

# Harry Gwala District Municipality



**MFMA S72 Midyear Budget & Performance Assessment  
Incorporating S 52 (d) and S 71 Monthly report.**

## **1. PART 1 – IN YEAR REPORT**

### **1.1 Mayors Report**

#### **PREAMBLE**

The Mayor, Hounarable Councillor Z D Nxumalo

In accordance with S72 of the Municipal Finance Management Act, I submit the required statement assessing the performance of the Harry Gwala District Municipality during the first half of the 2024/25 financial year.

Section 54 of the MFMA requires the Mayor of the municipality to take certain actions on receipts of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

The information and analysis contained in this report has been reviewed and it is evident that an adjustment budget (both Capital and Operational Budget) and hence adjustments to the SDBIP will be necessary.

The planned results and the comments have been included in the performance assessment report as the senior managers were requested to indicate the status as well as their remedial actions in order to achieve those planned targets.

In terms of s72 of the MFMA the budget and SDBIP projections will have to be reviewed to ensure that the planned services will be rendered within the budgetary constraints.

  
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Municipal Manager: Mr. G.M Sineke

Municipal Manager: Harry Gwala DM

25 January 2025

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Councillor: Z. D. Nxumalo

Honourable Mayor: Harry Gwala DM

25 January 2025

## **1.2 Executive Summary or Background**

### **Legislative Requirements**

In terms of Section 72 of the MFMA, the Accounting Officer of the Municipality is required to submit a report in the prescribed format to the Mayor by the 25 January of each year, reviewing the financial performance of the municipality for the first six months of the year. This mid-year report is a critical stage in the in-year reporting cycle. As part of the review, in terms of Section 72(3), the accounting officer needs to make recommendations as to whether the SDBIP and Annual budget, i.e. Both Operational & Capital, need to be adjusted. Furthermore, Section 54(f) of the MFMA requires the Mayor to consider and submit a report to Council by 31 January.

### **Midyear Budget & Performance Assessment**

The municipality's implementation of the approved budget is best summarised in table C1 under the heading "1.4 In Year Budget statement Tables". While the operational budget expenditure has been good, accelerated implementation of the Capital projects would have to be sought in order to increase the provision of basic services to the communities. Piling outstanding consumer debts still continue to be a challenge and pose a threat to the municipality's liquidity position. A more rigorous approach is necessary to deal with this challenge.

## **Material Variances in the SDBIP**

The performance of the Municipality, as discussed in detail under 2.6 Material Variances in the SDBIP, shows that the Municipality has managed to achieve 63% of the planned target as at midyear. It can be stated that the performance of the municipality at midyear is slightly above average; however, the departments need to improve their performance in the next remaining months.

Section 2.6 also assesses the material variances between the planned operational, capital and revenue targets an analysis which is crucial to give direction to the second half of the final year. The revenue of the municipality would have to be reviewed to for adjustments of underperformance as well as over performance and to recognise National & Provincial additional budget allocations.

## **REVENUE**

The year-to-date actual revenue for the six months ended 31 December 2024 amounted to R545, 2m against year-to-date budget of R481, 4million which is 113% of the Year to Date (YTD) budget. Development Agency Year to Date (YTD) actual revenue generated for the first six months amounted to R 13, 5 million while the projected (YTD) budget amounted to R 10, 8million. This means that the municipality entity generated 126% of the projected budgeted for the period.

## **OPERATIONAL EXPENDITURE**

The operational budget performance at midyear was 16% below the Year-to-Date budget. An analysis of the non-priority and priority line items would have to be done to assess the need and extent of the adjustments. The total actual YTD operating expenditure for Development agency for the first six months amounted to R7million while the YTD budget Operating Expenditure amounted to R 10, 2million. This is an indication that there were challenges in operations for the first six months which resulted in under-expenditure.

## **CAPITAL EXPENDITURE**

As at Midyear, the capital budget was under performed by 15%. The performance for capital expenditure is less than what was anticipated which shows a slightly decrease compared to previous financial year. The overall capital expenditure for Agency is 6% against the budget as at 31 December 2023 which is quite low. This is an indication that the allocated budget related to capital expenditure will not be spent fully come the end of the financial year and downward adjustment is needed.

An adjustment would result in both operational and capital budget adjustments.

It should be noted that the Dec Section 71 and Section 52 (d), quarterly budget monitoring report will be incorporated into this report. This report is detailed to an extent that additional comments will be limited to the most important aspects.

### **1.3 Resolutions**

The following recommendations are linked to the responsibilities of the Mayor as contained in s54 of the MFMA.

It is recommended that the Council;

1. Notes the monthly budget statement and any other supporting documentation
2. Notes the quarterly report on the implementation of the budget in terms of s52(d) MFMA
3. Notes the Midyear budget & Performance assessment in terms of s72 of the MFMA.
4. Notes the Midyear budget & performance assessment report for the Harry Gwala Development Agency.
5. Prepares the adjustments budget for tabling to Council before the 25<sup>th</sup> of February 2025 in terms of Municipal Budget Regulations.
6. Revise the projections for Revenue & Expenditure in the SDBIP to reflect the adjustments to the Annual Budget.

## 1.4 In Year 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 - M06 December

Description	2023/24			Budget Year 2024/25					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	72 558	71 195	71 195	5 934	39 640	35 598	4 042	11%	71 195
Investment revenue	21 988	17 435	17 435	837	13 737	8 717	5 020	58%	17 435
Transfers and subsidies - capital	477 532	532 623	532 623	163 946	377 978	286 312	111 666	0	532 623
Other own revenue	19 807	17 721	17 721	1 414	8 731	8 861	(129)	-1%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>591 885</b>	<b>638 975</b>	<b>638 975</b>	<b>172 131</b>	<b>440 086</b>	<b>319 487</b>	<b>120 599</b>	<b>38%</b>	<b>638 975</b>
Employee costs	256 039	273 607	273 607	21 772	125 967	136 805	(10 838)	-8%	273 607
Remuneration of Councillors	6 932	8 606	8 606	605	3 832	4 303	(471)	-11%	8 606
Transfers and subsidies - operating	236 930	101 837	101 837	-	-	60 919	(50 919)	-100%	101 837
Interest	2	115	115	-	-	57	(57)	-100%	115
Inventory consumed and bulk purchases	33 598	36 810	36 810	3 542	15 928	18 405	(2 477)	-13%	36 810
Transfers and subsidies - other	-	6 700	6 700	-	-	3 350	(3 350)	-100%	6 700
Other expenditure	255 958	288 262	288 262	29 725	154 911	144 132	10 779	7%	288 262
<b>Total Expenditure</b>	<b>789 459</b>	<b>715 937</b>	<b>715 937</b>	<b>55 643</b>	<b>300 638</b>	<b>357 970</b>	<b>(57 332)</b>	<b>-16%</b>	<b>715 937</b>
<b>Surplus/(Deficit)</b>	<b>(197 574)</b>	<b>(76 962)</b>	<b>(76 962)</b>	<b>116 489</b>	<b>139 448</b>	<b>(38 483)</b>	<b>177 931</b>	<b>-462%</b>	<b>(76 962)</b>
Transfers and subsidies - capital (monetary allocations)	332 319	318 124	323 856	-	105 117	160 495	(55 378)	-35%	323 856
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134 745</b>	<b>241 161</b>	<b>246 894</b>	<b>116 489</b>	<b>244 965</b>	<b>122 012</b>	<b>122 553</b>	<b>100%</b>	<b>246 894</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>134 745</b>	<b>241 161</b>	<b>246 894</b>	<b>116 489</b>	<b>244 965</b>	<b>122 012</b>	<b>122 553</b>	<b>100%</b>	<b>246 894</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>309 604</b>	<b>322 312</b>	<b>342 797</b>	<b>25 534</b>	<b>146 353</b>	<b>166 277</b>	<b>(19 924)</b>	<b>-12%</b>	<b>342 797</b>
Capital transfers recognised	298 048	276 944	281 929	24 513	129 993	139 718	(9 726)	-7%	281 929
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	11 555	45 368	60 868	1 021	16 361	26 559	(10 198)	-38%	60 868
<b>Total sources of capital funds</b>	<b>309 604</b>	<b>322 312</b>	<b>342 797</b>	<b>25 534</b>	<b>146 353</b>	<b>166 277</b>	<b>(19 924)</b>	<b>-12%</b>	<b>342 797</b>
<b>Financial position</b>									
Total current assets	243 572	208 559	193 806	-	491 171	-	-	-	193 806
Total non current assets	2 997 178	3 446 319	3 456 804	-	3 143 531	-	-	-	3 486 804
Total current liabilities	135 087	124 097	124 097	-	284 477	-	-	-	124 097
Total non current liabilities	30 536	29 399	29 399	-	30 536	-	-	-	29 399
Community wealth/Equity	3 262 762	3 501 382	3 501 382	-	3 319 689	-	-	-	3 501 382
<b>Cash flows</b>									
Net cash from (used) operating	1 800 878	326 348	334 239	256 988	891 543	167 119	(724 423)	-433%	334 239
Net cash from (used) investing	(309 604)	(322 312)	(342 797)	(25 534)	(146 353)	(171 398)	(25 045)	16%	(342 797)
Net cash from (used) financing	(355)	(2 969)	(2 969)	-	-	(1 485)	(1 485)	100%	(2 969)
<b>Cash/cash equivalents at the month/year end</b>	<b>1 615 561</b>	<b>152 288</b>	<b>139 694</b>	<b>954 620</b>	<b>954 620</b>	<b>145 457</b>	<b>(809 162)</b>	<b>-556%</b>	<b>197 903</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	6 631	7 632	4 406	4 205	4 009	4 136	19 559	184 315	234 894
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

## Financial Performance by Functional Classification

Table C2 provides the statement of financial performance by standard classification.

DC43 Harry Gwala - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue - Functional</b>									
<i>Governance and administration</i>	490 123	510 213	510 213	164 911	384 195	255 107	129 088	51%	510 213
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	490 123	510 213	510 213	164 911	384 195	255 107	129 088	51%	510 213
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	42	17	17	5	15	8	6	77%	17
Community and social services	42	17	17	5	15	8	6	77%	17
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	-	21 530	29 543	-	-	12 768	(12 768)	-100%	29 543
Planning and development	-	21 530	29 543	-	-	12 768	(12 768)	-100%	29 543
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	434 040	425 338	423 058	7 215	160 993	212 099	(51 106)	-24%	423 058
Energy sources	-	-	-	-	-	-	-	-	-
Water management	420 226	409 956	407 676	6 201	154 153	204 408	(50 255)	-25%	407 676
Waste water management	13 814	15 382	15 382	1 014	6 840	7 691	(851)	-11%	15 382
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>924 204</b>	<b>957 098</b>	<b>962 831</b>	<b>172 131</b>	<b>545 203</b>	<b>479 982</b>	<b>65 221</b>	<b>14%</b>	<b>962 831</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>	282 513	328 884	327 142	23 479	141 080	163 791	(22 711)	-14%	327 142
Executive and council	30 252	45 410	45 410	2 350	17 633	22 705	(5 073)	-22%	45 410
Finance and administration	243 702	271 416	271 116	20 450	119 422	135 634	(16 212)	-12%	271 116
Internal audit	8 559	12 058	10 616	680	4 025	5 452	(1 427)	-26%	10 616
<i>Community and public safety</i>	19 285	24 662	24 662	1 457	8 369	12 331	(3 963)	-32%	24 662
Community and social services	19 285	24 662	24 662	1 457	8 369	12 331	(3 963)	-32%	24 662
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	294 606	175 539	176 981	11 050	42 191	88 347	(46 156)	-52%	176 981
Planning and development	294 606	175 539	176 981	11 050	42 191	88 347	(46 156)	-52%	176 981
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	193 055	186 601	186 901	19 656	108 999	93 376	15 623	17%	186 901
Energy sources	-	-	-	-	-	-	-	-	-
Water management	192 868	185 665	185 965	19 640	108 910	92 908	16 003	17%	185 965
Waste water management	187	937	937	16	89	468	(380)	-81%	937
Waste management	-	-	-	-	-	-	-	-	-
Other	-	250	250	-	-	125	(125)	-100%	250
<b>Total Expenditure - Functional</b>	<b>789 459</b>	<b>715 937</b>	<b>715 937</b>	<b>55 643</b>	<b>300 638</b>	<b>357 970</b>	<b>(57 332)</b>	<b>-16%</b>	<b>715 937</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134 745</b>	<b>241 161</b>	<b>246 894</b>	<b>116 489</b>	<b>244 565</b>	<b>122 012</b>	<b>122 553</b>	<b>1,0044305</b>	<b>246 894</b>



Table C2: Consolidated Monthly Budget Statement: Financial Performance, reflects the operating revenue in the standard classifications.

The table starts by assessing the midyear revenue by department followed by an expenditure analysis. The actual year to date revenue recognised as at December 2024 was R 545, 2million against a year to date budget of R 481, 4million representing over performance of 13%.

Financial Performance reflects operating expenditure in the standard classifications.

Expenditure by standard classification presents the expenditure by the departments. The operational budget performance at midyear was 84% against the year-to-date budget representing an under performance of 16%.

### Financial Performance by Municipal Vote

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) - M06 December

Vote Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	489 676	509 775	509 775	164 911	383 946	254 887	129 058	50,6%	509 775
Vote 04 - Summary Corporate Services	418	387	387	-	161	194	(32)	-16,6%	387
Vote 05 - Summary Social Services & Development Planning	42	21 547	21 547	5	15	10 773	(10 759)	-99,9%	21 547
Vote 06 - Summary Infrastructure Services	348 937	343 279	349 012	149	115 484	173 073	(57 589)	-33,3%	349 012
Vote 07 - Summary Water Services	85 131	82 110	82 110	7 066	45 597	41 055	4 542	11,1%	82 110
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>924 204</b>	<b>957 098</b>	<b>962 831</b>	<b>172 131</b>	<b>545 203</b>	<b>479 982</b>	<b>65 221</b>	<b>13,6%</b>	<b>962 831</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	15 581	21 342	21 342	1 120	9 986	10 671	(685)	-6,4%	21 342
Vote 02 - Summary Municipal Manager	23 229	27 993	27 993	1 909	12 386	13 997	(1 611)	-11,5%	27 993
Vote 03 - Summary Budget And Treasury Office	97 677	105 423	105 423	6 341	33 677	52 712	(19 035)	-36,1%	105 423
Vote 04 - Summary Corporate Services	93 168	106 417	106 417	8 296	50 692	53 209	(2 517)	-4,7%	106 417
Vote 05 - Summary Social Services & Development Planning	56 417	88 372	88 372	9 721	29 621	44 186	(14 566)	-33,0%	88 372
Vote 06 - Summary Infrastructure Services	257 942	125 796	125 796	2 827	20 519	62 898	(42 379)	-67,4%	125 796
Vote 07 - Summary Water Services	245 444	240 594	240 594	25 429	143 758	120 297	23 461	19,5%	240 594
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>789 459</b>	<b>715 937</b>	<b>715 937</b>	<b>55 643</b>	<b>300 638</b>	<b>357 970</b>	<b>(57 332)</b>	<b>-16,0%</b>	<b>715 937</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134 745</b>	<b>241 161</b>	<b>246 894</b>	<b>116 489</b>	<b>244 565</b>	<b>122 012</b>	<b>122 553</b>	<b>100,4%</b>	<b>246 894</b>

Table C3: Consolidated Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure by municipal vote. The municipal directorates are Executive Council; Municipal Manager; Budget and Treasury; Corporate Services; Social Services and Development Planning; Infrastructure Services and Water Services. The operating expenditure budget is approved by Council on the municipal vote level.

