

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 August 2023.

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 166% 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.

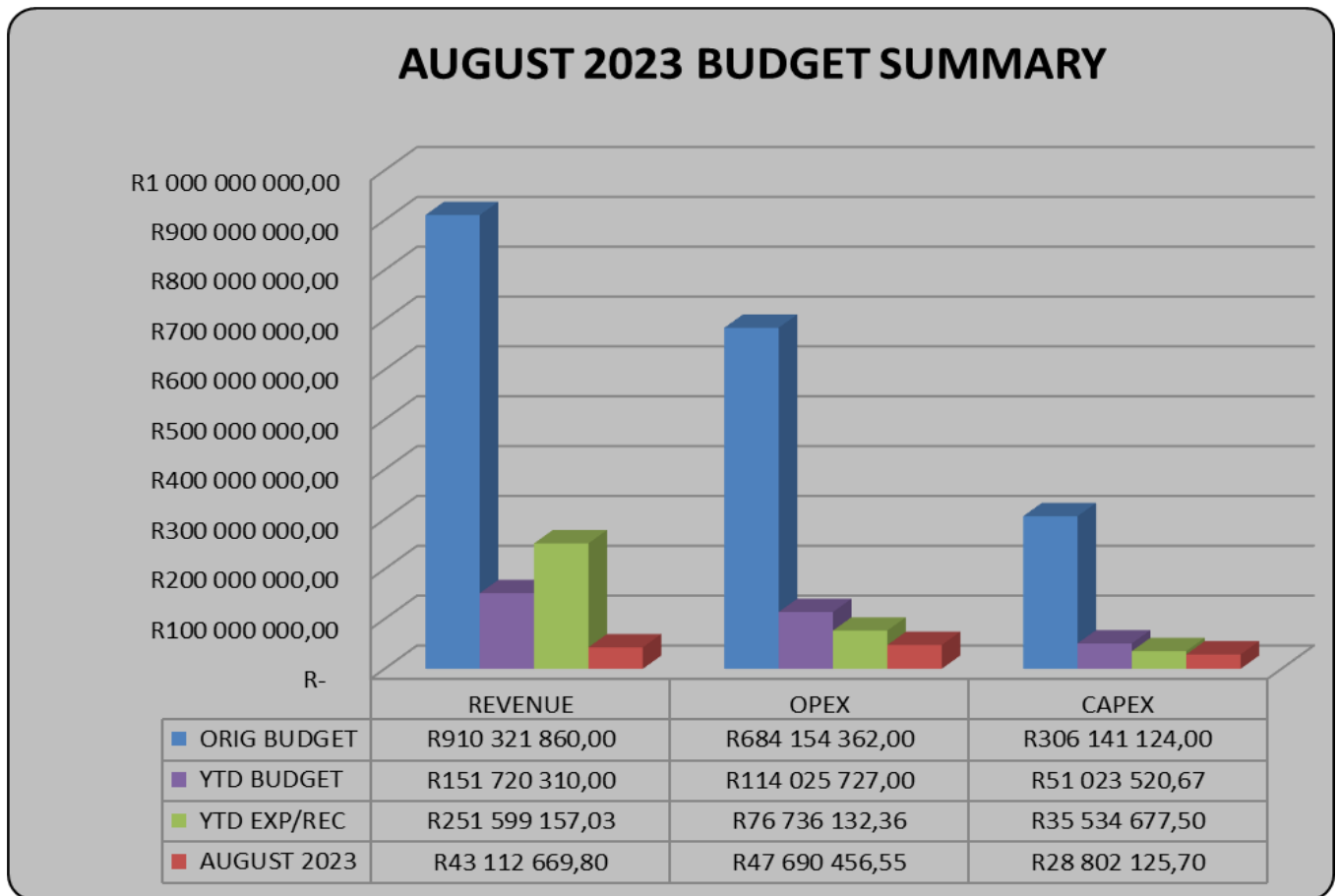
Operating expenditure by vote & type

The total operating budget for the current year amounts to R684, 1m. The YTD Operating expenditure for the month ended 31 August amounted to R76, 7m against a year to date (YTD) budget of R114m. The actual YTD expenditure represented 67% of the year to date budget.

Capital expenditure

The total capital budget for the current year amounts to R306, 1m. The YTD expenditure on capital amounts to R35, 5million against year to date budget of R51million, or 70% 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 August 2023 was R316, 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 31 AUGUST 2023

Investments by maturity Name of institution & investment ID	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands						
Municipality						
FIRST NATIONAL BANK	CALL ACCOUNT	128 234	628	(22 274)	–	106 588
FIRST NATIONAL BANK	CALL ACCOUNT	72 041	399	(12 992)	–	59 448
FIRST NATIONAL BANK	ADMIN CALL	71 687	383	(26 744)	–	45 325
INVESTEC	FIXED DEPOSIT	36 700	252	–	–	36 952
FIRST NATIONAL BANK	FIXED DEPOSIT	40 022	163	(13 644)	–	26 541
FIRST NATIONAL BANK	CALL ACCOUNT	13	0	–	–	13
FIRST NATIONAL BANK	CALL ACCOUNT	13	0	–	–	13
FIRST NATIONAL BANK	CALL ACCOUNT	20	0	–	–	20
FIRST NATIONAL BANK	FIXED DEPOSIT	52	0	–	–	53
NEDBANK	FIXED DEPOSIT	94	1	–	–	94
ABSA BANK	FIXED DEPOSIT	33 405	359	–	–	33 764
FIRST NATIONAL BANK	CURRENT ACCOUNT	2 474			5 413	7 887
Municipality sub-total		384 753	2 186	(75 654)	5 413	316 698
TOTAL INVESTMENTS AND INTEREST		384 753		(75 654)	5 413	316 698

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 31 August 2023 was R 288, 5million. Conditional Grants amounting to R 95, 4million and the equitable share is R 193, 1million. Three grants received in the month ending 31 August 2023.

Three operational grants received for the month of August 2023 namely:

- Expanded Public Works Grant- R 1 542 000
- Financial Management Grant- R 1 200 000
- Rural Roads Infrastructure Grant- R 1 674 000

Transfers Recognised – Capital

No Capital grant received for the month of August 2023 namely:

Spending on Grants

Spending on grants amounted to R35, 5million or 70% for the month ending August 2023.

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 - M02 August

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
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	77 674	76 192	76 192	4 779	10 715	12 699	(1 984)	-16%	76 192
Investment revenue	10 858	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	10 858	5 713	5 713	2 455	3 290	952	2 338	246%	5 713
Other own revenue	461 024	507 064	507 064	2 642	197 289	84 511	112 778	133%	-
Total Revenue (excluding capital transfers and contributions)	560 414	588 970	588 970	9 876	211 294	98 162	113 133	115%	588 970
Employee costs	245 578	256 783	256 783	19 761	40 575	42 797	(2 223)		256 783
Remuneration of Councillors	6 988	8 119	8 119	534	1 066	1 353	(287)		8 119
Depreciation and amortisation	92 556	97 007	97 007	-	-	16 168	(16 168)		97 007
Interest	113	100	100	2	2	17	(15)		100
Inventory consumed and bulk purchases	33 986	28 431	28 431	2 381	2 381	4 739	(2 358)		28 431
Transfers and subsidies	15 290	2 500	2 500	-	-	417	(417)	-100%	2 500
Other expenditure	239 909	291 214	291 214	25 013	32 712	48 536	(15 824)	-33%	291 214
Total Expenditure	634 419	684 154	684 154	47 690	76 736	114 026	(37 290)	-33%	684 154
Surplus/(Deficit)	(74 005)	(95 185)	(95 185)	(37 814)	134 558	(15 865)	150 423	-948%	(95 185)
Transfers and subsidies - capital (monetary allocations)	283 338	321 352	321 352	33 236	40 305	-	40 305	#DIV/0!	321 352
Transfers and subsidies - capital (in-kind)	3 888	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	213 221	226 167	226 167	(4 578)	174 863	(15 865)	190 728	-1202%	226 167
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	213 221	226 167	226 167	(4 578)	174 863	(15 865)	190 728	-1202%	226 167
Capital expenditure & funds sources									
Capital expenditure	269 118	306 141	306 141	28 802	35 535	51 024	(15 489)	-30%	306 141
Capital transfers recognised	251 309	277 584	277 584	28 253	34 985	46 264	(11 279)	-24%	277 584
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	17 809	28 557	28 557	549	549	4 760	(4 210)	-88%	28 557
Total sources of capital funds	269 118	306 141	306 141	28 802	35 535	51 024	(15 489)	-30%	306 141
Financial position									
Total current assets	194 494	147 860	147 860		361 340				147 860
Total non current assets	2 927 796	2 955 803	2 955 803		2 963 330				2 955 803
Total current liabilities	152 320	111 522	111 522		179 838				111 522
Total non current liabilities	27 735	28 869	28 869		27 735				28 869
Community wealth/Equity	2 981 788	2 720 105	2 720 105		3 117 098				2 720 105
Cash flows									
Net cash from (used) operating	1 503 062	324 776	324 776	8 149	627 739	54 129	(573 609)	-1060%	324 776
Net cash from (used) investing	(269 118)	(306 141)	(306 141)	(28 802)	(35 535)	(51 024)	(15 489)	30%	(306 141)
Net cash from (used) financing	-	(2 251)	(2 251)	-	-	(375)	(375)	100%	(2 251)
Cash/cash equivalents at the month/year end	1 284 171	84 290	84 290	-	716 844	70 637	(646 207)	-915%	141 024
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	8 800	5 178	15 110	4 001	3 571	4 159	29 598	174 712	245 130
Creditors Age Analysis									
Total Creditors	1 474	741	-	-	-	-	-	-	2 215

