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## **REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 31 JANUARY 2020**

### **1.1 PURPOSE**

To table the monthly expenditure report in terms of s71 of the MFMA for the period ending 31 January 2020 to Finance and Corporate Services Committee.

### **LEGISLATIVE 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 DELIBERATION/DISCUSSION**

The discussion that follows, in terms of MFMA Section 71 above, intends to inform the Finance & Corporate services committee on the progress made thus far in terms of implementing the 2019/2020 budget for the period ending 31 January 2020.

### **1.3 Resolutions**

This report will be tabled to Finance and Corporate 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 - M07 January

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-		-
Service charges	58 421	88 392	67 065	6 512	40 358	39 121	1 236	3%	67 065
Investment revenue	9 202	11 161	11 161	293	4 370	6 511	(2 141)	-33%	11 161
Transfers and subsidies	366 165	366 404	359 405	46 202	261 946	209 653	52 293	25%	359 405
Other own revenue	11 587	10 440	10 440	1 243	9 052	6 090	2 962	49%	10 440
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>445 375</b>	<b>476 396</b>	<b>448 071</b>	<b>54 250</b>	<b>315 726</b>	<b>261 375</b>	<b>54 351</b>	<b>21%</b>	<b>448 071</b>
Employee costs	173 695	205 726	205 726	11 484	115 389	120 007	(4 618)	-4%	205 726
Remuneration of Councillors	6 952	7 574	7 574	604	4 108	4 418	(310)	-7%	7 574
Depreciation & asset impairment	69 605	38 192	79 590	39 609	39 884	46 428	(6 544)	-14%	79 590
Finance charges	3 752	3 522	3 522	469	2 377	2 055	322	16%	3 522
Materials and bulk purchases	50 227	30 443	25 648	(1 237)	10 461	14 961	(4 500)	-30%	25 648
Transfers and subsidies	14 000	-	-	5 000	5 000	-	5 000	#DIV/0!	-
Other expenditure	222 568	184 141	202 814	14 136	96 017	118 308	(22 291)	-19%	202 814
<b>Total Expenditure</b>	<b>540 800</b>	<b>469 599</b>	<b>524 874</b>	<b>70 064</b>	<b>273 236</b>	<b>306 176</b>	<b>(32 941)</b>	<b>-11%</b>	<b>524 874</b>
<b>Surplus/(Deficit)</b>	<b>(95 425)</b>	<b>6 798</b>	<b>(76 803)</b>	<b>(15 815)</b>	<b>42 490</b>	<b>(44 802)</b>	<b>87 292</b>	<b>-195%</b>	<b>(76 803)</b>
Transfers and subsidies - capital (monetary allocations)	335 775	275 839	275 839	-	-	160 906	(160 906)	-100%	275 839
Contributions & Contributed assets	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>240 350</b>	<b>282 636</b>	<b>199 035</b>	<b>(15 815)</b>	<b>42 490</b>	<b>116 104</b>	<b>(73 614)</b>	<b>-63%</b>	<b>199 035</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>240 350</b>	<b>282 636</b>	<b>199 035</b>	<b>(15 815)</b>	<b>42 490</b>	<b>116 104</b>	<b>(73 614)</b>	<b>-63%</b>	<b>199 035</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>266 785</b>	<b>282 624</b>	<b>280 884</b>	<b>18 366</b>	<b>124 937</b>	<b>164 100</b>	<b>(39 163)</b>	<b>-24%</b>	<b>280 884</b>
Capital transfers recognised	134 240	276 203	276 063	18 202	123 414	161 066	(37 652)	-23%	276 063
Internally generated funds	14 442	6 421	4 821	165	1 504	3 034	(1 530)	-50%	4 821
<b>Total sources of capital funds</b>	<b>148 683</b>	<b>282 624</b>	<b>280 884</b>	<b>18 366</b>	<b>124 919</b>	<b>164 100</b>	<b>(39 182)</b>	<b>-24%</b>	<b>280 884</b>
<b>Financial position</b>									
Total current assets	118 976	282 609	282 609		208 288				282 609
Total non current assets	2 171 694	2 165 144	2 163 404		2 257 050				2 163 404
Total current liabilities	170 317	138 272	138 272		303 352				138 272
Total non current liabilities	56 670	36 242	36 242		40 482				36 242
Community wealth/Equity	<b>2 063 683</b>	<b>2 273 239</b>	<b>2 271 499</b>		<b>2 212 504</b>				<b>2 271 499</b>
<b>Cash flows</b>									
Net cash from (used) operating	280 806	295 470	231 948	58 293	172 933	135 303	(37 631)	-28%	231 948
Net cash from (used) investing	(364 374)	(275 839)	(280 884)	(18 366)	(124 919)	(163 849)	(38 930)	24%	(280 884)
Net cash from (used) financing	(3 130)	(3 896)	(12 528)	(1 995)	(1 995)	(7 308)	(5 313)	73%	(12 528)
<b>Cash/cash equivalents at the month/year end</b>	<b>25 638</b>	<b>128 072</b>	<b>10 129</b>	<b>-</b>	<b>117 613</b>	<b>35 739</b>	<b>(81 874)</b>	<b>-229%</b>	<b>10 129</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	9 785	7 075	6 240	5 550	4 924	4 509	26 848	139 371	204 302
<b>Creditors Age Analysis</b>									
Total Creditors	10 060	2 791	0	3 107	-	-	-	-	15 958

## 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) - M07 January

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue - Functional</b>									
<i>Governance and administration</i>	331 363	368 310	368 310	43 872	265 234	214 847	50 387	23%	368 310
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	331 363	368 310	368 310	43 872	265 234	214 847	50 387	23%	368 310
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	382 421	-	-	12	228	-	228	#DIV/0!	-
Planning and development	382 421	-	-	12	228	-	228	#DIV/0!	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	67 365	383 925	355 599	10 366	50 263	211 367	(161 104)	-76%	355 599
Energy sources	-	7 000	-	-	-	972	(972)	-100%	-
Water management	49 012	351 168	336 240	8 264	37 057	198 213	(161 156)	-81%	336 240
Waste water management	18 353	25 757	19 359	2 101	13 206	12 181	1 025	8%	19 359
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>781 150</b>	<b>752 235</b>	<b>723 909</b>	<b>54 250</b>	<b>315 726</b>	<b>426 214</b>	<b>(110 489)</b>	<b>-26%</b>	<b>723 909</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>	213 051	227 394	260 243	16 537	113 598	147 695	(34 097)	-23%	260 243
Executive and council	18 266	35 385	34 546	(4 104)	10 239	20 268	(10 029)	-49%	34 546
Finance and administration	188 610	187 697	221 380	19 951	99 127	124 909	(25 782)	-21%	221 380
Internal audit	6 175	4 312	4 317	690	4 231	2 518	1 714	68%	4 317
<i>Community and public safety</i>	13 823	11 180	10 880	1 373	8 588	6 388	2 200	34%	10 880
Community and social services	13 823	11 180	10 880	1 373	8 588	6 388	2 200	34%	10 880
<i>Economic and environmental services</i>	167 800	116 309	141 757	40 470	74 033	78 534	(4 501)	-6%	141 757
Planning and development	167 800	116 309	141 757	40 470	74 033	78 534	(4 501)	-6%	141 757
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	146 125	114 236	111 514	11 684	77 017	65 428	11 589	18%	111 514
Energy sources	35	-	-	-	-	-	-	-	-
Water management	145 347	113 919	111 193	11 627	76 579	65 241	11 338	17%	111 193
Waste water management	742	317	321	57	438	187	252	135%	321
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	480	480	-	-	280	(280)	-100%	480
<b>Total Expenditure - Functional</b>	<b>540 800</b>	<b>469 599</b>	<b>524 874</b>	<b>70 064</b>	<b>273 236</b>	<b>298 325</b>	<b>(25 089)</b>	<b>-8%</b>	<b>524 874</b>
<b>Surplus/ (Deficit) for the year</b>	<b>240 350</b>	<b>282 636</b>	<b>199 035</b>	<b>(15 815)</b>	<b>42 490</b>	<b>127 889</b>	<b>(85 399)</b>	<b>-67%</b>	<b>199 035</b>

This table assess the revenue by department and then the expenditure for the period ending 31 January 2020. Revenue receipts in January have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of January is 13%.

