	1188%	270
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	234 406	265 488	265 488	16 727	173 130	154 868	18 262	12%	265 488
Energy sources	-	-	-	-	-	-	-	-	-
Water management	198 896	220 615	220 615	14 779	162 187	128 692	33 495	26%	220 615
Waste water management	35 511	44 873	44 873	1 949	10 943	26 176	(15 233)	-58%	44 873
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	240 195	271 221	280 780	19 182	185 003	163 788	21 215	13%	280 780
Funded by:									
National Government	222 832	263 488	263 488	16 727	173 130	153 701	19 429	13%	263 488
Provincial Government	11 855	-	-	1 834	1 834	-	1 834	#DIV/0!	-
Transfers recognised - capital	234 687	263 488	263 488	18 562	174 964	153 701	21 263	14%	263 488
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	17 292	620	10 039	10 087	(48)	0%	17 292
Total Capital Funding	240 195	271 221	280 780	19 182	185 003	163 788	21 215	13%	280 780

References

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 January 2021 was R 184, 78 which represents 113% of capital expenditure against year to date budget of R163, 7million. 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 31 January 2021.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M07 January

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	23 704	1 720	23 308	(289 108)	23 308
Call investment deposits	16 967	4 517	18 163	472 067	18 163
Consumer debtors	33 364	33 454	37 114	54 879	37 114
Other debtors	27 538	14 334	22 917	32 478	22 917
Current portion of long-term receivables	-	-	-	-	-
Inventory	267	181	267	267	267
Total current assets	101 841	54 206	101 768	270 584	101 768
Non current assets					
Investments in Associate	-	-	-	-	-
Property, plant and equipment	2 340 494	2 288 618	2 575 900	2 525 302	2 575 900
Biological	-	-	-	-	-
Intangible	875	1 489	829	875	829
Other non-current assets	0	0	0	0	0
Total non current assets	2 341 369	2 290 106	2 576 729	2 526 178	2 576 729
TOTAL ASSETS	2 443 210	2 344 313	2 678 497	2 796 761	2 678 497
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	4 555	-	(93)	-
Consumer deposits	1 863	1 845	2 008	1 925	2 008
Trade and other payables	107 194	68 734	89 888	142 967	89 888
Provisions	13 294	10 148	13 294	13 294	13 294
Total current liabilities	122 351	85 282	105 190	158 094	105 190
Non current liabilities					
Borrowing	26 469	3 485	16 040	19 824	16 040
Provisions	18 479	24 326	21 385	18 479	21 385
Total non current liabilities	44 948	27 811	37 425	38 303	37 425
TOTAL LIABILITIES	167 300	113 094	142 615	196 397	142 615
NET ASSETS	2 275 910	2 231 219	2 535 882	2 600 365	2 535 882
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	2 275 910	2 231 219	2 535 882	2 600 365	2 535 882
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 275 910	2 231 219	2 535 882	2 600 365	2 535 882

Table C7 below display the Cash Flow Statement for the period ending 31 January 2021.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M07 January

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates							-		
Service charges	51 990	53 288	46 183	2 764	30 011	26 940	3 071	11%	46 183
Other revenue	11 626	1 107	7 732	-	479	4 511	(4 031)	-89%	7 732
Transfers and Subsidies - Operational	339 907	387 266	431 049	-	330 747	251 445	79 302	32%	431 049
Transfers and Subsidies - Capital	274 335	263 488	263 488	-	221 026	153 701	67 325	44%	263 488
Interest	7 257	7 681	7 681	480	1 629	4 481	(2 852)	-64%	7 681
Dividends							-		
Payments									
Suppliers and employees	(447 672)	(439 354)	(460 428)	(34 449)	(270 081)	(268 583)	1 498	-1%	(460 428)
Finance charges	(4 180)	(4 385)	(4 385)	-	(252)	(2 558)	(2 306)	90%	(4 385)
Transfers and Grants	(332)	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	232 930	269 092	291 320	(31 205)	313 559	169 937	(143 622)	-85%	291 320
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)	(280 780)	(19 182)	(185 003)	(163 788)	21 215	-13%	(280 780)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(279 405)	(271 221)	(280 780)	(19 182)	(185 003)	(163 788)	21 215	-13%	(280 780)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	(12 528)	(4 555)	(9 741)	-	(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)	800	(50 387)	126 339	467			800
Cash/cash equivalents at beginning:	58 363	12 922	40 671		40 671				
Cash/cash equivalents at month/year end:	(640)	6 237	41 471		167 010	467			800

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 January 2021.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

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	5 885	3 676	3 273	3 148	3 190	2 852	18 653	101 638	142 315	129 481
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	2 299	1 436	1 279	1 230	1 246	1 114	7 287	39 706	55 597	50 583
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	984	614	547	526	533	477	3 118	16 990	23 789	21 644
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	9 167	5 726	5 099	4 904	4 969	4 443	29 058	158 334	221 700	201 708
2019/20 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	3 695	1 602	725	629	489	219	890	3 601	11 851	5 828
Commercial	894	473	506	442	562	375	2 484	9 114	14 850	12 977
Households	4 578	3 651	3 868	3 833	3 917	3 849	25 684	145 619	195 000	182 903
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	9 167	5 726	5 099	4 904	4 969	4 443	29 058	158 334	221 700	201 708

