

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 August 2021.

10/9/2021

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 2021/2022 budget for the period ending 31 August 2021

1.3 Resolutions

This report will be tabled to Budget & Treasury 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,

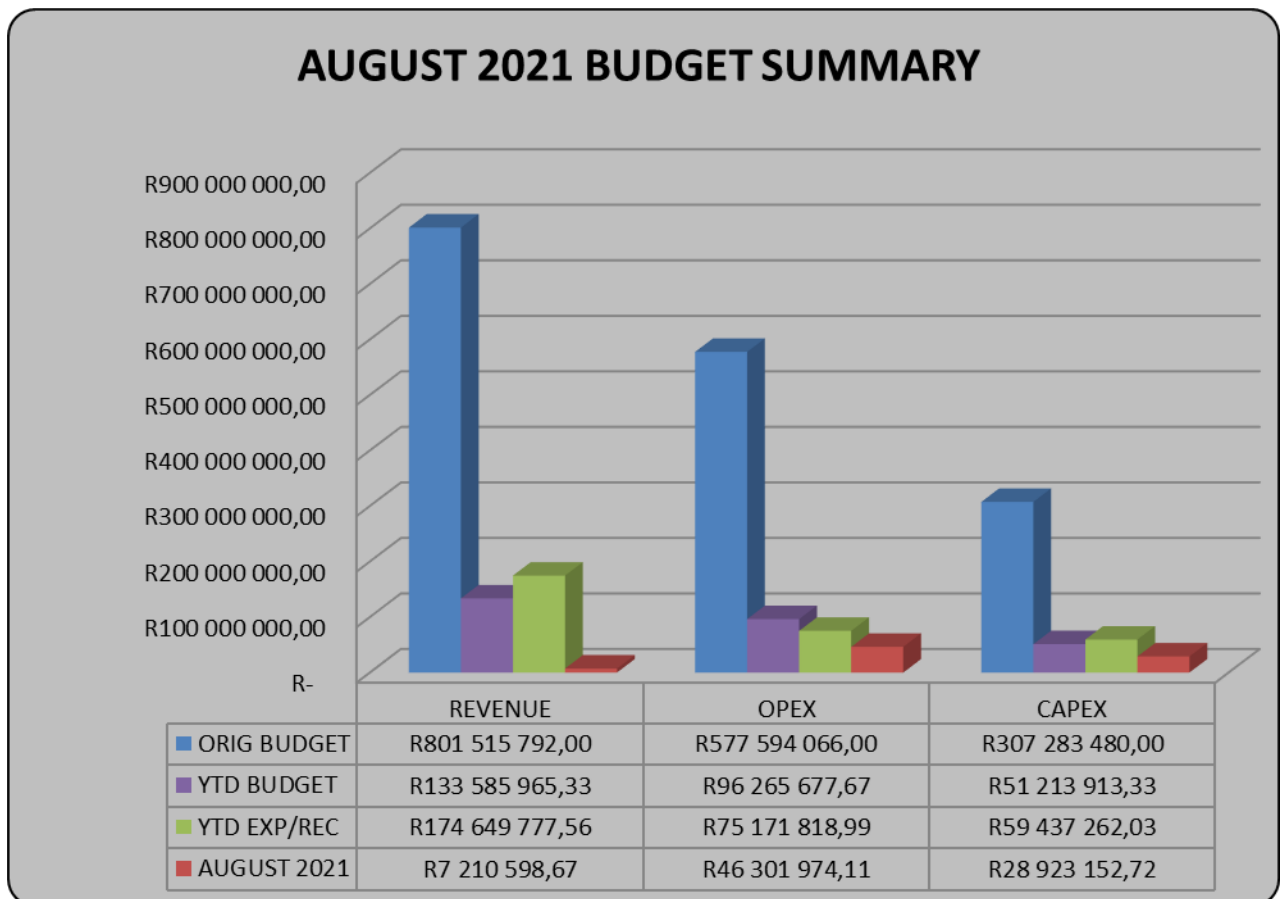
- Revenue
- Operational, and
- Capital Budgets

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 2021/2022 budget for the period ending 31 August 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 August as well as the Year to Date movements (YTD).

Chart 1: Budget vs. Expenditure Summary



Revenue by Source

The original approved revenue for the 2021/2022 budget amounts to R801, 5m. The year to date actual revenue for the period ended 31 August 2021 amounted to R174, 6m which is 131% of the Year to Date (YTD) budget. The year to date revenue is largely constituted of the Operational & Capital grant receipts with the Water & Sanitation Revenue contributing to the balance.

Operating expenditure by vote & type

The total operating budget for the current year amounts to R577, 5m. The YTD Operating expenditure for the month ended 31 August amounted to R75, 1m against a year to date (YTD) budget of R96, 2m. The actual YTD expenditure represented 78% of the year to date budget.

Capital expenditure

The total capital budget for the current year amounts to R307, 2m. The YTD expenditure on capital amounts to R59, 4million, or 116% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

1.4 Monthly Budget Statement Tables

Monthly Budget Statements Summary

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

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

Description	2020/21	Budget Year 2021/22							
	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	67 765	69 422	69 422	5 838	11 105	11 570	(465)	-4%	69 422
Investment revenue	3 011	5 682	5 682	502	623	947	(324)	-34%	5 682
Transfers and subsidies	430 342	417 406	417 406	-	161 255	69 568	91 687	132%	417 406
Other own revenue	10 879	10 748	10 748	871	1 666	1 791	(125)	-7%	10 748
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	503 258	7 211	174 650	83 876	90 774	108%	503 258
Employee costs	217 969	237 156	237 156	18 517	36 743	39 526	(2 784)	-7%	237 156
Remuneration of Councillors	7 813	8 922	8 922	606	1 225	1 487	(262)	-18%	8 922
Depreciation & asset impairment	78 532	87 410	87 410	-	-	14 568	(14 568)	-100%	87 410
Finance charges	995	1 328	1 328	-	-	221	(221)	-100%	1 328
Inventory consumed and bulk purchases	26 303	31 249	31 249	4 588	4 736	5 208	(472)	-9%	31 249
Transfers and subsidies	17 000	17 000	17 000	5 600	5 600	2 833	2 767	98%	17 000
Other expenditure	224 777	194 529	194 529	16 990	26 868	32 422	(5 554)	-17%	194 529
Total Expenditure	573 389	577 594	577 594	46 302	75 172	96 266	(21 094)	-22%	577 594
Surplus/(Deficit)	(61 392)	(74 336)	(74 336)	(39 091)	99 478	(12 390)	111 868	-903%	(74 336)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	298 258	-	-	49 710	(49 710)	-100%	298 258
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)	4 693	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	246 158	223 922	223 922	(39 091)	99 478	37 320	62 158	167%	223 922
Surplus/ (Deficit) for the year	246 158	223 922	223 922	(39 091)	99 478	37 320	62 158	167%	223 922
Capital expenditure & funds sources									
Capital expenditure	296 457	307 283	307 283	28 923	59 437	51 214	8 223	16%	307 283
Capital transfers recognised	268 028	298 258	298 258	28 888	59 402	49 710	9 692	19%	298 258
Internally generated funds	28 430	9 025	9 025	36	36	1 504	(1 469)	-98%	9 025
Total sources of capital funds	296 457	307 283	307 283	28 923	59 437	51 214	8 223	16%	307 283
Financial position									
Total current assets	1 195 433	1 076 619	1 076 619		264 625				1 076 619
Total non current assets	2 552 798	2 845 908	2 845 908		2 612 236				2 845 908
Total current liabilities	233 041	106 785	106 785		233 588				106 785
Total non current liabilities	42 646	25 676	25 676		29 066				25 676
Community wealth/Equity	2 597 331	2 821 066	2 821 066		2 475 638				2 821 066
Cash flows									
Net cash from (used) operating	(99 976)	313 261	313 261	(25 186)	240 559	240 650	91	0%	307 465
Net cash from (used) investing	(233 320)	(307 283)	(307 283)	(28 923)	(59 437)	(51 214)	8 223	-16%	(307 283)
Net cash from (used) financing	-	(3 676)	(3 676)	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	(292 626)	51 032	51 032	-	232 984	189 436	(43 548)	-23%	182
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	7 729	5 232	4 584	4 983	4 295	4 035	25 017	180 194	236 069
Creditors Age Analysis									
Total Creditors	1 183	158	24	27	-	-	-	-	1 392

Financial Performance

Table C2 provides the statement of financial performance by standard classification.

