KOUGA MUNICIPALITY (EC108)

FINANCE PORTFOLIO COMMITTEE MEETING

FINANCE

DATE: **ITEM NO:**

……

MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2022 TO OCTOBER 2022 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 OCTOBER 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 October 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 385,816 million, whilst operating expenditure amounted to R 344,404 million, resulting in an operating surplus of R 41,411 million
- Capital expenditure constituted 28.07% of the 2022/23 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 40,033 million (15.46%) since June 2022.

- An amount of R 34,298 million is owing to creditors, of which R 34,061 million (99.31%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 37,691 million (135.34%) since July 2022, from R 27,850,138 to R 65,541,477.

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

31 OCTOBER 2022						
	BALANCE					**BALANCE**
	1-Jul-22	**INVESTED**	**INTEREST**	**WITHDRAWN**	**CHARGES**	**31-Oct-22**
Standard Bank	1,246,965	-	22,836	-		1,269,801
ABSA	1,223,022	-	18,844	-	-	1,241,866
Nedbank	1,225,308	-	22,700	-		1,248,008
RMB	4,883,568	50,645,976	546,998	7,525,198		63,601,740
INVESTEC	1,223,964	-	22,675			1,246,639
Total	**9,802,828**	**50,645,976**	**634,053**	**7,525,198**	**-**	**53,557,659**
PURPOSE OF	**BALANCE**					**BALANCE**
INVESTMENT	**1-Jul-22**	**INVESTED**	**INTEREST**	**WITHDRAWN**	**CHARGES**	**31-Oct-22**
General Account	9,753,276	27,362,120	494,029		-	37,609,426
Conditional Grants	49,551	23,283,856	140,024	7,525,198	-	15,948,233
Total	**9,802,828**	**50,645,976**	**634,053**	**7,525,198**	**-**	**53,557,659**
Bank	4,850,118	- 331,193				4,518,925
Bank	13,197,193	- 5,732,300				7,464,893
	18,047,311	**- 6,063,493**	**-**	**-**	**-**	**11,983,817**
TOTAL	**27,850,138**	**44,582,483**	**634,053**	**7,525,198**	**-**	**65,541,477**

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

Cash backed Reserves.

Bank Balances and Cash	R 11,983,817
Short-term Investment Deposits	R 53,557,659
	R65,541,476

Application of Cash

Unspent Conditional Grants	12,825,148
Internally Generated Funds (Capital commitments)	10,249,821
Outstanding Creditors Liability	34,298,088
	57,373,057
Reserves in excess of commitments	**8,168,419**

The cash backed reserves exceed commitments at this stage by an amount of R 8,168,419. It should be noted the excess of reserves over commitments as at 31 October 2022, is mainly due to an amount of R 63,683 million 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 2021	Actuals as at 30 June 2022	MFMA Circular 71 Norms	Actuals as at 31 October 2021	Approved Adjusted Budget 2022/23	Actuals as at 31 October 2022
Current Ratio	2.61:1	1.12:1	1.5:1 to 2:1	1.68:1	0.86:1	1.27:1
Liquidity Ratio	0.45:1	0.24:1		0.93:1	0.04:1	0.61:1
Cost Coverage (Excluding unspent conditional grants)	0.62 Months	0:37 Months	1 Month to 3 Months	1.18 Months	0.06 Months	0.62 Months
Debtors Collection Rate	94.41%	94.32%	95%	90.47%	95%	84.00%
Capital Expenditure	76.92%	87.00%		19.15%	95%	28.07%

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 October 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 November 2022……..

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO OCTOBER 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	62,357	385,816	416,800	(30,984)
Total Expenditure	1,163,909	1,168,175	90,542	344,404	451,497	(107,093)
Surplus/(Deficit)	(110,948)	(115,214)	(28,184)	41,411	(34,697)	76108

The statement of financial performance reflects an operating surplus of R41,411million.

Revenue

Main revenue sources for 2022/23

Description	Budget Year 2022/23		
	Original Budget	YearTD actual	YTD variance
R thousands			%
Revenue By Source			
Property rates	240,849	128,963	53.55%
Service charges - electricity revenue	371,804	105,470	28.37%
Service charges - water revenue	89,362	26,211	29.33%
Service charges - sanitation revenue	62,796	20,314	32.35%
Service charges - refuse revenue	62,858	21,701	34.52%
Rental of facilities and equipment	2,968	553	18.62%
Interest earned - external investments	2,811	903	32.13%
Interest earned - outstanding debtors	13,706	6,927	50.54%
Fines, penalties and forfeits	1,842	1,338	72.66%
Licences and permits	8,397	4,387	52.25%
Agency services	5,352	672	12.55%
Transfers and subsidies	177,920	65,205	36.65%
Other revenue	12,298	3,172	25.79%
Total Revenue (excluding capital transfers and contributions)	**1,052,961**	**385,816**	**36.64%**

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

- **Property Rates**
  As at 31October 2022, the municipality has recognised 53.55% of property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2022.

- **Rental of facilities and equipment**
  This relates to the rental of municipal buildings, community halls and other municipal facilities. The revenue is influenced by the extent of rental agreements.

- **Interest earned on outstanding debtors**
  The interest earned on outstanding debtors is largely influenced by overdue debtors, currently the outstanding debt amounts to R 299,014 million.

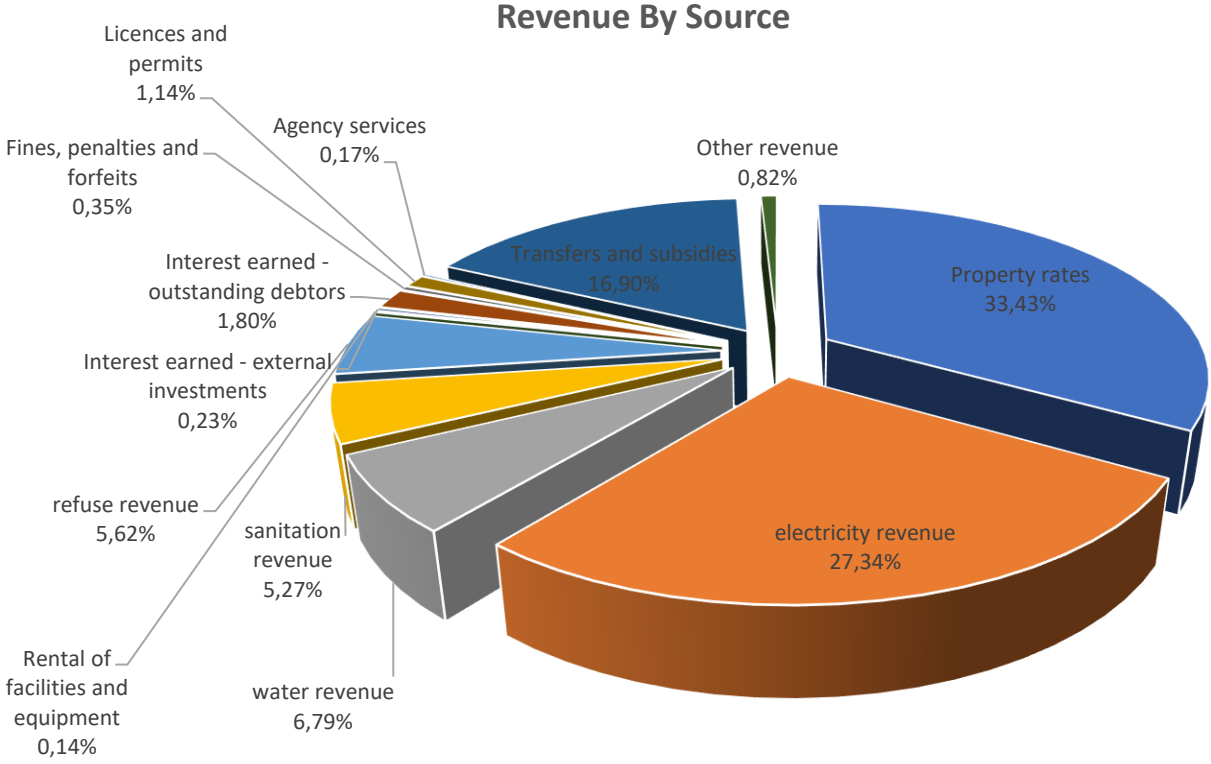
- **Fines, penalties, and forfeits**
  Fines, penalties, and forfeits are largely influenced by higher than anticipated revenue from traffic fines. The municipality has appointed a service provider for traffic infringements.

- **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.

- **Other Revenue**
  Other Revenue is largely influenced by the legal fees of R1,7million, insurance refunds of R3 million and building plans fees of R4, 4 million, which are not yet recognised.



Expenditure

Main expenditure types for 2022/23

Description	Budget Year 2022/23		
	Original Budget	YearTD actual	%
Thousands			
Expenditure By Type			
Employee related costs	391,318	108,491	27.72%
Remuneration of councillors	14,364	5,045	35.12%
Debt impairment	42,069	3,482	8.28%
Finance charges		719	0.00%
Depreciation & asset impairment	103,850	34,617	33.33%
Bulk purchases - electricity	325,900	114,776	35.22%
Inventory consumed	73,633	37,293	50.65%
Contracted services	97,184	16,574	17.05%
Transfers and subsidies	725	–	0.00%
Other expenditure	119,131	23,407	19.65%
Total Expenditure	**1,168,175**	**344,404**	**29.48%**

Reasons for major over-/under expenditure per type

- **Debt impairment**
  Bad debts are written off upon Council approval.

- **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	114 776 284	35,22%
	325 900 000	**114 776 284**	**35,22%**

