

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 May 2021.

10/6/2021

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 May 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,

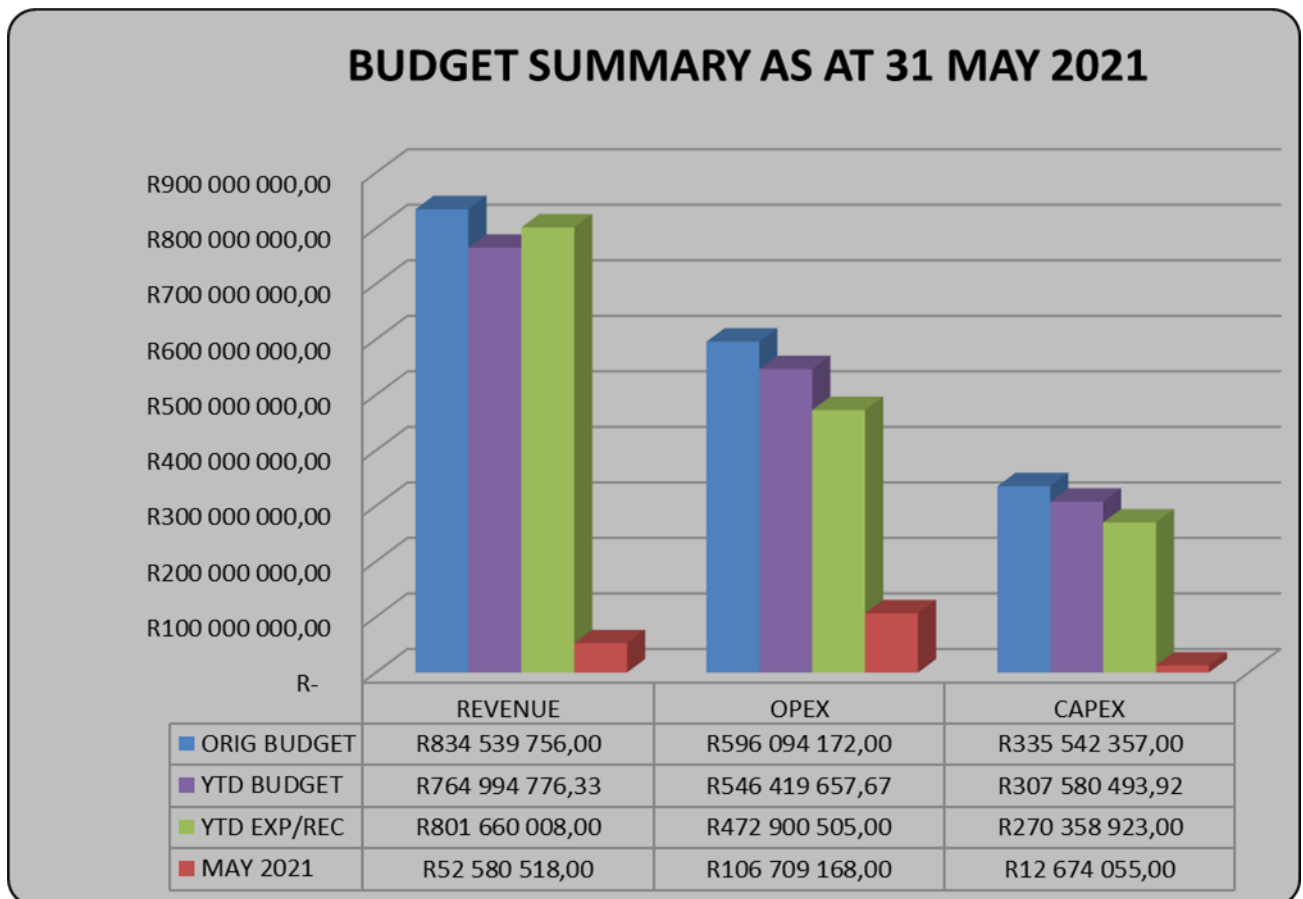
- Revenue
- Operational, and
- Capital Budgets

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 May 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 May 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 - M11 May

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	4 969	62 014	60 683	1 331	2%	65 492
Investment revenue	6 196	7 681	5 372	487	2 694	5 194	(2 500)	-48%	5 372
Transfers and subsidies	380 256	387 266	451 926	1 089	427 548	411 100	16 447	4%	451 926
Other own revenue	15 464	11 345	10 355	889	9 874	9 583	291	3%	10 355
Total Revenue (excluding capital transfers and contributions)	472 379	477 343	533 145	7 434	502 129	486 560	15 569	3%	533 145
Employee costs	190 401	222 746	222 446	17 961	191 943	203 946	(12 003)	-6%	222 446
Remuneration of Councillors	7 702	8 018	8 339	629	7 190	7 607	(416)	-5%	8 339
Depreciation & asset impairment	71 944	84 249	84 149	65 645	65 645	77 148	(11 503)	-15%	84 149
Finance charges	2 396	4 385	1 507	-	246	1 717	(1 471)	-86%	1 507
Materials and bulk purchases	28 232	27 745	28 874	4 050	24 516	26 376	(1 861)	-7%	28 874
Transfers and subsidies	14 000	-	17 000	-	17 000	13 600	3 400	25%	17 000
Other expenditure	246 086	207 401	233 779	18 424	166 360	211 626	(45 266)	-21%	233 779
Total Expenditure	560 762	554 543	596 094	106 709	472 901	542 020	(69 119)	-13%	596 094
Surplus/(Deficit)	(88 384)	(77 200)	(62 949)	(99 276)	29 228	(55 460)	84 688	-153%	(62 949)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	301 395	45 427	299 531	268 802	30 729	11%	301 395
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	179 995	186 288	238 446	(53 849)	328 760	213 342	115 418	54%	238 446
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	179 995	186 288	238 446	(53 849)	328 760	213 342	115 418	54%	238 446
Capital expenditure & funds sources									
Capital expenditure	240 195	271 221	335 542	12 674	270 359	297 978	(27 619)	-9%	335 542
Capital transfers recognised	234 687	263 488	301 495	10 892	253 734	268 882	(15 148)	-6%	301 495
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	34 048	1 782	16 625	29 096	(12 471)	-43%	34 048
Total sources of capital funds	240 195	271 221	335 542	12 674	270 359	297 978	(27 619)	-9%	335 542
Financial position									
Total current assets	101 269	54 026	70 174	-	191 500	-	-	-	70 174
Total non current assets	2 341 369	2 290 106	2 631 492	-	2 546 083	-	-	-	2 631 492
Total current liabilities	137 351	85 282	105 190	-	113 047	-	-	-	105 190
Total non current liabilities	44 948	27 811	37 425	-	35 438	-	-	-	37 425
Community wealth/Equity	2 330 681	2 231 219	2 507 160	-	2 589 365	-	-	-	2 507 160
Cash flows									
Net cash from (used) operating	232 930	269 092	291 320	(17 139)	329 290	242 767	(86 523)	-36%	291 320
Net cash from (used) investing	(279 405)	(271 221)	(335 542)	(12 674)	(270 359)	(279 619)	(9 260)	3%	(335 542)
Net cash from (used) financing	(12 528)	(4 555)	(9 741)	-	(2 217)	(8 118)	(5 901)	73%	(9 741)
Cash/cash equivalents at the month/year end	(640)	6 237	(5 232)	-	105 446	(44 969)	(150 415)	334%	(53 963)
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	7 711	5 877	4 565	5 129	5 198	3 873	28 713	168 803	229 870
Creditors Age Analysis									
Total Creditors	11 250	101	-	3 478	-	-	-	-	14 829

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) - M11 May

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	434 637	597	421 613	397 933	23 679	6%	434 637
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	368 076	391 887	434 637	597	421 613	397 933	23 679	6%	434 637
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7 928	6 966	25 576	-	3 524	21 124	(17 600)	-83%	25 576
Planning and development	7 928	6 966	25 576	-	3 524	21 124	(17 600)	-83%	25 576
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	364 753	341 978	374 327	52 264	376 524	336 305	40 219	12%	374 327
Energy sources	-	-	-	-	-	-	-	-	-
Water management	348 448	321 468	339 935	46 165	345 915	306 398	39 517	13%	339 935
Waste water management	16 305	20 510	34 392	6 099	30 608	29 906	702	2%	34 392
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	740 757	740 831	834 540	52 861	801 660	755 362	46 298	6%	834 540
Expenditure - Functional									
<i>Governance and administration</i>	229 394	240 522	258 603	29 320	200 863	235 181	(34 318)	-15%	258 603
Executive and council	20 706	24 234	26 529	1 857	25 290	23 866	1 424	6%	26 529
Finance and administration	198 889	208 209	223 735	26 768	168 654	203 702	(35 048)	-17%	223 735
Internal audit	9 799	8 078	8 338	695	6 919	7 613	(694)	-9%	8 338
<i>Community and public safety</i>	16 687	18 788	17 038	1 614	14 840	15 761	(921)	-6%	17 038
Community and social services	16 687	18 788	17 038	1 614	14 840	15 761	(921)	-6%	17 038
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	139 476	148 577	149 048	58 208	103 569	136 914	(33 345)	-24%	149 048
Planning and development	139 476	148 577	149 048	58 208	103 569	136 914	(33 345)	-24%	149 048
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	175 205	146 657	171 405	17 567	153 629	154 164	(536)	0%	171 405
Energy sources	-	-	-	-	-	-	-	-	-
Water management	172 630	145 857	170 562	17 460	152 862	153 397	(534)	0%	170 562
Waste water management	2 574	800	842	107	766	767	(1)	0%	842
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	560 762	554 543	596 094	106 709	472 901	542 020	(69 119)	-13%	596 094
Surplus/ (Deficit) for the year	179 995	186 288	238 446	(53 849)	328 760	213 342	115 418	54%	238 446

This table assess the revenue by department and then the expenditure for the period ending 31 May 2021. Revenue receipts in May have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of May is 6%.

