

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 August 2024.



In-Year Report of the Municipality

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

Table of Contents

1.2	Executive Summary.....	6
1.3	Resolutions.....	10
1.4	Monthly Budget Statement Tables.....	11
2.1	Debtors Analysis.....	20
2.2	Creditors Analysis.....	26
2.3	Investment Portfolio Analysis.....	26
2.4	Allocation and Grant receipts and Expenditure.....	27
2.5	Councillor and Staff Benefits.....	29
2.6	Material Variances to the SDBIP.....	31
2.7	Municipal Manager’s Quality’s Certificate.....	42

Glossary

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

AFS – Annual Financial Statements

Budget – The financial plan of the Municipality.

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

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

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

FMG – Financial Management Grant.

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

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

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

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

MIG – Municipal Infrastructure Grant.

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

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

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

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

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

YTD – Year to date

YoY – Year on Year

DBSA – Development Bank of South Africa

PURPOSE

To table a report on the Implementation of the current budget and the financial state of the Municipality in terms of Section 71 of the Municipal Finance Management Act (MFMA) for the period ending 31 August 2024.

LEGISLATIVE FRAMEWORK

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

Legislative Requirements

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

- (a)* Actual revenue, per revenue source;
- (b)* actual borrowings;
- (c)* actual expenditure, per vote;
- (d)* actual capital expenditure, per vote;
- (e)* the amount of any allocations received;

(f) actual expenditure on those allocations, excluding expenditure on—

- (i) its share of the local government equitable share; and
- (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(g) when necessary, an explanation of—

- (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
- (ii) any material variances from the service delivery and budget implementation plan; and
- (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's

1.2 Executive Summary

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

Revenue by Source

The Year-to-Date actual revenue is 140% above the YTD budget. All the allocated conditional grants received as per Division of Revenue Bill, However the recognition as revenue only occur when the expenditure is incurred.

Borrowings

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

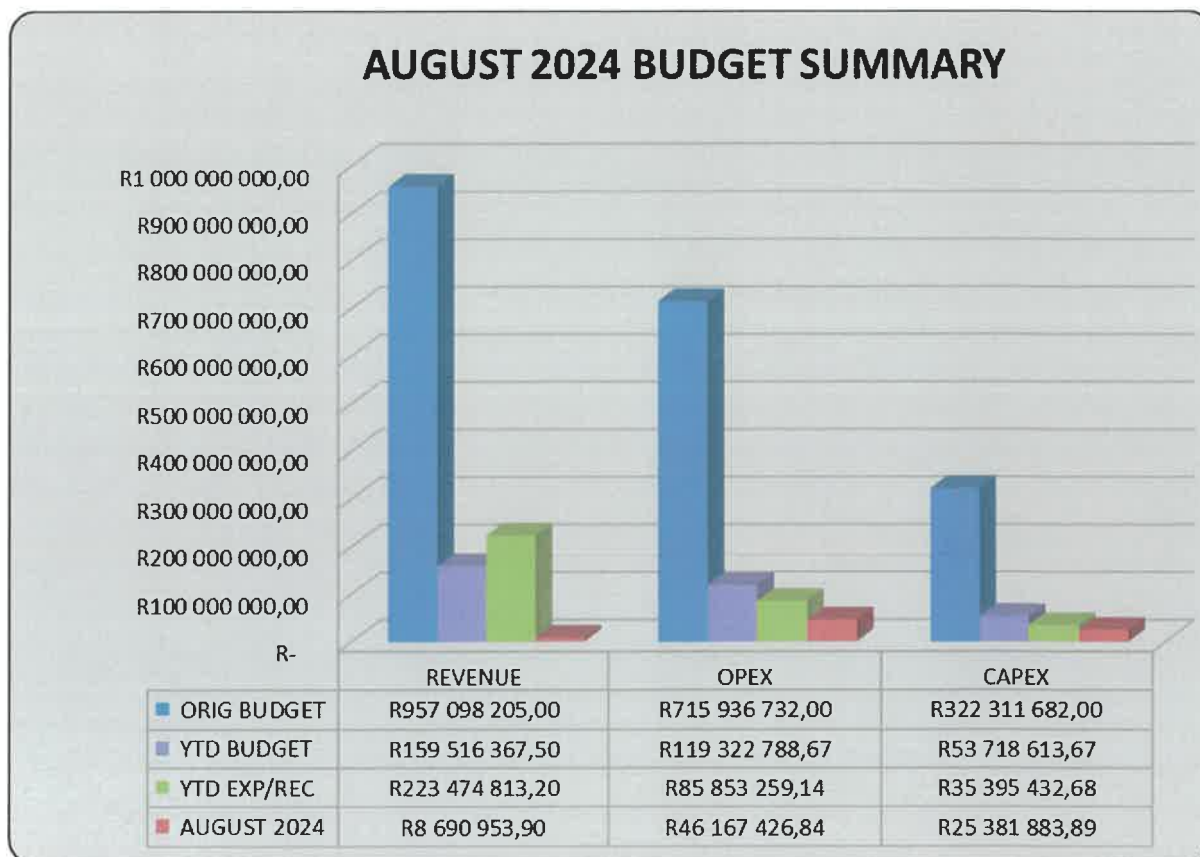
Operating expenditure by vote & type

The total operating budget for the current year amounts to R715, 9m. The YTD Operating expenditure for the month ended 31 August amounted to R85, 8m against a year to date (YTD) budget of R119, 3m. The actual YTD expenditure represented 72% of the year to date budget.

Capital expenditure

The total capital budget for the current year amounts to R322, 3m. The YTD expenditure on capital amounts to R35, 3million against year to date budget of R53, 7million, or 66% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

Chart 1: Budget vs. Expenditure Summary



Cash flows

The municipality started the year with a positive cashbook balance of R209, 7million. The closing cash and cash equivalents as at the end of August 2024 was R387, 7million. Refer to the table below for cash and cash equivalent register for more detail on the cash position.

CASH AND INVESTMENT REGISTER AS AT 31 AUGUST 2024

Investments by maturity Name of institution & investment ID R thousands	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							
Municipality								
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	222	1	-	-	223
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	46 311	255	(20 375)	-	26 191
FIRST NATIONAL BANK	M	ADMIN CALL	Fixed	203	14	-	-	217
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	27	0	-	45 000	45 027
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	18	0	-	-	18
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	50 482	285	-	-	50 767
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 864	11	-	-	1 875
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	8	0	-	-	8
NEDBANK	M	FIXED DEPOSIT	Fixed	101	1	-	-	102
FNB BANK	M	FIXED DEPOSIT	Fixed	2 000	14	(14)	-	2 000
FNB BANK	M	FIXED DEPOSIT	Fixed	49 781				49 781
FNB BANK	M	FIXED DEPOSIT	Fixed	55 000		(55 000)		-
FNB BANK	M	FIXED DEPOSIT	Fixed	55 000				55 000
FNB BANK	M	FIXED DEPOSIT	Fixed	22 500				22 500
FNB BANK	M	FIXED DEPOSIT	Fixed	22 500				22 500
FNB BANK	M	FIXED DEPOSIT	Fixed	22 500				22 500
STANDARD BANK	M	FIXED DEPOSIT	Fixed	-			53 300	53 300
FNB BANK	M	FIXED DEPOSIT	Fixed	22 500	234	(22 734)	-	-
FNB BANK	M	PRIMARY ACCOUNT	Fixed	52 497		(16 782)	-	35 715
Municipality sub-total				403 513	816	(114 905)	98 300	387 723
TOTAL INVESTMENTS AND INTEREST				403 513	816	(114 905)	98 300	387 723

Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2024/2025 have been received as per payment schedule. The total grants received as at 31 August 2024 was R 289, 7million. Conditional Grants amounting to R 84, 7million and the equitable share is R 204, 9million. Three grants received in the month ending 31 August 2024.

Transfers Recognised – Operating

Three operational grants received for the month of August 2024 namely:

- Expanded Public Works Programme- R 1 114 000
- Rural Road Asset Management Grant- R 1 034 313
- Financial Management Grant- R 1 200 000

Transfers Recognised – Capital

No Capital grant received for the month of August 2024

Spending on Grants

Spending on grants amounted to R10million or 37% for the month ending August 2024.

1.3 Resolutions

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

1.4 Monthly Budget Statement Tables

Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance in the Municipality and is unpacked in the sections that follow.