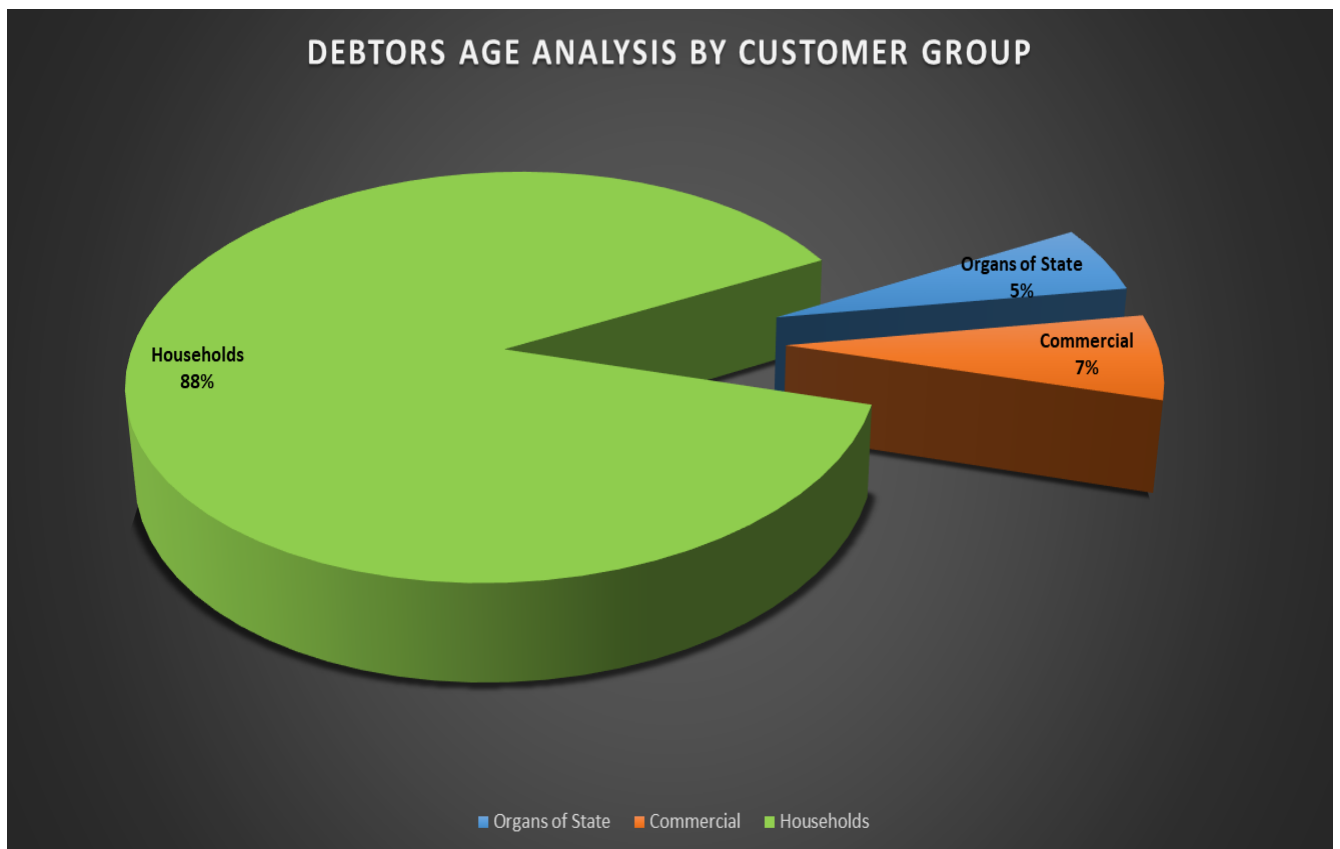
Table 2.1.2: Debtors Age Analysis by Customer Category

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 5%
- ✓ 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