DC43 Harry Gwala - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	2020/21	Budget Year 2021/22							
	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>	422 901	404 553	404 553	505	161 884	67 426	94 459	140%	404 553
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	404 553	404 553	505	161 884	67 426	94 459	140%	404 553
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	8 568	22 412	22 412	-	-	3 735	(3 735)	-100%	22 412
Planning and development	8 568	22 412	22 412	-	-	3 735	(3 735)	-100%	22 412
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	388 078	374 551	374 551	6 705	12 765	62 425	(49 660)	-80%	374 551
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	360 199	360 199	5 597	10 621	60 033	(49 412)	-82%	360 199
Waste water management	29 226	14 352	14 352	1 108	2 144	2 392	(248)	-10%	14 352
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	801 516	801 516	7 211	174 650	133 586	41 064	31%	801 516
Expenditure - Functional									
<i>Governance and administration</i>	233 309	251 534	251 534	20 455	33 646	41 923	(8 276)	-20%	251 534
Executive and council	27 920	24 745	24 745	4 046	5 553	4 124	1 429	35%	24 745
Finance and administration	195 887	217 553	217 553	15 725	26 844	36 259	(9 415)	-26%	217 553
Internal audit	9 503	9 236	9 236	685	1 249	1 539	(291)	-19%	9 236
<i>Community and public safety</i>	17 674	18 501	18 501	1 435	2 899	3 083	(184)	-6%	18 501
Community and social services	17 674	18 501	18 501	1 435	2 899	3 083	(184)	-6%	18 501
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	122 485	154 812	154 812	8 612	11 376	25 802	(14 426)	-56%	154 812
Planning and development	122 485	154 812	154 812	8 612	11 376	25 802	(14 426)	-56%	154 812
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	199 921	152 747	152 747	15 799	27 250	25 458	1 792	7%	152 747
Energy sources	-	-	-	-	-	-	-	-	-
Water management	199 059	151 849	151 849	15 739	27 092	25 308	1 784	7%	151 849
Waste water management	862	898	898	61	158	150	8	5%	898
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	573 389	577 594	577 594	46 302	75 172	96 266	(21 094)	-22%	577 594
Surplus/ (Deficit) for the year	246 158	223 922	223 922	(39 091)	99 478	37 320	62 158	167%	223 922

This table assess the revenue by department and then the expenditure for the period ending 31 August 2021. Revenue receipts in August have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of August is 5%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department as the department responsible for the repairs and maintenance of the municipal assets and also with the largest staff complement, shares the greatest bulk of this budget and hence the expenditure of R16, 2m.

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) - M02

Vote Description	2020/21	Budget Year 2021/22							
	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	422 192	404 553	404 553	505	161 884	67 426	94 459	140,1%	404 553
Vote 04 - Summary Corporate Services	665	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	3 875	22 412	22 412	-	-	3 735	(3 735)	-100,0%	22 412
Vote 06 - Summary Infrastructure Services	305 438	311 333	311 333	367	700	51 889	(51 189)	-98,7%	311 333
Vote 07 - Summary Water Services	87 377	63 218	63 218	6 338	12 066	10 536	1 529	14,5%	63 218
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	801 516	801 516	7 211	174 650	133 586	41 064	30,7%	801 516
Expenditure by Vote									
Vote 01 - Summary Council	14 956	16 256	16 256	3 533	4 612	2 709	1 903	70,2%	16 256
Vote 02 - Summary Municipal Manager	22 466	17 726	17 726	1 197	2 190	2 954	(764)	-25,9%	17 726
Vote 03 - Summary Budget And Treasury Office	59 812	85 267	85 267	7 274	10 691	14 211	(3 520)	-24,8%	85 267
Vote 04 - Summary Corporate Services	89 619	89 530	89 530	4 559	10 195	14 922	(4 727)	-31,7%	89 530
Vote 05 - Summary Social Services & Development Planning	48 107	68 717	68 717	8 161	10 884	11 453	(568)	-5,0%	68 717
Vote 06 - Summary Infrastructure Services	96 281	109 078	109 078	5 330	7 188	18 180	(10 991)	-60,5%	109 078
Vote 07 - Summary Water Services	242 148	191 021	191 021	16 247	29 411	31 837	(2 426)	-7,6%	191 021
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	573 389	577 594	577 594	46 302	75 172	96 266	(21 094)	-21,9%	577 594
Surplus/ (Deficit) for the year	246 158	223 922	223 922	(39 091)	99 478	37 320	62 158	166,6%	223 922

Statement of financial Performance

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

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

Description	2020/21	Budget Year 2021/22							
	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	54 003	48 866	48 866	4 659	8 854	8 144	710	9%	48 866
Service charges - sanitation revenue	13 762	20 555	20 555	1 179	2 251	3 426	(1 175)	-34%	20 555
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	3 011	5 682	5 682	502	623	947	(324)	-34%	5 682
Interest earned - outstanding debtors	10 100	10 198	10 198	871	1 666	1 700	(34)	-2%	10 198
Transfers and subsidies	430 342	417 406	417 406	-	161 255	69 568	91 687	132%	417 406
Other revenue	778	549	549	0	0	92	(91)	-100%	549
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	503 258	7 211	174 650	83 876	90 774	108%	503 258
Expenditure By Type									
Employee related costs	217 969	237 156	237 156	18 517	36 743	39 526	(2 784)	-7%	237 156
Remuneration of councillors	7 813	8 922	8 922	606	1 225	1 487	(262)	-18%	8 922
Debt impairment	31 734	27 645	27 645	-	-	4 607	(4 607)	-100%	27 645
Depreciation & asset impairment	78 532	87 410	87 410	-	-	14 568	(14 568)	-100%	87 410
Finance charges	995	1 328	1 328	-	-	221	(221)	-100%	1 328
Bulk purchases - electricity	20 458	-	-	-	(1)	-	(1)	#DIV/0!	-
Inventory consumed	5 845	31 249	31 249	4 588	4 737	5 208	(471)	-9%	31 249
Contracted services	129 640	105 296	106 296	12 347	18 355	17 716	639	4%	106 296
Transfers and subsidies	17 000	17 000	17 000	5 600	5 600	2 833	2 767	98%	17 000
Other expenditure	56 907	61 589	60 589	4 644	8 513	10 098	(1 585)	-16%	60 589
Losses	6 496	-	-	-	-	-	-	-	-
Total Expenditure	573 389	577 594	577 594	46 302	75 172	96 266	(21 094)	-22%	577 594
Surplus/(Deficit)	(61 392)	(74 336)	(74 336)	(39 091)	99 478	(12 390)	111 868	(0)	(74 336)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	298 258	-	-	49 710	(49 710)	(0)	298 258
Transfers and subsidies - capital (in-kind - all)	4 693	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	246 158	223 922	223 922	(39 091)	99 478	37 320			223 922
Taxation									
Surplus/(Deficit) after taxation	246 158	223 922	223 922	(39 091)	99 478	37 320			223 922
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	246 158	223 922	223 922	(39 091)	99 478	37 320			223 922
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	246 158	223 922	223 922	(39 091)	99 478	37 320			223 922

Capital Expenditure

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

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

Vote Description	2020/21	Budget Year 2021/22							
	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	-	500	500	-	-	83	(83)	-100%	500
Vote 04 - Summary Corporate Services	7 226	4 031	4 031	-	-	672	(672)	-100%	4 031
Vote 05 - Summary Social Services & Development Planning	7 355	1 870	1 870	47	47	312	(264)	-85%	1 870
Vote 06 - Summary Infrastructure Services	46 050	16 300	16 300	6 440	7 213	2 717	4 496	166%	16 300
Vote 07 - Summary Water Services	235 826	284 583	284 583	22 436	52 177	47 430	4 746	10%	284 583
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	296 457	307 283	307 283	28 923	59 437	51 214	8 223	16%	307 283
Total Capital Expenditure	296 457	307 283	307 283	28 923	59 437	51 214	8 223	16%	307 283
Capital Expenditure - Functional Classification									
Governance and administration	7 226	5 110	5 110	-	-	852	(852)	-100%	5 110
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	7 226	5 110	5 110	-	-	852	(852)	-100%	5 110
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	7 355	1 021	1 021	47	47	170	(123)	-72%	1 021
Community and social services	7 355	1 021	1 021	47	47	170	(123)	-72%	1 021
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	18 541	1 270	1 270	-	-	212	(212)	-100%	1 270
Planning and development	18 541	1 270	1 270	-	-	212	(212)	-100%	1 270
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	263 335	299 883	299 883	28 876	59 390	49 980	9 410	19%	299 883
Energy sources	-	-	-	-	-	-	-	-	-
Water management	248 698	244 033	244 033	25 374	44 356	40 672	3 684	9%	244 033
Waste water management	14 637	55 850	55 850	3 501	15 034	9 308	5 726	62%	55 850
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	296 457	307 283	307 283	28 923	59 437	51 214	8 223	16%	307 283
Funded by:									
National Government	249 289	298 258	298 258	28 840	59 355	49 710	9 645	19%	298 258
Provincial Government	18 739	-	-	-	-	-	-	-	-
District Municipality	-	-	-	47	47	-	47	#DIV/0!	-
Transfers recognised - capital	268 028	298 258	298 258	28 888	59 402	49 710	9 692	19%	298 258
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	9 025	36	36	1 504	(1 469)	-98%	9 025
Total Capital Funding	296 457	307 283	307 283	28 923	59 437	51 214	8 223	16%	307 283