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) - M02 August

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
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	449 558	488 282	488 282	2 532	196 615	81 380	115 235	142%	488 282
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	449 558	488 282	488 282	2 532	196 615	81 380	115 235	142%	488 282
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	32	16	16	1	3	3	1	25%	16
Community and social services	32	16	16	1	3	3	1	25%	16
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	3 888	638	638	-	-	106	(106)	-100%	638
Planning and development	3 888	638	638	-	-	106	(106)	-100%	638
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	394 162	438 386	438 386	40 580	54 981	73 064	(18 084)	-25%	438 386
Energy sources	-	-	-	-	-	-	-	-	-
Water management	381 035	423 735	423 735	39 384	52 701	70 622	(17 921)	-25%	423 735
Waste water management	13 126	14 651	14 651	1 196	2 279	2 442	(163)	-7%	14 651
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	847 640	927 322	927 322	43 113	251 599	154 554	97 046	63%	927 322
Expenditure - Functional									
<i>Governance and administration</i>	284 703	294 557	294 557	21 270	36 211	49 093	(12 883)	-26%	294 557
Executive and council	29 054	39 878	39 878	5 523	7 129	6 646	483	7%	39 878
Finance and administration	244 549	244 785	244 785	15 059	27 514	40 798	(13 284)	-33%	244 785
Internal audit	11 101	9 894	9 894	688	1 568	1 649	(81)	-5%	9 894
<i>Community and public safety</i>	17 993	20 592	20 592	1 537	2 893	3 432	(539)	-16%	20 592
Community and social services	17 993	20 592	20 592	1 537	2 893	3 432	(539)	-16%	20 592
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	151 602	167 382	167 382	10 449	13 869	27 897	(14 028)	-50%	167 382
Planning and development	151 602	167 382	167 382	10 449	13 869	27 897	(14 028)	-50%	167 382
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	180 120	201 412	201 412	14 433	23 763	33 569	(9 805)	-29%	201 412
Energy sources	-	-	-	-	-	-	-	-	-
Water management	177 611	200 518	200 518	14 416	23 733	33 420	(9 686)	-29%	200 518
Waste water management	2 509	893	893	17	30	149	(119)	-80%	893
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	212	212	-	-	35	(35)	-100%	212
Total Expenditure - Functional	634 419	684 154	684 154	47 690	76 736	114 026	(37 290)	-33%	684 154
Surplus/ (Deficit) for the year	213 221	243 167	243 167	(4 578)	174 863	40 527	134 336	331%	243 167

This table assess the revenue by department and then the expenditure for the period ending 31 August 2023. Revenue receipts in August have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of August is 5% against original budget.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of August 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 R27, 4million.

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) - M02 August

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
R thousands									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	449 162	470 822	470 822	2 515	196 535	78 470	118 064	150,5%	470 822
Vote 04 - Summary Corporate Services	372	372	372	-	63	62	1	2,0%	372
Vote 05 - Summary Social Services & Development Planning	32	17 654	17 654	1	3	2 942	(2 939)	-99,9%	17 654
Vote 06 - Summary Infrastructure Services	308 606	354 861	354 861	34 823	42 241	59 144	(16 903)	-28,6%	354 861
Vote 07 - Summary Water Services	89 467	83 613	83 613	5 774	12 757	13 935	(1 178)	-8,5%	83 613
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	847 640	927 322	927 322	43 113	251 599	154 554	97 046	62,8%	927 322
Expenditure by Vote									
Vote 01 - Summary Council	18 112	19 937	19 937	3 720	4 743	3 323	1 421	42,7%	19 937
Vote 02 - Summary Municipal Manager	22 043	22 917	22 917	2 491	3 953	3 820	134	3,5%	22 917
Vote 03 - Summary Budget And Treasury Office	94 203	90 559	90 559	4 622	10 003	15 093	(5 090)	-33,7%	90 559
Vote 04 - Summary Corporate Services	90 576	86 586	86 586	8 656	13 716	14 431	(715)	-5,0%	86 586
Vote 05 - Summary Social Services & Development Planning	50 497	75 394	75 394	9 180	11 900	12 566	(666)	-5,3%	75 394
Vote 06 - Summary Infrastructure Services	121 509	128 353	128 353	2 846	4 940	21 392	(16 452)	-76,9%	128 353
Vote 07 - Summary Water Services	237 478	260 408	260 408	16 176	27 480	43 401	(15 921)	-36,7%	260 408
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	634 419	684 154	684 154	47 690	76 736	114 026	(37 290)	-32,7%	684 154
Surplus/ (Deficit) for the year	213 221	243 167	243 167	(4 578)	174 863	40 527	134 336	331,5%	243 167

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 August 2023.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

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
R thousands									
Revenue									
Exchange Revenue									
Service charges - Electricity							-		
Service charges - Water	64 525	61 123	61 123	3 563	8 449	10 187	(1 738)	-17%	61 123
Service charges - Waste Water Management	13 149	15 069	15 069	1 216	2 266	2 512	(245)	-10%	15 069
Service charges - Waste management							-		
Sale of Goods and Rendering of Services	741	876	876	6	7	146	(139)	-95%	876
Interest earned from Receivables	14 117	11 960	11 960	1 403	2 803	1 993	810	41%	11 960
Interest from Current and Non Current Assets	10 858	5 713	5 713	2 455	3 290	952			5 713
Operational Revenue	810	388	388	1	67	65	2	3%	388
Non-Exchange Revenue									
Property rates							-		
Surcharges and Taxes							-		
Fines, penalties and forfeits	-	-	-	-	-	-	-		-
Licence and permits							-		
Transfers and subsidies - Operational	452 460	493 840	493 840	1 232	194 412	82 307	112 105		493 840
Interest							-		
Other Gains	3 755	-	-	-	-	-	-		-
Discontinued Operations							-		
Total Revenue (excluding capital transfers and contributions)	560 414	588 970	588 970	9 876	211 294	98 162	113 133	115%	588 970
Expenditure By Type									
Employee related costs	245 578	256 783	256 783	19 761	40 575	42 797	(2 223)	-5%	256 783
Remuneration of councillors	6 988	8 119	8 119	534	1 066	1 353	(287)	-21%	8 119
Bulk purchases - electricity	-	-	-	-	-	-	-		-
Inventory consumed	33 986	28 431	28 431	2 381	2 381	4 739	(2 358)		28 431
Debt impairment	(1 202)	28 300	28 300	-	-	4 717	(4 717)	-100%	28 300
Depreciation and amortisation	92 556	97 007	97 007	-	-	16 168	(16 168)	-100%	97 007
Interest	113	100	100	2	2	17	(15)	-87%	100
Contracted services	134 274	140 220	140 260	6 309	11 421	23 374	(11 953)	-51%	140 260
Transfers and subsidies	15 290	2 500	2 500	-	-	417	(417)	-100%	2 500
Irrecoverable debts written off	34 790	30 418	30 418	-	-	5 070	(5 070)		30 418
Operational costs	69 172	92 277	92 237	18 705	21 292	15 376	5 916	38%	92 237
Losses on Disposal of Assets	2 875	-	-	-	-	-	-		-
Other Losses	-	-	-	-	-	-	-		-
Total Expenditure	634 419	684 154	684 154	47 690	76 736	114 026	(37 290)	-33%	684 154
Surplus/(Deficit)	(74 005)	(95 185)	(95 185)	(37 814)	134 558	(15 865)	150 423	(0)	(95 185)
Transfers and subsidies - capital (monetary allocations)	283 338	321 352	321 352	33 236	40 305	-	40 305	#DIV/0!	321 352
Transfers and subsidies - capital (in-kind)	3 888	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	213 221	226 167	226 167	(4 578)	174 863	(15 865)			226 167
Income Tax									
Surplus/(Deficit) after income tax	213 221	226 167	226 167	(4 578)	174 863	(15 865)			226 167
Share of Surplus/Deficit attributable to Joint Venture									
Share of Surplus/Deficit attributable to Minorities									
Surplus/(Deficit) attributable to municipality	213 221	226 167	226 167	(4 578)	174 863	(15 865)			226 167
Share of Surplus/Deficit attributable to Associate									
Intercompany/Parent subsidiary transactions									
Surplus/ (Deficit) for the year	213 221	226 167	226 167	(4 578)	174 863	(15 865)			226 167