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

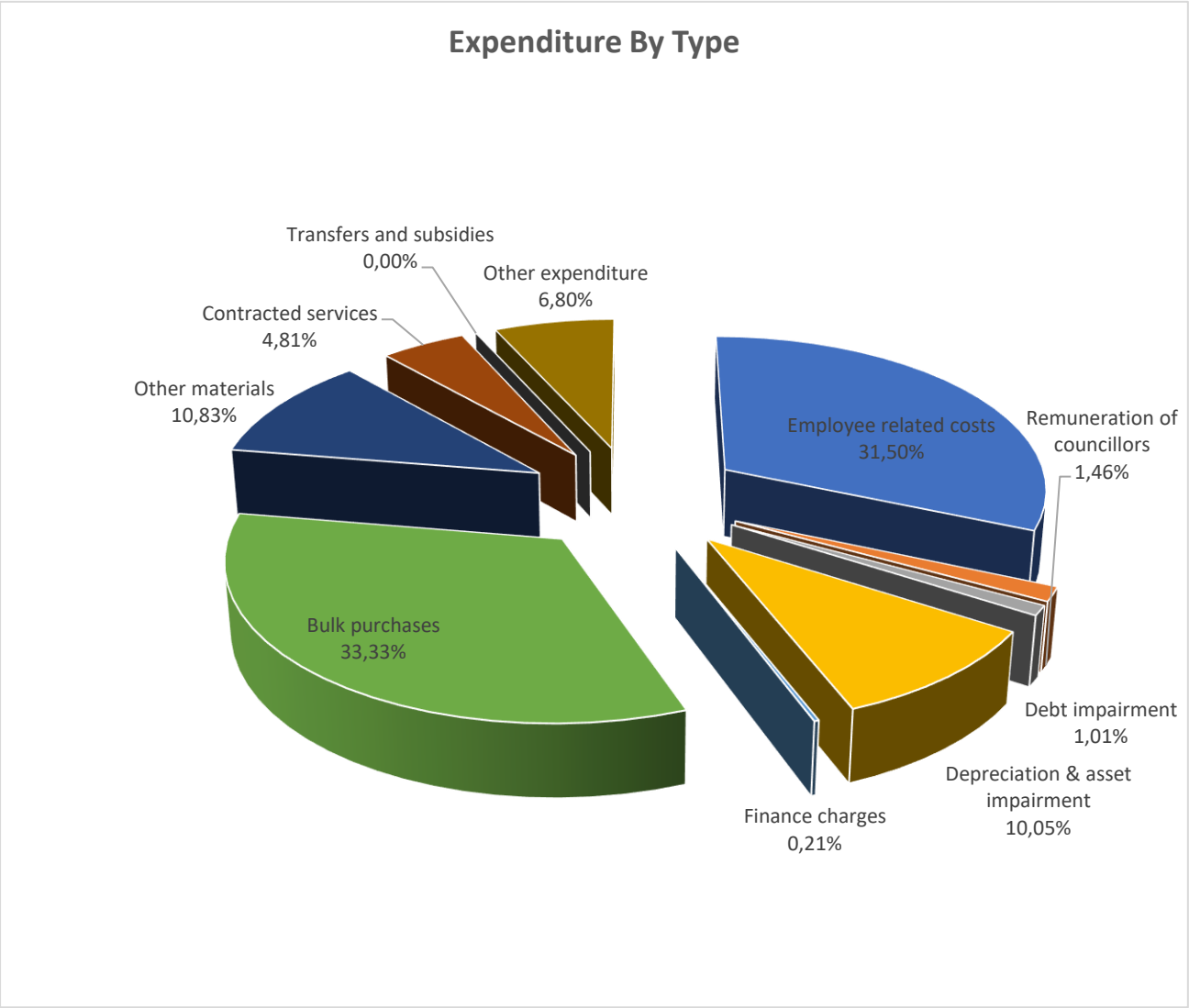
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2022/23	Actuals as at 31 October 2022	%
Amanzi Challenge National Tournament	300,000	-	0.00%
Animal Care	475,000	-	0.00%
Audit of Municipal Land & Properties	500,000	-	0.00%
Burial Services	230,000	1,050	0.46%
Calamari Festival	200,000	200,000	100.00%
Catering Services	572,500	134,411	23.48%
Clearing and Grass Cutting Services	1,650,000	485,468	29.42%
Concours Sur Mesure	250,000	250,000	100.00%
Consultants and Professional Services	6,175,932	1,062,684	17.21%
Destination Marketing and Promotion	150,000	7,049	4.70%
Drivers Licence Cards	500,000	143,622	28.72%
Dune Stabilisation	1,980,000	378,060	19.09%
Electricity Generation Project	1,200,000	-	0.00%
Employee Wellness	400,000	26,733	6.68%
Event Promoters	90,000	4,819	5.35%
FMG-AFS Support	443,478	-	0.00%
Hankey Precinct Plan Development	985,000	136,000	13.81%
Housing Panel of Professional Team	250,000	17,370	6.95%
Internal Auditors	60,000	29,095	48.49%
Ironman Tournament	450,000	-	0.00%
Jbay Precint Plan Implementation	2,000,000	-	0.00%
KLTO	300,000	-	0.00%
Kouga Tourism Indaba	150,000	39,929	26.62%
Laboratory Services:Water	1,880,000	636,430	33.85%
Land Availability and Readiness for Strategic Projects	200,000	-	0.00%
Land Valuations, Surveyor & Planning Services	500,000	9,350	1.87%
Legal Advice and Litigation	5,400,000	878,195	16.26%
Legal Cost:Collection	700,000	120,158	17.17%
Litter Picking and Street Cleaning	800,000	50,600	6.33%
Maintenance of Buildings and Facilities	6,105,000	1,045,181	17.12%
Maintenance of Electrical Infrastructure	2,650,000	922,686	34.82%
Maintenance of Equipment	1,206,100	38,995	3.23%
Maintenance of Sanitation Infrastructure	1,200,256	409,302	34.10%
Maintenance of Vehicles	7,744,584	1,846,819	23.85%
Maintenance of Water Infrastructure	1,291,830	222,009	17.19%
Media Monitoring	250,000	-	0.00%
Occupational Health and Safety	1,267,850	354,684	27.98%
Other Contracted Services	1,350,000	247,950	18.37%
Payroll Data Cleansing	1,100,000	-	0.00%
PGA Championship Sponsorship	500,000	275,000	55.00%
Personnel and Labour	13,289,616	1,930,314	14.52%
Qualification Verification	500,000	95,095	19.02%
Roads Maintenance	10,820,673	163,366	1.51%
SA Longboard Championship	300,000	-	0.00%
Security Services	3,101,600	1,059,763	34.17%
Special Rating Area	9,270,034	2,986,125	32.21%
Summer Festival	630,000	300,000	47.62%
Township Events	200,000	-	0.00%
Transport Services	360,000	65,437	18.18%
Valuer	3,000,000	-	0.00%
Water Saving Initiatives	255,000	-	0.00%
Winterfest	1,500,000	-	0.00%
Yellow Wood Annual Jazz Festival	500,000	-	0.00%
Total	**97,184,453**	**16,573,749**	**17.05%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2022/23	Actuals as at 31 October 2022	%
Achievements and Awards	1,847,000	256,445	13.88%
Advertising, Publicity and Marketing	2,156,000	901,986	41.84%
Bank Charges	750,000	- 481,981	-64.26%
Bargaining Council	2,300,000	-	0.00%
Cellular Contract (Subscription and Calls)	2,894,907	822,078	28.40%
Claims paid to Third Parties	300,000	32,403	10.80%
External Audit Fees	4,500,000	1,106,282	24.58%
External Computer Service:Internet Charge	3,500,000	1,423,960	40.68%
Hire Charges	6,462,500	1,625,328	25.15%
Insurance Claims	1,200,000	577,203	48.10%
Insurance Underwriting:Premiums	3,745,026	3,502,780	93.53%
Leases:Furniture and Office Equipment	2,971,216	991,004	33.35%
Leases:Other Assets	3,963,740	1,574,394	39.72%
Leases:Transport Assets	15,044,210	-	0.00%
Motor Vehicle Licence and Registrations	1,605,030	265,515	16.54%
Municipal Services	32,187,728	66,265	0.21%
Other	770,000	44,658	5.80%
Postage/Stamps/Franking Machines	1,349,000	705,929	52.33%
Printing, Publications and Books	978,725	320,274	32.72%
Registration Fees:Professional and Regulatory Bodies	241,225	17,756	7.36%
Registration Fees:Seminars, Conferences, Workshops	2,427,057	554,381	22.84%
Remuneration to Ward Committees	2,241,923	1,265,632	56.45%
Riparian Levies	3,280,241	2,643,561	80.59%
Signage	635,518	81,009	12.75%
Skills Development Fund Levy	3,398,919	1,097,918	32.30%
Software Licences	3,468,300	498,004	14.36%
Storage of Files (Archiving)	500,000	8,345	1.67%
Supplier Development Programme	100,000	24,300	24.30%
Third Party Vendors	5,500,000	1,057,530	19.23%
Travel and Subsistence	2,831,599	585,257	20.67%
Uniform and Protective Clothing	3,452,459	904,293	26.19%
Vehicle Tracking	754,565	293,057	38.84%
Workmen''s Compensation Fund	1,774,003	641,136	36.14%
Total	**119,130,891**	**23,406,700**	**19.65%**



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 October 2022	%
Maintenance of Equipment	1,561,100	142,976	9.16%
Maintenance of Vehicles	9,114,159	2,461,447	27.01%
Maintenance of Buildings and Facilities	4,712,760	920,450	19.53%
Maintenance of Water Infrastructure	6,215,157	1,945,779	31.31%
Roads Maintenance	11,584,448	603,294	5.21%
Sport and Recreation Facilities	1,750,000	366,763	20.96%
Maintenance of Electrical Infrastructure	7,700,000	2,724,779	35.39%
Maintenance of Sanitation Infrastructure	3,325,256	625,762	18.82%
Hire Charges	2,333,400	489,852	20.99%
Total	**48,296,280**	**10,281,101**	**21.29%**

It is to be noted that actual repairs and maintenance expenditure constituted 21,29% of the 2022/23 Approved Adjusted Budget.

Annexure "A2"

CAPITAL BUDGET PERFORMANCE

Vote Description	Budget Year 2022/23							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Funded by:								
National Government	29,649	29,649	685	8,727	4,283	4,283	131%	29,649
Provincial Government	–	–	–	–	–	–		–
District Municipality	1,638	1,638	–	(3)	1,638	1,638	-100%	1,638
Other transfers and grants	–	–	–	–	–	–		–
Transfers recognised - capital	**31,287**	**31,287**	**685**	**8,725**	**5,921**	**5,921**	**57%**	**31,287**
Public contributions & donations	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–		–
Internally generated funds	8,398	14,331	1,021	4,081	5,457	5,457	-30%	14,331
Total Capital Funding	**39,685**	**45,618**	**1,706**	**12,806**	**11,378**	**11,378**	**17%**	**45,618**

Summary Capital Expenditure and Funding

The capital expenditure as at 31 October 2022, constituted 28.07% of approved capital budget and the funding is broken down as follows:

- Grant funding is 27.89 % of approved adjusted grant funding budget.
- Internally generated funds are 28.48% of approved adjusted internal funds budget.

Capital budget by municipal vote for 2022/23

Vote Description	Budget Year 2021/22				
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	%
R thousands					
Multi-Year expenditure appropriation					
Vote 1 - EXECUTIVE COUNCIL	750	873	–	14	1.59%
Vote 2 - FINANCIAL SERVICES	1,730	1,730	–	878	50.77%
Vote 3 - CORPORATE SERVICES	–	–	–	–	
Vote 4 - COMMUNITY SERVICES	1,638	2,180	–	(3)	-0.13%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	35,567	40,499	1,341	11,553	28.53%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	–	336	365	364	108.14%
Total Capital Multi-year expenditure	**39,685**	**45,618**	**1,706**	**12,806**	**28.07%**

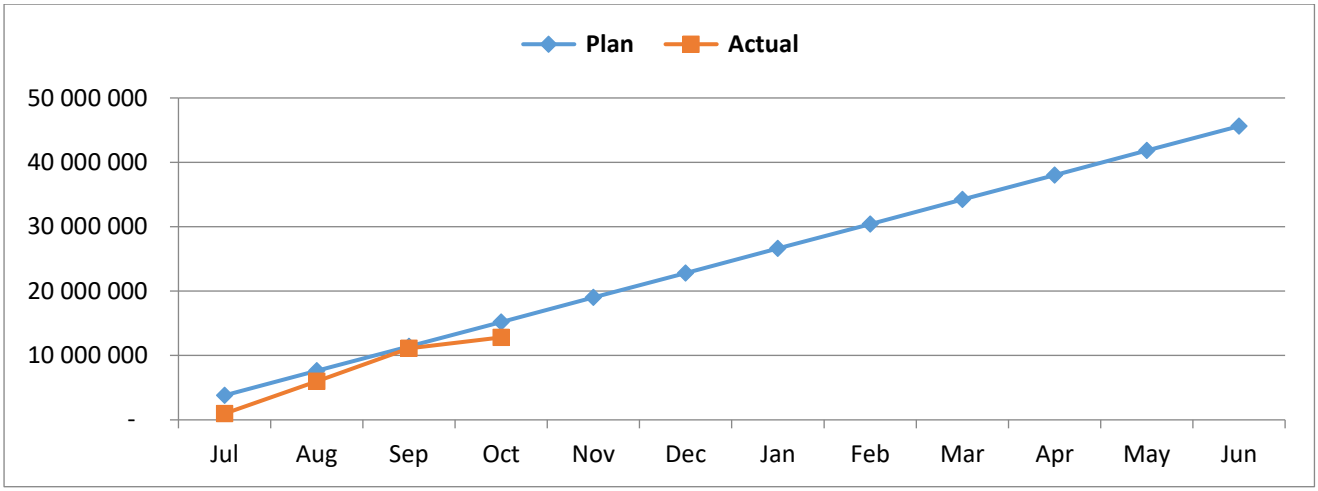
The capital expenditure as at 31 October 2022, constituted 28.07% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 1.59% of R 0,873 million budget.
- Financial Services is 50.77% of R1,730 million budget.
- Community Services is -0.13% of R 2,180 million budget.
- Infrastructure & Engineering is 28.53% of R 40,499 million budget.
- Planning Development and Tourism is 108.14% of R0,336 million budget.