As alluded to above, the capital expenditure programme for the period ending 31 August 2021 was R 59, 4m which represents 116% of capital expenditure against year to date budget of R51, 2million. The capital expenditure programme has started on a positive footing and thus the high expenditures reflected on National grant funding

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

Chart 1: 2021/2022 CAPEX

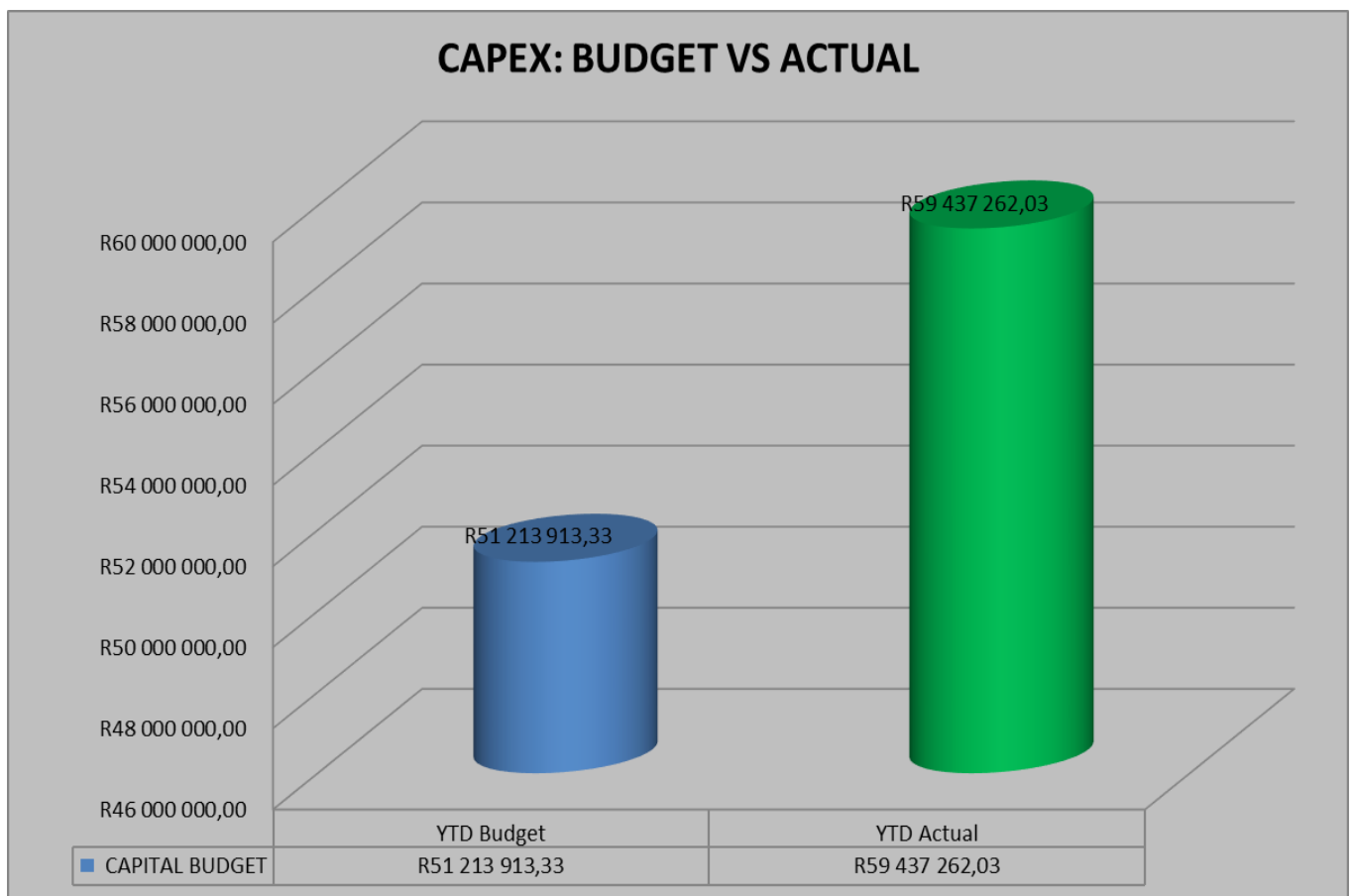


Table C6 displays the financial position of the municipality as at 31 August 2021.

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

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	355 843	11 058	11 058	(107 213)	11 058
Call investment deposits	787 515	40 121	40 121	304 285	40 121
Consumer debtors	29 191	30 951	30 951	34 856	30 951
Other debtors	22 475	25 222	25 222	32 290	25 222
Current portion of long-term receivables	–	–	–	–	–
Inventory	408	267	267	408	267
Total current assets	1 195 433	107 619	107 619	264 625	107 619
Non current assets					
Property, plant and equipment	2 552 221	2 843 962	2 843 962	2 611 658	2 843 962
Biological					
Intangible	578	1 946	1 946	578	1 946
Other non-current assets	0	0	0	0	0
Total non current assets	2 552 798	2 845 908	2 845 908	2 612 236	2 845 908
TOTAL ASSETS	3 748 231	2 953 527	2 953 527	2 876 861	2 953 527
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	13 194	–
Consumer deposits	2 034	2 155	2 155	2 065	2 155
Trade and other payables	215 920	91 336	91 336	203 242	91 336
Provisions	15 088	13 294	13 294	15 088	13 294
Total current liabilities	233 041	106 785	106 785	233 588	106 785
Non current liabilities					
Borrowing	18 098	1 878	1 878	4 518	1 878
Provisions	24 548	23 797	23 797	24 548	23 797
Total non current liabilities	42 646	25 676	25 676	29 066	25 676
TOTAL LIABILITIES	275 687	132 461	132 461	262 654	132 461
NET ASSETS	3 472 544	2 821 066	2 821 066	2 614 207	2 821 066
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	3 472 544	2 821 066	2 821 066	2 614 207	2 821 066
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	3 472 544	2 821 066	2 821 066	2 614 207	2 821 066

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

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

Description	2020/21	Budget Year 2021/22							
	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	130 189	53 905	53 905	6 342	8 825	4 492	4 333	96%	53 905
Other revenue	307	549	549	-	-	46	(46)	-100%	549
Transfers and Subsidies - Operational	234 355	395 084	395 084	2 349	165 197	32 441	132 756	409%	389 288
Transfers and Subsidies - Capital	215 028	303 580	303 580	-	124 700	240 326	(115 626)	-48%	303 580
Interest	3 011	5 682	5 682	502	623	474	150	32%	5 682
Dividends							-		
Payments									
Suppliers and employees	(682 380)	(444 212)	(444 212)	(34 379)	(58 786)	(37 018)	21 769	-59%	(444 212)
Finance charges	-	(1 328)	(1 328)	-	-	(111)	(111)	100%	(1 328)
Transfers and Grants	(486)	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 976)	313 261	313 261	(25 186)	240 559	240 650	91	0%	307 465
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	(233 320)	(307 283)	(307 283)	(28 923)	(59 437)	(51 214)	8 223	-16%	(307 283)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(233 320)	(307 283)	(307 283)	(28 923)	(59 437)	(51 214)	8 223	-16%	(307 283)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-		-
Payments									
Repayment of borrowing		(3 676)	(3 676)	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(3 676)	(3 676)	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD	(333 296)	2 301	2 301	(54 109)	181 122	189 436			182
Cash/cash equivalents at beginning:	40 671	48 731	48 731	287 170	51 862				
Cash/cash equivalents at month/year end:	(292 626)	51 032	51 032	232 984	189 436				182

