

KOUGA MUNICIPALITY (EC108)
FINANCE PORTFOLIO COMMITTEE MEETING
FINANCE

DATE:

ITEM NO:

.....

MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2022 TO NOVEMBER 2022 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 NOVEMBER 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 November 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 450,636 million, whilst operating expenditure amounted to R 436,391 million, resulting in an operating surplus of R 14,245 million
- Capital expenditure constituted 27.79% of the 2022/23 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 43,781 million (16.66%) since June 2022.

- An amount of R 41,458 million is owing to creditors, of which R 40,610 million (97.95%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R17,540,290 (62.98%) since July 2022, from R 27,850,138 to R 45,390,968.

Below is an analysis of the Investment Portfolio as at 30 November 2022.

30 NOVEMBER 2022						
	OPENING BANK BALANCE AS AT 01 JULY 2022	INVESTED	INTEREST	WITHDRAWN	CHARGES	CLOSING BANK BALANCE AS AT 30 NOVEMBER 2022
Standard Bank	1,246,965	-	29,281	-		1,276,246
ABSA	1,223,022	-	24,289	-	540	1,246,771
Nedbank	1,225,308	-	29,111	-		1,254,419
RMB	4,883,568	53,740,178	741,082	40,619,399		18,745,429
INVESTEC	1,223,964	-	29,079	-		1,253,043
Total	9,802,828	53,740,178	852,841	40,619,399	540	23,775,908
PURPOSE OF	BALANCE					BALANCE
INVESTMENT	B/F	INVESTED	INTEREST	WITHDRAWN	CHARGES	C/F
General Account	9,753,276	30,456,322	645,324	30,022,856	540	10,831,526
Conditional Grants	49,551	23,283,856	207,517	10,596,543	-	12,944,381
Housing Funds	0	-	-	-	-	0
Total	9,802,828	53,740,178	852,841	(40,619,399)	(540)	23,775,908
	BALANCE AS AT 01 JULY 2022	INVESTED	INTEREST	WITHDRAWN	CHARGES	BALANCE AS AT 30 NOVEMBER
Cheque Accounts FNB 52540020791	4,850,118	13,563,127				18,413,245
Cheque Accounts FNB 52540033304	13,197,193			9,995,918		3,201,275
TOTAL	18,047,311					21,614,520
TOTAL	27,850,138	67,303,305	852,841	50,615,317	540	45,390,428

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

Cash backed Reserves.

Bank Balances and Cash	R 21,614,520
Short-term Investment Deposits	R 23,775,908
	<u>R45,390,428</u>

Application of Cash

Unspent Conditional Grants	7,158,664
Operational Commitments	11,217,762
Internally Generated Funds (Capital commitments)	8,233,461
Outstanding Creditors Liability	41,458,233
	<u>68,068,120</u>

Commitments exceed Cash Backed Reserves: -22,677,692

The commitments exceed cash backed reserves at this stage by an amount of R 22,678 million. It must be noted that the liquidity ratio is 0.38:1 (2021 November ratio was 0.69:1), the current cost coverage is 0.45 months (2021 November ratio was 0.94 months) and the current collection ratio is 87.89% (2021 November ratio was 90.84%) and below the budget target of 95%.

The critical financial ratios indicate a continued decline in the financial position of the municipality, whilst the collection rate also declined by 2.95% compared to the previous financial year reporting period. The debtors increased by R 62,757 (22%), from R 280,124 million (30 November 2021) to R 342,881 million as at 30 November 2022.

It must be also noted that the municipality is required to reduce its deficit budget over time amounting to R 115,214 million and create cash backed reserves for the depreciation and asset impairment.

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 November 2021	Approved Adjusted Budget 2022/23	Actuals as at 30 November 2022
Current Ratio	2.61:1	1.12:1	1.5:1 to 2:1	1.46:1	0.86:1	0.99:1
Liquidity Ratio	0.45:1	0.24:1		0.69:1	0.04:1	0.38:1
Cost Coverage (Excluding unspent conditional grants)	0.62 Months	0:37 Months	1 Month to 3 Months	0.94 Months	0.06 Months	0.45 Months
Debtors Collection Rate	94.41%	94.32%	95%	90.84%	95%	87.89%
Capital Expenditure	76.92%	87.00%		29.71%	95%	27.79%

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 30 November 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 December 2022.....

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO NOVEMBER 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	64,821	450,636	484,259	(33,623)
Total Expenditure	1,163,909	1,168,175	91,987	436,391	551,012	(114,621)
Surplus/(Deficit)	(110,948)	(115,214)	(27,166)	14,245	(66,753)	80,998

The statement of financial performance reflects an operating surplus of R14,245 million.

Revenue

Main revenue sources for 2022/23

Description	Budget Year 2022/23		
	Adjusted Budget	YearTD actual	YTD variance
R thousands			%
<u>Revenue By Source</u>			
Property rates	240,849	144,842	60.14%
Service charges - electricity revenue	371,804	130,450	35.09%
Service charges - water revenue	89,362	33,630	37.63%
Service charges - sanitation revenue	62,796	25,158	40.06%
Service charges - refuse revenue	62,858	26,753	42.56%
Rental of facilities and equipment	2,968	697	23.49%
Interest earned - external investments	2,811	1,268	45.11%
Interest earned - outstanding debtors	13,706	8,943	65.25%
Fines, penalties and forfeits	1,842	2,712	147.22%
Licences and permits	8,397	5,103	60.78%
Agency services	5,352	672	12.55%
Transfers and subsidies	177,920	65,800	36.98%
Other revenue	12,298	4,609	37.47%
Total Revenue (excluding capital transfers and contributions)	1,052,961	450,636	42.80%

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

- **Property Rates**

As at 30 November 2022, the municipality has recognised 60.14% 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 302,762 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.

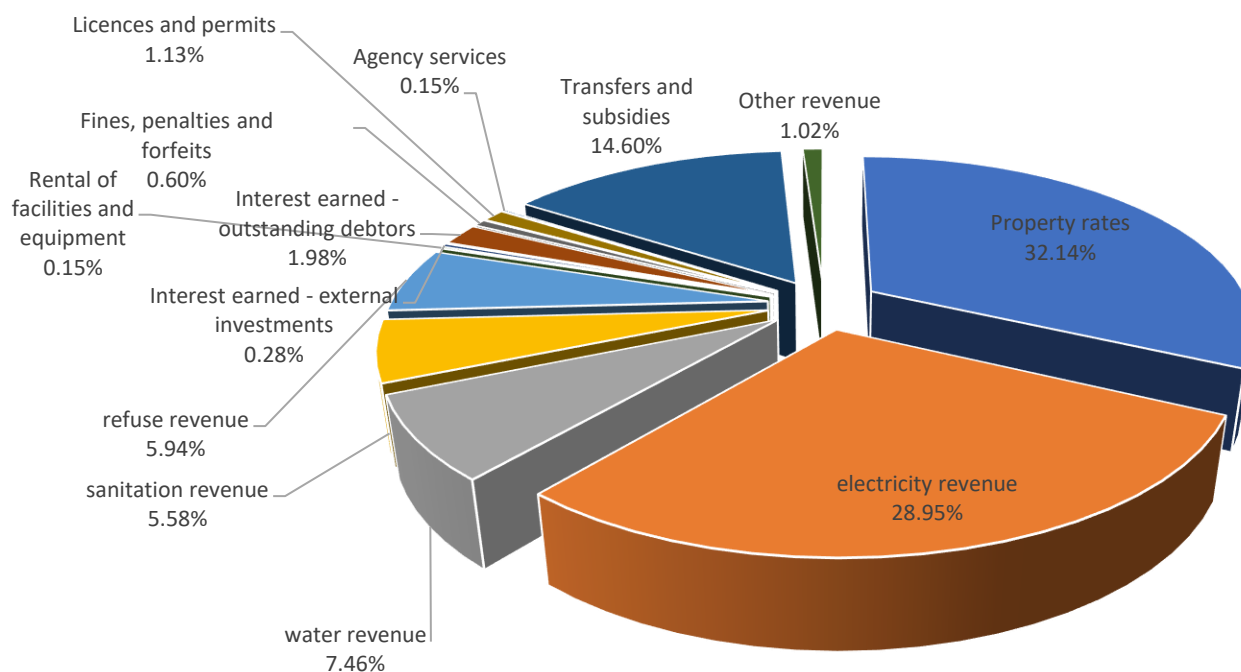
- **Transfers and subsidies**

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.

Revenue By Source



Expenditure

Main expenditure types for 2022/23

	Budget Year 2022/23		
	Adjusted Budget	YearTD actual	YTD variance
<u>Expenditure By Type</u>			
Employee related costs	391,318	150,008	38.33%
Remuneration of councillors	14,364	6,178	43.01%
Debt impairment	42,069	3,482	8.28%
Depreciation & asset impairment	103,850	43,271	41.67%
Finance charges	–	808	
Bulk purchases	325,900	136,074	41.75%
Other materials	72,494	42,151	58.14%
Contracted services	98,046	24,121	24.60%
Transfers and subsidies	725	–	0.00%
Other expenditure	119,408	30,297	25.37%
Total Expenditure	1,168,175	436,391	37.36%

Reasons for major over-/under expenditure per type

- **Debt impairment**
Bad debts are written off upon Council approval.
- **Bulk purchases (Electricity)**

Description	Budget Year 2022/23		
	Approved Adjusted Budget	YearTD actual	%
R thousands			
Bulk purchases – Electricity	325 900 000	136 074 416	41,75%
	325 900 000	136 074 416	41,75%

- **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.
- **Other materials**
Other materials relate to the inventory items, such as bulk water purchases, materials and supplies, printing and stationery, fuel and oil etc.

