

Harry Gwala District Municipality

MFMA s71 & s52 (d) report for the period ending 30 September 2021.

11/10/2021

Budget & Treasury Office

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REPORT ON S71 AND S52 (d) OF THE MFMA FOR THE PERIOD ENDING 30 SEPTEMBER 2021

1. PART 1 – MONTHLY AND QUARTERLY 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 and Section 52 (d) 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 and Section 52 (d) above, intends to inform the Budget and Treasury Committee on the progress made thus far in terms of implementing the 2021/2022 budget for the period ending 30 September 2021.

1.3 RESOLUTIONS

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

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 - M03 September

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	6 075	17 180	17 355	(175)	-1%	69 422
Investment revenue	3 011	5 682	5 682	377	1 001	1 421	(420)	-30%	5 682
Transfers and subsidies	430 342	417 406	417 406	-	161 255	104 351	56 904	55%	417 406
Other own revenue	10 879	10 748	10 748	846	2 512	2 687	(175)	-7%	10 748
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	503 258	7 298	181 948	125 814	56 133	45%	503 258
Employee costs	217 969	237 156	237 156	18 618	55 361	59 290	(3 929)	-7%	237 156
Remuneration of Councillors	7 813	8 922	8 922	622	1 847	2 231	(383)	-17%	8 922
Depreciation & asset impairment	78 532	87 410	87 410	-	-	21 853	(21 853)	-100%	87 410
Finance charges	995	1 328	1 328	-	-	332	(332)	-100%	1 328
Inventory consumed and bulk purchases	26 303	31 249	31 249	2 603	7 339	7 812	(473)	-6%	31 249
Transfers and subsidies	17 000	17 000	17 000	-	5 600	4 250	1 350	32%	17 000
Other expenditure	224 777	194 529	194 529	23 212	50 080	48 633	1 447	3%	194 529
Total Expenditure	573 389	577 594	577 594	45 055	120 227	144 399	(24 172)	-17%	577 594
Surplus/(Deficit)	(61 392)	(74 336)	(74 336)	(37 757)	61 721	(18 585)	80 306	-432%	(74 336)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	302 258	-	-	74 964	(74 964)	-100%	302 258
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	227 922	(37 757)	61 721	56 380	5 341	9%	227 922
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	246 158	223 922	227 922	(37 757)	61 721	56 380	5 341	9%	227 922
Capital expenditure & funds sources									
Capital expenditure	296 457	307 283	311 283	14 433	73 870	77 221	(3 351)	-4%	311 283
Capital transfers recognised	268 028	298 258	302 258	12 628	72 030	74 965	(2 935)	-4%	302 258
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	9 025	1 805	1 840	2 256	(416)	-18%	9 025
Total sources of capital funds	296 457	307 283	311 283	14 433	73 870	77 221	(3 351)	-4%	311 283
Financial position									
Total current assets	1 195 433	1 076 619	1 076 619	-	267 296	-	-	-	1 076 619
Total non current assets	2 552 798	2 845 908	2 849 908	-	2 626 668	-	-	-	2 849 908
Total current liabilities	233 041	106 785	106 785	-	288 782	-	-	-	106 785
Total non current liabilities	42 646	25 676	25 676	-	28 732	-	-	-	25 676
Community wealth/Equity	2 597 331	2 821 066	2 821 066	-	2 437 881	-	-	-	2 821 066
Cash flows									
Net cash from (used) operating	(99 976)	313 261	317 261	20 732	236 191	240 650	4 459	2%	317 261
Net cash from (used) investing	(233 320)	(307 283)	(311 283)	(14 433)	(73 870)	(51 214)	22 656	-44%	(311 283)
Net cash from (used) financing	-	(3 529)	(3 529)	-	-	(882)	(882)	100%	(3 529)
Cash/cash equivalents at the month/year end	(292 626)	51 179	51 179	-	214 183	188 554	(25 630)	-14%	2 448
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	7 063	7 001	5 009	4 474	4 847	4 191	24 567	183 270	240 421
Creditors Age Analysis									
Total Creditors	6 492	441	777	40	-	-	-	-	7 750

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) - M03 September

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	422	162 306	101 138	61 168	60%	404 553
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	404 553	404 553	422	162 306	101 138	61 168	60%	404 553
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	8 568	22 412	22 412	-	-	5 603	(5 603)	-100%	22 412
Planning and development	8 568	22 412	22 412	-	-	5 603	(5 603)	-100%	22 412
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	388 078	374 551	378 551	6 876	19 642	94 038	(74 396)	-79%	378 551
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	360 199	360 199	5 732	16 353	90 050	(73 696)	-82%	360 199
Waste water management	29 226	14 352	18 352	1 144	3 288	3 988	(700)	-18%	18 352
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	801 516	805 516	7 298	181 948	200 779	(18 831)	-9%	805 516
Expenditure - Functional									
<i>Governance and administration</i>	233 309	251 534	251 534	20 314	53 960	62 884	(8 924)	-14%	251 534
Executive and council	27 920	24 745	24 745	4 979	10 532	6 186	4 346	70%	24 745
Finance and administration	195 887	217 553	217 553	14 691	41 535	54 389	(12 854)	-24%	217 553
Internal audit	9 503	9 236	9 236	644	1 893	2 309	(416)	-18%	9 236
<i>Community and public safety</i>	17 674	18 501	18 501	1 487	4 387	4 625	(239)	-5%	18 501
Community and social services	17 674	18 501	18 501	1 487	4 387	4 625	(239)	-5%	18 501
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	122 485	154 812	154 812	3 975	15 352	38 703	(23 352)	-60%	154 812
Planning and development	122 485	154 812	154 812	3 975	15 352	38 703	(23 352)	-60%	154 812
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	199 921	152 747	152 747	19 278	46 529	38 187	8 342	22%	152 747
Energy sources	-	-	-	-	-	-	-	-	-
Water management	199 059	151 849	151 849	19 182	46 274	37 962	8 312	22%	151 849
Waste water management	862	898	898	97	254	225	30	13%	898
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	573 389	577 594	577 594	45 055	120 227	144 399	(24 172)	-17%	577 594
Surplus/ (Deficit) for the year	246 158	223 922	227 922	(37 757)	61 721	56 380	5 341	9%	227 922

This table assess the revenue by department and then the expenditure for the period ending 30 September 2021. Revenue receipts in September have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of September is 4%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has largest expenditure by 29% in the period ending 31 September 2021. This being largely attributable to the backlog demand of operations and maintenance of water schemes in the District.

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	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	381	162 265	101 138	61 127	60,4%	404 553
Vote 04 - Summary Corporate Services	665	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	3 875	22 412	22 412	-	-	5 603	(5 603)	-100,0%	22 412
Vote 06 - Summary Infrastructure Services	305 438	311 333	311 333	313	1 012	77 833	(76 821)	-98,7%	311 333
Vote 07 - Summary Water Services	87 377	63 218	67 218	6 605	18 670	16 204	2 466	15,2%	67 218
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	801 516	805 516	7 298	181 948	200 779	(18 831)	-9,4%	805 516
Expenditure by Vote									
Vote 01 - Summary Council	14 956	16 256	16 256	1 816	6 427	4 064	2 363	58,2%	16 256
Vote 02 - Summary Municipal Manager	22 466	17 726	17 726	3 808	5 998	4 431	1 567	35,4%	17 726
Vote 03 - Summary Budget And Treasury Office	59 812	85 267	85 267	659	11 350	21 317	(9 967)	-46,8%	85 267
Vote 04 - Summary Corporate Services	89 619	89 530	89 530	6 295	16 490	22 383	(5 893)	-26,3%	89 530
Vote 05 - Summary Social Services & Development Planning	48 107	68 717	68 717	2 511	13 396	17 179	(3 784)	-22,0%	68 717
Vote 06 - Summary Infrastructure Services	96 281	109 078	109 078	3 286	10 475	27 270	(16 795)	-61,6%	109 078
Vote 07 - Summary Water Services	242 148	191 021	191 021	26 680	56 091	47 755	8 336	17,5%	191 021
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	573 389	577 594	577 594	45 055	120 227	144 399	(24 172)	-16,7%	577 594
Surplus/ (Deficit) for the year	246 158	223 922	227 922	(37 757)	61 721	56 380	5 341	9,5%	227 922

