

# 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.

## 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.

## **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;

## **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.

## 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
R thousands						
<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.

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
R thousands									
<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
<i>Transfers and subsidies - Operational</i>	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
<i>Depreciation and amortisation</i>	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
<i>Transfers and subsidies</i>	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)	-74%	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	2 981 547	2 720 105	2 950 964		3 207 008				2 950 964
<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

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 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>



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**

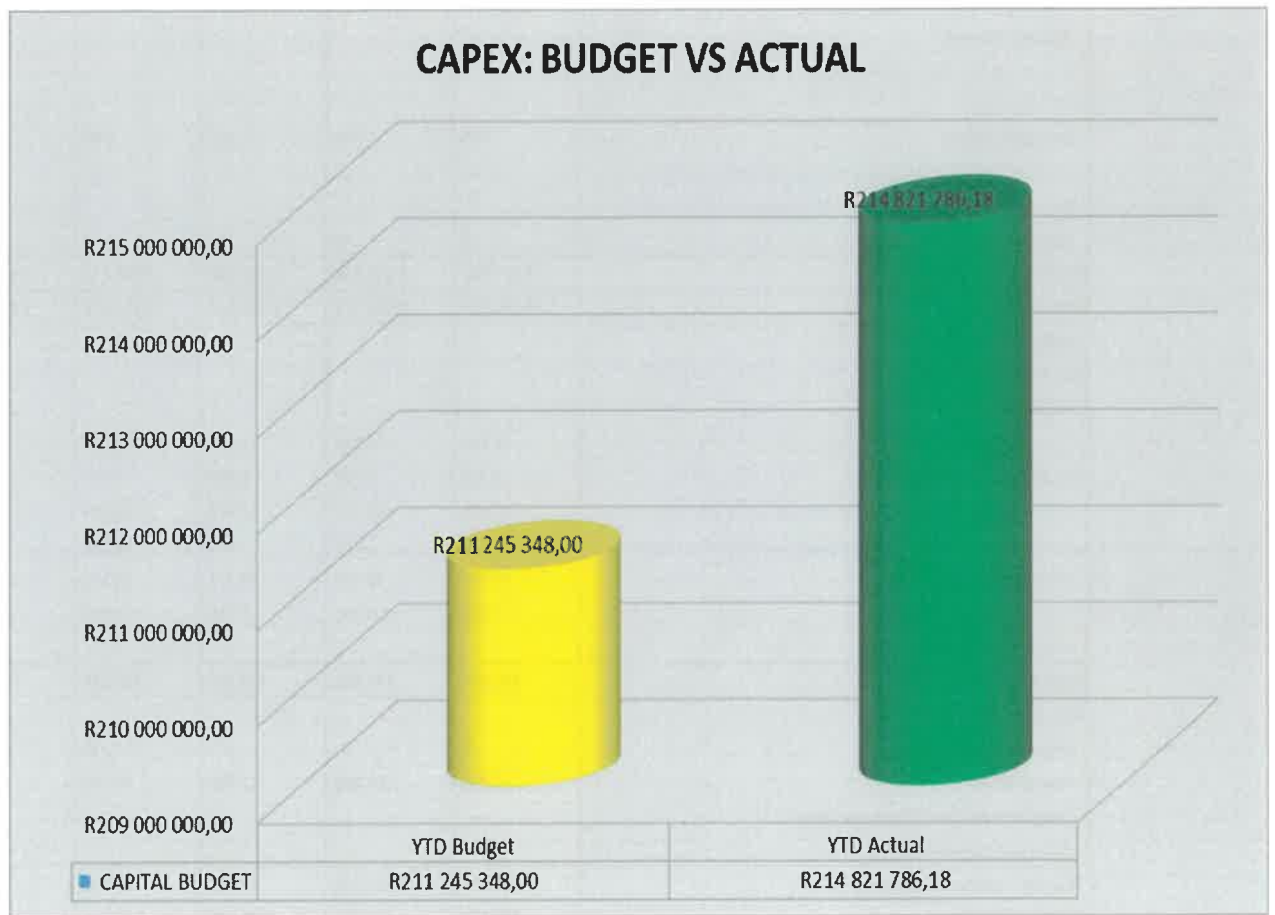


Table C6 displays the financial position of the municipality as at 29 February 2024.

