

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 May 2020.

6/10/2020

Budget & Treasury Office

1. PART 1 – MONTHLY REPORT

1.1 PURPOSE

To table a report on the Implementation of the current budget and the financial state of the Municipality in terms of Section 71 of the Municipal Finance Management Act (MFMA)

LEGAL FRAMEWORK

- Local Government: Municipal Finance Management Act, 56 of 2003
- SCM Regulations
- SCM Policy
- Municipal Budget Reporting Regulation
- Division of Revenue Act

1.2 Executive Summary or Background

Legislative Requirements

In terms of the section 71 of the MFMA the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a)* Actual revenue, per revenue source;
- (b)* actual borrowings;
- (c)* actual expenditure, per vote;

- (d)* actual capital expenditure, per vote;
- (e)* the amount of any allocations received;
- (f)* actual expenditure on those allocations, excluding expenditure on—
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g)* when necessary, an explanation of—
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's

DELIBERATION/DISCUSSION

The discussion that follows, in terms of MFMA Section 71 above, intends to inform the Finance Committee on the progress made thus far in terms of implementing the 2019/2020 budget for the period ending 31 May 2020

1.3 Resolutions

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

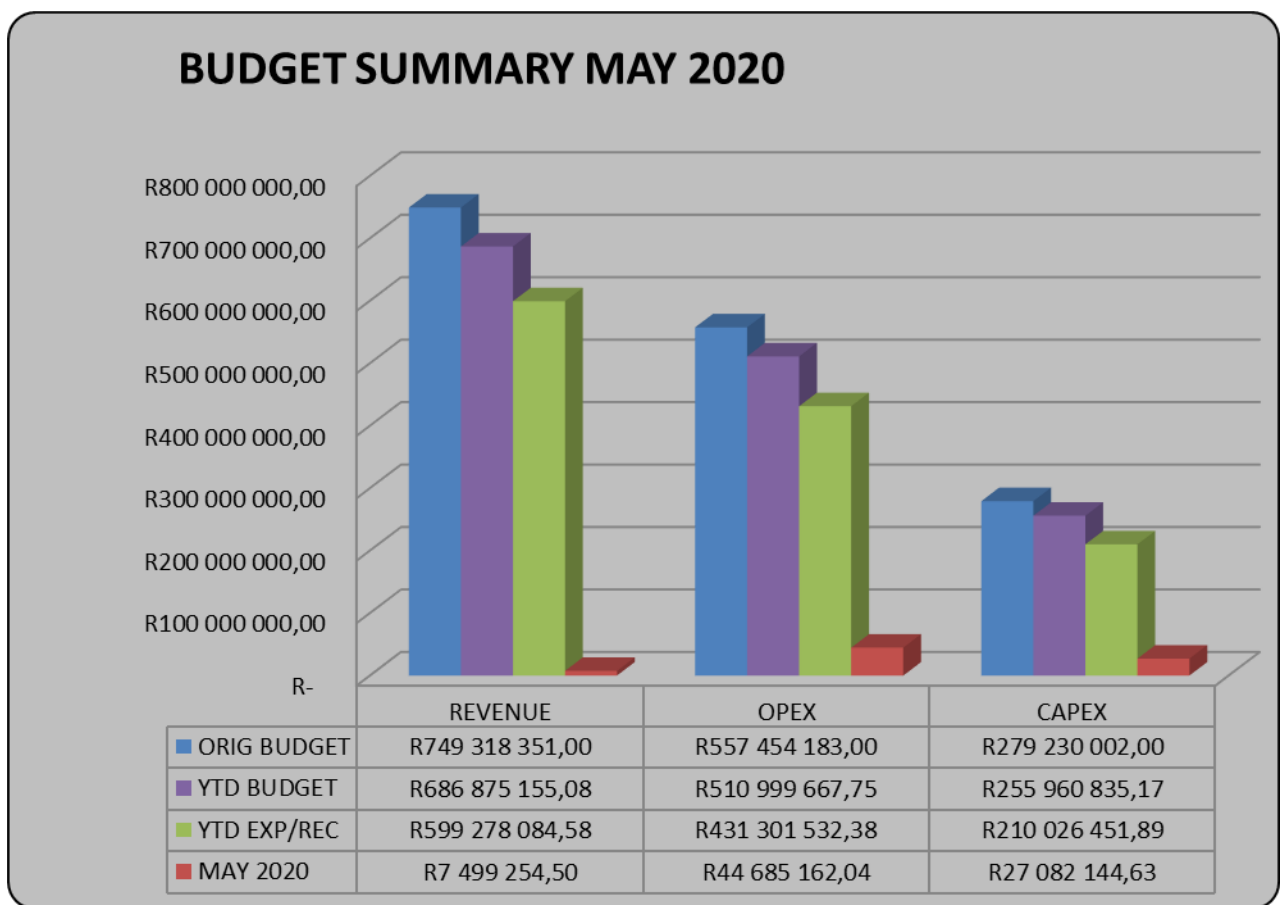
This report analysis the three main components of the budget against actual results with,

- Revenue
- Operational, and
- Capital Budgets

It further looks at other reportable matters in terms of section 71 of the MFMA.

Budget summary

The budget summary is intended to give an overall summary with regards to the implementation of the 2019/2020 budget for the period ending 31 May 2020. Chart 1 presented below gives a summary of the budgeted Revenue, Operating as well as Capital expenditure and the movements for the month of May as well as the Year to Date movements (YTD).



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 - M11 May

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	6 212	64 187	62 069	2 118	3%	67 065
Investment revenue	9 202	11 161	7 257	372	5 676	7 108	(1 432)	-20%	7 257
Transfers and subsidies	366 165	366 404	382 508	-	358 546	348 132	10 414	3%	382 508
Other own revenue	11 587	10 440	18 153	915	15 098	15 741	(643)	-4%	18 153
Total Revenue (excluding capital transfers and contributions)	445 375	476 396	474 984	7 499	443 506	433 049	10 457	2%	474 984
Employee costs	173 695	205 726	206 398	15 337	173 276	189 120	(15 844)	-8%	206 398
Remuneration of Councillors	6 952	7 574	7 574	878	6 962	6 943	19	0%	7 574
Depreciation & asset impairment	69 605	38 192	80 294	5 570	61 843	72 247	(10 404)	-14%	80 294
Finance charges	3 752	3 522	4 180	2	2 374	3 755	(1 381)	-37%	4 180
Materials and bulk purchases	50 227	30 443	33 827	4 964	22 978	30 187	(7 209)	-24%	33 827
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	236 568	184 141	225 181	17 935	163 868	203 376	(39 508)	-19%	225 181
Total Expenditure	540 800	469 599	557 454	44 685	431 302	505 629	(74 327)	-15%	557 454
Surplus/(Deficit)	(95 425)	6 798	(82 470)	(37 186)	12 204	(72 580)	84 784	-117%	(82 470)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	275 839	274 335	-	155 773	251 649	###	-38%	274 335
Surplus/(Deficit) after capital transfers & contributions	240 350	282 636	191 864	(37 186)	167 977	179 069	(11 092)	-6%	191 864
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	240 350	282 636	191 864	(37 186)	167 977	179 069	(11 092)	-6%	191 864
Capital expenditure & funds sources									
Capital expenditure	266 785	282 624	279 230	27 082	210 026	256 204	(46 178)	-18%	279 230
Capital transfers recognised	134 240	276 203	274 385	27 082	208 522	251 721	(43 199)	-17%	274 385
Internally generated funds	14 442	6 421	4 845	-	1 504	4 483	(2 979)	-66%	4 845
Total sources of capital funds	148 683	282 624	279 230	27 082	210 026	256 204	(46 178)	-18%	279 230
Financial position									
Total current assets	118 976	282 609	98 469	-	223 639	-	-	-	98 469
Total non current assets	2 171 694	2 165 144	2 161 750	-	2 319 499	-	-	-	2 161 750
Total current liabilities	170 317	138 272	95 293	-	225 333	-	-	-	95 293
Total non current liabilities	56 670	36 242	36 490	-	45 278	-	-	-	36 490
Community wealth/Equity	2 063 683	2 273 239	2 128 435	-	2 272 527	-	-	-	2 128 435
Cash flows									
Net cash from (used) operating	308 163	293 923	233 269	43 849	266 405	1 038 197	771 792	74%	1 136 959
Net cash from (used) investing	(364 374)	(275 839)	(279 405)	(27 082)	(210 026)	(186 270)	23 756	-13%	(279 405)
Net cash from (used) financing	(3 330)	(3 896)	(12 528)	-	(1 995)	(8 352)	(6 357)	76%	(12 528)
Cash/cash equivalents at the month/year end	52 795	126 524	12 929	-	125 976	843 575	717 599	85%	845 026
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	8 448	6 739	6 299	5 915	5 936	4 848	27 705	132 210	198 100
Creditors Age Analysis									
Total Creditors	2 373	-	-	-	-	-	-	-	2 373