Monthly capital expenditure

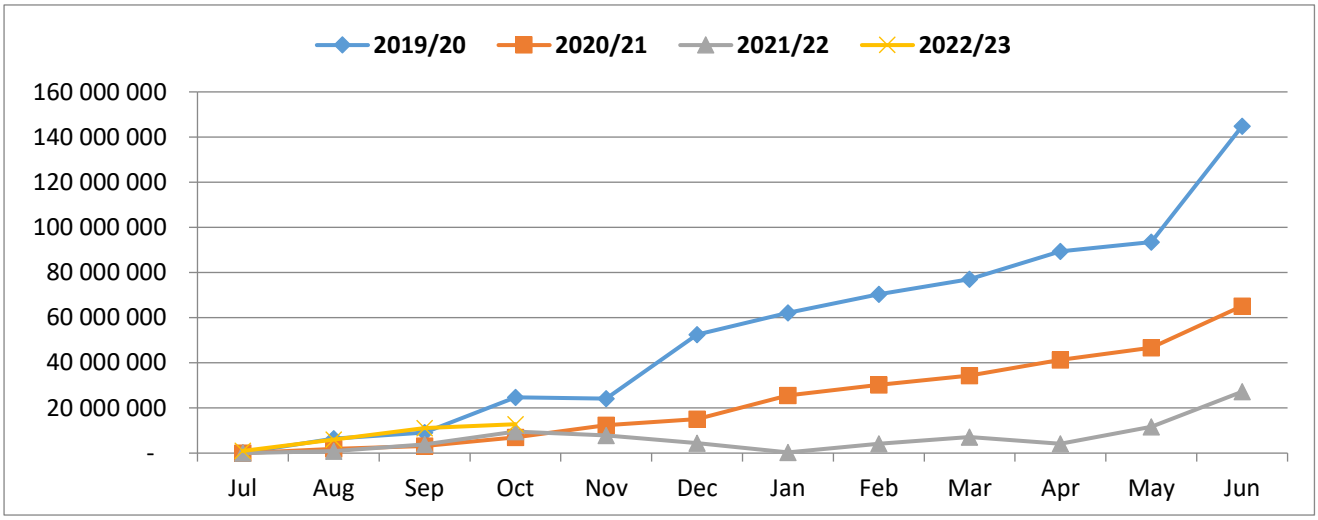
The graph below reflects the municipality's monthly capital expenditure to date measured against the 2022/23 current budget.



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 October 2022.

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2022/23	Actuals as at 31 October 2022
COMMUNITY SERVICES	FIRE SERVICES	DISTRICT	Fire Vehicle	FT911	1,638,000	- 2,745
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	**- 2,745**
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	15,739
					872,819	**13,848**
FINANCE	EXPENDITURE	Internal	Furniture and equipment	PC048	30,000	23,991
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	854,353
					1,730,000	**878,344**
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Saffery Substation	CP7_ELC	1,023,347	879,656
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	129,067
INFRASTRUCTURE & ENGINEERING	Sewerage	MIG	Upgrade Sanitation System Old Hankey	PC_012	18,440,235	2,378,749
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	6,348,636
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	180,312
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	359,396
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	385,834
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connecting Kruisfontein Boreholes to Humansdorp Water		3,255,369	2,878,043
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Mini Fresh Food and Craft Markets in Jbay & Hankey	CP_369	400,000	-
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Humansdorp, Kruisfontein and Osean View Electrific		-	- 1,987,104
					40,499,190	**11,552,590**
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**	**364,985**
					336,499	**363,883**
				Total	**45,618,187**	**12,805,919**

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2022/23 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 October 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 – M04 October 2022

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	230,449	230,449	18,088	107,036	76,816	30,219	39%	230,449
Service charges		238,396	652,478	652,478	58,216	185,817	217,493	(31,676)	-15%	652,478
Other revenue		22,231	57,445	57,445	1,543	37,228	19,148	18,080	94%	57,445
Transfers and Subsidies - Operational		147,988	177,920	177,920	2,096	67,793	59,307	8,486	14%	177,920
Transfers and Subsidies - Capital		–	35,734	35,734	11,061	22,298	11,911	10,387	87%	35,734
Interest		841,486	2,811	2,811	2,281	7,594	937	6,657	711%	2,811
Dividends		–	–	–		–	–	–		–
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,115,817)	(99,623)	(375,598)	(371,939)	3,659	-1%	(1,115,817)
Finance charges		–	–	–		–	–	–		–
Transfers and Grants		–	–	–		–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**41,019**	**41,019**	**(6,338)**	**52,168**	**13,673**	**(38,494)**	**-282%**	**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)	(1,706)	(14,476)	(14,476)	–		(39,685)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(31,695)**	**(39,685)**	**(39,685)**	**(1,706)**	**(14,476)**	**(14,476)**	**–**		**(39,685)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		23,673						–		20,774
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**23,673**	**–**	**–**	**–**	**–**	**–**	**–**		**20,774**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,878,696**	**1,334**	**1,334**	**(8,044)**	**37,691**	**(803)**			**22,108**
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		65,541	3,302			49,958

Annexure "A4"

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 October 2022 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M04 October 2022

Description	2021/22	Budget Year 2022/23							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	224,326	240,849	240,849	15,669	128,963	126,882	2,081	2%	240,849
Service charges	521,775	586,820	586,820	42,095	173,695	195,606	(21,912)	-11%	586,820
Investment revenue	3,225	2,811	2,811	260	903	1,435	(532)	-37%	2,811
Transfers and subsidies	153,880	177,920	177,920	237	65,205	73,824	(8,618)	-12%	177,920
Other own revenue	57,552	44,562	44,562	4,096	17,050	19,053	(2,004)	-11%	44,562
Total Revenue (excluding capital transfers and contributions)	**960,758**	**1,052,961**	**1,052,961**	**62,357**	**385,816**	**416,800**	**(30,984)**	**-7%**	**1,052,961**
Employee costs	339,392	391,318	391,318	27,201	108,491	124,636	(16,145)	-13%	391,318
Remuneration of Councillors	13,395	14,364	14,364	1,166	5,045	4,788	257	5%	14,364
Depreciation & asset impairment	94,390	103,850	103,850	8,654	34,617	103,634	(69,018)	-67%	103,850
Finance charges	5,412	–	–	202	719	–	719	#DIV/0!	–
Materials and bulk purchases	388,268	400,548	399,533	41,320	152,069	135,044	17,026	13%	399,533
Transfers and subsidies	458	400	725	–	–	508	(508)	-100%	725
Other expenditure	239,115	253,428	258,384	11,999	43,463	82,886	(39,423)	-48%	258,384
Total Expenditure	**1,080,429**	**1,163,909**	**1,168,175**	**90,542**	**344,404**	**451,497**	**(107,093)**	**-24%**	**1,168,175**
Surplus/(Deficit)	**(119,671)**	**(110,948)**	**(115,214)**	**(28,184)**	**41,411**	**(34,697)**	**76,108**	**-219%**	**(115,214)**
Transfers and subsidies - capital (monetary allocations	60,630	35,734	35,734	840	10,036	18,791	(8,754)	-47%	35,734
Contributions & Contributed assets	20	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(59,021)**	**(75,214)**	**(79,479)**	**(27,344)**	**51,448**	**(15,906)**	**67,354**	**-423%**	**(79,479)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(59,021)**	**(75,214)**	**(79,479)**	**(27,344)**	**51,448**	**(15,906)**	**67,354**	**-423%**	**(79,479)**
Capital expenditure & funds sources									
Capital expenditure	**110,318**	**39,685**	**45,618**	**1,706**	**12,806**	**11,378**	**1,428**	**13%**	**45,618**
Capital transfers recognised	50,769	31,287	31,287	685	8,725	5,921	2,803	47%	31,287
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**59,477**	**8,398**	**14,331**	**1,021**	**4,081**	**5,457**	**(1,376)**	**-25%**	**14,331**
Total sources of capital funds	**110,246**	**39,685**	**45,618**	**1,706**	**12,806**	**11,378**	**1,428**	**13%**	**45,618**
Financial position									
Total current assets	236,285	132,996	132,996		137,487				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		107,901				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**		**2,125,003**				**2,040,704**
Cash flows									
Net cash from (used) operating	1,886,718	41,019	41,019	(6,338)	52,168	13,673	(38,494)	-282%	41,019
Net cash from (used) investing	(31,695)	(39,685)	(39,685)	(1,706)	(14,476)	(14,476)	–		(39,685)
Net cash from (used) financing	23,673	–	–	–	–	–	–		20,774
Cash/cash equivalents at the month/year end	**1,932,091**	**5,439**	**5,439**	**–**	**65,541**	**3,302**	**(62,240)**	**-1885%**	**49,958**
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	–	–	–	–	–	–	–	–	–

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) – M04 October 2022

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**343,761**	**361,880**	**361,880**	**16,788**	**197,358**	**145,845**	51,512	35%	**361,880**
Executive and council		509	342	342	22	160	175	(15)	-9%	342
Finance and administration		343,253	361,539	361,539	16,766	197,198	145,671	51,527	35%	361,539
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**15,171**	**16,365**	**16,365**	**460**	**3,947**	**6,489**	(2,542)	-39%	**16,365**
Community and social services		2,469	2,508	2,508	35	146	234	(88)	-38%	2,508
Sport and recreation		7,082	9,017	9,017	416	3,035	4,603	(1,568)	-34%	9,017
Public safety		1,654	1,652	1,652	1	4	778	(774)	-99%	1,652
Housing		987	–	–	–	–	–	–		–
Health		2,979	3,187	3,187	9	762	875	(113)	-13%	3,187
Economic and environmental services		**16,268**	**38,750**	**38,750**	**1,434**	**5,184**	**16,318**	(11,134)	-68%	**38,750**
Planning and development		7,525	6,754	6,754	829	2,435	3,480	(1,045)	-30%	6,754
Road transport		7,341	6,527	6,527	416	2,160	2,078	82	4%	6,527
Environmental protection		1,402	25,469	25,469	189	589	10,760	(10,171)	-95%	25,469
Trading services		**646,208**	**671,701**	**671,701**	**44,515**	**189,363**	**266,938**	(77,575)	-29%	**671,701**
Energy sources		342,583	379,734	379,734	23,600	105,979	131,095	(25,116)	-19%	379,734
Water management		119,239	114,284	114,284	9,590	28,516	51,447	(22,931)	-45%	114,284
Waste water management		106,057	109,397	109,397	5,800	31,423	49,987	(18,564)	-37%	109,397
Waste management		78,329	68,285	68,285	5,525	23,446	34,409	(10,964)	-32%	68,285
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,021,408**	**1,088,696**	**1,088,696**	**63,198**	**395,852**	**435,591**	**(39,739)**	**-9%**	**1,088,696**
Expenditure - Functional										
Governance and administration		**102,579**	**252,416**	**254,255**	**19,320**	**69,179**	**85,461**	(16,282)	-19%	**254,255**
Executive and council		49,469	54,099	53,172	3,904	15,778	17,197	(1,419)	-8%	53,172
Finance and administration		53,091	198,047	200,873	15,416	53,371	68,208	(14,837)	-22%	200,873
Internal audit		20	270	210	–	30	56	(26)	-46%	210
Community and public safety		**96,429**	**111,512**	**111,841**	**7,295**	**30,078**	**36,529**	(6,450)	-18%	**111,841**
Community and social services		9,661	12,180	12,180	648	2,518	4,175	(1,657)	-40%	12,180
Sport and recreation		50,545	56,704	57,029	3,594	15,737	18,274	(2,537)	-14%	57,029
Public safety		25,178	28,610	28,614	2,076	8,197	9,542	(1,344)	-14%	28,614
Housing		5,149	6,627	6,627	395	1,514	2,199	(686)	-31%	6,627
Health		5,896	7,391	7,391	582	2,111	2,338	(227)	-10%	7,391
Economic and environmental services		**120,963**	**163,774**	**161,108**	**9,542**	**36,386**	**80,693**	(44,307)	-55%	**161,108**
Planning and development		36,450	29,222	30,372	1,735	6,330	9,272	(2,942)	-32%	30,372
Road transport		81,945	111,957	108,141	6,823	27,777	64,284	(36,507)	-57%	108,141
Environmental protection		2,568	22,594	22,594	984	2,278	7,137	(4,858)	-68%	22,594
Trading services		**756,860**	**629,886**	**634,749**	**54,070**	**207,568**	**247,034**	(39,466)	-16%	**634,749**
Energy sources		350,276	408,286	408,286	24,479	127,577	140,607	(13,030)	-9%	408,286
Water management		179,578	99,688	99,688	19,204	39,582	45,425	(5,842)	-13%	99,688
Waste water management		103,141	71,306	71,306	5,768	23,140	41,382	(18,241)	-44%	71,306
Waste management		123,864	50,606	55,469	4,619	17,268	19,620	(2,352)	-12%	55,469
Other		**3,725**	**6,322**	**6,222**	**314**	**1,193**	**1,782**	**(588)**	**-33%**	**6,222**
Total Expenditure - Functional	3	**1,080,556**	**1,163,909**	**1,168,175**	**90,542**	**344,404**	**451,497**	**(107,093)**	**-24%**	**1,168,175**
Surplus/ (Deficit) for the year		**(59,148)**	**(75,214)**	**(79,479)**	**(27,344)**	**51,448**	**(15,906)**	**67,354**	**-423%**	**(79,479)**