## **Statement of financial Performance**

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 December 2024.

# Harry Gwala District Municipality

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2023/24	Budget Year 2024/25							
	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	59 302	56 944	56 944	5 095	33 163	28 472	4 691	16%	56 944
Service charges - Waste Water Management	13 256	14 252	14 252	839	6 477	7 126	(649)	-9%	14 252
Service charges - Waste management							-		
Sale of Goods and Rendering of Services	178	663	663	1	65	331	(266)	-80%	663
Agency services							-		
Interest							-		
Interest earned from Receivables	16 536	16 655	16 655	1 285	7 573	8 328	(755)	-9%	16 655
Interest from Current and Non Current Assets	21 988	17 435	17 435	837	13 737	8 717	5 020	58%	17 435
Operational Revenue	1 241	404	404	128	307	202	105	52%	404
<b>Non-Exchange Revenue</b>									
Property rates							-		
Surcharges and Taxes							-		
Fines, penalties and forfeits	478	-	-	-	786	-	786	#DIV/0!	-
Licence and permits							-		
Transfers and subsidies - Operational	477 532	532 623	532 623	163 946	377 978	266 312	111 666	42%	532 623
Interest	-	-	-	-	-	-	-		-
Fuel Levy							-		
Operational Revenue	-	-	-	-	-	-	-		-
Gains on disposal of Assets	-	-	-	-	-	-	-		-
Other Gains	1 374	-	-	-	-	-	-		-
Discontinued Operations							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>591 885</b>	<b>638 975</b>	<b>638 975</b>	<b>172 131</b>	<b>440 086</b>	<b>319 487</b>	<b>120 599</b>	<b>38%</b>	<b>638 975</b>
<b>Expenditure By Type</b>									
Employee related costs	256 039	273 607	273 607	21 772	125 967	136 805	(10 838)	-8%	273 607
Remuneration of councillors	6 932	8 606	8 606	605	3 832	4 303	(471)	-11%	8 606
Bulk purchases - electricity	-	-	-	-	-	-	-		-
Inventory consumed	33 598	36 810	36 810	3 542	15 928	18 405	(2 477)	-13%	36 810
Debt impairment	10 796	-	-	-	-	-	-		-
Depreciation and amortisation	236 930	101 837	101 837	-	-	50 919	(50 919)	-100%	101 837
Interest	2	115	115	-	-	57	(57)	-100%	115
Contracted services	122 694	152 097	151 807	16 542	82 143	75 974	6 170	8%	151 807
Transfers and subsidies	-	6 700	6 700	-	-	3 350	(3 350)	-100%	6 700
Irrecoverable debts written off	29 995	31 908	31 908	23	8 022	15 954	(7 932)	-50%	31 908
Operational costs	91 283	104 257	104 547	13 160	64 745	52 204	12 541	24%	104 547
Losses on Disposal of Assets	1 190	-	-	-	-	-	-		-
<b>Total Expenditure</b>	<b>789 459</b>	<b>715 937</b>	<b>715 937</b>	<b>55 643</b>	<b>300 638</b>	<b>357 970</b>	<b>(57 332)</b>	<b>-16%</b>	<b>715 937</b>
<b>Surplus/(Deficit)</b>	<b>(197 574)</b>	<b>(76 962)</b>	<b>(76 962)</b>	<b>116 489</b>	<b>139 448</b>	<b>(38 483)</b>	<b>177 931</b>	<b>(0)</b>	<b>(76 962)</b>
Transfers and subsidies - capital (monetary allocations)	332 319	318 124	323 856	-	105 117	160 495	(55 378)	(0)	323 856
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134 745</b>	<b>241 161</b>	<b>246 894</b>	<b>116 489</b>	<b>244 565</b>	<b>122 012</b>	<b>122 553</b>	<b>0</b>	<b>246 894</b>
Income Tax							-		
<b>Surplus/(Deficit) after income tax</b>	<b>134 745</b>	<b>241 161</b>	<b>246 894</b>	<b>116 489</b>	<b>244 565</b>	<b>122 012</b>	<b>122 553</b>	<b>0</b>	<b>246 894</b>
Share of Surplus/Deficit attributable to Joint Venture							-		
Share of Surplus/Deficit attributable to Minorities							-		
<b>Surplus/(Deficit) attributable to municipality</b>	<b>134 745</b>	<b>241 161</b>	<b>246 894</b>	<b>116 489</b>	<b>244 565</b>	<b>122 012</b>	<b>122 553</b>	<b>0</b>	<b>246 894</b>
Share of Surplus/Deficit attributable to Associate							-		
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>134 745</b>	<b>241 161</b>	<b>246 894</b>	<b>116 489</b>	<b>244 565</b>	<b>122 012</b>	<b>122 553</b>	<b>0</b>	<b>246 894</b>

A detailed analysis of the anomalies is provided under "2.6 Material Variances in the SDBIP"

**Service charges** – Currently the year-to-date collection rate is at 94%. The actual figure is based on accrued revenue. Billing is more than what was anticipated, however based on actual collection R36, 2million cash received as at 31 December 2024 excluding prepaid receipts.

**Interest earned on outstanding receivables** – budget is based on realistically collectible revenue while the actual figures are accrued. The accrued basis refers to billed interest and not actual cash received.

**Interest earned external investments** – the actual interest earned on bank accounts held by Harry Gwala District Municipality together with Development Agency has been more than what was anticipated or projected. This amount can therefore be adjusted upward during the budget adjustment.

**Government grants** – Equitable Share, FMG, EPWP, RRAMS, MIG, and WSIG tranches received. There has been a reduction of conditional grants from National Treasury in terms of DORA that occurred in October, however the adjustment budget was done and tabled to Council in November 2024 therefore there would be no adjustment in February for 2024/2025 financial year.

## **CONSOLIDATED EXPENDITURE AS PER TABLE A4**

**Employee Related Costs** – remains the largest expenditure incurred. The fixed nature of the salaries makes it difficult to reduce the level of expenditure when compared to operating expenditure. The municipality must certify prudence in the filling of vacated positions to ensure that adequate budget is available till the end of the financial year.

**Councillor Remuneration** - the budgeted expenditure for councillors is based on the previous gazette, Over budgeting for Councillors allowance due to late determination receipt.

**Depreciation** – There has been no depreciation processed to date. The year to date actual for Development agency is at 78 per cent. The original budgeted amount is currently deemed to be sufficient.

**Finance costs** – This is the interest on the finance leases (for rental of Municipal vehicles, printers and fax machines).

**Inventory Consumed** – this line item pertains to bulk water purchases from Umngeni Water and Ugu District Municipality. The budget for inventory consumed appears to be insufficient for the next 6 months and adjustment would be necessary.

**Contracted services** – includes the Repairs and Maintenance, Security, Legal fees etc. This expenditure is linked to contractual commitments. This line item will be adjusted upward during the adjustment process.

**Other expenditure** – includes items such as fleet costs (fuel & oil, tyres, admin costs, licences), Eskom, telephone system rental, advertising etc. Based on projections to the end of the second quarter, a review of the classification of other expenditure would need to be undertaken

### **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 - M06 December

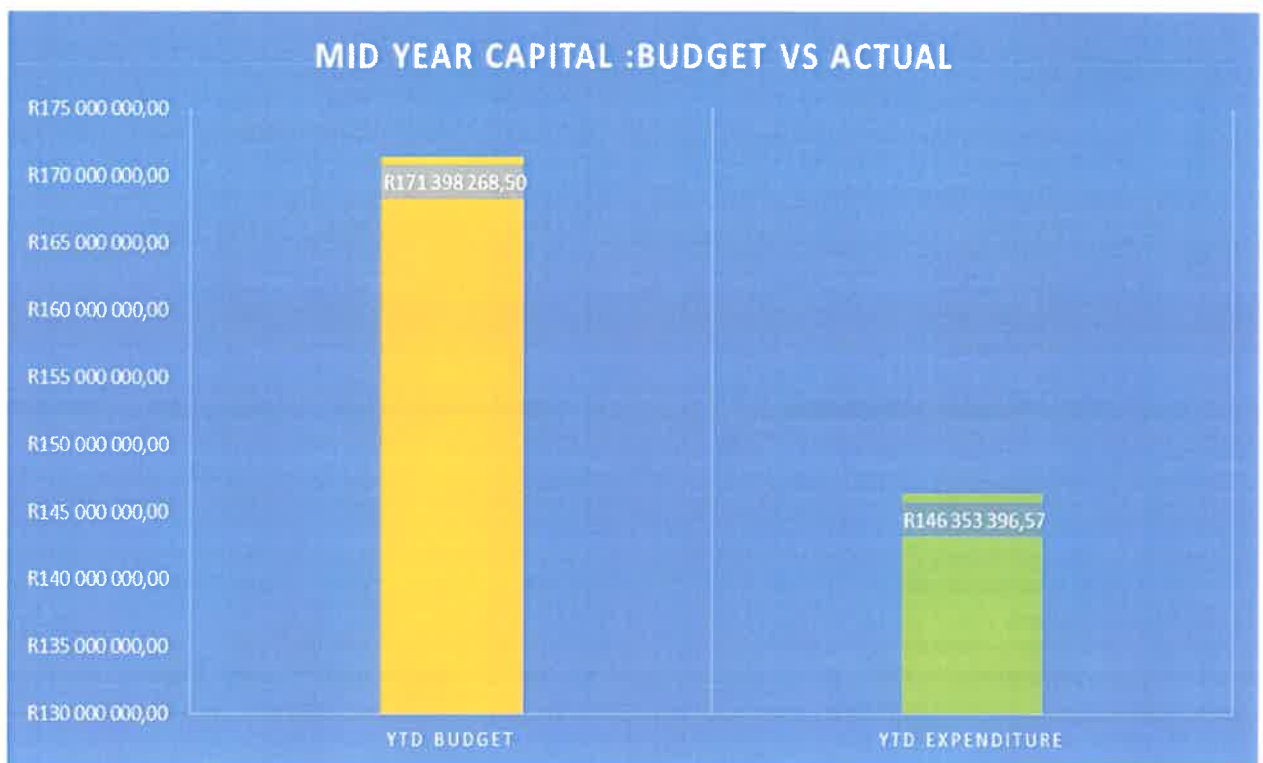
Vote Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	4 385	9 480	12 480	658	6 268	5 490	778	14%	12 480
Vote 05 - Summary Social Services & Development Planning	986	5 640	5 640	-	-	2 820	(2 820)	-100%	5 640
Vote 06 - Summary Infrastructure Services	78 007	122 732	118 076	11 244	38 824	60 202	(21 379)	-36%	118 076
Vote 07 - Summary Water Services	226 226	184 460	206 600	13 632	101 262	97 765	3 497	4%	206 600
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>309 604</b>	<b>322 312</b>	<b>342 797</b>	<b>25 534</b>	<b>146 353</b>	<b>166 277</b>	<b>(19 924)</b>	<b>-12%</b>	<b>342 797</b>
<b>Total Capital Expenditure</b>	<b>309 604</b>	<b>322 312</b>	<b>342 797</b>	<b>25 534</b>	<b>146 353</b>	<b>166 277</b>	<b>(19 924)</b>	<b>-12%</b>	<b>342 797</b>
<b>Capital Expenditure - Functional Classification</b>									
<i>Governance and administration</i>	<b>4 385</b>	<b>14 205</b>	<b>17 205</b>	<b>658</b>	<b>6 268</b>	<b>7 853</b>	<b>(1 584)</b>	<b>-20%</b>	<b>17 205</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 385	14 205	17 205	658	6 268	7 853	(1 584)	-20%	17 205
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	<b>986</b>	<b>600</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>(300)</b>	<b>-100%</b>	<b>600</b>
Community and social services	986	600	600	-	-	300	(300)	-100%	600
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	<b>60 631</b>	<b>121 210</b>	<b>115 421</b>	<b>11 244</b>	<b>35 423</b>	<b>58 988</b>	<b>(23 565)</b>	<b>-40%</b>	<b>115 421</b>
Planning and development	60 631	121 210	115 421	11 244	35 423	58 988	(23 565)	-40%	115 421
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	<b>243 602</b>	<b>186 297</b>	<b>209 570</b>	<b>13 632</b>	<b>104 662</b>	<b>99 137</b>	<b>5 526</b>	<b>6%</b>	<b>209 570</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	178 637	176 093	185 775	9 281	87 155	90 637	(3 482)	-4%	185 775
Waste water management	64 965	10 204	23 796	4 351	17 507	8 500	9 007	106%	23 796
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>309 604</b>	<b>322 312</b>	<b>342 797</b>	<b>25 534</b>	<b>146 353</b>	<b>166 277</b>	<b>(19 924)</b>	<b>-12%</b>	<b>342 797</b>
<b>Funded by:</b>									
National Government	298 048	276 629	274 647	24 513	129 993	137 819	(7 826)	-6%	274 647
Provincial Government	-	-	6 967	-	-	1 742	(1 742)	-100%	6 967
District Municipality	-	315	315	-	-	158	(158)	-100%	315
Transfers recognised - capital	298 048	276 944	281 929	24 513	129 993	139 718	(9 726)	-7%	281 929
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	11 555	45 368	60 868	1 021	16 361	26 559	(10 198)	-38%	60 868
<b>Total Capital Funding</b>	<b>309 604</b>	<b>322 312</b>	<b>342 797</b>	<b>25 534</b>	<b>146 353</b>	<b>166 277</b>	<b>(19 924)</b>	<b>-12%</b>	<b>342 797</b>



The 2024/2025 mid-year capital expenditure has underperformed by 15% from year to date to budget, there is a slightly decrease in expenditure of capital projects compared to previous financial year due to WSIG appointment of contractors. There is a high possibility that MIG grant will be finished before the end of financial year. The capital budget continues to be largely dependent on the National Government grants.

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

**Chart 1: Midyear Capex**



As at midyear, the year-to-date actual expenditure was R146, 3million against a YTD budget of R171, 3million. In monetary terms, these figures represent 85% percent performance against the capital development programme as at midyear.

Table C6 displays the financial position of the municipality as at 31 December 2024.

As at midyear, the current ratio has slightly decrease to 0.1:7 compared to 0.1:9 as at the end of the last financial year mid-year. The norm for this ratio is 2:1, meaning for every R1 of debt obligations you ought to have R2 of current assets to meet those commitments.

