

KOUGA LOCAL MUNICIPALITY (EC108)
FINANCE PORTFOLIO COMMITTEE MEETING
FINANCE

DATE:

ITEM NO:

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**MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2022 TO AUGUST 2022 AND
FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 AUGUST 2022 (2022/23
FINANCIAL YEAR)**

1. Purpose

This report is submitted in compliance with Section 71(1) of the Municipal Finance Management Act (MFMA) and the Municipal Budget and Reporting Regulations (MBRR).

2. Legislative Requirements

The Municipality is required to assess on an ongoing basis whether it collects sufficient revenue to meet its commitments, such as paying Employees, Councillors, Eskom, Nelson Mandela Bay Municipality, service providers etc.

In accordance with Section 71(1) of the MFMA, the Accounting Officer 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.

In accordance with regulations 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C.

3. Executive Summary

This report provides a balanced and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the months of August 2022, so as to facilitate an informed assessment of the relative liquidity and financial position of the Municipality

The financial performance highlights are as follows:

- Operating revenue amounted to R 253,639 million, whilst operating expenditure amounted to R 150,200 million, resulting in an operating surplus of R 103,439 million
- Capital expenditure constituted 13.07% of the 2022/23 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 7,021 million (2.71%) since August 2022.

- An amount of R 49,063 million is owing to creditors, of which R 43,614 million (88,90%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 76,812,341 (275.81%) since June 2022, from R 27,850,138 to R 104,662,479.

Below is an analysis of the Investment Portfolio as at 31 August 2022.

	Balance as at 30 June 2022	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 August 2022
Standard Bank	1,246,965	-	10,685	-		1,257,651
ABSA	1,223,022	-	8,704	-	-	1,231,726
Nedbank	1,225,308	-	10,629	-		1,235,937
RMB	4,883,568	31,286,551	190,608	72,407		36,288,320
INVESTEC	1,223,964	-	10,618	-		1,234,582
Total	9,802,828	31,286,551	231,244	72,407	-	41,248,216
	Balance as at 30 June 2022	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 August 2022
INVESTMENT						
General Account	9,753,276	20,049,551	177,416	-	-	29,980,244
Conditional Grants	49,551	11,237,000	53,828	72,407	-	11,267,972
Housing Funds	0	-	-	-	-	0
Total	9,802,828	31,286,551	231,244	- 72,407	-	41,248,216
Cheque Accounts FNB 52540020791	4,850,118					10,328,449
Cheque Accounts FNB 52540033304	13,197,193					53,085,814
Cheque Accounts FNB 62682103591	-					
Total	27,850,138	31,286,551	231,244	- 72,407	-	104,662,479

The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves.

Bank Balances and Cash	R 63,414,263
Short-term Investment Deposits	<u>R 41,248,216</u>
	<u>R104,662,479</u>

Application of Cash

Unspent Conditional Grants	6,917,344
Internally Generated Funds (Capital commitments)	39,654,232
Outstanding Creditors	<u>49,062,413</u>
	<u>95,633,989</u>

Reserves in excess of commitments	<u>9,028,490</u>
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The cash backed reserves exceed commitments at this stage by an amount of R 9,028,490. It should be noted that the excess of reserves over commitments as at 31 August 2022, is mainly due to an amount of R63,683 millions in respect of the equitable share allocation received on 06 July 2022, but not yet fully spent. These funds are already committed towards spending in the 2022/23 operating budget.

The following key financial ratios are monitored on an on-going basis:

Ratio	Actuals as at 30 June 2020	Actuals as at 30 June 2021	Actuals as at 30 June 2022	MFMA Circular 71/ other Norms	Actuals as at 31 August 2021	Approved Adjusted Budget 2022/23	Actuals as at 31 August 2022
Current Ratio	1.26:1	2.61:1	1.12:1	1.5:1 to 2:1	1.70:1	0.86:1	1.70:1
Liquidity Ratio	0.61:	0.45:1	0.24:1	1:1	0.97:1	0.04:1	0.90:1
Cost Coverage (Excluding unspent conditional grants)	1.79 Months	0.62 Months	0:37 Months	1 Month to 3 Months	1.44 Months	0.06 Months	1.15 Months
Debtors Collection Rate	95.42%	94.41%	94.32%	95%	77.54%	95%	74%
Capital Expenditure	75.33%	76.92%	87.00%	95%	1.37%	95%	13.07%

4. Detailed Reports

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 31 August 2022:

Annexure "A1" – Operating Revenue and Expenditure Performance

Annexure "A2" - Capital Budget Performance

Annexure "A3"- Projected Cash Flow Statement

Annexure "A4" – Municipal Monthly Budget Tables

Annexure "A5"- Analysis of Municipality's Statement of Financial Performance

- i. Overview of Outstanding Consumer Debtors
- ii. Overview of Creditors position
- iii. Grants receipts and Expenditure
- iv. Councillors & Employee benefits
- v. Key performance Indicators

5. Recommendation

5.1 That the Executive Mayor notes Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

5.2 That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

6. Municipal Manager's Quality Certificate

I, Charl Du Plessis, Municipal Manager of Kouga Local Municipality hereby certify that the monthly budget statements have been prepared in accordance with the Municipal Finance Management act and regulations made under the Act, and that monthly budget statements are consistent with the Integrated Development Plan of the municipality.

Print Name _Charl Du Plessis

Municipal Manager of Kouga Local Municipal

Signature..........

Date.....14 September 2022.....

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO AUGUST 2022.

Summary Statement of Financial Performance

Description	Budget Year 2022/23					
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
R thousands						
Total Revenue (excluding capital transfers and contributions)	1 052 961	1 052 961	49 232	253 639	277 820	(24 181)
Total Expenditure	1 163 909	1 167 975	78 229	150 200	272 596	(122 396)
Surplus/(Deficit)	(110 948)	(115 014)	(28 997)	103 439	5 223	98 215

The statement of financial performance reflects an operating surplus of R103,439 million.

Revenue

Main revenue sources for 2022/23

Description	Budget Year 2022/23		
	Adjusted Budget	YearTD actual	YTD variance
R thousands			%
Property rates	240 849	97 449	40,46%
Service charges - electricity revenue	371 804	51 495	13,85%
Service charges - water revenue	89 362	8 933	10,00%
Service charges - sanitation revenue	62 796	10 920	17,39%
Service charges - refuse revenue	62 858	11 549	18,37%
Rental of facilities and equipment	2 968	272	9,16%
Interest earned - external investments	2 811	369	13,13%
Interest earned - outstanding debtors	13 706	3 055	22,29%
Fines, penalties and forfeits	1 842	627	34,02%
Licences and permits	8 397	2 876	34,25%
Agency services	5 352	211	3,95%
Transfers and subsidies	177 920	63 880	35,90%
Other revenue	12 298	2 002	16,28%
Total Revenue (excluding capital transfers and contributions)	1 052 961	253 639	24,09%

Reasons for major over-/under-recovery per revenue source

- **Property Rates**

As at August 2022, the municipality has recognised 40.46% of property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2022.

- **Fines, penalties and forfeits**

Fines, penalties and forfeits are largely influenced by the higher than anticipated revenue from traffic fines.

- **Licences and permits**

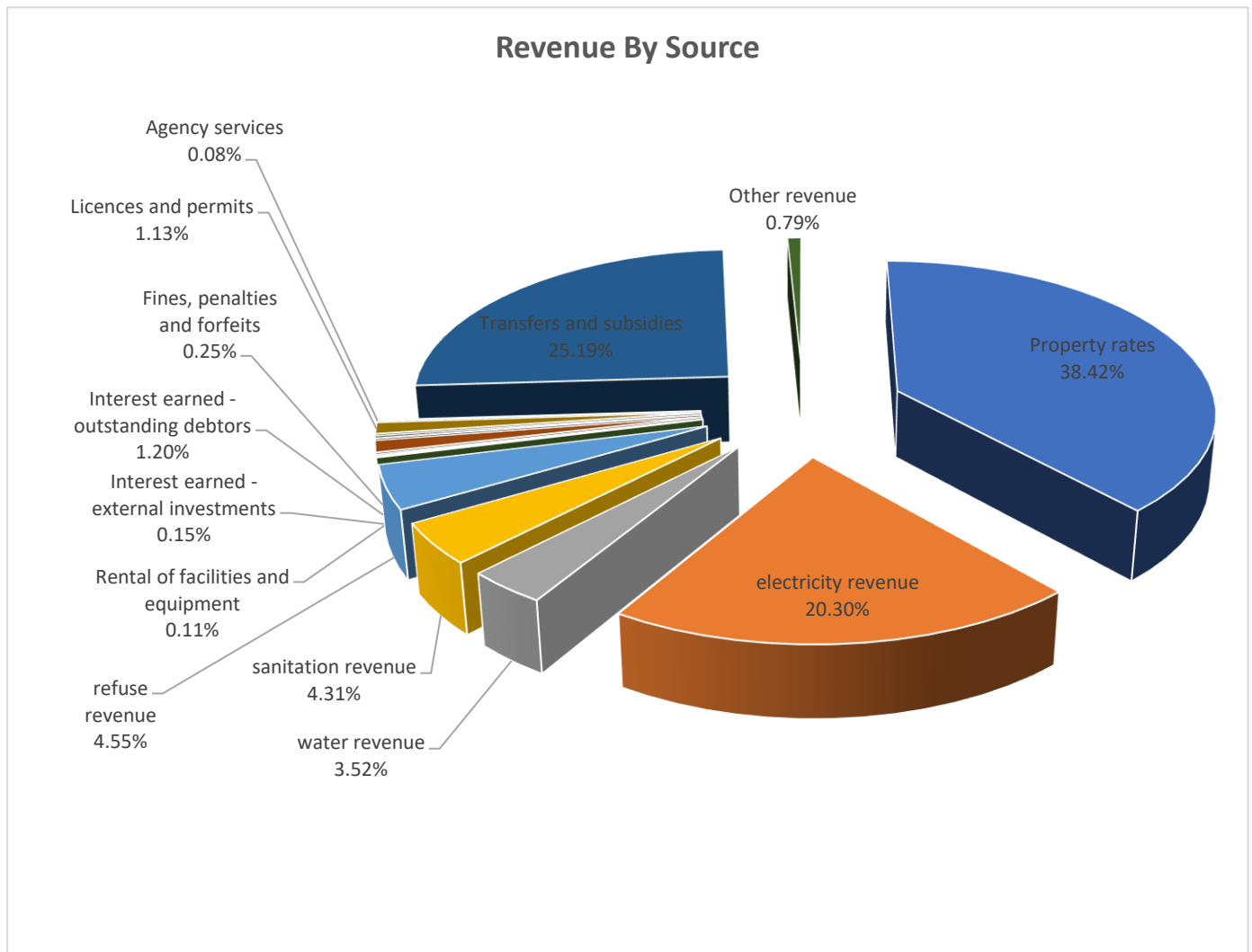
Licence and permits mostly relates to motor registrations and is influenced by the extent of vehicle registrations.

- **Agency services**

Agency services relate to the Department of Transport commission received by the municipality as an acting agency for the collection of motor registration licences and other drivers' licences and permits.

- **Transfers and subsidies**

Transfers and subsidies are largely influenced by the equitable share allocation received on 06 July 2022 amounting to R 63,683 million.



Expenditure

Main expenditure types for 2022/23

Description	Budget Year 2022/23		
	Adjusted Budget	YearTD actual	YTD variance
R thousands			%
Expenditure By Type			
Employee related costs	391 318	54 084	13,82%
Remuneration of councillors	14 364	2 723	18,96%
Debt impairment	42 069	–	0,00%
Depreciation & asset impairment	103 850	–	0,00%
Finance charges		267	
Bulk purchases - electricity	325 900	65 768	20,18%
Inventory consumed	74 758	14 989	20,05%
Contracted services	95 919	4 408	4,60%
Transfers and subsidies	400	–	0,00%
Other expenditure	119 396	7 962	6,67%
Total Expenditure	1 167 975	150 200	12,86%

Reasons for major over-/under expenditure per type

- **Debt impairment**
Bad debts are written off upon Council approval.
- **Depreciation & asset impairment**
The depreciation & asset impairment is calculated in line with the municipal asset register. The depreciation will be updated during the period of September 2022.
- **Transfers and subsidies**
Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organisations, in line with the Council approved grant-in-aid policy.
- **Bulk purchases (Electricity)**

Description	Budget Year 2022/23		
	Approved Adjusted Budget	YearTD actual	%
R thousands			
Bulk purchases – Electricity	325 900 000	65 768 484	20,18%
	325 900 000	65 768 484	20,18%

- **Contracted Services**

Contracted services mostly relate to outsourced work, in relation to the maintenance of municipal infrastructure assets and includes consultation fees.