Capital Expenditure

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

DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M02 August

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
R thousands									
Multi-Year expenditure appropriation									
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	9 641	549	549	1 607	(1 057)	-66%	9 641
Vote 05 - Summary Social Services & Development Planning	408	2 267	2 267	-	-	378	(378)	-100%	2 267
Vote 06 - Summary Infrastructure Services	47 306	55 292	70 392	13 816	17 719	10 588	7 131	67%	70 392
Vote 07 - Summary Water Services	213 402	238 941	223 841	14 436	17 266	38 451	(21 185)	-55%	223 841
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	269 118	306 141	306 141	28 802	35 535	51 024	(15 489)	-30%	306 141
Total Capital Expenditure	269 118	306 141	306 141	28 802	35 535	51 024	(15 489)	-30%	306 141
Capital Expenditure - Functional Classification									
Governance and administration	8 002	10 308	10 308	549	549	1 718	(1 169)	-68%	10 308
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	8 002	10 308	10 308	549	549	1 718	(1 169)	-68%	10 308
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	270	1 600	1 600	-	-	267	(267)	-100%	1 600
Community and social services	270	1 600	1 600	-	-	267	(267)	-100%	1 600
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	41 851	27 618	42 718	13 816	17 315	5 976	11 339	190%	42 718
Planning and development	41 851	27 618	42 718	13 816	17 315	5 976	11 339	190%	42 718
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	218 995	266 615	251 515	14 436	17 670	43 063	(25 393)	-59%	251 515
Energy sources	-	-	-	-	-	-	-	-	-
Water management	174 461	198 174	183 074	8 754	11 988	31 656	(19 668)	-62%	183 074
Waste water management	44 534	68 441	68 441	5 682	5 682	11 407	(5 725)	-50%	68 441
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	269 118	306 141	306 141	28 802	35 535	51 024	(15 489)	-30%	306 141
Funded by:									
National Government	247 421	277 584	277 584	28 253	34 985	46 264	(11 279)	-24%	277 584
Provincial Government	3 888	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	251 309	277 584	277 584	28 253	34 985	46 264	(11 279)	-24%	277 584
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	17 809	28 557	28 557	549	549	4 760	(4 210)	-88%	28 557
Total Capital Funding	269 118	306 141	306 141	28 802	35 535	51 024	(15 489)	-30%	306 141

As alluded to above, the capital expenditure programme for the period ending 31 August 2023 was R35, 5m which represents 70% of capital expenditure against year to date budget of R51million.

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

Chart 1: 2023/2024 CAPEX

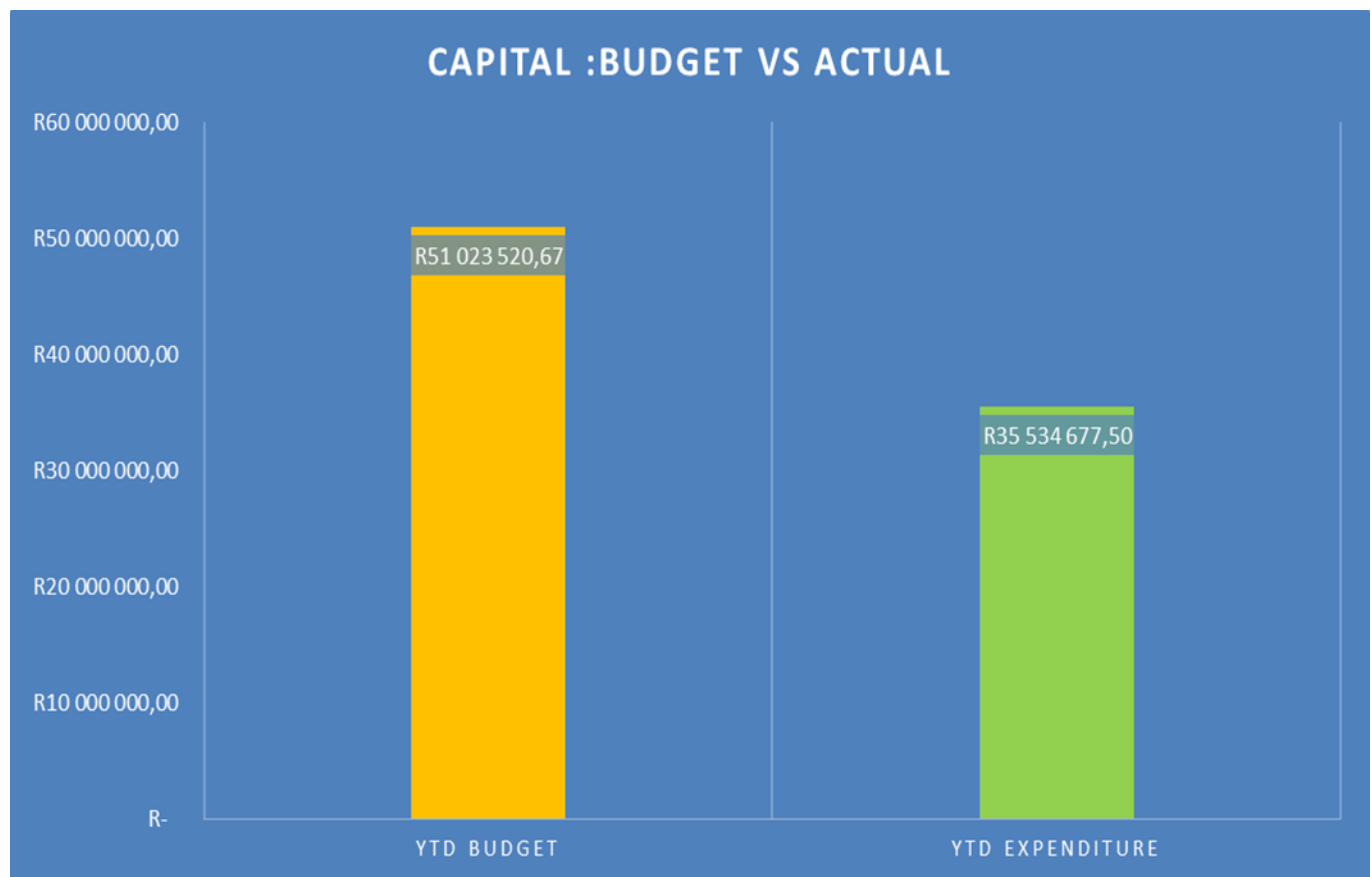


Table C6 displays the financial position of the municipality as at 31 August 2023.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M02 August

Description	2022/23	Budget Year 2023/24			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	124 641	84 290	84 290	295 500	84 290
Trade and other receivables from exchange transactions	32 136	28 499	28 499	35 118	28 499
Receivables from non-exchange transactions	2 318	2 336	2 336	2 317	2 336
Current portion of non-current receivables	-	-	-	-	-
Inventory	716	513	513	716	513
VAT	34 688	32 160	32 160	27 743	32 160
Other current assets	(5)	62	62	(54)	62
Total current assets	194 494	147 860	147 860	361 340	147 860
Non current assets					
Investments					
Investment property	-	-	-	-	-
Property, plant and equipment	2 927 280	2 954 832	2 954 832	2 962 815	2 954 832
Biological assets					
Living and non-living resources					
Heritage assets					
Intangible assets	515	972	972	515	972
Trade and other receivables from exchange transactions	-	-	-	-	-
Non-current receivables from non-exchange transactions					
Other non-current assets	0	0	0	0	0
Total non current assets	2 927 796	2 955 803	2 955 803	2 963 330	2 955 803
TOTAL ASSETS	3 122 289	3 103 663	3 103 663	3 324 670	3 103 663
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Financial liabilities	12 806	10 394	10 394	12 806	10 394
Consumer deposits	2 415	2 324	2 324	2 465	2 324
Trade and other payables from exchange transactions	92 367	75 527	75 527	64 666	75 527
Trade and other payables from non-exchange transactions	21 177	1 483	1 483	75 056	1 483
Provision	16 020	15 194	15 194	16 020	15 194
VAT	7 535	6 600	6 600	8 836	6 600
Other current liabilities	-	-	-	-	-
Total current liabilities	152 320	111 522	111 522	179 849	111 522
Non current liabilities					
Financial liabilities	(0)	-	-	(0)	-
Provision	27 735	28 869	28 869	27 735	28 869
Long term portion of trade payables	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-
Total non current liabilities	27 735	28 869	28 869	27 735	28 869
TOTAL LIABILITIES	180 055	140 391	140 391	207 584	140 391
NET ASSETS	2 942 235	2 963 272	2 963 272	3 117 086	2 963 272
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	2 942 235	2 963 272	2 963 272	3 117 086	2 963 272
Reserves and funds	-	-	-	-	-
Other	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 942 235	2 963 272	2 963 272	3 117 086	2 963 272

Table C7 below display the Cash Flow Statement for the period ending 31 August 2023.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M02 August

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
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	18	-	-	1	1	-	1	#DIV/0!	-
Service charges	51 062	61 100	61 100	5 175	10 221	10 183	38	0%	61 100
Other revenue	1 483 328	53 987	53 987	84 724	472 123	8 998	463 125	5147%	53 987
Transfers and Subsidies - Operational	468 100	493 840	493 840	4 416	197 596	82 307	115 289	140%	493 840
Transfers and Subsidies - Capital	316 011	321 352	321 352	-	91 000	53 559	37 441	70%	321 352
Interest	10 858	5 713	5 713	2 455	3 290	952	2 338	246%	5 713
Dividends							-		
Payments									
Suppliers and employees	(826 315)	(611 117)	(611 117)	(88 622)	(146 493)	(101 853)	44 640	-44%	(611 117)
Interest	-	(100)	(100)	-	-	(17)	(17)	100%	(100)
Transfers and Subsidies	-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	1 503 062	324 776	324 776	8 149	627 739	54 129	(573 609)	-1060%	324 776
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE							-		
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments							-		
Payments									
Capital assets	(269 118)	(306 141)	(306 141)	(28 802)	(35 535)	(51 024)	(15 489)	30%	(306 141)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(269 118)	(306 141)	(306 141)	(28 802)	(35 535)	(51 024)	(15 489)	30%	(306 141)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	-	149	149	-	-	25	(25)	-100%	149
Payments									
Repayment of borrowing	-	(2 400)	(2 400)	-	-	(400)	(400)	100%	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(2 251)	(2 251)	-	-	(375)	(375)	100%	(2 251)
NET INCREASE/ (DECREASE) IN CASH HELD	1 233 945	16 384	16 384	(20 653)	592 204	2 731			16 384
Cash/cash equivalents at beginning:	50 226	67 907	67 907	(68 544)	124 641	67 907			124 641
Cash/cash equivalents at month/year end:	1 284 171	84 290	84 290		716 844	70 637			141 024

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 August 2023.

