

# Harry Gwala District Municipality

MFMA s71 report for the period ending 29 February 2024.



## **In-Year Report of the Municipality**

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

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## Glossary

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

**AFS** – Annual Financial Statements

**Budget** – The financial plan of the Municipality.

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

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

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

**FMG** – Financial Management Grant.

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

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

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

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

**MIG** – Municipal Infrastructure Grant.

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

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

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

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

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

**YTD** – Year to date

**YoY** – Year on Year

**DBSA** – Development Bank of South Africa

## **PURPOSE**

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

## **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 Executive Summary**

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

## **Revenue by Source**

The Year-to-Date actual revenue is 106% above the YTD budget. All the allocated conditional grants receipted as per Division of Revenue Bill, However the recognition as revenue only occur when the expenditure is incurred.

## **Borrowings**

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

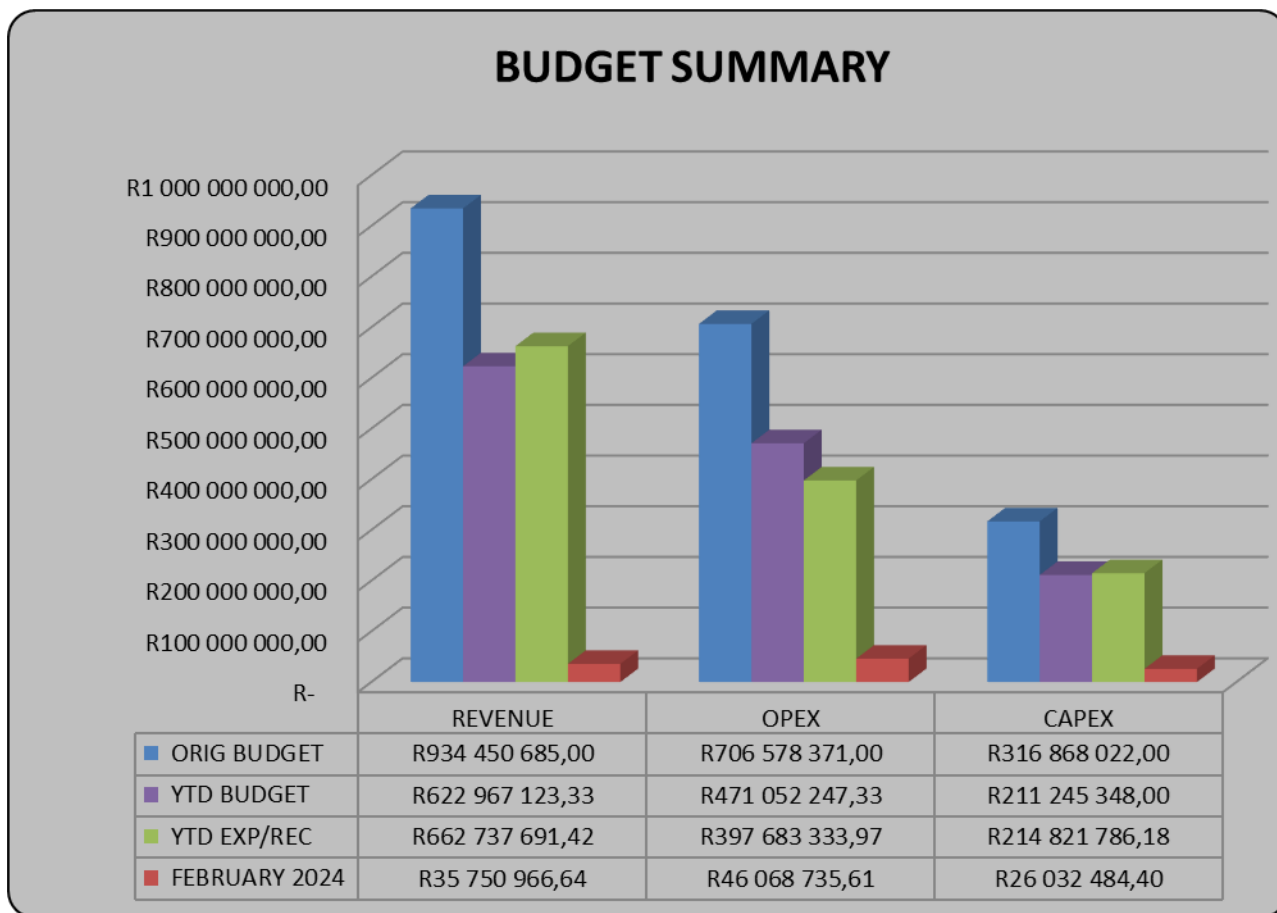
## **Operating expenditure by vote & type**

The total operating budget for the current year amounts to R706, 5m. The YTD Operating expenditure for the month ended 29 February amounted to R397, 6m against a year to date (YTD) budget of R471m. The actual YTD expenditure represented 84% of the year to date budget.

## **Capital expenditure**

The total capital budget for the current year amounts to R316, 8m. The YTD expenditure on capital amounts to R214, 8million against year to date budget of R211, 2million, or 102% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

**Chart 1: Budget vs. Expenditure Summary**



**Cash flows**

The municipality started the year with a positive cashbook balance of R124, 6million. The closing cash and cash equivalents as at the end of February 2024 was R288, 6million. Refer to the table below for cash and cash equivalent register for more detail on the cash position.



## CASH AND INVESTMENT REGISTER AS AT 29 FEBRUARY 2024

Investments by maturity Name of institution & investment ID	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<b>R thousands</b>						
<b>Municipality</b>						
FIRST NATIONAL BANK	CALL ACCOUNT	50 396	342	(21 378)	-	29 360
FIRST NATIONAL BANK	CALL ACCOUNT	82 813	479	(16 220)	-	67 072
FIRST NATIONAL BANK	ADMIN CALL	53 828	314	(10 190)	-	43 952
FIRST NATIONAL BANK	FIXED DEPOSIT	24 875	159	(2 667)	-	22 367
FIRST NATIONAL BANK	CALL ACCOUNT	1 587	11		1 505	3 102
FIRST NATIONAL BANK	CALL ACCOUNT	26 273	148		2 749	29 170
FIRST NATIONAL BANK	CALL ACCOUNT	1 728	9		-	1 737
FIRST NATIONAL BANK	FIXED DEPOSIT	1 278	7		-	1 285
NEDBANK	FIXED DEPOSIT	98	1			98
ABSA BANK	FIXED DEPOSIT	36 557	1 177			37 734
FNB BANK	FIXED DEPOSIT	47 357	349			47 706
FNB BANK	CURRENT ACCOUNT	2 481			2 625	5 107
<b>Municipality sub-total</b>		<b>329 271</b>	<b>2 995</b>	<b>(50 456)</b>	<b>4 254</b>	<b>288 689</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>		<b>329 271</b>	<b>2 995</b>	<b>(50 456)</b>	<b>4 254</b>	<b>288 689</b>

### Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2023/2024 have been received as per payment schedule. The total grants received as at 29 February 2024 was R 638, 4million. Conditional Grants amounting to R 290, 6million and the equitable share is R 347, 7million. One operational grant received in the month ending 29 February 2024.

## **Spending on Grants**

Spending on grants amounted to R214, 8million or 102% for the month ending February 2024.

### **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 - M08 February

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	77 674	76 192	67 165	5 186	43 819	47 786	(3 966)	-8%	67 165
Investment revenue	10 858	5 713	19 570	3 026	16 187	8 428	7 759	92%	19 570
Transfers and subsidies - Operational	452 460	493 840	479 090	1 075	357 191	324 310	32 881		479 090
Other own revenue	19 422	13 224	16 687	1 553	12 033	9 970	2 063	21%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>560 414</b>	<b>588 970</b>	<b>582 513</b>	<b>10 839</b>	<b>429 230</b>	<b>390 494</b>	<b>38 736</b>	<b>10%</b>	<b>582 513</b>
Employee costs	245 707	256 783	256 783	20 675	164 603	171 190	(6 587)		256 783
Remuneration of Councillors	6 988	8 119	8 119	552	4 701	5 413	(712)		8 119
Depreciation and amortisation	93 063	97 007	97 007	7 894	63 199	64 672	(1 473)		97 007
Interest	113	100	104	-	2	68	(66)		104
Inventory consumed and bulk purchases	33 421	28 431	35 246	2 941	20 888	21 226	(338)		35 246
Transfers and subsidies	15 290	2 500	2 500	-	-	1 667	(1 667)	-100%	2 500
Other expenditure	239 848	291 214	306 819	14 006	144 291	199 345	(55 054)	-28%	306 819
<b>Total Expenditure</b>	<b>634 430</b>	<b>684 154</b>	<b>706 578</b>	<b>46 069</b>	<b>397 683</b>	<b>463 580</b>	<b>(65 897)</b>	<b>-14%</b>	<b>706 578</b>
<b>Surplus/(Deficit)</b>	<b>(74 016)</b>	<b>(95 185)</b>	<b>(124 066)</b>	<b>(35 229)</b>	<b>31 547</b>	<b>(73 086)</b>	<b>104 633</b>	<b>-143%</b>	<b>(124 066)</b>
Transfers and subsidies - capital (monetary allocations)	283 338	321 352	351 938	24 912	233 507	221 607	11 901	5%	351 938
Transfers and subsidies - capital (in-kind)	3 888	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>213 210</b>	<b>226 167</b>	<b>227 872</b>	<b>(10 318)</b>	<b>265 054</b>	<b>148 521</b>	<b>116 534</b>	<b>78%</b>	<b>227 872</b>
Share of surplus/ (deficit) of associate	-	17 000	17 000	-	-	11 333	(11 333)	-100%	17 000
<b>Surplus/ (Deficit) for the year</b>	<b>213 210</b>	<b>243 167</b>	<b>244 872</b>	<b>(10 318)</b>	<b>265 054</b>	<b>159 854</b>	<b>105 201</b>	<b>66%</b>	<b>244 872</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>269 118</b>	<b>306 141</b>	<b>316 868</b>	<b>26 032</b>	<b>214 822</b>	<b>207 670</b>	<b>7 152</b>	<b>3%</b>	<b>316 868</b>
Capital transfers recognised	251 309	277 584	287 510	23 471	209 148	188 365	20 783	11%	287 510
Internally generated funds	17 809	28 557	29 358	2 562	5 674	19 305	(13 631)	-71%	29 358
<b>Total sources of capital funds</b>	<b>269 118</b>	<b>306 141</b>	<b>316 868</b>	<b>26 032</b>	<b>214 822</b>	<b>207 670</b>	<b>7 152</b>	<b>3%</b>	<b>316 868</b>
<b>Financial position</b>									
Total current assets	194 402	147 860	212 118		339 061				212 118
Total non current assets	2 927 288	2 955 803	3 147 620		3 078 911				3 147 620
Total current liabilities	151 972	111 522	136 167		183 229				136 167
Total non current liabilities	27 735	28 869	27 735		27 735				27 735
Community wealth/Equity	<b>2 981 547</b>	<b>2 720 105</b>	<b>2 950 964</b>		<b>3 207 008</b>				<b>2 950 964</b>
<b>Cash flows</b>									
Net cash from (used) operating	1 502 609	324 776	324 495	3 220	1 426 216	216 330	(1 209 886)	-559%	324 495
Net cash from (used) investing	(269 118)	(306 141)	(316 868)	(26 032)	(214 822)	(211 245)	3 576	-2%	(316 868)
Net cash from (used) financing	-	(2 251)	(2 251)	27	526	(1 501)	(2 026)	135%	(2 251)
<b>Cash/cash equivalents at the month/year end</b>	<b>1 283 718</b>	<b>84 290</b>	<b>144 381</b>	<b>-</b>	<b>1 336 560</b>	<b>142 590</b>	<b>(1 193 971)</b>	<b>-837%</b>	<b>130 016</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	7 799	5 448	3 507	3 740	3 772	3 507	30 784	194 754	253 311
<b>Creditors Age Analysis</b>									
Total Creditors	0	0	0	0	-	-	-	-	1