DC43 Harry Gwala - Table C1 Consolidated Monthly Budget Statement Summary - M02 August

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									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	72 558	71 195	71 195	6 152	13 089	11 866	1 223	10%	71 195
Investment revenue	21 968	17 435	17 435	1 240	2 862	2 906	(43)	-1%	17 435
Transfers and subsidies - Operational	477 532	532 623	532 623	-	204 932	88 771	116 161	0	532 623
Other own revenue	19 807	17 721	17 721	1 293	2 591	2 954	(362)	-12%	-
Total Revenue (excluding capital transfers and contributions)	581 885	638 975	638 975	8 691	223 475	106 496	116 979	110%	638 975
Employee costs	256 039	273 607	273 607	19 219	40 337	45 602	(5 264)	-12%	273 607
Remuneration of Councillors	6 532	8 606	8 606	566	1 158	1 434	(276)	-19%	8 606
Depreciation and amortisation	236 930	101 837	101 837	-	-	16 973	(16 973)	-100%	101 837
Interest	2	115	115	-	-	19	(19)	-100%	115
Inventory consumed and bulk purchases	33 596	36 810	36 810	3 307	3 420	6 135	(2 715)	-44%	36 810
Transfers and subsidies	-	6 700	6 700	-	-	1 117	(1 117)	-100%	6 700
Other expenditure	265 774	288 262	288 262	23 075	40 938	48 044	(7 106)	-15%	288 262
Total Expenditure	789 275	715 937	715 937	46 167	85 853	119 323	(33 470)	-28%	715 937
Surplus/(Deficit)	(197 390)	(76 962)	(76 962)	(37 476)	137 622	(12 826)	150 449	-1173%	(76 962)
Transfers and subsidies - capital (monetary allocations)	332 319	316 124	316 124	-	-	53 021	(53 021)	-100%	316 124
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	134 930	241 161	241 161	(37 476)	137 622	40 193	97 429	242%	241 161
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	134 930	241 161	241 161	(37 476)	137 622	40 193	97 429	242%	241 161
Capital expenditure & funds sources									
Capital expenditure	309 604	322 312	322 312	25 382	35 395	53 719	(18 323)	-34%	322 312
Capital transfers recognised	298 048	276 944	276 944	23 848	33 671	46 157	(12 486)	-27%	276 944
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	11 555	45 368	45 368	1 533	1 724	7 561	(5 837)	-77%	45 368
Total sources of capital funds	309 604	322 312	322 312	25 382	35 395	53 719	(18 323)	-34%	322 312
Financial position									
Total current assets	243 865	208 559	208 559	-	390 522	-	-	-	208 559
Total non current assets	2 937 178	3 446 319	3 446 319	-	3 032 573	-	-	-	3 446 319
Total current liabilities	135 216	124 097	124 097	-	204 500	-	-	-	124 097
Total non current liabilities	30 536	29 399	29 399	-	30 536	-	-	-	29 399
Community wealth/Equity	3 282 762	3 501 382	3 501 382	-	3 212 933	-	-	-	3 501 382
Cash flows									
Net cash from (used) operating	1 681 136	326 348	326 348	-	355 162	54 391	(300 770)	-553%	326 348
Net cash from (used) investing	(309 604)	(322 312)	(322 312)	-	(10 014)	(53 719)	(43 705)	81%	(322 312)
Net cash from (used) financing	(434)	(2 969)	(2 969)	-	-	(485)	(485)	100%	(2 969)
Cash/cash equivalents at the month/year end	1 615 739	152 288	152 288	554 916	554 916	151 389	(403 517)	-287%	210 835
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	7 937	6 116	4 970	4 496	5 454	3 607	16 352	177 041	225 972
Creditors Age Analysis									
Total Creditors	3 236	10	86	-	-	-	-	-	3 332

Financial Performance

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

DC43 Harry Gwala - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	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									
Revenue - Functional									
Governance and administration	490 123	510 213	510 213	1 248	207 867	85 036	122 831	144%	510 213
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	490 123	510 213	510 213	1 248	207 867	85 036	122 831	144%	510 213
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	42	17	17	3	7	3	4	135%	17
Community and social services	42	17	17	3	7	3	4	135%	17
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	-	21 530	21 530	-	-	3 588	(3 588)	-100%	21 530
Planning and development	-	21 530	21 530	-	-	3 588	(3 588)	-100%	21 530
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	434 040	425 338	425 338	7 441	15 602	70 890	(55 288)	-76%	425 338
Energy sources	-	-	-	-	-	-	-	-	-
Water management	420 226	409 956	409 956	6 256	13 302	68 326	(55 024)	-81%	409 956
Waste water management	13 814	15 382	15 382	1 185	2 299	2 564	(265)	-10%	15 382
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	924 204	957 098	957 098	8 691	223 475	159 516	63 958	40%	957 098
Expenditure - Functional									
Governance and administration	282 358	328 884	328 884	20 281	38 345	54 814	(16 469)	-30%	328 884
Executive and council	30 252	45 410	45 410	2 307	4 021	7 568	(3 547)	-47%	45 410
Finance and administration	243 547	271 416	271 416	17 251	32 970	45 236	(12 266)	-27%	271 416
Internal audit	8 559	12 058	12 058	723	1 354	2 010	(656)	-33%	12 058
Community and public safety	19 285	24 662	24 662	1 273	2 725	4 110	(1 385)	-34%	24 662
Community and social services	19 285	24 662	24 662	1 273	2 725	4 110	(1 385)	-34%	24 662
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	294 577	175 539	175 539	8 873	12 408	29 257	(16 849)	-58%	175 539
Planning and development	294 577	175 539	175 539	8 873	12 408	29 257	(16 849)	-58%	175 539
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	193 055	186 601	186 601	15 741	32 375	31 100	1 275	4%	186 601
Energy sources	-	-	-	-	-	-	-	-	-
Water management	192 868	185 665	185 665	15 725	32 343	30 944	1 398	5%	185 665
Waste water management	187	937	937	16	33	156	(124)	-79%	937
Waste management	-	-	-	-	-	-	-	-	-
Other	-	250	250	-	-	42	(42)	-100%	250
Total Expenditure - Functional	789 275	715 937	715 937	46 167	85 853	119 323	(33 470)	-28%	715 937
Surplus/ (Deficit) for the year	134 930	241 161	241 161	(37 476)	137 622	40 193	97 429	2,42402103	241 161

This table assess the revenue by department and then the expenditure for the period ending 31 August 2024. Revenue receipts in August have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of August is 5% against original budget.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of August as the department responsible for the repairs and maintenance of the municipal assets and also with the largest staff complement, shares the greatest bulk of this budget and hence the expenditure of R18, 3million.

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

DC43 Harry Gwala - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description	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									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	489 676	509 775	509 775	1 248	207 807	84 962	122 845	144,6%	509 775
Vote 04 - Summary Corporate Services	418	387	387	-	60	65	(5)	-7,6%	387
Vote 05 - Summary Social Services & Development Planning	42	21 547	21 547	3	7	3 591	(3 585)	-99,8%	21 547
Vote 06 - Summary Infrastructure Services	348 937	343 279	343 279	190	494	57 213	(56 719)	-99,1%	343 279
Vote 07 - Summary Water Services	85 131	82 110	82 110	7 251	15 108	13 685	1 423	10,4%	82 110
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	924 204	957 098	957 098	8 691	223 475	159 516	63 958	40,1%	957 098
Expenditure by Vote									
Vote 01 - Summary Council	15 581	21 342	21 342	1 123	2 121	3 557	(1 436)	-40,4%	21 342
Vote 02 - Summary Municipal Manager	23 229	27 993	27 993	1 907	3 254	4 666	(1 412)	-30,3%	27 993
Vote 03 - Summary Budget And Treasury Office	97 677	105 423	105 423	3 621	10 861	17 571	(6 709)	-38,2%	105 423
Vote 04 - Summary Corporate Services	93 168	106 417	106 417	10 984	17 672	17 736	(64)	-0,4%	106 417
Vote 05 - Summary Social Services & Development Planning	56 388	88 372	88 372	8 881	11 540	14 729	(3 189)	-21,6%	88 372
Vote 06 - Summary Infrastructure Services	257 942	125 796	125 796	1 303	3 720	20 966	(17 246)	-82,3%	125 796
Vote 07 - Summary Water Services	245 289	240 594	240 594	18 349	36 684	40 099	(3 415)	-8,5%	240 594
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	789 275	715 937	715 937	46 167	85 853	119 323	(33 470)	-28,0%	715 937
Surplus/ (Deficit) for the year	134 930	241 161	241 161	(37 476)	137 622	40 193	97 429	242,4%	241 161

