

Harry Gwala District Municipality

MFMA s71 report for the period ending 31 July 2023.

In-Year Report of the Municipality

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

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Glossary

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

AFS – Annual Financial Statements

Budget – The financial plan of the Municipality.

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

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

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

FMG – Financial Management Grant.

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

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

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

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

MIG – Municipal Infrastructure Grant.

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

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

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

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

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

YTD – Year to date

YoY – Year on Year

DBSA – Development Bank of South Africa

PURPOSE

To table a report on the Implementation of the current budget and the financial state of the Municipality in terms of Section 71 of the Municipal Finance Management Act (MFMA)

LEGISLATIVE FRAMEWORK

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

Legislative Requirements

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

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

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

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

(g) when necessary, an explanation of—

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

1.2 Executive Summary

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

Revenue by Source

The Year-to-Date actual revenue is 275% above the YTD budget. All the allocated conditional grants receipted as per Division of Revenue Bill, However the recognition as revenue only occur when the expenditure is incurred.

Borrowings

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

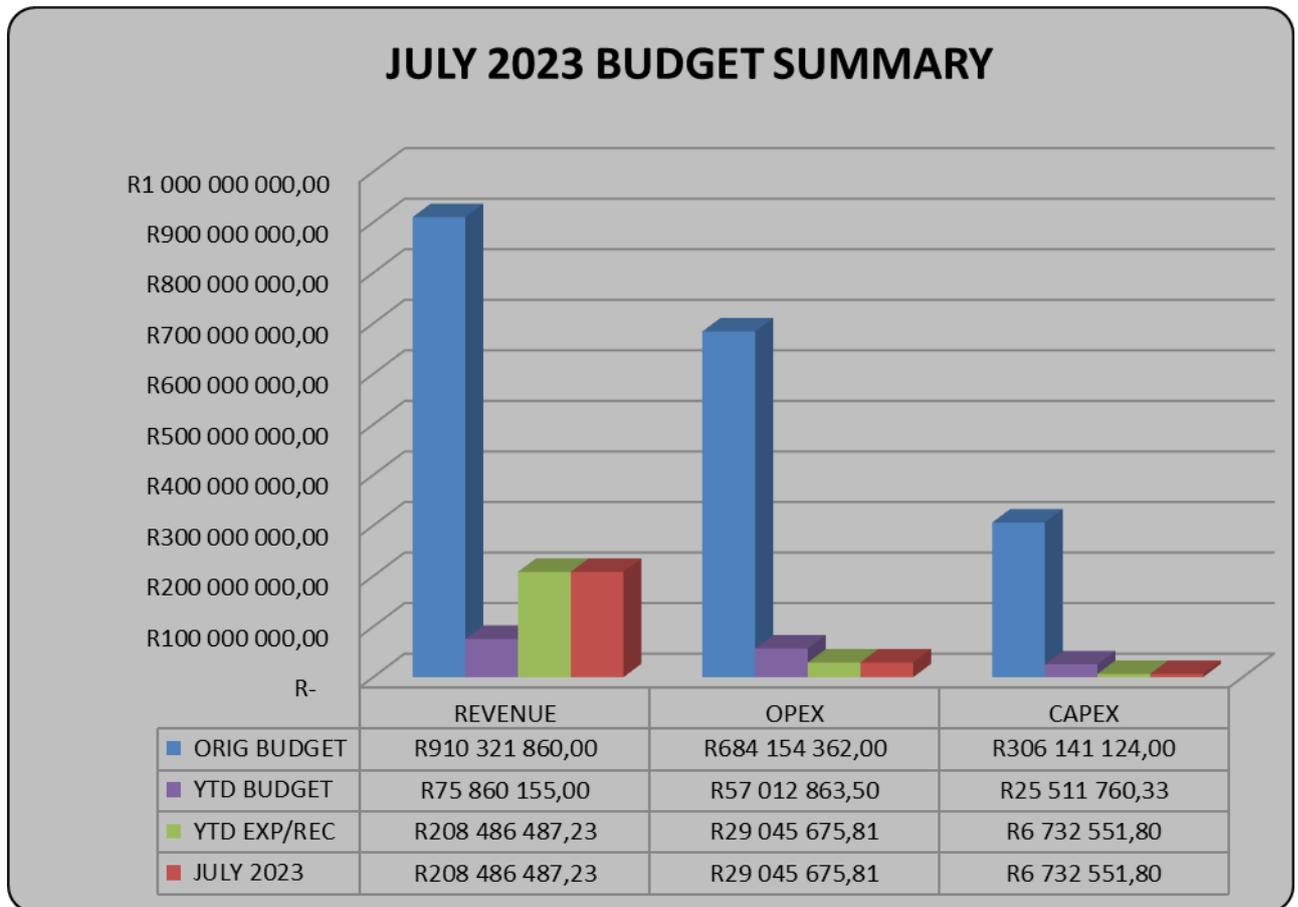
Operating expenditure by vote & type

The total operating budget for the current year amounts to R684, 1m. The YTD Operating expenditure for the month ended 31 July amounted to R57m against a year to date (YTD) budget of R29m. The actual YTD expenditure represented 51% of the year to date budget.

Capital expenditure

The total capital budget for the current year amounts to R306, 1m. The YTD expenditure on capital amounts to R6, 7million against year to date budget of R25, 5million, or 26% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

Chart 1: Budget vs. Expenditure Summary



Cash flows

The municipality started the year with a positive cashbook balance of R131, 4million. The closing cash and cash equivalents as at the end of July 2023 was R384, 7million. Refer to the table below for cash and cash equivalent register for more detail on the cash position.

CASH AND INVESTMENT REGISTER AS AT 31 JULY 2023

Investments by maturity Name of institution & investment ID	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands						
Municipality						
FIRST NATIONAL BANK	CALL ACCOUNT	25 859	188	(17 813)	120 000	128 234
FIRST NATIONAL BANK	CALL ACCOUNT	30 829	182	(9 970)	51 000	72 041
FIRST NATIONAL BANK	ADMIN CALL	9 562	98	(13 142)	75 168	71 687
INVESTEC	FIXED DEPOSIT	29 082	218	-	7 400	36 700
FIRST NATIONAL BANK	FIXED DEPOSIT	4 010	12	(4 000)	40 000	40 022
FIRST NATIONAL BANK	CALL ACCOUNT	13	0	-	-	13
FIRST NATIONAL BANK	CALL ACCOUNT	13	0	-	-	13
FIRST NATIONAL BANK	CALL ACCOUNT	4 216	18	(10 141)	5 928	20
FIRST NATIONAL BANK	FIXED DEPOSIT	1 252	0	(1 200)		52
NEDBANK	FIXED DEPOSIT	23 261	94	(23 261)	-	94
FIRST NATIONAL BANK	FIXED DEPOSIT	33 405			-	33 405
FIRST NATIONAL BANK	CURRENT ACCOUNT	3 390		(917)		2 474
Municipality sub-total		164 891	811	(80 445)	299 496	384 753
TOTAL INVESTMENTS AND INTEREST		164 891		(80 445)	299 496	384 753

Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2023/2024 have been received as per payment schedule. The total grants received as at 31 July 2023 was R 284, 1million. Conditional Grants amounting to R 91million and the equitable share is R 193, 1million. Three grants received in the month ending 31 July 2023.

One operational grant received for the month of July 2023 namely:

- Equitable Share- R 193 180 000

Transfers Recognised – Capital

Two Capital grants received for the month of July 2023 namely:

- Municipal Infrastructure Grant- R 51 000 000
- Water Services Infrastructure Grant- R 40 000 000

Spending on Grants

Spending on grants amounted to R6, 7million or 26% for the month ending July 2023.