Expenditure by standard classification presents the expenditures by the departments. Infrastructure Services has the largest expenditure for the month of January 2020 because of depreciation followed by Water Services department as the department responsible for the repairs and maintenance of the municipal assets and also with the largest staff complement, shares the greatest bulk of this budget

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) - M07 January

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	330 039	368 310	368 310	43 854	264 639	214 847	49 792	23,2%	368 310
Vote 04 - Summary Corporate Services	445	-	-	-	150	-	150	#DIV/0!	-
Vote 05 - Summary Social Services & Development Planning	346	-	-	12	228	-	228	#DIV/0!	-
Vote 06 - Summary Infrastructure Services	382 076	295 533	288 534	2 725	2 725	169 284	(166 558)	-98,4%	288 534
Vote 07 - Summary Water Services	68 244	88 392	67 065	7 659	47 982	42 083	5 899	14,0%	67 065
<b>Total Revenue by Vote</b>	<b>781 150</b>	<b>752 235</b>	<b>723 909</b>	<b>54 250</b>	<b>315 726</b>	<b>426 214</b>	<b>(110 489)</b>	<b>-25,9%</b>	<b>723 909</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	8 421	12 958	10 971	609	6 556	6 676	(119)	-1,8%	10 971
Vote 02 - Summary Municipal Manager	16 020	17 136	18 289	977	7 914	10 509	(2 594)	-24,7%	18 289
Vote 03 - Summary Budget And Treasury Office	72 227	79 233	83 866	4 874	30 419	48 281	(17 862)	-37,0%	83 866
Vote 04 - Summary Corporate Services	85 564	67 212	79 155	12 717	48 183	44 958	3 224	7,2%	79 155
Vote 05 - Summary Social Services & Development Planning	47 553	62 447	57 833	3 357	34 102	34 375	(272)	-0,8%	57 833
Vote 06 - Summary Infrastructure Services	134 106	77 835	107 547	33 485	48 519	57 992	(9 473)	-16,3%	107 547
Vote 07 - Summary Water Services	176 909	152 777	167 212	14 044	97 543	95 536	2 007	2,1%	167 212
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>540 800</b>	<b>469 599</b>	<b>524 874</b>	<b>70 064</b>	<b>273 236</b>	<b>298 325</b>	<b>(25 089)</b>	<b>-8,4%</b>	<b>524 874</b>
<b>Surplus/ (Deficit) for the year</b>	<b>240 350</b>	<b>282 636</b>	<b>199 035</b>	<b>(15 815)</b>	<b>42 490</b>	<b>127 889</b>	<b>(85 399)</b>	<b>-66,8%</b>	<b>199 035</b>

## Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 January 2020.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Service charges - water revenue	43 001	62 635	47 706	4 799	29 703	27 829	1 874	7%	47 706
Service charges - sanitation revenue	15 419	25 757	19 359	1 713	10 655	11 293	(638)	-6%	19 359
Interest earned - external investments	9 202	11 161	11 161	293	4 370	6 511	(2 141)	-33%	11 161
Interest earned - outstanding debtors	10 556	9 658	9 658	1 208	7 854	5 634	2 220	39%	9 658
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	694	-	-	35	340	-	340	#DIV/0!	-
Transfers and subsidies	366 165	366 404	359 405	46 202	261 946	209 653	52 293	25%	359 405
Other revenue	337	781	781	0	858	456	402	88%	781
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>445 375</b>	<b>476 396</b>	<b>448 071</b>	<b>54 250</b>	<b>315 726</b>	<b>261 375</b>	<b>54 351</b>	<b>21%</b>	<b>448 071</b>
<b>Expenditure By Type</b>									
Employee related costs	173 695	205 726	205 726	11 484	115 389	120 007	(4 618)	-4%	205 726
Remuneration of councillors	6 952	7 574	7 574	604	4 108	4 418	(310)	-7%	7 574
Debt impairment	19 111	25 315	25 315	-	-	14 767	(14 767)	-100%	25 315
Depreciation & asset impairment	69 605	38 192	79 590	39 609	39 884	46 428	(6 544)	-14%	79 590
Finance charges	3 752	3 522	3 522	469	2 377	2 055	322	16%	3 522
Bulk purchases	19 221	15 000	17 762	937	7 445	10 361	(2 917)	-28%	17 762
Other materials	31 006	15 443	7 886	(2 173)	3 017	4 600	(1 583)	-34%	7 886
Contracted services	156 547	101 502	116 915	10 997	63 551	68 201	(4 649)	-7%	116 915
Transfers and subsidies	14 000	-	-	5 000	5 000	-	5 000	#DIV/0!	-
Other expenditure	37 963	57 324	60 583	3 139	32 465	35 340	(2 875)	-8%	60 583
Loss on disposal of PPE	8 948	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>540 800</b>	<b>469 599</b>	<b>524 874</b>	<b>70 064</b>	<b>273 236</b>	<b>306 176</b>	<b>(32 941)</b>	<b>-11%</b>	<b>524 874</b>
<b>Surplus/(Deficit)</b>	<b>(95 425)</b>	<b>6 798</b>	<b>(76 803)</b>	<b>(15 815)</b>	<b>42 490</b>	<b>(44 802)</b>	<b>87 292</b>	<b>(0)</b>	<b>(76 803)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	275 839	275 839	-	-	160 906	(160 906)	(0)	275 839
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>240 350</b>	<b>282 636</b>	<b>199 035</b>	<b>(15 815)</b>	<b>42 490</b>	<b>116 104</b>			<b>199 035</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>240 350</b>	<b>282 636</b>	<b>199 035</b>	<b>(15 815)</b>	<b>42 490</b>	<b>116 104</b>			<b>199 035</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>240 350</b>	<b>282 636</b>	<b>199 035</b>	<b>(15 815)</b>	<b>42 490</b>	<b>116 104</b>			<b>199 035</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>240 350</b>	<b>282 636</b>	<b>199 035</b>	<b>(15 815)</b>	<b>42 490</b>	<b>116 104</b>			<b>199 035</b>



## 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.

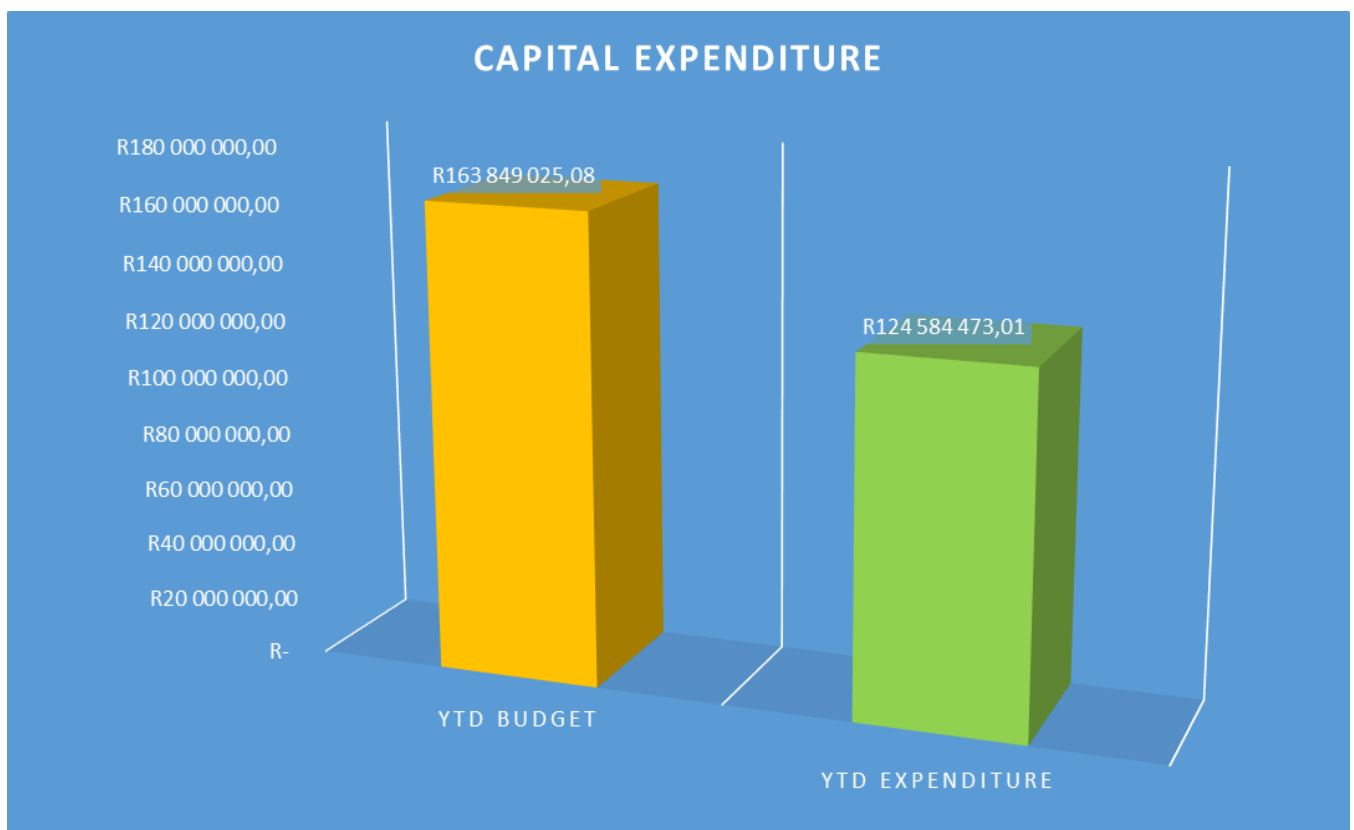
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M07

