

Harry Gwala District Municipality

MFMA s71 report for the period ending 30 November 2019.

11/14/2019

Budget & Treasury Office

Table of Contents

1.1	PURPOSE	3
1.2	DELIBERATION/DISCUSSION	4
1.3	Resolutions	5
1.4	Monthly Budget Statement Tables	5
2.1	Debtors Analysis	14
2.2	Creditors Analysis	20
2.3	Investment Portfolio Analysis	20
2.4	Allocation and Grant receipts and Expenditure	22
2.5	Councillor and Staff Benefits	23
2.6	Material Variances to the SDBIP	25
2.7	Municipal Manager’s Quality’s Certificate	34

REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 30 NOVEMBER 2019

1.1 PURPOSE

To table the monthly expenditure report in terms of s71 of the MFMA for the period ending 30 November 2019 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 and Executive committee on the progress made thus far in terms of implementing the 2019/2020 budget for the period ending 30 November 2019.

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 - M05 November

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
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	58 421	88 392	67 065	5 830	28 695	32 091	(3 396)	-11%	67 065
Investment revenue	9 202	11 161	11 161	565	3 470	4 650	(1 180)	-25%	11 161
Transfers and subsidies	366 165	366 404	359 405	-	143 879	151 113	(7 234)	-5%	359 405
Other own revenue	11 587	10 440	10 440	2 248	6 628	4 350	2 278	52%	10 440
Total Revenue (excluding capital transfers and contributions)	445 375	476 396	448 071	8 643	182 672	192 204	(9 532)	-5%	448 071
Employee costs	173 695	205 726	205 726	15 422	83 628	85 719	(2 092)	-2%	205 726
Remuneration of Councillors	6 952	7 574	7 574	686	2 855	3 156	(301)	-10%	7 574
Depreciation & asset impairment	69 605	38 192	79 590	-	-	24 249	(24 249)	-100%	79 590
Finance charges	3 752	3 522	3 522	1 904	1 904	1 468	436	30%	3 522
Materials and bulk purchases	49 017	30 443	25 648	1 796	7 094	11 619	(4 525)	-39%	25 648
Transfers and subsidies	14 000	-	-	-	-	-	-	-	-
Other expenditure	221 352	184 141	202 814	10 176	60 439	81 495	(21 056)	-26%	202 814
Total Expenditure	538 373	469 599	524 874	29 984	155 920	207 706	(51 785)	-25%	524 874
Surplus/(Deficit)	(92 998)	6 798	(76 803)	(21 342)	26 751	(15 502)	42 253	-273%	(76 803)
Transfers and subsidies - capital (monetary allocations) (National Government)	335 775	275 839	275 839	-	-	114 933	(114 933)	-100%	275 839
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	242 777	282 636	199 035	(21 342)	26 751	99 431	(72 680)	-73%	199 035
Surplus/ (Deficit) for the year	242 777	282 636	199 035	(21 342)	26 751	99 431	(72 680)	-73%	199 035
Capital expenditure & funds sources									
Capital expenditure	266 785	282 624	280 884	36 434	98 216	117 387	(19 171)	-16%	280 884
Capital transfers recognised	134 240	276 203	276 063	36 401	96 877	115 067	(18 191)	-16%	276 063
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 442	6 421	4 821	33	1 340	2 320	(980)	-42%	4 821
Total sources of capital funds	148 683	282 624	280 884	36 434	98 216	117 387	(19 171)	-16%	280 884
Financial position									
Total current assets	118 770	282 609	282 609	-	134 343	-	-	-	282 609
Total non current assets	2 171 694	2 165 144	2 163 404	-	2 269 910	-	-	-	2 163 404
Total current liabilities	176 293	138 272	138 272	-	267 124	-	-	-	138 272
Total non current liabilities	48 140	36 242	36 242	-	44 347	-	-	-	36 242
Community wealth/Equity	2 068 565	1 990 615	1 990 615	-	2 097 782	-	-	-	1 990 615
Cash flows									
Net cash from (used) operating	280 806	295 470	231 948	(1 333)	128 909	96 645	(32 264)	-33%	-
Net cash from (used) investing	(364 374)	(275 839)	(280 884)	(36 434)	(98 216)	(117 035)	(18 819)	16%	-
Net cash from (used) financing	(3 130)	(3 896)	(12 528)	-	-	(5 220)	(5 220)	100%	-
Cash/cash equivalents at the month/year end	25 638	128 072	10 129	-	102 285	45 983	(56 302)	-122%	71 593
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	15 708	5 450	4 740	4 820	4 987	4 958	64 999	89 469	195 130
Creditors Age Analysis									
Total Creditors	12 741	1 741	0	4 123	-	-	-	-	18 605

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) - M05 November

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
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	331 363	368 310	368 310	1 860	149 027	153 462	(4 436)	-3%	368 310
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	331 363	368 310	368 310	1 860	149 027	153 462	(4 436)	-3%	368 310
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	382 421	-	-	-	-	-	-	-	-
Planning and development	382 421	-	-	-	-	-	-	-	-
<i>Trading services</i>	67 365	383 925	355 599	6 783	33 645	153 674	(120 029)	-78%	355 599
Energy sources	-	7 000	-	-	-	1 361	(1 361)	-100%	-
Water management	49 012	351 168	336 240	4 747	24 432	143 003	(118 571)	-83%	336 240
Waste water management	18 353	25 757	19 359	2 035	9 213	9 310	(98)	-1%	19 359
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	781 150	752 235	723 909	8 643	182 672	307 137	(124 465)	-41%	723 909
Expenditure - Functional									
<i>Governance and administration</i>	211 835	227 394	260 243	15 574	78 848	102 676	(23 828)	-23%	260 243
Executive and council	18 100	35 385	34 546	1 704	12 948	14 557	(1 609)	-11%	34 546
Finance and administration	187 560	187 697	221 380	13 298	63 054	86 320	(23 266)	-27%	221 380
Internal audit	6 175	4 312	4 317	572	2 845	1 798	1 047	58%	4 317
<i>Community and public safety</i>	13 823	11 180	10 880	1 150	6 053	4 592	1 461	32%	10 880
Community and social services	13 823	11 180	10 880	1 150	6 053	4 592	1 461	32%	10 880
<i>Economic and environmental services</i>	167 800	116 309	141 757	4 214	21 236	53 245	(32 009)	-60%	141 757
Planning and development	167 800	116 309	141 757	4 214	21 236	53 245	(32 009)	-60%	141 757
<i>Trading services</i>	144 915	114 236	111 514	9 046	49 784	46 993	2 790	6%	111 514
Energy sources	35	-	-	-	-	-	-	-	-
Water management	144 137	113 919	111 193	8 941	49 460	46 860	2 600	6%	111 193
Waste water management	742	317	321	105	323	133	190	143%	321
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	480	480	-	-	200	(200)	-100%	480
Total Expenditure - Functional	538 373	469 599	524 874	29 984	155 920	207 706	(51 785)	-25%	524 874
Surplus/ (Deficit) for the year	242 777	282 636	199 035	(21 342)	26 751	99 431	(72 680)	-73%	199 035

This table assess the revenue by department and then the expenditure for the period ending 30 November 2019. Revenue receipts in October have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of November is 3%.

Expenditure by standard classification presents the expenditures by the departments. Waste Water Management (Water Services) has largest expenditure by 38% in the period ending 30 November 2019. This being largely attributable to the backlog demand of operations and maintenance of water schemes in the District.

Table C3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Harry Gwala - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05

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
R thousands									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	330 039	368 310	368 310	1 556	148 480	153 462	(4 983)	-3,2%	368 310
Vote 04 - Summary Corporate Services	445	-	-	150	150	-	150	#DIV/0!	-
Vote 05 - Summary Social Services & Development Planning	346	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	382 076	295 533	288 534	-	-	121 583	(121 583)	-100,0%	288 534
Vote 07 - Summary Water Services	68 244	88 392	67 065	6 937	34 042	32 091	1 951	6,1%	67 065
Total Revenue by Vote	781 150	752 235	723 909	8 643	182 672	307 137	(124 465)	-40,5%	723 909
Expenditure by Vote									
Vote 01 - Summary Council	8 421	12 958	10 971	692	5 019	4 958	61	1,2%	10 971
Vote 02 - Summary Municipal Manager	15 854	17 136	18 289	1 584	5 775	7 396	(1 622)	-21,9%	18 289
Vote 03 - Summary Budget And Treasury Office	71 176	79 233	83 866	4 470	20 058	34 046	(13 988)	-41,1%	83 866
Vote 04 - Summary Corporate Services	85 564	67 212	79 155	6 413	29 779	31 279	(1 500)	-4,8%	79 155
Vote 05 - Summary Social Services & Development Planning	47 553	62 447	57 833	3 024	18 879	24 991	(6 113)	-24,5%	57 833
Vote 06 - Summary Infrastructure Services	134 106	77 835	107 547	2 340	13 410	38 170	(24 760)	-64,9%	107 547
Vote 07 - Summary Water Services	175 699	152 777	167 212	11 461	63 001	66 865	(3 864)	-5,8%	167 212
Total Expenditure by Vote	538 373	469 599	524 874	29 984	155 920	207 706	(51 785)	-24,9%	524 874
Surplus/ (Deficit) for the year	242 777	282 636	199 035	(21 342)	26 751	99 431	(72 680)	-73,1%	199 035