Expenditure by standard classification presents the expenditures by the departments. Infrastructure Services has the largest expenditure for the month of May 2021 due to depreciation followed by 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 R11, 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	434 002	597	421 418	397 426	23 993	6,0%	434 002
Vote 04 - Summary Corporate Services	1 447	-	635	-	153	508	(355)	-69,9%	635
Vote 05 - Summary Social Services & Development Planning	928	6 966	25 576	-	3 524	21 124	(17 600)	-83,3%	25 576
Vote 06 - Summary Infrastructure Services	287 979	270 928	293 835	41 682	293 026	263 622	29 404	11,2%	293 835
Vote 07 - Summary Water Services	83 881	71 050	80 492	10 581	83 539	72 683	10 857	14,9%	80 492
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	740 757	740 831	834 540	52 861	801 660	755 362	46 298	6,1%	834 540
Expenditure by Vote									
Vote 01 - Summary Council	10 296	15 677	16 003	1 408	13 204	14 761	(1 557)	-10,5%	16 003
Vote 02 - Summary Municipal Manager	20 209	16 635	18 865	1 144	19 005	16 718	2 287	13,7%	18 865
Vote 03 - Summary Budget And Treasury Office	74 417	84 548	85 067	4 515	47 531	77 918	(30 387)	-39,0%	85 067
Vote 04 - Summary Corporate Services	86 493	81 310	89 774	15 209	78 394	81 352	(2 958)	-3,6%	89 774
Vote 05 - Summary Social Services & Development Planning	49 942	58 793	68 455	3 059	44 001	61 472	(17 471)	-28,4%	68 455
Vote 06 - Summary Infrastructure Services	114 515	112 989	101 820	57 113	78 284	95 069	(16 784)	-17,7%	101 820
Vote 07 - Summary Water Services	204 889	184 590	216 110	24 262	192 480	194 729	(2 249)	-1,2%	216 110
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	560 762	554 543	596 094	106 709	472 901	542 020	(69 119)	-12,8%	596 094
Surplus/ (Deficit) for the year	179 995	186 288	238 446	(53 849)	328 760	213 342	115 418	54,1%	238 446

Statement of financial Performance

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

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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	3 901	49 378	42 776	6 602	15%	46 100
Service charges - sanitation revenue	16 305	20 510	19 392	1 068	12 636	17 906	(5 271)	-29%	19 392
Interest earned - external investments	6 196	7 681	5 372	487	2 694	5 194	(2 500)	-48%	5 372
Interest earned - outstanding debtors	12 632	10 238	9 621	882	9 214	8 891	323	4%	9 621
Transfers and subsidies	380 256	387 266	451 926	1 089	427 548	411 100	16 447	4%	451 926
Other revenue	1 770	1 107	733	7	660	691	(32)	-5%	733
Gains	1 062	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	472 379	477 343	533 145	7 434	502 129	486 560	15 569	3%	533 145
Expenditure By Type									
Employee related costs	190 401	222 746	222 446	17 961	191 943	203 946	(12 003)	-6%	222 446
Remuneration of councillors	7 702	8 018	8 339	629	7 190	7 607	(416)	-5%	8 339
Debt impairment	43 365	26 556	26 556	-	-	24 343	(24 343)	-100%	26 556
Depreciation & asset impairment	71 944	84 249	84 149	65 645	65 645	77 148	(11 503)	-15%	84 149
Finance charges	2 396	4 385	1 507	-	246	1 717	(1 471)	-86%	1 507
Bulk purchases	22 833	18 632	18 632	3 371	19 126	17 080	2 046	12%	18 632
Other materials	5 400	9 113	10 242	680	5 390	9 297	(3 907)	-42%	10 242
Contracted services	144 400	118 356	141 341	13 206	118 048	127 099	(9 051)	-7%	141 341
Transfers and subsidies	14 000	-	17 000	-	17 000	13 600	3 400	25%	17 000
Other expenditure	55 607	62 488	65 882	5 218	48 312	60 184	(11 872)	-20%	65 882
Losses	2 714	-	-	-	-	-	-	-	-
Total Expenditure	560 762	554 543	596 094	106 709	472 901	542 020	(69 119)	-13%	596 094
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	262 515	263 488	301 395	45 427	299 531	268 802	30 729	0	301 395
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	179 995	186 288	238 446	(53 849)	328 760	213 342			238 446
Taxation									
Surplus/(Deficit) after taxation	179 995	186 288	238 446	(53 849)	328 760	213 342			238 446
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	179 995	186 288	238 446	(53 849)	328 760	213 342			238 446
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	179 995	186 288	238 446	(53 849)	328 760	213 342			238 446

Capital Expenditure

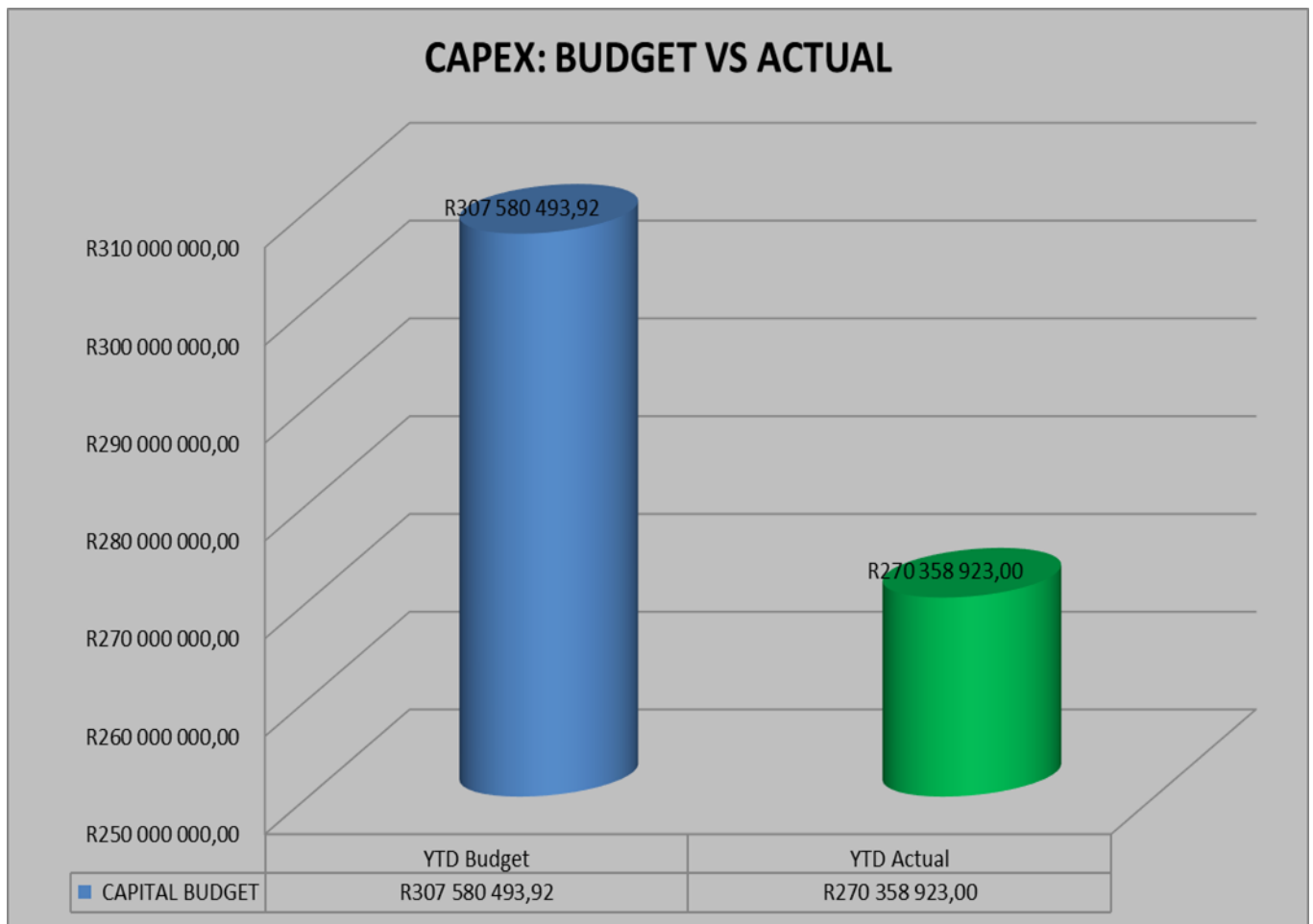
Table C5 below reports on the capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