This ratio means that for one rand (R1) of monies owed, the municipality had three rands (R3) to meet those short-term debt obligations signalling liquidity risk.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M06 December

Description	2023/24	Budget Year 2024/25			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	209 430	139 694	139 694	448 960	139 694
Trade and other receivables from exchange transactions	12 036	29 605	29 605	12 953	29 605
Receivables from non-exchange transactions	2 312	2 311	2 311	2 312	2 311
Current portion of non-current receivables	-	-	-	-	-
Inventory	858	759	759	866	759
VAT	19 164	36 188	21 436	26 312	21 436
Other current assets	(229)	2	2	(231)	2
<b>Total current assets</b>	<b>243 572</b>	<b>208 559</b>	<b>193 806</b>	<b>491 171</b>	<b>193 806</b>
<b>Non current assets</b>					
Investments					
Investment property	-	-	-	-	-
Property, plant and equipment	2 996 864	3 444 846	3 465 330	3 143 218	3 465 330
Biological assets					
Living and non-living resources					
Heritage assets					
Intangible assets	313	1 473	1 473	313	1 473
Trade and other receivables from exchange transactions					
Non-current receivables from non-exchange transactions	-	-	-	-	-
Other non-current assets	0	0	0	0	0
<b>Total non current assets</b>	<b>2 997 178</b>	<b>3 446 319</b>	<b>3 466 804</b>	<b>3 143 531</b>	<b>3 466 804</b>
<b>TOTAL ASSETS</b>	<b>3 240 750</b>	<b>3 654 878</b>	<b>3 660 610</b>	<b>3 634 702</b>	<b>3 660 610</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Financial liabilities	12 806	8 006	8 006	12 806	8 006
Consumer deposits	3 179	3 522	3 522	3 378	3 522
Trade and other payables from exchange transactions	86 935	86 542	86 542	84 497	86 542
Trade and other payables from non-exchange transactions	10 500	1 483	1 483	158 068	1 483
Provision	16 385	17 142	17 142	16 385	17 142
VAT	5 282	7 402	7 402	9 343	7 402
Other current liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<b>135 087</b>	<b>124 097</b>	<b>124 097</b>	<b>284 477</b>	<b>124 097</b>
<b>Non current liabilities</b>					
Financial liabilities	(0)	-	-	(0)	-
Provision	30 536	29 399	29 399	30 536	29 399
Long term portion of trade payables	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-
<b>Total non current liabilities</b>	<b>30 536</b>	<b>29 399</b>	<b>29 399</b>	<b>30 536</b>	<b>29 399</b>
<b>TOTAL LIABILITIES</b>	<b>165 623</b>	<b>153 496</b>	<b>153 496</b>	<b>315 013</b>	<b>153 496</b>
<b>NET ASSETS</b>	<b>3 075 127</b>	<b>3 501 382</b>	<b>3 507 114</b>	<b>3 319 689</b>	<b>3 507 114</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated surplus/(deficit)	3 262 762	3 501 382	3 501 382	3 319 689	3 501 382
Reserves and funds	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 262 762</b>	<b>3 501 382</b>	<b>3 501 382</b>	<b>3 319 689</b>	<b>3 501 382</b>

Table C7 below display the Cash Flow Statement for the mid-year.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M06 December

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	6	-	-	-	-	-	-		-
Service charges	62 324	62 194	62 194	3 875	37 247	31 097	6 149	20%	62 194
Other revenue	1 805 797	68 324	86 092	56 636	695 074	43 046	652 028	1515%	86 092
Transfers and Subsidies - Operational	473 045	512 493	512 493	163 946	374 948	256 247	118 701	46%	512 493
Transfers and Subsidies - Capital	326 130	318 124	323 856	97 952	255 714	161 928	93 786	58%	323 856
Interest	21 988	18 053	18 053	837	13 738	9 026	4 711	52%	18 053
Dividends							-		
<b>Payments</b>									
Suppliers and employees	(888 412)	(652 698)	(668 307)	(66 258)	(485 178)	(334 154)	151 024	-45%	(668 307)
Interest	-	(142)	(142)	-	-	(71)	(71)	100%	(142)
Transfers and Subsidies	-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1 800 878</b>	<b>326 348</b>	<b>334 239</b>	<b>256 988</b>	<b>891 543</b>	<b>167 119</b>	<b>(724 423)</b>	<b>-433%</b>	<b>334 239</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	(309 604)	(322 312)	(342 797)	(25 534)	(146 353)	(171 398)	(25 045)	15%	(342 797)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(309 604)</b>	<b>(322 312)</b>	<b>(342 797)</b>	<b>(25 534)</b>	<b>(146 353)</b>	<b>(171 398)</b>	<b>(25 045)</b>	<b>15%</b>	<b>(342 797)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	(355)	(569)	(569)	-	-	(285)	285	-100%	(569)
<b>Payments</b>									
Repayment of borrowing	-	(2 400)	(2 400)	-	-	(1 200)	(1 200)	100%	(2 400)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(355)</b>	<b>(2 969)</b>	<b>(2 969)</b>	<b>-</b>	<b>-</b>	<b>(1 485)</b>	<b>(1 485)</b>	<b>100%</b>	<b>(2 969)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 490 920</b>	<b>1 067</b>	<b>(11 527)</b>	<b>231 454</b>	<b>745 189</b>	<b>(5 764)</b>			<b>(11 527)</b>
Cash/cash equivalents at beginning:	124 641	151 221	151 221	723 166	209 430	151 221			209 430
Cash/cash equivalents at month/year end:	1 615 561	152 288	139 694	954 620	954 620	145 457			197 903

There have been more expected collection levels signalled by a collection of 94%. There is delay in the replacement of faulty meters. Water restrictions will be introduced for defaulting consumers. A debt collector was appointed to assist the municipality to further improve the collection of old debt. The collection level has put a strain on the cash flow levels of the Municipality even though there are great strategies in place to improve more on collection.

Interest has been more than the year-to-date budget which was influenced by the fixed deposits and positive bank balance and the money that is invested in both Standard Bank and First National Bank.

**Table C1 Parent Monthly Budget**

# Harry Gwala District Municipality

DC43 Harry Gwala - Table C1 Monthly Budget Statement Summary - M06 December

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	72 558	71 195	71 195	5 934	39 640	35 598	4 042	11%	71 195
Investment revenue	21 988	16 035	16 035	837	13 737	8 017	5 720	71%	16 035
Transfers and subsidies - <i>(Leasehold)</i>	477 532	512 493	512 493	163 946	377 978	256 247	121 731	0	512 493
Other own revenue	19 807	17 721	17 721	1 414	8 731	8 861	(129)	-1%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>591 885</b>	<b>617 445</b>	<b>617 445</b>	<b>172 131</b>	<b>440 086</b>	<b>308 722</b>	<b>131 364</b>	<b>43%</b>	<b>617 445</b>
Employee costs	256 039	265 764	265 764	21 772	125 967	132 883	(6 916)	-5%	265 764
Remuneration of Councilors	6 932	8 606	8 606	605	3 832	4 303	(471)	-11%	8 606
<i>Depreciation and amortisation</i>	236 930	101 010	101 010	-	-	50 505	(50 505)	-100%	101 010
Interest	2	15	15	-	-	7	(7)	-100%	15
Inventory consumed and bulk purchases	33 598	36 740	36 740	3 542	15 928	18 370	(2 442)	-13%	36 740
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	255 958	263 312	263 312	29 725	154 911	141 656	13 254	9%	263 312
<b>Total Expenditure</b>	<b>789 459</b>	<b>695 447</b>	<b>695 447</b>	<b>55 643</b>	<b>300 638</b>	<b>347 725</b>	<b>(47 087)</b>	<b>-14%</b>	<b>695 447</b>
<b>Surplus/(Deficit)</b>	<b>(197 574)</b>	<b>(78 002)</b>	<b>(78 002)</b>	<b>116 489</b>	<b>139 448</b>	<b>(39 003)</b>	<b>178 451</b>	<b>-458%</b>	<b>(78 002)</b>
Transfers and subsidies - capital (monetary allocations)	332 319	318 124	323 856	-	105 117	160 495	(55 378)	-35%	323 856
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134 745</b>	<b>240 121</b>	<b>245 854</b>	<b>116 489</b>	<b>244 565</b>	<b>121 492</b>	<b>123 073</b>	<b>101%</b>	<b>245 854</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>134 745</b>	<b>240 121</b>	<b>245 854</b>	<b>116 489</b>	<b>244 565</b>	<b>121 492</b>	<b>123 073</b>	<b>101%</b>	<b>245 854</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	309 604	317 272	337 757	25 534	146 353	163 757	(17 404)	-11%	337 757
Capital transfers recognised	298 048	276 629	281 614	24 513	129 993	139 561	(9 568)	-7%	281 614
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	11 555	40 643	56 143	1 021	16 361	24 196	(7 836)	-32%	56 143
<b>Total sources of capital funds</b>	<b>309 604</b>	<b>317 272</b>	<b>337 757</b>	<b>25 534</b>	<b>146 353</b>	<b>163 757</b>	<b>(17 404)</b>	<b>-11%</b>	<b>337 757</b>
<b>Financial position</b>									
Total current assets	243 572	193 575	178 823	-	491 171	-	-	-	178 823
Total non current assets	2 997 178	3 440 486	3 460 971	-	3 143 531	-	-	-	3 460 971
Total current liabilities	135 087	120 580	120 580	-	264 477	-	-	-	120 580
Total non current liabilities	30 536	29 399	29 399	-	30 536	-	-	-	29 399
Community wealth/Equity	3 262 762	3 487 037	3 487 037	-	3 319 689	-	-	-	3 487 037
<b>Cash flows</b>									
Net cash from (used) operating	1 800 878	344 742	352 632	256 988	891 543	176 316	(715 227)	-406%	352 632
Net cash from (used) investing	(309 604)	(322 312)	(342 797)	(25 534)	(146 353)	(171 398)	(25 045)	15%	(342 797)
Net cash from (used) financing	(355)	(2 969)	(2 969)	-	-	(1 485)	(1 485)	100%	(2 969)
<b>Cash/cash equivalents at the month/year end</b>	<b>1 615 561</b>	<b>156 316</b>	<b>143 722</b>	<b>954 620</b>	<b>954 620</b>	<b>140 289</b>	<b>(814 331)</b>	<b>-580%</b>	<b>216 297</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	6 631	7 632	4 406	4 205	4 009	4 136	19 559	184 315	234 894
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

## Financial Performance by Functional Classification

Table C2 provides the parent statement of financial performance by standard classification.

DC43 Harry Gwala - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
<b>Revenue - Functional</b>									
<i><b>Governance and administration</b></i>	490 123	510 213	510 213	164 911	384 195	255 107	129 088	51%	510 213
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	490 123	510 213	510 213	164 911	384 195	255 107	129 088	51%	510 213
Internal audit	-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>	42	17	17	5	15	8	6	77%	17
Community and social services	42	17	17	5	15	8	6	77%	17
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	-	-	8 013	-	-	2 003	(2 003)	-100%	8 013
Planning and development	-	-	8 013	-	-	2 003	(2 003)	-100%	8 013
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>	434 040	425 338	423 058	7 215	160 993	212 099	(51 106)	-24%	423 058
Energy sources	-	-	-	-	-	-	-	-	-
Water management	420 226	409 956	407 676	6 201	154 153	204 408	(50 255)	-25%	407 676
Waste water management	13 814	15 382	15 382	1 014	6 840	7 691	(851)	-11%	15 382
Waste management	-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>924 204</b>	<b>935 568</b>	<b>941 301</b>	<b>172 131</b>	<b>545 203</b>	<b>469 217</b>	<b>75 986</b>	<b>16%</b>	<b>941 301</b>
<b>Expenditure - Functional</b>									
<i><b>Governance and administration</b></i>	282 513	315 547	313 804	23 479	141 080	157 122	(16 042)	-10%	313 804
Executive and council	30 252	37 277	37 277	2 350	17 633	18 639	(1 008)	-5%	37 277
Finance and administration	243 702	266 211	265 911	20 450	119 422	133 031	(13 609)	-10%	265 911
Internal audit	8 559	12 058	10 616	680	4 025	5 452	(1 427)	-28%	10 616
<i><b>Community and public safety</b></i>	19 285	24 662	24 662	1 457	8 369	12 331	(3 963)	-32%	24 662
Community and social services	19 285	24 662	24 662	1 457	8 369	12 331	(3 963)	-32%	24 662
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	294 606	168 636	170 079	11 050	42 191	84 896	(42 705)	-50%	170 079
Planning and development	294 606	168 636	170 079	11 050	42 191	84 896	(42 705)	-50%	170 079
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>	193 055	186 601	186 901	19 656	108 999	93 376	15 623	17%	186 901
Energy sources	-	-	-	-	-	-	-	-	-
Water management	192 868	185 665	185 965	19 640	108 910	92 908	16 003	17%	185 965
Waste water management	187	937	937	16	89	468	(380)	-81%	937
Waste management	-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>789 459</b>	<b>695 447</b>	<b>695 447</b>	<b>55 643</b>	<b>300 638</b>	<b>347 725</b>	<b>(47 087)</b>	<b>-14%</b>	<b>695 447</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134 745</b>	<b>240 121</b>	<b>245 854</b>	<b>116 489</b>	<b>244 565</b>	<b>121 492</b>	<b>123 073</b>	<b>1,01300794</b>	<b>245 854</b>

Table C2: Parent Monthly Budget Statement: Financial Performance, reflects the operating revenue in the standard classifications.

The table starts by assessing the midyear revenue by department followed by an expenditure analysis. The actual year to date revenue recognised as at December 2024 was R 545, 2million against a year to date budget of R 470, 6million representing over performance of 16%.

Expenditure by standard classification presents the expenditure by the departments. The operational budget performance at midyear was 86% against the year to date budget which is under performed by 14%.

DC43 Harry Gwala - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	489 676	509 775	509 775	164 911	363 946	254 887	129 058	50,6%	509 775
Vote 04 - Summary Corporate Services	418	387	387	-	161	194	(32)	-16,6%	387
Vote 05 - Summary Social Services & Development Planning	42	17	17	5	15	8	6	76,6%	17
Vote 06 - Summary Infrastructure Services	348 937	343 279	349 012	149	115 484	173 073	(57 589)	-33,3%	349 012
Vote 07 - Summary Water Services	85 131	82 110	82 110	7 066	45 597	41 055	4 542	11,1%	82 110
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>924 204</b>	<b>935 568</b>	<b>941 301</b>	<b>172 131</b>	<b>545 203</b>	<b>469 217</b>	<b>75 986</b>	<b>16,2%</b>	<b>941 301</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	15 581	21 342	21 342	1 120	9 986	10 671	(685)	-6,4%	21 342
Vote 02 - Summary Municipal Manager	23 229	27 993	27 993	1 909	12 386	13 997	(1 611)	-11,5%	27 993
Vote 03 - Summary Budget And Treasury Office	97 677	105 423	105 423	6 341	33 677	52 712	(19 035)	-36,1%	105 423
Vote 04 - Summary Corporate Services	93 168	106 417	106 417	8 296	50 692	53 209	(2 517)	-4,7%	106 417
Vote 05 - Summary Social Services & Development Planning	56 417	67 882	67 882	9 721	29 621	33 941	(4 321)	-12,7%	67 882
Vote 06 - Summary Infrastructure Services	257 942	125 796	125 796	2 827	20 519	62 898	(42 379)	-67,4%	125 796
Vote 07 - Summary Water Services	245 444	240 594	240 594	25 429	143 758	120 297	23 461	19,5%	240 594
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>789 459</b>	<b>695 447</b>	<b>695 447</b>	<b>55 643</b>	<b>300 638</b>	<b>347 725</b>	<b>(47 087)</b>	<b>-13,5%</b>	<b>695 447</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134 745</b>	<b>240 121</b>	<b>245 854</b>	<b>116 489</b>	<b>244 565</b>	<b>121 492</b>	<b>123 073</b>	<b>101,3%</b>	<b>245 854</b>

Table C3: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure by municipal vote. The municipal directorates are Executive Council; Municipal Manager; Budget



and Treasury; Corporate Services; Social Services and Development Planning; Infrastructure Services and Water Services. The operating expenditure budget is approved by Council on the municipal vote level.