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

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

Table 2.1.1: Debtors Age Analysis by Income Source

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

Description	Budget Year 2021/22									
	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	4 962	3 359	2 942	3 199	2 757	2 590	16 059	115 671	151 538	140 276
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 938	1 312	1 150	1 250	1 077	1 012	6 274	45 188	59 200	54 800
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	829	561	492	535	461	433	2 684	19 335	25 331	23 448
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	7 729	5 232	4 584	4 983	4 295	4 035	25 017	180 194	236 069	218 524
2020/21 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	3 569	1 455	949	511	543	211	953	3 876	12 067	6 094
Commercial	858	543	389	896	307	445	1 909	9 313	14 660	12 870
Households	3 302	3 234	3 246	3 576	3 445	3 379	22 155	167 005	209 342	199 560
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	7 729	5 232	4 584	4 983	4 295	4 035	25 017	180 194	236 069	218 524

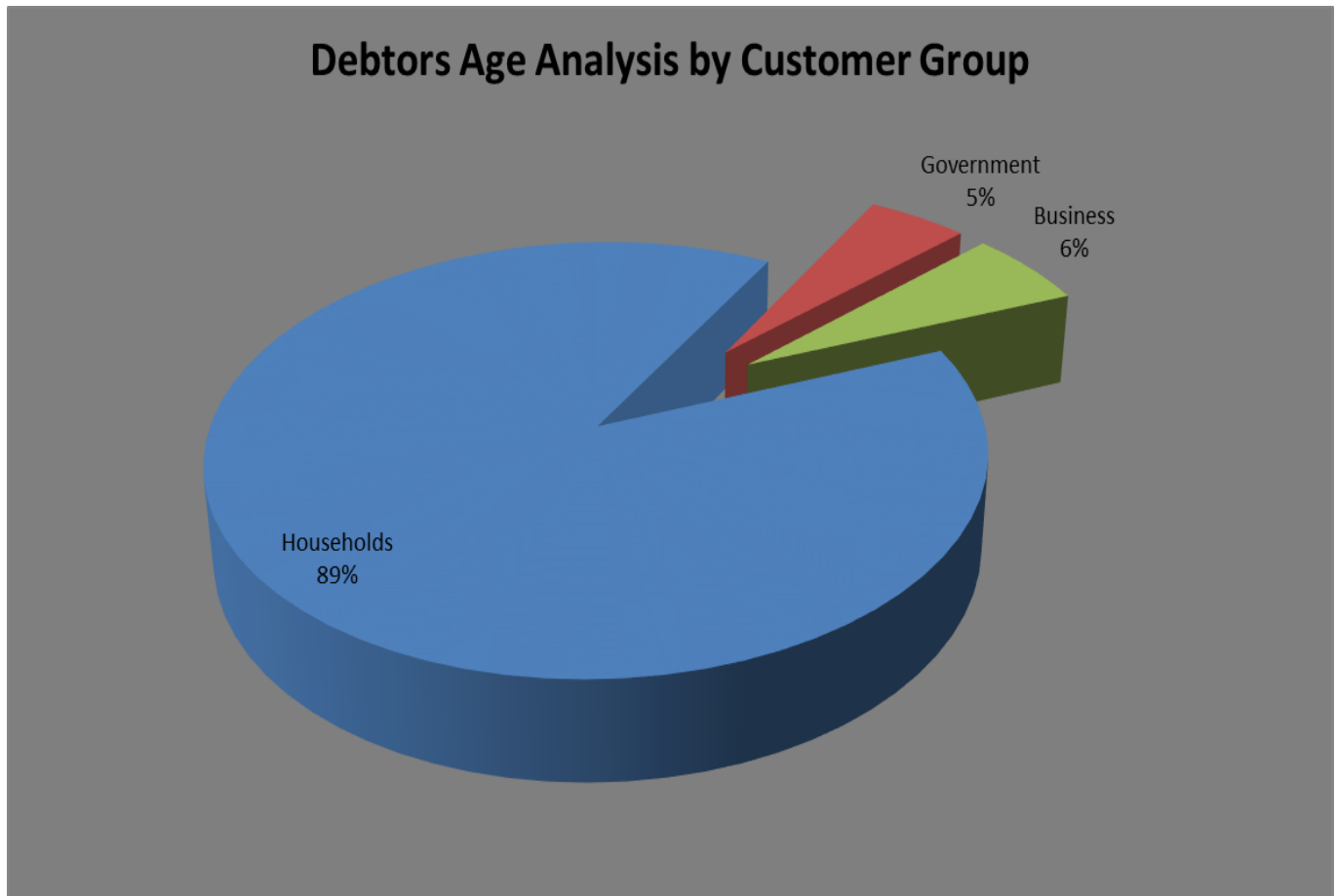
Table 2.1.2: Debtors Age Analysis by Customer Category