The other materials are largely influenced by bulk water expenditure, the bulk water purchases is broken down as follows:

Description	Budget Year 2022/23		
	Approved Adjusted Budget	YearTD actual	%
R thousands			
Bulk purchases – Water	38,556,000,	23,281,405	60,38%
	38,556,000	23,281,405	60,38%

- **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:

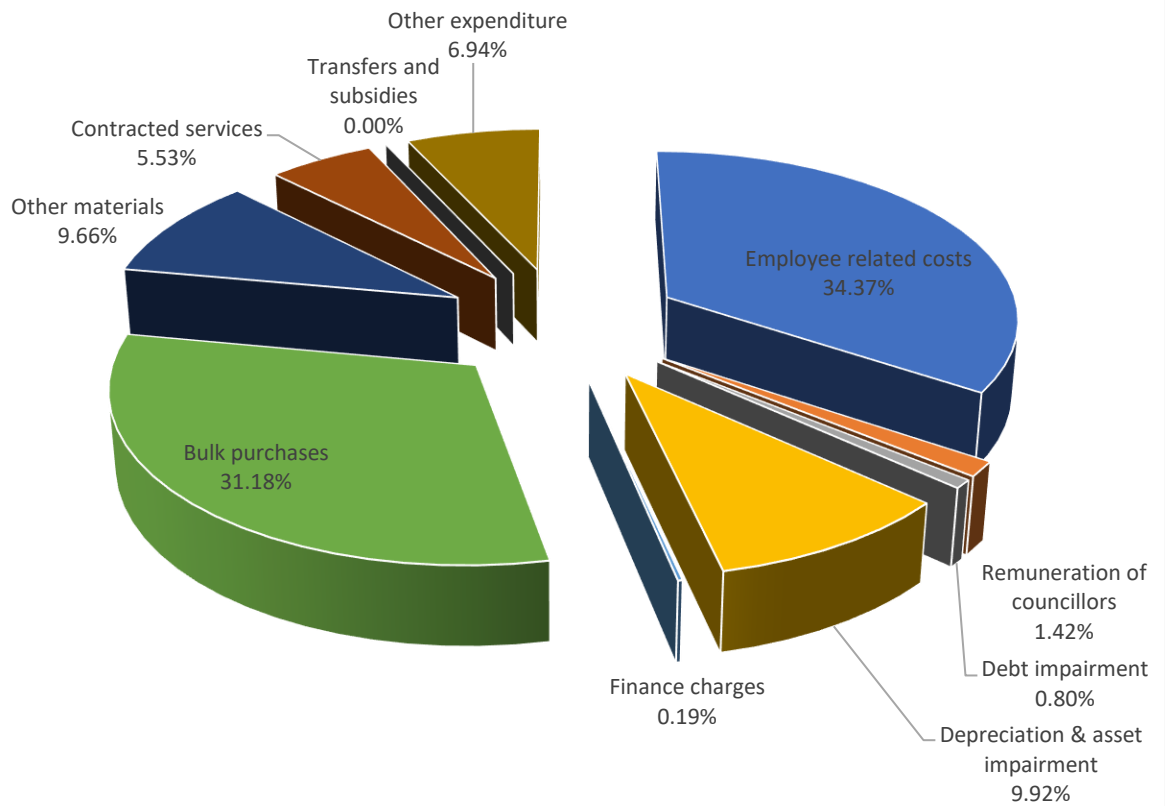
Item Description	Adjusted Budget 2022/23	Actuals as at 30 November 2022	%
Amanzi Challenge National Tournament	300,000	-	0.00%
Animal Care	475,000	-	0.00%
Audit of Municipal Land & Properties	500,000	-	0.00%
Boreholes Investigation - Thornhill	1,205,000	-	0.00%
Burial Services	230,000	1,050	0.46%
Calamari Festival	200,000	200,000	100.00%
Catering Services	564,240	202,457	35.88%
Clearing and Grass Cutting Services	1,550,000	688,153	44.40%
Concours Sur Mesure	250,000	250,000	100.00%
Consultants and Professional Services	6,375,932	1,147,496	18.00%
Destination Marketing and Promotion	150,000	7,049	4.70%
Drivers Licence Cards	500,000	190,785	38.16%
Dune Stabilisation	1,980,000	378,060	19.09%
Electricity Generation Project	1,200,000	-	0.00%
Employee Wellness	400,000	135,963	33.99%
Event Promoters	70,000	4,819	6.88%
FMG-AFS Support	443,478	-	0.00%
Hankey Precinct Plan Development	985,000	204,000	20.71%
Housing Panel of Professional Team	170,000	17,370	10.22%
Internal Auditors	60,000	29,095	48.49%
Ironman Tournament	450,000	-	0.00%
Jbay Precinct 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	711,052	37.82%
Land Availability and Readiness for Strategic Project	200,000	-	0.00%
Land Valuations, Surveyor & Planning Services	500,000	9,350	1.87%
Legal Advice and Litigation	5,400,000	1,783,532	33.03%
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	6,425,000	1,634,554	25.44%
Maintenance of Electrical Infrastructure	2,650,000	1,235,009	46.60%
Maintenance of Equipment	1,006,100	64,715	6.43%
Maintenance of Sanitation Infrastructure	1,200,256	452,888	37.73%
Maintenance of Vehicles	7,744,584	2,898,961	37.43%
Maintenance of Water Infrastructure	1,291,830	320,928	24.84%
Media Monitoring	250,000	-	0.00%
Occupational Health and Safety	1,267,850	354,684	27.98%
Other Contracted Services	1,150,000	297,082	25.83%
Payroll Data Cleansing	1,100,000	-	0.00%
PGA Championship Sponsorship	500,000	500,000	100.00%
Personnel and Labour	13,669,616	2,576,825	18.85%
Qualification Verification	500,000	423,845	84.77%
Roads Maintenance	10,440,673	163,366	1.56%
SA Longboard Championship	300,000	-	0.00%
Security Services	3,101,600	1,906,887	61.48%
Special Rating Area	9,270,034	4,415,226	47.63%
Summer Festival	630,000	300,000	47.62%
Township Events	200,000	-	0.00%
Transport Services	360,000	73,151	20.32%
Valuer	3,000,000	331,957	11.07%
Winterfest	1,500,000	-	0.00%
Yellow Wood Annual Jazz Festival	500,000	-	0.00%
Total	98,046,193	24,120,995	24.60%

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2022/23	Actuals as at 30 November 2022	%
Achievements and Awards	1,847,000	329,435	17.84%
Advertising, Publicity and Marketing	2,156,000	1,088,522	50.49%
Bank Charges	750,000	- 46,128	-6.15%
Bargaining Council	2,300,000	-	0.00%
Cellular Contract (Subscription and Calls)	2,903,907	1,026,519	35.35%
Claims paid to Third Parties	300,000	32,403	10.80%
External Audit Fees	4,500,000	1,752,229	38.94%
External Computer Service:Internet Charge	3,500,000	1,779,949	50.86%
Hire Charges	6,542,500	2,538,235	38.80%
Insurance Claims	1,200,000	588,054	49.00%
Insurance Underwriting:Premiums	3,745,026	3,502,780	93.53%
Leases:Furniture and Office Equipment	2,971,216	1,216,673	40.95%
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	449,351	28.00%
Municipal Services	32,187,728	67,015	0.21%
Other	770,000	100,847	13.10%
Postage/Stamps/Frinking Machines	1,349,000	705,929	52.33%
Printing, Publications and Books	948,725	370,963	39.10%
Registration Fees:Professional and Regulatory Bodies	241,225	27,746	11.50%
Registration Fees:Seminars, Conferences, Workshops	2,475,117	689,861	27.87%
Remuneration to Ward Committees	2,241,923	1,583,840	70.65%
Riparian Levies	3,280,241	3,044,682	92.82%
Signage	635,518	132,519	20.85%
Skills Development Fund Levy	3,398,919	1,512,991	44.51%
Software Licences	3,548,300	1,061,315	29.91%
Storage of Files (Archiving)	500,000	13,882	2.78%
Supplier Development Programme	100,000	24,300	24.30%
Third Party Vendors	5,500,000	1,799,920	32.73%
Travel and Subsistence	2,831,599	900,039	31.79%
Uniform and Protective Clothing	3,542,459	1,160,721	32.77%
Vehicle Tracking	754,565	367,610	48.72%
Workmen"s Compensation Fund	1,774,003	900,381	50.75%
Total	119,407,951	30,296,976	25.37%

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 30 November 2022	%
Maintenance of Equipment	1,361,100	355,002	26.08%
Maintenance of Vehicles	9,114,159	3,616,603	39.68%
Maintenance of Buildings and Facilities	5,013,960	1,611,502	32.14%
Maintenance of Water Infrastructure	5,175,157	2,533,943	48.96%
Roads Maintenance	11,704,448	643,280	5.50%
Sport and Recreation Facilities	1,750,000	480,576	27.46%
Maintenance of Electrical Infrastructure	7,700,000	3,658,332	47.51%
Maintenance of Sanitation Infrastructure	2,725,256	818,407	30.03%
Hire Charges	1,833,400	489,852	26.72%
Total	46,377,480	14,207,496	30.63%

It is to be noted that actual repairs and maintenance expenditure constituted 30,63% of the 2022/23 Approved Adjusted Budget.

Annexure “A2”

CAPITAL BUDGET PERFORMANCE

Vote Description	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	49,169	29,649	79,562	11,723	20,451	34,217	(13,766)	-40%	79,562
Provincial Government	-	-	-	-	-	-	-		-
District Municipality	1,600	1,638	1,638	3	-	1,638	(1,638)	-100%	1,638
Other transfers and grants	-	-	-	-	-	-	-		-
Transfers recognised - capital	50,769	31,287	81,200	11,726	20,451	35,855	(15,404)	-43%	81,200
Public contributions & donatio	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	59,477	8,398	14,331	2,016	6,098	6,566	(469)	-7%	14,331
Total Capital Funding	110,246	39,685	95,531	13,742	26,548	42,421	(15,873)	-37%	95,531

Summary Capital Expenditure and Funding

The capital expenditure as at 30 November 2022, constituted 27.79% of approved capital budget and the funding is broken down as follows:

- Grant funding is 65.36% of approved adjusted grant funding budget.
- Internally generated funds are 42.55% 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	-	14	1.59%
Vote 2 - FINANCIAL SERVICES	1,730	1,730	10	888	51.33%
Vote 3 - CORPORATE SERVICES	-	-	-	-	
Vote 4 - COMMUNITY SERVICES	1,638	2,180	22	20	0.90%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	35,567	90,412	13,710	25,263	27.94%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	-	336	-	364	108.14%
Total Capital Multi-year expenditure	39,685	95,531	13,742	26,548	27.79%

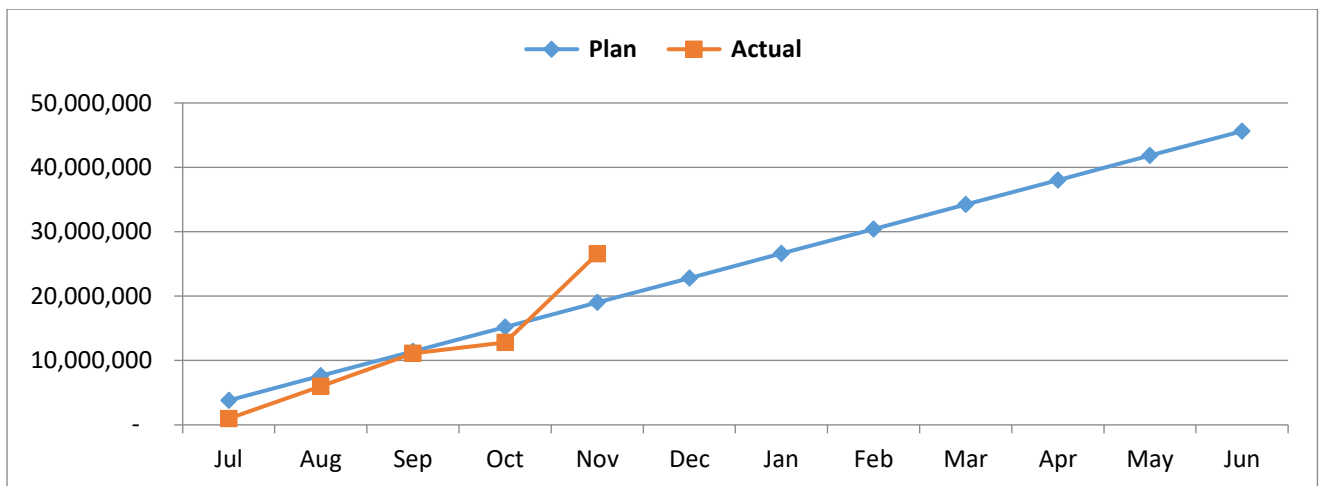
The capital expenditure as at 30 November 2022, constituted 27.79% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 1.59% of R 0,873 million budget.
- Financial Services is 51.33% of R1,730 million budget.
- Community Services is 0.90% of R 2,180 million budget.
- Infrastructure & Engineering is 27.94% of R 90,412 million budget.
- Planning Development and Tourism is 108.14% of R0,336 million budget.

