

Harry Gwala District Municipality

MFMA s71 & s52 (d) report for the period ending 30 June 2022.

7/13/2022

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

1.1 Mayors Report

In accordance with Section 52(d) of the Municipal Finance Management Act, I submit a report to the council within 30 days after the end of the Fourth quarter of 2021/22, on the implementation of the budget and the financial state of affairs of the Harry Gwala District Municipality.

The submission of 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.

1.1.2 Implementation of the budget in accordance with the SDBIP

A comprehensive report detailing the implementation for the fourth quarter ended 30 June 2022 will be tabled in a separate report to council.

1.1.3 Financial problems or risks facing the municipality

The cash flow position as at 30 June 2022 of the Municipality a decline compared to the previous financial year. In the 2021/22 financial year, the municipality monitored the expenditure for the financial year and reducing non-essential expenditure by implementing cost containment measures as per Municipal Finance Management Act circular 82 to improve cash position and continue to implement the "belt-tightening" measures.

The municipality also has a revenue enhancement strategy that assist the municipality in improving more in collection and also assist to reduce consumer debts as this it immensely 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.

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

1.2 Executive Summary

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 100% 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.

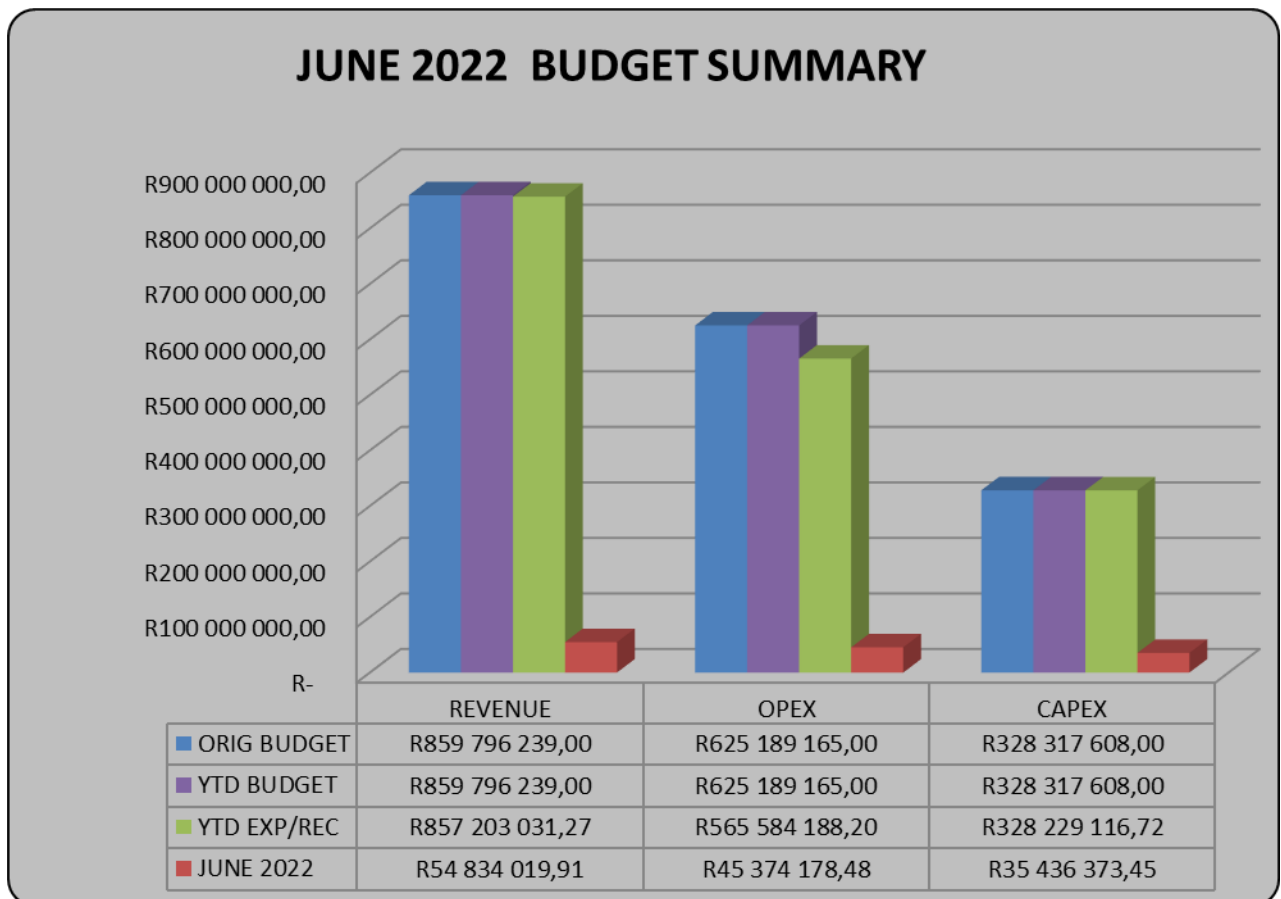
Operating expenditure by vote & type

The total operating budget for the current year amounts to R625, 1m. The YTD Operating expenditure for the month ended 30 June amounted to R565, 5m against a year to date (YTD) budget of R596m. The actual YTD expenditure represented 90% of the year to date budget.

Capital expenditure

The total capital budget for the current year amounts to R328, 3m. The YTD expenditure on capital amounts to R328, 2million against year to date budget of R328, 3million, or 100% 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 June 2022 was R59, 6million refer to the table below for cash and cash equivalent register for more detail on the municipality’s cash position

CASH AND INVESTMENT REGISTER

Investments by maturity Name of institution & investment ID	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands						
Municipality						
FIRST NATIONAL BANK	CALL ACCOUNT	27 756	85	(27 638)		202
FIRST NATIONAL BANK	CALL ACCOUNT	36 026	94	(20 656)		15 464
FIRST NATIONAL BANK	ADMIN CALL	3 073	11	(1 041)		2 043
INVESTEC	FIXED DEPOSIT	1 588	6			1 594
FIRST NATIONAL BANK	FIXED DEPOSIT	23 238	62	(23 297)		2
FIRST NATIONAL BANK	CALL ACCOUNT	4 335	10	(4 333)		12
FIRST NATIONAL BANK	CALL ACCOUNT	17 052	23	(17 050)		25
FIRST NATIONAL BANK	CALL ACCOUNT	1 581	4	-		1 585
FIRST NATIONAL BANK	FIXED DEPOSIT	215	1	(213)		3
NEDBANK	FIXED DEPOSIT	21 570	76	-		21 646
FIRST NATIONAL BANK	ENT ACCOUNT	13 169		3 921		17 090
						-
Municipality sub-total		149 601	372	(90 306)	-	59 667
TOTAL INVESTMENTS AND INTEREST		149 601		(90 306)	-	59 667

Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2021/2022 have been received as per payment schedule. The total conditional grants received as at 30 June 2022 was R767million and the equitable share is R387, 2million. No grants received in the month of June 2022

Spending on Grants

Spending on grants amounted to R328, 2million or 100% for 2021/22 financial year

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 - M12 June

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	61 063	4 993	61 553	61 063	490	1%	61 063
Investment revenue	3 011	5 682	4 504	525	5 055	4 504	551	12%	4 504
Transfers and subsidies	430 342	417 406	417 406	17 459	453 939	417 406	36 533	9%	417 406
Other own revenue	10 879	10 748	11 565	1 084	12 015	11 565	450	4%	11 565
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	494 538	24 061	532 562	494 538	38 024	8%	494 538
Employee costs	217 969	237 156	243 395	21 118	233 055	243 395	(10 339)	-4%	243 395
Remuneration of Councillors	7 813	8 922	8 538	595	7 239	8 538	(1 299)	-15%	8 538
Depreciation & asset impairment	79 359	87 410	88 415	6 280	76 987	88 415	(11 428)	-13%	88 415
Finance charges	995	1 328	415	288	288	415	(127)	-31%	415
Inventory consumed and bulk purchases	27 868	31 249	41 337	1 799	41 779	41 337	442	1%	41 337
Transfers and subsidies	17 000	17 000	17 000	2 000	15 100	17 000	(1 900)	-11%	17 000
Other expenditure	224 706	194 529	226 090	13 294	191 137	226 090	(34 953)	-15%	226 090
Total Expenditure	575 710	577 594	625 189	45 374	565 584	625 189	(59 605)	-10%	625 189
Surplus/(Deficit)	(63 713)	(74 336)	(130 651)	(21 313)	(33 022)	(130 651)	97 629	-75%	(130 651)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	365 258	30 773	311 860	365 258	(53 398)	-15%	365 258
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	-	-	-	12 781	-	12 781	#DIV/0!	-
Surplus/(Deficit) after capital transfers & contributions	243 837	223 922	234 607	9 460	291 619	234 607	57 012	24%	234 607
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	243 837	223 922	234 607	9 460	291 619	234 607	57 012	24%	234 607
Capital expenditure & funds sources									
Capital expenditure	296 457	307 283	328 318	35 436	328 229	328 318	(88)	-0%	328 318
Capital transfers recognised	268 028	298 258	317 616	34 362	320 158	317 616	2 542	1%	317 616
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	10 702	1 074	8 071	10 702	(2 630)	-25%	10 702
Total sources of capital funds	296 457	307 283	328 318	35 436	328 229	328 318	(88)	-0%	328 318
Financial position									
Total current assets	1 178 195	1 076 619	1 059 932		1 266 667				1 059 932
Total non current assets	2 551 972	2 845 908	2 791 875		2 801 469				2 791 875
Total current liabilities	235 045	106 785	102 202		98 186				102 202
Total non current liabilities	42 646	25 676	28 756		26 357				28 756
Community wealth/Equity	2 512 272	2 821 066	2 756 163		2 794 132				2 756 163
Cash flows									
Net cash from (used) operating	(99 192)	307 375	251 946	(73 351)	176 211	251 946	75 735	30%	251 946
Net cash from (used) investing	(251 425)	(307 283)	(328 318)	(35 436)	(328 229)	(328 318)	(88)	0%	(328 318)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	(309 947)	48 823	(24 509)	-	(100 156)	(76 372)	23 784	-31%	(76 372)
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	5 260	4 345	5 022	3 170	3 284	3 639	17 237	195 392	237 350
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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) - M12 June

