

KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 31 JANUARY 2023

ITEM NO: 23/01/F2

.....
**MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2022 TO DECEMBER 2022 AND
FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 DECEMBER 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 December 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 597,034 million, whilst operating expenditure amounted to R 506,225 million, resulting in an operating surplus of R 90,808 million
- Capital expenditure constituted 29.67% of the 2022/23 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 48,227 million (18.62%) since June 2022.

- An amount of R 33,290 million is owing to creditors, of which R 33,018 million (99.18%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 73,475,098 (263.82%) since July 2022, from R 27,850,138 to R 101,325,236.

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

31 DECEMBER 2022						
	Balance as at 30 June 2022	Invested	Interest	Withdrawn	Charges	Balance as at 31 December 2022
Standard Bank	1,246,965	-	36,651	-		1,283,617
ABSA	1,223,022	-	30,575	-	540	1,253,057
Nedbank	1,225,308	-	36,409	-		1,261,717
RMB	4,883,568	67,730,671	881,291	40,686,893		32,808,638
INVESTEC	1,223,964	-	36,369	-		1,260,333
Total	9,802,828	67,730,671	1,021,295	40,686,893	540	37,867,361
INVESTMENT	Balance as at 30 June 2022	Invested	Interest	Withdrawn	Charges	Balance as at 31 December 2022
General Account	9,753,276	30,523,816	706,714	30,022,856	540	10,960,410
Conditional Grants	49,551	37,206,856	314,581	10,664,037	-	26,906,951
Housing Funds	0	-	-	-	-	0
Total	9,802,828	67,730,671	1,021,295	40,686,893	540	37,867,361
	Balance as at 30 June 2022	Invested	Interest	Withdrawn	Charges	Balance as at 31 December 2022
Bank 1	4,850,118	7,174,288				12,024,406
Bank 2	13,197,193	37,797,303				50,994,496
Bank 3	-	1,202				1,202
Bank 4		437,771				437,771
TOTAL	18,047,311	45,410,564	-	-	-	63,457,875
Total	27,850,138	113,141,235	1,021,295	40,686,893	540	101,325,236

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

Cash backed Reserves.

Bank Balances and Cash	<u>R 63,457,875</u>
Short-term Investment Deposits	<u>R 37,867,361</u>
	<u>R101,325,236</u>

Application of Cash

Unspent Conditional Grants	20,563,267
Operational Commitments	11,106,928
Internally Generated Funds (Capital commitments)	8,201,856
Outstanding Creditors Liability	<u>33,289,944</u>
	<u>73,161,995</u>

Cash backed reserves exceed commitments **28,163,241**

The cash backed reserves exceed commitments at this stage by an amount of R 28,163,241. It should be noted the excess of reserves over commitments as at 31 December 2022, is mainly due to an amount of R 53,886 million in respect of the equitable share allocation received on 14 December 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 December 2021	Approved Adjusted Budget 2022/23	Actuals as at 31 December 2022
Current Ratio	2.61:1	1.12:1	1.5:1 to 2:1	1.92:1	0.86:1	1.55:1
Liquidity Ratio	0.45:1	0.24:1		1.09:1	0.04:1	0.81:1
Cost Coverage (Excluding unspent conditional grants)	0.62 Months	0:37 Months	1 Month to 3 Months	1.25 Months	0.06 Months	1.06 Months
Debtors Collection Rate	94.41%	94.32%	95%	91.51%	95%	86.15%
Capital Expenditure	76.92%	87.00%		33.0%	95%	29.67%

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 December 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.....16 January 2023.....

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO DECEMBER 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	146,397	597,034	611,157	(14,123)
Total Expenditure	1,163,909	1,168,175	69,834	506,225	644,018	(137,792)
Surplus/(Deficit)	(110,948)	(115,214)	76,563	90,808	(32,681)	123,669

The statement of financial performance reflects an operating surplus of R 90,808 million.

Revenue

Main revenue sources for 2022/23

Description	Budget Year 2022/23		
	Adjusted Budget	YearTD actual	%
R thousands			
Revenue By Source			
Property rates	240,849	160,741	66.74%
Service charges - electricity revenue	371,804	182,700	49.14%
Service charges - water revenue	89,362	41,726	46.69%
Service charges - sanitation revenue	62,796	29,794	47.45%
Service charges - refuse revenue	62,858	31,782	50.56%
Rental of facilities and equipment	2,968	1,215	40.93%
Interest earned - external investments	2,811	1,523	54.19%
Interest earned - outstanding debtors	13,706	11,081	80.85%
Fines, penalties and forfeits	1,842	4,525	245.64%
Licences and permits	8,397	5,675	67.59%
Agency services	5,352	672	12.55%
Transfers and subsidies	177,920	120,293	67.61%
Other revenue	12,298	5,306	43.14%
Total Revenue (excluding capital transfers and contributions)	1,052,961	597,034	56.70%

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

- **Property Rates**

As at 31 December 2022, the municipality has recognised 66.74% 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 307,208 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.

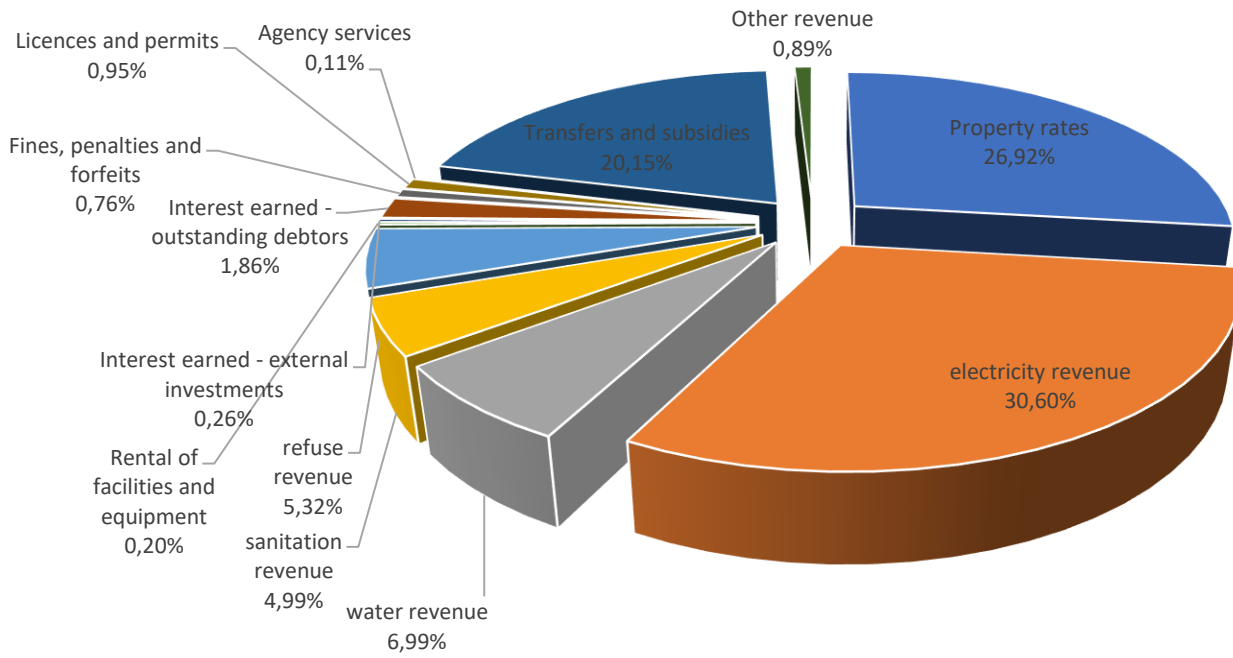
- **Agency Services**

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 14 December 2022 amounting to R 53,886 million.

Revenue By Source



Expenditure

Main expenditure types for 2022/23

Description	Budget Year 2022/23		
	Adjusted Budget	YearTD actual	%
R thousands			
Expenditure By Type			
Employee related costs	391,318	177,293	45.31%
Remuneration of councillors	14,364	7,311	50.90%
Debt impairment	42,069	5,463	12.99%
Depreciation & asset impairment	103,850	43,206	41.60%
Finance charges	-	1,128	
Bulk purchases - electricity	325,900	157,351	48.28%
Inventory consumed	72,434	47,269	65.26%
Contracted services	97,846	30,966	31.65%
Transfers and subsidies	725	-	0.00%
Other expenditure	119,668	36,239	30.28%
Total Expenditure	1,168,175	506,225	43.33%

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	157 351 260	48,28%
	325 900 000	157 351 260	48,28%

- **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 is 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:

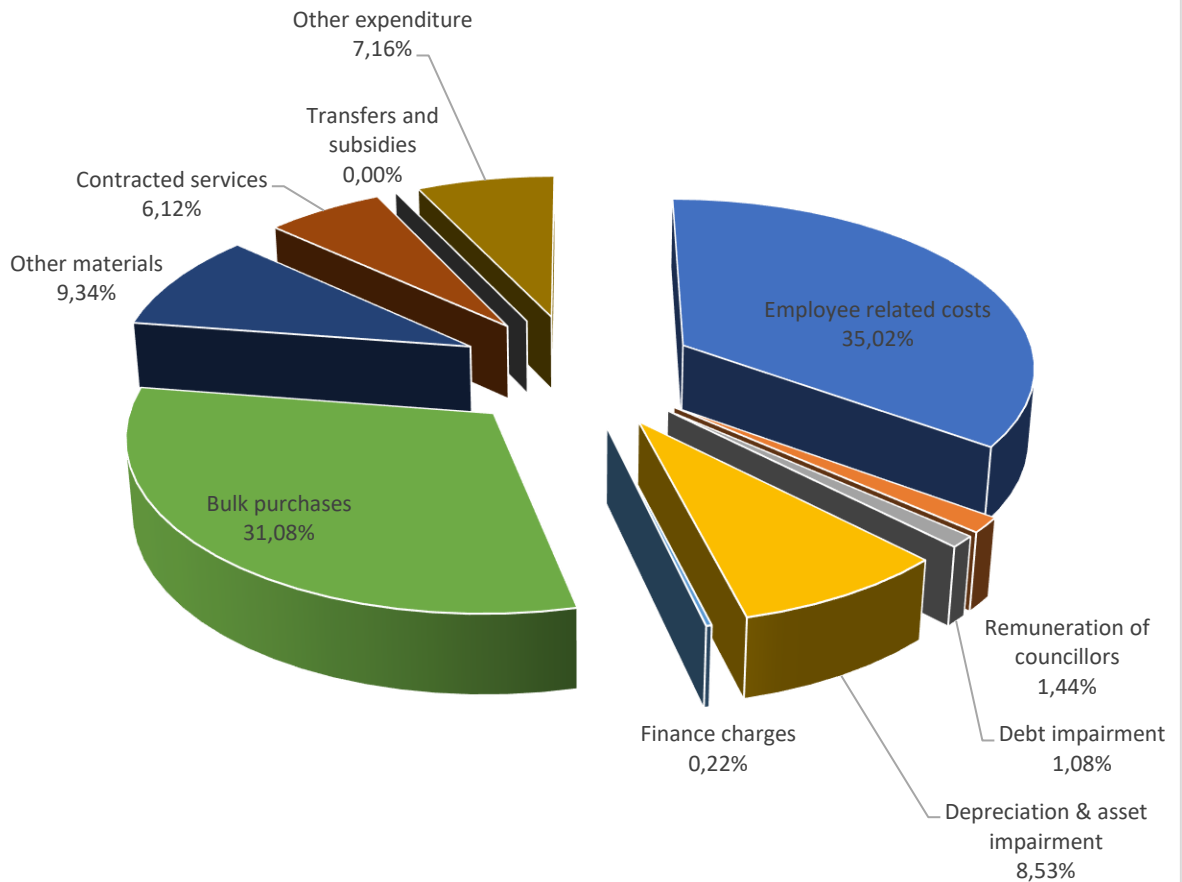
Item Description	Adjusted Budget 2022/23	Actuals as at 31 December 2022	%
Amanzi Challenge National Tournament	300,000	-	0.00%
Animal Care	475,000	170,000	35.79%
Audit of Municipal Land & Properties	500,000	-	0.00%
Boreholes Investigation - Thornhill	1,205,000	23,547	1.95%
Burial Services	230,000	1,050	0.46%
Calamari Festival	200,000	200,000	100.00%
Catering Services	564,240	272,179	48.24%
Clearing and Grass Cutting Services	1,550,000	1,040,303	67.12%
Concours Sur Mesure	250,000	250,000	100.00%
Consultants and Professional Services	6,375,932	1,419,291	22.26%
Destination Marketing and Promotion	150,000	7,049	4.70%
Drivers Licence Cards	500,000	270,891	54.18%
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	300,000	100.00%
Kouga Tourism Indaba	150,000	39,929	26.62%
Laboratory Services:Water	1,880,000	1,190,563	63.33%
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	1,920,259	35.56%
Legal Cost:Collection	700,000	120,158	17.17%
Litter Picking and Street Cleaning	800,000	118,750	14.84%
Maintenance of Buildings and Facilities	6,425,000	3,030,549	47.17%
Maintenance of Electrical Infrastructure	2,650,000	1,611,570	60.81%
Maintenance of Equipment	1,006,100	69,692	6.93%
Maintenance of Sanitation Infrastructure	1,200,256	735,167	61.25%
Maintenance of Vehicles	7,744,584	3,153,608	40.72%
Maintenance of Water Infrastructure	1,291,830	381,899	29.56%
Media Monitoring	250,000	-	0.00%
Occupational Health and Safety	1,267,850	416,190	32.83%
Other Contracted Services	950,000	492,895	51.88%
Payroll Data Cleansing	1,100,000	-	0.00%
PGA Championship Sponsorship	500,000	500,000	100.00%
Personnel and Labour	13,669,616	3,815,318	27.91%
Qualification Verification	500,000	443,755	88.75%
Roads Maintenance	10,440,673	163,366	1.56%
SA Longboard Championship	300,000	300,000	100.00%
Security Services	3,101,600	2,226,240	71.78%
Special Rating Area	9,270,034	4,415,226	47.63%
Summer Festival	630,000	500,000	79.37%
Township Events	200,000	150,000	75.00%
Transport Services	360,000	105,614	29.34%
Valuer	3,000,000	331,957	11.07%
Winterfest	1,500,000	-	0.00%
Yellow Wood Annual Jazz Festival	500,000	-	0.00%
Total	97,846,193	30,965,673	31.65%

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2022/23	Actuals as at 31 Decemember 2022	%
Achievements and Awards	2,047,000	910,966	44.50%
Advertising, Publicity and Marketing	2,156,000	1,351,621	62.69%
Bank Charges	750,000	- 255,447	-34.06%
Bargaining Council	2,300,000	-	0.00%
Cellular Contract (Subscription and Calls)	2,903,907	1,234,949	42.53%
Claims paid to Third Parties	300,000	64,798	21.60%
External Audit Fees	4,500,000	2,713,549	60.30%
External Computer Service:Internet Charge	3,500,000	2,135,939	61.03%
Hire Charges	6,542,500	3,012,796	46.05%
Insurance Claims	1,200,000	595,117	49.59%
Insurance Underwriting:Premiums	3,745,026	3,578,177	95.54%
Leases:Furniture and Office Equipment	2,971,216	1,419,009	47.76%
Leases:Other Assets	3,963,740	2,202,819	55.57%
Leases:Transport Assets	15,044,210	-	0.00%
Motor Vehicle Licence and Registrations	1,605,030	504,985	31.46%
Municipal Services	32,187,728	78,785	0.24%
Other	770,000	96,512	12.53%
Postage/Stamps/Frinking Machines	1,349,000	1,068,445	79.20%
Printing, Publications and Books	948,725	439,814	46.36%
Registration Fees:Professional and Regulatory Bodies	241,225	27,746	11.50%
Registration Fees:Seminars, Conferences, Workshops	2,475,117	865,172	34.95%
Remuneration to Ward Committees	2,241,923	1,906,848	85.05%
Riparian Levies	3,280,241	3,044,682	92.82%
Signage	635,518	158,187	24.89%
Skills Development Fund Levy	3,398,919	1,786,123	52.55%
Software Licences	3,548,300	1,101,532	31.04%
Storage of Files (Archiving)	500,000	15,748	3.15%
Supplier Development Programme	100,000	24,300	24.30%
Third Party Vendors	5,500,000	1,881,806	34.21%
Travel and Subsistence	2,831,599	1,096,283	38.72%
Uniform and Protective Clothing	3,602,459	1,684,003	46.75%
Vehicle Tracking	754,565	447,652	59.33%
Workmen"s Compensation Fund	1,774,003	1,045,711	58.95%
Total	119,667,951	36,238,626	30.28%

Expenditure By Type



Repairs and Maintenance

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

Item Description	Budget Year 2022/23		
	Adjusted Budget	Actuals as at 31 December 2022	%
Maintenance of Equipment	1,361,100	363,699	26.72%
Maintenance of Vehicles	9,114,159	4,042,863	44.36%
Maintenance of Buildings and Facilities	5,013,960	2,707,790	54.01%
Maintenance of Water Infrastructure	5,175,157	2,813,288	54.36%
Roads Maintenance	11,704,448	918,475	7.85%
Sport and Recreation Facilities	1,750,000	907,113	51.84%
Maintenance of Electrical Infrastructure	7,700,000	4,351,656	56.52%
Maintenance of Sanitation Infrastructure	2,665,256	1,162,354	43.61%
Hire Charges	1,833,400	489,852	26.72%
Total	46,317,480	17,757,088	38.34%

It is to be noted that actual repairs and maintenance expenditure constituted 38,34% 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	79,562	1,765	22,216	40,470	(18,255)	-45%	79,562
Provincial Government	-	-	-	-	-	-		-
District Municipality	1,638	1,638	-	-	1,638	(1,638)		1,638
Other transfers and grants	-	-	-	-	-	-		-
Transfers recognised - capital	31,287	81,200	1,765	22,216	42,108	(19,893)	-47%	81,200
Public contributions & donations	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-		-
Internally generated funds	8,398	14,331	32	6,129	7,675	(1,546)	-20%	14,331
Total Capital Funding	39,685	95,531	1,797	28,345	49,784	(21,439)	-43%	95,531

Summary Capital Expenditure and Funding

The capital expenditure as at 31 December 2022, constituted 29.67% of approved capital budget and the funding is broken down as follows:

- Grant funding is 27.36% of approved adjusted grant funding budget.
- Internally generated funds are 42.77% 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	-	888	51.33%
Vote 3 - CORPORATE SERVICES	-	-	-	-	
Vote 4 - COMMUNITY SERVICES	1,638	2,180	83	102	4.69%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	35,567	90,412	1,714	26,977	29.84%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	-	336	-	364	108.14%
Total Capital Multi-year expenditure	39,685	95,531	1,797	28,345	29.67%

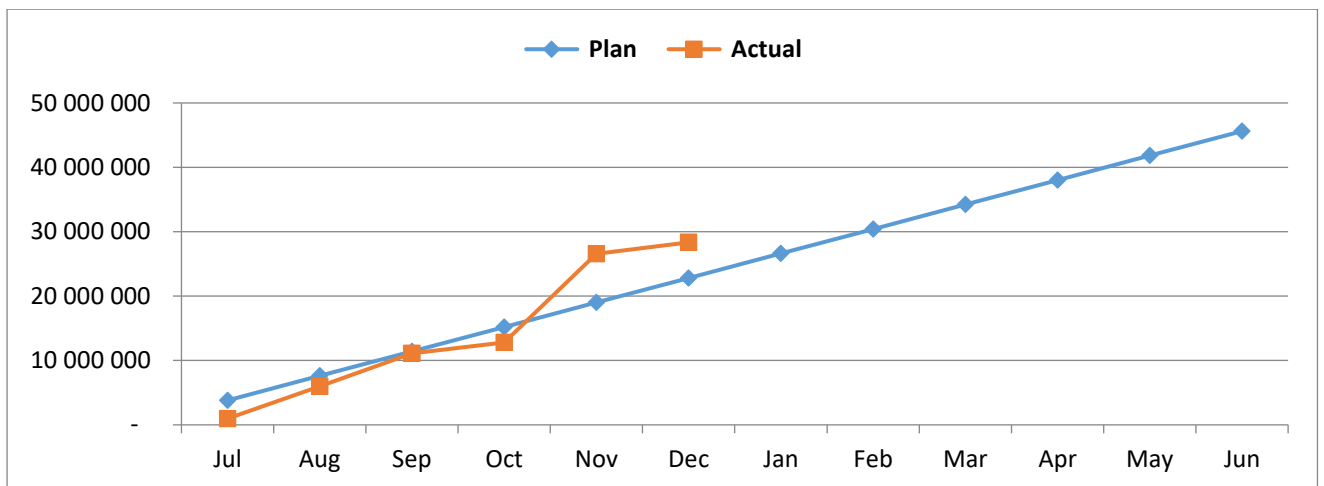
The capital expenditure as at 31 December 2022, constituted 29.67% of approved adjusted capital budget.

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 4.69% of R 2,180 million budget.
- Infrastructure & Engineering is 29.84% of R 90,412 million budget.
- Planning Development and Tourism is 108.14% of R0,336 million budget.