Statement of financial Performance

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

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

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									
Revenue									
Exchange Revenue									
Service charges - Electricity							-		
Service charges - Water	59 302	56 944	56 944	5 105	10 947	9 491	1 456	15%	56 944
Service charges - Waste Water Management	13 256	14 252	14 252	1 047	2 142	2 375	(233)	-10%	14 252
Service charges - Waste management							-		
Sale of Goods and Rendering of Services	178	663	663	4	4	110	(106)	-96%	663
Agency services							-		
Interest							-		
Interest earned from Receivables	16 536	16 655	16 655	1 292	2 521	2 776	(255)	-9%	16 655
Interest from Current and Non Current Assets	21 988	17 435	17 435	1 240	2 862	2 906	(43)	-1%	17 435
Dividends							-		
Rent on Land							-		
Rental from Fixed Assets							-		
Licence and permits							-		
Operational Revenue	1 241	404	404	3	66	67	(1)	-2%	404
Non-Exchange Revenue									
Property rates							-		
Surcharges and Taxes							-		
Fines, penalties and forfeits	478	-	-	-	-	-	-		-
Licence and permits							-		
Transfers and subsidies - Operational	477 532	532 623	532 623	-	204 932	86 771	116 161	131%	532 623
Interest	-	-	-	-	-	-	-		-
Fuel Levy							-		
Operational Revenue	-	-	-	-	-	-	-		-
Gains on disposal of Assets	-	-	-	-	-	-	-		-
Other Gains	1 374	-	-	-	-	-	-		-
Discontinued Operations									
Total Revenue (excluding capital transfers and contributions)	591 885	638 975	638 975	8 691	223 475	106 486	116 979	110%	638 975
Expenditure By Type									
Employee related costs	256 039	273 607	273 607	19 219	40 337	45 602	(5 264)	-12%	273 607
Remuneration of councillors	6 932	8 606	8 606	566	1 158	1 434	(276)	-19%	8 606
Bulk purchases - electricity	-	-	-	-	-	-	-		-
Inventory consumed	33 598	36 810	36 810	3 307	3 420	6 135	(2 715)	-44%	36 810
Debt impairment	10 796	-	-	-	-	-	-		-
Depreciation and amortisation	236 930	101 837	101 837	-	-	16 973	(16 973)	-100%	101 837
Interest	2	115	115	-	-	19	(19)	-100%	115
Contracted services	122 519	152 097	152 097	6 526	12 625	25 350	(12 725)	-50%	152 097
Transfers and subsidies	-	6 700	6 700	-	-	1 117	(1 117)	-100%	6 700
Irrecoverable debts written off	29 995	31 908	31 908	0	7 999	5 318	2 681	50%	31 908
Operational costs	91 274	104 257	104 257	16 550	20 313	17 376	2 937	17%	104 257
Losses on Disposal of Assets	1 190	-	-	-	-	-	-		-
Other Losses	-	-	-	-	-	-	-		-
Total Expenditure	789 275	715 937	715 937	46 167	85 853	119 323	(33 470)	-28%	715 937
Surplus/(Deficit)	(197 390)	(76 962)	(76 962)	(37 476)	137 622	(12 828)	150 449	(0)	(76 962)
Transfers and subsidies - capital (monetary allocations)	332 319	318 124	318 124	-	-	53 021	(53 021)	(0)	318 124
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	134 930	241 161	241 161	(37 476)	137 622	40 193	97 429	0	241 161
Income Tax							-		
Surplus/(Deficit) after income tax	134 930	241 161	241 161	(37 476)	137 622	40 193	97 429	0	241 161
Share of Surplus/Deficit attributable to Joint Venture							-		
Share of Surplus/Deficit attributable to Minorities							-		
Surplus/(Deficit) attributable to municipality	134 930	241 161	241 161	(37 476)	137 622	40 193	97 429	0	241 161
Share of Surplus/Deficit attributable to Associate							-		
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	134 930	241 161	241 161	(37 476)	137 622	40 193	97 429	0	241 161

Capital Expenditure

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

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

Vote Description	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									
Multi-Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	4 385	9 480	9 480	1 343	1 482	1 580	(98)	-6%	9 480
Vote 05 - Summary Social Services & Development Planning	986	5 640	5 640	-	-	940	(940)	-100%	5 640
Vote 06 - Summary Infrastructure Services	78 007	122 732	122 732	-	1 213	20 455	(19 242)	-94%	122 732
Vote 07 - Summary Water Services	226 226	184 460	184 460	24 039	32 700	30 743	1 957	6%	184 460
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	309 604	322 312	322 312	25 382	35 395	53 719	(18 323)	-34%	322 312
Total Capital single-year expenditure	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	309 604	322 312	322 312	25 382	35 395	53 719	(18 323)	-34%	322 312
Capital Expenditure - Functional Classification									
Governance and administration	4 385	14 205	14 205	1 343	1 482	2 368	(886)	-37%	14 205
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	4 385	14 205	14 205	1 343	1 482	2 368	(886)	-37%	14 205
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	986	600	600	-	-	100	(100)	-100%	600
Community and social services	986	600	600	-	-	100	(100)	-100%	600
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	60 631	121 210	121 210	-	1 213	20 202	(18 988)	-94%	121 210
Planning and development	60 631	121 210	121 210	-	1 213	20 202	(18 988)	-94%	121 210
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	243 602	186 297	186 297	24 039	32 700	31 050	1 651	5%	186 297
Energy sources	-	-	-	-	-	-	-	-	-
Water management	178 637	176 093	176 093	20 494	27 331	29 349	(2 018)	-7%	176 093
Waste water management	64 965	10 204	10 204	3 545	5 369	1 701	3 668	216%	10 204
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	309 604	322 312	322 312	25 382	35 395	53 719	(18 323)	-34%	322 312
Funded by:									
National Government	298 048	276 629	276 629	23 848	33 671	46 105	(12 434)	-27%	276 629
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	315	315	-	-	53	(53)	-100%	315
Transfers recognised - capital	298 048	276 944	276 944	23 848	33 671	46 157	(12 486)	-27%	276 944
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	11 555	45 368	45 368	1 533	1 724	7 561	(5 837)	-77%	45 368
Total Capital Funding	309 604	322 312	322 312	25 382	35 395	53 719	(18 323)	-34%	322 312

As alluded to above, the capital expenditure programme for the period ending 31 August 2024 was R35, 3m which represents 66% of capital expenditure against year to date budget of R53, 7million.

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

Chart 1: 2024/2025 CAPEX

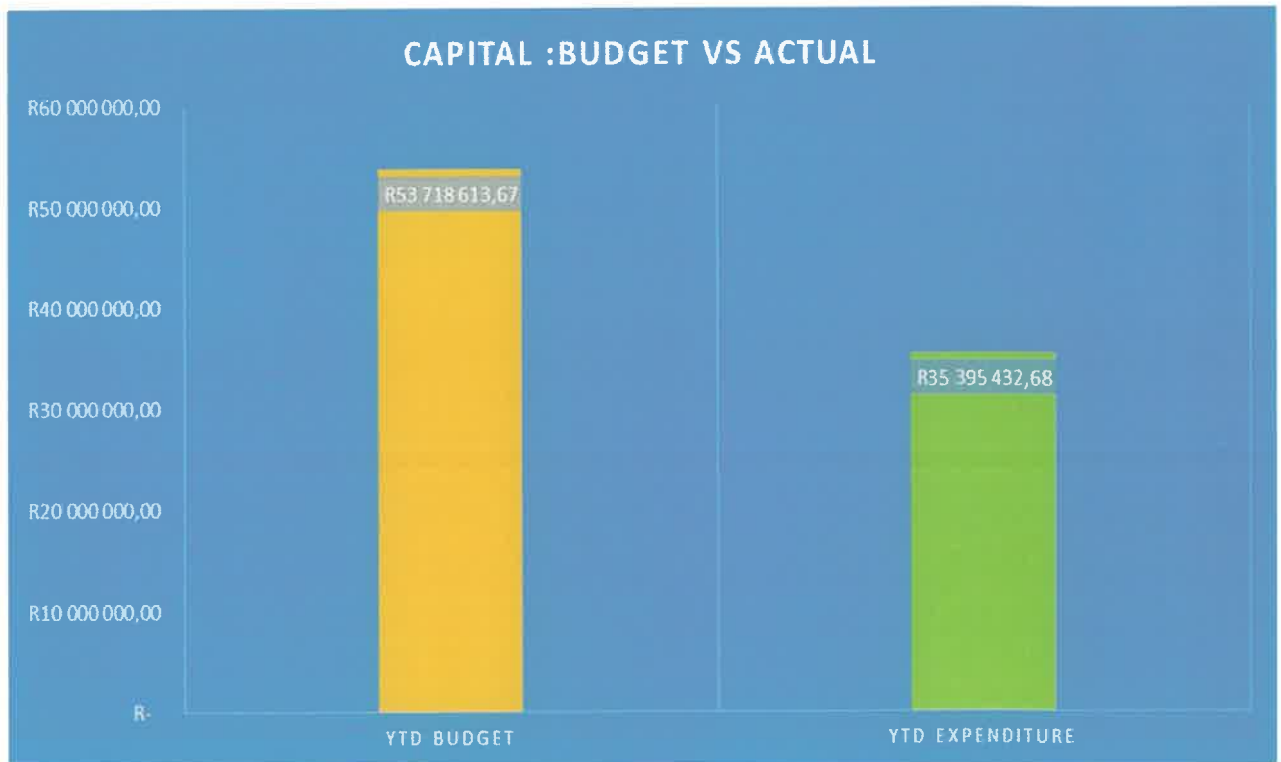


Table C6 displays the financial position of the municipality as at 31 August 2024.