1.3 Resolutions

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

1.4 Monthly Budget Statement Tables

Monthly Budget Statements Summary

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

DC43 Harry Gwala - Table C1 Consolidated Monthly Budget Statement Summary - M01 July

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-		-
Service charges	77 674	76 192	76 192	5 936	5 936	6 349	(413)	-7%	76 192
Investment revenue	10 858	-	-	-	-	-	-		-
Transfers and subsidies - Operational	10 858	5 713	5 713	835	835	476	359	75%	5 713
Other own revenue	457 269	507 064	507 064	194 647	194 647	42 255	152 391	361%	-
Total Revenue (excluding capital transfers and contributions)	556 659	588 970	588 970	201 418	201 418	49 081	152 337	310%	588 970
Employee costs	241 358	256 783	256 783	20 814	20 814	21 399	(585)		256 783
Remuneration of Councillors	6 988	8 119	8 119	532	532	677	(144)		8 119
Depreciation and amortisation	81 684	97 007	97 007	-	-	8 084	(8 084)		97 007
Interest	85	100	100	0	0	8	(8)		100
Inventory consumed and bulk purchases	32 887	28 431	28 431	-	-	2 369	(2 369)		28 431
Transfers and subsidies	15 290	2 500	2 500	-	-	208	(208)	-100%	2 500
Other expenditure	229 154	291 214	291 214	7 699	7 699	24 268	(16 569)	-68%	291 214
Total Expenditure	607 445	684 154	684 154	29 046	29 046	57 013	(27 967)	-49%	684 154
Surplus/(Deficit)	(50 786)	(95 185)	(95 185)	172 372	172 372	(7 932)	180 305	-2273%	(95 185)
Transfers and subsidies - capital (monetary allocations)	278 370	321 352	321 352	7 069	7 069	-	7 069	#DIV/0!	321 352
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	227 584	226 167	226 167	179 441	179 441	(7 932)	187 373	-2362%	226 167
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	227 584	226 167	226 167	179 441	179 441	(7 932)	187 373	-2362%	226 167
Capital expenditure & funds sources									
Capital expenditure	256 431	306 141	306 141	6 733	6 733	25 512	(18 779)	-74%	306 141
Capital transfers recognised	246 084	277 584	277 584	6 733	6 733	23 132	(16 399)	-71%	277 584
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	10 347	28 557	28 557	-	-	2 380	(2 380)	-100%	28 557
Total sources of capital funds	256 431	306 141	306 141	6 733	6 733	25 512	(18 779)	-74%	306 141
Financial position									
Total current assets	210 030	147 860	147 860		446 016				147 860
Total non current assets	2 931 620	2 955 803	2 955 803		2 938 352				2 955 803
Total current liabilities	158 117	111 522	111 522		221 394				111 522
Total non current liabilities	27 246	28 869	28 869		27 246				28 869
Community wealth/Equity	2 981 477	2 720 105	2 720 105		3 135 728				2 720 105
Cash flows									
Net cash from (used) operating	1 512 264	324 776	324 776	619 533	619 558	27 065	(592 494)	-2189%	324 776
Net cash from (used) investing	(250 172)	(306 141)	(306 141)	(6 733)	(6 733)	(25 512)	(18 779)	74%	(306 141)
Net cash from (used) financing	-	(2 251)	(2 251)	-	-	(188)	(188)	100%	(2 251)
Cash/cash equivalents at the month/year end	1 312 318	84 290	84 290	-	737 466	69 272	(668 194)	-965%	141 024
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	7 345	16 882	4 887	3 755	4 254	7 059	25 427	174 834	244 443
Creditors Age Analysis									
Total Creditors	4 472	301	-	-	-	-	-	-	4 773

Financial Performance

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

DC43 Harry Gwala - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	445 803	488 282	488 282	194 083	194 083	40 690	153 393	377%	488 282
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	445 803	488 282	488 282	194 083	194 083	40 690	153 393	377%	488 282
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	32	16	16	2	2	1	1	85%	16
Community and social services	32	16	16	2	2	1	1	85%	16
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	-	638	638	-	-	53	(53)	-100%	638
Planning and development	-	638	638	-	-	53	(53)	-100%	638
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	389 195	438 386	438 386	14 401	14 401	36 532	(22 131)	-61%	438 386
Energy sources	-	-	-	-	-	-	-	-	-
Water management	376 068	423 735	423 735	13 317	13 317	35 311	(21 994)	-62%	423 735
Waste water management	13 126	14 651	14 651	1 083	1 083	1 221	(138)	-11%	14 651
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	835 030	927 322	927 322	208 486	208 486	77 277	131 210	170%	927 322
Expenditure - Functional									
<i>Governance and administration</i>	280 030	294 557	294 557	14 940	14 940	24 547	(9 606)	-39%	294 557
Executive and council	29 042	39 878	39 878	1 606	1 606	3 323	(1 717)	-52%	39 878
Finance and administration	239 888	244 785	244 785	12 454	12 454	20 399	(7 944)	-39%	244 785
Internal audit	11 101	9 894	9 894	880	880	825	55	7%	9 894
<i>Community and public safety</i>	17 975	20 592	20 592	1 356	1 356	1 716	(360)	-21%	20 592
Community and social services	17 975	20 592	20 592	1 356	1 356	1 716	(360)	-21%	20 592
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	142 634	167 382	167 382	3 419	3 419	13 949	(10 529)	-75%	167 382
Planning and development	142 634	167 382	167 382	3 419	3 419	13 949	(10 529)	-75%	167 382
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	166 805	201 412	201 412	9 330	9 330	16 784	(7 454)	-44%	201 412
Energy sources	-	-	-	-	-	-	-	-	-
Water management	164 296	200 518	200 518	9 317	9 317	16 710	(7 393)	-44%	200 518
Waste water management	2 509	893	893	13	13	74	(61)	-82%	893
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	212	212	-	-	18	(18)	-100%	212
Total Expenditure - Functional	607 445	684 154	684 154	29 046	29 046	57 013	(27 967)	-49%	684 154
Surplus/ (Deficit) for the year	227 584	243 167	243 167	179 441	179 441	20 264	159 177	786%	243 167

This table assess the revenue by department and then the expenditure for the period ending 31 July 2023. Revenue receipts in July have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of July is 23% against original budget.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of July as the department responsible for the repairs and maintenance of the municipal assets and also with the largest staff complement, shares the greatest bulk of this budget and hence the expenditure of R11, 3million.

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

DC43 Harry Gwala - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	445 407	470 822	470 822	194 020	194 020	39 235	154 785	394,5%	470 822
Vote 04 - Summary Corporate Services	372	372	372	63	63	31	32	104,1%	372
Vote 05 - Summary Social Services & Development Planning	32	17 654	17 654	2	2	1 471	(1 469)	-99,8%	17 654
Vote 06 - Summary Infrastructure Services	299 751	354 861	354 861	7 418	7 418	29 572	(22 154)	-74,9%	354 861
Vote 07 - Summary Water Services	89 467	83 613	83 613	6 983	6 983	6 968	15	0,2%	83 613
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	835 030	927 322	927 322	208 486	208 486	77 277	131 210	169,8%	927 322
Expenditure by Vote									
Vote 01 - Summary Council	18 112	19 937	19 937	1 024	1 024	1 661	(638)	-38,4%	19 937
Vote 02 - Summary Municipal Manager	22 030	22 917	22 917	1 462	1 462	1 910	(448)	-23,4%	22 917
Vote 03 - Summary Budget And Treasury Office	89 953	90 559	90 559	5 381	5 381	7 547	(2 166)	-28,7%	90 559
Vote 04 - Summary Corporate Services	89 692	86 586	86 586	5 060	5 060	7 216	(2 155)	-29,9%	86 586
Vote 05 - Summary Social Services & Development Planning	50 460	75 394	75 394	2 720	2 720	6 283	(3 563)	-56,7%	75 394
Vote 06 - Summary Infrastructure Services	112 559	128 353	128 353	2 095	2 095	10 696	(8 602)	-80,4%	128 353
Vote 07 - Summary Water Services	224 638	260 408	260 408	11 305	11 305	21 701	(10 396)	-47,9%	260 408
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	607 445	684 154	684 154	29 046	29 046	57 013	(27 967)	-49,1%	684 154
Surplus/ (Deficit) for the year	227 584	243 167	243 167	179 441	179 441	20 264	159 177	785,5%	243 167

References

Statement of financial Performance

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

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	64 525	61 123	61 123	4 886	4 886	5 094	(208)	-4%	61 123
Service charges - sanitation revenue	13 149	15 069	15 069	1 050	1 050	1 256	(206)	-16%	15 069
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	10 858	5 713	5 713	835	835	476	359	75%	5 713
Interest earned - outstanding debtors	14 117	11 960	11 960	1 400	1 400	997	403	40%	11 960
Transfers and subsidies	452 460	493 840	493 840	193 180	193 180	41 153	152 027	369%	493 840
Other revenue	1 551	18 264	18 264	67	67	1 522	(1 455)	-96%	18 264
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	556 659	605 970	605 970	201 418	201 418	50 497	150 921	299%	605 970
Expenditure By Type									
Employee related costs	241 358	256 783	256 783	20 814	20 814	21 399	(585)	-3%	256 783
Remuneration of councillors	6 988	8 119	8 119	532	532	677	(144)	-21%	8 119
Debt impairment	18 489	58 718	58 718	-	-	4 893	(4 893)	-100%	58 718
Depreciation & asset impairment	81 684	97 007	97 007	-	-	8 084	(8 084)	-100%	97 007
Finance charges	85	100	100	0	0	8	(8)	-99%	100
Inventory consumed	32 887	28 431	28 431	-	-	2 369	(2 369)	-100%	28 431
Contracted services	138 152	140 220	140 220	5 112	5 112	11 685	(6 573)	-56%	140 220
Transfers and subsidies	15 290	2 500	2 500	-	-	208	(208)	-100%	2 500
Other expenditure	69 636	92 277	92 277	2 587	2 587	7 690	(5 103)	-66%	92 277
Losses	2 875	-	-	-	-	-	-	-	-
Total Expenditure	607 445	684 154	684 154	29 046	29 046	57 013	(27 967)	-49%	684 154
Surplus/(Deficit)	(50 786)	(78 185)	(78 185)	172 372	172 372	(6 516)	178 888	(0)	(78 185)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	278 370	321 352	321 352	7 069	7 069	26 779	(19 711)	(0)	321 352
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	227 584	243 167	243 167	179 441	179 441	20 264			243 167
Taxation									
Surplus/(Deficit) after taxation	227 584	243 167	243 167	179 441	179 441	20 264			243 167
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	227 584	243 167	243 167	179 441	179 441	20 264			243 167
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	227 584	243 167	243 167	179 441	179 441	20 264			243 167