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) - M11 May

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	367 364	363 811	399	355 145	333 908	21 237	6%	363 811
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	331 363	367 364	363 811	399	355 145	333 908	21 237	6%	363 811
Internal audit	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	382 421	946	7 908	-	-	6 437	(6 437)	-100%	7 908
Planning and development	382 421	946	7 908	-	-	6 437	(6 437)	-100%	7 908
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	67 365	383 925	377 599	7 100	244 133	344 353	(100 219)	-29%	377 599
Energy sources	-	7 000	7 000	-	-	5 794	(5 794)	-100%	7 000
Water management	49 012	351 168	336 240	5 109	223 242	308 635	(85 393)	-28%	336 240
Waste water management	18 353	25 757	34 359	1 991	20 891	29 923	(9 032)	-30%	34 359
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	781 150	752 235	749 318	7 499	599 278	684 698	(85 419)	-12%	749 318
Expenditure - Functional									
<i>Governance and administration</i>	213 051	212 801	227 550	15 009	171 543	209 882	(38 339)	-18%	227 550
Executive and council	18 266	25 782	18 280	1 266	14 145	17 557	(3 413)	-19%	18 280
Finance and administration	188 610	182 707	201 823	13 105	150 632	185 864	(35 232)	-19%	201 823
Internal audit	6 175	4 312	7 447	638	6 766	6 461	305	5%	7 447
<i>Community and public safety</i>	13 823	11 180	15 908	1 476	14 450	14 004	446	3%	15 908
Community and social services	13 823	11 180	15 908	1 476	14 450	14 004	446	3%	15 908
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	167 800	131 383	167 307	12 388	118 803	151 305	(32 502)	-21%	167 307
Planning and development	167 800	131 383	167 307	12 388	118 803	151 305	(32 502)	-21%	167 307
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	146 125	114 236	146 690	15 813	126 505	130 437	(3 932)	-3%	146 690
Energy sources	35	-	-	-	-	-	-	-	-
Water management	145 347	113 919	140 024	15 745	125 824	125 068	756	1%	140 024
Waste water management	742	317	6 665	68	681	5 370	(4 688)	-87%	6 665
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	540 800	469 599	557 454	44 685	431 302	505 629	(74 327)	-15%	557 454
Surplus/ (Deficit) for the year	240 350	282 636	191 864	(37 186)	167 977	179 069	(11 092)	-6%	191 864

This table assess the revenue by department and then the expenditure for the period ending 31 May 2020. Revenue receipts in May have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of May is 1%.

Expenditure by standard classification presents the expenditures by the departments. 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 and hence the expenditure of R20m.

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

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

Vote Description	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	367 364	363 811	396	353 507	333 908	19 599	5,9%	363 811
Vote 04 - Summary Corporate Services	445	-	-	-	1 181	-	1 181	#DIV/0!	-
Vote 05 - Summary Social Services & Development Planning	346	946	7 908	-	-	6 437	(6 437)	-100,0%	7 908
Vote 06 - Summary Infrastructure Services	382 076	295 533	285 530	-	160 255	262 281	(102 025)	-38,9%	285 530
Vote 07 - Summary Water Services	68 244	88 392	92 069	7 104	84 335	82 072	2 263	2,8%	92 069
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	781 150	752 235	749 318	7 499	599 278	684 698	(85 419)	-12,5%	749 318
Expenditure by Vote									
Vote 01 - Summary Council	8 421	12 958	11 050	959	9 327	10 175	(848)	-8,3%	11 050
Vote 02 - Summary Municipal Manager	16 020	17 136	14 677	945	11 584	13 843	(2 259)	-16,3%	14 677
Vote 03 - Summary Budget And Treasury Office	72 227	76 953	78 530	4 466	44 081	72 217	(28 136)	-39,0%	78 530
Vote 04 - Summary Corporate Services	85 564	67 212	83 231	4 100	72 622	75 577	(2 954)	-3,9%	83 231
Vote 05 - Summary Social Services & Development Planning	47 553	64 727	59 828	7 977	47 214	55 001	(7 786)	-14,2%	59 828
Vote 06 - Summary Infrastructure Services	149 530	80 431	127 535	6 211	89 692	113 929	(24 237)	-21,3%	127 535
Vote 07 - Summary Water Services	161 485	150 182	182 603	20 027	156 780	164 887	(8 107)	-4,9%	182 603
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	540 800	469 599	557 454	44 685	431 302	505 629	(74 327)	-14,7%	557 454
Surplus/ (Deficit) for the year	240 350	282 636	191 864	(37 186)	167 977	179 069	(11 092)	-6,2%	191 864

Statement of financial Performance

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

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - water revenue	43 001	62 635	47 706	4 520	47 248	44 146	3 102	7%	47 706
Service charges - sanitation revenue	15 419	25 757	19 359	1 692	16 939	17 923	(984)	-5%	19 359
Interest earned - external investments	9 202	11 161	7 257	372	5 676	7 108	(1 432)	-20%	7 257
Interest earned - outstanding debtors	10 556	9 658	9 658	915	12 052	8 854	3 199	36%	9 658
Fines, penalties and forfeits	694	-	-	-	341	-	341	#DIV/0!	-
Transfers and subsidies	366 165	366 404	382 508	-	358 546	348 132	10 414	3%	382 508
Other revenue	337	781	8 495	-	1 643	6 887	(5 244)	-76%	8 495
Gains	-	-	-	-	1 062	-	1 062	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)	445 375	476 396	474 984	7 499	443 506	433 049	10 457	2%	474 984
Expenditure By Type									
Employee related costs	173 695	205 726	206 398	15 337	173 276	189 120	(15 844)	-8%	206 398
Remuneration of councillors	6 952	7 574	7 574	878	6 962	6 943	19	0%	7 574
Debt impairment	19 111	25 315	25 315	-	-	23 206	(23 206)	-100%	25 315
Depreciation & asset impairment	69 605	38 192	80 294	5 570	61 843	72 247	(10 404)	-14%	80 294
Finance charges	3 752	3 522	4 180	2	2 374	3 755	(1 381)	-37%	4 180
Bulk purchases	19 221	15 000	17 762	3 418	16 607	16 205	402	2%	17 762
Other materials	31 006	15 443	16 065	1 547	6 371	13 982	(7 611)	-54%	16 065
Contracted services	156 547	101 502	140 820	8 761	104 467	125 867	(21 400)	-17%	140 820
Other expenditure	51 963	57 324	59 046	9 174	59 022	54 303	4 719	9%	59 046
Losses	8 948	-	-	-	379	-	379	#DIV/0!	-
Total Expenditure	540 800	469 599	557 454	44 685	431 302	505 629	(74 327)	-15%	557 454
Surplus/(Deficit)	(95 425)	6 798	(82 470)	(37 186)	12 204	(72 580)	84 784	(0)	(82 470)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	335 775	275 839	274 335	-	155 773	251 649	(95 876)	(0)	274 335
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	240 350	282 636	191 864	(37 186)	167 977	179 069			191 864
Taxation									
Surplus/(Deficit) after taxation	240 350	282 636	191 864	(37 186)	167 977	179 069			191 864
Atributable to minorities									
Surplus/(Deficit) attributable to municipality	240 350	282 636	191 864	(37 186)	167 977	179 069			191 864
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	240 350	282 636	191 864	(37 186)	167 977	179 069			191 864

Capital Expenditure

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

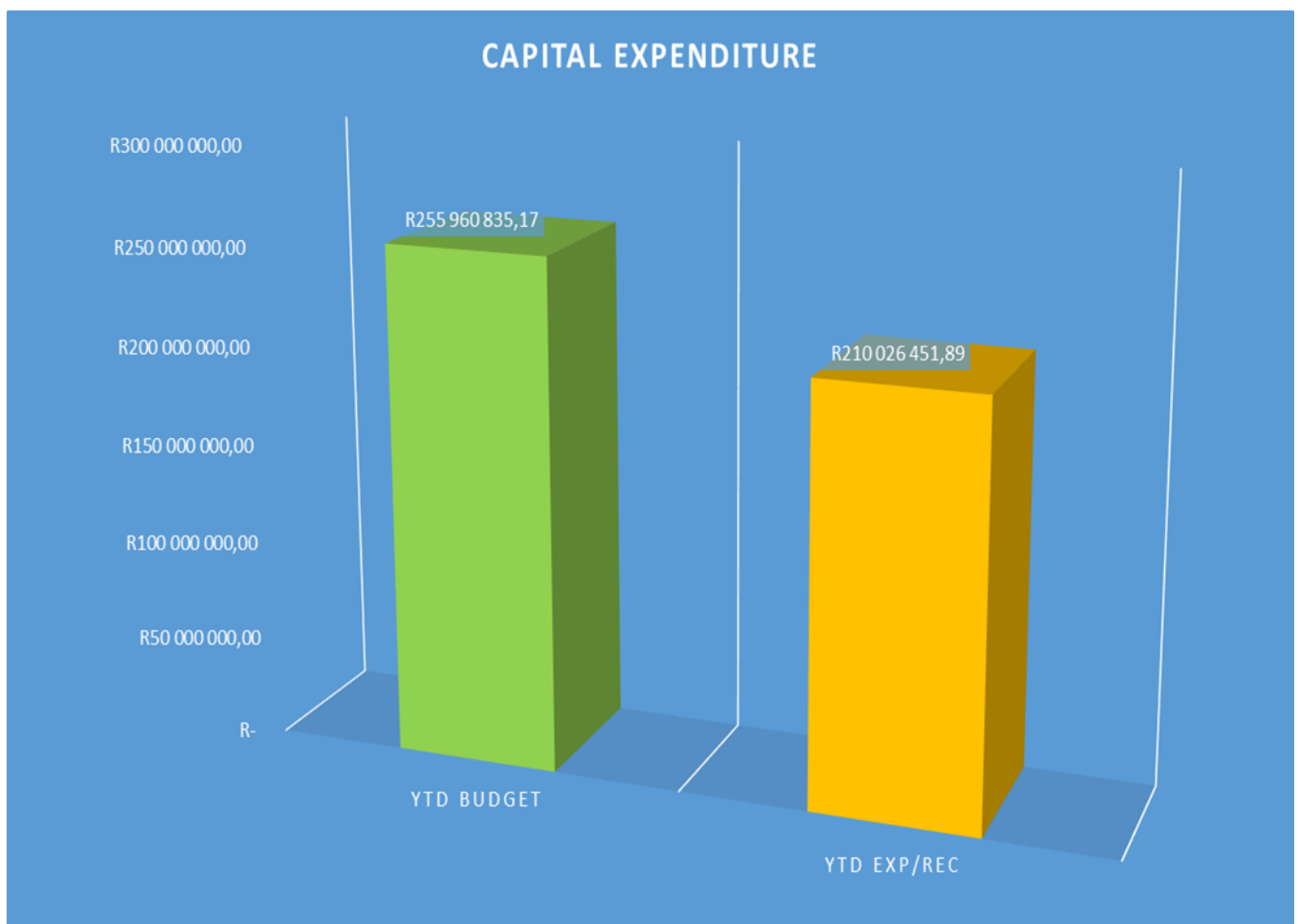
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and