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	216 818	20 000	20 000	-	7 375	11 667	(4 292)	-37%	20 000
Vote 07 - Summary Water Services	35 525	145 243	155 243	11 804	75 055	86 392	(11 337)	-13%	155 243
<b>Total Capital Multi-year expenditure</b>	<b>252 343</b>	<b>165 243</b>	<b>175 243</b>	<b>11 804</b>	<b>82 430</b>	<b>98 059</b>	<b>(15 629)</b>	<b>-16%</b>	<b>175 243</b>
<b>Single Year expenditure appropriation</b>									
Vote 03 - Summary Budget And Treasury Office	38	629	489	-	-	314	(314)	-100%	489
Vote 04 - Summary Corporate Services	10 203	4 942	3 342	165	1 504	2 172	(667)	-31%	3 342
Vote 05 - Summary Social Services & Development Planning	62	158	158	-	18	92	(74)	-80%	158
Vote 06 - Summary Infrastructure Services	4 140	-	-	-	-	-	-	-	-
Vote 07 - Summary Water Services	-	111 651	101 651	6 398	40 985	63 463	(22 479)	-35%	101 651
<b>Total Capital single-year expenditure</b>	<b>14 442</b>	<b>117 381</b>	<b>105 641</b>	<b>6 563</b>	<b>42 507</b>	<b>66 042</b>	<b>(23 534)</b>	<b>-36%</b>	<b>105 641</b>
<b>Total Capital Expenditure</b>	<b>266 785</b>	<b>282 624</b>	<b>280 884</b>	<b>18 366</b>	<b>124 937</b>	<b>164 100</b>	<b>(39 163)</b>	<b>-24%</b>	<b>280 884</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	<b>10 240</b>	<b>5 571</b>	<b>3 831</b>	<b>165</b>	<b>1 523</b>	<b>2 486</b>	<b>(963)</b>	<b>-39%</b>	<b>3 831</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	10 240	5 571	3 831	165	1 523	2 486	(963)	-39%	3 831
Internal audit	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>212 808</b>	<b>158</b>	<b>158</b>	<b>-</b>	<b>-</b>	<b>92</b>	<b>(92)</b>	<b>-100%</b>	<b>158</b>
Planning and development	212 808	158	158	-	-	92	(92)	-100%	158
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>43 737</b>	<b>276 894</b>	<b>276 894</b>	<b>18 202</b>	<b>123 414</b>	<b>161 522</b>	<b>(38 108)</b>	<b>-24%</b>	<b>276 894</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	43 737	213 071	203 071	8 884	86 001	122 625	(36 623)	-30%	203 071
Waste water management	-	63 824	73 824	9 317	37 413	38 897	(1 484)	-4%	73 824
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>266 785</b>	<b>282 624</b>	<b>280 884</b>	<b>18 366</b>	<b>124 937</b>	<b>164 100</b>	<b>(39 163)</b>	<b>-24%</b>	<b>280 884</b>
<b>Funded by:</b>									
National Government	134 240	275 978	275 838	18 202	123 414	160 935	(37 521)	-23%	275 838
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	225	225	-	-	131	(131)	-100%	225
Other transfers and grants	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>134 240</b>	<b>276 203</b>	<b>276 063</b>	<b>18 202</b>	<b>123 414</b>	<b>161 066</b>	<b>(37 652)</b>	<b>-23%</b>	<b>276 063</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>14 442</b>	<b>6 421</b>	<b>4 821</b>	<b>165</b>	<b>1 504</b>	<b>3 034</b>	<b>(1 530)</b>	<b>-50%</b>	<b>4 821</b>
<b>Total Capital Funding</b>	<b>148 683</b>	<b>282 624</b>	<b>280 884</b>	<b>18 366</b>	<b>124 919</b>	<b>164 100</b>	<b>(39 182)</b>	<b>-24%</b>	<b>280 884</b>

As alluded to above, the capital expenditure programme for the month ending 31 January was R18m of capital expenditure against year to date budget.

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

**Chart 1: 2019/2020 CAPEX YTD BUDGET & YTD ACTUAL**



As at 31 January 2020, the year to date actual expenditure was R124,5million against a YTD budget of R163,8million. In monetary terms, these figures represent 76% per cent performance against the capital development programme as at 31 January 2020.

Table C6 displays the financial position of the municipality as at 31 January 2019.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M07 January

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash	53 026	169 975	169 975	92 153	169 975
Call investment deposits	5 337	37 087	37 087	26 447	37 087
Consumer debtors	26 933	42 739	42 739	53 334	42 739
Other debtors	33 432	32 638	32 638	36 107	32 638
Inventory	248	171	171	248	171
<b>Total current assets</b>	<b>118 976</b>	<b>282 609</b>	<b>282 609</b>	<b>208 288</b>	<b>282 609</b>
<b>Non current assets</b>					
Investment property	-	-	-	-	-
Property, plant and equipment	2 170 503	2 163 828	2 162 088	2 255 979	2 162 088
Intangible	1 191	1 316	1 316	1 071	1 316
Other non-current assets	-	-	-	-	-
<b>Total non current assets</b>	<b>2 171 694</b>	<b>2 165 144</b>	<b>2 163 404</b>	<b>2 257 050</b>	<b>2 163 404</b>
<b>TOTAL ASSETS</b>	<b>2 290 670</b>	<b>2 447 753</b>	<b>2 446 013</b>	<b>2 465 339</b>	<b>2 446 013</b>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>					
Borrowing	-	(4 290)	(4 290)	(844)	(4 290)
Consumer deposits	1 768	1 740	1 740	1 843	1 740
Trade and other payables	157 549	131 248	131 248	291 353	131 248
Provisions	11 000	9 574	9 574	11 000	9 574
<b>Total current liabilities</b>	<b>170 317</b>	<b>138 272</b>	<b>138 272</b>	<b>303 352</b>	<b>138 272</b>
<b>Non current liabilities</b>					
Borrowing	37 730	13 292	13 292	21 542	13 292
Provisions	18 940	22 949	22 949	18 940	22 949
<b>Total non current liabilities</b>	<b>56 670</b>	<b>36 242</b>	<b>36 242</b>	<b>40 482</b>	<b>36 242</b>
<b>TOTAL LIABILITIES</b>	<b>226 987</b>	<b>174 514</b>	<b>174 514</b>	<b>343 835</b>	<b>174 514</b>
<b>NET ASSETS</b>	<b>2 063 683</b>	<b>2 273 239</b>	<b>2 271 499</b>	<b>2 121 504</b>	<b>2 271 499</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>					
Accumulated Surplus/(Deficit)	2 063 683	2 273 239	2 271 499	2 121 504	2 271 499
Reserves	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 063 683</b>	<b>2 273 239</b>	<b>2 271 499</b>	<b>2 121 504</b>	<b>2 271 499</b>

Table C7 below display the Cash Flow Statement for the period ending 31 January 2020.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
National Government:	525 369	359 004	356 883	73 112	276 568	208 182	68 386	32,8%	513 013
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	476 853	345 309	345 309	72 974	257 480	201 430	56 049	27,8%	490 079
Expanded Public Works Programme Integrated Grant	358	5 316	5 316	52	2 841	3 101	(260)	-8,4%	15 883
Local Government Financial Management Grant	1 371	1 000	1 000	-	608	583	25	4,3%	1 793
Municipal Infrastructure Grant	29 839	5 022	5 022	86	6 917	2 929	3 988	136,1%	5 022
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 003	2 357	237	-	272	138	134	97,1%	237
Water Services Infrastructure Grant	14 945	-	-	-	8 449	-	8 449	-	-
Provincial Government:	1 332	-	-	-	-	-	-	-	-
Development Planning and Shared Services	1 332	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	15 709	15 709	(5 000)	-	9 163	(9 163)	-100,0%	15 709
HGDA	-	15 709	15 709	(5 000)	-	9 163	(9 163)	-100,0%	15 709
Other grant providers:	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>526 701</b>	<b>374 712</b>	<b>372 592</b>	<b>68 112</b>	<b>276 568</b>	<b>217 345</b>	<b>59 222</b>	<b>27,2%</b>	<b>528 721</b>
<b>Capital expenditure of Transfers and Grants</b>									
National Government:	134 240	275 978	275 838	18 202	123 414	160 906	(37 492)	-23,3%	275 838
Local Government Financial Management Grant	-	140	-	-	-	-	-	-	-
Municipal Infrastructure Grant	10 090	195 838	195 838	15 715	75 824	114 239	(38 415)	-33,6%	195 838
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	65 476	20 000	20 000	-	7 375	11 667	(4 292)	-36,8%	20 000
Water Services Infrastructure Grant	58 674	60 000	60 000	2 486	40 215	35 000	5 215	14,9%	60 000
Provincial Government:	-	-	-	-	-	-	-	-	-
District Municipality:	-	225	225	-	-	131	(131)	-100,0%	225
Specify (Add grant description)	-	225	225	-	-	131	(131)	-100,0%	225
Other grant providers:	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>134 240</b>	<b>276 203</b>	<b>276 063</b>	<b>18 202</b>	<b>123 414</b>	<b>161 037</b>	<b>(37 623)</b>	<b>-23,4%</b>	<b>276 063</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>660 941</b>	<b>650 915</b>	<b>648 655</b>	<b>86 313</b>	<b>399 982</b>	<b>378 382</b>	<b>21 600</b>	<b>5,7%</b>	<b>804 785</b>

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 January 2020.