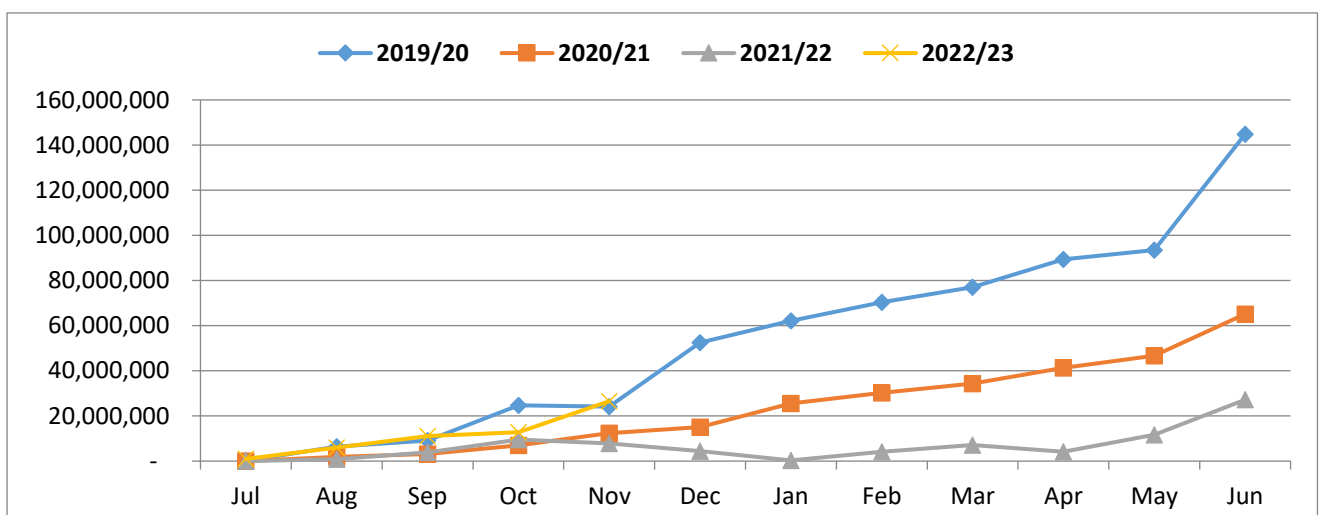
Monthly capital expenditure

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 30 November 2022.

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2022/23	Actuals as at 30 November 2022
COMMUNITY SERVICES	FIRE SERVICES	DISTRICT	Fire Vehicle	FT911	1,638,000	-
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Machinery & Equipment - Radio Communication		58,270	19,621
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Transport Assets - Quardbike		95,598	-
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Computer Equipment		387,811	-
					2,179,679	19,621
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	9,635
FINANCE	Finance: IT	Internal	Computer Equipment	CP_4	1,020,000	854,353
FINANCE	BUDGET AND FINANCIAL REPORTING	Internal	Furniture and Equipment		-	-
					1,730,000	887,979
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	15,308,229	3,500,286
INFRASTRUCTURE & ENGINEERING	SEWERAGE	Internal	Upgrade Loerie sewer pump station	CP_35W	418,318	-
INFRASTRUCTURE & ENGINEERING	ROADS AND STORMWATER	MIG	Upgrading of Gravel Roads in Humansdorp	PC_075	9,819,118	9,637,432
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		-	-
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	HUMANSDORP BOREHOLE 7		3,043,478	-
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	ST FRANCIS BAY: BOREHOLES		3,565,217	-
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	THORNHILL: GROUNDWATER DEVELOPMENT		2,869,565	-
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	HANKEY: BOREHOLES		3,304,348	-
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	LOERIE: GROUNDWATER DEVELOPMENT		2,956,522	663,249
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	HUMANSDORP: KRUISFONTEIN: BOREHOLES		12,260,870	1,863,484
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	ST FRANCIS BAY: WATER TREATMENT WORKS		5,130,435	-
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	HUMANSDORP :WATER TREATMENT WORKS		7,130,435	-
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	HANKEY: WATER TREATMENT WORKS		3,217,391	-
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	JEFFREYS BAY: NEW OXIDATION WATER TREATMENT PLANT		6,434,783	4,786,200
					90,412,234	25,262,961
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	95,531,231	26,548,292

PROJECTED CASH FLOW STATEMENT FOR THE 2022/23 FINANCIAL YEAR

Projected Cash Flow Statement as at 30 November 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 – M05 November 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	18,253	125,289	96,020	29,268	30%	230,449
Service charges		238,396	652,478	652,478	37,800	223,617	271,866	(48,249)	-18%	652,478
Other revenue		22,231	57,445	57,445	11,006	48,234	23,935	24,298	102%	57,445
Transfers and Subsidies - Operational		147,988	177,920	177,920	-	67,793	74,133	(6,341)	-9%	177,920
Transfers and Subsidies - Capital		-	35,734	35,734	7,108	29,407	14,889	14,517	98%	35,734
Interest		841,486	2,811	2,811	2,584	10,178	1,171	9,007	769%	2,811
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,115,817)	(81,099)	(456,696)	(464,924)	(8,227)	2%	(1,115,817)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,886,718	41,019	41,019	(4,347)	47,821	17,091	(30,729)	-180%	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)	(95,531)	(15,804)	(30,280)	(39,805)	(9,525)	24%	(95,531)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(31,695)	(39,685)	(95,531)	(15,804)	(30,280)	(39,805)	(9,525)	24%	(95,531)
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	(54,512)	(20,151)	17,541	(22,713)			(54,512)
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	(50,407)		45,391	(18,608)			(26,662)

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

Table C1 Monthly Budget Statement Summary – M05 November 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	15,879	144,842	140,947	3,896	3%	240,849
Service charges	521,775	586,820	586,820	42,296	215,991	244,508	(28,517)	-12%	586,820
Investment revenue	3,225	2,811	2,811	365	1,268	1,683	(415)	-25%	2,811
Transfers and subsidies	153,880	177,920	177,920	595	65,800	74,240	(8,441)	-11%	177,920
Other own revenue	57,552	44,562	44,562	5,686	22,735	22,882	(146)	-1%	44,562
Total Revenue (excluding capital transfers and contributions)	960,758	1,052,961	1,052,961	64,821	450,636	484,259	(33,623)	-7%	1,052,961
Employee costs	339,392	391,318	391,318	41,517	150,008	173,162	(23,154)	-13%	391,318
Remuneration of Councillors	13,395	14,364	14,364	1,133	6,178	5,985	193	3%	14,364
Depreciation & asset impairment	94,390	103,850	103,850	8,654	43,271	103,661	(60,390)	-58%	103,850
Finance charges	5,412	-	-	89	808	-	808	#DIV/0!	-
Materials and bulk purchases	388,268	400,548	398,394	26,156	178,225	164,816	13,409	8%	398,394
Transfers and subsidies	458	400	725	-	-	535	(535)	-100%	725
Other expenditure	239,115	253,428	259,523	14,438	57,900	102,852	(44,952)	-44%	259,523
Total Expenditure	1,080,429	1,163,909	1,168,175	91,987	436,391	551,012	(114,621)	-21%	1,168,175
Surplus/(Deficit)	(119,671)	(110,948)	(115,214)	(27,166)	14,245	(66,753)	80,998	-121%	(115,214)
Transfers and subsidies - capital (monetary allocations)	60,630	35,734	93,134	13,910	23,946	42,707	(18,761)	-44%	93,134
Contributions & Contributed assets	20	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(59,021)	(75,214)	(22,079)	(13,256)	38,191	(24,046)	62,237	-259%	(22,079)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(59,021)	(75,214)	(22,079)	(13,256)	38,191	(24,046)	62,237	-259%	(22,079)
Capital expenditure & funds sources									
Capital expenditure	110,318	39,685	95,531	13,742	26,548	42,421	(15,873)	-37%	95,531
Capital transfers recognised	50,769	31,287	81,200	11,726	20,451	35,855	(15,404)	-43%	81,200
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	59,477	8,398	14,331	2,016	6,098	6,566	(469)	-7%	14,331
Total sources of capital funds	110,246	39,685	95,531	13,742	26,548	42,421	(15,873)	-37%	95,531
Financial position									
Total current assets	236,285	132,996	132,996	-	117,238	-	-	-	132,996
Total non current assets	2,320,799	2,253,988	2,253,988	-	2,328,629	-	-	-	2,253,988
Total current liabilities	247,131	154,904	154,904	-	118,930	-	-	-	154,904
Total non current liabilities	227,952	191,375	191,375	-	234,730	-	-	-	191,375
Community wealth/Equity	2,141,149	2,040,704	2,040,704	-	2,092,207	-	-	-	2,040,704
Cash flows									
Net cash from (used) operating	1,886,718	41,019	41,019	(4,347)	47,821	17,091	(30,729)	-180%	41,019
Net cash from (used) investing	(31,695)	(39,685)	(95,531)	(15,804)	(30,280)	(39,805)	(9,525)	24%	(95,531)
Net cash from (used) financing	23,673	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	1,932,091	5,439	(50,407)	-	45,391	(18,608)	(63,999)	344%	(26,662)
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	67,934	76	20	21	188	278	96	2,356	70,971