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

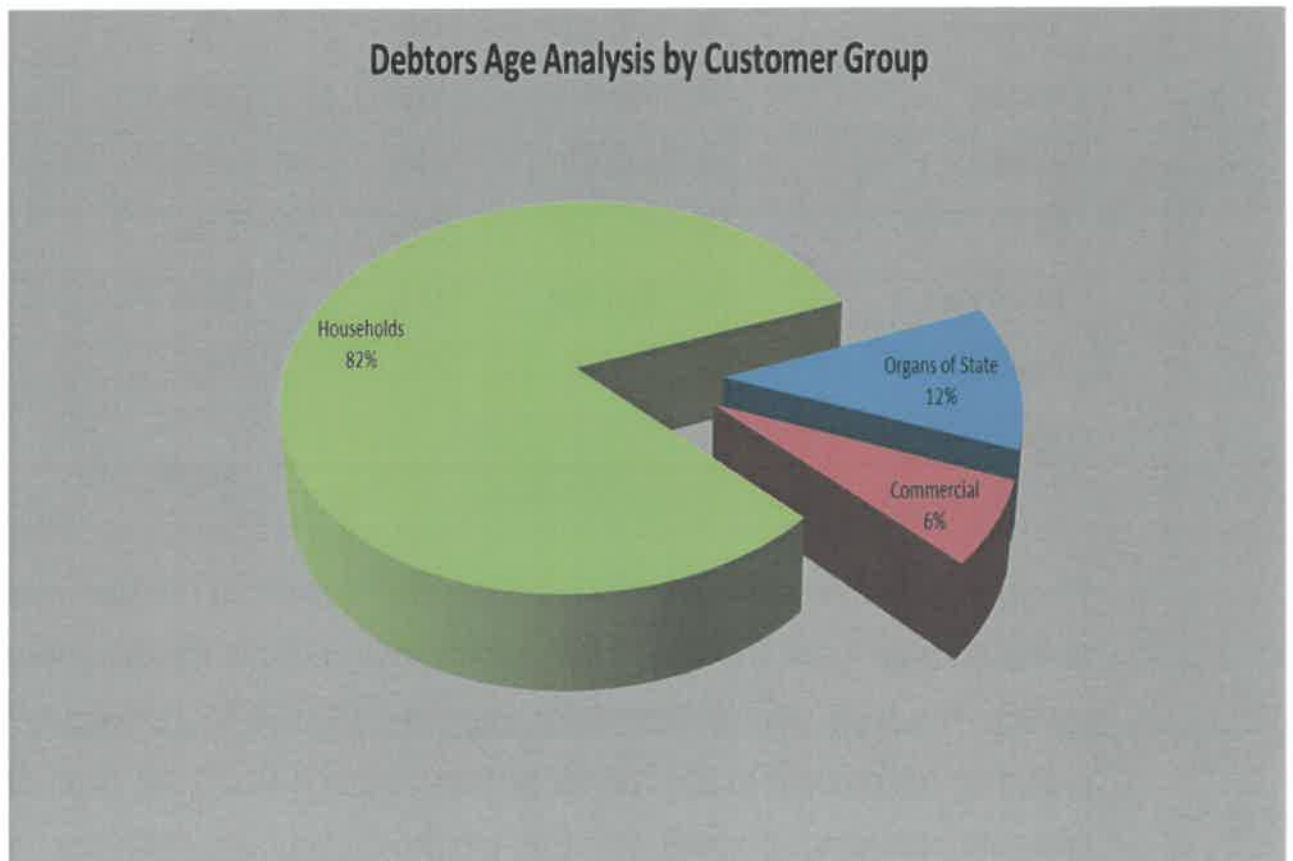
DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M08 February

