

# Harry Gwala District Municipality



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

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## **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 2023/24 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 2024

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Councillor: Z. D. Nxumalo

Honourable Mayor: Harry Gwala DM

25 January 2024

## **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 72% 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 period ended 31 December 2023 amounted to R605, 5m against year-to-date budget of R455, 1million which is 133% of the Year to Date (YTD) budget. Development Agency Year to Date (YTD) actual revenue generated for the first six months amounted to R 6,144 million while the projected (YTD) budget amounted to R 8,590 million. This means that the municipality entity generated 71% of the projected budgeted for the period.

## **OPERATIONAL EXPENDITURE**

The operational budget performance at midyear was 25% below the Year-to-Date YTD 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 R3,719 million while the YTD budget Operating Expenditure amounted to R 8,459 million. 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 over performed by 19%. The performance for capital expenditure is more than what was anticipated which shows a great improvement compared to previous financial year. The overall capital expenditure for Agency is 68% against the budget as at 31 December 2023 which is within range

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 2024 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	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	77 674	76 192	76 192	3 810	31 680	38 096	(6 417)	-17%	76 192
Investment revenue	10 858	5 713	5 713	1 811	10 759	2 857	7 902	277%	5 713
Transfers and subsidies - Operational	452 460	493 840	493 840	155 709	355 476	246 920	108 556		493 840
Other own revenue	19 422	13 224	13 224	1 510	8 933	6 612	2 321	35%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>560 414</b>	<b>588 970</b>	<b>588 970</b>	<b>162 841</b>	<b>406 847</b>	<b>294 485</b>	<b>112 362</b>	<b>38%</b>	<b>588 970</b>
Employee costs	245 707	256 783	256 783	21 279	123 632	128 392	(4 761)		256 783
Remuneration of Councillors	6 988	8 119	8 119	581	4 179	4 060	119		8 119
Depreciation and amortisation	93 063	97 007	97 007	-	-	48 504	(48 504)		97 007
Interest	113	100	100	-	2	50	(48)		100
Inventory consumed and bulk purchases	33 986	28 431	28 431	2 450	14 889	14 216	673		28 431
Transfers and subsidies	15 290	2 500	2 500	-	-	1 250	(1 250)	-100%	2 500
Other expenditure	239 909	291 214	291 214	21 816	113 196	145 608	(32 412)	-22%	291 214
<b>Total Expenditure</b>	<b>635 056</b>	<b>684 154</b>	<b>684 154</b>	<b>46 126</b>	<b>255 897</b>	<b>342 079</b>	<b>(86 182)</b>	<b>-25%</b>	<b>684 154</b>
<b>Surplus/(Deficit)</b>	<b>(74 642)</b>	<b>(95 185)</b>	<b>(95 185)</b>	<b>116 715</b>	<b>150 950</b>	<b>(47 594)</b>	<b>198 544</b>	<b>-417%</b>	<b>(95 185)</b>
Transfers and subsidies - capital (monetary allocations)	283 338	321 352	321 352	45 689	198 686	160 676	38 010	24%	321 352
Transfers and subsidies - capital (in-kind)	3 888	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>212 584</b>	<b>226 167</b>	<b>226 167</b>	<b>162 405</b>	<b>349 636</b>	<b>113 082</b>	<b>236 554</b>	<b>209%</b>	<b>226 167</b>
Share of surplus/ (deficit) of associate	-	17 000	17 000	-	-	8 500	(8 500)	-100%	17 000
<b>Surplus/ (Deficit) for the year</b>	<b>212 584</b>	<b>243 167</b>	<b>243 167</b>	<b>162 405</b>	<b>349 636</b>	<b>121 582</b>	<b>228 054</b>	<b>188%</b>	<b>243 167</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>269 118</b>	<b>306 141</b>	<b>306 141</b>	<b>39 255</b>	<b>181 907</b>	<b>153 071</b>	<b>28 836</b>	<b>19%</b>	<b>306 141</b>
Capital transfers recognised	251 309	277 584	277 584	38 358	178 858	138 792	40 066	29%	277 584
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	17 809	28 557	28 557	897	3 048	14 279	(11 231)	-79%	28 557
<b>Total sources of capital funds</b>	<b>269 118</b>	<b>306 141</b>	<b>306 141</b>	<b>39 255</b>	<b>181 907</b>	<b>153 071</b>	<b>28 836</b>	<b>19%</b>	<b>306 141</b>
<b>Financial position</b>									
Total current assets	194 494	147 860	147 860		425 421				147 860
Total non current assets	2 927 288	2 955 803	2 955 803		3 109 195				2 955 803
Total current liabilities	152 711	111 522	111 522		215 887				111 522
Total non current liabilities	27 735	28 869	28 869		27 735				28 869
Community wealth/Equity	<b>2 981 547</b>	<b>2 720 105</b>	<b>2 720 105</b>		<b>3 290 993</b>				<b>2 720 105</b>
<b>Cash flows</b>									
Net cash from (used) operating	1 502 631	324 776	324 776	468 764	1 394 691	162 388	(1 232 303)	-759%	324 776
Net cash from (used) investing	(269 118)	(306 141)	(306 141)	(39 255)	(181 907)	(153 071)	28 836	-19%	(306 141)
Net cash from (used) financing	-	(2 251)	(2 251)	171	218	(1 126)	(1 344)	119%	(2 251)
<b>Cash/cash equivalents at the month/year end</b>	<b>1 283 739</b>	<b>84 290</b>	<b>84 290</b>	<b>-</b>	<b>1 337 643</b>	<b>76 099</b>	<b>(1 261 545)</b>	<b>-1658%</b>	<b>141 024</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	5 718	5 293	4 064	3 700	4 140	3 389	34 017	187 372	247 694
<b>Creditors Age Analysis</b>									
Total Creditors	95	74	205	734	-	-	-	-	1 108

## 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	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	449 558	488 282	488 282	156 636	359 539	244 141	115 399	47%	488 282
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	449 558	488 282	488 282	156 636	359 539	244 141	115 399	47%	488 282
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	32	16	16	4	23	8	15	188%	16
Community and social services	32	16	16	4	23	8	15	188%	16
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	3 888	638	638	-	-	319	(319)	-100%	638
Planning and development	3 888	638	638	-	-	319	(319)	-100%	638
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	394 162	438 386	438 386	51 890	245 971	219 193	26 778	12%	438 386
Energy sources	-	-	-	-	-	-	-	-	-
Water management	381 035	423 735	423 735	50 775	238 947	211 867	27 079	13%	423 735
Waste water management	13 126	14 651	14 651	1 115	7 024	7 326	(302)	-4%	14 651
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>847 640</b>	<b>927 322</b>	<b>927 322</b>	<b>208 530</b>	<b>605 533</b>	<b>463 661</b>	<b>141 872</b>	<b>31%</b>	<b>927 322</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	284 833	294 557	293 757	20 681	120 996	147 013	(26 017)	-18%	293 757
Executive and council	29 054	39 878	39 958	2 023	17 120	19 959	(2 839)	-14%	39 958
Finance and administration	244 549	244 785	243 985	17 981	99 603	122 127	(22 524)	-18%	243 985
Internal audit	11 230	9 894	9 814	678	4 273	4 927	(654)	-13%	9 814
<b>Community and public safety</b>	17 993	20 592	20 592	1 521	8 977	10 296	(1 319)	-13%	20 592
Community and social services	17 993	20 592	20 592	1 521	8 977	10 296	(1 319)	-13%	20 592
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	152 110	167 382	167 382	10 565	37 142	83 691	(46 549)	-56%	167 382
Planning and development	152 110	167 382	167 382	10 565	37 142	83 691	(46 549)	-56%	167 382
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	180 120	201 412	202 212	13 358	88 783	100 973	(12 190)	-12%	202 212
Energy sources	-	-	-	-	-	-	-	-	-
Water management	177 611	200 518	201 318	13 346	88 699	100 526	(11 827)	-12%	201 318
Waste water management	2 509	893	893	12	84	447	(362)	-81%	893
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	-	212	212	-	-	106	(106)	-100%	212
<b>Total Expenditure - Functional</b>	<b>635 056</b>	<b>684 154</b>	<b>684 154</b>	<b>46 126</b>	<b>255 897</b>	<b>342 079</b>	<b>(86 182)</b>	<b>-25%</b>	<b>684 154</b>
<b>Surplus/ (Deficit) for the year</b>	<b>212 584</b>	<b>243 167</b>	<b>243 167</b>	<b>162 405</b>	<b>349 636</b>	<b>121 582</b>	<b>228 054</b>	<b>188%</b>	<b>243 167</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 2023 was R 605, 5million against a year to date budget of R 455, 1million representing over performance of 33%.

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 75% against the year-to-date budget representing an under performance of 15%.

## 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	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	449 162	470 822	470 822	156 444	359 264	235 411	123 853	52,6%	470 822
Vote 04 - Summary Corporate Services	372	372	372	192	256	186	69	37,3%	372
Vote 05 - Summary Social Services & Development Planing	32	17 654	17 654	4	23	8 827	(8 804)	-99,7%	17 654
Vote 06 - Summary Infrastructure Services	308 606	354 861	354 861	47 009	207 878	177 431	30 447	17,2%	354 861
Vote 07 - Summary Water Services	89 467	83 613	83 613	4 881	38 113	41 806	(3 693)	-8,8%	83 613
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>847 640</b>	<b>927 322</b>	<b>927 322</b>	<b>208 530</b>	<b>605 533</b>	<b>463 661</b>	<b>141 872</b>	<b>30,6%</b>	<b>927 322</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	18 112	19 937	19 937	1 170	10 419	9 969	450	4,5%	19 937
Vote 02 - Summary Municipal Manager	22 172	22 917	22 917	1 530	10 974	11 459	(485)	-4,2%	22 917
Vote 03 - Summary Budget And Treasury Office	94 203	90 559	90 559	6 923	35 725	45 280	(9 554)	-21,1%	90 559
Vote 04 - Summary Corporate Services	90 576	86 586	86 586	6 659	42 867	43 293	(426)	-1,0%	86 586
Vote 05 - Summary Social Services & Development Planing	50 497	75 394	75 394	9 338	30 385	37 697	(7 313)	-19,4%	75 394
Vote 06 - Summary Infrastructure Services	122 016	128 353	128 353	2 787	15 968	64 177	(48 209)	-75,1%	128 353
Vote 07 - Summary Water Services	237 478	260 408	260 408	17 717	109 560	130 204	(20 645)	-15,9%	260 408
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>635 056</b>	<b>684 154</b>	<b>684 154</b>	<b>46 126</b>	<b>255 897</b>	<b>342 079</b>	<b>(86 182)</b>	<b>-25,2%</b>	<b>684 154</b>
<b>Surplus/ (Deficit) for the year</b>	<b>212 584</b>	<b>243 167</b>	<b>243 167</b>	<b>162 405</b>	<b>349 636</b>	<b>121 582</b>	<b>228 054</b>	<b>187,6%</b>	<b>243 167</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 2023.

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

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity							-		
Service charges - Water	64 525	61 123	61 123	2 853	24 931	30 561	(5 631)	-18%	61 123
Service charges - Waste Water Management	13 149	15 069	15 069	957	6 749	7 535	(786)	-10%	15 069
Service charges - Waste management							-		
Sale of Goods and Rendering of Services	741	876	876	5	150	438	(288)	-66%	876
Interest earned from Receivables	14 117	11 960	11 960	1 309	8 505	5 980	2 525	42%	11 960
Interest from Current and Non Current Assets	10 858	5 713	5 713	1 811	10 759	2 857	7 902	277%	5 713
Operational Revenue	810	388	388	196	279	194	84	44%	388
<b>Non-Exchange Revenue</b>									
Property rates							-		
Surcharges and Taxes							-		
Fines, penalties and forfeits	-	-	-	-	-	-	-		-
Licence and permits							-		
Transfers and subsidies - Operational	452 460	493 840	493 840	155 709	355 476	246 920	108 556	44%	493 840
Interest							-		
Fuel Levy							-		
Operational Revenue							-		
Gains on disposal of Assets	-	-	-	-	-	-	-		-
Other Gains	3 755	-	-	-	-	-	-		-
Discontinued Operations							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>560 414</b>	<b>588 970</b>	<b>588 970</b>	<b>162 841</b>	<b>406 847</b>	<b>294 485</b>	<b>112 362</b>	<b>38%</b>	<b>588 970</b>
<b>Expenditure By Type</b>									
Employee related costs	245 707	256 783	256 783	21 279	123 632	128 392	(4 761)	-4%	256 783
Remuneration of councillors	6 988	8 119	8 119	581	4 179	4 060	119	3%	8 119
Bulk purchases - electricity	-	-	-	-	-	-	-		-
Inventory consumed	33 986	28 431	28 431	2 450	14 889	14 216	673	5%	28 431
Debt impairment	(1 202)	28 300	28 300	-	-	14 150	(14 150)	-100%	28 300
Depreciation and amortisation	93 063	97 007	97 007	-	-	48 504	(48 504)	-100%	97 007
Interest	113	100	100	-	2	50	(48)	-96%	100
Contracted services	134 274	140 220	140 658	10 619	61 382	70 228	(8 845)	-13%	140 658
Transfers and subsidies	15 290	2 500	2 500	-	-	1 250	(1 250)	-100%	2 500
Irrecoverable debts written off	34 790	30 418	30 418	-	-	15 209	(15 209)	-100%	30 418
Operational costs	69 172	92 277	91 839	11 196	51 814	46 021	5 793	13%	91 839
Losses on Disposal of Assets	2 875	-	-	-	-	-	-		-
Other Losses	-	-	-	-	-	-	-		-
<b>Total Expenditure</b>	<b>635 056</b>	<b>684 154</b>	<b>684 154</b>	<b>46 126</b>	<b>255 897</b>	<b>342 079</b>	<b>(86 182)</b>	<b>-25%</b>	<b>684 154</b>
<b>Surplus/(Deficit)</b>	<b>(74 642)</b>	<b>(95 185)</b>	<b>(95 185)</b>	<b>116 715</b>	<b>150 950</b>	<b>(47 594)</b>	<b>198 544</b>	<b>(0)</b>	<b>(95 185)</b>
Transfers and subsidies - capital (monetary allocations)	283 338	321 352	321 352	45 689	198 686	160 676	38 010	0	321 352
Transfers and subsidies - capital (in-kind)	3 888	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>212 584</b>	<b>226 167</b>	<b>226 167</b>	<b>162 405</b>	<b>349 636</b>	<b>113 082</b>	<b>236 554</b>	<b>0</b>	<b>226 167</b>
Income Tax									
<b>Surplus/(Deficit) after income tax</b>	<b>212 584</b>	<b>226 167</b>	<b>226 167</b>	<b>162 405</b>	<b>349 636</b>	<b>113 082</b>			<b>226 167</b>
Share of Surplus/Deficit attributable to Joint Venture									
Share of Surplus/Deficit attributable to Minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>212 584</b>	<b>226 167</b>	<b>226 167</b>	<b>162 405</b>	<b>349 636</b>	<b>113 082</b>			<b>226 167</b>
Share of Surplus/Deficit attributable to Associate									
Intercompany/Parent subsidiary transactions	-	17 000	17 000	-	-	8 500			17 000
<b>Surplus/ (Deficit) for the year</b>	<b>212 584</b>	<b>243 167</b>	<b>243 167</b>	<b>162 405</b>	<b>349 636</b>	<b>121 582</b>			<b>243 167</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 83%. The actual figure is based on accrued revenue. Billing is less than what was anticipated, however based on actual collections only R30, 6million cash received as at 31 December 2023

**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 anticipated or projected. This amount can therefore be amended during the budget adjustment.