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 November 2019.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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
R thousands									
Revenue By Source									
Service charges - water revenue	43 001	62 635	47 706	4 151	21 272	22 780	(1 509)	-7%	47 706
Service charges - sanitation revenue	15 419	25 757	19 359	1 679	7 423	9 310	(1 887)	-20%	19 359
Rental of facilities and equipment							-		
Interest earned - external investments	9 202	11 161	11 161	565	3 470	4 650	(1 180)	-25%	11 161
Interest earned - outstanding debtors	10 556	9 658	9 658	1 123	5 500	4 024	1 476	37%	9 658
Dividends received							-		
Fines, penalties and forfeits	694	-	-	267	270	-	270	#DIV/0!	-
Transfers and subsidies	366 165	366 404	359 405	-	143 879	151 113	(7 234)	-5%	359 405
Other revenue	337	781	781	858	858	326	532	164%	781
Gains on disposal of PPE	-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)	445 375	476 396	448 071	8 643	182 672	192 204	(9 532)	-5%	448 071
Expenditure By Type									
Employee related costs	173 695	205 726	205 726	15 422	83 628	85 719	(2 092)	-2%	205 726
Remuneration of councillors	6 952	7 574	7 574	686	2 855	3 156	(301)	-10%	7 574
Debt impairment	19 111	25 315	25 315	-	-	10 548	(10 548)	-100%	25 315
Depreciation & asset impairment	69 605	38 192	79 590	-	-	24 249	(24 249)	-100%	79 590
Finance charges	3 752	3 522	3 522	1 904	1 904	1 468	436	30%	3 522
Bulk purchases	18 011	15 000	17 762	-	3 447	6 864	(3 416)	-50%	17 762
Other materials	31 006	15 443	7 886	1 796	3 647	4 755	(1 109)	-23%	7 886
Contracted services	155 330	101 502	116 897	7 581	38 946	45 714	(6 768)	-15%	116 897
Transfers and subsidies	14 000	-	-						
Other expenditure	37 963	57 324	60 601	2 595	21 493	25 233	(3 740)	-15%	60 601
Loss on disposal of PPE	8 948	-	-	-	-	-	-		-
Total Expenditure	538 373	469 599	524 874	29 984	155 920	207 706	(51 785)	-25%	524 874
Surplus/(Deficit)	(92 998)	6 798	(76 803)	(21 342)	26 751	(15 502)	42 253	(0)	(76 803)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	275 839	275 839	-	-	114 933	(114 933)	(0)	275 839
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	242 777	282 636	199 035	(21 342)	26 751	99 431			199 035
Taxation							-		
Surplus/(Deficit) after taxation	242 777	282 636	199 035	(21 342)	26 751	99 431			199 035
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	242 777	282 636	199 035	(21 342)	26 751	99 431			199 035
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	242 777	282 636	199 035	(21 342)	26 751	99 431			199 035

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.

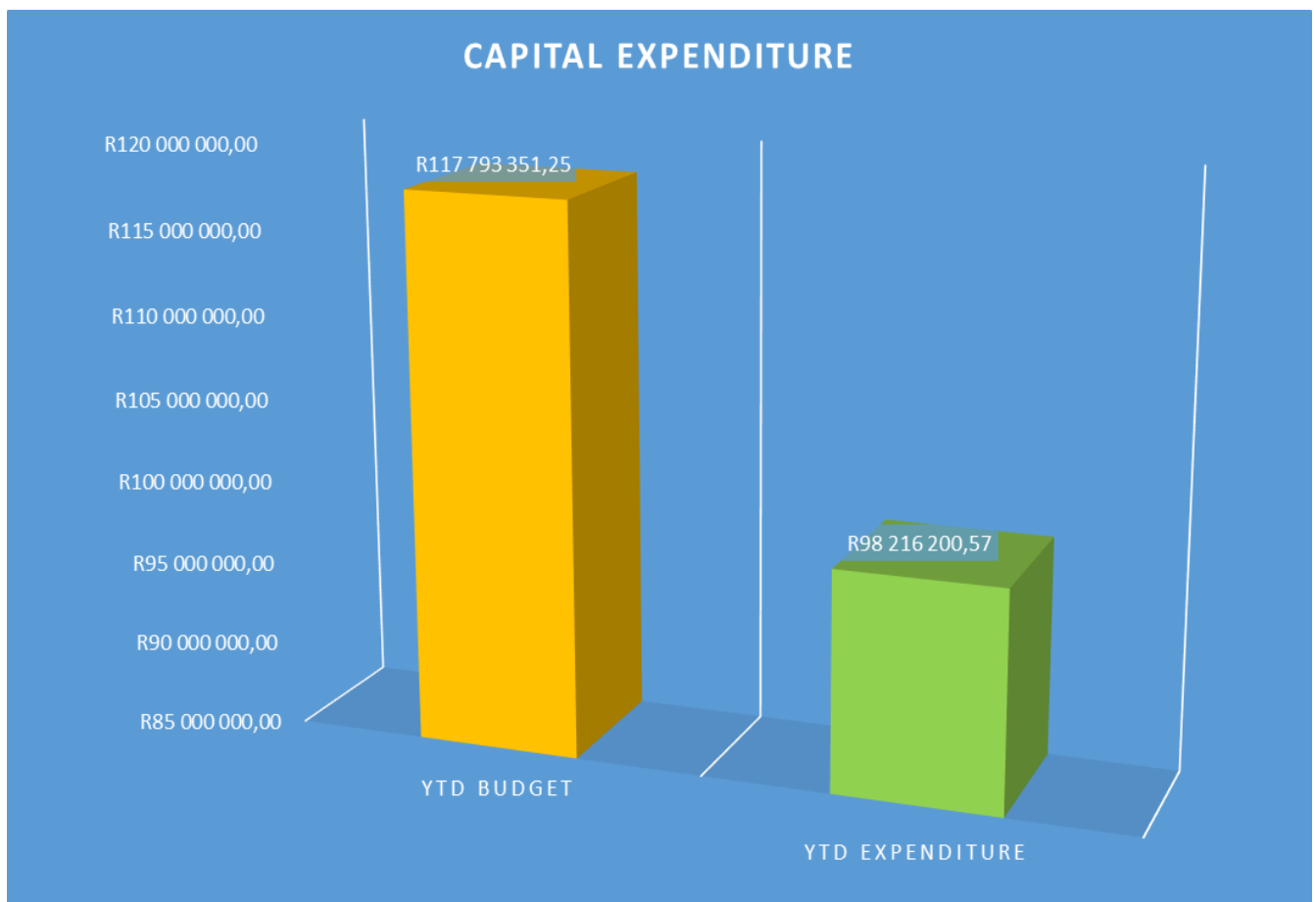
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M05

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
R thousands									
Multi-Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planing	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	216 818	20 000	20 000	2 407	7 375	8 333	(958)	-11%	20 000
Vote 07 - Summary Water Services	35 525	145 243	145 243	16 431	56 537	60 518	(3 981)	-7%	145 243
Total Capital Multi-year expenditure	252 343	165 243	165 243	18 838	63 913	68 851	(4 939)	-7%	165 243
Single Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	38	629	489	-	-	245	(245)	-100%	489
Vote 04 - Summary Corporate Services	10 203	4 942	3 342	33	1 340	1 704	(364)	-21%	3 342
Vote 05 - Summary Social Services & Development Planing	62	158	158	-	-	66	(66)	-100%	158
Vote 06 - Summary Infrastructure Services	4 140	-	-	-	-	-	-	-	-
Vote 07 - Summary Water Services	-	111 651	111 651	17 563	32 964	46 521	(13 557)	-29%	111 651
Total Capital single-year expenditure	14 442	117 381	115 641	17 596	34 304	48 536	(14 232)	-29%	115 641
Total Capital Expenditure	266 785	282 624	280 884	36 434	98 216	117 387	(19 171)	-16%	280 884
Capital Expenditure - Functional Classification									
Governance and administration	10 240	5 571	3 831	33	1 340	1 948	(609)	-31%	3 831
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	10 240	5 571	3 831	33	1 340	1 948	(609)	-31%	3 831
Internal audit	-	-	-	-	-	-	-	-	-
Economic and environmental services	212 808	158	158	-	-	66	(66)	-100%	158
Planning and development	212 808	158	158	-	-	66	(66)	-100%	158
Trading services	43 737	276 894	276 894	36 401	96 877	115 373	(18 496)	-16%	276 894
Energy sources	-	-	-	-	-	-	-	-	-
Water management	43 737	213 071	213 071	27 909	69 390	88 780	(19 389)	-22%	213 071
Waste water management	-	63 824	63 824	8 492	27 486	26 593	893	3%	63 824
Total Capital Expenditure - Functional Classification	266 785	282 624	280 884	36 434	98 216	117 387	(19 171)	-16%	280 884
Funded by:									
National Government	134 240	275 978	275 838	36 401	96 877	114 974	(18 097)	-16%	275 838
District Municipality	-	225	225	-	-	94	(94)	-100%	225
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	134 240	276 203	276 063	36 401	96 877	115 067	(18 191)	-16%	276 063
Internally generated funds	14 442	6 421	4 821	33	1 340	2 320	(980)	-42%	4 821
Total Capital Funding	148 683	282 624	280 884	36 434	98 216	117 387	(19 171)	-16%	280 884

As alluded to above, the capital expenditure programme for the month ending 30 November was R36, 4m of capital expenditure against year to date budget.