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

### 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,

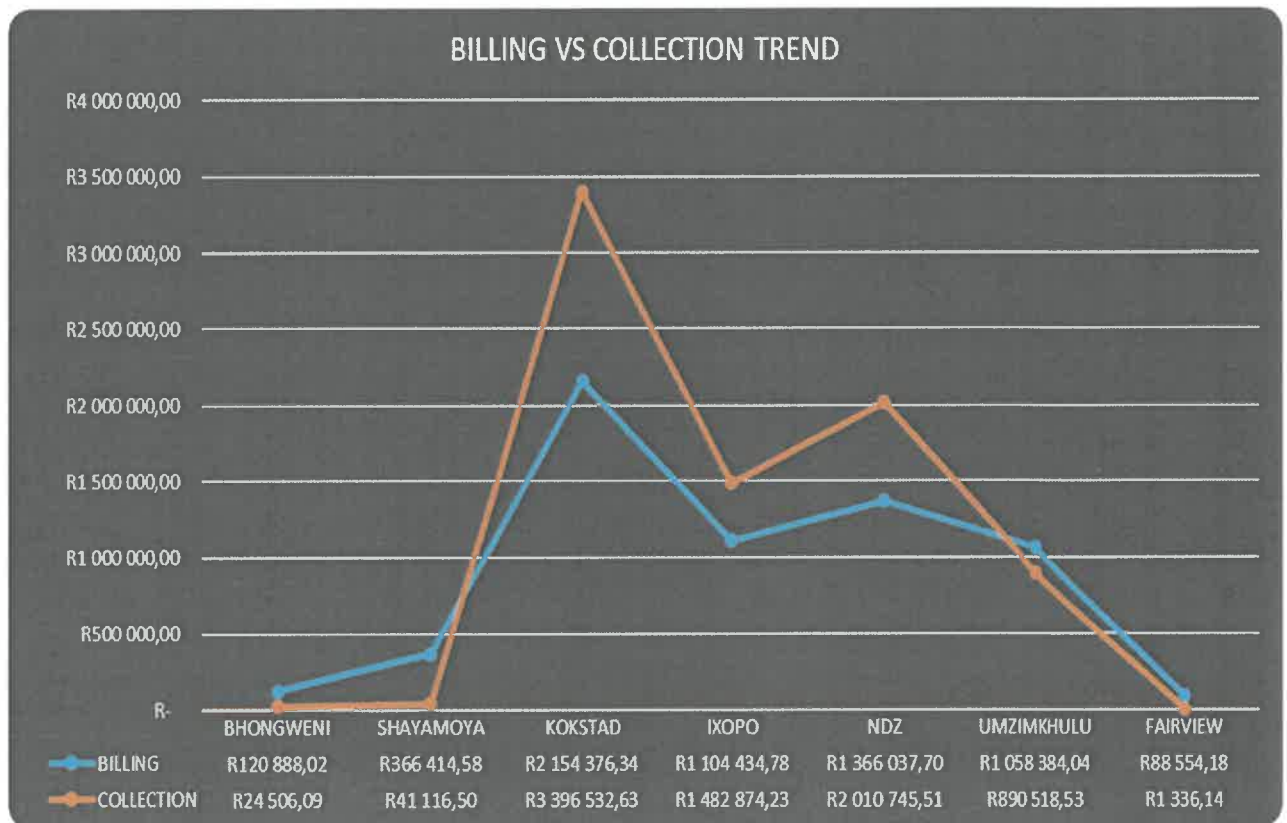
- ✓ Households: 82%
- ✓ Government 12%
- ✓ Business 6%



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

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.



### **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.

## 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
R thousands						
<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
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FIRST NATIONAL BANK	FIXED DEPOSIT	1 278	7		–	1 285
NEOBANK	FIXED DEPOSIT	98	1			98
AESA BANK	FIXED DEPOSIT	36 557	1 177			37 734
FNB BANK	FIXED DEPOSIT	47 367	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.