# Harry Gwala District Municipality

DC43 Harry Gwala - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2023/24	Budget Year 2024/25							
	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	59 302	56 944	56 944	5 095	33 163	28 472	4 691	16%	56 944
Service charges - Waste Water Management	13 256	14 252	14 252	839	6 477	7 126	(649)	-9%	14 252
Service charges - Waste management							-		
Sale of Goods and Rendering of Services	178	663	663	1	65	331	(266)	-80%	663
Agency services							-		
Interest							-		
Interest earned from Receivables	16 536	16 655	16 655	1 285	7 573	8 328	(755)	-9%	16 655
Interest from Current and Non Current Assets	21 988	16 035	16 035	837	13 737	8 017	5 720	71%	16 035
Licence and permits							-		
Operational Revenue	1 241	404	404	128	307	202	105	52%	404
<b>Non-Exchange Revenue</b>									
Property rates							-		
Surcharges and Taxes							-		
Fines, penalties and forfeits	478	-	-	-	786	-	786	#DIV/0!	-
Licence and permits							-		
Transfers and subsidies - Operational	477 532	512 493	512 493	163 946	377 978	256 247	121 731	48%	512 493
Interest	-	-	-	-	-	-	-		-
Fuel Levy							-		
Operational Revenue	-	-	-	-	-	-	-		-
Gains on disposal of Assets	-	-	-	-	-	-	-		-
Other Gains	1 374	-	-	-	-	-	-		-
Discontinued Operations							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>591 885</b>	<b>617 445</b>	<b>617 445</b>	<b>172 131</b>	<b>440 086</b>	<b>308 722</b>	<b>131 364</b>	<b>43%</b>	<b>617 445</b>
<b>Expenditure By Type</b>									
Employee related costs	256 039	265 764	265 764	21 772	125 967	132 883	(6 916)	-5%	265 764
Remuneration of councillors	6 932	8 606	8 606	605	3 832	4 303	(471)	-11%	8 606
Bulk purchases - electricity	-	-	-	-	-	-	-		-
Inventory consumed	33 598	36 740	36 740	3 542	15 928	18 370	(2 442)	-13%	36 740
Debt impairment	10 796	-	-	-	-	-	-		-
Depreciation and amortisation	236 930	101 010	101 010	-	-	50 505	(50 505)	-100%	101 010
Interest	2	15	15	-	-	7	(7)	-100%	15
Contracted services	122 694	149 165	148 875	16 542	82 143	74 508	7 636	10%	148 875
Transfers and subsidies	-	-	-	-	-	-	-		-
Irrecoverable debts written off	29 995	31 908	31 908	23	8 022	15 954	(7 932)	-50%	31 908
Operational costs	91 283	102 239	102 529	13 160	64 745	51 194	13 551	26%	102 529
Losses on Disposal of Assets	1 190	-	-	-	-	-	-		-
Other Losses	-	-	-	-	-	-	-		-
<b>Total Expenditure</b>	<b>789 459</b>	<b>695 447</b>	<b>695 447</b>	<b>55 643</b>	<b>300 638</b>	<b>347 725</b>	<b>(47 087)</b>	<b>-14%</b>	<b>695 447</b>
<b>Surplus/(Deficit)</b>	<b>(197 574)</b>	<b>(78 002)</b>	<b>(78 002)</b>	<b>116 489</b>	<b>139 448</b>	<b>(39 003)</b>	<b>178 451</b>	<b>(0)</b>	<b>(78 002)</b>
Transfers and subsidies - capital (monetary allocations)	332 319	318 124	323 856	-	105 117	160 495	(55 378)	(0)	323 856
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134 745</b>	<b>240 121</b>	<b>245 854</b>	<b>116 489</b>	<b>244 565</b>	<b>121 492</b>	<b>123 073</b>	<b>0</b>	<b>245 854</b>
Income Tax							-		
<b>Surplus/(Deficit) after income tax</b>	<b>134 745</b>	<b>240 121</b>	<b>245 854</b>	<b>116 489</b>	<b>244 565</b>	<b>121 492</b>	<b>123 073</b>	<b>0</b>	<b>245 854</b>
Share of Surplus/Deficit attributable to Joint Venture							-		
Share of Surplus/Deficit attributable to Minorities							-		
<b>Surplus/(Deficit) attributable to municipality</b>	<b>134 745</b>	<b>240 121</b>	<b>245 854</b>	<b>116 489</b>	<b>244 565</b>	<b>121 492</b>	<b>123 073</b>	<b>0</b>	<b>245 854</b>
Share of Surplus/Deficit attributable to Associate							-		
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>134 745</b>	<b>240 121</b>	<b>245 854</b>	<b>116 489</b>	<b>244 565</b>	<b>121 492</b>	<b>123 073</b>	<b>0</b>	<b>245 854</b>

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

DC43 Harry Gwala - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	4 385	9 480	12 480	658	6 268	5 490	778	14%	12 480
Vote 05 - Summary Social Services & Development Planning	986	600	600	-	-	300	(300)	-100%	600
Vote 06 - Summary Infrastructure Services	78 007	122 732	118 076	11 244	38 824	60 202	(21 379)	-36%	118 076
Vote 07 - Summary Water Services	226 226	184 460	206 600	13 632	101 262	97 765	3 497	4%	206 600
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>309 604</b>	<b>317 272</b>	<b>337 757</b>	<b>25 534</b>	<b>146 353</b>	<b>163 757</b>	<b>(17 404)</b>	<b>-11%</b>	<b>337 757</b>
<b>Total Capital Expenditure</b>	<b>309 604</b>	<b>317 272</b>	<b>337 757</b>	<b>25 534</b>	<b>146 353</b>	<b>163 757</b>	<b>(17 404)</b>	<b>-11%</b>	<b>337 757</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	<b>4 385</b>	<b>9 480</b>	<b>12 480</b>	<b>658</b>	<b>6 268</b>	<b>5 490</b>	<b>778</b>	<b>14%</b>	<b>12 480</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 385	9 480	12 480	658	6 268	5 490	778	14%	12 480
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>986</b>	<b>600</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>(300)</b>	<b>-100%</b>	<b>600</b>
Community and social services	986	600	600	-	-	300	(300)	-100%	600
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>60 631</b>	<b>120 895</b>	<b>115 106</b>	<b>11 244</b>	<b>35 423</b>	<b>58 830</b>	<b>(23 407)</b>	<b>-40%</b>	<b>115 106</b>
Planning and development	60 631	120 895	115 106	11 244	35 423	58 830	(23 407)	-40%	115 106
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>243 602</b>	<b>186 297</b>	<b>209 570</b>	<b>13 632</b>	<b>104 662</b>	<b>99 137</b>	<b>5 526</b>	<b>6%</b>	<b>209 570</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	178 637	176 093	185 775	9 281	87 155	90 637	(3 482)	-4%	185 775
Waste water management	64 965	10 204	23 796	4 351	17 507	8 500	9 007	106%	23 796
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>309 604</b>	<b>317 272</b>	<b>337 757</b>	<b>25 534</b>	<b>146 353</b>	<b>163 757</b>	<b>(17 404)</b>	<b>-11%</b>	<b>337 757</b>
<b>Funded by:</b>									
National Government	298 048	276 629	274 647	24 513	129 993	137 819	(7 826)	-6%	274 647
Provincial Government	-	-	6 967	-	-	1 742	(1 742)	-100%	6 967
District Municipality	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>298 048</b>	<b>276 629</b>	<b>281 614</b>	<b>24 513</b>	<b>129 993</b>	<b>139 561</b>	<b>(9 568)</b>	<b>-7%</b>	<b>281 614</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Internally generated funds	11 555	40 643	56 143	1 021	16 361	24 196	(7 836)	-32%	56 143
<b>Total Capital Funding</b>	<b>309 604</b>	<b>317 272</b>	<b>337 757</b>	<b>25 534</b>	<b>146 353</b>	<b>163 757</b>	<b>(17 404)</b>	<b>-11%</b>	<b>337 757</b>

Capital expenditure typically includes vehicles, computer, equipment, Office furniture's, etc. which are funded by internal contributions. It also includes expenditure on water and sanitation infrastructure funded by external funds such as MIG. Capital expenditure reflects underspending for the mid-year ending 31 December 2024. The 2024/2025 year to date actual capital expenditure amounting to R146, 3million against year-to-date budget of R168, 8million representing 87% of the year-to-date budget.

Table C6 displays the financial position of the municipality as at 31 December 2024.

DC43 Harry Gwala - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	2023/24	Budget Year 2024/25			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	209 430	124 710	124 710	448 960	124 710
Trade and other receivables from exchange transactions	12 036	29 605	29 605	12 953	29 605
Receivables from non-exchange transactions	2 312	2 311	2 311	2 312	2 311
Current portion of non-current receivables	-	-	-	-	-
Inventory	858	759	759	866	759
VAT	19 164	36 188	21 436	26 312	21 436
Other current assets	(229)	2	2	(231)	2
<b>Total current assets</b>	<b>243 572</b>	<b>193 575</b>	<b>178 823</b>	<b>491 171</b>	<b>178 823</b>
<b>Non current assets</b>					
Investments					
Investment property	-	-	-	-	-
Property, plant and equipment	2 996 864	3 439 263	3 459 748	3 143 218	3 459 748
Intangible assets	313	1 223	1 223	313	1 223
Trade and other receivables from exchange transactions					
Non-current receivables from non-exchange transactions					
Other non-current assets	0	0	0	0	0
<b>Total non current assets</b>	<b>2 997 178</b>	<b>3 440 486</b>	<b>3 460 971</b>	<b>3 143 531</b>	<b>3 460 971</b>
<b>TOTAL ASSETS</b>	<b>3 240 750</b>	<b>3 634 061</b>	<b>3 639 794</b>	<b>3 634 702</b>	<b>3 639 794</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Financial liabilities	12 806	8 006	8 006	12 806	8 006
Consumer deposits	3 179	3 522	3 522	3 378	3 522
Trade and other payables from exchange transactions	86 935	84 509	84 509	84 497	84 509
Trade and other payables from non-exchange transactions	10 500	-	-	158 068	-
Provision	16 385	17 142	17 142	16 385	17 142
VAT	5 282	7 402	7 402	9 343	7 402
Other current liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<b>135 087</b>	<b>120 580</b>	<b>120 580</b>	<b>284 477</b>	<b>120 580</b>
<b>Non current liabilities</b>					
Financial liabilities	(0)	-	-	(0)	-
Provision	30 536	29 399	29 399	30 536	29 399
Long term portion of trade payables	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-
<b>Total non current liabilities</b>	<b>30 536</b>	<b>29 399</b>	<b>29 399</b>	<b>30 536</b>	<b>29 399</b>
<b>TOTAL LIABILITIES</b>	<b>165 623</b>	<b>149 979</b>	<b>149 979</b>	<b>315 013</b>	<b>149 979</b>
<b>NET ASSETS</b>	<b>3 075 127</b>	<b>3 484 082</b>	<b>3 489 815</b>	<b>3 319 689</b>	<b>3 489 815</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated surplus/(deficit)	3 262 762	3 487 037	3 487 037	3 319 689	3 487 037
Reserves and funds	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 262 762</b>	<b>3 487 037</b>	<b>3 487 037</b>	<b>3 319 689</b>	<b>3 487 037</b>

Table C7 below display the Cash Flow Statement for the mid-year.

DC43 Harry Gwala - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	2023/24	Budget Year 2024/25							
	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	6	-	-	-	-	-	-	-	-
Service charges	62 324	62 194	62 194	3 875	37 247	31 097	6 149	20%	62 194
Other revenue	1 805 797	68 324	86 092	56 636	695 074	43 046	652 028	1515%	86 092
Transfers and Subsidies - Operational	473 045	512 493	512 493	163 946	374 948	256 247	118 701	46%	512 493
Transfers and Subsidies - Capital	326 130	318 124	323 856	97 952	255 714	161 928	93 786	58%	323 856
Interest	21 988	17 435	17 435	837	13 738	8 717	5 020	58%	17 435
Dividends							-		
<b>Payments</b>									
Suppliers and employees	(888 412)	(633 686)	(649 296)	(66 258)	(485 178)	(324 648)	160 530	-49%	(649 296)
Interest	-	(142)	(142)	-	-	(71)	(71)	100%	(142)
Transfers and Subsidies	-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1 800 878</b>	<b>344 742</b>	<b>352 632</b>	<b>256 988</b>	<b>891 543</b>	<b>176 316</b>	<b>(715 227)</b>	<b>-406%</b>	<b>352 632</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	(309 604)	(322 312)	(342 797)	(25 534)	(146 353)	(171 398)	(25 045)	15%	(342 797)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(309 604)</b>	<b>(322 312)</b>	<b>(342 797)</b>	<b>(25 534)</b>	<b>(146 353)</b>	<b>(171 398)</b>	<b>(25 045)</b>	<b>15%</b>	<b>(342 797)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	(355)	(569)	(569)	-	-	(285)	285	-100%	(569)
<b>Payments</b>									
Repayment of borrowing	-	(2 400)	(2 400)	-	-	(1 200)	(1 200)	100%	(2 400)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(355)</b>	<b>(2 969)</b>	<b>(2 969)</b>	<b>-</b>	<b>-</b>	<b>(1 485)</b>	<b>(1 485)</b>	<b>100%</b>	<b>(2 969)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 490 920</b>	<b>19 461</b>	<b>6 866</b>	<b>231 454</b>	<b>745 189</b>	<b>3 433</b>			<b>6 866</b>
Cash/cash equivalents at beginning:	124 641	136 856	136 856	723 166	209 430	136 856			209 430
Cash/cash equivalents at month/year end:	1 615 561	156 316	143 722	954 620	954 620	140 289			216 297

## 2. PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at Midyear.

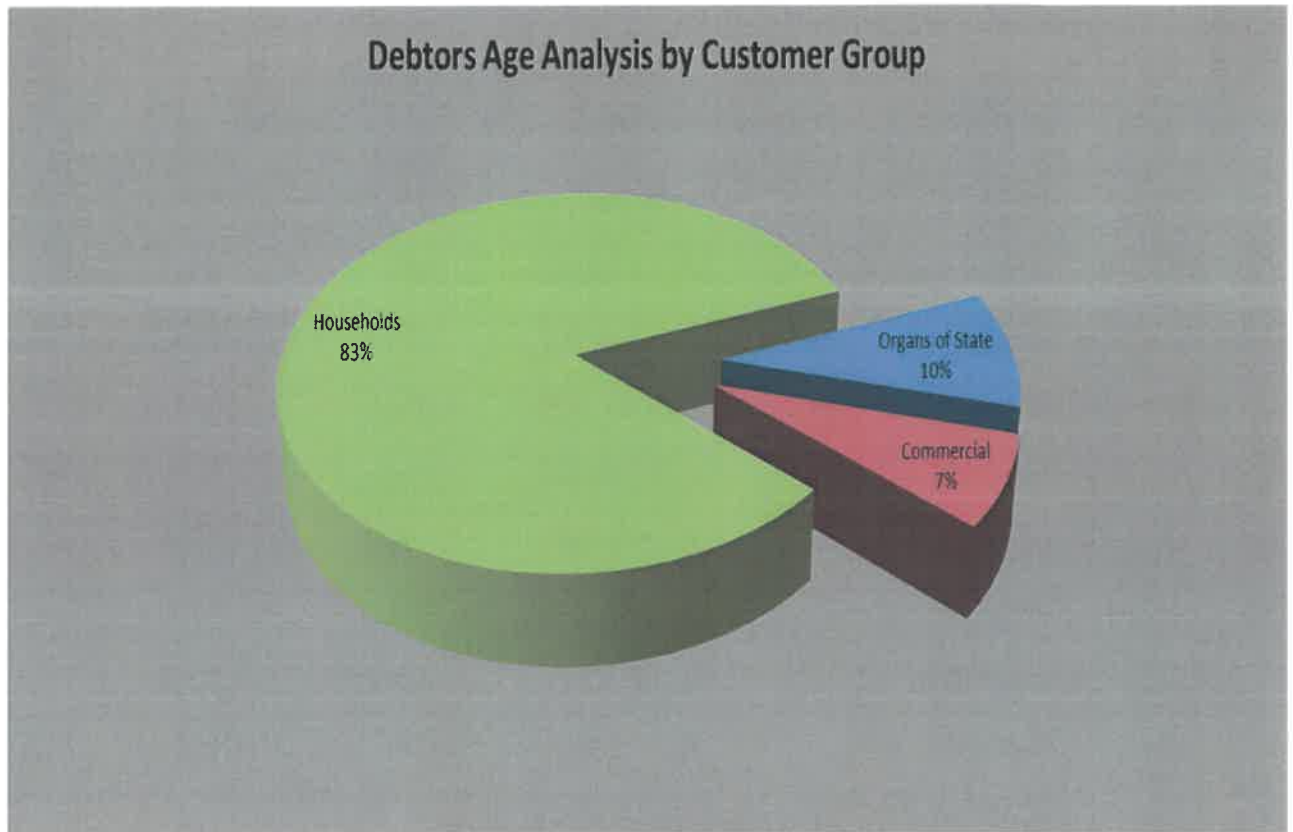
**Table 2.1.1: Debtors Age Analysis by Income Source**