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

Description	2023/24	Budget Year 2024/25			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	209 767	139 694	139 694	361 799	139 694
Trade and other receivables from exchange transactions	12 036	29 605	29 605	4 031	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	858	759
VAT	19 140	36 188	36 188	21 779	36 188
Other current assets	(229)	2	2	(257)	2
Total current assets	243 885	208 559	208 559	390 522	208 559
Non current assets					
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	2 996 864	3 444 846	3 444 846	3 032 260	3 444 846
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
Total non current assets	2 997 178	3 446 319	3 446 319	3 032 573	3 446 319
TOTAL ASSETS	3 241 063	3 654 878	3 654 878	3 423 095	3 654 878
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Financial liabilities	12 806	8 006	8 006	12 806	8 006
Consumer deposits	3 179	3 522	3 522	3 292	3 522
Trade and other payables from exchange transactions	87 063	86 542	86 542	70 779	86 542
Trade and other payables from non-exchange transactions	10 500	1 483	1 483	95 281	1 483
Provision	16 385	17 142	17 142	16 385	17 142
VAT	5 282	7 402	7 402	5 957	7 402
Other current liabilities	-	-	-	-	-
Total current liabilities	135 216	124 097	124 097	204 500	124 097
Non current liabilities					
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	-	-	-	-	-
Total non current liabilities	30 536	29 399	29 399	30 536	29 399
TOTAL LIABILITIES	165 752	153 496	153 496	235 036	153 496
NET ASSETS	3 075 311	3 501 382	3 501 382	3 188 059	3 501 382
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	3 262 762	3 501 382	3 501 382	3 212 933	3 501 382
Reserves and funds	-	-	-	-	-
Other	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 262 762	3 501 382	3 501 382	3 212 933	3 501 382

Table C7 below display the Cash Flow Statement for the period ending 31 August 2024.

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

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									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	6	-	-	-	-	-	-	-	-
Service charges	62 324	62 194	62 194	6 626	8 026	10 366	(2 340)	-23%	62 194
Other revenue	1 579 718	68 324	68 324	7	116 275	11 387	104 887	921%	68 324
Transfers and Subsidies - Operational	699 045	512 493	512 493	-	204 932	85 416	119 516	140%	512 493
Transfers and Subsidies - Capital	326 130	318 124	318 124	-	80 718	53 021	27 697	52%	318 124
Interest	21 988	18 053	18 053	1 240	1 623	3 009	(1 386)	-46%	18 053
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(888 074)	(652 698)	(652 698)	(46 167)	(56 412)	(108 783)	(52 371)	48%	(652 698)
Interest	-	(142)	(142)	-	-	(24)	(24)	100%	(142)
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	1 801 136	326 348	326 348	(38 296)	355 162	54 391	(300 770)	-553%	326 348
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(309 604)	(322 312)	(322 312)	(25 382)	(10 014)	(53 719)	(43 705)	81%	(322 312)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(309 604)	(322 312)	(322 312)	(25 382)	(10 014)	(53 719)	(43 705)	81%	(322 312)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(434)	(569)	(569)	-	-	(95)	95	-100%	(569)
Payments									
Repayment of borrowing	-	(2 400)	(2 400)	-	-	(400)	(400)	100%	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(434)	(2 969)	(2 969)	-	-	(495)	(495)	100%	(2 969)
NET INCREASE/ (DECREASE) IN CASH HELD	1 491 099	1 067	1 067	(63 677)	345 148	178			1 067
Cash/cash equivalents at beginning:	124 641	151 221	151 221	554 916	209 767	151 221			209 767
Cash/cash equivalents at month/year end:	1 615 739	152 288	152 288	491 238	554 916	151 399			210 835

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 August 2024.

Table 2.1.1: Debtors Age Analysis by Income Source

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

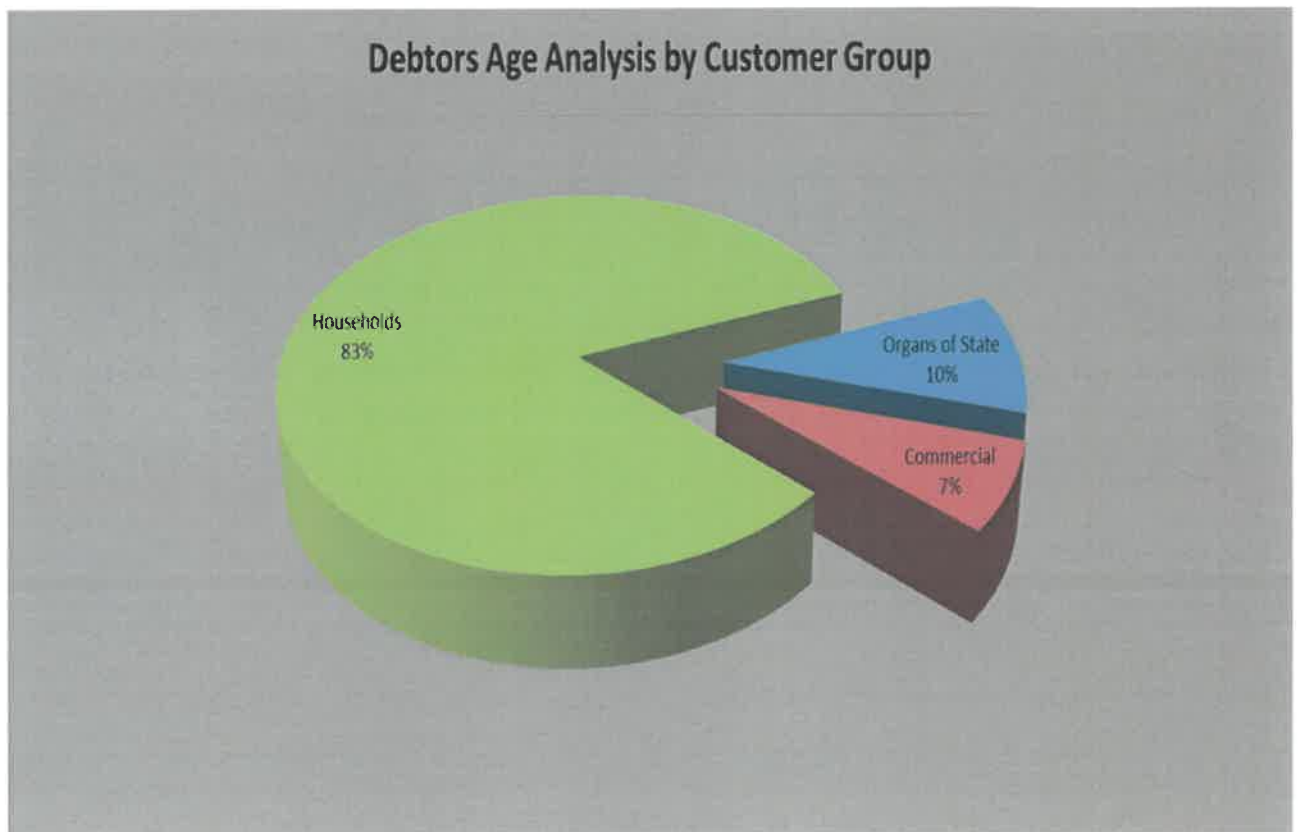
Description	Budget Year 2024/25									Total over 90 days	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total		
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	5 095	3 926	3 190	2 886	3 501	2 315	10 497	113 647	145 057	132 845	
Trade and Other Receivables from Exchange Transactions - Electricity									-	-	
Receivables from Non-exchange Transactions - Property Rates									-	-	
Receivables from Exchange Transactions - Waste Water Management	1 990	1 534	1 246	1 127	1 368	904	4 101	44 397	56 668	51 898	
Receivables from Exchange Transactions - Waste Management									-	-	
Receivables from Exchange Transactions - Property Rental Debtors									-	-	
Interest on Arrear Debtor Accounts	852	666	533	482	585	387	1 755	18 997	24 247	22 206	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-	
Other									-	-	
Total By Income Source	7 937	6 116	4 970	4 496	5 454	3 607	16 352	177 041	225 972	206 949	
2023/24 - totals only	8800090	5178175	15110244	4001323	3570506	4159132	29597657	174712453	245 130	216 044	
Debtors Age Analysis By Customer Group											
Organs of State	4 105	3 193	2 249	1 768	2 754	903	1 970	5 924	22 866	13 319	
Commercial	1 095	382	318	405	319	308	1 747	11 896	16 469	14 674	
Households	2 737	2 541	2 403	2 323	2 380	2 396	12 635	159 222	186 637	178 956	
Other									-	-	
Total By Customer Group	7 937	6 116	4 970	4 496	5 454	3 607	16 352	177 041	225 972	206 949	

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

Chart 2: Debtors Age Analysis by Customer Group

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

- ✓ Households: 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		
		AUGUST 2024	JULY 2024
Unallocated receipts	R 84 330	1%	2%
Bhongweni	R 16 200	0%	0%
Shayamoya	R 44 846	1%	1%
Kokstad	R 3 610 075	54%	11%
Ixopo	R 1 137 360	17%	12%
NDZ	R 760 699	11%	14%
Umzimkulu	R 968 970	15%	61%
Fairview	R 3 207	0%	0%
TOTAL RECEIPTS INCL VAT	R 6 625 657	100%	100%

The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for August 2024 is R6, 6million. The collection for prepaid in the month of August is R 1, 034,313. Total cash collected including prepaid for the month ending 31 August 2024 is R 7,659,970.