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 September 2021.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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	4 892	13 747	12 217	1 530	13%	48 866
Service charges - sanitation revenue	13 762	20 555	20 555	1 182	3 433	5 139	(1 706)	-33%	20 555
Rental of facilities and equipment									
Interest earned - external investments	3 011	5 682	5 682	377	1 001	1 421	(420)	-30%	5 682
Interest earned - outstanding debtors	10 100	10 198	10 198	845	2 511	2 550	(38)	-1%	10 198
Transfers and subsidies	430 342	417 406	417 406	-	161 255	104 351	56 904	55%	417 406
Other revenue	778	549	549	0	1	137	(137)	-100%	549
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	503 258	7 298	181 948	125 814	56 133	45%	503 258
Expenditure By Type									
Employee related costs	217 969	237 156	237 156	18 618	55 361	59 290	(3 929)	-7%	237 156
Remuneration of councillors	7 813	8 922	8 922	622	1 847	2 231	(383)	-17%	8 922
Debt impairment	31 734	27 645	27 645	-	-	6 911	(6 911)	-100%	27 645
Depreciation & asset impairment	78 532	87 410	87 410	-	-	21 853	(21 853)	-100%	87 410
Finance charges	995	1 328	1 328	-	-	332	(332)	-100%	1 328
Bulk purchases - electricity	20 458	-	-	-	(1)	-	(1)	#DIV/0!	-
Inventory consumed	5 845	31 249	31 249	2 603	7 340	7 812	(472)	-6%	31 249
Contracted services	129 640	105 296	106 296	18 293	36 647	26 574	10 073	38%	106 296
Transfers and subsidies	17 000	17 000	17 000	-	5 600	4 250	1 350	32%	17 000
Other expenditure	56 907	61 589	60 589	4 919	13 432	15 147	(1 715)	-11%	60 589
Losses	6 496	-	-	-	-	-	-	-	-
Total Expenditure	573 389	577 594	577 594	45 055	120 227	144 399	(24 172)	-17%	577 594
Surplus/(Deficit)	(61 392)	(74 336)	(74 336)	(37 757)	61 721	(18 585)	80 306	(0)	(74 336)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	302 258	-	-	74 964	(74 964)	(0)	302 258
Transfers and subsidies - capital (in-kind - all)	4 693	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	246 158	223 922	227 922	(37 757)	61 721	56 380			227 922
Taxation									
Surplus/(Deficit) after taxation	246 158	223 922	227 922	(37 757)	61 721	56 380			227 922
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	246 158	223 922	227 922	(37 757)	61 721	56 380			227 922
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	246 158	223 922	227 922	(37 757)	61 721	56 380			227 922

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.

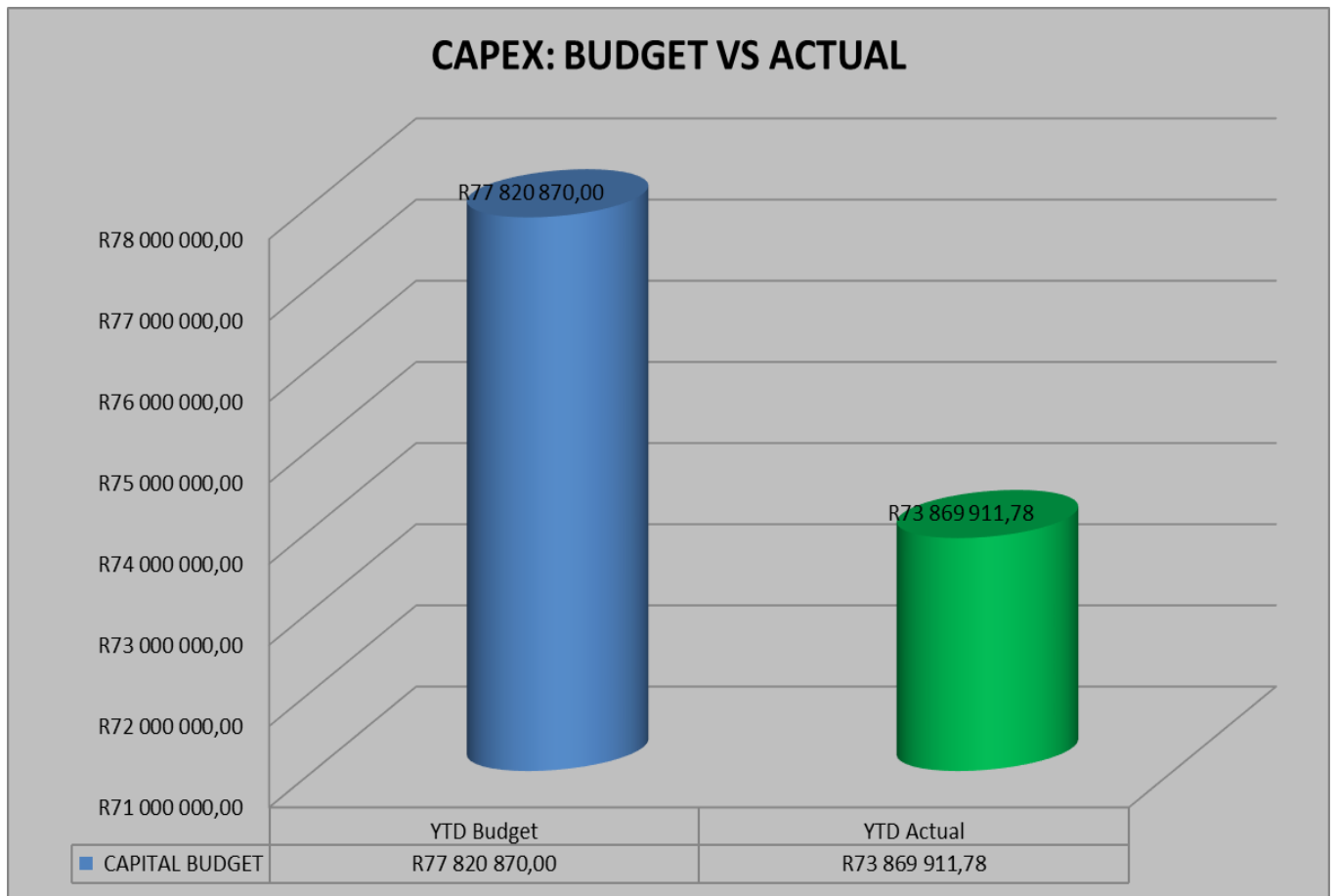
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding -

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	-	-	125	(125)	-100%	500
Vote 04 - Summary Corporate Services	7 226	4 031	4 031	1 805	1 805	1 008	797	79%	4 031
Vote 05 - Summary Social Services & Development Planning	7 355	1 870	1 870	-	47	468	(420)	-90%	1 870
Vote 06 - Summary Infrastructure Services	46 050	16 300	16 300	-	7 213	4 075	3 138	77%	16 300
Vote 07 - Summary Water Services	235 826	284 583	288 583	12 628	64 805	71 546	(6 741)	-9%	288 583
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	296 457	307 283	311 283	14 433	73 870	77 221	(3 351)	-4%	311 283
Total Capital Expenditure	296 457	307 283	311 283	14 433	73 870	77 221	(3 351)	-4%	311 283
Capital Expenditure - Functional Classification									
Governance and administration									
Executive and council	7 226	5 110	5 110	1 805	1 805	1 278	527	41%	5 110
Finance and administration	7 226	5 110	5 110	1 805	1 805	1 278	527	41%	5 110
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety									
Community and social services	7 355	1 021	1 021	-	47	255	(208)	-81%	1 021
Sport and recreation	7 355	1 021	1 021	-	47	255	(208)	-81%	1 021
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services									
Planning and development	18 541	1 270	1 270	-	-	318	(318)	-100%	1 270
Road transport	18 541	1 270	1 270	-	-	318	(318)	-100%	1 270
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services									
Energy sources	263 335	299 883	303 883	12 628	72 018	75 371	(3 353)	-4%	303 883
Water management	248 698	244 033	248 033	9 646	54 002	61 408	(7 406)	-12%	248 033
Waste water management	14 637	55 850	55 850	2 982	18 016	13 963	4 053	29%	55 850
Waste management	-	-	-	-	-	-	-	-	-
Other									
Total Capital Expenditure - Functional Classification	296 457	307 283	311 283	14 433	73 870	77 221	(3 351)	-4%	311 283
Funded by:									
National Government	249 289	298 258	298 258	12 628	71 982	74 565	(2 582)	-3%	298 258
Provincial Government	18 739	-	4 000	-	-	400	(400)	-100%	4 000
District Municipality	-	-	-	-	47	-	47	#DIV/0!	-
Transfers recognised - capital	268 028	298 258	302 258	12 628	72 030	74 965	(2 935)	-4%	302 258
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	9 025	1 805	1 840	2 256	(416)	-18%	9 025
Total Capital Funding	296 457	307 283	311 283	14 433	73 870	77 221	(3 351)	-4%	311 283

As alluded to above, the capital expenditure programme for the month ending 30 September was R14, 4m of capital expenditure against year to date budget.

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

Chart 1: 2021/2022 CAPEX YTD BUDGET & YTD ACTUAL



As at 30 September 2021, the year to date actual expenditure was R77, 8million against a YTD budget of R73, 8million. In monetary terms, these figures represent 95% per cent performance against the capital development programme as at 30 September 2021.