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	-	-	486	(486)	-100%	560
Vote 04 - Summary Corporate Services	3 814	2 350	19 950	662	3 400	16 344	(12 944)	-79%	19 950
Vote 05 - Summary Social Services & Development Planning	-	3 060	11 638	-	7 355	10 513	(3 158)	-30%	11 638
Vote 06 - Summary Infrastructure Services	224 244	9 026	32 811	482	30 391	24 131	6 261	26%	32 811
Vote 07 - Summary Water Services	11 855	256 462	270 584	11 530	229 212	246 505	(17 293)	-7%	270 584
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	240 195	271 221	335 542	12 674	270 359	297 978	(27 619)	-9%	335 542
Total Capital Expenditure	240 195	271 221	335 542	12 674	270 359	297 978	(27 619)	-9%	335 542
Capital Expenditure - Functional Classification									
Governance and administration	4 095	2 964	21 089	662	3 400	17 327	(13 927)	-80%	21 089
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 095	2 964	21 089	662	3 400	17 327	(13 927)	-80%	21 089
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	2 500	11 058	-	7 355	9 984	(2 629)	-26%	11 058
Community and social services	-	2 500	11 058	-	7 355	9 984	(2 629)	-26%	11 058
Economic and environmental services	1 693	270	-	-	4 750	32	4 718	14973%	-
Planning and development	1 693	270	-	-	4 750	32	4 718	14973%	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	234 406	265 488	303 395	12 012	254 854	270 636	(15 782)	-6%	303 395
Energy sources	-	-	-	-	-	-	-	-	-
Water management	198 896	220 615	278 758	11 123	239 727	245 691	(5 964)	-2%	278 758
Waste water management	35 511	44 873	24 637	889	15 127	24 945	(9 817)	-39%	24 637
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	240 195	271 221	335 542	12 674	270 359	297 978	(27 619)	-9%	335 542
Funded by:									
National Government	222 832	263 488	286 395	9 596	239 688	256 802	(17 114)	-7%	286 395
Provincial Government	11 855	-	15 000	1 296	14 046	12 000	2 046	17%	15 000
District Municipality	-	-	100	-	-	80	(80)	-100%	100
Transfers recognised - capital	234 687	263 488	301 495	10 892	253 734	268 882	(15 148)	-6%	301 495
Borrowing	1 296	-	-	-	-	-	-	-	-
Internally generated funds	4 211	7 734	34 048	1 782	16 625	29 096	(12 471)	-43%	34 048
Total Capital Funding	240 195	271 221	335 542	12 674	270 359	297 978	(27 619)	-9%	335 542

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 May 2021 was R 270, 3m which represents 88% of capital expenditure against year to date budget of R307, 5million. 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 May 2021.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M11 May

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	568 181	8 812	(530 476)	8 812
Call investment deposits	16 967	(561 944)	11 239	627 393	11 239
Consumer debtors	33 060	33 454	27 208	68 003	27 208
Other debtors	27 538	14 334	22 917	26 581	22 917
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Total current assets	101 269	54 026	70 174	191 500	70 174
Non current assets					
Long-term receivables	-	-	-	-	-
Investments					
Investment property	-	-	-	-	-
Property, plant and equipment	2 340 494	2 288 618	2 629 962	2 545 481	2 629 962
Intangible	875	1 489	1 529	602	1 529
Other non-current assets	0	0	0	0	0
Total non current assets	2 341 369	2 290 106	2 631 492	2 546 083	2 631 492
TOTAL ASSETS	2 442 639	2 344 132	2 701 666	2 737 583	2 701 666
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	4 555	-	(126)	-
Consumer deposits	1 863	1 845	2 008	2 007	2 008
Trade and other payables	122 194	68 734	89 888	97 872	89 888
Provisions	13 294	10 148	13 294	13 294	13 294
Total current liabilities	137 351	85 282	105 190	113 047	105 190
Non current liabilities					
Borrowing	26 469	3 485	16 040	16 959	16 040
Provisions	18 479	24 326	21 385	18 479	21 385
Total non current liabilities	44 948	27 811	37 425	35 438	37 425
TOTAL LIABILITIES	182 300	113 094	142 615	148 485	142 615
NET ASSETS	2 260 339	2 231 038	2 559 051	2 589 098	2 559 051
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	2 330 681	2 231 219	2 507 160	2 589 365	2 507 160
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 330 681	2 231 219	2 507 160	2 589 365	2 507 160

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

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M11 May

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	3 754	44 170	38 486	5 685	15%	46 183
Other revenue	11 626	1 107	7 732	7	660	6 444	(5 784)	-90%	7 732
Transfers and Subsidies - Operational	339 907	387 266	431 049	-	427 621	359 208	68 413	19%	431 049
Transfers and Subsidies - Capital	274 335	263 488	263 488	-	282 355	219 573	62 782	29%	263 488
Interest	7 257	7 681	7 681	487	2 694	6 401	(3 708)	-58%	7 681
Dividends							-		
Payments									
Suppliers and employees	(447 672)	(439 354)	(460 428)	(21 387)	(427 957)	(383 690)	44 267	-12%	(460 428)
Finance charges	(4 180)	(4 385)	(4 385)	-	(252)	(3 654)	(3 402)	93%	(4 385)
Transfers and Grants	(332)	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	232 930	269 092	291 320	(17 139)	329 290	242 767	(86 523)	-36%	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)	(335 542)	(12 674)	(270 359)	(279 619)	(9 260)	3%	(335 542)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(279 405)	(271 221)	(335 542)	(12 674)	(270 359)	(279 619)	(9 260)	3%	(335 542)
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)	(8 118)	(5 901)	73%	(9 741)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(12 528)	(4 555)	(9 741)	-	(2 217)	(8 118)	(5 901)	73%	(9 741)
NET INCREASE/ (DECREASE) IN CASH HELD	(59 003)	(6 685)	(53 963)	(29 813)	56 715	(44 969)			(53 963)
Cash/cash equivalents at beginning:	58 363	12 922	48 731		48 731				
Cash/cash equivalents at month/year end:	(640)	6 237	(5 232)		105 446	(44 969)			(53 963)

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

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

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

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	4 950	3 773	2 931	3 292	3 336	2 486	18 432	108 359	147 559	135 906
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 934	1 474	1 145	1 286	1 303	971	7 201	42 332	57 646	53 093
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	827	631	490	550	558	416	3 081	18 113	24 666	22 718
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	7 711	5 877	4 565	5 129	5 198	3 873	28 713	168 803	229 870	211 716
2019/20 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	2 695	1 837	533	491	574	164	895	3 649	10 838	5 774
Commercial	1 221	413	531	479	410	269	2 318	8 992	14 632	12 467
Households	3 795	3 627	3 502	4 159	4 213	3 441	25 500	156 163	204 400	193 476
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	7 711	5 877	4 565	5 129	5 198	3 873	28 713	168 803	229 870	211 716