**Government grants** – Equitable Share, FMG, MIG, RBIG, and WSIG tranches received. There has been a reduction of conditional grants from National Treasury in terms of DORA therefore there would be an adjustment in February for 2023/2024 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, the current financial year have not yet been effected as the regulating gazette specifying the remuneration packages was not yet issued by the end of December 2023.

**Depreciation** – There has been no depreciation processed to date. The year to date actual for Development agency is R389 616 against year to budget of R 358 000. 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). The consolidated year to date expenditure is R2 153k against year to date budget of R50 004k.

**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 rental of office accommodation, Repairs and Maintenance, Security. This expenditure is linked to contractual commitments. This line item will not be adjusted during the adjustment process.

**Other expenditure** – includes items such as fleet costs (fuel & oil, tyres, admin costs, licences), 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.

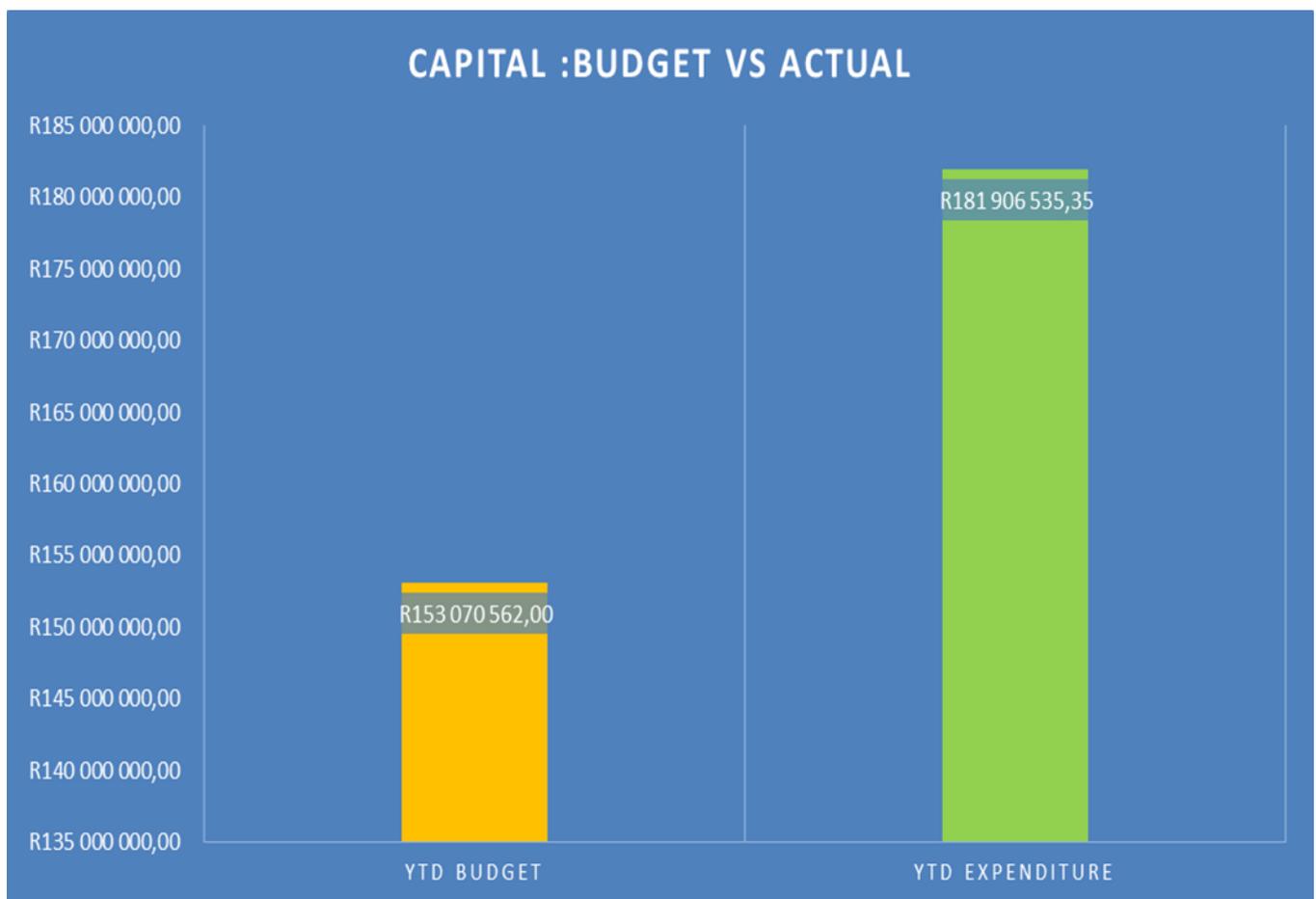
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M06 December

Vote Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	275	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	7 727	9 641	9 641	28	2 179	4 821	(2 642)	-55%	9 641
Vote 05 - Summary Social Services & Development Planning	408	2 267	2 267	-	-	1 133	(1 133)	-100%	2 267
Vote 06 - Summary Infrastructure Services	47 306	55 292	78 392	11 048	51 051	36 891	14 160	38%	78 392
Vote 07 - Summary Water Services	213 402	238 941	215 841	28 179	128 677	110 226	18 451	17%	215 841
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>269 118</b>	<b>306 141</b>	<b>306 141</b>	<b>39 255</b>	<b>181 907</b>	<b>153 071</b>	<b>28 836</b>	<b>19%</b>	<b>306 141</b>
<b>Total Capital Expenditure</b>	<b>269 118</b>	<b>306 141</b>	<b>306 141</b>	<b>39 255</b>	<b>181 907</b>	<b>153 071</b>	<b>28 836</b>	<b>19%</b>	<b>306 141</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	<b>8 002</b>	<b>10 308</b>	<b>10 308</b>	<b>28</b>	<b>2 179</b>	<b>5 154</b>	<b>(2 975)</b>	<b>-58%</b>	<b>10 308</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	8 002	10 308	10 308	28	2 179	5 154	(2 975)	-58%	10 308
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>270</b>	<b>1 600</b>	<b>1 600</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>(800)</b>	<b>-100%</b>	<b>1 600</b>
Community and social services	270	1 600	1 600	-	-	800	(800)	-100%	1 600
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>41 851</b>	<b>27 618</b>	<b>58 218</b>	<b>9 699</b>	<b>42 832</b>	<b>24 553</b>	<b>18 278</b>	<b>74%</b>	<b>58 218</b>
Planning and development	41 851	27 618	58 218	9 699	42 832	24 553	18 278	74%	58 218
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>218 995</b>	<b>266 615</b>	<b>236 015</b>	<b>29 529</b>	<b>136 896</b>	<b>122 563</b>	<b>14 332</b>	<b>12%</b>	<b>236 015</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	174 461	198 174	168 066	25 151	105 278	86 889	18 389	21%	168 066
Waste water management	44 534	68 441	67 950	4 378	31 617	35 674	(4 057)	-11%	67 950
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>269 118</b>	<b>306 141</b>	<b>306 141</b>	<b>39 255</b>	<b>181 907</b>	<b>153 071</b>	<b>28 836</b>	<b>19%</b>	<b>306 141</b>
<b>Funded by:</b>									
National Government	247 421	277 584	277 584	38 358	178 858	138 792	40 066	29%	277 584
Provincial Government	3 888	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>251 309</b>	<b>277 584</b>	<b>277 584</b>	<b>38 358</b>	<b>178 858</b>	<b>138 792</b>	<b>40 066</b>	<b>29%</b>	<b>277 584</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>17 809</b>	<b>28 557</b>	<b>28 557</b>	<b>897</b>	<b>3 048</b>	<b>14 279</b>	<b>(11 231)</b>	<b>-79%</b>	<b>28 557</b>
<b>Total Capital Funding</b>	<b>269 118</b>	<b>306 141</b>	<b>306 141</b>	<b>39 255</b>	<b>181 907</b>	<b>153 071</b>	<b>28 836</b>	<b>19%</b>	<b>306 141</b>

The 2023/2024 mid-year capital expenditure has overperformed by 19% from year to date to budget, there is a great improvement in expenditure of capital projects. There is a high possibility that MIG grant will be finished before the end of financial year despite the withdrawal of R10 million that was reduced by National Treasury. 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 R181, 9million against a YTD budget of R153million. In monetary terms, these figures represent 119% percent performance against the capital development programme as at midyear.

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

As at midyear, the current ratio has improved to 0.1:9 compared to 0.1:3 as at the end of the last financial 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	2022/23	Budget Year 2023/24			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	124 641	84 290	84 290	357 190	84 290
Trade and other receivables from exchange transactions	32 136	28 499	28 499	39 166	28 499
Receivables from non-exchange transactions	2 318	2 336	2 336	2 315	2 336
Current portion of non-current receivables	-	-	-	-	-
Inventory	716	513	513	716	513
VAT	34 688	32 160	32 160	26 159	32 160
Other current assets	(5)	62	62	(125)	62
<b>Total current assets</b>	<b>194 494</b>	<b>147 860</b>	<b>147 860</b>	<b>425 421</b>	<b>147 860</b>
<b>Non current assets</b>					
Investments					
Investment property	-	-	-	-	-
Property, plant and equipment	2 926 773	2 954 832	2 954 832	3 108 679	2 954 832
Biological assets					
Living and non-living resources					
Heritage assets					
Intangible assets	515	972	972	515	972
Trade and other receivables from exchange transactions	-	-	-	-	-
Non-current receivables from non-exchange transactions					
Other non-current assets	0	0	0	0	0
<b>Total non current assets</b>	<b>2 927 288</b>	<b>2 955 803</b>	<b>2 955 803</b>	<b>3 109 195</b>	<b>2 955 803</b>
<b>TOTAL ASSETS</b>	<b>3 121 782</b>	<b>3 103 663</b>	<b>3 103 663</b>	<b>3 534 615</b>	<b>3 103 663</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Financial liabilities	12 806	10 394	10 394	12 806	10 394
Consumer deposits	2 415	2 324	2 324	2 684	2 324
Trade and other payables from exchange transactions	92 607	75 527	75 527	68 624	75 527
Trade and other payables from non-exchange transactions	21 177	1 483	1 483	103 931	1 483
Provision	16 171	15 194	15 194	16 171	15 194
VAT	7 535	6 600	6 600	11 672	6 600
Other current liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<b>152 711</b>	<b>111 522</b>	<b>111 522</b>	<b>215 887</b>	<b>111 522</b>
<b>Non current liabilities</b>					
Financial liabilities	(0)	-	-	(0)	-
Provision	27 735	28 869	28 869	27 735	28 869
Long term portion of trade payables	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-
<b>Total non current liabilities</b>	<b>27 735</b>	<b>28 869</b>	<b>28 869</b>	<b>27 735</b>	<b>28 869</b>
<b>TOTAL LIABILITIES</b>	<b>180 446</b>	<b>140 391</b>	<b>140 391</b>	<b>243 622</b>	<b>140 391</b>
<b>NET ASSETS</b>	<b>2 941 336</b>	<b>2 963 272</b>	<b>2 963 272</b>	<b>3 290 993</b>	<b>2 963 272</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated surplus/(deficit)	2 941 336	2 963 272	2 963 272	3 290 993	2 963 272
Reserves and funds	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 941 336</b>	<b>2 963 272</b>	<b>2 963 272</b>	<b>3 290 993</b>	<b>2 963 272</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	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	18	-	-	1	4	-	4	0%	-
Service charges	51 062	61 100	61 100	4 715	30 622	30 550	72	0%	61 100
Other revenue	1 823 061	53 987	53 987	332 526	1 217 812	26 994	1 190 818	4411%	53 987
Transfers and Subsidies - Operational	128 367	493 840	493 840	154 544	354 916	246 920	107 996	44%	493 840
Transfers and Subsidies - Capital	316 011	321 352	321 352	80 000	282 000	160 676	121 324	76%	321 352
Interest	10 858	5 713	5 713	1 811	10 759	2 857	7 902	277%	5 713
Dividends							-		
<b>Payments</b>									
Suppliers and employees	(826 746)	(611 117)	(611 117)	(104 833)	(501 421)	(305 558)	195 863	-64%	(611 117)
Interest	-	(100)	(100)	-	-	(50)	(50)	100%	(100)
Transfers and Subsidies	-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1 502 631</b>	<b>324 776</b>	<b>324 776</b>	<b>468 764</b>	<b>1 394 691</b>	<b>162 388</b>	<b>(1 232 303)</b>	<b>-759%</b>	<b>324 776</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE							-		
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments							-		
<b>Payments</b>									
Capital assets	(269 118)	(306 141)	(306 141)	(39 255)	(181 907)	(153 071)	28 836	-19%	(306 141)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(269 118)</b>	<b>(306 141)</b>	<b>(306 141)</b>	<b>(39 255)</b>	<b>(181 907)</b>	<b>(153 071)</b>	<b>28 836</b>	<b>-19%</b>	<b>(306 141)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	-	149	149	171	218	74	144	193%	149
<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>-</b>	<b>(2 251)</b>	<b>(2 251)</b>	<b>171</b>	<b>218</b>	<b>(1 126)</b>	<b>(1 344)</b>	<b>119%</b>	<b>(2 251)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 233 513</b>	<b>16 384</b>	<b>16 384</b>	<b>429 679</b>	<b>1 213 003</b>	<b>8 192</b>			<b>16 384</b>
Cash/cash equivalents at beginning:	50 226	67 907	67 907	907 964	124 641	67 907			124 641
Cash/cash equivalents at month/year end:	1 283 739	84 290	84 290		1 337 643	76 099			141 024

There have been more expected collection levels signalled by a collection of 97%. 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 Nedbank.