Table C6 displays the financial position of the municipality as at 30 September 2021.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M03

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	(66 271)	11 058
Call investment deposits	787 515	40 121	40 121	280 454	40 121
Consumer debtors	29 191	30 951	30 951	39 572	30 951
Other debtors	22 475	25 222	25 222	38 480	25 222
Current portion of long-term receivables	-	-	-	-	-
Inventory	408	267	267	408	267
Total current assets	1 195 433	107 619	107 619	292 642	107 619
Non current assets					
Long-term receivables	-	-	-	-	-
Investment property	-	-	-	-	-
Investments in Associate					
Property, plant and equipment	2 552 221	2 843 962	2 847 962	2 626 091	2 847 962
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	2 849 908	2 626 668	2 849 908
TOTAL ASSETS	3 748 231	2 953 527	2 957 527	2 919 311	2 957 527
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	-	13 194	-
Consumer deposits	2 034	2 155	2 155	2 083	2 155
Trade and other payables	215 920	91 336	91 336	258 418	91 336
Provisions	15 088	13 294	13 294	15 088	13 294
Total current liabilities	233 041	106 785	106 785	288 782	106 785
Non current liabilities					
Borrowing	18 098	1 878	1 878	4 184	1 878
Provisions	24 548	23 797	23 797	24 548	23 797
Total non current liabilities	42 646	25 676	25 676	28 732	25 676
TOTAL LIABILITIES	275 687	132 461	132 461	317 514	132 461
NET ASSETS	3 472 544	2 821 066	2 825 066	2 601 796	2 825 066
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	3 472 544	2 821 066	2 825 066	2 601 796	2 825 066
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 472 544	2 821 066	2 825 066	2 601 796	2 825 066

Table C7 below display the Cash Flow Statement for the period ending 30 September 2021.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M03 September

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	3 409	12 234	4 492	7 742	172%	53 905
Other revenue	307	549	549	1	1	46	(45)	-99%	549
Transfers and Subsidies - Operational	234 355	395 084	395 084	-	165 197	32 441	132 756	409%	395 084
Transfers and Subsidies - Capital	215 028	303 580	307 580	62 000	186 700	240 326	(53 626)	-22%	307 580
Interest	3 011	5 682	5 682	377	1 001	474	527	111%	5 682
Dividends							-		
Payments									
Suppliers and employees	(682 380)	(444 212)	(444 212)	(45 055)	(128 941)	(37 018)	91 924	-248%	(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	317 261	20 732	236 191	240 650	4 459	2%	317 261
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)	(311 283)	(14 433)	(73 870)	(51 214)	22 656	-44%	(311 283)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(233 320)	(307 283)	(311 283)	(14 433)	(73 870)	(51 214)	22 656	-44%	(311 283)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits		147	147	-	-	37	(37)	-100%	147
Payments									
Repayment of borrowing		(3 676)	(3 676)			(919)	(919)	100%	(3 676)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(3 529)	(3 529)	-	-	(882)	(882)	100%	(3 529)
NET INCREASE/ (DECREASE) IN CASH HELD	(333 296)	2 448	2 448	6 299	162 321	188 554			2 448
Cash/cash equivalents at beginning:	40 671	48 731	48 731	-	51 862				
Cash/cash equivalents at month/year end:	(292 626)	51 179	51 179		214 183	188 554			2 448

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 30 September 2021.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

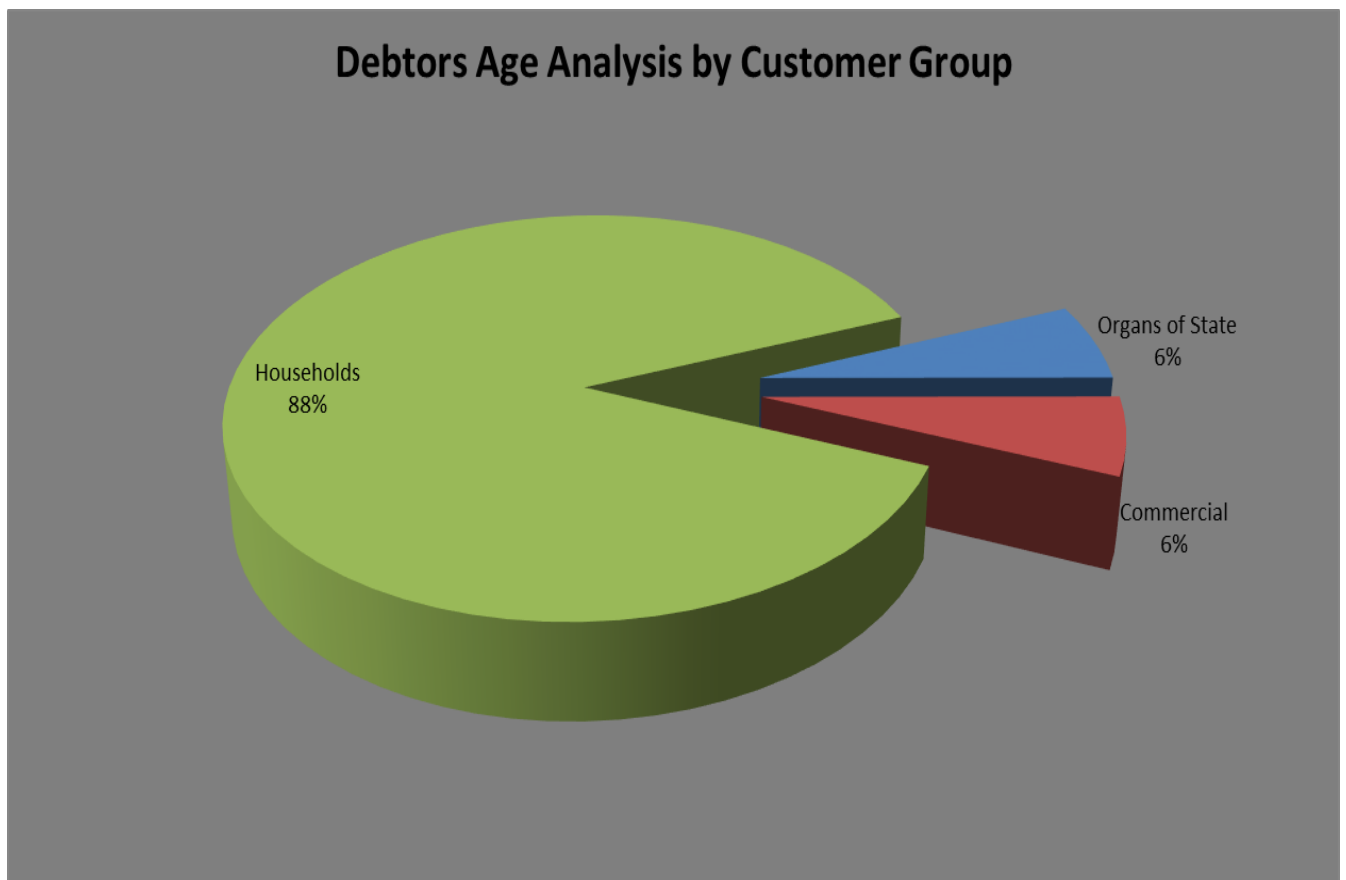
Description	Budget Year 2021/22								Total	Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr		
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	4 534	4 494	3 216	2 872	3 111	2 691	15 770	117 645	154 332	142 089
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1 771	1 756	1 256	1 122	1 215	1 051	6 161	45 959	60 292	55 509
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	758	751	538	480	520	450	2 636	19 665	25 798	23 751
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	7 063	7 001	5 009	4 474	4 847	4 191	24 567	183 270	240 421	221 348
2020/21 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	3 224	3 180	1 370	908	437	495	1 029	3 969	14 613	6 840
Commercial	724	609	491	351	878	281	1 810	9 584	14 728	12 904
Households	3 115	3 212	3 148	3 214	3 531	3 416	21 728	169 716	211 079	201 605
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	7 063	7 001	5 009	4 474	4 847	4 191	24 567	183 270	240 421	221 348

The municipal consumer debt is currently increasing citing rigorous actions to ensure that this trend is prevented from continuing as it has a direct negative impact on municipal cash flows.