Contracted services are broken down as follows:

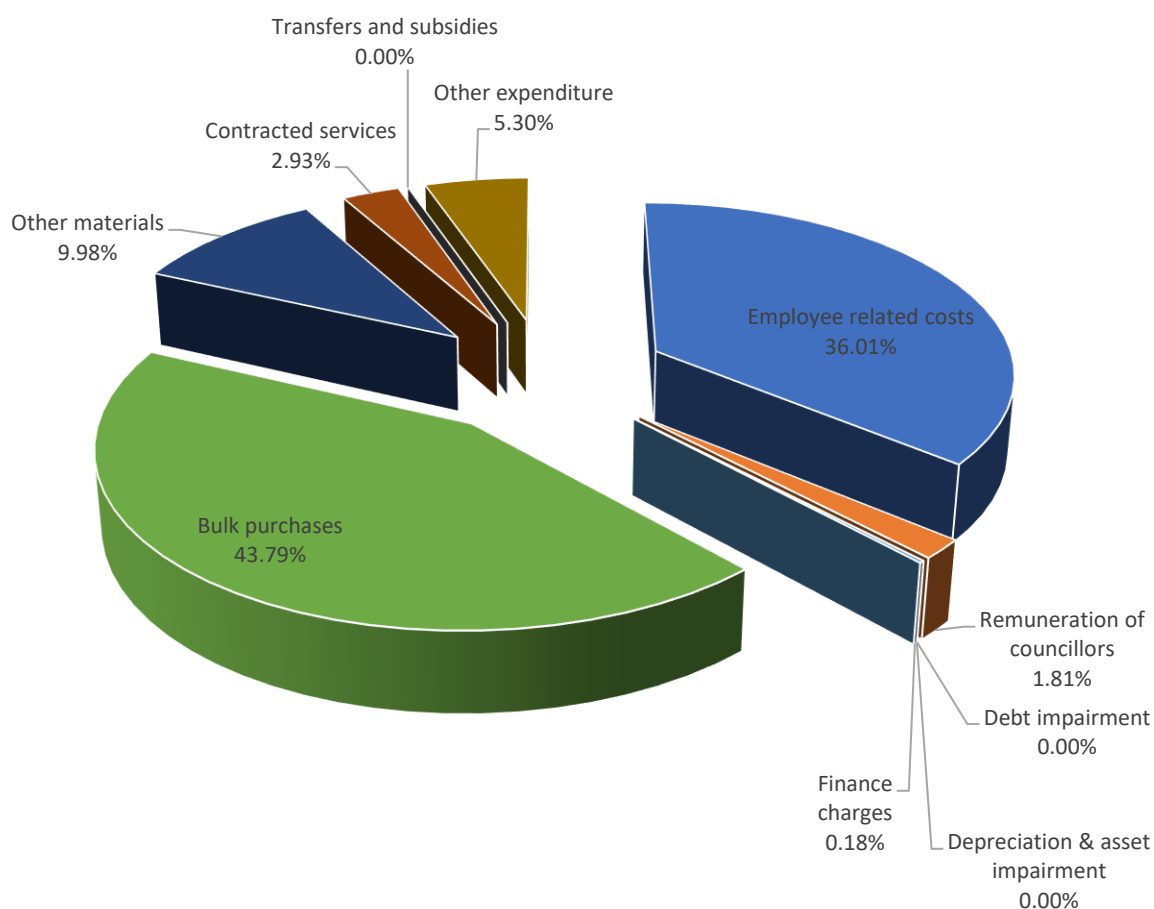
Item Description	Adjusted Budget 2022/23	Actuals as at 31 August 2022	%
Animal Care	475 000	-	0,00%
Burial Services	230 000	1 050	0,46%
Catering Services	572 500	89 508	15,63%
Clearing and Grass Cutting Services	1 650 000	-	0,00%
Consultants and Professional Services	26 959 444	1 101 416	4,09%
Drivers Licence Cards	500 000	43 687	8,74%
Dune Stabilisation	2 000 000	-	0,00%
Employee Wellness	400 000	26 733	6,68%
Event Promoters	90 000	4 819	5,35%
Internal Auditors	120 000	29 095	24,25%
Laboratory Services:Water	580 000	-	0,00%
Leak Detection Project	-	84 366	#DIV/0!
Legal Advice and Litigation	5 400 000	481 625	8,92%
Legal Cost:Collection	700 000	-	0,00%
Litter Picking and Street Cleaning	800 000	-	0,00%
Maintenance of Buildings and Facilities	5 945 000	130 873	2,20%
Maintenance of Electrical Infrastructure	2 650 000	95 633	3,61%
Maintenance of Equipment	1 206 100	30 910	2,56%
Maintenance of Sanitation Infrastructure	1 400 256	73 550	5,25%
Maintenance of Vehicles	8 044 584	889 631	11,06%
Maintenance of Water Infrastructure	1 291 830	22 453	1,74%
Medical Health Services & Support	1 250 000	270 226	21,62%
Occupational Health and Safety	17 850	-	0,00%
Other Contracted Services	1 150 000	56 550	4,92%
Personnel and Labour	12 627 616	384 749	3,05%
Professional Staff	602 000	-	0,00%
Qualification Verification	500 000	17 050	3,41%
Roads Maintenance	10 255 000	-	0,00%
Security Services	3 101 600	560 724	18,08%
Transport Services	400 000	13 043	3,26%
Jbay precinct plan implementation	2 000 000	-	0,00%
Valuer	3 000 000	-	0,00%
Total	95 918 780	4 407 691	4,60%

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2022/23	Actuals as at 31 August 2022	%
Achievements and Awards	1 855 000	95 814	5,17%
Advertising, Publicity and Marketing	2 156 000	402 068	18,65%
Bank Charges	750 000	- 122 783	-16,37%
Bargaining Council	3 300 000	-	0,00%
Cellular Contract (Subscription and Calls)	2 894 907	415 793	14,36%
Claims paid to Third Parties	300 000	6 890	2,30%
External Audit Fees	4 500 000	15 041	0,33%
External Computer Service:Internet Charge	3 500 000	567 488	16,21%
Hire Charges	5 896 500	656 631	11,14%
Insurance Claims	1 200 000	12 767	1,06%
Insurance Underwriting:Premiums	3 745 026	-	0,00%
Leases:Furniture and Office Equipment	2 971 216	435 589	14,66%
Leases:Other Assets	3 963 740	943 960	23,81%
Leases:Transport Assets	15 044 210	-	
Motor Vehicle Licence and Registrations	1 605 030	99 713	6,21%
Municipal Services	32 187 728	64 765	0,20%
Other	700 000	28 233	4,03%
Postage/Stamps/Frinking Machines	1 340 000	298 011	22,24%
Printing, Publications and Books	978 725	178 815	18,27%
Registration Fees:Professional and Regulatory Bodies	241 225	12 175	5,05%
Registration Fees:Seminars, Conferences, Workshops	2 427 057	90 168	3,72%
Remuneration to Ward Committees	2 241 923	635 216	28,33%
Riparian Levies	3 280 241	813 263	24,79%
Signage	635 518	19 934	3,14%
Skills Development Fund Levy	3 398 919	548 836	16,15%
Software Licences	3 560 300	60 923	1,71%
Storage of Files (Archiving)	500 000	2 807	0,56%
Supplier Development Programme	100 000	-	0,00%
Third Party Vendors	5 500 000	509 005	9,25%
Travel and Subsistence	2 698 206	213 074	7,90%
Uniform and Protective Clothing	3 395 852	485 306	14,29%
Vehicle Tracking	754 565	144 370	19,13%
Workmen's Compensation Fund	1 774 003	327 775	18,48%
Total	119 395 891	7 961 648	6,67%

Expenditure By Type



Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure, compared to the 2022/23 Approved Adjusted Budget.

Item Description	Budget Year 2022/23		
	Adjusted Budget	Actuals as at 31 August 2022	%
Maintenance of Equipment	1 561 100	92 577	5,93%
Maintenance of Vehicles	9 412 159	1 166 571	12,39%
Maintenance of Buildings and Facilities	5 712 760	163 112	2,86%
Maintenance of Water Infrastructure	6 280 830	603 157	9,60%
Roads Maintenance	11 018 775	368 264	3,34%
Sport and Recreation Facilities	1 750 000	18 611	1,06%
Maintenance of Electrical Infrastructure	7 700 000	1 311 382	17,03%
Maintenance of Sanitation Infrastructure	3 925 256	156 726	3,99%
Hire Charges	2 333 400	269 271	11,54%
Total	49 694 280	4 149 672	8,35%

It is to be noted that actual repairs and maintenance expenditure constituted 8,35% of the 2022/23 Approved Adjusted Budget.

Annexure “A2”

CAPITAL BUDGET PERFORMANCE

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
Funded by:									
National Government	50 835	29 649	29 649	4 469	5 336	2 911	2 425	83%	29 649
Provincial Government	–	–	–	–	–	–	–		–
District Municipality	1 600	1 638	1 638	–	–	–	–		1 638
Other transfers and grants	–	–	–	–	–	–	–		–
Transfers recognised - capital	52 435	31 287	31 287	4 469	5 336	2 911	2 425	83%	31 287
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	29 880	8 398	14 331	525	628	2 218	(1 590)	-72%	14 331
Total Capital Funding	82 315	39 685	45 618	4 994	5 964	5 130	(245)	16%	45 618

Summary Capital Expenditure and Funding

The capital expenditure as at 31 August 2022, constituted 13.07% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 17.06% of approved adjusted grant funding budget.
- Internally generated funds are 4.38% of approved adjusted internal funds budget.

Capital budget by municipal vote for 2022/23

Vote Description	Budget Year 2022/23				
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	%
R thousands					
Multi-Year expenditure appropriation					
Vote 1 - EXECUTIVE COUNCIL	750	873	-	(3)	-0.40%
Vote 2 - FINANCIAL SERVICES	1 730	1 730	525	633	36.57%
Vote 4 - COMMUNITY SERVICES	1 638	2 180	–	–	0.00%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	35 567	40 499	4 469	5 336	13.18%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	-	336	-	(1)	-0.33%
Total Capital Multi-year expenditure	39 685	45 618	4 994	5 964	13,07%

The capital expenditure as at 31 August 2022, constituted 13.07% of approved adjusted capital budget.

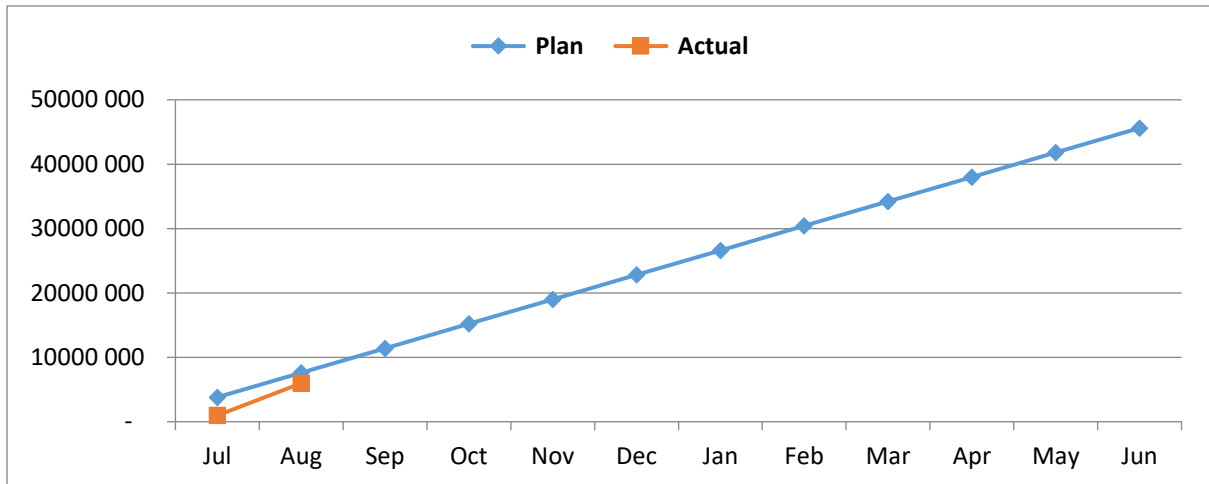
The capital expenditure is broken down per directorate as follows:

- Executive & Council is -0.40% of R 0,873 million budget.
- Financial Services is 36.57% of R1,730 million budget.