### **Table C1 Parent Monthly Budget**

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

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	77 674	76 192	76 192	3 810	31 680	38 096	(6 417)	-17%	76 192
Investment revenue	10 858	5 095	5 095	1 811	10 759	2 548	8 211	322%	5 095
Transfers and subsidies - Operational	452 460	493 840	493 840	155 709	355 476	246 920	108 556		493 840
Other own revenue	19 422	13 204	13 204	1 510	8 933	6 602	2 331	35%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>560 414</b>	<b>588 332</b>	<b>588 332</b>	<b>162 841</b>	<b>406 847</b>	<b>294 166</b>	<b>112 681</b>	<b>38%</b>	<b>588 332</b>
Employee costs	245 707	250 266	250 266	21 279	123 632	125 134	(1 502)		250 266
Remuneration of Councillors	6 988	8 119	8 119	581	4 179	4 060	119		8 119
Depreciation and amortisation	93 063	96 292	96 292	-	-	48 146	(48 146)		96 292
Interest	113	10	10	-	2	5	(3)		10
Inventory consumed and bulk purchases	33 986	28 331	28 331	2 450	14 889	14 166	723		28 331
Transfers and subsidies	15 290	-	-	-	-	-	-		-
Other expenditure	239 909	283 121	283 121	21 816	113 196	141 561	(28 365)	-20%	283 121
<b>Total Expenditure</b>	<b>635 056</b>	<b>666 138</b>	<b>666 138</b>	<b>46 126</b>	<b>255 897</b>	<b>333 071</b>	<b>(77 173)</b>	<b>-23%</b>	<b>666 138</b>
<b>Surplus/(Deficit)</b>	<b>(74 642)</b>	<b>(77 806)</b>	<b>(77 806)</b>	<b>116 715</b>	<b>150 950</b>	<b>(38 905)</b>	<b>189 855</b>	<b>-488%</b>	<b>(77 806)</b>
Transfers and subsidies - capital (monetary allocations)	283 338	321 352	321 352	45 689	198 686	160 676	38 010	24%	321 352
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>212 584</b>	<b>243 546</b>	<b>243 546</b>	<b>162 405</b>	<b>349 636</b>	<b>121 771</b>	<b>227 865</b>	<b>187%</b>	<b>243 546</b>
<b>Surplus/ (Deficit) for the year</b>	<b>212 584</b>	<b>243 546</b>	<b>243 546</b>	<b>162 405</b>	<b>349 636</b>	<b>121 771</b>	<b>227 865</b>	<b>187%</b>	<b>243 546</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>269 118</b>	<b>305 474</b>	<b>305 474</b>	<b>39 255</b>	<b>181 907</b>	<b>152 737</b>	<b>29 169</b>	<b>19%</b>	<b>305 474</b>
Capital transfers recognised	251 309	277 584	277 584	38 358	178 858	138 792	40 066	29%	277 584
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	17 809	27 890	27 890	897	3 048	13 945	(10 897)	-78%	27 890
<b>Total sources of capital funds</b>	<b>269 118</b>	<b>305 474</b>	<b>305 474</b>	<b>39 255</b>	<b>181 907</b>	<b>152 737</b>	<b>29 169</b>	<b>19%</b>	<b>305 474</b>
<b>Financial position</b>									
Total current assets	194 494	133 495	133 495		425 421				133 495
Total non current assets	2 927 288	2 954 344	2 954 344		3 109 195				2 954 344
Total current liabilities	152 711	91 202	91 202		215 887				91 202
Total non current liabilities	27 735	28 869	28 869		27 735				28 869
Community wealth/Equity	<b>2 981 547</b>	<b>2 706 994</b>	<b>2 706 994</b>		<b>3 290 993</b>				<b>2 706 994</b>
<b>Cash flows</b>									
Net cash from (used) operating	1 502 631	324 776	324 776	468 764	1 394 691	162 388	(1 232 303)	-759%	324 776
Net cash from (used) investing	(269 118)	(306 141)	(306 141)	(39 255)	(181 907)	(153 071)	28 836	-19%	(306 141)
Net cash from (used) financing	-	(2 251)	(2 251)	171	218	(1 126)	(1 344)	119%	(2 251)
<b>Cash/cash equivalents at the month/year end</b>	<b>1 283 739</b>	<b>69 925</b>	<b>69 925</b>	<b>-</b>	<b>1 337 643</b>	<b>61 733</b>	<b>(1 275 910)</b>	<b>-2067%</b>	<b>141 024</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	5 718	5 293	4 064	3 700	4 140	3 389	34 017	187 372	247 694
<b>Creditors Age Analysis</b>									
Total Creditors	95	74	205	734	-	-	-	-	1 108

## 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	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>449 558</b>	<b>471 282</b>	<b>471 282</b>	<b>156 636</b>	<b>359 539</b>	<b>235 641</b>	123 899	53%	<b>471 282</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	449 558	471 282	471 282	156 636	359 539	235 641	123 899	53%	471 282
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>32</b>	<b>16</b>	<b>16</b>	<b>4</b>	<b>23</b>	<b>8</b>	15	188%	<b>16</b>
Community and social services	32	16	16	4	23	8	15	188%	16
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>3 888</b>	-	-	-	-	-	-	-	-
Planning and development	3 888	-	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>394 162</b>	<b>438 386</b>	<b>438 386</b>	<b>51 890</b>	<b>245 971</b>	<b>219 193</b>	26 778	12%	<b>438 386</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	381 035	423 735	423 735	50 775	238 947	211 867	27 079	13%	423 735
Waste water management	13 126	14 651	14 651	1 115	7 024	7 326	(302)	-4%	14 651
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 Revenue - Functional</b>	<b>847 640</b>	<b>909 684</b>	<b>909 684</b>	<b>208 530</b>	<b>605 533</b>	<b>454 842</b>	<b>150 691</b>	<b>33%</b>	<b>909 684</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>284 833</b>	<b>279 353</b>	<b>278 553</b>	<b>20 681</b>	<b>120 996</b>	<b>139 411</b>	(18 415)	-13%	<b>278 553</b>
Executive and council	29 054	32 960	33 040	2 023	17 120	16 500	620	4%	33 040
Finance and administration	244 549	236 499	235 699	17 981	99 603	117 983	(18 380)	-16%	235 699
Internal audit	11 230	9 894	9 814	678	4 273	4 927	(654)	-13%	9 814
<b>Community and public safety</b>	<b>17 993</b>	<b>20 592</b>	<b>20 592</b>	<b>1 521</b>	<b>8 977</b>	<b>10 296</b>	(1 319)	-13%	<b>20 592</b>
Community and social services	17 993	20 592	20 592	1 521	8 977	10 296	(1 319)	-13%	20 592
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>152 110</b>	<b>164 782</b>	<b>164 782</b>	<b>10 565</b>	<b>37 142</b>	<b>82 391</b>	(45 249)	-55%	<b>164 782</b>
Planning and development	152 110	164 782	164 782	10 565	37 142	82 391	(45 249)	-55%	164 782
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>180 120</b>	<b>201 412</b>	<b>202 212</b>	<b>13 358</b>	<b>88 783</b>	<b>100 973</b>	(12 190)	-12%	<b>202 212</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	177 611	200 518	201 318	13 346	88 699	100 526	(11 827)	-12%	201 318
Waste water management	2 509	893	893	12	84	447	(362)	-81%	893
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 Expenditure - Functional</b>	<b>635 056</b>	<b>666 138</b>	<b>666 138</b>	<b>46 126</b>	<b>255 897</b>	<b>333 071</b>	<b>(77 173)</b>	<b>-23%</b>	<b>666 138</b>
<b>Surplus/ (Deficit) for the year</b>	<b>212 584</b>	<b>243 546</b>	<b>243 546</b>	<b>162 405</b>	<b>349 636</b>	<b>121 771</b>	<b>227 865</b>	<b>187%</b>	<b>243 546</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 2023 was R 605, 5million against a year to date budget of R 455, 1million representing over performance of 33%.

Expenditure by standard classification presents the expenditure by the departments. The operational budget performance at midyear was 75% against the year to date budget which is under performed by 15%.

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

Vote Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
<b>Revenue by Vote</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	449 162	470 822	470 822	156 444	359 264	235 411	123 853	52,6%	470 822
Vote 04 - Summary Corporate Services	372	372	372	192	256	186	69	37,3%	372
Vote 05 - Summary Social Services & Development Planning	32	16	16	4	23	8	15	187,7%	16
Vote 06 - Summary Infrastructure Services	308 606	354 861	354 861	47 009	207 878	177 431	30 447	17,2%	354 861
Vote 07 - Summary Water Services	89 467	83 613	83 613	4 881	38 113	41 806	(3 693)	-8,8%	83 613
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>847 640</b>	<b>909 684</b>	<b>909 684</b>	<b>208 530</b>	<b>605 533</b>	<b>454 842</b>	<b>150 691</b>	<b>33,1%</b>	<b>909 684</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	18 112	19 937	19 937	1 170	10 419	9 969	450	4,5%	19 937
Vote 02 - Summary Municipal Manager	22 172	22 917	22 917	1 530	10 974	11 459	(485)	-4,2%	22 917
Vote 03 - Summary Budget And Treasury Office	94 203	90 559	90 559	6 923	35 725	45 280	(9 554)	-21,1%	90 559
Vote 04 - Summary Corporate Services	90 576	86 586	86 586	6 659	42 867	43 293	(426)	-1,0%	86 586
Vote 05 - Summary Social Services & Development Planning	50 497	57 377	57 377	9 338	30 385	28 689	1 696	5,9%	57 377
Vote 06 - Summary Infrastructure Services	122 016	128 353	128 353	2 787	15 968	64 177	(48 209)	-75,1%	128 353
Vote 07 - Summary Water Services	237 478	260 408	260 408	17 717	109 560	130 204	(20 645)	-15,9%	260 408
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>635 056</b>	<b>666 138</b>	<b>666 138</b>	<b>46 126</b>	<b>255 897</b>	<b>333 071</b>	<b>(77 173)</b>	<b>-23,2%</b>	<b>666 138</b>
<b>Surplus/ (Deficit) for the year</b>	<b>212 584</b>	<b>243 546</b>	<b>243 546</b>	<b>162 405</b>	<b>349 636</b>	<b>121 771</b>	<b>227 865</b>	<b>187,1%</b>	<b>243 546</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.

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

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	64 525	61 123	61 123	2 853	24 931	30 561	(5 631)	-18%	61 123
Service charges - Waste Water Management	13 149	15 069	15 069	957	6 749	7 535	(786)	-10%	15 069
Service charges - Waste management	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	741	856	856	5	150	428	(278)	-65%	856
Interest earned from Receivables	14 117	11 960	11 960	1 309	8 505	5 980	2 525	42%	11 960
Interest from Current and Non Current Assets	10 858	5 095	5 095	1 811	10 759	2 548	8 211	322%	5 095
Licence and permits	-	-	-	-	-	-	-	-	-
Operational Revenue	810	388	388	196	279	194	84	44%	388
<b>Non-Exchange Revenue</b>									
Licence and permits	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	452 460	493 840	493 840	155 709	355 476	246 920	108 556	44%	493 840
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-
Other Gains	3 755	-	-	-	-	-	-	-	-
Discontinued Operations									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>560 414</b>	<b>588 332</b>	<b>588 332</b>	<b>162 841</b>	<b>406 847</b>	<b>294 166</b>	<b>112 681</b>	<b>38%</b>	<b>588 332</b>
<b>Expenditure By Type</b>									
Employee related costs	245 707	250 266	250 266	21 279	123 632	125 134	(1 502)	-1%	250 266
Remuneration of councillors	6 988	8 119	8 119	581	4 179	4 060	119	3%	8 119
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	33 986	28 331	28 331	2 450	14 889	14 166	723	5%	28 331
Debt impairment	(1 202)	28 300	28 300	-	-	14 150	(14 150)	-100%	28 300
Depreciation and amortisation	93 063	96 292	96 292	-	-	48 146	(48 146)	-100%	96 292
Interest	113	10	10	-	2	5	(3)	-57%	10
Contracted services	134 274	134 685	135 123	10 619	61 382	67 460	(6 078)	-9%	135 123
Transfers and subsidies	15 290	-	-	-	-	-	-	-	-
Irrecoverable debts written off	34 790	30 418	30 418	-	-	15 209	(15 209)	-100%	30 418
Operational costs	69 172	89 717	89 279	11 196	51 814	44 741	7 072	16%	89 279
Losses on Disposal of Assets	2 875	-	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>635 056</b>	<b>666 138</b>	<b>666 138</b>	<b>46 126</b>	<b>255 897</b>	<b>333 071</b>	<b>(77 173)</b>	<b>-23%</b>	<b>666 138</b>
<b>Surplus/(Deficit)</b>	<b>(74 642)</b>	<b>(77 806)</b>	<b>(77 806)</b>	<b>116 715</b>	<b>150 950</b>	<b>(38 905)</b>	<b>189 855</b>	<b>(0)</b>	<b>(77 806)</b>
Transfers and subsidies - capital (monetary allocations)	283 338	321 352	321 352	45 689	198 686	160 676	38 010	0	321 352
Transfers and subsidies - capital (in-kind)	3 888	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>212 584</b>	<b>243 546</b>	<b>243 546</b>	<b>162 405</b>	<b>349 636</b>	<b>121 771</b>	<b>227 865</b>	<b>0</b>	<b>243 546</b>
Income Tax									
<b>Surplus/(Deficit) after income tax</b>	<b>212 584</b>	<b>243 546</b>	<b>243 546</b>	<b>162 405</b>	<b>349 636</b>	<b>121 771</b>			<b>243 546</b>
Share of Surplus/Deficit attributable to Joint Venture									
Share of Surplus/Deficit attributable to Minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>212 584</b>	<b>243 546</b>	<b>243 546</b>	<b>162 405</b>	<b>349 636</b>	<b>121 771</b>			<b>243 546</b>
Share of Surplus/Deficit attributable to Associate									
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-			-
<b>Surplus/ (Deficit) for the year</b>	<b>212 584</b>	<b>243 546</b>	<b>243 546</b>	<b>162 405</b>	<b>349 636</b>	<b>121 771</b>			<b>243 546</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	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	275	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	7 727	9 641	9 641	28	2 179	4 821	(2 642)	-55%	9 641
Vote 05 - Summary Social Services & Development Planning	408	1 600	1 600	-	-	800	(800)	-100%	1 600
Vote 06 - Summary Infrastructure Services	47 306	55 292	78 392	11 048	51 051	36 891	14 160	38%	78 392
Vote 07 - Summary Water Services	213 402	238 941	215 841	28 179	128 677	110 226	18 451	17%	215 841
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>269 118</b>	<b>305 474</b>	<b>305 474</b>	<b>39 255</b>	<b>181 907</b>	<b>152 737</b>	<b>29 169</b>	<b>19%</b>	<b>305 474</b>
<b>Total Capital Expenditure</b>	<b>269 118</b>	<b>305 474</b>	<b>305 474</b>	<b>39 255</b>	<b>181 907</b>	<b>152 737</b>	<b>29 169</b>	<b>19%</b>	<b>305 474</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	<b>8 002</b>	<b>9 641</b>	<b>9 641</b>	<b>28</b>	<b>2 179</b>	<b>4 821</b>	<b>(2 642)</b>	<b>-55%</b>	<b>9 641</b>
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	8 002	9 641	9 641	28	2 179	4 821	(2 642)	-55%	9 641
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>270</b>	<b>1 600</b>	<b>1 600</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>(800)</b>	<b>-100%</b>	<b>1 600</b>
Community and social services	270	1 600	1 600	-	-	800	(800)	-100%	1 600
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>41 851</b>	<b>27 618</b>	<b>58 218</b>	<b>9 699</b>	<b>42 832</b>	<b>24 553</b>	<b>18 278</b>	<b>74%</b>	<b>58 218</b>
Planning and development	41 851	27 618	58 218	9 699	42 832	24 553	18 278	74%	58 218
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>218 995</b>	<b>266 615</b>	<b>236 015</b>	<b>29 529</b>	<b>136 896</b>	<b>122 563</b>	<b>14 332</b>	<b>12%</b>	<b>236 015</b>
Energy sources	-	-	-	-	-	-	-	-	-
Water management	174 461	198 174	168 066	25 151	105 278	86 889	18 389	21%	168 066
Waste water management	44 534	68 441	67 950	4 378	31 617	35 674	(4 057)	-11%	67 950
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>269 118</b>	<b>305 474</b>	<b>305 474</b>	<b>39 255</b>	<b>181 907</b>	<b>152 737</b>	<b>29 169</b>	<b>19%</b>	<b>305 474</b>
<b>Funded by:</b>									
National Government	247 421	277 584	277 584	38 358	178 858	138 792	40 066	29%	277 584
Provincial Government	3 888	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>251 309</b>	<b>277 584</b>	<b>277 584</b>	<b>38 358</b>	<b>178 858</b>	<b>138 792</b>	<b>40 066</b>	<b>29%</b>	<b>277 584</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>17 809</b>	<b>27 890</b>	<b>27 890</b>	<b>897</b>	<b>3 048</b>	<b>13 945</b>	<b>(10 897)</b>	<b>-78%</b>	<b>27 890</b>
<b>Total Capital Funding</b>	<b>269 118</b>	<b>305 474</b>	<b>305 474</b>	<b>39 255</b>	<b>181 907</b>	<b>152 737</b>	<b>29 169</b>	<b>19%</b>	<b>305 474</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 overspending for the mid-year ending 31 December 2023. The 2023/2024 year to date actual capital expenditure amounting to R181, 9million against year-to-date budget of R153million representing 119% of the year-to-date budget.