Capital Expenditure

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

Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	275	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	7 333	9 641	9 641	-	-	803	(803)	-100%	9 641
Vote 05 - Summary Social Services & Development Planning	592	2 267	2 267	-	-	189	(189)	-100%	2 267
Vote 06 - Summary Infrastructure Services	36 166	55 292	55 292	3 903	3 903	4 608	(705)	-15%	55 292
Vote 07 - Summary Water Services	212 065	238 941	238 941	2 830	2 830	19 912	(17 082)	-86%	238 941
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	256 431	306 141	306 141	6 733	6 733	25 512	(18 779)	-74%	306 141
Total Capital Expenditure	256 431	306 141	306 141	6 733	6 733	25 512	(18 779)	-74%	306 141
Capital Expenditure - Functional Classification									
Governance and administration	7 608	10 308	10 308	-	-	859	(859)	-100%	10 308
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	7 608	10 308	10 308	-	-	859	(859)	-100%	10 308
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	439	1 600	1 600	-	-	133	(133)	-100%	1 600
Community and social services	439	1 600	1 600	-	-	133	(133)	-100%	1 600
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	30 725	27 618	27 618	3 499	3 499	2 301	1 197	52%	27 618
Planning and development	30 725	27 618	27 618	3 499	3 499	2 301	1 197	52%	27 618
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	217 659	266 615	266 615	3 234	3 234	22 218	(18 984)	-85%	266 615
Energy sources	-	-	-	-	-	-	-	-	-
Water management	173 124	198 174	198 174	3 234	3 234	16 515	(13 281)	-80%	198 174
Waste water management	44 534	68 441	68 441	-	-	5 703	(5 703)	-100%	68 441
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	256 431	306 141	306 141	6 733	6 733	25 512	(18 779)	-74%	306 141
Funded by:									
National Government	246 084	277 584	277 584	6 733	6 733	23 132	(16 399)	-71%	277 584
Provincial Government	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	246 084	277 584	277 584	6 733	6 733	23 132	(16 399)	-71%	277 584
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	10 347	28 557	28 557	-	-	2 380	(2 380)	-100%	28 557
Total Capital Funding	256 431	306 141	306 141	6 733	6 733	25 512	(18 779)	-74%	306 141

As alluded to above, the capital expenditure programme for the period ending 31 July 2023 was R6, 7m which represents 26% of capital expenditure against year to date budget of R25, 5million.

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

Chart 1: 2023/2024 CAPEX

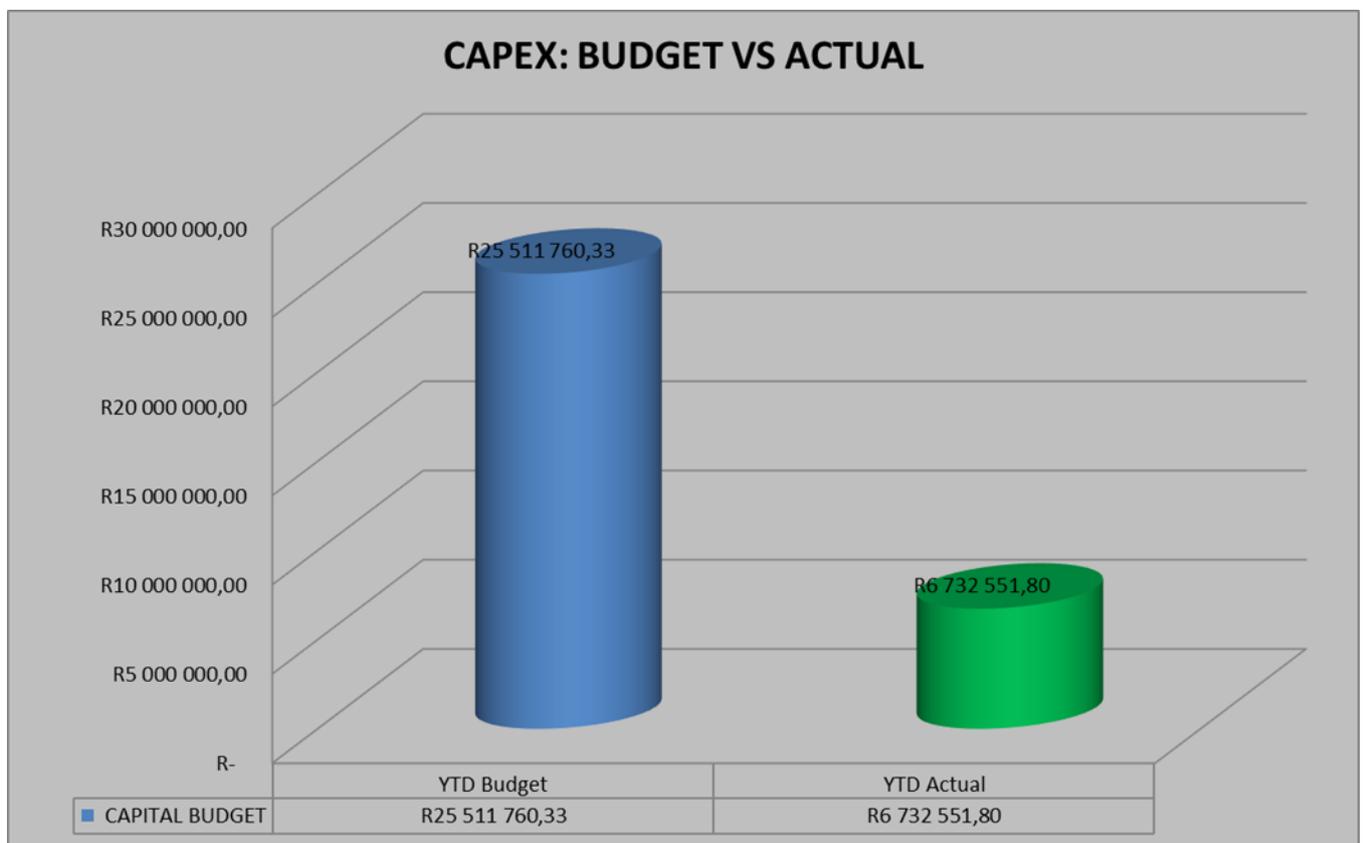


Table C6 displays the financial position of the municipality as at 31 July 2023.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M01 July

Description	2022/23	Budget Year 2023/24			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	124 641	84 290	84 290	364 043	84 290
Trade and other receivables from exchange transactions	48 909	28 499	28 499	51 081	28 499
Receivables from non-exchange transactions	2 318	2 336	2 336	2 318	2 336
Current portion of non-current receivables	-	-	-	-	-
Inventory	513	513	513	513	513
VAT	33 677	32 160	32 160	28 094	32 160
Other current assets	(28)	62	62	(33)	62
Total current assets	210 030	147 860	147 860	446 016	147 860
Non current assets					
Investments					
Investment property	-	-	-	-	-
Property, plant and equipment	2 930 989	2 954 832	2 954 832	2 937 722	2 954 832
Biological assets					
Living and non-living resources					
Heritage assets					
Intangible assets	631	972	972	631	972
Trade and other receivables from exchange transactions	-	-	-	-	-
Non-current receivables from non-exchange transactions					
Other non-current assets	0	0	0	0	0
Total non current assets	2 931 620	2 955 803	2 955 803	2 938 352	2 955 803
TOTAL ASSETS	3 141 650	3 103 663	3 103 663	3 384 368	3 103 663
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Financial liabilities	12 794	10 394	10 394	12 794	10 394
Consumer deposits	2 415	2 324	2 324	2 446	2 324
Trade and other payables from exchange transactions	91 534	75 527	75 527	70 118	75 527
Trade and other payables from non-exchange transactions	26 144	1 483	1 483	110 075	1 483
Provision	16 020	15 194	15 194	16 020	15 194
VAT	9 210	6 600	6 600	9 941	6 600
Other current liabilities	-	-	-	-	-
Total current liabilities	158 117	111 522	111 522	221 394	111 522
Non current liabilities					
Financial liabilities	(0)	-	-	(0)	-
Provision	27 246	28 869	28 869	27 246	28 869
Long term portion of trade payables	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-
Total non current liabilities	27 246	28 869	28 869	27 246	28 869
TOTAL LIABILITIES	185 363	140 391	140 391	248 640	140 391
NET ASSETS	2 956 287	2 963 272	2 963 272	3 135 728	2 963 272
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	2 956 287	2 963 272	2 963 272	3 135 728	2 963 272
Reserves and funds	-	-	-	-	-
Other	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 956 287	2 963 272	2 963 272	3 135 728	2 963 272