- Community Services is 0% of R 2,180 million budget.
- Infrastructure & Engineering is 13.18% of R 40,499 million budget.
- Planning Development and Tourism is -0.33% of R 0,336 million budget.

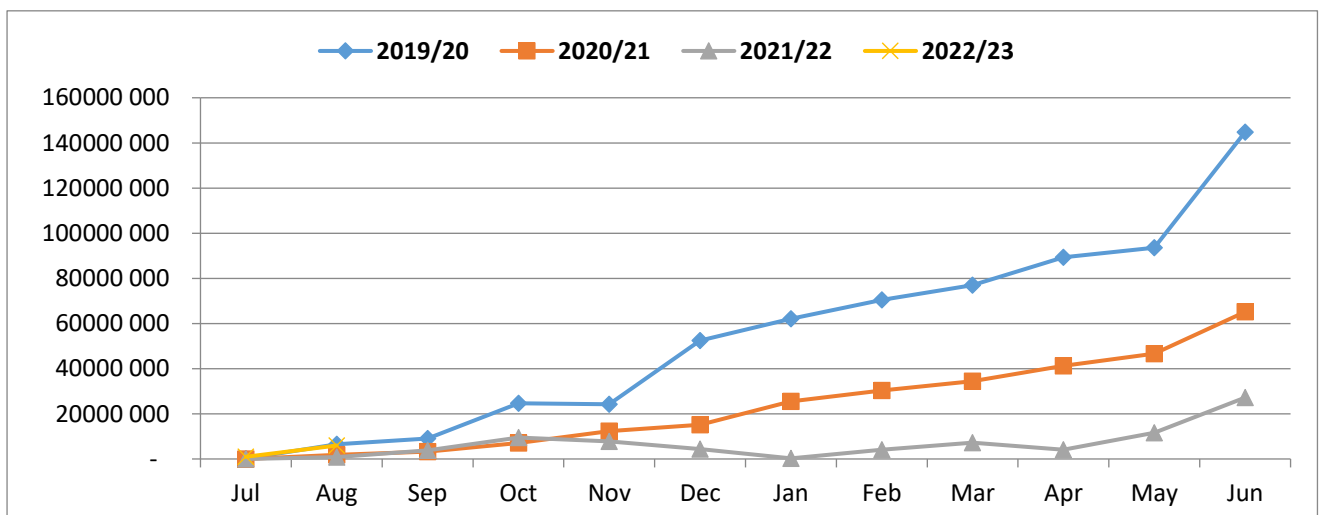
Monthly capital expenditure

The graph below reflects the municipality's monthly capital expenditure to date measured against the 2022/23 current budget.



Capital expenditure trend over the current- and past two years

The graph below shows the municipality's capital expenditure trend for 2019/20, 2020/21, 2021/22 and 2022/23.



Status of capital programmes/projects in the Municipality as at 31 August 2022.

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2022/23	Actuals as at 31 August 2022
COMMUNITY SERVICES	FIRE SERVICES	DISTRICT	Fire Vehicle	FT911	1,638,000	-
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Machinery & Equipment - Radio Communication		58,270	
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Transport Assets - Quardbike		95,598	
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Computer Equipment		387,811	
					2,179,679	-
EXECUTIVE & COUNCIL	WARD COUNCILLORS	Internal	Ward councilors Capital project	PC_65	750,000	-
EXECUTIVE & COUNCIL	MAYORAL COMMITTEE	Internal	Furniture and Equipment - Ward Councillors Offices		-	1,892
EXECUTIVE & COUNCIL	MAYOR	Internal	Municipal Court - Office equipment		100,000	-
EXECUTIVE & COUNCIL	Risk and Internal Audit Unit	Internal	Furniture and equipment		22,819	1,598
					872,819	- 3,490
FINANCE	EXPENDITURE	Internal	Furniture and equipment	PC048	30,000	-
FINANCE	ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	PC22601	650,000	-
FINANCE	ASSET MANAGEMENT	Internal	Furniture and equipment	PC048	30,000	-
FINANCE	Finance: IT	Internal	Computer Equipment	CP_4	1,020,000	632,643
					1,730,000	632,643
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Saffery Substation	CP7_ELC	1,023,347	-
INFRASTRUCTURE & ENGINEERING	Water	Internal	Repair Leaking Concrete Water Tower Paradise Beach	CP_4WAT	501,966	-
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace 250mm Water Main Mimosa Street Jbay	CP6_WAT	405,488	-
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	New bypass Sewer Rising Main and Pump Stations Jba	CP5_SW	1,195,528	-
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	CP4_SW	902,858	-
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Piped Reticulation - St Francis Bay	CP7_SEW	355,829	-
INFRASTRUCTURE & ENGINEERING	METERING & REVENUE	Internal	Bulk 66kv Overhead lines	CP66KV	715,068	-
INFRASTRUCTURE & ENGINEERING	Sewerage	MIG	Upgrade Sanitation System Old Hankey	PC_012	18,440,235	1,541,270
INFRASTRUCTURE & ENGINEERING	SEWERAGE	Internal	Upgrade Loerie sewer pump station	CP_3SW	418,318	-
INFRASTRUCTURE & ENGINEERING	ROADS AND STORMWATER	MIG	Upgrading of Gravel Roads in Humansdorp	PC_075	6,687,112	3,794,634
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	MIG	Upgrading of Sports Facilities	CP_74	4,521,739	-
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within Kouga		180,555	-
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace Main Waterline South Rivier Bridge Crossing		171,223	-
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connect 4 x drilled boreholes to treatment works		819,941	-
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace 250mm Water Main Canal Road St Francis Bay		111,464	-
INFRASTRUCTURE & ENGINEERING	WATER	Internal	WATER TANKS JEFFREYS BAY - DROUGHT PROJECT		393,150	-
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connecting Kruisfontein Boreholes to Humansdorp Water		3,255,369	-
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Mini Fresh Food and Craft Markets in Jbay & Hankey	CP_369	400,000	-
					40,499,190	5,335,904
PLANNING, DEVELOPMENT & TOURISM	Planning & Development	Internal	Computer Software and Applications		-	1,103
PLANNING, DEVELOPMENT & TOURISM	LOCAL ECONOMIC DEVELOPMENT	Internal	Kouga Business Support Centre		336,499	-
					336,499	- 1,103
				Total	45,618,187	5,963,955

PROJECTED CASH FLOW STATEMENT FOR THE 2022/23 FINANCIAL YEAR**Projected Cash Flow Statement as at 31 August 2022**

The purpose of the cash flow statement is to compare the cash inflows (receipts) with the cash outflows (payments), so as to ascertain the adequacy of the cash inflows to cover the cash outflows.

Table C7 Monthly Budget Statement – Cash Flow – M02 August 2022

Description	Ref	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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	230,449	230,449	43,672	61,792	38,408	23,384	61%	230,449
Service charges		238,396	652,478	652,478	44,525	82,169	108,746	(26,577)	-24%	652,478
Other revenue		22,231	57,445	57,445	22,800	30,737	9,574	21,163	221%	57,445
Transfers and Subsidies - Operational		147,988	177,920	177,920	2,014	65,697	29,653	36,044	122%	177,920
Transfers and Subsidies - Capital		-	35,734	35,734		11,237	5,956	5,281	89%	35,734
Interest		841,486	2,811	2,811	1,844	3,476	468	3,007	642%	2,811
Dividends		-	-	-		-	-	-		-
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,115,817)	(87,437)	(171,432)	(185,970)	(14,538)	8%	(1,115,817)
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,886,718	41,019	41,019	27,417	83,676	6,837	(76,840)	-1124%	41,019
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		(31,695)	(39,685)	(39,685)	(5,743)	(6,864)	(6,614)	250	-4%	(39,685)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(31,695)	(39,685)	(39,685)	(5,743)	(6,864)	(6,614)	250	-4%	(39,685)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		23,673						-		
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		23,673	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		1,878,696	1,334	1,334	21,674	76,812	222			1,334
Cash/cash equivalents at beginning:		53,394	4,105	4,105		27,850	4,105			27,850
Cash/cash equivalents at month/year end:		1,932,091	5,439	5,439		104,662	4,327			29,184

MUNICIPAL MONTHLY BUDGET TABLES

1. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2022/23 budget performance for the period of August 2022 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M02 August 2022

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									
Financial Performance									
Property rates	224,326	240,849	240,849	14,631	97,449	99,126	(1,676)	-2%	240,849
Service charges	521,775	586,820	586,820	29,744	82,896	97,803	(14,907)	-15%	586,820
Investment revenue	3,225	2,811	2,811	201	369	518	(149)	-29%	2,811
Transfers and subsidies	153,880	177,920	177,920	101	63,880	72,530	(8,650)	-12%	177,920
Other own revenue	57,552	44,562	44,562	4,556	9,044	7,843	1,201	15%	44,562
Total Revenue (excluding capital transfers and contributions)	960,758	1,052,961	1,052,961	49,232	253,639	277,820	(24,181)	-9%	1,052,961
Employee costs	339,392	391,318	391,318	27,021	54,084	62,313	(8,229)	-13%	391,318
Remuneration of Councillors	13,395	14,364	14,364	1,153	2,723	2,394	329	14%	14,364
Depreciation & asset impairment	94,390	103,850	103,850	–	–	103,580	(103,580)	-100%	103,850
Finance charges	5,412	–	–	267	267	–	267	#DIV/0!	–
Materials and bulk purchases	388,268	400,548	400,658	44,675	80,757	65,686	15,071	23%	400,658
Transfers and subsidies	458	400	400	–	–	–	–	–	400
Other expenditure	239,115	253,428	257,383	5,113	12,369	38,623	(26,254)	-68%	257,383
Total Expenditure	1,080,429	1,163,909	1,167,975	78,229	150,200	272,596	(122,396)	-45%	1,167,975
Surplus/(Deficit)	(119,671)	(110,948)	(115,014)	(28,997)	103,439	5,223	98,215	1880%	(115,014)
Transfers and subsidies - capital (monetary allocations)	60,630	35,734	35,734	5,139	6,136	9,284	(3,148)	-34%	35,734
Contributions & Contributed assets	20	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(59,021)	(75,214)	(79,279)	(23,858)	109,575	14,508	95,067	655%	(79,279)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(59,021)	(75,214)	(79,279)	(23,858)	109,575	14,508	95,067	655%	(79,279)
Capital expenditure & funds sources									
Capital expenditure	110,318	39,685	45,618	4,994	5,964	5,130	834	16%	45,618
Capital transfers recognised	50,769	31,287	31,287	4,469	5,336	2,911	2,425	83%	31,287
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	59,477	8,398	14,331	525	628	2,218	(1,590)	-72%	14,331
Total sources of capital funds	110,246	39,685	45,618	4,994	5,964	5,130	834	16%	45,618
Financial position									
Total current assets	236,285	132,996	132,996		198,631				132,996
Total non current assets	2,320,799	2,253,988	2,253,988		2,320,444				2,253,988
Total current liabilities	247,131	154,904	154,904		116,758				154,904
Total non current liabilities	227,952	191,375	191,375		225,026				191,375
Community wealth/Equity	2,141,149	2,040,704	2,040,704		2,177,291				2,040,704
Cash flows									
Net cash from (used) operating	1,886,718	41,019	41,019	27,417	83,676	6,837	(76,840)	-1124%	41,019
Net cash from (used) investing	(31,695)	(39,685)	(39,685)	(5,743)	(6,864)	(6,614)	250	-4%	(39,685)
Net cash from (used) financing	23,673	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	1,932,091	5,439	5,439	–	104,662	4,327	(100,335)	-2319%	29,184
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	–	–	–	–	–	–	–	–	–
Creditors Age Analysis									
Total Creditors	43,614	208	5,309	278	15	16	90	2,331	51,861

Explanatory notes to Table C 1 – Monthly Budget Summary

The aim of the Budget Summary is to provide a concise overview of the actual budget performance from all of the major financial perspective (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the actual amounts spent compared to the monthly budget projections within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance.