## 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) - M08 February

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue - Functional</b>									
<i>Governance and administration</i>	449 558	488 282	501 808	3 118	365 126	330 030	35 096	11%	501 808
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	449 558	488 282	501 808	3 118	365 126	330 030	35 096	11%	501 808
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	32	16	16	5	30	11	19	181%	16
Community and social services	32	16	16	5	30	11	19	181%	16
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	3 888	638	638	-	-	425	(425)	-100%	638
Planning and development	3 888	638	638	-	-	425	(425)	-100%	638
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	394 162	438 386	448 988	32 628	297 581	292 968	4 613	2%	448 988
Energy sources	-	-	-	-	-	-	-	-	-
Water management	381 035	423 735	434 477	31 423	288 171	283 247	4 924	2%	434 477
Waste water management	13 126	14 651	14 511	1 205	9 411	9 721	(310)	-3%	14 511
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>847 640</b>	<b>927 322</b>	<b>951 451</b>	<b>35 751</b>	<b>662 738</b>	<b>623 434</b>	<b>39 304</b>	<b>6%</b>	<b>951 451</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>	284 782	294 557	315 741	18 359	164 197	203 150	(38 952)	-19%	315 741
Executive and council	29 054	39 878	42 257	2 296	20 293	27 403	(7 109)	-26%	42 257
Finance and administration	244 498	244 785	263 793	15 351	138 324	169 242	(30 918)	-18%	263 793
Internal audit	11 230	9 894	9 692	712	5 580	6 505	(925)	-14%	9 692
<i>Community and public safety</i>	17 993	20 592	20 082	1 716	13 221	13 558	(337)	-2%	20 082
Community and social services	17 993	20 592	20 082	1 716	13 221	13 558	(337)	-2%	20 082
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	152 099	167 382	160 295	11 689	100 648	109 226	(8 578)	-8%	160 295
Planning and development	152 099	167 382	160 295	11 689	100 648	109 226	(8 578)	-8%	160 295
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	179 556	201 412	210 248	14 304	119 617	137 505	(17 888)	-13%	210 248
Energy sources	-	-	-	-	-	-	-	-	-
Water management	177 046	200 518	209 364	14 295	119 507	136 912	(17 405)	-13%	209 364
Waste water management	2 509	893	884	9	110	592	(483)	-81%	884
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	212	212	-	-	141	(141)	-100%	212
<b>Total Expenditure - Functional</b>	<b>634 430</b>	<b>684 154</b>	<b>706 578</b>	<b>46 069</b>	<b>397 683</b>	<b>463 580</b>	<b>(65 897)</b>	<b>-14%</b>	<b>706 578</b>
<b>Surplus/ (Deficit) for the year</b>	<b>213 210</b>	<b>243 167</b>	<b>244 872</b>	<b>(10 318)</b>	<b>265 054</b>	<b>159 854</b>	<b>105 201</b>	<b>66%</b>	<b>244 872</b>

This table assess the revenue by department and then the expenditure for the period ending 29 February 2024. Revenue receipts in February have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of February is 6% against original budget.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of February as the department responsible for the repairs and maintenance of the municipal assets and with the largest staff complement, shares the greatest bulk of this budget and hence the expenditure of R17, 5million.

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

**DC43 Harry Gwala - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February**

Vote Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	449 162	470 822	484 388	3 109	364 842	318 403	46 439	14,6%	484 388
Vote 04 - Summary Corporate Services	372	372	372	-	256	248	7	3,0%	372
Vote 05 - Summary Social Services & Development Planning	32	17 654	17 654	5	30	11 769	(11 739)	-99,7%	17 654
Vote 06 - Summary Infrastructure Services	308 606	354 861	371 574	26 228	244 957	239 321	5 635	2,4%	371 574
Vote 07 - Summary Water Services	89 467	83 613	77 462	6 409	52 653	53 692	(1 038)	-1,9%	77 462
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>847 640</b>	<b>927 322</b>	<b>951 451</b>	<b>35 751</b>	<b>662 738</b>	<b>623 434</b>	<b>39 304</b>	<b>6,3%</b>	<b>951 451</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	18 112	19 937	20 098	1 261	12 084	13 345	(1 261)	-9,4%	20 098
Vote 02 - Summary Municipal Manager	22 172	22 917	24 933	1 747	13 789	15 950	(2 161)	-13,5%	24 933
Vote 03 - Summary Budget And Treasury Office	94 176	90 559	98 436	4 225	44 123	62 999	(18 876)	-30,0%	98 436
Vote 04 - Summary Corporate Services	90 554	86 586	101 761	7 851	62 139	62 782	(643)	-1,0%	101 761
Vote 05 - Summary Social Services & Development Planning	50 486	75 394	76 876	3 195	37 318	50 757	(13 439)	-26,5%	76 876
Vote 06 - Summary Infrastructure Services	122 016	128 353	119 275	10 249	76 863	82 543	(5 680)	-6,9%	119 275
Vote 07 - Summary Water Services	236 914	260 408	265 200	17 540	151 367	175 203	(23 837)	-13,6%	265 200
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>634 430</b>	<b>684 154</b>	<b>706 578</b>	<b>46 069</b>	<b>397 683</b>	<b>463 580</b>	<b>(65 897)</b>	<b>-14,2%</b>	<b>706 578</b>
<b>Surplus/ (Deficit) for the year</b>	<b>213 210</b>	<b>243 167</b>	<b>244 872</b>	<b>(10 318)</b>	<b>265 054</b>	<b>159 854</b>	<b>105 201</b>	<b>65,8%</b>	<b>244 872</b>

## Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 29 February 2024.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity							-		
Service charges - Water	64 525	61 123	53 721	4 065	34 813	38 281	(3 468)	-9%	53 721
Service charges - Waste Water Management	13 149	15 069	13 445	1 120	9 006	9 505	(499)	-5%	13 445
Service charges - Waste management	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	741	876	585	6	168	487	(318)	-65%	585
Interest earned from Receivables	14 117	11 960	15 713	1 542	11 579	9 225	2 355	26%	15 713
Interest from Current and Non Current Assets	10 858	5 713	19 570	3 026	16 187	8 428	7 759	92%	19 570
Licence and permits							-		
Operational Revenue	810	388	388	5	286	259	27	10%	388
<b>Non-Exchange Revenue</b>									
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licence and permits							-		
Transfers and subsidies - Operational	452 460	493 840	479 090	1 075	357 191	324 310	32 881	10%	479 090
Interest							-		
Other Gains	3 755	-	-	-	-	-	-		-
Discontinued Operations									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>560 414</b>	<b>588 970</b>	<b>582 513</b>	<b>10 839</b>	<b>429 230</b>	<b>390 494</b>	<b>38 736</b>	<b>10%</b>	<b>582 513</b>
<b>Expenditure By Type</b>									
Employee related costs	245 707	256 783	256 783	20 675	164 603	171 190	(6 587)	-4%	256 783
Remuneration of councillors	6 988	8 119	8 119	552	4 701	5 413	(712)	-13%	8 119
Bulk purchases - electricity	-	-	-	-	-	-	-		-
Inventory consumed	33 421	28 431	35 246	2 941	20 888	21 226	(338)	-2%	35 246
Debt impairment	(1 202)	28 300	28 300	-	-	18 867	(18 867)	-100%	28 300
Depreciation and amortisation	93 063	97 007	97 007	7 894	63 199	64 672	(1 473)	-2%	97 007
Interest	113	100	104	-	2	68	(66)	-97%	104
Contracted services	134 263	140 220	150 085	7 019	80 842	96 905	(16 063)	-17%	150 085
Transfers and subsidies	15 290	2 500	2 500	-	-	1 667	(1 667)	-100%	2 500
Irrecoverable debts written off	34 790	30 418	30 418	-	-	20 279	(20 279)	-100%	30 418
Operational costs	69 121	92 277	98 016	6 987	63 448	63 294	154	0%	98 016
Losses on Disposal of Assets	2 875	-	-	-	-	-	-		-
Other Losses	-	-	-	-	-	-	-		-
<b>Total Expenditure</b>	<b>634 430</b>	<b>684 154</b>	<b>706 578</b>	<b>46 069</b>	<b>397 683</b>	<b>463 580</b>	<b>(65 897)</b>	<b>-14%</b>	<b>706 578</b>
<b>Surplus/(Deficit)</b>	<b>(74 016)</b>	<b>(95 185)</b>	<b>(124 066)</b>	<b>(35 229)</b>	<b>31 547</b>	<b>(73 086)</b>	<b>104 633</b>	<b>(0)</b>	<b>(124 066)</b>
Transfers and subsidies - capital (monetary allocations)	283 338	321 352	351 938	24 912	233 507	221 607	11 901	0	351 938
Transfers and subsidies - capital (in-kind)	3 888	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>213 210</b>	<b>226 167</b>	<b>227 872</b>	<b>(10 318)</b>	<b>265 054</b>	<b>148 521</b>	<b>116 534</b>	<b>0</b>	<b>227 872</b>
Income Tax									
<b>Surplus/(Deficit) after income tax</b>	<b>213 210</b>	<b>226 167</b>	<b>227 872</b>	<b>(10 318)</b>	<b>265 054</b>	<b>148 521</b>			<b>227 872</b>
Share of Surplus/Deficit attributable to Joint Venture									
Share of Surplus/Deficit attributable to Minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>213 210</b>	<b>226 167</b>	<b>227 872</b>	<b>(10 318)</b>	<b>265 054</b>	<b>148 521</b>			<b>227 872</b>
Share of Surplus/Deficit attributable to Associate									
Intercompany/Parent subsidiary transactions	-	17 000	17 000	-	-	11 333			17 000
<b>Surplus/ (Deficit) for the year</b>	<b>213 210</b>	<b>243 167</b>	<b>244 872</b>	<b>(10 318)</b>	<b>265 054</b>	<b>159 854</b>			<b>244 872</b>

## Capital Expenditure

Table C5 below reports on the capital expenditures by departments (municipal vote) and 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 - M08 February)