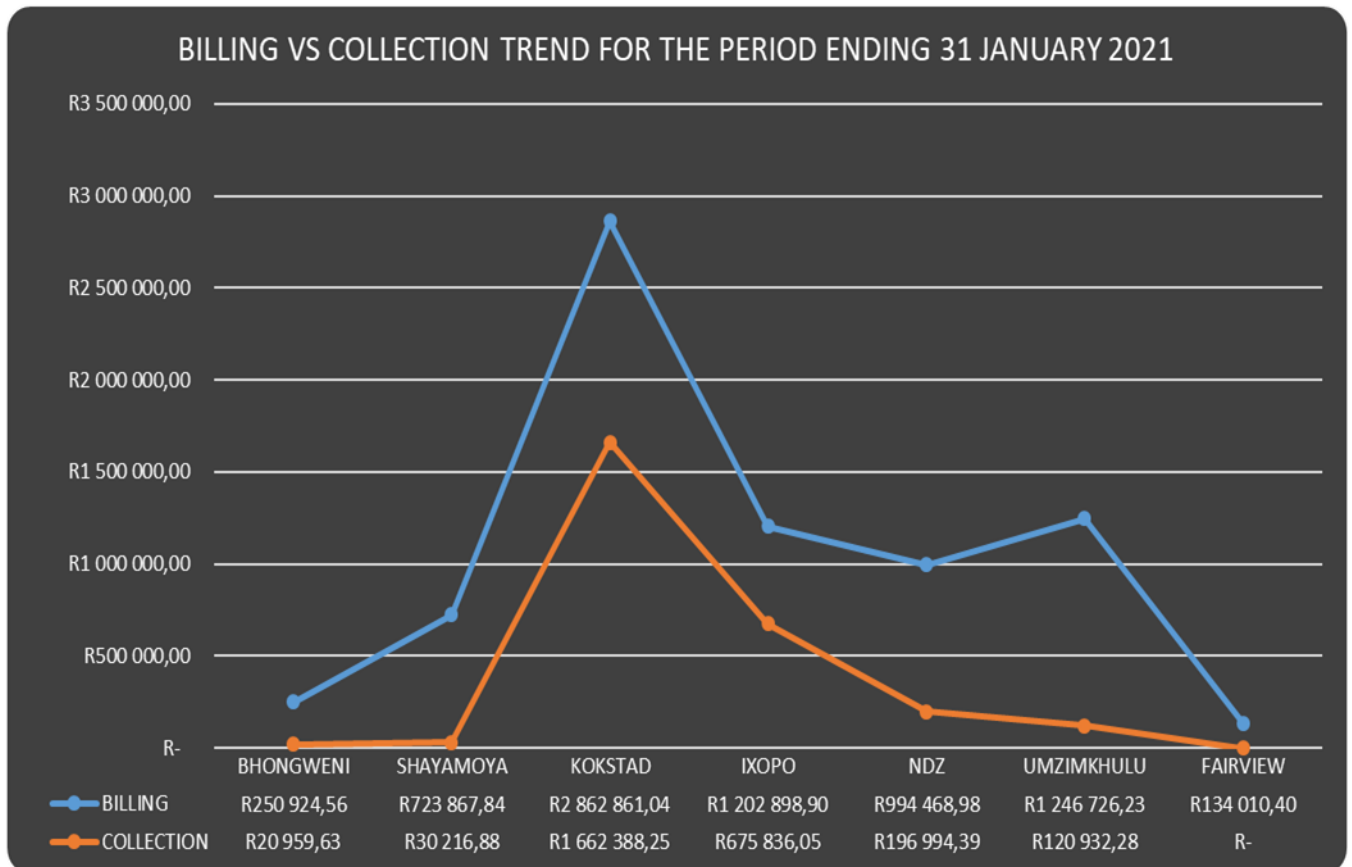
REVENUE RECEIPTS

Revenue receipts per Area

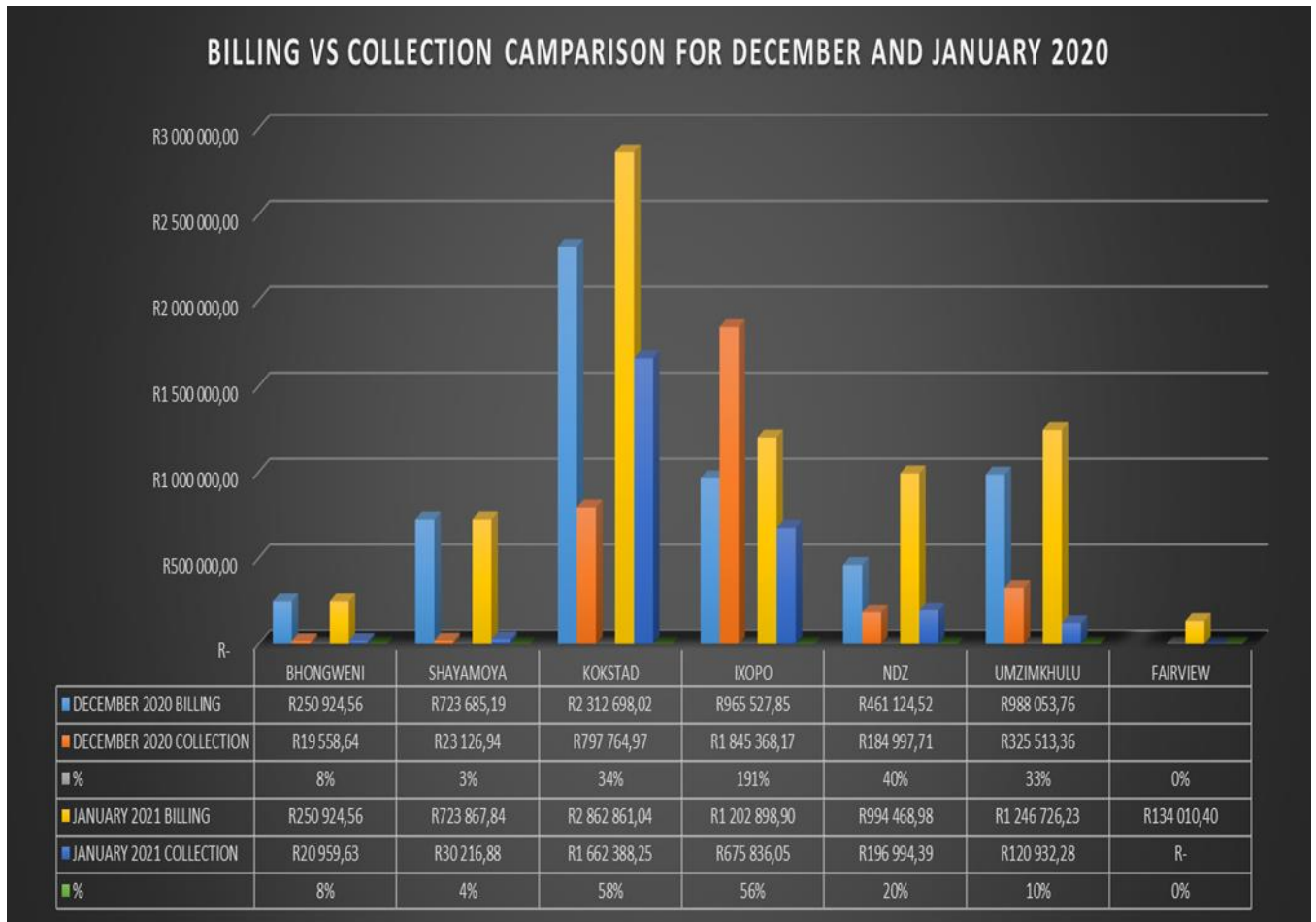
AREA	AMOUNT		
		JANUARY 2021	DECEMBER 2020
Unallocated receipts	R 56 834,12	2%	49%
Bhongweni	R 20 959,63	1%	1%
Shayamoya	R 30 216,88	1%	0%
Kokstad	R 1 662 388,25	60%	24%
Ixopo	R 675 836,05	24%	10%
NDZ	R 196 994,00	7%	11
Umzimkulu	R 120 932,28	4%	5%
Fairview	R 0,00	0%	0%
TOTAL RECEIPTS INCL VAT	R 2 764 161,60	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 January 2021 is R3million. The total billing for the period ending 31 January 2021 is R 46, 1million against collection of R 30million representing 65 per cent collection rate

The chart that follows below shows the comparison between billing and collection trend for the period ending 31 January 2021



The chart that follows below shows the comparison between billing and collection for the period ending 31 January 2021.



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 221 700 491 as at 31 January 2021 compared with the R 217 991 815 as at 31 December 2020. Current debt represent 4% of the total outstanding debt compared with the 3% of December 2020; 30 days and older debt 3% compared with the 3% for December 2020; 60 days and older debt 2% compared with the 3% of December 2020; and 90 days 2% compared with the 2% of December 2020; 120 days to History and older 89% compared with the 88% for December 2020.

Current debt Increased with R 3,708,676 to R 221,700,491 compared with the R 217,991,815 as at 31 December 2020; 30 days + debt Decreased with R 1,004,124; 60 days + Decreased with R 1,124,662; 90 days + debt Decreased with R 217,806 and 120 + days and older debt as at 31 December 2020 has Increased with R 3,885,943 to R 196,804,484 compared with the R 192,918,541 as at 31 December 2020.