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 – M04 October 2022

EC108 Kouga - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -										
Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		354	–	0	0	0	–	0	#DIV/0!	0
Vote 2 - FINANCIAL SERVICES		336,669	358,424	358,424	16,490	195,971	144,388	51,583	35.7%	358,424
Vote 3 - CORPORATE SERVICES		808	975	975	22	159	498	(338)	-68.0%	975
Vote 4 - COMMUNITY SERVICES		105,509	117,205	117,205	6,721	30,927	54,020	(23,094)	-42.7%	117,205
Vote 5 - INFRASTRUCTURE AND ENGINEERING		572,011	607,132	607,132	39,247	166,771	234,153	(67,382)	-28.8%	607,132
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		6,009	4,960	4,960	718	2,024	2,532	(508)	-20.1%	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**	**63,198**	**395,852**	**435,591**	**(39,739)**	**-9.1%**	**1,088,696**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		53,373	58,894	59,284	4,686	17,233	19,080	(1,847)	-9.7%	59,284
Vote 2 - FINANCIAL SERVICES		(33,001)	98,012	99,678	7,083	24,564	32,990	(8,427)	-25.5%	99,678
Vote 3 - CORPORATE SERVICES		52,164	43,088	43,088	3,095	11,576	14,271	(2,695)	-18.9%	43,088
Vote 4 - COMMUNITY SERVICES		257,119	230,145	235,007	16,710	62,870	78,220	(15,350)	-19.6%	235,007
Vote 5 - INFRASTRUCTURE AND ENGINEERING		726,139	695,979	692,115	56,713	219,901	294,996	(75,095)	-25.5%	692,115
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		24,762	37,702	38,852	2,256	8,261	11,893	(3,632)	-30.5%	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**	**1,163,819**	**1,168,025**	**90,542**	**344,404**	**451,450**	**(107,046)**	**-23.7%**	**1,168,025**
Surplus/ (Deficit) for the year	2	**(59,196)**	**(75,124)**	**(79,329)**	**(27,344)**	**51,448**	**(15,860)**	**67,307**	**-424.4%**	**(79,329)**

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 is 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) – M04 October 2022

Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		224,326	240,849	240,849	15,669	128,963	126,882	2,081	2%	240,849
Service charges - electricity revenue		327,359	371,804	371,804	23,450	105,470	123,934	(18,465)	-15%	371,804
Service charges - water revenue		83,125	89,362	89,362	8,939	26,211	29,787	(3,577)	-12%	89,362
Service charges - sanitation revenue		56,405	62,796	62,796	4,662	20,314	20,932	(618)	-3%	62,796
Service charges - refuse revenue		54,886	62,858	62,858	5,043	21,701	20,953	748	4%	62,858
Rental of facilities and equipment		3,094	2,968	2,968	156	553	1,515	(962)	-64%	2,968
Interest earned - external investments		3,225	2,811	2,811	260	903	1,435	(532)	-37%	2,811
Interest earned - outstanding debtors		13,878	13,706	13,706	1,987	6,927	4,875	2,053	42%	13,706
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		5,881	1,842	1,842	322	1,338	633	705	111%	1,842
Licences and permits		9,593	8,397	8,397	783	4,387	4,286	101	2%	8,397
Agency services		2,560	5,352	5,352	–	672	1,784	(1,112)	-62%	5,352
Transfers and subsidies		153,880	177,920	177,920	237	65,205	73,824	(8,618)	-12%	177,920
Other revenue		12,393	12,298	12,298	848	3,172	5,960	(2,788)	-47%	12,298
Gains		10,152	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**960,758**	**1,052,961**	**1,052,961**	**62,357**	**385,816**	**416,800**	**(30,984)**	**-7%**	**1,052,961**
Expenditure By Type										
Employee related costs		339,392	391,318	391,318	27,201	108,491	124,636	(16,145)	-13%	391,318
Remuneration of councillors		13,395	14,364	14,364	1,166	5,045	4,788	257	5%	14,364
Debt impairment		64,124	42,069	42,069	–	3,482	14,023	(10,541)	-75%	42,069
Depreciation & asset impairment		94,390	103,850	103,850	8,654	34,617	103,634	(69,018)	-67%	103,850
Finance charges		5,412	–	–	202	719	–	719	#DIV/0!	–
Bulk purchases - electricity		295,222	325,900	325,900	21,690	114,776	108,633	6,143	6%	325,900
Inventory consumed		93,046	74,648	73,633	19,630	37,293	26,410	10,883	41%	73,633
Contracted services		75,039	93,375	97,184	7,308	16,574	30,873	(14,299)	-46%	97,184
Transfers and subsidies		458	400	725	–	–	508	(508)	-100%	725
Other expenditure		89,311	117,984	119,131	4,690	23,407	37,990	(14,583)	-38%	119,131
Losses		10,641	–	–	–	–	–	–		–
Total Expenditure		**1,080,429**	**1,163,909**	**1,168,175**	**90,542**	**344,404**	**451,497**	**(107,093)**	**-24%**	**1,168,175**
Surplus/(Deficit)		**(119,671)**	**(110,948)**	**(115,214)**	**(28,184)**	**41,411**	**(34,697)**	**76,108**	**(0)**	**(115,214)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		60,630	35,734	35,734	840	10,036	18,791	(8,754)	(0)	35,734
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		20	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(59,021)**	**(75,214)**	**(79,479)**	**(27,344)**	**51,448**	**(15,906)**			**(79,479)**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**(59,021)**	**(75,214)**	**(79,479)**	**(27,344)**	**51,448**	**(15,906)**			**(79,479)**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**(59,021)**	**(75,214)**	**(79,479)**	**(27,344)**	**51,448**	**(15,906)**			**(79,479)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**(59,021)**	**(75,214)**	**(79,479)**	**(27,344)**	**51,448**	**(15,906)**			**(79,479)**

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) – M04 October 2022

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		2,077	–	100	–	(2)	33	(35)	-106%	100
Vote 2 - FINANCIAL SERVICES		2,393	1,670	1,670	–	854	1,237	(382)	-31%	1,670
Vote 3 - CORPORATE SERVICES		1,914	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		3,644	1,638	2,180	–	(3)	1,819	(1,821)	-100%	2,180
Vote 5 - INFRASTRUCTURE AND ENGINEERING		65,444	35,167	40,099	1,341	11,553	7,767	3,786	49%	40,099
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		263	–	336	365	364	112	252	224%	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**	**1,706**	**12,766**	**10,967**	**1,799**	**16%**	**44,385**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		651	750	773	–	16	258	(242)	-94%	773
Vote 2 - FINANCIAL SERVICES		1,749	60	60	–	24	20	4	20%	60
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		22,346	–	–	–	–	–	–		–
Vote 5 - INFRASTRUCTURE AND ENGINEERING		9,246	400	400	–	–	133	(133)	-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	–	40	411	**(371)**	**-90%**	1,233
Total Capital Expenditure	**3**	**110,318**	**39,685**	**45,618**	**1,706**	**12,806**	**11,378**	**1,428**	**13%**	**45,618**
Capital Expenditure - Functional Classification										
Governance and administration		**9,378**	**2,480**	**3,144**	**–**	**892**	**1,728**	(836)	-48%	**3,144**
Executive and council		2,727	750	850	–	(2)	283	(285)	-101%	850
Finance and administration		6,651	1,730	2,272	–	878	1,437	(559)	-39%	2,272
Internal audit		–	–	23	–	16	8	8	107%	23
Community and public safety		**8,172**	**1,638**	**1,819**	**–**	**178**	**1,698**	(1,521)	-90%	**1,819**
Community and social services		71	–	–	–	–	–	–		–
Sport and recreation		5,936	–	181	–	180	60	120	200%	181
Public safety		2,165	1,638	1,638	–	(3)	1,638	(1,641)	-100%	1,638
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**21,126**	**11,609**	**11,945**	**385**	**6,713**	**2,245**	4,467	199%	**11,945**
Planning and development		2,055	4,922	5,258	365	364	2,245	(1,882)	-84%	5,258
Road transport		19,070	6,687	6,687	20	6,349	–	6,349	#DIV/0!	6,687
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**71,642**	**23,959**	**28,710**	**1,321**	**5,024**	**5,706**	(683)	-12%	**28,710**
Energy sources		9,964	1,738	1,738	–	(978)	579	(1,558)	-269%	1,738
Water management		24,143	907	5,659	656	3,623	1,886	1,737	92%	5,659
Waste water management		17,527	21,313	21,313	665	2,379	3,241	(862)	-27%	21,313
Waste management		20,008	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**110,318**	**39,685**	**45,618**	**1,706**	**12,806**	**11,378**	**1,428**	**13%**	**45,618**
Funded by:										
National Government		49,169	29,649	29,649	685	8,727	4,283	4,444	104%	29,649
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		1,600	1,638	1,638	–	(3)	1,638	(1,641)	-100%	1,638
Other transfers and grants		–	–	–	–	–	–	–		–
Transfers recognised - capital		**50,769**	**31,287**	**31,287**	**685**	**8,725**	**5,921**	**2,803**	**47%**	**31,287**
Public contributions & donations	5	–	–	–	–	–	–	–		–
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		59,477	8,398	14,331	1,021	4,081	5,457	(1,376)	-25%	14,331
Total Capital Funding		**110,246**	**39,685**	**45,618**	**1,706**	**12,806**	**11,378**	**1,428**	**13%**	**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 – M04 October 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	11,984	2,601
Call investment deposits		9,803	2,838	2,838	53,558	2,838
Consumer debtors		46,705	67,955	67,955	48,732	67,955
Other debtors		144,763	47,032	47,032	21,149	47,032
Current portion of long-term receivables		–	–	–	–	–
Inventory		16,967	12,570	12,570	2,065	12,570
Total current assets		**236,285**	**132,996**	**132,996**	**137,487**	**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**	**2,457,931**	**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	47,123	95,855
Provisions		30,944	38,275	38,275	35,607	38,275
Total current liabilities		**247,131**	**154,904**	**154,904**	**107,901**	**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**	**332,928**	**346,280**
NET ASSETS	2	**2,082,001**	**2,040,704**	**2,040,704**	**2,125,003**	**2,040,704**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,141,149	2,040,704	2,040,704	2,125,003	2,040,704
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,141,149**	**2,040,704**	**2,040,704**	**2,125,003**	**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 – M04 October 2022