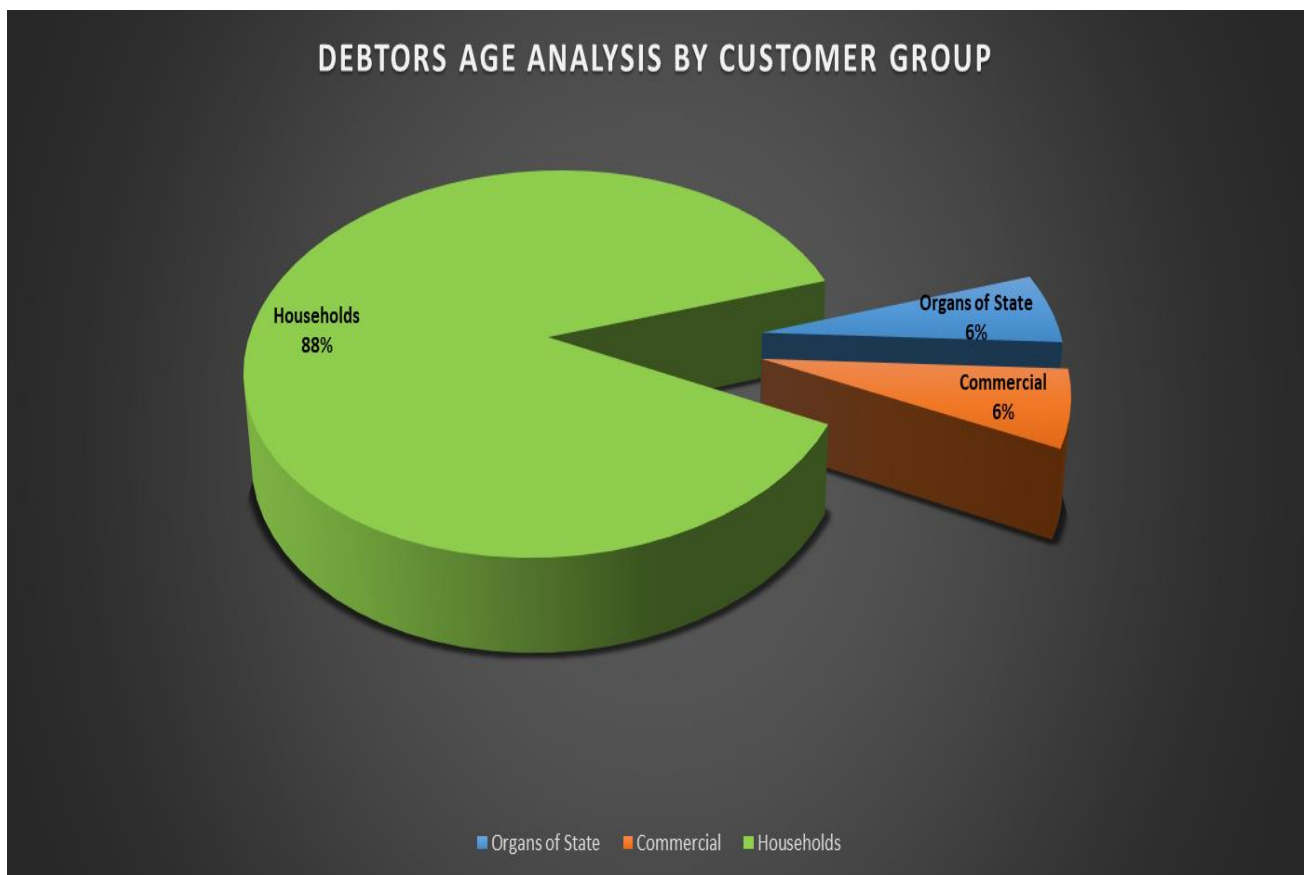
**Table 2.1.1: Debtors Age Analysis by Income Source**

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	Budget Year 2019/20									
	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										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	6 281	4 541	4 006	3 563	3 161	2 895	17 234	89 465	131 146	116 318
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	2 454	1 774	1 565	1 392	1 235	1 131	6 733	34 951	51 234	45 441
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1 050	759	670	596	528	484	2 881	14 955	21 922	19 443
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Income Source</b>	<b>9 785</b>	<b>7 075</b>	<b>6 240</b>	<b>5 550</b>	<b>4 924</b>	<b>4 509</b>	<b>26 848</b>	<b>139 371</b>	<b>204 302</b>	<b>181 202</b>
2018/19 - totals only									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	3 580	2 330	1 340	390	330	280	1 088	2 501	11 840	4 589
Commercial	961	594	580	968	409	452	1 998	6 923	12 885	10 750
Households	5 244	4 150	4 319	4 192	4 185	3 777	23 763	129 946	179 577	165 863
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>9 785</b>	<b>7 075</b>	<b>6 240</b>	<b>5 550</b>	<b>4 924</b>	<b>4 509</b>	<b>26 848</b>	<b>139 371</b>	<b>204 302</b>	<b>181 202</b>

## 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		
		JANUARY 2020	DECEMBER 2019
Unallocated receipts	R 1 566 786,51	52%	60%
Bhongweni	R 31 012,88	1%	1%
Shayamoya	R 1 974,00	1%	0%
Kokstad	R 844 007,17	28%	26%
Ixopo	R 266 214,48	9%	5%
NDZ	R 230 613,97	8%	7%
Umzimkulu	R 74 382,73	3%	2%
Fairview	R 163,00	0%	0%
<b>TOTAL RECEIPTS INCL VAT</b>	<b>R 3 015 154,74</b>	100%	100%

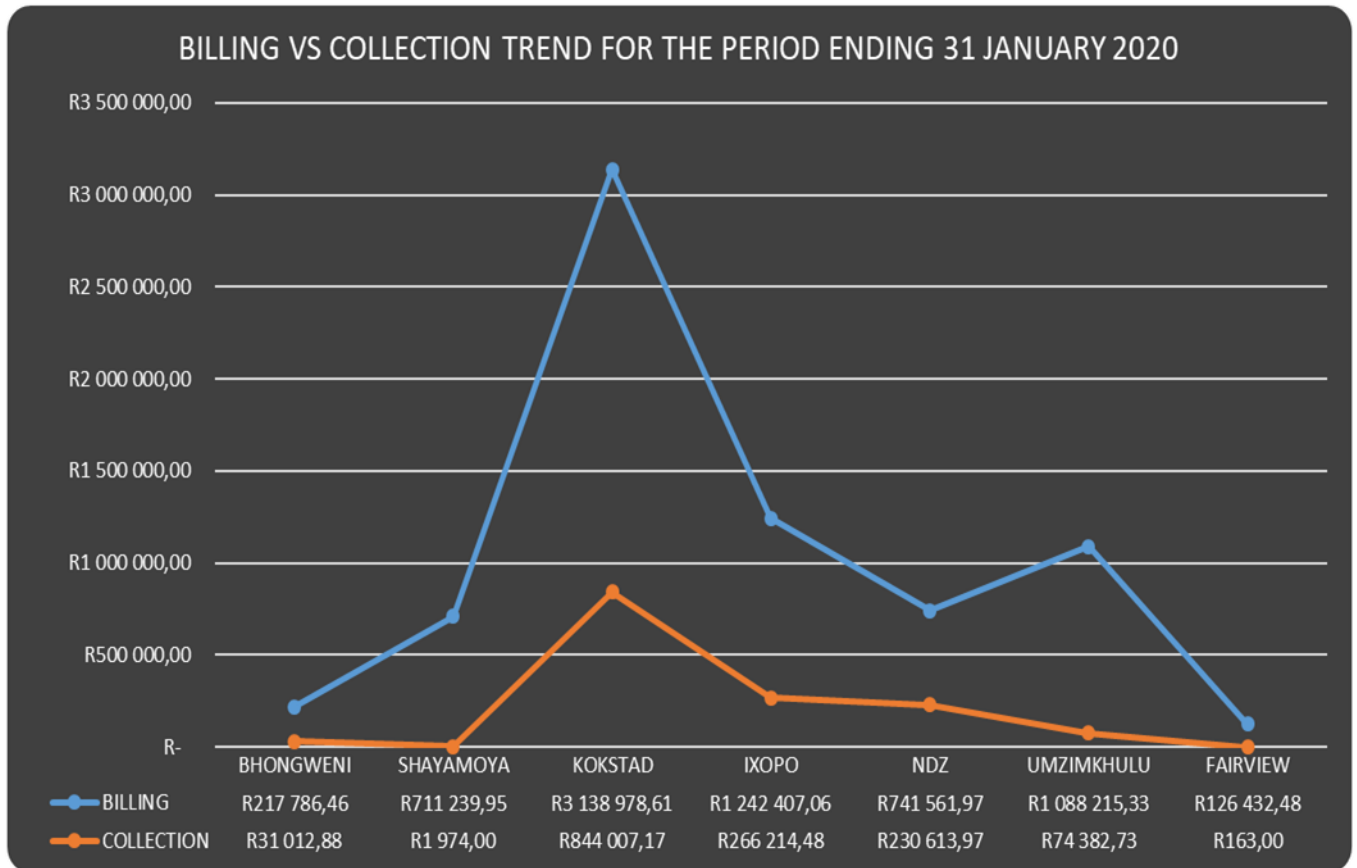
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for January 2020 is R3million

**BILLING VS COLLECTION FOR DECEMBER 2019 AND JANUARY 2020**





**BILLING VS COLLECTION TREND FOR JANUARY 2020**



**Debtors age analysis per service**

The municipality’s total outstanding debtors amounted to R 204 301 789 as at 31 January 2020 compared with the R 198 873 000 as at 31 December 2019. Current debt represent 5% of the total outstanding debt compared with the 3% of January 2020; 30 days and older debt 3% compared with the 4% for December 2019; 60 days and older debt 3% compared with the 3% of December 2019; and 90 days 3% compared

with the 3% of December 2019; 120 days to History and older 84% compared with the 89% for December 2019.

Current debt increased with R 5,428,788 to R 204,301,789 compared with the R 198,873,000 as at 31 December 2019; 30 days + debt Increased with R 34,670; 60 days + Decreased with R 232,752; 90 days + debt Increased with R 278,210 and 120 + days and older debt as at January 2020 has increased with R 3,573,911 to R 175,652,172 compared with the R 172,078,261 as at 31 December 2019.

### **Debtors age analysis per debtor type**

Business debtors owes the municipality R 12,662,511 (6%); Municipal debtors R 850,813 (0.01%); domestic debtors R 148,179,029 (73%); Government accounts R 10,790,706 (5%); Indigent debtors R 28,365,431 (14%) and other debtors R 3,453,300 (2%) of the total outstanding debt of R 204,301,789. Furthermore most of the domestic debt and other debt will be irrecoverable and most probably will also have to be written off

## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 January 2020.