Debtors age analysis per debtor type

Business debtors owes the municipality R 14,673,193 (7%); Municipal debtors R 1,060,568 (1%); domestic debtors R 183,211,253 (83%); Government accounts R 10,341,399 (5%); Indigent debtors R 8,032,501 (4%) and other debtors R 4,381,577 (2%) of the total outstanding debt of R 221,700,491.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 January 2021

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

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		343	1 865						2 207
Auditor General									-
Other									-
Total By Customer Type	-	343	1 865	-	-	-	-	-	2 207

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 January 2021.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID	Type of Investment	Interest Rate *	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					49 466	81	(14 337)		35 209
FIRST NATIONAL BANK	CALL ACCOUNT					26 835	43	(4 089)		22 789
FIRST NATIONAL BANK	ADMIN CALL					109 011	177	(11 752)		97 437
INVESTEC	FIXED DEPOSIT					2 154	6	-		2 160
FIRST NATIONAL BANK	FIXED DEPOSIT					42	1	-		43
FIRST NATIONAL BANK	CALL ACCOUNT					2 349	4	-		2 353
FIRST NATIONAL BANK	CALL ACCOUNT					2	-	-		2
FIRST NATIONAL BANK	CALL ACCOUNT					3 521	6	-		3 527
FIRST NATIONAL BANK	FIXED DEPOSIT					2 438	4	-		2 442
CURRENT ACCOUNT						1 789		(741)	-	1 048
Municipality sub-total						197 607	321	(30 919)	-	167 010
TOTAL INVESTMENTS AND INTEREST						197 607		(30 919)	-	167 010

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 - M07 January

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	3 841	331 175	247 672	83 503	33,7%	431 049
Energy Efficiency and Demand Side Management Grant	7 000	-	-	-	-	-	-		-
Equitable Share	345 309	372 340	417 623	-	324 538	239 840	84 698	35,3%	417 623
Expanded Public Works Programme Integrated Grant	5 316	5 195	5 195	892	3 063	3 030	33	1,1%	5 195
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-		-
Local Government Financial Management Grant	1 000	1 000	1 000	150	343	583	(240)	-41,2%	1 000
Municipal Disaster Relief Grant	596	-	-	-	-	-	-		-
Municipal Infrastructure Grant	9 808	4 986	4 986	2 469	2 469	2 909	(440)	-15,1%	4 986
Rural Road Asset Management Systems Grant	2 358	2 245	2 245	330	762	1 310	(548)	-41,9%	2 245
Water Services Infrastructure Grant	8 537	-	-	-	-	-	-		-
Other transfers and grants [insert description]									
Provincial Government:	332	1 500	1 500	-	-	125	(125)	-100,0%	1 500
Other	-	-	-	-	-	-	-		-
Rural Development Grant	-	-	-	-	-	-	-		-
Specify (Add grant description)	332	1 500	1 500	-	-	125	(125)	-100,0%	1 500
Other transfers and grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-		-
Unspecified	-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	380 256	387 266	432 549	3 841	331 175	247 797	83 378	33,6%	432 549
Capital Transfers and Grants									
National Government:	262 515	263 488	263 488	57 324	194 357	153 701	40 656	26,5%	263 488
Equitable Share	-	-	-	-	-	-	-		-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-		-
Municipal Infrastructure Grant	191 052	194 462	194 462	46 990	147 863	113 436	34 427	30,3%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-		-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant	20 000	9 026	9 026	955	5 549	5 265	284	5,4%	9 026
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-		-
Water Services Infrastructure Grant	51 463	60 000	60 000	9 379	40 944	35 000	5 944	17,0%	60 000
Provincial Government:	5 863	-	-	2 109	2 109	-	2 109		-
Specify (Add grant description)	5 863	-	-	2 109	2 109	-	2 109		-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total Capital Transfers and Grants	268 379	263 488	263 488	59 433	196 466	153 701	42 765	27,8%	263 488
TOTAL RECEIPTS OF TRANSFERS & GRANTS	648 634	650 754	696 037	63 274	527 641	401 498	126 143	31,4%	696 037

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

Table SC7 track the expenditure on Conditional grant funding.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January

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:	514 184	467 489	475 299	29 658	217 459	276 283	(58 824)	-21,3%	475 299
Energy Efficiency and Demand Side Management Grant	6 087	-	-	-	-	-	-	-	-
Equitable Share	482 340	454 063	461 873	29 552	216 157	268 451	(52 294)	-19,5%	461 873
Expanded Public Works Programme Integrated Grant	5 218	5 195	5 195	55	344	3 030	(2 686)	-88,6%	5 195
Local Government Financial Management Grant	309	1 000	1 000	51	296	583	(288)	-49,3%	1 000
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	12 708	4 986	4 986	-	-	2 909	(2 909)	-100,0%	4 986
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 050	2 245	2 245	-	662	1 310	(647)	-49,4%	2 245
Water Services Infrastructure Grant	5 471	-	-	-	-	-	-	-	-
Provincial Government:	-	1 500	-	-	-	125	(125)	-100,0%	-
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	1 500	-	-	-	125	(125)	-100,0%	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	17 480	17 480	-	-	10 197	(10 197)	-100,0%	17 480
Other grant providers:	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	514 184	468 989	475 299	29 658	217 459	276 408	(58 949)	-21,3%	475 299
Capital expenditure of Transfers and Grants									
National Government:	222 832	263 488	263 488	16 727	173 130	153 701	19 428	12,6%	263 488
Local Government Financial Management Grant	281	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	155 868	194 462	194 462	16 062	132 724	113 436	19 288	17,0%	194 462
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	19 379	9 026	9 026	-	4 826	5 265	(440)	-8,3%	9 026
Water Services Infrastructure Grant	47 304	60 000	60 000	666	35 581	35 000	580	1,7%	60 000
Provincial Government:	11 855	-	-	1 834	1 834	-	1 834	#DIV/0!	-
Specify (Add grant description)	11 855	-	-	1 834	1 834	-	1 834		-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	234 687	263 488	263 488	18 562	174 964	153 701	21 263	13,8%	263 488
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	748 871	732 477	738 787	48 220	392 424	430 110	(37 686)	-8,8%	738 787

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 January 2021.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