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

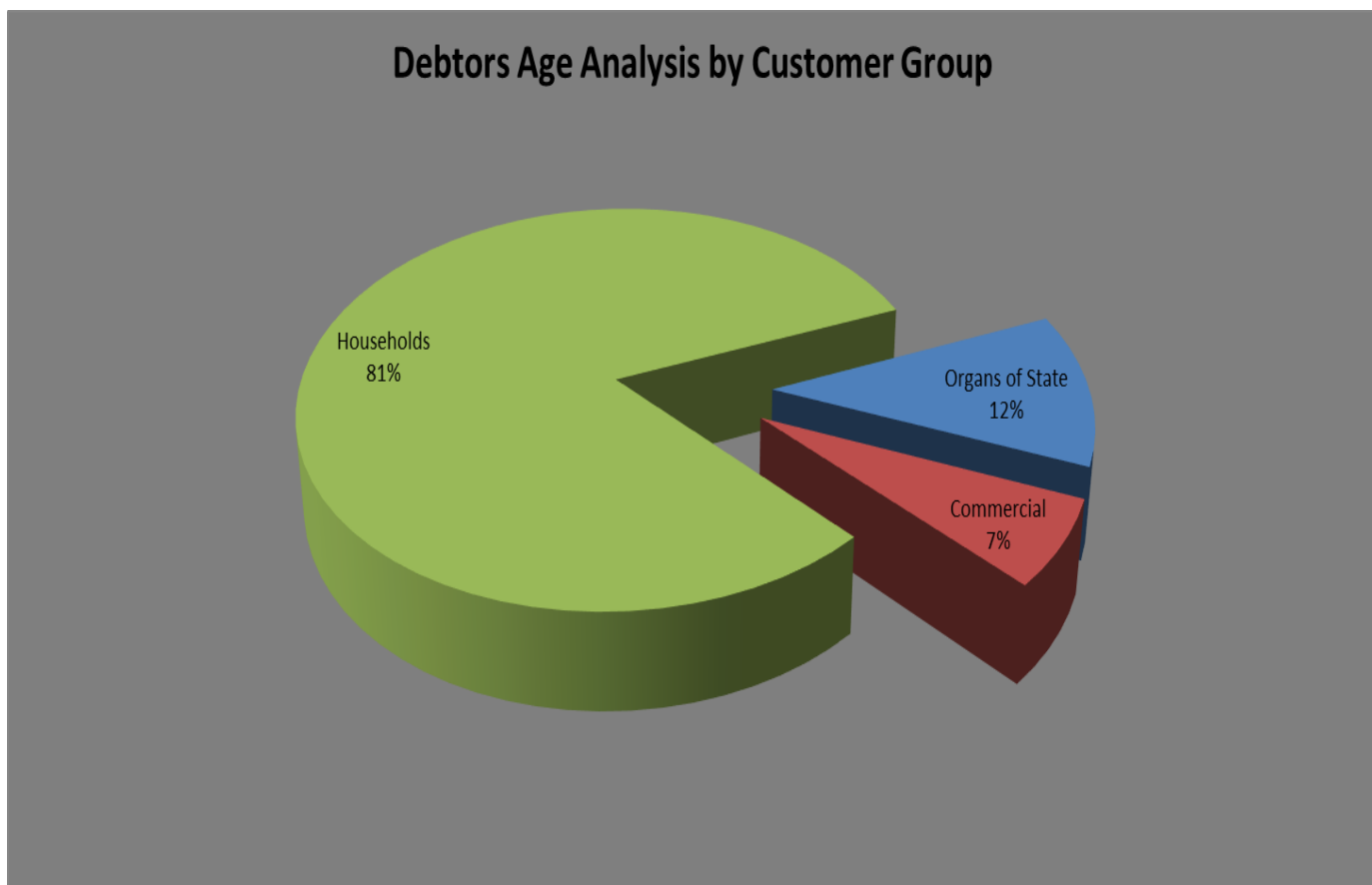
Description	Budget Year 2023/24									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	5 649	3 324	9 700	2 569	2 292	2 670	18 999	112 152	157 354	138 682
Trade and Other Receivables from Exchange Transactions - Electricity	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates										
Receivables from Exchange Transactions - Waste Water Management	2 207	1 299	3 789	1 003	895	1 043	7 422	43 813	61 472	54 178
Receivables from Exchange Transactions - Waste Management										
Receivables from Exchange Transactions - Property Rental Debtors										
Interest on Arrear Debtor Accounts	944	556	1 621	429	383	446	3 176	18 747	26 303	23 182
Recoverable unauthorised, irregular, fruitless and wasteful expenditure										
Other										
Total By Income Source	8 800	5 178	15 110	4 001	3 571	4 159	29 598	174 712	245 130	216 041
2022/23 - totals only	7057677	4798023	4367793	3973288	5002813	2886494	17412955	200096845	245 596	229 372
Debtors Age Analysis By Customer Group										
Organs of State	4 580	2 066	2 503	867	633	1 502	13 891	3 585	29 627	20 478
Commercial	896	491	826	669	504	318	1 757	10 860	16 320	14 108
Households	3 324	2 621	11 782	2 466	2 434	2 340	13 949	160 267	199 182	181 455
Other										
Total By Customer Group	8 800	5 178	15 110	4 001	3 571	4 159	29 598	174 712	245 130	216 041

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: 81%
- ✓ Government 12%
- ✓ 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