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

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

Description	2022/23	Budget Year 2023/24			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	124 641	69 925	69 925	357 190	69 925
Trade and other receivables from exchange transactions	32 136	28 499	28 499	39 166	28 499
Receivables from non-exchange transactions	2 318	2 336	2 336	2 315	2 336
Current portion of non-current receivables	-	-	-	-	-
Inventory	716	513	513	716	513
VAT	34 688	32 160	32 160	26 159	32 160
Other current assets	(5)	62	62	(125)	62
<b>Total current assets</b>	<b>194 494</b>	<b>133 495</b>	<b>133 495</b>	<b>425 421</b>	<b>133 495</b>
<b>Non current assets</b>					
Investments					
Investment property	-	-	-	-	-
Property, plant and equipment	2 926 773	2 953 654	2 953 654	3 108 679	2 953 654
Biological assets					
Living and non-living resources					
Heritage assets					
Intangible assets	515	690	690	515	690
Trade and other receivables from exchange transactions					
Non-current receivables from non-exchange transactions					
Other non-current assets	0	0	0	0	0
<b>Total non current assets</b>	<b>2 927 288</b>	<b>2 954 344</b>	<b>2 954 344</b>	<b>3 109 195</b>	<b>2 954 344</b>
<b>TOTAL ASSETS</b>	<b>3 121 782</b>	<b>3 087 838</b>	<b>3 087 838</b>	<b>3 534 615</b>	<b>3 087 838</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Financial liabilities	12 806	10 394	10 394	12 806	10 394
Consumer deposits	2 415	2 324	2 324	2 684	2 324
Trade and other payables from exchange transactions	92 607	56 690	56 690	68 624	56 690
Trade and other payables from non-exchange transactions	21 177	-	-	103 931	-
Provision	16 171	15 194	15 194	16 171	15 194
VAT	7 535	6 600	6 600	11 672	6 600
Other current liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<b>152 711</b>	<b>91 202</b>	<b>91 202</b>	<b>215 887</b>	<b>91 202</b>
<b>Non current liabilities</b>					
Financial liabilities	(0)	-	-	(0)	-
Provision	27 735	28 869	28 869	27 735	28 869
Long term portion of trade payables	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-
<b>Total non current liabilities</b>	<b>27 735</b>	<b>28 869</b>	<b>28 869</b>	<b>27 735</b>	<b>28 869</b>
<b>TOTAL LIABILITIES</b>	<b>180 446</b>	<b>120 071</b>	<b>120 071</b>	<b>243 622</b>	<b>120 071</b>
<b>NET ASSETS</b>	<b>2 941 336</b>	<b>2 967 767</b>	<b>2 967 767</b>	<b>3 290 993</b>	<b>2 967 767</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated surplus/(deficit)	2 941 336	2 967 767	2 967 767	3 290 993	2 967 767
Reserves and funds	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 941 336</b>	<b>2 967 767</b>	<b>2 967 767</b>	<b>3 290 993</b>	<b>2 967 767</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	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	18	-	-	1	4	-	4	0%	-
Service charges	51 062	61 100	61 100	4 715	30 622	30 550	72	0%	61 100
Other revenue	1 823 061	53 987	53 987	332 526	1 217 812	26 994	1 190 818	4411%	53 987
Transfers and Subsidies - Operational	128 367	493 840	493 840	154 544	354 916	246 920	107 996	44%	493 840
Transfers and Subsidies - Capital	316 011	321 352	321 352	80 000	282 000	160 676	121 324	76%	321 352
Interest	10 858	5 713	5 713	1 811	10 759	2 857	7 902	277%	5 713
Dividends							-		
<b>Payments</b>									
Suppliers and employees	(826 746)	(611 117)	(611 117)	(104 833)	(501 421)	(305 558)	195 863	-64%	(611 117)
Interest	-	(100)	(100)	-	-	(50)	(50)	100%	(100)
Transfers and Subsidies	-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1 502 631</b>	<b>324 776</b>	<b>324 776</b>	<b>468 764</b>	<b>1 394 691</b>	<b>162 388</b>	<b>(1 232 303)</b>	<b>-759%</b>	<b>324 776</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE							-		
Decrease (increase) in non-current receivables							-		
Decrease (increase) in non-current investments							-		
<b>Payments</b>									
Capital assets	(269 118)	(306 141)	(306 141)	(39 255)	(181 907)	(153 071)	28 836	-19%	(306 141)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(269 118)</b>	<b>(306 141)</b>	<b>(306 141)</b>	<b>(39 255)</b>	<b>(181 907)</b>	<b>(153 071)</b>	<b>28 836</b>	<b>-19%</b>	<b>(306 141)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	-	149	149	171	218	74	144	193%	149
<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>-</b>	<b>(2 251)</b>	<b>(2 251)</b>	<b>171</b>	<b>218</b>	<b>(1 126)</b>	<b>(1 344)</b>	<b>119%</b>	<b>(2 251)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 233 513</b>	<b>16 384</b>	<b>16 384</b>	<b>429 679</b>	<b>1 213 003</b>	<b>8 192</b>			<b>16 384</b>
Cash/cash equivalents at beginning:	50 226	53 541	53 541	907 964	124 641	53 541			124 641
Cash/cash equivalents at month/year end:	1 283 739	69 925	69 925		1 337 643	61 733			141 024

## 2. PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

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

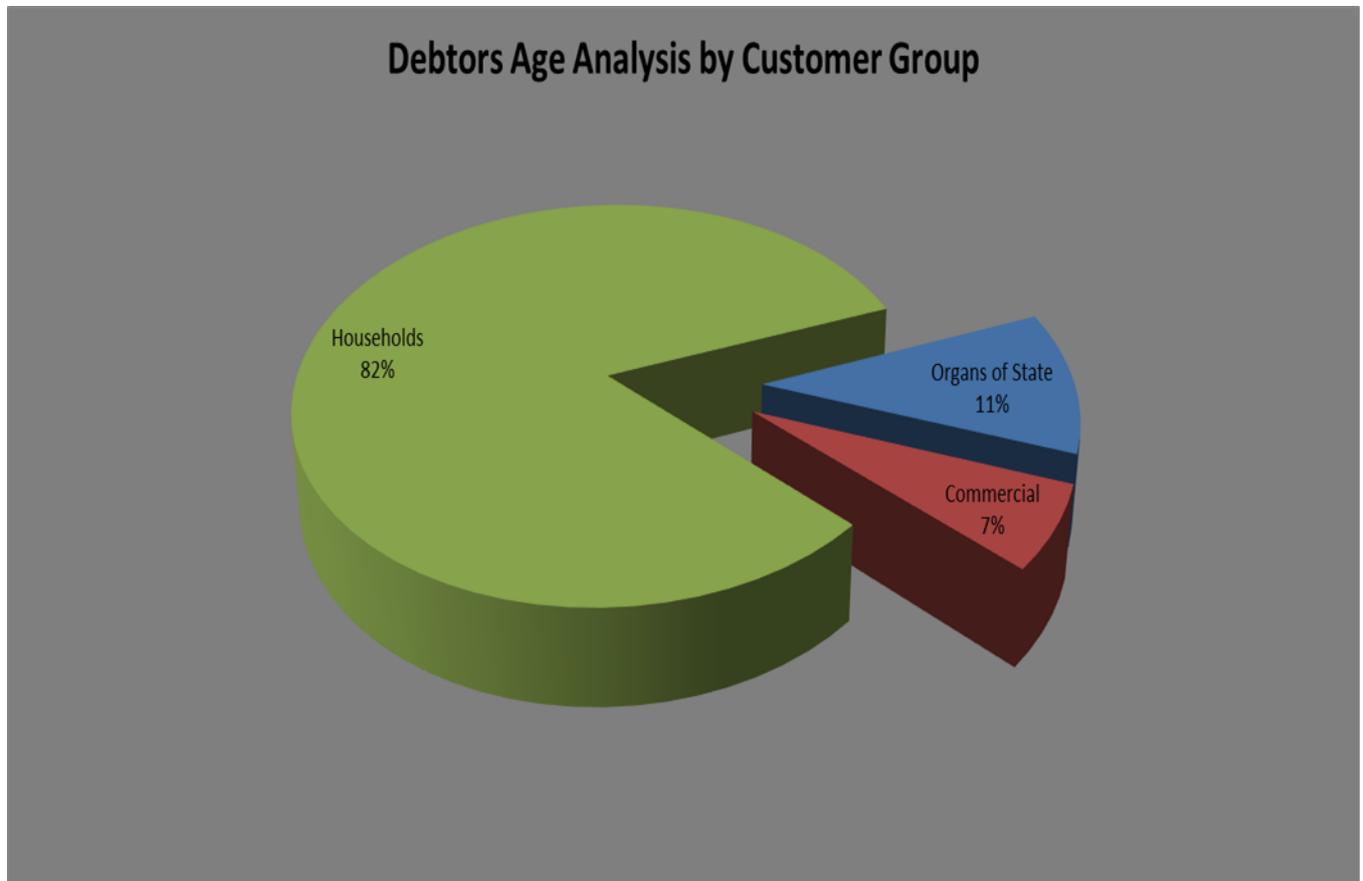
**Table 2.1.1: Debtors Age Analysis by Income Source**

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

Description	Budget Year 2023/24									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	3 670	3 398	2 609	2 375	2 658	2 176	21 837	120 278	159 001	149 324
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-exchange Transactions - Property Rates									-	-
Receivables from Exchange Transactions - Waste Water Management	1 434	1 327	1 019	928	1 038	850	8 531	46 988	62 115	58 335
Receivables from Exchange Transactions - Waste Management									-	-
Receivables from Exchange Transactions - Property Rental Debtors									-	-
Interest on Arrear Debtor Accounts	614	568	436	397	444	364	3 650	20 105	26 578	24 961
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
<b>Total By Income Source</b>	<b>5 718</b>	<b>5 293</b>	<b>4 064</b>	<b>3 700</b>	<b>4 140</b>	<b>3 389</b>	<b>34 017</b>	<b>187 372</b>	<b>247 694</b>	<b>232 619</b>
2022/23 - totals only	7 243	13 395	4 029	4 258	3 184	2 891	15 683	173 875	224 559	199 892
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2 289	1 977	837	697	718	663	8 528	12 106	27 816	22 712
Commercial	720	569	430	430	372	288	2 162	11 117	16 088	14 369
Households	2 708	2 747	2 798	2 573	3 051	2 438	23 328	164 149	203 791	195 538
Other									-	-
<b>Total By Customer Group</b>	<b>5 718</b>	<b>5 293</b>	<b>4 064</b>	<b>3 700</b>	<b>4 140</b>	<b>3 389</b>	<b>34 017</b>	<b>187 372</b>	<b>247 694</b>	<b>232 619</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: 82%
- ✓ Government 11%
- ✓ 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

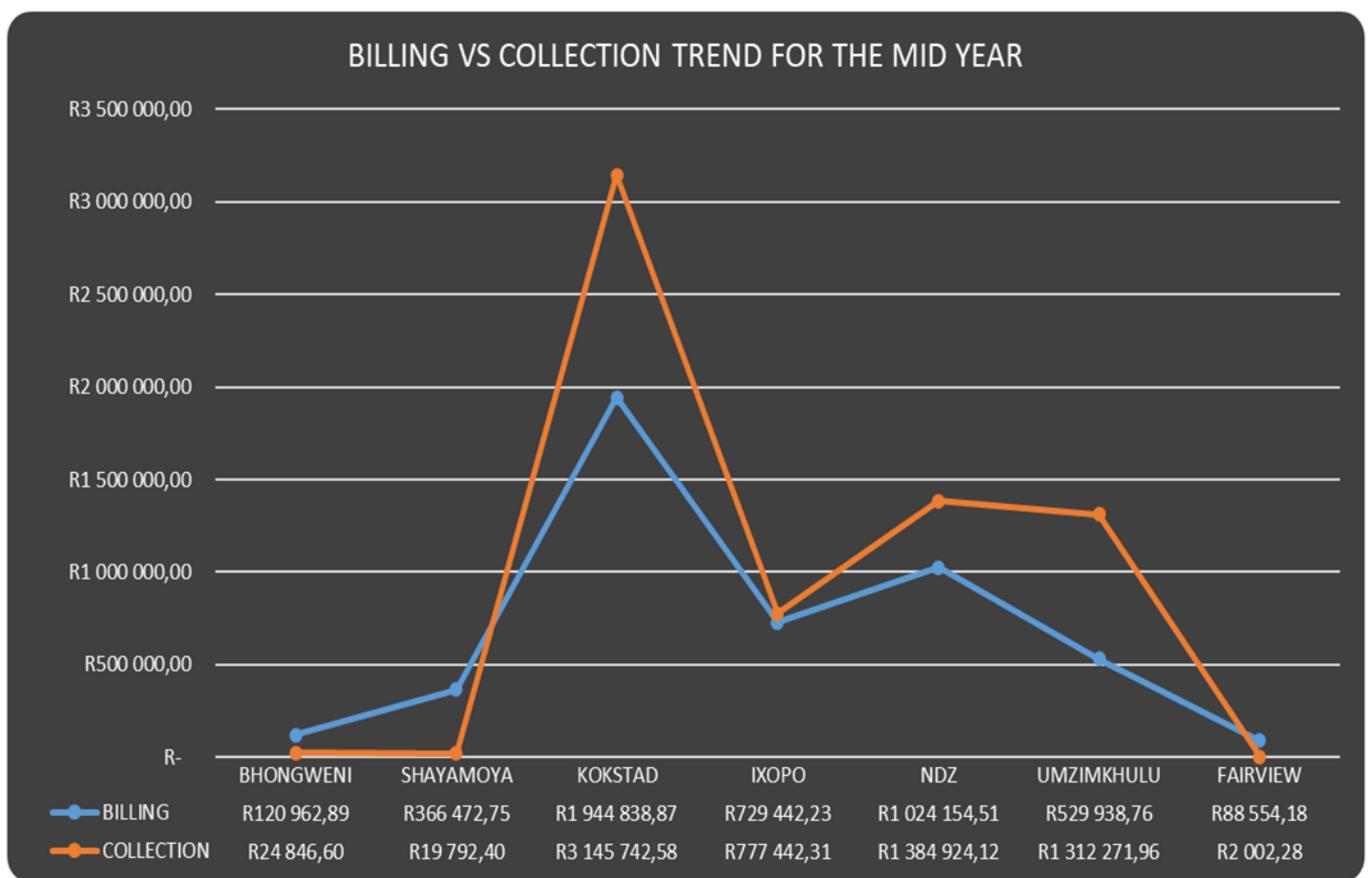
Revenue receipts per Area:

AREA	AMOUNT	DECEMBER	NOVEMBER
		2023	2023
Unallocated receipts	R 47 662,77	1%	3%
Bhongweni	R 24 846,60	0%	0%
Shayamoya	R 19 792,40	0%	1%
Kokstad	R 3 145 742,58	47%	44%
Ixopo	R 777 442,31	12%	25%
NDZ	R 1 401 345,87	21%	17%
Umzimkulu	R 1 312 271,96	20%	9%
Fairview	R 2 002,28	0%	0%
<b>TOTAL RECEIPTS INCL VAT</b>	<b>R 6 714 685,02</b>	100%	100%

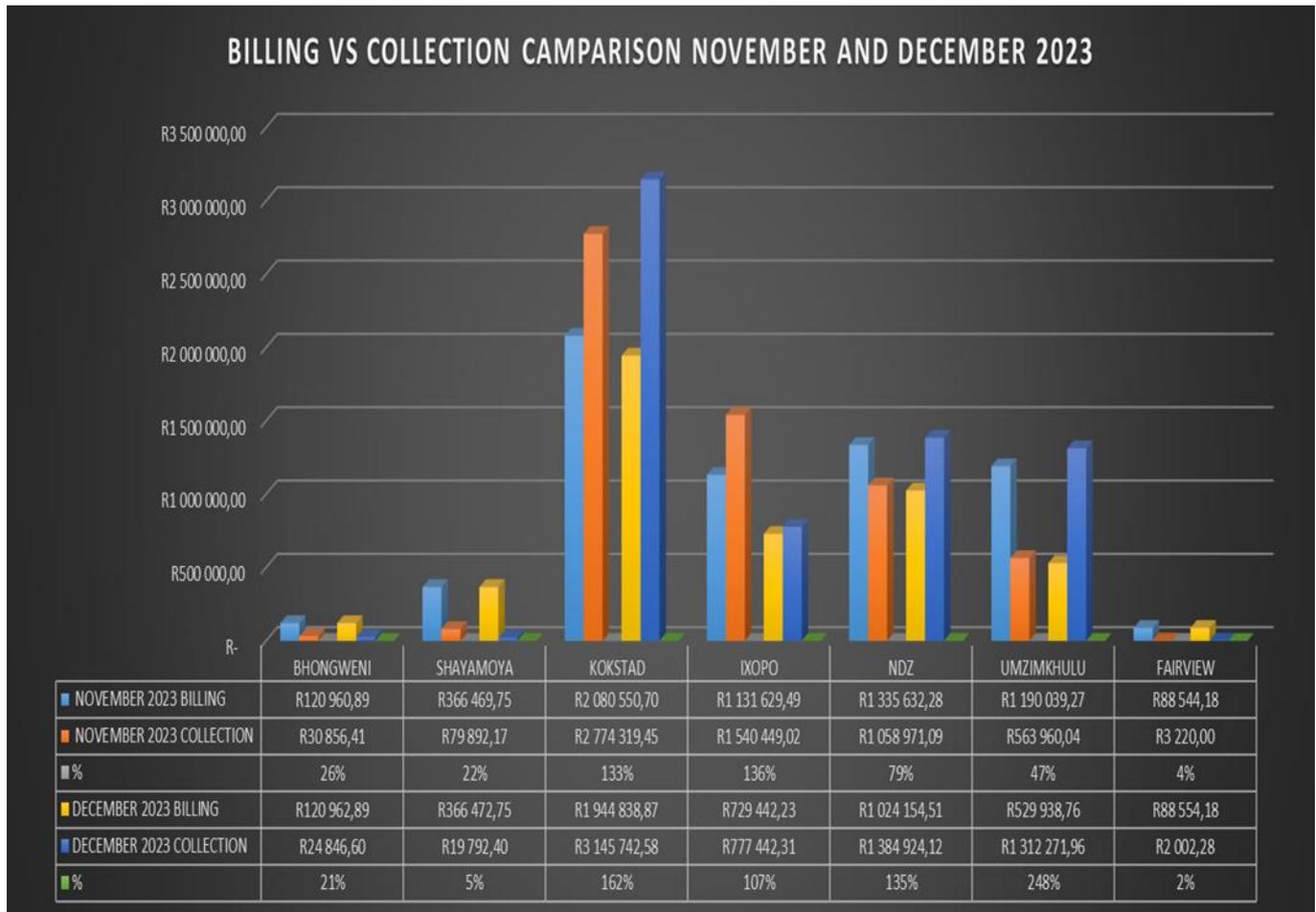
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for December 2023 is R6, 7million, prepaid is R 756 488.Total cash collected including prepaid is R 7, 4million. The total billing for the mid-year is R 35, 4million against collection of R34, 7million representing 98 per cent excluding receipts for prepaid.

**BILLING VS COLLECTION TREND FOR DECEMBER 2023**

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



### CHART 3: BILLING VS COLLECTION (COMPARISON BETWEEN NOVEMBER AND DECEMBER 2023)



## **Debtors age analysis per service**

The municipality's total outstanding debtors amounted to R 247,694,050 as at 31 December 2023 compared with the R 248,560,557 as at 30 November 2023. Current debt represents 2% of the total outstanding debt compared with the 3% of November 2023; 30 days and older debt 2% compared with the 2% for November 2023; 60 days and older debt 2% compared with the 2% of November 2023; and 90 days 1% compared with the 1% of November 2023; 120 days to History and older 92% compared with the 91% for November 2023.

Current debt decreased with R 866,508 to R 247,694,050 in the month ending 31 December compared with the R 248,560,557 as at 30 November 2023; 30 days + debt increased with R 284,676; 60 days + decreased with R 172,942; 90 days + debt decreased with R 502,662 and 120 + days and older debt as at 31 December 2023 has increased with R 1,651,135 to R 228,919,179 compared with the R 227,268,044 for November 2023.

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

Business debtors owes the municipality R 15,690,303 (6%); Municipal debtors R 987,087 (0%); domestic debtors R 185,564,166 (75%); Government accounts R 26,260,983 (11%); Indigent debtors R 13,598,195 (5%); Deceased R 508,225 and other debtors R 5,085,090 (2%) of the total outstanding debt of R 247,694,050.

## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 December 2023

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	
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	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 2023.

## CASH AND INVESTMENT REGISTER AS AT 31 DECEMBER 2023

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
R thousands	Yrs/ Months							
<b>Municipality</b>								
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	28 542	223	(23 612)	66 000	71 152
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	47 346	291	(38 991)	80 000	88 646
FIRST NATIONAL BANK	M	ADMIN CALL	Fixed	2 936	120	(17 978)	80 000	65 078
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	38 378	227	(12 178)		26 427
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 569	9		-	1 578
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	13	61		17 117	17 191
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 709	9		-	1 718
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	1 264	7		-	1 271
NEDBANK	M	FIXED DEPOSIT	Fixed	96	1			97
ABSA BANK	M	FIXED DEPOSIT	Fixed	34 937	664			35 601
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	47 357	153			47 510
FIRST NATIONAL BANK	M	CURRENT ACCOUNT	Fixed	14 895		(9 259)		5 636
<b>Municipality sub-total</b>				<b>219 042</b>	<b>1 763</b>	<b>(102 017)</b>	<b>243 117</b>	<b>361 905</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>219 042</b>	<b>1 763</b>	<b>(102 017)</b>	<b>243 117</b>	<b>361 905</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	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	452 460	493 840	493 840	155 709	355 476	246 920	108 556	44,0%	493 840
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	432 161	463 631	463 631	154 544	347 724	231 815	115 909	50,0%	463 631
Expanded Public Works Programme Integrated Grant	5 221	6 168	6 168	591	3 566	3 084	482	15,6%	6 168
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	1 200	80	610	600	10	1,7%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 479	20 450	20 450	494	2 574	10 225	(7 651)	-74,8%	20 450
Rural Road Asset Management Systems Grant	2 381	2 391	2 391	-	1 001	1 196	(194)	-16,2%	2 391
Water Services Infrastructure Grant	2 018	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>452 460</b>	<b>493 840</b>	<b>493 840</b>	<b>155 709</b>	<b>355 476</b>	<b>246 920</b>	<b>108 556</b>	<b>44,0%</b>	<b>493 840</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	283 338	321 352	321 352	45 689	198 686	160 676	38 010	23,7%	321 352
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	200 355	221 352	221 352	33 592	141 836	110 676	31 160	28,2%	221 352
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	82 982	100 000	100 000	12 098	56 850	50 000	6 850	13,7%	100 000
<b>Provincial Government:</b>	<b>3 888</b>	-	-	-	-	-	-	-	-
Infrastructure Grant	3 888	-	-	-	-	-	-	-	-
<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>287 226</b>	<b>321 352</b>	<b>321 352</b>	<b>45 689</b>	<b>198 686</b>	<b>160 676</b>	<b>38 010</b>	<b>23,7%</b>	<b>321 352</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>739 685</b>	<b>815 192</b>	<b>815 192</b>	<b>201 399</b>	<b>554 162</b>	<b>407 596</b>	<b>146 566</b>	<b>36,0%</b>	<b>815 192</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	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>EXPENDITURE</b>									
<u>Operating expenditure of Transfers and Grants</u>									
<b>National Government:</b>	560 620	581 732	581 732	40 397	224 947	290 868	(65 920)	-22,7%	581 732
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	536 613	550 194	550 194	39 093	216 089	275 099	(59 009)	-21,5%	550 194
Expanded Public Works Programme Integrated Grant	9 729	7 490	7 490	593	3 694	3 745	(51)	-1,4%	7 490
Local Government Financial Management Grant	847	1 207	1 207	77	560	603	(43)	-7,2%	1 207
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 606	20 450	20 450	634	3 733	10 225	(6 492)	-63,5%	20 450
Rural Road Asset Management Systems Grant	2 070	2 391	2 391	-	871	1 196	(325)	-27,2%	2 391
Water Services Infrastructure Grant	1 755	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>560 620</b>	<b>581 732</b>	<b>581 732</b>	<b>40 397</b>	<b>224 947</b>	<b>290 868</b>	<b>(65 920)</b>	<b>-22,7%</b>	<b>581 732</b>
<u>Capital expenditure of Transfers and Grants</u>									
<b>National Government:</b>	247 421	277 584	277 584	38 358	178 858	138 792	40 066	28,9%	277 584
Local Government Financial Management Grant	275	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	171 657	190 627	190 627	28 179	125 331	95 314	30 017	31,5%	190 627
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	75 489	86 957	86 957	10 179	53 528	43 478	10 049	23,1%	86 957
<b>Provincial Government:</b>	<b>3 888</b>	-	-	-	-	-	-	-	-
Infrastructure Grant	<b>3 888</b>	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>251 309</b>	<b>277 584</b>	<b>277 584</b>	<b>38 358</b>	<b>178 858</b>	<b>138 792</b>	<b>40 066</b>	<b>28,9%</b>	<b>277 584</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>811 929</b>	<b>859 316</b>	<b>859 316</b>	<b>78 756</b>	<b>403 806</b>	<b>429 660</b>	<b>(25 854)</b>	<b>-6,0%</b>	<b>859 316</b>

## 2.5 Councillor and Staff Benefits

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

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

Summary of Employee and Councillor remuneration	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	3 902	4 394	4 394	384	2 641	2 197	444	20%	4 394
Pension and UIF Contributions	469	545	545	-	133	272	(140)	-51%	545
Medical Aid Contributions	153	186	186	-	32	93	(61)	-66%	186
Cellphone Allowance	491	534	534	43	331	267	64	24%	534
Other benefits and allowances	1 973	2 460	2 460	154	1 043	1 230	(187)	-15%	2 460
<b>Sub Total - Councillors</b>	<b>6 988</b>	<b>8 119</b>	<b>8 119</b>	<b>581</b>	<b>4 179</b>	<b>4 060</b>	<b>119</b>	<b>3%</b>	<b>8 119</b>
% increase		16,2%	16,2%						16,2%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4 029	2 186	2 186	303	1 968	1 093	875	80%	2 186
Pension and UIF Contributions	15	6	6	-	-	3	(3)	-100%	6
Medical Aid Contributions	66	35	35	4	24	17	7	37%	35
Performance Bonus	81	117	117	-	55	58	(4)	-6%	117
Motor Vehicle Allowance	813	501	501	77	412	251	161	64%	501
Cellphone Allowance	105	58	58	8	49	29	20	68%	58
Housing Allowances	212	110	110	23	132	55	77	139%	110
Other benefits and allowances	246	176	176	18	116	88	27	31%	176
Payments in lieu of leave	332	576	576	-	-	288	(288)	-100%	576
Acting and post related allowance	53	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 950</b>	<b>3 765</b>	<b>3 765</b>	<b>433</b>	<b>2 754</b>	<b>1 883</b>	<b>872</b>	<b>46%</b>	<b>3 765</b>
% increase		-36,7%	-36,7%						-36,7%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	142 683	147 894	147 894	12 402	73 376	73 947	(571)	-1%	147 894
Pension and UIF Contributions	21 654	22 732	22 732	1 896	11 348	11 366	(19)	0%	22 732
Medical Aid Contributions	10 412	10 766	10 766	885	5 316	5 383	(67)	-1%	10 766
Overtime	19 197	20 962	20 962	1 771	10 135	10 481	(347)	-3%	20 962
Performance Bonus	10 259	10 291	10 291	1 076	5 107	5 146	(39)	-1%	10 291
Motor Vehicle Allowance	20 410	22 548	22 548	1 707	10 058	11 274	(1 216)	-11%	22 548
Cellphone Allowance	1 132	1 242	1 242	91	546	621	(75)	-12%	1 242
Housing Allowances	636	740	740	65	349	370	(21)	-6%	740
Other benefits and allowances	6 003	7 279	7 279	568	2 986	3 640	(654)	-18%	7 279
Payments in lieu of leave	1 418	620	620	205	548	310	238	77%	620
Long service awards	1 547	1 205	1 205	145	892	603	290	48%	1 205
Post-retirement benefit obligations	4 244	-	-	-	-	-	-	-	-
Acting and post related allowance	163	221	221	36	219	111	108	97%	221
<b>Sub Total - Other Municipal Staff</b>	<b>239 757</b>	<b>246 501</b>	<b>246 501</b>	<b>20 846</b>	<b>120 877</b>	<b>123 251</b>	<b>(2 374)</b>	<b>-2%</b>	<b>246 501</b>
% increase		2,8%	2,8%						2,8%
<b>Total Parent Municipality</b>	<b>252 695</b>	<b>258 385</b>	<b>258 385</b>	<b>21 860</b>	<b>127 810</b>	<b>129 193</b>	<b>(1 383)</b>	<b>-1%</b>	<b>258 385</b>
		2,3%	2,3%						2,3%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages	-	150	150	-	-	75	(75)	-100%	150
<b>Sub Total - Executive members Board</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>(75)</b>	<b>-100%</b>	<b>150</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Other Staff of Entities</b>									
Basic Salaries and Wages	-	6 055	6 055	-	-	3 027	(3 027)	-100%	6 055
Pension and UIF Contributions	-	20	20	-	-	10	(10)	-100%	20
Payments in lieu of leave	-	242	242	-	-	121	(121)	-100%	242
Acting and post related allowance	-	50	50	-	-	25			50
<b>Sub Total - Other Staff of Entities</b>	<b>-</b>	<b>6 367</b>	<b>6 367</b>	<b>-</b>	<b>-</b>	<b>3 183</b>	<b>(3 183)</b>	<b>-100%</b>	<b>6 367</b>
% increase		#DIV/0!	#DIV/0!						#DIV/0!
<b>Total Municipal Entities</b>	<b>-</b>	<b>6 517</b>	<b>6 517</b>	<b>-</b>	<b>-</b>	<b>3 258</b>	<b>(3 258)</b>	<b>-100%</b>	<b>6 517</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>252 695</b>	<b>264 902</b>	<b>264 902</b>	<b>21 860</b>	<b>127 810</b>	<b>132 452</b>	<b>(4 641)</b>	<b>-4%</b>	<b>264 902</b>
% increase		4,8%	4,8%						4,8%
<b>TOTAL MANAGERS AND STAFF</b>	<b>245 707</b>	<b>256 633</b>	<b>256 633</b>	<b>21 279</b>	<b>123 632</b>	<b>128 317</b>	<b>(4 686)</b>	<b>-4%</b>	<b>256 633</b>