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									
Governance and administration	422 901	404 553	393 591	902	394 151	393 591	560	0%	393 591
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	404 553	393 591	902	394 151	393 591	560	0%	393 591
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	-	5	33	-	33	#DIV/0!	-
Community and social services	-	-	-	5	33	-	33	#DIV/0!	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	8 568	22 412	17 090	135	24 384	17 090	7 294	43%	17 090
Planning and development	8 568	22 412	17 090	135	24 384	17 090	7 294	43%	17 090
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	388 078	374 551	449 115	53 792	438 635	449 115	(10 480)	-2%	449 115
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	360 199	402 709	43 037	392 278	402 709	(10 431)	-3%	402 709
Waste water management	29 226	14 352	46 406	10 755	46 357	46 406	(49)	0%	46 406
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	801 516	859 796	54 834	857 203	859 796	(2 593)	0%	859 796
Expenditure - Functional									
Governance and administration	233 276	251 534	258 065	17 463	224 830	258 065	(33 235)	-13%	258 065
Executive and council	27 920	24 745	41 476	2 000	36 784	41 476	(4 692)	-11%	41 476
Finance and administration	195 853	217 553	208 299	14 748	179 920	208 299	(28 379)	-14%	208 299
Internal audit	9 503	9 236	8 289	715	8 125	8 289	(164)	-2%	8 289
Community and public safety	17 672	18 501	19 197	1 562	19 465	19 197	268	1%	19 197
Community and social services	17 672	18 501	19 197	1 562	19 465	19 197	268	1%	19 197
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	123 312	154 812	153 528	12 775	121 660	153 528	(31 869)	-21%	153 528
Planning and development	123 312	154 812	153 528	12 775	121 660	153 528	(31 869)	-21%	153 528
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	201 451	152 747	194 399	13 574	199 629	194 399	5 231	3%	194 399
Energy sources	-	-	-	-	-	-	-	-	-
Water management	200 589	151 849	193 287	13 509	198 635	193 287	5 348	3%	193 287
Waste water management	862	898	1 111	65	994	1 111	(117)	-11%	1 111
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	575 710	577 594	625 189	45 374	565 584	625 189	(59 605)	-10%	625 189
Surplus/ (Deficit) for the year	243 837	223 922	234 607	9 460	291 619	234 607	57 012	24%	234 607

This table assess the revenue by department and then the expenditure for the period ending 30 June 2022. Revenue receipts in June have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of June is 6%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of June 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 R17, 3million followed by the Infrastructure Services department.

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	393 222	900	393 707	393 222	485	0,1%	393 222
Vote 04 - Summary Corporate Services	665	-	290	-	359	290	69	23,7%	290
Vote 05 - Summary Social Services & Development Planing	3 875	22 412	17 090	140	11 636	17 090	(5 454)	-31,9%	17 090
Vote 06 - Summary Infrastructure Services	305 438	311 333	347 169	34 881	318 640	347 169	(28 529)	-8,2%	347 169
Vote 07 - Summary Water Services	87 377	63 218	102 025	18 914	132 861	102 025	30 836	30,2%	102 025
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	801 516	859 796	54 834	857 203	859 796	(2 593)	-0,3%	859 796
Expenditure by Vote									
Vote 01 - Summary Council	14 956	16 256	23 199	1 258	19 848	23 199	(3 351)	-14,4%	23 199
Vote 02 - Summary Municipal Manager	22 466	17 726	26 567	1 457	25 062	26 567	(1 505)	-5,7%	26 567
Vote 03 - Summary Budget And Treasury Office	59 812	85 267	80 317	3 856	52 478	80 317	(27 838)	-34,7%	80 317
Vote 04 - Summary Corporate Services	89 586	89 530	80 640	6 807	81 084	80 640	444	0,6%	80 640
Vote 05 - Summary Social Services & Development Planing	48 105	68 717	68 597	6 619	51 041	68 597	(17 556)	-25,6%	68 597
Vote 06 - Summary Infrastructure Services	97 107	109 078	108 396	8 065	94 309	108 396	(14 087)	-13,0%	108 396
Vote 07 - Summary Water Services	243 677	191 021	237 473	17 312	241 761	237 473	4 288	1,8%	237 473
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	575 710	577 594	625 189	45 374	565 584	625 189	(59 605)	-9,5%	625 189
Surplus/ (Deficit) for the year	243 837	223 922	234 607	9 460	291 619	234 607	57 012	24,3%	234 607

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 June 2022.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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	48 598	4 023	49 346	48 598	748	2%	48 598
Service charges - sanitation revenue	13 762	20 555	12 465	970	12 207	12 465	(258)	-2%	12 465
Interest earned - external investments	3 011	5 682	4 504	525	5 055	4 504	551	12%	4 504
Interest earned - outstanding debtors	10 100	10 198	10 715	1 079	11 221	10 715	506	5%	10 715
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	0
Agency services	-	-	-	-	-	-	-	-	0
Transfers and subsidies	430 342	417 406	417 406	17 459	453 939	417 406	36 533	9%	417 406
Other revenue	778	549	850	5	794	850	(55)	-7%	850
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	511 997	503 258	494 538	24 061	532 562	494 538	38 024	8%	494 538
Expenditure By Type									
Employee related costs	217 969	237 156	243 395	21 118	233 055	243 395	(10 339)	-4%	243 395
Remuneration of councillors	7 813	8 922	8 538	595	7 239	8 538	(1 299)	-15%	8 538
Debt impairment	31 734	27 645	27 645	-	-	27 645	(27 645)	-100%	27 645
Depreciation & asset impairment	79 359	87 410	88 415	6 280	76 987	88 415	(11 428)	-13%	88 415
Finance charges	995	1 328	415	288	288	415	(127)	-31%	415
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	27 868	31 249	41 337	1 799	41 779	41 337	442	1%	41 337
Contracted services	129 575	105 296	136 387	7 253	129 374	136 387	(7 013)	-5%	136 387
Transfers and subsidies	17 000	17 000	17 000	2 000	15 100	17 000	(1 900)	-11%	17 000
Other expenditure	56 900	61 589	62 058	4 295	60 018	62 058	(2 041)	-3%	62 058
Losses	6 496	-	-	1 746	1 746	-	1 746	#DIV/0!	-
Total Expenditure	575 710	577 594	625 189	45 374	565 584	625 189	(59 605)	-10%	625 189
Surplus/(Deficit)	(63 713)	(74 336)	(130 651)	(21 313)	(33 022)	(130 651)	97 629	(0)	(130 651)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	298 258	365 258	30 773	311 860	365 258	(53 398)	(0)	365 258
Transfers and subsidies - capital (in-kind - all)	4 693	-	-	-	12 781	-	12 781	#DIV/0!	-
Surplus/(Deficit) after capital transfers & contributions	243 837	223 922	234 607	9 460	291 619	234 607			234 607
Taxation							-		
Surplus/(Deficit) after taxation	243 837	223 922	234 607	9 460	291 619	234 607			234 607
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	243 837	223 922	234 607	9 460	291 619	234 607			234 607
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	243 837	223 922	234 607	9 460	291 619	234 607			234 607