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	230,449	230,449	18,088	107,036	76,816	30,219	39%	230,449
Service charges		238,396	652,478	652,478	58,216	185,817	217,493	(31,676)	-15%	652,478
Other revenue		22,231	57,445	57,445	1,543	37,228	19,148	18,080	94%	57,445
Transfers and Subsidies - Operational		147,988	177,920	177,920	2,096	67,793	59,307	8,486	14%	177,920
Transfers and Subsidies - Capital		–	35,734	35,734	11,061	22,298	11,911	10,387	87%	35,734
Interest		841,486	2,811	2,811	2,281	7,594	937	6,657	711%	2,811
Dividends		–	–	–		–	–	–		–
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,115,817)	(99,623)	(375,598)	(371,939)	3,659	-1%	(1,115,817)
Finance charges		–	–	–		–	–	–		–
Transfers and Grants		–	–	–		–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**41,019**	**41,019**	**(6,338)**	**52,168**	**13,673**	**(38,494)**	**-282%**	**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)	(1,706)	(14,476)	(14,476)	–		(39,685)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(31,695)**	**(39,685)**	**(39,685)**	**(1,706)**	**(14,476)**	**(14,476)**	**–**		**(39,685)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		23,673						–		20,774
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**23,673**	**–**	**–**	**–**	**–**	**–**	**–**		**20,774**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,878,696**	**1,334**	**1,334**	**(8,044)**	**37,691**	**(803)**			**22,108**
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		65,541	3,302			49,958

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 October 2022, compared to the position as at 30 June 2022.

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

Description	Budget Year 2022/23								
R thousands	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 By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	15,312	4,076	4,062	2,433	2,308	1,828	10,504	57,046	97,569
Trade and Other Receivables from Exchange Transactions - Electricity	20,629	2,086	2,715	1,045	825	687	3,205	10,497	41,689
Receivables from Non-exchange Transactions - Property Rates	13,923	1,382	18,441	721	629	549	3,233	25,778	64,655
Receivables from Exchange Transactions - Waste Water Management	6,746	1,709	1,882	1,114	1,031	971	5,151	25,979	44,582
Receivables from Exchange Transactions - Waste Management	5,592	1,523	1,321	1,168	1,115	1,078	6,077	34,973	52,847
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	231	162	468	189	207	207	1,787	36,216	39,467
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(22,821)	518	1,413	380	303	309	1,664	16,052	(2,183)
Total By Income Source	**39,612**	**11,455**	**30,303**	**7,049**	**6,418**	**5,629**	**31,619**	**206,541**	**338,625**
									–
Debtors Age Analysis By Customer Group									
Organs of State	1,394	599	4,069	544	374	413	1,602	6,585	15,581
Commercial	6,324	718	827	319	257	240	1,012	5,137	14,834
Households	31,893	10,138	25,407	6,186	5,787	4,975	29,004	194,819	308,211
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**39,612**	**11,455**	**30,303**	**7,049**	**6,418**	**5,629**	**31,619**	**206,541**	**338,625**

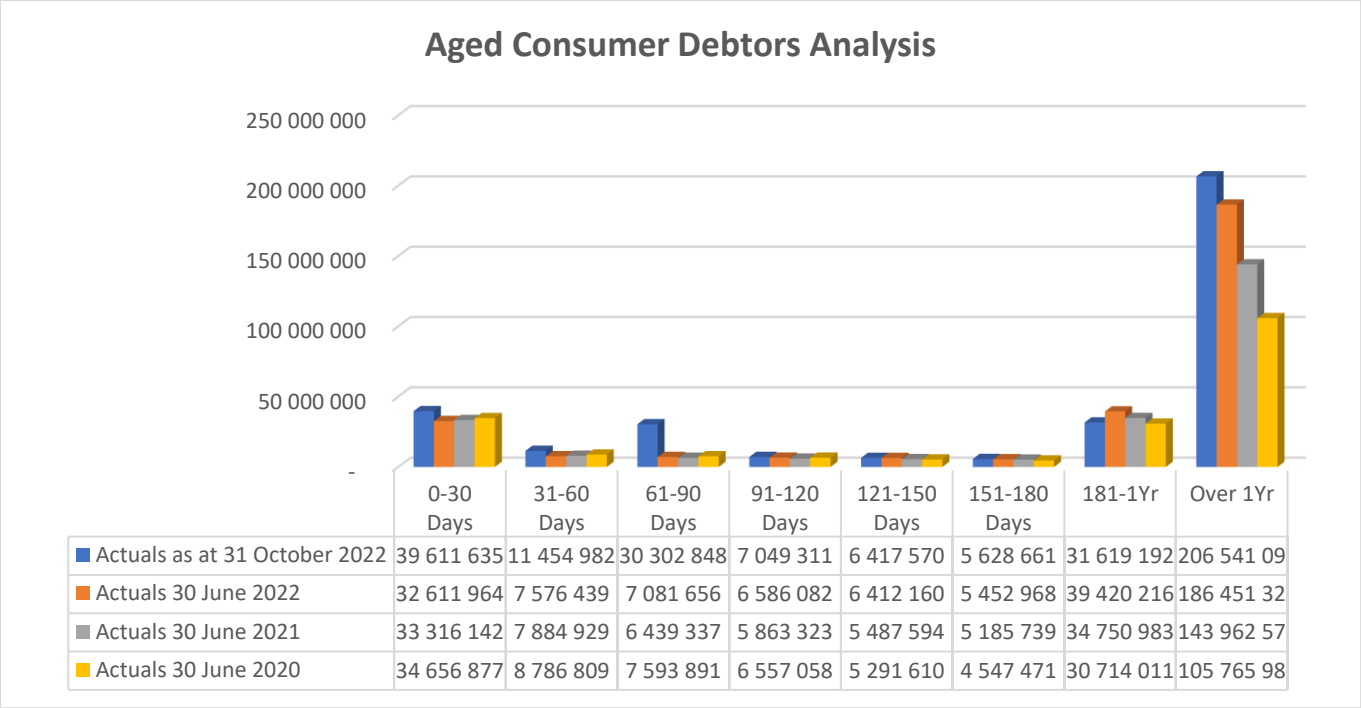
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2022.

Description	Budget Year 2021/22								
R thousands	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 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	84,829
Trade and Other Receivables from Exchange Transactions - Electricity	19,651	1,380	1,057	1,059	708	622	3,335	9,910	37,721
Receivables from Non-exchange Transactions - Property Rates	11,960	1,015	825	805	692	520	8,224	22,205	46,245
Receivables from Exchange Transactions - Waste Water Management	6,010	1,195	1,085	1,019	1,045	908	5,155	23,856	40,273
Receivables from Exchange Transactions - Waste Management	5,083	1,248	1,165	1,124	1,106	1,093	6,084	32,208	49,111
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	189	90	126	161	186	189	2,133	31,885	34,957
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(21,171)	386	359	303	343	281	4,438	13,519	(1,542)
Total By Income Source	**32,612**	**7,576**	**7,082**	**6,586**	**6,412**	**5,453**	**39,420**	**186,451**	**291,593**
2020/21 - totals only									–
Debtors Age Analysis By Customer Group									
Organs of State	1,090	511	399	436	253	269	2,704	4,396	10,058
Commercial	6,597	374	309	266	303	211	1,103	4,916	14,079
Households	24,925	6,691	6,374	5,885	5,857	4,974	35,612	177,139	267,456
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**32,612**	**7,576**	**7,082**	**6,586**	**6,412**	**5,453**	**39,420**	**186,451**	**291,593**

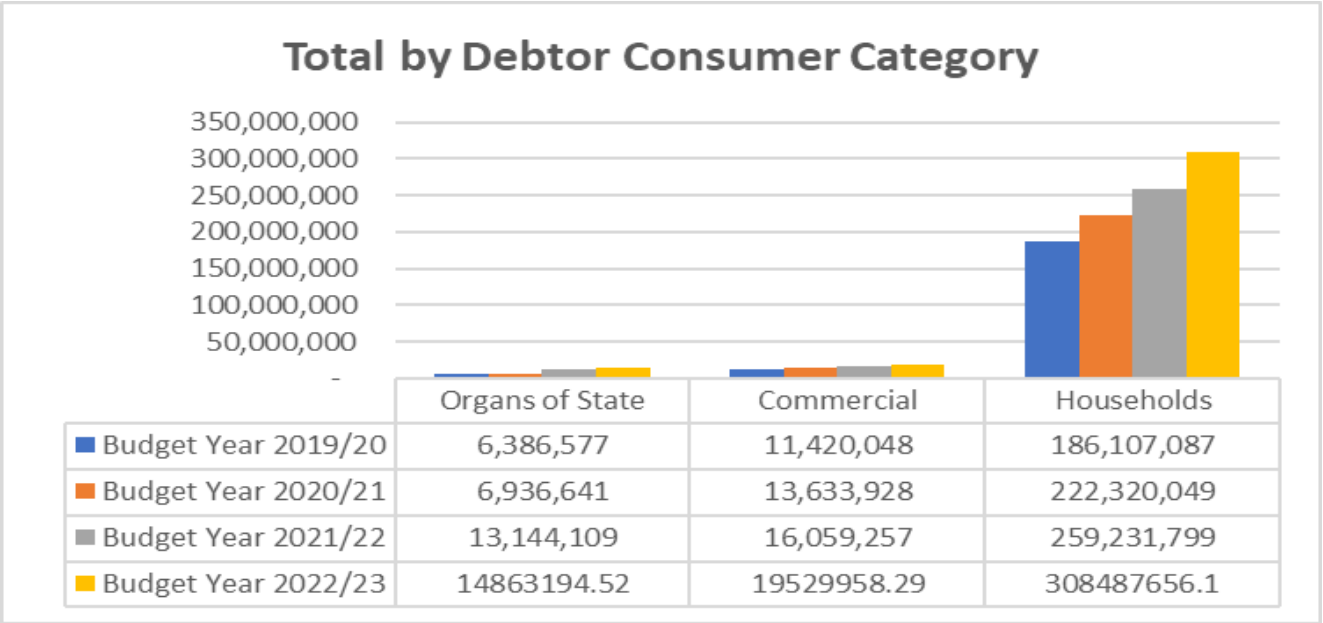
The aforementioned analysis indicates that from 31 July 2022 to 31 October 2022, the overdue debts have increased by R 40,033 million from R 258,981 million to R 299,014 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-22**	**31-Oct-22**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	73,938	82,257	8,318
Trade and Other Receivables from Exchange Transactions - Electricity	18,070	21,060	2,990
Receivables from Non-exchange Transactions - Property Rates	34,285	50,732	16,447
Receivables from Exchange Transactions - Waste Water Management	34,263	37,836	3,574
Receivables from Exchange Transactions - Waste Management	44,028	47,255	3,228
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	34,768	39,235	4,467
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	19,629	20,639	1,010
Total By Income Source	**258,981**	**299,014**	**40,033**
	–	–	
Debtors Age Analysis By Customer Group	–	–	
Organs of State	8,968	14,187	5,219
Commercial	7,482	8,510	1,028
Households	242,531	276,317	33,786
Other	–	–	–
Total By Customer Group	**258,981**	**299,014**	**40,033**

Graphical Analysis of consumer debtors



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



	Organs of State	Commercial	Households
Budget Year 2019/20	6,386,577	11,420,048	186,107,087
Budget Year 2020/21	6,936,641	13,633,928	222,320,049
Budget Year 2021/22	13,144,109	16,059,257	259,231,799
Budget Year 2022/23	14863194.52	19529958.29	308487656.1

2. Overview of Creditors position

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

Description	Budget Year 2022/23								
R thousands	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	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	24,621	11	7	10	(30)	–	–	–	**24,618**
Bulk Water	6,133	13	13	11	(60)	13	96	(1,711)	**4,508**
PAYE deductions									–
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	3,307	52	–	–	279	266	–	1,268	**5,172**
Auditor General									–
Other									–
Total By Customer Type	**34,061**	**76**	**20**	**21**	**188**	**278**	**96**	**(443)**	**34,298**

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

Eskom	R 24,618 million
NMBM	R 4,508 million
Other Creditors	R 5,172 million
Total	**R 34,298 million**

It is to be noted that the Eskom amount of R 24,618 million, represents the current account for October 2022, which will be fully paid on 23 November 2022.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M04 October 2022.