## **2.6 Actual and Revised Targets**

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

**DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December**

Description	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousands</b>															
<b>Cash Receipts By Source</b>															
Property rates	1	1	1	1	1	1	-	-	-	-	-	(4)	-	-	-
Service charges - Electricity revenue															
Service charges - Water revenue	4 359	4 321	4 356	4 336	4 182	3 934	4 094	4 094	4 094	4 094	4 094	3 171	49 132	51 420	53 796
Service charges - Waste Water Management	687	854	964	846	1 001	781	997	997	997	997	997	1 849	11 969	12 520	13 096
Interest earned - external investments	835	2 455	2 306	1 670	1 681	1 811	476	476	476	476	476	(7 426)	5 713	5 948	6 193
Interest earned - outstanding debtors															
Dividends received															
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	2	1	8	5	3	4	1	1	1	1	1	(14)	16	17	18
Agency services															
Transfers and Subsidies - Operational	193 180	4 416	-	-	2 776	154 544	41 153	41 153	41 153	41 153	41 153	(66 843)	493 840	519 283	547 916
Other revenue	387 396	84 724	173 964	101 375	137 808	332 522	4 498	4 498	4 498	4 498	4 498	(1 186 305)	53 971	48 791	49 817
<b>Cash Receipts by Source</b>	<b>586 460</b>	<b>96 771</b>	<b>181 598</b>	<b>108 233</b>	<b>147 453</b>	<b>493 597</b>	<b>51 220</b>	<b>51 220</b>	<b>51 220</b>	<b>51 220</b>	<b>51 220</b>	<b>(1 255 572)</b>	<b>614 640</b>	<b>637 979</b>	<b>670 835</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	91 000	-	71 000	40 000	-	80 000	26 779	26 779	26 779	26 779	26 779	(94 545)	321 352	357 813	357 670
Increase (decrease) in consumer deposits	-	-	7	27	13	171	12	12	12	12	12	(131)	149	149	149
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments															
<b>Total Cash Receipts by Source</b>	<b>677 460</b>	<b>96 771</b>	<b>252 605</b>	<b>148 260</b>	<b>147 466</b>	<b>573 767</b>	<b>78 012</b>	<b>78 012</b>	<b>78 012</b>	<b>78 012</b>	<b>78 012</b>	<b>(1 350 248)</b>	<b>936 141</b>	<b>995 941</b>	<b>1 028 654</b>
<b>Cash Payments by Type</b>															
Employee related costs	17 856	22 316	20 593	20 871	21 036	26 901	21 399	21 399	21 399	21 399	21 399	20 218	256 783	261 725	274 026
Remuneration of councillors	-	-	911	490	311	321	677	677	677	677	677	2 703	8 119	8 517	8 917
Interest	-	-	-	-	-	-	8	8	8	8	8	58	100	105	110
Acquisitions - water & other inventory	-	-	-	-	-	-	1 914	1 914	1 914	1 914	1 914	13 401	22 973	24 030	25 135
Contracted services	-	-	-	-	-	-	11 533	11 533	11 533	11 533	11 533	80 728	138 391	177 138	189 612
Other expenditure	40 071	66 189	68 630	53 905	61 167	73 450	14 404	14 404	14 404	14 404	14 404	(262 583)	172 851	171 990	176 804
<b>Cash Payments by Type</b>	<b>57 928</b>	<b>88 505</b>	<b>90 133</b>	<b>75 266</b>	<b>82 514</b>	<b>100 672</b>	<b>49 935</b>	<b>49 935</b>	<b>49 935</b>	<b>49 935</b>	<b>49 935</b>	<b>(145 475)</b>	<b>599 217</b>	<b>643 505</b>	<b>674 604</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	6 733	28 802	42 801	33 028	31 288	39 255	25 512	25 512	25 512	25 512	25 512	(3 324)	306 141	314 554	315 278
Repayment of borrowing	-	-	-	-	-	-	200	200	200	200	200	1 400	2 400	2 400	2 400
Other Cash Flows/Payments	-	117	612	319	1 194	4 161	1 000	1 000	1 000	1 000	1 000	597	12 000	12 000	12 000
<b>Total Cash Payments by Type</b>	<b>64 660</b>	<b>117 424</b>	<b>133 545</b>	<b>108 613</b>	<b>114 996</b>	<b>144 088</b>	<b>76 646</b>	<b>76 646</b>	<b>76 646</b>	<b>76 646</b>	<b>76 646</b>	<b>(146 802)</b>	<b>919 758</b>	<b>972 458</b>	<b>1 004 283</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>612 800</b>	<b>(20 653)</b>	<b>119 060</b>	<b>39 647</b>	<b>32 470</b>	<b>429 679</b>	<b>1 365</b>	<b>1 365</b>	<b>1 365</b>	<b>1 365</b>	<b>1 365</b>	<b>(1 203 446)</b>	<b>16 384</b>	<b>23 483</b>	<b>24 371</b>
Cash/cash equivalents at the month/year beginning:	124 641	737 441	716 788	835 847	875 494	907 964	1 337 643	1 339 009	1 340 374	1 341 739	1 343 105	1 344 470	124 641	141 024	164 507
Cash/cash equivalents at the month/year end:	737 441	716 788	835 847	875 494	907 964	1 337 643	1 339 009	1 340 374	1 341 739	1 343 105	1 344 470	141 024	141 024	164 507	188 878

## **2.7 Material Variances to the SDBIP**

The following section analyses material variances between the actual targets as at Midyear 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

The analysis also provides a brief on the impact of this report on the adjustments budget.

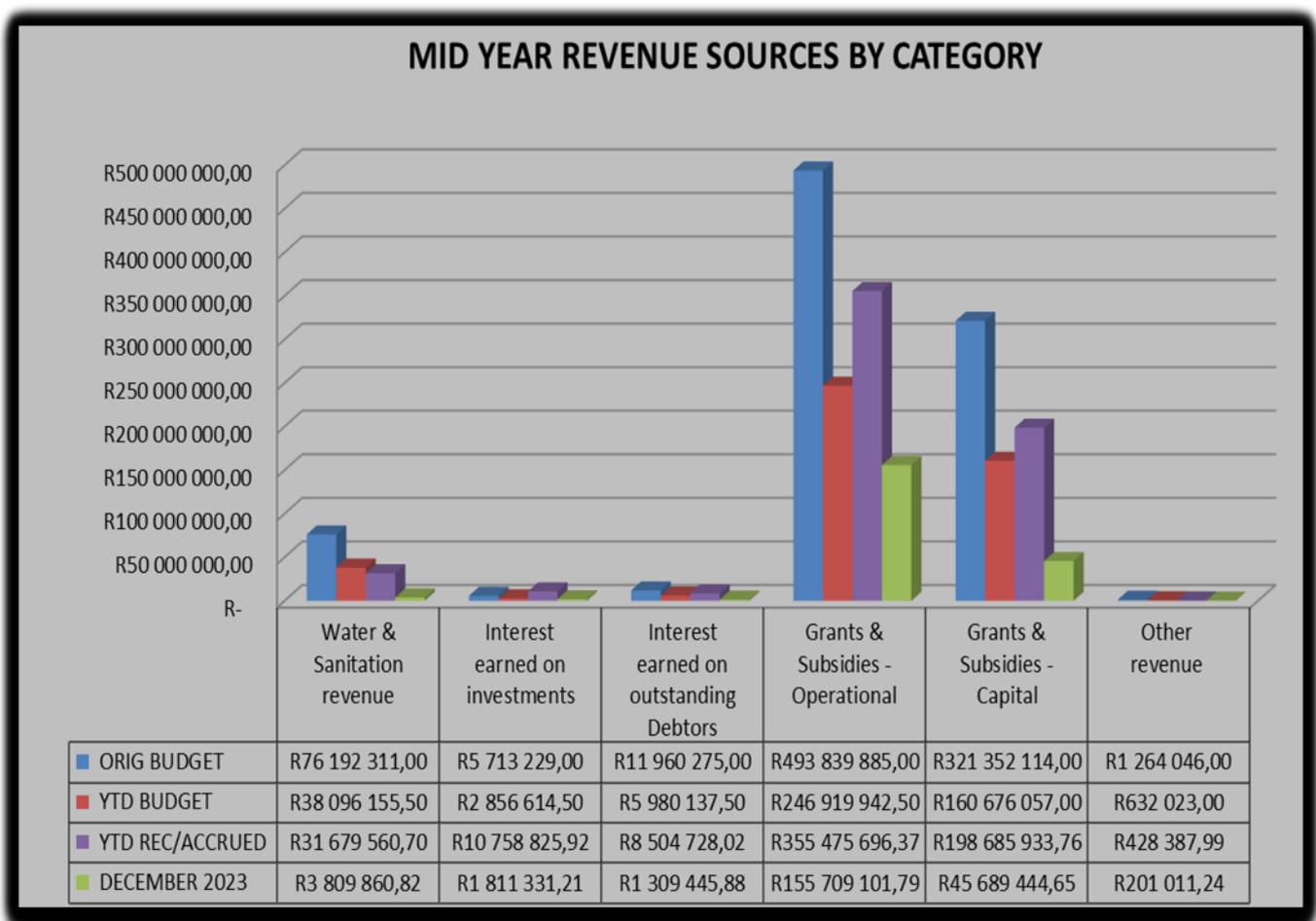
The last section under this heading analyses the actual targets against the planned targets as at 31 December 2023.

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>R thousands</b>			
<b>Revenue By Source</b>			
Service charges - water revenue	-18%	An increase in 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 extension 8 and 6 at Umzimkhulu.	downward 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	-10%	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,
Interest earned - external investments	277%	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 Implimentation of the debt and credit control policy measures such as water restrictions and handing over defaulting consumers to debt collectors
Transfers and subsidies	44%	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	-32%	There is a decrease on the tender documents prices and the number of tender documents sold due to other contractors has access on the internet for printing. There is also adecrease in the number of properties sold and the collection on trasfers has decreased	downward adjustments is necessary
<b>Expenditure By Type</b>			
Employee related costs	-4%	The municipality is spending according to what was anticipated.	No adjustment would be required
Remuneration of councillors	3%	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	-96%	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			
Inventory consumed	5%	The budget for bulk water purchases was underbudgeted on the initial budget	Upward adjustments is necessary
Contracted services	-13%	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 process audits expenditure.	No adjustment would be required
Other expenditure	13%	The municipality is spending according to what was anticipated.	No adjustment would be required
<b>Capital Expenditure</b>			
National Government	29%	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.
Provincial Government	0%		
District Municipality	0%		
Internally generated funds	-79%	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 terraine on the RT-57 tender.	No adjustment is necessary. The municipality is exploring and considering aternative 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 2023 was R31, 6million against a year to date **budget** of R38million. This represents under performance in municipal billing by 17%. 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 less than what was anticipated therefore downward adjustment is needed.

## **Interest Earned on External Investments**

The actual interest earned on external investments as at midyear exceeds the estimated consideration by 88% (R5million) more than what was budgeted.

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

## **Transfers Recognised - Operational**

The operational grants revenue of R326million against a year-to-date budget of R246, 9million is largely attributable to the YTD equitable share received of R355, 4million while the balance relates to conditions met on conditional grant funding.

*Adjustment Budget Implications:* There is a downward adjustment needed as the gazetted budget in the DORA was reduced for Expanded Public Works

### **Transfers Recognised – Capital**

The actual R198, 6million (against a YTD budget of R160, 6million) represent the conditions met in capital expenditures against the conditional grant allocation received. This amount represents 24% over performance in Conditional Capital grant funding expenditures.

*Adjustment Budget Implications:* Due to reduction on the original gazetted grants as per DORA for Municipal Infrastructure Grant and Water Services Infrastructure Grant an adjustment is necessary. According to the expenditure as at 31 December 2023 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 2024.