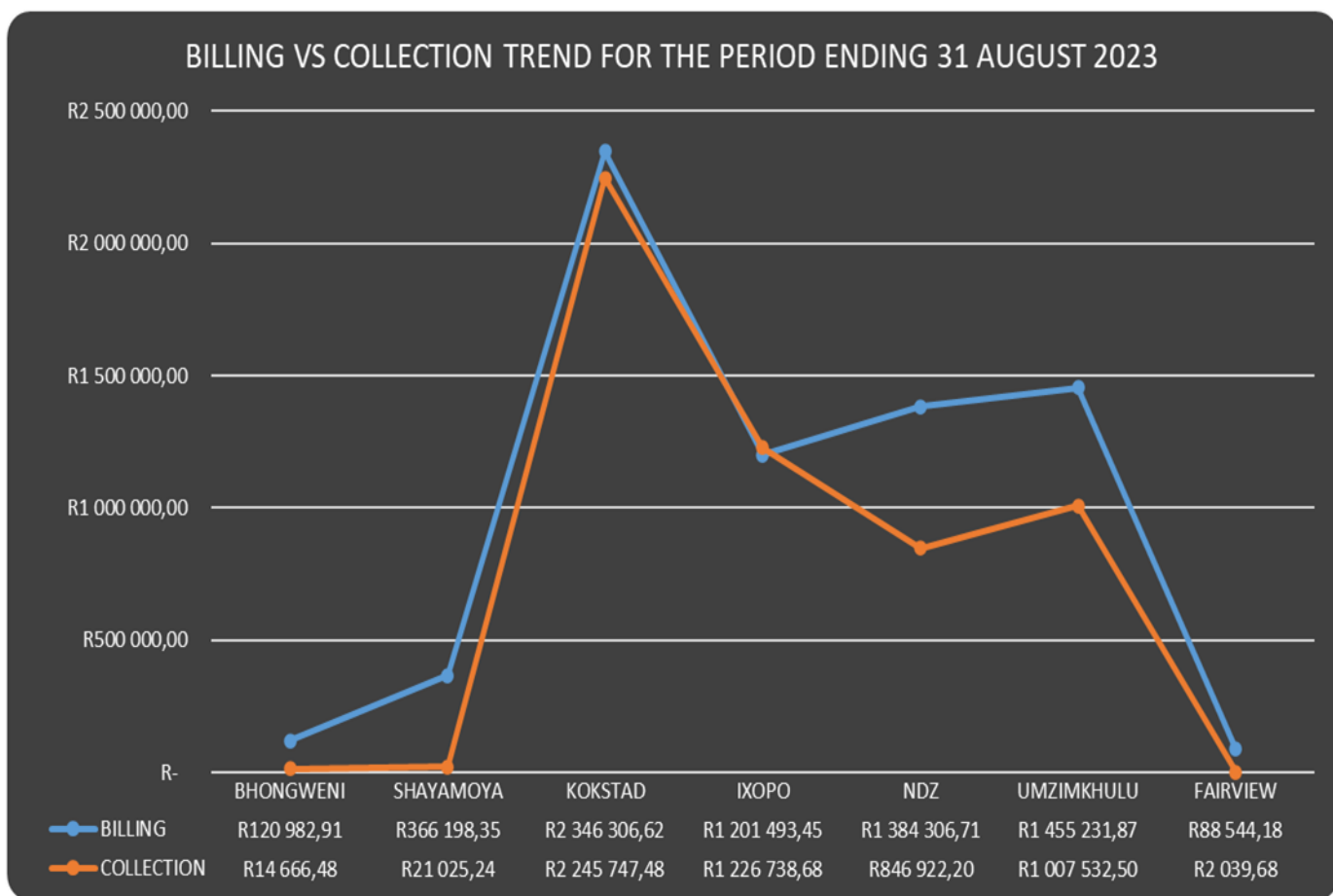
Revenue receipts per Area

AREA	AMOUNT		
		AUGUST 2023	JULY 2023
Unallocated receipts	R 170 957,59	3%	1%
Bhongweni	R 14 666,48	0%	0%
Shayamoya	R 21 025,24	0%	0%
Kokstad	R 2 245 747,48	41%	48%
Ixopo	R 1 226 738,68	22%	14%
NDZ	R 846 922.20	15%	8%
Umzimkulu	R 1 007 532,50	18%	28%
Fairview	R 2 039,68	0%	0%
TOTAL RECEIPTS INCL VAT	R 5 535 629,85	100%	100%

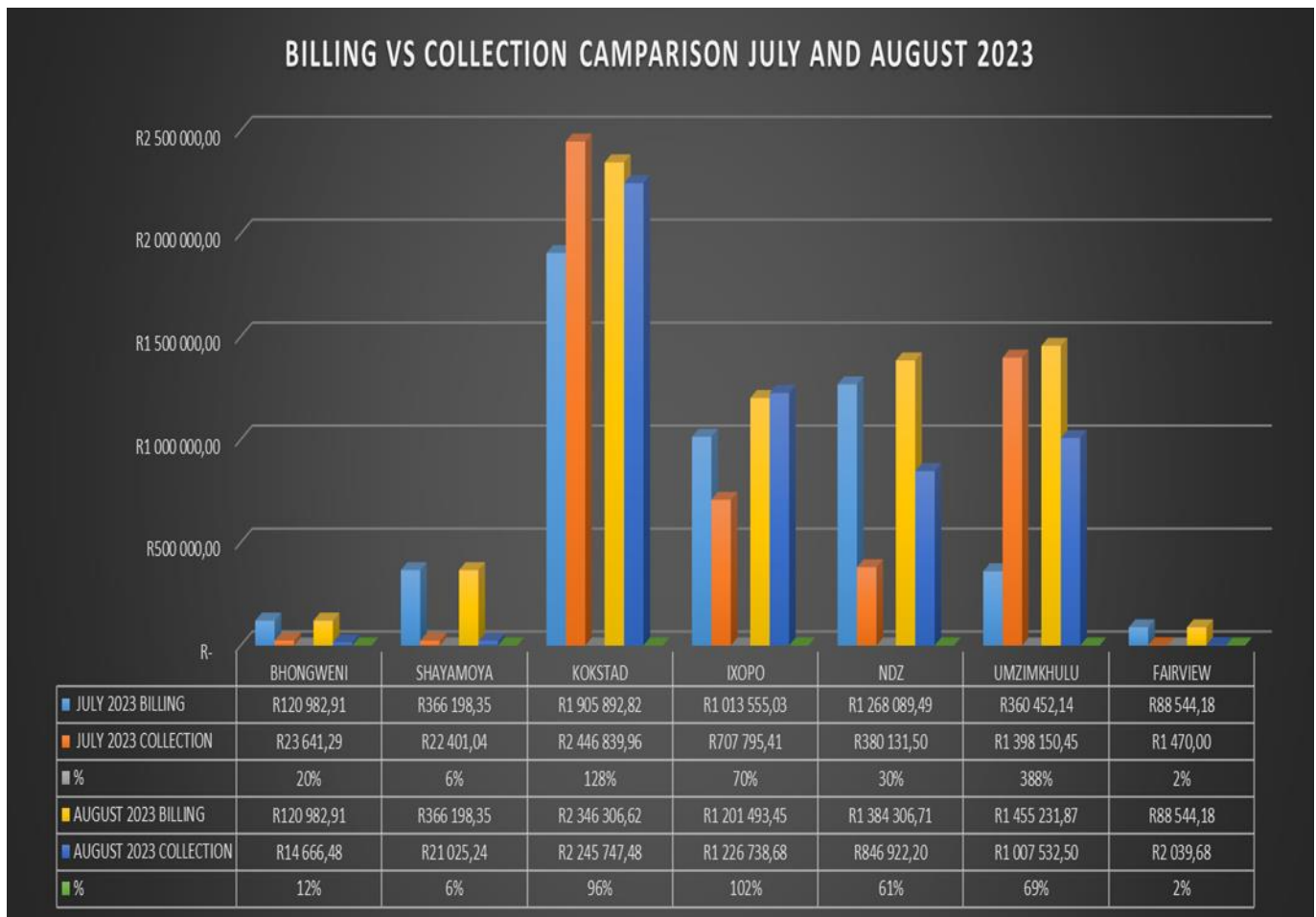
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for August 2023 is R5, 5million. The collection for prepaid in the month of August is R 849 846. Total cash collected including prepaid for the month ending 31 August is R 6,385,476.

Billing vs Collection trend for August 2023.

The chart that follows below shows the comparison between billing and collection trend for the period ending 31 August 2023.



The chart that follows below shows the comparison between billing and collection for the period ending 31 August 2023



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 245,129,580 as at 31 August 2023 compared with the R 244,443,317 as at 30 July 2023. Current debt represents 4% of the total outstanding debt compared with the 3% of July 2023; 30 days and older debt 2% compared with the 7% for July 2023; 60 days and older debt 6% compared with the 2% of July 2023; and 90 days 2% compared with the 2% of July 2023; 120 days to History and older 87% compared with the 89% for July 2023.

Current debt increased with R 686,263 to R 245,129,580 in the month ending 31 August compared with the R 244,443,317 as at 30 July 2023; 30 days + debt decreased with R 11,703,887; 60 days + increased with R 10,222,945; 90 days + debt increased with R 246,171 and 120 + days and older debt as at 31 July 2023 has increased with R 465,530 to R 212,039,749 compared with the R 211,574,218 as at 30 July 2023.

Debtors age analysis per debtor type

Business debtors owes the municipality R 15,989,264 (7%); Municipal debtors R 1,155,549 (0%); domestic debtors R 182,301,117 (74%); Government accounts R 27,945,976 (11%); Indigent debtors R 12,714,218 (5%) and other debtors R 4,712,565 (2%) of the total outstanding debt of R 245,129,580.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 August 2023

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

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	
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	1 474	741	-	-	-	-	-	-	2 215
Auditor General									-
Other									-
Total By Customer Type	1 474	741	-	-	-	-	-	-	2 215

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 August 2023.

Cash and Bank Balances (Investments)

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	R thousands										
Municipality											
First National Bank-Salaries	12	Call account	No	Fixed	9,25	0	128 234	628	(22 274)	-	106 588
First National Bank-Mlg	12	Call account	No	Fixed	9,25	0	72 041	399	(12 992)	-	59 448
First National Bank-Admin Call	12	ADMIN CALLt	No	Fixed	9,25	0	71 687	383	(26 744)	-	45 325
Investec	12	FIXED DEPOSIT	No	Fixed	9,25	0	36 700	252	-	-	36 952
First National Bank-Epwp	12	Call account	No	Fixed	9,25	0	13	0	-	-	13
First National Bank-Cogta Water Interven	12	Call account	No	Fixed	9,25	0	13	0	-	-	13
First National Bank-Fmg	12	FIXED DEPOSIT	No	Fixed	9,25	0	52	0	-	-	53
Nedbank	12	FIXED DEPOSIT	No	Fixed	9,25	0	94	1	-	-	94
First National Bank-Rbig	12	CALL ACCOUNT	No	Fixed	9,25	0	20	0	-	-	20
First National Bank-Mw-	12	CALL ACCOUNT	No	Fixed	9,25	0	40 022	163	(13 644)	-	26 541
Fnb-Current Account	12	CALL ACCOUNT	No	Fixed	9,25	0	2 474	-	-	5 413	7 887
Absa Bank	12	CALL ACCOUNT	No	Fixed	9,25	0	33 405	359	-	-	33 764
Municipality sub-total							384 753		(75 654)	5 413	316 698
TOTAL INVESTMENTS AND INTEREST							384 753		(75 654)	5 413	316 698