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

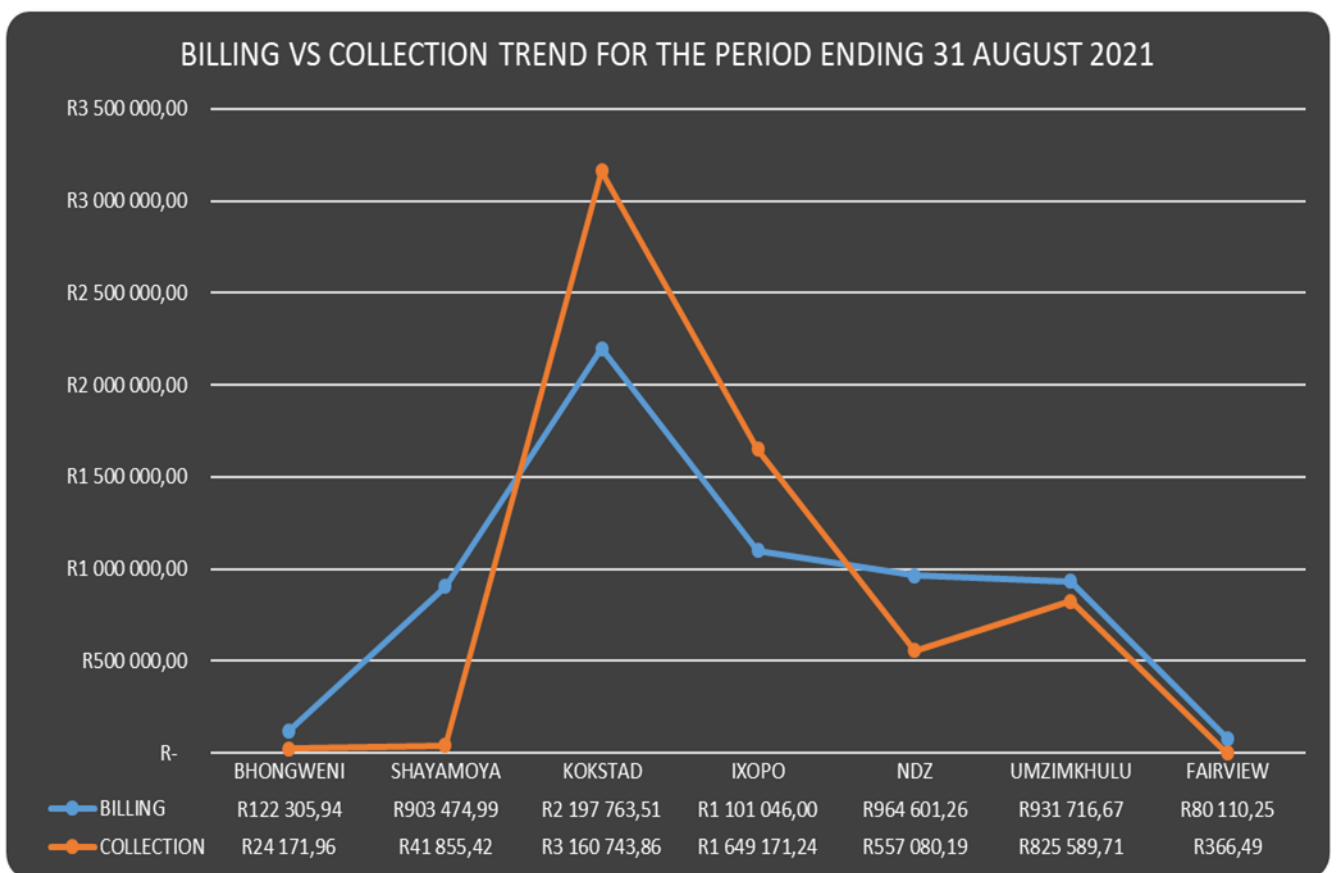
REVENUE RECEIPTS

Revenue receipts per Area

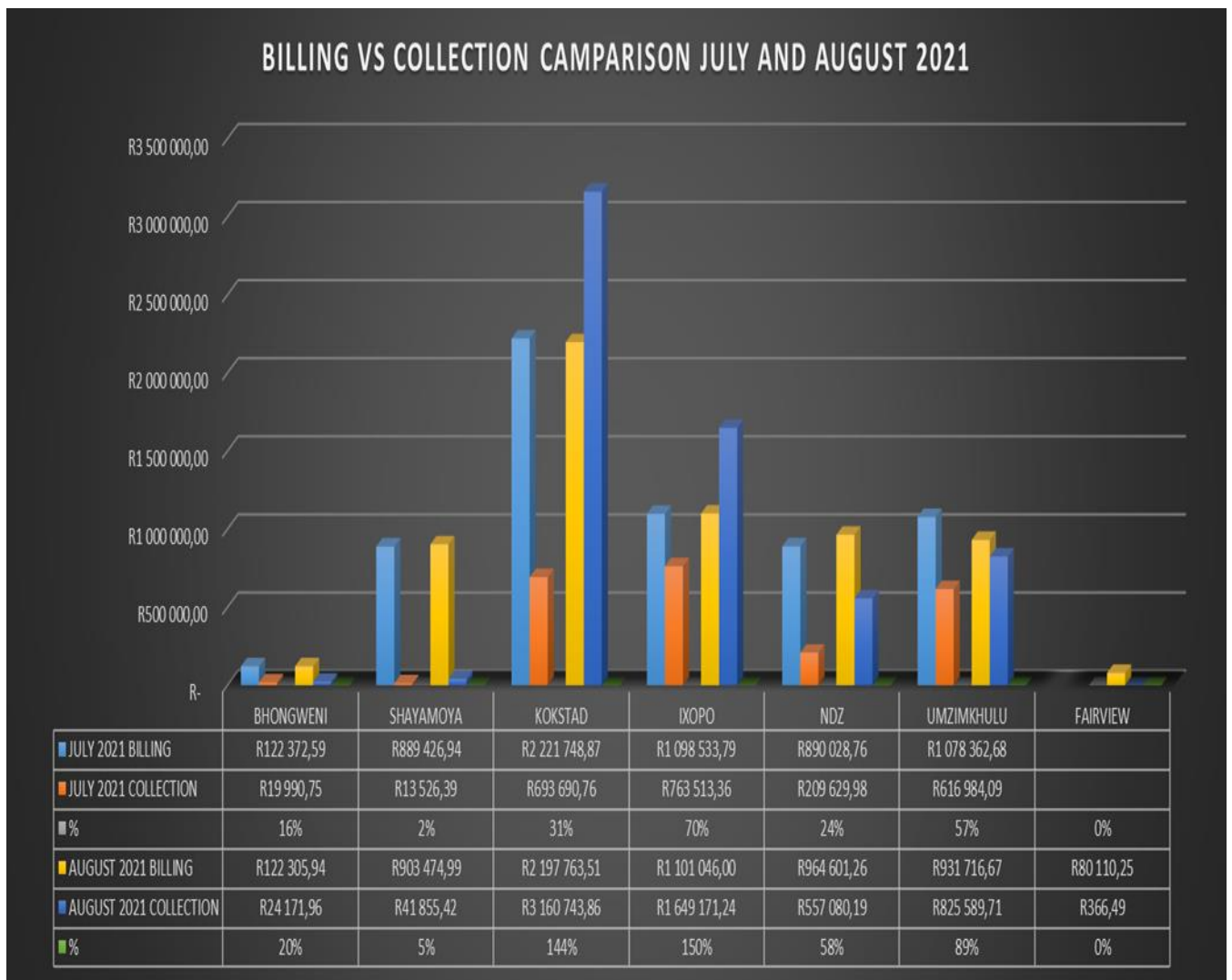
AREA	AMOUNT		
		AUGUST 2021	JULY 2021
Unallocated receipts	R 83 103, 53	7%	7%
Bhongweni	R 24 171, 96	0%	1%
Shayamoya	R 41 855, 42	1%	1%
Kokstad	R 3 160 743, 86	50%	28%
Ixopo	R 1 649 171, 24	26%	31%
NDZ	R 557 080, 19	9%	8%
Umzimkulu	R 825 589, 71	13%	25%
Fairview	R 366, 49	0%	0%
TOTAL RECEIPTS INCL VAT	R 6 342 082,40	100%	100%

The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for August 2021 is R6, 3million. The total billing for the two months in the 2021/2022 financial year is R 12, 6million against collection of R 8, 8million representing 70 per cent collection rate.

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



The chart that follows below shows the comparison between billing, collection together with percentage for the period ending 31 August 2021



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 236 069 104 as at 31 August 2021 compared with the R 234 710 793 as at 31 July 2021. Current debt represent 3% of the total outstanding debt compared with the 3% of July 2020; 30 days and older debt 2% compared with the 3% for July 2021; 60 days and older debt 2% compared with the 2% of July 2021; and 90 days 2% compared with the 2% of July 2021; 120 days to History and older 90% compared with the 90% for July 2021.

Current debt increased with R 1,358,312 to R 236,069,104 compared with the R 234,710,793 as at 31 August 2021; 30 days + debt Increased with R 340,474; 60 days + Decreased with R952, 973; 90 days + debt decreased with R 639,261 and 120 + days and older debt as at 31 August 2021 has increased with R 2,142,038 to R 213,541,104 compared with the R 211,399,066 as at 31 July 2021.

Debtors age analysis per debtor type

Business debtors owes the municipality R 14,465,522 (6%); Municipal debtors R 899,062 (0%); domestic debtors R 196,008,580 (83%); Government accounts R 10,712,352 (5%); Indigent debtors R 8,687,731 (4%) and other debtors R 4,424,010 (2%) of the total outstanding debt of R 236,069,104.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 August 2021

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

Description	Budget Year 2021/22								
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	1 183	158	24	27					1 392
Auditor General									-
Other									-
Total By Customer Type	1 183	158	24	27	-	-	-	-	1 392

2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short term investments balances broken down per investment type as at 31 August 2021.

Cash and Bank Balances (Investments)

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

Investments by maturity Name of institution & investment ID	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	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				83 898	47	(16 621)	-	67 324
FIRST NATIONAL BANK	CALL ACCOUNT				71 612	102	(20 290)	-	51 424
FIRST NATIONAL BANK	ADMIN CALL				49 808	48	(12 267)	-	37 588
INVESTEC	FIXED DEPOSIT				20 324	61	-	3 000	23 386
FIRST NATIONAL BANK	FIXED DEPOSIT				35 002	52	(5 825)	-	29 229
FIRST NATIONAL BANK	CALL ACCOUNT				8	2	-	1 149	1 159
FIRST NATIONAL BANK	CALL ACCOUNT				3	-	-	-	3
FIRST NATIONAL BANK	CALL ACCOUNT				2	-	-	-	2
FIRST NATIONAL BANK	FIXED DEPOSIT				6	0	-	-	6
NEDBANK	FIXED DEPOSIT				21 068	54	-	-	21 122
FIRST NATIONAL BANK	ENT ACCOUNT				5 438		(3 697)		1 741
Municipality sub-total					287 170	366	(58 701)	4 149	232 984
TOTAL INVESTMENTS AND INTEREST					287 170		(58 701)	4 149	232 984

2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

DC43 Harry Gwala - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	2020/21	Budget Year 2021/22							
	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:	429 587	400 406	400 406	-	161 255	66 734	94 521	141,6%	400 406
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	417 623	387 013	387 013	-	161 255	64 502	96 753	150,0%	387 013
Expanded Public Works Programme Integrated Grant	5 195	4 596	4 596	-	-	766	(766)	-100,0%	4 596
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	-	-	200	(200)	-100,0%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	5 322	5 322	-	-	887	(887)	-100,0%	5 322
Rural Road Asset Management Systems Grant	2 245	2 275	2 275	-	-	379	(379)	-100,0%	2 275
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	352	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	352	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	17 000	17 000	-	-	2 833	(2 833)	-100,0%	17 000
Specify (Add grant description)	-	17 000	17 000	-	-	2 833	(2 833)	-100,0%	17 000
Other grant providers:	404	-	-	-	-	-	-	-	-
Chemical Industry Seta	404	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	430 342	417 406	417 406	-	161 255	69 568	91 687	131,8%	417 406
Capital Transfers and Grants									
National Government:	287 857	298 258	298 258	-	-	49 710	(49 710)	-100,0%	298 258
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	207 558	207 558	-	-	34 593	(34 593)	-100,0%	207 558
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	22 381	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	60 000	90 700	90 700	-	-	15 117	(15 117)	-100,0%	90 700
Provincial Government:	19 693	-	-	-	-	-	-	-	-
Infrastructure Grant	19 693	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	307 550	298 258	298 258	-	-	49 710	(49 710)	-100,0%	298 258
TOTAL RECEIPTS OF TRANSFERS & GRANTS	737 892	715 664	715 664	-	161 255	119 277	41 978	35,2%	715 664

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

Table SC7 track the expenditure on Conditional grant funding.