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) – M05 November 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	18,937	216,294	161,086	55,208	34%	361,880
Executive and council		509	342	342	35	195	205	(10)	-5%	342
Finance and administration		343,253	361,539	361,539	18,902	216,100	160,881	55,218	34%	361,539
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		15,171	16,365	16,365	480	4,428	7,352	(2,925)	-40%	16,365
Community and social services		2,469	2,508	2,508	31	177	274	(97)	-35%	2,508
Sport and recreation		7,082	9,017	9,017	438	3,473	5,398	(1,924)	-36%	9,017
Public safety		1,654	1,652	1,652	-	4	779	(775)	-99%	1,652
Housing		987	-	-	-	-	-	-	-	-
Health		2,979	3,187	3,187	11	773	901	(128)	-14%	3,187
<i>Economic and environmental services</i>		16,268	38,750	38,750	1,458	6,642	19,080	(12,438)	-65%	38,750
Planning and development		7,525	6,754	6,754	1,097	3,532	3,917	(385)	-10%	6,754
Road transport		7,341	6,527	6,527	261	2,421	2,524	(103)	-4%	6,527
Environmental protection		1,402	25,469	25,469	100	689	12,638	(11,950)	-95%	25,469
<i>Trading services</i>		646,208	671,701	729,101	57,855	247,218	339,449	(92,230)	-27%	729,101
Energy sources		342,583	379,734	379,734	25,132	131,111	162,175	(31,064)	-19%	379,734
Water management		119,239	114,284	171,684	16,941	45,456	83,218	(37,762)	-45%	171,684
Waste water management		106,057	109,397	109,397	10,222	41,645	55,404	(13,759)	-25%	109,397
Waste management		78,329	68,285	68,285	5,561	29,006	38,652	(9,646)	-25%	68,285
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,021,408	1,088,696	1,146,096	78,730	474,582	526,967	(52,384)	-10%	1,146,096
Expenditure - Functional										
<i>Governance and administration</i>		102,579	252,416	254,255	24,913	94,091	111,698	(17,607)	-16%	254,255
Executive and council		49,469	54,099	53,172	4,976	20,754	21,995	(1,241)	-6%	53,172
Finance and administration		53,091	198,047	200,873	19,936	73,307	89,631	(16,324)	-18%	200,873
Internal audit		20	270	210	0	30	72	(42)	-58%	210
<i>Community and public safety</i>		96,429	111,512	111,751	11,505	41,583	49,038	(7,455)	-15%	111,751
Community and social services		9,661	12,180	12,180	1,126	3,645	5,557	(1,912)	-34%	12,180
Sport and recreation		50,545	56,704	57,029	5,843	21,580	24,614	(3,034)	-12%	57,029
Public safety		25,178	28,610	28,614	3,085	11,282	12,876	(1,593)	-12%	28,614
Housing		5,149	6,627	6,537	658	2,172	2,852	(680)	-24%	6,537
Health		5,896	7,391	7,391	792	2,904	3,139	(235)	-7%	7,391
<i>Economic and environmental services</i>		120,963	163,774	161,198	11,034	47,420	92,400	(44,980)	-49%	161,198
Planning and development		36,450	29,222	30,462	2,746	9,075	12,830	(3,755)	-29%	30,462
Road transport		81,945	111,957	108,141	7,626	35,403	70,631	(35,227)	-50%	108,141
Environmental protection		2,568	22,594	22,594	663	2,941	8,939	(5,998)	-67%	22,594
<i>Trading services</i>		756,860	629,886	634,749	44,242	251,811	295,737	(43,926)	-15%	634,749
Energy sources		350,276	408,286	408,286	25,448	153,025	174,240	(21,215)	-12%	408,286
Water management		179,578	99,688	99,688	6,001	45,583	50,279	(4,696)	-9%	99,688
Waste water management		103,141	71,306	71,306	6,907	30,047	45,870	(15,823)	-34%	71,306
Waste management		123,864	50,606	55,469	5,887	23,155	25,348	(2,193)	-9%	55,469
<i>Other</i>		3,725	6,322	6,222	293	1,486	2,140	(654)	-31%	6,222
Total Expenditure - Functional	3	1,080,556	1,163,909	1,168,175	91,987	436,391	551,012	(114,621)	-21%	1,168,175
Surplus/ (Deficit) for the year		(59,148)	(75,214)	(22,079)	(13,256)	38,191	(24,046)	62,237	-259%	(22,079)

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 – M05 November 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										
Governance and administration		343,761	361,880	361,880	18,937	216,294	161,086	55,208	34%	361,880
Executive and council		509	342	342	35	195	205	(10)	-5%	342
Finance and administration		343,253	361,539	361,539	18,902	216,100	160,881	55,218	34%	361,539
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		15,171	16,365	16,365	480	4,428	7,352	(2,925)	-40%	16,365
Community and social services		2,469	2,508	2,508	31	177	274	(97)	-35%	2,508
Sport and recreation		7,082	9,017	9,017	438	3,473	5,398	(1,924)	-36%	9,017
Public safety		1,654	1,652	1,652	-	4	779	(775)	-99%	1,652
Housing		987	-	-	-	-	-	-	-	-
Health		2,979	3,187	3,187	11	773	901	(128)	-14%	3,187
Economic and environmental services		16,268	38,750	38,750	1,458	6,642	19,080	(12,438)	-65%	38,750
Planning and development		7,525	6,754	6,754	1,097	3,532	3,917	(385)	-10%	6,754
Road transport		7,341	6,527	6,527	261	2,421	2,524	(103)	-4%	6,527
Environmental protection		1,402	25,469	25,469	100	689	12,638	(11,950)	-95%	25,469
Trading services		646,208	671,701	729,101	57,855	247,218	339,449	(92,230)	-27%	729,101
Energy sources		342,583	379,734	379,734	25,132	131,111	162,175	(31,064)	-19%	379,734
Water management		119,239	114,284	171,684	16,941	45,456	83,218	(37,762)	-45%	171,684
Waste water management		106,057	109,397	109,397	10,222	41,645	55,404	(13,759)	-25%	109,397
Waste management		78,329	68,285	68,285	5,561	29,006	38,652	(9,646)	-25%	68,285
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,021,408	1,088,696	1,146,096	78,730	474,582	526,967	(52,384)	-10%	1,146,096
Expenditure - Functional										
Governance and administration		102,579	252,416	254,255	24,913	94,091	111,698	(17,607)	-16%	254,255
Executive and council		49,469	54,099	53,172	4,976	20,754	21,995	(1,241)	-6%	53,172
Finance and administration		53,091	198,047	200,873	19,936	73,307	89,631	(16,324)	-18%	200,873
Internal audit		20	270	210	0	30	72	(42)	-58%	210
Community and public safety		96,429	111,512	111,751	11,505	41,583	49,038	(7,455)	-15%	111,751
Community and social services		9,661	12,180	12,180	1,126	3,645	5,557	(1,912)	-34%	12,180
Sport and recreation		50,545	56,704	57,029	5,843	21,580	24,614	(3,034)	-12%	57,029
Public safety		25,178	28,610	28,614	3,085	11,282	12,876	(1,593)	-12%	28,614
Housing		5,149	6,627	6,537	658	2,172	2,852	(680)	-24%	6,537
Health		5,896	7,391	7,391	792	2,904	3,139	(235)	-7%	7,391
Economic and environmental services		120,963	163,774	161,198	11,034	47,420	92,400	(44,980)	-49%	161,198
Planning and development		36,450	29,222	30,462	2,746	9,075	12,830	(3,755)	-29%	30,462
Road transport		81,945	111,957	108,141	7,626	35,403	70,631	(35,227)	-50%	108,141
Environmental protection		2,568	22,594	22,594	663	2,941	8,939	(5,998)	-67%	22,594
Trading services		756,860	629,886	634,749	44,242	251,811	295,737	(43,926)	-15%	634,749
Energy sources		350,276	408,286	408,286	25,448	153,025	174,240	(21,215)	-12%	408,286
Water management		179,578	99,688	99,688	6,001	45,583	50,279	(4,696)	-9%	99,688
Waste water management		103,141	71,306	71,306	6,907	30,047	45,870	(15,823)	-34%	71,306
Waste management		123,864	50,606	55,469	5,887	23,155	25,348	(2,193)	-9%	55,469
Other		3,725	6,322	6,222	293	1,486	2,140	(654)	-31%	6,222
Total Expenditure - Functional	3	1,080,556	1,163,909	1,168,175	91,987	436,391	551,012	(114,621)	-21%	1,168,175
Surplus/ (Deficit) for the year		(59,148)	(75,214)	(22,079)	(13,256)	38,191	(24,046)	62,237	-259%	(22,079)

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) – M05 November 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										
Revenue By Source										
Property rates		224,326	240,849	240,849	15,879	144,842	140,947	3,896	3%	240,849
Service charges - electricity revenue		327,359	371,804	371,804	24,980	130,450	154,918	(24,468)	-16%	371,804
Service charges - water revenue		83,125	89,362	89,362	7,419	33,630	37,234	(3,604)	-10%	89,362
Service charges - sanitation revenue		56,405	62,796	62,796	4,844	25,158	26,165	(1,007)	-4%	62,796
Service charges - refuse revenue		54,886	62,858	62,858	5,052	26,753	26,191	562	2%	62,858
Rental of facilities and equipment		3,094	2,968	2,968	144	697	1,777	(1,080)	-61%	2,968
Interest earned - external investments		3,225	2,811	2,811	365	1,268	1,683	(415)	-25%	2,811
Interest earned - outstanding debtors		13,878	13,706	13,706	2,015	8,943	6,025	2,917	48%	13,706
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5,881	1,842	1,842	1,373	2,712	787	1,925	245%	1,842
Licences and permits		9,593	8,397	8,397	716	5,103	5,026	77	2%	8,397
Agency services		2,560	5,352	5,352	-	672	2,230	(1,558)	-70%	5,352
Transfers and subsidies		153,880	177,920	177,920	595	65,800	74,240	(8,441)	-11%	177,920
Other revenue		12,393	12,298	12,298	1,437	4,609	7,036	(2,427)	-34%	12,298
Gains		10,152	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		960,758	1,052,961	1,052,961	64,821	450,636	484,259	(33,623)	-7%	1,052,961
Expenditure By Type										
Employee related costs		339,392	391,318	391,318	41,517	150,008	173,162	(23,154)	-13%	391,318
Remuneration of councillors		13,395	14,364	14,364	1,133	6,178	5,985	193	3%	14,364
Debt impairment		64,124	42,069	42,069	-	3,482	17,529	(14,046)	-80%	42,069
Depreciation & asset impairment		94,390	103,850	103,850	8,654	43,271	103,661	(60,390)	-58%	103,850
Finance charges		5,412	-	-	89	808	-	808	#DIV/0!	-
Bulk purchases - electricity		295,222	325,900	325,900	21,298	136,074	135,792	283	0%	325,900
Inventory consumed		93,046	74,648	72,494	4,858	42,151	29,024	13,126	45%	72,494
Contracted services		75,039	93,375	98,046	7,547	24,121	37,811	(13,690)	-36%	98,046
Transfers and subsidies		458	400	725	-	-	535	(535)	-100%	725
Other expenditure		89,311	117,984	119,408	6,890	30,297	47,513	(17,216)	-36%	119,408
Losses		10,641	-	-	-	-	-	-	-	-
Total Expenditure		1,080,429	1,163,909	1,168,175	91,987	436,391	551,012	(114,621)	-21%	1,168,175
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(119,671)	(110,948)	(115,214)	(27,166)	14,245	(66,753)	80,998	(0)	(115,214)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		60,630	35,734	93,134	13,910	23,946	42,707	(18,761)	(0)	93,134
Transfers and subsidies - capital (in-kind - all)		20	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(59,021)	(75,214)	(22,079)	(13,256)	38,191	(24,046)			(22,079)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(59,021)	(75,214)	(22,079)	(13,256)	38,191	(24,046)			(22,079)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(59,021)	(75,214)	(22,079)	(13,256)	38,191	(24,046)			(22,079)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(59,021)	(75,214)	(22,079)	(13,256)	38,191	(24,046)			(22,079)