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	24	-	-	24	(24)	-100%	24
Vote 04 - Summary Corporate Services	7 226	4 031	8 051	1 074	6 920	8 051	(1 131)	-14%	8 051
Vote 05 - Summary Social Services & Development Planning	7 355	1 870	627	-	47	627	(580)	-92%	627
Vote 06 - Summary Infrastructure Services	46 050	16 300	36 788	35	49 104	36 788	12 316	33%	36 788
Vote 07 - Summary Water Services	235 826	284 583	282 828	34 328	272 158	282 828	(10 670)	-4%	282 828
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	296 457	307 283	328 318	35 436	328 229	328 318	(88)	0%	328 318
Total Capital Expenditure	296 457	307 283	328 318	35 436	328 229	328 318	(88)	0%	328 318
Capital Expenditure - Functional Classification									
Governance and administration	7 226	5 110	8 655	1 074	6 920	8 655	(1 735)	-20%	8 655
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	7 226	5 110	8 655	1 074	6 920	8 655	(1 735)	-20%	8 655
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	7 355	1 021	47	-	47	47	-	-	47
Community and social services	7 355	1 021	47	-	47	47	-	-	47
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	18 541	1 270	-	-	12 781	-	12 781	#DIV/0!	-
Planning and development	18 541	1 270	-	-	12 781	-	12 781	#DIV/0!	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	263 335	299 883	319 616	34 362	308 481	319 616	(11 135)	-3%	319 616
Energy sources	-	-	-	-	-	-	-	-	-
Water management	248 698	244 033	236 937	23 000	228 456	236 937	(8 482)	-4%	236 937
Waste water management	14 637	55 850	82 678	11 362	80 025	82 678	(2 653)	-3%	82 678
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	296 457	307 283	328 318	35 436	328 229	328 318	(88)	0%	328 318
Funded by:									
National Government	249 289	298 258	288 050	27 640	278 127	288 050	(9 923)	-3%	288 050
Provincial Government	18 739	-	29 565	6 722	42 031	29 565	12 465	42%	29 565
District Municipality	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	268 028	298 258	317 616	34 362	320 158	317 616	2 542	1%	317 616
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	9 025	10 702	1 074	8 071	10 702	(2 630)	-25%	10 702
Total Capital Funding	296 457	307 283	328 318	35 436	328 229	328 318	(88)	0%	328 318

As alluded to above, the capital expenditure programme for the period ending 30 June 2022 was R328, 2m which represents 100% of capital expenditure against year to date budget of R328, 3million. The capital expenditure programme for the 2021/2022 financial year has started on a positive footing and thus the greater expenditures reflected on National grant funding

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

Chart 1: 2021/2022 FOURTH QUARTER CAPEX

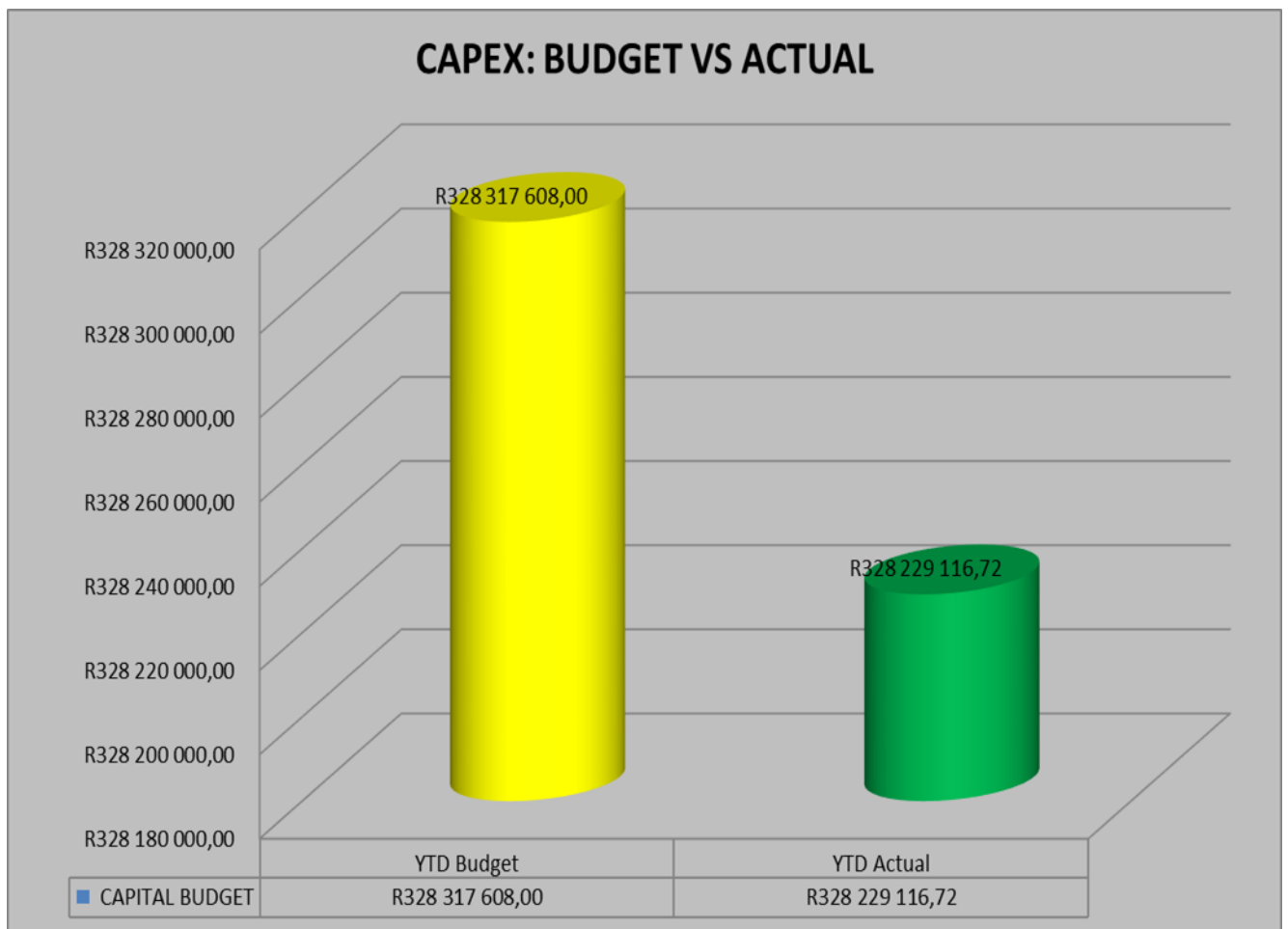


Table C6 displays the financial position of the municipality as at 30 June 2022.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M12 June

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	338 377	11 058	37 239	417 261	37 239
Call investment deposits	787 515	40 121	22 036	(366 792)	22 036
Consumer debtors	29 191	30 951	28 157	45 305	28 157
Other debtors	22 704	25 222	18 092	30 486	18 092
Current portion of long-term receivables	-	-	-	-	-
Inventory	408	267	408	408	408
Total current assets	1 178 195	107 619	105 932	126 667	105 932
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Investments in Associate	-	-	-	-	-
Property, plant and equipment	2 551 394	2 843 962	2 791 052	2 801 091	2 791 052
Biological	-	-	-	-	-
Intangible	578	1 946	822	377	822
Other non-current assets	0	0	0	0	0
Total non current assets	2 551 972	2 845 908	2 791 875	2 801 469	2 791 875
TOTAL ASSETS	3 730 166	2 953 527	2 897 806	2 928 135	2 897 806
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	13 194	12 794	13 194
Consumer deposits	2 034	2 155	2 182	2 175	2 182
Trade and other payables	217 924	91 336	71 738	68 130	71 738
Provisions	15 088	13 294	15 088	15 088	15 088
Total current liabilities	235 045	106 785	102 202	98 186	102 202
Non current liabilities					
Borrowing	18 098	1 878	1 796	1 809	1 796
Provisions	24 548	23 797	26 960	24 548	26 960
Total non current liabilities	42 646	25 676	28 756	26 357	28 756
TOTAL LIABILITIES	277 691	132 461	130 958	124 544	130 958
NET ASSETS	3 452 475	2 821 066	2 766 848	2 803 592	2 766 848
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	3 452 475	2 821 066	2 766 848	2 803 592	2 766 848
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 452 475	2 821 066	2 766 848	2 803 592	2 766 848

Table C7 below display the Cash Flow Statement for the period ending 30 June 2022.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M12 June