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	5 700	456	3 197	3 345	(149)	-4%	5 700
Pension and UIF Contributions	507	319	370	43	299	209	90	43%	370
Medical Aid Contributions	54	48	48	5	33	28	5	18%	48
Cellphone Allowance	622	440	461	58	405	266	139	52%	461
Other benefits and allowances	1 478	1 367	1 439	89	753	830	(77)	-9%	1 439
Sub Total - Councillors	7 702	8 018	8 018	651	4 686	4 677	9	0%	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	2 350	2 169	181	8%	3 719
Pension and UIF Contributions	10	10	10	1	6	6	0	6%	10
Medical Aid Contributions	122	117	165	14	99	90	9	10%	165
Performance Bonus	53	56	56	-	55	33	22	68%	56
Motor Vehicle Allowance	928	923	1 110	88	614	622	(8)	-1%	1 110
Cellphone Allowance	108	104	104	10	68	61	7	12%	104
Housing Allowances	160	163	163	13	93	95	(2)	-2%	163
Other benefits and allowances	434	385	428	38	268	244	25	10%	428
Sub Total - Senior Managers of Municipality	5 452	5 478	5 756	500	3 554	3 319	235	7%	5 756
% increase		0,5%	5,6%						5,6%
Other Municipal Staff									
Basic Salaries and Wages	108 070	119 067	115 427	11 338	72 534	67 838	4 696	7%	115 427
Pension and UIF Contributions	16 177	17 188	17 545	1 723	10 865	10 185	680	7%	17 545
Medical Aid Contributions	8 220	8 585	8 666	785	5 149	5 044	105	2%	8 666
Overtime	136	153	153	11	67	89	(22)	-25%	153
Performance Bonus	7 833	7 670	7 858	681	4 286	4 558	(271)	-6%	7 858
Motor Vehicle Allowance	14 366	15 269	15 452	1 493	9 303	8 988	315	4%	15 452
Cellphone Allowance	781	833	833	87	488	486	2	0%	833
Housing Allowances	487	510	510	58	332	297	34	12%	510
Other benefits and allowances	25 941	30 422	31 655	1 715	11 362	18 294	(6 933)	-38%	31 655
Payments in lieu of leave	3 208	780	2 040	333	896	1 015	(119)	-12%	2 040
Long service awards	193	1 065	1 124	16	394	648	(254)	-39%	1 124
Post-retirement benefit obligations	(461)	3 125	3 125	-	-	1 823	(1 823)	-100%	3 125
Sub Total - Other Municipal Staff	184 950	204 667	204 389	18 240	115 676	119 266	(3 590)	-3%	204 389
% increase		10,7%	10,5%						10,5%
Total Parent Municipality	198 103	218 163	218 163	19 391	123 916	127 263	(3 347)	-3%	218 163
		10,1%	10,1%						10,1%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	217	(217)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	217	(217)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	2 130	2 130	-	-	1 243	(1 243)	-100%	2 130
Sub Total - Senior Managers of Entities	-	2 130	2 130	-	-	1 243	(1 243)	-100%	2 130
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 575	7 575	-	-	4 419	(4 419)	-100%	7 575
Pension and UIF Contributions	-	1 470	1 470	-	-	857	(857)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	280	(280)	-100%	479
Performance Bonus	-	533	533	-	-	311	(311)	-100%	533
Payments in lieu of leave	-	43	43	-	-	25	(25)	-100%	43
Sub Total - Other Staff of Entities	-	10 099	10 099	-	-	5 891	(5 891)	-100%	10 099
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 601	12 601	-	-	7 351	(7 351)	-100%	12 601
TOTAL SALARY, ALLOWANCES & BENEFITS	198 103	230 764	230 764	19 391	123 916	134 614	(10 697)	-8%	230 764
% increase		16,5%	16,5%						16,5%
TOTAL MANAGERS AND STAFF	190 401	222 374	222 374	18 740	119 230	129 719	(10 489)	-8%	222 374

2.6 Material Variances to the SDBIP

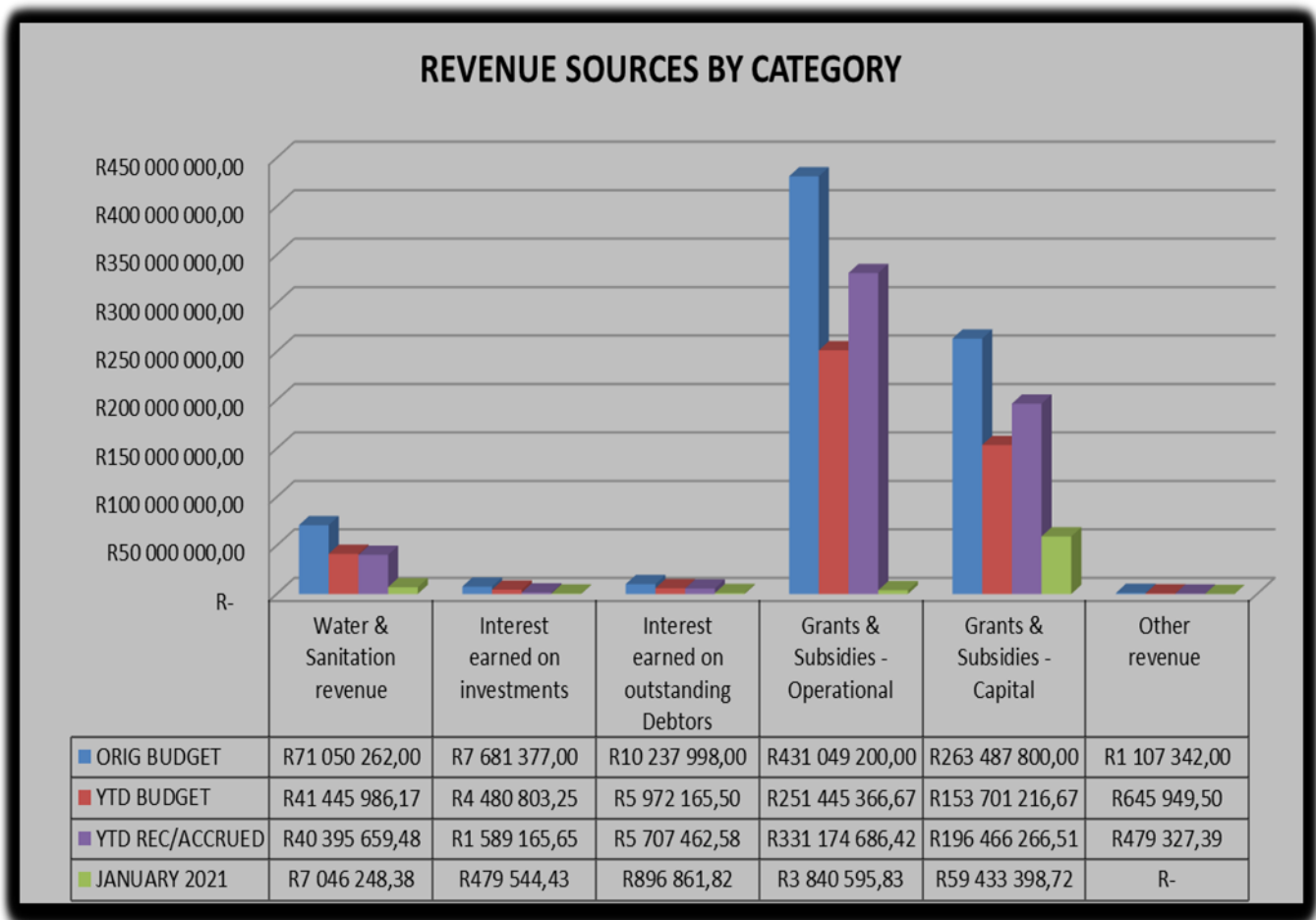
The following section analyses material variances between the actual targets as at 31 January 2021 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 31 January 2021 was R40, 3million against a year to date **budget** of R41, 4million or 97 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R1, 5million against year to budget of R4, 4m representing 35 per cent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R251, 4million against a year to date budget of R331, 1million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The actual R196, 4million (against a YTD budget of R153, 7million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 113% over performance in Conditional Capital grant funding expenditures.

