

Harry Gwala District Municipality



In-Year Report of the Municipality

Prepared in terms of Section 71 and Section 52(d) of the Local Government Municipal Finance Management Act, (Act 56 of 2003) and the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 June 2009.

Budget & Treasury Office

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

AFS – Annual Financial Statements

Budget – The financial plan of the Municipality.

Capital expenditure - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant.

GRAP – Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

SDBIP – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information. Harry Gwala District Municipality MFMA s71 Monthly Report Page 5

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Vote – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. .

YTD – Year to date

YoY – Year on Year

DBSA – Development Bank of South Africa

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

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

1.1 Mayors Report

In accordance with Section 52(d) of the Municipal Finance Management Act, The mayor submit a report to the council within 30 days after the end of each quarter which is the third quarter of 2021/2022, on the implementation of the budget and the financial state of affairs of the Harry Gwala District Municipality.

This report forms part of the general responsibilities of the Mayor of a Municipality, and is intended to inform and enable the council to fulfil its oversight responsibility.

1.2.1 Implementation of the budget in accordance with the SDBIP

A comprehensive report detailing the implementation for the third quarter ended 31 March 2022 will be tabled in a separate report to council.

1.2.2 Financial problems or risks facing the municipality

The cash flow position as at 31 March 2022 of the Municipality shows an improvement when compared to the previous financial year. However, the municipality will seek to improve more in order for the municipality to be stable and continue to show great improvements and close the financial year with positive bank balance.

The municipality also need to improve more in collection in order to reduce consumer debts because it will contribute towards the municipality's cash flow. Improving the debt collection will continue to rank high in the municipality's priorities as we seek to improve financial sustainability

1.2 Executive Summary or Background

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

Revenue by Source

The Year-to-Date actual revenue is 104% above the YTD budget. All the allocated conditional grants receipted as per Division of Revenue Bill, However the recognition as revenue only occur when the expenditure is incurred.

Borrowings

The balance of borrowings does not have the long term loans.

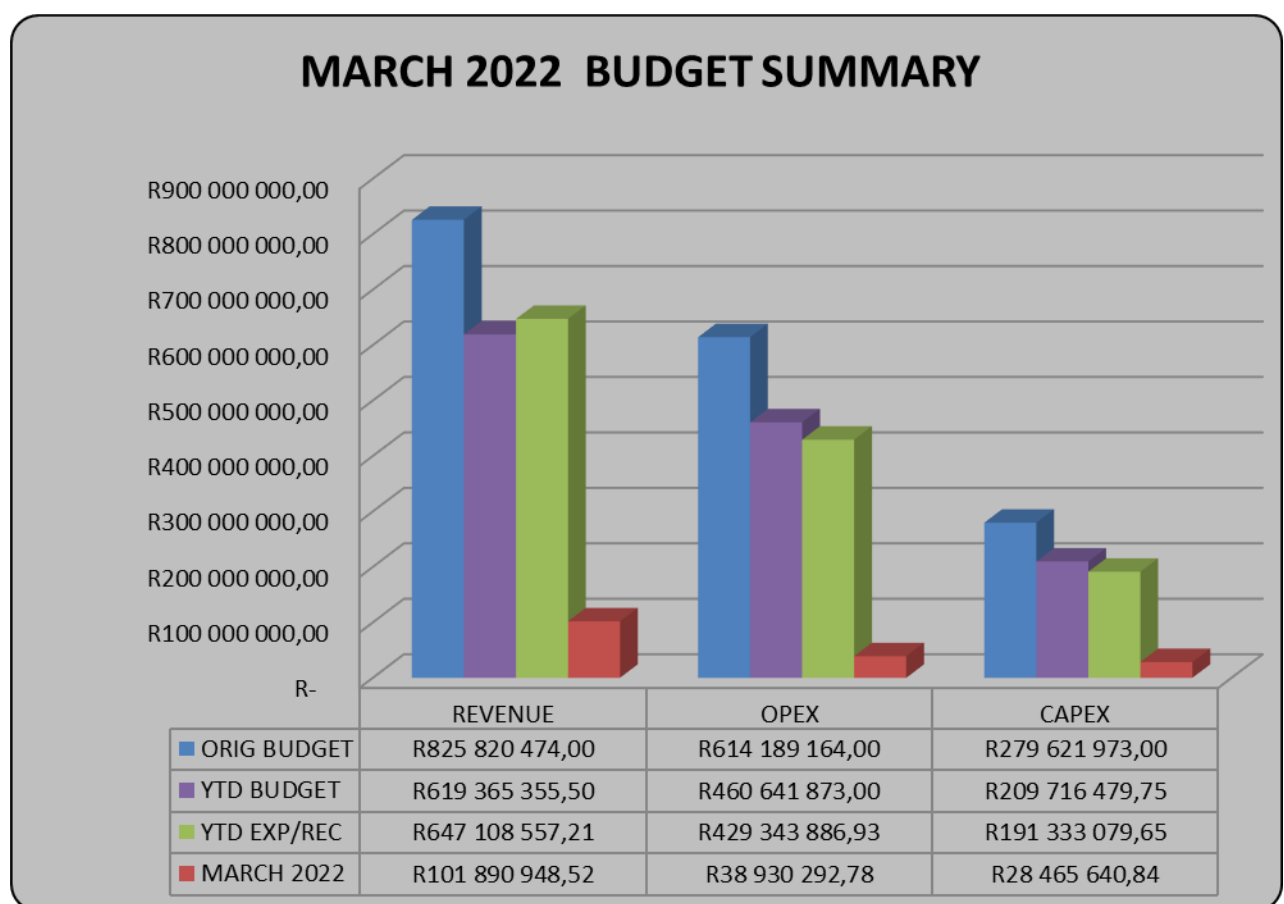
Operating expenditure by vote & type

The total operating budget for the current year amounts to R614, 1m. The YTD Operating expenditure for the month ended 31 March amounted to R429, 3m against a year to date (YTD) budget of R460, 6m. The actual YTD expenditure represented 93% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R279, 6m. The YTD expenditure on capital amounts to R191, 3million, or 91% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

Chart 1: Budget vs. Expenditure Summary



Cash flows

The municipality started the year with a positive cashbook balance of R51, 8million. The closing cash and cash equivalents as at the end of March 2022 was R296, 4million refer to the table below for cash and cash equivalent register for more detail on the municipality's cash position

CASH AND INVESTMENT REGISTER AS AT 31 MARCH 2022

Investments by maturity Name of institution & investment ID	Period of Investment	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	12	CALL ACCOUNT	No	Fixed	9,25	27 032	63	(19 732)	60 000	67 363
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	60 846	108	(13 045)	24 680	72 589
FIRST NATIONAL BANK	12	ADMIN CALL	No	Fixed	9,25	2 240	6	-	20 000	22 246
INVESTEC	12	FIXED DEPOSIT	No	Fixed	9,25	1 571	5	-	-	1 577
FIRST NATIONAL BANK	12	FIXED DEPOSIT	No	Fixed	9,25	24 090	63	(8 456)	20 700	36 397
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	3 624	9	-	682	4 315
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	28 916	58	-	-	28 974
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	2	-	-	-	2
FIRST NATIONAL BANK	12	FIXED DEPOSIT	No	Fixed	9,25	213	0	-	-	214
NEDBANK		FIXED DEPOSIT				21 486	18	-	-	21 504
FIRST NATIONAL BANK		ENT ACCOUNT				5 197	-	-	36 039	41 237
Municipality sub-total						175 219		(41 233)	126 062	296 417
TOTAL INVESTMENTS AND INTEREST						175 219		(41 233)	126 062	296 417

Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2021/2022 have been received as per the payment schedule. The total grants received as at 31 March 2022 was R 767million. R387million for equitable share and R380million conditional grants. One operational grant received for the month of March 2022 and two capital grants was received namely

Transfers Recognised – Operational

One operational grant received for the month of March 2022 namely:

- Equitable Share- R 96 754 000

Transfers Recognised – Capital

Two capital grants received for the month of March 2022 namely:

- Municipal Infrastructure Grant- R 32 680 000
- Water Services Infrastructure Grant- R 45 700 000

There is an additional funding for Municipal Infrastructure Grant amount to R 8million and Water Services Infrastructure amount to R25million that was received in March 2022. The adjustment budget will be prepared and tabled to Council before end May 2022.

Spending on Grants

Spending on grants amounted to R191, 3million or 91% for 2021/22 third quarter.