BILLING VS COLLECTION

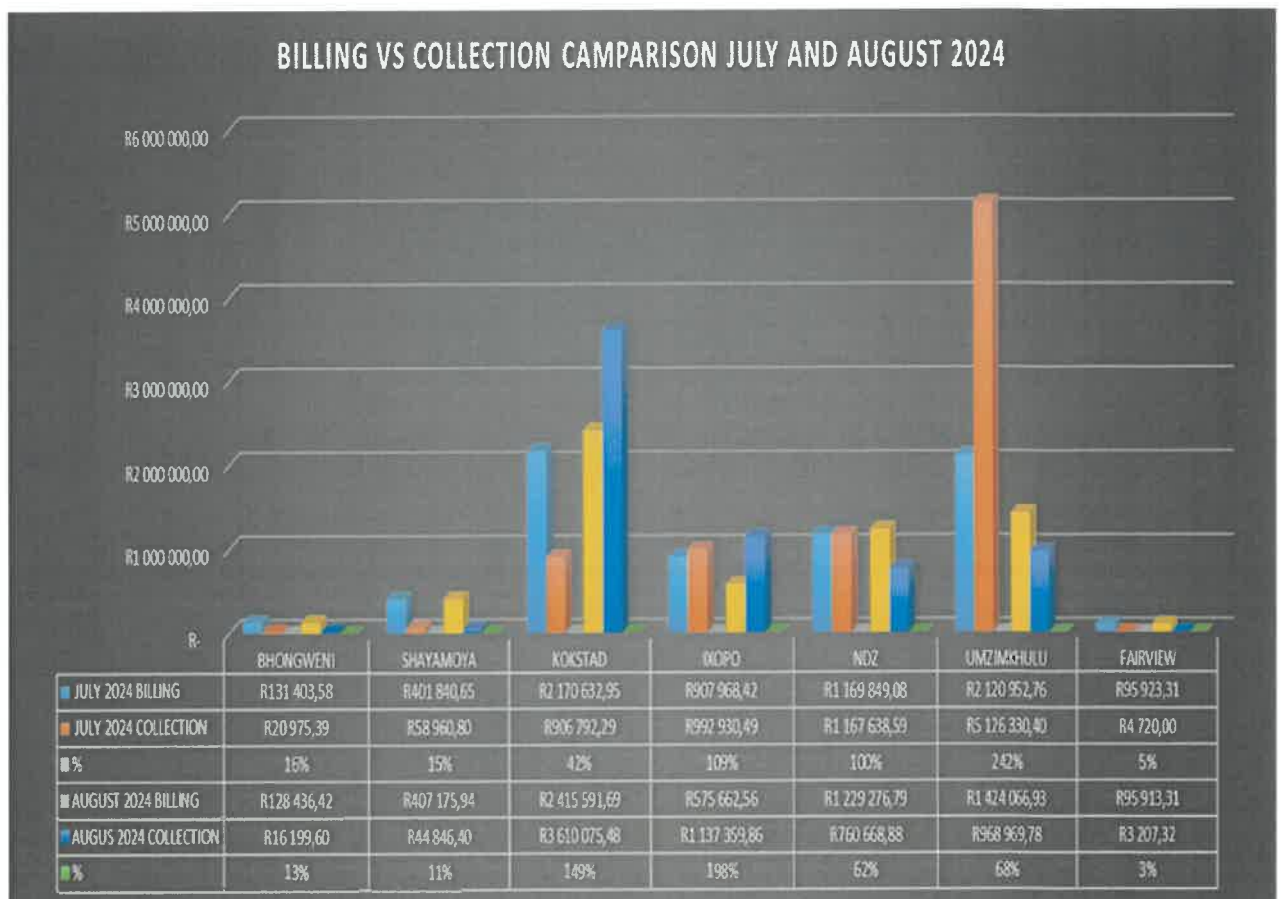
Billing vs Collection trend for August 2024

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



BILLING VS COLLECTION (COMPARISON BETWEEN JULY AND AUGUST 2024)

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



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 225,971,800 as at 31 August 2024 compared with the R 224,854,812 as at 30 July 2024. Current debt represents 4% of the total outstanding debt compared with the 4% of July 2024; 30 days and older debt 3% compared with the 3% for July 2024; 60 days and older debt 2% compared with the 2% of July 2024; and 90 days 2% compared with the 2% of July 2024; 120 days to History and older 90% compared with the 89% for August 2024.

Current debt increased with R 1,116,988 to R 225,971,800 in the month ending 31 August compared with the R 224,854,812 as at 30 July 2024; 30 days + debt decreased with R 1,017,731; 60 days + decreased with R 973,550; 90 days + debt decreased with R 1,071,891 and 120 + days and older debt as at 31 July 2024 has decreased with R 4,656,960 to R 202,453,704 compared with the R 197,796,744 for August 2024.

Debtors age analysis per debtor type

Business debtors owes the municipality R 16,038,268 (7%); Municipal debtors R 747,800 (0%); domestic debtors R 179,291,276 (79%); Government accounts R 21,952,444 (10%); Indigent debtors R 1,666,388 (1%); Deceased R 1,002,995 and other debtors R 5,272,629 (2%) of the total outstanding debt of R 225,971,800.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 August 2024

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

Description	Budget Year 2024/25								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	3 236	10	86						3 332
Auditor General									-
Other									-
Medical Aid deductions									-
Total By Customer Type	3 236	10	86	-	-	-	-	-	3 332

2.3 Investment Portfolio Analysis

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

Cash and Bank Balances (Investments)

Monthly budget statement- Investment Portfolio

CASH AND INVESTMENT REGISTER AS AT 31 AUGUST 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								
Municipality								
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	222	1	-	-	223
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	46 311	255	(20 375)	-	26 191
FIRST NATIONAL BANK	M	ADMIN CALL	Fixed	203	14	-	-	217
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	27	0	-	45 000	45 027
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	18	0	-	-	18
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	50 482	285	-	-	50 767
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 864	11	-	-	1 875
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	8	0	-	-	8
NEDBANK	M	FIXED DEPOSIT	Fixed	101	1	-	-	102
FNB BANK	M	FIXED DEPOSIT	Fixed	2 000	14	(14)	-	2 000
FNB BANK	M	FIXED DEPOSIT	Fixed	49 781				49 781
FNB BANK	M	FIXED DEPOSIT	Fixed	55 000		(55 000)		-
FNB BANK	M	FIXED DEPOSIT	Fixed	55 000				55 000
FNB BANK	M	FIXED DEPOSIT	Fixed	22 500				22 500
FNB BANK	M	FIXED DEPOSIT	Fixed	22 500				22 500
FNB BANK	M	FIXED DEPOSIT	Fixed	22 500				22 500
STANDARD BANK	M	FIXED DEPOSIT	Fixed	-			53 300	53 300
FNB BANK	M	FIXED DEPOSIT	Fixed	22 500	234	(22 734)	-	-
FNB BANK	M	PRIMARY ACCOUNT	Fixed	52 497		(16 782)	-	35 715
Municipality sub-total				403 513	816	(114 905)	98 300	387 723
TOTAL INVESTMENTS AND INTEREST				403 513	816	(114 905)	98 300	387 723

2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

DC43 Harry Gwala - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	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									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	477 532	512 493	512 493	-	204 932	85 416	119 516	139,9%	512 493
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	463 631	491 837	491 837	-	204 932	81 973	122 959	150,0%	491 837
Expanded Public Works Programme Integrated Grant	5 823	4 460	4 460	-	-	743	(743)	-100,0%	4 460
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	1 200	-	-	200	(200)	-100,0%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	4 487	12 498	12 498	-	-	2 083	(2 083)	-100,0%	12 498
Rural Road Asset Management Systems Grant	2 391	2 498	2 498	-	-	416	(416)	-100,0%	2 498
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	-	130	130	-	-	22	(22)	-100,0%	130
Capacity Building and Other Grants	-	130	130	-	-	22	(22)	-100,0%	130
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	20 000	20 000	-	-	3 333	(3 333)	-100,0%	20 000
Specify (Add grant description)	-	20 000	20 000	-	-	3 333	(3 333)	-100,0%	20 000
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Sets	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	477 532	532 623	532 623	-	204 932	88 771	116 161	130,9%	532 623
Capital Transfers and Grants									
National Government:	332 319	318 124	318 124	-	-	53 021	(53 021)	-100,0%	318 124
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	242 319	218 124	218 124	-	-	36 354	(36 354)	-100,0%	218 124
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	90 000	100 000	100 000	-	-	16 667	(16 667)	-100,0%	100 000
Provincial Government:	-	-	-	-	-	-	-	-	-
Infrastructure Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Human Settlement Re-development Programme	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	332 319	318 124	318 124	-	-	53 021	(53 021)	-100,0%	318 124
TOTAL RECEIPTS OF TRANSFERS & GRANTS	809 852	850 747	850 747	-	204 932	141 791	63 141	44,5%	850 747