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	Budget Year 2024/25									
	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
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	4 257	4 899	2 828	2 699	2 573	2 655	12 555	118 316	150 784	138 799
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-exchange Transactions - Property Rates									-	-
Receivables from Exchange Transactions - Waste Water Management	1 663	1 914	1 105	1 055	1 005	1 037	4 906	46 221	58 905	54 224
Receivables from Exchange Transactions - Waste Management									-	-
Receivables from Exchange Transactions - Property Rental Debtors									-	-
Interest on Arrear Debtor Accounts	712	819	473	451	430	444	2 099	19 777	25 205	23 201
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
<b>Total By Income Source</b>	<b>6 631</b>	<b>7 632</b>	<b>4 406</b>	<b>4 205</b>	<b>4 009</b>	<b>4 136</b>	<b>19 559</b>	<b>184 315</b>	<b>234 894</b>	<b>216 224</b>
<b>2023/24 - totals only</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	3 464	4 191	1 347	1 257	862	1 504	4 126	6 303	23 055	14 053
Commercial	680	615	390	310	624	271	1 875	12 703	17 466	15 781
Households	2 487	2 826	2 668	2 638	2 523	2 381	13 559	165 309	194 372	186 391
Other									-	-
<b>Total By Customer Group</b>	<b>6 631</b>	<b>7 632</b>	<b>4 406</b>	<b>4 205</b>	<b>4 009</b>	<b>4 136</b>	<b>19 559</b>	<b>184 315</b>	<b>234 894</b>	<b>216 224</b>

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

### 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: 83%
- ✓ Government 10%
- ✓ 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

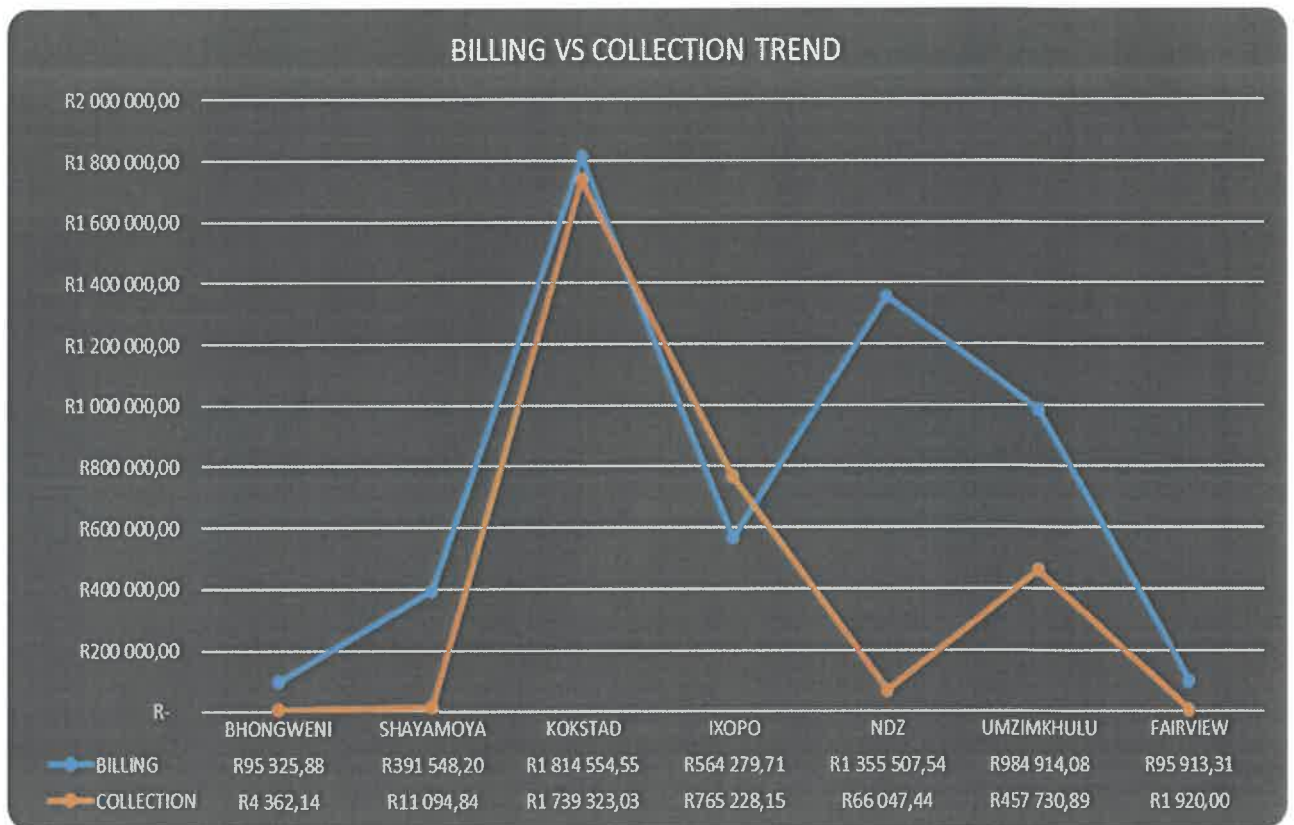
Revenue receipts per Area:

AREA	AMOUNT		
		DECEMBER 2024	NOVEMBER 2024
Unallocated receipts	R 146 560	2%	2%
Bhongweni	R 4 362	0%	1%
Shayamoya	R 11 094	0%	1%
Kokstad	R 1 739 323	54%	40%
Ixopo	R 546 097	17%	14%
NDZ	R 285 179	9%	21%
Umzimkulu	R 457 731	14%	22%
Fairview	R 1 920	0%	0%
<b>TOTAL RECEIPTS INCL VAT</b>	<b>R 3 192 267</b>	100%	100%

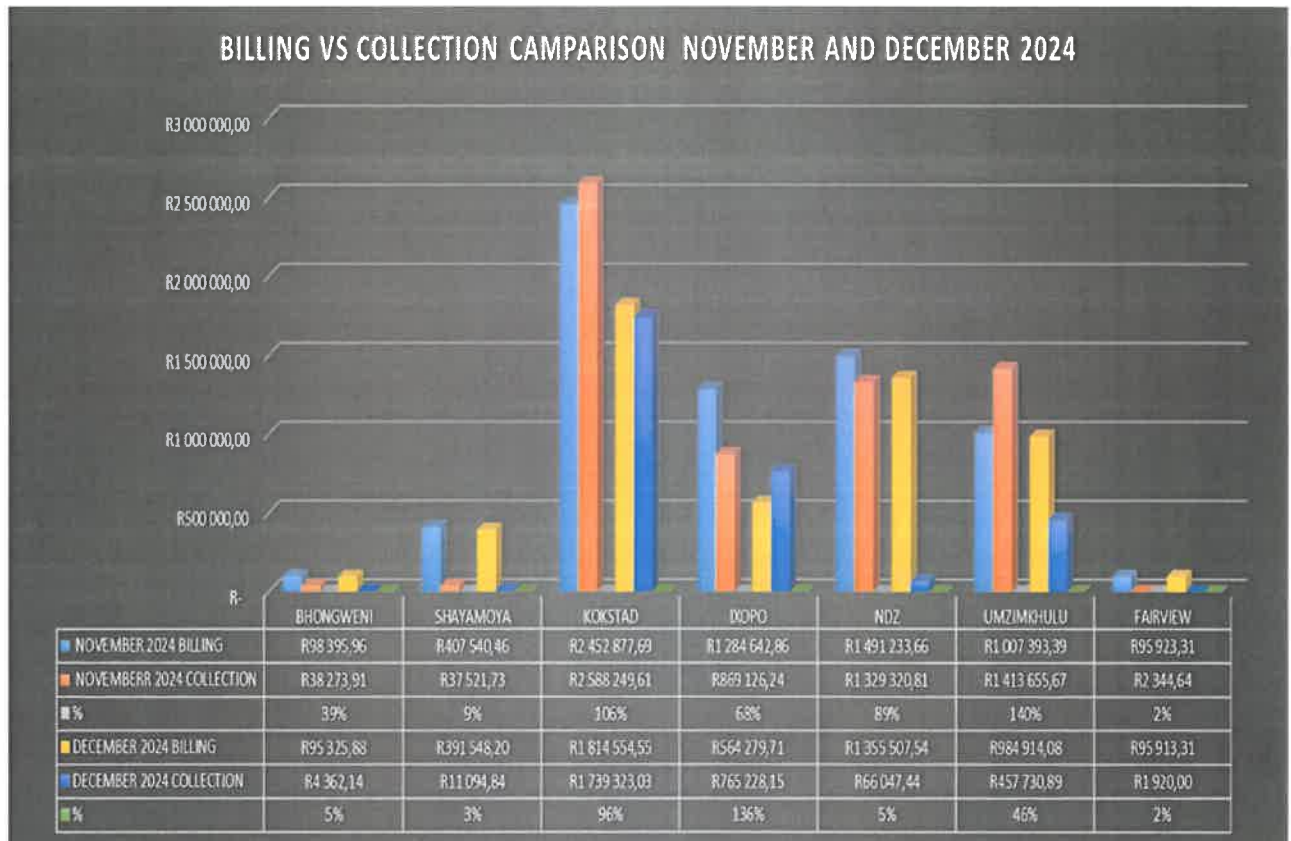
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for December 2024 is R3, 1million, prepaid is R 1, 2million.Total cash collected including prepaid is R 4, 4million. The total billing for the mid-year is R 38, 4million against collection of R36, 2million representing 94 per cent excluding prepaid receipts.

**BILLING VS COLLECTION TREND FOR DECEMBER 2024**

The chart that follows below shows the comparison between billing and collection trend for the period ending 31 December 2024.



**CHART 3: BILLING VS COLLECTION (COMPARISON BETWEEN NOVEMBER AND DECEMBER 2024)**



### **Debtors age analysis per service**

The municipality's total outstanding debtors amounted to R 234,893,548 as at 31 December 2024 compared with the R 231,353,242 as at 30 November 2024. Current debt represents 3% of the total outstanding debt compared with the 4% of November 2024; 30 days and older debt 3% compared with the 3% for November 2024; 60 days and older debt 2% compared with the 2% of November 2024; and 90 days 2% compared with the 2% of November 2024; 120 days to History and older 90% compared with the 90% for November 2024.

Current debt increased with R 1,729,773 to R 234,893,548 in the month ending 31 December compared with the R 231,353,260 as at 30 November 2024; 30 days + debt increased with R 1,383,502; 60 days + increased with R 131,986; 90 days + debt increased with R 73,217 and 120 + days and older debt as at 31 December 2024 has increased with R 3,595,851 to R 212,018,937 compared with the R 208,423,086 for November 2024.

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

Business debtors owes the municipality R 16,971,149 (7%); Municipal debtors R 1,333,775 (1%); domestic debtors R 185,391,009 (79%); Government accounts R 21,656,789 (9%); Indigent debtors R 3,215,754 (1%); Deceased R 1,223,195 (1%) and other debtors R 5,101,878 (2%) of the total outstanding debt of R 234,893,548.

## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 December 2024

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

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									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	95	74	205	734	-	-	-	-	1 108
Auditor General									-
Other									-
<b>Total By Customer Type</b>	<b>95</b>	<b>74</b>	<b>205</b>	<b>734</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 108</b>

## 2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short-term investments balances broken down per investment type as at 31 December 2024.

CASH AND INVESTMENT REGISTER AS AT 31 DECEMBER 2024

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	Yrs/Months							
R thousands								
<b>Municipality</b>								
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 172	6	-	-	1 178
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 259	27	(19 782)	97 952	79 456
FIRST NATIONAL BANK	M	ADMN CALL	Fixed	220	1	-	24 000	24 221
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	55 466	353	-	-	55 819
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 148	6	-	-	1 154
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	58 383	385	-	14 545	83 314
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 905	10	-	-	1 915
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	1 225	6	-	-	1 232
FNB BANK	M	FIXED DEPOSIT	Fixed	51 234	-	-	-	51 234
FNB BANK	M	FIXED DEPOSIT	Fixed	-	-	-	22 000	22 000
FNB BANK	M	FIXED DEPOSIT	Fixed	-	-	-	22 000	22 000
FNB BANK	M	FIXED DEPOSIT	Fixed	-	-	-	22 000	22 000
STANDARD BANK	M	FIXED DEPOSIT	Fixed	55 009	105	-	-	55 115
FNB BANK	M	CURRENT ACCOUNT	Fixed	22 086	-	(15 653)	-	6 433
Municipality sub-total				<b>259 108</b>	<b>900</b>	<b>(35 435)</b>	<b>202 498</b>	<b>427 070</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>259 108</b>	<b>900</b>	<b>(35 435)</b>	<b>202 498</b>	<b>427 070</b>

## 2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

DC43 Harry Gwala - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	477 532	512 493	512 493	163 946	377 978	256 247	121 731	47,5%	512 493
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	463 631	491 837	491 837	163 946	368 878	245 918	122 960	50,0%	491 837
Expanded Public Works Programme Integrated Grant	5 823	4 460	4 460	-	1 888	2 230	(342)	-15,3%	4 460
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	1 200	-	323	600	(277)	-46,1%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	4 487	12 498	12 498	-	6 069	6 249	(181)	-2,9%	12 498
Rural Road Asset Management Systems Grant	2 391	2 498	2 498	-	819	1 249	(430)	-34,4%	2 498
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	-	130	130	-	-	65	(65)	-100,0%	130
Capacity Building and Other Grants	-	130	130	-	-	65	(65)	-100,0%	130
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	20 000	20 000	-	-	10 000	(10 000)	-100,0%	20 000
Specify (Add grant description)	-	20 000	20 000	-	-	10 000	(10 000)	-100,0%	20 000
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>477 532</b>	<b>532 623</b>	<b>532 623</b>	<b>163 946</b>	<b>377 978</b>	<b>266 312</b>	<b>111 666</b>	<b>41,9%</b>	<b>532 623</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	332 319	318 124	315 844	-	105 117	158 492	(53 375)	-33,7%	315 844
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	242 319	218 124	215 844	-	79 646	108 492	(28 845)	-26,6%	215 844
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	90 000	100 000	100 000	-	25 470	50 000	(24 530)	-49,1%	100 000
<b>Provincial Government:</b>	-	-	8 013	-	-	2 003	(2 003)	-100,0%	8 013
Infrastructure Grant	-	-	8 013	-	-	2 003	(2 003)	-100,0%	8 013
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Human Settlement Re-development Programme	-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>332 319</b>	<b>318 124</b>	<b>323 856</b>	<b>-</b>	<b>105 117</b>	<b>160 495</b>	<b>(55 378)</b>	<b>-34,5%</b>	<b>323 856</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>809 852</b>	<b>850 747</b>	<b>856 480</b>	<b>163 946</b>	<b>483 095</b>	<b>426 807</b>	<b>56 288</b>	<b>13,2%</b>	<b>856 480</b>