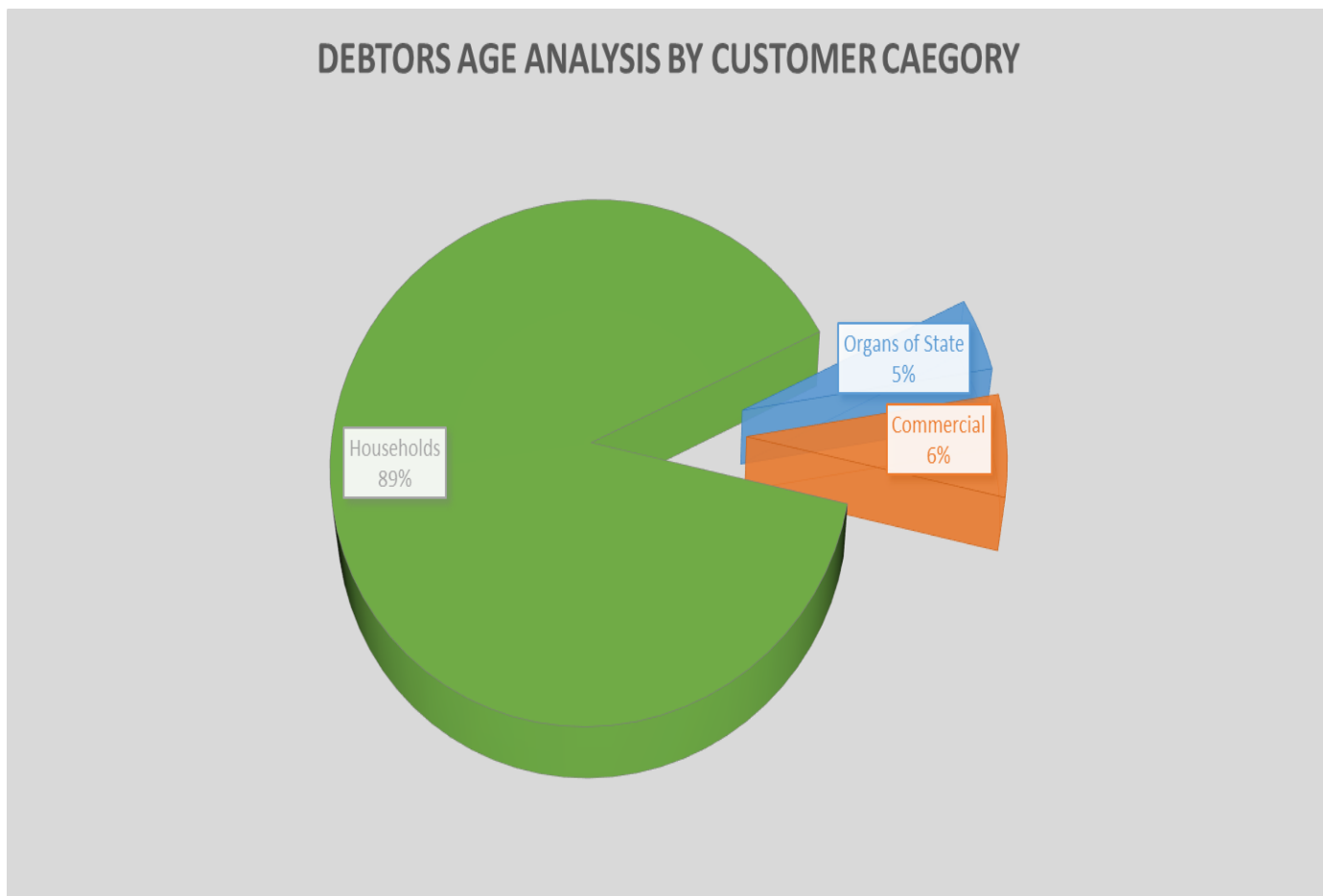
Table 2.1.2: Debtors Age Analysis by Customer Category

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: 89%
- ✓ Government 5%
- ✓ 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

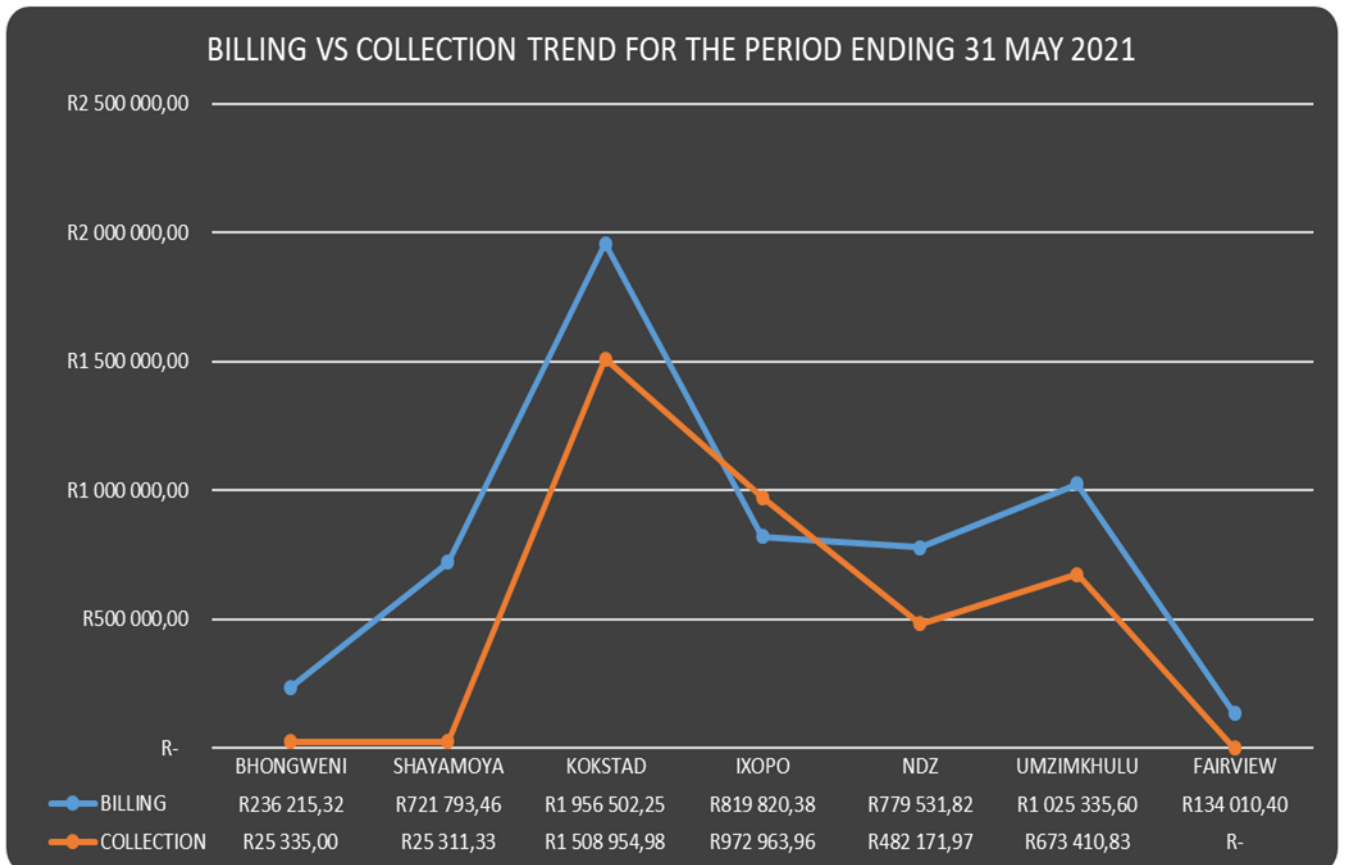
REVENUE RECEIPTS

Revenue receipts per Area

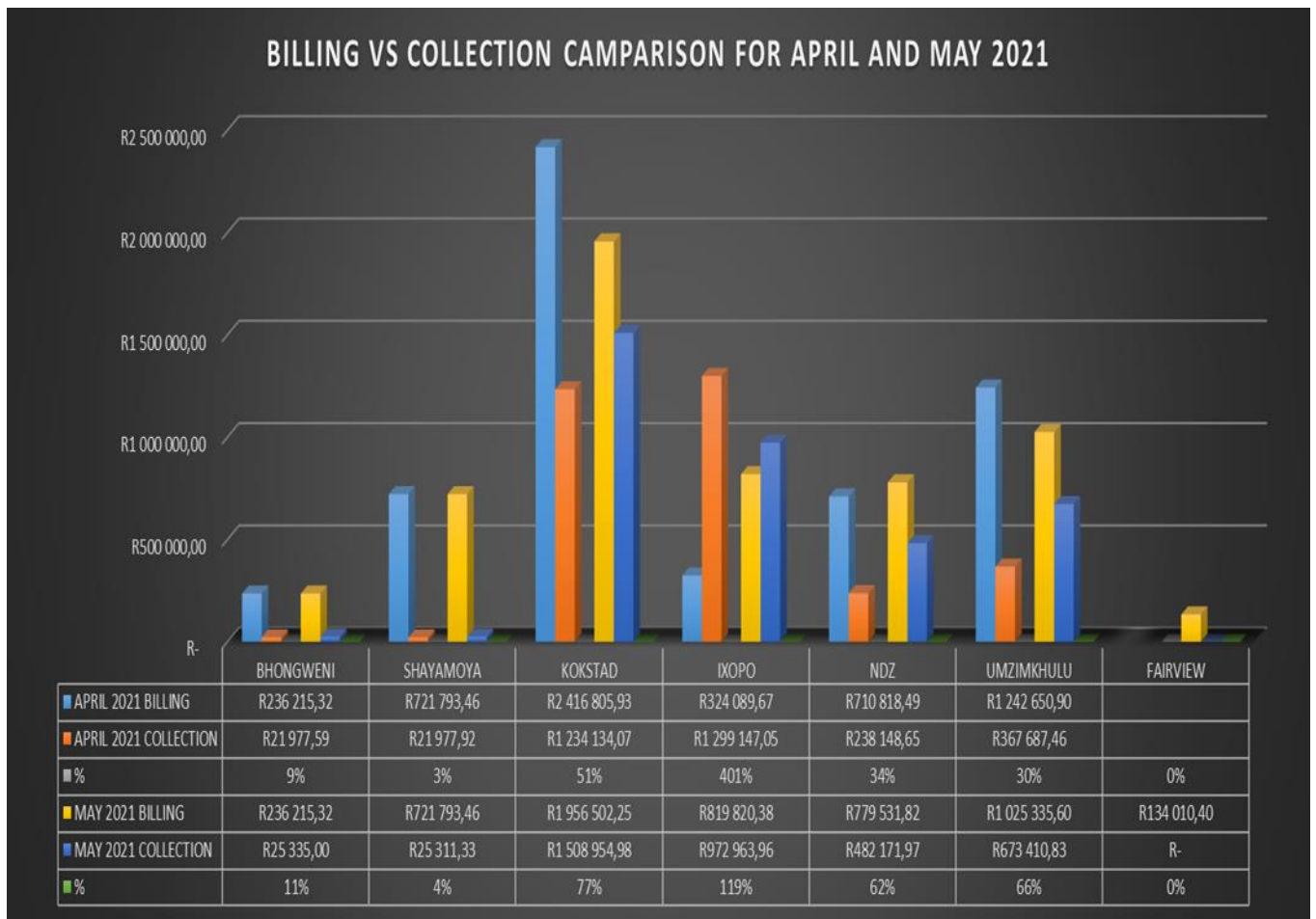
AREA	AMOUNT		
		MAY 2021	APRIL 2021
Unallocated receipts	R 66 054,11	2%	1%
Bhongweni	R 25 335,00	1%	1%
Shayamoya	R 25 311,33	1%	1%
Kokstad	R 1 508 954,98	40%	38%
Ixopo	R 972 963,96	26%	40%
NDZ	R 482 171,97	13%	7%
Umzimkulu	R 673 410,83	18%	11%
Fairview	R 0,00	0%	0%
TOTAL RECEIPTS INCL VAT	R 3 754 202,18	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 May 2021 is R3, 7million. The total billing for the period ending 31 May 2021 is R 70million against collection of R 49, 4million representing 71 per cent collection rate.