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 - M09 March

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	60 087	3 857	44 435	48 332	(3 897)	-8%	60 087
Investment revenue	3 011	5 682	4 504	336	3 377	3 791	(413)	-11%	4 504
Transfers and subsidies	430 342	417 406	417 406	96 754	404 663	313 054	91 609	29%	417 406
Other own revenue	10 879	10 748	11 565	944	8 837	8 388	449	5%	11 565
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	493 562	101 891	461 312	373 565	87 747	23%	493 562
Employee costs	217 969	237 156	243 395	19 206	173 397	180 364	(6 967)	-4%	243 395
Remuneration of Councilors	7 813	8 922	8 538	763	5 426	6 538	(1 112)	-17%	8 538
Depreciation & asset impairment	79 359	87 410	88 415	-	51 764	65 960	(14 195)	-22%	88 415
Finance charges	995	1 328	415	-	-	631	(631)	-100%	415
Inventory consumed and bulk purchases	27 868	31 249	41 337	8 623	32 718	27 622	5 096	18%	41 337
Transfers and subsidies	17 000	17 000	17 000	-	10 600	12 750	(2 150)	-17%	17 000
Other expenditure	224 777	194 529	215 090	10 338	155 438	153 970	1 469	1%	215 090
Total Expenditure	575 782	577 594	614 189	38 930	429 344	447 834	(18 490)	-4%	614 189
Surplus/(Deficit)	(63 785)	(74 336)	(120 627)	62 961	31 969	(74 269)	106 238	-143%	(120 627)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	332 258	-	185 796	238 493	(52 697)	-22%	332 258
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	243 766	223 922	211 631	62 961	217 765	164 224	53 540	33%	211 631
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	243 766	223 922	211 631	62 961	217 765	164 224	53 540	33%	211 631
Capital expenditure & funds sources									
Capital expenditure	296 457	307 283	279 622	28 466	191 333	220 598	(29 265)	-13%	279 622
Capital transfers recognised	268 028	298 258	268 967	28 466	184 488	213 177	(28 690)	-13%	268 967
Internally generated funds	28 430	9 025	10 655	-	6 845	7 421	(575)	-8%	10 655
Total sources of capital funds	296 457	307 283	279 622	28 466	191 333	220 598	(29 265)	-13%	279 622
Financial position									
Total current assets	104 170	107 619	107 226		347 198				107 226
Total non current assets	2 551 972	2 845 908	2 743 179		2 691 541				2 743 179
Total current liabilities	101 296	106 785	102 502		281 818				102 502
Total non current liabilities	42 646	25 676	28 756		26 728				28 756
Community wealth/Equity	2 597 195	2 821 066	2 731 424		2 454 291				2 731 424
Cash flows									
Net cash from (used) operating	(99 951)	305 780	231 076	236 590	355 966	173 307	(182 658)	-105%	231 076
Net cash from (used) investing	(251 425)	(307 283)	(279 622)	(28 466)	(191 333)	(209 716)	(18 383)	9%	(279 622)
Net cash from (used) financing	(170)	(122)	(27)	(9)	(2 141)	(1 627)	514	-32%	(2 182)
Cash/cash equivalents at the month/year end	(310 876)	47 106	3 289	-	214 353	(38 037)	(252 390)	664%	(50 728)
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	5 738	5 160	5 554	3 287	3 532	2 891	21 074	191 320	238 558
Creditors Age Analysis									
Total Creditors	709	-	-	116	-	-	-	-	825

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) - M09 March

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	393 591	97 093	391 688	299 030	92 657	31%	393 591
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	404 553	393 591	97 093	391 688	299 030	92 657	31%	393 591
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	-	-	12	19	-	19	#DIV/0!	-
Community and social services	-	-	-	12	19	-	19	#DIV/0!	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	8 568	22 412	17 090	-	11 468	14 680	(3 212)	-22%	17 090
Planning and development	8 568	22 412	17 090	-	11 468	14 680	(3 212)	-22%	17 090
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	388 078	374 551	415 139	4 786	243 934	298 348	(54 414)	-18%	415 139
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	360 199	368 733	3 849	228 807	273 563	(44 755)	-16%	368 733
Waste water management	29 226	14 352	46 406	937	15 126	24 786	(9 659)	-39%	46 406
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	801 516	825 820	101 891	647 109	612 059	35 050	6%	825 820
Expenditure - Functional									
<i>Governance and administration</i>	233 309	251 534	250 612	15 719	170 866	188 025	(17 159)	-9%	250 612
Executive and council	27 920	24 745	35 223	2 637	27 802	22 750	5 051	22%	35 223
Finance and administration	195 887	217 553	207 199	12 420	136 967	158 766	(21 799)	-14%	207 199
Internal audit	9 503	9 236	8 189	662	6 097	6 509	(412)	-6%	8 189
<i>Community and public safety</i>	17 674	18 501	19 197	1 421	14 689	14 154	535	4%	19 197
Community and social services	17 674	18 501	19 197	1 421	14 689	14 154	535	4%	19 197
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	123 312	154 812	153 324	3 434	84 685	115 515	(30 830)	-27%	153 324
Planning and development	123 312	154 812	153 324	3 434	84 685	115 515	(30 830)	-27%	153 324
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	201 487	152 747	191 056	18 357	159 104	130 141	28 963	22%	191 056
Energy sources	-	-	-	-	-	-	-	-	-
Water management	200 625	151 849	189 944	18 293	158 326	129 382	28 944	22%	189 944
Waste water management	862	898	1 111	64	778	759	19	3%	1 111
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	575 782	577 594	614 189	38 930	429 344	447 834	(18 490)	-4%	614 189
Surplus/ (Deficit) for the year	243 766	223 922	211 631	62 961	217 765	164 224	53 540	33%	211 631

This table assess the revenue by department and then the expenditure for the period ending 31 March 2022. Revenue receipts in March have largely constituted of equitable share and service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of March is 16%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of March 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 R21, 5million.

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) - M09

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	393 222	97 093	391 404	298 883	92 522	31,0%	393 222
Vote 04 - Summary Corporate Services	665	-	290	-	233	116	116	100,2%	290
Vote 05 - Summary Social Services & Development Planning	3 875	22 412	17 090	12	11 487	14 680	(3 193)	-21,8%	17 090
Vote 06 - Summary Infrastructure Services	305 438	311 333	314 169	306	188 236	234 634	(46 398)	-19,8%	314 169
Vote 07 - Summary Water Services	87 377	63 218	101 049	4 480	55 748	63 746	(7 997)	-12,5%	101 049
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	801 516	825 820	101 891	647 109	612 059	35 050	5,7%	825 820
Expenditure by Vote									
Vote 01 - Summary Council	14 956	16 256	20 456	1 833	15 072	13 872	1 200	8,7%	20 456
Vote 02 - Summary Municipal Manager	22 466	17 726	22 957	1 466	18 826	15 387	3 439	22,4%	22 957
Vote 03 - Summary Budget And Treasury Office	59 812	85 267	80 277	3 545	39 658	61 953	(22 294)	-36,0%	80 277
Vote 04 - Summary Corporate Services	89 619	89 530	80 250	5 338	60 507	63 436	(2 929)	-4,6%	80 250
Vote 05 - Summary Social Services & Development Planning	48 107	68 717	68 393	2 564	36 431	51 409	(14 978)	-29,1%	68 393
Vote 06 - Summary Infrastructure Services	97 107	109 078	108 396	2 638	66 127	81 536	(15 409)	-18,9%	108 396
Vote 07 - Summary Water Services	243 714	191 021	233 460	21 546	192 722	160 242	32 480	20,3%	233 460
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	575 782	577 594	614 189	38 930	429 344	447 834	(18 490)	-4,1%	614 189
Surplus/ (Deficit) for the year	243 766	223 922	211 631	62 961	217 765	164 224	53 540	32,6%	211 631

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 March 2022.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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	47 622	2 934	35 242	36 152	(910)	-3%	47 622
Service charges - sanitation revenue	13 762	20 555	12 465	923	9 193	12 180	(2 988)	-25%	12 465
Interest earned - external investments	3 011	5 682	4 504	336	3 377	3 791	(413)	-11%	4 504
Interest earned - outstanding debtors	10 100	10 198	10 715	932	8 184	7 856	329	4%	10 715
Transfers and subsidies	430 342	417 406	417 406	96 754	404 663	313 054	91 609	29%	417 406
Other revenue	778	549	850	12	653	532	121	23%	850
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	493 562	101 891	461 312	373 565	87 747	23%	493 562
Expenditure By Type									
Employee related costs	217 969	237 156	243 395	19 206	173 397	180 364	(6 967)	-4%	243 395
Remuneration of councillors	7 813	8 922	8 538	763	5 426	6 538	(1 112)	-17%	8 538
Debt impairment	31 734	27 645	27 645	-	-	20 733	(20 733)	-100%	27 645
Depreciation & asset impairment	79 359	87 410	88 415	-	51 764	65 960	(14 195)	-22%	88 415
Finance charges	995	1 328	415	-	-	631	(631)	-100%	415
Inventory consumed	27 868	31 249	41 337	8 623	32 718	27 622	5 096	18%	41 337
Contracted services	129 640	105 296	126 621	6 502	107 688	87 675	20 013	23%	126 621
Transfers and subsidies	17 000	17 000	17 000	-	10 600	12 750	(2 150)	-17%	17 000
Other expenditure	56 907	61 589	60 824	3 836	47 750	45 561	2 189	5%	60 824
Losses	6 496	-	-	-	-	-	-	-	-
Total Expenditure	575 782	577 594	614 189	38 930	429 344	447 834	(18 490)	-4%	614 189
Surplus/(Deficit)	(63 785)	(74 336)	(120 627)	62 961	31 969	(74 269)	106 238	(0)	(120 627)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	332 258	-	185 796	238 493	(52 697)	(0)	332 258
Transfers and subsidies - capital (in-kind - all)	4 693	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	243 766	223 922	211 631	62 961	217 765	164 224			211 631
Taxation									
Surplus/(Deficit) after taxation	243 766	223 922	211 631	62 961	217 765	164 224			211 631
Atributable to minorities									
Surplus/(Deficit) attributable to municipality	243 766	223 922	211 631	62 961	217 765	164 224			211 631
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	243 766	223 922	211 631	62 961	217 765	164 224			211 631