Description	Budget Year 2022/23						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands							
RECEIPTS:							
Operating Transfers and Grants							
National Government:	167,982	167,982	–	66,774	66,774	–	167,982
Operational Revenue:General Revenue:Equitable Share	163,292	163,292	–	63,683	63,683	–	163,292
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,175	1,175	–	294	294	–	1,175
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	–	1,720	1,720	–	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,795	1,795	–	1,077	1,077	–	1,795
Provincial Government:	7,050	7,050	2,096	2,096	2,096	–	7,050
Library grant	2,050	2,050	2,096	2,096	2,096	–	2,050
Economic Developmnent, Envirnmental Affairs and Tourism (DEDEAT) grant	5,000	5,000	–	–	–	–	5,000
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		69,592	69,592	–	177,920
Capital Transfers and Grants							
National Government:	34,096	34,096	10,304	20,464	20,464	–	34,096
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	10,304	20,464	20,464	–	34,096
District Municipality:	1,638	1,638	757	757	757	–	1,638
Fire Services Subsidy	1,638	1,638	757	757	757	–	1,638
Total Capital Transfers and Grants	35,734	35,734	11,061	21,221	21,221	–	35,734
TOTAL RECEIPTS OF TRANSFERS & GRANTS	213,654	213,654	13,157	90,813	90,813	–	213,654

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M04 October 2022.

Description	Budget Year 2022/23						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands							
EXPENDITURE							
Operating expenditure of Transfers and Grants							
Municipal Disaster Recovery Grant [Schedule 4B]	167,982	167,982	63,736	64,483	65,246	763	167,982
Operational Revenue:General Revenue:Equitable Share	163,292	163,292	–	63,683	63,683	–	163,292
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	48	189	573	385	1,720
Expanded Public Works Programme Integrated Grant for Municipalities [	1,175	1,175	136	401	392	(9)	1,175
Municipal Infrastructure Grant [Schedule 5B]	1,795	1,795	53	211	598	387	1,795
Specify (Add grant description)	7,050	7,050	2,096	2,096	2,096	–	7,050
Library grant	2,050	2,050	2,096	2,096	2,096	–	2,050
Economic Development, Environmental Affairs and Tourism (DEDEAT) g	5,000	5,000	–	–	–	–	5,000
Public Corporations	2,888	2,888	–	–	–	–	2,888
Environmental health subsidy	2,888	2,888	–	722	963	241	2,888
Total operating expenditure of Transfers and Grants:	177,920	177,920	65,831	66,579	67,342	763	177,920
Capital expenditure of Transfers and Grants	34,096	34,096	840	1,036	11,365	10,329	34,096
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	840	1,036	11,365	10,329	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	–	–	–	–	35,734
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	213,654	213,654	66,672	78,707	78,707	11,092	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 188,504
Unspent as at 31 October 2022:	R 1,531,496

The spending of the grant received amounted to 10,96% as at 30 October 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 400,625
Overspent as at 31 October 2022:	R -106,625

The spending of the grant received amounted to 136.27 % as at 31 October 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 21,541,000
Expenditure to date:	R 10,247,348
Unspent as at 31 October 2022:	R 11,293,652

The spending of the grant amounted to 47,57% as at 31 October 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 – M04 October 2022.

Summary of Employee and Councillor remuneration		Budget Year 2022/23						
	2021/22	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands	Audited Outcome							
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	9,004	9,584	9,584	782	3,395	3,195	200	9,584
Medical Aid Contributions	–	–	–	13	75	–	75	–
Motor Vehicle Allowance	3,204	3,232	3,232	261	1,131	1,077	54	3,232
Cellphone Allowance	1,187	1,548	1,548	111	444	516	(72)	1,548
Sub Total - Councillors	**13,395**	**14,364**	**14,364**	**1,166**	**5,045**	**4,788**	**257**	**14,364**
Senior Managers of the Municipality								
Basic Salaries and Wages	6,126	7,282	7,282	327	1,640	2,427	(788)	7,282
Pension and UIF Contributions	70	111	111	5	20	37	(17)	111
Medical Aid Contributions	35	50	50	2	10	17	(7)	50
Performance Bonus	157	23	23	–	–	–	–	23
Motor Vehicle Allowance	796	1,965	1,965	40	184	655	(471)	1,965
Cellphone Allowance	10	10	10	1	3	3	–	10
Other benefits and allowances	1	4	4	0	0	2	(1)	4
Payments in lieu of leave	4,529	4,500	4,500	881	1,733	1,500	233	4,500
Sub Total - Senior Managers of Municipality	**11,723**	**13,945**	**13,945**	**1,256**	**3,590**	**4,641**	**(1,051)**	**13,945**
Other Municipal Staff								
Basic Salaries and Wages	200,324	252,252	251,287	17,330	69,476	83,740	(14,264)	251,287
Pension and UIF Contributions	32,144	34,906	34,906	2,721	10,980	11,635	(655)	34,906
Medical Aid Contributions	16,653	17,471	17,471	1,414	5,639	5,824	(184)	17,471
Overtime	24,991	28,219	28,371	1,829	8,168	9,457	(1,289)	28,371
Performance Bonus	21	23	23	–	–	–	–	23
Motor Vehicle Allowance	9,966	10,774	10,774	829	3,525	3,591	(66)	10,774
Cellphone Allowance	92	53	53	2	8	18	(9)	53
Housing Allowances	782	1,031	1,031	58	240	344	(103)	1,031
Other benefits and allowances	29,081	29,770	30,583	1,608	6,259	4,429	1,830	30,583
Payments in lieu of leave	975	1,600	1,600	8	178	533	(356)	1,600
Long service awards	953	1,275	1,275	147	428	425	3	1,275
Post-retirement benefit obligations	11,685	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	**327,668**	**377,374**	**377,374**	**25,945**	**104,901**	**119,996**	**(15,095)**	**377,374**
Total Parent Municipality	**352,786**	**405,683**	**405,683**	**28,368**	**113,537**	**129,425**	**(15,888)**	**405,683**
TOTAL SALARY, ALLOWANCES & BENEFITS	**352,786**	**405,683**	**405,683**	**28,368**	**113,537**	**129,425**	**(15,888)**	**405,683**
TOTAL MANAGERS AND STAFF	**339,392**	**391,318**	**391,318**	**27,201**	**108,491**	**124,636**	**(16,145)**	**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.

Borrowing Management		**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 October 2022**
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	1.27:1
Liquidity Ratio	Monetary assets / current liabilities	0.84	0.61	0.45	0.24	0.04:1	0.61:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	97,62%	95.42%	94.41%	94.32%	95%	84.00%

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 October 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	0.62 Months
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	32.53%	34.26%	33.86%	33.62%	31.50%
Capital Expenditure	Capital Expenditure / Capital Budget	44.59%	75.33%	76.92%	87%	95%	28.07%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	5.63%	6.68%	7.00%	5.32%	2.50%	2.99%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.29%	2.90%	3.33%	2.52%	2.50%	0.50 %
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%	83.10%

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 October 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:

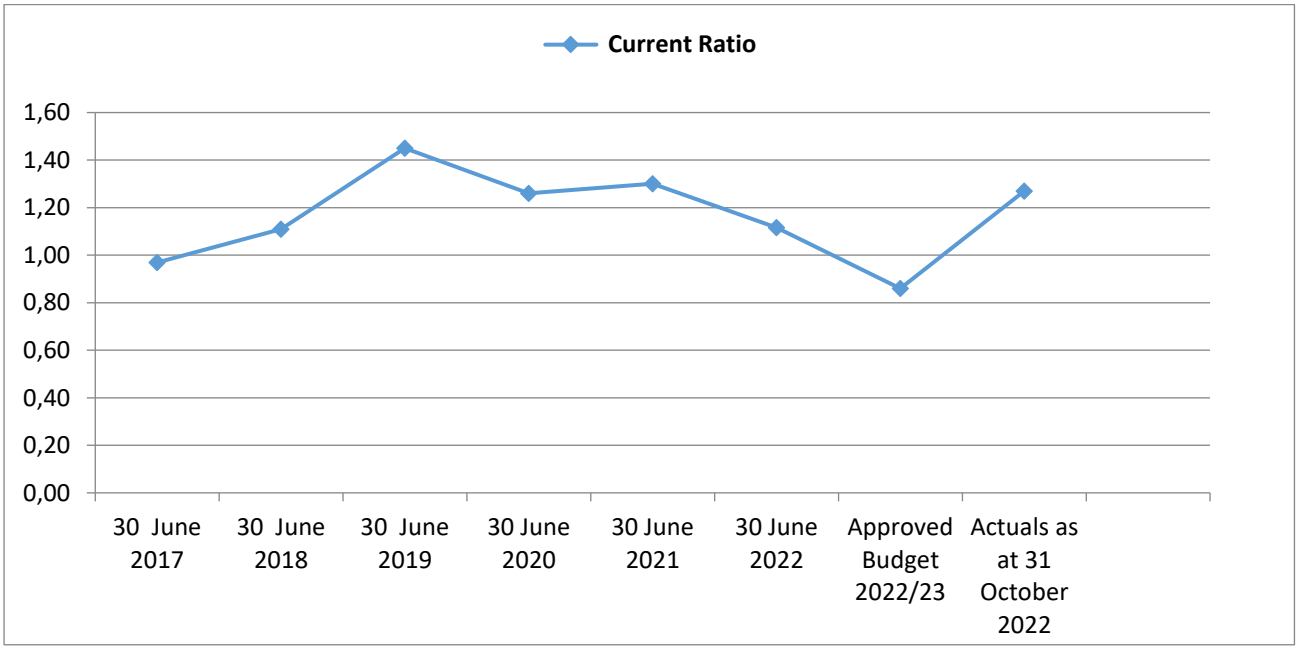
Current assets/Current liabilities

The ratio as at 31 October 2022 was 1.27:1, 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