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	5 084	70 345	58 404	11 941	20%	58 404
Other revenue	307	549	549	5	425	549	(124)	-23%	549
Transfers and Subsidies - Operational	234 993	389 288	400 406	6 526	616 042	400 406	215 636	54%	400 406
Transfers and Subsidies - Capital	215 028	303 580	365 258	-	369 601	365 258	4 343	1%	365 258
Interest	3 011	5 592	4 414	525	5 055	4 414	641	15%	4 414
Dividends							-		
Payments									
Suppliers and employees	(682 369)	(444 212)	(576 536)	(85 357)	(885 123)	(576 536)	308 586	-54%	(576 536)
Finance charges	-	(1 328)	(415)	-	-	(415)	(415)	100%	(415)
Transfers and Grants	(352)	-	(135)	(135)	(135)	(135)	(0)	0%	(135)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 192)	307 375	251 946	(73 351)	176 211	251 946	75 735	30%	251 946
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)	(328 318)	(35 436)	(328 229)	(328 318)	(88)	0%	(328 318)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(251 425)	(307 283)	(328 318)	(35 436)	(328 229)	(328 318)	(88)	0%	(328 318)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits							-		
Payments									
Repayment of borrowing							-		
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD	(350 618)	92	(76 372)	(108 788)	(152 018)	(76 372)			(76 372)
Cash/cash equivalents at beginning:	40 671	48 731	51 862	-	51 862				
Cash/cash equivalents at month/year end:	(309 947)	48 823	(24 509)		(100 156)	(76 372)			(76 372)

The interest earned on investments and on outstanding debtors for the period ending 30 June is R 15, 2million which is representing 107% of the year to date budget.

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 30 June 2022.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

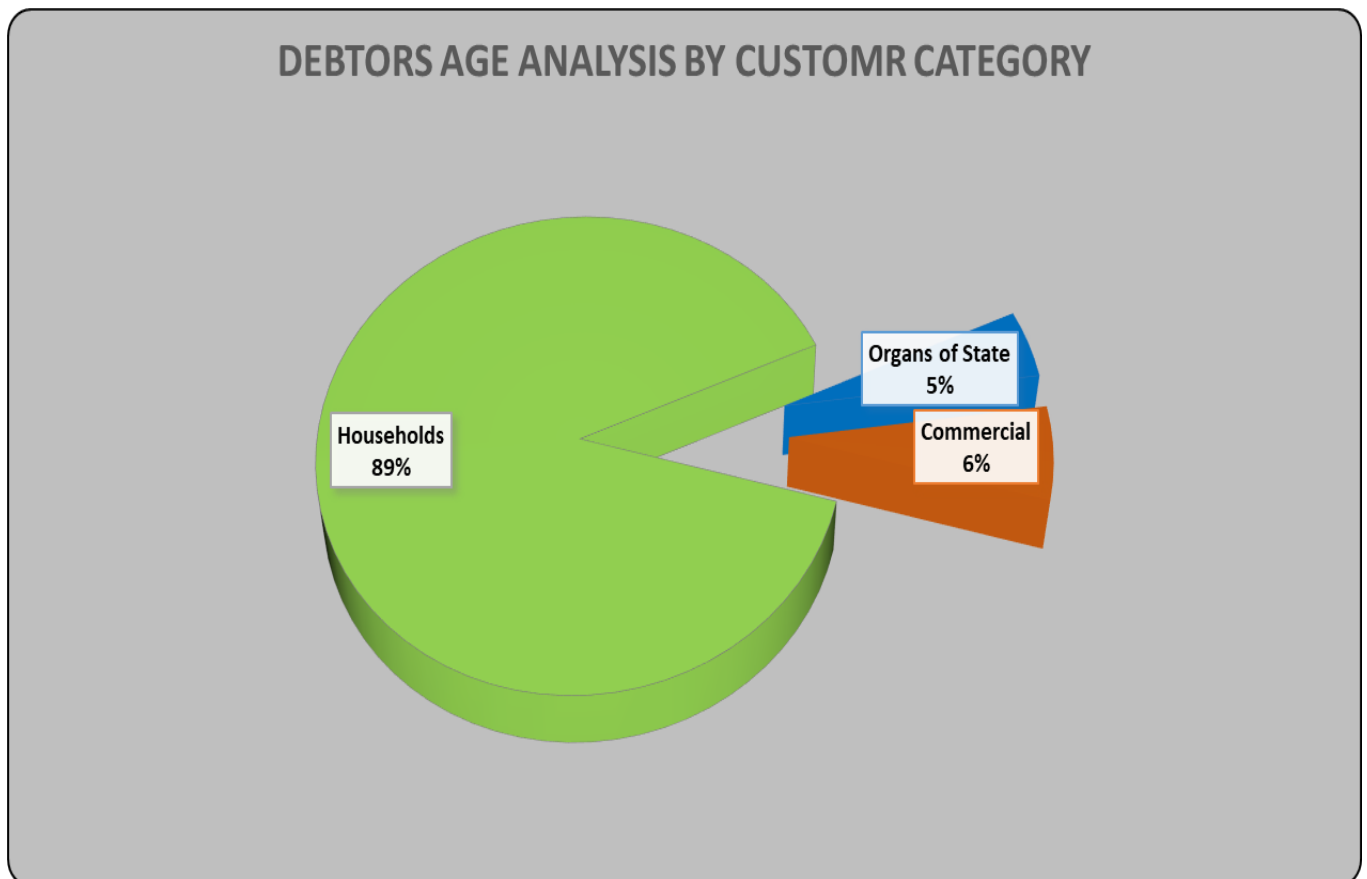
Description	Budget Year 2021/22									Total over 90 days	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total		
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	3 377	2 789	3 224	2 035	2 108	2 336	11 065	125 427	152 360	142 970	
Trade and Other Receivables from Exchange Transactions - Electricity									-	-	
Receivables from Non-exchange Transactions - Property Rates									-	-	
Receivables from Exchange Transactions - Waste Water Management	1 319	1 090	1 260	795	824	913	4 323	48 999	59 521	55 853	
Receivables from Exchange Transactions - Waste Management									-	-	
Receivables from Exchange Transactions - Property Rental Debtors									-	-	
Interest on Arrear Debtor Accounts	564	466	539	340	352	390	1 850	20 966	25 468	23 899	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-	
Other									-	-	
Total By Income Source	5 260	4 345	5 022	3 170	3 284	3 639	17 237	195 392	237 350	222 722	
2020/21 - totals only									-	-	
Debtors Age Analysis By Customer Group											
Organs of State	2 445	1 466	1 630	614	307	340	1 153	4 246	12 199	6 658	
Commercial	514	413	435	295	323	651	1 706	9 035	13 371	12 009	
Households	2 302	2 465	2 958	2 261	2 655	2 649	14 379	182 112	211 780	204 055	
Other									-	-	
Total By Customer Group	5 260	4 345	5 022	3 170	3 284	3 639	17 237	195 392	237 350	222 722	

The municipal consumer debt is currently decreasing as the municipality implementing amnesty and installing prepaid meters as it has a direct 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: 89%
- ✓ Government 5%
- ✓ Business 6%