Capital Expenditure

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

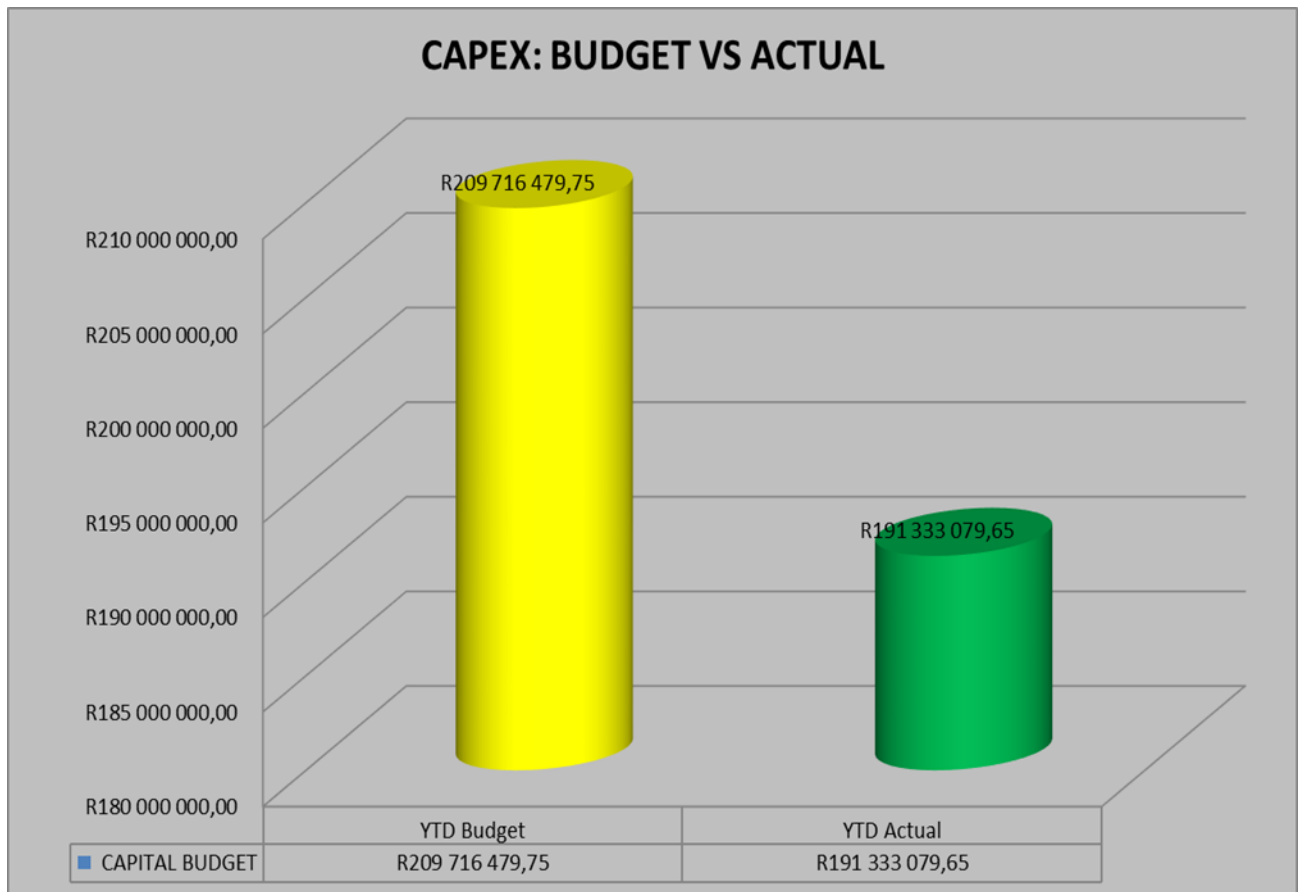
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and

Vote Description	2020/21	Budget Year 2021/22							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Multi-Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	500	24	-	-	185	(185)	-100%	24
Vote 04 - Summary Corporate Services	7 226	4 031	8 051	-	5 846	4 631	1 215	26%	8 051
Vote 05 - Summary Social Services & Development Planning	7 355	1 870	627	-	47	905	(858)	-95%	627
Vote 06 - Summary Infrastructure Services	46 050	16 300	8 652	872	8 711	9 166	(454)	-5%	8 652
Vote 07 - Summary Water Services	235 826	284 583	262 268	27 593	176 728	205 711	(28 983)	-14%	262 268
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	296 457	307 283	279 622	28 466	191 333	220 598	(29 265)	-13%	279 622
Total Capital Expenditure	296 457	307 283	279 622	28 466	191 333	220 598	(29 265)	-13%	279 622
Capital Expenditure - Functional Classification									
Governance and administration	7 226	5 110	8 655	-	5 846	5 251	596	11%	8 655
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	7 226	5 110	8 655	-	5 846	5 251	596	11%	8 655
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	7 355	1 021	47	-	47	376	(329)	-87%	47
Community and social services	7 355	1 021	47	-	47	376	(329)	-87%	47
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	18 541	1 270	-	-	-	445	(445)	-100%	-
Planning and development	18 541	1 270	-	-	-	445	(445)	-100%	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	263 335	299 883	270 920	28 466	185 440	214 527	(29 087)	-14%	270 920
Energy sources	-	-	-	-	-	-	-	-	-
Water management	248 698	244 033	220 913	23 112	149 109	173 599	(24 490)	-14%	220 913
Waste water management	14 637	55 850	50 007	5 354	36 331	40 928	(4 597)	-11%	50 007
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	296 457	307 283	279 622	28 466	191 333	220 598	(29 265)	-13%	279 622
Funded by:									
National Government	249 289	298 258	239 355	28 059	178 878	200 132	(21 254)	-11%	239 355
Provincial Government	18 739	-	29 565	406	5 563	13 026	(7 463)	-57%	29 565
District Municipality	-	-	47	-	47	19	28	150%	47
Transfers recognised - capital	268 028	298 258	268 967	28 466	184 488	213 177	(28 690)	-13%	268 967
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	10 655	-	6 845	7 421	(575)	-8%	10 655
Total Capital Funding	296 457	307 283	279 622	28 466	191 333	220 598	(29 265)	-13%	279 622

As alluded to above, the capital expenditure programme for the period ending 31 March 2022 was R191, 3m which represents 91% of capital expenditure against year to date budget of R209, 7million.

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

Chart 1: 2021/2022 THIRD QUARTER CAPEX



As at 31 March 2022, the year to date actual expenditure was R191,3million against a YTD budget of R209,7million. In monetary terms, these figures represent 91 per cent performance against the capital development programme as at 31 March 2022.

Table C6 displays the financial position of the municipality as at 31 March 2022.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M09

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	(617 181)	11 058	38 534	41 237	38 534
Call investment deposits	669 043	40 121	22 036	173 116	22 036
Consumer debtors	29 191	30 951	28 157	42 477	28 157
Other debtors	22 709	25 222	18 092	35 321	18 092
Inventory	408	267	408	408	408
Total current assets	104 170	107 619	107 226	292 559	107 226
Non current assets					
Property, plant and equipment	2 551 394	2 843 962	2 742 357	2 691 096	2 742 357
Biological	-	-	-	-	-
Intangible	578	1 946	822	444	822
Other non-current assets	-	-	-	-	-
Total non current assets	2 551 972	2 845 908	2 743 179	2 691 540	2 743 179
TOTAL ASSETS	2 656 142	2 953 527	2 850 405	2 984 099	2 850 405
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	13 194	12 794	13 194
Consumer deposits	2 034	2 155	2 182	2 141	2 182
Trade and other payables	84 175	91 336	72 038	251 795	72 038
Provisions	15 088	13 294	15 088	15 088	15 088
Total current liabilities	101 296	106 785	102 502	281 818	102 502
Non current liabilities					
Borrowing	18 098	1 878	1 796	2 180	1 796
Provisions	24 548	23 797	26 960	24 548	26 960
Total non current liabilities	42 646	25 676	28 756	26 728	28 756
TOTAL LIABILITIES	143 941	132 461	131 258	308 546	131 258
NET ASSETS	2 512 201	2 821 066	2 719 147	2 675 554	2 719 147
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	2 512 201	2 821 066	2 719 147	2 675 554	2 719 147
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 512 201	2 821 066	2 719 147	2 675 554	2 719 147

Table C7 below display the Cash Flow Statement for the period ending 31 March 2022.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M09 March

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	58 404	5 577	51 708	43 803	7 905	18%	58 404
Other revenue	307	549	549	12	410	412	(2)	0%	549
Transfers and Subsidies - Operational	234 993	389 288	400 406	222 102	557 437	300 304	257 132	86%	400 406
Transfers and Subsidies - Capital	215 028	303 580	332 258	78 380	369 601	249 193	120 407	48%	332 258
Interest	3 011	5 592	4 414	336	3 377	3 311	66	2%	4 414
Dividends							-		
Payments									
Suppliers and employees	(683 128)	(445 807)	(564 406)	(69 817)	(626 567)	(423 304)	203 262	-48%	(564 406)
Finance charges	-	(1 328)	(415)	-	-	(311)	(311)	100%	(415)
Transfers and Grants	(352)	-	(135)	-	-	(101)	(101)	100%	(135)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 951)	305 780	231 076	236 590	355 966	173 307	(182 658)	-105%	231 076
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	(251 425)	(307 283)	(279 622)	(28 466)	(191 333)	(209 716)	(18 383)	9%	(279 622)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(251 425)	(307 283)	(279 622)	(28 466)	(191 333)	(209 716)	(18 383)	9%	(279 622)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(170)	(122)	(27)	(9)	(2 141)	(1 627)	(514)	32%	(2 182)
Payments									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(170)	(122)	(27)	(9)	(2 141)	(1 627)	514	-32%	(2 182)
NET INCREASE/ (DECREASE) IN CASH HELD									
Cash/cash equivalents at beginning:	40 671	48 731	51 862	-	51 862				(50 728)
Cash/cash equivalents at month/year end:	(310 876)	47 106	3 289		214 353	(38 037)			(50 728)

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 March 2022.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

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	3 684	3 312	3 565	2 110	2 267	1 856	13 528	122 813	153 136	142 574
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-exchange Transactions - Property Rates									-	-
Receivables from Exchange Transactions - Waste Water Management	1 439	1 294	1 393	824	886	725	5 285	47 978	59 824	55 698
Receivables from Exchange Transactions - Waste Management									-	-
Receivables from Exchange Transactions - Property Rental Debtors									-	-
Interest on Arrear Debtor Accounts	616	554	596	353	379	310	2 261	20 529	25 598	23 832
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
Total By Income Source	5 738	5 160	5 554	3 287	3 532	2 891	21 074	191 320	238 558	222 105
2020/21 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	2 747	1 759	2 075	898	882	382	1 337	4 024	14 105	7 524
Commercial	596	491	769	298	430	274	2 023	9 129	14 011	12 154
Households	2 395	2 911	2 710	2 091	2 221	2 235	17 714	178 167	210 442	202 427
Other									-	-
Total By Customer Group	5 738	5 160	5 554	3 287	3 532	2 891	21 074	191 320	238 558	222 105

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.