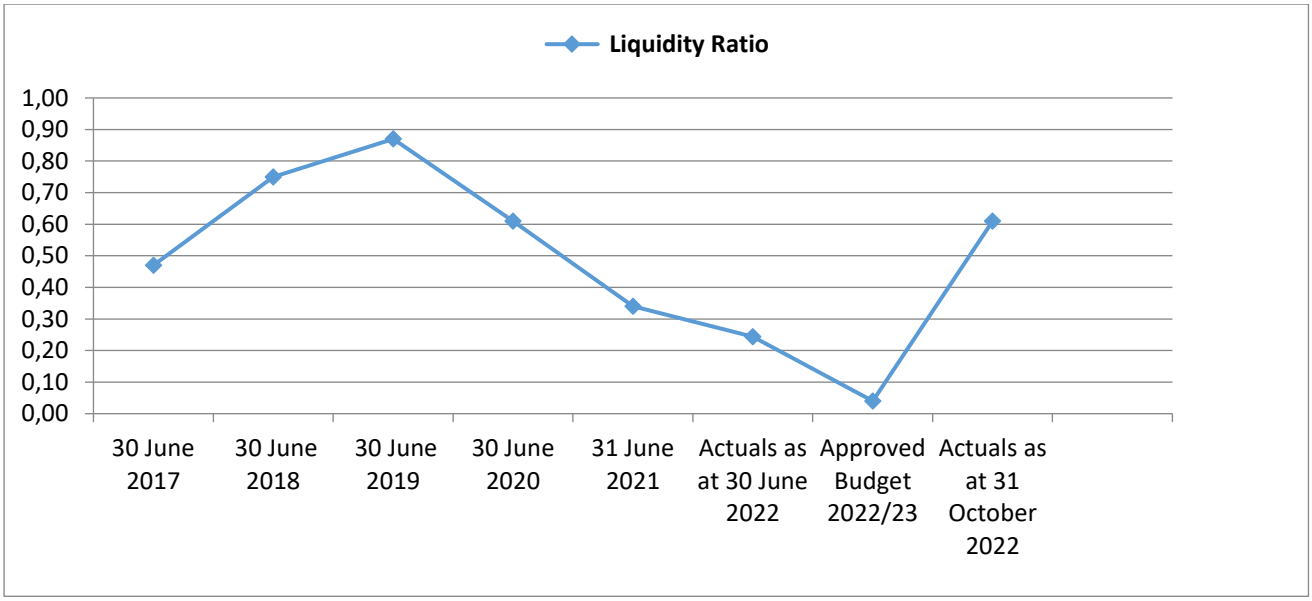
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 October 2022 was 0.61:1, compared to the approved budget ratio of 0.04:1.

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



4.3. Revenue Management

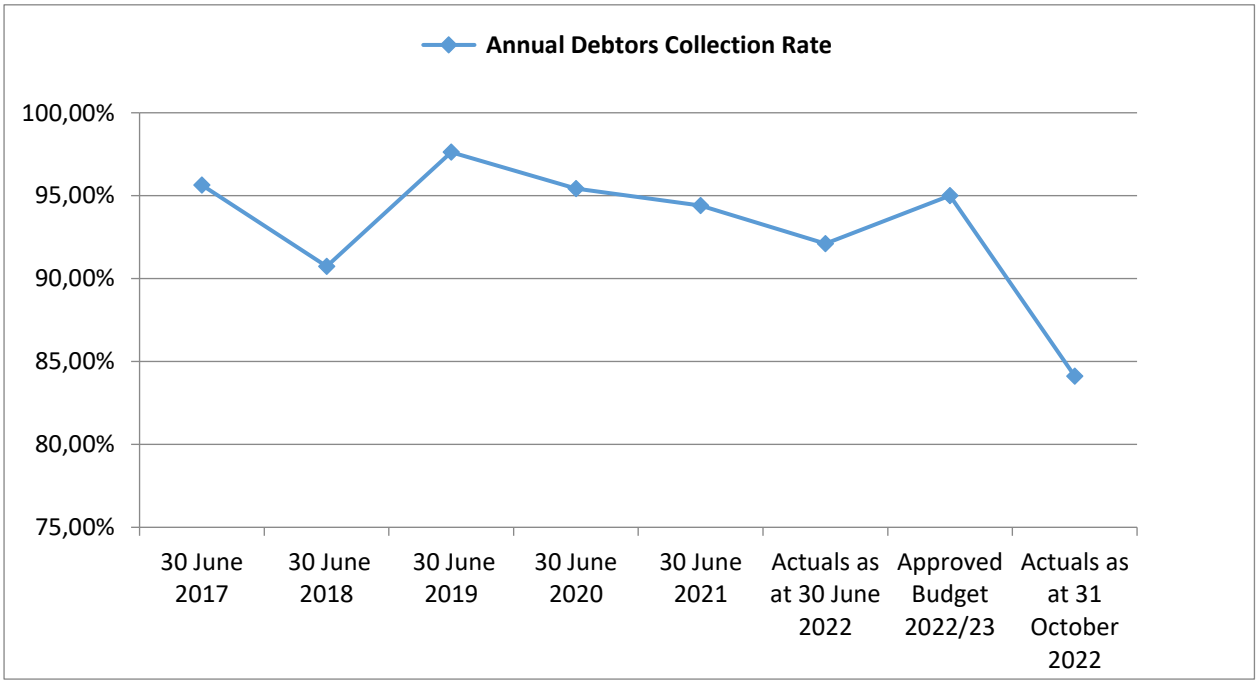
4.3.1. Annual Debtors Collection Rate

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 October 2022 was 84.12%, compared to the approved budget collection rate of 95%. The actual collection rate for October is 111%.



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.

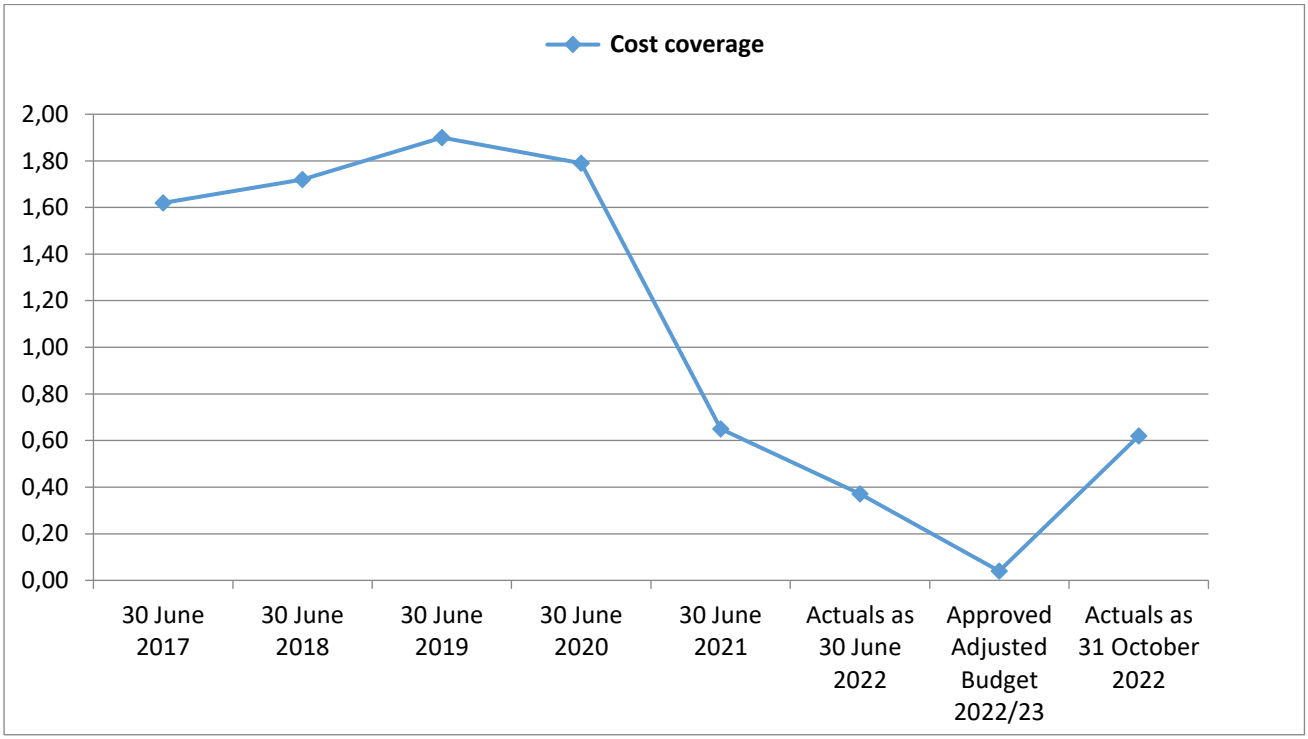
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 October 2022, the Ratio was 0.62 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.



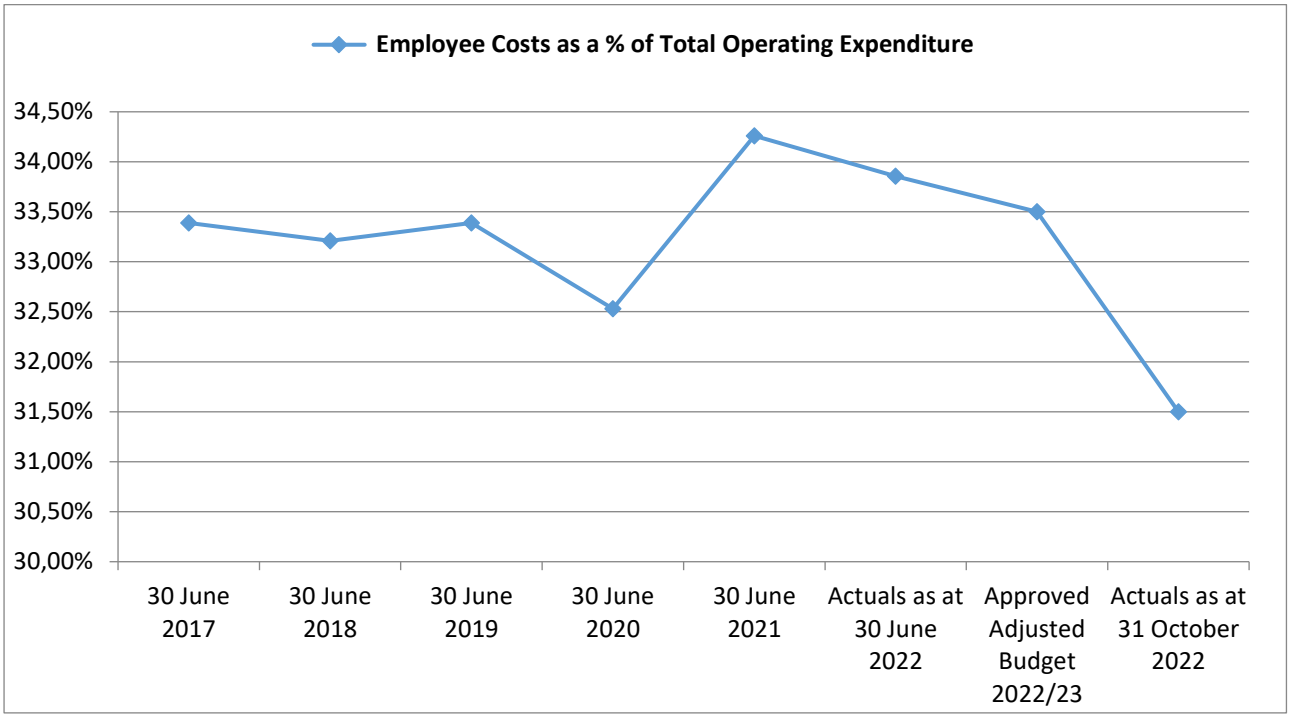
4.4.2. Employee costs as a % of Total Operating Expenditure

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 October 2022, Employee Related Costs constituted 31.50% of the Total Operating Expenditure compared to the approved adjusted budget ratio 33.50%.