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 - M02 August

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
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	452 460	493 840	493 840	1 232	194 412	82 307	112 105	136,2%	493 840
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	432 161	463 631	463 631	-	193 180	77 272	115 908	150,0%	463 631
Expanded Public Works Programme Integrated Grant	5 221	6 168	6 168	1 182	1 182	1 028	154	15,0%	6 168
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	1 200	50	50	200	(150)	-75,0%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 479	20 450	20 450	-	-	3 408	(3 408)	-100,0%	20 450
Rural Road Asset Management Systems Grant	2 381	2 391	2 391	-	-	399	(399)	-100,0%	2 391
Water Services Infrastructure Grant	2 018	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	452 460	493 840	493 840	1 232	194 412	82 307	112 105	136,2%	493 840
Capital Transfers and Grants									
National Government:	283 338	321 352	321 352	33 236	40 305	53 559	(13 254)	-24,7%	321 352
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	200 355	221 352	221 352	15 449	17 029	36 892	(19 863)	-53,8%	221 352
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	82 982	100 000	100 000	17 787	23 276	16 667	6 609	39,7%	100 000
Provincial Government:	3 888	-	-	-	-	-	-	-	-
Infrastructure Grant	3 888	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Human Settlement Re-development Programme	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	287 226	321 352	321 352	33 236	40 305	53 559	(13 254)	-24,7%	321 352
TOTAL RECEIPTS OF TRANSFERS & GRANTS	739 685	815 192	815 192	34 468	234 717	135 865	98 851	72,8%	815 192

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 - M02 August

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
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	559 984	581 732	581 732	41 908	69 663	96 956	(27 292)	-28,1%	581 732
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	535 976	550 194	550 194	40 127	67 097	91 700	(24 603)	-26,8%	550 194
Expanded Public Works Programme Integrated Grant	9 729	7 490	7 490	1 117	1 219	1 248	(29)	-2,3%	7 490
Local Government Financial Management Grant	847	1 207	1 207	-	40	201	(161)	-79,9%	1 207
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 606	20 450	20 450	664	1 307	3 408	(2 101)	-61,7%	20 450
Rural Road Asset Management Systems Grant	2 070	2 391	2 391	-	-	399	(399)	-100,0%	2 391
Water Services Infrastructure Grant	1 755	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	559 984	581 732	581 732	41 908	69 663	96 956	(27 292)	-28,1%	581 732
Capital expenditure of Transfers and Grants									
National Government:	247 421	277 584	277 584	28 253	34 985	46 264	(11 279)	-24,4%	277 584
Local Government Financial Management Grant	275	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	171 657	190 627	190 627	13 434	14 745	31 771	(17 026)	-53,6%	190 627
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	75 489	86 957	86 957	14 819	20 240	14 493	5 747	39,7%	86 957
Provincial Government:	3 888	-	-	-	-	-	-	-	-
Infrastructure Grant	3 888	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	251 309	277 584	277 584	28 253	34 985	46 264	(11 279)	-24,4%	277 584
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	811 293	859 316	859 316	70 160	104 649	143 220	(38 571)	-26,9%	859 316

CONDITIONAL GRANTS REGISTER AS AT 31 AUGUST 2023

CONDITIONAL GRANTS REGISTER AS AT 31 AUGUST 2023

Description	Budget Year 2022/23							
	Original Budget	Total Receipts	Expenditure excl VAT	VAT	Expenditure Incl VAT	YTD variance	YTD variance %	Unspent
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	15 804	4 416	1 232	-	1 232	(1 232)	-100,0%	3 184
Expanded Public Works Programme Integrated Grant	6 168	1 542	1 182	-	1 182	360	76,6%	360
Local Government Financial Management Grant	1 200	1 200	50	-	50	1 150	4,2%	1 150
Municipal Infrastructure Grant	6 045	-	-	-	-	-	0,0%	-
Rural Road Asset Management Systems Grant	2 391	1 674	-	-	-	1 674	0,0%	1 674
Total Operating Transfers and Grants	15 804	4 416	1 232	-	1 232	(1 232)	-100,0%	3 184
Capital Transfers and Grants								
National Government:	335 757	91 000	35 041	5 257	40 305	(35 048)	-87,0%	71 872
Municipal Infrastructure Grant	235 757	51 000	14 801	2 221	17 029	33 971	33,4%	55 148
Water Services Infrastructure Grant	100 000	40 000	20 240	3 036	23 276	16 724	58,2%	16 724
Total Capital Transfers and Grants	335 757	91 000	35 041	5 257	40 305	(35 048)	-87,0%	71 872
TOTAL RECEIPTS OF TRANSFERS & GRANTS	351 561	95 416	36 273	5 257	41 537	(36 279)	-87,3%	75 056

The YTD actual on conditional grants amounts to R41, 5million against a YTD receipt of R95, 4million. The unspent as at 31 August 2023 is sitting at R75million.

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 August 2023.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

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
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	3 902	4 394	4 394	311	621	732	(111)	-15%	4 394
Pension and UIF Contributions	469	545	545	36	72	91	(19)	-20%	545
Medical Aid Contributions	153	186	186	11	21	31	(10)	-32%	186
Cellphone Allowance	491	534	534	41	82	89	(7)	-8%	534
Other benefits and allowances	1 973	2 460	2 460	136	270	410	(139)	-34%	2 460
Sub Total - Councillors	6 988	8 119	8 119	534	1 066	1 353	(287)	-21%	8 119
% increase		16,2%	16,2%						16,2%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 029	2 186	2 186	406	735	364	371	102%	2 186
Pension and UIF Contributions	15	6	6	-	-	1	(1)	-100%	6
Medical Aid Contributions	66	35	35	4	8	6	2	37%	35
Performance Bonus	81	117	117	-	-	19	(19)	-100%	117
Motor Vehicle Allowance	813	501	501	68	125	84	41	50%	501
Cellphone Allowance	105	58	58	8	16	10	7	68%	58
Housing Allowances	212	110	110	23	40	18	22	119%	110
Other benefits and allowances	246	176	176	21	38	29	8	28%	176
Payments in lieu of leave	332	576	576	-	-	96	(96)	-100%	576
Acting and post related allowance	53	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	5 950	3 765	3 765	530	962	628	335	53%	3 765
% increase		-36,7%	-36,7%						-36,7%
Other Municipal Staff									
Basic Salaries and Wages	142 683	147 894	147 894	11 572	23 788	24 649	(861)	-3%	147 894
Pension and UIF Contributions	21 654	22 732	22 732	1 858	3 740	3 789	(49)	-1%	22 732
Medical Aid Contributions	10 412	10 766	10 766	884	1 781	1 794	(13)	-1%	10 766
Overtime	19 197	20 962	20 962	1 608	3 181	3 494	(312)	-9%	20 962
Performance Bonus	10 281	10 291	10 291	824	2 043	1 715	327	19%	10 291
Motor Vehicle Allowance	20 410	22 548	22 548	1 639	3 284	3 758	(474)	-13%	22 548
Cellphone Allowance	1 132	1 242	1 242	87	180	207	(27)	-13%	1 242
Housing Allowances	636	740	740	54	110	123	(14)	-11%	740
Other benefits and allowances	6 003	7 279	7 279	497	902	1 213	(311)	-26%	7 279
Payments in lieu of leave	1 267	620	620	-	178	103	74	72%	620
Long service awards	1 547	1 205	1 205	165	372	201	171	85%	1 205
Post-retirement benefit obligations	4 244	-	-	-	-	-	-	-	-
Acting and post related allowance	163	221	221	43	53	37	16	44%	221
Sub Total - Other Municipal Staff	239 628	246 501	246 501	19 231	39 612	41 084	(1 471)	-4%	246 501
% increase		2,9%	2,9%						2,9%
Total Parent Municipality	252 566	258 385	258 385	20 295	41 641	43 064	(1 423)	-3%	258 385
		2,3%	2,3%						2,3%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	150	150	-	-	25	(25)	-100%	150
Sub Total - Executive members Board	-	150	150	-	-	25	(25)	-100%	150
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	6 055	6 055	-	-	1 009	(1 009)	-100%	6 055
Pension and UIF Contributions	-	20	20	-	-	3	(3)	-100%	20
Payments in lieu of leave	-	242	242	-	-	40	(40)	-100%	242
Acting and post related allowance	-	50	50	-	-	8	-	-	50
Sub Total - Other Staff of Entities	-	6 367	6 367	-	-	1 061	(1 061)	-100%	6 367
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	6 517	6 517	-	-	1 086	(1 086)	-100%	6 517
TOTAL SALARY, ALLOWANCES & BENEFITS	252 566	264 902	264 902	20 295	41 641	44 151	(2 510)	-6%	264 902
% increase		4,9%	4,9%						4,9%
TOTAL MANAGERS AND STAFF	245 578	256 633	256 633	19 761	40 575	42 772	(2 198)	-5%	256 633