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

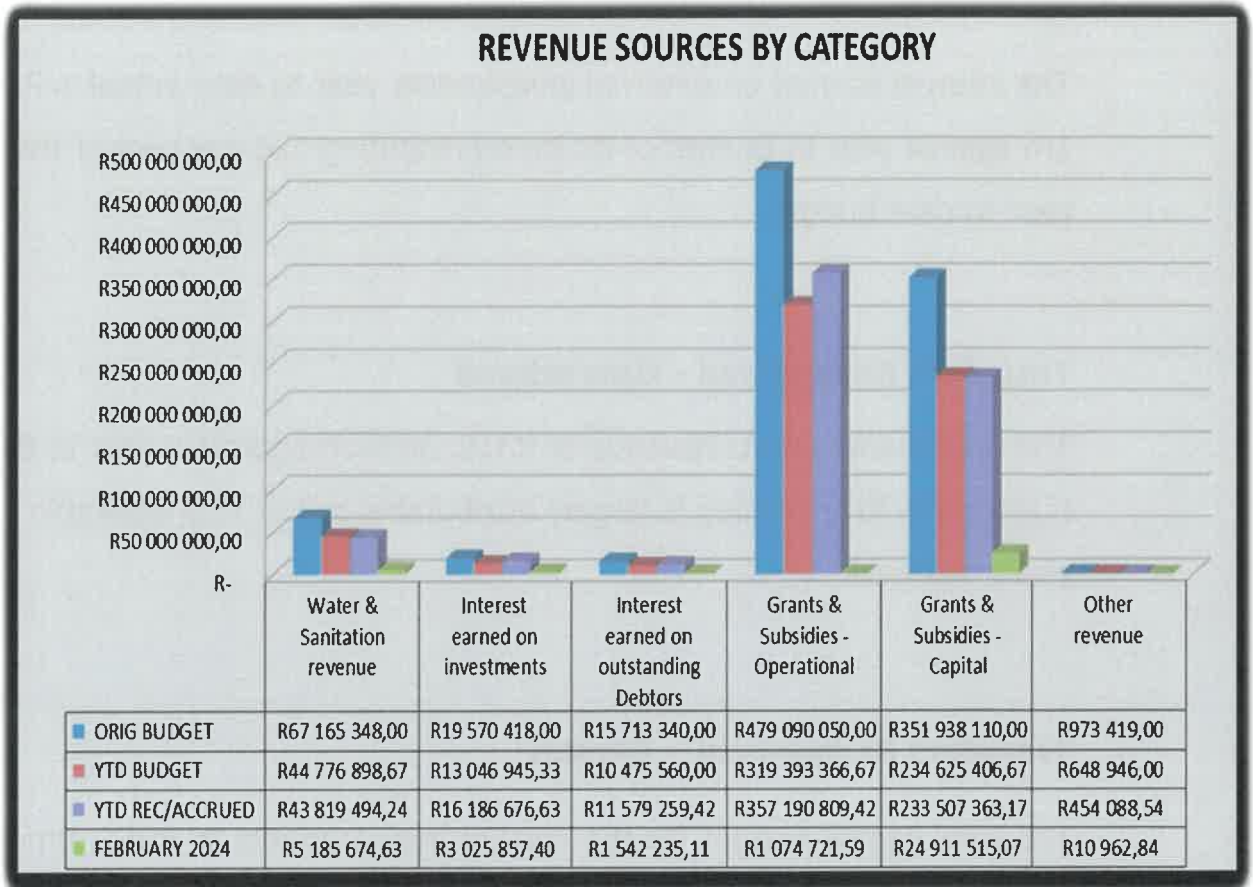
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
National Government:	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	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
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>									
National Government:	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
Provincial Government:	3 888	-	-	-	-	-	-	-	-
Infrastructure Grant	3 888	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
<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>

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
Postretirement 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>