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

Table SC7 track the expenditure on Conditional grant funding.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	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									
EXPENDITURE									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	680 028	632 656	632 656	39 731	70 571	105 443	(34 872)	-33,1%	632 656
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	662 003	608 896	608 896	39 132	68 650	101 483	(32 833)	-32,4%	608 896
Expanded Public Works Programme Integrated Grant	7 177	7 751	7 751	-	482	1 292	(810)	-62,7%	7 751
Local Government Financial Management Grant	1 200	1 012	1 012	98	155	169	(14)	-8,2%	1 012
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	7 569	12 498	12 498	501	1 285	2 083	(798)	-38,3%	12 498
Rural Road Asset Management Systems Grant	2 079	2 498	2 498	-	-	416	(416)	-100,0%	2 498
Water Services Infrastructure Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	-	1 400	1 400	-	-	233	(233)	-100,0%	1 400
Capacity Building and Other Grants	-	1 400	1 400	-	-	233	(233)	-100,0%	1 400
District Municipality:	-	5 587	5 587	-	-	931	(931)	-100,0%	5 587
Specify (Add grant description)	-	5 587	5 587	-	-	931	(931)	-100,0%	5 587
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	680 028	639 643	639 643	39 731	70 571	106 608	(36 036)	-33,8%	639 643
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	298 048	276 629	276 629	23 848	33 671	46 105	(12 434)	-27,0%	276 629
Local Government Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	214 739	189 673	189 673	23 848	32 458	31 612	846	2,7%	189 673
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	83 310	86 957	86 957	-	1 213	14 493	(13 279)	-91,6%	86 957
Provincial Government:	-	-	-	-	-	-	-	-	-
Infrastructure Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	315	315	-	-	53	(53)	-100,0%	315
Specify (Add grant description)	-	315	315	-	-	53	(53)	-100,0%	315
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	298 048	276 944	276 944	23 848	33 671	46 157	(12 486)	-27,1%	276 944
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	978 076	916 587	916 587	63 579	104 243	152 765	(48 523)	-31,8%	916 587

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 31 August 2024.

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

Summary of Employee and Councillor remuneration	Budget Year 2024/25								
	2023/24	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	4 586	4 658	4 658	384	768	776	(9)	-1%	4 658
Pension and UIF Contributions	133	578	578	-	-	96	(96)	-100%	578
Medical Aid Contributions	33	197	197	0	1	33	(32)	-98%	197
Cellphone Allowance	547	566	566	43	86	94	(8)	-8%	566
Other benefits and allowances	1 633	2 607	2 607	139	304	435	(131)	-30%	2 607
Sub Total - Councillors	6 932	8 606	8 606	566	1 158	1 434	(278)	-19%	8 606
% Increase		24,1%	24,1%						24,1%
Senior Managers of the Municipality									
Basic Salaries and Wages	5 777	4 759	4 759	458	917	793	123	16%	4 759
Pension and UIF Contributions	-	4	4	-	-	1	(1)	-100%	4
Medical Aid Contributions	48	51	51	4	8	8	(0)	-6%	51
Performance Bonus	55	181	181	-	-	30	(30)	-100%	181
Motor Vehicle Allowance	1 056	918	918	100	210	153	57	37%	918
Cellphone Allowance	110	119	119	10	19	20	(0)	-2%	119
Housing Allowances	394	336	336	46	92	56	36	65%	336
Other benefits and allowances	259	299	299	25	57	50	7	13%	299
Payments in lieu of leave	-	384	384	-	-	64	(64)	-100%	384
Sub Total - Senior Managers of Municipality	7 699	7 052	7 052	643	1 303	1 175	127	11%	7 052
% Increase		-8,4%	-8,4%						-8,4%
Other Municipal Staff									
Basic Salaries and Wages	148 363	154 317	154 317	11 662	23 869	25 720	(1 851)	-7%	154 317
Pension and UIF Contributions	22 634	24 096	24 096	1 858	3 738	4 016	(278)	-7%	24 096
Medical Aid Contributions	10 905	11 412	11 412	911	1 835	1 902	(67)	-4%	11 412
Overtime	21 207	22 092	22 092	1 786	3 674	3 682	(8)	0%	22 092
Performance Bonus	10 668	10 909	10 909	979	2 022	1 818	204	11%	10 909
Motor Vehicle Allowance	19 940	23 900	23 900	493	2 132	3 983	(1 852)	-46%	23 900
Cellphone Allowance	1 086	1 316	1 316	91	182	219	(36)	-17%	1 316
Housing Allowances	652	784	784	52	106	131	(25)	-19%	784
Other benefits and allowances	6 044	7 716	7 716	458	956	1 286	(330)	-26%	7 716
Payments in lieu of leave	1 020	657	657	255	441	110	331	302%	657
Long service awards	1 312	1 277	1 277	16	52	213	(161)	-75%	1 277
Post-retirement benefit obligations	4 175	-	-	-	-	-	-	-	-
Acting and post related allowance	335	235	235	15	30	39	(9)	-24%	235
Sub Total - Other Municipal Staff	248 340	258 713	258 713	18 575	39 035	43 119	(4 084)	-9%	258 713
% Increase		4,2%	4,2%						4,2%
Total Parent Municipality	262 971	274 370	274 370	19 785	41 496	45 729	(4 233)	-9%	274 370
		4,3%	4,3%						4,3%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	320	320	-	-	53	(53)	-100%	320
Sub Total - Executive members Board	-	320	320	-	-	53	(53)	-100%	320
% Increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	7 400	7 400	-	-	1 233	(1 233)	-100%	7 400
Pension and UIF Contributions	-	23	23	-	-	4	(4)	-100%	23
Payments in lieu of leave	-	50	50	-	-	8	(8)	-100%	50
Acting and post related allowance	-	50	50	-	-	8	(8)	-100%	50
Sub Total - Other Staff of Entities	-	7 523	7 523	-	-	1 254	(1 254)	-100%	7 523
% Increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	7 843	7 843	-	-	1 307	(1 307)	-100%	7 843
TOTAL SALARY, ALLOWANCES & BENEFITS	262 971	282 213	282 213	19 785	41 496	47 036	(5 540)	-12%	282 213
% Increase		7,3%	7,3%						7,3%
TOTAL MANAGERS AND STAFF	256 039	273 287	273 287	19 219	40 337	45 548	(5 211)	-11%	273 287

2.6 Material Variances to the SDBIP

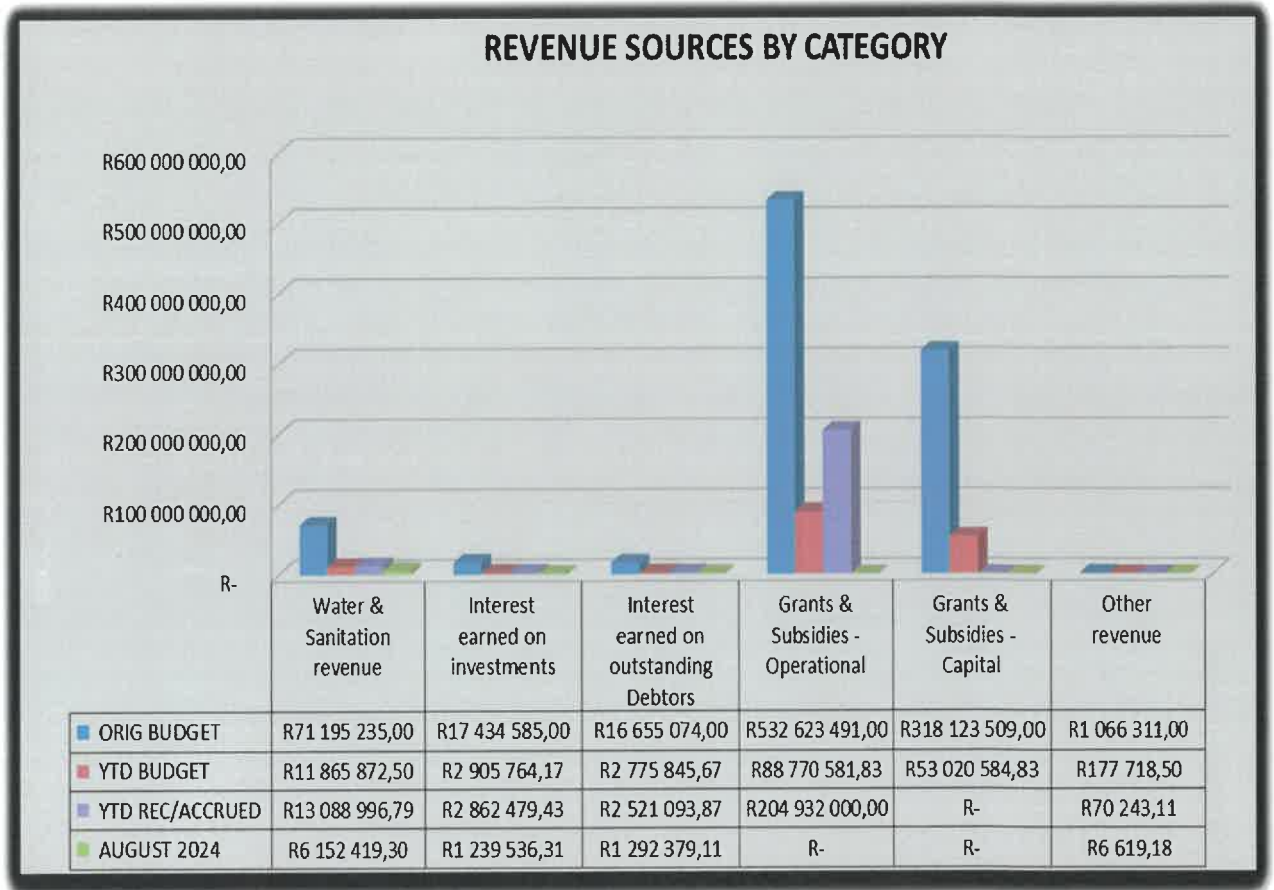
The following section analyses material variances between the actual targets as at 31 August 2024 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2024/25 financial year revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to “performance” rather than “cash movements” in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