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

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



As at 30 November 2019, the year to date actual expenditure was R98, 2million against a YTD budget of R117, 7million. In monetary terms, these figures represent 83% per cent performance against the capital development programme as at 30 November 2019.

Table C6 displays the financial position of the municipality as at 30 November 2019.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M05 November

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	53 026	169 975	169 975	91 739	169 975
Call investment deposits	5 337	37 087	37 087	10 546	37 087
Consumer debtors	26 933	42 739	42 739	44 140	42 739
Other debtors	33 226	32 638	32 638	33 697	32 638
Current portion of long-term receivables	-	-	-	-	-
Inventory	248	171	171	248	171
Total current assets	118 770	282 609	282 609	180 370	282 609
Non current assets					
Investments in Associate					
Property, plant and equipment	2 170 503	2 163 828	2 162 088	2 268 719	2 162 088
Intangible	1 191	1 316	1 316	1 191	1 316
Other non-current assets	0	0	0	0	0
Total non current assets	2 171 694	2 165 144	2 163 404	2 269 910	2 163 404
TOTAL ASSETS	2 290 464	2 447 753	2 446 013	2 450 280	2 446 013
LIABILITIES					
Current liabilities					
Borrowing	-	(4 290)	(4 290)	(633)	(4 290)
Consumer deposits	1 768	1 740	1 740	1 832	1 740
Trade and other payables	163 525	131 248	131 248	94 925	131 248
Provisions	11 000	9 574	9 574	11 000	9 574
Total current liabilities	176 293	138 272	138 272	107 124	138 272
Non current liabilities					
Borrowing	29 200	13 292	13 292	25 407	13 292
Provisions	18 940	22 949	22 949	18 940	22 949
Total non current liabilities	48 140	36 242	36 242	44 347	36 242
TOTAL LIABILITIES	224 433	174 514	174 514	151 472	174 514
NET ASSETS	2 066 030	2 273 239	2 271 499	2 298 808	2 271 499
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	2 066 030	2 273 239	2 271 499	2 298 808	2 271 499
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 066 030	2 273 239	2 271 499	2 298 808	2 271 499

Table C7 below display the Cash Flow Statement for the period ending 30 November 2019.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M05 November

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
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates							-		
Service charges	50 033	47 732	47 732	4 835	23 948	19 888	4 060	20%	47 732
Other revenue	3 816	781	781	858	1 134	326	808	248%	781
Government - operating	361 595	366 004	316 404	2 393	154 581	131 835	22 746	17%	316 404
Government - capital	312 210	275 839	275 839	20 000	110 000	114 933	(4 933)	-4%	275 839
Interest	9 645	9 658	11 161	565	3 470	4 650	(1 180)	-25%	11 161
Payments									
Suppliers and employees	(452 539)	(401 033)	(416 446)	(28 081)	(162 320)	(173 519)	(11 199)	6%	(416 446)
Finance charges	(3 954)	(3 510)	(3 522)	(1 904)	(1 904)	(1 468)	436	-30%	(3 522)
Transfers and Grants							-		
NET CASH FROM/(USED) OPERATING ACTIVITIES	280 806	295 470	231 948	(1 333)	128 909	96 645	(32 264)	-33%	231 948
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(364 374)	(275 839)	(280 884)	(36 434)	(98 216)	(117 035)	(18 819)	16%	(280 884)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(364 374)	(275 839)	(280 884)	(36 434)	(98 216)	(117 035)	(18 819)	16%	(280 884)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	200	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	(3 330)	(3 896)	(12 528)	-	-	(5 220)	(5 220)	100%	(12 528)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 130)	(3 896)	(12 528)	-	-	(5 220)	(5 220)	100%	(12 528)
NET INCREASE/ (DECREASE) IN CASH HELD	(86 697)	15 736	(61 464)	(37 767)	30 692	(25 610)			(61 464)
Cash/cash equivalents at beginning:	112 336	112 336	71 593		71 593	71 593			71 593
Cash/cash equivalents at month/year end:	25 638	128 072	10 129		102 285	45 983			10 129

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 30 November 2019.

Table 2.1.1: Debtors Age Analysis by Income Source

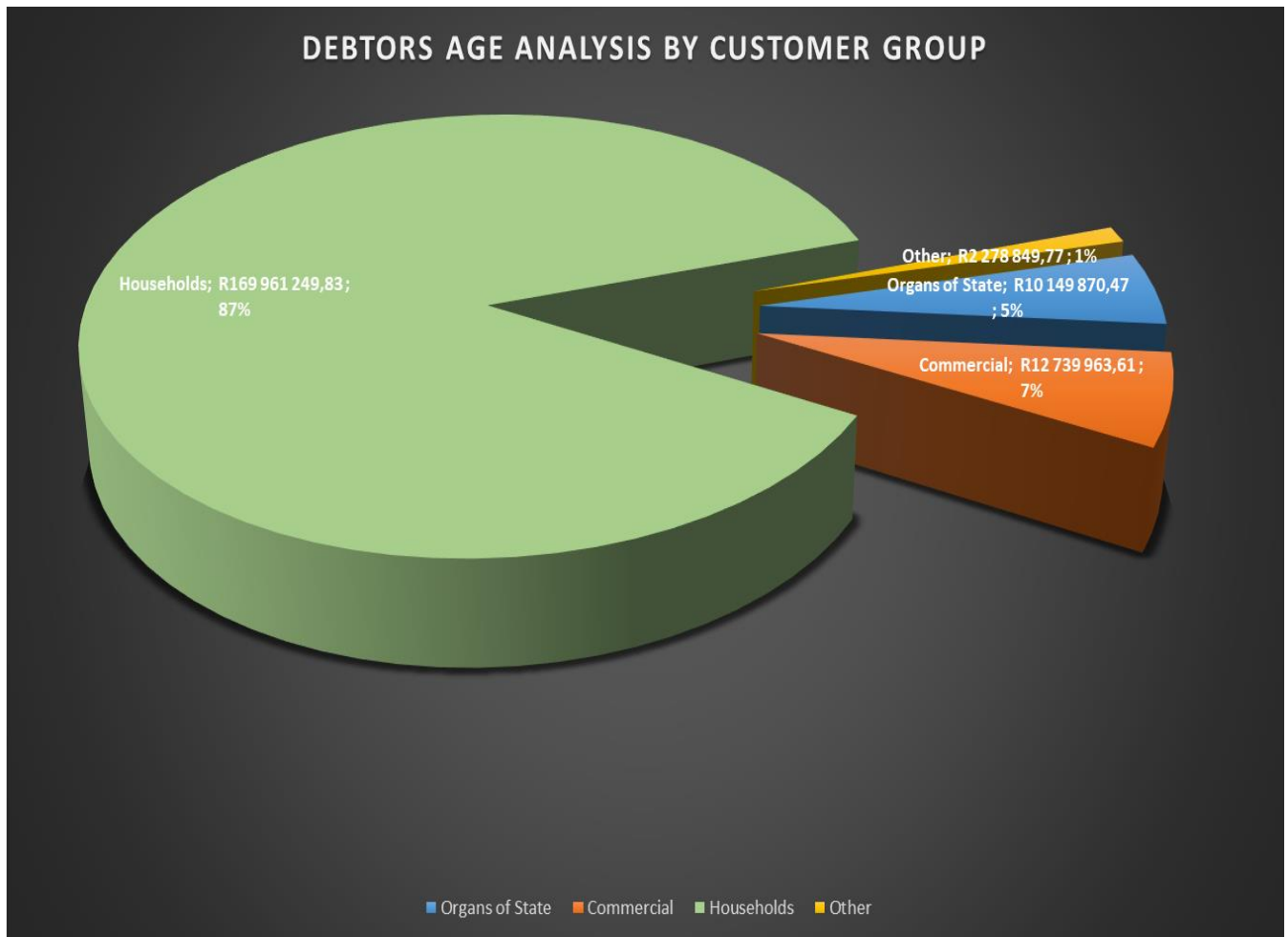
DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