Vote Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	275	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	7 727	9 641	13 705	685	2 928	7 782	(4 854)	-62%	13 705
Vote 05 - Summary Social Services & Development Planning	408	2 267	2 267	-	-	1 511	(1 511)	-100%	2 267
Vote 06 - Summary Infrastructure Services	47 306	55 292	74 681	3 086	55 252	52 634	2 618	5%	74 681
Vote 07 - Summary Water Services	213 402	238 941	226 215	22 262	156 642	145 743	10 900	7%	226 215
<b>Total Capital Multi-year expenditure</b>	<b>269 118</b>	<b>306 141</b>	<b>316 868</b>	<b>26 032</b>	<b>214 822</b>	<b>207 670</b>	<b>7 152</b>	<b>3%</b>	<b>316 868</b>
<b>Total Capital Expenditure</b>	<b>269 118</b>	<b>306 141</b>	<b>316 868</b>	<b>26 032</b>	<b>214 822</b>	<b>207 670</b>	<b>7 152</b>	<b>3%</b>	<b>316 868</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	<b>8 002</b>	<b>10 308</b>	<b>14 372</b>	<b>685</b>	<b>2 928</b>	<b>8 227</b>	<b>(5 299)</b>	<b>-64%</b>	<b>14 372</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	8 002	10 308	14 372	685	2 928	8 227	(5 299)	-64%	14 372
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>270</b>	<b>1 600</b>	<b>1 600</b>	<b>-</b>	<b>-</b>	<b>1 067</b>	<b>(1 067)</b>	<b>-100%</b>	<b>1 600</b>
Community and social services	270	1 600	1 600	-	-	1 067	(1 067)	-100%	1 600
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>41 851</b>	<b>27 618</b>	<b>60 240</b>	<b>3 086</b>	<b>47 033</b>	<b>40 529</b>	<b>6 504</b>	<b>16%</b>	<b>60 240</b>
Planning and development	41 851	27 618	60 240	3 086	47 033	40 529	6 504	16%	60 240
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>218 995</b>	<b>266 615</b>	<b>240 656</b>	<b>22 262</b>	<b>164 861</b>	<b>157 848</b>	<b>7 013</b>	<b>4%</b>	<b>240 656</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	174 461	198 174	186 078	13 256	124 237	115 871	8 366	7%	186 078
Waste water management	44 534	68 441	54 578	9 006	40 623	41 977	(1 353)	-3%	54 578
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>269 118</b>	<b>306 141</b>	<b>316 868</b>	<b>26 032</b>	<b>214 822</b>	<b>207 670</b>	<b>7 152</b>	<b>3%</b>	<b>316 868</b>
<b>Funded by:</b>									
National Government	247 421	277 584	287 510	23 471	209 148	188 365	20 783	11%	287 510
Provincial Government	3 888	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	251 309	277 584	287 510	23 471	209 148	188 365	20 783	11%	287 510
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	17 809	28 557	29 358	2 562	5 674	19 305	(13 631)	-71%	29 358
<b>Total Capital Funding</b>	<b>269 118</b>	<b>306 141</b>	<b>316 868</b>	<b>26 032</b>	<b>214 822</b>	<b>207 670</b>	<b>7 152</b>	<b>3%</b>	<b>316 868</b>



As alluded to above, the capital expenditure programme for the period ending 29 February 2024 was R214, 8m which represents 102% of capital expenditure against year to date budget of R211, 2million.

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

**Chart 1: 2023/2024 CAPEX**

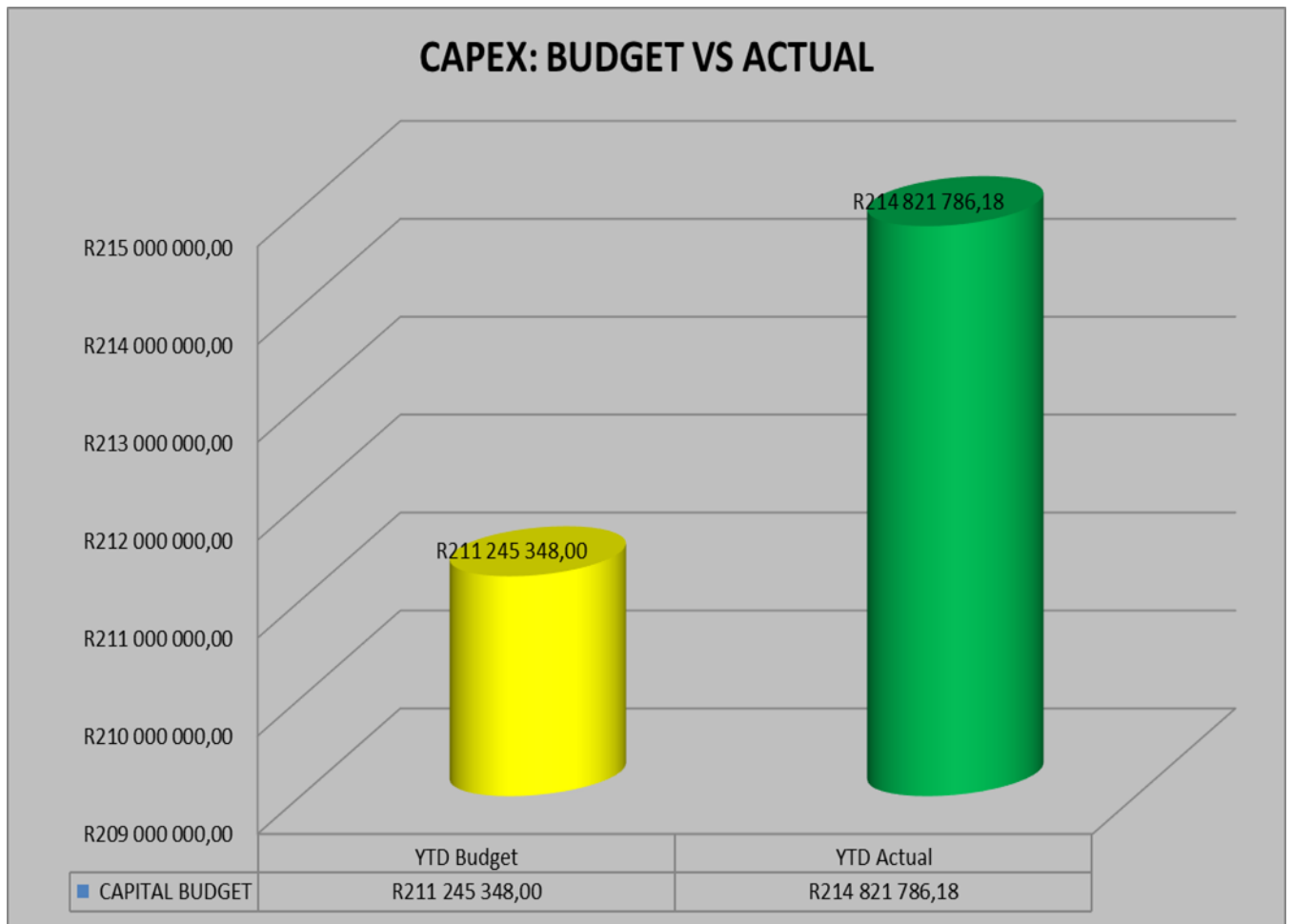


Table C6 displays the financial position of the municipality as at 29 February 2024.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M08 February

Description	2022/23	Budget Year 2023/24			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	124 641	84 290	144 133	266 859	144 133
Trade and other receivables from exchange transactions	32 136	28 499	30 274	45 523	30 274
Receivables from non-exchange transactions	2 318	2 336	2 311	2 313	2 311
Current portion of non-current receivables	-	-	-	-	-
Inventory	716	513	716	716	716
VAT	34 596	32 160	34 688	23 808	34 688
Other current assets	(5)	62	(5)	(158)	(5)
<b>Total current assets</b>	<b>194 402</b>	<b>147 860</b>	<b>212 118</b>	<b>339 061</b>	<b>212 118</b>
<b>Non current assets</b>					
Investments					
Investment property	-	-	-	-	-
Property, plant and equipment	2 926 773	2 954 832	3 146 517	3 078 530	3 146 517
Biological assets					
Living and non-living resources					
Heritage assets					
Intangible assets	515	972	1 103	381	1 103
Trade and other receivables from exchange transactions	-	-	-	-	-
Non-current receivables from non-exchange transactions					
Other non-current assets	0	0	0	0	0
<b>Total non current assets</b>	<b>2 927 288</b>	<b>2 955 803</b>	<b>3 147 620</b>	<b>3 078 911</b>	<b>3 147 620</b>
<b>TOTAL ASSETS</b>	<b>3 121 690</b>	<b>3 103 663</b>	<b>3 359 738</b>	<b>3 417 972</b>	<b>3 359 738</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Financial liabilities	12 806	10 394	10 406	12 806	10 406
Consumer deposits	2 415	2 324	2 952	2 991	2 952
Trade and other payables from exchange transactions	91 868	75 527	97 619	69 085	97 619
Trade and other payables from non-exchange transactions	21 177	1 483	1 483	68 899	1 483
Provision	16 171	15 194	16 171	16 171	16 171
VAT	7 535	6 600	7 535	13 276	7 535
Other current liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<b>151 972</b>	<b>111 522</b>	<b>136 167</b>	<b>183 229</b>	<b>136 167</b>
<b>Non current liabilities</b>					
Financial liabilities	(0)	-	-	(0)	-
Provision	27 735	28 869	27 735	27 735	27 735
Long term portion of trade payables	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-
<b>Total non current liabilities</b>	<b>27 735</b>	<b>28 869</b>	<b>27 735</b>	<b>27 735</b>	<b>27 735</b>
<b>TOTAL LIABILITIES</b>	<b>179 707</b>	<b>140 391</b>	<b>163 902</b>	<b>210 964</b>	<b>163 902</b>
<b>NET ASSETS</b>	<b>2 941 983</b>	<b>2 963 272</b>	<b>3 195 836</b>	<b>3 207 008</b>	<b>3 195 836</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated surplus/(deficit)	2 941 983	2 963 272	3 195 836	3 207 008	3 195 836
Reserves and funds	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 941 983</b>	<b>2 963 272</b>	<b>3 195 836</b>	<b>3 207 008</b>	<b>3 195 836</b>

Table C7 below display the Cash Flow Statement for the period ending 29 February 2024.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M08 February

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	18	-	-	1	5	-	5	#DIV/0!	-
Service charges	51 062	61 100	61 100	6 173	39 461	40 734	(1 272)	-3%	61 100
Other revenue	1 823 061	53 987	53 987	59 341	1 353 754	35 991	1 317 762	3661%	53 987
Transfers and Subsidies - Operational	128 367	493 840	493 840	1 505	356 421	329 227	27 194	8%	493 840
Transfers and Subsidies - Capital	316 011	321 352	321 352	-	282 000	214 235	67 765	32%	321 352
Interest	10 858	5 713	21 920	3 026	16 187	14 613	1 574	11%	21 920
Dividends							-		
<b>Payments</b>									
Suppliers and employees	(826 768)	(611 117)	(627 704)	(66 825)	(621 612)	(418 470)	203 143	-49%	(627 704)
Interest	-	(100)	-	-	-	-	-		-
Transfers and Subsidies	-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1 502 609</b>	<b>324 776</b>	<b>324 495</b>	<b>3 220</b>	<b>1 426 216</b>	<b>216 330</b>	<b>(1 209 886)</b>	<b>-559%</b>	<b>324 495</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-						-		
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments							-		
<b>Payments</b>									
Capital assets	(269 118)	(306 141)	(316 868)	(26 032)	(214 822)	(211 245)	3 576	-2%	(316 868)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(269 118)</b>	<b>(306 141)</b>	<b>(316 868)</b>	<b>(26 032)</b>	<b>(214 822)</b>	<b>(211 245)</b>	<b>3 576</b>	<b>-2%</b>	<b>(316 868)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	-	149	149	27	526	99	426	430%	149
<b>Payments</b>									
Repayment of borrowing	-	(2 400)	(2 400)	-	-	(1 600)	(1 600)	100%	(2 400)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(2 251)</b>	<b>(2 251)</b>	<b>27</b>	<b>526</b>	<b>(1 501)</b>	<b>(2 026)</b>	<b>135%</b>	<b>(2 251)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 233 491</b>	<b>16 384</b>	<b>5 375</b>	<b>(22 785)</b>	<b>1 211 920</b>	<b>3 584</b>			<b>5 375</b>
Cash/cash equivalents at beginning:	50 226	67 907	139 006	1 359 345	124 641	139 006			124 641
Cash/cash equivalents at month/year end:	1 283 718	84 290	144 381		1 336 560	142 590			130 016

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 29 February 2024.