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



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



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 229 870 039 as at 31 May 2021 compared with the R 226 678 838 as at 30 April 2021. Current debt represent 3% of the total outstanding debt compared with the 3% of April 2020; 30 days and older debt 3% compared with the 2% for April 2021; 60 days and older debt 2% compared with the 2% of April 2021; and 90 days 2% compared with the 2% of April 2021; 120 days to History and older 90% compared with the 90% for April 2021.

Current debt increased with R 3,191,202 to R 229,870,039 compared with the R 226,678,838 as at 31 May 2021; 30 days + debt Increased with R 237,296; 60 days + decreased with R 1,010,521; 90 days + debt decreased with R 220,284 and 120 + days and older debt as at 31 May 2021 has increased with R 2,874,180 to R 206,587,598 compared with the R 203,713,418 as at 30 May 2021.

Debtors age analysis per debtor type

Business debtors owes the municipality R 14,457,758 (6%); Municipal debtors R 923,203 (0%); domestic debtors R 191,710,570 (83%); Government accounts R 9,505,955 (4%); Indigent debtors R 9,024,478 (4%) and other debtors R 4,248,075 (2%) of the total outstanding debt of R 229,870,039.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 May 2021

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

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	11 250	101	-	3 478					14 829
Auditor General									-
Other									-
Total By Customer Type	11 250	101	-	3 478	-	-	-	-	14 829

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 May 2021.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality									
FIRST NATIONAL BANK	CALL ACCOUNT				39 657	76	(14 427)	-	25 307
FIRST NATIONAL BANK	CALL ACCOUNT				4 362	8	(4 368)	-	2
FIRST NATIONAL BANK	ADMIN CALL				46 594	84	(18 011)	-	28 668
INVESTEC	FIXED DEPOSIT				10 184	33	-	-	10 217
FIRST NATIONAL BANK	FIXED DEPOSIT				8 260	19	(7 339)	-	941
FIRST NATIONAL BANK	CALL ACCOUNT				3 927	6	-	7 000	10 933
FIRST NATIONAL BANK	CALL ACCOUNT				360	1	-	1 895	2 256
FIRST NATIONAL BANK	CALL ACCOUNT				2 526	3	(2 449)	-	80
FIRST NATIONAL BANK	FIXED DEPOSIT				2 820	4	-	-	2 824
NEDBANK	FIXED DEPOSIT				20 849	76	-	-	20 925
FIRST NATIONAL BANK	ENT ACCOUNT				1 263		-	2 031	3 294
								-	
Municipality sub-total					140 802	311	(46 593)	10 926	105 446
TOTAL INVESTMENTS AND INTEREST					140 802		(46 593)	10 926	105 446

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 - M11 May

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	1 089	427 548	394 374	33 174	8,4%	431 049
Energy Efficiency and Demand Side Management Grant	7 000	-	-	-	-	-	-	-	-
Equitable Share	345 309	372 340	417 623	-	417 623	382 066	35 557	9,3%	417 623
Expanded Public Works Programme Integrated Grant	5 316	5 195	5 195	857	4 773	4 762	11	0,2%	5 195
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 000	1 000	100	557	917	(360)	-39,3%	1 000
Municipal Disaster Relief Grant	596	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 808	4 986	4 986	-	3 524	4 571	(1 047)	-22,9%	4 986
Rural Road Asset Management Systems Grant	2 358	2 245	2 245	132	1 071	2 058	(987)	-48,0%	2 245
Water Services Infrastructure Grant	8 537	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	332	1 500	1 500	-	-	25	(25)	-100,0%	1 500
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	332	1 500	1 500	-	-	25	(25)	-100,0%	1 500
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	17 000	-	-	13 600	(13 600)	-100,0%	17 000
Specify (Add grant description)	-	-	17 000	-	-	13 600	(13 600)	-100,0%	17 000
Other grant providers:	-	-	3 877	-	-	3 102	(3 102)	-100,0%	3 877
Chemical Industry Seta	-	-	377	-	-	302	(302)	-100,0%	377
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	3 500	-	-	2 800	(2 800)	-100,0%	3 500
Total Operating Transfers and Grants	380 256	387 266	453 426	1 089	427 548	411 100	16 447	4,0%	453 426
Capital Transfers and Grants									
National Government:	262 515	263 488	286 395	40 683	284 531	256 802	27 729	10,8%	286 395
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	191 052	194 462	204 014	14 604	205 476	184 625	20 852	11,3%	204 014
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	20 000	9 026	22 381	26 078	31 628	17 177	14 450	84,1%	22 381
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 463	60 000	60 000	-	47 427	55 000	(7 573)	-13,8%	60 000
Provincial Government:	5 863	-	15 000	4 744	15 000	12 000	3 000	25,0%	15 000
Specify (Add grant description)	5 863	-	15 000	4 744	15 000	12 000	3 000	25,0%	15 000
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	268 379	263 488	301 395	45 427	299 531	268 802	30 729	11,4%	301 395
TOTAL RECEIPTS OF TRANSFERS & GRANTS	648 634	650 754	754 821	46 515	727 079	679 902	47 177	6,9%	754 821

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 - M11 May

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:	492 430	467 489	512 579	101 608	418 507	465 459	(46 951)	-10,1%	512 579
Energy Efficiency and Demand Side Management Grant	6 087	-	-	-	-	-	-	-	-
Equitable Share	460 586	454 063	499 265	100 562	411 945	453 241	(41 296)	-9,1%	499 265
Expanded Public Works Programme Integrated Grant	5 218	5 195	5 195	957	5 030	4 762	268	5,6%	5 195
Local Government Financial Management Grant	309	1 000	888	90	602	827	(225)	-27,2%	888
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	12 708	4 986	4 986	-	-	4 571	(4 571)	-100,0%	4 986
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 050	2 245	2 245	-	931	2 058	(1 127)	-54,8%	2 245
Water Services Infrastructure Grant	5 471	-	-	-	-	-	-	-	-
Provincial Government:	-	1 500	-	-	-	25	(25)	-100,0%	-
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	1 500	-	-	-	25	(25)	-100,0%	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	17 480	20 190	-	-	18 191	(18 191)	-100,0%	20 190
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	377	-	-	302	(302)	-100,0%	377
Total operating expenditure of Transfers and Grants:	492 430	468 989	512 579	101 608	418 507	465 484	(46 976)	-10,1%	512 579
Capital expenditure of Transfers and Grants									
National Government:	222 832	263 488	286 395	9 596	239 688	256 802	(17 114)	-6,7%	286 395
Local Government Financial Management Grant	281	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	155 868	194 462	204 014	5 760	174 508	184 625	(10 117)	-5,5%	204 014
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	19 379	9 026	22 381	482	17 814	17 177	637	3,7%	22 381
Water Services Infrastructure Grant	47 304	60 000	60 000	3 354	47 366	55 000	(7 634)	-13,9%	60 000
Provincial Government:	11 855	-	15 000	1 296	14 046	12 000	2 046	17,1%	15 000
Specify (Add grant description)	11 855	-	15 000	1 296	14 046	12 000	2 046	17,1%	15 000
District Municipality:	-	-	100	-	-	80	(80)	-100,0%	100
Specify (Add grant description)	-	-	100	-	-	80	(80)	-100,0%	100
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	234 687	263 488	301 495	10 892	253 734	268 882	(15 148)	-5,6%	301 495
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	727 117	732 477	814 073	112 500	672 241	734 366	(62 124)	-8,5%	814 073