Table C2 Monthly Budget Statement – Financial Performance (standard classification) – M02 August 2022

Description	Ref	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	1									
Revenue - Functional										
<i>Governance and administration</i>		343,761	361,880	361,880	16,285	163,661	114,237	49,424	43%	361,880
Executive and council		509	342	342	53	96	63	33	52%	342
Finance and administration		343,253	361,539	361,539	16,231	163,565	114,174	49,391	43%	361,539
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		15,171	16,365	16,365	756	2,291	2,525	(234)	-9%	16,365
Community and social services		2,469	2,508	2,508	35	77	84	(8)	-9%	2,508
Sport and recreation		7,082	9,017	9,017	708	2,193	1,661	532	32%	9,017
Public safety		1,654	1,652	1,652	1	2	3	(1)	-25%	1,652
Housing		987	–	–	–	–	–	–	–	–
Health		2,979	3,187	3,187	12	19	777	(758)	-98%	3,187
<i>Economic and environmental services</i>		16,268	38,750	38,750	1,101	2,199	9,370	(7,171)	-77%	38,750
Planning and development		7,525	6,754	6,754	697	1,144	1,402	(258)	-18%	6,754
Road transport		7,341	6,527	6,527	266	746	1,186	(440)	-37%	6,527
Environmental protection		1,402	25,469	25,469	139	308	6,781	(6,473)	-95%	25,469
<i>Trading services</i>		646,208	671,701	671,701	36,230	91,625	160,972	(69,348)	-43%	671,701
Energy sources		342,583	379,734	379,734	20,882	51,712	68,935	(17,223)	-25%	379,734
Water management		119,239	114,284	114,284	(497)	9,993	35,738	(25,744)	-72%	114,284
Waste water management		106,057	109,397	109,397	10,381	17,555	30,418	(12,863)	-42%	109,397
Waste management		78,329	68,285	68,285	5,463	12,364	25,882	(13,518)	-52%	68,285
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	1,021,408	1,088,696	1,088,696	54,372	259,775	287,104	(27,329)	-10%	1,088,696
Expenditure - Functional										
<i>Governance and administration</i>		102,579	252,416	254,332	14,456	29,556	45,690	(16,133)	-35%	254,332
Executive and council		49,469	54,099	54,449	3,794	7,475	8,817	(1,342)	-15%	54,449
Finance and administration		53,091	198,047	199,613	10,632	22,051	36,837	(14,786)	-40%	199,613
Internal audit		20	270	270	29	30	36	(6)	-16%	270
<i>Community and public safety</i>		96,429	111,512	111,512	7,610	13,778	18,987	(5,210)	-27%	111,512
Community and social services		9,661	12,180	12,180	652	1,257	2,307	(1,050)	-46%	12,180
Sport and recreation		50,545	56,704	56,704	3,996	6,752	9,186	(2,434)	-26%	56,704
Public safety		25,178	28,610	28,610	2,082	4,046	5,062	(1,017)	-20%	28,610
Housing		5,149	6,627	6,627	381	732	1,290	(558)	-43%	6,627
Health		5,896	7,391	7,391	498	991	1,142	(151)	-13%	7,391
<i>Economic and environmental services</i>		120,963	163,774	161,060	5,054	10,128	60,770	(50,642)	-83%	161,060
Planning and development		36,450	29,222	30,372	1,507	3,107	4,661	(1,554)	-33%	30,372
Road transport		81,945	111,957	108,094	3,521	6,137	52,784	(46,646)	-88%	108,094
Environmental protection		2,568	22,594	22,594	26	883	3,325	(2,442)	-73%	22,594
<i>Trading services</i>		756,860	629,886	634,749	50,775	96,376	146,677	(50,301)	-34%	634,749
Energy sources		350,276	408,286	408,286	34,935	70,656	73,314	(2,658)	-4%	408,286
Water management		179,578	99,688	99,688	8,989	12,680	28,406	(15,726)	-55%	99,688
Waste water management		103,141	71,306	71,306	3,112	5,977	33,821	(27,844)	-82%	71,306
Waste management		123,864	50,606	55,469	3,739	7,064	11,136	(4,072)	-37%	55,469
<i>Other</i>		3,725	6,322	6,322	335	362	473	(110)	-23%	6,322
Total Expenditure - Functional	3	1,080,556	1,163,909	1,167,975	78,229	150,200	272,596	(122,396)	-45%	1,167,975
Surplus/ (Deficit) for the year		(59,148)	(75,214)	(79,279)	(23,858)	109,575	14,508	95,067	655%	(79,279)

Explanatory notes to Table C2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

The standard classification refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities.

Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote – M02 August 2022

Vote Description	Ref	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	1									
Vote 1 - EXECUTIVE COUNCIL		354	–	0	–	–	–	–		0
Vote 2 - FINANCIAL SERVICES		336,669	358,424	358,424	15,925	162,982	113,631	49,352	43.4%	358,424
Vote 3 - CORPORATE SERVICES		808	975	975	53	96	180	(84)	-46.6%	975
Vote 4 - COMMUNITY SERVICES		105,509	117,205	117,205	6,919	16,273	36,369	(20,096)	-55.3%	117,205
Vote 5 - INFRASTRUCTURE AND ENGINEERING		572,011	607,132	607,132	30,874	79,476	136,011	(56,535)	-41.6%	607,132
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		6,009	4,960	4,960	600	948	914	34	3.8%	4,960
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	1,021,360	1,088,696	1,088,696	54,372	259,775	287,104	(27,329)	-9.5%	1,088,696
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		53,373	58,894	59,144	3,779	7,872	9,565	(1,693)	-17.7%	59,144
Vote 2 - FINANCIAL SERVICES		(33,001)	98,012	99,678	3,795	9,234	17,362	(8,128)	-46.8%	99,678
Vote 3 - CORPORATE SERVICES		52,164	43,178	43,178	3,078	5,765	7,557	(1,792)	-23.7%	43,178
Vote 4 - COMMUNITY SERVICES		257,119	230,145	235,007	15,053	28,224	41,139	(12,915)	-31.4%	235,007
Vote 5 - INFRASTRUCTURE AND ENGINEERING		726,139	695,979	692,115	50,475	95,295	191,269	(95,974)	-50.2%	692,115
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		24,762	37,702	38,852	2,050	3,811	5,692	(1,881)	-33.0%	38,852
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	1,080,556	1,163,909	1,167,975	78,229	150,200	272,584	(122,384)	-44.9%	1,167,975
Surplus/ (Deficit) for the year	2	(59,196)	(75,214)	(79,279)	(23,858)	109,575	14,520	95,055	654.6%	(79,279)

Explanatory notes to Table C3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the monthly budget reporting table is represented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Operating revenue and expenditure are thus presented by "vote". A "vote" is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure) – M02 August 2022

EC108 Kouga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) -										
Description	Ref	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		224 326	240 849	240 849	14 631	97 449	99 126	(1 676)	-2%	240 849
Service charges - electricity revenue		327 359	371 804	371 804	20 776	51 495	61 967	(10 473)	-17%	371 804
Service charges - water revenue		83 125	89 362	89 362	(1 052)	8 933	14 894	(5 961)	-40%	89 362
Service charges - sanitation revenue		56 405	62 796	62 796	4 981	10 920	10 466	454	4%	62 796
Service charges - refuse revenue		54 886	62 858	62 858	5 039	11 549	10 476	1 072	10%	62 858
Rental of facilities and equipment		3 094	2 968	2 968	125	272	547	(275)	-50%	2 968
Interest earned - external investments		3 225	2 811	2 811	201	369	518	(149)	-29%	2 811
Interest earned - outstanding debtors		13 878	13 706	13 706	1 592	3 055	2 315	741	32%	13 706
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		5 881	1 842	1 842	343	627	309	318	103%	1 842
Licences and permits		9 593	8 397	8 397	1 045	2 876	1 547	1 330	86%	8 397
Agency services		2 560	5 352	5 352	—	211	892	(680)	-76%	5 352
Transfers and subsidies		153 880	177 920	177 920	101	63 880	72 530	(8 650)	-12%	177 920
Other revenue		12 393	12 298	12 298	1 451	2 002	2 234	(232)	-10%	12 298
Gains		10 152	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		960 758	1 052 961	1 052 961	49 232	253 639	277 820	(24 181)	-9%	1 052 961
Expenditure By Type										
Employee related costs		339 392	391 318	391 318	27 021	54 084	62 313	(8 229)	-13%	391 318
Remuneration of councillors		13 395	14 364	14 364	1 153	2 723	2 394	329	14%	14 364
Debt impairment		64 124	42 069	42 069	(2 171)	—	7 011	(7 011)	-100%	42 069
Depreciation & asset impairment		94 390	103 850	103 850	—	—	103 580	(103 580)	-100%	103 850
Finance charges		5 412	—	—	267	267	—	267	#DIV/0!	—
Bulk purchases - electricity		295 222	325 900	325 900	32 841	65 768	54 317	11 452	21%	325 900
Inventory consumed		93 046	74 648	74 758	11 834	14 989	11 369	3 620	32%	74 758
Contracted services		75 039	93 375	95 919	3 144	4 408	13 607	(9 199)	-68%	95 919
Transfers and subsidies		458	400	400	—	—	—	—	—	400
Other expenditure		89 311	117 984	119 396	4 140	7 962	18 005	(10 043)	-56%	119 396
Losses		10 641	—	—	—	—	—	—	—	—
Total Expenditure		1 080 429	1 163 909	1 167 975	78 229	150 200	272 596	(122 396)	-45%	1 167 975
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(119 671)	(110 948)	(115 014)	(28 997)	103 439	5 223	98 215	0	(115 014)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		60 630	35 734	35 734	5 139	6 136	9 284	(3 148)	(0)	35 734
Transfers and subsidies - capital (in-kind - all)		20	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		—	—	—	—	—	—	—	—	—
Taxation		(59 021)	(75 214)	(79 279)	(23 858)	109 575	14 508	—	—	(79 279)
Surplus/(Deficit) after taxation		—	—	—	—	—	—	—	—	—
Attributable to minorities		(59 021)	(75 214)	(79 279)	(23 858)	109 575	14 508	—	—	(79 279)
Surplus/(Deficit) attributable to municipality		—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		(59 021)	(75 214)	(79 279)	(23 858)	109 575	14 508	—	—	(79 279)
Surplus/ (Deficit) for the year		—	—	—	—	—	—	—	—	—
		(59 021)	(75 214)	(79 279)	(23 858)	109 575	14 508	—	—	(79 279)

Explanatory notes to Table C4 – Budgeted Financial Performance (revenue and expenditure)

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the monthly results, the monthly budget-to-date projections and the original budget, so as to assess performance.