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

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

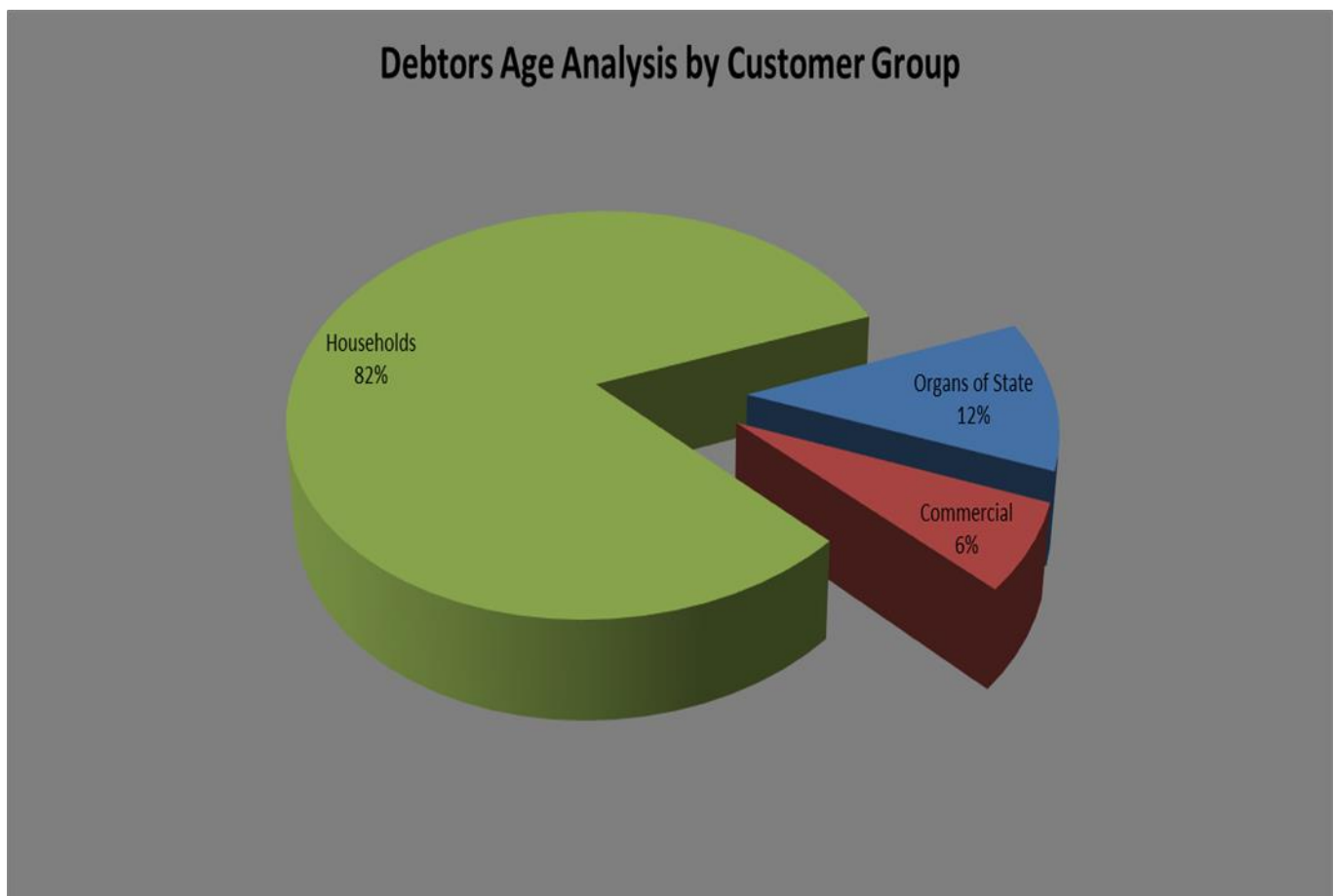
Description	Budget Year 2023/24									Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	5 006	3 497	2 251	2 401	2 421	2 251	19 761	125 017	162 606	151 852
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-exchange Transactions - Property Rates									-	-
Receivables from Exchange Transactions - Waste Water Management	1 956	1 366	880	938	946	879	7 720	48 839	63 524	59 323
Receivables from Exchange Transactions - Waste Management									-	-
Receivables from Exchange Transactions - Property Rental Debtors									-	-
Interest on Arrear Debtor Accounts	837	585	376	401	405	376	3 303	20 898	27 181	25 383
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
<b>Total By Income Source</b>	<b>7 799</b>	<b>5 448</b>	<b>3 507</b>	<b>3 740</b>	<b>3 772</b>	<b>3 507</b>	<b>30 784</b>	<b>194 754</b>	<b>253 311</b>	<b>236 557</b>
<b>2022/23 - totals only</b>	<b>11423522</b>	<b>5973706</b>	<b>4944563</b>	<b>11846802</b>	<b>3575887</b>	<b>4028585</b>	<b>15836024</b>	<b>178310997</b>	<b>235 940</b>	<b>213 598</b>
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	4 220	1 710	591	695	701	619	5 428	15 574	29 537	23 017
Commercial	786	635	375	414	362	390	2 169	11 501	16 632	14 836
Households	2 793	3 102	2 541	2 631	2 709	2 498	23 187	167 679	207 142	198 705
Other									-	-
<b>Total By Customer Group</b>	<b>7 799</b>	<b>5 448</b>	<b>3 507</b>	<b>3 740</b>	<b>3 772</b>	<b>3 507</b>	<b>30 784</b>	<b>194 754</b>	<b>253 311</b>	<b>236 557</b>

The municipal consumer debt is currently decreasing as the municipality implementing amnesty and installing prepaid meters as it has a direct impact on municipal cash flows.

## Chart 2: Debtors Age Analysis by Customer Group

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

- ✓ Households: 82%
- ✓ Government 12%
- ✓ Business 6%



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

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

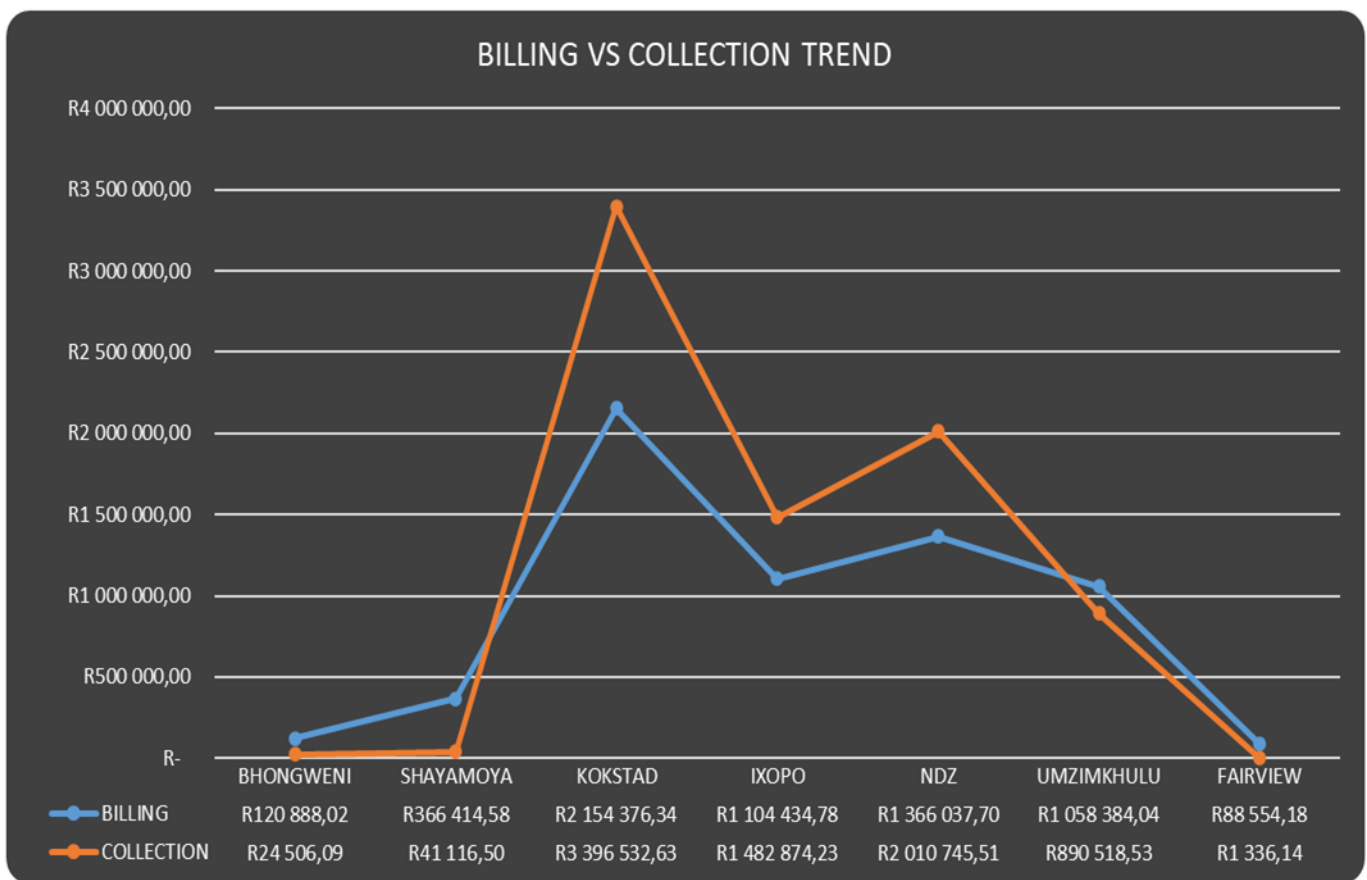
### Revenue receipts per Area

AREA	AMOUNT		
		<b>FEBRUARY 2024</b>	<b>JANUARY 2024</b>
Unallocated receipts	R 37 579	0%	2%
Bhongweni	R 24 506	0%	1%
Shayamoya	R 41 117	1%	1%
Kokstad	R 3 396 533	43%	21%
Ixopo	R 1 482 874	19%	28%
NDZ	R 2 010 746	26%	20%
Umzimkulu	R 890 519	11%	27%
Fairview	R 1 336	0%	0%
<b>TOTAL RECEIPTS INCL VAT</b>	<b>R 7 885 209</b>	100%	100%