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

Description	2020/21	Budget Year 2021/22							
	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:	484 771	507 017	507 017	42 313	69 579	84 503	(14 924)	-17,7%	507 017
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	475 667	492 327	493 648	41 588	68 451	82 275	(13 824)	-16,8%	493 648
Expanded Public Works Programme Integrated Grant	5 467	5 976	4 655	674	1 027	776	251	32,3%	4 655
Local Government Financial Management Grant	836	1 117	1 117	51	102	186	(84)	-45,2%	1 117
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	5 322	5 322	-	-	887	(887)	-100,0%	5 322
Rural Road Asset Management Systems Grant	1 952	2 275	2 275	-	-	379	(379)	-100,0%	2 275
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
Development Planning and Shared Services	-	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	16 510	16 510	-	-	2 752	(2 752)	-100,0%	16 510
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	484 771	507 017	507 017	42 313	69 579	84 503	(14 924)	-17,7%	507 017
Capital expenditure of Transfers and Grants									
National Government:	249 289	298 258	298 258	28 840	59 355	49 710	9 645	19,4%	298 258
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	178 208	207 558	207 558	20 907	45 617	34 593	11 024	31,9%	207 558
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	90 700	90 700	7 934	13 737	15 117	(1 379)	-9,1%	90 700
Provincial Government:	18 739	-	-	-	-	-	-	-	-
Infrastructure Grant	18 739	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	47	47	-	47	#DIV/0!	-
Specify (Add grant description)	-	-	-	47	47	-	47		-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	268 028	298 258	298 258	28 888	59 402	49 710	9 692	19,5%	298 258
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	752 798	805 275	805 275	71 201	128 981	134 213	(5 232)	-3,9%	805 275

2.5 Councillor and Staff Benefits

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

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

Summary of Employee and Councillor remuneration	2020/21	Budget Year 2021/22							
	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	5 324	6 027	6 027	422	843	1 005	(161)	-16%	6 027
Pension and UIF Contributions	498	698	698	40	80	116	(37)	-32%	698
Medical Aid Contributions	57	61	61	5	10	10	(0)	-5%	61
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	663	875	875	51	102	146	(44)	-30%	875
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	1 271	1 262	1 262	89	190	210	(20)	-10%	1 262
Sub Total - Councillors	7 813	8 922	8 922	606	1 225	1 487	(262)	-18%	8 922
% increase		14,2%	14,2%						14,2%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 029	4 281	4 281	336	671	714	(42)	-6%	4 281
Pension and UIF Contributions	11	11	11	1	2	2	0	11%	11
Medical Aid Contributions	171	182	182	14	29	30	(1)	-5%	182
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	106	56	56	-	-	9	(9)	-100%	56
Motor Vehicle Allowance	1 052	1 153	1 153	88	175	192	(17)	-9%	1 153
Cellphone Allowance	117	125	125	10	19	21	(1)	-7%	125
Housing Allowances	160	177	177	13	27	30	(3)	-10%	177
Other benefits and allowances	459	492	492	38	77	82	(5)	-7%	492
Sub Total - Senior Managers of Municipality	6 105	6 477	6 477	500	1 000	1 080	(79)	-7%	6 477
% increase		6,1%	6,1%						6,1%
Other Municipal Staff									
Basic Salaries and Wages	126 815	136 771	136 771	10 994	21 644	22 795	(1 151)	-5%	136 771
Pension and UIF Contributions	18 955	19 567	19 567	1 648	3 269	3 261	8	0%	19 567
Medical Aid Contributions	9 177	9 338	9 338	826	1 647	1 556	90	6%	9 338
Overtime	129	119	119	13	25	20	5	24%	119
Performance Bonus	8 464	7 716	7 716	861	1 742	1 286	456	35%	7 716
Motor Vehicle Allowance	16 182	17 160	17 160	1 589	3 025	2 860	164	6%	17 160
Cellphone Allowance	851	858	858	78	148	143	5	4%	858
Housing Allowances	570	586	586	48	96	98	(2)	-2%	586
Other benefits and allowances	20 465	20 906	20 906	1 854	3 705	3 484	221	6%	20 906
Payments in lieu of leave	3 207	1 204	1 204	67	355	201	154	77%	1 204
Long service awards	981	810	810	40	88	135	(47)	-35%	810
Post-retirement benefit obligations	6 069	3 343	3 343	-	-	557	(557)	-100%	3 343
Sub Total - Other Municipal Staff	211 864	218 378	218 378	18 017	35 742	36 397	(654)	-2%	218 378
% increase		3,1%	3,1%						3,1%
Total Parent Municipality	225 782	233 777	233 777	19 123	37 968	38 963	(996)	-3%	233 777
		3,5%	3,5%						3,5%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	62	(62)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	62	(62)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	1 730	1 730	-	-	288	(288)	-100%	1 730
Sub Total - Senior Managers of Entities	-	1 730	1 730	-	-	288	(288)	-100%	1 730
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 675	7 675	-	-	1 279	(1 279)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	245	(245)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	80	(80)	-100%	479
Performance Bonus	-	533	533	-	-	89	(89)	-100%	533
Payments in lieu of leave	-	43	43	-	-	7	(7)	-100%	43
Sub Total - Other Staff of Entities	-	10 199	10 199	-	-	1 700	(1 700)	-100%	10 199
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 301	12 301	-	-	2 050	(2 050)	-100%	12 301
TOTAL SALARY, ALLOWANCES & BENEFITS	225 782	246 079	246 079	19 123	37 968	41 014	(3 046)	-7%	246 079
% increase		9,0%	9,0%						9,0%
TOTAL MANAGERS AND STAFF	217 969	236 784	236 784	18 517	36 743	39 464	(2 722)	-7%	236 784