**Chart 3: Revenue Analysis**



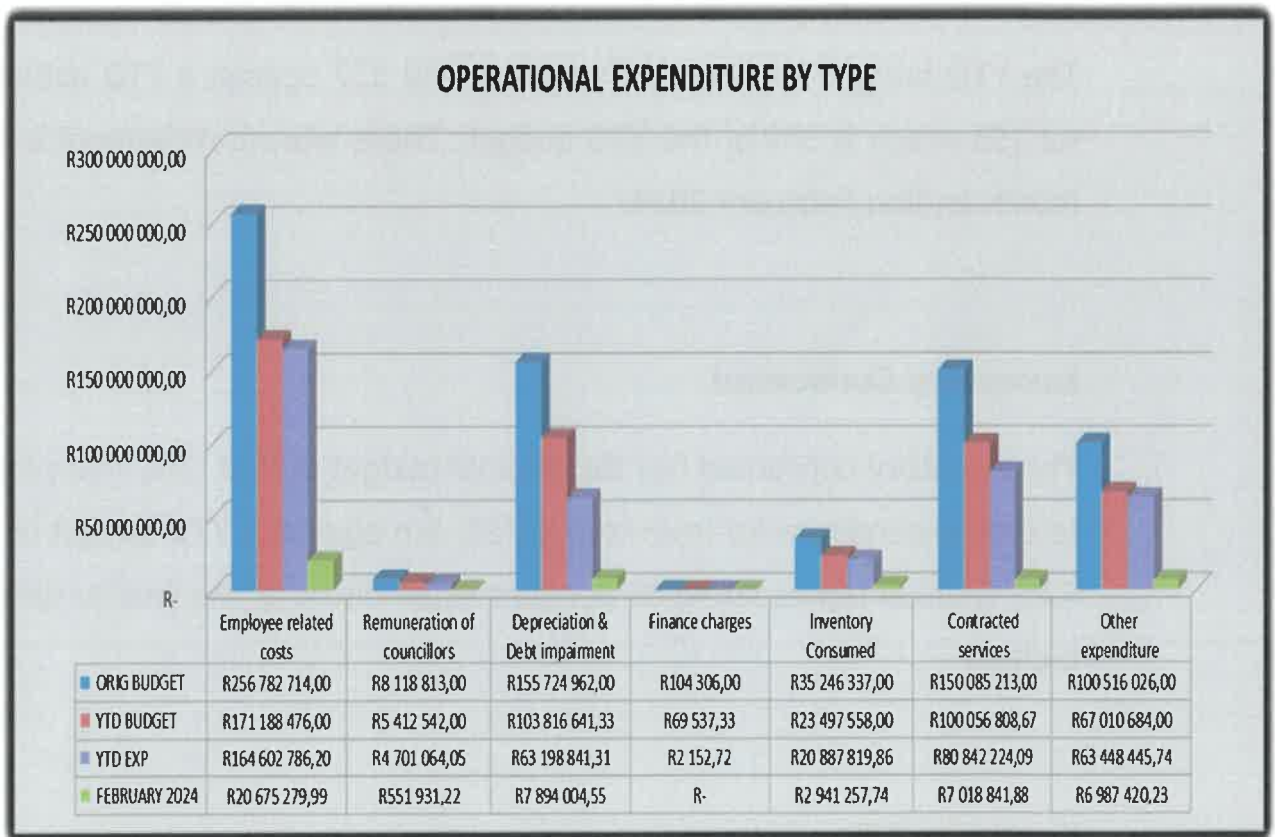
**Water & Sanitation Charges**

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.

## 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.

## **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.

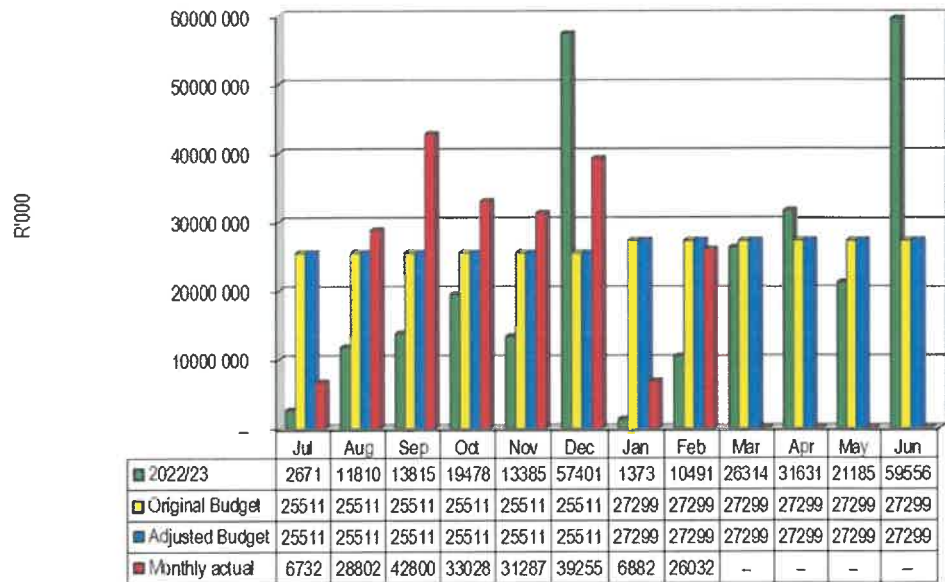
## **Actual and revised targets for cash receipts**

# 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 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>	6 259	20 336	7 159	1 332	2 557	6 687	4 130	61,8%	7 159

## 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 13/02/24