Vote Description	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 Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	252 343	165 243	150 348	10 224	121 733	139 890	(18 157)	-13%	150 348
Vote 07 - Summary Water Services	-	-	15 000	2 957	4 940	12 000	(7 060)	-59%	15 000
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	252 343	165 243	165 348	13 181	126 673	151 890	(25 217)	-17%	165 348
Single Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	38	140	-	-	-	6	(6)	-100%	-
Vote 04 - Summary Corporate Services	10 203	4 942	3 631	-	1 504	3 339	(1 835)	-55%	3 631
Vote 05 - Summary Social Services & Development Planning	62	383	208	-	-	211	(211)	-100%	208
Vote 06 - Summary Infrastructure Services	4 140	110 859	108 987	13 901	81 849	99 790	(17 941)	-18%	108 987
Vote 07 - Summary Water Services	-	1 056	1 056	-	-	968	(968)	-100%	1 056
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	14 442	117 381	113 882	13 901	83 353	104 314	(20 961)	-20%	113 882
Total Capital Expenditure	266 785	282 624	279 230	27 082	210 026	256 204	(46 178)	-18%	279 230
Capital Expenditure - Functional Classification									
Governance and administration	10 240	5 082	3 631	-	1 504	3 345	(1 841)	-55%	3 631
Executive and council									
Finance and administration	10 240	5 082	3 631	-	1 504	3 345	(1 841)	-55%	3 631
Internal audit									
Economic and environmental services	212 808	383	208	-	-	211	(211)	-100%	208
Planning and development	212 808	383	208	-	-	211	(211)	-100%	208
Trading services	43 737	277 158	275 391	27 082	208 522	252 648	(44 126)	-17%	275 391
Energy sources									
Water management	43 737	213 071	229 763	22 349	169 461	208 335	(38 874)	-19%	229 763
Waste water management	-	64 088	45 628	4 733	39 061	44 313	(5 252)	-12%	45 628
Total Capital Expenditure - Functional Classification	266 785	282 624	279 230	27 082	210 026	256 204	(46 178)	-18%	279 230
Funded by:									
National Government	134 240	275 978	259 335	24 125	203 582	239 655	(36 072)	-15%	259 335
Provincial Government	-	-	15 000	2 957	4 940	12 000	(7 060)	-59%	15 000
District Municipality	-	225	50	-	-	66	(66)	-100%	50
Transfers recognised - capital	134 240	276 203	274 385	27 082	208 522	251 721	(43 199)	-17%	274 385
Internally generated funds	14 442	6 421	4 845	-	1 504	4 483	(2 979)	-66%	4 845
Total Capital Funding	148 683	282 624	279 230	27 082	210 026	256 204	(46 178)	-18%	279 230

As alluded to above, the capital expenditure programme for the period ending 31 May 2020 was R210m which represents 82% of capital expenditure against year to date budget of R255, 9million. The capital expenditure programme has started on a rather slower footing and thus the low expenditures reflected on National grant funding

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

Chart 1: 2019/2020 CAPEX



As at 31 May 2020, the year to date actual expenditure was R210million against a YTD budget of R255, 9million. In monetary terms, these figures represent 82 per cent performance against the capital development programme as at 31 May 2020.

Table C6 displays the financial position of the municipality as at 31 May 2020.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M11 May

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	53 026	169 975	9 590	83 759	9 590
Call investment deposits	5 337	37 087	3 331	42 217	3 331
Consumer debtors	26 933	42 739	42 739	68 499	42 739
Other debtors	33 432	32 638	42 638	28 916	42 638
Inventory	248	171	171	248	171
Total current assets	118 976	282 609	98 469	223 639	98 469
Non current assets					
Investments in Associate	-	-	-	-	-
Property, plant and equipment	2 170 503	2 163 828	2 160 534	2 318 470	2 160 534
Intangible	1 191	1 316	1 216	1 028	1 216
Other non-current assets	-	-	-	-	-
Total non current assets	2 171 694	2 165 144	2 161 750	2 319 499	2 161 750
TOTAL ASSETS	2 290 670	2 447 753	2 260 218	2 543 137	2 260 218
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	(4 290)	(4 290)	(1 013)	(4 290)
Consumer deposits	1 768	1 740	1 740	1 861	1 740
Trade and other payables	157 549	131 248	88 269	213 484	88 269
Provisions	11 000	9 574	9 574	11 000	9 574
Total current liabilities	170 317	138 272	95 293	225 333	95 293
Non current liabilities					
Borrowing	37 730	13 292	13 541	26 337	13 541
Provisions	18 940	22 949	22 949	18 940	22 949
Total non current liabilities	56 670	36 242	36 490	45 278	36 490
TOTAL LIABILITIES	226 987	174 514	131 783	270 610	131 783
NET ASSETS	2 063 683	2 273 239	2 128 435	2 272 527	2 128 435
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	2 063 683	2 273 239	2 128 435	2 272 527	2 128 435
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 063 683	2 273 239	2 128 435	2 272 527	2 128 435

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

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M11 May

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	51 990	4 361	46 337	47 658	(1 321)	-3%	51 990
Other revenue	3 816	781	11 626	-	1 989	10 657	(8 668)	-81%	11 626
Transfers and Subsidies - Operational	361 595	366 004	339 907	-	319 074	311 582	7 492	2%	339 907
Transfers and Subsidies - Capital	312 210	275 839	274 335	-	295 860	251 473	44 387	18%	274 335
Interest	9 645	9 658	7 257	372	5 687	6 652	(965)	-15%	7 257
Payments									
Suppliers and employees	(425 384)	(402 569)	(447 664)	39 113	(400 168)	406 420	806 588	198%	447 664
Finance charges	(3 752)	(3 522)	(4 180)	2	(2 374)	3 755	6 129	163%	4 180
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	308 163	293 923	233 269	43 849	266 405	1 038 197	771 792	74%	1 136 959
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Decrease (increase) in non-current receivables							-		
Decrease (increase) in non-current investments							-		
Payments									
Capital assets	(364 374)	(275 839)	(279 405)	(27 082)	(210 026)	(186 270)	23 756	-13%	(279 405)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(364 374)	(275 839)	(279 405)	(27 082)	(210 026)	(186 270)	23 756	-13%	(279 405)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	(3 330)	(3 896)	(12 528)	-	(1 995)	(8 352)	(6 357)	76%	(12 528)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 330)	(3 896)	(12 528)	-	(1 995)	(8 352)	(6 357)	76%	(12 528)
NET INCREASE/ (DECREASE) IN CASH HELD	(59 540)	14 188	(58 663)	16 767	54 383	843 575			845 026
Cash/cash equivalents at beginning:	112 336	112 336	71 593		71 593				
Cash/cash equivalents at month/year end:	52 795	126 524	12 929		125 976	843 575			845 026

The interest earned on investments and on outstanding debtors for the period ending 31 May is R17, 7million which is representing 114% of the year to date budget.

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

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

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

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	5 423	4 326	4 044	3 797	3 811	3 112	17 784	84 869	127 165	113 373
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	2 119	1 690	1 580	1 483	1 489	1 216	6 948	33 155	49 679	44 290
Receivables from Exchange Transactions - Waste Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	907	723	676	635	637	520	2 973	14 186	21 257	18 951
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Income Source	8 448	6 739	6 299	5 915	5 936	4 848	27 705	132 210	198 100	176 614
2018/19 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	3 647	2 406	1 268	1 033	982	586	1 754	2 802	14 478	7 157
Commercial	684	645	628	572	569	488	2 565	7 903	14 054	12 097
Households	4 118	3 688	4 403	4 311	4 385	3 775	23 385	121 505	169 568	157 360
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	8 448	6 739	6 299	5 915	5 936	4 848	27 705	132 210	198 100	176 614