Chart 2: Debtors Age Analysis by Customer Group

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

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



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

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

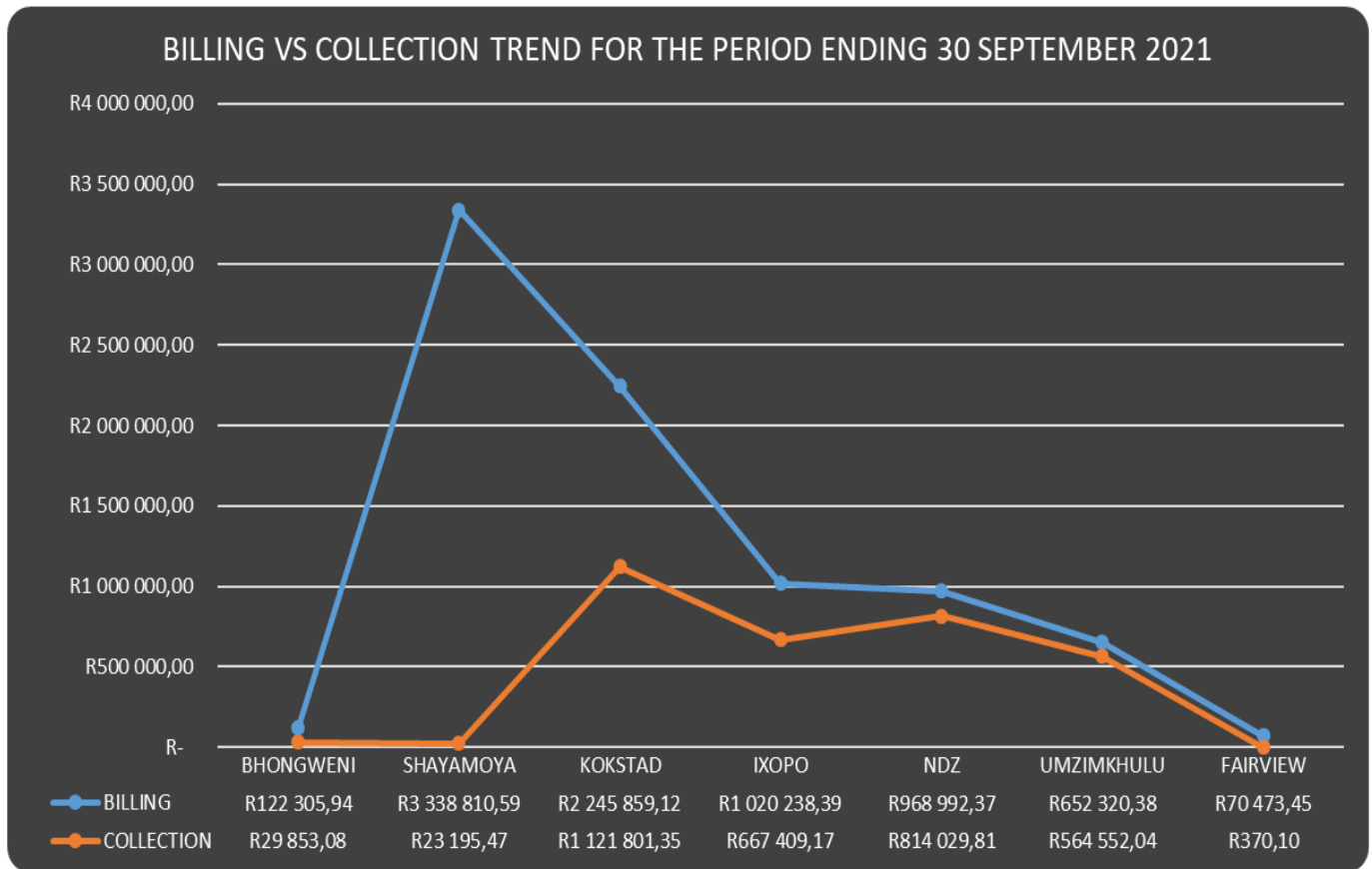
REVENUE RECEIPTS

Revenue receipts per Area

AREA	AMOUNT	SEPTEMBER	AUGUST
		2021	2021
Unallocated receipts	R 187 884,21	6%	7%
Bhongweni	R 29 853,08	1%	0%
Shayamoya	R 23 195,47	1%	1%
Kokstad	R 1 121 801,35	33%	50%
Ixopo	R 667 409,19	20%	26%
NDZ	R 814 029,81	24%	9%
Umzimkhulu	R 564 552,04	17%	13%
Fairview	R 370,00	0%	0%
TOTAL RECEIPTS INCL VAT	R 3 409 095,23	100%	100%

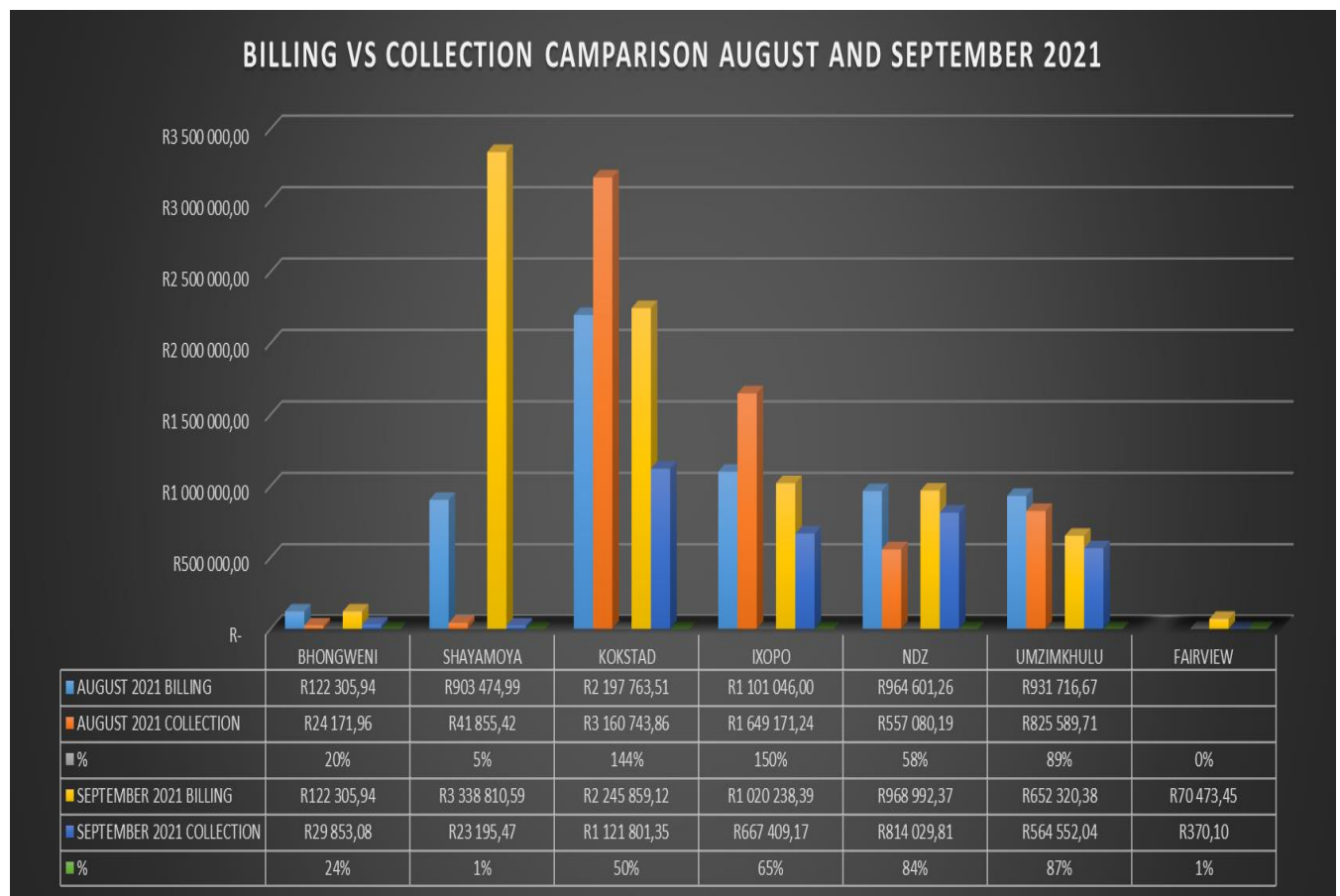
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for September 2021 is R3, 4million. The total billing for the first quarter is R 21million against collection of R 12, 2million representing 58 per cent.

BILLING VS COLLECTION TREND FOR SEPTEMBER 2021



BILLING VS COLLECTION

The chart that follows below shows the comparison between billing and collection for the period ending 30 September 2021



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 240 421 323 as at 30 September 2021 compared with the R 236 069 104 as at 31 August 2021. Current debt represent 3% of the total outstanding debt compared with the 5% of August 2021; 30 days and older debt 3% compared with the 4% for August 2021; 60 days and older debt 2% compared with the 5% of August 2021; and 90 days 2% compared with

the 3% of August 2021; 120 days to History and older 90% compared with the 86% for August 2021.

Current debt Increased with R 4,352,218 to R 240,421,323 compared with the R 236,069,104 as at 30 August 2021; 30 days + debt increased with R 1,769,149; 60 days + increased with R 425,422; 90 days + debt decreased with R 509,118 and 120 + days and older debt as at 30 September 2021 has Increased with R 7,628,243 to R 216,874,388 compared with the R 209,246,145 as at 31 August 2021.

Debtors age analysis per debtor type

Business debtors owes the municipality R 14,513,875 (6%); Municipal debtors R 941,802 (0%); domestic debtors R 197,597,034 (82%); Government accounts R 13,167,289 (5%); Indigent debtors R 8,764,795 (4%) and other debtors R 5,436,528 (2%) of the total outstanding debt of R 240,421,323.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 30 September 2021.