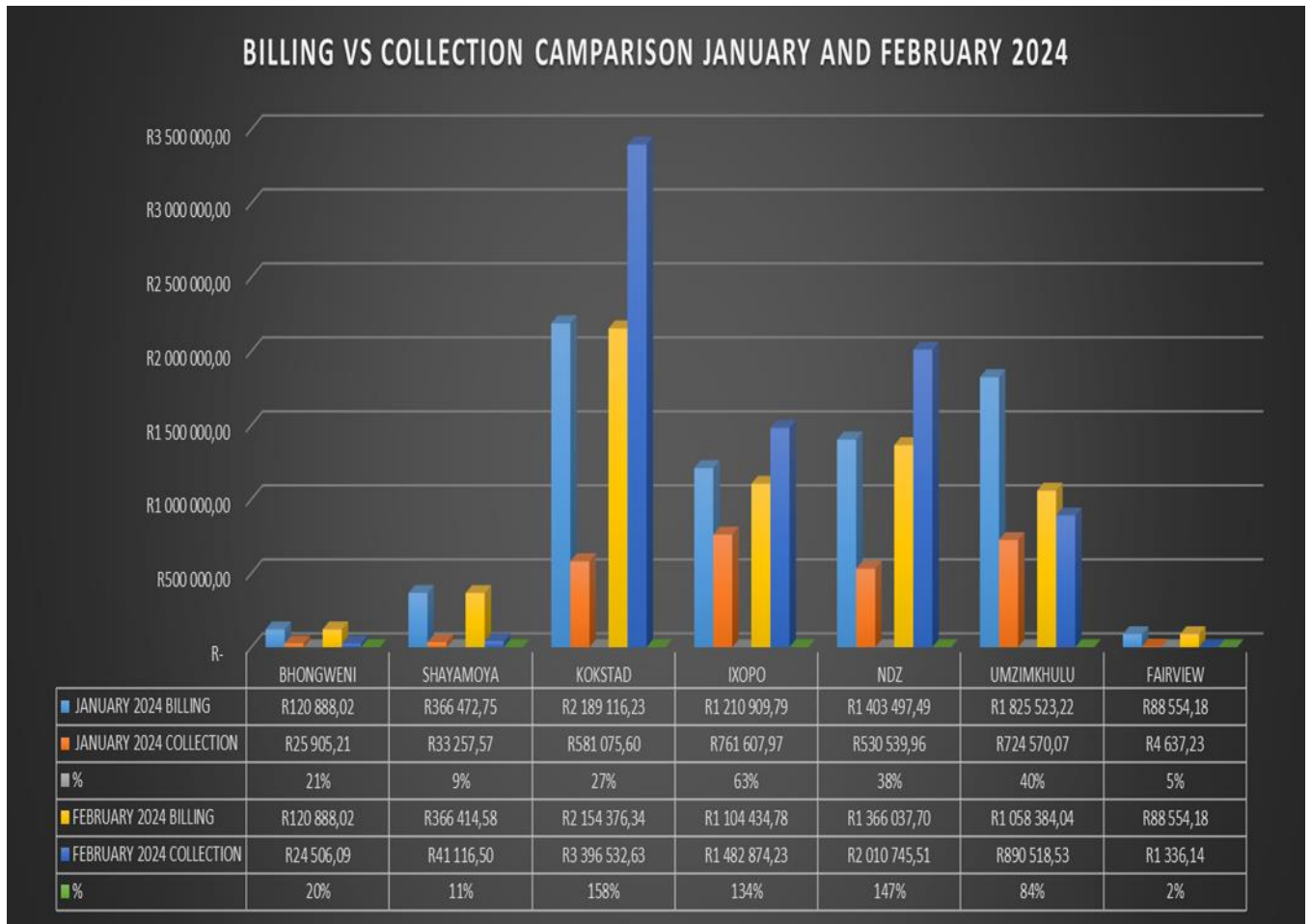
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for February 2024 is R7, 8million. The collection for prepaid in the month of February is R 810 135. Total cash collected including prepaid for the month ending 29 February is R 8,695,0344.

Billing vs Collection trend for February 2024.

The chart that follows below shows the comparison between billing and collection trend for the period ending 29 February 2024.



The chart that follows below shows the comparison between billing and collection for the period ending 29 February 2024





## **Debtors age analysis per service**

The municipality's total outstanding debtors amounted to R 253,310,727 as at 29 February 2024 compared with the R 253,319,761 as at 31 January 2024. Current debt represents 3% of the total outstanding debt compared with the 4% of January 2024; 30 days and older debt 2% compared with the 2% for January 2024; 60 days and older debt 1% compared with the 2% of January 2024; and 90 days 1% compared with the 1% of January 2023; 120 days to History and older 92% compared with the 91% for January 2024.

Current debt decreased with R 9,035 to R 253,310,727 in the month ending 29 February compared with the R 253,319,761 as at 31 January 2024; 30 days + debt increased with R 578, 770; 60 days + decreased with R 734,357; 90 days + debt decreased with R 182,566 and 120 + days and older debt as at 31 January 2024 has increased with R 2,180,494 to R 232,817,143 compared with the R 230,636,649 for January 2024.

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

Business debtors owes the municipality R 16,220,344 (6%); Municipal debtors R 630,473 (0%); domestic debtors R 176,365,673 (70%); Government accounts R 28,397,610 (11%); Indigent debtors R 25,886,109 (10%); Deceased R 649,919 and other debtors R 5,160,189 (2%) of the total outstanding debt of R 253,310,727.

## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 29 February 2024

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	Budget Year 2023/24								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	300	103	11	89	-	-	-	-	503
Auditor General									-
Other									-
<b>Total By Customer Type</b>	<b>300</b>	<b>103</b>	<b>11</b>	<b>89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>503</b>

## 2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short term investments balances broken down per investment type as at 29 February 2024.

**CASH AND INVESTMENT REGISTER AS AT 29 FEBRUARY 2024**

Investments by maturity Name of institution & investment ID	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<b>R thousands</b>						
<b>Municipality</b>						
FIRST NATIONAL BANK	CALL ACCOUNT	50 396	342	(21 378)	-	29 360
FIRST NATIONAL BANK	CALL ACCOUNT	82 813	479	(16 220)	-	67 072
FIRST NATIONAL BANK	ADMIN CALL	53 828	314	(10 190)	-	43 952
FIRST NATIONAL BANK	FIXED DEPOSIT	24 875	159	(2 667)	-	22 367
FIRST NATIONAL BANK	CALL ACCOUNT	1 587	11		1 505	3 102
FIRST NATIONAL BANK	CALL ACCOUNT	26 273	148		2 749	29 170
FIRST NATIONAL BANK	CALL ACCOUNT	1 728	9		-	1 737
FIRST NATIONAL BANK	FIXED DEPOSIT	1 278	7		-	1 285
NEDBANK	FIXED DEPOSIT	98	1			98
ABSA BANK	FIXED DEPOSIT	36 557	1 177			37 734
FNB BANK	FIXED DEPOSIT	47 357	349			47 706
FNB BANK	CURRENT ACCOUNT	2 481			2 625	5 107
<b>Municipality sub-total</b>		<b>329 271</b>	<b>2 995</b>	<b>(50 456)</b>	<b>4 254</b>	<b>288 689</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>		<b>329 271</b>	<b>2 995</b>	<b>(50 456)</b>	<b>4 254</b>	<b>288 689</b>

## 2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

DC43 Harry Gwala - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>452 460</b>	<b>493 840</b>	<b>479 090</b>	<b>1 075</b>	<b>357 191</b>	<b>324 310</b>	<b>32 881</b>	<b>10,1%</b>	<b>479 090</b>
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	432 161	463 631	463 631	-	347 724	309 087	38 637	12,5%	463 631
Expanded Public Works Programme Integrated Grant	5 221	6 168	5 823	587	4 743	3 997	746	18,7%	5 823
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	1 200	73	733	800	(67)	-8,3%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 479	20 450	6 045	-	2 574	8 832	(6 257)	-70,9%	6 045
Rural Road Asset Management Systems Grant	2 381	2 391	2 391	415	1 416	1 594	(178)	-11,2%	2 391
Water Services Infrastructure Grant	2 018	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>452 460</b>	<b>493 840</b>	<b>479 090</b>	<b>1 075</b>	<b>357 191</b>	<b>324 310</b>	<b>32 881</b>	<b>10,1%</b>	<b>479 090</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>283 338</b>	<b>321 352</b>	<b>351 938</b>	<b>24 912</b>	<b>233 507</b>	<b>221 607</b>	<b>11 901</b>	<b>5,4%</b>	<b>351 938</b>
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	200 355	221 352	261 938	21 800	171 367	158 273	13 094	8,3%	261 938
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	82 982	100 000	90 000	3 111	62 141	63 333	(1 193)	-1,9%	90 000
<b>Provincial Government:</b>	<b>3 888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Infrastructure Grant	3 888	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]	-	-	-	-	-	-	-	-	-
Human Settlement Re-development Programme	-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>287 226</b>	<b>321 352</b>	<b>351 938</b>	<b>24 912</b>	<b>233 507</b>	<b>221 607</b>	<b>11 901</b>	<b>5,4%</b>	<b>351 938</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>739 685</b>	<b>815 192</b>	<b>831 028</b>	<b>25 986</b>	<b>590 698</b>	<b>545 916</b>	<b>44 782</b>	<b>8,2%</b>	<b>831 028</b>

It is clear from the chart above that the bulk of the grants received by the municipality are from the National Treasury.

Table SC7 track the expenditure on Conditional grant funding.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	560 559	581 732	602 278	40 483	351 576	394 672	(43 097)	-10,9%	602 278
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	536 551	550 194	579 039	38 867	339 836	376 413	(36 577)	-9,7%	579 039
Expanded Public Works Programme Integrated Grant	9 729	7 490	7 490	589	4 876	4 994	(118)	-2,4%	7 490
Local Government Financial Management Grant	847	1 207	1 208	70	681	805	(124)	-15,4%	1 208
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 606	20 450	12 150	596	4 952	10 867	(5 915)	-54,4%	12 150
Rural Road Asset Management Systems Grant	2 070	2 391	2 391	361	1 231	1 594	(363)	-22,8%	2 391
Water Services Infrastructure Grant	1 755	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>560 559</b>	<b>581 732</b>	<b>602 278</b>	<b>40 483</b>	<b>351 576</b>	<b>394 672</b>	<b>(43 097)</b>	<b>-10,9%</b>	<b>602 278</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	247 421	277 584	287 510	23 471	209 148	188 365	20 783	11,0%	287 510
Local Government Financial Management Grant	275	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	171 657	190 627	209 249	20 802	151 836	133 292	18 543	13,9%	209 249
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	75 489	86 957	78 261	2 669	57 312	55 073	2 240	4,1%	78 261
<b>Provincial Government:</b>	3 888	-	-	-	-	-	-	-	-
Infrastructure Grant	3 888	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>251 309</b>	<b>277 584</b>	<b>287 510</b>	<b>23 471</b>	<b>209 148</b>	<b>188 365</b>	<b>20 783</b>	<b>11,0%</b>	<b>287 510</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>811 868</b>	<b>859 316</b>	<b>889 788</b>	<b>63 954</b>	<b>560 724</b>	<b>583 037</b>	<b>(22 313)</b>	<b>-3,8%</b>	<b>889 788</b>