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

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M01 July

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	1	1	-	1	#DIV/0!	-
Service charges	51 062	61 100	61 100	5 046	5 046	5 092	(46)	-1%	61 100
Other revenue	302 775	53 987	53 987	387 399	387 399	4 499	382 900	8511%	53 987
Transfers and Subsidies - Operational	468 100	493 840	493 840	193 180	193 180	41 153	152 027	369%	493 840
Transfers and Subsidies - Capital	316 011	321 352	321 352	91 000	91 000	26 779	64 221	240%	321 352
Interest	10 858	5 713	5 713	835	835	476	359	75%	5 713
Dividends							-		
Payments									
Suppliers and employees	(817 461)	(611 117)	(611 117)	(57 928)	(57 902)	(50 926)	6 976	-14%	(611 117)
Interest	-	(100)	(100)	-	-	(8)	(8)	100%	(100)
Transfers and Subsidies	-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	331 346	324 776	324 776	619 533	619 558	27 065	(592 494)	-2189%	324 776
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE							-		
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments							-		
Payments									
Capital assets	(250 172)	(306 141)	(306 141)	(6 733)	(6 733)	(25 512)	(18 779)	74%	(306 141)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(250 172)	(306 141)	(306 141)	(6 733)	(6 733)	(25 512)	(18 779)	74%	(306 141)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits	-	149	149	-	-	12	(12)	-100%	149
Payments									
Repayment of borrowing	-	(2 400)	(2 400)	-	-	(200)	(200)	100%	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(2 251)	(2 251)	-	-	(188)	(188)	100%	(2 251)
NET INCREASE/ (DECREASE) IN CASH HELD	81 174	16 384	16 384	612 800	612 826	1 365			16 384
Cash/cash equivalents at beginning:	50 226	67 907	67 907	239 403	124 641	67 907			124 641
Cash/cash equivalents at month/year end:	131 400	84 290	84 290		737 466	69 272			141 024

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

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

Table 2.1.1: Debtors Age Analysis by Income Source

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

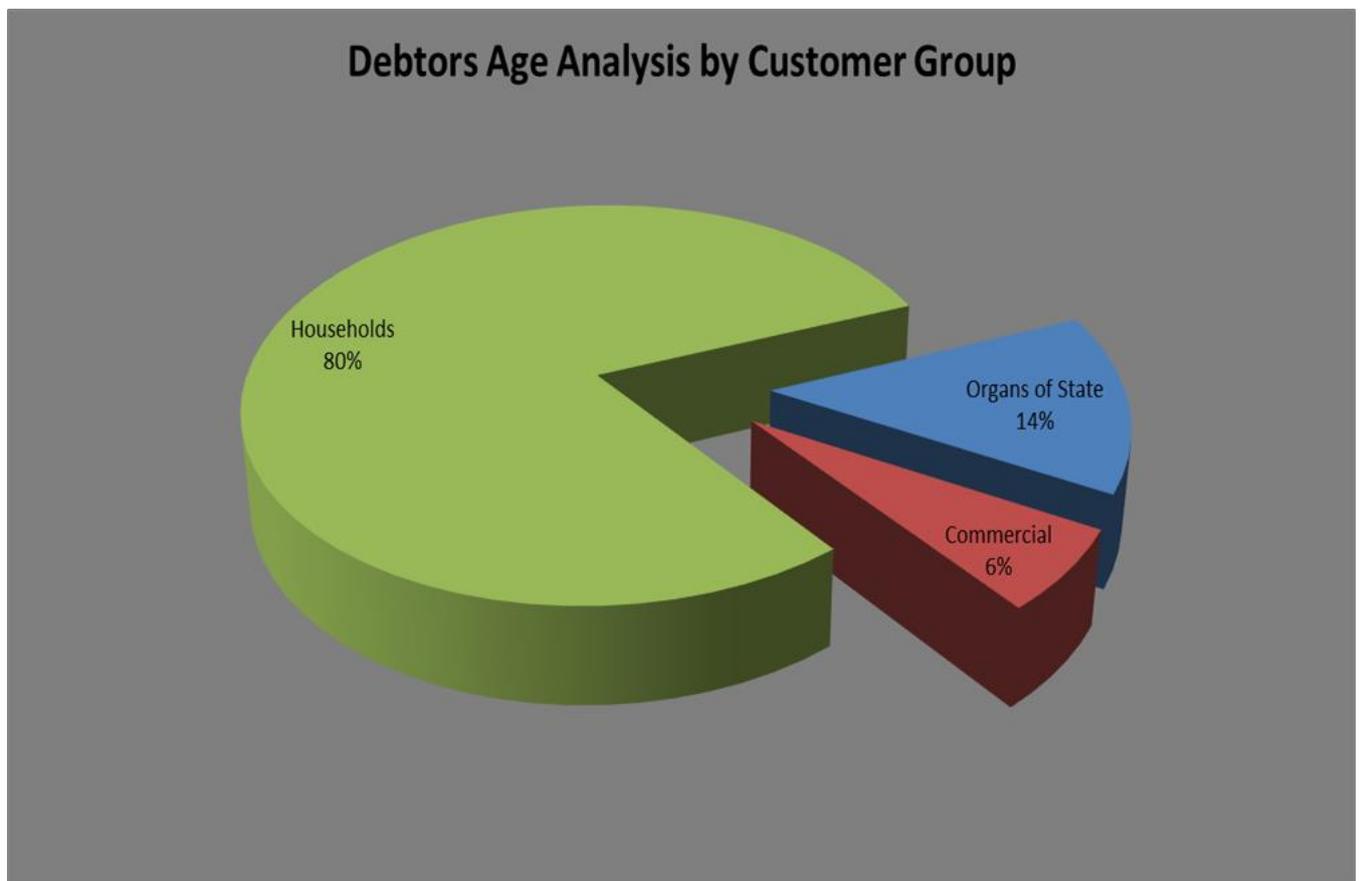
Description	Budget Year 2023/24									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	4 715	10 837	3 137	2 411	2 731	4 531	16 322	112 230	150 398	138 225
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-exchange Transactions - Property Rates									-	-
Receivables from Exchange Transactions - Waste Water Management	1 842	4 234	1 226	942	1 067	1 770	6 376	43 844	61 300	53 999
Receivables from Exchange Transactions - Waste Management									-	-
Receivables from Exchange Transactions - Property Rental Debtors									-	-
Interest on Arrear Debtor Accounts	788	1 811	524	403	456	757	2 728	18 760	26 229	23 105
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
Total By Income Source	7 345	16 882	4 887	3 755	4 254	7 059	25 427	174 834	237 928	215 329
2022/23 - totals only	6583440	4673938	4134701	5169655	2915536	3433459	17496652	198661265	243 069	227 677
Debtors Age Analysis By Customer Group										
Organs of State	3 905	4 041	1 377	694	1 570	3 900	10 255	3 480	29 222	19 899
Commercial	743	911	1 024	611	332	374	1 760	10 736	16 492	13 814
Households	2 696	11 930	2 486	2 450	2 351	2 785	13 412	160 619	192 214	181 617
Other									-	-
Total By Customer Group	7 345	16 882	4 887	3 755	4 254	7 059	25 427	174 834	237 928	215 329