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

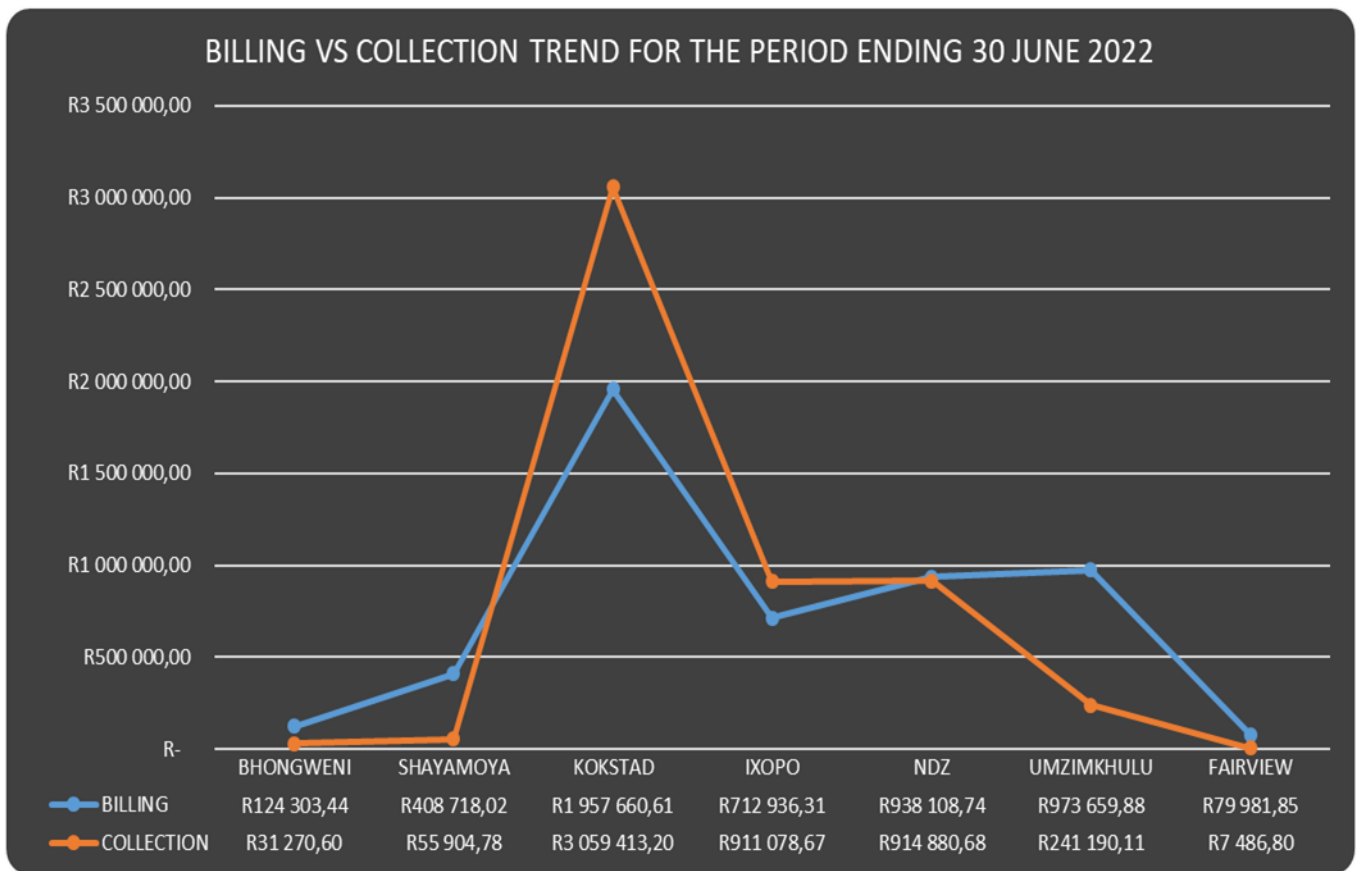
The table that follows below unpacks the revenue receipts per Local Municipality in the District

Revenue receipts per Area

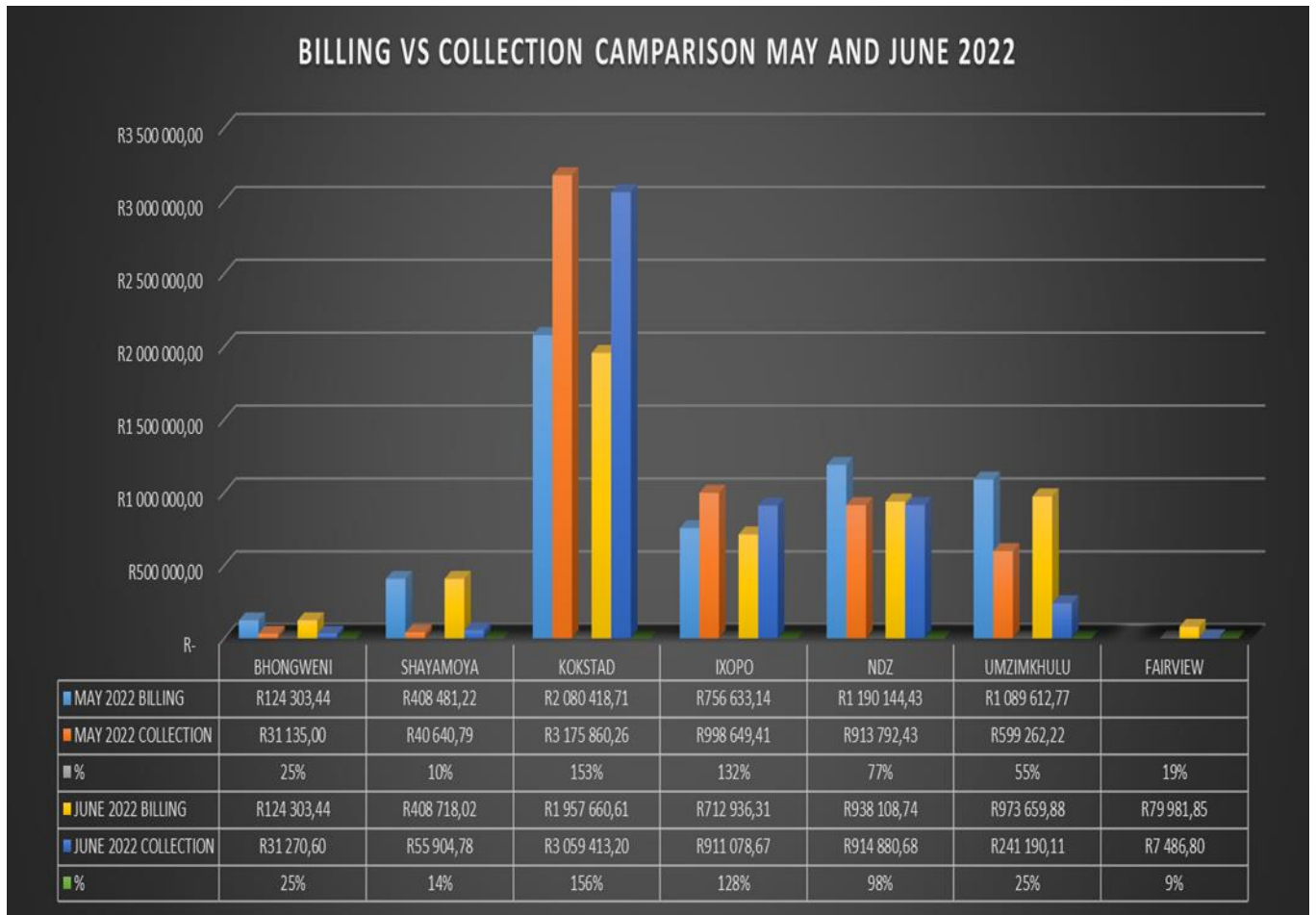
AREA	AMOUNT		
		JUNE 2022	MAY 2022
Unallocated receipts	R 88 420,50	2%	1%
Bhongweni	R 31 270,60	1%	1%
Shayamoya	R 55 904,78	1%	1%
Kokstad	R 3 059 413,20	58%	55%
Ixopo	R 911 078,61	17%	17%
NDZ	R 914 880,68	17%	16%
Umzimkhulu	R 241 190,11	5%	6%
Fairview	R 7 486,80	0%	0%
TOTAL RECEIPTS INCL VAT	R 5 309 645,34	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 June 2022 is R5, 3million. The total billing for the period ending 31 June 2022 is R 60, 1million against the collection of R 51, 3million representing 85 percent.

The chart that follows below shows the comparison between billing and collection trend for the period ending 30 June 2022.



The chart that follows below shows the comparison between billing and collection for the period ending 30 June 2022



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 237 349 806 as at 30 June 2022 compared with the R 239 515 847 as at 31 May 2022. Current debt represents 2% of the total outstanding debt compared with the 3% of May 2022; 30 days and older debt 2% compared with the 3% for May 2022; 60 days and older debt 2% compared with the 2% of May 2022; and 90 days 2% compared with the 2% of May 2022; 120 days to History and older 93% compared with the 91% for May 2022.

Current debt decreased with R 2,166,041 to R 237,349,806 compared with the R 239,515,847 as at 30 June 2022; 30 days + debt decreased with R 2,299,168; 60 days + Increased with R 1,260,956; 90 days + debt Decreased with R 674,397 and 120 + days and older debt as at 30 June 2022 has increased with R 991,888 to R 219,552,101 compared with the R 218,560,213 as at 31 May 2022.

Debtors age analysis per debtor type

Business debtors owes the municipality R 13,064,710 (6%); Municipal debtors R 766,148 (0%); domestic debtors R 196,629,870 (83%); Government accounts R 11,072,894 (5%); Indigent debtors R 9,742,448 (4%) and other debtors R 6,073,735 (3%) of the total outstanding debt of R 237,349,806.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 30 June 2022

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	Budget Year 2020/21								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	3 302	25	-	2					3 329
Auditor General									-
Other									-
Total By Customer Type	3 302	25	-	2	-	-	-	-	3 329

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 June 2022.