Table C5 Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding) – M02 August 2022

EC108 Kouga - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) -										
Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		2 077	–	100	–	(2)	17	(19)	-111%	100
Vote 2 - FINANCIAL SERVICES		2 393	1 670	1 670	525	633	108	524	484%	1 670
Vote 3 - CORPORATE SERVICES		1 914	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		3 644	1 638	2 180	–	–	90	(90)	-100%	2 180
Vote 5 - INFRASTRUCTURE AND ENGINEERING		65 444	35 167	40 099	4 469	5 336	4 653	683	15%	40 099
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		263	–	336	–	(1)	56	(57)	-102%	336
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital Multi-year expenditure	4,7	75 734	38 475	44 385	4 994	5 966	4 924	1 041	21%	44 385
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		651	750	773	–	(2)	129	(130)	-101%	773
Vote 2 - FINANCIAL SERVICES		1 749	60	60	–	–	10	(10)	-100%	60
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		22 346	–	–	–	–	–	–	–	–
Vote 5 - INFRASTRUCTURE AND ENGINEERING		9 246	400	400	–	–	67	(67)	-100%	400
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		592	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	34 584	1 210	1 233	–	(2)	205	(207)	-101%	1 233
Total Capital Expenditure	3	110 318	39 685	45 618	4 994	5 964	5 130	834	16%	45 618
Capital Expenditure - Functional Classification										
Governance and administration		9 378	2 480	3 144	525	629	354	275	78%	3 144
Executive and council		2 727	750	850	–	(2)	142	(144)	-101%	850
Finance and administration		6 651	1 730	2 272	525	633	209	424	203%	2 272
Internal audit		–	–	23	–	(2)	4	(5)	-142%	23
Community and public safety		8 172	1 638	1 819	–	–	30	(30)	-100%	1 819
Community and social services		71	–	–	–	–	–	–	–	–
Sport and recreation		5 936	–	181	–	–	30	(30)	-100%	181
Public safety		2 165	1 638	1 638	–	–	–	–	–	1 638
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		21 126	11 609	11 945	3 285	3 794	2 123	1 671	79%	11 945
Planning and development		2 055	4 922	5 258	–	(1)	2 123	(2 124)	-100%	5 258
Road transport		19 070	6 687	6 687	3 285	3 795	–	3 795	#DIV/0!	6 687
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		71 642	23 959	28 710	1 184	1 541	2 623	(1 082)	-41%	28 710
Energy sources		9 964	1 738	1 738	–	–	290	(290)	-100%	1 738
Water management		24 143	907	5 659	–	–	943	(943)	-100%	5 659
Waste water management		17 527	21 313	21 313	1 184	1 541	1 390	151	11%	21 313
Waste management		20 008	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	110 318	39 685	45 618	4 994	5 964	5 130	834	16%	45 618
Funded by:										
National Government		49 169	29 649	29 649	4 469	5 336	2 911	2 425	83%	29 649
Provincial Government		–	–	–	–	–	–	–	–	–
District Municipality		1 600	1 638	1 638	–	–	–	–	–	1 638
Other transfers and grants		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		50 769	31 287	31 287	4 469	5 336	2 911	2 425	83%	31 287
Public contributions & donations	5	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		59 477	8 398	14 331	525	628	2 218	(1 590)	-72%	14 331
Total Capital Funding		110 246	39 685	45 618	4 994	5 964	5 130	834	16%	45 618

Explanatory notes to Table C5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table C6 Monthly Budget Statement – Financial Position – M02 August 2022

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		18,048	2,601	2,601	63,414	2,601
Call investment deposits		9,803	2,838	2,838	41,248	2,838
Consumer debtors		46,705	67,955	67,955	52,495	67,955
Other debtors		144,763	47,032	47,032	24,424	47,032
Current portion of long-term receivables		–	–	–	–	–
Inventory		16,967	12,570	12,570	17,050	12,570
Total current assets		236,285	132,996	132,996	198,631	132,996
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		262,608	262,645	262,645	262,608	262,645
Investments in Associate		–	–	–	–	–
Property, plant and equipment		2,057,321	1,989,453	1,989,453	2,056,966	1,989,453
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		870	1,890	1,890	870	1,890
Other non-current assets		–	–	–	–	–
Total non current assets		2,320,799	2,253,988	2,253,988	2,320,444	2,253,988
TOTAL ASSETS		2,557,084	2,386,984	2,386,984	2,519,075	2,386,984
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		7,622	–	(0)	1,498	(0)
Consumer deposits		23,673	20,774	20,774	23,673	20,774
Trade and other payables		184,892	95,855	95,855	55,980	95,855
Provisions		30,944	38,275	38,275	35,607	38,275
Total current liabilities		247,131	154,904	154,904	116,758	154,904
Non current liabilities						
Borrowing		23,446	–	–	23,446	–
Provisions		204,506	191,375	191,375	201,580	191,375
Total non current liabilities		227,952	191,375	191,375	225,026	191,375
TOTAL LIABILITIES		475,083	346,280	346,280	341,784	346,280
NET ASSETS	2	2,082,001	2,040,704	2,040,704	2,177,291	2,040,704
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,141,149	2,040,704	2,040,704	2,177,291	2,040,704
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2,141,149	2,040,704	2,040,704	2,177,291	2,040,704

Explanatory notes to Table C6 – Budgeted Financial Position

- i. The table represents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e., assets readily converted to cash or liabilities immediately required to be met from cash appear first.

- ii. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position.
For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end.
Similarly, the collection rate assumption informs the budget provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as compliance assessment is directly informed by forecasting the statement of financial position.

Table C7 Monthly Budget Statement – Cash Flow – M02 August 2022

Description	Ref	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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	230,449	230,449	43,672	61,792	38,408	23,384	61%	230,449
Service charges		238,396	652,478	652,478	44,525	82,169	108,746	(26,577)	-24%	652,478
Other revenue		22,231	57,445	57,445	22,800	30,737	9,574	21,163	221%	57,445
Transfers and Subsidies - Operational		147,988	177,920	177,920	2,014	65,697	29,653	36,044	122%	177,920
Transfers and Subsidies - Capital		–	35,734	35,734	–	11,237	5,956	5,281	89%	35,734
Interest		841,486	2,811	2,811	1,844	3,476	468	3,007	642%	2,811
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,115,817)	(87,437)	(171,432)	(185,970)	(14,538)	8%	(1,115,817)
Finance charges		–	–	–	–	–	–	–	–	–
Transfers and Grants		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,886,718	41,019	41,019	27,417	83,676	6,837	(76,840)	-1124%	41,019
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		(31,695)	(39,685)	(39,685)	(5,743)	(6,864)	(6,614)	250	-4%	(39,685)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(31,695)	(39,685)	(39,685)	(5,743)	(6,864)	(6,614)	250	-4%	(39,685)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		23,673	–	–	–	–	–	–	–	–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		23,673	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		1,878,696	1,334	1,334	21,674	76,812	222			1,334
Cash/cash equivalents at beginning:		53,394	4,105	4,105		27,850	4,105			27,850
Cash/cash equivalents at month/year end:		1,932,091	5,439	5,439		104,662	4,327			29,184

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

- i. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
- ii. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

In this section the Municipality's Debtors, Creditors and Investments will be analysed. These components have a significant impact on the Municipality's financial position.

1. Overview of outstanding Consumer Debtors (Inclusive of VAT)

Below is an analysis of the outstanding consumer debtors as at 31 August 2022, compared to the position as at 30 June 2022.

Debtors' Age Analysis (Inclusive of VAT) as at 31 August 2022

Description	Budget Year 2022/23							
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr
R thousands								
Debtors Age Analysis By Income Source								
Trade and Other Receivables from Exchange Transactions - Water	14 862	2 912	2 581	1 950	2 257	1 946	9 762	55 687
Trade and Other Receivables from Exchange Transactions - Electricity	27 067	1 497	1 026	795	764	897	2 693	10 302
Receivables from Non-exchange Transactions - Property Rates	41 439	1 220	857	696	625	653	3 129	26 047
Receivables from Exchange Transactions - Waste Water Management	7 717	1 322	1 172	1 049	1 003	950	5 043	25 291
Receivables from Exchange Transactions - Waste Management	5 641	1 324	1 216	1 151	1 105	1 083	6 205	33 853
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	204	118	138	148	190	222	1 673	34 124
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-
Other	(18 538)	442	339	337	322	281	1 829	15 774
Total By Income Source	78 393	8 836	7 329	6 126	6 267	6 033	30 334	201 077
Debtors Age Analysis By Customer Group								
Organs of State	4 846	606	409	425	331	389	1 233	6 259
Commercial	10 971	525	354	289	264	255	968	5 133
Households	62 576	7 705	6 566	5 411	5 672	5 389	28 134	189 685
Other	-	-	-	-	-	-	-	-
Total By Customer Group	78 393	8 836	7 329	6 126	6 267	6 033	30 334	201 077

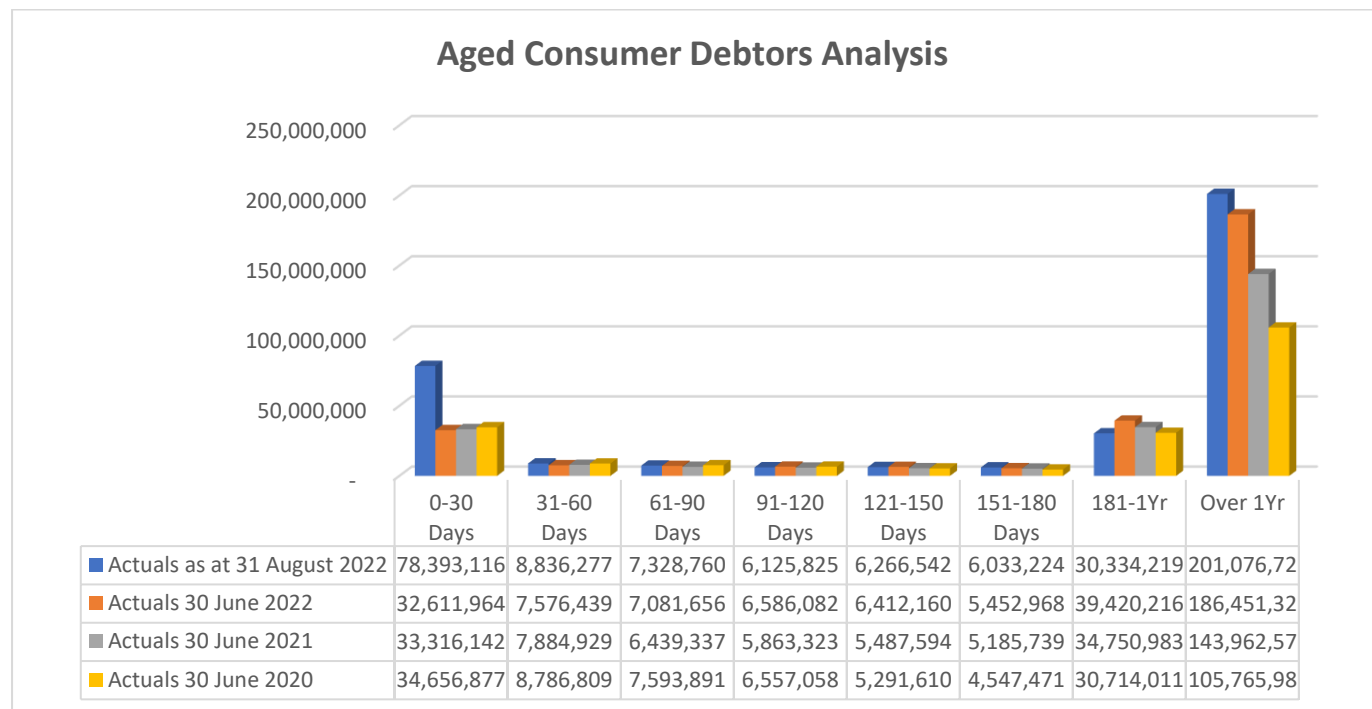
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2022.

Description	Budget Year 2021/22							
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr
R thousands								
Debtors Age Analysis By Income Source								
Trade and Other Receivables from Exchange Transactions - Water	10,891	2,264	2,465	2,115	2,334	1,841	10,051	52,869
Trade and Other Receivables from Exchange Transactions - Electricity	19,651	1,380	1,057	1,059	708	622	3,335	9,910
Receivables from Non-exchange Transactions - Property Rates	11,960	1,015	825	805	692	520	8,224	22,205
Receivables from Exchange Transactions - Waste Water Management	6,010	1,195	1,085	1,019	1,045	908	5,155	23,856
Receivables from Exchange Transactions - Waste Management	5,083	1,248	1,165	1,124	1,106	1,093	6,084	32,208
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	189	90	126	161	186	189	2,133	31,885
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-
Other	(21,171)	386	359	303	343	281	4,438	13,519
Total By Income Source	32,612	7,576	7,082	6,586	6,412	5,453	39,420	186,451
2020/21 - totals only								
Debtors Age Analysis By Customer Group								
Organs of State	1,090	511	399	436	253	269	2,704	4,396
Commercial	6,597	374	309	266	303	211	1,103	4,916
Households	24,925	6,691	6,374	5,885	5,857	4,974	35,612	177,139
Other	-	-	-	-	-	-	-	-
Total By Customer Group	32,612	7,576	7,082	6,586	6,412	5,453	39,420	186,451