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

Chart 2: Debtors Age Analysis by Customer Group

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

- ✓ Households: 80%
- ✓ Government 14%
- ✓ Business 6%



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

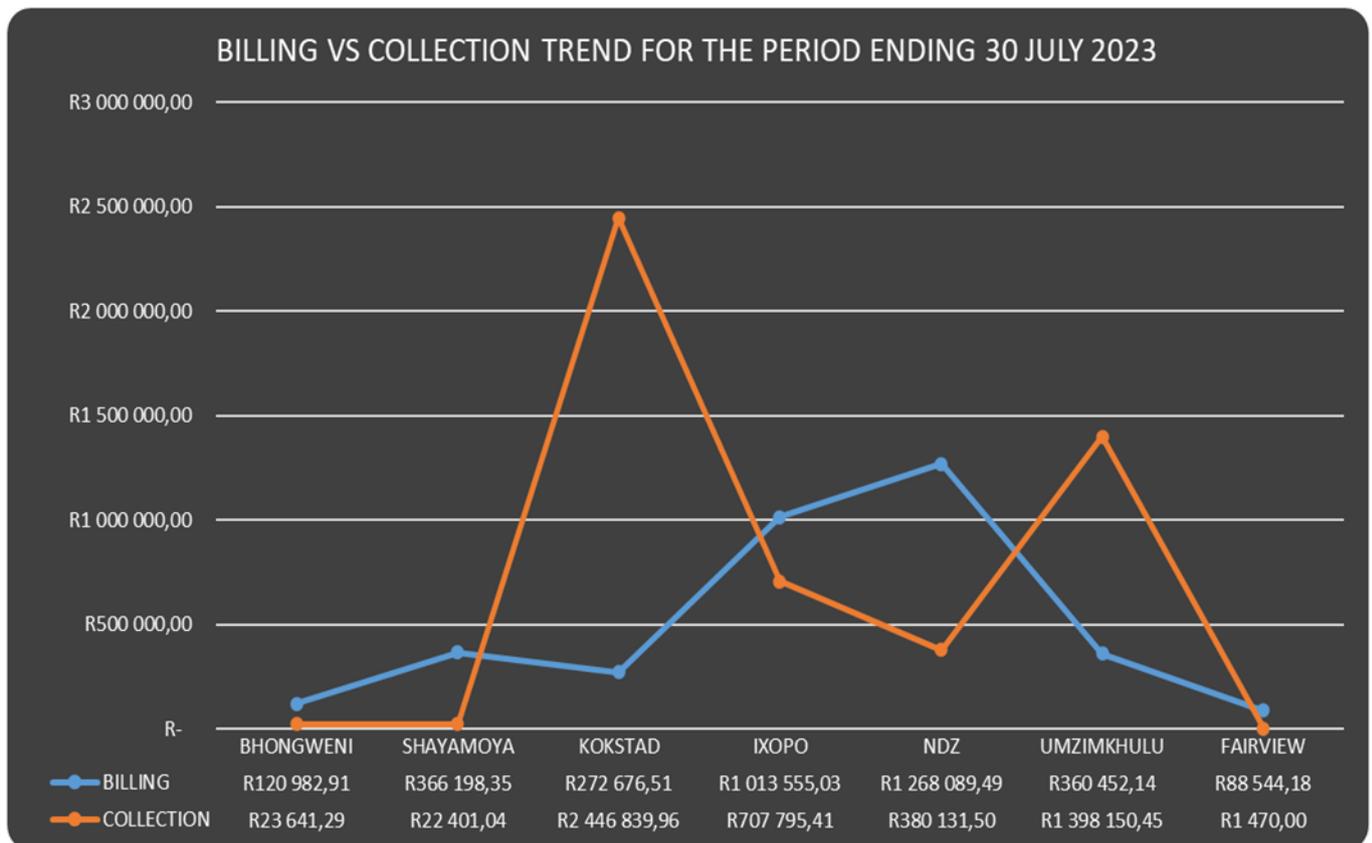
The table that follows below unpacks the revenue receipts per Local Municipality in the District

Revenue receipts per Area

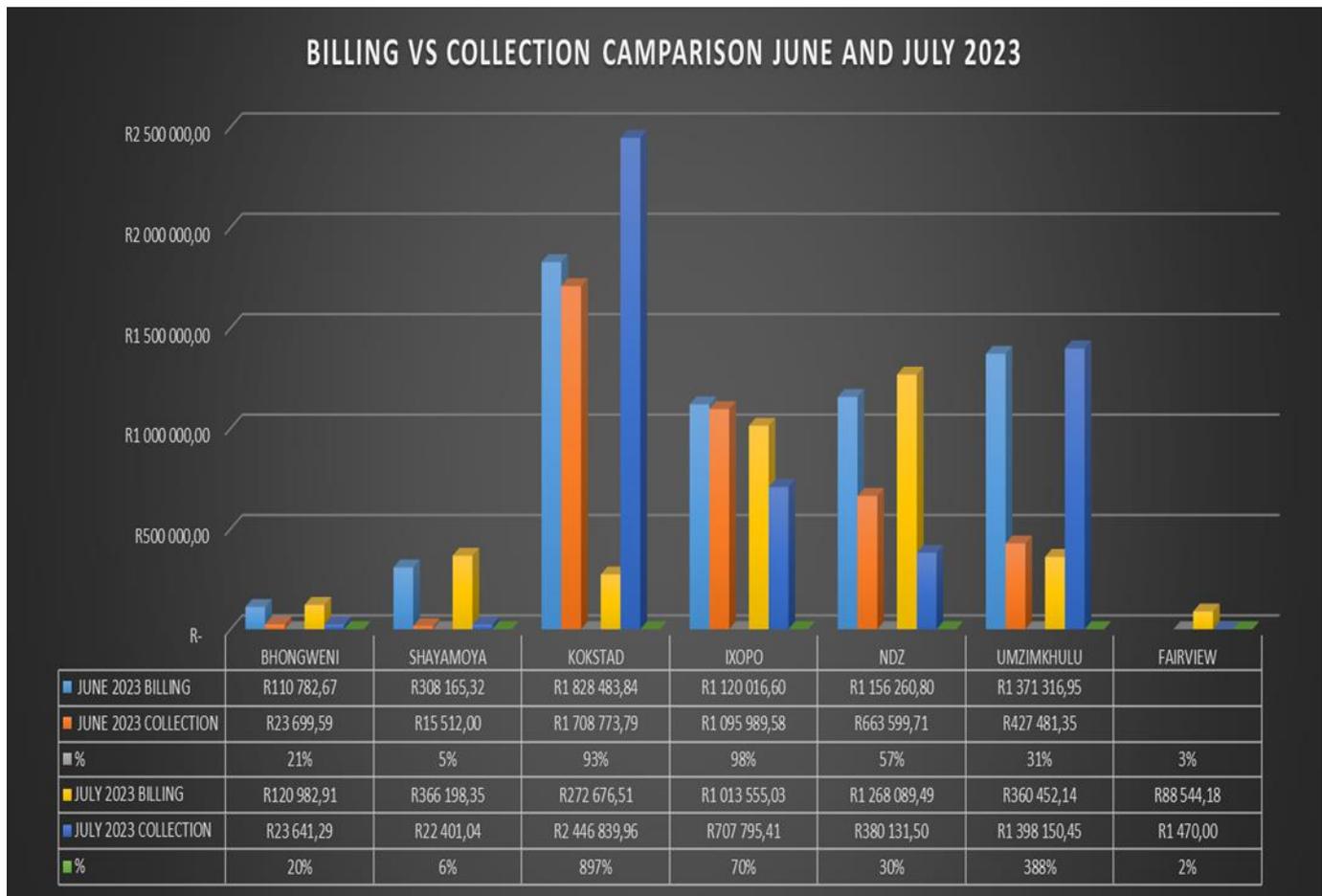
AREA	AMOUNT		
		JULY 2023	JUNE 2023
Unallocated receipts	R 72 897,92	1%	3%
Bhongweni	R 23 641,29	0%	1%
Shayamoya	R 22 401,04	0%	0%
Kokstad	R 2 446 839,96	48%	42%
Ixopo	R 707 795,41	14%	27%
NDZ	R 380 131,50	8%	16%
Umzimkulu	R 1 398 150,45	28%	10%
Fairview	R 1 470,00	0%	0%
TOTAL RECEIPTS INCL VAT	R 5 053 327,57	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 July 2023 is R5million. The collection for prepaid in the month of July is R 776 739. Total cash collected including prepaid for the month ending 31 July is R 5,831,067.

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



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



Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 237,927,548 as at 31 July 2023 compared with the R 242,760,504 as at 30 June 2023. Current debt represents 3% of the total outstanding debt compared with the 3% of June 2023; 30 days and older debt 7% compared with the 3% for June 2023; 60 days and older debt 2% compared with the 2% of June 2023; and 90 days 2% compared with the 2% of June 2023; 120 days to History and older 89% compared with the 86% for June 2023.

Current debt decreased with R 4,832,956 to R 237,927,548 in the month ending 31 July compared with the R 242,760,504 as at 30 June 2023; 30 days + debt increased with R 10,251,581; 60 days + increased with R 938,691; 90 days + debt decreased with R 589,168 and 120 + days and older debt as at 31 July 2023 has decreased with R 2,396,651 to R 209,177,567 compared with the R 211,574,218 as at 30 June 2023.

Debtors age analysis per debtor type

Business debtors owes the municipality R 15,042,679 (6%); Municipal debtors R 643,901 (0%); domestic debtors R 176,074,743 (74%); Government accounts R 27,286,270 (11%); Indigent debtors R 12,410,438 (5%) and other debtors R 6,232,134 (3%) of the total outstanding debt of R 237,927,548.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 31 July 2023

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	Budget Year 2023/24								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	4 472	301	-	-	-	-	-	-	4 773
Auditor General									-
Other									-
Total By Customer Type	4 472	301	-	-	-	-	-	-	4 773

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 July 2023.