**CONDITIONAL GRANTS REGISTER AS AT 29 FEBRUARY 2024**

## CONDITIONAL GRANTS REGISTER AS AT 29 FEBRUARY 2024

Description	Budget Year 2023/24								
	Original Budget	Adjusted Budget	Total Receipts	Expenditure Excl VAT	VAT	Expenditure Incl VAT	YTD variance	YTD variance %	UNSPENT
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>30 209</b>	<b>30 209</b>	<b>11 988</b>	<b>9 282</b>	<b>192</b>		<b>9 090</b>	<b>98,2%</b>	<b>2 521</b>
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	6 168	6 168	5 823	4 743	-	4 743	1 080	18,5%	1 080
Local Government Financial Management Grant	1 200	1 200	1 200	733	7	733	467	38,9%	467
Municipal Infrastructure Grant	20 450	20 450	2 574	2 574	-	2 574	-	0,0%	-
Rural Road Asset Management Systems Grant	2 391	2 391	2 391	1 231	185	1 416	975	40,8%	975
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>30 209</b>	<b>30 209</b>	<b>11 988</b>	<b>9 282</b>	<b>192</b>	<b>9 467</b>	<b>2 521</b>	<b>98,2%</b>	<b>2 521</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>321 352</b>	<b>321 352</b>	<b>300 602</b>	<b>203 050</b>	<b>30 457</b>	<b>233 507</b>	<b>67 095</b>	<b>44,6%</b>	<b>67 095</b>
Municipal Infrastructure Grant	221 352	221 352	220 602	149 015	22 352	171 367	49 236	22%	49 236
Water Services Infrastructure Grant	100 000	100 000	80 000	54 035	8 105	62 141	17 859	22%	17 859
<b>Total Capital Transfers and Grants</b>	<b>321 352</b>	<b>321 352</b>	<b>300 602</b>	<b>203 050</b>	<b>30 457</b>	<b>233 507</b>	<b>67 095</b>	<b>44,6%</b>	<b>67 095</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>351 561</b>	<b>351 561</b>	<b>312 591</b>	<b>212 332</b>	<b>30 649</b>	<b>242 974</b>	<b>69 616</b>	<b>142,9%</b>	<b>69 616</b>

The YTD actual on conditional grants amounts to R242, 9million against a YTD receipt of R312, 5million. The unspent as at 29 February 2024 is sitting at R69, 6million. The percentage spent on capital conditional grants is 74 per cent. The Municipal Infrastructure Grant is at 77 per cent as at 29 February 2024 and Water Services Infrastructure Grant is sitting at 69 per cent expenditure as at 29 February 2024.

## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 29 February 2024.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	3 902	4 394	4 394	384	3 051	2 930	122	4%	4 394
Pension and UIF Contributions	469	545	545	-	133	363	(231)	-64%	545
Medical Aid Contributions	153	186	186	(0)	31	124	(92)	-75%	186
Cellphone Allowance	491	534	534	43	374	356	18	5%	534
Other benefits and allowances	1 973	2 460	2 460	125	1 112	1 640	(528)	-32%	2 460
<b>Sub Total - Councillors</b>	<b>6 988</b>	<b>8 119</b>	<b>8 119</b>	<b>552</b>	<b>4 701</b>	<b>5 413</b>	<b>(712)</b>	<b>-13%</b>	<b>8 119</b>
% increase		16,2%	16,2%						16,2%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4 029	2 186	4 374	303	2 788	2 187	601	27%	4 374
Pension and UIF Contributions	15	6	1	-	-	3	(3)	-100%	1
Medical Aid Contributions	66	35	48	4	32	28	4	16%	48
Performance Bonus	81	117	55	-	55	57	(3)	-4%	55
Motor Vehicle Allowance	813	501	935	68	571	479	93	19%	935
Cellphone Allowance	105	58	109	8	68	56	12	22%	109
Housing Allowances	212	110	295	23	200	135	64	48%	295
Other benefits and allowances	246	176	259	19	157	145	12	8%	259
Payments in lieu of leave	332	576	-	-	-	192	(192)	-100%	-
Acting and post related allowance	53	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 950</b>	<b>3 765</b>	<b>6 077</b>	<b>425</b>	<b>3 870</b>	<b>3 281</b>	<b>589</b>	<b>18%</b>	<b>6 077</b>
% increase		-36,7%	2,1%						2,1%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	142 683	147 894	145 582	12 298	97 753	97 825	(72)	0%	145 582
Pension and UIF Contributions	21 654	22 732	22 732	1 879	15 106	15 155	(49)	0%	22 732
Medical Aid Contributions	10 412	10 766	10 766	941	7 181	7 178	4	0%	10 766
Overtime	19 197	20 962	20 962	1 856	13 798	13 975	(177)	-1%	20 962
Performance Bonus	10 259	10 291	10 291	833	6 535	6 861	(326)	-5%	10 291
Motor Vehicle Allowance	20 410	22 548	22 548	1 634	13 264	15 032	(1 768)	-12%	22 548
Cellphone Allowance	1 132	1 242	1 242	91	724	828	(104)	-13%	1 242
Housing Allowances	636	740	740	65	458	493	(36)	-7%	740
Other benefits and allowances	6 003	7 279	7 279	497	3 968	4 853	(885)	-18%	7 279
Payments in lieu of leave	1 418	620	620	-	534	413	121	29%	620
Long service awards	1 547	1 205	1 205	145	1 147	803	344	43%	1 205
Post-retirement benefit obligations	4 244	-	-	-	-	-	-	-	-
Acting and post related allowance	163	221	221	12	264	148	116	79%	221
In kind benefits									
<b>Sub Total - Other Municipal Staff</b>	<b>239 757</b>	<b>246 501</b>	<b>244 189</b>	<b>20 250</b>	<b>160 733</b>	<b>163 565</b>	<b>(2 832)</b>	<b>-2%</b>	<b>244 189</b>
% increase		2,8%	1,8%						1,8%
<b>Total Parent Municipality</b>	<b>252 695</b>	<b>258 385</b>	<b>258 385</b>	<b>21 227</b>	<b>169 304</b>	<b>172 258</b>	<b>(2 954)</b>	<b>-2%</b>	<b>258 385</b>
		2,3%	2,3%						2,3%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages	-	150	150	-	-	100	(100)	-100%	150
<b>Sub Total - Executive members Board</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>(100)</b>	<b>-100%</b>	<b>150</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Other Staff of Entities</b>									
Basic Salaries and Wages	-	6 055	6 055	-	-	4 037	(4 037)	-100%	6 055
Pension and UIF Contributions	-	20	20	-	-	13	(13)	-100%	20
Payments in lieu of leave	-	242	242	-	-	161	(161)	-100%	242
Acting and post related allowance	-	50	50	-	-	33			50
<b>Sub Total - Other Staff of Entities</b>	<b>-</b>	<b>6 367</b>	<b>6 367</b>	<b>-</b>	<b>-</b>	<b>4 245</b>	<b>(4 245)</b>	<b>-100%</b>	<b>6 367</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Total Municipal Entities</b>	<b>-</b>	<b>6 517</b>	<b>6 517</b>	<b>-</b>	<b>-</b>	<b>4 345</b>	<b>(4 345)</b>	<b>-100%</b>	<b>6 517</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>252 695</b>	<b>264 902</b>	<b>264 902</b>	<b>21 227</b>	<b>169 304</b>	<b>176 603</b>	<b>(7 299)</b>	<b>-4%</b>	<b>264 902</b>
% increase		4,8%	4,8%						4,8%
<b>TOTAL MANAGERS AND STAFF</b>	<b>245 707</b>	<b>256 633</b>	<b>256 633</b>	<b>20 675</b>	<b>164 603</b>	<b>171 090</b>	<b>(6 487)</b>	<b>-4%</b>	<b>256 633</b>

## 2.6 Material Variances to the SDBIP

The following section analyses material variances between the actual targets as at 29 February 2024 and the budget for the same period. This report analyses each major component under following headings;

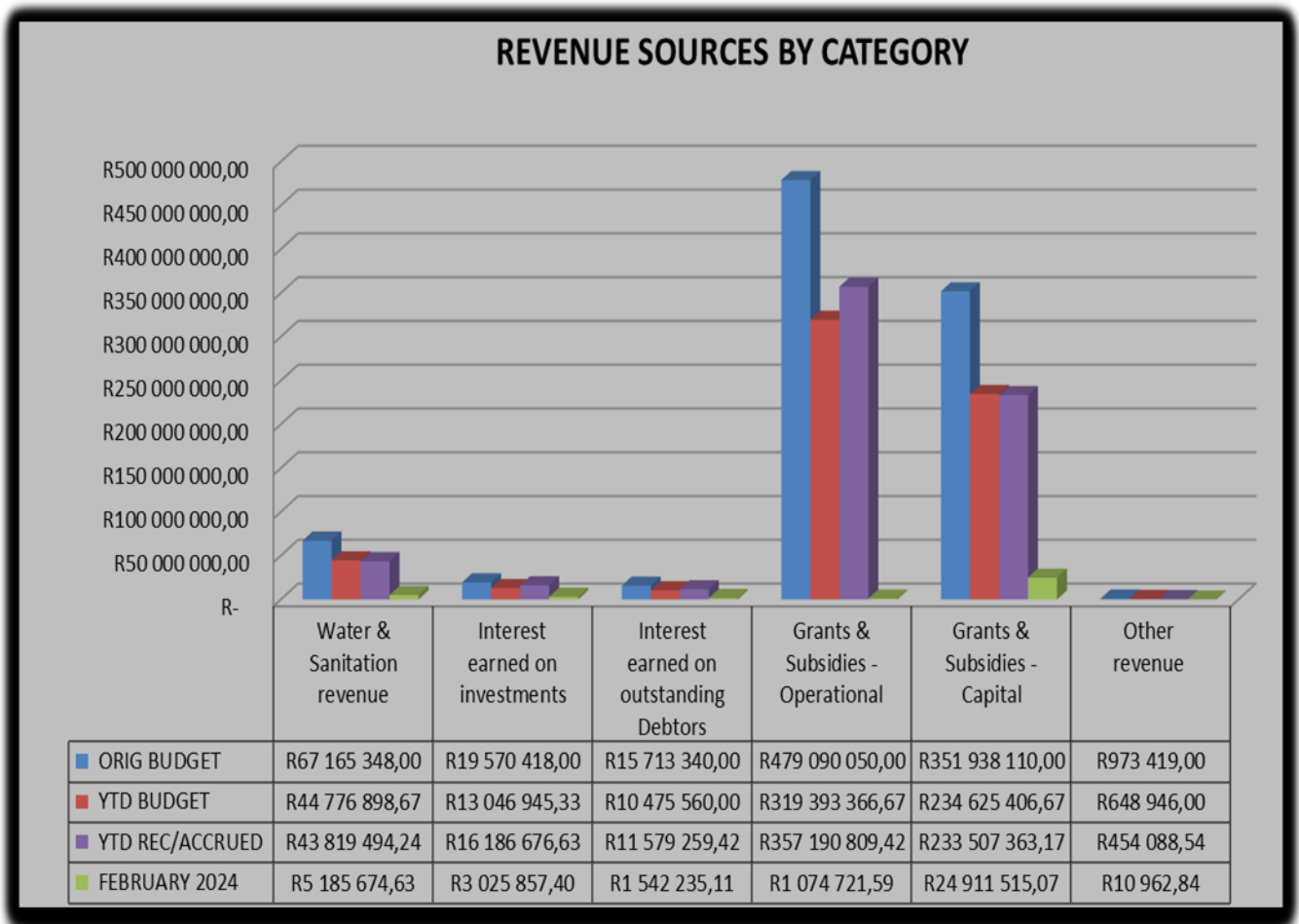
- ✓ Revenue by Source
- ✓ Operational Expenditure by Type, and
- ✓ Capital Expenditure
- ✓ Financial Position
- ✓ Cash Flows

### **REVENUE**

The chart displays a comparison between the 2023/24 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 29 February 2024 was R43, 8million against a year to date **budget** of R44, 7million which is 98 per cent of year to date budget.