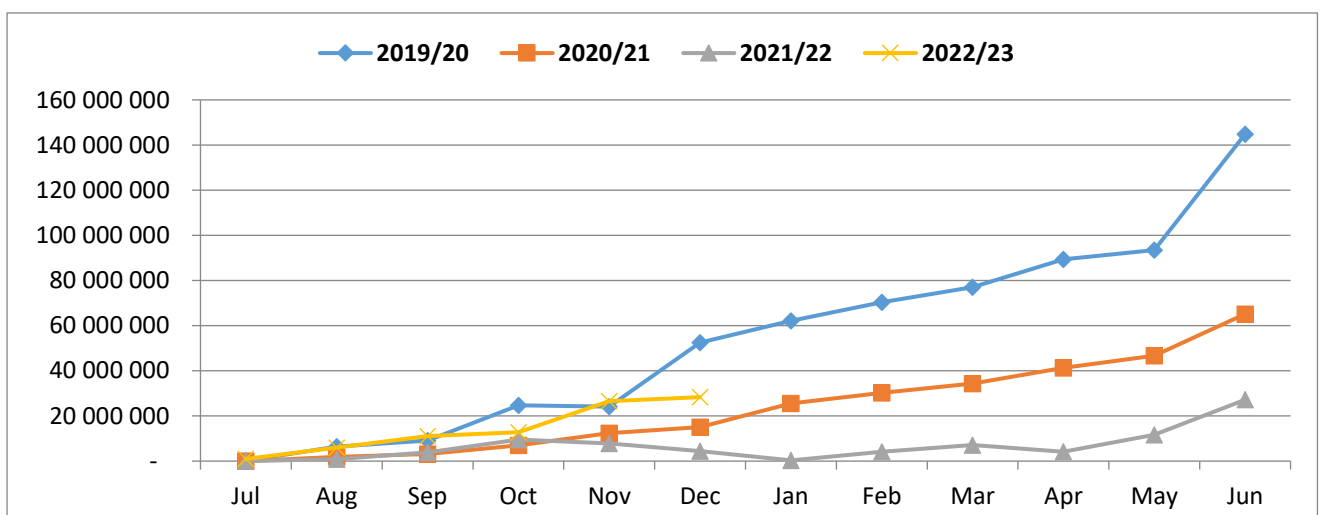
Monthly capital expenditure

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 31 December 2022.

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2022/23	Actuals as at 31 December 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 - Quadbike		95,598	82,698
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Computer Equipment		387,811	-
					2,179,679	102,319
EXECUTIVE & COUNCIL	WARD COUNCILLORS	Internal	Ward councillors 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	170,091
INFRASTRUCTURE & ENGINEERING	Sewerage	MIG	Upgrade Sanitation System Old Hankey	PC_012	15,308,229	5,247,725
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	9,819,118	9,637,432
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	MIG	Upgrading of Sports Facilities	CP_74	4,521,739	17,556
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	3,040,728
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	METERING & REVENUE	Internal	High Mast Lights		-	254,801
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	JEFFREYS BAY: NEW OXIDATION WATER TREATMENT PLANT		6,434,783	4,786,200
					90,412,234	26,976,863
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	28,344,891

PROJECTED CASH FLOW STATEMENT FOR THE 2022/23 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 December 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 – M06 December 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	16,676	141,965	115,224	26,740	23%	230,449
Service charges		238,396	652,478	652,478	39,152	262,769	326,239	(63,470)	-19%	652,478
Other revenue		22,231	57,445	57,445	19,537	63,046	28,722	34,324	120%	57,445
Transfers and Subsidies - Operational		147,988	177,920	177,920	54,861	125,164	88,960	36,205	41%	177,920
Transfers and Subsidies - Capital		-	35,734	35,734	14,305	45,925	17,867	28,057	157%	35,734
Interest		841,486	2,811	2,811	2,619	12,797	1,405	11,392	811%	2,811
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,115,817)	(89,149)	(545,846)	(557,909)	(12,063)	2%	(1,115,817)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,886,718	41,019	41,019	58,000	105,821	20,510	(85,311)	-416%	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		(80,871)	(39,685)	(95,531)	(2,066)	(32,346)	(47,766)	(15,420)	32%	(95,531)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(80,871)	(39,685)	(95,531)	(2,066)	(32,346)	(47,766)	(15,420)	32%	(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		1,829,520	1,334	(54,512)	55,934	73,475	(27,256)			(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:		1,882,915	5,439	(50,407)		101,325	(23,151)			(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 December 2022 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M06 December 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	15,899	160,741	155,188	5,553	4%	240,849
Service charges	521,775	586,820	586,820	70,012	286,003	293,410	(7,407)	-3%	586,820
Investment revenue	3,225	2,811	2,811	255	1,523	1,844	(321)	-17%	2,811
Transfers and subsidies	153,880	177,920	177,920	54,494	120,293	134,738	(14,444)	-11%	177,920
Other own revenue	57,634	44,562	44,562	5,737	28,473	25,977	2,495	10%	44,562
Total Revenue (excluding capital transfers and contributions)	960,840	1,052,961	1,052,961	146,397	597,034	611,157	(14,123)	-2%	1,052,961
Employee costs	339,392	391,318	391,318	27,285	177,293	204,306	(27,012)	-13%	391,318
Remuneration of Councillors	13,395	14,364	14,364	1,133	7,311	7,182	129	2%	14,364
Depreciation & asset impairment	100,148	103,850	103,850	(65)	43,206	103,688	(60,483)	-58%	103,850
Finance charges	4,662	-	-	320	1,128	-	1,128	#DIV/0!	-
Materials and bulk purchases	388,268	400,548	398,334	26,395	204,620	200,882	3,738	2%	398,334
Transfers and subsidies	458	400	725	-	-	562	(562)	-100%	725
Other expenditure	239,115	253,428	259,583	14,767	72,667	127,397	(54,730)	-43%	259,583
Total Expenditure	1,085,438	1,163,909	1,168,175	69,834	506,225	644,018	(137,792)	-21%	1,168,175
Surplus/(Deficit)	(124,597)	(110,948)	(115,214)	76,563	90,808	(32,861)	123,669	-376%	(115,214)
Transfers and subsidies - capital (monetary allocations)	60,630	35,734	93,134	3,530	27,476	47,491	(20,014)	-42%	93,134
Contributions & Contributed assets	20	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(63,947)	(75,214)	(22,079)	80,093	118,285	14,630	103,655	709%	(22,079)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(63,947)	(75,214)	(22,079)	80,093	118,285	14,630	103,655	709%	(22,079)
Capital expenditure & funds sources									
Capital expenditure	159,493	39,685	95,531	1,797	28,345	49,784	(21,439)	-43%	95,531
Capital transfers recognised	100,736	31,287	81,200	1,765	22,216	42,108	(19,893)	-47%	81,200
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	58,686	8,398	14,331	32	6,129	7,675	(1,546)	-20%	14,331
Total sources of capital funds	159,422	39,685	95,531	1,797	28,345	49,784	(21,439)	-43%	95,531
Financial position									
Total current assets	236,285	132,996	132,996	-	193,151	-	-	-	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	-	124,419	-	-	-	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	2,162,631	2,162,631	2,162,631	2,162,631	2,162,631	2,040,704
Cash flows									
Net cash from (used) operating	1,886,718	41,019	41,019	58,000	105,821	20,510	(85,311)	-416%	41,019
Net cash from (used) investing	(80,871)	(39,685)	(95,531)	(2,066)	(32,346)	(47,766)	(15,420)	32%	(95,531)
Net cash from (used) financing	23,673	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	1,882,915	5,439	(50,407)	-	101,325	(23,151)	(124,476)	538%	(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	40,119	11,290	9,786	26,673	6,702	6,082	30,695	210,908	342,254
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) – M06 December 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		343,844	361,880	361,880	72,598	288,892	232,975	55,917	24%	361,880
Executive and council		509	342	342	35	230	224	5	2%	342
Finance and administration		343,335	361,539	361,539	72,563	288,662	232,750	55,912	24%	361,539
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		15,171	16,365	16,365	1,813	6,240	10,685	(4,445)	-42%	16,365
Community and social services		2,469	2,508	2,508	17	195	2,351	(2,156)	-92%	2,508
Sport and recreation		7,082	9,017	9,017	714	4,188	5,914	(1,727)	-29%	9,017
Public safety		1,654	1,652	1,652	993	998	780	218	28%	1,652
Housing		987	-	-	-	-	-	-	-	-
Health		2,979	3,187	3,187	88	861	1,640	(780)	-48%	3,187
Economic and environmental services		16,268	38,750	38,750	1,212	7,854	22,171	(14,317)	-65%	38,750
Planning and development		7,525	6,754	6,754	478	4,010	4,201	(191)	-5%	6,754
Road transport		7,341	6,527	6,527	657	3,078	3,499	(420)	-12%	6,527
Environmental protection		1,402	25,469	25,469	77	766	14,471	(13,705)	-95%	25,469
Trading services		646,208	671,701	729,101	74,305	321,523	392,816	(71,293)	-18%	729,101
Energy sources		342,583	379,734	379,734	52,404	183,515	193,255	(9,739)	-5%	379,734
Water management		119,239	114,284	171,684	9,368	54,824	95,856	(41,032)	-43%	171,684
Waste water management		106,057	109,397	109,397	6,976	48,620	60,820	(12,200)	-20%	109,397
Waste management		78,329	68,285	68,285	5,557	34,563	42,885	(8,322)	-19%	68,285
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,021,491	1,088,696	1,146,096	149,928	624,510	658,647	(34,137)	-5%	1,146,096
Expenditure - Functional										
Governance and administration		102,810	252,416	254,255	17,380	111,471	131,477	(20,006)	-15%	254,255
Executive and council		49,469	54,099	53,172	4,939	25,693	26,332	(639)	-2%	53,172
Finance and administration		53,322	198,047	200,873	12,441	85,748	105,057	(19,309)	-18%	200,873
Internal audit		20	270	210	-	30	89	(58)	-66%	210
Community and public safety		96,429	111,512	111,751	8,686	50,269	58,466	(8,198)	-14%	111,751
Community and social services		9,661	12,180	12,180	767	4,412	6,534	(2,122)	-32%	12,180
Sport and recreation		50,545	56,704	57,029	4,676	26,257	29,544	(3,288)	-11%	57,029
Public safety		25,178	28,610	28,614	2,135	13,418	15,148	(1,730)	-11%	28,614
Housing		5,149	6,627	6,537	380	2,552	3,461	(909)	-26%	6,537
Health		5,896	7,391	7,391	727	3,631	3,779	(148)	-4%	7,391
Economic and environmental services		121,305	163,774	161,198	6,116	53,536	103,431	(49,894)	-48%	161,198
Planning and development		36,790	29,222	30,462	1,896	10,971	15,581	(4,610)	-30%	30,462
Road transport		81,947	111,957	108,141	3,302	38,705	76,757	(38,052)	-50%	108,141
Environmental protection		2,568	22,594	22,594	919	3,860	11,093	(7,232)	-65%	22,594
Trading services		761,296	629,886	634,749	36,667	288,478	347,694	(59,216)	-17%	634,749
Energy sources		351,703	408,286	408,286	23,276	176,301	208,071	(31,771)	-15%	408,286
Water management		182,571	99,688	99,688	3,780	49,363	60,058	(10,694)	-18%	99,688
Waste water management		103,908	71,306	71,306	4,172	34,219	49,754	(15,535)	-31%	71,306
Waste management		123,115	50,606	55,469	5,439	28,594	29,810	(1,216)	-4%	55,469
Other		3,725	6,322	6,222	985	2,471	2,950	(478)	-16%	6,222
Total Expenditure - Functional	3	1,085,565	1,163,909	1,168,175	69,834	506,225	644,018	(137,792)	-21%	1,168,175
Surplus/ (Deficit) for the year		(64,074)	(75,214)	(22,079)	80,093	118,285	14,630	103,655	709%	(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 – M06 December 2022