Cash and Bank Balances (Investments)

CASH AND INVESTMENT REGISTER AS AT 31 JULY 2023

Investments by maturity Name of institution & investment ID	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands						
Municipality						
FIRST NATIONAL BANK	CALL ACCOUNT	25 859	188	(17 813)	120 000	128 234
FIRST NATIONAL BANK	CALL ACCOUNT	30 829	182	(9 970)	51 000	72 041
FIRST NATIONAL BANK	ADMIN CALL	9 562	98	(13 142)	75 168	71 687
INVESTEC	FIXED DEPOSIT	29 082	218	–	7 400	36 700
FIRST NATIONAL BANK	FIXED DEPOSIT	4 010	12	(4 000)	40 000	40 022
FIRST NATIONAL BANK	CALL ACCOUNT	13	0	–	–	13
FIRST NATIONAL BANK	CALL ACCOUNT	13	0	–	–	13
FIRST NATIONAL BANK	CALL ACCOUNT	4 216	18	(10 141)	5 928	20
FIRST NATIONAL BANK	FIXED DEPOSIT	1 252	0	(1 200)	–	52
NEDBANK	FIXED DEPOSIT	23 261	94	(23 261)	–	94
FIRST NATIONAL BANK	FIXED DEPOSIT	33 405	–	–	–	33 405
FIRST NATIONAL BANK	CURRENT ACCOUNT	3 390	–	(917)	–	2 474
Municipality sub-total		164 891	811	(80 445)	299 496	384 753
TOTAL INVESTMENTS AND INTEREST		164 891		(80 445)	299 496	384 753

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 - M01 July

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	452 460	493 840	493 840	193 180	193 180	41 153	152 027	369,4%	493 840
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	432 161	463 631	463 631	193 180	193 180	38 636	154 544	400,0%	463 631
Expanded Public Works Programme Integrated Grant	5 221	6 168	6 168	-	-	514	(514)	-100,0%	6 168
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	1 200	-	-	100	(100)	-100,0%	1 200
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 479	20 450	20 450	-	-	1 704	(1 704)	-100,0%	20 450
Rural Road Asset Management Systems Grant	2 381	2 391	2 391	-	-	199	(199)	-100,0%	2 391
Water Services Infrastructure Grant	2 018	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	452 460	493 840	493 840	193 180	193 180	41 153	152 027	369,4%	493 840
Capital Transfers and Grants									
National Government:	278 370	321 352	321 352	7 069	7 069	26 779	(19 711)	-73,6%	321 352
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	195 388	221 352	221 352	1 580	1 580	18 446	(16 866)	-91,4%	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	5 488	5 488	8 333	(2 845)	-34,1%	100 000
Provincial Government:	-	-	-	-	-	-	-	-	-
Infrastructure Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Human Settlement Re-development Programme	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	278 370	321 352	321 352	7 069	7 069	26 779	(19 711)	-73,6%	321 352
TOTAL RECEIPTS OF TRANSFERS & GRANTS	730 830	815 192	815 192	200 249	200 249	67 933	132 316	194,8%	815 192

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

Table SC7 track the expenditure on Conditional grant funding.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	544 782	581 732	581 732	27 756	27 756	48 478	(20 722)	-42,7%	581 732
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	520 774	550 194	550 194	26 970	26 970	45 850	(18 880)	-41,2%	550 194
Expanded Public Works Programme Integrated Grant	9 729	7 490	7 490	103	103	624	(521)	-83,5%	7 490
Local Government Financial Management Grant	847	1 207	1 207	40	40	101	(60)	-59,8%	1 207
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 606	20 450	20 450	643	643	1 704	(1 062)	-62,3%	20 450
Rural Road Asset Management Systems Grant	2 070	2 391	2 391	-	-	199	(199)	-100,0%	2 391
Water Services Infrastructure Grant	1 755	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	544 782	581 732	581 732	27 756	27 756	48 478	(20 722)	-42,7%	581 732
Capital expenditure of Transfers and Grants									
National Government:	246 084	277 584	277 584	6 733	6 733	23 132	(16 399)	-70,9%	277 584
Local Government Financial Management Grant	275	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	170 321	190 627	190 627	1 312	1 312	15 886	(14 574)	-91,7%	190 627
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	75 489	86 957	86 957	5 421	5 421	7 246	(1 826)	-25,2%	86 957
Provincial Government:	-	-	-	-	-	-	-	-	-
Infrastructure Grant	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	246 084	277 584	277 584	6 733	6 733	23 132	(16 399)	-70,9%	277 584
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	790 866	859 316	859 316	34 488	34 488	71 610	(37 122)	-51,8%	859 316

2.5 Councillor and Staff Benefits

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

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	3 902	4 394	4 394	311	311	366	(56)	-15%	4 394
Pension and UIF Contributions	469	545	545	36	36	45	(9)	-20%	545
Medical Aid Contributions	153	186	186	11	11	15	(5)	-32%	186
Cellphone Allowance	491	534	534	41	41	45	(4)	-8%	534
Other benefits and allowances	1 973	2 460	2 460	134	134	205	(71)	-34%	2 460
Sub Total - Councillors	6 988	8 119	8 119	532	532	677	(144)	-21%	8 119
% increase		16,2%	16,2%						16,2%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 029	2 186	2 186	330	330	182	147	81%	2 186
Pension and UIF Contributions	15	6	6	-	-	1	(1)	-100%	6
Medical Aid Contributions	66	35	35	4	4	3	1	37%	35
Performance Bonus	81	117	117	-	-	10	(10)	-100%	117
Motor Vehicle Allowance	813	501	501	57	57	42	15	37%	501
Cellphone Allowance	105	58	58	8	8	5	3	68%	58
Housing Allowances	212	110	110	17	17	9	8	88%	110
Other benefits and allowances	246	176	176	16	16	15	2	11%	176
Payments in lieu of leave	332	576	576	-	-	48	(48)	-100%	576
Acting and post related allowance	53	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	5 950	3 765	3 765	433	433	314	119	38%	3 765
% increase		-36,7%	-36,7%						-36,7%
Other Municipal Staff									
Basic Salaries and Wages	142 683	147 894	147 894	12 216	12 216	12 325	(108)	-1%	147 894
Pension and UIF Contributions	21 655	22 732	22 732	1 882	1 882	1 894	(13)	-1%	22 732
Medical Aid Contributions	10 435	10 766	10 766	897	897	897	(1)	0%	10 766
Overtime	19 197	20 962	20 962	1 573	1 573	1 747	(174)	-10%	20 962
Performance Bonus	10 281	10 291	10 291	1 219	1 219	858	361	42%	10 291
Motor Vehicle Allowance	20 410	22 548	22 548	1 645	1 645	1 879	(234)	-12%	22 548
Cellphone Allowance	1 132	1 242	1 242	93	93	103	(10)	-10%	1 242
Housing Allowances	636	740	740	55	55	62	(6)	-10%	740
Other benefits and allowances	6 003	7 279	7 279	406	406	607	(201)	-33%	7 279
Payments in lieu of leave	1 267	620	620	178	178	52	126	244%	620
Long service awards	1 547	1 205	1 205	207	207	100	107	107%	1 205
Acting and post related allowance	163	221	221	11	11	18	(8)	-43%	221
Sub Total - Other Municipal Staff	235 407	246 501	246 501	20 382	20 382	20 542	(160)	-1%	246 501
% increase		4,7%	4,7%						4,7%
Total Parent Municipality	248 346	258 385	258 385	21 346	21 346	21 532	(186)	-1%	258 385
		4,0%	4,0%						4,0%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	-	150	150	-	-	13	(13)	-100%	150
Sub Total - Executive members Board	-	150	150	-	-	13	(13)	-100%	150
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Sub Total - Senior Managers of Entities	-	-	-	-	-	-	-	-	-
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	-	6 055	6 055	-	-	505	(505)	-100%	6 055
Pension and UIF Contributions	-	20	20	-	-	2	(2)	-100%	20
Acting and post related allowance	-	50	50	-	-	4	-	-	50
Sub Total - Other Staff of Entities	-	6 367	6 367	-	-	531	(531)	-100%	6 367
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	-	6 517	6 517	-	-	543	(543)	-100%	6 517
TOTAL SALARY, ALLOWANCES & BENEFITS	248 346	264 902	264 902	21 346	21 346	22 075	(729)	-3%	264 902
% increase		6,7%	6,7%						6,7%
TOTAL MANAGERS AND STAFF	241 358	256 633	256 633	20 814	20 814	21 386	(572)	-3%	256 633