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										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	9 355	3 146	2 643	2 869	2 972	2 798	38 601	36 132	98 517	83 373
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	4 111	1 220	1 035	924	997	961	20 706	18 335	48 289	41 923
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	2 220	1 078	1 058	1 021	1 015	1 196	5 086	34 824	47 499	43 142
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	22	6	3	5	2	3	605	178	825	793
Total By Income Source	15 708	5 450	4 740	4 820	4 987	4 958	64 999	89 469	195 130	169 232
2018/19 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	4 642	686	389	305	315	214	1 437	2 163	10 150	4 434
Commercial	2 023	495	496	469	405	401	4 333	4 119	12 740	9 727
Households	8 845	4 199	3 805	3 992	4 223	4 286	58 333	82 278	169 961	153 112
Other	199	70	51	54	43	57	895	909	2 279	1 959
Total By Customer Group	15 708	5 450	4 740	4 820	4 987	4 958	64 999	89 469	195 130	169 232

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

Chart 2: Debtors Age Analysis by Customer Group

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



- ✓ Households: 87%
- ✓ Government 5%
- ✓ Business 7%
- ✓ Other 1%

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

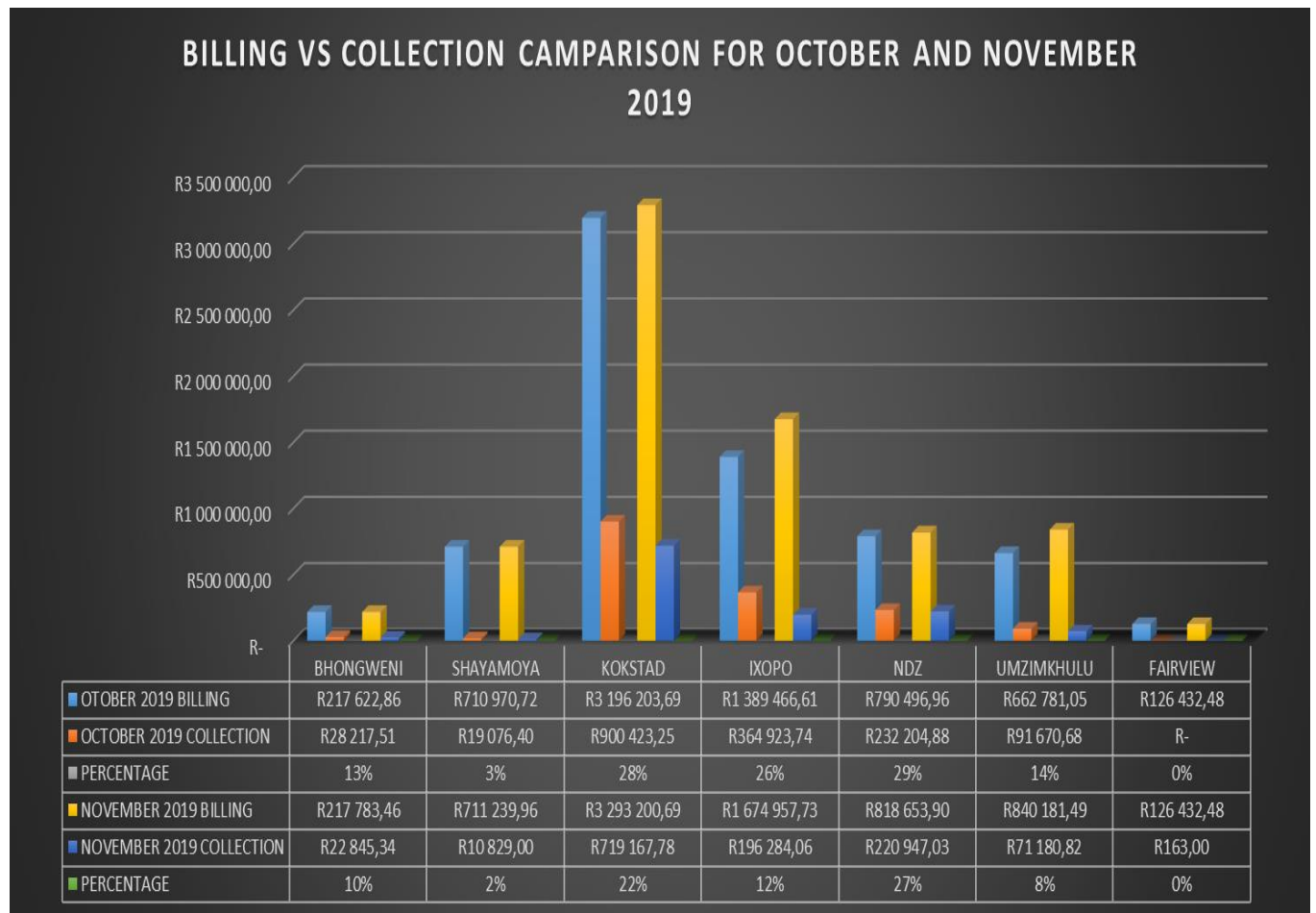
The table that follows below unpacks the revenue receipts per Local Municipality in the District

REVENUE RECEIPTS PER AREA

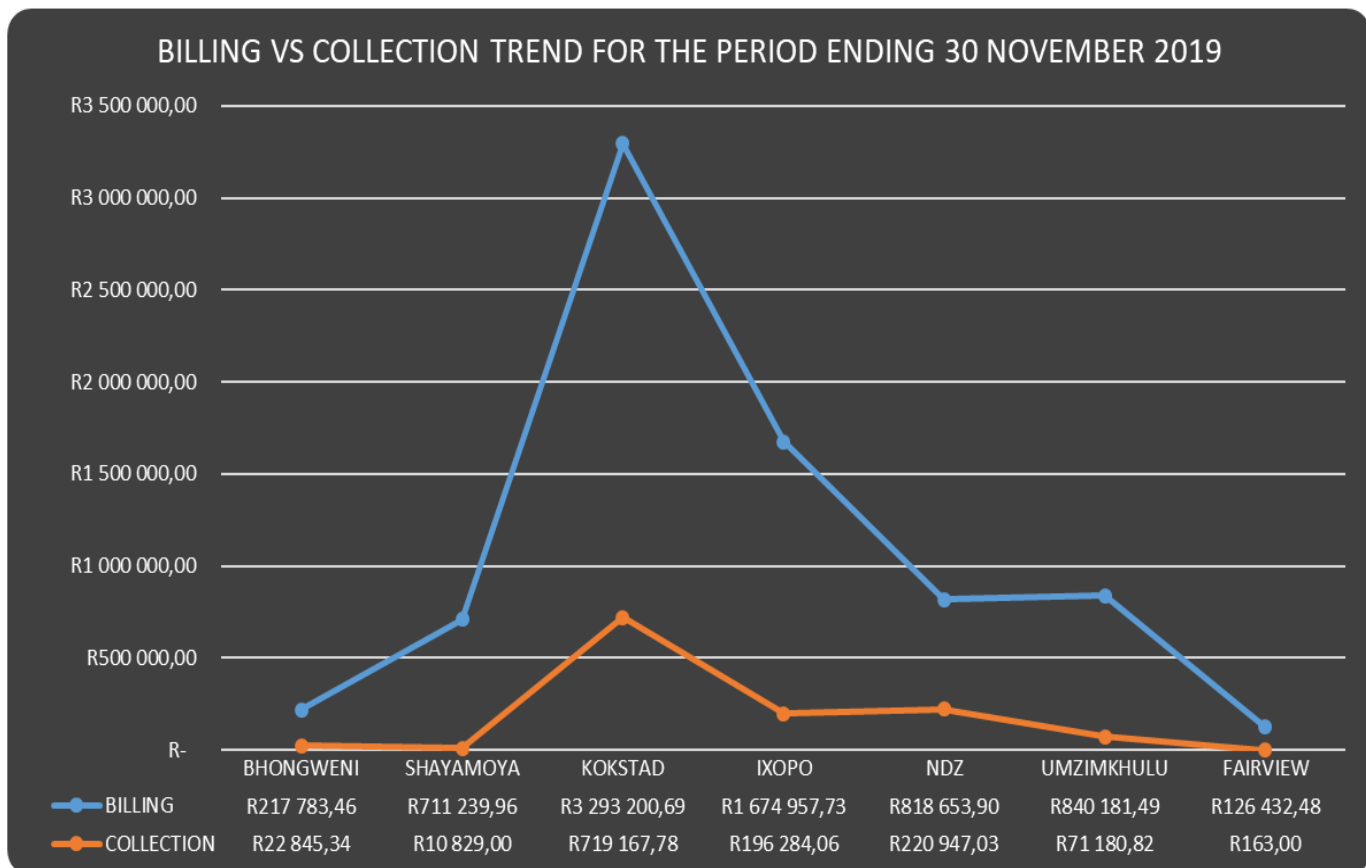
AREA	AMOUNT		
		NOVEMBER 2019	OCTOBER 2019
Unallocated receipts	R 3 594 028	74%	67%
Bhongweni	R 22 845	0%	1%
Shayamoya	R 10 829	0%	0%
Kokstad	R 719 168	15%	18%
Ixopo	R 196 284	4%	7%
NDZ	R 220 947	5%	5%
Umzimkulu	R 71 181	1%	2%
Fairview	R 163.00	0%	0%
TOTAL RECEIPTS INCL VAT	R 4 835 445	100%	100%