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) – M05 November 2022

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)	42	(44)	-105%	100
Vote 2 - FINANCIAL SERVICES		2,393	1,670	1,670	-	854	1,291	(436)	-34%	1,670
Vote 3 - CORPORATE SERVICES		1,914	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		3,644	1,638	2,180	22	20	1,864	(1,844)	-99%	2,180
Vote 5 - INFRASTRUCTURE AND ENGINEERING		65,444	35,167	90,012	13,710	25,263	38,571	(13,308)	-35%	90,012
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		263	-	336	-	364	140	224	160%	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	94,298	13,733	26,499	41,907	(15,408)	-37%	94,298
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		651	750	773	-	16	322	(306)	-95%	773
Vote 2 - FINANCIAL SERVICES		1,749	60	60	10	34	25	9	35%	60
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		22,346	-	-	-	-	-	-	-	-
Vote 5 - INFRASTRUCTURE AND ENGINEERING		9,246	400	400	-	-	167	(167)	-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	10	49	514	(464)	-90%	1,233
Total Capital Expenditure	3	110,318	39,685	95,531	13,742	26,548	42,421	(15,873)	-37%	95,531
Capital Expenditure - Functional Classification										
Governance and administration		9,378	2,480	3,144	29	921	1,905	(984)	-52%	3,144
Executive and council		2,727	750	850	-	(2)	354	(356)	-101%	850
Finance and administration		6,651	1,730	2,272	29	908	1,542	(634)	-41%	2,272
Internal audit		-	-	23	-	16	10	6	66%	23
Community and public safety		8,172	1,638	1,819	3	180	1,713	(1,533)	-89%	1,819
Community and social services		71	-	-	-	-	-	-	-	-
Sport and recreation		5,936	-	181	-	180	75	105	140%	181
Public safety		2,165	1,638	1,638	3	-	1,638	(1,638)	-100%	1,638
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		21,126	11,609	15,077	3,289	10,001	7,348	2,653	36%	15,077
Planning and development		2,055	4,922	5,258	-	364	3,257	(2,893)	-89%	5,258
Road transport		19,070	6,687	9,819	3,289	9,637	4,091	5,546	136%	9,819
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		71,642	23,959	75,491	10,422	15,445	31,454	(16,009)	-51%	75,491
Energy sources		9,964	1,738	1,738	1,987	1,009	724	284	39%	1,738
Water management		24,143	907	55,572	7,313	10,936	23,155	(12,219)	-53%	55,572
Waste water management		17,527	21,313	18,181	1,122	3,500	7,575	(4,075)	-54%	18,181
Waste management		20,008	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	110,318	39,685	95,531	13,742	26,548	42,421	(15,873)	-37%	95,531
Funded by:										
National Government		49,169	29,649	79,562	11,723	20,451	34,217	(13,766)	-40%	79,562
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		1,600	1,638	1,638	3	-	1,638	(1,638)	-100%	1,638
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		50,769	31,287	81,200	11,726	20,451	35,855	(15,404)	-43%	81,200
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		59,477	8,398	14,331	2,016	6,098	6,566	(469)	-7%	14,331
Total Capital Funding		110,246	39,685	95,531	13,742	26,548	42,421	(15,873)	-37%	95,531

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 – M05 November 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	21,614	2,601
Call investment deposits		9,803	2,838	2,838	23,776	2,838
Consumer debtors		46,705	67,955	67,955	49,392	67,955
Other debtors		144,763	47,032	47,032	20,321	47,032
Current portion of long-term receivables		-	-	-	-	-
Inventory		16,967	12,570	12,570	2,134	12,570
Total current assets		236,285	132,996	132,996	117,238	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	2,065,151	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	2,328,629	2,253,988
TOTAL ASSETS		2,557,084	2,386,984	2,386,984	2,445,867	2,386,984
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		7,622	-	(0)	7,464	-
Consumer deposits		23,673	20,774	20,774	23,673	20,774
Trade and other payables		184,892	95,855	95,855	48,364	95,855
Provisions		30,944	38,275	38,275	39,430	38,275
Total current liabilities		247,131	154,904	154,904	118,930	154,904
Non current liabilities						
Borrowing		23,446	-	-	22,813	-
Provisions		204,506	191,375	191,375	211,916	191,375
Total non current liabilities		227,952	191,375	191,375	234,730	191,375
TOTAL LIABILITIES		475,083	346,280	346,280	353,660	346,280
NET ASSETS	2	2,082,001	2,040,704	2,040,704	2,092,207	2,040,704
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,141,149	2,040,704	2,040,704	2,092,207	2,040,704
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2,141,149	2,040,704	2,040,704	2,092,207	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 – M05 November 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	18,253	125,289	96,020	29,268	30%	230,449
Service charges		238,396	652,478	652,478	37,800	223,617	271,866	(48,249)	-18%	652,478
Other revenue		22,231	57,445	57,445	11,006	48,234	23,935	24,298	102%	57,445
Transfers and Subsidies - Operational		147,988	177,920	177,920	-	67,793	74,133	(6,341)	-9%	177,920
Transfers and Subsidies - Capital		-	35,734	35,734	7,108	29,407	14,889	14,517	98%	35,734
Interest		841,486	2,811	2,811	2,584	10,178	1,171	9,007	769%	2,811
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,115,817)	(81,099)	(456,696)	(464,924)	(8,227)	2%	(1,115,817)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,886,718	41,019	41,019	(4,347)	47,821	17,091	(30,729)	-180%	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)	(95,531)	(15,804)	(30,280)	(39,805)	(9,525)	24%	(95,531)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(31,695)	(39,685)	(95,531)	(15,804)	(30,280)	(39,805)	(9,525)	24%	(95,531)
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	(54,512)	(20,151)	17,541	(22,713)			(54,512)
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	(50,407)		45,391	(18,608)			(26,662)

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

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

Description	Budget Year 2022/23									Overdue
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	15,035	4,149	3,707	3,749	2,362	2,228	10,613	58,147	99,990	84,955
Trade and Other Receivables from Exchange Transactions - Electricity	22,430	2,009	1,439	2,333	929	660	2,716	10,481	42,998	20,568
Receivables from Non-exchange Transactions - Property Rates	13,841	1,440	1,078	15,782	636	565	2,603	26,181	62,126	48,285
Receivables from Exchange Transactions - Waste Water Management	6,771	1,552	1,489	1,732	1,063	1,001	5,197	26,592	45,396	38,626
Receivables from Exchange Transactions - Waste Management	5,562	1,476	1,406	1,268	1,131	1,095	6,094	35,829	53,861	48,299
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	251	165	209	587	226	241	1,791	37,550	41,021	40,770
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	(23,771)	499	457	1,223	355	290	1,680	16,128	(3,139)	20,632
Total By Income Source	40,119	11,290	9,786	26,673	6,702	6,082	30,695	210,908	342,254	302,135
Debtors Age Analysis By Customer Group										
Organs of State	964	491	467	3,973	474	230	1,061	6,728	14,863	13,899
Commercial	8,757	683	435	724	280	247	988	5,156	19,530	10,773
Households	30,397	10,116	8,884	21,976	5,949	5,605	28,646	199,024	308,488	278,091
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	40,119	11,290	9,786	26,673	6,702	6,082	30,695	210,908	342,881	302,762

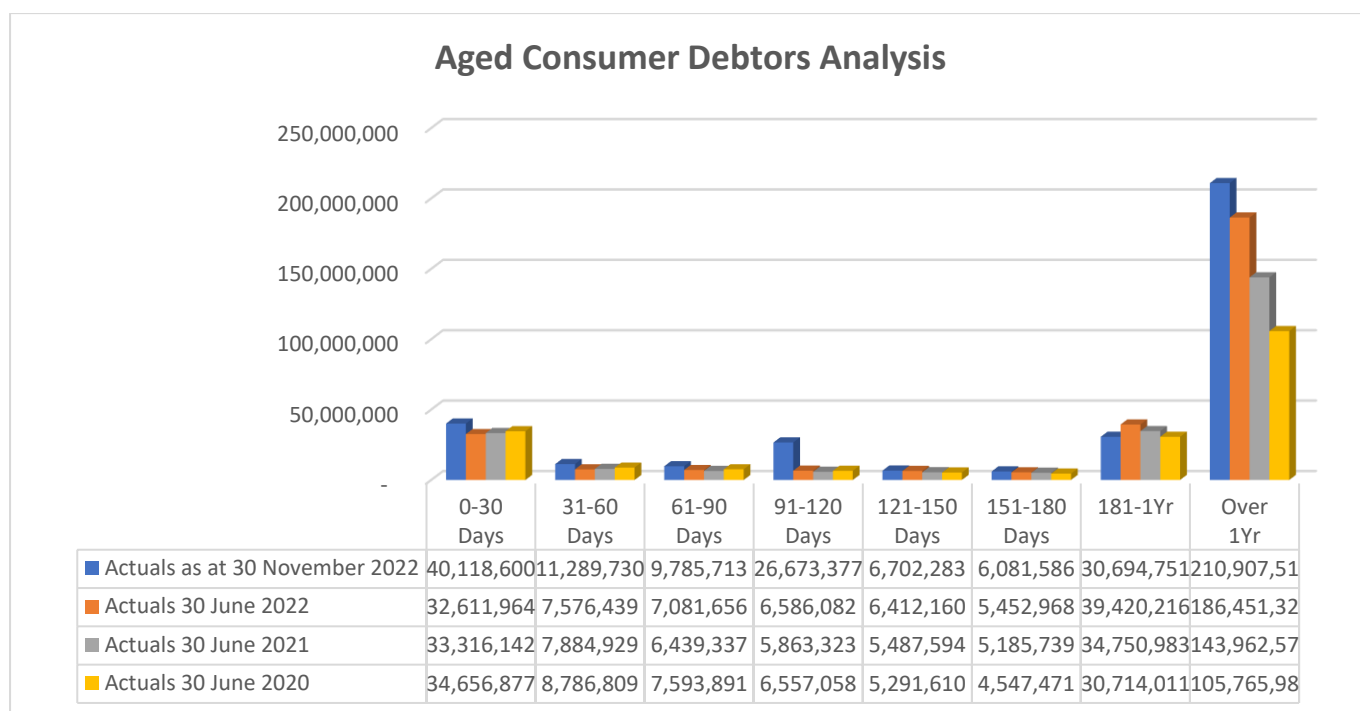
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2022.

Description	Budget Year 2021/22									Total
	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		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	23,866		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