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - EXECUTIVE COUNCIL	1	354	-	0	-	0	-	0	#DIV/0!	0
Vote 2 - FINANCIAL SERVICES		336,669	358,424	358,424	70,504	283,942	230,978	52,964	22.9%	358,424
Vote 3 - CORPORATE SERVICES		808	975	975	306	604	640	(36)	-5.6%	975
Vote 4 - COMMUNITY SERVICES		105,509	117,205	117,205	9,409	48,055	71,584	(23,529)	-32.9%	117,205
Vote 5 - INFRASTRUCTURE AND ENGINEERING		572,011	607,132	664,532	69,360	288,822	352,192	(63,371)	-18.0%	664,532
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		6,009	4,960	4,960	349	3,087	3,253	(166)	-5.1%	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	1,146,096	149,928	624,510	658,647	(34,137)	-5.2%	1,146,096
Expenditure by Vote										
Vote 1 - EXECUTIVE COUNCIL	1	53,373	58,894	59,284	5,367	28,357	29,403	(1,046)	-3.6%	59,284
Vote 2 - FINANCIAL SERVICES		(33,762)	98,012	99,678	4,931	39,033	51,572	(12,539)	-24.3%	99,678
Vote 3 - CORPORATE SERVICES		52,164	43,088	43,106	3,212	18,815	22,198	(3,384)	-15.2%	43,106
Vote 4 - COMMUNITY SERVICES		257,361	230,145	235,007	18,799	104,625	122,939	(18,314)	-14.9%	235,007
Vote 5 - INFRASTRUCTURE AND ENGINEERING		731,666	695,979	692,097	34,802	301,301	398,256	(96,955)	-24.3%	692,097
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		24,762	37,702	38,852	2,710	14,082	19,579	(5,497)	-28.1%	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	1,085,565	1,163,819	1,168,025	69,821	506,212	643,947	(137,735)	-21.4%	1,168,025
Surplus/ (Deficit) for the year	2	(64,205)	(75,124)	(21,929)	80,106	118,298	14,701	103,597	704.7%	(21,929)

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) – M06 December 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	15,899	160,741	155,188	5,553	4%	240,849
Service charges - electricity revenue		327,359	371,804	371,804	52,250	182,700	185,902	(3,202)	-2%	371,804
Service charges - water revenue		83,125	89,362	89,362	8,096	41,726	44,681	(2,955)	-7%	89,362
Service charges - sanitation revenue		56,405	62,796	62,796	4,636	29,794	31,398	(1,604)	-5%	62,796
Service charges - refuse revenue		54,886	62,858	62,858	5,029	31,782	31,429	353	1%	62,858
Rental of facilities and equipment		3,094	2,968	2,968	518	1,215	1,947	(732)	-38%	2,968
Interest earned - external investments		3,225	2,811	2,811	255	1,523	1,844	(321)	-17%	2,811
Interest earned - outstanding debtors		13,878	13,706	13,706	2,138	11,081	7,122	3,959	56%	13,706
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5,881	1,842	1,842	1,813	4,525	938	3,587	382%	1,842
Licences and permits		9,593	8,397	8,397	571	5,675	5,507	168	3%	8,397
Agency services		2,560	5,352	5,352	-	672	2,676	(2,004)	-75%	5,352
Transfers and subsidies		153,880	177,920	177,920	54,494	120,293	134,738	(14,444)	-11%	177,920
Other revenue		12,393	12,298	12,298	697	5,306	7,787	(2,481)	-32%	12,298
Gains		10,234	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		960,840	1,052,961	1,052,961	146,397	597,034	611,157	(14,123)	-2%	1,052,961
Expenditure By Type										
Employee related costs		339,392	391,318	391,318	27,285	177,293	204,306	(27,012)	-13%	391,318
Remuneration of councillors		13,395	14,364	14,364	1,133	7,311	7,182	129	2%	14,364
Debt impairment		64,124	42,069	42,069	1,980	5,463	21,034	(15,572)	-74%	42,069
Depreciation & asset impairment		100,148	103,850	103,850	(65)	43,206	103,688	(60,483)	-58%	103,850
Finance charges		4,662	-	-	320	1,128	-	1,128	#DIV/0!	-
Bulk purchases - electricity		295,222	325,900	325,900	21,277	157,351	162,950	(5,599)	-3%	325,900
Inventory consumed		93,046	74,648	72,434	5,118	47,269	37,932	9,336	25%	72,434
Contracted services		75,039	93,375	97,846	6,845	30,966	48,049	(17,084)	-36%	97,846
Transfers and subsidies		458	400	725	-	-	562	(562)	-100%	725
Other expenditure		89,311	117,984	119,668	5,942	36,239	58,313	(22,074)	-38%	119,668
Losses		10,641	-	-	-	-	-	-	-	-
Total Expenditure		1,085,438	1,163,909	1,168,175	69,834	506,225	644,018	(137,792)	-21%	1,168,175
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(124,597)	(110,948)	(115,214)	76,563	90,808	(32,861)	123,669	(0)	(115,214)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		60,630	35,734	93,134	3,530	27,476	47,491	(20,014)	(0)	93,134
Transfers and subsidies - capital (in-kind - all)		20	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(63,947)	(75,214)	(22,079)	80,093	118,285	14,630			(22,079)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(63,947)	(75,214)	(22,079)	80,093	118,285	14,630			(22,079)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(63,947)	(75,214)	(22,079)	80,093	118,285	14,630			(22,079)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(63,947)	(75,214)	(22,079)	80,093	118,285	14,630			(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) – M06 December 2022

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		2,077	–	100	–	(2)	50	(52)	-104%	100
Vote 2 - FINANCIAL SERVICES		2,393	1,670	1,670	–	854	1,345	(491)	-36%	1,670
Vote 3 - CORPORATE SERVICES		1,914	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		53,611	1,638	2,180	83	102	1,909	(1,807)	-95%	2,180
Vote 5 - INFRASTRUCTURE AND ENGINEERING		65,444	35,167	90,012	1,714	26,977	45,695	(18,718)	-41%	90,012
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		263	–	336	–	364	168	196	116%	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	125,701	38,475	94,298	1,797	28,296	49,167	(20,872)	-42%	94,298
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		207	750	773	–	16	386	(371)	-96%	773
Vote 2 - FINANCIAL SERVICES		1,402	60	60	–	34	30	4	12%	60
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–	–	–
Vote 4 - COMMUNITY SERVICES		22,346	–	–	–	–	–	–	–	–
Vote 5 - INFRASTRUCTURE AND ENGINEERING		9,246	400	400	–	–	200	(200)	-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	33,792	1,210	1,233	–	49	616	(567)	-92%	1,233
Total Capital Expenditure	3	159,493	39,685	95,531	1,797	28,345	49,784	(21,439)	-43%	95,531
Capital Expenditure - Functional Classification										
Governance and administration		8,587	2,480	3,144	83	1,004	2,082	(1,078)	-52%	3,144
Executive and council		2,284	750	850	–	(2)	425	(427)	-100%	850
Finance and administration		6,303	1,730	2,272	83	990	1,646	(656)	-40%	2,272
Internal audit		–	–	23	–	16	11	4	38%	23
Community and public safety		58,139	1,638	1,819	–	180	1,728	(1,548)	-90%	1,819
Community and social services		71	–	–	–	–	–	–	–	–
Sport and recreation		5,936	–	181	–	180	90	90	100%	181
Public safety		52,132	1,638	1,638	–	–	1,638	(1,638)	-100%	1,638
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		21,126	11,609	15,077	18	10,019	8,228	1,791	22%	15,077
Planning and development		2,055	4,922	5,258	18	381	3,318	(2,937)	-89%	5,258
Road transport		19,070	6,687	9,819	–	9,637	4,910	4,728	96%	9,819
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		71,642	23,959	75,491	1,696	17,142	37,745	(20,604)	-55%	75,491
Energy sources		9,964	1,738	1,738	(214)	795	869	(74)	-9%	1,738
Water management		24,143	907	56,572	163	11,099	27,786	(16,687)	-60%	56,572
Waste water management		17,527	21,313	18,181	1,747	5,248	9,090	(3,843)	-42%	18,181
Waste management		20,008	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	159,493	39,685	95,531	1,797	28,345	49,784	(21,439)	-43%	95,531
Funded by:										
National Government		49,169	29,649	79,562	1,765	22,216	40,470	(18,255)	-45%	79,562
Provincial Government		–	–	–	–	–	–	–	–	–
District Municipality		51,567	1,638	1,638	–	–	1,638	(1,638)	-100%	1,638
Other transfers and grants		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		100,736	31,287	81,200	1,765	22,216	42,108	(19,893)	-47%	81,200
Public contributions & donations	5	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		58,686	8,398	14,331	32	6,129	7,675	(1,546)	-20%	14,331
Total Capital Funding		159,422	39,685	95,531	1,797	28,345	49,784	(21,439)	-43%	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 – M06 December 2022

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		18,048	2,601	2,601	63,458	2,601
Call investment deposits		9,803	2,838	2,838	37,867	2,838
Consumer debtors		46,705	67,955	67,955	68,986	67,955
Other debtors		144,763	47,032	47,032	19,969	47,032
Current portion of long-term receivables		-	-	-	-	-
Inventory		16,967	12,570	12,570	2,871	12,570
Total current assets		236,285	132,996	132,996	193,151	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	2,521,780	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	53,853	95,855
Provisions		30,944	38,275	38,275	39,430	38,275
Total current liabilities		247,131	154,904	154,904	124,419	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	359,149	346,280
NET ASSETS	2	2,082,001	2,040,704	2,040,704	2,162,631	2,040,704
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,141,149	2,040,704	2,040,704	2,162,631	2,040,704
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2,141,149	2,040,704	2,040,704	2,162,631	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 – M06 December 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	16,676	141,965	115,224	26,740	23%	230,449
Service charges		238,396	652,478	652,478	39,152	262,769	326,239	(63,470)	-19%	652,478
Other revenue		22,231	57,445	57,445	19,537	63,046	28,722	34,324	120%	57,445
Transfers and Subsidies - Operational		147,988	177,920	177,920	54,861	125,164	88,960	36,205	41%	177,920
Transfers and Subsidies - Capital		-	35,734	35,734	14,305	45,925	17,867	28,057	157%	35,734
Interest		841,486	2,811	2,811	2,619	12,797	1,405	11,392	811%	2,811
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,115,817)	(89,149)	(545,846)	(557,909)	(12,063)	2%	(1,115,817)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,886,718	41,019	41,019	58,000	105,821	20,510	(85,311)	-416%	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		(80,871)	(39,685)	(95,531)	(2,066)	(32,346)	(47,766)	(15,420)	32%	(95,531)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(80,871)	(39,685)	(95,531)	(2,066)	(32,346)	(47,766)	(15,420)	32%	(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		1,829,520	1,334	(54,512)	55,934	73,475	(27,256)			(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:		1,882,915	5,439	(50,407)		101,325	(23,151)			(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 31 December 2022, compared to the position as at 30 June 2022.