2.5 Councillor and Staff Benefits

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

Harry Gwala District Municipality

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

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	422	4 902	5 486	(583)	-11%	6 021
Pension and UIF Contributions	507	319	370	40	458	338	120	35%	370
Medical Aid Contributions	54	48	48	5	52	44	9	20%	48
Cellphone Allowance	622	440	461	51	612	422	190	45%	461
Other benefits and allowances	1 478	1 367	1 439	111	1 166	1 317	(152)	-12%	1 439
Sub Total - Councillors	7 702	8 018	8 339	629	7 190	7 607	(416)	-5%	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	3 693	3 817	(124)	-3%	4 229
Pension and UIF Contributions	10	10	11	1	10	10	0	0%	11
Medical Aid Contributions	122	117	170	14	157	154	3	2%	170
Performance Bonus	53	56	111	-	106	95	11	11%	111
Motor Vehicle Allowance	928	923	1 052	88	965	966	(2)	0%	1 052
Cellphone Allowance	108	104	117	10	107	106	1	1%	117
Housing Allowances	160	163	160	13	146	147	(0)	0%	160
Other benefits and allowances	434	385	459	38	421	416	5	1%	459
Sub Total - Senior Managers of Municipality	5 452	5 478	6 308	500	5 605	5 711	(106)	-2%	6 308
% increase		0,5%	15,7%						15,7%
Other Municipal Staff									
Basic Salaries and Wages	108 070	119 067	127 568	10 643	116 130	115 622	507	0%	127 568
Pension and UIF Contributions	16 177	17 188	18 286	1 587	17 344	16 666	678	4%	18 286
Medical Aid Contributions	8 220	8 585	8 728	810	8 369	7 991	378	5%	8 728
Overtime	22 043	26 225	15 200	1 460	14 403	15 299	(896)	-6%	15 200
Performance Bonus	7 833	7 670	7 211	928	7 388	6 680	708	11%	7 211
Motor Vehicle Allowance	14 366	15 269	16 038	1 399	14 809	14 628	181	1%	16 038
Cellphone Allowance	781	833	802	68	768	739	29	4%	802
Housing Allowances	487	510	548	48	522	498	24	5%	548
Other benefits and allowances	4 034	4 351	4 450	441	4 265	4 098	167	4%	4 450
Payments in lieu of leave	3 208	780	1 125	16	1 380	1 103	277	25%	1 125
Long service awards	193	1 065	757	61	960	735	226	31%	757
Post-retirement benefit obligations	(461)	3 125	3 125	-	-	2 864	(2 864)	-100%	3 125
Sub Total - Other Municipal Staff	184 950	204 667	203 836	17 461	186 338	186 924	(585)	0%	203 836
% increase		10,7%	10,2%						10,2%
Total Parent Municipality	198 103	218 163	218 484	18 589	199 133	200 241	(1 108)	-1%	218 484
		10,1%	10,3%						10,3%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	342	(342)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	342	(342)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	2 130	1 730	-	-	1 633	(1 633)	-100%	1 730
Sub Total - Senior Managers of Entities	-	2 130	1 730	-	-	1 633	(1 633)	-100%	1 730
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 575	7 675	-	-	7 023	(7 023)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	1 347	(1 347)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	439	(439)	-100%	479
Performance Bonus	-	533	533	-	-	488	(488)	-100%	533
Payments in lieu of leave	-	43	43	-	-	39	(39)	-100%	43
Sub Total - Other Staff of Entities	-	10 099	10 199	-	-	9 337	(9 337)	-100%	10 199
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 601	12 301	-	-	11 311	(11 311)	-100%	12 301
TOTAL SALARY, ALLOWANCES & BENEFITS	198 103	230 764	230 785	18 589	199 133	211 552	(12 419)	-6%	230 785
% increase		16,5%	16,5%						16,5%
TOTAL MANAGERS AND STAFF	190 401	222 374	222 074	17 961	191 943	203 604	(11 661)	-6%	222 074

2.6 Material Variances to the SDBIP

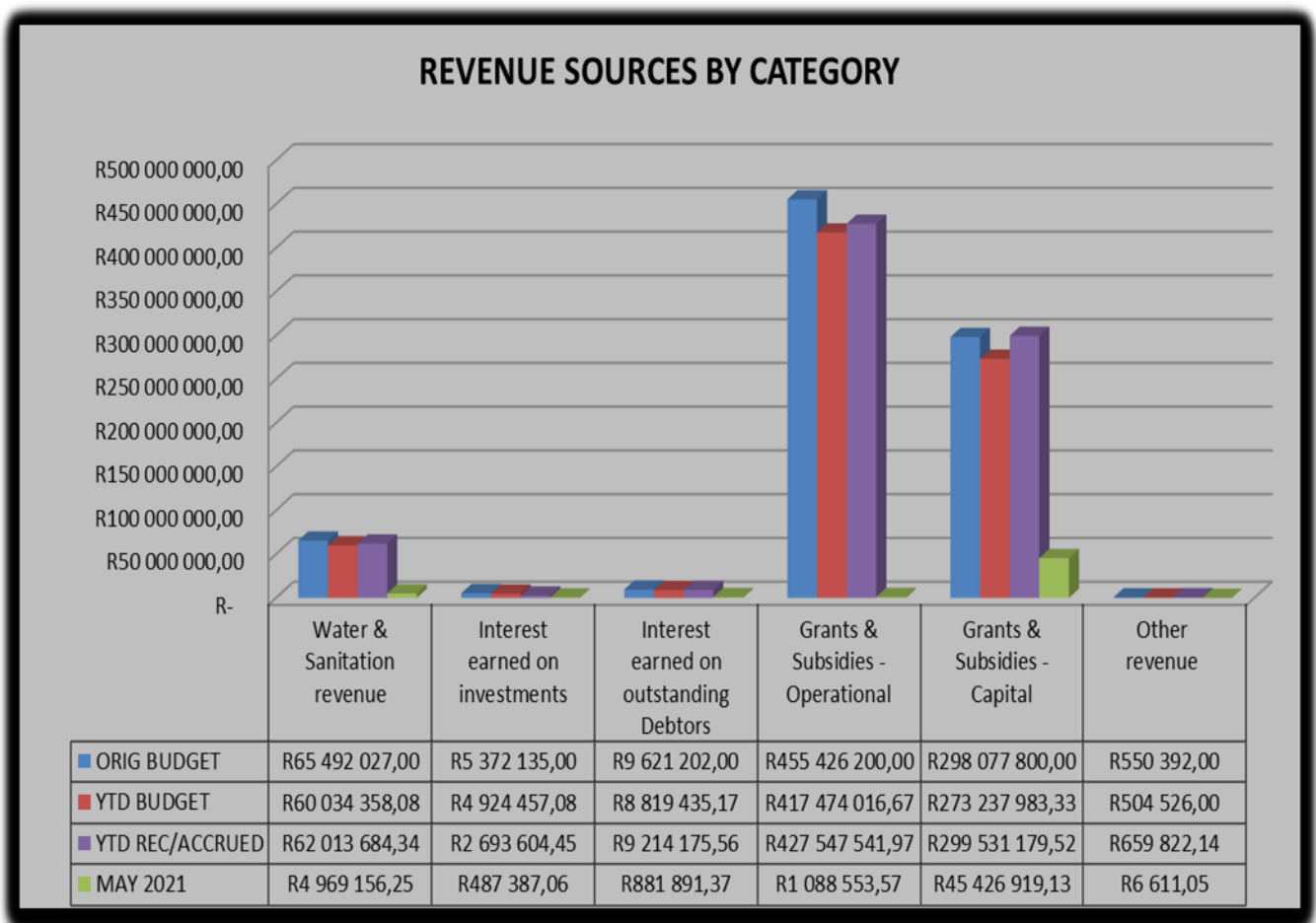
The following section analyses material variances between the actual targets as at 31 May 2021 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 May 2021 was R62million against a year to date **budget** of R60million or 103 per cent over performed by 4 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R2, 6million against year to budget of R4, 9m representing 55 per cent of the year to date budget.

Transfers Recognised - Operational

The operational grants revenue of R427, 5million against a year to date budget of R417, 4million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The actual R273, 2million (against a YTD budget of R299, 5million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 110% performance in Conditional Capital grant funding expenditures.