Table 2.1.2: Debtors Age Analysis By Customer Category

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

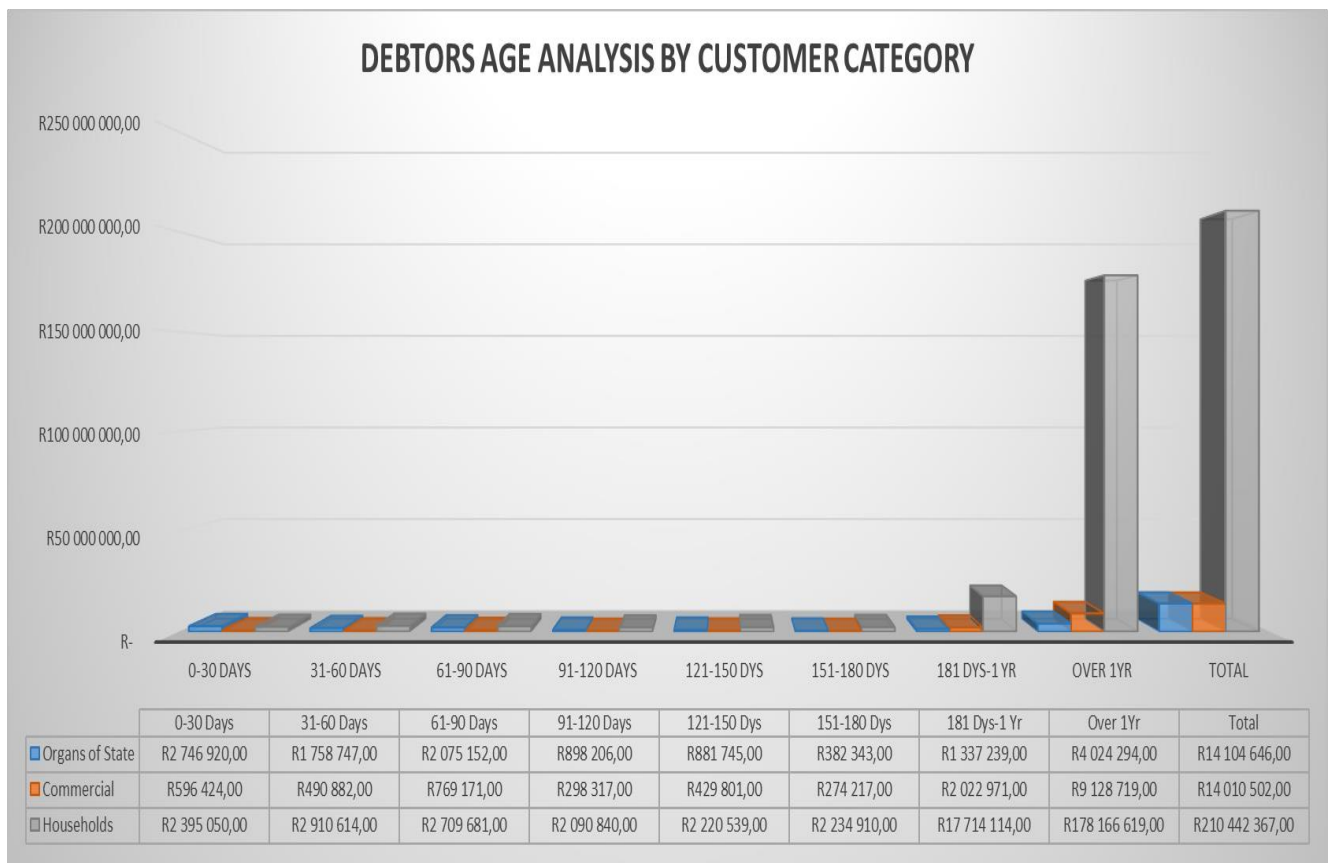
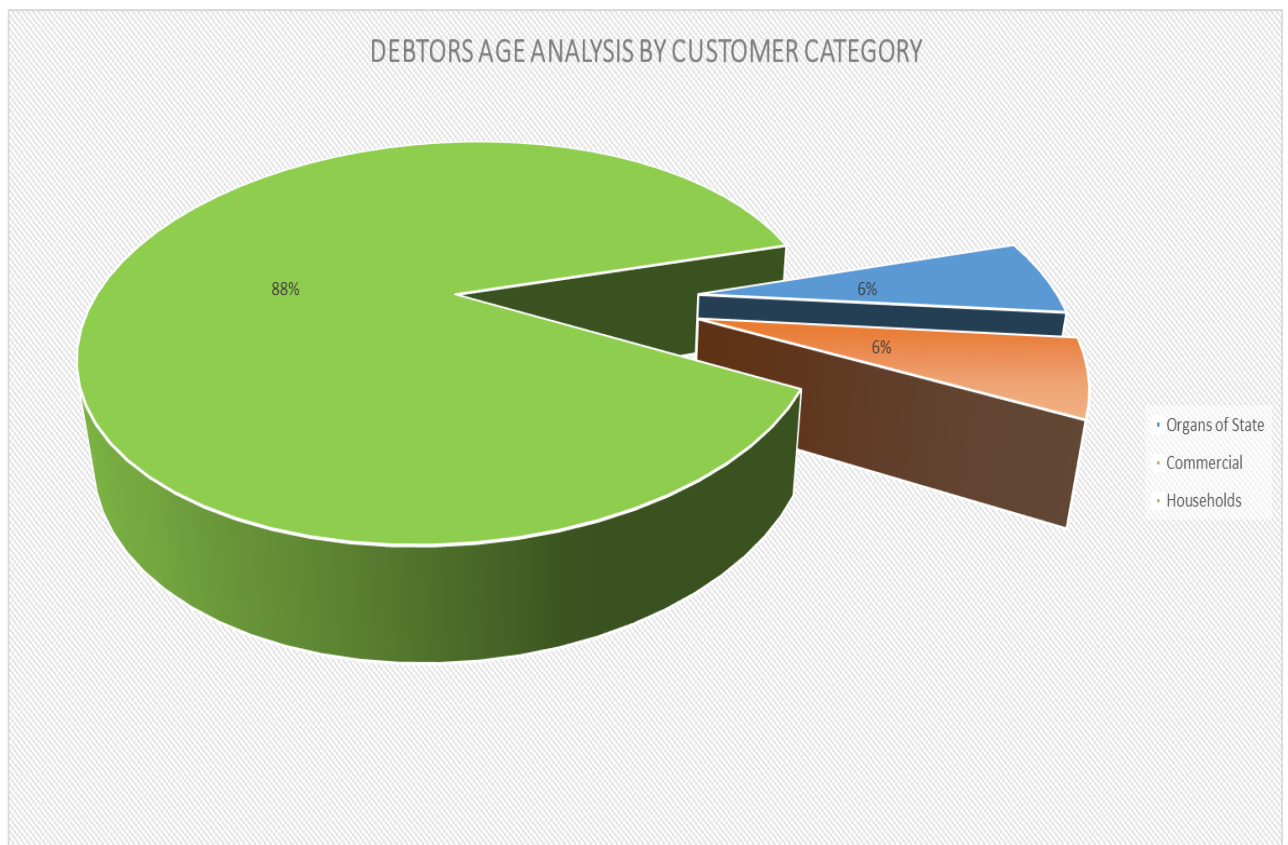


Chart 2: Debtors Age Analysis by Customer Group

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

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



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

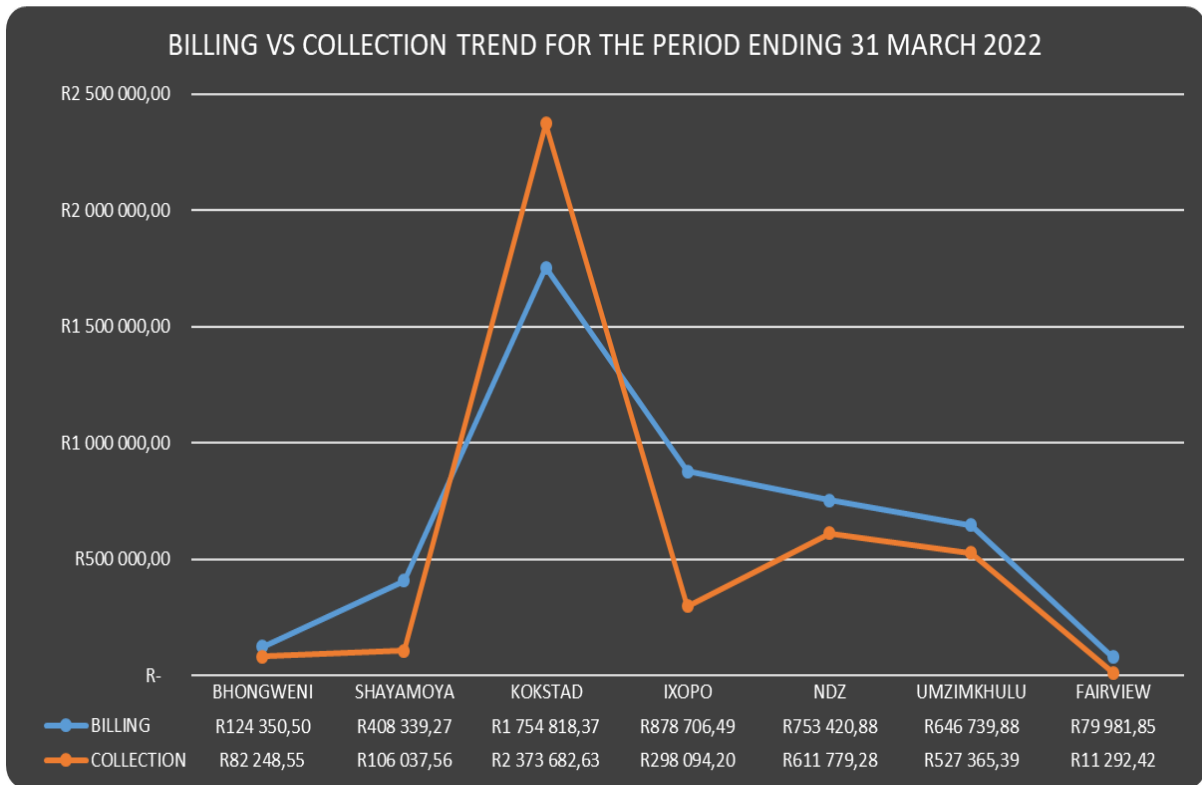
The table that follows below unpacks the revenue receipts per Local Municipality in the District