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	Budget Year 2019/20								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	
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water	4 142	1 986	0	0					6 129
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	5 555	805	-	3 107					9 466
Auditor General	363	-	-	-					363
Other									-
<b>Total By Customer Type</b>	<b>10 060</b>	<b>2 791</b>	<b>0</b>	<b>3 107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 958</b>

## 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 January 2020. The closing cash and cash equivalents as at the end of January 2020 was R118, 5million refer to the table below for cash and cash equivalent register for more detail on the municipality's cash position

### Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	Yrs/Months								
R thousands									
<b>Municipality</b>									
FIRST NATIONAL BANK		CALL ACCOUNT			789	3	-	39 901	40 693
FIRST NATIONAL BANK		CALL ACCOUNT			1 767	7	(45 522)	80 000	36 252
FIRST NATIONAL BANK		ADMIN CALL			36 398	89	(12 117)	-	24 370
INVESTEC		FIXED DEPOSIT			2 065	11	-	-	2 076
FIRST NATIONAL BANK		FIXED DEPOSIT			21 751	113	(26 595)	4 736	5
FIRST NATIONAL BANK		CALL ACCOUNT			3 515	14	-	-	3 529
FIRST NATIONAL BANK		CALL ACCOUNT			3 100	13	-	-	3 113
FIRST NATIONAL BANK		CALL ACCOUNT			6 667	27	-	-	6 694
FIRST NATIONAL BANK		FIXED DEPOSIT			1 021	4	-	-	1 025
CURRENT ACCOUNT					2 607			(1 766)	841
<b>Municipality sub-total</b>					<b>79 681</b>	<b>281</b>	<b>(84 233)</b>	<b>122 871</b>	<b>118 600</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>					<b>79 681</b>		<b>(84 233)</b>	<b>122 871</b>	<b>118 600</b>

## 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 - M07 January

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>325 110</b>	<b>359 004</b>	<b>359 005</b>	<b>-</b>	<b>222 117</b>	<b>209 419</b>	<b>12 698</b>	<b>6,1%</b>	<b>365 321</b>
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	318 074	345 309	345 309	-	215 744	201 430	14 314	7,1%	345 309
Expanded Public Works Programme Integrated Grant	5 036	5 316	5 316	-	3 722	3 101	621	20,0%	10 632
Local Government Financial Management Grant	2 000	1 000	1 000	-	1 000	583	417	71,4%	2 000
Municipal Infrastructure Grant	-	5 022	5 022	-	-	2 929	(2 929)	-100,0%	5 022
Rural Road Asset Management Systems Grant	-	2 357	2 358	-	1 651	1 376	276	20,0%	2 358
Other transfers and grants [insert description]									
<b>Provincial Government:</b>	<b>43 783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other	43 783	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>791</b>	<b>400</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>233</b>	<b>(233)</b>	<b>-100,0%</b>	<b>400</b>
Unspecified	791	400	400	-	-	233	(233)	-100,0%	400
<b>Total Operating Transfers and Grants</b>	<b>369 683</b>	<b>359 404</b>	<b>359 405</b>	<b>-</b>	<b>222 117</b>	<b>209 653</b>	<b>12 464</b>	<b>5,9%</b>	<b>365 721</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>335 775</b>	<b>275 839</b>	<b>275 839</b>	<b>80 000</b>	<b>190 000</b>	<b>160 906</b>	<b>29 094</b>	<b>18,1%</b>	<b>275 839</b>
Equitable Share	47 223	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	152 755	195 839	195 839	80 000	130 000	114 239	15 761	13,8%	195 839
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	70 000	20 000	20 000	-	15 000	11 667	3 333	28,6%	20 000
Rural Road Asset Management Systems Grant	2 226	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	63 571	60 000	60 000	-	45 000	35 000	10 000	28,6%	60 000
[insert description]									
<b>Total Capital Transfers and Grants</b>	<b>335 775</b>	<b>275 839</b>	<b>275 839</b>	<b>80 000</b>	<b>190 000</b>	<b>160 906</b>	<b>29 094</b>	<b>18,1%</b>	<b>275 839</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>705 459</b>	<b>635 242</b>	<b>635 243</b>	<b>80 000</b>	<b>412 117</b>	<b>370 558</b>	<b>41 559</b>	<b>11,2%</b>	<b>641 559</b>

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 - M07 January

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	525 369	366 004	356 883	73 112	259 206	291 411	(32 205)	-11,1%	513 013
Energy Efficiency and Demand Side Management Grant	-	7 000	-	-	-	972	(972)	-100,0%	-
Equitable Share	476 853	345 309	345 309	72 974	257 480	276 768	(19 289)	-7,0%	490 079
Expanded Public Works Programme Integrated Grant	358	5 316	5 316	52	356	9 264	(8 908)	-96,2%	15 883
Local Government Financial Management Grant	1 371	1 000	1 000	-	608	1 044	(436)	-41,7%	1 793
Municipal Infrastructure Grant	29 839	5 022	5 022	86	525	2 929	(2 404)	-82,1%	5 022
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 003	2 357	237	-	237	433	(196)	-45,3%	237
Water Services Infrastructure Grant	14 945	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	1 332	-	-	-	-	-	-	-	-
Development Planning and Shared Services	1 332	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	15 709	15 709	(5 000)	-	9 163	(9 163)	-100,0%	15 709
HGDA	-	15 709	15 709	(5 000)	-	9 163	(9 163)	-100,0%	15 709
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>526 701</b>	<b>381 712</b>	<b>372 592</b>	<b>68 112</b>	<b>259 206</b>	<b>300 574</b>	<b>(41 368)</b>	<b>-13,8%</b>	<b>528 721</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	134 240	275 978	275 838	18 202	123 414	160 935	(37 521)	-23,3%	275 838
Local Government Financial Management Grant	-	140	-	-	-	29	(29)	-100,0%	-
Municipal Infrastructure Grant	10 090	195 838	195 838	15 715	75 824	114 239	(38 415)	-33,6%	195 838
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	65 476	20 000	20 000	-	7 375	11 667	(4 292)	-36,8%	20 000
Water Services Infrastructure Grant	58 674	60 000	60 000	2 486	40 215	35 000	5 215	14,9%	60 000
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	225	225	-	-	131	(131)	-100,0%	225
Specify (Add grant description)	-	225	225	-	-	131	(131)	-100,0%	225
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>134 240</b>	<b>276 203</b>	<b>276 063</b>	<b>18 202</b>	<b>123 414</b>	<b>161 066</b>	<b>(37 652)</b>	<b>-23,4%</b>	<b>276 063</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>660 941</b>	<b>657 915</b>	<b>648 655</b>	<b>86 313</b>	<b>382 620</b>	<b>461 641</b>	<b>(79 020)</b>	<b>-17,1%</b>	<b>804 785</b>

## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 January 2020.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	2018/19	Budget Year 2019/20							
	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
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	4 538	5 691	5 691	425	2 674	3 320	(645)	-19%	5 691
Pension and UIF Contributions	581	254	254	40	281	148	132	89%	254
Medical Aid Contributions	96	45	45	5	30	26	4	16%	45
Motor Vehicle Allowance	45	-	-	-	-	-	-	-	-
Cellphone Allowance	534	372	372	54	340	217	123	57%	372
Other benefits and allowances	1 159	1 212	1 212	80	783	707	76	11%	1 212
<b>Sub Total - Councillors</b>	<b>6 952</b>	<b>7 574</b>	<b>7 574</b>	<b>604</b>	<b>4 108</b>	<b>4 418</b>	<b>(310)</b>	<b>-7%</b>	<b>7 574</b>
% increase		8,9%	8,9%						8,9%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4 005	5 660	5 660	276	1 925	3 302	(1 377)	-42%	5 660
Pension and UIF Contributions	10	8	8	1	5	4	1	18%	8
Medical Aid Contributions	91	1 021	1 021	10	64	595	(531)	-89%	1 021
Performance Bonus	146	-	-	-	53	-	53	#DIV/0!	-
Motor Vehicle Allowance	883	941	941	69	485	549	(64)	-12%	941
Cellphone Allowance	91	785	785	8	54	458	(403)	-88%	785
Housing Allowances	129	110	110	13	90	64	26	40%	110
Other benefits and allowances	110	117	117	30	211	68	142	208%	117
Payments in lieu of leave	22	353	353	-	-	206	(206)	-100%	353
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 488</b>	<b>8 995</b>	<b>8 995</b>	<b>406</b>	<b>2 887</b>	<b>5 247</b>	<b>(2 359)</b>	<b>-45%</b>	<b>8 995</b>
% increase		63,9%	63,9%						63,9%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	99 979	103 251	103 251	8 918	62 507	60 230	2 277	4%	103 251
Pension and UIF Contributions	14 873	12 905	12 905	1 335	9 415	7 528	1 887	25%	12 905
Medical Aid Contributions	7 261	5 136	5 136	696	4 702	2 996	1 706	57%	5 136
Overtime	22 215	19 704	19 704	2 142	14 117	11 494	2 623	23%	19 704
Performance Bonus	6 855	9 704	9 704	653	4 201	5 661	(1 460)	-26%	9 704
Motor Vehicle Allowance	13 814	12 641	12 641	1 120	8 363	7 374	989	13%	12 641
Cellphone Allowance	699	734	734	64	456	428	28	6%	734
Housing Allowances	413	1 442	1 442	40	279	841	(562)	-67%	1 442
Other benefits and allowances	3 514	18 178	18 178	372	2 784	10 604	(7 820)	-74%	18 178
Payments in lieu of leave	1 967	1 419	1 419	17	427	828	(400)	-48%	1 419
Long service awards	626	314	314	31	100	183	(83)	-45%	314
Post-retirement benefit obligations	(4 009)	2 099	2 099	-	-	1 224	(1 224)	-100%	2 099
<b>Sub Total - Other Municipal Staff</b>	<b>168 207</b>	<b>187 528</b>	<b>187 528</b>	<b>15 387</b>	<b>107 351</b>	<b>109 392</b>	<b>(2 040)</b>	<b>-2%</b>	<b>187 528</b>
% increase		11,5%	11,5%						11,5%
<b>Total Parent Municipality</b>	<b>180 647</b>	<b>204 097</b>	<b>204 097</b>	<b>16 398</b>	<b>114 346</b>	<b>119 057</b>	<b>(4 710)</b>	<b>-4%</b>	<b>204 097</b>
		13,0%	13,0%						13,0%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages	-	350	350	-	-	204	(204)	-100%	350
<b>Sub Total - Board Members of Entities</b>	<b>-</b>	<b>350</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>(204)</b>	<b>-100%</b>	<b>350</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages	-	1 100	1 100	-	-	642	(642)	-100%	1 100
<b>Sub Total - Senior Managers of Entities</b>	<b>-</b>	<b>1 100</b>	<b>1 100</b>	<b>-</b>	<b>-</b>	<b>642</b>	<b>(642)</b>	<b>-100%</b>	<b>1 100</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Other Staff of Entities</b>									
Basic Salaries and Wages	-	5 283	5 283	(5 000)	-	3 082	(3 082)	-100%	5 283
Pension and UIF Contributions	-	1 380	1 380	-	-	805	(805)	-100%	1 380
Medical Aid Contributions	-	450	450	-	-	263	(263)	-100%	450
Performance Bonus	-	500	500	-	-	292	(292)	-100%	500
Other benefits and allowances	-	100	100	-	-	58	(58)	-100%	100
Payments in lieu of leave	-	40	40	-	-	23	(23)	-100%	40
<b>Sub Total - Other Staff of Entities</b>	<b>-</b>	<b>7 753</b>	<b>7 753</b>	<b>(5 000)</b>	<b>-</b>	<b>4 523</b>	<b>(4 523)</b>	<b>-100%</b>	<b>7 753</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Total Municipal Entities</b>	<b>-</b>	<b>9 203</b>	<b>9 203</b>	<b>(5 000)</b>	<b>-</b>	<b>5 368</b>	<b>(5 368)</b>	<b>-100%</b>	<b>9 203</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>180 647</b>	<b>213 300</b>	<b>213 300</b>	<b>11 398</b>	<b>114 346</b>	<b>124 425</b>	<b>(10 079)</b>	<b>-8%</b>	<b>213 300</b>
% increase		18,1%	18,1%						18,1%
<b>TOTAL MANAGERS AND STAFF</b>	<b>173 695</b>	<b>205 376</b>	<b>205 376</b>	<b>10 794</b>	<b>110 239</b>	<b>119 803</b>	<b>(9 564)</b>	<b>-8%</b>	<b>205 376</b>



## 2.6 Material Variances to the SDBIP

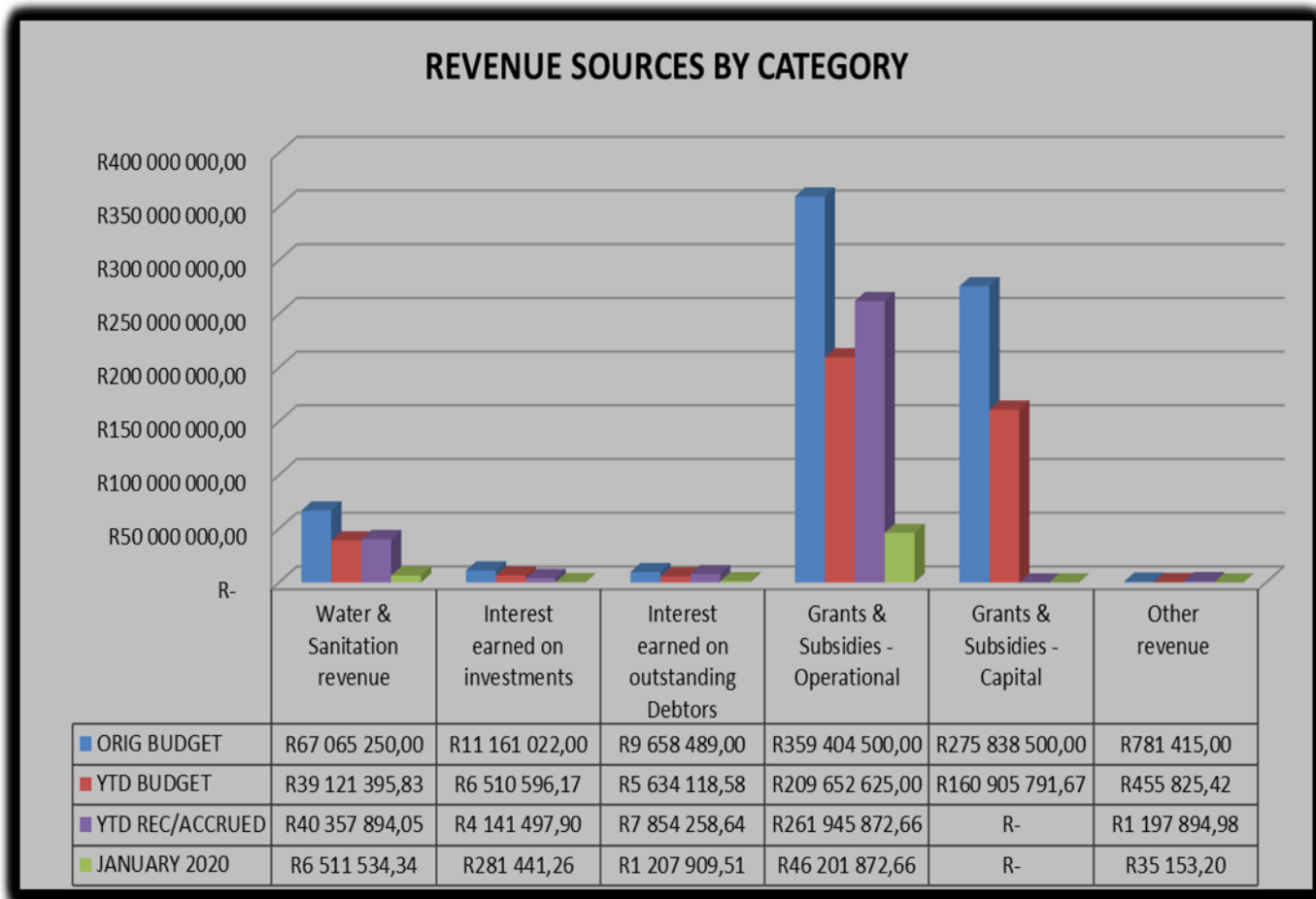
The following section analyses material variances between the actual targets as at 31 January 2020 and the budget for the same period. This report analyses each major component under following headings;

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

### **REVENUE**

The chart displays a comparison between the 201920 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 January 2020 was R40, 3million against a year to date **budget** of R39million.

## **Interest Earned on External Investments**

The year to date actual on interest earned on external investments as at 31 January 2020 is R4, 1m against year to date budget of R6, 5million.

## **Transfers Recognised – Operational**

No operational grant received for the month of January 2020. There is an amount of R43million that was transferred from MIG to equitable for Rollover to set off the amount that was deducted by National Treasury in January 2020.

## **Transfers Recognised – Capital**

The year to date actual R124, 5million (against a YTD budget of R163, 8million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 76% performance in Conditional Capital grant funding expenditures.