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	Budget Year 2021/22								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	6 492	441	777	40					7 750
Auditor General									-
Other									-
Total By Customer Type	6 492	441	777	40	-	-	-	-	7 750

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 30 September 2021.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

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
R thousands									
Municipality									
FIRST NATIONAL BANK	CALL ACCOUNT				67 324	115	(19 366)	-	48 073
FIRST NATIONAL BANK	CALL ACCOUNT				51 424	68	(24 051)	58 000	85 441
FIRST NATIONAL BANK	ADMIN CALL				37 588	58	(29 352)	-	8 295
INVESTEC	FIXED DEPOSIT				23 386	64	-	-	23 450
FIRST NATIONAL BANK	FIXED DEPOSIT				29 229	61	(10 635)	-	18 656
FIRST NATIONAL BANK	CALL ACCOUNT				1 159	2	-	-	1 160
FIRST NATIONAL BANK	CALL ACCOUNT				3	-	-	-	3
FIRST NATIONAL BANK	CALL ACCOUNT				2	-	-	-	2
FIRST NATIONAL BANK	FIXED DEPOSIT				6	2	-	1 200	1 208
NEDBANK	FIXED DEPOSIT				21 122	2	-	-	21 124
FIRST NATIONAL BANK	ENT ACCOUNT				1 741			5 030	6 771
									-
Municipality sub-total					232 984	373	(83 403)	64 230	214 183
TOTAL INVESTMENTS AND INTEREST					232 984		(83 403)	64 230	214 183

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 - M03 September

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	100 101	61 154	61,1%	400 406
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	417 623	387 013	387 013	-	161 255	96 753	64 502	66,7%	387 013
Expanded Public Works Programme Integrated Grant	5 195	4 596	4 596	-	-	1 149	(1 149)	-100,0%	4 596
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	-	-	300	(300)	-100,0%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	5 322	5 322	-	-	1 331	(1 331)	-100,0%	5 322
Rural Road Asset Management Systems Grant	2 245	2 275	2 275	-	-	569	(569)	-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	-	-	4 250	(4 250)	-100,0%	17 000
Specify (Add grant description)	-	17 000	17 000	-	-	4 250	(4 250)	-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	104 351	56 904	54,5%	417 406
Capital Transfers and Grants									
National Government:	287 857	298 258	298 258	-	-	74 564	(74 564)	-100,0%	298 258
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	207 558	207 558	-	-	51 890	(51 890)	-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	-	-	22 675	(22 675)	-100,0%	90 700
Provincial Government:	19 693	-	4 000	-	-	400	(400)	-100,0%	4 000
Infrastructure Grant	19 693	-	4 000	-	-	400	(400)	-100,0%	4 000
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	307 550	298 258	302 258	-	-	74 964	(74 964)	-100,0%	302 258
TOTAL RECEIPTS OF TRANSFERS & GRANTS	737 892	715 664	719 664	-	161 255	179 316	(18 061)	-10,1%	719 664

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 - M03 September

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	34 663	104 243	126 755	(22 512)	-17,8%	507 017
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	475 667	492 327	493 648	33 923	102 374	123 413	(21 039)	-17,0%	493 648
Expanded Public Works Programme Integrated Grant	5 467	5 976	4 655	600	1 627	1 164	463	39,8%	4 655
Local Government Financial Management Grant	836	1 117	1 117	140	242	279	(37)	-13,4%	1 117
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	5 322	5 322	-	-	1 331	(1 331)	-100,0%	5 322
Rural Road Asset Management Systems Grant	1 952	2 275	2 275	-	-	569	(569)	-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	-	-	4 128	(4 128)	-100,0%	16 510
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	484 771	507 017	507 017	34 663	104 243	126 755	(22 512)	-17,8%	507 017
Capital expenditure of Transfers and Grants									
National Government:	249 289	298 258	298 258	12 628	71 982	74 565	(2 582)	-3,5%	298 258
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	178 208	207 558	207 558	10 956	56 573	51 890	4 683	9,0%	207 558
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	90 700	90 700	1 672	15 409	22 675	(7 266)	-32,0%	90 700
Provincial Government:	18 739	-	4 000	-	-	400	(400)	-100,0%	4 000
Infrastructure Grant	18 739	-	4 000	-	-	400	(400)	-100,0%	4 000
District Municipality:	-	-	-	-	47	-	47	#DIV/0!	-
Specify (Add grant description)	-	-	-	-	47	-	47	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	268 028	298 258	302 258	12 628	72 030	74 965	(2 935)	-3,9%	302 258
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	752 798	805 275	809 275	47 291	176 272	201 720	(25 447)	-12,6%	809 275

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 30 September 2021.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

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	1 265	1 507	(242)	-16%	6 027
Pension and UIF Contributions	498	698	698	40	119	174	(55)	-32%	698
Medical Aid Contributions	57	61	61	5	15	15	(1)	-5%	61
Cellphone Allowance	663	875	875	51	153	219	(66)	-30%	875
Other benefits and allowances	1 271	1 262	1 262	105	295	315	(20)	-6%	1 262
Sub Total - Councillors	7 813	8 922	8 922	622	1 847	2 231	(383)	-17%	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	1 007	1 070	(63)	-6%	4 281
Pension and UIF Contributions	11	11	11	1	3	3	0	11%	11
Medical Aid Contributions	171	182	182	14	43	45	(2)	-5%	182
Performance Bonus	106	56	56	55	55	14	41	295%	56
Motor Vehicle Allowance	1 052	1 153	1 153	88	263	288	(25)	-9%	1 153
Cellphone Allowance	117	125	125	10	29	31	(2)	-7%	125
Housing Allowances	160	177	177	13	40	44	(4)	-10%	177
Other benefits and allowances	459	492	492	38	115	123	(8)	-7%	492
Sub Total - Senior Managers of Municipality	6 105	6 477	6 477	555	1 556	1 619	(64)	-4%	6 477
% increase		6,1%	6,1%						6,1%
Other Municipal Staff									
Basic Salaries and Wages	126 815	136 771	136 771	10 965	32 609	34 193	(1 584)	-5%	136 771
Pension and UIF Contributions	18 955	19 567	19 567	1 642	4 911	4 892	19	0%	19 567
Medical Aid Contributions	9 177	9 338	9 338	820	2 467	2 335	133	6%	9 338
Overtime	129	119	119	12	37	30	7	23%	119
Performance Bonus	8 464	7 716	7 716	767	2 508	1 929	580	30%	7 716
Motor Vehicle Allowance	16 182	17 160	17 160	1 616	4 640	4 290	350	8%	17 160
Cellphone Allowance	851	858	858	78	226	215	12	5%	858
Housing Allowances	570	586	586	48	144	146	(3)	-2%	586
Other benefits and allowances	20 465	20 906	20 906	1 922	5 627	5 227	400	8%	20 906
Payments in lieu of leave	3 207	1 204	1 204	90	444	301	143	48%	1 204
Long service awards	981	810	810	104	192	202	(11)	-5%	810
Post-retirement benefit obligations	6 069	3 343	3 343	-	-	836	(836)	-100%	3 343
Sub Total - Other Municipal Staff	211 864	218 378	218 378	18 063	53 805	54 595	(790)	-1%	218 378
% increase		3,1%	3,1%						3,1%
Total Parent Municipality	225 782	233 777	233 777	19 241	57 208	58 445	(1 236)	-2%	233 777
		3,5%	3,5%						3,5%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	93	(93)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	93	(93)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	1 730	1 730	-	-	433	(433)	-100%	1 730
Sub Total - Senior Managers of Entities	-	1 730	1 730	-	-	433	(433)	-100%	1 730
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 675	7 675	-	-	1 919	(1 919)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	367	(367)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	120	(120)	-100%	479
Performance Bonus	-	533	533	-	-	133	(133)	-100%	533
Payments in lieu of leave	-	43	43	-	-	11	(11)	-100%	43
Sub Total - Other Staff of Entities	-	10 199	10 199	-	-	2 550	(2 550)	-100%	10 199
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 301	12 301	-	-	3 075	(3 075)	-100%	12 301
TOTAL SALARY, ALLOWANCES & BENEFITS	225 782	246 079	246 079	19 241	57 208	61 520	(4 312)	-7%	246 079
% increase		9,0%	9,0%						9,0%
TOTAL MANAGERS AND STAFF	217 969	236 784	236 784	18 618	55 361	59 196	(3 835)	-6%	236 784