2.6 Material Variances to the SDBIP

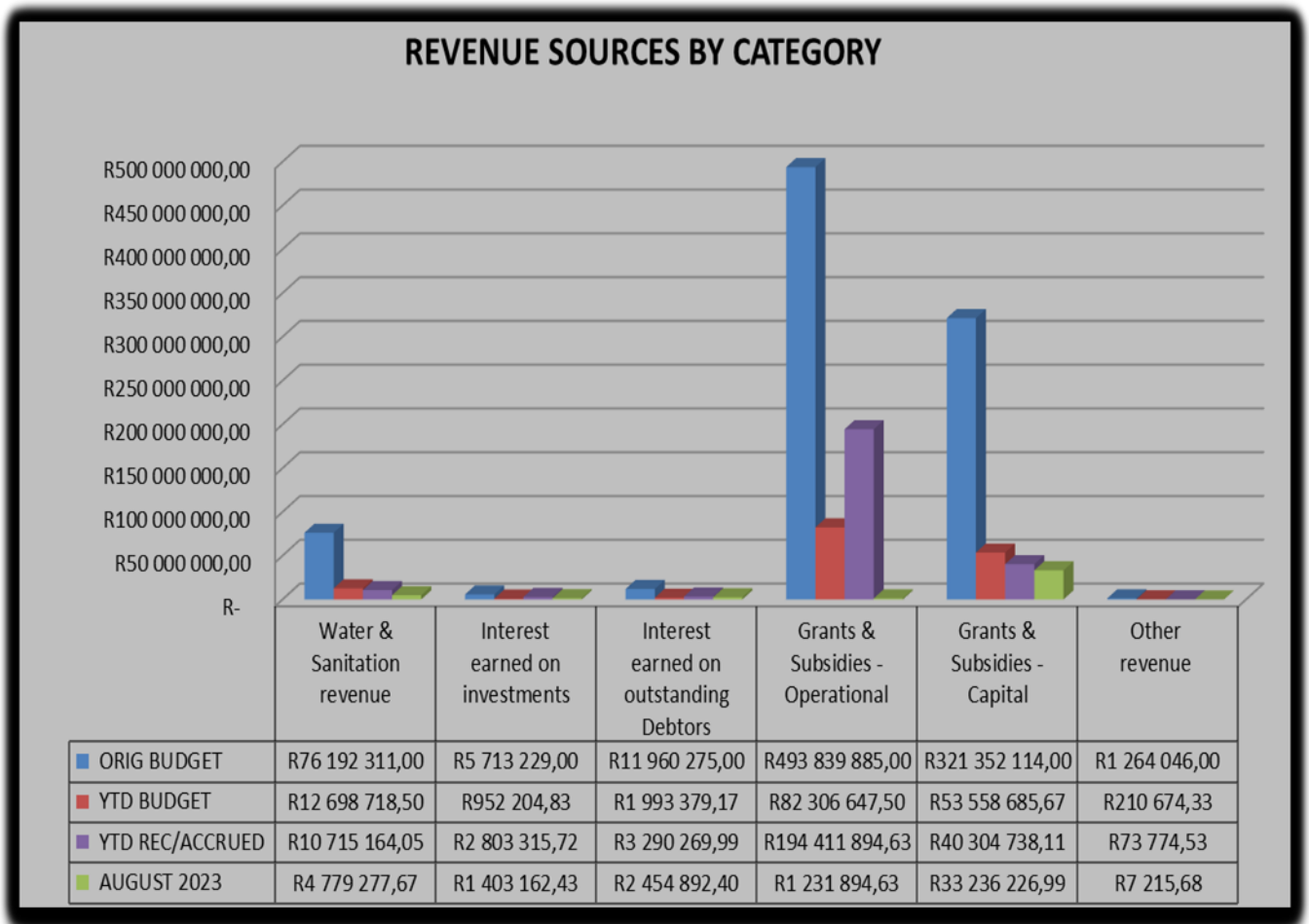
The following section analyses material variances between the actual targets as at 31 August 2023 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 31 August 2023 was R10, 7million against a year to date **budget** of R12, 6million which is 84 per cent of year to date budget.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R2, 8m against year to budget of R952 205 representing 294 per cent of the year to date budget.

Transfers Recognised - Operational

The operational grants revenue of R194, 4million against a year to date budget of R82, 3million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The total capital budget for the current year amounts to R306, 1m excluding vat. The YTD actual on capital amounts to R40, 3million, or 75% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

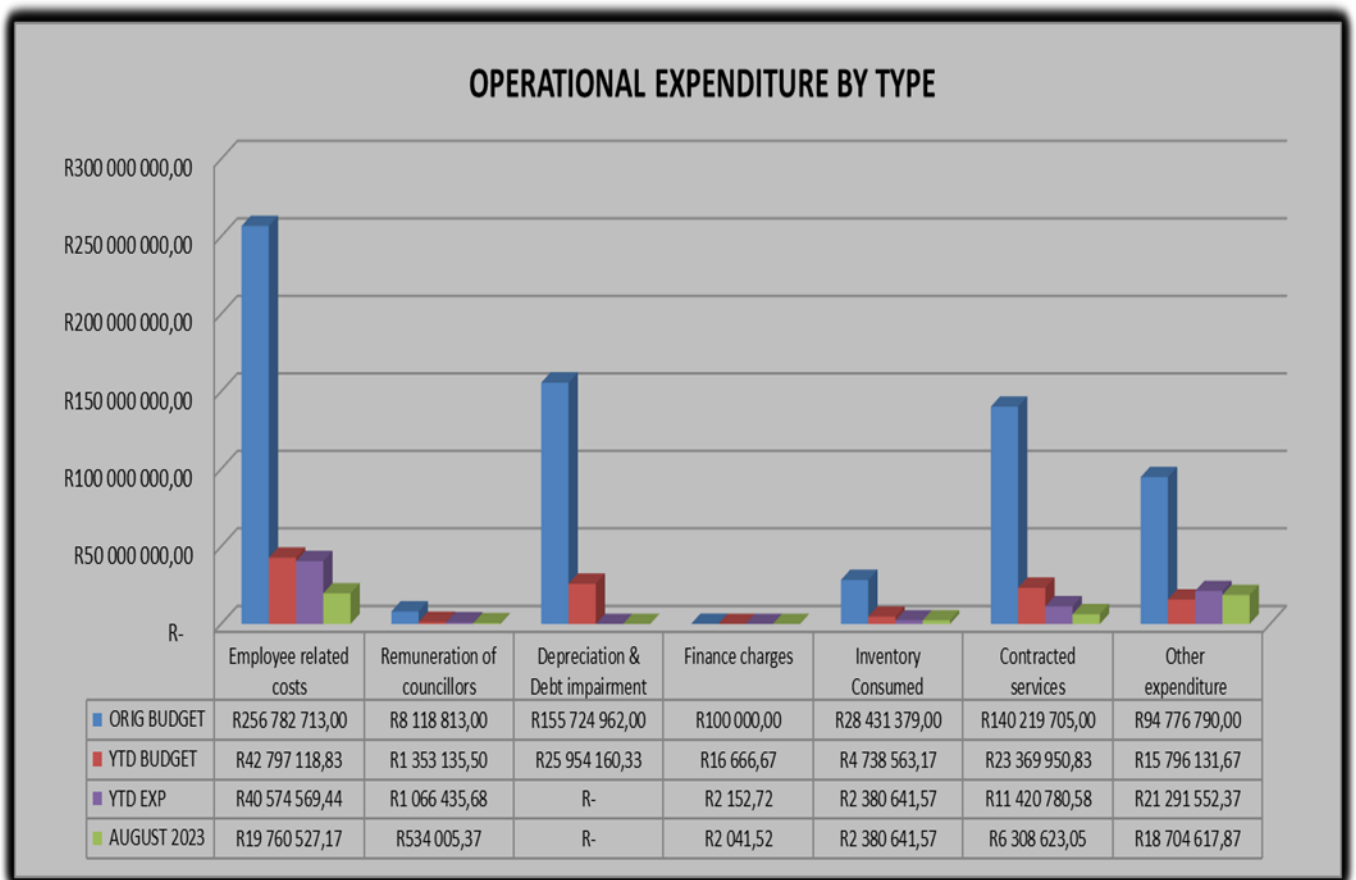
Other Revenue

The YTD performance of other revenue is R 73 775 against YTD budget of R 210 674.

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 budget for employee related costs is R42,73million against a YTD actual of R40, 5million which is 95% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 1m against a YTD budget of R1, 3m representing 79% of the year to date budget.

Finance Charges

The YTD budget for finance charges is R16 667 against a YTD actual of R2 153 which is 13% of the YTD budget.

Inventory Consumed

The inventory consumed has the original budget of R28, 4m. The year to date expenditure for inventory is R2, 3m against a YTD budget of R4, 7million representing 50 per cent expenditure of the year to date budget.

Contracted Services

The original budget for contracted services is R 140, 9million. The year to date expenditure for Contracted Services is R11, 4m against a YTD budget of R23, 3million representing 49 per cent of planned expenditure.

Other Expenditure

The YTD budget for other expenditure was at R 15, 7million against a YTD expenditure of R 21, 2million or 135 per cent and expenditure for the month of August 2023 is R 18, 7million. Other expenditure includes R6million that was transferred to Development Agency.