### **Other Revenue**

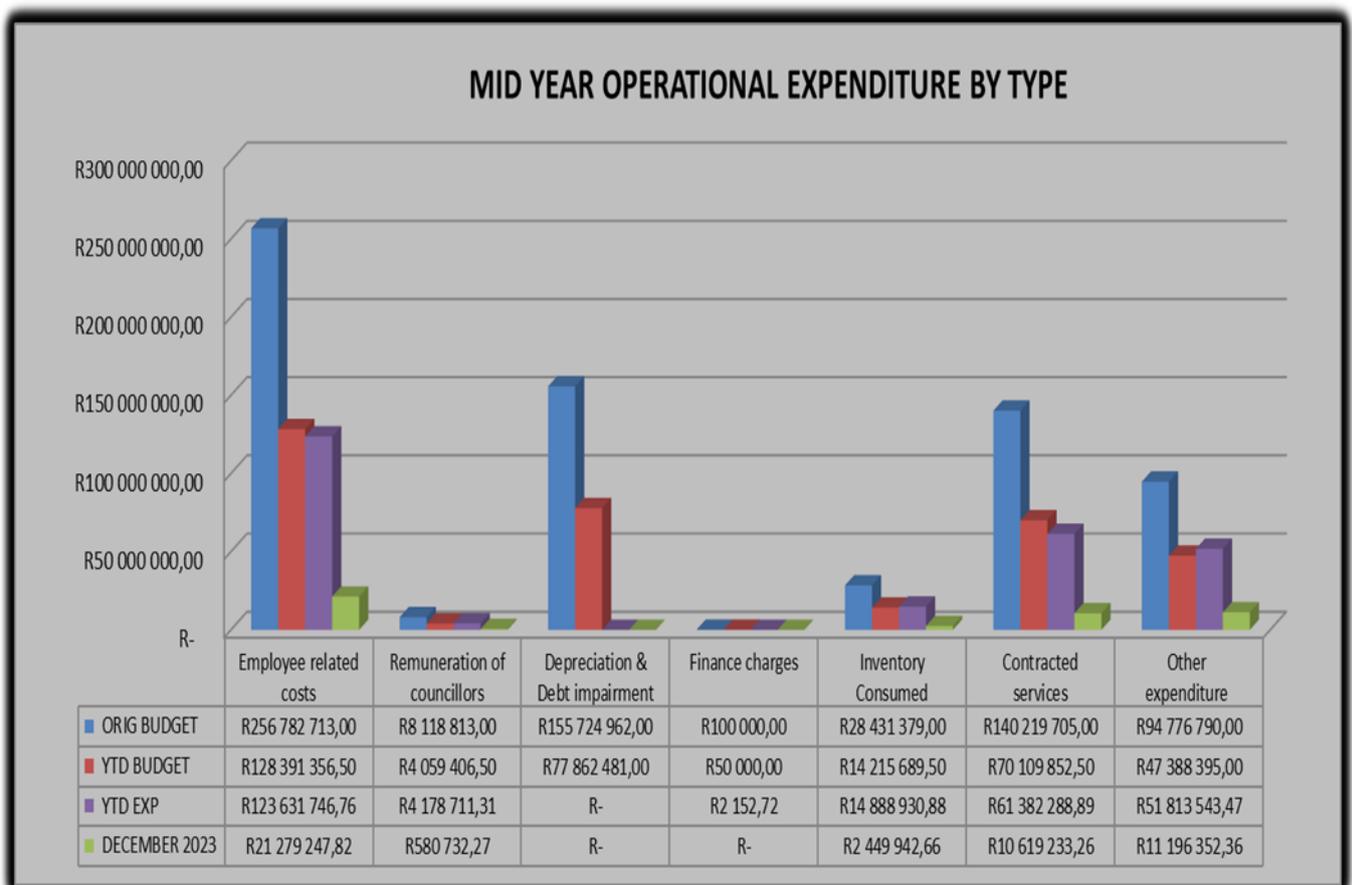
The YTD actual of other revenue is R829 222 against year-to-date budget of R428 388. Other revenue mainly comes from the sale of Tender Documents. Other revenue has underperformed by R203 635.

*Adjustment Budget Implications:* A downward 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 R128, 3million against a year to date actual of R123, 6million. Employee related costs under performed by 4% or R4, 7million.

*Adjustment Budget Implications: None*

## **Remuneration of Councillors**

The remuneration of councillor's expenditure as at 31 December 2023 was R4, 1million against a year to budget of R4million. An overperformance of 3% on this line item mainly due to underbudgeting for councillors' remuneration.

*Adjustment Budget Implications: Upward adjustment is necessary.*

## **Finance Charges**

As at midyear, there is no movement in finance charges. A review of this budget would be required to accommodate finance leases.

*Adjustment Budget Implications: None*

## **Inventory Consumed**

The expenditure on Inventory consumed has overperformed by 5 per cent at mid-year. The year-to-date actual amounting to R14, 8million against year-to-date budget of R14, 2million. A review of this budget would be required.

*Adjustment Budget Implications: An Upward adjustment will be implemented during the Adjustment budget process.*

## **Contracted Services**

An under expenditure of 12% 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 9% 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.

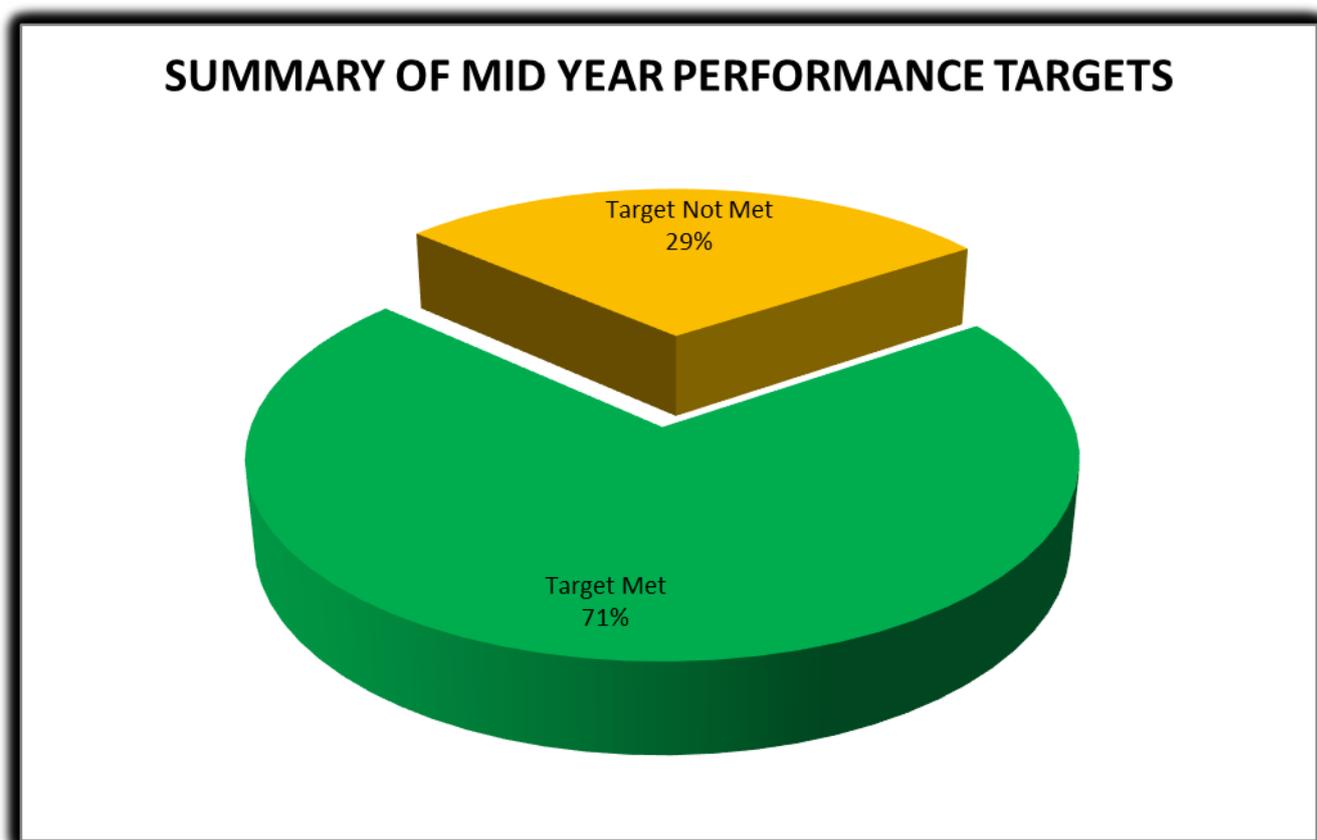


Chart 6 above provides a summary of the targets achieved or met (72%) as well the targets not met (28%). It can be stated that the performance of the municipality at midyear is above average; however, there is still more room for improvement. There are reasons why some of the targets could not be met, 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 28% 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**

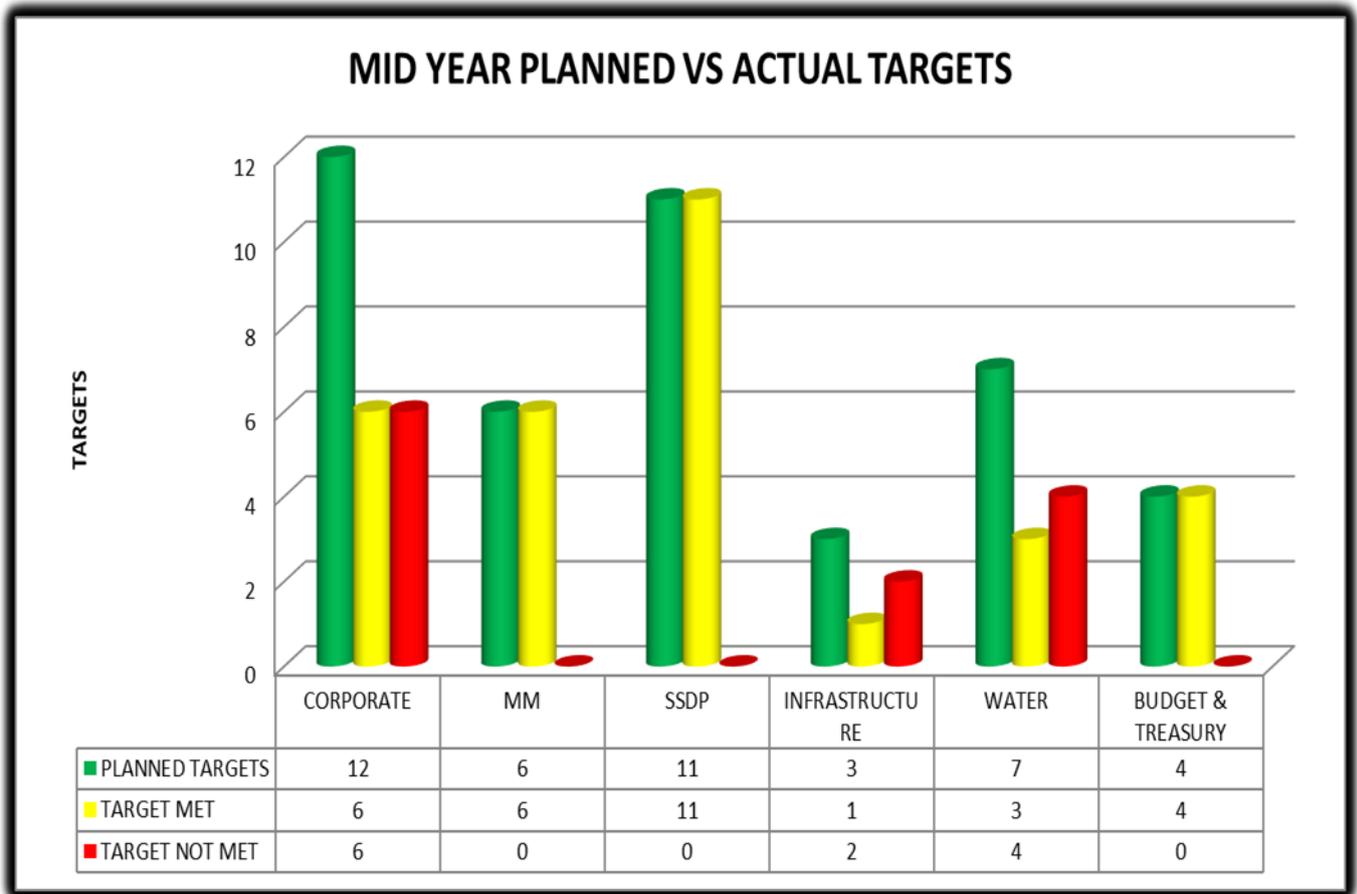
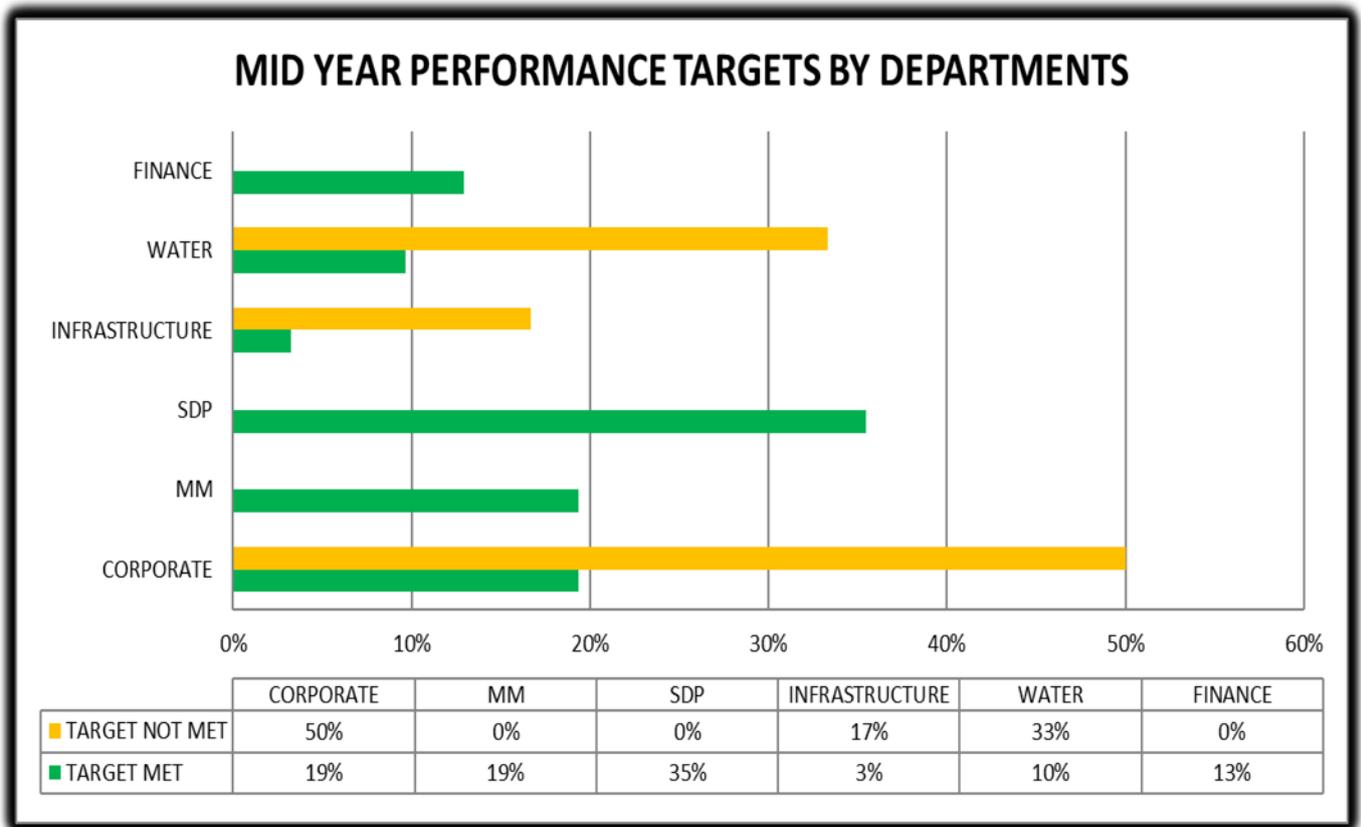


Chart 7 below analyses the extent to which performance targets, in percentage terms, were met by ranking departments from the highest (achieved) to the lowest.

**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:*

Number of jobs created through EPWP Grant (339). There are challenges that are being experienced with some of the participants not being reached

through their Cell phones, but the department is continuously working on this.