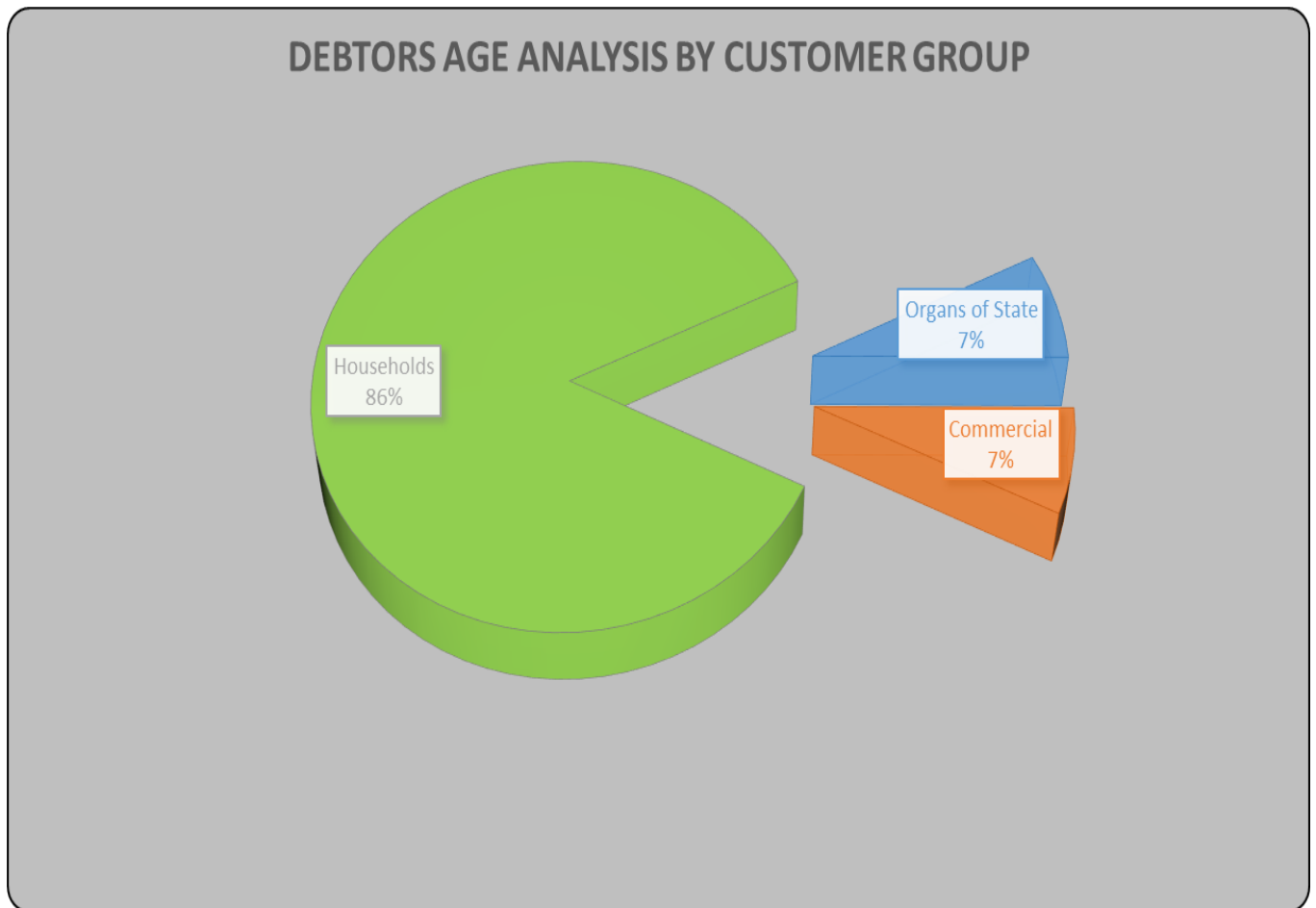
Table 2.1.2: Debtors Age Analysis by Customer Category

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

Chart 2: Debtors Age Analysis by Customer Group

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

- ✓ Households: 86%
- ✓ Government 7%
- ✓ Business 7%



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

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

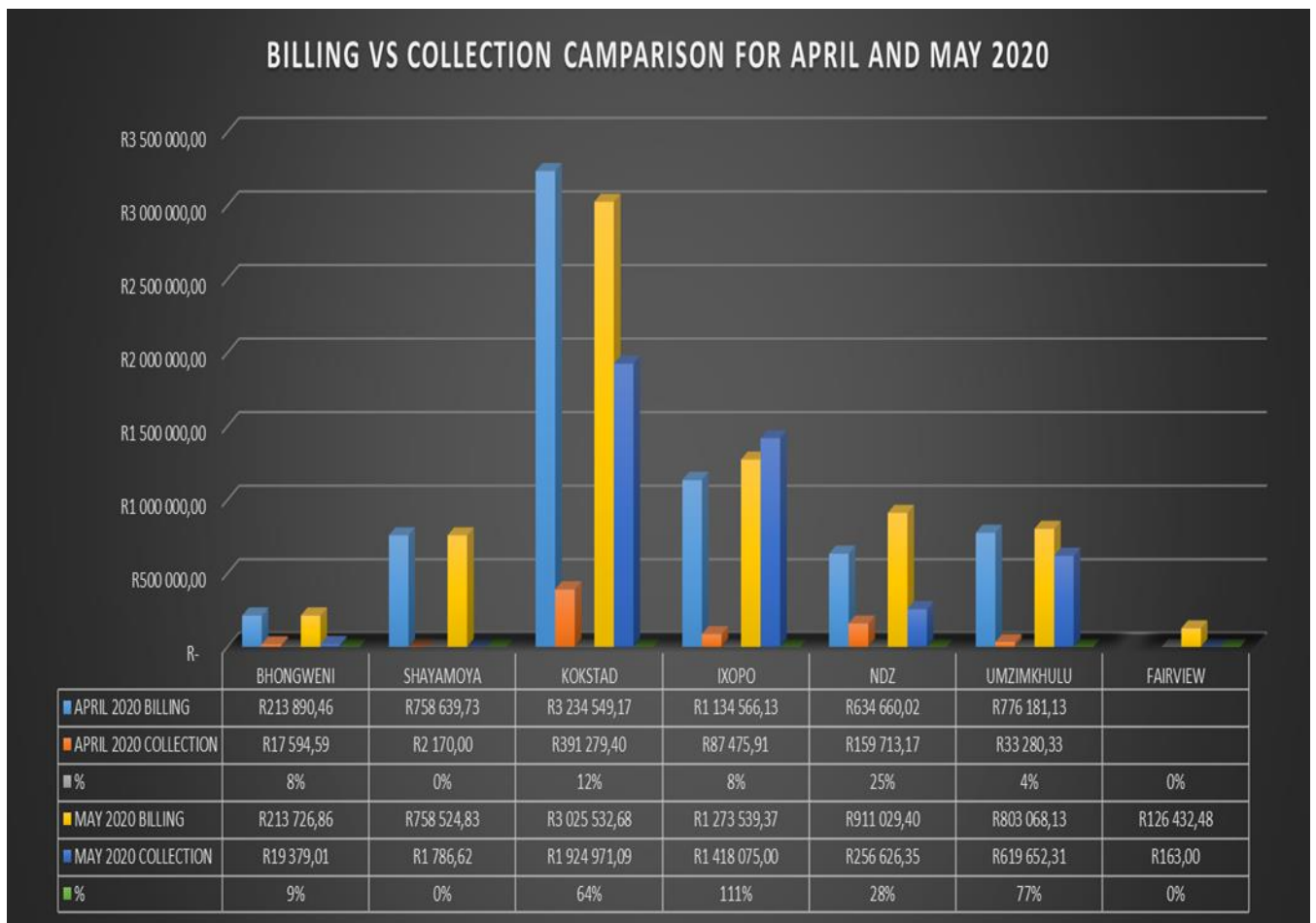
REVENUE RECEIPTS

Revenue receipts per Area

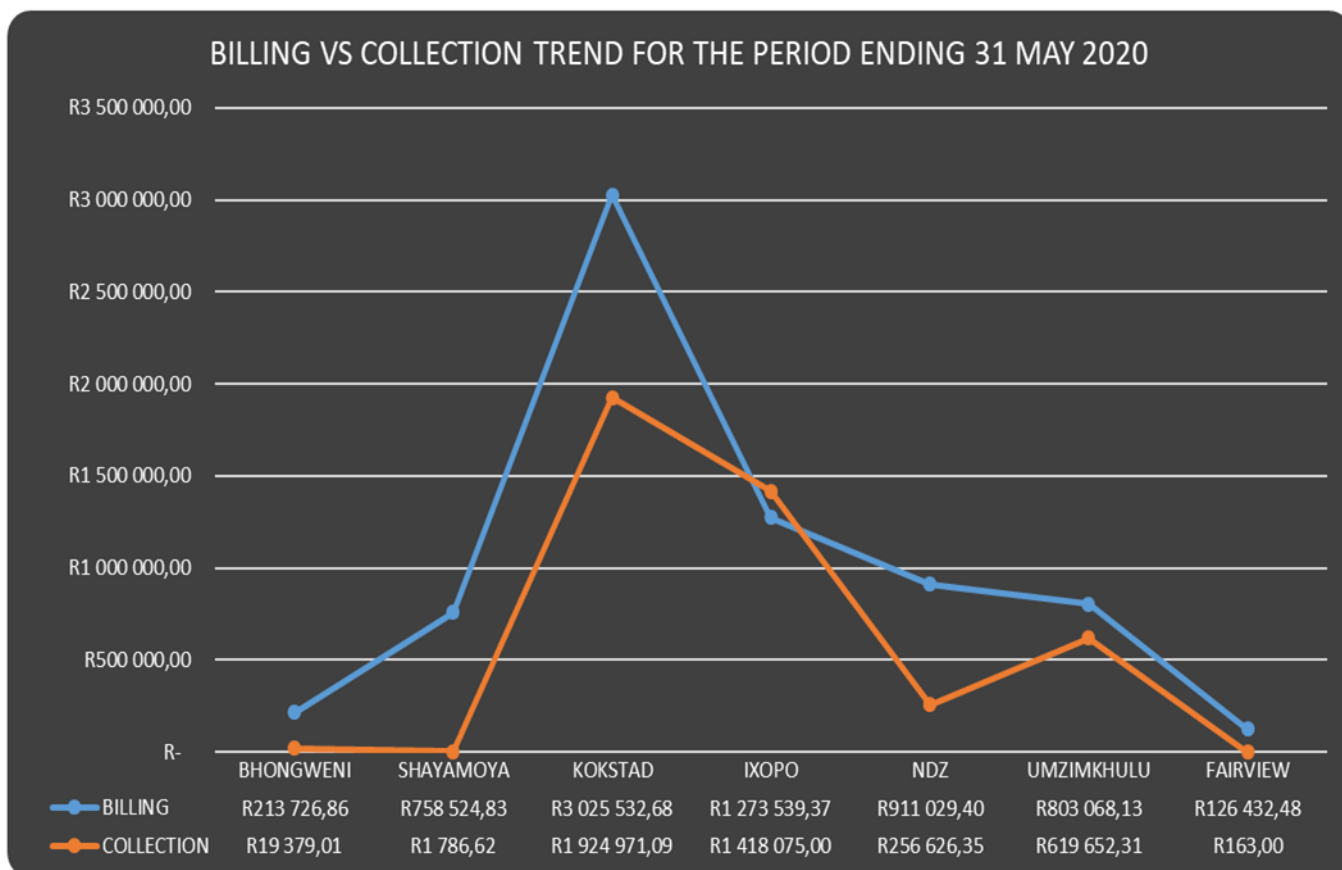
AREA	AMOUNT		
		MAY 2020	APRIL 2020
Unallocated receipts	R 120 793	3%	9%
Bhongweni	R 19 379	0%	2%
Shayamoya	R 1 787	0%	0%
Kokstad	R 1 924 971	44%	52%
Ixopo	R 1 418 075	33%	12%
NDZ	R 256 626	6%	21%
Umzimkhulu	R 619 652	14%	4%
Fairview	R 163	0%	0%
TOTAL RECEIPTS INCL VAT	R 4 361 447	100%	100%