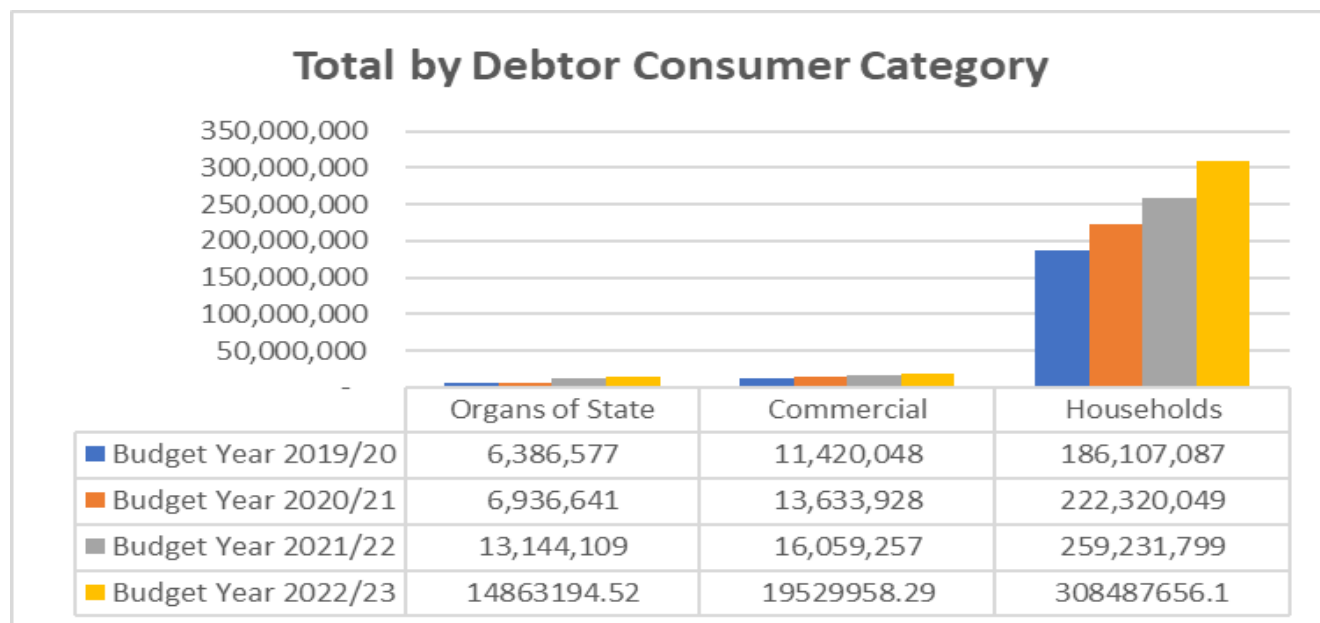
The aforementioned analysis indicates that from 31 July 2022 to 30 November 2022, the overdue debts have increased by R 43,781million from R 258,981 million to R302,762 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
	30-Jun-22	30-Nov-22	DIFFERENCE
Debtors Age Analysis By Income Source			
Trade and Other Receivables from Exchange Transactions - Water	73,938	84,955	11,017
Trade and Other Receivables from Exchange Transactions - Electricity	18,070	20,568	2,498
Receivables from Non-exchange Transactions - Property Rates	34,285	48,285	14,000
Receivables from Exchange Transactions - Waste Water Management	34,263	38,626	4,363
Receivables from Exchange Transactions - Waste Management	44,028	48,299	4,272
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-
Interest on Arrear Debtor Accounts	34,768	40,770	6,002
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-
Other	19,629	20,632	1,003
Total By Income Source	258,981	302,135	43,154
	-	-	
Debtors Age Analysis By Customer Group			
Organs of State	8,968	13,899	4,931
Commercial	7,482	10,773	3,290
Households	242,531	278,091	35,560
Other	-	-	-
Total By Customer Group	258,981	302,762	43,781

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								
	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
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity	24,390	-	-	-	-	-	-	-	24,390
Bulk Water	1,167	14	13	13	11	(60)	94	(1,697)	(445)
PAYE deductions	4,580								4,580
VAT (output less input)									-
Pensions / Retirement deductions	3,988								3,988
Loan repayments									-
Trade Creditors	6,484	647	-	-	-	279	266	1,268	8,944
Auditor General									-
Other									-
Total By Customer Type	40,610	661	13	13	11	218	360	(429)	41,458

The above amounts represent invoices still to be paid. The major creditors as at 30 November 2022 are as follows:

Eskom	R 24,390 million
NMBM	R (0,445 million)
Other Creditors	<u>R 17,512 million</u>
Total	<u>R 41,458 million</u>

It is to be noted that the Eskom amount of R 24,390 million, represents the current account for November 2022, which will be fully paid on 23 December 2022.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M05 November 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	–	7,050
Library grant	2,050	2,050	–	2,096	2,096	–	2,050
Economic Development, Environmental Affairs and Tourism (DEDEAT) grant	5,000	5,000	–	–	–	–	5,000
District Municipality:	2,888	2,888	–	1,479	1,479	–	2,888
Environmental health subsidy	2,888	2,888	–	1,479	1,479	–	2,888
Total Operating Transfers and Grants	177,920	177,920		70,349	70,349	–	177,920
Capital Transfers and Grants							
National Government:	34,096	34,096	–	20,464	20,464	–	34,096
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	–	20,464	20,464	–	34,096
District Municipality:		59,038	7,108	11,156	11,156	–	59,038
Fire Services Subsidy	1,638	1,638	993	993	993	–	1,638
Water Services Infrastructure Grant		57,400	6,116	10,163	10,163		57,400
Total Capital Transfers and Grants	35,734	93,134	7,108	31,620	31,620	–	93,134
TOTAL RECEIPTS OF TRANSFERS & GRANTS	213,654	271,054	7,108	101,969	101,969	–	271,054

Below is an analysis of the spending associated with the grants as at 30 November 2022:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M05 November 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	–	7,050
Library grant	2,050	2,050	–	2,096	2,096	–	2,050
Economic Development, Environmental Affairs and Tourism (DEDEAT) grant	5,000	5,000	–	–	–	–	5,000
District Municipality:	2,888	2,888	–	1,479	1,479	–	2,888
Environmental health subsidy	2,888	2,888	–	1,479	1,479	–	2,888
Total Operating Transfers and Grants	177,920	177,920		70,349	70,349	–	177,920
Capital Transfers and Grants							
National Government:	34,096	34,096	–	20,464	20,464	–	34,096
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	–	20,464	20,464	–	34,096
District Municipality:		59,038	7,108	11,156	11,156	–	59,038
Fire Services Subsidy	1,638	1,638	993	993	993	–	1,638
Water Services Infrastructure Grant		57,400	6,116	10,163	10,163		57,400
Total Capital Transfers and Grants	35,734	93,134	7,108	31,620	31,620	–	93,134
TOTAL RECEIPTS OF TRANSFERS & GRANTS	213,654	271,054	7,108	101,969	101,969	–	271,054

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 445,944
Unspent as at 30 November 2022:	R 1,274,056

The spending of the grant received amounted to 26% as at 30 November 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 30 November 2022:	R - 106,625

The spending of the grant received amounted to 136 % as at 30 November 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 15,656,392
Unspent as at 30 November 2022:	R 5,884,608

The spending of the grant amounted to 72,68% as at 30 November 2022, compared to the amount of the grant received.

Water Services Infrastructure Grant

The purpose of this grant is to provide specific capital finance for projects to accelerate backlog reduction in municipal infrastructure and provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection and groundwater development and support drought relief projects.

DORA Allocation:	R 57,400,000
Amount of Grant Received:	R 10,163,400
Expenditure to date:	R 10,163,400
Unspent as at 30 November 2022:	R 0,00

The spending of the grant amounted to 100 % as at 30 November 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 – M05 November 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	757	4,151	3,993	158	9,584
Medical Aid Contributions	–	–	–	13	88	–	88	–
Motor Vehicle Allowance	3,204	3,232	3,232	252	1,384	1,347	37	3,232
Cellphone Allowance	1,187	1,548	1,548	111	555	645	(90)	1,548
Sub Total - Councillors	13,395	14,364	14,364	1,133	6,178	5,985	193	14,364
Senior Managers of the Municipality								
Basic Salaries and Wages	6,126	7,282	7,282	684	2,324	3,034	(710)	7,282
Pension and UIF Contributions	70	111	111	5	25	46	(21)	111
Medical Aid Contributions	35	50	50	2	12	21	(8)	50
Performance Bonus	157	23	23	–	–	23	(23)	23
Motor Vehicle Allowance	796	1,965	1,965	41	225	819	(594)	1,965
Cellphone Allowance	10	10	10	1	4	4	–	10
Other benefits and allowances	1	4	4	0	0	2	(2)	4
Payments in lieu of leave	4,529	4,500	4,500	196	1,929	1,875	54	4,500
Sub Total - Senior Managers of Municipality	11,723	13,945	13,945	929	4,519	5,824	(1,305)	13,945
Other Municipal Staff								
Basic Salaries and Wages	200,324	252,252	251,287	17,718	87,194	104,699	(17,505)	251,287
Pension and UIF Contributions	32,144	34,906	34,906	2,771	13,751	14,544	(793)	34,906
Medical Aid Contributions	16,653	17,471	17,471	1,435	7,075	7,280	(205)	17,471
Overtime	24,991	28,219	28,371	2,104	10,271	11,821	(1,550)	28,371
Performance Bonus	21	23	23	23	23	23	(0)	23
Motor Vehicle Allowance	9,966	10,774	10,774	822	4,347	4,489	(142)	10,774
Cellphone Allowance	92	53	53	2	10	22	(12)	53
Housing Allowances	782	1,031	1,031	58	298	430	(132)	1,031
Other benefits and allowances	29,081	29,770	30,583	15,548	21,806	22,832	(1,026)	30,583
Payments in lieu of leave	975	1,600	1,600	12	190	667	(477)	1,600
Long service awards	953	1,275	1,275	96	524	531	(7)	1,275
Post-retirement benefit obligations	11,685	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	327,668	377,374	377,374	40,588	145,489	167,338	(21,849)	377,374
Total Parent Municipality	352,786	405,683	405,683	42,650	156,187	179,147	(22,960)	405,683
TOTAL SALARY, ALLOWANCES & BENEFITS	352,786	405,683	405,683	42,650	156,187	179,147	(22,960)	405,683
TOTAL MANAGERS AND STAFF	339,392	391,318	391,318	41,517	150,008	173,162	(23,154)	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 30 November 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	0.99:1
Liquidity Ratio	Monetary assets / current liabilities	0.84	0.61	0.45	0.24	0.04:1	0.38:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	97,62%	95.42%	94.41%	94.32%	95%	87.89%

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 30 November 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	0.45 Months
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	32.53%	34.26%	33.86%	33.62%	34.37%
Capital Expenditure	Capital Expenditure / Capital Budget	44.59%	75.33%	76.92%	87%	95%	27.79%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	5.63%	6.68%	7.00%	5.32%	2.50%	3.26%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.29%	2.90%	3.33%	2.52%	2.50%	0.69 %
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%	85.40%

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 30 November 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:

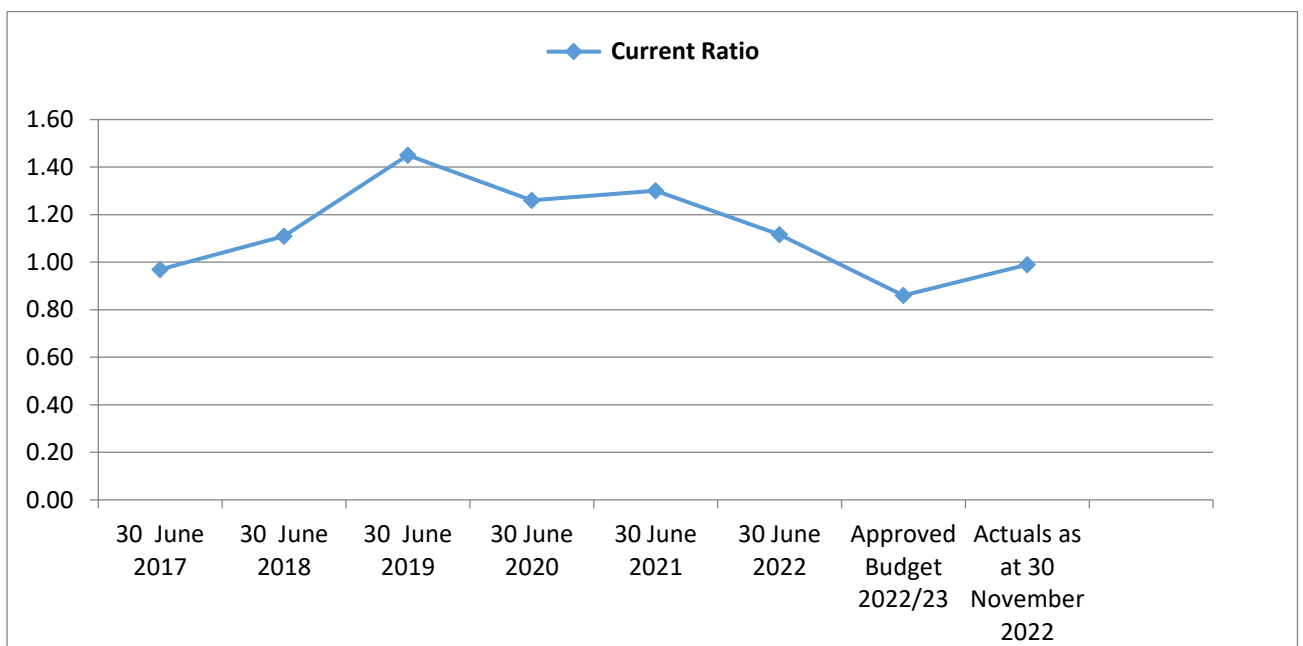
Current assets/Current liabilities

The ratio as at 30 November 2022 was 1.01:1, 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 1.5:1 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