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

Description	Budget Year 2022/23								
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
R thousands									
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	14,306	5,389	3,794	3,544	3,507	2,299	11,220	58,875	102,934
Trade and Other Receivables from Exchange Transactions - Electricity	52,195	1,542	1,283	1,189	2,089	879	2,805	10,689	72,673
Receivables from Non-exchange Transactions - Property Rates	14,014	1,406	1,163	939	14,236	560	2,603	26,128	61,049
Receivables from Exchange Transactions - Waste Water Management	6,753	1,570	1,375	1,390	1,619	1,017	5,282	26,994	46,001
Receivables from Exchange Transactions - Waste Management	5,642	1,448	1,355	1,329	1,219	1,096	6,049	36,361	54,498
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	268	191	213	258	711	262	1,903	38,756	42,562
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-
Other	(24,745)	470	444	408	1,148	341	1,627	16,232	(4,075)
Total By Income Source	68,434	12,015	9,628	9,058	24,529	6,453	31,489	214,036	375,641
Debtors Age Analysis By Customer Group									
Organs of State	883	473	469	445	3,964	458	1,112	6,893	14,697
Commercial	6,609	519	420	420	672	282	1,067	5,277	15,266
Households	60,942	11,023	8,739	8,193	19,893	5,714	29,310	201,866	345,679
Other	-	-	-	-	-	-	-	-	-
Total By Customer Group	68,434	12,015	9,628	9,058	24,529	6,453	31,489	214,036	375,641

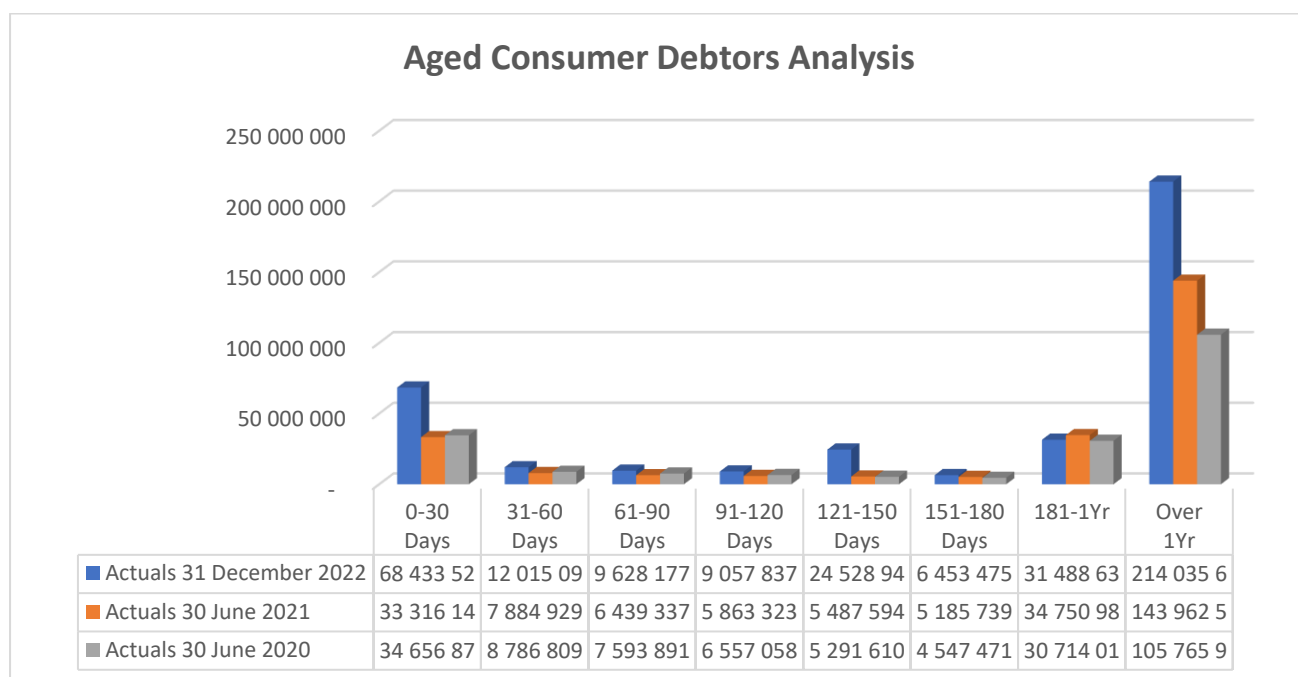
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2022.

Description	Budget Year 2021/22								
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
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	23,856	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

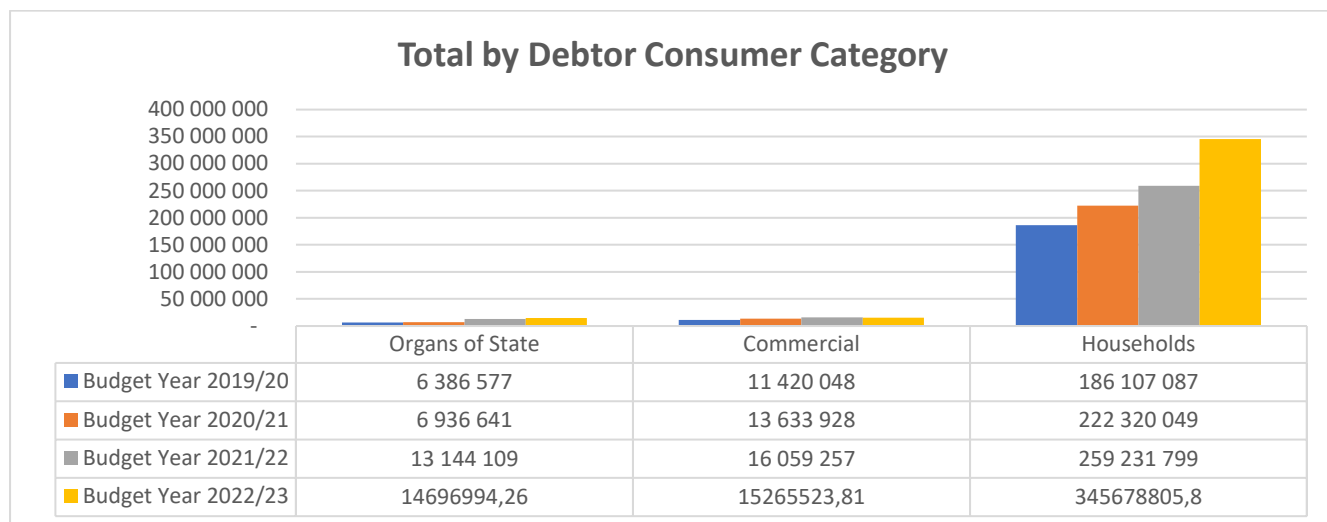
The aforementioned analysis indicates that from 31 July 2022 to 31 December 2022, the overdue debts have increased by R 48,227 million from R 258,981 million to R 307,208 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	30-Jun-22	31-Dec-22	DIFFERENCE
Trade and Other Receivables from Exchange Transactions - Water	73,938	88,627	14,689
Trade and Other Receivables from Exchange Transactions - Electricity	18,070	20,478	2,408
Receivables from Non-exchange Transactions - Property Rates	34,285	47,035	12,750
Receivables from Exchange Transactions - Waste Water Management	34,263	39,247	4,985
Receivables from Exchange Transactions - Waste Management	44,028	48,857	4,829
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-
Interest on Arrear Debtor Accounts	34,768	42,294	7,525
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-
Other	19,629	20,670	1,041
Total By Income Source	258,981	307,208	48,227
	-	-	
Debtors Age Analysis By Customer Group	-	-	
Organs of State	8,968	13,814	4,846
Commercial	7,482	8,657	1,174
Households	242,531	284,737	42,206
Other	-	-	-
Total By Customer Group	258,981	307,208	48,227

Graphical Analysis of consumer debtors



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



2. Overview of Creditors position

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

Description	Budget Year 2022/23								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity	24,325	-	-	-	-	-	-	-	24,325
Bulk Water	-	15	14	13	13	11	19	(1,682)	(1,597)
PAYE deductions	4,445								4,445
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	3,781	523	0	-	-	-	545	1,268	6,117
Auditor General									-
Other									-
Total By Customer Type	32,550	537	14	13	13	11	564	(414)	33,290

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

Eskom	R 24,325 million
NMBM	R -1,597 million
SARS: PAYE	R 4,445 million
Other Creditors	R 6,117 million
Total	<u>R 33,290 million</u>

It is to be noted that the Eskom amount of R 24,325 million, represents the current account for December 2022, which will be fully paid on 23 January 2023.

The PAYE deductions represent employee related costs for the month of December 2022, with the amount only due on 4 January 2023.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M06 December 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	54,861	121,635	121,635	-	167,982
Operational Revenue:General Revenue:Equitable Share	163,292	163,292	53,886	117,569	117,569	-	163,292
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,175	1,175	529	823	823	-	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	446	1,523	1,523	-	1,795
Provincial Government:	7,050	7,050	-	2,050	2,050	-	7,050
Library grant	2,050	2,050	-	2,050	2,050	-	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	54,861	125,164	125,164	-	177,920
Capital Transfers and Grants							
National Government:	34,096	34,096	8,477	28,941	28,941	-	34,096
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	8,477	28,941	28,941	-	34,096
District Municipality:	59,038	59,038	5,828	16,984	16,984	-	59,038
Fire Services Subsidy	1,638	1,638	-	993	993	-	1,638
Water Services Infrastructure Grant	-	57,400	5,828	15,991	15,991	-	57,400
Total Capital Transfers and Grants	35,734	93,134	14,305	45,925	45,925	-	93,134
TOTAL RECEIPTS OF TRANSFERS & GRANTS	213,654	271,054	69,166	171,089	171,089	-	271,054

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M06 December 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	119,571	119,914	343	167,982
Operational Revenue:General Revenue:Equitable Share	163,292	163,292	53,886	117,569	117,569	-	163,292
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	42	488	860	372	1,720
Expanded Public Works Programme Integrated Grant for Municipalities	1,175	1,175	473	874	588	(286)	1,175
Municipal Infrastructure Grant [Schedule 5B]	1,795	1,795	93	641	898	257	1,795
Specify (Add grant description)	7,050	7,050	2,050	2,050	2,050	-	7,050
Library grant	2,050	2,050	2,050	2,050	2,050	-	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	722	-	2,888
Total operating expenditure of Transfers and Grants:	177,920	177,920	65,786	121,621	121,964	343	177,920
Capital expenditure of Transfers and Grants	34,096	34,096	2,010	17,118	17,048	(70)	34,096
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	2,010	17,118	17,048	(70)	34,096
District Municipality:	1,638	59,038	528	9,366	28,700	19,334	59,038
Fire Services Subsidy	1,638	1,638	-	-	-	-	1,638
Water Services Infrastructure Grant	-	57,400	528	9,366	28,700	19,334	57,400
Total capital expenditure of Transfers and Grants	35,734	93,134	-	-	-	19,264	93,134
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	213,654	271,054	67,795	139,012	139,012	19,607	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 487,644
Unspent as at 31 December 2022:	R 1,232,356

The spending of the grant received amounted to 28.35% as at 31 December 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 823,000
Expenditure to date:	R 873,907
Overspent as at 31 December 2022:	R - 50,907

The spending of the grant received amounted to 106.19 % as at 31 December 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 30,464,000
Expenditure to date:	R 17,758,602
Unspent as at 31 December 2022:	R 12,705,398

The spending of the grant amounted to 58,29% as at 31 December 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 15,991,213
Expenditure to date:	R 9,365,700
Unspent as at 31 December 2022:	R 6,625,513

The spending of the grant amounted to 58.57 % as at 31 December 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 – M06 December 2022.