Cash and Bank Balances (Investments)

CASH AND INVESTMENT REGISTER

Investments by maturity Name of institution & investment ID	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands						
Municipality						
FIRST NATIONAL BANK	CALL ACCOUNT	27 756	85	(27 638)		202
FIRST NATIONAL BANK	CALL ACCOUNT	36 026	94	(20 656)		15 464
FIRST NATIONAL BANK	ADMIN CALL	3 073	11	(1 041)		2 043
INVESTEC	FIXED DEPOSIT	1 588	6			1 594
FIRST NATIONAL BANK	FIXED DEPOSIT	23 238	62	(23 297)		2
FIRST NATIONAL BANK	CALL ACCOUNT	4 335	10	(4 333)		12
FIRST NATIONAL BANK	CALL ACCOUNT	17 052	23	(17 050)		25
FIRST NATIONAL BANK	CALL ACCOUNT	1 581	4	-		1 585
FIRST NATIONAL BANK	FIXED DEPOSIT	215	1	(213)		3
NEDBANK	FIXED DEPOSIT	21 570	76	-		21 646
FIRST NATIONAL BANK	ENT ACCOUNT	13 169		3 921		17 090
						-
Municipality sub-total		149 601	372	(90 306)	-	59 667
TOTAL INVESTMENTS AND INTEREST		149 601		(90 306)	-	59 667

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 - M12 June

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	17 325	453 804	400 406	53 398	13,3%	400 406
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	417 623	387 013	387 013	-	387 013	387 013	-	0,0%	387 013
Expanded Public Works Programme Integrated Grant	5 195	4 596	4 596	-	4 596	4 596	-	0,0%	4 596
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	371	1 200	1 200	-	0,0%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	5 322	5 322	12 666	28 958	5 322	23 636	444,1%	5 322
Rural Road Asset Management Systems Grant	2 245	2 275	2 275	875	2 275	2 275	-	0,0%	2 275
Water Services Infrastructure Grant	-	-	-	3 413	29 762	-	29 762		-
Other transfers and grants [insert description]	-	-	-	-	-	-	-		-
Provincial Government:	352	-	-	135	135	-	135		-
Capacity Building and Other Grants	352	-	-	135	135	-	135		-
Other	-	-	-	-	-	-	-		-
Rural Development Grant	-	-	-	-	-	-	-		-
Other transfers and grants [insert description]	-	-	-	-	-	-	-		-
District Municipality:	-	17 000	17 000	-	-	17 000	(17 000)	-100,0%	17 000
Specify (Add grant description)	-	17 000	17 000	-	-	17 000	(17 000)	-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	17 459	453 939	417 406	36 533	8,8%	417 406
Capital Transfers and Grants									
National Government:	287 857	298 258	331 258	21 068	277 860	331 258	(53 398)	-16,1%	331 258
Equitable Share	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	207 558	215 558	15 539	191 922	215 558	(23 636)	-11,0%	215 558
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	22 381	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	60 000	90 700	115 700	5 530	85 938	115 700	(29 762)	-25,7%	115 700
Provincial Government:	19 693	-	34 000	9 704	46 781	34 000	12 781	37,6%	34 000
Infrastructure Grant	19 693	-	34 000	9 704	46 781	34 000	12 781	37,6%	34 000
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Human Settlement Re-development Programme	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	307 550	298 258	365 258	30 773	324 641	365 258	(40 617)	-11,1%	365 258
TOTAL RECEIPTS OF TRANSFERS & GRANTS	737 892	715 664	782 664	48 232	778 580	782 664	(4 084)	-0,5%	782 664

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 - M12 June

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:	487 128	507 017	550 465	40 019	507 513	550 465	(42 952)	-7,8%	550 465
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	478 024	492 327	535 351	38 613	497 962	535 351	(37 389)	-7,0%	535 351
Expanded Public Works Programme Integrated Grant	5 467	5 976	6 613	543	6 578	6 613	(36)	-0,5%	6 613
Local Government Financial Management Grant	836	1 117	1 200	103	995	1 200	(205)	-17,1%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	5 322	5 322	-	-	5 322	(5 322)	-100,0%	5 322
Rural Road Asset Management Systems Grant	1 952	2 275	1 978	761	1 978	1 978	(0)	0,0%	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	-	-	16 032	(16 032)	-100,0%	16 032
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	487 128	507 017	550 465	40 019	507 513	550 465	(42 952)	-7,8%	550 465
Capital expenditure of Transfers and Grants									
National Government:	249 289	298 258	288 050	27 640	278 127	288 050	(9 923)	-3,4%	288 050
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	178 208	207 558	187 442	23 014	175 678	187 442	(11 763)	-6,3%	187 442
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	90 700	100 609	4 626	102 449	100 609	1 840	1,8%	100 609
Provincial Government:	18 739	-	29 565	6 722	42 031	29 565	12 465	42,2%	29 565
Infrastructure Grant	18 739	-	29 565	6 722	42 031	29 565	12 465	42,2%	29 565
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	268 028	298 258	317 616	34 362	320 158	317 616	2 542	0,8%	317 616
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	755 156	805 275	868 080	74 382	827 671	868 080	(40 410)	-4,7%	868 080

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 30 June 2022.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

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	316	4 438	5 094	(657)	-13%	5 094
Pension and UIF Contributions	498	698	725	48	473	725	(252)	-35%	725
Medical Aid Contributions	57	61	61	16	86	61	25	41%	61
Cellphone Allowance	663	875	935	41	516	935	(419)	-45%	935
Other benefits and allowances	1 271	1 262	1 723	174	1 726	1 723	3	0%	1 723
Sub Total - Councillors	7 813	8 922	8 538	595	7 239	8 538	(1 299)	-15%	8 538
% increase		14,2%	9,3%						9,3%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 029	4 281	4 028	234	3 859	4 028	(168)	-4%	4 028
Pension and UIF Contributions	11	11	13	1	12	13	(1)	-4%	13
Medical Aid Contributions	171	182	173	6	162	173	(12)	-7%	173
Performance Bonus	106	56	95	-	106	95	11	12%	95
Motor Vehicle Allowance	1 052	1 153	1 052	56	996	1 052	(56)	-5%	1 052
Cellphone Allowance	117	125	117	6	112	117	(5)	-4%	117
Housing Allowances	160	177	160	9	152	160	(8)	-5%	160
Other benefits and allowances	459	492	460	30	445	460	(15)	-3%	460
Sub Total - Senior Managers of Municipality	6 105	6 477	6 097	342	5 868	6 097	(228)	-4%	6 097
% increase		6,1%	-0,1%						-0,1%
Other Municipal Staff									
Basic Salaries and Wages	126 815	136 771	137 712	11 448	136 944	137 712	(768)	-1%	137 712
Pension and UIF Contributions	18 955	19 567	20 519	3 149	22 037	20 519	1 518	7%	20 519
Medical Aid Contributions	9 177	9 338	9 848	850	9 961	9 848	113	1%	9 848
Overtime	15 879	16 264	18 008	1 624	18 500	18 008	492	3%	18 008
Performance Bonus	8 464	7 716	8 519	1 230	9 367	8 519	849	10%	8 519
Motor Vehicle Allowance	16 182	17 160	20 268	1 761	20 519	20 268	250	1%	20 268
Cellphone Allowance	851	858	974	85	987	974	14	1%	974
Housing Allowances	570	586	585	49	585	585	1	0%	585
Other benefits and allowances	4 715	4 761	5 635	520	5 788	5 635	153	3%	5 635
Payments in lieu of leave	3 207	1 204	1 885	13	1 474	1 885	(410)	-22%	1 885
Long service awards	981	810	1 044	48	1 023	1 044	(21)	-2%	1 044
Post-retirement benefit obligations	6 069	3 343	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	211 864	218 378	224 997	20 777	227 187	224 997	2 190	1%	224 997
% increase		3,1%	6,2%						6,2%
Total Parent Municipality	225 782	233 777	239 631	21 714	240 294	239 631	663	0%	239 631
		3,5%	6,1%						6,1%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	373	373	-	-	373	(373)	-100%	373
Sub Total - Board Members of Entities	-	373	373	-	-	373	(373)	-100%	373
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	1 730	1 730	-	-	1 730	(1 730)	-100%	1 730
Sub Total - Senior Managers of Entities	-	1 730	1 730	-	-	1 730	(1 730)	-100%	1 730
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 675	7 675	-	-	7 675	(7 675)	-100%	7 675
Pension and UIF Contributions	-	1 470	1 470	-	-	1 470	(1 470)	-100%	1 470
Medical Aid Contributions	-	479	479	-	-	479	(479)	-100%	479
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	533	533	-	-	533	(533)	-100%	533
Payments in lieu of leave	-	43	43	-	-	43	(43)	-100%	43
Sub Total - Other Staff of Entities	-	10 199	10 199	-	-	10 199	(10 199)	-100%	10 199
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	12 301	12 301	-	-	12 301	(12 301)	-100%	12 301
TOTAL SALARY, ALLOWANCES & BENEFITS	225 782	246 079	251 933	21 714	240 294	251 933	(11 639)	-5%	251 933
% increase		9,0%	11,6%						11,6%
TOTAL MANAGERS AND STAFF	217 969	236 784	243 022	21 118	233 055	243 022	(9 967)	-4%	243 022