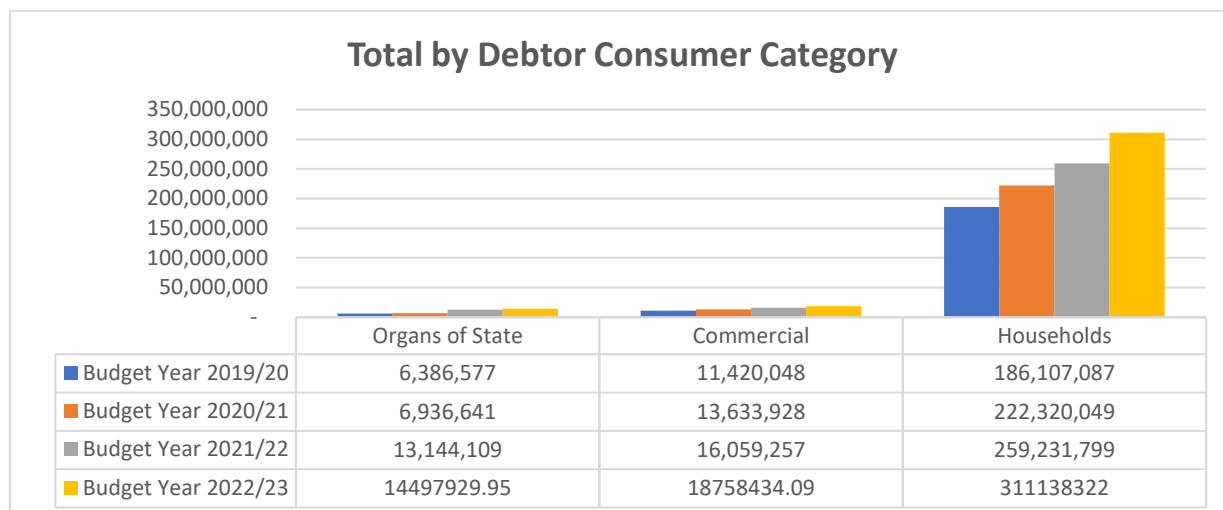
The aforementioned analysis indicates that from 30 June 2022 to 31 August 2022, the overdue debts have increased by R 7,021 million from R 258,981 million to R 266,002 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	30-Jun-22	31-Aug-22	DIFFERENCE
Trade and Other Receivables from Exchange Transactions - Water	73 938	77 095	3 157
Trade and Other Receivables from Exchange Transactions - Electricity	18 070	17 974	(96)
Receivables from Non-exchange Transactions - Property Rates	34 285	33 228	(1 058)
Receivables from Exchange Transactions - Waste Water Management	34 263	35 830	1 567
Receivables from Exchange Transactions - Waste Management	44 028	45 937	1 910
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	34 768	36 614	1 845
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	19 629	19 324	(304)
Total By Income Source	258 981	266 002	7 021
		–	
Debtors Age Analysis By Customer Group	–	–	
Organs of State	8 968	9 652	685
Commercial	7 482	7 787	305
Households	242 531	248 562	6 031
Other	–	–	–
Total By Customer Group	258 981	266 002	7 021

Graphical Analysis of consumer debtors



Graphical Analysis of consumer debtors (total by Debtor Consumer Category)



2. Overview of Creditors position

Below is an analysis of the status of the major creditors.

Description	Budget Year 2022/23								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	37 611	10	(31)	-	-	-	-	-	37 590
Bulk Water	2 175	11	(60)	13	15	16	90	(1 737)	523
PAYE deductions	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	3 828	186	5 400	266	-	-	-	1 268	10 949
Auditor General	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total By Customer Type	43 614	208	5 309	278	15	16	90	(468)	49 062

The above amounts represent invoices still to be paid. The major creditors as at 31 August are as follows:

Eskom	R 37,590 million
NMBM	R 0,523 million
Other Creditors	R 10,949 million
Total	<u>R 49,062 million</u>

It is to be noted that the Eskom amount of R 37,710 million, represents the current account for August 2022, which will be fully paid on 23 September 2022.

3. Allocation and Grants receipts and expenditure for the 2022/23 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M02 August 2022.

Description	Budget Year 2022/23							
	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:	172,982	172,982	2,014	66,259	66,259	–		172,982
Operational Revenue:General Revenue:Equitable Share	163,292	163,292	–	63,683	63,683	–		163,292
Department of Environmental Affairs	5,000	5,000	–	–	–	–		5,000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,175	1,175	294	294	294	–		1,175
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	1,720	1,720	1,720	–		1,720
Municipal Infrastructure Grant [Schedule 5B]	1,795	1,795	–	562	562	–		1,795
Provincial Government:	2,050	2,050	–	–	–	–		2,050
Library Grant	2,050	2,050	–	–	–	–		2,050
District Municipality:	2,888	2,888	–	722	722	–		2,888
Environmental Health Subsidy	2,888	2,888	–	722	722	–		2,888
Total Operating Transfers and Grants	177,920	177,920	2,014	66,981	66,981	–		177,920
Capital Transfers and Grants								
National Government:	34,096	34,096	–	10,675	10,675	–		34,096
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	–	10,675	10,675	–		34,096
District Municipality:	1,638	1,638	–	–	–	–		1,638
Fire Services Subsidy	1,638	1,638	–	–	–	–		1,638
Total Capital Transfers and Grants	35,734	35,734	–	10,675	10,675	–		35,734
TOTAL RECEIPTS OF TRANSFERS & GRANTS	213,654	213,654	2,014	77,656	77,656	–		213,654

Below is an analysis of the spending associated with the grants as at 31 August 2022:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M02 August 2022.

Description	Budget Year 2022/23							
	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:	167,982	167,982	101	63,880	63,833	48	0.1%	167,982
Operational Revenue:General Revenue:Equitable Share	163,292	163,292	–	63,683	63,683	–		163,292
Arts and Culture Sustainable Resource Management	1,720	1,720	48	92	44	48	108.3%	1,720
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,175	1,175	–	–	–	–		1,175
Municipal Infrastructure Grant [Schedule 5B]	1,795	1,795	53	105	105	–		1,795
Provincial Government:	7,050	7,050	–	–	–	–		7,050
Library Grant	2,050	2,050	–	–	–	–		2,050
Department of Environmental Affairs	5,000	5,000	–	–	–	–		5,000
District Municipality:	2,888	2,888	–	2,888	2,888	–		2,888
Environmental Health Subsidy	2,888	2,888	–	2,888	2,888	–		2,888
Total operating expenditure of Transfers and Grants:	177,920	177,920	101	66,768	66,721	48	0.1%	177,920
Capital expenditure of Transfers and Grants								
National Government:	34,096	34,096	5,139	6,136	6,136	–		34,096
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	5,139	6,136	6,136	–		34,096
District Municipality:	1,638	1,638	–	–	–	–		1,638
Fire Services Subsidy	1,638	1,638	–	–	–	–		1,638
Total capital expenditure of Transfers and Grants	35,734	35,734	5,139	6,136	6,136	–		35,734
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	213,654	213,654	5,240	72,905	72,857	48	0.1%	213,654

Note: The equitable share allocation is utilised to fund indigent household's subsidies granted to qualifying households, with the remainder being used to support the Municipality's operations.

Grants received from National Government.

DORA Operating Grants

Financial Management Grant (FMG)

The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R 1,720,000
Amount of Grant Received:	R 1,720,000
Expenditure to date:	R 91,938
Unspent as at 31 August 2022:	R 1,628,062

The spending of the grant amounted to 5.35% as at 31 August 2022, compared to the amount of the grant received.

Expanded Public Works Programme (EPWP)

The purpose of this grant is to provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive methods can be maximised.

DORA Allocation:	R 1,175,000
Amount of Grant Received:	R 294,000
Expenditure to date:	R 0.00
Unspent as at 31 August 2022:	R 294,000

The spending of the grant amounted to 0% as at 31 August 2022, compared to the amount of the grant received.

DORA Capital Grants**Municipal Infrastructure Grant (MIG)**

The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs.

DORA Allocation:	R 35,891,000
Amount of Grant Received:	R 11,237,000
Expenditure to date:	R 6,241,718
Unspent as at 31 August 2022:	R 4,995,282

The spending of the grant amounted to 55.55% as at 31 August 2022, compared to the amount of the grant received.

4. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M02 August 2022.

EC108 Kouga - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits -							
Summary of Employee and Councillor remuneration	Budget Year 2022/23						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands							
Councillors (Political Office Bearers plus Other)							
Basic Salaries and Wages	9 584	9 584	782	1 831	1 597	234	9 584
Medical Aid Contributions	–	–	–	59	–	59	–
Motor Vehicle Allowance	3 232	3 232	261	610	539	72	3 232
Cellphone Allowance	1 548	1 548	111	222	258	(36)	1 548
Sub Total - Councillors	14 364	14 364	1 153	2 723	2 394	329	14 364
Senior Managers of the Municipality							
Basic Salaries and Wages	7 282	7 282	438	875	1 214	(338)	7 282
Pension and UIF Contributions	111	111	5	10	18	(8)	111
Medical Aid Contributions	50	50	2	5	8	(3)	50
Performance Bonus	23	23	–	–	–	–	23
Motor Vehicle Allowance	1 965	1 965	48	96	328	(232)	1 965
Cellphone Allowance	10	10	1	2	2	–	10
Other benefits and allowances	4	4	0	0	1	(1)	4
Payments in lieu of leave	4 500	4 500	147	418	750	(332)	4 500
Sub Total - Senior Managers of Municipality	13 945	13 945	641	1 406	2 320	(915)	13 945
Other Municipal Staff							
Basic Salaries and Wages	252 252	252 100	17 389	34 814	42 000	(7 186)	252 252
Pension and UIF Contributions	34 906	34 906	2 761	5 514	5 817	(304)	34 906
Medical Aid Contributions	17 471	17 471	1 406	2 780	2 912	(132)	17 471
Overtime	28 219	28 371	2 286	4 251	4 728	(478)	28 219
Performance Bonus	23	23	–	–	–	–	23
Motor Vehicle Allowance	10 774	10 774	902	1 803	1 796	8	10 774
Cellphone Allowance	53	53	2	4	9	(5)	53
Housing Allowances	1 031	1 031	60	121	172	(51)	1 031
Other benefits and allowances	29 770	29 770	1 510	3 043	2 079	964	29 770
Payments in lieu of leave	1 600	1 600	(3)	158	267	(109)	1 600
Long service awards	1 275	1 275	68	189	212	(23)	1 275
Sub Total - Other Municipal Staff	377 374	377 374	26 380	52 678	59 993	(7 315)	377 374
Total Parent Municipality	405 683	405 683	28 175	56 807	64 707	(7 900)	405 683
TOTAL SALARY, ALLOWANCES & BENEFITS	405 683	405 683	28 175	56 807	64 707	(7 900)	405 683
TOTAL MANAGERS AND STAFF	391 318	391 318	27 021	54 084	62 313	(8 229)	391 318

6. Key performance indicators

The table below reflects the key performance indicators as per the 2022/23 Budget and the associated performance to date.

		Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021	Actuals as at 30 June 2022	Approved Budget 2022/23	Actuals as at 31 August 2022
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.29%	1.22%	1.13%	0.67%	0%	0%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.01	0.01	0.01	0.01	0%	0%
Liquidity							
Current Ratio	Current assets / current liabilities	1.31	1.26	2.61	1.12	0.86:1	1.70:1
Liquidity Ratio	Monetary assets / current liabilities	0.84	0.61	0.45	0.24	0.04:1	0.90:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	97,62%	95,42%	94,41%	94,32%	95%	149%

Other indicators		Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021	Actuals as at 30 June 2022	Approved Budget 2022/23	Actuals as at 31 August 2022
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/monthly fixed operational expenditure excluding (depreciation, amortisation, provision for bad debts, impairment and loss on disposal of assets)	1.97	1.79	0.62	0.37	0.06 Months	1.15 Months
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	32.53%	34.26%	33.86%	33.62%	36.01%
Capital Expenditure	Capital Expenditure / Capital Budget	44.59%	75.33%	76.92%	87%	95%	13.07%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	5.63%	6.68%	7.00%	5.32%	2.50%	2.76%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.29%	2.90%	3.33%	2.52%	2.50%	0.20%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	75.36%	71.88%	77.11%	83.67%	83.10%	74.81%

The above table is discussed in detail below.

4.1. Borrowing Management

4.1.1. Capital charges to Operating Expenditure.

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date

The ratio is 0% as no capital charges was funded from borrowings, which is in line with the budgeted target as per the 2022/23 Operating Budget.

4.1.2. Borrowed funding of capital expenditure.

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The ratio is determined as follows:

Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)

The ratio is 0% as no capital expenditure was funded from borrowings, which is in line with the budgeted target as per the 2022/23 Operating Budget.

4.1.3. Debt Servicing Costs to Operating Revenue Ratio

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 31 August 2022, the ratio indicates there were no debt servicing cost, which is in line with the budget target as per the 2022/23 Approved adjusted budget.