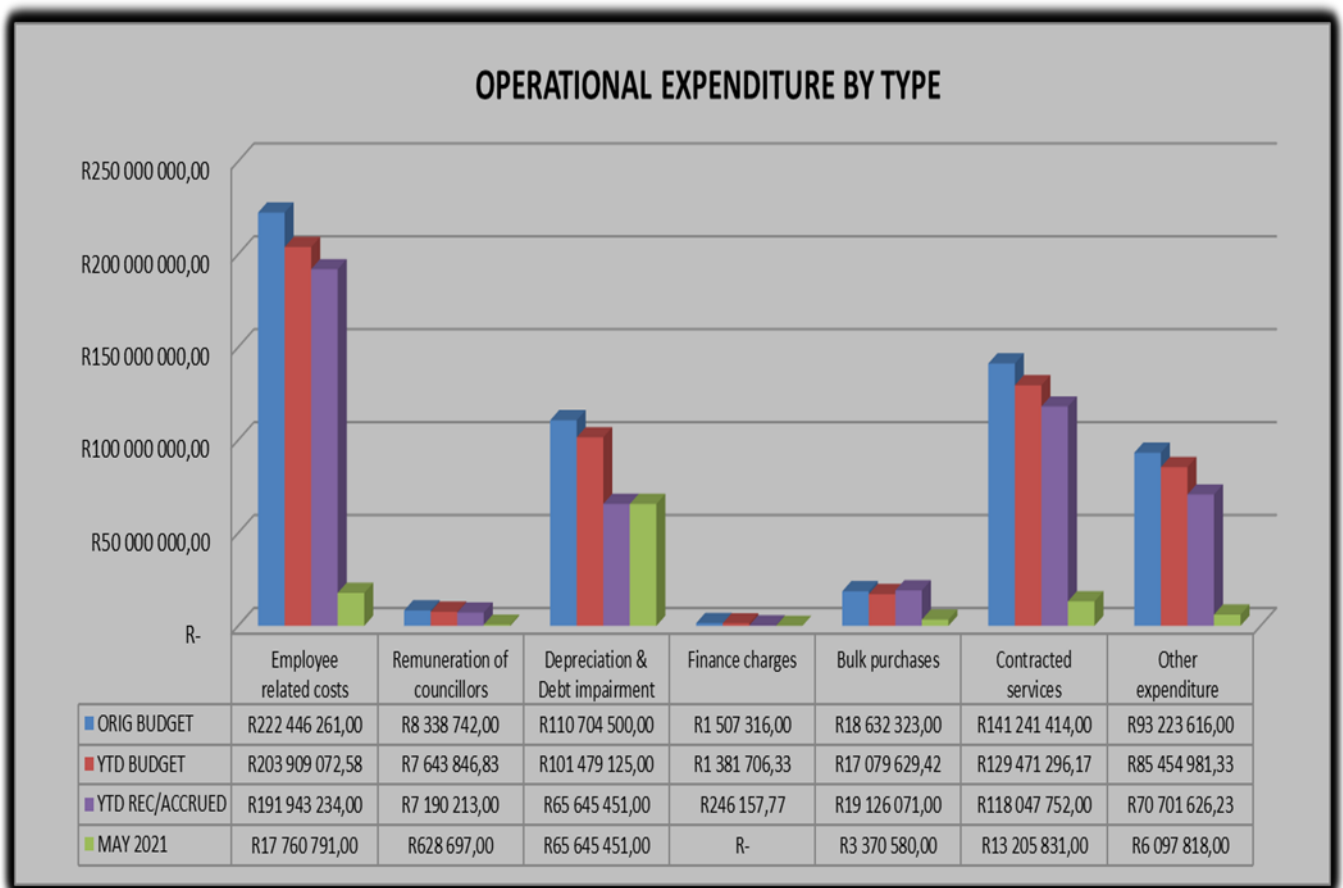
Other Revenue

The YTD performance of other revenue is R659 822 against YTD budget of R 504 526 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 R203, 9million against a YTD actual of R191, 9million.

Remuneration of Councillors

The remuneration of councillor's expenditure as at 31 May 2021 was R7, 1million against a year to budget of R7, 6million.

Finance Charges

The expenditure for finance charges at 31 May is at R 246 158 against year to date budget of R1, 3million.

Bulk Purchases

The expenditure on Bulk Water purchases has overspent by 12 per cent when relating to the year to date actual of R 19, 1million against year to budget of R 17million.

Contracted Services

The year to date actual for contracted services is R118million against year to date budget of R 129, 4million representing 91 per cent performance.

Other Expenditure

The year to date actual is R70, 7million against year to date budget of R 85, 4million and the expenditure for the month of May 2021 is at R6million.

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 - M11 May

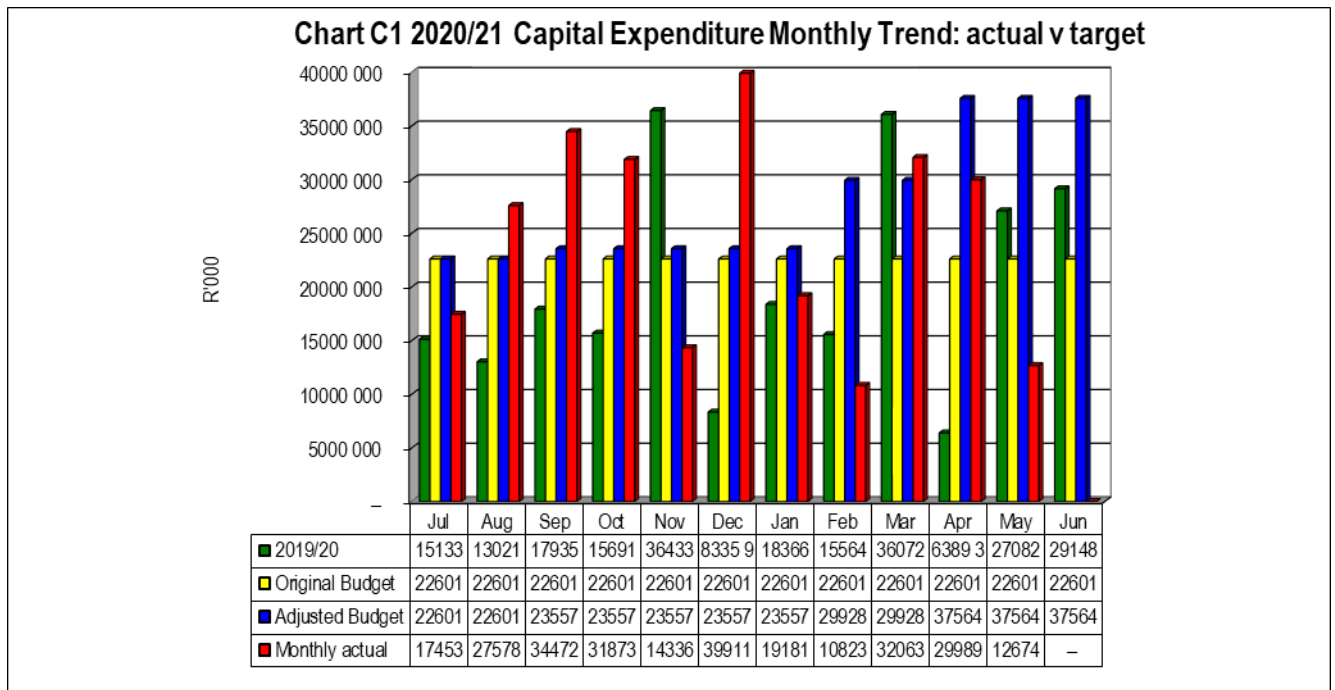
Description	Budget Year 2020/21												2020/21 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Budget	Budget Year 2020/21	Budget Year +1 2021/22	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	5 037	2 628	3 150	3 059	37 797	39 680	41 881
Service charges - sanitation revenue	936	949	2 395	1 976	930	987	829	1 426	2 159	1 126	1 307	657	15 678	14 225	15 078
Interest earned - external investments	-	-	732	203	168	46	480	1 168	319	487	448	1 321	5 372	5 682	6 018
Interest earned - outstanding debtors												-			
Transfers and Subsidies - Operational	169 125	2 299	-	-	34	156 985	-	646	94 643	-	-	474	424 206	395 084	414 394
Other revenue	-	209	26	39	94	2 415	-	92	144	7	-	(2 550)	476	549	574
Cash Receipts by Source	172 245	5 673	8 741	6 830	3 396	162 737	3 244	6 248	102 302	4 248	4 904	2 961	483 529	455 221	477 945
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	-	-	52 355	-	-	(37 044)	293 626	303 580	346 011
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	145	145	147	149
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	240 245	14 699	38 741	30 830	60 685	252 737	3 244	6 248	154 657	4 248	4 904	(33 938)	777 300	758 948	824 105
Cash Payments by Type															
Employee related costs	16 377	16 069	15 673	18 134	17 067	22 915	18 740	18 562	17 802	17 961	19 232	32 254	230 785	246 079	262 443
Remuneration of councillors	688	627	673	682	712	653	651	668	612	629		(6 595)			
Interest paid	-	-	-	-	-	252	-	-	-	-	126	1 130	1 507	1 328	1 385
Bulk purchases - Water & Sewer	-	1 896	1 889	1 380	2 302	1 627	576	1 553	3 751	3 371	1 553	(1 265)	18 632	19 396	20 250
Other materials	-	85	729	360	51	2 275	582	759	499	680		(6 020)			
Contracted services	12 933	6 474	17 835	4 846	14 297	14 352	9 705	9 863	10 417	13 206	-	(113 926)	-	105 296	110 111
General expenses	11 578	15 834	4 561	5 384	3 471	10 934	4 194	5 207	4 854	5 218	18 199	128 952	218 386	73 441	78 948
Cash Payments by Type	41 575	40 983	41 361	30 786	37 899	53 008	34 449	36 613	37 934	41 064	39 109	34 529	469 311	445 539	473 136
Other Cash Flows/Payments by Type															
Capital assets	17 453	27 579	34 472	31 874	14 337	40 106	19 182	22 602	32 063	12 674	27 962	55 238	335 542	307 283	347 620
Repayment of borrowing	-	-	-	-	-	2 217	-	-	-	-	-	(2 217)	-	3 676	2 300
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	69 997	53 738	67 071	87 551	804 853	756 499	823 057
NET INCREASE/(DECREASE) IN CASH HELD	181 217	(53 863)	(37 092)	(31 829)	8 449	157 406	(50 387)	(52 967)	84 659	(49 490)	(62 167)	(121 489)	(27 553)	2 448	1 048
Cash/cash equivalents at the month/year beginning:	48 731	229 948	176 085	138 992	107 163	115 612	273 018	222 631	169 664	254 324	204 834	142 667	48 731	21 178	23 626
Cash/cash equivalents at the month/year end:	229 948	176 085	138 992	107 163	115 612	273 018	222 631	169 664	254 324	204 834	142 667	21 178	21 178	23 626	24 674