Summary of Employee and Councillor remuneration	2021/22	Budget Year 2022/23						
		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	4,908	4,792	116	9,584
Medical Aid Contributions	–	–	–	13	101	–	101	–
Motor Vehicle Allowance	3,204	3,232	3,232	252	1,636	1,616	20	3,232
Cellphone Allowance	1,187	1,548	1,548	111	666	774	(108)	1,548
Sub Total - Councillors	13,395	14,364	14,364	1,133	7,311	7,182	129	14,364
Senior Managers of the Municipality								
Basic Salaries and Wages	6,126	7,282	7,282	344	2,668	3,641	(973)	7,282
Pension and UIF Contributions	70	111	111	5	30	55	(25)	111
Medical Aid Contributions	35	50	50	2	15	25	(10)	50
Performance Bonus	157	23	23	–	–	23	(23)	23
Motor Vehicle Allowance	796	1,965	1,965	40	265	983	(718)	1,965
Cellphone Allowance	10	10	10	1	5	5	–	10
Other benefits and allowances	1	4	4	0	0	2	(2)	4
Payments in lieu of leave	4,529	4,500	4,500	112	2,041	2,250	(209)	4,500
Sub Total - Senior Managers of Municipality	11,723	13,945	13,945	505	5,024	6,984	(1,960)	13,945
Other Municipal Staff								
Basic Salaries and Wages	200,324	252,252	251,287	18,063	105,257	125,618	(20,361)	251,287
Pension and UIF Contributions	32,144	34,906	34,906	2,769	16,520	17,453	(932)	34,906
Medical Aid Contributions	16,653	17,471	17,471	1,431	8,506	8,735	(229)	17,471
Overtime	24,991	28,219	28,371	2,017	12,288	14,185	(1,897)	28,371
Performance Bonus	21	23	23	–	23	23	(0)	23
Motor Vehicle Allowance	9,966	10,774	10,774	821	5,168	5,387	(219)	10,774
Cellphone Allowance	92	53	53	2	12	27	(14)	53
Housing Allowances	782	1,031	1,031	58	356	516	(160)	1,031
Other benefits and allowances	29,081	29,770	30,583	1,480	23,286	23,940	(653)	30,583
Payments in lieu of leave	975	1,600	1,600	45	235	800	(565)	1,600
Long service awards	953	1,275	1,275	93	617	637	(20)	1,275
Post-retirement benefit obligations	11,685	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	327,668	377,374	377,374	26,780	172,269	197,321	(25,052)	377,374
Total Parent Municipality	352,786	405,683	405,683	28,418	184,604	211,488	(26,883)	405,683
TOTAL SALARY, ALLOWANCES & BENEFITS	352,786	405,683	405,683	28,418	184,604	211,488	(26,883)	405,683
TOTAL MANAGERS AND STAFF	339,392	391,318	391,318	27,285	177,293	204,306	(27,012)	391,318

6. Key performance indicators

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

		Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021	Actuals as at 30 June 2022	Approved Budget 2022/23	Actuals as at 31 December 2022
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.29%	1.22%	1.13%	0.67%	0%	1.34%
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	0.00	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	1.31	1.26	2.61	1.12	0.86:1	1.55:1
Liquidity Ratio	Monetary assets / current liabilities	0.84	0.61	0.45	0.24	0.04:1	0.81:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	97,62%	95.42%	94.41%	94.32%	95%	86.15%

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 December 2022
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/monthly fixed operational expenditure excluding (depreciation, amortisation, provision for bad debts, impairment and loss on disposal of assets)	1.97	1.79	0.62	0.37	0.06 Months	1.06 Months
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	32.53%	34.26%	33.86%	33.62%	35.02%
Capital Expenditure	Capital Expenditure / Capital Budget	44.59%	75.33%	76.92%	87%	95%	29.67%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	5.63%	6.68%	7.00%	5.32%	2.50%	3.51%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.29%	2.90%	3.33%	2.52%	2.50%	0.86%
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%	79.85%

The above table is discussed in detail below.

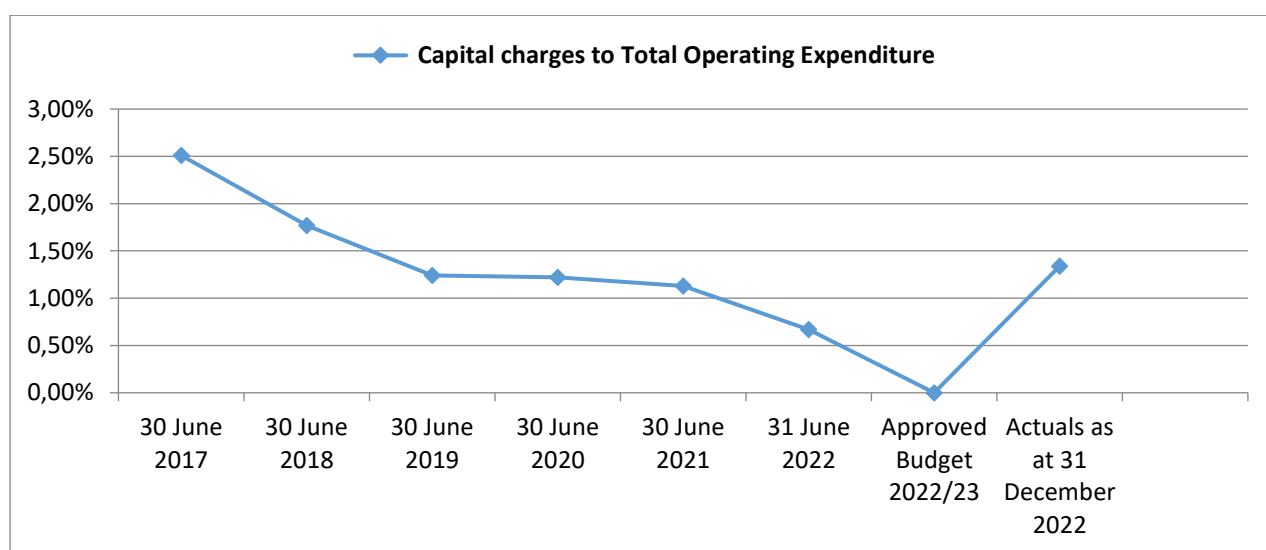
4.1. Borrowing Management

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 indicates that 1.34% of the Total Operating Expenditure was utilised for capital charges as at 31 December 2022, compared to the approved budget ratio of 0%.



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.

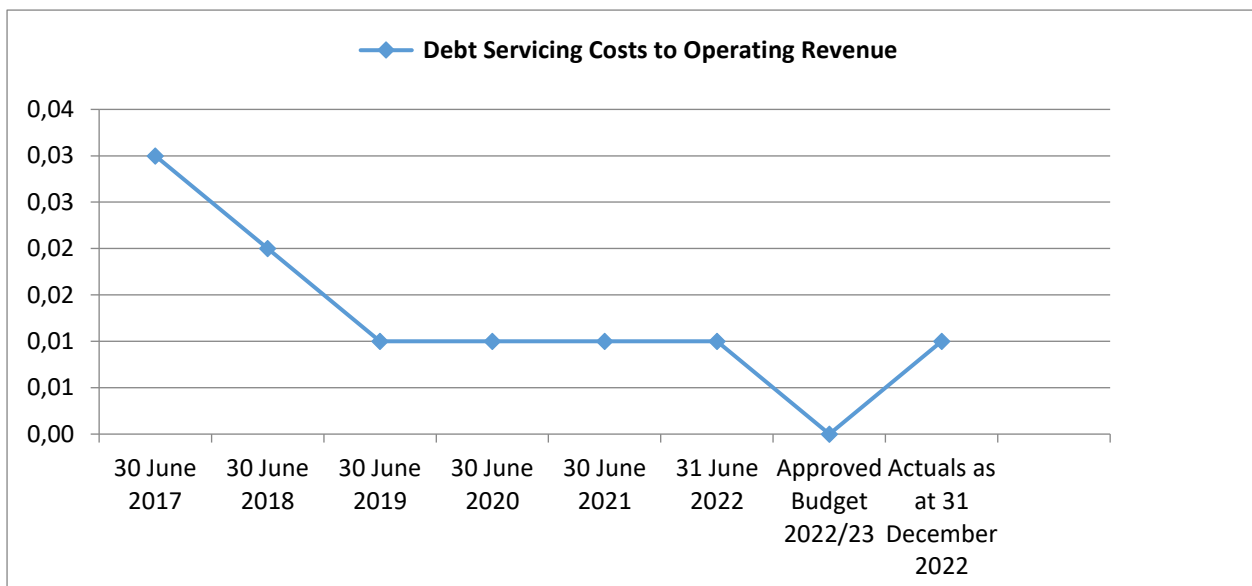
4.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 December 2022, the ratio was 0.01:1, compared to the approved budget ratio of 0.00:1.



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:

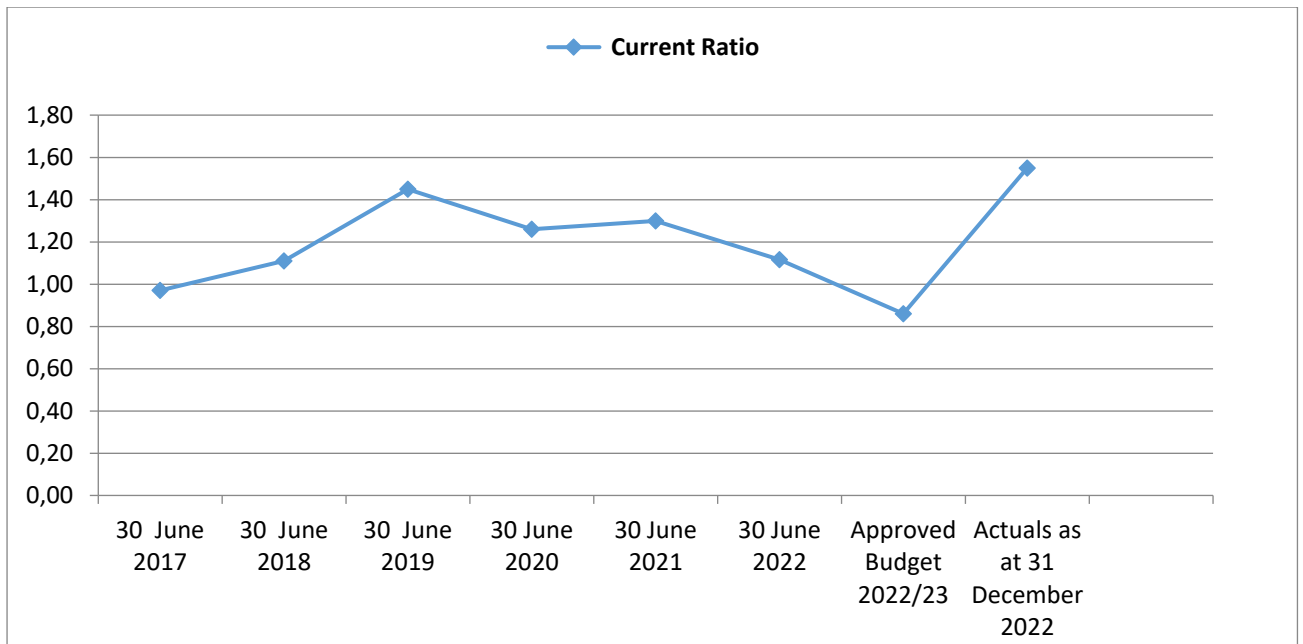
Current assets/Current liabilities

The ratio as at 31 December 2022 was 1.55:1, 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