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 November 2019 is R4,8million

BILLING VS COLLECTION FOR OCTOBER AND NOVEMBER 2019



BILLING VS COLLECTION TREND FOR NOVEMBER 2019



Debtors age analysis per service

The municipality’s total outstanding debtors amounted to R 195 168 724 as at 30 November 2019 compared with the R 192 146 387 as at 31 October 2019. Current debt represent 5% of the total outstanding debt compared with the 5% of October 2019; 30 days and older debt 3% compared with the 3% for October 2019; 60 days and older debt 3% compared with the 3% of October 2019; and 90 days 2% compared with the 3% of October 2019; 120 days to History and older 87% compared with the 87% for October 2019.

Current debt increased with R 3,022,337 to R 195,168,724 compared with the R 192,146,387 as at 30 October 2019; 30 days + debt Increased with R 371,342; 60 days + Increased with R 33,757; 90 days + debt Decreased with R 186,763 and 120 + days and older debt as at November 2019 has decreased with R 2,326,216 to R 169,570,667 compared with the R 171,570,667 as at 31 October 2019.

Debtors age analysis per debtor type

Business debtors owes the municipality R 12,498,626 (6%); Municipal debtors R 838,033 (0.01%); domestic debtors R 142,563,603 (73%); Government accounts R 8,590,220 (4%); Indigent debtors R 27,414,414 (14%) and other debtors R 3,268,828 (2%) of the total outstanding debt of R 195,168,724. 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 30 November 2019.

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

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	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water	4 142	939	0						5 082
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	6 353	802	-	4 123					11 278
Auditor General	2 246	-	-	-					2 246
Other									-
Total By Customer Type	12 741	1 741	0	4 123	-	-	-	-	18 605

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 November 2019.

The closing cash and cash equivalents as at the end of November 2019 was R102, 2million 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 - M05 November

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ^a	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	Yrs/Months									
R thousands										
Municipality										
FIRST NATIONAL BANK		CALL ACCOUNT				28 513	145	(21 194)	-	7 464
FIRST NATIONAL BANK		CALL ACCOUNT				41 896	153	(17 248)	-	24 801
FIRST NATIONAL BANK		ADMIN CALL				5 352	24	(3 784)	-	1 592
INVESTEC		FIXED DEPOSIT				4 928	26	-	-	4 954
FIRST NATIONAL BANK		FIXED DEPOSIT				29 820	156	(3 200)	20 000	46 775
FIRST NATIONAL BANK		CALL ACCOUNT				1 222	15	-	2 393	3 630
FIRST NATIONAL BANK		CALL ACCOUNT				2 900	23	-	3 000	5 923
FIRST NATIONAL BANK		CALL ACCOUNT				8 963	22	(4 572)	-	4 413
FIRST NATIONAL BANK		FIXED DEPOSIT				1 013	4	-	-	1 017
CURRENT ACCOUNT						8 245			(6 529)	1 716
Municipality sub-total						132 852	567	(49 997)	18 864	102 285
TOTAL INVESTMENTS AND INTEREST						132 852		(49 997)	18 864	102 285

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 - M05 November

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
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	325 110	366 004	359 005	2 393	150 252	153 578	(3 326)	-2,2%	372 321
Energy Efficiency and Demand Side Management Grant	–	–	–	–	–	–	–	–	–
Equitable Share	318 074	345 309	345 309	–	143 879	143 879	0	0,0%	345 309
Expanded Public Works Programme Integrated Grant	5 036	5 316	5 316	2 393	3 722	4 430	(708)	-16,0%	10 632
Integrated National Electrification Programme Grant	–	7 000	–	–	–	1 361	(1 361)	-100,0%	7 000
Local Government Financial Management Grant	2 000	1 000	1 000	–	1 000	833	167	20,0%	2 000
Municipal Infrastructure Grant	–	5 022	5 022	–	–	2 092	(2 092)	-100,0%	5 022
Rural Road Asset Management Systems Grant	–	2 357	2 358	–	1 651	982	669	68,1%	2 358
Other transfers and grants [insert description]	–	–	–	–	–	–	–	–	–
Provincial Government:	–	800	800	–	–	–	–	–	–
Raset	–	400	400	–	–	–	–	–	–
Development Planned Shared Services	791	400	400	–	–	167	–	100,0%	400
Total Operating Transfers and Grants	325 110	366 804	359 805	2 393	150 252	153 578	(3 326)	-2,2%	372 321
Capital Transfers and Grants									
National Government:	335 775	275 839	275 839	20 000	110 000	114 933	(4 933)	-4,3%	275 839
Equitable Share	47 223	–	–	–	–	–	–	–	–
Integrated National Electrification Programme Grant	–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant	152 755	195 839	195 839	–	50 000	81 599	(31 599)	-38,7%	195 839
Municipal Water Infrastructure Grant	–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant	–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant	70 000	20 000	20 000	5 000	15 000	8 333	6 667	80,0%	20 000
Rural Road Asset Management Systems Grant	2 226	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant	63 571	60 000	60 000	15 000	45 000	25 000	20 000	80,0%	60 000
Other grant providers:	–	–	–	–	–	–	–	–	–
[insert description]	–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	335 775	275 839	275 839	20 000	110 000	114 933	(4 933)	-4,3%	275 839
TOTAL RECEIPTS OF TRANSFERS & GRANTS	660 885	642 642	635 643	22 393	260 252	268 510	(8 258)	-3,1%	648 159

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 - M05 November

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
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	522 942	457 774	513 013	29 196	146 845	202 771	(55 925)	-27,6%	513 013
Energy Efficiency and Demand Side Management Grant	-	7 000	-	-	-	1 361	(1 361)	-100,0%	-
Equitable Share	474 426	425 735	490 079	28 849	145 496	191 444	(45 949)	-24,0%	490 079
Expanded Public Works Programme Integrated Grant	358	15 878	15 883	49	248	6 617	(6 369)	-96,2%	15 883
Local Government Financial Management Grant	1 371	1 782	1 793	61	425	745	(320)	-42,9%	1 793
Municipal Infrastructure Grant	29 839	5 022	5 022	236	440	2 092	(1 653)	-79,0%	5 022
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	2 003	2 357	237	-	237	511	(274)	-53,7%	237
Water Services Infrastructure Grant	14 945	-	-	-	-	-	-	-	-
Provincial Government:	1 332	-	-	-	-	-	-	-	-
Development Planning and Shared Services	1 332	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	15 709	15 709	-	5 000	6 545	(1 545)	-23,6%	15 709
Specify (Add grant description)	-	15 709	15 709	-	5 000	6 545	(1 545)	-23,6%	15 709
Other grant providers:	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	524 274	473 483	528 721	29 196	151 845	209 316	(57 470)	-27,5%	528 721
Capital expenditure of Transfers and Grants									
National Government:	134 240	275 978	275 838	36 401	96 877	114 974	(18 097)	-15,7%	275 838
Local Government Financial Management Grant	-	140	-	-	-	41	(41)	-100,0%	-
Municipal Infrastructure Grant	10 090	195 838	195 838	27 653	57 524	81 599	(24 075)	-29,5%	195 838
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	65 476	20 000	20 000	2 407	7 375	8 333	(958)	-11,5%	20 000
Water Services Infrastructure Grant	58 674	60 000	60 000	6 340	31 978	25 000	6 978	27,9%	60 000
District Municipality:	-	225	225	-	-	94	(94)	-100,0%	225
Specify (Add grant description)	-	225	225	-	-	94	(94)	-100,0%	225
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	134 240	276 203	276 063	36 401	96 877	115 067	(18 191)	-15,8%	276 063
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	658 515	749 686	804 785	65 596	248 722	324 383	(75 661)	-23,3%	804 785

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 30 November 2019.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 November