Revenue receipts per Area

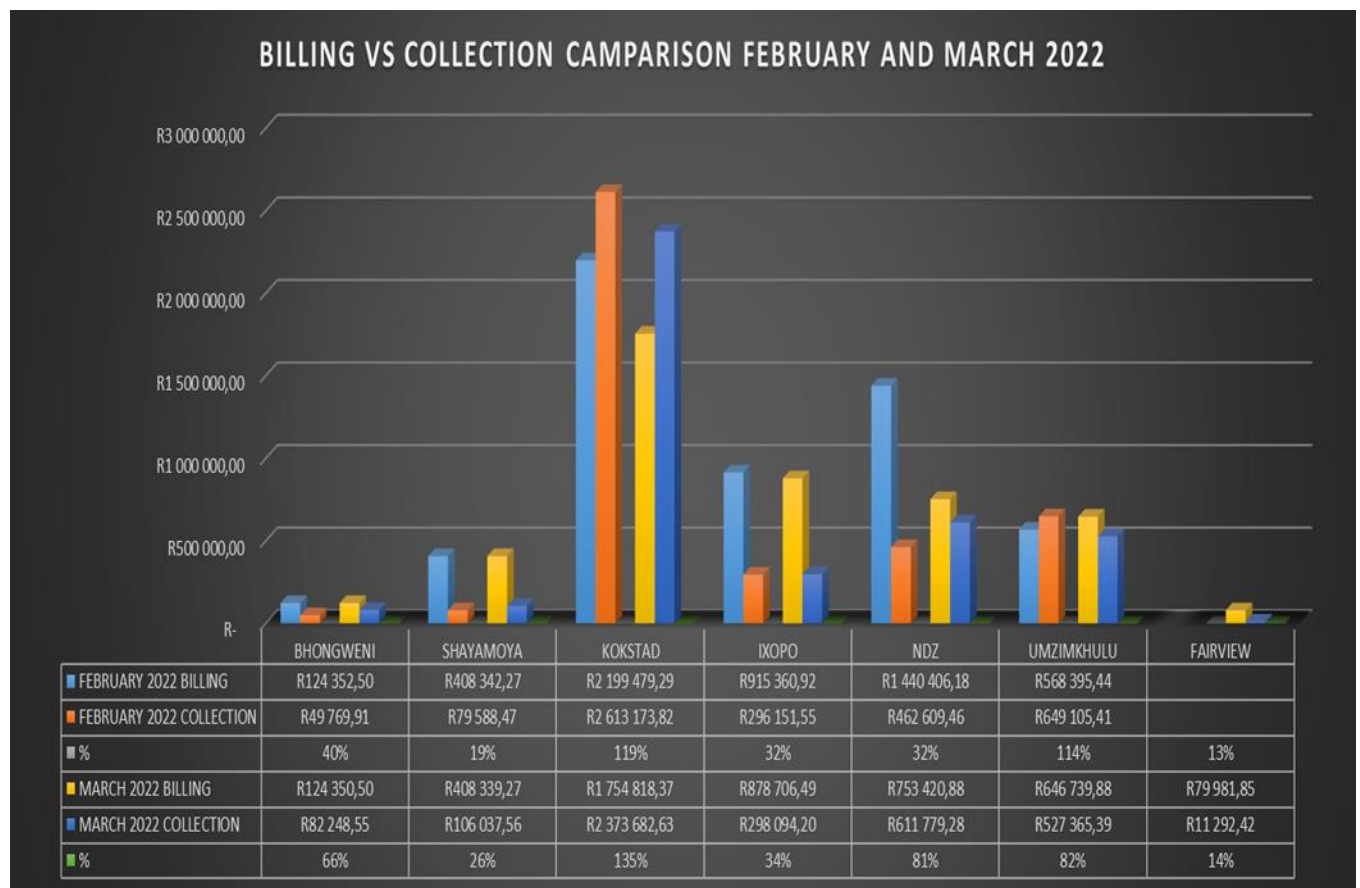
AREA	AMOUNT		
		MARCH 2022	FEBRUARY 2022
Unallocated receipts	R 59 713,32	1%	2%
Bhongweni	R 82 248,55	2%	1%
Shayamoya	R 106 037,56	3%	1%
Kokstad	R 2 373 682,63	58%	61%
Ixopo	R 298 094,20	7%	7%
NDZ	R 611 779,28	15%	11%
Umzimkhulu	R 527 365,39	13%	9%
Fairview	R 11 292,42	0%	1%
TOTAL RECEIPTS INCL VAT	R 4 070 213,35	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 March 2022 is R4million. The total billing for the past 9 months is R 48, 4million against the collection of R 40, 3million representing 83 per cent.

The chart that follows below shows the comparison between billing and collection trend for the period ending 31 March 2022.



The chart that follows below shows the comparison between billing and collection for the period ending 31 March 2022



Debtors age analysis per service

The municipality’s total outstanding debtors amounted to R 238 557 515 as at 31 March 2022 compared with the R 240 324 655 as at 28 February 2022. Current debt represent 2% of the total outstanding debt compared with the 3% of February 2022; 30 days and older debt 2% compared with the 2% for February 2022; 60 days and older debt 2% compared with the 2% of February 2022; and 90 days 1% compared with the 2% of February

2022; 120 days to History and older 92% compared with the 92% for February 2022.

Current debt decreased with R 1,767,140 to R 238,557,515 compared with the R 240,324,655 as at 28 February 2022; 30 days + debt decreased with R 692,063; 60 days + increased with R 1,947,348; 90 days + debt decreased with R 373,547 and 120 + days and older debt as at 31 March 2022 has decreased with R 1,703,055 to R 218,817,511 compared with the R 220,520,566 as at 28 February 2022.

Debtors age analysis per debtor type

Business debtors owes the municipality R 13,751,113 (6%); Municipal debtors R 1,074,380 (0%); domestic debtors R 195,764,457 (82%); Government accounts R 12,746,729 (4%); Indigent debtors R 9,476,347 (5%) and other debtors R 5,744,490 (2%) of the total outstanding debt of R 238,557,515.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 March 2022

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

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	709	-	-	116	-	-	-	-	825
Auditor General									-
Other									-
Total By Customer Type	709	-	-	116	-	-	-	-	825

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 March 2022.

Cash and Bank Balances (Investments)

CASH AND INVESTMENT REGISTER AS AT 31 MARCH 2022

Investments by maturity Name of institution & investment ID	Period of Investment	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
	Yrs/Months									
R thousands										
Municipality										
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	27 032	63	(19 732)	60 000	67 363
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	60 846	108	(13 045)	24 680	72 589
FIRST NATIONAL BANK	12	ADMIN CALL	No	Fixed	9,25	2 240	6	-	20 000	22 246
INVESTEC	12	FIXED DEPOSIT	No	Fixed	9,25	1 571	5	-	-	1 577
FIRST NATIONAL BANK	12	FIXED DEPOSIT	No	Fixed	9,25	24 090	63	(8 456)	20 700	36 397
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	3 624	9	-	682	4 315
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	28 916	58	-	-	28 974
FIRST NATIONAL BANK	12	CALL ACCOUNT	No	Fixed	9,25	2	-	-	-	2
FIRST NATIONAL BANK	12	FIXED DEPOSIT	No	Fixed	9,25	213	0	-	-	214
NEDBANK		FIXED DEPOSIT				21 486	18	-	-	21 504
FIRST NATIONAL BANK		ENT ACCOUNT				5 197	-	-	36 039	41 237
Municipality sub-total						175 219		(41 233)	126 062	296 417
TOTAL INVESTMENTS AND INTEREST						175 219		(41 233)	126 062	296 417