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 May is R4, 3million. The total billing as at 31 May 2020 amount to R 64, 1million against total collection of R 44, 8million representing 70 per cent.

The chart that follows below shows the comparison between billing and collection for the period ending 31 May 2020.



The chart that follows below shows the comparison between billing and collection trend for the period ending 31 May 2020



Debtors age analysis per service

The municipality’s total outstanding debtors amounted to R 198 100 486 as at 30 May 2020 compared with the R 194 291 677 as at 30 April 2020. Current debt represent 4% of the total outstanding debt compared with the 4% of April 2020; 30 days and older debt 3% compared with the 3% for April 2020; 60 days and older debt 3% compared with the 3% of April

2020; and 90 days 3% compared with the 3% of April 2020; 120 days to History and older 86% compared with the 85% for April 2020.

Current debt Increased with R 3,808,809 to R 198,100,486 compared with the R 194,291,677 as at 30 April 2020; 30 days + debt Decreased with R 1,508,863; 60 days + decreased with R 431,120; 90 days + debt decreased with R 409,894 and 120 + days and older debt as at May 2020 has increased with R 5,377,651 to R 170,698,891 compared with the R 165,321,240 as at 30 April 2020.

Debtors age analysis per debtor type

Business debtors owes the municipality R 13,817,175 (7%); Municipal debtors R 1,100,111 (1%); domestic debtors R 161,175,958 (81%); Government accounts R 13,069,926 (7%); Indigent debtors R 5,110,543 (3%) and other debtors R 3,826,770 (2%) of the total outstanding debt of R 198,100,486.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 May 2020

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

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	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	2 373	-	-	-	-	-	-	-	2 373
Audibr General	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total By Customer Type	2 373	-	-	-	-	-	-	-	2 373

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 May 2020.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	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						37 137	110	(12 660)	-	24 587
FIRST NATIONAL BANK		CALL ACCOUNT						42 708	90	(11 200)		31 599
FIRST NATIONAL BANK		ADMIN CALL						42 972	105	(12 970)	10 000	40 106
INVESTEC		FIXED DEPOSIT						2 104	7	-	-	2 111
FIRST NATIONAL BANK		FIXED DEPOSIT						11 325	31	(3 593)	-	7 763
FIRST NATIONAL BANK		CALL ACCOUNT						1 310	3	-	-	1 313
FIRST NATIONAL BANK		CALL ACCOUNT						5 405	11	-	-	5 416
FIRST NATIONAL BANK		CALL ACCOUNT						6 972	14	-	-	6 987
FIRST NATIONAL BANK		FIXED DEPOSIT						754	2	-	-	756
CURRENT ACCOUNT								5 338	-	-	-	5 338
Municipality sub-total								156 026	372	(40 423)	10 000	125 976
TOTAL INVESTMENTS AND INTEREST								156 026		(40 423)	10 000	125 976

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 - M11 May

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:	321 592	366 004	382 508	-	358 546	348 085	10 461	3,0%	382 508
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	318 074	345 309	345 309	-	345 309	316 533	28 776	9,1%	345 309
Expanded Public Works Programme Integrated Grant	2 518	5 316	5 316	-	3 941	4 873	(932)	-19,1%	5 316
Integrated National Electrification Programme Grant	-	7 000	7 000	-	-	5 794	(5 794)	-100,0%	7 000
Local Government Financial Management Grant	1 000	1 000	1 000	-	305	917	(612)	-66,8%	1 000
Municipal Infrastructure Grant	-	5 022	11 522	-	-	9 803	(9 803)	-100,0%	11 522
Rural Road Asset Management Systems Grant	-	2 357	2 358	-	542	2 161	(1 620)	-74,9%	2 358
Water Services Infrastructure Grant	-	-	10 004	-	8 449	8 003	446	5,6%	10 004
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	43 783	-	-	-	-	-	-	-	-
Other	43 783	-	-	-	-	-	-	-	-
Other grant providers:	791	400	400	-	-	47	(47)	-100,0%	400
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	791	400	400	-	-	47	(47)	-100,0%	400
Total Operating Transfers and Grants	366 165	366 404	382 908	-	358 546	348 132	10 414	3,0%	382 908
Capital Transfers and Grants									
National Government:	335 775	275 839	259 335	-	155 773	239 649	(83 876)	-35,0%	259 335
Equitable Share	47 223	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	152 755	195 839	189 339	-	96 066	174 319	(78 253)	-44,9%	189 339
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	70 000	20 000	20 000	-	13 235	18 333	(5 099)	-27,8%	20 000
Rural Road Asset Management Systems Grant	2 226	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	63 571	60 000	49 996	-	46 472	46 997	(525)	-1,1%	49 996
Provincial Government:	-	-	15 000	-	15 000	12 000	3 000	25,0%	15 000
Specify (Add grant description)	-	-	15 000	-	15 000	12 000	3 000	25,0%	15 000
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	335 775	275 839	274 335	-	170 773	251 649	(80 876)	-32,1%	274 335
TOTAL RECEIPTS OF TRANSFERS & GRANTS	701 941	642 242	657 243	-	529 318	599 780	(70 462)	-11,7%	657 243

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 - M11 May

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:	507 556	448 944	490 154	37 208	391 653	449 374	(57 722)	-12,8%	490 154
Energy Efficiency and Demand Side Management Grant	-	7 000	7 000	-	1 610	5 794	(4 184)	-72,2%	7 000
Equitable Share	476 853	425 735	452 954	36 798	378 200	417 717	(39 518)	-9,5%	452 954
Expanded Public Works Programme Integrated Grant	179	7 939	5 316	410	2 395	5 179	(2 784)	-53,8%	5 316
Local Government Financial Management Grant	685	891	1 000	-	309	904	(595)	-65,8%	1 000
Municipal Infrastructure Grant	29 839	5 022	11 522	-	4 402	9 803	(5 401)	-55,1%	11 522
Municipal Systems Improvement Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	2 357	2 358	-	1 101	1 973	(872)	-44,2%	2 358
Water Services Infrastructure Grant	-	-	10 004	-	3 635	8 003	(4 368)	-54,6%	10 004
Provincial Government:	1 332	-	-	-	-	-	-	-	-
Development Planning and Shared Services	1 332	-	-	-	-	-	-	-	-
Rural Development Grant	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	15 709	21 635	-	-	19 141	(19 141)	-100,0%	21 635
Other grant providers:	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	508 889	448 944	490 154	37 208	391 653	449 374	(57 722)	-12,8%	490 154
Capital expenditure of Transfers and Grants									
National Government:	134 240	275 978	259 335	24 125	203 582	239 655	(36 072)	-15,1%	259 335
Local Government Financial Management Grant	-	140	-	-	-	6	(6)	-100,0%	-
Municipal Infrastructure Grant	10 090	195 838	189 338	20 560	136 699	174 319	(37 620)	-21,6%	189 338
Municipal Water Infrastructure Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	65 476	20 000	20 000	-	17 391	18 333	(942)	-5,1%	20 000
Water Services Infrastructure Grant	58 674	60 000	49 996	3 565	49 492	46 997	2 495	5,3%	49 996
Provincial Government:	-	-	15 000	2 957	4 940	12 000	(7 060)	-58,8%	15 000
Specify (Add grant description)	-	-	15 000	2 957	4 940	12 000	(7 060)	-58,8%	15 000
District Municipality:	-	225	50	-	-	66	(66)	-100,0%	50
Specify (Add grant description)	-	225	50	-	-	66	(66)	-100,0%	50
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	134 240	276 203	274 385	27 082	208 522	251 721	(43 199)	-17,2%	274 385
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	643 129	725 148	764 538	64 290	600 175	701 095	(100 921)	-14,4%	764 538