### **Interest Earned on External Investments**

The interest earned on external investments year to date actual is R16, 1m against year to budget of R13m representing 124 per cent of the year to date budget.

### **Transfers Recognised - Operational**

The operational grants revenue of R319, 3million against a year to date budget of R357, 1million is largely attributable to the YTD equitable share received.

### **Transfers Recognised – Capital**

The total capital budget for the current year amounts to R351, 9million. The YTD actual on capital amounts to R234, 6million against a YTD budget of R233, 5million or 100% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

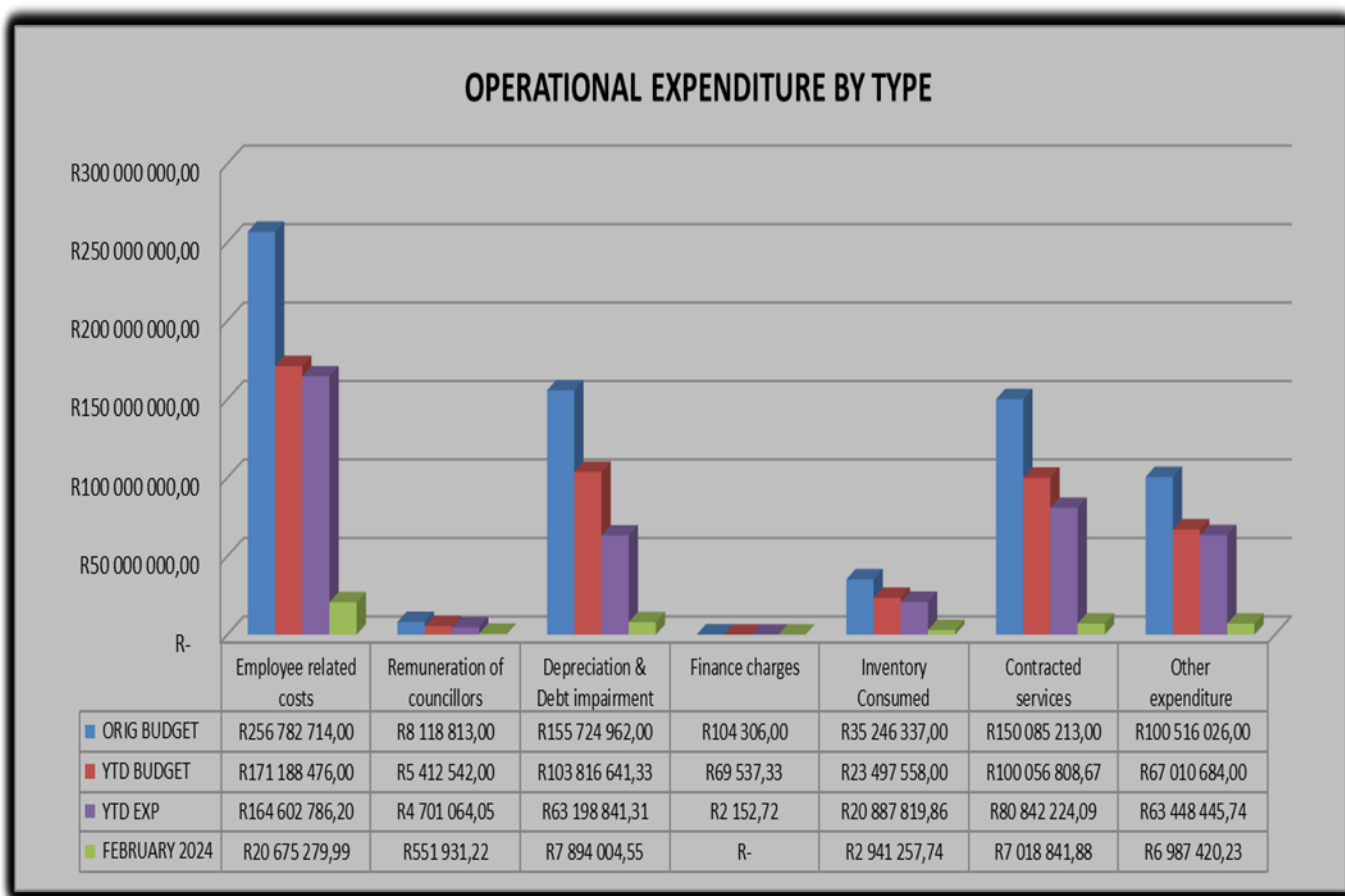
### **Other Revenue**

The YTD performance of other revenue is R 648 946 against YTD budget of R 454 089 which is made up of tender documents and clearance certificates.

## 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: 2023/24 financial year Opex**



### Employee Related Costs

The YTD actual for employee related costs is R164, 6million against a YTD budget of R171, 1million which is 96% of the YTD budget.

## **Remuneration of Councillors**

The remuneration of councillor's year to date expenditure is at R4, 7m against a YTD budget of R5, 4m representing 87% of the year to date budget.

## **Finance Charges**

The YTD budget for finance charges is R69 537 against a YTD actual of R2 153 which is 3% of the YTD budget. There was no movement in the month ending February 2024.

## **Inventory Consumed**

The inventory consumed has the original budget of R35, 2m. The year to date expenditure for inventory is R20, 8m against a YTD budget of R23, 4million representing 89 per cent expenditure of the year to date budget.

## **Contracted Services**

The original budget for contracted services is R 150million. The year to date expenditure for Contracted Services is R80, 8m against a YTD budget of R100million representing 81 per cent of planned expenditure.

## **Other Expenditure**

The YTD budget for other expenditure was at R67million against a YTD expenditure of R 63, 4million or 95 per cent and expenditure for the month of February 2024 is R 6, 9million.

## **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 - M08 February**

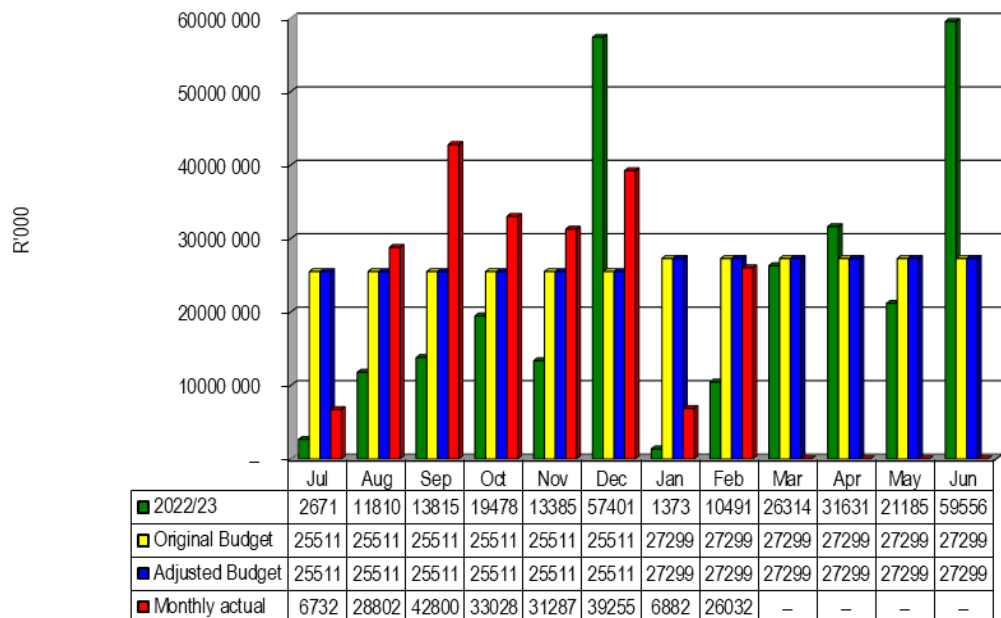
Description	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework			
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Budget	April Budget	May Budget	June Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousands</b>																
<b>Cash Receipts By Source</b>																
Property rates	1	1	1	1	1	1	1	1	-	-	-	(5)	-	-	-	
Service charges - Electricity revenue																
Service charges - Water revenue	4 359	4 321	4 356	4 336	4 182	3 934	2 319	5 075	4 094	4 094	4 094	3 966	49 132	51 420	53 796	
Service charges - Waste Water Management	687	854	964	846	1 001	781	347	1 098	997	997	997	2 398	11 969	12 520	13 096	
Service charges - Waste Mangement												-				
Rental of facilities and equipment												-				
Interest earned - external investments	835	2 455	2 306	1 670	1 681	1 811	2 402	3 026	1 827	1 827	1 827	253	21 920	5 948	6 193	
Interest earned - outstanding debtors												-				
Licences and permits	2	1	8	5	3	4	2	5	1	1	1	(18)	16	17	18	
Agency services												-				
Transfers and Subsidies - Operational	193 180	4 416	-	-	2 776	154 544	-	1 505	41 153	41 153	41 153	13 959	493 840	519 283	547 916	
Other revenue	387 396	84 724	173 964	101 375	137 808	332 522	76 599	59 336	4 498	4 498	4 498	(1 313 245)	53 971	48 791	49 817	
<b>Cash Receipts by Source</b>	<b>586 460</b>	<b>96 771</b>	<b>181 598</b>	<b>108 233</b>	<b>147 453</b>	<b>493 597</b>	<b>81 670</b>	<b>70 046</b>	<b>52 571</b>	<b>52 571</b>	<b>52 571</b>	<b>(1 292 693)</b>	<b>630 847</b>	<b>637 979</b>	<b>670 835</b>	
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	91 000	-	71 000	40 000	-	80 000	-	-	26 779	26 779	26 779	(40 986)	321 352	357 813	357 670	
Short term loans												-				
Borrowing long term/refinancing												-				
Increase (decrease) in consumer deposits	-	-	7	27	13	171	280	27	12	12	12	(414)	149	149	149	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments												-				
<b>Total Cash Receipts by Source</b>	<b>677 460</b>	<b>96 771</b>	<b>252 605</b>	<b>148 260</b>	<b>147 466</b>	<b>573 767</b>	<b>81 950</b>	<b>70 073</b>	<b>79 362</b>	<b>79 362</b>	<b>79 362</b>	<b>(1 334 093)</b>	<b>952 348</b>	<b>995 941</b>	<b>1 028 654</b>	
<b>Cash Payments by Type</b>																
Employee related costs	17 856	22 316	20 593	20 871	21 036	26 901	20 891	21 087	21 399	21 399	21 399	21 036	256 783	261 725	274 026	
Remuneration of councillors	-	-	911	490	311	321	273	296	677	677	677	3 487	8 119	8 517	8 917	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	105	110	
Bulk purchases - Electricity												-				
Acquisitions - water & other inventory	-	-	-	-	-	-	-	-	2 476	2 476	2 476	22 285	29 714	24 030	25 135	
Contracted services	-	-	-	-	-	-	-	-	11 947	11 947	11 947	107 521	143 362	177 138	189 612	
Transfers and subsidies - other municipalities												-				
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	40 071	66 189	68 630	53 905	61 167	73 450	31 027	44 789	14 811	14 811	14 811	(305 933)	177 727	171 990	176 804	
<b>Cash Payments by Type</b>	<b>57 928</b>	<b>88 505</b>	<b>90 133</b>	<b>75 266</b>	<b>82 514</b>	<b>100 672</b>	<b>52 191</b>	<b>66 172</b>	<b>51 309</b>	<b>51 309</b>	<b>51 309</b>	<b>(151 603)</b>	<b>615 704</b>	<b>643 505</b>	<b>674 604</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	6 733	28 802	42 801	33 028	31 288	39 255	6 883	26 032	26 406	26 406	26 406	22 829	316 868	314 554	315 278	
Repayment of borrowing	-	-	-	-	-	-	-	-	200	200	200	1 800	2 400	2 400	2 400	
Other Cash Flows/Payments	-	117	612	319	1 194	4 161	1 175	653	1 000	1 000	1 000	769	12 000	12 000	12 000	
<b>Total Cash Payments by Type</b>	<b>64 660</b>	<b>117 424</b>	<b>133 545</b>	<b>108 613</b>	<b>114 996</b>	<b>144 088</b>	<b>60 248</b>	<b>92 858</b>	<b>78 914</b>	<b>78 914</b>	<b>78 914</b>	<b>(126 205)</b>	<b>946 972</b>	<b>972 458</b>	<b>1 004 283</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>612 800</b>	<b>(20 653)</b>	<b>119 060</b>	<b>39 647</b>	<b>32 470</b>	<b>429 679</b>	<b>21 702</b>	<b>(22 785)</b>	<b>448</b>	<b>448</b>	<b>448</b>	<b>(1 207 888)</b>	<b>5 375</b>	<b>23 483</b>	<b>24 371</b>	
Cash/cash equivalents at the month/year beginning:	124 641	737 441	716 788	835 847	875 494	907 964	1 337 643	1 359 345	1 336 560	1 337 008	1 337 456	1 337 904	124 641	130 016	153 499	
Cash/cash equivalents at the month/year end:	737 441	716 788	835 847	875 494	907 964	1 337 643	1 359 345	1 336 560	1 337 008	1 337 456	1 337 904	130 016	130 016	153 499	177 870	

## Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M08 February

Month	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	2 672	25 512	25 512	6 733	6 733	25 512	18 779	73,6%	2%
August	11 810	25 512	25 512	28 802	28 802	51 024	22 221	43,6%	9%
September	13 816	25 512	25 512	42 801	42 801	76 535	33 735	44,1%	14%
October	19 479	25 512	25 512	33 028	33 028	102 047	69 019	67,6%	10%
November	13 386	25 512	25 512	31 288	31 288	127 559	96 271	75,5%	10%
December	57 401	25 512	25 512	39 255	39 255	153 071	113 815	74,4%	12%
January	1 374	27 300	27 300	6 883	6 883	180 370	173 488	96,2%	2%
February	10 492	27 300	27 300	26 032	26 032	207 670	181 637	87,5%	8%
March	26 315	27 300	27 300	-	-	234 970	234 970	100,0%	0%
April	31 631	27 300	27 300	-	-	262 269	262 269	100,0%	-
May	21 186	27 300	27 300	-	-	289 569	289 569	100,0%	-
June	59 557	27 299	27 299	-	-	316 868	316 868	100,0%	-
<b>Total Capital expenditure</b>	<b>269 118</b>	<b>316 868</b>	<b>316 868</b>	<b>214 822</b>					

Chart C1 2023/24 Capital Expenditure Monthly Trend: actual v target



## 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 - M08 February

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>247 862</b>	<b>262 045</b>	<b>284 533</b>	<b>23 599</b>	<b>201 057</b>	<b>184 328</b>	<b>(16 729)</b>	<b>-9,1%</b>	<b>284 533</b>
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	203 327	191 477	228 755	14 592	160 434	141 309	(19 125)	-13,5%	228 755
Dams and Weirs	18 068	45 242	44 037	-	16 455	25 401	8 946	35,2%	44 037
Boreholes	37 187	33 539	6 230	-	3 346	4 013	667	16,6%	6 230
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	3 716	4 935	7 348	5 155	8 456	4 094	(4 362)	-106,5%	7 348
Water Treatment Works	267	-	-	-	-	-	-	-	-
Bulk Mains	45 795	16 056	50 695	1 971	36 243	32 261	(3 981)	-12,3%	50 695
Distribution	98 295	91 705	120 445	7 466	95 933	75 539	(20 394)	-27,0%	120 445
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	44 534	70 568	55 778	9 006	40 623	43 019	2 395	5,6%	55 778
Pump Station	-	6 488	5 488	4 482	4 482	3 992	(490)	-12,3%	5 488
Reticulation	44 534	41 814	49 090	4 524	36 141	33 034	(3 108)	-9,4%	49 090
Waste Water Treatment Works	-	10 761	1 200	-	-	3 987	3 987	100,0%	1 200
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	11 505	-	-	-	2 006	2 006	100,0%	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>270</b>	<b>804</b>	<b>804</b>	<b>-</b>	<b>-</b>	<b>536</b>	<b>536</b>	<b>100,0%</b>	<b>804</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	270	804	804	-	-	536	536	100,0%	804
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	270	804	804	-	-	536	536	100,0%	804
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	<b>410</b>	<b>742</b>	<b>1 060</b>	<b>599</b>	<b>599</b>	<b>578</b>	<b>(21)</b>	<b>-3,6%</b>	<b>1 060</b>
Computer Equipment	410	742	1 060	599	599	578	(21)	-3,6%	1 060
<b>Furniture and Office Equipment</b>	<b>1 293</b>	<b>2 602</b>	<b>3 461</b>	<b>86</b>	<b>1 077</b>	<b>2 044</b>	<b>967</b>	<b>47,3%</b>	<b>3 461</b>
Furniture and Office Equipment	1 293	2 602	3 461	86	1 077	2 044	967	47,3%	3 461
<b>Machinery and Equipment</b>	<b>7 430</b>	<b>8 810</b>	<b>8 810</b>	<b>417</b>	<b>1 314</b>	<b>5 874</b>	<b>4 560</b>	<b>77,6%</b>	<b>8 810</b>
Machinery and Equipment	7 430	8 810	8 810	417	1 314	5 874	4 560	77,6%	8 810
<b>Transport Assets</b>	<b>-</b>	<b>1 600</b>	<b>1 600</b>	<b>-</b>	<b>-</b>	<b>1 067</b>	<b>1 067</b>	<b>100,0%</b>	<b>1 600</b>
Transport Assets	-	1 600	1 600	-	-	1 067	1 067	100,0%	1 600
<b>Total Capital Expenditure on new assets</b>	<b>257 265</b>	<b>276 603</b>	<b>300 268</b>	<b>24 700</b>	<b>204 046</b>	<b>194 426</b>	<b>(9 620)</b>	<b>-4,9%</b>	<b>300 268</b>



## 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 - M08 February

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	14 802	-	-	-	2 456	2 456	100,0%	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	14 802	-	-	-	2 389	2 389	100,0%	-
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works									
Bulk Mains	-	3 890	-	-	-	428	428	100,0%	-
Distribution	-	10 911	-	-	-	1 961	1 961	100,0%	-
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations									
Capital Spares									
Sanitation Infrastructure	-	-	-	-	-	67	67	100,0%	-
Pump Station									
Reticulation	-	-	-	-	-	67	67	100,0%	-
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	135	135	-	-	90	90	100,0%	135
Machinery and Equipment	-	135	135	-	-	90	90	100,0%	135
<b>Transport Assets</b>	6 259	5 400	7 025	1 332	2 557	4 142	1 585	38,3%	7 025
Transport Assets	6 259	5 400	7 025	1 332	2 557	4 142	1 585	38,3%	7 025
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>6 259</b>	<b>20 336</b>	<b>7 159</b>	<b>1 332</b>	<b>2 557</b>	<b>6 687</b>	<b>4 130</b>	<b>61,8%</b>	<b>7 159</b>

## Expenditure on Repairs and Maintenance by Asset Class

DC43 Harry Gwala - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M08

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								%	
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>45 120</b>	<b>46 093</b>	<b>43 410</b>	<b>1 470</b>	<b>24 844</b>	<b>29 550</b>	<b>4 706</b>	<b>15,9%</b>	<b>43 410</b>
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	45 120	46 093	43 410	1 470	24 844	29 550	4 706	15,9%	43 410
Dams and Weirs									
Boreholes									
Reservoirs	26 400	23 439	23 556	547	15 151	15 665	515	3,3%	23 556
Pump Stations	11 207	12 402	10 402	381	4 661	7 601	2 940	38,7%	10 402
Water Treatment Works									
Bulk Mains									
Distribution									
Distribution Points									
PRV Stations									
Capital Spares	7 514	10 252	9 452	542	5 032	6 284	1 252	19,9%	9 452
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	<b>63</b>	<b>73</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>49</b>	<b>100,0%</b>	<b>73</b>
Community Facilities	-	-	-	-	-	-	-	-	-
Halls									
Capital Spares									
Sport and Recreation Facilities	63	73	73	-	-	49	49	100,0%	73
Indoor Facilities	63	73	73	-	-	49	49	100,0%	73
Outdoor Facilities									
Capital Spares									
<b>Other assets</b>	<b>4 008</b>	<b>5 459</b>	<b>5 046</b>	<b>801</b>	<b>3 224</b>	<b>3 502</b>	<b>278</b>	<b>7,9%</b>	<b>5 046</b>
Operational Buildings	4 008	5 459	5 046	801	3 224	3 502	278	7,9%	5 046
Municipal Offices	4 008	5 459	5 046	801	3 224	3 502	278	7,9%	5 046
Pay/Enquiry Points									
Building Plan Offices									
<b>Computer Equipment</b>	<b>17</b>	<b>125</b>	<b>50</b>	<b>-</b>	<b>16</b>	<b>53</b>	<b>37</b>	<b>69,8%</b>	<b>50</b>
Computer Equipment	17	125	50	-	16	53	37	69,8%	50
<b>Furniture and Office Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Furniture and Office Equipment									
<b>Machinery and Equipment</b>	<b>3 055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and Equipment	3 055	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	<b>204</b>	<b>241</b>	<b>109</b>	<b>-</b>	<b>49</b>	<b>267</b>	<b>218</b>	<b>81,6%</b>	<b>109</b>
Transport Assets	204	241	109	-	49	267	218	81,6%	109
<b>Land</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Land									
<b>Total Repairs and Maintenance Expenditure</b>	<b>52 468</b>	<b>51 991</b>	<b>48 689</b>	<b>2 270</b>	<b>28 133</b>	<b>33 420</b>	<b>5 287</b>	<b>15,8%</b>	<b>48 689</b>

## 2.7 Municipal Manager's Quality's Certificate

### Quality Certificate

I, Gamakulu Ma'art Sineke, the Municipal Manager of Harry Gwala District Municipality, hereby certify that-

- The monthly budget statement

For the month of February 2024 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Gamakulu Ma'art Sineke

Municipal Manager of: Harry Gwala District Municipality

Signed\_\_\_\_\_

Date\_\_\_\_\_