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
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	4 538	5 691	5 691	425	1 825	2 371	(547)	-23%	5 691
Pension and UIF Contributions	581	254	254	40	200	106	94	89%	254
Medical Aid Contributions	96	45	45	4	21	19	3	15%	45
Motor Vehicle Allowance	45	-	-	-	-	-	-	-	-
Cellphone Allowance	534	372	372	54	231	155	76	49%	372
Other benefits and allowances	1 159	1 212	1 212	163	578	505	73	14%	1 212
Sub Total - Councillors	6 952	7 574	7 574	686	2 855	3 156	(301)	-10%	7 574
% increase		8,9%	8,9%						8,9%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 005	5 660	5 660	275	1 375	2 359	(984)	-42%	5 660
Pension and UIF Contributions	10	8	8	1	4	3	1	18%	8
Medical Aid Contributions	91	1 021	1 021	9	45	425	(380)	-89%	1 021
Performance Bonus	146	-	-	-	53	-	53	#DIV/0!	-
Motor Vehicle Allowance	883	941	941	69	347	392	(45)	-12%	941
Cellphone Allowance	91	785	785	8	39	327	(288)	-88%	785
Housing Allowances	129	110	110	13	64	46	18	40%	110
Other benefits and allowances	110	117	117	30	150	49	102	208%	117
Payments in lieu of leave	22	353	353	-	-	147	(147)	-100%	353
Sub Total - Senior Managers of Municipality	5 488	8 995	8 995	405	2 076	3 748	(1 671)	-45%	8 995
% increase		63,9%	63,9%						63,9%
Other Municipal Staff									
Basic Salaries and Wages	99 979	103 251	103 251	8 922	44 631	43 021	1 610	4%	103 251
Pension and UIF Contributions	14 873	12 905	12 905	1 342	6 743	5 377	1 366	25%	12 905
Medical Aid Contributions	7 261	5 136	5 136	678	3 342	2 140	1 202	56%	5 136
Overtime	22 215	19 704	19 704	1 804	9 896	8 210	1 686	21%	19 704
Performance Bonus	6 855	9 704	9 704	354	2 941	4 043	(1 102)	-27%	9 704
Motor Vehicle Allowance	13 814	12 641	12 641	1 243	6 042	5 267	775	15%	12 641
Cellphone Allowance	699	734	734	65	328	306	22	7%	734
Housing Allowances	413	1 442	1 442	40	200	601	(401)	-67%	1 442
Other benefits and allowances	3 514	18 178	18 178	446	2 012	7 574	(5 562)	-73%	18 178
Payments in lieu of leave	1 967	1 419	1 419	126	348	591	(243)	-41%	1 419
Long service awards	626	314	314	-	69	131	(62)	-47%	314
Post-retirement benefit obligations	(4 009)	2 099	2 099	-	-	875	(875)	-100%	2 099
Sub Total - Other Municipal Staff	168 207	187 528	187 528	15 018	76 551	78 137	(1 586)	-2%	187 528
% increase		11,5%	11,5%						11,5%
Total Parent Municipality	180 647	204 097	204 097	16 109	81 483	85 040	(3 558)	-4%	204 097
		13,0%	13,0%						13,0%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	350	350	-	-	146	(146)	-100%	350
Sub Total - Board Members of Entities	-	350	350	-	-	146	(146)	-100%	350
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	1 100	1 100	-	-	458	(458)	-100%	1 100
Sub Total - Senior Managers of Entities	-	1 100	1 100	-	-	458	(458)	-100%	1 100
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	5 283	5 283	-	5 000	2 201	2 799	127%	5 283
Pension and UIF Contributions	-	1 380	1 380	-	-	575	(575)	-100%	1 380
Medical Aid Contributions	-	450	450	-	-	188	(188)	-100%	450
Performance Bonus	-	500	500	-	-	208	(208)	-100%	500
Other benefits and allowances	-	100	100	-	-	42	(42)	-100%	100
Payments in lieu of leave	-	40	40	-	-	17	(17)	-100%	40
Sub Total - Other Staff of Entities	-	7 753	7 753	-	5 000	3 230	1 770	55%	7 753
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	9 203	9 203	-	5 000	3 835	1 165	30%	9 203
TOTAL SALARY, ALLOWANCES & BENEFITS	180 647	213 300	213 300	16 109	86 483	88 875	(2 392)	-3%	213 300
% increase		18,1%	18,1%						18,1%
TOTAL MANAGERS AND STAFF	173 695	205 376	205 376	15 422	83 628	85 573	(1 946)	-2%	205 376

2.6 Material Variances to the SDBIP

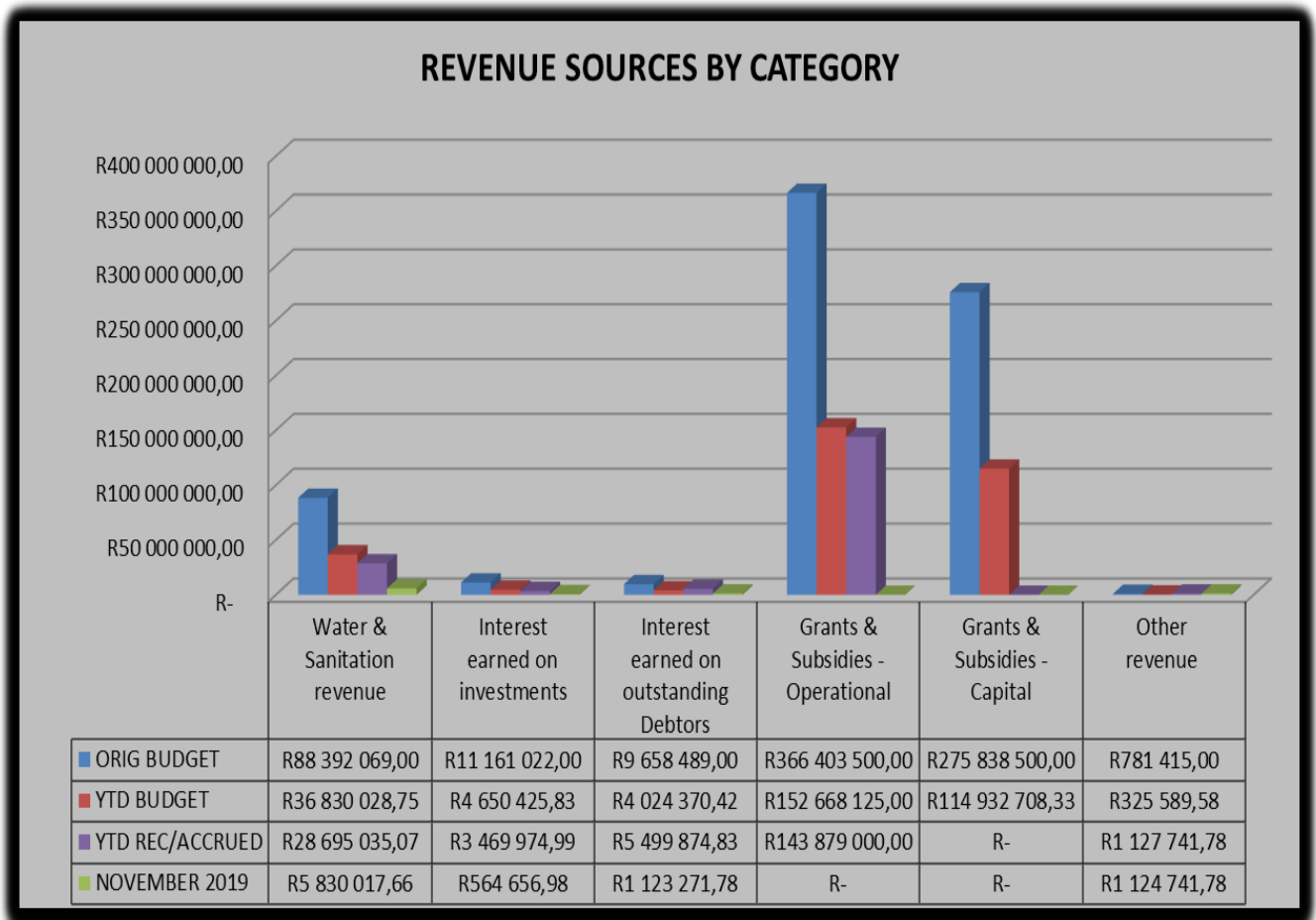
The following section analyses material variances between the actual targets as at 30 November 2019 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2019/20 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 November 2019 was R28, 6million against a year to date **budget** of R36, 8million.

Interest Earned on External Investments

The year to date actual on interest earned on external investments as at 30 November 2019 is R3, 4m against year to date budget of R4, 6million.