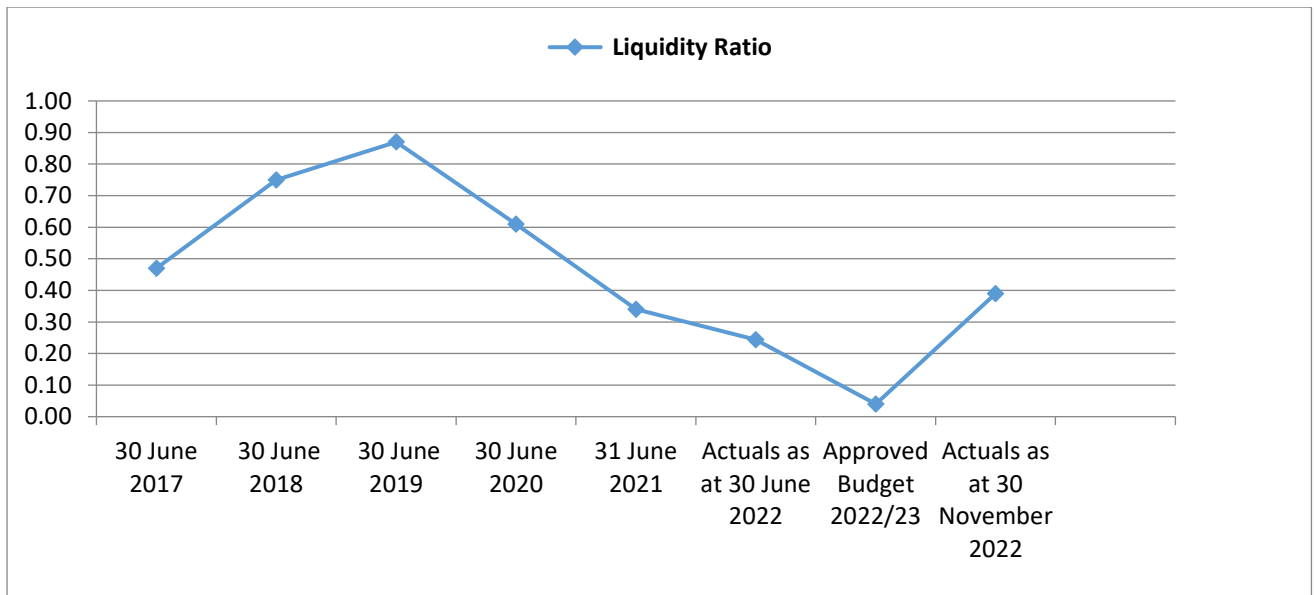
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 30 November 2022 was 0.38:1, 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. 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.



4.3. Revenue Management

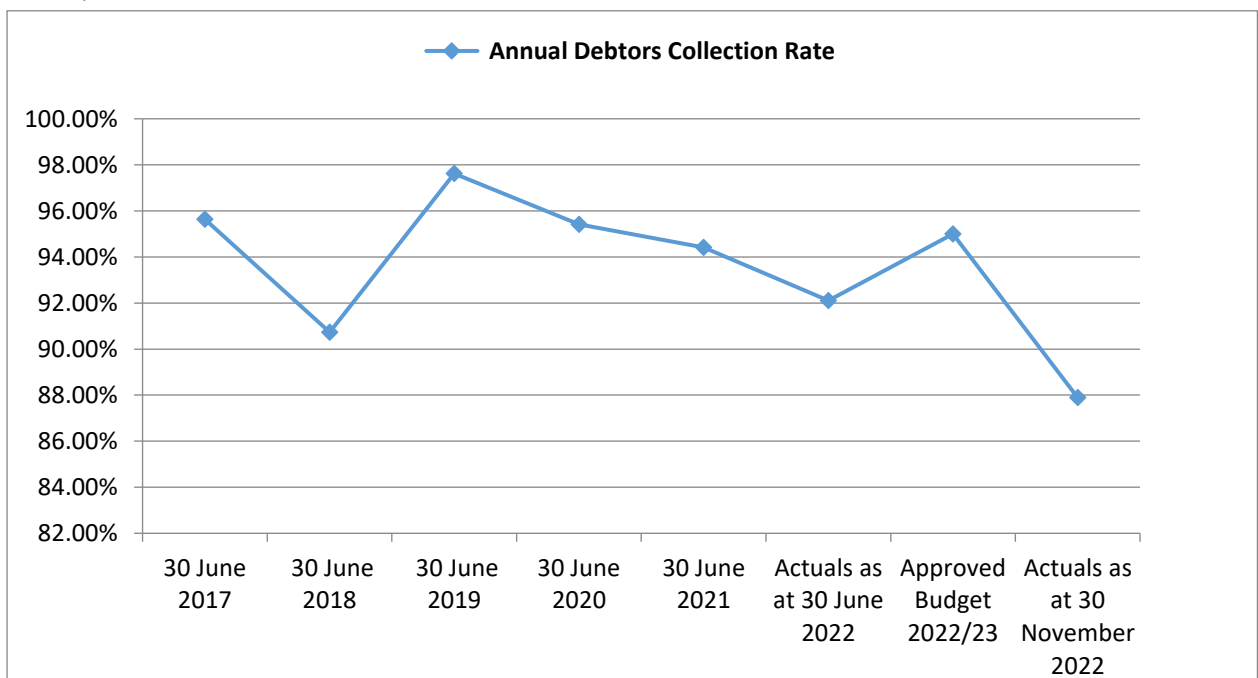
4.3.1. Annual Debtors Collection Rate

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:

$$\frac{\text{Gross Debtors Opening Balance} + \text{Billed Revenue} - \text{Gross Debtors Closing Balance} - \text{Bad Debts Written Off}}{\text{Billed Revenue}} \times 100$$

The average collection rate as at 30 November 2022 was 87.89%, compared to the approved budget collection rate of 95%. The actual collection rate for November is 93.84%.



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.

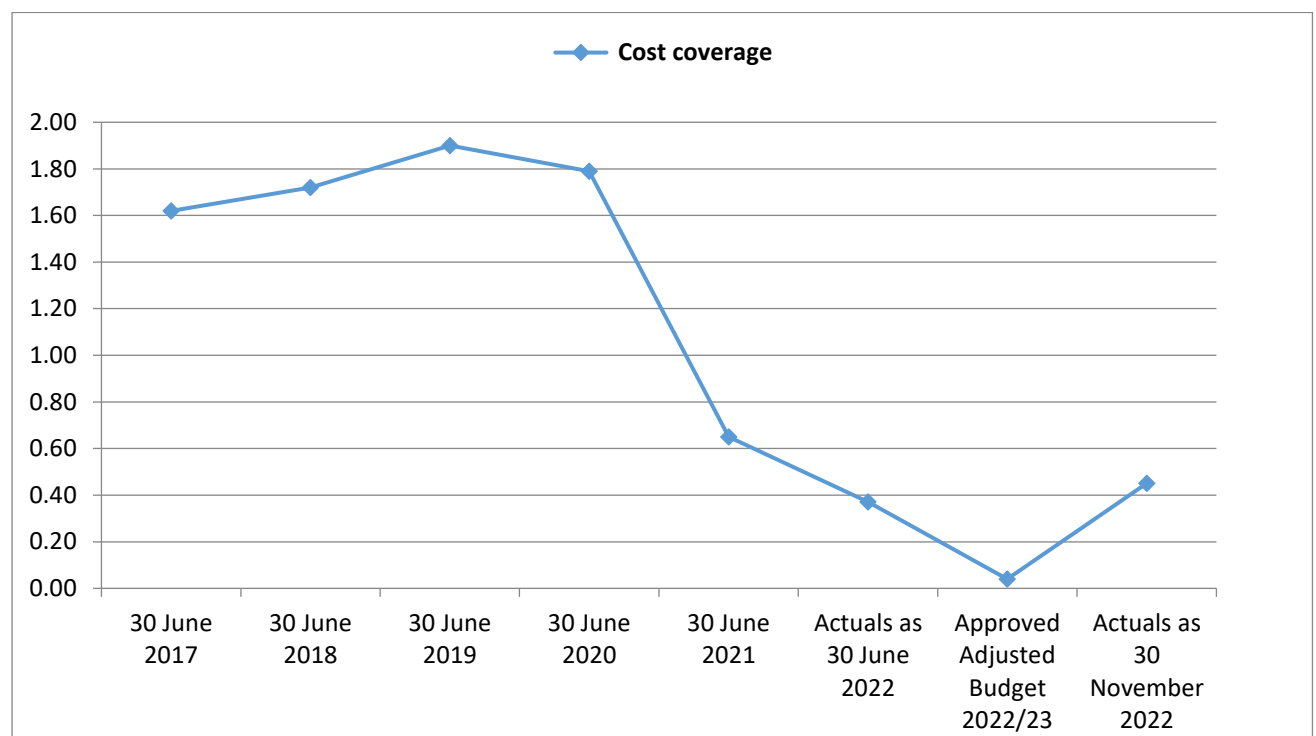
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 30 November 2022, the Ratio was 0.45 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.