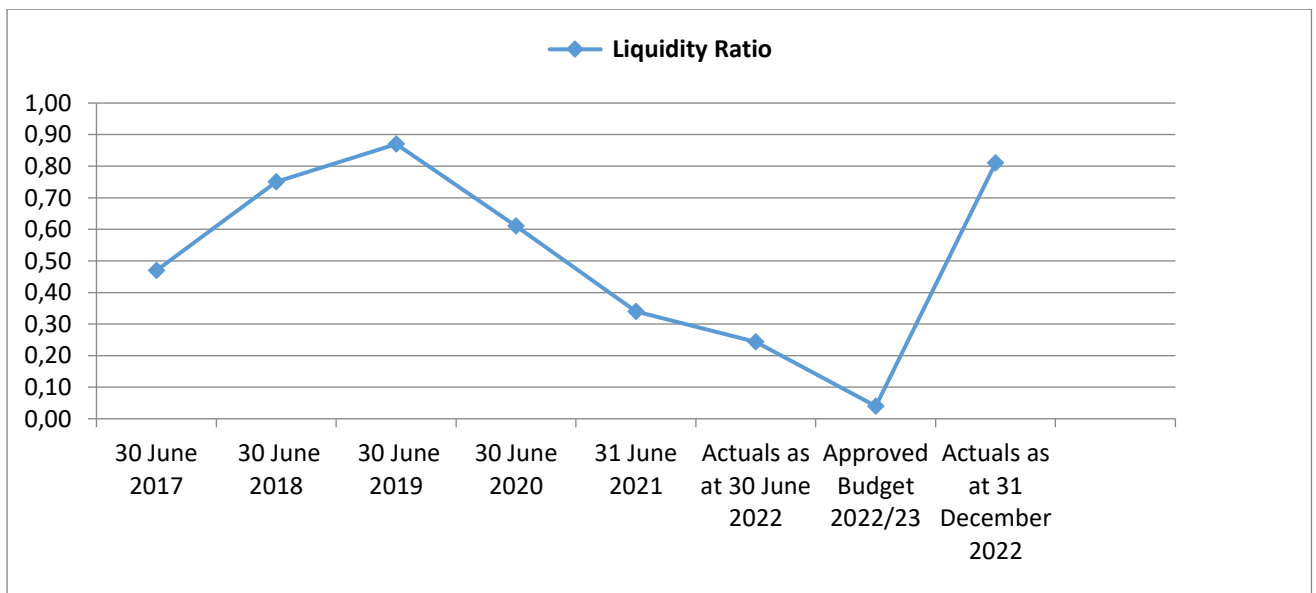
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

$$\text{Monetary assets/Current liabilities}$$

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 December 2022 was 0.81:1, 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

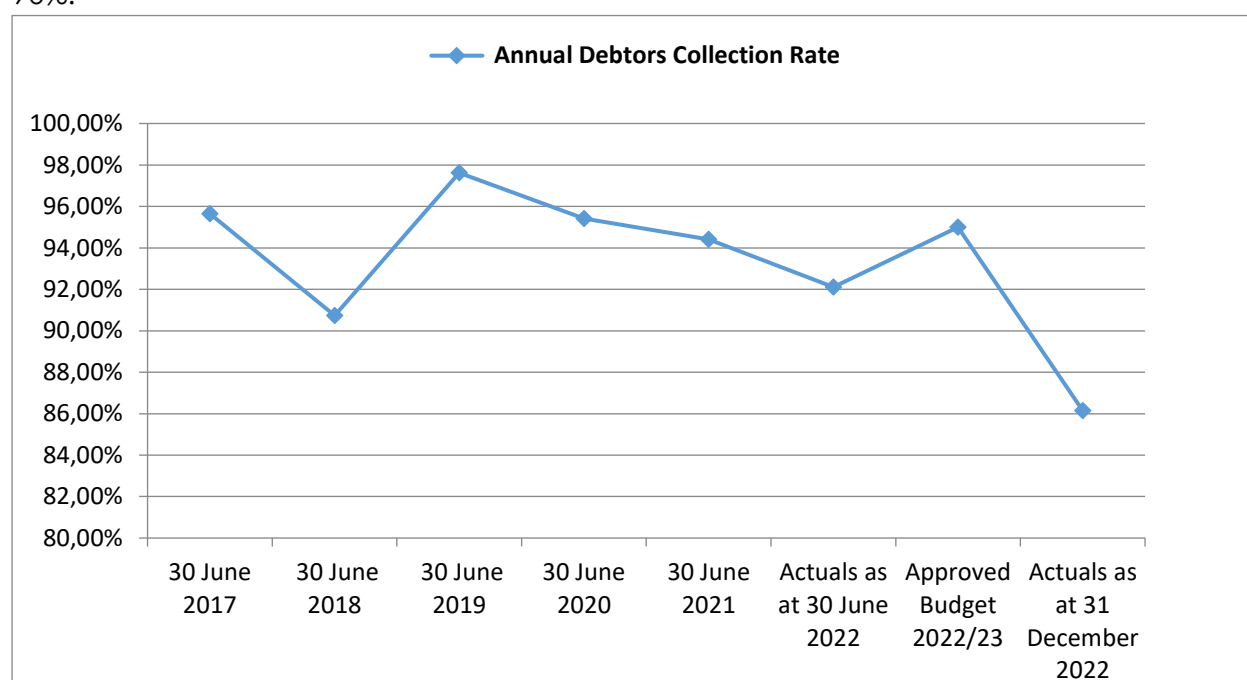
4.3.1. Annual Debtors Collection Rate

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:

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

The average collection rate as at 31 December 2022 was 86.15%, compared to the approved budget collection rate of 95%. The actual collection rate for December is 90%.



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.

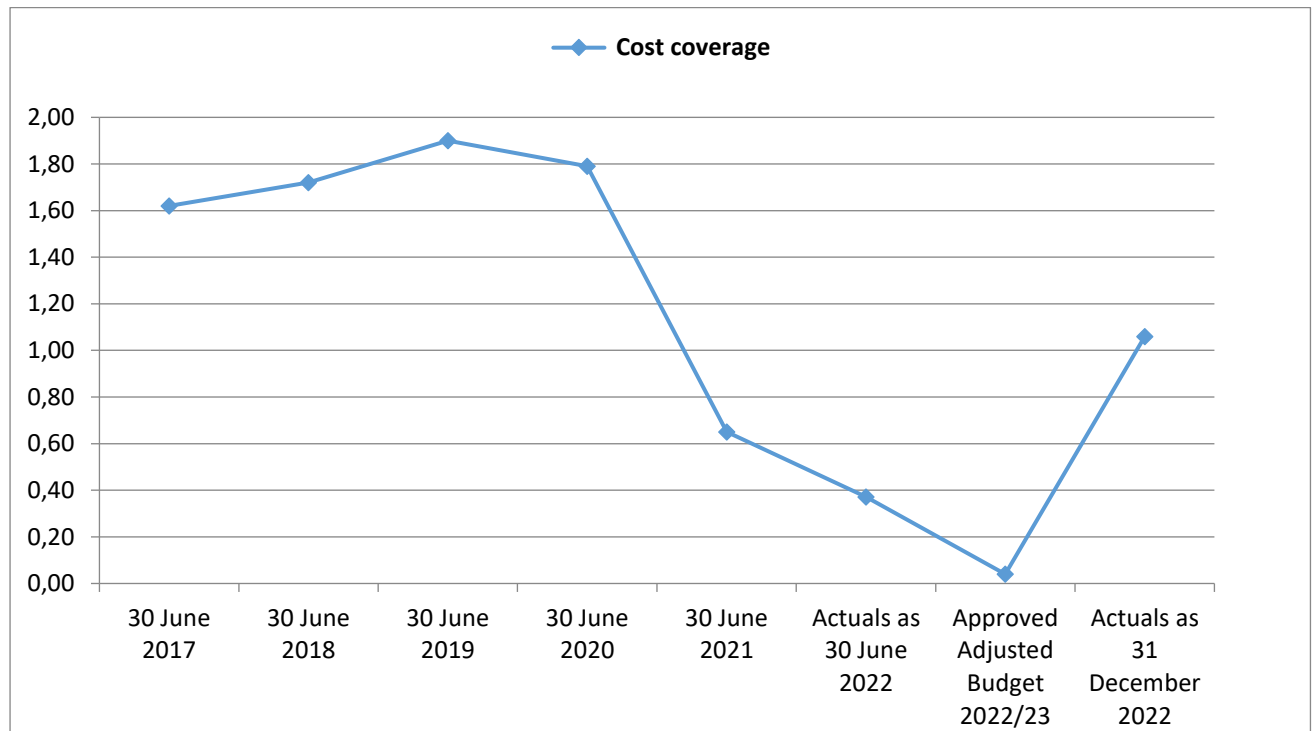
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

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

As at 31 December 2022, the Ratio was 1.06 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.