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M11 May

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	32 063	227 695	222 849	(4 846)	-2,2%	84%
April	6 389	22 602	37 564	29 990	257 685	260 414	2 729	1,0%	0
May	27 082	22 602	37 564	12 674	270 359	297 978	27 619	9,3%	0
June	29 148	22 602	37 564	-	-	335 542	-	-	-
Total Capital expenditure	239 175	271 221	335 542	270 359					

YTD Capital Budget vs. YTD Capital Expenditure



Capital Expenditure on New Assets by Asset Class

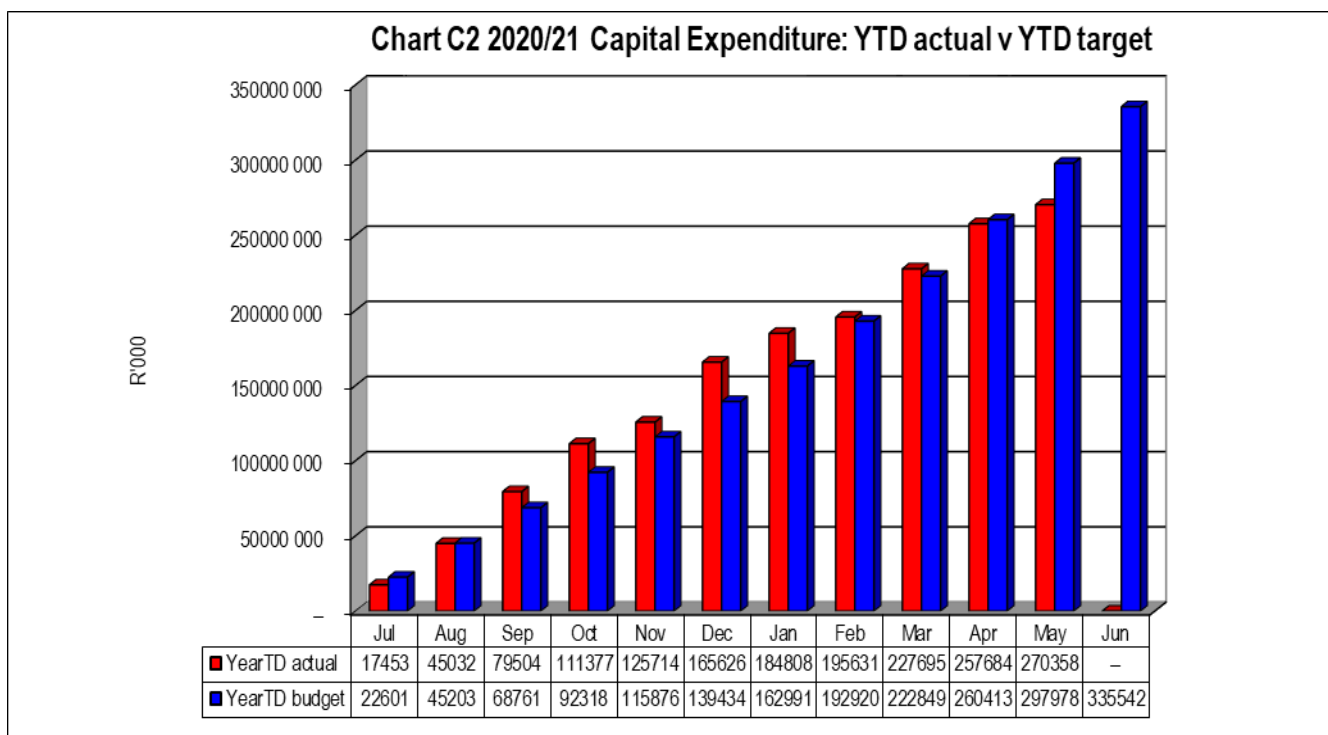
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M11

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	280 152	10 716	232 565	251 104	18 539	7,4%	280 152
Water Supply Infrastructure	105 103	213 161	262 195	9 827	224 117	231 779	7 662	3,3%	262 195
Dams and Weirs	32 289	16 526	28 929	482	22 602	23 435	833	3,6%	28 929
Boreholes	12 718	31 965	22 246	2 366	16 991	21 229	4 238	20,0%	22 246
Reservoirs	15 642	6 900	1 870	-	870	2 185	1 315	60,2%	1 870
Pump Stations	-	21 437	35 541	1 173	27 878	35 120	7 242	20,6%	35 541
Water Treatment Works	-	12 000	7 075	1 067	4 414	9 460	5 046	53,3%	7 075
Bulk Mains	20 996	27 669	84 784	4 038	75 836	64 870	(10 966)	-16,9%	84 784
Distribution	23 458	95 963	81 750	701	75 526	75 399	(128)	-0,2%	81 750
Capital Spares	-	700	-	-	-	82	82	100,0%	-
Sanitation Infrastructure	-	34 873	17 957	889	8 448	19 325	10 877	56,3%	17 957
Pump Station	-	8 700	5 210	-	1 494	5 995	4 501	75,1%	5 210
Reticulation	-	19 506	10 271	889	6 105	10 571	4 466	42,2%	10 271
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	6 667	2 476	-	849	2 759	1 910	69,2%	2 476
Intangible Assets	-	200	900	-	-	743	743	100,0%	900
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	200	900	-	-	743	743	100,0%	900
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	200	900	-	-	743	743	100,0%	900
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	4 084	1 590	1 779	-	1 566	1 619	53	3,3%	1 779
Computer Equipment	4 084	1 590	1 779	-	1 566	1 619	53	3,3%	1 779
Furniture and Office Equipment	684	910	1 860	662	1 267	1 604	337	21,0%	1 860
Furniture and Office Equipment	684	910	1 860	662	1 267	1 604	337	21,0%	1 860
Machinery and Equipment	-	484	100	-	-	136	136	100,0%	100
Machinery and Equipment	-	484	100	-	-	136	136	100,0%	100
Transport Assets	5 855	2 500	10 958	-	7 355	9 904	2 549	25,7%	10 958
Transport Assets	5 855	2 500	10 958	-	7 355	9 904	2 549	25,7%	10 958
Total Capital Expenditure on new assets	115 726	253 717	295 749	11 378	242 752	265 111	22 359	8,4%	295 749

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 - M11

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	8 796	-	8 110	6 822	(1 288)	-18,9%	8 796
<i>Capital Spares</i>							-		
Water Supply Infrastructure	38 675	780	982	-	982	745	(236)	-31,7%	982
<i>Water Treatment Works</i>							-		
Bulk Mains	-	780	-	-	-	91	91	100,0%	-
Distribution	38 675	-	982	-	982	654	(327)	-50,0%	982
Distribution Points	-	-	-	-	-	-	-		-
PRV Stations	-	-	-	-	-	-	-		-
<i>Capital Spares</i>									
Sanitation Infrastructure	38 302	-	7 814	-	7 128	6 076	(1 052)	-17,3%	7 814
<i>Pump Station</i>							-		
Reticulation	-	-	-	-	-	-	-		-
Waste Water Treatment Works	38 302	-	7 814	-	7 128	6 076	(1 052)	-17,3%	7 814
Outfall Sewers	-	-	-	-	-	-	-		-
Machinery and Equipment	-	50	-	-	-	6	6	100,0%	-
Machinery and Equipment	-	50	-	-	-	6	6	100,0%	-
Transport Assets	-	-	16 550	-	5 318	13 330	8 012	60,1%	16 550
Transport Assets	-	-	16 550	-	5 318	13 330	8 012	60,1%	16 550
Total Capital Expenditure on renewal of existing assets	76 976	830	25 346	-	13 428	20 158	6 730	33,4%	25 346



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 May 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_____