2.6 Material Variances to the SDBIP

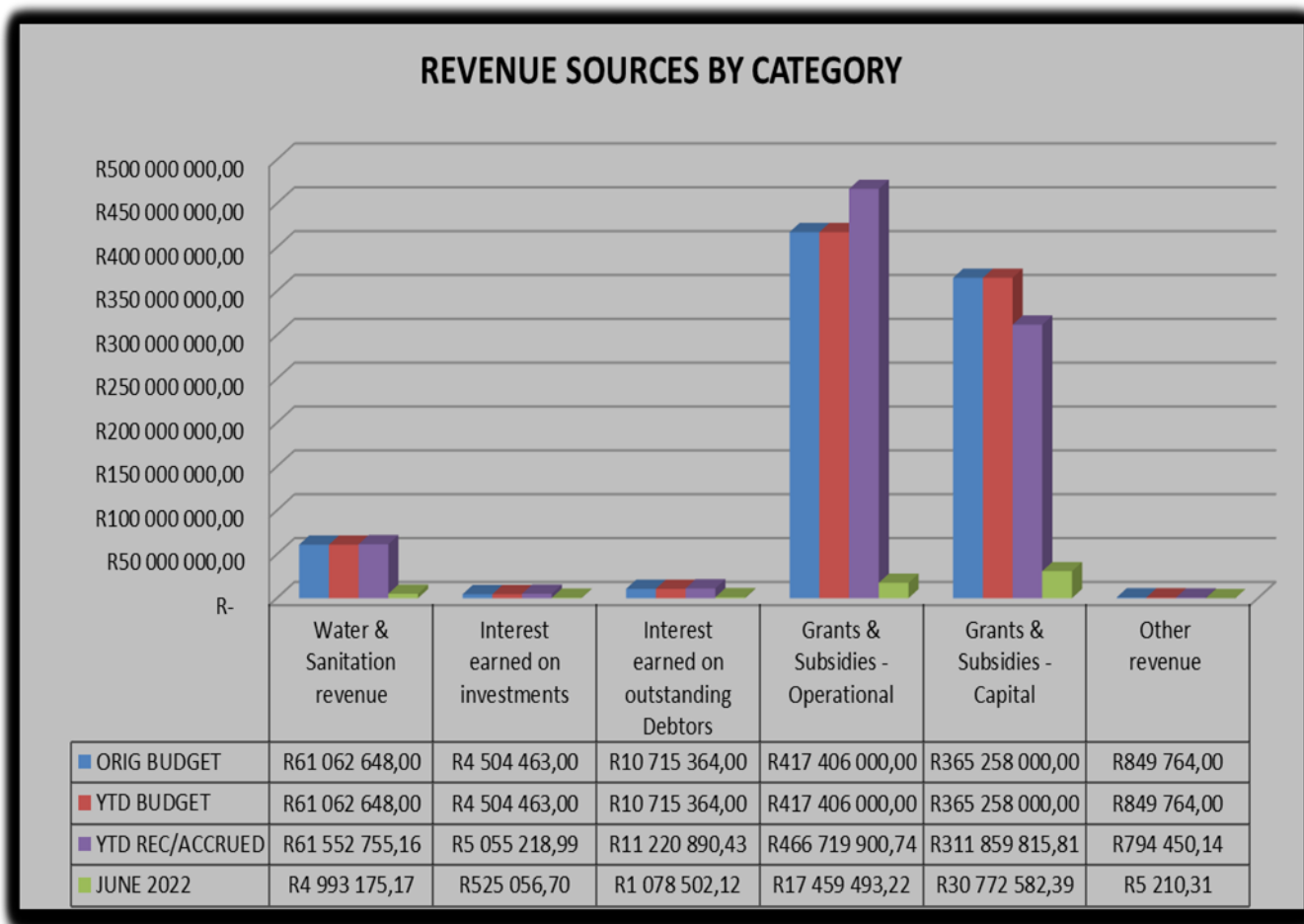
The following section analyses material variances between the actual targets as at 30 June 2022 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2021/22 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 June 2022 was R61, 5million against a year to date **budget** of R61million or 101 per cent.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R5m against year to budget of R4, 5m representing 112 per cent of the planned expenditure.

Transfers Recognised - Operational

The operational grants revenue of R466, 7million against a year to date budget of R417, 4million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The operational grants revenue of R311, 8million against a year to date budget of R365, 2million is largely attributable to the expenditure on conditional grants such as Municipal Infrastructure Grant and Water Services Infrastructure Grant.

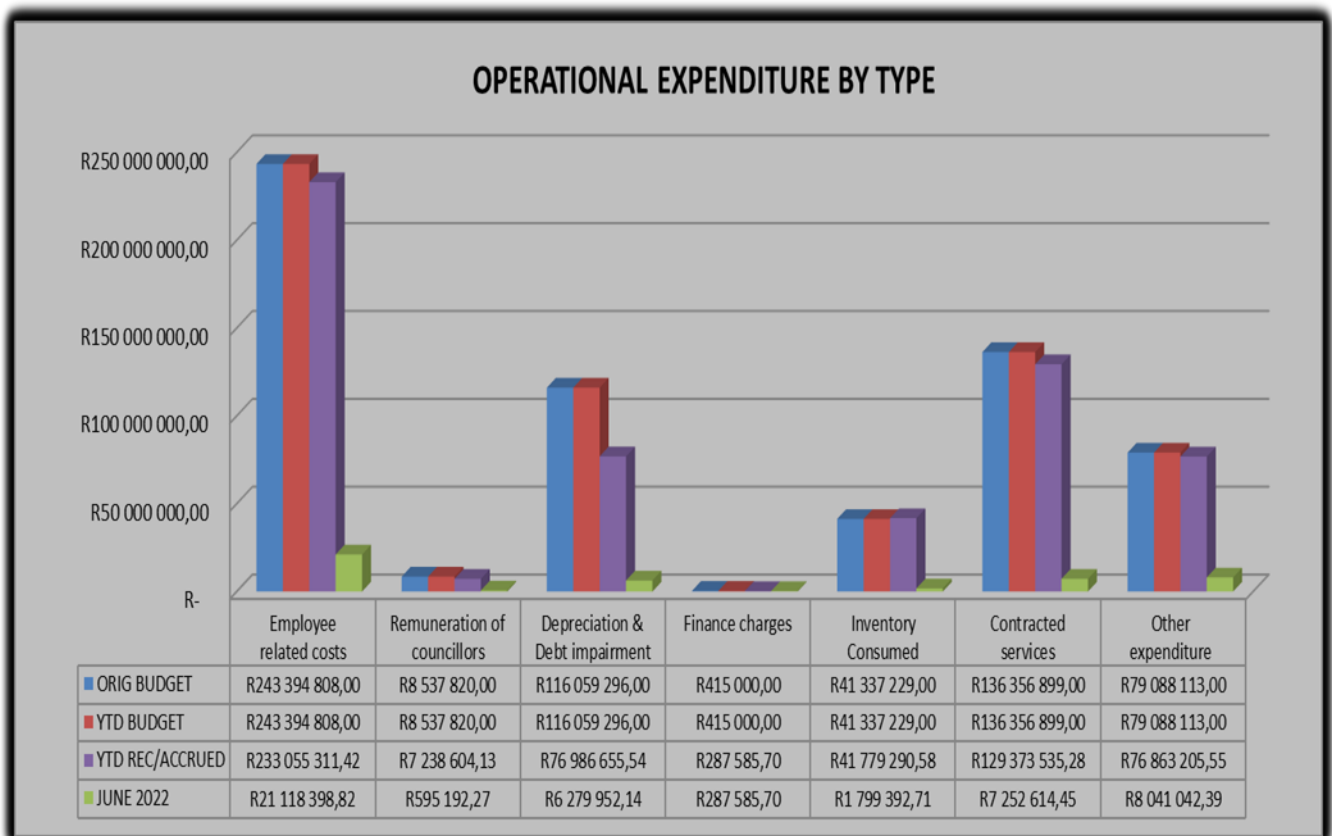
Other Revenue

The YTD performance of other revenue is R794 450 against the YTD budget of R849 764 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 R243, 3million against a YTD actual of R233million which is 96% of the YTD budget.

Remuneration of Councillors

The remuneration of the councilor's year to date expenditure is at R 7, 2million against a YTD budget of R 8, 5million representing 85% of the year to date budget.

Finance Charges

The YTD budget for finance charges was at R 415 000 against a YTD expenditure of R287 586 representing 69 per cent of the year to date budget.

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 R41, 7m against a YTD budget of R41, 3m representing 101% of the year to date budget.