4.2. Liquidity

4.2.1. Current ratio

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

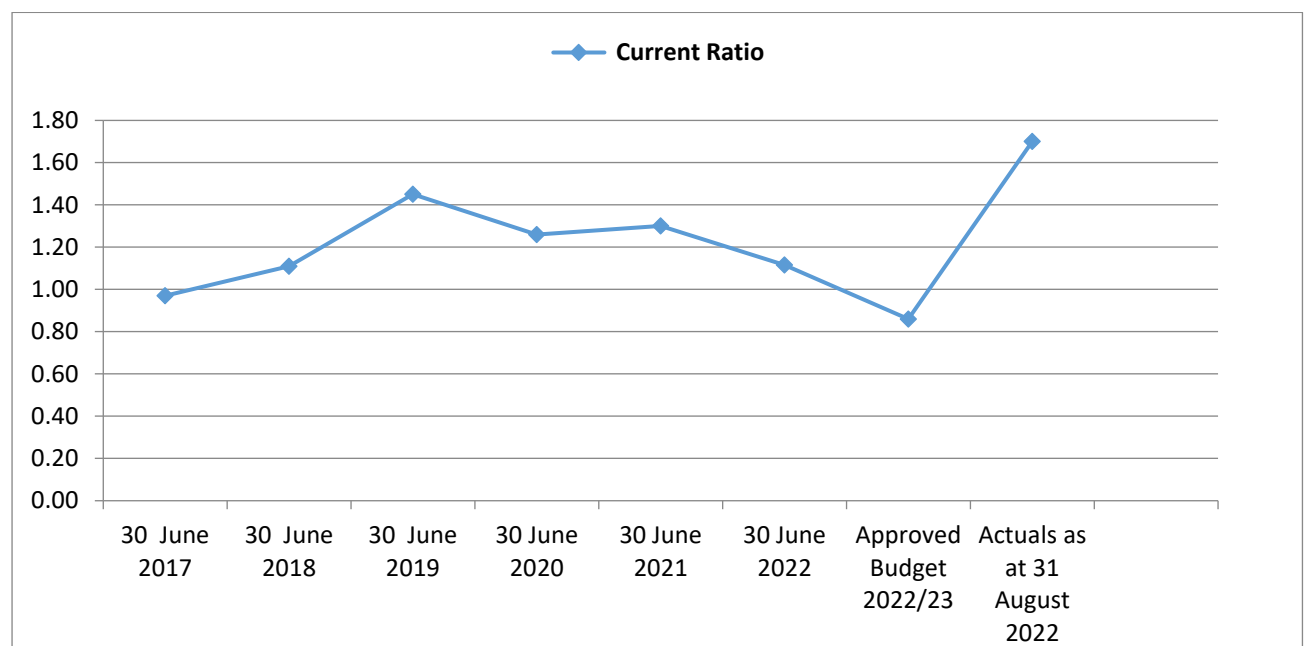
Current assets/Current liabilities

The ratio as at 31 August 2022 was 1.70:1, compared to the approved budget ratio of 0.86:1

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all of its current obligations as and when they fall due.



4.2.2. Liquidity Ratio

The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

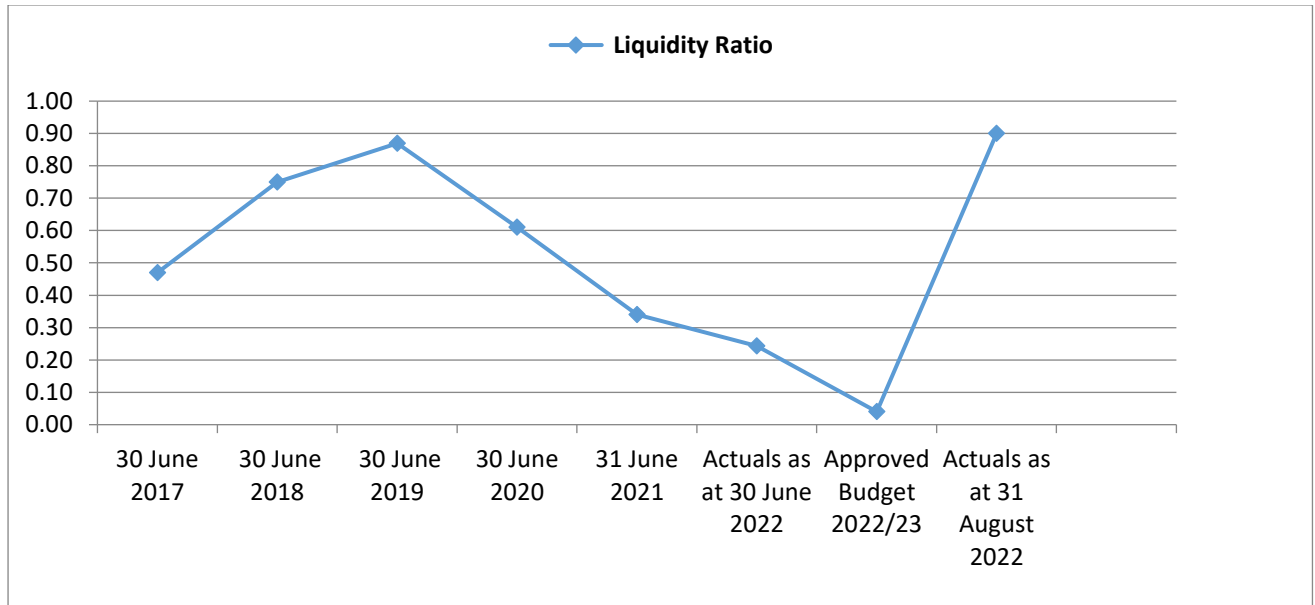
The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 August 2022 was

0.90:1, compared to the approved budget ratio of 0.04:1. The norm for the liquidity ratio is 1:1, even though not stipulated in MFMA Circular 71.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



4.3. Revenue Management

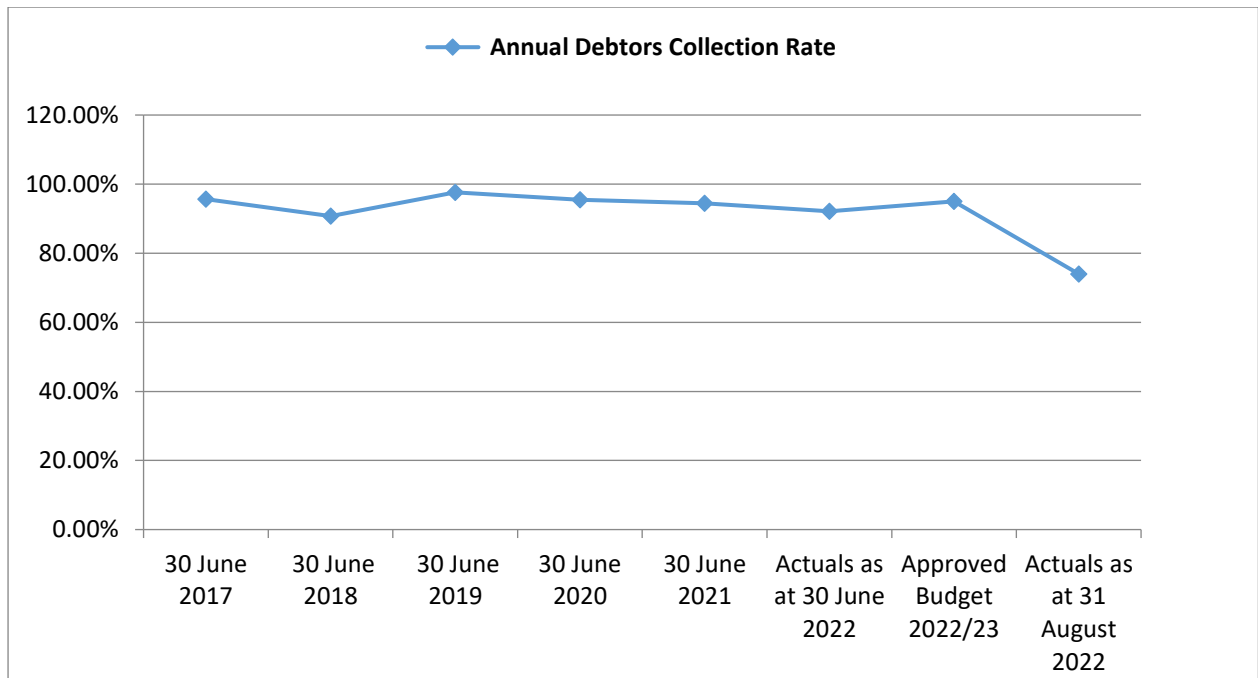
4.3.1. Annual Debtors Collection Rate

This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

The ratio to determine the percentage collection rate is as follows:

Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100

The average collection rate as at 31 August 2022 was 74%, compared to the approved budget collection rate of 95%. The actual collection rate for August is 149%.



4.4. Other indicators

4.4.1. Cost coverage

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that particular month.

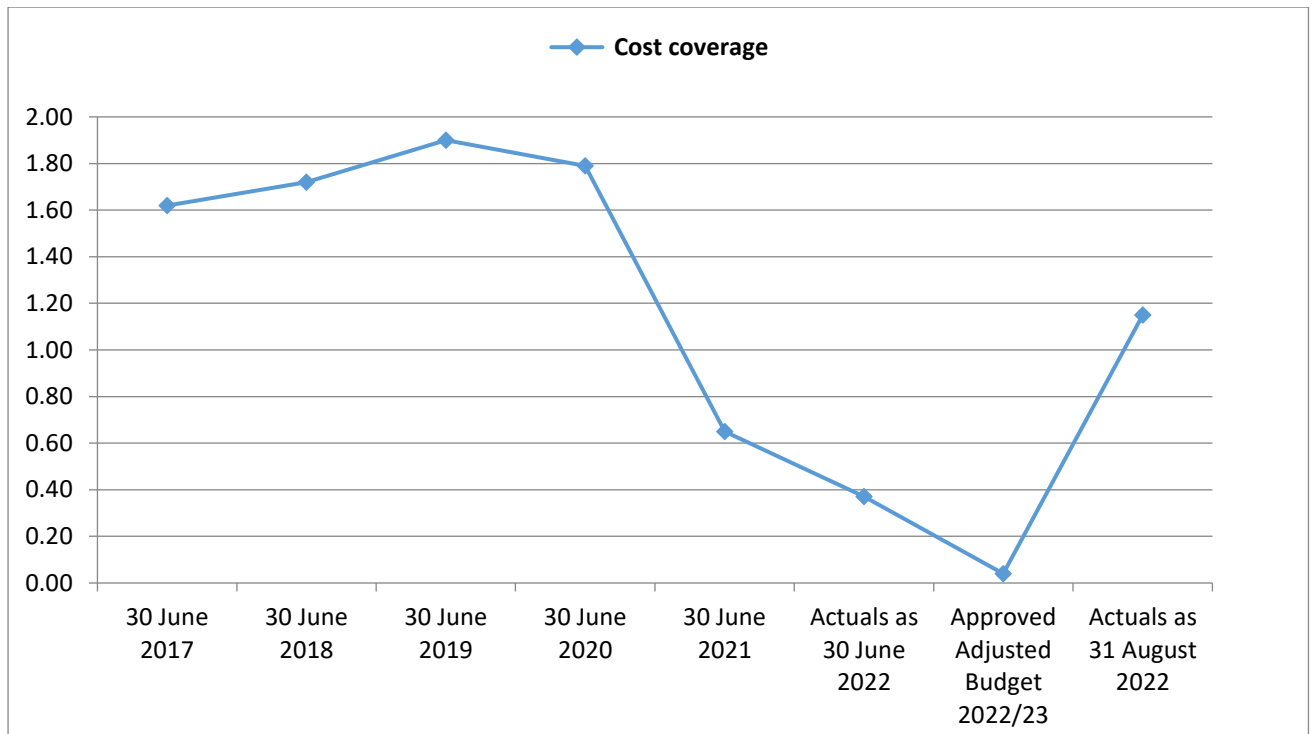
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

Cash and cash equivalents – unspent conditional grants – overdraft + short-term investments/ monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)

As at 31 August 2022, the Ratio was 1.15 months, compared to the approved budget ratio of 0.06 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months.