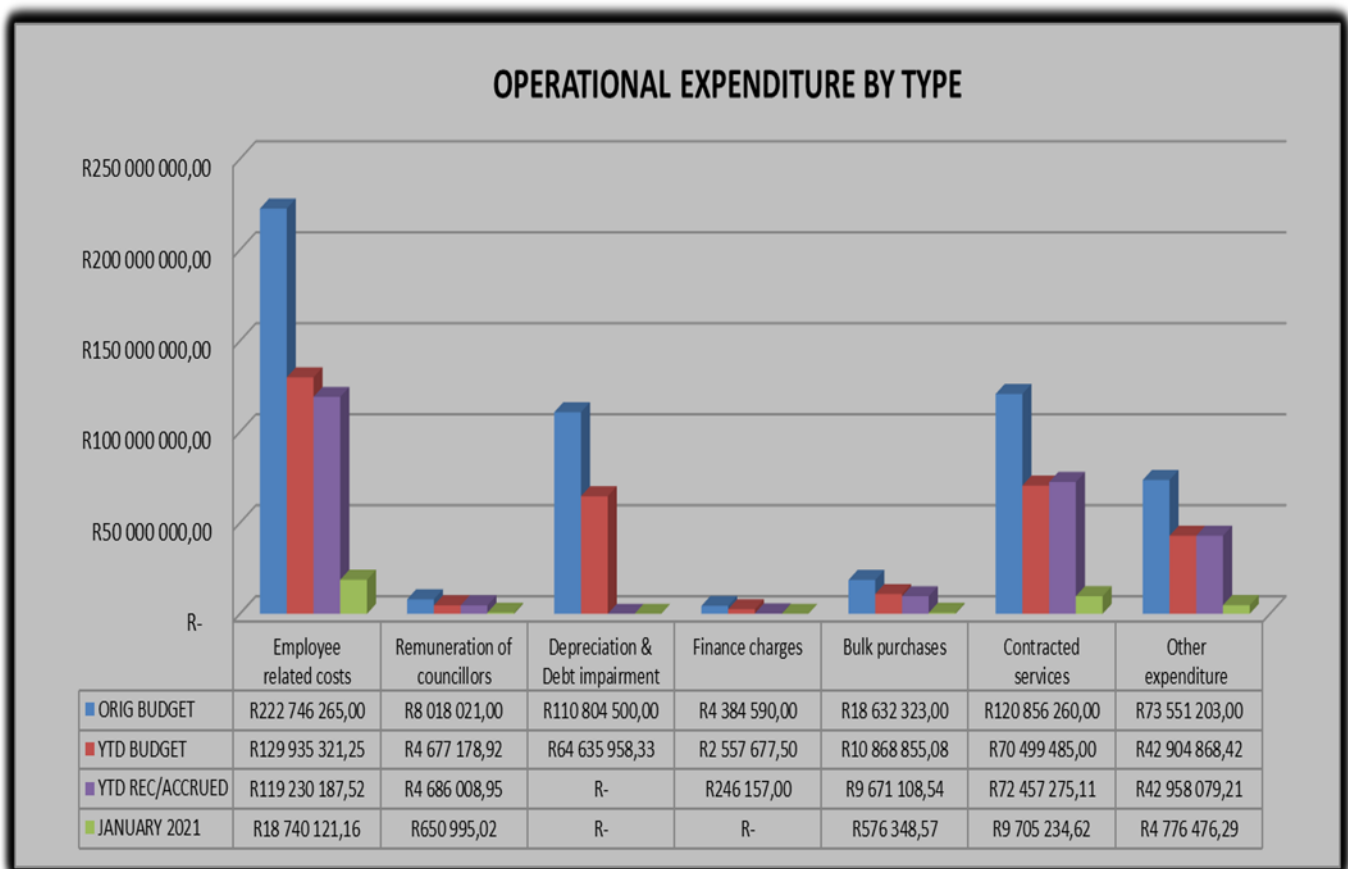
Other Revenue

The YTD performance of other revenue is R479 327 against YTD budget of R 645 950 which demonstrate 74 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 R129, 9million against a YTD actual of R119, 2million.

Remuneration of Councillors

The remuneration of councillor's expenditure as at 31 January 2021 was R4, 6million against a year to budget of R4, 6million.

Finance Charges

There was no movement for finance charges in the period ending 31 January 2021.

Bulk Purchases

The expenditure on Bulk Water purchases has underspent by 11 per cent when comparing to the year to date actual of R 9, 6million against year to budget of R 10, 8million.

Contracted Services

An over expenditure of 3% was reported in the period ending 31 January 2021. The year to date actual is R72, 4million against year to date budget of R 70, 4million representing 103 per cent performance.