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 - M09 March

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	96 754	404 663	300 304	104 359	34,8%	400 406
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	417 623	387 013	387 013	96 754	387 013	290 260	96 753	33,3%	387 013
Expanded Public Works Programme Integrated Grant	5 195	4 596	4 596	-	4 596	3 447	1 149	33,3%	4 596
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	-	586	900	(314)	-34,9%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	5 322	5 322	-	11 468	3 992	7 477	187,3%	5 322
Rural Road Asset Management Systems Grant	2 245	2 275	2 275	-	1 000	1 706	(706)	-41,4%	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	-	-	12 750	(12 750)	-100,0%	17 000
Specify (Add grant description)	-	17 000	17 000	-	-	12 750	(12 750)	-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	96 754	404 663	313 054	91 609	29,3%	417 406
Capital Transfers and Grants									
National Government:	287 857	298 258	298 258	-	179 866	223 693	(43 827)	-19,6%	298 258
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	207 558	207 558	-	129 048	155 669	(26 620)	-17,1%	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	-	50 818	68 025	(17 207)	-25,3%	90 700
Provincial Government:	19 693	-	34 000	-	5 930	14 800	(8 870)	-59,9%	34 000
Infrastructure Grant	19 693	-	34 000	-	5 930	14 800	(8 870)	-59,9%	34 000
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	307 550	298 258	332 258	-	185 796	238 493	(52 697)	-22,1%	332 258
TOTAL RECEIPTS OF TRANSFERS & GRANTS	737 892	715 664	749 664	96 754	590 459	551 548	38 911	7,1%	749 664

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 - M09 March

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:	487 163	507 017	539 175	34 288	381 715	393 233	(11 518)	-2,9%	539 175
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	478 059	492 327	523 972	33 697	375 150	382 474	(7 324)	-1,9%	523 972
Expanded Public Works Programme Integrated Grant	5 467	5 976	6 613	540	4 986	4 275	711	16,6%	6 613
Local Government Financial Management Grant	836	1 117	1 289	51	709	905	(195)	-21,6%	1 289
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	5 322	5 322	-	-	3 991	(3 991)	-100,0%	5 322
Rural Road Asset Management Systems Grant	1 952	2 275	1 978	-	870	1 588	(718)	-45,2%	1 978
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	16 032	-	-	12 191	(12 191)	-100,0%	16 032
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	487 163	507 017	539 175	34 288	381 715	393 233	(11 518)	-2,9%	539 175
Capital expenditure of Transfers and Grants									
National Government:	249 289	298 258	239 355	28 059	178 878	200 132	(21 254)	-10,6%	239 355
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	178 208	207 558	160 485	21 900	129 011	136 839	(7 828)	-5,7%	160 485
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	90 700	78 870	6 160	49 867	63 293	(13 426)	-21,2%	78 870
Provincial Government:	18 739	-	29 565	406	5 563	13 026	(7 463)	-57,3%	29 565
Infrastructure Grant	18 739	-	29 565	406	5 563	13 026	(7 463)	-57,3%	29 565
District Municipality:	-	-	47	-	47	19	28	150,0%	47
Specify (Add grant description)	-	-	47	-	47	19	28	150,0%	47
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	268 028	298 258	268 967	28 466	184 488	213 177	(28 690)	-13,5%	268 967
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	755 191	805 275	808 142	62 754	566 203	606 410	(40 208)	-6,6%	808 142

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 March 2022.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

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	5 094	506	3 489	4 147	(659)	-16%	5 094
Pension and UIF Contributions	498	698	725	42	341	534	(193)	-36%	725
Medical Aid Contributions	57	61	61	12	43	46	(3)	-6%	61
Cellphone Allowance	663	875	935	41	394	680	(286)	-42%	935
Other benefits and allowances	1 271	1 262	1 723	162	1 159	1 131	28	3%	1 723
Sub Total - Councillors	7 813	8 922	8 538	763	5 426	6 538	(1 112)	-17%	8 538
% increase		14,2%	9,3%						9,3%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 029	4 281	4 028	336	3 021	3 110	(89)	-3%	4 028
Pension and UIF Contributions	11	11	13	1	10	9	0	4%	13
Medical Aid Contributions	171	182	173	15	130	133	(2)	-2%	173
Performance Bonus	106	56	95	51	106	58	48	84%	95
Motor Vehicle Allowance	1 052	1 153	1 052	88	789	824	(35)	-4%	1 052
Cellphone Allowance	117	125	117	10	88	90	(3)	-3%	117
Housing Allowances	160	177	160	13	120	126	(6)	-5%	160
Other benefits and allowances	459	492	460	38	345	356	(11)	-3%	460
Sub Total - Senior Managers of Municipality	6 105	6 477	6 097	551	4 608	4 706	(98)	-2%	6 097
% increase		6,1%	-0,1%						-0,1%
Other Municipal Staff									
Basic Salaries and Wages	126 815	136 771	137 712	11 419	103 051	102 955	96	0%	137 712
Pension and UIF Contributions	18 955	19 567	20 519	1 724	15 424	15 056	368	2%	20 519
Medical Aid Contributions	9 177	9 338	9 848	845	7 429	7 208	221	3%	9 848
Overtime	15 879	16 264	18 008	1 500	13 539	12 896	644	5%	18 008
Performance Bonus	8 464	7 716	8 519	710	6 571	6 108	463	8%	8 519
Motor Vehicle Allowance	16 182	17 160	20 268	1 688	15 255	14 114	1 142	8%	20 268
Cellphone Allowance	851	858	974	84	734	690	44	6%	974
Housing Allowances	570	586	585	49	439	439	(0)	0%	585
Other benefits and allowances	4 715	4 761	5 635	454	4 236	3 921	315	8%	5 635
Payments in lieu of leave	3 207	1 204	1 885	15	1 201	1 175	26	2%	1 885
Long service awards	981	810	1 044	167	910	701	209	30%	1 044
Post-retirement benefit obligations	6 069	3 343	-	-	-	1 170	(1 170)	-100%	-
Sub Total - Other Municipal Staff	211 864	218 378	224 997	18 655	168 789	166 432	2 357	1%	224 997
% increase		3,1%	6,2%						6,2%
Total Parent Municipality	225 782	233 777	239 631	19 969	178 823	177 676	1 147	1%	239 631
		3,5%	6,1%						6,1%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	280	(280)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	280	(280)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	1 730	1 730	-	-	1 298	(1 298)	-100%	1 730
Sub Total - Senior Managers of Entities	-	1 730	1 730	-	-	1 298	(1 298)	-100%	1 730
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 675	7 675	-	-	5 756	(5 756)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	1 102	(1 102)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	359	(359)	-100%	479
Performance Bonus	-	533	533	-	-	399	(399)	-100%	533
Payments in lieu of leave	-	43	43	-	-	32	(32)	-100%	43
Sub Total - Other Staff of Entities	-	10 199	10 199	-	-	7 649	(7 649)	-100%	10 199
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 301	12 301	-	-	9 226	(9 226)	-100%	12 301
TOTAL SALARY, ALLOWANCES & BENEFITS	225 782	246 079	251 933	19 969	178 823	186 902	(8 080)	-4%	251 933
% increase		9,0%	11,6%						11,6%
TOTAL MANAGERS AND STAFF	217 969	236 784	243 022	19 206	173 397	180 085	(6 688)	-4%	243 022

2.6 Material Variances to the SDBIP

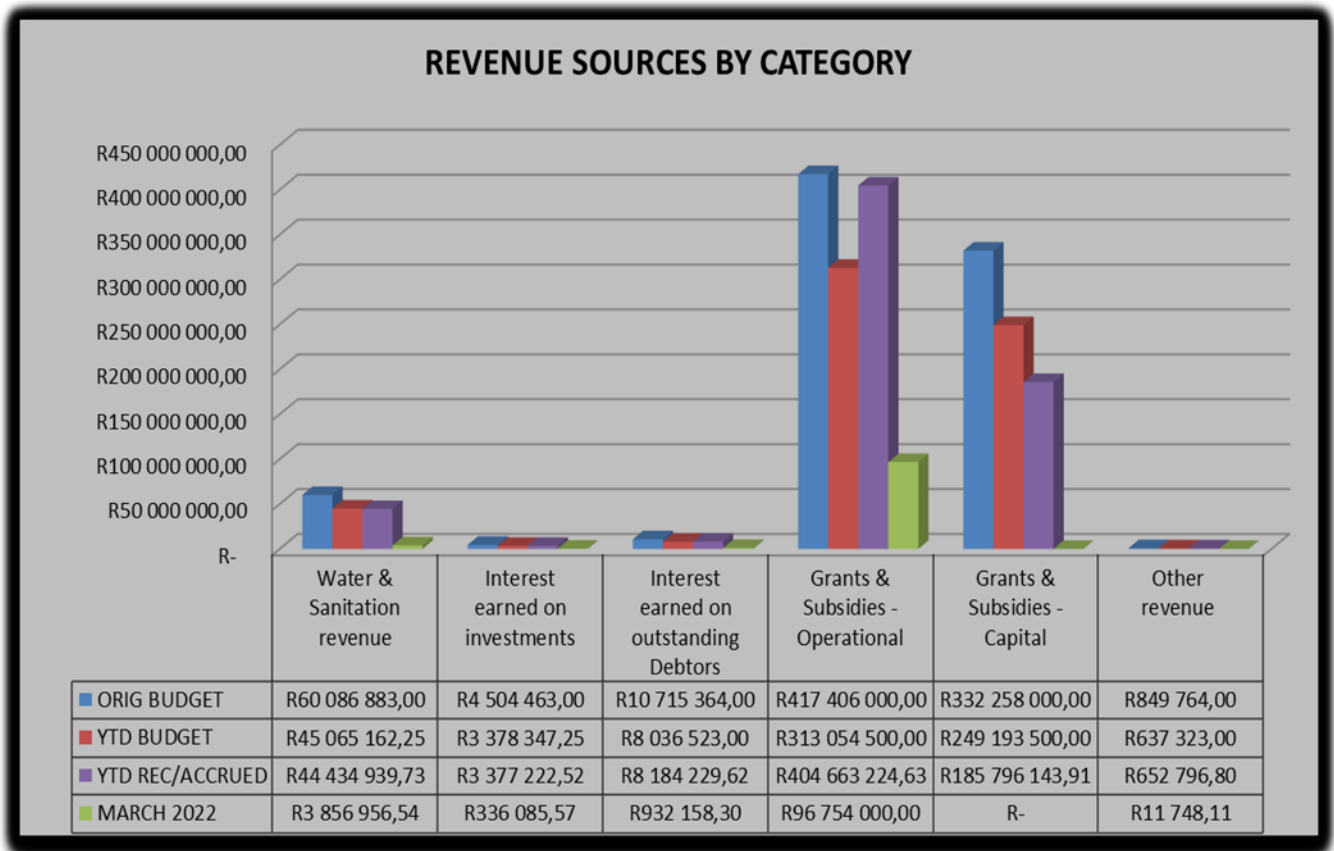
The following section analyses material variances between the actual targets as at 31 March 2022 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 March 2022 was R44, 4million against a year to date **budget** of R45 million or 99 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R3, 3m against year to budget of R3, 3m representing 100 per cent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R404, 6million against a year to date budget of R313million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The operational grants revenue of R185, 7million against a year to date budget of R249, 1million is largely attributable to the expenditure on conditional grants such as Municipal Infrastructure Grant and Water Services Infrastructure Grant.