2.6 Material Variances to the SDBIP

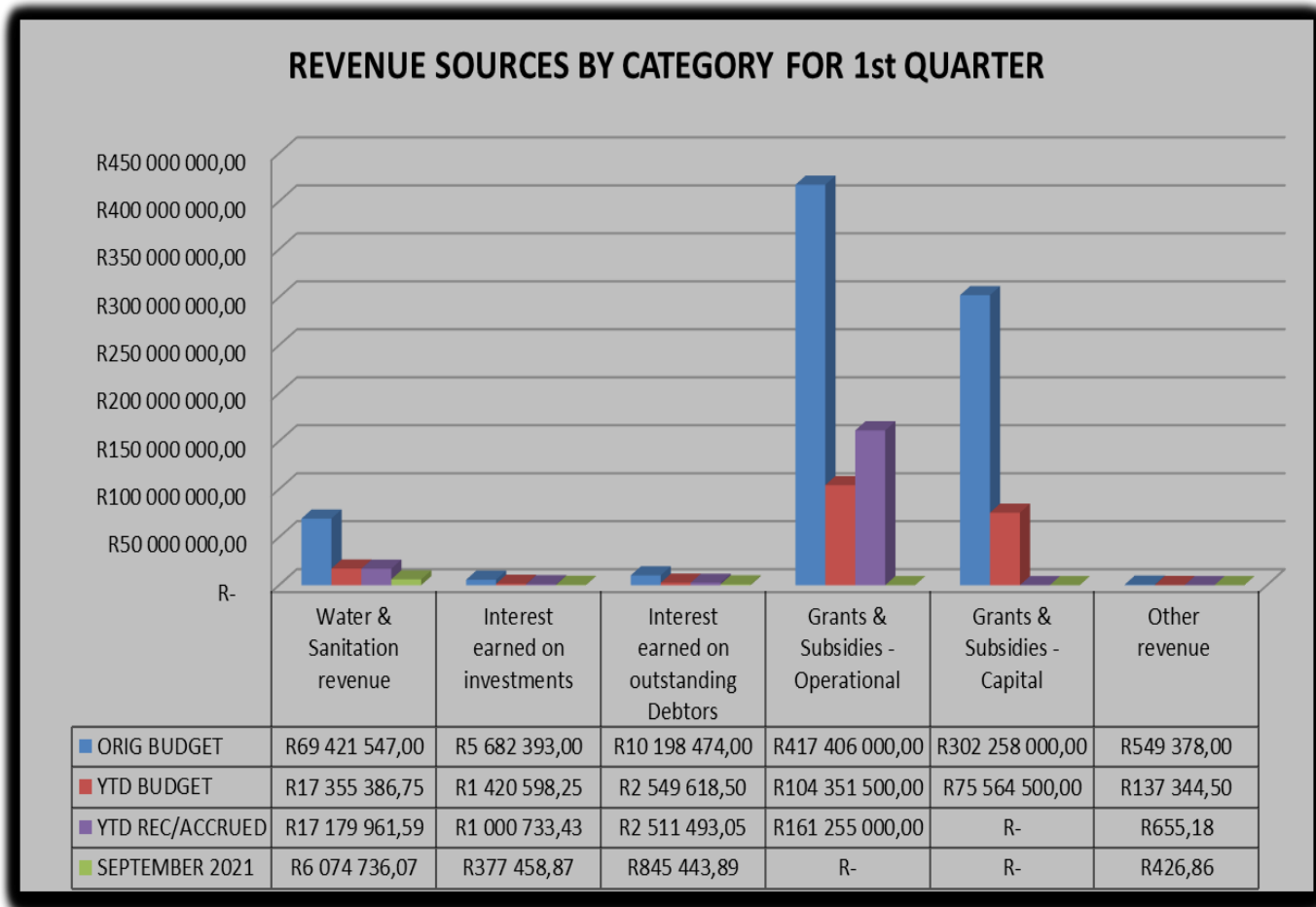
The following section analyses material variances between the actual targets as at 30 September 2021 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2021/22 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 30 September 2021 was R17, 1million against a year to date **budget** of R17, 3million or 99 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R1m against year to budget of R1, 4m representing 70 per cent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R161million against a year to date budget of R104, 3million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

There was no movement in the period ending 30 September 2021.

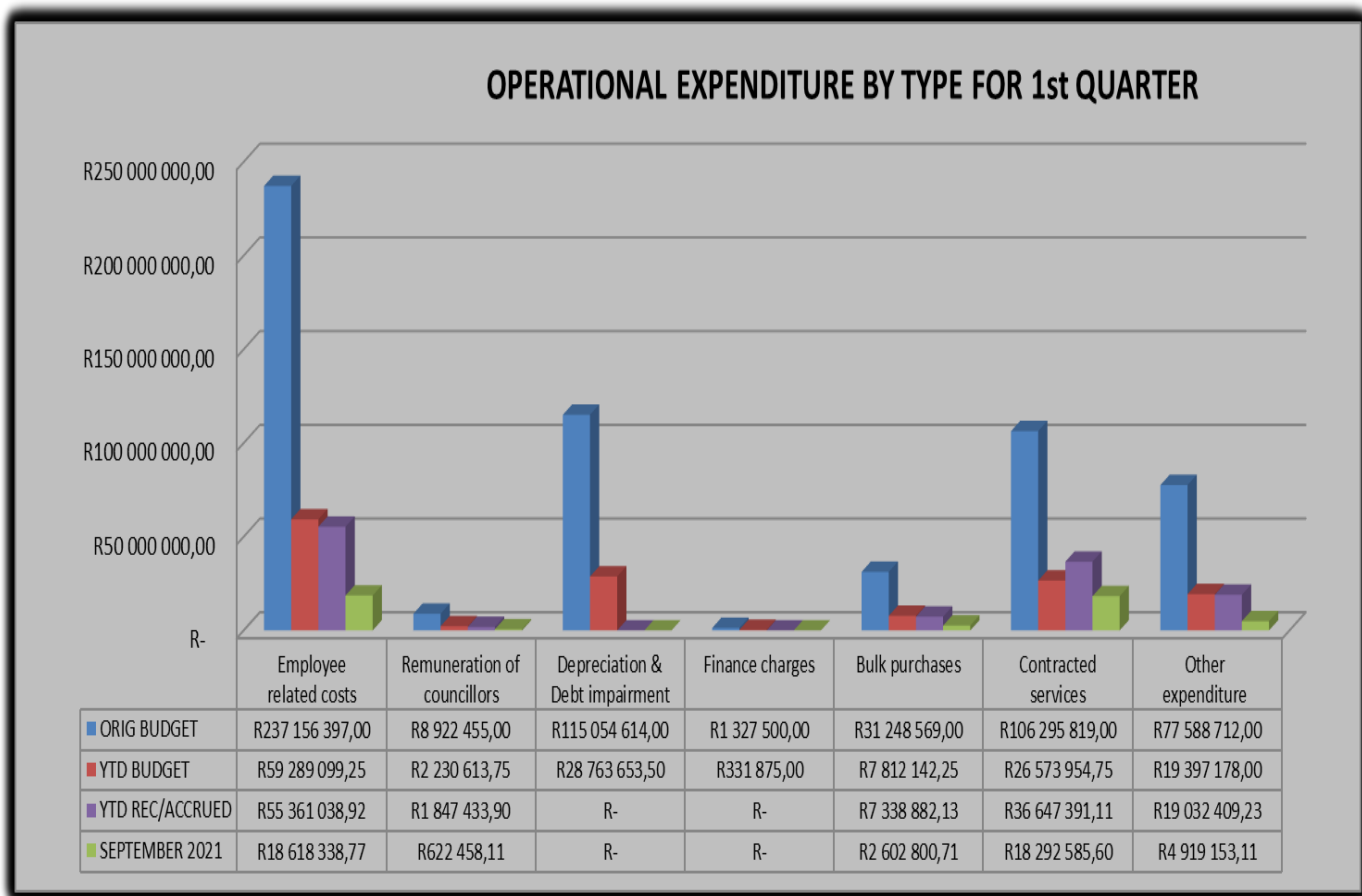
Other Revenue

The YTD performance of other revenue is R655 against YTD budget of R 137 344 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: 2021/22 financial year Operational expenditure



Employee Related Costs

The YTD budget for employee related costs is R59, 2million against a YTD actual of R55, 3million which is 93% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 1, 8million against a YTD budget of R 2, 2million representing 83% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 30 September 2021.

Inventory/Bulk Purchases

The expenditure on Bulk Water purchases has the budget of R31, 2m. The year to date expenditure on bulk water purchases is R 7, 3m against a YTD budget of R7, 4m representing 94% of the year to date budget.

Contracted Services

The YTD budget for contracted services was at R 26, 5million against a YTD expenditure of R 36, 6million and expenditure for the month of September 2021 is R18, 2million.

Other Expenditure

The YTD budget for other expenditure was at R 19, 3million against a YTD expenditure of R 19million and expenditure for the month of September 2021 is R4, 9million.