Other Expenditure

The year to date actual is R42, 9million against year to date budget of R 42, 9million and the expenditure for January 2021 is at R 4, 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 - M07 January

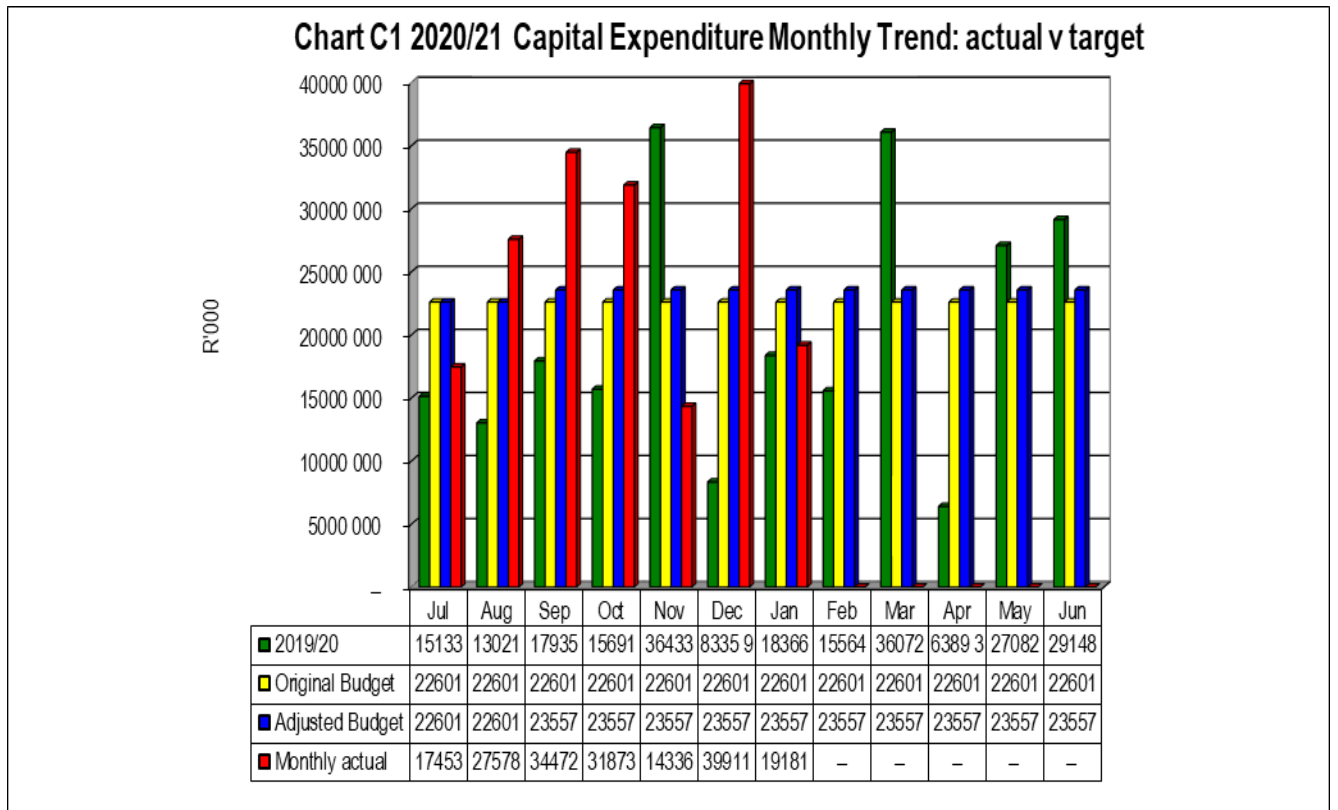
Description	Budget Year 2020/21												2020/21 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands															
Cash Receipts By Source															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	2 184	2 215	5 588	4 612	2 170	2 304	1 935	2 915	2 998	2 619	2 981	5 384	37 905	40 157	42 530
Service charges - sanitation revenue	936	949	2 395	1 976	930	987	829	1 426	1 394	1 202	1 368	989	15 383	16 297	17 262
Interest earned - external investments	-	-	732	203	168	46	480	1 168	585	515	1 212	2 572	7 681	8 140	8 627
Transfers and Subsidies - Operational	169 125	2 299	-	-	34	156 985	-	646	55 742	-	131	2 304	387 266	411 458	441 097
Other revenue	-	209	26	39	94	2 415	-	92	92	92	92	(2 045)	1 107	1 165	1 224
Cash Receipts by Source	172 245	5 673	8 741	6 830	3 396	162 737	3 244	6 248	60 811	4 429	5 785	9 204	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	30 000	24 000	57 289	90 000	-	-	75 173	-	-	(90 000)	263 488	277 232	293 486
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	(52)	117
Total Cash Receipts by Source	240 245	14 699	38 741	30 830	60 685	252 737	3 244	6 248	135 984	4 429	5 785	(80 796)	712 830	754 398	804 343
Cash Payments by Type															
Employee related costs	16 377	16 069	15 673	18 134	17 067	22 915	18 740	18 562	18 562	18 562	18 562	23 523	222 746	232 810	248 842
Remuneration of councillors	688	627	673	682	712	653	651	668	668	668	668	659	8 018	8 579	9 180
Interest paid	-	-	-	-	-	252	-	-	-	-	-	4 132	4 385	4 595	4 816
Bulk purchases - Water & Sewer	-	1 896	1 889	1 380	2 302	1 627	576	1 553	1 553	1 553	1 553	2 750	18 632	19 527	20 464
Other materials	-	85	729	360	51	2 275	582	759	759	759	759	1 993	9 113	9 432	9 885
Contracted services	12 933	6 474	17 835	4 846	14 297	14 352	9 705	9 863	9 863	9 863	9 863	(1 536)	118 356	132 296	138 735
General expenses	11 578	15 834	4 561	5 384	3 471	10 934	4 194	5 207	5 207	5 207	5 207	(14 297)	62 488	63 093	66 228
Cash Payments by Type	41 575	40 983	41 361	30 786	37 899	53 008	34 449	36 613	36 613	36 613	36 613	17 226	443 739	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	22 602	22 602	22 602	22 602	(4 189)	271 221	281 421	297 885
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	59 215	59 215	59 215	59 215	20 561	724 701	753 041	797 399
NET INCREASE/(DECREASE) IN CASH HELD	181 217	(53 863)	(37 092)	(31 829)	8 449	157 406	(50 387)	(52 967)	76 769	(54 786)	(53 430)	(101 358)	(11 871)	1 357	6 944
Cash/cash equivalents at the month/year beginning:	40 671	-	-	-	-	-	-	3 852	3 852	3 852	3 852	(49 578)	40 671	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)	(49 115)	80 621	(50 934)	(49 578)	(150 936)	28 800	7 594	14 591

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M07 January

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	23 558	-	-	186 550	-	-	-
March	36 072	22 602	23 558	-	-	210 107	-	-	-
April	6 389	22 602	23 558	-	-	233 665	-	-	-
May	27 082	22 602	23 558	-	-	257 223	-	-	-
June	29 148	22 602	23 557	-	-	280 780	-	-	-
Total Capital expenditure	239 175	271 221	280 780	184 808					