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

Table SC7 track the expenditure on Conditional grant funding.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>EXPENDITURE</b>									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	680 056	632 656	632 656	51 306	244 150	316 330	(72 180)	-22,8%	632 656
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	662 032	608 896	608 896	49 967	229 996	304 450	(74 454)	-24,5%	608 896
Expanded Public Works Programme Integrated Grant	7 177	7 751	7 751	739	4 108	3 875	232	6,0%	7 751
Local Government Financial Management Grant	1 200	1 012	1 012	94	412	506	(94)	-18,6%	1 012
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	7 589	12 498	12 498	506	8 922	6 249	2 673	42,8%	12 498
Rural Road Asset Management Systems Grant	2 079	2 498	2 498	-	713	1 249	(536)	-42,9%	2 498
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	-	1 400	1 400	-	-	700	(700)	-100,0%	1 400
Capacity Building and Other Grants	-	1 400	1 400	-	-	700	(700)	-100,0%	1 400
District Municipality:	-	5 587	5 587	-	-	2 794	(2 794)	-100,0%	5 587
Specify (Add grant description)	-	5 587	5 587	-	-	2 794	(2 794)	-100,0%	5 587
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>680 056</b>	<b>639 643</b>	<b>639 643</b>	<b>51 306</b>	<b>244 150</b>	<b>319 823</b>	<b>(75 673)</b>	<b>-23,7%</b>	<b>639 643</b>
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	298 048	276 629	274 647	24 513	129 993	137 819	(7 826)	-5,7%	274 647
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	214 739	189 673	187 690	17 202	100 520	94 341	6 179	6,5%	187 690
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	83 310	86 957	86 957	7 311	29 473	43 478	(14 005)	-32,2%	86 957
Provincial Government:	-	-	6 967	-	-	1 742	(1 742)	-100,0%	6 967
Infrastructure Grant	-	-	6 967	-	-	1 742	(1 742)	-100,0%	6 967
District Municipality:	-	315	315	-	-	158	(158)	-100,0%	315
Specify (Add grant description)	-	315	315	-	-	158	(158)	-100,0%	315
Other grant providers:	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>298 048</b>	<b>276 944</b>	<b>281 929</b>	<b>24 513</b>	<b>129 993</b>	<b>139 718</b>	<b>(9 726)</b>	<b>-7,0%</b>	<b>281 929</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>978 105</b>	<b>916 587</b>	<b>921 572</b>	<b>75 819</b>	<b>374 143</b>	<b>459 542</b>	<b>(85 399)</b>	<b>-18,6%</b>	<b>921 572</b>

## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at midyear.



# Harry Gwala District Municipality

## DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	2023/24	Budget Year 2024/25							
	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	4 586	4 658	4 658	418	2 588	2 329	259	11%	4 658
Pension and UIF Contributions	133	578	578	2	27	289	(262)	-91%	578
Medical Aid Contributions	33	197	197	0	2	96	(97)	-98%	197
Cellphone Allowance	547	566	566	43	259	283	(24)	-8%	566
Other benefits and allowances	1 633	2 607	2 607	142	956	1 304	(347)	-27%	2 607
<b>Sub Total - Councillors</b>	<b>6 932</b>	<b>8 606</b>	<b>8 606</b>	<b>605</b>	<b>3 832</b>	<b>4 303</b>	<b>(471)</b>	<b>-11%</b>	<b>8 606</b>
<b>% Increase</b>		<b>24,1%</b>	<b>24,1%</b>						<b>24,1%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	5 777	4 759	4 759	458	2 750	2 380	370	16%	4 759
Pension and UIF Contributions	-	4	4	-	-	2	(2)	-100%	4
Medical Aid Contributions	48	51	51	4	24	25	(1)	-6%	51
Performance Bonus	55	181	181	-	69	91	(21)	-23%	181
Motor Vehicle Allowance	1 056	918	918	113	623	459	164	36%	918
Cellphone Allowance	110	119	119	10	58	59	(1)	-2%	119
Housing Allowances	394	336	336	46	277	168	109	65%	336
Other benefits and allowances	259	299	299	26	157	149	7	5%	299
Payments in lieu of leave	-	384	384	-	-	192	(192)	-100%	384
<b>Sub Total - Senior Managers of Municipality</b>	<b>7 699</b>	<b>7 052</b>	<b>7 052</b>	<b>657</b>	<b>3 958</b>	<b>3 526</b>	<b>432</b>	<b>12%</b>	<b>7 052</b>
<b>% Increase</b>		<b>-8,4%</b>	<b>-8,4%</b>						<b>-8,4%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	148 363	154 317	154 317	13 612	78 106	77 159	947	1%	154 317
Pension and UIF Contributions	22 634	24 096	24 096	2 007	11 772	12 048	(277)	-2%	24 096
Medical Aid Contributions	10 905	11 412	11 412	898	5 435	5 706	(271)	-5%	11 412
Overtime	21 207	22 092	22 092	1 939	11 471	11 046	425	4%	22 092
Performance Bonus	10 688	10 909	10 909	1 024	5 314	5 454	(140)	-3%	10 909
Motor Vehicle Allowance	19 940	23 900	23 900	775	4 888	11 950	(7 062)	-59%	23 900
Cellphone Allowance	1 086	1 316	1 316	96	563	658	(95)	-14%	1 316
Housing Allowances	652	784	784	53	326	392	(66)	-17%	784
Other benefits and allowances	6 044	7 716	7 716	465	2 789	3 858	(1 069)	-28%	7 716
Payments in lieu of leave	1 020	657	657	192	1 025	329	697	212%	657
Long service awards	1 312	1 277	1 277	30	196	639	(442)	-69%	1 277
Post-retirement benefit obligations	4 175	-	-	-	-	-	-	-	-
Acting and post-related allowance	335	235	235	22	123	117	5	4%	235
<b>Sub Total - Other Municipal Staff</b>	<b>248 340</b>	<b>258 713</b>	<b>258 713</b>	<b>21 115</b>	<b>122 009</b>	<b>129 357</b>	<b>(7 349)</b>	<b>-6%</b>	<b>258 713</b>
<b>% Increase</b>		<b>4,2%</b>	<b>4,2%</b>						<b>4,2%</b>
<b>Total Parent Municipality</b>	<b>262 971</b>	<b>274 370</b>	<b>274 370</b>	<b>22 376</b>	<b>129 799</b>	<b>137 186</b>	<b>(7 387)</b>	<b>-5%</b>	<b>274 370</b>
		<b>4,3%</b>	<b>4,3%</b>						<b>4,3%</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages	-	320	320	-	-	160	(160)	-100%	320
<b>Sub Total - Executive members Board</b>	<b>-</b>	<b>320</b>	<b>320</b>	<b>-</b>	<b>-</b>	<b>160</b>	<b>(160)</b>	<b>-100%</b>	<b>320</b>
<b>% Increase</b>		<b>#DIV/0!</b>	<b>#DIV/0!</b>						<b>#DIV/0!</b>
<b>Other Staff of Entities</b>									
Basic Salaries and Wages	-	7 400	7 400	-	-	3 700	(3 700)	-100%	7 400
Pension and UIF Contributions	-	23	23	-	-	12	(12)	-100%	23
Payments in lieu of leave	-	50	50	-	-	25	(25)	-100%	50
Acting and post-related allowance	-	50	50	-	-	25	(25)	-100%	50
<b>Sub Total - Other Staff of Entities</b>	<b>-</b>	<b>7 523</b>	<b>7 523</b>	<b>-</b>	<b>-</b>	<b>3 762</b>	<b>(3 762)</b>	<b>-100%</b>	<b>7 523</b>
<b>% Increase</b>		<b>#DIV/0!</b>	<b>#DIV/0!</b>						<b>#DIV/0!</b>
<b>Total Municipal Entities</b>	<b>-</b>	<b>7 843</b>	<b>7 843</b>	<b>-</b>	<b>-</b>	<b>3 922</b>	<b>(3 922)</b>	<b>-100%</b>	<b>7 843</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>262 971</b>	<b>282 213</b>	<b>282 213</b>	<b>22 376</b>	<b>129 799</b>	<b>141 108</b>	<b>(11 308)</b>	<b>-8%</b>	<b>282 213</b>
<b>% increase</b>		<b>7,3%</b>	<b>7,3%</b>						<b>7,3%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>256 039</b>	<b>273 287</b>	<b>273 287</b>	<b>21 772</b>	<b>125 967</b>	<b>136 645</b>	<b>(10 678)</b>	<b>-8%</b>	<b>273 287</b>

## **2.6 Actual and Revised Targets**

Table SC9 presents the actual and revised targets for cash receipts.







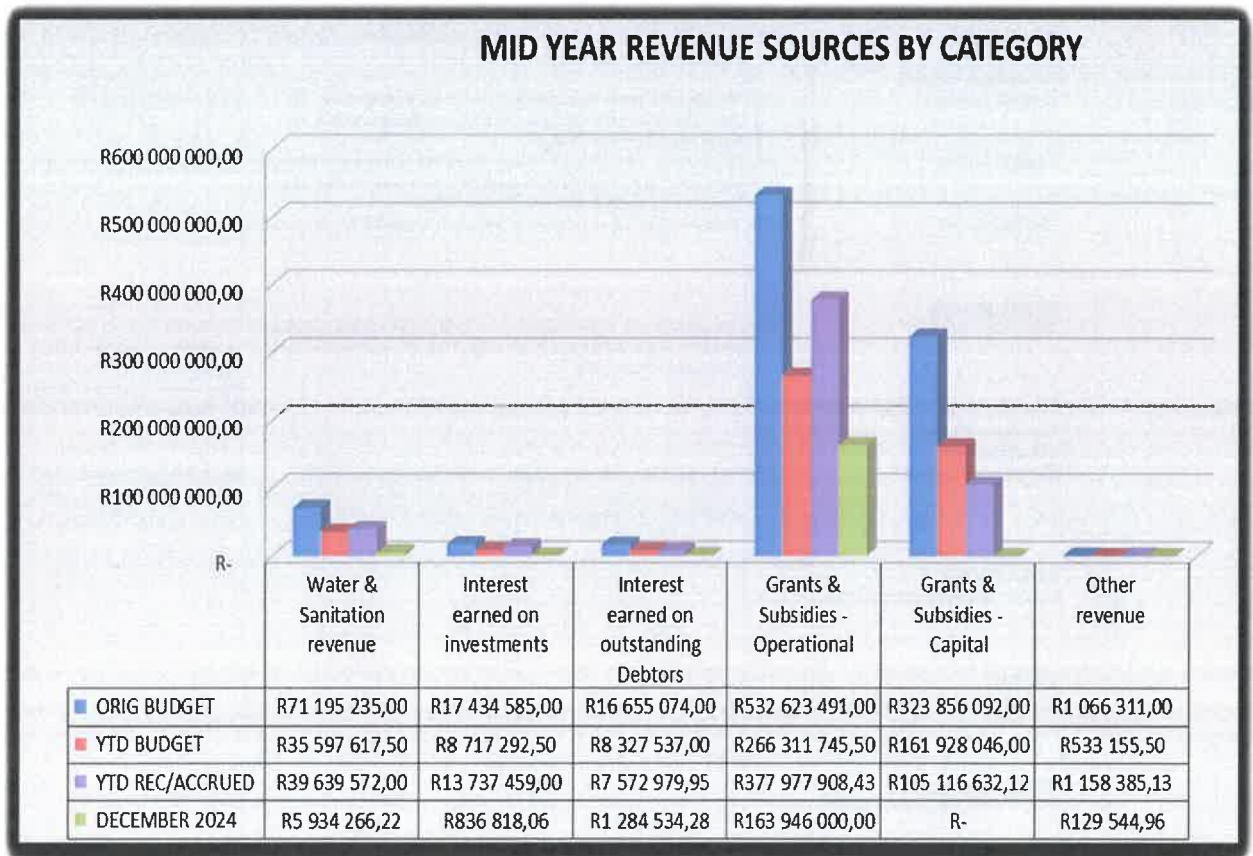
# Harry Gwala District Municipality

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>R thousands</b>			
<b>Revenue By Source</b>			
Service charges - water revenue	16%	An increase due to unattended water leaks by consumers. Delays in fixing of faulty meters by water services. Prepaid consumption is increasing due to billing that has been extended to other areas within Umzimkhulu. increased due to the municipality engaging in the process of fixing faulty meter around the district and consumers were billed on the actual consumption	upward adjustment is necessary. The municipality needs to encourage consumers to fix internal leaks timeously and water services to replace faulty meters.
Service charges - sanitation revenue	-9%	Over budgeting. An analysis needs to be performed to determine the correct allocation of prepaid tokens between water and sanitation charges	An analysis needs to be performed to determine the correct allocation of prepaid tokens between water and sanitation charges. upwards adjustment is necessary, Upward adjustments is necessary
Interest earned - external investments	58%	Slow expenditure on capital expenditure on capital projects resulting from several changes in project consultants that had a ripple effect on the appointment of contractors and also the investments that has been fixed for more than 6 months.	Upward adjustments is necessary
Interest earned - outstanding debtors	42%	The variance resulted from the non payment for services by the consumers resulting in a higher than anticipated consumer debtors balance	An upward adjustments is necessary. Strict Implementation of the debt and credit control policy measures such as water restrictions and handing over defaulting consumers to debt collectors
Transfers and subsidies	42%	Slow expenditure on capital expenditure on capital projects resulting from several changes in project consultants that had a ripple effect on the appointment of contractors	No adjustment is necessary. New project contractors were appointed during the first and second quarter of the budget year therefore the municipality anticipates improved expenditure in the second half of the budget year.
Other Income	35%	Actual performance is more due to higher projected debtors' book	upward adjustments is necessary
<b>Expenditure By Type</b>			
Employee related costs	-8%	The municipality is spending according to what was anticipated, however due to employee related costs related to post health care obligations and long service	Upward adjustment would be required
Remuneration of councillors	11%	The municipality need to do proper investigation if there was no misallocation	Investigation need to be done
Debt impairment	-100%	Debt impairment allowance calculation is performed and accounted for during the annual financial statements preparation process due to the complexity and volume of work involved performing this task. This is only adjusted on an annual basis	No adjustment is necessary
Depreciation & asset impairment	-100%	The expenditure is expected to increase after the capitalisation of construction work in progress assets to completed infrastructure assets	No adjustment is necessary
Finance charges	-100%	Finance charges mainly due to the interest on finance leases that was not taken into account in the first six months	No adjustment would be required
Bulk purchases - electricity	-13%	The expenditure is lower than the budget due to disagreement between Ugu District Municipality and Harry Gwala District Municipality about some of the invoices submitted to the municipality	No adjustment is necessary
Inventory consumed			
Contracted services	8%	The increase is due to repairs and maintenance as the municipal infrastructure is ageing and original budget was not enough to spend for the whole financial year. There is also an increase in the expenditure for Eskom.	Upward adjustments is necessary
Other expenditure	24%	The municipality is spending according to what was anticipated, the over performance	Upward adjustments is necessary
<b>Capital Expenditure</b>			
National Government	-6%	Slow expenditure on capital expenditure on capital projects resulting from delays in the appointment of new contractors and delays due to poor performance resulting to termination of contractors	No adjustment is necessary. New project contractors were appointed during the first and second quarter of the budget year therefore the municipality anticipates improved expenditure in the second half of the budget year.
Provincial Government	0%		
District Municipality	0%		
Internally generated funds	-38%	The budget for the procurement of municipal vehicles is still sitting under commitment. The amount was not spent during the first half of the year due to the unavailability of the suitable vehicles for the terrain on the RT-57 tender.	No adjustment is necessary. The municipality is exploring and considering alternative means of procurement.
<b>Financial Position</b>			
Client elected Not to populate this sheet			
<b>Cash Flow</b>			
Client elected Not to populate this sheet			
<b>Measureable performance</b>			
Client elected Not to populate this sheet			
<b>Municipal Entities</b>			
Client elected Not to populate this sheet			

## REVENUE

The chart displays a comparison between the midyear 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 December 2024 was R39, 6million against a year to date **budget** of R35, 5million. This represents over performance in municipal billing by 11%. However, this percentage measures the municipal performance in terms of the ability to bill consumers that are receiving services from the municipality and **is not** a measure of the ability to collect outstanding consumer accounts.