No Capital grants received for the month of January 2020

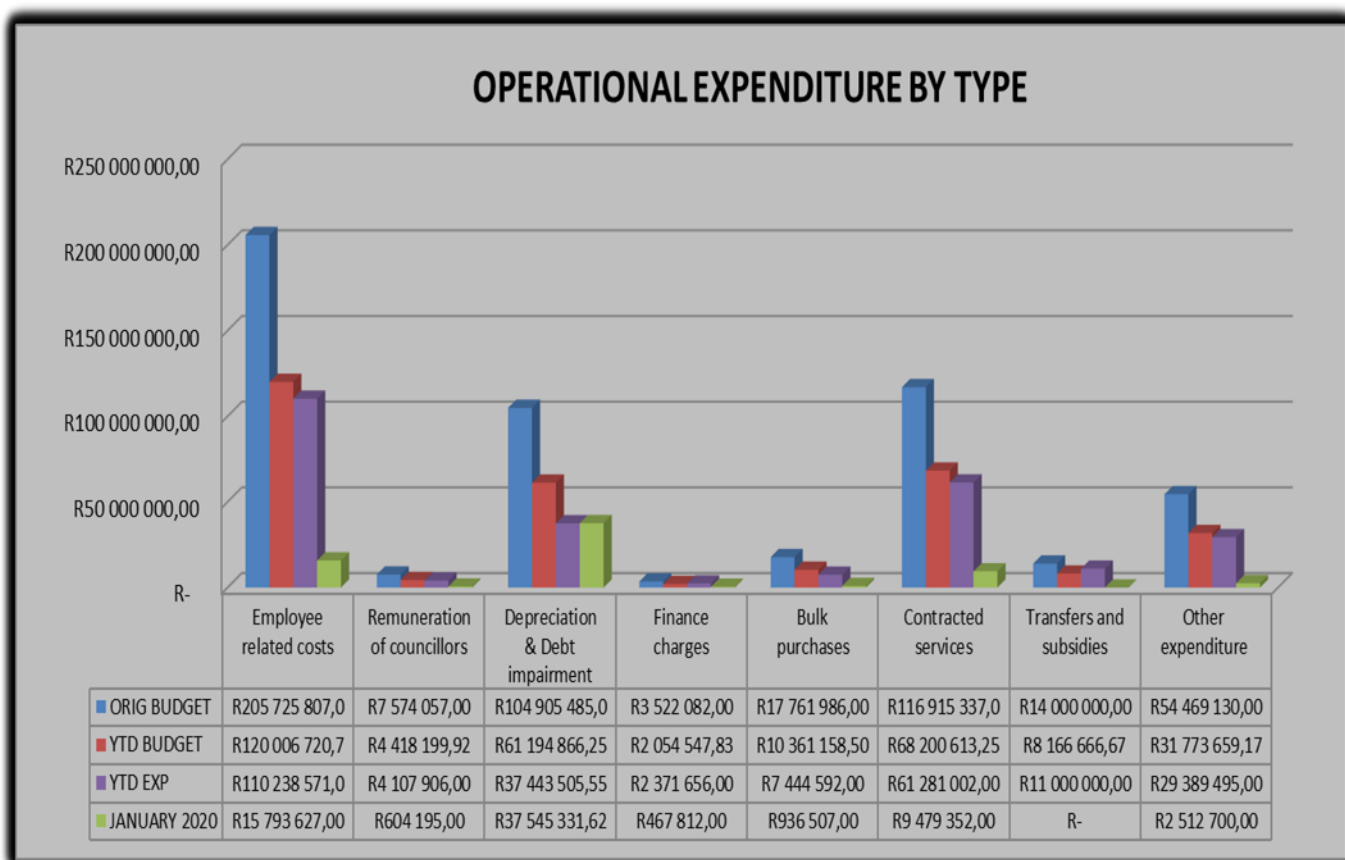
## **Other Revenue**

The YTD performance of other revenue is R 1, 1m against YTD budget of R 1, 1m.

## 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: 2019/20 financial year opex**



### Employee Related Costs

The YTD budget for employee related costs is R120million against a YTD actual of R110, 2million. The actual expenditure is at 92 per cent when comparing to the year to date budget

## **Remuneration of Councillors**

The remuneration of councillor's expenditure as at 31 January 2020 was R4, 1million against a year to budget of R4, 4million.

## **Finance Charges**

As at midyear, the finance charges budget has been overspent by 15%

## **Bulk Purchases**

The expenditure on Bulk Water purchases has underspent by R2, 9million when comparing to the year to date actual of R 7, 4million against year to budget of R 10, 3million.

## **Other Expenditure**

The year to date actual is R29, 3million against year to date budget of R 31, 7million.

## **Performance assessment**

The Performance Assessment Report will be available on the second quarter of 2019/2020 financial year in terms of mid-term performance assessment in accordance with the Municipal Finance Management Act.

## **Actual and revised targets for cash receipts**

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M07 January

Description	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget			
<b>Cash Receipts By Source</b>															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	3 341	3 133	3 401	3 529	3 385	2 355	3 119	1 500	1 789	2 456	2 700	3 115	33 823	36 089	38 507
Service charges - sanitation revenue	1 432	1 343	1 457	1 502	1 451	1 009	1 337	970	1 200	1 087	1 100	21	13 909	14 842	15 838
Interest earned - external investments	354	969	910	673	565	390	293	1 617	810	713	1 677	688	9 658	10 238	10 852
Transfer receipts - operating	145 208	3 980		3 000	2 393	71 865	-	595	138 842	-	121	-	366 004	381 076	411 995
Other revenue		276		-	858	-	35					(387)	781	823	867
<b>Cash Receipts by Source</b>	<b>150 335</b>	<b>9 700</b>	<b>5 768</b>	<b>8 703</b>	<b>8 651</b>	<b>75 620</b>	<b>4 784</b>	<b>4 682</b>	<b>142 641</b>	<b>4 256</b>	<b>5 598</b>	<b>3 437</b>	<b>424 175</b>	<b>443 068</b>	<b>478 060</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	50 000	40 000	-	-	20 000		80 000		85 839				275 839	302 870	358 946
Change in non-current investments															
<b>Total Cash Receipts by Source</b>	<b>200 335</b>	<b>49 700</b>	<b>5 768</b>	<b>8 703</b>	<b>28 651</b>	<b>75 620</b>	<b>84 784</b>	<b>4 682</b>	<b>228 480</b>	<b>4 256</b>	<b>5 598</b>	<b>3 437</b>	<b>700 014</b>	<b>745 938</b>	<b>837 006</b>
<b>Cash Payments by Type</b>															
Employee related costs	20 661	16 041	15 717	15 786	15 422	15 817	11 484	17 706	13 450	16 066	15 906	29 323	203 380	218 433	234 679
Remuneration of councillors	443	461	602	663	686	648	604	592	940	633	633	669	7 574	8 180	8 834
Interest paid						1 913	469	(2)	22	22	24	1 062	3 510	3 700	3 899
Bulk purchases - Water & Sewer		839	3 601	(993)		3 061	937	1 244	1 209	1 307	1 263	2 532	15 000	15 810	16 664
Other materials			462	1 366	1 796	3 061	-				10 529	-	17 213	16 035	16 901
Contracted services	5 912	5 127	8 229	11 258	7 581	13 607	10 997	9 567	8 275	7 586	3 221	-	91 360	94 212	99 437
General expenses	(5 158)	21 399	11 831	4 685	2 595	49 053	2 000	2 675	7 879	2 736	3 403	(36 592)	66 506	56 719	62 092
<b>Cash Payments by Type</b>	<b>21 858</b>	<b>43 867</b>	<b>40 442</b>	<b>32 765</b>	<b>28 081</b>	<b>87 159</b>	<b>26 490</b>	<b>31 784</b>	<b>31 775</b>	<b>28 350</b>	<b>34 980</b>	<b>(3 006)</b>	<b>404 543</b>	<b>413 089</b>	<b>442 506</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	15 134	13 021	17 935	15 692	36 401	8 336	18 366		13 973	29 714	28 234	79 033	275 839	276 162	326 406
Repayment of borrowing	-	-	-	-	-		1 995					1 901	3 896	4 323	2 338
<b>Total Cash Payments by Type</b>	<b>36 991</b>	<b>56 888</b>	<b>58 377</b>	<b>48 456</b>	<b>64 481</b>	<b>95 495</b>	<b>46 852</b>	<b>31 784</b>	<b>45 748</b>	<b>58 064</b>	<b>63 213</b>	<b>77 927</b>	<b>684 278</b>	<b>693 574</b>	<b>771 249</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>163 344</b>	<b>(7 188)</b>	<b>(52 609)</b>	<b>(39 753)</b>	<b>(35 830)</b>	<b>(19 875)</b>	<b>37 932</b>	<b>(27 102)</b>	<b>182 732</b>	<b>(53 809)</b>	<b>(57 615)</b>	<b>(74 490)</b>	<b>15 736</b>	<b>52 364</b>	<b>65 756</b>
Cash/cash equivalents at the month/year beginning:	71 593	234 936	227 749	175 139	135 386	99 556	79 681	117 613	90 511	273 242	219 434	161 818	71 593	87 329	139 693
Cash/cash equivalents at the month/year end:	234 936	227 749	175 139	135 386	99 556	79 681	117 613	90 511	273 242	219 434	161 818	87 329	87 329	139 693	205 449

## Parent Municipal financial performance

DC43 Harry Gwala - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M07 January