YTD Capital Budget vs. YTD Capital Expenditure



Capital Expenditure on New Assets by Asset Class

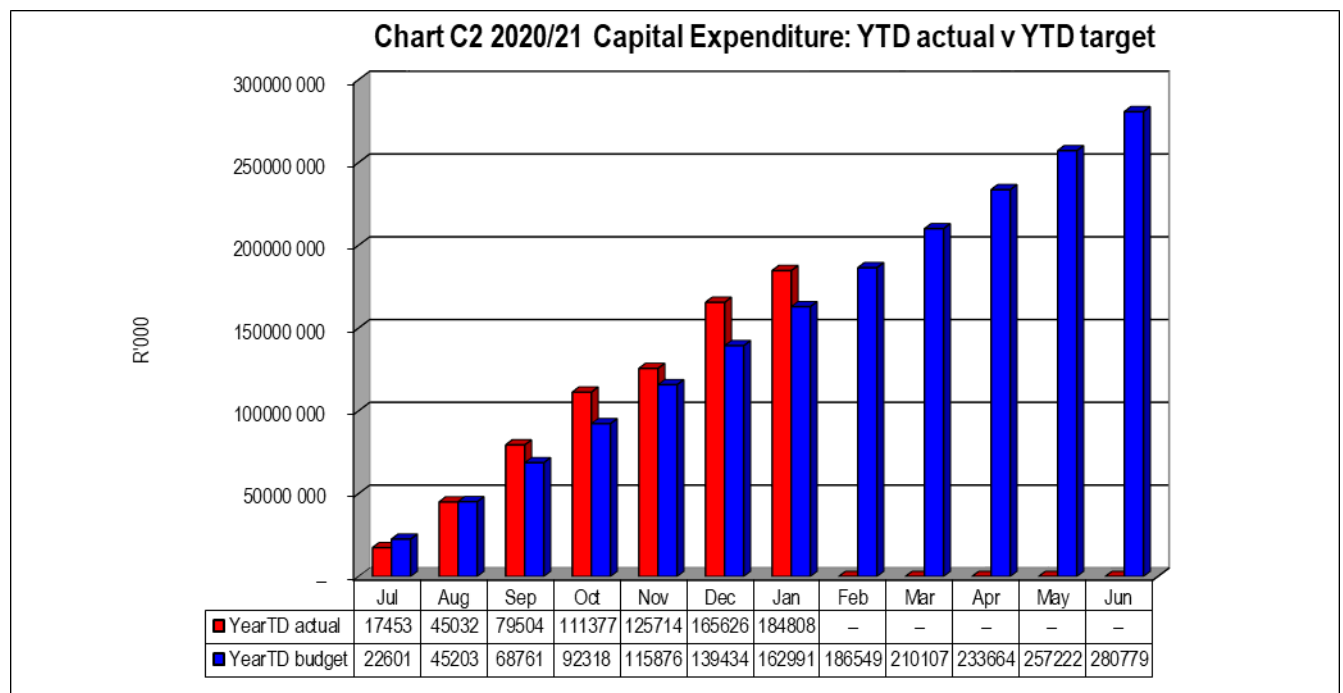
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M07 January

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	18 191	166 623	144 686	(21 937)	-15,2%	248 033
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	105 103	213 161	213 161	17 310	162 359	124 344	(38 015)	-30,6%	213 161
Dams and Weirs	32 289	16 526	16 526	-	9 257	9 640	384	4,0%	16 526
Boreholes	12 718	31 965	28 479	2 001	13 765	17 650	3 885	22,0%	28 479
Reservoirs	15 642	6 900	6 900	-	870	4 025	3 155	78,4%	6 900
Pump Stations	-	21 437	24 923	1 044	14 485	13 501	(984)	-7,3%	24 923
Water Treatment Works	-	12 000	12 000	266	2 246	7 000	4 754	67,9%	12 000
Bulk Mains	20 996	27 669	27 669	9 085	63 434	16 140	(47 294)	-293,0%	27 669
Distribution	23 458	95 963	95 963	4 915	58 303	55 979	(2 324)	-4,2%	95 963
Capital Spares	-	700	700	-	-	408	408	100,0%	700
Sanitation Infrastructure	-	34 873	34 873	881	4 263	20 342	16 079	79,0%	34 873
Pump Station	-	8 700	8 700	-	477	5 075	4 598	90,6%	8 700
Reticulation	-	19 506	19 506	881	2 937	11 378	8 441	74,2%	19 506
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	6 667	6 667	-	849	3 889	3 040	78,2%	6 667
Intangible Assets	-	200	200	-	-	117	117	100,0%	200
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	200	200	-	-	117	117	100,0%	200
Water Rights	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	200	200	-	-	117	117	100,0%	200
Computer Equipment	3 504	1 590	1 690	-	1 566	977	(588)	-60,2%	1 690
Computer Equipment	3 504	1 590	1 690	-	1 566	977	(588)	-60,2%	1 690
Furniture and Office Equipment	1 264	910	1 210	52	355	681	326	47,8%	1 210
Furniture and Office Equipment	1 264	910	1 210	52	355	681	326	47,8%	1 210
Machinery and Equipment	1 020	484	484	-	-	282	282	100,0%	484
Machinery and Equipment	1 020	484	484	-	-	282	282	100,0%	484
Transport Assets	5 855	2 500	10 958	-	7 355	5 687	(1 668)	-29,3%	10 958
Transport Assets	5 855	2 500	10 958	-	7 355	5 687	(1 668)	-29,3%	10 958
Total Capital Expenditure on new assets	116 746	253 717	262 575	18 243	175 899	152 431	(23 468)	-15,4%	262 575

Capital Expenditure on Renewal of Existing Assets by Asset Class

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	76 976	780	780	(642)	2 296	455	(1 841)	-404,8%	780
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	38 675	780	780	(978)	982	455	(527)	-115,8%	780
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	780	780	-	-	455	455	100,0%	780
Distribution	38 675	-	-	(978)	982	-	(982)	#DIV/0!	-
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	38 302	-	-	336	1 314	-	(1 314)	#DIV/0!	-
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	38 302	-	-	336	1 314	-	(1 314)	#DIV/0!	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	50	50	-	-	29	29	100,0%	50
Machinery and Equipment	-	50	50	-	-	29	29	100,0%	50
Transport Assets	-	-	700	568	568	350	(218)	-62,3%	700
Transport Assets	-	-	700	568	568	350	(218)	-62,3%	700
Total Capital Expenditure on renewal of existing assets	76 976	830	1 530	(74)	2 864	834	(2 030)	-243,4%	1 530



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 January 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_____