Transfers Recognised – Operational

One operational grant received for the month of November 2019 namely

- Expanded Public Works Programme- R 2 393 000

Transfers Recognised – Capital

The year to date actual R98, 2million (against a YTD budget of R117, 7million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 83% performance in Conditional Capital grant funding expenditures.

Two Capital grants received for the month of November 2019 namely

- Municipal Water Infrastructure Grant- R 15 000 000
- Regional Bulk Infrastructure Grant- R 5 000 000

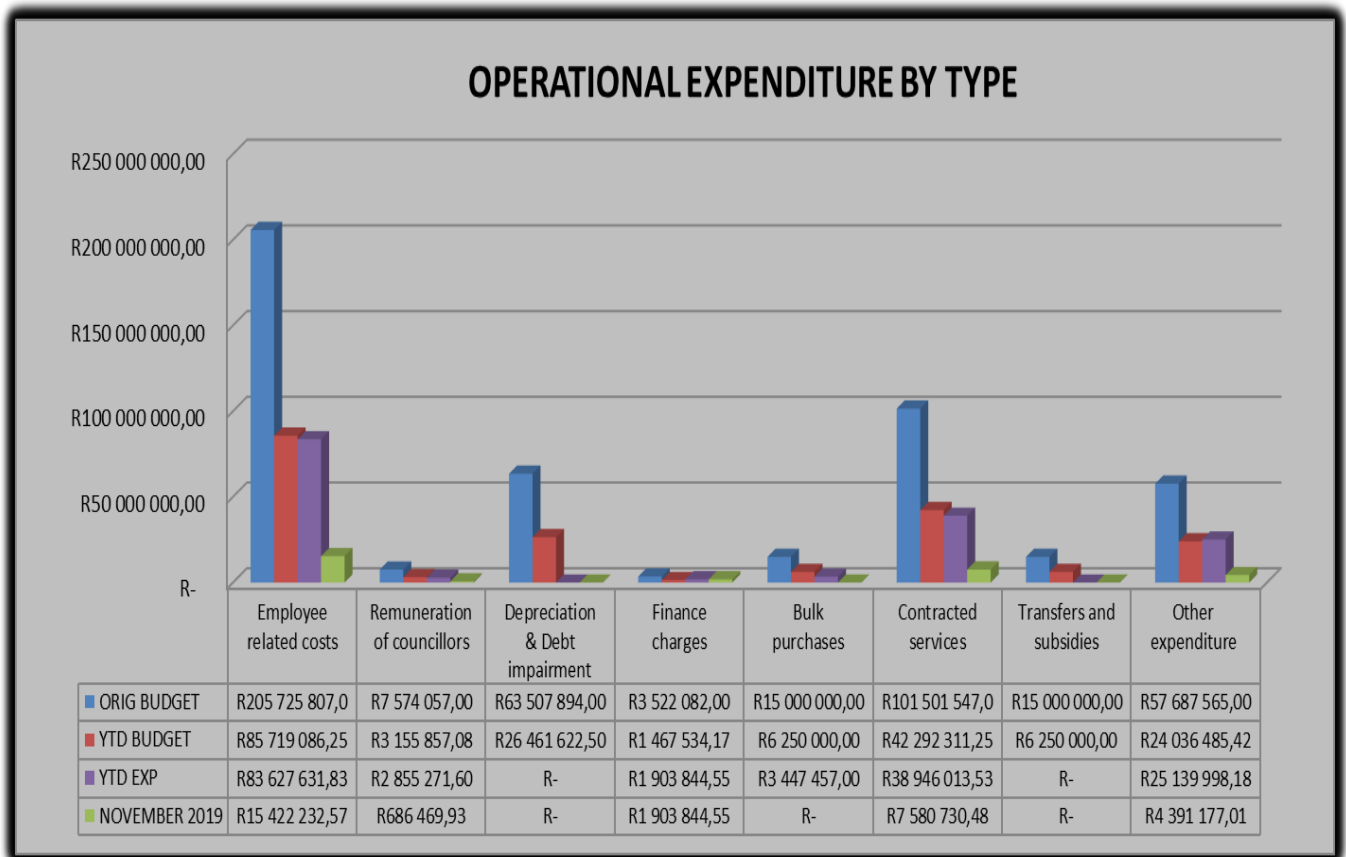
Other Revenue

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 R85, 6million against a YTD actual of R83, 6million which is 98% of the planned budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 2, 8m against a YTD budget of R3, 1million representing 90% of the planned budget.

Finance Charges

As at 30 November 2019, Finance charges was at R 1, 9million against year to date budget of R1, 9million. The original budget for finance charges was R3, 5million.

Bulk Purchases

The YTD budget for water purchases was at R 5million against a YTD expenditure of R 3, 4m representing 69 per cent of the year to date budget. There is no movement in the month ending November 2019.

Other Expenditure

The YTD budget for other expenditure was at R 24million against a YTD actual of R 25, 1million and expenditure for the month of November 2019 representing 105 per cent of the year to date budget.

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 - M05 November

Description	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands															
Cash Receipts By Source															
Service charges - water revenue	3 341	3 133	3 401	3 504	3 385	2 498	1 200	1 500	1 789	2 456	2 700	4 916	33 823	36 089	38 507
Service charges - sanitation revenue	1 432	1 343	1 457	1 502	1 451	1 100	1 200	970	1 200	1 087	1 100	67	13 909	14 842	15 838
Interest earned - external investments	354	969	910	673	565	716	-	1 617	810	713	1 677	656	9 658	10 238	10 852
Agency services												-			
Transfer receipts - operating	145 208	3 980		3 000	2 393	-	-	595	145 933	-	121	64 774	366 004	381 076	411 995
Other revenue		276		-	858							(352)	781	823	867
Cash Receipts by Source	150 335	9 700	5 768	8 678	8 651	4 314	2 400	4 682	149 732	4 256	5 598	70 061	424 175	443 068	478 060
Other Cash Flows by Source															
Transfer receipts - capital	50 000	40 000	-	-	20 000	41 491	9 771	29 656				84 921	275 839	302 870	358 946
Change in non-current investments												-			
Total Cash Receipts by Source	200 335	49 700	5 768	8 678	28 651	45 804	12 171	34 338	149 732	4 256	5 598	154 982	700 014	745 938	837 006
Cash Payments by Type															
Employee related costs	20 661	16 041	15 717	15 786	15 422	15 287	15 529	17 706	13 450	16 066	15 906	25 808	203 380	218 433	234 679
Remuneration of councillors	443	461	602	663	686	592	592	592	940	633	633	737	7 574	8 180	8 834
Interest paid						1 077	40	(2)	22	22	24	2 325	3 510	3 700	3 899
Bulk purchases - Water & Sewer		839	3 601	(993)		1 241	1 275	1 244	1 209	1 307	1 263	4 014	15 000	15 810	16 664
Other materials			462	1 366	1 796						13 500	90	17 213	16 035	16 901
Contracted services	5 912	5 127	8 229	11 258	7 581	8 101	2 069	13 683	8 275	7 586	8 333	5 206	91 360	94 212	99 437
General expenses	(5 158)	21 399	11 831	4 685	2 595	9 720	3 020	2 675	7 879	2 736	3 403	1 721	66 506	56 719	62 092
Cash Payments by Type	21 858	43 867	40 442	32 765	28 081	36 018	22 525	35 900	31 775	28 350	43 063	39 901	404 543	413 089	442 506
Other Cash Flows/Payments by Type															
Capital assets	15 134	13 021	17 935	15 692	36 401	24 505	5 213	8 696	13 973	29 714	28 234	67 321	275 839	276 162	326 406
Repayment of borrowing						1 901	-	-	-	-	-	1 995	3 896	4 323	2 338
Total Cash Payments by Type	36 991	56 888	58 377	48 456	64 481	62 425	27 738	44 596	45 748	58 064	71 296	109 216	684 278	693 574	771 249
NET INCREASE/(DECREASE) IN CASH HELD	163 344	(7 188)	(52 609)	(39 778)	(35 830)	(16 620)	(15 567)	(10 258)	103 984	(53 809)	(65 698)	45 766	15 736	52 364	65 756
Cash/cash equivalents at the month/year beginning:	112 336	275 679	268 491	215 882	176 104	140 274	123 653	108 087	97 828	201 812	148 004	82 305	112 336	128 072	180 436
Cash/cash equivalents at the month/year end:	275 679	268 491	215 882	176 104	140 274	123 653	108 087	97 828	201 812	148 004	82 305	128 072	128 072	180 436	246 192

Parent Municipal financial performance

DC43 Harry Gwala - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M05 November