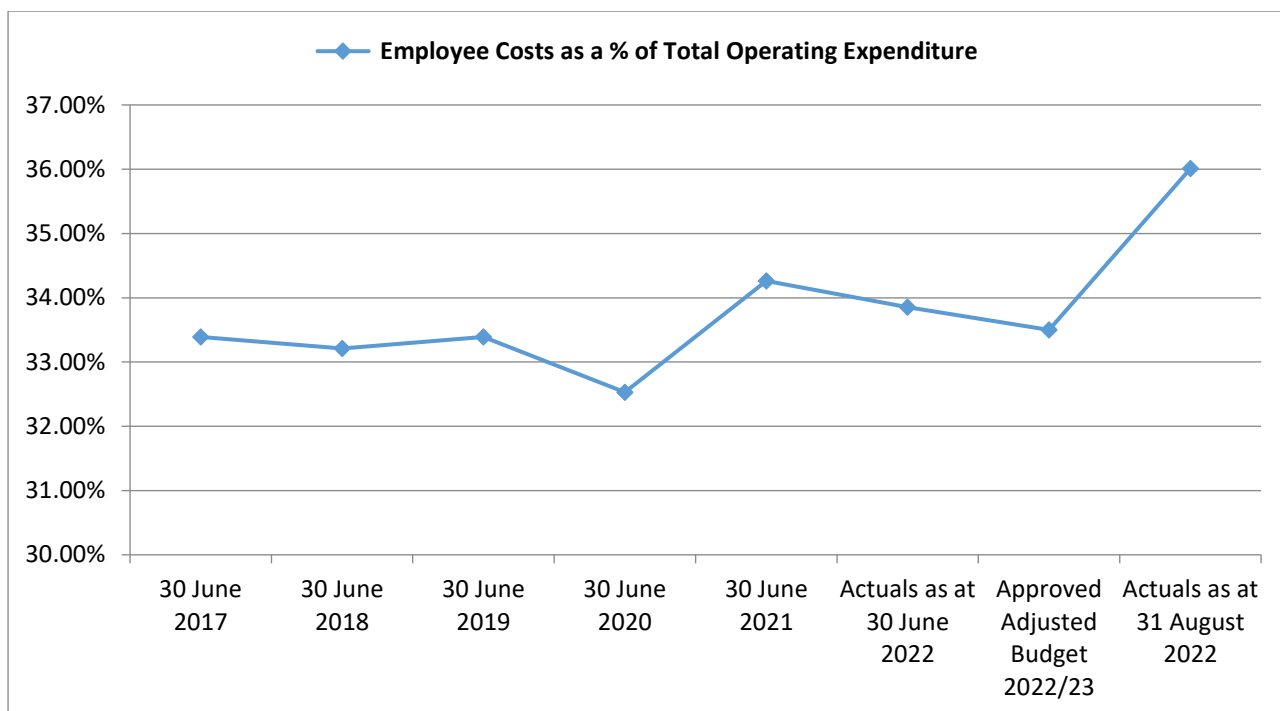
4.4.2. Employee costs as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 31 August 2022, Employee Related Costs constituted 36.01% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 33.50%.



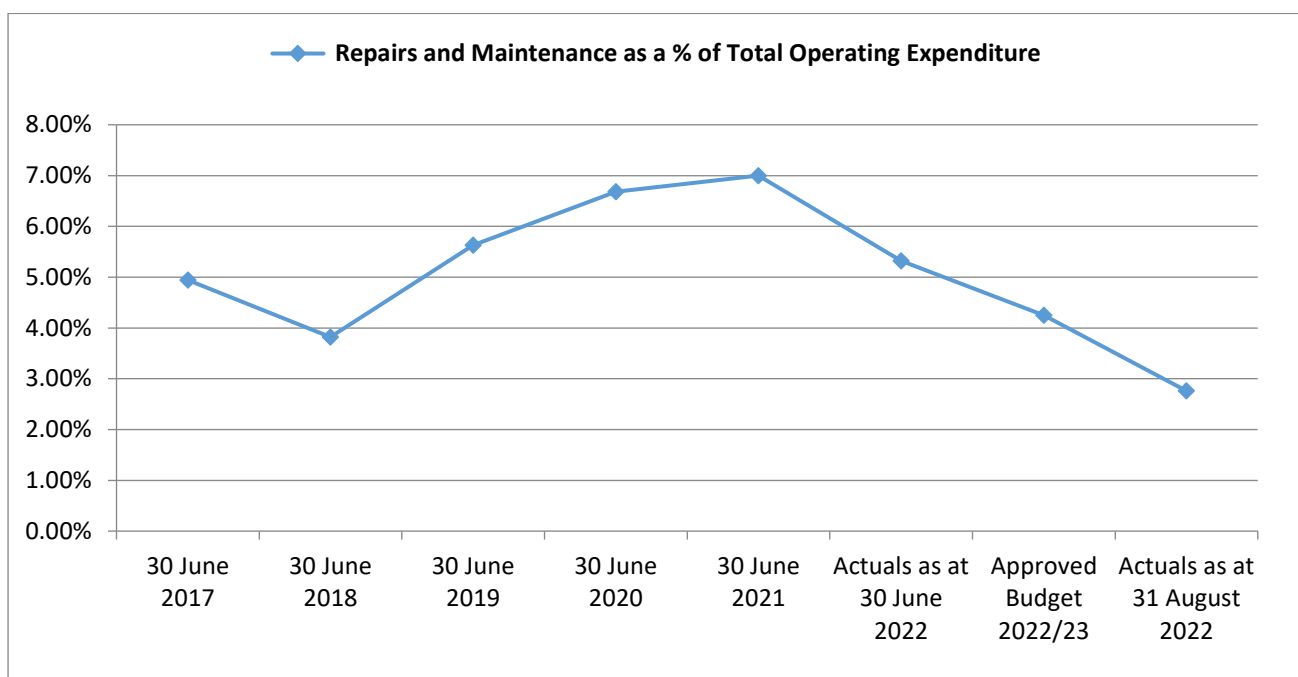
4.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Total Operating Expenditure to date

As at 31 August 2022, the ratio was 2.76%, compared to the approved adjusted budget ratio of 4.25%.



4.4.4. Repairs and Maintenance as a % of the book value of Property, Plant and Equipment (PPE)

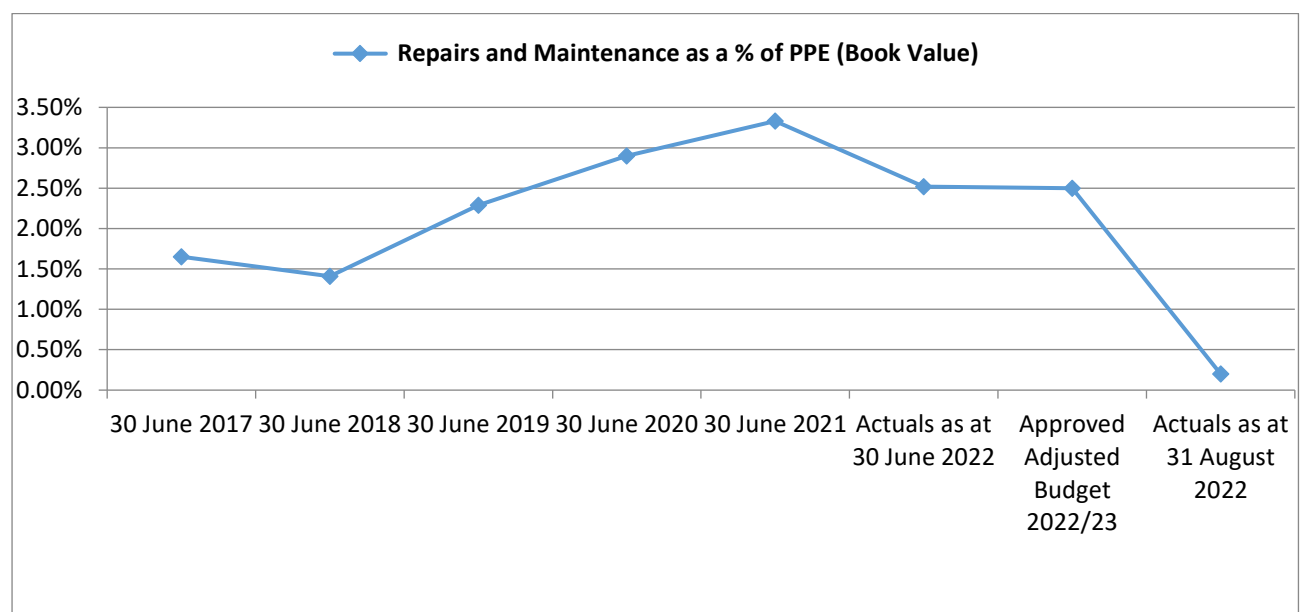
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Book value of PPE to date

As at 31 August 2022, repairs and maintenance expenditure constituted 0.20% of the book value of PPE, compared to the approved adjusted budget ratio of 2.50%.

In terms of the MFMA Circular No.71, the norm is 8%.



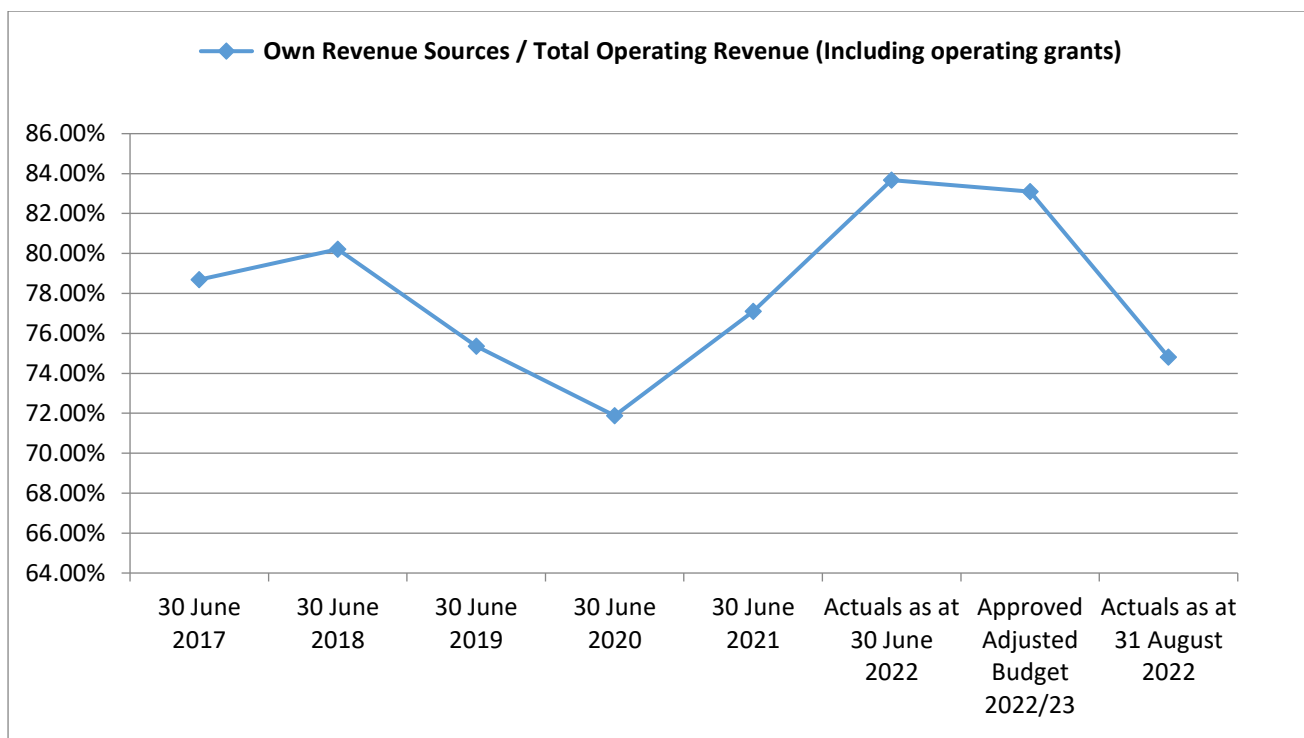
Own Revenue Generation

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e., what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

Own Revenue Sources / Total Operating Income (includes operating grants)

As at 31 August 2022, the Municipality's own revenue sources constituted 74.81% of its total Operating Income, compared to the approved adjusted budget ratio of 83.10%.



4.4.5. Capital Budget Spending

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at 31 August 2022 amounted to 13.07% compared to the approved adjusted budget ratio of 95%.