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 - M02 August

Description	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands															
Cash Receipts By Source															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Electricity revenue															
Service charges - Water revenue	4 359	4 470	4 094	4 094	4 094	4 094	4 094	4 094	4 094	4 094	4 094	3 454	49 132	51 420	53 796
Service charges - Waste Water Management	687	1 916	997	997	997	997	997	997	997	997	997	389	11 969	12 520	13 096
Service charges - Waste Mangement												-			
Rental of facilities and equipment												-			
Interest earned - external investments	835	1 403	476	476	476	476	476	476	476	476	476	(810)	5 713	5 948	6 193
Interest earned - outstanding debtors												-			
Dividends received												-			
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	2		1	1	1	1	1	1	1	1	1	2	16	17	18
Agency services												-			
Transfers and Subsidies - Operational	193 180	1 232	41 153	41 153	41 153	41 153	41 153	41 153	41 153	41 153	41 153	(70 952)	493 840	519 283	547 916
Other revenue	387 396	58 000	4 498	4 498	4 498	4 498	4 498	4 498	4 498	4 498	4 498	(431 903)	53 971	48 791	49 817
Cash Receipts by Source	585 625	65 617	50 744	50 744	50 744	50 744	50 744	50 744	50 744	50 744	50 744	(499 010)	608 927	632 032	664 642
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	91 000	33 236	26 779	26 779	26 779	26 779	26 779	26 779	26 779	26 779	26 779	(43 898)	321 352	357 813	357 670
Increase (decrease) in consumer deposits	-	-	12	12	12	12	12	12	12	12	12	37	149	149	149
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	676 625	98 854	77 536	77 536	77 536	77 536	77 536	77 536	77 536	77 536	77 536	(542 871)	930 428	989 993	1 022 461
Cash Payments by Type															
Employee related costs	17 856	19 761	21 399	21 399	21 399	21 399	21 399	21 399	21 399	21 399	21 399	26 579	256 783	261 725	274 026
Remuneration of councillors	-	534	677	677	677	677	677	677	677	677	677	1 496	8 119	8 517	8 917
Interest	-	2	8	8	8	8	8	8	8	8	8	23	100	105	110
Bulk purchases - Electricity												-			
Acquisitions - water & other inventory	-	2 381	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	3 363	22 973	24 030	25 135
Contracted services	-	6 309	11 533	11 533	11 533	11 533	11 533	11 533	11 533	11 533	11 533	28 289	138 391	177 138	189 612
Transfers and subsidies - other municipalities												-			
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	40 071	18 705	14 404	14 404	14 404	14 404	14 404	14 404	14 404	14 404	14 404	(15 563)	172 851	171 990	176 804
Cash Payments by Type	57 928	53 999	49 935	49 935	49 935	49 935	49 935	49 935	49 935	49 935	49 935	44 186	599 217	643 505	674 604
Other Cash Flows/Payments by Type															
Capital assets	6 733	28 802	25 512	25 512	25 512	25 512	25 512	25 512	25 512	25 512	25 512	41 001	306 141	314 554	315 278
Repayment of borrowing	-	-	200	200	200	200	200	200	200	200	200	600	2 400	2 400	2 400
Other Cash Flows/Payments	-	-	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	3 000	12 000	12 000	12 000
Total Cash Payments by Type	64 660	82 801	76 646	76 646	76 646	76 646	76 646	76 646	76 646	76 646	76 646	88 787	919 758	972 458	1 004 283
NET INCREASE/(DECREASE) IN CASH HELD	611 964	16 052	889	889	889	889	889	889	889	889	889	(631 658)	10 670	17 535	18 178
Cash/cash equivalents at the month/year beginning:	124 641	736 605	752 657	753 546	754 436	755 325	756 214	757 103	757 992	758 882	759 771	760 660	124 641	135 311	152 846
Cash/cash equivalents at the month/year end:	736 605	752 657	753 546	754 436	755 325	756 214	757 103	757 992	758 882	759 771	760 660	129 002	135 311	152 846	171 024

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 - M02 August

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
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	247 862	262 045	262 045	28 253	34 581	43 674	9 093	20,8%	262 045
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	203 327	191 477	191 477	22 571	28 899	31 913	3 014	9,4%	191 477
Dams and Weirs	18 068	45 242	45 242	4 435	4 435	7 540	3 106	41,2%	45 242
Boreholes	37 187	33 539	18 439	1 003	2 521	4 217	1 696	40,2%	18 439
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	3 716	4 935	4 935	-	-	822	822	100,0%	4 935
Water Treatment Works	267	-	-	-	-	-	-	-	-
Bulk Mains	45 795	16 056	31 156	11 515	15 013	4 049	(10 964)	-270,8%	31 156
Distribution	98 295	91 705	91 705	5 619	6 930	15 284	8 354	54,7%	91 705
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	44 534	70 568	70 568	5 682	5 682	11 761	6 079	51,7%	70 568
Pump Station	-	6 488	6 488	-	-	1 081	1 081	100,0%	6 488
Reticulation	44 534	41 814	41 814	5 682	5 682	6 969	1 287	18,5%	41 814
Waste Water Treatment Works	-	10 761	10 761	-	-	1 794	1 794	100,0%	10 761
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	11 505	11 505	-	-	1 917	1 917	100,0%	11 505
Intangible Assets	270	804	804	-	-	134	134	100,0%	804
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	270	804	804	-	-	134	134	100,0%	804
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	270	804	804	-	-	134	134	100,0%	804
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	410	742	742	-	-	124	124	100,0%	742
Computer Equipment	410	742	742	-	-	124	124	100,0%	742
Furniture and Office Equipment	1 293	2 602	2 602	549	549	434	(116)	-26,7%	2 602
Furniture and Office Equipment	1 293	2 602	2 602	549	549	434	(116)	-26,7%	2 602
Machinery and Equipment	7 430	8 810	8 810	-	-	1 468	1 468	100,0%	8 810
Machinery and Equipment	7 430	8 810	8 810	-	-	1 468	1 468	100,0%	8 810
Transport Assets	-	1 600	1 600	-	-	267	267	100,0%	1 600
Transport Assets	-	1 600	1 600	-	-	267	267	100,0%	1 600
Total Capital Expenditure on new assets	257 265	276 603	276 603	28 802	35 131	46 101	10 970	23,8%	276 603

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 - M02 August

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
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	-	14 802	14 802	-	-	2 467	2 467	100,0%	14 802
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	14 802	14 802	-	-	2 467	2 467	100,0%	14 802
<i>Dams and Weirs</i>									
<i>Boreholes</i>									
<i>Reservoirs</i>									
<i>Pump Stations</i>									
<i>Water Treatment Works</i>									
<i>Bulk Mains</i>	-	3 890	3 890	-	-	648	648	100,0%	3 890
<i>Distribution</i>	-	10 911	10 911	-	-	1 819	1 819	100,0%	10 911
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	135	135	-	-	22	22	100,0%	135
Machinery and Equipment	-	135	135	-	-	22	22	100,0%	135
Transport Assets	6 259	5 400	5 400	-	-	900	900	100,0%	5 400
Transport Assets	6 259	5 400	5 400	-	-	900	900	100,0%	5 400
Total Capital Expenditure on renewal of existing assets	6 259	20 336	20 336	-	-	3 389	3 389	100,0%	20 336

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 - M02 August

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
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	45 120	46 093	46 093	376	856	7 682	6 826	88,9%	46 093
Water Supply Infrastructure	45 120	46 093	46 093	376	856	7 682	6 826	88,9%	46 093
Dams and Weirs							-		
Boreholes							-		
Reservoirs	26 400	23 439	23 439	376	376	3 907	3 531	90,4%	23 439
Pump Stations	11 207	12 402	12 402	-	480	2 067	1 587	76,8%	12 402
Water Treatment Works							-		
Bulk Mains							-		
Distribution							-		
Distribution Points							-		
PRV Stations							-		
Capital Spares	7 514	10 252	10 252	-	-	1 709	1 709	100,0%	10 252
Community Assets	63	73	73	-	-	12	12	100,0%	73
Community Facilities	-	-	-	-	-	-	-		-
Sport and Recreation Facilities	63	73	73	-	-	12	12	100,0%	73
Indoor Facilities	63	73	73	-	-	12	12	100,0%	73
Outdoor Facilities							-		
Capital Spares							-		
Other assets	4 008	5 459	5 459	232	539	910	371	40,8%	5 459
Operational Buildings	4 008	5 459	5 459	232	539	910	371	40,8%	5 459
Municipal Offices	4 008	5 459	5 459	232	539	910	371	40,8%	5 459
Pay/Enquiry Points							-		
Computer Equipment	17	125	125	-	-	21	21	100,0%	125
Computer Equipment	17	125	125	-	-	21	21	100,0%	125
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	3 055	-	-	-	-	-	-		-
Machinery and Equipment	3 055	-	-	-	-	-	-		-
Transport Assets	204	241	241	49	49	40	(9)	-22,2%	241
Transport Assets	204	241	241	49	49	40	(9)	-22,2%	241
Land	-	-	-	-	-	-	-		-
Land							-		
Total Repairs and Maintenance Expenditure	52 468	51 991	51 991	656	1 443	8 665	7 222	83,3%	51 991

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 August 2023 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_____