2.6 Material Variances to the SDBIP

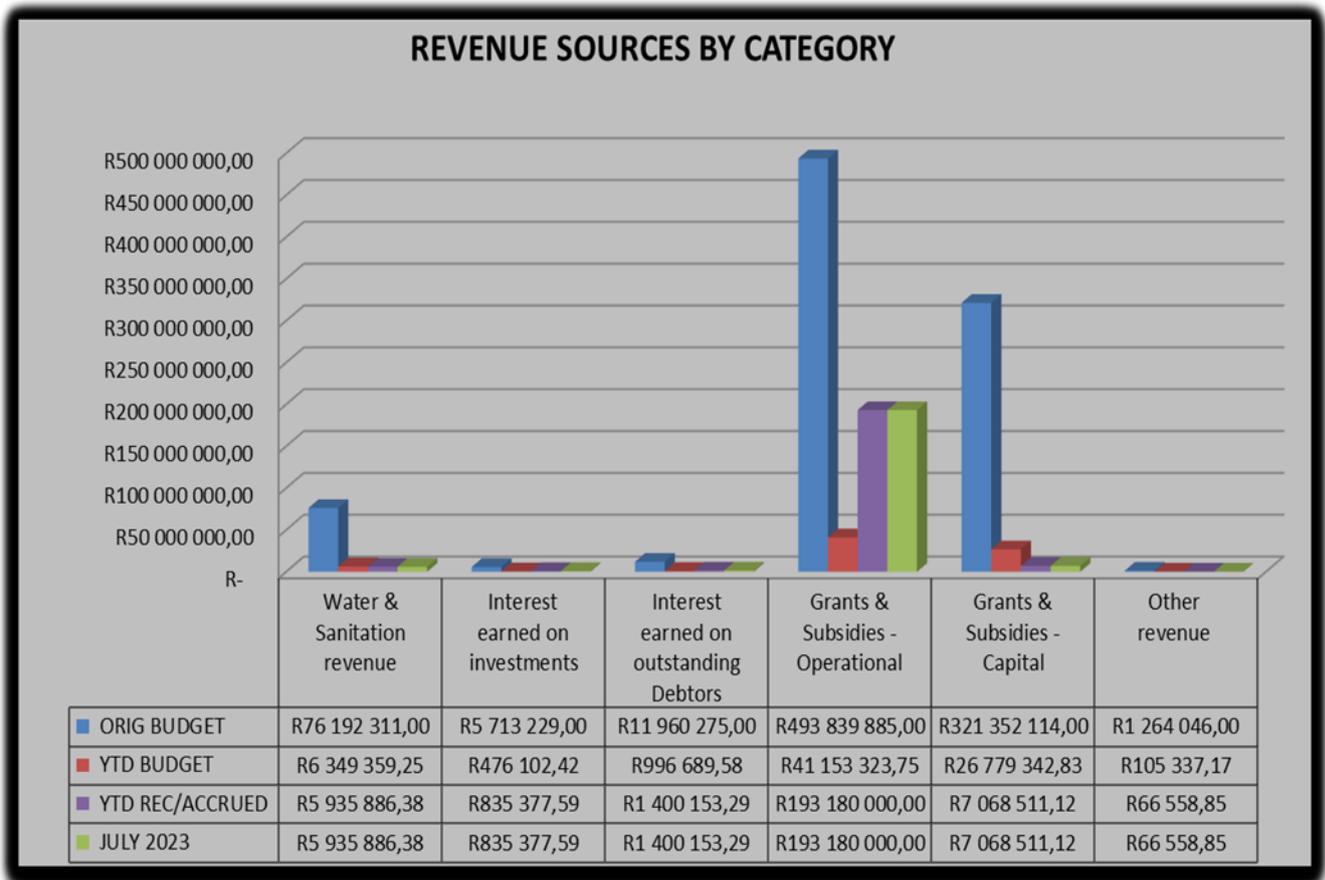
The following section analyses material variances between the actual targets as at 31 July 2023 and the budget for the same period. This report analyses each major component under following headings;

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

REVENUE

The chart displays a comparison between the 2023/24 financial year revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to “performance” rather than “cash movements” in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

Chart 3: Revenue Analysis



Water & Sanitation Charges

The year to date **actual** water & sanitation charges (**billing**) as at 31 July 2023 was R5, 9million against a year to date **budget** of R6, 3million which is 93 per cent of year to date budget.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R835 377 against year to budget of R476 102 representing 175 per cent of the year to date budget.

Transfers Recognised - Operational

The operational grants revenue of R41, 1million against a year to date budget of R193, 1million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The total capital budget for the current year amounts to R306, 1m excluding vat. The YTD actual on capital amounts to R6, 7million, or 26% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

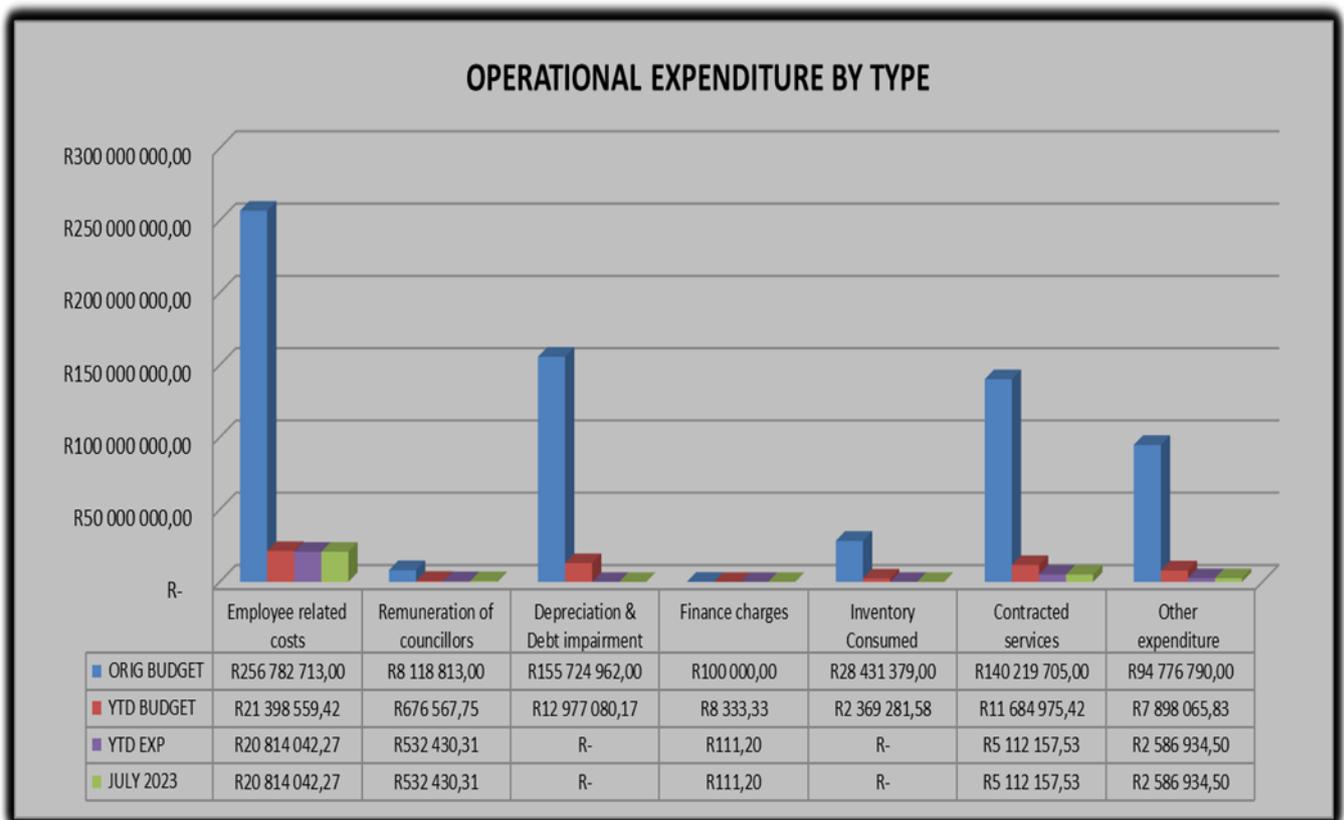
Other Revenue

The YTD performance of other revenue is R 66 559 against YTD budget of R 1, 5million.

OPERATIONAL EXPENDITURE

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

Chart 4: 2023/24 financial year Opex



Employee Related Costs

The YTD budget for employee related costs is R21, 3million against a YTD actual of R20, 8million which is 97% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R 532 430 against a YTD budget of R676 568 representing 97% of the year to date budget.

Finance Charges

The YTD budget for finance charges is R8 333 against a YTD actual of R111 which is 1% of the YTD budget.

Inventory Consumed

The inventory consumed has the original budget of R28, 4m. No movement for Inventory in the period ending 31 July 2023

Contracted Services

The original budget for contracted services is R 140, 9million. The year to date expenditure for Contracted Services is R5, 1m against a YTD budget of R11, 6million representing 44 per cent of actual against year to date budget

Other Expenditure

The YTD budget for other expenditure was at R 7, 8million against a YTD expenditure of R 2, 5million or 33 per cent and expenditure for the month of July 2023 is R 2, 5million.