Performance assessment

The Performance Assessment Report will be available on the second quarter of 2021/2022 financial year in terms of mid-term performance assessment in accordance with 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 - M03 September

Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	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	2 386	3 307	3 307	3 307	3 307	3 307	3 307	3 307	3 307	979	39 680	41 881	44 214
Service charges - sanitation revenue	557	988	1 023	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	2 174	14 225	15 078	15 983
Interest earned - external investments	121	502	377	474	474	474	474	474	474	474	474	893	5 682	6 018	6 290
Agency services															
Transfers and Subsidies - Operational	160 611	2 493	-	32 441	32 441	32 441	32 441	32 441	32 441	32 441	32 441	(27 546)	395 084	413 194	416 811
Other revenue	-	0	1	46	46	46	46	46	46	46	46	182	549	574	599
Cash Receipts by Source	164 209	10 925	3 787	37 452	37 452	37 452	37 452	37 452	37 452	37 452	37 452	(23 317)	455 221	476 745	483 897
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	126 293	-	62 000	25 632	25 632	25 632	25 632	25 632	25 632	25 632	25 632	(85 766)	307 580	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	65 787	63 084	63 084	63 084	63 084	63 084	63 084	63 084	63 084	(108 962)	762 922	822 905	845 873
Cash Payments by Type															
Employee related costs	18 225	18 517	18 618	20 507	20 507	20 507	20 507	20 507	20 507	20 507	20 507	26 665	246 079	262 443	279 953
Remuneration of councillors	619	606	622									(1 847)			
Interest paid	-	-	-	111	111	111	111	111	111	111	111	443	1 328	1 385	1 447
Acquisitions - water & other inventory	-	4 588	2 603	1 616	1 616	1 616	1 616	1 616	1 616	1 616	1 616	(726)	19 396	20 250	21 161
Contracted services	6 008	12 347	18 293	8 775	8 775	8 775	8 775	8 775	8 775	8 775	8 775	(1 549)	105 296	110 111	114 923
General expenses	4 017	10 244	4 919	6 120	6 120	6 120	6 120	6 120	6 120	6 120	6 120	5 300	73 441	78 948	82 195
Cash Payments by Type	28 870	46 302	45 055	37 128	37 128	37 128	37 128	37 128	37 128	37 128	37 128	28 286	445 539	473 136	499 679
Other Cash Flows/Payments by Type															
Capital assets	30 514	28 923	14 433	25 940	25 940	25 940	25 940	25 940	25 940	25 940	25 940	29 891	311 283	347 620	363 499
Total Cash Payments by Type	59 384	75 225	59 488	63 069	63 069	63 069	63 069	63 069	63 069	63 069	63 069	58 177	756 823	820 757	863 177
NET INCREASE/(DECREASE) IN CASH HELD	231 118	(64 300)	6 299	15	15	15	15	15	15	15	15	(167 139)	6 099	2 148	(17 304)
Cash/cash equivalents at the month/year beginning:	51 179	282 297	217 998	224 297	224 312	224 327	224 342	224 357	224 373	224 388	224 403	224 418	51 179	57 279	59 427
Cash/cash equivalents at the month/year end:	282 297	217 998	224 297	224 312	224 327	224 342	224 357	224 373	224 388	224 403	224 418	57 279	57 279	59 427	42 123

Parent Municipal financial performance

DC43 Harry Gwala - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M03

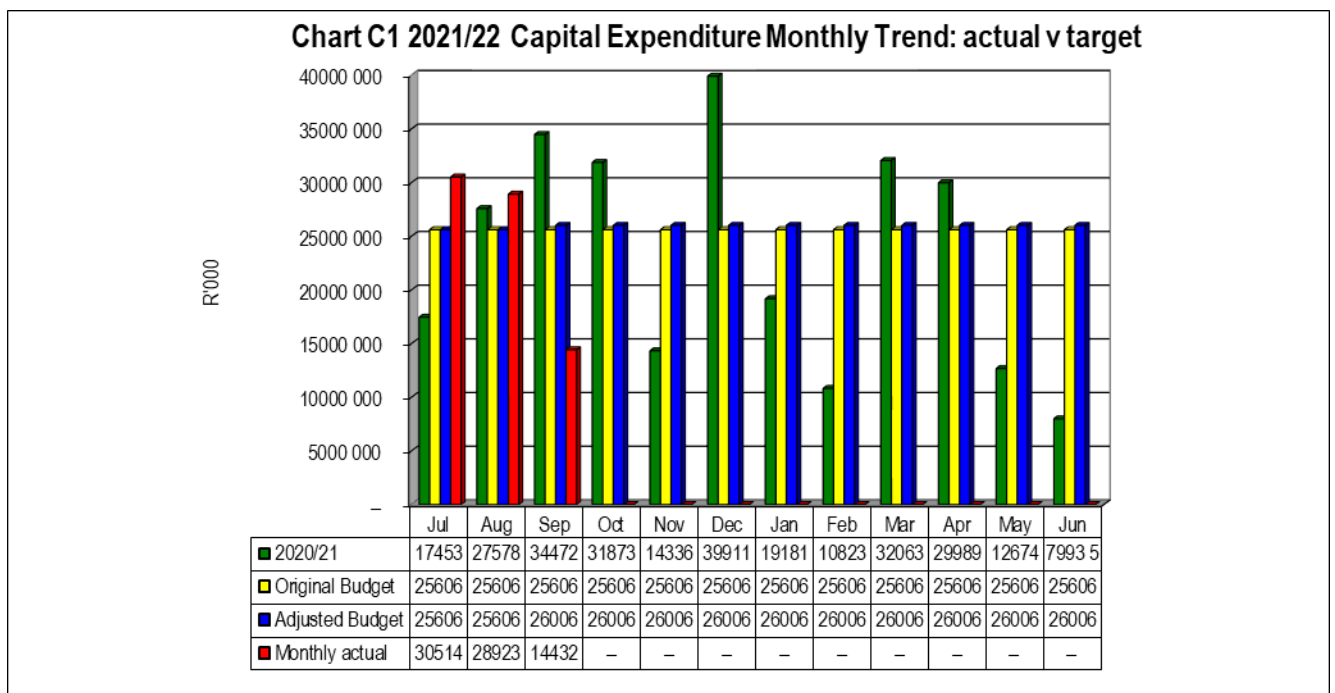
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	0
Service charges - water revenue	54 003	48 866	48 866	4 892	13 747	12 217	1 530	13%	48 866
Service charges - sanitation revenue	13 762	20 555	20 555	1 182	3 433	5 139	(1 706)	-33%	20 555
Interest earned - external investments	3 011	5 592	5 592	377	1 001	1 398	(397)	-28%	5 592
Interest earned - outstanding debtors	10 100	10 198	10 198	845	2 511	2 550	(38)	-1%	10 198
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	0
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	0
Transfers and subsidies	430 342	400 406	400 406	-	161 255	100 101	61 154	61%	400 406
Other revenue	778	549	549	0	1	137	(137)	-100%	549
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	511 997	486 168	486 168	7 298	181 948	121 542	60 406	50%	486 168
Expenditure By Type									
Employee related costs	217 969	224 855	224 855	18 618	55 361	56 214	(853)	-2%	224 855
Remuneration of councillors	7 813	8 922	8 922	622	1 847	2 231	(383)	-17%	8 922
Debt impairment	31 734	27 645	27 645	-	-	6 911	(6 911)	-100%	27 645
Depreciation & asset impairment	78 532	86 885	86 885	-	-	21 721	(21 721)	-100%	86 885
Finance charges	995	1 313	1 313	-	-	328	(328)	-100%	1 313
Bulk purchases - electricity	20 458	-	-	-	(1)	-	(1)	#DIV/0!	-
Inventory consumed	5 845	30 950	30 950	2 603	7 340	7 738	(398)	-5%	30 950
Contracted services	129 640	104 211	105 211	18 293	36 647	26 303	10 345	39%	105 211
Transfers and subsidies	17 000	17 000	17 000	-	5 600	4 250	1 350	32%	17 000
Other expenditure	56 907	59 303	58 303	4 919	13 432	14 576	(1 143)	-8%	58 303
Losses	6 496	-	-	-	-	-	-	-	-
Total Expenditure	573 389	561 084	561 084	45 055	120 227	140 272	(20 045)	-14%	561 084
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National/ Provincial and District)	(61 392)	(74 916)	(74 916)	(37 757)	61 721	(18 730)	80 451	-430%	(74 916)
Transfers and subsidies - capital (monetary allocations) (National/ Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	302 857	298 258	302 258	-	-	74 964	(74 964)	-100%	302 258
Transfers and subsidies - capital (in-kind - all)	4 693	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	246 158	223 342	227 342	(37 757)	61 721	56 235	5 486	10%	227 342
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	246 158	223 342	227 342	(37 757)	61 721	56 235	5 486	10%	227 342

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M03 September

Month	2020/21	Budget Year 2021/22							
	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	17 453	25 607	25 607	30 514	30 514	25 607	(4 907)	-19,2%	10%
August	27 579	25 607	25 607	28 923	59 437	51 214	(8 223)	-16,1%	19%
September	34 472	25 607	26 007	14 433	73 870	77 221	3 351	4,3%	24%
October	31 874	25 607	26 007	-	-	103 228	-	-	-
November	14 337	25 607	26 007	-	-	129 235	-	-	-
December	39 911	25 607	26 007	-	-	155 242	-	-	-
January	19 182	25 607	26 007	-	-	181 249	-	-	-
February	10 824	25 607	26 007	-	-	207 256	-	-	-
March	32 063	25 607	26 007	-	-	233 263	-	-	-
April	29 990	25 607	26 007	-	-	259 270	-	-	-
May	12 674	25 607	26 007	-	-	285 277	-	-	-
June	7 994	25 607	26 007	-	-	311 283	-	-	-
Total Capital expenditure	278 353	307 283	311 283	73 870					