Contracted Services

The YTD budget for contracted services was at R 136, 3million against a YTD expenditure of R129, 3million and expenditure for the month of June 2022 is R7, 2million.

Other Expenditure

The YTD budget for other expenditures was at R 79million against a YTD expenditure of R 76, 8million which is 97 per cent of the YTD budget, and expenditure for the month of June 2022 is R8million.

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 - M12 June

Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Receipts By Source															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	2 919	6 943	3 372	6 405	3 267	6 009	5 921	4 086	4 577	6 620	4 772	(5 447)	49 445	46 921	49 623
Service charges - sanitation revenue	557	988	495	1 262	472	1 232	1 316	888	999	1 087	1 073	(1 410)	8 959	13 009	13 733
Rental of facilities and equipment												-			
Interest earned - external investments	121	502	377	391	389	326	464	470	336	622	530	(116)	4 414	4 859	4 867
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	7	12	7	2	(28)	-	-	-
Agency services												-			
Transfers and Subsidies - Operational	160 611	2 493	-	19 997	8 914	129 203	1 209	12 907	222 102	34 532	17 547	(209 110)	400 406	446 738	410 477
Other revenue	-	0	0	96	12	-	13	270	0	0	1	157	549	56 447	62 477
Cash Receipts by Source	164 209	10 925	4 245	28 151	13 055	136 769	8 923	18 628	228 027	42 870	23 926	(215 954)	463 774	567 975	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	-	-	(4 343)	365 258	320 236	360 787
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	42 870	23 926	(220 296)	829 032	888 211	901 964
Cash Payments by Type															
Employee related costs	-	29 184	20 564	20 623	19 979	26 527	15 154	20 210	19 762	19 640	20 313	39 977	251 932	258 891	271 689
Remuneration of councillors												-			
Interest paid	-	-	-	-	-	-	-	-	-	-	-	415	415	-	-
Acquisitions - water & other inventory	-	-	-	-	-	-	-	-	-	-	-	25 875	25 875	23 000	24 012
Contracted services	-	-	-	-	-	-	-	-	-	-	-	159 987	159 987	134 862	140 987
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	135	135	-	-
General expenses	54 121	66 381	50 366	53 979	36 436	86 619	21 635	34 807	50 055	68 169	65 243	(449 069)	138 741	133 804	113 637
Cash Payments by Type	54 121	95 565	70 930	74 601	56 415	113 146	36 789	55 017	69 816	87 809	85 557	(222 679)	577 086	550 556	550 324
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	43 487	57 972	35 525	328 318	298 180	329 536
Repayment of borrowing												-			
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	15 896	15 896
Total Cash Payments by Type	84 635	124 488	85 363	95 571	68 843	146 872	43 005	70 674	98 282	131 296	143 529	(187 155)	905 404	864 633	895 756
NET INCREASE/(DECREASE) IN CASH HELD	205 867	(113 563)	(24 097)	(69 013)	(55 789)	60 398	4 918	(52 047)	208 125	(88 426)	(119 603)	(33 142)	(76 372)	23 578	6 208
Cash/cash equivalents at the month/year beginning:	51 862	257 729	144 166	120 070	51 057	(4 732)	55 665	60 584	8 537	216 662	128 236	8 632	51 862	(24 509)	(932)
Cash/cash equivalents at the month/year end:	257 729	144 166	120 070	51 057	(4 732)	55 665	60 584	8 537	216 662	128 236	8 632	(24 509)	(24 509)	(932)	5 276

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M12 June

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	24 571	25 607	25 607	30 514	30 514	25 607	(4 907)	-19,2%	10%
August	24 571	25 607	25 607	28 923	59 437	51 214	(8 223)	-16,1%	19%
September	24 571	25 607	26 007	14 433	73 870	77 221	3 351	4,3%	24%
October	24 571	25 607	26 007	20 969	94 839	103 228	8 389	8,1%	31%
November	24 571	25 607	26 007	12 429	107 268	129 235	21 967	17,0%	35%
December	24 571	25 607	26 007	33 726	140 994	155 242	14 248	9,2%	46%
January	24 571	25 607	26 007	6 216	147 210	181 249	34 039	18,8%	48%
February	24 571	25 607	19 675	15 658	162 867	200 924	38 056	18,9%	53%
March	24 571	25 607	19 675	28 466	191 333	220 598	29 265	13,3%	62%
April	24 571	25 607	35 907	43 487	234 820	256 505	21 684	8,5%	0
May	24 571	25 607	35 907	57 972	292 793	292 411	(381)	-0,1%	0
June	26 181	25 607	35 906	35 436	328 229	328 318	88	0,0%	0
Total Capital expenditure	296 457	307 283	328 318	328 229					

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 - M12

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	252 252	23 099	255 399	252 252	(3 147)	-1,2%	252 252
Water Supply Infrastructure	237 781	228 108	189 301	11 736	195 101	189 301	(5 800)	-3,1%	189 301
<i>Dams and Weirs</i>	24 469	25 000	8 205	2 886	7 606	8 205	600	7,3%	8 205
<i>Boreholes</i>	23 814	57 275	54 227	2 565	68 404	54 227	(14 177)	-26,1%	54 227
<i>Reservoirs</i>	870	7 000	3 315	-	3 315	3 315	(0)	0,0%	3 315
<i>Pump Stations</i>	30 873	31 000	26 074	3 135	25 010	26 074	1 065	4,1%	26 074
<i>Water Treatment Works</i>	4 539	7 500	8 585	-	8 400	8 585	185	2,2%	8 585
<i>Bulk Mains</i>	77 052	26 508	16 594	800	15 658	16 594	936	5,6%	16 594
<i>Distribution</i>	76 164	73 825	72 300	2 351	66 709	72 300	5 591	7,7%	72 300
Sanitation Infrastructure	7 958	55 850	62 951	11 362	60 297	62 951	2 653	4,2%	62 951
<i>Pump Station</i>	1 580	30 000	16 535	1 047	15 010	16 535	1 525	9,2%	16 535
<i>Reticulation</i>	6 378	20 000	24 068	3 843	22 940	24 068	1 128	4,7%	24 068
<i>Waste Water Treatment Works</i>	-	-	-	-	-	-	-	-	-
<i>Outfall Sewers</i>	-	-	6 152	-	6 152	6 152	0	0,0%	6 152
<i>Toilet Facilities</i>	-	5 850	16 195	6 472	16 195	16 195	0	0,0%	16 195
Other assets	1 610	-	-	-	-	-	-	-	-
Operational Buildings	1 610	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>	1 610	-	-	-	-	-	-	-	-
Intangible Assets	-	1 418	450	-	-	450	450	100,0%	450
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1 418	450	-	-	450	450	100,0%	450
<i>Computer Software and Applications</i>	-	1 418	450	-	-	450	450	100,0%	450
Computer Equipment	1 566	2 130	1 409	634	1 412	1 409	(4)	-0,3%	1 409
Computer Equipment	1 566	2 130	1 409	634	1 412	1 409	(4)	-0,3%	1 409
Furniture and Office Equipment	1 768	3 057	1 400	425	1 096	1 400	304	21,7%	1 400
Furniture and Office Equipment	1 768	3 057	1 400	425	1 096	1 400	304	21,7%	1 400
Machinery and Equipment	9 099	220	47	-	47	47	-	-	47
Machinery and Equipment	9 099	220	47	-	47	47	-	-	47
Transport Assets	7 355	-	-	-	-	-	-	-	-
Transport Assets	7 355	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	267 136	290 783	255 557	24 158	257 954	255 557	(2 397)	-0,9%	255 557

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	45 095	11 264	44 199	45 095	896	2,0%	45 095
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	982	15 800	15 530	4 542	14 949	15 530	580	3,7%	15 530
<i>Bulk Mains</i>	-	500	5 122	4 542	4 542	5 122	580	11,3%	5 122
<i>Distribution</i>	982	15 300	10 408	-	10 408	10 408	0	0,0%	10 408
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 128	-	29 565	6 722	29 250	29 565	315	1,1%	29 565
<i>Pump Station</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	7 128	-	29 565	6 722	29 250	29 565	315	1,1%	29 565
Machinery and Equipment	-	200	150	15	15	150	135	89,9%	150
Machinery and Equipment	-	200	150	15	15	150	135	89,9%	150
Transport Assets	7 032	-	5 246	-	4 396	5 246	850	16,2%	5 246
Transport Assets	7 032	-	5 246	-	4 396	5 246	850	16,2%	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	50 491	11 279	48 611	50 491	1 881	3,7%	50 491

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 June 2022 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Thelma Thobile Magaqa

Acting Municipal Manager of: Harry Gwala District Municipality

Signed _____

Date _____