2.6 Material Variances to the SDBIP

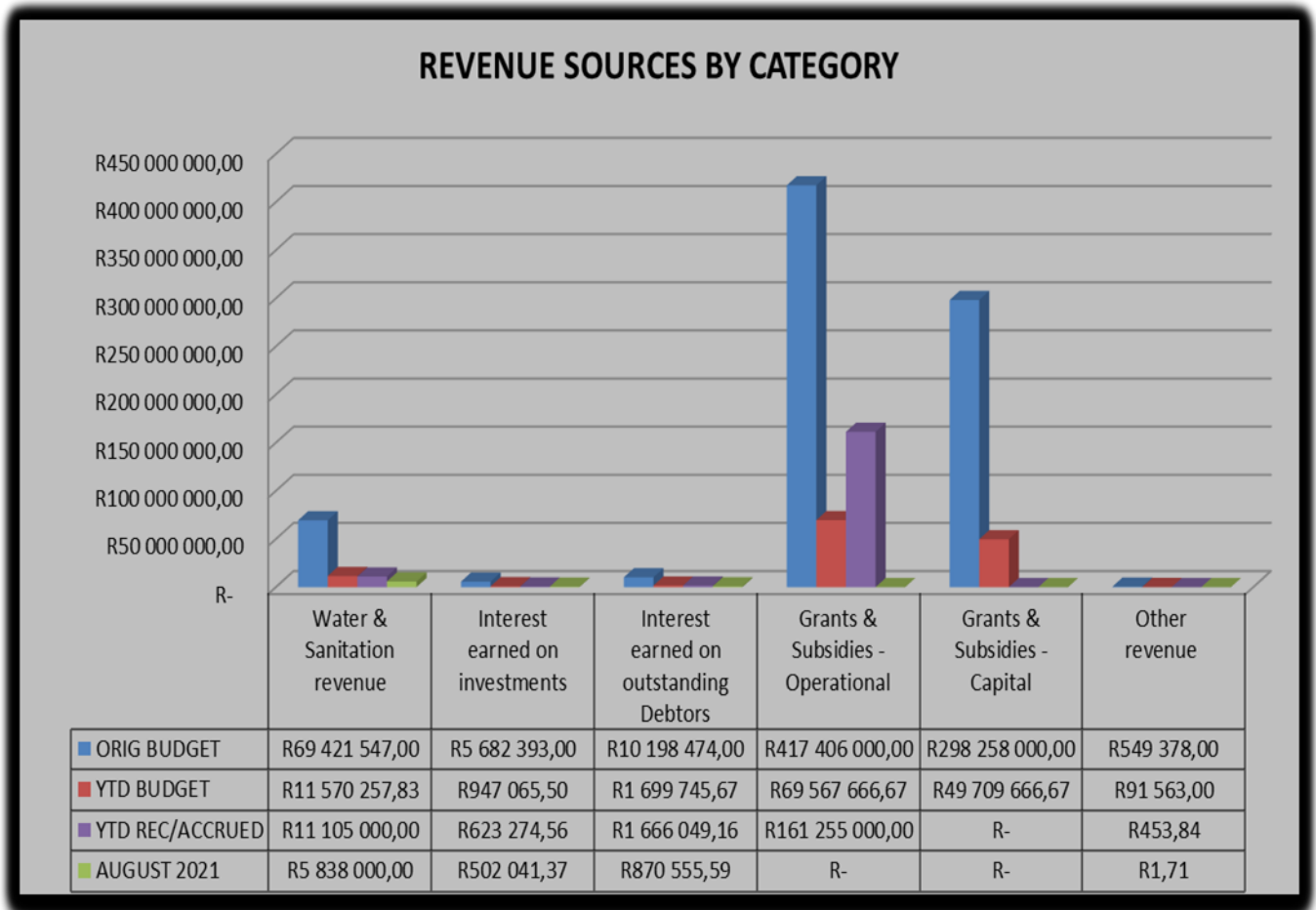
The following section analyses material variances between the actual targets as at 31 August 2021 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2021/2022 financial year revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to “performance” rather than “cash movements” in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

Chart 3: Revenue Analysis



Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 31 August 2021 was R11, 1million against a year to date **budget** of R11, 5million.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R623 275 against year to budget of R947 066 representing 66 per cent of the year to date budget.

Transfers Recognised - Operational

The operational grants revenue of R161, 2million against a year to date budget of R69, 5million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

There was no movement in the period ending 31 August 2021 for capital transfers.

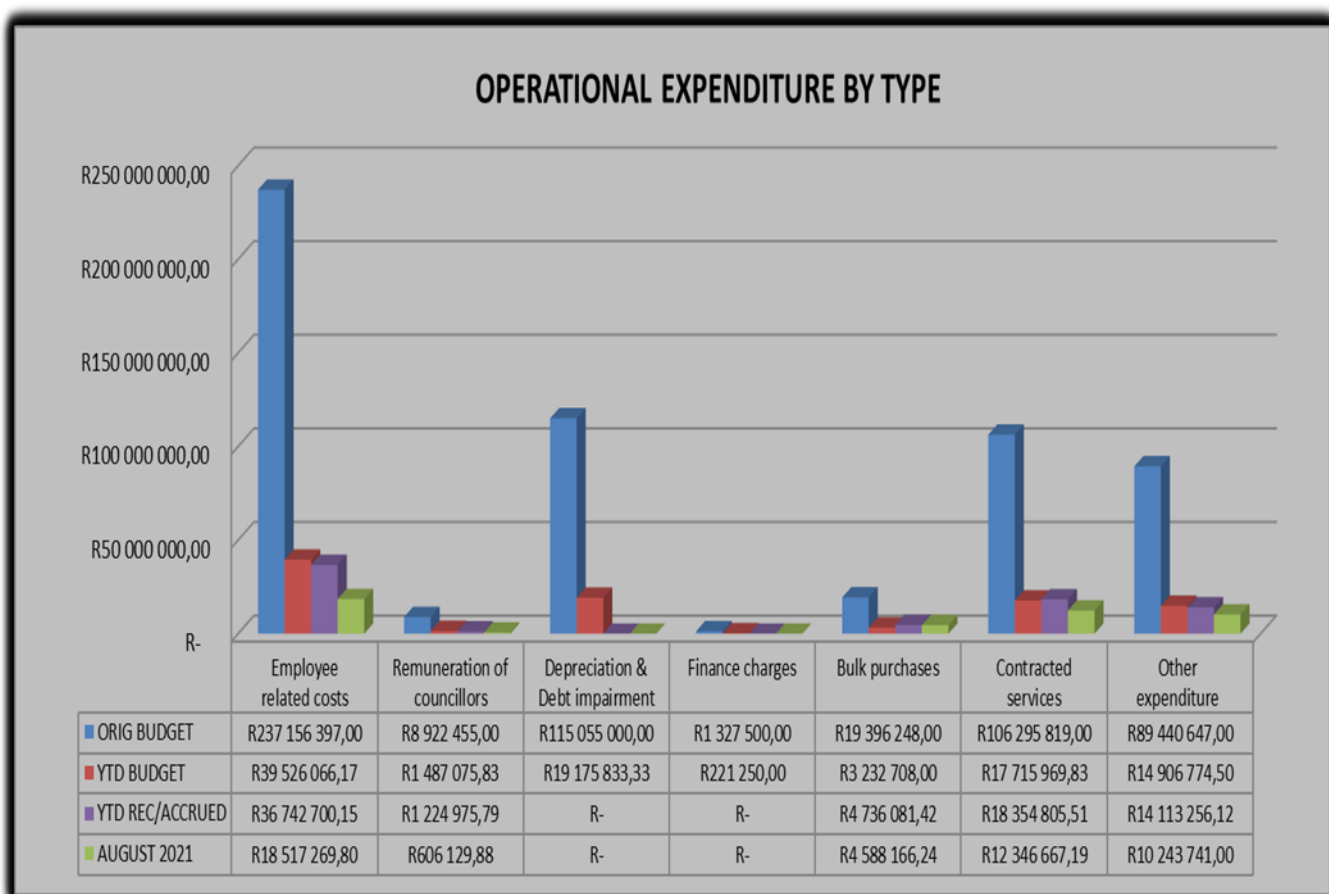
Other Revenue

No movement for other revenue in the month ending 31 August 2021 the YTD budget is R 453k.

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: 2021/2022 financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R39, 5million against a YTD actual of R36, 7million which is 93% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 1, 2m against a YTD budget of R 1, 4m representing 82% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 31 August 2021.

Inventory/Bulk Purchases

The expenditure on Bulk Water purchases or inventory consumed has the budget of R31, 2m The YTD budget for inventory consumed was at R 5, 2million against a YTD expenditure of R 4, 7million representing 91% of the year to date budget.

Other Expenditure

The YTD budget for other expenditure was at R 14, 9million against a YTD expenditure of R 14, 1million and expenditure for the month of August 2021 is R 10, 2million.

Performance assessment

The Performance Assessment Report will be available on the fourth quarter in terms of Sec 52 (d) of the Municipal Finance Management Act.