*Adjustment Budget Implications:* The performance of service charges for the mid-year is more than what was anticipated therefore upward adjustment is needed.

## **Interest Earned on External Investments**

The actual interest earned on external investments as at midyear exceeds the estimated consideration by 58% (R5million) more than what was budgeted.

*Adjustment Budget Implications:* An upward adjustment is required.



### **Transfers Recognised - Operational**

The operational grants revenue of R377, 9million against a year-to-date budget of R266, 3million is largely attributable to the YTD equitable share received of R368, 8million while the balance relates to conditions met on conditional grant funding.

*Adjustment Budget Implications:* No adjustment budget is necessary.

### **Transfers Recognised – Capital**

The actual R146, 3million (against a YTD budget of R171, 3million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 15% under performance in Conditional Capital grant funding expenditures.

*Adjustment Budget Implications:* No adjustment budget is needed. According to the expenditure as at 31 December 2024 the municipality managed to spend more than 50 per cent for conditional grants and is in a position to fully spend the capital grants by end June 2025.

### **Other Revenue**

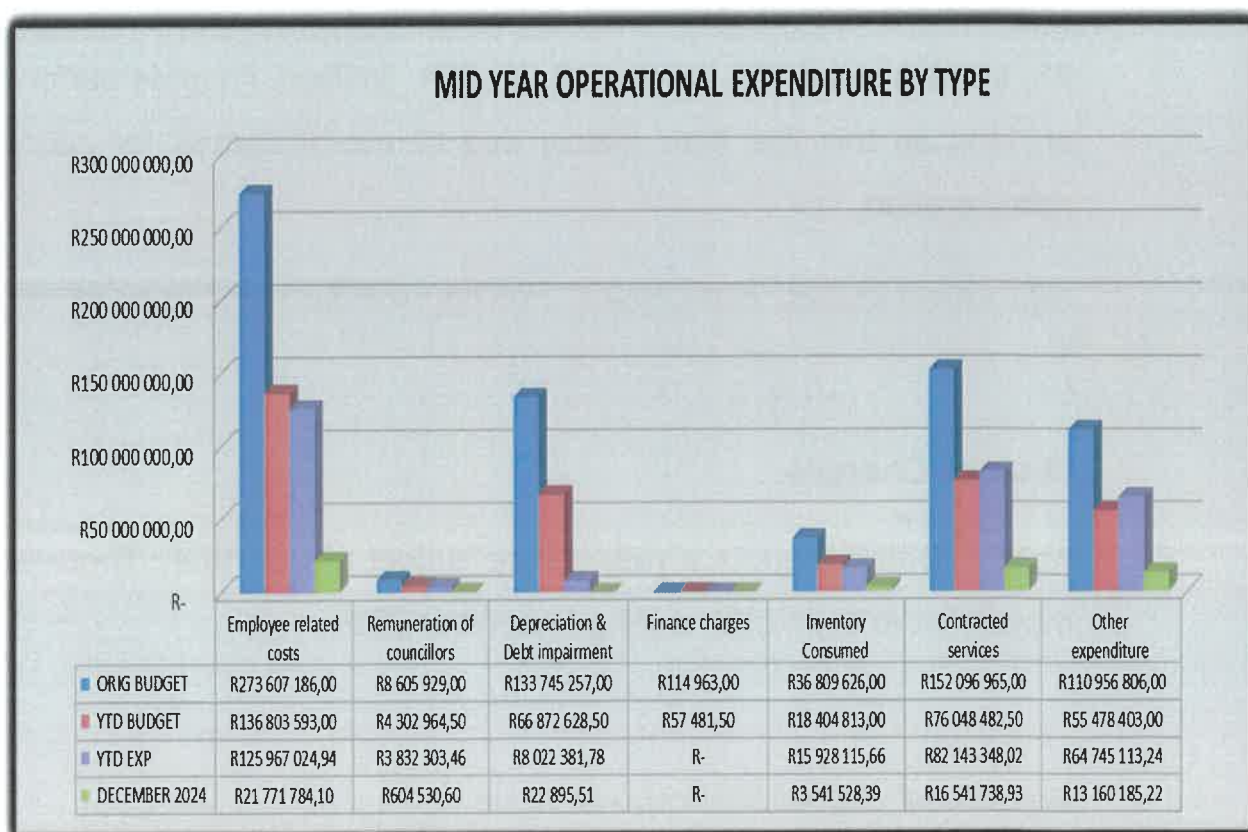
The YTD actual of other revenue is R1, 1million against year-to-date budget of R533 156. Other revenue mainly comes from the sale of Tender Documents. Other revenue has overperformed by 117 per cent.

*Adjustment Budget Implications: A upward adjustment would be necessary.*

### OPERATIONAL EXPENDITURE

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

**Chart 4: Midyear Opex**



## **Employee Related Costs**

The year-to-date budget for employee related costs is R136, 8million against a year to date actual of R125, 9million. Employee related costs under performed by 8% or R10, 8million.

*Adjustment Budget Implications:* Due to employee related costs related to post health care obligations and long service awards that are non-cash items arise from actuarial valuations. employee related costs need to be adjusted upward to cater the non-cash items as stated.

## **Remuneration of Councillors**

The remuneration of councillor's expenditure as at 31 December 2024 was R3, 8million against a year to budget of R4, 3million. An underperformance of 11% on this line item mainly due to overbudgeting for councillors' remuneration.

*Adjustment Budget Implications:* Downward adjustment is necessary.

## **Finance Charges**

As at midyear, there is a year a date budget of R57 482k. There was no movement in the month ending December 2024.

*Adjustment Budget Implications:* None

## **Inventory Consumed**

The expenditure on Inventory consumed has underperformed by 13 per cent at mid-year. The year-to-date actual amounting to R15, 9million against year-to-date budget of R18, 4million. A review of this budget would be required.

*Adjustment Budget Implications:* No adjustment budget is necessary.

## **Contracted Services**

An over expenditure of 8% was reported at mid-year. A review of the categorisation of expenditures contained in this classification is required.

*Adjustment Budget Implications:* An analysis of the non-priority and priority line items would have to be done to assess the need and extent of the adjustments.

## **Other Expenditure**

An over expenditure of 17% was reported at mid-year. A review of the classification of other expenditure would need to be undertaken.

*Adjustment Budget Implications:* An analysis of the non-priority and priority line items would have to be done to assess the need and extent of the adjustments.

### **Performance assessment**

The Mid-Year Performance Assessment Report is an important instrument which allows the municipality to learn and appreciate the extent to which planned targets have been met. But of critical importance is the fact that the findings of the assessment allow the municipality to quickly detect challenges and bottlenecks that may prohibit the successful implementation of projects, particularly in the long- run. It further affords the municipality an opportunity to change the strategies used especially when the planned targets were not met within the agreed timeframe, budget and standards.

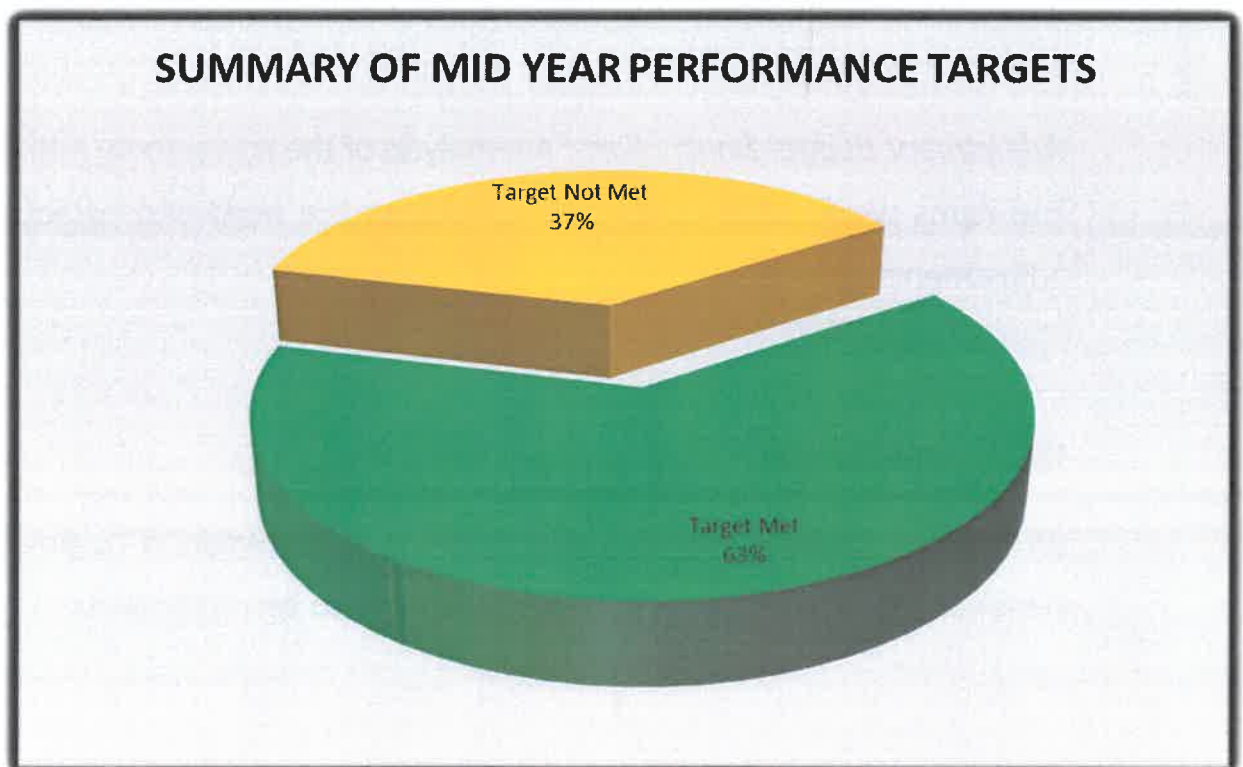


Chart 6 above provides a summary of the targets achieved or met (63%) as well the targets not met (37%). It can be stated that the performance of the municipality at midyear is above average; however, there is still more room for improvement. There are reasons why some of the targets could not be met, and as such, the Performance Management unit has listed all the possible challenges that have hindered/ contributed to non-performance or non -implementation of the 37 targets not met.

Chart 6 below provides an analysis of the planned targets versus the targets achieved and the ones not met.

**Chart 6: Departmental performance targets**

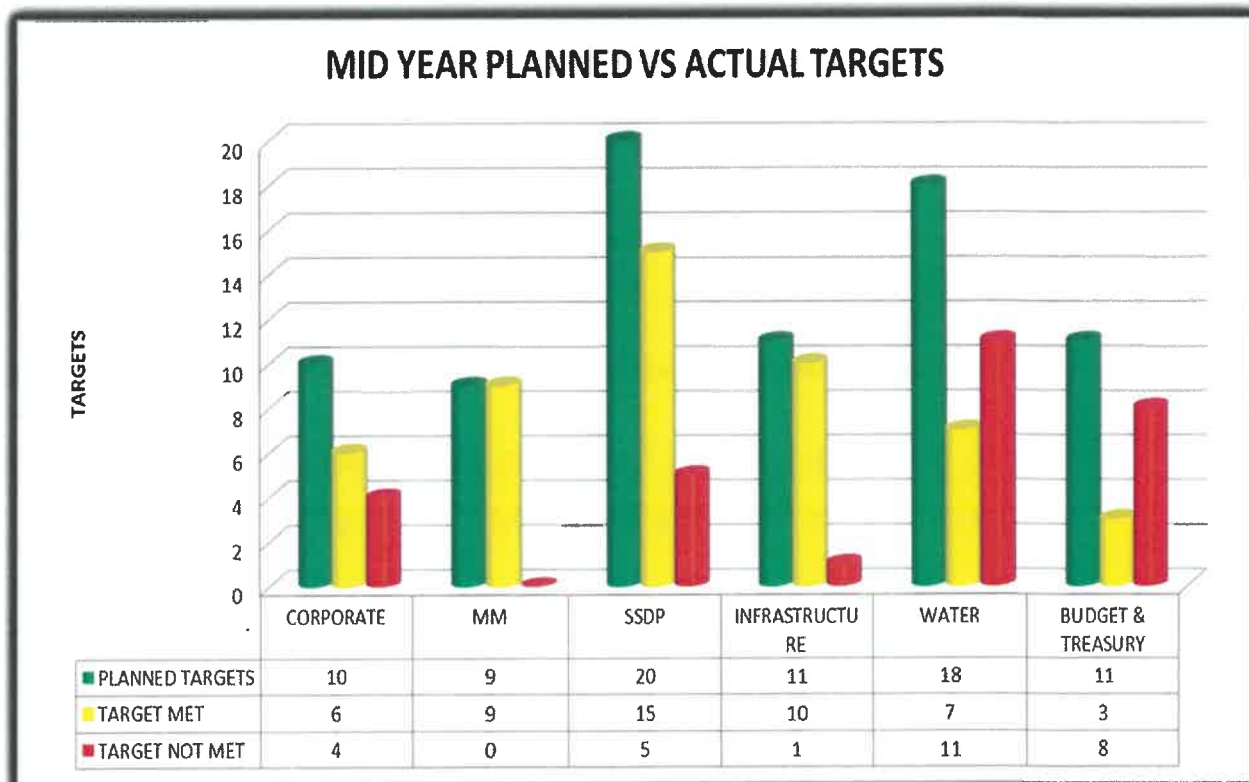
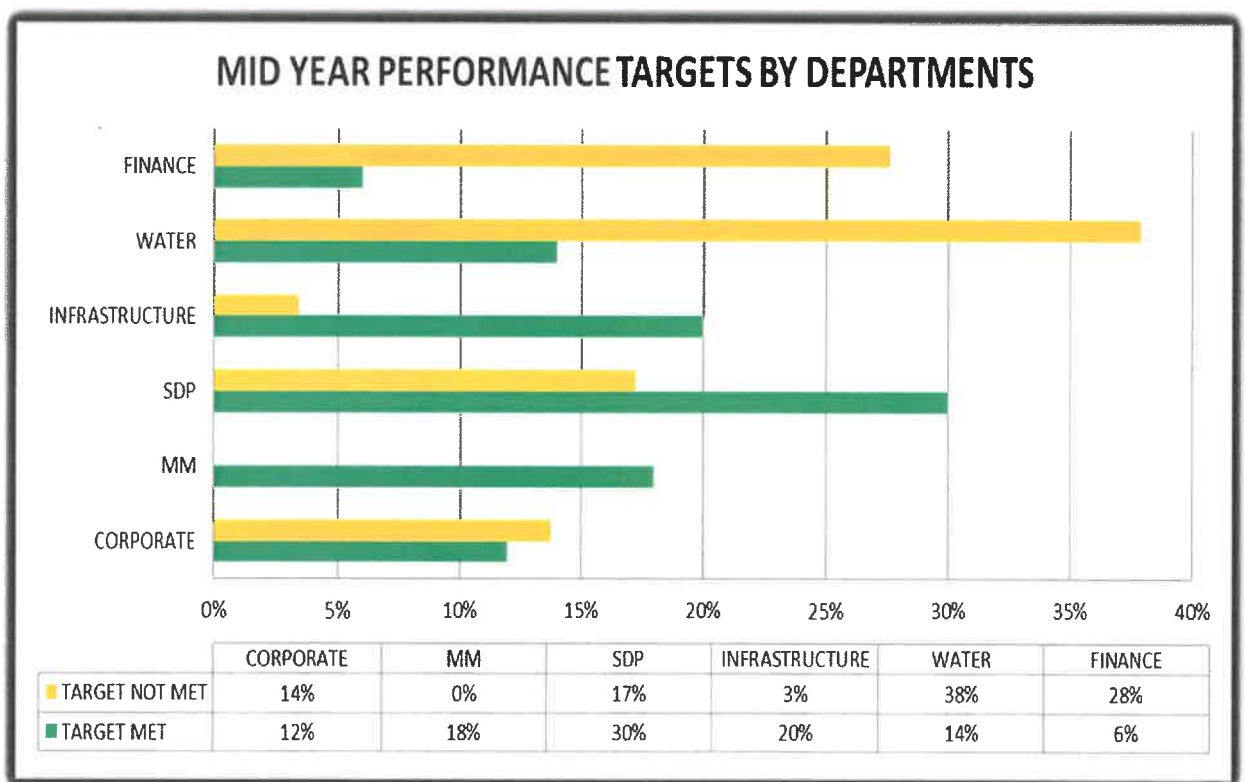


Chart 7 below analyses the extent to which performance targets, in percentage terms, were met by ranking departments from the highest (achieved) to the lowest.