2.5 Councillor and Staff Benefits

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

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

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	5 533	619	4 584	5 090	(506)	-10%	5 533
Pension and UIF Contributions	581	254	300	64	464	270	195	72%	300
Medical Aid Contributions	96	45	45	5	49	41	8	19%	45
Motor Vehicle Allowance	45	-	-	-	-	-	-	-	-
Cellphone Allowance	534	372	413	58	564	374	191	51%	413
Other benefits and allowances	1 159	1 212	1 284	133	1 300	1 169	132	11%	1 284
Sub Total - Councillors	6 952	7 574	7 574	878	6 962	6 943	19	0%	7 574
% increase		8,9%	8,9%						8,9%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 005	4 760	3 492	439	3 302	3 349	(47)	-1%	3 492
Pension and UIF Contributions	10	8	9	1	9	8	0	3%	9
Medical Aid Contributions	91	1 021	110	14	108	207	(99)	-48%	110
Performance Bonus	146	-	53	-	53	42	11	25%	53
Motor Vehicle Allowance	883	941	866	119	840	803	37	5%	866
Cellphone Allowance	91	785	98	18	99	170	(71)	-42%	98
Housing Allowances	129	110	153	13	146	136	11	8%	153
Other benefits and allowances	110	117	361	49	396	303	93	31%	361
Payments in lieu of leave	22	353	-	-	-	41	(41)	-100%	-
Sub Total - Senior Managers of Municipality	5 488	8 095	5 144	653	4 952	5 059	(107)	-2%	5 144
% increase		47,5%	-6,3%						-6,3%
Other Municipal Staff									
Basic Salaries and Wages	99 979	103 251	111 466	9 037	98 669	101 219	(2 550)	-3%	111 466
Pension and UIF Contributions	14 873	12 905	16 186	1 366	14 814	14 454	360	2%	16 186
Medical Aid Contributions	7 261	5 136	8 061	695	7 545	7 048	496	7%	8 061
Overtime	22 215	19 704	24 200	1 072	20 582	21 659	(1 077)	-5%	24 200
Performance Bonus	6 855	9 704	7 202	899	7 036	6 894	143	2%	7 202
Motor Vehicle Allowance	13 814	12 641	14 337	1 168	13 162	12 945	218	2%	14 337
Cellphone Allowance	699	734	782	62	715	711	4	1%	782
Housing Allowances	413	1 442	479	42	445	551	(106)	-19%	479
Other benefits and allowances	3 514	18 178	4 772	343	4 328	5 939	(1 610)	-27%	4 772
Payments in lieu of leave	1 967	1 419	732	-	873	751	122	16%	732
Long service awards	626	314	1 000	-	154	837	(683)	-82%	1 000
Post-retirement benefit obligations	(4 009)	2 099	2 934	-	-	2 592	(2 592)	-100%	2 934
Sub Total - Other Municipal Staff	168 207	187 528	192 151	14 684	168 324	175 600	(7 275)	-4%	192 151
% increase		11,5%	14,2%						14,2%
Total Parent Municipality	180 647	203 197	204 869	16 214	180 239	187 602	(7 363)	-4%	204 869
		12,5%	13,4%						13,4%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	350	350	-	-	321	(321)	-100%	350
Sub Total - Board Members of Entities	-	350	350	-	-	321	(321)	-100%	350
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries and Wages	-	2 000	1 000	-	-	1 033	(1 033)	-100%	1 000
Sub Total - Senior Managers of Entities	-	2 000	1 000	-	-	1 033	(1 033)	-100%	1 000
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	5 283	5 283	-	-	4 843	(4 843)	-100%	5 283
Pension and UIF Contributions	-	1 380	1 380	-	-	1 265	(1 265)	-100%	1 380
Medical Aid Contributions	-	450	450	-	-	413	(413)	-100%	450
Performance Bonus	-	500	500	-	-	458	(458)	-100%	500
Other benefits and allowances	-	100	100	-	-	92	(92)	-100%	100
Payments in lieu of leave	-	40	40	-	-	37	(37)	-100%	40
Sub Total - Other Staff of Entities	-	7 753	7 753	-	-	7 107	(7 107)	-100%	7 753
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	10 103	9 103	-	-	8 461	(8 461)	-100%	9 103
TOTAL SALARY, ALLOWANCES & BENEFITS	180 647	213 300	213 972	16 214	180 239	196 063	(15 824)	-8%	213 972
% increase		18,1%	18,4%						18,4%
TOTAL MANAGERS AND STAFF	173 695	205 376	206 048	15 337	173 276	188 799	(15 523)	-8%	206 048

2.6 Material Variances to the SDBIP

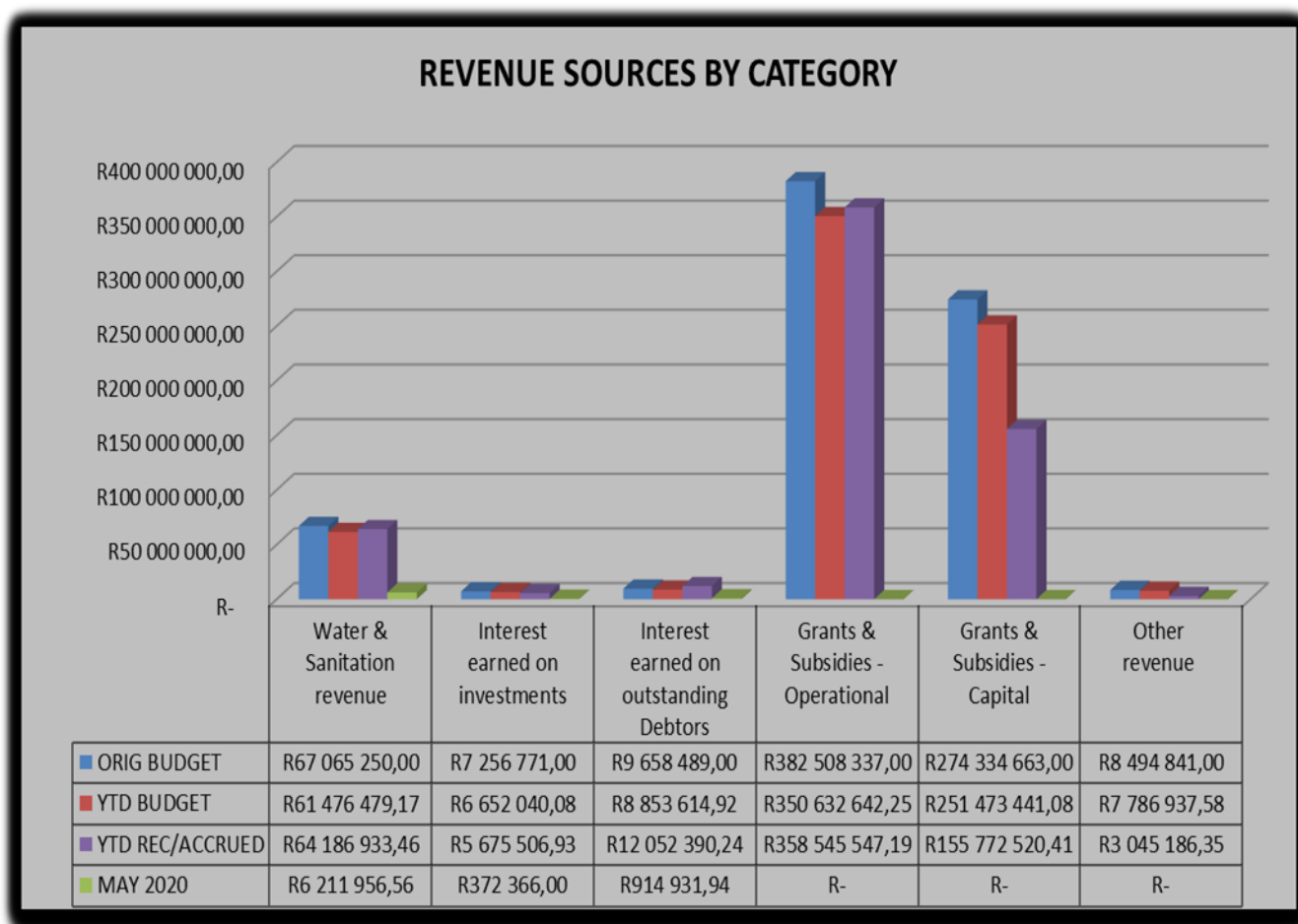
The following section analyses material variances between the actual targets as at 31 May 2020 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 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 31 May 2020 was R64, 1million against a year to date **budget** of R61, 4million.

Interest Earned on External Investments

The year to date actual interest earned on external investments for the period ended May 2020 is R5, 6m or 85% actual against year to date budget of R6, 6million.