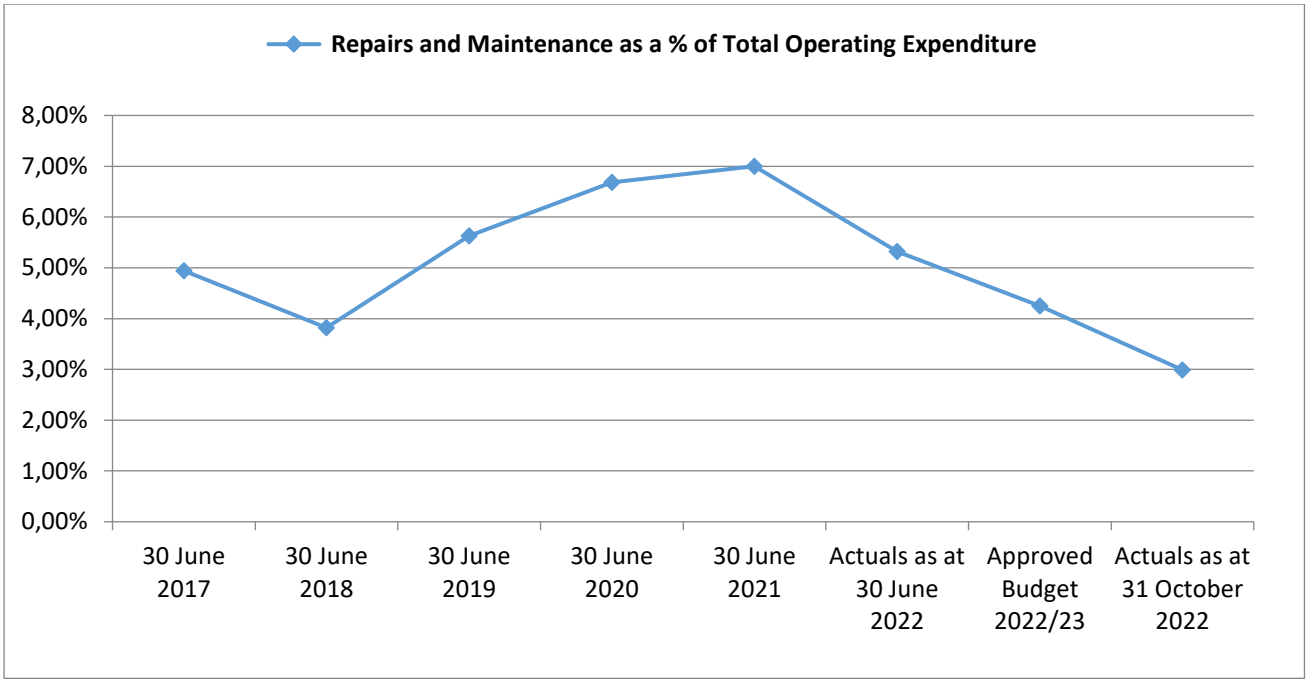
4.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 October 2022, the ratio was 2.99%, 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)

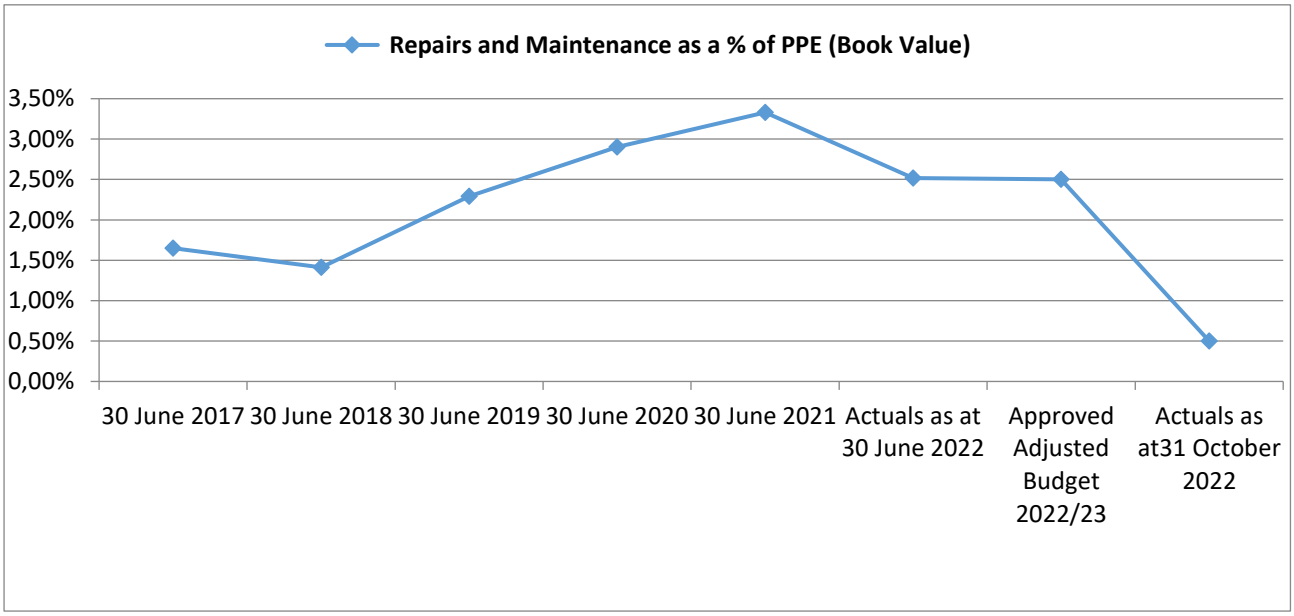
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 October 2022, repairs and maintenance expenditure constituted 0.50% 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%.



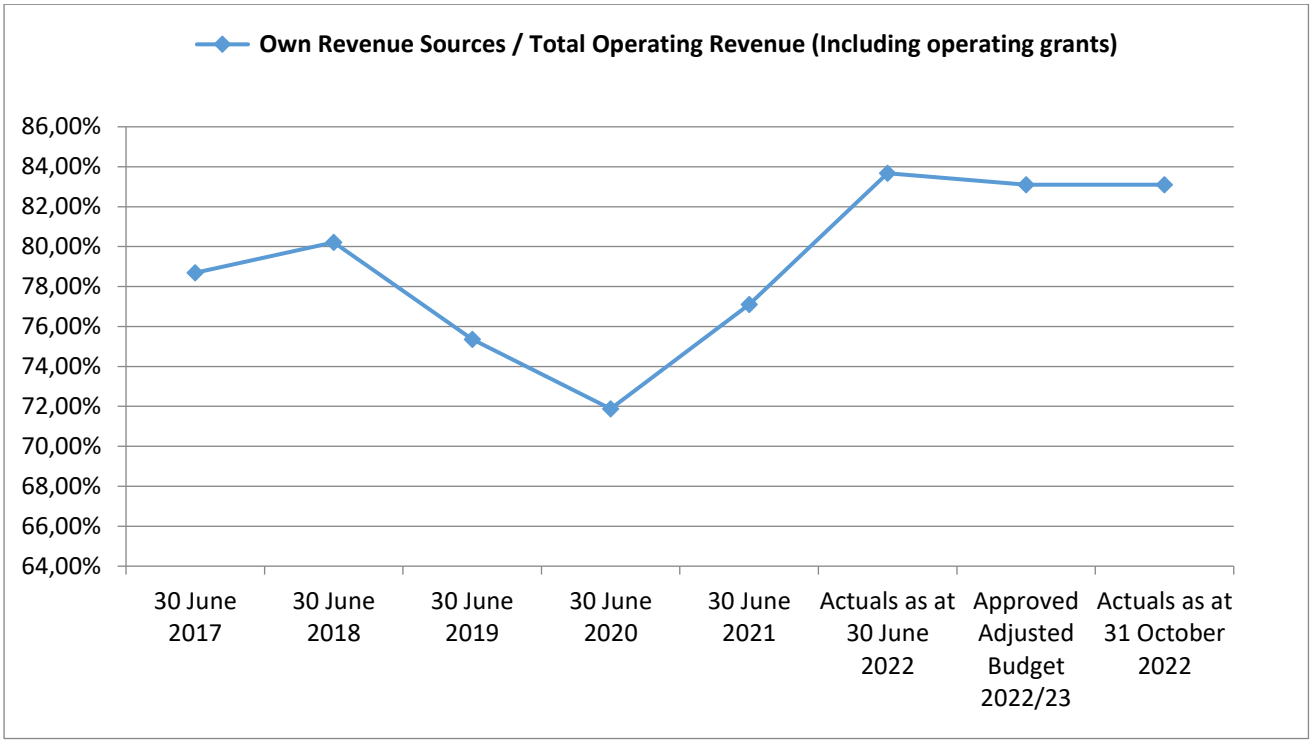
Own Revenue Generation

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



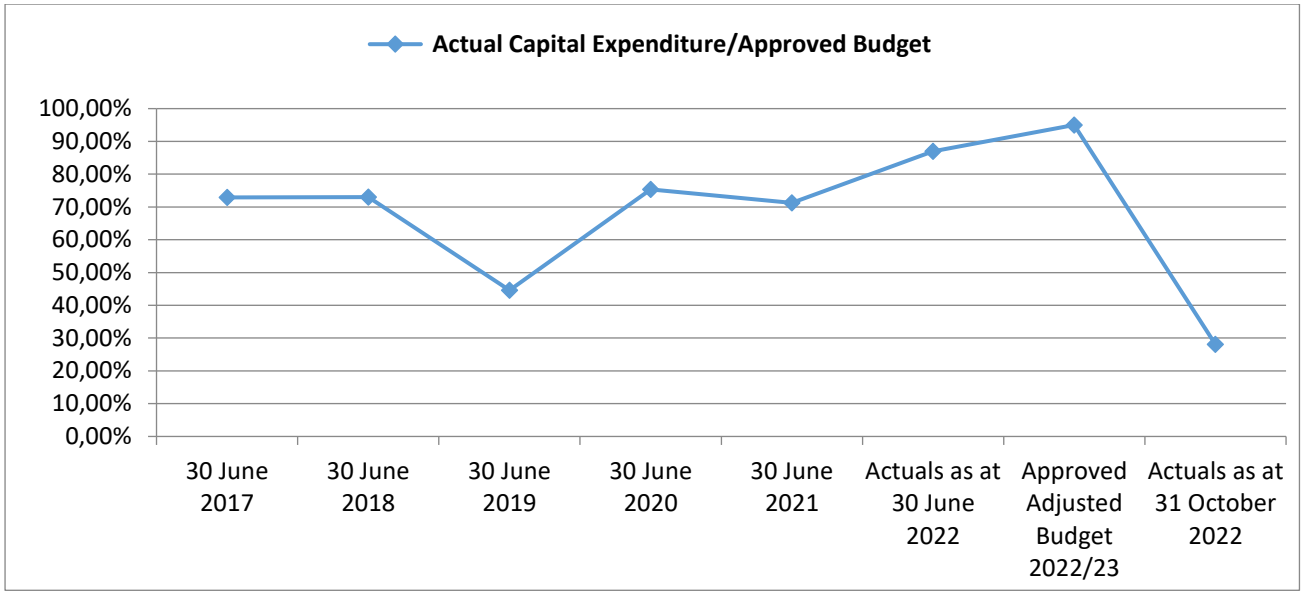
4.4.5. Capital Budget Spending

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 October 2022 amounted to 28.07% compared to the approved adjusted budget ratio of 95%.


Actual Capital Expenditure/Approved Budget
100,00%
90,00%
80,00%
70,00%
60,00%
50,00%
40,00%
30,00%
20,00%
10,00%
0,00%
30 June 2017
30 June 2018
30 June 2019
30 June 2020
30 June 2021
Actuals as at 30 June 2022
Approved Adjusted Budget 2022/23
Actuals as at 31 October 2022