Percentage of expenditure on municipal buildings and facilities (50%). The Municipality managed to achieve 12,3% expenditure of the Targeted Maintenance of Municipal buildings R1 664 536,32 / R5 258 893 X 100. This was due to some of the nature of maintenance that requires a longer period to attend to as a result payments would then be effected during the next payroll.

*Corrective Measure:*

The Municipality managed to advertise for 339 jobs through EPWP Grant, however only managed to fill 312 as per the beneficiary list and contracts. There are 29 Contracts that will be reviewed in the 2nd Quarter (by 31 December 2023).

The Municipality has to consider employing Key Staff that will be able to deal with Building maintenance in order to reduce the continuous outsourcing.

## **Water Services**

*Challenges:*

Percentage of expenditure spent on installation of bulk water metres (50%). Project on procurement stage due for adjudication, The Bulk meters will be procured through the panel of contractors' project.

Percentage of compliant water quality provided to communities as required by National Department of Water and Sanitation (95%). the 75% is due to December not yet captured by DWS hence they have not finalised the analysis for December. HGDM has submitted the dataset, but the analysis backlog is on DWS side.

Percentage of compliant wastewater quality discharged to the natural environment as required by National Department of Water and Sanitation (99%). the 49,2% is due to December not yet captured by DWS hence not finalised the analysis for December. HGDM has submitted the dataset, but the analysis backlog is on DWS side.

Percentage of complaints resolved within 48 hours (80%). In the absence of the system, Water Services has been using a manual system so as to ensure that they keep track of the complaints received and resolved. However, a manual system will sometimes have errors as it is populated manually.

*Corrective Measure:*

Expedite the procurement of bulk meters process when contractors have been appointed for this project.

The status quo may change after the 10th of January which is the closing date for Q2 reporting on IRIS.

The status quo may change after the 10th of January which is the closing date for Q2 reporting on IRIS.

The municipality has advertised for the complaints management system with the closing date of the 8th of September 2023. The complaints management system should be in place by the third quarter considering all the processes that needs to have been undertaken, including SCM processes, installation and training.

## **Social Services and Development Planning**

The Department planned to achieve 11 targets by mid-term. 11 targets were achieved. Performance achievement is sitting at 100%.

## **Corporate Services**

### *Challenges:*

Percentage of budget spent on Workplace Skills plan (50%). Not all payments has been effected by BTO.

Number of health and safety trainings conducted (2). The advert was issued with the closing date of the 28 November 2023, however, there has been no appointment of a suitably qualified service provider.

Date in which fire extinguishers are services (31 Dec 2023). Requisitions were done on the 17 November 2023 and submitted the SCM however the process has not yet unfolded.

Date in which signages to all municipal buildings are installed (31 Dec 2023). Requisitions were done on the 17 November 2023 and submitted the SCM however the process has not yet unfolded.

Date by when the drone is procured (30 Sep 2023). Procurement took longer than expected hence only delivered in December 2023 instead of September 2023.

Number of software licenses renewed (6). Only 4 invoices attached.

*Corrective Measure:*

Actual expenditure shall be reported in the next quarter performance report

The progress shall be reported on during the third quarter performance reporting.

A follow up with SCM shall be made and the progress shall be reported on during the third quarter performance reporting.

A follow up with SCM shall be made and the progress shall be reported on during the third quarter performance reporting.

Procurement has been done and the drone was since delivered on the 14 December 2023. Corporate Services shall make a follow up with the service providers.

**Office of the Municipal Manager**

The department planned to achieve 06 targets by mid-term. 06 targets were achieved. Performance achievement is sitting at 100%.

**Budget and Treasury Office**

The department planned to achieve 04 targets by mid-term 04 targets were achieved. Performance achievement is sitting at 100%.

## 2.8 Capital Programme Performance

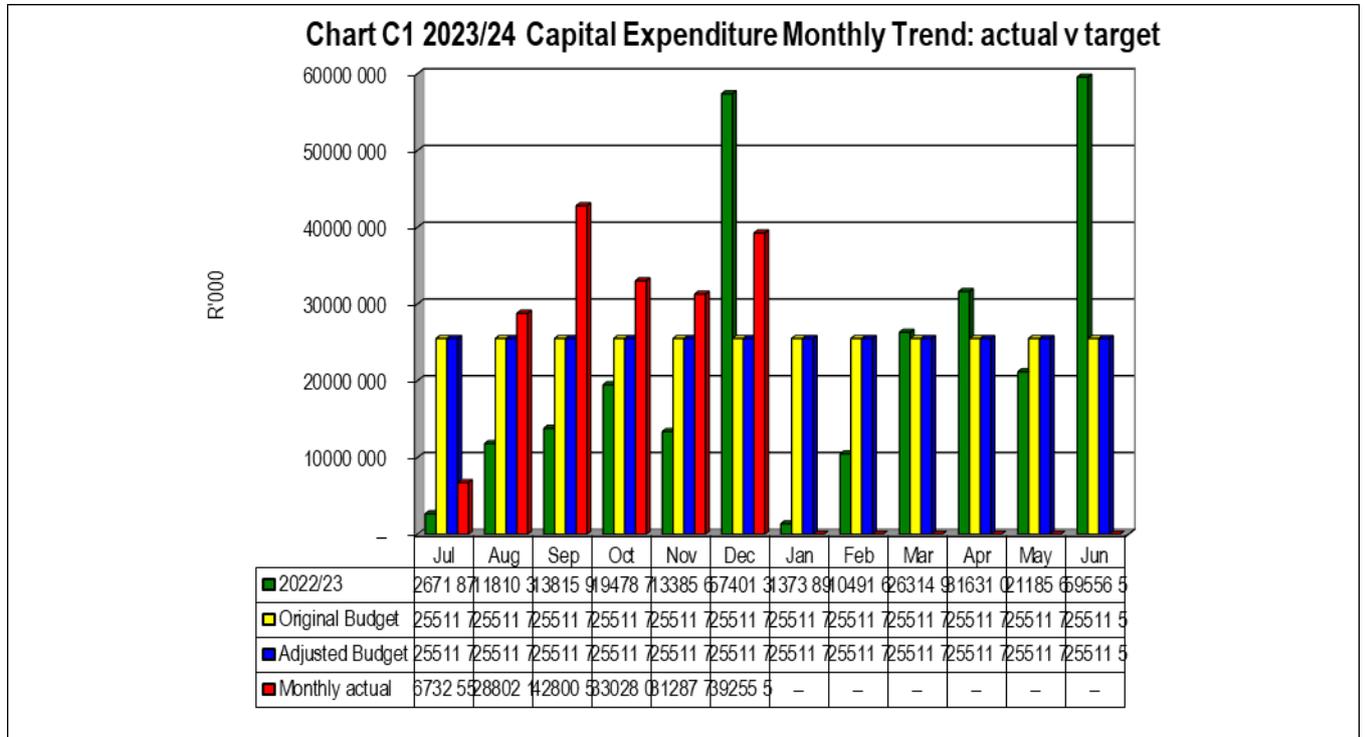
This next section looks at the performance of the capital expenditure programme. This performance is best illustrated in the charts that follow.

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 2023 and the planned monthly targets is also displayed.

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

Month	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July	2 672	25 512	25 512	6 733	6 733	25 512	18 779	73,6%	2%
August	11 810	25 512	25 512	28 802	28 802	51 024	22 221	43,6%	9%
September	13 816	25 512	25 512	42 801	42 801	76 535	33 735	44,1%	14%
October	19 479	25 512	25 512	33 028	33 028	102 047	69 019	67,6%	11%
November	13 386	25 512	25 512	31 288	31 288	127 559	96 271	75,5%	10%
December	57 401	25 512	25 512	39 255	39 255	153 071	113 815	74,4%	13%
January	1 374	25 512	25 512	–	–	178 582	178 582	100,0%	0%
February	10 492	25 512	25 512	–	–	204 094	204 094	100,0%	0%
March	26 315	25 512	25 512	–	–	229 606	229 606	100,0%	0%
April	31 631	25 512	25 512	–	–	255 118	255 118	100,0%	–
May	21 186	25 512	25 512	–	–	280 630	280 630	100,0%	–
June	59 557	25 511	25 511	–	–	306 141	306 141	100,0%	–
<b>Total Capital expenditure</b>	<b>269 118</b>	<b>306 141</b>	<b>306 141</b>	<b>181 907</b>					

### Chart C1: Capital Expenditure Monthly Trend: Actual v Target



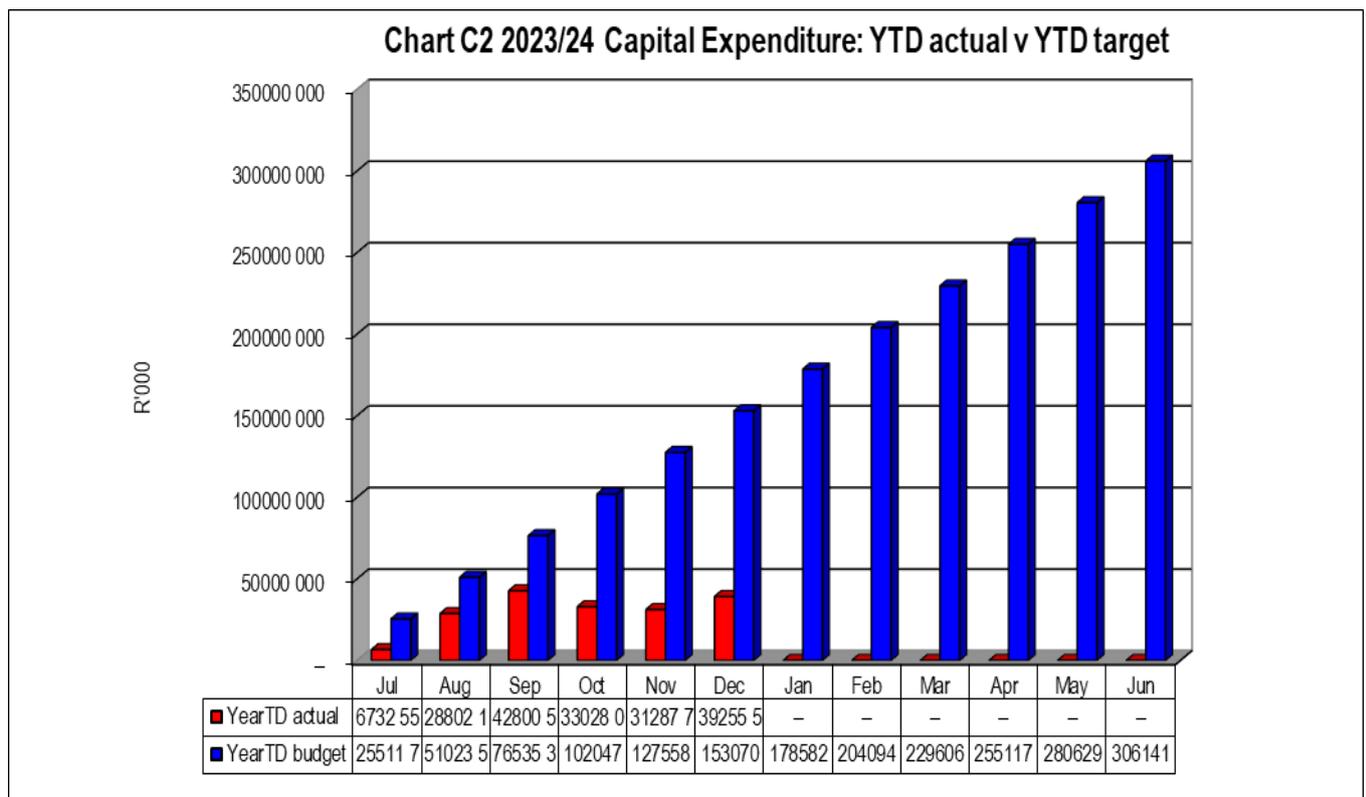
This next section looks at the performance of the capital expenditure on new assets by asset class.

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

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>247 862</b>	<b>262 045</b>	<b>273 345</b>	<b>37 009</b>	<b>170 640</b>	<b>133 065</b>	<b>(37 574)</b>	<b>-28,2%</b>	<b>273 345</b>
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	203 327	191 477	203 268	32 631	139 022	96 328	(42 695)	-44,3%	203 268
Dams and Weirs	18 068	45 242	30 036	4 406	16 455	18 925	2 470	13,1%	30 036
Boreholes	37 187	33 539	10 439	-	3 346	7 525	4 179	55,5%	10 439
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	3 716	4 935	4 935	-	3 302	2 467	(834)	-33,8%	4 935
Water Treatment Works	267	-	-	-	-	-	-	-	-
Bulk Mains	45 795	16 056	45 056	7 159	33 419	18 544	(14 874)	-80,2%	45 056
Distribution	98 295	91 705	112 802	21 066	82 501	48 867	(33 634)	-68,8%	112 802
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	44 534	70 568	70 077	4 378	31 617	36 738	5 120	13,9%	70 077
Pump Station	-	6 488	6 488	-	-	3 244	3 244	100,0%	6 488
Reticulation	44 534	41 814	49 323	4 378	31 617	23 504	(8 114)	-34,5%	49 323
Waste Water Treatment Works	-	10 761	10 761	-	-	5 381	5 381	100,0%	10 761
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	11 505	3 505	-	-	4 609	4 609	100,0%	3 505
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>270</b>	<b>804</b>	<b>804</b>	<b>-</b>	<b>-</b>	<b>402</b>	<b>402</b>	<b>100,0%</b>	<b>804</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	270	804	804	-	-	402	402	100,0%	804
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	270	804	804	-	-	402	402	100,0%	804
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	<b>410</b>	<b>742</b>	<b>678</b>	<b>-</b>	<b>-</b>	<b>350</b>	<b>350</b>	<b>100,0%</b>	<b>678</b>
Computer Equipment	410	742	678	-	-	350	350	100,0%	678
<b>Furniture and Office Equipment</b>	<b>1 293</b>	<b>2 602</b>	<b>2 666</b>	<b>28</b>	<b>955</b>	<b>1 322</b>	<b>368</b>	<b>27,8%</b>	<b>2 666</b>
Furniture and Office Equipment	1 293	2 602	2 666	28	955	1 322	368	27,8%	2 666
<b>Machinery and Equipment</b>	<b>7 430</b>	<b>8 810</b>	<b>8 810</b>	<b>869</b>	<b>869</b>	<b>4 405</b>	<b>3 536</b>	<b>80,3%</b>	<b>8 810</b>
Machinery and Equipment	7 430	8 810	8 810	869	869	4 405	3 536	80,3%	8 810
<b>Transport Assets</b>	<b>-</b>	<b>1 600</b>	<b>1 600</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>800</b>	<b>100,0%</b>	<b>1 600</b>
Transport Assets	-	1 600	1 600	-	-	800	800	100,0%	1 600
<b>Total Capital Expenditure on new assets</b>	<b>257 265</b>	<b>276 603</b>	<b>287 903</b>	<b>37 906</b>	<b>172 463</b>	<b>140 345</b>	<b>(32 119)</b>	<b>-22,9%</b>	<b>287 903</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 2023.

## 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 **2023** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name Gamakulu Ma'art Sineke

Municipal Manager of **Harry Gwala District Municipality (DC43)**

Signature \_\_\_\_\_

Date \_\_\_\_\_