Transfers Recognised - Operational

The operational grants revenue of R358, 5million against a year to date budget of R350, 6million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The low expenditure trends on grant funded expenditure had resulted in a rather lower than expected recognition of Income against the set targets. The actual R155, 7million (against a YTD budget of R251, 4million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 62% performance in Conditional Capital grant funding expenditures

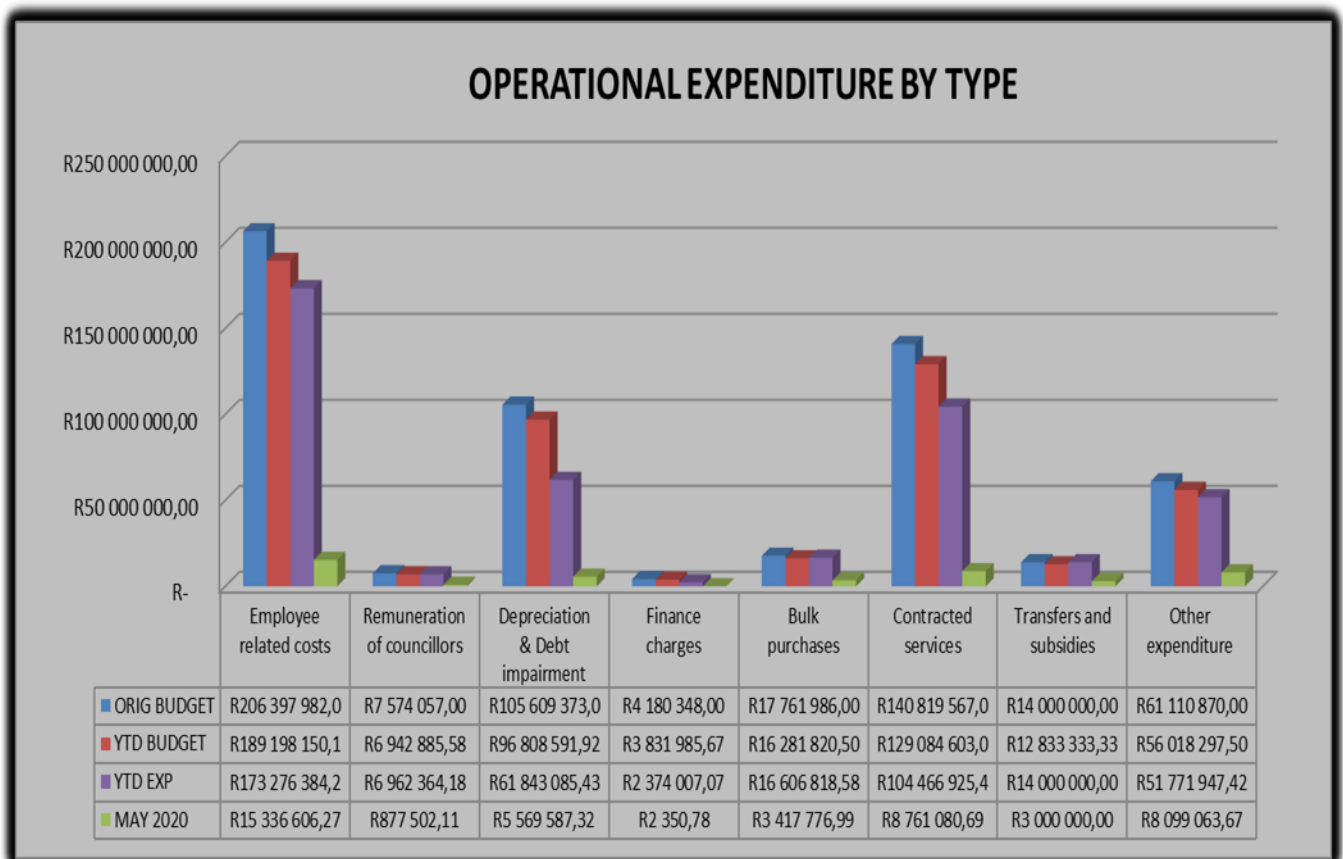
Other Revenue

The YTD performance of other revenue is R3million against YTD budget of R7, 7million representing 39 per cent performance.

OPERATIONAL EXPENDITURE

The chart below presents the YTD operational expenditure movements against the YTD budgets. An analysis of each expenditure line item category is discussed below.

Chart 4: 2019/20 financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R189, 1million against a YTD actual of R173, 2million which is 92% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 6, 9million against a YTD budget of R6, 9million representing 100% of the year to date budget.

Finance Charges

As at 31 May 2020, the year to date expenditure for finance charges is R2, 3m against the Year to Date budget of R3, 8m representing performance of 62 per cent.

Bulk Purchases

The expenditure on Bulk Water purchases has the budget of R17, 7m and the year to date expenditure is at R 16, 6million against a year to budget of R16, 2m. The expenditure for bulk water purchases is at 102% as at 31 May 2020.

Other Expenditure

The YTD budget for other expenditure was at R 56million against a YTD expenditure of R 51, 7million and expenditure for the month of May 2020 is R8million.

Performance assessment

The Performance Assessment Report will be available on the fourth quarter in terms of Sec 52 (d) of the Municipal Finance Management Act.

Actual and revised targets for cash receipts

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M11 May

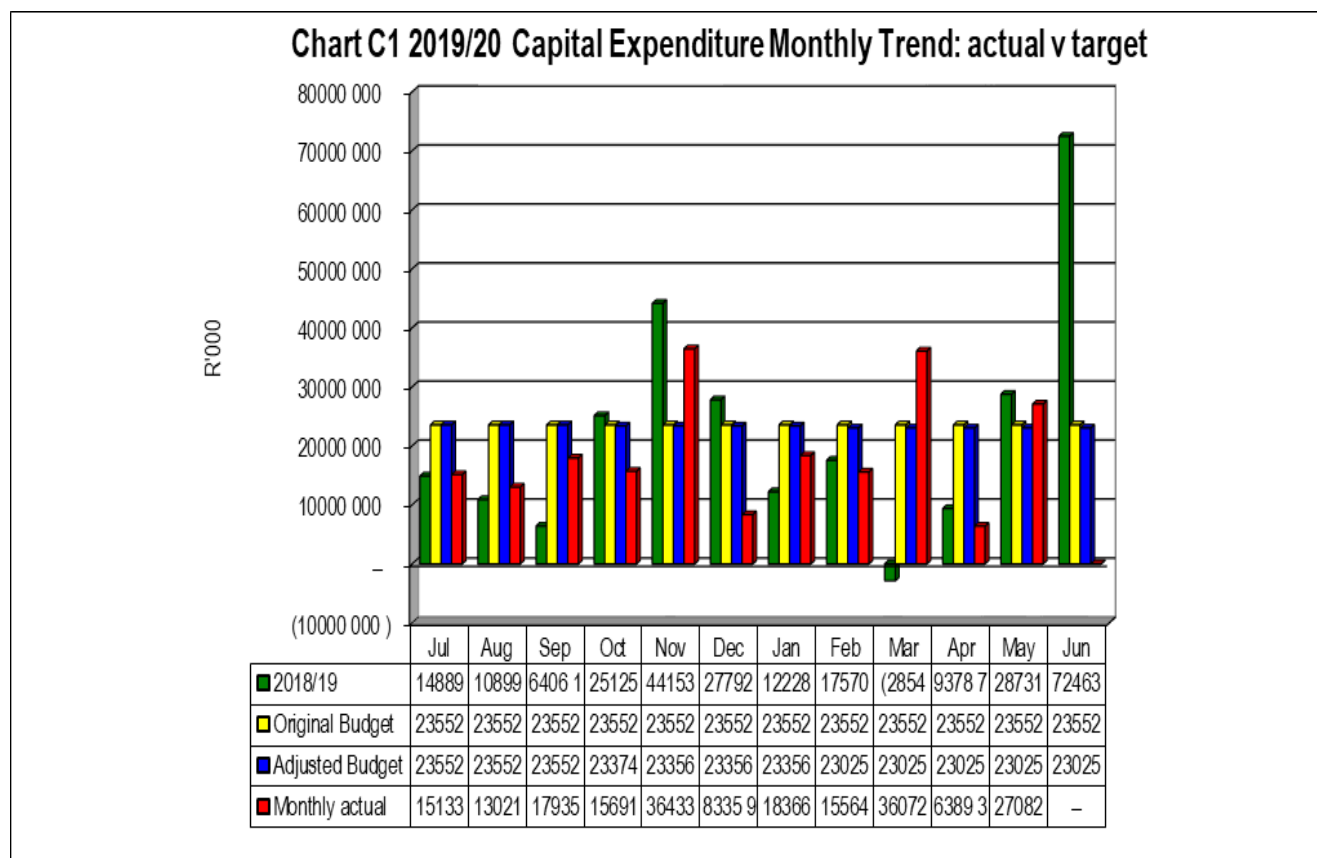
Description	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands															
Cash Receipts By Source															
Property rates												-			
Service charges - electricity revenue												-			
Service charges - water revenue	3 341	3 133	3 401	3 529	3 385	2 355	3 119	3 119	3 103	2 456	3 053	2 400	36 393	36 089	38 507
Service charges - sanitation revenue	1 432	1 343	1 457	1 502	1 451	1 009	1 337	1 337	1 330	1 087	1 308	1 005	15 597	14 842	15 838
Interest earned - external investments	354	969	910	673	565	390	293	378	-	713	372	1 641	7 257	10 238	10 852
Transfers and Subsidies - Operational	145 208	3 980		3 000	2 393	71 865	-	6 301	86 327	-	-	20 833	339 907	381 076	411 995
Other revenue		276		-	858	-	35		76	3 901		6 480	11 626	823	867
Cash Receipts by Source	150 335	9 700	5 768	8 703	8 651	75 620	4 784	11 134	90 836	8 157	4 734	32 358	410 780	443 068	478 060
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	50 000	40 000	-	-	20 000		80 000	-	105 860	-	-	(21 525)	274 335	302 870	358 946
Increase (decrease) in consumer deposits	(18)	(14)	(18)	(5)	(10)	(4)	(6)	(12)	(4)	(1)	(1)	(1 648)	(1 740)	(1 845)	(1 956)
Decrease (increase) in non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	200 317	49 687	5 750	8 699	28 641	75 615	84 778	11 123	196 692	8 156	4 733	9 185	683 374	744 093	835 050
Cash Payments by Type															
Employee related costs	20 661	16 041	15 717	15 786	15 422	15 817	10 794	15 902	-	31 799	15 337	33 122	206 398	222 746	232 810
Remuneration of councillors	443	461	602	663	686	648	604	638	-	1 339	878	612	7 574	8 018	8 579
Interest paid	-	-	-	-	1 904	-	468	-	-	-	2	1 806	4 180	4 385	4 595
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	839	3 601	(993)	-	3 061	937	4 223	1 521	-	3 418	1 155	17 762	18 632	19 527
Other materials	-	23	462	1 366	1 796	1 543	(2 173)	816	243	749	1 547	9 694	16 065	9 113	9 432
Contracted services	5 912	5 967	8 229	11 258	7 581	12 856	10 918	12 601	16 218	4 168	8 761	36 353	140 820	118 356	132 296
Grants and subsidies paid - other	-	-	-	-	-	-	5 000	6 000	-	-	3 000	-	14 000	-	-
General expenses	5 994	2 946	5 273	4 685	2 595	6 092	2 910	3 032	3 835	1 486	6 174	14 024	59 046	62 488	63 093
Cash Payments by Type	33 011	26 277	33 884	32 765	29 984	40 017	29 457	43 212	21 817	39 541	39 116	96 765	465 845	443 739	470 332
Other Cash Flows/Payments by Type															
Capital assets	15 134	13 021	17 935	15 692	36 401	8 336	18 366	15 564	13 973	6 389	27 082	91 511	279 405	276 162	326 406
Repayment of borrowing	-	251	136	-	247	112	99	121	-	-	47	3 277	4 290	(4 555)	(1 287)
Other Cash Flows/Payments															
Total Cash Payments by Type	48 144	39 549	51 955	48 456	66 632	48 465	47 922	58 897	35 790	45 930	66 245	191 554	749 540	715 346	795 450
NET INCREASE/(DECREASE) IN CASH HELD	152 172	10 138	(46 205)	(39 758)	(37 991)	27 150	36 856	(47 775)	160 902	(37 775)	(61 512)	(182 369)	(66 166)	28 747	39 600
Cash/cash equivalents at the month/year beginning:	71 593	223 765	233 903	187 698	147 940	109 950	137 100	173 956	126 181	287 083	249 308	187 796	52 767	50 276	53 293
Cash/cash equivalents at the month/year end:	223 765	233 903	187 698	147 940	109 950	137 100	173 956	126 181	287 083	249 308	187 796	5 427	(13 399)	79 023	92 892