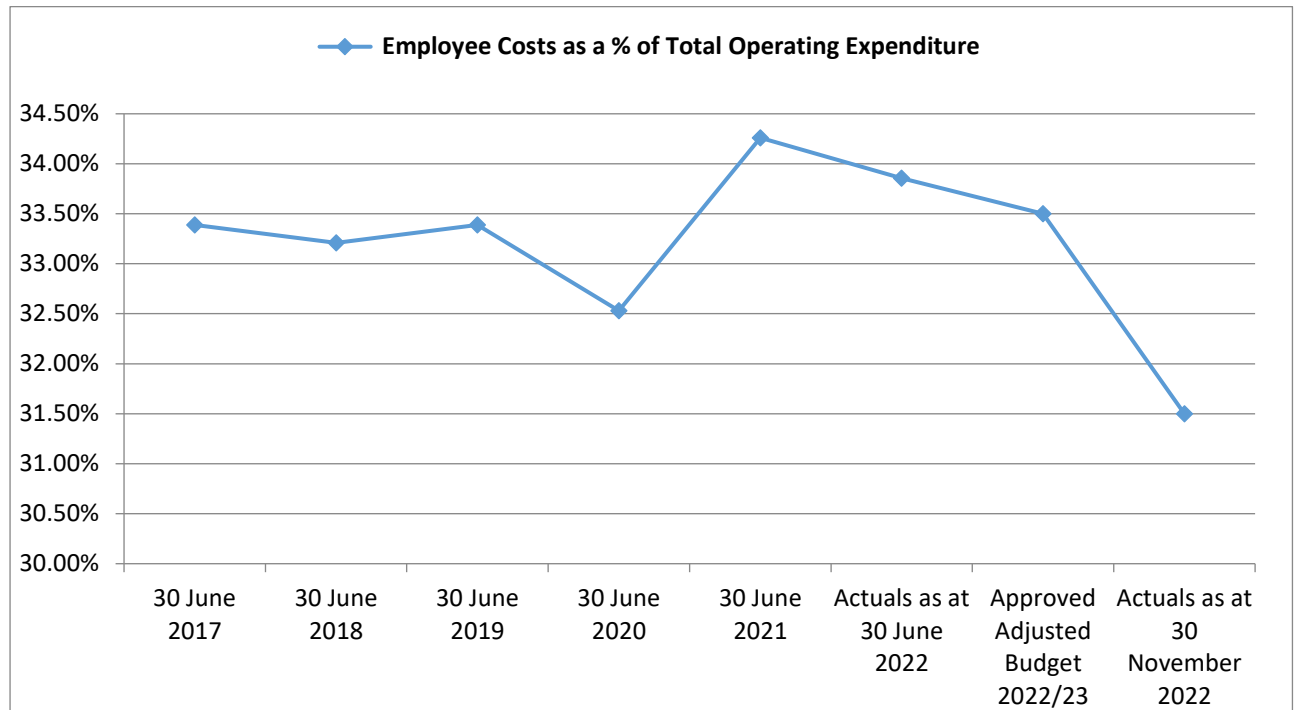
4.4.2. Employee costs as a % of Total Operating Expenditure

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 30 November 2022, Employee Related Costs constituted 34.37% of the Total Operating Expenditure compared to the approved adjusted budget ratio 33.50%.



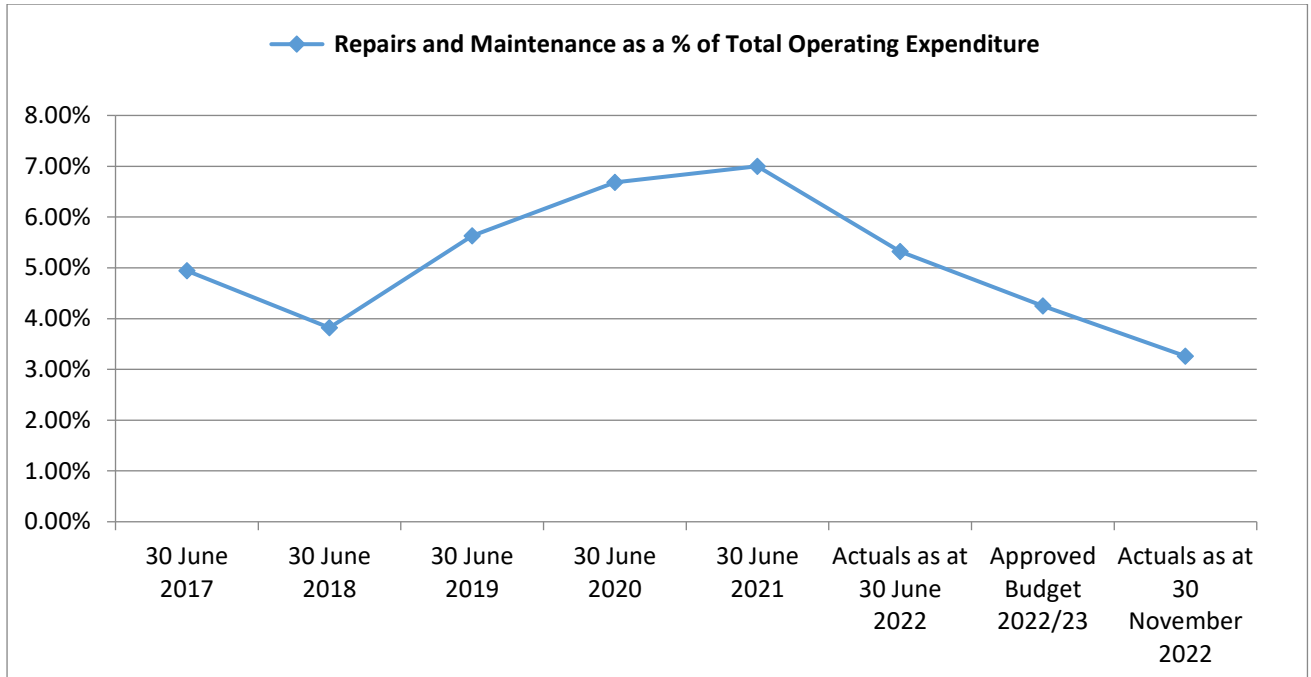
4.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 30 November 2022, the ratio was 3.26%, 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)

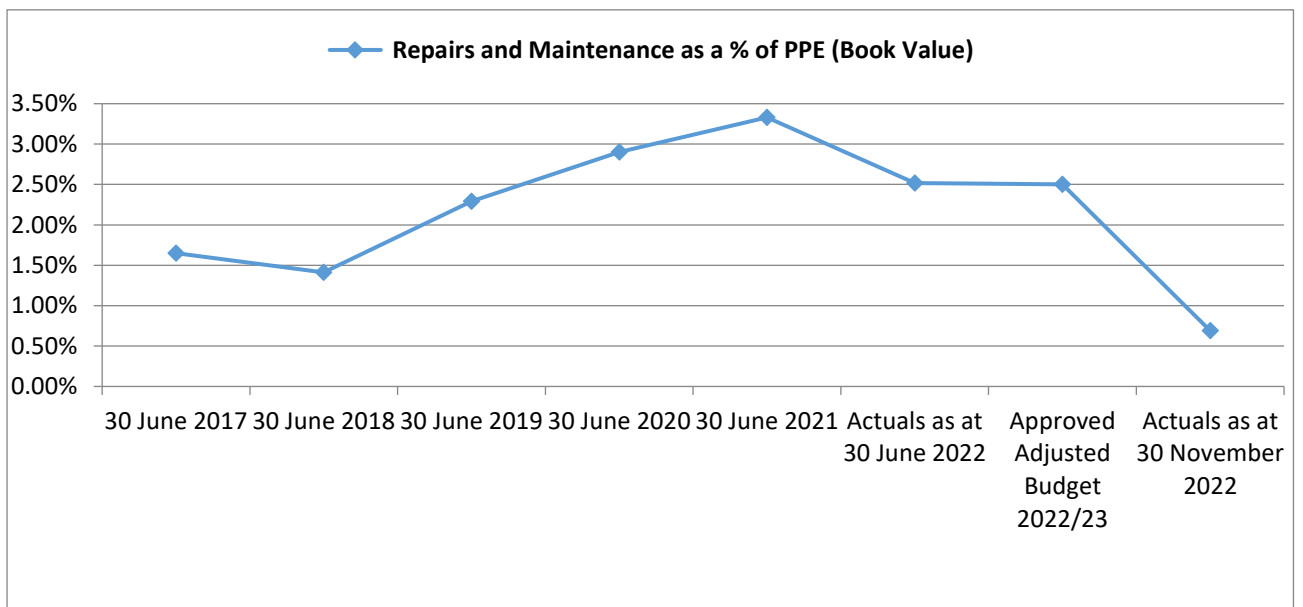
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

$$\text{Repairs and maintenance expenditure to date} / \text{Book value of PPE to date}$$

As at 30 November 2022, repairs and maintenance expenditure constituted 0.69% 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%.



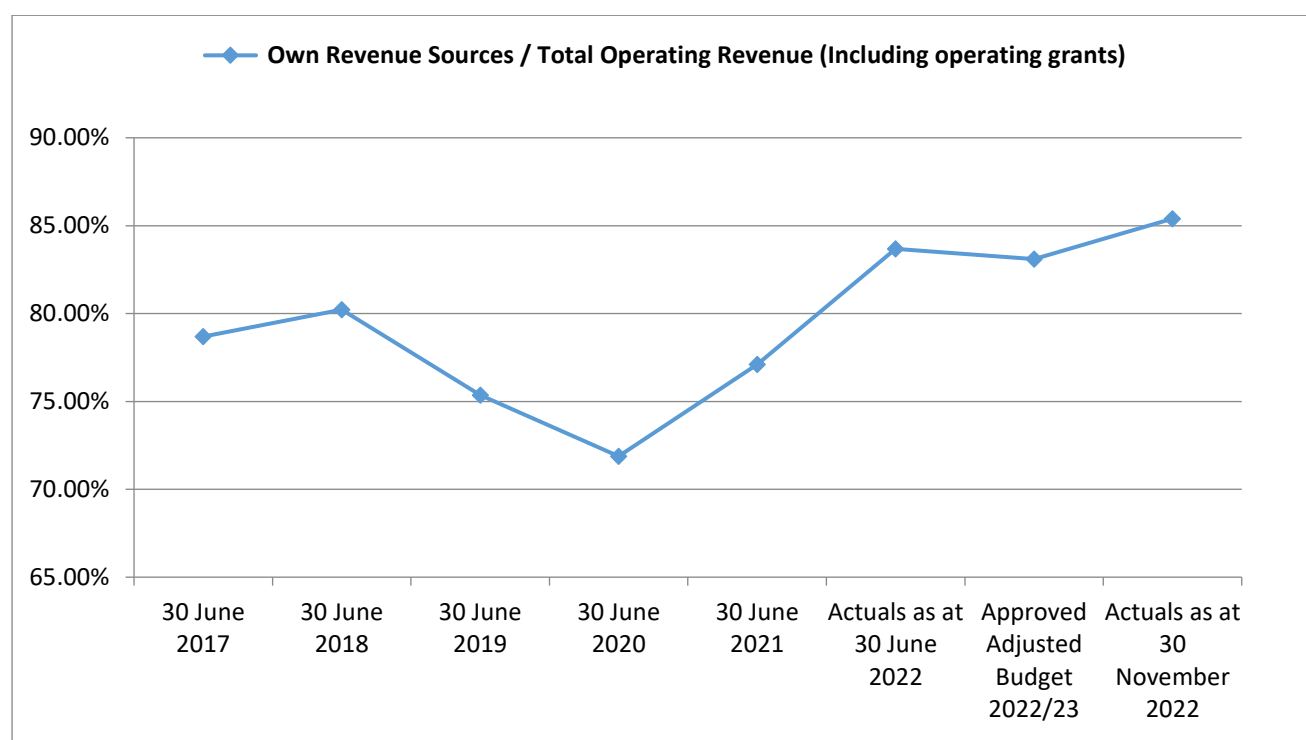
Own Revenue Generation

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 30 November 2022, the Municipality's own revenue sources constituted 85.40% 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 30 November 2022 amounted to 27,79% compared to the approved adjusted budget ratio of 95%.