Performance assessment

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

Actual and revised targets for cash receipts

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M01 July

Description	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Budget	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands															
Cash Receipts By Source															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Electricity revenue															
Service charges - Water revenue	4 359	4 094	4 094	4 094	4 094	4 094	4 094	4 094	4 094	4 094	4 094	3 830	49 132	51 420	53 796
Service charges - Waste Water Management	687	997	997	997	997	997	997	997	997	997	997	1 308	11 969	12 520	13 096
Interest earned - external investments	835	476	476	476	476	476	476	476	476	476	476	117	5 713	5 948	6 193
Licences and permits	2	1	1	1	1	1	1	1	1	1	1	0	16	17	18
Agency services												-			
Transfers and Subsidies - Operational	193 180	41 153	41 153	41 153	41 153	41 153	41 153	41 153	41 153	41 153	41 153	(110 873)	493 840	519 283	547 916
Other revenue	387 396	4 498	4 498	4 498	4 498	4 498	4 498	4 498	4 498	4 498	4 498	(378 401)	53 971	48 791	49 817
Cash Receipts by Source	585 625	50 744	50 744	50 744	50 744	50 744	50 744	50 744	50 744	50 744	50 744	(484 137)	608 927	632 032	664 642
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	91 000	26 779	26 779	26 779	26 779	26 779	26 779	26 779	26 779	26 779	26 779	(37 441)	321 352	357 813	357 670
Proceeds on Disposal of Fixed and Intangible Assets												-			
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits	-	12	12	12	12	12	12	12	12	12	12	25	149	149	149
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	676 625	77 536	77 536	77 536	77 536	77 536	77 536	77 536	77 536	77 536	77 536	(521 553)	930 428	989 993	1 022 461
Cash Payments by Type															
Employee related costs	17 856	21 399	21 399	21 399	21 399	21 399	21 399	21 399	21 399	21 399	21 399	24 941	256 783	261 725	274 026
Remuneration of councillors	-	677	677	677	677	677	677	677	677	677	677	1 353	8 119	8 517	8 917
Interest	-	8	8	8	8	8	8	8	8	8	8	17	100	105	110
Acquisitions - water & other inventory	-	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	1 914	3 829	22 973	24 030	25 135
Contracted services	-	11 533	11 533	11 533	11 533	11 533	11 533	11 533	11 533	11 533	11 533	23 065	138 391	177 138	189 612
Other expenditure	40 071	14 404	14 404	14 404	14 404	14 404	14 404	14 404	14 404	14 404	14 404	(11 263)	172 851	171 990	176 804
Cash Payments by Type	57 928	49 935	49 935	49 935	49 935	49 935	49 935	49 935	49 935	49 935	49 935	41 942	599 217	643 505	674 604
Other Cash Flows/Payments by Type															
Capital assets	6 733	25 512	25 512	25 512	25 512	25 512	25 512	25 512	25 512	25 512	25 512	44 291	306 141	314 554	315 278
Repayment of borrowing	-	200	200	200	200	200	200	200	200	200	200	400	2 400	2 400	2 400
Other Cash Flows/Payments	-	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	2 000	12 000	12 000	12 000
Total Cash Payments by Type	64 660	76 646	76 646	76 646	76 646	76 646	76 646	76 646	76 646	76 646	76 646	88 633	919 758	972 458	1 004 283
NET INCREASE/(DECREASE) IN CASH HELD	611 964	889	889	889	889	889	889	889	889	889	889	(610 186)	10 670	17 535	18 178
Cash/cash equivalents at the month/year beginning:	124 641	736 605	737 494	738 383	739 272	740 162	741 051	741 940	742 829	743 719	744 608	745 497	124 641	135 311	152 846
Cash/cash equivalents at the month/year end:	736 605	737 494	738 383	739 272	740 162	741 051	741 940	742 829	743 719	744 608	745 497	135 311	135 311	152 846	171 024

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M01 July

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									
Monthly expenditure performance trend									
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	-	-	51 024	51 024	100,0%	0%
September	13 816	25 512	25 512	-	-	76 535	76 535	100,0%	0%
October	19 479	25 512	25 512	-	-	102 047	102 047	100,0%	0%
November	13 386	25 512	25 512	-	-	127 559	127 559	100,0%	0%
December	57 401	25 512	25 512	-	-	153 071	153 071	100,0%	0%
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	40 611	25 512	25 512	-	-	306 141	306 141	100,0%	-
Total Capital expenditure	250 172	306 141	306 141	6 733					

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 - M01 July

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	242 637	262 045	262 045	6 328	6 328	21 837	15 509	71,0%	262 045
Water Supply Infrastructure	198 103	191 477	191 477	6 328	6 328	15 956	9 628	60,3%	191 477
Dams and Weirs	18 068	45 242	45 242	-	-	3 770	3 770	100,0%	45 242
Boreholes	33 299	33 539	33 539	1 518	1 518	2 795	1 277	45,7%	33 539
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	3 716	4 935	4 935	-	-	411	411	100,0%	4 935
Water Treatment Works	267	-	-	-	-	-	-	-	-
Bulk Mains	44 458	16 056	16 056	3 499	3 499	1 338	(2 161)	-161,5%	16 056
Distribution	98 295	91 705	91 705	1 312	1 312	7 642	6 330	82,8%	91 705
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	44 534	70 568	70 568	-	-	5 881	5 881	100,0%	70 568
Pump Station	-	6 488	6 488	-	-	541	541	100,0%	6 488
Reticulation	44 534	41 814	41 814	-	-	3 485	3 485	100,0%	41 814
Waste Water Treatment Works	-	10 761	10 761	-	-	897	897	100,0%	10 761
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	11 505	11 505	-	-	959	959	100,0%	11 505
Intangible Assets	439	804	804	-	-	67	67	100,0%	804
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	439	804	804	-	-	67	67	100,0%	804
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	439	804	804	-	-	67	67	100,0%	804
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	410	742	742	-	-	62	62	100,0%	742
Computer Equipment	410	742	742	-	-	62	62	100,0%	742
Furniture and Office Equipment	899	2 602	2 602	-	-	217	217	100,0%	2 602
Furniture and Office Equipment	899	2 602	2 602	-	-	217	217	100,0%	2 602
Machinery and Equipment	193	8 810	8 810	-	-	734	734	100,0%	8 810
Machinery and Equipment	193	8 810	8 810	-	-	734	734	100,0%	8 810
Transport Assets	-	1 600	1 600	-	-	133	133	100,0%	1 600
Transport Assets	-	1 600	1 600	-	-	133	133	100,0%	1 600
Total Capital Expenditure on new assets	244 579	276 603	276 603	6 328	6 328	23 050	16 722	72,5%	276 603

Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M01 July

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	-	14 802	14 802	-	-	1 233	1 233	100,0%	14 802
Water Supply Infrastructure	-	14 802	14 802	-	-	1 233	1 233	100,0%	14 802
Dams and Weirs							-		
Boreholes							-		
Reservoirs							-		
Pump Stations							-		
Water Treatment Works							-		
Bulk Mains	-	3 890	3 890	-	-	324	324	100,0%	3 890
Distribution	-	10 911	10 911	-	-	909	909	100,0%	10 911
Distribution Points	-	-	-	-	-	-	-		-
Machinery and Equipment	-	135	135	-	-	11	11	100,0%	135
Machinery and Equipment	-	135	135	-	-	11	11	100,0%	135
Transport Assets	6 259	5 400	5 400	-	-	450	450	100,0%	5 400
Transport Assets	6 259	5 400	5 400	-	-	450	450	100,0%	5 400
Total Capital Expenditure on renewal of existing assets	6 259	20 336	20 336	-	-	1 695	1 695	100,0%	20 336

Expenditure on Repairs and Maintenance by Asset Class

DC43 Harry Gwala - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M01 July

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	48 818	46 093	46 093	480	480	3 841	3 361	87,5%	46 093
Water Supply Infrastructure	48 818	46 093	46 093	480	480	3 841	3 361	87,5%	46 093
Dams and Weirs							-		
Boreholes							-		
Reservoirs	29 323	23 439	23 439	-	-	1 953	1 953	100,0%	23 439
Pump Stations	11 790	12 402	12 402	480	480	1 033	553	53,6%	12 402
Capital Spares	7 704	10 252	10 252	-	-	854	854	100,0%	10 252
Community Assets	63	73	73	-	-	6	6	100,0%	73
Community Facilities	-	-	-	-	-	-	-		-
Sport and Recreation Facilities	63	73	73	-	-	6	6	100,0%	73
Indoor Facilities	63	73	73	-	-	6	6	100,0%	73
Outdoor Facilities							-		
Capital Spares							-		
Unimproved Property							-		
Other assets	4 401	5 459	5 459	307	307	455	148	32,5%	5 459
Operational Buildings	4 401	5 459	5 459	307	307	455	148	32,5%	5 459
Municipal Offices	4 401	5 459	5 459	307	307	455	148	32,5%	5 459
Pay/Enquiry Points							-		
Computer Equipment	17	125	125	-	-	10	10	100,0%	125
Computer Equipment	17	125	125	-	-	10	10	100,0%	125
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	3 055	-	-	-	-	-	-		-
Machinery and Equipment	3 055	-	-	-	-	-	-		-
Transport Assets	204	241	241	-	-	20	20	100,0%	241
Transport Assets	204	241	241	-	-	20	20	100,0%	241
Total Repairs and Maintenance Expenditure	56 559	51 991	51 991	787	787	4 333	3 546	81,8%	51 991

2.7 Municipal Manager's Quality's Certificate

Quality Certificate

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

- The monthly budget statement

For the month of July 2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Gamakulu Ma'art Sineke

Municipal Manager of: Harry Gwala District Municipality

Signed_____

Date_____