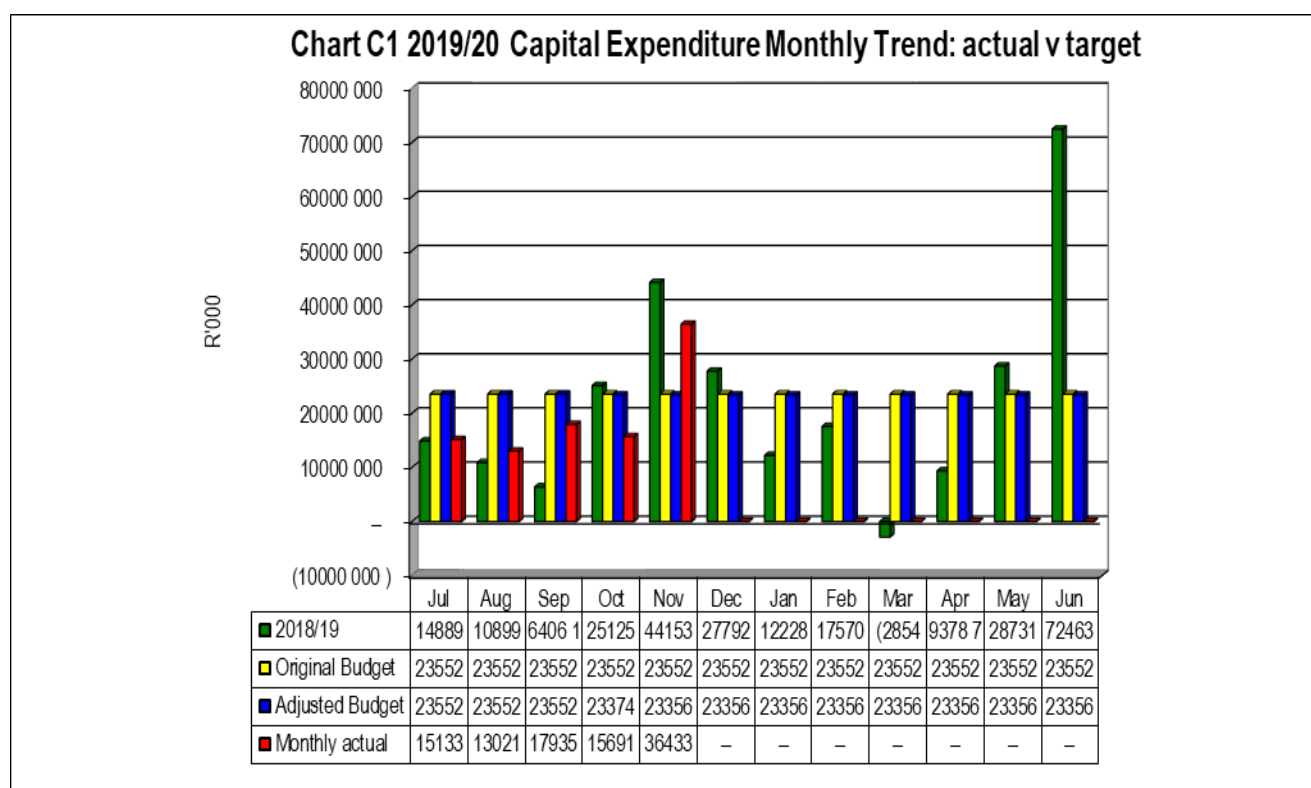
Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Service charges - water revenue	43 001	62 635	47 706	4 151	21 272	22 780	(1 509)	-7%	47 706
Service charges - sanitation revenue	15 419	25 757	19 359	1 679	7 423	9 310	(1 887)	-20%	19 359
Rental of facilities and equipment							-		
Interest earned - external investments	9 202	11 161	11 161	565	3 470	4 650	(1 180)	-25%	11 161
Interest earned - outstanding debtors	10 556	9 658	9 658	1 123	5 500	4 024	1 476	37%	9 658
Dividends received							-		
Fines, penalties and forfeits	694	-	-	267	270	-	270	#DIV/0!	-
Transfers and subsidies	366 165	366 404	359 405	-	143 879	151 113	(7 234)	-5%	359 405
Other revenue	337	781	781	858	858	326	532	164%	781
Gains on disposal of PPE	-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)	445 375	476 396	448 071	8 643	182 672	192 204	(9 532)	-5%	448 071
Expenditure By Type									
Employee related costs	173 695	196 523	196 523	15 422	78 628	81 885	(3 257)	-4%	196 523
Remuneration of councillors	6 952	7 574	7 574	686	2 855	3 156	(301)	-10%	7 574
Debt impairment	19 111	25 315	25 315	-	-	10 548	(10 548)	-100%	25 315
Depreciation & asset impairment	69 605	38 192	79 590	-	-	24 249	(24 249)	-100%	79 590
Finance charges	3 752	3 510	3 510	1 904	1 904	1 463	441	30%	3 510
Bulk purchases	18 011	15 000	17 762	-	3 447	6 864	(3 416)	-50%	17 762
Other materials	31 006	15 193	7 606	1 796	3 647	4 647	(1 001)	-22%	7 606
Contracted services	155 330	100 172	115 567	7 581	38 946	45 159	(6 213)	-14%	115 567
Transfers and subsidies	14 000	-	-	-	-	-	-		-
Other expenditure	37 963	54 691	57 967	2 595	21 493	24 136	(2 643)	-11%	57 967
Loss on disposal of PPE	8 948	-	-	-	-	-	-		-
Total Expenditure	538 373	456 170	511 415	29 984	150 920	202 107	(51 186)	-25%	511 415
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(92 998)	20 226	(63 345)	(21 342)	31 751	(9 903)	41 654	-421%	(63 345)
Transfers and subsidies - capital (in-kind - all)	335 775	275 839	275 839	-	-	114 933	(114 933)	-100%	275 839
Surplus/(Deficit) after capital transfers & contributions	242 777	296 065	212 494	(21 342)	31 751	105 030	(73 278)	-70%	212 494
Taxation							-		
Surplus/(Deficit) after taxation	242 777	296 065	212 494	(21 342)	31 751	105 030	(73 278)	-70%	212 494

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M05 November

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
R thousands									
Monthly expenditure performance trend									
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	-	-	140 744	-	-	-
January	12 229	23 552	23 357	-	-	164 100	-	-	-
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	-	-	-
Total Capital expenditure	266 785	282 624	280 884	98 216					

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 - M05 November

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
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	72 687	96 344	96 344	13 452	29 266	40 143	10 878	27,1%	96 344
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	70 959	96 344	96 344	13 452	29 266	40 143	10 878	27,1%	96 344
<i>Dams and Weirs</i>	65 476	24 250	24 250	2 407	7 375	10 104	2 729	27,0%	24 250
<i>Boreholes</i>	3 203	2 000	2 000	1 599	1 599	833	(765)	-91,9%	2 000
<i>Reservoirs</i>	-	13 680	13 680	4 307	4 613	5 700	1 087	19,1%	13 680
<i>Pump Stations</i>	-	-	-	-	-	-	-	-	-
<i>Water Treatment Works</i>	2 281	-	-	-	-	-	-	-	-
<i>Bulk Mains</i>	-	24 200	24 200	2 203	9 363	10 084	720	7,1%	24 200
<i>Distribution</i>	-	31 614	31 614	2 936	6 316	13 172	6 857	52,1%	31 614
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	600	600	-	-	250	250	100,0%	600
Information and Communication Infrastructure	1 728	-	-	-	-	-	-	-	-
<i>Data Centres</i>	1 728	-	-	-	-	-	-	-	-
Community Assets	-	25	25	-	-	10	10	100,0%	25
Community Facilities	-	25	25	-	-	10	10	100,0%	25
<i>Halls</i>	-	-	-	-	-	-	-	-	-
<i>Centres</i>	-	25	25	-	-	10	10	100,0%	25
<i>Crèches</i>	-	-	-	-	-	-	-	-	-
Other assets	-	211	211	-	-	88	88	100,0%	211
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	211	211	-	-	88	88	100,0%	211
<i>Staff Housing</i>	-	211	211	-	-	88	88	100,0%	211
Intangible Assets	-	100	100	-	-	42	42	100,0%	100
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	100	100	-	-	42	42	100,0%	100
<i>Computer Software and Applications</i>	-	100	100	-	-	42	42	100,0%	100
Computer Equipment	-	1 450	1 450	-	1 221	604	(617)	-102,1%	1 450
Computer Equipment	-	1 450	1 450	-	1 221	604	(617)	-102,1%	1 450
Furniture and Office Equipment	1 120	1 996	756	33	119	570	451	79,2%	756
Furniture and Office Equipment	1 120	1 996	756	33	119	570	451	79,2%	756
Machinery and Equipment	38	289	289	-	-	120	120	100,0%	289
Machinery and Equipment	38	289	289	-	-	120	120	100,0%	289
Total Capital Expenditure on new assets	73 845	100 415	99 175	13 485	30 605	41 578	10 973	26,4%	99 175

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 November 2019 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_____