**Chart 7: Performance targets Departments**



Below, the PMS unit has further rendered possible remedies to all the challenges as we move the second half of the year.

## **Key Challenges**

### **Infrastructure Services**

#### *Challenges:*

Emazizini Project is complete but not yet fully handed over due to Eskom power connection and conclusion of Beneficiary Project complete but not yet fully - handed over due to Eskom power connections. List is impacted by the power supply issue hence the scheme cannot be deemed as fully functional and fully handed over to O&M for usage.

#### *Corrective Measure:*

Eskom has committed to prioritize the power supply connections as per the letter of priority listing the sites submitted by the municipality. Handing over process will be revised to Q4 to allow sufficient time for Eskom to conclude all sites related to Mazizini projects as they have started the connections.

### **Water Services**

#### *Challenges:*

The refurbishment of Bhayi-Gudlicingo Project funded by Water Services Infrastructure Grant progress was slow that resulted to Contract being terminated.

There is also a slow progress on the contractor from Nokweja Mashumi community water supply, Land disputes on identified and or potential groundwater resources. There is also delays in finalizing the appointment of new Contractors.



*Corrective Measure:*

Request to advertise outstanding works has been sent to supply chain management in order to procure a new Contractor by the 3rd quarter to finish off the remaining works.

Works have been suspended in order to resolve land disputes. New potential sites have been identified in order to harvest reliable groundwater sources.

### **Social Services and Development Planning**

The stakeholder's engagement could not take place due to unavailability of PDMC as they are the main stakeholders that facilitate the workshop. BTO is currently busy with evaluation and adjudication processes.

### **Corporate Services**

Corporate Services planned to achieve 10 targets by mid-term. 06 targets were achieved and 04 were not achieved. Performance achievement is sitting at 60%.

Noted that some of the KPIs were not reported on by Corporate Services.

### **Office of the Municipal Manager**

The department planned to achieve 09 targets by mid-term. 09 targets were achieved. Performance achievement is sitting at 100%.

## **Budget and Treasury Office**

The department planned to achieve 11 targets by mid-term 03 targets were achieved and 8 were not achieved. Performance achievement is sitting at 27,27%.

Noted that some of the KPIs were not reported on by BTO.

### **2.8 Capital Programme Performance**

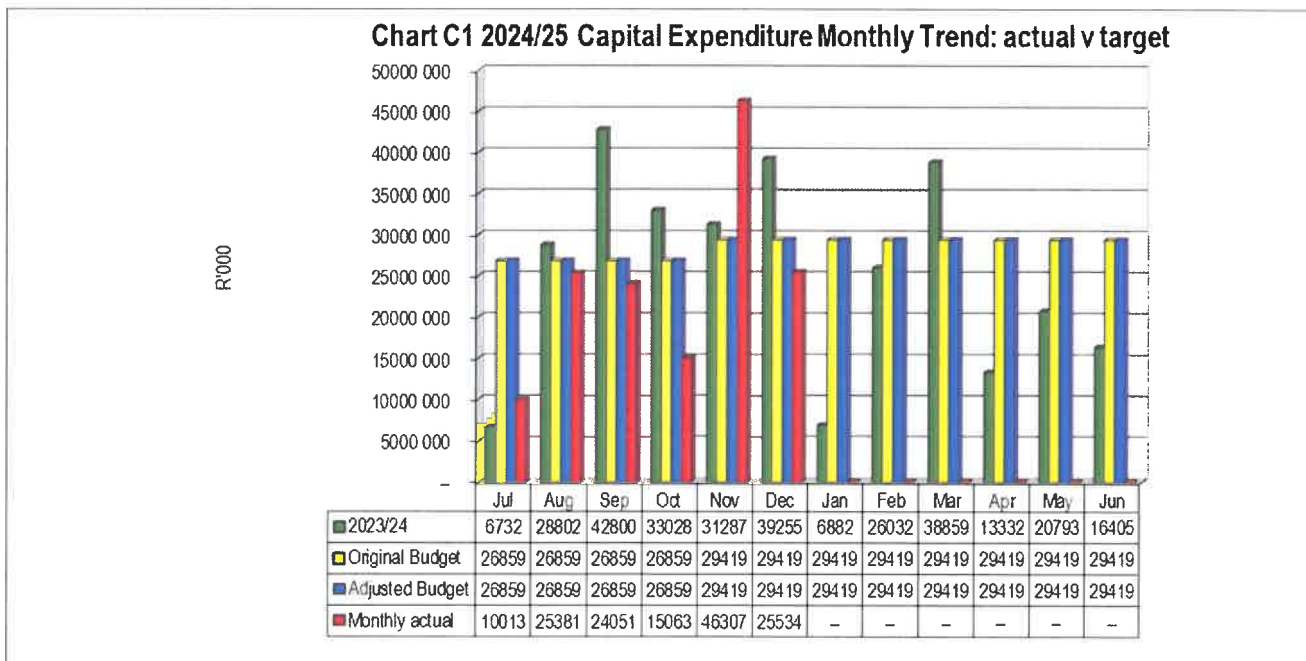
This next section looks at the performance of the capital expenditure programme. This performance is best illustrated in the charts that follow.

Chart C1 below display a comparison between the previous year's capital expenditure performances to that of the current year for the period under review. A comparison between the monthly expenditure for the periods July to December 2024 and the planned monthly targets is also displayed.

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M06 December

Month	2023/24	Budget Year 2024/25							
	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	6 733	26 859	26 859	10 014	10 014	26 859	16 846	62,7%	3%
August	28 802	26 859	26 859	25 382	25 382	53 719	28 337	52,8%	7%
September	42 801	26 859	26 859	24 052	24 052	80 578	56 526	70,2%	7%
October	33 028	26 859	26 859	15 064	15 064	107 437	92 373	86,0%	4%
November	31 288	29 420	29 420	46 308	46 308	136 857	90 549	66,2%	14%
December	39 255	29 420	29 420	25 534	25 534	166 277	140 743	84,6%	7%
January	6 883	29 420	29 420	-	-	195 697	195 697	100,0%	0%
February	26 032	29 420	29 420	-	-	225 117	225 117	100,0%	0%
March	38 859	29 420	29 420	-	-	254 537	254 537	100,0%	0%
April	13 333	29 420	29 420	-	-	283 957	283 957	100,0%	-
May	20 793	29 420	29 420	-	-	313 377	313 377	100,0%	-
June	16 406	29 420	29 420	-	-	342 797	342 797	100,0%	-
<b>Total Capital expenditure</b>	<b>304 213</b>	<b>342 797</b>	<b>342 797</b>	<b>146 353</b>					

Chart C1: Capital Expenditure Monthly Trend: Actual v Target



This next section looks at the performance of the capital expenditure on new assets by asset class.

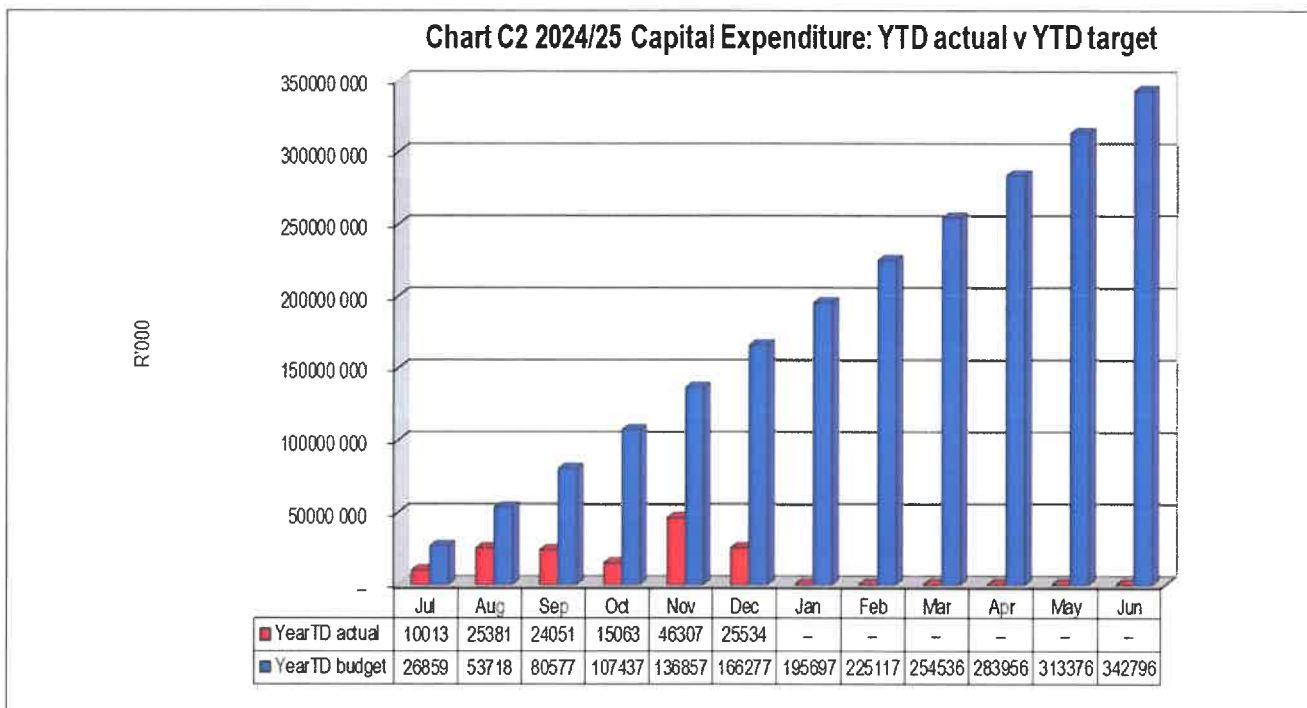
# Harry Gwala District Municipality

DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>284 128</b>	<b>282 223</b>	<b>292 330</b>	<b>20 943</b>	<b>129 500</b>	<b>143 468</b>	<b>13 968</b>	<b>9,7%</b>	<b>292 330</b>
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	219 163	270 019	265 834	16 592	109 716	133 793	24 078	18,0%	265 834
Dams and Weirs	24 469	59 786	51 269	4 208	21 753	27 764	6 010	21,6%	51 269
Boreholes	3 346	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	18 006	29 516	30 516	583	20 037	15 008	(5 029)	-33,5%	30 516
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	50 385	95 999	82 765	7 311	27 204	44 521	17 318	38,9%	82 765
Distribution	122 957	84 718	101 284	4 490	40 722	46 501	5 779	12,4%	101 284
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	64 965	12 204	26 496	4 351	19 785	9 675	(10 110)	-104,5%	26 496
Pump Station	12 051	1 739	1 234	-	1 234	743	(491)	-66,0%	1 234
Reticulation	52 914	5 217	22 562	4 351	16 273	6 945	(9 328)	-134,3%	22 562
Waste Water Treatment Works	-	2 000	2 700	-	2 278	1 175	(1 103)	-93,8%	2 700
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	3 248	-	-	-	812	812	100,0%	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	<b>-</b>	<b>6 250</b>	<b>6 250</b>	<b>-</b>	<b>-</b>	<b>3 125</b>	<b>3 125</b>	<b>100,0%</b>	<b>6 250</b>
Operational Buildings	-	4 250	4 250	-	-	2 125	2 125	100,0%	4 250
Municipal Offices	-	4 250	4 250	-	-	2 125	2 125	100,0%	4 250
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	2 000	2 000	-	-	1 000	1 000	100,0%	2 000
Staff Housing	-	2 000	2 000	-	-	1 000	1 000	100,0%	2 000
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>796</b>	<b>796</b>	<b>-</b>	<b>-</b>	<b>398</b>	<b>398</b>	<b>100,0%</b>	<b>796</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	796	796	-	-	398	398	100,0%	796
Computer Software and Applications	-	796	796	-	-	398	398	100,0%	796
<b>Computer Equipment</b>	<b>943</b>	<b>2 000</b>	<b>2 000</b>	<b>-</b>	<b>-</b>	<b>1 000</b>	<b>1 000</b>	<b>100,0%</b>	<b>2 000</b>
Computer Equipment	943	2 000	2 000	-	-	1 000	1 000	100,0%	2 000
<b>Furniture and Office Equipment</b>	<b>2 306</b>	<b>4 980</b>	<b>4 980</b>	<b>-</b>	<b>1 562</b>	<b>2 490</b>	<b>927</b>	<b>37,2%</b>	<b>4 980</b>
Furniture and Office Equipment	2 306	4 980	4 980	-	1 562	2 490	927	37,2%	4 980
<b>Machinery and Equipment</b>	<b>1 306</b>	<b>2 588</b>	<b>5 588</b>	<b>-</b>	<b>1 499</b>	<b>2 044</b>	<b>545</b>	<b>26,7%</b>	<b>5 588</b>
Machinery and Equipment	1 306	2 588	5 588	-	1 499	2 044	545	26,7%	5 588
<b>Transport Assets</b>	<b>986</b>	<b>600</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>300</b>	<b>100,0%</b>	<b>600</b>
Transport Assets	986	600	600	-	-	300	300	100,0%	600
<b>Total Capital Expenditure on new assets</b>	<b>289 670</b>	<b>299 437</b>	<b>312 544</b>	<b>20 943</b>	<b>132 561</b>	<b>152 825</b>	<b>20 264</b>	<b>13,3%</b>	<b>312 544</b>

The chart below, on the other hand, track the capital expenditure’s cumulative balances budget versus actual. It is clearly that expenditure started on a rather slower trend but showed acceleration towards the end of the mid-year.

**Chart C2: Capital Expenditure: YTD Actual v YTD Target**



In order for the municipality to reach its annual targets in the capital development programme, expenditure in this budget would have to maintained or increased at the trends experienced in December 2024.

## 2.9 Municipal Manager's Quality's Certification

### Quality Certificate

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

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state affairs of the municipality
- mid-year budget and performance assessment

The performance for the month of **31 December** of **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 (DC43)**

Signature

 \_\_\_\_\_

Date

 \_\_\_\_\_