CAPITAL EXPENDITURE MONTHLY TREND



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 - M03

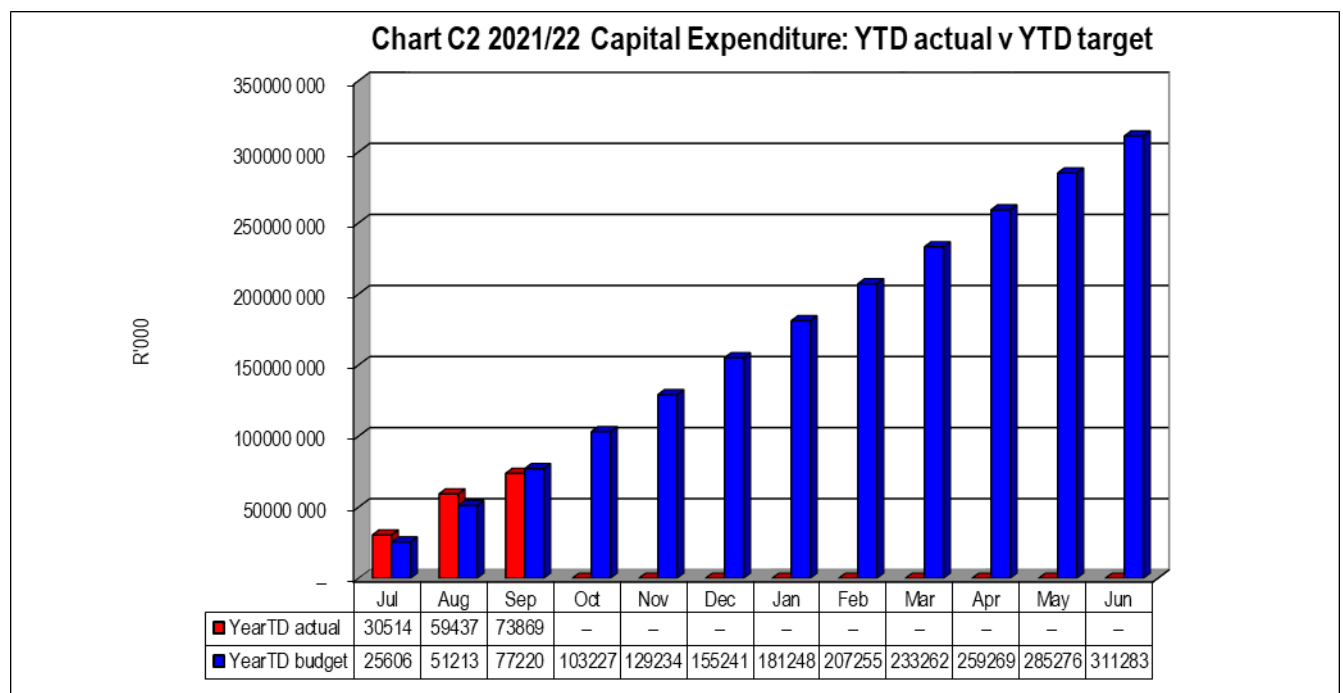
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	245 738	283 958	283 958	12 628	64 663	70 990	6 326	8,9%	283 958
Water Supply Infrastructure	237 781	228 108	228 108	9 646	46 647	57 027	10 380	18,2%	228 108
Dams and Weirs	24 469	25 000	25 000	1 044	2 058	6 250	4 192	67,1%	25 000
Boreholes	23 814	57 275	57 275	1 672	13 967	14 319	352	2,5%	57 275
Reservoirs	870	7 000	7 000	1 353	1 353	1 750	397	22,7%	7 000
Pump Stations	30 873	31 000	31 000	2 371	6 543	7 750	1 207	15,6%	31 000
Water Treatment Works	4 539	7 500	7 500	1 757	3 917	1 875	(2 042)	-108,9%	7 500
Bulk Mains	77 052	26 508	26 508	-	3 654	6 627	2 973	44,9%	26 508
Distribution	76 164	73 825	73 825	1 449	15 156	18 456	3 300	17,9%	73 825
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 958	55 850	55 850	2 982	18 016	13 963	(4 053)	-29,0%	55 850
Pump Station	1 580	30 000	30 000	2 071	4 211	7 500	3 289	43,9%	30 000
Reticulation	6 378	20 000	20 000	910	9 865	5 000	(4 865)	-97,3%	20 000
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	5 850	5 850	-	3 940	1 463	(2 478)	-169,4%	5 850
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	1 610	-	-	-	-	-	-	-	-
Operational Buildings	1 610	-	-	-	-	-	-	-	-
Municipal Offices	1 610	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Intangible Assets	-	1 418	1 418	-	-	355	355	100,0%	1 418
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1 418	1 418	-	-	355	355	100,0%	1 418
Computer Software and Applications	-	1 418	1 418	-	-	355	355	100,0%	1 418
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	1 566	2 130	2 130	-	-	533	533	100,0%	2 130
Computer Equipment	1 566	2 130	2 130	-	-	533	533	100,0%	2 130
Furniture and Office Equipment	1 768	3 057	3 057	-	-	764	764	100,0%	3 057
Furniture and Office Equipment	1 768	3 057	3 057	-	-	764	764	100,0%	3 057
Machinery and Equipment	9 099	220	220	-	47	55	8	14,2%	220
Machinery and Equipment	9 099	220	220	-	47	55	8	14,2%	220
Transport Assets	7 355	-	-	-	-	-	-	-	-
Transport Assets	7 355	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	267 136	290 783	290 783	12 628	64 711	72 696	7 985	11,0%	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 -

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	19 800	-	7 213	4 350	(2 863)	-65,8%	19 800
<i>Capital Spares</i>							-		
Water Supply Infrastructure	982	15 800	15 800	-	7 213	3 950	(3 263)	-82,6%	15 800
<i>Water Treatment Works</i>							-		
Bulk Mains	-	500	500	-	-	125	125	100,0%	500
Distribution	982	15 300	15 300	-	7 213	3 825	(3 388)	-88,6%	15 300
<i>Distribution Points</i>							-		
PRV Stations	-	-	-	-	-	-	-		-
<i>Capital Spares</i>							-		
Sanitation Infrastructure	7 128	-	4 000	-	-	400	400	100,0%	4 000
<i>Pump Station</i>							-		
Reticulation	-	-	-	-	-	-	-		-
Waste Water Treatment Works	7 128	-	4 000	-	-	400	400	100,0%	4 000
<i>Outfall Sewers</i>							-		
Furniture and Office Equipment							-		
Machinery and Equipment	-	200	200	-	-	50	50	100,0%	200
Machinery and Equipment	-	200	200	-	-	50	50	100,0%	200
Transport Assets	7 032	-	-	1 805	1 805	-	(1 805)	#DIV/0!	-
Transport Assets	7 032	-	-	1 805	1 805	-	(1 805)	#DIV/0!	-
Total Capital Expenditure on renewal of existing assets	15 142	16 000	20 000	1 805	9 018	4 400	(4 618)	-105,0%	20 000

CAPITAL EXPENDITURE YTD ACTUAL VS YTD TARGET



Expenditure on Repairs and Maintenance by Asset Class

DC43 Harry Gwala - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03

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									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	33 009	29 000	29 000	8 576	11 666	7 250	(4 416)	-60,9%	29 000
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	33 009	29 000	29 000	8 576	11 666	7 250	(4 416)	-60,9%	29 000
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	16 211	14 000	14 000	3 879	5 942	3 500	(2 442)	-69,8%	14 000
Pump Stations	10 291	8 000	8 000	3 336	3 616	2 000	(1 616)	-80,8%	8 000
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	6 508	7 000	7 000	1 361	2 108	1 750	(358)	-20,5%	7 000
Community Assets	86	90	90	-	-	23	23	100,0%	90
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	86	90	90	-	-	23	23	100,0%	90
Indoor Facilities	86	90	90	-	-	23	23	100,0%	90
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	1 287	3 000	4 000	1 313	1 471	1 000	(471)	-47,1%	4 000
Operational Buildings	1 287	3 000	4 000	1 313	1 471	1 000	(471)	-47,1%	4 000
Municipal Offices	1 287	3 000	4 000	1 313	1 471	1 000	(471)	-47,1%	4 000
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Computer Equipment	497	320	320	-	-	80	80	100,0%	320
Computer Equipment	497	320	320	-	-	80	80	100,0%	320
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	319	1 262	1 262	8	8	316	308	97,5%	1 262
Machinery and Equipment	319	1 262	1 262	8	8	316	308	97,5%	1 262
Transport Assets	83	328	328	-	-	82	82	100,0%	328
Transport Assets	83	328	328	-	-	82	82	100,0%	328
Total Repairs and Maintenance Expenditure	35 282	34 000	35 000	9 897	13 145	8 750	(4 395)	-50,2%	35 000

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
- Quarterly report on the implementation of the budget and financial state of affairs of the municipality

For the month of September 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_____