Chart 3: Revenue Analysis



Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 31 August 2024 was R13million against a year to date **budget** of R11, 8million which is 110 per cent of year to date budget.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R2, 8m against year to budget of R2, 9m representing performance of 99 per cent of the year to date budget.

Transfers Recognised - Operational

The operational grants revenue of R204, 9million against a year to date budget of R88, 7million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The total capital budget for the current year amounts to R318, 1million. The YTD budget on capital amounts to R53million, or 0% of the planned expenditure. There was no movement for transfers recognised capital for the month ending 31 August 2024. Capital expenditure is mainly funded by means of National grants.

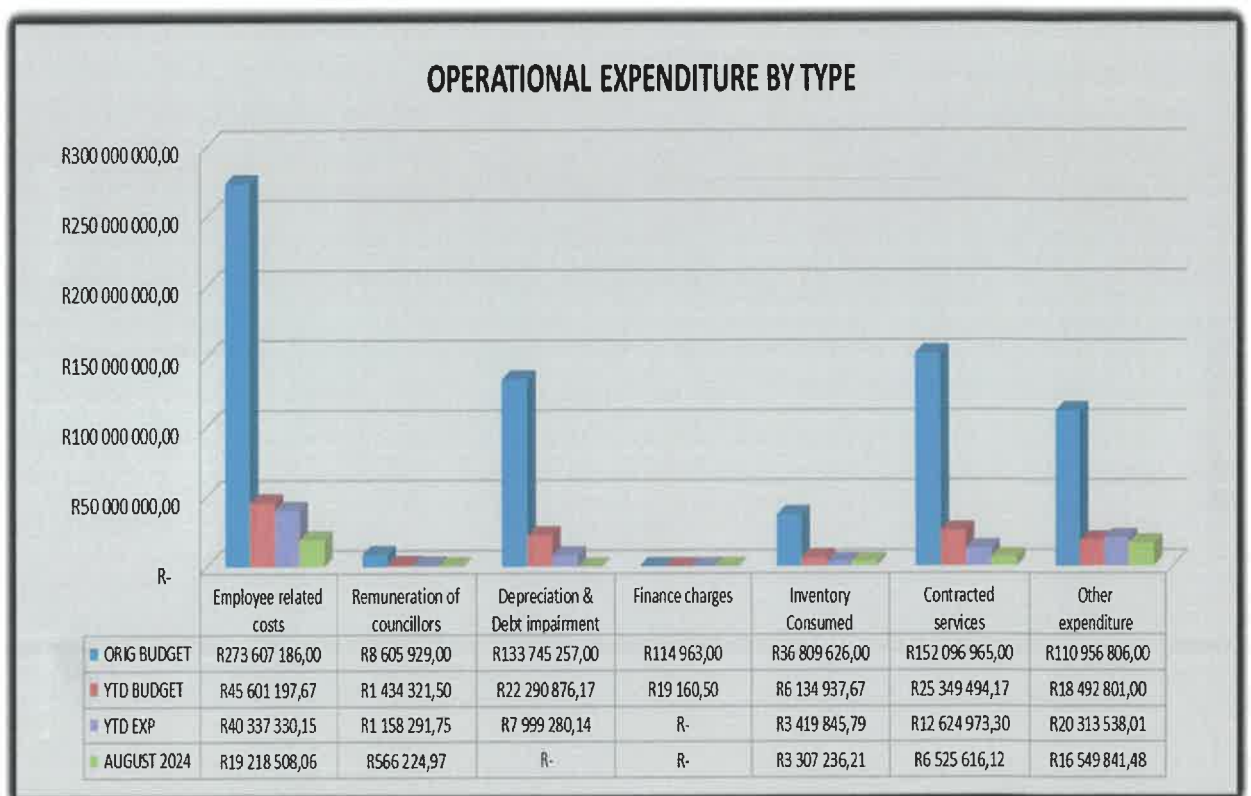
Other Revenue

The YTD performance of other revenue is R 70 243 against YTD budget of R 177 719 which is made up of tender documents and clearance certificates.

OPERATIONAL EXPENDITURE

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

Chart 4: 2024/25 financial year Opex



Employee Related Costs

The YTD actual for employee related costs is R40, 3million against a YTD budget of R45, 6million which is 88% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R1, 1m against a YTD budget of R1, 2m representing 81% of the year to date budget.

Finance Charges

The YTD budget for finance charges is R19 161. There was no movement in the month ending August 2024.

Inventory Consumed

The inventory consumed has the original budget of R36, 8m. The year to date expenditure for inventory is R3, 4m against a YTD budget of R6, 1million representing 56 per cent expenditure of the year to date budget.

Contracted Services

The original budget for contracted services is R 152million. The year to date expenditure for Contracted Services is R12, 6m against a YTD budget of R25, 3million representing 50 per cent of planned expenditure.

Other Expenditure

The YTD budget for operational costs was at R18, 4million against a YTD expenditure of R 20, 3million or 110 per cent and expenditure for the month of August 2024 is R 16, 5million. Operating Costs over performed by 10 per cent due to R6, 5m that was transferred over to Development Agency.

Performance assessment

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

Actual and revised targets for cash receipts

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M02 August

Description	Budget Year 2024/25												2024/25 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Cash Receipts By Source															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Electricity revenue	7 440	4 638	4 136	4 136	4 136	4 136	4 136	4 136	4 136	4 136	330	49 632	57 392	60 204	
Service charges - Water revenue	586	1 988	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	567	12 562	13 316	13 969	
Service charges - Waste Water Management	1 623	1 240	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 651	18 063	17 170	17 996	
Interest earned - external investments															
Interest earned - outstanding debtors															
Agency services															
Transfers and Subsidies - Operational	204 932	-	42 708	42 708	42 708	42 708	42 708	42 708	42 708	42 708	(76 609)	512 493	551 650	588 096	
Other revenue	116 275	7	5 694	5 694	5 694	5 694	5 694	5 694	5 694	5 694	(99 200)	68 324	65 516	71 406	
Cash Receipts by Source	330 855	7 872	55 089	55 089	55 089	55 089	55 089	55 089	55 089	55 089	(173 461)	661 065	705 044	751 671	
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	80 718	-	26 510	26 510	26 510	26 510	26 510	26 510	26 510	26 510	(1 187)	318 124	314 221	343 324	
Increase (decrease) in consumer deposits	-	-	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(142)	(569)	(604)	(640)	
VAT Control (Receipts)															
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	411 573	7 872	81 552	81 552	81 552	81 552	81 552	81 552	81 552	81 552	(174 791)	978 619	1 018 661	1 094 355	
Cash Payments by Type															
Employee related costs	21 247	19 219	22 801	22 801	22 801	22 801	22 801	22 801	22 801	22 801	27 936	273 607	289 914	307 186	
Remuneration of councillors	330	566	717	717	717	717	717	717	717	717	1 255	8 606	9 122	9 670	
Interest	-	-	12	12	12	12	12	12	12	12	36	142	150	168	
Acquisitions - water & other inventory	-	3 307	2 590	2 590	2 590	2 590	2 590	2 590	2 590	2 590	4 463	31 081	32 510	34 103	
Contracted services	-	6 526	14 528	14 528	14 528	14 528	14 528	14 528	14 528	14 528	37 059	174 337	200 140	217 336	
Other expenditure	34 484	16 550	12 506	12 506	12 506	12 506	12 506	12 506	12 506	12 506	(13 517)	150 067	154 054	160 865	
Cash Payments by Type	56 062	46 167	53 153	53 153	53 153	53 153	53 153	53 153	53 153	53 153	57 231	637 640	685 891	729 317	
Other Cash Flows/Payments by Type															
Capital assets	10 014	25 382	26 859	26 859	26 859	26 859	26 859	26 859	26 859	26 859	45 182	322 312	300 903	324 437	
Repayment of borrowing	-	-	200	200	200	200	200	200	200	200	600	2 400	2 400	2 400	
Other Cash Flows/Payments	350	-	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	3 400	15 000	15 000	15 000	
Total Cash Payments by Type	66 425	71 549	81 463	81 463	81 463	81 463	81 463	81 463	81 463	81 463	106 413	977 551	1 004 194	1 071 155	
NET INCREASE/(DECREASE) IN CASH HELD	345 148	(63 677)	89	89	89	89	89	89	89	89	(281 204)	1 067	14 467	23 200	
Cash/cash equivalents at the month/year beginning:	209 767	554 916	491 327	491 327	491 416	491 505	491 594	491 683	491 772	491 861	491 950	209 767	210 835	225 302	
Cash/cash equivalents at the month/year end:	554 916	491 238	491 327	491 416	491 505	491 594	491 683	491 772	491 861	491 950	210 835	225 302	225 302	248 502	