Actual and revised targets for cash receipts

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M02 August

Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands															
Cash Receipts By Source															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2 919	6 943	3 307	3 307	3 307	3 307	3 307	3 307	3 307	3 307	3 307	58	39 680	41 881	44 214
Service charges - sanitation revenue	557	988	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	2 011	14 225	15 078	15 983
Interest earned - external investments	121	502	474	474	474	474	474	474	474	474	474	797	5 682	6 018	6 290
Interest earned - outstanding debtors												-			
Transfers and Subsidies - Operational	160 611	2 493	32 441	32 441	32 441	32 441	32 441	32 441	32 441	32 441	32 441	(65 782)	389 288	413 194	416 811
Other revenue	-	0	46	46	46	46	46	46	46	46	46	137	549	574	599
Cash Receipts by Source	164 209	10 925	37 452	37 452	37 452	37 452	37 452	37 452	37 452	37 452	37 452	(62 778)	449 425	476 745	483 897
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	126 293	-	25 298	25 298	25 298	25 298	25 298	25 298	25 298	25 298	25 298	(50 398)	303 580	346 011	361 833
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	122	122	149	143
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	290 502	10 925	62 750	62 750	62 750	62 750	62 750	62 750	62 750	62 750	62 750	(113 055)	753 126	822 905	845 873
Cash Payments by Type															
Employee related costs	18 225	18 517	20 507	20 507	20 507	20 507	20 507	20 507	20 507	20 507	20 507	24 777	246 079	262 443	279 953
Remuneration of councillors	619	606										(1 225)			
Interest paid	-	-	111	111	111	111	111	111	111	111	111	332	1 328	1 385	1 447
Bulk purchases - Electricity												-			
Acquisitions - water & other inventory	-	4 588	1 616	1 616	1 616	1 616	1 616	1 616	1 616	1 616	1 616	261	19 396	20 250	21 161
Contracted services	6 008	12 347	8 775	8 775	8 775	8 775	8 775	8 775	8 775	8 775	8 775	7 969	105 296	110 111	114 923
General expenses	4 017	10 244	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	4 099	73 441	78 948	82 195
Cash Payments by Type	28 870	46 302	37 128	37 128	37 128	37 128	37 128	37 128	37 128	37 128	37 128	36 213	445 539	473 136	499 679
Other Cash Flows/Payments by Type															
Capital assets	30 514	28 923	25 607	25 607	25 607	25 607	25 607	25 607	25 607	25 607	25 607	17 384	307 283	347 620	363 499
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
Total Cash Payments by Type	59 384	75 225	62 735	62 735	62 735	62 735	62 735	62 735	62 735	62 735	62 735	53 597	752 823	820 757	863 177
NET INCREASE/(DECREASE) IN CASH HELD	231 118	(64 300)	15	15	15	15	15	15	15	15	15	(166 651)	303	2 148	(17 304)
Cash/cash equivalents at the month/year beginning:	51 887	283 005	218 706	218 721	218 736	218 751	218 766	218 781	218 796	218 812	218 827	218 842	51 887	52 191	54 339
Cash/cash equivalents at the month/year end:	283 005	218 706	218 721	218 736	218 751	218 766	218 781	218 796	218 812	218 827	218 842	52 191	52 191	54 339	37 035

Capital Expenditure on New Assets by Asset Class

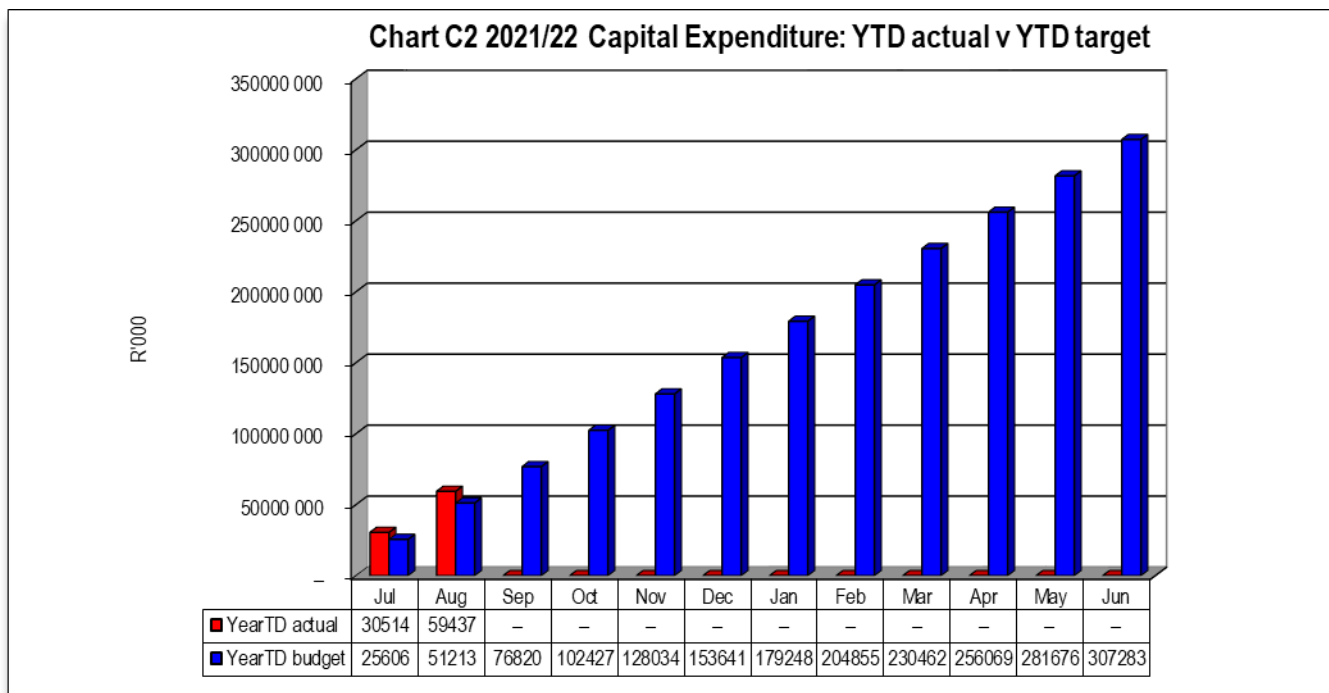
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M02

Description	2020/21	Budget Year 2021/22							
	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	245 738	283 958	283 958	22 436	52 036	47 326	(4 709)	-10,0%	283 958
Water Supply Infrastructure	237 781	228 108	228 108	18 935	37 002	38 018	1 016	2,7%	228 108
Dams and Weirs	24 469	25 000	25 000	-	1 014	4 167	3 153	75,7%	25 000
Boreholes	23 814	57 275	57 275	7 032	12 294	9 546	(2 749)	-28,8%	57 275
Reservoirs	870	7 000	7 000	-	-	1 167	1 167	100,0%	7 000
Pump Stations	30 873	31 000	31 000	1 917	4 172	5 167	995	19,3%	31 000
Water Treatment Works	4 539	7 500	7 500	1 668	2 160	1 250	(910)	-72,8%	7 500
Bulk Mains	77 052	26 508	26 508	550	3 654	4 418	764	17,3%	26 508
Distribution	76 164	73 825	73 825	7 767	13 708	12 304	(1 403)	-11,4%	73 825
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 958	55 850	55 850	3 501	15 034	9 308	(5 726)	-61,5%	55 850
Pump Station	1 580	30 000	30 000	334	2 139	5 000	2 861	57,2%	30 000
Reticulation	6 378	20 000	20 000	3 167	8 954	3 333	(5 621)	-168,6%	20 000
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	5 850	5 850	-	3 940	975	(2 965)	-304,2%	5 850
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	1 610	-	-	-	-	-	-	-	-
Operational Buildings	1 610	-	-	-	-	-	-	-	-
Municipal Offices	1 610	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	1 418	1 418	-	-	236	236	100,0%	1 418
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1 418	1 418	-	-	236	236	100,0%	1 418
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	1 418	1 418	-	-	236	236	100,0%	1 418
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	1 566	2 130	2 130	-	-	355	355	100,0%	2 130
Computer Equipment	1 566	2 130	2 130	-	-	355	355	100,0%	2 130
Furniture and Office Equipment	1 768	3 057	3 057	-	-	510	510	100,0%	3 057
Furniture and Office Equipment	1 768	3 057	3 057	-	-	510	510	100,0%	3 057
Machinery and Equipment	9 099	220	220	47	47	37	(11)	-28,7%	220
Machinery and Equipment	9 099	220	220	47	47	37	(11)	-28,7%	220
Transport Assets	7 355	-	-	-	-	-	-	-	-
Transport Assets	7 355	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	267 136	290 783	290 783	22 484	52 083	48 464	(3 619)	-7,5%	290 783

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 - M02

Description	2020/21	Budget Year 2021/22							
	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	8 110	15 800	15 800	6 440	7 213	2 633	(4 580)	-173,9%	15 800
Water Supply Infrastructure	982	15 800	15 800	6 440	7 213	2 633	(4 580)	-173,9%	15 800
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	500	500	-	-	83	83	100,0%	500
Distribution	982	15 300	15 300	6 440	7 213	2 550	(4 663)	-182,9%	15 300
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 128	-	-	-	-	-	-	-	-
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	7 128	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	200	200	-	-	33	33	100,0%	200
Machinery and Equipment	-	200	200	-	-	33	33	100,0%	200
Transport Assets	7 032	-	-	-	-	-	-	-	-
Transport Assets	7 032	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	15 142	16 000	16 000	6 440	7 213	2 667	(4 546)	-170,5%	16 000



2.7 Municipal Manager's Quality's Certificate

Quality Certificate

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

- The monthly budget statement

For the month of August 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 _____