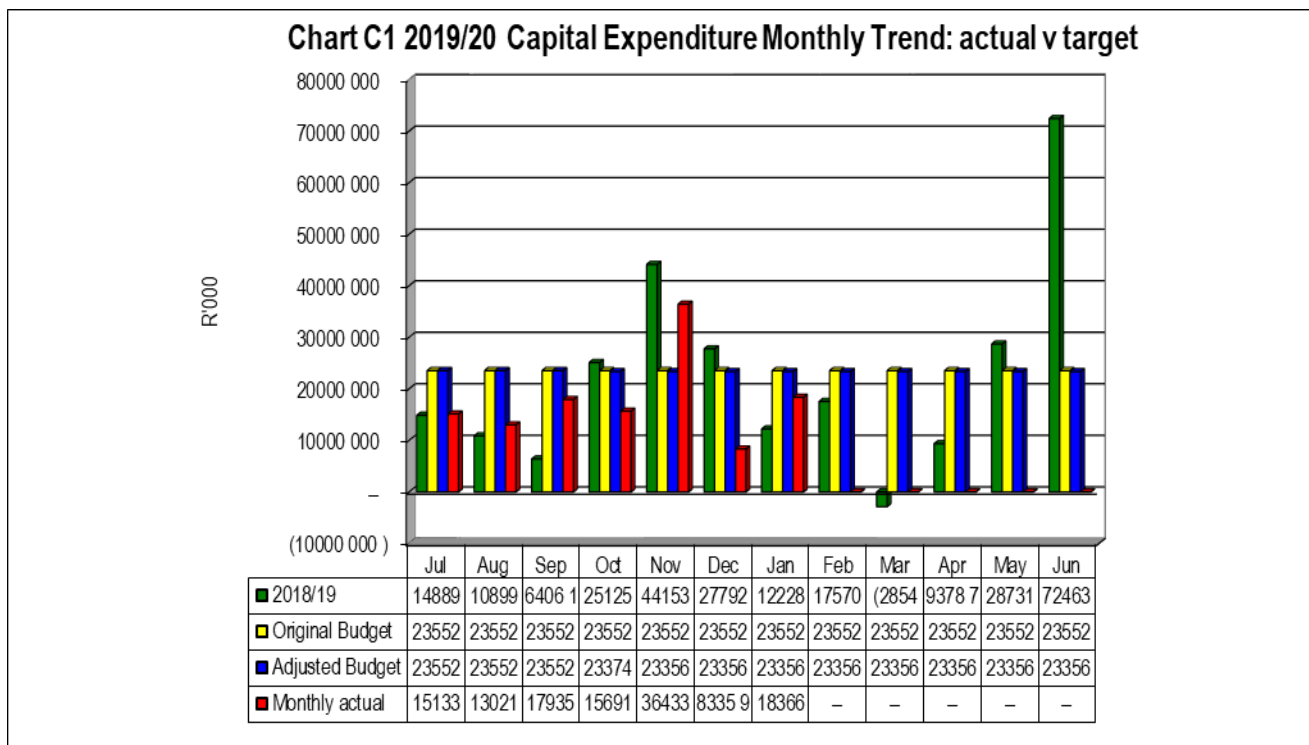
Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Service charges - water revenue	43 001	62 635	47 706	4 799	29 703	29 902	(199)	-1%	47 706
Service charges - sanitation revenue	15 419	25 757	19 359	1 713	10 655	12 181	(1 526)	-13%	19 359
Interest earned - external investments	9 202	11 161	11 161	281	4 141	6 511	(2 369)	-36%	11 161
Interest earned - outstanding debtors	10 556	9 658	9 658	1 208	7 854	5 634	2 220	39%	9 658
Dividends received							-		
Fines, penalties and forfeits	694	-	-	35	340	-	340	#DIV/0!	-
Transfers and subsidies	366 165	366 404	359 405	46 202	261 946	210 625	51 321	24%	359 405
Other revenue	337	781	781	0	858	456	402	88%	781
Gains on disposal of PPE	-	-	-	-	-	-	-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>445 375</b>	<b>476 396</b>	<b>448 071</b>	<b>54 238</b>	<b>315 497</b>	<b>265 309</b>	<b>50 189</b>	<b>19%</b>	<b>448 071</b>
<b>Expenditure By Type</b>									
Employee related costs	173 695	196 523	196 523	15 794	110 239	114 638	(4 400)	-4%	196 523
Remuneration of councillors	6 952	7 574	7 574	604	4 108	4 418	(310)	-7%	7 574
Debt impairment	19 111	25 315	25 315	-	-	14 767	(14 767)	-100%	25 315
Depreciation & asset impairment	69 605	38 192	79 590	39 562	39 562	40 061	(498)	-1%	79 590
Finance charges	3 752	3 510	3 510	468	2 372	2 048	324	16%	3 510
Bulk purchases	19 221	15 000	17 762	937	7 445	9 978	(2 533)	-25%	17 762
Other materials	31 006	15 193	7 606	(2 173)	3 017	5 493	(2 476)	-45%	7 606
Contracted services	156 547	100 172	115 585	10 918	62 720	65 281	(2 561)	-4%	115 585
Transfers and subsidies	14 000	-	-	5 000	5 000	-	5 000	#DIV/0!	-
Other expenditure	37 963	54 691	57 949	2 910	30 494	33 797	(3 303)	-10%	57 949
Loss on disposal of PPE	8 948	-	-	-	-	-	-		-
<b>Total Expenditure</b>	<b>540 800</b>	<b>456 170</b>	<b>511 415</b>	<b>74 019</b>	<b>264 956</b>	<b>290 481</b>	<b>(25 524)</b>	<b>-9%</b>	<b>511 415</b>
<b>Surplus/(Deficit)</b>	<b>(95 425)</b>	<b>20 226</b>	<b>(63 345)</b>	<b>(19 781)</b>	<b>50 541</b>	<b>(25 172)</b>	<b>75 713</b>	<b>-301%</b>	<b>(63 345)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	275 839	275 839	-	-	160 906	(160 906)	-100%	275 839
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>240 350</b>	<b>296 065</b>	<b>212 494</b>	<b>(19 781)</b>	<b>50 541</b>	<b>135 734</b>	<b>(85 193)</b>	<b>-63%</b>	<b>212 494</b>
Taxation							-		
<b>Surplus/(Deficit) after taxation</b>	<b>240 350</b>	<b>296 065</b>	<b>212 494</b>	<b>(19 781)</b>	<b>50 541</b>	<b>135 734</b>	<b>(85 193)</b>	<b>-63%</b>	<b>212 494</b>

### Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M07 January

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<u>Monthly expenditure performance trend</u>									
July	14 889	23 552	23 552	15 134	15 134	23 552	8 418	35,7%	5%
August	10 900	23 552	23 552	13 021	28 155	47 104	18 949	40,2%	10%
September	6 406	23 552	23 552	17 935	46 091	70 656	24 565	34,8%	16%
October	25 125	23 552	23 374	15 692	61 782	94 030	32 248	34,3%	22%
November	44 154	23 552	23 357	36 434	98 216	117 387	19 171	16,3%	35%
December	27 793	23 552	23 357	8 336	106 552	140 744	34 192	24,3%	38%
January	12 229	23 552	23 357	18 366	124 919	164 100	39 182	23,9%	44%
February	17 570	23 552	23 357	-	-	187 457	-	-	-
March	(2 855)	23 552	23 357	-	-	210 814	-	-	-
April	9 379	23 552	23 357	-	-	234 171	-	-	-
May	28 732	23 552	23 357	-	-	257 527	-	-	-
June	72 464	23 552	23 357	-	-	280 884	-	-	-
<b>Total Capital expenditure</b>	<b>266 785</b>	<b>282 624</b>	<b>280 884</b>	<b>124 919</b>					

### CAPITAL EXPENDITURE MONTHLY TREND





### Capital Expenditure on New Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M07 January

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>72 687</b>	<b>96 344</b>	<b>97 844</b>	<b>1 533</b>	<b>33 087</b>	<b>56 629</b>	<b>23 543</b>	<b>41,6%</b>	<b>97 844</b>
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	70 959	96 344	97 844	1 533	33 087	56 629	23 543	41,6%	97 844
<i>Dams and Weirs</i>	65 476	24 250	24 250	-	7 375	14 146	6 771	47,9%	24 250
<i>Boreholes</i>	3 203	2 000	2 000	-	1 599	1 167	(432)	-37,0%	2 000
<i>Reservoirs</i>	-	13 680	13 680	-	5 004	7 980	2 976	37,3%	13 680
<i>Water Treatment Works</i>	2 281	-	-	-	-	-	-	-	-
<i>Bulk Mains</i>	-	24 200	25 700	1 533	10 865	14 545	3 681	25,3%	25 700
<i>Distribution</i>	-	31 614	31 614	-	8 244	18 441	10 197	55,3%	31 614
<i>Capital Spares</i>	-	600	600	-	-	350	350	100,0%	600
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	1 728	-	-	-	-	-	-	-	-
<i>Data Centres</i>	1 728	-	-	-	-	-	-	-	-
<b>Community Assets</b>	<b>-</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>100,0%</b>	<b>25</b>
Community Facilities	-	25	25	-	-	15	15	100,0%	25
<i>Halls</i>	-	-	-	-	-	-	-	-	-
<i>Centres</i>	-	25	25	-	-	15	15	100,0%	25
<i>Crèches</i>	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	<b>-</b>	<b>211</b>	<b>211</b>	<b>-</b>	<b>-</b>	<b>123</b>	<b>123</b>	<b>100,0%</b>	<b>211</b>
Operational Buildings	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Housing	-	211	211	-	-	123	123	100,0%	211
<i>Staff Housing</i>	-	211	211	-	-	123	123	100,0%	211
<i>Social Housing</i>	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>58</b>	<b>58</b>	<b>100,0%</b>	<b>100</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	100	100	-	-	58	58	100,0%	100
<i>Computer Software and Applications</i>	-	100	100	-	-	58	58	100,0%	100
<i>Local Settlement Software Applications</i>	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	<b>-</b>	<b>1 450</b>	<b>1 450</b>	<b>-</b>	<b>1 221</b>	<b>846</b>	<b>(375)</b>	<b>-44,4%</b>	<b>1 450</b>
Computer Equipment	-	1 450	1 450	-	1 221	846	(375)	-44,4%	1 450
<b>Furniture and Office Equipment</b>	<b>1 120</b>	<b>1 996</b>	<b>756</b>	<b>165</b>	<b>283</b>	<b>623</b>	<b>339</b>	<b>54,5%</b>	<b>756</b>
Furniture and Office Equipment	1 120	1 996	756	165	283	623	339	54,5%	756
<b>Machinery and Equipment</b>	<b>38</b>	<b>289</b>	<b>289</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>169</b>	<b>100,0%</b>	<b>289</b>
Machinery and Equipment	38	289	289	-	-	169	169	100,0%	289
<b>Total Capital Expenditure on new assets</b>	<b>73 845</b>	<b>100 415</b>	<b>100 675</b>	<b>1 698</b>	<b>34 591</b>	<b>58 463</b>	<b>23 872</b>	<b>40,8%</b>	<b>100 675</b>

## 2.7 Municipal Manager's Quality's Certificate

### Quality Certificate

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

- The monthly budget statement

For the month of January 2020 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 \_\_\_\_\_