Capital Expenditure on New Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M02 August

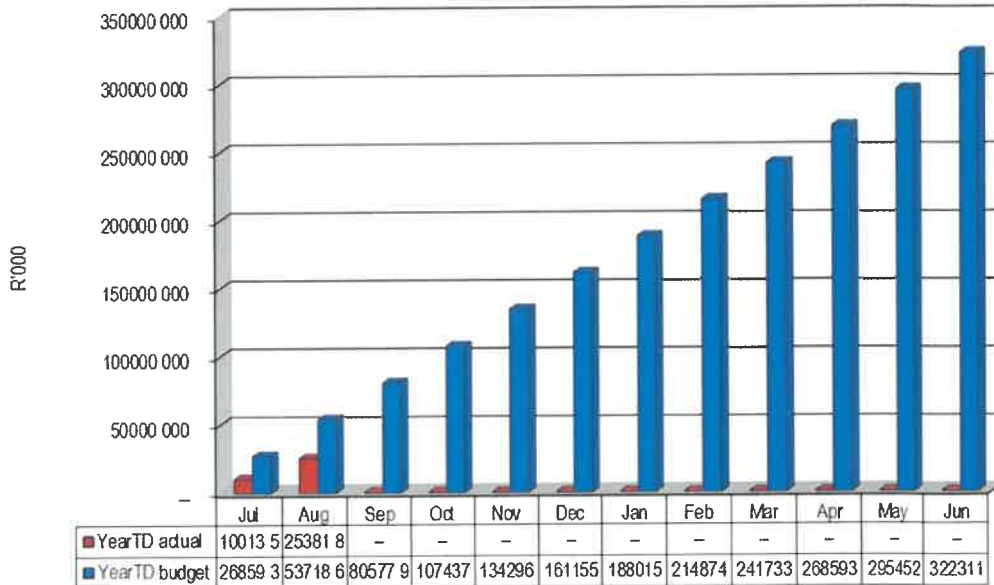
Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	284 128	282 223	282 223	24 039	33 914	47 037	13 124	27,9%	282 223
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	219 163	270 019	270 019	20 494	28 545	45 003	16 459	36,6%	270 019
Dams and Weirs	24 469	59 786	59 786	5 325	5 325	9 964	4 640	46,6%	59 786
Boreholes	3 346	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	18 006	29 516	29 516	5 539	8 166	4 919	(3 247)	-66,0%	29 516
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	50 385	95 999	95 999	-	1 213	16 000	14 786	92,4%	95 999
Distribution	122 957	84 718	84 718	9 630	13 840	14 120	280	2,0%	84 718
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	64 965	12 204	12 204	3 545	5 389	2 034	(3 335)	-164,0%	12 204
Pump Station	12 051	1 739	1 739	-	1 234	290	(944)	-325,8%	1 739
Reticulation	52 914	5 217	5 217	3 545	4 135	869	(3 265)	-375,5%	5 217
Waste Water Treatment Works	-	2 000	2 000	-	-	333	333	100,0%	2 000
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	3 248	3 248	-	-	541	541	100,0%	3 248
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	-	6 250	6 250	-	-	1 042	1 042	100,0%	6 250
Operational Buildings	-	4 250	4 250	-	-	708	708	100,0%	4 250
Municipal Offices	-	4 250	4 250	-	-	708	708	100,0%	4 250
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Housing	-	2 000	2 000	-	-	333	333	100,0%	2 000
Staff Housing	-	2 000	2 000	-	-	333	333	100,0%	2 000
Intangible Assets	-	796	796	-	-	133	133	100,0%	796
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	796	796	-	-	133	133	100,0%	796
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	796	796	-	-	133	133	100,0%	796
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	943	2 000	2 000	-	-	333	333	100,0%	2 000
Computer Equipment	943	2 000	2 000	-	-	333	333	100,0%	2 000
Furniture and Office Equipment	2 306	4 980	4 980	1 343	1 482	830	(652)	-78,5%	4 980
Furniture and Office Equipment	2 306	4 980	4 980	1 343	1 482	830	(652)	-78,5%	4 980
Machinery and Equipment	1 306	2 588	2 588	-	-	431	431	100,0%	2 588
Machinery and Equipment	1 306	2 588	2 588	-	-	431	431	100,0%	2 588
Transport Assets	986	600	600	-	-	100	100	100,0%	600
Transport Assets	986	600	600	-	-	100	100	100,0%	600
Total Capital Expenditure on new assets	289 670	299 437	299 437	25 382	35 395	49 966	14 511	29,1%	299 437

Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M02 August

Description	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									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	2 245	17 045	17 045	-	-	2 841	2 841	100,0%	17 045
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	2 245	970	970	-	-	162	162	100,0%	970
Dams and Weirs	-	-	-	-	-	-	-	-	-
Distribution	2 245	970	970	-	-	162	162	100,0%	970
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	16 075	16 075	-	-	2 679	2 679	100,0%	16 075
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	-	16 075	16 075	-	-	2 679	2 679	100,0%	16 075
Outfall Sewers	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	80	80	-	-	13	13	100,0%	80
Machinery and Equipment	-	80	80	-	-	13	13	100,0%	80
Transport Assets	2 557	4 883	4 883	-	-	814	814	100,0%	4 883
Transport Assets	2 557	4 883	4 883	-	-	814	814	100,0%	4 883
Total Capital Expenditure on renewal of existing assets	4 802	22 007	22 007	-	-	3 668	3 668	100,0%	22 007

Chart C2 2024/25 Capital Expenditure: YTD actual v YTD target



Expenditure on Repairs and Maintenance by Asset Class

DC43 Harry Gwala - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M02 August

Description	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									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	39 202	41 300	41 300	1 371	1 371	6 883	5 513	80,1%	41 300
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	39 202	41 300	41 300	1 371	1 371	6 883	5 513	80,1%	41 300
<i>Dams and Weirs</i>	-	-	-	-	-	-	-	-	-
<i>Boreholes</i>	-	-	-	-	-	-	-	-	-
<i>Reservoirs</i>	19 046	21 800	21 800	891	891	3 633	2 743	75,5%	21 800
<i>Pump Stations</i>	9 459	10 500	10 500	480	480	1 750	1 270	72,6%	10 500
<i>Water Treatment Works</i>	-	-	-	-	-	-	-	-	-
<i>Bulk Mains</i>	-	-	-	-	-	-	-	-	-
<i>Distribution</i>	-	-	-	-	-	-	-	-	-
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	10 696	9 000	9 000	-	-	1 500	1 500	100,0%	9 000
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Community Assets	87	77	77	-	-	13	13	100,0%	77
Community Facilities	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	87	77	77	-	-	13	13	100,0%	77
<i>Indoor Facilities</i>	87	77	77	-	-	13	13	100,0%	77
<i>Outdoor Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Other assets	4 272	6 212	6 212	64	136	1 035	899	86,9%	6 212
Operational Buildings	4 272	6 212	6 212	64	136	1 035	899	86,9%	6 212
<i>Municipal Offices</i>	4 272	6 212	6 212	64	136	1 035	899	86,9%	6 212
<i>Pay/Enquiry Points</i>	-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	-	-	-	-	-	-	-
Computer Equipment	16	70	70	-	-	12	12	100,0%	70
Computer Equipment	16	70	70	-	-	12	12	100,0%	70
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	49	350	350	-	-	58	58	100,0%	350
Transport Assets	49	350	350	-	-	58	58	100,0%	350
Total Repairs and Maintenance Expenditure	43 626	48 009	48 009	1 434	1 507	8 001	6 495	81,2%	48 009

2.7 Municipal Manager's Quality's Certificate

Quality Certificate

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

- The monthly budget statement

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

Print name: Gamakulu Ma'art Sineke

Municipal Manager of: Harry Gwala District Municipality

Signed _____

Date 11/09/2024