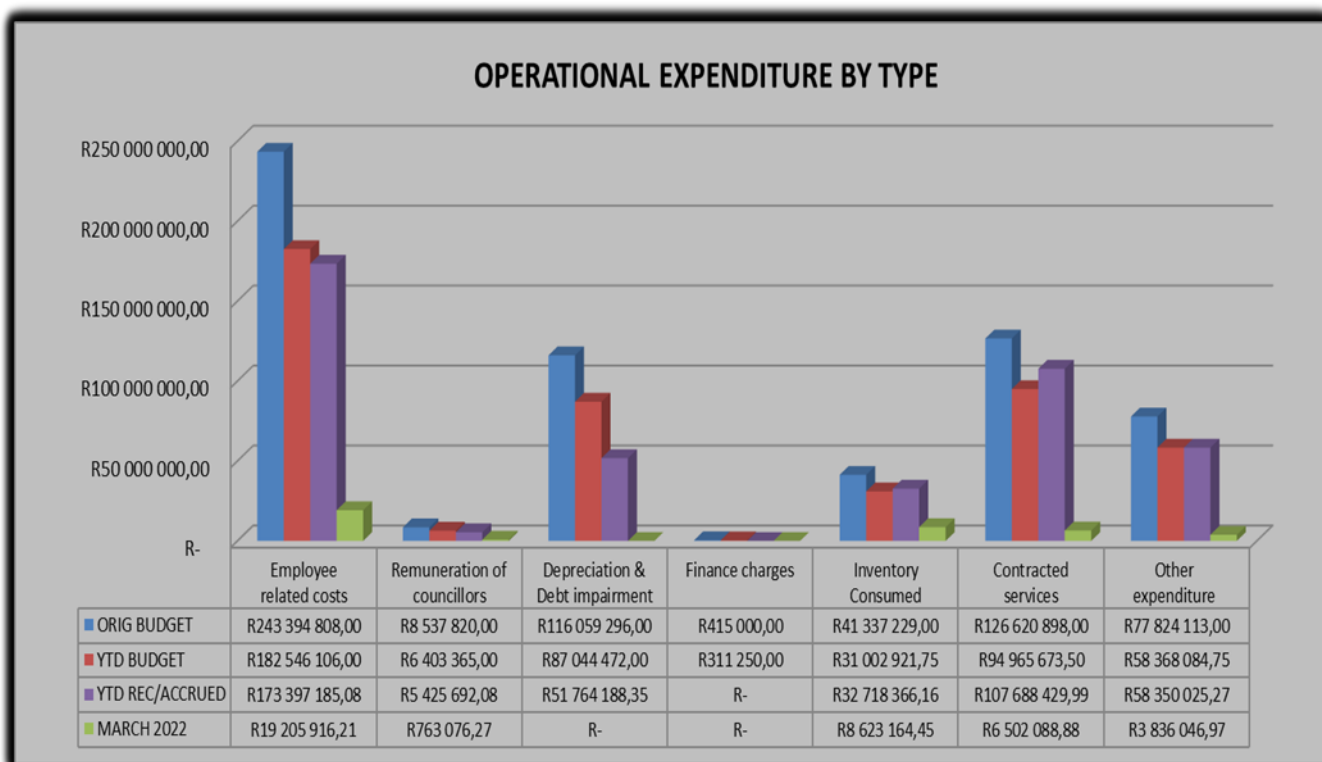
Other Revenue

The YTD performance of other revenue is R652 797 against the YTD budget of R637 323 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 Opex



Employee Related Costs

The YTD budget for employee related costs is R182, 5million against a YTD actual of R173, 3million which is 95% of the YTD budget.

Remuneration of Councillors

The remuneration of the councilor's year to date expenditure is at R 5, 4million against a YTD budget of R 6, 4million representing 85% of the year to date budget.

Finance Charges

No movement for finance charges in the period ending 31 March 2022.

Inventory/Bulk Purchases

The expenditure on Bulk Water purchases has a budget of R41, 3m. The year to date expenditure on inventory consumed including bulk water purchases is R32, 7m against a YTD budget of R31m representing 106% of the year to date budget.

Contracted Services

The YTD budget for contracted services was at R 94, 9million against a YTD expenditure of R107, 6million and expenditure for the month of March 2022 is R6, 5million. Contracted Services over-performed by 7 percent as at 31 March 2022.

Other Expenditure

The YTD budget for other expenditures was at R 58, 3million against a YTD expenditure of R 58, 3million which is 100% of the YTD budget, and expenditure for the month of March 2022 is R3, 8million.

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 - M09 March

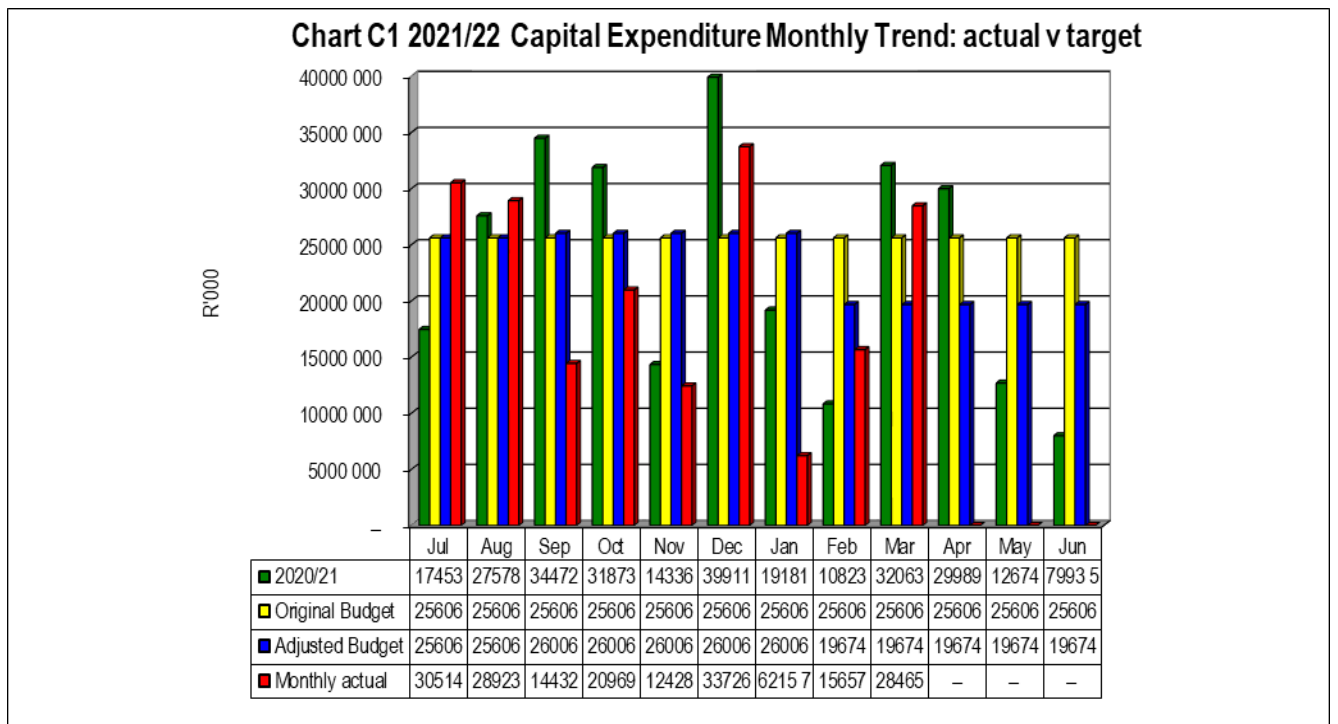
Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Budget	May Budget	June Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands															
Cash Receipts By Source															
Service charges - water revenue	2 919	6 943	3 372	6 405	3 267	6 009	5 921	4 086	4 577	4 120	4 120	(2 295)	49 445	46 921	49 623
Service charges - sanitation revenue	557	988	495	1 262	472	1 232	1 316	888	999	747	747	(743)	8 959	13 009	13 733
Interest earned - external investments	121	502	377	391	389	326	464	470	336	368	368	301	4 414	4 679	4 867
Licences and permits	-	-	-	-	-	-	-	7	12	-	-	(19)	-	-	-
Transfers and Subsidies - Operational	160 611	2 493	-	19 997	8 914	129 203	1 209	12 907	222 102	33 367	33 367	(223 765)	400 406	446 738	472 349
Other revenue	-	0	0	96	12	-	13	270	0	46	46	66	549	582	606
Cash Receipts by Source	164 209	10 925	4 245	28 151	13 055	136 769	8 923	18 628	228 027	38 648	38 648	(226 454)	463 774	511 930	541 177
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	126 293	-	57 021	(1 593)	-	70 500	39 000	-	78 380	27 688	27 688	(92 719)	332 258	320 236	360 787
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	149	149	149	149
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	290 502	10 925	61 266	26 558	13 055	207 269	47 923	18 628	306 407	66 336	66 336	(319 023)	796 181	832 315	902 113
Cash Payments by Type															
Employee related costs	-	29 184	20 564	20 623	19 979	26 527	15 154	20 210	19 762	20 994	20 994	37 942	251 932	258 891	271 689
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	35	35	346	415	-	-
Acquisitions - water & other inventory	-	-	-	-	-	-	-	-	-	2 156	2 156	21 563	25 875	23 000	24 012
Contracted services	-	-	-	-	-	-	-	-	-	12 399	12 399	123 993	148 791	135 149	140 987
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	11	11	112	135	-	-
General expenses	54 122	66 382	50 368	53 979	36 479	86 626	21 680	34 875	50 055	11 484	11 484	(339 725)	137 807	96 641	115 426
Cash Payments by Type	54 122	95 565	70 931	74 602	56 457	113 153	36 835	55 085	69 817	47 080	47 080	(155 770)	564 956	513 680	552 113
Other Cash Flows/Payments by Type															
Capital assets	30 514	28 923	14 433	20 969	12 429	33 726	6 216	15 658	28 466	23 302	23 302	41 685	279 622	298 345	329 536
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	15 896	15 896
Total Cash Payments by Type	84 636	124 489	85 364	95 571	68 886	146 879	43 050	70 743	98 283	70 381	70 381	(114 085)	844 578	827 921	897 545
NET INCREASE/(DECREASE) IN CASH HELD	205 866	(113 563)	(24 098)	(69 013)	(55 831)	60 391	4 872	(52 115)	208 124	(4 045)	(4 045)	(204 938)	(48 397)	4 393	4 568
Cash/cash equivalents at the month/year beginning:	51 862	257 729	144 165	120 067	51 054	(4 778)	55 613	60 485	8 371	216 495	212 449	208 404	51 862	3 465	7 859
Cash/cash equivalents at the month/year end:	257 729	144 165	120 067	51 054	(4 778)	55 613	60 485	8 371	216 495	212 449	208 404	3 465	3 465	7 859	12 426