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M11 May

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	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	23 026	15 564	140 483	187 126	46 644	24,9%	50%
March	(2 855)	23 552	23 026	36 072	176 555	210 152	33 597	16,0%	62%
April	9 379	23 552	23 026	6 389	182 944	233 178	50 234	21,5%	0
May	28 732	23 552	23 026	27 082	210 026	256 204	46 178	18,0%	0
June	72 464	23 552	23 026	-	-	279 230	-	-	-
Total Capital expenditure	266 785	282 624	279 230	210 026					

YTD Capital Budget vs. YTD Capital Expenditure



Capital Expenditure on New Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M11

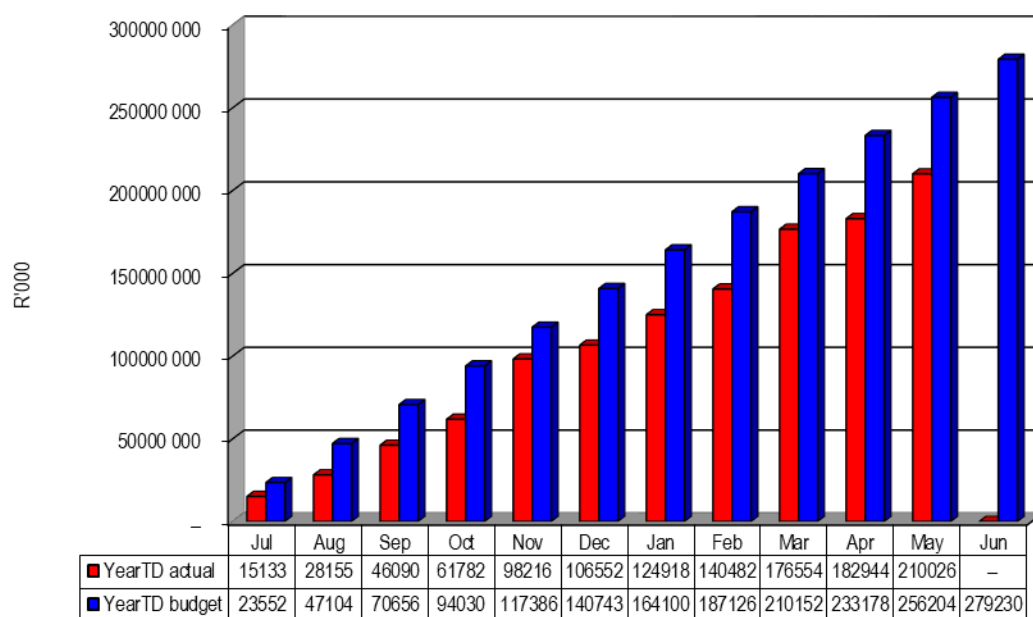
Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	72 687	96 344	116 912	15 651	85 158	104 856	19 698	18,8%	116 912
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	70 959	96 344	116 912	15 651	85 158	104 856	19 698	18,8%	116 912
<i>Dams and Weirs</i>	65 476	24 250	36 250	-	24 426	31 829	7 403	23,3%	36 250
<i>Boreholes</i>	3 203	2 000	10 000	758	7 461	8 233	772	9,4%	10 000
<i>Reservoirs</i>	-	13 680	27 390	4 199	12 512	23 508	10 996	46,8%	27 390
<i>Pump Stations</i>	-	-	-	-	-	-	-	-	-
<i>Water Treatment Works</i>	2 281	-	-	-	-	-	-	-	-
<i>Bulk Mains</i>	-	24 200	19 321	4 544	19 766	18 366	(1 401)	-7,6%	19 321
<i>Distribution</i>	-	31 614	23 952	6 151	20 993	22 850	1 857	8,1%	23 952
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	600	-	-	-	70	70	100,0%	-
Information and Communication Infrastructure	1 728	-	-	-	-	-	-	-	-
<i>Data Centres</i>	1 728	-	-	-	-	-	-	-	-
Community Assets	-	25	-	-	-	3	3	100,0%	-
Community Facilities	-	25	-	-	-	3	3	100,0%	-
<i>Halls</i>	-	-	-	-	-	-	-	-	-
<i>Centres</i>	-	25	-	-	-	3	3	100,0%	-
Other assets	-	211	-	-	-	25	25	100,0%	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	211	-	-	-	25	25	100,0%	-
<i>Staff Housing</i>	-	211	-	-	-	25	25	100,0%	-
Intangible Assets	-	100	-	-	-	12	12	100,0%	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	100	-	-	-	12	12	100,0%	-
<i>Computer Software and Applications</i>	-	100	-	-	-	12	12	100,0%	-
Computer Equipment	-	1 450	1 450	-	1 221	1 329	108	8,1%	1 450
Computer Equipment	-	1 450	1 450	-	1 221	1 329	108	8,1%	1 450
Furniture and Office Equipment	1 120	1 996	1 431	-	283	1 269	986	77,7%	1 431
Furniture and Office Equipment	1 120	1 996	1 431	-	283	1 269	986	77,7%	1 431
Machinery and Equipment	38	289	-	-	-	34	34	100,0%	-
Machinery and Equipment	38	289	-	-	-	34	34	100,0%	-
Total Capital Expenditure on new assets	73 845	100 415	119 793	15 651	86 662	107 527	20 865	19,4%	119 793

Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class -

Description	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 renewal of existing assets by Asset Class/Sub-class									
Infrastructure	181 384	95 857	98 238	6 506	78 267	90 021	11 754	13,1%	98 238
<i>Capital Spares</i>							-		
Water Supply Infrastructure	41 249	53 887	46 864	441	39 356	43 692	4 336	9,9%	46 864
<i>Bulk Mains</i>	-	-	-	-	-	-	-		-
<i>Distribution</i>	26 126	53 887	46 864	441	39 356	43 692	4 336	9,9%	46 864
<i>Distribution Points</i>	15 123	-	-	-	-	-	-		-
<i>PRV Stations</i>							-		
<i>Capital Spares</i>							-		
Sanitation Infrastructure	140 135	41 970	51 374	6 065	38 911	46 329	7 418	16,0%	51 374
<i>Pump Station</i>							-		
<i>Reticulation</i>	-	-	-	-	-	-	-		-
Waste Water Treatment Works	140 135	41 970	51 374	6 065	38 911	46 329	7 418	16,0%	51 374
<i>Outfall Sewers</i>							-		
Machinery and Equipment	85	158	158	-	-	145	145	100,0%	158
Machinery and Equipment	85	158	158	-	-	145	145	100,0%	158
Transport Assets	11 472	1 500	800	-	-	771	771	100,0%	800
Transport Assets	11 472	1 500	800	-	-	771	771	100,0%	800
Total Capital Expenditure on renewal of existing assets	192 941	97 515	99 196	6 506	78 267	90 937	12 670	13,9%	99 196

Chart C2 2019/20 Capital Expenditure: YTD actual v YTD target



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 May 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_____