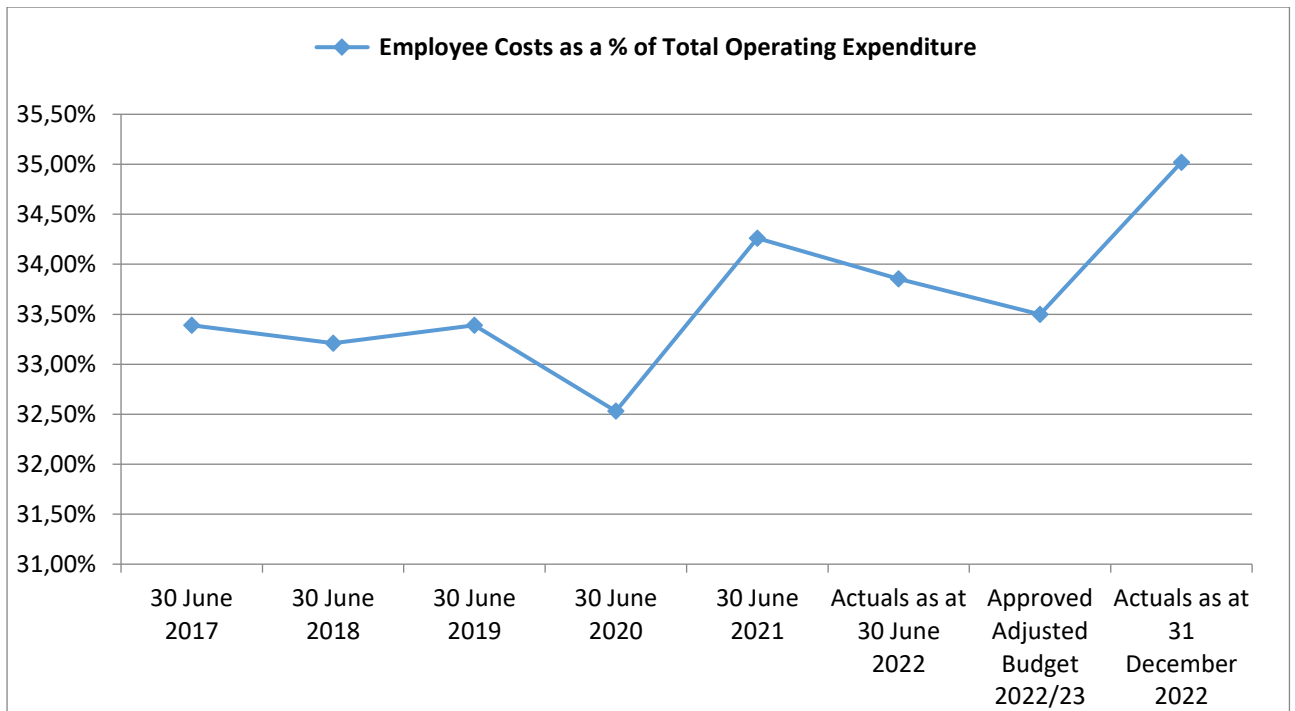
4.4.2. Employee costs as a % of Total Operating Expenditure

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 December 2022, Employee Related Costs constituted 35.02% of the Total Operating Expenditure compared to the approved adjusted budget ratio 33.50%.



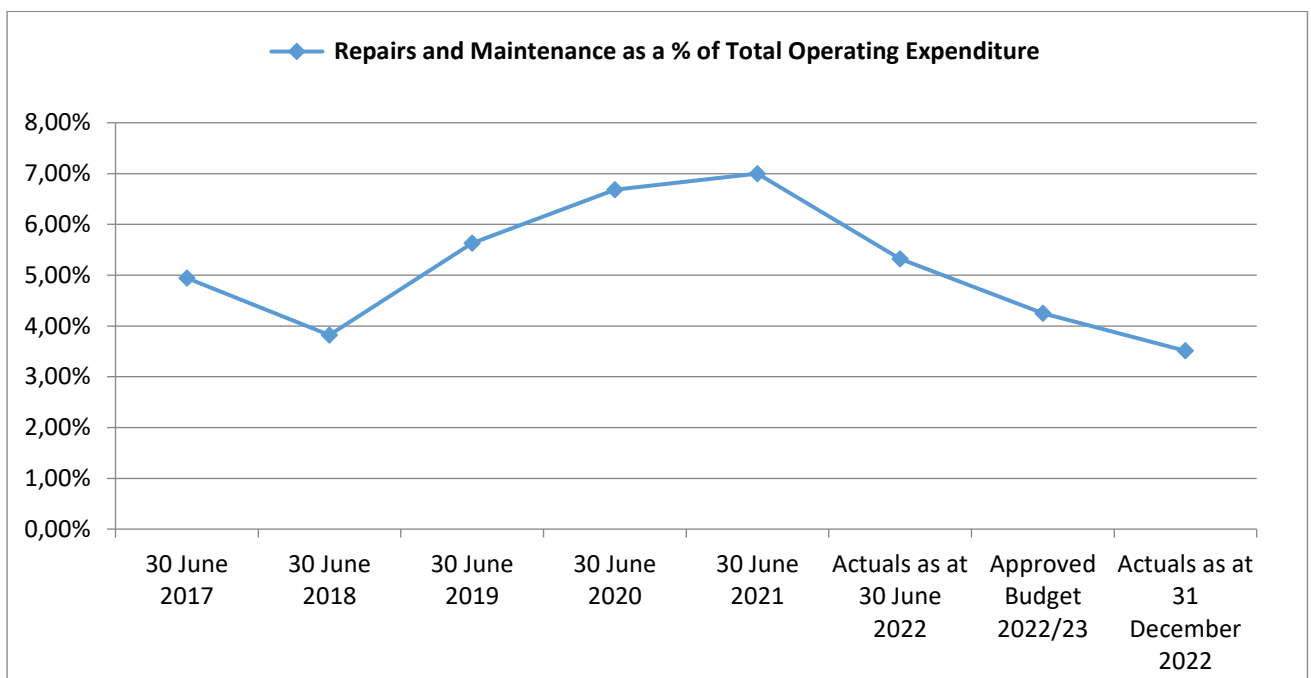
4.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 December 2022, the ratio was 3.51%, 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)

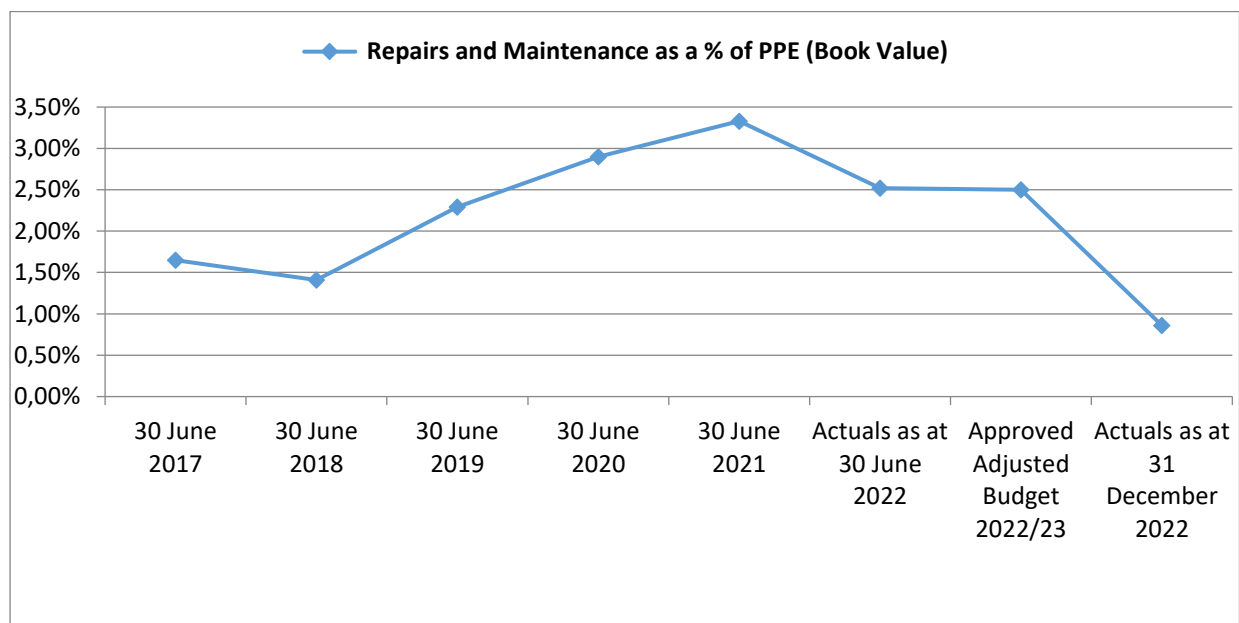
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 December 2022, repairs and maintenance expenditure constituted 0.86% 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%.



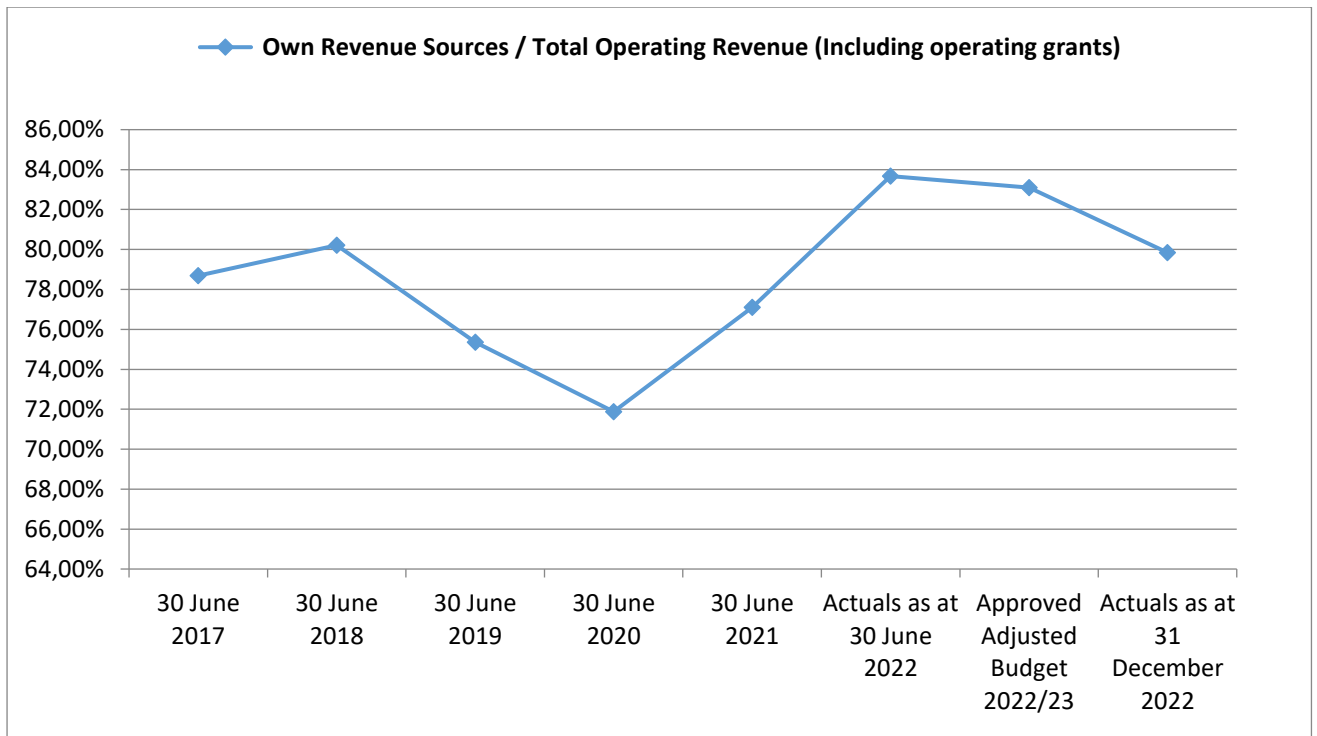
Own Revenue Generation

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 December 2022, the Municipality's own revenue sources constituted 79.85% 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:

$$\text{Actual Capital spending} / \text{Approved Capital Budget}$$

The actual spending as at 31 December 2022 amounted to 29,67% compared to the approved adjusted budget ratio of 95%.