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M09 March

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	20 969	94 839	103 228	8 389	8,1%	31%
November	14 337	25 607	26 007	12 429	107 268	129 235	21 967	17,0%	35%
December	39 911	25 607	26 007	33 726	140 994	155 242	14 248	9,2%	46%
January	19 182	25 607	26 007	6 216	147 210	181 249	34 039	18,8%	48%
February	10 824	25 607	19 675	15 658	162 867	200 924	38 056	18,9%	53%
March	32 063	25 607	19 675	28 466	191 333	220 598	29 265	13,3%	62%
April	29 990	25 607	19 675	-	-	240 273	-	-	-
May	12 674	25 607	19 675	-	-	259 948	-	-	-
June	7 994	25 607	19 674	-	-	279 622	-	-	-
Total Capital expenditure	278 353	307 283	279 622	191 333					

YTD Capital Budget vs. YTD Capital Expenditure



Capital Expenditure on New Assets by Asset Class

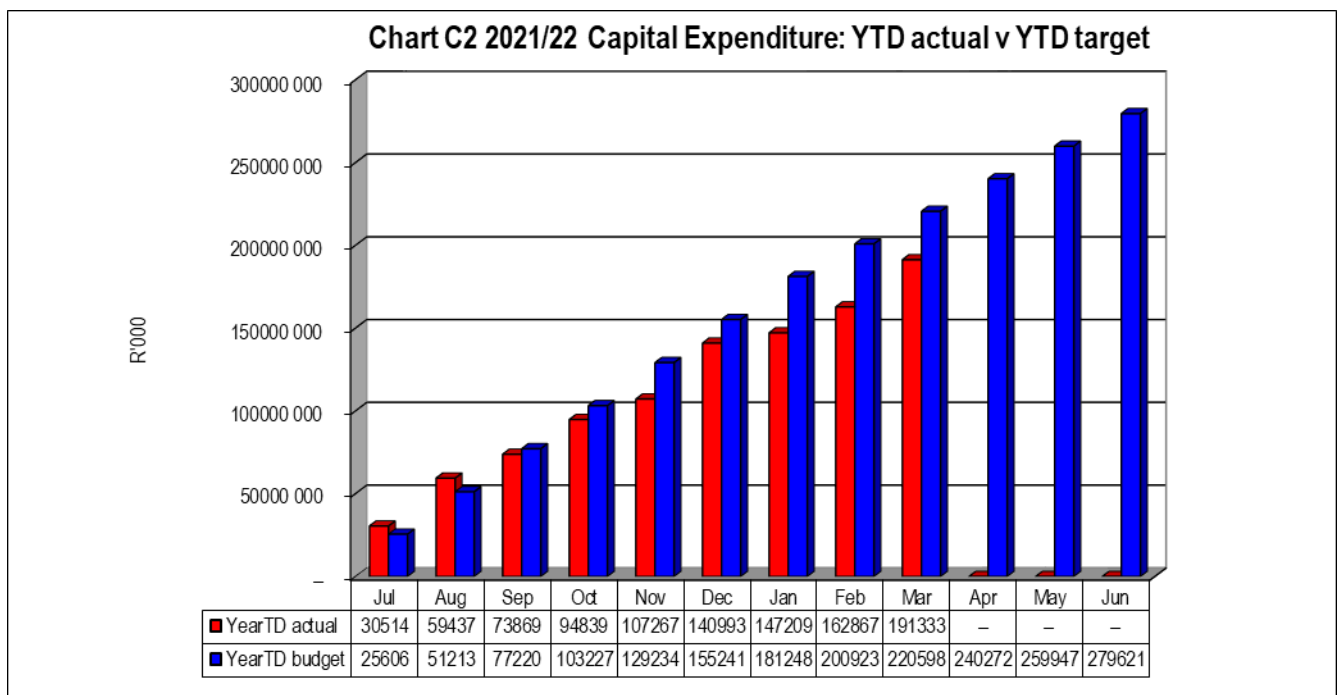
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M09

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	232 580	27 187	171 024	192 417	21 393	11,1%	232 580
Water Supply Infrastructure	237 781	228 108	182 572	21 833	134 693	151 489	16 796	11,1%	182 572
Dams and Weirs	24 469	25 000	5 405	1 087	4 720	9 894	5 174	52,3%	5 405
Boreholes	23 814	57 275	58 899	6 066	45 011	43 606	(1 405)	-3,2%	58 899
Reservoirs	870	7 000	3 310	5	3 315	3 774	459	12,2%	3 310
Pump Stations	30 873	31 000	22 217	4 263	21 875	19 737	(2 138)	-10,8%	22 217
Water Treatment Works	4 539	7 500	8 585	363	8 352	6 419	(1 933)	-30,1%	8 585
Bulk Mains	77 052	26 508	9 664	3 144	7 945	13 121	5 176	39,4%	9 664
Distribution	76 164	73 825	74 492	6 905	43 476	54 938	11 462	20,9%	74 492
Sanitation Infrastructure	7 958	55 850	50 007	5 354	36 331	40 928	4 597	11,2%	50 007
Pump Station	1 580	30 000	17 393	2 994	13 001	17 457	4 456	25,5%	17 393
Reticulation	6 378	20 000	21 571	1 001	14 706	15 523	818	5,3%	21 571
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	5 850	11 043	1 359	8 624	7 948	(676)	-8,5%	11 043
Other assets	1 610	-	-	-	-	-	-	-	-
Operational Buildings	1 610	-	-	-	-	-	-	-	-
Municipal Offices	1 610	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Intangible Assets	-	1 418	450	-	-	676	676	100,0%	450
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1 418	450	-	-	676	676	100,0%	450
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	1 418	450	-	-	676	676	100,0%	450
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	1 566	2 130	1 409	-	779	1 309	530	40,5%	1 409
Computer Equipment	1 566	2 130	1 409	-	779	1 309	530	40,5%	1 409
Furniture and Office Equipment	1 768	3 057	1 400	-	671	1 630	959	58,8%	1 400
Furniture and Office Equipment	1 768	3 057	1 400	-	671	1 630	959	58,8%	1 400
Machinery and Equipment	9 099	220	47	-	47	96	49	50,8%	47
Machinery and Equipment	9 099	220	47	-	47	96	49	50,8%	47
Transport Assets	7 355	-	-	-	-	-	-	-	-
Transport Assets	7 355	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	267 136	290 783	235 885	27 187	172 521	196 128	23 607	12,0%	235 885

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	38 217	1 279	14 274	22 017	7 743	35,2%	38 217
Water Supply Infrastructure	982	15 800	8 652	872	8 711	8 991	279	3,1%	8 652
Dams and Weirs	-	-	-	-	-	-	-	-	-
Bulk Mains	-	500	-	-	-	175	175	100,0%	-
Distribution	982	15 300	8 652	872	8 711	8 816	104	1,2%	8 652
Sanitation Infrastructure	7 128	-	29 565	406	5 563	13 026	7 463	57,3%	29 565
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	7 128	-	29 565	406	5 563	13 026	7 463	57,3%	29 565
Machinery and Equipment	-	200	150	-	-	130	130	100,0%	150
Machinery and Equipment	-	200	150	-	-	130	130	100,0%	150
Transport Assets	7 032	-	5 246	-	4 396	2 099	(2 298)	-109,5%	5 246
TransportAssets	7 032	-	5 246	-	4 396	2 099	(2 298)	-109,5%	5 246
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	15 142	16 000	43 614	1 279	18 671	24 246	5 575	23,0%	43 614



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
- the quarterly report on the implementation of the budget in terms of s52 (d) of the MFMA

For the month of March 2022 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 _____